

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

<p>IN RE:</p> <p>OFFICE OF CONSUMER ADVOCATE,</p> <p style="padding-left: 40px;">Complainant,</p> <p style="text-align:center">v.</p> <p>VCI COMPANY,</p> <p style="padding-left: 40px;">Respondent.</p>	<p>DOCKET NO. FCU-05-39</p>
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**ORDER DOCKETING FOR FORMAL PROCEEDING AND
SETTING DEADLINE FOR RESPONSE**

(Issued July 5, 2005)

On June 3, 2005, pursuant to Iowa Code §§ 476.3 and 476.103, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed with the Utilities Board (Board) a petition for a proceeding to consider a civil penalty for an alleged slamming violation committed by VCI Company (VCI). Based upon the record assembled in the informal complaint proceeding, the events to date can be summarized as follows:

On May 5, 2005, the Board received a complaint from Ms. Lora Bennett of Parkersburg, Iowa, alleging her local telephone service was switched to VCI without authorization. Ms. Bennett stated that VCI failed to prove it had her consent for the switch.

Board staff identified the matter as C-05-102 and, pursuant to Board rules, on May 9, 2005, forwarded the complaint to VCI for response. The Board received a response from VCI on May 17, 2005. VCI stated that a third-party verification of the change in service was performed but that technical problems prevented VCI from retrieving the recording of the verification.

On May 27, 2005, Board staff issued a proposed resolution of Ms. Bennett's complaint. Staff explained that Ms. Bennett's local telephone service was switched to VCI on April 20, 2005, while her long distance service remained with her preferred carrier. Ms. Bennett's local service was switched back to her preferred carrier on May 4, 2005. Staff concluded that because VCI could not produce the recording of the third-party verification, staff would record the case as slamming. Staff directed VCI to fully credit the account and to refrain from any collection activity related to the charges.

In its June 3, 2005, petition, Consumer Advocate asserts that the proposed resolution should be augmented with a civil penalty. Consumer Advocate argues that a civil penalty is necessary to ensure compliance and deter future violations and because credits alone will not stop the unlawful practice. VCI has not responded to Consumer Advocate's petition.

The Board has reviewed the record to date and finds there are reasonable grounds to warrant further investigation into this matter. The Board will docket this matter for formal proceeding, but will delay establishing a procedural schedule to

allow VCI an opportunity to respond to the allegations raised in Consumer Advocate's petition.

IT IS THEREFORE ORDERED:

1. The "Petition for Proceeding to Consider Civil Penalty" filed by the Consumer Advocate Division of the Department of Justice on June 3, 2005, is granted. File No. C-05-102 is docketed for formal proceeding, identified as Docket No. FCU-05-39.

2. VCI is directed to file a response to Consumer Advocate's petition on or before 30 days from the date of this order.

UTILITIES BOARD

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 5th day of July, 2005.