



Rob McKenna

ATTORNEY GENERAL OF WASHINGTON

Utilities and Transportation Division

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January 3, 2007

Mr. Andrew Kever, Senior Vice President and General Counsel
Grande Communications Networks, Inc.
401 Carlson Circle
San Marcos, Texas 78666

RE: Penalty Assessment UT-051701

Dear Mr. Kever:

On December 6, 2005, the Washington Utilities and Transportation Commission (the Commission) issued a Notice of Penalties to Grande Communications Networks, Inc. (Grande) in the amount of \$100 for violation of Washington Administrative Code (WAC) 480-120-382. WAC 480-120-382 requires competitively classified telecommunications companies to furnish annual reports to the Commission no later than May 1 of each year and pay appropriate regulatory fees. The penalty assessment required Grande to either pay the penalty or ask for mitigation within 15 days. Your company did neither.

On June 22, 2006, the Commission notified you by letter that if the payment of \$100 was not received by July 30, 2006, the matter would be referred to the Office of Attorney General. To date, the Commission has not received your payment.

This letter serves as a final chance for you to respond. If you do not respond by January 17, 2007, you may incur additional penalties, and the Commission may pursue its enforcement options in superior court.

If you have any questions about this letter or about the company's obligations under Commission rules, you may contact me at (360) 664-1186, or Sheri Hoyt, Compliance Specialist, Business Practices Investigations Section, by telephone at (360) 664-1149.

Sincerely,

Jennifer Cameron-Rulkowski
Assistant Attorney General

cc: Sheri Hoyt
Vicki Elliot

