

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment	)	DOCKET UT-140898
Against	)	
	)	ORDER 01
LOCUS TELECOMMUNICATIONS,	)	
INC.	)	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 Locus Telecommunications, Inc. did not file a complete annual report on May 1, 2014, and had not made that filing by May 15. On June 3, the Commission assessed a penalty of \$1,000 against Locus Telecommunications, Inc., calculated as \$100 per business day from May 1 to May 15.
- 3 Locus Telecommunications, Inc. filed its complete annual report on June 3, 2014, with no regulatory fees due.
- 4 On June 9, 2014, Locus Telecommunications, Inc. 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 submitted its annual report on May 1, but the filing was rejected because the Company failed to provide a non-redacted version of its financial statements.

5 On June 25, 2014, Commission Staff (Staff) filed a response recommending the  
Commission deny the Company's request for mitigation. Staff explained that the  
Company late filed its annual report in 2013 and received a reduced penalty that year.

### **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 taken measures  
to ensure its filing was timely and correctly submitted.

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> Ultimately, the Commission's goal is to gain  
compliance going forward. Here, the Company has a history of noncompliance; it  
received and paid a reduced penalty in 2013. Accordingly, the violations are likely to  
recur absent an escalated penalty. The Commission finds the penalty amount to be a  
reasonable deterrent to overlooking future filing deadlines and requirements.

### **ORDER**

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

- 8 (1) The request of Locus Telecommunications, Inc. for mitigation of the \$1,000  
penalty is DENIED.
- 9 (2) The penalty is due and payable no later than July 24, 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 10, 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.