

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT PETITION OF TOUCH 1 LONG)
DISTANCE, INC. AND LDDS COMMUNICATIONS,)
INC. FOR AUTHORITY TO TRANSFER CONTROL) CASE NO. 92-533
OF TOUCH 1 LONG DISTANCE, INC. TO LDDS)
COMMUNICATIONS, INC.)

O R D E R

On December 3, 1992, Touch 1 Long Distance, Inc. ("Touch 1") and LDDS Communications, Inc. ("LDDS") filed a joint petition seeking approval of the transfer of control of Touch 1 to LDDS by allowing LDDS to acquire 100 percent of the outstanding stock of Touch 1. On December 14, 1992, petitioners filed their "stock purchase agreement" which was dated November 24, 1992, as a supplement to Exhibit 1 of the joint petition.

Touch 1 is a privately held Alabama corporation authorized by the Commission to provide resold intrastate telecommunications services within Kentucky.¹ LDDS is a publicly held holding company incorporated in Tennessee. As a holding company, LDDS does not provide telecommunications services itself, but has two wholly owned subsidiaries currently authorized by the Commission in Kentucky to provide such service. With the consummation of the ATC acquisition on December 4, 1992 LDDS has five subsidiaries authorized to provide such service.

¹ Case No. 92-157, Application of Touch 1 Long Distance, Inc. for a Certificate of Public Convenience and Necessity as a Reseller of Telecommunications Services Within the Commonwealth of Kentucky.

Subsequent to the stock acquisition, Touch 1 will become a wholly owned subsidiary of LDDS and LDDS will continue to operate the subsidiary under the existing name and tariff on file with the Commission.

LDDS asserts that it has the necessary financial, technical, and managerial ability to operate Touch 1 and provide reasonable service. This ability, it contends, is demonstrated by its operation of existing Kentucky certified companies. LDDS also states that the transaction is in the public interest in that it will generate operating efficiencies enabling Touch 1 to increase profitability over time, invigorate competition in Kentucky and provide Touch 1 with substantial expertise and operational resources.

The proposed transfer is under the jurisdiction of this Commission and both KRS 278.020(4) and (5) apply. Pursuant to those sections, persons under the jurisdiction of the Commission are required to receive approval prior to the acquisition or transfer of ownership or control of a utility. The Commission finds that LDDS has the financial, technical, and managerial abilities, as demonstrated in its application, to provide reasonable service to Touch 1 customers and that the acquisition by LDDS from Touch 1 is for a proper purpose and is consistent with the public interest. The proposed acquisition is consistent with the requirements of KRS 278.020(4) and (5) and should be approved.

The Commission, having considered the petition and the information provided by the petitioners and being otherwise advised, HEREBY ORDERS that:

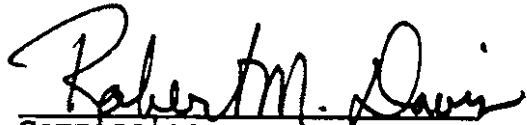
1. The joint petition of Touch 1 and LDDS, seeking approval of the transfer of stock of Touch 1 to LDDS, is approved.
2. LDDS shall file an adoption notice within 10 days of the closing of the transfer.
3. LDDS and Touch 1 shall notify the Commission in the event that the proposed acquisition does not take place.

Done at Frankfort, Kentucky, this 13th day of January, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director