

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF CUSTER TELEPHONE</b>	)	
<b>BROADBAND SERVICES LLC'S 2011</b>	)	<b>CASE NO. CTB-T-12-01</b>
<b>BROADBAND EQUIPMENT TAX CREDIT</b>	)	
<b>APPLICATION.</b>	)	<b>ORDER NO. 32640</b>
_____	)	

On August 14, 2012, Custer Telephone Broadband Services LLC applied to the Commission for an Order confirming that equipment it installed in 2011 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment). On August 29, 2012, the Company filed a Replacement Page correcting certain wording in the Application. The Application and Replacement Page are collectively called the “Application” in this Order. With this Order, we confirm that the installed equipment is “qualified broadband equipment” under *Idaho Code* § 63-3029I.

**THE APPLICATION**

In its Application, the Company says it invested about \$483,000 in qualifying broadband equipment in calendar year 2011. The Company says it installed equipment associated with Cable Modem High-Speed Internet (HIS) and Fixed Wireless HIS services with transmission rates of 256,000 bits per second (bps) to 10,000,000 bps from a subscriber and 256,000 bps to 6,000,000 bps to a subscriber. The Company says it installed the broadband equipment in the Salmon exchange, and that the broadband network can serve about 40% of its customers in that exchange. *See* Application.

**STAFF REVIEW**

In July 2001, the Commission issued Procedural Order No. 28784 to implement its responsibilities under *Idaho Code* § 63-3029I. That Order identifies information that must be included in a broadband tax credit application. When a company files an application, the Commission Staff reviews it to determine whether the listed equipment meets the statutory definition of “qualified broadband equipment.” Staff then submits a recommendation to the Commission.

Here, Staff reviewed the Company’s Application and believes that the listed equipment is “qualified broadband equipment” under *Idaho Code* § 63-3029I. That statute

defines “qualified broadband equipment” as equipment that qualifies for the *Idaho Code* § 63-3029B capital investment credit that “is capable of transmitting signals at a rate of at least [200,000 bps] to a subscriber and at least [125,000 bps] from a subscriber.” *Idaho Code* § 63-3029I(3)(b). Further, 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).

Here, Staff believes that the Company is a telecommunications carrier and that the listed equipment meets the above-described statutory criteria and is “qualified broadband equipment” that is eligible for the tax credit. Staff thus recommended that the Commission: (1) issue an Order confirming that the Company’s equipment is “qualified broadband equipment,” and (2) forward copies of the Application and Order to the Idaho State Tax Commission.

### **COMMISSION FINDINGS**

Having reviewed the Company’s Application and Staff’s recommendation, we find that the Company’s equipment is “qualified broadband equipment” subject to the tax credit under *Idaho Code* § 63-3029I. The Company is a telecommunications carrier. Further, the listed equipment (as presently configured) is an integral part of the Company’s broadband network and is necessary to the provision of broadband service to Idaho customers. Accordingly, it is appropriate for the Commission to issue an Order confirming that the Company’s equipment is “qualified broadband equipment.” The Commission makes no findings regarding the costs of the installed broadband equipment or other expenses.

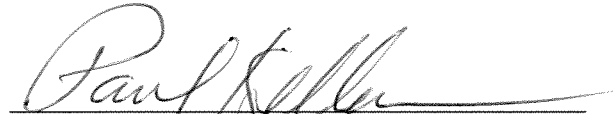
### **ORDER**

IT IS HEREBY ORDERED that the Company’s Application for an Order confirming that equipment it installed in 2011 is “qualified broadband equipment” is granted.

IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served on 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 and 62-619.

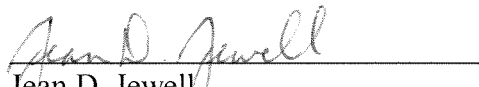
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 11<sup>th</sup>  
day of September 2012.

  
PAUL KJELLANDER, PRESIDENT

  
MACK A. REDFORD, COMMISSIONER

  
MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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