

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF SOUTHERN OHIO)
TELEPHONE COMPANY, AN OHIO GENERAL)
PARTNERSHIP, AND ITS DIRECT AND INDIRECT)
CORPORATE PARENTS, NORTHERN OHIO)
TELEPHONE COMPANY, AN OHIO GENERAL)
PARTNERSHIP, DAYTON CELLULAR TELEPHONE)
COMPANY, AN OHIO GENERAL PARTNERSHIP, AND)
NEW PAR, A DELAWARE GENERAL PARTNERSHIP,)
FOR APPROVAL OF (1) THE MERGER OF SOUTHERN) CASE NO.
OHIO TELEPHONE COMPANY INTO NEW PAR, WITH) 96-500
NEW PAR BEING THE SURVIVING ENTITY, OR (2))
ALTERNATIVELY FOR A DECLARATION THAT NO)
SUCH APPROVAL IS REQUIRED; AND (3) FOR)
APPROVAL OF THE ADOPTION BY NEW PAR OF THE)
TARIFF OF SOUTHERN OHIO TELEPHONE COMPANY)
SIMULTANEOUSLY WITH THE CONSUMMATION OF)
THE MERGER)

O R D E R

On October 23, 1996, Southern Ohio Telephone Company ("SOTCo"), Northern Ohio Telephone Company, ("NOTCo"), Dayton Cellular Telephone Company ("Dayton Cellular"), and New Par, filed a joint application for Commission approval of the merger of SOTCo into New Par, through the merger of SOTCo and its direct and indirect minority parents, NOTCo and Dayton Cellular, into New Par, with New Par being the surviving entity. New Par further requests approval of the adoption by New Par of the SOTCo tariff currently on file with the Commission.

SOTCo, an Ohio General Partnership, provides cellular telecommunications service in the Kentucky portions of the Cincinnati Metropolitan Statistical Area ("MSA").

SOTCo was authorized to conduct business in Kentucky in Case No. 9462.¹ SOTCo has two general partners, New Par, which owns 99 percent of SOTCo and Dayton Cellular, which owns 1 percent of SOTCo.

NOTCo, an Ohio general partnership, provides cellular telecommunications service in Ohio. However, NOTCo does not provide cellular communications or any other utility service in the Commonwealth of Kentucky. NOTCo has two general partners, New Par, which owns 99 percent of NOTCo, and Dayton Cellular, which owns 1 percent of NOTCo.

Dayton Cellular, an Ohio general partnership, provides telecommunications service in Ohio. However, Dayton Cellular does not provide cellular communications or any other utility service in the Commonwealth of Kentucky. Dayton has two general partners, New Par, which owns 98.05 percent of Dayton Cellular, and NOTCo, which owns 1.95 percent of Dayton Cellular.

New Par, a Delaware general partnership, holds interests in a number of cellular communications service providers in Michigan, Ohio and Kentucky. New Par is a general partner of SOTCo, NOTCO and Dayton Cellular and owns respectively, 99 percent, 99 percent and 98.05 percent of each. Through its interest in each of the other

¹ Case No. 9462, The Application of the Southern Ohio Telephone Company for the Issuance of a Certificate of Public Convenience and Necessity to Provide a New Domestic Public Cellular Radio Telecommunications Service to the Public in the Greater Cincinnati Metropolitan Area Including All or Parts of Butler, Clermont, Hamilton and Warren Counties in Ohio, Boone, Campbell, Gallatin, Grant, Kenton, Ohio, and Pendleton Counties in Kentucky and Dearborn, Franklin and Switzerland Counties in Indiana, Order dated January 9, 1986.

three general partnerships that are joint applicants in this proceeding, New Par directly and indirectly owns 100 percent of each of the three partnerships.

The proposed transaction will be accomplished through the restructuring of New Par whereby New Par will liquidate all of its wholly-owned subsidiaries, including SOTCo, and merge them into New Par. The resulting restructuring will be transparent to SOTCo's subscribers and will not adversely affect the services being received by current customers. There will be no change in the day-to-day management or operation of SOTCo's cellular facilities.

Pursuant to KRS 278.020(4), no person shall acquire or transfer ownership or control, or the right to control, any utility under the jurisdiction of the Commission without prior approval of the Commission. KRS 278.020(5) prohibits any person or entity from acquiring control of any utility under the jurisdiction of the Commission without prior approval. However, KRS 278.020(5) does not apply because SOTCo derives a greater percentage of its revenues from business in Ohio and the merger is subject to review by that Commission. KRS 278.020(6)(a). Further, New Par controls SOTCo through its existing ownership interests. KRS 278.020(6)(b).


Based on the information filed in this case, the Commission finds that New Par has the financial, technical, and managerial abilities to provide cellular service in Kentucky. Accordingly, the proposed transaction should be approved as required by KRS 278.020(4).

IT IS THEREFORE ORDERED that:

1. The merger and liquidation of SOTCo into New Par, with New Par being the surviving entity, is approved.
2. The adoption by New Par of the current tariff of SOTCo is approved.
3. Within 10 days of the date of this Order, New Par shall file its adoption notice tariff.

Done at Frankfort, Kentucky, this 19th day of December, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director