BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

------ In the Matter of ------

PDS, INC.                  DOCKET NO. 03-0342

Notice of Failure to Comply
With Hawaii Revised Statutes
and Commission's Regulations
Order to Show Cause Why
Respondent's Operating
Authority Should Not Be
Suspended or Revoked.

ORDER NO. 20543

Filed Oct. 27, 2003
At 8:00 o'clock A.M.

Karen Digest
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.
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OF THE STATE OF HAWAII

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PDS, INC. ) Docket No. 03-0342

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Authority Should Not Be )
Suspended or Revoked. )

NOTICE OF VIOLATION, ORDER TO SHOW CAUSE, AND NOTICE OF HEARING

PDS, INC. ("Respondent") is the holder of a certificate of authority ("COA"), issued pursuant to Hawaii Administrative Rules ("HAR") § 6-80-18. The commission authorized Respondent to operate as a reseller of intrastate telecommunications services in the State of Hawaii ("State") under the COA.

HAR § 6-80-91 requires Respondent to file an annual financial report ("AFR") by March 31 of each year. Hawaii Revised Statutes ("HRS") § 269-30 requires Respondent to pay a public utility fee ("Fee") in July and December of each year. Respondent failed to file its 2001 AFR and pay the Fee that was due on July 31, 2002 and December 31, 2002.

HAR § 6-80-19 authorizes the commission, after notice and hearing, to suspend or revoke any COA, in part or in whole, if the commission finds the holder violated any applicable State laws or commission rules. Accordingly, the commission may
suspend or revoke Respondent's COA for failure to comply with the legal requirements set forth above, unless Respondent is able to show why such suspension or revocation should not occur.

THE COMMISSION ORDERS:

1. Respondent shall appear at 465 South King Street, Room B3, Honolulu, Hawaii 96813, at 9:00 a.m., on November 26, 2003 to show cause why Respondent’s COA should not be suspended or revoked for failure to comply with the legal requirements set forth in this order.

2. Respondent may be represented by counsel. If Respondent does not retain counsel, Respondent may be represented at the hearing as follows: (a) an individual may appear on his or her own behalf; (b) a partner may represent a partnership; and (c) an officer or authorized employee of a corporation, trust, or association may represent the corporation, trust, or association.

3. If Respondent fails to appear at the scheduled hearing, Respondent’s COA shall be revoked.
DONE at Honolulu, Hawaii this 27th day of October, 2003.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By __________

Carlito P. Caliboso, Chairman

By __________

Wayne H. Kimura, Commissioner

By __________

Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

Catherine P. Awakuni
Commission Counsel
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20543 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

PDS, INC.
P. O. Box 742706
Dallas, TX 75374-2706

(CM #7002 2030 0006 6812 7318)

DATED: October 27, 2003

Karen Higashi