

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of the Application and Petition of)
OnePoint Communications–Colorado, LLC) DOCKET UT-010776
d/b/a Verizon Avenue)
For Registration as a Telecommunications) ORDER AUTHORIZING
Company and Classification as a Competitive) REGISTRATION AND GRANTING
Telecommunications Company.) PETITION FOR COMPETITIVE
.....) CLASSIFICATION
.....)

BACKGROUND

1 By petition filed May 29, 2001, in Docket UT-010776, OnePoint Communications–Colorado, LLC, d/b/a Verizon Avenue, (OnePoint) seeks registration as a telecommunications company and classification as a competitive telecommunications company pursuant to RCW 80.36.350 and 80.36.320. OnePoint has also submitted an initial price list and petition requesting a waiver of the bond/trust requirement in WAC 480-120-058, protection of customer prepayments.

DISCUSSION

2 OnePoint proposes to register with the Commission as a telecommunications company to offer the services specified in Exhibit A of its application, and will collect advanced payments from customers of those services. Services specified in Exhibit A but not included in its initial price list may not be offered until applicant amends its price list to include the description of service with rates and charges. In support of its petition, OnePoint asserts that its services compete with other interexchange and local exchange carriers telecommunications services. OnePoint states that customers have readily available, equivalent alternatives and that there are no captive customers of the Company's services.

3 OnePoint is a limited liability company, headquartered in Lake Forest, Illinois. Rates, terms, and conditions set forth in the proposed price list are structured similarly to rates filed by other interexchange and local exchange carriers for calls placed in the relevant market.

4 OnePoint has provided information showing that it meets the requirements of RCW 80.36.350.

5 OnePoint petitioned for waiver of the bond/trust requirement in WAC 480-120-058, which requires telecommunications companies that collect advanced payments to obtain a performance bond or federally insured trust account. OnePoint projects that

their first year revenue from advanced payments will be approximately \$38,438. Their request for waiver is based on their access to financial resources sufficient to secure advanced payments to consumers from its parent company Verizon Avenue Corp. Verizon Avenue Corp, has executed a guaranty ensuring the financial obligations of OnePoint.

6 Within 31 days after December 31, 2001, and each calendar year thereafter, OnePoint will be required to submit to the Commission a report containing the following information specific to its state of Washington operations: (a) amount of advanced payment dollars collected during the reporting period; (b) amount of advanced payment dollars depleted during the reporting period; and (c) total outstanding advanced payment balance at the end of the reporting period. Applicant shall continue to file statements within 31 days after each calendar year thereafter until the applicant is notified in writing by the Commission that such reports are no longer required. In addition, Commission Staff may request, and applicant shall supply, current company financial information.

7 Applicant does not propose to provide prepaid calling services.

8 In conjunction with classification, the Company is seeking waiver of:

RCW 80.04.300	Budgets to be filed by companies-- Supplementary budgets
RCW 80.04.310	Commission's control over expenditures
RCW 80.04.320	Budget rules
RCW 80.04.330	Effect of unauthorized expenditure-- Emergencies
RCW 80.04.360	Earnings in excess of reasonable rate-- Consideration in fixing rates
RCW 80.04.460	Investigation of accidents
RCW 80.04.520	Lease of utility facilities
RCW 80.36.100	Tariff schedules to be filed and open to public
RCW 80.36.110	Tariff changes--Statutory notice--Exception
Chapter 80.08 RCW	Securities (except RCW 80.08.140)
Chapter 80.12 RCW	Transfers of Property
Chapter 80.16 RCW	Affiliated Interests
Chapter 480-80 WAC	Tariffs
Chapter 480-140 WAC	Budgets
Chapter 480-143 WAC	Transfers of Property
Chapter 480-146 WAC	Securities and Affiliated Interests
WAC 480-120-026	Tariffs
WAC 480-120-031	Accounting
WAC 480-120-032	Accounting-Political information and political education activities
WAC 480-120-036	Finance--Securities, affiliated interests, transfer of property
WAC 480-120-046	Services offered
WAC 480-120-131	Reports of accidents

9 Rules invoked include WAC 480-120-022, WAC 480-120-023, WAC 480-120-024, WAC 480-120-025, and WAC 480-120-058. Statutes invoked include RCW 80.36.320, and 80.36.350. The ultimate issues are whether OnePoint should be registered as a telecommunications company, whether it should be classified as a competitive telecommunications company, whether its proposed price list should be approved, and the extent to which it should be relieved of regulatory requirements to which it would otherwise be subject.

10 This matter was brought before the Commission at its regularly scheduled open meeting on September 12, 2001. The Commissioners, having been fully advised in the matter, and having determined the following order to be consistent with the public interest, directed the Secretary to enter the following order and related provisions.

FINDINGS OF FACT

- 11 (1) OnePoint filed an application for registration as a telecommunications company and a petition for classification as a competitive telecommunications company pursuant to the provisions of RCW 80.36.350 and 80.36.320, to provide the services specified in Exhibit A of its application.
- 12 (2) As to form, the application and petition meet the requirements of RCW 80.36.350 and 80.36.320, and comply with the Commission's rules and regulations.
- 13 (3) The registration of OnePoint as a telecommunications company is not inconsistent with the public interest.
- 14 (4) OnePoint has requested a waiver of the requirement to maintain a performance bond or federally insured trust account sufficient to cover all customer advanced payments in accordance with WAC 480-120-058.
- 15 (5) The request by OnePoint for waiver of the requirement to maintain a performance bond or federally insured trust account sufficient to cover all customer advanced payments is not inconsistent with the public interest.
- 16 (6) In this proceeding, the Commission in no way endorses the financial viability of applicant nor the investment quality of any securities it may issue.
- 17 (7) Alternative providers of service to that of OnePoint include, but are not limited to, Verizon Northwest, Inc., MCI WorldCom Communications, Inc., and Sprint Communications Company L.P. All services are fully available from alternative providers in the relevant market.
- 18 (8) The relevant market is the state of Washington.
- 19 (9) OnePoint has no captive customer base.

- 20 (10) OnePoint should be permitted to provide services under its proposed price list.
- 21 (11) OnePoint requested waivers of certain laws and rules relating to telecommunications services. The laws and rules for which waivers should be granted are listed in Appendix A, incorporated by this reference and made a part of this Order.

CONCLUSIONS OF LAW

- 22 (1) The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of this registration application and classification petition and OnePoint.
- 23 (2) The services offered are subject to effective competition.
- 24 (3) OnePoint should be registered as a telecommunications company pursuant to RCW 80.36.350, and classified as a competitive telecommunications company pursuant to RCW 80.36.320(1).
- 25 (4) OnePoint should be permitted to provide services under price lists promulgated under RCW 80.36.320 (2). These services shall not include providing prepaid calling services.
- 26 (5) OnePoint should be granted waivers of the laws and rules listed in Appendix A.
- 27 (6) The request by OnePoint for waiver of the requirement to maintain a performance bond or federally insured trust account sufficient to cover all customer advanced payments is not inconsistent with the public interest and should therefore be granted.

ORDER

THE COMMISSION ORDERS:

- 28 (1) Effective on the date of this Order and subject to any conditions imposed, the Commission approves the application of OnePoint Communications–Colorado, LLC, d/b/a Verizon Avenue, requesting an order authorizing registration as a telecommunications company to provide service to the public in this state.
- 29 (2) The Commission approves the petition of OnePoint Communications–Colorado, LLC, d/b/a Verizon Avenue, for classification as a competitive telecommunications company and grants a waiver of the laws and rules listed in the attached Appendix A.
- 30 (3) OnePoint Communications–Colorado, LLC, d/b/a Verizon Avenue, shall be permitted to provide services under price list.

- 31 (4) OnePoint Communications–Colorado, LLC, d/b/a Verizon Avenue, is granted a waiver of the requirement to maintain a performance bond or federally insured trust account sufficient to cover all customer advanced payments effective on the date of this Order and subject to any conditions imposed.
- 32 (5) Registration of OnePoint Communications–Colorado, LLC, d/b/a Verizon Avenue, as a telecommunications company shall not be construed as an endorsement of financial viability or of the investment quality of any securities it may issue.
- 33 (6) As a telecommunications company providing service to the public in this state, OnePoint Communications–Colorado, LLC, d/b/a Verizon Avenue, is subject to the jurisdiction of this Commission under the provisions of Title 80 RCW and all rules and regulations adopted by the Commission.
- 34 (7) OnePoint Communications–Colorado, LLC, d/b/a Verizon Avenue, is authorized to offer rates and services pursuant to the price list in the format prescribed by the Commission. Services specified in Exhibit A but not included in its initial price list may not be offered until applicant amends its price list to include the description of service with rates and charges. The price list approved in this proceeding, and subsequent changes to that price list, become effective only after ten days’ notice to the Commission and to customers. In the event of a price list reduction or of a change in terms and conditions that do not have rate impact, personal notice to customers is not required. To comply with the statutory notice requirement, OnePoint Communications–Colorado, LLC, d/b/a Verizon Avenue, may publish notice of price reductions or changes in terms and conditions of service that do not have rate impact by a display advertisement in such newspaper(s) as are geographically situated to be circulated over the Company's service area.
- 35 (8) Within 31 days after December 31, 2001, and each calendar year thereafter, OnePoint Communications–Colorado, LLC, d/b/a Verizon Avenue, will be required to submit to the Commission a report containing the following information specific to its state of Washington operations: (a) amount of advanced payment dollars collected during the reporting period; (b) amount of advanced payment dollars depleted during the reporting period; and (c) total outstanding advanced payment balance at the end of the reporting period. Statements shall continue to be filed within 31 days after December 31, 2001, and each calendar year thereafter until the applicant is notified in writing by the Commission that such reports are no longer required. In addition, Commission Staff may request current company financial information.
- 36 (9) In the event the Company ceases operations, OnePoint Communications–Colorado, LLC, d/b/a Verizon Avenue, must provide refund information to its customers on the company’s toll-free phone number for a minimum of six months.

- 37 (10) OnePoint Communications–Colorado, LLC, d/b/a Verizon Avenue, must
comply, as specified, with the requirements of WAC 480-120-141, operator
service providers rule.
- 38 (11) OnePoint Communications–Colorado, LLC, d/b/a Verizon Avenue, is not
authorized to provide prepaid calling services.
- 39 (12) The Commission retains jurisdiction over the subject matter and the Company
to effectuate the terms of this Order.

DATED at Olympia, Washington, and effective this 12th day of
September, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary

APPENDIX A

RCW 80.04.300	Budgets to be filed by companies— Supplementary budgets
RCW 80.04.310	Commission’s control over expenditures
RCW 80.04.320	Budget rules
RCW 80.04.330	Effect of unauthorized expenditure— Emergencies
RCW 80.04.360	Earnings in excess of reasonable rate— Consideration in fixing rates
RCW 80.04.460	Investigation of accidents
RCW 80.04.520	Lease of utility facilities
RCW 80.36.100	Tariff schedules to be filed and open to public
RCW 80.36.110	Tariff changes—Statutory notice—Exception
Chapter 80.08 RCW	Securities (except RCW 80.08.140, State not obligated)
Chapter 80.12 RCW	Transfers of Property
Chapter 80.16 RCW	Affiliated Interests
Chapter 480-80 WAC	Tariffs, Price Lists, and Contracts (except 480- 80-035 Price Lists and 480-80-325 Contract for Service)
Chapter 480-140 WAC	Budgets
Chapter 480-143 WAC	Transfers of Property
Chapter 480-146 WAC	Securities and Affiliated Interests
WAC 480-120-026	Tariffs
WAC 480-120-031	Accounting
WAC 480-120-032	Accounting-Political information and political education activities
WAC 480-120-036	Finance—Securities, affiliated interests, transfer of property
WAC 480-120-043	Notice to the Public of Tariff Changes
WAC 480-120-046	Services offered
WAC 480-120-131	Reports of accidents
WAC 480-120-541	Access charges
WAC 480-120-542	Collective consideration of Washington intrastate rate, tariff, or service proposals
WAC-480-120-543	Caller identification service
WAC 480-120-544	Mandatory cost changes for telecommunications companies

Docket No. UT-010776