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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF FARMERS MUTUAL)
TELEPHONE COMPANY'S APPLICATION)
FOR A 2019 INVESTMENT TAX CREDIT FOR)
INSTALLING QUALIFYING BROADBAND)
EQUIPMENT)
)
)
)
CASE NO. FMT-T-20-04
COMMENTS OF THE
COMMISSION STAFF

STAFF OF the Idaho Public Utilities Commission, by and through its Attorney of record, Matt Hunter, Deputy Attorney General, submits the following comments.

BACKGROUND

On December 10, 2020, Farmers Mutual Telephone Company (“Farmers” or “Company”) applied to the Idaho Public Utilities Commission (“Commission”) for an order confirming that equipment it installed in 2019 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment). Exhibit A of the Application purported to list the qualified broadband equipment the Company installed in 2019 and the Company’s total qualified investment. On January 21, 2021, the Commission granted the Company’s Application, confirming the equipment the Company installed in 2019 is “qualified broadband equipment.” Order No. 34896.

On January 25, 2021, the Company petitioned for reconsideration (“Petition”). *See* IDAPA 31.01.01.331 through -333. In its Petition, the Company asked the Commission to reconsider its decision in Order No. 34896. “[T]he equipment list attached to [the Company]’s Application was erroneously filed, and instead included the equipment list for an affiliated entity of [the Company].” Petition at 1. The Company’s Petition includes an equipment list indicating the Company invested \$4,347,224.89 in qualified broadband equipment in 2019. Petition, Exhibit A. As Order No. 34896 found the Company invested \$3,351.97 in qualified broadband equipment in 2019, the Company argued Order No. 34896 is erroneous and should be reconsidered based on the equipment list submitted with the Company’s Petition.

On February 10, 2021, the Commission granted the Company’s Petition, directing Staff “and any other interested persons” to file any comments on the amended record by February 25, 2021.

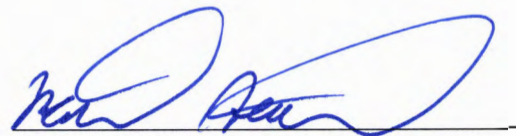
STAFF ANALYSIS

Staff’s analysis focused on the assertions made by the Company in its Application and the equipment list submitted with the Company’s Petition. In its Application, Farmers stated that it installed equipment associated with Asymmetric Digital Subscriber Line (ADSL), Very High Speed Digital Subscriber Line (VDSL), and Fiber to the Home (FTTH) service with transmission rates that meet or exceed the required rates of 200,000 bits per second to a subscriber and 125,000 bits per second from a subscriber. The Company asserted that more than 93% of its Idaho subscribers have access to the broadband network. According to the equipment list submitted as part of the Company’s Petition, the Company invested approximately \$4,347,224.89 in 2019 in qualifying broadband equipment that it confirms is integral to the broadband network.

STAFF RECOMMENDATION

Staff has reviewed and audited the updated equipment list and believes the identified equipment qualifies for the investment tax credit pursuant to Order No. 28784 and *Idaho Code* § 63-3029I(3)(b). Staff, therefore, recommends that the Commission issue an order confirming the equipment is qualified broadband equipment and forward the order—along with a copy of the Application, Petition, and updated equipment list—to the Idaho Tax Commission.

Respectfully submitted this 25th day of February 2021.



Matt Hunter
Deputy Attorney General

Technical Staff: Daniel Klein


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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 25th DAY OF FEBRUARY 2021, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. FMT-T-20-04, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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