

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

GRASSHOPPER GROUP, LLC,

Respondent.

DOCKET UT-132153

COMPLAINT

NOTICE OF PREHEARING
CONFERENCE

(Set for May 8, 2014, at 1:00 p.m.)

1 The Washington Utilities and Transportation Commission (Commission) on its own motion, and through its Staff, alleges as follows:

I. BACKGROUND

2 Telecommunications companies subject to Commission regulation must comply with Commission rules and relevant state laws. On April 30, 2013, Grasshopper Group, LLC (Grasshopper or Company) filed its 2012 Annual Report and paid its 2013 regulatory fees. The company reported \$184,781.11 of intrastate operating revenue on its 2012 Annual Report. Staff of the Washington Utilities and Transportation Commission (“Commission Staff” or “Staff”) noticed that the Company had also reported \$184,781.11 of intrastate operating revenue on its 2011 Annual Report. Shortly thereafter, Staff began an investigation into the accuracy of Grasshopper’s 2012 Annual Report.

3 Staff found that Grasshopper had filed an inaccurate 2012 Annual Report and paid incorrect regulatory fees. Grasshopper filed a Revised 2012 Annual Report on August 9, 2013.

II. PARTIES

4 Complainant, the Washington Utilities and Transportation Commission, is an agency of the State of Washington, with authority under state law to regulate telecommunications companies operating within the state of Washington.

5 Respondent, Grasshopper Group, LLC is a telecommunications company that
operates within the state of Washington and was granted registration as a competitive
telecommunications company by the Commission in December 2009.

III. JURISDICTION

6 The Commission has jurisdiction over the subject matter of this Complaint pursuant
to RCW 80.01.040, RCW 80.04.110, RCW 80.04.380, RCW 80.36, and WAC 480-
120. The Commission has jurisdiction over Grasshopper because it is a public service
company under RCW Chapter 80.04.

IV. COMPLAINT AND CAUSE OF ACTION

(Violation of RCW 80.04.080 and WAC 480-120-382, annual reports)

7 The Commission, through its Staff re-alleges the allegations contained in paragraphs
2 through 6.

8 RCW 80.04.080 requires every public service company subject to regulation by the
Commission to file an annual report specifically answering all questions from the
Commission and setting forth the company's operations during the preceding year.

9 WAC 480-120-382 requires competitively classified telecommunications companies
to file annual reports and pay regulatory fees by May 1st of each year.

10 Grasshopper violated RCW 80.04.080 and WAC 480-120-382 by filing an inaccurate
2012 Annual Report on April 30, 2013. Due to its inaccurate report, Grasshopper
also failed to pay the correct regulatory fee.

11 Grasshopper remained in violation of RCW 80.04.080 and WAC 480-120-382 from
April 30, 2013, until filing a Revised 2012 Annual Report on August 9, 2013. The
Company's continuing violation results in a separate and distinct violation for each
day from April 30, 2013, through August 9, 2013. The total is 101 violations.

V. APPLICABLE LAW AND REGULATIONS

12 Every public service company violating any order or rule of the Commission or any
provision of RCW Title 80 is subject to a penalty up to one-thousand dollars for each
violation. RCW 80.04.380. In the case of a continuing violation, every day's
continuance represents a separate and distinct violation. *Id.*

13 The term “public service company” includes telecommunications companies. RCW 80.04.010.

14 The Commission is authorized to file a complaint on its own motion setting forth any act or omission by any public service company that violates any law or any order or rule of the Commission. RCW 80.04.110.

VI. REQUEST FOR RELIEF

15 Staff requests that the Commission find that Grasshopper committed 101 violations of Commission rules and state law.

16 Staff further requests that the Commission impose monetary penalties on Grasshopper, pursuant to its authority under RCW 80.04.380.

17 Staff also requests that the Commission, pursuant to its authority under RCW 80.04.080, require Grasshopper to file revenue reports on a monthly basis for a period of two years.

VII. PROBABLE CAUSE

18 Based on a review of the Staff Investigation Report of this matter, and consistent with RCW 80.01.060 and WAC 480-07-307, the Commission finds probable cause exists to issue this Complaint.

VIII. NOTICE OF PREHEARING CONFERENCE

19 The COMMISSION GIVES NOTICE That it will hold a prehearing conference in this matter at **1:00 p.m., on May 8, 2014**, in Room 206, the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. **If you are unable to attend the prehearing conference in person, you may attend via the Commission’s teleconference bridge line at (360) 664-3846.** Please appear on the teleconference bridge five minutes before the conference is scheduled to begin.

20 The Commission will hear this matter under the Administrative Procedure Act (APA), particularly Part IV of RCW 34.05 relating to adjudications. The provisions of the APA that relate to this proceeding include, but are not limited to RCW 34.05.413, RCW 34.05.431, RCW 34.05.434, RCW 34.05.440, RCW 34.05.449, and RCW

34.05.452. The Commission will follow its procedural rules in WAC 480-07 in this proceeding.

- 21 The purpose of the prehearing conference is to consider requests for intervention, resolve scheduling matters including establishing dates for distributing evidence and workpapers, to identify the issues in the proceeding and determine other matters to assist the Commission in resolving the matter, as listed in WAC 480-07-430.
- 22 **INTERVENTION:** Persons who wish to intervene should file a petition to intervene in writing at least three business days before the date of the prehearing conference. *See* WAC 480-07-355(a). The Commission will consider oral petitions to intervene during the conference, but strongly prefers written petitions to intervene. Party representatives must file a notice of appearance with the Commission no later than the business day before the conference. *See* WAC 480-07-345(2).
- 23 Any party or witness in need of an interpreter or other assistance should fill out the form attached to this notice and return it to the Commission. The Commission will set the time and place for any evidentiary hearings at the prehearing conference, on the record of a later conference or hearing session, or by later written notice.
- 24 **The COMMISSION GIVES NOTICE that any party who fails to attend or participate in the prehearing conference set by this Notice, or any other stage of this proceeding, may be held in default under RCW 34.05.440 and WAC 480-07-450.**
- 25 The names and mailing addresses of all parties and their known representatives are as follows:

Complainant: Washington Utilities and Transportation
Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250
(360) 664-1160

Representative: Brett P. Shearer
Assistant Attorney General
1400 S. Evergreen Park Drive S.W.
P.O. Box 40128
Olympia, WA 98504-0128
(360) 664-1187
bshearer@utc.wa.gov

Respondent: Grasshopper Group, LLC
197 First Ave, Suite 200
Needham, MA 02494

Representative: Ronald E. Quirk, Esq.
Managing Consultant
The Compliance Group
1420 Spring Hill Road, Suite 401
McLean, VA 22102
req@compliance group.com

26 Administrative Law Judge Adam E. Torem, from the Commission's Administrative Law Division, will preside during this proceeding

27 The Commission will give parties notice of any other procedural phase of the proceeding in writing or on the record, as appropriate during this proceeding.

DATED at Olympia, Washington, and effective April 16, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

GREGORY J. KOPTA
Director, Administrative Law Division

NOTICE

PLEASE NOTE: The hearing facilities are accessible to interested people with disabilities; that smoking is prohibited; and, if limited English-speaking or hearing-impaired parties or witnesses are involved in a hearing and need an interpreter, a qualified interpreter will be appointed at no cost to the party or witness.

The information needed to provide an appropriate interpreter or other assistance should be stated below and returned to Washington Utilities and Transportation Commission, Attention: Steven V. King, 1300 S. Evergreen Park Drive SW, P.O. Box 47250, Olympia, WA 98504-7250. (PLEASE SUPPLY ALL REQUESTED INFORMATION)

Docket: _____

Case Name: _____

Hearing Date: _____ Hearing Location: _____

Primary Language: _____

Hearing Impaired: (Yes)_____ (No)_____

Do you need a certified sign language interpreter?:

Visual_____ Tactile_____

Other type of assistance needed: _____

English-speaking person who can be contacted if there are questions:

Name: _____

Address: _____

Phone No.: (____)_____