

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF CUSTER TELEPHONE COOPERATIVE,) CASE NO. CUS-T-11-01
INC. FOR AN INVESTMENT TAX CREDIT)
FOR INSTALLING QUALIFYING) ORDER NO. 32374
BROADBAND EQUIPMENT)

On August 11, 2011, the Commission received an Application from Custer Telephone Cooperative, Inc. (“Custer” or “Company”) asking for approval of its Application for a broadband tax credit for 2010 pursuant to *Idaho Code* § 63-3029 and Commission Order No. 28784.

THE APPLICATION

In its Application, Custer states that it has installed equipment associated with Asymmetrical Digital Subscriber Line (ADSL) and Symmetrical Digital Subscriber Line (SDSL) with transmission rates ranging from 128 Kbps to 5 Mbps upstream and 256 Kbps to 20 Mbps downstream in the Challis, Clayton, Elk Bend, and May exchanges. Custer asserts that 70% of its customers in the exchanges can be served by the Company’s broadband network. Custer’s Application discloses that, during the 2010 calendar year, the Company has invested approximately \$460,000 in qualifying broadband equipment.

STAFF REVIEW

Staff has reviewed the list of proposed broadband equipment submitted by Custer and believes the identified equipment qualifies for the investment tax credit pursuant to Procedural Order No. 28784 and *Idaho Code* § 63-3029I(3)(b). Staff also believes that the expenditures identified by Custer, 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 that 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 Staff, we find that Custer’s 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. Further, we 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 installed during the 2010 calendar year.

ORDER

IT IS HEREBY ORDERED that Custer Telephone Cooperative, Inc.’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 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 30th day of September 2011.



PAUL KJELLANDER, PRESIDENT

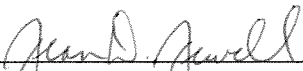


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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