

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TELNET COMMUNICATIONS, INC.)
)
_____) CASE NO. 95-512
)
FAILURE TO COMPLY WITH KRS 278.140 AND)
KRS 278.230(3))

O R D E R

On November 21, 1995, the Commission ordered TELNET Communications, Inc. ("TELNET"), to show cause why it should not be subject to the penalties of KRS 278.990 for its failure to comply with KRS 278.140 and KRS 278.230(3). On June 3, 1996, the Commission reissued its earlier Order to Show Cause and further ordered TELNET to show cause why it should not be declared an abandoned utility and its filed rate schedules be revoked. A hearing in this matter was held on July 9, 1996. No representative appeared on TELNET's behalf.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. TELNET owned, controlled, operated, and managed facilities which are used for and in connection with transmission of messages over wire by telephone for the public for compensation. It is therefore a utility subject to Commission jurisdiction. KRS 278.010(3)(e).

2. KRS 278.140 requires every utility, on or before March 31 of each year, to file with the Commission a report of its gross earnings or receipts derived from intrastate business for the preceding calendar year.

3. KRS 278.230(3) directs every utility, when required by the Commission, to file with it any report or other information that the Commission reasonably requires.

4. Commission Regulation 807 KAR 5:006, Section 3(1), requires every utility to file with the Commission on or before March 31 of each year a financial and statistical report of its utility operations for the preceding calendar year on forms furnished by the Commission.

5. TELNET did not file these reports for its 1994 calendar year operations nor did it request an extension of time in which to make such filing.

6. As of the date of this Order, TELNET has not filed a report of gross earnings derived from intrastate business nor an annual financial and statistical report for its 1994 calendar year operations.

7. Where the act which a utility is required to do is merely clerical in nature, willfulness or deliberate intent can be inferred from the fact of noncompliance. See Re Dyke Water Co., 55 PUR3d 342 (Cal. P.U.C. 1964).

8. TELNET willfully failed to submit the report required by KRS 278.140.

9. TELNET willfully failed to submit the report required by 807 KAR 5:006, Section 3(1).

10. TELNET willfully failed to comply with KRS 278.230(3).

11. After repeated telephone and written contacts with TELNET, it failed to appear at the hearing held in this matter on July 9, 1996.

12. TELNET has abandoned its utility operations within the Commonwealth of Kentucky.

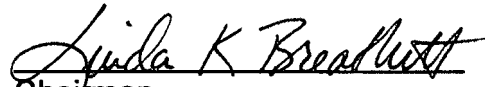
13. In light of TELNET's current status, the assessment of a penalty serves no useful purpose and is not enforceable. No penalty, therefore, should be assessed.

IT IS THEREFORE ORDERED that:

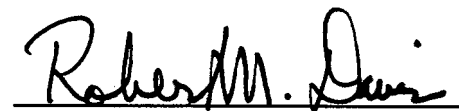
1. TELNET is an abandoned utility.
2. As of the date of this Order, TELNET's authority to operate as a utility within the Commonwealth of Kentucky is revoked.
3. As of the date of this Order, TELNET's filed rate schedules are revoked.

Done at Frankfort, Kentucky, this 1st day of August, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director