



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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August 10, 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. Pend Oreille Valley Network, Inc.*

Commission Staff's Response to Application for Mitigation of Penalties UT-160582

Dear Mr. King:

On June 15, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-160582 against Pend Oreille Valley Network, Inc. ("POVN") for 10 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 August 9, 2016, Pend Oreille Valley Network, Inc. wrote the commission requesting reconsideration of penalties. The company states, "...I would like to dispute the amount owed on Invoice #3477-2. After I filed my report I was contacted by Amy Clark. I called her back and she informed me at that time that I owed \$150. I was told the fee was new this year and that she would mark the report as complete and that I needed to go back into the portal and pay the \$150. At no time did she tell me that deadline or that if I did not meet the deadline, I would get a \$1,000 fine. It was not incomplete as Amy said she would mark it complete. Yes, I forgot to pay and am very sorry. I certainly would have acted much sooner had I been told it would not be marked complete until I paid. I don't agree with the additional \$850 as I was never informed this would be charged and was told my report was complete." The company goes on to ask why they are regulated.

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 telecommunication 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 4, 2016, POVN electronically filed an incomplete annual report. Commission staff called POVN and left a voicemail that the following items were incomplete or missing: Page 4, Part D, Total Company and Total WA Revenue are listed as zero whereas the Income Statement lists revenue and the regulatory fee calculation sheet listed zero regulatory fees were due. Additionally, Commission Staff advised the Company that there is a minimum Regulatory Fee of \$150 as outlined in the annual report. The updates to Page 4 and 5 have not been received and a complete annual report has not yet been submitted. The \$150 regulatory fee was paid on August 9, 2016. The commission may soon initiate proceedings under WAC 480-121-060 to revoke your authority to provide telecommunications services in Washington if a complete annual report is not received.

POVN became an active company in 2005 and previously filed late for the 2010 and 2012 operating years. POVN received a penalty assessment for \$750 for the 2012 annual report, this remains unpaid and outstanding. Due to the history of violations and the failure to comply with a Commission Order, staff does not recommend mitigation nor a reduction of the penalty.

The company is encouraged to review WAC 480-120-083(10) if it is interested in cancelling its registration.

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