

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )**  
**OF CABLE ONE, INC. FOR AN )** **CASE NO. GNR-T-04-11**  
**INVESTMENT TAX CREDIT FOR )**  
**INSTALLING QUALIFIED BROADBAND )**  
**EQUIPMENT. )** **ORDER NO. 29578**  
**)**

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On July 23, 2004, Cable One, Inc. (Cable One) filed an Application requesting that the Commission find the Company eligible to receive an Idaho Investment Tax Credit. Pursuant to *Idaho Code* § 63-3029I(4), 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 cable operator, the qualified broadband equipment “shall extend from the subscriber’s side of the headend to the outside of the structure in which the subscriber is located.” *Idaho Code* § 63-3029I(3)(b)(iii). In this Order, we find that Cable One has installed qualified broadband equipment.

**THE APPLICATION**

Cable One’s Application states that during 2003 the Company installed coaxial cable and fiber optics as part of its “Hybrid Fiber Coax Network” (HFC) in and around the areas of Boise, Idaho Falls, Lewiston, Twin Falls, and Pocatello. The Company indicates it offers high-speed Internet and broadband services to homes and businesses in Idaho at upstream and downstream transmission rates from 128 kilobits per second (kbps) up to 1.5 megabits per second (Mbps). Cable One’s network in Idaho consists of approximately 2,447 miles of aerial coax, 1,877 miles of underground coax, and 524 miles of fiber optic cable and passes by over 290,000 Idaho homes and businesses. The Company has asked for just over \$348,000 of broadband tax credits in the Application, including in that amount its labor costs and the supporting hardware such as connectors, conduit, splicing equipment, and enclosure materials.

## 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 Cable One and believes that the equipment identified qualifies for the investment tax credit pursuant to *Idaho Code* § 63-3029I. In the case of the drop equipment, Cable One keeps one account for expenses related to the drop line between the utility pole (or pedestal) and the cable modem inside the subscriber's premises. Because the broadband tax credit applies only to equipment installed from the subscriber's side of the headend to the outside of the subscriber's structure, Cable One estimated that 60% of its expenses are to be associated with the drop line between the utility pole and the outside of the customer's structure. Staff believes this estimate to be conservative and accepts that allocation for purposes of compliance with *Idaho Code* § 63-3029I(3)(b)(iii). Consequently, Staff recommends that the Commission issue an Order approving Cable One's Application.

## FINDINGS

Having reviewed Cable One's Application and Staff's recommendation, we find that the Application for a qualifying broadband equipment Order should be granted. We find that the broadband equipment identified in the Company's Application meets the qualifying requirements of *Idaho Code* § 63-3029I(b). It is therefore appropriate for the Commission to issue this Order confirming that Cable One 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 Cable One, Inc.'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.

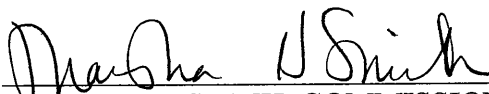
THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) issued in this Case No. GNR-T-04-11 may petition for reconsideration

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. GNR-T-04-11. 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 *2nd* day of September 2004.



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PAUL KJELLANDER, PRESIDENT

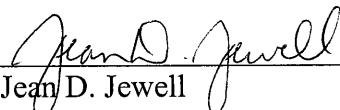


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MARSHA H. SMITH, COMMISSIONER



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DENNIS S. HANSEN, COMMISSIONER

ATTEST:



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Jean D. Jewell  
Commission Secretary

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