

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
CITIZENS TELECOMMUNICATIONS OF) CASE NO. CTC-T-09-01
IDAHO DBA FRONTIER COMMUNICATIONS)
OF IDAHO FOR AN INVESTMENT TAX)
CREDIT FOR INSTALLING QUALIFYING) ORDER NO. 30789
BROADBAND EQUIPMENT)**

On March 31, 2009, the Commission received an Application from Citizens Telecommunications of Idaho dba Frontier Communications of Idaho (“Citizens”) asking for approval of a broadband tax credit for the 2008 calendar year pursuant to Commission Order No. 28784 and *Idaho Code* § 63-3029I(4). In order to be eligible to obtain the tax credit, the taxpayer must first obtain an Order from the Commission “confirming that the installed equipment is qualified broadband equipment.” *Idaho Code* § 63-3029I(4). “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).

THE APPLICATION

Citizens’ Application states that, during the 2008 calendar year, the Company installed approximately \$893,600 of qualifying broadband equipment in Idaho for the benefit of its Idaho subscribers. The Application states that the Company installed various components of its Asymmetrical Digital Subscriber Line (ASDL) broadband network enabling Citizens to provide high-speed Internet access to approximately 18,750 customers, 87% of its Idaho customer base, in the Idaho communities of Horseshoe Bend, McCall, Homedale, Aberdeen, Wilder, Garden Valley, Cascade, Riggins, and Sweet. Citizens states that it offers broadband service to its customers at transmission rates of up to 512 Kbps to subscribers and 3 Mbps from a subscriber.

STAFF REVIEW

Staff reviewed the list of proposed broadband equipment submitted by Citizens and found that the equipment identified meets the requirements outlined in *Idaho Code* § 63-3029I(3)(b) and Commission Order No. 28784. Staff determined that Citizens’ broadband equipment 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). Staff also determined that Citizens is a telecommunications carrier and its equipment is “necessary to the provision of broadband service and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). Therefore, Staff recommended that the Commission issue an Order approving the Application and that the approving Order, along with a copy of Citizens’ Application, be forwarded to the Idaho State Tax Commission.

COMMISSION FINDINGS

Based upon our review of the Application and the recommendations of the Staff, we find that the Application for a qualifying broadband equipment Order should be granted. Citizens has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. We further find that Citizens is a telecommunications carrier and, as presently configured, the installed equipment is an integral part of the Company’s broadband network and that it is necessary to facilitate the delivery of broadband Internet service to Idaho customers. It is therefore appropriate for the Commission to issue this Order confirming that the equipment identified in Citizens’ Application is qualifying 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 is granted.

IT IS FURTHER ORDERED that a copy of this Order and a copy of Citizens’ 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. *Idaho Code* §§ 61-626, 63-3029I(4).


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28th
day of April 2009.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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