

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF CONTEL)
CELLULAR OF KENTUCKY B, INC. AND)
LITCHFIELD COUNTY CELLULAR, INC.)
FOR APPROVAL TO TRANSFER AND) CASE NO. 94-006
ACQUIRE CONTROL OF THE CELLULAR)
TELEPHONE UTILITY IN KENTUCKY RURAL)
SERVICE AREA NO. 11)

O R D E R

Contel Cellular of Kentucky B, Inc. ("Contel") and Litchfield County Cellular, Inc. ("Litchfield") have jointly applied for approval to transfer control of the utility providing domestic public cellular radio telecommunications service in Kentucky Rural Service Area Number 11 ("RSA No. 11") from Contel to Litchfield. They have further applied for authorization for Litchfield to issue evidences of indebtedness in connection with the transfer.

Having considered the application and being otherwise sufficiently advised, the Commission finds that:

1. Contel currently owns assets used to provide cellular service in RSA No. 11.

2. Litchfield currently owns and operates facilities which provide cellular telephone service in Connecticut Rural Service Area No. 1 ("RSA No. 1"). The Federal Communications Commission previously determined that Litchfield has the financial ability to own and operate Connecticut RSA No. 1.

3. Contel proposes to sell all of its assets used in providing cellular service in Kentucky RSA No. 11 to Litchfield in

accordance with the terms and conditions of an asset exchange agreement dated December 22, 1993. In accordance with this agreement, Litchfield will exchange its Connecticut RSA No. 1 system for systems in Kentucky RSA No. 11 and Oregon RSA No. 5. Litchfield will also receive cash or marketable stocks as additional consideration.

4. Litchfield has the financial, technical, and managerial abilities to provide reasonable service as evidenced by its operation of Connecticut RSA No. 1 and Oregon RSA No. 5.

5. The proposed transfer of control of assets from Contel to Litchfield is in accordance with law, for a proper purpose and is consistent with the public interest.

6. Under the terms of the transfer agreement, Litchfield will assume certain of Contel's obligations and liabilities involving the operation of Kentucky RSA No. 11. Litchfield will also borrow up to \$10,100,000 from Contel for certain purposes set forth in the transfer agreement.

7. Litchfield's issuance of indebtedness in connection with the transfer agreement is appropriate for and consistent with the performance by Litchfield 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:

1. The proposed transfer of control of the utility providing domestic public cellular radio telecommunications service in Kentucky RSA No. 11 from Contel to Litchfield is approved.

2. Litchfield shall file an adoption notice upon completion of the proposed transfer of control.

3. Within 10 days after the filing of an adoption notice, Litchfield shall issue in its own name and file with the Commission Contel's tariff and price list for Kentucky RSA 11.

4. Within 5 days of the completion of the proposed transfer, Contel and Litchfield shall notified the Commission in writing of its occurrence.

5. If Contel and Litchfield subsequently make modifications to the terms of the proposed transfer or agree not to complete the proposed transfer, they shall immediately notify the Commission of this development.

6. Litchfield is authorized to issue the evidences of indebtedness requested in the joint application in accordance with the terms set forth therein.

7. Litchfield shall use the proceeds from the proposed borrowing only for the purposes set out in the joint application.

Nothing contained herein shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

Done at Frankfort, Kentucky, this 2nd day of March, 1994.

PUBLIC SERVICE COMMISSION

Samuel L. DeLoach
Chairman

Robert M. Davis
Vice Chairman

Linda K. Brewster
Commissioner

ATTEST:

Don Mills
Executive Director