

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Penalty Assessment
Against XTENSION SERVICES, INC. in
the Amount of \$100

DOCKET UT-071289

DECLARATION OF
SHERI HOYT

SHERI HOYT, under penalty of perjury under the laws of the state of Washington, declares as follows:

1. I am over 18 years of age, a citizen of the United States, a resident of the state of Washington, and competent to be a witness.
2. I am employed by the Washington Utilities and Transportation Commission (Commission) as a Compliance Specialist in the Business Practices Investigations Section. I have been employed at the Commission for over 15 years, holding various positions. As a Compliance Specialist, my responsibilities include conducting investigations regarding the business practices of regulated utility or transportation companies. As part of those duties, I investigate telecommunications companies that may be operating in violation of Commission statute, rule, or tariff.
3. On July 18, 2007, Xtension Services, Inc. (Xtension) filed with the Commission an Application for Mitigation (Mitigation Request) in Docket No. UT-071289 contesting the violation and asking for a penalty reduction. I have read the Mitigation Request. In the Mitigation Request, Xtension waives a hearing and asks for an administrative decision.
4. This Mitigation Request arises from a Notice of Penalties Incurred and Due for Violations of Laws and Rules issued by the Commission on July 5, 2007, in Docket UT-071289. In that Notice, the Commission issued a penalty of \$100 for a violation of Washington Administrative Code 480-120-382, which requires competitive telecommunications companies to file annual reports with the Commission by May 1 each year.
5. Before recommending the Commission issue penalties, as part of my job, I conducted an investigation of Xtension's records. My investigation resulted in an investigation report titled, "Staff Investigation - 2006 Annual Reports"¹.
6. I identified the violation in this case from records maintained by the Commission.

¹ A true and accurate copy of the investigation report is attached to this declaration as Attachment A.

Specific Issues Addressed by Xtension in its Mitigation Request

Xtension states that, according to its records, it filed the annual report.

7. In its Mitigation Request, Xtension states it filed the report. It provided a copy of a DHL Express (USA), Inc. shipping label dated April 21, 2007, and a DHL Tracking Results Detail reporting shipping and delivery information pertaining to a package matching the waybill number of the shipping label.²
8. On the shipping label in the “Sent by” field is the following hand-written notation:

XTEN
WDT, OSC, ATG, Treshold
9. The Tracking Results Detail indicates a package was sent by Telecom Professionals in Oklahoma City, Oklahoma, to the Utilities and Transportation Commission, where it was signed for by J. Carlson on April 24, 2007, at 9:35a.m.
10. Commission records indicate the following 2006 annual reports were received on April 24, 2007: WDT World Discount Telecommunications Co.; Operator Service Company, LLC; Advanced Telemanagement Group, Inc.; and Threshold Communications, Inc. A regulatory fee payment check was received with each report except Operator Service Company, LLC’s, as no fee was due.
11. Included with Xtension’s Mitigation Request received on July 18, 2007, was a 2006 annual report and a check, number 4823, made out on July 17, 2007, in the amount of \$128.51 for Xtension’s regulatory fee payment. The amount received did not include monies for the 2% late payment penalty or the 1% interest fee for each delinquent month.

² A true and accurate copy of both the shipping label photocopy and Tracking Result Detail photocopy received with Xtension’s Mitigation Request comprise Attachment B.

Staff Conclusion and Recommendation

12. The notation of “XTEN” on the shipping label fails to demonstrate that Telecom Professionals included a 2006 annual report for Xtension Services, Inc. in the shipping package delivered April 24, 2007. The Commission has no record of receiving any monies for Xtension’s regulatory fee payment prior to receipt of the Mitigation Request. On these two grounds, Staff believes the violation occurred.
13. Finally, Xtension was sent the May 15, 2007, late notice notifying it the report had not been received by May 1; yet Xtension took no actions to contact the Commission and confirm the receipt of the report and regulatory fees. Therefore, Staff believes the penalty is appropriate and mitigation is unwarranted.

DATED this 27th day of July 2007 at Olympia, Washington.

SHERI HOYT

Attachment A

Telecommunications Companies Staff Investigation - 2006 Annual Reports June 18, 2007

Purpose

The purpose of this investigation is to determine if 35 telecommunications companies¹ are in violation of Washington Administrative Code (WAC) 480-120-382. WAC 480-120-382 requires competitively classified telecommunications companies to furnish annual reports to the commission no later than May 1 each year.

Background

This investigation was prompted by commission staff's yearly review of annual reports for telecommunications companies registered in the state of Washington.

On March 8, 2007, the commission mailed 2006 Annual Report forms and 2007 Regulatory Fee packets to competitive telecommunications companies registered in Washington State. A letter from Executive Secretary Carole Washburn instructed companies to file annual reports and pay regulatory fees by May 1, 2007². Further, the letter stated failure to file the annual report by May 1 would result in a penalty and possible revocation of the company's registration to operate in Washington. Those companies wishing to request an extension to file the annual report were asked to do so prior to May 1, providing a reason for the requested extension. None of the 35 companies listed in Appendix A requested an extension.

On April 6, 2007, the commission mailed a notice to all telecommunications companies reminding them that 2006 annual reports and 2007 regulatory fees were due by May 1, 2007³.

Investigation

The 35 telecommunications companies listed in attached Appendix A failed to file their 2006 annual reports by the May 1 deadline. On May 15, 2007, the commission sent letters to those companies that had not yet filed their reports. The letter, signed by Carole Washburn, gave an extension to companies to file their reports by May 31, 2007⁴. In the letter, Ms. Washburn stated the commission would not seek a fine or move to revoke the registration of any company with a report received by the commission postmarked no later than May 31.

Fourteen companies that failed to file their 2006 annual report by the May 31 extended deadline also failed to file their 2005 annual report timely and, as a result, on July 5, 2006, received a \$100 penalty assessment in docket UT-060977. Those companies are included in Appendix A, however, they are distinguished by recommended penalty amounts of \$200.

During this investigation, records revealed a data entry error made while recording 2005 annual reports in the Annual Report Tracking System (ARTS) database. Association Administrators, Inc. failed to file its 2005 annual report or pay 2006 regulatory fees. The missing report was not discovered because another company's annual report was erroneously entered in Association Administrators, Inc.'s record. Therefore, although the company was in violation of WAC 480-120-382, it was not assessed a \$100

¹ See Appendix A for a list of the telecommunications companies.

² See Appendix B for a copy of the March 8, 2007, letter sent to telecommunications companies.

³ See Appendix C for a copy of the April 6, 2007, reminder notice sent to telecommunications companies.

⁴ See Appendix D for a copy of the May 15, 2007, letter sent to delinquent telecommunications companies.

penalty and the company's registration was not revoked due to its failure to file the report as it should have been.

Recommendation:

Penalize the 21 telecommunications companies that failed to file a 2006 annual report by May 31, 2007, \$100 each for a violation of WAC 480-120-382.

In addition to issuing a \$100 penalty assessment to Association Administrators, Inc. for failure to file the 2006 annual report, the company should be directed to file its 2005 annual report, and pay the appropriate regulatory fees for 2006, that it has previously failed to submit to the commission.

Penalize the remaining 14 telecommunications companies that failed to file their 2005 annual report timely and their 2006 annual report by May 31, 2007, \$200 each for a repeat violation of WAC 480-120-382. As a repeat violation, staff finds it appropriate that the companies receive escalating penalties due to continued violations of the rules.

APPENDIX A

	Company Name	Report Received Yes or No	If yes, Date Received	Recommended Penalty Amount
1.	ACCXX Communications, LLC	No		\$100
2.	Association Administrators, Inc.	No		\$100
3.	Buehner-Fry, Inc.	No		\$100
4.	Com-Tech Resources, Inc.	No		\$100
5.	Custom Switching Technologies, Inc.	No		\$100
6.	Ernest Communications, Inc.	No		\$100
7.	Integrated Services, Inc.	No		\$100
8.	Marathon Communications Corporation	No		\$100
9.	Nations Broadband, Inc.	No		\$100
10.	Nehalem Telecommunications, Inc.	No		\$100
11.	Norlight Telecommunications, Inc.	No		\$100
12.	Norstar Telecommunications, LLC	No		\$100
13.	OCMC, Inc.	No		\$100
14.	Pelzer Communications Corporation	No		\$100
15.	Ripple Services, Inc.	No		\$100
16.	SNiP Link, LLC	No		\$100
17.	Telcentrex, LLC	No		\$100
18.	TSS Digital Services, L.L.C.	No		\$100
19.	Who's Calling, Inc.	No		\$100
20.	WilTel Local Network, LLC	Yes	June 6, 2007	\$100
21.	Xtension Services, Inc.	No		\$100
22.	Advanced Tel, Inc.	No		\$200
23.	Aimex Communications, Inc.	No		\$200
24.	Global Grid Telecom, Inc.	No		\$200
25.	Integrated Voice Services, Inc.	No		\$200
26.	Net One International, Inc.	No		\$200
27.	Norstan Network Services, Inc.	No		\$200
28.	OPEX Communications, Inc.	Yes	June 11, 2007	\$200
29.	PHONETEC, LP	No		\$200
30.	Preferred Carrier Services, Inc.	No		\$200
31.	SC TxLink, LLC	No		\$200
32.	TDS Long Distance Corporation	No		\$200
33.	Tel West Communications, LLC	Yes	June 5, 2007	\$200
34.	Time Warner Telecom of Washington, LLC	No		\$200
35.	Winstar Communications, LLC	No		\$200

APPENDIX B

March 8, 2007

Subject: Your Telecommunications Annual Report and Regulatory Fees are Due May 1

State law requires you to file an annual report and pay regulatory fees to the Washington Utilities and Transportation Commission.

What is required of me?

By May 1, you must:

- Complete and file the enclosed 2006 annual report form
- Pay your 2007 regulatory fees

Failure to file your annual report or pay regulatory fees by May 1 will result in a penalty and possible revocation of your registration to operate in Washington. This is the only notice you will receive from the commission.

What happens if I do not pay my regulatory fees by May 1?

If regulatory fees are not paid by May 1, you will incur:

- a 2 percent penalty on the amount due; and
- a 1 percent monthly interest charge on the unpaid balance.

Can I request an extension of time if I am unable to file the annual report by May 1?

Yes, you must provide the request in writing, including a valid reason for the extension by May 1. We will notify you when your request is approved or denied. You will still be liable for penalty and interest payments if you fail to pay your regulatory fees by May 1. If you are late filing your annual report or fail to file, you could incur additional penalties up to \$100 a day.

Can I designate any information that I submit in my annual report as confidential?

Yes, however, you must follow the strict legal guidelines outlined in WAC 480-07-160 (3).

Where do I mail the completed annual report form and regulatory fee payment?

Washington Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250



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Where can I obtain an electronic version of the annual report?

Forms are available on our website at www.wutc.wa.gov. Locate "Quick Links" then select "2006 annual reports".

Who do I contact if I have questions?

You may call 360-664-1152 or e-mail us at: annualreports@wutc.wa.gov. If you need this information in an alternate format, please call 360-664-1133. TTY Toll Free phone number is 1-800-416-5289.

Sincerely,

Carole J. Washburn
Executive Secretary

Enclosures

APPENDIX C

Reminder! **Annual Reports and Regulatory Fees are due May 1, 2007**

On March 8, we sent you 2006 annual report and regulatory fee forms. This is just a friendly reminder that your company's completed annual report and regulatory fees are due, postmarked, by May 1.

If you already mailed your annual report and regulatory fees, **thank you!** Please disregard this notice. If you have not yet filed, please be sure not to miss this deadline.

You may mail your completed annual report form and regulatory fee payment to:

Washington Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

You may obtain an electronic version of the annual report and regulatory fee sheet at our website, www.wutc.wa.gov. Locate "Quick Links" then select "2006 annual reports".

If you have questions about your report or fee or need assistance, please contact staff for your industry, listed below:

Industry	Contact
Bus – Nonprofit Special Needs	Carolyn Caruso at (360) 664-1244 or e-mail at ccaruso@wutc.wa.gov
Electric	Roland Martin at (360) 664-1304 or e-mail at rmartin@wutc.wa.gov
Gas	Roland Martin at (360) 664-1304 or e-mail at rmartin@wutc.wa.gov
Railroad	Lori Halstead at 360-664-1262 or email at lhalstea@wutc.wa.gov
Auto-Transportation - Bus, Commercial Ferry, Household Goods, Low-level Radioactive Waste, Pipelines, Solid Waste, Telecommunications or Water	Brandy Sedillo at (360) 664-1152 or e-mail at annualreports@wutc.wa.gov

Annual Report Letter

April 6, 2007

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If you fail to pay your regulatory fee or file your company's annual report, postmarked by May 1, commission staff will recommend the commission issue a financial penalty.

For household goods and telecommunications companies, staff will also recommend that the commission cancel your authority to operate in Washington.

Please don't let either happen. If you have questions or needed assistance, please contact us at the numbers listed above.

Sincerely,

Carole J. Washburn
Executive Secretary

APPENDIX D



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

May 15, 2007

Dear Telecommunications Provider:

You did not file your annual report by May 1 as required by law. You are now subject to enforcement action by the Washington Utilities and Transportation Commission (UTC) including financial penalties. This letter tells you what you can do to avoid this. If you have already submitted your annual report, please disregard this notice.

We mailed you a 2006 annual report form and fee calculation sheet on March 8, 2007. On April 6, 2007, we sent you a reminder to file your report and pay your fees. Our records indicate that you have not yet filed the completed report form.

Commission staff will file for enforcement action against your company unless we receive your completed report postmarked no later than May 31. Enforcement action in this matter may include penalties of up to \$100 for each day you are late and revocation of your authority to provide telecommunications services in Washington.

If we receive your report postmarked no later than May 31, we will not seek a fine or move to revoke your registration.

Annual report forms are available on the UTC's web site at www.wutc.wa.gov. If you have questions or require additional information, please call Sheri Hoyt, Compliance Specialist, at (360) 664-1149 or email her at shoyt@wutc.wa.gov.

Sincerely,

A handwritten signature in cursive script, reading "Carole J. Washburn".

Carole J. Washburn
Executive Secretary

Attachment B

1 Sender Account Number 175111140 FROM (Company) TELECOM PROFESSIONALS Street Address 512 403 5909 NW EXPY City OKLAHOMA CITY OK 73132 State ZIP CODE (Required)		Preprint Format No. 137058454		3 Payment Sender will be billed unless marked otherwise Bill for:		Origin OKC		Waybill Number 68493708942	
2 TO (Company) PLEASE PRINT NEATLY WA Utilities & Transport. Commission Street Address 1300 S. Evergreen Park Dr. SW City Olympia WA 98504 State ZIP CODE (Required) Attention: (Name/Dept) Telecom Div Phone (Required) 360 664 1160		Sent by (Name/Dept) XTEN WDI OSC ATG Threshold Phone (Required) 405-755-8177		Receiver 3rd Party <input type="checkbox"/> Check No. Amount <input type="checkbox"/> Paid in Advance		Billing Reference (will appear on invoice) LC2612		4 Service Type One box must be checked Assume noon unless noted. 10:30 am Extra charge. *Next Day 10:30 *Next Day 12:00 *Next Day 3:00 3:00 *Service may vary by destination, visit www.dhl-usa.com	
Description Annual Report		Special Instructions Saturday Delivery Extra charge Not available for all services and locations.		# of Pkgs 1		Weight (LBS) 1		Packaging Express Envelope <input checked="" type="checkbox"/> Express Puck <input type="checkbox"/> Other Packaging <input type="checkbox"/>	
Sender's Signature Anya Hudson 4/21/07		Date 4/21/07		DHL Signature Date		Shipment Valuation \$.00		Payment Details (Credit Card) No. _____ Type _____ Expires _____ Auth. _____	

SENDER'S COPY

DHL
 EXPRESS
 DHL Express (USA), Inc.,
 1200 South Pine Island Road,
 Plantation, FL 33324
 1 800 Call-DHL



Ship	Track	Services	About DHL	Help
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DHL USA Home DHL Global



Track results detail

Tracking results detail for 68493708942

[▶ Help](#)

Track

- ▶ [Track by number](#)
- ▶ [Track by reference](#)
- ▶ [Get delivery signature](#)
- ▶ [Track DHL Same Day service](#)
- ▶ [Monitor shipments](#)

Tracking summary

Current Status **✓ Shipment delivered.** [View Signature](#)

Delivered on **4/24/2007 9:35 am**

Delivered to **Receptionist**

Signed for by **J CARLSON** [What is this?](#)

Log in to DHL

User ID

Password

Remember my User ID

[Log in](#) ▶

▶ [Forgot your Password?](#)

New to DHL online?
Registration is quick and free.
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Tracking history

[▶ Help](#)

Date and Time	Status	Location
4/24/2007 9:35 am	Shipment delivered.	Fife, WA Why is this?
9:00 am	With delivery courier.	Fife, WA
8:43 am	Arrived at DHL facility.	Fife, WA
1:32 am	Processed at DHL Location.	Wilmington - Clinton Field, OH
4/23/2007 8:14 pm	Departing origin.	Oklahoma City, OK
7:05 pm	Shipment picked up	Oklahoma City, OK

Ship From: TELECOM PROFESSIONALS Oklahoma City, OK 73132 United States	Ship To: WA UTILITIES TRANSPORT CO Olympia, WA 98504 United States	Shipment Information: Ship date: 4/23/2007 Pieces: 1 Total weight: 1 lb * Ship Type: Letter Shipment Reference: LC2612 Service: Express Special Service: Description:
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Tracking detail provided by DHL: 7/17/2007, 9:39:32 am pt.

[Track new shipment](#) ▶

You are authorized to use DHL tracking systems solely to track shipments tendered by or for you to DHL. Any other use of DHL tracking systems and information is strictly prohibited.

*** Note on weight:**

The weights displayed on this website are the weights provided when the shipment was created. Actual chargeable weights may be different and will be provided on the invoice.

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