

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment)	DOCKET UT-140901
Against)	
)	ORDER 01
NETWORKIP, LLC)	
)	ORDER GRANTING
in the amount of \$1,000)	MITIGATION TO \$200
.....)	

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 NetworkIP, LLC did not file a complete annual report on May 1, 2014, and had not made that filing by May 15. On May 30, the Commission assessed a penalty of \$1,000 against NetworkIP, LLC for filing an incomplete annual report, calculated as \$100 per business day from May 1 to May 15.
- 3 NetworkIP, LLC ultimately filed a complete annual report on May 22, 2014, with no regulatory fees due.
- 4 On June 13, 2014, NetworkIP, 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 when it filed its annual report on May 1, it inadvertently marked its redacted financial statements “confidential,” and the non-redacted version as “highly confidential.” The Company went on to say that Schedule 1, Part D is a new requirement and the instructions received in follow-up emails from Commission Staff (Staff) were confusing.

5 On June 27, 2014, Staff filed a response recommending a penalty reduction to \$200. Staff confirmed that a new portion of the telecommunications report was added this year. Staff noted that although NetworkIP, LLC filed a late annual report in 2003, it has since filed timely.

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 sought clarification if it was unsure about how to properly complete and file the new portion of the form.

7 The Commission nevertheless agrees with Staff's recommendation. The Commission may consider a number of factors when entertaining a mitigation request, including whether a company promptly corrected the violation at issue, a company's past compliance with commission rules, and the likelihood the violation will recur.¹ This is NetworkIP, LLC's only violation of WAC 480-120-382 in more than five years, and the Company promptly filed a corrected annual report prior to receiving a penalty. Given the Company's history of compliance, the violation is unlikely to recur. The Commission will therefore exercise its discretion to reduce the penalty to \$200.

ORDER

THE COMMISSION ORDERS:

- 8 (1) The request of NetworkIP, LLC for mitigation of the \$1,000 penalty is GRANTED in part, and the penalty is reduced to \$200.
- 9 (2) The penalty is due and payable no later than July 24, 2014.

¹ 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.