

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF CITIZENS TELECOMMUNICATIONS) CASE NO. CTC-T-10-01
OF IDAHO DBA FRONTIER)
COMMUNICATIONS OF IDAHO FOR AN)
INVESTMENT TAX CREDIT FOR)
INSTALLING QUALIFYING BROADBAND) ORDER NO. 31019
EQUIPMENT)

On February 10, 2010, the Commission received an Application from Citizens Telecommunications of Idaho dba Frontier Communications of Idaho (“Frontier” or “Company”) asking for approval of a broadband tax credit, pursuant to Commission Order No. 28784 and *Idaho Code* § 63-3029I(4), for the Company’s broadband investments during the 2009 calendar year.

THE APPLICATION

In the Application, Frontier states that during the 2009 calendar year it installed equipment associated with Asymmetrical Digital Subscriber Line (ADSL) services with network transmission rates of up to 512 Kbps send and 3 Mbps receive. This equipment was installed in 12 Idaho exchanges: Fairfield, Marsing, McCall, Cascade, Carey, Donnelly, Homedale, Parma, Riggins, Garden Valley, Whitebird and Wilder. Frontier asserts that broadband is now available to 92% of its Idaho customers. The Company states that it invested approximately \$719,000 in qualifying broadband equipment during 2009.

STAFF REVIEW

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

COMMISSION FINDINGS

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).

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. Frontier has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. We further find that Frontier 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 Frontier’s Application is qualifying broadband equipment.

ORDER

IT IS HEREBY ORDERED that the Application of Citizens Telecommunications of Idaho dba Frontier Communications of Idaho (Frontier) seeking 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 Frontier’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).

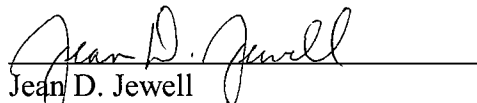
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9th
day of March 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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