

COMMONWEALTH OF KENTUCKY

BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of

THE APPLICATION OF )  
GENERAL TELEPHONE FOR )  
AN ORDER AUTHORIZING )  
THE ISSUANCE AND SALE )  
OF SECURITIES )

CASE NO. 7748

O R D E R

On February 19, 1980, General Telephone Company of Kentucky filed its Application seeking authority from the Commission to issue and sell 32,000 shares of its common stock, without par value, to its parent, General Telephone and Electronics Corporation, for a consideration of \$8,000,000. Subsequent to the original filing, on February 25, 1980, the Company amended its Application then seeking authority to issue 40,000 shares of common stock for a consideration of \$10,000,000.

The proceeds from the sale of the securities will be used to repay \$10,000,000 in short-term loans, the proceeds of which have been used to make substantial additions to and replacements of telephone plant in order to meet the demands of the public for telephone service.

The matter was set for hearing on the 10th day of March, 1980, at the Commission's office in Frankfort, Kentucky, at which hearing there appeared no party of interest other than the Applicant.

The Commission, after consideration of the Application and all evidence of record and being advised, is of the opinion and Finds that the proposed issuance and sale by the Applicant of 40,000 shares of its no par common stock to General Telephone and Electronics Corporation for a consideration of \$10,000,000 is for a lawful object within the corporate purposes of the utility, is necessary and appropriate for and consistent with the proper performance by the utility of its service to the public and will not

impair its ability to perform that service and is reasonably necessary and appropriate for such purpose.

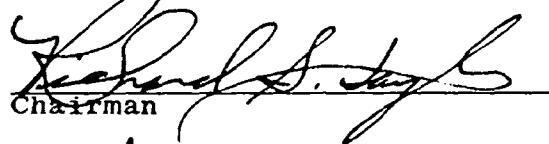
IT IS THEREFORE ORDERED, that General Telephone Company of Kentucky be and it hereby is authorized to issue and sell 40,000 shares of its no par common stock to its parent company, General Telephone and Electronics, for a consideration of \$10,000,000.

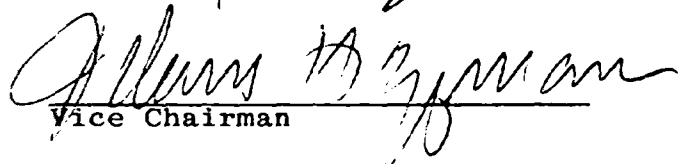
IT IS FURTHER ORDERED, that the proceeds from the sale of the securities authorized herein shall be used only for the lawful purposes as set out in the Application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this the 24th day of March, 1980.

UTILITY REGULATORY COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary