Nebraska Central Telephone Company

Nebraska Broadband Pilot Program

Grant Application

Sargent, Nebraska

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Submitted to the Nebraska Public Service Commission
February 28, 2013

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

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Application Checklist Item #2:

"A description of the proposed broadband project plan for which NEBP 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 NCTC's Sargent, Nebraska exchange. A map depicting the proposed project service area has been provided as part of this application.

If the proposed project is approved, 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 proposed project service area [redacted] do not have access to broadband service that provides 4Mbps download and 1Mbps upload capability [redacted] the customers in the proposed project service area will be able to receive [redacted]

In order to provide broadband service to the [redacted]

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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 NCTC's Sargent, Nebraska exchange. NCTC considers the proposed project area underserved because the households in this area do not have access to broadband service that provides 4Mbps download and 1Mbps upload capability.

The proposed project service area consists of [redacted] in NCTC's rural, Sargent, Nebraska exchange. A map depicting the proposed project service area, and specifically, the underserved area, has been provided as part of this application. There are [redacted] in the proposed project area and [redacted]

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Application Checklist Item #4:

"An electronic map of all geographic locations where broadband facilities would be deployed under the proposed project which shall include 2010 Census Block boundaries of service area, by project, along with a demonstration that the area is currently unserved or underserved. The map must demonstrate coverage in 2010 census blocks. (The map must show proposed project locations and does not need to depict the applicant's other service territory.)"

Narrative:

Nebraska Central Telephone Company has provided electronic maps in an editable ESRI format. A printout of the map detailing the proposed project service area is also provided with this application for reference.

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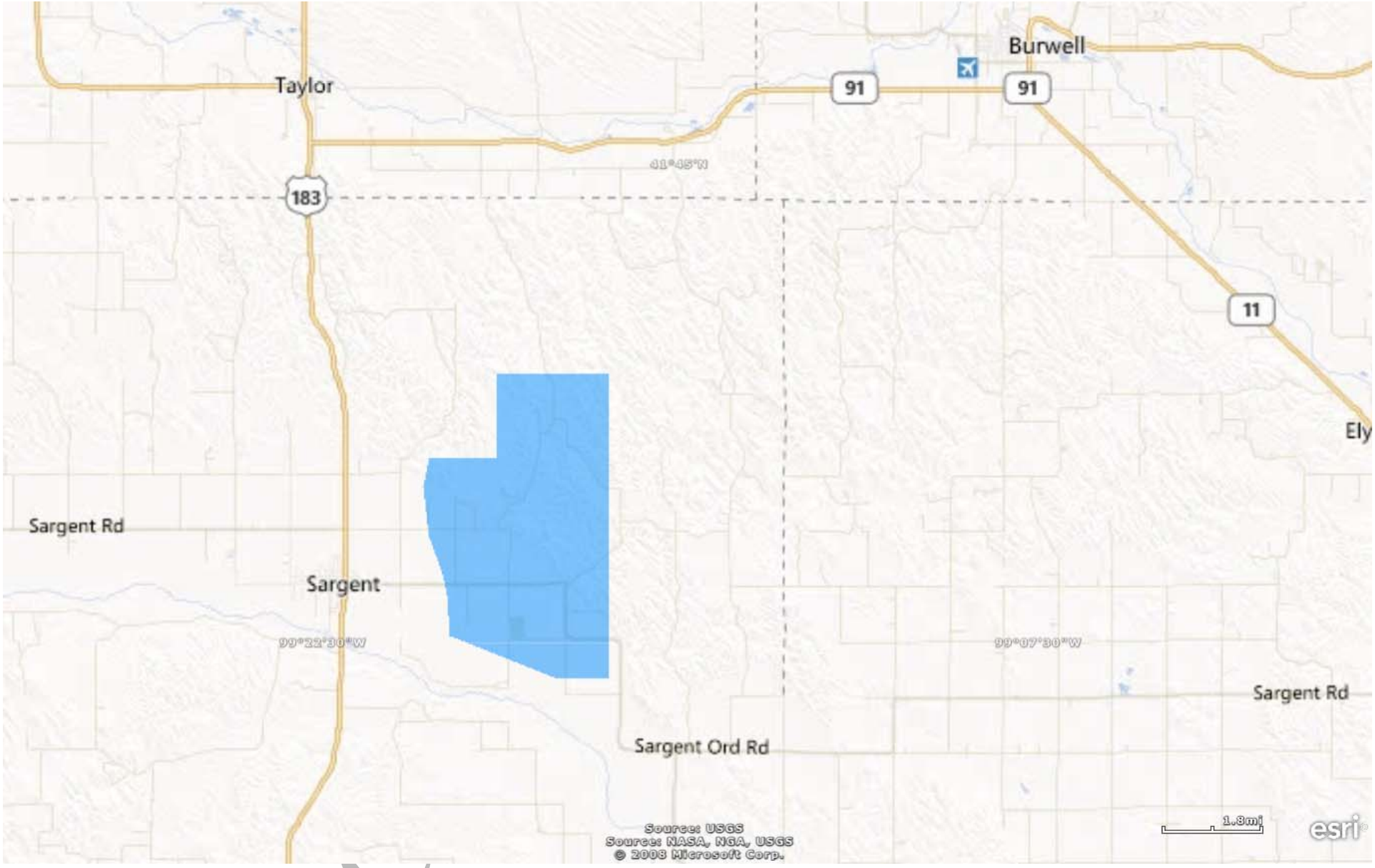

Sargent Project Area is in Blue. Service status of project area is underserved.

<u>Application Checklist Item #5:</u>

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

<u>Narrative:</u>

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

The proposed project service area currently includes [redacted] If the Commission approves the proposed project for the rural, underserved area of Sargent, [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:

[redacted]	**Sargent**
Underserved	[redacted]
Total	[redacted]

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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 Sargent, NCTC intends to have the construction completed in late 2013. NCTC presumes that the grant application would be approved by mid-2013. 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	February 1, 2013
[redacted]	July 31, 2013
Contractor Scheduling	August 31, 2013
Construction Completed[redacted]	December 31, 2013

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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]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[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 NEBP program.

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Application Checklist Item #8:

"Proposed retail pricing, including both monthly recurring costs and nonrecurring costs for the new broadband service(s) to be offered."

Narrative:

Nebraska Central Telephone Company is committed to offering the voice and 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 2013, including both the monthly recurring pricing of the voice and broadband services offered through this project as well as any nonrecurring costs associated with the voice and broadband services offered through the proposed project.

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Application Checklist Item #9:

"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 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.

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Application Checklist Item #10:

"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.

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Application Checklist Item #11:

"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.

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Application Checklist Item #12:

"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.

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Application Checklist Item #13:

"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, [redacted]

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Application Checklist Item #14:

"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.

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