

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 14th
day of June, 1996.

In the matter of the application for)
approval of Corporate Reorganization) Case No. TO-96-293
of Excel Telecommunications, Inc.)

ORDER APPROVING CORPORATE REORGANIZATION

On March 7, 1996, Excel Telecommunications, Inc. (Excel), a competitive telecommunications company, filed an Application for approval of a proposed corporate reorganization. Excel currently holds a Certificate of Service Authority for intrastate interexchange toll telecommunications which it received in Case No. TA-90-117. In its Application, Excel is proposing an internal reorganization which would result in the creation of a holding company known as Excel Communications, Inc. (ECI) and seven wholly-owned subsidiaries of that corporation, one of which would be Excel Telephone, Inc. (ETI). ETI would own all of the stock which is now the stock of Excel.

This reorganization would make ETI a second tier wholly-owned subsidiary of ECI. However, this reorganization would not result in any transfer of control and there would be no change in the operations for the entity which provides service in Missouri. Excel has stated that since the services and the rates would remain the same, the proposed reorganization will be transparent to its Missouri customers.

On May 3, 1996, the Telecommunications Department Staff (Staff) filed its Memorandum in this case. Staff has no objections to the Application or to the approval thereof. In fact, Excel officials have

asserted that they were previously advised by the Commission Staff that they did not need Commission approval for this type of reorganization. Excel, as a precaution, has filed this Application nevertheless and in doing so has requested that the Commission either decline jurisdiction or approve the Application.

Staff states that it does not believe this reorganization would require Commission approval unless there were to be a transfer of assets. Staff does not believe this case constitutes a transfer of assets and Staff has no objection to the approval of Excel's request. Excel requested the Commission approve its Application at its earliest convenience. However, this request has been somewhat mitigated by the need for review of the legal issues involved in this particular Application.

The Commission has reviewed the Application for approval of corporate reorganization as filed on March 7, 1996, along with the Staff Memorandum, and the entirety of the file and makes the following findings of fact. The Commission finds that the request herein is not unlike a corporate change of name which also requires Commission action. The Commission finds that it is in the public interest to maintain an accurate record of the name under which utilities are providing business. Therefore, the Commission finds it appropriate to exercise its jurisdiction in the matter of corporate reorganizations of regulated utility companies. The Commission finds that the ratepayers are better served by being able to ascertain the true identity of the regulated utility from whom they receive service. The Commission finds that the reorganization proposed by Excel will not result in a change of services or rates to its customers and that approval of this request is in the public interest.

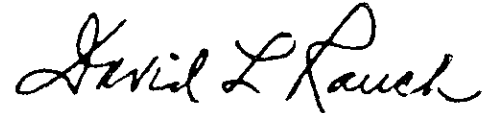
IT IS THEREFORE ORDERED:

1. That the corporate reorganization, as proposed by Excel Telecommunications, Inc. in its March 7, 1996 Application, shall be approved for implementation on and after June 25, 1996.

2. That by virtue of this order, Excel Telecommunications, Inc. is hereby authorized to provide service in Missouri under the name of Excel Telephone, Inc.

3. That this order shall become effective on June 25, 1996.

BY THE COMMISSION



David Rauch
Executive Secretary

(S E A L)

Zobrist, Chm., McClure, Kincheloe,
Crumpton, and Drainer, CC., Concur.

ALJ: Roberts