

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of Excel Communica-) Application No. C-1568
tions, Inc. and Telco Communica-)
tions Group, Inc. of Dallas,)
Texas and Chantilly, Virginia) GRANTED
seeking approval of agreement)
and plan of merger and related)
transactions.) Entered: August 5, 1997

BY THE COMMISSION:

On June 24, 1997, an application was filed by Excel Communications, Inc. (Excel) and Telco Communications Group, Inc. (TCG) of Dallas, Texas and Chantilly, Virginia seeking approval of an Agreement and Plan of Merger. Notice of the application was published in The Daily Record, June 26, 1997. No protests were filed; therefore, we 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 provides intrastate interexchange services in Nebraska pursuant to Applications C-885 and C-1259. Additionally, Excel is authorized to provide competitive local exchange service in certain exchanges in Nebraska pursuant to Application C-1340.

TCG, a publicly traded company, has several subsidiaries authorized to provide intrastate telecommunications services in Nebraska including, Dial & Save of Nebraska, Inc. (Applications C-1154 and C-1360) and Long Distance Wholesale Club (Application C-1303).

The applicants jointly request authority to merge Excel and TCG into subsidiaries of a new holding company, New RES, Inc. Ultimately, Excel shareholders will hold approximately 80 percent and TCG shareholders will own approximately 20 percent of New RES Inc.'s common stock. A copy of the merger was included in the application. The agreement was unanimously approved by the Board of Directors of each company.

Cash consideration for the TCG shareholders will be paid by New RES, Inc. from a \$1 billion credit facility from an affiliate of Lehman Brothers. The transaction will result in no change in certificate holders and no change in names. The operating subsidiaries will continue to provide services causing no disruption for customers.

Upon consideration of the application, the governing statutes and rules, and being fully informed, the Commission is of the opinion and finds the application 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-1568 be, and it is hereby granted.

MADE AND ENTERED at Lincoln, Nebraska, this 5th day of August, 1997.

COMMISSIONERS CONCURRING:


//s//Rod Johnson

//s//Frank E. Landis


//s//Daniel G. Urwiller

NEBRASKA PUBLIC SERVICE COMMISSION

Chairman



ATTEST:


Executive Director