

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY TELEPHONE)
CORPORATION)
_____) CASE NO. 98-040
INVESTIGATION INTO THE ALLEGED)
VIOLATION OF KRS 278.160)

O R D E R

On July 18, 1988, Kentucky Telephone Corporation ("Kentucky Telephone") filed with the Kentucky Public Service Commission ("Commission") an application for a Certificate of Public Convenience and Necessity to provide resale telecommunications services within Kentucky.¹ On December 22, 1988, Kentucky Telephone was granted authority by the Commission to resell telecommunications services to the public. On April 30, 1997, Kentucky Telephone filed with the Commission a statement of its intent to cease operations and requested that the Commission terminate Kentucky Telephone's tariff. Kentucky Telephone's tariff was canceled by the Commission on May 1, 1997.

On November 10, 1997, the Commission received information that Kentucky Telephone was submitting invoices to The Cohen Agency, Inc. ("Cohen") for services provided to Cohen as "shared tenant." The Commission received a copy of the invoices from Kentucky Telephone on November 20, 1997. (Exhibit A). The Commission finds that a prima facie showing has been made that Kentucky Telephone

¹ Case No. 10319, The Application of Kentucky Telephone Corporation for a Certificate of Public Convenience and Necessity to Provide Resale of Telecommunication Services and Facilities Within Kentucky.

failed to file with the Commission its application for approval to operate and its schedule of rates and conditions of service prior to collecting compensation for the provision of utility service in violation of KRS 278.160. Therefore, Kentucky Telephone should immediately cease and desist the provision of, or cease charging for, any and all resale telecommunications services within the Commonwealth of Kentucky. The Commission further finds that Kentucky Telephone should appear before the Commission to show cause why they should not be subject to penalties pursuant to KRS 278.990 for violation of KRS 278.160.


IT IS THEREFORE ORDERED that:

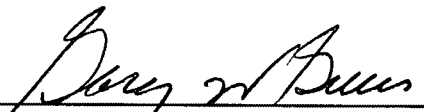
1. Kentucky Telephone shall immediately cease and desist from providing or charging for any and all resale telecommunications services within the Commonwealth of Kentucky.
2. Kentucky Telephone shall appear at a hearing scheduled for March 11, 1998 at 9:00 a.m. Eastern Standard Time, in Hearing Room I of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky to present evidence on the alleged violation of KRS 278.160 and to show cause why Kentucky Telephone should not be penalized under KRS 278.990 and should not be required to make refunds of compensation collected prior to obtaining a Certificate of Convenience and Necessity and filing its schedule of rates and conditions of service.
3. Any motion requesting any informal conference with Commission Staff to consider any matter which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 4th day of February, 1998.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director