



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 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. Toly Digital Networks, Inc.*

Commission Staff's Response to Application for Mitigation of Penalties UT-160597

Dear Mr. King:

On June 16, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket UT-160597 against Toly Digital Networks, 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 July 18, 2016, Toly Digital Networks, Inc. wrote the commission requesting mitigation of penalties. In its mitigation request, Toly Digital Networks, Inc. does not dispute the violation occurred. The company did not provide a written statement.

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.

Toly Digital Networks, Inc. e-filed an incomplete annual report on May 2. Commission staff called Toly Digital Networks, Inc. on May 4, 2016 advising that the "Regulatory Fee Calculation" sheet was left blank and the annual report is incomplete. No immediate response was received. Toly Digital Networks, Inc. e-filed a complete annual report on June 20.

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Toly Digital Networks, Inc. has been active since 2015. Toly Digital Networks, Inc. is newer and this is the company's first annual report. As such, 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