

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of the Application and Petition of)
Rainier Connect, Inc.) DOCKET UT-971106
)
) CORRECTED
)
For Registration as a Telecommunications) FIRST SUPPLEMENTAL ORDER
Company and Classification as a Competitive) AMENDING REGISTRATION AND
Telecommunications Company.) GRANTING PETITION FOR
.....) COMPETITIVE CLASSIFICATION

BACKGROUND

1 By supplemental petition filed January 10, 2002, in Docket UT-971106, Rainier Connect, Inc. (Rainier), seeks to amend its registration authority as a telecommunications company and classification as a competitive telecommunications company pursuant to RCW 80.36.350 and RCW 80.36.320. Rainier also filed revisions to its price list and submitted a petition requesting a waiver of the bond/trust requirement in WAC 480-120-058 Protection of Customer Prepayments.

DISCUSSION

2 Rainier proposes to amend its competitive classification and registration authority with the Commission as a telecommunications company to offer prepaid calling 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, Rainier asserts that its services compete with other interexchange and local exchange carriers telecommunications services. Rainier states that customers have readily available, equivalent alternatives and that there are no captive customers of the Company's services.

3 Rainier is a Washington corporation, headquartered in Eatonville, Washington, and is owned by Mashell, Inc. Rates, terms, and conditions set forth in the revisions to its price list are structured similarly to rates filed by other interexchange and local exchange carriers for calls placed in the relevant market.

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

5 Rainier petitioned for waiver of the bond/trust requirement in WAC 480-120-058, which requires telecommunications companies that collect customer prepayments to obtain a performance bond or federally insured trust account. Rainier projects monthly revenues from prepaid calling services in Washington of \$1,000.

6 Rainier shall state an unconditional, money-back guarantee on the prepaid calling services or in supplemental materials provided at the time the prepaid calling service is purchased, and include a statement warning customers to safeguard their cards. If Rainier ceases its operations, it must provide refund information to its customers through the company’s toll-free phone number for a minimum of six months after ceasing operations. Rainier will provide a free call detail report to customers upon request.

7 Applicant does not propose to collect deposits from customers.

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 480-121-061, WAC 480-121-062, WAC 480-121-063, WAC 480-121-064, and WAC 480-120-058. Statutes invoked include RCW 80.36.320, and RCW 80.36.350. The ultimate issues are whether the proposed amendments to Rainier’s registration and competitive classification should be approved.

10 This matter was brought before the Commission at its regularly scheduled open meeting on January 30, 2002. 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) Rainier filed a supplemental application on January 10, 2002, to amend its registration authority as a telecommunications company and classification as a competitive telecommunications company pursuant to the provisions of RCW 80.36.350 and RCW 80.36.320, to provide prepaid calling services.
- 12 (2) As to form, the supplemental application and petition meet the requirements of RCW 80.36.350 and RCW 80.36.320, and comply with the Commission's rules and regulations.
- 13 (3) The amendment of the registration of Rainier to include prepaid calling services as a telecommunications company is not inconsistent with the public interest.
- 14 (4) Rainier has requested a waiver of the requirement to maintain a performance bond or federally insured trust account sufficient to cover all customer prepayments in accordance with WAC 480-120-058.
- 15 (5) The request by Rainier for waiver of the requirement to maintain a performance bond or federally insured trust account sufficient to cover all customer prepayments 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 Rainier include, but are not limited to, Ameritech Communications International, Inc., Transcommunications, Inc., 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) Rainier has no captive customer base.
- 20 (10) Rainier should be permitted to provide services under its proposed price list.
- 21 (11) Rainier 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 Rainier.
- 23 (2) The services offered are subject to effective competition.
- 24 (3) Rainier should be authorized to provide prepaid calling services 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) Rainier should be permitted to provide services under price lists promulgated
under RCW 80.36.320 (2). These services shall not include collecting
deposits from customers.
- 26 (5) Rainier should be granted waivers of the laws and rules listed in Appendix A.
- 27 (6) The request by Rainier for waiver of the requirement to maintain a
performance bond or federally insured trust account sufficient to cover all
customer prepayments 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 supplemental application of Rainier Connect, Inc.,
requesting an order amending registration authorization as a
telecommunications company to provide prepaid calling services to the public
in this state.
- 29 (2) The Commission approves the petition of Rainier Connect, Inc., for
classification as a competitive telecommunications company and grants a
waiver of the laws and rules listed in the attached Appendix A.
- 30 (3) Rainier Connect, Inc., shall be permitted to provide services under price list.
- 31 (4) Registration of Rainier Connect, Inc., 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.
- 32 (5) Rainier Connect, Inc., is granted a waiver of the bond/trust requirement in
WAC 480-120-058 Protection of Customer Prepayments.

- 33 (6) Registration of Rainier Connect, Inc., 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.
- 34 (7) As a telecommunications company providing service to the public in this state Rainier Connect, Inc., is subject to the jurisdiction of this Commission under the provisions of Title 80 RCW and all rules and regulations adopted by the Commission.
- 35 (8) Rainier Connect, Inc., 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. Any price list filed by Rainier Connect, Inc., and subsequent changes to these price lists, shall 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, Rainier Connect, Inc., 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.
- 36 (9) Rainier Connect, Inc., must comply, as specified, with the requirements of WAC 480-120-141, Operator service providers rule.
- 37 (10) Rainier Connect, Inc., shall state an unconditional money-back guarantee on the face of the prepaid calling card or on supplemental materials that will be provided at the time the prepaid calling card is purchased with a statement warning customers to safeguard their cards.
- 38 (11) In the event the Company ceases operations, Rainier Connect, Inc., must provide refund information to its customers on the company's toll-free phone number for a minimum of six months.
- 39 (12) Rainier Connect, Inc., shall provide a free call-detail report to customers upon request.
- 40 (13) Rainier Connect, Inc., is not authorized to collect deposits from customers.
- 41 (14) 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 30th day of January, 2002.

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 480-120-544	Mandatory cost changes for telecommunications companies