

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

<b>IN THE MATTER OF UNAUTHORIZED LONG</b>	)	<b>ORDER FOR AND NOTICE</b>
<b>DISTANCE CHANGES AND UNAUTHORIZED</b>	)	<b>OF SHOW CAUSE HEARING</b>
<b>TELEPHONE CHARGES MADE BY REDUCED</b>	)	
<b>RATE LONG DISTANCE, LLC</b>	)	<b>TC07-107</b>

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 on May 20, 2008, at 10:30 a.m. (CDT) and, if necessary, again on May 21, 2008, at 8:30 a.m. in Room 412, State Capitol Building, 500 E. Capitol, Pierre, 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 hearing is 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 hearing 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 hearing will be an adversary proceeding 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 hearing. If a party fails to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and evidence provided, if any, during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing, the Commission will consider all testimony and other evidence received at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law and a Final Decision regarding this matter. As a result of the hearing, 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 a show cause hearing in the matter of Reduced Rate Long Distance, LLC shall be held on May 20, 2008, at 10:30 a.m. (CDT) and if necessary continuing on May 21, 2008, at 8:30 a.m. in Room 412, State Capitol Building, 500 E. Capitol, Pierre, South Dakota.

Pursuant to the Americans with Disabilities Act, this hearing is 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 hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 22<sup>nd</sup> day of January, 2008.

<b>CERTIFICATE OF SERVICE</b>
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><i>Aldine Kalbo</i></u>
Date: <u>1/22/08</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