

October 2015

DMEA's Amended Position Statement, Regarding Its Fiber Optic Network

In April of 2014, the board of Delta Montrose Electric Association (DMEA), drafted a position statement regarding its proposed fiber optic network since that time the board has amended this position paper in August of 2014, January of 2015 and June 2015.

In late June 2015 the board of directors held a work session to review a completed business plan which considered the following three last mile options: retail model; wholesale model; and a hybrid model.

As part of their 2016 strategic plan, the board has identified the following next steps in regards to its fiber optic network and the possibility of becoming an Internet service provider:

2016 Strategic Goal

Support Region 10 efforts in furthering broadband

2016 Action items

- Complete fiber build to DMEA substations
- Complete commercial perfection of easements for all DMEA fiber involved in Region 10 effort
- Light fiber to Albuquerque as needed
- Transfer assets between DMEA and DMEAUS as appropriate

In 2016 DMEA's primary focus will be to work with Region 10 to support the completion of the middle mile in our service territory. Beyond that, the DMEA board will continue to gather information regarding their option to become an Internet service provider.

DMEA will also continue to discuss options for our fiber network with regional and local entities that would benefit from having access to the network. DMEA welcomes feedback from and partnership with any entity that believes they could play a role in helping us as we attempt to tackle this great need.

DMEA continues to be excited about the value that a robust fiber optic network will bring to its membership. The completion of the DMEA fiber rings, to connect our substations, is expected to be completed by late 2016.

Due to the highly competitive nature of this business, at this time, the business plan and details of our strategic efforts in broadband will not be available to the public.

For historical reference, the following is a synopsis of the board's position statements beginning in January 2014:

- *DMEA's board of directors has approved a fiber optic network for electric operational use that will connect all of DMEA's substations via fiber optic rings to the Montrose headquarters.*
- *DMEA realizes that once a fiber network is constructed, there is potential to allow public access to the incremental capacity available.*
- *DMEA may incur additional costs to make public access capacity available. Those costs include commercial right of way perfection on existing easements over the entirety of the fiber network.*
- *DMEA's board of directors has a fiduciary obligation to the cooperative and its members, to ensure that additional costs incurred in allowing public access to DMEA's fiber network do not make their way into the rates charged for electric service. Incremental public access costs will need to be offset by revenue from outside subscribers and outside contributions to the incremental costs.*
- *DMEA's board of directors has approved the development of an in-depth business plan for broadband solutions.*