

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TELCOR, INC. TO (1))
TRANSFER THE ASSETS OF THE LOUISVILLE)
DIVISION OF JTC COMMUNICATIONS CORPOR-)
ATION TO TELCOR, INC., AND (2) ISSUE A) CASE NO. 10133
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY TO TELCOR, INC., TO PROVIDE)
RESALE OF TELECOMMUNICATION SERVICES AND)
OPERATION OF FACILITIES WITHIN KENTUCKY)

O R D E R

On January 15, 1988, Telcor, Inc., ("Telcor") filed an application pursuant to KRS 278.020(4) requesting that the Public Service Commission ("Commission") enter an order authorizing Telcor to purchase the Kentucky utility assets of JTC Communications Corporation ("JTC"). The applicant also requested that the Commission authorize Telcor to provide the telecommunication services currently offered by JTC and to accordingly approve the transfer of resale authority granted JTC in Case No. 9648¹ on September 10, 1986. This Order grants the transfer authority sought by Telcor and further grants to Telcor the transfer of resale authority previously granted to JTC.

¹ Joint Application of Telemarketing Communications, Inc., to Transfer the Assets of the Louisville Division of JTC Communications Corporation and Application of JTC Communications Corporation for a Certificate of Public Convenience and Necessity to Provide Resale of Telecommunication Services and Operation of Facilities Within Kentucky.

DISCUSSION

JTC is a Kentucky corporation having its principal place of business in Paducah, Kentucky. JTC was granted authority by the Commission in 1986 when JTC acquired the utility business assets of the Louisville Division of Telemarketing Communications, Inc.

Telcor is a Georgia Corporation qualified to do business in Kentucky and is a wholly owned subsidiary of Telephone Management Corporation ("TMC"), a Delaware corporation. The principal office and place of business of Telcor is Atlanta, Georgia.

Pursuant to an agreement,² JTC desires to sell and Telcor desires to purchase all of the assets and utility properties of the Kentucky operations of JTC. A portion of the purchase price under the agreement will be financed under a term loan of 5 years from Heller Financial, Inc. Telcor has requested that the Commission approve the proposed financing arrangement. Prior to the transfer, Telcor will not be a utility within the meaning of KRS 278.010(3)(e), so KRS 278.300(1) has no application to this transfer case. The Commission's finding that Telcor has the financial ability to provide reasonable service, as required by KRS 278.020(4), is the only approval needed. Therefore, the Commission makes no specific findings respecting the proposed financing of this acquisition.

After the proposed acquisition of JTC, Telcor intends to continue offering and providing the services authorized by the

² Exhibit B of the Application.

certification formerly granted to JTC. Telcor has not indicated its intent to adopt the rates and tariffs of JTC. Pursuant to this Order, Telcor should file an adoption notice pertaining to the currently lawful and effective tariffs of JTC.

The Commission is persuaded that Telcor has the ability to manage and operate the business to be acquired. Telcor, through its relationship with TMC, has the managerial and technical expertise necessary to operate as a WATS reseller in Kentucky. The applicant has indicated that the staff of JTC will largely remain with Telcor after the proposed acquisition. The Commission believes that the proposed acquisition and transfer is in the public interest and that Telcor has the financial, technical and managerial abilities to provide reasonable service as required by KRS 278.020(4).

FINDINGS AND ORDERS

The Commission, after consideration of the evidence of record and being advised, is of the opinion and finds that:

1. The proposed acquisition of JTC by Telcor should be approved;
2. The proposed transfer and assignment of the utility business assets of JTC to Telcor should be approved; and
3. Resale authority granted to JTC in Case No. 9648 should be transferred to Telcor.

IT IS THEREFORE ORDERED that:

1. The acquisition of JTC by Telcor be and it hereby is approved;

2. The transfer of the utility business assets of JTC to Telcor be and it hereby is approved;

3. The transfer of resale operating authority granted to JTC in Case No. 9648 be and it hereby is approved;

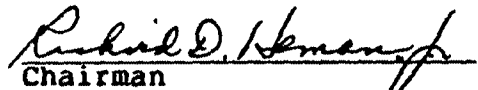
4. JTC shall have the responsibility of filing with the Commission an annual report for the portion of 1988 in which it operated the system;

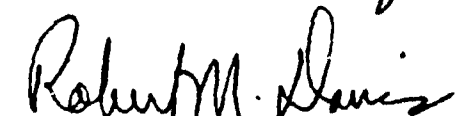
5. Telcor shall have the responsibility of filing with the Commission an annual report for that portion of 1988 in which it operates the system; and

6. Telcor shall file with the Commission within 30 days from the date of the transfer an adoption notice and tariffs in accordance with 807 KAR 5:011, Section 11.

Done at Frankfort, Kentucky, this 2nd day of February, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director