

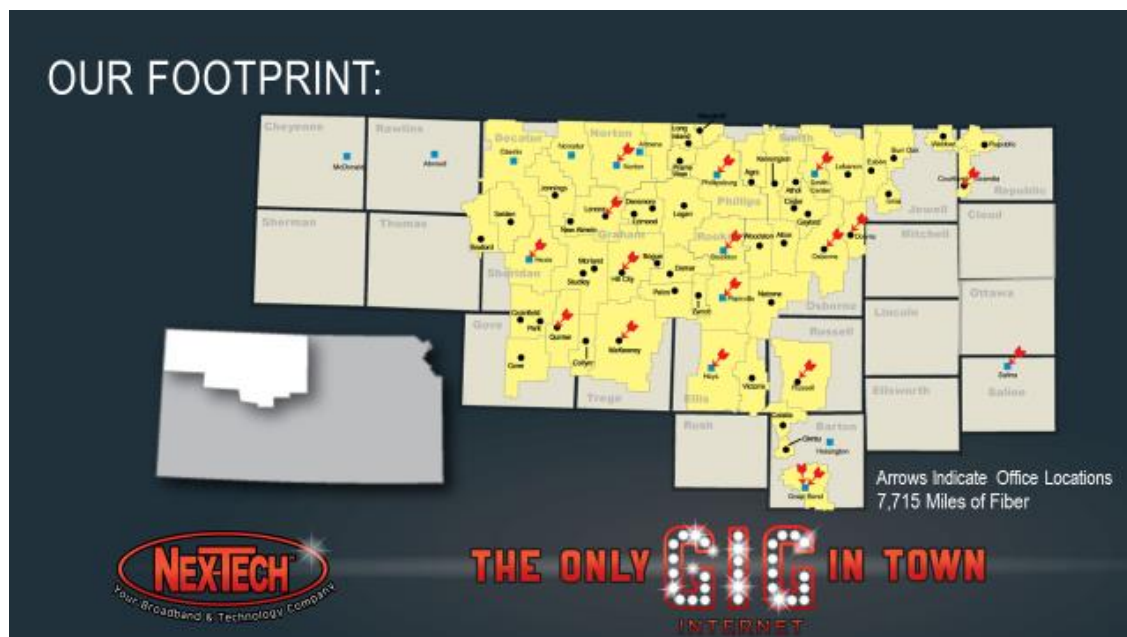


Senate Utilities Committee
Jimmy Todd, CEO and General Manager of Nex-Tech
January 22, 2015

Chairman Olson and Senate Utilities Committee Members thank you for the opportunity to present before you on behalf of Nex-Tech. I am Jimmy Todd, and I am the CEO and General Manager of Nex-Tech headquartered in Lenora, KS. It is an honor to share with you what my company has accomplished in northwest and north central Kansas over recent years.

Being founded as a cooperative company, our goal of providing services to our customers and communities continues to be our primary focus. Since 1951, we continue to invest in order to serve rural Kansas.

Footprint. Nex-Tech has deployed greater than 7715 miles fiber optic cable throughout most of our service area which covers an area greater than 9300 square miles. In the past 10 years, Nex-Tech has invested approximately \$295,000,000. We will continue to bring fiber optic cable to our remaining communities over the next 3-5 years. With this fiber optic based infrastructure our rural Kansas customers can receive Gigabit broadband service as well as phone service, television service, along with hosted and cloud-based services. As it is with rural independent telecommunications companies, Nex-Tech serves customers throughout the entire wire center exchange fulfilling the Provider of Last Resort obligations in our ILEC service area. With this requirement we serve a sparse customer density of 1.43 customers per route mile throughout the ILEC service area.



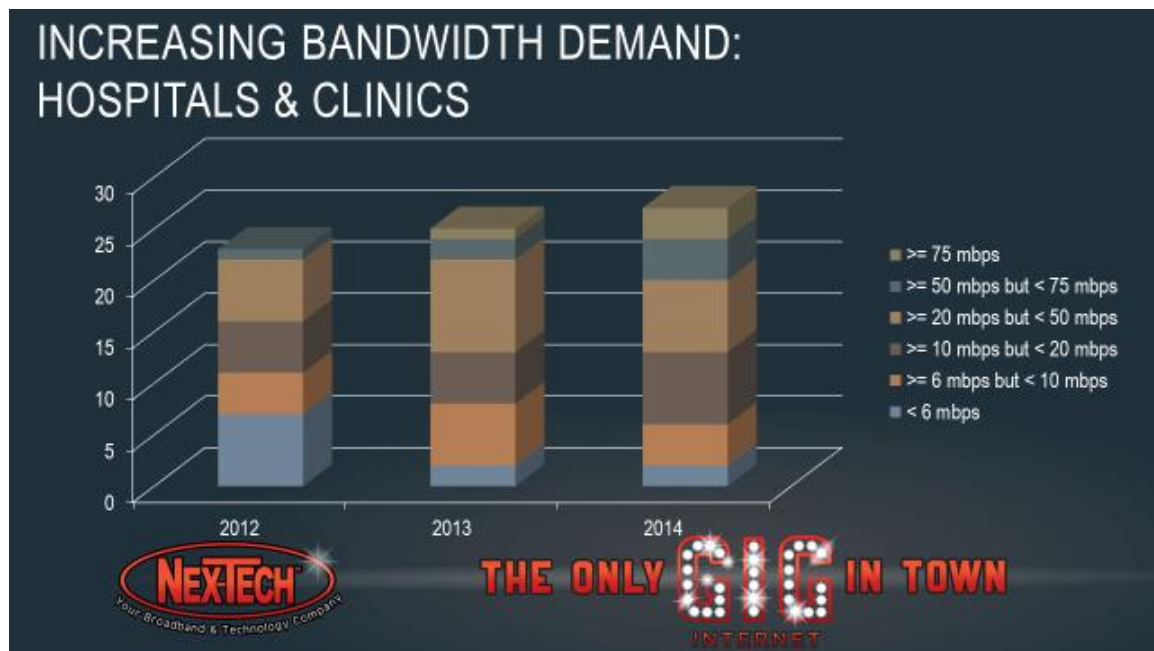
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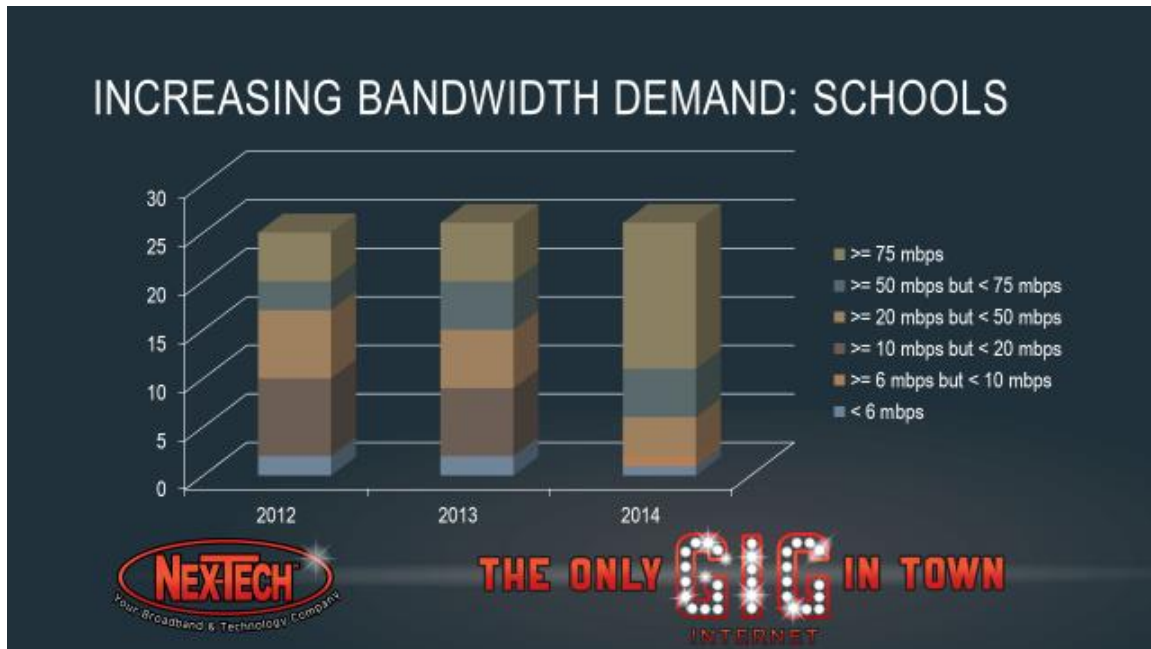
Economic Development Commitment. In addition to these communications services, Nex-Tech is highly engaged and involved in our rural Kansas communities. Because our communities are key to our success we have staff members that work specifically in Economic Development and Community Development. Through these vital activities we continue to partner with the businesses and the communities we serve, to help them grow and become more successful. As a rural cooperative we have facilitated the use of the USDA's REDLG (Rural Economic Development Loan and Grant) program. In the past 18 years, 7 REDLG projects totaling \$3,380,000 have created or retained 53 full time jobs in rural Kansas.

Beyond the REDLG program, Nex-Tech has a Revolving Loan Fund (RLF) which has been used for 17 projects, impacting 12 communities, investing \$1,944,975 to help rural businesses. This effort has created or retained 65 full time jobs and 40 part time jobs in rural Kansas since 1999.

Medical facilities, Libraries and Schools. Nex-Tech has brought fiber connectivity to the Medical facilities as well as Schools and Libraries in our service area. We have observed increased bandwidth usage from all of these groups in recent years. This growth trend substantiates not only the need for state-of-the-art communications services but also an infrastructure that is capable of meeting this growing demand. The graphs below are generated from our customer data.



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Another example of Nex-Tech's community engagement is that we provide free broadband service to all Libraries in our coverage footprint. Our goal is to ensure that we help everyone have access to the internet, and supporting the libraries is one way to help those who do not subscribe to broadband internet service in their homes.

Nex-Tech provides Youth Development services knowing that these young people are the future for Kansas communities. Youth Development activities range from Lightning Jack internet introduction to Kindergarten and 3rd grade to Cyberbullying classes for middle school audiences to W8T 2 TXT courses for high school students. Our goal is to help improve Digital Citizenship throughout our schools and share how today's technology can bridge the gap for rural businesses in a global economy.

I appreciate your time and am happy to stand for questions at the appropriate time.