

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF METROMEDIA)
COMMUNICATIONS CORPORATION AND RESURGENS) CASE NO.
COMMUNICATIONS GROUP, INC., FOR) 93-062
AUTHORIZATION TO MERGE)

O R D E R

On February 16, 1993, Metromedia Communications Corporation ("Metromedia") and Resurgens Communications Group, Inc. ("Resurgens") filed a joint application requesting approval of the merger of Metromedia into Resurgens, with the surviving entity's name being changed to Metromedia Communications Corporation (the surviving entity hereinafter referred to in this Order as "MCC"). Metromedia is a Delaware corporation which provides direct-dial and operator-assisted long distance services in 39 states. In Case No. 10200¹, the Commission authorized Metromedia to provide intrastate long distance services within the Commonwealth of Kentucky.

Resurgens is a Georgia corporation which provides, through a subsidiary, direct-dial and operator-assisted long distance services primarily in the states of California, Nevada, and Arizona. Resurgens provides operator services in the Southwest, Southeast, and Middle Atlantic states, and provides billing and

¹ Case No. 10200, The Application of United States Transmission Systems, Inc. for a Certificate of Public Convenience and Necessity to Provide Inter-Lata Telecommunications Services Within the State of Kentucky, Order dated June 24, 1988.

collection services to other carriers. Resurgens does not currently hold a Certificate of Public Convenience and Necessity to provide intrastate service in Kentucky and has not heretofore provided such service.

Metromedia and Resurgens signed an Agreement and Plan of Merger on January 18, 1993. Pursuant to that agreement, the former shareholders, option holders, and warrant holders of Resurgens will own 39 percent of MCC, and Metromedia Company, the parent of Metromedia, and an affiliate John W. Kluge, Trustee, will own 61 percent of MCC.

Metromedia and Resurgens have stated that the proposed merger would achieve cost savings, organizational efficiencies, provide better service to customers at lower costs, resulting in a stronger competitive position. Information detailing the financial, managerial, and technical expertise of Metromedia was previously filed with and reviewed by the Commission in Case No. 10200. Similar information regarding the expertise of Resurgens was filed in this case.

Based on the evidence of record and being advised, the Commission hereby finds that MCC possesses the financial, managerial, and technical expertise to own and operate a telecommunications utility providing intrastate long-distance service within the Commonwealth of Kentucky.

IT IS THEREFORE ORDERED that:

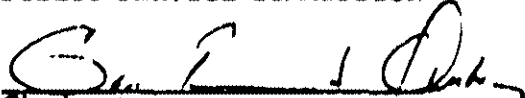
1. The merger of Metromedia into Resurgens be and it hereby is approved with the surviving entity's name being changed to Metromedia Communications Corporation.

2. Within 10 days of the date of the closing, Metromedia Communications Corporation shall file an executed adoption notice pursuant to 807 KAR 5:011, Section 11.

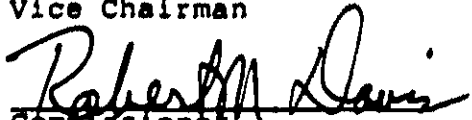
3. Metromedia Communications Corporation shall file evidence of closing no later than five days after closing occurs or, in the alternative, shall notify the Commission if the proposed merger does not occur.

Done at Frankfort, Kentucky, this 19th day of April, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director