

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF FREMONT TELECOM) CASE NO. FRE-T-25-01
CO.’S APPLICATION FOR THE 2024)
BROADBAND EQUIPMENT TAX CREDIT)
) ORDER NO. 37078
)

On July 23, 2025, Fremont Telecom Co. (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) for an order confirming that equipment the Company installed during 2024 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment) (“Application”).

On December 10, 2025, the Commission issued a Notice of Application and Notice of Modified Procedure establishing written comment deadlines. Order No. 36867. Commission Staff (“Staff”) filed comments. On January 16, 2026, rather than submitting reply comments, the Company filed an amended application along with a revised equipment list (“Amended Application”).

On May 14, 2026, the Commission issued a Notice of Amended Application and Amended Notice of Modified Procedure re-establishing written comment deadlines. Order No. 37041. Staff filed supplemental comments. The Commission received no public comments or Company reply comments.

Based on our review of the record, the Commission now issues this Final Order denying the Application and the Amended Application.

BACKGROUND

In 2001, House Bill 377 was enacted, authorizing income tax credit for the installation of qualifying broadband infrastructure in Idaho. *Idaho Code* § 63-3029B(3)(a)(ii). *Idaho Code* § 63-3029I allows a taxpayer to receive an investment tax credit for eligible broadband equipment installed during a calendar year.

Qualified broadband equipment is defined as equipment “capable of transmitting signals at a rate of at least two hundred thousand (200,000) bits per second to a subscriber and at least one hundred twenty-five thousand (125,000) bits per second from a subscriber.” *Idaho Code* § 63-

3029I(3)(b). If the equipment is installed by a telecommunications carrier, it must also be “necessary to the provision of broadband services and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). The equipment must be primarily used to provide services to subscribers in Idaho to qualify for the credit. *Idaho Code* § 63-3029I(3)(b)(vii).

To be eligible for the tax credit, the taxpayer must apply for and obtain an order from the Commission confirming that the installed equipment meets the statutory definition of qualified broadband equipment. *Idaho Code* § 63-3029I(4). Prior to making such a determination, the Commission requires applicants to submit “a specific list of the equipment or types of equipment that the applicant is requesting that the Commission determine is ‘qualified broadband equipment’ as defined in *Idaho Code* § 63-3029I(3)(b),” and to “[l]ist the brand, manufacturer, model numbers of the installed equipment, number of items, and total cost.” Order No. 35297, Attachment A. Once the Commission has determined that the installed equipment is eligible for the broadband equipment tax credit, an order along with the original application is forwarded to the Idaho Tax Commission.

THE APPLICATION AND AMENDED APPLICATION

The description of the Company’s network and the total amount it claimed investing in qualifying broadband equipment were identical in the Application and the Amended Application. The Company represented that it offers broadband services through Asymmetric Digital Subscriber Line, Very-high-bit-rate Digital Subscriber Line, Broadband Ethernet and Wavelength services. Amended Application at 2. The Company stated that it provides broadband services to its customers at transmission rates of 256,000 bits per second (“bps”) up to 1,000,000,000 bps from a subscriber and 768,000 bps up to 1,000,000,000 bps to a subscriber. *Id.* According to the Company, during 2024 it served 4,271 broadband customers in Idaho out of 13,551 possible broadband subscribers, resulting in 32% of possible subscribers being served. *Id.* The Company reported investing \$2,818,233.75 in qualifying broadband equipment during 2024. *Id.* at 3.

STAFF COMMENTS AND SUPPLEMENTAL COMMENTS

In its original comments, Staff recommended that the Commission disallow the majority of the Company’s equipment list as project costs outside of investment in qualifying broadband equipment and approve only a portion of the list as qualifying broadband equipment. Staff Comments at 2–4. In its supplemental comments, Staff noted that despite making changes to the

equipment list submitted with the Amended Application, the Company claimed investing an amount identical to that claimed in the original Application. Staff Supplemental Comments at 3.

However, Staff stated that after filing the Amended Application, the Company informally provided Staff with a further revised list on March 27, 2026. *Id.* In the newly revised equipment list, the Company reported investing a total of \$387,202.65 in qualifying broadband equipment. *Id.* Staff recommended that the Commission issue an order approving the equipment contained in that list, which was attached to Staff's supplemental comments as Attachment A, as qualifying broadband equipment. *Id.*

COMMISSION FINDINGS AND DECISION

Having reviewed the record, the Commission cannot determine whether the items included in either the equipment list attached to the Company's Application or that attached to the Amended Application are qualified broadband equipment necessary for the provision of broadband service in Idaho. Based on the record before us, we therefore cannot find that the claimed equipment expenses are eligible for the income tax credit under *Idaho Code* § 63-3029I.

While we understand the Company informally provided Staff with an equipment list that Staff believed qualified as broadband equipment, *Idaho Code* § 63-3029I(4) requires the applicant to submit its equipment list to the Commission. We decline to approve a list that was not filed with the Commission as part of the record in this proceeding. It is the applicant's burden to ensure the record supports its request for relief before this Commission. Accordingly, we deny the Company's Application and Amended Application.

ORDER


IT IS HEREBY ORDERED that the Application and the Amended Application are denied.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within 21 days of the service date of this Order regarding any matter decided in this Order. Within seven days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* §§ 61-626 and 62-619.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24th day of June 2026.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary

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