

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment	)	DOCKET UT-140884
Against	)	
	)	ORDER 01
EXPONENTIAL	)	
COMMUNICATIONS, LLC	)	ORDER DENYING MITIGATION
	)	
in the amount of \$1,000	)	
.....	)	

**BACKGROUND**

- 1 Washington law requires regulated telecommunications companies to file annual reports and pay regulatory fees by May 1 of each year. WAC 480-120-382. On February 28, 2014, the Washington Utilities and Transportation Commission (Commission) mailed annual report and regulatory fee forms to all regulated telecommunications 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 Exponential Communications did not file its annual report on May 1, 2014, and had not made that filing by May 15. On May 29, The Commission assessed a penalty of \$1,000 against Exponential Communications, calculated as \$100 per day from May 1 to May 15.
- 3 On June 20, 2014, Exponential Communications 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 is an unprofitable small business run solely by its owner and, as of the date of its letter, had not yet filed its annual report. The Company noted that it closed operations on December 31, 2013.
- 4 As of July 10, 2014, the Company has neither filed its annual report nor paid its regulatory fee.

5 On July 7, 2014, Staff filed a response recommending the Commission deny the  
Company's request for mitigation. Staff explained that the Company was delinquent  
in filing its annual report in 2012, and received an automatic mitigation of that  
penalty. Staff also noted that the Company has not yet cancelled its registration with  
the Commission, despite its statement that it ceased operations.

### **DISCUSSION**

6 WAC 480-120-382 requires regulated telecommunications 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 violation.

7 The Commission agrees with Staff's recommendation and denies the Company's  
request for mitigation. The Commission considers a number of factors when  
entertaining a request for mitigation, including the company's compliance history,  
and the likelihood the violation will recur.<sup>1</sup> Because the Company has a history of  
noncompliance and previously received a mitigated penalty, the violation is likely to  
recur absent an escalated penalty. Moreover, the Company has failed to follow the  
proper channels for cancelling its registration, and was admittedly operational through  
the end of 2013. Accordingly, the Commission finds the penalty amount to be a  
reasonable means of compelling the Company's compliance with Commission filing  
deadlines and requirements.

### **ORDER**

#### **THE COMMISSION ORDERS:**

- 8 (1) The request of Exponential Communications, LLC for mitigation of the \$1,000  
penalty is DENIED.
- 9 (2) The penalty is due and payable no later than July 29, 2014.

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

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 15, 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.**