BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska Public Service Commission, on its own motion, to administer the Nebraska Broadband Bridge Program in the 2024 program year.	)	Application No. C-5561 ORDER GRANTING MOTION TO RETURN GRANT FUNDING Entered: October 27, 2026

BY THE COMMISSION:

On February 6, 2024, the Nebraska Public Service Commission ("Commission") initiated this proceeding on its own motion to administer the 2024 program year of the Nebraska Broadband Bridge Program ("NBBP"). On May 14, 2024, the Commission released an order adopting the 2024 grant application procedural schedule and application materials ("May 14 Order"). The Program Guide was then adjusted via Commission order dated June 25, 2024 ("June 25 Order").

Awards in the 2024 NBBP program year were issued by order of the Commission on January 14, 2025 ("Jan. 14 Order"). This order further required that awardees must submit to the Commission a completed Grantee Acknowledgement and Attestation Form by January 28, 2025. Also pursuant to that order, Allo Communications LLC ("Allo") was awarded seven grant projects. Those projects include $128,328 to provide service to 118 locations in the Northwest Kearney Project and $496,697 for 81 locations in the Fremont to Schuyler Project.

On June 2, 2026, Allo filed a request to cancel the Northwest Kearney Project ("NW Kearney Project") and return the funding received for the project. This matter was scheduled for hearing by order of the Hearing Officer dated August 11, 2026.[1]

E V I D E N C E

A hearing in this matter was held on September 3, 2026. Sallie Dietrich appeared on behalf of the Telecommunications and NUSF Department of the Commission ("Department"). Andrew Vinton and Loel Brooks appeared on behalf of Allo. Exhibits numbered 1 through 10 were offered and accepted.

[1] Allo also filed a motion to modify the Fremont to Schuyler Project. These matters were addressed in consecutive, but separate hearings, as set by the August 11 Hearing Officer Order. An order ruling on Allo's motion to modify the Fremont to Schuyler Project will be issued separately.

Nate Buhrman, Chief Financial Officer, offered testimony on behalf of Allo. Mr. Buhrman referenced his pre-filed testimony which was entered into the record as Exhibit 10. Mr. Buhrman stated that he was involved in the preparation of the application for the NW Kearney Project, and that he reviewed the budgets and cost estimates submitted with the application.[2] Mr. Buhrman noted that the NW Kearney Project sought to serve 118 locations at a cost of $300,000, for a cost per location of about $2,800 per location.[3]

Mr. Buhrman stated that in developing projects, Allo would look at its existing projects and construction resources to develop a timeline.[4] He stated that the timeline process would involve developing a bill of materials and the ordering of materials if they are not on hand.[5] Mr. Buhrman noted that the lead time for fiber can be as long as thirteen or twenty-six weeks.[6] He stated that Allo uses a mix of in-house and outsourced construction crews.[7]

Mr. Buhrman explained that a bill of materials is generated after a high-level design is completed, and the bill of materials is then passed on to the financial analyst team.[8] He stated that after the application is approved, Allo will do field engineering and verification of the design.[9] They may perform physical visits to locations before submitting applications if time allows for it, but not in all cases.[10] He stated that the financial team does not review the bill of materials, but receives it with the expectation that the bill of materials is accurate.[11] He stated that generally, material rates would be about the same between different projects.[12] He stated that Allo

[2] Transcript at 14.

[3] *Id.* at 31.

[4] *Id.* at 15.

[5] *Id.* at 15-16.

[6] *Id.* at 16.

[7] *Id.* at 16-17.

[8] *Id.* at 17-18.

[9] *Id.* at 18-19.

[10] *Id.* at 19.

[11] *Id.* at 20.

[12] *Id.* at 20-21.

performs internal checks to ensure rates are consistent and that estimates of material and labor rates are accurate.[13]

Mr. Buhrman testified that the bill of materials for the NW Kearney Project was inaccurate because the bill of materials provided had actually been prepared for a different project.[14] He stated the error was caught during field engineering, when quantities on an updated bill of materials were reviewed.[15] Mr. Buhrman acknowledged that the application for the NW Kearney Project included a certification that the information in the application is true and correct, and that Allo committed to building out the project.[16]

Mr. Buhrman acknowledged that Allo had submitted quarterly progress reports regarding the NW Kearney Project, and that the last report Allo submitted was filed in October of 2025.[17] He stated that although Allo was aware of issues with the project by August of 2025, no issues were reflected in the October report.[18] Mr. Buhrman stated that in August, Allo learned that the project would be approximately ten times more costly to build than the project budget would reflect, with a total cost of approximately $3 million.[19] Mr. Buhrman stated that it would not be commercially feasible for Allo to build the project.[20] He stated that the reason for the increase was a "complete miscalculation," and that if Allo had accurate information, it would not have proposed this project.[21]

Mr. Buhrman explained that Allo has since changed its process in preparing a bill of materials.[22] He stated that the bill of materials will now include a project description as well as a plain text description of the area being designed, which will

[13] *Id.* at 21.

[14] *Id.* at 21-22.

[15] *Id.* at 22.

[16] *Id.* at 23-24.

[17] *Id.* at 24-25; Exhibit 8.

[18] Transcript at 25.

[19] *Id.* at 25-26.

[20] *Id.* at 27.

[21] *Id.* at 35-37.

[22] *Id.* at 27.

allow financial analysts the ability to confirm they are reviewing the correct project.[23] Mr. Buhrman suggested that the Commission could require submission of a cost per passing metric in order to highlight this type of issue in the future.[24]

On redirect, Mr. Buhrman noted that following discovery of the inaccurate bill of materials, Allo considered providing service to the area through a fixed wireless solution.[25] He stated that the idea was not approved by PSC staff.[26] He stated that after that response, Allo sought to surrender the grant.[27] Mr. Buhrman stated that he was not aware whether local governing bodies, such as the county or the city, or residents in the 118 project locations had been notified.[28] He stated that satellite service may be available to those locations.[29]

Following Mr. Buhrman's testimony, Cullen Robbins, Director of Telecommunications and NUSF, testified on behalf of the Department. Mr. Robbins stated that he and his team reviewed each NBBP application that was filed, including the NW Kearney Project.[30] He stated that the NW Kearney Project was approved in the 2024 NBBP grant cycle and sought to bring fiber to 107 unserved locations and 11 underserved locations.[31] He stated that the grant application sought $128,328 in grant funding, with a match of 50%, with a total project cost of $256,656.[32]

Mr. Robbins testified that in January of 2026, Allo contacted Department staff, asking for an opportunity to discuss the NW Kearney Project and indicating that they had encountered issues with the project.[33] He stated that he and his team met with Allo on January 27th, and Allo presented alternative options for completion of the

[23] *Id.* at 27-28.

[24] *Id.* at 28.

[25] *Id.* at 29.

[26] *Id.* at 29, 42.

[27] *Id.* at 30.

[28] *Id.* at 32.

[29] *Id.* at 32-33.

[30] *Id.* at 46.

[31] *Id.*

[32] *Id.*

[33] *Id.* at 47.

project.[34] One option was to provide service through fixed wireless, and another would be to only complete a small portion of the fiber build, not reaching all 118 locations.[35] Mr. Robbins stated that in his opinion, neither option would reach the goals of the NBBP program and use of limited public funds.[36] He explained that these alternatives would fundamentally change the nature of the project, and likely would not have been approved if submitted as the original application.[37]

Mr. Robbins recommended that Allo should cancel the project and repay the grant funds received to date, in the amount of $64,164.[38] He stated that although it is unfortunate that fiber based broadband wouldn't be immediately available to these locations, cancellation of the project would allow the Department to look at alternative ways to provide service to those locations.[39] Mr. Robbins noted that when an NBBP project is modified or cancelled, the Department would notify the Nebraska Broadband Office of that change.[40]

Following Mr. Robbins' testimony, no further evidence was adduced, and the hearing was adjourned.

O P I N I O N A N D F I N D I N G S

The Nebraska Broadband Bridge Program is governed by the Nebraska Broadband Bridge Act, Neb. Rev. Stat. §§ 86-1301 - 86-1313 (the "Act"). The purpose of the NBBP, pursuant to the Act, is "to facilitate and fund the development of broadband networks in unserved and underserved areas."[41] The Commission has awarded grants in four program years, each governed by its own program materials. The 2024 NBBP program year is governed by the program materials issued by the Commission in the May 14 Order, as modified by the June 25 Order.[42] Grant funding

[34] *Id.*

[35] *Id.*

[36] *Id.* at 47-48.

[37] *Id.* at 48.

[38] *Id.*

[39] *Id.*

[40] *Id.* at 49.

[41] Neb. Rev. Stat. § 86-1303.

[42] Exhibit 1, Exhibit 2.

was awarded in the Jan. 14 Order, where additional terms of completion were set forth for awardees.[43]

Allo submitted an application for grant funding for the NW Kearney Project, seeking to serve 118 locations by using $128,327.89 of NBBP grant funds, with a total project cost of $256,655.78.[44] This grant was approved and awarded to Allo in the Jan. 14 Order.[45] Under the terms of the Jan. 14 Order, Allo was required to complete the NW Kearney Project by July 14, 2026.[46] Allo now seeks to return all grant funding and cancel the project, stating that "[d]ue to inaccurate estimates regarding the cost to deploy network and provide service to the project area, completing the Project will be cost-prohibitive for ALLO."[47]

At hearing, Allo estimated that costs to deploy the project as described in its application would reach approximately $3 million.[48] Allo has described and provided evidence at hearing of the circumstances leading to its determination that building this project would be economically infeasible. Allo has also provided evidence that its application process for future NBBP grants will be revised such that it will conduct more thorough financial reviews before applying for funding.

The Nebraska Broadband Bridge Act, in Neb. Rev. Stat. § 86-1304(2)(b), provides that an NBBP grant recipient who fails to complete an awarded project by the deadline shall repay the grant. The Commission finds that it has the authority to order repayment of grant money issued to an NBBP awardee in the event that the awardee is unable to complete the project in question.

Based upon the evidence adduced at hearing, the Commission finds that requiring Allo to complete the NW Kearney Project would no longer be a prudent use of available broadband funding. The NW Kearney Project has not been started and can no longer be completed in a timely manner, and the costs to complete the project would far exceed what was originally contemplated by Allo in its application for

[43] Exhibit 3.

[44] Exhibit 7 at 1-2.

[45] Exhibit 3 at 15 (Attachment C: Grant Awards).

[46] Exhibit 3 at 9.

[47] Exhibit 4.

[48] Transcript at 25-26.

funding. It is unfortunate that Allo did not identify and seek to rectify the issues with the project earlier. However, the public interest would not be served by requiring Allo to complete the project at this late date and with substantially increased costs. The Commission will accept the return of grant funding received to date by Allo for the NW Kearney Project.

The grant funding received by Allo to date, in the amount of $64,164, must be repaid to the Commission in full by **November 13, 2026**. If the funds are not received in full by this date, Allo may be subject to further penalties based upon the deadlines originally set forth in Docket No. C-5561 and Neb. Rev. Stat. §§ 86-1301 – 86-1312.

Allo will not be eligible to resubmit the NW Kearney Project, or any geographic portion thereof, for consideration in future state-funded grant application cycles unless it provides at least the same matching portion it committed to in its application for the NW Kearney of 50% of the funds required to complete the project. The Commission further reserves the right to adjust its review of Allo's financial, legal, and technical capability to complete future grant-based projects based on its failure to complete the NW Kearney Project, including but not limited to requiring additional documentation to support project applications and budgets. These limitations on applications for funds shall apply to all state or federally funded grant programs administered by the Commission for a period of ten years after the date of this order.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Allo Communications, LLC must return to the Commission by **November 13, 2026** all grant funding received to date for its Northwest Kearney Project grant awarded in the 2024 Nebraska Broadband Bridge Program. If the funds are not received in full by November 13, 2026, Allo Communications, LLC may be subject to additional penalties pursuant to the requirements set forth in Docket No. C-5561 and Neb. Rev. Stat. §§ 86-1301 – 86-1312.

IT IS FURTHER ORDERED that Allo Communications, LLC may not resubmit the Northwest Kearney Project, or any geographic portion thereof, in future state or federally funded grant application cycles administered by the Commission unless it provides at least fifty percent of the funding required to complete the project.

IT IS FURTHER ORDERED that should Allo Communications, LLC seek funding in future state or federally funded grant programs administered by the Commission, the application submitted by Allo Communications, LLC and any accompanying budget documentation may be subject to additional scrutiny in accordance with the terms of this Order.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 27th day of October, 2026.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Vice Chair

ATTEST:

Executive Director