

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment)	DOCKET UW-140840
Against)	
)	ORDER 01
CRISTALINA, LLC)	
)	ORDER DENYING MITIGATION
in the amount of \$1,000)	
.....)	

BACKGROUND

- 1 Washington law requires regulated water companies to file annual reports and pay regulatory fees by May 1 of each year. WAC 480-110-505. On February 28, 2014, the Washington Utilities and Transportation Commission (Commission) mailed annual report and regulatory fee packets to all regulated water companies. The forms included a reminder that companies must file their annual reports and pay their regulatory fees by May 1, 2014, or face penalties of \$100 for each violation of Commission rules. In the case of continuing violations, each day’s continuance is a separate violation. RCW 80.04.405.
- 2 Cristalina, LLC did not file its annual report on May 1, 2014, and had not made that filing by May 15. On May 28, the Commission assessed a penalty of \$1,000 against Cristalina, LLC, calculated as \$100 per business day from May 1 to May 15.
- 3 On June 13, 2014, Cristalina, LLC responded to the Commission’s penalty assessment admitting the violations and requesting mitigation of the penalty based on the written information provided. The Company explained that it has been working on transferring ownership of its water system since late 2013, and requested that the Commission forgive the fine and “concentrate on approving the transfer.” The Company also stated that it is running at a financial deficit. Finally, the Company explained that it overlooked the annual report filing deadline because it is presently short-staffed, and staff time is spent working on the Commission’s extensive reporting requirements in other areas.

- 4 On June 13, 2014, Cristalina, LLC filed its annual report and paid its regulatory and late payment fees.
- 5 On June 27, 2014, Commission Staff (Staff) filed a response recommending the Commission deny the Company's request for mitigation because the Company was delinquent in both 2006 and 2012. Staff also noted that the Company filed documents related to its transfer of assets on June 17, 2014, in Docket UW-141301.

DISCUSSION

- 6 WAC 480-110-505 requires regulated water companies to file annual reports and pay regulatory fees by May 1 of each year. Companies are responsible for complying with their legal obligations, and the Company should have been aware of the need to file an annual report, particularly given the Commission's reminders and the Company's past violations. Moreover, if the Company is presently short staffed, it should have requested an extension for additional time to complete and file its report.
- 7 The Commission agrees with Staff's recommendation and denies the Company's request for mitigation. The Commission may consider a number of factors when entertaining a request for mitigation, including a company's history of compliance, whether the violation was promptly corrected, and the likelihood the violation will recur.¹ Ultimately, the Commission's goal is the Company's compliance with its regulatory obligations. Although Cristalina, LLC has since filed its annual report, the Company has prior violations of WAC 480-110-505, most recently in 2012 when the Company received and paid a \$2,100 penalty. To date, the Company has not filed a complete 2011 annual report. We believe the violations are likely to recur absent imposition of the maximum penalty, particularly in light of the fact that the \$2,100 penalty neither compelled compliance nor deterred additional violations. Accordingly, the Commission finds the penalty amount to be a reasonable deterrent to overlooking future filing deadlines and requirements.

¹ Docket A-120061, Enforcement Policy for the Washington Utilities and Transportation Commission (January 7, 2013).

ORDER

THE COMMISSION ORDERS:

- 8 (1) The request of Cristalina, LLC for mitigation of the \$1,000 penalty is
DENIED.
- 9 (2) The penalty is due and payable no later than August 1, 2014.
- 10 The Secretary has been delegated authority to enter this order on behalf of the
Commissioners under WAC 480-07-904(1)(h).

DATED at Olympia, Washington, and effective July 18, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING
Executive Director and Secretary

NOTICE TO PARTIES: This is an order delegated to the Executive Secretary for decision. As authorized in WAC 480-07-904(3), you must file any request for Commission review of this order no later than 14 days after the date the decision is posted on the Commission's website. The Commission will grant a late-filed request for review only on a showing of good cause, including a satisfactory explanation of why the person did not timely file the request. A form for late-filed requests is available on the Commission's website.