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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF BG)
ENTERPRISES, INC. DBA GRIZZLY TELEPHONE) CASE NO. BGE-T-04-1
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO PROVIDE LOCAL)
EXCHANGE TELECOMMUNICATIONS) COMMENTS OF THE
SERVICES.) COMMISSION STAFF
_____)**

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, John R. Hammond, Deputy Attorney General, and submits the following comments in response to Order No. 29476, the Notice of Application and Notice of Modified Procedure issued on April 21, 2004.

BACKGROUND

On March 12, 2004, BG Enterprises, Inc. d.b.a. Grizzly Telephone (“Grizzly” or “Company”) filed an Application for a Certificate of Public Convenience and Necessity 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 has 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 pre-paid residential local exchange service with optional services such as Caller ID and Call Waiting. The Company does not propose 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 affirm their commitment to abide by them.

STAFF RECOMMENDATION

Staff has reviewed the Application submitted by Grizzly Telecommunications LLC and believes the Company understands and agrees to comply with the Commission's rules and requirements. Based on this review of Grizzly's Application, Staff believes that the Company's filing has satisfied all the requirements of the Commission's Rules and Procedural Order No. 26665. Therefore, Staff recommends approval of the Application for Certificate of Public Convenience and Necessity.

Respectively submitted this  day of May 2004.



John R. Hammond
Deputy Attorney General

Technical Staff: Doug Cooley

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 7TH DAY OF MAY 2004, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. BGE-T-04-1, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

LINDA GORDON
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