

## **Hartington Telecommunications Co., Inc.\_Kohles Acres\_ Attachment Letter G**

### **Business Plan for the Proposed network**

#### Proposed Project Details:

The project will provide Fiber-to-the-premise using GPON technology to 117 locations in Nebraska's 3<sup>rd</sup> Congressional District. These locations are in Kohles Acres area which is currently in the Great Plains ILEC service area. The Kohles Acres area is almost completely surrounded by the NBBP-3 grant award Project E that Hartelco received. It was not included in Project E because it is considered a low-cost area. The total project cost is estimated to be \$1,600,707.

#### Risk factors or legal challenges

The outside plant will be placed in the public right-of-way. Permits will be obtained prior to the beginning of any construction in each area. All other buried utilities will be located no more than 14 days before construction starts. This will allow the onsite engineer time to confirm the placement of the fiber optic cable, locate pedestals, handholes and electronics cabinets. For any electronics cabinet location that will need to have electrical power, coordination with the local electrical service will take place before the placement of the cabinets. Potential customers will be notified that drops will be placed on their property. If the potential customer does not want a drop on their property, no drop will be installed.

The on-site engineer will be available and have the authority to deal with any unexpected situation that may occur.

#### Financial Viability

(All dollars reported in 2024 value-no inflation adjustments are made for in revenue or expenses)

Applicant has attached a financial viability analysis for the project. The project will be cash flow positive in year four. Applicant projects it will receive revenue to maintain the network from the end user subscribers over the useful life of the network of approximately \$1,392,206. In addition, Applicant will receive \$1,520,671 in the form of a grant award through this Application CPF-2 for total revenues estimated to be \$2,912,878 (see Attachment Letter G\_2). Incremental expenses are estimated at \$35,000 per year. This projected cash inflow is estimated to cover the cost of construction. If any short fall shall materialize, applicant will internally finance the difference.

The major assumptions for the viability analysis includes an estimated take rate ranging from 70% to 85%, with an average revenue per month of \$74 per subscriber. These numbers are based on applicant's current take rate in areas it currently serves.

#### A description of the plans for long-term maintenance of the network built through the grant.

Hartelco uses our current staff to maintain network infrastructure using common industry practices for each of the services provided. The network and services will be monitored and supported 24x7x365 by Hartelco's technical and customer service staff. The applicant will leverage existing staff and processes to operate the proposed network deployment. Troubleshooting and service provisioning will be overseen by applicant office staff using a combination of existing automated systems. Orders for

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services will be taken by our customer service representatives. Equipment will be provisioned by our office technicians and professional installation will be completed by our outside plant technicians. In addition, Hartelco maintains service contracts with key vendors, contractors, and professional service firms if additional assistance is required. Hartelco currently complies with and successfully fulfills CAF BLS speed testing requirements.

Disclose any prior receipt of federally awarded grant funds for broadband deployment and provide copies of any past audits of federal awards.

Not Applicable

Attach copy of community engagement letter

For a copy of community engagement letter see Hartington Telecommunications Co., Inc, \_Kohles Acres\_Attachment Letter G\_1.