STi Prepaid, LLC
Application for a certificate of interexchange authority to operate as a reseller of telecommunications services throughout the State of Illinois.

ORDER

By the Commission:

On March 29, 2007, STi Prepaid, LLC (“Applicant” or “STi”) filed a verified application with the Illinois Commerce Commission (“Commission”) pursuant to Section 13-404 of the Public Utilities Act (“Act”) for a Certificate of Service Authority to provide resold interexchange telecommunications services in Illinois.

Pursuant to notice given in accordance with the rules and regulations of the Commission, this matter came on for hearing before a duly authorized Administrative Law Judge of the Commission at its offices in Chicago, Illinois on April 30, 2007. Jeffrey K. Story, Applicant’s President, testified in support of the application. At the conclusion of the hearing on April 30, the record was marked “Heard and Taken.”

Applicant, a Delaware limited liability company authorized to transact business in Illinois, seeks to provide resold interexchange telecommunications services. Applicant presented evidence that it has the technical, financial, and managerial resources to provide the proposed services in Illinois. Applicant furnished Securities and Exchange Commission Form 10K for its parent, Leucadia National Corporation, as evidence that it has the necessary financial resources to sustain its operations in Illinois. Mr. Story testified that the financial resources of the parent corporation would be available to the Applicant if needed. Applicant also furnished the management profiles of its key personnel to demonstrate their knowledge of telecommunications specifically and business generally. Mr. Story testified that Applicant would provide its own technical support and that it would comply with all state and federal regulations regarding slamming and cramming.

Applicant has requested that the Commission make certain declarations and grant certain waivers of the requirements of the Public Utilities Act and from the rules and regulations of the Commission. The services Applicant proposes to provide will be competitive telecommunications services as described in Section 13-502(b) of the Act. Applicant is required to file a tariff with the Commission under Section 13-501 of the Act describing the nature of its service, the applicable rates and charges and the terms and conditions of the service provided. If Applicant files the
required tariff in compliance with Section 13-502(e) of the Act and the rules adopted thereunder in 83 Ill. Adm. Code 745, many provisions of the Act as well as the regulations adopted by the Commission in Title 83 of the Illinois Administrative Code will be inapplicable to the Applicant.

For interexchange service, Applicant should be granted pursuant to Section 13-402 of the Act, a waiver of 83 Ill. Adm. Code, Part 710, the requirement to keep books and records in accordance with the Uniform System of Accounts, in order to reduce the economic burdens of regulation on a telecommunications carrier which provides only competitive services. For interexchange service, Applicant should further be granted a waiver of Part 735, governing credit, billing deposits, and termination of service, for the reasons stated hereinabove.

Applicant also requested Commission approval pursuant to 83 Ill. Adm. Code 250 to maintain its books and records at its principal place of business in New York. Applicant’s request should be granted in accordance with Section 5-106 of the Act.

III. Findings and Ordering Paragraphs

The Commission, after reviewing the entire record and being fully advised in the premises, is of the opinion and finds that:

1) STi Prepaid, LLC, a Delaware limited liability company authorized to transact business in Illinois, seeks a Certificate of Service Authority to provide resold interexchange telecommunications services in Illinois;

2) the Commission has jurisdiction over the Applicant and the subject matter herein;

3) as required by Section 13-404 of the Act, Applicant possesses sufficient technical, managerial, and financial resources to provide resold interexchange telecommunications services in Illinois;

4) Applicant should file with the Commission a tariff consisting of its rates, rules and regulations in accordance with Sections 13-501 and 13-502 of the Act, to be effective upon proper filing, before commencing service;

5) with regard to Applicant’s provision of interexchange service, Applicant should be granted a waiver from 83 Ill. Adm. Code 710, the Uniform System of Accounts for Telecommunications Carriers, as long as Applicant maintains its accounting records in accordance with Generally accepted Accounting Principles and at a level of detail substantially similar to the accounting system which it currently uses pursuant to its Chart of Accounts, and in sufficient detail to comply with all applicable tax laws;
6) with regard to Applicant’s provision of interexchange service, Applicant should further be granted a waiver of Part 735 governing credit, billing deposits, and termination of service;

7) Applicant should establish books of account such that revenues from its telecommunications services, subject to the public utility revenue tax, are segregated from the revenues derived from other business activities not regulated by the Commission;

8) Pursuant to 83 Ill. Adm. Code 250, Applicant should be allowed to maintain its books and records at its principal place of business in New York in accordance with Section 5-106 of the Act.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that STi Prepaid, LLC be, and is hereby, granted a Certificate of Service Authority pursuant to Section 13-404 of the Act for the resale interexchange telecommunications services.

IT IS FURTHER ORDERED that the Certificate of Service Authority hereinabove granted shall be the following:

CERTIFICATE OF SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that STi Prepaid, LLC is authorized, pursuant to Section 13-404 of the Public Utilities Act, to provide resold interexchange telecommunications services within the State of Illinois.

IT IS FURTHER ORDERED that Applicant file with this Commission a tariff consisting of its rates, rules and regulations, to be effective upon proper filing before commencing service.

IT IS FURTHER ORDERED that 83 Ill. Adm. Code Parts 710, 735.180 and 735 be, and are hereby, waived as set forth in Findings (5) and (6) hereinabove.

IT IS FURTHER ORDERED that as a condition of this Certificate Applicant be, and is hereby, directed to establish books of account such that revenues from its telecommunications services, subject to the public utility revenue tax, are segregated from the revenues derived from other business activities not regulated by the Commission.

IT IS FURTHER ORDERED that pursuant to 83 Ill. Adm. Code 250, Applicant is authorized to maintain its books and records at its principal place of business in New York.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the
Administrative Review Law.

By Order of the Commission this 16th day of May, 2007.

(SIGNED) CHARLES E. BOX

Chairman