Executive Summary & Grant Rationale
Executive Summary

SCI REMC is planning a five-year fiber-to-the-home (FTTH) construction project to provide gigabit internet to approximately 24,000 households in rural Brown, Clay, Johnson, Morgan, Monroe, Owen, and Putnam counties. Located in the gateway to scenic southern Indiana, between Indianapolis and Bloomington, these counties contain rough terrain and some of the most heavily vegetated parts of the state. As a result, households do not even have adequate cellular phone coverage or broadband internet. Even satellite service is very spotty. The challenges render many wireless broadband technologies useless and make wired technologies difficult to install, so significant sections remain unserved.

For this application, we are focusing primarily on our Brown County territory with very small portions in Monroe and Morgan counties as well. We plan to leverage our existing electric easements, and approximately $40 million in poles and electric lines as well as approximately $4 million of our existing middle-mile assets to efficiently reach these homes and ensure reliable service. We expect to add approximately $20 million in last mile plant, to serve this area. We will not need to build middle-mile fiber in this area because we already own the local middle-mile fiber network as shown in red in the image to the right. The green lines represent the eligible facilities that we plan to build, and the blue lines represent ineligible areas that are also part of our project in this area.

Brown County is located due east of Bloomington. SCI REMC and Jackson County REMC collectively serve most of Brown County with electricity. SCI REMC serves the north and western portions of the county, and Jackson County REMC serves the southeastern portions of the county. There is a gap between our territories that is electrically served by Duke Energy. Our territories do not overlap. It is our understanding that another provider plans to build to the gap (Duke) area. As a result, the three of us will ensure that all of Brown County rises from “unserved” to “well-served”.
SCI REMC plans to pass approximately 6,000 homes in this part of the project. For our portion of Brown County, we have illustrated the “unserved” reality by surveying our electric members and asking each of them to run a speed test from home. Participation was amazing. As a result, we were able to collect a large sample of actual speed-test data from our members. The map to the right illustrates those addresses that tested at download speeds of less than 10 Mbps. We also received thousands of comments about that poor state of existing service and the excitement about this project.

SCI REMC is a non-profit organization created in 1939 by farmers and other local businessmen to provide electrical service to a seven-county area just south of Indianapolis. Most of Indiana’s forest and rugged terrain lies within SCI’s service territory. Our primary focus is to improve the lives of our member-owners and our community in general. SCI operates at cost, so any earned profits are returned to our 28,342 member-owners. We have 150 employees and are strongly positioned to manage a fiber-to-the-home business. We have successfully delivered services to these difficult areas for 80 years, and we are excited to expand our offerings to continue meeting the needs of our local communities.

SCI REMC sees a great concern facing the rural areas just south of Indianapolis. These areas have not recovered from the loss of manufacturing jobs and other financial hardships created by the Great Recession. One of the primary resources needed to inject hope into the area is access to high-speed internet. Our children are our future, and they must have access to internet to move this area from one of economic hardship, addiction, and domestic issues to one of self-sufficiency, hope, and prosperity.

SCI REMC has chosen to step forward and take the lead, however daunting the task may be. This is not a decision that was made lightly. Since 2004, SCI REMC has discussed this need and how it might provide relief while also discussing what it would mean to SCI REMC’s financial well-being and the strength of our core business, providing electricity to approximately 28,000 rural Indiana residents and businesses.

This is a multi-fold approach to helping not only SCI REMC member-owners but also non-members in our community. Folks who have other electric providers but no internet access will also have an opportunity to utilize our services. Again, our successes will be returned directly to our community through capital credits to members, improved electric operations, stable electric rates, increased property values, and jobs.