

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter of a Penalty Assessment |) | DOCKET UW-150782 |
| Against |) | |
| |) | ORDER 01 |
| BETHEL WATER COMPANY, INC. |) | |
| |) | ORDER IMPOSING AND |
| in the amount of \$1,000 |) | SUSPENDING PENALTIES ON |
| |) | CONDITION OF FUTURE |
| |) | COMPLIANCE |

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 27, 2015, 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, 2015, 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 Bethel Water Company, Inc. (Bethel Water or Company) filed an incomplete annual report on April 29, 2015, and had not made a complete filing by May 15. On May 20, the Commission assessed a penalty of \$1,000 against Bethel Water, calculated as \$100 per business day from May 1 to May 15.
- 3 On June 8, 2015, Bethel Water filed a complete annual report. That same day, the Company responded to the Commission’s penalty assessment, admitting the violations and requesting mitigation of the penalty based on the written information provided. The Company provided the following explanation: “My husband has dementia and I am his caregiver. I am trying to also run my business as long as I can. Please waive the penalty due to my error. Corrected.”
- 4 On June 17, 2015, Commission Staff (Staff) filed a response recommending a penalty reduction to \$50 per day, or \$500. Although the Company received penalties for violations of WAC 480-110-505 in 2010 and 2012, Staff supports partial mitigation due to the extenuating circumstances described in the Company’s response.

DISCUSSION

5 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 ensured its complete annual report was timely filed.

6 The Commission nevertheless agrees with Staff's recommendation, with one modification. Rather than waiving a \$500 portion of the penalty, we will suspend it on the condition of future compliance.

7 The Commission may consider a number of factors when entertaining a request for mitigation, including a company's history of compliance and the likelihood the violation will recur.¹ Although Bethel Water has been regulated since 1992, this is the Company's third violation of WAC 480-110-505 in five years. Because of the Company's recent history of noncompliance, we are neither willing to waive nor significantly reduce the penalty amount at this time. In light of the extenuating circumstances presented in the Company's response, however, we will exercise our discretion to suspend and then waive a \$500 portion of the penalty conditioned on the Company timely filing its 2015 annual report by May 1, 2016. The remaining \$500 portion of the penalty is due and payable within ten days of the date of this order.

ORDER

THE COMMISSION ORDERS:

8 (1) Bethel Water Company, Inc.'s request for mitigation of the \$1,000 penalty is GRANTED in part. The Commission suspends \$500 of the \$1,000 penalty originally assessed until May 2, 2016, and will waive that amount thereafter provided the Company files its complete 2015 annual report no later than May 1, 2016. If the Company fails to file its complete 2015 annual report by May 1, 2016, the \$500 suspended portion of the penalty will become due and payable on May 3, 2016, without further action by the Commission.

9 (2) The \$500 portion of the penalty that the Commission does not suspend is due and payable no later than July 20, 2015.

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, 2015.

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.