

UNITED ELECTRIC FIBER INITIATIVE PROJECT SUMMARY

United Electric Cooperative has submitted a proposal through the American Recover and Reinvestment Act (ARRA) to build an advanced FTTH (fiber-to-the-home) network capable of delivering high-speed broadband service up to 100 Mbps. United will also add additional fiber strands to create a dedicated 1 gigabit education network, providing our rural school systems and libraries an exponential increase in broadband access. This education intranet, named the Cooperative Network for Rural Education Advancement (CnREA) will open the door to advanced education options through the use of video delivery and shared resources.

The system will be an open network model with competing internet, video and voice providers offering advanced broadband applications directly to 4224 households and 58 businesses in rural, underserved portions of Andrew, Buchanan, Clinton, Dekalb, Gentry and Nodaway counties in Northwest Missouri. Furthermore, the United fiber network will provide the opportunity for up to 150 critical community anchor institutions, including 21 rural communities, 33 school facilities, 38 health facilities, 31 public safety entities, 5 libraries and 3 prisons to connect. The network spans 1370 miles at a cost of \$21.8 million, and United Electric Cooperative seeks a 70% grant, 30% RUS loan for the project.

Through our partner Pulse Broadband, United Electric will build a passive optical fiber-to-the-home network on existing electric distribution right-of-way, with planned drops to every home in the network coverage area. Pulse Broadband's patented, RUS-approved FTTH design is significantly less costly to build and to maintain than similar fiber networks, reducing the cost per premise passed to \$4919. United will utilize existing right-of-ways to eliminate adverse environmental impact.

Services offered over the network will include triple-play bundle options from multiple Internet, video and voice providers as well as home security, video surveillance, distance learning, tele-medicine, and other future end-user applications. Residential service levels will start at \$29.99 for internet service and approximately \$120 for triple-play video, voice, and data packages, while commercial rates will start at \$69.99. The network will also connect critical community anchor institutions and small disadvantaged businesses offering discounted rate packages to these entities at least 25% lower than the proposed base commercial rate packages for a minimum of three years.