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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF TELECOMMUNICA­TIONS SYSTEM PLANNING AND DESIGN CRITERIA AND PROCEDURES BEFORE THE UNITED STATES DEPARTMENT OF AGRI­CULTURE, THE RURAL UTILITY SERVICE. | ))))))) | CASE NO. GNR-T-96-1COMMENTS OF THE COMMISSION STAFF |

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of Record, Susan Hamlin, submits these comments in response to the Commission’s Notice of Modified Procedure in Case No. GNR-T-96-1.  This case addresses the proposed state telecommunications modernization plan (STMP; plan) developed by the Commission Staff in compliance with requirements of the United States Department of Agricultural, Rural Utilities Services (RUS).  These requirements are contained in Telecommunications System Planning and Design Criteria and Procedures, 7CFR Part 1751 (1995) and are in response to the Rural Electrification Loan Restructuring Act of 1993.  The Commission issued a Notice of Modified Procedure on January 25, 1996 seeking comments from all Idaho LECs and RUS loan borrowers on the Staff’s proposed modernization plan.

The plan, which must be approved by the RUS, should provide for improving the telecommunications network of those telecommunications providers covered by the plan.  The Plan must conform to the provisions of 7CFR Part 1751.  A RUS borrower is any organization that has received an RUS loan designation number and which has an outstanding telephone loan made by RUS or the Rural Telephone Bank, or guaranteed by RUS, or which has a complete loan application with RUS.  The RUS has required that a state must have a modernization plan in place before RUS borrowers in that state can qualify for future RUS loans.  All of the small independent LECs that the Commission regulates in Idaho are currently RUS borrowers.  The RUS requirements allow for a plan to be submitted either by the state public utilities commission or by the RUS borrowers in a state.  If the Commission chooses to submit a plan, it must do so by February 13, 1996.  If the Commission informs RUS that it will not develop a plan, then a majority of borrowers within the state may develop a plan to submit to the RUS for approval.

STAFF COMMENTS

The reason for submission of a STMP is to maintain the RUS loan eligibility for Idaho’s rural telephone companies.  If the Commission did not present a plan, it would then be up to the RUS borrowers in the state to formulate a plan to maintain eligibility.  The Staff believes that by submitting a plan at this time, it will expedite the process and allow RUS borrowers to gain eligibility sooner.  Staff believes it is important for the Commission to adopt a plan to be submitted to the RUS for approval.

Staff found in researching plans developed by other states, that the states were waiting for some indication of what the RUS was going to require.  The general concern was that the RUS was going to require a plan containing specific details as to the type of engineering that was going to be expected.  In fact, that seems not to be the case.  What the RUS requires is a plan which repeats the general goals and objectives of the RUS rules and states a commitment on the part of the Commission and the borrowers to make a good-faith effort to comply with these rules.

Staff has developed a plan to comply with the RUS requirements outlined in 7CFR1751.  Staff’s plan is an adaptation of a plan submitted by the New York State Telephone Association.  In examining various plans available, Staff determined that the New York plan provided the best example for Idaho.  The New York plan accomplishes the goal of complying with the RUS wishes and does so with the least interference in how the Commission and the borrowers accomplish the goal of a modern network.  Draft versions of both New York’s plan and Idaho’s plan have been reviewed by the RUS and received tentative approval.

The Staff’s recommended plan contains the following paragraphs under the subheading “Specific Requirements of the STMP”:

The following are the specific intentions of the IPUC in requesting approval of this Plan.  The IPUC encourages all RUS borrowers to make a good-faith effort towards accomplishing these requirements.

1.A network provided by the telecommunications provider will allow for the expeditious deployment and integration of such emerging technologies as may, from time to time, become commercially and economically feasible.

2.The IPUC’s intention is to make a good faith effort towards the development of tariffs for medical links and distance learning services.  Also, in conjunction with customers and the RUS borrowers, it is the IPUC’s intention to make a good faith effort to provide for deployment of medical link and distance learning services and to make available, upon customer request, those services with prices that are fair and reasonable for those customers utilizing those services.

3.The IPUC is committed to the concept of universal access for consumers in all the geographic areas of Idaho.  With that in mind, it is essential that services deployed under this Modernization Plan will be uniformly available to both rural and non-rural areas of the telecommunications provider’s service areas.

4.While the intention of the Idaho Telecommunications Modernization Plan is toward the provision of advanced broadband services, the intention of the IPUC is not to achieve this objective at the expense of the reliability of basic telephone service.  It is the intention of the IPUC to maintain at least current actual levels of basic service reliability and to meet or exceed mandated minimum reliability levels for voice telecommunications service.  As a part of this commitment to basic service reliability, it is the intention of the IPUC to promote provision of an alternative source of power for a reasonable time period where economically and technologically feasible, to ensure reliable voice service in the event of electric utility power outage.  In general, Plan engineering designs will be formatted to be consistent with those which typically accompany an RUS loan design.  They could contain such generally accepted standards as the elimination of loaded plant and station carrier, as well as plant configurations which would ensure the achievement of goals outlined in this Plan.

Staff believes that if the specifics of this plan are compared to the rules as defined in 7 CFR Part 1751, the Commission will see that this plan provides an excellent framework for complying with the requirements and goals of the RUS while allowing Idaho’s LECs latitude in how they achieve them.  Staff encourages the Commission to approve this plan for prompt submission to the RUS.

DATED at Boise, Idaho this day of February 1996.

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