

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF SYRINGA NETWORKS,)
LLC'S 2012 BROADBAND EQUIPMENT TAX) **CASE NO. SZ9-T-13-01**
CREDIT APPLICATION.)
) **ORDER NO. 32741**

On January 24, 2013, Syringa Networks, LLC applied to the Commission for an Order confirming that equipment it installed in 2012 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (income tax credit for investment in broadband equipment). With this Order, we confirm that the installed equipment is “qualified broadband equipment” under *Idaho Code* § 63-3029I.

THE APPLICATION

In its Application, the Company says it invested \$9,422,771 in qualifying broadband equipment in 2012. The Company says it provides wholesale broadband telecommunications service and other telecommunications services in southern Idaho. The Company lists investments associated with fiber optic facilities, equipment, and engineering connected with the broadband network. *See* Application. Though not referenced in the Application, the Company confirmed to Staff that its network’s transmission rate averages more than 10 gigabits per second. *See* Staff Decision Memorandum.¹

STAFF REVIEW

In July 2001, the Commission issued Procedural Order No. 28784 to implement its responsibilities under *Idaho Code* § 63-3029I. That Order identifies information that must be included in a broadband tax credit application. When a company files an application, the Commission Staff reviews it to determine whether the listed equipment meets the statutory definition of “qualified broadband equipment.” Staff then submits a recommendation to the Commission.

¹ Commission Order No. 28784 mandates that an application for a “qualified broadband equipment” Order: “[s]tate the network transmission rate in bits per second...” The Company’s Application omits this information. For purposes of this proceeding, however, we allow the Company to supply the omitted information through its communication to Staff, as referenced in the Decision Memorandum. *See* RP 66 (Commission may allow any omission to be supplied). The Company should ensure that its future applications contain all required information.

Here, Staff reviewed the Company's Application to determine whether the listed equipment is "qualified broadband equipment" under *Idaho Code* § 63-3029I. That statute defines "qualified broadband equipment" as equipment that qualifies for the *Idaho Code* § 63-3029B capital investment credit that "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). Further, 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 on its review, Staff believes that the Company is a telecommunications carrier and that the listed equipment meets the above-described statutory criteria and is "qualified broadband equipment" that is eligible for the tax credit. Staff thus recommended the Commission: (1) issue an Order confirming that the Company's equipment is "qualified broadband equipment," and (2) forward copies of the Application and Order to the Idaho State Tax Commission.

COMMISSION FINDINGS

Having reviewed the Company's Application and Staff's recommendation, we find that the Company's equipment is "qualified broadband equipment" subject to the tax credit under *Idaho Code* § 63-3029I. The Company is a telecommunications carrier. Further, the listed equipment (as presently configured) is an integral part of the Company's broadband network and is necessary to the provision of broadband service to Idaho customers. Accordingly, it is appropriate for the Commission to issue an Order confirming that the Company's equipment is "qualified broadband equipment." The Commission makes no findings regarding the costs of the installed broadband equipment or other expenses.

ORDER

IT IS HEREBY ORDERED that the Company's Application for an Order confirming that equipment it installed in 2012 is "qualified broadband equipment" is granted.

IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served on 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 and 62-619.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 12th day of February 2013.



PAUL KJELLANDER, PRESIDENT

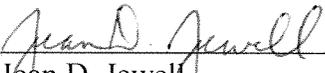


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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