

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF UNITED STATES)	
CELLULAR OPERATING COMPANY OF OWENSBORO)	
AND OWENSBORO CELLULAR TELEPHONE, L.P.)	
FOR APPROVAL OF THE TRANSFER OF THE)	
JURISDICTIONAL ASSETS OF UNITED STATES)	CASE NO.
CELLULAR OPERATING COMPANY OF OWENSBORO)	93-179
TO OWENSBORO CELLULAR TELEPHONE, L.P.,)	
THE ADMISSION OF CERTAIN LIMITED PARTNERS)	
TO OWENSBORO CELLULAR TELEPHONE, L.P AND)	
FOR APPROVAL OF FINANCING)	

O R D E R

On May 20, 1993, United States Cellular Operating Company of Owensboro ("USCOC") and Owensboro Cellular Telephone, L.P. doing business in Kentucky as Owensboro Cellular Telephone, Ltd. ("Owensboro Cellular") filed a joint application for approval of the transfer of the jurisdictional assets of USCOC to Owensboro Cellular. The applicants also request the Commission approve financing, Owensboro Cellular's assumption of the liabilities of USCOC associated with the proposed transfer, and the admission of certain limited partners to Owensboro Cellular.

USCOC currently owns the FCC license for the Owensboro Metropolitan Statistical Area ("Owensboro MSA") and intends to transfer it to Owensboro Cellular. USCOC will be the only general partner of Owensboro Cellular and, pursuant to the Limited Partnership agreement, will be the entity with the sole right to

manage and operate Owensboro Cellular.¹ Therefore, even though future limited partners of Owensboro Cellular may eventually hold more than a ten percent interest in the partnership, Commission approval of their interest is not required under KRS 278.020(4) or (5).

USCOC is a wholly-owned subsidiary of United States Cellular Operating Company which is in turn a wholly-owned subsidiary of United States Cellular Corporation ("USCC"). The Commission recently determined that USCC had the financial, technical, and managerial ability to provide service in Case No. 92-222² in which it approved the transfer of the partnership interest of Lewisport Telephone Co., Inc. in Kentucky RSA #3 Cellular General Partnership to USCC.

Owensboro Cellular's operating personnel will consist of two individuals who are currently Director of Network Operations and Market Manager, respectively, for another subsidiary of USCC in the Owensboro system.

The Commission finds that Owensboro Cellular has the financial, technical, and managerial ability to provide reasonable service in the Owensboro MSA.

USCOC further requests approval of financing pursuant to the Loan and Security Agreement, the specifics of which are set forth

¹ See ¶3.1(a)&(b) of Exhibit 1 to the Application.

² Case No. 92-222, Transfer of the Partnership Interests of Lewisport Telephone Company, Inc. in Kentucky RSA #3 Cellular General Partnership to United States Cellular Corporation.

in Exhibit 7 of the application. The financing will be provided by its affiliate USCC, and will be used for construction and operation of the cellular system and for general working capital. The financing will take the form of two notes payable to USCC: (1) a 60-month note to evidence long-term indebtedness in the principal amount of \$108,142.76, and (2) a revolving credit demand note to evidence short-term indebtedness in the amount of \$2,000,000. The stated interest upon both notes is the prime lending rate plus 1-1/2 percent. Owensboro Cellular will assume this obligation as part of the transfer.

The Commission, having considered the evidence of record and being sufficiently advised, finds that the issuance and execution of these notes by USCOC are for the lawful objectives within the corporate purposes of USCOC's and Owensboro Cellular's operations, are necessary or appropriate for and consistent with the proper performance of its service to the public, will not impair its ability to perform that service, are reasonably necessary and appropriate for such purposes, and should therefore be approved.

Presently, USCOC joins in the tariff of its affiliate Evansville Cellular Telephone Company ("Evansville"). Owensboro Cellular proposes to adopt the tariff of Evansville on the effective date of the transfer. The Commission, having reviewed Evansville's current tariff, finds that revisions must be made to the following provisions:

1. Refer to First Revised Sheet 12, Section VIII, last two words. Correct the reference to "Term" as being in Section IV.

2. Refer to Second Revised Sheet 20, Section XXII, A(1). Substitute the word "radio" for "ratio" in line two.

3. Refer to First Revised Sheet 21, Section XXII, C. Delete the reference to Rate Schedules 8 and 9 or include them in the tariff.

4. Refer to First Revised Sheet 24, Section XXII, C(7)(a)[1]. Insert the word "outgoing" after "no."

5. 807 KAR 5:006, Section 3, requires each utility to include its billing format or the contents of such a form in its tariff on file with the Commission. Provide such a form in your tariff.

IT IS THEREFORE ORDERED that:

1. The transfer of the jurisdictional assets of USCOC to Owensboro Cellular is hereby approved.

2. In the event the transfer does not take place, Owensboro Cellular shall notify the Commission within 10 days that it will not be assuming ownership and control of the assets of USCOC.

3. Within 10 days of the completion of the transfer, Owensboro Cellular shall file an executed adoption notice and its proposed tariff sheets in accordance with 807 KAR 5:011, Section 11.

4. USCOC be and it hereby is authorized to incur debt evidenced by the notes in its application.

5. USCOC shall, within 30 days after the issuance of the notes and agreements referred to herein, file with the Commission a statement setting forth the date or dates when the transactions


are consummated, the price paid, the interest rates, and all fees and expenses, including underwriting discounts, commission, or other compensation, involved in the issuance and distribution.

6. The proceeds from the transactions authorized herein shall be used only for the lawful purposes as set out in the application.

Nothing contained 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 19th day of July, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director