

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF FREMONT TELCOM FOR AN) CASE NO. FRE-T-16-01
INVESTMENT TAX CREDIT FOR)
INSTALLING QUALIFYING BROADBAND) ORDER NO. 33507
EQUIPMENT)**

On February 29, 2016, the Commission received an Application from Fremont Telcom (“Fremont Telcom” or “Company”) seeking a Commission Order certifying that the Company has installed qualified broadband equipment in Idaho, pursuant to Commission Order No. 28784 and *Idaho Code* § 63-3029I(4), during the 2015 calendar year.

THE APPLICATION

In its Application, Fremont Telcom stated that it installed equipment associated with Asymmetric Digital Subscriber Line (ADSL) and Ethernet broadband services (using 18k non-loaded copper distribution, fiber optic backbone and distribution cable). The Company stated that its network is capable of providing transmission speeds of 256 Kbps to 1 Mbps from a subscriber and 768 Kbps to 1 Mbps to a subscriber. The Company stated that approximately 53% of its customers currently have broadband services and that it invested approximately \$459,933 in broadband equipment during the 2015 calendar year.

STAFF REVIEW

Staff reviewed the list of proposed broadband equipment submitted by Fremont Telcom and found that the equipment identified meets the statutory criteria outlined in *Idaho Code* § 63-3029I(3)(b). Staff determined that Fremont Telcom’s broadband equipment 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). Staff also determined that Fremont Telcom 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). Staff recommended that the Commission issue an Order approving the Application and

forward the Order, along with a copy of Fremont Telcom's Application, to the Idaho State Tax Commission.

COMMISSION FINDINGS

In order to be eligible to obtain the broadband tax credit, a 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).

Based upon our review of the Application and the recommendations of Commission Staff, we find that Fremont Telcom's Application requesting a qualified broadband equipment Order should be approved. Fremont Telcom has adequately demonstrated that the equipment identified in its Application qualifies as broadband equipment eligible for the tax credit. The Commission also finds that Fremont Telcom 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. Therefore, the Commission certifies in this Order that the equipment identified in Fremont Telcom's Application is qualified broadband equipment.

ORDER

IT IS HEREBY ORDERED that the Application of Fremont Telcom, seeking an Order certifying that it has installed qualified broadband equipment in Idaho during the 2015 calendar year, is approved.

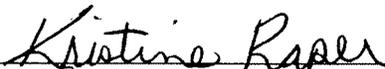
IT IS FURTHER ORDERED that a copy of this Order and a copy of Fremont Telcom's Application shall be forwarded to the Idaho State Tax Commission.

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 20th
day of April 2016.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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