

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Penalty Assessment Against  
STURGILL, RICHARD C. D/B/A THE  
SEMIAHMOO BAY FERRY SERVICE, in  
the Amount of \$100

DOCKET NO. TS-060997

DECLARATION OF  
SHERI HOYT

SHERI HOYT, under penalty of perjury under the laws of the state of Washington, declares as follows:

1. I am over 18 years of age, a citizen of the United States, a resident of the state of Washington, and competent to be a witness.
2. I am employed by the Washington Utilities and Transportation Commission (Commission) as a Compliance Specialist in the Business Practices Investigations Section. I have been employed at the Commission for over 13 years, holding various positions. As a Compliance Specialist, my responsibilities include conducting investigations regarding the business practices of regulated utility or transportation companies. As part of those duties, I investigate commercial ferry companies that may be operating in violation of Commission statute, rule, or tariff.
3. On July 19, 2006, Richard C. Sturgill d/b/a The Semiahmoo Bay Ferry Service (Semiahmoo Bay Ferry Service) filed with the Commission an Application for Mitigation (Mitigation Request) in Docket No. TS-060997. I have read the Mitigation Request. In the Mitigation Request, the company admits the violation, waives a hearing, and asks for an administrative decision.
4. This Mitigation Request arises from a Notice of Penalties Incurred and Due for Violations of Laws and Rules issued by the Commission on June 30, 2006, in Docket No. TS-060997. In that Notice, the Commission issued a penalty of \$100 for a violation of Washington Administrative Code 480-51-100, which requires commercial ferry companies to file annual reports with the Commission by May 1 each year.
5. Before recommending the Commission issue penalties, as part of my job, I conducted an investigation of Semiahmoo Bay Ferry Service's records. My investigation resulted in an investigation report titled, "Staff Investigation - 2005 Annual Reports." A true and accurate copy of that investigation report is attached to this declaration as Attachment A.
6. I identified the violation in this case from records maintained by the Commission.

## **Specific Issues Addressed by Semiahmoo Bay Ferry Service in its Mitigation Request**

**In its Mitigation Request, Semiahmoo Bay Ferry Service states it did not know it had to file the annual report because a one year extension to begin operating had expired; therefore, the company believed it no longer had operating authority.**

7. On October 29, 2003, the Commission granted an extension of time to initiate passenger ferry service to Semiahmoo Bay Ferry Service until April 1, 2004, under Docket No. TS-031056. Because the company did not begin providing ferry service the operating authority lapsed and the permit should have been canceled by the Commission. It was not. Because the permit reflected it was active, a 2005 Annual Report packet was mailed to Semiahmoo Bay Ferry Service.
8. On July 27, 2006, under Docket No. TS-061236, Semiahmoo Bay Ferry Service requested to voluntarily cancel its commercial ferry authority. The permit was canceled the same day.
9. Semiahmoo Bay Ferry Service filed its 2005 Annual Report on July 17, 2006. The report reflected the company did not operate in 2005.

### **Staff Recommendation**

10. Staff supports mitigating the penalty in full because Semiahmoo Bay Ferry Service did not operate in 2005 and it voluntarily canceled its permit on July 27, 2006. Further, the permit authority should have been canceled by the Commission after the one year extension lapsed in April 2004 and the company had not begun operations.

DATED this 3rd day of August 2006 at Olympia, Washington.

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SHERI HOYT

## Attachment A

### Commercial Ferry Companies Staff Investigation - 2005 Annual Reports June 14, 2006

#### **Purpose**

The purpose of this investigation is to determine if six commercial ferry companies<sup>1</sup> violated Washington Administrative Code (WAC) 480-51-100. WAC 480-51-100 requires them to furnish annual reports and pay regulatory fees to the commission no later than May 1 each year.

#### **Background**

This investigation was prompted by commission staff's yearly review of annual reports for commercial ferry companies registered in the state of Washington.

On March 8, 2006, the commission mailed 2005 Annual Report forms and 2006 Regulatory Fee packets to commercial ferry companies registered in the state of Washington. A letter signed by Executive Secretary Carole Washburn instructed companies to file annual reports and pay regulatory fees by May 1, 2006<sup>2</sup>. The letter stated that failure to file the annual report by May 1 would result in a penalty and possible cancellation of their permit. In addition, the letter required companies requesting an extension to file the annual report to do so prior to May 1.

#### **Investigation**

The six commercial ferry companies listed in attached Appendix A failed to file their 2005 annual report by the May 1 deadline. A review of the commission's Records Management System revealed that none of the commercial ferry companies requested an exemption from WAC 480-51-100 to late file their 2005 annual report.

#### **Recommendation:**

Penalize the six commercial ferry companies \$100 each for one violation of WAC 480-51-100, failing to file the 2005 annual report by May 1, 2006.

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<sup>1</sup> See Appendix A for a list of the six commercial ferry companies.

<sup>2</sup> See Appendix B for a copy of the March 8, 2006, letter sent to commercial ferry companies.

**Appendix A**

	<b>Company Name</b>	<b>Received Yes or No</b>	<b>If yes, Date Received</b>
1.	Arrow Launch Service, Inc.	Yes	May 2, 2006
2.	Kitsap Ferry Company LLC	No	
3.	Puget Sound Express, Inc.	Yes	May 2, 2006
4.	Seattle Ferry Service, LLC	No	
5.	Sturgill, Richard C. d/b/a The Semiahmoo Bay Ferry Service	No	
6.	Walsh, Bill	Yes	May 2, 2006

## Appendix B



STATE OF WASHINGTON

### WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250  
(360) 664-1160 • TTY (360) 586-8203

March 8, 2006

#### **Subject: Your Commercial Ferry Annual Report and Regulatory Fees are Due May 1**

State law requires you to file an annual report and pay regulatory fees to the Washington Utilities and Transportation Commission.

#### **What is required of me?**

By May 1, you must:

- Complete and file the enclosed 2005 annual report form
- Pay your 2006 regulatory fees

Failure to file your annual report or pay regulatory fees by May 1 will result in a penalty and possible cancellation of your permit to operate in Washington. This is the only notice you will receive from the commission.

#### **What happens if I do not pay my regulatory fees by May 1?**

If regulatory fees are not paid by May 1, you will incur:

- a 2 percent penalty on the amount due; and
- a 1 percent monthly interest charge on the unpaid balance.

#### **Can I request an extension of time if I am unable to file the annual report by May 1?**

Yes, you must provide the request in writing, including a valid reason for the extension by May 1. We will notify you when your request is approved or denied. You will still be liable for penalty and interest payments if you fail to pay your regulatory fees by May 1. If you are late filing your annual report or fail to file, you could incur additional penalties up to \$100 a day.

#### **Where do I mail the completed annual report form and regulatory fee payment?**

Washington Utilities and Transportation Commission  
PO Box 47250  
Olympia, WA 98504-7250



March 8, 2006

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**Where can I obtain an electronic version of the annual report?**

Forms are available on our website at [www.wutc.wa.gov](http://www.wutc.wa.gov). Locate "Quick Links" then select "2005 annual reports".

**Who do I contact if I have questions?**

You may call 360-664-1201 or e-mail us at: [annualreports@wutc.wa.gov](mailto:annualreports@wutc.wa.gov). If you need this information in an alternate format, please call 360-664-1133. TTY Toll Free phone number is 1-800-416-5289 or 360-586-8203.

Sincerely,



Carole J. Washburn  
Executive Secretary

Enclosures