

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TRANSFER OF INTEREST IN	)	
EVANSVILLE MSA LIMITED PARTNERSHIP	)	CASE NO. 95-266
FROM SMITHVILLE TELEPHONE COMPANY, INC.	)	
TO CONTEL CELLULAR OF INDIANA, INC.	)	

O R D E R

On June 15, 1995, Contel Cellular of Indiana, Inc. ("Contel") filed a request for an Order approving the transfer to Contel of Smithville Telephone Company, Inc.'s ("Smithville") 5.7282 percent limited partnership interest in Evansville MSA Limited Partnership (the "Partnership"). Contel, an Indiana corporation, owns a 42.00 percent interest in the Partnership as general partner and also owns an additional 52.2718 percent interest in the Partnership under a limited partnership arrangement with Smithville, with Smithville owning the remaining 5.7282 interest in the Partnership. The Partnership Agreement is filed with the Public Service Commission ("Commission") in Case No. 10096.<sup>1</sup>

On April 3, 1995, Contel and Smithville entered into a Purchase and Sale Agreement wherein Smithville agreed to sell and Contel agreed to purchase Smithville's limited partnership interest in the Partnership. Contel's purchase of Smithville's 5.7282 percent limited partnership interest will result in Contel owning

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<sup>1</sup> Case No. 10096, The Application of Evansville MSA Limited Partnership for the Issuance of a Certificate of Public Convenience and Necessity to Provide Domestic Public Cellular Radio Telecommunications Service to the Public in Henderson County and portions of Daviess and Union Counties, Kentucky and for Establishment of Initial Rates.

100 percent of the Partnership, thereby effecting a dissolution of the Partnership and Contel's subsequent acquisition of ownership of the Partnership's utility. Because the proposed transfer involves the acquisition of ownership of a utility, KRS 278.020(4) is applicable. KRS 278.020(4) states that 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. The statute further states that the Commission shall grant its approval if the person acquiring the utility has the financial, technical, and managerial abilities to provide reasonable service.

Contel states that its acquisition of Smithville's interest in the Partnership will not cause any changes in the operation of the utility. Contel also states that the utility's personnel will remain in their same positions and will operate the utility in the same manner after the transfer as they did before the transfer; this is true for managerial, technical, marketing and administrative employees.

Furthermore, Contel states that the equipment Contel will use to provide cellular service will be the same equipment that was used before the transfer. In addition, none of the Partnership's assets will be distributed to Contel or Smithville in connection with the transaction and the utility will not incur any debt or issue any securities as part of the transfer.

Contel has been managing the utility since its inception as the general partner of the Partnership. It has the same financial, technical, and managerial ability that is presently being used to operate the cellular system. The Commission, therefore, finds that


Contel has the financial, technical, and managerial ability to provide reasonable service. Consequently, the proposed acquisition, as described in Contel's application, filed June 15, 1995 and its supplemental application, filed June 30, 1995, is consistent with the requirements of KRS 278.020(4) and should be approved.

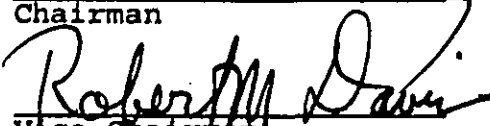
IT IS THEREFORE ORDERED that:

1. The proposed transfer be, and it hereby is, approved.
2. Within 10 days of the date of the closing of the proposed transfer, Contel shall file an executed adoption notice pursuant to 807 KAR 5:011, Section 11.
3. Within 30 days of the date of the closing of the proposed transfer, Contel shall give notice to the Commission of the closing.
4. Within 30 days of the date of the closing of the proposed transfer, Contel shall file its tariff sheets in accordance with 807 KAR 5:011.
5. If the proposed transfer does not occur, Contel shall notify the Commission.

Done at Frankfort, Kentucky, this 27th day of July, 1995.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

ATTEST:

  
Commissioner

  
Executive Director