

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In re Penalty Assessment No.)	DOCKET NO. UT-041430
UT-041430)	
)	
)	
PRIORITY TERABIT, INC.)	STAFF RESPONSE TO
)	PLEA FOR MITIGATION
.....)	

- 1 On August 31, 2004, the Commission issued a penalty assessment against Priority Terabit, Inc. (Priority Terabit), in the amount of \$100.00 for one violation of WAC 480-120-303, which requires competitively classified companies to file annual reports and pay regulatory fees to the Commission no later than May 1 of each year. Priority Terabit had 15 days to respond to the penalty assessment, either by paying the penalty, requesting a hearing, or requesting mitigation of the penalty.
- 2 On September 7, 2004, James K. Wilson of Priority Terabit sent an application requesting mitigation of the penalty to the Commission. The Company's mitigation request and Staff's response are discussed below.
- 3 The Commission issued \$100.00 in penalties for a violation of WAC 480-120-303, because Priority Terabit filed its 2003 annual report, due May 1, 2004, on August 2, 2004.
- 4 The Company requests full mitigation of this penalty. Priority Terabit's mitigation request states that the Company filed an address change with the Commission in 2003, but the Commission did not update the Company's address in its system until at least August 2004.
- 5 Although Commission staff could not verify a change of address submission from Priority Terabit in 2003, Staff did confirm that the Company submitted a change of address in 2004, which was updated in the Commission's system in July 2004.
- 6 Staff recommends the Commission mitigate the penalty in full. The Company provided information regarding the extenuating circumstances that caused the 2003 annual report to be filed late.

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Summary

Staff recommends the Commission grant full mitigation of the penalty assessment against Priority Terabit, Inc. in Docket No. UT-041430.

Dated September 21, 2004