

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

ZIPLY FIBER NORTHWEST, LLC d/b/a
ZIPLY FIBER

Respondent.

DOCKET UT-250046

ORDER 01

COMPLAINT AND ORDER
SUSPENDING TARIFF
REVISIONS; PREVENTING
INCREASED LATE FEES FROM
GOING INTO EFFECT ON
MARCH 1, 2025.

BACKGROUND

- 1 On January 24, 2025, Ziplly Fiber Northwest, LLC d/b/a Ziplly Fiber (Ziplly or Company) filed with the Washington Utilities and Transportation Commission (Commission) to revise its Tariff WN U-101 (General and Local Exchange tariff) to reflect an increase in its late payment fee alleging that the increase fee would offset increased operational costs for accounts with past due balances. The revision increases the minimum late payment fee from \$12 to \$15 (25 percent increase). The Company provided 12 months of revenue and the number of customers that were subject to the late payment fee. The revision is estimated to generate an additional \$197,259.00 annually.¹
- 2 On February 3, 2025, Commission Staff (Staff) sent an informal Data Request (DR) to the Company asking for information necessary to estimate the impact on revenue and on the associated costs the Company is requesting with the late payment fee increase.
- 3 On February 11, 2025, Staff received Ziplly's response to the informal DR, and on February 12, 2025, Staff sent an additional Data Request (DR2), as the Company did not provide information on the increased operational costs associated with administering accounts with past due balances.

¹ The estimated \$197,259.00 is approximately a 0.36 percent increase to the 2023 Washington State intrastate revenue.

4 On February 13, 2025, Zply objected to DR2 on the grounds that the request ignored the Commission's Order 06 (Final Order) in Docket UT-121994, and applicable Washington statutes limiting Commission jurisdiction over services determined competitive.

DISCUSSION

5 The Commission has reviewed the documents in Docket UT-121994, which show that all competitively classified services were removed from the General and Local Exchange Tariff in accordance with Order 06.² At that time, late payment fees were retained in the tariff, where they remain applicable to tariffed services not currently classified as competitive.

6 Based on our review of the proposed tariff revision and the Company's response to DR1, we are not able to determine if the proposed increase is fair, just, and reasonable. We believe the Company has not provided detailed information on the associated costs and has not met its burden of proof for the tariff rate increase.

FINDINGS OF FACT

7 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, and affiliated interests of public service companies, including telecommunications companies.

8 (2) Zply Fiber Northwest, LLC d/b/a Zply Fiber is a telecommunications company and a public service company subject to Commission jurisdiction under RCW 80.04.010.

9 (3) Zply filed with the Commission on January 24, 2025, to revise Tariff WN U-101, increasing late payment fees from \$12 to \$15. The proposed revision is scheduled to become effective March 1, 2025.

10 (4) This matter came before the Commission at its regularly scheduled meeting on February 28, 2025.

² Staff reviewed Order 06, Appendix A of Order 06 (Redline-Settlement Agreement Frontier – Staff – PC), Frontier Compliance filings (Advice No. 3339), and Order 07.

- 11 (4) Upon request by the Commission, Ziplly has not provided information on increased operational costs associated with administering accounts with past due balances. The Commission finds that this information is necessary to make a decision on the revision of Tariff WN U-101.

CONCLUSIONS OF LAW

- 12 (1) As required by RCW 81.04.130, Ziplly bears the burden of proof to show that the proposed increases are fair, just, reasonable, and sufficient.
- 13 (2) Ziplly has not met its burden of proof under RCW 81.04.130 to show that the revision of Tariff WN U-101 is fair, just, reasonable, and sufficient.
- 14 (3) The Commission should suspend the proposed tariff revisions to provide the parties and stakeholders an opportunity to resolve the remaining issues.
- 15 (4) Ziplly may be required to pay the expenses reasonably attributable and allocable to such an investigation consistent with RCW 81.20.

ORDER

THE COMMISSION ORDERS:

- 16 (1) The late payment fee increase filed on January 24, 2025, by Ziplly Fiber Northwest, LLC d/b/a Ziplly Fiber will be suspended from going into effect, by operation of law on March 1, 2025.
- 17 (2) The Commission may hold hearings if needed at such times and places as required.
- 18 (3) The Commission will institute an investigation of Ziplly Fiber Northwest, LLC d/b/a Ziplly Fiber books, accounts, practices, activities, property and operations as necessary and as described above.

- 19 (4) Ziplly Fiber Northwest, LLC d/b/a Ziplly Fiber shall pay the expenses reasonably attributable and allocable to the Commission's investigation, consistent with RCW 81.20.

DATED at Lacey, Washington, and effective February 28, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner