



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

November 8, 2012

David W. Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

RE: *Washington Utilities and Transportation Commission v. S & S Security Systems, Inc.*
Commission Staff's Response to Application for Mitigation of Penalties
Docket UT-121006

Dear Mr. Danner:

On August 1, 2012, the Washington Utilities and Transportation Commission issued a \$375 Penalty Assessment in Docket UT-121006 against S & S Security Systems, Inc., (S & S Security) for 15 violations of Washington Administrative Code (WAC) 480-120-382, which requires competitively classified telecommunications companies to furnish annual reports to the commission no later than May 1 each year.

On August 10, 2012¹, S & S Security wrote the commission requesting mitigation of penalties (Mitigation Request). In its Mitigation Request, S & S Security does not dispute that the violation occurred. The company states, "I am writing this letter for your consideration to have the penalty waved. I admit that our company failed to submit the annual form by the date that is [sic] was due. I somehow overlooked the form that was mailed. I did not have any tax due so I was not aware that a form was missing for your jurisdiction. As soon as I received your notice that our form had not file, [sic] I filed the form immediately. When filling out the form I realized that we had registered our company with your department incorrectly. I submitted a request for cancellation of registration on 7/17/2012. I am asking for the penalty to be removed since I did not knowing [sic] file the form late and our company did not and will not have any future financial obligation for the tax type report on the annual form."

¹ See attachment A for a copy of S & S Security Systems Inc.'s Mitigation Request.



It is the company's responsibility to ensure that the regulatory fee and the annual report are filed by the May 1 deadline. On February 29, 2012², Annual Report forms and Regulatory Fee packets were mailed to all regulated telecommunications companies. In addition to other information, the cover letter informed the regulated company it must complete the annual report form, pay any regulatory fees and return the material by May 1, 2012 to avoid enforcement action. On May 14, 2012³, the commission mailed a letter to those companies that had not yet filed an annual report notifying them that, to date, they had incurred a penalty of \$800. The letter went on to explain that companies who filed their annual reports no later than May 25, 2012, would receive mitigated penalties of \$25 per day, with an additional \$25 per day for each instance in the previous five years that the company received a penalty for filing a late report.

S & S Security filed its annual report on May 29, 2012, which is 15 business days past the deadline of May 1, 2012. The penalty was administratively mitigated from \$100 per day to \$25 per day, for a total of \$375. S & S Security has never received a penalty for filing a delinquent annual report in the past. S & S Security has been authorized to provide telecommunications service in Washington state since 2011.

S & S Security stopped offering service in Washington state during the current year but after May 1, 2012. S & S Security is required to file an annual report and pay a regulatory fee.

On July 23, 2012, John Garner of S & S Security submitted the company's request for cancellation of registration⁴. The registration was cancelled on August 9, 2012.

Commission staff recommends waiving any and all penalties related to S & S Security's 2011 annual report. The commission's practice in this scenario is to not enforce the annual report and regulatory fee requirements even though it has the authority to do so.

If you have questions regarding this recommendation, please contact Mathew Perkinson, Compliance Investigator, at (360) 664-1105 or at mperkinson@utc.wa.gov.

Sincerely,



Sharon Wallace, Assistant Director
Consumer Protection and Communications

² See attachment B for a copy of the letter sent to all regulated companies on February 29, 2012.

³ See attachment C for a copy of the enforcement letter sent to the company on May 14, 2012.

⁴ See attachment D for a copy of the company's request for cancellation of registration.

Attachment A



avantguard
MONITORING CENTERS

4699 HARRISON BLVD
DODGEVILLE, WI 53533
5911 CROFTLAND ST W
TACOMA, WA 98467

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WWW.AG.MI.COM

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AUG 13 2012

WASH. UT. & TP. COMM

August 10, 2012

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

Re: S & S Security Systems Inc (600-440-617)

To Whom It May Concern:

I am writing this letter for your consideration to have the penalty waived.

I admit that our company failed to submit the annual form by the date that it was due. I overlooked the form that was mailed. I did not have any tax due so I was not aware that a form was missing for your jurisdiction. As soon as I received your notice that our form had not filed, I filed the form immediately. When filling out the form I realized that we had registered our company with your department incorrectly. I submitted a request for cancellation of registration on 7/17/2012.

I am asking for the penalty to be removed since I did not knowing file the form late and our company did not and will not have any future financial obligation for the tax type reported on the annual form.

Thank you for your consideration.

Kindest Regards,

Rachel Julien
Accounting Manager
S & S Security Systems Inc.
DBA/AvantGuard Monitoring Centers
801-781-6117
rjulien@agmonitoring.com

2012 AUG 13 11:49 AM
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Attachment B



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

February 29, 2012

Dear Regulated Company:

Reference: Your 2011 Annual Report and 2012 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 (UTC).

What is required of you?

By May 1, you must:

- Complete and file one paper copy or electronic version of the enclosed 2011 annual report form
- Pay your 2012 regulatory fees

What happens if you do not file a completed annual report and pay regulatory fees on time?

If you do not file your company's completed annual report and pay the regulatory fees by May 1, the UTC will assess a financial penalty of \$100 for each business day after May 1 that the report is not filed and \$100 for each business day after May 1 the fees are unpaid. You may seek mitigation of the penalties in response to the assessment you receive, after you have filed a completed annual report and paid your regulatory fees. The amount of the penalties the UTC mitigates, if any, will depend on the reasons you were late and whether you have filed late in prior years. If you have not filed your completed annual report or paid your regulatory fees by June 1, 2012, Staff will initiate proceedings to have the UTC revoke your authority to operate in Washington.

What happens if you do not pay the regulatory fees by May 1?

If you do not pay your company's regulatory fees 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. These amounts apply in addition to the assessment of a penalty of \$100 per business day after May 1 that the fees are unpaid.

May you request an extension of time if you are unable to file the annual report or pay your regulatory fees on time?

You may file a written request for an extension to file your completed annual report, but the UTC will not extend the deadline for paying regulatory fees. Any extension request must be filed with the UTC by April 24, 2012, and must state a valid reason for why you need an extension and identify a specific date by which you will file your completed annual report. The UTC will notify you by May 1 whether your request is approved or denied. Even if your request

is approved, you will still be liable for penalties and interest payments if you fail to pay your regulatory fees by May 1.

What should you do if your company is no longer operating in Washington?

You may cancel your registration or permit by using the cancellation forms available on our website (see below), but if your company operated in Washington at any time during the 2011 calendar year, you must pay regulatory fees and file a closing annual report based on the months of operation during 2011 even if you cancel your registration or permit.

May you designate any information in your annual report as confidential?

Yes, but if you satisfy two conditions:

- (1) You are eligible to request confidential treatment only if your company is regulated under Title 80 RCW, that is, if you operate an electric, natural gas, telecommunications or water company. Transportation companies, regulated under Title 81 RCW, may not request confidential treatment of documents because the authority for such treatment is found only in RCW 80.04.095. If a Title 81 company files its annual report or fee sheet as confidential, the UTC will not treat it as confidential.
- (2) You must follow the steps for filing confidential documents in WAC 480-07-160. You may find this rule at the UTC website, www.utc.wa.gov/annualreports.

Please note: The regulatory fee sheet portion of your report is not a confidential document and will not be accorded confidential treatment under the rule. The UTC will not, however, disclose credit card information you list on the fee sheet.

May you perform some of these tasks online?

Yes. You may complete the following tasks from the annual reports page at the UTC website www.utc.wa.gov/annualreports:

- Obtain electronic versions of annual report forms
- Pay regulatory fees
- File your report electronically
- Cancel your registration (telecommunications companies) or permit (transportation companies) if your company ceased operations in 2011.

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

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

Is there any additional information you should file?

- If you are a gas distribution company, please also file both a paper and electronic copy of your Federal Energy Regulatory Commission Form 2.
-

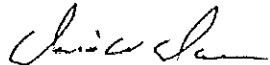
UTC Annual Reports and Fees
February 29, 2012
Page 3

- If you are an electric company, please also file both a paper and electronic copy of your Federal Energy Regulatory Commission Form 1.
- If you are a class 1 Railroad, please also file a copy of your Surface Transportation Board Form R-1 - including statistics specific to the state of Washington.

If you have questions about any aspect of your report or regulatory fee, please contact Rae Lynn Carnes at (360) 664-1152 or rcarnes@utc.wa.gov.

If you need this letter or an annual report form in an alternate format, please call 360-664-1243. The TTY Toll-Free phone number is 1-800-416-5289.

Sincerely,



David W. Danner
Executive Director and Secretary

Enclosures

Attachment C



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 14, 2012

NOTICE OF ENFORCMENT ACTION

Attention:

Your 2011 annual report to the Utilities and Transportation Commission (commission) was due on May 1, as required by law. Financial penalties of \$100 per day began accruing on May 2. As of the date of this letter, you have accrued a penalty of \$800. That penalty will increase by \$100 per day for each subsequent day you fail to comply.

This letter tells you what you can do to mitigate your penalty.

If the commission receives your report postmarked no later than May 25, commission staff will mitigate your penalty to \$25 per day. Additional penalties of \$25 per day will be added for each year you have filed late in the past five years, up to a maximum of \$100 per day.

Annual report forms are available on the commission's website at www.utc.wa.gov. If you have questions or require additional information, please contact Mathew Perkinson, Compliance Investigator, at (360) 664-1105 or mperkinson@utc.wa.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "David W. Danner".

David W. Danner
Executive Director and Secretary



Attachment D

Cancellation of Registration

REQUEST FOR CANCELLATION OF REGISTRATION

TO: Washington Utilities & Transportation Commission
Attention: Telecommunications Section
P.O. Box 47250
Olympia, WA 98504-7250
(Fax) 360-586-1150

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JUL 23 2012
WASH. UT. & TP. COMM

Docket UT- 121219
(Commission Use Only)

The undersigned, Josh Garner does hereby
(Issuing Agent/Officer of Company)

request cancellation of S&S Security Systems, Inc. registration
(Registered Company Name)

to operate as a telecommunications company doing business in the state of Washington.

Please include the following information:

Unified Business Identification (UBI) Number: 600-440-6117

Company Contact Person: Rachel Julian

Contact Telephone Number: 201-701-6117

The undersigned certify that they have no existing customers and no outstanding prepaid calling services.

I understand that this request is not effective until acknowledged upon by the Commission.

Signature: Josh Garner

Date: 7/16/12

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REGISTRATION MANAGER
2012 JUL 23 AM 9:53
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COMMISSION