

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF) QWEST CORPORATION FOR AN) INVESTMENT TAX CREDIT FOR) INSTALLING QUALIFIED BROADBAND) EQUIPMENT)	CASE NO. QWE-T-07-10 ORDER NO. 30486
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On November 14, 2007, the Commission received an Application from Qwest Corporation asking for approval of equipment for a broadband tax credit pursuant to Order No. 28784 and *Idaho Code* § 63-3029I(4). To be eligible for the tax credit, the taxpayer must obtain an Order from the Commission confirming that the equipment has been installed and that it meets the definition of qualified broadband equipment set out in *Idaho Code* § 63-3029I(3)(b). 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. 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 Qwest’s investment meets the applicable standards.

THE APPLICATION

Qwest’s Application identifies the Company’s broadband investments for the year 2006. The Application indicated Qwest had installed Digital Subscriber Line (DSL), Asynchronous Transfer Mode (ATM) and Frame Relay equipment to provide broadband services to Idaho customers. These services are capable of offering high-speed network access to the customers at transmission rates from 256 kilobits per second (kbps) to more than 100 megabits per second (Mbps). The Company itemized the broadband investments under General Broadband Services and Dedicated Line Services installed in Qwest communities throughout southern Idaho. Qwest also included inter-office facilities to deliver the broadband services to customers. Consistent with Part 32 of the Federal Communications Commission rules and regulations, Qwest capitalized such items as labor, engineering, transportation and other overhead costs associated with the installation of equipment amounting to a net total of approximately \$8 million for 2006.

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 is filed with the Commission, the Staff reviews the application and submits a recommendation to the Commission. Staff has reviewed the list of proposed broadband equipment submitted by Qwest and believes that the equipment identified meets the statutory criteria. Staff therefore recommended approval of the Application and further recommended that the Commission forward an approving Order along with a copy of the original Application to the Idaho State Tax Commission.

COMMISSION FINDINGS

Having reviewed the Application and Staff's recommendation, we find that Qwest's Application for a qualifying broadband equipment Order should be granted. The Company has demonstrated that it installed qualifying broadband equipment identified in its Application during 2006 in conformance with *Idaho Code* § 63-3029I. 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. The Commission accordingly issues this Order confirming that Qwest Corporation 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

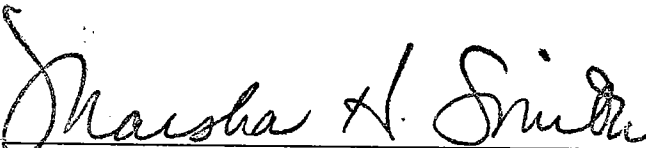
IT IS HEREBY ORDERED that Qwest Corporation's Application for an Order certifying that it has installed qualifying broadband equipment is granted.

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) 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, 63-3029I(4).

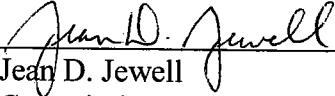
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 14th
day of January 2008.


MACK A. REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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