

Pricing and Summary of WiredWest Regional Broadband Solution

Residential Service Pricing

- Economy Broadband Service - 25/3 Mbps* @ \$59 /mo
- Standard Broadband Service - 1 Gbps* @ \$75 /mo
- Optional Add-on full featured Phone with domestic long distance @ \$19 /mo (Can keep same number, no stand-alone phone available)
- One time activation fee: \$99

* Speeds are best effort. Business level service with dedicated bandwidth will be available for higher prices.

Billing and Cash Flow

- Subscribers will get a monthly bill from WiredWest including any surcharge their town assesses. State and Federal mandated taxes will be included/itemized on the bill (e.g., for phone service). Note: Internet service is not taxed at a federal level.
- Collected surcharges are sent to the respective towns.
- WiredWest pays vendors for internet service (ISP), network operation, maintenance/repair, and back office services.
- WiredWest pays for bandwidth/backhaul, backhaul transport, and any required leasing of fiber.
- WiredWest directly pays pole license and bonding fees, insurance for equipment, electricity to huts for the towns.
- At the end of the year, if there are excess revenues beyond what needs to be retained for reserves, these will be distributed to towns proportional to each town's top line revenue.

Town Responsibilities

- Finance, design, and build your independently owned fiber network within WiredWest guidelines, either with MBI or on your own.
- Build and pay for any capital expansion (e.g., connections to new homes or developments)
- Pay debt service and annual depreciation reserve either from taxes or subscriber surcharges.
- Set policy about who pays for physical connection from curb to premise with ONT installation. (e.g., town might pay for pre-subscribers but require those who sign up later to pay full cost).
- Make a good faith effort to achieve high take rate.

WiredWest Responsibilities

- Provide guidance for designing networks to facilitate regional operation. Also provide related advice about equipment choices, design, and financing of networks.
- Coordinate linkage of networks. Arrange for any required leasing of fiber, purchase of equipment needed for linkage, purchase of backhaul transport service and bandwidth. This may require some small equipment purchases by towns or WiredWest (~1k)
- Hire vendors to handle internet service, network operation, and back office services such as sales, billing, customer service, tech support, etc.
- Arrange and pay for insurance, maintenance of inside and outside plant, pole license and bonding fees, electricity, other operational costs, but not debt service or depreciation reserve.
- Manage cash flow retaining some earnings for necessary reserves and returning excess revenue to towns proportional to each town's top line revenue.
- Collect and return to towns any surcharges each town may determine to charge its subscribers.
- Advocate on behalf of towns for necessary policies and cooperation from the state and/or private companies.

Advantages

- Convenience of having WiredWest manage the network and hire vendors
- More control over pricing, policies, and quality than with private partner owned network
- Better prices due to volume purchasing and consolidating services
- Linking town network in rings makes them more resilient as network traffic can be instantly rerouted when a line goes down
- Spreading various types of risk across the whole region reduces it for each town. For example, some towns may be quicker than others to get their take rate up to a level that meets expenses. Also, a freak accident that causes expensive repairs might be devastating to an individual town, but could be absorbed by the larger region.

For more details, visit <http://wiredwest.net>

YOUR TOWN FEE WORKSHEET

Town fee is an added charge by each town to cover the depreciation-reserve and/or debt-payment. This takes the form of a dollar-amount to be added to each subscriber's monthly bill, determined by the town, and can be changed from year to year. This worksheet is showing a simplified version of the calculation. Please contact the WiredWest Executive committee for a meeting with your finance committee and town leadership to understand the assumptions and contingencies behind your town's numbers.

Your town's needed depreciation reserve: _____(A)

Your town's total number of expected subscribers (high): _____(high/limit 60%)

Your town's total number of expected subscribers (low): _____(low)

(Example: if you have 600 households and think you can expect a 50% take rate, your subscriber number would be 300)

$A \div (\text{high}) \div 12 = \$$ _____ Added town fee per subscriber per month

$A \div (\text{low}) \div 12 = \$$ _____ Added town fee per subscriber per month

SERVICES	COST	ADDED TOWN FEE	TOTAL MONTHLY COST
Standard (1Gb)	\$75	PLUS \$_____	\$
Standard plus phone (\$19)	\$94		\$
Economy (25 Mbps)	\$59		\$
Economy plus phone (\$19)	\$78		\$

NOTES: