



STATE OF 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

July 8, 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. Touchtone Communications, Inc.*

Commission Staff's Response to Application for Mitigation of Penalties UT-160599

Dear Mr. King:

On June 16, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-160599 against Touchtone Communications, 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 27, 2016, Touchtone Communications, Inc. wrote the commission requesting mitigation of penalties. In its mitigation request, Touchtone Communications, Inc. does not dispute the violation occurred. The company states, "...Over the years, our obligation of submitting Annual Reporting have always resulted in timely filings, which have never been submitted past the State's annual due dates. Our firm's expectation each year is the timely filing of our annual reports in all states in which TouchTone operates. Unfortunately, during the first quarter of this year, there were personnel changes within our Organization, some of which were a direct and contributing factor to the delayed filings of our annual reports please find the attached documentation in consideration of evidence to reduce the penalty."

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.

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On May 17, 2016, Touchtone Communications, Inc. filed a 2015 annual report and paid the regulatory fee.

Touchtone Communications, Inc. has been active since 2004. Touchtone Communications, Inc. filed the 2005 annual report late and paid the penalty assessment of \$100 in full. No subsequent violations of WAC 480-120-382 have occurred. Staff supports the company's request for mitigation and recommends a reduced penalty of \$25 per day for a total penalty assessment of \$250.

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

Sincerely,

A handwritten signature in blue ink that reads "M. Kutz for SW".

Sondra Walsh, Director
Administrative Services