

RECIPIENT NAME:Horizon Telecom, Inc.

AWARD NUMBER: NT10BIX5570119

DATE: 03/12/2013

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

ANNUAL 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

NT10BIX5570119

3. DUNS Number

933581456

4. Recipient Organization

Horizon Telecom, Inc. 68 E Main Street, Chillicothe, OH 45601-2503

5. Current Reporting Period End Date (MM/DD/YYYY)

12-31-2012

6. Is this the last Annual 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

Chris A Glassburn

Exec GM, Strategy & Analytics

7c. Telephone (area code, number and extension)

7407728200 X8459

7d. Email Address

chris.glassburn@horizontel.com

7b. Signature of Certifying Official

Submitted Electronically

7e. Date Report Submitted (MM/DD/YYYY):

03-12-2013

OVERALL PROJECT PERFORMANCE INDICATORS

1. Please provide the following average cost figures for your project. Please review the instructions to determine how to calculate these figures. Write "0" in the second column and "N/A" in the third column if your project does not yet have this information. Depending on whether your project contains Middle Mile and/or Last Mile components, some metrics may not apply. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

Cost Indicator	Average Cost / Speed	Narrative (describe your reasons for any variance from the baseline plan or any other relevant information)
Average cost per new mile (Middle Mile)	\$46,876	Initial statistics appear to be running slightly below the projected cost in our baseline (96.75% of \$48,450). However we are seeing signs that the costs will come in much higher due to higher than average costly make-ready charges.
Average cost per household passed (Last Mile)	0	n/a
Average cost per subscriber (Last Mile)	0	n/a
Maximum broadband speed advertised (Middle Mile)	10 Gbps	n/a
Maximum broadband speed advertised (Last Mile)	0	n/a
Average broadband speed provided (Middle Mile)	16 Mbps	This is a direct result of slower build rate than expected. The environmental assessment requirements, make-ready and permitting delays put us behind our baseline of 20 Mbps in year 1 and 150 Mbps in year 2. These rates will increase as the build is finished and more customers are added. This rate is the result of thirty-two connections ranging from 5 Mbps to 1 Gbps, averaging 16 Mbps.
Average broadband speed provided (Last Mile)	0	n/a

2. Please provide each facility name and type, the county where the facility is located, and census tract information for any facilities funded by your project during this annual reporting period. Report only facilities for which construction has been completed.

Facility Identifier / Name	Facility Type	County	Census Tracts
see Excel Addendum	0	0	0

Add Facility

Remove Facility

3. Please identify (1) the total number of interconnection, peering, and/or transit agreements entered into during this annual reporting period; (2) the total number of agreements of each type that you are currently negotiating; and (3) whether you have denied any request for interconnection and if so, why. If you have not entered into any agreements, please write "N/A."

Interconnection Agreements (600 words or less)

1. Avolve; Connectlink, Inc; Country Connection (2); Firewire; GMN Wireless Broadband; Intelliwave; JB-Nets, LLC; New ERA Broadband; Rowe Wireless Networks; Smart Networks; Southern Ohio Communication Services (SOCS); Windstream.
 2. Zero (0)
 3. Zero (0)

Peering and Transit Agreements (600 words or less)

n/a

CAPACITY, UTILIZATION, AND CAPABILITY INDICATORS

4. Community Anchor Institutions: In the chart below, please provide information on the types of community anchor institutions capable of receiving service (i.e., anchor institutions connected to your network plus those passed by your network) as a result of BTOP funds.

Type of Community Anchor Institution	Total Number Within Service Area	Type of Community Anchor Institution	Total Number Within Service Area
Schools (K-12)	622	Public Housing	476
Libraries	166	Other Institutions of Higher Education	19
Medical and Healthcare Providers	353	Other Community Support Organizations	612
Public Safety Entities	407	Other Government Facilities	744
Community Colleges	25	Total Community Anchor Institutions	3,424

5. Please indicate the average increase in broadband speed provided to the community anchor institution customers as a result of your project, including a description of how this increase was calculated (600 words or less).

Average increase in broadband speed provided is 60 Mbps.
Calculated by averaging speed prior to connection with Horizon (in most cases a T-1 or 1.5 Mbps, but ranging from 0 to 100 Mbps) which was 9 Mbps subtracted from average of current connection with Horizon (ranging from 5 Mbps to 1 Gbps) which was 69 Mbps, for a total of 60 Mbps.

6. What retail services are being provided by this project? Please describe below. (600 words or less). As an attachment to this report, please provide pricing plans (in \$ per month) associated with each retail service. Retail services description:

Horizon is offering retail customers speed tiers of 5 Megabytes per second (Mbps) to 10 Gigabytes per second (Gbps). Pricing plan redacted. Pricing plans are only a starting point for negotiations and are not written in stone.

7a. What network management policies (e.g., bandwidth limitations, traffic prioritization) are in place for the services provided by your project? 7b. Have you ever limited or blocked consumers from accessing any lawful content, service, service provider, or application, or prevented any consumers from attaching any legal device to the network? If so, please explain why (300 words or less)?
none

8. If applicable, please provide the total number and the percentage of subscribers who have dropped the broadband service provided through this project (total number of households and/or businesses and the "churn rate") and the subscribers' reasons for discontinuing their service (600 words or less).
none

9. Please provide the following information regarding the number of fiber strand-miles:

Total Number of Strand-miles	Total Number of Active Fiber Strand-miles Used by Recipient	Total Number of Leased Fiber Strand-miles	Total Number of Dark Fiber Strand-miles	Total Number of Strand-miles Being Built		
				Active	Leased	Dark
257,500	101,355	0	520	155,129	0	496

10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:
Windstream - 250 miles

11. Please provide the following information regarding the facility collocation capacity:

Total Facility (total square feet for all facilities)	Number of Square Feet Used by Recipient	Number of Square Feet Leased	Number of Square Feet Available

DATE: 03/12/2013

0	0	0	0
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12. If you do not own collocation space, please describe how and where other network providers and/or customers interconnect with your network (600 words or less).

Connectlink, Inc - we connect at their physical location
Country Connection (2) - we connect at their physical location
JB-Nets, LLC - we connect at their physical location
New ERA Broadband - we connect at their physical location
Smart Networks - we connect at their physical location
Southern Ohio Communication Services (SOCS) - we connect at their physical location

13. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities (150 words or less).

KGP Logistics - 1 sub-contract

14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less).

none

15. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide an updated list of Community Anchor Institutions (CAIs) that you have connected and plan to connect to your network.

16. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide a list of community pairs that are receiving new or improved broadband service as a result of BTOP grant funds.

17. Please provide up-to-date network route maps in a single file, in a Google Earth compatible format (e.g., KMZ file).