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5	BEFORE THE OREGON PU	JBLIC UTILITY COMMISSION
6	PUBLIC UTILITY COMMISSION OF OREGON,	
7 8	Complainant,	Docket No. UM1288
9	V.	MOTION TO SET ASIDE DEFAULT
10	VCI COMPANY f/k/a STAN EFFERDING and STANLEY JOHNSON d/b/a VILAIRE,	(ORAL ARGUMENT REQUESTED)
11	and VCI COMPANY, a Washington corporation,	
12	Defendants.	
13	Pursuant to OAR 860-013-0070, defende	dants move to set aside the Default Order in the
14	above-captioned case dated September 26, 200	77. The Default Order was entered in error: only
15	sixteen days (16) after the filing of the Compla	aint, and only thirteen (13) days after receipt of the
16	Complaint by defendants' counsel. OAR 860-	013-0050(1)(a) provides that defendants have
17	twenty (20) days from service of a complaint t	o file an answer and there is no Commission or
18	Administrative Law Judge Order shortening th	at time in this case. Furthermore, the Default
19	Order was entered without notice or opportuni	ty for the defendants to respond. Defendants have
20	been represented by counsel and have appeared	d and participated in this matter since its inception
21	over nine months ago. The Default Order repr	resents improper ex parte action in violation of

This Motion is supported by the Points and Authorities, below, and the Declaration of

Counsel for defendants has conferred with counsel for the Commission who has agreed to

defendants' due process rights and a waist of judicial resources.

confer with his client on whether to object to this Motion.

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1	William J. Ohle filed herewith.	Defendants request the Commission set this matter for ora
2	argument.	

POINTS AND AUTHORITES

1. Factual Background

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5	On November 27, 2006, Staff moved to open this matter and investigate defendants'
6	billing practices. On December 1, 2006, defendants made their first appearance in this matter
7	and, through counsel, filed their objections to the investigation. Declaration of William J. Ohle,
8	¶ 2, Exhibit A. The Commission opened the investigation, over defendants' objections, on
9	December 5, 2006. At that time, counsel representing the Public Utility Commission, David B.
10	Hatton, was in contact with the counsel for defendants, William J. Ohle, and the parties have
11	cooperated throughout the investigation. Ohle Decl., ¶ 3. Specifically, counsels have conferred
12	on document production, subpoenas and the Protective Order. Ohle Decl., ¶ 3. Prior to the filing
13	of the Complaint in this docket, the counsel conferred on the procedure going forward, the scope
14	of the claim, and the steps the parties anticipated taking in an attempt to resolve the claim. Ohle
15	Decl., ¶ 3. In fact, it was anticipated that the Complaint would be filed earlier than
16	September 10, and that a meeting to discuss the substance and the allegations would be
17	scheduled after its filing. Id. Due to conflicting trial schedules and vacations in August and
18	early September 2007, the parties' counsels had difficulties reaching each other. Ohle Decl., \P 4.
19	The Complaint was filed September 10, 2007, and electronically sent to defendants'
20	counsel that day. However, the Complaint included numerous confidential documents not
21	contained in the electronic documents, which were mailed to defendants' counsel and received
22	some three days later. Ohle Decl. ¶ 5. The total bulk of the Complaint, including Exhibits, is
23	over 100 pages and includes expert statistical and financial analysis. Defendants where in the
24	process of evaluating the allegations and the exhibits when the default was taken without notice
25	Id. The only other action in this case, prior to the Default Order, was a Motion to Admit Exhibits
26	on September 21, 2007.

1	At 4:30 p.m. on September 27, 2007, counsel for defendants' received, without any prior
2	notice or warning, a copy of the Default Order entered the day before by the Commission. Ohle
3	Decl. ¶ 6. The Commission's calendar does not show any public hearing scheduled for that day.
4	Defendants received no notice or opportunity to be heard on the issue of default. Defendants'
5	counsel immediately called and left a message with the Commission's counsel requesting an
6	explanation and they did talk and discuss the matter the next morning, but they have not yet
7	resolved the issues of setting aside the Default Order or the proper procedure applicable to taking
8	a default. <i>Id</i> .
9	Counsel for defendants relied on the Commission's regulations providing for twenty (20)
10	days to file an answer when scheduling when defendants needed to file their response to the
11	Complaint. $Decl.$ ¶ 7. Counsel was completely taken by surprise that default was entered in less
12	than the twenty (20) days provided in the rules and that default would be allowed without notice
13	and ex parte. Id. Defendants have been seriously prejudiced and their due process rights
14	violated by not being provided the time to respond as stated in the rules and by not being given
15	prior notice of the intent to take a default. <i>Id</i> .
16	The Default Order and the lack of notice violate both the Commissions' rules and
17	defendants' fundamental due process rights and it must be set aside.
18	2. Defendants Had Twenty Days to File Their Responsive Pleading
19	OAR 860-013-0050 provides:
20	(1) Unless otherwise specified or directed by the Commission or Administrative Law Judge, answers shall be filed as follows:
21	(a) An answer to a complaint, application or petition shall be filed within
22	20 days after service.
23	Id. There is no Commission or Administrative Law Judge Order in this docket shorting
24	the time to file an answer. The Commission rules also provide that the Oregon Rules of
25	Civil Procedure shall govern unless modified by Commission rules. OAR 860-011-0000.
26	ORCP 10 provides for the standard method of counting days for purposes of filing

MOTION TO SET ASIDE DEFAULT

Page 3 -

1	deadlines. Thus, under ORCP 10 and the 20 days provided by OAR 860-013-0050(1)(a),
2	defendants had until October 3, 2007 to respond to the Complaint. ¹
3	Upon conferring with counsel for the Commission, he stated that ORS 756.512 shortened
4	the time period to file an answer. While it would be strange that the Commission would adopt a
5	rule that directly contradicted a statute, the statute itself only dictates the minimum time the
6	Commission must allow for a party to answer. It does not restrict the Commission from allowing
7	more time, which is exactly what it did in the rule, OAR 860-013-0050(1)(a).
8	756.512 Notice of complaint to defendant; responsive pleadings; setting cause for hearing. (1) The Public Utility Commission shall serve a copy
10	of the complaint upon the defendant, and shall give the defendant at least 10 days within which to respond to the complaint. Within the time so fixed, or such
11	further time as the commission shall fix, the defendant shall file an answer to the complaint, taking issue on such parts of the complaint as the defendant desires
12	and setting forth such additional matter as shall be pertinent to the matter in controversy. Such additional matter shall be deemed denied without the filing of
13	any other pleading by the complainant. After the filing of the answer the commission shall set the matter for hearing, giving the defendant at least 10 days'
14	written notice of the time and place of the hearing, unless the commission for good reason stated in the notice, fixes a shorter time. Amendment of any answer
15	may be permitted by order of the commission.
16	Under any rational reading of the statue and rules, defendants had twenty (20) days to file
17	their answer and the Default Order was entered a week prior the expiration of that period.
18	Likewise, the Default Order admits Staff Exhibits 100 and 115 as requested in the
19	September 21, 2007, Motion. OAR 860-013-0050(3)(d) allows fifteen (15) days after service of
20	a motion to file a response. Defendants thus have until October 8, 2007, to file its Response to
21	the Motion to Admit Exhibits.
22	Therefore, given that the time to file an answer and the time to file a Response to the
23	Motion to Admit Exhibits has yet to expire, the Default Order is in error and it must be set aside.
24	1 Sings the Complaint contained substantive decomposite conved only by mail, defendants
25	¹ Since the Complaint contained substantive documents served only by mail, defendants were allowed an additional three (3) days to respond under ORCP 10C. Regardless, even without the extra three days, defendants' answer was not due until October 1, 2007.

3. The Ex Parte Default Order Violated Defendants' Due Process Rights

In addition to the Default Order being in direct contravention of the Commission's own 2 rules, the action of taking a default ex parte against a represented party and without prior notice 3 raises serious due process concerns. The Commission's rules provide that they "shall be 4 liberally construed to secure just, speedy, and inexpensive determination of the issues 5 6 presented." OAR 860-011-0000(5). The Commission also "discourages" ex parte communications and allows a party ten (10) days to respond to such communication. OAR 860-7 012-0015(1) and (7). Finally, ORCP 69(1) contains the "10-day" notice rule that provides for 8 the standard practice of giving at least ten (10) days written notice of an intent to file a default 9 against a represented party who has appeared in the case. Defendants, through counsel, 10 specifically appeared in this matter on December 1, 2006, when they filed their objections to the 11 opening of the investigation. Ohle Decl. ¶ 2, Exhibit A. 12 13 This is not a case where a party has completely failed to participate in a proceeding. Even prior to the opening of the docket, defendants responded to data requests by Commission 14 Staff. Ohle Decl. ¶ 2, Exhibit A. Defendants specifically and in writing objected to the opening 15 of the investigation. Id.. Counsel for defendants conferred with counsel for the Commission and 16 counsel for Quest on subpoenas, document production and the Protective Order lodged in this 17

There can be no question that all parties were aware that defendants were represented by counsel, that the defendants had made an initial appearance in this matter on December 1, 2006, and that defendants intended to answer the Complaint and defend their rights. There is

case. Ohle Decl. ¶ 3. Counsel for defendants has been included on the service list since the

inception of this docket. Ohle Decl. ¶ 3. Under ORCP 69, ten (10) days written notice is

mandated before the taking of a default.²

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While ORS 756.512(2) and OAR 860-013-0055(1) provide that the Commission "may"
 default a party without further notice, these provision do not contradict the additional notice provisions provided by ORCP 69. Once defendants participated in this case, they were entitled to 10 days written notice before the taking of a default.

1	absolutely no reason warranting a race to judgment in this case, the taking of action ex parte
2	without notice, or the shortening of time to file an answer. If there was any question on the
3	intent of defendants to appear and defend in this case, a simple phone call would have clarified
4	any confusion. Ohle Decl. \P 7. The Commission itself acknowledges that one of its goals is to
5	keep costs down. That is also one of the purposes of the 10-day notice rule in ORCP 69: that is
6	to avoid the time and expense of processing a default, just to have it set aside. By taking a
7	backdoor default in this case, not only have defendants' due process rights been violated, the

basic tenants of the Commission have been unreasonably disregarded.

"An elementary and fundamental requirement of due process in any proceeding which is to be accorded finality is notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections." *Mullan v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950). Under the total circumstances of this case, defendants have been denied their rights to meaningfully participate and Default Order in this case must be set aside.

4. Defendants Request the Assignment of an ALJ to Oversee Further Proceedings and to Insure Fairness

The failure to provide notice before seeking the default, the unilateral attempt to shorten the time to respond, and the improper *ex parte* communications in this case is indicative of a bias that has been displayed against defendants since a staff change occurred at the OTAP program in mid-2006. *Ohle Decl.* ¶ 8. A history of this bias and the difficulties experienced by defendants is provided in defendants Objections to the investigation filed on December 1, 2006. *Ohle Decl.* ¶ 8, Exhibit A. Defendants are very concerned about their ability to receive a fair hearing in this matter and request that an ALJ be assigned to oversee this case from this point forward to insure that proper notices are given, that the *ex parte* rules are followed, and that the matter is conducted fairly and impartially. *See* OAR 860-012-0035(2).

1	5. Conclusion
2	For the reasons stated herein, the Default Order is not in compliance with the
3	Commission's rules and was obtained without providing defendants due process. Thus, the
4	Default Order and the admission of Exhibits 100 through 115 must be set aside and defendants
5	must be allowed to answer and defend their rights. Further, an ALJ should be assigned to this
6	matter to ensure fair treatment of defendants and avoid future irregularities.
7	Dated this 28 day of September, 2007.
8	SCHWABE, WILLIAMSON & WYATT, P.C.
9	11/M- TAI.
10	By: ////////////////////////////////////
11	wohle@schwabe.com Facsimile: 503.796.2900
12	Of Attorneys for Defendant VCI
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1	CERTIFICATE OF SERVICE
2	I hereby certify that on this 28 th day of September, I served the foregoing MOTION TO
3	SET ASIDE DEFAULT on the following party at the following address:
4	David B. Hatton Assistant Attorney General
5	1162 Court Street NE Salem, OR 97301-4096
6	David.Hatton@state.or.us
7	by electronic filing, emailing and mailing to him a true and correct copy thereof, certified by me
8	as such, placed in a sealed envelope addressed to him at the address set forth above, and
9	deposited in the U.S. Post Office at Portland, Oregon on said day with postage prepaid.
10	MAA TAL
11	William J. Ohle
12	William J. One
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CERTIFICATE OF SERVICE

Page 1 -

PUBLIC UTILITY COMMISSION OF OREGON, Complainant, v. VCI COMPANY f/k/a STAN EFFERDING and STANLEY JOHNSON d/b/a VILAIRE, and VCI COMPANY, a Washington corporation, Defendants. I, William J. Ohle, under penalty of pe	Docket No. UM1288 DECLARATION OF WILLIAM J. OHLE IN SUPPORT OF MOTION TO SET ASIDE DEFAULT erjury, do hereby declare: senting defendants in the above-captioned matter.
PUBLIC UTILITY COMMISSION OF OREGON, Complainant, v. VCI COMPANY f/k/a STAN EFFERDING and STANLEY JOHNSON d/b/a VILAIRE, and VCI COMPANY, a Washington corporation, Defendants. I, William J. Ohle, under penalty of pe	Docket No. UM1288 DECLARATION OF WILLIAM J. OHLE IN SUPPORT OF MOTION TO SET ASIDE DEFAULT erjury, do hereby declare:
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Complainant, v. VCI COMPANY f/k/a STAN EFFERDING and STANLEY JOHNSON d/b/a VILAIRE, and VCI COMPANY, a Washington corporation, Defendants. I, William J. Ohle, under penalty of penalty	DECLARATION OF WILLIAM J. OHLE IN SUPPORT OF MOTION TO SET ASIDE DEFAULT erjury, do hereby declare:
VCI COMPANY f/k/a STAN EFFERDING and STANLEY JOHNSON d/b/a VILAIRE, and VCI COMPANY, a Washington corporation, Defendants. I, William J. Ohle, under penalty of pen	SUPPORT OF MOTION TO SET ASIDE DEFAULT erjury, do hereby declare:
and STANLEY JOHNSON d/b/a VILAIRE, and VCI COMPANY, a Washington corporation, Defendants. I, William J. Ohle, under penalty of pe	DEFAULT erjury, do hereby declare:
Defendants. I, William J. Ohle, under penalty of pe 1. I am one of the attorneys repres	
 I, William J. Ohle, under penalty of pe I am one of the attorneys representations. 	
1. I am one of the attorneys repres	
•	senting defendants in the above-captioned matter.
2. On November 27, 2006, Staff r.	
	moved to open this matter and investigate
defendants' billing practices. On December 1	, 2006, defendants made their first appearance in
this matter and, through counsel, filed their Ob	bjections to the investigation. A true and correct
copy of the Objection is attached hereto as Ex	hibit A.
3. The Commission opened the in	nvestigation, over defendants' objections, on
December 5, 2006. At that time, counsel repre	esenting the Public Utility Commission, David B.
Hatton, was in contact with the counsel for de	fendants, William J. Ohle, and the parties have
cooperated throughout the investigation. Spec	cifically, counsels have conferred on document
production, subpoenas and the Protective Orde	er. Prior to the filing of the Complaint in this
docket, the counsel conferred on the procedure	e going forward, the scope of the claim, and the
steps the parties anticipated taking in an attem	apt to resolve the claim. In fact, it was anticipated
	copy of the Objection is attached hereto as Ex. 3. The Commission opened the in December 5, 2006. At that time, counsel representation, was in contact with the counsel for decooperated throughout the investigation. Specific production, subpoenas and the Protective Order.

DECLARATION OF WILLIAM J. OHLE IN SUPPORT OF MOTION TO SET ASIDE DEFAULT

Page 1 -

1	substance and the allegations would be scheduled after its filing. To the best of my knowledge,
2	have been included on the service list in this docket since the inception of this docket.

- 4. I was involved in two federal court cases, the first scheduled for trial to begin July 31, 2007, and the second scheduled to begin August 21, 2007. In the middle of these scheduled trials I exchanged voicemails with the Commission's counsel in which I informed counsel that I had, in addition to the trials, a family vacation schedule for the first two weeks in September.

 There was no indication during any of the conversations I had with counsel for the Commission that the Commission would seek to expedite a default or would shorten the time to file an answer to the Complaint when it was eventually filed.
 - 5. The Complaint was filed September 10, 2007, and electronically sent to me that day. However, the Complaint included numerous confidential documents not contained in the electronic documents, which were mailed to me and received some three days later. The total bulk of the Complaint, including Exhibits, is over 100 pages and includes expert statistical and financial analysis. Defendants where in the process of evaluating the allegations and the exhibits when the default was taken without notice.
 - 6. At 4:30 p.m. on September 27, 2007, I received, without any prior notice or warning, a copy of the Default Order entered the day before by the Commission. The Commission's calendar does not show any public hearing scheduled for September 26, 2007. I immediately called and left a message with the Commission's counsel requesting an explanation. I was able to confer with counsel for the Commission on the morning of September 28, 2007, and while he agreed to confer with his client about setting aside the Default Order, we were unable to resolve the proper procedure applicable to taking a default.
 - 7. If there was any question on the intent of defendants to appear and defend in this case, a simple phone call to me would have clarified any confusion. I relied on the Commission's regulations providing for twenty (20) days to file an answer to schedule when defendants needed to file their response to the Complaint. I was completely taken by surprise that default was

1	entered in less than the twenty (20) days provided in the rules and that default would be allowed
2	without notice and ex parte. Defendants have been seriously prejudiced and their due process
3	rights violated by not being provided the time to respond as stated in the rules and by not being
4	given prior notice of the intent to take a default.
5	8. The failure to provide notice before seeking the default, the unilateral attempt to
6	shorten the time to respond, and the improper ex parte communications in this case is indicative
7	of a bias that has been displayed against defendants since a staff change occurred at the OTAP
8	program in mid-2006. A history of this bias is explained in defendants objections to the
9	investigation, Exhibit A hereto. Defendants are very concerned about their ability to receive a
10	fair hearing in this matter and request that an ALJ be assigned to oversee this case from this point
11	forward to insure that proper notices are given, that the ex parte rules are followed, and that the
12	matter is conducted fairly and impartially
13	9. I declare under penalty of perjury that the above is true and correct to the best of
14	my knowledge.
15	Dated this 2007.
16	William J. Old
17	William J. Ohle
18	william J. Offic
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1	<u>CERTIFICATE OF SERVICE</u>
2	I hereby certify that on this 28 th day of September, I served the foregoing
3	DECLARATION OF WILLIAM J. OHLE IN SUPPORT OF MOTION TO SET ASIDE
4	DEFAULT on the following party at the following address:
5	David B. Hatton
6	Assistant Attorney General 1162 Court Street NE Salem, OR 97301-4096 David.Hatton@state.or.us
7	
8	by electronic filing, emailing and mailing to him a true and correct copy thereof, certified by me
9	as such, placed in a sealed envelope addressed to him at the address set forth above, and
10	deposited in the U.S. Post Office at Portland, Oregon on said day with postage prepaid.
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12	William J. Ohle
13	w man J. One
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Page 1 -

CERTIFICATE OF SERVICE

Pacwest Center, 1211 SW 5th Ave., Suite 1900, Portland, OR 97204 | Phone 503.222.9981 } Fax 503.796.2900 | www.schwabe.com

WILLIAM J. OHLE
Admitted in Oregon, Washington and the Northern Mariana Islands
Direct Line: (503) 796-2414
E-Mail: wohle@schwabe.com

December 1, 2006

VIA UPS NEXT DAY DELIVERY

Public Utility Commission of Oregon 550 Capitol Street, N.E. Suite 215 Salem, OR 97301-2551

Re:

Vilaire Company Inc., dba VCI

Staff Recommendation to Open Investigation

Dear Commissioners:

VCI has received the staff report dated November 27, 2006, requesting that the Commission approve the opening of an investigation pursuant to ORS 756.515 into the billings, revenue and remittance reporting of VCI. The Commission is to consider this request at its December 5, 2006, meeting.

VCI wishes to state for the record its disagreement with the allegations in the November 27, 2006, staff report, and to register its opposition to such an investigation as unnecessary.

VCI has cooperated and fully responded to staff's request for information and the audits by the Oregon Telephone Assistance Program (OTAP) since it began operating under the program in December 2003. VCI has undergone extensive auditing by OTAP and if specific billing issues were identified, VCI explained them or corrected them if necessary.

VCI has provided explanations, more than once, for all of the specific issues raised by staff in the report and will do so again in an investigation should that occur. VCI has spent a great deal of time working with OTAP, which has recently gone through a complete change in personnel that has required VCI to revisit issues it believed were previously resolved. For example, with respect to the first issue of duplicate billings, OTAP audited VCI for 11 consecutive months and also conducted two annual audits. During each of these audits, VCI was found by OTAP to be within an acceptable margin of error, that being less than a 3 % of its total billings. The 1870 figure that staff now presents as indicative of a problem is a cumulative figure calculated over a period of some 18 months and does not represent a change in what OTAP previously found as being acceptable. Regardless, OTAP and VCI discussed duplicate

Portland, OR 503-222-9981 | Salem, OR 503-399-7712 | Bend, OR 541-749-4044 Seattle, WA 206-622-1711 | Vancouver, WA 360-694-7551 | Washington, DC 202-488-4302

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Public Utility Commission of Oregon December 1, 2006 Page 2

billing issues in February of 2006, VCI made changes to its system, and since then VCI has had an insignificant number, if any, duplicate billings. Furthermore, as for those duplicates previously identified, OTAP has been made whole.

The second audit noted by staff, which allegedly found 3093 ineligible customers for whom VCI had submitted billings, involved a completely different set of circumstances than the first audit noted by staff. It did not involve double billing, but whether certain customers qualified for benefits at all. These supposed "errors" resulted from a change in OTAP's manner of handling customers after OTAP changed personnel, not a change in VCI's operation. Many OTAP customers qualify for benefits because they receive food stamps. Many food stamp recipients do not renew their right to receive food stamps until after their current benefit period expires, at which time they renew and receive retroactive benefits. Because of the way DHS reported food stamp recipients to OTAP, it was causing a large number of OTAP eligible customers to be removed from the program, just to be later reinstated with retroactive benefits. OTAP, in early 2005, calculated that the reinstatement rate was some 98%. As a result, VCI met with former RSPF Manager Damara Paris in early 2005 and VCI was directed to not immediately terminate the benefits of those customers whose food stamp benefits, according to DHS, had expired, given that the vast majority of those customers remained OTAP eligible and would be entitled to retroactive benefits. Reconciliations occurred at yearly audits. VCI operated under this directive until recently when new OTAP personnel informed VCI that it would not be reimbursed for benefits to these customers and that OTAP had found that VCI was extending benefits to some 3093 "ineligible" customers. It is OTAP's responsibility, not VCI's responsibility, to verify a customer's eligibility, OAR 860-033-0030, and VCI believes it was in full compliance with OTAP's previous directive when extending benefits to these customers.

VCI is concerned that a formal investigation will be a significant waste of resources, not only on behalf of staff and VCI, but also the third parties to whom staff intends to subpoena. The prior audits have dealt with and resolved the specific issues of concern – that being minor double billings and certain customer eligibility. If there had been other concerns regarding billings in the past, the time to address them would have been during the previous audits. During the audits, VCI always strived to provide accurate information as requested, when requested. As VCI explained in its recent correspondence with Rick Willis and Vicki McLean, some of the information now sought – that being the historical line status of a customer as of any given day – could only be contemporaneously generated by VCI and OTAP did not request that information at a time when it could have been made available.

As staff notes in the report, VCI is a small carrier, having had at most 9000 customers in Oregon and now serving less than 750 customers in Oregon. Furthermore, given the problems it has experience in dealing with the program, VCI has reluctantly notified the Commission of its intent to withdraw from Oregon as of February 1, 2007. Whatever past billing errors staff thinks it may now discover through a formal investigation, subpoenas and the like, VCI believes that the resources could be more wisely spent, especially since staff has not identified what additional information it needs from VCI for which it needs a subpoena, what information it seeks from third-parties, what staff thinks it will find or how much staff thinks is at issue. VCI believes that staff's recommendation that an investigation be opened at this stage should be declined.

Public Utility Commission of Oregon December 1, 2006 Page 3

VCI therefore requests that this letter be made part of the record in this proceeding and that its disagreement and concerns regarding the staff's request be duly noted. Thank you for your consideration.

Very truly yours,

William J. Ohle

Of Attorneys for VCI

cc: VCI

David Hatton, Oregon Department of Justice



Shipment Receipt

Transaction Date 01 Dec 2006

(Keep this for your records.)

Address Information

Ship To:

Public Utility Commission of Oregon 503-373-7394 550 Capitol Street, NE No. 215 SALEM OR 97301-2529

Shipper:

Schwabe Williamson & Wyatt William J. Ohle 503-796-2081 1211 SW 5th Ave Suite 1600 PORTLAND OR 97204

Shipment Information

Service:

*Guaranteed By:

Quantum View Notify SM 1: Delivery; Exception

Quantum View Notify SM 2:

Delivery; Exception

E-mail Failure Notification:

UPS Next Day Air

10:30 AM, Mon. 4 Dec. 2006

ciackman@schwabe.com

mlecog@schwabe.com

cjackman@schwabe.com

Package Information

Package 1 of 1

Tracking Number:

1Z7881162595024014

Package Type: Actual Weight: Billable Weight: **UPS** Letter Letter

Delivery Confirmation:

Letter

c/m:

Delivery Confirmation

111002-134300

Billing Information

Bill Shipping Charges to:

Shipper's Account 788116

All Shipping Charges in USD

* For delivery and guarantee information, see the UPS Service Guide. To speak to a customer service representative. call 1-800-PICK-UPS for domestic services and 1-800-782-7892 for international services.

Responsibility for Loss or Damage

Unless a greater value is recorded in the declared value field as appropriate for the UPS shipping system used, the shipper agrees that the released value of each package covered by this receipt is no greater than \$100, which is a reasonable value under the circumstances surrounding the transportation. If additional protection is desired, a shipper may increase UPS's limit of liability by declaring a higher value and paying an additional charge. UPS does not accept for transportation and shipper's requesting service through the Internet are prohibited from shipping packages with a value of more than \$50,000. The maximum liability per package assumed by UPS shall not exceed \$50,000, regardless of value in excess of the maximum. Claims not made within nine months after delivery of the package (sixty days for International shipments), or in the case of failure to make delivery, nine months after a reasonable time for delivery has elapsed (sixty days for international shipments), shall be deemed waived. The entry of a C.O.D. amount is not a declaration of value for carriage purposes. All checks or other negotiable instruments tendered in payment of C.O.D. will be accepted by UPS at shipper's risk. UPS shall not be liable for any special, incidental, or consequential damages. All shipments are subject to the terms and conditions contained in the UPS Tariff and the UPS Terms and Conditions of Service, which can be found at www.ups.com.

Jackman, Caren

From:

QuantumView [QuantumViewNotify@ups.com]

Sent:

Monday, December 04, 2006 11:20 AM

To:

Jackman, Caren

Subject: UPS Delivery Notification, Tracking Number 1Z7881162595024014

***Do not reply to this e-mail. UPS and Schwabe Williamson & Wyatt will not receive your reply.

At the request of Schwabe Williamson & Wyatt, this notice is to confirm that the following shipment has been delivered.

Important Delivery Information

Delivery Date / Time: 04-December-2006 / 10:03 AM

Delivery Location: MAIL ROOM

Signed by: OLIVAS

Shipment Detail

Ship To:

Public Utility Commission of Oregon

550 Capitol Street, NE

No. 215

SALEM

OR

973012529

US

UPS Service:

NEXT DAY AIR

Shipment Type:

Letter

Tracking Number:

1Z7881162595024014

Reference Number 1: 111002-134300

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