## COMMONWEALTH OF KENTUCKY

## BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF AMTEL COMMUNICATIONS ) PAYPHONES, INC., A CALIFORNIA ) CORPORATION, TO MERGE INTO AMTEL ) CASE NO. 95-195 COMMUNICATIONS, INC., A CALIFORNIA ) CORPORATION )

## <u>O R D E R</u>

On April 28, 1995, Amtel Communications Payphones, Inc. ("Amtel Communications Payphones") and Amtel Communications, Inc. ("Amtel Communications") (hereinafter collectively referred to as "Joint Applicants") filed, pursuant to KRS 278.020(4), an application for Commission approval of the merger of Amtel Communications Payphones into Amtel Communications, its parent corporation ("Application"). Upon the effective date of the merger, Amtel Communications will be the surviving corporation.

Both Amtel Communications Payphones and Amtel Communications are California corporations authorized to do business in the Commonwealth of Kentucky. Amtel Communications Payphones was authorized by the Commission to provide pay telephone service in Kentucky as a Customer-Owned Coin-Operated Telephone provider under the terms of its approved tariff, which was effective May 25, 1994.

KRS 278.020(5), which prohibits any entity from acquiring control of any utility under the jurisdiction of the Commission without prior approval, does not apply to this transaction. KRS 278.020(6) ("Subsection (5) of this section shall not apply to any acquisition of control of any . . [u]tility by an acquirer who directly, or indirectly . . . controls, or is controlled by, or is under common control with, such utility . . .") However, KRS 278.020(4), which requires Commission approval of all transfers of utility ownership or control, contains no exemption for business reorganization. Consequently, the Commission finds that KRS 278.020(4) is applicable to the proposed transaction as described by Joint Applicants. Therefore, Commission approval is necessary.

Joint Applicants assert that the directors, officers, and key management personnel of Amtel Communications Payphones and Amtel Communications are identical, and that other personnel of the two corporations largely overlap. Joint Applicants also state that, after the merger takes place, Amtel Communications will possess the same assets currently used by Amtel Communications Payphones to provide service. Therefore, the surviving entity, Amtel Communications, will possess the financial, managerial and technical abilities to provide reasonable service in Kentucky. Joint Applicants further assert that the proposed transaction will result in increased efficiency and cost savings. On May 12, 1995, Amtel Communications filed an adoption notice pursuant to 807 KAR 5:011, Section 11, adopting the rates, rules, classifications and regulations of Amtel Communications Payphones.

The Commission finds that Amtel Communications has demonstrated the financial, technical, and managerial abilities to provide reasonable service to the public, and that the proposed transaction will be made in accordance with law, for a proper

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purpose, and consistent with the public interest. Consequently, the proposed transaction should be approved.

IT IS THEREFORE ORDERED that:

1. The proposed transaction as described by the Joint Applicants is hereby approved.

2. Joint Applicants shall notify the Commission within 10 days of the consummation of the proposed transaction or, in the alternative, shall notify the Commission if the proposed transaction does not occur.

3. Within 10 days of the date of this Order, Amtel Communications shall file in its own name the tariff of Amtel Communications Payphones, or such other tariff as it proposes to put into effect in lieu thereof.

Done at Frankfort, Kentucky, this 25th day of May, 1995.

PUBLIC SERVICE COMMISSION

Chairman

Reath

Commissione

ATTEST:

Executive Director