



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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July 7, 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. Nehalem Telecommunications, Inc.*

Commission Staff's Response to Request for Mitigation UT-160573

Dear Mr. King:

On June 15, 2016, the Utilities and Transportation Commission issued a \$500 Penalty Assessment in Docket UT-160573 against Nehalem Telecommunications, Inc. for five 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 24, 2016, Nehalem Telecommunications, Inc. wrote the commission requesting mitigation of penalties. In its mitigation request, Nehalem Telecommunications, Inc. does not dispute the violation occurred. The company states, "...Nehalem Telecommunications, Inc. received a "Class B" annual report form. This form was completed in a timely manner and was e-filed on April 27. On April 29, commission staff called Bev Arrington, an NTI employee. Commission Staff advised Mrs. Arrington that we believed an incorrect reporting form had been submitted. Mrs. Arrington stated this was mailed by the commission and commission staff advised we would check into the situation and follow up with Mrs. Arrington. Commission Staff called Mrs. Arrington on April 29 after 5 PM MST and left a voicemail that the wrong form had been mailed to NTI and was ultimately submitted. Mrs. Arrington was on vacation from May 2-May 4 and did not return until May 5. On this date, Mrs. Arrington received commission staff's message and immediately e-filed the correct annual report on May 5. Payment for the indicated \$200 penalty fee was made at the time of this e-filing."

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 April 27, 2016, Nehalem Telecommunications, Inc. filed the incorrect 2015 annual report and paid the regulatory fees owed. Commission staff contacted Mrs. Arrington on April 29 and advised that the filed annual report may be incorrect. After business hours on April 29, commission staff left a voicemail that the completed annual report was the incorrect form. On May 5, the company filed a complete annual report and indicated that the company has never been active and consequently does not have financials. Commission staff erroneously marked the annual report as complete on May 9, rather than May 5. Although the original filing was on the incorrect form, all of the required information for this company was provided.

Nehalem Telecommunications, Inc. became active in 2015. During this time the company filed a late annual report in 2011 and 2006 and paid the associated penalties in full. Although Nehalem Telecommunications, Inc. original filing was on the incorrect form, all of the required information was provided. In consideration of their recent filing compliance and providing a complete yet incorrect annual report it is staffs recommendation that the penalty is waived and the docket closed.

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

Sincerely,

A handwritten signature in blue ink that reads "Sondra Walsh".

Sondra Walsh, Director
Administrative Services