

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint Appli- ) Application No. C-1325  
cation of TCG Omaha; Cox Tele- )  
port Omaha, Inc.; TCG Partners; )  
and Teleport Communications Group, ) GRANTED  
Inc. of Staten Island, New York )  
seeking approval of and authority )  
for change of control. ) Entered: June 4, 1996

PRELIMINARY MATTERS

On April 29, 1996, an application was filed by TCG Omaha, Cox Teleport Omaha, TCG Partners and Teleport Communications Group, Inc. for authority to transfer controlling interest in TCG Omaha to Teleport Communications Group, Inc. (TCGI). Notice of the application was published in the Omaha Daily Record on May 2, 1996. No protests or petitions of formal intervention were received; therefore, we will process this application pursuant to the Commission's Rule of Modified Procedure (see Rule 0018.03).

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

TCG Omaha is a New York partnership owned by Cox Teleport Omaha ("Cox Omaha") and TCG Partners. Cox Omaha is a subsidiary of Cox Communications, Inc. TCG Partners is a New York general partnership owned by Cox Teleport Partners, Inc., TCI Teleport Partners, Inc., Comcast Teleport Partners, Inc., and Continental Teleport Partners, Inc.

TCG Omaha received authority to operate in Nebraska to provide private line services in the territory served by US West Communications pursuant to Application No. C-984 on October 4, 1993. On July 12, 1994, TCG Omaha was granted authority to provide switched intraLATA interexchange toll services in the North 402 LATA, pursuant to Application No. C-1064.

This application is being filed by the owners of TCG Omaha to change controlling interest of TCG Omaha to TCGI. The owners are also reorganizing various other TCG operating companies, as the company seeks public debt and/or equity financing for the costs associated with competing in the local telecommunications marketplace.

TCGI is owned by Cox Teleport, Inc. TCI Teleport Inc., Comcast Teleport, Inc. and Continental Teleport Inc. The applicants provided a certified copy of the Nebraska Secretary of State certificate authorizing TCGI to operate within Nebraska. TCGI is the nation's oldest and largest provider of competitive local telecommunications services, offering

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services to financial, banking and brokerage industries and various other information intensive businesses.

The application requests authority to transfer all the issued and outstanding stock of Cox Omaha to TCGI in exchange for common stock of TCGI. Also, the application requests TCG Partners to receive either stock of one or more of the four corporate partners of TCGI or to receive TCGI stock. This does not result in any effective change of TCG Partners' ultimate ownership since TCG Partners will remain owned by the same four cable television investors in approximately the same proportions. Further, TCG Omaha is owned by the same companies, as the transaction merely involves a redistribution of ownership.

We find the change in controlling interest will enhance TCG Omaha's financial security and will provide funds for its operations within Nebraska. Furthermore, we find that the additional revenue that can be realized will assist the company in deploying and developing integrated telecommunications services which will result in new market capabilities, thereby, benefitting Nebraska consumers.

The transaction will have no effect on the rates, terms or conditions of the telecommunications services presently provided by TCG Omaha and will not result in any changes in management, personnel or operations.

We note that on July 6, 1995, this Commission, pursuant to Application No. C-1192, approved the reorganization of TCG Omaha pursuant to the "Sprint Telecommunications Venture" (now called Sprint Spectrum). Such transaction has not taken place, further, the company has no present discussions with Sprint or Sprint Spectrum to integrate the companies. While we understand the uncertainty of the business environment, we do not look kindly upon granting requests and entering orders for transactions that do not materialize. We are cognizant that perhaps the failure of this transaction to date was not the fault of the applicants'; however, we believe it is up to the applicants to apprise the Commission of any changes that may occur, especially pursuant to specific orders that were issued by this Commission.

Upon consideration of the application, the governing statutes and rules, and being fully informed, the Commission is of the opinion and finds the change of controlling interest of TCG Omaha from Cox Teleport Omaha and TCG Partners to Teleport Communications Group, Inc. is fair and reasonable, is in the public interest and should be granted.

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O R D E R

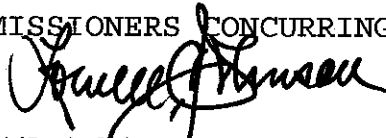
IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-1325 be, and it is hereby granted and the ownership of TCG Omaha is hereby transferred to Teleport Communications Group, Inc.

IT IS FURTHER ORDERED that TCG Omaha shall continue to file, in accordance with the applicable statutes, an annual report with this Commission by April 30th of each year.

MADE AND ENTERED at Lincoln, Nebraska, this 4th day of June, 1996.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



Chairman

//s//Rod Johnson  
//s//Frank E. Landis  
//s//James F. Munnely  
//s//Daniel G. Urwiller

ATTEST:

  
Executive Director

