



STATE OF WASHINGTON
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

December 18, 2012

David W. Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

RE: *Washington Utilities and Transportation Commission v. Collier Technologies, LLC*
Commission Staff's Response to Application for Mitigation of Penalties
Docket UT-120964

Dear Mr. Danner:

On July 30, 2012, the Washington Utilities and Transportation Commission issued a \$2,100 Penalty Assessment in Docket UT-120964 against Collier Technologies, LLC, (Collier) for 21 violations of Washington Administrative Code (WAC) 480-120-382, which requires competitively classified telecommunications companies to furnish annual reports to the commission no later than May 1 each year.

On August 13, 2012, Collier wrote the commission requesting mitigation of penalties (Mitigation Request).¹ In its Mitigation Request, Collier disputes that the violations occurred. The company states, "I followed the instructions for filing online. These instructions were incomplete. I worked with the UTC personnel who informed me after the due date that it was incomplete. I feel that I made more than a reasonable effort to fully complete the annual report before it was done."

On May 21, 2012, Collier emailed commission staff and said it filed its annual report on April 30. On that same day, commission staff responded to Collier informing it that the commission did not have a copy of the report in its database. Commission staff informed Collier it would double check and verify that the report was not received.

On May 22, 2012, commission compliance staff emailed the financial services staff (financial services) to determine if the report was filed or completed. Financial services responded to both compliance staff and Collier saying it received the financial documents, but no report. Financial

¹ See attachment A for a copy of Collier Technologies, LLC's Mitigation Request.

services asked the company if it sent the annual report.

On June 5, 2012, Collier emailed the commission stating, "My sincere apologies for missing this. I was under the impression that this issue was resolved and had not seen any of the email messages sent on 2012-5-22 until now. Along with the financial documents submitted on the web form, I sent a terse report that there was no telecommunication income for the 2011 year. The web form which I used seemed to indicate that no formal document was required. If this is not the case, I will resolve this as best I can. Since the company is still without customers or funding aside from what little I can muster from my payroll, we are without the funds to pay for the substantial late fees such an oversight on my part may have incurred." Commission staff emailed Collier in response stating the commission had not received the annual report and providing a copy of the Regulatory Fee packet and the Annual Report forms.

Financial Services worked with the company to complete the report and obtain the required documents. The report was submitted June 11, 2012.

It is the company's responsibility to ensure that the regulatory fee and the annual report are filed by the May 1 deadline. On February 29, 2012, Annual Report forms and Regulatory Fee packets were mailed to all regulated competitively classified telecommunications companies.² The cover letter informed the regulated company it must complete the annual report form, pay any regulatory fees and return the material by May 1, 2012, to avoid enforcement action. On May 14, 2012, the commission mailed a letter to those companies that had not yet filed an annual report notifying them that, to date, they had incurred a penalty of \$800³. The letter went on to explain that companies who filed their annual reports no later than May 25, 2012, would receive mitigated penalties of \$25 per day. An additional \$25 per day would be assessed for each instance in the previous five years that the company received a penalty for filing a late report.

Collier filed its annual report on June 11, 2012, which is more than 21 business days past the deadline of May 1, 2012. The penalty is \$100 per day, for a maximum penalty of \$2,100. Collier became regulated in September 2010 and has never received a penalty for filing a delinquent annual report. Therefore, staff supports mitigating the assessed penalty from \$2,100 to \$1,050, which represents a 50 percent reduction because this is Collier's first late filing.

If you have questions regarding this recommendation, please contact Mathew Perkinson, Compliance Investigator, at (360) 664-1105 or at mperkinson@utc.wa.gov.

Sincerely,



Sharon Wallace, Assistant Director
Consumer Protection and Communications

² See attachment B for a copy of the letter sent to all regulated companies on February 29, 2012.

³ See attachment C for a copy of the enforcement letter sent to the company on May 14, 2012.

Attachment A

Received 6 August 2012

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
PENALTY ASSESSMENT UT-120964

PLEASE NOTE: You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed.

I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make an oath, the following statements.

RECEIVED

AUG 13 2012

WASH. UT. & TP COMM

1. Payment of penalty. I admit that the violations occurred. I have:

Enclosed \$2,100 in payment of the penalty

Submitted my payment of \$2,100 online at www.utc.wa.gov. My confirmation number is _____.

2. Request for a hearing. I believe that one or more of the alleged violations did not occur, based on the following information, and request a hearing, which is a process that allows an affected person to present argument to an administrative law judge for a decision by an administrative law judge:

3. Application for mitigation. I admit the violations, but I believe that the penalty should be reduced for the reason(s) set out below. I followed the instructions for filing online. These instructions were incomplete. I worked with the UTC personnel who informed me after the due date that it was incomplete. I feel that I made more than a reasonable effort to fully complete the annual report before it was due.

a) I ask for a hearing for a decision by an administrative law judge based on the information presented above.

OR b) I waive a hearing and ask for an administrative decision on the information I present directly above.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: 08/09/2012 [month/day/year], at Seattle, Washington [city, state]

Collier Technologies, LLC
Name of Respondent (company) - please print

C. J. Adams-Collier
Signature of Applicant

RCW 9A.72.020:

"Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor's mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony."

Attachment B



STATE OF WASHINGTON

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

February 29, 2012

Dear Regulated Company:

Reference: Your 2011 Annual Report and 2012 Regulatory Fees are due May 1

State law requires you to file an annual report and pay regulatory fees to the Washington Utilities and Transportation Commission (UTC).

What is required of you?

By May 1, you must:

- Complete and file one paper copy or electronic version of the enclosed 2011 annual report form
- Pay your 2012 regulatory fees

What happens if you do not file a completed annual report and pay regulatory fees on time?

If you do not file your company's completed annual report and pay the regulatory fees by May 1, the UTC will assess a financial penalty of \$100 for each business day after May 1 that the report is not filed and \$100 for each business day after May 1 the fees are unpaid. You may seek mitigation of the penalties in response to the assessment you receive, after you have filed a completed annual report and paid your regulatory fees. The amount of the penalties the UTC mitigates, if any, will depend on the reasons you were late and whether you have filed late in prior years. If you have not filed your completed annual report or paid your regulatory fees by June 1, 2012, Staff will initiate proceedings to have the UTC revoke your authority to operate in Washington.

What happens if you do not pay the regulatory fees by May 1?

If you do not pay your company's regulatory fees by May 1, you will incur a 2 percent penalty on the amount due and a 1 percent monthly interest charge on the unpaid balance. These amounts apply in addition to the assessment of a penalty of \$100 per business day after May 1 that the fees are unpaid.

May you request an extension of time if you are unable to file the annual report or pay your regulatory fees on time?

You may file a written request for an extension to file your completed annual report, but the UTC will not extend the deadline for paying regulatory fees. Any extension request must be filed with the UTC by April 24, 2012, and must state a valid reason for why you need an extension and identify a specific date by which you will file your completed annual report. The UTC will notify you by May 1 whether your request is approved or denied. Even if your request



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February 29, 2012
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is approved, you will still be liable for penalties and interest payments if you fail to pay your regulatory fees by May 1.

What should you do if your company is no longer operating in Washington?

You may cancel your registration or permit by using the cancellation forms available on our website (see below), but if your company operated in Washington at any time during the 2011 calendar year, you must pay regulatory fees and file a closing annual report based on the months of operation during 2011 even if you cancel your registration or permit.

May you designate any information in your annual report as confidential?

Yes, but if you satisfy two conditions:

- (1) You are eligible to request confidential treatment only if your company is regulated under Title 80 RCW, that is, if you operate an electric, natural gas, telecommunications or water company. Transportation companies, regulated under Title 81 RCW, may not request confidential treatment of documents because the authority for such treatment is found only in RCW 80.04.095. If a Title 81 company files its annual report or fee sheet as confidential, the UTC will not treat it as confidential.
- (2) You must follow the steps for filing confidential documents in WAC 480-07-160. You may find this rule at the UTC website, www.utc.wa.gov/annual-reports.

Please note: The regulatory fee sheet portion of your report is not a confidential document and will not be accorded confidential treatment under the rule. The UTC will not, however, disclose credit card information you list on the fee sheet.

May you perform some of these tasks online?

Yes. You may complete the following tasks from the annual reports page at the UTC website www.utc.wa.gov/annualreports:

- Obtain electronic versions of annual report forms
- Pay regulatory fees
- File your report electronically
- Cancel your registration (telecommunications companies) or permit (transportation companies) if your company ceased operations in 2011.

Where do you mail the completed annual report form and regulatory fee payment?

Washington Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

Is there any additional information you should file?

- If you are a gas distribution company, please also file both a paper and electronic copy of your Federal Energy Regulatory Commission Form 2.

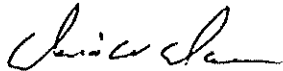
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- If you are an electric company, please also file both a paper and electronic copy of your Federal Energy Regulatory Commission Form 1.
- If you are a class 1 Railroad, please also file a copy of your Surface Transportation Board Form R-1 - including statistics specific to the state of Washington.

If you have questions about any aspect of your report or regulatory fee, please contact Rae Lynn Carnes at (360) 664-1152 or rearnes@utc.wa.gov.

If you need this letter or an annual report form in an alternate format, please call 360-664-1243. The TTY Toll-Free phone number is 1-800-416-5289.

Sincerely,



David W. Danner
Executive Director and Secretary

Enclosures

Attachment C



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1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
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May 14, 2012

NOTICE OF ENFORCEMENT ACTION

Attention:

Your 2011 annual report to the Utilities and Transportation Commission (commission) was due on May 1, as required by law. Financial penalties of \$100 per day began accruing on May 2. **As of the date of this letter, you have accrued a penalty of \$800.** That penalty will increase by \$100 per day for each subsequent day you fail to comply.

This letter tells you what you can do to mitigate your penalty.

If the commission receives your report postmarked no later than May 25, commission staff will mitigate your penalty to \$25 per day. Additional penalties of \$25 per day will be added for each year you have filed late in the past five years, up to a maximum of \$100 per day.

Annual report forms are available on the commission's website at www.utc.wa.gov. If you have questions or require additional information, please contact Mathew Perkinson, Compliance Investigator, at (360) 664-1105 or mperkinson@utc.wa.gov.

Sincerely,

David W. Danner
Executive Director and Secretary

