

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TSACONAS CELLULAR, INC. FOR THE)
AUTHORIZATION OF THE DOMESTIC)
PUBLIC CELLULAR RADIO TELECOMMUNICATIONS) CASE NO. 91-382
OPERATOR TO ASSUME AN OBLIGATION)
PURSUANT TO KRS SECTION 278.300)

O R D E R

On October 23, 1991, Tsaconas Cellular, Inc. ("Tsaconas") filed an application seeking the Commission's approval of its proposed vendor financing from American Telephone and Telegraph Credit Corporation ("AT&T"). On October 30, 1991, Tsaconas was notified of the application's filing deficiencies. The deficiencies were cured with Tsaconas's filing of November 6, 1991. Also on November 6, 1991, Tsaconas amended its application with respect to the amount of the proposed borrowing.

The terms of the proposed financing are set forth in Exhibits 1 and 2 of the application, which consist, respectively, of an AT&T loan commitment letter and the Loan and Security Agreement. The financing as amended will consist of a purchase money loan and working capital notes in an amount up to \$10,000,000, repaid over 84 months at an interest rate of prime plus 3 percent. The proceeds will be used to fund the equipment purchase, construction, and operation of Tsaconas's cellular system in Kentucky RSA #3.

The Commission finds that Tsaconas's proposed financing is consistent with the performance by Tsaconas of its service to the public, will not impair the ability of Tsaconas to perform its service to the public, is for a lawful object within the corporate purpose of Tsaconas and is reasonably necessary and appropriate for the purposes of the utility.

IT IS THEREFORE ORDERED that Tsaconas be and hereby is authorized to issue evidence of indebtedness pursuant to the terms and conditions set forth in its amended 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 25th day of November, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director