

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LITEL TELECOMMUNICATIONS CORPORATION)
FOR AUTHORITY TO OFFER ASSOCIATION) CASE NO. 89-178
SERVICE DISCOUNT)

O R D E R

IT IS ORDERED that LiTel Telecommunications Corporation ("LiTel") shall file the original and ten copies of the following information with the Commission, with a copy to all parties of record. The information requested herein is due no later than September 20, 1989. If the information cannot be provided by this date, LiTel should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. (a) Has LiTel made contacts with or been approached by trade associations concerning provision of discounted services as proposed?

(b) If so, explain the extent of LiTel's contacts and/or requests for the proposed discounted service.

2. Provide a clear description of the trade associations anticipated to be served under the proposed tariff. Give examples of such trade associations including probable differences between associations such as number of members and volume of service demand.

3. Are the services enumerated in the proposed tariff limited to association members only?

(a) If the answer is yes, explain why the services should be limited to trade association members.

(b) Are comparable discounts available to those individuals or businesses who are not trade association members? Explain in detail.

4. Provide the level of the average member's monthly bill for each service to which an association discount would apply.

5. Based on the answers to questions 2 and 4 above, provide a schedule showing how each and every trade association could reasonably be expected to increase revenues, exclusive of taxes, by \$30,000 the first 6 months of service, to \$50,000 per month by the end of the first year, and to \$100,000 per month by the end of the second year.

6. Are the trade association discounts greater or lesser than volume discounts or other discounts available?

7. What is meant by "association sponsor"?

8. Under Option I where the association performs the billing function, if the association defaults on payment, responsibility for payment goes back to individual members. Under Option II where LiTel performs the billing function, if individual members default, the association becomes responsible for payment.

(a) Provide the rationale for these provisions and the methods under which they would be enforced.

9. (a) Under what circumstances would the volume discount shown on page 40, Section 5.14.1, be applicable?

(b) Is the volume discount in lieu of or in addition to the association discount?

(c) Explain how this is compatible with the association discount provisions shown elsewhere in the proposed tariff.

10. Does LiTel have approved association discount tariffs in other jurisdictions? If so, provide the jurisdiction(s), date of approval, and copies of the pertinent tariff sections.

Done at Frankfort, Kentucky, this 5th day of September, 1989.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director