Appendix A
Docket UT-990946
Reconex Compliance Audit

Claim #1 - WAC 480-120-081(2)(a) - Allowing less than 15 days for payment on a bill.
Benchmark - No more than three violations.
Findings - 84 violations of this claim.

Discussion
Staff found there are three causes for failure to meet this benchmark. First, the Company's billing system is programmed to issue a customer's first bill with a due date that allows only 10 days for payment.

Second, the Company established a policy that each Washington bill is manually reviewed prior to mailing. If there is a problem with the bill, the representative requests a reprint. Typically, this takes a minimum of one day. The bill is mailed once the Company representative receives an acceptable copy, but the due date on the bill is not adjusted to accommodate the delay in mailing. In other words, the bill still reflects the due date that was generated on the first printing.

Third, Staff found that the date the Company generates customer's bills can vary from month to month, but the Company continues to use the same date each month as the due date. For example, in reviewing customer account #14, Staff found that all of the customer's bills are due on the 9^{th} of the month. Although the Company mailed both the February and April bills on different days of the month, each allows the required time for payment. However, when the Company mailed the March bill, a due date of the 9^{th} allowed only 11 days for the customer to pay the bill.

Conclusion: The Company failed to meet the benchmark set out in the Stipulated Agreement.

Claim #2 - WAC 480-120-081(2)(a) - Threatening to disconnect or disconnecting accounts that were not delinquent.
Benchmark - No more than three violations.
Findings - 6 violations of this claim.

Discussion These violations occurred when Company representatives made collection calls and ultimately disconnected customer account #13 for nonpayment. In all instances, the customer's account had been paid in full or was carrying a credit balance for at least a minimum of 15 days at the time of the Company's collection activity.

Conclusion: The Company failed to meet the benchmark set out in the Stipulated Agreement.

Claim #3 - WAC 480-120-081(5)(a) - Mailing disconnection notices that allowed fewer than eight business days for payment.
Benchmark - No more than three violations.
Findings - 0 violations of this claim.

Conclusion: The Company met the benchmark set out in the Stipulated Agreement.

Claim #4 - WAC 480-120-081(5)(b) - Failing to make two telephone attempts to contact customers prior to disconnection.
Benchmark - No more than three violations.
Findings - 4 violations of this claim.

Discussion Although the Company exceeded the benchmark, it does appear that the procedures established as a result of the settlement have had significant positive impact for customers facing potential disconnection. During the current audit, the Company violationed this subsection of the disconnect rule in 8% of the accounts reviewed by Staff, compared to 47% in the 1998 audit.

Conclusion: The Company met the benchmark set out in the Stipulated Agreement.

Claim #5 - WAC 480-120-081(7) - Failing to restore service in a timely manner.
Benchmark - No more than three violations.
Findings - 0 violations of this claim.

Conclusion: The Company met the benchmark set out in the Stipulated Agreement.

Claim #6 - WAC 480-120-101(2) - Failing to allow customers the opportunity to speak to a supervisor.
Benchmark - No more than three violations.
Findings - 0 violations of this claim.

Conclusion: The Company met the benchmark set out in the Stipulated Agreement.

Claim #7 - WAC 480-120-051 - Failure to notify applicants that service would be

delayed beyond the quoted due date.
Benchmark - No more than three violations.
Findings - 0 violations of this claim.

Conclusion: The Company met the benchmark set out in the Stipulated Agreement.

Claim #8 - 80.36.130 - Billing customers for service earlier than allowed by Reconex's tariff.
Benchmark - No more than three violations.
Findings - 50 violations of this claim.

Discussion Reconex's tariff specifies that an applicant may be required to make payment of both the service connection fee and the first month's service prior to connection of an account. The tariff further specifies that should the Company not collect the fees prior to connection of service, the fees will be included on the customer's first bill. Under the tariff, the Company must send the first bill 15 days after service is connected. Staff determined through its investigation, however, that the Company's policy is to send a customer's first bill either the day service is connected or prior to the 15 day period specified in the Company's tariff.

Conclusion: The Company failed to meet the benchmark set out in the Stipulated Agreement.

Claim #9 - 80.36.130 - Failure to bill the FCC access charge as required by Reconex's tariff.
Benchmark - No more than three violations.
Findings - 0 violations of this claim.

Conclusion: The Company met the benchmark set out in the Stipulated Agreement.

Claim #10 - 80.36.130 - Charging customers for services not authorized in the

Company's tariff.
Benchmark - No more than one violation.
Findings - 5 violations of this claim.

Discussion Staff identified two charges that the Company included on customer's bills which are not approved in its tariff: (1) directory assistance charges, and (2) late payment fees.

Staff identified three accounts that were billed directory assistance fees on four separate occasions. These charges were not credited by the Company and were ultimately paid by the customer.

Staff identified several accounts that reflected late payment charges. However, in all but one instance the Company recognized these as unauthorized charges in Washington and credited the charges before they had billed out to the customer. In one instance, however, the Company failed to adjust a late payment fee included on customer number #12's account. The charge was dated March 13, 2000. Therefore, Staff is citing the Company with one violation for this unauthorized charge.

Conclusion: The Company failed to meet the benchmark set out in the Stipulated Agreement.

Claim #11 - 80.36.130 - Charging rates other than those authorized in the Company's tariff.
Benchmark - No more than one violation.
Findings - 86 violations of this claim.

Discussion Prior to July 1, 2000, the FCC access charge was $3.50 per single residential line. Effective July 1, 2000, the fee increased to $4.35 per month. Although Reconex began charging the customers appropriate rates as of July 1, the Company failed to update their tariff. The tariff continues to reflect the authorized rate of $3.50, while the Company began and continues to charge customers $4.35, putting the Company in violation of its tariff each of the 86 times Staff identified it charged the increased rate.

Conclusion: The Company failed to meet the benchmark set out in the Stipulated Agreement.

Claim #12 - 80.36.130 - Billing customers for periods in which they were without

service.
Benchmark - No more than three violations.
Findings - 0 violations of this claim.

Conclusion: The Company met the benchmark set out in the Stipulated Agreement.

Claim #13- Failing to file all reports within the time frame specified in the Order Granting Registration and Subsequent documents.
Benchmark - Reconex will file all reports within specified time frames.
Findings - 0 violations of this claim.

Conclusion: The Company met the benchmark set out in the Stipulated Agreement.