COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ROBERT E. STEPHENS

COMPLAINANT

V.

CASE NO. 97-145

HIGHLAND COMMUNICATIONS OF TENNESSEE AND HIGHLAND TELEPHONE COOPERATIVE, INC.

ORDER

IT IS HEREBY ORDERED that Highland Telephone Cooperative, Inc. ("Highland Telephone") shall file the original and six (6) copies of the following information with the Commission with a copy to Complainant by no later than 10 days from the date of this Order:

1. Pursuant to KRS 279.360(2), Highland Telephone may acquire the authority to improve, expand, construct, acquire and operate telephone lines, facilities, or systems without regard to its geographical location <u>if</u> it obtains a determination by the administrator of the rural electrification administration, which is approved by this Commission, stating that its procedures for same are "necessary in order to furnish or improve telephone service in rural areas." Discuss in detail the applicability of KRS 279.360(2) to Highland Telephone's formation of Highland Communications. Include supporting documentation where appropriate.

Done at Frankfort, Kentucky, this 3rd day of November, 1997.

PUBLIC SERVICE COMMISSION

Breathoff For the Commission

ATTEST:

Executive Director