



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 18, 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. Karst Stage Inc.*

Commission Staff's Response to Application for Mitigation of Penalties TE-160705

Dear Mr. King:

On June 20, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket TE-160705 against Karst Stage Inc. for ten violations of Washington Administrative Code (WAC 480-30-071 and 480-30-076), which requires charter and excursion carrier 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 July 1, 2016, Karst Stage Inc. wrote the commission requesting mitigation of penalties. In its mitigation request, Karst Stage Inc. does not dispute the violation occurred. The company states, "...I believe Karst Stage is being unduly punished for an infraction in our 2015 annual report for the following reasons. Our report was filed on time and received by your dept. on March 30th along with our regulatory fee. All spaces were filled out except the correct UBI # and our interstate mileage. Your office attempted to contact me by e-mail to address the oversights which I appreciate but your request went right to my junk mail and was deleted. If I would have received this email or even just a phone call I could have easily corrected the problem and avoided this \$1000.00 fine. As proof of your offices e-mails going right to my junk folder I had Sean Bennett send me a copy of our report so I could see where the infractions were. As I suspected it did indeed go right to my junk mail. Washington UTC is a new entity which we are learning to work with."

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 charter and excursion carrier companies. The instruction 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.

The commission received an incomplete annual report on March 30. Commission staff sent an email to Karst Stage Inc. on March 30 requesting the company's UBI number and the interstate operating mileage. An immediate response was not received. Commission staff spoke with Karst Stage Inc. on approximately June 27 and advised the company of the incomplete report. Karst Stage Inc. provided the outstanding information the next day on June 28.

Karst Stage Inc. has been active since 2015 and filed their 2014 annual report on time. Karst Stage Inc. is a new company and attempted to file on time. Additionally, Karst Stage Inc. promptly provided the requested information once the commission requested it again on June 27. It is staff's recommendation that the penalty be waived.

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