



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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

(360) 664-1160 • TTY (360) 586-8203

July 12, 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. Teltrust Corporation*

Commission Staff's Response to Application for Mitigation of Penalties UT-160595

Dear Mr. King:

On June 16, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-160595 against Teltrust Corporation 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 29, 2016, Teltrust Corporation wrote the commission requesting mitigation of penalties. In its mitigation request, Teltrust Corporation does not dispute the violation occurred. The company states, "...we filled out the form incorrectly and was missing info. Was contacted by Amy Clark and I sent her what was missing. Please reconsider and allow us to pay the \$153 amount on the statement (regulatory fee)."

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 3, Teltrust Corporation filed an incomplete 2015 annual report. On May 3, commission staff reached out to the company via phone and left a message that the regulatory fee calculation sheet needs to be filled out and updated. On May 16, commission staff received a new annual report, the regulatory fee calculation sheet was left unchanged. Commission staff spoke with the company on May 16 and advised that the calculation sheet needs to be updated/corrected and

that the company's balance sheet and income statement are required information. On May 19, Teltrust Corporation provided the balance sheet and income statement and indicated the updated annual report would be sent "tomorrow". The company did not immediately respond. The company provided the updated annual report on June 21.

Teltrust Corporation has been active since 2009. Teltrust Corporation previously missed the deadline for filing its annual report for the 2009 and 2013 operating year, the company paid the penalties in full. The company did not provide the updated annual report until June 21. Staff's delayed request of company financials did not materially effect the company's response. Due to the companies prior violations of WAC 480-120-382, staff does not support a reduction of the penalty.

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