

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION OF )</b>	
<b>CITIZENS TELECOMMUNICATIONS OF )</b>	<b>CASE NO. CTC-T-08-01</b>
<b>IDAHO DBA FRONTIER COMMUNICATIONS )</b>	
<b>OF IDAHO FOR AN INVESTMENT TAX )</b>	
<b>CREDIT FOR INSTALLING QUALIFIED )</b>	<b>ORDER NO. 30505</b>
<b>BROADBAND EQUIPMENT )</b>	

On February 5, 2008, Citizens Telecommunications of Idaho dba Frontier Communications of Idaho filed an Application requesting approval of equipment for the broadband tax credit pursuant to Order No. 28784 and *Idaho Code* § 63-3029I(4). 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. 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 the Company’s investment meets the applicable standards.

**THE APPLICATION**

Frontier’s Application identifies the Company’s broadband investments for the year 2007. The Application indicates that the Company installed various components as part of its Asymmetrical Digital Subscriber Line (ASDL) broadband network for the provision of high-speed Internet access to customers in McCall, Cascade, Donnelly, Homedale, New Meadows, Riggins, Garden Valley, Horseshoe Bend, Wilder, and Parma. Frontier indicates that it offers network transmission rates of up to 3 Mbps from a subscriber and up to 512 Kbps to a subscriber. The Company declares that broadband service is now available to approximately 87% of its total customer base. The Application identifies a broadband tax credit investment of over \$600,000 in 2007.

## 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 and submits a recommendation to the Commission. Staff has reviewed the list of proposed broadband equipment submitted by Frontier and believes that the equipment identified meets the statutory criteria. Staff therefore recommended approval of the Application and further recommended that the Commission forward an approving Order along with a copy of the original Application to the Idaho State Tax Commission.

## COMMISSION FINDINGS

Having reviewed Frontier'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 2007 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. Based on the foregoing, the Commission issues this Order confirming that Citizens Telecommunications of Idaho dba Frontier Communications of Idaho 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

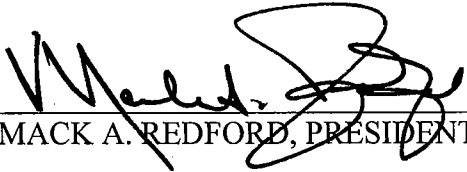
IT IS HEREBY ORDERED that Citizens Telecommunications of Idaho dba Frontier Communications of Idaho's Application for an Order certifying that it has installed qualifying broadband equipment for 2007 is granted.

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).

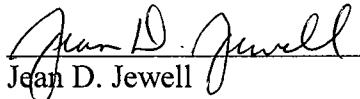
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this 28<sup>th</sup> day of February 2008.

  
MACK A. REDFORD, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
JIM KEMPTON, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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