

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF FILER MUTUAL TELEPHONE) **CASE NOS. FIL-T-11-01**
COMPANY FOR AN INVESTMENT TAX)
CREDIT FOR INSTALLING QUALIFYING)
BROADBAND EQUIPMENT) **ORDER NO. 32274**
)

On June 1, 2011, Filer Mutual Telephone Company (“Filer”) applied to the Commission for an Order confirming that equipment that Filer states it installed in 2007, 2008, 2009, and 2010 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment). The Commission grants Filer’s Application and finds that the referenced equipment is “qualified broadband equipment” as defined.

FILER’S APPLICATION

Filer states that it installed equipment associated with Asymmetric Digital Subscriber Line (ADSL), High-bit-rate Digital Subscriber Line (HDSL), Wireless Broadband (WBB) and fiber optic (FTTX) services with transmission rates of 512 Kbps to 1 Gbps. Filer states that in the years:

- 2007, it added 443 new broadband customers for a total of 1306 and invested approximately \$1.1 million;
- 2008, it added 349 new broadband customers for a total of 1655 and invested approximately \$272,600;
- 2009, it added 189 new broadband customers for a total of 1844 and invested approximately \$901,000; and
- 2010, it added 262 new customers for a total of 2106 and invested approximately \$1.5 million. Filer states that for each year 99% of its customers have had access to broadband services.

STAFF COMMENTS

Staff reviewed Filer’s list of proposed broadband equipment and determined that the equipment meets the statutory criteria that would make it eligible for the tax credit. Under the statute, “qualified broadband equipment” is equipment that “is 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. . . .” *Idaho Code* § 63-3029I(3)(b). Further, “[i]n 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 determined that Filer’s equipment can transmit signals at a rate of at least 200,000 bps to a subscriber and at least 125,000 bps from a subscriber. *Idaho Code* § 63-3029I(3)(b). Staff also found that Filer 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). Accordingly, Staff recommended that the Commission issue an Order confirming Filer’s listed equipment is “qualified broadband equipment,” and that the Commission forward the approving Order, along with a copy of Filer’s Application, to the Idaho State Tax Commission.

COMMISSION FINDINGS

Having reviewed Filer’s Application and the comments of Staff, the Commission grants Filer’s Application for a qualifying broadband equipment Order. Filer has demonstrated that the equipment identified in its Application is “qualified broadband equipment” subject to the tax credit. Filer also has demonstrated that it is a telecommunications carrier and that, as presently configured, the listed equipment is an integral part of the Company’s broadband network and 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 Filer’s Applications is “qualified broadband equipment.”

ORDER

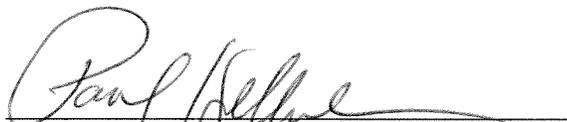
IT IS HEREBY ORDERED that Filer Mutual Telephone Company’s Application for an Order confirming that the equipment Filer installed in 2007, 2008, 2009, and 2010 is “qualified broadband equipment” is granted. The Commission confirms that the listed equipment is “qualified broadband equipment” under *Idaho Code* § 63-3029I.

IT IS FURTHER ORDERED that a copy of this Order and a copy of Filer Mutual Telephone Company’s 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 24th day of June, 2011.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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