DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

RITA SCOTT

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

JOE CUSICK

WAYNE HART

DAVID SCOTT

WORKING FILE

FROM:WELDON STUTZMAN

DATE:SEPTEMBER 3, 1998

RE:CASE NO. GNR-T-98-10; APPLICATION OF C-SYSTEMS, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

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 is too young to have an established financial track record, that C-Systems be required to post a bond to help protect 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 therefore 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 Decision

Should the Application of C-Systems, Inc. for a Certificate of Public Convenience and Necessity to provide local telecommunication services within the areas of U S WEST and GTE be approved, subject to the conditions for a bond and reporting as recommended?

Weldon Stutzman

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