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

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| IN THE MATTER OF THE JOINT APPLICA­TION OF FIRSTEL, INC AND U S WEST COMMUNI­CA­TIONS FOR APPROVAL OF AN AGREE­MENT FOR INTERCONNECTION PURSUANT TO 47 U.S.C. § 252(e).  | )))))) |  CASE NO.  USW-T-98-10ORDER NO.  27723 |

On June 15, 1998, C-Systems, Inc. filed an Application for a Certificate of Public Convenience and Necessity to provide basic local telephone service and intraLATA long-distance service in the state of Idaho.  C-Systems intends to provide resold services and facilities-based services to residential and business customers throughout the areas of the state served by U S WEST and GTE Northwest.

On July 31, 1998, the Commission issued a Notice of Application and Notice of Modified Procedure to process the Application.  During the comment period, written comments were filed by the Commission Staff.  Staff recommended approval of the Application but also recommended, because the Company has not yet established a financial track record, that C-Systems be required to post a bond to help protect residential and small business customers.  C-Systems sent a letter to the Commission in response to Staff’s comments, indicating the Company is willing to post a $1,000 cash bond.  C-Systems and Staff subsequently discussed specific terms for a cash bond and reporting requirements.

Staff recommends approval of the Application of C-Systems for a Certificate of Public Convenience and Necessity.  Consistent with the discussions between Staff and the Company, Staff recommends that C-Systems be required to (1) post a $1,000 cash bond, (2) maintain the bond at a level no less than the average monthly revenues the Company received during the previous six-month period for services provided to residential and small business customers, and (3) report to the Commission twice each year on the total monthly revenues received by the Company, the total amount deposited in the bond account at the end of the reporting period, and any changes to the bond account as a result of the revenues received in the reporting period.

COMMISSION FINDINGS

Based on our review of the record, including the written comments filed by Staff and C-Systems, we find that the Application of C-Systems complies with Procedural Order No. 26665 and the Commission’s Rules to obtain a Certificate of Public Convenience and Necessity.  We also find it appropriate to accept the Staff’s recommendation regarding the posting of a bond for the benefit of residential and small business customers.  Accordingly, a Certificate will be issued to C-Systems conditioned upon the posting of a $1,000 cash bond by the Company.  By January 31 and July 31 each year, C-Systems will report the total monthly revenues it received from residential and small business (less than six lines) customers during the preceding six months.  The Company will maintain the bond at a level no less than the average monthly revenues the Company received from those customers during the six month period.  After 12 months of operation, C-Systems may provide current financial information to the Commission and ask that the bond requirement be eliminated.  We therefore approve C-Systems’ Application for a Certificate to provide local exchange service in the areas served by U S WEST and GTE, subject to the bond requirement as discussed.

O R D E R

IT IS HEREBY ORDERED that C-Systems, 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, subject to the posting of a $1,000 cash bond as discussed in the body of this Order.

THIS IS A FINAL ORDER.  Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order.  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 September 1998.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O:GNR-T-98-10.ws2

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

September 10, 1998