

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

NOTICE OF PENALTIES INCURRED AND DUE FOR VIOLATIONS OF LAWS AND RULES

PENALTY ASSESSMENT: UT-160605

PENALTY AMOUNT: \$1000

WCI Cable, Inc.
600 Telephone Avenue, MS 60
Anchorage, AK 99503

According to Washington Utilities and Transportation Commission (Commission) records, you have violated Washington Administrative Code (WAC) 480-120-382, which requires telecommunications companies to file their annual report and pay regulatory fees each year by May 1. May 1 was a Sunday, therefore you were required to file your annual report or pay regulatory fees by May 2, 2016. You did not file an annual report by May 2, 2016.

Revised Code of Washington (RCW) 80.04.405 authorizes the Commission to assess a penalty of \$100 for each violation of a Commission rule. In the case of a continuing violation, every day's continuance is a separate and distinct violation. The Commission interprets noncompliance with WAC 480-120-382 beyond May 2 as a continuing violation, and assesses penalties of \$100 for each day a company fails to file its report or pay its regulatory fees after that date.

As a result, the Commission has assessed penalties against you in the amount of \$1000 on the following basis:

On February 29, 2016, the Commission mailed the 2015 annual report forms and the 2016 regulatory fee packets to all telecommunications companies registered in Washington. The instructions page for the annual report form instructed these companies to file annual reports and pay regulatory fees by May 2, 2016. The instructions page also stated that failure to file the annual report by May 2 would result in penalties. The deadline for requesting an extension to file your annual report was April 15. You did not request an extension.

On Monday, May 2, 2016, WCI Cable, Inc. filed an incomplete 2015 annual report and did not pay its 2016 regulatory fee. As of May 16, the report remained incomplete and the regulatory fee remains unpaid. May 16 is ten business days from May 2, resulting in a total penalty of \$1,000. The Commission has yet to receive a complete and accurate annual report and additional penalties may accrue until you submit one.

Your penalty is due and payable now. If you believe the violation did not occur, you may request a hearing to contest the penalty assessment. The Commission will grant that request only if material issues of law or fact require consideration of evidence and resolution in a hearing. A request for a hearing must include a written statement of the

reasons supporting that request. Failure to provide such a statement will result in denial of the request.

If there is a reason for the violation that you think should excuse or reduce the penalty, you may ask for mitigation (reduction) of this penalty through evidence presented at a hearing or in writing. The Commission will grant a request for a hearing only if material issues of law or fact require consideration of evidence and resolution in a hearing. Any request for mitigation must include a written statement of the reasons supporting that request. Failure to provide such a statement will result in denial of the request. See RCW 80.04.405.

If you properly present your request for a hearing and the Commission grants that request, the Commission will review the evidence supporting your dispute of the violation or application for mitigation in a Brief Adjudicative Proceeding, before an administrative law judge. The administrative law judge will consider the evidence and will notify you of his or her decision.

You must act within 15 days after receiving this notice to do one of the following:

- Pay the amount due.
- Request a hearing to contest the occurrence of the violations.
- Request mitigation to contest the amount of the penalty.

Please indicate your selection on the enclosed form and send it to the Washington Utilities and Transportation Commission, Post Office Box 47250, Olympia, Washington 98504-7250, **within FIFTEEN (15) days** after you receive this notice.

If you do not act within 15 days, the Commission may refer this matter to the Office of the Attorney General for collection, which may file suit in state court to collect the penalty. The Commission may also initiate proceedings under WAC 480-121-060 to revoke your authority to provide telecommunications services in Washington.

DATED at Olympia, Washington, and effective June 16, 2016.

GREGORY J. KOPTA
Administrative Law Judge

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PENALTY ASSESSMENT UT-160605

PLEASE NOTE: You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed.

I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

[] 1. Payment of penalty. I admit that the violations occurred. I have:

[] Enclosed \$ _____ in payment of the penalty

[] Submitted my payment of \$ _____ online at www.utc.wa.gov. My confirmation number is _____.

[] 2. Request for a hearing. I believe that one or more of the alleged violations did not occur, for the reasons I describe below, and I request a hearing based on those reasons for a decision by an administrative law judge:

[X] 3. Application for mitigation. I admit the violations, but I believe that the penalty should be reduced for the reasons set out below: Please find attached documentation supporting consideration of evidence to reduce penalty. Per Docket UT-000453 WCI Cable, Inc. is not authorized to collect deposits from customers. Relayed to WUTC in attached email.

[] a) I ask for a hearing to present evidence on the information I provide above to an administrative law judge for a decision

OR

[X] b) I ask for a Commission decision based solely on the information I provide above.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: 6/17/2016 [month/day/year], at Anchorage, Alaska [city, state]

WCI Cable, Inc.
Name of Respondent (company) – please print

[Handwritten Signature]
Signature of Applicant

RCW 9A.72.020:

“Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor’s mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony.”

Wilson, Trent C.

From: Wilson, Trent C.
Sent: Thursday, May 12, 2016 4:01 PM
To: 'ACLARK@utc.wa.gov'
Subject: WCI Cable, Inc. Annual Report and Regulatory Fee

Hi Amy,

WCI Cable, Inc. does not collect deposits from customers, or provide alternate operator services, local exchange services, or prepaid calling services and has no captive customer base. Financial Statements do not exist for WCI Cable, Inc. WCI Cable, Inc. will follow up with the annual \$150.00 regulatory fee in accordance with WAC Title 480-120-385.

Thank you,

Trent Wilson
Financial Analyst
Trent.Wilson@acsalaska.com
T: [907] 564-7902 C: [907] 830-5326



Customer Service: [900] 808-8083
alaskacommunications.com

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application and Petition of)	In the Matter of the Application and Petition of
WCI Cable, Inc.,)	WCI Cable, Inc.,
For Registration as a Telecommunications Company and Classification as a Competitive Telecommunications Company.)	For Registration as a Telecommunications Company and Classification as a Competitive Telecommunications Company.
.....)

BACKGROUND

By petition filed March 29, 2000, in Docket UT-000453, WCI Cable, Inc. (WCIC), seeks registration as a telecommunications company and classification as a competitive telecommunications company pursuant to RCW 80.36.350 and 80.36.320. WCIC also filed an initial price list.

DISCUSSION

CIC proposes to register with the Commission as a telecommunications company to offer the services specified in Exhibit A of its application. Services specified in Exhibit A but not included in its initial price list may not be offered until applicant amends its price list to include the description of service with rates and charges. In support of its petition, WCIC asserts that its services compete with other interexchange carriers telecommunication services. WCIC states that customers have readily available equivalent alternatives and that there are no captive customers of the Company's services.

WCIC is a Delaware corporation, headquartered in Beaverton, Oregon. Rates, terms, and conditions set forth in the initial price list are structured similarly to rates filed by other interexchange carriers for calls placed in the relevant market.

WCIC has provided information showing that it meets the requirements of RCW 80.36.350. Applicant does not propose to collect deposits from customers, or provide alternate operator services, local exchange services, or prepaid calling services.

In conjunction with classification, the Company is seeking waiver of:

- | | |
|---------------|--|
| RCW 80.04.300 | Budgets to be filed by |
| RCW 80.04.310 | companies--Supplementary budgets |
| RCW 80.04.320 | Commission's control over expenditures |
| RCW 80.04.330 | Budget rules |
| | Effect of unauthorized |

expenditure--Emergencies

RCW 80.04.360	Earnings in excess of reasonable rate--Consideration in fixing rates
RCW 80.04.460	Investigation of accidents
RCW 80.04.520	Lease of utility facilities
RCW 80.36.100	Tariff schedules to be filed and open to public
RCW 80.36.110	Tariff changes--Statutory notice--Exception
Chapter 80.08 RCW	Securities (except RCW 80.08.140)
Chapter 80.12 RCW	Transfers of Property
Chapter 80.16 RCW	Affiliated Interests
Chapter 480-80 WAC	Tariffs
Chapter 480-140 WAC	Budgets
Chapter 480-143 WAC	Transfers of Property
Chapter 480-146 WAC	Securities and Affiliated Interests
WAC 480-120-026	Tariffs
WAC 480-120-031	Accounting
WAC 480-120-032	Accounting--Political information and political education activities
WAC 480-120-036	Finance--Securities, affiliated interests, transfer of property
WAC 480-120-046	Services offered
WAC 480-120-131	Reports of accidents

Rules invoked include WAC 480-120-022, WAC 480-120-023, WAC 480-120-024, and WAC 480-120-025. Statutes invoked include RCW 80.36.320 and RCW 80.36.350. The ultimate issues are whether WCIC should be registered as a telecommunications company, whether it should be classified as a competitive telecommunications company, and the extent to which it should be relieved of regulatory requirements to which it would otherwise be subject.

This matter was brought before the Commission at its regularly scheduled open meeting on April 26, 2000. The Commissioners, having been fully advised in the matter, and having determined the following order to be consistent with the public interest, directed the Secretary to enter the following order and related provisions.

FINDINGS OF FACT

1. WCIC filed an application for registration as a telecommunications company and a petition for classification as a competitive telecommunications company pursuant to the provisions of RCW 80.36.350 and 80.36.320, to provide the services specified in Exhibit A of its application.
2. As to form, the application and petition meet the requirements of RCW 80.36.350 and 80.36.320, and comply with the Commission's rules and regulations.
3. The registration of WCIC as a telecommunications company is not inconsistent with the public interest.
4. In this proceeding, the Commission in no way endorses the financial viability of applicant nor the investment quality of any securities it may issue.

5. Alternative providers of service to that of WCIC include, but are not limited to, GTE Northwest Incorporated, MCIWorldCom, Inc., and Sprint Communications Company L.P. All services are fully available from alternative providers in the relevant market.

6. The relevant market is the state of Washington.

7. WCIC has no captive customer base.

8. WCIC should be permitted to provide services under price list.

9. WCIC requested waivers of certain laws and rules relating to telecommunications services. The laws and rules for which waivers should be granted are listed in Appendix A, incorporated by this reference and made a part of this Order.

CONCLUSIONS OF LAW

1. The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of this registration application and classification petition and WCIC.

2. The services offered are subject to effective competition.

3. WCIC should be registered as a telecommunications company pursuant to RCW 80.36.350 and classified as a competitive telecommunications company pursuant to RCW 80.36.320(1).

4. WCIC should be permitted to provide services under price lists promulgated under RCW 80.36.320 (2). These services shall not include collecting deposits from customers, or providing alternate operator services, local exchange services, or prepaid calling services.

5. WCIC should be granted waivers of the laws and rules listed in Appendix A.

ORDER

THE COMMISSION ORDERS:

1. Effective on the date of this Order and subject to any conditions imposed, the Commission approves the application of WCI Cable, Inc., requesting an

order authorizing registration as a telecommunications company to provide service to the public in this state.

2. The Commission approves the petition of WCI Cable, Inc., for classification as a competitive telecommunications company; and grants a waiver of the laws and rules listed in the attached Appendix A.

3. WCI Cable, Inc., shall be permitted to provide services under price list.

4. Registration of WCI Cable, Inc., as a telecommunications company shall not be construed as an endorsement of financial viability or of the investment quality of any securities it may issue.

5. As a telecommunications company providing service to the public in this state, WCI Cable, Inc., is subject to the jurisdiction of this Commission under the provisions of Title 80 RCW and all rules and regulations adopted by the Commission.

6. WCI Cable, Inc., is authorized to offer rates and services pursuant to the price list in the format prescribed by the Commission. Any price list filed by WCI Cable, Inc., and subsequent changes to these price lists, shall become effective only after ten days' notice to the Commission and to customers. In the event of a price list reduction or of a change in terms and conditions that do not have rate impact, personal notice to customers is not required. To comply with the statutory notice requirement, WCI Cable, Inc., may publish notice of price reductions or changes in terms and conditions of service that do not have rate impact by a display advertisement in such newspaper(s) as are geographically situated to be circulated over the Company's service area.

7. WCI Cable, Inc., is not authorized to collect deposits from customers, or to provide alternate operator services, local exchange services, or prepaid calling services.

8. The Commission retains jurisdiction over the subject matter and the Company to effectuate the terms of this Order.

DATED at Olympia, Washington, and effective this 26th day of
April, 2000.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary

APPENDIX A

RCW 80.04.300	Budgets to be filed by companies--Supplementary budgets
RCW 80.04.310	Commission's control over expenditures
RCW 80.04.320	Budget rules
RCW 80.04.330	Effect of unauthorized expenditure--Emergencies
RCW 80.04.360	Earnings in excess of reasonable rate--Consideration in fixing rates
RCW 80.04.460	Investigation of accidents
RCW 80.04.520	Lease of utility facilities
RCW 80.36.100	Tariff schedules to be filed and open to public
RCW 80.36.110	Tariff changes--Statutory notice--Exception
Chapter 80.08 RCW	Securities (except RCW 80.08.140, State not obligated)
Chapter 80.12 RCW	Transfers of Property
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WAC 480-120-026	Tariffs
WAC 480-120-031	Accounting
WAC 480-120-032	Accounting-Political information and political education

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	activities
WAC 480-120-036	Finance--Securities, affiliated interests, transfer of property
WAC 480-120-046	Services offered
WAC 480-120-131	Reports of accidents