

Recology Material Mistakes or Errors Disclosures (April 24, 2023)

Identified Confirmed Material Mistakes or Errors

On or after March 23, 2023, Recology San Francisco (“RSF”), Sunset Scavenger Company (“RSS”), and Golden Gate Disposal & Recycling Company (“RGG”) (collectively, the “SF Recology Companies”) identified the Suspected Material Mistakes or Errors set forth in Attachment A. The SF Recology Companies investigated the Suspected Material Mistakes or Errors and determined that they are Confirmed Material Mistakes or Errors.

The SF Recology Companies will address the Material Mistakes or Errors in Attachment A by issuing revised 3 months ending September 30, 2021, RY22 (15 months ending September 30, 2022 and 12 months ending September 30, 2022), and Q1 RY23 Rate Reports. Because the SF Recology Companies will issue revised Rate Reports, the amounts reported in the Material Mistakes or Errors disclosure of March 1, 2023 for these same periods will also be included in these revised Rate Reports. For reference, a revised “Attachment A” from the March 1, 2023 disclosure is included with this disclosure. This revised schedule includes a column that breaks out amounts for Q1 RY22 (3 months ending September 30, 2021).


Material Mistake or Error 1, understating the reported actual revenues, occurred because the value of certain donated services was not recorded as revenue. As a result, the “Open Market Debris Box Revenue” and total revenue that RSS and RGG reported in the Rate Reports from RY18 through and including Q1 RY23 was understated. Table 6 of the Rate Reports was affected by this Material Mistake or Error and will be updated with the correct amounts in the revised Rate Reports. Rate Reports for periods before the 3 months ending September 30, 2021 will not be reissued, but the amounts are reported in Attachment A.

Material Mistake or Error 2 and 3, overstating the reported actual expenses, occurred due to legal expenses for non-rate-related activity being included in the “Professional Services” expenses for the SF Recology Companies from RY21 through and including Q1 RY23. Tables 9 and 10 of the Rate Reports were affected by this Material Mistake or Error and will be updated with the correct amounts in the revised Rate Reports. Rate Reports for periods before the 3 months ending September 30, 2021 will not be reissued, but the amounts are reported in Attachment A.

Because these Material Mistakes or Errors affected only the reporting of total revenues and expenses, there is no impact on the rates charged to ratepayers.

I declare under penalty of perjury, under the laws of the State of California, that all statements contained in this Disclosure of Material Mistake or Error are true and correct, to the best of my knowledge. Executed this 24th day of April 2023, in San Francisco, California.

DocuSigned by:


Terry Duong
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Regional Controller, Recology San Francisco Companies

Material Error Disclosure, March 1, 2023, showing Q1 RY22 ending 9/30/21
Increase (Decrease)

#	Rate App	Rate Reports	SSGG / RSF	Rate Report Table	Item	Description	Cause	Rate Report - Actual							
								RY18	RY19	RY20	RY21	Q1 RY22 ending 9/30/21	RY22 ending 6/30/22	15 mths RY22 ending 9/30/22	12 mths RY22 ending 9/30/22
1	No	Yes	SSGG	Table 9	Other	To remove interest income recorded in error on overdue receivables from contract customer.	Accounting error	\$ (612)	\$ (241)	\$ 319	\$ 2,942	\$ 2,072	\$ 8,857	\$ 11,410	\$ 9,338
2	No	Yes	SSGG	Table 9	I/C Processing	To remove expense for cardboard processing.	Accounting error	\$ (63,001)	\$ (52,311)	\$ (23,085)	\$ (26,766)	\$ (17,880)	\$ (48,488)	\$ (17,880)	
3	No	Yes	SSGG	Table 9	Other	To reclassify interest income from Other Expense in Table 9 to Interest Income in Table 6	Classification error	\$ 202,777	\$ 263,526	\$ 248,717	\$ 279,559	\$ 45,537	\$ 323,425	\$ 412,668	\$ 367,131
4	No	Yes	SSGG	Table 6	Interest Income	To reclassify interest income from Other Expense in Table 9 to Interest Income in Table 6	Classification error	\$ 202,777	\$ 263,526	\$ 248,717	\$ 279,559	\$ 45,537	\$ 323,425	\$ 412,668	\$ 367,131

#	Rate App	Rate Reports	SSGG / RSF	Rate Report Table	Item	Description	Cause	Rate Report - Projection							
								RY18	RY19	RY20	RY21	Q1 RY22 ending 9/30/21	RY22 ending 6/30/22	15 mths RY22 ending 9/30/22	12 mths RY22 ending 9/30/22
5	No	Yes	RSF	Table 10	Property Rental	To correct calculation of Property Rental Projection.	Accounting error					\$ 73,087		\$ (373,184)	\$ (446,271)

Material Error Disclosure
Increase (Decrease)

#	SSGG / RSF	Rate Report Table	Item	Description	Cause	Rate Report - Actual								
						RY18	RY19	RY20	RY21	Q1 RY22 ending 9/30/21	RY22 ending 6/30/22	15 mths RY22 ending 9/30/22	12 mths RY22 ending 9/30/22	RY23 Q1 ending 12/31/22
1	SSGG	Table 6	Open Market Debris Box Revenue	Increase revenue for services provided in-kind	Accounting error	\$ 205,887	\$ 278,807	\$ 183,586	\$ 867	\$ 6,681	\$ 57,863	\$ 75,019	\$ 68,338	\$ 22,201
2	SSGG	Table 9	Professional Services	To remove legal expenses not consider rate recoverable	Accounting error				\$ -	\$ -	\$ -	\$ -	\$ -	\$ (24,434)
3	RSF	Table 10	Professional Services	To remove legal expenses not consider rate recoverable	Accounting error				\$ (6,817)	\$ (66,984)	\$ (165,365)	\$ (228,745)	\$ (161,760)	\$ (12,587)