

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
CAMBRIDGE TELEPHONE COMPANY, INC.)
FOR AN INVESTMENT TAX CREDIT FOR)
INSTALLING QUALIFIED BROADBAND)
EQUIPMENT)**

CASE NO. CAM-T-06-01

ORDER NO. 30163

On October 12, 2006, Cambridge Telephone Company, Inc. 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). 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 such as Cambridge, 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 Cambridge Telephone has installed qualified broadband equipment.

THE APPLICATION

During calendar year 2005, Cambridge states that it installed central office equipment and fiber cables to provide digital subscriber line (DSL), T1, DS3, and frame relay services to Idaho customers. The Company indicates its broadband services provide speeds of between 256,000 and 3,000,000 bps to customers. In association with the OC-48 fiber optic ring provided by Syringa Networks, Cambridge is in the process of expanding its DSL service to each of its exchanges. The Company indicates that the installed equipment is necessary and integral to its broadband network and claims that 100% of the investment will be used to provide broadband services to Idaho customers.

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 has reviewed the list of installed broadband equipment submitted by Cambridge and believes the identified equipment meets the statutory criteria. Consequently, the Staff recommends that the Commission issue an Order approving Cambridge Telephone's Application.

COMMISSION FINDINGS

Having reviewed Cambridge Telephone'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 2005 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. Therefore, the Commission issues this Order confirming that Cambridge Telephone has installed qualified broadband equipment as a precondition to seeking an Idaho broadband tax credit. The Commission makes no findings regarding the costs of the installed broadband equipment.


ORDER

IT IS HEREBY ORDERED that Cambridge 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 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).

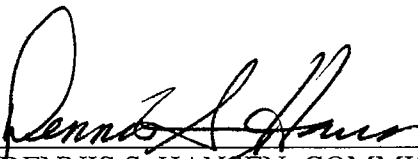
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 31st
day of October 2006.



PAUL KJELLANDER, PRESIDENT

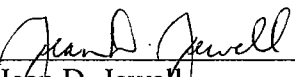


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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