



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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June 27, 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. Operator Service Company, LLC*

Commission Staff's Response to Application for Mitigation of Penalties UT-160578

Dear Mr. King:

On June 15, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-160578 against Operator Service Company, LLC for ten violations of Washington Administrative Code (WAC 480-120-382), which requires telecommunications 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 21, 2016, Operator Service Company, LLC wrote the commission requesting mitigation of penalties. In its mitigation request, Operator Service Company, LLC does not dispute the violation occurred. The company states, "...we recently insourced responsibility of regulatory filings from our agent: Telecom Professionals Inc as we were not being updated by our agent in a timely fashion and we have not been receiving important communications in a timely manner. Furthermore, we filed the complete annual report on May 5 and we erroneously thought Operator Service Company required authorization in order to pay our \$153 tariff. On June 7, we provided our UBI and paid the \$153 regulatory fee payment."

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 telecommunications companies. The instructions page along with Schedule 1, Part A informs the regulated company that it must complete the annual report form, provide the supporting financial reporting documents and pay the regulatory fees, and return the materials by May 2, 2016, to avoid enforcement action.

On May 5, Operator Service Company, LLC filed an incomplete 2015 annual report. On May 9, Commission staff reached out to the company via email and advised the company that un-

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redacted copies of the balance and income state are required in association with the request to file confidentially, additionally, the Regulatory Fee Calculation Schedule needs to be updated and both the UBI number and signature are needed on page three of the annual report. On June 3, the company e-filed the same, incomplete annual report. On June 7, staff and Operator Service Company, LLC discussed the outstanding items over the phone. The outstanding items were received via email on June 7.

Operator Service Company, LLC has been active since 1992. Operator Service Company, LLC has not previously filed their annual report late. In consideration of their compliance, 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.

Sincerely,



Sondra Walsh, Director
Administrative Services