

RE

RURAL ELECTRIC MAGAZINE



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BROADBAND

Special Supplement



Tri-County Electric Cooperative

RESILIENCE NEEDED TO DELIVER RURAL BROADBAND IN FLORIDA



COOPERATIVE OVERVIEW

Tri-County Electric Cooperative delivers reliable electricity to 14,500 members in the curve of Florida's panhandle. The co-op's membership is 95% residential, covering three counties and a portion of a fourth.

Following the COVID-19 pandemic, Tri-County Electric Cooperative was on a mission to bring broadband connectivity to its members, realizing that more and more consumers were relying on the internet. In its drive, Tri-County faced challenges—including significant damage from multiple hurricanes—but still persevered to complete its fiber buildout project earlier than projected.

PROJECT OVERVIEW

Until Tri-County stepped in to bridge the digital divide, its territory was one of the most underserved in the state. Slow DSL was the predominant way its members could access the internet.

"Over the years, other providers indicated interest in coming into our territory with broadband, but it never materialized," says Julius Hackett, Tri-County's CEO.

Tri-County was determined to better serve its members by providing this essential connectivity to the community, especially in a swiftly changing technological landscape. Through its efforts, it became one of the first electric cooperatives in Florida to offer broadband alongside electricity.

BUSINESS DRIVERS

Once Tri-County's leadership identified this significant gap in its members' needs, they conducted thorough research, including visits to multiple electric cooperatives across the coun-

try that already provided broadband. The team also explored different business and operational approaches to identify the right strategy for their cooperative.

"We watched other electric cooperatives in other parts of the country step in to bridge this digital divide for their members, and with our board's approval, began looking into the different options," says Hackett. "And although our low population density posed a challenge, our feasibility studies of four different approaches identified a financially viable solution."

Tri-County ultimately pursued a strategic partnership with Conexon, which provides broadband services under the Conexon Connect brand. Tri-County is responsible for the fiber infrastructure.

The business case for this model anticipated a 30% take rate and positive cash flows by the second year. CoBank supported this business case using term financing along with state and federal grant funding.

Tri-County launched its broadband project to reach all its underserved members with fiber-to-the-home connectivity. The project was announced to its member-owners in September 2022 and was planned in three geographical phases, with the first homes receiving broadband just months later in January 2023. The rollout is scheduled to be completed over four years.

Tri-County customers have a choice of three service tiers, including Basic at 100MB, Premier at 1GB, and Ultimate at 2GB, with different price points for residential and commercial customers.

Once the initial homes were connected to high-speed internet, member pressure mounted to accelerate the project. Although this would create financial strain, Tri-County's board was willing to accept that temporary dip to meet member demands. With the board's directive to move as swiftly as possible, the fiber build was completed in December 2024, more than two years ahead of the original schedule.

CHALLENGES AND SURPRISES

Bringing fiber to the home is a complex undertaking in the best of circumstances. With care-

ful planning, Tri-County was approximately halfway through completing the buildout when Category 3 Hurricane Idalia slammed into Florida's Gulf Coast.

Tri-County's crews were diverted to restore power as a priority, clearing storm damage and repairing distribution lines. The focus then turned to the \$5 million in fiber damage to restore connectivity to existing customers before returning to the phased buildout.

"Having the fiber infrastructure added a level of complexity to the storm recovery, with a lot more crew coordination," says Hackett. "We wanted to restore both services quickly while also protecting our fiber investment."

As construction continued, in August 2024, the less-destructive Hurricane Debby interrupted Tri-County's project again. In September 2024, when the project was 90% completed, Category 4 Hurricane Helene pummeled the area, causing an immense amount of rework.

WHY THIS CASE STUDY IS IMPORTANT

Despite these multiple setbacks, Tri-County completed its fiber buildout at the end of 2024. Today, all previously underserved customers are enjoying high-speed connectivity. Tri-County has experienced a 40% take rate, and even considering the damage caused by hurricanes and broad increases in costs, it anticipates positive cash flows by the third year.

"With the flexibility, support and investment from our financial partners like CoBank, we know the money will start flowing, and we'll rebound," says Hackett. "The response from our customers has been overwhelming. It's literally changed lives, and that makes it all worth it."

COMPANY DESCRIPTION:

Today, over 75% of electric distribution, transmission and generation cooperatives work with CoBank for their banking and financial needs.

