

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

Application of)	
)	
)	
Lightyear Network Solutions, LLC)	Case No. _____
)	
For a Certificate of Service Authority to Provide)	
Intrastate Interexchange Telecommunications)	
Services in the State of Missouri and for)	
Competitive Classification)	
)	

**APPLICATION OF LIGHTYEAR NETWORK SOLUTIONS, LLC
FOR A CERTIFICATE OF SERVICE AUTHORITY
AND FOR COMPETITIVE CLASSIFICATION**

Lightyear Network Solutions, LLC (“New Lightyear,” or “Applicant”), through undersigned counsel and pursuant to Sections 392.361, 392.410, 392.420, 392.430, and 392.440 and 4 CSR 240-2.060 and 4 CSR 240-3.510, hereby requests that the Commission issue New Lightyear a Certificate of Service Authority to provide intrastate interexchange telecommunications service within the State of Missouri, classify New Lightyear as a competitive company, and waive certain statutes and rules. In support of this Application, New Lightyear states as follows:

A. Description of the Applicant

1. Applicant’s legal name is Lightyear Network Solutions, LLC. New Lightyear is a recently formed limited liability company with its principal business office located at 1901 Eastpoint Parkway, Louisville, Kentucky 40223. The character of New Lightyear’s business is to provide telecommunications service. New Lightyear’s Certificate of Formation is provided as **Exhibit A**. New Lightyear is in the process of obtaining Authority to Transact Business in Missouri and will submit it as **Exhibit B** as soon as it is available.

2. Following consummation of the proposed transaction described in Section B of this Application, New Lightyear will acquire all of the assets of Lightyear Communications, Inc. (“Lightyear”). New Lightyear will also gain much of the experience of Lightyear’s senior personnel in providing telecommunications services.

3. New Lightyear is a wholly owned subsidiary of LY Acquisition, LLC (“Acquisition”), a Kentucky limited liability company also located at 1901 Eastpoint Parkway, Louisville, Kentucky 40223.

4. For the Commission’s reference, an organizational diagram of New Lightyear’s corporate structure is attached hereto as **Exhibit C**.

5. For the purposes of this Application, contacts for the Applicant are as follows:

James M. Fischer, Esq.
Larry W. Dority, Esq.
FISCHER & DORITY, P.C.
101 Madison, Suite 400
Jefferson City, Missouri 65101
Tel: (573) 636-6758
Fax: (573) 636-0383
Email: jfischerpc@aol.com
lwdority@sprintmail.com

and

William B. Wilhelm, Jr.
Douglas D. Orvis II
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
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Washington, DC 20007-5116
Tel: (202) 295-8439
Fax: (202) 424-7645
Email: WBWilhelm@swidlaw.com
DDOrvis@swidlaw.com
DCBurt@swidlaw.com

and

W. Brent Rice, Esq.
McBrayer, McGinnis, Leslie & Kirkland, PLLC
201 East Main Street
Suite 1000
Lexington, Kentucky 40502
(859) 231-8780 (Tel)
(859) 231-6518 (Fax)

For purposes of other Commission inquiries, complaints, and correspondence, the contact for the Commission will be:

Linda Hunt
Manager of Regulatory Affairs
Lightyear Network Solutions, LLC
1901 Eastpoint Parkway
Louisville, Kentucky 40223
Tel: (502) 244-6666
Fax: (502) 515-4138
Email: Lindah@lightyearcom.com

B. Background Information

6. The filing of this Application is one step in a comprehensive transaction arising out of Lightyear's bankrupt status. As part of the transaction, Lightyear is transferring its assets to Acquisition, which will then immediately transfer the assets to New Lightyear. Additional information regarding the Transaction is detailed in the Application filed concurrently by Lightyear and New Lightyear.

C. Qualifications

7. New Lightyear is well qualified to provide telecommunications services once the Transaction closes.

8. New Lightyear has the managerial and technical resources necessary to operate in Missouri. In fact, New Lightyear will benefit from continued assistance from some of the key personnel of New Lightyear. Biographies of the key personnel are provided in **Exhibit D**.

D. Description of Services

9. New Lightyear seeks authority to provide intrastate interexchange telecommunications services throughout the State of Missouri. Therefore, New Lightyear seeks statewide authority.

10. New Lightyear will provide all services offered by Lightyear and seeks authority that mirrors the authority currently held by Lightyear. In addition, New Lightyear intends to adopt the current, effective tariffs of Lightyear and will file its tariff adoption notice at a later date in this proceeding, or as ordered by the Commission. Therefore, New Lightyear seeks a waiver of 4 CSR 240-3.510, which requires that a proposed tariff with a forty-five (45) day effective date be included with this Application.

11. New Lightyear will continuously monitor and maintain a high level of control over its network on a 24-hours-a-day, 7 days-a-week basis.

12. New Lightyear will not unjustly discriminate among its subscribers as prohibited by Section 392.200 RSMo.

13. New Lightyear does not have any pending action or final unsatisfied judgments or decision against it from any state or federal agency or court that involve customer service or customer rates, which action, judgment or decision has occurred within three (3) years of the date of this Application.

14. Since New Lightyear is a requesting certification as a new carrier, no annual reports or fees are overdue.

E. Classification as a Competitive Company

15. New Lightyear seeks classification as a competitive company, pursuant to Sections 392.361.2 and 392.361.3 RSMo., and the accompanying reduced regulation, pursuant to Section 392.420 RSMo.

16. Applicant respectfully requests that the Commission suspend, waive, or modify the application of the following rules and statutory provisions consistent with the Commission's treatment of other competitive carriers:

Statutes

§ 392.210.2	-	Uniform system of accounts
§ 392.240(1)	-	Rates - Average return on investment.
§ 392.270	-	Property valuation.
§ 392.280	-	Depreciation accounts.
§ 392.290	-	Issuance of stocks and bonds.
§ 392.300.2	-	Acquisition of stock
§ 392.310	-	Issuance of stock.
§ 392.320	-	Stock dividends.
§ 392.330	-	Issuance of securities, debts and notes.
§ 392.340	-	Reorganizations

Regulations

4 CSR 240-10.020	-	Depreciation of fund income.
4 CSR 240-3.545(2)(C)	-	Posting of tariffs.
4 CSR 240-30.040	-	Uniform System of Accounts
4 CSR 240-33.030	-	Minimum charges

17. The above-referenced statutory provisions or regulations have been waived with regard to other competitive carriers. These statutory provisions or regulations are principally designed to apply to noncompetitive telecommunications carriers. It would be inconsistent with the goal and purpose of Section 392.530 RSMo. to apply them to a competitive telecommunications carrier such as Applicant.

18. New Lightyear will comply with all orders and regulations of the Commission applicable to providers of competitive interexchange telecommunication services except those that are specifically waived by the Commission.

19. To the extent that the Commission may modify its current waiver policies, New Lightyear reserves the right to amend its waiver requests accordingly.

F. Public Interest Considerations

20. By granting the certificate required in this transaction will lead to the emergence of a stronger and better-financed competitor in the Missouri telecommunications market.

21. Failure to approve this Application will harm the public interest. Failure to approve the Application would result in the diminution of competition in Missouri. Specifically, Lightyear's bankruptcy status has limited it from competing for Missouri customers, and the uncertainty attendant to its bankruptcy status has been detrimental to its ability to retain existing customers in other states.

CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this instant Application, failure to grant it would directly harm the public interest. In light of the exigent circumstances and, in particular the need to ensure continuity of service to existing customers, Applicants respectfully request expedited treatment to permit Applicants to consummate the proposed Transactions as soon as possible, but in no event after March 31, 2004.

Respectfully submitted,

/s/ James M. Fischer

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Larry W. Dority, MBN 25617
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DDOrvis@swidlaw.com
DCBurt@swidlaw.com

Dated: December 15, 2003

CERTIFICATE OF SERVICE

I hereby certify that a copy of this document has been hand delivered, emailed or mailed by first class mail, postage prepaid to the Office of Public Counsel and the General Counsel's office on this 15th day of December, 2003.

/s/ James M. Fischer

James M. Fischer

LIST OF EXHIBITS

Exhibit A Certificate of Formation

Exhibit B Authority to Transact Business

Exhibit C Illustrative Chart of Transaction

Exhibit D Management Biographies

Verification

EXHIBIT A

Certificate of Formation

0572568.06

sbate
LAOC

John Y. Brown III
Secretary of State
Received and Filed
11/20/2003 11:16:41 AM
Fee Receipt: \$40.00

**ARTICLES OF ORGANIZATION
OF
LIGHTYEAR NETWORK SOLUTIONS, LLC**

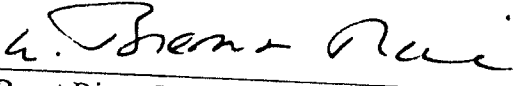
The undersigned organizer, desiring to form a limited liability company under the Kentucky Limited Liability Company Act, hereby states the following:

1. The name of the limited liability company is **Lightyear Network Solutions, LLC**.
2. The name and address of the registered agent are:

W. Brent Rice
201 East Main Street, Suite 1000
Lexington, Kentucky 40507
3. The address of the initial principal office of the limited liability company is:

201 East Main Street, Suite 1000
Lexington, Kentucky 40507
4. The limited liability company is to be managed by its members.

IN WITNESS WHEREOF, the undersigned has duly executed these Articles of Organization this 19th day of November, 2003.


W. Brent Rice, Organizer

CONSENT OF REGISTERED AGENT

The undersigned, having been named in the Articles of Organization of Lightyear Network Solutions, LLC (the "Company") as the registered agent of the Company hereby consents to serve in that capacity.


W. Brent Rice

The foregoing instrument
was prepared by:

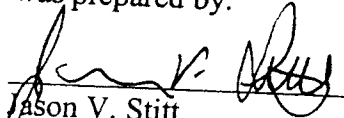

Jason V. Stitt
Sawyer & Glancy PLLC
3120 Wall Street, Suite 310
Lexington, Kentucky 40513

EXHIBIT B

Authority to Transact Business

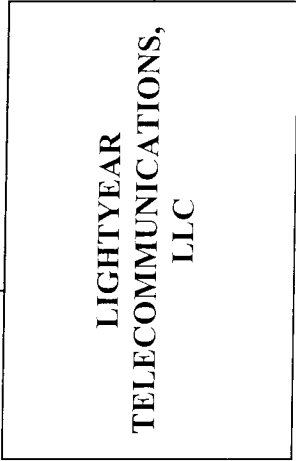
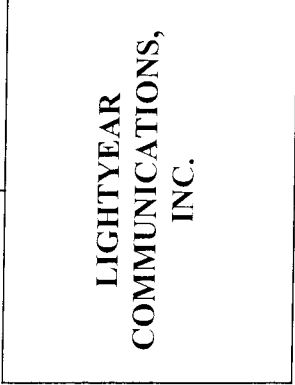
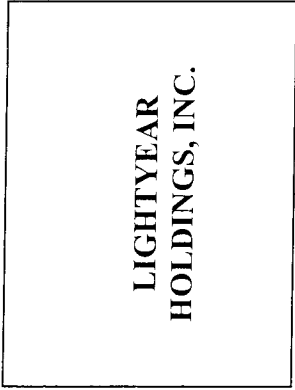
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EXHIBIT C

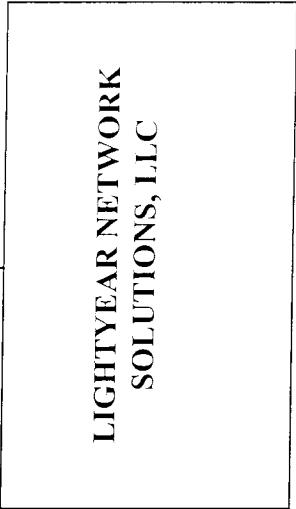
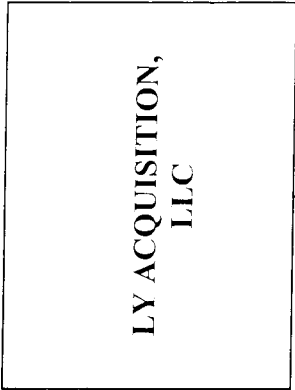
Illustrative Chart of Transaction

ILLUSTRATION OF TRANSACTIONS

SELLERS



BUYERS



ASSETS

ASSETS

EXHIBIT D

Management Biographies

LIGHTYEAR COMMUNICATIONS, INC.
TECHNICAL ABILITY AND RESUMES OF KEY PERSONNEL

J. Sherman Henderson, III, President and Chief Executive Officer

Mr. Henderson has over twenty-five years of business experience, including sales, marketing and management. Mr. Henderson was instrumental in the growth and success of Charter Network, a long distance carrier serving five Midwestern states. He was associated with Charter from 1986 until its sale to Litel in 1990. Under Mr. Henderson's guidance, Charter grew from \$9 million in annual revenues to \$50 million in four years. Directly prior to founding Lightyear, he served as an officer for Turbo Consulting Enterprises, Inc., located in Louisville, Kentucky, which provides a wide range of consulting services to the telecommunications industry. Mr. Henderson is a graduate of Florida State University, with a B.A. degree in Business Administration. Mr. Henderson currently serves as Chairman of the Telecommunications Resellers Association.

John J. Greive, Vice President of Regulatory Affairs and General Counsel

Prior to joining Lightyear in July, 1996, John Greive maintained a general practice as a partner with Chandler, Saksefski and Greive. John also worked as an associate in the corporate section of a mid-sized firm in Louisville, Kentucky. John is responsible for managing all legal and regulatory affairs including representing Lightyear before state and federal regulatory agencies. He received his B.S. in Mathematics from Bellarmine University and his Juris Doctorate from the University of Louisville. John also serves as the Corporate Secretary for Lightyear.

G. Henry Hunt, Senior Vice President of Sales and Marketing

G. Henry Hunt joined Lightyear in 1996, and currently is responsible for Lightyear's Agent program including recruitment, sales support, marketing and product development. Hunt previously served as Lightyear's Director of Strategic Planning and Vice President of Marketing. Before joining Lightyear, he was President of Babcock-Rickert Advertising; worked in Marketing with Chi-Chi's, Restaurants Inc; and served as a consultant for national retail, product, and business-to-business marketing companies. Since joining Lightyear, Hunt has made significant contributions in Agency recruitment, product marketing, business planning and systems development. Hunt is a graduate of the University of Kentucky School of Journalism with additional study in Marketing.

Edward J. Wampler, Senior Vice President of Operations

Edward J. Wampler, Senior Vice President of Operations, has played a critical role in Lightyear's Operations Department from the company's beginnings in 1993. He previously served as Operations Manager for Charter Network, where he directed marketing projects, implemented productivity reporting, created standard operations manuals, instituted performance standards, and was responsible for developing Charters customer service and order processing departments. Wampler also served as the manager for LCI International's customer service division after Charter Network was purchased. His Lightyear responsibilities include overseeing many facets of Lightyear's Operations, which include the Customer Service and Order Provisioning Divisions. Wampler received a B.A. in Economics from the University of Louisville.

Elaine G. Bush, Vice President of Finance

Elaine G. Bush began her career with Lightyear in 1996 as Controller. She has since moved up to head the company's finance department as Vice President of Finance, where she supervises the company's financial reporting, commissions, Financial Billing Center, pricing and Collections. Before coming to Lightyear, Bush operated her own accounting consultancy, JG Enterprises, where she worked to set up accounting systems for Lightyear, her biggest client. Her background in accounting management is quite diverse, with her career spanning positions as Controller at Centran Corporation, Manager of Accounting Operations for Entrade Corporation, and Accounting Supervisor of NTS Corporation. She received her B.S. in Accounting at the University of Louisville and is a Certified Public Accountant.

LIGHTYEAR COMMUNICATIONS, INC.
TECHNICAL ABILITY AND RESUMES OF KEY PERSONNEL

Rena Phillips, Vice President of Operations

Rena Phillips began her career at Lightyear on October 3, 1993, as a Customer Service Representative. She has been involved with the Telecommunications Industry for approximately the past fifteen years in both the provisioning and customer services areas. As Vice President of Operations, Ms. Phillips will be responsible for the customer service and order provisioning divisions associated with the 1 + Switched and Local Products. Through her tenure at Lightyear, she has carried many titles, positions, and responsibilities. She has been instrumental in the development of our Order Provisioning and Customer Services Departments, and has been an influential driving force in the implementation of the new Arbor billing platform from a user's prospective. She has served as the Director of Order Provisioning, IT Director for the Arbor installation, served as the Chairperson of the Core Team for the development of the standards and operating procedures that govern the Arbor Billing system. Rena recently accepted the responsibility of managing the Arbor Conversion Clean-Up Project. Rena's in-depth knowledge of the traditional long distance business coupled with her local knowledge will be a continued asset to Lightyear.

Kevin Shady, Vice President of Local Development

Kevin Shady joined Lightyear in May 1994 as Product Manager, and worked his way up through many positions to become Vice President of Network Development. In this capacity, he works with Lightyear's vendor partners to negotiate product packages and evaluate network capacity. His areas of responsibility include Long Distance, Local and Data/Internet Services, as well as negotiating wholesale contracts with potential Agents and CLEC Management. He came to Lightyear from Brown & Williamson, where he worked in a wide variety of sales and marketing positions. Before entering the marketing field, he was an on-air correspondent at television stations in the Evansville, Ind., market. Shady earned his M.B.A. from Indiana University.

Timothy J. Morgan, Vice President of Information Technology

Timothy J. Morgan came to Lightyear in 1996 as the Billing Manager. He has since been given additional responsibilities of Direct Commissions, Tax and Regulatory, and most recently, promoted to Vice President of Information Technology. Prior to working for Lightyear, Morgan worked in public accounting with the firm of Eskew & Gresham as both a field auditor and as part of Computer Consulting firm as an EDP auditor. His background also includes being Comptroller of a 7-bank holding company and working as a software developer in the health care industry. Morgan has been a certified public accountant in the state of Kentucky since 1986.

J. Clay Masters, Vice President of Sales

Clay Masters, brings extensive leadership experience to Lightyear. After attending the University of Kentucky, Masters opened his own company and signed an Agent agreement with Lightyear. In 1996, Masters was recruited by Lightyear to be Manager of Business Development in order to help secure and complete contractual agreements with new Agents for the sale of telecommunications services to small to medium sized companies. Soon after joining Lightyear, Masters was promoted to Director of Business Development. In February, 2002 he was promoted to Vice President of Sales responsible for all aspects of the Lightyear Agent Partner Channel.

Josh Henderson, Vice President of Sales

Mr. Henderson joined Lightyear in 1997. Before joining Lightyear, from 1995 to 1997, Mr. Henderson worked in Sales at Hands on Originals, an S&S Tire Company, running the College Wearable Division. Since joining Lightyear, he has served as Director of Emerging Markets in 1999, and as Senior Director in Lightyear's Northeast and Mid-Atlantic Markets in 2000. Mr. Henderson is responsible for twelve sales offices throughout the Southeast, Central, Midwest and Northeast Regions. He has a Bachelor of Science degree in Communications from the University of Kentucky.

VERIFICATION

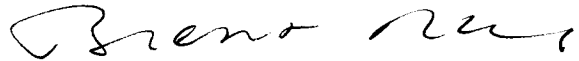
COMMONWEALTH OF KENTUCKY :

: ss.

COUNTY OF JEFFERSON :

VERIFICATION

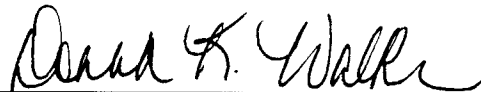
I, Brent Rice, state that I am Interim Chief Executive Officer of Lightyear Network Solutions, LLC, an Applicant in the foregoing Application; that I am authorized to make this Verification on behalf of Lightyear Network Solutions, LLC; that the foregoing Application was prepared under my direction and supervision; and that the statements in the foregoing document are true and correct to the best of my knowledge, information, and belief.



Brent Rice

Lightyear Network Solutions, LLC

Sworn and subscribed before me this 9th day of December, 2003.



Notary Public

My commission expires: 3/4/2004.