

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF MIDVALE TELEPHONE EXCHANGE) **CASE NO. MID-T-10-01**
FOR AN INVESTMENT TAX CREDIT FOR)
INSTALLING QUALIFYING BROADBAND)
EQUIPMENT) **ORDER NO. 31077**
)

On April 8, 2010, the Commission received an Application from Midvale Telephone Exchange (“Midvale”) asking for approval of a broadband tax credit for 2006 and 2007 pursuant to Commission Order No. 28784 and *Idaho Code* § 63-3029I(4).

THE APPLICATION

In its Application, Midvale states that it has installed equipment associated with Digital Subscriber Line (DSL) and Asynchronous Transfer Mode (ATM) services with a minimum transmission rate of 45 Mbps. Midvale asserts that 95% of its customers in five of the six exchanges can be served by the Company’s broadband network. Midvale’s Application discloses that the Company invested approximately \$277,500 in 2006 and \$634,200 in 2007 in qualifying broadband equipment.

STAFF REVIEW

Staff has reviewed the list of proposed broadband equipment submitted by Midvale and believes the identified equipment qualifies for the investment tax credit pursuant to Procedural Order No. 28784 and *Idaho Code* § 63-30291(3)(b). Staff also believes that the expenditures identified by Midvale, a telecommunications provider, were for equipment that is “necessary for the provision of broadband services and an integral part of a broadband network.” Staff recommended that the Commission issue an Order confirming the equipment is qualified broadband equipment, as defined in *Idaho Code* § 63-3029I(3)(b)(i), and forward a copy of the Order to the Idaho Tax Commission.

COMMISSION FINDINGS

In order to be eligible to obtain the broadband tax credit, the taxpayer must first obtain an Order from the Commission “confirming that the installed equipment is qualified broadband equipment.” *Idaho Code* § 63-3029I(4). “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).

Based upon our review of the Application and the recommendations of the Staff, we find that Midvale’s Application for a qualifying broadband equipment Order should be granted. Midvale has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. Further, we find that Midvale is a telecommunications carrier and, as presently configured, the installed equipment is an integral part of the Company’s broadband network and that it is necessary to facilitate the delivery of broadband Internet service to Idaho customers. It is therefore appropriate for the Commission to issue this Order confirming that the equipment identified in Midvale’s Application is qualifying broadband equipment installed during the 2006 and 2007 calendar years.

ORDER

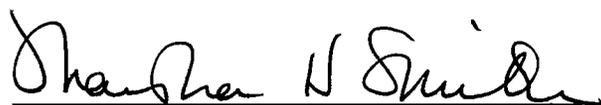
IT IS HEREBY ORDERED that Midvale Telephone Exchange’s Application for an Order certifying that it installed qualifying broadband equipment during the 2006 and 2007 calendar years is granted.

IT IS FURTHER ORDERED that a copy of this Order and a copy of Midvale’s 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) 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. *Idaho Code* §§ 61-626, 63-3029I(4).

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 7th
day of May 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:MID-T-10-01_np