

Talbott
Vandiver

FLORIDA PUBLIC SERVICE COMMISSION
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M E M O R A N D U M

FEBRUARY 6, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF LEGAL SERVICES (CULPEPPER) ^{AC} MCB
DIVISION OF COMMUNICATIONS (ISLER) _{ix}

RE: DOCKET NO. 961009-TI - CONETCO COMMUNICATIONS D/B/A
COMMUNICATIONS NETWORK CORPORATION - INITIATION OF SHOW
CAUSE PROCEEDINGS FOR VIOLATION OF RULE 25-4.043, FLORIDA
ADMINISTRATIVE CODE, RESPONSE TO COMMISSION STAFF
INQUIRIES

AGENDA: FEBRUARY 18, 1997 - REGULAR AGENDA - SHOW CAUSE -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\LEG\WP\961009R2.BCM

CASE BACKGROUND

At the Commission's February 4, 1997 Agenda Conference, the Commission approved staff's recommendation that Conetco be ordered to pay a \$25,000 fine or have its certificate cancelled. Some concerns were, however, expressed that Conetco had not actually received a copy of the Order to Show Cause No. PSC-96-1437-FOF-TI, issued November 26, 1996, whereby the Commission initiated proceedings to require Conetco to show cause why it should not be fined up to \$25,000 per day or have its Certificate No. 3974 cancelled for violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries. The certified copy of that Order was returned by the Post Office. The key concern raised at the February 4, 1997 Agenda Conference was that no further attempts at providing notice to the company had been made.

As noted in Order No. PSC-96-1437-FOF-TI, an industry representative brought to staff's attention a debit card identified as "The Travel Phone Card," which was being distributed in the

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Miami area. Staff determined that Conetco Communications d/b/a Communications Network Corporation (Conetco), holder of Certificate No. 3974, was likely the company issuing "The Travel Phone Card." Staff, however, was unable to get any pertinent information from the one customer representative that staff was able to contact. Attempts to contact a company officer were unsuccessful. Since August 22, 1996, staff has been unable to contact anyone from Conetco.

On February 5, 1997, the Division of Records and Reporting notified staff that the Agenda Notice had been returned by the Post Office, but that a forwarding address was indicated on the envelope. Based on this new information, staff believes the following recommendations are appropriate.

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DISCUSSION OF ISSUES

ISSUE 1: Should the Commission reconsider its decision from the February 4, 1997, Agenda Conference to order Conetco to pay a \$25,000 fine and re-issue Order No. PSC-96-1437-FOF-TI with a modified response time of 20 days from the re-issuance of the Order?

RECOMMENDATION: Yes. In view of the newly discovered address information, staff recommends that the Commission reconsider its vote from the February 4, 1997, Agenda Conference, re-issue Order PSC-96-1437-FOF-TI with a modified response time of 20 days from the issuance of the Order, and send the Order to Conetco's newly discovered address.

STAFF ANALYSIS: Staff has made numerous attempts to contact Conetco without much success. Staff has been unable to speak with a Conetco officer to discuss its debit card business.

On November 26, 1996, the Commission issued Order No. PSC-96-1437-FOF-TI requiring Conetco to show cause why it should not be fined up to \$25,000 per day or have its Certificate No. 3974 cancelled for violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries. The Post Office returned the certified copy of the order on December 26, 1996.

At the February 4, 1997, Agenda Conference, the Commission approved staff's recommendation that Conetco be ordered to pay a \$25,000 fine for not responding to staff inquiries or have its certificate cancelled.

On February 5, 1997, the U. S. Postal Service returned the Agenda Notice to the Division of Records and Reporting, who immediately notified staff. The envelope was stamped with a new address for Conetco. In view of this new information, staff recommends that the Commission reconsider its vote from the February 4, 1997, Agenda Conference, re-issue Order PSC-96-1437-FOF-TI with a modified response time of 20 days from the issuance of the Order, and send the Order to Conetco's newly discovered address.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open pending resolution of the show cause process. If the Commission approves staff's recommendation on Issue 1, Order No. PSC-96-1437-FOF-TI will be re-issued with a modified response time of 20 days from the issuance of the Order. Conetco Corporation d/b/a Communications Network Corporation must respond, in writing, to the allegations set forth in the show cause order within 20 days of the re-issuance of the order. The company's response must contain specific allegations of facts and law. If the company does not respond within the 20 days, a proposed agency action order imposing the \$25,000 fine will be issued.

STAFF ANALYSIS: If the Commission approves staff's recommendation on Issue 1, Order No. PSC-96-1437-FOF-TI will be re-issued with a modified response time of 20 days from the issuance of the Order. Conetco Corporation d/b/a Communications Network Corporation must respond, in writing, to the allegations set forth in the show cause order within 20 days of the re-issuance of the order. The company's response must contain specific allegations of facts and law. If the company does not respond within the 20 days, the Commission's February 4, 1997 decision, will be reinstated and a proposed agency action order imposing the \$25,000 fine will be issued.

Staff notes that this procedure is cumbersome and that we are currently exploring the use of the "one-stop shopping" show cause procedure utilized in the water and wastewater industry. This will remove the concern raised at the February 4, 1997, Agenda Conference about giving the utility a "second bite at the apple."