

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MIDCOM COMMUNICATIONS)	
INC. FOR APPROVAL TO ACQUIRE THE)	
KENTUCKY CUSTOMER BASE OF GLOBAL WATS)	CASE NO. 95-525
ONE, INC. FROM CAT INTERESTS LIMITED)	

O R D E R

On November 13, 1995, the Commission received the application of MIDCOM Communications, Inc. ("MIDCOM") seeking Commission approval to acquire the Kentucky customer base of Global Wats One, Inc. from CAT Interests Limited. On November 16, 1995, the Commission entered an Order in Case No. 95-491¹ ordering Global TeleMedia International, Inc. ("Global International"), Global Wats One, Inc./Global TeleMedia, Inc. ("Global Wats"), and CAT Interests Limited ("CAT") to appear before the Commission on December 20, 1995 for the purpose of presenting evidence concerning the alleged violations of KRS 278.020(4), KRS 278.020(5), and KRS 278.300.

In its November 16, 1995 Order, the Commission also ordered Global International, Global Wats, and CAT to appear for the purpose of showing cause why they should not be subject to the penalties prescribed in KRS 278.990(1) for the violations specified in the Order. The violations include, but are not limited to, the transfer of Global Wats One, Inc./Global TeleMedia, Inc., a

¹ Case No. 95-491, Global Wats One, Inc./Global Telemedia, Inc., Global Telemedia International, Inc., And CAT Interests Limited Alleged Violations of KRS 278.020(4), KRS 278.020(5) and KRS 278.300

jurisdictional utility, to Global International or to CAT without Commission approval.

KRS 278.020(4) states, inter alia, that "[n]o person shall acquire or transfer ownership of, or control, or the right to control, any utility under the jurisdiction of the commission by sale of assets, transfer of stock, or otherwise, or abandon the same, without prior approval by the commission." KRS 278.020(5) states:

No individual, group, syndicate, general or limited partnership, association, corporation, joint stock company, trust, or other entity (an "acquirer"), whether or not organized under the laws of this state, shall acquire control, either directly or indirectly, of any utility furnishing utility service in this state, without having first obtained the approval of the commission. Any such acquisition of control without such prior authorization shall be void and of no effect. . . .
[Emphasis added]

Having reviewed the evidence and being otherwise sufficiently advised, the Commission finds that CAT does not appear to have any ownership interest in Global Wats that it can transfer because the agreements CAT entered involving the transfer of Global Wats appear to be void. Consequently, the Commission finds that MIDCOM's application in this case should be rejected and this case should be dismissed without prejudice. A new application may be filed after Case No. 95-491 is terminated.

IT IS THEREFORE ORDERED that:

1. MIDCOM's application for approval to acquire the Kentucky customer base of Global Wats One, Inc. from CAT is rejected.
2. This case is dismissed without prejudice.

Done at Frankfort, Kentucky, this 8th day of December, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director