

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF:)
KENTUCKY TELEPHONE CORP. AND)
INDEPENDENT TELEPHONE CO., INC.) CASE NO. 10158
TO TRANSFER ASSETS OF INDEPENDENT)
TELEPHONE CO., INC., TO KENTUCKY)
TELEPHONE CORP.)

O R D E R

On February 11, 1988 Kentucky Telephone Corporation ("KTC") and Independent Telephone Company, Inc. ("ITC"), applied for Commission approval to transfer the assets of ITC to KTC. AT&T Communications of the South Central States ("AT&T") filed a motion for full intervention on March 11, 1988. AT&T's motion was granted on April 1, 1988. One information request was sent by the Commission to the joint applicants. A response was filed May 24, 1988.

ITC's response to question one of the information request indicates that ITC does not currently own, control, or operate any services or facilities used to provide utility service in Kentucky. All of ITC's physical plant including circuits and equipment was removed from service in August 1987. Additionally, the proposed initial operation of KTC may not include the operation of network facilities by KTC. Apparently KTC intends initially to market the services of another interexchange carrier.

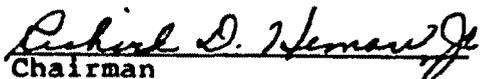
The proposal of the joint applicants, as filed, does not constitute a transfer of utility assets. KTC should prepare a petition and seek Commission approval before providing the resale of long-distance services within Kentucky.

The Commission FINDS that the transaction described by the joint applicants does not involve the transfer of ownership or control of a utility. Dismissal of this case should not affect AT&T's interest as a creditor of ITC.

IT IS THEREFORE ORDERED that this case be and it hereby is dismissed.

Done at Frankfort, Kentucky, this 6th day of July, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director