

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION BY ALLTEL CORPORATION TO)	
ACQUIRE KENTUCKY ASSETS OF)	CASE NO. 2001-00399
VERIZON SOUTH, INCORPORATED)	

O R D E R

On February 13, 2002, the Commission approved the application of Kentucky ALLTEL, Inc. (ALLTEL) to acquire the assets of Verizon South, Inc. (Verizon), subject to specified terms and conditions. One such condition required Verizon to file a plan to fulfill its commitment of \$222 million in capital spending prior to the close of sale.¹ Verizon testified at the public hearing that it will have spent \$190-\$200 million by the close of the acquisition.² After indicating that this expenditure falls short of the \$222 million capital commitment, the Commission ordered Verizon to fulfill its commitment prior to the close of sale as a condition to approving the proposed acquisition.

By letter filed March 15, 2002, Verizon indicated that it has complied with the Commission s directive to file a plan to fulfill its commitment. Upon review of this letter the Commission finds that it fails to comply with the Commission s dictate for Verizon to submit a plan.

Accordingly, Verizon shall submit, within 20 days of the date of this Order, the following information:

¹ February 13, 2002 Order at 20.

² Transcript of Evidence at 297-298.

A. An itemization of the capital expenditures spent by Verizon to date to fulfill the \$222 million capital commitment. This itemization shall indicate the expenditures by month from July 2000 through December 2001, a period during which Verizon has indicated that it spent \$184.1 million in Kentucky. The itemization shall also include expenditures for January and February 2002, a period during which Verizon has indicated that its expenditures were \$6.1 million and \$5.2 million, respectively.

B. Verizon indicates that it has identified projects to achieve the remaining \$26.6 million in capital commitments and that these projects will be finalized by the close of the acquisition. Therefore, Verizon shall submit its plan describing in detail these projects, which must be completed by the end of July 2002.

C. Verizon shall describe in detail the manner in which these capital projects will be transferred to ALLTEL.

BE IT SO ORDERED.

Done at Frankfort, Kentucky, this 19th day of March, 2002.

By the Commission

ATTEST:


Executive Director