

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment Against	DOCKET UT-160557
GRANITE TELECOMMUNICATIONS, LLC	ORDER 01
in the amount of \$1,000	ORDER GRANTING MITIGATION TO \$500

BACKGROUND

- 1 On February 29, 2016, 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 Monday, May 2, 2016, 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 Granite Telecommunications, LLC (Granite or Company) filed incomplete annual reports on April 7 and April 28, 2016, and had not made a complete filing by May 16. On May 18, Granite filed a complete annual report. On June 14, the Commission assessed a penalty of \$1,000 against Granite, calculated as \$100 per business day from May 2 to May 16.
- 3 On July 1, 2016, Granite responded to the Commission’s penalty assessment, admitting the violations and requesting mitigation based on the written information provided. In its response, the Company states, “According to Granite’s records, Granite timely filed its 2015 annual report (including an unredacted version of its Balance Sheet and Income Statement), and timely filed the applicable regulatory fees, but Granite did not provide a redacted version of its Balance Sheet and Income Statement until after May 1, 2016. However, by providing a complete and unredacted filing prior to May 1, 2016, Granite did comply with the requirements of WAC 480-120-382, and a reduction of the penalty in whole is justified.”
- 4 On July 13, 2016, Commission staff (Staff) filed a response recommending a penalty reduction to \$50 per day, or \$500. Although the Company received and paid penalties for violations of WAC 480-120-382 in 2013 and 2014, Staff believes a reduced penalty is

warranted because the Company attempted to file on time and provided a complete filing prior to receiving the penalty assessment. Staff explains that the Company filed an incomplete annual report on April 7, 2016, then submitted an updated report, balance sheet, and income statement filed as “confidential” on April 28. That same day, Staff sent Granite an email explaining that the Company must also submit redacted versions of any forms the Company files as “confidential” to comply with Commission filing requirements. On May 18, Staff sent a follow-up email, and the Company promptly provided the redacted forms.

DISCUSSION

- 5 WAC 480-120-382 requires regulated telecommunications companies to file annual reports and pay regulatory fees by May 1 of each year, or the first business day thereafter. Companies are responsible for complying with their legal obligations, and the Company should have ensured its annual report was complete when filed.
- 6 The Commission nevertheless agrees with Staff’s recommendation. The Commission may consider a number of factors when entertaining a request for mitigation, including whether the violation was promptly corrected, a company’s history of compliance, and the likelihood the violation will recur.¹ Although Granite received and paid \$100 and \$175 penalties for violations of WAC 480-120-382 in 2013 and 2014, respectively, the Company corrected the violations at issue here prior to receiving the penalty assessment, and made a good faith effort to file its annual report prior to the due date. In light of these factors, we believe a reduced penalty of \$500 – which is still greater than the previous penalties – is appropriate.

ORDER

THE COMMISSION ORDERS:

- 7 (1) Granite Telecommunications, LLC’s request for mitigation of the \$1,000 penalty is GRANTED, in part, and the penalty is reduced to \$500.
- 8 (2) The \$500 penalty is due and payable no later than August 16, 2016.

¹ Docket A-120061, Enforcement Policy for the Washington Utilities and Transportation Commission (January 7, 2013).

- 9 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 2, 2016.

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.