

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF) SILVER STAR TELEPHONE CO., INC. FOR AN) INVESTMENT TAX CREDIT FOR) INSTALLING QUALIFIED BROADBAND) EQUIPMENT)	CASE NO. SIL-T-05-1 ORDER NO. 29854
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On June 27, 2005, Silver Star Telephone Co., Inc. ("Silver Star") 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 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). In the case of a telecommunications provider, 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).

THE APPLICATION

Silver Star's Application states that it installed central office equipment and fiber optic cables to provide Digital Subscriber Line (DSL) and T1 services to Idaho customers. This equipment provides service at speeds of between 128,000 and 1,500,000 bits per second (bps) for uploads from customers and 256,000 and 1,500,000 bps for downloads to customers. The Company provides that this equipment is necessary and integral to its broadband network and that 100% of the investment will be used to provide services to Idaho customers. The Application identified over \$100,000 of investment in 2004.

STAFF REVIEW

Staff reviewed the list of proposed broadband equipment submitted by Silver Star and found that it complies with *Idaho Code* § 63-3029I(3)(b) and Procedural Order No. 28784. Staff determined that the equipment is "qualified broadband equipment" 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 pursuant to *Idaho Code* § 63-3029I(3)(b). Staff also determined that Silver Star is a

telecommunications provider and the identified expenditures were for equipment that is “necessary for the provision of broadband services 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 Silver Star’s Application.

COMMISSION FINDINGS

Based upon our review of the Application and Staff recommendations, we find that the Application for a qualifying broadband equipment Order should be granted. Silver Star has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. We further find that Silver Star is a telecommunications carrier and, 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 the equipment identified by Silver Star is qualified broadband equipment.

ORDER

IT IS HEREBY ORDERED that Silver Star Telephone Co., Inc.’s Application for an Order certifying it has installed qualifying broadband equipment is granted.

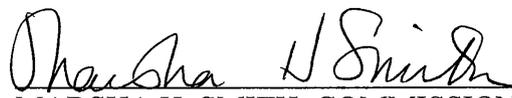
IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served upon the Idaho State Tax Commission.

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 26th
day of August 2005.



PAUL KJELLANDER, PRESIDENT

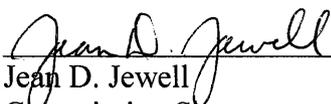


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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