



STATE OF 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

July 18, 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. Modus, Inc.*

Commission Staff's Response to Application for Mitigation of Penalties UT-160571

Dear Mr. King:

On June 15, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-160571 against Modus, Inc. for ten 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 30, 2016, Modus, Inc. wrote the commission requesting mitigation of penalties. In its mitigation request, Modus, Inc. does not dispute the violation occurred. The company states, "...we submitted the report and check for \$2,190 on May 27, 2016. We then received a check form the Office of the Treasurur for an overpayment of \$2,037."

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. On February 29, 2016, Annual Report packets were mailed to all regulated telecommunications 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 May 31, 2016, Modus, Inc. filed a 2015 annual report and provided a check for \$2,190. The regulatory fee owed was \$150. Interest of 2% (\$3) was applied to the regulatory fee (\$150) as the payment was received late. The difference was refunded.

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Modus, Inc. has been active since 2015. This is the company's first annual report. As such, staff supports the company's request for mitigation and 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