

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PUBLIC OFFERING OF ACC CORP.)
AS IT AFFECTS DANBURY CELLULAR) CASE NO. 91-232
TELEPHONE CO.)

O R D E R

On July 5, 1991, Danbury Cellular Telephone Co. ("Danbury") filed with the Commission its notice and request for Order respecting a public offering of common stock by ACC Corp. ("ACC"), the parent corporation of Danbury.

On July 22, 1991, the Commission issued its Order holding that insufficient evidence was available to determine the necessity of approval of the ACC public offering under KRS 278.020(4) and (5). The Commission was concerned that "a change in control could occur if, for example, one entity should purchase the entire issue of stock." The Commission also held that approval of the public offering pursuant to KRS 278.300 was unnecessary. The Commission dismissed the case without prejudice.

On July 24, 1991, Danbury filed with the Commission its letter stating that a notice would be placed in the Registration Statement and Prospectus regarding the Commission's regulation of the transfer of control of a Kentucky utility, and a letter to ACC from its underwriters stating that no person will be permitted to acquire that number of shares which, after the issuance of all

shares in the offering, would represent 5 percent of the total shares issued and outstanding after the offering.

Based on the information filed by Danbury with the Commission, the Commission finds and concludes as follows:

No person or entity will own 10 percent of the voting securities of ACC as a result of the public offering and prior ownership of ACC common stock. Thus, the public offering cannot result in a transfer of ownership or control within the meaning of KRS 278.020(4) and (5). Nevertheless, any person or entity that attempts to acquire ownership of 10 percent or more of the voting securities of ACC through the public offering or otherwise must obtain the prior approval of the Commission or establish that such ownership will not in fact confer control, directly or indirectly, of the Kentucky utility, Danbury.

Considering the representations made by Danbury and ACC, the Commission concludes that approval of the public offering of ACC common shares is not required.

IT IS THEREFORE ORDERED that the Commission's July 22, 1991 Order is modified as noted herein.

Done at Frankfort, Kentucky, this 26th day of July, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director

Commissioner