

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
SILVER STAR TELEPHONE COMPANY, INC. ) CASE NO. SIL-T-04-1  
FOR AN INVESTMENT TAX CREDIT FOR )  
INSTALLING QUALIFIED BROADBAND )  
EQUIPMENT ) ORDER NO. 29619  
\_\_\_\_\_ )**

On September 10, 2004, Silver Star Telephone Company, Inc. (Silver Star; Company) 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 from the Commission an Order confirming that the installed equipment meets the definition of qualified broadband equipment set out at *Idaho Code* § 63-3029I(3)(b). Briefly, 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. In the case of a telecommunications carrier, 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 Silver Star has installed qualified broadband equipment.

**THE APPLICATION**

Silver Star’s Application indicates that, during 2003, it installed Digital Subscriber Line (DSL) line cards and over 6 miles of fiber optic able to provide Asynchronous Digital Subscriber Line (ADSL) to customers in Bonneville County at speeds from 128 kilobits per second (kbps) to 1.5 megabits per second (Mbps). Silver Star capitalized the labor and overhead costs associated with the installation of this equipment, and indicates approximately \$94,000 of broadband investment for 2003.

**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 reviewed the list of broadband equipment submitted by Silver Star. Staff believes that the equipment is “necessary for the provision of broadband services and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). Consequently, Staff recommends that the Commission issue an Order approving Silver Star’s Application. Staff further recommends that the Commission forward the approving Order, along with a copy of the original Application, to the Idaho Tax Commission.

### **FINDINGS**

Having reviewed Silver Star’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 the installed broadband equipment identified in its Application conforms with the qualifying requirements of *Idaho Code* § 63-3029I(b). 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. *Idaho Code* § 63-3029I(3)(b)(i). It is therefore appropriate for the Commission to issue this Order confirming that Columbine 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.

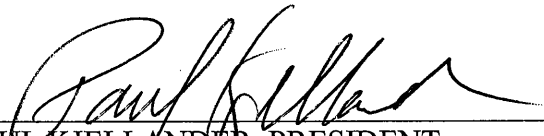
### **ORDER**

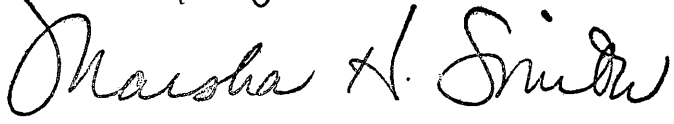
IT IS HEREBY ORDERED that Silver Star Telephone Company, Inc.’s Application for an Order certifying that it has installed qualifying broadband equipment is approved.

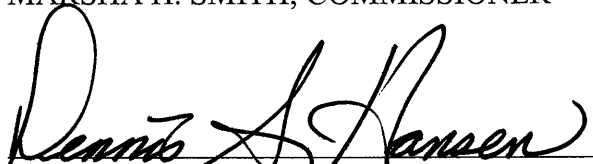
IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served upon the Idaho State Tax Commission.

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. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

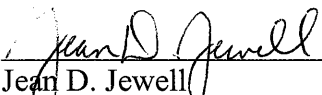
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22<sup>nd</sup>  
day of October 2004.

  
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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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