

Attachment A - Proposed Last Mile Service Offerings

Please complete the attached chart for each proposed funded service area modifying the chart as necessary to detail the service offerings. **For BIP applicants only:** for all other service areas where funds are not being requested, complete a chart that aggregates the service offerings.

Name of Tier	Advertised Speeds		Average Speeds		Average Latency (BTOP only)	Pricing Plan \$ per month
	Downstream Mbps	Upstream Mbps	Downstream Mbps	Upstream Mbps	@ End User CPE milli-seconds	
Residential						
Entry Level Speed						
Maximum Speed						
Other Residential Tiers						
Business or Institutions						
Entry Level Speed						
Maximum Speed						
Other Business or Institution Tiers						

Name of Tier	Advertised Speeds		Average Speeds		Average Latency	Pricing Plan \$ Per Month*
	Downstream Mbps	Upstream Mbps	Down Stream Mbps	Upstream Mbps	@ End User CPE milli-seconds	
Residential						
Entry Level	1	1	1	1	<10ms	\$26
	3	3	3	3	<10ms	\$26
	5	5	5	5	<10ms	\$26
	10	10	10	10	<10ms	\$26
	100	100	100	100	<10ms	\$26
Note: Residential services is \$26 per connection up to 100 Mbps. Proportionate IP rider charge will be added to each base rate.						
Business						
Best Effort	1	1	1	1	<10ms	\$121
	2	2	2	2	<10ms	\$140
	4	4	4	4	<10ms	\$176
	5	5	5	5	<10ms	\$193
	6	6	6	6	<10ms	\$208
	10	10	10	10	<10ms	\$270
	25	25	25	25	<10ms	\$500
	50	50	50	50	<10ms	\$850
	100	100	100	100	<10ms	\$1,200
	GigE	GigE	GigE	GigE	<10ms	\$2,000
Diamond	1	1	1	1	<10ms	\$421
	4	4	4	4	<10ms	\$476
	5	5	5	5	<10ms	\$493
	10	10	10	10	<10ms	\$570
	25	25	25	25	<10ms	\$800
	50	50	50	50	<10ms	\$1,150
	100	100	100	100	<10ms	\$1,400
	GigE	GigE	GigE	GigE	<10ms	\$3,400

*these rates are wholesale as mandated by Washington State Law

Attachment B – Proposed Middle Mile Service Offerings

Service Offering	Distance Band or Point to Point	Minimum Peak Load Network Bandwidth Capacity (Mbps)	Monthly / Yearly Pricing \$	Other
Ethernet Transport: Bare Mtn, Newport, Cusick, Box Canyon, Lone Cabinet, Metaline Falls Cabinet, Usk Cabinet, Pine Cabinet and the following service area cabinets; 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 21, 22, 23, 24	Point to Point between any two "Service Offering" locations	10 Mbps Symmetrical	\$570 per month	
Ethernet Transport: Bare Mtn, Newport, Cusick, Box Canyon, Lone Cabinet, Metaline Falls Cabinet, Usk Cabinet, Pine Cabinet and the following service area cabinets; 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 21, 22, 23, 24	Point to Point between any two "Service Offering" locations	25 Mbps Symmetrical	\$800 per month	
Ethernet Transport: Bare Mtn, Newport, Cusick, Box Canyon, Lone Cabinet, Metaline Falls Cabinet, Usk Cabinet, Pine Cabinet and the following service area cabinets; 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 21, 22, 23, 24	Point to Point between any two "Service Offering" locations	50 Mbps Symmetrical	\$1150 per month	
Ethernet Transport: Bare Mtn, Newport, Cusick, Box Canyon, Lone Cabinet, Metaline Falls Cabinet, Usk Cabinet, Pine Cabinet and the following service area cabinets; 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 21, 22, 23, 24	Point to Point between any two "Service Offering" locations	100 Mbps Symmetrical	\$1400 per month	
Ethernet Transport: Bare Mtn, Newport, Cusick, Box Canyon, Lone Cabinet, Metaline Falls Cabinet, Usk Cabinet, Pine Cabinet and the following service area cabinets; 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 21, 22, 23, 24	Point to Point between any two "Service Offering" locations	GigE Symmetrical	\$3400 per month	

ATTACHMENT C – COMPETITOR TABLE – LAST MILE

Existing Last Mile Broadband Service Providers and Services Offered: Please complete a table describing the competing last mile providers' broadband service offerings being advertised in each proposed funded service area (BIP applicants should complete this table for each census designated community within the proposed funded service area) . For each competitor, explain the following: a) technology; b) service tiers; c) advertised speeds for residential and business; d) pricing. Include any other comments to explain your findings, if necessary.

Pend Oreille County PUD								
Service Area	Last Mile Services Provider	Technology Platform	Service Tier	Advertised Residential Offering		Advertised Business Offering		Other Comments
				Downstream Speed (Mbps)	Price	Downstream Speed (Mbps)	Price	
Census Community (Newport, WA only)	Concept Cable	Cable Modem	Entry Level	128 Kbps	\$41.70	3 Mbps	\$83.70	\$19.95 install
	Concept Cable	Cable Modem	Highest Plan	6 Mbps	\$61.70	3 Mbps	\$106.70	\$50 install
	Concept Cable	Cable Modem	Residential	3 Mbps	\$51.70			\$19.95 install
Census Community (Newport, WA only)	Verizon	DSL	Entry Level	768 Kbps	\$47.45	1.5 Mbps	\$62.45	All speeds advertised as "up to"
	Verizon	DSL	Highest Plan	1.5 Mbps	\$62.45	7.1 Mbps	\$409.94	All speeds advertised as "up to"
	Verizon	DSL	Other Plans			3 Mbps	\$167.45	All speeds advertised as "up to"
Census Community (Newport, WA only)	Pend Oreille Valley Networks	DSL	All					POVN is a reseller of Verizon and offers the same price points and speeds as Verizon
	Pend Oreille Valley Networks	900 Mhz & 2.4 Ghz		256 Kbps	\$30.00			\$250 Install
	Pend Oreille Valley Networks	900 Mhz & 2.4 Ghz		1.5 Mbps	\$75			\$250 Install. 900 Mhz radios typically have a maximum base station capacity of 2.7 Mbps

Attachment D

Network Design and Implementation Plan Certification
(to be completed for projects requesting more than \$1 million in federal assistance)

U.S. Department of Agriculture and U.S. Department of Commerce
BIP and BTOP Program

We the undersigned, certify that the proposed broadband system will work as described in the System Design and Network Diagram sections, and can deliver the proposed services outlined in the Service Offerings Section. Moreover, the system, as designed, can meet the proposed build-out timeframe based on the resources designated in Project Viability Section, and will be substantially complete in two years, and complete within three years.

8/4/09
Date

Joe Onley
(Authorized Representative's Signature)

JOE ONLEY
Name:

Community Network System Mgr.
Title:

8/3/09
Date

Randall Dinger
(Certifying Engineer's Signature)

Randall Dinger
Name:

Vice President - IDCS
Title:



EXPIRES 8/2011

ATTACHMENT E - PROJECT PLAN (KEY PHASES AND MILESTONES TO DEMONSTRATE DEGREE OF COMPLETION)

- Use the following table to list the major network build-out phases and milestones that can demonstrate that your entire project will be substantially complete by the end of Year 2 and fully complete by the end of Year 3. This is to be done at the aggregate level (combining all proposed funded service areas.)
- Indicate how the milestones listed below will demonstrate these completion objectives. The applicant should consider such project areas as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) equipment procurement; e) inside plant deployment; f) outside plant deployment; g) equipment deployment; h) network testing; i) network complete and operational. The applicant may provide any other milestones that it believes showcase progress.
- Project inception (Year 0) starts at the date when the applicant receives notice that the project has been approved for funding.
- In the table, provide any information (e.g., facts, analysis) to: a) demonstrate the reasonableness of these milestones; b) substantiate the ability to reach the milestones by the quarters indicated.
- On a separate sheet, describe the key challenges, if any, to a timely completion of the project, including any applicable mitigation plans.

Time Period	Quarter	List All Relevant Milestones	Support for Reasonableness/Data Points
Year 0	-	•	•
Year 1	Qtr. 1	•	•
	Qtr. 2	•	•
	Qtr. 3	•	•
	Qtr. 4	•	•
Year 2	Qtr. 1	•	•

ATTACHMENT E

	Qtr. 2	•	•
	Qtr. 3	•	•
	Qtr. 4	•	•
Year 3	Qtr. 1	•	•
	Qtr. 2	•	•
	Qtr. 3	•	•
	Qtr. 4	•	•

ATTACHMENT E (CONTINUED) - BUILD-OUT TIMELINE

Complete the following schedule for each proposed funded service area (or, if a middle mile project, for each last mile service area) to indicate the planned build-out in terms of: 1) the requested infrastructure funds; and 2) the entities passed. Entities passed include households, businesses, and "strategic institutions" comprised of critical community facilities, community anchor institutions, and public safety entities. In addition, please complete a separate schedule that aggregates all projected broadband subscribers within the proposed funded service area (or if a middle mile project, for each last mile service area). For BIP only, please include this information for the non-funded service areas as well.

	Name:																				
	YEAR 0	YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5			
		Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
Infrastructure Funds																					
Infrastructure Funds Advanced (estimate)																					
Percentage of Total Funds																					
Entities Passed & %																					
Households																					
Percentage of Total Households																					
Businesses																					
Percentage of Total Businesses																					
Strategic Institutions (Comm. Anchor, Public Safety, etc)																					
Percentage of Total Institutions																					

ATTACHMENT E – Infrastructure Build-Out Timeline and Project Plan

Pend Oreille County Public Utility District No. 1

The milestones identified in the Build-Out Timeline and Project Plan are reasonable, and the District has high confidence in the milestones being met, for the following reasons:

The District is a Well-Established Public Utility District With Over 60 Years of Operating Experience

As a public utility district operating an existing middle-mile fiber optic backbone, the District has extensive network construction experience and process familiarity with the local permitting agencies, and can provide supervisory guidance and assistance to its selected project contractors where needed. The District's ownership and control of rights-of-way and core pole and conduit infrastructure will provide an expedited path to placing the fiber.

The District Has Retained Highly-Qualified Engineering and Project Management Resources, and Has Already Devoted Extensive Time to the Project.

As a critical part of its preparation for submitting this application, the District has engaged ID Consulting Solutions, LLC (IDCS) to perform preliminary engineering, design and outline project management for the proposed Project. IDCS has already expended considerable resources on data collection, field survey, cost estimates, identifying possible construction partners, mapping critical paths, identifying permitting requirements, and refining the optical network design. IDCS has taken steps to discuss possible field support with other engineering firms, and has been assured that support would be readily available at rates inside the proposed budget if selected to manage the project. For equipment procurement contracts, IDCS has consulted with a fiber supplier (OFS) to determine requirements for ensuring preferences on fiber delivery, priority in the queue, and favorable pricing. IDCS has taken similar actions with critical material suppliers. To ensure the competent and timely installation of facilities, IDCS has confirmed that Quanta Services could be available to perform the outside plant (OSP) construction, if selected. Quanta has well-documented capabilities and experience on major projects in this region, as well as throughout the rest of the United States.

The District's OSS and BSS Requirements are Streamlined, Owing to its Fixed-Price Wholesale Services.

Installation of the operational support systems (OSS) and business support systems (BSS) will provide more than adequate time for training and education. The critical billing and corresponding network inventory assignments will be substantially easier to track and manage because the District only offers fixed-price wholesale services. Also, the Windows-based network support systems of most vendors are relatively easy to navigate. The District has elected to initiate these systems and the training early in the project, so that the operating team will be trained adequately and any special circumstances can be resolved prior to implementation. Most vendors offer training courses using simulators that will be used to train the operating staff.

The District Has Identified and Addressed Key Material and Equipment Procurement Issues.

See discussion of material procurement under "Key Challenges," below. In addition, the District has preference for Cisco equipment as its preferred routing and transport network layers, because of (a) it is currently standardized on its existing middle mile network, (b) the Cisco gear's ability to converge these two functions into one system, and (c) its wide availability and support in the

ATTACHMENT E – Infrastructure Build-Out Timeline and Project Plan

Pend Oreille County Public Utility District No. 1

marketplace. Cisco is also available on Washington State Contract pricing at pre-negotiated discounts. IDCS has consulted with Cisco-Certified Gold Partner (Mountain States Networking) on state pricing and timeline assumptions for the Cisco electronics. As a Gold Partner, Mountain States Networking has priority in the ordering queue, which would help to ensure timely availability, certified technical support. IDCS has confirmed that Mountain States Networking would be available to provide installation and testing of all the transport, switching and routing equipment, as well as the interconnections of the network interfaces to the support systems, if selected for installation and support.

The District’s Construction Plans Optimize Financial and Human Resources.

Phase 1 and Phase 2 of the project will be constructed in stages that allow the District to activate portions of the network while the remainder of the system is under construction. The construction plan incorporates the completion of Phase 1 and the immediate commencement of Phase 3. This transition produces the most efficient and cost effective use of financial, construction and human resources. The full physical construction of Phases 1 and 2 will take approximately 110 days and cover over 400 miles of fiber installation. Once the pole lines are prepared, aerial fiber installation can progress at a rate of four miles per day. Based upon the collective experience of the District and IDCS (and, in consultation with Quanta), the installation interval is very much attainable. The rural county doesn’t have to contend with issues such as heavy traffic, prolonged moratoriums, or congested rights of way, which, overall, will allow for faster deployment times compared to more urbanized areas. The District will monitor the progress of Phases 1 and 2 closely to ensure that Phase 3 construction can commence immediately after the conclusion of Phase 1.

Key Challenges:

Material Procurement - Due to the current economy, many suppliers have allowed inventories to dwindle and thus the District has identified material procurement as a critical path to a successful and timely execution of its plan. The effect of the broadband stimulus funds (i.e., a potential surge in demand) could cause delays in obtaining critical materials such as fiber, splicing supplies and conduit. To avoid delays, IDCS has consulted with various vendors to understand the nature and extent of potential queue preferences, and, in turn, to provide vendors with a general forecast of potential orders. These efforts were intended to assist the vendors with their planning and inventory management, which we believe is prudent.

Permitting – Securing necessary permits is a variable and cause for potential delay in any network construction project. From the outset of the Project’s development, IDCS has identified the necessary permits and the anticipated timeframes to secure such permits based on the District’s historical experience with the applicable permitting agencies.

Weather - While weather could potentially cause some delays in deployment if heavy rains or heavy snow occur during the construction phase, the projected construction schedule provides more than adequate time to complete the project in the historically best weather of the year. The District will ensure that any contractors working on outside plant construction are experienced with local weather conditions and patterns.

PAINE  HAMBLEN^{LLP}
ATTORNEYS

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Of Counsel
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August 7, 2009

Administrator
Rural Utilities Services
U.S. Department of Agriculture
Washington, D.C. 20250-1500

Assistant Secretary
National Telecommunication
and Information Administration
U.S. Department of Commerce
Washington, D.C. 20230

**Re: *Public Utility District No. 1 of Pend Oreille County; General & Administrative
Broadband Technology Opportunities Program***

Dear Sir:

I am general counsel for Public Utility District No. 1 of Pend Oreille County, WA (the Applicant). In such capacity, I acted as counsel to the Applicant in connection with its ability to apply to the Broadband Initiatives Program and the Broadband Technology Opportunities Program as referenced in the Notice of Funds Availability.

I am of the opinion that:

(a) the Applicant is a duly organized and existing public utility district under the laws of the State of Washington;

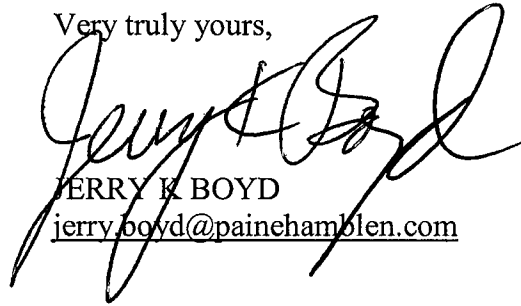
(b) the Applicant has corporate power: (1) to authorize, execute and deliver a grant agreement or a loan agreement; and (2) to perform all acts required to be done by it under such an agreement.

(c) no legal proceedings have been instituted or are pending against the Applicant, the outcome of which would adversely affect the Applicant's ability to perform the duties under a grant agreement or loan agreement, or adversely affect the security to be pledged under a loan agreement, and there are no judgments against the Applicant and no liens against any of the personal property of the Applicant, which would adversely affect the Applicant's ability to perform the duties under a grant agreement or the security to be pledged under a loan agreement;

Administrator
Assistant Secretary
August 7, 2009
Page 2

(d) the applicant has the power to own its property and carry out its business as now conducted.

Very truly yours,



JERRY K BOYD
jerry.boyd@painehamblen.com

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DETAIL OF PROJECT COSTS

PLEASE COMPLETE THE TABLE BELOW FOR THE DIFFERENT CATEGORIES OF EQUIPMENT THAT WILL BE REQUIRED FOR COMPLETING THE PROJECT. EACH CATEGORY SHOULD BE BROKEN DOWN TO THE APPROPRIATE LEVEL FOR IDENTIFYING UNIT COST

SERVICE AREA or COMMON NETWORK FACILITIES:		Eligibility (Yes/No)	Unit Cost	No. of Units	Total Cost	Support of Reasonableness
NETWORK & ACCESS EQUIPMENT						
Switching	Cisco 3750 12G Switch	Yes	15,000.00	21	315,000.00	
	Access Distribution Switch	Yes	6,000.00	21	126,000.00	
Routing	VPN Cards	Yes	7,000.00	1	7,000.00	
Transport	Cisco 6509	Yes	75,000.00	3	225,000.00	
	Cisco 6509 Cards	Yes	25,000.00	2	50,000.00	
	Microwave Equipment	Yes	65,000.00	1	65,000.00	
Access						
Other	Contact (Pigtails)	Yes	200.00	5	1,000.00	
	Contact (Pigtails)	Yes	1,536.00	3	4,608.00	
OUTSIDE PLANT						
Cables	Fiber 48, 96, 288, 432 Material	Yes	1.33	4134898	5,512,819.82	
	Fiber 48, 96, 288, 432 Install	Yes	0.65	4134898	2,689,812.69	
	Warning Tape	Yes	0.10	309461	30,946.14	
	Locate Wire	Yes	0.12	926279	111,153.50	
Conduits	1.25 inch (1, 2 & up to 4)	Yes	0.88	1010486	885,017.63	
	Bore & Trench	Yes	8.03	842072	6,757,627.51	
	Glue	Yes	4.95	86	425.70	
	Couplers	Yes	0.99	423	418.77	
	Restoration	Yes	7.18	103154	740,362.78	
Ducts	Handholes (Sm & Lg)	Yes	320.29	3429	3,290,042.10	
	Handhole Sealer	Yes	17.60	410	20,662.40	
	Handhole Restoration	Yes	7.65	10028	219,526.05	
Poles	New Poles & Replacements	Yes	1,192.96	142	169,400.00	
	Aerial Hardware	Yes	45.00	10670	480,150.00	
	Aerial Strand Install Material	Yes	0.75	2139358	1,604,518.39	
	Make Ready	Yes	90.00	795	71,550.00	
Towers	Microwave Equipment	Yes	100,000.00	1	100,000.00	
	Microwave Install	Yes	10,000.00	1	10,000.00	
Repeaters						

DETAIL OF PROJECT COSTS

SERVICE AREA orCOMMON NETWORK FACILITIES:		Eligibility (Yes/No)	Unit Cost	No. of Units	Total Cost	Support of Reasonableness
NETWORK & ACCESS EQUIPMENT						
Other	Splicing	Yes	30.33	78,706	2,386,986.00	
	Testing	Yes	14.00	11,545	161,630.00	
	Trays & Casings	Yes	124.65	10,125	1,262,135.00	
	Fiber Tags	Yes	1.00	12,984	12,984.00	
	River Crossings	Yes	24,700.00	4	98,800.00	
	1% Contingency	Yes	0.09	2,980,732	272,255.22	
	Tax	Yes		7.75%	703,935.64	
BUILDINGS						
New Construction						
Pre-Fab Huts	Serving Cabinets	Yes	15,000.00	28	420,000.00	
	Aggregation Field Node	Yes	75,000.00	3	225,000.00	
	Facility Installation	Yes	3,967.74	31	123,000.00	
Improvements & Renovation	Site Design & Conditioning	Yes	6,496.77	31	201,400.00	
Other	Tower Site Acquisition	Yes	25,000.00	1	25,000.00	
	Cabinet Site Acquisition	Yes	10,000.00	28	280,000.00	
CUSTOMER PREMISE EQUIPMENT						
Modems	DRG CPE Switch / Router	Yes	906.00	250	226,500.00	
Set Top Boxes						
Inside Wiring						
Other	Universal Power Supply	Yes	906.00	40	36,240.00	
	External Enclosure	Yes	906.00	30	27,180.00	
BILLING SUPPORT AND OPERATIONA SUPPORT SYSTEMS						
Billing Support Systems						
Customer Care Systems						
Other Support	Field Hut Alarm System	Yes	2,000.00	24	48,000.00	

DETAIL OF PROJECT COSTS

SERVICE AREA orCOMMON NETWORK FACILITIES:		Eligibility (Yes/No)	Unit Cost	No. of Units	Total Cost	Support of Reasonableness
OPERATING EQUIPMENT						
Vehicles						
Office Equipment/ Furniture						
Other						
PROFESSIONAL SERVICES						
Engineering Design	Field Design, Final Design	Yes	0.85	2980732	2,536,350.05	
	Network Design	Yes	0.12	2980732	363,895.27	
	Network Equipment Install	Yes	0.03	2980732	77,319.38	
	NOC Implmentation	Yes	0.01	2980732	23,200.00	
Project Management	Program / Project Mgmt	Yes	0.15	2980732	447,591.19	
Consulting	Permit Preparation & Filing	Yes	0.09	2980732	262,304.45	
	Business Plan Preparation	Yes	0.08	2980732	224,700.00	
	Operations Implmentation	Yes	0.05	2980732	150,000.00	
Other	System Provisioning	Yes	0.01	2980732	29,807.32	
TESTING						
Network Elements	Video / IP Test Equipment		35,000.00	1	35,000.00	
IT System Elements						
User Devices						
Test Generators						
Lab Furnishings						
Servers/ Computers	Management System (optical)		4,000.00	2	8,000.00	

DETAIL OF PROJECT COSTS

SERVICE AREA or COMMON NETWORK FACILITIES:		Eligibility (Yes/No)	Unit Cost	No. of Units	Total Cost	Support of Reasonableness
OTHER UPFRONT COSTS						
Site Preparation						
Other						

ATTACHMENT H - Broadband Subscriber Estimates

Instructions: Using the table below, please estimate the number of subscribers for each distinct type of service offering on a quarterly basis over the five year forecast period. Combine all service pricing tiers of broadband data services into a single service offering. The subscriber projections must be described separately by the type of services offered, and by type of entity (households, businesses, "strategic institutions" i.e., critical community facilities, community anchor institutions, and public safety entities) to which services are offered. For last mile subscribers, please also provide, on a separate sheet, your estimated take rate (the percentage of total customers passed who will subscribe to your service), along with a brief description of the methodology used to forecast these subscribers/take rates. Middle mile applicants should indicate their subscriber forecasts in terms of the entities served via the last mile service providers, community anchor institutions, or public safety entities that are connected to their middle mile network. Middle mile applicants should also provide a reasoned basis for these subscriber forecasts (e.g., agreements in principle with existing or planned last mile service providers, market studies, etc).

Household Subscribers	YEAR 0	YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5			
		Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
<i>Service Type #1</i>																					
Net add-ons																					
Cumulative subscribers																					
<i>Service Type #2</i>																					
Net add-ons																					
Cumulative subscribers																					
<i>Service Type #3</i>																					
Net add-ons																					
Cumulative subscribers																					

Business Customers	YEAR 0	YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5			
		Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
<i>Service Type #1</i>																					
Net add-ons																					
Cumulative subscribers																					
<i>Service Type #2</i>																					
Net add-ons																					
Cumulative subscribers																					
<i>Service Type #3</i>																					
Net add-ons																					
Cumulative subscribers																					

Strategic Institution	YEAR 0	YEAR 1				YEAR 2				YEAR 3				YEAR 4				YEAR 5			
		Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4
<i>Service Type #1</i>																					
Net add-ons																					
Cumulative subscribers																					
<i>Service Type #2</i>																					
Net add-ons																					
Cumulative subscribers																					
<i>Service Type #3</i>																					
Net add-ons																					
Cumulative subscribers																					

SUBSCRIBER PROJECTION TABLE AND RATE PLANS VOICE SERVICES

COMPLETE THE CHART BELOW FOR EACH PROPOSED FUNDED SERVICE AREA. FOR ALL OTHER SERVICE AREAS, PLEASE PREPARE A CHART THAT AGGREGATES THIS INFORMATION

SERVICE AREA NAME:

	Census Community	Year 1		Year 2		Year 3		Year 4		Year 5	
		Res	Bus	Res	Bus	Res	Bus	Res	Bus	Res	Bus
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
TOTAL											

Rates:

Residential Service

Business Service

Other (Specify):

Note: Complete a separate table for each service area.

Income Statement - Fully Consolidated
"Hypothetical RUS Loan"

Attachment K - Income Statement BIP

	Historical		Forecast Period				
	2007	2008	Year 1 (2009)	Year 2 (2010)	Year 3 (2011)	Year 4 (2012)	Year 5 (2013)
Revenues							
IP Services & Transport	\$ 28,800	\$ 28,800	\$ 28,800	\$ 28,800	\$ 28,800	\$ 28,800	\$ 57,600
Residential Revenue	\$ -	\$ -	\$ -	\$ -	\$ 351,436	\$ 624,776	\$ 694,431
Commercial Revenue	\$ 189,720	\$ 189,720	\$ 189,720	\$ 189,720	\$ 365,078	\$ 373,846	\$ 475,013
Wholesale Fiber Optic	\$ 239,106	\$ 259,061	\$ 272,400	\$ 272,400	\$ 272,400	\$ 272,400	\$ 277,848
Consolidated Operating Revenues	\$ 42,093,422	\$ 42,148,164	\$ 42,148,164	\$ 42,148,164	\$ 42,148,164	\$ 42,148,164	\$ 42,148,164
Interest Income	\$ 1,194,076	\$ 605,765	\$ 605,765	\$ 605,765	\$ 605,765	\$ 605,765	\$ 605,765
Grant Revenues	\$ 283,077	\$ 43,168	\$ 43,168	\$ 43,168	\$ 43,168	\$ 43,168	\$ 43,168
Other Revenues	\$ 126,022	\$ 185,399	\$ 185,399	\$ 185,399	\$ 185,399	\$ 185,399	\$ 185,399
Total Revenues	\$ 44,154,223	\$ 43,460,077	\$ 43,473,416	\$ 43,473,416	\$ 44,000,210	\$ 44,282,318	\$ 44,487,388
Expenses							
Power Costs	\$ 16,357,190	\$ 16,426,572	\$ 16,426,572	\$ 16,426,572	\$ 16,426,572	\$ 16,426,572	\$ 16,426,572
Operations and Maintenance	\$ 8,365,303	\$ 10,057,661	\$ 10,057,661	\$ 10,056,468	\$ 10,380,270	\$ 10,483,174	\$ 10,680,711
Corporate G&A	\$ 3,912,486	\$ 4,680,567	\$ 4,680,567	\$ 4,680,567	\$ 4,680,567	\$ 4,680,567	\$ 4,680,567
Total	\$ 28,634,979	\$ 31,164,800	\$ 31,164,800	\$ 31,163,607	\$ 31,487,409	\$ 31,590,313	\$ 31,787,850
EBITDA	\$ 15,519,244	\$ 12,295,277	\$ 12,308,616	\$ 12,309,809	\$ 12,512,801	\$ 12,692,005	\$ 12,699,538
Depreciation & Amortization - Existing	\$ 4,082,405	\$ 4,420,451	\$ 4,486,758	\$ 4,554,059	\$ 4,622,370	\$ 4,691,706	\$ 4,762,081
Depreciation & Amortization - Project				\$ 1,707,863	\$ 1,707,863	\$ 1,707,863	\$ 1,707,863
Earnings Before Interest and Taxes	\$ 11,436,839	\$ 7,874,826	\$ 7,821,858	\$ 6,047,887	\$ 6,182,568	\$ 6,292,437	\$ 6,229,594
Interest Expense - Existing	\$ 1,397,096	\$ 1,375,416	\$ 1,156,035	\$ 949,039	\$ 822,594	\$ 710,785	\$ 593,287
Interest Expense - RUS loan				\$1,175,009.42	\$1,118,233.88	\$1,061,254.89	\$1,004,071.72
Income Before Taxes	\$ 10,039,743	\$ 6,499,410	\$ 6,665,823	\$ 3,923,839	\$ 4,241,740	\$ 4,520,397	\$ 4,632,235
Taxes	\$ 1,609,732	\$ 1,666,704	\$ 1,666,704	\$ 1,666,704	\$ 1,666,704	\$ 1,666,704	\$ 1,666,704
Net Income	\$ 8,430,011	\$ 4,832,706	\$ 4,999,119	\$ 2,257,135	\$ 2,575,036	\$ 2,853,693	\$ 2,965,531

	Historical		Forecast Period				
	2007	2008	Year 1 (2009)	Year 2 (2010)	Year 3 (2011)	Year 4 (2012)	Year 5 (2013)
Revenues							
IP Services & Transport	\$ 28,800	\$ 28,800	\$ 28,800	\$ 28,800	\$ 28,800	\$ 28,800	\$ 57,600
Residential Revenue	\$ -	\$ -	\$ -	\$ -	\$ 351,436	\$ 624,776	\$ 694,431
Commercial Revenue	\$ 189,720	\$ 189,720	\$ 189,720	\$ 189,720	\$ 365,078	\$ 373,846	\$ 475,013
Wholesale Fiber Optic	\$ 239,106	\$ 259,061	\$ 272,400	\$ 272,400	\$ 272,400	\$ 272,400	\$ 277,848
Consolidated Operating Revenues	\$ 42,093,422	\$ 42,148,164	\$ 42,148,164	\$ 42,148,164	\$ 42,148,164	\$ 42,148,164	\$ 42,148,164
Interest Income	\$ 1,194,076	\$ 605,765	\$ 605,765	\$ 605,765	\$ 605,765	\$ 605,765	\$ 605,765
Grant Revenues	\$ 283,077	\$ 43,168	\$ 43,168	\$ 27,368,972	\$ 43,168	\$ 43,168	\$ 43,168
Other Revenues	\$ 126,022	\$ 185,399	\$ 185,399	\$ 185,399	\$ 185,399	\$ 185,399	\$ 185,399
Total Revenues	\$ 44,154,223	\$ 43,460,077	\$ 43,473,416	\$ 70,799,220	\$ 44,000,210	\$ 44,282,318	\$ 44,487,388
Expenses							
Power Costs	\$ 16,357,190	\$ 16,426,572	\$ 16,426,572	\$ 16,426,572	\$ 16,426,572	\$ 16,426,572	\$ 16,426,572
Operations and Maintenance	\$ 8,365,303	\$ 10,057,661	\$ 10,057,661	\$ 10,056,468	\$ 10,380,270	\$ 10,483,174	\$ 10,680,711
Corporate G&A	\$ 3,912,486	\$ 4,680,567	\$ 4,680,567	\$ 4,680,567	\$ 4,680,567	\$ 4,680,567	\$ 4,680,567
Total	\$ 28,634,979	\$ 31,164,800	\$ 31,164,800	\$ 31,163,607	\$ 31,487,409	\$ 31,590,313	\$ 31,787,850
EBITDA	\$ 15,519,244	\$ 12,295,277	\$ 12,308,616	\$ 39,635,613	\$ 12,512,801	\$ 12,692,005	\$ 12,699,538
Depreciation & Amortization - Existing	\$ 4,082,405	\$ 4,420,451	\$ 4,486,758	\$ 4,554,059	\$ 4,622,370	\$ 4,691,706	\$ 4,762,081
Depreciation & Amortization - Project				\$ 1,707,863	\$ 1,707,863	\$ 1,707,863	\$ 1,707,863
Earnings Before Interest and Taxes	\$ 11,436,839	\$ 7,874,826	\$ 7,821,858	\$ 33,373,691	\$ 6,182,568	\$ 6,292,437	\$ 6,229,594
Interest Expense	\$ 1,397,096	\$ 1,375,416	\$ 1,156,035	\$ 949,039	\$ 822,594	\$ 710,785	\$ 593,287
Income Before Taxes	\$ 10,039,743	\$ 6,499,410	\$ 6,665,823	\$ 32,424,652	\$ 5,359,974	\$ 5,581,652	\$ 5,636,307
Taxes	\$ 1,609,732	\$ 1,666,704	\$ 1,666,704	\$ 1,666,704	\$ 1,666,704	\$ 1,666,704	\$ 1,666,704
Net Income	\$ 8,430,011	\$ 4,832,706	\$ 4,999,119	\$ 30,757,948	\$ 3,693,270	\$ 3,914,948	\$ 3,969,603

Income Statement Assumptions

1. All revenues remained the same as 2008 with the exception of the additional revenues added from the Project. Projected revenues from the business case, Appendix 50-2, were used.
2. Descriptions and assumptions relating to the revenue categories are as follows:
 - i. “IP Services & Transport” refers to existing services provided to Internet Service Providers on a transport basis.
 - ii. “Residential Revenue” refers to wholesale services provided to retail providers who deliver the end-user service on a residential basis. Residential services are provided on a port-fee basis and include phone, internet, video and security.
 - iii. “Commercial Revenue” refers to wholesale services provided to retail providers who deliver the end-user service on a commercial basis. Commercial services are provided on a port-fee basis, with charges increasing by Mbps for each Mbps greater than 1.
 - iv. “Wholesale Fiber Optic” refers to the existing “Diamond” level services provided on a port-fee basis, and internal services. This account is primarily static, but does allow for a modest increase in internal services.

In sum, the District has historically used the “IP Services & Transport” and “Wholesale Fiber Optic” categories to define its wholesale broadband revenues, but, with the planned last-mile network deployment, intends to establish the general residential and commercial revenue categories identified here.

3. Appendix 50-2 contains an input error in the cell relating to Commercial 1 Meg Port (Best Efforts): the price shown is \$21. The correct price is \$121. The revenue impact is insignificant, and results in the following increases: 2009 - \$0; 2010 - \$0; 2011 - \$10,080; 2012 - \$10,584; 2013 - \$13,824.
4. The District’s market penetration assumptions (see Appendix 50-2, business case) are based on the District’s research, which includes consultation with existing retail providers using the District’s network and a 2008 survey of Pend Oreille County residents.
5. The “Yearly Units Passed” (see Appendix 50-2, business case) is based on 2008 residential and commercial units data received by Pend Oreille County on May 14, 2009, and cross-checked against the District’s meter data.
6. The Category “Energy – Operating Revenues” and “Consolidated – Operating Revenues” equals the values presented in the 2007 and 2008 audited Combined Statements of Revenues, Expenses and Changes in Net Assets, less the wholesale broadband revenues presented in Assumption 2 above, since the wholesale broadband revenues were rolled into the values presented in the 2007 and 2008 audited financial statements.

7. Energy System Only total revenues exceed Consolidated Total Revenues owing to intersystem sales of 1,880,701 and 87,492 in fiscal years 2008 and 2007, respectively. See audited Combined Statements of Revenues, Expenses and Changes in Net Assets.
8. The Category “Other Revenues” ties to the “AFUDC interest” and “Other, net” values presented in the Combined Statements of Revenues, Expenses and Changes in Net Assets.
9. All expenses remained the same as 2008 with the exception of the additional expenses added from the project. Those expenses were included in the Operations and Maintenance account and are identified in detail on Appendix 50-2, business case.
10. The Project-related expenses included in the Operations and Maintenance appear on page 2 of the Business Case (Appendix 50-2) and include (i) staffing expenses (existing Operations Manager and Systems Engineer, adding Network Engineer, OSP Engineer, and Field Services Technician in 2011, followed by Administrative Staff in 2012); (ii) Internet connection expense; (iii) software/hardware maintenance expense; (iv) materials, insurance and travel; (v) equipment reserves (commencing in 2013 to fund replacement of equipment with 7-year economic life); and (vi) NOC management expenses, commencing in 2011.
11. Existing Depreciation & Amortization was calculated based on historical trends, showing an estimated increase of 1.5% per year.
12. Project-related Depreciation & Amortization was calculated on a straight-line basis at 5.0 per year, assuming a total depreciable expense equal to the Project Budget of \$34,157,255.
13. For ease of calculation, it was assumed that all grant/loan funds would be received in 2010 and associated capital expenditures made in 2010, even though funds receipt and expenditure may occur in both 2010 and 2011. This timing assumption does not materially impact the overall presentation of the financials.
14. Interest expense was calculated based on information from the 2008 audited financial statements.
15. Taxes remained the same as 2008.
16. For the “Hypothetical RUS Loan” version, the following assumptions apply:
 - i. Interest expense begins on January 1, 2010.
 - ii. Principal amount of loan equals 80% of the \$34,157,255 Project Budget, or \$27,325,803
 - iii. 20-year loan term at 4.3% interest (compounded annually for ease of calculation)
 - iv. Composite Economic Life of funded network is 20 years.

**VIDEO SERVICES
SUBSCRIBER PROJECTS AND RATE PLANS**

**COMPLETE THE CHART BELOW FOR EACH PROPOSED FUNDED SERVICE AREA. FOR ALL OTHER SERVICE AREAS, PLEASE
PREPARE A CHART THAT AGGREGATES THIS INFORMATION**

SERVICE AREA NAME:

	Census Community	Year 1			Year 2			Year 3			Year 4			Year 5		
		Pkg 1	Pkg 2	Other	Pkg 1	Pkg 2	Other	Pkg 1	Pkg 2	Other	Pkg 1	Pkg 2	Other	Pkg 1	Pkg 2	Other
1																
2																
3																
4																
5																
6																
7																
8																
9																
10																
TOTAL																

Rates:

Package 1: (ex. 150 basic channels / \$35)

Package 1: (ex. 150 basic channels and Premium / \$60)

Other (Specify):

Note: Complete a separate table for each service area. Column headings should be changed to reflect the name of the service package to be offered. Additional columns may be added for each year if more than three package are offered.

**Balance Sheet - Fully Consolidated
"Hypothetical RUS Loan"**

Attachment L - Balance Sheet BIP

	Historical		Forecast Period				
	2007	2008	Year 1 (2009)	Year 2 (2010)	Year 3 (2011)	Year 4 (2012)	Year 5 (2013)
Assets							
<i>Current Assets</i>							
Cash	\$ 13,612,350	\$ 13,754,709	\$ 11,339,660	\$ 37,002,212	\$ 13,579,303	\$ 18,646,411	\$ 23,682,244
Accounts Receivable	\$ 1,651,393	\$ 966,331	\$ 966,331	\$ 1,318,192	\$ 1,326,564	\$ 1,326,564	\$ 1,353,074
Inventory	\$ 1,924,683	\$ 1,745,150	\$ 1,745,150	\$ 1,745,150	\$ 1,745,150	\$ 1,745,150	\$ 1,745,150
Unbilled Revenue	\$ 726,537	\$ 871,837	\$ 871,837	\$ 871,837	\$ 871,837	\$ 871,837	\$ 871,837
Other Current Assets	\$ 188,128	\$ 168,422	\$ 168,422	\$ 168,422	\$ 168,422	\$ 168,422	\$ 168,422
Total Current Assets	\$ 18,103,091	\$ 17,506,449	\$ 15,091,400	\$ 41,105,813	\$ 17,691,277	\$ 22,758,384	\$ 27,820,727
<i>Non-Current Assets</i>							
Amortizable Asset (Net of Amortization)	\$ 12,555,309	\$ 12,544,444	\$ 12,533,579	\$ 12,522,714	\$ 12,511,849	\$ 12,500,984	\$ 12,490,119
Equipment in Service	\$ 125,600,433	\$ 132,539,956	\$ 150,350,682	\$ 156,176,494	\$ 184,507,937	\$ 184,507,937	\$ 184,507,937
Less: Accumulated Depreciation	\$ (50,271,484)	\$ (53,654,824)	\$ (58,616,397)	\$ (63,770,221)	\$ (69,858,983)	\$ (75,947,745)	\$ (82,036,507)
Net Plant	\$ 75,328,949	\$ 78,885,132	\$ 91,734,285	\$ 92,406,273	\$ 114,648,954	\$ 108,560,193	\$ 102,471,431
Construction Work in Progress	\$ 6,944,487	\$ 17,810,726	\$ -	\$ -	\$ -	\$ -	\$ -
Special Funds	\$ 10,924,484	\$ 11,807,352	\$ 11,807,352	\$ 11,807,352	\$ 11,807,352	\$ 11,807,352	\$ 11,807,352
Deferred Licensing Costs	\$ 5,790,851	\$ 5,067,435	\$ 5,067,435	\$ 5,067,435	\$ 5,067,435	\$ 5,067,435	\$ 5,067,435
Other Assets	\$ 423,637	\$ 367,079	\$ 367,079	\$ 367,079	\$ 367,079	\$ 367,079	\$ 367,079
Total Non-Current Assets	\$ 111,967,717	\$ 126,482,168	\$ 121,509,730	\$ 122,170,853	\$ 144,402,669	\$ 138,303,043	\$ 132,203,416
Total Assets	\$ 130,070,808	\$ 143,988,617	\$ 136,601,130	\$ 163,276,666	\$ 162,093,946	\$ 161,061,427	\$ 160,024,142
Liabilities and Owners' Equity							
Liabilities							
<i>Current Liabilities</i>							
Accounts Payable	\$ 3,929,500	\$ 7,607,025	\$ 5,982,608	\$ 6,002,159	\$ 6,039,692	\$ 6,046,408	\$ 6,051,521
Accrued Expenses	\$ 2,567,266	\$ 2,615,993	\$ 2,615,993	\$ 2,615,993	\$ 2,615,993	\$ 2,615,993	\$ 2,615,993
Customer Prepayments	\$ 839,258	\$ 732,896	\$ 732,896	\$ 732,896	\$ 732,896	\$ 732,896	\$ 732,896
Current Portion - Long Term Debt	\$ 2,019,140	\$ 10,762,189	\$ 2,926,953	\$ 3,795,289	\$ 3,892,928	\$ 4,007,928	\$ 3,648,928
Current Portion - Deferred Revenue	\$ 53,219	\$ 54,547	\$ 54,547	\$ 54,547	\$ 54,547	\$ 54,547	\$ 54,547
Current License Costs	\$ 157,450	\$ 141,642	\$ 141,642	\$ 141,642	\$ 141,642	\$ 141,642	\$ 141,642
Total Current Liabilities	\$ 9,565,833	\$ 21,914,292	\$ 12,454,639	\$ 13,342,527	\$ 13,477,698	\$ 13,599,414	\$ 13,245,527
<i>Long-Term Liabilities</i>							
Deferred Revenue - Net of Current Portion	\$ 1,078,546	\$ 1,028,957	\$ 1,028,957	\$ 1,028,957	\$ 1,028,957	\$ 1,028,957	\$ 1,028,957
License Costs - Net of Current Portion	\$ 7,941,710	\$ 7,320,633	\$ 7,320,633	\$ 7,320,633	\$ 7,320,633	\$ 7,320,633	\$ 7,320,633
License Surrender Liability	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Long Term Debt - Net of Current Portion	\$ 24,623,882	\$ 22,031,192	\$ 19,104,239	\$ 42,634,753	\$ 38,741,825	\$ 34,733,897	\$ 31,084,969
Total Long-Term Liabilities	\$ 34,394,138	\$ 31,130,782	\$ 28,203,829	\$ 51,734,343	\$ 47,841,415	\$ 43,833,487	\$ 40,184,559
Total Liabilities	\$ 43,959,971	\$ 53,045,074	\$ 40,658,468	\$ 65,076,869	\$ 61,319,112	\$ 57,432,901	\$ 53,430,086
Net Assets							
Invested in Capital Assets, Net of Related Debt	\$ 68,596,653	\$ 76,813,413	\$ 76,813,413	\$ 76,813,413	\$ 76,813,413	\$ 76,813,413	\$ 76,813,413
Restricted Net Assets	\$ 3,791,504	\$ 3,880,902	\$ 3,880,902	\$ 3,880,902	\$ 3,880,902	\$ 3,880,902	\$ 3,880,902
Unrestricted Net Assets	\$ 13,722,680	\$ 10,249,228	\$ 15,248,347	\$ 17,505,482	\$ 20,080,518	\$ 22,934,211	\$ 25,899,742
Total Net Assets	\$ 86,110,837	\$ 90,943,543	\$ 95,942,662	\$ 98,199,797	\$ 100,774,833	\$ 103,628,526	\$ 106,594,057
Total Liabilities and Owner's Equity	\$ 130,070,808	\$ 143,988,617	\$ 136,601,130	\$ 163,276,666	\$ 162,093,945	\$ 161,061,427	\$ 160,024,143

**Balance Sheet - Fully Consolidated -
Assumes BTOP Grant**

Attachment L - Balance Sheet - BTOP

	Historical		Forecast Period				
	2007	2008	Year 1 (2009)	Year 2 (2010)	Year 3 (2011)	Year 4 (2012)	Year 5 (2013)
Assets							
<i>Current Assets</i>							
Cash	\$ 13,612,350	\$ 13,754,709	\$ 11,339,660	\$ 38,177,222	\$ 17,238,838	\$ 24,733,490	\$ 32,139,685
Accounts Receivable	\$ 1,651,393	\$ 966,331	\$ 966,331	\$ 1,318,192	\$ 1,326,564	\$ 1,326,564	\$ 1,353,074
Inventory	\$ 1,924,683	\$ 1,745,150	\$ 1,745,150	\$ 1,745,150	\$ 1,745,150	\$ 1,745,150	\$ 1,745,150
Unbilled Revenue	\$ 726,537	\$ 871,837	\$ 871,837	\$ 871,837	\$ 871,837	\$ 871,837	\$ 871,837
Other Current Assets	\$ 188,128	\$ 168,422	\$ 168,422	\$ 168,422	\$ 168,422	\$ 168,422	\$ 168,422
Total Current Assets	\$ 18,103,091	\$ 17,506,449	\$ 15,091,400	\$ 42,280,823	\$ 21,350,811	\$ 28,845,464	\$ 36,278,168
<i>Non-Current Assets</i>							
Amortizable Asset (Net of Amortization)	\$ 12,555,309	\$ 12,544,444	\$ 12,533,579	\$ 12,522,714	\$ 12,511,849	\$ 12,500,984	\$ 12,490,119
Equipment in Service	\$ 125,600,433	\$ 132,539,956	\$ 150,350,682	\$ 156,176,494	\$ 184,507,937	\$ 184,507,937	\$ 184,507,937
Less: Accumulated Depreciation	\$ (50,271,484)	\$ (53,654,824)	\$ (58,616,397)	\$ (63,770,221)	\$ (69,858,983)	\$ (75,947,745)	\$ (82,036,507)
Net Plant	\$ 75,328,949	\$ 78,885,132	\$ 91,734,285	\$ 92,406,273	\$ 114,648,954	\$ 108,560,193	\$ 102,471,431
Construction Work in Progress	\$ 6,944,487	\$ 17,810,726	\$ -	\$ -	\$ -	\$ -	\$ -
Special Funds	\$ 10,924,484	\$ 11,807,352	\$ 11,807,352	\$ 11,807,352	\$ 11,807,352	\$ 11,807,352	\$ 11,807,352
Deferred Licensing Costs	\$ 5,790,851	\$ 5,067,435	\$ 5,067,435	\$ 5,067,435	\$ 5,067,435	\$ 5,067,435	\$ 5,067,435
Other Assets	\$ 423,637	\$ 367,079	\$ 367,079	\$ 367,079	\$ 367,079	\$ 367,079	\$ 367,079
Total Non-Current Assets	\$ 111,967,717	\$ 126,482,168	\$ 121,509,730	\$ 122,170,853	\$ 144,402,669	\$ 138,303,043	\$ 132,203,416
Total Assets	\$ 130,070,808	\$ 143,988,617	\$ 136,601,130	\$ 164,451,676	\$ 165,753,480	\$ 167,148,506	\$ 168,481,584
Liabilities and Owners' Equity							
Liabilities							
<i>Current Liabilities</i>							
Accounts Payable	\$ 3,929,500	\$ 7,607,025	\$ 5,982,608	\$ 6,002,159	\$ 6,039,692	\$ 6,046,408	\$ 6,051,521
Accrued Expenses	\$ 2,567,266	\$ 2,615,993	\$ 2,615,993	\$ 2,615,993	\$ 2,615,993	\$ 2,615,993	\$ 2,615,993
Customer Prepayments	\$ 839,258	\$ 732,896	\$ 732,896	\$ 732,896	\$ 732,896	\$ 732,896	\$ 732,896
Current Portion - Long Term Debt	\$ 2,019,140	\$ 10,762,189	\$ 2,926,953	\$ 2,428,999	\$ 2,526,638	\$ 2,641,638	\$ 2,282,638
Current Portion - Deferred Revenue	\$ 53,219	\$ 54,547	\$ 54,547	\$ 54,547	\$ 54,547	\$ 54,547	\$ 54,547
Current License Costs	\$ 157,450	\$ 141,642	\$ 141,642	\$ 141,642	\$ 141,642	\$ 141,642	\$ 141,642
Total Current Liabilities	\$ 9,565,833	\$ 21,914,292	\$ 12,454,639	\$ 11,976,236	\$ 12,111,408	\$ 12,233,124	\$ 11,879,237
<i>Long-Term Liabilities</i>							
Deferred Revenue - Net of Current Portion	\$ 1,078,546	\$ 1,028,957	\$ 1,028,957	\$ 1,028,957	\$ 1,028,957	\$ 1,028,957	\$ 1,028,957
License Costs - Net of Current Portion	\$ 7,941,710	\$ 7,320,633	\$ 7,320,633	\$ 7,320,633	\$ 7,320,633	\$ 7,320,633	\$ 7,320,633
License Surrender Liability	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Long Term Debt - Net of Current Portion	\$ 24,623,882	\$ 22,031,192	\$ 19,104,239	\$ 16,675,240	\$ 14,148,602	\$ 11,506,964	\$ 9,224,326
Total Long-Term Liabilities	\$ 34,394,138	\$ 31,130,782	\$ 28,203,829	\$ 25,774,830	\$ 23,248,192	\$ 20,606,554	\$ 18,323,916
Total Liabilities	\$ 43,959,971	\$ 53,045,074	\$ 40,658,468	\$ 37,751,066	\$ 35,359,600	\$ 32,839,678	\$ 30,203,153
Net Assets							
Invested in Capital Assets, Net of Related Debt	\$ 68,596,653	\$ 76,813,413	\$ 76,813,413	\$ 76,813,413	\$ 76,813,413	\$ 76,813,413	\$ 76,813,413
Restricted Net Assets	\$ 3,791,504	\$ 3,880,902	\$ 3,880,902	\$ 3,880,902	\$ 3,880,902	\$ 3,880,902	\$ 3,880,902
Unrestricted Net Assets	\$ 13,722,680	\$ 10,249,228	\$ 15,248,347	\$ 46,006,295	\$ 49,699,565	\$ 53,614,513	\$ 57,584,116
Total Net Assets	\$ 86,110,837	\$ 90,943,543	\$ 95,942,662	\$ 126,700,610	\$ 130,393,880	\$ 134,308,828	\$ 138,278,431
Total Liabilities and Owner's Equity	\$ 130,070,808	\$ 143,988,617	\$ 136,601,130	\$ 164,451,676	\$ 165,753,480	\$ 167,148,506	\$ 168,481,584

Balance Sheet Assumptions

1. Accounts Receivable was calculated at approximately 3% of total revenues for the year based on historical trends.
2. Inventory, Unbilled Revenue, and Other Current Assets remained at the same levels as 2008.
3. Net intangibles continued to increase as the historical trend.
4. In year one, the only addition to the Equipment in Service account was the Construction in Progress from the prior year. In subsequent years, the only additions were the three phases of the project. It was assumed that there would be no retirements over the five-year period.
5. Depreciation continued to be accounted for according to historical trends.
6. Special Funds, Deferred Licensing Costs, and Other Assets remained at the same levels as 2008.
7. Accounts Payable was calculated at approximately 19% of total expenses for the year based on historical trends.
8. Accrued Expenses, Customer Prepayments, Deferred Revenue, License Costs, and License Surrender Liability remained at the same levels as 2008.
9. Long Term Debt, both current and non-current, was obtained from the 2008 audited financial statements. No additional debt was incurred in future periods. See also Note 4 to the 2008 audited financial statements, providing a table of scheduled maturities and interest on long-term debt, by system. Note that Year 5 Long Term Debt-Current Portion was presented as a cumulative amount for years 2014 – 2018 in Note 4 of the 2008 audited financials; for ease of calculation, this cumulative amount was divided by five to determine estimated Long Term Debt-Current Portion for Year 5.
10. All changes in Net Assets ran through the Unrestricted Net Assets account for ease of calculations.

Cash Management Practices:

For a comprehensive discussion of the District's cash management policies, please refer to Note 2 to the District's audited financial statement for fiscal year 2008 (provided in response to Question 47). The most relevant portions of that discussion are as follows:

Interest Rate Risk. The District's investment policy limits investment maturities to less than five years from the date of purchase unless authorized by the General Manager and Director of

Finance for a specific purpose. During 2008 and 2007, excepting the 2005 bond reserve account, all investments were in the State Treasurer's Local Government Investment Pool (LGIP), which has a weighted average portfolio maturity of less than 90 days.

Credit Risk. In accordance with the Revised Code of Washington, District bond resolutions, and District internal investment policies, all investments are direct obligations of the U.S. Government, deposits in the LGIP, or deposits with financial institutions recognized as qualified public depositories of the State of Washington. U.S. Government securities are held by banks or trust companies as the District's agent and in the District's name. The District's cash deposits are covered by federal depository insurance or protected against loss by deposit with financial institutions recognized as qualified public depositories of the State of Washington. The District intends to hold time deposits and securities until maturity.

Concentration of Credit Risk. District policies allow the entire portfolio to be invested in direct United States Government guaranteed obligations or in the LGIP. No other investment may exceed half of portfolio market value. The LGIP, a 2a7-like pool as defined by GASB Statement No. 31 and the Securities and Exchange Commission, invests in high quality, short-term investments; all LGIP money market securities must be rated A-1 by Standard & Poors Corporation or P1 by Moody's Investor Services, Inc. The LGIP weighted average maturity must not exceed 90 days and no single investment may exceed 762 days in maturity. Withdrawals in excess of \$10 million are available on a one day notice. The LGIP Annual Report is available on the State Treasurer's website at <http://tre.wa.gov/LGIP/lqip.htm>.

**Statement of Cash Flows - Fully
Consolidated - "Hypothetical RUS
Loan"**

Attachment M - Statement of Cash Flows - BIP

	Historical		Forecast Period				
	2007	2008	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning Cash	\$ 22,250,117	\$ 24,536,834	\$ 23,558,061	\$ 20,657,332	\$ 19,085,674	\$ 25,591,103	\$ 32,324,444
CASH FLOWS FROM OPERATING ACTIVITIES:							
Net Income	8,223,932	5,373,790	4,999,119	2,257,135	2,575,036	2,853,693	2,965,531
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>							
Add: Depreciation & Amortization	4,082,405	4,420,451	4,486,758	6,261,922	6,330,233	6,399,569	6,469,944
<i>Changes in Current Assets and Liabilities:</i>							
Accounts Receivable	(162,361)	510,388	-	(351,861)	(8,373)	-	(26,510)
Inventory	(237,142)	179,533	-	-	-	-	-
Unbilled Revenue	74,572	(145,300)	-	-	-	-	-
Other Current Assets	(21,103)	19,706	-	-	-	-	-
Deferred Licensing Costs	120,399	86,531	-	-	-	-	-
Accounts Payable	1,217,663	3,390,336	(1,624,417)	19,552	37,532	6,717	5,113
Accrued Expenses	70,332	259,371	-	-	-	-	-
Net Cash Provided (Used) by Operations	\$ 13,368,697	\$ 14,094,806	\$ 7,861,460	\$ 8,186,748	\$ 8,934,428	\$ 9,259,979	\$ 9,414,078
CASH FLOWS FROM FINANCING ACTIVITIES:							
Acquisition and Construction of Capital Assets	(11,345,208)	(18,647,711)	-	(34,157,255)	-	-	-
Proceeds from Grants	88,158	239,028	-	-	-	-	-
Change of Deferred Revenue	(88,078)	(48,261)	-	-	-	-	-
Proceeds from issuance of revenue bonds	2,346,829	1,305,600	-	-	-	-	-
Payment on revenue bonds	(3,079,951)	(3,172,100)	(10,762,189)	(2,926,954)	(2,428,999)	(2,526,638)	(2,641,638)
Proceeds from issuance of borrowings	-	6,817,410	-	27,325,803	-	-	-
Scheduled payments on notes payable	(47,910)	(162,009)	-	-	-	-	-
Net Cash Provided by Financing Activities	\$ (12,126,160)	\$ (13,668,043)	\$ (10,762,189)	\$ (9,758,406)	\$ (2,428,999)	\$ (2,526,638)	\$ (2,641,638)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchases of Special Funds	(9,736,882)	(17,678,724)	-	-	-	-	-
Sales of Special Funds	9,729,475	15,753,000	-	-	-	-	-
Interest on Special Funds	1,051,587	520,188	-	-	-	-	-
Net Cash Used by Investing Activities	\$ 1,044,180	\$ (1,405,536)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Cash	\$ 2,286,717	\$ (978,773)	\$ (2,900,729)	\$ (1,571,658)	\$ 6,505,429	\$ 6,733,341	\$ 6,772,440
Ending Cash	\$ 24,536,834	\$ 23,558,061	\$ 20,657,332	\$ 19,085,674	\$ 25,591,103	\$ 32,324,444	\$ 39,096,884

**Statement of Cash Flows - Fully
Consolidated - Assumes BTOP Grant**

Attachment M - Statement of Cash Flows - BTOP

	Historical		Forecast Period				
	2007	2008	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning Cash	\$ 22,250,117	\$ 24,536,834	\$ 23,558,061	\$ 20,657,332	\$ 20,260,684	\$ 27,884,347	\$ 35,678,943
CASH FLOWS FROM OPERATING ACTIVITIES:							
Net Income	8,223,932	5,373,790	4,999,119	30,757,948	3,693,270	3,914,948	3,969,603
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>							
Add: Depreciation & Amortization	4,082,405	4,420,451	4,486,758	6,261,922	6,330,233	6,399,569	6,469,944
<i>Changes in Current Assets and Liabilities:</i>							
Accounts Receivable	(162,361)	510,388	-	(351,861)	(8,373)	-	(26,510)
Inventory	(237,142)	179,533	-	-	-	-	-
Unbilled Revenue	74,572	(145,300)	-	-	-	-	-
Other Current Assets	(21,103)	19,706	-	-	-	-	-
Deferred Licensing Costs	120,399	86,531	-	-	-	-	-
Accounts Payable	1,217,663	3,390,336	(1,624,417)	19,552	37,532	6,717	5,113
Accrued Expenses	70,332	259,371	-	-	-	-	-
Net Cash Provided (Used) by Operations	\$ 13,368,697	\$ 14,094,806	\$ 7,861,460	\$ 36,687,561	\$ 10,052,662	\$ 10,321,234	\$ 10,418,150
CASH FLOWS FROM FINANCING ACTIVITIES:							
Acquisition and Construction of Capital Assets	(11,345,208)	(18,647,711)	-	(34,157,255)	-	-	-
Proceeds from Grants	88,158	239,028	-	-	-	-	-
Change of Deferred Revenue	(88,078)	(48,261)	-	-	-	-	-
Proceeds from issuance of revenue bonds	2,346,829	1,305,600	-	-	-	-	-
Payment on revenue bonds	(3,079,951)	(3,172,100)	(10,762,189)	(2,926,954)	(2,428,999)	(2,526,638)	(2,641,638)
Proceeds from issuance of borrowings	-	6,817,410	-	-	-	-	-
Scheduled payments on notes payable	(47,910)	(162,009)	-	-	-	-	-
Net Cash Provided by Financing Activities	\$ (12,126,160)	\$ (13,668,043)	\$ (10,762,189)	\$ (37,084,209)	\$ (2,428,999)	\$ (2,526,638)	\$ (2,641,638)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchases of Special Funds	(9,736,882)	(17,678,724)	-	-	-	-	-
Sales of Special Funds	9,729,475	15,753,000	-	-	-	-	-
Interest on Special Funds	1,051,587	520,188	-	-	-	-	-
Net Cash Used by Investing Activities	\$ 1,044,180	\$ (1,405,536)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Cash	\$ 2,286,717	\$ (978,773)	\$ (2,900,729)	\$ (396,648)	\$ 7,623,663	\$ 7,794,596	\$ 7,776,512
Ending Cash	\$ 24,536,834	\$ 23,558,061	\$ 20,657,332	\$ 20,260,684	\$ 27,884,347	\$ 35,678,943	\$ 43,455,455

Statement of Cash Flows Assumptions

1. In the BTOP version, the grant proceeds are already reflected in net income, so there is no additional entry in “Proceeds from Grants – Cash Flows From Financing Activities.”
2. Historical (2007 and 2008) net income is presented consistent with the audited “Combined Statements of Cash Flows – Operating and Financing Activities.”
3. Accounts receivable on the balance sheet was determined to be approximately 3% of total revenues for the year based on historical trends. The statement of cash flows reflects the change in accounts receivable year to year. Where there was no change in projected revenue year to year, there was no associated entry on the statement of cash flows.
4. Accounts payable on the balance sheet was determined to be approximately 19% of the total expenses based on historical trends. The statement of cash flows reflects the change in accounts payable year to year.

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Approval No. 4040-0009
Expiration Date 07/30/2010

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

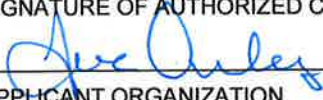
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-1 33, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

*SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	*TITLE Community Network System Manager
*APPLICANT ORGANIZATION Public Utility District of Pend Oreille	*DATE SUBMITTED AUGUST 6, 2009

CERTIFICATION REGARDING LOBBYING

Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, "New Restrictions on Lobbying." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Commerce determines to award the covered transaction, grant, or cooperative agreement.

LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 15 CFR Part 28, for persons entering into a grant, cooperative agreement or contract over \$100,000 or a loan or loan guarantee over \$150,000 as defined at 15 CFR Part 28, Sections 28.105 and 28.110, the applicant certifies that to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.


Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

In any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

NAME OF APPLICANT	AWARD NUMBER AND/OR PROJECT NAME
Public Utility District of Pend Oreille County	Pend Oreille County Broadband Network
PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE	
Joe Onley - Community Network System Manager	
SIGNATURE	DATE
	AUGUST 16, 2009


DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB

0348-0046

(See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known:		5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:
6. Federal Department/Agency:	7. Federal Program Name/Description: CFDA Number, if applicable: _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$ _____	
10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i>	b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: <u></u> Print Name: <u>Joe Onley</u> Title: <u>Community Network System Manager</u> Telephone No.: <u>(509) 447-9333</u> Date: <u>8/6/2009</u>	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

CERTIFICATION REGARDING LOBBYING LOWER TIER COVERED TRANSACTIONS

Applicants should review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, "New Restrictions on Lobbying."

LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 15 CFR Part 28, for persons entering into a grant, cooperative agreement or contract over \$100,000 or a loan or loan guarantee over \$150,000 as defined at 15 CFR Part 28, Sections 28.105 and 28.110, the applicant certifies that to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

In any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

NAME OF APPLICANT

Public Utility District of Pend Oreille County

AWARD NUMBER AND/OR PROJECT NAME

Pend Oreille County Broadband Network

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Joe Onley - Community Network System Manager

SIGNATURE



DATE

AUGUST 6, 2009