

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF FARMERS MUTUAL TELEPHONE) **CASE NO. FMT-T-04-1**
COMPANY FOR AN INVESTMENT TAX)
CREDIT FOR INSTALLING QUALIFIED)
BROADBAND EQUIPMENT.) **ORDER NO. 29562**
)

On June 7, 2004, Farmers Mutual Telephone Company (Farmers Mutual) filed an Application requesting that the Commission find the Company eligible to receive an Idaho Investment Tax Credit. Pursuant to *Idaho Code* § 63-3029I, an Idaho taxpayer may receive a tax credit for installing “qualified broadband equipment” in Idaho. To be eligible for the tax credit, the taxpayer must obtain from the Commission an Order confirming that the installed equipment meets the definition of qualified broadband equipment set out at *Idaho Code* § 63-3029I(3)(b). Briefly, 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. In the case of 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 Farmers Mutual has installed qualified broadband equipment.

THE APPLICATION

Farmers Mutual’s Application states that during 2003 the Company installed Digital Subscriber Line (DSL) line cards, line splitters, line filters, assembly and connection equipment, line ports, and various other components that support the provision of high-speed Internet access to over 1,000 potential customers in and around Fruitland, Idaho. Farmers Mutual indicates it began offering transmission speeds of 256 kbps to 2.48 Gbps to customers in 2001 via Asynchronous Digital Subscriber Line (ADSL). The Application states that during 2003 Farmers Mutual invested approximately \$126,000 in broadband equipment.

STAFF REVIEW

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

the Commission Staff reviews the application and submits a recommendation to the Commission. Staff reviewed the list of broadband equipment submitted by Farmers Mutual. Staff believes that the equipment is “necessary for the provision of broadband services and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). Consequently, Staff recommends that the Commission issue an Order approving Farmers Mutual’s Application.

FINDINGS

Having reviewed Farmers Mutual’s Application and Staff’s recommendation, we find that the Application for a qualifying broadband equipment Order should be granted. The Company has demonstrated that the installed broadband equipment identified in its Application conforms with the qualifying requirements of *Idaho Code* § 63-3029I(b). We further find that as configured, the installed equipment is an integral part of a broadband network necessary to deliver broadband services to Idaho customers. *Idaho Code* § 63-3029I(3)(b)(i). It is therefore appropriate for the Commission to issue this Order confirming that Farmers Mutual has installed qualified broadband equipment as a precondition to seeking an Idaho broadband tax credit. The Commission makes no findings regarding the costs of the installed broadband equipment.


ORDER

IT IS HEREBY ORDERED that Farmers Mutual’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 the 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) issued in this Case No. FMT-T-04-1 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 issued in this Case No. FMT-T-04-1. 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 12th
day of August 2004.



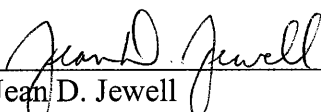
PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER

Out of the Office on this Date
DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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