

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

<b>IN THE MATTER OF TELNYX, LLC'S FAILURE</b>	)	<b>ORDER FOR AND NOTICE</b>
<b>TO TIMELY PAY THE GROSS RECEIPTS TAX</b>	)	<b>OF SHOW CAUSE HEARING</b>
	)	
	)	<b>TC17-073</b>

SDCL 49-1A-1 establishes the South Dakota Public Utilities Commission (Commission) Gross Receipts Tax Fund. This fund is financed by assessing a tax of .0015 or \$250, whichever is greater, on the annual intrastate gross receipts received by a utility from the company's customers within the state of South Dakota, and requires that all telecommunications companies submit on April 1, each year, a report of the amount of such gross receipts received during the preceding calendar year and pay the tax. A penalty of 10% of the tax is imposed for each month of delinquency.

Despite reminder letters from the Commission on April 27, 2017, August 18, 2017, and September 19, 2017, Telnix, LLC (Company) has failed to timely pay the gross receipts tax.

Pursuant to SDCL 49-1A-6, the Commission may collect this debt by distress and sale of any personal property of the Company within South Dakota. Further, the Commission has the authority, under SDCL 49-31-3, to suspend or revoke the certificate of authority granted to the Company; assess a civil fine against the Company from \$200 to \$1,000 under SDCL 49-31-38; proceed under SDCL 49-31-38.2 or 49-31-38.3 to stop the Company from transacting any future business in South Dakota; or take any other enforcement actions against the Company allowed by law.

Company shall appear on January 16, 2018, at 1:00 P.M. (CST), Matthew Training Center, 523 E. Capitol, Pierre, South Dakota, to show cause why action should not be taken against Company for failure to comply with SDCL Chapter 49-1A. The hearing is being held pursuant to Commission's jurisdiction over telecommunications companies found at SDCL Chapters 1-26, 49-1, 49-1A, and 49-31, specifically, 49-1-11(4), 49-1A-3, 49-1A-4, 49-1A-5, 49-1A-6, 49-31-3, and ARSD 20:10:01:45.

The issue at the hearing is whether the Commission shall suspend or revoke Company's Certificate of Authority; assess a civil fine against Company; institute collection proceedings against Company for failure to timely pay gross receipts tax; and/or proceed under SDCL 49-31-38.2 or 49-31-38.3 to stop the Company from transacting any future business in South Dakota; or take any other enforcement actions against the Company allowed by law.

The hearing will be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights may be forfeited if not exercised at the hearing. If a party or its representative fails to appear at the time and place set for the hearing, the final decision will be based solely on the testimony and evidence provided, if any, during the hearing or a final decision may be issued by default pursuant to SDCL 1-26-20. After the hearing, the Commission will consider all evidence and testimony that was presented at the hearing. As a result of this hearing, the Commission will make decisions on the issues set forth above. The Commission will then enter findings of fact, conclusions of law, and a final decision regarding this matter. The

Commission's final decision may be appealed by the parties to the Circuit Court and the Supreme Court as provided by law. It is therefore

ORDERED, that a show cause hearing in the matter of Company shall be held January 16, 2018, at 1:00 P.M. (CST), Matthew Training Center, 523 E. Capitol, Pierre, South Dakota. It is further

ORDERED, that, in the event Company shall pay the delinquent gross receipts tax, including the 10% penalty for each month of delinquency, the hearing and actions mentioned herein shall not be held or taken, otherwise this order shall remain in effect.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 6th day of December, 2017.

<b>CERTIFICATE OF SERVICE</b>
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically or by mail.
By: <u>Karen E. Cremer</u>
Date: <u>12/6/17</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Kristie Fiegen  
KRISTIE FIEGEN, Chairperson

Gary Hanson  
GARY HANSON, Commissioner

Chris Nelson  
CHRIS NELSON, Commissioner