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July 15, 2016

RECEIVED

Aaron D. Greenwell, Acting Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

JUL 19 2016

PUBLIC SERVICE  
COMMISSION

RE: Certificate of Public Convenience and Necessity / Doss Kennedy

Dear Director Greenwell:

Attached for your review is an application submitted on behalf of North Central Telephone Cooperative, Inc. for a Certificate of Public Convenience and Necessity to construct fiber-to-the-home in Allen County.

Enclosed are one (1) original application and ten (10) copies. Also enclosed are one copy of the maps, plans, specs, and drawings of the proposed construction in a pdf format on compact disk, and two (2) copies on paper.

Please call or email me with any questions.

Sincerely,

A handwritten signature in cursive script that reads 'Eileen M Bodamer'.

Eileen M Bodamer  
Consultant to North Central Telephone Cooperative, Inc.

Cc (email): Jim Steven, KY PSC

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUL 19 2016

PUBLIC SERVICE  
COMMISSION

In the Matter of:

THE APPLICATION OF NORTH CENTRAL )  
TELEPHONE COOPERATIVE CORPORATION, INC. )  
FOR A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY FOR THE ) Case No. 2016-00267  
CONSTRUCTION OF FIBER-TO-THE-PREMISE IN )  
ALLEN COUNTY, KENTUCKY, DOSS KENNEDY )  
REMOTE SERVING AREA )

APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR  
CONSTRUCTION OF FIBER-TO-THE-PREMISE IN ALLEN COUNTY, KENTUCKY,  
DOSS KENNEDY REMOTE SERVING AREA

Pursuant to KRS 278.020 and 807 KAR 5:001, North Central Telephone Cooperative Corporation, Inc. ("NCTC") hereby submits this application for a certificate of public convenience and necessity ("CPCN") for the construction of Fiber-to-the-Premise ("FTTP") in the Doss Kennedy Remote Serving Area of its operating territory in Allen County, Kentucky.

1. Pursuant to **807 KAR 5:001 Section 14(1)**, contact information for NCTC is as follows:

North Central Telephone Cooperative Corporation, Inc.  
872 Highway 52 By-Pass East / P.O. Box 70  
Lafayette, TN 37083-0070  
Attn: Johnny McClanahan  
Tel: 615-666-2151  
Email: [johnny.mcclanahan@nctc.com](mailto:johnny.mcclanahan@nctc.com)

2. Pursuant to **807 KAR 5:001 Section 14(2)** NCTC is a Tennessee Corporation chartered as a nonprofit cooperative association and in good standing. The company is registered as a foreign corporation with the Commonwealth of Kentucky. Registration and incorporation documents were provided in Case 2015-00011.
3. Pursuant to requirements of **807 KAR 5:001 Section 15(2)(a)** the following information is provided to show that the proposed construction is required by public convenience and necessity:

**Description**

NCTC proposes to place approximately 82 miles of new Fiber-to-the-Premise ("FTTP") facilities in the new Doss Kennedy Remote Serving Area ("RSA"). These new facilities

will provide fiber-optic service and broadband speeds of up to 1 Gbps to approximately 680 subscribers in the eastern portion of Allen County. Once fully deployed and converted, the new plant will replace existing copper facilities that currently serve the area and are at or beyond their useful life.

Many NCTC members in this area are unable to enjoy the higher minimum broadband required by the Federal Communications Commission (“FCC”). Those able to achieve the higher speeds only do so because they are physically located in areas with short loop lengths and typically because NCTC has modified the network to support these speeds. Approximately 330 of subscribers do not currently have access to the speeds defined as “broadband” by the FCC. Many of these are limited to a maximum internet speed of 512K. Some are limited to very low speed dial up internet.

4. In response to **807 KAR 5:001 Section 15(2)(b)** NCTC states that it does not require franchise approval from any public authority to deploy the facilities described herein. Any highway or railway permits will be obtained prior to start of construction. The majority of this construction will be on private right-of-way way. In the unlikely event that private ROW is unavailable, NCTC will apply for KDOT permits for those limited areas for which it lacks ROW.
5. Pursuant to **807 KAR 5:001 Section 15(2)(c)** NCTC provides the following information regarding the proposed construction:

The proposed location for this construction is the community of approximately 680 subscribers in the southern portion of Allen County in the company’s Scottsville Rural exchange. This area is served exclusively by copper cable facilities fed from its Scottsville Central Office and Remote Service Terminals. A map of the RSA is provided in **Attachment A**.

This construction is part of a Kentucky Regional Fiber Project and will enable NCTC to provide enhanced broadband services to approximately 680 subscribers, the majority of whom are unable to obtain broadband at even minimal speeds. When complete, subscribers in the affected areas will be able to achieve speeds of up to 1Gbps in both directions with the majority expected to initially request speeds of between 6 and 12 Mbps.

NCTC will deploy 82 miles of FTTP plant (route miles) and another 37 miles of drops. The distribution plant will extend from the existing Scottsville Central Office and from the new Doss Kennedy Remote Servicing Terminal. The Scottsville Central Office is located at 310 S. 3rd St, Scottsville, Kentucky. The proposed Doss Kennedy RSA will be located at 15 Doss Kennedy Road, which is also located in Scottsville, Kentucky. Distribution facilities will serve all subscribers that live within the new RSA boundary (see attached). Approximately 63 of the 82 route miles will be buried. End user premise equipment will be the Calix 716 GE line card. The equipment will allow for eight hours of battery back-up in the event of a power outage.

This project will be funded by RUS financing and subject to their specifications for OSP and customer premise cable. As shown in the Attachment to this application, the total cost for the project is estimated to be \$3.3M with the majority, \$2.5M, used for its outside plant. End user electronics, inclusive of labor, and engineering are estimated to be \$171K and \$628K, respectively. Funding for customer premise equipment will be from a combination of RUS loans, general funds, and, where applicable, installation fees.

NCTC has no competition for fixed broadband services in the proposed construction area.

NCTC expects construction to begin in March of 2017 and be completed in approximately seven months. Customers will be migrated to the new FTTP facilities initially on an on-demand basis and then as warranted due to cost, maintenance, and other business considerations.

6. Pursuant to **807 KAR 5:001 Section 15(2)(d)** two copies of the required maps, plan, specs and drawings are being included with this application as well as one copy in pdf format on compact disk.
7. Pursuant to **807 KAR 5:001 Section 15(e)** NCTC plans to finance all proposed construction, engineering and electronics through its traditional RUS loan (Tennessee V-545), which was approved on September 11<sup>th</sup>, 2011.

The term of the loan is from the date of borrowing through December 31, 2025. Interest will be set at rates determined pursuant to section 6(b) of the Federal Financing Bank Act (12 U.S.C. 2285(b)) and the FFB Lending Policy.

Accordingly, the repayment schedule will be dependent on 1) the timing and size of the withdrawals; 2) interest in effect at the time of the withdrawal; and 3) the length of time the company uses to repay the loan.

At this time, NCTC does not anticipate any local telephone rate adjustments associated with the project *per se*. Because its ability to fund such projects, however, is contingent on its continued access to Universal Service Funding, NCTC anticipates that it may be required to raise rates by the Federal Communications Commission to meet future federal urban benchmarks.

8. In response to **807 KAR 5:001 Section 15(f)** NCTC has not estimated an ongoing cost of maintenance of the fiber upon completion. Upon information and belief, the company anticipates that its ongoing maintenance and provisioning costs will be no more than and likely less, than its costs for its current network.

Based on the foregoing, and in accordance with KRS 278.020, North Central Telephone Cooperative Corporation, Inc. respectfully requests that the Commission issue a CPCN for construction of fiber-to-the-premise in Allen County, Kentucky.

Respectfully submitted,



Bobby Richardson, Attorney  
Richardson, Gardner & Alexander  
117 E. Washington St.  
Glasgow, KY 42141  
270-651-8884; 270-651-3662 (fax)  
[BHR@rgba-law.com](mailto:BHR@rgba-law.com)

North Central Telephone Cooperative Corporation, Inc.  
Application for a Certificate of Public Convenience and Necessity

Plan and Specs

The proposed location for this construction is the community consisting of 680 subscribers in the southeastern portion of Allen County in the company's Scottsville Rural exchange. A construction serving area boundary is attached. This area is currently served exclusively by copper cable facilities fed from the Scottsville Central Office.

Total Construction Estimate

Drops	680
Route Miles	81.89
Drop Miles (Est.)	<u>37.09</u>
Total Miles	118.98
OSP Estimate	\$2,512,691
Electronics Estimate	\$171,480
Engineering Estimate	<u>\$628,172</u>
Total Estimate	\$3,312,343

This construction is part of a Kentucky Regional Fiber Project and will enable NCTC to provide enhanced broadband services to 680 households that are currently unable to obtain high speed broadband service. When complete, subscribers in the affected areas will be able to achieve speeds of up to 1Gbps in both directions. The majority of subscribers are expected to request speeds between 6 and 12 Mbps.

NCTC will deploy an estimated 118.98 miles of FTTP plant. The distribution plant will extend from the existing Scottsville Central Office and from a new Remote Serving Terminal (RST), which will be located at 15 Doss Kennedy Road in southeastern Allen County. The new FTTP plant will be provisioned using Calix Central Office Equipment (COE) and the Calix E-7 Service Access Platform. Buried cable will be placed at a minimum depth of 40 inches along KDOT Right Of Way (ROW) and at a minimum depth of 36 inches along private ROW. All construction activities will be completed in accordance with the current USDA, Rural Utilities Service (RUS) Bulletin / Specification. KDOT and Environmental permits will be obtained before the start of construction activity.



