#### Nebraska Central Telephone Company Rural Ravenna Underserved Application Business Plan Attachment G

In evaluating the viability of the Rural Ravenna Underserved Broadband Bridge Act (the "Act") grant application submitted by Nebraska Central Telephone Company (NCTC), the proposed project was scrutinized from a legal, technical, and cost standpoint. That evaluation is bolstered by years of successful deployment and maintenance of financially viable broadband networks in the State of Nebraska by NCTC and its soon-to-be owner Hamilton Telecommunications (Hamilton). As with the existing broadband networks maintained by NCTC and Hamilton, the Rural Ravenna Underserved Application makes good sense in all aspects.

#### **Project Overview**

The geographic area of the Rural Ravenna Underserved Act application is all within a few miles of the city limits of Ravenna, Nebraska. Ravenna has a population of approximately 1,360 residents and is in Buffalo County, located near the intersection of Highway 2 and Highway 68, about 30 miles northeast of Kearney. The proposed project, if approved, would deploy fiber broadband internet to the underserved serviceable locations around the city of Ravenna. In order to complete fiber buildout to all serviceable locations in the community, nearly nine miles of new fiber will be buried and connected to NCTC's existing fiber network.

## The legal challenges of the Rural Ravenna Underserved Application are well understood and manageable.

Because NCTC has an existing broadband network, including fiber, in and around the city of Ravenna, NCTC has a good grasp of the legal challenges there. NCTC has had a relationship with Ravenna and Buffalo County for a significant period of time and always obtains permission to do work in their jurisdictions. NCTC also purposefully communicates project timelines, so all stakeholders are in the loop regarding work. As in the past, NCTC will seek approval from Buffalo County to bury fiber in the county's right of way. Additionally, there is existing fiber that runs along Highways 2 and 68, which are state highways that intersect just south of Ravenna, and there may be a need to obtain additional permitting from the Nebraska Department of Transportation as well. NCTC has already deployed fiber across railroad property at Ravenna and will most likely not need to do any further work on railroad

property but will secure the necessary permission to do so if necessary. 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 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 expected costs and revenue make this project feasible from a financial perspective and would serve to meet the broadband demands of consumers in the Ansley 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 \$437,212, whereas the amount of requested support is \$218,606, which is 50% of the total projected cost. NCTC has funds available in operations to fund this difference of \$218,606 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 unserved locations to support the maintenance of the infrastructure on an ongoing basis. Below is a summary cash flow statement for the first 10 years of the project.

| CASH FLOW SUMMARY:                        |           |           |           |           |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|   | Year 1    | Year 2    | Year 3    | Year 4    | Year 5    | Year 6    | Year 7    | Year 8    | Year 9    | Year 10   |
| Cash flows from operating activities:     |           |           |           |           |           |           |           |           |           |           |
| Cash received from subscribers            | \$ 7,309  | \$ 21,927 | \$ 21,927 | \$ 21,927 | \$ 21,927 | \$ 21,927 | \$ 21,927 | \$ 21,927 | \$ 21,927 | \$ 21,927 |
| Cash paid for operations and service      | (4,960)   | (14,879)  | (14,879)  | (14,879)  | (14,879)  | (14,879)  | (14,879)  | (14,879)  | (14,879)  | (14,879)  |
| Net cash provided by operating activities | 2,349     | 7,048     | 7,048     | 7,048     | 7,048     | 7,048     | 7,048     | 7,048     | 7,048     | 7,048     |
|   |           |           |           |           |           |           |           |           |           |           |
| Buildout Costs:                           |           |           |           |           |           |           |           |           |           |           |
| Expenditures for plant buildout           | (291,474) | (145,737) | -         | -         | -         | -         | -         | -         | -         | -         |
| Grant funds received for buildout         | 145,737   | 72,869    | -         | -         | -         | -         | -         | -         | -         | -         |
| Net cash used to buildout plant           | (145,737) | (72,869)  | -         | -         | -         | -         | -         | -         | -         | -         |
|   |           |           |           |           |           |           |           |           |           |           |
| Net Project Cash Flows                    | (143,388) | (65,821)  | 7,048     | 7,048     | 7,048     | 7,048     | 7,048     | 7,048     | 7,048     | 7,048     |