

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment)	DOCKET UT-121011
Against)	
)	ORDER 01
TELECARE, INC.,)	
)	ORDER PARTIALLY
in the amount of \$500.00.)	SUSPENDING PENALTY,
)	SUBJECT TO CONDITION
.....)	

MEMORANDUM

- 1 **Penalty.** On August 1, 2012, the Washington Utilities and Transportation Commission (Commission) assessed a penalty of \$500 against Telecare, Inc. (Telecare), for violations of Washington Administrative Code (WAC) 480-120-382. This rule requires competitively classified telecommunications companies to file annual reports with the Commission by May 1 each year.

- 2 On February 29, 2012, the Commission mailed Annual Report forms and Regulatory Fee packets to all regulated competitively classified telecommunications companies as required by WAC 480-120-382. On May 14, 2012, the Commission mailed a letter to companies that had not yet filed an annual report notifying them that they had incurred, as of that date, a penalty of \$800. The letter explained that companies who filed their annual reports no later than May 25, 2012, would receive mitigated penalties of \$25 per day, with an additional \$25 per day assessed for each instance in the previous five years that the company received a penalty for filing a late report.

- 3 Telecare filed its 2011 annual report on May 15, 2012. This is 14 days late, making the company liable for a penalty of up to \$1,400, as provided in RCW 80.04.405. The Commission, considering the nature of the offense and other factors, exercised its discretion to assess less than the maximum penalty. The Commission assessed a penalty of \$500.

- 4 **Mitigation Request.** On August 21, 2012, the company filed a form provided by the Commission requesting mitigation of the penalty (Mitigation Request). In its Mitigation

Request, Telecare does not dispute that the violation occurred. The company states: “Unfortunately we do not do much business in Washington. We can’t afford a \$500 penalty. Can we pay \$250?”

5 **Commission Staff Opposition to Mitigation.** Commission Staff filed a Response to the Mitigation Request on September 28, 2012. Staff opposes mitigating the assessed penalty because this is Telecare’s second offense¹ and the penalty was already reduced administratively relative to the amount the Commission could impose.

6 **Commission Determination.** The Commission determines that it should grant the Mitigation Request to the extent of suspending one-half of the \$500 penalty amount subject to the condition that Telecare files its 2012 annual report by May 1, 2013. If the company fails to timely file its 2012 annual report, the suspended penalty of \$250 will become due without further action by the Commission. An additional penalty may be assessed for any late filing of the 2012 annual report.

7 This decision is based on Telecare’s acknowledgement that it violated the law and the small amount of business, both intrastate (*i.e.*, subject to Commission jurisdiction) and interstate (*i.e.*, not subject to Commission jurisdiction), that the company carries out in Washington.² The Commission’s primary goal in reaching its determination is to promote future compliance. Both the assessed penalty remaining due and the suspended penalty support this goal.

ORDER

THE COMMISSION ORDERS THAT:

8 (1) The penalty of \$500 assessed against Telecare, Inc., on August 1, 2012, is suspended in the amount of \$250 subject to the condition that Telecare files its 2012 annual report by May 1, 2013. If the company fails to timely file its

¹ Telecare, Inc. became regulated in January 1996 and received a penalty in 2010 for filing a delinquent annual report. The prior penalty increased the current penalty by \$25 per business day, resulting in an additional \$250, for a total penalty of \$500.

² Telecare’s 2012 Annual Report shows total intrastate operating revenue in Washington of \$726.25 for 2011. It appears from the company’s Income Statement that it is primarily a long-distance reseller and that its overall Washington operations during 2012 resulted in a loss to the company.

2012 annual report, the suspended penalty will become due without further action by the Commission.

- 9 (2) One-half of the penalty amount of \$500 assessed against Telecare Long Distance International, Inc., on July 31, 2012, (*i.e.*, \$250) is due and payable to the Commission within 15 days following the date of this Order.
- 10 (3) The Commission delegates to its Secretary authority to enter this Order on behalf of the Commissioners under WAC 480-07-904(1)(h).

DATED at Olympia, Washington, and effective October 29, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER
Executive Director and Secretary

NOTICE TO PARTIES: This is an order delegated to the Executive Secretary for decision. Under WAC 480-07-904(3), you may seek Commission review of this decision. In addition to serving you a copy of the decision, the Commission will post on its Internet Web site for at least 14 days a listing of all matters delegated to the Executive Secretary for decision under WAC 480-07-904(1). You must file a request for Commission review of this order no later than fourteen (14) days after the date the decision is posted on the Commission's Web site. The Commission will schedule your request for review for consideration at a regularly scheduled open meeting. The Commission will notify you of the time and place of the open meeting at which the Commission will review the order.

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 Web site.