

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment)	DOCKET UW-140847
Against)	
)	ORDER 01
MARVIN ROAD WATER COMPANY)	
)	ORDER GRANTING
in the amount of \$1,000)	MITIGATION
.....)	

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 Marvin Road Water Company did not file its annual report on May 1, 2014, and had not made that filing by May 15. On May 28, the Commission assessed a penalty of \$1,000 against Marvin Road Water Company, calculated as \$100 per business day from May 1 to May 15.
- 3 On June 5, 2014, Marvin Road Water Company 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 the company president was admitted to the hospital on January 24, and passed away on March 6; the annual report forms were mailed and arrived while he was hospitalized. The Company also stated that it was under the mistaken impression that because it came under new ownership on May 30, it was not responsible for filing an annual report for the preceding year.
- 4 On June 18, 2014, Marvin Road Water Company filed its annual report and paid its regulatory fee.

5 On June 20, 2014, Commission Staff (Staff) filed a response recommending the Commission waive the penalty in full due to the compelling circumstances presented by the Company. Staff also noted that the Company was purchased by Public Utility District No. 1 of Thurston County on May 30, and documents related to the sale were filed with the Commission in Docket UW-141211. Finally, the Company has no prior violations of WAC 480-110-505.

DISCUSSION

6 The Commission agrees with Staff's recommendation and will not impose a penalty. The Commission's primary objective in any enforcement action is to ensure compliance with a company's legal obligations; penalties both punish past violations and provide an incentive to comply in the future. We believe neither punishment nor incentive is warranted here. The Company president passed away early this year, and the Company was subsequently purchased by the Public Utility District. Under these extraordinary circumstances, we will grant full mitigation of the penalty.

ORDER

THE COMMISSION ORDERS:

- 7 (1) The request of Marvin Road Water Company for mitigation of the \$1,000 penalty is GRANTED.
- 8 (2) No penalty is due.
- 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 July 17, 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.