

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF SOUTHNET TELECOMM SERVICES, INC.'S FAILURE TO SUBMIT A REPORT AND PAY THE GROSS RECEIPTS TAX)	FINDINGS OF FACT,
)	CONCLUSIONS OF LAW
)	AND FINAL ORDER; NOTICE
)	OF ENTRY OF FINAL
)	ORDER
)	TC01-180

On November 7, 2001, the Public Utilities Commission (Commission) issued an Order for and Notice of Show Cause Hearing against SouthNet Telecomm Services, Inc. (SouthNet) for failure to submit an annual report and pay the gross receipts tax. The hearing was held as scheduled on December 12, 2001, at 3:00 P.M., in the Cactus Conference Room, State Capitol Building, 500 E. Capitol, Pierre, South Dakota. The reason for the hearing was to give SouthNet an opportunity to show cause why the Commission should not revoke its Certificate of Authority, or other specified actions, for failure to submit an annual report as required by ARSD 20:10:24:04 or pay the gross receipts tax as required by SDCL 49-1A-1. Commissioners Burg and Nelson were present. Also present were Karen E. Cremer, Commission Staff Attorney and Sue Cichos, Deputy Executive Director for the Commission. No representative of SouthNet appeared at the hearing. After hearing the testimony, the Commission voted unanimously to revoke SouthNet's Certificate of Authority for failure to pay the gross receipts tax.

The Commission, having heard the testimony presented at the hearing, makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

- 1 SouthNet is a telecommunications company holding a Certificate of Authority, issued by the Commission, to provide telecommunications services in South Dakota.
- 2 Sue Cichos, Deputy Executive Director for the Commission, sent letters to SouthNet on May 5, 2001 and July 13, 2001, requesting payment of the gross receipts tax as authorized by SDCL 49-1A-1. She testified that SouthNet never paid the gross receipts tax.
- 3 A copy of the Order for and Notice of Show Cause Hearing was sent by certified mail to SouthNet on November 8, 2001.
- 4 No representative of SouthNet appeared at the hearing to show cause why the Commission should not revoke its Certificate of Authority.

CONCLUSIONS OF LAW

- 1 The Commission has jurisdiction over this matter pursuant to SDCL 49-1A-3, 49-1A-4, 49-1A-5, 49-1A-6, and 49-31-3.
- 2 Pursuant to 49-1A-3, the Commission assesses a tax of .0015 or \$250, whichever is greater, on the annual intrastate gross receipts received by a telecommunications company from the company's customers within the state of South Dakota. Pursuant to 49-1A-5, the tax is due on June first of each year.

