

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	
OF FRONTIER COMMUNICATIONS	)	CASE NO. VZN-T-11-02
NORTHWEST INC. FOR AN INVESTMENT	)	
TAX CREDIT FOR INSTALLING	)	ORDER NO. 32406
<u>QUALIFYING BROADBAND EQUIPMENT</u>	)	

On October 19, 2011, the Commission received an Application from Frontier Communications Northwest Inc. (“Frontier” or “Company”) asking for approval of a broadband tax credit, pursuant to Commission Order No. 28784 and *Idaho Code* § 63-3029I(4), for the Company’s broadband investments during the 2010 calendar year.

### THE APPLICATION

In the Application, Frontier states that it installed equipment associated with Digital Subscriber Line (DSL) and high-speed data (e.g., T-1) services with transmission rates of 1.544 Mbps to 6 Mbps in 18 exchanges. The equipment is installed in: Athol, Bonners Ferry, Coeur d’Alene, Genesee, Hayden Lake, Kellogg, Moscow, Orofino, Plummer-Worley, Post Falls, Potlatch, Priest River, Rathdrum, Sandpoint, Spirit Lake, St. Maries, Wallace and Weippe. Frontier asserts that 100% of its customers in these exchanges are served or can be served by the broadband network. The Company invested approximately \$2,171,000 in qualifying broadband equipment from July 1, 2010 through December 31, 2010.

### STAFF REVIEW

Staff reviewed the list of proposed broadband equipment submitted by Frontier and found that the equipment identified meets the statutory criteria outlined in *Idaho Code* § 63-3029I(3)(b). Staff determined that Frontier 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 Frontier’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 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 the Application for a qualifying broadband equipment Order should be granted. Frontier has adequately demonstrated that the equipment identified in its Application is qualifying broadband equipment subject to the tax credit. We further find that Frontier 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 Frontier’s Application is qualifying broadband equipment.

### **ORDER**

IT IS HEREBY ORDERED that the Application of Frontier Communications Northwest Inc. seeking 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 Frontier’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).

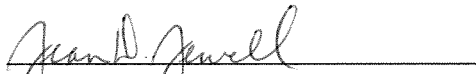
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30<sup>th</sup>  
day of November 2011.

  
PAUL KJELLANDER, PRESIDENT

  
MACK A. REDFORD, COMMISSIONER

  
MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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