

CECELIA A. GASSNER  
DEPUTY ATTORNEY GENERAL  
IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, IDAHO 83720-0074  
(208) 334-0314  
BAR NO. 6977

RECEIVED  
2006 JUL 26 PM 1:40  
IDAHO PUBLIC  
UTILITIES COMMISSION

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 )**  
**DIRECT COMMUNICATIONS STAR WEST, )** **CASE NO. DCS-T-05-1**  
**INC. FOR A CERTIFICATE OF PUBLIC )**  
**CONVENIENCE AND NECESSITY TO )**  
**PROVIDE LOCAL EXCHANGE SERVICES )** **COMMENTS OF THE**  
**WITHIN THE STATE OF IDAHO. )** **COMMISSION STAFF**  
)  
)  
)  

---

**COMES NOW** the Staff of the Idaho Public Utilities Commission, by and through its attorney of record, Cecelia A. Gassner, Deputy Attorney General, and in response to the Notice of Application and Notice of Modified Procedure issued in Order No. 30094 on July 7, 2006, submits the following comments.

**BACKGROUND**

On August 9, 2005, Direct Communications Star West, Inc. ("Direct" or "Company") filed an Application for a Certificate of Public Convenience and Necessity (CPCN) with the Commission. In its Application, Direct states that it currently provides broadband and dial-up Internet access to over 3,000 residents and businesses in southeastern Idaho. Direct intends to provide Voice over Internet Protocol (VoIP) telecommunications services to its current

customers and to potential customers in Idaho in areas serviced by Direct Communications Rockland, Inc. and Qwest Corporation.

Direct is an Idaho corporation with a corporate headquarters in Rockland, Idaho. The Company has a Certificate of Incorporation dated February 23, 1993, and also a Certificate of Good Standing issued by the Idaho Secretary of State on June 3, 2005. The Company has provided financial information and the appropriate contact information for its registered agent for service of process within Idaho. The Company also filed a revised illustrative tariff on June 29, 2006.

### **STAFF ANALYSIS**

Staff reviews all requests for a Certificate of Public Convenience and Necessity (CPCN) pursuant to *Idaho Code* §§ 61-526 through -528, IDAPA 31.01.01.111 and 112 (Rules 111 and 112), and Procedural Order No. 26665. To obtain a CPCN, an applicant must provide the Commission with the following information: (1) name, address, and form of business; (2) the date on which the applicant proposes to begin construction or anticipates that it will provide service, including a written description of customer classes and services proposed to be offered; (3) the proposed service territory; (4) certain financial information; (5) maps regarding the proposed service area; (6) a proposed initial tariff and price sheets; (7) contact information; (8) interconnection agreements if any; (9) an agreement to comply with the Commission's Rules; and (10) an escrow account with a bonded escrow agent if the Company requires advanced deposits from its customers. Order No. 26665.


Through its review of the Application and numerous discussions with the Company, Staff has determined that the Company's filing complies with the requirements of the Commission. However, Staff notes that in its Application the Company has indicated that the "Applicant will compete with Direct Communications Rockland, Inc. and Qwest." See Application page 4. Direct Communications Rockland, Inc. is the Incumbent Local Exchange Carrier (ILEC) within the service territory and receives Federal and State Universal Service Funding. While this service territory arrangement is highly unusual, Staff does not believe it is cause for denial of the Company's application. That said, Staff believes that some monitoring may be warranted to avoid any possible conflict between the closely held companies. In its Application the Company stated that it understands and agrees to comply with Commission Rules and Requirements. Staff

further believes that the Company possesses the requisite financial, managerial and technical qualifications necessary to operate as a provider of telecommunications services.

### **RECOMMENDATION**

Based on its review of the Application, Staff recommends approval of the application for a Certificate of Public Convenience and Necessity with a waiver of the escrow account requirement until such time as the Company decides to collect deposits. In the future, should the Company decide to collect deposits, Staff recommends that the Company be ordered to comply with the escrow requirement as well as the Commission's Rules for interest on deposits.

Respectfully submitted this 26<sup>th</sup> day of July.

  
\_\_\_\_\_  
Cecelia A. Gassner  
Deputy Attorney General


Technical Staff: Carolee Hall

i:umisc:comments/dcst05.1cgch

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 26TH DAY OF JULY 2006, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. DCS-T-05-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

CONLEY E. WARD  
GIVENS PURSLEY LLP  
PO BOX 2720  
BOISE, ID 83701-2720

  
\_\_\_\_\_  
SECRETARY