

Fiber Project Update

VELCO Operating Committee December



Project Update

Fiber Optic Backbone and Electronics

Fiber Optic Backbone

Overview:

- The work consists of approximately 30 different subprojects with installation on both VELCO- and DU- Owned Infrastructure; the work is in varying stages of development; i.e. engineering, construction , and splicing.
- Costs to date for the project (through the end of September) are approximately \$26.1 M (49% spent) of a \$53 M project estimate for fiber installation only.
- The project remains “on track” to meet its budget and schedule goals, based upon analysis to date.
- Since the approval of VELCO electronics for the Lit Fiber Project was secured, procurement of an integration vendor is underway VELCO expects selection before the end of December.
- BOD approval of the DU electronics budget is still required, with the approval expected at the February BOD meeting.

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Engineering Design and Procurement

- Engineering is 95% complete, with over 750 miles issued for review, and approximately 700 miles issued “final”.

Field Work

- Make Ready is complete for approximately 390 miles.
- Over 400 miles of fiber installation is complete, with over 100 miles in construction.
- Approximately 140 miles of material is available.

Regulatory/Permitting Activities

- Highway crossing permit issues have been addressed and the project has completed segments with the crossing that were previously delayed.
- Generally, Section 10 Crossing Permits continue to be received well in advance of construction, the group recently expedited a permit for crossing over the Otter Creek.
- VELCO continues to work with CVPS, GMP, VEC, and WEC to identify easements and clearance issues within their scope.

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Schedule

- The work is currently scheduled to be completed at the end of 2012.
- Approximately 400 miles of the work is scheduled to be installed by the end of 2011.
- Splicing and testing continues with the goal having the splicing activities follow closely behind cable installation..
- Construction progress and coordination meetings continue with the Vermont Distribution Utilities.
- Scoping visits continue and surveying, when required, is being completed to support engineering, currently the team is examining distribution routes across the southern part of the state to complete the southern ring.



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- **Risks, Challenges, and Management Items:**

- Ensuring schedule coordination among the project stakeholders, in particular reviewing lit fiber deployment schedules with the affect DUs- example JMUX solution for CVPS since the .
- Making sure that material is ordered well in advance of construction.
- Ensuring that review of preliminary design work is complete and rationalized to goals of the project (example make ready change out rates on all segments).
- Managing the impacts and opportunities presented by the merger of GMP and CVPS.
- Availability of qualified resources to string the fiber (lately storm events have resulted in crews leaving for storm restoration).
- Reviewing winter construction efforts.
- Understanding scope impacts of recent negotiations with telecom providers.