

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION FOR APPROVAL OF THE )  
TRANSFER OF UTILITY OPERATIONS OF )  
LEXINGTON MSA LIMITED PARTNERSHIP ) CASE NO. 96-574  
TO KENTUCKY CGSA, INC. )  
)

O R D E R

On November 27, 1996, Kentucky CGSA, Inc. d/b/a BellSouth Mobility ("Kentucky CGSA"), Lexington MSA Limited Partnership d/b/a BellSouth Mobility ("Lexington MSA"), and BellSouth Mobility Inc. ("BMI") (hereinafter collectively referred to as "Joint Applicants") filed with the Commission an application ("Joint Application") seeking approval for the transfer of all utility operations of Lexington MSA to Kentucky CGSA.

Kentucky CGSA, a Georgia corporation, is authorized to provide mobile cellular telecommunications services in Kentucky pursuant to the Commission's Order in Case No. 90-357.<sup>1</sup> A certified copy of Kentucky CGSA's Articles of Incorporation is attached as Exhibit 4 to the Joint Application.

Lexington MSA, a Delaware limited partnership, is authorized to provide mobile cellular telecommunications services in Kentucky pursuant to the Commission's Order in

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<sup>1</sup> Case No. 90-357, Application of Kentucky CGSA, Inc. for Issuance of a Certificate of Public Convenience and Necessity to Construct an Additional Cell Site in the Louisville, Kentucky Metropolitan Statistical area.

Case No. 9679.<sup>2</sup> A certified copy of Lexington MSA's Certificate of Limited Partnership and amendments thereto is attached as Exhibit 2 to the Joint Application.

BMI is a corporation organized pursuant to the laws of the state of Georgia. A certified copy of BMI's Articles of Incorporation is attached as Exhibit 5 to the Joint Application. Kentucky CGSA, Lexington MSA, and BMI are subsidiaries of BellSouth Mobile Systems, Inc. and are owned directly or indirectly by BellSouth Cellular Corporation.

Joint Applicants propose to dissolve Lexington MSA by conveying BMI's zero-point one percent (0.1%) interest in Lexington MSA to Kentucky CGSA, thereby giving Kentucky CGSA one hundred percent (100%) ownership of Lexington MSA's assets. Kentucky CGSA and BMI, as partners in Lexington MSA, have each given their respective consents to the conveyance of BMI's interest in Lexington MSA to Kentucky CGSA. Copies of their consents are attached as Exhibit 6 and Exhibit 7 to the Joint Application.

Joint Applicants state that the proposed transfer will have no adverse effect on Lexington MSA's Kentucky customers. They state that the transfer will be undertaken in a seamless fashion that will not affect the provision of telecommunications services. Joint Applicants further state that said customers will continue to be able to purchase, under the same terms and condition, the same high quality products and services from Kentucky CGSA that they currently receive.

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<sup>2</sup> Case No. 9679, The Application of Lexington MSA Limited Partnership 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 Lexington Metropolitan Area including all, or parts of, Bourbon, Clark, Fayette, Jessamine, Scott and Woodford Counties in Kentucky and Tariff Approval.

Joint Applicants further state that upon consummation of the proposed transaction, the Lexington MSA operations will be managed by a well-qualified team of managers and employees who are currently Lexington MSA personnel. On November 27, 1996, Kentucky CGSA filed an Adoption Notice wherein it adopted, ratified, and made its own Lexington MSA's tariffed rates, rules, regulations for furnishing mobile cellular telecommunications services in Kentucky.

According to Joint Applicants, the purpose of the proposed transfer of utility operations and the dissolution of Lexington MSA is to eliminate unnecessary complexities in the corporate structure of BellSouth Cellular Corporation and to simplify tax and other reporting requirements.

Pursuant to KRS 278.020(4), all 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. Furthermore, KRS 278.020(5) prohibits any entity from acquiring control of any jurisdictional utility without prior approval.

The Commission finds that although KRS 278.020(5) is not applicable to the proposed transaction because of an exemption found in KRS 278.020(6)(b), KRS 278.020(4) is applicable to the proposed transaction as described by Joint Applicants. Commission approval is, therefore, necessary.

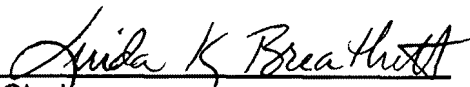
The Commission has previously determined, in Case No. 90-357, that Kentucky CGSA possesses the financial, technical, and managerial abilities to provide reasonable service in Kentucky.

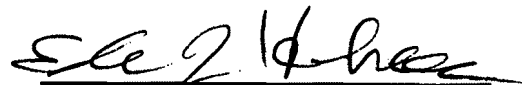
IT IS THEREFORE ORDERED that:

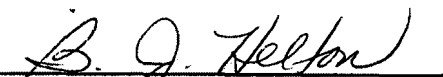
1. The proposed transaction as described by the Joint Applicants is hereby approved.
2. Joint Applicants shall notify the Commission within 10 days of the date of closing of the proposed transaction or, in the alternative, shall notify the Commission if the proposed transaction does not occur.
3. Within 10 days of the date of closing, Kentucky CGSA shall file in its own name the tariff of Lexington MSA adopted by Kentucky CGSA, or such other tariff as it proposes to put into effect in lieu thereof.

Done at Frankfort, Kentucky, this 23rd day of December, 1996.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director