COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF TELLISS, LLC)
FOR REINSTATEMENT OF) CASE NO. 2005-00040
AUTHORITY TO PROVIDE)
TELECOMMUNICATIONS SERVICE)

ORDER

The Commission establishes this case for the purpose of considering the application of Telliss, LLC ("Telliss") to resubmit its tariff and for authorization to provide telecommunication services in Kentucky.

By Order dated October 8, 2003 in Case No. 2003-00370,¹ Telliss's tariff was removed from the Commission's files and its name was stricken from the Commission's list of utilities authorized to provide service in Kentucky. The Order stated that those 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. Telliss did not respond to the Order.

On January 20, 2005, Telliss filed a petition for reinstatement to provide service in Kentucky. Telliss proposed to pay its annual assessment plus a voluntary payment of \$500 in full settlement of the issues.

¹ Case No. 2003-00370, Investigation of the Failure of Certain Non-Dominant Telecommunications Providers to File Reports of Gross Operating Revenues or to Pay Assessments Pursuant to KRS 278.140.

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 Telliss did not respond to an Order fully describing its lack of compliance and the resulting imminent loss of its authorization to operate in Kentucky. Telliss's proffered offer of settlement indicates that it is prepared to comply with Kentucky law. However, the Commission finds that Telliss's settlement offer should not be accepted at this time. Before any settlement can occur, Telliss must submit to the Commission its gross operating revenue report for 2002, its annual assessment for 2002, and the offered payment of \$500.

IT IS THEREFORE ORDERED that:

1. Telliss's offer of settlement is rejected.

2. Within 30 days of the date of this Order, Telliss may submit to the

Commission an amended offer of settlement as set forth herein.

3. If Telliss fails to respond to this Order within the allotted time, this case

shall be dismissed with prejudice without further Order of the Commission.

Done at Frankfort, Kentucky, this 17th day of March, 2005.

By the Commission

Commissioner W. Gregory Coker did not participate in the deliberations or decision concerning this case.

ATTEST:

Executive Director