

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF VERIZON NORTHWEST INC. FOR AN</b>	)	<b>CASE NO. VZN-T-08-03</b>
<b>INVESTMENT TAX CREDIT FOR</b>	)	
<b>INSTALLING QUALIFYING BROADBAND</b>	)	<b>ORDER NO. 30633</b>
<b>EQUIPMENT</b>	)	

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On August 12, 2008, Verizon Northwest Inc. (Verizon) filed an Application requesting approval of equipment for a broadband tax credit pursuant to Order No. 28784 and *Idaho Code* § 63-3029I(4). 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). Qualified broadband equipment must be capable of transmitting signals at a rate of at least 200,000 bits per second (bps) to a subscriber and at least 125,000 bps from a subscriber. 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). In this Order, we find that the Company’s investment meets the applicable standards.

**THE APPLICATION**

Verizon’s Application indicates that it installed Digital Subscriber Line (DSL) and other high speed data (e.g. T-1) services with transmission rates of 1.544 Mbps to 51.84 Mbps in 25 exchanges in northern Idaho. Verizon asserts 100% of its customers in these exchanges have access to broadband services. The Application states that Verizon invested approximately \$13 million in qualifying broadband equipment during 2007, and that it is used to provide customers with DSL and high-speed data services.

**STAFF REVIEW**

To implement its responsibilities under *Idaho Code* § 63-3029I, the Commission issued Procedural Order No. 28784 in July 2001. This Order identifies information that must be included in an application for a broadband tax credit. Once the information is filed with the Commission, the Staff reviews the application and submits a recommendation to the Commission. Staff has reviewed the list of proposed broadband equipment submitted by Verizon and believes that the equipment identified meets the statutory criteria. Staff therefore

recommended approval of the Application and further recommended that the Commission forward an approving Order along with a copy of the original Application 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. Verizon has adequately demonstrated that the equipment identified in its Application meets the statutory standards for qualifying broadband equipment subject to the tax credit. We further find that Verizon 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 Verizon's Application is qualified broadband equipment.

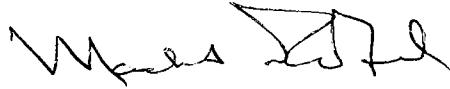
### **ORDER**

IT IS HEREBY ORDERED that Verizon Northwest Inc.'s Application for an Order certifying that it installed qualifying broadband equipment during 2007 is granted.

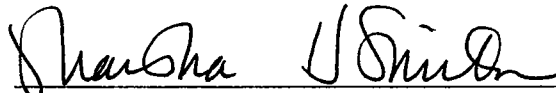
IT IS FURTHER ORDERED that a copy of this Order and a copy of Verizon's Application be served upon the Idaho State Tax Commission.

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).

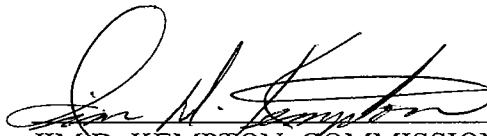
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28<sup>th</sup>  
day of August 2008.



MACK A. REDFORD, PRESIDENT

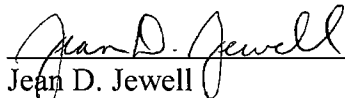


MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell  
Commission Secretary

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