

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE VERIFIED APPLICATION OF THE)
BRANDENBURG TELEPHONE COMPANY, INC. FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE AND) CASE NO. 93-357
NECESSITY TO CONSTRUCT A NEW HEADQUARTERS)
FACILITY IN BRANDENBURG, KENTUCKY)

O R D E R

On August 3, 1995, the Commission granted a Certificate of Public Convenience and Necessity to Brandenburg Telephone Company, Inc. ("Brandenburg Telephone") to construct a headquarters facility. The Commission denied Brandenburg Telephone's motion for rehearing on September 8, 1995. Brandenburg Telephone sought judicial review of the Commission's decision in Franklin Circuit Court in Civil Action No. 95-CI-1452. Brandenburg Telephone and Commission Staff have entered a Settlement Agreement, attached and incorporated into this Order, which has been presented to the Court with a request that the matter be remanded to the Commission.

After consideration of the Settlement Agreement, and being otherwise sufficiently advised, the Commission finds that the proposed Settlement Agreement is in accordance with the law, violates no regulatory principle, and results in a reasonable solution of the issues presented to the Franklin Circuit Court.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement is hereby adopted and approved in its entirety.

2. Brandenburg Telephone may include an additional 8 acres in the amount of \$48,806 over and above the 12 acres previously authorized by the Commission in Account No. 32.2111, Land. Brandenburg Telephone may also record in this account additional expenses associated with this 8 acres for excavating and fill, demolition, clear and grub, and compaction in the amount of \$54,501 plus associated overhead and profit and architectural and engineering fees in the amount of \$8,720. The 20 acres entered in Account No. 32.2111, Land, shall be contiguous to the actual location of the facilities constructed pursuant to the Commission's Order.

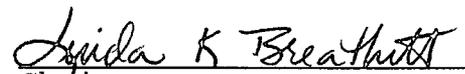
3. Brandenburg Telephone may capitalize the estimated construction cost of \$49,561 for gas service, \$13,842 for water service, and \$16,150 for electrical service, along with the associated overhead and profit in the amount of \$7,955 and architectural and engineering fees in the amount of \$8,751.

4. Brandenburg Telephone need not submit monthly or other reports to the Commission as previously ordered.

5. Brandenburg Telephone is authorized to spend the sums reflected at Attachment 2 and Attachment 3 to the Commission's final Order dated August 3, 1995, increased by the amounts identified or referred to in ordering paragraphs 2 and 3 above.

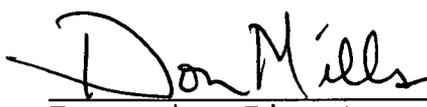
Done at Frankfort, Kentucky, this 29th day of January, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director

Commissioner

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 93-357 DATED JANUARY 29, 1996.

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made and entered into this 8th day of January, 1996, by and between **BRANDENBURG TELEPHONE COMPANY**, a Kentucky corporation, whose principal place of business is located at 332 East Broadway, Brandenburg, Kentucky 40108 ("Brandenburg Telephone") and the Staff of the **PUBLIC SERVICE COMMISSION OF THE COMMONWEALTH OF KENTUCKY**, an administrative agency created by KRS Chapter 278 with jurisdiction to regulate the rates and services of telephone utilities in the Commonwealth of Kentucky and whose principal offices are located at 730 Schenkel Lane, Frankfort, Kentucky 40601 (the "Commission Staff").

WHEREAS, Brandenburg Telephone and The Public Service Commission of the Commonwealth of Kentucky (the "Commission"), are parties to Civil Action No. 95-CI-1452, in the Franklin Circuit Court of the Commonwealth of Kentucky, Division II, pursuant to which Brandenburg Telephone appealed certain parts of an order resolving Commission Case No. 93-357; and,

WHEREAS, Brandenburg Telephone and the Commission are parties to Action No. 95-CA-00056 in the Court of Appeals of the Commonwealth of Kentucky pursuant to which Brandenburg Telephone appealed certain parts of the Commission's order resolving Commission Case No. 92-563; and

WHEREAS, Brandenburg Telephone and the Commission Staff desire to settle the actions by Brandenburg Telephone against the Commission and now pending before the Franklin Circuit Court and the Court of Appeals,

NOW, THEREFORE, Brandenburg Telephone hereby agrees to move for an Order dismissing with prejudice the action against the Commission and pending before the Kentucky Court of Appeals, and agrees to present an Agreed Order to Franklin Circuit Court to remand Case No. 95-CI-1452 to the Public Service Commission for an Order consistent with the terms of this Agreement, pursuant to the following terms and conditions:

1. Brandenburg Telephone shall be permitted to include the cost of an additional eight (8) acres in the amount of \$48,806 over and above the 12 acres authorized by the Commission in its Case No. 93-357, in Account No. 32.2111, Land. Moreover, Brandenburg Telephone's additional expenses associated with this eight (8) acres for excavating and fill, and demolition, clear and grub, and compaction in the amount of \$54,501 plus associated overhead and profit and architectural and engineering fees in the amount of \$8,720 shall be recorded in Account No. 32.2111, Land. The Commission's final order in Commission Case No. 93-357 dated August 3, 1995, shall be amended accordingly. The 20 acres entered in Account No. 32.2111, Land shall be contiguous to the actual location of the facilities constructed pursuant to the Commission's Order.

2. Brandenburg Telephone shall be permitted to capitalize the estimated construction cost charges of (i) \$49,561 for gas service, (ii) \$13,842 for water service and (iii) \$16,150 for electrical service, along with associated overhead and profit in the amount of \$7,955 and architectural and engineering fees in the

amount of \$8,751. The Commission's final order in Commission Case No. 93-357 dated August 3, 1995 shall be amended accordingly.

3. Brandenburg Telephone need not submit monthly or other reports to the Commission as required by the Commission's order in Case No. 93-357 and dated August 3, 1995. The Commission's final order in Commission Case No. 93-357 dated August 3, 1995, shall be amended accordingly.

4. The Commission issued a certificate of public convenience and necessity to Brandenburg Telephone to spend \$4,080,251 in order to construct the headquarters facility described in its application in Case No. 93-357; that amount shall be increased by the amounts identified or referred to in paragraph 1 and 2 hereof. Brandenburg Telephone is otherwise authorized to spend the sum reflected at Attachment 2 and Attachment 3 to the Commission's final order dated August 3, 1995 in Commission Case No. 93-357. These Attachments 2 and 3 are also attached hereto. The Commission's final order in Case No. 93-357 dated August 3, 1995, shall be amended accordingly.

5. If the Commission accepts this Settlement Agreement and enters an Order to that effect, Brandenburg Telephone agrees not to request rehearing or to appeal the order to Franklin Circuit Court.

6. The Commission Staff and Brandenburg Telephone shall submit this Settlement Agreement to the Public Service Commission of the Commonwealth of Kentucky for its review and consideration. Both Brandenburg Telephone and the Commission Staff shall recommend approval of this Settlement Agreement in its entirety to the Commission. Brandenburg Telephone's and the Commission Staff's

obligations under this Settlement Agreement are expressly conditioned upon the Commission's adoption, by Order, of this Settlement Agreement in its entirety. In the event that such an order is not adopted, neither Brandenburg Telephone nor the Commission Staff shall be obligated hereunder.

7. Upon execution of this agreement, the parties shall make no further public comment concerning the resolution of the issues addressed and concluded by this agreement except for documents required to be filed in Court or with the Commission pursuant to this agreement or orders which the Commission is required to issue pursuant to this agreement.

AGREED TO:

THE STAFF OF THE PUBLIC SERVICE
COMMISSION OF THE COMMONWEALTH
OF KENTUCKY

By: _____

Its: _____

BRANDENBURG TELEPHONE COMPANY

By: _____

Its: _____

@ 7:30 p.m. on January
8, 1996

Distribution of Building Interior
Items based on Part 32 Accounting

Attachment 2

		Building	← Other →				Total
			Furniture	Office Support	Other Expense	Profit & Overhead	
Building Interior	1,119,601						
Glass & Wood Walls		113,227					
Custom Mill Work			45,848				
Doors		7,995					
Firedoor		3,575					
Wall Covering		42,954					
Shelving			32,035				
Drive Up		8,950					
Audio Marking System				10,283			
Projection Screen				1,695			
Cabinets [Base/Support/Top]			5,907				
Range			645				
Microwave					171		
Dishwasher			500				
Refrigerator			558				
Fire Extinguisher Cabinets				1,716			
Fire Extinguishers				1,920			
Office Equipment (Maybe some computers)				35,281			
Security Equipment		11,074					
Night Deposit		8,610					
Carpet		89,648					
Drapery		53,118					
Furniture			460,229				
Accessories				18,000			
Pedestal Floors		39,748					
Pneumatic Tube System				21,900			
Sound System				2,232			
		378,899	545,722	93,027	171	101,782	1,119,601

Distribution of Warehouse Interior
Items based on Part 32 Accounting

Attachment 3

		Building	← Other →			Profit & Overhead	Total
			Furniture	Office Expense	Other Expense		
Warehouse Interior	207,156						
Lockers			4,992				
Shelving			166,380				
Base/ Upper/ Top Cabinets			5,390				
Range			645				
Microwave					171		
Dishwasher			500				
Refrigerator			555				
Fire Extinguisher Cabinets				858			
Fire Extinguishers				960			
Seating			3,540				
Table Bases			378				
Table Tops			880				
Sofa			3,075				
		0	186,335	1,818	171	18,832	207,156