

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of Penalty Assessment Against
CANYON VILLAGE WATER SYSTEM,
INC., in the Amount of \$100

DOCKET NO. UW-060985

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 water companies that may be operating in violation of Commission statute, rule, or tariff.
3. On July 14, 2006, Canyon Village Water System, Inc. (Canyon Village) filed with the Commission an Application for Mitigation (Mitigation Application) in Docket No. UW-060985. I have read the Mitigation Application. In the Mitigation Application, the company admits the violation, waives a hearing, and asks for an administration decision.
4. This Mitigation Application 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. UW-060985. In that Notice, the Commission issued a penalty of \$100 for a violation of Washington Administrative Code 480-110-505, which requires water 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 Canyon Village'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 Canyon Village in its Mitigation Application

The bookkeeper is new to the company and did not have proper information on compliance and obligations required by the UTC.

7. In its Mitigation Application, Canyon Village stated the report was not filed timely due to a new bookkeeper and her lack of knowledge relating to compliance and obligations required by the UTC.
8. A new employee's lack of knowledge does not excuse a regulated water company from timely filing its annual report. Canyon Village has not filed its annual report by the May 1 deadline in the last six reporting years.

Staff Recommendation

9. The fact that Canyon Village relied on a new employee who may not yet have been familiar with the business to timely file the annual report does not excuse the company for its failure to make the filing on time. The Commission should reject Canyon Village's Mitigation Application.

DATED this 2nd day of August 2006 at Olympia, Washington.

SHERI HOYT

Attachment A

Class C Water Companies Staff Investigation - 2005 Annual Reports June 13, 2006

Purpose

The purpose of this investigation is to determine if 14 Class C water companies¹ violated Washington Administrative Code (WAC) 480-110-505. WAC 480-110-505 requires water companies 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 water companies registered in the state of Washington.

On March 10, 2006, the commission mailed 2005 Annual Report forms and 2006 Regulatory Fee packets to Class C water 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, 2006². The letter stated that failure to file the annual report by May 1 would result in a penalty. In addition, the letter required companies requesting an extension to file the annual report to do so prior to May 1.

Investigation

The 14 water 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 14 water companies requested an exemption from WAC 480-110-505 to late file their 2005 annual report.

Recommendation:

Penalize the 14 Class C water companies \$100 each for one violation of WAC 480-110-505, failing to file the 2005 annual report by May 1, 2006.

¹ See Appendix A for a list of the 14 water companies.

² See Appendix B for a copy of the March 10, 2006, letter sent to Class C water companies.

Appendix A

	Company Name	Received Yes or No	If yes, Date Received
1.	Bethel Water Company, Inc.	Yes	May 3, 2006
2.	Canyon Village Water System, Inc.	No	
3.	Cristalina, L.L.C.	Yes	May 3, 2006
4.	Crosswoods Water Company, Inc.	No	
5.	Eastwood Park Water Co., Inc.	No	
6.	Estates Water Systems, Inc.	No	
7.	Fircroft Water Works, Inc.	No	
8.	Lake Cassidy Estates Water System	No	
9.	Monterra, Inc.	No	
10.	Northbay Water Utility Corporation	Yes	May 9, 2006
11.	Parkland Water System, Inc.	No	
12.	Pelican Point Water Company	No	
13.	Point Fosdick Water Co., Inc.	No	
14.	Sylvia Lake Water Supply, Inc.	No	

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 10, 2006

Subject: Your Class C Water 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 may result in a penalty. 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



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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. 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. 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