Nebraska Central Telephone Company

Nebraska Universal Service Fund

Broadband Program

Grant Application

West Ashton, Nebraska

REDACTED PUBLIC COPY

CONFIDENTIAL

Submitted to the Nebraska Public Service Commission
February 3, 2014

Application Checklist Item #1:

"A listing of all companies associated with the proposed broadband project that will provide the broadband or voice component of the service to consumers, including a main point of contact for all companies. (This requirement does not refer to vendors such as construction companies or equipment providers.)"

Narrative:

Nebraska Central Telephone Company ("NCTC") is the incumbent local exchange carrier that will be responsible for managing the implementation of the project submitted through this application and will be providing the facilities for the proposed broadband project. NCTC will be the retail and underlying wholesale provider of voice and broadband services to customers in the proposed project area.

The mailing address for this company is:

Nebraska Central Telephone Company
22 LaBarre Street
PO Box 700
Gibbon, Nebraska 68840-0700

The main point of contact for this project is:

Andrew D. Jader
Vice President-Administration
Office Telephone Number: [redacted]
Email: ajader@nctc.net

CONFIDENTIAL

Application Checklist Item #2:

"A description of the proposed broadband project plan for which Nebraska Universal Service Fund Broadband Program funding is being requested including download and upload speed capabilities which can be provided using the proposed infrastructure. Minimum speed standards should be 4 mbps download and 1 mbps upload."

Narrative:

NCTC proposes to [redacted] to provide broadband service in underserved portions of its incumbent exchange areas. The proposed project service area is an underserved, rural area in the western area of NCTC's Ashton, Nebraska exchange.

If the proposed project is approved through the Nebraska Universal Service Fund Broadband Program ("NUSF Broadband Program"), NCTC [redacted] the Federal Communications Commission ("FCC") and the Nebraska Public Service Commission's ("NPSC" or "Commission") definition of served for broadband service, which is 4 Mbps download and 1 Mbps upload.

The household count in the [redacted]

In order to provide broadband service to the [redacted]

CONFIDENTIAL

Application Checklist Item #3:

"A description of which areas are "unserved" or "underserved" in accordance with the Commission's definition."

Narrative:

The proposed project service area is an underserved, rural area in the western portion of NCTC's Ashton, Nebraska exchange. NCTC considers the proposed project area underserved because the households in this area do not have access to broadband service that provides 4 Mbps download and 1 Mbps upload capability.

The proposed project area consists [redacted] in NCTC's rural Ashton, Nebraska exchange. A listing of the affected census blocks is included with this application. There are [redacted] in the proposed project area, [redacted]

CONFIDENTIAL

Application Checklist Item #4:

"A list in Excel Format of all the census blocks where broadband facilities would be deployed for the proposed project which shall include 2010 Census Block identification numbers of service area, by project. The list of census blocks must be identified on a per project basis and must be contained in one spreadsheet. Carriers should not break apart the listing of census blocks in separate workbook tabs."

Narrative:

Nebraska Central Telephone Company has provided a list in Excel Format of all the census blocks where broadband facilities will be deployed in the proposed project area. NCTC has provided the census block list in an electronic, Excel Spreadsheet format and has also included a print out of the list in this application.

CONFIDENTIAL

Nebraska Central Telephone Company
West Ashton, NE Grant Project
Census Blocks
2014

311639701002178
311639701002234
311639701002180
311639701002227
311639701002229
311639701002231
311639701002179
311639701002233
311639701002172
311639701002242
311639701002243
311639701002237
311639701002236
311639701002173
311639701002097
311639701002174
311639701002073
311639701002080
311639701002072
311639701002094
311639701002091
311639701002252
311639701002235
311639701002241
311639701002253
311639701002176
311639701002248
311639701002095
311639701002079
311639701002093
311639701002256
311639701002177
311639701002249
311639701002239
311639701002246
311639701002251
311639701002082
311639701002171
311639701002244
311639701002096
311639701002250
311639701002240
311639701002238
311639701002247
311639701002245
311639701002092
311639701002532

CONFIDENTIAL

Application Checklist Item #5:

"An estimate of the number of potential new broadband subscribers."

Narrative:

In order to determine an estimate of the number of potential new broadband subscribers, NCTC utilized the engineering plans for the proposed project area to determine [redacted]

The proposed project service area currently [redacted] If the Commission approves the proposed project for the rural, underserved area of West Ashton, [redacted]

An estimate of the number of households which will have access to broadband service at the 4/1 Mbps speed level in the proposed project service area is included in the table below:

	Ashton
Underserved	[redacted]
Total	[redacted]

CONFIDENTIAL

Application Checklist Item #6:

"A schedule for broadband deployment with commitment to complete the build-out within 24 months of approval of the application. The schedule should describe milestones in project completion increments of 25 percent, and the estimated date by which the milestones will be completed."

Narrative:

If the application of Nebraska Central Telephone Company is approved for the rural, underserved area of West Ashton, NCTC intends to have the construction completed in late 2014 if the timing of the project approval allows. Working under that assumption, NCTC has specified the major milestones and completion dates for the project, along with a timeline estimating the completion of each project milestone. Additional information regarding the project milestones or estimated completion dates will be provided to the Commission upon request.

PROJECT MILESTONES SCHEDULE

Milestone	Estimated Completion Date
Preliminary Opinion of Probable Cost	December, 2013
[redacted]	May 1, 2014
Contractor Scheduling	July 31, 2014
Construction Completed[redacted]	December 31, 2014

CONFIDENTIAL

Application Checklist Item #7:

"A proposed budget, showing total project costs, in electronic format, with a detailed breakdown of the cost elements and a depreciation schedule showing the life of the investment."

Narrative:

Nebraska Central Telephone Company has included a proposed budget, showing total project costs, including a detailed breakdown of the cost elements and a depreciation schedule showing the life of the investment. NCTC has provided the budget and depreciation schedule in an electronic, Excel Spreadsheet format and has included a print out of the budget and depreciation schedule in this application.

Summary totals from the proposed project budget, along with a summary of the depreciation schedule, are provided below:

Description	Gross Investment	Depreciable Life	Depreciation Per Year
[redacted]	[redacted]	[redacted]	[redacted]
Total Capital Budget	[redacted]	[redacted]	[redacted]
Estimated Annual Depreciation	[redacted]	[redacted]	[redacted]
NCTC Matching Amount (25%)	[redacted]	[redacted]	[redacted]

NCTC commits to using the broadband support only for the purposes intended and which have been approved by the Commission through the application process. Further, NCTC commits to fulfilling all reporting and audit requirements adopted by the Commission for oversight of the NUSF Broadband Program.

CONFIDENTIAL

Nebraska Central Telephone Company
West Ashton, NE Cost Summary
January 2014

	Engineered Units	Estimated Total Cost	Cost per Unit	[redacted]
[redacted]	[redacted]	[redacted]		[redacted]
Total		[redacted]		[redacted]

Nebraska Central Telephone Company
West Ashton, NE Depreciation Schedule
January 2014

		[redacted]
Useful Life - Years		[redacted]
Effective Depr Rate		[redacted]
Depreciation Expense		
Year	1	[redacted]
Year	2	
Year	3	
Year	4	
Year	5	
Year	6	
Year	7	
Year	8	
Year	9	
Year	10	
Year	11	
Year	12	
Year	13	
Year	14	
Year	15	
Year	16	
Year	17	
Year	18	
Year	19	
Year	20	
Accumulated Depreciation		[redacted]

CONFIDENTIAL

Application Checklist Item #8:

"Proposed retail pricing, including both monthly recurring costs and nonrecurring costs for the new broadband service(s) to be offered. Proposed rate, either monthly recurring (MRC) or non-recurring (NRC), for broadband related customer premise equipment (CPE, e.g. modem). If none listed, please state that applicant will not be charging a rate to the end user for broadband CPE."

Narrative:

Nebraska Central Telephone Company is committed to offering broadband services at reasonably comparable rates for comparable services in urban areas. NCTC has included in this application an Excel spreadsheet detailing the proposed retail pricing that will be effective in the third quarter of 2014, including both the monthly recurring pricing of broadband services offered through this project, as well as any nonrecurring costs associated with the broadband services offered through the proposed project. Pricing is reflected for standalone broadband service, broadband service with voice service, and a broadband/voice service bundle which provides the greatest value to the customer.

CONFIDENTIAL

Nebraska Central Telephone Company
Retail Service Costs (including ARC increase Jul 2014)
To be effective 3Q2014
January 2014

CONFIDENTIAL

	Residence	Single Line Business	Multi-Line Business
Ashton			
Unlimited Local Service	[redacted]		
Extended Area Service			
Federal Access Charge			
Access Recovery Charge			
911			
Telecom Relay Charge			
Total before taxes & surcharges			
Service Order Charge - Voice	[redacted]		
Broadband - Ala-carte with telephone			
Down/Up			
[redacted]			
Modem Rental	[redacted]		
Broadband Installation			
Installation waived with 1 year term commitment			
Broadband - without telephone			
Down/Up			
[redacted]			
Modem Rental	[redacted]		
Broadband Installation			
Installation waived with 1 year term commitment			
Broadband/Telephone Bundle			
Down/Up			
[redacted]			

CONFIDENTIAL

Modem Rental	[redacted]
Broadband Installation	
Installation waived with 1 year term commitment	
Note:	
Broadband/telephone bundle includes 3 calling features, inside wire maintenance plan, and 30 minutes of long distance calling.	

Nebraska Central Telephone Company
Retail Service Costs - Unbundled
Retail Service Costs (including ARC increase Jul 2014)
To be effective 3Q2014
Ashton January 2014 CONFIDENTIAL

Bundle Price	[redacted]
Bundle Composition - Base Services	
Voice without Surcharges	[redacted]
Postini	
ISW Maintenance	
Long Distance	
Base Bundle Service Price	
Surcharges	
Extended Area Service	
Federal Access Charge	
Access Recovery Charge	
911	
Telecom Relay Charge	
Total Surcharges	
Total Bundle Estimate	

Estimated Total Bundle Price	[redacted]
Bundle Composition - Base Services	
Voice without Surcharges	[redacted]
Postini	
ISW Maintenance	
Long Distance	
Base Bundle Service Price	
Surcharges	
Extended Area Service	

CONFIDENTIAL

Federal Access Charge	[redacted]
Access Recovery Charge	
911	
Telecom Relay Charge	
Total Surcharges	
Total Bundle Estimate	[redacted]

Estimated Total Bundle Price	[redacted]
[redacted]	
Bundle Composition - Base Services	
Voice without Surcharges	[redacted]
[redacted]	
Postini	
ISW Maintenance	
Long Distance	
Base Bundle Service Price	
Surcharges	
Extended Area Service	[redacted]
Federal Access Charge	
Access Recovery Charge	
911	
Telecom Relay Charge	
Total Surcharges	
Total Bundle Estimate	[redacted]

CONFIDENTIAL

Application Checklist Item #9:

"Retail rate(s) charged for basic voice service. If a subscriber line charge is assessed, the amount of the SLC. If no SLC is assessed then a statement that no SLC is assessed."

Narrative:

Nebraska Central Telephone Company is committed to offering voice services at reasonably comparable rates for comparable services in urban areas. NCTC has included in this application a pricing document detailing the recurring and non-recurring pricing of the voice services offered through this project. The pricing for standalone basic voice service can be found in the pricing document provided for Application Checklist Item #8. NCTC does assess a Federal Access Charge (SLC) and the amount of that charge is detailed in the pricing document included with this application.

CONFIDENTIAL

Application Checklist Item #10:

"A description of the applicant's commitment to offer broadband services to all households within the service area of the project for a minimum of five (5) years."

Narrative:

NCTC has been committed to providing broadband service to its customers since 1999. NCTC has fulfilled all of its ETC responsibilities and has been committed to providing a usable level of broadband services to all of its customers. [redacted]

The funding requested in the application will provide NCTC [redacted]

Nebraska Central Telephone Company is committed to providing the supported broadband service upon completion of the deployment to each household within the proposed project service area for a period of no less than five years.

NCTC has been committed to providing voice telephone service since the 1920s. The proposed project area is within Nebraska Central Telephone Company's incumbent local exchange service area, and as the Carrier of Last Resort, NCTC is committed to offering a voice grade service to all customers within the proposed project service area, including access to emergency services.

CONFIDENTIAL

Application Checklist Item #11:

"A description of the applicant's commitment to provide broadband data to the Commission and its vendors for the duration of the State Broadband Data and Development (SBDD) program so that this broadband coverage area can be depicted on the Commission's state broadband data inventory map and on the National Telecommunications and Information Administration's (NTIA's) national broadband map."

Narrative:

NCTC has participated in the National Telecommunications and Information Administration's National Broadband Mapping process and the Nebraska Public Service Commission's State Broadband Data and Development program. NCTC has recently provided updated maps to these agencies so that NCTC's current broadband coverage areas were depicted on the national and state broadband maps.

NCTC is committed to continuing to provide all required mapping data to the Commission and its vendors for its existing and new service areas so Nebraska Central Telephone Company's broadband service coverage areas will be depicted on the Commission's Nebraska Broadband Map and on the National Telecommunications and Information Administration's National Broadband Map.

CONFIDENTIAL

Application Checklist Item #12:

"A description of the applicant's financial qualifications, which may be filed on a confidential basis, to meet the commitments made in the application."

Narrative:

The Commission has indicated that for companies filing Annual Report Form M, the information contained in Form M would be sufficient to meet the application requirement.

Nebraska Central Telephone Company's Annual Report Form M illustrates the company's financial position and is on file with the Nebraska Public Service Commission.

CONFIDENTIAL

Application Checklist Item #13:

"If the applicant does not have a certificate of public convenience and necessity to provide telecommunications services in Nebraska, a demonstration of the applicant's financial, technical, and managerial competence."

Narrative:

Nebraska Central Telephone Company is an established rural, incumbent local exchange carrier operating in Nebraska and holds a certificate of public convenience and necessity to provide telecommunications services in the State of Nebraska.

NCTC commits to abide by all applicable Commission rules, regulations and orders.

CONFIDENTIAL

Application Checklist Item #14:

"A description of the applicant's financial match which will be used to meet the commitments made in the application. Applicant shall submit a proposed budget for the entire project cost."

Narrative:

Nebraska Central Telephone Company's proposed budget for the entire project costs has been included with the application. Based upon the project costs in the proposed budget, NCTC has calculated the amount required to meet the twenty-five percent (25%) financial match and has included that amount in the summary table in Application Checklist Item #7.

To meet the financial match requirement, NCTC will utilize the company's cash reserves or cash generated from operations of the company. It is not anticipated that outside financing will be required.

CONFIDENTIAL

Application Checklist Item #15:

"An affidavit from the Applicant attesting to the truth and accuracy of all information included in the application."

Narrative:

Included with this application is an Affidavit of Andrew D. Jader, Vice President of Administration of Nebraska Central Telephone Company attesting to the truth and accuracy of all information included in this application.

CONFIDENTIAL

BEFORE THE
NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of Nebraska Central Telephone Company Seeking Support Funding from the Nebraska Universal Service Fund Broadband Program	))))))	Application No. _____

AFFIDAVIT OF ANDREW D. JADER
IN SUPPORT OF
NEBRASKA CENTRAL TELEPHONE COMPANY'S
NEBRASKA UNIVERSAL SERVICE FUND BROADBAND PROGRAM
GRANT APPLICATION

I, Andrew D. Jader, being of lawful age and duly sworn, state as follows:

1. My name is Andrew D. Jader. My business address is 22 LaBarre Street, Gibbon, Nebraska 68840. My title is Vice President of Administration of Nebraska Central Telephone Company and I have worked for the company in this capacity since 1992. I am responsible for financial planning, billing and business office operations, regulatory affairs and overall administrative management of Nebraska Central Telephone Company.
2. I submit this affidavit in support in the Matter of the Application of Nebraska Central Telephone Company Seeking Support Funding from the Nebraska Universal Service Fund Broadband Program.
3. I hereby verify that, as the Vice President of Administration of Nebraska Central Telephone Company, I have reviewed the information and documentation submitted in support of Nebraska Central Telephone Company's Grant Application for funding from the Nebraska Universal Service Fund Broadband Program and filed with the Nebraska Public Service Commission on February 3, 2014 and attest to the truth and accuracy to

the best of my knowledge and belief of all of the information included in Nebraska Central Telephone Company's application.

4. This completes my affidavit.

VERIFICATION

I, Andrew D. Jader, declare under penalty of perjury that the statements in this Affidavit are true and correct to the best of my knowledge and belief.

Andrew D. Jader

Andrew D. Jader
Vice President-Administration
Nebraska Central Telephone Company

Subscribed and sworn to before me, this 23rd day of January, 2014.

Jennifer Samuelson

GENERAL NOTARY - State of Nebraska
JENNIFER SAMUELSON
My Comm. Exp. Oct. 20, 2014

Jennifer Samuelson (Printed Name)

Notary Public, Buffalo County, Nebraska

Acting in the County of Buffalo

My Commission Expires: 10/20/2014