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ORIGINAL

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December 12, 2003

RECEIVED

DEC 15 2003

VIA OVERNIGHT DELIVERY

Pam Bonrud, Executive Director
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Capitol Building, 1st Floor
Pierre, SD 57501-5070

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

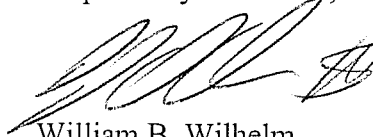
Re: Joint Application/Petition of Lightyear Telecommunications, Inc. and Lightyear Network Solutions For Approval to Consummate a Corporate Reorganization

Dear Ms. Bonrud:

Enclosed for filing on behalf of Lightyear Telecommunications, Inc. and Lightyear Telecommunications, LLC (collectively, the "Lightyear Companies") and Lightyear Network Solutions (Lightyear and Lightyear Network Solutions, together, "Petitioners"), please find an original and ten (10) copies of the above-referenced Application/Petition. Also enclosed is a check in the amount of \$250.00 to cover the requisite filing fee.

Please date-stamp the enclosed extra copy of this filing and return it in the self-addressed, stamped envelope enclosed herein. Should you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,



William B. Wilhelm
Douglas O. Orvis, II

Counsel for Lightyear Telecommunications, Inc.

Doug Orvis confirmed that they do want the COA transferred from Lightyear Comm. to Lightyear Network Solutions.

BEFORE THE
SOUTH DAKOTA PUBLIC SERVICE COMMISSION

_____)	
Joint Application of)	
Lightyear Communications, Inc.,)	
and Lightyear Network Solutions, LLC)	Docket No. _____
Grant of Authority Necessary to)	
Consume a Corporate Reorganization)	
_____)	

APPLICATION

Lightyear Communications, Inc. (“Lightyear”), along with Lightyear Network Solutions, LLC (“New Lightyear” and, collectively with Lightyear, “Applicants”), through their undersigned counsel and pursuant to Section 20:10:24:04.01 of the South Dakota Rules, hereby respectfully request that the Commission grant authority, to the extent necessary, to permit Applicants to consummate a series of transactions through which Lightyear will emerge from bankruptcy through the transfer of substantially all of its assets to New Lightyear. Additionally, New Lightyear will engage in a financial transaction whereby it will secure additional operating capital for future operations concurrent with the transfer of the assets from Lightyear. Immediately after regulatory approval and completion of the transaction, New Lightyear will commence providing service to the current customers of Lightyear under the name Lightyear Network Solutions, LLC. As described below, because the proposed transaction is part of a larger proceeding conducted under the supervision of the U.S. Bankruptcy Court, it is not anticipated that the transaction will change the rates, terms, or conditions of service currently offered by Lightyear. The Applicants therefore respectfully request that the Commission grant any and all authority necessary to permit the Applicants to consummate the aforementioned transactions.

Since April 29, 2002, Lightyear has been operating under the protection of the United States Bankruptcy Code in a case pending in the Bankruptcy Court for the Western District of Kentucky (“Bankruptcy Court”). The transactions described below will allow a reorganization of Lightyear by transferring substantially all of the assets to New Lightyear, under the control of a new set of investors, with access to the capital required to allow New Lightyear to continue operating after the completion of the reorganization. The transaction will thus ensure that Lightyear’s telecommunications customers will continue to receive services on an uninterrupted basis. Because the proposed transactions will allow New Lightyear to provide high quality services in South Dakota by allowing the assets of Lightyear to be transferred to a revitalized set of investors, and resume the earlier growth as a competitor in the South Dakota marketplace, the proposed transactions serve the public interest. As such, Applicants have an urgent need to complete the proposed transactions as soon as possible, but in no event later than March 1, 2004.

In support of this Application, Applicants state as follows:

I. The Applicants

A. Lightyear Network Solutions, LLC

New Lightyear is a newly created limited liability company formed and existing under the laws of the State of Kentucky. After the completion of the transaction, its offices will be located at 1901 Eastpoint Parkway, Louisville, Kentucky 40223. New Lightyear is a wholly owned subsidiary of LY Acquisition, LLC (“Acquisition”), a Kentucky limited liability company also to be located at 1901 Eastpoint Parkway, Louisville, Kentucky 40223.

As demonstrated below, New Lightyear is well qualified managerially, technically, and financially to own and control the assets of Lightyear.

1. Managerial Qualifications

New Lightyear possesses the qualifications necessary to provide competitive telecommunications services throughout South Dakota.

Mr. Henderson, the current President and Chief Executive Officer of Lightyear Holdings, Inc., the parent of Lightyear, is also an investor in Acquisition. It is expected that he will have a similar executive position in Acquisition after the completion of this transaction and thus will be active in the day-to-day management of New Lightyear. Mr. Henderson has extensive managerial experience in the telecommunications industry.

The reorganization also contemplates that members of the senior management team responsible for the day-to-day operations of Lightyear will remain employed by New Lightyear, as more fully described below. Thus, New Lightyear's acquisition of the assets of Lightyear will bring together the experienced management team already in place at Lightyear Communications with the new investment capital being brought in by the investors of New Lightyear. Mr. Henderson's experience owning, managing, developing, and growing telecommunications and other domestic and global businesses will remain. As much of the existing leadership of Lightyear will serve in similar positions in New Lightyear or Acquisition, the management team is well qualified to manage, operate, and expand New Lightyear as a telecommunications carrier.

2. Technical Qualifications

New Lightyear possesses the technical expertise to operate the assets of Lightyear. As described above, Mr. Henderson, the CEO of Lightyear Holdings, Inc. holds ownership and managerial interests in Acquisition.

In managing the technical operations of New Lightyear, Mr. Henderson will draw upon the skills of Lightyear's existing team of technical experts. Biographies of key technical personnel are included in Attachment A.

New Lightyear is technically qualified to continue providing the telecommunications services currently provided by Lightyear and expanding such offerings in the future.

3. Financial Qualifications

New Lightyear, through the available assets of Acquisition and planned future financing, has substantial financial wherewithal and can satisfy the Commission's requirements for certification.

B. Lightyear Communications, Inc.

Lightyear is a privately held corporation organized and existing under the laws of the State of Kentucky with principal offices located at 1901 Eastpoint Parkway, Louisville, Kentucky 40223. Lightyear is a wholly owned subsidiary of Lightyear Holdings, Inc., a privately held corporation.

Lightyear is authorized by the Commission to provide telecommunications services in South Dakota as an interexchange carrier, pursuant to decisions in Docket No. TC94-021, on September 20, 1994. In South Dakota, Lightyear currently has approximately 575 customers.

II. Contacts

Questions or inquiries concerning this Application may be directed to the following counsel for the Applicants:

William B. Wilhelm, Jr.
Douglas D. Orvis II
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007-5116
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)
WBWilhelm@swidlaw.com (Email)
DDOrvis@swidlaw.com (Email)

and:

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

III. Description of the Transactions

Applicants propose to complete a series of transactions (“Transactions”) whereby New Lightyear will acquire substantially all of the assets of Lightyear and LLC, and thus become the provider of telecommunications services to current customers of Lightyear.

The sale of assets has been approved pursuant to an auction conducted under the supervision of the U.S. Bankruptcy Court for the Western District of Kentucky on October 28, 2003. Pursuant to the terms of the Asset Purchase Agreement executed by Acquisition and Lightyear, Acquisition agreed to an estimated purchase price of \$33.5 Million through a combination of cash payment and debt assumption of the debtors to satisfy the creditors of Lightyear. At the time of closing, the assets of Lightyear will be transferred to Acquisition and then

immediately transferred to New Lightyear. After the transfer of assets to New Lightyear, New Lightyear will operate as a certificated carrier in South Dakota, and will provide telecommunications service to all current Lightyear and LLC customers. New Lightyear will continue to conduct its operations in substantially the same manner in which those operations are currently conducted by Lightyear. Immediately after the Transactions are completed, current customers of Lightyear will continue to receive service under the same rates, terms, and conditions that currently apply to their services. As a result, the proposed asset sale will be virtually transparent to customers in terms of the services that they receive.¹

In addition, it is expected that Acquisition will be entering into a variety of financing arrangements at the time of consummating the aforementioned asset purchase. While the details of this transaction have not yet been finalized, this financing will involve Acquisition receiving a bank loan of approximately \$14 Million, secured by a guarantee of the assets of New Lightyear, including the newly acquired assets from Lightyear. This transaction will occur simultaneously with New Lightyear becoming a certificated telecommunications carrier in South Dakota, and thus may not technically require the approval of the Commission. Nonetheless, the Applicants provide this information in the interest of completely and accurately describing the Transactions. To the extent that the Commission believes approval of this portion of the Transactions requires approval, the Applicants hereby request such approval.

IV. PUBLIC INTEREST CONSIDERATIONS

Applicants respectfully submit that the proposed Transactions serve the public interest. In particular, Applicants submit that: (1) New Lightyear holds the managerial, technical, and

¹ An organizational chart illustrating before and after the Transactions is provided as Exhibit A.

financial qualifications to acquire the assets of Lightyear; (2) the Transactions will benefit competition in the South Dakota telecommunications market by enabling Lightyear to resume its growth as an effective competitor in the State; and (3) the Transactions will assure that there is no disruption of service and will be virtually transparent to existing customers of Lightyear.

As demonstrated above, New Lightyear is well qualified, managerially, technically, and financially, to acquire the assets of Lightyear. The above qualifications considered, approval of the transactions and transfer of the assets of Lightyear to New Lightyear serves the public interest.

Lightyear's current financial position has effectively precluded it from growing as a competitor in the telecommunications market. As a practical matter, although no services to customers have been discontinued or interrupted as a result of Lightyear's bankruptcy, Lightyear has not been able to compete effectively for new customers or expand its business operations during this period. Moreover, because some of its competitors have capitalized on the uncertainty inherent in bankruptcy, Lightyear has also seen an erosion in its customer base during this time.

The Transactions will further the public interest by fostering competition. The completion of the proposed Transactions will remove the financial and operational factors that currently constrain Lightyear, thereby allowing New Lightyear to compete effectively in the South Dakota telecommunications market and continue to offer alternative high-quality, competitively priced telecommunications service to South Dakota customers. As a result, the proposed Transactions are expected to increase competition in South Dakota and provide South Dakota customers a stronger alternative to incumbent and other competitive local and long distance service providers.

Existing customers, in particular, will realize significant public interest benefits from the proposed Transactions. The proposed Transactions will allow Lightyear to avoid liquidation and ensure that existing customers will continue to receive service from New Lightyear without

disruption, interruption, or customer migration. Those customers will continue to receive the same high quality, affordable telecommunications services that they currently receive. The assets of Lightyear will therefore emerge from bankruptcy in a manner that is virtually transparent to existing customers.

As demonstrated above, the proposed Transactions do not present novel or complex issues for Commission consideration. Lightyear is a non-dominant competitive carrier that does not control a substantial portion of the South Dakota telecommunications market. Because New Lightyear is led by a highly capable management team and most of the existing senior management of Lightyear will oversee day-to-day New Lightyear operations, the proposed Transactions will be seamless in nature. Accordingly, Applicants respectfully submit that the information presented in this Application is sufficient to permit the Commission to rule on the Transactions and, due to its non-controversial nature, further submit that this matter is appropriate for expedited consideration.

V. **INFORMATION REQUIRED BY SECTION 20:10:24:02 OF THE ADMINISTRATIVE RULES**

1. 20:10:24:02 (1)- Name, Address and Telephone Number: Lightyear Network Solutions, LLC will maintain its principal place of business at 1901 Eastpoint Parkway, Louisville, KY 40223 and its phone number will be 502-244-6666.
2. 20:10:24:02(2)- Name under which service will be provided: Services will be provided under the name Lightyear Network Solutions, LLC.
3. 20:10:24:02(3)- Legal Organization
 - a. 20:10:24:02(3)(a) State of Organization, Date of Organization and Authority to Transact Business in South Dakota: New Lightyear is a Kentucky

Limited Liability Company organized on November 20, 2003. A copy of New Lightyear's application to transact business in South Dakota is attached as Exhibit B. The copy of ATB will be forwarded to the Commission when it is received by the Applicants.

b. 20:10:24:02(3)(b)- Location of principal office in South Dakota and

registered agent: National Registered Agents, Inc., 300 South Phillips Avenue, Suite Sioux Falls, SD 57104-6322.

c. 20:10:24:02(3)(c)- Ownership and management interest:

New Lightyear is a 100% subsidiary of LY Acquisition, LLC, a Kentucky Limited Liability Company. The expected management of New Lightyear is attached as Exhibit C. All expected officers can be reached at the company's place of business.

4. 20:10:24:02(4)- Partnership Information: New Lightyear is not a partnership.

5. 20:10:24:02(5)- Proposed services: New Lightyear seeks authority to provide interexchange services. The proposed tariff of New Lightyear is attached as Exhibit D.

6. 20:10:24:02(6)- Facilities to be used to provide services: New Lightyear will provide its interexchange telecommunications services through the resale of the underlying services of other carriers.

7. 20:10:24:02(7)- Geographic Area to be served: New Lightyear plans to provide intrastate interexchange telecommunications services to subscribers to and from all points in South Dakota, and, therefore, seeks statewide authorization.

8. 20:10:24:02(8)- Financial qualifications and tariff: As a new company ,
New Lightyear does not have all the financial information requested by
Section 20:10:24:02(8). Instead, New Lightyear is submitting as Exhibit E to this
Application the current balance sheet and income statement along with *pro forma*
financial statements for the post Transaction entity, along with a Request for
Confidential Treatment. These financial statements demonstrate that
New Lightyear will be financially qualified to operate as a telecommunications
provider and meet the qualifications of the Commission at the completion of the
Transactions. New Lightyear intends to offer the identical services of Lightyear.
Therefore, New Lightyear will issue a tariff identical to the current, effective tariff
of Lightyear. New Lightyear's proposed tariff was attached as Exhibit D.

9. 20:10:24:02(9) Complaint contact, regulatory contact, and handling of billing and
customer service matters: New Lightyear's regulatory contact for the
Commission is:

Linda Hunt
Director of Regulatory Affairs
1901 Eastpoint Parkway
Louisville, KY 40223
Tel: 502-244-6666
Fax: 502-515-4138
Email: linda@lightyearcom.com

For the purposes of referring customer inquiries, the contact information is:

Ed Pait
Director of Customer Service
1901 Eastpoint Parkway
Louisville, KY 40223
Tel: 502-244-6666
Email: customer.care@lightyearcom.com

Customers will be billed directly by New Lightyear. New Lightyear's toll free number will be (800) 805-8383.

10. 20:10:24:02(10)- Current authority to provide service: New Lightyear is not currently authorized to offer telecommunications services in any state, but is seeking authorization to acquire the assets and operating authority of Lightyear in forty-nine states and the District of Columbia.
11. 20:10:24:02(11)- Marketing: New Lightyear will market as does Lightyear. Initially, this will include direct solicitations by the company as well as the use of a network of agents.
12. 20:10:24:02(12)- Cost support: The services that New Lightyear has proposed herein are competitive services; therefore, New Lightyear not provided cost support for the rates shown in its tariff.
13. 20:10:24:02(13)- Federal tax identification number: New Lightyear's federal tax identification number is 38-3693425.
14. 20:10:24:02(14)- Slamming and cramming complaints: No complaints regarding slamming or cramming have been filed against New Lightyear.

15. 20:10:24:02(15)- Other information: This transaction is be conducted under the supervision of the U.S. Bankruptcy Court for the Western District of Kentucky. A description of the Transactions and the benefits thereto is contained above.

V. 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, and 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 consideration to permit Applicants to consummate the proposed Transactions as soon as possible.

Respectfully submitted,



William B. Wilhelm, Jr.

Douglas D. Orvis II

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

3000 K Street, NW, Suite 300

Washington, DC 20007-5116

(202) 424-7500 (Tel)

(202) 424-7645 (Fax)

WBWilhelm@swidlaw.com (Email)

DDOrvis@swidlaw.com (Email)

Dated: December 12, 2003

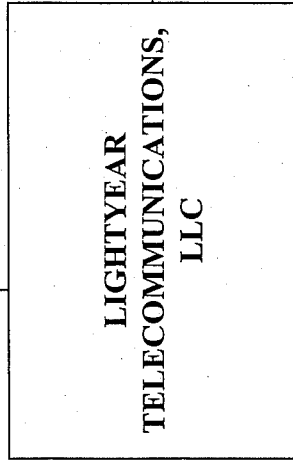
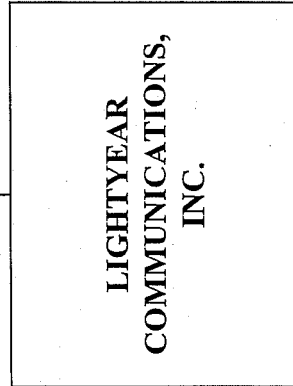
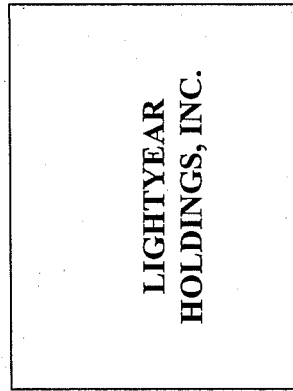
List of Exhibits

Exhibit A	Organizational Chart
Exhibit B	Application for Authority to Transact Business in South Dakota
Exhibit C	Management Biographies
Exhibit D	Proposed Tariff
Exhibit E	Current and <i>Pro Forma</i> Financial Information and Request for Confidential Treatment
Verification	

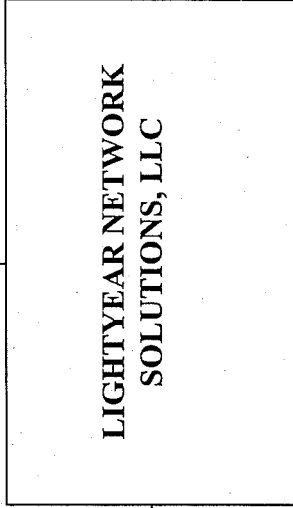
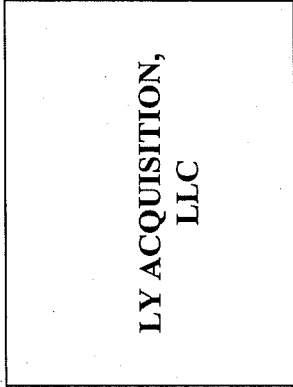
EXHIBIT A
ORGANIZATIONAL CHART

ILLUSTRATION OF TRANSACTIONS

SELLERS



BUYERS



ASSETS

ASSETS

EXHIBIT B
APPLICATION FOR AUTHORITY TO TRANSACT BUSINESS IN SOUTH DAKOTA

SECRETARY OF STATE
STATE CAPITOL
500 E. CAPITOL AVE.
PIERRE, S.D. 57501
(605)773-4845
FAX (605)773-4550

**CERTIFICATE OF AUTHORITY APPLICATION
OF A
FOREIGN LIMITED LIABILITY COMPANY**

1. The name of the foreign Limited Liability Company is: Lightyear Network Solutions, LLC

2. The name of the state or country under whose law it is organized is: Kentucky

3. The street address of its principal office is: 201 E. Main Street, Suite 1000, Lexington, KY 40507

4. The address of its initial designated office in South Dakota is: 300 S. Phillips Avenue, Suite 300, Sioux Falls, SD 57104

5. The name and street address of its initial agent for service of process in South Dakota is: National Registered Agents, Inc.
300 S. Phillips Avenue, Suite 300, Sioux Falls, SD 57104

6. The date of organization is: 11/20/03, and the period of duration is: perpetual

7. If the company is manager-managed, rather than member-managed, the name and address of each initial manager:

8. Whether one or more of the members of the company are to be liable for its debts and obligations under a provision similar to SDCL 47-34A-303 (c).

The application must be signed by a member if the company is a member-managed company or by a manager if its a manager-managed company.

Date: 12/7/03



(Signature and Title)
W. Brent Rice, Mgr. of LY Acquisition, LLC, Member

FILING INSTRUCTIONS:

- The application for authority must be accompanied by the first Annual Report.
- One original and one exact or conformed copy must be submitted.
- The application must be accompanied by an original, currently dated *Certificate of Good Standing* or *Existence* from the Secretary of State in the state where it is organized.

SECRETARY OF STATE
STATE CAPITOL
500 E. CAPITOL AVE.
PIERRE, S.D. 57501
(605)773-4845
FAX (605)773-4550

**FIRST ANNUAL REPORT
OF A
LIMITED LIABILITY COMPANY**

1. The name of the Limited Liability Company is:

Lightyear Network Solutions, LLC

2. The state or country under whose law it is organized is: Kentucky

3. The address of its registered office and the name of its registered agent for service of process in South Dakota is:

National Registered Agents, Inc., 300 S. Phillips Avenue, Suite 300, Sioux Falls, SD 57104

4. The address of its principal office is:

201 E. Main Street, Suite 1000, Lexington, KY 40507

5. The names and business addresses of any managers:

6. The dollar amount of the total agreed contributions to the Limited Liability Company is \$ 100.00

Date: 12/7/03



(Signature and Title)

W. Brent Rice, Manager of LY Acquisition, LLC, Member

*** FILING FEE:**

Filing the first annual report if the total agreed contributions of the limited liability company are:

Contribution of:	25,000	or less	\$100
Over \$25,000 and not exceeding	100,000		125
Over \$100,000 and not exceeding	500,000		200
Over \$500,000 and not exceeding	1,000,000		300
Over \$1,000,000 and not exceeding	1,500,000		400
Over \$1,500,000 and not exceeding	2,000,000		500
Over \$2,000,000 and not exceeding	2,500,000		600
Over \$2,500,000 and not exceeding	3,000,000		700
Over \$3,000,000 and not exceeding	3,500,000		800
Over \$3,500,000 and not exceeding	4,000,000		900
Over \$4,000,000 and not exceeding	4,500,000		1,000
Over \$4,500,000 and not exceeding	5,000,000		1,100

For each additional \$500,000, \$250 in addition to \$1,100

The maximum amount charged under this subsection together with any subsequent payments may not exceed sixteen thousand dollars

EXHIBIT C
MANAGEMENT BIOGRAPHIES

BIOGRPAHIES OF EXPECTED MANAGEMENT OF NEW LIGHTYEAR

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.

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 perspective. 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.

EXHIBIT D
PROPOSED TARIFF

INTEREXCHANGE TELECOMMUNICATIONS TARIFF

This tariff, South Dakota Tariff No. 1 filed by Lightyear Network Solutions, LLC, cancels and replaces, in its entirety, the current tariff on file with the Commission, South Dakota Tariff No. 4, issued by Lightyear Communications, Inc.

TITLE PAGE

SOUTH DAKOTA INTEREXCHANGE TELECOMMUNICATIONS TARIFF

OF

LIGHTYEAR NETWORK SOLUTIONS, LLC

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for interexchange telecommunications services provided by Lightyear Network Solutions, LLC ("Lightyear") within the State of South Dakota. This tariff is on file with the South Dakota Public Utilities Commission. Copies may be inspected during normal business hours at the Company's principal place of business.

Issued:

Effective:

Issued By: John J. Greive, Vice President of Regulatory Affairs and General Counsel
1901 Eastpoint Parkway
Louisville, Kentucky 40223

SDi0301

INTEREXCHANGE TELECOMMUNICATIONS TARIFF

CHECK SHEET

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

PAGE	REVISION		PAGE	REVISION		PAGE	REVISION	
1	Original	*	31	Original	*	61	Original	*
2	Original	*	32	Original	*	62	Original	*
3	Original	*	33	Original	*	63	Original	*
4	Original	*	34	Original	*	64	Original	*
5	Original	*	35	Original	*	65	Original	*
6	Original	*	36	Original	*	66	Original	*
7	Original	*	37	Original	*	67	Original	*
8	Original	*	38	Original	*	68	Original	*
9	Original	*	39	Original	*	69	Original	*
10	Original	*	40	Original	*	70	Original	*
11	Original	*	41	Original	*	71	Original	*
12	Original	*	42	Original	*	72	Original	*
13	Original	*	43	Original	*	73	Original	*
14	Original	*	44	Original	*	74	Original	*
15	Original	*	45	Original	*	75	Original	*
16	Original	*	46	Original	*	76	Original	*
17	Original	*	47	Original	*	77	Original	*
18	Original	*	48	Original	*	78	Original	*
19	Original	*	49	Original	*	79	Original	*
20	Original	*	50	Original	*	80	Original	*
21	Original	*	51	Original	*			
22	Original	*	52	Original	*			
23	Original	*	53	Original	*			
24	Original	*	54	Original	*			
25	Original	*	55	Original	*			
26	Original	*	56	Original	*			
27	Original	*	57	Original	*			
28	Original	*	58	Original	*			
29	Original	*	59	Original	*			
30	Original	*	60	Original	*			

* - Indicates pages included with this filing.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

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EXPLANATION OF SYMBOLS

The following symbols are used for the purposes indicated below:

- (C) - Changed Regulation.
- (D) - Delete or discontinue.
- (I) - Increase in a rate.
- (M) - Moved from another tariff location.
- (N) - New
- (R) - Reduction in a rate.
- (T) - Change in text but no change in rate or regulation.

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TARIFF FORMAT

- A. Page Numbering** - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.
- B. Page Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the SD PUC. For example, the 4th Revised Page 14 cancels the 3rd Revised Page 14. Consult the Check Sheet for the page currently in effect.
- C. Paragraph Numbering Sequence** - There are six levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
- D. Check Sheets** - When a tariff filing is made with the SD PUC, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the pages contained in the tariff, with a cross reference to the current revision number. When new pages are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some pages.) The tariff user should refer to the latest Check Sheet to find out if a particular page is the most current on file with the SD PUC.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS

Account Codes - Optional, customer defined digits that allow the customer to identify the individual user, department or client associated with a call.

Authorized User - A person, firm, corporation, or any other entity authorized by the Customer to communicate utilizing the Company's service.

Available Usage Balance - The amount of usage remaining on a Debit Account at any particular point in time. Each Debit Account begins with an initial usage amount which is depleted as services provided by the Company are utilized by the Customer.

Call - A completed connection established between a calling station and one or more called stations.

Calling Card - A proprietary card through which service is accessed by dialing a company-provided access number, and which enables the Customer or User to place calls over the network and to have the charges for such calls billed to the Customer's account.

Customer - The person, firm, corporation or other entity which orders, cancels, amends or uses service and is responsible for payment of charges and compliance with the Company's tariff.

Company - Whenever used in this tariff, "Company" refers to Lightyear Network Solutions, LLC, unless otherwise specified or clearly indicated by the context.

Credit Card - "Credit Card" means any card, plate, coupon book, or other single credit device that may be used from time to time to obtain credit.

Debit Account - An account which consists of a pre-paid usage balance depleted on a real time basis during each Debit Service Call.

Debit Card - A card issued by the Company which provides the Customer with a Personal Account Code and instructions for accessing the Company's network.

Debit Service Call - A service accessed via a Toll Free (i.e. "800/888") number or other access code dialing sequence whereby the Customer or Authorized User dials all of the digits necessary to route a call. Network usage for each call is deducted from the available usage balance on a Company-issued Debit Account.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS, (CONT'D.)

LEC - Local Exchange Company

Lightyear - Used throughout this tariff to mean Lightyear Network Solutions, LLC unless clearly indicated otherwise by the text.

Network - Refers to the Company's facilities, equipment, and services provided under this tariff.

Personal Account Code - A pre-defined series of numbers to be dialed by the Customer or Authorized User upon access to the Company's network which identifies the Debit Account from which charges for service shall be debited and which validates the caller's authorization to use the services provided.

Renewal - A method of replenishing a Debit Account's Available Usage Balance with additional minutes of use as authorized and paid for by the Customer.

SD PUC - South Dakota Public Utilities Commission

Service(s) - Refers to all telecommunications services and other services related thereto provided by the Company to Customers or Users.

Special Access - Where access between the customer and the interexchange carrier is provided on dedicated circuits. The cost of these dedicated circuits is billed by the access provider directly to the end user.

Switched Access - Where access between the customer and the interexchange carrier is provided on local exchange company Feature Group circuits and the connection to the customer is a LEC-provided business or residential access line. The cost of switched Feature Group access is billed to the interexchange carrier.

User (or End User) - Any person or entity that obtains the Company's services provided under this tariff, regardless of whether such person or entity is so authorized by the Customer.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2.0 - RULES AND REGULATIONS**2.1 Undertaking of the Company**

Lightyear services and facilities are furnished for communications originating and terminating within the State of South Dakota under terms of this tariff.

Lightyear undertakes to provide the services offered in this tariff in accordance with the terms and conditions set forth under this tariff. Lightyear may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer, to allow connection of a customer's location to the Lightyear network. The Customer shall be responsible for all charges due for such service arrangement.

The Company's services and facilities are provided on a monthly basis unless otherwise specified, and are available twenty-four hours per day, seven days per week.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)**2.2 Limitations of the Company**

- 2.2.1** Service is offered subject to the availability of the necessary facilities and equipment, or both facilities and equipment, and subject to the provisions of this tariff.
- 2.2.2** Lightyear reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of provisions of this tariff, or in violation of the law.
- 2.2.3** The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.2.4** The Customer may not transfer or assign the use of service or facilities without the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
- 2.2.5** Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.
- 2.2.6** The Company makes every effort to reserve "800" numbers requested by the customer, but makes no guarantee or warranty that the number will be available.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)**2.3 Liabilities of the Company**

- 2.3.1** Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (1) the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these Services, or (2) the failure to furnish its Services, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in Service as set forth in this tariff.
- 2.3.2** Except for the extension of allowances to the Customer for interruptions in Service as set forth in this tariff, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any Service or any failure in or breakdown of facilities associated with the Service.
- 2.3.4** The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and Service has been discontinued, to a refund of the amount erroneously billed.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.3 Liabilities of the Company, (Cont'd.)

2.3.4 The Company shall not be liable for any claims for loss or damages involving:

- A.** Any act or omission of: (1) the Customer, (2) any other entity furnishing Service, equipment or facilities for use in conjunction with Services or facilities provided by the Company; or (3) common carriers or warehousemen;
- B.** Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
- C.** Any unlawful or unauthorized use of the Company's facilities and Services;
- D.** Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Company-provided facilities or Services; or by means of the combination of Company-provided facilities or Services with Customer-provided facilities or Services;
- E.** Breach in the privacy or security of communications transmitted over the Company's facilities;

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SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)**2.3 Liability of the Company, (Cont'd.)****2.3.4 (cont'd.)**

- F.** Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or Services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or Services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in this tariff;
- G.** Defacement of or damage to Customer premises resulting from the furnishing of Services or equipment on such premises or the installation or removal thereof;
- H.** Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities;
- I.** Any intentional, wrongful act of a Company employee when such act is not within the scope of the employee's responsibilities for the Company and/or is not authorized by the Company;
- J.** Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this tariff;
- K.** Any noncompletion of calls due to network busy conditions;
- L.** Any calls not actually attempted to be completed during any period that Service is unavailable.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)**2.3 Liability of the Company, (Cont'd.)**

- 2.3.5** The Company shall be indemnified, defended and held harmless by the Customer or User from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Company or Customer equipment or facilities or Service provided by the Company.
- 2.3.6** The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the Service.
- 2.3.7** The Company assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for Service to the Customer, even if the Company has acted as the Customer's agent in arranging for such facilities or Services. Such facilities are provided subject to such degree of protection or nonpreemptibility as may be provided by the other entities.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.3 Liability of the Company, (Cont'd.)

2.3.8 Any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.

2.3.9 THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)**2.4 Customer Liability for Unauthorized Use of the Network****2.4.1 Unauthorized Use of the Network**

- A.** Unauthorized use of the Network occurs when: (1) a person or entity that does not have actual, apparent, or implied authority to use the Network, obtains the Company's Services provided under this tariff; or (2) a person or entity that otherwise has actual, apparent, or implied authority to use the Network, makes fraudulent use of the Network to obtain the Company's Services provided under this tariff, or uses specific services that are not authorized.
- B.** The following activities constitute fraudulent use:
- 1.** Using the Network to transmit a message, locate a person, or otherwise give or obtain information, without payment for the service;
 - 2.** Using or attempting to use the Network with the intent to avoid payment, either in whole or in part, of any of the Company's tariffed charges by either rearranging, tampering with, or making connections not authorized by this tariff to any service components used to furnish the Company's Services or using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices;
 - 3.** Toll free callers using the Network with the intent of gaining access to a Customer's outbound calling capabilities on an unauthorized basis; and
 - 4.** Using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices to defraud or mislead callers.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.4 Customer Liability for Unauthorized Use of the Network, (Cont'd.)****2.4.1 Unauthorized Use of the Network, (cont'd.)**

- C. Customers are advised that use of telecommunications equipment and Services, including that provided under this tariff, carries a risk of various forms of telecommunications fraud (including, but not limited to, toll, PBX, and Centrex "clip-on" fraud perpetrated by Users who gain access to a Customer's facilities, account numbers, security or authorization codes, etc.). Customers should take all necessary steps to restrict access to their facilities, including the equipment and services provided hereunder, and to detect and prevent unauthorized use of the equipment and services provided by the Company under this tariff. Furthermore, Customers must notify the Company verbally or in writing of unauthorized use or charges appearing on the Customer's bill. All charges will be deemed correct and authorized if such notice is not received by the Company within thirty (30) days from the date of issuance of the Customer's bill.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.4 Customer Liability for Unauthorized Use of the Network, (Cont'd.)****2.4.2 Liability for Unauthorized Use**

- A.** Except as provided for elsewhere in this tariff, the Customer is responsible for payment of all charges for Services provided under this tariff. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by Users or other third parties, the Customer's employees, or the public.
- B.** The Customer is responsible for payment of all outbound call charges arising from calls placed to a Customer's 800 service number, whether or not such calls are authorized or fraudulent, where the User gains access to the Customer's outbound calling equipment and services.
- C.** The Customer is liable for all costs incurred as a result of unauthorized use of the Network, including Service charges and any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages. The Company will take reasonable steps, upon verbal or written notification that fraud has occurred, or is believed to have occurred, to assist the customer in identifying the nature and/or source of the fraud, and in terminating the fraudulent use of the Customer's service. The Company will also assist the Customer in facilitating changes in phone numbers, and assist the Customer in identifying the perpetrator(s) of the fraud for purposes of pursuing civil remedies.
- D.** The Customer is responsible for payment of any charges related to the suspension and/or termination of Service, and any charges for reconnection of Service, incurred as a result of unauthorized use of the Network.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.4 Customer Liability for Unauthorized Use of the Network, (Cont'd.)****2.4.3 Liability for Calling Card Fraud**

- A.** The Customer is liable for the unauthorized use of the Network obtained through the fraudulent use of a Company Calling Card, provided that the unauthorized use occurs before the Company has been notified.
- B.** The Customer must give the Company notice that unauthorized use of a Company Calling Card has occurred or may occur as a result of loss, theft or other reasons. For the purposes of this section, "notice" occurs when the Company receives a verbal or written confirmation that unauthorized use of a Company Calling Card has occurred or may occur as a result of loss, theft or other reasons.
- C.** The limitations on liability in this subsection will not apply to pre-paid or debit cards.

2.4.4 Liability for Credit Card Fraud

- A.** The Customer is liable for the unauthorized use of the Network obtained through the fraudulent use of a Credit Card. The liability of the Customer for unauthorized use of the Network by Credit Card fraud may be limited by state or federal law, and the Customer shall seek indemnification from the organization or company issuing such card for unauthorized use thereof.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)**2.5 Deposits and Advance Payments**

The Company may require a deposit or advance payment from the Customer. Deposits and advance payments are collected in accordance with Commission rules.

2.6 Taxes

2.6.1 For all services other than Prepaid Card Service, state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items on the Customer's bill and are not included in the quoted rates and charges set forth in this tariff.

2.6.2 To the extent that a municipality, other political subdivision or local agency of government, or Commission imposes upon and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee, or regulatory fee, such taxes and fees shall, insofar as practicable and allowed by law, be billed pro rata to Customers receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government.

2.6.3 The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs. Examples of such programs include, but are not limited to, the Universal Service Fund (USF), the Presubscribed Interexchange Carrier Charge (PICC), and compensation to pay telephone service providers for the use of their pay telephones to access the Company's service

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.6 Taxes, (cont'd.)

A. Public Telephone Surcharge

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all interstate, intrastate and international calls that originate from any domestic pay telephone used to access the Company's services. This surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with the Company's service, applies for the use of the instrument used to access the Company's service and is unrelated to the service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (i.e., using the A#≡ symbol).

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

Rate per Call, per minute \$0.26

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)**2.7 Terminal Equipment**

The Company's facilities and service may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems, such as a PBX, key systems or Pay Telephone. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. The Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry as endorsed by the Federal Communications Commission.

2.8 Installation

Service is installed upon mutual agreement between the Customer and the Company.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)**2.9 Payment for Service**

The Customer is responsible for payment of all charges for services and equipment furnished to the Customer or to an Authorized User of the Customer by Lightyear. All charges due by the Customer are payable to the Company or to any agency duly authorized to receive such payments. Terms of payment shall be according to the rules and regulations of the agency and subject to the rules of regulatory agencies, such as the South Dakota Public Utilities Commission. Any objections to billed charges must be promptly reported to the Company or the Company's billing agent. Adjustments to Customer's bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate. Overdue payments that are delinquent by thirty days or more are subject to a late payment penalty of 1.5% per month.

2.9.1 Commercial Credit Card Payment Option

Customers may choose to pay monthly bills via certain commercial credit cards accepted by the Company. Credit card billed Customers will receive monthly call detail statements, which are separate from the credit card bills. If the Customer's credit card company rejects billing, the Company will make three attempts - two by telephone and one by mail - to contact the Customer for alternative payment arrangements. If alternative payment arrangements are not made in seven days, the Customer's long distance service is discontinued.

2.9.2 Returned Check Charge

A service charge equal to \$30.00, or the maximum amount allowed by law (whichever is less), will be assessed in accordance with Mississippi law for all checks returned by a bank or other financial institution for: Insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank or other financial institution.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)**2.10 Cancellation by Customer**

Customer may cancel service by providing verbal or written notice to the Company.

2.11 Use

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited.

2.12 Interconnection

Service furnished by Lightyear may be connected with the services or facilities of other carriers. Some of this tariff anticipates the use of such facilities for special (dedicated) originating access service. Such service or facilities are provided under the terms, rates and conditions of the other carrier. The customer is responsible for all charges billed by other carriers for use in connection with Lightyear's service. Any special interface equipment or facilities necessary to achieve compatibility between carriers is the responsibility of the customer.

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SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.13 Interruption of Service

Credit allowances for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications systems provided by the Customer, are subject to the general liability provisions set forth in Section 2.3 herein.

If the Customer's service is interrupted for reasons other than the Customer's negligence or a willful act of the Customer, and the service remains out of order for more than twenty-four (24) hours after being reported or found to be out of order, the Company will make an adjustment or refund to the Customer.

The refund to the Customer will be the pro rata part of the monthly charge for the period of days and for that portion of the service and facilities rendered useless or inoperative by the outage. No credit is given for usage-sensitive charges. The refund may be accomplished by a credit on subsequent bills for service.

It is the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired by the Customer. Before giving such notice, Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by Customer and connected to the Company's terminal. Interruptions caused by Customer-provided or Company-provided automatic dialing equipment are not deemed an interruption of service as defined herein since the Customer has the option of using the long distance network via local exchange company access.

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SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)**2.14 Refusal or Discontinuance by Company**

2.14.1 Lightyear may refuse or discontinue service under the following conditions provided that, unless otherwise stated, the Customer shall be given fifteen (15) days notice to comply with any rule or remedy any deficiency:

- A.** For non-compliance with or violation of any State, municipal, or Federal law, ordinance or regulation pertaining to telephone service.
- B.** For use of telephone service for any other property or purpose than that described in the application.
- C.** For neglect or refusal to provide reasonable access to Lightyear or its agents for the purpose of inspection and maintenance of equipment owned by Lightyear or its agents.
- D.** For noncompliance with or violation of Commission regulation or Lightyear's rules and regulations on file with the Commission, provided five (5) days' written notice is given before termination.
- E.** For nonpayment of bills provided that such disconnection is in accordance with ARSD 20:10:10:03.
- F.** Without notice in the event of Customer or Authorized User use of equipment in such a manner as to adversely affect Lightyear's equipment or service to others.
- G.** Without notice in the event of tampering with the equipment or services owned by Lightyear or its agents.
- H.** Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, Lightyear may, before restoring service, require the Customer to make, at his or her own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.
- I.** Without notice by reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such services.
- J.** For periods of inactivity over sixty (60) days.

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SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)**2.15 Inspection, Testing and Adjustment**

Upon reasonable notice, the facilities provided by the Company shall be made available to the Company for tests and adjustments as may be deemed necessary by the Company for maintenance. No interruption allowance will be granted for the time during which such tests and adjustments are made.

2.16 Tests, Pilots, Promotional Campaigns and Contests

The Company may conduct special tests or pilot programs and promotions at its discretion to demonstrate the ease of use, quality of service and to promote the sale of its services. The Company may also waive a portion or all processing fees or installation fees for winner of contests and other occasional promotional events sponsored or endorsed by the Company. Such programs or campaigns will be filed with the SDPUC.

2.17 Other Rules

The Company may temporarily suspend service without notice to the Customer, by blocking traffic to certain cities or NXX exchanges, or by blocking calls using certain Personal Account codes when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore service as soon as service can be provided without undue risk of fraud.

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SECTION 2.0 - RULES AND REGULATIONS, (CONT'D.)

2.18 Customer Inquiries or Complaints

Customer inquiries or complaints regarding service or billings may be made in writing or phone to:

Lightyear Network Solutions, LLC
1901 Eastpoint Parkway
Louisville, Kentucky 40223
Telephone: (502) 244-6666
Toll Free: (800) 393-7300 or (888) 999-7564
Facsimile: (502) 254-2374

Customers may contact the South Dakota Public Utilities Commission if he or she is dissatisfied with the Company's response. The Commission can be reached at:

South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501
Telephone: (605) 773-3201
Facsimile: (800) 332-1782

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES

3.1 Timing of Calls

Long distance usage charges are based on the actual usage of Lightyear's network. Chargeable time begins when a connection is established between the calling station and the called station. Chargeable time ends when either party "hangs up" thereby releasing the network connection.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.2 ISDN PRI and BRI Services

Lightyear's Integrated Services Digital Network (ISDN) provides ISDN connectivity for Lightyear customers through the interexchange network. ISDN provides for the simultaneous transmission of voice, data or video on ISDN lines at 56/64 kbps. Customers are responsible for the dedicated access 1.544 mbps connection for Primary Rate Interface or the switched access Basic Rate Interface. Switched access BRI lines must be PIC'd to Lightyear's specified underlying carrier. PRI usage is billed in six (6) second increments after a minimum duration of six (6) seconds. BRI usage is billed in six (6) second increments after a minimum duration of eighteen (18) seconds. Service is offered only from areas where it is technically available.

ISDN PRI and BRI intrastate service is offered in conjunction with ISDN PRI and BRI interstate and international ISDN PRI and BRI service.

Rates:

(A) Switched Basic Rate Interface (BRI)

Per Minute Rate: \$0.2500

(B) Dedicated Primary Rate Interface (PRI)

Per Minute Rate: \$0.1600

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.3 Lightyear Calling Card Service

Lightyear's Calling Card Service provides telecommunications services and optional enhanced services to customers while traveling away from the office or home. Customers must dial a toll-free access number followed by their authorization code to make a call or use the service. A monthly credit limit will be assigned to each card for fraud protection. Customers have the option of raising or lowering the limit amount to best suit their calling practices. For billing purposes, call timing is rounded up to the nearest six (6) increment after the initial minimum period of eighteen (18) seconds. Various rate options are available based on term commitments as shown below.

(A) Lightyear Calling Card Service - Rates and Charges

1. Plan M

(a) Per Minute Rate:

DAY:	\$0.2500
NON-DAY:	\$0.1990

(b) Per Call Service Charge:

Per Lightyear Calling Card Call:	\$0.25
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2. Plan 24

(a) Per Minute Rate:

DAY:	\$0.1990
NON-DAY:	\$0.1990

(b) Per Call Service Charge:

Per Lightyear Calling Card Call:	\$0.25
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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.3 Lightyear Calling Card Service, (Cont'd.)

(A) Lightyear Calling Card Service - Rates and Charges, (cont'd.)

3. Plan 36

(a) Per Minute Rate:

DAY: \$0.2500
NON-DAY: \$0.1990

(b) Per Call Service Charge:

Per Lightyear Calling Card Call: \$0.00

4. Plan 48

(a) Per Minute Rate:

DAY: \$0.1750
NON-DAY: \$0.1750

(b) Per Call Service Charge:

Per Lightyear Calling Card Call: \$0.00

5. Plan 60

(a) Per Minute Rate:

DAY: \$0.1690
NON-DAY: \$0.1690

(b) Per Call Service Charge:

Per Lightyear Calling Card Call: \$0.00

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.3 Lightyear Calling Card Service, (Cont'd.)

(A) Lightyear Calling Card Service - Rates and Charges, (cont'd.)

6. Plan 72

(a) Per Minute Rate:

DAY:	\$0.1590
NON-DAY:	\$0.1590

(b) Per Call Service Charge:

Per Lightyear Calling Card Call:	\$0.00
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7. Plan 84

(a) Per Minute Rate:

DAY:	\$0.1490
NON-DAY:	\$0.1490

(b) Per Call Service Charge:

Per Lightyear Calling Card Call:	\$0.00
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8. Plan 96

(a) Per Minute Rate:

DAY:	\$0.1450
NON-DAY:	\$0.1450

(b) Per Call Service Charge:

Per Lightyear Calling Card Call:	\$0.00
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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.3 Lightyear Calling Card Service, (Cont'd.)

(A) Lightyear Calling Card Service - Rates and Charges, (cont'd.)

9. Enhanced Service Charges

Certain enhanced services are available in conjunction with the Lightyear Calling Card. Applicable day and non-day interstate rates apply in addition to the following service charges:

Service	Service Charges
Voice Mail, per new message	\$0.20
Fax Mail, per new page	\$0.25
Speed Dial, per card - monthly charge	\$0.50
Broadcast voice, per message, per address	\$0.25
Minimum charge per event	\$35.00
Broadcast fax, per message, per address	\$0.30
Minimum charge per event	\$35.00
Conference Calling - set-up fee	\$1.00
Cost per minute, per leg	\$0.30
Information Services - usage only	\$0.40

10. Expedited Delivery Charge

Normal deliver of a calling card is seven to ten business days. Overnight delivery will be provided at the following additional charge:

Expedite charge for overnight delivery: \$25.00 plus \$2.00 per card

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.4 Roundtable Conference Services****(A) General**

Roundtable Conference Services are available to Customers who wish to hold telephonic meetings with multiple voice or video connections simultaneously.

(B) Roundtable Audio Conference Calling Service

Roundtable Audio Conference Calling Service provides the Customer with the ability to hold a conference with multiple participants via telephone. The Customer makes a reservation specifying the conference bridge time (or periods of time) and number of lines required. Additional Conference Calling Features may be requested at that time (as listed below). The Conference Call may be selected as either automated or attended. The Company provides the Customer with a Conference telephone number and a security code when the Customer makes the Conference Call reservation. The Customer may select between using a toll or a toll-free method of access. At the scheduled date and time, each participant dials the designated dial-in number. Participants will be prompted to enter the conference security code using a touch-tone phone, or provide the host name and company name to the operator. Once the security code is entered, the caller is added to the Conference. Tones will indicate entrances to/exits from the Conference once it is underway. If a toll call access method is selected, each Conference participant will be billed by their designated toll carrier for transmission into the teleconference bridge.

My Call Conferencing Service provides the Customer with a permanent dial-in number and passcode which can be used twenty-four hours a day, seven days a week, without intervention by an attendant or administrator. The Customer may contact a Conference Attendant during any Conference Call to use enhanced features or to answer questions.

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SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.4 Roundtable Conference Services, (Cont'd.)****(B) Roundtable Audio Conference Calling Service, (cont'd.)****1. Conference Types**

- (a) Automated Meet Me** - The Company provides the Customer with a Conference telephone number when the Conference Call reservation is made. At the scheduled date and time, each participant dials into the Conference Call using this number. An Automated Conference Attendant will greet and acknowledge each participant's entry into the call. Tones will signal entrances to and exits from the Conference once it is underway. Each Dial In Conference participant will be billed by their designated toll carrier for transmission into the Conference bridge.
- (b) Automated Meet Me Toll Free** - The Company provides the Customer with a toll-free Conference telephone number when the Conference Call reservation is made. At the scheduled date and time, each participant dials into the Conference using this number. An Automated Conference Attendant will greet and acknowledge each participant's entry into the call. Tones will signal entrances to and exits from the Conference once it is underway.
- (c) Operator Assisted Dial Out** - At the scheduled date and time for the Conference, a Company Conference Attendant calls each participant and places them into the Conference. Tones may be used instead of announcements to indicate entrances to/exits from the Conference once it is underway.

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SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.4 Roundtable Conference Services, (Cont'd.)****(B) Roundtable Audio Conference Calling Service, (cont'd.)****1. Conference Types, (continued)**

- (d) Attendant Meet Me** - The Company provides the Customer with a Conference telephone number when the Conference Call reservation is made. At the scheduled date and time, each participant dials into the Conference Call using this number. A live attendant will greet each participant and take the host and company name to enter the participant into the call. Tones will signal entrances to and exits from the Conference once it is underway. Each Dial In Conference participant will be billed by their designated toll carrier for transmission into the Conference bridge.

- (e) Attendant Meet Me Toll Free** - The Company provides the Customer with a toll-free Conference telephone number when the Conference Call reservation is made. At the scheduled date and time, each participant dials into the Conference using this number. A live attendant will greet each participant and take the host and company name to enter the participant into the call. Tones will signal entrances to and exits from the Conference once it is underway.

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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.4 Roundtable Conference Services, (Cont'd.)****(B) Roundtable Audio Conference Calling Service, (cont'd.)****1. Conference Types, (continued)**

- (f) MyCall Conferencing** - With MyCall Conferencing, service is available for use at the Customer's discretion twenty four (24) hours a day, seven (7) days a week without the need to make a reservation. The Company provides the Customer with own bridge number and a permanent pass code. An Automated Conference Attendant will greet and acknowledge each participant's entry into the call. Tones will signal entrances to and exits from the Conference once it is underway. Each Dial In Conference participant will be billed by their designated toll carrier for transmission into the Conference bridge. Touchtone enhanced features are available with this service.

- (g) MyCall Conferencing Toll Free** - With MyCall Conferencing Toll Free, service is available for use at the Customer's discretion twenty four (24) hours a day, seven (7) days a week without the need to make a reservation. The Company provides the Customer with own toll free bridge number and a permanent pass code. An Automated Conference Attendant will greet and acknowledge each participant's entry into the call. Tones will signal entrances to and exits from the Conference once it is underway. Touchtone enhanced features are available with this service.

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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.4 Roundtable Conference Services, (Cont'd.)****(B) Roundtable Audio Conference Calling Service, (cont'd.)****2. Features - Descriptions**

The following features are available for all Audio Conference Calling Services at the rates and charges shown below. Additional non-telephonic services, such as overnight mail, typed transcripts or tape recordings, duplicate tapes, foreign language interpretation, and certified stenographer reporting are available at additional cost.

- (a) Participant Prenotification** - Allows a Conference Attendant to notify all participating callers of the date and time of a scheduled call upon at least 24 hours' advance notice by the Customer.
- (b) Full Time Operator Monitor** - Provides for a live operator to attend the entire conference call.
- (c) Electronic Question and Answer/Polling** - Electronic Question and Answer allows the Customer to conduct an orderly Question and Answer session. Participants indicate via touch-tone keypads that they wish to ask a question. This option must be requested at the time the Conference Call is reserved. Polling allows a Conference Call leader or Conference Attendant to conduct an opinion poll or survey by asking participants to indicate their responses via touch-tone keypads. Customers must provide the Conference Attendant 24 hours advance notice to establish this feature for the call.

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SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.4 Roundtable Conference Services, (Cont'd.)****(B) Roundtable Audio Conference Calling Service, (cont'd.)****2. Features – Descriptions, (continued)**

- (d) Communications Line** - Provides a separate line of communication between the Customer and a live operator only, for use during the Conference Call. This line is separate from the lines used by the Conference Call participants, and other participants cannot hear Communications Line conversation.
- (e) RSVP Line** - Provides a separate line for callers to respond to a Conference Call invitation via a toll-free line, and to leave recorded messages.
- (f) Digital Tape Playback Voice Capture** - Provides for the Conference Call to be recorded (captured), in order for Customers to be able to play back the Conference Call at their convenience.
- (g) 800 Digital Tape Playback** - Allows Customer or those whom the Customer designates to listen to replay of a recorded Conference Call at their own convenience. The playback will be made available for a specified period of time. Callers dial a pre-arranged toll-free number and enter a passcode to access the recorded Conference Call.
- (h) Digital Tape Playback** - Allows Customer or those whom the Customer designates to listen to replay of a recorded Conference Call at their own convenience. The playback will be made available for a specified period of time. Callers dial a pre-arranged and enter a passcode to access the recorded Conference Call. Each caller will be billed by their designated toll carrier for transmission during the Playback. The feature is available on a 1+ or toll-free basis.

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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.4 Roundtable Conference Services, (Cont'd.)****(B) Roundtable Audio Conference Calling Service, (cont'd.)****2. Features – Descriptions, (continued)**

- (i) Standing Reservations** - Provides an on-going reservation for a Conference Call at a specified time at regular intervals as designated by the Customer.
- (j) Subconferencing** - Allows Customers to designate participants to conference privately within a Conference Call and then return to the main call.
- (k) Conference Security Lock Out** - Blocks the ability to enter into an on-going Conference Call by pressing the touch pad to lock the Conference Call, or by pressing *0 to summon the operator, and request that the Conference be closed to additional callers.
- (l) Participant List – Facsimile** - At the Customer's request Conference Coordinator will compile and distribute Conference Call participant lists via facsimile.
- (m) Broadcast/Listen Only** - Provides the Customer with the option to put participants into a "listen only" mode during the Conference Call, so that participants can hear the Customer but their own voices cannot be heard. The Customer may start and stop this feature at anytime or at multiple times during the Conference Call.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.4 Roundtable Conference Services, (Cont'd.)****(C) Roundtable Video Conference Calling Service**

The Company offers three Service options associated with Roundtable Video Conference Calling Service:

Basic Service - With Basic Service, users may dial in to a pre-configured Multipoint Control Unit at the scheduled conference time. Callers will see themselves on the video screen until the site is connected. Video sites may interact as they become connected. Assistance may be obtained by calling Lightyear's Technical Help Desk or the Video Reservations Center.

Enhanced Service - With Enhanced Service, a Lightyear Roundtable Video Operator is available for assistance during the video conference. The Video Operator will greet users/attendees, assure proper connections, and provide assistance and answer questions as needed. A Video Operator will, upon request, conduct a roll call prior to the start of the conference.

Premium Service - With Premium Service, all features of Basic and Enhanced Service are provided. In addition, the subscriber to Premium Service can utilize Continuous Presence, which allows conference participants to see up to sixteen other locations simultaneously on the receive monitor of their video conferencing system.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.5 Switched Services Program

Switched Services Program is offered to Customers for outbound and inbound (toll-free) calling via switched access lines. Switched access calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

The Switched Services Program intrastate service is offered in conjunction with Switched Services Program interstate and international service.

(A) Switched Services Program Rates

Direct Dialed Per Minute Rate:	\$0.1490
Toll Free Per Minute Rate:	\$0.1490
Calling Card Per Minute Rate:	\$0.099

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.6 Flex Plan Service

Flex Plan Service is a long distance service available to both existing and new long distance Customers for outbound (direct dial) and inbound (toll-free) calling via switched access lines. Service is available on a month to month or term basis. Discounts are also available based on usage commitment. Calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

Flex Plan Intrastate Service is offered in conjunction with FlexPlan interstate and international service. Service is provided where facilities are available. Service may not be available in all areas.

(A) Direct Dial Per Minute Rates

Term/Usage	None	\$500	\$1,000+
Month-to-Month	\$0.270	\$0.255	N/A
1 Year	\$0.246	\$0.232	N/A
2 Years	\$0.225	\$0.212	N/A
3 Years	\$0.208	\$0.196	N/A
4 Years	\$0.193	\$0.182	N/A

(B) Toll Free Per Minute Rates

Term/Usage	None	\$500	\$1,000+
M-to-M	\$0.330	\$0.277	\$0.253
1 Year	\$0.300	\$0.252	\$0.230
2 Years	\$0.275	\$0.231	\$0.211
3 Years	\$0.254	\$0.213	\$0.195
4 Years	\$0.236	\$0.198	\$0.181

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.7 Flex Plan Options - Direct Dialed and Toll Free

The following FlexPlan Options are available to current Lightyear Customers only for outbound (direct dial) and inbound (toll-free) calling via switched access lines. Service is available on a month to month basis. Calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

FlexPlan Options Intrastate Service is offered in conjunction with FlexPlan interstate and international service. Service is provided where facilities are available. Service may not be available in all areas.

Option A

Calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis. Monthly recurring charge applies.

	Per Minute Rate
Direct Dialed	\$0.189
Toll Free	\$0.189
Monthly Recurring Charge	None

Option B

One year term commitment required. Calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis. Monthly recurring charge applies.

	Per Minute Rate
Direct Dialed	\$0.179
Toll Free	N/A
Monthly Recurring Charge	None

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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.8 Combo Long Distance

This service is available to new Lightyear local exchange Customers who select Lightyear as their presubscribed long distance carrier. Intrastate service is provided in conjunction with interstate and international service.

(A) Per Minute Usage Rates

	Month-to-Month	One Year Term
Rate per minute:		
Direct Dial Service	\$0.0633	\$0.0544
Toll Free Service	\$0.0733	\$0.0644

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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.9 Cornerstone NDP Service

Cornerstone NDP Service is offered to Customers for outbound or inbound (toll-free) calling via switched or dedicated access lines. Rates are based on the Customer's total monthly usage commitment, as demonstrated at the time the Customer chooses this service. Alternatively, the Customer may project usage where no prior comparable service applies. The Company reserves the right to verify projected usage after three months of billing. If the Customer's usage is greater or less than the original projection, the Customer will be given the option to continue service at the appropriate rate level or to change to a different Lightyear service.

Switched access calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Dedicated access calls are billed in six (6) second increments after a minimum call duration of six (6) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

Cornerstone NDP intrastate service is offered in conjunction with Cornerstone NDP interstate and international service.

(A) Switched Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
NDP Plan A	\$100.00 - \$300.00	\$0.1050
NDP Plan B	\$300.01 - \$500.00	\$0.0890

(B) Dedicated Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
NDP Plan A	\$1500.00 - \$3000.00	\$0.0850
NDP Plan B	\$3000.01 +	\$0.0750

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SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.10 Dedicated Elite Program

The Dedicated Elite Program is offered to off-net Customers for outbound and inbound (toll-free) calling via dedicated access lines. To be eligible for this program, a Lightyear long distance customer must be a local customer of either Lightyear.

Rates are based on the Customer's total monthly usage commitment, as demonstrated at the time the Customer chooses this service. Alternatively, the Customer may project usage where no prior comparable service applies. The Company reserves the right to verify projected usage after three months of billing. If the Customer's usage is greater or less than the original projection, the Customer will be given the option to continue service at the appropriate rate level or to change to a different Lightyear service.

Dedicated access calls are billed in six (6) second increments after a minimum call duration of six (6) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

Elite intrastate service is offered in conjunction with Elite interstate and international service.

(A) Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
Elite Plan A	\$1000.00 - \$1999.99	\$0.0850
Elite Plan B	\$2000.00 +	\$0.0750

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SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.11 Dedicated Saver Program

The Dedicated Saver Program is offered to qualified current Lightyear Customers for outbound or inbound (toll-free) calling via dedicated access lines. Only current Lightyear long distance customers who have less than six (6) months remaining on their current term plan, if applicable, and who are considered in good standing, are eligible for this program. For purposes of the Saver Program, customers in good standing are defined as those who have paid their bills no later than fifteen (15) days past the date due for three consecutive months. Saver Program customers who lose good standing status must move either to their previous plan or to another plan of their choosing and for which they qualify. For purposes of this Program, a customer will be considered to have lost good standing status if more than one bill within a three (3) month period is not paid by fifteen (15) days past the date due.

The minimum term of service for dedicated Saver Program customers is eighteen (18) months. Saver Program customers must have at least six (6) months= service under their current plan before becoming eligible for a lower rate under the Saver Program. Rates are based on the Customer's total monthly usage commitment, as demonstrated at the time the Customer qualifies for this service. The Company reserves the right to verify projected usage after three months of billing. If the Customer's usage is greater or less than the original projection, the Customer will be given the option to continue service at the appropriate rate level or to change to a different Lightyear service.

Dedicated access calls are billed in six (6) second increments after a minimum call duration of six (6) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

The Saver Program intrastate service is offered in conjunction with Saver Program interstate and international service.

(A) Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
Saver Plan A	\$0.00 - \$1999.99	\$0.0850
Saver Plan B	\$2000.00 +	\$0.0750

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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.12 Dedicated Sprint SP Service

Dedicated Sprint SP Service is offered to Customers for outbound or inbound (toll-free) calling via dedicated access lines. Rates are based on the Customer's total monthly usage commitment, as demonstrated at the time the Customer chooses this service. Alternatively, the Customer may project usage where no prior comparable service applies. The Company reserves the right to verify projected usage after three months of billing. If the Customer's usage is greater or less than the original projection, the Customer will be given the option to continue service at the appropriate rate level or to change to a different Lightyear service.

Calls are billed in six (6) second increments after a minimum call duration of six (6) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

Dedicated Sprint SP intrastate service is offered in conjunction with Dedicated Sprint SP interstate and international service.

(A) Dedicated Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
SP Plan A	No Minimum	\$0.0890
SP Plan B	\$10.00 - \$1000.00	\$0.0790
SP Plan C	\$1000.01 - \$2000.00	\$0.0850
SP Plan D	\$2000.01 +	\$0.0750

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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.13 Dedicated WP Service

Dedicated WP Service is offered to Customers for outbound or inbound (toll-free) calling via dedicated lines. Rates are based on the Customer's total monthly usage commitment, as demonstrated at the time the Customer chooses this service. Alternatively, the Customer may project usage where no prior comparable service applies. The Company reserves the right to verify projected usage after three months of billing. If the Customer's usage is greater or less than the original projection, the Customer will be given the option to continue service at the appropriate rate level or to change to a different Lightyear service.

Calls are billed in six (6) second increments after a minimum call duration of six (6) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

Dedicated WP intrastate service is offered in conjunction with Dedicated WP interstate and international service.

(A) Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
WP Plan A	\$10.00 - \$999.99	\$0.0850
WP Plan B	\$1000.00 +	\$0.0750

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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.14 Prepaid Calling Card Services

Lightyear Prepaid Calling Card Services allows users to place calls from locations other than their normal place of business. The Customer dials a toll-free number, and an automated voice prompt will instruct the user to enter the 14-digit authorization code. At this time, the voice prompt will inform the user of the number of minutes remaining on the card, and request the user to dial the destination number. With two minutes remaining before the card expires, the caller will hear an automated warning announcement. Calls are measured in one (1) minute increments.

Service is paid for in advance of actual usage. Charges for the service are deducted from the available balance on the pre-paid card.

Calls to 500, 700, 800/888, 900 and 976 numbers and calls requiring operator assistance and the quotation of time and charges cannot be completed using the Prepaid Calling Card. Air to ground and high seas service may not be completed. Calls may not be completed using rotary telephone service.

All calls must be charged against a Prepaid Calling Card that has sufficient available balance. A Customer's call will be interrupted with an announcement one minute before the balance is about to be depleted. Calls in progress will be terminated by the Company if the balance on the Prepaid Calling Card is insufficient to continue the call.

The Company does not refund any unused balances in a Prepaid Calling Card Account.

Intrastate service is provided in conjunction with interstate and international service.

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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.14 Prepaid Calling Card Services, (Cont'd.)

(A) Promotional Prepaid Calling Cards

Promotional Prepaid Calling Cards are offered to organizations or commercial entities (ASponsor≡) for distribution to their members, patrons or customers. The marketing vehicle and expiration period is selected by the Sponsor upon joint agreement between the Company and the Sponsor. The Sponsor is responsible for obtaining all necessary permissions for the use of any trade mark, trade name, service mark or other image on the card. The Sponsor must distribute the Prepaid Calling Cards free of charge to end users. At the option of the Sponsor, these cards may not be replenishable. The Company reserves the right to approve or reject any image and to specify the customer information language and use of the Company's trade mark, trade name, service mark or other image on the card.

Cards may be purchased in various denominations of dollars or minutes. Promotional Prepaid Calling Cards are non-refundable and non-rechargeable. All cards will expire twelve months following first use or the expiration date on the card (normally three years), whichever comes first.

Promotional Prepaid Calling Card service may be discontinued or refused without notice when the established expiration date on the Prepaid Calling Card is reached.

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SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**3.14 Prepaid Calling Card Services, (Cont'd.)****(B) Retail Prepaid Calling Cards**

Retail Prepaid Calling Cards are offered in bulk purchases to the Company's agents for purposes of resale to end users. A minimum of 1000 cards is required per order. Cards are available in 10, 20, 30, and 40 minute increments.

Retail Prepaid Calling Cards are renewable. End users may renew the cards at point of purchase or via the telephone through the use of a verifiable commercial credit card.

All cards will expire twelve months following first use or the expiration date on the card (normally three years), whichever comes first.

Prepaid Calling Card service may also be discontinued or refused without notice under the following conditions:

1. For non-payment of any amount past due to the Company by the Customer, including non-payment of a Prepaid Calling Account Renewal of a fully-depleted balance.
2. When the Available Usage Balance of a non-renewable account is Depleted to a level insufficient to place a one-minute call to the location of least cost.
3. When the established expiration date of the Prepaid Calling Account is reached.

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SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.14 Prepaid Calling Card Services, (Cont'd.)

(C) Lightyear Prepaid Calling Card Service

Lightyear Prepaid Calling Card Service rates are not distance or time of day sensitive in nature. Holiday discounts do not apply.

Network usage for Prepaid Calling Card Calls is deducted from the Available Usage Balance on the Customer's card in full minute increments. For debiting purposes, the minimum call usage is one (1) minute.

Promotional Prepaid Calling Cards - Sponsor rate:

Pre-printed cards	\$0.10 per minute
Customized cards	\$0.15 per minute

Retail Prepaid Calling Cards - Retail rate	\$0.50 per minute
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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.15 Sprint Cornerstone SDP Service

Sprint Cornerstone SDP Service is offered to Customers for outbound and inbound (toll-free) calling via switched or dedicated access lines in those service areas for which Sprint is Lightyear=s underlying transport provider.

Rates are based on the Customer's total monthly usage commitment, as demonstrated at the time the Customer chooses this service. Alternatively, the Customer may project usage where no prior comparable service applies. The Company reserves the right to verify projected usage after three months of billing. If the Customer's usage is greater or less than the original projection, the Customer will be given the option to continue service at the appropriate rate level or to change to a different Lightyear service.

Switched access calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Dedicated access calls are billed in six (6) second increments after a minimum call duration of six (6) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

The Sprint Cornerstone SDP intrastate service is offered in conjunction with Sprint Cornerstone SDP interstate and international service.

(A) Switched Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
SDP Plan A	\$100.00 - \$249.99	\$0.0890
SDP Plan B	\$250.00 +	\$0.0790

(B) Dedicated Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
SDP Plan A	\$1500.00 - \$3000.00	\$0.1590
SDP Plan B	\$3001 +	\$0.1490

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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.16 Switched Elite Program

The Switched Elite Program is offered to off-net Customers for outbound and inbound (toll-free) calling via switched access lines. To be eligible for this program, a Lightyear long distance customer must be a local customer of either Lightyear Network Solutions, LLC or Ameritech.

Rates are based on the Customer's total monthly usage commitment, as demonstrated at the time the Customer chooses this service. Alternatively, the Customer may project usage where no prior comparable service applies. The Company reserves the right to verify projected usage after three months of billing. If the Customer's usage is greater or less than the original projection, the Customer will be given the option to continue service at the appropriate rate level or to change to a different Lightyear service.

Switched access calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

Elite intrastate service is offered in conjunction with Elite interstate and international service.

(A) Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
Elite Plan A	\$100.00 - \$249.99	\$0.1890
Elite Plan B	\$250.00 +	\$0.1790

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SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.17 Switched Maximizer Service

Switched Maximizer Service is offered to Customers for outbound or inbound (toll-free) calling via switched access lines. Rates are based on the Customer's total monthly usage commitment, as demonstrated at the time the Customer chooses this service. Alternatively, the Customer may project usage where no prior comparable service applies. The Company reserves the right to verify projected usage after three months of billing. If the Customer's usage is greater or less than the original projection, the Customer will be given the option to continue service at the appropriate rate level or to change to a different Lightyear service.

Calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

Switched Maximizer intrastate service is offered in conjunction with Switched Maximizer interstate and international service.

(A) Switched Maximizer Per Minute Rates

Plan	Minimum Term Commitment	Per Minute	
		Day Rate	Non-Day Rate
Plan U1	Month-to-Month	\$0.1960	\$0.1570
Plan U12	12-Month Term	\$0.1850	\$0.1480
Plan U24	24-Month Term	\$0.1750	\$0.1400
Plan U36	36-Month Term	\$0.1400	\$0.1400
Plan U42	42-Month Term	\$0.1290	\$0.1290
Plan U48	48-Month Term	\$0.1190	\$0.1190

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3.18 Switched MRC Service

Switched MRC Service is offered to Customers for outbound or inbound (toll-free) calling via switched access lines. Rates are based on the Customer's total monthly usage commitment, as demonstrated at the time the Customer chooses this service. Alternatively, the Customer may project usage where no prior comparable service applies. The Company reserves the right to verify projected usage after three months of billing. If the Customer's usage is greater or less than the original projection, the Customer will be given the option to continue service at the appropriate rate level or to change to a different Lightyear service.

Calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis. A flat monthly recurring charge will apply.

Switched MRC intrastate service is offered in conjunction with Switched MRC interstate and international service.

(A) Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
MRC Plan A	\$10.00 - \$499.99	\$0.1050
MRC Plan B	\$500.00 +	\$0.0890

(B) Monthly Recurring Charge: \$1.50

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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.19 Switched Prime Program

The Lightyear Switched Prime Program is offered to Customers for outbound calling via switched access lines. The Lightyear Switched Prime Program provides a package of interstate, intrastate, and international calling plans, with a number of options available, depending on the Customer=s preferences and calling patterns. This Service is available only in areas served by Vartec Communications.

Calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

(A) Direct Dialed Per Minute Rates

Plan	Per Minute Rate
Prime A	\$0.1990
Prime B	\$0.1800
Prime C	\$0.1500
Prime D	\$0.1290
Prime E	\$0.1190

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SECTION 3.0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.20 Switched Saver Program

The Switched Program is offered to qualified current Lightyear Customers for outbound or inbound (toll-free) calling via switched access lines. Only current Lightyear long distance customers who have less than six (6) months remaining on their current term plan, if applicable, and who are considered in good standing, are eligible for this program. For purposes of the Saver Program, customers in good standing are defined as those who have paid their bills no later than fifteen (15) days past the date due for three consecutive months. Saver Program customers who lose good standing status must move either to their previous plan or to another plan of their choosing and for which they qualify. For purposes of this Program, a customer will be considered to have lost good standing status if more than one bill within a three (3) month period is not paid by fifteen (15) days past the date due.

The minimum term of service for dedicated Saver Program customers is eighteen (18) months. Switched Saver Program customers must have at least six (6) months= service under their current plan before becoming eligible for a lower rate under the Saver Program. Rates are based on the Customer's total monthly usage commitment, as demonstrated at the time the Customer qualifies for this service. The Company reserves the right to verify projected usage after three months of billing. If the Customer's usage is greater or less than the original projection, the Customer will be given the option to continue service at the appropriate rate level or to change to a different Lightyear service.

Switched access calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

The Switched Saver Program intrastate service is offered in conjunction with Saver Program interstate and international service.

(A) Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
Saver Plan A	\$10.00 - \$99.99	\$0.1890
Saver Plan B	\$100.00 +	\$0.1790

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3.21 Switched Sprint SRC Service

Switched Sprint SRC Service is offered to Customers for outbound and inbound (toll-free) calling via switched access lines in those service areas for which Sprint is Lightyear=s underlying carrier.

Rates are based on the Customer's total monthly usage commitment, as demonstrated at the time the Customer chooses this service. Alternatively, the Customer may project usage where no prior comparable service applies. The Company reserves the right to verify projected usage after three months of billing. If the Customer's usage is greater or less than the original projection, the Customer will be given the option to continue service at the appropriate rate level or to change to a different Lightyear service.

Calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis. A flat monthly recurring charge will apply.

Intrastate Switched Sprint SRC intrastate service is offered in conjunction with interstate and international Switched Sprint SRC service.

(A) Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
SDP Plan A	\$10.00 - \$999.99	\$0.1590
SDP Plan B	\$1000.00 +	\$0.1490

(B) Monthly Recurring Charge: \$1.50

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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.22 U Rate Service

U Rate Service is offered to Customers for outbound or inbound (toll-free) calling via switched or dedicated access lines. U Rate Service is offered under several Plans based on term commitment. Plan U-1 is a basic month-to-month service. Plan U-6 offers a discount off of Plan U-1 rates to Customers that commit to a 6 month service term. Plan U-12 offers discounted rates to Customers who commit to a 12 month service term, etc. If a Customer discontinues service prior to the end of the service agreement term, the Customer is assessed a penalty equal to the difference between the appropriate shorter commitment Plan and the Plan under which the Customer has been billed, times the cumulative billed minutes of use from the time service was initiated to the time service was discontinued.

Switched access calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Dedicated access calls are billed in six (6) second increments after a minimum call duration of six (6) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

U Rate intrastate service is offered in conjunction with U Rate interstate and international service.

(A) Switched Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Term Commitment	Per Minute	
		Day Rate	Non-Day Rate
Plan U1	Month-to-Month	\$0.1960	\$0.1570
Plan U12	12-Month Term	\$0.1850	\$0.1480
Plan U24	24-Month Term	\$0.1750	\$0.1400
Plan U36	36-Month Term	\$0.1400	\$0.1400
Plan U42	42-Month Term	\$0.1290	\$0.1290
Plan U48	48-Month Term	\$0.1190	\$0.1190

(B) Dedicated Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Term Commitment	Per Minute	
		Day Rate	Non-Day Rate
Plan U1	Month-to-Month	\$0.1090	\$0.1090
Plan U12	12-Month Term	\$0.0990	\$0.0990
Plan U24	24-Month Term	\$0.0890	\$0.0890
Plan U36	36-Month Term	\$0.0790	\$0.0790

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SECTION 3 .0 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)

3.23 Xpress Service

Xpress Rate Plans are offered to Customers for outbound or inbound (toll-free) calling via switched or dedicated lines. Rates are based on the Customer's total monthly usage commitment, as demonstrated at the time the Customer chooses this service. Alternatively, the Customer may project usage where no prior comparable service applies. The Company reserves the right to verify projected usage after three months of billing. If the Customer's usage is greater or less than the original projection, the Customer will be given the option to continue service at the appropriate rate level or to change to a different Lightyear service.

Switched access calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Dedicated access calls are billed in six (6) second increments after a minimum call duration of six (6) seconds. Usage charges are computed and rounded up to the nearest penny on a per call basis.

Xpress Rate Plan intrastate services are offered in conjunction with Xpress Rate Plan interstate and international services.

(A) Switched Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
Xpress Plan A	\$0.00 - \$499.99	\$0.1050
Xpress Plan B	\$500.00 +	\$0.0890

(B) Dedicated Direct Dialed and Toll Free Per Minute Rates

Plan	Minimum Monthly Commitment	Per Minute Rate
Xpress Plan A	\$0.00 - \$499.99	\$0.0650
Xpress Plan B	\$500.00 +	\$0.0525

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Louisville, Kentucky 40223

SDi0301

INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 4.0 – MISCELLANEOUS SERVICES

4.1 Operator Services

The Company offers operator assisted ("0+") calling for specialized billing or call placement arrangements to presubscribed customers only.

- (A) **Collect Calls** - This option allows a call to be billed to the called number, provided that the called station accepts responsibility for payment of charges.
- (B) **Calling Card Calls** - This option enables an end user to charge a call to a valid telephone company calling card.
- (C) **Third Number Billing** - This option allows a call to be billed to a telephone number identified with a station other than the calling or called telephone number, provided that the third party number is not restricted from receiving such charges.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 4.0 – MISCELLANEOUS SERVICES, (CONT'D.)

4.1 Operator Services, (Cont'd.)

(A) Usage Rates:

Usage rates are billed in sixty (60) second increments.

Rate per Minute \$0.47

(B) Service Charges:

	Per Call
Billed to Calling Card:	\$0.80
Operator Station-to-Station:	\$4.99
Billed to 3 rd Party	\$4.99
Person-to-Person	\$4.50
Operator Dialed Surcharge	\$1.00

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 4.0 – MISCELLANEOUS SERVICES, (CONT'D.)

4.2 Directory Assistance Service

Directory Assistance is available to Customers of Lightyear. A Directory Assistance charge applies to each call to the Directory Assistance Bureau. Up to two requests may be made on each call to Directory Assistance. The Directory Assistance charge applies to each call regardless of whether the Directory Assistance Bureau is able to furnish the requested telephone number.

Directory Assistance, Per Call \$0.65

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 5.0 – GRANDFATHERED SERVICES

5.1 Direct Dial 1+ Service

Direct Dial 1+ Service allows Customers to make 1+ direct dialed calls from presubscribed telephones. This service is available from equal access end offices only. Customers access the service via switched access lines. For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

Direct Dial 1+ Service is offered under several Plans based on term commitment. Plan M is a basic month-to-month service. Plan 12 offers a discount off of Plan M rates to Customers who commit to a 12 month service term. Plan 24 offers discounted rates to Customers that commit to a 24 month service term, etc. If a Customer discontinues service prior to the end of service agreement term, the Customer is assessed a penalty equal to the difference between the appropriate shorter commitment Plan and the Plan under which the Customer has been billed, times the cumulative billed minutes of use from the time service was initiated to the time service was discontinued.

(A) Per Minute Rates

	DAY	NON-DAY
Plan M	\$0.1960	\$0.1570
Plan 12	\$0.1850	\$0.1480
Plan 24	\$0.1750	\$0.1400
Plan 36	\$0.1400	\$0.1400
Plan 42	\$0.1290	\$0.1290
Plan 48	\$0.1190	\$0.1190

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 5.0 – GRANDFATHERED SERVICES, (CONT'D.)

5.2 Switched Toll Free (i.e. "800/888") Service

Switched Toll Free Service provides an in-bound Toll Free calling service to Lightyear Customers. The Lightyear Customer is billed for each Toll Free call, rather than the call originator. Calls terminate to the Lightyear Toll Free Customer via switched access lines. For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

Switched Toll Free Service is offered under several Plans based on term commitment. Plan M is a basic month-to-month service. Toll Free Plan 12 offers a discount off of Plan M rates to Customers who commit to a 12 month service term. Toll Free Plan 24 offers discounted rates to Customers that commit to a 24 month service term, etc. If a Customer discontinues service prior to the end of the service agreement term, the Customer is assessed a penalty equal to the difference between the appropriate shorter commitment Plan and the Plan under which the Customer has been billed, times the cumulative billed minutes of use from the time service was initiated to the time service was discontinued.

(A) Per Minute Rates

	DAY	NON-DAY
Plan M	\$0.1960	\$0.1570
Plan 12	\$0.1850	\$0.1480
Plan 24	\$0.1750	\$0.1400
Plan 36	\$0.1400	\$0.1400
Plan 42	\$0.1290	\$0.1290
Plan 48	\$0.1190	\$0.1190

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 5.0 – GRANDFATHERED SERVICES, (CONT'D.)

5.3 Dedicated Direct Dial 1+ Service

Dedicated Direct Dial 1+ Service allows Customers to make 1+ direct dialed calls. Customers access the service via dedicated or special access T-1 (1.544 Mbps) lines. Service is available only where T-1 access is available. The Customer is responsible for payment charges associated with the dedicated T-1 circuit. Such charges are normally billed by and paid directly to the access provider (i.e. local exchange carrier). If the Customer requests that Lightyear order and bill the T-1 circuit, Lightyear will add a administrative charge equal to 25% of the monthly recurring charge for the circuit to the bill. For usage billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of six (6) seconds.

Dedicated Direct Dial 1+ Service is offered under several Plans based on term commitment. Plan M is a basic month-to-month service. Plan 12 offers a discount off of Plan M rates to Customers that commit to a 12 month service term. Plan 24 offers discounted rates to Customers who commit to a 24 month service term, etc. If a Customer discontinues service prior to the end of the service agreement term, the Customer is assessed a penalty equal to the difference between the appropriate shorter commitment Plan and the Plan under which the Customer has been billed, times the cumulative billed minutes of use from the time service was initiated to the time service was discontinued.

(A) Per Minute Rates

	DAY	NON-DAY
Plan M	\$0.1090	\$0.1090
Plan 12	\$0.0990	\$0.0990
Plan 24	\$0.0890	\$0.0890
Plan 36	\$0.0790	\$0.0790

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Effective:

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 5.0 – GRANDFATHERED SERVICES, (CONT'D.)

5.4 Dedicated Toll Free (i.e. 800/888) Service

Dedicated Toll Free Service provides an in-bound Toll Free calling service to Lightyear Customers. The Lightyear Customer is billed for each Toll Free call, rather than the call originator. Calls terminate to the Lightyear Toll Free Customer via dedicated T-1 (1.544) access lines. Service is available only where T-1 access is available. The Customer is responsible for payment charges associated with the dedicated T-1 circuit. Such charges are normally billed by and paid directly to the access provider (i.e. local exchange carrier). If the Customer requests that Lightyear order and bill the T-1 circuit, Lightyear will add a administrative charge equal to 25% of the monthly recurring charge for the circuit to the bill. For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of six (6) seconds.

Dedicated Toll Free Service is offered under several Plans based on term commitment. Plan M is a basic month-to-month service. Toll Free Plan 12 offers a discount off of Plan M rates to Customers who commit to a 12 month service term. Toll Free Plan 24 offers discounted rates to Customers that commit to a 24 month service term, etc. If a Customer discontinues service prior to the end of the service agreement term, the Customer is assessed a penalty equal to the difference between the appropriate shorter commitment Plan and the Plan under which the Customer has been billed, times the cumulative billed minutes of use from the time service was initiated to the time service was discontinued.

(A) Per Minute Rates

	DAY	NON-DAY
Plan M	\$0.1090	\$0.1090
Plan 12	\$0.0990	\$0.0990
Plan 24	\$0.0890	\$0.0890
Plan 36	\$0.0790	\$0.0790

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 5.0 – GRANDFATHERED SERVICES, (CONT'D.)

5.5 Residential Service

This service is available to Residential Customers only (the customer's phone number must be assigned to a residential address). To qualify for the service, customers may have no more than two (2) phone lines at the residential address. In addition, no more than thirty (30) percent of the customer's phone use can occur during the daytime calling period. Intrastate service is provided only to customers on Lightyear's companion interstate Residential Service offering.

Residential Service is available to Customers in three plans. Service is accessed via switched access circuits. Calls are billed in full minute increments with a minimum call duration of one minute. Customers may choose the plan that best serves their calling patterns. Residential service may be billed by the Company or a billing agent (such as the local exchange carrier).

(A) Per Minute Rates:

	Day	Evening	Night/Weekend
Plan A	\$0.1710	\$0.1710	\$0.1710
Plan B	\$0.1830	\$0.1600	\$0.1600
Plan C	\$0.1830	\$0.1600	\$0.1510

For time of day rate periods, see Section 4.of this tariff.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 5.0 – GRANDFATHERED SERVICES, (CONT'D.)

5.6 UniRate Service

(A) UniRate Switched Access

UniRate Switched Access Service provides customers with both outbound and inbound (800) calling at one price. Calls originate and terminate over switched access facilities. Service is available in equal access areas. Calls are billed in six (6) second increments with a minimum call duration of six (6) seconds.

(1) Per Minute Rates - vary based on term commitment

Term Commitment	Per Minute Rate
Monthly	\$0.1790
6 months	\$0.1690
12 months	\$0.1590
18 months	\$ 0.1490
24 months	\$0.1390
30 months	\$0.1390

(2) The following apply to customer who choose the UniRate 800 option:

800 Service

Installation Fee:	\$50.00 per reserved 800 number
Minimum Monthly Usage Fee:	\$20.00 per 800 number

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 5.0 – GRANDFATHERED SERVICES, (CONT'D.)

5.6 UniRate Service, (Cont'd.)

(B) UniRate Direct Access

UniRate Direct Access Service provides customers both outbound and inbound (800) calling at one price. Outbound calls originate over dedicated access facilities. Inbound 800 calls terminate to the Customer over dedicated access facilities. The Customer is responsible for payment of all charges (non-recurring and recurring) associated with the dedicated access line. Calls are billed in six (6) second increments with a minimum call duration of six (6) seconds.

(1) Per Minute Rates - vary based on term commitment

Term Commitment	Per Minute Rate
Monthly	\$0.1190
12 months	\$0.1090
24 months	\$0.1090

Installation charge: \$500 per T-1 installed
(This charge applies in addition to any applicable charges from the dedicated access provider.)

(2) The following apply to customer who choose the UniRate 800 option:

800 Service	
Installation Fee:	\$50.00 per reserved 800 number
Minimum Monthly Usage Fee:	\$20.00 per 800 number

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 5.0 – GRANDFATHERED SERVICES, (CONT'D.)

5.7 Ultima Card

Lightyear's Ultima Card provide telecommunications services and optional enhanced service to customers while traveling away from the office or home. Customers must dial an 800 toll-free access number followed by their authorization code to make a call or use the service. A monthly credit limit will be assigned to each card for fraud protection. Customers have the option of raising or lowering the limit amount to best suit their calling practices. A term option is available. For billing purposes, call timing is rounded up to the nearest six (6) increment after the initial minimum period of eighteen (18) seconds.

(A) No term commitment

	Per Minute Rate
DAY:	\$0.2500
NON-DAY:	\$0.1990
 Per Call Service Charge Per Card:	 \$0.25

(B) Twenty-four (24) Month Term Option:

	Per Minute Rate
DAY:	\$0.1990
NON-DAY:	\$0.1990
 Per Call Service Charge Per Card:	 \$0.25

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 5.0 – GRANDFATHERED SERVICES, (CONT'D.)

5.7 Ultima Card, (Cont'd.)

(C) Thirty-six (36) Month Term Option:

	Per Minute Rate
DAY:	\$0.2500
NON-DAY:	\$0.2500

(D) Forty-eight (48) Month Term Option:

	Per Minute Rate
DAY:	\$0.1990
NON-DAY:	\$0.1990

(E) Sixty (60) Month Term Option:

	Per Minute Rate
DAY:	\$0.1750
NON-DAY:	\$0.1750

(F) Affinity Group Card

This card is only available for billing to a commercial card account established with the Affinity Group.

	Per Minute Rate
DAY:	\$0.2500
NON-DAY:	\$0.2500

Per Call Service Charge Per Card: \$0.25

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 5.0 – GRANDFATHERED SERVICES, (CONT'D.)

5.8 American Business Network (Affinity Plan #3)

American Business Network is offered to affinity groups for their associated members, organizations, agencies or similar entities (herein referred to as "members"). The service provides both direct dial 1+ and in-bound 800 calling. Affinity Groups must commit to a two-year term agreement and to signing up at least 2,500 member commercial accounts with Lightyear within three months of subscribing to this service. Each individual account must bill a minimum of \$100 in Lightyear services per month. Lightyear reserves the right to revert rates to the Direct Dial 1+ monthly rates for affinity groups that fail to meet these minimum requirements. A monthly service fee applies to each account. This service fee is billed to the Affinity Group organization.

Per minute rate: \$0.1400
Monthly Service Fee, per account: \$6.50

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 5.0 – GRANDFATHERED SERVICES, (CONT'D.)

5.9 Affinity Group Schedules/ UNITY Residential

The Affinity Group Schedules/ UNITY Residential provide 1+ outbound calling services to customers via switched access originating facilities. Service is available to the members of Affinity Groups. Rates vary based on the number of members in the Affinity Group. Calls are billed in full minute increments with a minimum call duration of one minute.

(A) Schedule #1 - No Minimum Group Size – Per Minute Rates

	Day	Evening	Night/Weekend
Plan A10	\$0.2280	\$0.2280	\$0.2280
Plan B10	\$0.2440	\$0.1710	\$0.1710
Plan C10	\$0.2440	\$0.1710	\$0.1610

(B) Schedule #2 - Minimum Group Size of 100 Members – Per Minute Rates

	Day	Evening	Night/Weekend
Plan A100	\$0.2010	\$0.2010	\$0.2010
Plan B100	\$0.2140	\$0.1520	\$0.1520
Plan C100	\$0.2140	\$0.1520	\$0.1440

(C) Schedule #3 - Minimum Group Size of 500 Members – Per Minute Rates

	Day	Evening	Night/Weekend
Plan A500	\$0.1800	\$0.1800	\$0.1800
Plan B500	\$0.1900	\$0.1440	\$0.1440
Plan C500	\$0.1900	\$0.1480	\$0.1440

For time of day rate periods, see Section 4. of this tariff.

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INTEREXCHANGE TELECOMMUNICATIONS TARIFF

SECTION 5.0 – GRANDFATHERED SERVICES, (CONT'D.)

5.10 Plan Services

Plan Services are offered to Customers for outbound or inbound (toll-free) calling via switched or dedicated access lines. Rates are based on the Customer's total monthly usage commitment, as demonstrated at the time the Customer chooses this service. Alternatively, the Customer may project usage where no prior comparable service applies. The Company reserves the right to verify projected usage after three months of billing. If the Customer's usage is greater or less than the original projection, the Customer will be given the option to continue service at the appropriate rate level or to change to a different Lightyear product. Switched access calls are billed in six (6) second increments after a minimum call duration of eighteen (18) seconds. Dedicated access calls are billed in six (6) second increments after a minimum call duration of six (6) seconds. Intrastate service is offered in conjunction with interstate and international service.

(A) Switched Access Usage Rate, Per Minute

Plan	Volume Commitment	Time of Day Rate Period	
		Day	Non-Day
Plan A	\$0-\$249.99	\$0.1050	\$0.1050
Plan B	\$250 & Over	\$0.0890	\$0.0890

(B) Dedicated Access Usage Rate, Per Minute

Plan	Volume Commitment	Time of Day Rate Period	
		Day	Non-Day
Plan A	\$0-\$1999.99	\$0.0650	\$0.0650
Plan B	\$2000 & Over	\$0.0600	\$0.0600

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SDi0301

EXHIBIT E
CURRENT AND *PRO FORMA* FINANCIAL INFORMATION
AND REQUEST FOR CONFIDENTIAL TREATMENT

**BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

Joint Application of)
Lightyear Communications, Inc.,)
and Lightyear Network Solutions, LLC)
Grant of Authority Necessary to)
Consummate a Corporate Reorganization)

Docket No. _____

REQUEST FOR CONFIDENTIAL TREATMENT

Lightyear Communications, Inc. (“Lightyear”) and Lightyear Network Solutions, LLC (“New Lightyear”) (together “Applicants”), pursuant to Rules 20:10:01:41 and :42 of the Administrative Rules of South Dakota, S.D. Admin. R. §§ 20:10:01:41 & :42, request confidential treatment of the attached financial information which is submitted under seal in the above-captioned matter. Concurrently with this filing, Applicants have filed with the Commission an Application to Grant the Authority Necessary to Conduct a Corporate Reorganization (the “Application”).

In connection with the Application, New Lightyear is providing (as Exhibit E to the Application) a confidential *pro forma* financial statement in order to demonstrate that New Lightyear has the financial resources necessary to provide interexchange telecommunications service in the State of South Dakota. In support of this motion, New Lightyear states as follows:

1. New Lightyear intends to provide telecommunications services that are highly competitive.
2. In support of its Application, New Lightyear is providing as Exhibit E a confidential *pro forma* financial statement.
3. The *pro forma* financial statement submitted as Exhibit E to its Application, is not generally available to the public. Further, the financial information provided in the *pro forma*

financial statement could not easily be replicated or obtained by a third party without New Lightyear's assistance.

4. New Lightyear considers and treats these financial statements as confidential, proprietary and non-public commercial information.

5. Disclosure of the projected financial statements would be extremely detrimental and could be used by New Lightyear's competitors to gain a competitive advantage in the marketplace. Moreover, competitors at any level possessing such information would find it of great economic value in devising their own business plans and, in many cases, could use such information to structure their plans in such a way as to undercut or materially affect New Lightyear's competitive positions.

6. Due to the sensitive nature of the information, the potential harm from disclosure of the financial information outweighs the public's interest in disclosure of the information.

WHEREFORE, Lightyear Communications, Inc. and Lightyear Network Solutions, LLC respectfully request that the South Dakota Public Utilities Commission designate the attached *pro forma* financial statement as confidential pursuant to Rule 20:10:01:39(6).

Respectfully submitted,



William B. Wilhelm, Jr.
Douglas D. Orvis II
Swidler Berlin Shereff Friedman, LLP
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Washington, DC 20007-5116
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)
WBWilhelm@swidlaw.com (Email)
DDOrvis@swidlaw.com (Email)

Dated: December 12, 2003

VERIFICATION

STATE OF KENTUCKY :
 : ss.
COUNTY OF JEFFERSON :

VERIFICATION

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

Brent Rice

Brent Rice
Interim Chief Executive Officer
Lightyear Network Solutions, LLC

Sworn and subscribed before me this 30th day of November, 2003.

Donald K. Walker

Notary Public

My commission expires: 3/4/2004

CONFIDENTIAL

1

REF. #	INV. #	DATE	INVOICE AMOUNT	INVOICE DESCRIPTION	AMOUNT PAID
204114	ST111803	11-18-03	250.00	Filing fee	250.00
CUSTOMER NO.					

TC03-200

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WASHINGTON, DC 20007

CHECK DATE
11/17/03

CHECK NO. D 148145

Citibank DC Operating
1775 Pennsylvania Avenue, NW
Suite 440
Washington, DC 20006

CHECK AMOUNT

250.00*****

TWO HUNDRED FIFTY AND 00/100 Dollars

TWO SIGNATURES REQUIRED ON CHECK
OVER \$25,000.00

PAY
TO THE
ORDER OF

SOUTH DAKOTA PUBLIC UTILITY COMMISSION

[Signature]
OPERATING ACCOUNT

SHREFF
SAFEQUARD

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#2

South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of December 11 through December 17, 2003

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this report. Phone: 605-773-3201

TELECOMMUNICATIONS

TC03-198 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement between Qwest Corporation and OrbitCom, Inc. f/k/a VP Telecom, Inc.

On December 12, 2003, the Commission received a filing of a Performance Assurance Plan (PAP) Amendment to an Interconnection Agreement between Qwest Corporation and OrbitCom, Inc. f/k/a/ VP Telecom, Inc. According to the parties, the purpose of the Amendment is to have the PAP and the Performance Indicator Definitions (PIDs) incorporated into the original Agreement, which was approved by the Commission on March 7, 2003, in Docket TC03-001. The PAP is incorporated as Attachment 1. The PIDs, which was Exhibit B to the Commission approved SGAT, is incorporated as Attachment 2. Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than January 2, 2004. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly Frazier
Date Docketed: 12/12/03
Initial Comments Due: 01/02/04

TC03-199 In the Matter of the Application of CAT Communications International, Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services and Local Exchange Services in South Dakota.

On December 15, 2003, CAT Communications International, Inc. (CCI) filed an application for a Certificate of Authority to provide local and interexchange telecommunication services in South Dakota. CCI intends to offer local, intrastate and interstate long distance services to residential customers using UNE-P and resale and provisioning long distance using its own switch. CCI intends to provide services in those areas served by Qwest.

Staff Analyst: Michele Farris
Staff Attorney: Kelly Frazier
Date Filed: 12/15/03
Intervention Deadline: 01/02/04

TC03-200 In the Matter of the Filing for Approval of Transfer of Certificate of Authority from Lightyear Communications, Inc. to Lightyear Network Solutions, LLC.

On December 15, 2003, Lightyear Communications, Inc. and Lightyear Network Solutions, LLC. filed a joint applications for a transfer of interexchange authority from Lightyear Communications, Inc. to Lightyear Network Solutions, LLC.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Docketed: 12/15/03
Intervention Deadline: 01/02/04

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You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc>**

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILING FOR)	ORDER GRANTING
APPROVAL OF TRANSFER OF CERTIFICATE)	TRANSFER OF CERTIFICATE
OF AUTHORITY FROM LIGHTYEAR)	OF AUTHORITY
COMMUNICATIONS, INC. TO LIGHTYEAR)	
NETWORK SOLUTIONS, LLC)	TC03-200

On December 15, 2003, the Public Utilities Commission (Commission), in accordance with SDCL 49-31-3 and ARSD 20:10:24:04.01 and 20:10:24:04.02, received an application for the transfer of a certificate of authority from Lightyear Communications, Inc. (Lightyear Communications), to Lightyear Network Solutions, LLC (Lightyear Network).

Lightyear Network proposes to offer interexchange telecommunications services in South Dakota.

On December 18, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of January 2, 2004, to interested individuals and entities. No petitions to intervene or comments were filed and at its February 17, 2004, meeting, the Commission considered the request for transfer of certificate of authority. Commission Staff recommended transferring the certificate of authority from Lightyear Communications to Lightyear Network, subject to the condition that Lightyear Network not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission. Commission Staff further recommended a waiver of ARSD 20:10:24:02(8).

The Commission finds that it has jurisdiction over this matter pursuant to Chapter 49-31, specifically 49-31-3 and ARSD 20:10:24:04.01 and 20:10:24:04.02. The Commission finds that Lightyear Network has met the legal requirements established for the granting of a certificate of authority. Lightyear Network has, in accordance with SDCL 49-31-3, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. Further, the Commission finds that there is good cause to waive ARSD 20:10:24:02(8). The Commission approves the application for transfer of certificate of authority from Lightyear Communications to Lightyear Network, subject to the condition that Lightyear Network not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission. As the Commission's final decision in this matter, it is therefore

ORDERED, that the application for transfer of certificate of authority from Lightyear Communications to Lightyear Network is hereby granted, subject to the condition that Lightyear Network not offer any prepaid services (including prepaid calling cards) and not accept or require any deposits or advance payments without prior approval of the Commission. It is

FURTHER ORDERED, that the Commission waives ARSD 20:10:24:02(8). It is

FURTHER ORDERED, that Lightyear Network shall file informational copies of tariff changes with the Commission as the changes occur.

Dated at Pierre, South Dakota, this 25th day of February, 2004.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u>Alaine Kolbo</u>
Date:	<u>2/27/04</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

Robert K. Sahr

ROBERT K. SAHR, Chairman

Gary Hanson

GARY HANSON, Commissioner

James A. Burg

JAMES A. BURG, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

CERTIFICATE OF AUTHORITY

To Conduct Business As A Telecommunications Company
Within The State of South Dakota

Authority was Granted as of the date of the
Order Granting Transfer of Certificate of Authority
Docket No. TC03-200

This is to certify that

LIGHTYEAR NETWORK SOLUTIONS, LLC


is authorized to provide interexchange telecommunications services in
South Dakota, subject to the condition that it not offer any prepaid services
(including prepaid calling cards) and not accept or require any deposits or
advance payments without prior approval of the Commission.

This certificate is issued in accordance with SDCL 49-31-3 and ARSD
20:10:24:02, and is subject to all of the conditions and limitations contained in the
rules and statutes governing its conduct of offering telecommunications services.

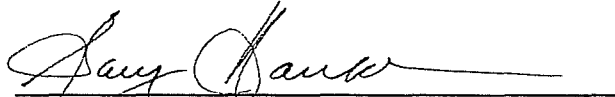
Dated at Pierre, South Dakota, this 25th day of February, 2004.

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION:**





ROBERT K. SAHR, Chairman



GARY HANSON, Commissioner



JAMES A. BURG, Commissioner