

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 June 13, 1989, LiTel Telecommunications Corporation ("LiTel") filed a tariff offering a discount to trade associations in addition to other volume discounts. This discount also would be available to persons through a buying group. LiTel described the buying group as a billing aggregator or consultant with which LiTel would contract to act as a marketing agent for LiTel's services.

The tariff was to be effective July 12, 1989. By Order entered July 7, 1989, the tariff was suspended until December 12, 1989, to allow the Commission adequate opportunity to consider the proposed discount. The Commission denies LiTel's proposed discount tariff.

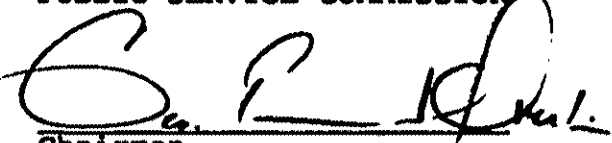
The Commission finds that the terms of the proposed tariff are not just and reasonable, nor in the public interest. The rates unreasonably discriminate within the class of customers to be served in violation of KRS 278.170(1). Not every trade association will be offered the alleged benefits of the tariff. Trade associations which cannot or do not need to generate the usage revenue required to maintain the discount will be excluded

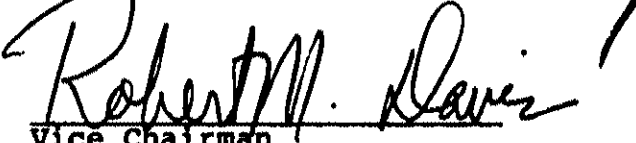
from the plan. Also, the proposed tariff is unclear as to who the customer is - the trade association or the member of the trade association. The tariff places conditions on the individual member and individual members may be billed directly. Such lack of clarity inevitably results in user/customer confusion.

IT IS THEREFORE ORDERED that the Association Discount Tariff proposed by LiTel is denied without prejudice.

Done at Frankfort, Kentucky, this 12th day of December, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

\_\_\_\_\_  
Commissioner

ATTEST:

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Executive Director