

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>COMMUNICATIONS NETWORK BILLING, INC.,</p> <p style="padding-left: 40px;">Respondent.</p>	<p style="text-align:center">DOCKET NO. FCU-06-36</p>
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**ORDER DOCKETING FOR FORMAL PROCEEDING AND
SETTING DEADLINE FOR RESPONSE**

(Issued May 15, 2006)

On April 10, 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 Communications Network Billing, Inc. (CNB). Based upon the record assembled in the informal complaint proceeding, the events to date can be summarized as follows:

On February 23, 2006, the Board received a complaint from Kelly Landrum of Bettendorf, Iowa, alleging that the long distance provider for Landrum Disposal, L.L.C. (Landrum Disposal), was changed to CNB without authorization. Mr. Landrum explained that Landrum Disposal was contacted by someone claiming to represent

Qwest, Landrum Disposal's designated long distance provider, stating that Qwest had been ordered to refund several hundred dollars to the account and needed to record certain details for verification. Mr. Landrum stated that as a result of this contact, the business did not receive a credit but its long distance provider was changed to CNB.

Board staff identified the matter as C-06-49 and, on February 27, 2006, forwarded the complaint to CNB for response. CNB did not respond to the complaint. On March 30, 2006, Board staff issued a proposed resolution finding CNB in violation of the Board's rules because it failed to respond to the complaint. Staff directed CNB to fully credit and close the account.

In its April 10, 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. CNB 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 CNB 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 April 10, 2006, is granted. File C-06-49 is docketed for formal proceeding, identified as Docket No. FCU-06-36.

2. Communications Network Billing, 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

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Curtis W. Stamp

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