

NEIL PRICE
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0314
IDAHO BAR NO. 6864

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Street Address for Express Mail:
472 W. WASHINGTON
BOISE, IDAHO 83702-5983

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
CUSTER TELEPHONE BROADBAND) **CASE NO. CTB-T-11-01**
SERVICES, LLC FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY) **COMMENTS OF THE**
) **COMMISSION STAFF**
)

The Staff of the Idaho Public Utilities Commission, by and through its Attorney of Record, Neil Price, Deputy Attorney General, in response to the Notice of Application and Notice of Modified Procedure, issued on August 30, 2011, Order No. 32340, submits the following comments.

BACKGROUND

On May 20, 2011, Custer Telephone Broadband Services, LLC (“CTBS” or “Company”) filed an Application, for a Certificate of Public Convenience and Necessity (“CPCN”), pursuant to *Idaho Code* §§ 61-526 through -528,¹ IDAPA 31.01.01.111 (Rule 111), and Procedural Order No. 26665, to provide competitive local exchange services in Idaho. Application at 1.

¹ Pursuant to the Idaho Telecommunications Act of 1988, specifically *Idaho Code* § 62-604(1)(a), CTBS is exempt from Title 61 regulation.

CTBS is a facilities-based telecommunications provider that uses multiple technologies such as fiber to the premise ("FTTP"), cable modem, and point-to-point wireless services. The Company plans to upgrade and expand its facilities to provide basic local exchange services to its current and potential customers. The Company states it may also lease transport facilities from Incumbent Local Exchange Companies ("ILECs"). *Id.*

CTBS states that it has installed preliminary facilities and equipment to provide basic local exchange service and intends to provide services by November 2011, subject to Commission approval and the execution of interconnection agreements with CenturyLink, Qwest, and Custer Telephone Cooperative. CTBS's proposed service territory includes Salmon, Idaho and areas immediately surrounding Salmon, but may expand later to include CenturyLink's service territory. Application at 3.

STAFF ANALYSIS

CTBS is a limited liability company located in Idaho and lists its principal place of business as Challis, Idaho. Application at 2. Custer Telephone Cooperative, Inc.² owns 100% of the membership interests in CTBS. *Id.*

A copy of the Articles of Organization and of the Certificate of Existence issued by the Secretary of State's Office are included in the Application. Application, Exh. 2. CTBS also provided the Custer Telephone Cooperative, Inc. and Subsidiary Consolidating Schedule, Balance Sheet information and Statement of Operations Information for the period ending December 31, 2010. Application, Confidential Exh. 4.

An attached Illustrative Tariff provides a list of definitions, the intended service offerings, and general rules and regulations. Application, Exh. 5.

CTBS states it has reviewed all of the Commission rules and agrees to comply with all rules and regulations. Application at 5.

STAFF RECOMMENDATION

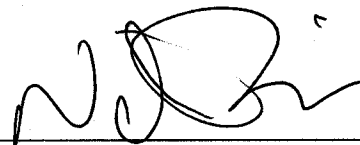
Staff has reviewed the Application submitted by CTBS and believes the Company understands and agrees to comply with the Commission rules and requirements. Based on this review, the Company's filing fulfills the requirements of the Commission Rules and Procedural

² Custer Telephone Cooperative, Inc. is an unregulated telephone cooperative that currently serves the Challis, May, Clayton, and Elk Bend exchanges in central Idaho.

Order No. 26665. Staff believes that CTBS possesses the requisite financial, managerial, and technical qualifications necessary to operate as a provider of telecommunications services. Staff, therefore, recommends approval of the Application for a Certificate of Public Convenience and Necessity subject to the following conditions:

1. The Company complies with number pooling and reporting requirements of the North American Numbering Plan Administrator, as set forth in Commission Order No. 30425;
2. CTBS provides necessary reports and contributes as appropriate to the Idaho Universal Service Fund (IUSF), Idaho Telecommunications Relay System (TRS), Idaho Telecommunications Service Assistance Program (ITSAP), and complies with all future reporting requirements deemed appropriate by the Commission for competitive telecommunications providers;
3. Prior to issuance of the Certificate, CTBS files a final price list with all rates, terms, and conditions with the Commission; and
4. CTBS will relinquish its Certificate and all telephone numbers if, within one year of issuance of a CPCN, the Company is not providing local exchange telecommunications services in Idaho as defined by Idaho Code § 62-03(1).³

Respectfully submitted this 20th day of September 2011.



Neil Price
Deputy Attorney General

Technical Staff: Grace Seaman

i:umisc:comments/ctbt11.1npla comments

³ "Basis local exchange service" means the provision of access lines to residential and small business customers with the associated transmission of two-way interactive switched voice communications within a local exchange calling area.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 20TH DAY OF SEPTEMBER 2011, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. CTB-T-11-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

DENNIS L THORNOCK
SHELLY HELM
CUSTER TELEPHONE BROADBAND
SERVICES LLC
PO BOX 324
CHALLIS ID 83226
E-MAIL: dennis@custertel.net
csr@custertel.net

CYNTHIA A MELILLO
GIVENS PURSLEY LLP
PO BOX 2720
BOISE ID 83701
E-mail: cam@givenspursley.com



SECRETARY