

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF UNAUTHORIZED LONG DISTANCE CHANGES AND UNAUTHORIZED TELEPHONE CHARGES MADE BY REDUCED RATE LONG DISTANCE, LLC)))))	SECOND ORDER FOR AND NOTICE OF SHOW CAUSE HEARINGS TC07-107
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On October 5, 2007, the staff (Staff) of the South Dakota Public Utilities Commission (Commission) filed a Motion for Order to Show Cause (Motion) against Reduced Rate Long Distance, LLC (Reduced Rate). The Motion alleged that as early as 2005, the Commission's Consumer Affairs Division (Consumer Affairs) began receiving complaints regarding alleged misrepresentations by Reduced Rate that resulted in changes to subscribers' telecommunications service providers or added products or services to subscribers' bills without express authority from the subscribers in violation of SDCL 49-31-89 and ARSD 20:10:34:06. The Motion further alleges that to date, Consumer Affairs has collected 22 such complaints.

On October 10, 2007, the Commission received a Petition to Intervene from Midcontinent Communications (Midcontinent). On October 23, 2007, the Commission received a Notice of Appearance of counsel for Reduced Rate.

At its regular meeting on December 18, 2007, the Commission considered the Motion and Petition to Intervene. After hearing argument from counsel for Staff and Reduced Rate, the Commission found sufficient cause was demonstrated to issue an order to show cause and voted unanimously to issue an Order to Show Cause against Reduced Rate on the issues raised by the Motion. The Commission also voted unanimously to grant intervention to Midcontinent.

On December 27, 2007, the Commission received a Petition to Intervene from PrairieWave Black Hills, LLC and PrairieWave Telecommunications, Inc. (together, PrairieWave). At its regular meeting on January 15, 2008, the Commission voted unanimously to grant intervention to PrairieWave.

Reduced Rate shall appear at the following times and places:

May 20, 2008, at 10:30 a.m. (CDT) and, if necessary, again on May 21, 2008, at 9:00 a.m., at the University Center, 2205 Career Place, Room 282, Sioux Falls, South Dakota,

June 25, 2008, at 9:00 a.m. (CDT) at Northern State University, Student Center Maroon Rooms A and B, 1200 South Jay, Aberdeen, South Dakota, and

July 1, 2008. at 9:00 a.m. (MDT) at South Dakota School of Mines and Technology, Classroom Building Room 110, 501 East St. Joseph Street, Rapid City, South Dakota,

to respond to Staff's and intervenors' evidence and show cause why action should not be taken against Reduced Rate for violations of SDCL 49-31-89 and ARSD 20:10:34:06. The hearings are being held pursuant to the Commission's jurisdiction over telecommunication companies as found in SDCL Chapter 49-31, and specifically 49-31-3, 49-31-89 through 49-31-96 and 49-31-7.1.

The issues at the hearings will be: (i) whether Reduced Rate was responsible for the changing of one or more subscribers' telecommunications service providers without authorization in violation of SDCL 49-31-89, (ii) whether Reduced Rate caused products or services to be listed on one or more subscriber's bills without subscriber authorization in violation of SDCL 49-31-89, (iii) if such violations occurred, whether penalties and costs should be imposed on Reduce Rate pursuant to SDCL 49-31-94 and/or 49-31-96 and, if so, in what amounts, and (iv) whether any other enforcement action should be taken, including but not limited to revocation of Reduced Rate's certificate of authority.

The hearings will be adversary proceedings conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights will be forfeited if not exercised at the hearings. If a party fails to appear at the times and places set for the hearings, the Final Decision will be based solely on the testimony and evidence provided, if any, during the hearings or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearings, the Commission will consider all testimony and other evidence received at the hearings. The Commission will then enter Findings of Fact, Conclusions of Law and a Final Decision regarding this matter. As a result of the hearings, the Commission will determine whether Reduced Rate committed violations of South Dakota law as set forth above, whether penalties and/or costs should be assessed against Reduced Rate and whether any other enforcement actions should be taken against Reduced Rate as allowed by law.

The Commission's Final Decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law.

It is therefore

ORDERED, that show cause hearings in the matter of Reduced Rate Long Distance, LLC shall be held at the following times and places:

May 20, 2008, at 10:30 a.m. (CDT) and, if necessary, again on May 21, 2008, at 9:00 a.m., at the University Center, 2205 Career Place, Room 282, Sioux Falls, South Dakota,

June 25, 2008, at 9:00 a.m. (CDT) at Northern State University, Student Center Maroon Rooms A and B, 1200 South Jay, Aberdeen, South Dakota, and

July 1, 2008, at 9:00 a.m. (MDT) at South Dakota School of Mines and Technology, Classroom Building Room 110, 501 East St. Joseph Street, Rapid City, South Dakota,

Pursuant to the Americans with Disabilities Act, these hearings are being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearings if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 8th day of May, 2008.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.
By: <u>Delaine Kolbo</u>
Date: <u>5/9/08</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Steve Kolbeck
STEVE KOLBECK, Commissioner

Dustin M. Johnson
DUSTIN M. JOHNSON, Commissioner