

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="padding-left: 40px;">vs.</p> <p>HORIZON TELECOM,</p> <p style="padding-left: 40px;">Respondent.</p>	<p style="text-align:center">DOCKET NO. FCU-06-33</p>
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**ORDER DOCKETING FOR FORMAL PROCEEDING AND
SETTING DEADLINE FOR RESPONSE**

(Issued May 15, 2006)

On March 30, 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 or cramming violation committed by Horizon Telecom (Horizon). Based upon the record assembled in the informal complaint proceeding, the events to date can be summarized as follows:

On February 13, 2006, the Board received a complaint from Mary Letsch of Johnston, Iowa, disputing charges from Horizon on her local telephone bill. Attached to the complaint was a copy of an e-mail message Ms. Letsch received from Horizon

claiming she placed an online order for unlimited long distance service from Horizon. Ms. Letsch claimed she did not order the service.

Board staff identified the matter as C-06-40 and, on February 15, 2006, forwarded the complaint to Horizon for response. The Board received Horizon's response on February 28, 2006. Horizon stated it received an online order from Ms. Letsch during the week of November 21, 2005, and that she provided certain personal identification information in making the order. Horizon stated it canceled the account and issued a credit in response to the customer's request.

On March 16, 2006, Board staff issued a proposed resolution finding Horizon violated the Board's rules against cramming. Staff concluded Horizon failed to prove the customer knowingly signed up for its service.

In its March 30, 2006, petition, Consumer Advocate argues the proposed resolution should be augmented with a civil penalty because a credit alone will not stop the unlawful practice. Consumer Advocate asserts a civil penalty is necessary to deter future violations. Horizon 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 a proceeding to consider a civil penalty but will delay establishing a procedural schedule to allow Horizon an opportunity to respond to the 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 March 30, 2006, is granted. File C-06-40 is docketed for formal proceeding, identified as Docket No. FCU-06-33.

2. Horizon Telecom 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

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Curtis W. Stamp

Dated at Des Moines, Iowa, this 15th day of May, 2006.