

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF) DIRECT COMMUNICATIONS CABLE FOR AN) INVESTMENT TAX CREDIT FOR) INSTALLING QUALIFIED BROADBAND) EQUIPMENT)	CASE NO. GNR-T-05-4 ORDER NO. 29797
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On April 11, 2005, Direct Communications Cable filed an Application requesting that the Commission find the Company eligible to receive an Idaho Investment Tax Credit. Pursuant to *Idaho Code* § 63-3029I, an Idaho taxpayer may receive a tax credit for installing “qualified broadband equipment” in Idaho. To be eligible for the tax credit, the taxpayer must obtain an Order from the Commission confirming that the identified equipment meets the definition of qualified broadband equipment set out in *Idaho Code* § 63-3029I(3)(b). In addition, the Commission must find that the equipment meets certain standards depending on whether the carrier is characterized as a telecommunications carrier, commercial mobile service carrier, cable or open video system operator, satellite carrier or wireless carrier and whether the equipment is packet switching equipment or multiplexing and demultiplexing equipment. The Commission finds that Direct Communications Cable meets the applicable standards.

THE APPLICATION

Direct Communications Cable states that it has installed (1) fiber and coaxial cables and (2) remote digital terminals and related equipment to provide cable modem broadband services to Idaho customers. The Company further states that this equipment provides service at speeds of 512,000 bits per second for uploads from customers and 1,000,000 bits per second for downloads to customers. The Company claims to have made \$150,000 of investments in 2004. The Company claims that 100% of this investment will be used to provide service to Idaho customers.

STAFF REVIEW

Staff reviewed the list of proposed broadband equipment submitted by Direct Communications Cable and found that it complies with *Idaho Code* § 63-3029I(3)(b) and Procedural Order No. 28784. Staff determined that the equipment is “qualified broadband equipment” 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 pursuant to *Idaho Code* § 63-3029I(3)(b). Staff also determined that Direct Communications Cable meets the requirements of a cable or open video system operator. Specifically, the equipment extends “from the subscriber’s side of the headend to the outside of the structure in which the subscriber is located.” *Idaho Code* § 63-3029I(3)(b)(iii). Therefore, Staff recommended that the Commission issue an Order approving the Application.

COMMISSION FINDINGS

Based upon our review of the Application and Staff recommendations, we find that the Application for a qualifying broadband equipment Order should be granted. Direct Communications Cable has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. We further find that Direct Communications Cable meets the standards required of a cable operator. Specifically, we find that the equipment identified in the Application extends from the subscriber’s side of the headend to the outside of the structure in which the subscriber is located pursuant to *Idaho Code* § 63-3029I(3)(b)(iii). It is therefore appropriate for the Commission to issue this Order confirming that the equipment identified by Direct Communications Cable is qualified broadband equipment.

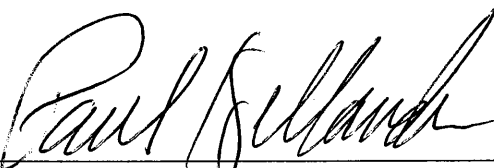
ORDER

IT IS HEREBY ORDERED that the Direct Communications Cable Application for an Order certifying it has installed qualifying broadband equipment 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 10th
day of June 2005.



PAUL KJELLANDER, PRESIDENT

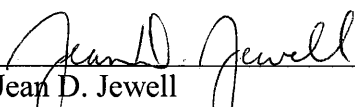


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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