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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF CUSTER TELEPHONE)	
COOPERATIVE, INC.'S PETITION FOR)	CASE NO. CUS-T-07-1
AMENDMENT OF ITS CERTIFICATED)	
SERVICE AREA BOUNDARY)	
)	COMMENTS OF THE
)	COMMISSION STAFF
)	

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Weldon B. Stutzman, Deputy Attorney General, in response to Order No. 30260, the Notice of Application and Notice of Modified Procedure in Case No. CUS-T-07-1 issued on February 28, 2007, and submits the following comments.

BACKGROUND

On February 14, 2007, Custer Telephone Cooperative, Inc. filed a Petition for Amendment of Certificated Service Area Boundary, asking the Commission to amend Custer's Certificate of Public Convenience and Necessity to include three areas identified as Yankee Fork, Morgan Creek, and Slate Creek areas. Custer is a mutual, non-profit telephone company over which the Commission has very little regulatory authority. Custer's Petition states that the Commission issued a Certificate to Custer in 1989 pursuant to *Idaho Code* § 62-615. That statute authorized the Commission to issue a Certificate to mutual telephone corporations that requested them. Section 62-615 was repealed by the Legislature

in 1997 and replaced with a new Section 62-615, and now does not authorize the Commission to issue exclusive service area certificates to mutual telephone companies.

The Commission does have authority to designate a geographic service area for eligible telecommunications carriers, including mutual telephone companies, pursuant to *Idaho Code* § 62-610E. "Service area" is defined at *Idaho Code* § 62-610B(3) as "a geographic area designated by the commission for the purpose of determining universal service obligations of eligible telecommunications carriers." For rural telephone companies, "'service area' means the company's 'study areas' as established by the federal communications commission and the public utilities commission." The Commission may consider whether to change the boundaries of Custer's service area, as identified in its Certificate, pursuant to *Idaho Code* § 62-610E.

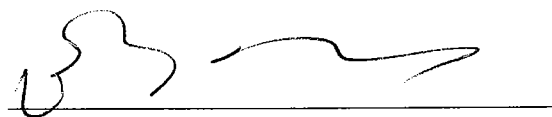
STAFF REVIEW

The Yankee Fork, Morgan Creek and Slate Creek areas are outside Custer's current certificated area. The three areas are not within the service area of any other telecommunications carrier, nor are they in the vicinity of any existing line, plant or system of another public utility. Staff believes that this service area modification gives the Company the ability to serve very rural customers within the Yankee Fork, Morgan Creek and Slate Creek areas. This request is certainly in the public interest as it extends telecommunication services to more rural Idaho customers.

RECOMMENDATION

The proposed change to Custer's service area boundary will benefit those customers living within the extended service area. Staff recommends the Commission approve this amendment to Custer's certificated service area boundary to include those areas of Yankee Fork, Morgan Creek and Slate Creek.

Respectfully submitted this 21st day of March 2007.


Weldon B. Stutzman
Deputy Attorney General


Technical Staff: Carolee Hall
i:umisc/comments/cust07.1wsch

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 21ST DAY OF MARCH 2007,
SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN
CASE NO. CUS-T-07-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID,
TO THE FOLLOWING:

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