

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1291
of LCI International Telecom Inc.)
and LCI Telemanagement Corp., of) GRANTED
McLean, Virginia, seeking)
authority to increase an existing)
credit facility.) Entered: March 12, 1996

PRELIMINARY MATTERS

On February 7, 1996, an application was filed by LCI International Telecom Corp. of McLean, Virginia and LCI Telemanagement Corp. of McLean, Virginia for authority to increase the amount of an existing credit facility. Notice of the application was published in the Omaha Daily Record on February 8, 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

The applicant, LCI International Telecom Corp. (LCI Telecom) is a wholly-owned subsidiary of LCI International Management Services, Inc., which is a wholly-owned subsidiary of LCI International, Inc.

LCI Telecom provides telecommunications services in 48 states, including Nebraska, pursuant to the Certificate of Public Convenience and Necessity obtained on February 18, 1992 in Application No. C-909. No departmental or formal complaints are pending against the company.

The other co-applicant, LCI Telemanagement, was formed specifically for the purpose of facilitating the acquisition of Corporate Telemanagement Group, Inc. in September, 1995. LCI Telemanagement is wholly-owned by LCI International, Inc. LCI International is the ultimate corporate parent of all the LCI companies.

LCI Telemanagement is also certificated to operate in Nebraska pursuant to C-1198. LCI Telemanagement appeared before the Commission for a video-conference hearing on July 31, 1995 to obtain authority to acquire the assets of CTG and to obtain a Certificate of Public Convenience and Necessity. Approval of that application was granted on August 21, 1995.

In the future, LCI intends to merge LCI Telemanagement's operations with those of LCI Telecom. LCI Telecom would ultimately be the surviving entity. The present application states that the timing of the merger is currently undecided.

Application No. C-1291

PAGE TWO

Also in C-1198, this Commission approved the issuance of a credit facility in an amount not to exceed \$500 million. The purpose for the credit facility was to refinance existing indebtedness, finance capital expenditures, make acquisitions and provide working capital. On January 9, 1996 this Commission approved C-1271 which increased the credit facility to \$650 million to finance the acquisition of the telecommunications company, Teledial. This Commission found that given the prospective purchase price of Teledial, the requested increase is reasonable.

Currently, LCI Telemanagement and LCI Telecom have requested that the facility credit be increased to approximately \$700 million. This increase will provide for working capital for general corporate purposes. The credit facility will continue to be managed by First Union National Bank of North Carolina and NationsBank of Texas. This borrowed credit carries a negative pledge on the assets of LCI International and its subsidiaries. The Commission finds that given the total financial security of LCI International the requested increase is reasonable.

Upon consideration of the application, the governing statutes and rules, and being fully informed, the Commission is of the opinion and finds that the increase in the amount of the credit facility is fair and reasonable, in the public interest and is hereby granted.

O R D E R

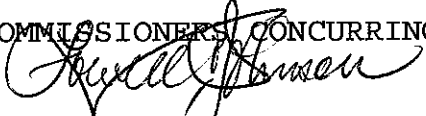
IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-1291 be, and it is hereby granted and that LCI International Telecom Corp. and LCI Telemanagement, Inc. may enter into an amended and restated credit agreement whereby the amount of an existing revolving credit facility is increased to approximately \$700 million.

IT IS FURTHER ORDERED that LCI shall continue to file, in accordance with the applicable statutes, an annual report with this Commission by April 30th of each year for its certificated companies doing business in Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 12th day of March, 1996.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:


//s//Rod Johnson
//s//Frank E. Landis
//s//James F. Munnely

Chairman

ATTEST:


Executive Director