

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
MUD LAKE TELEPHONE COOPERATIVE,)	CASE NO. MLC-T-07-01
INC. FOR AN INVESTMENT TAX CREDIT)	
FOR INSTALLING QUALIFYING)	
BROADBAND EQUIPMENT)	ORDER NO. 30452
)	

On September 12, 2007, the Commission received an Application from Mud Lake Telephone Cooperative, Inc. ("Mud Lake") asking for approval of a broadband tax credit pursuant to Commission Order No. 28784 and *Idaho Code* § 63-3029I(4). In order to be eligible to obtain the 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).

THE APPLICATION

Mud Lake submitted a broadband tax credit Application for 2006. The Application indicates that it has installed qualifying equipment to provide Digital Subscriber Line (DSL) and wireless broadband services in Clark County and portions of western Jefferson County in Idaho. The Company states that the equipment is necessary and integral to its broadband network. The Company has installed the equipment that will allow network transmission rates of 128k to 1.5M bits per second (bps) and that 100% of the customers served are Idaho residents. The Application identified \$412,500 of investment in qualifying equipment in 2006.

STAFF REVIEW

Staff reviewed the list of proposed broadband equipment submitted by Mud Lake and found that the equipment identified meets the statutory criteria outlined in *Idaho Code* § 63-3029I(3)(b). Staff determined that Mud Lake's broadband equipment 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). Staff also determined that Mud Lake is a telecommunications carrier and its equipment is "necessary to the provision of broadband service and an integral part of a broadband network." *Idaho Code* § 63-3029I(3)(b)(i). Therefore, Staff recommended that

the Commission issue an Order approving the Application and that the approving Order, along with a copy of Mud Lake's Application, be forwarded to the Idaho State Tax Commission.

COMMISSION FINDINGS

Based upon our review of the Application and the recommendations of the Staff, we find that the Application for a qualifying broadband equipment Order should be granted. Mud Lake has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. We further find that Mud Lake 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. *Id.* It is therefore appropriate for the Commission to issue this Order confirming that the equipment identified in Mud Lake's Application is qualifying broadband equipment.

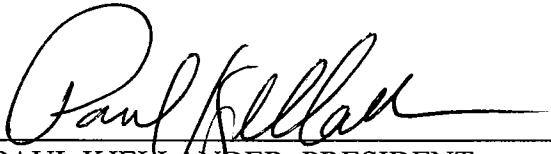
ORDER

IT IS HEREBY ORDERED that Mud Lake Telephone Cooperative, 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 Mud Lake'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).

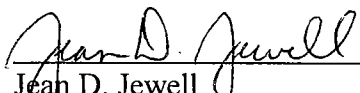
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th
day of October 2007.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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