

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF LONG DISTANCE)
TELEPHONE SAVERS, INC., TO TRANSFER ITS)
ASSETS TO RADIO ENGINEERING AND)
MAINTENANCE COMPANY, INC.; AND) CASE NO. 10039
APPLICATION OF RADIO ENGINEERING AND)
MAINTENANCE COMPANY, INC., FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY TO PROVIDE RESALE OF)
TELECOMMUNICATIONS SERVICES AND)
OPERATION OF FACILITIES WITHIN KENTUCKY)

O R D E R

On September 30, 1987, Long Distance Telephone Savers, Inc., ("LDTS") and Radio Engineering and Maintenance Company, Inc., ("Radio Engineering") filed a joint application pursuant to KRS 278.020(4) requesting that the Public Service Commission enter an Order authorizing LDTS to sell its Kentucky utility assets to Radio Engineering. The applicants also requested that the Commission authorize Radio Engineering to provide the telecommunication services currently offered by LDTS and to accordingly approve the transfer of resale authority granted LDTS in Case No. 9830 on June 10, 1987. As part of the application, Radio Engineering included a request that the financial information of Radio Engineering as shown through consolidated financial statements contained in Exhibit D be kept confidential. Such request was pursuant to 807 KAR 5:001, Section 7.

This Order grants the transfer authority sought by LDTS and Radio Engineering and further grants fully the request for confidential treatment filed as part of the application.

DISCUSSION

LDTS is a wholly owned subsidiary of SouthernNet Services, Inc., which is owned by SouthernNet, Inc. SouthernNet, Inc., is a telecommunications common carrier providing switched long distance service in the southeastern portion of the United States and is currently authorized to provide resold telecommunication services within Kentucky.¹

Radio Engineering is a Kentucky corporation having its principal office and place of business in Ashland, Kentucky. Radio Engineering is wholly owned by Robert A. Moyer, Jr., who also serves as its president and chief executive officer. Mr. Moyer is currently the operations manager of the Ashland Division of LDTS. The contents of the joint application indicate that Mr. Moyer is thoroughly familiar with the Kentucky operations of LDTS.

Pursuant to an agreement² between the applicants, LDTS desires to sell and Radio Engineering desires to purchase all of the assets and utility properties of the Kentucky operations of LDTS.

¹ The Application of Long Distance Telephone Savers, Inc., for a Certificate of Public Convenience and Necessity to Provide Resale of Telecommunication Services and Operation of Facilities Within Kentucky, Case No. 9830, Kentucky PSC Order issued June 10, 1987.

² Exhibit C of the Joint Application.

After the proposed acquisition of LDTS, Radio Engineering intends to continue offering and providing the services authorized by the certification formerly granted to LDTS. Radio Engineering has indicated its intent to adopt the rates and tariffs of LDTS which are now on file with the Commission. Radio Engineering has tendered a proposed adoption notice as part of its application. Additionally, Radio Engineering intends to continue to operate the Kentucky resale operation under the name Long Distance Telephone Savers. The Commission believes that the proposed acquisition and transfer is in the public interest and that Radio Engineering 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 LDTS by Radio Engineering should be approved.
2. The proposed transfer and assignment of the utility business assets of LDTS to Radio Engineering should be approved.
3. Resale authority granted to LDTS in Case No. 9830 should be transferred to Radio Engineering.
4. The Petition for Confidentiality, being consistent with 807 KAR 5:001, Section 7(7)(b) should be approved.

IT IS THEREFORE ORDERED that:

1. The acquisition of LDTS by Radio Engineering be and it hereby is approved.

2. The transfer of the utility business assets of LDTS to Radio Engineering be and it hereby is approved.

3. The transfer of resale operating authority granted to LDTS in Case No. 9830 be and it hereby is approved.

4. The Petition for Confidentiality, submitted by Radio Engineering, be and it hereby is granted.

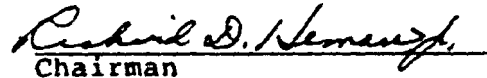
5. LDTS shall have the responsibility of filing with the Commission an annual report for the portion of 1988 in which it operated the system.

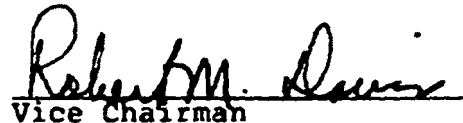
6. Radio Engineering shall have the responsibility of filing with the Commission an annual report for that portion of 1988 in which it operates the system.

7. LDTS shall file with the Commission within 30 days from the date of this Order an Adoption Notice and tariffs in accordance with 807 KAR 5:011, Section 11.

Done at Frankfort, Kentucky, this 11th day of January, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director