

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ACQUISITION BY UNITED STATES CELLULAR )  
CORPORATION OF REMAINING OWNERSHIP ) CASE NO. 89-016  
INTEREST IN KENTUCKY CELLULAR, INC. )

O R D E R

On January 23, 1989, United States Cellular Corporation ("USCC") and Kentucky Cellular, Inc. ("Kentucky Cellular") filed an application seeking Commission approval of the acquisition by USCC of the remaining 90 percent of the stock in Kentucky Cellular. On January 27, 1989, the Commission granted applicants' motion for interim approval, finding that it was in the public interest to grant interim approval without prejudice to the final disposition of the application.

Kentucky Cellular, a Delaware corporation, is a cellular radio telecommunications provider serving the Owensboro Metropolitan Statistical Area. USCC, also a Delaware corporation, is a subsidiary of Telephone and Data Systems, Inc. USCC constructed and manages the Kentucky Cellular system pursuant to a management agreement. USCC and the individual who owns 81 percent of Kentucky Cellular have an agreement whereby the individual has an option to sell to USCC and USCC has an option to buy the remainder of Kentucky Cellular. The individual has sought to exercise his option resulting in this proposed transaction.

The Commission, having reviewed the application and being sufficiently advised, is of the opinion and finds that:

1. USCC has the financial, technical, and managerial abilities to provide reasonable service. USCC has been managing Kentucky Cellular pursuant to the management agreement mentioned above. Also, USCC has additional extensive experience in the ownership and operation of cellular systems.

2. The proposed acquisition is in accordance with law, for a proper purpose, and is consistent with the public interest. Kentucky Cellular's business will be conducted under its current name. The local operations will be managed by the current personnel. There will be no change in services, customers, or tariffs. Accordingly, the proposed acquisition will be transparent to the Kentucky customers.

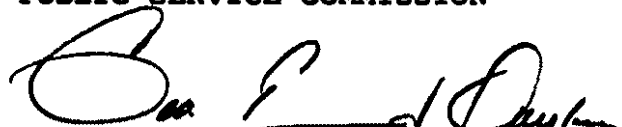
IT IS THEREFORE ORDERED that:


1. The proposed acquisition by USCC of the remaining ownership interest in Kentucky Cellular shall be approved.

2. Kentucky Cellular shall adopt and ratify all tariffs, rules, and regulations for furnishing intrastate cellular services in Kentucky to be effective as of the date of the acquisition. The adoption notice shall be filed within 10 days of the date of this Order.

Done at Frankfort, Kentucky, this 24th day of March, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director