

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MFS COMMUNICATIONS )  
COMPANY, INC. AND ITS SPECIFIED ) CASE NO. 95-177  
SUBSIDIARIES FOR APPROVAL OF )  
INCURRING DEBT OBLIGATIONS )

O R D E R

On April 20, 1995, MFS Communications Company, Inc. ("MFSCC") and its specified subsidiaries, including MFS Telecom, Inc., MFS Intelenet, Inc. and MFSCC's Kentucky operating companies, MFS Intelenet of Kentucky, Inc.<sup>1</sup> and Metropolitan Fiber Systems of Kentucky, Inc.<sup>2</sup> filed its application for authorization pursuant to KRS 278.300 to enter into two Credit Facility Agreements: (1) the MFS Communications Company, Inc. \$150,000,000 Credit Facility Agreement, dated April 14, 1995 ("MFSCC Facility"); and (2) the MFS Telecom, Inc. \$100,000,000 Credit Facility Agreement, dated April 14, 1995 ("Telecom Facility") as fully described in its application.

The term for both Credit Facility Agreements is for five years. Chemical Bank will serve as Administrative Agent and Bankers Trust Company will serve as Documentation Agent for both

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<sup>1</sup> MFS Intelenet of Kentucky, Inc. was authorized to provide resold intrastate, long-distance telecommunications services, including operator-assisted services in Kentucky by Order dated June 9, 1994 in Case No. 94-117.

<sup>2</sup> Metropolitan Fiber Systems of Kentucky has an application currently pending in Case No. 94-093 to provide certain non-switched dedicated private line and special access services and to construct facilities.

Credit Facility Agreements. The MFSCC Facility may be used for working capital and other capital expenditures. The Telecom Facility may only be used for construction and acquisition of telecommunication assets.

The Commission, having considered the evidence of record and being sufficiently advised, finds that the Credit Facility Agreements are for the lawful objects within the corporate purposes of MFSCC, are necessary and appropriate for and consistent with the proper performance of MFSCC's service to the public, and will not impair its ability to perform that service, are reasonably necessary and appropriate for such purposes, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. MFSCC be and it hereby is authorized pursuant to KRS 278.300 to assume the obligations of the Credit Facility Agreements described in the application.

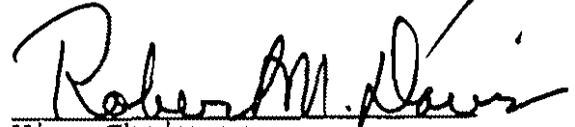
2. The proceeds from the transactions authorized herein shall be used only for the lawful purposes as set out in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to securities authorized herein.

Done at Frankfort, Kentucky, this 13th day of June, 1995.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director