STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 28th day of June, 1995.

In the matter of a joint application of Hospitality Communications Corporation and Allnet Communications Services, Inc. for authority to sell, purchase and transfer a portion of the subscriber assets in the State of Missouri.	))))))	CASE NO. TM-95-406

ORDER APPROVING SALE OF ASSETS

On June 7, 1995, Hospitality Communications Corporation (Hospitality) and Allnet Communications Services, Inc. (Allnet) filed a joint application pursuant to Section 392.300, RSMo 1994, seeking authorization of the Commission: 1) for the conveyance of a portion of Hospitality's customer base in the state of Missouri to Allnet; 2) for a continuance of the active status of Hospitality's tariff and certificate of service authority in the state of Missouri; 3) for the granting of the application to be made effective on the date of the Commission's decision; and 4) for such other relief as the Commission deems necessary and appropriate.

Hospitality was certificated by this Commission on December 19, 1994, in Case No. TA-95-124 to provide intrastate interexchange telecommunications services within the state of Missouri, and is classified as a competitive telecommunications company and public utility as defined in Section 386.020, RSMo 1994. Allnet was certificated by this Commission on August 26, 1986, in Case Nos. TO-84-222, TO-84-223, and TO-85-130 to provide intrastate interexchange telecommunications services within the state of Missouri, and is classified as a competitive telecommunications company and public utility as defined in Section 386.020, RSMo 1994.

Hospitality and Allnet state in their joint application that Hospitality seeks to sell a portion of its interexchange customer base to Allnet pursuant to an Asset Purchase Agreement attached to the joint application as Proprietary Exhibit 1. Applicants explain that Hospitality's subscribers will continue to be billed under Hospitality's rates, terms, and conditions contained in its tariff pending Commission approval of the joint application, but that Allnet will subsequently serve and bill Hospitality's subscribers under the rates, terms, and conditions of Allnet's tariffs. Applicants add that Hospitality does not collect subscriber deposits, therefore the transaction will not involve any refund or disposition of subscriber deposits. In addition, applicants state that the number of Missouri subscribers involved in the purchase is less than 15, and that the subscribers subscribe only to Dial-1 and 800 services.

In support of the joint application, applicants state that the proposed sale will not be detrimental to the public interest and should be approved, as Hospitality has had a successful record of serving Missouri subscribers since being certificated on December 19, 1994, and Allnet has similarly established its long standing reputation as a premier service provider in the state of Missouri for over eight years. Further, applicants indicate that the proposed acquisition is being funded from existing capital, and therefore no additional financing is required by Allnet, and Allnet's financial standing will not be materially affected. Attached to the joint application as Exhibit 2 is the most recently published balance sheet and income statement for Allnet. Applicants add that the sale of the customer base will have no adverse impact on tax revenues in Missouri or in any political subdivision thereof.

On June 16, 1995, the Commission's Staff filed a memorandum recommending approval of the joint application. Staff states that the application involves the purchase by Allnet of the transferable contracts of approximately seven to ten Missouri customers from Hospitality if the transfer is approved by the Commission and the customers agree to the transfer of their service to Allnet. Staff explains that the proposed sale and transfer can become effective only if three things occur: 1) the Commission must approve the sale and transfer between Allnet and Hospitality; 2) the Commission must approve the proposed tariff of Allnet (File No. 9500728); and 3) the customer must agree to transfer to Allnet service by August 1, 1995. Staff's recommendation also references Allnet's proposed tariff sheets, submitted on April 28, 1995, with the effective date extended to July 1, 1995. Finally, Staff states that it has no objection to approval of the sale of a portion of Hospitality's customer base, and thus Staff recommends Commission approval of the proposed sale with an effective date on or before July 1, 1995.

Upon review of the verified joint application and attachments thereto, and Staff's recommendation, the Commission finds that the sale of a portion of Hospitality's interexchange customer base to Allnet will not be detrimental to the public interest, as both companies are competitive telecommunications service providers, and Hospitality's customers must agree to the transfer to Allnet service. As Allnet's proposed tariff sheets are being submitted to the Commission pursuant to File No. 9500728, the Commission need not address those tariff sheets in this order.

IT IS THEREFORE ORDERED:

1. That the sale of a portion of the interexchange customer base of Hospitality Communications Corporation to Allnet Communications Services, Inc., pursuant to the Asset Purchase Agreement filed with the joint application as Proprietary Exhibit 1, be and is hereby approved.

2. That Hospitality Communications Corporation and Allnet communications Services, Inc. be and are hereby authorized to take any and all other actions necessary to effectuate the sale transaction contemplated by the joint application and this order.

3. That the tariff and certificate of service authority of Hospitality Communications Corporation shall remain in full force and effect, enabling Hospitality to continue to offer telecommunications services in the state of Missouri.

4. That this Order shall become effective on July 1, 1995.

BY THE COMMISSION

David L Rauch

David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, and
Crumpton, CC., Concur.
Kincheloe, C., Absent.