

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF) ALBION TELEPHONE COMPANY FOR AN) INVESTMENT TAX CREDIT FOR) INSTALLING QUALIFIED BROADBAND) EQUIPMENT)	CASE NO. ALB-T-07-01 ORDER NO. 30263
---	---

On February 16, 2007, 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 Idaho customers. The Application also indicates the Company made improvements to the high-speed wireless system it operates in a neighboring exchange. Albion’s Application indicated it provides ADSL, IDSL, HDSL and SDSL services to its customers at speeds of 256,000 bits per second to 3,000,000 bits per second. The Company indicated the equipment is necessary and integral to its broadband network. Albion claims that 100% of the investment will be used to provide service to Idaho customers. The Application identified nearly \$3 million of investment in 2006.

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.

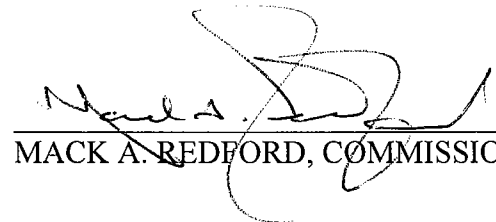
IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served upon the Idaho State Tax Commission.

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).

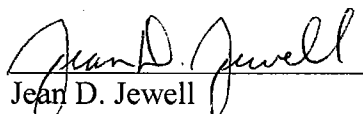
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 7th
day of March 2007.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:ALB-T-07-01_cg