

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer
Marshall Johnson
Ken Nickolai
Phyllis A. Reha

Chair
Commissioner
Commissioner
Commissioner

In the Matter of a Complaint against UKI
Communications, Inc.

ISSUE DATE: July 2, 2004

DOCKET NO. P-5868/C-04-748

ORDER TO SHOW CAUSE

PROCEDURAL HISTORY

On April 10, 2000, UKI Communications, Inc. (UKI) received a certificate of authority to provide interexchange services in the state of Minnesota.¹

On May 13, 2004, the Office of the Attorney General (OAG) filed a complaint against UKI with the Commission. The OAG stated the basis for its belief that UKI has violated Minn. Stat. §§ 237.661-662 and 237.121. The OAG requested the Commission to issue to UKI an Order to Show Cause why, among other things, the Commission should not revoke UKI's certificate of authority.

On May 26, 2004, the Commission issued a notice to interested parties, including UKI, requesting comments on whether the Commission should issue an Order to Show Cause as requested by the OAG.

On June 10, 2004, the Minnesota Department of Commerce (the Department) filed comments recommending that the Commission issue an Order to Show Cause against UKI. UKI filed no comments in response to the Commission's Notice.

The Commission met on June 24, 2004 to consider this matter.

¹ See *In the Matter of a Request by UKI Communications, Inc. for Approval for a Certificate of Authority to Provide Long Distance Services*, Docket No. P-5868/NA-00-87, ORDER (April 10, 2000).

FINDINGS AND CONCLUSIONS

The Commission has broad authority to investigate the conduct of an interexchange carrier (IXC or long distance provider), such as UKI, upon notice to the carrier.² Furthermore, Minn. Stat. §237.74 provides broad enforcement authority for violations of that section, including, among other things, actions to compel performance, and “other appropriate action.”³ In addition, Minn. Stat. §237.16, subd. 5 gives the Commission authority to revoke a certificate of authority, after notice of a hearing and hearing, for failing to meet the terms and conditions of the certificate or for other conduct such as intentionally violating applicable legal requirements.

The OAG has made a prima facie showing that there is reason to believe that UKI has violated Minnesota’s Anti-Slamming Statutes⁴, statutory notice requirements⁵, and has violated a Commission rule by failing to respond to consumer complaints within set time periods⁶. Based on the OAG’s filing, it appears that UKI has violated Minnesota Statutes and failed to meet the terms and conditions of its certificate.

Specifically, the OAG has made a strong case that UKI has not complied with various Minnesota laws by switching consumers to UKI without verified consent of the consumer, not notifying the customers in writing of the change to UKI, and not responding to customer complaints in a timely manner.

Accordingly, the Commission will issue an Order to UKI requiring it to file a written response explaining 1) why the Commission should not find that UKI has violated §§237.661-662 and 237.121; 2) why the Commission should not order UKI to fully credit the outstanding charges of customers for whom UKI is not able to provide proof of verification as required by §237.661; and 3) why the Commission should not revoke UKI’s Certificate of Authority with prejudice.

If UKI does not persuasively respond, UKI’s certificate of authority will be subject to revocation, after a hearing, as provided by Minn. Stat. § 237.16, subd. 5.⁷

²Minn. Stat. §237.74, subd. 4.

³ Minn. Stat. §237, subd. 11. Similarly, Minn. Stat. §237.461 gives the Commission authority to compel performance and take other appropriate action to enforce the requirements of chapter 237.

⁴ Minn. Stat. §§ 237.661, 237.121, and 325F.693.

⁵ Minn. Stat. §§ 237.661-662.

⁶ Minn. Rules, Part 7810.100.

⁷ Note that the grounds for revocation established in Minn. Stat. § 237.16, subd. 5 include intentional violation of the Commission’s Orders, such as the current ORDER TO SHOW CAUSE.

ORDER

1. The Commission hereby issues this ORDER TO SHOW CAUSE. Within 30 days of this Order, UKI shall file a written response with the Commission (and file copies of that response with the Department and the OAG) explaining
 - a. why the Commission should not find that UKI has violated §§237.661-662 and 237.121 as alleged by the OAG;
 - b. why the Commission should not order UKI to fully credit the outstanding charges of customers for whom UKI is not able to provide proof of verification as required by §237.661; and
 - c. why the Commission should not revoke UKI's Certificate of Authority with prejudice.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

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