

Agenda Date: February 28, 2025

Item: A2

**Docket:** UT-250046

**Company:** Ziplly Fiber Northwest, LLC d/b/a Ziplly Fiber

**Staff:** Jonathon Church, Regulatory Analyst

Sean Bennett, Section Manager – Telecommunications

### **Recommendation**

Issue a Complaint and Order Suspending the Tariff Revision filed by Ziplly Fiber Northwest, LLC in Docket UT-250046 and set the matter for hearing.

### **Background**

On January 24, 2025, Ziplly Fiber Northwest, LLC d/b/a Ziplly Fiber, (Ziplly or Company) filed to revise its Tariff WN U-101 (General and Local Exchange tariff) to reflect an increase in its late payment fee to offset increased operational costs for accounts with past due balances. The revision increases the minimum late payment fee from \$12 to \$15 (25 percent increase). The Company provided 12 months of revenue and the number of customers that were subject to the late payment fee. Based on this information, the filing is estimated to generate an additional \$197,259.00 annually.<sup>1</sup>

On February 3, 2025, Commission Staff (Staff) sent an informal Data Request (DR) asking for information necessary to estimate the impact on revenue and information on the associated costs the Company is requesting to recover with the late payment fee increase.

On February 11, 2025, Staff received Ziplly's response to the informal DR, and on February 12, 2025, Staff sent an additional Data Request (DR2), as the Company did not provide information on the increased operational costs associated with administering accounts with past due balances.

On February 13, 2025, Ziplly objected to DR2 on the grounds that it ignores the Commission's Order 06 (Final Order) in Docket UT-121994, as well as applicable Washington statutes limiting Commission jurisdiction over services determined competitive.

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<sup>1</sup> The estimated \$197,259.00 is approximately a 0.36 percent increase to the 2023 Washington State intrastate revenue.

## **Discussion**

Staff's review of the relevant documents in UT-121994 shows that all competitively classified services were removed from the General and Local Exchange Tariff in accordance with Order 06.<sup>2</sup> At that time, late payment fees were retained in the tariff, where they remain applicable to tariffed services not currently classified as competitive.

Based on Staff's review of the proposed tariff revision and the Company's response to DR1, Staff is not able to determine if the proposed increase is fair, just, and reasonable. Staff believes the Company has not provided detailed information on the associated costs and did not meet its burden of proof for the tariff rate increase.

## **Conclusion**

The Company failed to demonstrate that the proposed rate increase is fair, just, and reasonable. Therefore, Staff recommends that the Commission issue a Complaint and Order Suspending the Tariff Revisions filed by Zply Fiber Northwest, LLC d/b/a Zply Fiber, in Docket UT-250046 and set the matter for hearing.

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<sup>2</sup> Staff reviewed Order 06, Appendix A of Order 06 (Redline-Settlement Agreement Frontier – Staff – PC), Frontier Compliance filings (Advice No. 3339), and Order 07.