

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

On September 5, 1989, the Commission issued its Order in this case, directing LiTel Telecommunications Corporation ("LiTel") to respond to requests for information. After a review of LiTel's response, the Commission finds that LiTel has failed to completely and adequately respond to the request. Therefore, the Commission, on its own motion, HEREBY ORDERS AND COMPELS LiTel to respond to the following no later than November 20, 1989. The Commission further orders that LiTel shall respond to any supplemental data requests arising from the responses.

The numbers of the following questions reference the Commission's Order dated September 5, 1989.

1(b). Explain the extent of LiTel's contacts and/or requests for the proposed discounted service.

LiTel stated that it is actively selling the filed association program in other states. Provide the numbers and types of associations in Kentucky which have requested this service and the numbers and types of associations in Kentucky LiTel has contacted. For those contacted by LiTel, provide the number of positive responses to the proposed 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 demands.

LiTel did not provide the examples as requested. Based on LiTel's experience in other states, provide detailed examples of trade association differences in comparative form such as average number of members and monthly call volume and revenue for each type association listed in Response 2.

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

In response, LiTel stated it is anticipated that all business customers are members of an industry association or could participate with a buying group who is affiliated with LiTel to obtain the benefits of the proposed discounts. Explain in detail what is meant by "buying group who is affiliated with LiTel," the extent of such affiliation, and the manner in which LiTel would bring the buying group and customer together.

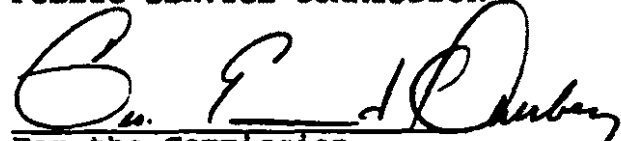
9(c). Explain how this (volume discount shown on page 40, Section 5.14.1) is compatible with the association discount provisions shown elsewhere in the proposed tariff.

LiTel's response to Question 9(b) states that the association discount is in addition to the volume discount. All sections of the proposed tariff referring to the amount of the association service discount rate state the discount is "in lieu of any other volume discount." This seems inconsistent with Page

40, Volume Discount Structure, and LiTel's response to Question 9(c). Explain.

Done at Frankfort, Kentucky, this 7th day of November, 1989.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Executive Director