

**Nebraska Central Telephone Company  
Mason City Village Limits Underserved  
Attachment G**

**Business Plan**

It is clear from examining the Business Plan for the Mason City Village Limits Underserved Capital Project Fund (the “CPF”) grant application submitted by Nebraska Central Telephone Company (NCTC) that the project is viable from a technical, legal, and financial standpoint. That conclusion is bolstered by years of successful deployment and maintenance of financially viable broadband networks in the State of Nebraska by NCTC and its owner, Hamilton Telecommunications (Hamilton). As with the existing broadband networks constructed and maintained by NCTC and Hamilton, the Mason City Village Limits Underserved CPF application makes good sense in all aspects. NCTC has not previously received a federally awarded grant for broadband deployment but has received state broadband grant funding through the Broadband Bridge Program.

**Details of the proposed Mason City Village Limits Underserved project.**

The geographic area of the Mason City Village Limits Underserved Act application is all within the village limits of Mason City, Nebraska. Mason City has a population of approximately 148 residents and is in Custer County, located on Highway 2 about seven miles southeast of Ansley. The proposed project, if approved, would deploy fiber broadband internet to every CPF eligible serviceable location in Mason City. In order to complete fiber buildout to all serviceable locations in the community, almost two miles of new fiber will be buried and connected to NCTC’s existing fiber network.

NCTC has maintained a broadband network for decades and maintaining the infrastructure that is part of this application would be status quo for NCTC. Both NCTC and Hamilton understand what it takes to build and maintain a broadband network. Both companies have technical staff capable of maintaining the existing broadband network and the project area for its expected life. Because there are in-house technicians monitoring and maintaining the network on a day-to-day basis, the fiber that would be part of this grant application would be expertly maintained for its useful life. NCTC will be burying all fiber which ensures the highest level of reliability and lowest ongoing maintenance costs when compared to aerial and wireless technology solutions.

**The Mason City Village Limits Underserved grant project infrastructure is anticipated to last for decades with proper construction and maintenance of the technological components needed to construct the project.**

Because NCTC will be burying all fiber deployed in the project, the expected life of the facilities should approach three decades. Although buried fiber is more resilient than other types of fiber deployment, it is not impervious to environmental factors. Additionally, internet technologies will continue to advance over time and some technological components will become obsolete and have to be replaced during the life of the network. Because of that, NCTC would project that there will be ongoing maintenance costs associated with sustaining the network through its expected useful life. The expertise NCTC has in maintaining its other networks will be applied to this project as well.

The technological components used in the project are fiber-optic cable, innerduct conduit, vaults, splice kits, optical line terminals (OLTs), and optical network terminals (ONTs). When the project is completed, those components will connect to the network described in NCTC's Technical Capability Statement (Attachment Letter: E). NCTC anticipates that the OLTs and ONTs will have to be replaced a few times during the life of the network due to needed upgrades and changes in technology. All other technological components will be replaced on an as-needed basis, if damaged by animals or other factors. NCTC has the ability to monitor and identify issues with the network and will diligently troubleshoot any issue that arises, just as it does with the rest of its network.

**The legal challenges and risk factors involved with the Mason City Village Limits Underserved Application planning, construction, and on-going maintenance of the network are well understood and manageable.**

Because NCTC has an existing broadband network, including fiber, in and around the village of Mason City, NCTC has a good grasp of the legal challenges and risk factors there. NCTC has had a relationship with the village for a significant period of time and always obtains permission to do work from the village. NCTC also purposefully communicates project timelines to the village, so all stakeholders are in the loop regarding work. As in the past, NCTC will seek approval from the village of Mason City to bury fiber in the community's right of way. Additionally, there is existing fiber that runs along Highway 2, which is a state highway that bisects Mason City, and there may be a need to obtain additional permitting from the Nebraska Department of Transportation as well. NCTC and Hamilton are well-versed in obtaining the

requisite permits and approvals to deploy a broadband network and are prepared to build out the serviceable locations in this project legally and efficiently. NCTC is aware that there are no tribal approvals needed for the project. NCTC believes that its knowledge and the relationships we have developed in the project area over the years have both mitigated any significant risk the project may have and helped to understand the legal challenges of the project.

**NCTC will engage in community outreach to ensure that all residents are aware of the grant project.**

To ensure that all Mason City residents are fully aware of broadband offerings that will be available upon completion of this project, NCTC will engage in community outreach efforts. NCTC will engage in community outreach by sending letters to identified leaders in the community as described in the Digital Inclusion Plan, having follow-up conversations with community members on an as-needed basis, and marketing and educating the community about all broadband offerings and available discounts including the Affordable Connectivity Program. Community outreach efforts are more fully described in NCTC's Digital Inclusion Plan (Attachment Letter: J).

**The expected costs and revenue make this project feasible from a financial perspective and would serve to meet the broadband demands of consumers in the Mason City area for years to come.**

NCTC will have funds available for all project costs that exceed the amount of requested support to be received for this project. The cost of the project for all locations is estimated to be \$508,465, whereas the amount of requested support is \$330,502, which is 65% of the total projected cost. NCTC has funds available in operations to fund this difference of \$177,963 and will not need to borrow funds to complete the buildout obligations for these service areas. In addition to available funds currently in operations, NCTC expects to generate enough cash flows going forward from providing service to these currently underserved locations to support the maintenance of the infrastructure on an ongoing basis. The conservative revenue assumptions in the below table are based on an internet take rate of 60%, as well as take rates for cable and telephone that are consistent with subscriber numbers network wide. Below is a summary cash flow statement for the first 10 years of the project.

