

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of ACC Corp. of) Application No. C-1682
Rochester, New York, and US WATS,)
Inc. of Bala Cynwyd, Pennsylvania,) GRANTED
seeking authority for ACC Corp. to)
acquire control of US WATS, Inc.) Entered: December 23, 1997

BY THE COMMISSION:

On November 17, 1997, an application was filed by ACC Corp. (ACC) of Rochester, New York, and US WATS, Inc. (US WATS) of Bala Cynwyd, Pennsylvania, seeking approval for ACC to acquire control of US WATS. Notice of the application was published in The Daily Record, November 19, 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

ACC is incorporated under the laws of the State of Delaware and is headquartered in Rochester, New York. It is the parent company of a number of non-dominant carrier subsidiaries that resell domestic and international telecommunications services. ACC's operating subsidiary in Nebraska is ACC National Long Distance Corp. (ACC National). ACC National received a Certificate of Public Convenience and Necessity to provide intrastate telecommunications services in Nebraska on February 13, 1995, in Application No. C-1123.

US WATS is incorporated under the laws of the State of New York and is headquartered in Bala Cynwyd, Pennsylvania. US WATS is authorized to provide intrastate telecommunications services in Nebraska pursuant to Application C-1027 granted March 16, 1994. No formal or departmental complaints are pending against either company.

The application requests authority for ACC to acquire control of US WATS. The proposed transaction is structured as a merger whereby ACC Acquisition-Blue Corp., a subsidiary of ACC created specifically for this transaction, will merge with and into US WATS. US WATS will be the surviving entity and will become a wholly-owned subsidiary of ACC.

At the time of the merger, shareholders of US WATS will receive approximately .077 shares of ACC common stock in exchange for each of the issued and outstanding shares of US WATS common stock.

The transaction will not change the operations, quality of service, or rates of ACC National or US WATS, thereby being virtually transparent to customers. The transaction simply will

APPLICATION NO. 1682

PAGE 2

result in a change in the ultimate corporate parent of US WATS. ACC National and US WATS will continue to operate in Nebraska using their respective names.

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.

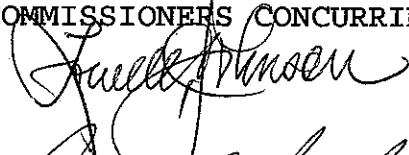
O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1682 be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 23rd day of December, 1997.

NEBRASKA PUBLIC SERVICE COMMISSION

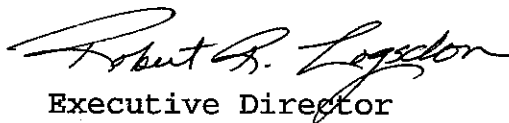
COMMISSIONERS CONCURRING:



Chairman



ATTEST:


Executive Director

//s//Rod Johnson
//s//Frank E. Landis
//s//Daniel G. Urwiller