

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

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<p>IN RE:</p> <p>OFFICE OF CONSUMER ADVOCATE,</p> <p style="padding-left: 100px;">Complainant,</p> <p style="padding-left: 100px;">vs.</p> <p>CSP TELECOM, INC.,</p> <p style="padding-left: 100px;">Respondent.</p>	<p>DOCKET NO. FCU-06-24</p>
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**ORDER DOCKETING FOR FORMAL PROCEEDING AND  
SETTING DEADLINE FOR RESPONSE**

(Issued March 20, 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 CSP Telecom, Inc. (CSP). Based upon the record assembled in the informal complaint proceeding, the events to date can be summarized as follows:

On January 9, 2006, the Board received a complaint from Bobbi Schmeling of Creative Photography of Milford, Iowa, alleging that the long distance service for Creative Photography was changed without authorization. Ms. Schmeling stated she did not authorize changing Creative Photography's long distance service provider.

Board staff identified the matter as C-06-004 and learned Creative Photography's long distance provider had been switched to CSP. Staff forwarded the complaint to CSP for response. CSP did not respond to the complaint. On February 8, 2006, Board staff issued a proposed resolution finding by default that CSP was in violation of the Board's rules against slamming. Staff directed CSP to close the account immediately and credit all charges associated with the change in service.

In its February 13, 2006, petition, Consumer Advocate argues the proposed resolution should be expanded to clarify that companies cannot escape civil penalties by ignoring allegations of violation. 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. CSP 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 CSP 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-06-004 is docketed for formal proceeding, identified as Docket No. FCU-06-24.

2. CSP Telecom, 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 20<sup>th</sup> day of March, 2006.