

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment	)	DOCKET UW-140841
Against	)	
	)	ORDER 01
ESTATES WATER SYSTEMS, INC.	)	
	)	ORDER GRANTING
in the amount of \$1,000	)	MITIGATION TO \$175
.....	)	

**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 28, 2014, 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, 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 Estates Water Systems did not file its annual report on May 1, 2014. On May 28, the Commission assessed a penalty of \$800 against Estates Water Systems, calculated as \$100 per business day from May 1 to May 13, the date the Company’s report was received.
- 3 On June 3, 2014, Estates Water Systems 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 recently hired a new accountant, and the timing requirements for the annual report filing were not communicated to the new employee. The Company took full responsibility for the error and noted its history of timely filings.
- 4 On August 7, 2014, Estates Water Systems remitted an \$800 payment to the Commission.

5 On August 12, 2014, Commission Staff (Staff) filed a response recommending a penalty reduction to \$25 per day, or \$175. Staff noted that the Company has been active since 1992, and had one violation of WAC 480-110-505 in 2006.

### **DISCUSSION**

6 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; the Company should have been aware of the need to timely file an annual report and trained its new staff accordingly.

7 The Commission nevertheless agrees with Staff's recommendation. The Commission may consider a number of factors when entertaining a request for mitigation, including a company's history of compliance, whether the violation was promptly corrected, and the likelihood the violation will recur.<sup>1</sup> This is Estates Water Systems' first violation of WAC 480-110-505 in more than five years, and the Company filed its annual report and paid its regulatory fee prior to receiving a penalty. In addition, the Company has been regulated since 1992; given its overall history of compliance, the violation is not likely to recur. In light of these factors, the Commission will exercise its discretion to reduce the penalty to \$175.

### **ORDER**

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

- 8 (1) The request of Estates Water Systems, Inc. for mitigation of the \$800 penalty is GRANTED in part, and the penalty is reduced to \$175.
- 9 (2) The Commission will refund \$625 of the \$800 payment received on August 7, 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 August 20, 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.**