(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF CRYSTAL COMMUNICATIONS, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE LOCAL EXCHANGE SERVICE AS A COMPETITIVE LOCAL CARRIER                                                                                       | ))))))) | CASE NO. GNR-T-97-20ORDER NO.  27503 |

On November 4, 1997, the Commission received an Application fromCrystal Communications, Inc.for a Certificate of Public Convenience and Necessity to provide resold residential local exchange service as a competitive local carrier in Idaho.  On April 1, 1998, the Commission issued a Notice of Application and Notice of Modified Procedure.  Order No. 27437.  Comments were due April 22, 1998, only Staff filed comments.

BACKGROUND

After reviewing the Application, on November 21, 1997, Staff informed Crystal that its Application did not meet the requirements established by the Commission in Order No. 26665.  On January 27, 1998, Crystal submitted a revised Application and, pursuant to Idaho Code § 62-606, filed its proposed initial tariff with the Commission for information purposes. Some items were still missing from the revised Application.  Those have been corrected.  At this time, Crystal states it intends to provide residential and business telecommunications services in those areas currently served by U S WEST Communications, Inc. and GTE Northwest Incorporated.  Revised Application at 2.

Crystal is a Minnesota corporation qualified to do business in Idaho and is a wholly owned subsidiary of Hickory Tech Corporation located in Minnesota.

Crystal proposes to interconnect with local exchange carriers to provide services through resale of the local exchange carrier services.  No interconnection agreements in Idaho have been negotiated.  It has no facilities or property in Idaho.

Staff Comments

Staff noted that Crystal is too new to have created a financial history of its own.  Therefore, Staff relied on its parent company’s financial history.  Staff stated that Hickory Tech’s financial statements did not reveal any obvious deficiencies.  However, Hickory Tech has not submitted itself to the Commission’s jurisdiction nor agreed to be financially responsible for Crystal.

Crystal filed a proposed illustrative tarifffor information purposes pursuant to Idaho Code § 62-606.  While there were some deficiencies in that initial illustrative tariff, Staff found that Crystal responded to Staff’s inquiries and incorporated those changes necessary to comply with Idaho Code and the Commission’s IDAPA rules.  Staff stated that the corrected version of the illustrative tariff will be acceptable for filing once its rates are incorporated.  Staff found that Crystal’s illustrative tariff demonstrated an understanding of tariffing requirements and processes.  Crystal stated, and the illustrative tariff confirms, that Crystal will not require advance deposits.  Therefore, an escrow account will not be required.

Staff recommended that Crystal Communications, Inc. be granted a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services within the service territories of U S WEST and GTE provided that the parent company, Hickory Tech, agrees to be financially responsible for Crystal, submits to the Commission’s jurisdiction and agrees to abide by the Commission rules.

COMMISSION FINDINGS

Based on the Commission’s review of the record, including Staff’s written comments, the Commission finds that the Crystal Communications, Inc.’s Application complies with Procedural Order No. 26665 and the Commission’s Rules to obtain a Certificate of Public Convenience and Necessity.  The Commission further finds that those conditions Staff recommended be imposed are appropriate and in the public’s interest.  The Commission finds that upon notice that Crystal Communications has developed a sufficient financial history, it will consider deleting this requirment.  The Commission therefore approves Crystal Communications, Inc.’s Application for a Certificate to provide local exchange service in the areas served by U S WEST and GTE subject to those conditions.

O R D E R

IT IS HEREBY ORDERED that Crystal Communications, Inc. is granted a Certificate of Public Convenience and Necessity to provide local telecommunications service only in the areas served by U S WEST and GTE provided that as a condition precedent to receiving its Certificate of Public Convenience and Necessity, its parent company, Hickory Tech Corporation, agrees in writing to be financially responsible for Crystal Communications, Inc., agrees to be subject to the Commission’s jurisdiction and agrees to abide by its rules.

THIS IS A FINAL ORDER.  Any person interested in this Order or in interlocutory Orders previously issued in this Case No. GNR-T-97-20 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this Case No. GNR-T-97-20.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of May 1998.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

May 11, 1998