



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 7, 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. Solmar Water System, Inc.*

Commission Staff's Response to Request for Hearing UW-160533

Dear Mr. King:

On June 13, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UW-160533 against Solmar Water System, Inc. for 10 violations of Washington Administrative Code (WAC 480-110-505), which requires water companies to furnish annual reports, supporting documentation 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 June 24, 2016, Solmar Water System, Inc. wrote the commission requesting a hearing disputing the violation occurred. In its hearing request, the company states, "...The payment was received and the e-file was faulty. On April 29, 2016, I declare under penalty of perjury that I electronically filed the Solmar Water System, Inc. annual report and paid the regulatory fee. Attached are payment receipts and WUTC staff discussing the limitations of the e-file documentation process. To submit the annual report electronically, I had to complete an WUTC electronic filing cover page. This document lists each attachment, but the WUTC website doesn't allow for the filer to print the electronic filing cover page nor, according to Lisa Wyse, is the information entered saved by the WUTC. I've attached a blank copy using a Microsoft snapshot print feature. Per Sean Bennett, a filer can't verify the WUTC has received an electronic filed document from within the WUTC website. Verification can only be obtained by, emailing a staff member, calling the WUTC or receiving and reviewing the fine print on an external email. I contend the WUTC's verification process unsatisfactory and substandard to all other State agencies using electronic filing. Documentation of other agencies verification processes will be supplied at the hearing.

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, or in this case, May 2 as May 1 was a Sunday. On February 29,

2016, Annual Report packets were mailed to all regulated water companies. The instructions 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.

Company's filing electronically input their individual name, an email address, and the filing type into the cover sheet. Additionally, they upload the documents to be submitted to the Commission. Once submitted, the email address that was provided receives a confirmation email confirming the submittal was received. This email outlines the document names that were uploaded and received by the commission. There is not an internal summary outlining all submitted documents. There is not a company login that can be used to see the documents submitted by the company.

On April 29, Solmar Water System, Inc. submitted a "Request for Company Electronic Contact Information" that was sent by the commission and paid the regulatory fee. On April 29, Solmar Water System, Inc. received the confirmation email showing that they e-filed the "Request for Company Electronic Contact Information". This email is evidence that the annual report was not filed on time. Furthermore, the company can contact commission staff to verify if the annual report was received and is complete. Solmar Water System, Inc. submitted the complete annual report to commission staff via email on June 15.

Staff does not support the company's request for hearing as commission staff did not receive an annual report prior to the May 2 deadline and it is the company's responsibility to file a complete and accurate annual report. While Solmar Water System, Inc. believes the e-filing system is insufficient there are other ways the company can file which include mailing the annual report or hand-delivering the annual report directly to commission staff. Solmar Water System, Inc. was transferred in 2011 and has no prior violations of WAC 480-110-505. This is the company's first delinquent filing. Staff recommends a reduced penalty of \$25 per day for a total penalty assessment of \$250.

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

Sincerely,



Sondra Walsh, Director  
Administrative Services