



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

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March 7, 2017

Steven V. King, Executive Director and Secretary
Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, WA 98504-7250

RE: *Washington Utilities and Transportation Commission v. Miracle Communications, Inc.*

Commission Staff's Response to Application for Mitigation of Penalties UT-160570

Dear Mr. King:

On June 15, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-160570 against Miracle Communications, Inc. (Miracle) for ten violations of Washington Administrative Code (WAC 480-120-382), which requires telecommunications companies to furnish annual reports, supporting documentation and the regulatory fee to the commission no later than May 1 each year, or in this case, May 2 as May 1 was a Sunday.

On February 28, 2017, Miracle Communications, Inc. wrote the commission requesting mitigation of penalties. In its mitigation request, Miracle Communications, Inc. does not dispute the violation occurred. The company states, "...due to unfortunate circumstances beyond our control (severe leakage of funds and resignation of the one in charge of all financial and regulatory obligations), filing of the report and the appropriate fees were not filed on time. On August 17, 2016, Miracle filed the required report and paid the regulatory fees with penalty and interest so that the Commission would not revoke our certificate. After filing the report and fee, we were under the impression that we satisfied our regulatory obligations. We are requesting a waiver or mitigation of the penalty as this amount will have a major impact in our cash flow."

It is the company's responsibility to ensure that the regulatory fee is paid and the annual report is filed by the May 1 deadline. On February 29, 2016, Annual Report packets were mailed to all regulated telecommunications companies. The instructions page along with Schedule 1, Part A informs the regulated company that it must complete the annual report form, provide the supporting financial reporting documents and pay the regulatory fees, and return the materials by May 2, 2016, to avoid enforcement action.

On August 17, 2016, Miracle Communications, Inc filed the 2016 annual report and paid the regulatory fee. Miracle's mitigation request comes well outside of the allowed 15 day response timeline as allowed in the penalty assessment.

The individual in charge of the companies financial and regulatory filings left the company prior to filing the 2015 annual report. Miracle Communications, Inc. has been regulated by the Commission since 2007, furthermore, this is the first year that Miracle Communications, Inc. did not file their annual report nor pay the regulatory fee by the required deadline of May 1. On March 2, 2017, Commission staff spoke with a company representative who ensured staff that a process has been put in place so that the company can meet its regulatory requirements in the event that the company experiences turnover. In light of these circumstances, staff recommends a reduced penalty of \$25 per day for a total penalty assessment of \$250.

If you have any questions regarding this recommendation, please contact Sean Bennett, Regulatory Analyst, at (360) 664-1157, or sbennett@utc.wa.gov.

Sincerely,



Sean Bennett, Regulatory Analyst
Administrative Services