

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF CUSTER TELEPHONE )**  
**COOPERATIVE, INC.’S APPLICATION FOR ) CASE NO. CUS-T-22-01**  
**AN INVESTMENT TAX CREDIT FOR )**  
**INSTALLING QUALIFYING BROADBAND )**  
**EQUIPMENT ) ORDER NO. 35501**  
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On June 2, 2022, Custer Telephone Cooperative, Inc., LLC, (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) for an order confirming that equipment it installed in 2021 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment). With this Order, we confirm that the installed equipment is “qualified broadband equipment” under *Idaho Code* § 63-3029I.

**THE APPLICATION**

In its Application, the Company states it is a provider of basic local exchange service, broadband telecommunications services, and other telecommunication services in Idaho. *Application* at 1. The Company says it invested in qualifying broadband equipment in 2021 within the meaning of *Idaho Code* § 63-3029I. *Id.* The Company included a detailed description of the equipment in Exhibit A, and attested that the equipment is necessary to the provision of broadband service and an integral part of the broadband network. *Exhibit A.* The Company installed the broadband equipment in Challis, Idaho, and estimates that the broadband network can serve 1,577 of its Idaho customers. *Application* at 5.

**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). The 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 bps] to a subscriber and at least [125,000 bps] from a subscriber.” *Idaho Code* § 63-3029I(3)(b)); and (2) is primarily used to provide services in Idaho to public subscribers. *See 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 issued Order No. 28784.<sup>1</sup> That Order specified the information the taxpayer must include in the broadband tax credit application. In 2022, in Case No. GNR-T-21-10, Order No. 35297, the Commission modified the informational requirements set forth by Order No. 28784. When the taxpayer files the Application, the Commission Staff (“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 the Company’s Application under *Idaho Code* § 63-3029I. Based on its review, 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 confirming 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 Amended Application and Staff’s recommendation, we find that the Company’s equipment identified in Case No. CUS-T-22-01 is “qualified broadband equipment” eligible for the tax credit under *Idaho Code* § 63-3029I. Accordingly, it is appropriate for the Commission to issue an order confirming 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 it installed in 2021 is “qualified broadband equipment,” is granted.

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

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<sup>1</sup> The Commission issued Order No. 28784 pursuant to *Idaho Code* § 63-3029I(4), which empowers the Commission to “issue procedural orders necessary to implement” *Idaho Code* § 63-3029(4).

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 15<sup>th</sup> day of August 2022.



ERIC ANDERSON, PRESIDENT

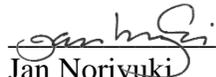


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND, JR., COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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