



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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June 27, 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. ComNet (USA) LLC*

Commission Staff's Response to Request for Hearing UT-160548

Dear Mr. King:

On June 13, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-160548 against ComNet (USA) LLC for 10 violations of Washington Administrative Code (WAC 480-120-382), which requires telecommunications companies to furnish annual reports, supporting documentation and the regulatory fee to the commission no later than May 1 each year, or in this case, May 2 as May 1 was a Sunday.

On June 20, 2016, ComNet (USA) LLC wrote the commission requesting a hearing disputing the violation occurred. In its hearing request, the company did not provide a written statement, however, it did provide the initial annual report submission that was received on March 10, 2016. This submission includes an annual report along with a statement that states that the company has not started business in Washington yet, and therefore, the supporting documents such as an income statement and balance sheet for 2015 are not available.

It is the company's responsibility to ensure that the regulatory fee is paid and the annual report is filed by the May 1 deadline, or in this case, May 2 as May 1 was a Sunday. On February 29, 2016, Annual Report packets were mailed to all regulated telecommunication companies. The instructions page along with Schedule 1, Part A informs the regulated company that it must complete the annual report form, provide the supporting financial reporting documents and pay the regulatory fees, and return the materials by May 2, 2016, to avoid enforcement action.

On March 10, 2016, ComNet (USA) LLC filed an incomplete 2015 annual report and shortly thereafter, paid the regulatory fees owed. Commission staff contacted the company via email on March 11, 2016 regarding the deficient information including an updated and complete Regulatory Fee Calculation Schedule and the missing balance sheet and income statement. Staff

communicated that per WAC 480-120-382 regulated companies are required to provide an income statement and balance sheet for the total company. It was explained that this was for the total company, not just the Washington related part of the business. No immediate response was received. On June 14, 2016 ComNet (USA) LLC emailed staff the updated Regulatory Fee Calculation Sheet and the company's balance sheet and income statement.

ComNet (USA) LLC became active in 2010 and previously filed each annual report on time. As the company did not provide a complete annual report, income statement, and balance sheet prior to the May 1 deadline, staff does not support the company's request for hearing. However, staff recommends mitigation of the penalty due to the company's previous filing compliance. Staff recommends a reduced penalty of \$25 per day for a total penalty assessment of \$250

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