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Philip R. Adams, Jr.

January 31, 2008

BY OVERNIGHT DELIVERY

Executive Secretary
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501

Re: Notification by Reduced Rate Long Distance, LLC and Horizon Telecom, Inc. of an Asset Purchase Agreement

Dear Sir or Madam:

On behalf of Reduced Rate Long Distance, LLC ("RRLD") and Horizon Telecom, Inc. ("Horizon") (together "Applicants"), this letter is to advise the Commission of an Asset Purchase Agreement (the "Agreement"), whereby RRLD will acquire substantially all of the assets of Horizon, including, but not limited to, Horizon's customer accounts in this State (the "Acquisition").

It is our understanding, based upon review of the applicable statutes and regulations, that this transaction does not require prior Commission approval. Accordingly, absent written notice to the contrary within thirty (30) days of the date of this letter, the parties will proceed to consummate the transaction in a timely fashion.

RRLD is a Nevada corporation with principal offices located at 1800 Pembroke Drive, Suite 300, Orlando, FL 82810. RRLD is a certified long distance telecommunications resale provider in this State.¹

Horizon is a Nevada corporation with principal offices located at 3993 Howard Hughes Parkway, Suite 250, Las Vegas, NV 89169. Horizon is a certified long distance telecommunications resale

¹ RRLD provides resold long distance telecommunications services in this State pursuant to authority granted in Docket No. T001-060, dated 7/12/01.

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provider in this State.²

The Acquisition contemplates the following:

- a. RRLD will acquire ownership, right, title and interest in and to substantially all of Horizon's assets, including its customer accounts, as defined in the Agreement.
- b. Horizon will receive the purchase price set forth in the Agreement,

RRLD proposes the Acquisition to consolidate the business and customer accounts of Horizon with RRLD in order to create a single, larger provider of telecommunications services, facilitating efficiencies to benefit all of RRLD's and Horizon's customers. Service to Horizon's customers will continue uninterrupted.

The customers of Horizon will be given the opportunity to switch their service from Horizon to a different carrier. RRLD anticipates that none of the customers of Horizon will experience any change in rates due to the Acquisition. To the extent that any of Horizon's rates are not presently included in RRLD's Tariffs, RRLD will amend its Tariffs accordingly to include such rates. As a result, the transaction should not cause any inconvenience or confusion to the pre-existing customers of either Horizon or RRLD. Those customers of Horizon who choose not to switch their service to a different carrier will receive service from RRLD.

The technical, managerial and financial personnel of Horizon will assist with the transition and integration of the acquired Assets after the transaction and the technical, managerial and financial personnel of RRLD will continue to serve the transferred Horizon customers with the same high level of expertise.

Critical to the Acquisition is the need to ensure the continuation of high quality service to all customers currently served by Horizon. The Acquisition will serve the public interest in that it will ensure that current Horizon customers maintain uninterrupted service. The Acquisition will also serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of RRLD to compete in the marketplace and to provide telecommunications services for a greater number of consumers in this State at competitive rates.

Because RRLD will acquire substantially all of the assets of Horizon and Horizon will thereafter cease operations in this State, Horizon will no longer require

² Horizon provides resold long distance telecommunications services in this State pursuant to authority granted in Docket No. TC03-072, dated 6/23/03.

authority to provide service in this State. Applicants therefore respectfully request that, through this proceeding, the Commission grant any authority necessary to permit Horizon to discontinue service upon approval of this Application and consummation of the Acquisition, permit Horizon to relinquish its certification in this State, simultaneously with the effective date of the Acquisition, and cancel Horizon's filed tariffs on the effective date of the Commission's order. Horizon has not had any revenues in South Dakota since December 2007.

The parties are forwarding this letter to the Commission for informational purposes, to be included in the appropriate files. Absent receipt of written notification to the contrary within thirty (30) days of the date of this letter, we will proceed under the understanding that no approval or other formal action is required by the Commission prior to consummation of the proposed transaction.

Enclosed are the original and eleven (11) copies of this letter. Please return one (1) of the copies file-stamped in the envelope provided. If you need any further information or have any questions regarding the matters discussed herein, please do not hesitate to contact me. Thank you for your assistance in this matter.

Respectfully submitted,



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