



415 Hepplewhite Dr.
Johns Creek, GA 30022
770-649-1886 / fax 770-645-6545
www.bodamer.com

January 27, 2015

Jeff R. Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Case No. 2015-00033

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JAN 28 2015

PUBLIC SERVICE
COMMISSION

RE: Certificate of Public Convenience and Necessity / Mt. Zion

Dear Director Derouen:

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,

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

Cc (email): Jim Steven, KY PSC
Johnny McClanahan, NCTC

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JAN 28 2015

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTH CENTRAL)
TELEPHONE COOPERATIVE CORPORATION, INC.)
FOR A CERTIFICATE OF PUBLIC) Case No. 2015-00033
CONVENIENCE AND NECESSITY FOR THE)
CONSTRUCTION OF FIBER-TO-THE-PREMISE IN)
ALLEN COUNTY, KENTUCKY)

APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
FOR CONSTRUCTION OF FIBER-TO-THE-PREMISE IN ALLEN COUNTY,
KENTUCKY

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 southern portion 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

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

In July 2014, NCTC applied for and received a grant from the Community-Oriented Connectivity Broadband Grant Program to extend fiber plant to the southern portion of the Mount Zion remote serving area ("the Project") thereby supporting advanced broadband services. Mount Zion subscribers receive limited broadband services; speeds

reach a maximum of only 512 Kbps in a few limited locations and the majority of Mount Zion customers still rely on dial-up services to access the Internet.

The proposed upgrade replaces forty year old copper plant. Existing loops range from 15,000 to 48,000 feet in length and are provisioned over an outdated, loaded, air-core network. The new plant will include 40.31 miles of Outside Plant (OSP) fiber, service drops, Central Office Equipment (COE) and Customer Premise Equipment (CPE). The plant will be provisioned using an Active Ethernet (AE), Fiber to the Premise (FTTP) architecture. NCTC chose this AE – FTTP architecture because of proven reliability and because it is widely accepted as the most technologically “future-proof” configuration available. The 10 gigabit transport portion of the network uses the Multi Protocol Label Switching (MPLS) configuration. FTTP distribution facilities will be constructed using a fully-redundant Ethernet Ring Protection Switching (ERPS) configuration. Upon completion, all Mount Zion residents will have access to internet speeds ranging from 5 Megabits per second (Mbps) to a full 1 Gigabit per second (Gbps).

4. In response to **807 KAR 5:001 Section 15(2)(b)** NCTC states that 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 however NCTC will also apply for KDOT permits should some private ROW be unavailable.
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 171 subscriber locations 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 Mt. Zion RSA. A map of the proposed construction is provided in Attachment B.

This construction is part of a Kentucky Regional Fiber Project and will enable NCTC to provide enhanced broadband services to 171 subscriber locations, 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 1G in both directions with the majority expected to initially request speeds between 6 and 12 Mbps.

The fiber facilities deployed in this Project will replace approximately the same mileage of antiquated copper plant. NCTC has approximately 625 miles of fiber plant in its Allen County, Kentucky operating area and the Project will augment that by 40.3 miles, or six percent (6%) of its existing fiber plant.

Distribution facilities will serve all subscribers that live within the RSA boundary as shown in Attachment A.

NCTC hopes to begin construction as early as February of 2015 and to be completed in approximately seven months. Customers will be migrated to the new FTTH facilities

initially on an on-demand basis and then as warranted due to cost, maintenance, and other business considerations.

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

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) the project will be financed as follows:

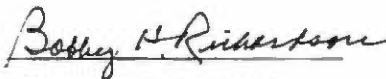
NCTC intends to fund the majority of this project through a \$1,771,035 grant from the Community-Oriented Connectivity Broadband Grant Program to extend fiber plant to the southern portion of the Mount Zion remote serving area thereby supporting advanced broadband services. The Project cost is \$2,083,871 and, under the terms of the grant program, NCTC will provide matching funds of \$312,836 from its general funds.

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.

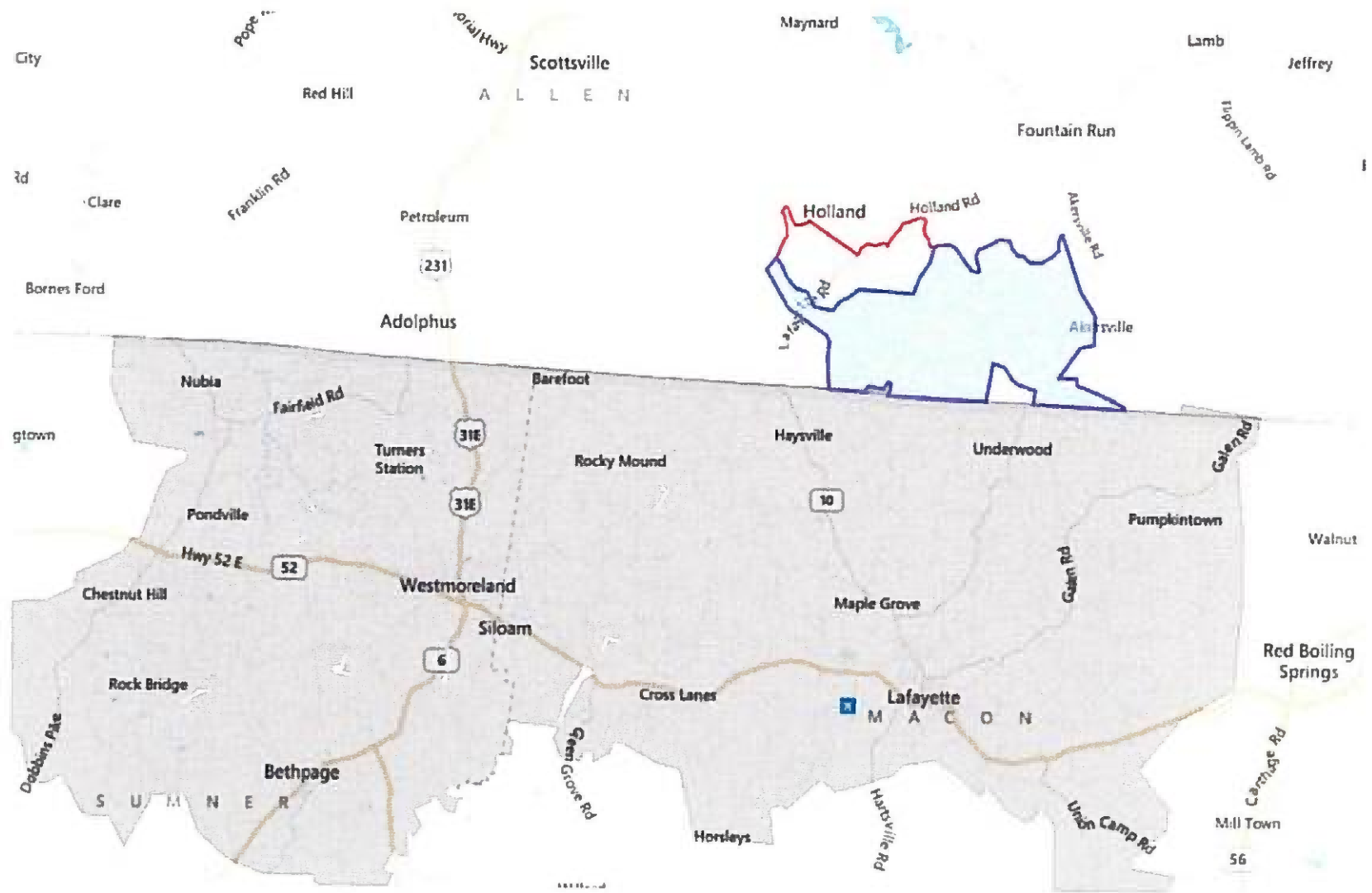
Based on the foregoing, and in accordance with KRS 278.020, North Central Telephone Cooperative Corporation, Inc. respectfully requests that the Commission issue a CPCN for construction of fiber-to-the-premise in Allen County, Kentucky.

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

North Central Telephone Cooperative
North Zion RSA
Attachment A
CPCN Application



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

Plan and Specs

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The proposed location for this construction is the community consisting of 57 subscribers and 171 households in the southern 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 Mount Zion Central Office.

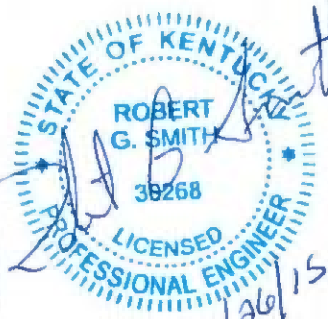
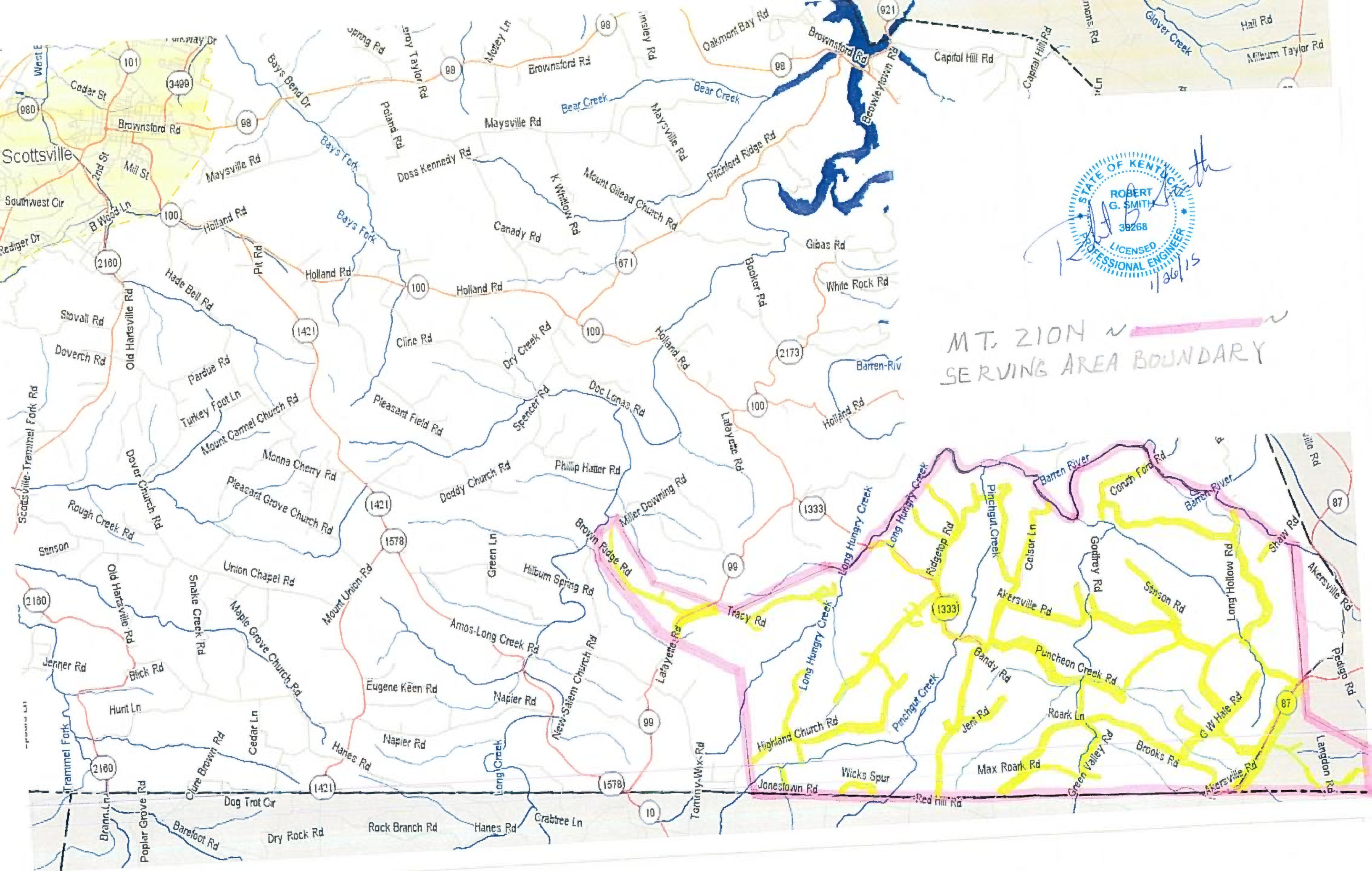
Total Construction Estimate

Drops	171
Route Miles	40.31
Drop Miles (Est.)	<u>12.95</u>
Total Miles	53.26
OSP Estimate	\$1,552,040
Electronics Estimate	\$79,414
Engineering Estimate	<u>\$358,641</u>
Total Estimate	\$1,990,095

This construction is part of a Kentucky Regional Fiber Project and will enable NCTC to provide enhanced broadband services to 171 households that are currently unable to obtain 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 53.26 miles of FTTP plant. The distribution plant will extend from the existing Mount Zion Central Office, which is located at 12 Bandy Road in south 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.


ROBERT SMITH
30268
LICENSED PROFESSIONAL ENGINEER
1/26/15



MT. ZION ~
SERVING AREA BOUNDARY