

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF RURAL )  
CELLULAR COMMUNICATIONS, INC. AND )  
CELLULAR PHONE OF KENTUCKY, INC. )  
FOR APPROVAL OF THE TRANSFER AND )  
ACQUISITION OF CELLULAR TELEPHONE ) CASE NO. 92-079  
ASSETS IN KENTUCKY RURAL SERVICE )  
AREA NO. 6(B1) AND THE FINANCING )  
OF THE CONSTRUCTION OF THE )  
CELLULAR SYSTEM )

O R D E R

On February 21, 1992, Rural Cellular Communications, Inc. ("RCCI") and Cellular Phone of Kentucky, Inc. ("CPKI") filed jointly an application asking for approval for RCCI to transfer its assets used in providing domestic public cellular radio telecommunications service in the B1 portion of Kentucky Rural Service Area Number 6 ("RSA 6(B1)") including the Certificate of Public Convenience and Necessity to CPKI pursuant to KRS 278.020(4), and for authorization for CPKI to issue its promissory note to finance its construction of the cellular system pursuant to KRS 278.300. Also, in their filing, the applicants requested deviations from the requirements of 807 KAR 5:001, Sections 11(1)(a) and 11(2)(a), and 807 KAR 5:001 Sections 6(1) thru 6(9). On March 6, 1992, the Commission granted the requests for these deviations to filing requirements.

RCCI is a Kentucky corporation which holds a non-wireline license from the Federal Communications Commission ("FCC") for

RSA 6(B1). RCCI was authorized by this Commission to acquire the assets used in providing cellular service in RSA 6(B1), including a Certificate of Public Convenience and Necessity, from Contel Cellular of Louisville, Inc. in Case No. 91-458.<sup>1</sup>

CPKI is a Kentucky-based corporation which is 100 percent owned by Kenneth L. Ramsey. Mr. Ramsey also owns 100 percent of RCCI and is initiating this transfer at the advice of FCC counsel as a means of avoiding potential adverse impacts on RCCI's other FCC permits or interests. Mr. Ramsey has been active in the cellular telephone industry since its infancy in 1983. Mr. Ramsey has successfully completed a cellular radio technical course from the College of Engineering at the University of Wisconsin. The management of the cellular system will be provided by Mr. Ramsey, president of CPKI.

The financing of the construction of the RSA 6(B1) system will consist of borrowings from NovAtel Finances, Inc., which has agreed to loan up to \$2,621,467 to CPKI. The loan will be structured as a line of credit which may be drawn upon to pay verified expenses incurred in constructing and operating the cellular system in RSA 6(B1). Funds will be available for two years from execution of the loan documents. The loan will be secured by first, perfected security interests in all of the

---

<sup>1</sup> Case No. 91-458, The Joint Application of Contel Cellular of Louisville, Inc. and Rural Cellular Communications Inc. For Approval Of The Transfer and Acquisition Of Cellular Telephone Assets In Kentucky Rural Service Area No. 6(B1) And The Financing Thereof.

assets of the cellular system and by a pledge of all shares of CPKI.

Pursuant to KRS 278.020(4), persons under the jurisdiction of the Commission are required to receive Commission approval prior to the acquisition of 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 CPKI has the financial, technical, and managerial abilities to provide reasonable service to the public in RSA 6(B1) and that the acquisition by CPKI from RCCI 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 proposed financing is for a lawful object within CPKI'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 financing, as described in the joint application, is consistent with the requirements of KRS 278.300 and should be approved.

IT IS THEREFORE ORDERED that:

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

2. CPKI's proposed tariff setting rates and rules of service be and hereby is approved.

3. Within 10 days of the closing of the proposed transfer, CPKI shall file its tariff sheets in accordance with 807 KAR 5:011.

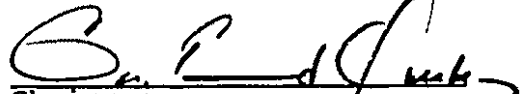
4. RCCI and CPKI shall file with the Commission evidence of closing no later than 3 days after closing occurs. If no evidence of closing is filed within 2 months of the date of this Order, this Order shall be vacated without further Order of the Commission.

5. If the proposed transfer does not occur, CPKI shall so notify the Commission.

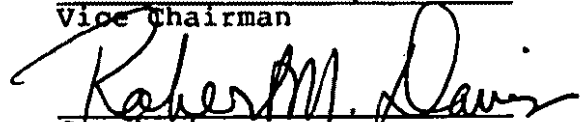
6. Within 10 days of the date of this Order, CPKI shall file its adoption notice in accordance with 807 KAR 5:011, Section 11.

Done at Frankfort, Kentucky, this 16th day of April, 1992.

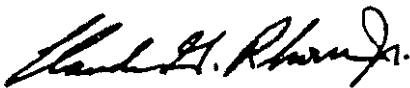
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:



Executive Director, Acting