BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of)	DOCKET NO. UT-042045
VCI COMPANY,)	ORDER NO. 02
Petitioner,)	
Seeking Exemption from the Provisions of WAC 480-120-162(2) Relating to Cash and Urgent Payments)))	ORDER GRANTING CONDITIONAL EXEMPTION FROM RULE
)	

BACKGROUND

- I On November 18, 2004, VCI Company (VCI or the Company) filed a petition requesting an exemption from WAC 480-120-162(2). The Washington Utilities and Transportation Commission (Commission) granted a temporary ten-month waiver on February 23, 2005, to allow the company time to find additional payment agencies that charge a transaction fee of \$1.00 or less and to permit staff to collect additional information about whether consumers prefer payment agents that are convenient or low cost. On January 10, 2006, VCI filed a petition requesting a permanent exemption from WAC 480-120-162(2).
- 2 WAC 480-120-162(2) requires telecommunications companies to use payment agencies that limit their transaction fees for processing customer payments to \$1.00.
- ³ VCI stated that its customers are primarily low-income customers. Its customers use payment agencies because they have no bank account and need cash payment locations to conduct financial transactions to pay their telephone bills. VCI's customers use MoneyGram despite the knowledge that the transaction costs are \$5.00 to \$5.95. VCI cannot absorb the additional costs of MoneyGram transactions, negotiate lower transaction costs or pass through the costs to its customers. VCI believes that one result of eliminating MoneyGram payment agents would be that VCI will receive fewer customer payments prior to the disconnect date, resulting in more low-income customer disconnections.
- Commission staff reviewed the request and recommended granting VCI's request for exemption, subject to the following condition(s): (1) continue to use MoneyGram locations; (2) continue to offer ACE and Seven Eleven (Choice Pay) locations; (3) continue to absorb the transaction costs above \$1.00 for the ACE and Seven Eleven

locations; (4) continue to notify customers of preferred payment dates on the back of the monthly invoice; and (5) continue to notify customers of the additional payment locations at ACE and Seven Eleven on the back of the monthly invoice and verbally when consumers contact the company about a disconnect notice.

FINDINGS AND CONCLUSIONS

- 5 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including telecommunications companies. *RCW 80.01.040; Chapter 80.04 RCW and Chapter 80.36 RCW*.
- 6 (2) VCI is engaged in the business of providing telecommunications services within the state of Washington and is a public service company subject to the jurisdiction of the Commission under the provisions of Chapter 80.36 RCW.
- 7 (3) VCI is subject to the provisions of WAC 480-120-162(2), requiring telecommunications companies to use payment agencies that limit their transaction fees for processing customer payments to \$1.00.
- 8 (4) WAC 480-120-015 provides that the Commission may grant an exemption from the provisions of any rule in Chapter 480-120 WAC, if consistent with the public interest, the purposes underlying regulation and applicable statutes.
- 9 (5) This matter was brought before the Commission at its regularly scheduled meeting on February 8, 2006.
- (6) After review of the petition filed in Docket UT-042045 by VCI on February 8, 2006, and giving due consideration, the Commission finds that the exemption is reasonable and should be granted.

THE COMMISSION ORDERS:

- (1) After the effective date of this order, VCI Company is granted a conditional exemption from WAC 480-120-162(2), which requires telecommunications companies to use payment agencies that limit their transaction fees for processing customer payments to \$1.00.
- 12 (2) This exemption is subject to the following conditions. VCI Company will:
 - (1) Continue to use MoneyGram locations.
 - (2) Offer ACE, and Seven Eleven (Choice Pay) locations.
 - (3) Absorb the transaction costs above \$1.00 at the ACE and Seven Eleven locations.
 - (4) Notify customers of preferred payment date options on the back of each monthly invoice.
 - (5) Notify customers of the additional payment locations at ACE and Seven Eleven on the back of each monthly invoice and verbally when consumers contact the company about a disconnect notice.
- 13 (3) The Commission retains jurisdiction over the subject matter and VCI Company to effectuate the provisions of this Order.

DOCKET NO. UT-042045 ORDER NO. 02

DATED at Olympia, Washington, and effective this 8th day of February, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner