Advanced Broadband Comes To Rural America

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President and CEO
Bristol Virginia Utilities

Where in the World
is Bristol Virginia?
In the eastern United States of America

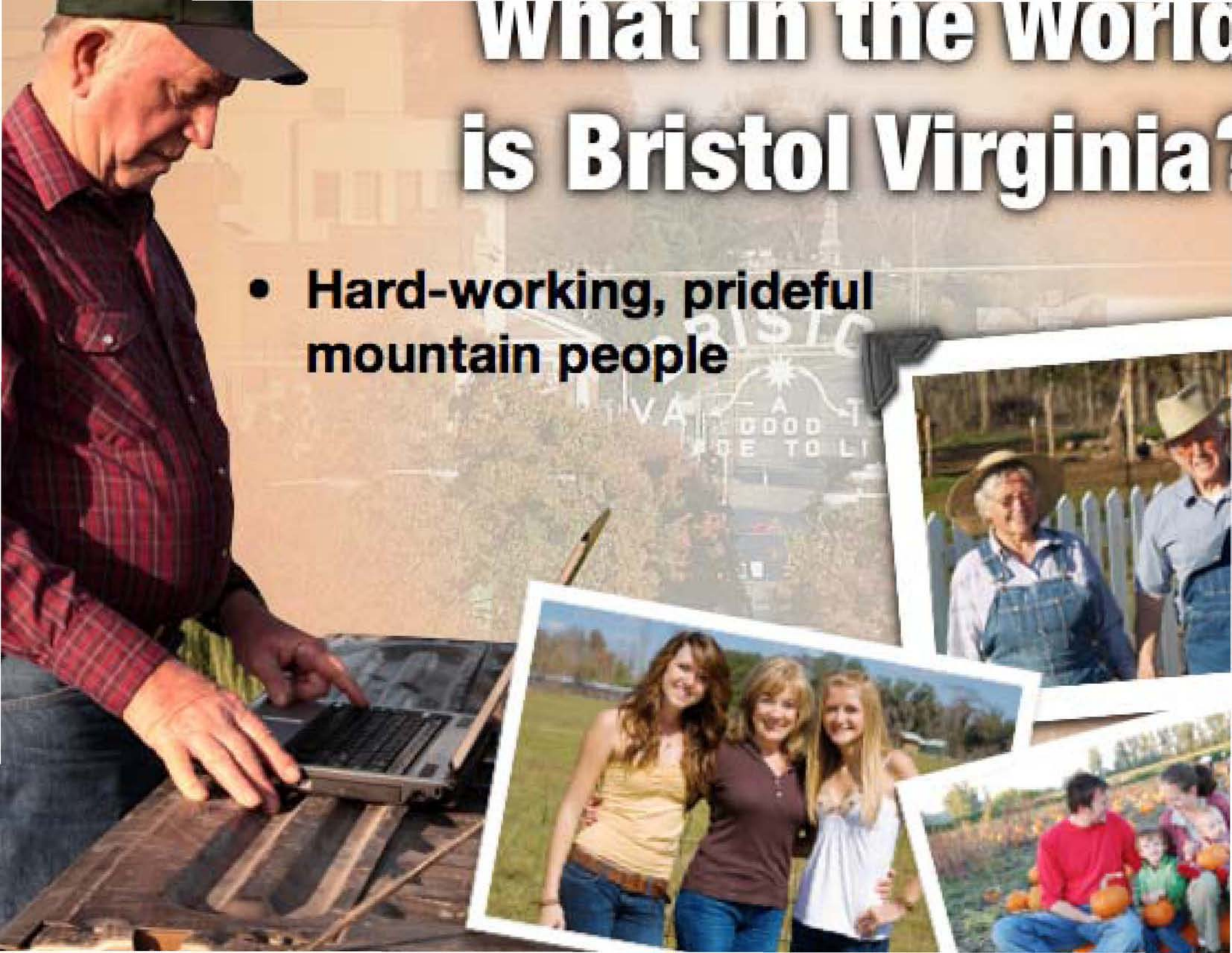
Where in the World
is Bristol Virginia?
In the Southern Appalachian Mountains

Where in the World is Bristol Virginia?

A small historic city bordering the states of Virginia & Tennessee

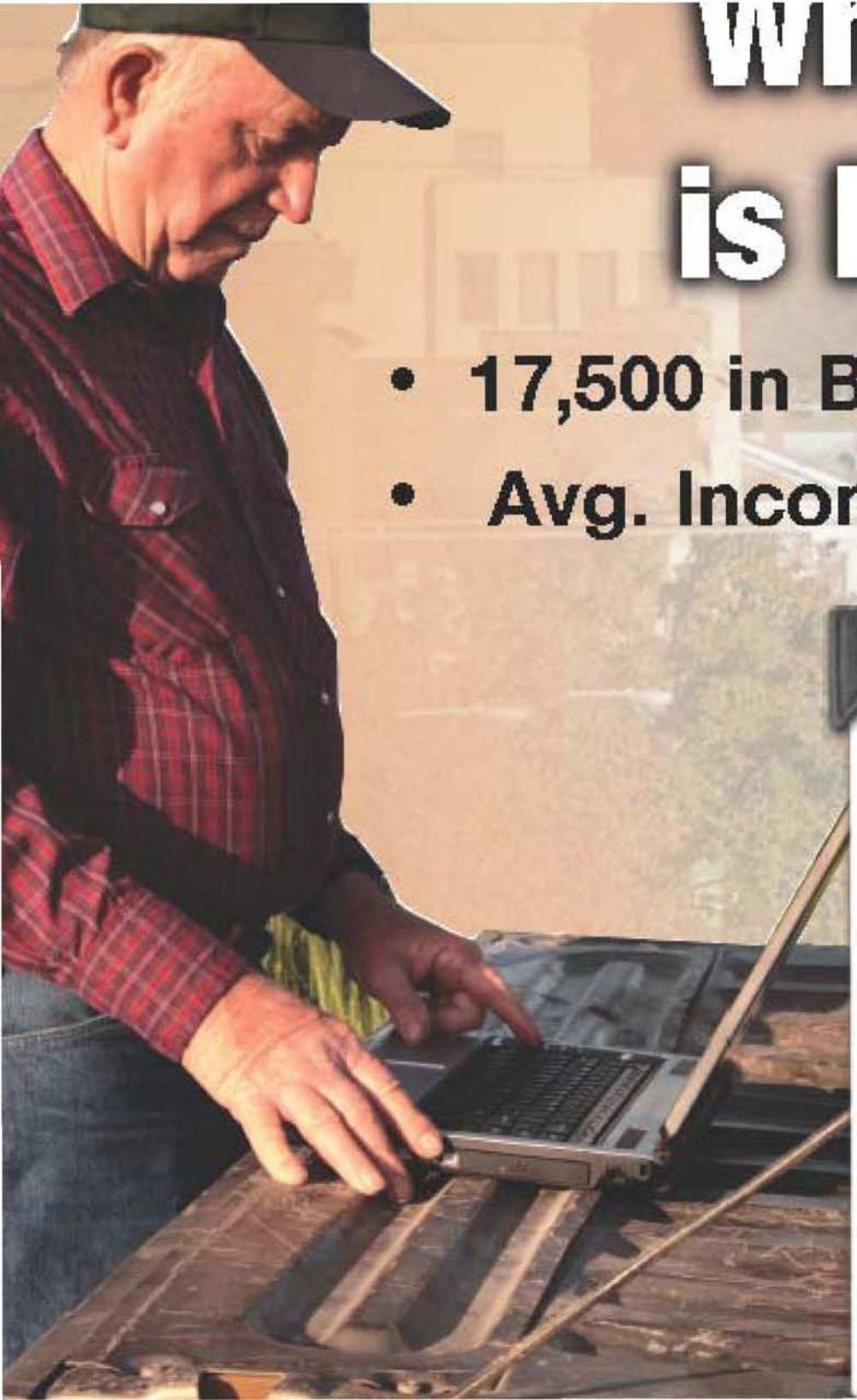
What in the World is Bristol Virginia?

- Hard-working, prideful mountain people



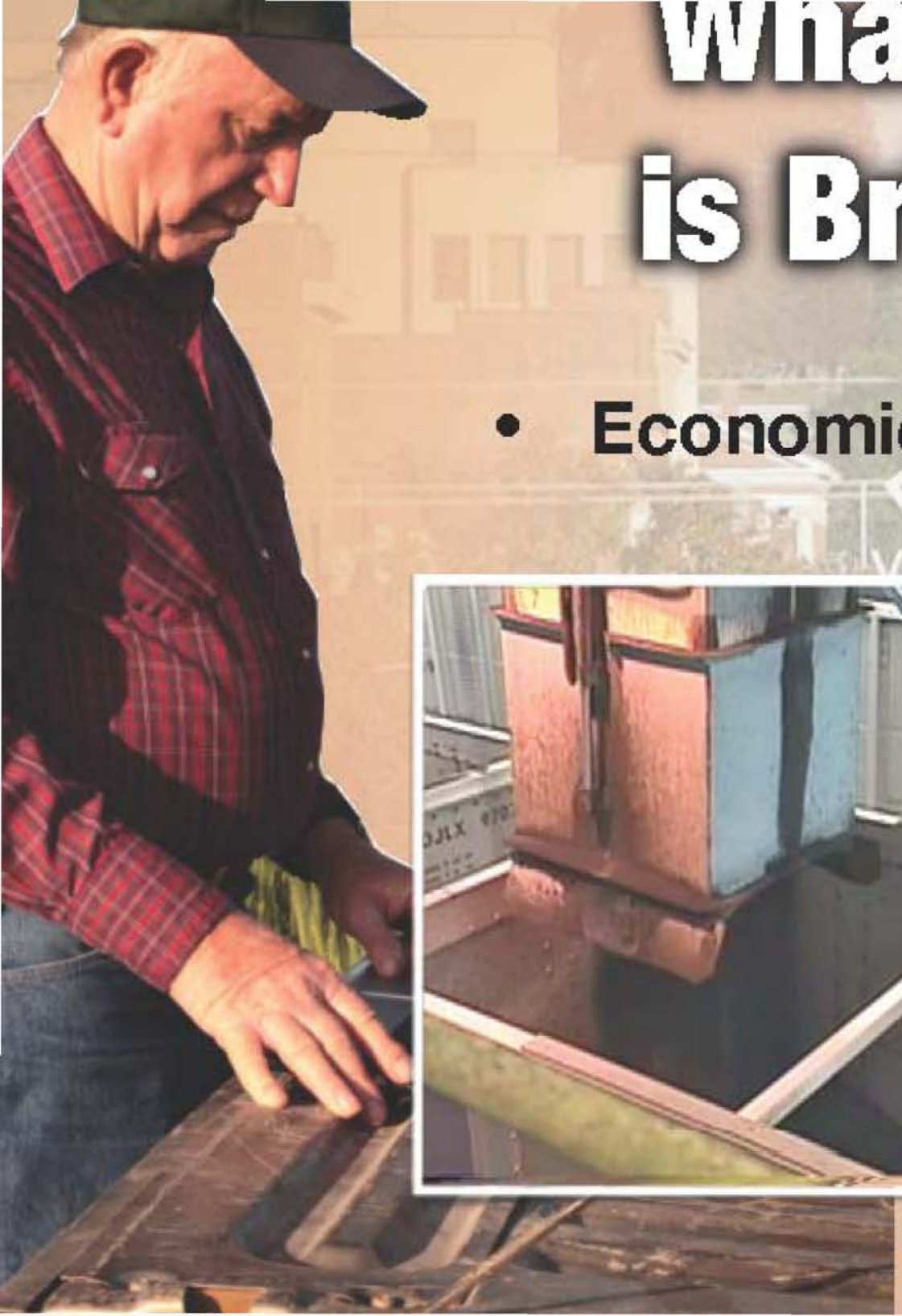
What in the World is Bristol Virginia?

- 17,500 in Bristol Virginia
- Avg. Income - $20,098



What in the World is Bristol Virginia?

- Economic Staples – Coal, Tobac



hat is Bristol Virginia known fo

MUSIC AND MOTORSPORTS

Birthplace of Country Music

"World's Fastest Half-Mile 160,000-seat NASCAR raceway

Economic Woes for Mountainous Virgini

2000-2008 - Coal productio declined annually by 5-10%

Since 1990 – Tobacc production has declined by 67%

Reasons to Leave Ho
Young people leave mountainou
Virginia for jobs elsewhere
Unemployment rate in regio
climbs to near highest in sta
Peaked at
6.4% in 2002
5.5% in 200

A SPARK OF HOPE

Broadband is Born in Bristol

999 - Bristol Virginia Utilities begins t

THINK BIG!

Need: **Improve communications at Bristol's 8 electric substations**

Answer: **Build advanced fiber-optic network**

igent
unity
Year
09

The Vision Expands

2000 - BVU's new broadband network connects city schools and government offices

nvestment in a fiber-to-the-user network position Bristol for future advancements in digital technolo

BVU

Will Advanced Broadband Really Work in Bristol?

- 2001 - Engineering firm determines fiber network cost
- Survey determines customer interest
- Business plans determine feasibility

VO's "Culture of Use" Missio

Enhance economic development

in rural mountainous Virginia

Improve quality of life

offer broadband access at

affordable, stable prices

BVU’s Uphill Battle

02 - Major Obstacles Encountered

Virginia law barred municipalities from offering telecom services

2 - Major Obstacles Encountered

- BVU sued State to overturn law

02 - Major Obstacles Encountered

- General Assembly reversed state law

2 - Major Obstacles Encountered

- ristol cable incumbent
- ought injunction to stop
- VU cable services

Virginia legislature allows municipalities to provide cable services!

More Obstacles Loomed in 2003

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- **Incumbent phone company accuses BVU of cross-subsidizing phone service**

- **BVU testifies before Virginia State Corporation Commission**

- **Commission rules against complaint**

Three years of hard-fought court battles and **$2.5 million** in legal fees later …

... **BVU** becomes the fir
municipal utility in the
United States to deploy
fiber-to-the-user networ
offering **triple play of
phone, cable and
data services!**

BVU's Aggressive Marketing Campaign

- BVU – a familiar name; a reliable electricity provider for 60 years
- Customer installs exceed projections
- Advanced entertainment services are added

BVU's Aggressive Marketing Campaign

- OptiNet saved customers more than $10 million based on competitors' rates and deals
- OptiNet had captur almost 65% of Bris market in 5 years!

Was It Possible to Share BVU's Fiber With Neighbors?

Neighboring rural coal counties had inadequate Internet & broadband services

BVU's broadband network could reach out to oth needy communities

Federal and tobacco funding sources enable partnerships to happen

A "new" OptiNet is born 2003 - 2007

BVU OptiNet partners with Cumberland Plateau Company - creates CPC OptiNet

- 200-mile fiber expansion in four neighboring coal counties
- $17 million in grants and matches

Benefits of CPC OptiNet

Passes 1,800 potential business customers, nine industrial parks

Provides phone, broadband to government offices, schools, hospitals

Attracts major technology companies - CGI, Northrop Grumman

Region now championed by state and national leaders as the "broadband gateway to Southwest Virginia"

CPC OptiN

Broadband build-outs in Southwest Virginia bring 1,220 jobs to "coal-producing counties, with more than $50 million in new private investment and $37 million in annual payrolls."

– Sept. 25, 2007, Kingsport Times-News

BVU / City of Bristol Collaborative Ventures

ACCESSBRISTOL – promotes Bristol Virginia
BRISTOL VIRGINIA OFFICE OF ECONOMIC DEVELOPMENT

s high-tech for new businesses

low-did-you-do-it" calls from around the world

VU creates BVU FOCUS to help other
unicipalities develop broadband solutions for
eir communities

FOCUS

Gets its First Customer

Aging cable, Internet system

Purchased by three North Carolina towns

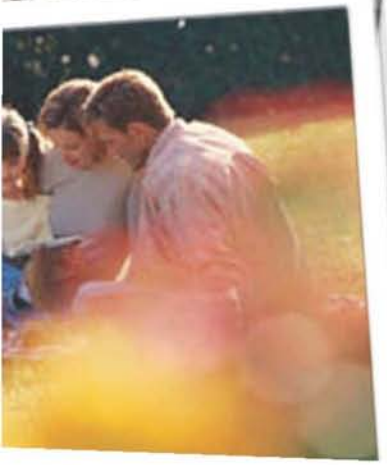
Renamed MI-CONNECTION® MECKLENBURG-IREDELL

OptiNet manages the system

5% customer growth in 2008

Exceeded revenue projection by 27%

A Hard-Earned Victory



- Business growth potential is unlimited for mountainous Virginia
- Quality of life has improved dramatically
- Since 2003 BVU's total revenues have increased by 50%

BVU OptiNet's Impact – Far-Reaching!

- Our network extends 800 miles
- Throughout eight rural Virginia counties
- To improve quality of life for more than 250,000 people

Virginia Utilities

BVU / City of Bristol Receives Lofty Recognition

2008 Virginia Governor's Technology Award in Cross-Boundary Collaboration

Governor's Technology Award

COVITS2008

GOVERNMENT TECHNOLOGY
SOLUTIONS FOR STATE AND LOCAL GOVERNMENT IN THE INFORMATION AGE

CENTER FOR DIGITAL GOVERNMENT

Virginia Utilities

BVU / City of Bristol Receives Lofty Recognition

2008 Gold Award for Municipal Excellence – National League of Cities

Virginia Utilities

BVU / City of Bristol Receives Lofty Recognition

2009 Top 7 Finalist for Intelligent Community of the Year

TOP 7

Intelligent Community of the Year

2009

Thank You!