BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF FATBEAM, LLC FOR AN INVESTMENT)	CASE NO. FZ4-T-13-01
TAX CREDIT FOR INSTALLING)	
QUALIFYING BROADBAND EQUIPMENT)	ORDER NO. 32789
)	

On March 28, 2013, the Commission received an Application from Fatbeam, LLC ("Fatbeam" or "Company") requesting approval of a broadband tax credit pursuant to Commission Order No. 28784 and *Idaho Code* § 63-3029I for the 2012 calendar year.

THE APPLICATION

In its Application, Fatbeam states that it has installed broadband equipment in Kootenai County. Fatbeam's customers include the City of Coeur d'Alene, Intermax Networks, Dave Smith Motors, tw telecom, and Mammoth Networks (Idaho Transportation Department). The Company's broadband services include Ethernet or dark fiber access with transmission rates of up to 2 Gbps. Fatbeam states that 100% of its customers have access to its broadband services. The Company reports an investment of approximately \$1,422,726 in qualifying broadband equipment during the 2012 calendar year.

STAFF REVIEW

Staff reviewed the list of proposed broadband equipment submitted by Fatbeam and found that the equipment identified meets the statutory criteria outlined in *Idaho Code* § 63-3029I(3)(b). Staff determined that Fatbeam's broadband equipment is 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. *Idaho Code* § 63-3029I(3)(b). Staff also determined that Fatbeam is a telecommunications carrier and its equipment is "necessary to the provision of broadband service and an integral part of a broadband network." *Idaho Code* § 63-3029I(3)(b)(i). Therefore, Staff recommended that the Commission issue an Order approving the Application and that the approving Order, along with a copy of Fatbeam's Application, be forwarded to the Idaho State Tax Commission.

COMMISSION FINDINGS

In order to be eligible to obtain the tax credit, the taxpayer must first obtain an Order from the Commission "confirming that the installed equipment is qualified broadband equipment." *Idaho Code* § 63-3029I(4). "In the case of a telecommunications carrier, such qualifying equipment shall be necessary to the provision of broadband service and an integral part of a broadband network." *Idaho Code* § 63-3029I(3)(b)(i).

Based upon our review of the Application and the recommendations of the Commission Staff, we find that Fatbeam's Application requesting a qualified broadband equipment Order should be granted. Fatbeam has adequately demonstrated that the equipment identified in its Application qualifies as broadband equipment subject to the tax credit. We also find that Fatbeam is a telecommunications carrier and, as presently configured, the installed equipment is an integral part of the Company's broadband network and that it is necessary to facilitate the delivery of broadband internet service to Idaho customers. It is therefore appropriate for the Commission to issue this Order confirming that the equipment identified in Fatbeam's Application is qualified broadband equipment.

ORDER

IT IS HEREBY ORDERED that Fatbeam LLC's Application seeking an Order certifying that it has installed qualifying broadband equipment in Idaho during the 2012 calendar year is granted.

IT IS FURTHER ORDERED that a copy of this Order and a copy of Fatbeam's 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) 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. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* §§ 61-626, 63-3029I(4).

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this $//^{4}$ day of April 2013.

PAUL KJELLANDER, PRESIDENT

MACK A. REDFORD, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Jean D. Jewell

Commission Secretary

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