

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

<p>IN RE:</p> <p>OFFICE OF CONSUMER ADVOCATE,</p> <p style="text-align:center">Complainant,</p> <p style="text-align:center">Vs.</p> <p>BUSINESS NETWORK LONG DISTANCE, INC.,</p> <p style="text-align:center">Respondent.</p>	<p>DOCKET NO. FCU-06-21</p>
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**ORDER DOCKETING FOR FORMAL PROCEEDING AND
SETTING DEADLINE FOR RESPONSE**

(Issued March 17, 2006)

On February 13, 2006, 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 Business Network Long Distance, Inc. (BNLD). Based upon the record assembled in the informal complaint proceeding, the events to date can be summarized as follows:

On November 17, 2005, the Board received a complaint from Allison Dickson of Dickson Industries (Dickson) of Des Moines, Iowa, alleging that the long distance service provider for Dickson was changed without authorization. Ms. Dickson explained that in October of 2005 she received a phone call from someone named

"Dolores" who identified herself as an employee of Qwest Corporation (Qwest). According to Ms. Dickson, Dolores stated the subject of the call was credits that were to be issued to Dickson's account and did not mention switching Dickson's long distance service. Board staff learned that long distance service for Dickson was changed to BNLD. Board staff identified the matter as C-05-220 and forwarded the complaint to BNLD for response.

The Board received BNLD's response on December 16, 2005. BNLD stated that Ms. Dickson authorized the change in service on October 19, 2005, and attached a copy of a recording of the third-party verification. BNLD stated the account had been canceled as of November 15, 2005.

Board staff forwarded the recording to Ms. Dickson for her review. Ms. Dickson explained that although the recording indicates she agreed to the service, she had been told in the previous portion of the call that there was an affiliation between Qwest and BNLD. Ms. Dickson stated she would not have agreed to the change if she had not been given this misinformation.

On February 7, 2006, Board staff issued a proposed resolution finding that slamming occurred in this matter.

In its February 13, 2006, petition, Consumer Advocate asserts the misrepresentations alleged by Ms. Dickson were fraudulent and the fraud vitiates any authorization she may have given for the switch. Consumer Advocate argues the proposed resolution should be augmented with a civil penalty. Consumer Advocate asserts a civil penalty is necessary to deter future violations and because a credit

alone will not stop the unlawful practice of slamming. BNLD 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 of this matter. The Board will grant Consumer Advocate's petition for proceeding to consider a civil penalty but will delay establishing a procedural schedule to allow BNLD an opportunity to respond to 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 February 13, 2006, is granted. File C-05-220 is docketed for formal proceeding, identified as Docket No. FCU-06-21.

2. Business Network Long Distance, Inc., is directed to file a response to Consumer Advocate's petition within 30 days of the date of this order.

UTILITIES BOARD

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Margaret Munson
Executive Secretary, Deputy

/s/ Curtis W. Stamp

Dated at Des Moines, Iowa, this 17th day of March, 2006.