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BEFORE  THE  IDAHO  PUBLIC  UTILITIES  COMMISSION

IN THE MATTER OF THE APPLICATION OF)

QUINTELCO, INC. FOR A CERTIFICATE OF)CASE  NO.  GNR-T-97-13

PUBLIC CONVENIENCE AND NECESSITY)

TO PROVIDE LOCAL EXCHANGE)

TELECOMMUNICATIONS SERVICE WITHIN)COMMENTS OF THE

IDAHO.)COMMISSION STAFF

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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. 27162, the Notice of Application and Notice of Modified Procedure in Case No. GNR-T-97-13 issued October 14, 1997, submits the following comments.

BACKGROUND

On July 11, 1997, the Commission received an application from Quintelco, Inc. (Quintelco) for a Certificate of Public Convenience and Necessity (CPCN) to provide local exchange telecommunications services within Idaho.  Quintelco’s application originally stated

that it desired to provide service throughout the State, but in a letter dated September 3, 1997,  revised that to include only the areas currently served by U S WEST, GTE and Citizens.  Service will be provided through resale of services provided by the incumbent local exchange carrier.  Quintelco indicated in its application it would provide the full array of retail telecommunications services.  Quintelco indicated it had not yet initiated negotiations with incumbent local exchange carriers for interconnection agreements.

STAFF FINDINGS

Staff has reviewed the information provided by Quintelco 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.

Quintelco, headquartered in Pearl River, New York, is a wholly owned subsidiary of Quintel Entertainment, Inc., which is a publicly held company.  The application included an audited financial statement of Quintel Entertainment, Inc., which showed net revenues of more than $86 million and net income of more than $12 million in 1996.

Although Quintelco is a new company, the parent company Quintel Entertainment, Inc. (Quintel) is a provider of telephone entertainment services such as psychic readings, horoscopes, etc. which are typically accessed through 900 numbers.  Staff believes this background should provide sufficient technical expertise for a reseller of telecommunications services.

As Quintel utilizes the services of other carriers, Staff cannot trace any specific complaints directly to Quintel.  However, the number of complaints about 900 entertainment services, especially unauthorized charges for psychic services, voice mail boxes and other related items has increased dramatically.  These are the same types of services that are provided by Quintel.

Quintelco specifically indicated in its application it will comply with all Commission rules.  It has provided an illustrative tariff with its application that demonstrates an understanding of tariffing requirements and processes.

The Idaho Telephone Association filed comments in this proceeding, objecting to Quintelco’s originally stated intention to provide service throughout the State of Idaho.  As Quintelco has revised its application to restrict service to the exchanges served by U S WEST, Citizens and GTE, Staff believes the concerns of the members of the Idaho Telephone Association have already been adequately addressed.

STAFF RECOMMENDATION

Staff recommends Quintelco be granted a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services within the service territories of U S WEST, Citizens and GTE.

DATED  at Boise, Idaho, this            day of November, 1997.

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Weldon B. Stutzman

Deputy Attorney General

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Wayne Hart

Telecommunications Analyst

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