

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 DEC 13 AM 10:17
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)
CACTUS INTERNATIONAL, INC. FOR A) CASE NO. CZ8-T-06-1
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO PROVIDE LOCAL) COMMENTS OF THE
EXCHANGE SERVICES WITHIN THE STATE) COMMISSION STAFF
OF IDAHO)**

The Staff of the Idaho Public Utilities Commission (Commission), by and through its Attorney of record, Cecelia A. Gassner, Deputy Attorney General, in response to the Notice of Application and Notice of Modified Procedure in Order No. 30184 issued on November 22, 2006, submits the following comments.

BACKGROUND

On November 7, 2006, Cactus International, Inc. ("Cactus") filed an Application for a Certificate of Public Convenience and Necessity (CPCN) to provide telephone service to customers who collocate equipment in its facility, such as Direct Inward Dialed telephone lines to Internet Service Providers. The Application states that it will provide these services through interconnection agreements with Verizon Northwest Inc. and it intends to be able to start providing such services beginning January 1, 2007. Its Application states that it intends to provide Voice over Internet Protocol (VoIP) services at some point in the future.

Cactus has a Certificate of Incorporation showing it has been an Idaho corporation since March 12, 1990. Its principal place of business is in Moscow, Idaho. 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 November 15, 2006. Its proposed service territory will coincide with Verizon's Moscow, Idaho market area.

STAFF ANALYSIS

Staff has reviewed the information provided by Cactus in its Application and believes it satisfies the requirements of the Commission's Rule of Procedure 111, IDAPA 31.01.01.111, and Procedural Order No. 26665 issued November 7, 1996, which sets out the necessary information to be included with an application for a certificate. Cactus's Application includes all of the required information.

The Application stated Cactus will offer telecommunications services using its own network in the Moscow area currently served by Verizon. The Company will initially provide phone service to customer's equipment that is collocated at their facility, especially Direct Inward Dialed lines to internet service providers or call centers. The Company also expects to expand to voice over internet protocol (VoIP) services. The Company entered into an interconnection agreement with Verizon, which was approved by this Commission in Order No. 29882 on October 4, 2005.

The Application included unaudited financial information for 2005 and up-to-date information for 2006. Staff is satisfied that the Company has the technical, managerial and financial strength to provide the services identified in the Application.

Cactus specifically stated in its Application it will comply with all Commission rules. It has provided an illustrative tariff with its Application that demonstrates an understanding of tariff requirements and processes. The Company will not require advance deposits by its customers and therefore did not submit an executed copy of an escrow account.

STAFF RECOMMENDATION

Staff recommends that a Certificate of Public Convenience and Necessity to provide competitive local exchange service in Idaho be granted to Cactus International, Inc.

Respectfully submitted this 13th day of December 2006.



Cecelia A. Gassner
Deputy Attorney General

Technical Staff: Wayne Hart

i:umisc:comments/cz8t06.1cgwh

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 13TH DAY OF DECEMBER 2006, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. CZ8-T-06-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

CRAIG A RAY
PRESIDENT
CACTUS INTERNATIONAL INC
211 S MAIN ST
MOSCOW ID 83843



SECRETARY