

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF ADVANTAGE)
COMPANIES, INC., AND CALL U.S., INC.,)
REQUESTING THAT THE PUBLIC SERVICE)
COMMISSION APPROVE THE TRANSFER OF) CASE NO. 10056
CONTROL OF THE UTILITY BUSINESS ASSETS)
OF CALL U.S., INC., TO ADVANTAGE)
COMPANIES, INC.)

O R D E R

On October 12, 1987, Advantage Companies, Inc., ("ACI") and Call U.S., Inc., ("Call U.S.") filed a joint application pursuant to KRS 278.020(4) requesting that the Public Service Commission enter an Order authorizing ACI to acquire the utility assets of Call U.S. The parties also requested that the Commission authorize ACI to provide the telecommunication services presently offered by Call U.S. and to accordingly approve the transfer of the certificate of convenience and necessity granted Call U.S. in Case No. 8684 on November 2, 1984.

As part of the application filed, the parties included a joint confidentiality petition pursuant to 807 KAR 5:001, Section 7. The petition requests that the Commission treat as confidential the agreement for purchase and sale of assets contained in Exhibit E and the financial statements of Call U.S. contained in Exhibit G.

This Order grants the transfer authority sought by ACI and Call U.S. and further grants fully the request for confidential treatment filed as part of the application.

DISCUSSION

Call U.S. is a Tennessee corporation with authorization to do business in Kentucky. On November 2, 1984, Call U.S. was granted authority in Case No. 8684,¹ to provide telecommunication services through the measured reselling of WATS services obtained from common carriers. Since the issuance of the certificate, Call U.S. has been continuously providing the service which it is so authorized to provide.

ACI is a publicly held Tennessee corporation with operations in the long-distance telecommunications market in Middle Tennessee. ACI presently operates as a reseller of long-distance interexchange telephone service to customers located in Middle Tennessee.

Pursuant to an agreement² between the parties, ACI desires to purchase and Call U.S. desires to sell substantially all of the assets and utility properties of Call U.S. Consideration for the sale includes cash to be paid upon closing as well as the assumption of certain leases and current obligations of Call U.S. by ACI.

¹ Application of Call U.S. of Kentucky, Inc. for Certificate of Public Convenience and Necessity to Provide Resale of Telecommunication Services and Facilities within Kentucky.

² Exhibit E to Joint Application.

After the proposed acquisition of Call U.S., ACI intends to continue to offer and provide the services authorized by the certificate formerly granted to Call U.S. ACI has indicated its intent to adopt the rates and tariffs of Call U.S. which are now on file with the Commission. ACI has tendered a proposed adoption notice as part of its application. Additionally, ACI intends to continue to operate the Kentucky resale operation under the name Call U.S.

The Commission believes that the proposed acquisition and transfer is in the public interest and that ACI has the financial, technical and managerial abilities to provide reasonable service as required by KRS 278.020(4).

FINDINGS AND ORDERS

The Commission after consideration of the evidence of record and being advised, is of the opinion and finds that:

1. The proposed acquisition of Call U.S. by ACI should be approved.
2. The proposed transfer and assignment of the utility business assets of Call U.S. to ACI should be approved.
3. The certificate of public convenience and necessity granted to Call U.S. in Case No. 8684 should be transferred to ACI.
4. The Joint Petition for Confidentiality, being consistent with 807 KAR 5:001, Section 7(7)(b) should be approved.

IT IS THEREFORE ORDERED that:

1. The acquisition of Call U.S. by ACI be and it hereby is approved.

2. The transfer of the utility business assets of Call U.S. to ACI be and it hereby is approved.

3. The transfer of the certificate of public convenience and necessity granted to Call U.S. in Case No. 8684 be and it hereby is approved.

4. The Joint Petition for Confidentiality submitted by Call U.S. and ACI be and it hereby is approved.

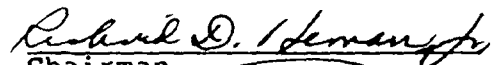
5. Call U.S. shall have the responsibility of filing with the Commission an annual report for the portion of 1987 in which it operated the system.


6. ACI shall have the responsibility of filing with the Commission an annual report for that portion of 1987 in which it operates the system.

7. The proposed adoption notice attached to the application as Exhibit H, be and it hereby is approved.

Done at Frankfort, Kentucky, this 30th day of October, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director