Kit Carson Status of Rights of Way Rules and Fees

Presented by Luis A. Reyes, Jr.
November 29, 2021

Transportation Infrastructure Revenue Subcommittee

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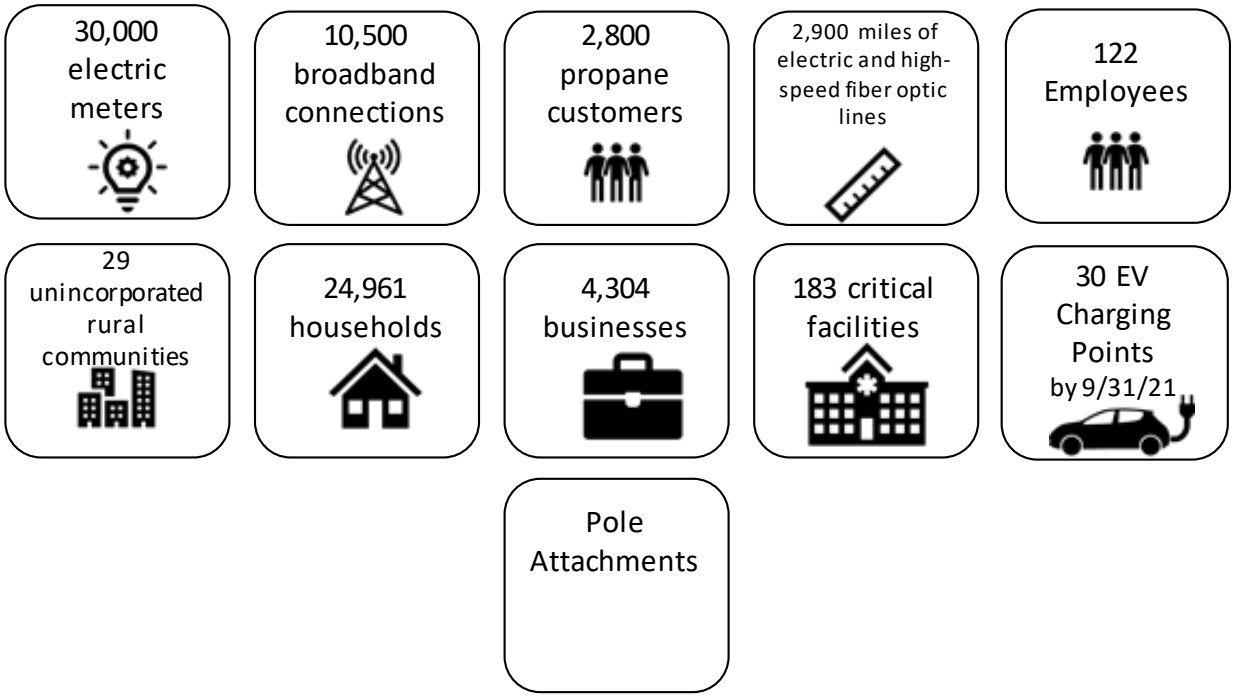
Kit Carson Electric Co-op (KCEC) by the Numbers



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Kit Carson Electric Coop's Energy Transition & Grid Modernization Goals

- Reaching 100% Daytime Solar in 2022 (DER)
  - Currently at 63% Daytime Solar (Capacity), 24% Energy
  - 41 MW Solar and 15.75 MW BESS
  - Diversifying the Energy Portfolio by adding Wind and additional battery storage (Under Contract 2024)
- Affordable and Stable Cost of Power
  - Energy Efficiency Programs
  - Fuel Conversion Program
  - Modern Rate Design
- Connecting the Grid for Real-Time Visibility – Camus Energy (DSO)
- Partnerships with Schools, Municipalities, Governments and Communities
- Implementation EV Infrastructure Plan
- Facilitator of Energy Services
- Fiber Optic / Broadband Upgrade 10 – 100GB
- Creating Microgrids (El Rito, UNM Taos and Picuris)
- Cybersecurity

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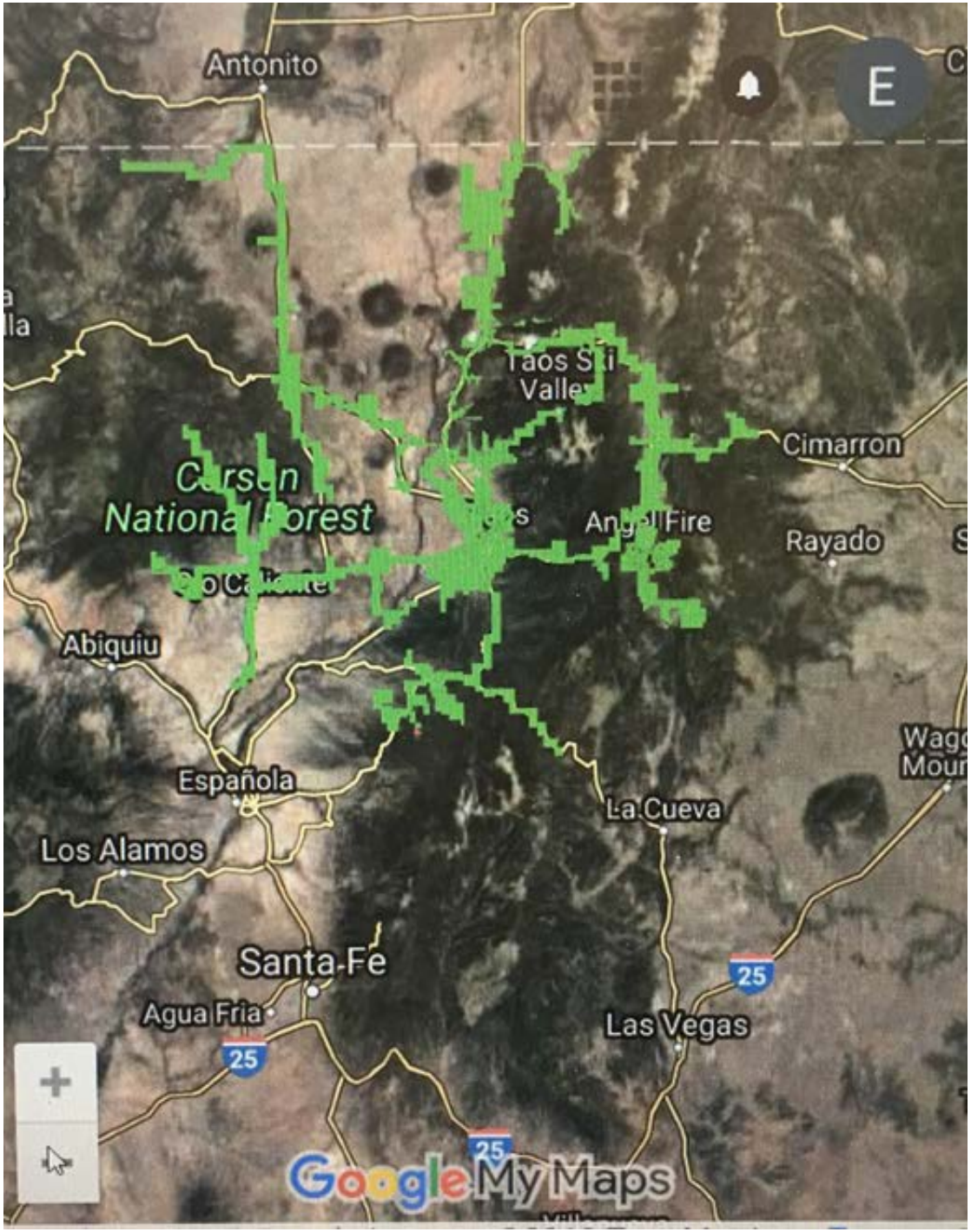
Kit Carson Internet - Broadband is Essential

- Core network is expanding to 100 GB
- New equipment has the capacity to upgrade to 100 GB
- KCI can currently supply customers with 1 GB service to the Home or Business
- KCI will be able to supply residential and business customers with up 10 GB by 4Q 2022
- KCI leases and maintains dark fiber
- KCI has three redundant broadband paths for resilience and reliability
- Just because a home has a connection doesn't mean they have broadband
- KCI is both a Competitive Local Exchange Carrier (CLEC) and Eligible Telecommunications Carrier (ETC)
- FCC pledge taken- NO DISCONNECT OR LATE FEES

The Carrier Class FTTH Network

KCI currently has three redundant broadband paths for resilience and reliability



What it Takes to Install Broadband

Planning & Feasibility

- Develop a Case Study on broadband implementation including electric operation to identify costs and various take rates and programs (commerce, education, heath infrastructure monitoring).
- Develop a recommendation

Make Ready

- Complete a full walk out of the plant. Get GPS data for poles, OD &URD lines
- Compile all the information onto a mapping database including all land owners or managers
- Deliver the Make Ready information to the electric provider for upgrades
- Manage the warehouse and material
- Complete the core Network Design

Costing

- Complete an overall Bill of Material to start an RFP for material vendors.
- Go out to RFP for a construction Contractor

Funding

- Confirm funding

Implementation

- Create a Project management team
- Complete tohe Outside plant design. A) Transmission to hub location. B) Distribution C) Home Delivery.
- Issue our construction maps to contractors to build, and splice maps to splice the fiber optic cable. Ensure contractors continue to test the line and submit all OTDR tests at each completion.
- Test and turn up.
- Deliver your first Internet customer a true high speed connection for Beta testing.

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Land Manager or Owners to Work With

- NM DOT
  - District 4
  - District 5
- USFS
  - Carson
- BLM
  - National Monument
- State Land Office
- State Forestry
- Counties
  - Taos
  - Colfax
  - Rio Arriba
- Municipalities
  - Taos
  - Questa
  - Red River
  - Eagle Nest
  - Angel Fire
  - Taos Ski Valley
- Tribes & Pueblos
  - Taos
  - Picuris
  - Sandia
- Private Citizens

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Permits and Fees for the KCEC American Reinvestment Recovery Act (ARRA)

NM State Lands

- Right of way distribution Permit Fee $63,175.61 for 944.24 @ $3.75 per Acre rod
- Application Fee $100 and $75 appraisement fee.
- Right of way distribution Permit Fee $31,715.51 for 18023.15 @ $1.75 per Acre rod
- Application Fee $100 and $75 appraisement fee.
- Right of way Transmission Permit Fee $1,712.16 for 312.576 (rods) at $3.75 per rod
- Application Fee $100 and $75 appraisement fee.
- Contractor Fee $17,805.50

Total $114,933.78

NM DOT

- Typical Traffic Control Plan Cost to develop $6,500
- Typical Plan and Profile Cost to develop $250
- District 5 DOT Permit 165
- District 4 DOT Permit 240 at

Contractor District 4 $213,675 (GIS, Environmental, and Applications)

Contractor District 5 $160,675 (GIS, Environmental, and Applications)

Permits and Fees for the KCEC American Reinvestment Recovery Act (continued…)

Taos County - $10,000 Bond Yearly
Rio Arriba County - $10,000 Bond Yearly

Colfax County - $10,000 Bond Yearly

USFS

Permit Agreement $20,172.30

Contractor to complete Application, GIS, Operation Plan and Management, and Fire Plan, SHPO, etc. $118,235.79

BLM

Permit fiber Optic $19,900.00

Rental and monitoring fee $3,652.19

Contractor to complete Application, GIS, Operation Plan and Management, and Fire Plan, SHPO, etc. $72,581.29

NM Department of Game and Fish - Contractor acquired Clearance $15,612.05

Environmental Clearance and SHPO - Contractor $150,095.96

Surveying for all permits - Contractor $72,500.00

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Permits and Fees for the KCEC American Reinvestment Recovery Act (continued…)

Tribal Fees

Taos Pueblo
Picuris Pueblo
Sandia Pueblo

Municipalities Franchises

Taos
Questa
Red River
Eagle Nest
Angel Fire
Taos Ski Valley

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THANK YOU

- Luis A. Reyes Jr.
- CEO- Kit Carson Electric Cooperative Inc,

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The Steps for the ARRA Project by Kit Carson Internet

- The initial part of the project was for KCEC and an outside party to complete a Case Study on our service Territory. The Engineering group took all our electric plant maps and gather the miles, and meters information and created a case study that consisted of cost, various take rates, and then made the recommendation to proceed on allocating the grant. This took approximately 4 Months very rushed to have in for the ARRA Grant. We were turned down for our first grant submission. Started the process December 2009 and completed the end of March 2010
- Once the grant was written we had a general sense of plant miles and pricing. Took 2 Month to write with the information from the case study. We also had to acquire supplemental information from the residents, tribes, municipalities, and counties with supporting documents for the potential of this project. The application was submitted on 3/29/2010
- KCEC was awarded the ARRA grant with a 70/30 Split on 9/2010. It took 6 Months for RUS/USDA to award the project.
- KCEC hired the engineering and project management team that will help design and manage the network. 9/2010 and they were with us for the entire project until the end of 2015.

- **Step 1.** Complete a full walk out of our plant. This exercise was to get GPS data for poles, URD lines, Ancho Info, Make ready issues. etc.. We started walk through (1/2011) and it took 5 Months (5/2011). We utilize 12-15 guys at a time walking plant out and GPS all points.
- **Step 2.** Compile all the information onto a mapping database. This was ongoing during the walk out of the project and beyond. It took 10 Months to compile and map out all the data points and create a make ready list of location and issue. 1/2011 until 10/2011
- **Step 3.** Deliver the Make Ready information to the electric side to correct. The Engineer delivered all information to KCEC after they had fully summarized the data. The Make ready was an ongoing project that went form 10/2011 unit 12/2013. There was a about $4 million dollar on pole change outs and circuit upgrades. Just over a 2-year process.

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- **Step 4.** Complete a Bill of Material for the entire project to start an RFP for material vendors. KCI Utilized a third-party vendor to manage the warehouse and material to ensure our construction contractors and sub-contractors contained material at all times. The Warehouse issued material with a project number and work order number set in place by KCEC and the Project management team. RFP was out for 45 Days. We hired the Warehouse team in 10/2011 and they provided service at the best rates until they shut down the warehouse on 6/2015. We never encountered a material shortage during the project through this process. Limited delays on items. They maintained a $2 Million dollar inventory to ensure we could build.
- **Step 5.** Complete the core Network Design With our engineer we hire a Core Network team to help design, engineer and procure the necessary electronics. The process took 6 Months to select a network topology and a Vendor. The equipment ordering, delivery, and implementation along with the cabinets it took 18 Months. We started on 7/2012 and completed this piece of the project on 12/2014.
- **Step 6.** Complete the Outside plant design. A) Transmission to hub location. B) Distribution C) Home Delivery. This process was ongoing with our build out. There was some issues that did delay our construction and did have to move our crew to different service areas due to a re-design etc. This process stated on 12/2011 and was finalized with red lines on 9/2015. What was critical was having final design and the ability to move our construction crews to eliminate any down time building.
- **Step 7.** Go out to RFP for a construction Contractor. KCI utilized two prime contractors. One was for all Aerial construction and the second was for all Underground. We went out for RFP in 7/2011 and had several RFP meeting for Q&A and closed the RFP on 9/2011 (60 days).
- **Step 8.** Issue our construction maps to contractors to build, and splice maps to splice the fiber optic cable. Ensure contractors continue to test the line and submit all OTDR tests at each completion. This process was a process that started immediately once our contractors started to build. 10/2011 until 7/2015. All construction was completed on 7/2015.
- **Step 9.** Test and turn up. This process started as we completed service areas. We were powering all the service HUBS over a 6 Month period. As the main fiber backbones were being completed and spliced all the way through we would complete a hub turn up and prepare it for distribution. 10/2014 through 4/2015
- **Step 10.** Deliver your first Internet customer a true high speed connection for Beta testing. KCEC elected to build the most outer part of the network and service to truly test our capabilities and ensure we can build out to all our members. We delivered our first customer on 4/2015 and have not stopped since then.

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