

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| THE JOINT APPLICATION OF DANBURY |) | |
| CELLULAR TELEPHONE CO. AND PETRY |) | |
| TELEVISION, INC. FOR APPROVAL OF |) | |
| THE TRANSFER OF JURISDICTIONAL |) | CASE NO. |
| ASSETS AND LIABILITIES TO DANBURY |) | 91-443 |
| CELLULAR TELEPHONE CO. OF PETRY |) | |
| TELEVISION INC. AND OF RELATED |) | |
| FINANCING TRANSACTIONS |) | |

O R D E R

On November 27, 1991, Danbury Cellular Telephone Co. ("Danbury") and Petry Television, Inc. ("Petry") filed a joint application pursuant to KRS 278.020(4), 278.020(5), and 278.300, for all necessary approvals of the transfer of jurisdictional assets and liabilities of Petry to Danbury, and of related financing transactions. Danbury also requests approval of its proposed post-transfer tariff and accompanying price list.

Danbury is a Connecticut corporation, wholly-owned by ACC Corporation ("ACC"), which holds a non-wireline license from the Federal Communications Commission ("FCC") for Rural Service Area Kentucky 6 - Madison ("RSA 6"). On June 3, 1991, the Commission granted Danbury authority to construct cellular facilities and

provide cellular service in RSA 6.¹ This Commission also approved a transfer of the jurisdictional assets of South Central Kentucky Cellular Corp. in RSA 5 to Danbury in Case No. 91-244.²

Petry is a New York corporation which holds a non-wireline license from the FCC for Rural Service Area Kentucky 8 - Mason ("RSA 8"). On December 6, 1991, the Commission granted Petry authority to construct cellular facilities and provide cellular service in RSA 8 in Case No. 91-351.³

On June 18, 1991, Danbury and Petry entered into a purchase agreement wherein Petry will sell and Danbury will purchase all tangible and intangible assets necessary for the construction and operation of the non-wireline cellular system in RSA 8, including

¹ Case No. 90-391, The Application of Danbury Cellular Telephone Co. for Issuance of a Certificate of Public Convenience and Necessity to Provide Domestic Public Cellular Radio Telecommunications Service to the Public in 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.

² Case No. 91-244, The Joint Application of Danbury Cellular Telephone Co. and South Central Kentucky Cellular Corp. for Approval of the Transfer of Jurisdictional Assets and Liabilities of South Central Kentucky Cellular Corp. to Danbury Cellular Telephone Co. and of Related Financing Transactions.

³ Case No. 91-351, Petry Television, Inc. for Issuance of a Certificate of Public Convenience and Necessity to Provide Domestic Public Cellular Radio Telecommunications Service to the Public in Kentucky Rural Service Area No. 8, Which Includes Bath, Bracken, Fleming, Lewis, Mason, Menifee, Montgomery, Nicholas, Robertson and Rowan Counties, Kentucky, Any Other Necessary Approval, and Establishment of Initial Rates.

the FCC permit and any other licenses or authorizations granted by this Commission. The application of Danbury and Petry for consent to assignment of the FCC permit to Danbury was filed on September 20, 1991 and has been filed in the record as Exhibit 2. A copy of the purchase agreement between Danbury and Petry and related financing information was filed as Confidential Exhibit 1.

The financing of the proposed acquisition of the RSA 8 system will consist of a promissory note from Danbury to Petry and from funds received from ACC. Danbury will finance construction not completed prior to the transfer and the working capital necessary for operation of RSA 8 for two years following the transfer from a loan made available from Central Trust Company ("the Central Loan"). A copy of the commitment letter from Central Trust Company to Danbury is filed as Confidential Exhibit 7. The Central Loan will be secured by a security agreement from Danbury granting a security interest in the assets of Danbury including the RSA 5 and 6 systems. After the acquisition of RSA 8, the assets of the RSA 8 system will be subject to security interests created by the after-acquired property clause of the security agreement. ACC will execute the necessary documents for guaranteeing the Central Loan.

Danbury will assume the obligations of Petry with respect to debts, leases, and contracts necessary for the construction and operation of RSA 8. The proposed transfer will be transparent insofar as there will be no change in services or customers in RSA 8. Danbury will use the name "Cellular One/United Bluegrass Cellular Corporation" ("Cellular One"). Following the proposed

transfer, RSA 8 will become a part of Danbury. The technical and managerial capabilities of Danbury have been demonstrated in this application and in Case Nos. 90-391 and 91-244.

Pursuant to KRS 278.020(4), persons under the jurisdiction of the Commission are required to receive Commission approval prior to the acquisition or transfer of ownership or control of a utility. KRS 278.020(5) prohibits any entity from acquiring control of any utility under the jurisdiction of the Commission without prior approval.

The Commission finds that Danbury has the financial, technical, and managerial abilities to provide reasonable service to the public in RSA 8 and that the acquisition by Danbury from Petry is for a proper purpose and consistent with the public interest. The proposed acquisition, as described in the joint application, is consistent with the requirements of KRS 278.020(4) and (5) and should be approved.

The Commission further finds that the transfer financing is for a lawful object within Danbury's corporate purposes, is necessary or appropriate for or consistent with the proper performance of its service to the public, will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose. The transfer financing, as described in the joint application, is consistent with the requirements of KRS 278.300 and should be approved.

Danbury proposes to merge the operations of RSA 5, 6, and 8 after the proposed transfer and will have one tariff and price list for RSA 5, 6 and 8 which is a proposed post-transfer tariff

Ky. PSC Tariff No. 4 and is contained in Exhibit 8. The proposed tariff and price list will not result in an increase in the rates to any customer currently served under Danbury's existing Tariff No. 3.

IT IS THEREFORE ORDERED that:

1. The proposed transfer and transfer financing be and is hereby approved.

2. Within 30 days of the closing of the proposed transfer, Danbury shall give notice to the Commission of the closing.

3. Danbury's proposed tariff setting rates and rules of service be and hereby is approved.

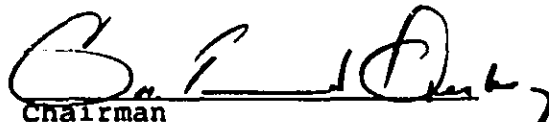
4. Within 30 days of the closing of the proposed transfer, Danbury shall file its tariff sheets in accordance with 807 KAR 5:011.

5. Danbury shall file a copy of the FCC consent to assignment within 10 days of its receipt.

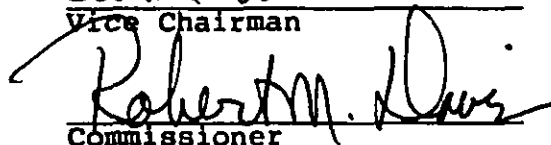
6. If the proposed transfer does not occur, Danbury shall so notify the Commission.

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

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director