

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF CITIZENS TELECOMMUNICATIONS) **CASE NO. CTC-T-11-02**
COMPANY OF IDAHO DBA FRONTIER)
COMMUNICATIONS OF IDAHO FOR AN)
INVESTMENT TAX CREDIT FOR) **ORDER NO. 32408**
INSTALLING QUALIFYING BROADBAND)
EQUIPMENT)

On November 9, 2011, Citizens Telecommunications Company of Idaho dba Frontier Communications of Idaho (Frontier) filed an Application requesting confirmation that it installed equipment eligible for a broadband tax credit pursuant to Order No. 28784 and *Idaho Code* § 63-3029I(4). To be eligible for the tax credit, the taxpayer must obtain an Order from the Commission confirming that the equipment has been installed and that it meets the definition of qualified broadband equipment set out in *Idaho Code* § 63-3029I(3)(b). 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. If installed by 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 the Company’s investment meets the applicable standards.

THE APPLICATION

Frontier’s Application states that it installed equipment associated with Asymmetrical Digital Subscriber Line (ADSL) services (with transmission rates of up to 512 Kbps to a subscriber and 3 Mbps from a subscriber) in the Aberdeen, Cascade, Fairfield, Garden Valley, Homedale, McCall, New Meadows, Parma, Riggins, Whitebird, and Wilder exchanges. Frontier asserts that 93% of its customers can be served by the broadband network. The Company states that it invested approximately \$1,291,000 in qualifying broadband equipment during 2010.

STAFF REVIEW

To implement its responsibilities under *Idaho Code* § 63-3029I, the Commission issued Procedural Order No. 28784 in July 2001 clarifying information that must be included in an application for a broadband tax credit. Once the information is filed with the Commission,

Staff reviews the application and submits a recommendation to the Commission. Staff has reviewed the list of proposed broadband equipment submitted by Frontier and believes that the equipment identified meets the statutory criteria. Staff recommended approval of the Application and that the Commission forward its Order along with a copy of the original Application to the Idaho State Tax Commission.

COMMISSION FINDINGS

Based upon our review of the Application and the recommendations of Staff, we find that Frontier's Application for a qualifying broadband equipment Order should be granted. Frontier has demonstrated that the equipment identified in its Application meets the statutory standards for qualifying broadband equipment entitled 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. The Commission issues this Order confirming that the equipment identified in Frontier's Application is qualified broadband equipment as defined in *Idaho Code* § 63-3029I.

ORDER

IT IS HEREBY ORDERED that Citizens Telecommunications Company of Idaho dba Frontier Communications of Idaho's Application for an Order certifying that it installed qualifying broadband equipment during 2010 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 7th
day of December 2011.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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