

## ENCLOSURE 2

### NOTICE TO ELECTRIC SYSTEM CONSUMERS OF INVESTMENT IN COMMERCIAL BROADBAND

Milan Public Utilities Authority (MPUA) requested authorization from its regulator, the Tennessee Valley Authority (TVA), to invest electric system revenues in its commercial broadband division, MiLink. This Notice is being provided to MPUA's customers pursuant to TVA's regulatory transparency requirements.

Previously, MPUA filed an application with TVA requesting authorization to invest electric system revenues in its broadband division. Specifically, MiLink, will use electric system revenues to finance the deployment of broadband equipment and start-up its commercial broadband business in its service territory over multiple years.

The total combined fiber investment for electric and commercial broadband purposes is projected to be \$16,843,931.67. Of this amount, MPUA plans to loan \$1,194,524 to MiLink for commercial broadband purposes. Per TVA requirements and conditions of TVA's authorization, MiLink is required to repay MPUA this amount, plus interest at a rate of 4.29%, in twenty years or less. It is estimated that the total investment for both electric and commercial broadband will not have any rate impacts.

Any questions regarding this broadband investment should be directed to MPUA's Will Bell at 1085 S. 2<sup>nd</sup> St. Milan, TN 38358, (731) 686-1537, or [info@mpu1.com](mailto:info@mpu1.com).

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As a reminder:

1. Notice of the LPC's proposed broadband investment must be given to all LPC customers, and may be provided via postcard, letter, bill stuffer, LPC magazine article, LPC website, and/or utility newsletter. Only customers who have signed-up to receive bills in "paperless format" may be notified electronically. Following the publishing of the notice, LPC will need to demonstrate that it shared the TVA approved notice with its customers by providing TVA a copy of the published notice.

2. The LPC may provide the disclosure notice that TVA furnishes with the determination letter to its customers or, as an alternative, the LPC may draft their own disclosure notice to its customers, as long as it includes the below listed elements.

**Notice Elements Required:** (1) date the LPC provides the notice of broadband investment to customer; (2) a statement that TVA is authorizing Distributor to invest electric system funds in Broadband Entity; (3) broadband entity's legal name; (4) brief description of the project; (5) total, initial, or phase (e.g., phase 2, etc.) amount of LPC's investment in fiber for electric and non-electric purposes; (6) total, initial, or phase (e.g., phase 2, etc.) amount LPC plans to loan to the broadband entity; (7) statement that the broadband entity is required to repay the LPC; (8) a statement that there will not be projected rate impacts of the total, initial, or phase (e.g., phase 2, etc.) investment for both electric and commercial broadband; and (9) the name of LPC's point of contact that will field ratepayer questions as well as that person's business contact information including phone number and/or email address.

If the LPC prepares its own notice, then the notice must be approved by TVA prior to publishing.

If an LPC chooses to only state the initial investment amount in fiber for electric and non-electric purposes and/or the initial amount that the LPC plans to loan to the broadband entity, the LPC is required to issue subsequent notice(s) of subsequent investments containing the required information at least 10 calendar days prior to additional funding being used. If using an LPC prepared disclosure notice, LPC will need to obtain TVA's authorization of the disclosure prior to additional funding draws and need to demonstrate to TVA such disclosures have been made to their customers.