



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

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November 2, 2016

Steven V. King, Executive Director and Secretary
Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, WA 98504-7250

RE: *Washington Utilities and Transportation Commission v. Washington & Idaho Railway Inc.*

Commission Staff's Response to Reopen Record for Reducing Penalty TR-143978

Dear Mr. King:

On September 9, 2015 the Commission approved a settlement agreement between Commission Staff and Washington & Idaho Railway Inc (the Company). The settlement was centered around the Company's failure to file their 2011, 2012, 2013, and 2014 annual reports. These reports have subsequently been filed and the company has been paying according to the terms of the agreement.

In February 2016, while performing an audit and compiling data for the 2015 annual report filing, the Washington and Idaho Railway Inc. had discovered it overstated their 2011 through 2014 Intrastate revenue by including Interstate revenue as well, thus the original settlement amount agreed upon in September 9, 2015 is incorrect.

The Washington & Idaho Railway Inc. provided all financial documents during the 2011 through 2014 timeframe. Commission staff and The Washington and Idaho Railway Inc. have worked together to determine the proper amount that should have been reported as Washington Intrastate Revenue. After review, it is staff's recommendation that that the original settlement should be re-opened and discussed by the commission.

The original settlement was for the Company to pay \$108,405.77 for past due regulatory fees and interest, and \$34,000 in penalty assessment fees¹.

¹ This excludes the \$102,000 portion which is suspended, until June 30, 2017, and then waived, provided the Company files its complete annual report and pays its required regulatory fees no later than May 1, 2017.

The penalty fee structure should remain unchanged. However, the correct regulatory fees and interest for the 2011 through 2014 annual reports is \$50,869.81².

It is Staff's recommendation to keep the penalty assessment unchanged and to update the Company's 2011 through 2014 regulatory fees to \$50,869.81 based on the company's Washington Intrastate Revenue. The penalty assessment fee remains \$34,000. Commission Staff and Washington & Idaho Railway Inc. mutually agree that the Company owes \$84,869.81 in connection to the revised settlement agreement as long as it files the upcoming annual report and pays the regulatory fee by May 1, 2017. To date, Washington & Idaho Railway Inc. has paid \$83,905.77. The outstanding balance is \$964.04.

Updated 2011 through 2014 annual reports will be provided by Washington and Idaho Railway Inc. once an Order has been issued.

If you have any questions regarding this recommendation, please contact Sean Bennett, Regulatory Analyst, at (360) 664-1157, or sbennett@utc.wa.gov.

Sincerely,



Sondra Walsh, Director
Administrative Services

Attachments (1)

² See Attachment A for Regulatory Fee breakdown by year.