**BEFORE THE WASHINGTON**

**UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter of a Penalty Assessment Against CRISTALINA, LLCin the amount of $1,000. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .  | )))))))) | DOCKET UW-140840ORDER 02ORDER RESCINDING PENALTY |

**BACKGROUND**

1. On May 28, 2014, the Washington Utilities and Transportation Commission (Commission) issued a penalty assessment against Cristalina, LLC (Cristalina or Company), in the amount of $1,000 for failing to file its 2013 Annual Report by May 1, 2014, as required under WAC 480-110-505.
2. On June 13, 2014, Cristalina responded to the Commission’s penalty assessment admitting the violations and requesting mitigation of the penalty based on the written information it provided. The Company explained that it has been working on transferring ownership of its water system since late 2013, and requested that the Commission forgive the fine and “concentrate on approving the transfer.”
3. On June 13, 2014, Cristalina, LLC filed its annual report and paid its regulatory and late payment fees.
4. On June 27, 2014, Commission Staff (Staff) filed a response recommending the Commission deny the Company’s request for mitigation because the Company was delinquent in both 2006 and 2012. Staff also noted that the Company filed documents related to its transfer of assets on June 17, 2014, in Docket UW-141301.
5. On July 18, 2014, the Commission entered Order 01, Order Denying Mitigation.
6. On September 23, 2014, the Commission entered its Final Order - Order 01/02, Order on Consolidation Approving Transfer of Assets, Dismissing Complaint, Denying Motions & Waiving Penalty with Conditions in Dockets UW-141301, UW-140820, UW-132013, and UW-090516. Order 01/02 approves the transfer of assets of Cristalina LLC to Washington Water Service Company under the terms and conditions set forth in the Asset Acquisition Agreement dated June 9, 2014, and filed with the Commission in Docket UW-141301.
7. On November 13, 2014, Staff filed a letter with the Commission stating that because the Commission approved the transfer of Cristalina’s assets to Washington Water Service Company in Docket UW-141301, and Cristalina will no longer be providing regulated water service upon the closing of the transfer of assets, Staff recommends the assessed penalty against Cristalina be withdrawn and the docket closed.

**DISCUSSION**

1. The Commission accepts Staff’s recommendation. The primary purpose of penalties the Commission assesses is to ensure future compliance with applicable statutes, rules, and regulations. Cristalina has transferred the assets it used to provide regulated water service to another company and as a result, will no longer be providing such service or obligated to file annual reports and pay regulatory fees. The penalty of $1,000 the Commission assessed against Cristalina, therefore, will not serve its intended purpose and should be rescinded.

**ORDER**

1. THE COMMISSION ORDERS that the $1,000 penalty assessed against Cristalina, LLC is rescinded. Accordingly, this docket is closed.

DATED at Olympia, Washington, and effective November 18, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING

 Executive Director and Secretary