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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
SAGE TELECOM, INC. FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY)
TO PROVIDE LOCAL EXCHANGE)
TELECOMMUNICATIONS SERVICES.)

CASE NO. SGE-T-07-1

COMMENTS OF THE
COMMISSION STAFF

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Kristine A. Sasser, Deputy Attorney General, and in response to Order No. 30518, the Notice of Application and Notice of Modified Procedure issued on March 21, 2008, submits the following comments.

BACKGROUND

On August 15, 2007, Sage Telecom, Inc. (Sage; Company) filed an Application for a Certificate of Public Convenience and Necessity (CPCN) to provide facilities-based and resold local exchange telecommunications services to and from all points in the State of Idaho.

APPLICATION

Sage is a Texas based corporation. The Company asserts that it is authorized to provide services in 15 states, offering local and long distance phone services and Internet access services throughout the former territory of Southwestern Bell Communications Services, Inc.

The Company intends to begin offering basic local exchange services, custom calling features, and interexchange toll services (including toll free services) to business and residential customers shortly after it obtains authorization from the Commission.

Although the Company does not intend to immediately begin providing service in areas with small or rural local exchange carriers, it seeks statewide authority so that it may expand when market conditions warrant and as additional service areas become open to competition.

STAFF ANALYSIS

After working with Staff to correct its filing, the Company issued its final filing on February 12, 2008. The Company indicated that it does not intend to collect advance payments or deposits and requests a waiver of the escrow account requirement. All other aspects of the Company's filing now comports with Idaho Statutes and the Commission's Rules.

Staff reviews all requests for a CPCN certificate pursuant to Idaho Code § 62-604; -615, IDAPA 31.01.01.111 and 112 (Rules 111 and 112), and Procedural Order No. 26665. To obtain a CPCN, an Applicant must provide the Commission with the following information: (1) name, address, and form of business; (2) the date on which the applicant proposes to begin construction or anticipates that it will provide service, including a written description of customer classes and services proposed to be offered; (3) the proposed service territory; (4) certain financial information; (5) maps regarding the proposed service area; (6) a proposed initial tariff and price sheets; (7) contact information; (8) interconnection agreements if any; (9) an agreement to comply with the Commission's Rules; and (10) an escrow account with a bonded escrow agent if the company requires advance deposits from its customers. Order No. 26665. The Company has asked that the Commission grant a waiver of its escrow account requirements as the Company will not be requiring deposits from its customers.


Through its review of the Application and numerous discussions with the Company, Staff has determined that the Company's filing complies with the requirements of the Commission.

Staff further believes that the Company possesses the requisite financial, managerial and technical qualifications necessary to operate as a provider of telecommunications services.

RECOMMENDATIONS

Based on its review of the Application, Staff recommends approval of the Application for a Certificate with a waiver of the escrow account requirement. In the future, should the Company decide to collect deposits, it must comply with the escrow requirements as well as the Commission's rules for interest on deposits.

Respectfully submitted this 11th day of April 2008.


Kristine A. Sasser
Deputy Attorney General

Technical Staff: Carolee Hall

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 11TH DAY OF APRIL 2008,
SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN
CASE NO. SGE-T-07-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID,
TO THE FOLLOWING:

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