

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for transfer) DOCKET NO. 940899-TI
of control of WILTEL, INC. to) ORDER NO. PSC-94-1365-FOF-TI
LDDS COMMUNICATIONS, INC. d/b/a) ISSUED: November 10, 1994
LDDSMETROMEDIA COMMUNICATIONS)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING TRANSFER OF CONTROL

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

By letter filed August 25, 1994, the Williams Companies, Inc. (Williams), WTG Holdings, Inc. (WTG Holdings), Williams Telecommunications Group, Inc. (WTG), WilTel, Inc. (WilTel) and LDDS Communications, Inc., d/b/a LDDSMETROMEDIA Communications (LDDS), collectively referred to as the applicants, seek approval to transfer control of WilTel to LDDS. This transfer is part of a larger transaction in which WilTel and WTG will become wholly-owned subsidiaries of LDDS. LDDS also requests authority to increase the number of authorized shares of common stock to 500,000,000 and preferred stock to 50,000,000 and for approval of a transaction in which LDDS and its subsidiaries will incur certain debt obligations in connection with a Credit Facility Agreement.

Williams is the corporate parent of WilTel. WilTel is a wholly-owned subsidiary of WTG. WTG is a wholly-owned subsidiary of WTG Holdings, which is wholly-owned by Williams.

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FPSC-RECORDS/REPORTING

WilTel owns and operates a nationwide telecommunications network that spans over 11,000 route miles. Its transmission network is the nation's fourth largest. Through network sharing and lease agreements with other carriers, WilTel has access to approximately 40,000 miles of additional transmission network facilities. The total network is able to originate traffic in over 250 cities nationwide and terminate traffic universally. WilTel's annual revenue for 1993 makes it the nation's fifth largest interexchange carrier.

LDDS provides a full range of domestic and international interexchange telecommunications services as a non-dominant carrier. LDDS and its operating subsidiaries currently originate interstate and international traffic in 48 states. The Company is authorized to provide intrastate traffic in 45 states, including Florida. LDDS is the nation's fourth largest interexchange carrier.

The applicants state that the transfer will be undertaken in a manner that will not affect the provision of intrastate telecommunications services and will have no adverse affect on the telecommunications operations in Florida. Initially, WilTel will be operated separately from LDDS' other subsidiaries and will continue to offer service pursuant to its existing tariffs. All WilTel customers will be sent appropriate and timely notice of the acquisition. The applicants also state that after the transaction is completed, WilTel will be led by a team of well-qualified managers from comprised of existing WilTel and LDDS personnel, enhancing WilTel's ability to provide high quality service to existing and future customers in Florida.

LDDS seeks to increase its authorized number of shares of common and preferred stock to provide its Board of Directors the flexibility required to issue shares as needed for corporate purposes.

LDDS also seeks to obtain \$3.5 billion of senior bank facilities, called a Credit Facility, to finance the acquisition of WilTel's stock, refinance existing indebtedness, finance capital expenditures, and to provide working capital for the company. We note LDDS' subsidiaries, including WilTel, will act as guarantors of the credit facility.

The applicants state that the transfer is in the public interest because it will enable the combined firms to operate more

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It is therefore

ORDERED by the Florida Public Service Commission that the application filed by the Williams Companies, Inc., WTG Holdings, Inc., Williams Telecommunications Group, Inc., WilTel, Inc., and LDDS Communications, Inc., d/b/a LDDSMETROMEDIA Communications for transfer of control of WilTel, Inc. to LDDS Communications, Inc., d/b/a LDDSMETROMEDIA Communications is hereby approved as set forth in the text of this Order. It is further

ORDERED that LDDS Communications, Inc.'s request for authority to increase the number of authorized shares of common stock to 500,000,000 and preferred stock to 50,000,000 is hereby approved. It is further

ORDERED that LDDS Communications, Inc.'s request for approval of a transaction in which LDDS and its subsidiaries will incur certain debt obligations in connection with the Credit Facility Agreement is hereby approved. It is further

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 10th day of November, 1994.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay J. Lynn
Chief, Bureau of Records

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on December 1, 1994.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.