

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AFFINITY NETWORK INCORPORATED

ALLEGED VIOLATION OF KRS 278.020 AND
KRS 278.160

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) CASE NO. 92-025
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O R D E R

On January 21, 1992, the Commission issued a Show Cause Order regarding the alleged violation of KRS 278.020 and KRS 278.160 by Affinity Network Incorporated ("Affinity"). On February 12, 1992, Affinity appeared at an informal conference to negotiate a proposed settlement resolving the issues in this case. The proposed Settlement Agreement, attached hereto and incorporated herein as Appendix A, was filed into the record on March 9, 1992. The settlement expresses Staff and Affinity's agreement on a mutually satisfactory resolution of all the issues in this case.

In determining whether the results of the Settlement Agreement are in the public interest and are reasonable, the Commission has taken into consideration the admissions made by Affinity in the Settlement Agreement and the steps taken by Affinity to remediate and cure the outstanding violations.

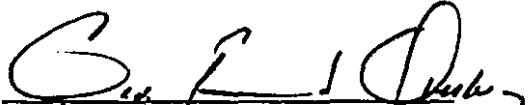
After consideration of the proposed Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the proposed Settlement Agreement is in accordance with the law

and does not violate any regulatory principle. This Settlement Agreement is in the public interest and results in a reasonable resolution of this case.

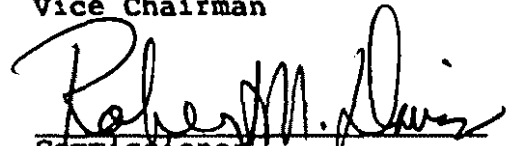
IT IS THEREFORE ORDERED that the Settlement Agreement is hereby adopted and approved in its entirety as a reasonable resolution to the issues in this case. Affinity shall adhere to and comply with all provisions of the Settlement Agreement the same as if individually ordered herein.

Done at Frankfort, Kentucky, this 24th day of March, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

COMMONWEALTH OF KENTUCKY
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 ALLEGED VIOLATION OF KRS 278.020 AND)
 KRS 278.160)

SETTLEMENT AGREEMENT

WHEREAS, on January 21, 1992, the Public Service Commission ("Commission") issued an Order requiring Affinity Network Incorporated ("Affinity") to appear before the Commission on February 12, 1992 to show cause why it should not be penalized for providing service prior to receiving a certificate of convenience and necessity in violation of KRS 278.020 and 278.160.

WHEREAS, on January 30, 1992, Affinity filed a proposal with the Commission wherein it agreed to refund amounts billed and collected for unauthorized services and requested that the matter be resolved without a hearing.

WHEREAS, on February 12, 1992, at 1:30 p.m., Affinity, represented by counsel, James Freeman, met with Staff in an informal conference to discuss Affinity's proposal for resolution of this matter.

WHEREAS, Affinity and Staff have reached an agreement on the resolution of the issues as follows:

1. Affinity agrees to pay a penalty in the amount of \$100.00 to be paid in full within 30 days of the date of the final Order of the Commission. A certified check of the full amount of the fine shall be made payable to the Kentucky State Treasurer and delivered to the office of General Counsel of the Commission, 730 Schenkel Lane, Frankfort, Kentucky 40601.

2. Affinity shall make refunds to all customers in accordance with paragraphs two and three of this Agreement.

NOW, THEREFORE, be it resolved that:

1. Affinity shall pay a penalty in the amount of \$100.00 to be paid in full within 30 days of the date of the final Order of the Commission. A certified check of the full amount of the fine shall be made payable to the Kentucky State Treasurer and delivered to the office of General Counsel of the Commission, 730 Schenkel Lane, Frankfort, Kentucky 40601.

2. Affinity shall make refund payments within 60 days of a final order of the Commission to all customers for all charges billed by Affinity for intrastate telecommunications service from April 1, 1991 until such time as Affinity is authorized to provide intrastate services.

3. Within 30 days from the date Affinity refunds its customers, Affinity shall provide a list to the Commission of the names, addresses, amounts paid, and method of payment for customers entitled to and receiving a refund or credit.

4. This Settlement Agreement is submitted for purposes of this case only and is not deemed binding upon the parties hereto

in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving any other utility.

5. If the Commission issues an order adopting this Settlement Agreement in its entirety, Affinity agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to Franklin Circuit Court from such order.

6. If the Settlement Agreement is not adopted in its entirety, Affinity reserves the right to withdraw from it and require that hearings go forward upon all or any matters involved herein, and that in such event that terms of the agreement shall not be deemed binding upon the signatories hereto, nor shall such agreement be admitted into evidence or referred to or relied on in any matter by any signatory hereto.

7. All the parties hereto agree that the foregoing Settlement Agreement is reasonable and in the best interest of all concerned, and urge that this Commission adopt this agreement in its entirety.

AGREED TO BY:



Hon. James Freeman on behalf of
Affinity

2/28/92

Date



Hon. Rosemary F. Center on
behalf of Commission Staff

3/9/92

Date