

September 26, 2007

Ms. Patty Van Gerpen Executive Director South Dakota Public Utilities Commission Capitol Building, First Floor 500 East Capitol Avenue Pierre, SD 57501

RE: Complaint of PrairieWave Black Hills, LLC and PrairieWave

Telecommunications, Inc. vs. Reduced Rate Long Distance, LLC

Dear Ms. Van Gerpen:

PrairieWave Black Hills, LLC and PrairieWave Telecommunications, Inc., files a complaint against Reduced Rate Long Distance, LLC electronically as attached.

Sincerely,

Dawn Haase

Administrative Assistant

Alaun Haase

cc: Service List

CERTIFICATE OF SERVICE

I, Dawn Haase, on the 26th day of September, 2007, served the attached COMPLAINT OF PRAIRIEWAVE BLACK HILLS, LLC and PRAIRIEWAVE TELECOMMUNICATIONS, INC. vs. REDUCED RATE LONG DISTANCE, LLC

electronically to:

Ms. Patty Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, First Floor
500 East Capitol Avenue
Pierre, SD 57501

and via U.S. mail to the person indicated at the address below.

Reduced Rate Long Distance, LLC % National Registered Agents, Inc. 300 South Phillips Avenue, Ste 300 Sioux Falls, SD 57104-6322

Dawn Haase

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

PRAIRIEWAVE BLACK HILLS, LLC, and PRAIRIEWAVE TELECOMMUNICATIONS, INC.,)))
Complainants,) DOCKET NO.
vs	
REDUCED RATE LONG DISTANCE, LLC)
Respondent)
COMPLAI	INT

Pursuant to ARSD 20:10:01 et seq., PrairieWave Black Hills, L.L.C. and PrairieWave Telecommunications, Inc. (hereinafter collectively referred to as "PrairieWave"), file this formal complaint against Reduced Rate Long Distance, L.L.C. ("Reduced Rate"). PrairieWave files its complaint as follows:

- 1. PrairieWave Black Hills, L.L.C. is a registered long distance provider in the State of South Dakota, having been certified to provide long distance service on August 5, 1998. PrairieWave Telecommunications, Inc. is also a registered long distance provider in the State of South Dakota, having been certified to provide long distance service on October 22, 1996. Both PrairieWave Black Hills, L.L.C. and PrairieWave Telecommunications, Inc. are also local exchange service providers.
- Reduced Rate Long Distance, L.L.C. is a registered long distance provider in the State of South Dakota, having been certified to provide long distance service on August 11, 2001.
- 3. Both SDCL 49-31-89 and ARSD 20:10:34:02.01 prohibit a telecommunications company from changing a subscriber's designated telecommunications company without proper authorization from the subscriber. ARSD 20:10:34:10.01 prohibits a telecommunications company from billing a subscriber for unauthorized products and services.
- 4. ARSD 20:10:34:06 prohibits a telecommunications company from making false, misleading, or deceptive statements when obtaining a subscriber's

- oral order for a change of the subscriber's designated telecommunications company. This section also prohibits a telecommunications company from omitting material information with respect to the provisioning of service when obtaining a subscriber's oral order for a change of the subscriber's designated telecommunications company.
- 5. Since January, 2007, Reduced Rate violated ARSD 20:10:34:06 and ARSD 20:10:34:10.01 by contacting PrairieWave's customers and falsely representing that Reduced Rate is working in conjunction with, and on behalf of, PrairieWave to offer customers lower long distance rates. By falsely representing that it works for and with PrairieWave, Reduced Rate has fraudulently induced at least three PrairieWave customers to change their long distance provider from PrairieWave to Reduced Rate.
- 6. On Friday, January 19, 2007, Light Electric, a PrairieWave business customer, contacted PrairieWave about a call she had received from Reduced Rate. The caller misrepresented to Light Electric that Reduced Rate was calling on behalf of PrairieWave and was calling to switch Light Electric's long distance.
- 7. PrairieWave contacted Reduced Rate at phone number (866) 367-7753 and spoke to Sonia Bly at extension 101. Ms. Bly was asked to cease and desist representing that her company was calling on behalf of, or was affiliated in any way with, PrairieWave. Ms. Bly assured PrairieWave that such claims would cease.
- 8. On Monday, January 22, 2007, another PrairieWave business customer, L&L Motor Supply in Yankton, SD, telephoned PrairieWave and said they had been contacted by a company calling about L&L's long distance service. The person calling was named Betty Sydes. The phone number she was calling from, based on caller ID, was the same number as the call received by Light Electric (866) 367-7753. Ms. Sydes claimed to be calling from Qwest or to be affiliated with Qwest and was calling to confirm that L&L's long distance company would be switched. The customer declined. Again, PrairieWave contacted Reduced Rate at the number in question. A message was left for Ms. Bly to cease and desist, but no call was ever returned.
- 9. On July 30, 2007, Prairie Wave customer, Big D Oil Co., called Prairie Wave to report that Big D was contacted by Reduced Rate. Reduced Rate claimed to be working with Prairie Wave to offer Big D a discount on long distance phone rates. Specifically, Reduced Rate quoted inter and intra state interlata rates of .03 per minute, maintenance fees of \$9.95 and a one-time fee of \$2.95 per line. Big D Oil Co. declined Reduced Rate's offer.

- 10. Because of the repeated calls received by PrairieWave customers, and Reduced Rate's failure to adhere to PrairieWave's multiple requests that it cease and desist, PrairieWave instituted a bilt message beginning with its September 8, 2007, billing cycle, notifying customers that PrairieWave is not affiliated in any way with Reduced Rate or any other long distance company. The bill message encourages customers to contact PrairieWave and/or the Public Utilities Commission if they are approached by Reduced Rate or any other company claiming to represent PrairieWave.
- 11. Since instituting the bill message, PrairicWave has been contacted by at least three business customers. These PrairieWave customers were convinced to "switch" to Reduced Rate based on the fraudulent representations Reduced Rate made regarding its affiliation with PrairieWave. Attached as Exhibit A is the August 20, 2007, invoice received by the Terry Redlin Art Center from Reduced Rate. The Art Center is a PrairieWave local and long distance customer and has a PIC Freeze on its account. Although Reduced Rate sent the Art Center a bill, Reduced Rate was not actually providing any service to the Art Center. The Art Center's long distance calls were being carried and billed by PrairieWave. Reduced Rate billed the Art Center for services it did not provide.
- 12. Attached as Exhibit B is the July 20, 2007, invoice received by the Spearfish Canyon Country Club from Reduced Rate. As with the Art Center, the Country Club is a local and long distance customer of PrairieWave and has a PIC Freeze on its account. Although the Country Club received a bill from Reduced Rate, the Country Club's long distance calls were being carried and billed by PrairieWave. Reduced Rate billed the Country Club for services it did not provide.
- 13. Attached as Exhibit C are the July and August invoices received by Dakota Masonry from Reduced Rate. Dakota Masonry was purchased over a year ago by Hebron Brick. Hebron Brick is a local and long distance customer of PrairieWave and has a PIC Freeze on its account. Nevertheless, Reduced Rate sent a bill, addressed to Dakota Masonry, for long distance services allegedly received in July and August. Dakota Masonry/Hebron Brick's long distance calls were being carried and billed by PrairieWave. Reduced Rate billed Dakota Masonry/Hebron Brick for services it did not provide.
- 14. Based on the foregoing, it is clear that Reduced Rate is intentionally and deliberately misleading customers with claims that it is associated with PrairieWave, in order to convince those customers to "switch" their long distance service to Reduced Rate. In the three instances listed above, the subscribers' long distance company was never actually changed from PrairieWave to Reduced Rate because the subscribers all had PIC Freezes

in place. Regardless whether the customers' service is actually switched, Reduced Rate begins billing the customers for long distance service it is not providing. Despite being directed to cease and desist making such false, misleading, and deceptive claims back in January, 2007, Reduced Rate has continued to lie to customers in South Dakota to induce changes to their authorized providers.

- 15. Based on the foregoing, PrairieWave respectfully requests the following relief:
 - a. That the Commission issue an Order to Show Cause why Reduced Rate's Certificate should not be suspended or revoked pursuant to ARSD 20:10:24:04.02.
 - b. That Reduced Rate be found in violation of ARSD 20:10:34:02.01; 20:10:34:06; 20:10:34:10.01 and SDCL 49-31-89, and that it be ordered to compensate the Terry Redlin Art Center, the Spearfish Canyon Country Club, and Dakota Masonry Supply, Inc. each \$1000 pursuant to SDCL 49-31-93.
 - e. That Reduced Rate be ordered to provide the Commission a list of customers added in South Dakota since January 1, 2007, and that those customers receive notification, at Reduced Rate's expense, of the false and misleading claims that may have been made to secure the customer's authorization to switch providers.
 - d. That Reduced Rate be ordered to cease and desist representing that it is affiliated in any way with Prairie Wave.
 - e. Any other relief that the Commission deems just and proper.

William P. Heaston

PrairieWave Communications, Inc.

605-965-9894

Kathryn E. Ford

Director of Legal Affairs

PrairieWave Communications, Inc.

ITS: Attorneys