

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

FROM: JOHN HAMMOND

DATE: JUNE 3, 2004

**SUBJECT: IN THE MATTER OF THE APPLICATION OF BG ENTERPRISES, INC.
DBA GRIZZLY TELEPHON FOR A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY TO PROVIDE LOCAL EXCHANGE
TELECOMMUNICATION SERVICES. CASE NO. BGE-T-04-1.**

On March 12, 2004, BG Enterprises, Inc. dba Grizzly Telephone ("Grizzly" or "Company") filed an Application for a Certificate of Public Convenience and Necessity ("CPCN") to provide resold competitive local exchange service throughout the State of Idaho. Grizzly is a solely owned corporation headquartered in Missoula, Montana. The Company is incorporated in the same state. The Company obtained a Certificate of Authority to transact business as a foreign corporation from Idaho's Secretary of State on January 24, 2000.

Although the Company does not maintain an office in Idaho, it does have a registered in-state agent. The Company states that it has been serving Idaho customers since 2000. Grizzly submitted its financials for the period ending February 4, 2004. Staff has reviewed these documents and believes the Company is solvent.

Grizzly proposes to provide prepaid residential local exchange service with optional services such as Caller ID and Call Waiting. The Company does not propose to offer toll services or collect separate deposits. The Company has obtained an interconnection agreement with Qwest in Idaho.

Grizzly has been granted authority to provide local exchange service in several other states such as Washington and Oregon. The Company states that granting its Application for a Certificate is in the public interest because Grizzly's entry into the local telecommunications

services market will enhance competition in Idaho. Grizzly also states that it has reviewed the rules of this Commission and affirms its commitment to abide by them.

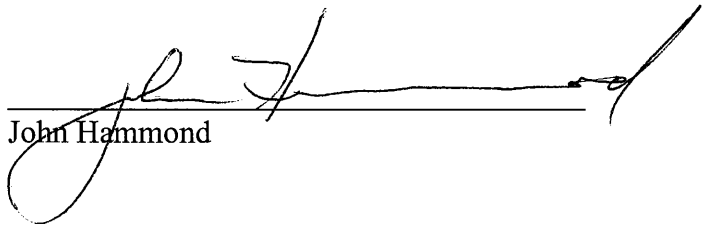
On April 21, 2004, the Commission issued Notice of Application and Notice of Modified Procedure. Order No. 29476. In response to this Order, the Commission Staff submitted comments on May 7, 2004.

STAFF REVIEW AND RECOMMENDATION

Staff reviewed the information provided by Grizzly and believes it satisfies the requirements of Commission Rule of Procedure 111, IDAPA 31.01.01.111 and Procedural Order No. 26665 issued November 7, 1996. Therefore, Staff recommends approval of the Application for a CPCN.

COMMISSION DECISION

Does the Commission wish to approve Grizzly's Application for a Certificate of Public Convenience and Necessity?



John Hammond

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