



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

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July 2, 2015

Steven V. King, Executive Director and Secretary
Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, WA 98504-7250

RE: *Washington Utilities and Transportation Commission v. Norstar Telecommunications, LLC*

Commission Staff's Response to Application for Mitigation of Penalties UT-150833

Dear Mr. King:

On June 4, 2015, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-150833 against Norstar Telecommunications, LLC for 10 violations of Washington Administrative Code (WAC 480-120-382), which requires telecommunications companies to furnish annual reports to the commission no later than May 1 each year.

On June 26, 2015, Norstar Telecommunications, LLC wrote the commission requesting mitigation of penalties. In its mitigation request, Norstar Telecommunications, LLC does not dispute the violation occurred. The company provided information the financial statements were submitted with confidential markings in error and the company's compliance filing representative made an error when emailing the requested information back to commission staff. Norstar Telecommunications, LLC requests the penalty be waived.

It is the company's responsibility to ensure that the regulatory fee is paid and the annual report is filed by the May 1 deadline. On February 27, 2015, Annual Report packets were mailed to all regulated telecommunications companies. The instructions for annual report completion page of the annual report informed the regulated company that it must complete the annual report form, pay the regulatory fees, and return the materials by May 1, 2015, to avoid enforcement action.

On April 15, 2015, Norstar Telecommunications, LLC filed an incomplete 2014 annual report with no regulated revenues reported and no regulatory fees owed. Commission staff emailed the company on April 15, 2015 requesting Norstar Telecommunications, LLC provide the redacted financial statements as required by WAC 480-07-160. The company responded on June 16, 2015 via email that the financial statements did not need to be treated as confidential.

UTC Annual Reports
July 2, 2015
Page 2

Norstar Telecommunications, LLC has been active since 2000. The company previously missed the deadline to file its annual report and pay regulatory fees during the 2006 and 2009 reporting years with no prior mitigation of previous penalties. Prior penalty assessments for the 2006 and 2009 reporting years have been paid in full. Staff does not support the company's request to waive the penalty. Despite the prior violations of WAC 480-120-382, staff supports the company's request for mitigation due to the recent filing compliance and believes the company's compliance representative made an honest mistake when attempting to reply to commission staff request for redacted financial statements. However, the prior violations will be taken into account for the recommended amount of mitigation. Staff recommends a reduced penalty of \$50 per day for a total penalty assessment of \$500.

If you have any questions regarding this recommendation, please contact Amy Andrews, Regulatory Analyst, at (360) 664-1157, or aandrews@utc.wa.gov.

Sincerely,



Sondra Walsh, Director
Administrative Services