SUSAN HAMLIN

DEPUTY ATTORNEY GENERAL

IDAHO PUBLIC UTILITIES COMMISSION

PO BOX 83720

BOISE, IDAHO  83720-0074

(208) 334-0300

Street Address for Express Mail:

472 W WASHINGTON

BOISE ID  83702-5983

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF SPRINT COMMUNICATIONS COMPANY L.P. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE LOCAL EXCHANGE SERVICE AS A COMPETITIVE LOCAL CARRIER.   | ))))))) | CASE NO. SPR-T-97-2 COMMENTS OF THECOMMISSION STAFF |

COMES  NOW  the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Susan Hamlin, Deputy Attorney General, and in response to the Notice of Application and Notice of Modified Procedure in Case No. SPR-T-97-2 issued on May 13, 1997, submits the following comments.

BACKGROUND

On April 25, 1997, Sprint Communications Company L.P. filed an application for a Certificate of Public Convenience and Necessity (CPCN) in compliance with Rule 111 and Order No. 26665.  Sprint is seeking the Commission’s approval to provide basic local exchange services as regulated under Title 61, Idaho Code, and as authorized by the federal Telecommunications Act of 1996.  Sprint is currently authorized to provide long distance telecommunications services within the State of Idaho under the authority of Title 62, Idaho Code.  Sprint intends to offer services on a resale basis and, as yet, has not completed interconnection agreements with any local exchange carriers.

DISCUSSION

Staff has reviewed the information provided by Sprint with its application and finds that overall, it meets the requirements of the Commission’s Order No. 26665.  Sprint has agreed to comply with the Commission’s rules and regulations as set forth in the Commission’s Rules of Procedure (IDAPA31.01.01) and in IDAPA 31.41.01, 31.41.02, 31.42.01, 31.46.01, 31.46.02, 31.51.01, and 31.51.02, however Sprint has requested certain waivers from the following rules/requirements:

As required by IDAPA 31.41.01, Repair Service Standards (Rule 503), if a telephone company does not restore service within the times and conditions required by paragraph 01 (a) and (b), the telephone company must credit the customer’s account for an amount equal to the monthly rate for one (1) month of basic local exchange service.

Sprint contends that it is a reseller of services of the incumbent local exchange carrier, and is not likely to have direct control of the time and manner of repair of service problems that originate on the facilities of the incumbent local service provider.  It feels that it has no control over the network facilities and should not be held accountable for this.

Procedural Order No. 26665 (Rule 11), requires that an escrow account for advance deposits must be established.  A signed copy of an escrow account with a bonded escrow agent must be created, if a company requires advance deposits by its customers.  The purpose of an escrow account is to assure good faith and the financial ability of the applicant, as required in Idaho Code 61-528.  Individual requirements pertaining to escrow accounts will be evaluated and reconsidered by the Commission upon good showing by the Company for a period of two years.

Sprint has requested a waiver of the escrow account requirement for customer deposits, as well as quarterly reporting on such accounts.  It has requested that, in lieu of establishing an escrow account, the Commission authorize them to post a surety bond in the amount of $10,000 as a guarantee of customer deposits, prior to Sprint’s actual entry into the local exchange market.  Sprint feels that a surety bond would provide the Commission and Sprint’s customers with the comparable assurance that customer deposits are financially protected, but would be a much less expensive system to initiate and maintain.

STAFF RECOMMENDATION

Staff has reviewed the application from Sprint and finds that its waiver request for the Escrow Account to be reasonable and recommends approval.

Sprint’s request for waiver from repair service standards is of concern.  Sprint customers should not have to forego Commission protection and should receive the same quality of service they have experienced regardless of which local exchange carrier they use.  Staff feels telephone companies requesting Certificates to provide local exchange service pursuant to Title 61, Idaho Code should be required to employ prudent management practices and ensure that customers receive the best quality of service practicable.  Repair service standard, IDAPA 31.41.01.503, is a relevant and necessary rule for the public convenience and safety.  These service standards are currently a requirement for incumbent local exchange carriers, and Staff feels that they should remain as such.  Staff views this rule as a customer protection mechanism and with the onset of new entrants into this market, it must be upheld.  Staff understands Sprint’s request for a waiver from this rule, however it feels that Sprint must resolve these issues with the incumbent local exchanges before completing any interconnection agreements.

DATED at Boise, Idaho, this              day of June 1997.

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Susan Hamlin

Deputy Attorney General

Technical Staff:  Carolee Hall

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