

Jackson Energy Authority

03-00438



Cost Allocation Manual

FY 2027

Table of Contents

Overview	
Introduction	1
Purpose	2
Allocation of Costs	3
Definitions	4
Transactions with Affiliates	7
Balance Sheet Accounting	
Cash	8
Accounts Receivable	8
Payables	8
Materials	8
Plant Assets	8
Plant Leased to Telecommunications Division	9
Construction Work in Progress	9
Depreciation	9
Amortization	9
Accounting for Revenues and Expenses	
Revenues	10
Cost Centers	10
Appendices	
Appendix A: Definition of Allocators	A-1
Appendix B: Personnel Cost Allocation Factors Summary	B-1
Appendix C: Allocators, All Divisions	C-1
Appendix D: Telecommunications Intra-Division Allocators	D-1

INTRODUCTION

Jackson Energy Authority (“JEA”) (previously Jackson Utility Division), a governmental utility authority created by private act of the Tennessee General Assembly, provides utility services to customers located in the City of Jackson, Tennessee, and environs. JEA receives its authority to provide these services from Chapter 55 of the Private Acts of 2001. Chapter 55 of the Private Acts of 2001 also authorizes JEA to provide cable television, Internet, telephone and other similar services.

JEA provides electric, natural gas, propane gas, water, and wastewater utility services to its customers. These services, with the exception of propane gas, are regulated monopoly or non-competitive type services. JEA provides these services through four divisions: Electric, Gas, Water, and Wastewater.

JEA provides retail cable, Internet and telephone services directly to customers and provides wholesale transport service to a non-affiliated Internet Service Provider/Competitive Local Exchange Carrier who, in turn, provides Internet and telephone services to end-use customers. JEA provides these services through its Telecommunications Division. The Telecommunications Division was formed to achieve organizational and accounting separation from JEA’s monopoly services. JEA has established separate operating business units within the Telecommunications Division for cable television/Internet services and telephone-related services.

Cable, Internet and telephone services are competitive services. JEA provides these services under its private act. The Tennessee Regulatory Authority (“TRA”) regulates telephone service in the same manner as it regulates the service for other certificated providers of the service.

PURPOSE

JEA has allocated costs among its divisions since its formation. JEA developed this Cost Allocation Manual ("CAM") due to its expansion into the competitive service market. The CAM describes the cost allocation concepts adopted by JEA as well as the methodology used to allocate costs. The CAM provides JEA management with an equitable process to reduce the potential for cross-subsidization of services and to present a reasonable financial record of each utility service. JEA will review the methodology employed in this manual on at least an annual basis.

The goals of the allocation methodology included in this manual are to:

1. Ensure just and reasonable rates for the ratepayers of the monopoly services.
2. Prevent or limit, to the extent possible, any cross-subsidization between the monopoly services and the Telecommunications Division. JEA periodically reviews allocation results to identify potential cross-subsidization and ensures compliance with applicable regulatory requirements.
3. Minimize the time and expense necessary to record and audit transactions.

JEA maintains a separate system of accounts for each of the services it provides. This allows JEA to identify and record transactions related to each service. Using this information, JEA can prepare financial statements showing the financial position and results of operations for each division.

Costs assigned to and allocated to each division shall be at fully allocated costs. In the case of an annual charge for facilities or assets, the fully allocated costs should include in lieu of taxes, depreciation expense, maintenance expense, insurance expense, and a return on the investment in the asset. In the case of personnel, the fully allocated cost should include salaries/wages, all employee benefits, payroll taxes, insurance, pension, and post-retirement benefits other than pension.

ALLOCATION OF COSTS

The general concepts followed in this manual are discussed below.

- JEA will directly assign costs to a specific division and/or business unit whenever possible.
- Costs that cannot be directly assigned to a specific division and/or business unit will be described as common costs. JEA will group common costs into cost centers designed to facilitate the proper allocation of costs among divisions and/or business units in accordance with the following hierarchy:
 - JEA will allocate, whenever possible, common cost categories based on direct analysis of the origin of the costs themselves.
 - When direct analysis is not possible, JEA will allocate common cost categories based on an indirect, cost-causative linkage to another category (or group of cost categories) for which a direct assignment or allocation is available.
 - When neither direct nor indirect measures of cost causation can be identified, JEA will allocate the cost category using a general allocator as defined in Appendix A.
- For loans made by one division and/or business unit to another, JEA will charge the higher of the highest rate of interest earned on invested funds on the date the loan is made or the highest rate of interest paid on outstanding long-term debt on the date the loan is made.
- The Telephone Business Unit of the Telecommunications Division will make in lieu of tax payments and will record state, local, and federal taxes in accordance with TCA Section 7-52-404.

DEFINITIONS

Affiliate – a branch, division, or subsidiary of the Authority. A company effectively controlled by the Authority.

Audit Engagement – an attestation engagement in which a certified public accountant engaged in the practice of public accounting is contracted to issue a written communication that expresses a conclusion about the reliability of a written assertion that is the responsibility of another party.

Cost Allocation Manual (“CAM”) – an indexed compilation and documentation of a company’s cost allocation policies and related procedures.

Cost Allocations – the methods or ratios used to apportion costs. A cost allocator can be based on the origin of costs, as in the case of cost drivers; cost-causative linkage of an indirect nature; or one or more overall factors (also known as general allocators).

Common Costs – costs associated with services or products that are of joint benefit between regulated and non-regulated business units.

Cost Driver – a measurable event or quantity that influences the level of costs incurred and that can be directly traced to the origin of the costs themselves.

Direct Costs – costs that can be specifically identified with a particular service or product.

Division – as used in this manual means the Electric Division, the Gas Division, the Water Division, the Wastewater Division, or the Telecommunications Division.

Fully Allocated Costs – the sum of the direct costs plus an appropriate share of indirect costs.

Indirect Costs – costs that cannot be identified with a particular service or product. This includes, but is not limited to, overhead costs and administrative and general costs.

Non-Regulated – that which is not subject to regulation by regulatory authorities. A good or service may be non-regulated because it has never been regulated or a good or service may cease to be regulated for different causes. Examples include the following:

- Deregulation
- A change in the regulator's approach to setting rates from cost-based ratemaking to another form of regulation.
- Increasing competition that limits the enterprise's ability to sell utility services or products at rates that will recover costs.
- Regulatory actions resulting from resistance to rate increases that limit the enterprise's ability to sell utility services or products at rates that will recover costs if the enterprise is unable to obtain (or chooses not to seek) relief from prior regulatory actions through appeals to the regulator or the courts.

The Telecommunications Division and the business units under it are considered non-regulated (unregulated) in this manual.

Prevailing Market Price – a generally accepted market value that can be substantiated by auction, appraisal, or clearly comparable transactions.

Regulated – operations of an enterprise are regulated if all of the following conditions are met:

- Enterprise rates for regulated services or products provided to its customers are established by or are subject to approval by an independent, third-party regulator or by its own governing board empowered by statute or contract to establish rates that bind customers.
- Regulated rates are designed to recover the specific enterprise's costs of providing the regulated services or products.

- In view of demand for the regulated services or products and the level of competition, direct and indirect, it is reasonable to assume that rates set at levels adequate to recover the enterprise's costs can be charged to and collected from customers.

The Electric Division, the Gas Division, the Water Division, and the Wastewater Division are considered regulated in this manual.

Subsidization – the recovery of costs from one class of customers or business unit that are attributable to another class of customers or business unit.

TRANSACTIONS WITH AFFILIATES

JEA will record goods or services provided pursuant to a tariff among affiliates in the appropriate revenue and expense accounts at the tariffed rate. JEA will record the transfer or sale of non-tariffed goods or services that are provided among affiliates and provided to unaffiliated outside parties, at the market rate. JEA will record the transfer or sale of non-tariffed goods or services that are not provided to unaffiliated outside parties, among affiliates at fully distributed cost.

JEA will record assets sold or transferred pursuant to a tariff among affiliates in the appropriate accounts at the tariffed rate. JEA will record charges for assets purchased or transferred among affiliates in the appropriate accounts at the invoice price if that price is determined by a prevailing price held out to the general public in the normal course of business. If a tariff or a prevailing price is not available, JEA will record assets sold or transferred among regulated divisions at net book cost. If a tariff or prevailing price is not available, JEA will record assets sold or transferred from a nonregulated affiliate to a regulated affiliate at the lower of net book value or estimated fair market value; unless the total annual aggregate net book value of an asset transferred is less than \$500,000, in which case the asset will be recorded at net book cost. If a tariff or prevailing price is not available, JEA will record assets sold or transferred from a regulated affiliate to a nonregulated affiliate at the higher of net book value or estimated fair market value of the asset; unless the total annual aggregate net book value of an asset transferred is less than \$500,000, in which case the asset will be recorded at net book cost.

BALANCE SHEET ACCOUNTING

Cash

JEA will maintain a cash account in its general ledger for each division and business unit. JEA will record all monies collected by a division or business unit to the appropriate general ledger account.

JEA will record all payments applicable to a division or business unit in the appropriate general ledger account.

Accounts Receivable

Each division and business unit will maintain its own accounts receivable. JEA will record both billings and receipts in the appropriate receivable account.

Payables

Each division and business unit will maintain its own accounts payable. JEA will record both invoices received and payments made in the appropriate payable account.

Materials

Each division and business unit will maintain its own inventory accounts. JEA will record assets subject to inventory in the appropriate accounts as received.

Plant Assets

Each division and business unit will maintain its own plant accounting system. JEA will record utility plant in the appropriate plant account when it places plant in service.

Plant Leased to Telecommunications Division

JEA will lease poles for pole attachments to the Telecommunications Division at the highest rate paid by an outside party for comparable pole attachments. JEA will lease any other items currently leased to other entities to the Telecommunications Division at the highest rate paid by an outside party for the comparable leased item. JEA will develop a rate for other leased plant that fully recovers the depreciation, maintenance, and other loaded costs of the asset used. JEA will lease floor space in general office buildings on a per-square-foot basis.

Construction Work in Progress

JEA uses a comprehensive work order system that captures the cost of materials, labor, vehicles, heavy equipment, benefits, and other items related to construction activities. JEA will identify construction activity by division and business unit and will record the activity to the appropriate account.

Depreciation

JEA will record depreciation by division and business unit. Depreciation rates will reflect industry normal life spans.

Amortization

JEA will amortize non-tangible assets and assets such as capitalized software over industry normal life spans.

Accounting for Revenues and Expenses

Revenues

JEA will record revenues for each division and business unit to the appropriate revenue accounts using the accrual basis of accounting.

Cost Centers

JEA utilizes cost centers to assign employee work activities and other costs. The cost centers are:

- Administration
- Human Resources
- Engineering
- Distribution
- Telecom Operations
- Information Technology
- Finance, Accounting and Billing
- Operations
- Business Development and Community Relations
- Customer Service

JEA employs approximately 400 people. Around 25% of its employee's record time as worked to a division and/or business unit on a daily basis. Also, approximately 25% of its employees are assigned directly to a division or business unit. The remaining 50% routinely work with more than one division and/or business unit. Recording time as worked to a division and/or business unit for these employees is impracticable. JEA will develop percentages to allocate the time of these employees. It will develop these percentages by time studies or other appropriate indicators. JEA will update the percentages no less frequently than annually. It will revise the labor allocations whenever there are material changes in work assignments or other pertinent circumstances.

JEA costs are assigned using a hierarchical methodology: (1) direct assignment where identifiable, (2) indirect allocation based on cost-causative factors, and (3) use of the general allocator only when no direct or indirect relationship can be reasonably established.

JEA will allocate time spent away from work due to sick leave, holidays, vacations, weather-related unassigned time, etc., to the divisions and/or business units using the same percentages as the labor dollars of each cost center.

JEA will directly assign other expenses to the appropriate division or business unit wherever possible. When this is not possible, JEA will allocate other expenses to each division or business unit using the same percentages as the labor dollars for that department.

JEA will allocate payroll tax expense using the same percentages as total labor dollars. JEA will allocate employee insurance expense based on straight-time payroll dollars of eligible employees.

JEA will allocate property and liability insurance expense on the same basis as the insured item. For example, JEA will allocate property insurance based on ownership of the assets insured. JEA will allocate insurance on vehicles based on vehicle ownership. Some insurance premiums will have no directly assignable basis. JEA will use the General Allocator for these items.

In some instances, Management estimates may be used which are supported by documented analyses and are subject to periodic validation (e.g., time studies, transaction reviews) and internal audit where appropriate.

Administration Cost Center

JEA will allocate common costs in Department 10 using a composite weighted average of all employees in all other Departments.

Human Resources Cost Center

JEA will allocate common costs in Department 100 using the Straight-Time Payroll Hours Allocator.

Engineering Cost Center

JEA will allocate common costs in Department 200 using a composite of the straight-time payroll hours in Department 200 which now also contains Department 270.

Distribution Cost Center

JEA will allocate common costs in Department 300 using a composite weighted average of departments 310, 320, 330, 350, 390, 398, 446, 447, 448, 945, and 960.

JEA will allocate common costs in Department 320 using the Miles of Underground Services Allocator.

JEA will allocate common costs in Department 350 which now also contains Department 360 using a composite of the straight-time payroll hours in Department 350 and time study of the Meter Shop.

JEA will allocate common costs of Purchasing and Stores activities in Department 390 using management's estimate of time spent per division and the total purchase orders per division.

JEA will allocate common costs in Department 398 using a composite of the straight-time payroll hours in Department 398.

Telecom Operations Cost Center

JEA will allocate common costs in Department 446 using the Telecom Truck Rolls Allocator.

JEA will allocate common costs in Department 447 using a composite of the straight-time payroll hours in Department 447.

JEA will allocate common costs in Department 448 using the Telecom Truck Rolls Allocator.

JEA will allocate common costs in Department 480 using the Telecom Truck Rolls Allocator.

JEA will allocate common costs of Department 482 using the Telecom Number of Customers Allocator.

Information Technology Cost Center

JEA will allocate common costs in Department 500 using an estimate of time spent per division or business unit.

Finance, Accounting and Billing Cost Center

JEA will allocate common costs in Department 600 using a weighted average of 1) a blend of the General Ledger Transactions Allocator, number of customers, and an estimate of assets and liabilities for finance and accounting personnel and 2) the Utility Services Allocator weighted by a factor for Electric and Telecom complexity for the billing personnel. Department 600 now also contains Department 610.

Operations Cost Center

JEA will allocate common costs in Department 700 using a composite weighted average of Departments 710, 730, 740, 750, 790 and 990.

JEA will allocate common costs in Department 710 using management's estimate of dispatcher time spent per division and/or business unit.

JEA will allocate common costs in Department 730 using a composite of the straight-time payroll hours in Department 730.

JEA will allocate common costs in Department 790 using the composite of assets at a joint plant split.

Business Development Cost Center and Community Relations Cost Center

JEA will allocate common costs in Department 810 using the Commercial/Industrial Customer Number Allocator weighted by level-of-effort factors estimated for each division and/or business unit.

JEA will allocate common costs in Department 820 using the General Marketing Need Allocator.

Customer Service

JEA will allocate common costs in Department 916 using a weighted average of the Call Types and Duration Allocator for the customer service representatives and the Utility Services Allocator for the cashiers. Department 916 will include both departments 910 and 912 this year.

JEA will allocate common costs in Department 940 using the weighted average departments 446, 447, 945, and 960.

JEA will allocate common costs in Department 945 using the Service Order Manhours Allocator.

JEA will allocate common costs in Department 960 using the Number of Meters Allocator.

JACKSON ENERGY AUTHORITY

Definition of Allocators

Where possible, allocation statistics for the Electric, Gas, Water, Wastewater and Telecommunications Divisions are derived from prior calendar year data. Averages from two-year lookback periods are used in the development of most allocators. Where measurable prior year data is not available, management's estimates are used.

General Allocator – percentage derived from a fraction the numerator of which is all operation and maintenance expense directly assigned, indirectly assigned, or attributed to each division and/or business unit, excluding the cost of electricity, gas, and programming, and the denominator of which is the total operation and maintenance expense of JEA, excluding the cost of electricity, gas, and programming.

Telecom General Allocator – percentage derived from a fraction the numerator of which is all operation and maintenance expense directly assigned, indirectly assigned, or attributed to each business unit of the Telecommunications Division, excluding the cost of programming, and the denominator of which is the total operation and maintenance expense of the Telecommunications Division, excluding the cost of programming.

Sales Revenue – percentage derived from a fraction the numerator of which is the sales revenue of each division and/or business unit and the denominator of which is the total sales revenue of JEA.

Sales Revenue-EI, Gs, Wt, Ww – percentage derived from a fraction the numerator of which is the sales revenue of each regulated division and the denominator of which is the total sales revenue of the regulated divisions of JEA.

Appendix A

Straight-Time Payroll Hours – percentage derived from a fraction the numerator of which is the straight-time payroll hours directly assigned, indirectly assigned, or attributed to each division and/or business unit and the denominator of which is the total straight-time payroll hours of JEA.

Engineering Allocator – percentage derived from a fraction the numerator of which is the straight-time payroll hours directly assigned, indirectly assigned, or attributed to each division and/or business unit and the denominator of which is the total straight-time payroll hours of that division and/or business unit.

Water and Wastewater Services – percentage derived from management’s estimation of time spent on each utility system in the Meter Shop including backflow testing the denominator of which is the total hours spent by the business unit.

Storeroom Allocator – percentage derived from management’s estimation of time spent on each utility system and the denominator of which is the total hours spent by the business unit.

General Ledger Transactions – percentage derived from the weighting of fixed assets, number of customers, and general ledger transactions. Fixed assets is derived from a fraction the numerator of which is the number of closed projects for each division and the denominator of which is the total number of closed projects for JEA. Number of customers is derived from a fraction the numerator of which is the number of customers for each division and/or business unit and the denominator of which is the total number of customers for JEA. General ledger transactions is derived from a fraction the numerator of which is the number of general ledger entries for each division and/or business unit, not including fixed assets, and the denominator of which is the total number of general ledger entries, not including fixed assets, for JEA.

Utility Services – percentage derived from a fraction the numerator of which is the number of services billed by each division and/or business unit and the denominator of which is the total number of services billed by JEA. This allocator approximates lines of billing.

Appendix A

Number of Customers - percentage derived from a fraction the numerator of which is the number of customers of each division and/or business unit and the denominator of which is the total number of JEA customers.

Telecom Number of Customers – percentage derived from a fraction the numerator of which is the number of customers of each business unit of the Telecommunications Division and the denominator of which is the total number of Telecommunications Division customers.

Commercial, Industrial Customer Number – percentage derived from a fraction the numerator of which is the number of commercial and industrial customers of each division and/or business unit and the denominator of which is the total commercial and industrial customers of JEA. A weighting of 0.5 is applied to the number of Water and Wastewater Division customers, and a weighting of .15 is applied to the number of Cable/Internet and Telephone business unit customers.

Telecom Truck Rolls – percentage derived from a fraction the numerator of which is the number of truck rolls for each business unit of the Telecommunications Division and the denominator of which is the total number of truck rolls by Telecommunications field servicemen.

IT Functions – percentage derived from management’s estimation of time spent on projects of each division and/or business unit and the denominator of which is the total hours spent.

SCADA – percentage derived from an average of the System Operations allocation and the number of usage points by division in the SCADA system, the denominator of which is the total points in the SCADA system.

System Operations – percentage derived from management’s estimation of time spent on each utility system and the denominator of which is the total hours spent by the business unit.

General Marketing Need – directly assigned percentages of 20 percent for the Electric Division, 20 percent for the Gas Division, 20 percent each for the Water and Wastewater Divisions and 20 percent for the Telecommunications Division. The percentage directly assigned to the

Appendix A

Cable/Internet business unit is 18%. 2% is directly assigned to the Telephone business unit of the Telecommunications Division.

General Production – directly assigned percentages for general operating and maintenance expenses of 10 percent for the Electric Division, 10 percent for the Gas Division, 10 percent each for the Water and Wastewater Divisions and 60 percent for the Telecommunications Division. The percentage directly assigned to the Cable/Internet business unit is 58%. 2% is directly assigned to the Telephone business unit of the Telecommunications Division.

Number of Meters – percentage derived from a fraction the numerator of which is the number of meters read manually for each division and the denominator of which is the total number of JEA customer meters read manually. A degree of difficulty factor is applied to propane and water meters.

Call Types and Duration – percentage derived from a fraction the numerator of which is the number of selected call types for each division and/or business unit multiplied by management's estimate of the time spent on each call type and the denominator of which is the total time spent on the selected call types.

Service Order Manhours – percentage derived from a fraction the numerator of which is the number of field service orders for each division and/or business unit multiplied by management's estimate of the time spent on each order and the denominator of which is the total time spent on field service orders.

Miles of Underground Services - percentage derived from a fraction the numerator of which is the number of miles of underground services for each division and/or business unit and the denominator of which is the total number of miles of underground services.

Joint Plant Owned – directly assigned percentages of 33 percent for the Electric Division, 29 percent for the Gas Division, 22 percent for the Water Division and 16 percent for the Wastewater Division.

Personnel Cost Allocation Factors Summary

Fiscal Year 2027

Dept #	Job Title	Allocation Method	Electric	Gas	Water	Wastewater	Cable & Internet	Telephone
Administration:								
10	Administrative Clerk	Comp Weighted Avg. (all departments)	27.7%	21.2%	18.0%	17.8%	13.4%	1.9%
10	Board of Directors	Comp Weighted Avg. (all departments)	27.7%	21.2%	18.0%	17.8%	13.4%	1.9%
10	Corporate Secretary	Comp Weighted Avg. (all departments)	27.7%	21.2%	18.0%	17.8%	13.4%	1.9%
10	President & CEO	Comp Weighted Avg. (all departments)	27.7%	21.2%	18.0%	17.8%	13.4%	1.9%
10	Sr. VP & CFO	Comp Weighted Avg. (all departments)	27.7%	21.2%	18.0%	17.8%	13.4%	1.9%
10	Sr. VP & Chief Operating Officer	Comp Weighted Avg. (all departments)	27.7%	21.2%	18.0%	17.8%	13.4%	1.9%
10	Sr. VP & Chief Technology Officer	Comp Weighted Avg. (all departments)	27.7%	21.2%	18.0%	17.8%	13.4%	1.9%
10	Sr. VP-Telecommunications Division	Number of Telecom Customers	0.0%	0.0%	0.0%	0.0%	82.8%	17.2%
Human Resources:								
100	Benefits/Employee Relations Coordinator	Straight-Time Payroll Hours	27.1%	21.3%	18.7%	17.1%	14.5%	1.3%
100	Director of Human Resources	Straight-Time Payroll Hours	27.1%	21.3%	18.7%	17.1%	14.5%	1.3%
100	HR Coordinator	Straight-Time Payroll Hours	27.1%	21.3%	18.7%	17.1%	14.5%	1.3%
100	HR Generalist	Straight-Time Payroll Hours	27.1%	21.3%	18.7%	17.1%	14.5%	1.3%
100	Interns-PT	Straight-Time Payroll Hours	27.1%	21.3%	18.7%	17.1%	14.5%	1.3%
100	Safety Coordinator	Straight-Time Payroll Hours	27.1%	21.3%	18.7%	17.1%	14.5%	1.3%
100	Security Coordinator	Straight-Time Payroll Hours	27.1%	21.3%	18.7%	17.1%	14.5%	1.3%
100	Senior HR Generalist	Straight-Time Payroll Hours	27.1%	21.3%	18.7%	17.1%	14.5%	1.3%
100	Training / Development Specialist	Straight-Time Payroll Hours	27.1%	21.3%	18.7%	17.1%	14.5%	1.3%
100	Training / Development Coordinator	Straight-Time Payroll Hours	27.1%	21.3%	18.7%	17.1%	14.5%	1.3%
Engineering:								
200	Engineering Coordinator	Comp Weighted Avg. (department 200)	36.6%	27.4%	17.2%	15.6%	2.8%	0.4%
200	VP Engineering	Comp Weighted Avg. (department 200)	36.6%	27.4%	17.2%	15.6%	2.8%	0.4%
200	New Accounts Coordinator	Comp Weighted Avg. (department 200)	36.6%	27.4%	17.2%	15.6%	2.8%	0.4%
Distribution:								
300	VP-Distribution	Comp Weighted Avg. (310, 320, 330, 350, 390, 448, 940)	28.2%	22.8%	18.3%	15.6%	13.6%	1.5%
320	Utility Locator	Miles of underground services	12.2%	31.9%	24.8%	18.1%	13.0%	0.0%
320	Utility Locator Foreman	Miles of underground services	12.2%	31.9%	24.8%	18.1%	13.0%	0.0%
350	Distribution Coordinator	Comp Weighted Avg. (350 and 360)	0.0%	0.0%	52.9%	47.1%	0.0%	0.0%
350	Supt-Water Distribution	Comp Weighted Avg. (350 and 360)	0.0%	0.0%	52.9%	47.1%	0.0%	0.0%
390	Buyer	Purchase Order Data	34.6%	18.3%	14.1%	18.0%	14.7%	0.3%
390	Courier-part time	Straight-Time Payroll Hours	26.9%	21.3%	18.9%	17.1%	14.5%	1.3%
390	Mgr-Purchasing/Facilities	Blend of Purchasing/Stores and Straight-Time Payroll hrs	47.4%	16.2%	15.6%	16.4%	4.3%	0.1%
390	Storekeeper	Estimate of time spent per Division	53.1%	15.1%	15.9%	15.9%	0.0%	0.0%
390	Warehouse Supervisor	Estimate of time spent per Division	53.1%	15.1%	15.9%	15.9%	0.0%	0.0%
398	Supervisor-Fleet Maintenance	Composite of ST PR hrs in Dept 398	36.4%	17.7%	17.9%	16.4%	11.6%	0.0%

Personnel Cost Allocation Factors Summary

Fiscal Year 2027

Dept #	Job Title	Allocation Method	Electric	Gas	Water	Wastewater	Cable & Internet	Telephone
Telecom Operations:								
446	Telecom Technician I, II	Telecom Truck Rolls	0.0%	0.0%	0.0%	0.0%	88.9%	11.1%
446	Telecom Lead Technician	Telecom Truck Rolls	0.0%	0.0%	0.0%	0.0%	88.9%	11.1%
446	Telecom Foreman	Telecom Truck Rolls	0.0%	0.0%	0.0%	0.0%	88.9%	11.1%
447	Telecom Storekeeper	Straight-Time Payroll Hours in business unit	0.0%	0.0%	0.0%	0.0%	99.6%	0.4%
447	Telecom Stores Helper	Straight-Time Payroll Hours in business unit	0.0%	0.0%	0.0%	0.0%	99.6%	0.4%
448	Telecom OSP Tech I, II	Telecom Truck Rolls	0.0%	0.0%	0.0%	0.0%	88.9%	11.1%
448	Telecom OSP Lead Tech	Telecom Truck Rolls	0.0%	0.0%	0.0%	0.0%	88.9%	11.1%
448	Telecom OSP Foreman	Telecom Truck Rolls	0.0%	0.0%	0.0%	0.0%	88.9%	11.1%
480	Headend Manager	Telecom Truck Rolls	0.0%	0.0%	0.0%	0.0%	88.9%	11.1%
480	Telecom Network Specialist I, II, III	Telecom Truck Rolls	0.0%	0.0%	0.0%	0.0%	88.9%	11.1%
480	Intern	Telecom Truck Rolls	0.0%	0.0%	0.0%	0.0%	88.9%	11.1%
482	Telecom Business Analyst I	Number of Telecom Customers	0.0%	0.0%	0.0%	0.0%	82.8%	17.2%
482	Telecom Commercial Sales Manager	Number of Telecom Customers	0.0%	0.0%	0.0%	0.0%	82.8%	17.2%
482	Telecom CSR	Number of Telecom Customers	0.0%	0.0%	0.0%	0.0%	82.8%	17.2%
482	Telecom Sales Associate	Number of Telecom Customers	0.0%	0.0%	0.0%	0.0%	82.8%	17.2%
Information Technology:								
500	Systems Administrator I	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	Sr Programmer Analyst	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	IT Project Manager	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	IT Support Specialist II	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	IT Coordinator	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	Sr Programmer Analyst	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	Business Systems Analyst I	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	Sr Business Systems Analyst	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	IT Security Manager	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	Sr Systems Administrator	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	IT Project Manager	Estimated time spent per division - special projects	73.6%	7.2%	15.3%	3.9%	0.0%	0.0%
500	Business Systems Analyst II	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	Director of IT	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	IT Security Analyst I	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	Network Administrator	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	GIS Analyst II	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
500	Business Systems Analyst II	Estimated time spent per division and/or business unit	26.1%	21.0%	16.7%	17.3%	16.6%	2.3%
Finance, Accounting & Billing:								
600	Staff Accountant	General Ledger Trans, Weighted Utility Svs & No of Meters	32.3%	17.0%	17.8%	16.5%	11.3%	5.1%
600	Senior Staff Accountant	General Ledger Trans, Weighted Utility Svs & No of Meters	32.3%	17.0%	17.8%	16.5%	11.3%	5.1%
600	Internal Auditor	General Ledger Trans, Weighted Utility Svs & No of Meters	32.3%	17.0%	17.8%	16.5%	11.3%	5.1%
600	Accounting Associate I, II, III	General Ledger Trans, Weighted Utility Svs & No of Meters	32.3%	17.0%	17.8%	16.5%	11.3%	5.1%
600	Manager of Accounting	General Ledger Trans, Weighted Utility Svs & No of Meters	32.3%	17.0%	17.8%	16.5%	11.3%	5.1%
600	Director of Financial Oper.	General Ledger Trans, Weighted Utility Svs & No of Meters	32.3%	17.0%	17.8%	16.5%	11.3%	5.1%
600	Manager Finance	General Ledger Trans, Weighted Utility Svs & No of Meters	32.3%	17.0%	17.8%	16.5%	11.3%	5.1%
600	Manager of Billing	General Ledger Trans, Weighted Utility Svs & No of Meters	32.3%	17.0%	17.8%	16.5%	11.3%	5.1%
600	Billing Analyst I, II	General Ledger Trans, Weighted Utility Svs & No of Meters	32.3%	17.0%	17.8%	16.5%	11.3%	5.1%
600	Lead Billing Analyst	General Ledger Trans, Weighted Utility Svs & No of Meters	32.3%	17.0%	17.8%	16.5%	11.3%	5.1%
600	Financial Analyst	General Ledger Trans, Weighted Utility Svs & No of Meters	32.3%	17.0%	17.8%	16.5%	11.3%	5.1%
600	Insurance Risk Analyst	General Ledger Trans, Weighted Utility Svs & No of Meters	32.3%	17.0%	17.8%	16.5%	11.3%	5.1%

Personnel Cost Allocation Factors Summary

Fiscal Year 2027

Dept #	Job Title	Allocation Method	Electric	Gas	Water	Wastewater	Cable & Internet	Telephone
Field Service Operations:								
700	VP-Operations	Comp Weighted Avg. (Operations)	36.4%	27.3%	20.9%	15.4%	0.00%	0.0%
710	System Operations Analyst	Management estimates	43.3%	16.7%	34.4%	5.6%	0.0%	0.0%
710	System Operations Supervisor	Management estimates	43.3%	16.7%	34.4%	5.6%	0.0%	0.0%
710	System Operator	Management estimates	43.3%	16.7%	34.4%	5.6%	0.0%	0.0%
730	Operations Coordinator	Composite of ST PR hrs in Dept 730	0.0%	0.0%	35.2%	64.8%	0.0%	0.0%
730	Water/Ww Operations Manager	Composite of ST PR hrs in Dept 730	0.0%	0.0%	35.2%	64.8%	0.0%	0.0%
740	AMI Communications Analyst	Number of AMI Meters	50.2%	23.6%	13.4%	12.8%	0.0%	0.0%
790	Custodian	Joint Plant Owned	33.0%	29.0%	22.0%	16.0%	0.0%	0.0%
790	Lead Custodian	Joint Plant Owned	33.0%	29.0%	22.0%	16.0%	0.0%	0.0%
790	Lead Facilities Technician	Joint Plant Owned	33.0%	29.0%	22.0%	16.0%	0.0%	0.0%
790	Facilities Manager	Joint Plant Owned	33.0%	29.0%	22.0%	16.0%	0.0%	0.0%
790	Superintendent of Facilities	Joint Plant Owned	33.0%	29.0%	22.0%	16.0%	0.0%	0.0%
790	Summer Worker	Joint Plant Owned	33.0%	29.0%	22.0%	16.0%	0.0%	0.0%
Business Development:								
810	Mgr Commc & Indust .Services	Weighted Commercial, Industrial Customer Number	44.9%	26.2%	14.2%	11.1%	1.9%	1.7%
810	VP Economic & Industrial Dev.	Weighted Commercial, Industrial Customer Number	44.9%	26.2%	14.2%	11.1%	1.9%	1.7%
810	Manager of Environmental Sustainability	Weighted Commercial, Industrial Customer Number	44.9%	26.2%	14.2%	11.1%	1.9%	1.7%
810	VP Economic & Industrial Dev.	Weighted Commercial, Industrial Customer Number	44.9%	26.2%	14.2%	11.1%	1.9%	1.7%
820	Communications Manager	General Marketing Need	20.0%	20.0%	20.0%	20.0%	18.0%	2.0%
820	Intern	General Marketing Need	20.0%	20.0%	20.0%	20.0%	18.0%	2.0%
820	Creative Specialist	General Marketing Need	20.0%	20.0%	20.0%	20.0%	18.0%	2.0%
820	Multimedia Specialist	General Marketing Need	20.0%	20.0%	20.0%	20.0%	18.0%	2.0%
820	Video Production Technician	Management Estimate	10.0%	10.0%	10.0%	10.0%	58.0%	2.0%
820	Director of Marketing	Comp Weighted Avg of Direct Reports	16.0%	16.0%	16.0%	16.0%	33.1%	2.9%
820	Public Relations Specialist	General Marketing Need	20.0%	20.0%	20.0%	20.0%	18.0%	2.0%
820	Video & Media Producer	Management Estimate	10.0%	10.0%	10.0%	10.0%	58.0%	2.0%
820	Creative Specialist	General Marketing Need	20.0%	20.0%	20.0%	20.0%	18.0%	2.0%
Customer Service:								
916	VP Customer Service	Call Types and Duration, Utility Services	28.8%	15.7%	16.3%	11.6%	24.3%	3.3%
916	Cashier-FT, PT	Call Types and Duration, Utility Services	28.8%	15.7%	16.3%	11.6%	24.3%	3.3%
916	Credit Representative	Call Types and Duration, Utility Services	28.8%	15.7%	16.3%	11.6%	24.3%	3.3%
916	Customer Service Rep I, II	Call Types and Duration, Utility Services	28.8%	15.7%	16.3%	11.6%	24.3%	3.3%
916	CSR Team Lead	Call Types and Duration, Utility Services	28.8%	15.7%	16.3%	11.6%	24.3%	3.3%
916	Customer Service Supervisor	Call Types and Duration, Utility Services	28.8%	15.7%	16.3%	11.6%	24.3%	3.3%
940	Supt.-Field Services	Comp Weighted Avg. (446, 447, 945, 960)	7.0%	23.9%	13.8%	8.3%	42.3%	4.7%
945	Field Operations Coordinator	Comp Weighted Avg (446, 447, 945)	22.6%	47.1%	20.2%	10.1%	0.0%	0.0%
945	Field Services Foreman	Comp Field Service (945) & Meter Readers (960)	22.6%	47.1%	20.2%	10.1%	0.0%	0.0%
945	Lead Serviceman	Service Order Manhours	22.6%	47.1%	20.2%	10.1%	0.0%	0.0%
945	Serviceman I, II, III	Service Order Manhours	22.6%	47.1%	20.2%	10.1%	0.0%	0.0%
960	Meter Reading Foreman	Weighted Number of Meters excluding AMI	0.1%	42.6%	34.2%	23.1%	0.0%	0.0%
960	Meter Reader	Weighted Number of Meters excluding AMI	0.1%	42.6%	34.2%	23.1%	0.0%	0.0%
960	Meter Reader Lead	Weighted Number of Meters excluding AMI	0.1%	42.6%	34.2%	23.1%	0.0%	0.0%

Jackson Energy Authority

Fiscal Year 2027 Allocators

All Divisions

Reference Page		Electric	Gas	Water	Wastewater	Telecom	Total
c-2	General Allocator	27.0%	17.7%	19.5%	18.2%	17.6%	100.0%
c-3	Sales Revenue	59.7%	12.9%	7.2%	7.5%	12.6%	100.0%
c-3	Sales Revenue-El, Gs, Wt, Ww	68.3%	14.7%	8.4%	8.6%	0.0%	100.0%
c-4	Straight-Time Payroll Hours	27.1%	21.3%	18.8%	17.1%	15.8%	100.0%
c-5	Engineering	36.6%	27.4%	17.2%	15.6%	3.2%	100.0%
c-6	Water and Wastewater Services	0.0%	0.0%	52.9%	47.1%	0.0%	100.0%
c-7	Purchasing and Stores	47.2%	16.2%	15.6%	16.4%	4.5%	100.0%
c-8	General Ledger Transactions	35.2%	16.4%	17.0%	16.2%	15.3%	100.0%
c-9	Utility Services	25.3%	18.3%	20.8%	16.8%	18.7%	100.0%
c-10	Number of Customers	22.0%	19.6%	22.3%	18.0%	18.2%	100.0%
c-11	Commercial, Industrial Customer Number	44.8%	26.2%	14.2%	11.1%	3.7%	100.0%
c-12	Telecom Truck Rolls	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
c-13	IT Functions	26.0%	21.0%	16.7%	17.3%	18.9%	100.0%
c-14	System Operations	43.3%	16.7%	34.4%	5.6%	0.0%	100.0%
c-15	General Marketing Need	20.0%	20.0%	20.0%	20.0%	20.0%	100.0%
c-16	General Production	10.0%	10.0%	10.0%	10.0%	60.0%	100.0%
c-17	Number of Meters	0.1%	42.6%	34.2%	23.1%	0.0%	100.0%
c-18	Call Types and Duration	29.9%	14.8%	14.9%	9.8%	30.6%	100.0%
c-19	Service Order Manhours	22.6%	47.1%	20.2%	10.1%	0.0%	100.0%
c-20	Miles of Underground Services	12.2%	31.9%	24.8%	18.1%	13.0%	100.0%
	Joint Plant Owned	33.0%	29.0%	22.0%	16.0%	0.0%	100.0%

General Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total
Oper. & Maint. Expense-2024	\$ 17,469,633	\$ 11,624,839	\$ 12,770,139	\$ 11,708,548	\$ 11,516,457	\$ 65,089,616
Oper. & Maint. Expense-2025	\$ 16,974,763	\$ 10,953,395	\$ 12,089,910	\$ 11,555,488	\$ 10,828,262	\$ 62,401,819
2-year average	\$ 17,222,198	\$ 11,289,117	\$ 12,430,025	\$ 11,632,018	\$ 11,172,360	\$ 63,745,717
Allocation per Division	27.0%	17.7%	19.5%	18.2%	17.5%	100.0%

Values based on 12 months ending 10/31/24 and 10/31/25

Sales Revenue Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total
Sales Revenue - 2024	\$ 157,189,659	\$ 34,016,615	\$ 20,608,232	\$ 21,403,457	\$ 36,141,322	\$ 269,359,285
Sales Revenue - 2025	\$ 185,117,024	\$ 39,690,348	\$ 21,335,484	\$ 21,687,061	\$ 36,139,011	\$ 303,968,928
2-year average	\$ 171,153,342	\$ 36,853,481	\$ 20,971,858	\$ 21,545,259	\$ 36,140,167	\$ 286,664,107
Allocation per Division	59.7%	12.9%	7.2%	7.5%	12.6%	100.0%
Allocation per Regulated Div	68.3%	14.7%	8.4%	8.6%		100.0%

Values based on 12 months ending 10/31/24 and 10/31/25

Straight-Time Payroll Hours Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total
Manhours by Division - 2025	199,298	152,582	133,985	127,819	113,964	727,650
Manhours by Division - 2024	189,622	155,118	139,885	119,769	114,021	718,414
2-year average	194,460	153,850	136,935	123,794	113,993	723,032
Allocation per Division	27.1%	21.3%	18.8%	17.1%	15.8%	100.0%

*Straight-Time Payroll Hours by Division for 12 months ending 10/31/24 and 10/31/25
All employees (FT, PT & temps)*

Engineering Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total
Dept 200 Manhours by Division - 2024	12,564	9,624	6,120	5,572	907	34,787
Dept 200 Manhours by Division - 2025	13,611	10,003	6,224	5,581	1,364	36,783
2-year average	13,087	9,814	6,172	5,577	1,136	35,785
Allocation per Division	36.6%	27.4%	17.2%	15.6%	3.2%	100.0%

*Straight-Time Payroll Hours by Division for 12 months ending 10/31/24 and 10/31/25
All Department 200 employees keying time as worked (FT, PT & temps)*

Water and Wastewater Services

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total	Employees
W/WW Dist Manhours by Division - 2024			44,293	42,925		87,218	
W/WW Dist Manhours by Division - 2025			41,985	34,768		76,753	
2-year average	-	-	53%	47%	-	81,986	44
W/WW Meter Shop (management estimate)	0	0	55%	45%	-	100%	5
Allocation per Division	0.0%	0.0%	52.9%	47.1%	0.0%	100.0%	

*Straight-Time Payroll Hours by Division for 12 months ending 10/31/24 and 10/31/25
 All Department distribution employees keying time as worked (FT, PT & temps)
 Meter Shop percentage based on management estimate of time spent per division*

Purchasing and Stores Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total	# Reports
Storeroom	53.1%	15.1%	15.9%	15.9%	100.0%	100.0%	6.0
Purchasing	34.6%	18.3%	14.1%	18.0%	100.0%	100.0%	2.0
Courier	26.9%	21.3%	18.9%	17.1%	100.0%	100.0%	0.5
Allocation per Division	47.2%	16.2%	15.6%	16.4%	4.5%	100.0%	8.5

Source - Storeroom time study by Division

Source - Purchasing amount of Purchase Orders by Division

Source - Straight-Time Payroll Hours by Division for 12 months ending 10/31/24 and 10/31/25

General Ledger Transactions Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total
2025 G/L Transactions-12 months	367,881	189,798	201,509	202,498	190,969	1,152,655
2024 G/L Transactions-12 months	372,509	195,368	209,279	206,554	201,081	1,184,791
2-year average	31.7%	16.5%	17.6%	17.5%	16.8%	100.0%

		Electric	Gas	Water	Wastewater	Telecom	Total
Fixed Assets	0.14	61.3%	14.0%	11.2%	7.8%	5.7%	100.0%
Number of customers	0.07	21.8%	19.7%	22.3%	18.0%	18.3%	100.0%
G/L Transactions-2 yr avg	0.79	31.7%	16.5%	17.6%	17.5%	16.8%	100.0%
Allocation per Division		35.2%	16.4%	17.0%	16.2%	15.3%	100.0%

Source - General Ledger Transactions based on 12 months ending 10/31/24 and 10/31/25

Utility Services Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total
12 mo avg through Oct 2025	38,310	34,485	39,146	31,642	31,929	175,510
12 mo avg through Oct 2024	37,552	34,207	38,714	31,278	30,490	172,241
<i>Weighting for rate complexity</i>	<i>1.25</i>				<i>1.10</i>	
2-year average with weighting	94,827	68,692	77,859	62,920	70,105	374,403
2-year average without weighting	75,861	68,692	77,859	62,920	62,419	347,751
Allocation per Division (weighted)	25.3%	18.3%	20.8%	16.8%	18.7%	100.0%

Source - Monthly Stat Reports

Number of Customers Allocator

Fiscal Year 2027

All Divisions

Month	Electric	Gas	Water	Wastewater	Telecom	Total
Nov-24	38,420	34,423	38,981	31,502	32,408	175,734
Dec-24	38,460	34,487	38,988	31,524	32,412	175,871
Jan-25	38,523	34,523	39,011	31,540	32,301	175,898
Feb-25	38,593	34,529	39,040	31,576	32,118	175,856
Mar-25	38,667	34,520	39,083	31,587	31,981	175,838
Apr-25	38,665	34,489	39,123	31,626	31,903	175,806
May-25	38,698	34,445	39,137	31,628	31,815	175,723
Jun-25	38,777	34,476	39,219	31,695	31,762	175,929
Jul-25	38,887	34,479	39,275	31,736	31,751	176,128
Aug-25	38,934	34,480	39,279	31,741	31,661	176,095
Sep-25	38,907	34,444	39,277	31,737	31,552	175,917
Oct-25	38,968	34,524	39,333	31,806	31,480	176,111
12-mo avg through Oct 2025	38,708	34,485	39,146	31,642	31,929	175,909
Allocation per Division	22.0%	19.6%	22.3%	18.0%	18.2%	100.0%

Source - Monthly Stat Reports

Commercial and Industrial Customer Number Allocator

Fiscal Year 2027

All Divisions

Month	Electric	Gas	Water	Wastewater	Telecom	Total
Nov-24	6,397	3,784	4,122	3,235	5,453	22,991
Dec-24	6,396	3,784	4,100	3,232	5,465	22,977
Jan-25	6,423	3,777	4,095	3,231	5,432	22,958
Feb-25	6,470	3,782	4,086	3,229	5,435	23,002
Mar-25	6,474	3,790	4,113	3,229	5,423	23,029
Apr-25	6,441	3,786	4,082	3,190	5,444	22,943
May-25	6,493	3,783	4,091	3,187	5,420	22,974
Jun-25	6,421	3,777	4,069	3,185	5,409	22,861
Jul-25	6,412	3,775	4,089	3,191	5,399	22,866
Aug-25	6,464	3,774	4,088	3,191	5,400	22,917
Sep-25	6,455	3,756	4,092	3,190	5,396	22,889
Oct-25	6,426	3,758	4,083	3,198	5,379	22,844
12-mo avg ending Oct 2025	6,439	3,777	4,093	3,207	5,421	22,938
Applied .5 weighting to Wt, Ww, .1 to Telecom	6,439	3,777	2,046	1,604	542	14,409
Allocation per Division	44.8%	26.2%	14.2%	11.1%	3.7%	100.0%

Source - Monthly Stat Reports

Telecom Truck Rolls Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total
12 month totals through Oct 2025	-	-	-	-	10,286	10,286
Allocation per Division	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%

Source - ETI

IT Functional Assignment Allocator

Fiscal Year 2027

All Divisions

		Electric	Gas	Water	Wastewater	Telecom	Total
<u>% time spent</u>							
2.0%	Admin	27.2%	17.7%	19.5%	18.2%	17.5%	100.0%
4.6%	Human Resources	27.1%	21.3%	18.8%	17.1%	15.8%	100.0%
12.7%	Engineering	36.5%	27.4%	17.2%	15.6%	3.2%	100.0%
12.4%	Distribution	35.6%	23.7%	20.9%	18.7%	1.1%	100.0%
10.3%	Telecom	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
6.1%	Finance, Accounting, Billing	32.3%	17.0%	17.8%	16.5%	16.4%	100.0%
18.2%	Operations	26.0%	22.5%	21.0%	30.4%	0.0%	100.0%
2.4%	Business Development	24.7%	19.6%	16.3%	15.5%	24.0%	100.0%
8.3%	Customer Service	20.2%	33.9%	18.6%	12.0%	15.3%	100.0%
76.9%	Allocation per Division	26.0%	21.0%	16.7%	17.3%	19.0%	100.0%

Source - Management (IT function report)

System Operations Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total
Operator 1	35%	25%	35%	5%	0%	100%
Operator 2	40%	20%	35%	5%	0%	100%
Operator 3	40%	15%	40%	5%	0%	100%
Operator 4	40%	15%	40%	5%	0%	100%
Operator 5	40%	20%	35%	5%	0%	100%
Operator 6	35%	15%	40%	10%	0%	100%
Operator 7	40%	15%	40%	5%	0%	100%
Operator 8	40%	20%	35%	5%	0%	100%
Analyst AVG	80%	5%	10%	5%	0%	100%
Allocation per Division	43.3%	16.7%	34.4%	5.6%	0.0%	100.0%

Source - Systems dispatch time study

General Marketing Need Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total
General Marketing Need	20.0%	20.0%	20.0%	20.0%	20.0%	100.0%
Allocation per Division	20.0%	20.0%	20.0%	20.0%	20.0%	100.0%

Source - Management estimate

General Production Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total
General Production	10.0%	10.0%	10.0%	10.0%	60.0%	100.0%
Allocation per Division	10.0%	10.0%	10.0%	10.0%	60.0%	100.0%

Source - Management estimate of TV 6 time and benefit per division

Number of Meters Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Cable	Telephone	Telecom	Total
Meter Count - 2025								
Total AMI readings	-	-	-	-	-	-	-	-
Total Handheld meters read per year	638	185,556	179,135	120,793	-	-	-	486,122
Meter Count - ProGas		37,337					-	37,337
Degree of difficulty multiplier*		1.2	1.2					
Weighted Meter Count	638	222,893	179,135	120,793			-	523,459
Water/Wastewater Customer 2025 split			55.0%	45.0%				
Allocation per Division	0.1%	42.6%	34.2%	23.1%	0.0%	0.0%	0.0%	100.0%

Meter count as of 11/01/25

*Multiplier applied to ProGas and Water

Call Types and Duration Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total
2025 total minutes-12 months	113,527	54,584	55,055	36,443	110,582	370,192
2024 total minutes-12 months	108,957	55,944	55,545	36,855	117,222	374,522
2-year average	111,242	55,264	55,300	36,649	113,902	372,358
Allocation per Division	29.9%	14.8%	14.9%	9.8%	30.6%	100.0%

12 month history through Oct 2024 and Oct 2025

Source - Call types & duration time study

Service Order Manhours Allocator

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total
Field service time study-2025	1,992	4,133	1,761	880	-	8,766
Field service time study-2024	1,973	4,153	1,796	898	-	8,820
2-year average	1,983	4,142	1,779	889	-	8,793
Allocation per Division	22.6%	47.1%	20.2%	10.1%	0.0%	100.0%

12 month history through Oct 2024 and Oct 2025

Source - Field Service order count

Miles of Underground Services

Fiscal Year 2027

All Divisions

	Electric	Gas	Water	Wastewater	Telecom	Total
Length in Miles	601.7	1,574.4	1,225.1	891.9	640.4	4,933.5
Allocation per Division	12.2%	31.9%	24.8%	18.1%	13.0%	100.0%

Services as of 10/31/2025

Departmental Allocators

Fiscal Year 2027

All Divisions

Dept	Electric	Gas	Water	WWater	Telecom	Total
10	27.7%	21.2%	18.0%	17.8%	15.3%	100.0%
100	27.1%	21.3%	18.8%	17.0%	15.8%	100.0%
200	36.5%	27.4%	17.2%	15.6%	3.3%	100.0%
300	28.2%	22.8%	18.5%	15.6%	15.0%	100.0%
310	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
320	12.2%	31.9%	24.8%	18.1%	13.0%	100.0%
330	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
350	0.0%	0.0%	52.9%	47.1%	0.0%	100.0%
390	47.2%	16.2%	15.6%	16.4%	4.5%	100.0%
398	36.4%	17.7%	17.9%	16.4%	11.6%	100.0%
446	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
447	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
448	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
480	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
482	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
500	26.0%	21.0%	16.7%	17.3%	18.9%	100.0%
600	32.3%	17.0%	17.8%	16.5%	16.4%	100.0%
700	36.4%	27.3%	21.0%	15.4%	0.0%	100.0%
710	43.4%	16.7%	34.3%	5.6%	0.0%	100.0%
730	0.0%	0.0%	35.1%	64.9%	0.0%	100.0%
740	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
750	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
790	33.0%	29.0%	22.0%	16.0%	0.0%	100.0%
810	44.8%	26.2%	14.2%	11.1%	3.7%	100.0%
820	20.0%	20.0%	20.0%	20.0%	20.0%	100.0%
821	10.0%	10.0%	10.0%	10.0%	60.0%	100.0%
916	28.8%	15.7%	16.3%	11.6%	27.6%	100.0%
940	7.0%	23.9%	13.7%	8.3%	47.1%	100.0%
945	22.6%	47.1%	20.1%	10.1%	0.0%	100.0%
960	0.1%	42.6%	34.2%	23.1%	0.0%	100.0%
990	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%

Jackson Energy Authority

Fiscal Year 2027 Allocators

Telecommunications Business Units
Intra-Division Allocators

Reference Page		Cable & Internet	Telephone	Total Telecom
d-2	General Allocator	15.3%	2.2%	17.5%
d-2	Telecom General Allocator	87.5%	12.5%	100.0%
d-3	Sales Revenue	11.8%	0.8%	12.6%
d-4	Straight-Time Payroll Hours	14.5%	1.3%	15.8%
d-5	Engineering	2.8%	0.4%	3.2%
d-6	Water and Wastewater Services	0.0%	0.0%	0.0%
d-7	Purchasing and Stores	4.4%	0.1%	4.5%
d-8	General Ledger Transactions	9.6%	5.7%	15.3%
d-9	Utility Services	15.6%	3.1%	18.7%
d-10	Number of Customers	15.1%	3.1%	18.2%
d-11	Commercial, Industrial Customer Number	2.0%	1.7%	3.7%
d-12	Telecom Truck Rolls	88.9%	11.1%	100.0%
d-13	IT Functions	16.7%	2.3%	19.0%
d-14	System Operations	0.0%	0.0%	0.0%
d-15	General Marketing Need	18.0%	2.0%	20.0%
d-16	General Production	58.0%	2.0%	60.0%
d-17	Number of Meters	0.0%	0.0%	0.0%
d-18	Call Types and Duration	27.1%	3.5%	30.6%
d-19	Service Order Manhours	0.0%	0.0%	0.0%
d-20	Miles of Underground Services	13.0%	0.0%	13.0%
	Joint Plant Owned	0.0%	0.0%	0.0%

General Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

	Cable & Internet	Telephone	Total Telecom
Oper. & Maint. Expense-2024	\$ 10,182,368	\$ 1,334,089	\$ 11,516,457
Oper. & Maint. Expense-2025	\$ 9,365,244	\$ 1,463,018	\$ 10,828,262
2-year average	\$ 9,773,806	\$ 1,398,554	\$ 11,172,360
Telecom Intra-Division General Allocator	15.3%	2.2%	17.5%
Telecom General Allocator	87.5%	12.5%	100.0%

Values based on 12 months ending 10/31/24 and 10/31/25

Sales Revenue Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

	Cable & Internet	Telephone	Total Telecom
Sales Revenue - 2024	\$ 34,073,533	\$ 2,067,789	\$ 36,141,322
Sales Revenue - 2025	\$ 33,850,196	\$ 2,288,815	\$ 36,139,011
2-year average	\$ 33,961,865	\$ 2,178,302	\$ 36,140,167
Telecom Intra-Division Allocator	11.8%	0.8%	12.6%
Telecom Sales Revenue	94.0%	6.0%	100.0%

Values based on 12 months ending 10/31/24 and 10/31/25

Straight-Time Payroll Hours Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

	Cable & Internet	Telephone	Total Telecom
Manhours by Division - 2025	103,755	10,209	113,964
Manhours by Division - 2024	106,062	7,959	114,021
2-year average	104,909	9,084	113,993
Telecom Intra-Division Allocator	14.5%	1.3%	15.8%
Telecom Straight-Time Payroll Hours	92.0%	8.0%	100.0%

*Straight-Time Payroll Hours by Division for 12 months ending 10/31/24 and 10/31/25
All employees (FT, PT & temps)*

Engineering Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

	Cable & Internet	Telephone	Telecom
Dept 200 Manhours by Division - 2024	758	149	907
Dept 200 Manhours by Division - 2025	1,228	136	1,364
2-year average	993	142	1,136
Telecom Intra-Division Allocator	2.8%	0.4%	3.2%
Telecom Engineering Allocator	87.5%	12.5%	100.0%

*Straight-Time Payroll Hours by Division for 12 months ending 10/31/24 and 10/31/25
All Department 200 employees keying time as worked (FT, PT & temps)*

Water and Wastewater Services

Fiscal Year 2027

All Divisions

	Cable	Telephone	Telecom
W/WW Dist Manhours by Division - 2024	0	0	0
W/WW Dist Manhours by Division - 2025	0	0	0
2-year average	0	0	0
W/WW Meter Shop (management estimate)	0	0	0
Telecom Intra-Division Allocator	0.0%	0.0%	0.0%
Telecom Water and Wastewater Services Allocation	0.0%	0.0%	0.0%

*Straight-Time Payroll Hours by Division for 12 months ending 10/31/24 and 10/31/25
 All Department distribution employees keying time as worked (FT, PT & temps)
 Meter Shop percentage based on management estimate of time spent per division*

Purchasing and Stores Allocator

Fiscal Year 2027

All Divisions

	Cable	Telephone	Telecom	# Reports
Storeroom	0.0%	0.0%	100.0%	6.0
Purchasing	14.8%	0.3%	100.0%	2.0
Courier	14.5%	1.3%	100.0%	0.5
Telecom Intra-Division Allocator	4.3%	0.1%	4.5%	8.5
Telecom Purchasing and Stores Allocator	97.0%	3.0%	100.0%	

Source - Storeroom time study by Division

Source - Purchasing amount of Purchase Orders by Division

Source - Straight-Time Payroll Hours by Division for 12 months ending 10/31/24 and 10/31/25

General Ledger Transactions Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

		Cable	Telephone	Telecom
2025 G/L Transactions-12 months		111,237	79,732	190,969
2024 G/L Transactions-12 months		117,802	83,279	201,081
2-year average		114,520	81,506	196,025
		Cable	Telephone	Telecom
Fixed Assets	0.14	5.7%	0.0%	5.7%
Number of customers	0.07	15.4%	2.9%	18.3%
G/L Transactions-2 yr avg	0.79	9.8%	7.0%	16.8%
Telecom Intra-Division Allocator		9.6%	5.7%	15.3%
Telecom General Ledger Transactions Allocator		63%	37%	100.0%

Source - General Ledger Transactions based on 12 months ending 10/31/24 and 10/31/25

Utility Services Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

	Cable & Internet	Telephone	Total Telecom
12 mo avg through Oct 2025	5,479	31,929	175,510
12 mo avg through Oct 2024	5,021	30,490	172,241
	-	-	-
<i>Weighting for rate complexity</i>	<i>1.10</i>	<i>1.10</i>	-
	-	-	-
	-	-	-
2-year average with weighting	11,550	70,105	374,403
2-year average without weighting	10,500	62,419	347,751
Telecom Intra-Division Allocator	15.6%	3.1%	18.7%
Telecom Utility Services	83.5%	16.5%	100.0%

Source - Monthly Stat Reports

Number of Customers Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

Month	Cable & Internet	Telephone	Total Telecom
Nov-24	26,768	5,640	32,408
Dec-24	26,784	5,628	32,412
Jan-25	26,718	5,583	32,301
Feb-25	26,596	5,522	32,118
Mar-25	26,495	5,486	31,981
Apr-25	26,401	5,502	31,903
May-25	26,362	5,453	31,815
Jun-25	26,323	5,439	31,762
Jul-25	26,332	5,419	31,751
Aug-25	26,269	5,392	31,661
Sep-25	26,186	5,366	31,552
Oct-25	26,160	5,320	31,480
<hr/>			
12-mo avg through Oct 2025	26,450	5,479	31,929
Telecom Intra-Division Allocator	15.0%	3.1%	18.2%
Telecom Number of Customers	82.8%	17.2%	100.0%

Source - Monthly Stat Reports

Commercial and Industrial Customer Number Allocator

Fiscal Year 2027

Telecommunications Business Units
Intra-Division Allocators

Month	Cable & Internet	Telephone	Total Telecom
Nov-24	2,948	2,505	5,453
Dec-24	2,956	2,509	5,465
Jan-25	2,939	2,493	5,432
Feb-25	2,949	2,486	5,435
Mar-25	2,955	2,468	5,423
Apr-25	2,958	2,486	5,444
May-25	2,959	2,461	5,420
Jun-25	2,944	2,465	5,409
Jul-25	2,941	2,458	5,399
Aug-25	2,947	2,453	5,400
Sep-25	2,948	2,448	5,396
Oct-25	2,953	2,426	5,379
12-mo avg ending Oct 2025	2,950	2,472	5,421
.1 weighting applied to Telecom	295	247	542
Telecom Intra-Division Allocator	2.0%	1.7%	3.7%
TC Commercial, Industrial Customer No.	54.4%	45.6%	100.0%

Source - Monthly Stat Reports

Telecom Truck Rolls Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

	Cable & Internet	Telephone	Total Telecom
12 month totals through Oct 2025	9,140	1,146	10,286
Telecom Intra-Division Allocator	88.9%	11.1%	100.0%
Telecom Truck Rolls Allocator	88.9%	11.1%	100.0%

Source - ETI

IT Functional Assignment Allocator

Fiscal Year 2027

Telecommunications Business Units
Intra-Division Allocators

<u>% time spent</u>		Cable	Telephone	Total Telecom
2.0%	Admin	15.3%	2.2%	17.5%
4.6%	Human Resources	14.5%	1.3%	15.8%
12.7%	Engineering	2.8%	0.4%	3.2%
12.4%	Distribution	1.1%	0.0%	1.1%
10.3%	Telecom	88.8%	11.2%	100.0%
6.1%	Finance, Accounting, Billing	11.3%	5.1%	16.4%
18.2%	Operations	0.0%	0.0%	0.0%
2.4%	Business Development	21.9%	1.9%	23.9%
8.3%	Customer Service	13.5%	1.8%	15.3%
76.9%	Telecom Intra-Division Allocator	16.7%	2.3%	19.0%
	Telecom IT Functional Allocator	88.1%	11.9%	100.0%

Source - Management (IT function report)

System Operations Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

	Cable	Telephone	Telecom
Operator 1	0%	0%	0%
Operator 2	0%	0%	0%
Operator 3	0%	0%	0%
Operator 4	0%	0%	0%
Operator 5	0%	0%	0%
Operator 6	0%	0%	0%
Operator 7	0%	0%	0%
Operator 8	0%	0%	0%
Analyst	0%	0%	0%
Telecom Intra-Division All	0.0%	0.0%	0.0%
Telecom Utility Services	0.0%	0.0%	0.0%

Source - Systems dispatch time study

General Marketing Need Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

	Cable & Internet	Telephone	Total Telecom
General Marketing Need	18.0%	2.0%	20.0%
Telecom Intra-Division Allocator	18.0%	2.0%	20.0%
Telecom Marketing	90.0%	10.0%	100.0%

Source - Management estimate

General Production Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

	Cable & Internet	Telephone	Total Telecom
General Production	58.0%	2.0%	60.0%
Telecom Intra-Division Allocator	58.0%	2.0%	60.0%
Telecom Production Allocator	96.7%	3.3%	100.0%

Source - Management estimate of TV 6 time and benefit per division

Number of Meters Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

	Cable & Internet	Telephone	Total Telecom
Meter Count - 2025	0	0	0
Total AMI readings	0	0	0
Total Handheld meters read per year	0	0	0
Meter Count - ProGas	0	0	0
Degree of difficulty multiplier*	0	0	0
Weighted Meter Count	0	0	0
Water/Wastewater Customer 2025 split	0	0	0
Telecom Intra-Division Allocator	0.0%	0.0%	0.0%
Telecom Number of Meters Allocator	0.0%	0.0%	0.0%

Meter count as of 11/01/25

Call Types and Duration Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

	Cable & Internet	Telephone	Total Telecom
2025 total minutes-12 months	97,613	12,970	110,582
2024 total minutes-12 months	104,454	12,768	117,222
2-year average	101,033	12,869	113,902
Telecom Intra-Division Allocator	27.1%	3.5%	30.6%
Telecom Call Types and Duration Allocator	88.7%	11.3%	100.0%

12 month history through Oct 2024 and Oct 2025

Source - Call types & duration time study

Service Order Manhours Allocator

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

	Cable & Internet	Telephone	Total Telecom
Field service time study-2025	0	0	0
Field service time study-2024	0	0	0
2-year average	0	0	0
Telecom Intra-Division Allocator	0.0%	0.0%	0.0%
Telecom Service Order Manhours	0.0%	0.0%	0.0%

12 month history through Oct 2024 and Oct 2025

Source - Field Service order count

Miles of Underground Services

Fiscal Year 2027

**Telecommunications Business Units
Intra-Division Allocators**

	Cable & Internet	Telephone	Total Telecom
Length in Miles	640.4	0	640.4
Telecom Intra-Division Allocator	13.0%	0.0%	13.0%
Telecom Miles of Underground Services	100.0%	0.0%	100.0%

Services as of 10/31/2025

Departmental Allocators

Fiscal Year 2027

Telecommunications Business Units
Intra-Division Allocators

Dept	Cable & Internet	Telephone	Total Telecom
10	13.4%	1.9%	15.3%
100	14.5%	1.3%	15.8%
200	2.8%	0.4%	3.2%
300	13.5%	1.5%	15.0%
310	0.0%	0.0%	0.0%
320	13.0%	0.0%	13.0%
330	0.0%	0.0%	0.0%
350	0.0%	0.0%	0.0%
390	4.4%	0.1%	4.5%
398	11.6%	0.0%	11.6%
446	88.9%	11.1%	100.0%
447	99.6%	0.4%	100.0%
448	88.9%	11.1%	100.0%
480	88.9%	11.1%	100.0%
482	82.8%	17.2%	100.0%
500	16.6%	2.3%	18.9%
600	11.3%	5.1%	16.4%
700	0.0%	0.0%	0.0%
710	0.0%	0.0%	0.0%
730	0.0%	0.0%	0.0%
740	0.0%	0.0%	0.0%
750	0.0%	0.0%	0.0%
790	0.0%	0.0%	0.0%
810	2.0%	1.7%	3.7%
820	18.0%	2.0%	20.0%
821	58.0%	2.0%	60.0%
916	24.3%	3.3%	27.6%
940	42.3%	4.7%	47.1%
945	0.0%	0.0%	0.0%
960	0.0%	0.0%	0.0%
990	0.0%	0.0%	0.0%

Departmental Allocators

Fiscal Year 2027

Telecommunications Business Units
Telecommunications Division

Dept	Cable & Internet	Telephone	Total Telecom
10	87.7%	12.3%	100.0%
100	92.0%	8.0%	100.0%
200	87.5%	12.5%	100.0%
300	90.2%	9.8%	100.0%
310	0.0%	0.0%	0.0%
320	100.0%	0.0%	100.0%
330	0.0%	0.0%	0.0%
350	0.0%	0.0%	0.0%
390	97.1%	2.9%	100.0%
398	100.0%	0.0%	100.0%
446	88.9%	11.1%	100.0%
447	99.6%	0.4%	100.0%
448	88.9%	11.1%	100.0%
480	88.9%	11.1%	100.0%
482	82.8%	17.2%	100.0%
500	88.0%	12.0%	100.0%
600	69.0%	31.0%	100.0%
700	0.0%	0.0%	0.0%
710	0.0%	0.0%	0.0%
730	0.0%	0.0%	0.0%
740	0.0%	0.0%	0.0%
750	0.0%	0.0%	0.0%
790	0.0%	0.0%	0.0%
810	54.4%	45.6%	100.0%
820	90.0%	10.0%	100.0%
821	96.7%	3.3%	100.0%
916	87.9%	12.1%	100.0%
940	89.9%	10.1%	100.0%
945	0.0%	0.0%	0.0%
960	0.0%	0.0%	0.0%
990	0.0%	0.0%	0.0%