

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF CABLE ONE, INC.'S 2013 )**  
**BROADBAND EQUIPMENT TAX CREDIT ) CASE NO. GNR-T-14-05**  
**APPLICATION. )**  
**) ORDER NO. 33132**

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On June 27, 2014, Cable One, Inc. (the "Company") applied to the Idaho Public Utilities Commission ("Commission") for an Order confirming that equipment it installed in 2013 is "qualified broadband equipment" under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment). The Company filed an amended application on August 28, 2014 (the "Amended Application").

With this Order, we confirm that the installed equipment is "qualified broadband equipment" under *Idaho Code* § 63-3029I.

**THE APPLICATION**

In its Amended Application, the Company says it invested \$9,199,675 in qualifying broadband equipment in 2013, for which it seeks credit of \$134,748. The Company says it installed equipment associated with the Hybrid Coax Network (HFC) using fiber optic and coaxial cable facilities with transmission rates of up to 50 megabits per second (i.e., 400,000,000 bits per second ("bps")). The Company says its broadband network can serve 99.9% of its Idaho customers. *See* Amended Application.

**THE BROADBAND EQUIPMENT TAX CREDIT**

*Idaho Code* § 60-3029I 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 bps] to a subscriber and at least [125,000 bps] from a subscriber." *Idaho Code* § 63-3029I(3)(b). Further, in the case of "cable or open video system operator, such qualifying 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).

Lastly, to be “qualified broadband equipment,” the equipment must be “primarily used to provide services in Idaho to Idaho public subscribers.” *See Idaho Code* § 63-3029I(3)(b)(vii).

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 the Company’s Amended Application under *Idaho Code* § 63-3029I. Based on its review, Staff believes that the Company is a cable or open video system operator, and that the listed equipment meets the statutory criteria and is “qualified broadband equipment” that is eligible for the tax credit. Staff thus recommended the Commission: (1) issue an Order confirming that the Company’s equipment is “qualified broadband equipment,” and (2) forward copies of the Amended Application and Order to the Idaho State Tax Commission.

### **COMMISSION FINDINGS**

Having reviewed the Company’s Amended Application and Staff’s recommendation, we find that the Company’s equipment is “qualified broadband equipment” subject to the tax credit under *Idaho Code* § 63-3029I. The Company is a cable or open video system operator. Further, the listed equipment (as presently configured) extends from the subscriber’s side of the headend to the outside of the structure in which the subscriber is located. Accordingly, it is appropriate for the Commission to issue an Order confirming that the Company’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 the Company’s Amended Application for an Order confirming that equipment it installed in 2013 is “qualified broadband equipment,” is granted.

IT IS FURTHER ORDERED that a copy of this Order and a copy of the Amended Application (including its exhibits) 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.*

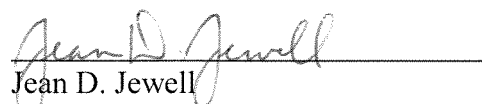
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23<sup>rd</sup> day of September 2014.

  
PAUL KJELLANDER, PRESIDENT

  
MACK A. REDFORD, COMMISSIONER

  
MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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