

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DANBURY CELLULAR)
TELEPHONE CO. FOR ISSUANCE OF A)
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO PROVIDE DOMESTIC)
PUBLIC CELLULAR RADIO TELECOMMUNI-)
CATIONS SERVICE TO THE PUBLIC IN) CASE NO. 90-391
THE KENTUCKY RURAL SERVICE AREA)
WHICH INCLUDES MADISON, ROCKCASTLE,)
LAUREL, GARRARD, BOYLE, LINCOLN,)
CASEY AND PULASKI COUNTIES, KENTUCKY,)
FOR APPROVAL OF FINANCING, AND FOR)
ESTABLISHMENT OF INITIAL RATES)

O R D E R

On February 22, 1991 the Commission issued an Order granting Danbury Cellular Telephone Company ("Danbury Cellular"): 1) a Certificate of Convenience and Necessity to operate a cellular telecommunications system in Madison County, Kentucky; 2) authority to construct a Mobile Telephone Switching office and a 285 foot cellular tower in Madison County; 3) authority to issue evidence of indebtedness pursuant to the terms and conditions specified in its December 14, 1990 application; and 4) authority to implement its proposed rates and tariffs. On March 18, 1991, Danbury Cellular filed a Second Supplement To Application requesting that the February 22, 1991 Order be modified to authorize: 1) new terms and conditions for the financing; and 2) the operation of a cellular telecommunications system throughout

Rural Service Area No. 6 ("RSA No. 6"), rather than the limited area of Madison County.

In support of its supplemental application, Danbury Cellular states that it has obtained improvements to its original financing arrangements. The improvements to the financing are: 1) the Kentucky assets of Danbury Cellular may serve as security for the loan; 2) after 18 months, the loan may convert into a term loan and Danbury Cellular may have the right and option to renew the revolving loan account for an additional 18-month period; 3) if renewed, interest will accrue on the renewed revolving loan account of 1/2 of 1 percent over the lender's prime rate, and payments will be for interest only; 4) if renewed, the term would be a maximum of 5 years; and 5) Danbury Cellular will pay the lender a facility fee of \$25,000 for each 18 month term of the revolving loan account. Danbury Cellular further states that the Madison County cell site will have the capability to provide cellular telecommunications service within RSA No. 6 beyond the boundaries of Madison County.

Based on the evidence of record and being advised, the Commission hereby finds that the proposed modifications to the terms and conditions of the financing approved by the Commission's February 22, 1991 Order are reasonable and should be approved. The Commission further finds that Danbury Cellular should be authorized to provide service throughout RSA No. 6.

IT IS THEREFORE ORDERED that:

1. The Commission's February 22, 1991 Order be and it hereby is modified to the extent that the financing approved

therein shall be done on the supplemental terms and conditions set forth in the Second Supplement to Application, and that Danbury Cellular shall have authority to provide cellular telecommunications service throughout RSA No. 6.

2. All other provisions of the Commission's February 22, 1991 Order shall remain in full force and effect.

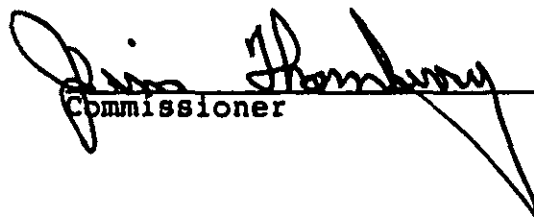
Nothing continued herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 5th day of April, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director