

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
FILER MUTUAL TELEPHONE COMPANY FOR)
A TAX CREDIT FOR INSTALLING QUALIFIED)
BROADBAND EQUIPMENT.**

CASE NO. FIL-T-03-1

ORDER NO. 29387

On November 4, 2003, Filer Mutual Telephone Company 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 Filer Mutual has installed qualified broadband equipment.

THE APPLICATION

During calendar year 2002, Filer Mutual states that it installed various components as part of its wireline broadband network for the provision of high-speed Internet access to customers in its Idaho service territory. Filer Mutual installed integrated multi service-access platforms manufactured by AFC, Nortel Modems, and a Nortel Digital Subscriber Line Access Multiplexer (DSLAM) all within the Twin Falls area. Filer Mutual offers high-speed access to customers at transmission rates up to 1.54 Megabits per second (Mbps).

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 tax 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 Filer Mutual. Based upon conversations with Company representatives and Staff's review of the Application, 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). The Company assured Staff that installation labor, overhead, and supporting equipment is directly related to offering broadband services in Idaho. Consequently, Staff recommended that the Commission issue an Order approving Filer Mutual's Application.

DISCUSSION

Having reviewed Filer Mutual's 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 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 Filer Mutual has installed qualified broadband equipment as a precondition to seeking an Idaho broadband tax credit.

ORDER

IT IS HEREBY ORDERED that Filer Mutual Telephone Company'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 be served upon the Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. FIL-T-03-1 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 or in interlocutory Orders previously issued in this Case No. FIL-T-03-1. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

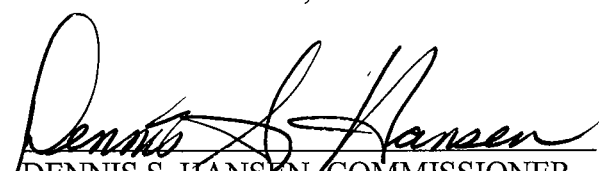
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1st
day of December 2003.



PAUL KJELLANDER, PRESIDENT

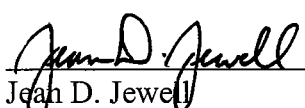


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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