

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
SILVER STAR TELEPHONE COMPANY,) **CASE NO. SIL-T-07-01**
INC. FOR AN INVESTMENT TAX CREDIT)
FOR INSTALLING QUALIFYING)
BROADBAND EQUIPMENT) **ORDER NO. 30370**
)

On April 12, 2007, the Commission received an Application from Silver Star Telephone Company, Inc. ("Silver Star") 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." *Id.* "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

Silver Star's Application states that it has installed central office equipment and fiber optic cables to provide DSL and T1 services to Idaho customers. The Application indicates its service provides speeds of between 64,000 and 1.5 million bps for uploads from customers, and 256,000 and 1.5 million bps for downloads to customers. In subsequent conversations with Staff, Silver Star corrected the minimum upload speed to 128,000. The Company states that the equipment is necessary and integral to its broadband network and that 100 percent of the investment will be used to provide service to Idaho customers. The Application identified approximately \$17,000 of investment in 2006.

STAFF REVIEW

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

ORDER

IT IS HEREBY ORDERED that Silver Star Telephone Company, 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 Silver Star'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 12th
day of July 2007.



PAUL KJELLANDER, PRESIDENT

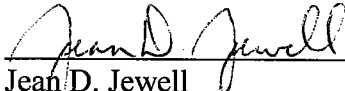


MARSHA H. SMITH, COMMISSIONER



MACK A. REDFORD, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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