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** NT10BIX5570004	**3. DUNS Number** 831358234

4. Recipient Organization

North Georgia Network Cooperative, Inc. 6135 State Hwy 115, Clarkesville, GA 30523-0095

5. Current Reporting Period End Date (MM/DD/YYYY) 03-31-2012	**6. Is this the last Report of the Award Period?** ◯ Yes ◉ 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 Lisa McClure	**7c. Telephone (area code, number and extension)** X
	7d. Email Address lisam@hemc.coop
7b. Signature of Certifying Official Submitted Electronically	**7e. Date Report Submitted (MM/DD/YYYY):** 05-29-2012

Project Indicators (This Quarter)

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

During the first quarter of 2012 Fiber construction continued for both core, middle and last mile. One CPOP's completed in the first quarter in Forsyth and equipment installed and tested. Eight SPOP locations were set and equipment installed and tested during first quarter 2012. Evaluation of last mile customer continued, as well as, negotiations with business and anchor institutions.

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	67	Second quarter 2012 will reflect additional funds expended for core, middle and last mile deployment. We do expect to be eighty-four percent complete which will meet our baseline milestones.
2b.	Environmental Assessment	100	Environment Assessment Complete and fully expended.
2c.	Network Design	91	Last mile design will not be completed until after the core and middle mile construction is completed. After that time most of the last mile customer will have been determined. Last mile marketing efforts will continue until the end of the project.
2d.	Rights of Way	95	Rights of way cannot be completed until core and middle mile construction is finished and last mile design completed. Last mile marketing efforts will continue until the end of the project.
2e.	Construction Permits and Other Approvals	75	Meets baseline report
2f.	Site Preparation	75	Meets baseline report
2g.	Equipment Procurement	75	Meets baseline report
2h.	Network Build (all components - owned, leased, IRU, etc)	55	Meets baseline report
2i.	Equipment Deployment	75	Meets baseline report
2j.	Network Testing	45	Meets baseline report
2k.	Other (please specify): N/A	0	N/A

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).

Second quarter 2012 will reflect additional funds expended for core, middle and last mile deployment. We do expect to be eighty-six percent complete which will meet our baseline milestones.

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	475	Meets baseline report
New network miles leased	188	Meets baseline report
Existing network miles upgraded	0	N/A NGN had no existing network.
Existing network miles leased	0	N/A NGN had no existing network.

Indicator	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Number of miles of new fiber (aerial or underground)	475	Meets baseline report
Number of new wireless links	0	N/A Not applicable over entire life of project.
Number of new towers	0	N/A Not applicable over entire life of project.
Number of new and/or upgraded interconnection points	238	Meets baseline report

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	2
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:
N/A

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 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	Construction of fiber plant continued during the first quarter of 2012. Meetings have continued with potential wholesale or last mile providers.
	Providers with signed agreements receiving improved access	0	Construction of fiber plant continued during the first quarter of 2012. Meetings have continued with potential wholesale or last mile providers.
	Providers with signed agreements receiving access to dark fiber	0	N/A
	Please identify the speed tiers that are available and the number of subscribers for each	0	Construction of fiber plant continued during the first quarter of 2012. Meetings have continued with potential wholesale or last mile providers.

Subscriber Type	Access Type	Total	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Community Anchor Institutions (including Government institutions)	Total subscribers served	0	Marketing executives have continued meeting with the community anchors that are going to be passed as part of this network. Planning has continued to lay out the network with the most impact in the shortest time. Implementation to begin in the first quarter when the connection to our main bandwidth provider is completed the end of January, 2012 most community anchor will be completed in second or third quarter of 2012. Customers with erate services are scheduled to change effective July 2012.
	Subscribers receiving new access	0	Marketing executives have continued meeting with the community anchors that are going to be passed as part of this network. Planning has continued to lay out the network with the most impact in the shortest time. Implementation to begin in the first quarter when the connection to our main bandwidth provider is completed the end of January, 2012 most community anchor will be completed in second or third quarter of 2012. Customers with erate services are scheduled to change effective July 2012.
	Subscribers receiving improved access	0	Marketing executives have continued meeting with the community anchors that are going to be passed as part of this network. Planning has continued to lay out the network with the most impact in the shortest time. Implementation to begin in the first quarter when the connection to our main bandwidth provider is completed the end of January, 2012 most community anchor will be completed in second or third quarter of 2012. Customers with erate services are scheduled to change effective July 2012.
	Please identify the speed tiers that are available and the number or subscribers for each	0	Marketing executives have continued meeting with the community anchors that are going to be passed as part of this network. Planning has continued to lay out the network with the most impact in the shortest time. Implementation to begin in the first quarter when the connection to our main bandwidth provider is completed the end of January, 2012 most community anchor will be completed in second or third quarter of 2012. Customers with erate services are scheduled to change effective July 2012.
Residential / Households	Entities passed	7,872	Meets baseline report
	Total subscribers served	2,832	Meets baseline report
	Subscribers receiving new access	134	Last mile marketing efforts will continue until the end of the project which will add additional subscribers receiving new access.
	Subscribers receiving improved access	2,698	Meets baseline report
	Please identify the speed tiers that are available and the number of subscribers for each	0	10 Customers 30x30 124 Customers 15x15
Businesses	Entities passed	886	Meets baseline report
	Total subscribers served	240	Meets baseline report
	Subscribers receiving new access	11	Last mile marketing efforts will continue until the end of the project which will add additional subscribers receiving new access.
	Subscribers receiving improved access	229	Meets baseline report
	Please identify the speed tiers that are available and the number of subscribers for each	0	11 Customers 20x20 0 Customers 50x50

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
N/A	**N/A**	**N/A**	**N/A**	**N/A**

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).
SPOP construction will continue in second quarter of 2012. Our network connections on both our Eastern and Western side to our main Colo location will be complete. Turn up of customers will continue in the second quarter of 2012. Last mile fiber construction will continue during the second quarter. CPOP grand openings are planned in Dahlonega and Forsyth. Implementation of major equipment located in the CPOP's in Dawson and Union will continue. Installation of ten additional SPOP locations will continue during the second quarter. We will continue to develop and implement testing plans and procedures.

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	Meets second quarter milestones
2b.	**Environmental Assessment**	100	N/A
2c.	**Network Design**	94	Last mile design will not be completed until the core and middle mile are completed. At that time last mile customer will have been determined. Last mile marketing efforts continued and last mile construction began the last week of September 2011 and will continue until the end of the project.
2d.	**Rights of Way**	96	Rights of way cannot be completed until core and middle mile construction is finished and last mile design completed. Last mile marketing efforts will continued during the second quarter of 2012 and will continue until the end of the project.
2e.	**Construction Permits and Other Approvals**	83	Meets second quarter milestones
2f.	**Site Preparation**	83	Meets second quarter milestones
2g.	**Equipment Procurement**	83	Meets second quarter milestones
2h.	**Network Build (all components - owned, leased, IRU, etc.)**	75	Meets second quarter milestones
2i.	**Equipment Deployment**	80	Meets second quarter milestones
2j.	**Network Testing**	55	Meets second quarter milestones
2k.	**Other (please specify):** N/A	0	N/A

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).
We do not anticipate any challenges or issues with meeting our projections for the second quarter. Last mile fiber construction will continue during the second quarter. CPOP grand openings are planned in Dahlonega and Forsyth. Implementation of major equipment located in the CPOP's in Dawson and Union will continue. Installation of ten additional SPOP location will continue during the second quarter. We will continue to develop and implement testing plans and procedures. Planning and installation of last mile customers and community anchors will continue in the second quarter when our connection to our main bandwidth provider is

complete.

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.

Cost Classification	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		
	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	$1,628,750	$339,643	$1,289,107	$1,715,640	$343,128	$1,372,512	$2,138,995	$427,799	$1,711,196
b. Land, structures, right-of-ways, appraisals, etc.	$4,110,896	$857,245	$3,253,651	$4,277,806	$863,500	$3,414,306	$4,576,603	$915,321	$3,661,282
c. Relocation expenses and payments	$250,000	$52,133	$197,867	$18,779	$3,756	$15,023	$73,668	$14,734	$58,934
d. Architectural and engineering fees	$557,000	$116,151	$440,849	$79,009	$15,802	$63,207	$514,242	$102,848	$411,393
e. Other architectural and engineering fees	$0	$0	$0	$0	$0	$0	$0	$0	$0
f. Project inspection fees	$517,050	$107,820	$409,230	$21,203	$4,241	$16,962	$28,203	$5,641	$22,562
g. Site work	$20,113,922	$4,194,357	$15,919,565	$8,512,930	$1,697,932	$6,814,998	$13,630,013	$2,726,003	$10,904,011
h. Demolition and removal	$37,500	$7,820	$29,680	$11,000	$2,200	$8,800	$11,000	$2,200	$8,800
i. Construction	$269,450	$56,188	$213,262	$101,266	$20,253	$81,013	$262,396	$52,479	$209,917
j. Equipment	$14,660,971	$3,057,253	$11,603,718	$13,428,633	$2,682,441	$10,746,192	$14,243,985	$2,848,797	$11,395,188
k. Miscellaneous	$168,810	$35,202	$133,608	$207,525	$41,505	$166,020	$207,525	$41,505	$166,020
l. SUBTOTAL (add a through k)	$42,314,349	$8,823,812	$33,490,537	$28,373,791	$5,674,758	$22,699,033	$35,686,630	$7,137,327	$28,549,303
m. Contingencies									
n. TOTALS (sum of l and m)	$42,314,349	$8,823,812	$33,490,537	$28,373,791	$5,674,758	$22,699,033	$35,686,630	$7,137,327	$28,549,303

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: $0	b. Program Income to Date: $0