

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
BLACKFOOT TELEPHONE COOPERATIVE, INC. ) CASE NO. BTC-T-17-01  
FOR AN INVESTMENT TAX CREDIT FOR )  
INSTALLING QUALIFYING BROADBAND ) ORDER NO. 33779  
EQUIPMENT )**

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On April 3, 2017, Blackfoot Telephone Cooperative, Inc. (“Blackfoot” or “Company”) applied to the Idaho Public Utilities Commission (“Commission”) for an Order confirming that equipment it installed in 2016 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment). With this Order, we confirm that the installed equipment is “qualified broadband equipment” under *Idaho Code* § 63-3029I.

**THE APPLICATION**

In its Application, the Company states that it invested \$20,000 in qualifying broadband equipment in 2016. The Company says it installed equipment associated with Asymmetric Digital Subscriber Line (ADSL) and Ethernet broadband services (using 18K non-loaded copper distribution, fiber optic backbone and distribution cable). The Company states that the network is capable of providing transmission speeds of 256 kilobits per second (Kbps) to 1 megabits per second (Mbps) from a subscriber and 768 Kbps to 1 Mbps to a subscriber. The Company further states that none of its customers currently have broadband services. *See* Application.

**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 obtain a Commission Order confirming that the installed equipment is “qualified broadband equipment” as defined in the statute. *Idaho Code* § 63-3029I(4). The statute defines “qualified broadband equipment” as equipment that: (1) qualifies for the *Idaho Code* § 63-3029B capital investment credit that “is 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” (*Idaho Code* § 63-3029I(3)(b)); and (2) is “primarily used to provide services in

Idaho to Idaho public subscribers.” *See Idaho Code* § 63-3029I(3)(b)(vii). Moreover, 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).

In furtherance of its statutory responsibility, the Commission issued Order No. 28784 to specify what information a 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 ultimately approves the application, then the Commission forwards it and the Order to the Idaho State Tax Commission.

#### **STAFF REVIEW**

Staff reviewed the Company’s Application under *Idaho Code* § 63-3029I. Based on its review, Staff believes that the Company is a telecommunications carrier, and that the listed equipment meets the statutory criteria and is “qualified broadband equipment” that is eligible for the tax credit. Staff thus recommended the Commission: (1) issue an Order confirming that the Company’s equipment is “qualified broadband equipment,” and (2) forward copies of the Application and Order to the Idaho State Tax Commission.

#### **COMMISSION FINDINGS**

Having reviewed the Company’s Application and Staff’s recommendation, we find that the Company’s equipment is “qualified broadband equipment” eligible for the tax credit under *Idaho Code* § 63-3029I. The Company is a telecommunications carrier. Further, the listed equipment (as presently configured) is an integral part of the Company’s broadband network and is necessary to the provision of broadband service to Idaho customers. Accordingly, it is appropriate for the Commission to issue an Order confirming that the Company’s equipment is “qualified broadband equipment.” The Commission makes no findings regarding the costs of the installed broadband equipment or other expenses.

#### **ORDER**

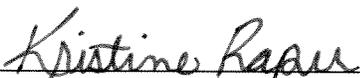
IT IS HEREBY ORDERED that the Company’s Application for an Order, confirming that equipment it installed in 2016 is “qualified broadband equipment,” is granted.

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. *See Idaho Code §§ 61-626 and 62-619.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *2nd* day of June 2017.

  
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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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Diane M. Hanian  
Commission Secretary

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