



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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July 1, 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. WCI Cable, Inc.*

Commission Staff's Response to Application for Mitigation of Penalties UT-160605

Dear Mr. King:

On June 16, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-160605 against WCI Cable, Inc. 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 23, 2016, WCI Cable, Inc. wrote the commission requesting mitigation of penalties. In its mitigation request, WCI Cable, Inc. does not dispute the violation occurred. The company states, "...please find the attached documentation in consideration of evidence to reduce the penalty. Per Docket UT-000453 WCI Cable, Inc. is not authorized to collect deposits from customers. Relayed to WUTC in an email."

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 2, 2016, WCI Cable, Inc. filed a 2015 annual report. The regulatory fee was not paid and neither an income statement nor a balance sheet were provided. On May 4, commission staff called the phone number provided by the company on the annual report and left a voice mail that a balance sheet and income statement are required. On May 12, WCI Cable, Inc. responded via email that "WCI Cable, Inc. does not collect deposits from customers, or provide alternate

operator services, local exchange services or prepaid calling services and has no captive customer base. Financial Statements do not exist and we will pay the regulatory fee of \$150.” On June 22 commission staff spoke with and sent/received emails with a representative for the company. The representative confirmed that WCI Cable, Inc. does not have an income statement nor a balance sheet as the company had zero revenue in 2015 and had zero assets at the end of 2015. Additionally, the company’s petition in Docket UT-000453 was approved and the company was granted a waiver of certain laws and rules. However, WAC 480-120-382 was not included in the waiver and the company is required to provide an income statement and balance sheet for the total company. As the company has zero income and assets, a statement to that fact was accepted.

WCI Cable, Inc infers that the sentence “WCI Cable, Inc. is not authorized to collect deposits from customers” found in Docket UT-000453 means that the company will have zero income and assets which subsequently means that an income statement and balance sheet is unnecessary. This order does not mention interexchange services, un-regulated services, nor interstate operations and the company can potentially have revenues and assets not regulated by the commission. The company’s email response on May 12 that they have “no financials” is inconclusive. It could mean that they have income and assets but do not have a current picture of their finances or it could mean that they have no income and no assets. The company sent an email on June 22 that they have neither income nor assets. This satisfied the annual report requirement. This confirmation was received on June 22, however, commission staff did not question the initial response on May 12. As such, it is my recommendation that the annual report completion date be treated as May 12 and penalties are based on this date.

WCI Cable, Inc. has been active since 2000. No prior violations of WAC 480-120-382 are on commission record. Staff supports the company’s request for mitigation and recommends a reduced penalty of \$25 per day for a total penalty assessment of \$200.

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