

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF TW TELECOM OF IDAHO, LLC FOR AN) CASE NO. TWT-T-12-01
INVESTMENT TAX CREDIT FOR)
INSTALLING QUALIFIED BROADBAND) ORDER NO. 32696
EQUIPMENT)

On September 4, 2012, the Commission received an Application from tw telecom of Idaho, llc (“TWT” or “Company”) seeking approval of a broadband tax credit for the calendar years of 2007-2011. On November 5, 2012, TWT submitted an amended Application with an updated list of broadband equipment installed by the Company.

THE APPLICATION

TWT’s Application states that it has installed equipment associated with Internet access, private-line transport, optical wavelength, Ethernet transport, Multi-Protocol Label Switching (MPLS), and converged voice and data services via a private fiber optic based network using Sonet, Ethernet and Dense Wavelength Division Multiplexing (DWDM). TWT’s broadband equipment was installed in Ada, Bannock, Bonner, Canyon, Kootenai and Owyhee counties. The Company states that its broadband network provides transmission rates of 1.5 Mbps to 10 Gbps. During the past five years, the Company invested approximately \$24.8 million in qualifying broadband equipment as follows: 2007 – approximately \$6.1 million; 2008 – approximately \$6.5 million; 2009 – approximately \$2.8 million; 2010 – approximately \$5.1 million; and 2011 – approximately \$4.3 million.

STAFF REVIEW AND RECOMMENDATION

Staff reviewed the list of proposed broadband equipment submitted by TWT and found that the equipment identified meets the statutory criteria outlined in *Idaho Code* § 63-3029I(3)(b). Staff determined that TWT’s broadband equipment is capable of transmitting signals at a rate of at least 200,000 bits per second to a subscriber and at least 125,000 bits per second from a subscriber. *Idaho Code* § 63-3029I(3)(b). Staff also determined that TWT 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 the Commission issue an Order approving the Application and that the approving

Order, along with a copy of TWT'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 Staff, we find that TWT's Application requesting a qualified broadband equipment Order should be granted. TWT has adequately demonstrated that the equipment identified in its Application qualifies as broadband equipment subject to the tax credit. We also find that TWT 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. Therefore, it is appropriate for the Commission to issue this Order confirming that the equipment identified in TWT's Application is qualified broadband equipment.

ORDER

IT IS HEREBY ORDERED that tw telecom of Idaho, llc's Application seeking an Order certifying that it has installed qualified broadband equipment in Idaho during the 2007-2011 calendar years is granted.

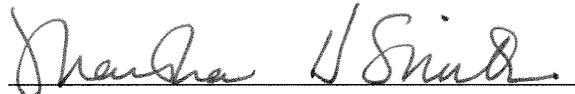
IT IS FURTHER ORDERED that a copy of this Order and a copy of TWT's Application be served upon the Idaho State Tax Commission.

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).

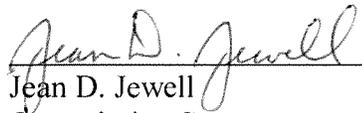
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 12th
day of December 2012.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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