

QUARTERLY PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	2. Award Identification Number NT10BIX5570093	3. DUNS Number 175409010
4. Recipient Organization Citizens' Telephone Co-operative 220 Parkway Ln S, Floyd, VA 24091-4170		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2012	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No	
7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.		
7a. Typed or Printed Name and Title of Certifying Official Chris Bond	7c. Telephone (area code, number and extension) X	
	7d. Email Address chrisbond@citizens.coop	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-19-2012	

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (600 words or less).

The proposed 186 mile fiber project was divided into 4 separate construction contracts as follows:

- Contract I Nichols Construction, LLC 103 miles 180 days
- Contract II Lambert's Cable Splicing Co, LLC 71 miles 130 days
- Contract III Lambert's Cable Splicing Co, LLC 9 miles 90 days
- Contract IV Edwards Telecommunication, Inc. 24 miles 45 days

Fiber Construction Progress:

Contract I: Nichols Construction, LLC completed fiber construction in the Town of Wytheville and Wythe county early in the 9th quarter. The 144 strand fiber facility from the Wytheville Hut to the Town of Wytheville and the western beginning point of the project has been spliced and tested and is ready for service activation. The 240 strand fiber from the Wytheville Hut to Pulaski County has been spliced and is being tested. Construction and splicing was completed from the Wythe County line to the Pulaski Hut and the testing process was started in September on the section. Three construction crews were working in the Dublin and Fairlawn areas of Pulaski County and one crew was working in the City of Radford and Montgomery County at the end of the quarter. Service drops have been completed to 9 CAI's in Pulaski County and will be ready for service as soon as the connector routes are complete. The contractor plans to add another buried placement crew at the beginning of the 10th quarter working in Montgomery County. By the end of the quarter the contractor had installed a total of 68.5 miles (67%) of the proposed 103 miles and 162 days.

Contract II: Lambert's Cable Splicing, LLC completed construction along route 11 from the Town of Christiansburg to the Roanoke County line by mid August. The contractor has completed the splicing along the segment and is currently testing the fiber and completing the clean up and inventory process. Fiber construction on route 11 from the Montgomery County line to the City of Salem and along I-81 to exit 150 in Botetourt County has been completed. Splicing has been completed along this segment and the fiber was being tested. Final clean up and inventory was started by mid-September and should be complete by mid-October. Fiber construction along route 8 in Montgomery County to Floyd County is complete except for a 1 mile section that is being held up by make ready due to road construction and a new high school being built. Fiber construction was stopped by mid September due the holdup. Splicing, testing, and cleanup began in early September and will proceed up to the incomplete section. Another .5 miles of aerial is held up was in the Falling Branch Industrial Park in Christiansburg because of make ready.

By the end of the 9th quarter the contractor had placed 66.5 miles of fiber of the proposed 71 miles for the contract. Citizens granted Lambert's a 30 day extension of the contract days due to unexpected delays from the DOT and aerial make ready issues.

Contract III: 8.9 miles installed. (complete)

Contract IV: On August 21, 2012 a pre bid meeting was held at the Citizens Office to discuss detail of the final portion of the NTIA/BTOP project. Bids were received on September 11, 2012 and Notice of Award was issued on September 21, 2012. The contract is scheduled to be finalized in early October with a tentative construction start date of October 22, 2012.

Total project miles completed by the end of quarter 9 equals 143.9 of the 186 miles proposed. The project is 77% complete at the end of the 9th quarter.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2a.	Overall Project	43	Citizens originally projected having 77% of the project complete by the end of the 9th Quarter. Since this Milestone is calculated on Federal Funds that have been spent, the delay in percentage complete is due to the delay in invoicing from the Contractors performing the construction. Actual construction on the project is 77% complete at the end of the 9th Quarter.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	100	No Variance

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or subsequent written updates provided to your program officer)
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	100	No Variance
2g.	Equipment Procurement	100	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc)	77	No Variance - Citizens had projected having 77% of the project complete by the end of the 9th quarter. Citizens met this target by having the contractors bring in additional crews.
2i.	Equipment Deployment	60	No Variance
2j.	Network Testing	52	Citizens had anticipated having 68% of the network testing complete at the end of the 9th quarter. Delays in starting construction due to the lead time of fiber cable and waiting approval for approval of the EA has limited the amount of Network facilities ready for testing. Construction target milestones are now catching up with the original milestones so testing should be back on target by the end of the 10th quarter.
2k.	Other (please specify): N/A	0	No Variance

3. To the extent not covered above, please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

Throughout the 9th quarter The Virginia Department of Transportation had the ongoing construction project on Interstate 81 in Montgomery and Roanoke counties that is impacting Citizens construction along Route 11 in Montgomery. The Citizens contractor was not allowed to work in the right of way of Route 11 during times that the VDOT project is rerouting interstate traffic onto Route 11. This forced the contractor to adjust the schedule to work on this portion of the route on weekends only. The Virginia Department of Transportation also had strict working hours along route 8 in Montgomery County due to the traffic volume along that route. Contract II has two aerial sections that cannot be completed due to make ready not being complete. American Electric Power and Verizon are both running several months behind on these sections. The weather event that occurred on June 29, 2012 affected both contractors. The Citizens contractors were obligated to provide storm restoration crews to different areas in the north eastern USA, leaving both contractors short of crews on the project. The storm also has affected the other utilities in the area which has added further delay to aerial make ready.

4. Please report the following information regarding network build progress. Write "0" in the Total column and "N/A" in the Narrative column if your project does not include this activity. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
New network miles deployed	144	Citizens had anticipated approximately 166 miles complete by the end of quarter 9. Due to the unavailable fiber cable, construction on Contract I and Contract II did not start until January 9, 2012. Having to adjust construction schedules to meet requirements of the Virginia Department of Transportation due to VDOT road improvement projects and traffic situations continues to slow construction progress on several routes. Delays in getting make ready completed is impacting completion of aerial construction in two locations.
New network miles leased	0	No Variance
Existing network miles upgraded	0	No Variance
Existing network miles leased	0	No Variance
Number of miles of new fiber (aerial or underground)	144	Citizens had anticipated approximately 166 miles complete by the end of quarter 9. Due to the unavailable fiber cable, construction on Contract I and Contract II did not start until January 9, 2012. Having to adjust construction schedules to meet requirements of the Virginia Department of Transportation due to VDOT road improvement projects and traffic situations continues to slow construction progress on several routes.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
		Delays in getting make ready completed is impacting completion of aerial construction in two locations.
Number of new wireless links	0	No Variance
Number of new towers	0	No Variance
Number of new and/or upgraded interconnection points	3	Citizens had anticipated having 5 interconnection points in place by the end of the 9th Quarter. Delays in the start of construction have resulted in portions of the fiber route needing to be built in order to establish the 2 remaining interconnect points.

For questions 5 and 6 please include information relating to agreements that you are negotiating or have entered into, or that your sub recipient, contractor or subcontractor is negotiating or entered into.

5a. If applicable, please provide the following information with regard to agreements with broadband wholesalers and/or last mile providers as a result of your project.

Indicators	
Number of signed agreements with broadband wholesalers or last mile providers	0
Number of agreements currently being negotiated with broadband wholesalers or last mile providers	0
Average term of signed agreements (in quarters)	0

5b. Please list the names of the wholesale and last mile providers with whom you have signed agreements (100 words or less). Providers: None

5c. What wholesale services are being provided by this project? Please describe below. As an attachment to this report, please provide pricing plans (in \$ per month) associated with each wholesale service provided by your product (100 words or less). Wholesale services description: N/A

5d. If you have designated a third party to operate all or a portion of your network, please provide the name and contact information for this third party, indicate if this entity is a sub recipient, contractor, and/or subcontractor, and describe with specificity the portion of your network this third party operates (600 words or less). N/A

6. Please provide the data according to the type of subscriber. Write "0" in the Total column and "N/A" in the Narrative column if your project does not pass or serve a particular subscriber type. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the total is different from the target provided in your baseline plan (300 words or less).

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Broadband Wholesalers or Last Mile Providers	Providers with signed agreements receiving new access	0	Citizens had anticipated having 1 signed agreement with a wholesale provider. Delay in the final approval of the Environmental Assessment and the long lead time in obtaining fiber cable and other materials have impacted the timing of construction, thus impacting the ability to provide new access to wholesalers.
	Providers with signed agreements receiving improved access	0	No Variance
	Providers with signed agreements receiving access to dark fiber	0	No Variance
	Please identify the speed tiers that are available and the number of	0	N/A

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
	subscribers for each		
Community Anchor Institutions (including Government institutions)	Total subscribers served	30	Citizens had anticipated 38 CAI's by the end of the 9th Quarter. Delays were due to existing school contracts and incomplete construction in some locations.
	Subscribers receiving new access	18	Citizens anticipated having 32 new subs by the end of the quarter. Delays were due to existing school contracts and incomplete construction in some locations.
	Subscribers receiving improved access	12	Citizens anticipated having 6 subs by the end of the quarter.
	Please identify the speed tiers that are available and the number or subscribers for each	1	1 Gb - 3 Subscribers
Residential / Households	Entities passed	0	No Variance
	Total subscribers served	0	No Variance
	Subscribers receiving new access	0	No Variance
	Subscribers receiving improved access	0	No Variance
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance
Businesses	Entities passed	0	No Variance
	Total subscribers served	0	No Variance
	Subscribers receiving new access	0	No Variance
	Subscribers receiving improved access	0	No Variance
	Please identify the speed tiers that are available and the number of subscribers for each	0	No Variance

7. Please describe any special offerings you may provide (600 words or less).

N/A

8a. Have your network management practices changed over the last quarter? Yes No

8b. If so, please describe the changes (300 words or less).

N/A

9. Community Anchor Institutions:

Using the table below, please provide a list by service area of the community anchor institutions (including Government institutions) connected to your network as a result of BTOP funds. Figures should be reported for the most recent reporting quarter only (NOT cumulatively). Also indicate whether your organization is currently providing broadband service to the anchor institution. Finally, provide a short narrative description with examples of how institutions are using BTOP-funded infrastructure (300 words or less).

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure

Institution Name	Service Area (town or county)	Type of Anchor Institution (as defined in your baseline)	Are you also the broadband service provider for this institution? (Yes / No)	Narrative description of how anchor institutions are using BTOP-funded infrastructure
Montgomery County School Board Office	Montgomery County	School (K-12)	No	Have not activated service
Christiansburg Middle	Montgomery County	School (K-12)	No	Have not activated service
Falling Branch Elementary	Montgomery County	School (K-12)	No	Have not activated service
Shawsville Middle	Montgomery County	School (K-12)	No	Have not activated service
Shawsville Elementary	Montgomery County	School (K-12)	No	Have not activated service
Meadowbrook Library	Montgomery County	Library	No	Have not activated service
Shawsville Fire and Rescue	Montgomery County	Public Safety Entity	No	Have not activated service
NRV Competitive Center	Pulaski County	Other Government Facility	No	Have not activated service
Riverlawn Elementary	Pulaski County	School (K-12)	No	Have not activated service
New River Community College	Pulaski County	Community College	No	Have not activated service
Dublin Middle	Pulaski County	School (K-12)	No	Have not activated service
Dublin Elementary	Pulaski County	School (K-12)	No	Have not activated service
NRV Regional Jail	Pulaski County	Public Safety Entity	No	Have not activated service
Pulaski High	Pulaski County	School (K-12)	No	Have not activated service
Pulaski Hospital	Pulaski County	Medical or Health Provider	No	Have not activated service
Dublin Airport	Pulaski County	Other Government Facility	No	Have not activated service
Pulaski Elementary	Pulaski County	School (K-12)	No	Have not activated service
Critzer Elementary	Pulaski County	School (K-12)	No	Have not activated service

Virginia Tech	Montgomery County	Other Institution of Higher Education	No	Have not activated service
Scott Memorial Middle	Wythe County	School (K-12)	No	Have not activated service
Spiller Elementary	Wythe County	School (K-12)	No	Have not activated service
George Wythe High	Wythe County	School (K-12)	No	Have not activated service
Wythe County Court House	Wythe County	Other Government Facility	No	Have not activated service

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).

Citizens and Thompson & Litton will finalize the administration of Contract IV by mid-October, 2012. Citizens will issue the Notice to Proceed shortly after or when the contract documents have been signed. The tentative construction start date is October 22, 2012.

Contract I

Nichols Construction LLC plans to continue with 4 – 5 plow crews, 1 - 2 bore crews and one aerial crew during the 10th quarter. The previous anticipated completion date was October 18, 2012. Construction has recently been slowed because of large areas of rock that two crews have encountered in Pulaski County. The contractor is anticipating having to request an extension of time which will push the completion date out to approximately December 12, 2012. The contractor also plans to add 1 – 2 crews if necessary to help stay course with the completion date.

Contact II

Lambert's Cable Splicing Co., LLC completed all the construction that can be completed before the end of the 9th quarter. There are two sections of aerial that are being held up due to make ready not being complete by two utility companies. The contractor will work on completing the splicing and testing of all the fiber that is in place by mid-October. Final clean up and inventory will be completed on all the work that has been done on the contract. Citizens will continue to try to get the make ready completed as soon as possible. The actual completion date will be pending the completion of the make ready.

Contract IV

The final contract for the 186 mile NTIA/BTOP project is schedule to start construction by October 22, 2012 with a 45 day completion time limit. Edwards Telecommunications, Inc. was awarded the contract. The contractor plans to start with one directional bore crew and one aerial crew the first week. Two underground placement crews will start approximately 2 weeks after or as soon as the bore crew is far enough ahead to not hold up the underground crew. Citizens ordered the fiber for contract IV. The fiber is now on site.

Community Anchor Institutions

Actual service activation at most of the proposed CAI's is still pending Montgomery County and Pulaski County school schedules. The School systems are currently in contract arrangements with other providers that will be phasing out during the remainder of the year. The service at each location will be activated as soon as these contract agreements end. The service drops had been installed at 30 CAI locations and the remaining will be completed in the 10th quarter.

2. Please provide the percent complete for the following key milestones in your project. Write "0" in the Planned Percent Complete column and "N/A" in the Narrative column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the percent complete is different from the target provided in your baseline plan (300 words or less).

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2a.	Overall Project	84	Citizens originally projected having 93% of the project complete by the end of the 10th Quarter. Since this Milestone is calculated on Federal Funds that have been spent, the delay in percentage complete is due to the delay in invoicing from the Contractors performing the construction. Actual construction on the project is projected to be 100% complete at the end of the 10th Quarter.
2b.	Environmental Assessment	100	No Variance
2c.	Network Design	100	No Variance
2d.	Rights of Way	100	No Variance

	Milestone	Planned Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2e.	Construction Permits and Other Approvals	100	No Variance
2f.	Site Preparation	100	No Variance
2g.	Equipment Procurement	100	No Variance
2h.	Network Build (all components - owned, leased, IRU, etc.)	100	Citizens had projected having approximately 173 miles (93%) of aerial and buried fiber construction complete by the end of quarter 10. At the current pace and schedule of the construction, the project should be ahead of the original projections by the end of this quarter.
2i.	Equipment Deployment	80	No Variance
2j.	Network Testing	77	No Variance
2k.	Other (please specify): N/A	0	No Variance

3. Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above. In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).

Contract II may continue to be delayed because of aerial make ready that has not been completed. This will delay final testing and closeout of the contract until the two sections can be completed. Contract IV has one section of aerial make ready pending in the Town of Pearisburg. This make ready is being done by the same two utility companies that are holding up the process in Contract II. Citizens will continue to monitor this situation and try to push for this work to be completed. Construction on contract I and contract IV will run into mid to late fall which may result in some delay due to shorter day light hours to work in and more potential for winter weather.

Infrastructure Budget Execution Details

Activity Based Expenditures (Infrastructure)

1. Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter), and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

Budget for Entire Project				Actuals from Project Inception through End of Current Reporting Period			Anticipated Actuals from Project Inception through End of Next Reporting Period		
Cost Classification	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Administrative and legal expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b. Land, structures, right-of-ways, appraisals, etc.	\$160,000	\$32,000	\$128,000	\$321,566	\$64,313	\$257,253	\$321,566	\$64,313	\$257,253
c. Relocation expenses and payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
d. Architectural and engineering fees	\$491,739	\$491,739	\$0	\$209,094	\$209,094	\$0	\$241,344	\$241,344	\$0
e. Other architectural and engineering fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
f. Project inspection fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
g. Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Demolition and removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
i. Construction	\$9,819,064	\$1,581,304	\$8,237,760	\$3,511,854	\$702,371	\$2,809,483	\$8,293,263	\$1,658,653	\$6,634,610
j. Equipment	\$1,090,000	\$218,000	\$872,000	\$871,548	\$174,310	\$697,238	\$871,548	\$174,310	\$697,238
k. Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
l. SUBTOTAL (add a through k)	\$11,560,803	\$2,323,043	\$9,237,760	\$4,914,062	\$1,150,088	\$3,763,974	\$9,727,721	\$2,138,620	\$7,589,101
m. Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
n. TOTALS (sum of l and m)	\$11,560,803	\$2,323,043	\$9,237,760	\$4,914,062	\$1,150,088	\$3,763,974	\$9,727,721	\$2,138,620	\$7,589,101

2. Program Income: Please provide the program income you listed in your application budget and actuals to date through the end of the reporting period.

a. Application Budget Program Income: \$2,583,000	b. Program Income to Date: \$6,500
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