



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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August 2, 2017

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. Dillard-Lewis, Inc.*

Commission Staff's Response to Application for Mitigation of Penalties TE-170612

Dear Mr. King:

On June 20, 2017, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket TE-170612 against Dillard-Lewis, Inc. for 10 violations of Washington Administrative Code (WAC 480-30-071 and 480-30-076), which requires charter and excursion carrier companies to furnish annual reports and the regulatory fee to the commission no later than May 1 each year.

On July 14, 2017, Dillard-Lewis, Inc. wrote the commission requesting mitigation of penalties. In its mitigation request, Dillard-Lewis, Inc. does not dispute the violation occurred. The company states, "... we used your electronic system to file our annual report on time. We paid the fees on time. It appears that the problem occurred when the report asked for the name of the person filing the report be entered (which we did) and then asked for a signature which we did not type in that same name again on that next line." Dillard-Lewis, Inc. then goes on to say they did not receive a notification that the annual report was incomplete and they never had a chance to correct the report.

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 28, 2017, Annual Report packets were sent to all regulated requires charter and excursion carrier 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 1, 2017, to avoid enforcement action.

The company filed an incomplete annual report and paid the regulatory fee on May 1, 2017. On May 15, Commission Staff sent an email to the yahoo email address provided by the company

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that advised the Company that their annual report was incomplete. The complete annual report was filed on June 21, 2017.

Commission staff recently learned that a certain email company does not deliver emails from the State of Washington. As a result of this, Dillard-Lewis, Inc. did not receive the notification from Commission Staff advising them that the company's annual report was incomplete and Dillard-Lewis, Inc. did not have an opportunity to timely correct and submit a complete annual report. Dillard-Lewis, Inc. did not file a complete annual report by May 1. If Dillard-Lewis, Inc. had filed the report within two business days of the Commission email, the Commission would have recognized that the company attempted to file the annual report on time and would have initially assessed a mitigated penalty of \$200. Under these circumstances, it is Staff's recommendation that the penalty be reduced to \$200.

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

Sincerely,

/s/ Sean Bennett

Sean Bennett, Regulatory Analyst
Administrative Services