



Fayetteville Public Utilities

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March 5, 2014

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, D.C. 20554

Dear Ms. Dortch:

The purpose of this letter is to express interest in receiving funding from the FCC's Connect America Fund to further expand fiber-to-the-home initiatives in the Fayetteville Public Utilities service area in Tennessee.

Background

Fayetteville Public Utilities is a multi-service utility that offers electric, telecommunications, natural gas, water and wastewater services to Fayetteville and Lincoln County, Tennessee. We are a not-for-profit operation and a combination of a municipal and an electric cooperative as the result of a 1963 merger of the two electric system entities that existed. FPU is unique in our state as we provide five utility services to both city and county residents. FPU currently serves 17,962 electric customers; 3,409 telecom customers; 6,100 natural gas customers; 4,521 water/wastewater customers in the area where services are available.

FPU entered the telecommunications operation in May 2000 as a non-profit venture to offer our customers a choice in cable and high-speed internet providers with intentions of offering competitive pricing and 24/7/365 emergency service – something that is unprecedented in our area. We worked with Tennessee's state and local officials to pass legislation to open doors for municipal power systems to enter the telecom business in our state and offer our customers an alternative to pre-existing cable companies. Our goal was also to reach homes in our service area that had been deemed outside the service territory of other telecom providers.

Just a few years ago, FPU added the digital phone service to our telecom package which gives our customers another choice in phone service providers at competitive prices.

With endeavors to increase our rural service territory, we recently partnered with Education Networks of America (ENA) and the Lincoln County School System to construct fiber infrastructure to

six county schools to bring improved Internet service and communications to our school and to their students. All totaled, FPU built 45.73 miles of fiber to serve our county schools. This project also incorporated FPU installing fiber to nine of our 10 of our electric substations located in close vicinity of the schools to enhance communication links through our Supervisory Control and Data Acquisition (SCADA) system for station monitoring and outage reporting at our main office. The fiber installation also has helped FPU increase security and be able to operate our electric substations via SCADA.

In the rural areas where fiber is connected to our substations and county schools, FPU has the potential to bring fiber to customer homes and improve their connectivity through our telecom services. Many of these areas presently have limited or no existing telecom services.

Our goal is to continue expanding fiber to homes in rural areas making high-speed Internet, phone service and video available to our customers. Customers across our service have expressed the desire to have FPU telecom services for years, but cost of construction delays our approach.

Fayetteville Public Utilities is aggressive when it comes to providing much needed utility services in our rural county areas. In fact, we are currently working to install fiber to the homes of 120 potential customers in the southern portion of our service area as a result of the previously mentioned project with Education Networks of America.

Geographic Territory/Census Blocks

FPU is proposing to serve the majority of rural Lincoln County, TN, with fiber-to-the-home service. We are applying for the FCC Connect America Fund in order to further our mission of connecting customers to the services they want and deserve. Our proposed plan would place fiber optic communications in the homes of 7,300 rural families in our area, many of whom have no access to such services.

The census tracts FPU is targeting for this fiber expansion includes 975500, 75602-1, 975700-1, 975200, 975100, and 975000. These include rural communities of Flintville, Bellview, Blanche, McBurg, Petersburg and Mulberry. This project would take advantage of the "last mile" fiber optic infrastructure already in place and provide the triple play service that customers in urban areas currently enjoy. FPU's overall customer density averages about 9 customers per mile, but our rural areas are considerably less.

Proposed Plan/Technology

Our plan will provide fiber-to-the-home access to underserved areas of rural Lincoln County, TN. Expanding fiber to the homes and businesses in these census blocks will improve and enhance education, awareness, training, equipment, support to schools, libraries, medical and healthcare providers, emergency response teams, and other community support groups by or through these organizations.

It will offer much needed service and communications access for those who are considered low-income families, unemployed, aged and otherwise vulnerable populations.

From the beginning, FPU has built our broadband system with future growth in mind. Our current infrastructure will support proposed expansion to the homes of those who are underserved or are not currently served by any broadband service provider.

In the census tracks proposed, FPU could possibly build up to an additional 814 miles of fiber in these communities and improve access to educational tools for all ages and will promote economic development throughout our area and Tennessee.

Anchor Institutions

The census blocks for FPU's FTTH expansion would include the following anchor institutions:

6 Volunteer Fire Departments

4 US Post Offices

1 FPU Electric Substation

Rural / Home-Based Businesses

Churches

Scalability

FPU fiber is offered to our customers at speeds of 13, 15 and 17 mbps, but we have the capability to also offer customers speeds of 20, 50 and 100 mbps. Our fiber system is built with future growth in mind, so increasing bandwidth is forward-thinking. Our current speeds are offered to residential and commercial customers at \$43.99 for 13 mbps, \$63.99 for 15 mbps, and \$76.59 for 17 mbps.

With the fiber lines installed with the ENA project with county schools, FPU can easily convert our current 1 gig service to 10 gig. The increased 10 gig service would be offered to our anchor institutions.

State and Local Government Participation/Support

FPU has always had the support of our state and local governments as it relates to expanding services to our customers. We have been able to secure necessary funding through loans and grants to build our system and to continue its growth over the past 14 years. Partnering with the Education Networks of America has helped broaden the availability of fiber to rural customers who otherwise would not have access to such services.

Existing Providers

In the census tracks selected for our fiber expansion, there are existing Internet and phone service providers. MediaCom, an Alabama-based telecom provider, and AT&T offer limited service in portions of the census tracks. Ardmore Telephone/Ben Lomand, a telephone cooperative, also offers limited DSL and phone service in a small portion of the southern tracks. For the majority of our census tracks, there are no providers of telecom services.

Project Timeline

FPU would be able to complete an engineering and financial study within three months and be ready for construction five months after receiving award of the FCC Connect America Fund.

Total Utility Investment

FPU estimated this proposed project for fiber-to-the-home expansion to cost around \$20 million to complete and is simply economically impossible without the financial assistance offered through the FCC Connect America Fund.

Fayetteville Public Utilities appreciates the opportunity to provide this expression of interest to the FCC. Your consideration of our proposal of expanding fiber-to-the-home service in our rural areas is also appreciated. Please contact me if you have any questions.

Respectfully submitted,



Britt Dye
CEO and General Manager