

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATIONS)
OF FILER MUTUAL TELEPHONE) **CASE NOS. FIL-T-09-01**
COMPANY FOR AN INVESTMENT TAX) **FIL-T-09-02**
CREDIT FOR INSTALLING QUALIFYING)
BROADBAND EQUIPMENT) **ORDER NO. 30776**
)

On April 2, 2009, the Commission received two Applications from Filer Mutual Telephone Company (“Filer”) asking for approval of a broadband tax credit pursuant to Commission Order No. 28784 and *Idaho Code* § 63-3029I(4) for the 2005 and 2006 calendar years. 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 APPLICATIONS

Filer states that it offers Asymmetric Digital Subscriber Line (ADSL) broadband services at transmission rates of 512 Kbps to 1 Mbps upstream and 512 Kbps to 3 Mbps downstream. Filer’s network consists of a fiber optic fed digital loop carrier with non-loaded copper distribution cable, fiber to the home electronics, fiber optic transport electronics, fiber optic backbone and distribution cable and copper.

During the 2005 calendar year, Filer’s Application reports an investment of nearly \$34,700 in qualifying broadband equipment. The broadband equipment was installed in Filer, Idaho. Filer reported that 22% of its possible customers (1988) have broadband service.

During the 2006 calendar year, Filer’s Application reports an investment of nearly \$208,400 in qualifying broadband equipment. The broadband equipment was installed in the Idaho communities of Filer, Hollister and Clover, and throughout Twin Falls County, Idaho. Filer reported that 32% of its possible customers (1988) have broadband service.

STAFF REVIEW

Staff reviewed the list of proposed broadband equipment submitted by Filer and found that the equipment identified meets the statutory criteria outlined in *Idaho Code* § 63-

3029I(3)(b). Staff determined that Filer'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. *Idaho Code* § 63-3029I(3)(b). Staff also determined that Filer 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 Applications and that the approving Order, along with a copy of Filer's Applications, be forwarded to the Idaho State Tax Commission.

COMMISSION FINDINGS

Based upon our review of the Applications and the recommendations of the Staff, we find that the Applications for a qualifying broadband equipment Order should be granted. Filer has adequately demonstrated that the equipment identified in its Applications is qualifying broadband equipment subject to the tax credit. We further find that Filer 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 Filer's Applications is qualifying broadband equipment.


ORDER

IT IS HEREBY ORDERED that Filer Mutual Telephone Company's Applications for an Order certifying that it has installed qualifying broadband equipment during the 2005 and 2006 calendar years is granted.

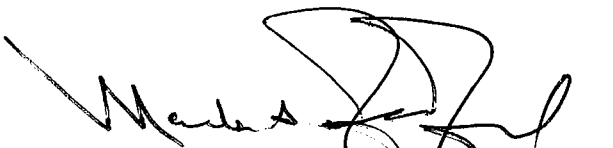
IT IS FURTHER ORDERED that a copy of this Order and a copy of Filer Mutual Telephone Company's Applications be served upon the Idaho State Tax Commission.

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).

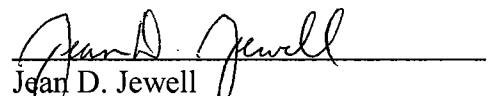
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9th
day of April 2009.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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