

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 IN 2011.) | CASE NO. ALB-T-12-02 ORDER NO. 32611 |
|--|---|

On June 19, 2012, Albion Telephone Company (the “Company”) applied to the Commission for an Order confirming that equipment it installed in 2011 qualifies for a broadband tax credit under *Idaho Code* § 63-3029I. With this Order, we confirm that the referenced equipment qualifies for the broadband tax credit.

THE APPLICATION

The Company’s Application lists the broadband investments made during 2011 in Butte, Cassia, Custer, and Oneida counties, Idaho. *See* Application at 1. The Company says it “continued to deploy fiber in the loop, install Digital Loop Carrier systems with 12,000-foot loops and [that it is] developing a fiber backbone that will have the ability to handle huge amounts of data.” *Id.* The Company also reports that in 2011, it added 23 miles of copper and 16 miles of fiber cable. *Id.* The Company says it provides various subscriber line services (ADSL, IDSL, HDSL, and SDSL) to its customers at network transmission rates of 1.5 Mbps to 20 Mbps, and that the services are available to 99% of its customers. *Id.* The Company says its 2011 broadband investment is about \$614,000. *See* Application attachment, at 14.

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 is filed with the Commission, the Staff reviews the application to determine whether the listed equipment is “qualified broadband equipment” under *Idaho Code* § 63-3029I. Staff then submits a recommendation to the Commission.

Staff has reviewed the Company’s Application and believes that the listed equipment is “qualified broadband equipment” as defined in *Idaho Code* § 63-3029I. That 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] bits per second to a subscriber and at least [125,000] bits per second from a subscriber.” *Idaho Code* § 63-3029I(3)(b). 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).

Here, 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 therefore recommended that the Commission approve the Application and forward it and a copy of the approving order to the Idaho State Tax Commission.

COMMISSION FINDINGS

Having reviewed the Company’s Application and Staff’s recommendation, we find that the Company’s equipment is “qualified broadband equipment” subject to the tax credit under *Idaho Code* § 63-3029I. The Company is a telecommunications carrier. Further, the listed equipment (as presently configured) is an integral part of the Company’s broadband network and is necessary to the provision of broadband service to Idaho customers. 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.

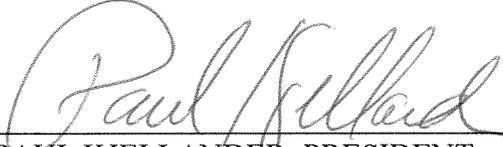
ORDER

IT IS HEREBY ORDERED that the Application of Albion Telephone Company for an Order confirming that it has installed qualifying broadband equipment for 2011 is granted.

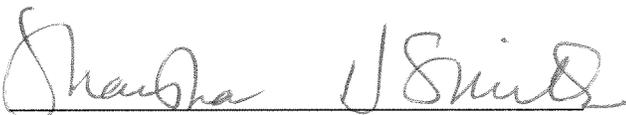
IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served upon the Idaho State Tax Commission.

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 and 62-619.

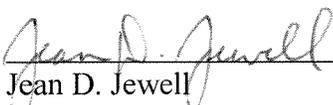
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 8th
day of August 2012.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:ALB-T-12-02_kk