

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6331

Petition of Vermont Department of Public)
Service for a Board investigation into the)
business practices of MCI WorldCom, Inc.)

Order entered: 1/7/2000

ORDER OPENING INVESTIGATION AND NOTICE OF HEARINGS

BACKGROUND

On December 15, 1999, the Vermont Department of Public Service ("DPS"), pursuant to 30 V.S.A. §§ 30, 203(5), and 209(a), filed a petition ("Petition") with the Public Service Board ("Board"), requesting that the Board open an investigation into the business practices of MCI WorldCom, Inc. ("MCI") for the purpose of determining whether MCI should be fined for violations of Board Rules, Orders, and 30 V.S.A. § 208a, and for engaging in deceptive and misleading business practices in violation of Board Orders and 9 V.S.A. § 2451 et seq.

The Petition requests the Board to open an investigation to determine if MCI is currently engaging in a number of allegedly illegal or improper practices. These include:

- (1) billing of non-customers pre-subscribed to MCI resellers;
- (2) disconnection in violation of Board Rules 3.300 and 3.400;
- (3) unauthorized billing at "casual" (non-presubscribed) rates;
- (4) mis-routing of dial-around traffic;
- (5) unauthorized changes of primary interexchange carrier;
- (6) misquoted rates; and
- (7) improper billing practices.

The Petition seeks numerous forms of relief, including orders mandating customer refunds and credits, the imposition of fines related to these alleged deceptive and unreasonable business practices, and orders directing MCI to identify affected customers. The Petition also seeks an order requiring MCI to develop new procedures on several topics, subject to Board approval, including procedures to:

- (1) prevent the unauthorized amendment or cancellation of pre-subscribed customers' rate plans;
- (2) prevent the unauthorized carriage or mis-routing of dial-around traffic carried on the MCI network;
- (3) prevent future violations of Board Rule 4.700, relating to selection of primary telecommunications carrier and 30 V.S.A. § 208; and
- (4) efficiently handle consumer complaints and billing error adjustments pursuant to the Consumer Bill of Rights and Consumer Protection Standards enumerated in Docket No. 5903.

In addition, the DPS requests the Board grant expedited relief in the form of an injunction ordering MCI to immediately:

- (1) reconnect and restore service to all customers who were disconnected by MCI without regard to Board Rules 3.300 and 3.400; and
- (2) cease all disconnections of service in the State of Vermont until such time as MCI has submitted for review, and received approval of, a form of disconnection notice as required in Board Rule 3.303; and
- (3) cease billing customers pre-subscribed to other carriers as if they were MCI customers.

On December 23, 1999, MCI entered an appearance and filed a letter making a variety of requests and reporting on some agreements with the DPS. The letter stated that the DPS had agreed that:

- (i) MCI could respond to the Petition on January 19, 2000; and
- (ii) the parties had agreed to request a prompt prehearing conference.

Finally, the letter stated that the DPS had agreed to stipulate to "suspension of action on the Department's specific request for expedited relief until January 3, 2000."

The petition filed by the Department raises significant issues which merit opening an investigation into whether MCI WorldCom, Inc. has violated Board Rules, Orders, and

30 V.S.A. § 208a and 9 V.S.A. § 2451, and what, if any, customer refunds, sanctions, penalties or other remedies, including injunctive relief, should be ordered.

ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. Pursuant to Title 30 of the Vermont Statutes Annotated and the Rules of the Public Service Board, and in particular pursuant to Sections 30, 203, 209 and 218c of Title 30, an investigation is hereby instituted into the practices of MCI WorldCom, Inc. and into the following:
 - a. Whether those practices conform to the requirements of Title 30 of Vermont Statutes, including § 208a, of 9 V.S.A. § 2451 et. seq. and of Vermont Public Service Board Rules and Orders.
 - b. If those practices do not conform to such requirements, whether relief should be granted in the form of injunctions or other orders mandating the adoption of new procedures or changes in practices, or mandating additional disclosures of information to the DPS or to consumers, or in the form of refunds, credits to consumers, fines, or of probation.
2. Pursuant to 30 V.S.A. § 8, Peter M. Bluhm, Director of Policy, is appointed to serve as the Hearing Officer in this docket.
3. A prehearing conference will be conducted by the Hearing Officer, pursuant to 30 V.S.A. §§ 8 and 10(c), on Thursday, January 20, 2000, at 9:30 a.m., at the Public Service Board Conference Room, Fourth Floor, Chittenden Bank Building, 112 State Street, Montpelier, Vermont. All parties shall be prepared to address questions of scheduling and intervention at that time, and shall be prepared to make preliminary statements of position and to identify issues of significance.
4. A hearing on preliminary relief will be conducted by the Hearing Officer, on Thursday, January 20, 2000, at 10:30 a.m., at the Public Service Board Conference Room, Fourth Floor, Chittenden Bank Building, 112 State Street, Montpelier, Vermont. The hearing

will be held without prefiled testimony. All parties should be prepared to offer testimony on issues that may affect the preliminary relief requested by the DPS.

Dated at Montpelier, Vermont, this 7th day of January, 2000.

<u>s/ Michael H. Dworkin</u>)	PUBLIC SERVICE
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<u>s/ Suzanne D. Rude</u>)	BOARD
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<u>s/ David C. Coen</u>)	OF VERMONT

OFFICE OF THE CLERK

FILED: January 7, 2000

ATTEST: s/ Susan M. Hudson
Clerk of the Board

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board of any technical errors, in order that any necessary corrections may be made.