

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION)	DOCKET NO. UT-990946
)	
Complainant,)	
)	ORDER DENYING MOTION FOR
v.)	AN EXTENSION OF TIME
)	
1-800-RECONEX, INC.,)	
)	
Respondent.)	
.....)	
..)	

I. SYNOPSIS

1 **Summary.** This matter arises from a formal complaint brought by the Washington
Utilities and Transportation Commission (Commission) against 1-800-RECONEX,
Inc., (RECONEX) alleging violations of RECONEX's tariffs, Commission rules, and
state law.

2 This Order disposes of a motion by RECONEX to extend the time to comply with the
terms of a stipulation, which the Commission approved on November 12, 1999.

3 RECONEX is a local telecommunications company certified under Washington State
laws and Commission rules to provide prepaid local telecommunications services to
individuals who have poor credit histories.

4 **Proceedings.** On July 23, 1999, the Commission filed on its own motion a
Complaint and Order to Show Cause Why Penalties Should Not Be Assessed and
Why Service Remedies Should Not Be Ordered and Notice of Prehearing
Conference. In that complaint, the Commission alleged that RECONEX's service
and billing practices violated chapter 480-120 WAC, RCW 80.36.130, and the terms
of its filed tariff.

5 On October 8, 1999, the Commission Staff (Staff) and RECONEX filed a Stipulation
for Settlement and For Entry of An Agreed Final Order (Stipulation).

6 On November 12, 1999, the Commission entered a Commission Decision and Order
Approving Stipulation.

7 On December 30, 1999, the Commission entered a First Supplemental Order Amending and Approving Stipulation in Part. That order amends the Stipulation by adding a paragraph that sets forth RECONEX's monetary commitment and the ramifications of failing to fulfill that obligation.

8 On September 27, 2000, RECONEX filed with the Commission a Motion for Extension of Time to Comply With Commission Order.

9 Commission Staff answered RECONEX's motion for extension, on October 17, 2000.

10 **Parties.** Gregory J. Trautman, Assistant Attorney General, Olympia, Washington, represents Commission Staff. William E. Braun, General Counsel, Hubbard, Oregon, represents 1-800-RECONEX, Inc.

II. DISCUSSION

11 Under the Stipulation adopted in the Order, Commission Staff agreed not to pursue \$186,000 of the \$372,000 of alleged penalties. The Order requires that RECONEX spend a minimum of \$20,000 for a customer education program and a minimum of \$121,000 on system and service improvements. In addition, the Commission suspended the final \$45,000 of the potential alleged penalty conditioned on demonstration of compliance in a September 2000 compliance audit.

12 RECONEX now asks that the Commission extend the compliance date set out in the Stipulation to November 30, 2000, to allow RECONEX to comply fully with paragraph 4 of the November 12, 1999 Order. In addition, RECONEX asks in its motion that the Commission stay action with regard to any failure by the Company to comply with the September 2000 audit by Commission Staff. RECONEX's only justification for its request is that it has been acquired by another entity, which refused to authorize the expenditure of funds needed to comply within the time frame mandated in the order.

13 Staff opposes the motion, arguing that the terms of the Stipulation are generous and fair in reducing potential penalties that approach \$400,000. Staff also contends that it prodded the company as far back as February 2000 to meet its commitments and that the acquisition was finalized on August 25, 2000, so that the September motion seems untimely.

14 The Commission agrees with Staff. RECONEX has not demonstrated any sound basis in fact, law, or policy why it could not comply with the Commission's Orders and the Stipulation. The Stipulation provided RECONEX with ample time to fulfill

its obligations. The excuse that RECONEX now offers merely reflects the owner's business decision not to comply with regulatory requirements for financial reasons. Furthermore, the acquisition that RECONEX claims excuses it from complying occurred in August 2000, more than one month prior to the September motion.

15 The Commission approved the Stipulation in order to fulfill its responsibility to protect consumers and to ensure that companies subject to its jurisdiction comply with state law, Commission rules, and filed tariffs. Considering the seriousness of the alleged violations, the ample time provided to RECONEX to comply, the importance to the public interest of compliance with the law and Commission orders, and the total lack of justification for the motion, the Commission denies the motion by RECONEX. In addition, the Commission refuses to stay action for any failure by RECONEX to comply.

III. FINDINGS OF FACT

- 16 (1) On July 23, 1999, the Commission, on its own motion, filed a Complaint and Order to Show Cause Why Penalties Should Not Be Assessed and Why Service Remedies Should Not Be Ordered and Notice of Prehearing Conference.
- 17 (2) RECONEX is a local telecommunications company certified under Washington State laws and Commission rules to provide prepaid local telecommunications services to individuals who have poor credit histories.
- 18 (3) On October 8, 1999, the Commission Staff and 1-800-RECONEX, Inc. filed a Stipulation for Settlement and For Entry of An Agreed Final Order.
- 19 (4) On November 12, 1999, the Commission approved the Stipulation.
- 20 (5) On December 30, 1999, the Commission entered a First Supplemental Order Amending an Approving Stipulation in Part.
- 21 (6) On September 27, 2000, RECONEX filed with the Commission a Motion for Extension of Time to Comply With Commission Order.
- 22 (7) Commission Staff answered RECONEX's motion for extension, on October 17, 2000.

IV. CONCLUSIONS OF LAW

- 23 (1) The Commission has jurisdiction over the subject matter of and parties to this proceeding, pursuant to chapters 80.04 and 80.36 RCW.
- 24 (2) The Motion for Extension of Time to Comply With Commission Order of 1-800-RECONEX is not consistent with the public interest.

V. ORDER

THE COMMISSION ORDERS That:

- 25 The Motion for Extension of Time to Comply With Commission Order of 1-800-RECONEX is denied.

DATED at Olympia, Washington, and effective this day of October, 2000.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

WILLIAM R. GILLIS, Commissioner

NOTICE TO ALL PARTIES:

This is a final order of the Commission. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-09-810, or a petition for rehearing pursuant to RCW 80.04.200 or RCW 81.04.200 and WAC 480-09-820(1).