

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
CITIZENS TELECOMMUNICATIONS)	CASE NO. CTC-T-04-1
COMPANY OF IDAHO (DBA FRONTIER) FOR)	
AN INVESTMENT TAX CREDIT FOR)	
INSTALLING QUALIFIED BROADBAND)	ORDER NO. 29443
EQUIPMENT.)	

On February 17, 2004, Citizens Telecommunications Company of Idaho (dba Frontier) filed an Application requesting that the Commission find the Company eligible to receive an Idaho Investment Tax Credit. Pursuant to *Idaho Code* § 63-3029I, an Idaho taxpayer may receive a tax credit for installing “qualified broadband equipment” in Idaho. To be eligible for the tax credit, the taxpayer must obtain from the Commission an Order confirming that the equipment has been installed and that it meets the definition of qualified broadband equipment set out at *Idaho Code* § 63-3029I(3)(b). Briefly, qualified broadband equipment must be capable of transmitting signals at a rate of at least 200,000 bits per second (bps) to a subscriber and at least 125,000 bps from a subscriber. In the case of a telecommunications carrier, the qualified broadband equipment must also “be necessary to the provision of broadband service and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). In this Order, we find that Citizens Telecommunications has installed qualified broadband equipment.

THE APPLICATION

During calendar years 2002 and 2003, Citizens states that it installed various components as part of its wireline Asymmetrical Digital Subscriber Line (ADSL) broadband network for the provision of high-speed Internet access to customers in the McCall, New Meadows, Riggins, Cascade and Donnelly areas. Such component equipment included splitters, line cards, access ports, and supporting software. Citizens indicates in its Application that it offered network transmission rates of up to 128 megabits per second (Mbps) to a subscriber and up to 1 Mbps from a subscriber. Citizens maintains that it spent approximately \$46,400 in 2002 and \$417,500 in 2003 for broadband equipment.

STAFF REVIEW

To implement its responsibilities under *Idaho Code* § 63-3029I, the Commission issued Procedural Order No. 28784 in July 2001. This Order identifies information that must be included in an Application for a broadband credit. Once the information has been filed, then the Commission Staff reviews the Application and submits a recommendation to the Commission. Staff reviewed the list of broadband equipment installed by Citizens. Staff believes that the equipment is “necessary for the provision of broadband services and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). Consequently, Staff recommends that the Commission issue an Order approving Citizens’ Application.

FINDINGS

Having reviewed Citizens’ Application and Staff’s recommendation, we find that the Application for a qualifying broadband equipment Order should be granted. The Company has demonstrated that it installed qualifying broadband equipment identified in its Application during 2002 and 2003 in conformance with *Idaho Code* § 63-3029I. We further find that as configured, the installed equipment is an integral part of a broadband network necessary to deliver broadband services to Idaho customers. It is therefore appropriate for the Commission to issue this Order confirming that Citizens has installed qualified broadband equipment as a precondition to seeking an Idaho broadband tax credit. The Commission makes no findings regarding the costs of the installed broadband equipment.

ORDER

IT IS HEREBY ORDERED that Citizens Telecommunications of Idaho’s Application for an Order certifying that it has installed qualifying broadband equipment is granted.

IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served upon the Idaho State Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) issued in this Case No. CTC-T-04-1 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order issued in this Case No. CTC-T-04-1. 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 12th
day of March 2004.



PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

vld/O:CTCT0401_dh