



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 12, 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. Mount Rainier Scenic Railroad*

Commission Staff's Response to Application for Mitigation of Penalties TR-160652

Dear Mr. King:

On June 17, 2016, the Utilities and Transportation Commission issued a \$1,000 Penalty Assessment in Docket TR-160652 against Mount Rainier Scenic Railroad for ten violations of Washington Administrative Code (WAC 480-62-300), which requires railroad companies to furnish annual reports 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 28, 2016, Mount Rainier Scenic Railroad wrote the commission requesting mitigation of penalties. In its mitigation request, Mount Rainier Scenic Railroad does not dispute the violation occurred. The company states, "...The Mt. Rainier Scenic Railroad ("MRSR") assets were sold to an outside entity on February 1, 2016 and the annual report paperwork was lost during the transition of personnel and operating entities. As a result, a new entity called the Mt. Rainier Railroad & Logging Museum, LLC ("MRRALM") was formed. The new management filed a timely report with the Secretary of state and believed they had met the filing requirements. It was only after speaking with commission staff, did the management of the new entity realize that the two annual reports were separate and different."

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 railroad companies. The instruction page informs the regulated company that it must complete the annual report form and pay the regulatory fees, and return the materials by May 2, 2016, to avoid enforcement action.

On June 24, 2016, Mount Rainier Scenic Railroad filed an annual report.

UTC Annual Reports

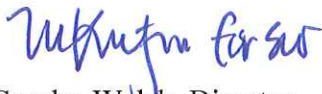
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Mount Rainier Scenic Railroad has never had a violation of WAC 480-62-300. The company was under the mistaken belief that it had filed on time. Once Mount Rainer Scenic Railroad was aware the annual report was not provided, they immediately provided the annual report to commission staff. Furthermore, the company has no violations of WAC 480-62-300 and recently went through a management change. It is for these reasons that staff recommends the penalty be waived.

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