

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT VENTURE OF CELLULAR COMMUNI-)
CATIONS, INC. AND PACTEL CORPORATION AS) CASE NO. 91-113
IT AFFECTS SOUTHERN OHIO TELEPHONE)
COMPANY)

O R D E R

On April 5, 1991, Southern Ohio Telephone Company ("Southern Ohio") filed a notice, which the Commission will treat as an application, requesting a finding that the Joint Venture transaction described in its notice is exempt from Commission jurisdiction under KRS 278.020(5). In the alternative, Southern Ohio requests that if the contemplated transaction is within the Commission's jurisdiction, an Order be entered approving the transaction.

Southern Ohio is a general partnership organized under the laws of the state of Ohio. Its general partners are Cellular Communications of Dayton, Inc., Cellular Communications of Cincinnati, Inc., and Midwest Mobilephone of Cincinnati, Inc. The partners are wholly-owned subsidiaries of Cellular Communications, Inc. ("CCI"), a Delaware corporation whose principle place of business is New York. Under the terms of the Joint Venture PacTel Corporation ("PacTel"), a subsidiary of Pacific Telesis Group, will initially own approximately 5 percent of CCI with the right to increase its ownership percentage in subsequent years. PacTel


is a California corporation which owns and/or controls eight nonwire line cellular systems in Michigan and Ohio. Subsequent to implementation of the Joint Venture, CCI and PacTel intend to leave in place the current personnel and operational procedures of the Ohio cellular companies owned and/or controlled by each of them, while at the same time affecting better service and economies by making some changes to manage, operate, and market them as one regional cellular system.


Based on a review of Southern Ohio's application and being sufficiently advised, the Commission hereby finds that since the Joint Venture provides PacTel the right to own 10 percent or more of the voting securities of CCI, the transaction will result in an acquisition of control as defined in KRS 278.020(5). PacTel, through its ownership and control of cellular systems in Michigan and Ohio, has the financial, technical, and managerial ability to provide reasonable service to Kentucky customers of Southern Ohio. The Commission also finds that the Joint Venture is for a proper purpose and should result in efficiencies and economies of scale, all to the benefit of the public interest. The Joint Venture will result in no change to Southern Ohio's name, ownership, operations, management, or tariffs.

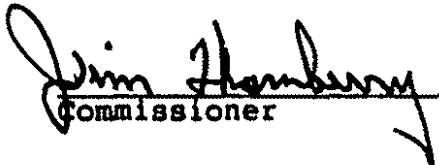
IT IS THEREFORE ORDERED that Southern Ohio's request for approval of the Joint Venture be and it hereby is granted.

Done at Frankfort, Kentucky, this 30th day of May, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director