



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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July 6, 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. Karlinda, LLC*

Commission Staff's Response to Request for Hearing TE-160704

Dear Mr. King:

On June 21, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket TE-160704 against Karlinda, LLC for 10 violations of Washington Administrative Code (WAC 480-30-071 and 480-30-076), which requires charter and excursion 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 24, 2016, Karlinda, LLC wrote the commission requesting a hearing disputing the violation occurred. In its hearing request, the company states, "...I went on line to complete the corporation or LCC annual report. I completed the report and then sent in a payment using ACH, both the report and ACH proof are attached. Also enclosed are my business license and current legal entity registration for 2016. Additionally, a copy of the letter to file on line at Cprenewal.wa.gov that I used to file the report. There was nothing indicating the report as incomplete. I don't understand what is incomplete." The supporting documents that Karlinda, LLC provided are associated with the Secretary of State, not the commission.

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, or in this case, May 2 as May 1 was a Sunday. On February 29, 2016, Annual Report packets were mailed to all regulated charter and excursion companies. The instructions page informs the regulated company that it must complete the annual report form and pay the regulatory fees, and return the materials by May 2, 2016, to avoid enforcement action.

On March 21, 2016 commission staff sent an email to Karlinda, LLC advising the company that both the interstate accident figure and interstate mileage was not provided and the regulatory fee

calculation schedule was incorrect. No response was received. On June 24, commission staff spoke with the company and stated that the information above was still outstanding. The company provided the missing information via email on June 24.

Staff does not support the company's request for hearing as commission staff did not receive an annual report prior to the May 2 deadline and it is the company's responsibility to file a complete and accurate annual report. Karlinda, LLC became active in 2015 and has no prior violations of WAC 480-30-071 and 480-30-076. This is the company's first delinquent filing. Staff 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,



Sondra Walsh, Director
Administrative Services