

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
PROJECT MUTUAL TELEPHONE)	CASE NO. PRJ-T-05-1
COOPERATIVE FOR BROADBAND TAX)	
CREDIT CERTIFICATION)	ORDER NO. 29927
)	

On November 29, 2005, Project Mutual Telephone Cooperative ("Project Mutual" or "Company") filed an Application requesting that the Commission find the Company eligible to receive an Idaho Investment Tax Credit. Pursuant to *Idaho Code* § 63-3029I, 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 telecommunications carrier, the qualified broadband equipment must also "be necessary to the provision of broadband service and an integral part of a broadband network." *Idaho Code* § 63-3029I(3)(b)(i). In this Order, we find that the Company has installed qualified broadband equipment.

THE APPLICATION

Project Mutual's Application identifies its broadband investments for the year ended December 31, 2004. The Application indicated the Company had installed central office equipment, remote terminal equipment and fiber optic and copper cables to provide ADSL (asynchronous digital subscriber line), SDSL (synchronous digital subscriber line) and HDSL (high bit rate digital subscriber line) broadband services to Idaho customers. The Application included a signed affidavit indicating the submitted investments qualified for the broadband tax credit. The Application identified a total investment under one half of a million dollars.

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 the Company. Staff believes that the equipment is "necessary for the provision of broadband services and an integral part of a broadband network." *Idaho Code* § 63-3029I(3)(b)(i). Consequently, Staff recommended that the Commission issue an Order approving the Company's Application. Staff further recommended that the Commission forward the approving Order, along with a copy of the original Application, to the Idaho Tax Commission.

FINDINGS

Having reviewed Project Mutual's Application and Staff's recommendation, we find that the Application for a qualifying broadband equipment Order should be granted. The Company has demonstrated that the installed broadband equipment identified in its Application conforms with the qualifying requirements of *Idaho Code* § 63-3029I(b). 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. *Idaho Code* § 63-3029I(3)(b)(i). It is therefore appropriate for the Commission to issue this Order confirming that Project Mutual 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

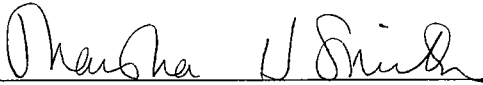
IT IS HEREBY ORDERED that Project Mutual Telephone Cooperative's Application for an Order certifying that it has installed qualifying broadband equipment is approved.

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) 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.

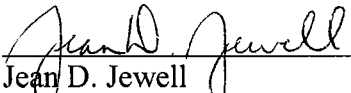
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 6th
day of December 2005.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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