

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION FOR APPROVAL)
TO ISSUE SHARES OF COMMON) CASE NO. 96-209
STOCK BY WORLDCOM, INC.)

O R D E R

On June 10, 1996, WorldCom, Inc. d/b/a LDDS WorldCom ("WorldCom") filed an application pursuant to KRS 278.300 for authority to issue up to 250,000,000 new shares of common stock with a par value of \$.01 per share. KRS 278.300 requires utilities to be authorized by Commission Order prior to issuing any securities or evidence of indebtedness or assuming any obligation or liability in respect to the securities or evidence of indebtedness of any person.

The Commission has allowed nondominant carriers wide latitude in determining financial arrangements appropriate for their situation. This flexibility is based on the fact that the market in which these carriers compete is characterized by significant competition and numerous suppliers of similar services. Therefore the demise of a nondominant carrier as a result of inappropriate financing arrangements will be the burden of the company's stockholders and will not harm the public interest.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance of up to 250,000,000 shares of common stock is for a lawful object within its corporate purpose, is necessary, appropriate, and consistent

with the proper performance of its service to the public, will not impair its ability to perform that service, is consistent with the requirements of KRS 278.300, and should be approved.

IT IS THEREFORE ORDERED that:

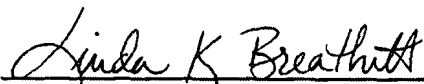
1. WorldCom is authorized pursuant to KRS 278.300 to issue the common stock described in the application.

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 10th day of July, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director