

Fiber Update

Offerings with Rates, Network & Marketing update

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No Action Required

What We Will Cover Today

- New service offerings
 - Data Local Loop (DLL) Services
 - Residential and business services
 - Adding asymmetrical 2.5 X 1 Gbps offering
 - Virtual Local Area Network (VLAN) Services
 - Business and carrier class services
 - Adding 2.5 Gbps and 5 Gbps offerings
 - Add corresponding Non-Recurring Charge (NRC)
- Network update
- Fiber survey and marketing update

Drivers for Change

- Meet customer needs
 - We achieve this through additional services, network management, surveys, and understanding customer issues. Our goal is to provide a reliable network that meets the needs of our customer owners.
- Service provider requests for more diversity in services below 10G
 - Customer home routers now support a wider range of connection speeds
- Necessary to keep our service providers competitive and responsive in a changing environment
- Opportunity to now offer higher speeds with next generation of equipment
 - Deploy cost effectively where and when needed

What Are DLL and VLAN Services?

- Data Local Loop (DLL) services
 - Residential and business internet services
 - Standard internet service for most customers
 - What the Residential Service Providers purchases to supply internet service to end users.
- Virtual Local Area Network (VLAN) services
 - Business and carrier class centric
 - More functionality to meet business needs
 - As an example: What a cellular provider would purchase for backhaul of cell traffic

DLL Rate Structure

Residential Service	Current Rate	New Rate
100 X 100 Mbps	\$24.08	---
1 X 1 Gbps	\$31.56	---
2.5 X 1 Gbps	---	\$150.00

Business Service	Current Rate	New Rate
100 X 100 Mbps	\$53.05	---
1 X 1 Gbps	\$63.65	---
2.5 X 1 Gbps	---	\$180.00

VLAN Rate Structure

Business Class Service	Current Rate	New Rate
100 Mbps VLAN on 100 Mb Port	\$99.00	---
1 Gbps per VLAN/Port	\$299.00	---
2.5 Gbps per VLAN/Port	---	\$350.00
5 Gbps per VLAN/Port	---	\$399.00
10 Gbps per VLAN/Port	\$499.00	---

Carrier Class Service	Current Rate	New Rate
1 Gbps per VLAN/Port	\$499.00	---
2.5 Gbps per VLAN/Port	---	\$550.00
5 Gbps per VLAN/Port	---	\$599.00
10 Gbps per VLAN/Port	\$699.00	---

Network Update

- Network upgrade
 - Migrated 14 locations over 6 months
 - Minimal downtime for our customer owners
 - DLL, VLAN, ethernet, video and phone services on the fiber to the home network were migrated
- New network
 - A lower cost solution with more capacity that maintains reliability
 - Increased network capacity to meet current and future customer needs
 - New network core takes us well into the future

Questions or Comments



Fiber Market Research Objectives & Overview

Focused effort on delivering maximized value and benefit of Chelan PUD's fiber broadband system to our customer-owners. We continually look for ways to promote and provide broadband value:

- Feedback from our retail service providers
- Understand and apply our market research survey findings
- Continued marketing the outreach efforts to increase awareness

Fiber Market Research Survey

Notable Findings

We understand we have some work to do, here is what we are hearing and working on improving:

- 83% of those taking service are satisfied or extremely satisfied
- Reliable connection most important (63% of those taking service)
- Price most important amongst Hispanic or Latino respondents

Fiber Marketing Campaign

- Emphasizes reliable, fast connection
- Inclusive and culturally sensitive
- Builds awareness of PUD infrastructure and Retail Service partners
- Targeted areas with existing infrastructure but take-rates 40% or less

Questions or Comments



Next Steps

- Present proposed resolution on November 20, 2023
- Non-Recurring Charges (NRC)
 - Presented to Board as informational and to the General Manager for approval per Resolution 12-13731
- Rates and NRCs effective January 1, 2024

Appendix



Glossary

- **Virtual Local Area Network (VLAN):** A virtual local area network is a virtualized connection that connects multiple devices and network nodes from different LANs into one logical network.
- **Data Local Loop (DLL):** Term used to describe the connection between the Service Provider's End-users and a central aggregation point on a network often termed a Central Office. A local loop is the connection from a communication company's central office in a locality to its customers' premises, at homes and businesses. The District currently provides Local Loops via fiber optics.
- **NRC:** Non-Recurring Charge, a one-time charge.
- **Symmetrical Service:** Provides the same data speeds in either direction.
- **Asymmetrical Service:** Provides different data speeds in either direction. Your download and upload speeds are not equal.

DH Marketing Campaign

- **Over-the-top (OTT) media** service (also known as streaming platforms): a media service offered directly to viewers via the Internet. OTT bypasses cable, broadcast, and satellite television platforms—the types of companies that have traditionally acted as controllers or distributors of such content.
- **Pre-roll ad:** a video advertisement that automatically plays directly before a featured video on both mobile and desktop.
- **Geofencing:** a specific type of Location-Based Marketing. Basically, this direct marketing strategy uses a smartphone's (or other device's) location to alert the person who owns the device about an offer from a nearby business.
- **Video on Demand (VOD):** a form of Media on Demand where video content is available to the user at the time of their choosing.