

**Applicant: Consolidated Telephone Company (“Consolidated”)**

**Project Area: Mullen**

**Attachment G: Business Plan**

The project proposal is to construct Fiber to the Premise (FTTP) facilities to all the homes and businesses in the project area. All fiber cable will be placed under ground to provide the highest quality, most reliable and resilient network possible. Consolidated has engaged Consolidated Companies, Inc. to construct the fiber facilities that will be connected to our fiber transport ring carrying internet traffic routing to both Denver and Chicago.

The project will require permits from the State, the County, and the railroad for undercrossing along with occupancy of rights of way. Such permits are routine and Consolidated does not expect any legal challenges in obtaining the necessary permissions. The Village Board has already passed a resolution granting Consolidated the use of village rights of way for the installation of facilities. A copy of the resolution is attached to this document.

Consolidated has been providing telecommunications service in rural Nebraska since 1947. The company has grown considerably during those 74 years and has worked to keep services competitive and meet the needs of our customers. Consolidated’s Form M regulatory filings show that the company has a strong balance sheet and does not present a credit risk to its stakeholders, including owners, lenders, regulators, vendors, and customers. The company has been operated conservatively and is in strong financial position to continue operation for years to come. A projection of revenue and expense for the project showing a positive net cash flow for the life of the facilities is attached.

RESOLUTION NO. 2021-4

*WHEREAS*, the Village of Mullen, Nebraska desires to have the community and its citizens served by state-of-the art fiber optic facilities for the provision of telecommunications and broadband internet services; and

*WHEREAS*, the Nebraska Broadband Bridge Program (NBBP) has been established to facilitate and fund the deployment of broadband networks in Nebraska; and

*WHEREAS*, Consolidated desires to construct and operate a fiber optic network throughout the village, and agrees to provide matching funds and other resources to fund the project; and

*WHEREAS*, the deadline for filing grant applications is October 1,2021;

*NOW, THEREFORE, BE IS RESOLVED*, by the Village Board of Mullen, Nebraska, that Consolidated is authorized to use village rights of way for the placement and operation of a fiber optic network.

PASSED AND APPROVED this 2nd day of September 2021

  
Chairman

Attest:   
Village Clerk

## Project: Mullen Town FTTH

## Project Cash Flow

Line	Source	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
A 1	Total Project Investment	Attachment H	\$ 1,265,344						
2	Fiber	Attachment H	\$ 1,216,732						
3	COE	Attachment H	\$ 48,612						
B 1	Company Match	Attachment L	80%						
2	Company Match Fiber	A2*B1	\$ 973,385						
3	Company Match COE	A3*B1	\$ 38,890						
4	Company Capital Investment	B2+B3	\$ 1,012,275						
C 1	Depr Expense Fiber, 25 yr. life	B2/25	\$ 38,935	\$ 38,935	\$ 38,935	\$ 38,935	\$ 38,935	\$ 38,935	\$ 38,935
2	Depr Expense COE, 11 yr. life	B3/11	\$ 3,535	\$ 3,535	\$ 3,535	\$ 3,535	\$ 3,535	\$ 3,535	\$ 3,535
3	Total Depreciation Expense	C1+C2	\$ 42,471	42,471	42,471	42,471	42,471	42,471	42,471
4	SIT Rate	Input	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%	7.81%
5	FIT Rate	Input	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
6	Effective Tax Rate	(C4+C5)/(1+C4)	26.72%	26.72%	26.72%	26.72%	26.72%	26.72%	26.72%
D 1	Revenue	Input	\$ 243,259	\$ 259,524	\$ 260,988	\$ 262,438	\$ 263,872	\$ 265,293	\$ 266,699
2	Expense	Input	\$ (215,108)	\$ (226,651)	\$ (227,690)	\$ (228,719)	\$ (229,737)	\$ (230,745)	\$ (231,743)
3	Net Income	D1+D2	\$ 28,151	\$ 32,873	\$ 33,298	\$ 33,719	\$ 34,135	\$ 34,548	\$ 34,956
4	Taxes	C6*D3	\$ (7,523)	\$ (8,785)	\$ (8,898)	\$ (9,011)	\$ (9,122)	\$ (9,232)	\$ (9,341)
5	After Tax Net Income	D3+D4	\$ 20,628	\$ 24,088	\$ 24,400	\$ 24,708	\$ 25,013	\$ 25,315	\$ 25,615
6	Depreciation Expense	C3	\$ 42,471	\$ 42,471	\$ 42,471	\$ 42,471	\$ 42,471	\$ 42,471	\$ 42,471
7	Company Capital Investment	B4	\$ (1,012,275)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Net Cash Flow	D5+D6+D7	\$ (949,176)	\$ 66,559	\$ 66,871	\$ 67,179	\$ 67,484	\$ 67,786	\$ 68,085
E 1	Rate of Return	IRR	4.6%						



