

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 4th day of
January, 2005.

In the Matter of the Application of Intermedia)
Communications, Inc., and MCImetro Access)
Transmission Services, LLC for Grant of the)
Authority Necessary for Merger and Related)
Intra-Corporate Transactions Undertaken to)
Streamline MCI, Inc.'s Corporate Structure)

Case No. TM-2005-0129

**ORDER APPROVING MERGER AND CANCELING CERTIFICATE AND
TARIFF**

On November 8, 2004, Intermedia Communications, Inc., and MCImetro Access Transmission Services, LLC filed an application asking the Commission to approve the proposed merger of the two companies. The application explained that Intermedia and MCImetro are both operating subsidiaries of MCI, Inc., and that the proposed merger is a part of MCI, Inc.'s continuing effort to streamline its corporate legal structure. The application requested that the Commission approve the application by December 15 so that the merger could be completed by December 31.

The Commission placed an order approving the merger on its December 7 agenda. But, on December 6, the applicants filed a motion indicating that MCI was reassessing the details of the merger. The motion asked the Commission to delay acting on the application until December 21. The Commission removed the order from the December 7 agenda and placed it on its December 21 agenda. On December 20, the applicants filed a motion asking the Commission to again remove the order from its agenda and to hold it until

January 4, 2005, or until notified earlier by MCI. The Commission removed the order from its December 21 agenda.

On December 29, at approximately 10:34 a.m. the applicants filed a motion asking the Commission to remove the hold on the order approving the merger. The motion also asked the Commission to place the order on its December 30 agenda. Unfortunately, the motion was filed after the Commission had announced its agenda for December 30, and the motion did not indicate any good cause for why the Commission should take up the order on less than the 24-hours notice required by Missouri's Sunshine Law, Section 620.020.2, RSMo 2000. Therefore, the Commission is considering this order at its January 4 agenda meeting.

The application explains that as a result of the merger, Intermedia's assets will be transferred to MCImetro. Intermedia will no longer provide telecommunications services in Missouri after the merger, so the applicants ask the Commission to cancel Intermedia's certificate of service authority at the same time it approves the merger. Intermedia has no customers in Missouri, so the merger will have no customer impact.

Staff filed its recommendation regarding the application on December 1. Staff confirms that Intermedia has no Missouri customers, so the merger will have no customer impact. Staff also indicates that the merger will have no impact on the tax revenues of any political subdivision in which any structures, facilities, or equipment of the merging companies are located. Staff concludes that the merger will not be detrimental to the public interest and recommends that the merger be approved.

Staff also recommends that the Commission cancel Intermedia's certificate of service authority and its accompanying tariffs. The application indicated that Intermedia

would file a separate application to cancel its tariffs after the merger was approved. But Staff pointed out that Intermedia could not operate after its certificate is canceled and suggested that the Commission should go ahead and cancel the tariffs in this case. Staff represented that it had discussed the cancellation of the tariffs with counsel for the Intermedia and that Intermedia was not opposed to cancellation of its tariffs.

Although the Office of the Public Counsel is a party to this case, it has not filed a recommendation or otherwise participated in the proceedings.

Based on the information provided in the application, and upon the recommendation of its Staff, the Commission finds that the proposed transaction will not be detrimental to the public interest and that the application should be approved. The Commission will cancel Intermedia's certificate and accompanying tariff.

IT IS THEREFORE ORDERED:

1. That the Application for Approval of Merger filed by Intermedia Communications, Inc., and MCImetro Access Transmission Services, LLC is granted.
2. That the Certificate of Service Authority to provide competitive local exchange carrier service granted to Intermedia Communications, Inc., is canceled.
3. That Intermedia Communications, Inc.'s tariffs are canceled. The tariffs canceled are:

P.S.C. Mo. No. 2

P.S.C. Mo. No. 4

4. That this order shall become effective on January 14, 2005.

5. That this case may be closed on January 15, 2005.

BY THE COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Gaw, Ch., Murray, Clayton, Davis and Appling, CC., concur

Woodruff, Senior Regulatory Law Judge