

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment)	DOCKET UW-140853
Against)	
)	ORDER 01
ROCHE HARBOR WATER SYSTEM)	
)	ORDER GRANTING
in the amount of \$1,000)	MITIGATION
.....)	

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 On May 1, 2014, Roche Harbor Water System paid its estimated regulatory fee and petitioned the Commission for an extension of time to file its annual report. On May 29, the Commission denied the Company’s request for extension on the basis that the petition was not received prior to May 1.
- 3 On June 3, 2014, Roche Harbor Water System filed its annual report. On June 9, the Commission assessed a penalty of \$1,000 against Roche Harbor Water System, calculated as \$100 per business day from May 1 to May 15, the day penalties ceased accruing.
- 4 On June 16, 2014, Roche Harbor Water System’s accountant, Rick Parducci of Johnson & Shute, P.S., responded to the Commission’s penalty assessment on the Company’s behalf, admitting the violations and requesting mitigation of the penalty based on the written information provided. Mr. Parducci explained that he called the Commission on April 29 and was told by Commission Staff (Staff) that if the Company’s regulatory fee was received by May 1, the request for extension would likely be granted. Mr. Parducci stated that he would have ensured the request was

submitted on April 30 had he understood from his conversation with Staff that was necessary.

- 5 On June 30, 2014, Staff filed a response recommending the Commission waive the penalty in full due to the conflicting information provided by other Staff. Staff also noted that the Company has no prior violations of WAC 480-110-505 related to either late filed reports or requests for extensions.

DISCUSSION

- 6 The Commission agrees with Staff's recommendation and will not impose a penalty. The Commission's primary objective in any enforcement action is to ensure compliance with a company's legal obligations; penalties both punish past violations and provide an incentive to comply in the future. We believe neither punishment nor incentive is warranted here, because the violation stemmed from a miscommunication between the Company's representative and Commission Staff. We find Mr. Parducci's representation that he would have submitted the request one day earlier persuasive given the Company's history of compliance. Under these circumstances, we will grant full mitigation of the penalty.

ORDER

THE COMMISSION ORDERS:

- 7 (1) The request of Roche Harbor Water System for mitigation of the \$1,000 penalty is GRANTED.
- 8 (2) No penalty is due.

- 9 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.