COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROTEL ADVANTAGE, INC. A/K/A LONG DISTANCE SAVINGS

CASE NO. 2001-031

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ALLEGED VIOLATION(S) OF KRS 278.535

<u>ORDER</u>

Protel Advantage, Inc. a/k/a Long Distance Savings ("Long Distance Savings") is a communications provider as defined in KRS 278.535(1)(a) and is subject to the Commission's jurisdiction. The records maintained by the Office of Secretary of State show that the principal place of business is 1821 University Avenue, St. Paul, Minnesota 55104 and show that the registered agent is CT Corporation System, Kentucky Home Life Building, Louisville, Kentucky 40202.

KRS 278.535(1)(a) prescribes statutory procedures for the proper changing of any Kentucky customer's primary telecommunications carrier.

<u>COUNT I</u>

1. On or about August 11, 1999, James Johns, on behalf of Aegis Health, reported to Commission Staff by telephone that Aegis Health's long-distance carrier had been changed to Long Distance Savings without its authority or permission. Aegis

Health's telephone number was 606/275-2124, but is now to 859/275-2124 due to a subsequent area code split.

2. After investigation, Commission Staff has been unable to obtain or secure any written authorization or electronically recorded authorization of Aegis Health by which it properly authorized the carrier change.

<u>COUNT II</u>

1. On or about May 17, 2000, April Hyam, on behalf of Bluegrass Fire Equipment Company ("Bluegrass Fire"), reported to Commission Staff by telephone that Bluegrass Fire's long-distance carrier had been changed to Long Distance Savings without its authority or permission. Bluegrass Fire's telephone number was 606/233-1167, but is now 859/233-1167 due to a subsequent area code split.

2. After investigation, Commission Staff has been unable to obtain or secure any written authorization or electronically recorded authorization of Bluegrass Fire by which it properly authorized the carrier change.

COUNT III

1. On or about March 29, 1999, a representative of Eddie Arnold Improvements and Glass ("Eddie Arnold Improvements") reported to Commission Staff by telephone that Eddie Arnold Improvements's long-distance carrier had been changed to Long Distance Savings without its authority or permission. Eddie Arnold Improvements's telephone number was 606/236-7107, but is now 859/236-7107 due to a subsequent area code split.

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2. After investigation, Commission Staff has been unable to obtain or secure any written authorization or electronically recorded authorization of Eddie Arnold Improvements by which it properly authorized the carrier change.

COUNT IV

1. On or about September 7, 1999, Judy Tyler, on behalf of Parsons, Brinckerhoff, Quade and Douglas, reported to Commission Staff by letter that Parsons, Brinckerhoff, Quade and Douglas's long-distance carrier had been changed to Long Distance Savings without its authority or permission. Parsons, Brinckerhoff, Quade and Douglas's telephone number is 502/456-2126.

2. After investigation, Commission Staff has been unable to obtain or secure any written authorization or electronically recorded authorization of Parsons, Brinckerhoff, Quade and Douglas by which it properly authorized the carrier change.

<u>COUNT V</u>

1. On or about September 9, 1999, David Spencer reported to Commission Staff by telephone that his long-distance carrier had been changed to Long Distance Savings without his authority or permission. Mr. Spencer's telephone number is 502/549-6560.

2. After investigation, Commission Staff has been unable to obtain or secure any written authorization or electronically recorded authorization of Mr. Spencer by which he properly authorized the carrier change.

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COUNT VI

1. On or about April 6, 2000, Edward Manassah reported to Commission Staff by e-mail that his long-distance carrier had been changed to Long Distance Savings without his authority or permission. Mr. Manassah's telephone number is 502/895-4141.

2. After investigation, Commission Staff has been unable to obtain or secure any written authorization or electronically recorded authorization of Mr. Manassah by which he properly authorized the carrier change.

IT IS THEREFORE ORDERED that:

1. Within 30 days of the date of this Order, Long Distance Savings shall submit to the Commission a response to the allegations stated above. The response shall be accompanied by the following:

a. A copy (front and back) of all canceled checks issued to the subscribers.

b. A notarized statement from the local exchange carrier ("LEC") containing each customer's name, address, phone number, amount of Long Distance Savings's charges accrued to date and the total amount of the adjustment to each bill after removal of Long Distance Savings's charges or a notarized statement from the LEC stating the customer's name, address, phone number and the total dollar amount paid by the LEC to Long Distance Savings.

c. All documentation supporting any claim by Long Distance Savings that the carrier change was authorized by the customer including, but not limited to, letters of authority or electronically recorded Third Party Verification. If Long Distance

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Savings is unable to supply such documentation, it shall supply a notarized listing of the individuals responsible for obtaining such documentation, and a statement explaining why such documentation is unavailable.

d. Long Distance Savings shall also supply an alphabetized list of all people in Kentucky it contacted for the purposes of soliciting long-distance service and the sources from which it gained the names of those persons.

e. A list of all telemarketers representing Long Distance Savings whose sales of long-distance service have been challenged by Kentucky residents as stated in this Order.

f. All evidence, documents, and a list of witnesses which Long Distance Savings plans to call and/or introduce at hearing, together with a brief description of the issues regarding which each witness will testify.

2. Long Distance Savings shall appear on May 23, 2001 at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky for the purpose of showing cause why it should not be subject to penalties pursuant to KRS 278.990(1) and KRS 278.535(6) for the alleged violations of law described herein.

3. Any request for an informal conference with the Commission Staff to consider matters which would expedite the handling or disposition of this proceeding shall be filed with the Commission no later than 30 days from the date of this Order.

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Done at Frankfort, Kentucky, this 8th day of February, 2001.

By the Commission

ATTEST:

Executive Director DD ~____