

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION OF )</b>	
<b>FIRST STEP INTERNET LLC FOR AN )</b>	<b>CASE NO. GNR-T-06-05</b>
<b>INVESTMENT TAX CREDIT FOR )</b>	
<b>INSTALLING QUALIFIED BROADBAND )</b>	
<b>EQUIPMENT )</b>	<b>ORDER NO. 30237</b>
<b>)</b>	

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On December 18, 2006, First Step Internet LLC 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 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 First Step meets the applicable standards.

**THE APPLICATION**

First Step indicates that it provides broadband services using both wired and wireless technologies, using its own facilities, as well as those leased from local telephone companies. First Step has built a point-to-point wireless network to provide broadband services to Idaho customers in the rural communities around Lewiston and Moscow. Customers on the wireless network are provided broadband services at a variety of speeds, from a minimum of 256,000 bps (256 kbps) to as much as 5 million bps (5 Mbps). Wired services are provided at speeds from 256 kbps download/128 kbps upload to as fast as 100 Mbps. The Company indicated the equipment identified in its Application is necessary and integral to its broadband network. The Company claims that 100% of the investment will be used to provide service to Idaho customers. The Application identified approximately a \$500,000 investment.

## 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 has been filed, then the Commission Staff reviews the application and submits a recommendation to the Commission. Staff has reviewed the list of installed broadband equipment submitted by First Step and believes the identified equipment meets the statutory criteria. Consequently, the Staff recommends that the Commission issue an Order approving First Step's Application.

## COMMISSION FINDINGS

Having reviewed First Step'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 2006 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. Therefore, the Commission issues this Order confirming that First Step Internet 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 First Step Internet LLC's Application for an Order certifying that it has installed qualifying broadband equipment is granted.

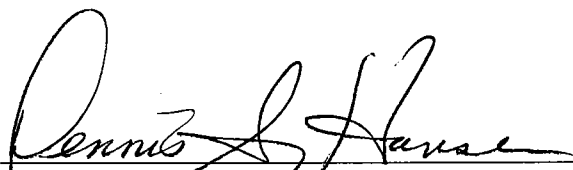
IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served upon the Idaho State Tax Commission.

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).

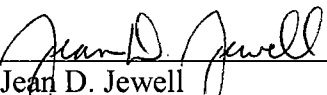
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *2nd*  
day of February 2007.

  
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PAUL KJELLANDER, PRESIDENT

  
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MARSHA H. SMITH, COMMISSIONER

  
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DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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