PENNSYLVANIA PUBLIC UTILITY COMMISSIO Uniform Cover and Calendar Sheet

1. REPORT DATE: 2. BUREAU AGENDA NO. August 1, 2000 SEP-2000-FUS-1434* **BUREAU: Fixed Utility Services** 3. 4. **SECTION(S):** Finance/Tariff **PUBLIC MEETING DATE:** 6. APPROVED BY: Director: Rosenthal 3-5242 August DOCKETED Supervisor: Wilson 3-6162 AUG 17 2000 Legal Review by: PERSONS IN CHARGE: Glunz/Minardo 5-4364 / 3-5941 DOCKET NO.: A-310992, A-310992F0002 A-310104F2000; A-310801F0003

- 9. (a) CAPTION (abbreviate if more than 4 lines)
 - (b) Short summary of history & facts, documents & briefs
 - (c) Recommendation
 - (a) Joint application of CoreComm Limited, a Bermuda corporation and parent of jurisdictional utility CoreComm Pennsylvania, and of jurisdictional utility ATX Telecommunications Services, Inc. (ATX Teleom, a Delaware corporation) for approval of certain intermediate transactions associated with the transfer of ownership and control of ATX Teleom, a Delaware corporation to CoreComm Limited, a Delaware corporation; the right of ATX Licensing, Inc. to begin to render IXC and CLEC services throughout Pennsylvania currently certificated to ATX Teleom; and for the abandonment of services in Pennsylvania by ATX Teleom.
 - (b) On May 4, 2000 the subject joint application was filed. No protests were filed, and no hearings were held.
 - (c) The Bureau of Fixed Utility Services recommends that the Commission adopt the proposed draft Order approving the joint application.

10. MOTION BY: Commissioner Chm. Quain

Commissioner Brownell - Yes

Commissioner Wilson - Yes

Commissioner Fitzpatrick - Yes

CONTENTS OF MOTION: Staff recommendation adopted.



COMMO WEALTH OF PENNSYLVANIA PENNSYLVANIA PUBLIC UTILITY COMMISSION P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE

SEPTEMBER 6, 2000

A-310992 A-310992F2 A-310104F2000 A-310801F0003

JAMES J FREEMAN ESQUIRE KELLEY DRYE & WARREN 1200 19TH STREET NW WASHINGTON DC 20036

Joint application of non-jurisdictional entity CoreComm Limited, a Bermuda corporation, parent of jurisdictional utility CoreComm Pennsylvania, Inc. (CoreCommPA), and of jurisdictional utility ATX Telecommunications Services, Inc. (ATX Telecom, a Delaware corporation) for approval of certain intermediate transactions associated with the transfer of ownership and control of ATX Telecom to CoreComm Limited, a Delaware corporation; the right of ATX Licensing, Inc. to begin to render interexchange telecommunications services and competitive local exchange services in Pennsylvania currently certificated to ATX Telecom; and for the abandonment of services in Pennsylvania by ATX Telecom.

To Whom It May Concern:

This is to advise you that the Commission in Public Meeting on August 17, 2000 in the above-entitled proceeding has adopted an Order.

An Order has been enclosed for your records.

Very truly yours,

James J. McNulty Secretary

smk Enclosure cert. Mail DOCUMENT

PENNSYLVANIA PUBLIC UTILITY COMMISSION Harrisburg, PA. 17105-3265

Public Meeting held August 17, 2000

Commissioners Present:

John M. Quain, Chairman Robert K. Bloom, Vice Chairman Nora Mead Brownell Aaron Wilson, Jr. Terrance J. Fitzpatrick

Joint Application of non-jurisdictional entity CoreComm Limited, a Bermuda corporation, parent of jurisdictional utility CoreComm Pennsylvania, Inc. (CoreComm PA), and of jurisdictional utility ATX Telecommunications Services, Inc. (ATX Telecom, a Delaware corporation) for approval of certain intermediate transactions associated with the transfer of ownership and control of ATX Telecom to CoreComm Limited, a Delaware corporation; the right of ATX Licensing, Inc. to begin to render interexchange telecommunications services and competitive local exchange services in Pennsylvania currently certificated to ATX Telecom; and for the abandonment of services in Pennsylvania by ATX Telecom.

Docket No: A-310992

A-310992 F0002 A-310104 F2000 A-310801 F0003

SEP 13 2000

ORDER

On May 4, 2000 non-jurisdictional entity CoreComm Limited, a Bermuda DER corporation and parent of jurisdictional utility CoreComm Pennsylvania, Inc.

(CoreComm PA), and jurisdictional utility ATX Telecommunications Services, Inc. (ATX Telecom, a Delaware corporation), filed the above-captioned joint application pursuant to Chapter 11 of the Pennsylvania Public Utility Code, 66 Pa.C.S. §§1101-1103, requesting approval of certain intermediate transactions concerning the transfer of ownership and control of ATX Telecom to CoreComm Limited, a Delaware corporation. The joint application also requests approval for the right of ATX Licensing, Inc. (ATX Licensing) to begin to render interexchange telecommunications services and competitive local exchange services in Pennsylvania, and for the abandonment of the same services in Pennsylvania by ATX Telecom. The above-described transaction will be accomplished via stock transfer. Upon consummation of the transfer of ownership and control, CoreComm Limited, a Delaware corporation will be the surviving corporation. ATX Licensing will become a wholly-owned subsidiary of CoreComm Limited and then begin providing the same services formerly provided by ATX Telecom.

Copies of the application were served upon the Office of Consumer Advocate and Office of Small Business Advocate. Further notice was not required and no protest period was established. No protests were filed.

ATX Telcom and CoreComm PA were granted certificates of public convenience at A-310104 and A-310801, respectively, and are authorized to resell interexchange telecommunications services throughout the Commonwealth. ATX Telecom is also authorized to provide competitive local exchange services throughout the Commonwealth. CoreComm PA's services will not be affected by any of the proposed transactions herein.

The joint applicants aver that the proposed transfer of ownership and control, new service, and abandonment will result in improved operational

efficiencies and competitive position that will ultimately benefit the Pennsylvania customers of the two existing jurisdictional utilities. Pennsylvania customers of the jurisdictional utilities will not be directly affected by the transactions except to the extent that customers presently served by ATX Telecom will be receiving their bills as ATX Licensing, Inc. d/b/a/ ATX Telecommunications Services, Inc. ATX Telecom and CoreComm PA's customers will experience no interruption or change in service, and will continue to be charged rates pursuant to the utilities' respective tariffs on file with the Commission.

The change of ownership and control, new service, and abandonment of ATX Telecommunication Services, Inc., to CoreComm Limited, a Delaware corporation offers the possibility of greater amounts of capital becoming available to improve its operations. Consequently, we find that the above transactions meet the affirmative benefit standard set forth in City of York v Pennsylvania Public Utility Commission, 449 Pa. 136, 141-44, 295 A.2d 825, 828-29 (1972).

Moreover, we have examined this joint application and have determined that the above-described transfer of ownership and control, new service, and abandonment are necessary or proper for the service, accommodation, convenience, or safety of the public, and that the joint application is in the public interest and should be approved; **THEREFORE**,

IT IS ORDERED:

1. That the Joint Application concerning the right of ATX Licensing, Inc. to begin to render interexchange telecommunications services and competitive local exchange services in Pennsylvania be approved.

- 2. That the Joint Application concerning the certain intermediate transactions associated with the transfer of ownership and control of ATX Telecommunications Services, Inc., a Delaware corporation to CoreComm Limited, a Delaware corporation be approved.
- 3. That the Joint Application concerning the abandonment of service by ATX Telecommunications, Inc., a Delaware corporation be approved.
- 4. That within 30 days following the consummation of the transactions described in Ordering Paragraphs No. 2 and 3, above, ATX Licensing, Inc. notify this Commission of the effective date of the transfer of ownership and control, and file a tariff supplement adopting for service to current customers of ATX Telecommunications, Inc. the rates and conditions of service currently in effect for ATX Telecommunications, Inc.
- 5. That upon receipt of the notification and tariff adoption supplement described in Ordering Paragraph No. 4, above, certificates of public convenience be issued authorizing ATX Licensing to furnish IXC and CLEC services throughout Pennsylvania, and authorizing ATX Telecommunications Services, Inc. to abandon service in Pennsylvania.

6. That immediately following any decision not to complete the transactions approved in Ordering Paragraphs No. 1, 2, and 3 above, ATX Telecommunications Services, Inc. and notify this Commission that the change of ownership and control, new service, and abandonment will not be consummated.

BY THE COMMISSION,

James J. McNulty

Secretary

(SEAL)

ORDER ADOPTED: August 17, 2000

ORDER ENTERED: SEP - 6 2000