



City of Laurinburg *City Manager*

To Whom It May Concern:

The City of Laurinburg, North Carolina is writing to express interest in bringing broadband to its citizens and county residents in the Piedmont area of North Carolina (see location map, appendix 1). Laurinburg is located on US Highway 74, a major east-west four-lane highway, US Highway 401, a major north-south four-lane highway, and minutes away from Interstate 95, which runs from Maine to Florida. Also located just 43 miles from Fayetteville and Fort Bragg, Laurinburg is conveniently located for residential or business purposes for the expansion generated by Base Realignment and Closing (BRAC) and the impending growth of Fort Bragg. The city settled in 1785 and was incorporated in 1877. The current population is approximately 16,000.

As of January 1, 2014, the city is serving 5,868 electric customers and 11,000 water customers in Scotland County. The city only serves one industry customer, 4,894 residential and 883 commercial customers. The Electric customers are primarily in the city limits, where the water customers are mostly rural customers in the county. The city is served from one delivery point from Duke Energy/Progress. The coincident peak demand for 2013 was 27,502 KW. As stated, most have the water and electric customers are rural and low income.

Scotland County is listed as a Tier 1 and a Golden Leaf County by the North Carolina Department of Commerce. The Tier designation is given to counties as the most distressed 40 counties in the state.

The city at present operates fiber optic infrastructure to serve the city's facilities, county office facilities and they provide a fiber route to serve all the county school facilities. The city has a supervisory control and data acquisition (SCADA) system operating at one delivery point and at each of the city's water plants, and wells. The SCADA system is key to keeping the distribution system operating reliably and providing state required supervising and reporting for the water system. The city proposed to replace the existing fiber optic system installed in the early 1990's with a new 96-fiber deployed on existing city poles and right-of-way with 50 miles of new fiber optic cable. The city's fiber system will utilize the MCNC system that runs through the city as a backbone for this system that will result in creating a redundant loop to insure reliable operations at all times. The city also has a contract with Broadplex, a MCNC approved provider for Internet and other content to the city and its citizens.

The fiber system will be reaching into all of the rural areas of Scotland County and will also be located in proximity to a number of municipalities such as the towns of Wagram, Laurel Hill, and Gibson. Additionally, the system will pass a number of cell towers, businesses, local and state government operational officials, Laurinburg/Maxton Airport Industrial Park, and other entities both public and private.

The fiber system will enable the city to move forward in implementing an efficient and secure download the metering information and enable the use of an AMI system as a more capable tool operationally for trending and load projection and as an outage management tool. The SCADA system will not only be more secured operationally, but it will enable expansion of that system to full scale distribution automation technology that will make the operation of the system more reliable. There are other corporate uses for the fiber including enhancing the city's internal phone system and field communications capabilities.

The system will be designed and deployed with adequate capacity to allow use of the system by others since this system will be located in some very rural areas that do not presently have access to broadband capability. The potential customers would include hospital and doctor offices, clinics, all cell towers, county first responders and sheriff's departments, provided last mile connection to St. Andrews University and community colleges served by MCNC, municipal police departments and any number of businesses that range from retail operations to large farms, local banks, and even residents. It would also be utilized as a means of facilitating route diversity and for entities needing communications links in this part of the state. These services would all be paid for by those using them so it is the intent that these services would support the operation of the system so as not to be a detriment to the electric or other city revenue customers in terms of a rate basis.

The existing providers in the service area are largely confined to AT&T and Time Warner Cable for most telephone and Internet capability.

It is expected that the city would take approximately 2 years to deploy this system and construction could begin as early as third quarter 2014. It is expected to cost approximately \$1,000,000 to upgrade and deploy this system and upgrade.

As explained above the system can be utilized, not just by the city and county for its operational needs, but would be useful for other applications throughout Scotland County. As stated, these services could support and be used to expand the system and its capabilities. That is made possible by the city's existing infrastructure, which will enable relatively easy deployment, and by the use of the MCNC system as a backhaul resource to every data center in the nation. This would enable any provider to get to any customer on this system to bring the best possible level of service available. It would also enable other technologies such as wireless broadband to serve residents not served directly off the fiber system that would cut capital costs to deliver broadband service to every county resident after the system has been deployed. This construction and deployment would enable the city to market its broadband technologies as a "1 Gig City" to attract new businesses to the area.