

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Joint Application of Lightyear)	
Network Solutions, LLC and First Communications,)	
Inc. for Approval of Transfer of Control and)	<u>Case No. TM-2007-0202</u>
Joint Application of First Communications, LLC and)	
First Communications, Inc. for Approval of Transfer)	
of Control)	

ORDER DIRECTING FILING

Issue Date: December 5, 2006

Effective Date: December 5, 2006

This order directs the Staff of the Commission to file a pleading informing the Commission when it will file its recommendation in this matter.

According to the pleadings in this case, Lightyear Network Solutions, LLC ("Lightyear") is a Kentucky limited liability company which is duly authorized to do business in Missouri as a foreign corporation and has been certificated to resell interexchange telecommunications services in Missouri since April 15, 2004. First Communications, LLC ("FCL") is an Ohio limited liability company which is also duly authorized to do business in Missouri as a foreign corporation and has been certificated to resell interexchange telecommunications services in Missouri since September 25, 2006. Xtension Services, Inc. ("Xtension") is a Delaware corporation which is not authorized to do business in Missouri as a foreign corporation but is authorized to provide long distance and/or local exchange telecommunications services in several other states. Meanwhile, First Communications, Inc. ("FCI") is a newly-formed Delaware corporation which has entered

into letters of intent to acquire a 100% ownership interest in Lightyear, FCL, and Xtension, and was created for the sole purpose of acquiring such control as a holding company.

On November 28, 2006, Lightyear, FCL, and FCI filed Joint Applications with the Commission seeking the Commission's approval of certain business transactions whereby, after FCI's shares are admitted to trading on the Alternative Investment Market of the London Stock Exchange as an initial public offering, either FCI or a new parent company of which FCI will be a wholly-owned subsidiary will acquire 100% ownership and control of Lightyear, FCL, and Xtension.¹ The Joint Applicants have requested expedited treatment, and ask that the Commission promptly commence its examination of the proposed transactions so the Commission can be in a position to approve them by no later than February 15, 2007.

The Commission will order Staff to file a pleading informing the Commission when it will file its recommendation. This pleading shall also address the jurisdictional issues raised and discussed at some length in Paragraphs 17-21 of the Joint Applications,² as well as FCI's request for waiver of Commission Rule 4 CSR 240-2.060(C).

¹ Commission Rule 4 CSR 240-2.060(C) requires any applicant that is a foreign corporation to include, in its application, a certificate from the Missouri Secretary of State that it is authorized to do business in Missouri. Although the Joint Applications contain no such certificate as to FCI, FCI has requested that the Commission waive this requirement pursuant to 4 CSR 240-2.015(1), which provides that any rule in the 4 CSR 240-2 series "may be waived by the commission for good cause." In support of this request, FCI avers:

FCI has no present intention of engaging in business in the State of Missouri and its role at this time is to serve as the acquiring company for control of Lightyear and [FCL]. The nature of FCI's stock ownership will not require it to generally engage in any business in the [S]tate of Missouri, and its joint application here is an isolated transaction. The Applicants submit that good cause is present for the waiver.

² The Joint Applications aver that the proposed transfers of ownership will not result in a transfer of the certificates, assets, or customers of Lightyear or FCL and will be seamless and virtually transparent to Missouri consumers since Lightyear and FCL will continue to offer the services they currently offer with no change in the rates, terms, or conditions of service. For these reasons and others, the Joint Applicants argue that the proposed transactions may not be within the jurisdiction of the Commission under Section 392.300, RSMo 2000. Cf. Order Dismissing Joint Application, Case No. TM-2006-0289 (issued February 23, 2006).

IT IS ORDERED THAT:

1. The Staff of the Commission shall, by no later than December 19, 2006, file a pleading informing the Commission when it will file its recommendation in this matter. This pleading shall also address the jurisdictional issues raised and discussed in the Joint Applications, as well as FCI's request for waiver of Commission Rule 4 CSR 240-2.060(C).
2. This order shall become effective on December 5, 2006.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Benjamin H. Lane, Regulatory
Law Judge, by delegation of authority
under Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 5th day of December, 2006.