

Northeast Nebraska Telephone Company Butler County Attachment Letter G 1

Proposed Project Details:

The project will provide fiber-to-the-premise to 89 underserved locations in rural Butler County. These locations, currently in the Windstream ILEC service area, are located outside of the Northeast Nebraska Telephone Company's ILEC service area. The project includes 67 miles of last mile fiber with a total project cost is estimated to be \$2,443,102.00. Fiber placed to each dwelling will be capable of speeds up to 1,000/1,000 Mbps.

Risk factors or legal challenges

Northeast Nebraska Telephone Company (NNTC) is in good standing with the County. NNTC is not aware of any legal challenges that must be addressed prior or during the project in question, such as local zoning, right of way, and permitting process.

Financial Viability

NNTC has attached a financial viability analysis for the project (see Attachment Letter G_2). The project will be cash flow positive shortly after year five. NNTC will receive \$2,370,120 in the form of a grant award through this application. Incremental expenses are estimated at \$500 per year per subscriber. This projected cash inflow is estimated to cover the cost of construction. If any short fall shall materialize, NNTC will internally finance the difference. The major assumptions for the viability analysis include an estimated take rate ranging from 75% to 89% with an average revenue per month of \$110 per subscriber in year 1 to \$125 per subscriber in year 5.

Long-Term Maintenance Plans

Technical staff for NNTC includes an Operations Manager, two Central Office Techs, an IT Specialist, a Network Engineer, eight Combination Technicians and a Construction Supervisor. The new proposed area would be served (and maintained throughout the useful life of the facility) by at least one combination technician with support from the Operations Manager, two Central Office Techs, the IT Specialist and Network Engineer. Our ability to sustain and maintain the network is demonstrated by our technical staff, which has a combined work experience of 200 years in the industry.

Community Engagement

NNTC has contacted the following community leaders:

1. Senator Bruce Bostelman of NE District 23, who also lives in the proposed project area. He was emailed and called by NNTC's GM Pat McElroy on Tuesday, February 7th, regarding NNTC's grant proposal.
2. Butler County Chairman Anthony Whitmore was emailed and called by NNTC's GM Pat McElroy on Tuesday, February 7th, regarding NNTC's grant proposal.
3. Butler County Supervisor Scott Steager was emailed and called by NNTC's GM Pat McElroy on Tuesday, February 7th, regarding NNTC's grant proposal.

4. Butler County Supervisor Tony Krafka was emailed and called by NNTC's GM Pat McElroy on Tuesday, February 7th, regarding NNTC's grant proposal.
5. Butler County Supervisor Scot Bauer was emailed and called by NNTC's GM Pat McElroy on Tuesday, February 7th, regarding NNTC's grant proposal.
6. Butler County Supervisor Robert Coufal was emailed and called by NNTC's GM Pat McElroy on Tuesday, February 7th, regarding NNTC's grant proposal.
7. Butler County Supervisor Jan Sypal was emailed and called by NNTC's GM Pat McElroy on Tuesday, February 7th, regarding NNTC's grant proposal.
8. Butler County Supervisor Ryan Svoboda was emailed and called by NNTC's GM Pat McElroy on Tuesday, February 7th, regarding NNTC's grant proposal.

Copies of these 8 emails may be found in Attachment Letter G_3.

NNTC has also sent online surveys via a mailed postcard to homeowners, renters and business owners regarding their current internet experience and their thoughts on fiber internet being brought to their area. In Attachment Letter G_4, please find a copy of the postcard sent to those in this proposed service area, along with returned surveys from the residents. Surveys did provide information with links to the Lifeline Program, the Affordable Connectivity Program and Nebraska Relay.