

KIRA DALE PFISTERER
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0357
IDAHO BAR NO. 6571

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Street Address for Express Mail:
472 W. WASHINGTON
BOISE, ID 83702-5983

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
TAMARACK VIDEO & TELECOM LLC FOR A) CASE NO. TAM-T-05-1
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO PROVIDE LOCAL)
EXCHANGE AND TOLL SERVICES WITHIN) COMMENTS OF THE
THE STATE OF IDAHO.) COMMISSION STAFF
)

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Kira Dale Pfisterer, Deputy Attorney General, in response to Order No. 29783, the Notice of Application and Notice of Modified Procedure in Case No. TAM-T-05-1 issued on May 12, 2005, and submits the following comments.

BACKGROUND

On March 15, 2005, Tamarack Video & Telecom LLC filed an Application for a Certificate of Public Convenience and Necessity (CPCN) to provide local exchange and toll services within the State of Idaho. Tamarack Video & Telecom filed an Amended Application for Certification on April 15, 2005.

Tamarack Resort is an all-season resort located approximately 90 miles north of Boise in Donnelly, Idaho. Tamarack Video & Telecom, wholly owned by Tamarack Resort LLC, will provide certain telecommunications services to the resort.

Tamarack Video & Telecom is installing a fiber-to-the-premises (FTTP) network and plans to offer voice over Internet Protocol (VoIP). The Company also intends to offer "Triple Play" services. The "Triple-Play" service offering will provide voice, video and data as a bundled service.

During the week of March 22, 2005, the Commission began receiving calls from some the Company's customers who were concerned about the Company's offerings. Some of the concerns focused on the packages offered, prices charged for the special phones required for the VoIP services, and the inability to obtain plain old telephone service (POTs) from the Company or Frontier, the Incumbent Local Exchange (ILEC) Service Provider in the Donnelly area.

STAFF ANALYSIS

When Staff learned that the Company was offering local telephone service without a valid certificate or price list, Staff called the Company and arranged a meeting with the Company and its Attorney on March 29, 2005. Issues discussed during the meeting included: the requirement of a certificate, completion and filing of a price list, unbundling services, and allowing customers to obtain POTs. The Company revealed its business plan and provided further explanation as to what services it would be offering. Ultimately, the Company clarified some of the issues raised by Staff and assured Staff that it would address the remaining issues raised by the various inquiries and complaints received by the Commission.

Following the meeting, Staff received the revised Application along with the Company's Illustrative Price List. Staff has been working very closely with the Company to bring its price list into compliance with Commission's rules and Idaho Statute. On May 4, 2005, the Company provided Staff with its corrected Illustrative Tariff, which comports with all Commission Rules and Idaho Statutes. Nevertheless, the price of stand-alone telephone service, which includes a rental fee for the required telephone, is \$75.00, which Staff considers quite high.

Additional issues Staff worked out with the Company subsequent to the meeting are the provision of POTs and the scope of the Company's intended service area. The Company has notified Staff that, upon approval of its Certificate and price list, it will offer stand-alone telephone service, which addresses certain consumer concerns. In addition, although the Application requests authority

for Valley and Adams Counties, the Company provides that current business plan is to focus on services within the Tamarack Resort.

Another issue that Staff and the Company are continuing to work through is 911 Service. According to the Company, Valley County currently does not have an Enhanced 911 (E911) service available. The Company receives its direct inward dialing (DID) numbers from Frontier; therefore Frontier provides the Public Service Answering Point (PSAP) the location identifier for Tamarack resort. As a result, while the Company's customers can contact emergency services, the call does not include sufficiently specific information to locate the customer within the Tamarack Resort.

The Company is currently working with Valley County and Frontier to clarify a system that will locate and identify those customers who have stand-alone addresses within the resort area. Staff will continue to monitor this process to ensure the public safety is being addressed and that the resort is in compliance with the new FCC guidelines for VoIP providers.

COMMENTS

On May 19, 2005 the Commission received an electronic comment from a customer who is in support of this Application. This support is based on the belief that competition will drive Frontier's charges down.


On May 31, 2005, the Commission received a comment from a customer who is opposed to the Company's Application, as well as the Commission's decision to process the Application under Modified Procedure. Staff does not believe that this comment raises significant issues that would affect the Commission's decision on how the Application is processed and the comment does not change Staff's recommendation vis-à-vis the Company's Application.

The comment states that Modified Procedure is inappropriate, because there are material issues of fact that have been misstated in the Company's Application. However, Staff has read the customer's comment and the Company's Application and does not see a material issue of fact to be determined by the Commission at a hearing. While it is unfortunate that the Company initially provided local telephone service without a CPCN, the Company and Staff are working together to get the Company into regulatory compliance. Further, while Frontier may not currently provide telephone service in the Tamarack Resort, the Resort is in Frontier's service territory and the Company and Frontier are currently in discussions to seek ways that Frontier can directly serve customers in the resort.

STAFF RECOMMENDATION

Staff believes that Tamarack Video & Telecom has been very responsive and eager to meet all of its regulatory obligations and has, in fact, met all obligations necessary to obtain a CPCN. In addition, the Company is engaged in working out solutions to address customer concerns and the 911 safety issues. Therefore, Staff recommends approval of this Application, despite the high cost of stand-alone telephone service.

Respectfully submitted this *2nd* day of June 2005.



Kira Dale Pfister
Deputy Attorney General


Technical Staff: Carolee Hall

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 2ND DAY OF JUNE 2005, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. TAM-T-05-1, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

SHELBY WEIMER
TAMARACK VIDEO & TELECOM LLC
SUITE 100
960 BROADWAY AVE
BOISE ID 83706



SECRETARY