



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 15, 2016

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. Newaukum Water System*

Commission Staff's Response to Application for Mitigation of Penalties UW-160531

Dear Mr. King:

On June 13, 2016, the Utilities and Transportation Commission issued a \$300 Penalty Assessment in Docket UW-160531 against Newaukum Water System for three violations of Washington Administrative Code (WAC 480-110-505), which requires water companies to furnish annual reports and the regulatory fee to the commission no later than May 1 each year, or in this case, May 2 as May 1 was a Sunday.

On July 5, 2016, Newaukum Water System wrote the commission requesting mitigation of penalties. In its mitigation request, Newaukum Water System does not dispute the violation occurred. The company states, "...we did not owe any regulatory fees nor will we ever, because of the small system and the limitations placed on us by the UTC. The annual report was set aside at the time of receipt as I had just returned from a hospital stay as a result of a medical issue. I currently have not fully recovered as of this writing and have included pictures of my legs (associated with medical issue). I apologize for this oversight, but when you can't walk without pain and a walker you're not too likely to be too sharp at getting items to people. The \$100 per day late fee is out of reason for a small water system with only 22 connections." The company further states it lost a recent lawsuit that it is still trying to navigate.

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 29, 2016, Annual Report packets were mailed to all regulated water companies. The instruction page informs the regulated company that it must complete the annual report form and pay the regulatory fees, and return the materials by May 2, 2016, to avoid enforcement action.

UTC Annual Reports

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On May 5, 2016, Newaukum Water System filed a 2015 annual report. No regulatory fee was due.

Newaukum Water System has been active since 2014 and has never had a violation of WAC 480-110-505. Staff recommends that the penalty be waived in consideration of Newaukum Water Systems previous filing compliance and the Chairman of the Board's ongoing medical condition.

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

Sincerely,

Sondra Walsh, Director
Administrative Services