

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF BELLSOUTH )  
ENTERPRISES, INC., BELLSOUTH MOBILITY, )  
INC., BELLSOUTH CELLULAR CORPORATION, )  
AND BELLSOUTH MOBILE SYSTEMS, INC. ) CASE NO. 92-378  
FOR AN ORDER APPROVING TRANSFER OF THE )  
OWNERSHIP OF BELLSOUTH MOBILITY, INC. )  
FROM BELLSOUTH ENTERPRISES, INC. TO )  
ITS SUBSIDIARY BELLSOUTH CELLULAR )  
CORPORATION )

O R D E R

On September 3, 1992, BellSouth Mobility, Inc. ("BMI"), Bell South Enterprises, Inc. ("BSE"), BellSouth Cellular Corporation ("BSCC") and BellSouth Mobile Systems, Inc. ("BSI"), hereinafter referred to as ("Joint Applicants"), filed an application pursuant to KRS 278.020 requesting Commission approval of the restructuring of BSE's corporate organization, hereinafter referred to as ("proposed transaction").

BSE, a Georgia Corporation, is the parent corporation of BMI, owning directly or indirectly 100 percent of the stock of BMI. BMI is a Georgia corporation authorized to provide mobile cellular

telecommunications service in RSA #7 pursuant to the February 15, 1991 Order of this Commission.<sup>1</sup>

BMI also owns or controls 100 percent of the stock in Kentucky CGSA Inc.,<sup>2</sup> and Lexington MSA Limited Partnership,<sup>3</sup> and Nashville/Clarksville Limited, MSA Limited Partnership,<sup>4</sup> which are jurisdictional utilities authorized to provide cellular service in Kentucky.

Joint Applicants propose to change their present corporate structure through the transfer of 100 percent ownership of the stock of BMI to BSCC. Thereafter, BSCC will be totally owned by BSI, and BSI will be totally owned by BSE, the parent corporation. In effect, two intermediate subsidiary corporations will be inserted into the corporate structure between the parent company, BSE, and the jurisdictional utility, BMI.

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<sup>1</sup> Case No. 90-404, Application of BellSouth Mobility, Inc. for Issuance of a Certificate of Public Convenience and Necessity to Construct a Cell Site in Shelbyville, Kentucky, for the Provision of Domestic Public Cellular Radio Telecommunications Service to the Public in Shelby County, Kentucky.

<sup>2</sup> Case No. 90-357, In the Matter of 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, Order dated January 10, 1991.

<sup>3</sup> Case No. 92-230, In the Matter of Application of Lexington MSA Limited Partnership for Issuance of a Certificate of Public Convenience and Necessity to Construct an Additional Cell Site in Versailles, Kentucky, for the provision of Domestic Public Cellular Radio Telecommunications Service to the Public in the Lexington MSA, Order dated July 31, 1992.

<sup>4</sup> The Nashville/Clarksville Limited Partnership serves the Nashville/Clarksville MSA, a small portion of which extends into Christian County, Kentucky. A tariff was filed with this Commission on August 31, 1992.

Joint Applicants state that the proposed transaction will be transparent to the four Kentucky jurisdictional utilities, BMI, Kentucky CGSA, Inc., Lexington MSA Limited Partnership, and Nashville/Clarksville Limited Partnership, and to their customers since these jurisdictional utilities will continue to provide service under current rates, terms, and conditions of service in accordance with their tariffs on file with this Commission. The jurisdictional utilities will continue to have their own personnel, management, plant, capitalization, and books of account, and will continue to have the financial, technical, and managerial abilities to provide service in Kentucky.

Pursuant to KRS 278.020(4), 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. KRS 278.020(5) prohibits any entity from acquiring control of any utility under the jurisdiction of the Commission without prior approval. KRS 278.020(6) exempts utilities from the provisions of subsection (5) if the acquisition of control of the utility is for purposes of corporate reorganization. Joint Applicants assert that the proposed transaction consisting of the restructuring of its corporate organization is exempt, therefore, pursuant to subsection (6).

The Commission finds that KRS 278.020(4) is applicable to the proposed transaction because a change in ownership occurs as a result of the transfer of 100 percent of the stock of BMI from BSE to a subsidiary corporation, BSCC. The Commission further finds

that the proposed transaction is for a proper purpose consistent with the requirements of KRS 278.020(4) and the public interest. Therefore, the proposed transaction should be approved since BMI and its wholly owned subsidiaries will continue to have the financial, technical, and managerial abilities to provide reasonable service to the public. The Commission finds that the proposed transaction is exempt from the provisions of KRS 278.020(5) because it constitutes a corporate reorganization as defined by KRS 278.020(6) and, therefore, Commission approval pursuant to KRS 278.020(5) is unnecessary.

IT IS THEREFORE ORDERED that:

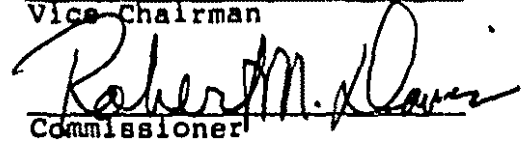
1. The proposed transaction be and is hereby approved.
2. Within 30 days of the closing of the proposed transaction, the parties shall give notice to the Commission.
3. Within 20 days of the date of this Order, the parties shall file an organization chart showing the corporate structure and affiliations of each of its Kentucky operations.
4. Within 20 days of the date of this Order, the parties shall file the complete corporate name and business name of each of its Kentucky operations reflecting the restructuring.

Done at Frankfort, Kentucky, this 10th day of November, 1992.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice-Chairman

  
Commissioner

ATTEST:

  
Executive Director