



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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June 17, 2015

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. Convergence Technologies, Inc.*

Commission Staff's Response to Application for Mitigation of Penalties UT-150806

Dear Mr. King:

On June 3, 2015, the Utilities and Transportation Commission issued a \$500 Penalty Assessment in Docket UT-150806 against Convergence Technologies, Inc. for 5 violations of Washington Administrative Code (WAC 480-120-382), which requires telecommunications companies to furnish annual reports to the commission no later than May 1 each year.

On June 8, 2015, Convergence Technologies, Inc. wrote the commission requesting mitigation of penalties. In its mitigation request, Convergence Technologies, Inc. does not dispute the violation occurred. The company states, "Whereas Convergence Technologies does acknowledge the report was signed on April 30, 2015 and mailed the same day, the undated WUTC letter of penalty notification states that the report was not filed until May 8, 2015. It is unknown what the delay was between the post mailing of the report and the receipt and filing of the report by the WUTC".

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 27, 2015, Annual Report packets were mailed to all regulated telecommunications companies. The instructions for annual report completion page of the annual report informed the regulated company that it must complete the annual report form, pay the regulatory fees, and return the materials by May 1, 2015, to avoid enforcement action.

On May 8, 2015, Convergence Technologies, Inc. filed its 2014 annual report with no regulatory fees owed. The company has been active since 1999. Convergence Technologies, Inc. previously missed the deadline to file its annual report and pay any regulatory fees during the 2002, 2003 and 2011 reporting years. Convergence Technologies, Inc. bears the ultimate responsibility to ensure that the commission receives the company's annual report by the due

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date. Staff does not support the company's request for mitigation due to the prior violations of WAC 480-120-382 and the company's failure to provide proof of delivery by May 1.

If you have any questions regarding this recommendation, please contact Amy Andrews, Regulatory Analyst, at (360) 664-1157, or aandrews@utc.wa.gov.

Sincerely,



Sondra Walsh, Director
Administrative Services