

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT FILING OF LITEL TELECOMMUNI-	)	
CATIONS CORPORATION, LCI COMMUNICATIONS,	)	
INC., AND LCI COMMUNICATIONS HOLDINGS CO.	)	CASE NO.
RESPECTING THE ACQUISITION OF CONTROL OF	)	10364
LITEL TELECOMMUNICATIONS CORPORATION AND	)	
RELATED FINANCING TRANSACTIONS	)	

O R D E R

On September 1, 1988, Litel Telecommunications Corporation ("Litel"), LCI Communications, Inc. ("LCI"), and LCI Communications Holdings Company ("LCHC") (collectively the "Filing Parties") filed a petition requesting that the Commission issue an Order concerning the acquisition of LCI, which owned 100 percent of Litel, by LCHC.

On October 26, 1988, the Commission issued an Order declaring that the "Proposed Transaction" fully described in the September 1, 1988 Joint Filing did not constitute a change in ownership or control within the meaning of KRS 278.020(4). The Commission further found that the case should be dismissed. The Order made no express Finding, however, as to the applicability of KRS 278.300 to the Financing which was a part of the Proposed Transaction.

On December 27, 1988, the Filing Parties submitted a request for clarification of the October 26, 1988 Order and supplemental information concerning Financing. The Filing Parties request that the Commission consider the Joint Filing, including exhibits

thereto and the third joint petition for confidentiality, and either: 1) declare that KRS 278.300 does not apply to the Financing, or 2) approve the Financing, and 3) find that no further approval is required in connection with the Proposed Transaction, including the Financing.

The Commission, having reviewed the evidence of record and being sufficiently advised, is of the opinion and finds that the Financing as described by the September 1, 1988 Joint Filing, and as subsequently modified, requires that, inter alia, Litel act as guarantor of certain notes pursuant to terms of the note and the indenture. Thus, it appears to the Commission that its approval of the proposed Financing plan may be required by KRS 278.300.

The Commission makes the following findings:

1. The third joint petition for confidentiality is consistent with the requirements of 807 KAR 5:001, Section 7.

2. The Financing for the Proposed Transaction including, inter alia, the guarantee by Litel of certain notes is for a lawful object within the corporate purposes of Litel, is consistent with the proper performance by Litel of its service to the public, will not impair Litel's ability to perform that service and is reasonably necessary and appropriate for such purpose.


3. No further approval is required in connection with the Proposed Transaction, including the Financing.

4. Nothing in this Order implies any guarantee of securities or evidence of indebtedness, or any obligation thereto, by the Commonwealth of Kentucky.

IT IS THEREFORE ORDERED that: 1) the Financing for the Proposed Transaction be and it hereby is approved; 2) no further approval is required in connection with the Proposed Transaction, including the Financing; and 3) the third joint petition for confidentiality be and it hereby is granted.

Done at Frankfort, Kentucky, this 13th day of February, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director