

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 10th
day of April, 1996.

In The Matter Of A Joint Application Of)
MIDCOM Communications, Inc. And GTE)
Capital Communication Services Corporation)
For Authority To Transfer Assets In The)
State Of Missouri.)

CASE NO. TM-96-274

ORDER APPROVING SALE OF ASSETS

On February 21, 1996, MIDCOM Communications Inc. (MIDCOM) and
GE Capital Communication Services Corporation d/b/a GE Exchange and d/b/a
GE Capital Exchange (GE) filed an application pursuant to 4 CSR 240-
2.060(5)(H), seeking approval of the Missouri Public Service Commission
(Commission) for the sale of certain GE assets to MIDCOM. The assets to
be sold and transferred include a portion of GE's customer accounts and the
accounts receivable relating to those accounts.

MIDCOM is a Washington State corporation with its principal
place of business located at 1111 Third Avenue, Suite 1600, Seattle,
Washington 98101. MIDCOM was certificated by the Commission to provide
intrastate interexchange telecommunications services on August 28, 1991,
in Case No. TA-91-379. GE is a Georgia corporation with its principal
place of business located at 6540 Power Ferry Road, Atlanta, Georgia 30339.
GE was certificated by the Commission to provide intrastate interexchange
telecommunications services on December 8, 1993, in Case No. TA-94-51.

In their application MIDCOM and GE explained that they originally signed a Customer Base Purchase and Sale Agreement on September 1, 1995, which was subsequently amended on December 29, 1995. Pursuant to the Agreement and Amendment, GE agreed to sell to MIDCOM a portion of GE's assets for an amount specified in the Amendment. Applicants indicate that GE will continue to exist and operate under its own name, and therefore GE's certificate and tariff should not be canceled.

Applicants also indicate that GE's customers will continue to be billed under the rates, terms, and conditions of GE's Commission-approved tariffs until MIDCOM subsequently assumes GE's Missouri operations in their entirety as they relate to the acquired assets, at which time MIDCOM will then serve and bill GE's customers under the rates, terms, and conditions of MIDCOM's Commission-approved tariff. The rates currently received by GE's customers will remain the same, and GE's customers are being notified of the transaction in writing by direct mail bill insert.

The Staff of the Missouri Public Service Commission (Staff) filed a memorandum containing its recommendation on March 25, 1996. Staff first details the certification history of MIDCOM and GE, along with the particulars of the proposed transaction. Staff indicates that MIDCOM plans a transition period of less than 90 days to integrate GE's customer base into its existing operations. Staff states that it has reviewed the application and recommends that the Commission approve the transaction. Staff further recommends that the Commission order MIDCOM to begin serving GE's former customers from MIDCOM's tariff no later than 90 days from the effective date of the Commission order. Staff adds that it is unaware of any other filings which would affect or which would be affected by this proposal.

Upon review of the verified application and Staff's recommendation, the Commission finds that the proposed transaction is not detrimental to the public interest. The Commission notes that both GE and MIDCOM are competitive companies providing intrastate interexchange telecommunications services. The Commission is of the opinion that the market for such services is sufficiently competitive such that a customer who is dissatisfied with the service or rates of MIDCOM can easily switch to another provider.

IT IS THEREFORE ORDERED:

1. That the joint application seeking authority for MIDCOM Communications Inc. to acquire a portion of the customer accounts and accounts receivable of GE Capital Communication Services Corporation d/b/a GE Exchange and d/b/a GE Capital Exchange pursuant to a Customer Base Purchase and Sale Agreement signed on September 1, 1995, and subsequently amended on December 29, 1995, is hereby approved.

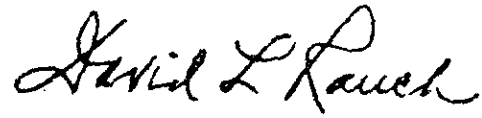
2. That MIDCOM Communications Inc. and GE Capital Communication Services Corporation d/b/a GE Exchange and d/b/a GE Capital Exchange are hereby authorized to take any and all other actions necessary to effectuate the transaction contemplated by the application and this order.

3. That MIDCOM Communications Inc. is hereby directed to have all of the former customers of GE Capital Communication Services Corporation d/b/a GE Exchange and d/b/a GE Capital Exchange transferred to the tariffs of MIDCOM Communications Inc. within ninety (90) days of the effective date of this order.

4. That MIDCOM Communications Inc. or GE Capital Communication Services Corporation d/b/a GE Exchange and d/b/a GE Capital Exchange shall file a pleading with the Missouri Public Service Commission notifying the Commission of whether and when the acquisition of assets has been completed.

5. That this order shall become effective on April 23, 1996.

BY THE COMMISSION

A handwritten signature in cursive script that reads "David L. Rauch".

David L. Rauch
Executive Secretary

(S E A L)

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