

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
 COMMISSIONER SMITH
 COMMISSIONER HANSEN
 COMMISSION SECRETARY
 COMMISSION STAFF
 LEGAL**

FROM: CECELIA A. GASSNER

DATE: DECEMBER 18, 2006

**SUBJECT: CACTUS INTERNATIONAL, INC.'S APPLICATION FOR A
 CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY; CASE
 NO. CZ8-T-06-01**

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 intends to be able to start providing such services beginning January 1, 2007.

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.

On November 22, 2006, the Commission issued a Notice of Modified Procedure and solicited comments. Order No. 30184. Staff timely filed comments on December 13, 2006. No other comments were submitted.

STAFF COMMENTS -----

Staff 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' Application includes all of the required information.

According to the Application, 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 at some time in the future. 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.

Staff noted that Cactus specifically stated in its Application that 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 recommended that the Application be approved, and that a Certificate of Public Convenience and Necessity be granted to Cactus.

COMMISSION DECISION

Does the Commission approve the Application and desire to grant a Certificate of Public Convenience and Necessity to Cactus?



Cecelia A. Gassner

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