

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE NEBRASKA) Application No. NUSF-92.01
PUBLIC SERVICE COMMISSION, ON ITS)
OWN MOTION, SEEKING TO ADMINISTER)
THE NEBRASKA UNIVERSAL SERVICE)
FUND'S BROADBAND PROGRAM:)
APPLICATION TO THE NEBRASKA)
BROADBAND PROGRAM RECEIVED FROM)
ARAPAHOE TELEPHONE COMPANY.)

TESTIMONY OF JOHN E. KOLLER
ON BEHALF OF THE APPLICANT,
ARAPAHOE TELEPHONE COMPANY

Filed: May 9, 2014

For the Hearing Scheduled: June 10, 2014

1. Q. Please state your name, the name of your employer, and position with your company.
2. A. My name is John E. Koller. I am the General Manager of Arapahoe Telephone
3. Company, d/b/a ATC Communications, with its principal office in Arapahoe, Nebraska.
4. Q. Why are you appearing before the commission today?
5. A. I am here to support Arapahoe Telephone Company's Application for a grant from the
6. Commission's 2014 Nebraska Universal Service Fund Broadband Program Docket NUSF-92.01.
7. The Commission staff recommended full support of the project Arapahoe proposed and I am
8. here to support the staff's recommendation, also.
9. Q. Would you please provide some background to the Commission about the Arapahoe
10. Telephone Company?
11. A. The Arapahoe Telephone Company has been providing telecommunication services since
12. 1904. Arapahoe is the incumbent local exchange carrier in the local exchanges of Arapahoe,
13. Brule, Farnam, Hendley, Holbrook, Loomis and Overton, Nebraska. Arapahoe also offers non-
14. regulated services such as cable television through its wholly owned subsidiary, Applied
15. Communications Technology and Broadband internet through its wholly owned limited liability
16. company, ATCJET.NET.
17. Q. Did you assist in assembling Arapahoe's Application in this proceeding, docketed as
18. NUSF-92.01 by the Commission?
19. A. Yes. I was involved in preparing Arapahoe's Application with the assistance of Donn
20. Swedenburg of RVW, Inc., our consultant. I was also the person who swore to the truth of the
21. contents of the Application that was filed with the Commission.
22. Q. Does everything set forth in the application you attested to remain true and accurate
23. today?

24. A. Yes it does.

25. Q. Could you please provide an overview of the project?

26. A. Arapahoe proposes to add Broadband data services in the unserved portions of its
27. rural Brule, Nebraska exchange. Arapahoe currently provides voice services in this area
28. and proposes to add Broadband data capability through construction of a fiber-fed DSL
29. network.

30. Q. Does the proposed service comply with the Commission's definition of Broadband?

31. A. It does. In fact it exceeds the minimum of 4 Mbps downstream and 1 Mbps upstream as
32. defined by the Commission. The system proposed is capable of providing data services at up to
33. a speed of 20 Mbps downstream and 2 Mbps upstream.

34. Q. Is the area Arapahoe proposes to service by this project currently unserved or under-
35. served according to the Commission's standards?

36. A. It is currently unserved by wireline services as defined by the Commission's standards.
37. The only wireline data service available in the proposed service area is dial-up data at speeds of
38. 56 Kbps or below. There are some wireless data services available by cell sites, but the speeds
39. available generally do not meet the Commission's standard of Broadband.

40. Q. How many potential Broadband subscribers do you estimate are in the area?

41. A. There are 163 households and 5 business' in Brule for a potential of 168 new Broadband
42. subscribers. We estimate that approximately 60% of these potential subscribers would sign up
43. for our service.

44. Q. If approved what would be the timeline for the project?

45. A. A detailed timeline is set forth on Page 2 of the Application. We believe the project can
46. be operational and in service within 5 months of approval by the Commission, assuming

47. approval occurs in a timely manner that will allow placement of underground cabling under
48. favorable weather. If underground cable placement cannot begin due to winter weather in late
49. 2014, the project will reach the 75% completion level by mid-2015 with customer premises
50. installation on-going.

51. Q. Did you provide a proposed budget in the Application?

52. A. We did, and nothing has changed with regard to that budget.

53. Q. Did you set forth proposed retail pricing for the services in the Application?

54. A. Yes. Pricing is found on Page 2 of the Application.

55. Q. Describe Arapahoe's commitment to provide Broadband to all households in the area.

56. A. Arapahoe Telephone Company/ATC Communications has provided telecommunications
57. services in its certified exchange area since 1904. As a long time provider of telecommunication
58. services, should Arapahoe be awarded funding for this project, it will commit to providing voice
59. and data services to the proposed funded area for a minimum of 5 years.

60. Q. Describe the matching funds that Arapahoe will use to satisfy its commitment to provide
61. Broadband to all households in the Brule service area?

62. A. Arapahoe currently has all funds in place needed to meet its 40% matching requirement
63. and to ensure timely shipping and installation of all materials required to allow the project to
64. reach operational status in accordance with the timeline set forth in the Application.

65. Q. Does Arapahoe's Application meet the requirements for requisite information established
66. in NUSF-77 Progressional No. 5?

67. A. Yes. In fact we agree with the finding by the Commission staff that complied with all the
68. application requirements established in progression No. 5. I have testified as to most of those
69. requirements already and they are satisfied in our verified Application. In addition, I will

70. mention that we have set forth in our Application that: 1) Arapahoe is committed to provide
71. data to the Commission's state Broadband data and development program as it is done in the
72. past; 2) Arapahoe's financial qualifications; and 3) the fact that Arapahoe Telephone Company
73. holds a current Certificate of Public Convenience and Necessity from the Commission.

74. Q. What are you requesting of the Commission today?

75. A. Arapahoe is requesting that the Commission accept and adopt the staff
76. recommendation. That recommendation granted funding from the 2014 Nebraska Universal
77. Service Fund Broadband Program in the amount of \$396,416.00. Together with the 40%
78. matching financial commitment Arapahoe has made, this grant will allow Arapahoe to complete
79. the project that I have just described and provide excellent Broadband service to residents of the
80. rural Brule service area at reasonable and affordable rates.

81. Q. Does that conclude your testimony?

82. A. It does. I appreciate the Commission's consideration of our request.