

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF CENTURYTEL OF IDAHO, INC. FOR AN)	CASE NO. CEN-T-07-02
INVESTMENT TAX CREDIT FOR)	
INSTALLING QUALIFYING BROADBAND)	ORDER NO. 30479
EQUIPMENT)	

On November 16, 2007, the Commission received an Application from CenturyTel of Idaho, Inc. ("CenturyTel") 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

CenturyTel submitted a broadband tax credit application for the years 2004 through 2006. The Application indicates that the Company has installed Asymmetrical Digital Subscriber Line (ADSL) equipment in the cities of Salmon, North Fork and Leadore, Idaho. The equipment enabled transmission rates from 1 Mbps to a subscriber and 129 Mbps from a subscriber. The Company states that as a result of the installed equipment the percentage and number of potential broadband subscribers in Idaho were 480 or 62% in 2004; 774 or 83% in 2005; and 1,434 or 72% in 2006. The Company's total investment in qualified broadband equipment amounted to approximately \$592,000, spread over the three-year period.

STAFF REVIEW

Staff reviewed the list of proposed broadband equipment submitted by CenturyTel and found that the equipment identified meets the statutory criteria outlined in *Idaho Code* § 63-3029I(3)(b). Staff determined that CenturyTel'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 CenturyTel 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 CenturyTel’s Application, be forwarded to the Idaho State Tax Commission.

COMMISSION FINDINGS

Based upon our review of the Application and the recommendations of Staff, we find that the Application for a qualifying broadband equipment Order should be granted. CenturyTel has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. We further find that CenturyTel 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. *Id.* It is therefore appropriate for the Commission to issue this Order confirming that the equipment identified in CenturyTel’s Application is qualifying broadband equipment.

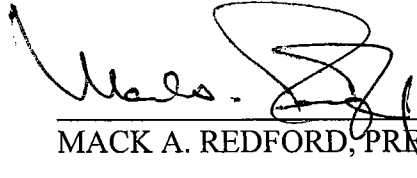
ORDER

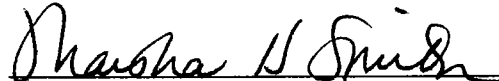
IT IS HEREBY ORDERED that CenturyTel of Idaho, Inc.’s Application for an Order certifying that it has installed qualifying broadband equipment is granted.

IT IS FURTHER ORDERED that a copy of this Order and a copy of CenturyTel’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).

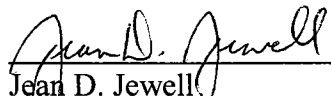
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 27th
day of December 2007.


MACK A. REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:CEN-T-07-02_np