

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF RURAL TELEPHONE COMPANY FOR) CASE NO. RUR-T-09-01
AN INVESTMENT TAX CREDIT FOR)
INSTALLING QUALIFYING BROADBAND)
EQUIPMENT) ORDER NO. 30732
)

On January 27, 2009, the Commission received an Application from Rural Telephone Company (“Rural”) asking for approval of a broadband tax credit 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

Rural’s Application states that the Company invested approximately \$1.1 million during calendar years 2005-2007 for the installation of qualifying broadband equipment in Idaho for the benefit of its Idaho subscribers. Rural collaborates with Syringa Networks, LLC in a broadband network that includes locations throughout Elmore County. Rural states that it offers services to its customers at transmission rates of 1.544 Mbps and higher.

STAFF REVIEW

Staff reviewed the list of proposed broadband equipment submitted by Rural and found that the equipment identified meets the statutory criteria outlined in *Idaho Code* § 63-3029I(3)(b). Staff determined that Rural’s 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 Rural 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 Rural's 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. Rural has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. We further find that Rural 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 Rural's Application is qualifying broadband equipment.


ORDER

IT IS HEREBY ORDERED that Rural Telephone Company'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 Rural'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 18th
day of February 2009.



MACK A. REDFORD, PRESIDENT

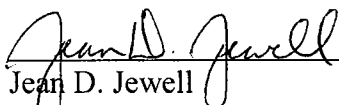


MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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