

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
OF ALBION TELEPHONE COMPANY ) CASE NO. ALB-T-03-1  
CONCERNING INVESTMENT FOR )  
INSTALLING QUALIFIED BROADBAND )  
EQUIPMENT TAX CREDIT )**

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**IN THE MATTER OF THE APPLICATION )  
OF CAMBRIDGE TELEPHONE COMPANY, ) CASE NO. CAM-T-03-1  
INC. CONCERNING INVESTMENT FOR )  
INSTALLING QUALIFIED BROADBAND )  
EQUIPMENT TAX CREDIT )**

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**IN THE MATTER OF THE APPLICATION )  
OF COLUMBINE TELEPHONE COMPANY ) CASE NO. COL-T-03-3  
CONCERNING INVESTMENT FOR )  
INSTALLING QUALIFIED BROADBAND )  
EQUIPMENT TAX CREDIT )**

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**IN THE MATTER OF THE APPLICATION )  
OF DIRECT COMMUNICATIONS ) CASE NO. DCM-T-03-1  
ROCKLAND, INC. CONCERNING )  
INVESTMENT FOR INSTALLING )  
QUALIFIED BROADBAND EQUIPMENT )  
TAX CREDIT )**

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**IN THE MATTER OF THE APPLICATION )  
OF SILVER STAR TELEPHONE COMPANY, ) CASE NO. SIL-T-03-1  
INC. CONCERNING INVESTMENT FOR )  
INSTALLING QUALIFIED BROADBAND )  
EQUIPMENT TAX CREDIT ) ORDER NO. 29307**

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On May 21, 2003, Albion Telephone Company, Cambridge Telephone Company, Inc., Columbine Telephone Company, Direct Communications Rockland, Inc., and Silver Star Telephone Company, Inc. filed Applications to receive an investment tax credit for installation of broadband equipment under *Idaho Code* § 63-3029I.

Pursuant to *Idaho Code* § 63-3029I, an Idaho taxpayer may receive a tax credit for installing eligible equipment, which must be part of network facilities that are 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. In the case of a telecommunications carrier, the qualified

broadband equipment also must “be necessary to the provision of broadband service and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). A taxpayer may receive the credit only after obtaining from the Commission an Order confirming that the installed equipment qualifies under the statute. To facilitate its review under *Idaho Code* § 63-3029I, the Commission issued Procedural Order No. 28784 in July 2001, identifying the information that applicants must provide to the Commission to determine whether the installed equipment qualifies for the tax credit.

### **THE APPLICATIONS**

1. Albion’s Application states that during calendar year 2002 it installed over 60 miles of fiber optic cable that connects its central offices in Cassia, Butte, and Custer Counties. Albion provides xDSL broadband services to customers at speeds of 256 kbps to 1.54 Mbps. Albion capitalized the labor and overhead costs associated with the installation of this equipment.

2. Cambridge’s Application states that it installed fiber optic cable and fiber multiplexing terminals providing Asynchronous Digital Subscriber Line (ADSL) broadband service to customers in Adams and Washington Counties. Cambridge also capitalized the labor and overhead costs associated with the installation of this equipment.

3. Columbine’s Application indicates that during calendar year 2002 it installed Digital Subscriber Line (DSL)-capable line cards and supporting equipment in providing ADSL and High Bit Rate Digital Subscriber Line (HDSL) broadband services to customers in Teton County. Columbine also included in its Application the labor and overhead costs associated with the installation of the equipment.

4. Direct Communications’ Application indicates that it installed fiber optic cable and supporting line cards and ports to provide ADSL broadband service to customers in Bear Lake, Bannock, Power, and Caribou Counties. Direct capitalized the labor and overhead costs associated with the installation of the equipment.

5. Silver Star’s Application states that during calendar year 2002 it installed additional DSL line cards to provide ADSL broadband service to customers in Bonneville County at speeds from 128 kbps from subscribers to 1.5 Mbps from subscribers. Silver Star also states that it capitalized the labor and overhead costs associated with the installation of this equipment.

## DISCUSSION

Staff reviewed the Applications filed by Albion Telephone, Cambridge Telephone, Columbine Telephone, Direct Communications, and Silver Star Telephone to confirm that the equipment is “necessary to the provision of broadband services and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). Staff stated the equipment installed qualifies for the tax credit, and Staff thus recommended the Commission approve the Applications filed by the five telecommunications carriers.

Having reviewed the Applications filed by Albion Telephone, Cambridge Telephone, Columbine Telephone, Direct Communications, Silver Star Telephone and Staff’s recommendation, the Commission finds that the Companies’ Applications for a qualifying broadband equipment Order should be granted. The Companies have adequately demonstrated that they installed the equipment identified in their Applications during 2002 to conform with the requirements set forth in *Idaho Code* § 63-3029I. The Commission further finds that as configured the installed equipment is an integral part of a broadband network necessary to deliver broadband services to Idaho customers. It is therefore appropriate for the Commission to issue this Order confirming that the five telecommunications carriers have installed qualified broadband equipment as a precondition to seeking their respective investment tax credit.

## ORDER

IT IS HEREBY ORDERED that Albion Telephone Company’s Application for an Order certifying that it has installed qualified broadband equipment is granted.

IT IS FURTHER ORDERED that Cambridge Telephone Company, Inc.’s Application for an Order certifying that it has installed qualified broadband equipment is granted.

IT IS FURTHER ORDERED that Columbine Telephone Company’s Application for an Order certifying that it has installed qualified broadband equipment is granted.

IT IS FURTHER ORDERED that Direct Communications Rockland, Inc.’s Application for an Order certifying that it has installed qualified broadband equipment is granted.

IT IS FURTHER ORDERED that Silver Star Telephone Company, Inc.’s Application for an Order certifying that it has installed qualified broadband equipment is granted.

IT IS FURTHER ORDERED that the Commission Secretary will forward a copy of this Order along with copies of the respective Applications of each of the five telecommunications carriers to the Idaho Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of 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.

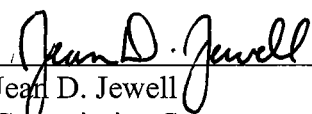
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28<sup>th</sup> day of July 2003.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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