



For immediate release

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BrightRidge board votes to seek regulatory approval for high speed broadband project

JOHNSON CITY -- BrightRidge Board of Directors voted unanimously Tuesday to seek regulatory approval for a phased, 8-year roll out of high-speed internet, television and phone services to its 78,000-customer service area.

"There is no doubt that the essential utility of the 21st century is high-speed internet," BrightRidge CEO Jeff Dykes said. "However, this is not an inexpensive venture, so we built a plan with maximum flexibility moving forward. The result is a business plan that allows the Board to call a halt at any funding stage, and still continue with a viable broadband division."

Working with Magellan Advisors, BrightRidge constructed a modular approach that allows each of the eight individual phases to stand alone as a viable business.

Business Development & Planning Committee Chairman Jenny Brock said benefits to electric customers include enhanced broadband access as well as potential interest earnings that far outstrip the return available from other allowable investments

"Our most important job is to serve our electric customers," Brock said. "And our electric customers will reap the biggest benefit from this effort, through improved services as well as interest income generated from inter-company loans. If all eight phases are funded, electric customers can expect \$20.8 million returned over 15 years from interest on the loans, which will likely be allocated for capital reinvestments in the system that would not have otherwise been available."

BrightRidge invested months investigating the potential of a high-speed broadband internet division, securing the services of Magellan Advisors to assist in market research as well as development of business and operational plans. The resulting plan is a hybrid system, with high-speed wireless offered in lower density rural areas and fiber broadband to the premise in higher density areas.

"This is a serious investment, enhancing services to our residential customers while adding to economic development opportunities for the communities we serve," Board Chairman B. J. King said. "The board has researched many models over the past two years looking to make effective use of our existing assets while also protecting our electric customer base. I feel comfortable saying we now have such a plan in hand."

If funded through phase eight, sufficient infrastructure would be in place to provide high-speed broadband fiber and/or wireless to 75 percent of the BrightRidge service area, beginning in Washington County and Johnson City. Limited availability would be provided in Jonesborough, Colonial Heights, Piney Flats and western Carter County as early as year two.

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With Tuesday's vote, BrightRidge will move forward to seek regulatory approvals from Tennessee Valley Authority, the State of Tennessee and the Johnson City Commission. BrightRidge aims to gain these approvals by the second quarter of 2018, initiating wireless service by May 2018.

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