

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application)	Application No. C-1280
of Excel Telecommunications, Inc.)	
of Dallas, Texas for authority)	GRANTED
to reorganize its corporate)	
structure.)	Entered: February 13, 1996

PRELIMINARY MATTERS

On January 8, 1996, an application was filed by Excel Telecommunications, Inc. of Dallas, Texas for authority to reorganize its corporate structure. Notice of the application was published in the Omaha Daily Record on January 10, 1996. No protests were received; therefore, we will process this application pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

Excel Telecommunications, Inc. (Excel) obtained a Certificate of Public Convenience and Necessity from the Commission pursuant to Application C-885 on July 30, 1991 and Application C-1259 on December 5, 1995.

Excel currently provides interLATA and intraLATA telecommunications services to both business and residential customers throughout the state. No departmental or formal complaints are pending against the company.

For internal corporate reasons related to operational and tax consequences, Excel requests authority to reorganize its corporate structure. No change will occur in the manner in which the company provides telecommunications services.

The reorganization involves no transfer of control since corporate officers, directors and ultimate ownership will remain unchanged. Excel currently is a privately-held corporation with seven shareholders.

Excel intends to reorganize the company through a series of steps beginning with the creation of Excel Communications, Inc. Excel Communications will be the ultimate corporate parent and will form eight subsidiaries and contribute cash to each subsidiary in exchange for stock. The current shares of Excel will be converted so that the present shareholders of Excel become the shareholders of Excel Communications. Excel Communications will then own all of the stock of each subsidiary. Excel Communications will then contribute all of

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the stock of Excel to Subsidiary No. 1. Subsidiary No. 1 will be the parent of Excel Telecommunications, Inc., the certified carrier in Nebraska. Ultimately, Excel Telecommunications will be a wholly-owned subsidiary of subsidiary No. 1, which is a wholly-owned subsidiary of Excel Communications, Inc.

Upon consideration of the application, the governing statutes and rules, and being fully informed, the Commission is of the opinion and finds the reorganization of Excel Telecommunications, Inc. to Excel Communications, Inc. is fair and reasonable, is in the public interest and should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-1280 be, and it is hereby granted that Excel Telecommunications, Inc. is hereby authorized to reorganize its corporate structure to become a wholly-owned subsidiary of Excel Communications, Inc.

IT IS FURTHER ORDERED that Excel Telecommunications, Inc. and/or its successor corporation shall continue to file annually, in accordance with the applicable statutes, a report with this Commission consisting of (a) a copy of any reports filed with the Federal Communications Commission and the Security and Exchange Commission, (b) the annual report to stockholders, and (c) for the State of Nebraska on a combined interstate-intrastate basis, the investment in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues, expenses and taxes by April 30th of each year.

MADE AND ENTERED at Lincoln, Nebraska, this 13th day of February, 1996.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Rod Johnson

Chairman

//s//Rod Johnson

//s//Frank E. Landis

//s//James F. Munnelly

//s//Daniel G. Urwiller

ATTEST:

Robert A. Ziegler

Executive Director