

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF QWEST CORPORATION FOR AN)	CASE NO. QWE-T-13-02
INVESTMENT TAX CREDIT FOR)	
INSTALLING QUALIFYING BROADBAND)	
EQUIPMENT)	ORDER NO. 32839
)	

On June 4, 2013, Qwest Corporation (“Qwest” or “Company”) filed an Application seeking a Commission Order approving the installation of qualifying broadband equipment enabling the Company to receive a corresponding broadband tax credit for the calendar years of 2008 through 2012.

On June 19, 2013, the Company submitted a revised Application removing items associated with Vale, Oregon and pole attachments. In the Application, Qwest states that it installed equipment associated with various forms of DSL-based broadband services using a mixture of fiber and metallic cable transport in approximately 70 Idaho exchanges.

During the five-year period, Qwest states that it made investments totaling approximately \$130 million. Included in its Application, the Company provided the following information pertaining to new and retired investments:

<u>Year</u>	<u>Transmission Rates</u>	<u>%¹</u>	<u>Retirements</u>	<u>Investment</u>
2008	256 Kbps—40Mbps	89	(\$1,673,911)	\$26,008,403
2009	256 Kbps—40Mbps	89	(\$437,930)	\$24,563,461
2010	256 Kbps—40Mbps	89	(\$700,053)	\$24,263,537
2011	256 Kbps—40Mbps	90	(\$463,124)	\$29,025,714
2012	256 Kbps—40Mbps	90	(\$122,698)	\$26,037,870
		TOTAL	(\$3,397,716)	\$129,898,985

STAFF REVIEW AND RECOMMENDATION

Staff reviewed the list of proposed broadband equipment submitted by Qwest and found that the equipment identified meets the statutory criteria outlined in *Idaho Code* § 63-3029I(3)(b). Staff determined that Qwest 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

¹ Percentage of living units (or street addresses) that have access to broadband services.

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

COMMISSION FINDINGS AND DECISION

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).

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. Qwest has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. Further, we find that Qwest 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 Qwest's Application is qualifying broadband equipment.

ORDER

IT IS HEREBY ORDERED that Qwest Corporation's Application for an Order certifying that it has installed qualifying broadband equipment during the calendar years of 2008-2012 is granted.

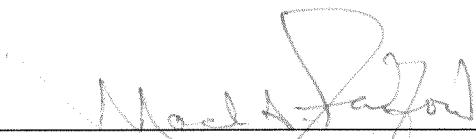
IT IS FURTHER ORDERED that a copy of this Order and a copy of Qwest Corporation's Application be served upon the Idaho State Tax Commission.

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 25th
day of June 2013.



PAUL KJELLANDER, PRESIDENT




MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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