

UT-130792

10/21/2013

To whom it may concern:

We believe the following mitigating factors should be considered when determining the appropriate fine for our egregious flouting of the rules and regulations of the State of Washington.

1. See attached E-mail received from Rayne Pearson at RPearson@utc.wa.gov by Alex Bradley of our engineering staff dated Thursday, June 6th 2013 that states "That is correct, your company will not be receiving penalties." that was directly referencing the penalty at hand. Additionally, we were offered the opportunity to pay the fine levied against us at \$.25 on the dollar back at the beginning of this process and would have certainly taken advantage of this opportunity if we had not been told by Rayne that we would not be levied said fines.
2. Bill Weinman received the completed report we are being penalized for not submitting on time but for some reason failed to document said report. We know this because as late as the 30th of September members of the UTC were calling to inquire about its status, and we received a notice stating the report was incomplete with in fact the report had been sent completed as requested back in May (see attached 2012 Telecommunications Companies Annual Report).

Finally, a report was submitted initially be was incomplete. We had no intention of misleading the commission or not paying our fair share. The fact is we have never earned any revenue that is subject to the taxes/fees that the Telecommunications Annual Report would be used to calculate.

Regards,

Jason Petrillo
Marketing Director
Cascade Networks, Inc.

2013 OCT 25 AM 8:31
UTC
COMMUNICATIONS
COMMISSION

Jason Petrillo

From: Alex Bradley <alex@cni.net>
Sent: Monday, September 30, 2013 10:57 AM
To: Jason@cni.net
Subject: Fwd: RE: Fwd: Cascade Networks Annual

----- Original Message -----

Subject:RE: Fwd: Cascade Networks Annual
Date:Thu, 6 Jun 2013 21:49:32 +0000
From:Pearson, Rayne (UTC) <RPearson@utc.wa.gov>
To:Alex Bradley <alex@cni.net>, "Russell, Kristen (UTC)" <krussell@utc.wa.gov>
CC:Jason@cni.net <Jason@cni.net>

Hi Alex,

~~That is correct, your company will not be receiving penalties~~ I don't know the situation for the other company- they would need to contact us directly and explain whether their circumstances were similar to yours. I'll be attending the Open Meeting agenda review in 10 minutes and will confirm that Cascade Networks has been removed.

Thanks,
Rayne

From: Alex Bradley [mailto:alex@cni.net]
Sent: Thursday, June 06, 2013 1:00 PM
To: Pearson, Rayne (UTC); Russell, Kristen (UTC)
Cc: Jason@cni.net; Alex Bradley
Subject: Fwd: Fwd: Cascade Networks Annual

Hello Rayne,

A colleague just received the below email from Bill Weinman. After you and I spoke last, I understood there were to be no penalties assessed because of the misinformation? Also, Mr. Weinman seems unaware than I sent a request to withdraw the CLEC disconnection request to records@utc.wa.gov on Monday 6/4, as you suggested.

Can you please confirm things are on track?

Thank you very much for your help.
Alex

----- Original Message -----

Subject:Fwd: Cascade Networks Annual
Date:Thu, 06 Jun 2013 14:41:59 -0500
From:Jason@cni.net <jason@cni.net>

To:alex@cni.net

----- Forwarded message -----

From: "Weinman, William (UTC)" <WWeinman@utc.wa.gov>

To: "Jason Petrillo" <jason@cni.net>

Subject: Cascade Networks Annual

Date: Thu, Jun 6, 2013 2:30 pm

Jason,

I hope you understand you will be subject to penalties for not filing on time.

I need to know by Friday if you want to continue to be a CLEC. Your cessation of service will be on next Thursday's Open Meeting.

Bill Weinman

Assistant Director – Telecom

Phone – (360) 664-1109

Email – wweinman@utc.wa.gov

From: Jason Petrillo [<mailto:jason@cni.net>]

Sent: Friday, May 31, 2013 4:50 PM

To: Weinman, William (UTC)

Subject: Cascade Networks Annual

Sorry, forgot to include the worksheet.

Thanks,

Jason

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TELECOMMUNICATIONS COMPANIES

ANNUAL REPORT

Due May 1, 2013

Full name and address of Company

Correct name and address, if different than shown

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

for the YEAR ENDED DECEMBER 31, 2012.

SECTION I			
INQUIRIES CONCERNING THIS ANNUAL REPORT SHOULD BE ADDRESSED TO:			
NAME: <u>Jason Petrillo</u>	TITLE: <u>Marketing Director</u>		
ADDRESS: <u>PO Box 887</u>			
CITY: <u>Longview</u>	STATE: <u>WA</u>	ZIP: <u>98632</u>	
TELEPHONE: <u>360.442.4414</u>	FAX: <u>360.414.5991</u>	E-MAIL: <u>Jason@cni.net</u>	
The company must notify the Commission, in writing, of any changes to the above information.			

SECTION II																	
TYPE OF PAYMENT - DO NOT SEND CASH IN THE MAIL															For Commission Use Only		
<input type="checkbox"/> Check <input type="checkbox"/> Money Order <input type="checkbox"/> AMEX <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> Discover															Credit Card Authorization #: _____		
Credit Card Number:															Expiration Date Month/Year		
N	A																
CERTIFICATION FOR CREDIT CARD PAYMENT: I, the undersigned, under penalty for false statement, certify that the information is true, valid and correct, that I am authorized to execute on behalf of the applicant, and that I agree to pay the above total amount according to card issuer agreement.																	
Name (Printed) _____										Title _____							
Signature _____										Date _____							

For Commission Use Only			
Reception Number: _____	Reference: _____	Payment ID: _____	
001-111-02-68-170-01: _____	001-111-02-68-170-11: _____	001-111-02-68-032-20: _____	
Total Paid _____			

Washington Unified Business Identifier (UBI) No.: 602076023
(If you do not know your UBI No. please contact Business Licensing Service at 1-800-451-7985 or BLS@dor.wa.gov)

Annual Report Certification

I certify that I, Brian Magnuson, the responsible account officer for Cascade Networks, Inc. have examined the foregoing report; that, to the best of my knowledge, information and belief, all statements of fact contained in said report are true and said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2012, to December 31, 2012, inclusive.

Name (Printed) Brian Magnuson Title President

Signature Brian Magnuson Date 5-31-2013

Online Annual Report Certification

I acknowledge that the foregoing Annual Report has been submitted electronically; that, to the best of my knowledge, information and belief, all statements of fact contained in all attached schedules are true and said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2012, to December 31, 2012, inclusive. I agree that my name typed in lieu of my handwritten signature shall be sufficient to deem the report complete.

Authorized By:

BRIAN MAGNUSON

Please Type Full Name Here

Authorized Date:

5-31-2013

Please Type Full Date Here

SECTION III

Competitively Classified Company Financial & Operational Data

1. The following information is **REQUIRED** under WAC 480-120-382 and the annual report will not be complete without the required documents in the prescribed format.

- Income statement (Required) – **TOTAL COMPANY**
- Balance Sheet (Required) – **TOTAL COMPANY**
- Regulatory Fee Sheet (Required) – **TOTAL COMPANY**
- Annual Revenues for 2012 – (Required) – **TOTAL WASHINGTON OPERATIONS AND WASHINGTON INTRA STATE**

Companies Not Classified as Competitive Financial & Operational Data

2. The following information is **REQUIRED** under WAC 480-120-385 and the annual report will not be complete without the required documents in the prescribed format **OF TOTAL COMPANY, WASHINGTON OPERATIONS AND WASHINGTON INTRASTATE.**

- Income statement (Required)
- Balance Sheet (Required)
- Regulatory Fee Sheet (Required)

Washington State Data

(Applies to BOTH Competitively and Non-Competitively Classified Companies)

3. Services

a. Does your company provide local exchange services in WA? Yes No

b. What other services does your company provide in WA? Please list.

VoIP _____

Internet _____

4. Lines in service as of December 31, 2012

If you file Form 477 with the FCC for Washington operations, please indicate:

- a. The total number of voice grade equivalent lines: 0
(provide the same number as included in the **FCC Form 477 Part II. A. 1.**)
(If your company does not file Form 477 you still must report voice grade equivalent lines.)
- b. How many of the lines listed in 3.a. above, have access to E-911: 0

REGULATORY FEE CALCULATION SCHEDULE
Due May 1, 2013

Company Name Cascade Networks, Inc. Annual Report Year 2012

In accordance with chapter 80.24.010 RCW "Regulatory Fees", the Commission requires Telecommunication companies to file reports of gross intrastate operating revenue and pay fees on that revenue. Every company subject to regulation shall file with the Commission a statement under oath showing its gross intrastate operating revenue for the preceding year and pay to the Commission a fee as instructed below.

1	Total Gross Intrastate Operating Revenue (BEFORE UNCOLLECTIBLES)**	1	\$0
2	Less Non Fee-Paying Revenue***	2	\$0
3	Balance-Adjusted Gross Intrastate Operating Revenue (subtract line 2 from 1)	3	\$0
Regulatory Fee Calculations:			
4	If line 3 is UNDER \$20,000, Enter ZERO (Filing ZERO indicates schedule is complete)	4	\$0

5	If line 3 is BETWEEN \$20,000 and \$50,000-enter amount from line 3	5	\$0 x .1 % (.001) =	\$0
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6	If line 3 is OVER \$50,000 enter amount from line 3	6	\$0	
First \$50,000 is subject to .1% regulatory fee				
6a	\$ 50,000.00 x .1 % (.001) =		\$0	
Adjustment of Gross Intrastate Operating Revenue (subtract Line 6a from 6)				
6b	\$0 x .2 % (.002) =		\$0	

7	Total Regulatory Fees owed (Line 4 or Line 5 or Line 6a + 6b)	7	\$0
Agency Use Only 001-111-02-08-170-01			

Complete Lines 6 through 9 if filing after May 1

Penalties on Regulatory Fees filed after May 1

8	Total Penalties on Regulatory Fees owed - enter amount from line 7	8	\$0 x 2 % (.02) =	\$0
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Interest on Regulatory Fees filed after May 31

9	Amount from line 7 _____ x Number of months past May 31 _____ x 1% (.01) =	9	\$0
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10	Total Penalties and Interest owed (add lines 8 and 9)	10	\$0
Agency Use Only 001-111-02-08-170-11			

11	Total Regulatory, Penalty and Interest Fees Due (add lines 7 and 10)	11	\$0
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** Gross Revenue Definition
The revenues subject to the Commission's regulatory fees are gross Washington intrastate operating revenues before deductions for uncollectibles, unbillables, subscriber/aggregator commissions or the payment of site charges and state and federal taxes, i.e. "Gross Revenues" means before any deductions from Revenue Receipts.

*****DETAILS OF NON FEE-PAYING REVENUE**

Indicate Account and Description	Amount
10.	\$
11.	N/A
12.	
13.	
14.	
Total Non Fee-Paying Revenue	\$