

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of a Penalty Assessment Against	DOCKET UT-160570
MIRACLE COMMUNICATIONS, INC.	ORDER 01
in the amount of \$1,000	ORDER 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 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 Miracle Communications, Inc. (Miracle or Company) did not file its annual report on May 2, 2016, and had not made that filing by May 16. On June 15, 2016, the Commission assessed a penalty of \$1,000 against Miracle, calculated as \$100 per business day from May 2 to May 16.
- 3 On August 17, 2016, Miracle filed its annual report and paid the required regulatory and late payment fees.
- 4 On February 28, 2017, Miracle responded to the Commission’s penalty assessment, admitting the violations and requesting mitigation based on the written information provided. The Company provided the following explanation: “due to unfortunate circumstances beyond our control (severe leakage of funds and resignation of the one in charge of all financial and regulatory obligations), filing of the report and the appropriate fees were not filed on time ... we are requesting a waiver or mitigation of the penalty as this amount will have a major impact on our cash flow.”
- 5 On March 7, 2017, Commission staff (Staff) filed a response recommending a penalty reduction to \$25 per day, or \$250. Although the Company’s request for mitigation of the penalty falls well outside the required 15-day response time, Staff supports its request because the Company has no prior violations of WAC 480-120-382.

DISCUSSION

- 6 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 timely filed despite personnel changes.
- 7 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 Here, Miracle has since corrected the violation by filing its annual report and paying its regulatory and late payment fees. In addition, this is the Company's first violation of WAC 480-120-382 since it became regulated in 2007; given its history of compliance, the violations are unlikely to recur. In light of these factors, the Commission will exercise its discretion to reduce the penalty to \$250.

ORDER

THE COMMISSION ORDERS:

- 8 (1) Miracle Communications, Inc.'s request for mitigation of the \$1,000 penalty is GRANTED in part, and the penalty is reduced to \$250.
- 9 (2) The \$250 penalty is due and payable no later than March 27, 2017.
- 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 March 13, 2017.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING
Executive Director and Secretary

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

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.