

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF VERIZON NORTHWEST INC. FOR AN) CASE NO. VZN-T-10-06
INVESTMENT TAX CREDIT FOR)
INSTALLING QUALIFIED BROADBAND) ORDER NO. 32076
EQUIPMENT)**

On September 13, 2010, the Commission received an Application from Verizon Northwest Inc. (“Verizon”) asking for approval of a broadband tax credit, pursuant to Commission Order No. 28784 and *Idaho Code* § 63-3029I(4), for broadband investments made during the 2009 calendar year.

THE APPLICATION

In its Application, Verizon states that it has installed Digital Subscriber Line (DSL) and high-speed data (e.g., T-1) services with transmission rates of 138 Kbps to 6 Mbps in 26 exchanges. Verizon states that equipment was installed in the following Idaho communities: Athol, Bayview, Bonners Ferry, Bovil, Clark Fork, Coeur d’Alene, Deary, Genesee, Hayden Lake, Hope, Kellogg, Moscow, Mullan, Orofino, Pinehurst, Post Falls, Priest Lake, Priest River, Rathdrum, Sandpoint, Spirit Lake, St. Maries, and Weippe. Verizon claims that 100% of its customers in these exchanges are served or can be served by the broadband network. Verizon asserts that it has invested approximately \$3.3 million in qualified broadband equipment during 2009.

STAFF REVIEW

Staff reviewed the list of proposed broadband equipment submitted by Verizon and found that the equipment identified meets the statutory criteria outlined in *Idaho Code* § 63-3029I(3)(b). Staff determined that Verizon 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 Verizon’s Application, be forwarded to the Idaho State Tax Commission.

COMMISSION FINDINGS

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

qualified 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 the Application for a qualified broadband equipment Order should be granted. Verizon has adequately demonstrated that the equipment identified in its Application is qualified broadband equipment subject to the tax credit. Further, we 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. 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 has installed qualified broadband equipment 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).

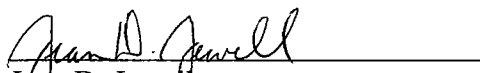
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28th
day of September 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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