

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE FAILURE OF CERTAIN	)	
NON-DOMINANT TELECOMMUNICATIONS	)	CASE NO.
PROVIDERS TO FILE REPORTS OF GROSS	)	2000-383
OPERATING REVENUES OR TO PAY	)	
ASSESSMENTS PURSUANT TO KRS 278.140	)	

O R D E R

The Commission reopens this case for the purpose of considering the application of Direct One, LLC (formerly Direct One, Inc.) [hereinafter, "Direct One"] to resubmit its tariff and for authorization to provide telecommunications services within the Commonwealth of Kentucky.

Direct One was among those carriers whose tariffs were removed from Commission files and whose names were stricken from the Commission's list of utilities authorized to provide service in Kentucky by Order dated August 10, 2000. The Order provided that certain utilities that had failed to comply with KRS 278.130 through KRS 278.150 should show cause why they should not be subject to penalties for such failure. The Order further provided that, in the absence of such showing made within 30 days, the utilities' authorization to provide service in Kentucky would be revoked without further Order. Direct One did not respond to the Order.

On October 9, 2001, Direct One filed a new tariff to provide service in Kentucky. Direct One was advised by Commission staff that, due to its prior failures to comply with Kentucky law or to respond to the Commission's Order concerning same, its new tariff would not be accepted.

Subsequently, on October 30, 2001, Direct One submitted an application requesting reinstatement. Direct One explains that, at the time the August 10, 2000 Order was entered, it had not begun operations in Kentucky and, consequently, did not understand that the reporting requirements were applicable. Direct One has since hired a consultant to manage its regulatory obligations and states that it will comply with Kentucky law in the future. Direct One also has submitted a check in the amount of \$1,000 as settlement of unpaid assessment amounts and penalties.

The Commission does not take lightly the failure of any regulated utility to comply with Kentucky law. In this case, it is particularly disturbing that Direct One did not respond to an Order fully informing it of its lack of compliance and the resulting imminent loss of its authorization to operate in Kentucky. However, the hiring of a regulatory consultant and the proffered offer of settlement indicate that Direct One is prepared to take its responsibilities as a regulated utility seriously and to comply with Kentucky law.

Accordingly, the Commission having been sufficiently advised, IT IS HEREBY ORDERED that:

1. The offer of settlement of Direct One is accepted.
2. Direct One is authorized to provide service in Kentucky as of the date it files its tariff, with appropriate signature and issuance effective date.

Done at Frankfort, Kentucky, this 6<sup>th</sup> day of November, 2001.

By the Commission

ATTEST:

  
Executive Director