

Fiber Project Update

VELCO Operating Committee August



Project Update

Fiber Optic Backbone and Electronics

Engineering Design, Scoping, and Procurement

- Stowe engineering package is complete
- Provided GMP with 2013 build design documents for permitting evaluation
- Continue to review small fiber runs required to implement fiber backbone
- Project scope remains at approximately 850 miles depending upon successful negotiations with Telco providers
- Working through existing inventory and ordering assuming the 850 mile scope
- Approximately 70 of the 850 miles may be deferred to 2013
 - These are VEC and GMP lines with permitting and timing issues
- Third party co-build discussions ongoing
 - Agreements exchanged with VTel and Sovernet
 - Continue to seek agreements on language
- VELCO sites for electronics readiness scopes are complete

Project Update

Fiber Optic Backbone and Electronics

Field Work

- Make Ready is complete for approximately 750 miles
- Approximately 750 miles of fiber installation is complete, with over 30 miles in construction
- DWDM and CES Site readiness SOWs are complete
 - All DWDM racks are ready
 - CES rack deployment is planned for Sept
 - Power Converters and Breaker Upgrades are complete on 24 of 26 sites

Regulatory/Communication/Permitting Activities

- Reviewed fiber ownership strategy on distribution with GMP
- Legal opinion summary:
 - Must have a plan to move fiber to communications space within 3 years
 - Regardless of ownership, once placed in the electric space third parties can request same access
 - Allowing non-utility entities access to the fiber erodes any minor defense the utility may use to try and limit access to electric space

Project Update

Fiber Optic Backbone and Electronics

Schedule

- Fiber installation scheduled to be completed- EOY2012 (with deferrals being evaluated)
- Splicing and testing is generally following cable installation – 1Q2013
- Site readiness complete on all DWDM VELCO sites – 3Q2012
 - *Central ring planned for August deployment*
 - *Northern and Southern rings to follow*
- Site readiness for CES are planned for 4Q2012
 - *CES will be deployed as time permits as it rides on DWDM*
- Cyber security meetings planned for August with VELCO-IBM-Ciena

