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BEFORE  THE  IDAHO  PUBLIC  UTILITIES  COMMISSION

IN THE MATTER OF THE APPLICATION)

OF CRYSTAL COMMUNICATIONS, INC. )CASE  NO.  GNR-T-97-20

FOR A CERTIFICATE OF PUBLIC)

CONVENIENCE AND NECESSITY TO)

PROVIDE LOCAL EXCHANGE SERVICE)COMMENTS OF THE

AS A COMPETITIVE LOCAL CARRIER.)COMMISSION STAFF

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COMES  NOW  the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Cheri C. Copsey, Deputy Attorney General, in response to Order No. 27437, the Notice of Application and Notice of Modified Procedure in Case No. GNR-T-97-20 issued April 1, 1998, submits the following comments.

PROCEDURAL BACKGROUND

On November 4, 1997, the Commission received an Application from Crystal 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 November 21, 1997, Staff advised 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 filed its illustrative tariff with the Commission pursuant to Order No. 26665.

On April 1, 1998, the Commission issued a Notice of Modified Procedure requesting written comments within three weeks, after which the Commission will consider this matter and enter its Order without a formal hearing.  Order No. 27437.

BACKGROUND

Crystal Communications, Inc., is a Minnesota corporation and is a wholly owned subsidiary of Hickory Tech Corporation in Mankato, Minnesota.  Crystal Communications began operations in January 1997 and was incorporated early in 1998 to provide services through the resale of local exchange services and to interconnect with local exchange carriers to provide services to business and residential customers.  It proposes to provide business and residential telecommunications services to customers in service areas in which U S WEST or GTE is the existing local exchange carrier.  No interconnection agreements in Idaho have been negotiated.  Crystal owns no property in Idaho.

STAFF FINDINGS

Crystal is too new to have created a financial history of its own.  Therefore, Staff relied on its parent company’s financial history.  Hickory Tech’s financial statements did not reveal any obvious deficiencies.  Hickory Tech has not submitted itself to the Commission’s jurisdiction.

Crystal filed a proposed illustrative tarifffor information purposes pursuant to Idaho Code

§ 62-606.  While there were some deficiencies in that initial illustrative tariff, Crystal was responsive to Staff’s inquiries and incorporated those changes necessary to comply with Idaho Code and the Commission’s IDAPA rules.  The corrected version of the illustrative tariff will be acceptable for filing once its rates are incorporated.  Crystal stated, and the illustrative tariff confirms, that Crystal will not require advance deposits.  Therefore, an escrow account will not be required.

STAFF RECOMMENDATION

Staff recommends 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 on the condition that the parent company, Hickory Tech,

agree to be financially responsible for Crystal and to submit to the Commission’s jurisdiction and agree to abide by its rules.

DATED  at Boise, Idaho, this            day of April 1998.

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Cheri C. Copsey

Deputy Attorney General

Technical Staff:  Birdelle Brown

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