

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION ) CASE NO. FZ4-T-18-01**  
**OF FATBEAM, LLC FOR AN )**  
**INVESTMENT TAX CREDIT FOR )**  
**INSTALLING QUALIFYING BROADBAND ) ORDER NO. 34022**  
**EQUIPMENT )**

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On January 31, 2018, Fatbeam, LLC applied to the Idaho Public Utilities Commission for an Order confirming that equipment it installed for calendar year 2017 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment). An Amendment to the Application was filed on March 22, 2018. With this Order, we confirm that the installed equipment meets that statutory definition.

**THE APPLICATION**

In its Application, the Company indicated that in 2017 it invested \$2,748,429 in qualifying broadband equipment. *See* Application at 17. The Company stated that it installed equipment associated with Lit Ethernet and Dark Fiber services. *Id.* at 1. According to the Company, it deployed broadband services in the Post Falls and Coeur d’Alene metropolitan areas, Twin Falls, Sandpoint, and Rathdrum. *Id.* The Company also stated 100% of its customer base has access to its broadband services. *Id.* at 1.

**THE BROADBAND EQUIPMENT TAX CREDIT**

*Idaho Code* § 63-3029I allows a taxpayer to receive an income tax credit for having installed qualified broadband equipment during a calendar year. Before the taxpayer is eligible for the tax credit, the taxpayer must first apply to the Commission for an Order confirming that the installed equipment is “qualified broadband equipment” as defined in the statute. *Idaho Code* § 63-3029I(4). That statute defines “qualified broadband equipment” as equipment that qualifies for the *Idaho Code* § 63-3029B capital investment credit that “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 bits per second (bps) from a subscriber. *Idaho Code* § 63-3029I(3)(b). In addition, to be “qualified broadband equipment” the equipment must be “primarily used to provide services in Idaho to Idaho public subscribers.” *Idaho Code* § 63-3029I(3)(b)(vii). Further, 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).

In furtherance of its statutory responsibility, the Commission has issued Order No. 28784. That Order specifies the information the taxpayer must include in the broadband tax credit application. When the taxpayer files the application, the Commission Staff reviews it to determine whether the listed equipment meets the statutory definition of “qualified broadband equipment.” Staff then submits a recommendation to the Commission. If the Commission ultimately approves the application, then the Commission forwards it and the Order to the Idaho State Tax Commission.

### **STAFF REVIEW**

Staff reviewed and audited the Company’s Application under *Idaho Code* § 63-3029I and Commission Order No. 28784. The Company’s March 22 Amendment was based on the results of Staff’s audit. Based on its review and audit, Staff believes that the Company is a telecommunications carrier and that the listed equipment meets the statutory criteria and is “qualified broadband equipment” that is eligible for the tax credit. Staff thus recommended the Commission: (1) issue an Order certifying that the Company’s equipment is “qualified broadband equipment,” and (2) forward copies of the Application and Order to the Idaho State Tax Commission.

### **COMMISSION FINDINGS**

Having reviewed the Company’s Application and Staff’s recommendation, we find that the Company’s equipment identified in Case No. FZ4-T-18-01 is “qualified broadband equipment” eligible for the tax credit under *Idaho Code* § 63-3029I. The Company is a telecommunications carrier. Further, the listed equipment (as presently configured) is an integral part of the Company’s broadband network and is necessary to the provision of broadband service to Idaho customers. Accordingly, it is appropriate for the Commission to issue an Order certifying that the Company’s equipment is “qualified broadband equipment.” The Commission makes no findings regarding the costs of the installed broadband equipment or other expenses.


### **ORDER**

IT IS HEREBY ORDERED that the Company’s Application for an Order confirming that equipment identified in Case No. FZ4-T-18-01 installed in 2017 is “qualified broadband equipment” is granted.


IT IS FURTHER ORDERED that a copy of this Order and a copy of the Amended Application be served on 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. *See Idaho Code §§ 61-626 and 62-619.*


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this <sup>3rd</sup> day of April 2018.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane M. Hanian  
Commission Secretary

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