

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION OF</b>	)	
<b>ALBION TELEPHONE COMPANY FOR AN</b>	)	<b>CASE NO. ALB-T-06-1</b>
<b>INVESTMENT TAX CREDIT FOR</b>	)	
<b>INSTALLING QUALIFIED BROADBAND</b>	)	
<b>EQUIPMENT</b>	)	<b>ORDER NO. 30019</b>
	)	

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On March 22, 2006, Albion 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 an Order from the Commission confirming that the equipment has been installed and that it meets the definition of qualified broadband equipment set out in *Idaho Code* § 63-3029I(3)(b). In the case of a telecommunications provider, 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).

**THE APPLICATION**

Albion’s Application indicated it installed new switching equipment, deployed fiber in the loop, installed digital loop carrier systems and continued development of its fiber backbone to provide broadband services to its Idaho customers. In 2005 Albion claimed that it added 12 miles of copper cable and 4.5 miles of fiber optic cable. The Application also indicated the Company expanded its high-speed wireless system to a neighboring exchange. Albion provides ADSL, IDSL, HDSL and SDSL services to its customers at speeds of 256,000 bits per second (bps) to 3,000,000 bps. The Company indicated the equipment is necessary and integral to its broadband network. The Company declared that 100% of the investment will be used to provide service to Idaho customers. The Application identified nearly \$2.0 million of investment in 2005.

**STAFF REVIEW**

Staff reviewed the list of proposed broadband equipment submitted by Albion and found that it complies with *Idaho Code* § 63-3029I(3)(b) and Procedural Order No. 28784. Staff

determined that the equipment is “qualified broadband equipment” capable of transmitting signals at a rate of at least 200,000 bps to a subscriber and at least 125,000 bps from a subscriber pursuant to *Idaho Code* § 63-3029I(3)(b). Staff also determined that the expenditures identified by Albion, a telecommunications provider, were for equipment that is “necessary for the provision of broadband services 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 Albion’s Application for a tax credit.

### **COMMISSION FINDINGS**

Based upon our review of the Application and Staff recommendations, we find that the Application for a qualifying broadband equipment Order should be granted. Albion has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. We further find that Albion is a telecommunications carrier and, as configured, the installed equipment is an integral part of a broadband network necessary to deliver broadband services to its Idaho customers. *Idaho Code* § 63-3029I(3)(b)(i). It is therefore appropriate for the Commission to issue this Order confirming that the equipment identified by Albion is qualified broadband equipment.

### **ORDER**

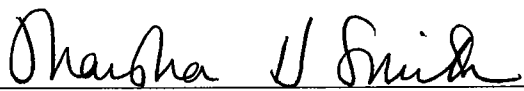
IT IS HEREBY ORDERED that Albion Telephone Company’s Application for an Order certifying it has installed qualifying broadband equipment is granted.

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) 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, 63-3029I(4).

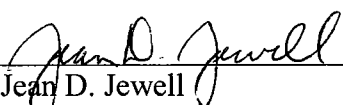
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 13<sup>th</sup>  
day of April 2006.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

bls/O:ALB-T-06-01\_dh