

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AFFINITY FUND, INC.)
)
) CASE NO. 92-069
)
 _____)
)
 ALLEGED VIOLATION OF KRS)
 278.020 AND KRS 278.160)

O R D E R

On February 25, 1992, the Commission issued a show cause order regarding the alleged violation of KRS 278.020 and KRS 278.160 by Affinity Fund, Inc. ("Affinity Fund"). On March 13, 1992 and June 12, 1992, Affinity Fund appeared at an informal conference to negotiate a proposed settlement resolving the issues in this case. The proposed Settlement Agreement, attached hereto and incorporated herein as Appendix A, was filed into the record on August 11, 1992. The Settlement Agreement expresses Staff and Affinity Fund's agreement on a mutually satisfactory resolution of all issues in this case.

In determining whether the results of the Settlement Agreement are in the public interest and are reasonable, the Commission has taken into consideration the admissions made by Affinity Fund in the Settlement Agreement and the steps taken by Affinity Fund to remediate and cure the outstanding violations.


After consideration of the proposed Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the

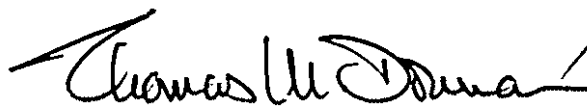
proposed Settlement Agreement is in accordance with the law and does not violate any regulatory principle. This Settlement Agreement is in the public interest and results in a reasonable resolution of this case.

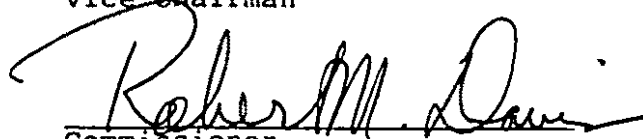
IT IS THEREFORE ORDERED that the Settlement Agreement is hereby adopted and approved in its entirety as a reasonable resolution to the issues in this case. Affinity Fund shall adhere to and comply with all provisions of the Settlement Agreement the same as if individually ordered herein.

Done at Frankfort, Kentucky this 27th day of August, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

COMMONWEALTH OF KENTUCKY

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278.020 AND KRS 278.160)

SETTLEMENT AGREEMENT

WHEREAS, on February 25, 1992, the Public Service Commission ("Commission") issued an Order requiring Affinity Fund, Inc. ("Affinity Fund") to appear before the Commission on March 22, 1992 to show cause why it should not be penalized for providing service prior to receiving a certificate of convenience and necessity in violation of KRS 278.020 and 278.160; and

WHEREAS, on March 13, 1992 and June 12, 1992, Affinity Fund, represented by counsel, John Baughman, met with staff in an informal conference to discuss Affinity Fund's proposal for resolution of this matter; and

WHEREAS, on July 9, 1992, Affinity Fund filed a proposal with the Commission wherein it agreed to pay a penalty in the amount of \$250 and further agreed to refund amounts billed and collected for unauthorized services and requested that the matter be resolved without a hearing; and

WHEREAS, Affinity Fund and Staff have reached an agreement on the resolution of the issues as follows:

Affinity Fund agrees to pay a penalty in the amount of \$250, to be paid in full within 30 days of the date of the final Order of the Commission. A certified check of the full amount of the fine shall be made payable to the Kentucky State Treasurer and delivered to the Office of General Counsel of the Commission, 730 Schenkel Lane, Frankfort, Kentucky 40601.

Affinity Fund shall make refunds to all customers in accordance with paragraphs 2 and 3 of this agreement.

NOW, THEREFORE, BE IT RESOLVED that:

1. Affinity Fund shall pay a penalty in the amount of \$250, to be paid in full within 30 days of the date of the final Order of the Commission. A certified check of the full amount of the fine shall be made payable to the Kentucky State Treasurer and delivered to the Office of General Counsel of the Commission, 730 Schenkel Lane, Frankfort, Kentucky 40601.

2. Affinity Fund shall make refund payments within 60 days of the final Order of the Commission to all customers for all charges billed and collected for intrastate telecommunications service from September 1, 1991 until such time as Affinity Fund is authorized to provide intrastate services. Affinity Fund shall also refund within 60 days any payments received for charges which were billed but not collected prior to the execution and/or adoption by the Commission of this Agreement.

3. Within 30 days from the date Affinity Fund refunds its customers, Affinity Fund shall provide a list to the Commission of

the names, addresses, amounts paid, and method of payment for customers entitled to and receiving a refund or credit.

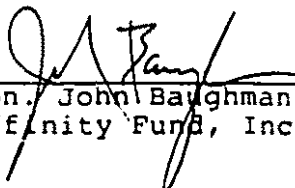
4. This Settlement Agreement is submitted for purposes of this case only and is not deemed binding upon the parties hereto in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving any other utility.

5. If the Commission issues an order adopting this Settlement Agreement in its entirety, Affinity Fund agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin Circuit Court from such order.

6. If this Settlement Agreement is not adopted in its entirety, Affinity Fund reserves the right to withdraw from it and require that hearings go forward upon any or all matters involved herein, and that in such event the terms of this agreement shall not be deemed binding upon the signatories hereto, nor shall such agreement be admitted into evidence or referred to or relied on in any manner by any signatory hereto.

7. All of the parties hereto agree that the foregoing Settlement Agreement is reasonable and in the best interest of all concerned, and urge that the Commission adopt this agreement in its entirety.

AGREED TO BY:



Hon. John Baughman on behalf of
Affinity Fund, Inc.

8-10-92

Date

Rosemary F. Center

Hon. Rosemary F. Center on behalf
of Commission Staff

8/10/02

Date