



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 27, 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. Priority Terabit, Inc.*

Commission Staff's Response to Application for Mitigation of Penalties UT-160584

Dear Mr. King:

On June 15, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-160584 against Priority Terabit, Inc. for ten violations of Washington Administrative Code (WAC 480-120-382), which requires telecommunications 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 June 20, 2016, Priority Terabit, Inc. wrote the commission requesting mitigation of penalties. In its mitigation request, Priority Terabit, Inc. does not dispute the violation occurred. The company states, "...we did not receive the annual report that was mailed in February 2016"

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 telecommunications companies. The instructions page along with Schedule 1, Part A informs the regulated company that it must complete the annual report form, provide the supporting financial reporting documents and pay the regulatory fees, and return the materials by May 2, 2016, to avoid enforcement action.

On June 20, Priority Terabit, Inc. filed an incomplete 2015 annual report. On June 22, Commission staff reached out to the company and requested a balance sheet and income statement. The company quickly responded on June 22 that the company had zero assets and no revenue for 2015. The annual report is complete as of June 22.

Priority Terabit, Inc. has been active since 2000. Priority Terabit, Inc. previously missed the deadline for filing its annual report for the 2012 operating year. The company has otherwise filed

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on time. Despite the prior violation of WAC 480-120-382, staff supports the company's request for mitigation due to the recent filing compliance. Staff recommends a reduced penalty of \$50 per day for a total penalty assessment of \$500

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