

My name is Ken Webb and I serve as President/CEO of Cleveland Utilities. I appreciate the opportunity to appear before you today and briefly share where we are in Cleveland as it relates to providing fiber optic broadband services for our community.

Let me begin by saying, I do not come in an adversarial role toward anyone or any other interest in this room. I do, however, come representing a significant number of citizens who have come to realize access to reliable and reasonably priced high speed internet is no longer a luxury. It is instead a necessity in our ordinary life today. It is a necessity in our education systems, our business and commerce functions, our medical services, our public service and community protection responsibilities and our economic development endeavors. Access to high speed internet today, is the electricity of the 1930's and 40's. I understand, appreciate and respect the opinion some hold that this is a need that should be met by the private sector. However, broadband availability has become such a necessity, we need to address the issue sooner than later. In my mind, the public versus private enterprise debate has been settled since some private enterprise entities have accepted public money for their systems.

In Cleveland, we are addressing the issue and are in the process of developing a plan that is modeled after the public power concept of service for customers in our

electric service territory. The outcome of this process is still unknown at this time. What we do know is any proposal to provide service must meet several objectives:

1. The service must be reliable.
2. The service must be reasonably priced.
3. The service must be backed by first class customer service.
4. The service must be based on sound financial principles and follow a business plan based on conservative estimates and assumptions. The business plan requires State Comptroller review before it is implemented.
5. The service must be available to all within our existing electric footprint when fully built.
6. The service must stand on its own financially and not be subsidized by other utility services. We are a multi-service utility in Cleveland and we take seriously our obligation to allocate joint cost between the different services we offer. These allocations are updated annually and submitted to TVA for approval before being implemented.

I am hopeful we will be able to achieve these objectives for the citizens of Cleveland, Tennessee, and surrounding areas.

This brings me to the reason I am here today. You are well aware of the provision in State Law prohibiting municipal electric utilities from providing certain broadband

services outside their respective service territories or “footprint.” Although, this in and of itself, does not rule out Cleveland Utilities providing broadband services, it does prohibit the cost sharing of resources and facilities between neighboring utilities. In Bradley and Hamilton counties there are areas outside the service territory of both Cleveland Utilities and Chattanooga EPB. The areas are served by Volunteer Energy Cooperative. Access in some of these areas to reliable, reasonable priced high speed internet is limited or non-existent. However, this “barrier” in state law is preventing EPB from willingly serving portions of these areas. Should the barrier be removed, some residents stand to get world class access to the internet within a few short months from EPB. EPB offers fiber optic broadband. This technology not only benefits electric systems communications and smart-grid capabilities; it virtually has no limit in its speed and additional communication capabilities. This platform is what our communities deserve as a path to current needs and into the future. As a safeguard, the bill proposed last year included a provision preventing a utility from entering a neighbor’s “footprint” without a request to do so from the neighboring utility. The removal of the barrier would, in my opinion, open up a world of opportunities between utilities with the ultimate winner being the citizens of our state. Cost savings would be significant and would be passed on to consumers and all would benefit from the “best practices” of the others.

Utilities have a long history of working together. We all remember the storms of April 2011. In Bradley County alone, nine lives were lost. Our electric system

incurred damages of approximately \$2.7 million dollars. Through our mutual aid agreements, we received restoration assistance from 12 other utilities. These utilities were from as far away as Kentucky and Florida. This is an example of the public power model at its finest. Helping and cooperating with each other is in the DNA of public power utilities. I respectfully ask you to allow us the opportunity to apply this spirit of cooperation to the broadband issue in Tennessee by recommending the current barrier in place between municipal utilities be eliminated.