

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application ) Application No. C-2574  
of Williams Communications, L.L.C. )  
of Tulsa, Oklahoma, seeking ) GRANTED  
authority for corporate )  
restructuring. ) Entered: October 30, 2001

BY THE COMMISSION:

By application filed, August 2, 2001, Williams Communications, L.L.C. (WCLLC) of Tulsa, Oklahoma, seeking authority for corporate restructuring. Notice of this application was published in The Daily Record, Omaha, Nebraska, on August 3, 2001. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N   A N D   F I N D I N G S

WCLLC is authorized to operate as a resale carrier of intra-state and interexchange telecommunications services in Nebraska pursuant to Application No. C-1986 on March 2, 1999.

WCLLC is a wholly-owned subsidiary of the Williams Communications Group (WCG). WCG is a holding company and is not regulated by the Commission. WCG has two classes of stock: Class A and Class B. The majority of WCG's Class A stock is traded on the New York Stock Exchange. All outstanding shares of Class B stock have been owned by The Williams Companies (TWC). TWC stock is also traded on the New York Stock Exchange.

On March 30, 2001, the Board of Directors of TWC voted to authorize and direct the distribution of the majority of TWC's shares of WCG stock to TWC's shareholders, effective April 23, 2001. The transaction will result in the majority of the outstanding shares of WCG stock being publicly traded on the New York Stock Exchange. The distribution will not substantively impact or change control of the WCLLC. After the distribution, WCLLC will continue to be a wholly-owned subsidiary of WCG. The transaction will only change the current ownership of WCG's Class B stock from TWC to TWC's shareholders.

Following the transaction, key management of WCLLC will continue to occupy positions identical or substantively identical to the post they held prior to the stock distribution. The restructuring will not adversely affect the financial, managerial or technical ability of the companies. The transaction will be transparent to customers.

Upon review of the evidence, the Commission finds the application to be fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2574 be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 30th day of October, 2001.

Nebraska Public Service Commission

COMMISSIONERS CONCURRING:

*Lowell D. Stinson*  
*Harold D. Day*  
*Anne C. Boyer*  
*Paul Johnson*

//s//Frank E. Landis

*James L. ...*  
Chairman

ATTEST:

*A. S. Pollack*  
Executive Director