

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF CUSTER TELEPHONE COOPERATIVE,) CASE NO. CUS-T-08-01
INC. FOR AN INVESTMENT TAX CREDIT)
FOR INSTALLING QUALIFYING) ORDER NO. 30572
BROADBAND EQUIPMENT)**

On April 3, 2008, the Commission received an Application from Custer Telephone Cooperative, Inc. (“Custer”) 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

Custer’s Application identifies the Company’s broadband investments for the calendar year 2007. In the Application, Custer states it installed equipment that provides Asymmetric Digital Subscriber Line (ADSL) and High-bit-rate Digital Subscriber Line (HDSL) services with transmission rates of 128 to 512 Kbps upstream and 512 Kbps to 8 Mbps downstream. The qualifying equipment was installed in the Custer, Challis, Lemhi, May, and Elk Bend exchanges. Custer asserts that 5 out of 1,000 possible customers have access to broadband services. The Company identifies approximately \$2.2 million in qualifying broadband equipment during 2007.

STAFF REVIEW

Staff reviewed the list of broadband equipment submitted by Custer and found that the equipment identified meets the statutory criteria outlined in *Idaho Code* § 63-3029I(3)(b). Staff determined that Custer’s broadband equipment is capable of transmitting signals at a rate of at least 200,000 bits per second to a subscriber and at least 125,000 bits per second from a subscriber. *See id.* Staff also determined that Custer 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). Staff recommended that the Commission

issue an Order approving the Application and that the approving Order, along with a copy of Custer'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. Custer has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. We further find that Custer 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 Custer's Application is qualifying broadband equipment.

ORDER

IT IS HEREBY ORDERED that Custer Telephone Cooperative, Inc.'s Application for an Order certifying that it has installed qualifying broadband equipment is granted.

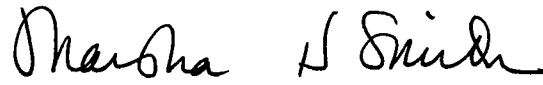
IT IS FURTHER ORDERED that a copy of this Order and a copy of Custer's Application be served upon the Idaho State Tax Commission.

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 10th
day of June 2008.



MACK A. REDFORD, PRESIDENT

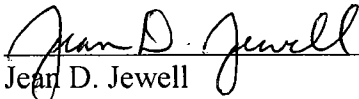


MARSHA H. SMITH, COMMISSIONER



JIM KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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