

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF CUSTER TELEPHONE BROADBAND) CASE NO. CTB-T-11-02
SERVICES LLC FOR AN INVESTMENT)
TAX CREDIT FOR INSTALLING) ORDER NO. 32369
QUALIFYING BROADBAND EQUIPMENT)

On August 15, 2011, the Commission received an Application from Custer Telephone Broadband Services LLC (“CTBS” or “Company”) asking for approval of a broadband tax credit for 2010 pursuant to *Idaho Code* § 63-3029 and Commission Order No. 28784.

THE APPLICATION

In its Application, CTBS states that it has installed equipment associated with Cable Modem HSI and Fixed Wireless HSI services with transmission rates ranging from 128 Kbps to 1,000 Kbps upstream and 256 Kbps to 6,000 Kbps downstream in the Salmon, Idaho exchange. CTBS asserts that 37% of its customers in the exchange can be served by the Company’s broadband network. CTBS’ Application discloses that, during the 2010 calendar year, the Company invested approximately \$1.4 million in qualifying broadband equipment.

STAFF REVIEW

Staff has reviewed the list of proposed broadband equipment submitted by CTBS and believes the identified equipment qualifies for the investment tax credit pursuant to Procedural Order No. 28784 and *Idaho Code* § 63-30291(3)(b). Staff also believes that the expenditures identified by CTBS, a telecommunications provider, were for equipment that is “necessary for the provision of broadband services and an integral part of a broadband network.” Staff recommended that the Commission issue an Order confirming the equipment is qualified broadband equipment, as defined in *Idaho Code* § 63-3029I(3)(b)(i), and forward a copy of the Order to the Idaho Tax Commission.

COMMISSION FINDINGS

In order to be eligible to obtain the broadband 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).

Based upon our review of the Application and the recommendations of the Staff, we find that CTBS’ Application for a qualifying broadband equipment Order should be granted. CTBS has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. Further, we find that CTBS 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 CTBS’ Application is qualifying broadband equipment installed during the 2010 calendar year.

ORDER

IT IS HEREBY ORDERED that Custer Telephone Broadband Services LLC’s Application for an Order certifying that it installed qualifying broadband equipment during the 2010 calendar year is granted.

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

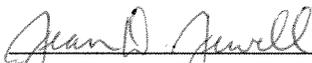
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29th
day of September 2011.



PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER
MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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