



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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July 19, 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. 01 Communications West, LLC*

Commission Staff's Response to Application for Mitigation of Penalties UT-160536

Dear Mr. King:

On June 13, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-160536 against 01 Communications West, LLC 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 July 5, 2016, 01 Communications West, LLC wrote the commission requesting mitigation of penalties. In its mitigation request, 01 Communications West, LLC does not dispute the violation occurred. The company states, "...This was an honest mistake on my behalf; I had originally submitted the "incomplete" annual report May 26, 2016 via fax. I was in contact with Amy Clark the next day, April 27th to figure out what was incomplete and how to resolve it. Once it was known that we needed a formal balance sheet and income statement I submitted a check request along with accounting requests internally. The check request was placed in the CFO's office on his desk. We were in the middle of an office move and I'm afraid that the check request was misplaced. I understand I am at fault for not following up; but have never had an "issue" when submitting a check request internally so I didn't follow-up."

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 April 26, 2016, 01 Communications West, LLC filed an incomplete 2015 annual report. On April 27, commission staff emailed 01 Communications West, LLC and advised the company that the regulatory fee needs to be paid and that a balance sheet and income statement are required. On April 27, 01 Communications West, LLC advised they will provide the regulatory fee and the missing documents prior to May 1. On May 4, commission staff sent an email to 01 Communications West, LLC asking if the company was able to get the information above in. No immediate response was received. The regulatory fee was paid and the balance sheet and income statement were received on approximately June 17.

01 Communications West, LLC has been active since 2013. This is the company's first late 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