

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF TELEPHONE AND)
DATA SYSTEMS, INC., AN IOWA CORPORATION,)
UNITED STATES CELLULAR CORPORATION, A)
DELAWARE CORPORATION, AND MO-TEL)
CELLULAR, INC., A GEORGIA CORPORATION)
D/B/A CELLULAR ONE WESTERN KENTUCKY)
CELLULAR TELEPHONE COMPANY AND D/B/A) CASE NO. 93-276
WESTERN KENTUCKY CELLULAR TELEPHONE)
COMPANY, FOR APPROVAL OF THE MERGER OF A)
WHOLLY-OWNED SUBSIDIARY OF TELEPHONE AND)
DATA SYSTEMS, INC. AND MO-TEL CELLULAR,)
INC. AND THE TRANSFER OF THE SURVIVING)
CORPORATION TO UNITED STATES CELLULAR)
CORPORATION)

O R D E R

On August 6, 1993, Telephone and Data Systems, Inc. ("TDS"), United States Cellular Corporation ("USCC") and Mo-Tel Cellular, Inc. ("Mo-Tel") (hereinafter collectively referred to as "Joint Applicants") filed an application pursuant to KRS 278.020(4) and KRS 278.020(5) for necessary approvals for the acquisition of Mo-Tel by USCC (hereinafter referred to as "proposed transaction"). This acquisition is to be accomplished through a merger of Mo-Tel with a wholly-owned subsidiary of TDS wherein Mo-Tel is the surviving entity. Subsequent to the merger, shares of stock in Mo-Tel will be exchanged for shares of TDS. The surviving corporation

will be called Kentucky RSA #2, Inc. ("Kentucky RSA #2"). TDS will then transfer all of the shares of the surviving corporation to USCC in exchange for shares of USCC stock.

TDS is an Iowa corporation which owns a number of subsidiaries that provide communications services including local exchange, cellular and radio paging services. TDS does not provide telecommunications service in Kentucky but owns subsidiaries which are authorized by this Commission to provide service.

USCC is a Delaware corporation whose subsidiary corporations, United States Cellular Operating Company of Owensboro and United States Cellular Operating Company of Evansville through ownership in Evansville Cellular Telephone Company are authorized to provide cellular telecommunications service in Kentucky.¹

Mo-Tel, a Georgia corporation, holds a non-wireline cellular license in Cellular RSA Market No. 444, Kentucky 2-Union and was

¹ Case No. 93-118, The Joint Application of Telephone and Data Systems, Inc., United States Cellular Corporation and Tsaconas Cellular, Inc. for approval of the acquisition of Tsaconas Cellular, Inc., by Telephone and Data Systems, Inc. and the Transfer to United States Cellular Corporation.

authorized by this Commission to provide cellular service by orders dated November 4, 1991, February 28, 1992, and March 27, 1992.²

Joint Applicants submit that the proposed transaction will be made in accordance with law, for a proper purpose and is consistent with the public interest. Joint Applicants further submit that TDS and USCC have the financial, technical and managerial abilities to provide reasonable service in RSA 2 and that consumers will benefit from the administrative efficiencies available to USCC. USCC has also demonstrated its financial, technical, and managerial abilities in Case No. 93-118. Kentucky RSA #2 proposes to file a tariff with terms and conditions identical to the tariff which is

² Case No. 91-290, The Application of Mo-Tel Cellular, Inc., a Georgia Corporation d/b/a Cellular One Western Kentucky Cellular Telephone Company, and d/b/a Western Kentucky Cellular Telephone Company for the Issuance of a Certificate of Public Convenience and Necessity to Provide Domestic Public Cellular Radio Telecommunications Service to the Public in the Kentucky Rural Service Area Which Includes Counties in Kentucky, for Approval of Financing, and for Establishment of Initial Rates; Case No. 92-024, The Application of Mo-Tel Cellular, Inc., a Georgia Corporation d/b/a Cellular One Western Kentucky Cellular Telephone Company, d/b/a Cellular One, and d/b/a Western Kentucky Cellular Telephone Company for the Issuance of a Certificate of Public Convenience and Necessity for the Operation and Construction of Two Additional Cell Sites so as to Enlarge the Coverage of the Rural Service Area Which Includes Caldwell, Crittenden, Hopkins, Livingston, Lyon, Trigg, Union and Webster Counties in Kentucky; and Case No. 92-046, The Application of Mo-Tel Cellular, Inc., a Georgia Corporation d/b/a Cellular One Western Kentucky Cellular Telephone Company, d/b/a Cellular One, and d/b/a Western Kentucky Cellular Telephone Company for the Issuance of a Certificate of Public Convenience and Necessity for the Operation and Construction of an Additional Cell Site so as to Enlarge the Coverage of the Kentucky Rural Service Area Which Includes Caldwell, Crittenden, Hopkins, Livingston, Lyon, Trigg, Union and Webster Counties in Kentucky.

on file for Evansville Cellular Telephone Company rather than adopting Mo-Tel's current tariff.

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.

The Commission finds that KRS 278.020(4) and (5) are applicable to the proposed transaction as described by Joint Applicants. Therefore, Commission approval is necessary.

The Commission, having determined that KRS 278.020(4) and (5) are applicable to the proposed transaction, finds that Joint Applicants have demonstrated the financial, technical, and managerial abilities to provide reasonable service to the public and that the proposed transaction is consistent with the requirements of KRS 278.020(4) and (5) and should be approved.

IT IS THEREFORE ORDERED that:

1. The proposed transaction consisting of the acquisition of Mo-Tel by USCC, as described by Joint Applicants, is hereby approved.


2. Joint Applicants shall notify the Commission within 10 days of the date of closing of the proposed transaction or, in the alternative, shall notify the Commission if the proposed transaction does not occur.

3. Within 30 days of the date of this Order, Kentucky RSA #2 shall file its tariff sheets in accordance with 807 KAR 5:011.

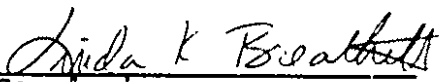
4. Within 30 days of this Order, Kentucky RSA #2, TDS, and USCC shall file organizational charts reflecting all Kentucky cellular operations, all associated ownership interests, all associated corporate names, and all associated business names.

Done at Frankfort, Kentucky, this 5th day of October, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director