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**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 9th  
day of September, 1998.

In the Matter of the Joint Application of     )  
Network Long Distance, Inc. and United     )     Case No. TM-98-299  
Wats, Inc. for Approval of a Merger.     )

**ORDER APPROVING MERGER**

Network Long Distance, Inc. (Network), and United Wats, Inc. (UWI) filed a Joint Application on January 20, 1998 asking the Commission to approve the merger of UWI, a wholly-owned subsidiary of Network, with and into Network. Network and UWI are both certificated to provide telecommunications services in Missouri, and therefore this transaction comes under the Commission's jurisdiction.

UWI received a certificate of service authority to provide intrastate interexchange telecommunications service in Missouri on November 20, 1994 in Case No. TA-95-81. UWI is a corporation and is a wholly-owned subsidiary of Network. UWI's principal offices are located at 7000 Squibb, Suite 310, Mission, Kansas 66202. UWI is authorized by the FCC to offer domestic interstate and international services in all 50 states and the District of Columbia as a non-dominant carrier. UWI currently originates interstate traffic in 48 states and provides intrastate service in 48 states.

Network is a Delaware corporation with principal offices located at 525 Florida St., Baton Rouge, Louisiana 70801. Network received a certificate of service authority to provide intrastate telecommunications

services in Missouri on October 8, 1993 in Case No. TA-93-296; Network is authorized by the FCC to offer domestic interstate and international services in all 50 states and the District of Columbia as a non-dominant carrier. Network currently originates interstate traffic in 49 states, and provides intrastate service in 49 states.

The applicants propose a merger transaction as follows:

(a) Network shall merge UWI, its 100% wholly-owned subsidiary corporation, with and into Network pursuant to the short form parent-subsidiary rules of the State of Delaware;

(b) All of UWI's issued and outstanding common stock shall be canceled and extinguished as part of the merger;

(c) The separate existence of UWI shall cease after the merger, with Network remaining as the surviving corporation; and

(d) Network will transfer all of the present customer accounts of UWI to Network and continue to serve those customers through and pursuant to the Certificate of Public Convenience and Necessity presently utilized by Network in its service of its existing customers in the State of Missouri, to the extent permitted by this Commission. Upon consummation of the proposed merger, Network intends to notify all current end users of UWI of the event and also of any change in rates due to the alignment of two or more different rate products into a single rate product for common services, by either a separate mailing or a bill insert. To the extent that any present UWI rate products are not included in Network's tariffs on file with the Commission, Network will amend its tariffs accordingly. As such, the transaction should not cause any inconvenience or confusion to the pre-existing customers of either UWI or Network.

The applicants contend that the merger will enable the companies to operate with a more streamlined and efficient level of service for all involved customers by creating a larger parent operation. The applicants further contend that the transaction will enhance the operating efficiencies, including market efficiencies of both applicants.

Additionally, the applicants contend that the merger will result in cost savings because of discounts on quantity ordering of materials and services.

The Staff of the Commission (Staff) filed a Memorandum on May 20, 1998 recommending that the merger be approved. Staff believes that the public interest will be served as a result of the proposed merger because of the operating efficiencies gained through Network's ability to take advantage of increased economies of scale and operating efficiencies.

The Commission has reviewed the application, the accompanying documentation, and Staff's recommendation, and finds that the proposed merger will have no adverse impact on the Missouri customers of Network or UWI. Therefore, the Commission finds that the merger is not detrimental to the public interest and should be approved.

**IT IS THEREFORE ORDERED:**

1. That the Joint Application filed by Network Long Distance, Inc., and United Wats, Inc. on January 20, 1998 is approved.
2. That the applicants are authorized to consummate the merger of Network Long Distance, Inc. and United Wats, Inc.
3. That the parties are authorized to take any and all actions necessary to effect the merger authorized by this order.
4. That Network Long Distance, Inc. shall file notification with the Commission no later than ten days after the closing date of the merger authorized by this order.
5. That Network Long Distance, Inc. shall transfer all of the former UWI customers to Network's tariffed services within 90 days of the effective date of the Commission's Order.

6. That Network Long Distance, Inc. shall file any appropriate changes to its tariff.

7. That Network Long Distance, Inc. shall notify the Commission of any rate changes and its customers of any proposed rate increases.

8. That United Wats, Inc.'s certificate of service authority and tariff are canceled 90 days after the effective date of this order.

9. That this order shall become effective on September 22, 1998.

BY THE COMMISSION



Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

( S E A L )

Lumpe, Ch., Schemenauer and Drainer, CC., concur.  
Crumpton and Murray, CC., absent.

Woodruff, Regulatory Law Judge

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COMMISSION COUNSEL  
PUBLIC SERVICE COMMISSION