

Applicant: Consolidated Telephone Company (“Consolidated”)

Project Area: Thedford

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 Alpha Utility 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 Thedford, 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 complete the project; and

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

NOW, THEREFORE, BE IS RESOLVED, by the Village Board of Thedford, 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: Bonda Flaumann
Village Clerk

Consolidated Companies, Inc
6900 Van Dorn St. Suite 21
PO Box 6147
Lincoln, NE 68506-0147

Copy
9-17-2021
R. Hammann
Cude

Village of Theford

Application is hereby made to Village of Theford by:

Full Name: Consolidated Companies, Inc
Address: 6900 Van Dorn St., Suite 21 Lincoln, NE
Home Phone: 402-489-2728 Call Phone: 308-362-7088
Email: ryan.pate@nebnet.com

Location/Nature of Use of/Work In Public Right-of-Way:
Street Use Address: See attached map
Beginning Date: AUG. 12TH, 2021 Ending Date: AUG. 20TH, 2021
Nature of Use/Work: HORIZONTAL DIRECTIONAL BORING PLACING CONDUIT FOR FIBER OPTIC FACILITIES

** REQUIRED** Diagram/map depicting placement of obstruction, fencing, traffic control plans, proposed work, etc. in public right-of-way must be attached.

Authorized Signature and Title: [Signature] Operations Manager
Date: _____
Barricade Responsible Party: Consolidated & Alpha Utility
Barricade Responsible Party: _____
24-hour Point of Contact: Ryan Pate
Company Address: _____
24-hour Office Phone: 308-362-7088

City Use Only
Application Received By: Date: 9-13-2021
Presented to Council Date: Approve Date: 09-17-2021

City Review:
Electric: Water/Sewer Zoning: Legal Streets:

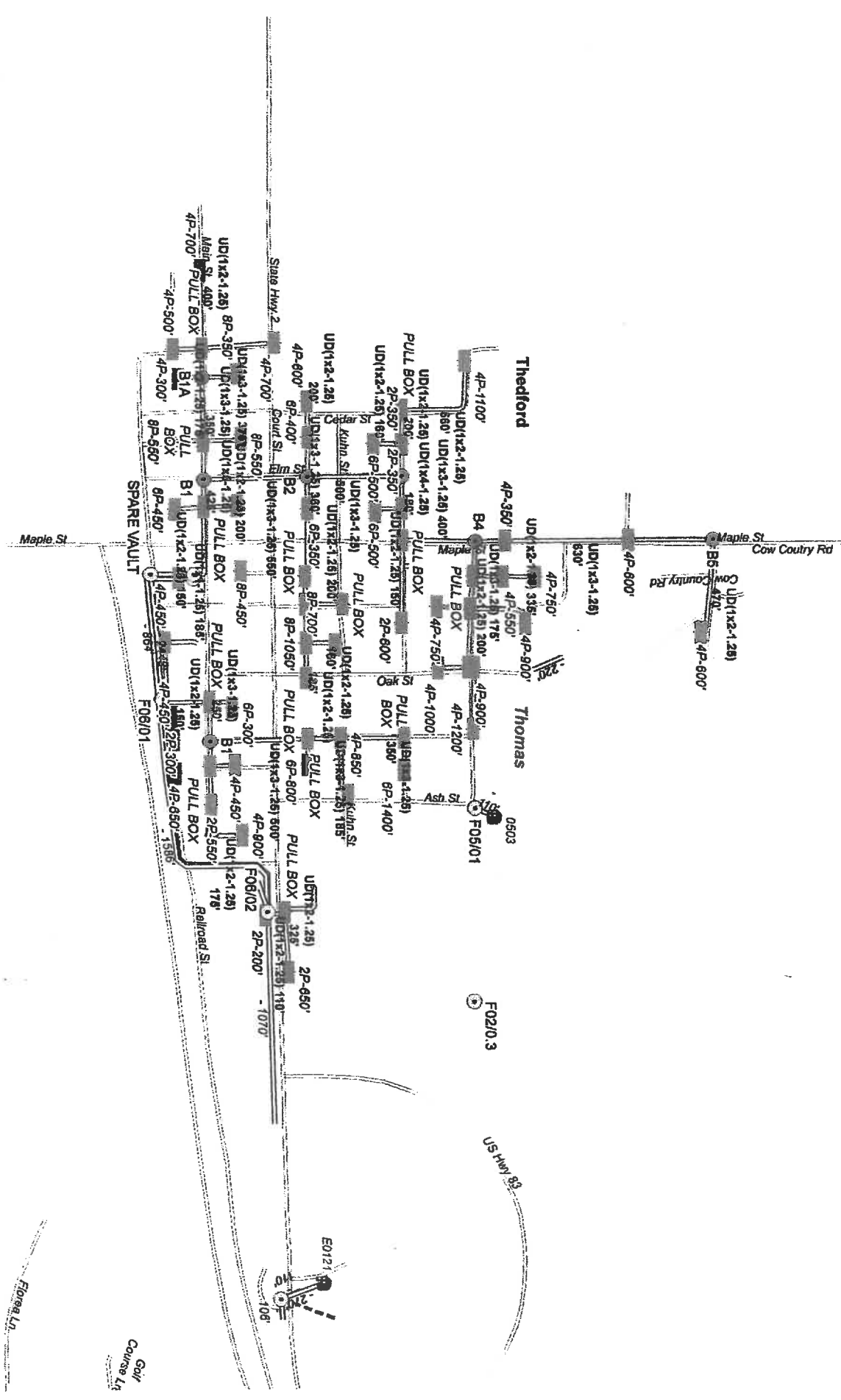
The applicant agrees to the following conditions for issuance of permit:
• Requests for use of/work in public right-of-way must be received at least five (5) business days prior to the placement of any object/work in the public right-of-way. Failure to comply will warrant immediate removal/ceasing of such.

- The permittee shall comply with all permit directions and conditions, as well as all applicable laws and ordinances.
- The permittee is required to provide proof of general liability insurance in the minimum amount of \$1,000,000, with the Village of Theedford listed as additional insured, for use of public right-of-way.
- Barricades are the responsibility of the permittee. In placing the barricades, access must be always maintained for police or fire emergency vehicles. The barricade responsible party shall coordinate barricade and signage placement with the Village of Theedford Street Department and must have a valid point of contact (24/7) for the duration of use of public right-of-way.
- The permittee shall contact all residents and/or businesses whose property abuts the obstruction. Proof of such contact shall be provided to the Village of Theedford with the application.
- The permittee shall be responsible for cleanup of the location after such use; and
- The permittee shall be responsible for any loss or damage caused by or directly traceable to the operations in the city right-of-way.
- The permittee agrees that in the event of future city construction or maintenance requiring the moving, relocation, exposure or removal of items, the permittee shall perform the work as requested and without expense to the Village of Theedford.

POLES WIRE AND PIPELINES

- (A) Poles, wires, conduits, gas mains, pipelines and other appurtenances of public service companies shall be located or erected over, upon or under the streets, alleys, and common grounds of the city. Application for location of the appurtenances shall be made to the City Council in writing. Approval by the Council shall be issued in writing.
- Any public service company granted a right-of-way for the erection and maintenance of poles, wires, conduits, gas mains, pipelines or other appurtenances shall, always, erect and locate their appurtenances at the places and in a manner as shall be designated by the Council.
- (B) All poles, wires, conduits, gas mains, pipelines and other appurtenances shall be removed or relocated by the companies at their own expense when requested to do so by the Council. Any removal or relocation shall be ordered by resolution of the Council and the City Clerk/Treasurer shall notify all companies affected. The companies shall, within 24 hours after receiving notice, at their own expense, cause the poles, wires, conduits, gas mains, pipelines, or other appurtenances to be removed or relocated. The Council shall designate another location as closely as possible where the appurtenances may be reset or placed.

- (C) All poles, wires, conduits, gas mains, pipelines or other appurtenances shall be reset, placed, or erected in a manner that they will not interfere with the water system; the sewerage system; any poles, wires, conduits, mains, lines or other appurtenances of any public utility; any adjacent buildings; or travel on the public ways and property. Whenever possible, all poles, wires, conduits, gas mains, pipelines and appurtenances shall be confined to the alleys of the city.



Theedford

Thomas

Golf Course Ln

Flores Ln

U.S. Hwy 82

FO8/02

FO2/0.3

FO8/01

FO8/01

0503

0503

FO8/02

FO8/02

FO8/02

FO8/02

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FO8/02

Project: Thedford 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 | \$ 557,196 | | | | | | |
| 2 | Fiber | Attachment H | \$ 535,262 | | | | | | |
| 3 | COE | Attachment H | \$ 21,934 | | | | | | |
| | | | | | | | | | |
| B 1 | Company Match | Attachment L | 80% | | | | | | |
| 2 | Company Match Fiber | A2*B1 | \$ 428,209 | | | | | | |
| 3 | Company Match COE | A3*B1 | \$ 17,547 | | | | | | |
| 4 | Company Capital Investment | B2+B3 | \$ 445,756 | | | | | | |
| C 1 | Depr Expense Fiber, 25 yr. life | B2/25 | \$ 17,128 | \$ 17,128 | \$ 17,128 | \$ 17,128 | \$ 17,128 | \$ 17,128 | \$ 17,128 |
| 2 | Depr Expense COE, 11 yr. life | B3/11 | \$ 1,595 | \$ 1,595 | \$ 1,595 | \$ 1,595 | \$ 1,595 | \$ 1,595 | \$ 1,595 |
| 3 | Total Depreciation Expense | C1+C2 | \$ 18,724 | 18,724 | 18,724 | 18,724 | 18,724 | 18,724 | 18,724 |
| 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 | \$ 112,980 | \$ 118,981 | \$ 119,521 | \$ 120,056 | \$ 120,586 | \$ 121,110 | \$ 121,629 |
| 2 | Expense | Input | \$ (98,904) | \$ (103,163) | \$ (103,546) | \$ (103,926) | \$ (104,301) | \$ (104,673) | \$ (105,042) |
| 3 | Net Income | D1+D2 | \$ 14,076 | \$ 15,818 | \$ 15,975 | \$ 16,130 | \$ 16,284 | \$ 16,436 | \$ 16,587 |
| 4 | Taxes | C6*D3 | \$ (3,762) | \$ (4,227) | \$ (4,269) | \$ (4,311) | \$ (4,352) | \$ (4,392) | \$ (4,433) |
| 5 | After Tax Net Income | D3+D4 | \$ 10,315 | \$ 11,591 | \$ 11,706 | \$ 11,820 | \$ 11,933 | \$ 12,044 | \$ 12,154 |
| 6 | Depreciation Expense | C3 | \$ 18,724 | \$ 18,724 | \$ 18,724 | \$ 18,724 | \$ 18,724 | \$ 18,724 | \$ 18,724 |
| 7 | Company Capital Investment | B4 | \$ (445,756) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 8 | Net Cash Flow | D5+D6+D7 | \$ (416,718) | \$ 30,315 | \$ 30,430 | \$ 30,544 | \$ 30,656 | \$ 30,768 | \$ 30,878 |
| E 1 | Rate of Return | IRR | 4.9% | | | | | | |

Project: Thedford Town FTTH

Project Cash Flow

| Line | Source | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | |
|------|---------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------|
| A 1 | Total Project Investment | Attachment H | | | \$ 21,934 | | | | | | |
| 2 | Fiber | Attachment H | | | | | | | | | |
| 3 | COE | Attachment H | | | \$ 21,934 | Useful L | | | | | |
| B 1 | Company Match | Attachment L | | | | | | | | | |
| 2 | Company Match Fiber | A2*B1 | | | | | | | | | |
| 3 | Company Match COE | A3*B1 | | | \$ 21,934 | | | | | | |
| 4 | Company Capital Investment | B2+B3 | | | \$ 21,934 | | | | | | |
| C 1 | Depr Expense Fiber, 25 yr. life | \$ 17,128 | \$ 17,128 | \$ 17,128 | \$ 17,128 | \$ 17,128 | \$ 17,128 | \$ 17,128 | \$ 17,128 | \$ 17,128 | \$ 17,128 |
| 2 | Depr Expense COE, 11 yr. life | \$ 1,595 | \$ 1,595 | \$ 1,595 | \$ 1,595 | \$ 1,595 | \$ 1,595 | \$ 1,595 | \$ 1,595 | \$ 1,595 | \$ 1,595 |
| 3 | Total Depreciation Expense | 18,724 | 18,724 | 18,724 | 18,724 | 18,724 | 18,724 | 18,724 | 18,724 | 18,724 | 18,724 |
| 4 | SIT Rate | Input | 7.81% | 7.81% | 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% | 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% | 26.72% | 26.72% |
| D 1 | Revenue | \$ 122,651 | \$ 123,154 | \$ 123,653 | \$ 124,146 | \$ 124,635 | \$ 125,118 | \$ 125,597 | \$ 126,071 | \$ 126,540 | |
| 2 | Expense | \$ (105,767) | \$ (106,124) | \$ (106,478) | \$ (106,828) | \$ (107,175) | \$ (107,518) | \$ (107,858) | \$ (108,194) | \$ (108,527) | |
| 3 | Net Income | \$ 16,884 | \$ 17,030 | \$ 17,175 | \$ 17,318 | \$ 17,460 | \$ 17,600 | \$ 17,739 | \$ 17,877 | \$ 18,013 | |
| 4 | Taxes | \$ (4,512) | \$ (4,551) | \$ (4,590) | \$ (4,628) | \$ (4,666) | \$ (4,703) | \$ (4,740) | \$ (4,777) | \$ (4,814) | |
| 5 | After Tax Net Income | \$ 12,372 | \$ 12,479 | \$ 12,585 | \$ 12,690 | \$ 12,794 | \$ 12,897 | \$ 12,999 | \$ 13,100 | \$ 13,199 | |
| 6 | Depreciation Expense | \$ 18,724 | \$ 18,724 | \$ 18,724 | \$ 18,724 | \$ 18,724 | \$ 18,724 | \$ 18,724 | \$ 18,724 | \$ 18,724 | |
| 7 | Company Capital Investment | \$ - | \$ - | \$ - | \$ (21,934) | \$ - | \$ - | \$ - | \$ - | \$ - | |
| 8 | Net Cash Flow | \$ 31,095 | \$ 31,203 | \$ 31,309 | \$ 9,479 | \$ 31,518 | \$ 31,620 | \$ 31,722 | \$ 31,823 | \$ 31,923 | |
| E 1 | Rate of Return | IRR | | | | | | | | | |

