

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF SYRINGA NETWORKS, LLC FOR) **CASE NO. GNR-T-03-28**
BROADBAND TAX CREDIT)
CERTIFICATION) **ORDER NO. 29353**
_____)

On August 19, 2003, Syringa Networks, LLC (Syringa) filed an Application requesting that the Commission certify that certain telecommunications equipment it installed in 2001 and 2002 is eligible for the broadband infrastructure tax credit authorized by *Idaho Code* § 63-3029 *et seq.*

Pursuant to *Idaho Code* § 63-3029I, an Idaho taxpayer may receive a tax credit for making “qualified investments” in “qualified broadband equipment” in Idaho, defined as 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. *Idaho Code* § 63-3029I(3)(b), *see also, Idaho Code* §§ 63-3029B and 63-3029I(3)(b). To be eligible for the tax credit, the taxpayer must obtain from the Commission an Order confirming that the equipment has been installed and that it meets the definition of qualified broadband equipment. *Idaho Code* § 63-3029I(4). To implement its responsibilities under *Idaho Code* § 63-3029I, the Commission issued Procedural Order No. 28784 in July 2001, identifying the information that must be included in an application so the Commission can determine whether the installed equipment qualifies for the tax credit.

Syringa’s Application stated that during the calendar year 2001, it installed Signal Transfer Point and supporting power for its packet switching. In 2002 Syringa stated that it installed a digital switch, digital access cross connects, SONET OC-48 multiplexers, an ATM switch, dense wave division multiplexers, and approximately 100 miles of fiber optic cable. Syringa also included supporting power supply materials as well as engineering and overhead costs. Syringa requested that the Commission issue an Order determining that the installed equipment constitutes qualified broadband equipment eligible for the investment tax credit authorized by *Idaho Code* § 63-3029I.

In its original Application, Syringa included land, leasehold improvements, furniture, office equipment, general purpose computers and a company vehicle that Staff did not believe qualified for the investment tax credit. After negotiations with Staff, Syringa agreed to remove those items from its Application so that its investment totals \$201,895 for 2001 and \$15,853,807 for 2002.

After removal of these items the Commission Staff reviewed the broadband equipment identified by Syringa and stated that it believed the equipment is “necessary to the provision of broadband services and an integral part of a broadband network” according to *Idaho Code* § 63-3029I(3)(b)(i) and thus, should be certified by the Commission as qualified broadband equipment pursuant to *Idaho Code* § 63-3029(I).

COMMISSION FINDINGS AND DECISION

Having reviewed Syringa’s Application and Staff’s recommendation, we find that the Company’s Application for a qualifying broadband equipment Order should be granted, with the caveat that land, leasehold improvements, furniture, office equipment, general purpose computers and a company vehicle are not within the Commission’s certification. The Company has adequately demonstrated that it installed the qualifying broadband equipment identified in its Application during 2001 and 2002 in conformance with requirements set forth in *Idaho Code* § 63-3029I. 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. It is therefore appropriate for the Commission to issue this Order confirming that Syringa Networks, LLC has installed qualified broadband equipment as a precondition to seeking an investment tax credit.

ORDER

IT IS HEREBY ORDERED that Syringa Networks LLC’s Application for an Order certifying that it has installed qualified broadband equipment is granted, with the caveat that land, leasehold improvements, furniture, office equipment, general purpose computers and a company vehicle do not qualify for the credit.

IT IS FURTHER ORDERED that the Commission Secretary will forward a copy of this Order along with a copy of the Application to the Idaho Tax Commission.

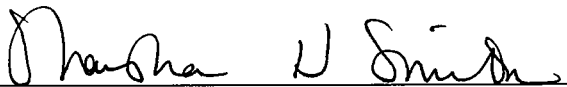
THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7)

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 9th day of October 2003.



PAUL KJELLANDER, PRESIDENT

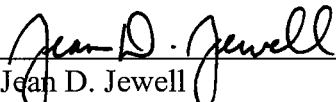


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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