

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF
FATBEAM LLC FOR AN INVESTMENT TAX
CREDIT FOR INSTALLING QUALIFYING
BROADBAND EQUIPMENT**

CASE NO. FZ4-T-17-01

ORDER NO. 33731

On January 19, 2017, Fatbeam LLC applied to the Idaho Public Utilities Commission for an Order confirming that equipment it installed for calendar year 2016 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment). With this Order, we confirm that the installed equipment meets that statutory definition.

THE APPLICATION

In its Application, Fatbeam indicated that in 2016, it invested \$2,316,515 in qualifying broadband equipment. *See* Application at 15. Fatbeam stated that it installed equipment associated with Lit Ethernet and Dark Fiber services. *Id.* at 1. According to Fatbeam, it deployed broadband services in the Post Falls and Coeur d’Alene metropolitan areas, Twin Falls, Sandpoint, and Rathdrum. *Id.* The Company also stated 100% of its customer base has access to its broadband services. *Id.* at 1. In a March 23, 2017 supplement, the Company clarified that the expenses listed in its Application are “an integral part of [its] networks.” Letter.

THE BROADBAND EQUIPMENT TAX CREDIT

Idaho Code § 63-3029I allows a taxpayer to receive an income tax credit for having installed qualified broadband equipment during a calendar year. Before the taxpayer is eligible for the tax credit, the taxpayer must first apply to the Commission for an Order confirming that the installed equipment is “qualified broadband equipment” as defined in the statute. *Idaho Code* § 63-3029I(4). That statute defines “qualified broadband equipment” as equipment that qualifies for the *Idaho Code* § 63-3029B capital investment credit that “is capable of transmitting signals at a rate of at least” 200,000 bits per second (bps) to a subscriber and at least 125,000 bits per second (bps) from a subscriber. *Idaho Code* § 63-3029I(3)(b). In addition, to be “qualified broadband equipment” the equipment must be “primarily used to provide services in Idaho to Idaho public subscribers.” *Idaho Code* § 63-3029I(3)(b)(vii). Further, 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).

In furtherance of its statutory responsibility, the Commission has issued Order No. 28784. That Order specifies the information the taxpayer must include in the broadband tax credit application. When the taxpayer files the application, the Commission Staff reviews it to determine whether the listed equipment meets the statutory definition of “qualified broadband equipment.” Staff then submits a recommendation to the Commission. If the Commission ultimately approves the application, then the Commission forwards it and the Order to the Idaho State Tax Commission.

STAFF REVIEW

Staff reviewed Fatbeam’s Application and recommended that the Commission confirm the Company’s equipment as “qualified broadband equipment,” and forward copies of the Application and Order to the Idaho State Tax Commission.

COMMISSION FINDINGS

We have reviewed Fatbeam’s Application and Staff’s recommendation. We find that Fatbeam is a qualified telecommunications provider. We further find that the Company’s equipment is “qualified broadband equipment” eligible for the tax credit under *Idaho Code* § 63-3029I. The listed equipment (as presently configured) is an integral part of the Company’s broadband network, per the Company’s March 23, 2017 supplement. Further, we find the Company’s listed equipment is necessary to the provision of broadband service to Idaho customers. Accordingly, based on what has been provided, we find it appropriate to issue an Order confirming that Fatbeam’s equipment is “qualified broadband equipment.” The Commission makes no findings regarding the costs of the installed broadband equipment or other expenses.

ORDER


IT IS HEREBY ORDERED that Fatbeam LLC’s Application for an Order confirming that equipment it installed for 2016 is “qualified broadband equipment” is granted.

IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served on 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. *See Idaho Code §§ 61-626 and 62-619.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *28th* day of March 2017.



PAUL KJELLANDER, PRESIDENT




KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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