June 24, 2015

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. X5 Solutions, Inc.*

 Commission Staff’s Response to Application for Mitigation of Penalties UT-150867

Dear Mr. King:

On June 5, 2015, the Utilities and Transportation Commission issued a $1,000 Penalty Assessment in Docket UT-150867 against X5 Solutions, Inc. for 10 violations of Washington Administrative Code (WAC 480-120-382), which requires telecommunications companies to furnish annual reports to the commission no later than May 1 each year.

On June 11, 2015, X5 Solutions, Inc. wrote the commission requesting mitigation of penalties. In its mitigation request, X5 Solutions, Inc. does not dispute the violation occurred. The company states, “On March 24, 2015 X5 Solutions, Inc. was acquired. The company no longer exists and there are no employee’s. I have processed the annual report and filed it online Saturday, June 6, 2015 with credit card information for the payment of the regulatory fee. I would request that the penalties be waived due to the fact that the company no longer exists and there were no employees on staff to facilitate this requirement. I have also included the request for cancellation of registration form”.

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 27, 2015, Annual Report packets were mailed to all regulated telecommunications companies. The instructions for annual report completion page of the annual report informed the regulated company that it must complete the annual report form, pay the regulatory fees, and return the materials by May 1, 2015, to avoid enforcement action.

On June 6, 2015, X5 Solutions, Inc. filed a complete 2014 annual report and paid the required regulatory fees and late payment fee. No prior violations of WAC 480-120-382 are on commission record. On June 11, 2015, the company filed a notice of cessation per Docket UT-151213. As X5 Solutions, Inc. has come into compliance with no prior violations and notified

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the commission of its cessation of business in Washington state, staff recommends the penalty be waived.

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

Sincerely,

Sondra Walsh, Director

Administrative Services