

# 2023 Annual Report



Member driven. Technology focused.



# Letter from the CEO



*Tim Bryan, CEO*

Victor Kiam, the American entrepreneur (remember Remington Razors) had this to say about competition:

“In business, the competition will bite you if you keep running. If you stand still, they will swallow you.”

This clever quote about competition seems fitting because of the way the world is moving right now. Competition seems inevitable. Many NRTC members offering broadband and other services already face competition. Some can see competition is on the way. Others don't know how or when they will compete, but the day certainly is coming.

NRTC staff in 2023 gathered data for the recent [Rural Broadband Operations Benchmarking Report](#). We surveyed our members, who told us they believe increased competition is their number-one concern. About 64 percent said they already compete with internet providers with 100/20 Mbps services. Others said they anticipate expanding their broadband footprints into areas where they will compete with established ISPs. Even many electric cooperatives believe they may compete someday with micro grids or other energy providers.

NRTC is here to help its members prepare for what likely lies ahead - in whatever form it appears.

First, NRTC believes strongly in the power of our members' brands; in their communities, and with their own end user members. With our newest family member Pivot, we offer marketing, web site development, and customer and employee experience consulting to rural broadband and electric providers. Your brand is the best way to compete in your markets.

Second, NRTC's Managed Services business unit strives hard to provide first class help desk and support services to your end user members. By answering calls promptly (our average speed of answer was just under 60 seconds last year), with live human beings, NRTC seeks to enhance and solidify your brand in your own community.

Next, our broadband members have seen intensifying competition from national cable providers, particularly in the provision of mobile phone services. NRTC's Mobile Solutions division has launched a mobile broadband offering to compete head-to-head with national providers, and even partnered with NTCA – The Rural Broadband Association to give NRTC members exclusive benefits to get their own programs up and running.

You might think I've forgotten about our electric cooperative members, but I have not. The demand for electricity is growing rapidly, like the demand for broadband. NRTC's Smart Grid Solutions staff concentrates on a wide variety of solutions and benefits for our

members to pass on to their own members. Technology evaluation, for example, is a necessary first step for any advanced network project, and our Smart Grid team is closing in on 120 technology planning studies for our members. Whether it is an AMI project, back-up generation, microgrids, or distributed and renewable energy, we can help you determine a technology roadmap that makes long-term sense for your co-op.



The one topic that both electric and broadband cooperatives are engaged in is federal funding for infrastructure projects. And the competition is fierce. On the electric side, our Smart Grid team has been busy with project submissions for grid resiliency and renewable energy; combined, NRTC has helped members apply for nearly \$750 million in grants under a variety of programs. Not to be outdone, on the broadband side NRTC has submitted \$600 million in grant requests under state and federal programs, and we're currently engaged with dozens of members in preparing for grant requests under the NTIA's BEAD program.

The results of NRTC's efforts to engage with members is showing up on our income statement – our 2023 revenue was \$267 million, with cash net income of just under \$25 million. These are our best results since our DirecTV days nearly 14 years ago! Based upon these results, our Board of Directors established current year patronage and patronage retirements at just under \$10 million for 2023, to be paid in July 2024.

Our values at NRTC are not just a poster on the wall, but a reminder to live those values every day:

Our members are our reason for being. 83% believe we put their interests first.

Our team is the foundation for our success. 92% agree with NRTC's mission statement.

Our passion is supporting rural communities. In everything we do.

Thank you for your patronage of NRTC during 2023. We are ready to help you compete, and win, in 2024!

Best regards,

A handwritten signature in black ink, appearing to read 'Tim Bryan'.

Tim Bryan  
Chief Executive Officer

# Letter from the Chairman

I am proud to have served as NRTC's Chairman of the Board during 2023.

I have seen NRTC consistently put members first in all of its thinking and in all of its solutions – and I'm glad that we all have NRTC to help us navigate our way through so many difficult technology decisions. On the telephone and broadband side, NRTC has expanded its solutions from feasibility studies to design and engineering, from construction to managed services after the build. Key NRTC acquisitions like CrowdFiber and Pivot have enabled NRTC to offer a full suite of marketing and customer experience tools as well.

Over on the electric side, I know that electric cooperatives participating in NRTC's technology planning process are seeing the tremendous benefits of a long-term technology roadmap – a roadmap which outlines the economic and operating consequences of deploying the right technology at the right time. And NRTC has worked with key partners to help cooperatives modernize their metering networks, to provide renewable energy, and to help grid resiliency and load management.

And just as we have for the past several years, NRTC works collaboratively with our electric and telco members to foster communication and cooperation.

I speak about NRTC not just as its chairman, but as a member. NRTC provided my company Nex-Tech with considerable support and help as we expanded our fiber network into three key cities in my home state of Kansas. I appreciated NRTC's GIS based fiber design and construction mapping tools, and I

know NRTC appreciated Nex-Tech's help in improving NRTC's processes in the more telco-centric underground building processes. I call that teamwork, and I'm glad to be part of the team.

As our CEO Tim Bryan described in detail in his letter, increased competition is a big part of what will shape our decisions. As a longtime CEO in the broadband and wireless industries, I firmly echo NRTC's emphasis on helping members compete – it's critical – and having NRTC in our corner helps us every day.



*Jimmy Todd, Chairman, BOD*

The world of technology moves fast. Whether it's advancements in AI (artificial intelligence), data analytics, or fiber optics, NRTC is there to help members sort through options. The world of federal funding is moving, too. NRTC and its grant teams have applied for more than \$1 billion in funding on behalf of our members, with our flexible economic modeling and mapping tools.

On behalf of our entire Board of telco and electric executives, allow me to say thank you for putting your trust in NRTC during 2023. I am pleased that NRTC will return just under \$10 million to members for 2023 patronage and patronage retirements; our Board honors our commitment to all of the cooperative principles, and patronage is tangible evidence of this commitment. I hope you will reach out to me, our Board members, or NRTC staff, with any questions about how NRTC can help you compete and succeed.

Best regards,

A handwritten signature in black ink, appearing to read 'Jimmy Todd', written in a cursive style.

Jimmy Todd  
Chairman, NRTC Board of Directors





## 2023 NRTC Board of Directors

Left to right

Top row: Jim Matheson; Justin Jahnz; Thomas Preston; Bryan Lightfoot; Greg Grissom

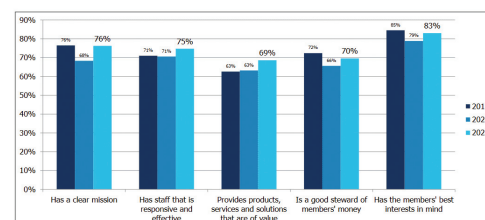
Center row: Josh Shallenberger; Gary Stooksbury; Mark Scheibe; Shaun Lamp;  
J. Andrew Don; Shirley Bloomfield; Jason Dandridge

Front row: Mike Malandro; Lynn Hodges, vice chairman; Jimmy Todd, chairman;  
Tim Bryan, CEO; Dustin Durden, secretary-treasurer; Chris Seubert

## Member Driven

The 2023 NRTC Member Survey over the summer found 83 percent of respondents agree NRTC “has the members’ best interests in mind,” an increase from 79 percent in a 2020 survey. Year-round, we sought ways to enhance support to our members.

Percentage of respondents who “agree” or “strongly agree” that NRTC...



In September, NRTC acquired The Pivot Group LLC, well known in the broadband industry for marketing and customer experience knowledge. Twenty-year-old Pivot’s talents and values fit well with NRTC’s rural focus. Both telephone and electric NRTC members will benefit from Pivot’s network planning and operational skills.

Cable TV companies in recent years have seen success by bundling broadband and mobile phone services. NRTC Mobile Solutions introduced a plan for members offering broadband service to use NRTC’s mobile services to match the cable systems’ bundle with affordable entry costs, back office/billing solutions and access to the latest mobile devices and many other features. Later in the year, NRTC and NTCA – The Rural Broadband Association announced an exclusive plan for NTCA members to use NRTC Mobile Solutions with exclusive benefits.



NRTC’s Smart Grid team went to Shelby Electric Cooperative in Illinois to present the initial read-out of Shelby’s technology plan. NRTC assists many of its members as they build technology roadmaps to meet future electric utility challenges. The co-op felt the meeting was important enough to invite the co-op’s entire staff to hear and absorb the plan.

West Kentucky Rural Electric Cooperative showed support for the town of Mayfield by deploying Armada Power water heater controllers in a newly constructed community that is housing victims of tornado damage. NRTC donated the Armada units.





## Technology Focused

NRTC staff offered input into development of the Itron Fiber Mini Access Point (Fiber MiniAP™). The outdoor infrastructure unit allows electric utilities to move fiber capacity for AMI communications closer to the home by connecting directly to the access point in the neighborhood. Flexible network design options can facilitate more efficient rollout of next-generation AMI, distributed intelligence, distribution automation, low-voltage network management, smart lighting and more.



Cherokee Electric Cooperative (CEC), Centre, AL, in April, kicked off an Itron AMI project. Working with NRTC, CEC is the first rural electric cooperative to deploy Itron Gen5 AMI technology integrated with Itron Riva meters. The high-speed, high-capacity RF network expands CEC's metering and communications capabilities with integrations into back-office systems.

Ericsson published a [case study](#) of the many cost-effective use cases for private LTE networks during trial at NRTC member West Kentucky Rural Electric Cooperative Corp. NRTC is working with Ericsson to investigate private networks future smart grid applications.

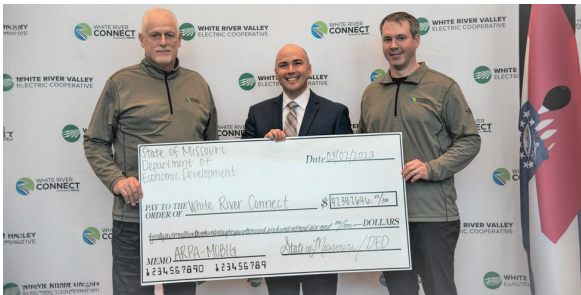


Beginning in 2024 all broadband providers must display labels revealing their prices, speeds, privacy policies and other details. NRTC's CrowdFiber released an online tool, "Broadband Consumer Labels," to help rural broadband providers quickly and efficiently generate the necessary information, display the labels and archive them. CrowdFiber's goal is to offer a one-stop service to cover all necessary broadband labeling requirements.



## NRTC's People and Solutions

Rich King of NRTC Managed Services was a finalist for the “Customer Contact Leader of the Year” award from the Customer Contact Week (CCW) Excellence Awards program. The nomination recognized ways the NRTC call center teams responded to staffing shortages during times of increased call volume and other hardships from the COVID-19 pandemic.



White River Valley Electric Cooperative (WRVEC) won \$47 million in grants from the state of Missouri to complete seven broadband construction projects in five counties and connect 15,600 households and 2,150 businesses to fiber networks. NRTC assisted WRVEC with by performing the feasibility study and assisting with application preparation. Several other NRTC members also won support through the Missouri program.

NRTC and solar/storage partner ENGIE have been working together to help members win federal support through USDA's \$9.7 billion New ERA program. NRTC and ENGIE collaborated on webinars to guide members through the next steps after USDA analyzes the LOIs and are prepared to offer more assistance as the process progresses.



NRTC won a Calix Partner Training Achievement Award during the #ConneXions23 in Las Vegas. The award honors the training completed by NRTC Broadband and Managed Services network engineering teams to earn 11 Calix certifications in 2023.

## NRTC's People and Solutions

Later in the year, Itron presented NRTC with an Innovator Award for its assistance in the developing the Fiber MiniAP and an Outstanding Performance award was for conducting the Cherokee Electric Cooperative deployment at an unusually rapid and efficient pace (see "Always Focused on Technology" above).



The NRTC Board of Directors welcomed four new board members in 2023, including (left to right) Mark Scheibe of Heartland Rural Electric Cooperative Girard, KS (District 7); Justin Jahnz of East Central Energy in Minnesota (District 6), and Shaun Lamp of in Michigan (District 4). Not pictured, Greg Grissom of Jackson Purchase Energy Cooperative in Kentucky (District 3) also joined the board.

A new president took over NRTC's Broadband Solutions group. Dana Taylor, former Vice President, Merger Planning for T-Mobile, took over a staff of 150 Broadband Solutions employees which as of early 2023 supported 60 broadband network construction projects for members serving more than a million rural homes.



Josh Pepple, VP, Technology Planning for NRTC Smart Grid Solutions was one of the featured speakers at the Heartland Metering Conference in Wichita, KS. Following the conference, he composed two white papers to help NRTC members make long-term smart grid plans: [Electric Distribution Cooperatives' Planning Must Include Measuring and Improving Reliability](#) and [Plan Now for Home EV Charging's Impact on Your Utility](#).





## NRTC AND ITS MEMBERS MAKE A GREAT TEAM

As an NRTC member you are one of more than 1,500 other rural electric and telephone utilities participating in technology product and service development that is transforming your communities. Let's work together to grow your business, get closer to your customers and build revenue.

## MEMBER OWNED AND CONTROLLED

Our Board of Directors is comprised of representatives from the national rural electric and telephone industries, the CEO of the National Rural Electric Cooperative Association (NRECA), the Governor and CEO of the National Rural Utilities Cooperative Finance Corporation (CFC), and the CEO of NTCA, The Rural Broadband Association.

## CAPITAL CREDIT RIGHTS

All members and affiliates are eligible for payment of capital credit refunds based on the volume of business each patron conducts with NRTC during the fiscal year.

## FOR MORE INFORMATION

To learn more about NRTC membership or our products and services, please contact NRTC at 866-672-6782.



Member driven. Technology focused.

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