

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF LESLIE COUNTY )  
TELEPHONE COMPANY FOR THE APPROVAL OF )  
THE ACQUISITION OF THE LESLIE COUNTY ) CASE NO. 10433  
TELEPHONE COMPANY BY TELEPHONE AND DATA )  
SYSTEMS, INC. )

O R D E R

On November 7, 1988, Leslie County Telephone Company ("Leslie") and Telephone and Data Systems, Inc. ("TDS"), filed a joint application for approval of the acquisition of Leslie by TDS. The Commission's approval is requested pursuant to KRS 278.020(4) and KRS 278.020(5). The terms and conditions of the stock sale are contained in an Acquisition Agreement which has been filed with the Commission.

On November 17, 1988, the Attorney General of the Commonwealth, through his Utility and Rate Intervention Division, ("AG") filed a motion for intervention. The motion was granted on November 21, 1988.

Accompanying the joint application on November 7, 1988, Leslie and TDS filed a motion to treat as confidential information relating to the acquisition price. In support of its motion, Leslie and TDS state that the acquisition price is known only to the parties and their agents and that the competitive interests of TDS could be damaged if the information were disseminated. The

Commission having considered the motion and being advised is of the opinion and finds that the motion should be granted.

An informal conference to have been held on December 16, 1988 was confirmed by letter dated November 11, 1988. However, the Commission is of the opinion that the informal conference should be cancelled because there are no outstanding issues in this proceeding.

After reviewing the Acquisition Agreement and other information, the Commission, being advised, is of the opinion and finds that:

1. Leslie is presently providing telephone service in Leslie County, Harlan County, Perry County, and Breathitt County, Kentucky.

2. TDS, an Iowa corporation, is engaged in the business of acquiring, maintaining, and operating telephone companies in 26 states.

3. The joint applicants have negotiated an agreement, Acquisition Agreement, which shall control the stock sale of Leslie.

4. There will be no adverse affect on the operation of Leslie resulting from this sale. Leslie will continue to operate without interruption of service. The current general manager of Leslie will remain in that position after the transfer, thus, there will be a continuity of personnel. TDS has the financial, technical, and managerial ability to operate Leslie, as demonstrated by its operations in 26 states.

5. TDS will effect the acquisition of Leslie stock through a merger of Leslie Acquisition Corporation, a wholly owned subsidiary of TDS, into Leslie with Leslie as the surviving corporation.

IT IS THEREFORE ORDERED that:

1. The joint application of Leslie and TDS shall be approved pursuant to KRS 278.020(4) and KRS 278.020(5).

2. The motion for confidentiality filed November 7, 1988 shall be granted.

3. The informal conference scheduled for December 16, 1988 shall be cancelled.

4. Leslie shall notify the Commission in writing when the Acquisition Agreement is executed and the merger occurs.

5. Leslie shall file and post an adoption notice, pursuant to 807 KAR 5:011, Section 11, which adopts, ratifies, and makes its own all rates, rules, classifications, and regulations of the former operating utility effective upon change of ownership. Such adoption notice shall be filed within 10 days of the sale of stock.

Done at Frankfort, Kentucky, this 14th day of December, 1988.

PUBLIC SERVICE COMMISSION

Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director