

## Kennebunk / Sanford / Post Road Foundation Pre-feasibility Study Outline

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Answer five questions:

1. What is an appropriate and viable infrastructure mix?
2. Would revenues/cost savings support the investment?
3. Is it financeable?
4. Are risks manageable?
5. Is further analysis warranted, and if so, what questions need to be answered and how much would it cost to answer them?

### ***Executive Summary***

- Infrastructure Mix
- Social Benefits
- Cash Flow Forecast(s) included estimated costs, revenues and cost savings.
- Corporate Structure and Operating Options
- Financing Options
- Risks and mitigation strategies
- Next Steps

### ***Infrastructure Mix Selection***

Select an infrastructure mix from the list below on the basis of five questions and with input from consultants: (1) Is there a need? (2) Is it technically viable? (3) Is it legally/regulatorily viable? (4) Is there a market/cost savings to be had? (5) Does it make sense to install? Key technical choices for each infrastructure type will also be discussed.

- FTTP Network
- Electric Distribution System Control, including AMI
- Load Management and Distributed Energy Resources
- Electrification of Energy Consumption
- Water
- Other, such as telemedicine, remote learning or job training, data center etc.

### ***Estimated Capital, Installation and Operating Costs and Synergies (PRF/Consultants)***

For each infrastructure type in the selected mix, ask: (1) What is estimated the capital and installation cost? (2) What are the likely operating expenses? (3) Can installation costs be lowered through a staged approach? (4) What are potential synergies with the other types of

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infrastructure? For FTTP, capital, installation and operating costs and synergies would be broken-out for three different operating options: (1) Dark Fiber/Optical Layer; (2) Lit Fiber/Operating Layer; and (3) Retail Layer.

## ***Estimated Revenues and Cost Savings***

For each infrastructure type, ask (1) what are potential revenues? (2) what are potential cost savings? For FTTP, revenues would be broken-out for three different operating options: (1) Dark Fiber/Optical Layer; (2) Lit Fiber/Operating Layer; (3) Retail Layer.

Particular attention will be paid to anchor institutions for all asset types.

## ***Corporate Structure Ownership and Operation Options***

Considering the infrastructure mix as a whole, ask: (1) What are viable ownership/operation options? And (2) What are the advantages/disadvantages of each option?

Would consider at least:

- Utility Ownership
- Local Gov't Ownership
- New Cooperative
- New Entity

For broadband in particular, consider:

- Dark Fiber/Optical Layer
- Lit Fiber/Operating Layer
- Retail Layer

## ***Financing Options***

Considering the infrastructure mix as a whole, evaluate possible financing options, keeping in mind that assets may be split from each other in order to be financed effectively. This will include a base-case business forecast of FTTP alone to demonstrate the impact of synergies and financing options revealed in this research.

- Gov't or other grants
- Conventional Debt (Municipal Bonds / RUS / CFC Financing)
- Blended Capital / Concessional Financing
- Multi-stage financing

## ***Social Benefits***

Describe the likely social benefits of the infrastructure mix in light of published literature / studies, including:

- Economic Development
- Sustainability
- Resilience/Reliability/Quality of Life

## ***Risks and Mitigation Strategies***

- Legal
- Regulatory
- Market
- Other, such as private easements

## ***Next Steps***

Describe what it would take for community to execute on investment, including: (1) What additional questions or risks need to be addressed; and (2) How much would these additional studies cost.