

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment Against	DOCKET TE-160704
KARLINDA, LLC	ORDER 01
in the amount of \$1,000	ORDER DENYING REQUEST FOR HEARING; GRANTING MITIGATION TO \$250

**BACKGROUND**

- 1 On February 29, 2016, the Washington Utilities and Transportation Commission (Commission) mailed annual report and regulatory fee forms to all charter and excursion carriers. 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 Karlinda, LLC (Karlinda or Company) filed an incomplete annual report on March 21, 2016, and had not made a complete filing by May 16. On June 21, the Commission assessed a penalty of \$1,000 against Karlinda, calculated as \$100 per business day from May 2 to May 16.
- 3 On June 24, 2016, Karlinda responded to the Commission's penalty assessment, requesting a hearing and contesting the violations. In its request, the Company stated that it was unaware its filing was incomplete and does not understand what information is missing. The Company attached a copy of its business license and entity registration issued by the Washington Secretary of State. That same day, following a discussion with Commission staff (Staff), the Company filed a complete annual report.
- 4 On July 6, 2016, Staff filed a response recommending a penalty reduction to \$25 per day, or \$250, because the Company has no prior violations of WAC 480-30-071. Staff does not support the Company's request for a hearing because the Company failed to file a complete annual report by the deadline. The original filing failed to include the Company's interstate accident figure and interstate mileage, and that information was not provided until June 24, 2016.

## DISCUSSION

5 WAC 480-30-071 requires charter and excursion carriers 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 As a preliminary matter, we deny the Company's request for a hearing. The Commission's penalty assessment advised the Company that a request for hearing will only be granted if material issues of law or fact require consideration of evidence and resolution in hearing. Here, no issues of law or fact are in dispute. Commission records show that the Company did not file a complete annual report until June 24, 2016. The facts, therefore, are undisputed, and the law is clear. Accordingly, the Company's request for a hearing is denied.

7 We will, however, construe the Company's submission as a request for mitigation and assess a reduced penalty. The Commission may consider a number of factors when entertaining a request for mitigation, including whether the violation was promptly corrected and a company's history of compliance.<sup>1</sup> Here, Karlinda has since corrected the violation by filing a complete annual report. Although Karlinda became regulated in 2015 and has not yet established a history of compliance, we have routinely granted mitigation to similarly situated companies in their first year of operation. Accordingly, the Commission will exercise its discretion to reduce the penalty to \$250.

## ORDER

### THE COMMISSION ORDERS:

- 8 (1) Karlinda, LLC's request for a hearing is DENIED.
- 9 (2) Karlinda, LLC's request for mitigation is GRANTED, in part, and the penalty is reduced to \$250.
- 10 (3) The \$250 penalty is due and payable no later than July 25, 2016.

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

- 11* 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 11, 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.**