

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )**  
**CABLE ONE, INC SEEKING A BROADBAND )** **CASE NO. GNR-T-15-04**  
**EQUIPMENT TAX CREDIT FOR 2014 )**  
**)** **ORDER NO. 33558**

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On June 8, 2015, Cable One, Inc. applied to the Commission for an Order confirming that equipment it installed in 2014 was qualifying broadband infrastructure pursuant to *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment). The Company filed revisions to its Application on July 13, 2015, and June 3, 2016.

**THE APPLICATION**

Cable One states that during 2014, it made improvements to its high-speed data service by making investments in a Hybrid Coax Network. As a cable or open video system operator, the Company also submits that its claimed improvements comply with the requirements of *Idaho Code* § 61-3029I(3)(b)(iii), as applied to cable or open video system operators.

Along with its Application, the Company includes an itemized inventory of installed equipment, including buried cable and fiber, and labor necessary to bring the network online and operational. Cable One states that its broadband services are available to approximately 75% of customers in its service area, and 99.9% of customers that have access to the Company's cable service, at network transmission rates of at least 200,000 bps to a subscriber, and 125,000 bps from a subscriber. According to the Company, its 2014 broadband investment was \$7,063,017.95 spread across the Twin Falls, Lewiston, Pocatello, Idaho Falls, Boise, and West Valley areas.

**THE BROADBAND EQUIPMENT TAX CREDIT**

*Idaho Code* § 63-3029I allows a taxpayer to receive an income tax credit for having installed qualified broadband equipment during a calendar year. Before the taxpayer is eligible for the tax credit, the taxpayer must first apply to the Commission for an Order confirming that the installed equipment is "qualified broadband equipment" as defined in the statute. *Idaho Code* § 63-3029I(4). That statute defines "qualified broadband equipment" as equipment 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). In addition, qualified broadband equipment must be "primarily used to provide services in Idaho to public subscribers." *Idaho*

*Code* § 63-3029I(3)(b)(vii). Further, in “the case of a cable or open video system operator, such qualifying equipment shall extend from the subscriber’s side of the headend to the outside of the structure in which the subscriber is located.” *Idaho Code* § 63-3029I(3)(b)(iii).

In furtherance of its statutory responsibility, the Commission has issued Order No. 28784 that specifies the information the taxpayer must include in a broadband tax credit application. When the taxpayer files the 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. If the Commission approves the application, the Commission will direct that the application, and the Order approving it be forwarded to the Idaho State Tax Commission.

#### **STAFF REVIEW**

After the Company filed two amendments to its original Application, Staff reviewed the filing under *Idaho Code* § 63-3029I and Commission Order No. 28784. Based on its review, Staff reported to the Commission that the Company is a cable or open video system operator and that the listed equipment meets the statutory criteria of “qualified broadband equipment” eligible for the tax credit. Staff thus recommended the Commission: (1) issue an Order confirming that Cable One’s equipment is “qualified broadband equipment,” and (2) forward copies of the Application and this Order to the Idaho State Tax Commission.

#### **COMMISSION FINDINGS**

In order to be eligible to obtain the broadband tax credit, a 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 cable or open video system operator, such qualifying equipment shall extend from the subscriber’s side of the headend to the outside of the structure in which the subscriber is located.” *Idaho Code* § 63-3029I(3)(b)(iii).

Based upon our review of the Company’s Application and the recommendation of Staff, we find the Company’s request that the Commission issue an Order confirming installation of qualified broadband equipment should be approved. Cable One has adequately demonstrated that the equipment identified in its Application qualifies as broadband equipment eligible for the tax credit. The Commission also finds that Cable One is a cable or video system operator, and it appears that its claimed equipment resides between the subscriber’s side of the headend, and the outside of the structure in which the subscriber is located. Therefore, the Commission certifies

in this Order that the equipment identified in Cable One's Application is qualified broadband equipment. The Commission makes no findings regarding the costs of the installed broadband equipment or other expenses.

**ORDER**

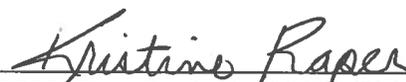
IT IS HEREBY ORDERED that Cable One's Application seeking an Order certifying that it has installed qualifying broadband equipment in Idaho during the 2014 calendar year is approved.

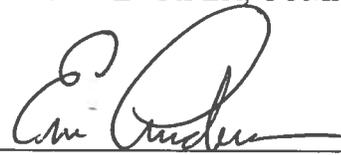
IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served on the Idaho State Tax Commission.

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. *Idaho Code* §§ 61-626, 63-3029I(4).

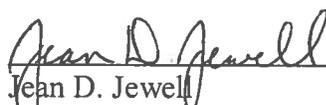
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22<sup>nd</sup> day of July 2016.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

O:GNR-T-15-04\_bk