

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE NEBRASKA) Application No. NUSF-92.17
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: June 16, 2015

For the Hearing Scheduled: July 6, 2015

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 2015 Nebraska Universal Service Fund Broadband Program Docket NUSF-92.17.
7. The Commission staff recommended full support of the Elwood, Nebraska project Arapahoe
8. proposed and I am 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-92.17 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. ATCJET.NET, L.L.C., a wholly owned subsidiary of ATC, proposes to upgrade its
27. Broadband data services in the underserved rural Elwood areas in Dawson and Gosper Counties.
28. ATCJET.NET currently provides wireless internet in this area at speed that does not meet the
29. Commission's definition of Broadband service. ATCJET.NET proposes to upgrade this
30. Broadband data capability to the underserved rural portions of these counties via replacement of
31. its existing wireless Broadband distribution and backhaul microwave network equipment.

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

33. A. It does. In fact it exceeds the minimum of 4 Mbps downstream and 1 Mbps upstream as
34. defined by the Commission. The system proposed is capable of providing data services at up to
35. a speed of 12 Mbps downstream and 1 Mbps upstream.

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

38. A. It is currently underserved by Broadband services as defined by the Commission's
39. standards. The existing wireline and wireless data services available in the proposed funded area
40. do not meet the definition of Broadband data.

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

42. A. There are 310 households and 32 businesses in rural Elwood. We estimate that
43. approximately 25% of these potential subscribers would sign up for our service for an estimated
44. 86 to 90 new Broadband subscribers.

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

46. A. A detailed timeline is set forth on Page 3 of the Application. We believe the project can

47. be operational and in service within 5 months of approval by the Commission, assuming
48. approval occurs in a timely manner that will allow placement of underground cabling under
49. favorable weather. If underground cable placement cannot begin due to winter weather in late
50. 2015, the project will reach the 75% completion level by mid-2016 with customer premises
51. installation on-going.

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

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

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

55. A. Yes. Pricing is found on Page 4 of the Application.

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

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

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

63. A. Arapahoe currently has all funds in place needed to meet its 25% matching requirement
64. and to ensure timely shipping and installation of all materials required to allow the project to
65. reach operational status in accordance with the timeline set forth in the Application.

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

68. A. Yes. In fact we agree with the finding by the Commission staff that complied with all the
69. application requirements established in Progression Order No. 5. I have testified as to most of

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

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

76. A. Arapahoe is requesting that the Commission accept and adopt the staff
77. recommendation. That recommendation granted funding from the 2015 Nebraska Universal
78. Service Fund Broadband Program in the amount of \$154,139. Together with the 25%
79. matching financial commitment Arapahoe has made, this grant will allow Arapahoe to complete
80. the project that I have just described and provide excellent Broadband service to residents of the
81. rural Elwood service area at reasonable and affordable rates.

82. Q. Does that conclude your testimony?

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