

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

**APPLICATION OF JACKSON ENERGY
AUTHORITY TO EXPAND ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE INTRASTATE
TELECOMMUNICATIONS SERVICES**

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Docket No.: 07-00201

**RESPONSES OF JACKSON ENERGY AUTHORITY TO
DISCOVERY REQUESTS OF
TENNESSEE CABLE TELECOMMUNICATIONS ASSOCIATION**

Jackson Energy Authority ("JEA") respectfully submits these Responses to the discovery requests of the Tennessee Cable Telecommunications Association ("TCTA").

GENERAL OBJECTIONS

1. JEA avers that the scope of this proceeding should be limited to the statutory requirements of T.C.A. § 65-4-201. JEA objects to TCTA's requests to the extent that such requests seek information that is irrelevant or that relate to matters not at issue in this proceeding. JEA further objects to such requests to the extent such requests are not reasonably calculated to lead to the discovery of admissible evidence. Matters involving the JEA telephone business unit that do not relate to the statutory standard set forth in T.C.A. § 65-4-201 may be raised in other proceedings and other venues. Matters involving divisions and business units of JEA other than the telephone business unit are beyond the jurisdiction of the Authority and the scope of this proceeding. By providing information in response to these requests, JEA does not concede that such information is relevant, admissible, or discoverable, or that other information on the same or similar subjects would be discoverable. JEA expressly reserves the right to: (a) object to other discovery requests, despite their involving or relating to the subject matter of any of the

interrogatories, document requests or requests for admission being responded to here; and (b) object to the introduction into evidence of any answer or produced document on relevancy or any other grounds.

2. JEA objects to the definitions and instructions contained in the requests to the extent that the definitions and instructions attempt to impose on JEA a burden or obligation greater than that required by the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

3. JEA objects to the definition of “identify” and “identifying” as being unduly burdensome.

4. JEA objects to the requests to the extent they call for information and the production of documents protected from disclosure by the attorney-client privilege, common interest privilege, work product doctrine, or any other applicable privilege or protection. JEA objects to the requests to the extent that TCTA is attempting to impose on JEA obligations with regard to identification of privileged documents beyond those required by the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

5. JEA objects to TCTA’s requests to the extent that TCTA is attempting to require JEA to provide information and produce documents beyond those in its possession, custody, or control as that phrase is used in the *Tennessee Rules of Civil Procedure* and applicable statutes and regulations governing contested case hearings.

6. JEA’s objections and responses to these requests are and will be based on information then known to it. JEA reserves the right to amend, modify or supplement its objections and responses if it learns of new information.

7. JEA objects to requests that seek “all” documents pertaining to a certain issue or falling into a certain category. Such requests by their nature are unduly burdensome, and unreasonably cumulative and duplicative. When served on a corporate or other institutional defendant, literal compliance with such a request is impossible to assure. Requiring a party to produce “all” documents showing a certain fact when one will do is, by its nature, unreasonably cumulative and duplicative, and such requests are often vague and indefinite. Where documents are produced in response to such a request, JEA has interpreted the request in light of reason and the matters at issue in this case, and has made a reasonable search for responsive documents. In so doing, JEA has complied with its discovery obligations.

8. For the sake of brevity, JEA expressly incorporates these General Objections in response to each of TCTA’s discovery requests in this case.

DATA REQUESTS

1. Provide a copy of the business plan submitted to the Office of the Comptroller of the Treasury of the State of Tennessee (the "Comptroller") when JEA through EPlus Broadband initially sought to enter the cable television and broadband market as required by Tenn. Code Ann. § 7-52-602.

RESPONSE: Subject to the General Objections, enclosed as Exhibit D-1 is a copy of JEA's original business plan submitted to the Office of the Comptroller of the Treasury of the State of Tennessee on January 15, 2002. Also enclosed as Exhibit D-1 is a copy of JEA's business plan, that was updated as of June 1, 2002 to reflect changes relating to JEA's decision to utilize a contract provider for Internet and telephone service rather than the participation of an investor in the telephone and Internet portion of the project as originally indicated. (JEA has not included its audited financial data for FY 2001, which is attached to and available in Docket No. 03-00438). The updated plan also includes a change in the interest rate for the bond issue from 6% to 5.884%. The update to the plan did not change the actual circumstances or scope of the project.

2. Provide a copy of the feasibility report issued by the Comptroller in response to JEA's business plan referred to in Data Request No. 1 as required by Tenn. Code Ann. § 7-52-602.

RESPONSE: Subject to the General Objections, enclosed as Exhibit D-2 is copy of the Comptroller's report, dated February 28, 2002, issued by the Comptroller in response to JEA initial business plan submitted on January 15, 2002. Also enclosed as Exhibit D-2 is a copy of a letter from the Comptroller of the Treasury, dated July 8, 2002, acknowledging receipt of JEA's

updated business plan and indicating that the Comptroller's initial report regarding the feasibility of our project plan was still valid, despite the revisions in the updated plan.

3. Provide a copy of any revised business plan submitted to the Comptroller in light of JEA's desire to provide Internet related services on a retail basis as contemplated in the Application.

RESPONSE: Subject to the General Objections, JEA's decision to enter retail operations for Internet and telephone services in addition to the use of outside providers did not change the actual circumstances or scope of the project. In light of the Comptroller's letter to JEA of July 8, 2002 (see Exhibit D-2), JEA did not issue a revision to its business plan to the Comptroller's office.

4. Provide a copy of any feasibility report issued on behalf of the Comptroller in response to any and all of JEA's business plan(s) referred to in Data Request No. 3.

RESPONSE: Expanding upon the General Objections, JEA objects on the basis that the requested documents are not relevant to the statutory certification requirements for JEA and are not reasonably calculated to lead to the discovery of admissible evidence.

JEA did not submit a business plan as referred to in Data Request No. 3, and therefore no feasibility report was issued by the Comptroller.

5. Provide copies of any and all past, present, and anticipated, future inter-divisional loans between the electric division and the telecom division, including, without limitation, the loan terms, payment schedule, payment due dates, dates of actual payments and the actual financial accounting relative to the inter-divisional loans.

RESPONSE: Subject to and without waiver of the General Objections, there are no documents relating to JEA's telephone business unit that are responsive to this request.

6. Any and all *pro forma* financial statements prepared by you or any third party relative to JEA's entry into the retail telecommunications market.

RESPONSE: Subject to and without waiver of the General Objections, responsive documents, relating to JEA's telephone business unit are attached as Exhibit D-6.

7. Any and all documents reflecting term or loan commitments from third parties to JEA to include the identification of the lender and the terms.

RESPONSE: Subject to and without waiver of the General Objections, responsive documents relating to JEA's telephone business unit are attached as Exhibit D-7. JEA utilizes these lines of credit for all business units within its Telecommunications Division. Each business unit's use of the lines of credit is separately accounted for and presented in the financial statements for the applicable business unit.

8. Any and all documents relative to the issuance of a bond or bonds necessary to enable you to finance JEA's entry into the retail telecommunications market, including, without limitation, any and all resolutions passed by JEA and the Jackson City Council.

RESPONSE: Subject to and without waiver of the General Objections, there are no responsive documents relating to JEA's telephone business unit.

9. Any and all documents reflecting the current indebtedness and repayment of principal and/or interest on any and all obligations incurred by JEA since its entry into the telecommunications, cable television, and Internet markets.

RESPONSE: Subject to and without waiver of the General Objections, JEA has attached copies of year end financial statements for the telephone business unit through June 30, 2007 and year-to-date financial statements through December 31, 2007 as Exhibit D-9. These documents provide historical data concerning JEA's long term debt.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "TERESA COBB/mms", written over a horizontal line.

Teresa Cobb, General Counsel
Jackson Energy Authority
119 E. College Street
Jackson, Tennessee 38301
(731) 422-7280

Attorney for Jackson Energy Authority

A handwritten signature in black ink, appearing to read "Melvin J. Malone", written over a horizontal line.

Melvin J. Malone
Mark W. Smith
MILLER & MARTIN PLLC
150 Fourth Avenue North
1200 One Nashville Place
Nashville, Tennessee 37219-2433
(615) 244-9270 telephone
(615) 256-8197 facsimile

Attorneys for Jackson Energy Authority

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy has been forwarded via email to the following
on this the 18th day of January, 2008.

Charles B. Welch, Jr., Esq.
Jamie R. Hollin, Esq.
Farris Mathews Branan Bobango
Hellen & Dunlap, PLC
Historic Castner-Knott Building
618 Church Street, Suite 300
Nashville, Tennessee 37219

Henry M. Walker, Esq.
Boult Cummings Conners & Berry, PLC
1600 Division Street, Suite 700
P.O. Box 340025
Nashville, Tennessee 37203

A handwritten signature in black ink, appearing to read 'H. M. Walker', is written over a horizontal line.

For Miller & Martin PLLC

Exhibit D-1
to
Responses of Jackson Energy Authority to
Discovery Requests of Tennessee Cable
Telecommunications Association

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

**AS SET FORTH IN THE GUIDELINES FOR BUSINESS PLAN TO
BE PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE
CABLE, TWO-WAY VIDEO, VIDEO PROGRAMMING, INTERNET,
OR SIMILAR SERVICES**

- A. The Jackson Energy Authority ("the Authority"), as a governmental authority that operates as a public corporation, with all the authorities granted to municipal water, wastewater, gas, telecommunications and electric utility systems, desirous of providing cable services, two-way video transmission, video programming, internet services, or other similar services (the "Services"), hereby submits a detailed business plan to the Office of the Comptroller of the Treasury for the state of Tennessee. (Chapter 481, Tennessee Public Acts of 1999; Tennessee Code Annotated Title 7, Chapter 52, Part 6.)
- B. The business plan is hereby submitted to:
- Mr. John G. Morgan
Comptroller of the Treasury
First Floor, State Capitol
Nashville, Tennessee 37243-0274
(Phone: 615-741-4276; Fax: 615-532-9237)
- C. The business plan meets the following conditions:
Condition 1: The Services in this filing do not include telephone, telegraph and telecommunications services, which are permitted under

the authority of Title 7, Chapter 52, Part 4, Tennessee Code Annotated.

Condition 2: The business plan does not proposed that the Services be provided in any area where a privately-held cable television operator is providing cable service over a cable system and in total serves fewer than 6,000 or fewer subscribers over on or more cable systems.

Condition 3: The business plan does not propose that the Services be provided in any area where an existing telephone cooperative has been providing cable service for not less than ten (10) years under the authority of the Federal Communications Commission.

Condition 4: The detailed business plan is hereby authorized and submitted to the Office of the Comptroller of the Treasury by the Jackson Energy Authority, a governmental authority that operates as a public corporation, with all the authorities granted to municipal water, wastewater, gas, telecommunications, and electric utility systems, upon the approval and at the direction of the governing board of the Jackson Energy Authority as evidenced by the resolution of The Board of Directors, dated January 11, 2002, attached as Tab 1, Exhibit 1.

D. The following are included as part of this detailed business plan:

1. Management statement: In addition to statements made regarding adherence to Conditions 1, 2, 3 and 4 in Section C herein, a management statement is attached as Tab 2, Exhibit 2.
2. Governing Body action: A copy of action taken by the Board of Directors of the Jackson Energy Authority, held on January 11, 2002, authorizing the submission of the business plan to the Office of the Comptroller is attached as Tab 1, Exhibit 1.
3. Cost benefit analysis: A three year cost benefit analysis which identifies and discloses the total projected direct cost and indirect cost of and revenues to be derived from providing the Services is attached as Tab 3, Exhibit 3. Although a three-year analysis is required by statute, a ten (10) year period is reflected to help determine the feasibility of the plan. Exhibit 3 - Page 1 identifies each of the revenue producing programs included in the plan. Exhibit 3 - Page 2 describes, in detail, the calculations used in determining the projections of revenues and

expenditures in each program. Exhibit 3 - Page 3 indicates the number of customers expected under each program. Exhibit 3 - Page 4 indicates the fees to be charged for the Services to be provided in each program. The business plan does not reflect nor anticipate any indirect costs being allocated between the electric system and the telecommunications program, therefore, there is no method used in calculating such costs. The Cost benefit analysis and the business plan includes all costs attributable to management, personnel resources, physical resources, information systems, supplies, communications, and all other capital and operating costs required to construct and operate the system and to provision the Services. It should be assumed that all costs in the business plan will be directly accounted for. The business plan assumes that the Authority will maintain separate books and records from other utility operations for all expenses and capital costs attributable to the project and the provisioning of the Services.

4. Description of Services: A description of the quality and level of Services to be provided is attached as Tab 4, Exhibit 4.
5. Pro forma financial statements are attached as Tab 5, Exhibit 5.
6. A detailed financing plan is attached as Tab 6, Exhibit 6. The most recent debt issued by the Authority closed November 30, 2000, for an amount of \$5,600,000, and carried a net interest cost of 4.16%.
7. A detailed marketing plan is attached as Tab 7, Exhibit 7.
8. A detailed rate structure is attached as Tab 8, Exhibit 8.

E. The following addition information is provided as required in the guidelines:

1. The address of the chief legislative body and governing board of the Jackson Energy Authority is:

Attn:

Chair, Board of Directors

Jackson Energy Authority
P.O. Box 68
Jackson, Tennessee 38302-0068

2. A statement from Mr. John Williams, President of the Authority pertaining to the following issues is attached hereto as Tab 9, Exhibit 9: (a) the reasons for establishing a telecommunications program; (b) a comparison of the proposed system to any incumbent system currently serving the areas, including comparisons of charges, equipment, systems, customers, etc.; and (c) a description of the advantages subscribers will experience in choosing the municipal electric system's program over an incumbent provider's program.
3. A statement that the accounting and record-keeping system to be maintained by the Authority for the telecommunications program will be sufficient to accurately reflect the financing operations of the division, and will be structured in such a manner as to provide sufficient control against cross-subsidization of revenues/expenses of the telecommunications program by the Authority is attached as Tab 10, Exhibit 10.
4. A statement concerning the most recent pole charges paid by an incumbent provider of these services and a comparison of these to similar charges included in the business plan, as required by law, is attached as Tab 11, Exhibit 11.
5. A statement concerning any in-lieu-of taxes to be paid by the telecommunications division representing excise taxes, franchise taxes, sales taxes, and local privilege taxes, as required by law, and a comparison of these to similar taxes paid by any incumbent provider of these services is attached as Tab 12, Exhibit 12.
6. A statement concerning tax-equivalent payments to be made by the telecommunications division to the local government, as required by law, and a comparison of these tax payments made by any incumbent provider of these services is attached as Tab 13, Exhibit 13.

7. A copy of the most recently completed the Authority audited financial report is attached as Tab 14, Exhibit 14.
8. The name, address and telephone number of the office where an interested party could go to examine the business plan is:

Jackson Energy Authority
119 East College Street
Jackson, Tennessee 38301
Phone: 731.422.7326

- F. The Authority understands that during the review process, the Comptroller may request information from representatives of an incumbent provider of similar services in the area proposed to be covered by the plan; and, in requesting such information, may also provide information concerning the plan to such incumbent.
- G. It is the understanding of the Authority that the Comptroller's Office, will acknowledge receipt of the business plan and has sixty (60) days to review the plan and prepare a written analysis of its feasibility to the chief legislative body and the governing board of the Authority. The Authority also understands that in the event the Comptroller's Office does not respond within a sixty (60) day period, the governing board may proceed as provided in the statutes. Further, the Authority understands that the sixty (60) day period does not commence until all information required by the statutes to be included in the business plan has been submitted to the Comptroller's Office, including, but not limited to, any additional information requested by the Comptroller as described in Section E.

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BROADBAND TELECOMMUNICATIONS INITIATIVE**

SCHEDULE OF EXHIBITS

- 1 TAB - Jackson Energy Authority Board Minutes**
- 2 TAB - Jackson Energy Authority Management Statement**
- 3 TAB - Cost Benefit Analysis**
- 4 TAB - Description of Quality and Level of Services**
- 5 TAB - Pro Forma Financial Statements**
- 6 TAB - Detailed Financing Plan**
- 7 TAB - Jackson Energy Authority Bond Issue Official Statement.**
- 8 TAB - Marketing Plan**
- 9 TAB - Service Rate Structure**
- 10 TAB - Chief Operating Officer Statement**
- 11 TAB - Cross-Subsidization Statement**
- 12 TAB - Pole Charges Statement**
- 13 TAB - In-lieu-of Taxes Statement**
- 14 TAB - Tax-Equivalent Payments Statement**
- 15 TAB - Jackson Energy Authority Audited Financial Statement**

**Jackson Energy Authority
Meeting of the Board of Directors
January 11, 2002**

Resolution approving submittal of broadband network business plan to Comptroller of the Treasury, State of Tennessee.

Background:

The Jackson Energy Authority was authorized to provide telecommunications services by the Tennessee State Legislature in the Private Acts, 2001, Public Chapter No. 55. In general, municipalities are authorized to provide telecommunications services as set forth in Tennessee Code Annotated, Title 7, Chapter 52, as amended, and the Communications Act of 1934, as amended by the Telecommunications Act of 1996. This authorization includes the right of the Jackson Energy Authority to provide telephone, cable television, and high-speed data services, including Internet access, along with any other communication services desired by the community, including the right to secure financing for these ventures.

Following the passage of the enabling legislation, the Jackson Energy Authority began a study process at the instruction of the Board of Directors to establish the feasibility of entering these markets. With the advances in technology, a fiber-to-the-home broadband network that is capable of delivering cable television, telephone and high-speed data service to the Authority's residential and commercial customers has become feasible. A business plan has been prepared with supporting financial projections and market surveys that verifies the feasibility of this venture and the soundness of the investment in a state-of-the-art broadband telecommunications network.

Approved Resolution:

RESOLVED, by the Board of Directors of the Jackson Energy Authority, duly assembled on January 11, 2002, a quorum being present, that the Jackson Energy Authority intends to pursue the opportunity associated with the construction and operation of a broadband network that will provide cable television and other communication services.

FURTHER RESOLVED, That the Authority intends to secure financing intended solely for the capitalization, acquisition, construction, operation, maintenance, and expansion of said network, and that the Authority will be reimbursed from the proceeds of any revenue bonds or other financial arrangements for capitalization of the network for expenses incurred during the development stages associated with the start-up of said network.

FURTHER RESOLVED, That the Board of Directors of Jackson Energy Authority hereby authorizes the President to forward a copy of the feasibility study and business plan to the Tennessee Comptroller for review.

ADOPTED this 11th day of January, 2002.

ATTEST:


Sarah T. Barnes, Chair

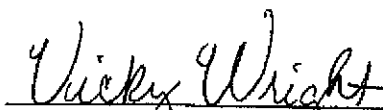

Vicky Wright, Secretary

EXHIBIT 1

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

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**AS SET FORTH IN THE GUIDELINES FOR BUSINESS PLAN TO
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**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

I. The Jackson Energy Authority Board Members

Board Members	Term
Sarah T. Barnes – Chair Retired School Teacher	July 1993 - June 2003
Joe Bigford – Vice Chair President, City Concrete Company	July 1995 - June 2005
Lloyd McKelvey President, Mack Pest Control	July 1999 - June 2004
Harbert Alexander Chairman of the Board Union Planters Bank, Jackson, TN	July 1997 - June 2002
Sidney Wilson, Jr. Automobile Dealer	July 2001 - June 2006

II. Existing the Jackson Energy Authority Employees involved in Telecommunications Division

John W. Williams, President/CEO, - Mr. Williams has been President of the Jackson Energy Authority ("the Authority") since April 1, 1990, and has responsibility for the management of the Authority's electric, gas, water and wastewater systems. Prior to April 1, Mr. Williams served as Assistant Manager from July 1, 1988. He is a graduate of the University of Tennessee (B.S. Electric Engineering; M.S., Engineering Management). Mr. Williams is a Registered Professional Engineer in the States of Tennessee and Georgia. Mr. Williams began his career with the Authority in 1964 as a cooperative engineering student with the Authority's Electric Department.

He was employed as a Project Engineer upon graduation in 1969 and subsequently was promoted to Chief Engineer of the Authority Electric Department, except for a two-year period in 1975 to 1977 when he was in private practice as a consulting engineer for electric power systems. Mr. Williams was the Manager of the Gas Department of the Authority for approximately eleven years prior to 1988.

Dana R. Wheeler, Senior Vice President, the Authority Electric System

-Mr. Wheeler has been Senior Vice President of the Jackson Energy Authority Electric System since January of 1998, and has responsibility for the management of Jackson Energy Authority's electric system. Prior to January 1998, Mr. Wheeler served as Vice President of Business Development. He is a graduate of the University of Tennessee (B.S., Electrical Engineering) and is a Registered Professional Engineer in the State of Tennessee. Mr. Wheeler began his career with the Authority in 1966 as a cooperative engineering student with the Authority's Electric Department. He was employed as a Project Engineer with the Authority following graduation in 1970. Mr. Wheeler left the Authority in 1976 to work with a utility supply company as a sales engineer and then as President of a retail computer franchise. He returned to the Authority in 1996 as the Vice President of Business Development.

Thomas E. Nanney, Vice President of Jackson Energy Authority Telecommunications Division - Mr. Nanney has been Vice President of Telecommunications Business Development for the Authority since November 5, 2001, and has the responsibility for the development of telecommunications activities of the Authority. Prior to November 2001, Mr. Nanney served as Vice President of Business Development, having also held positions as Vice President of Engineering and Vice President of Operations. He is a graduate of the University of Tennessee (B.S., Electrical Engineering), the University of Memphis (M.B.A., Management), and is a Registered Professional Engineer in the State of Tennessee. Mr. Nanney began his career with the Authority in 1971 as a cooperative engineering student. He was employed; by the Authority in 1977 as a Project Engineer following two years of employment with TVA.

Kim K. Kersey, Vice President of Cable Television, Jackson Energy Authority - Mr. Kersey was hired by the Jackson Energy Authority in November 2001 to head up the cable television initiative for the Authority. He has direct responsibility for all aspects of the cable television operation,

including plan development and system construction. Prior to joining the Authority, Mr. Kersey worked in the cable television industry for 28 years in marketing and operations management positions. He was General Manager for the Tuscaloosa, Alabama cable television system from 1981 to 1991 when he relocated to Jackson, Tennessee to manage that cable system. Mr. Kersey was General Manager for the Jackson, Tennessee cable system until 1998 when he was promoted to Group Director of Operations for Charter Communications' cluster of cable systems serving over 90,000 customers in West Tennessee and West Kentucky. Mr. Kersey is a graduate of Rhodes College in Memphis, Tennessee and has served as a board member and chairman of the cable television trade associations in Alabama and Tennessee.

EXHIBIT 2

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
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**AS SET FORTH IN THE GUIDELINES FOR BUSINESS PLAN TO
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OR SIMILAR SERVICES**



Jackson Energy Authority

John W. Williams
President & CEO

January 11, 2002

Mr. John G. Morgan
Comptroller of the Treasury
First Floor, State Capitol
Nashville, Tennessee 37243

Dear Mr. Morgan:

The Jackson Energy Authority ("the Authority") hereby submits a detailed business plan associated with the development of a broadband network dated January 11, 2002, prepared by Jackson Energy Authority with the assistance of United Telesystems, Inc., of Savannah, Georgia (the "Business Plan"). The Business Plan is submitted upon the approval and at the direction of the Board of Directors of the Authority. All associated documentation indicating such are attached hereto.

The Authority was created on July 1, 2001, as a governmental authority that operates as a public corporation, with the all the authorities granted to municipal water, wastewater, gas, telecommunications and electric utility systems as authorized by the general laws of the State of Tennessee.

The Business Plan is not submitted for the provisioning of telephone, telegraph, and telecommunications services permitted under Title 7, Chapter 52, Part 4, TCA. The proposed service area is not: (a) an area where a privately-held cable television operator is providing cable service over a cable system and in total serves 6,000 or fewer subscribers; or (b) an area of an existing telephone cooperative that has been providing cable service for not less than ten (10) years under the authority of the Federal Communications Commission.

To date, the Authority has incurred an estimated cost of \$85,000 associated with the preparation of the Business Plan. Attached are copies of invoices pertaining to this preparation.

The address of the chief legislative body and governing board of the Jackson Energy Authority is:

Board of Directors
Jackson Energy Authority
P. O. Box 68
Jackson, Tennessee 38302-0068

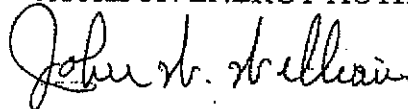
Mr. John G. Morgan
January 11, 2001
Page 2

Although the Office of the Comptroller of the Treasury of the State of Tennessee (the "Office of the Comptroller") will review the Business Plan, the Authority's management and Board of Directors understand that pursuant to the provisions of Title 7, Chapter 53, Part 602, Tennessee Code Annotated, which states that the Office of the Comptroller "shall provide a written analysis of the feasibility of the proposed business plan," the Office of the Comptroller will not be making a determination as to the feasibility of the project, but will, however, make an analysis as to the project's potential feasibility based upon the assumptions set forth. Further, the Authority's management and Board of Directors fully understand their role and sole responsibility regarding pursuing the development of the project based upon their assessment of the business plan and its feasibility.

Should you have any additional questions or comments, please do not hesitate to contact me at your convenience at 731.422.7201, Mr. Tommy Nanney, Senior Vice President, Telecommunications Division at 731.422.7229, Mr. Kim Kersey, Vice President, Cable Television Division at 731.422.7257 or our consultant, Allen Davis, President of United Telesystems, Inc., at 912.598.7223.

Sincerely,

JACKSON ENERGY AUTHORITY



John W. Williams
President

JWW/vw

Attachments

EXHIBIT 3

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

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JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

**BROADBAND INITIATIVE FINANCIAL PROJECTIONS
REVENUE AND EXPENSE CALCULATION SUMMARY**

I. SUMMARY

The financial projections included in the Broadband Business Plan were prepared under the assumption that the construction and operation of the Broadband network and the associated business would be developed as a division of the Jackson Energy Authority, ("the Authority"). No consideration has been given in the Broadband Business Plan to possible operating expense or capital cost savings realized through the utilization of existing the AUTHORITY resources. The implementation of the plan as set forth in the Broadband Business Plan anticipates that the broadband services division of the AUTHORITY will operate as a "stand alone" entity and therefore, the Broadband Business Plan does not contemplate that the project will have any impact on existing utility department resources. The AUTHORITY Broadband Division Organizational chart is attached here to as Attachment 1.

The Broadband Business Plan and associated financial projections represent a plan, which by design is intended to be conservative in all respects. For example, expense items such as franchise fees and pole attachment rental are shown as being paid by the AUTHORITY'S broadband services division. It is likely that existing the AUTHORITY resources can be integrated into the operation of the Broadband Network to reduce capital expenditures and operating expenses.

II. DESCRIPTION OF CALCULATIONS

Following, please find references to the United Telesystems, Inc. ("UTI") financial projections:

A. Revenue Producing Programs and Expenditures

1. Video Services Revenue: See attached "Video Revenue" schedule.
2. Video Services Operating Expenses: Video Services operating expenses equal a total of the following. See attached "Video Services Operating Expenses" schedules as described below.

Video Programming Expenses +
G & A Expenses +
Facilities Based Expenses +
Sales and Marketing Expenses =
Total Video Service Operating Expenses

3. Residential High Speed Data Revenue: See attached "Data Revenue & Expense" schedule.
4. Residential High Speed Data Expense: See attached "Data Revenue & Expense" schedule.
5. Commercial Video and High Speed Data Revenue: See attached "Data Revenue & Expense" schedule.
6. Commercial Video and High Speed Data Operating Expense: See attached "Data Revenue & Expense" schedule.

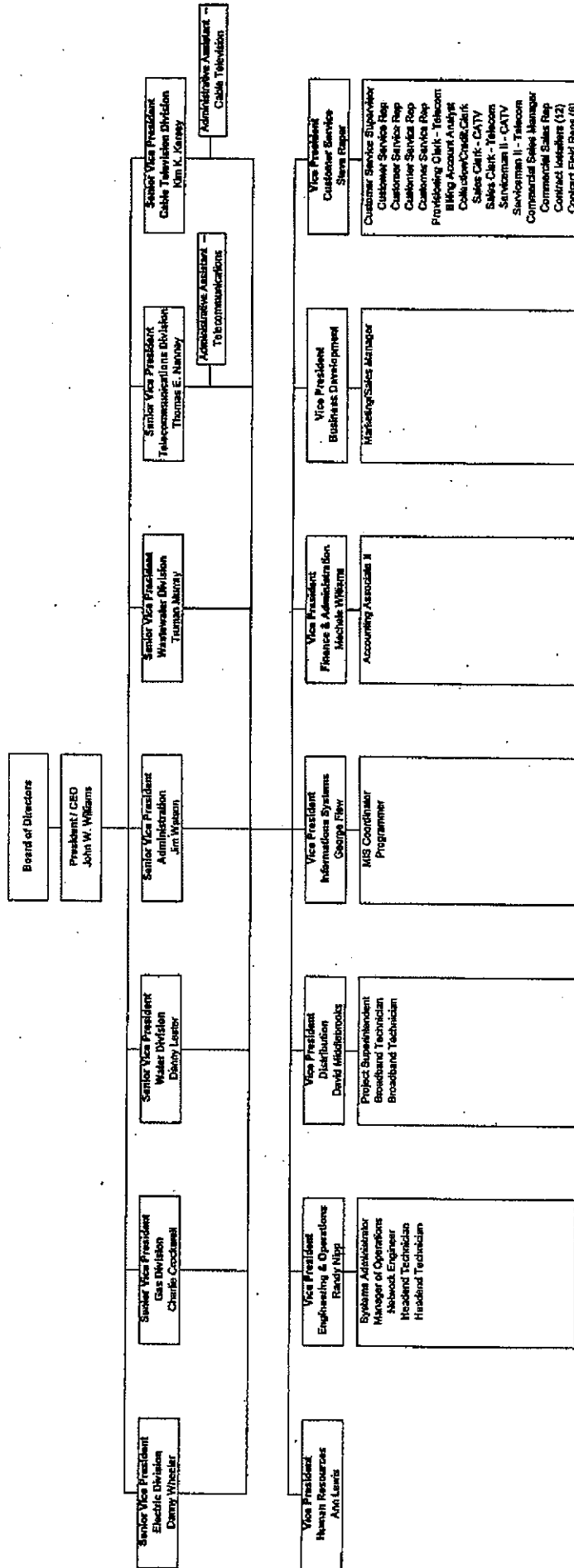
B. Video and High Speed Data Services Revenue

1. Revenue derived from all tiers of Video Services are computed by taking the average of the service tier rate per customer (the service rates times the percentage of the service penetration for that like tier of service) and

multiplying that times the average total "Basic" service tier customers.

2. Revenue derived from all tiers of High Speed Data Services are computed as an average of the service tier rate per customer (the service rates times the percentage of the service penetration for that like tier of service) multiplied times the number of like service tier customers.

Please contact Allen Davis with United Telesystems, Inc. at 912-598-7223 or via e-mail at adavis@utisav.com at your convenience with any additional questions and or comments.



**Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Summary**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Homes Passed	13,000	26,084	26,606	27,138	27,681	28,234	28,799	29,375	29,962	30,562
Begin Video Subscribers	0	3,510	8,277	9,874	10,817	11,034	11,256	11,482	11,712	11,947
New Video Connects	3,510	4,837	1,763	745	217	222	226	230	235	240
Video Reconnects	300	632	1,490	2,172	2,163	2,207	2,251	2,296	2,342	2,389
Total Video Connects	3,810	5,469	3,253	2,917	2,380	2,429	2,477	2,526	2,577	2,629
Video Churn %	10.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Video Disconnects	300	702	1,655	1,975	2,163	2,207	2,251	2,296	2,342	2,389
Net Gain	3,510	4,767	1,597	942	217	222	226	230	235	240
	27%	32%	37%	40%	40%	40%	40%	40%	40%	40%
Ending Video Subscribers	3,510	8,277	9,874	10,817	11,034	11,256	11,482	11,712	11,947	12,187
Avg. Video Subscribers	1,755	5,893	9,076	10,346	10,925	11,145	11,369	11,597	11,829	12,067
Ending Video Penetration	27.0%	31.7%	37.1%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%
<u>Homes Passed by Area</u>										
Total	13,000	26,084	26,606	27,138	27,681	28,234	28,799	29,375	29,962	30,562
<u>Total Video Customers</u>	3,510	8,347	10,110	10,855	11,072	11,294	11,520	11,750	11,985	12,225
Percentage Residential Mkt Penetration	27%	32%	38%	40%	40%	40%	40%	40%	40%	40%
<u>Average Video Customers</u>	1,755	5,893	9,076	10,346	10,925	11,145	11,369	11,597	11,829	12,067
Average Video Customers %	13.50%	22.59%	34.11%	38.12%	39.47%	39.47%	39.48%	39.48%	39.48%	39.48%

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Summary

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
<u>Bulk Commercial Units Passed</u>										
Begin Commercial Units Passed	0	1,800	3,200	3,350	3,500	3,650	3,800	3,950	4,100	4,250
Jackson, TN	1,800	1,400	100	100	100	100	100	100	100	100
Madison County, TN	0	0	50	50	50	50	50	50	50	50
Ending Commercial Units Passed	1,800	3,200	3,350	3,500	3,650	3,800	3,950	4,100	4,250	4,400
<u>Bulk Commercial Customers</u>										
Begin Bulk Commercial Customers	0	600	1,400	2,200	2,800	2,900	3,000	3,100	3,200	3,300
Customers Added	600	800	800	600	100	100	100	100	100	100
Ending Bulk Commercial Customers	600	1,400	2,200	2,800	2,900	3,000	3,100	3,200	3,300	3,400
Average Bulk Commercial Customers	300	1,000	1,800	2,500	2,850	2,950	3,050	3,150	3,250	3,350
<u>Small/Medium Businesses Passed</u>										
Begin S/M Business Addresses	0	1,000	3,000	4,000	4,050	4,100	4,150	4,200	4,250	4,300
Addresses Added	1,000	2,000	1,000	50	50	50	50	50	50	50
Ending S/M Business Addresses	1,000	3,000	4,000	4,050	4,100	4,150	4,200	4,250	4,300	4,350
<u>Small/Medium Business Accounts</u>										
Begin S/M Business Accounts	0	150	450	650	750	850	900	950	1,000	1,050
Accounts Added	150	300	200	100	100	50	50	50	50	50
Ending S/M Business Accounts	150	450	650	750	850	900	950	1,000	1,050	1,100
Average Business Accounts	75	300	550	700	800	875	925	975	1,025	1,075
<u>Large Businesses Passed</u>										
Begin Large Business Accounts	50	100	105	110	112	114	116	118	120	122

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Summary

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
<u>Total Plant Miles by Area</u>										
Jackson, TN	220.00	469.08	474.72	480.42	486.18	492.02	497.93	503.91	509.95	516.08
Madison County, TN	0.00	188.82	191.09	193.38	195.70	198.05	200.43	202.84	205.27	207.74
Total	220	658	666	674	682	690	698	707	715	724

<u>Plant Miles % per Area</u>										
Jackson, TN	100.00%	71.30%	71.30%	71.30%	71.30%	71.30%	71.30%	71.30%	71.30%	71.30%
Madison County, TN	0.00%	28.70%	28.70%	28.70%	28.70%	28.70%	28.70%	28.70%	28.70%	28.70%

Jackson Energy Authority
FTH Broadband Financial Projections - 2002

VIDEO REVENUE

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Basic	\$ 209,547	\$ 703,672	\$ 1,083,619	\$ 1,235,253	\$ 1,304,475	\$ 1,370,603	\$ 1,440,096	\$ 1,513,047	\$ 1,589,682	\$ 1,670,247
Expanded Basic	523,130	1,756,785	2,705,293	3,083,789	3,256,598	3,421,088	3,595,175	3,777,294	3,968,615	4,169,743
Business Basic	3,326	15,962	31,703	43,453	53,208	59,942	65,268	70,860	76,729	82,886
Commercial Bulk Basic	18,000	60,000	108,000	150,000	171,000	182,310	194,145	206,525	219,474	233,014
Line Maintenance Plan	9,477	37,128	65,344	83,759	98,327	109,304	108,556	114,050	119,816	125,895
Sat Top with Remote	421	1,414	2,178	2,483	2,622	2,755	2,894	3,041	3,195	3,357
HBO Analog Only	37,750	126,767	195,208	222,328	234,987	246,896	259,447	272,581	286,361	300,888
Commercial Bulk HBO (Analog)	12,600	42,000	75,600	105,000	119,700	127,617	135,901	144,568	153,632	163,110
HBO Digital Group	20,133	67,609	104,111	118,682	125,326	131,678	138,372	145,376	152,726	160,474
Cinemax Digital Group	15,716	52,775	81,271	92,644	97,836	102,795	108,007	113,479	119,226	125,265
Showtime Digital Group	23,061	77,439	119,252	135,940	143,548	150,824	158,491	166,514	174,931	183,866
The Movie Channel Digital Group	15,079	50,636	77,977	88,889	93,870	98,629	103,629	108,878	114,393	120,191
Suez/Encore Digital Group	16,743	56,223	86,581	98,696	104,227	109,511	115,063	120,892	127,015	133,452
Showtime Digital Combo (Show, TMC, & IFS)	13,636	45,792	70,517	80,385	84,889	89,193	93,715	98,462	103,449	108,692
HBO Digital Group/Cinemax Digital Group	21,007	70,544	108,634	123,834	130,767	137,394	144,379	151,687	159,335	167,440
Independent Film Channel, Flix, Sundance (IFS)	4,391	14,745	22,707	25,884	27,335	28,721	30,177	31,705	33,312	35,000
Digital Basic Tier, Dig. Conv. w/Music Choice & Cu	54,545	183,167	352,584	482,308	594,224	713,541	805,948	886,159	953,112	1,086,919
Video on Demand Movies & Events	3,213	3,213	3,213	3,213	3,213	3,310	3,409	3,511	3,617	3,725
Late Charges	12,636	42,432	65,344	74,488	78,662	82,649	86,840	91,239	95,860	100,718
Pay Per View Movies	16,806	56,435	108,634	148,603	183,085	219,848	248,319	273,033	303,586	334,889
Total Cable TV Customer Revenue	\$ 1,831,317	\$ 3,464,659	\$ 5,467,712	\$ 6,399,871	\$ 6,987,899	\$ 7,383,207	\$ 7,827,831	\$ 8,292,902	\$ 8,800,486	\$ 9,389,713
Fees and taxes not reflected as revenue:										
Franchise Fees	36,093	121,263	191,370	319,994	345,395	369,160	391,892	414,645	440,024	465,486
FCC Regulatory Fee	842	2,829	4,356	4,966	5,244	5,349	5,457	5,566	5,678	5,792
Sales Tax	63,906	214,757	342,292	404,806	440,562	478,859	515,279	551,678	592,604	633,599
Gross Cable TV Customer Collections	\$ 1,932,058	\$ 3,803,508	\$ 6,005,730	\$ 7,129,637	\$ 7,899,101	\$ 8,236,576	\$ 8,750,458	\$ 9,264,791	\$ 9,838,793	\$ 10,414,889
Advertising Revenue	-	80,000	250,000	380,000	420,000	432,600	445,578	458,945	472,714	486,895
Total Cable Television Receipts	\$ 1,932,058	\$ 3,883,508	\$ 6,255,730	\$ 7,509,637	\$ 8,319,101	\$ 8,669,176	\$ 9,196,036	\$ 9,723,736	\$ 10,311,506	\$ 10,901,484

Jackson Energy Authority
FTH Broadband Financial Projections - 2002

VIDEO PROGRAMMING EXPENSES

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Basic Service	\$ 8,845	\$ 30,594	\$ 48,526	\$ 56,976	\$ 61,974	\$ 65,116	\$ 68,417	\$ 71,883	\$ 75,524	\$ 79,352
Expanded Basic Service	239,225	835,465	1,367,484	1,656,107	1,857,212	2,010,984	2,159,352	2,309,077	2,478,726	2,650,242
Business Basic	1,116	5,571	11,504	16,393	20,869	23,731	26,082	28,582	31,239	34,063
Commercial Bulk Basic	6,043	20,942	39,190	56,589	67,070	72,176	77,582	83,303	89,357	95,760
Pay Programming	97,370	336,783	534,181	627,201	682,191	716,768	753,182	791,315	831,338	873,500
Commercial Bulk HBO	15,716	52,775	81,271	92,644	97,836	102,795	108,007	113,479	119,226	125,265
PPV Programming	10,084	33,861	65,180	89,162	109,851	131,909	148,991	163,820	183,592	200,933
Guido Channels	6,318	21,853	34,662	40,697	44,267	46,511	48,870	51,345	53,946	56,680
Total Programming Expense	\$ 384,717	\$ 1,337,845	\$ 2,181,999	\$ 2,635,770	\$ 2,941,270	\$ 3,169,989	\$ 3,390,483	\$ 3,612,804	\$ 3,862,948	\$ 4,115,795

Jackson Energy Authority
FTH Broadband Financial Projections - 2002

G&A EXPENSES

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Salaries & Wages	\$ 247,309	\$ 254,719	\$ 278,805	\$ 287,169	\$ 313,229	\$ 322,626	\$ 350,813	\$ 361,337	\$ 372,177	\$ 383,342
Overtime	19,784	20,378	22,304	22,973	25,038	25,810	28,065	28,907	29,774	30,667
Payroll Taxes	20,432	21,045	23,035	23,726	25,879	26,655	28,984	29,854	30,749	31,672
Benefits	107,205	110,421	120,862	124,488	135,785	139,858	152,077	156,640	161,339	166,179
Capitalized Labor	(120,800)	(124,424)	(80,098)	(49,501)	(33,990)	(17,505)	(18,090)	(18,571)	(19,128)	(19,702)
Vehicle Expense	2,175	2,262	2,352	2,447	2,544	2,646	2,752	2,862	2,977	3,096
Travel & Entertainment	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Training & Seminars	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
Audit Fees & Accounting	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Bank Charges	600	618	637	656	675	696	716	738	760	783
Contributions	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Bad Debt	16,981	57,053	90,086	106,945	115,487	123,549	131,257	138,972	147,582	156,219
Uniforms	188	188	225	225	263	263	300	300	300	300
Liability Insurance	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
Utilities	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Janitorial Services	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Postage	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Billing Service	12,636	42,432	65,344	74,488	78,662	80,242	81,855	83,497	85,171	86,881
Dues & Subscriptions	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Rent	10,500	10,815	11,139	11,474	11,818	12,172	12,538	12,914	13,301	13,700
Telephone	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Office Supplies	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697
Repair & Maint.	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Office Equipment	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
Subs/Research	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
Legal	18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486
Copyright Fees	2,515	8,444	13,003	14,823	15,654	16,447	17,281	18,157	19,076	20,043
Total G & A Expenses	\$ 427,614	\$ 515,230	\$ 662,250	\$ 737,840	\$ 812,467	\$ 858,443	\$ 917,777	\$ 948,071	\$ 980,455	\$ 1,013,583

Fees and taxes not reflected as expenses:

Franchise Fees	36,093	121,263	191,370	319,994	345,395	369,160	391,892	414,645	440,024	463,486
FOC Regulatory Fee	842	2,829	4,356	4,966	5,244	5,349	5,457	5,566	5,678	5,792
Sales Tax	63,906	214,757	342,292	404,806	440,562	478,859	515,279	551,678	592,604	633,599
Property Tax	\$ 46,708	\$ 55,018	\$ 59,606	\$ 62,905	\$ 65,639	\$ 68,162	\$ 70,474	\$ 72,856	\$ 75,325	\$ 77,873

Jackson Energy Authority
FIFTH Broadband Financial Projections - 2002

FACILITIES BASED EXPENSES

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$	\$ 149,500	\$ 153,985	\$ 175,579	\$ 198,330	\$ 240,296	\$ 284,602	\$ 293,140	\$ 301,934	\$ 310,992	\$ 320,322
Salaries - Technical	14,950	15,399	17,558	19,833	24,030	28,460	29,314	30,193	31,099	32,032
Overtime	12,580	12,958	14,775	16,689	20,221	23,949	24,668	25,408	26,170	26,955
Payroll Taxes	64,808	66,752	76,113	85,976	104,168	123,375	127,076	130,888	134,815	138,860
Benefits	(225,745)	(232,517)	(145,378)	(132,084)	(141,485)	(138,202)	(119,270)	(122,848)	(126,533)	(130,329)
Capitalized Labor	72,000	74,160	76,385	48,000	49,440	90,923	52,451	54,024	55,645	57,315
Tower and Fiber Lease	-	1,200	4,800	4,944	5,092	5,245	5,402	5,565	5,731	5,903
Converter Maintenance	4,200	4,200	5,600	7,000	9,800	12,600	12,600	12,600	12,600	12,600
Vehicle Expense	3,150	3,150	3,600	4,050	4,950	5,850	5,850	5,850	5,850	5,850
Mobile Communications	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Supplies - Technical Engineering, Drafting, etc.	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Training & Seminars	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Utilities - Headend	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Property Damage	1,800	1,800	2,100	2,400	3,000	3,600	3,600	3,600	3,600	3,600
Uniforms	1,200	1,248	1,298	1,350	1,404	1,460	1,518	1,579	1,642	1,708
Office Supplies										
Total facilities based expenses	\$ 172,444	\$ 172,054	\$ 257,892	\$ 282,714	\$ 347,928	\$ 429,685	\$ 465,007	\$ 478,311	\$ 492,014	\$ 506,130

Jackson Energy Authority
 FYTH Broadband Financial Projections - 2002

VIDEO SALES & MARKETING EXPENSES

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Salaries - Sales	79,500	81,885	128,475	132,329	136,299	140,388	144,600	148,938	153,406	158,008
Sales Commissions	183,000	257,645	87,777	54,935	38,960	39,761	40,547	41,345	42,185	43,040
Payroll Taxes	20,081	25,974	16,543	14,326	13,407	13,781	14,164	14,557	14,963	15,380
Benefits	123,834	160,173	102,017	88,342	82,679	84,985	87,343	89,766	92,270	94,845
Advertising & Promotions	36,000	37,080	38,192	39,338	40,518	41,734	42,986	44,275	45,604	46,972
Direct Mail	22,490	40,381	35,060	33,585	33,511	34,179	34,860	35,556	36,266	36,990
Sales Materials	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Graphic Design	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Office Supplies/Postage	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
Training & Seminars	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
Travel & Entertainment	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Miscellaneous	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Total Sales & Marketing Expenses	\$ 478,806	\$ 617,456	\$ 422,811	\$ 378,044	\$ 361,019	\$ 370,943	\$ 381,097	\$ 391,532	\$ 402,302	\$ 413,371

Jackson Energy Authority
 FTTH Broadband Financial Projections - 2002
 Data Revenue & Expense

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue										
Residential Revenue	\$72,467	\$145,957	\$722,843	\$1,058,780	\$1,356,784	\$1,529,596	\$1,602,376	\$1,673,386	\$1,747,071	\$1,835,361
Commercial Revenue	\$63,981	\$333,894	\$701,956	\$1,008,531	\$1,241,826	\$1,400,636	\$1,560,835	\$1,774,585	\$2,003,171	\$2,248,177
Franchise Fee	\$4,776	\$23,795	\$49,868	\$103,366	\$129,931	\$146,512	\$158,161	\$172,399	\$187,512	\$204,177
Sales Tax	\$11,939	\$59,487	\$124,670	\$180,890	\$227,378	\$256,395	\$276,781	\$301,697	\$328,146	\$357,310
Total Revenue	\$153,163	\$763,133	\$1,599,337	\$2,351,567	\$2,965,919	\$3,333,139	\$3,598,153	\$3,972,067	\$4,265,900	\$4,645,024

Expenses

Facilities Based Expense										
Technical Ops Salaries & Wages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Network Maintenance	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518	\$41,734	\$42,986	\$44,275	\$45,604	\$46,972
Occupancy Expense	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822	\$36,896	\$38,003	\$39,143
Network Backbone	\$72,000	\$74,160	\$76,385	\$78,676	\$81,037	\$83,468	\$85,972	\$88,551	\$91,207	\$93,944
Tools & Equipment	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Vehicle Expense	\$10,800	\$11,124	\$11,458	\$11,801	\$12,155	\$12,520	\$12,896	\$13,283	\$13,681	\$14,092
Total Facilities Based Expenses	\$153,800	\$158,414	\$163,166	\$168,061	\$173,103	\$178,296	\$183,645	\$189,155	\$194,829	\$200,674

Sales & Marketing

Residential Commissions	\$3,510	\$11,787	\$18,151	\$20,691	\$21,850	\$22,289	\$22,737	\$23,193	\$23,658	\$24,133
Commercial Commissions	\$1,280	\$6,678	\$14,039	\$20,171	\$24,837	\$28,013	\$31,217	\$35,492	\$40,063	\$44,964
Payroll Taxes	\$366	\$1,413	\$2,463	\$3,126	\$3,572	\$3,848	\$4,127	\$4,489	\$4,875	\$5,286
Benefits	\$2,076	\$8,004	\$13,954	\$17,714	\$20,239	\$21,806	\$23,389	\$25,440	\$27,623	\$29,954
Advertising	\$60,000	\$120,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Total Marketing Expense	\$67,232	\$147,882	\$108,607	\$121,701	\$130,497	\$135,936	\$141,471	\$148,615	\$156,220	\$164,337

General & Administrative

Cost Service & Ops Salary/Wages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Training	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Occupancy	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
Bad Debt	\$2,297	\$11,447	\$23,990	\$35,273	\$44,339	\$49,997	\$53,972	\$58,831	\$63,989	\$69,675
Corporate Overhead	\$24,000	\$24,720	\$25,462	\$26,225	\$27,012	\$27,823	\$28,657	\$29,517	\$30,402	\$31,315
Franchise Fees	\$4,776	\$23,795	\$49,868	\$103,366	\$129,931	\$146,512	\$158,161	\$172,399	\$187,512	\$204,177
Sales Tax	\$11,939	\$59,487	\$124,670	\$180,890	\$227,378	\$256,395	\$276,781	\$301,697	\$328,146	\$357,310
Total G&A Expense	\$67,012	\$143,449	\$247,990	\$369,754	\$452,660	\$504,727	\$541,571	\$586,444	\$634,049	\$686,476

Total Data Expenses

	\$288,045	\$449,744	\$519,763	\$659,517	\$756,261	\$818,979	\$866,687	\$924,213	\$985,099	\$1,051,487
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Total Data Operating Income

	(\$134,882)	\$313,389	\$1,079,574	\$1,692,050	\$2,199,659	\$2,514,160	\$2,731,465	\$2,997,853	\$3,280,802	\$3,593,537
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Jackson Energy Authority
 FTTH Broadband Financial Projections - 2002
 Telephone Revenue & Expenses

OPERATING REVENUE

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Telephone Revenue										
Local Service Revenue	\$ 267,915	\$ 1,533,601	\$ 3,267,837	\$ 4,469,455	\$ 5,241,351	\$ 5,820,414	\$ 6,276,907	\$ 6,641,477	\$ 7,014,536	\$ 7,358,863
Long Distance Revenue (Local Customers)	181,351	999,587	2,071,816	2,806,718	3,313,527	3,705,943	4,014,442	4,264,204	4,520,185	4,752,207
Long Distance Revenue (Non-Local Customers)										
Intrastate Access Revenue	5,080	62,436	90,132	92,934	97,538	102,446	107,566	112,992	118,632	124,556
Interstate Access Revenue	384	4,748	6,850	7,064	7,412	7,786	8,176	8,588	9,016	9,466
Intrastate Toll Revenue	9,244	113,530	163,878	168,972	177,342	186,264	195,576	205,440	215,694	226,464
Intrastate Toll Revenue	9,244	113,530	163,878	168,972	177,342	186,264	195,576	205,440	215,694	226,464
Voice Mail Revenue	3,970	22,715	47,545	64,045	74,776	82,731	88,965	94,159	99,481	104,136
Features Revenue	8,190	45,505	93,007	123,475	144,306	159,933	172,116	182,601	193,362	202,388
Total Telephone Revenue	\$ 485,318	\$ 2,897,652	\$ 5,904,943	\$ 7,901,634	\$ 9,233,593	\$ 10,251,781	\$ 11,059,324	\$ 11,714,901	\$ 12,386,601	\$ 13,004,543

Data Revenue

Residential Data	72,467	345,957	722,843	1,058,780	1,356,784	1,529,596	1,602,376	1,673,386	1,747,071	1,835,361
Commercial Data	63,981	333,894	701,956	1,008,531	1,241,826	1,400,636	1,560,835	1,774,585	2,003,171	2,248,177
Total Data Revenue	\$ 136,448	\$ 679,851	\$ 1,424,799	\$ 2,067,311	\$ 2,598,610	\$ 2,930,232	\$ 3,163,211	\$ 3,447,971	\$ 3,750,242	\$ 4,083,538
Fees and taxes not reflected as revenue:										
Sales Tax	621,766	3,577,503	7,329,742	9,968,946	11,832,203	13,182,013	14,222,535	15,162,872	16,136,842	17,088,081
Local franchise fee (data only)	54,405	313,032	641,352	872,283	1,035,318	1,153,426	1,244,472	1,326,751	1,411,974	1,495,207
Federal Tax	4,776	23,795	49,868	103,366	129,931	146,512	158,161	172,399	187,512	204,177
	14,560	86,930	177,148	237,049	277,008	307,533	331,780	351,447	371,598	390,136
Total Telephone and Data Collections	\$ 695,506	\$ 4,001,259	\$ 8,198,111	\$ 11,181,643	\$ 13,274,460	\$ 14,789,504	\$ 15,956,947	\$ 17,013,469	\$ 18,107,926	\$ 19,177,602

Other revenue

Infrastructure access fee - cable television										
Total Revenue	\$ 695,506	\$ 4,001,259	\$ 8,198,111	\$ 11,181,643	\$ 13,274,460	\$ 14,789,504	\$ 15,956,947	\$ 17,013,469	\$ 18,107,926	\$ 19,177,602

Jackson Energy Authority
 FTH Broadband Financial Projections - 2002
 Telephone Revenue & Expenses

OPERATING EXPENSES

Long Distance and Access Fees

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Wholesale Long Distance	\$ 60,444	\$ 333,162	\$ 690,536	\$ 935,479	\$ 1,104,398	\$ 1,235,191	\$ 1,338,013	\$ 1,421,259	\$ 1,506,578	\$ 1,583,911
Broadband Help Desk Support	8,424	42,432	87,125	124,146	157,324	160,484	163,710	166,993	170,341	173,761
Trunk Expense	3,600	3,852	4,122	4,410	4,719	5,049	5,403	5,781	6,185	6,618
Number Portability	678	3,792	7,751	10,290	12,025	13,328	14,343	15,217	16,114	16,866
Internet Backbone	60,000	64,200	68,694	73,503	78,648	84,153	90,044	96,347	103,091	110,308
Total fees	\$ 133,146	\$ 447,439	\$ 858,228	\$ 1,147,827	\$ 1,357,114	\$ 1,498,205	\$ 1,611,513	\$ 1,705,597	\$ 1,802,309	\$ 1,891,463

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Telephone Revenue & Expenses

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
General & Administrative Expenses										
General & Administration Salary & Wages	\$ 328,800	\$ 338,664	\$ 365,268	\$ 376,226	\$ 404,958	\$ 417,107	\$ 448,128	\$ 461,572	\$ 475,419	\$ 489,681
Overtime	19,728	20,320	21,916	22,574	24,297	25,026	26,888	27,694	28,525	29,381
Payroll Taxes	26,662	27,462	29,620	30,508	32,838	33,823	36,339	37,429	38,552	39,708
Benefits	142,535	146,811	158,344	163,094	175,549	180,816	194,263	200,091	206,094	212,277
Capitalized Labor	(138,920)	(143,088)	(92,113)	(56,926)	(39,089)	(20,131)	(165,878)	(170,854)	(175,980)	(181,259)
Vehicle Expense	2,175	2,240	2,307	2,377	2,448	2,521	2,597	2,675	2,755	2,838
Travel and Entertainment	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
Training and Seminars	12,000	12,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Audit Fees and Accounting	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Bank Charges	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
Contributions	10,000	8,000	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919
Bad Debt	10,433	60,019	122,972	167,725	199,117	221,843	239,354	255,202	271,619	287,664
Uniforms	413	413	450	450	488	488	525	525	525	525
Property Insurance	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
Liability Insurance	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
Utilities	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Janitorial Services	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Postage	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Billing Service	12,636	42,432	65,344	74,488	78,662	80,242	81,855	83,497	85,171	86,881
Dues & Subscriptions	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Rent	10,500	10,815	11,139	11,474	11,818	12,172	12,538	12,914	13,301	13,700
Telephone	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Office Supplies	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697
Repair & Maint.	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Office Equipment	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
Subs/Research	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
Legal	75,000	77,250	79,568	40,000	30,000	30,900	31,827	32,782	33,765	34,778
Consultant Fees	90,000	45,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Administrative	\$ 723,061	\$ 773,008	\$ 923,161	\$ 994,243	\$ 1,087,365	\$ 1,155,232	\$ 1,083,130	\$ 1,122,618	\$ 1,163,368	\$ 1,204,462

Fees and taxes not reflected as revenue:

Local franchise fees (data only)	4,776	23,795	49,868	103,366	129,931	146,512	158,161	172,399	187,512	204,177
Sales Tax	60,857	350,110	717,335	978,394	1,161,515	1,294,082	1,396,233	1,488,679	1,584,444	1,678,040
Federal Tax	14,560	86,930	177,148	237,049	277,008	307,553	331,780	351,447	371,598	390,136
Property Tax	\$ 212,435	\$ 495,519	\$ 534,503	\$ 559,610	\$ 577,784	\$ 593,442	\$ 609,484	\$ 625,204	\$ 641,540	\$ 657,041

Jackson Energy Authority
 FYTH Broadband Financial Projections - 2002
 Telephone Revenue & Expenses

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Facility Based Expenses										
Field & Technical Salaries and Wages	\$ 419,500	\$ 432,085	\$ 499,153	\$ 531,612	\$ 583,576	\$ 638,180	\$ 657,326	\$ 677,046	\$ 697,357	\$ 718,278
Overtime	41,950	43,209	49,915	53,161	58,358	63,818	65,733	67,705	69,736	71,828
Payroll Taxes	35,301	36,360	42,004	44,735	49,108	53,703	55,314	56,973	58,683	60,443
Benefits	181,853	187,309	216,383	230,454	252,980	276,651	284,951	293,499	302,304	311,373
Capitalized Labor	(485,465)	(342,944)	(275,377)	(181,007)	(195,785)	(205,334)	(165,337)	(146,526)	(150,922)	(130,231)
Training	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Uniforms	4,800	4,800	5,700	6,000	6,600	7,200	7,200	7,200	7,200	7,200
Vehicle Expense	12,600	12,600	16,800	18,200	21,000	23,800	23,800	23,800	23,800	23,800
Pole Rental	108,306	323,887	327,775	331,710	335,692	339,723	343,801	347,929	352,106	356,333
Plant Repairs & Maintenance	18,607	50,844	51,486	52,285	53,119	53,902	54,646	55,361	56,055	56,734
Equipment Repairs & Maintenance	10,880	21,115	24,806	26,582	27,446	28,117	28,740	29,379	30,042	30,704
Supplies - Technical, Engineering, Drafting, etc.	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Tools & Equipment	4,800	4,944	5,092	5,245	5,402	5,565	5,731	5,903	6,080	6,263
Utilities - Headend	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Mobile Communications	7,650	7,650	9,000	9,450	10,350	11,250	11,250	11,250	11,250	11,250
Property Damage	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Office Supplies	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
Computer Maintenance	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Switching Expense	6,435	35,367	71,837	95,520	112,230	125,040	135,040	143,534	152,253	159,688
Network Maintenance	28,600	31,200	32,760	34,398	36,118	37,924	39,820	41,811	43,902	46,097
Total Facility Based	\$ 430,017	\$ 883,651	\$ 1,113,617	\$ 1,295,717	\$ 1,394,688	\$ 1,499,186	\$ 1,588,852	\$ 1,656,927	\$ 1,703,169	\$ 1,774,384

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Telephone Revenue & Expenses

Telephony/Data Sales and Marketing Expenses

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Salaries - Sales	\$ 104,500	\$ 169,435	\$ 174,518	\$ 179,754	\$ 185,146	\$ 155,922	\$ 160,600	\$ 165,418	\$ 170,381	\$ 175,492
Sales Commissions	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Commercial Sales Commissions	34,775	165,288	209,843	149,177	104,641	75,752	58,372	52,826	54,723	53,484
Payroll Taxes	9,907	16,787	17,176	17,576	17,989	15,753	16,111	16,479	16,859	17,250
Benefits	61,092	103,518	105,916	108,386	110,930	97,144	99,351	101,623	103,965	106,376
Advertising & Promotions	36,000	37,080	38,192	39,338	40,518	41,734	42,986	44,275	45,604	46,972
Contract Marketing & Sales	75,660	222,586	119,391	101,433	89,983	38,080	36,448	37,392	38,556	39,880
Direct Mail	22,490	40,381	35,060	33,585	33,511	34,179	34,860	35,556	36,266	36,990
Sales Materials	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Graphic Design	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Office Supplies/Postage	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
Training & Seminars	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
Travel & Entertainment	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Miscellaneous	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Total Sales & Marketing Expenses	\$ 383,324	\$ 819,392	\$ 764,843	\$ 694,437	\$ 648,363	\$ 524,678	\$ 515,325	\$ 520,666	\$ 533,961	\$ 524,580

Jackson Energy Authority
FTTH Broadband Financial Projections - 2001
Capital Expenditures - Shared Plant

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Strand Mapping, Permitting, Engineering and Design	\$ 306,501	\$ 240,000	\$ 240,000	\$ 180,000	\$ 135,000	\$ 101,250	\$ 75,938	\$ 56,938	\$ 42,715	\$ 32,036
Project Consulting	240,000	240,000	240,000	180,000	135,000	101,250	75,938	56,938	42,715	32,036
Aerial Make Ready Engineering	32,006	64,501	64,501	1,171	1,171	1,213	1,213	1,213	1,213	1,278
Aerial Make Ready	705,635	4,049,419	25,336	25,336	25,336	25,336	25,336	25,336	25,336	27,543
Aerial Strand Labor	326,059	649,013	11,706	11,847	11,889	12,133	12,279	12,426	12,573	12,720
Aerial Strand Hardware & Materials	320,422	624,319	11,518	11,657	11,796	11,934	12,071	12,208	12,345	12,482
Optical Splicing, Closures & Pedestals	1,624,631	3,237,771	58,400	59,101	59,802	60,503	61,204	61,905	62,606	63,307
Fiber Cable	1,479,867	2,945,640	53,131	53,769	54,407	55,045	55,683	56,321	56,959	57,597
Fiber Labor	604,028	1,208,056	21,686	21,946	22,206	22,466	22,726	22,986	23,246	23,506
Underground Plant Labor	977,480	1,945,650	35,942	36,315	36,688	37,061	37,434	37,807	38,180	38,553
Primary & Secondary Hub Connectivity	199,045	725,949	6,534	6,612	6,690	6,768	6,846	6,924	7,002	7,080
Optical Headend Equipment	1,252,979	1,204,151	6,534	6,612	6,690	6,768	6,846	6,924	7,002	7,080
Optical Equipment Software Revisions - Annual	1,396,045	660,242	21,773	21,773	21,773	21,773	21,773	21,773	21,773	21,773
FTTH Equipment	400,000	50,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Computer Equipment & Billing System Software Upgrade	100,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Special Project Fund	170,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Fusion Splicer and Splicing Equipment	100,000	20,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Tools, Test Equipment and Spare Equipment	770,000	140,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Vehicles and Mobile Communications	11,007,745	\$ 15,947,532	\$ 436,348	\$ 540,495	\$ 627,224	\$ 568,435	\$ 531,477	\$ 513,209	\$ 503,855	\$ 497,519
Total system plant										
Customer Premise Install Labor & Materials - Residential	\$ 702,000	\$ 996,422	\$ 374,073	\$ 162,816	\$ 48,847	\$ 51,472	\$ 53,071	\$ 54,670	\$ 56,269	\$ 57,868
Customer Premise Install Labor & Materials - Commercial	97,938	276,504	944,173	212,460	184,778	35,251	29,912	29,735	31,425	33,190
Head/Mail Reentry - Labor & Materials	165,704	458,548	7,491	7,581	7,671	7,761	7,851	7,941	8,031	8,121
Customer Premise Equipment	37,576	87,363	1,497	1,515	1,534	1,552	1,571	1,590	1,609	1,628
Optical Equipment - Core Premise - Residential	2,793,647	3,849,439	1,409,462	592,083	171,493	177,550	181,941	186,332	190,723	195,114
Optical Equipment - Core Premise - Commercial	282,886	846,016	739,814	376,365	210,419	216,511	169,771	171,657	173,543	175,429
Total customer plant	\$ 4,058,910	\$ 6,513,784	\$ 2,776,511	\$ 1,352,421	\$ 624,743	\$ 480,136	\$ 435,067	\$ 411,613	\$ 398,248	\$ 384,199
Total	\$ 15,066,655	\$ 22,461,315	\$ 3,412,459	\$ 1,895,316	\$ 1,251,966	\$ 1,043,571	\$ 967,142	\$ 956,822	\$ 946,142	\$ 935,478
Contingency	753,333	1,123,056	170,643	94,666	62,598	52,429	48,357	47,841	47,325	46,809
Total Capital Expenditures	\$ 15,819,988	\$ 23,584,371	\$ 3,583,102	\$ 1,990,982	\$ 1,314,565	\$ 1,096,000	\$ 1,015,500	\$ 1,004,663	\$ 993,467	\$ 982,287
Depreciation	\$ 6,130	\$ 12,260	\$ 12,260	\$ 12,260	\$ 12,260	\$ 12,260	\$ 12,260	\$ 12,260	\$ 12,260	\$ 12,260
Strand Mapping, Permitting, Engineering and Design	240,000	240,000	240,000	180,000	135,000	101,250	75,938	56,938	42,715	32,036
Project Consulting	4,800	14,400	14,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400
Aerial Make Ready Engineering	652	2,002	2,002	3,974	4,018	4,062	4,106	4,150	4,194	4,238
Aerial Make Ready	14,114	56,520	84,520	85,940	86,971	88,015	89,059	90,103	91,147	92,191
Aerial Strand Labor	6,521	26,023	39,257	39,708	40,165	40,622	41,079	41,536	41,993	42,450
Aerial Strand Hardware & Materials	6,416	25,603	39,607	39,970	40,333	40,696	41,059	41,422	41,785	42,148
Optical Splicing, Closures & Pedestals	32,333	129,821	191,744	196,094	200,472	204,850	209,228	213,606	217,984	222,362
Fiber Cable	29,597	118,107	174,083	180,221	186,364	192,506	198,648	204,790	210,932	217,074
Fiber Labor	12,081	48,207	72,687	73,560	74,433	75,306	76,179	77,052	77,925	78,798
Underground Plant Labor	19,550	78,012	117,627	119,039	120,451	121,863	123,275	124,687	126,099	127,511
Primary & Secondary Hub Connectivity	9,952	56,202	92,459	92,459	92,459	92,459	92,459	92,459	92,459	92,459
Optical Headend Equipment	62,699	221,540	318,110	318,110	318,110	318,110	318,110	318,110	318,110	318,110
Optical Equipment Software Revisions - Annual	1,089	3,266	3,266	3,266	3,266	3,266	3,266	3,266	3,266	3,266
FTTH Equipment	69,802	169,916	200,229	200,229	200,229	200,229	200,229	200,229	200,229	200,229
Computer Equipment & Billing System Software Upgrade	13,340	28,248	31,016	32,017	33,018	34,019	35,020	36,021	37,022	38,023
Special Project Fund	3,335	10,000	15,000	15,343	15,686	16,029	16,372	16,715	17,058	17,401
Fusion Splicer and Splicing Equipment	4,570	12,340	14,341	14,341	14,341	14,341	14,341	14,341	14,341	14,341
Tools, Test Equipment and Spare Equipment	3,333	7,537	8,171	8,338	8,505	8,672	8,839	8,999	9,159	9,319
Vehicles and Mobile Communications	25,680	56,028	61,864	63,052	64,240	65,428	66,616	67,804	68,992	70,180
Customer Premise Install Labor & Materials - Residential	35,100	120,021	188,546	215,390	225,974	236,558	247,142	257,726	268,310	278,894
Customer Premise Install Labor & Materials - Commercial	4,897	23,599	40,613	72,444	92,306	103,208	114,110	125,012	135,914	146,816
Head/Mail Reentry - Labor & Materials	8,285	39,498	62,000	63,533	64,566	65,599	66,632	67,665	68,698	69,731
Customer Premise Equipment	1,876	8,116	12,554	12,705	12,857	13,008	13,159	13,310	13,461	13,612
Optical Equipment - Core Premise - Residential	139,682	471,836	734,781	834,958	873,037	890,489	907,941	925,393	942,845	960,297
Optical Equipment - Core Premise - Commercial	13,105	68,510	147,802	203,611	232,950	254,287	275,624	296,961	318,298	339,635
Total	\$ 25,124	\$ 87,701	\$ 130,846	\$ 199,694	\$ 244,939	\$ 284,775	\$ 324,611	\$ 364,447	\$ 404,283	\$ 444,119
Contingency	554,325	1,895,443	2,938,532	3,082,598	3,226,664	3,370,729	3,514,794	3,658,859	3,802,924	3,946,989
Total Depreciation										

Jackson Energy Authority
 FTTH Broadband Financial Projections - 2002
 Capital Expenditures - Cable Television

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Office Building & Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Studio, Furniture & Office Equipment	250,000	25,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Headend Building, Tower & Generator	714,723	-	-	-	-	-	-	-	-	-
Video Headend Electronics	1,562,711	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Digital Headend Equipment	545,049	-	-	-	-	-	-	-	-	-
In-house capitalized labor	346,545	356,941	225,476	181,584	175,475	155,707	137,300	141,419	145,661	150,031
sub-total Fixed Plant	\$ 3,419,028	\$ 395,441	\$ 241,476	\$ 197,584	\$ 191,475	\$ 171,707	\$ 153,300	\$ 157,419	\$ 161,661	\$ 166,031
Digital Customer Premise Equipment	177,326	244,341	111,831	56,373	19,050	22,540	24,748	26,001	28,438	30,115
sub-total Variable Plant	\$ 177,326	\$ 244,341	\$ 111,831	\$ 56,373	\$ 19,050	\$ 22,540	\$ 24,748	\$ 26,001	\$ 28,438	\$ 30,115
Total	3,596,354	639,783	353,307	253,958	210,525	194,247	178,048	183,420	190,100	196,146
Contingency	179,818	31,989	17,665	12,698	10,526	9,712	8,902	9,171	9,505	9,807
Total Capital Expenditures	\$ 3,776,171	\$ 671,772	\$ 370,972	\$ 266,656	\$ 221,051	\$ 203,960	\$ 186,950	\$ 192,591	\$ 199,605	\$ 205,953
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office Building & Land	12,500	26,250	27,625	27,875	28,125	28,375	28,625	28,875	29,125	29,375
Studio, Furniture & Office Equipment	8,934	17,868	17,868	17,868	17,868	17,868	17,868	17,868	17,868	17,868
Headend Building, Tower & Generator	78,136	156,946	158,296	159,646	160,996	162,346	163,696	165,046	166,396	167,746
Video Headend Electronics	27,252	54,505	54,505	54,505	54,505	54,505	54,505	54,505	54,505	54,505
Digital Headend Equipment	17,327	13,125	20,406	25,494	29,957	34,097	37,759	41,243	44,832	48,528
Capitalized Labor	\$ 144,149	\$ 255,569	\$ 258,294	\$ 259,894	\$ 261,494	\$ 263,094	\$ 264,694	\$ 266,294	\$ 267,894	\$ 269,494
sub-total Fixed Plant	\$ 144,149	\$ 255,569	\$ 258,294	\$ 259,894	\$ 261,494	\$ 263,094	\$ 264,694	\$ 266,294	\$ 267,894	\$ 269,494
Digital Customer Premise Equipment	8,866	29,950	47,758	56,169	59,940	62,019	64,384	66,921	69,643	72,571
sub-total Variable Plant	8,866	29,950	47,758	56,169	59,940	62,019	64,384	66,921	69,643	72,571
Contingency	5,997	13,061	14,717	15,729	16,504	17,179	17,800	18,402	19,025	19,669
Total Depreciation	\$ 159,013	\$ 298,579	\$ 320,769	\$ 331,792	\$ 337,938	\$ 342,292	\$ 346,877	\$ 351,617	\$ 356,562	\$ 361,734

Jackson Energy Authority
 FYTH Broadband Financial Projections - 2002
 Capital Expenditures - Telecommunications

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Telephone Switch, Upgrade & ATM Switch	\$ 1,194,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Headend Voice Gateway - Phone Customers	62,316	221,345	179,254	72,688	66,333	42,291	39,029	39,662	40,283	19,652
Voice Gateway & AMS Software	61,930	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227
High Speed Modems and Installation - Residential	-	-	-	-	-	-	-	-	-	-
High Speed Modems and Installation - Commercial	-	-	-	-	-	-	-	-	-	-
In-House Capitalized Labor	624,385	486,031	367,489	237,933	234,873	225,465	331,215	317,380	326,901	311,490
sub-total Telecom/Data only	\$ 1,943,152	\$ 711,603	\$ 530,970	\$ 314,848	\$ 305,434	\$ 271,983	\$ 374,471	\$ 361,269	\$ 410,412	\$ 335,369
Contingency	97,158	35,380	27,548	15,742	15,272	13,599	18,724	18,063	20,521	16,768
Total Capital Expenditures	\$ 2,040,309	\$ 747,184	\$ 578,518	\$ 330,590	\$ 320,706	\$ 285,582	\$ 393,194	\$ 379,333	\$ 430,932	\$ 352,137

Depreciation

Telephone Switch, Upgrade & ATM Switch	\$ 59,726	\$ 119,452	\$ 119,452	\$ 119,452	\$ 119,452	\$ 119,452	\$ 119,452	\$ 119,452	\$ 121,402	\$ 123,352
Headend Voice Gateway - Phone Customers	3,116	17,299	37,329	49,926	56,877	62,308	66,374	70,309	74,306	77,303
Voice Gateway & AMS Software	3,097	6,404	6,827	7,250	7,673	8,095	8,518	8,941	9,363	9,786
High Speed Modems and Installation - Residential	-	-	-	-	-	-	-	-	-	-
High Speed Modems and Installation - Commercial	-	-	-	-	-	-	-	-	-	-
In-House Capitalized Labor	62,439	86,740	129,416	159,687	183,327	206,344	234,178	266,608	298,822	330,742
Contingency	3,240	7,667	9,772	11,216	12,250	13,213	14,291	15,518	16,805	18,048
Total depreciation	\$ 131,617	\$ 237,562	\$ 302,796	\$ 347,531	\$ 379,579	\$ 409,413	\$ 442,814	\$ 480,828	\$ 520,698	\$ 559,231

EXHIBIT 4

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

**AS SET FORTH IN THE GUIDELINES FOR BUSINESS PLAN TO
BE PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE
CABLE, TWO-WAY VIDEO, VIDEO PROGRAMMING, INTERNET,
OR SIMILAR SERVICES**

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

DESCRIPTION OF SERVICES

**I. CURRENT JACKSON ENERGY AUTHORITY SERVICE
OPPORTUNITIES:**

Through the proposed Broadband Network, existing technology will allow the Jackson Energy Authority ("the AUTHORITY") to economically provide the following:

- Broadband Video Services (Cable Television)
- Local Area Data Networking
- Wide Area Data Networking
- Fiber Optic Transport
- Utility Management

II. NEW SERVICE OFFERING & TECHNOLOGY

The Broadband Network, as proposed, is capable of delivering large amounts of analog and digital information from point to point. The limiting factor associated with any and all service offerings is only attributable to the capability of end user components and economic feasibility. The proposed Broadband Network will provide a platform which will accommodate new developments in broadband technology, potentially allowing the AUTHORITY to provide such things as interactive video services and utility enhancements such as remote meter reading, outage detection and appliance monitoring.

Broadband Network technology will also allow users to access the Internet

and Internet-related services at speeds significantly higher than allowed by traditional narrowband modems. At present, Internet users typically connect at speeds of less than 56kbps. Broadband Network technology allows users to access the Internet at speeds that range from ten to hundreds of times faster than typical dial-up speeds. This increased speed will provide consumers with a range of enhanced services, including streaming video and telephony services. Analysts predict that Broadband Network technologies will produce applications that will change the way consumers communicate, shop, educate and entertain. By 2000, over two million Americans had access to Broadband Network technology. By 2008, that number is predicted to reach 78 million.

III. THE JACKSON ENERGY BROADBAND NETWORK

A. Broadband Network Architecture Overview

Beginning in the early 1990's, Broadband Network architectures have transformed from closed systems that feature one-way delivery of analog television signals to two-way, interactive broadband systems, comprised of a hybrid of traditional coaxial and modern fiber optic technologies ("hybrid fiber-coaxial" or "HFC") to all fiber or fiber-to-the-home ("FTTH") systems. A FTTH architecture provides a Broadband Network capable of delivering high quality video programming, interactive services, high-speed data and Internet access, telephony, and other revenue generating applications.

In years past, networks deployed by cable television operators were constructed to provide only traditional video programming services that required only one-way transmission of signals. Until recently, the traditional one-way cable television system provided approximately 50 channels of analog video. The network was a full coaxial system designed with a centralized "headend"¹ and lines called "trunks" leading from the headend to trunk amplifiers and line extenders placed in residential neighborhoods. A traditional, tree-branch coaxial

¹The headend broadband facility is the technological center of the system where many programming operations and functions are processed, such as the reception of satellite delivered programming and broadcast signals. It includes equipment for descrambling incoming signals from satellite and broadcast programming networks, assigning them channel numbers, and processing them for retransmission over cable lines. The headend also contains electronic equipment for inserting advertising at the local level, encrypting signals for security purposes, and playing or producing public access/local origination programming customer's television set.

cable system included many amplifiers to boost the signal along the way to subscribers' homes. A coaxial wire called a "service drop" then carried the service from the distribution line to the customer premise.

The FTTH architecture replaces the previous coaxial trunk with a fiber-optic "trunk." The fiber terminates at passive optical network ("PON") cabinets, where the signal is then carried over distribution fiber to the customer premises. FTTH networks do not require amplifiers and offer improved reliability, virtually unlimited capacity, and clearer signal transmission, all of which facilitate two-way transmission.

Broadband networks have evolved from one-way video entertainment networks of 300 to 550 MHz of bandwidth to full service two-way 870 MHz FTTH networks as set forth in the AUTHORITY Business Plan. The evolution from one-way to two-way technology has been occurring for several years and is escalating as broadband service providers seek to enter advanced communications businesses. The Business Plan assumes the deployment of an advanced Broadband Network utilizing a FTTH architecture as the basic transmission media. Since its introduction and implementation over the past year, FTTH has become the telecommunications architecture of choice. All fiber optic technologies provides the system operator with the highest possible degree of reliability, flexibility and extended bandwidth.

In addition to flexibly serving customers with high bandwidth communications capability, the FTTH architecture allows simple hubbing and interconnection via fiber transport rings. By linking the Broadband Network headend and distribution hubs, the AUTHORITY would be positioned to better allocate resources over a broader customer base to achieve maximum program delivery efficiency through proper headend utilization while providing a high level of redundancy and reliability. The architecture also provides a platform for the introduction of new services as they are developed. FTTH's strong economic model is attributed to the use of optical components and equipment recently developed to allow service providers to cost effectively push fiber deeper into the network.

The FTTH architecture divides the Broadband Network into PON service areas of approximately 500 homes passed each. The size and number of these PON service areas are determined by density, desired service capability, and overall economics. The FTTH architecture utilizes a PON cabinet that feeds a network of optical enclosures and splitters that eventually deliver programming and data signals optical service drops to the home. The FTTH architecture provides the maximum in

design efficiency.

High-powered optical transmitters in the headend or hub site provide shared signals to the optical receivers. All fiber optic electronics are currently specified for 870 MHz operation. The downstream path is typically in the 50-870 MHz spectrum range while the upstream path is 5-40 MHz. UTI has recommended a technologically advanced Broadband Network architecture to be deployed based upon: (1) equipment availability, (2) capability, (3) flexibility, (4) potential service offerings, and (5) capital costs.

B. Broadband Network Capabilities

1. Overview

As proposed in the Business Plan, the broadband infrastructure would initially provide services through approximately 650 plant miles, passing about 26,000 residential homes, in and around Jackson, Madison County, Tennessee, with the ultimate objective of providing as close to universal service in the AUTHORITY service area as economically feasible.

The AUTHORITY Broadband Network can provide residential and commercial customers with video programming services, high-speed data and Internet access, and potentially telephone services. Designed utilizing a two-way flexible architecture, the network will be capable of evolving as technological advancements prove their economic feasibility through customer acceptance of new products and services. Two-way infrastructure, as proposed in the Business Plan, is necessary for services such as high-speed data and Internet access, where data is transmitted entirely over the broadband network and potentially, and ultimately to facilitate the provisioning of telephone services.

Broadband Networks are also one of the primary networks which utilities will utilize as they automate processes and provide a variety of new products and services to existing and new utility customers. The Broadband Network will provide the AUTHORITY with a high-speed customer communications network framework to potentially provide real-time automatic meter reading, market-based pricing, outage reporting, both load control and customer choice control, and other customer and company communications services. In addition, the interactive Broadband Network of the future could support new energy services such as the AUTHORITY'S video channel that could be the interface for a large number of

the AUTHORITY'S utility customers. On this video channel, the AUTHORITY would be able to market services to their customers, provide customers with access to current and historical billing information, and provide a means for customers to pay their bills via electronic funds transfer.

The utilization of fiber-optic technology increases the Broadband Network's capacity and reduces signal noise, providing cleaner transmission paths, necessary for provisioning such services as high-speed Internet access, telephony and other new services, which require two-way interactivity. The use of a FTTH architecture will enable the AUTHORITY to deliver data applications at very high data rates. This Business Plan is based upon the assumption that the AUTHORITY will construct and operate a Broadband Network capable of providing up to 80 analog video channels, hundreds of digital video channels, as well as provide capacity for Internet access, telephony and other services. With respect to Internet access, the Broadband Network will be capable of carrying data up to several 100 times faster than transmission using dial-up modems over ordinary telephone lines, and 50 times faster than ISDN (integrated services digital network) telephone lines.

C. Digital Video Services

The Business Plan anticipates that the AUTHORITY will provide digital video services to customers. Digital signal transmission, as compared to the analog signal transmission historically used in cable systems, can provide superior video picture quality and increased channel capacity through compression techniques. Subscriber reception of digital video signals requires a set-top converter device to decompress and decode incoming signals and to translate the digital signals into the analog signals used by most television sets.

D. Internet and High-Speed Data Services

Internet and other data can be transmitted faster over a broadband infrastructure than over most telephone systems. Broadband systems and cable modems offer speeds up to 27 megabits-per-second ("Mbps"), though most users experience speeds between 3 to 10 Mbps, as compared with traditional "dial-up" data access for the personal computer, which uses a traditional telephone modem and traditional telephone lines to transmit data and yields significantly slower data exchange at 56 Kbps or less. The AUTHORITY broadband high-speed data will provide customers with the ability to access the Internet without the need for an additional telephone line and without tying up an existing line. Broadband networks

use a shared network infrastructure to the headend, thus the rate of speed can depend on the number of subscribers using the shared bandwidth at any given point in time.

As an example, Table 1 compares the transfer rate for downloading a 10 Megabyte file. A 10 Megabyte file is approximately the equivalent of a 10 to 20 minute movie clip. FTTH cable architecture can transmit both upstream and downstream packets of information. The AUTHORITY thus will be positioned to operate as a "pipeline" or "conduit" provider or become a full-service provider combining both Internet access and other value-added services.

TABLE 1: Transfer Rate For A 10-Megabyte File

Modem Speed/ Type	Transfer Time
14.4-Kbps* Telephone	1.5 hours
28.8-Kbps Telephone	46 minutes
56-Kbps Telephone Modem	24 minutes
128-Kbps ISDN Modem	10 minutes
1.54-Mbps T-1 Connection	52 <i>seconds</i>
4-Mbps Cable Modem	20 <i>seconds</i>
10-Mbps Cable Modem	8 <i>seconds</i>

*kbps (kilobits per second) & Mbps (Megabits per second)

Source: <http://www.cablemodems.com/whatis.html>

A formal path of certification has been established for cable modem suppliers to obtain an "interoperability seal" for their high-speed data delivery devices under the cable modem standard, DOCSIS (Data Over Cable Service Interface Specification). Originally only one among many proposed standards, DOCSIS started to emerge as the leading option for a cable modem standard in late 1997. Between July 1997 and May 1998, vendors tested prototypes of the equipment. In March 1998, the International Telecommunications Union approved DOCSIS. In June, 1998, CableLabs hosted a series of "Interoperability and Certification Wave" vendor conclaves to initiate the final "certification and commercialization" phase of a cable modem standard. DOCSIS standards have been approved of 1998, and interoperable modems have become commercially available from a number DOCSIS certified vendors. The formal seal of DOCSIS compliance are granted by a

Certification Board made up of five broadband industry representatives and a liaison from CableLabs. The Business Plan anticipates the use of DOCSIS compliant modems by the AUTHORITY.

IV. JACKSON ENERGY AUTHORITY BROADBAND SERVICES

A. Jackson Energy Authority's Service & Rates

The Business Plan assumes that the AUTHORITY will provide Basic Video Services Tier of eighteen (18) analog channels for \$9.95 per month and the Expanded Basic Video Services Tier of an additional fifty-seven (57) analog channels for \$27.00 per month, for a total of \$36.95 per month, excluding taxes and franchise fees, for seventy-five (75) analog channels. The Business Plan also assumes that the AUTHORITY will provide thirty-six (36) video channels of Digital Service along with forty-one (41) DMX music channels for another \$12.95 per month plus taxes and franchise fees. Twenty-nine (29) additional premium services are offered in the Digital Services tier along with seventy-six (76) Pay-Per-View channels. A franchise fee of three percent (3%) and eight and three quarters percent (8 3/4%) sales tax are passed on to the customer.

The Business Plan also assumes that the AUTHORITY will provide, along with the analog service tier, one channel each of HBO, HBO Plus, and HBO Family offered for \$11.95 per month. In the premium Digital Service Tier, the Cinemax group of channels is offered for \$9.95 per month. The Showtime group of channels is offered for \$10.95 per month, and the Movie Channel group of channels is offered for \$8.95 per month, plus appropriate fees and taxes. The Starz/Encore group of channels is offered at \$7.95 per month for each service plus fees and taxes, through the Digital Services set-top. A detailed schedule of video services and rates is attached hereto as Attachment 1.

B. Jackson Authority High Speed Data Services

The Business Plan anticipates that the AUTHORITY will provide high-speed data and Internet access services ("Data Services") to customers through the proposed "Broadband Network". Provisioning the Data Services will require the installation of certain equipment in the Broadband Network's headend facility and the installation of cable modems at the customer premise. The AUTHORITY Data Services will provide customers with high-speed access to the Internet without requiring the use of a telephone line. In addition, the service does not require

customers to dial-up and "log on" as is required for typical dial-up Internet access. The Business Plan anticipates that the AUTHORITY will provide connectivity and e-mail hosting. The Business Plan does not anticipate that the AUTHORITY will provide a wide array of Internet content. A schedule of the AUTHORITY Data Services and rates is attached hereto as Attachment 2.

ATTACHMENT 1
JACKSON ENERGY AUTHORITY
Video Services Rates and Charges

<u>Basic Services</u>	<u>Rate</u>	<u>Equipment Rental</u>	<u>Rate</u>
Broadcast Basic (18 Channels)	\$9.95	Standard Converter with Remote	\$1.00
Expanded Basic (57 Channels)	\$27.00	Digital Converter with Music Choice, Guide & PPV On	\$5.95
Standard Service (75 Channels)	\$36.95	Additional Digital Converter (Each)	\$3.95
Digital Cable Service with Remote Control Digital Converter (26 Digital Nets + 45 Music Choice Chs. + On-Screen Guide + PPV + Line Maint. Plan)	\$12.95	<u>Installation of Residential Service</u>	
COMPLETE DIGITAL STANDARD SERVICE	\$49.90	Unwired Home	\$30.00
		Prewired Home and Reconnects	\$20.00
		Additional Outlet (same trip)	\$10.00
		Additional Outlet (separate trip)	\$20.00
		Relocate Outlet (same trip)	\$10.00
		Relocate Outlet (separate trip)	\$20.00
<u>Premium Services</u>		Custom Installation (Wired Within Walls)	\$40.00
Analog HBO (3 Channels - No Converter Required)	\$11.95	Service Upgrade/Equipment Delivery	\$20.00
HBO Digital Service (7 Channels)	\$11.95	Line Maintenance Plan (recommended, free with	
Cinemax Digital Group (4 Channels)	\$9.95	Digital Service)	\$2.95
Showtime Digital Group (5 Channels)	\$10.95	Returned Check Charge	\$25.00
The Movie Channel Digital Group (3 Channels)	\$8.95	Hourly Service Call	\$20.00
Starz/Encore (7 channels)	\$7.95	Late Fee Processing Charge	\$5.00
Independent Film Channel, Flix, Sundance (4 Channels)	\$6.95	Franchise Fee to City	3.00%
HBO/Cinemax Combo	\$19.95	Franchise Fee to County	5.00%
Showtime/Movie Channel Combo	\$12.95	State Sales Tax	8.75%
<u>Digital Pay-Per-View Services</u>			
IN Demand PPV Movies (32 Channels)	\$3.99		
Special Pay Per View Movies and Events	(Varies)		
Sports PPV Events	(Varies)		

ATTACHMENT 1
JACKSON ENERGY AUTHORITY
Analog Video Services

Analog Cable Service	
1	NBC
2	WBTV Nashville (50) CBS
3	WWEA Memphis (50) CBS
4	WSMV Nashville (40) NBC
5	WMGT Memphis (40) ABC
6	WTVF Knoxville (50) CBS
7	WLANA Knoxville (50) CBS
8	WVLE Chattanooga (50) ABC
9	WGN Chattanooga (50) ABC
10	WWSN Memphis (50) CBS
11	WVOT Chattanooga (50) CBS
12	Headline News
13	WVBC Memphis (50) CBS
14	Hallmark Channel
15	WWSN Memphis (50) CBS
16	WVBC Chattanooga (50) CBS
17	ESPN
18	ESPN2
19	Prevue Guide

Analog Premium Service	
20	HBO
21	HBO Plus
22	HBO Family

Expanded Cable Service

Ch #	Network
23	The Weather Channel
24	CNN
25	MSNBC
26	Fox News Channel
27	CNBC
28	Bloomberg TV
29	Prevue Guide
30	ESPN
31	ESPN2
32	ESPNNews
33	Golf Channel
34	Speedvision
35	Outdoor Channel
36	FOX Sports South
37	TBS
38	Turner South

Expanded Cable Service, cont.

39	Turner Network Television
40	USA Network
41	The National Network
42	FX
43	Prevue Guide
44	Discovery Channel
45	The Learning Channel
46	Arts & Entertainment
47	History Channel
48	Travel Channel
49	Court TV
50	Prevue Guide
51	Comedy Central
52	E! Entertainment
53	Lifetime Network
54	Food Network
55	Women's Entertainment
56	Style
57	Home & Garden TV
58	Bravo
59	American Movie Classics
60	Turner Classic Movies
61	Sci-Fi
62	Prevue Guide
63	TV Land
64	Nickelodeon
65	Cartoon Network
66	Disney Channel
67	Animal Planet
68	Fox Family
69	Prevue Guide
70	EWTN
71	INSP
72	TBN
73	HSN
74	QVC
75	BET
76	CMT
77	VH-1
78	MTV
79	Prevue Guide
80	Open

Note: Prevue Guide is displayed on several channels as a "place holder" for future channel additions within the interest categories (news, sports, general, children's etc)

ATTACHMENT 1
JACKSON ENERGY AUTHORITY
Proposed Digital Channel Line-up:

Digital Basic Service

Ch #	Network
100	ESPN Classic Sports
101	ESPN SportsCenter
102	ESPN2
103	Discovery Kids
104	Discovery Science
105	Discovery Home & Health
106	Discovery Health
107	Discovery Civilization
108	Discovery Animals
109	BBC America
110	Biography
111	History Channel
112	National Geographic
113	Day After Tomorrow
114	Real TV
115	News
116	Nick Game Show Sports
117	Tom Figue
118	Boomerang
119	Game Show Network
120	WFL Classic
121	WFL
122	WFL
123	WFL Music
124	WFL Soul
125	WFL Country

Digital en Espanol

Ch #	Network
200	CNN en Espanol
201	Univision
202	Galavision
203	Discovery en Espanol
204	MTV Spanish
205	Fox Sportsworld Espanol
206	Canales
207	PCTV Mexican
208	PCTV Mexican
209	EduSat

Premium Channels

250	HBO Latina
255	Showtime

Digital Premium Channels

Ch #	Network
300	HBO
301	HBO
302	HBO Signature
303	HBO Family
304	HBO Comedy
305	HBO
306	HBO
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**ATTACHMENT 2
JACKSON ENERGY AUTHORITY
HIGH-SPEED DATA SERVICES AND RATES**

Residential

High Speed Data Access - Level 1 (Plus Video Service Charges)	\$24.95
High Speed Data Access - Level 2 (Plus Video Service Charges)	\$29.95
High Speed Data Access - Level 3 (Plus Video Service Charges)	\$34.95
Residential Modem Rental	\$2.95
Residential Service Activation	\$35.00
Ethernet Card and Installation	\$99.00

Commercial

Commercial High Speed Data - Level 1	\$49.95
Commercial High Speed Data - Level 2	\$79.95
Commercial High Speed Data - Level 3	\$99.95
Commercial High Speed Data - Level 4	\$119.95
Commercial High Speed Data - Level 5	\$149.95
Commercial High Speed Data - Level 6	\$179.95
Commercial High Speed Data - Level 7	\$199.95
Commercial High Speed Data - Level 8	\$249.95
Commercial High Speed Data - Level 1 Setup	\$200.00
Commercial High Speed Data - Level 2 Setup	\$225.00
Commercial High Speed Data - Level 3 Setup	\$750.00
Commercial High Speed Data - Level 4 Setup	\$775.00
Commercial High Speed Data - Level 5 Setup	\$1,125.00
Commercial High Speed Data - Level 6 Setup	\$1,150.00
Commercial High Speed Data - Level 7 Setup	\$1,500.00
Commercial High Speed Data - Level 8 Setup	\$1,525.00

EXHIBIT 5

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

**AS SET FORTH IN THE GUIDELINES FOR BUSINESS PLAN TO
BE PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE
CABLE, TWO-WAY VIDEO, VIDEO PROGRAMMING, INTERNET,
OR SIMILAR SERVICES**

Jackson Energy Authority
Fifth Broadband Financial Projections - 2002
Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ASSETS										
Utility Plant										
Telecommunications plant	\$ 21,036,469	\$ 46,639,595	\$ 51,172,588	\$ 53,757,816	\$ 55,614,137	\$ 57,204,679	\$ 58,800,324	\$ 60,376,911	\$ 62,012,447	\$ 63,586,642
Less depreciation	844,855	3,274,440	6,736,537	10,498,458	14,432,503	18,491,536	22,666,953	26,960,190	31,373,622	35,907,282
Net telecommunications plant	20,791,614	43,365,155	44,436,051	43,259,358	41,181,635	38,713,143	36,133,371	33,416,722	30,638,825	27,679,359
Current Assets										
Cash and temporary investments	35,752,916	8,477,693	4,807,981	5,107,532	7,387,063	9,435,947	11,406,569	12,982,818	14,481,911	16,076,202
Accounts receivable	28,645	102,907	172,714	209,441	226,886	241,139	254,849	268,604	283,851	299,178
Materials and supplies	432,729	932,792	1,023,452	1,075,156	1,112,283	1,144,094	1,176,006	1,207,538	1,240,249	1,271,733
Total current assets	36,214,291	9,513,392	6,004,147	6,392,129	8,726,232	11,021,179	12,837,424	14,458,960	16,006,011	17,647,113
Other Assets										
Unamortized organization expense	361,627	342,494	323,561	304,528	285,495	266,462	247,429	228,396	209,363	190,330
Unamortized debt expense	361,627	342,494	323,561	304,528	285,495	266,462	247,429	228,396	209,363	190,330
Total other assets										
Total Assets	\$ 57,367,532	\$ 53,221,141	\$ 50,763,759	\$ 49,956,014	\$ 50,193,362	\$ 50,000,784	\$ 49,218,224	\$ 48,104,078	\$ 46,854,199	\$ 45,516,802
LIABILITIES AND CAPITAL										
Long-Term Debt										
Bonds payable	\$ 54,380,000	\$ 52,770,000	\$ 51,060,000	\$ 49,250,000	\$ 47,330,000	\$ 45,300,000	\$ 43,140,000	\$ 40,860,000	\$ 38,440,000	\$ 35,870,000
Current Liabilities										
Accounts Payable	106,886	155,658	172,691	182,625	193,826	201,590	206,279	213,255	219,803	226,521
Franchise and FCC fees payable	20,855	73,943	122,797	214,162	240,285	260,511	277,755	296,505	316,607	337,727
Sales tax and federal tax payable	11,073	51,226	96,733	126,178	146,074	161,653	174,294	185,823	198,015	209,912
Property taxes payable	259,143	550,536	594,109	622,514	643,422	661,604	679,958	698,060	716,865	734,914
Total current liabilities	397,957	831,364	966,330	1,145,480	1,223,607	1,285,358	1,338,285	1,393,444	1,451,290	1,509,074
Capital										
Investment by IEA	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Investment by investment group	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total investments	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Reinvested Earnings										
Beginning of year	-	(3,410,425)	(6,380,223)	(7,282,571)	(6,439,465)	(4,360,246)	(2,584,574)	(1,260,061)	(149,366)	962,909
Current year net income	(3,410,425)	(2,969,798)	(902,348)	1,491,466	3,071,820	4,431,469	5,585,684	6,589,927	7,461,062	8,716,310
Current year dividends paid	-	-	-	(648,361)	(992,601)	(2,655,797)	(4,261,172)	(5,479,232)	(6,548,787)	(7,541,491)
Total earnings reinvested	(3,410,425)	(6,380,223)	(7,282,571)	(6,439,465)	(4,360,246)	(2,584,574)	(1,260,061)	(149,366)	962,909	2,137,728
Total capital	2,589,575	(380,223)	(1,282,571)	(439,465)	1,639,754	3,415,426	4,739,939	5,850,634	6,962,909	8,137,728
Total Liabilities and Capital	\$ 57,367,532	\$ 53,221,141	\$ 50,763,759	\$ 49,956,014	\$ 50,193,362	\$ 50,000,784	\$ 49,218,224	\$ 48,104,078	\$ 46,854,199	\$ 45,516,802

Jackson Energy Authority
 FYTH Broadband Financial Projections - 2002
 Cash Flow Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Provided By (Used In) Operations										
Net income	\$ (3,410,425)	\$ (2,969,798)	\$ (902,348)	\$ 1,491,466	\$ 3,071,820	\$ 4,431,469	\$ 5,585,684	\$ 6,589,927	\$ 7,661,062	\$ 8,716,310
Adjustments to reconcile net income to net cash										
Depreciation	844,855	2,429,585	3,462,097	3,761,921	3,934,044	4,059,033	4,175,417	4,293,236	4,413,433	4,533,660
Amortization of:										
Organization expense	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033
Debt expense										
Changes in current assets and liabilities										
Accounts receivable	(28,645)	(74,262)	(69,807)	(36,727)	(17,445)	(14,253)	(13,710)	(13,755)	(15,247)	(15,327)
Materials and supplies	(432,729)	(500,063)	(90,660)	(51,705)	(37,126)	(31,811)	(31,913)	(31,532)	(32,711)	(31,484)
Accounts payable	106,886	48,772	17,033	9,934	11,201	7,764	4,688	6,977	6,548	6,718
Franchise and FOC fees payable	20,855	53,088	48,854	91,365	26,122	20,226	17,244	18,550	20,302	21,120
Sales tax and federal tax payable	11,073	40,154	45,306	29,445	19,896	15,579	12,641	11,529	12,192	11,897
Property taxes payable	259,143	291,394	43,573	28,405	20,908	18,182	18,354	18,102	18,805	18,048
Net cash provided by operations	\$ (2,609,955)	\$ (662,097)	\$ 2,573,281	\$ 5,343,139	\$ 7,048,454	\$ 8,525,222	\$ 9,787,439	\$ 10,912,068	\$ 12,103,416	\$ 13,279,976
Cash Provided By (Used In) Investing Activities										
Additions to plant	(21,636,469)	(25,003,126)	(4,532,993)	(2,585,228)	(1,856,321)	(1,590,542)	(1,595,646)	(1,576,587)	(1,635,536)	(1,574,194)
Net cash provided by investing activities	\$ (21,636,469)	\$ (25,003,126)	\$ (4,532,993)	\$ (2,585,228)	\$ (1,856,321)	\$ (1,590,542)	\$ (1,595,646)	\$ (1,576,587)	\$ (1,635,536)	\$ (1,574,194)
Cash Provided By (Used In) Financing Activities										
Long-term borrowings	\$ 53,999,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payment of principal on long term debt	-	(1,610,000)	(1,710,000)	(1,810,000)	(1,920,000)	(2,030,000)	(2,160,000)	(2,280,000)	(2,420,000)	(2,570,000)
Investment by JEA	3,000,000	-	-	-	-	-	-	-	-	-
Investment by investment group	3,000,000	-	-	-	-	-	-	-	-	-
Payment of dividends to JEA	-	-	-	(324,180)	(496,300)	(1,327,898)	(2,130,586)	(2,739,616)	(3,274,393)	(3,770,745)
Payment of dividends to investment group	-	-	-	(324,180)	(496,300)	(1,327,898)	(2,130,586)	(2,739,616)	(3,274,393)	(3,770,745)
Net cash provided by financing activities	\$ 59,999,340	\$ (1,610,000)	\$ (1,710,000)	\$ (2,458,361)	\$ (2,912,601)	\$ (4,685,797)	\$ (6,421,172)	\$ (7,759,232)	\$ (8,968,787)	\$ (10,111,491)
Net Increase (Decrease) in Cash	35,752,916	(27,275,224)	(3,669,712)	299,551	2,279,532	2,248,884	1,770,622	1,576,249	1,499,093	1,594,291
Cash beginning of year	-	35,752,916	8,477,693	4,807,981	5,107,532	7,387,063	9,635,947	11,406,569	12,982,818	14,481,911
Cash end of year	\$ 35,752,916	\$ 8,477,693	\$ 4,807,981	\$ 5,107,532	\$ 7,387,063	\$ 9,635,947	\$ 11,406,569	\$ 12,982,818	\$ 14,481,911	\$ 16,076,202

Jackson Energy Authority
 FTH Broadband Financial Projections - 2002
 Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Revenue										
Cable television sales revenue	\$ 1,031,217	\$ 3,464,659	\$ 5,467,712	\$ 6,399,871	\$ 6,907,899	\$ 7,383,207	\$ 7,837,831	\$ 8,292,902	\$ 8,800,486	\$ 9,309,713
Telephone revenue	485,318	2,897,652	5,904,943	7,901,634	9,233,593	10,251,781	11,059,324	11,714,901	12,386,601	13,004,543
Data revenue	136,448	679,851	1,424,799	2,067,311	2,598,610	2,930,232	3,163,211	3,447,971	3,750,242	4,083,538
Advertising revenue	-	80,000	250,000	380,000	420,000	432,600	445,578	458,945	472,714	486,895
Total operating revenue	\$ 1,652,983	\$ 7,122,162	\$ 13,047,454	\$ 16,748,817	\$ 19,160,103	\$ 20,997,820	\$ 22,505,944	\$ 23,914,719	\$ 25,410,043	\$ 26,884,689
Operating Expense										
Programming expense	\$ 384,717	\$ 1,337,845	\$ 2,181,999	\$ 2,635,770	\$ 2,941,270	\$ 3,169,989	\$ 3,390,483	\$ 3,612,804	\$ 3,862,948	\$ 4,115,795
Long distance and access fees	133,146	447,439	858,228	1,147,827	1,357,114	1,498,205	1,611,513	1,705,597	1,802,309	1,891,463
Operating and Maintenance expense	2,565,266	3,735,791	4,144,574	4,382,995	4,651,830	4,838,165	4,950,689	5,118,126	5,275,269	5,436,511
Depreciation	844,855	2,429,585	3,462,097	3,761,921	3,934,044	4,059,033	4,175,417	4,293,236	4,413,433	4,533,660
Property taxes and tax equivalents	259,143	550,536	594,109	622,514	643,422	661,604	679,958	698,060	716,865	734,914
Total operating expense	\$ 4,187,126	\$ 8,501,196	\$ 11,241,007	\$ 12,551,027	\$ 13,527,681	\$ 14,226,997	\$ 14,808,060	\$ 15,427,823	\$ 16,070,824	\$ 16,712,343
Operating Income	\$ (2,534,143)	\$ (1,379,034)	\$ 1,806,447	\$ 4,197,789	\$ 5,632,422	\$ 6,770,823	\$ 7,697,884	\$ 8,486,896	\$ 9,339,219	\$ 10,172,346
Other income										
Interest income	2,405,551	1,691,069	476,439	376,310	413,432	519,479	624,834	710,464	792,476	869,396
Total other income	2,405,551	1,691,069	476,439	376,310	413,432	519,479	624,834	710,464	792,476	869,396
Other expense										
Interest expense	3,262,800	3,262,800	3,166,200	3,063,600	2,955,000	2,839,800	2,718,000	2,588,400	2,451,600	2,306,400
Amortization of debt expense	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033
Total other expense	3,281,833	3,281,833	3,185,233	3,082,633	2,974,033	2,858,833	2,737,033	2,607,433	2,470,633	2,325,433
Net Income	\$ (3,410,425)	\$ (2,969,798)	\$ (902,348)	\$ 1,491,466	\$ 3,071,820	\$ 4,431,469	\$ 5,585,684	\$ 6,589,927	\$ 7,661,062	\$ 8,716,310

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Source of Funds

Sources of Funds:

Revenue bond issue at par	\$ 54,380,000
Investment by JEA	3,000,000
Investment by Investors	3,000,000
Total sources	<u>60,380,000</u>

Uses of Funds

Deposit to cash account	59,999,340	
Bond underwriter's discount	271,900	0.50%
Bond issuance expense	108,760	0.20%
Total uses	<u>\$ 60,380,000</u>	

Amortization of Bond Issue

Coupon rate 6.00%
Term 20 years

				Amortization of	
Period	Interest	Principal	Total	Balance	Debt Expense
Year 1	\$ 3,262,800	-	\$ 3,262,800	\$ 54,380,000	\$ 19,033
Year 2	3,262,800	1,610,000	4,872,800	52,770,000	19,033
Year 3	3,166,200	1,710,000	4,876,200	51,060,000	19,033
Year 4	3,063,600	1,810,000	4,873,600	49,250,000	19,033
Year 5	2,955,000	1,920,000	4,875,000	47,330,000	19,033
Year 6	2,839,800	2,030,000	4,869,800	45,300,000	19,033
Year 7	2,718,000	2,160,000	4,878,000	43,140,000	19,033
Year 8	2,588,400	2,280,000	4,868,400	40,860,000	19,033
Year 9	2,451,600	2,420,000	4,871,600	38,440,000	19,033
Year 10	2,306,400	2,570,000	4,876,400	35,870,000	19,033
Year 11	2,152,200	2,720,000	4,872,200	33,150,000	19,033
Year 12	1,989,000	2,880,000	4,869,000	30,270,000	19,033
Year 13	1,816,200	3,060,000	4,876,200	27,210,000	19,033
Year 14	1,632,600	3,240,000	4,872,600	23,970,000	19,033
Year 15	1,438,200	3,440,000	4,878,200	20,530,000	19,033
Year 16	1,231,800	3,640,000	4,871,800	16,890,000	19,033
Year 17	1,013,400	3,860,000	4,873,400	13,030,000	19,033
Year 18	781,800	4,090,000	4,871,800	8,940,000	19,033
Year 19	536,400	4,340,000	4,876,400	4,600,000	19,033
Year 20	276,000	4,600,000	4,876,000	-	19,033

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

PLAN OF FINANCING OVERVIEW

I. PLAN OF FINANCING OVERVIEW

The Business Plan anticipates that the Jackson Energy Authority, ("the AUTHORITY") will issue taxable revenue bonds to capitalize the construction of the proposed broadband network. The Business Plan anticipates that the revenue bonds will be secured by the assets of the broadband network, the revenues of the project, and the AUTHORITY.

II. REVENUE BOND ISSUE SOURCES AND USES STATEMENT

The following Revenue Bond Issue Sources and Uses Statement sets forth the details of revenue bonds to be issued by the AUTHORITY to capitalize the Broadband Network infrastructure as contemplated in the Broadband Business Plan Financial Projections. A significant and sufficient amount of detail required to evaluate the financial feasibility of the project can be found in the Broadband Business Plan Financial Projections. The Financial Projections include details, which substantiate all elements of the Revenue Bond Issue Sources and Uses Statement set forth herein.

Should the AUTHORITY elect to proceed with the implementation of the Broadband Business Plan, it is anticipated that the AUTHORITY will research financing options, the final terms of which, can then be incorporated in the financial projections included as part of this Broadband Business Plan.

III. REVENUE BOND DEBT SERVICE SCHEDULE

A revenue bond debt service schedule is attached hereto. The debt service schedule assumes an interest only period of one (1) year as allowed under applicable Tennessee statutes and an amortization period of twenty (20) years beginning in year two (2). The debt service schedule also assumes a net interest cost of six percent (6%). As stated previously, interest rates change frequently and are subject to market conditions.

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Source of Funds

Sources of Funds:

Revenue bond issue at par	\$ 54,380,000
Investment by JEA	3,000,000
Investment by Investors	3,000,000
Total sources	<u>60,380,000</u>

Uses of Funds

Deposit to cash account	59,999,340	
Bond underwriter's discount	271,900	0.50%
Bond issuance expense	108,760	0.20%
Total uses	<u>\$ 60,380,000</u>	

Amortization of Bond Issue

Coupon rate 6.00%
Term 20 years

				Amortization of	
Period	Interest	Principal	Total	Balance	Debt Expense
Year 1	\$ 3,262,800	-	\$ 3,262,800	\$ 54,380,000	\$ 19,033
Year 2	3,262,800	1,610,000	4,872,800	52,770,000	19,033
Year 3	3,166,200	1,710,000	4,876,200	51,060,000	19,033
Year 4	3,063,600	1,810,000	4,873,600	49,250,000	19,033
Year 5	2,955,000	1,920,000	4,875,000	47,330,000	19,033
Year 6	2,839,800	2,030,000	4,869,800	45,300,000	19,033
Year 7	2,718,000	2,160,000	4,878,000	43,140,000	19,033
Year 8	2,588,400	2,280,000	4,868,400	40,860,000	19,033
Year 9	2,451,600	2,420,000	4,871,600	38,440,000	19,033
Year 10	2,306,400	2,570,000	4,876,400	35,870,000	19,033
Year 11	2,152,200	2,720,000	4,872,200	33,150,000	19,033
Year 12	1,989,000	2,880,000	4,869,000	30,270,000	19,033
Year 13	1,816,200	3,060,000	4,876,200	27,210,000	19,033
Year 14	1,632,600	3,240,000	4,872,600	23,970,000	19,033
Year 15	1,438,200	3,440,000	4,878,200	20,530,000	19,033
Year 16	1,231,800	3,640,000	4,871,800	16,890,000	19,033
Year 17	1,013,400	3,860,000	4,873,400	13,030,000	19,033
Year 18	781,800	4,090,000	4,871,800	8,940,000	19,033
Year 19	536,400	4,340,000	4,876,400	4,600,000	19,033
Year 20	276,000	4,600,000	4,876,000	-	19,033

EXHIBIT 7

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

**AS SET FORTH IN THE GUIDELINES FOR BUSINESS PLAN TO
BE PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE
CABLE, TWO-WAY VIDEO, VIDEO PROGRAMMING, INTERNET,
OR SIMILAR SERVICES**

NEW ISSUE-BOOK-ENTRY ONLY

Moody's: Aaa/VMIG 1 (Gas Bonds)
Moody's: Aaa/VMIG 1 (Electric Bonds)
(See "RATING" herein)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and Tennessee franchise and excise taxes.

\$11,200,000

The City of Jackson, Tennessee

\$5,600,000

Gas System Revenue Bonds, Series 2000

\$5,600,000

Electric System Revenue Bonds, Series 2000

Dated: Date of Issuance

Gas Bonds CUSIP: 468739 AA 5

Electric Bonds CUSIP: 468738 DV 8

Due November 1, 2026

Due November 1, 2026

Price: 100%

The \$5,600,000 Gas Revenue Bonds, Series 2000 (the "Series 2000 Gas Bonds") are being issued by the City of Jackson, Tennessee (the "City") to finance the acquisition and expansion of and improvements to the City's gas system (the "Gas System") pursuant to a Resolution adopted by the City on November 7, 2000 (the "Gas System Resolution").

The \$5,600,000 Electric System Revenue bonds, Series 2000 (the "Series 2000 Electric Bonds") are being issued by the City to finance the expansion of and improvements to the City's electric power distribution system and electric plant (the "Electric System") pursuant to a Resolution adopted by the City on November 7, 2000 (the "Electric System Resolution").

The Series 2000 Gas Bonds and the Series 2000 Electric Bonds may be collectively referred to herein as the "Bonds."

The Series 2000 Gas Bonds will be payable solely from, and are secured by, a pledge of the Net Revenues (as defined herein) of the Gas System, on an equality and parity of lien with respect to other obligations of the Gas System. See "The Bonds - Parity Bonds" herein. The Series 2000 Gas Bonds also will be payable from an irrevocable direct-pay Letter of Credit (the "Gas System Credit Facility") issued by

SunTrust Bank

(the "Credit Provider"). The Gas System Credit Facility will expire, unless earlier terminated or unless renewed or extended, on November 15, 2010. The Gas System Credit Facility may be replaced by a substitute irrevocable Credit Facility (the "Gas System Substitute Credit Facility") under the terms and conditions set forth in the Gas System Resolution.

The Series 2000 Electric Revenue Bonds will be payable solely from, and are secured by a pledge of the Net Revenues of the Electric System on an equality and parity of lien with respect to other obligations of the Electric System. See "The Bonds - Parity Bonds" herein. The Series 2000 Electric Bonds also will be payable from an irrevocable direct-pay Letter of Credit (the "Electric System Credit Facility") issued by SunTrust Bank as the Credit Provider. The Electric System Credit Facility will expire, unless earlier terminated or unless renewed or extended, on November 15, 2010. The Electric System Credit Facility may be replaced by a substitute irrevocable Credit Facility (the "Electric System Substitute Credit Facility") under the terms and conditions set forth in the Electric System Resolution.

The Gas System Credit Facility and the Electric System Credit Facility may be referred to herein collectively as the "Credit Facility." The Gas System Substitute Credit Facility and the Electric System Substitute Credit Facility may be referred to herein collectively as the "Substitute Credit Facility."

The Gas System Resolution and the Electric System Resolution may be collectively referred to herein as the "Resolutions."

THE SERIES 2000 GAS BONDS AND THE SERIES 2000 ELECTRIC BONDS ARE SEPARATE AND DISTINCT LIMITED OBLIGATIONS OF THE CITY, ISSUED PURSUANT TO SEPARATE RESOLUTIONS OF THE CITY. EACH OF THE SERIES 2000 GAS BONDS AND THE SERIES 2000 ELECTRIC BONDS ARE SECURED BY SEPARATE PLEDGES OF NET REVENUES AND SEPARATE CREDIT FACILITIES AS DESCRIBED HEREIN. THE BONDS ARE NOT CROSS-COLLATERALIZED OR CROSS-DEFAULTED. EACH OF THE SERIES 2000 GAS BONDS AND THE SERIES 2000 ELECTRIC BONDS ARE OFFERED HEREIN SEPARATELY TO PURCHASERS. THE GAS SYSTEM CREDIT FACILITY WILL NOT SERVE AS A CREDIT FACILITY WITH RESPECT TO THE SERIES 2000 ELECTRIC BONDS AND THE ELECTRIC SYSTEM CREDIT FACILITY WILL NOT SERVE AS A CREDIT FACILITY WITH RESPECT TO THE SERIES 2000 GAS BONDS.

Each issue of the Bonds initially will bear interest at the Short Term Rate, as more fully described herein, determined on the first day of each Interest Period (as defined herein), and payable on the first business day of each month, or on the first business day of each Interest Period, if such Interest Period is longer than a month, commencing January 2, 2001. The Short Term Rate will be determined by SunTrust Equitable Securities Corporation, as Remarketing Agent, on the basis of prevailing financial market conditions, and the duration of each Interest Period will be determined at the election of the Jackson Utility Division (the "Division") on behalf of the City, subject to certain conditions set forth in the respective Resolutions of the City. The Interest Period initially will be one week in duration.

Bonds bearing interest at the Short Term Rate or the Commercial Paper Rate will be issuable as fully registered Bonds in denominations of \$100,000 each and integral multiples of \$5,000 in excess thereof, except that it shall be permissible for one Series 2000 Electric Bond and one Series 2000 Gas Bond to be in a denomination of less than \$100,000 (but an integral multiple of \$5,000) as a result of partial redemption. The Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust City, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases will be made in book-entry only form and no physical delivery of the Bonds will be made to Beneficial Owners (as herein defined). Payment of principal of and premium, if any, on the Bonds will be made to Beneficial Owners by DTC through its Participants (as herein defined). As long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the holders of the Bonds or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "THE BONDS - Book-Entry Only System" herein.

The Bonds are subject to redemption, purchase, and tender as provided in the respective Resolutions and as described herein.

THE CITY SHALL NOT BE OBLIGATED TO PAY THE BONDS OR THE INTEREST THEREON EXCEPT FROM THE NET REVENUES ON A PARITY WITH OTHER PARITY BONDS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OR OF THE STATE OF TENNESSEE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. The Bonds are offered subject to prior sale, when, as and if issued by the City, subject to the approving opinions of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by its Counsel, Lewis Cobb, Esq., Jackson, Tennessee; for the Division by its counsel George O. Benton, Jackson, Tennessee; for the Credit Provider, as Issuer of the Credit Facilities, by its Counsel, Farris, Warfield & Kanaday PLC, Nashville, Tennessee and for the Underwriter by its counsel, Farris, Warfield & Kanaday, PLC, Nashville, Tennessee.

SunTrust Equitable Securities

November 30, 2000

**THE CITY OF JACKSON, TENNESSEE
MAYOR - CITY COUNCIL**

Charles H. Farmer
Mayor

City Council

Maurice Hays
John Bannister
Jessie D. Jacox

Charles Bray
Kenny Holt
Johnny Dodd

Harvey Buchanan
David Cisco
James E. Wolfe, Jr.

**JACKSON UTILITY DIVISION
BOARD OF UTILITY COMMISSIONERS**

Sarah T. Barnes
Chair

Joe Bigford
Vice Chair

Harbert Alexander

Sidney Wilson, Jr.

Lloyd McKelvey

Division Management

John W. Williams
President and CEO

Charles Crockarell
Senior Vice President
Gas System

Danny Wheeler
Senior Vice President
Electric System

City Attorney
Lewis Cobb, Esq.
Jackson, Tennessee

General Counsel
Jackson Utility Division
George O. Benton, Esq.
Jackson, Tennessee

Certified Public Accountant
Crain & Company, PLC
Jackson, Tennessee

Registration Agent
SunTrust Bank
Nashville, Tennessee

Bond Counsel
Bass, Berry & Sims PLC
Nashville, Tennessee

Underwriter Counsel
Farris, Warfield & Kanaday, PLC
Nashville, Tennessee

\$11,200,000
City of Jackson, Tennessee

\$5,600,000
Gas System Revenue Bonds, Series 2000

\$5,600,000
Electric System Revenue Bonds, Series 2000

INTRODUCTORY STATEMENT

This Official Statement is provided to furnish certain information in connection with the original issuance and sale by the City of Jackson, Tennessee (the "City") of \$5,600,000 in aggregate principal amount of its Gas System Revenue Bonds, Series 2000 (the "Series 2000 Gas Bonds") and the City's \$5,600,000 Electric System Revenue Bonds, Series 2000 (the "Series 2000 Electric Bonds"). Although, the Series 2000 Gas Bonds and the Series 2000 Electric Bonds are separate and distinct limited obligations of the City and are offered separately, they may be collectively referred to herein as the "Bonds."

The Series 2000 Gas Bonds will be issued under a Resolution adopted by the City on November 7, 2000 (the "Gas System Resolution"). The Series 2000 Electric Bonds will be issued under a Resolution adopted by the City on November 7, 2000 (the "Electric System Resolution"). Although, the Gas System Resolution and the Electric System Resolutions are separate and distinct undertakings and limited obligations of the City, they may be collectively referred to herein as the "Resolution" or the "Resolutions." The Bonds will be limited obligations of the City as described under the caption "THE BONDS -- Limited Obligations." Each of the Resolutions appoints SunTrust Bank as Registration Agent for the respective Bonds. See further description under the caption "THE REGISTRATION AGENT."

Concurrently with, and as a condition to, the issuance of each of the Bonds, the City will cause SunTrust Bank, Atlanta, Georgia (the "Credit Provider"), to deliver to the Registration Agent separate irrevocable direct-pay Letters of Credit as security for the Series 2000 Gas Bonds (the "Gas System Credit Facility") and as security for the Series 2000 Electric Bonds (the "Electric System Credit Facility"). Although each Credit Facility is a separate and distinct obligation of the Credit Provider, the Gas System Credit Facility and the Electric System Credit Facility may be referred to herein collectively as the "Credit Facilities". The Registration Agent will be entitled under each of the Credit Facilities to draw amounts up to (a) the principal amount of the Bonds or the portion of the Purchase Price of the Bonds corresponding to the principal of such Bonds and (b) up to 50 days' accrued interest on the Bonds (at a maximum rate of 13% per annum) or that portion of the Purchase Price of the Bonds corresponding to the accrued interest thereon. The Gas System Credit Facility will be issued pursuant to a Letter of Credit Agreement, dated as of November 1, 2000, between the City and the Credit Provider (the "Gas System Credit Agreement"). The Electric System Credit Facility will be issued pursuant to a Letter of Credit Agreement dated November 1, 2000 between the City and the Credit Provider (the "Electric System Credit Agreement(s)"). The Credit Facilities are further described under the caption "THE CREDIT FACILITIES." The Gas System Credit Agreement and the Electric System Credit Agreement may be collectively referred to herein as the "Credit Agreement". The City will agree in the Credit Agreements to reimburse the Credit Provider for drawings made under the respective Credit Facilities and to make certain other payments.

THE SERIES 2000 GAS BONDS AND THE SERIES 2000 ELECTRIC BONDS ARE SEPARATE AND DISTINCT LIMITED OBLIGATIONS OF THE CITY, ISSUED PURSUANT TO SEPARATE RESOLUTIONS OF THE CITY. EACH OF THE SERIES 2000 GAS BONDS AND THE SERIES 2000 ELECTRIC BONDS ARE SECURED BY SEPARATE PLEDGES OF NET REVENUES FROM THE GAS-SYSTEM AND ELECTRIC SYSTEM, RESPECTIVELY,

The members of the Board are elected by the City Council upon recommendation of the Mayor. One member is elected each year to a five year term beginning on July 1.

The present Board, their terms of office and their occupation are as follows:

<u>Commissioners</u>	<u>Term Expires</u>	<u>Occupation</u>
Sarah T. Barnes, Chair	June 30, 2003	Retired School Teacher
Joe Bigford, Vice Chair	June 30, 2005	President, City Concrete Company
Harbert Alexander	June 30, 2002	President, Union Planters Bank (Jackson)
Sydney Wilson, Jr.	June 30, 2001	President, Wilson Automotive Group, Inc.
Lloyd McKelvey	June 30, 2004	President, Mack Pest Control

* The Chair is elected annually by the members of the Board.

The Credit Provider does not control the City, either directly or indirectly through one or more controlled companies, within the meaning of Section 2(a)(9) of the Investment Company Act of 1940. Likewise, the City does not control the Credit Provider, either directly or indirectly through one or more controlled companies, within the meaning of Section 2(a)(9) of the Investment Company Act of 1940.

THE SYSTEMS

Gas System

The original Gas System was purchased from the West Tennessee Gas Company in 1959, and has been expanded and upgraded by the Division since that time. At present, the Gas System consists of over 1,129 miles of distribution lines ranging in sizes from ½-inch to 16-inches. The distribution network provides natural gas service to the City and adjacent areas of Madison County with 26,199 metered customers as of June 30, 2000.

Williams-SouthCentral (Texas Gas Transportation Corporation) provides pipeline transportation, up to a maximum of 44,730 MMBtu's per day, and storage service through multiple service agreements at four delivery points into the Gas System. The gas is then distributed and regulated through 26 regulator stations as pressures ranging from 450 psig to .25 psig.

The Gas System includes ten (10) buildings, which are used for administrative and operational purposes and propane-air gas production plant that has a total storage capacity of 600,000 gallons of liquefied propane gas. The propane-air gas is produced to supplement the Division's natural gas supply whenever the Gas System demand exceeds maximum contract demand pursuant to the service agreements with Williams-SouthCentral.

The Gas System currently receives its gas supply through the Tennergy Corporation, an energy acquisition corporation, owned by the Gas System, as well as Brownsville Utility Department, Brownsville, Tennessee and Humboldt Utility Department, Humboldt, Tennessee. Tennergy provides gas supply acquisition and pipeline capacity management service to the Gas System, as well as seventeen other municipal gas systems and nine industrial customers.

The Series 2000 Gas Bonds shall be payable solely from and be secured by a pledge of the Net Revenues of the Gas System as provided in the Gas System Resolution on a parity and equality of lien with the Gas System Parity Bonds. The Owners of the Series 2000 Gas Bonds shall have no recourse to the power of taxation of the City. The Series 2000 Gas Bonds are also payable from payments made pursuant to the Gas System Credit Facility.

The Series 2000 Electric Bonds shall be payable solely from and be secured by a pledge of the Net Revenues of the Electric System as provided in the Electric System Resolution on a parity and equality of lien with the Electric System Parity Bonds. The Owners of the Series 2000 Electric Bonds shall have no recourse to the power of taxation of the City. The Series 2000 Electric Bonds are also payable from payments made pursuant to the Electric System Credit Facility.

General Definitions

The following definitions shall apply to the terms used in this Official Statement:

"Bond Register" means the books of the City kept by the Registration Agent to evidence the registration and transfer of the Bonds.

"Business Day" means a day on which the Registration Agent, the Credit Provider and banks located in Atlanta, Georgia are required or permitted by law to be open for the purpose of conducting a banking business.

"Calculation Period" means any period or periods comprised of up to 270 days, as established by the Remarketing Agent pursuant to the Resolution.

"Commercial Paper Interest Payment Date" means, with respect to any Bond, the first day after the end of any Calculation Period.

"Commercial Paper Period" means any period where one or more Calculation Periods have been established pursuant to the Resolution.

"Commercial Paper Rate" means the interest rate or rates borne by the Bonds during the Commercial Paper Period established pursuant to the Resolution.

"Conversion Date" means the date on which the interest rate on the Bonds is converted from one type of Interest Period to another type of Interest Period, which date shall be an Interest Payment Date that is at least six months after the date of issuance of the Bonds or the last preceding Conversion Date.

"Conversion Option" means the option granted to the City in each of the Resolutions to convert from one type of Interest Period to another type of Interest Period.

"Credit Agreement(s)" means collectively the Gas System Credit Agreement and the Electric System Credit Agreement each dated as of November 1, 2000 between the City and the initial Credit Provider and any amendments or supplements thereto, together with any letter of credit, reimbursement or similar agreement between the City and any subsequent Credit Providers, and any amendments and supplements thereto.

"Credit Agreement Default Notice" shall mean a written notice from the Credit Provider to the Registration Agent (i) within five days following a drawing under the Credit Facility to pay interest or the portion of the purchase price corresponding to interest on the Bonds, that the Credit Facility will not be reinstated (in respect of interest) to an amount equal to at least 50 days' interest on all outstanding Bonds or (ii) that an event of default has occurred under the Credit Agreement.

"Gas System Letter of Credit" means that certain Letter of Credit dated the date of issuance of the Series 2000 Gas Bonds, issued by SunTrust Bank.

"Interest Payment Date" means each Short Term Interest Payment Date, each Commercial Paper Interest Payment Date and each Long Term Interest Payment Date.

"Interest Period" means each Short Term Period, Commercial Paper Period and Long Term Period.

"Letters of Credit" or "Letter of Credit" means collectively the Electric System Letter of Credit and the Gas System Letter of Credit.

"Long Term Interest Payment Date" means (a) the first day of the sixth calendar month after the beginning of the Long Term Period and the first day of each sixth calendar month thereafter until the end of the Long Term Period, (b) any redemption date with respect to the Bonds, and (c) the maturity date of the Bonds.

"Long Term Period" means any period of time that begins on the first day of a calendar month and ends on a specified date that is the last day of any calendar month that is an integral multiple of 12 calendar months from the beginning of such Long Term Period or the maturity of the Bonds, as determined by the City.

"Long Term Rate" means the interest rate borne by the Bonds during any Long Term Period established pursuant to the respective Resolutions.

"Mandatory Purchase Date" means (a) each Conversion Date, (b) each Short Term Adjustment Date, (c) each day immediately following the end of a Calculation Period, (d) the first day of any Long Term Period, (e) the Interest Payment Date immediately before the Credit Facility Termination Date (provided, that such Interest Payment Date shall precede the Credit Facility Termination Date by not less than two (2) Business Days), (f) the Interest Payment Date concurrent with the effective date of a Substitute Credit Facility, and (g) five (5) days after the delivery to the Registration Agent of a Credit Agreement Default Notice.

"Maximum Rate" means an interest rate per annum equal to the lesser of the maximum rate permitted by law and 13%. The Maximum Rate may be adjusted, after the date of initial issuance and delivery of the Bonds, provided that (a) such Maximum Rate shall at no time exceed the maximum rate permitted by law, and (b) such adjustment to the Maximum Rate shall not become effective unless and until the Registration Agent shall receive (i) satisfactory evidence that the stated amount of the Credit Facility (if any) has been adjusted to reflect the adjusted Maximum Rate and (ii) an opinion of Bond Counsel satisfactory to the Registration Agent to the effect that such adjustment will not adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes.

"Net Revenues" for each respective System shall mean Revenues, excluding any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets; less Current Expenses.

"Purchase Price" means an amount equal to 100% of the principal amount of any Bond tendered or deemed tendered pursuant to the applicable Resolution, plus, in the accrued and unpaid interest thereon to the date of purchase.

"Record Date" means (a) so long as the Bonds bear interest at the Short Term or Commercial Paper Rate, that day which is the Business Day next preceding any Interest Payment Date, and (b) so long as the Bonds bear interest at the Long Term Rate, the 15th day of the calendar month next preceding any Interest Payment Date.

"State" means the State of Tennessee.

"Substitute Credit Facility" means a letter of credit, line of credit, insurance policy or other credit facility securing the payment of the principal and Purchase Price of, redemption premium (if any) and interest on the applicable Bonds, delivered to the Registration Agent in accordance with the applicable Resolution.

"Tender Date" means (a) during any Short Term Period of other than one weeks' duration, any Interest Payment Date, and (b) during any Short Term Period of one weeks' duration, the seventh (7th) day (unless such day is not a Business Day, in which case the next succeeding Business Day) following receipt by the Registration Agent of notice from the Owner that such Owner has elected to tender bonds (as more fully described in each of the respective Resolutions).

Short Term Period

(a) From the date of issuance of the Bonds until the next following Conversion Date and from any subsequent Conversion Date after which the Bonds will bear interest at a Short Term Rate until the next following Conversion Date, the Bonds shall bear interest at a Short Term Rate, as hereinafter described.

(b) The Short Term Rate for each Short Term Period will be determined by the Remarketing Agent on the first day of each Short Term Period, as follows: the interest rate for each Short Term Period shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Bonds at a price of Par on such date. Upon determining the Short Term Rate for each Short Term Period, the Remarketing Agent shall notify the Registration Agent and the City of such rate by telephone or such other manner as may be appropriate by not later than 2:00 P.M. New York City time on the date of such determination, which notice shall be promptly confirmed in writing. No Short Term Rate shall be determined for a Short Term Period beginning on or after the Business Day immediately preceding an Interest Payment Date, and the Bonds shall bear interest during such Short Term Period at the rate in effect for the immediately preceding Short Term Period.

(c) The City is authorized to adjust the duration of the Short Term Period. In that connection, the City shall instruct the Remarketing Agent, not later than the 20th day prior to the Short Term Adjustment Date, to determine the Short Term Rate on the basis of a Short Term Period of one week, one calendar month, three calendar months or six calendar months. In the event the City elects to adjust the duration of the Short Term Period, the City shall notify the Registration Agent in writing, on the date such instruction is provided to the Remarketing Agent, of such an election with respect to the Short Term Period and of the Short Term Adjustment Date on which such new Short Term Period shall commence, and if such Short Term Period is to be a Credit Facility Period, shall also furnish to the Registration Agent, with such notification, the Credit Facility. The duration of the Short Term Period may be adjusted effective only on the day following the last day of the preceding Short Term Period; provided, however, that a Short Term Period of one week's duration may be adjusted to any other authorized duration only on the first day of each calendar month. In the event the duration of the Short Term Period is to be adjusted from one week to another authorized duration for a Short Term Period (pursuant to the Resolutions) or if the Conversion Option has been exercised, and the expiration of the last Short Term Period prior to the first day of the calendar month does not occur on the last day of a calendar month, then in such event the duration of such Short Term Period shall be increased or decreased at the discretion of the Remarketing Agent, by not more than six (6) days, in order to cause the expiration of such Interest Period to occur on the last day of the calendar month.

(d) If the City has exercised the Conversion Option to convert the Bonds to a Short Term Period, the City shall instruct the Remarketing Agent, not later than the 20th day prior to the Conversion

Long Term Period

(a) From any Conversion Date after which the Bonds will bear interest at a Long Term Rate until the next following Conversion Date or the maturity date of the Bonds, the Bonds will bear interest at a Long Term Rate, as hereinafter described.

(b) The Long Term Rate for each Long Term Period will be determined by the Remarketing Agent, as follows: the interest rate for each Long Term Period shall be established at a rate equal to the interest rate per annum that, in the sole judgment of the Remarketing Agent, taking into account prevailing financial market conditions, would be the minimum interest rate required to sell the Bonds at a price of Par on the date on which the Long Term Period begins. The Long Term Rate shall be determined by the Remarketing Agent not later than the fifth day preceding the commencement of such Long Term Period, and the Remarketing Agent shall notify the Registration Agent and the City thereof by telephone or such other manner as may be appropriate by not later than 2:00 P.M. New York City time on such date, which notice shall be promptly confirmed in writing.

(c) The City is authorized to adjust the duration of each Long Term Period. In that connection, the City shall instruct the Remarketing Agent, not later than the 20th day prior to the commencement of such Long Term Period, to determine the Long Term Rate on the basis of a Long Term Period ending on a specified date that is the last day of any calendar month that is an integral multiple of 12 calendar months from the beginning of such Long Term Period or the maturity of the Bonds. In the event the City elects at the end of a Long Term Period to have another Long Term Period applicable to the Bonds, the City shall notify the Registration Agent and the Remarketing Agent in writing, not later than the 20th day prior to the commencement of such new Long Term Period, of such an election with respect to the Long Term Period and of the date on which such new Long Term Period shall begin, and shall furnish to the Registration Agent, with such notification, an opinion of Bond Counsel to the effect that such election of such Long Term Period will not adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Bonds. The delivery by the City to the Registration Agent of a letter from Bond Counsel confirming the opinion accompanying the City notification described above on the first day of such Long Term Period is a condition precedent to the beginning of such Long Term Period. In the event that the City fails to deliver to the Registration Agent the letter of Bond Counsel referred to in the preceding sentence, the Bonds shall be deemed to be in a Short Term Period of one week's duration and the Short Term Rate shall be 70% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the day on which the Long Term Rate on the Bonds was to be set.

(d) The determination of the Long Term Rate (absent manifest error) shall be conclusive and binding upon the City, the Registration Agent, the Credit Provider (if any), and the Owners of the Bonds. If for any reason the Remarketing Agent shall fail to establish the Long Term Rate for any Long Term Period, the Bonds shall be deemed to be in a Short Term Period of one week's duration and the Short Term Rate shall be 70% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the day on which the Long Term Rate on the Bonds was to be set.

Conversion Option

(a) The City shall have the option (the "Conversion Option") to direct a change in the type of Interest Period to another type of Interest Period by delivering to the Registration Agent and the Remarketing Agent written instructions setting forth (i) the Conversion Date, (ii) the new type of Interest Period, (iii) if the new type of Interest Period is a Short Term Period or a Long Term Period, the duration of such period and (iv) whether such Interest Period will be a Credit Facility Period. If the new Interest Period is a Long Term Period and will be a Credit Facility Period, such instructions will be accompanied by a Substitute Credit Facility or by an amendment to the existing Credit Facility, providing for the

(a) While not in book-entry only form:

(i) delivery to the Registration Agent at its Principal Office and to the Remarketing Agent at its Principal Office of a written notice (said notice to be irrevocable and effective upon receipt) which (1) states the aggregate principal amount and Bond numbers of the Bonds to be purchased; and (2) states the date on which such Bonds are to be purchased, which date shall be a Tender Date not prior to the seventh day next succeeding the date of delivery of such notice; and

(ii) delivery to the Registration Agent at its Delivery Office at or prior to 10:00 A.M. New York City time on the date designated for purchase in the notice described in (i) above of such Bonds to be purchased, with an appropriate endorsement for transfer or accompanied by a bond power endorsed in blank.

(b) While in book-entry only form, the ownership interest of any Beneficial Owner of a Bond or portion thereof in an authorized denomination shall be purchased at the Purchase Price if such Beneficial Owner causes the Participant through whom such Beneficial Owner holds such Bonds to (i) deliver to the Registration Agent at its Principal Office and to the Remarketing Agent at its Principal Office a notice which (1) states the aggregate amount of the beneficial ownership interest to be purchased, and (2) states the date on which such beneficial interest is to be purchased, which date shall be a Tender Date not prior to the seventh day next succeeding the date of delivery of such notice; and (ii) on the same date as delivery of the notice referred to in (i) above, deliver a notice to DTC irrevocably instructing it to transfer on the registration books of DTC the beneficial ownership interests in such Bond or portion thereof to the account of the Registration Agent, for settlement on the purchase date on a "free delivery" basis, with a copy of such notice delivered to the Registration Agent on the same date.

Funds for Purchase of Bonds

On the date Bonds are to be purchased pursuant to either the Mandatory Purchase provisions or the Demand Purchase Option provisions set forth above, such Bonds shall be purchased at the Purchase Price only from the funds listed below. Subject to the provisions of the respective Resolutions, funds for the payment of the Purchase Price shall be derived from the following sources in the order of priority indicated:

(a) the proceeds of the sale of such Bonds which have been remarketed by the Remarketing Agent and which proceeds are on deposit with the Registration Agent prior to 12:00 Noon New York City time on the Business Day preceding the date such Bonds are to be purchased but, during any Credit Facility Period, only if such Bonds were purchased by an entity other than the City;

(b) moneys drawn by the Registration Agent under the applicable Credit Facility, during any Credit Facility Period, pursuant to the terms of the respective Resolutions;

(c) any other moneys furnished to the Registration Agent and available for such purpose.

Debt Service Reserve Fund – Reserve Fund Letter of Credit

Each of the Resolutions require additions to the respective Reserve Funds, which were created for the Series 2000 Bonds and the Gas System Parity Bonds and for the Series 2000 Electric Bonds and the Electric System Parity Bonds in an amount equal to the respective Reserve Requirements. The Reserve Requirement shall mean the lesser of (a) the sum of the maximum amount of annual principal and interest; (b) 125% of the average annual principal and interest requirement during a fiscal year of the applicable System; or (c) 10% of the stated principal amount. The increase in the Reserve Requirement with respect to the Series 2000 Gas Bonds will initially be \$212,508.02. The increase in the Reserve Requirement with respect to the Series 2000 Electric Bonds will initially be \$146,341.69. Each Resolution authorizes the City to obtain a letter of credit, a municipal bond insurance policy, surety bond,

First anniversary of the First Optional
Redemption Date through the last day of the
twelfth calendar month following such first
anniversary

101%

Second anniversary of the First Optional
Redemption Date and thereafter

100%

Defaults and Remedies under the Credit Agreement

Any of the following events will constitute a "Default" under the Credit Agreement:

- (a) Default in the due and punctual payment of interest on any Bond;
- (b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) Default in the due and punctual payment of the Purchase Price of any Bond at the time required by the Resolution;
- (d) At any time during a Credit Facility Period, receipt by the Registration Agent, within five (5) days following a drawing under the Credit Facility to pay interest or the portion of the Purchase Price corresponding to interest on the Bonds, of written notice from the Credit Provider that the Credit Facility will not be reinstated (in respect of interest) to an amount equal to at least 50 days' interest on all Outstanding Bonds;
- (e) At any time during the Credit Facility Period, receipt by the Registration Agent of written notice from the Credit Provider that an Event of Default has occurred under the Credit Agreement;

The Bank has the option to forego the declaration of an Event of Default under the Credit Agreement or to rescind an Event of Default previously declared under the Credit Agreement.

Upon the occurrence of a Default, the Registration Agent shall, by notice in writing delivered to the City (or, while in book-entry only form, the Securities Depository), require the Owners to tender their Bonds on a Mandatory Purchase Date and the Registration Agent shall draw moneys under the Credit Facility to pay the principal of all Outstanding Bonds and the accrued interest thereon to the Mandatory Purchase Date. The Registration Agent shall register the Bonds in the name of the Credit Provider who will hold the Bonds as the Owner thereof under the terms of the Resolution. Such Bonds registered in the name of the Credit Provider following a Default are defined as "Bank Bonds" in each of the Resolutions.

A Default under the Series 2000 Gas Bonds will not constitute a Default under the Series 2000 Electric Bonds and vice versa. Each of the Series 2000 Gas Bonds and the Series 2000 Electric Bonds are issued pursuant to separate Resolutions and contain separate terms and provisions.

Parity Bonds

The Series 2000 Gas Bonds shall have a complete parity of lien on the Net Revenues with the City's Natural Gas System Revenue Refunding Bonds, Series 1993 (the "Series 1993 Gas Bonds"), the City's Gas System Revenue Bonds, Series 1997 (the "Series 1997 Gas Bonds") and the City's Gas System Revenue Bonds, Series 1998 (the "Series 1998 Gas Bonds") (collectively, the "Gas System Parity Bonds"). The City will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the Revenues of the Gas System having priority over the Series 2000 Gas Bonds. Additional bonds may be issued on a parity and equality of rank with the Series 2000 Gas Bonds with

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to Cede & Co. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified by a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registration Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registration Agent or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Registration Agent. Under such circumstances, in the event that no substitute securities depository is obtained, certificates will be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY AND THE UNDERWRITER BELIEVE TO BE RELIABLE, BUT THE CITY AND THE UNDERWRITER TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE CITY NOR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (I) SENDING TRANSACTION STATEMENTS; (II) MAINTAINING, SUPERVISING OR REVIEWING, OR THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (III) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON BOOK-ENTRY BONDS; (IV) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF BOOK-ENTRY BONDS; (V) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF BOOK-ENTRY BONDS, OR (VI) ANY

tenth (10th) Business Day up to the total amount specified therein, upon the terms and conditions set forth in the Credit Facility. Upon release by or on behalf of the Credit Provider pursuant to the Credit Agreement of any Pledged Bonds, the obligation of the Credit Provider to honor demands for payment under the Credit Facility with respect to payment of the principal, or the portion of Purchase Price of Bonds corresponding to principal, of the Bonds will be automatically reinstated up to the total amount specified therein upon the terms and conditions set forth in the Credit Facility.

EACH OF THE SERIES 2000 GAS BONDS AND THE SERIES 2000 ELECTRIC BONDS ARE SECURED SEPARATELY BY TWO SEPARATE CREDIT FACILITIES. THE GAS SYSTEM CREDIT FACILITY DOES NOT SECURE THE SERIES 2000 ELECTRIC BONDS AND THE ELECTRIC SYSTEM CREDIT FACILITY DOES NOT SECURE THE SERIES 2000 GAS BONDS.

Substitute Credit Facilities

Pursuant to each of the respective Resolutions, the City may provide for the delivery to the Registration Agent of a Substitute Credit Facility. The City shall furnish written notice to the Registration Agent, not less than 20 days prior to the Mandatory Purchase Date, (a) notifying the Registration Agent that the City is exercising its option to provide for the delivery of a Substitute Credit Facility to the Registration Agent, (b) setting forth the Mandatory Purchase Date in connection with the delivery of such Substitute Credit Facility, which shall in any event be not less than two (2) Business Days prior to the expiration date of the Credit Facility then in effect with respect to the Bonds, and (c) instructing the Registration Agent to furnish notice to the Bondholders regarding the Mandatory Purchase Date at least 15 days prior to the Mandatory Purchase Date. Any Substitute Credit Facility shall be delivered to the Registration Agent prior to the Mandatory Purchase Date, shall be effective on and after such Mandatory Purchase Date, and shall expire on a date which is 15 days after an Interest Payment Date for the Bonds. On or before the date of such delivery of a Substitute Credit Facility to the Registration Agent, the City shall furnish to the Registration Agent (a) a written opinion of Bond Counsel stating that the delivery of such Substitute Credit Facility will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes; and (b) a written opinion of counsel to the Substitute Credit Provider to the effect that the Substitute Credit Facility is a legal, valid, binding and enforceable obligation of the Substitute Credit Provider in accordance with its terms.

The Credit Provider does not control the City, either directly or indirectly through one or more controlled companies, within the meaning of Section 2(a)(9) of the Investment City Act of 1940. Likewise, the City does not control the Credit Provider, either directly or indirectly through one or more controlled companies, within the meaning of Section 2(a)(9) of the Investment City Act of 1940.

THE REGISTRATION AGENT

SunTrust Bank is the Registration Agent under each of the Resolutions. A successor registration agent may be appointed in accordance with the terms of the Resolutions. The corporate trust office of the Registration Agent is located at 424 Church Street, 6th Floor, Nashville, Tennessee 37219, Attention: Corporate Trust Department.

Registration, Transfer and Exchange

The Registration Agent will maintain records for the registration and transfer of the Bonds as provided in each of the respective Resolutions. No transfer of any Bond(s) shall be effective until entered on the registration records of the Registration Agent.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. The

1e federal alternative minimum tax imposed on individuals and corporations; however, for purposes of
th computing the alternative minimum tax imposed on certain corporations (as defined for federal income
1e tax purposes), such interest is taken into account in determining adjusted current earnings. Bond
Counsel's opinion is subject to the condition that the City comply with all requirements of the Code that
must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to
be, excluded from gross income for federal income tax purposes. The City has covenanted to comply
with all such requirements. Failure to comply with certain of such requirements could cause interest on
the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. Bond
Counsel will express no opinion regarding the effect on the exclusion from gross income for federal
income tax purposes of the conversion of the interest rate for the Bonds from a Short Term Rate to any
other rate.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in
collateral federal income tax consequences to certain taxpayers, including, without limitation, financial
institutions, property and casualty insurance companies, individual recipients of Social Security or
Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign
corporations subject to the branch profits tax and taxpayers who may be deemed to have incurred or
continued indebtedness to purchase or carry the Bonds. Bond Counsel will not express any opinion as to
such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors
as to collateral federal income tax consequences.

Under existing law, the Bonds and the income therefrom are exempt from all present state, county
and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise
taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any
organization or entity, other than a sole proprietorship or general partnership, doing business in the state
of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds
in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or
general partnership, doing business in the state of Tennessee.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incidental to the authorization, issuance and sale by the City of the Bonds
and with regard to the tax-exempt status thereof will be passed upon by Bass, Berry & Sims PLC,
Nashville, Tennessee, Bond Counsel. Copies of Bond Counsel's approving opinion will be available at
the time of delivery of the Bonds. Certain legal matters will be passed upon for the City by its Counsel,
Lewis Cobb, Esq., Jackson, Tennessee; for the Division by its counsel George O. Benton, Esq., Jackson,
Tennessee; for the Credit Provider, as issuer of the Credit Facility, by its Counsel, Farris, Warfield &
Kanaday PLC, Nashville, Tennessee; and for the Underwriter, by its counsel, Farris, Warfield &
Kanaday, PLC, Nashville, Tennessee.

CERTAIN RELATIONSHIPS

We call to your attention that SunTrust Bank, Atlanta, Georgia will serve as (a) issuer of each
Credit Facility, and (b) in its capacity as Registration Agent, will be the beneficiary of each Credit
Facility. In addition, we call to your attention that SunTrust Equitable Securities Corporation, an affiliate
of SunTrust Bank, will serve as Underwriter in connection with the initial purchase of the Bonds, and will
serve as Remarketing Agent in connection with any subsequent remarketing of each of the Bonds.

EXHIBIT 8

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

**AS SET FORTH IN THE GUIDELINES FOR BUSINESS PLAN TO
BE PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE
CABLE, TWO-WAY VIDEO, VIDEO PROGRAMMING, INTERNET,
OR SIMILAR SERVICES**

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

SALES & MARKETING PLAN

I. SALES & MARKETING GENERAL OVERVIEW

- A. **Service Area** – The Business Plan anticipates that the Jackson Energy Authority, (“the AUTHORITY”) intends to market video and data services to potential customers in portions of the City of Jackson and Madison County, Tennessee franchised service areas (the “Service Area”):
- B. **Initial Activation Marketing Effort** - The Business Plan anticipates that initial activation sales and marketing effort will be founded on direct sales. The Business Plan does not anticipate that the AUTHORITY will utilize any other form of marketing in newly activated service areas.
- C. **Direct Sales Strategy** – The Business Plan anticipates the AUTHORITY will implement effective and proven direct sales marketing strategies, which are organized and implemented to maximize video and data service penetration levels.
- D. **Direct Sales Policies and Procedures** - To accomplish sales objectives, the Business Plan anticipates that the AUTHORITY will establish certain policies and procedures to provide the foundation for the direct sales subscriber acquisition effort.

II. THE DIRECT SALES TEAM

- A. **Sales Representatives** - To achieve 70 to 150 targeted average installations per week as set forth in the Business Plan, the direct sales team should be comprised of from 5 to 6 Sales Representatives. The ratio of Sales Representatives to activated homes passed equates to achieving a 36% service penetration level with each Sales Representative averaging approximately 5 sales per day, 5 days per week.
- B. **Management** - The Business Plan anticipates that the following AUTHORITY management and support personnel will assist in supporting the direct sales subscriber acquisition effort in the Service Area: (1) Sales and Marketing Manager; (2) Customer Service Representative; and (3) Customer Service Supervisor. The direct sales team will be directly supervised by the Team Leader, who will report directly to the General Manager or Sales and Marketing Manager.
- C. **Sales Territory Management** - The number of activated homes passed issued to Sales Representative will be increased or reduced based upon service penetration levels. Higher service penetration levels will result in an increase in the sales to contact ratio, which will result in fewer activated homes issued and outstanding to any individual Sales Representative. Lower service penetration levels will result in the result in more activated homes being issued to achieve installation objectives.
- D. **Contractor Classification** - All Sales Representatives will be class "1099" contractors and will be responsible for expenses directly related to canvassing for customers.
- E. **Sales Compensation** - The Business Plan anticipates that compensation for contract sales services rendered to the AUTHORITY will be paid on a commission only basis at the gross rate of 1.00 to 1.50 times the first month's recurring service charge for all video services sold by Sales Representatives and the Team Leader.

- F. Commissions Breakdown** -- The Business Plan anticipates that approximately 25% to 28% of gross sales commissions should be allocated to sales management and 75% to 72% of gross sales commissions should be allocated to the Sales Representatives.

III. GENERAL DIRECT SALES POLICIES AND PROCEEDURES

As part of the subscriber acquisition campaign, each Sales Representative will be required to:

1. Contact all potential customers at each serviceable address issued.
2. Present all levels of service offerings and pricing.
3. Provide an overview of installation procedures.
4. Explain customer billing procedures and pro-ration.
5. Complete work orders for installation and billing.
6. Schedule the installation.
7. Obtain atypical wiring and outlet placement information to facilitate installations.

IV. REPORTING

Daily sales reports, including the following information for the previous day, the current week and to date, should be provided to the AUTHORITY management for the first 1,000 homes passed, with weekly reports provided thereafter:

1. The total number of activated homes passed; that have been issued to Sales Representatives.
2. Number of potential subscribers contacted.
3. Number of sales, including details of services sold.
4. Number of potential subscribers contacted who declined to purchase any video services offered.
5. Number of residences or commercial units listed as potential customers, which were found to be vacant.

V. TEAM LEADER RESPONSIBILITIES

The direct sales Team Leader should be responsible for the following:

1. The Team Leader will coordinate field efforts of his or her team with the General Manager or Sales Manager regarding the issuance of all serviceable homes to be marketed.
2. Immediately following the issuance of a new service area and prior to the assignment of homes to Sales Representatives, the Team Leader will conduct a field survey of the designated service area.
3. Subsequent to conducting the field survey, the Team Leader shall assign territory to Sales Representatives.
4. The Team Leader will review and approve the contact sheets of all Sales Representatives on a daily basis to determine sales to contact percentages which shall serve as a basis for the issuance of new activated homes passed territory.
5. The Team Leader will conduct random calls on a regular basis in serviceable areas previously issued and marketed to maintain quality controls.
6. Upon the completion of sales efforts on each serviceable street, the Team Leader will provide completed contact sheets to the AUTHORITY management, which will become a part of the systems permanent records.

VI. SALES REPRESENTATIVES RESPONSIBILITIES

Sales Representative responsibilities should include the following:

1. Sales Representatives must be available for work every week day and Saturdays, other than recognized holidays.
2. Sales Representatives are to report to their Team Leader to turn in completed orders and contact sheets on a daily basis.
3. Sales Representatives are required to attend all scheduled sales meetings.
4. Sales Representatives will derive all customer orders from only those areas assigned to them. No referrals or orders from unassigned areas will be accepted without the permission of the Team Leader.
5. Sales Representatives are expected to meet established minimum standards of sales performance on a daily and weekly basis.

6. All Sales Representatives must keep a neat and professional appearance in the office and while in the field.
7. Identification badges are to be worn by Sales Representatives in a visible place on the office premises as well as in the field at all times.

VII. INSTALLATIONS & DIRECT SALES PROJECTIONS

The Business Plan anticipates that the AUTHORITY will hire outside Sales Representatives to market Services to potential customers in the Service Area based upon the following installation and sales objectives:

Month 1 Targeted Subscribers:	310			
	<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>
Targeted Subscribers	78	78	78	78
Installs Per Installer Per Day	5	5	5	5
Average Install Days Per Week	5	5	5	5
Total Installers	3	3	3	3
Sales Per Sales Rep Per Day	5	5	5	5
Average Sales Days Per Week	6	6	6	6
Total Sales Reps	3	3	3	3

Month 2 Targeted Subscribers: 310				
	<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>
Targeted Subscribers	78	78	78	78
Installs Per Installer Per Day	5	5	5	5
Average Install Days Per Week	5	5	5	5
Total Installers	3	3	3	3
Sales Per Sales Rep Per Day	5	5	5	5
Average Sales Days Per Week	6	6	6	6
Total Sales Reps	3	3	3	3
Month 3 Targeted Subscribers: 466				
	<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>
Targeted Subscribers	116	116	116	116
Installs Per Installer Per Day	5	5	5	5
Average Install Days Per Week	5	5	5	5
Total Installers	5	5	5	5
Sales Per Sales Rep Per Day	5	5	5	5
Average Sales Days Per Week	6	6	6	6
Total Sales Reps	4	4	4	4

Month 4 Targeted Subscribers: 466				
	<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>
Targeted Subscribers	116	116	116	116
Installs Per Installer Per Day	5	5	5	5
Average Install Days Per Week	5	5	5	5
Total Installers	5	5	5	5
Sales Per Sales Rep Per Day	5	5	5	5
Average Sales Days Per Week	6	6	6	6
Total Sales Reps	4	4	4	4
Month 5 Targeted Subscribers: 621				
	<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>
Targeted Subscribers	155	155	155	155
Installs Per Installer Per Day	5	5	5	5
Average Install Days Per Week	5	5	5	5
Total Installers	6	6	6	6
Sales Per Sales Rep Per Day	5	5	5	5
Average Sales Days Per Week	6	6	6	6
Total Sales Reps	5	5	5	5

Month 6 Targeted Subscribers: 621				
	<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>
Targeted Subscribers	155	155	155	155
Installs Per Installer Per Day	5	5	5	5
Average Install Days Per Week	5	5	5	5
Total Installers	6	6	6	6
Sales Per Sales Rep Per Day	5	5	5	5
Average Sales Days Per Week	6	6	6	6
Total Sales Reps	5	5	5	5

EXHIBIT 9

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

**AS SET FORTH IN THE GUIDELINES FOR BUSINESS PLAN TO
BE PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE
CABLE, TWO-WAY VIDEO, VIDEO PROGRAMMING, INTERNET,
OR SIMILAR SERVICES**

JACKSON ENERGY AUTHORITY

Video Services Rates and Charges

Basic Services

Broadcast Basic (18 Channels)
Expanded Basic (57 Channels)
Standard Service (75 Channels)

Rate

\$9.95
\$27.00
\$36.95

Equipment Rental

Standard Converter with Remote
Digital Converter with Music Choice, Guide & PPV On
Additional Digital Converter (Each)

Rate

\$1.00
\$5.95
\$3.95

Digital Cable Service with Remote Control Digital Converter
(26 Digital Nets + 45 Music Choice Chs. + On-Screen Guide + PPV + Line Maint. Plan)

\$12.95

COMPLETE DIGITAL STANDARD SERVICE

\$49.90

Installation of Residential Service

Unwired Home
Prewired Home and Reconnects
Additional Outlet (same trip)
Additional Outlet (separate trip)
Relocate Outlet (same trip)
Relocate Outlet (separate trip)

\$30.00
\$20.00
\$10.00
\$20.00
\$10.00
\$20.00

Premium Services

Analog HBO (3 Channels - No Converter Required)
HBO Digital Service (7 Channels)
Cinemax Digital Group (4 Channels)
Showtime Digital Group (5 Channels)

\$11.95
\$11.95
\$9.95
\$10.95

Custom Installation (Wired Within Walls)
Service Upgrade/Equipment Delivery
Line Maintenance Plan (recommended, free with

\$40.00
\$20.00

The Movie Channel Digital Group (3 Channels)
Starz/Encore (7 channels)
Independent Film Channel, Flix, Sundance (4 Channels)
HBO/Cinemax Combo
Showtime/Movie Channel Combo

\$8.95
\$7.95
\$6.95
\$19.95
\$12.95

Digital Service)
Returned Check Charge
Hourly Service Call
Late Fee Processing Charge
Franchise Fee to City
Franchise Fee to County
State Sales Tax

\$2.95
\$25.00
\$20.00
\$5.00
3.00%
5.00%
8.75%

Digital Pay-Per-View Services

IN Demand PPV Movies (32 Channels)
Special Pay Per View Movies and Events
Sports PPV Events

\$3.99
(Varies)
(Varies)

JACKSON ENERGY AUTHORITY

Analog Video Services

Basic Cable Service	
1	News
2	WVVA Nashville (5) CBS
3	WVBC Memphis (5) CBS
4	WISN Milwaukee (10) NBC
5	WVBC Memphis (5) NBC
6	WVTV Jackson (10) CBS
7	WVBC Memphis (5) CBS
8	WVBC Memphis (5) CBS
9	WVBC Memphis (5) CBS
10	WVBC Memphis (5) CBS
11	WVBC Memphis (5) CBS
12	WVBC Memphis (5) CBS
13	WVBC Memphis (5) CBS
14	WVBC Memphis (5) CBS
15	WVBC Memphis (5) CBS
16	WVBC Memphis (5) CBS
17	WVBC Memphis (5) CBS
18	WVBC Memphis (5) CBS
19	WVBC Memphis (5) CBS

Analog Premium Service

20	HBO
21	HBO Plus
22	HBO Family

Expanded Cable Service

Ch #	Network
23	The Weather Channel
24	CNN
25	MSNBC
26	Fox News Channel
27	CNBC
28	Bloomberg TV
29	Prevue Guide
30	ESPN
31	ESPN2
32	ESPNNews
33	Golf Channel
34	Speedvision
35	Outdoor Channel
36	FOX Sports South
37	TBS
38	Turner South

Expanded Cable Service, cont.

39	Turner Network Television
40	USA Network
41	The National Network
42	FX
43	Prevue Guide
44	Discovery Channel
45	The Learning Channel
46	Arts & Entertainment
47	History Channel
48	Travel Channel
49	Court TV
50	Prevue Guide
51	Comedy Central
52	E! Entertainment
53	Lifetime Network
54	Food Network
55	Women's Entertainment
56	Style
57	Home & Garden TV
58	Bravo
59	American Movie Classics
60	Turner Classic Movies
61	Sci-Fi
62	Prevue Guide
63	TV Land
64	Nickelodeon
65	Cartoon Network
66	Disney Channel
67	Animal Planet
68	Fox Family
69	Prevue Guide
70	EWTV
71	INSP
72	TBN
73	HSN
74	QVC
75	BET
76	CMT
77	VH-1
78	MTV
79	Prevue Guide
80	Open

Note: Prevue Guide is displayed on several channels as a "place holder" for future channel additions within the interest categories (news, sports, general, children's etc)

JACKSON ENERGY AUTHORITY

Proposed Digital Channel Line-up

Digital Basic Service

Ch #	Network
100	ESPN/ESPN SportsCenter
101	CNN/ESPN2
102	CNN
103	Discovery/Discovery
104	Discovery/Sci-Fi
105	Discovery/History
106	Discovery/Health
107	Discovery/Civilizations
108	Discovery/Animals
109	BBC America
110	Biography
111	History Channel/Int'l
112	National Geographic
113	The Daily News
114	Fox TV
115	Northern
116	Nick Games and Sports
117	Disney
118	Boomerang
119	Cartoon Network
120	MTV Classic
121	MTV
122	MTV X
123	MTV Music
124	MTV Soul
125	MTV Country

Digital en Español

Ch #	Network
200	CNN en Español
201	Univision
202	Galavision
203	Discovery en Español
204	MTV Spanish
205	Fox Sportsworld Español
206	Canales
207	PCTV Mexican
208	PCTV Mexican
209	EduSat

Premium Channels

250	HBO Latina
255	Showtime

Digital Premium Channels

Ch #	Network
300	ESPN/ESPN SportsCenter
301	CNN/ESPN2
302	CNN
303	Discovery/Discovery
304	Discovery/Sci-Fi
305	Discovery/History
306	Discovery/Health
307	Discovery/Civilizations
308	Discovery/Animals
309	BBC America
310	Biography
311	History Channel/Int'l
312	National Geographic
313	The Daily News
314	Fox TV
315	Northern
316	Nick Games and Sports
317	Disney
318	Boomerang
319	Cartoon Network
320	MTV Classic
321	MTV
322	MTV X
323	MTV Music
324	MTV Soul
325	MTV Country

Digital Pay-Per-View

Ch #	Network
600	InDemand/Previews
601-634	InDemand PPV
635-689	Sports PPV
690-699	Specialty PPV

Digital Music Choice

Ch #	Network
900	Showcase 1
901	Showcase 2
902	Origins
903	New Releases
904	American Originals
905	Sounds for the Season
906	For Kids Only
907	World Beat
908	Body & Soul
909	Classic R&B
910	R&B Hits
911	Dance
912	Rap
913	Metal
914	Alternative Rock
915	Progressive
916	Classic Rock
917	Rock Hits
918	Soft Rock
919	Hit List
920	80's Hits
921	70's Hits
922	Solid Gold Oldies
923	Today's Country
924	Classic Country
925	Big Band
926	Singers & Standards
927	Easy Listening
928	Classical Masterpieces
929	Light Classical
930	Atmospheres
931	Light Jazz
932	Jazz
933	Blues
934	Gospel
935	Contemporary Christian
936	Musica Latina
937	Tropical
938	Mexicana
939	Tejano
940	Folklorica

**JACKSON ENERGY AUTHORITY
HIGH-SPEED DATA SERVICES AND RATES**

Residential

High Speed Data Access - Level 1 (Plus Video Service Charges)	\$24.95
High Speed Data Access - Level 2 (Plus Video Service Charges)	\$29.95
High Speed Data Access - Level 3 (Plus Video Service Charges)	\$34.95
Residential Modem Rental	\$2.95
Residential Service Activation	\$35.00
Ethernet Card and Installation	\$99.00

Commercial

Commercial High Speed Data - Level 1	\$49.95
Commercial High Speed Data - Level 2	\$79.95
Commercial High Speed Data - Level 3	\$99.95
Commercial High Speed Data - Level 4	\$119.95
Commercial High Speed Data - Level 5	\$149.95
Commercial High Speed Data - Level 6	\$179.95
Commercial High Speed Data - Level 7	\$199.95
Commercial High Speed Data - Level 8	\$249.95

Commercial High Speed Data - Level 1 Setup	\$200.00
Commercial High Speed Data - Level 2 Setup	\$225.00
Commercial High Speed Data - Level 3 Setup	\$750.00
Commercial High Speed Data - Level 4 Setup	\$775.00
Commercial High Speed Data - Level 5 Setup	\$1,125.00
Commercial High Speed Data - Level 6 Setup	\$1,150.00
Commercial High Speed Data - Level 7 Setup	\$1,500.00
Commercial High Speed Data - Level 8 Setup	\$1,525.00

EXHIBIT 10

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

**AS SET FORTH IN THE GUIDELINES FOR BUSINESS PLAN TO
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**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
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**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

CHIEF OPERATING OFFICER STATEMENT

I. THE BROADBAND SERVICE OPPORTUNITY

A. Internal Justification

One of the Jackson Energy Authority's ("the AUTHORITY") initial justifications for deploying a broadband infrastructure is founded upon the need to enhance local educational communications capabilities and to support internal needs such as those associated with the operation of existing utilities.

B. Industrial Growth Justification

As a second justification, the AUTHORITY seeks to promote local industrial growth through providing new businesses seeking to expand or locate in the area with access to an enhanced telecommunications infrastructure.

C. Commercial Justification

The AUTHORITY has the opportunity to achieve long-term objectives through developing commercial broadband service offerings. To allow these services to be provided, the AUTHORITY seeks to construct a state-of-the-art Broadband Network with a fiber-to-the-home ("FTTH") architecture capable of delivering advanced video services, telephone services and data to residents of the community. While providing advanced video and data services to

consumers, the AUTHORITY will also improve the cost effectiveness, efficiency and productivity of existing internal operations.

D. An Assessment of the Jackson Energy Authority's Role

In the past, one of the fundamental missions of the AUTHORITY has been to improve and maintain local infrastructure to facilitate the provisioning of utility services to promote commerce and to enhance the quality of life for local citizens in Jackson and the surrounding area. While the passage of years can sometimes cause many daily conveniences to be taken for granted, the AUTHORITY has often determined that the capitalization and deployment or construction of infrastructure was in the best interest of the community and its operations.

The AUTHORITY seeks to convert the advent of technological advancements and regulatory freedoms into financially sound decisions and policies designed to enhance the local infrastructure and to enhance the quality of life for the citizens of Jackson. To enable the AUTHORITY to accomplish its objectives while protecting its core services, the AUTHORITY has sought the information necessary to support the deployment of a technically advanced Broadband Network that is cost effective and capable of satisfying market demand.

The Business Plan incorporates information associated with facility-based service provisioning opportunities. The primary objective of the Business Plan is to provide the AUTHORITY with information to allow decisions to be made associated with pursuing existing and potential associated opportunities through a defined course of action and implementation plan.

The deregulation of the telecommunications industry presents new challenges and opportunities as the AUTHORITY seeks to define and achieve strategic objectives in potentially changing competitive markets. This Business Plan represents the first step in the progressive efforts undertaken by the AUTHORITY to enhance the local infrastructure to allow for the provisioning of advanced video and data service offerings to consumers.

II. VIDEO SERVICES AND RATES COMPARISON

A. Video Services

As proposed, the AUTHORITY broadband infrastructure would initially provide services through approximately 650 plant miles, passing about 26,000 residential homes, in and around Jackson, Tennessee, with the ultimate objective of providing as close to universal service in the Jackson service area as economically feasible.

The Business Plan assumes that the AUTHORITY will provide Basic Video Services Tier of eighteen (18) analog channels for \$9.95 per month and the Expanded Basic Video Services Tier of an additional fifty-seven (57) analog channels for \$27.00 per month, for a total of \$36.95 per month, excluding taxes and franchise fees, for seventy-five (75) analog channels. The Business Plan also assumes that the AUTHORITY will provide thirty-six (36) video channels of Digital Service along with forty-one (41) DMX music channels for another \$12.95 per month plus taxes and franchise fees. Twenty-nine (29) additional premium services are offered in the Digital Services tier along with seventy-six (76) Pay-Per-View channels. A franchise fee of three percent (3%) and eight and three quarters percent (8 3/4%) sales tax are passed on to the customer.

The Business Plan also assumes the AUTHORITY will provide, along with the analog service tier, one channel each of HBO, HBO Plus, and HBO Family offered for \$11.95 per month. In the premium Digital Service tier, the Cinemax group of channels is offered for \$9.95 per month, the Showtime group of channels is offered for \$10.95 per month, and the Movie Channel group of channels is offered for \$8.95, plus appropriate fees and taxes. The Starz/Encore group of channels is offered at \$7.95 per month for each service plus fees and taxes through the Digital Services set-top. A detailed schedule of video services and rates is attached hereto as Attachment 1.

B. Charter Communications, Inc. Video Services

The primary video services provider in Jackson is Charter Communications, Inc. ("Charter") formerly Renaissance Media. Charter's Jackson system is operating a hybrid-fiber-coax (HFC) system at a capacity of 750 MHz, offering sixty-eight (68) analog channels. Charter has reported that the system serving Jackson passes approximately 33,900 potential

homes passed, serving 31,782 customers through 444.3 miles of broadband coaxial plant also serves the following areas:

Madison County, Tennessee
Bemis, Tennessee
Malesus, Tennessee

Charter is currently providing a Basic Video Services Tier of twelve, (12) channels for \$8.95 per month and the Standard Video Services Tier of an additional fifty-six (56) channels for \$33.00 per month. The Full Service tier, which includes sixty-three (63) channels, is \$37.95 per month, excluding franchise fees. Charter also offers HBO, Cinemax, Showtime, The Movie Channel and all Plex channels for \$12.95 each per month. They also provide Starz!/Encore Plex for \$12.95 per month. In addition, Charter provides packaged prices of twenty-three (23) premiums for \$21.95 per month. Charter's Digital service offers digital consumer terminal for \$7.50 per month. Family's Choice, Movies and More, and Video Music are offered for \$3.50 per month each.

A franchise fee of three percent (3%), a \$.05 per month per customer FCC charge, and eight and three quarters percent (8 3/4%) sales tax are passed on to the customer.

III. ACCOUNTING

Regarding cost accounting rules, as the AUTHORITY is a TVA-regulated electric distributor, joint costs will be allocated between the AUTHORITY and the AUTHORITY Broadband Division based on a Joint Cost Study performed by the AUTHORITY Controller upon TVA's final approval. Further, the AUTHORITY intends to adhere to the guidelines regarding Cost Allocation Accounting established by TVA as set forth in Attachment 1 hereto.

IV. POLE CHARGES

The average the AUTHORITY pole attachment fee for fiscal year 2001 is \$10.47 per pole per year. The Business Plan reflects a rate of \$10.47 per pole per year.

EXHIBIT 11

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
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JANUARY 15, 2002**

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OR SIMILAR SERVICES**



Jackson Energy Authority

John W. Williams
President & CEO

January 2, 2002

Mr. Allen Davis
United Telesystems, Inc.
4 Skidaway Village Square
Savannah, Georgia 31411

Dear Mr. Davis:

Thank you for your inquiry requesting information supporting Jackson Energy Authority's submittal to the Comptroller of the Treasury, State of Tennessee. Regarding cost accounting rules, in keeping with the Authority's power contract and regulatory oversight with TVA, joint costs will be strictly allocated between the Authority's electric division and its broadband division. Allocation of costs will be done based on a joint cost study performed by our Financial Officer and based on TVA's final approval. This will be done in the same manner as costs are now allocated between the Authority's existing four divisions to ensure that there is no subsidization between the divisions.

Should you have remaining questions, please contact me at 731.422-7201.

Sincerely,

John W. Williams

JWW/vw

EXHIBIT 12

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
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THE CITY OF JACKSON, TENNESSEE
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**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

POLE RENTAL STATEMENT

The Business Plan assumes an average pole rental fee of \$10.47 per pole per year as set forth in Tab 7, Page 16 of the financial projections.

EXHIBIT 13

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

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OR SIMILAR SERVICES**



Jackson Energy Authority

John W. Williams
President & CEO

January 2, 2002

Mr. Allen Davis
United Telesystems, Inc.
4 Skidaway Village Square
Savannah, Georgia 31411

Dear Mr. Davis:

Thank you for your inquiry requesting information supporting Jackson Energy Authority's submittal to the Comptroller of the Treasury, State of Tennessee. Based upon our review of the State of Tennessee's enabling legislation, the Authority would agree to be subject to the same taxation level as a private provider of similar services. The Authority's in-lieu-of-taxes payment would not be less than what a private provider of service would have to pay in property taxes.

Should you have remaining questions, please contact me at 731.422-7201.

Sincerely,

John W. Williams

JWW/vw

EXHIBIT 14

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
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THE CITY OF JACKSON, TENNESSEE
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**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

IN-LIEU OF TAX PAYMENTS

Please refer to the letter and information included in Tab 13 herein.

Exhibit D-2
to
Responses of Jackson Energy Authority to
Discovery Requests of Tennessee Cable
Telecommunications Association



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DIVISION OF LOCAL FINANCE
SUITE 500 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0274
PHONE (615) 741-4276
FAX (615) 532-9237

February 28, 2002

Ms. Sarah T. Barnes, Chairperson

And

Members of the Jackson Energy Authority
PO Box 68
Jackson, TN 38302-0068

Dear Ms. Barnes and Board Members:

Our office has received a detailed business plan for the proposed development of a telecommunications program by the Jackson Energy Authority. This plan has been submitted pursuant to Chapter 55 of the Tennessee Private Acts of 2001 and Tennessee Code Annotated 7-52-602, which states that the Office of the Comptroller "shall provide a written analysis of the feasibility of the proposed business plan."

We have not made any attempt to compare the information included in this plan to any "industry standards," nor are we aware of any such standards for these types of services being provided by governmental entities. Our feasibility report is based on a limited review of the business plan submitted, and our expectation that officials of the Jackson Energy Authority (JEA) have reviewed the plan before submitting it to us. Essentially we asked for information as required by the authorizing legislation and certain additional items we felt would be helpful in reviewing these plans. The legislation does provide that the Director of Local Finance may ask for any information he feels necessary in performing his responsibility under the law.

Based on the information included in this business plan, it does appear that the proposed plan is feasible. Our analysis is based upon the following assertions as presented in the plan submitted to this office:

1. The project is as described in the report submitted to our office from Mr. Thomas E. Nanney, Senior Vice President, Telecommunications Division, JEA, dated January 15, 2002.
2. The report proposes that the JEA will issue approximately \$54,380,000 in Revenue Bonds for a period of twenty (20) years, at an estimated net interest cost of 6%. The plan also proposes that other additional funds in the amount of \$6,000,000 will be provided by the JEA and a management group. The total available funds of \$60,380,000 will provide project

construction funds of \$59,999,340, bond underwriter's discount of \$271,900 and bond issuance expenses of \$108,760.

3. Total debt service over the life of the bonds is estimated at \$95,862,200, consisting of \$54,380,000 principal and \$41,482,200 interest cost. The annual debt service requirements are approximately \$4,900,000.
4. The annual net loss in the third year (the first full year) of operation is projected to be \$902,348. An annual net income from operations, in increasing amounts each succeeding year, is projected in years four through ten ranging from approximately \$1,491,466 in year four to approximately \$8,716,310 in year ten.
5. The average number of subscribers to be served annually is projected as 9,076 in year three (the first complete year of operation) and 12,067 subscribers in year ten.
6. The average monthly fees per subscriber unit are projected as follows: residential video service is \$36.95 for full basic service including 75 channels; residential internet access appears to be a constant \$24.95 per month; commercial internet access ranges from \$49.95 to \$1,525.00 per month, based on the service received.

The Tennessee General Assembly has previously enacted legislation that authorizes local governments in Tennessee to provide these services through their municipal electric systems. Legislation enacted during the 2001 session of the General Assembly creating the JEA authorized it to provide these services in accordance with the statutes applicable to local governments. The legislature has placed numerous responsibilities on the JEA if it determines to provide such services. These including the following:

- A. A separate telecommunications system must be maintained independent of, and separate from, the other utility systems of the JEA.
- B. The JEA may loan funds from its electric division to the telecommunications program, on a temporary basis; however, the rate of interest charged for any such loans must be a rate equal to the highest rate then earned by the electric system on its invested plant funds.
- C. The JEA shall fully allocate any costs associated with providing telecommunications services to the rates for those services.
- D. The JEA shall establish and charge rates that cover all costs related to the provision of telecommunications services.

The fiscal operations of the telecommunications program must be included in the annual financial report of the JEA, and must be subject to a financial and compliance audit prepared in accordance with generally accepted governmental auditing standards. The officials of the JEA should be familiar with these requirements. The Comptroller of the Treasury, through the Division of Municipal Audit, shall be responsible for determining adherence to such audit and

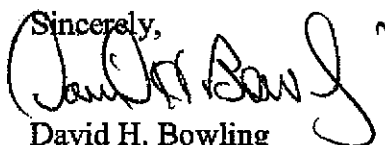
reporting requirements. Representatives of the Division of Municipal Audit may be contacting you and your independent auditor concerning these audits.

The legislation requires our office to review the operations of these telecommunications programs and prepare a report to the Tennessee General Assembly on or before June 30, 2005, "which shall include a recommendation as to whether the authority to provide such services should be expanded, restricted or terminated." Financial reports issued by local governments and entities such as the JEA will be reviewed in the preparation of this report. Our office will continually review our feasibility report program, and we will make changes, as we deem necessary in order to fulfill our responsibility under this legislation.

If the members of the Board of the Jackson Energy Authority determine to proceed with this project, and if bonds are sold as proposed to finance this project, the financial market will expect responsible officials of the JEA to provide annual revenues sufficient to amortize this debt, regardless of the status of the telecommunications program.

This constitutes the report of this office pursuant to the requirements of TCA 7-52-602 and Chapter 55 of the Tennessee Private Acts of 2001. If the Board of the JEA determines to proceed with this plan, it must publish a notice as required by law in a newspaper of general circulation in the area to be served which specifies a date on which the Board will conduct a public hearing concerning this project. Also, in order to proceed with the plan, and subsequent to the public hearing, approval must be obtained by a two-thirds (2/3) majority vote of the board of the JEA. If actual circumstances such as the scope of the project, bond interest rates, cost of construction, or amount of bonds issued require the JEA Board to approve revisions to this business plan for compliance with TCA 7-52-602(a), the plan should be resubmitted to our office for a revised feasibility determination.

Sincerely,



David H. Bowling
Director

Cc: Mr. John W. Williams, General Manager, JEA
Mr. Thomas E. Nanny, Senior Vice President--Telecommunications Division, JEA
Mr. Dennis Dycus, Director, Division of Municipal Audit



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DIVISION OF LOCAL FINANCE
SUITE 500 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-0274
PHONE (615) 741-4276
FAX (615) 532-9237

July 8, 2002

Mr. Thomas E. Nanney, P.E.
Jackson Energy Authority
P. O. Box 68
Jackson, Tennessee 38302-0068

Dear Mr. Nanney:

This will acknowledge receipt of your letter dated June 27, 2002 enclosing information with regard to the Jackson Energy Authority broadband business plan. We have previously issued our report concerning this projects.

Sincerely,

A handwritten signature in cursive script, appearing to read "David H. Bowling".

David H. Bowling, Director

DHB:laa

Exhibit D-6
to
Responses of Jackson Energy Authority to
Discovery Requests of Tennessee Cable
Telecommunications Association

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Revenues, Expenses and Changes in Net Assets

	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Operating Revenue												
Local Network Services Revenues	\$ 629,324.16	\$ 657,961.69	\$ 677,116.77	\$ 700,052.61	\$ 716,734.90	\$ 730,150.44	\$ 740,141.62	\$ 746,185.41	\$ 754,733.68	\$ 766,547.74	\$ 778,356.70	\$ 790,160.65
Network Access Services Revenues	169,358.14	175,229.31	204,467.52	212,683.46	219,201.95	225,051.16	228,536.42	231,865.10	236,546.55	241,897.29	247,248.02	251,915.26
Miscellaneous Revenues	116,332.51	125,102.95	273,728.73	148,831.17	138,569.82	136,526.56	86,498.74	97,946.70	115,794.73	131,162.29	132,108.73	124,710.78
Total Operating Revenue	915,114.80	958,293.95	1,155,313.02	1,061,567.23	1,074,506.66	1,091,728.16	1,055,176.78	1,075,992.20	1,107,074.96	1,139,607.32	1,157,713.45	1,166,786.69
Cost of Programming												
% of sales revenue	0.00	0.50	0.50	0.81	0.61	0.51	0.53	0.53	0.53	0.53	0.53	0.53
	317,312.39	328,214.96	338,266.05	356,966.43	364,486.18	370,199.61	390,444.73	394,461.77	400,595.68	406,298.17	412,000.02	418,322.70
Total Operating Revenue less Cost of Programming	597,802.41	630,078.99	817,046.97	704,600.80	710,020.48	721,528.54	664,732.04	681,535.44	706,479.28	733,309.16	745,513.43	748,463.99
Operating Expense												
Plant Specific	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73	57,219.05
Plant Non-Specific	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79	31,362.60
Customer Operations	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91	134,274.87
Corporate Operations	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57	133,491.82
Total Operating Expense	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00	356,278.33
Other Operating Expense												
Depreciation & Amortization	298,329.67	309,856.76	318,634.60	325,735.76	331,406.84	335,936.09	339,391.84	341,975.78	344,134.65	346,198.59	348,199.24	350,157.69
Property Taxes	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31	13,009.87
Payroll Taxes	(13,932.81)	(12,881.12)	(798.13)	(8,789.40)	(8,486.05)	(10,188.22)	(13,334.76)	(10,872.00)	(12,433.79)	(8,718.83)	(8,646.59)	(15,057.33)
Total Other Operating Expense	296,801.18	309,379.95	330,240.78	329,350.67	335,325.10	338,152.18	338,461.40	341,508.10	344,105.17	349,884.07	351,956.96	348,110.03
Operating Income	(38,693.76)	(18,995.96)	147,161.18	35,555.13	35,000.38	43,681.36	(13,424.35)	(1,667.60)	22,679.11	43,730.09	53,861.48	44,075.63
Non-Operating Income												
Interest Income	27,616.97	27,616.98	27,616.99	27,703.81	27,790.81	27,877.98	27,965.34	28,052.89	28,140.61	28,228.52	28,316.61	28,404.88
Other Non-Operating Income	(3,257.90)	(3,121.39)	(1,583.10)	(2,604.29)	(2,564.44)	(2,777.24)	(3,172.61)	(2,854.41)	(3,053.48)	(2,579.97)	(2,568.06)	(3,378.42)
Total Non-Operating Income	24,359.07	24,495.59	26,033.89	25,099.52	25,226.37	25,100.75	24,792.74	25,198.47	25,087.14	25,648.54	25,748.55	25,026.46
Non-Operating Expenses												
Interest on Long Term Debt	219,320.77	219,520.77	232,801.95	219,520.77	212,439.45	239,883.27	219,520.77	198,276.82	239,883.27	212,439.45	219,520.77	287,101.95
Other Interest Expense	90,579.98	97,477.99	100,628.32	101,744.36	104,464.23	106,493.07	108,338.91	110,376.31	112,608.58	115,035.04	116,990.98	118,651.25
Amort. of Debt Discount & Expense	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09
Total Non-Operating Expenses	317,599.53	324,497.55	340,929.06	328,763.92	324,497.55	353,881.13	335,358.47	316,151.93	359,990.44	334,973.28	344,010.54	413,252.00
Income before Contributions	(331,929.23)	(318,997.92)	(167,735.98)	(328,109.27)	(326,175.72)	(285,099.02)	(332,990.09)	(292,621.11)	(312,224.39)	(265,594.65)	(324,400.52)	(344,169.91)
Contributions in Aid of Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Increase in Net Assets	(331,929.23)	(318,997.92)	(167,735.98)	(328,109.27)	(326,175.72)	(285,099.02)	(332,990.09)	(292,621.11)	(312,224.39)	(265,594.65)	(324,400.52)	(344,169.91)
Net Assets, beginning of period	(8,236,652.64)	(8,568,581.87)	(8,887,579.79)	(9,055,315.77)	(9,323,425.04)	(9,587,600.76)	(9,872,699.78)	(10,196,689.87)	(10,439,310.98)	(10,801,535.38)	(11,067,130.02)	(11,331,530.54)
Net Assets, end of period	(8,568,581.87)	(8,887,579.79)	(9,055,315.77)	(9,323,425.04)	(9,587,600.76)	(9,872,699.78)	(10,196,689.87)	(10,439,310.98)	(10,801,535.38)	(11,067,130.02)	(11,331,530.54)	(11,675,690.45)

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Revenues, Expenses and Changes in Net Assets

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-07	May-08	Jun-08
Operating Revenue												
Local Network Services Revenues	\$ 843,628.99	\$ 867,146.86	\$ 893,740.70	\$ 924,189.55	\$ 948,449.62	\$ 967,291.35	\$ 992,738.36	\$ 1,000,548.12	\$ 1,017,443.16	\$ 1,037,120.50	\$ 1,056,928.67	\$ 1,078,538.72
Network Access Services Revenues	256,582.50	261,249.73	261,559.61	262,340.70	261,684.18	259,003.77	254,990.77	251,628.41	248,912.54	246,702.88	244,427.20	240,718.48
Miscellaneous Revenues	126,784.26	118,757.75	120,721.96	123,529.59	122,275.45	118,387.75	72,730.82	86,360.15	106,306.39	115,995.43	115,827.81	103,854.39
Total Operating Revenue	1,226,995.74	1,245,154.34	1,276,022.28	1,310,659.33	1,332,409.25	1,344,884.71	1,310,479.94	1,338,534.67	1,372,662.09	1,399,818.81	1,417,183.68	1,423,141.60
Cost of Programming												
% of cable revenues	0.50	0.50	0.49	0.49	0.48	0.47	0.47	0.48	0.48	0.47	0.47	0.46
	423,095.05	433,895.28	441,542.52	449,108.34	453,956.30	456,353.75	478,734.63	481,204.69	485,345.58	488,523.26	492,560.95	495,692.24
Total Operating Revenue less Cost of Programming	803,000.69	811,259.06	834,479.76	860,951.49	878,452.95	888,530.97	831,745.31	857,329.98	887,316.41	911,295.55	924,622.73	927,449.36
Operating Expense												
Plant Specific	61,888.36	61,888.36	61,888.36	61,988.42	62,104.96	62,221.15	62,338.05	62,455.68	62,576.92	62,699.61	62,823.74	62,949.32
Plant Non-Specific	33,921.92	33,921.92	33,921.92	33,976.76	34,040.64	34,104.32	34,168.40	34,232.87	34,298.33	34,366.58	34,434.61	34,503.45
Customer Operations	145,232.27	145,232.27	145,232.27	145,467.07	145,702.55	146,013.21	146,287.35	146,563.58	146,848.10	147,136.00	147,427.30	147,722.00
Corporate Operations	144,309.61	144,309.61	144,309.61	144,542.92	144,814.67	145,085.58	145,358.18	145,632.46	145,915.17	146,201.23	146,490.70	146,783.52
Other	385,352.16	385,352.16	385,352.16	385,975.17	386,780.84	387,424.26	388,152.18	388,884.60	389,639.52	390,403.44	391,176.36	391,958.28
Total Operating Expense	351,879.74	355,732.00	355,647.06	357,713.59	359,661.90	361,302.48	362,600.59	363,664.55	364,589.43	365,545.78	366,523.12	367,514.43
Other Operating Expense												
Depreciation & Amortization	14,071.53	14,071.53	14,071.53	14,094.28	14,120.78	14,147.20	14,173.78	14,200.52	14,228.09	14,255.98	14,284.21	14,312.76
Property Taxes	(8,469.07)	(7,073.39)	(7,309.96)	(4,710.13)	(3,034.84)	(4,574.70)	(7,497.02)	(4,214.46)	(5,236.02)	(1,633.08)	(1,342.70)	(6,325.08)
Payroll Taxes	357,482.20	366,730.14	362,408.64	367,097.74	370,447.84	370,874.98	369,277.35	373,650.61	373,581.50	378,168.69	379,464.63	375,502.12
Total Other Operating Expense	60,166.33	75,206.76	86,718.97	107,878.58	121,004.27	130,231.73	74,315.78	94,794.77	124,095.39	142,723.42	153,981.75	159,988.96
Operating Income	23,891.32	23,979.97	24,068.79	23,255.03	23,481.23	23,707.91	23,935.05	24,162.67	24,390.77	24,619.34	24,848.39	25,077.91
Non-Operating Income												
Interest Income	(2,336.25)	(2,338.26)	(2,389.75)	(2,056.70)	(1,838.30)	(2,027.76)	(2,393.30)	(1,968.22)	(2,093.39)	(1,629.12)	(1,587.02)	(2,216.92)
Other Non-Operating Income												
Special Charges												
Gain or Loss on Fixed Assets												
Total Non-Operating Income	21,555.08	21,621.70	21,679.04	21,198.33	21,642.93	21,680.15	21,541.75	22,194.45	22,297.38	22,990.22	23,261.36	23,860.99
Non-Operating Expenses												
Interest on Long Term Debt	219,520.77	219,520.77	232,801.95	219,520.77	210,483.29	237,674.40	217,499.40	196,451.07	237,674.40	210,483.29	217,499.40	284,438.29
Other Interest Expense	115,697.21	113,475.76	114,875.88	116,023.62	117,085.44	117,763.43	117,827.90	118,094.49	118,560.84	119,313.13	119,640.78	120,279.98
Amort. of Debt Discount & Expense	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09
Miscellaneous Income Deductions	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70
Total Non-Operating Expenses	342,716.77	340,495.32	355,176.62	343,043.18	335,067.52	362,936.62	342,856.09	372,044.35	363,734.13	337,395.21	344,638.97	412,237.06
Income before Contributions	(\$261,195.36)	(\$243,666.85)	(\$246,778.62)	(\$213,966.27)	(\$192,420.31)	(\$211,024.74)	(\$246,968.55)	(\$205,055.12)	(\$217,341.35)	(\$171,581.57)	(\$167,395.86)	(\$229,387.11)
Contributions in Aid of Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Increase in Net Assets	(\$261,195.36)	(\$243,666.85)	(\$246,778.62)	(\$213,966.27)	(\$192,420.31)	(\$211,024.74)	(\$246,968.55)	(\$205,055.12)	(\$217,341.35)	(\$171,581.57)	(\$167,395.86)	(\$229,387.11)
Net Assets, beginning of period	(11,675,680.45)	(11,916,875.81)	(12,180,542.66)	(12,427,321.28)	(12,641,287.55)	(12,833,707.86)	(13,044,732.59)	(13,291,701.15)	(13,496,756.27)	(13,714,097.62)	(13,885,679.20)	(14,053,075.06)
Net Assets, end of period	(\$11,936,875.81)	(\$12,160,542.66)	(\$12,427,321.28)	(\$12,641,287.55)	(\$12,833,707.86)	(\$13,044,732.59)	(\$13,291,701.15)	(\$13,496,756.27)	(\$13,714,097.62)	(\$13,885,679.20)	(\$14,053,075.06)	(\$14,282,462.17)

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Revenues, Expenses and Changes in Net Assets

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
Operating Revenue												
Local Network Services Revenues	\$ 1,141,823.89	\$ 1,161,751.69	\$ 1,185,306.65	\$ 1,210,894.16	\$ 1,230,550.90	\$ 1,247,560.80	\$ 1,264,703.56	\$ 1,282,280.06	\$ 1,299,862.57	\$ 1,317,457.11	\$ 1,335,069.06	\$ 1,352,703.29
Network Access Services Revenues	236,943.74	233,102.98	230,145.42	227,538.91	223,959.56	219,545.42	215,829.64	211,719.42	207,579.16	203,408.86	199,206.52	194,978.14
Miscellaneous Revenues	102,968.92	102,821.07	102,749.80	102,461.07	102,026.14	101,575.71	101,122.80	100,660.68	100,195.77	99,727.97	99,257.22	98,783.42
Total Operating Revenue	1,481,735.55	1,497,675.74	1,518,201.87	1,540,894.14	1,556,537.00	1,569,046.33	1,581,656.00	1,594,660.15	1,607,631.50	1,620,593.94	1,633,554.79	1,646,464.85
Cost of Programming												
1% of cable revenues	498,826.75	506,711.82	511,955.04	516,961.35	519,588.56	521,246.78	546,742.44	549,214.82	553,047.57	554,952.24	557,115.12	558,840.04
Total Operating Revenue less Cost of Programming	982,911.80	990,963.92	1,006,246.83	1,023,932.79	1,036,948.44	1,047,809.55	1,034,913.56	1,045,445.34	1,054,589.92	1,065,641.70	1,076,421.68	1,087,624.82
Operating Expense												
Plant Specific	64,410.17	64,527.31	64,651.30	64,767.24	64,878.84	64,991.08	65,103.93	65,217.42	65,331.53	65,446.26	65,561.63	65,677.61
Plant Non-Specific	35,304.16	35,368.37	35,436.32	35,499.87	35,561.05	35,622.56	35,684.42	35,746.62	35,809.17	35,872.06	35,935.29	35,998.86
Customer Operations	151,150.14	151,425.04	151,716.00	151,988.07	152,249.97	152,513.34	152,776.18	153,044.49	153,312.27	153,581.52	153,852.24	154,124.43
Corporate Operations	150,189.88	150,463.03	150,752.14	151,022.49	151,282.73	151,544.43	151,807.58	152,072.20	152,338.28	152,605.82	152,874.82	153,145.28
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	401,054.34	401,783.75	402,555.77	403,277.68	403,972.59	404,671.41	405,374.12	406,080.74	406,791.25	407,505.66	408,223.98	408,946.19
Other Operating Expense	368,515.08	369,554.27	370,740.24	372,145.16	373,458.97	374,574.91	375,560.65	376,453.78	377,294.92	378,111.12	378,910.69	379,699.18
Depreciation & Amortization	14,644.91	14,671.55	14,699.74	14,726.10	14,751.48	14,776.99	14,802.65	14,828.46	14,854.40	14,880.49	14,906.72	14,933.09
Payroll Taxes	2,271.75	2,663.37	2,633.80	4,523.69	6,187.34	4,851.93	5,211.74	7,384.62	4,928.85	7,573.11	7,717.95	3,525.54
Other taxes	385,433.74	386,889.39	388,073.78	391,394.95	394,397.79	394,403.84	395,575.44	398,666.86	397,078.18	400,564.71	401,535.36	398,157.80
Total Other Operating Expense	196,425.73	202,390.78	215,617.29	229,260.17	238,578.05	248,034.31	233,964.40	240,697.74	250,720.50	257,571.32	266,662.34	280,520.82
Operating Income	25,307.91	25,538.40	25,769.37	23,327.21	23,588.29	23,649.93	24,112.11	24,374.84	24,638.12	24,901.94	25,166.33	25,431.26
Non-Operating Income	(1,116.53)	(1,063.32)	(1,065.86)	(820.26)	(601.59)	(765.15)	(712.55)	(428.98)	(735.45)	(391.88)	(366.83)	(894.60)
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-	-
Special Charges	-	-	-	-	-	-	-	-	-	-	-	-
Gain or Loss on Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Income	24,191.38	24,474.88	24,703.50	22,506.94	22,986.70	23,084.77	23,399.56	23,945.86	23,902.67	24,510.06	24,799.47	24,536.66
Non-Operating Expenses												
Interest on Long Term Debt	217,499.40	217,499.40	230,658.29	217,499.40	205,397.26	231,931.34	212,243.84	191,704.11	231,931.34	205,397.26	212,243.84	277,584.76
Other Interest Expense	116,605.26	117,508.90	118,124.24	118,506.33	118,819.87	118,795.30	118,594.51	118,435.97	118,317.53	118,425.06	118,442.66	118,616.93
Amort. of Debt Discount & Expense	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09
Miscellaneous Income Deductions	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70
Total Non-Operating Expenses	341,603.45	342,507.08	356,281.32	343,594.51	331,715.93	358,225.43	338,337.14	317,638.87	357,747.65	331,521.11	318,185.29	403,700.48
Income before Contributions	(120,986.35)	(115,741.43)	(115,960.53)	(99,137.40)	(97,015.17)	(86,266.34)	(80,973.19)	(82,995.27)	(83,124.49)	(84,239.72)	(84,623.47)	(89,643.00)
Contributions in Aid of Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Increase in Net Assets	(120,986.35)	(115,741.43)	(115,960.53)	(99,137.40)	(97,015.17)	(86,266.34)	(80,973.19)	(82,995.27)	(83,124.49)	(84,239.72)	(84,623.47)	(89,643.00)
Net Assets, beginning of period	(14,282,462.17)	(14,403,448.51)	(14,519,189.94)	(14,635,150.47)	(14,726,887.83)	(14,797,039.05)	(14,883,245.39)	(14,964,218.57)	(15,017,213.85)	(15,000,338.33)	(15,149,578.06)	(15,196,301.53)
Net Assets, end of period	(14,403,448.51)	(14,519,189.94)	(14,635,150.47)	(14,726,887.83)	(14,797,039.05)	(14,883,245.39)	(14,964,218.57)	(15,017,213.85)	(15,000,338.33)	(15,149,578.06)	(15,196,301.53)	(15,294,944.53)

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Revenues, Expenses and Changes in Net Assets

	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10
Operating Revenue													
Local Network Services Revenues	\$ 1,425,408.46	\$ 1,446,911.00	\$ 1,467,238.38	\$ 1,488,260.39	\$ 1,505,523.81	\$ 1,519,179.18	\$ 1,531,306.95	\$ 1,543,370.24	\$ 1,555,369.03	\$ 1,567,909.47	\$ 1,581,956.26	\$ 1,598,189.84	\$ 1,669,821.35
Network Access Services Revenues	190,717.73	185,718.24	183,996.96	181,351.57	178,380.42	175,118.31	171,716.51	168,303.11	164,878.11	161,441.51	158,086.60	154,708.48	151,307.17
Miscellaneous Revenues	97,605.90	97,237.94	97,106.58	96,852.53	96,484.83	96,071.29	95,661.35	95,249.09	94,836.71	94,423.05	94,007.72	93,592.41	92,462.97
Total Operating Revenue	1,713,732.09	1,730,867.17	1,748,341.92	1,765,464.99	1,780,391.06	1,790,368.77	1,798,684.81	1,806,922.44	1,815,083.85	1,823,829.03	1,834,150.58	1,846,600.74	1,913,591.48
Cost of Programming	561,108.76	568,865.84	573,432.39	577,756.69	580,532.65	583,004.89	610,189.91	612,001.48	615,545.77	614,998.73	618,035.87	619,944.88	621,841.34
% of cable revenues	0.39	0.39	0.39	0.39	0.39	0.38	0.40	0.40	0.39	0.39	0.39	0.39	0.37
Total Operating Revenue less Cost of Programming	1,152,623.33	1,162,001.34	1,174,909.54	1,188,707.80	1,199,858.41	1,208,363.87	1,188,494.90	1,194,920.96	1,201,538.08	1,208,830.30	1,216,114.71	1,226,655.86	1,291,750.14
Operating Expense													
Plant Specific	67,633.32	67,738.12	67,848.41	67,951.32	68,046.15	68,136.81	68,227.70	68,318.84	68,410.22	68,506.97	68,604.21	68,701.92	70,811.42
Plant Non-Specific	37,070.81	37,128.25	37,188.71	37,245.12	37,297.09	37,346.78	37,396.60	37,446.56	37,496.65	37,546.68	37,602.97	37,656.53	38,812.78
Customer Operations	158,713.85	158,959.77	159,218.59	159,460.11	159,682.63	159,895.37	160,108.68	160,322.55	160,536.99	160,764.03	160,992.21	161,221.52	166,171.83
Corporate Operations	157,705.54	157,949.90	158,207.07	158,447.05	158,662.16	158,879.55	159,091.51	159,304.02	159,517.10	159,742.70	159,969.43	160,197.27	165,116.14
Other													
Total Operating Expense	421,123.51	421,776.04	422,462.77	423,103.60	423,694.03	424,258.51	424,824.49	425,391.57	425,960.95	426,563.38	427,168.81	427,771.24	440,912.16
												\$994,105	\$113,894
Other Operating Expense													
Depreciation & Amortization	380,480.27	381,373.29	382,397.75	383,566.69	384,718.26	385,730.04	386,590.19	387,342.98	388,022.68	388,663.39	389,332.51	390,020.56	390,721.24
Payroll Taxes	15,377.76	15,401.59	15,426.66	15,450.06	15,471.62	15,492.24	15,512.90	15,533.63	15,554.40	15,576.40	15,598.51	15,620.73	16,100.36
Other taxes	12,486.86	13,007.82	12,852.64	14,443.21	16,044.01	14,650.07	14,489.90	16,345.22	13,830.07	16,181.11	16,121.87	12,059.20	20,839.26
Total Other Operating Expense	408,344.89	409,782.70	410,672.06	413,460.46	416,233.89	415,872.35	416,592.99	419,221.83	417,407.15	420,420.90	421,052.88	417,700.49	427,660.86
Operating Income	323,154.92	330,442.59	341,769.70	352,143.74	359,930.48	368,233.02	347,077.42	350,307.16	358,169.98	361,846.02	367,893.01	381,178.13	423,177.12
Non-Operating Income													
Interest Income	25,696.75	25,962.79	26,229.39	23,423.63	23,737.03	24,051.08	24,365.79	24,681.15	24,997.18	25,313.86	25,631.21	25,949.22	26,267.90
Other Non-Operating Income	252.56	323.22	306.95	514.84	725.68	555.71	543.11	787.43	474.60	781.25	780.73	269.98	1,395.63
Gain or Loss on Fixed Assets													
Total Non-Operating Income	25,949.31	26,286.01	26,536.34	23,938.47	24,462.70	24,606.79	24,908.90	25,468.58	25,471.78	26,095.12	26,411.94	26,219.20	27,663.53
Non-Operating Expenses													
Interest on Long Term Debt	212,243.84	212,243.84	225,084.76	212,243.84	199,328.77	225,304.73	206,179.73	186,226.85	225,304.73	199,328.77	206,179.73	269,653.77	206,179.73
Other Interest Expense	114,995.49	115,627.87	115,938.45	116,043.81	116,252.87	115,600.49	115,052.02	114,673.02	114,207.10	114,028.60	113,737.85	113,598.70	109,612.13
Amort. of Debt Discount & Expense	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09
Miscellaneous Income Deductions	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70
Total Non-Operating Expenses	334,738.11	335,370.50	348,522.01	335,786.43	323,280.43	348,404.01	328,730.54	308,398.65	347,010.62	321,056.16	327,416.37	390,751.26	323,790.65
											\$46,006.21		
Income before Contributions	\$14,366.12	\$21,358.11	\$19,784.04	\$40,295.77	\$61,112.76	\$44,435.80	\$43,255.78	\$67,377.88	\$36,631.14	\$66,884.98	\$66,888.58	\$16,446.07	\$127,549.99
Contributions in Aid of Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Increase in Net Assets	\$14,366.12	\$21,358.11	\$19,784.04	\$40,295.77	\$61,112.76	\$44,435.80	\$43,255.78	\$67,377.88	\$36,631.14	\$66,884.98	\$66,888.58	\$16,446.07	\$127,549.99
Net Assets, beginning of period	(15,294,944.53)	(15,280,378.42)	(15,259,220.31)	(15,239,436.27)	(15,199,140.50)	(15,138,027.74)	(15,093,591.94)	(15,050,336.16)	(14,982,959.08)	(14,946,327.94)	(14,879,442.97)	(14,812,554.39)	(14,795,908.32)
Net Assets, end of period	(\$15,280,578.41)	(\$15,259,020.31)	(\$15,239,436.27)	(\$15,199,140.50)	(\$15,138,027.74)	(\$15,093,591.94)	(\$15,050,336.16)	(\$14,982,959.08)	(\$14,946,327.94)	(\$14,879,442.97)	(\$14,812,554.39)	(\$14,795,908.32)	(\$14,668,358.33)

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Revenues, Expenses and Changes in Net Assets

	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Operating Revenue											
Local Network Services Revenues	\$ 1,678,945.82	\$ 1,690,184.43	\$ 1,701,858.36	\$ 1,709,910.00	\$ 1,716,433.17	\$ 1,722,756.74	\$ 1,728,739.34	\$ 1,735,281.06	\$ 1,741,829.36	\$ 1,748,384.24	\$ 1,757,389.36
Network Access Services Revenues	147,882.65	147,439.94	147,038.91	146,522.57	145,910.35	145,294.58	144,678.77	144,062.55	143,446.44	142,830.22	142,214.57
Miscellaneous Revenues	92,134.81	95,247.38	95,512.35	95,249.06	95,152.60	95,202.86	95,213.05	95,346.62	95,416.52	95,486.34	95,556.08
Total Operating Revenue	1,918,963.27	1,932,871.74	1,944,409.61	1,951,681.63	1,957,496.11	1,963,254.18	1,968,604.16	1,974,657.23	1,980,649.65	1,986,645.02	1,995,087.01
Cost of Programming	627,665.47	630,813.99	633,695.88	635,239.56	636,231.05	666,629.35	668,374.83	670,016.00	671,255.96	672,820.40	673,852.65
% of cable revenues	0.37	0.37	0.37	0.37	0.37	0.39	0.39	0.39	0.39	0.38	0.38
Total Operating Revenue less Cost of Programming	1,291,297.80	1,302,057.74	1,310,713.73	1,316,442.07	1,321,265.06	1,296,624.83	1,300,229.33	1,304,641.22	1,309,393.68	1,313,824.62	1,321,234.36
Operating Expense											
Plant Specific	70,845.46	70,885.18	70,913.97	70,937.27	70,960.61	70,981.98	71,005.41	71,028.89	71,052.42	71,075.99	71,117.51
Plant Non-Specific	38,831.43	38,853.21	38,868.99	38,881.76	38,894.55	38,906.26	38,919.11	38,931.98	38,944.87	38,957.79	38,980.55
Customer Operations	166,251.71	166,344.94	166,412.49	166,467.16	166,521.95	166,572.08	166,627.07	166,682.17	166,737.38	166,792.71	166,848.13
Corporate Operations	165,195.51	165,288.15	165,355.27	165,409.60	165,464.03	165,513.84	165,568.48	165,623.23	165,678.10	165,733.07	165,787.88
Other	441,124.12	441,371.47	441,559.73	441,695.78	441,841.14	441,974.16	442,120.06	442,266.26	442,412.77	442,559.57	442,818.07
Total Operating Expense	533,442	535,151	536,806	538,400	539,953	541,932	543,960	545,986	547,915	549,945	551,976
Other Operating Expense	391,463.41	392,302.64	393,275.96	394,199.89	395,011.78	395,748.97	396,409.54	397,033.29	397,683.84	398,310.91	398,931.01
Property Taxes	16,108.10	16,117.13	16,123.68	16,128.98	16,134.29	16,139.14	16,144.47	16,149.81	16,155.16	16,160.52	16,169.96
Payroll Taxes	20,756.71	20,569.07	21,784.56	23,159.12	21,616.67	21,102.19	22,765.60	20,245.52	22,392.01	22,188.28	18,108.35
Other taxes	428,328.23	428,385.84	431,184.20	433,487.99	433,762.73	432,990.30	435,319.61	433,448.63	436,233.01	436,659.71	431,209.31
Total Other Operating Expense	428,328.23	428,385.84	431,184.20	433,487.99	433,762.73	432,990.30	435,319.61	433,448.63	436,233.01	436,659.71	431,209.31
Operating Income	421,845.46	431,697.43	437,999.01	441,258.30	446,661.19	421,600.37	422,789.66	428,976.33	430,747.91	434,605.34	445,206.98
Non-Operating Income											
Interest Income	26,587.23	26,907.24	22,512.63	23,860.95	24,209.99	24,559.77	24,910.27	25,261.50	25,613.46	25,966.16	26,319.59
Other Non-Operating Income	1,390.80	1,371.64	1,533.24	1,716.21	1,527.43	1,470.05	1,689.80	1,376.36	1,657.71	1,639.54	1,127.35
Special Charges											
Gain or Loss on Fixed Assets											
Total Non-Operating Income	27,978.03	28,278.88	25,045.87	25,577.16	25,737.42	26,029.81	26,600.06	26,637.86	27,271.18	27,605.70	27,446.94
Non-Operating Expenses											
Interest on Long Term Debt	206,179.73	218,653.77	206,179.73	192,486.58	217,352.79	198,902.79	179,654.14	217,352.79	192,486.58	198,902.79	260,136.58
Other Interest Expense	109,026.61	108,554.35	108,130.72	107,534.38	106,761.08	106,089.04	105,336.28	104,617.33	104,170.69	103,675.04	103,262.32
Amort. of Debt Discount & Expense	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09
Miscellaneous Income Deductions	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70
Total Non-Operating Expenses	322,705.12	334,706.91	321,809.23	307,519.75	331,612.67	312,490.63	292,489.21	329,468.92	304,156.05	310,876.63	370,897.68
Income before Contributions	\$127,118.37	\$125,269.40	\$141,235.64	\$159,315.71	\$140,785.95	\$135,199.56	\$156,900.51	\$126,095.28	\$153,863.03	\$152,134.41	\$101,756.23
Contributions in Aid of Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Increase in Net Assets	\$127,118.37	\$125,269.40	\$141,235.64	\$159,315.71	\$140,785.95	\$135,199.56	\$156,900.51	\$126,095.28	\$153,863.03	\$152,134.41	\$101,756.23
Net Assets, beginning of period	(14,668,338.33)	(14,541,239.96)	(14,415,970.56)	(14,274,734.92)	(14,115,419.22)	(13,974,633.27)	(13,839,433.71)	(13,692,533.20)	(13,556,437.92)	(13,402,574.89)	(13,250,440.48)
Net Assets, end of period	\$14,541,239.96	\$14,415,970.56	\$14,274,734.92	\$14,115,419.22	\$13,974,633.27	\$13,839,433.71	\$13,692,533.20	\$13,556,437.92	\$13,402,574.89	\$13,250,440.48	\$13,148,684.25

Johnson Energy Authority
Telecommunications System - Consolidated
Statement of Net Assets

Assets

	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07
Utility Plant															
Total Plant, Beginning of Year	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51
Net Plant Additional During Year	4,674,033.40	4,674,033.40	4,674,033.40	4,674,033.40	4,674,033.40	4,674,033.40	4,674,033.40	4,674,033.40	4,674,033.40	4,674,033.40	4,674,033.40	4,674,033.40	4,674,033.40	4,674,033.40	4,674,033.40
Total Completed Plant	31,009,184.40	33,083,147.91	34,887,117.91	36,561,151.91	38,235,185.30	39,909,219.91	41,583,254.31	43,257,288.71	44,931,323.11	46,605,357.51	48,279,391.91	49,953,426.31	51,627,460.71	53,301,495.11	54,975,529.51
Construction Work in Progress	3,703,504.33	3,703,504.33	3,703,504.33	3,703,504.33	3,703,504.33	3,703,504.33	3,703,504.33	3,703,504.33	3,703,504.33	3,703,504.33	3,703,504.33	3,703,504.33	3,703,504.33	3,703,504.33	3,703,504.33
Total Utility Plant	\$34,712,688.73	\$37,786,652.24	\$38,590,622.24	\$40,264,656.24	\$41,938,690.24	\$43,612,724.24	\$45,286,758.24	\$46,960,792.24	\$48,634,826.24	\$50,308,860.24	\$51,982,894.24	\$53,656,928.24	\$55,330,962.24	\$57,004,996.24	\$58,679,030.24
Reserve for Depreciation	(4,988,120.27)	(5,307,977.03)	(5,627,833.79)	(5,947,690.55)	(6,267,547.31)	(6,587,403.97)	(6,907,260.73)	(7,227,117.49)	(7,546,974.25)	(7,866,830.91)	(8,186,687.67)	(8,506,544.43)	(8,826,401.19)	(9,146,257.95)	(9,466,114.71)
Total Net Plant	\$29,724,568.46	\$32,478,675.21	\$32,962,788.45	\$34,316,965.69	\$35,671,142.93	\$37,025,320.27	\$38,379,497.51	\$39,733,674.75	\$41,087,851.99	\$42,442,029.23	\$43,796,206.47	\$45,150,383.71	\$46,504,560.95	\$47,858,738.19	\$49,212,915.43
Investments and Funds															
Debt Service Fund	5,572,419.50	5,572,419.50	5,572,419.50	5,572,419.50	5,572,419.50	5,572,419.50	5,572,419.50	5,572,419.50	5,572,419.50	5,572,419.50	5,572,419.50	5,572,419.50	5,572,419.50	5,572,419.50	5,572,419.50
Construction Fund	2,144.25	2,144.25	2,144.25	2,144.25	2,144.25	2,144.25	2,144.25	2,144.25	2,144.25	2,144.25	2,144.25	2,144.25	2,144.25	2,144.25	2,144.25
Debt Sinking Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments and Funds	\$5,574,563.75	\$5,574,563.75	\$5,574,563.75	\$5,574,563.75	\$5,574,563.75	\$5,574,563.75	\$5,574,563.75	\$5,574,563.75	\$5,574,563.75	\$5,574,563.75	\$5,574,563.75	\$5,574,563.75	\$5,574,563.75	\$5,574,563.75	\$5,574,563.75
Current Assets															
Cash - Gross Revenue Fund	176,668.94	245,966.58	12,117.02	225,170.59	196,637.81	217,851.38	301,643.74	449,483.79	499,361.89	526,033.12	592,119.46	745,820.36	736,807.82	714,557.84	691,335.21
Accounts Receivable - Customer Billing	1,741,356.58	1,741,356.58	2,193,023.39	2,016,667.16	2,041,033.28	2,071,389.69	2,041,673.10	2,043,815.59	2,102,241.69	2,163,407.33	2,197,442.03	2,214,499.73	2,333,028.33	2,384,313.20	2,426,114.93
Accumulated Provisions for Uncollectible Accounts	10,463.67	(972.03)	(1,113.73)	(22,522.43)	(34,091.13)	(46,528.43)	(56,348.33)	(67,507.23)	(78,666.13)	(89,825.03)	(100,983.93)	(112,142.83)	(123,301.73)	(134,460.63)	(145,619.53)
Materials and Supplies - Utility	944,712.47	787,924.40	604,369.94	474,398.94	376,311.23	331,806.64	314,635.01	269,499.16	292,839.92	317,166.12	242,484.38	125,065.23	22,508.08	22,733.16	22,968.24
Accrued Interest Receivable	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80
Prepaid Expenses	36,316.31	25,944.54	13,232.77	1,460.99	(10,330.78)	(22,122.56)	(33,914.33)	(45,706.10)	(57,497.88)	(69,289.65)	(81,081.43)	(92,873.20)	(104,664.97)	(116,456.74)	(128,248.51)
Other Current Assets	15,856.47	15,856.47	15,856.47	15,856.47	15,856.47	15,856.47	15,856.47	15,856.47	15,856.47	15,856.47	15,856.47	15,856.47	15,856.47	15,856.47	15,856.47
Total Current Assets	\$2,934,620.25	\$2,905,394.15	\$2,835,649.90	\$2,719,655.52	\$2,594,144.88	\$2,468,634.26	\$2,343,123.62	\$2,217,612.98	\$2,092,102.34	\$1,966,591.70	\$1,841,081.06	\$1,715,570.42	\$1,590,059.78	\$1,464,549.14	\$1,339,038.50
Deferred Debits															
Unamortized Debt Expense	709,777.81	704,874.04	699,970.27	695,066.50	690,162.73	685,258.96	680,355.19	675,451.42	670,547.65	665,643.88	660,740.11	655,836.34	650,932.57	646,028.80	641,125.03
Miscellaneous Deferred Debits	3,546,618.79	3,557,540.14	3,557,035.77	3,556,531.40	3,556,027.03	3,555,522.66	3,555,018.29	3,554,513.92	3,554,009.55	3,553,505.18	3,553,000.81	3,552,496.44	3,551,992.07	3,551,487.70	3,550,983.33
Charging Accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Deferred Debits	\$4,256,396.60	\$4,262,414.18	\$4,256,906.04	\$4,255,597.90	\$4,254,289.76	\$4,252,981.62	\$4,251,673.48	\$4,250,365.34	\$4,249,057.20	\$4,247,749.06	\$4,246,440.92	\$4,245,132.78	\$4,243,824.64	\$4,242,516.50	\$4,241,208.36
Total Assets	\$34,981,181.37	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14
Liabilities and Net Assets															
Long Term Debt															
Bonds	16,702,979.60	17,429,253.90	17,990,067.09	18,571,373.95	19,152,680.81	19,733,987.67	20,315,294.53	20,896,601.39	21,477,908.25	22,059,215.11	22,640,521.97	23,221,828.83	23,803,135.69	24,384,442.55	24,965,749.41
Notes Payable	16,049.80	16,049.80	6,312.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Lease Payable - Trailer	(24,635.98)	(24,635.98)	(24,635.98)	(24,635.98)	(24,635.98)	(24,635.98)	(24,635.98)	(24,635.98)	(24,635.98)	(24,635.98)	(24,635.98)	(24,635.98)	(24,635.98)	(24,635.98)	(24,635.98)
Unamortized Debt Discount	70,181,331.43	71,483,872.80	72,036,176.00	72,588,519.93	73,140,863.84	73,693,207.75	74,245,551.66	74,797,895.57	75,350,239.48	75,902,583.39	76,454,927.30	77,007,271.21	77,559,615.12	78,111,959.03	78,664,302.94
Total Long-Term Debt	\$107,000,834.85	\$109,033,652.48	\$109,832,150.32	\$110,630,903.93	\$111,429,657.54	\$112,228,411.15	\$113,027,164.76	\$113,825,918.37	\$114,624,671.98	\$115,423,425.59	\$116,222,179.20	\$117,020,932.81	\$117,819,686.42	\$118,618,440.03	\$119,417,193.64
Special Fund Liabilities															
Accrued Interest on Bonds	219,530.77	219,530.77	219,530.77	219,530.77	219,530.77	219,530.77	219,530.77	219,530.77	219,530.77	219,530.77	219,530.77	219,530.77	219,530.77	219,530.77	219,530.77
Total Special Fund Liabilities	\$219,530.77	\$219,530.77	\$219,530.77	\$219,530.77	\$219,530.77	\$219,530.77	\$219,530.77	\$219,530.77	\$219,530.77	\$219,530.77	\$219,530.77	\$219,530.77	\$219,530.77	\$219,530.77	\$219,530.77
Current and Accrued Liabilities															
Long Term Debt - Current Portion	1,455,417.77	1,254,854.47	1,112,928.93	999,802.81	715,821.67	689,232.41	521,885.07	473,065.63	439,889.83	441,411.97	385,833.24	341,279.48	364,584.47	311,118.19	324,229.74
Capital Lease Payable - Current Portion	42,417.14	41,833.18	40,405.40	43,939.07	35,937.60	29,616.40	22,875.60	15,814.60	8,733.60	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Capital Service Debt	63,571.30	65,543.03	67,514.76	69,486.49	70,609.16	71,419.62	71,976.47	72,786.73	73,903.84	75,014.55	76,129.06	77,243.17	78,357.27	79,471.37	80,585.47
Sales Tax Payable	4,046.69	66,657.32	67,198.17	69,033.68	70,771.44	71,110.53	71,976.47	72,786.73	73,596.99	74,407.25	75,217.51	76,027.77	76,838.03	77,648.29	78,458.55
Other Current & Accrued Liabilities	907,010.80	\$2,120,401.41	\$2,230,006.00	\$2,339,611.59	\$2,449,217.18	\$2,558,822.77	\$2,668,428.36	\$2,778,033.95	\$2,887,639.54	\$2,997,245.13	\$3,106,850.72	\$3,216,456.31	\$3,326,061.90	\$3,435,667.49	\$3,545,273.08
Total Current and Accrued Liabilities	\$2,133,445.99	\$2,485,912.67	\$2,543,076.33	\$2,600,744.95	\$2,658,413.57	\$2,716,082.19	\$2,773,750.81	\$2,831,419.43	\$2,889,088.05	\$2,946,756.67	\$3,004,425.29	\$3,062,093.91	\$3,119,762.53	\$3,177,431.15	\$3,235,099.77
Reserve															
Accrued Leave	208,228.06	208,228.06	210,374.16	212,477.90	214,602.48	216,748.71	218,916.30	221,105.36	223,316.41	225,549.35	227,805.07	230,083.12	232,383.96	234,707.79	237,054.87
Total Reserve	\$208,228.06	\$208,228.06	\$210,374.16	\$212,477.90	\$214,602.48	\$216,748.71	\$218,916.30	\$221,105.36	\$223,316.41	\$225,549.35	\$227,805.07	\$230,083.12	\$232,383.96	\$234,707.79	\$237,054.87
Net Assets															
Investment in Capital Assets, Net of Related Debt	\$2,334,612.50	\$2,491,686.97	\$2,600,250.49	\$2,691,132.74	\$2,768,713.80	\$2,835,185.14	\$2,891,646.73	\$2,948,108.32	\$2,995,569.91	\$3,043,031.50	\$3,090,493.09	\$3,137,954.68	\$3,185,416.27	\$3,232,877.86	\$3,280,339.45
Restricted For:															
Capital Projects	2,344.25	2,344.25	2,344.25	2,344.25	2,344.25	2,344.25	2,344.25	2,344.25	2,344.25	2,344.25	2,344.25	2,344.25	2,344.25	2,344.25	2,344.25
Debt Service	(219,530.77)	(219,530.77)	(219,530.77)	(219,530.77)	(219,530.77)	(219,530.77)	(219,530.77)	(219,530.77)	(219,530.77)	(219,530.77)	(219,530.77)	(219,530.77)	(219,530.77)	(219,530.77)	(219,530.77)
Unrestricted	(60,336,028.85)	(61,162,095.13)	(61,845,118.54)	(62,477,238.36)	(63,058,360.95)	(63,589,483.54)	(64,170,606.13)	(64,751,728.72)	(65,332,851.31)	(65,913,973.90)	(66,495,096.49)	(67,076,219.08)	(67,657,341.67)	(68,238,464.26)	(68,819,586.85)
Total Net Assets	\$2,334,612.50	\$2,491,686.97	\$2,600,250.49	\$2,691,132.74	\$2,768,713.80	\$2,835,185.14	\$2,891,646.73	\$2,948,108.32	\$2,995,569.91	\$3,043,031.50	\$3,090,493.09	\$3,137,954.68	\$3,185,416.27	\$3,232,877.86	\$3,280,339.45
Total Liabilities and Net Assets	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14	\$37,671,653.14

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Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Net Assets

Assets

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
Utility Plant															
Total Plant - Beginning of Year	\$62,961,692.79	\$62,961,692.79	\$62,961,692.79	\$62,961,692.79	\$62,961,692.79	\$64,914,071.78	\$64,914,071.78	\$65,182,969.33	\$65,182,969.33	\$65,182,969.33	\$65,182,969.33	\$64,182,969.33	\$65,182,969.33	\$65,182,969.33	\$65,182,969.33
Net Plant Addition During Year	1,331,467.22	1,331,467.22	1,331,467.22	1,331,467.22	1,331,467.22	135,081.74	268,877.55	132,989.40	132,989.40	132,989.40	132,989.40	899,377.46	1,045,736.54	1,175,702.11	1,292,167.14
Net Plant Disposition During Year	(4,403,160.61)	(4,403,160.61)	(4,403,160.61)	(4,403,160.61)	(4,403,160.61)	(55,090,133.52)	(65,181,969.33)	(55,335,976.73)	(55,335,976.73)	(55,335,976.73)	(55,335,976.73)	(66,329,703.87)	(66,329,703.87)	(66,329,703.87)	(66,329,703.87)
Construction Work in Progress	439,030.94	439,030.94	439,030.94	439,030.94	439,030.94	401,467.43	498,968.19	536,526.33	600,775.88	600,775.88	600,775.88	442,076.62	388,896.70	349,335.09	329,244.01
Total Utility Plant	\$64,999,182.24	\$64,999,182.24	\$64,999,182.24	\$64,999,182.24	\$64,999,182.24	\$65,400,602.56	\$65,400,602.56	\$65,862,484.96	\$66,112,343.27	\$66,293,916.56	\$66,293,916.56	\$66,329,703.87	\$66,700,006.33	\$66,700,006.33	\$66,804,410.48
Reserve for Depreciation	(15,824,671.02)	(15,824,671.02)	(15,824,671.02)	(15,824,671.02)	(15,824,671.02)	(17,315,341.54)	(17,893,622.52)	(18,559,935.05)	(18,559,935.05)	(19,042,978.74)	(19,042,978.74)	(19,813,408.65)	(20,587,341.21)	(20,587,341.21)	(20,977,563.89)
Total Net Plant	\$49,174,511.22	\$49,174,511.22	\$49,174,511.22	\$49,174,511.22	\$49,174,511.22	\$48,085,261.02	\$47,506,980.04	\$47,302,549.91	\$47,552,408.22	\$47,250,937.82	\$47,250,937.82	\$46,516,295.22	\$46,112,665.12	\$46,112,665.12	\$45,826,846.59
Investments and Funds															
Debt Service Fund	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50
Construction Fund	2,495.46	2,495.46	2,495.46	2,495.46	2,495.46	2,512.15	2,512.15	2,512.15	2,512.15	2,512.15	2,512.15	2,512.15	2,512.15	2,512.15	2,512.15
Debt Sinking Fund	577,551.18	577,551.18	577,551.18	577,551.18	577,551.18	1,034,570.79	1,034,570.79	1,034,570.79	1,034,570.79	1,034,570.79	1,034,570.79	1,034,570.79	1,034,570.79	1,034,570.79	1,034,570.79
Total Investments and Funds	\$6,392,466.14	\$6,392,466.14	\$6,392,466.14	\$6,392,466.14	\$6,392,466.14	\$6,359,502.44	\$6,359,502.44	\$6,359,502.44	\$6,359,502.44	\$6,359,502.44	\$6,359,502.44	\$6,359,502.44	\$6,359,502.44	\$6,359,502.44	\$6,359,502.44
Current Assets															
Cash - Gross Revenue Fund	1,776,340.37	1,776,340.37	1,776,340.37	1,776,340.37	1,776,340.37	2,130,713.90	2,226,644.14	2,226,644.14	2,226,644.14	2,226,644.14	2,226,644.14	2,226,644.14	2,226,644.14	2,226,644.14	2,226,644.14
Accounts Receivable - Customer Billing	3,003,854.48	3,003,854.48	3,003,854.48	3,003,854.48	3,003,854.48	3,128,498.90	3,128,498.90	3,128,498.90	3,128,498.90	3,128,498.90	3,128,498.90	3,128,498.90	3,128,498.90	3,128,498.90	3,128,498.90
Accumulated Provision for Uncollectible Accounts	(408,575.53)	(408,575.53)	(408,575.53)	(408,575.53)	(408,575.53)	(493,877.90)	(493,877.90)	(493,877.90)	(493,877.90)	(493,877.90)	(493,877.90)	(493,877.90)	(493,877.90)	(493,877.90)	(493,877.90)
Materials and Supplies - Utility	26,970.80	26,970.80	26,970.80	26,970.80	26,970.80	28,296.33	28,296.33	28,296.33	28,296.33	28,296.33	28,296.33	28,296.33	28,296.33	28,296.33	28,296.33
Accrued Interest Receivable	8,721.80	8,721.80	8,721.80	8,721.80	8,721.80	8,721.80	8,721.80	8,721.80	8,721.80	8,721.80	8,721.80	8,721.80	8,721.80	8,721.80	8,721.80
Prepaid Expenses	12,442.24	12,442.24	12,442.24	12,442.24	12,442.24	12,442.24	12,442.24	12,442.24	12,442.24	12,442.24	12,442.24	12,442.24	12,442.24	12,442.24	12,442.24
Other Current Assets	15,893.47	15,893.47	15,893.47	15,893.47	15,893.47	15,893.47	15,893.47	15,893.47	15,893.47	15,893.47	15,893.47	15,893.47	15,893.47	15,893.47	15,893.47
Total Current Assets	\$4,377,890.31	\$4,377,890.31	\$4,377,890.31	\$4,377,890.31	\$4,377,890.31	\$4,799,833.79	\$4,799,833.79	\$4,799,833.79	\$4,799,833.79	\$4,799,833.79	\$4,799,833.79	\$4,799,833.79	\$4,799,833.79	\$4,799,833.79	\$4,799,833.79
Deferred Debts															
Unamortized Debt Expense	562,664.71	562,664.71	562,664.71	562,664.71	562,664.71	549,049.63	549,049.63	549,049.63	549,049.63	549,049.63	549,049.63	549,049.63	549,049.63	549,049.63	549,049.63
Miscellaneous Deferred Debts	3,521,151.77	3,521,151.77	3,521,151.77	3,521,151.77	3,521,151.77	3,481,141.63	3,481,141.63	3,481,141.63	3,481,141.63	3,481,141.63	3,481,141.63	3,481,141.63	3,481,141.63	3,481,141.63	3,481,141.63
Other Current Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Deferred Debts	\$4,083,816.48	\$4,083,816.48	\$4,083,816.48	\$4,083,816.48	\$4,083,816.48	\$3,999,245.36	\$3,999,245.36	\$3,999,245.36	\$3,999,245.36	\$3,999,245.36	\$3,999,245.36	\$3,999,245.36	\$3,999,245.36	\$3,999,245.36	\$3,999,245.36
Total Assets	\$53,708,611.11	\$53,708,611.11	\$53,708,611.11	\$53,708,611.11	\$53,708,611.11	\$58,705,095.49	\$58,705,095.49	\$58,705,095.49	\$58,705,095.49	\$58,705,095.49	\$58,705,095.49	\$58,705,095.49	\$58,705,095.49	\$58,705,095.49	\$58,705,095.49
Liabilities and Net Assets															
Long Term Debt															
Bonds	\$52,500,000.00	\$52,500,000.00	\$52,500,000.00	\$52,500,000.00	\$52,500,000.00	\$52,500,000.00	\$52,500,000.00	\$52,500,000.00	\$52,500,000.00	\$52,500,000.00	\$52,500,000.00	\$52,500,000.00	\$52,500,000.00	\$52,500,000.00	\$52,500,000.00
Notes Payable	24,051,481.21	24,051,481.21	24,051,481.21	24,051,481.21	24,051,481.21	24,051,481.21	24,051,481.21	24,051,481.21	24,051,481.21	24,051,481.21	24,051,481.21	24,051,481.21	24,051,481.21	24,051,481.21	24,051,481.21
Capital Lease Payable - Trailer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unamortized Debt Discount	(239,235.33)	(239,235.33)	(239,235.33)	(239,235.33)	(239,235.33)	(239,235.33)	(239,235.33)	(239,235.33)	(239,235.33)	(239,235.33)	(239,235.33)	(239,235.33)	(239,235.33)	(239,235.33)	(239,235.33)
Total Long Term Debt	\$52,261,765.88	\$52,261,765.88	\$52,261,765.88	\$52,261,765.88	\$52,261,765.88	\$52,261,765.88	\$52,261,765.88	\$52,261,765.88	\$52,261,765.88	\$52,261,765.88	\$52,261,765.88	\$52,261,765.88	\$52,261,765.88	\$52,261,765.88	\$52,261,765.88
Special Fund Liabilities															
Accrued Interest on Bonds	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84
Total Special Fund Liabilities	\$212,243.84	\$212,243.84	\$212,243.84	\$212,243.84	\$212,243.84	\$212,243.84	\$212,243.84	\$212,243.84	\$212,243.84	\$212,243.84	\$212,243.84	\$212,243.84	\$212,243.84	\$212,243.84	\$212,243.84
Current and Accrued Liabilities															
Long Term Debt - Current Portion	353,577.28	353,577.28	353,577.28	353,577.28	353,577.28	353,577.28	353,577.28	353,577.28	353,577.28	353,577.28	353,577.28	353,577.28	353,577.28	353,577.28	353,577.28
Accounts Payable - General	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Lease Payable - Trailer Current Portion	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Customer Deposits	90,835.53	90,835.53	90,835.53	90,835.53	90,835.53	90,835.53	90,835.53	90,835.53	90,835.53	90,835.53	90,835.53	90,835.53	90,835.53	90,835.53	90,835.53
Sales Tax Payable	108,259.25	108,259.25	108,259.25	108,259.25	108,259.25	112,090.28	112,090.28	112,090.28	112,090.28	112,090.28	112,090.28	112,090.28	112,090.28	112,090.28	112,090.28
Other Current & Accrued Liabilities	757,145.33	757,145.33	757,145.33	757,145.33	757,145.33	845,728.96	845,728.96	845,728.96	845,728.96	845,728.96	845,728.96	845,728.96	845,728.96	845,728.96	845,728.96
Total Current and Accrued Liabilities	\$1,200,107.92	\$1,200,107.92	\$1,200,107.92	\$1,200,107.92	\$1,200,107.92	\$1,200,107.92	\$1,200,107.92	\$1,200,107.92	\$1,200,107.92	\$1,200,107.92	\$1,200,107.92	\$1,200,107.92	\$1,200,107.92	\$1,200,107.92	\$1,200,107.92
Reserves															
Accrued Leave	277,965.48	277,965.48	277,965.48	277,965.48	277,965.48	277,965.48	277,965.48	277,965.48	277,965.48	277,965.48	277,965.48	277,965.48	277,965.48	277,965.48	277,965.48
Total Reserves	\$277,965.48	\$277,965.48	\$277,965.48	\$277,965.48	\$277,965.48	\$277,965.48	\$277,965.48	\$277,965.48	\$277,965.48	\$277,965.48	\$277,965.48	\$277,965.48	\$277,965.48	\$277,965.48	\$277,965.48
Net Assets	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57
Investment in Capital Assets, Net of Related Debt	49,383,334.57	49,383,334.57	49,383,334.57	49,383,334.57	49,383,334.57	49,383,334.57	49,383,334.57	49,383,334.57	49,383,334.57	49,383,334.57	49,383,334.57	49,383,334.57	49,383,334.57	49,383,334.57	49,383,334.57
Capital Projects	2,495.46	2,495.46	2,495.46	2,495.46	2,495.46	2,512.15	2,512.15	2,512.15	2,512.15	2,512.15	2,512.15	2,512.15	2,512.15	2,512.15	2,512.15
Debt Service	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)
Unamortized	(64,118,318.77)	(64,118,318.77)	(64,118,318.77)	(64,118,318.77)	(64,118,318.77)	(65,181,969.33)	(65,181,969.33)	(65,181,969.33)	(65,181,969.33)	(65,181,969.33)	(65,181,969.33)	(66,329,703.87)	(66,329,703.87)	(66,329,703.87)	(66,329,703.87)
Total Net Assets	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57	\$1,388,334.57
Total Liabilities and Net Assets	\$58,														

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Net Assets

Assets

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Utility Plant															
Tied Plant - Beginning of Year	\$65,182,909.33	\$65,182,909.33	\$65,182,909.33	\$66,817,388.40	\$66,817,388.40	\$66,817,388.40	\$66,817,388.40	\$66,817,388.40	\$66,817,388.40	\$66,817,388.40	\$66,817,388.40	\$66,817,388.40	\$66,817,388.40	\$66,817,388.40	\$66,817,388.40
Net Plant Addition During Year	1,316,543.20	1,316,543.20	1,316,543.20	1,316,543.20	1,316,543.20	1,316,543.20	1,316,543.20	1,316,543.20	1,316,543.20	1,316,543.20	1,316,543.20	1,316,543.20	1,316,543.20	1,316,543.20	1,316,543.20
Total Completed Plant	66,499,452.53	66,499,452.53	66,499,452.53	68,133,931.60	68,133,931.60	68,133,931.60	68,133,931.60	68,133,931.60	68,133,931.60	68,133,931.60	68,133,931.60	68,133,931.60	68,133,931.60	68,133,931.60	68,133,931.60
Construction Work in Progress	341,894.17	333,627.61	333,627.61	333,627.61	333,627.61	333,627.61	333,627.61	333,627.61	333,627.61	333,627.61	333,627.61	333,627.61	333,627.61	333,627.61	333,627.61
Total Utility Plant	66,841,346.70	66,833,080.14	66,833,080.14	68,467,559.21	68,467,559.21	68,467,559.21	68,467,559.21	68,467,559.21	68,467,559.21	68,467,559.21	68,467,559.21	68,467,559.21	68,467,559.21	68,467,559.21	68,467,559.21
Accumulated Depreciation	(21,354,027.28)	(21,354,027.28)	(21,354,027.28)	(21,354,027.28)	(21,354,027.28)	(21,354,027.28)	(21,354,027.28)	(21,354,027.28)	(21,354,027.28)	(21,354,027.28)	(21,354,027.28)	(21,354,027.28)	(21,354,027.28)	(21,354,027.28)	(21,354,027.28)
Net Plant	45,487,319.42	45,479,052.86	45,479,052.86	47,113,531.93	47,113,531.93	47,113,531.93	47,113,531.93	47,113,531.93	47,113,531.93	47,113,531.93	47,113,531.93	47,113,531.93	47,113,531.93	47,113,531.93	47,113,531.93

Investments and Funds															
Debt Service Fund	3,532,419.50	3,532,419.50	3,532,419.50	3,532,419.50	3,532,419.50	3,532,419.50	3,532,419.50	3,532,419.50	3,532,419.50	3,532,419.50	3,532,419.50	3,532,419.50	3,532,419.50	3,532,419.50	3,532,419.50
Construction Fund	2,578.68	2,578.68	2,578.68	2,578.68	2,578.68	2,578.68	2,578.68	2,578.68	2,578.68	2,578.68	2,578.68	2,578.68	2,578.68	2,578.68	2,578.68
Debt Sinking Fund	1,105,387.88	1,105,387.88	1,105,387.88	1,105,387.88	1,105,387.88	1,105,387.88	1,105,387.88	1,105,387.88	1,105,387.88	1,105,387.88	1,105,387.88	1,105,387.88	1,105,387.88	1,105,387.88	1,105,387.88
Total Investments and Funds	5,210,386.06	5,210,386.06	5,210,386.06	5,210,386.06	5,210,386.06	5,210,386.06	5,210,386.06	5,210,386.06	5,210,386.06	5,210,386.06	5,210,386.06	5,210,386.06	5,210,386.06	5,210,386.06	5,210,386.06

Current Assets															
Cash - Gross Revenue Fund	4,041,696.65	4,213,947.34	4,213,947.34	4,213,947.34	4,213,947.34	4,213,947.34	4,213,947.34	4,213,947.34	4,213,947.34	4,213,947.34	4,213,947.34	4,213,947.34	4,213,947.34	4,213,947.34	4,213,947.34
Accounts Receivable - Customer Billing	3,462,362.51	3,464,986.35	3,464,986.35	3,464,986.35	3,464,986.35	3,464,986.35	3,464,986.35	3,464,986.35	3,464,986.35	3,464,986.35	3,464,986.35	3,464,986.35	3,464,986.35	3,464,986.35	3,464,986.35
Accumulated Provisions for Uncollectible Accounts	(684,889.73)	(706,393.65)	(706,393.65)	(706,393.65)	(706,393.65)	(706,393.65)	(706,393.65)	(706,393.65)	(706,393.65)	(706,393.65)	(706,393.65)	(706,393.65)	(706,393.65)	(706,393.65)	(706,393.65)
Materials and Supplies - Utility	1,238,675.31	1,238,675.31	1,238,675.31	1,238,675.31	1,238,675.31	1,238,675.31	1,238,675.31	1,238,675.31	1,238,675.31	1,238,675.31	1,238,675.31	1,238,675.31	1,238,675.31	1,238,675.31	1,238,675.31
Accrued Interest Receivable	8,732.80	8,732.80	8,732.80	8,732.80	8,732.80	8,732.80	8,732.80	8,732.80	8,732.80	8,732.80	8,732.80	8,732.80	8,732.80	8,732.80	8,732.80
Prepaid Expenses	18,048.16	18,048.16	18,048.16	18,048.16	18,048.16	18,048.16	18,048.16	18,048.16	18,048.16	18,048.16	18,048.16	18,048.16	18,048.16	18,048.16	18,048.16
Other Current Assets	12,958.67	12,958.67	12,958.67	12,958.67	12,958.67	12,958.67	12,958.67	12,958.67	12,958.67	12,958.67	12,958.67	12,958.67	12,958.67	12,958.67	12,958.67
Total Current Assets	8,919,659.20	9,081,752.21	9,081,752.21	9,081,752.21	9,081,752.21	9,081,752.21	9,081,752.21	9,081,752.21	9,081,752.21	9,081,752.21	9,081,752.21	9,081,752.21	9,081,752.21	9,081,752.21	9,081,752.21

Deferred Debits															
Unamortized Debt Expense	489,104.16	489,104.16	489,104.16	489,104.16	489,104.16	489,104.16	489,104.16	489,104.16	489,104.16	489,104.16	489,104.16	489,104.16	489,104.16	489,104.16	489,104.16
Unamortized Deferred Debits	3,169,104.17	3,169,104.17	3,169,104.17	3,169,104.17	3,169,104.17	3,169,104.17	3,169,104.17	3,169,104.17	3,169,104.17	3,169,104.17	3,169,104.17	3,169,104.17	3,169,104.17	3,169,104.17	3,169,104.17
Charging Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Deferred Debits	3,658,208.33	3,658,208.33	3,658,208.33	3,658,208.33	3,658,208.33	3,658,208.33	3,658,208.33	3,658,208.33	3,658,208.33	3,658,208.33	3,658,208.33	3,658,208.33	3,658,208.33	3,658,208.33	3,658,208.33
Total Assets	\$82,766,966.01	\$82,766,966.01	\$82,766,966.01	\$82,766,966.01	\$82,766,966.01	\$82,766,966.01	\$82,766,966.01	\$82,766,966.01	\$82,766,966.01	\$82,766,966.01	\$82,766,966.01	\$82,766,966.01	\$82,766,966.01	\$82,766,966.01	\$82,766,966.01

Liabilities and Net Assets															
Long Term Debt															
Bonds	\$51,000,000.00	\$51,000,000.00	\$51,000,000.00	\$51,000,000.00	\$51,000,000.00	\$51,000,000.00	\$51,000,000.00	\$51,000,000.00	\$51,000,000.00	\$51,000,000.00	\$51,000,000.00	\$51,000,000.00	\$51,000,000.00	\$51,000,000.00	\$51,000,000.00
Notes Payable	24,898,275.55	24,898,275.55	24,898,275.55	24,898,275.55	24,898,275.55	24,898,275.55	24,898,275.55	24,898,275.55	24,898,275.55	24,898,275.55	24,898,275.55	24,898,275.55	24,898,275.55	24,898,275.55	24,898,275.55
Capital Lease Payable - Trailer	(181,960.58)	(181,960.58)	(181,960.58)	(181,960.58)	(181,960.58)	(181,960.58)	(181,960.58)	(181,960.58)	(181,960.58)	(181,960.58)	(181,960.58)	(181,960.58)	(181,960.58)	(181,960.58)	(181,960.58)
Unamortized Debt Discount	25,718,318.97	25,718,318.97	25,718,318.97	25,718,318.97	25,718,318.97	25,718,318.97	25,718,318.97	25,718,318.97	25,718,318.97	25,718,318.97	25,718,318.97	25,718,318.97	25,718,318.97	25,718,318.97	25,718,318.97
Total Long-Term Debt	\$95,534,534.44	\$95,534,534.44	\$95,534,534.44	\$95,534,534.44	\$95,534,534.44	\$95,534,534.44	\$95,534,534.44	\$95,534,534.44	\$95,534,534.44	\$95,534,534.44	\$95,534,534.44	\$95,534,534.44	\$95,534,534.44	\$95,534,534.44	\$95,534,534.44

Special Fund Liabilities															
Amount Interest on Bonds	198,528.77	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73
Total Special Fund Liabilities	198,528.77	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73	206,179.73

Current and Accrued Liabilities															
Long Term Debt - Current Portion	222,913.36	171,435.93	131,003.02	362,697.71	364,457.23	364,457.23	364,457.23	364,457.23	364,457.23	364,457.23	364,457.23	364,457.23	364,457.23	364,457.23	364,457.23
Accounts Payable - General	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Capital Lease Payable - General	97,489.55	97,489.55	97,489.55	97,489.55	97,489.55	97,489.55	97,489.55	97,489.55	97,489.55	97,489.55	97,489.55	97,489.55	97,489.55	97,489.55	97,489.55
Customer Deposits	129,735.94	130,735.94	131,735.94	132,735.94	133,735.94	134,735.94	135,735.94	136,735.94	137,735.94	138,735.94	139,735.94	140,735.94	141,735.94	142,735.94	143,735.94
Sales Tax Payable	533,723.42	533,723.42	533,723.42	533,723.42	533,723.42	533,723.42	533,723.42	533,723.42	533,723.42	533,723.42	533,723.42	533,723.42	533,723.42	533,723.42	533,723.42
Other Current & Accrued Liabilities	1,403,882.00	1,385,175.75	1,342,699.81	1,618,849.39	1,644,842.12	1,644,842.12	1,644,842.12	1,644,842.12	1,644,842.12	1,644,842.12	1,644,842.12	1,644,842.12	1,644,842.12	1,644,842.12	1,644,842.12
Total Current and Accrued Liabilities	\$1,403,882.00	\$1,385,175.75	\$1,342,699.81	\$1,618,849.39	\$1,644,842.12	\$1,644,842.12	\$1,644,842.12	\$1,644,842.12	\$1,644,842.12	\$1,644,842.12	\$1,644,842.12	\$1,644,842.12	\$1,644,842.12	\$1,644,842.12	\$1,644,842.12

Reserves															
Accrued Leave	322,709.29	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39
Total Reserves	322,709.29	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39	325,936.39

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Jackson Energy Authority
Telecommunications System - Consolidated
Telecommunications Cash Flow Update
Actual Through June, 2006 with Pro Forma
Through June, 2011
With VARIANCE REPORT
June, 2006

	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Cash Provided by Operating Activities												
Operating income	(\$31,929.23)	(\$16,997.92)	(\$17,735.98)	(\$288,109.27)	(\$264,175.72)	(\$285,099.02)	(\$323,990.09)	(\$292,621.11)	(\$312,224.39)	(\$265,594.65)	(\$264,400.52)	(\$344,149.91)
Depreciation and amortization	298,328.67	309,856.76	318,634.60	325,735.76	331,406.84	335,936.09	339,391.04	341,975.78	344,134.65	348,198.59	348,199.24	350,157.69
Provision for doubtful accounts	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70
Changes in:												
Receivables	142,701.33	(81,176.80)	(370,489.85)	176,336.08	(24,326.12)	(32,376.41)	68,716.59	(39,142.40)	(58,426.19)	(61,160.84)	(34,039.52)	(17,057.68)
Materials and supplies	172,821.86	158,798.08	183,554.46	130,071.00	97,987.71	44,304.59	17,771.63	44,538.85	(23,343.76)	(24,326.20)	74,681.54	117,779.35
Other assets	(52,503.01)	5,774.19	16,595.92	9,982.67	10,520.38	9,276.58	6,728.49	9,002.84	7,775.79	11,205.01	11,474.07	(93,866.24)
Accounts payable	(256,560.58)	(199,462.30)	(143,128.54)	(183,124.11)	(183,981.15)	(46,569.06)	(165,367.54)	(60,819.44)	(13,175.80)	(18,477.88)	(55,828.73)	(42,303.76)
Other accrued liabilities	(75,754.36)	27,890.46	6,794.86	14,016.93	19,466.93	(83,734.32)	4,943.49	4,026.80	32,378.30	(1,421.42)	33,104.47	56,573.71
Net Cash Provided by Operating Activities	(91,756.25)	(89,218.82)	(145,635.83)	216,047.75	(11,942.44)	(46,922.85)	(40,666.88)	26,100.02	(11,742.71)	(2,438.88)	124,329.24	39,951.87
Cash Provided By (Used For) Noncapital and Related Financing												
Borrowings on working capital line of credit												
Principal payments on working capital line of credit	200,000.00	(340,000.00)	100,000.00	150,000.00								
Payments on County Build Out LOC												
Payments on New LOC												
Bond Payment												
Borrowings from Debt Service Reserve - Interest	219,520.77	219,520.77	232,801.95	219,520.77	212,439.45	239,893.27	219,520.77	198,276.82	239,893.27	212,439.45	219,520.77	287,101.95
Borrowings from Debt Service Reserve - Principal				41,667.00	41,667.00	41,667.00	41,667.00	41,667.00	41,667.00	41,667.00	41,667.00	41,667.00
Required principal payments to Electric for DSR Loan	(\$23,804.49)	(\$25,246.87)	(\$30,986.36)	(\$33,880.91)	(\$37,138.96)	(\$40,246.61)	(\$43,707.14)	(\$46,924.24)	(\$49,932.19)	(\$52,916.60)	(\$55,800.41)	(\$58,744.18)
Net Cash Provided By (Used For) Noncapital and Related Financing	395,716.28	531,273.90	301,813.59	377,308.86	216,967.60	241,301.66	217,480.63	193,119.59	231,958.08	201,189.55	205,387.98	270,024.77
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(524,360.75)	(561,810.75)	(642,060.75)	(481,580.75)	(394,710.75)	(224,210.75)	(143,960.75)	(224,210.75)	(321,060.75)	(321,060.75)	(321,060.75)	(214,015.75)
Capital lease payments	(6,921.31)	(6,941.80)	(6,961.69)	(6,981.58)	(7,001.47)	(7,021.00)	(7,041.00)	(7,061.00)	(7,081.00)	(8,733.60)	-	-
Draws on County Build-Out LOC												
Additional LOC	370,000.00	195,000.00	259,000.00	150,000.00	200,000.00	100,000.00	100,000.00	200,000.00	200,000.00	200,000.00	100,000.00	100,000.00
Change in investments	(4.55)	(4.89)	(4.89)	(41,768.71)	(41,846.71)	(41,932.89)	(42,020.25)	(42,107.79)	(42,195.51)	(42,283.42)	(42,371.51)	(42,459.79)
Construction fund draws												
Net Cash Used for Capital Financing Activities	(161,287.21)	(373,757.43)	(390,027.33)	(380,301.04)	(233,557.93)	(173,164.64)	(93,022.00)	(73,379.54)	(170,337.26)	(172,077.77)	(283,432.28)	(158,475.54)
Increase (Decrease) in Cash	142,672.81	69,297.65	(233,849.57)	213,053.57	(28,532.77)	21,214.17	83,791.75	147,840.05	49,878.10	26,673.23	66,284.34	159,501.10
Cash - Beginning	33,544.41	176,212.22	245,514.87	11,665.30	224,718.87	196,186.09	217,400.26	301,192.02	449,032.07	498,910.17	525,593.40	591,887.74
Cash - Ending	\$ 176,212.22	\$ 245,514.87	\$ 11,665.30	\$ 224,718.87	\$ 196,186.09	\$ 217,400.26	\$ 301,192.02	\$ 449,032.07	\$ 498,910.17	\$ 525,593.40	\$ 591,887.74	\$ 745,388.84

Jackson Energy Authority
Telecommunications System - Consolidated
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Through June, 2011
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June, 2006

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-07	May-08	Jun-08
Cash Provided by Operating Activities												
Operating income	\$251,195.36	\$243,686.85	\$246,778.62	\$213,986.27	\$192,420.31	\$211,024.74	\$246,988.55	\$205,055.12	\$217,341.35	\$171,561.57	\$167,385.86	\$229,387.11
Depreciation and amortization	351,879.74	353,732.00	355,647.06	357,713.59	359,661.90	361,302.48	362,650.59	363,694.55	364,399.43	365,546.78	366,523.12	367,514.43
Provision for doubtful accounts	13,976.78	14,171.83	14,464.38	14,781.88	14,973.15	15,156.89	14,647.27	14,824.43	15,078.12	15,341.35	15,454.36	15,687.50
Changes in:												
Receivables	(118,528.60)	(53,304.86)	(39,781.73)	(64,587.45)	(42,376.52)	(23,788.94)	65,638.68	(53,075.96)	(64,636.49)	(51,548.51)	(32,858.40)	(11,601.60)
Materials and supplies	102,497.16	(225.08)	(227.33)	(229.60)	(231.90)	(234.22)	(236.56)	(238.93)	(241.32)	(243.73)	(246.17)	(248.63)
Other assets	5,909.44	7,501.39	7,708.09	10,471.73	12,352.15	11,354.27	9,097.34	12,289.83	11,701.34	15,182.20	15,794.95	(88,733.92)
Accounts payable	25,304.39	(47,468.28)	7,141.54	(37,726.14)	(42,268.84)	197,771.58	(21,148.79)	(27,241.60)	(17,845.65)	(20,077.62)	(53,434.25)	(43,710.13)
Other accrued liabilities	(21,742.21)	44,017.84	22,801.51	31,012.47	34,501.96	(67,181.87)	22,185.84	21,467.33	48,944.71	15,710.22	49,911.83	74,967.43
Net Cash Provided by Operating Activities	98,101.93	74,759.98	120,974.71	97,470.19	144,003.68	293,345.16	205,817.62	128,664.63	140,248.79	188,337.13	193,749.58	85,027.97
Cash Provided By (Used For) Noncapital and Related Financing	67,206.37											1,778,463.13
Borrowings on working capital line of credit	-	-	-	-	-	(100,000.00)	(100,000.00)	-	-	(100,000.00)	-	-
Principal payments on working capital line of credit	-	-	-	-	-	-	-	-	-	-	-	-
Payments on County Build-Out LOC	-	-	-	-	-	-	-	-	-	-	-	-
Payments on New LOC	-	-	-	-	-	-	-	-	-	-	-	-
Bond Payment	219,520.77	219,520.77	232,801.95	219,520.77	210,483.29	237,674.40	217,499.40	196,451.07	237,674.40	210,483.29	217,499.40	284,458.29
Borrowings from Debt Service Reserve - Interest	41,667.00	41,667.00	41,667.00	108,333.33	100,000.00	-	(82,517.55)	(84,502.40)	100,000.00	100,000.00	100,000.00	100,000.00
Borrowings from Debt Service Reserve - Principal	(562,614.40)	(567,158.43)	(570,011.56)	(573,018.01)	(576,765.26)	(580,201.38)	(582,517.55)	(584,502.40)	(586,148.55)	(589,847.13)	(593,091.49)	(596,391.31)
Required principal payments to Electric for DSR Loan												
Net Cash Provided By (Used For) Noncapital and Related Financing	188,573.37	194,029.34	204,457.40	(245,163.51)	233,718.03	57,472.41	34,981.95	111,648.67	251,525.84	120,636.18	124,407.91	288,065.98
Cash Provided By (Used For) Capital and Related Financing Activities	(361,930.80)	(349,602.41)	(405,928.03)	(293,275.80)	(175,622.56)	(105,045.95)	(102,045.95)	(110,795.95)	(174,622.56)	(174,622.56)	(174,622.56)	(174,622.56)
Capital spending	-	-	-	-	-	-	-	-	-	-	-	-
Capital lease payments	-	-	-	-	-	-	-	-	-	-	-	-
Draws on County Build-Out LOC	100,000.00	100,000.00	100,000.00	391,422.06	(106,804.15)	(109,030.82)	(109,257.97)	(109,485.69)	(109,713.69)	(109,942.26)	(110,171.30)	(110,400.83)
Additional LOC	(42,548.24)	(42,636.89)	(42,725.71)	-	-	-	-	-	-	-	-	-
Change in Investments	-	-	-	-	-	-	-	-	-	-	-	-
Construction fund draws	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Used for Capital Financing Activities	(304,488.04)	(292,238.30)	(346,654.74)	98,146.26	(284,428.71)	(214,076.77)	(211,303.92)	(220,281.54)	(284,336.25)	(284,664.82)	(284,783.87)	(285,023.39)
Increase (Decrease) in Cash	(7,812.74)	(23,443.98)	(23,222.63)	(49,547.46)	93,294.89	126,740.80	29,495.55	18,331.76	107,439.39	4,408.46	33,363.62	88,071.55
Cash - Beginning	745,358.84	737,556.10	714,106.12	690,883.49	641,336.04	734,630.93	851,371.73	890,867.27	909,199.04	1,016,637.42	1,021,045.88	1,054,409.50
Cash - Ending	\$ 737,556.10	\$ 714,106.12	\$ 690,883.49	\$ 641,336.04	\$ 734,630.93	\$ 851,371.73	\$ 890,867.27	\$ 909,199.04	\$ 1,016,637.42	\$ 1,021,045.88	\$ 1,054,409.50	\$ 1,142,481.06

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	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
Cash Provided by Operating Activities												
Operating income	(\$120,986.55)	(\$115,741.43)	(\$115,960.53)	(\$81,737.40)	(\$70,151.17)	(\$88,208.34)	(\$80,973.19)	(\$52,995.27)	(\$83,124.49)	(\$49,239.72)	(\$46,723.47)	(\$98,843.00)
Depreciation and amortization	388,516.08	389,554.27	370,740.24	372,145.16	373,453.37	374,574.91	375,560.65	376,453.76	377,294.52	378,111.12	378,910.69	379,699.18
Provision for doubtful accounts	16,428.06	16,548.36	16,714.26	16,919.48	17,040.67	17,121.20	17,202.77	17,289.65	17,376.03	17,461.40	17,546.05	17,630.03
Changes in:												
Receivables	(111,592.13)	(30,188.06)	(38,301.04)	(43,047.28)	(29,636.40)	(23,668.95)	(23,859.51)	(24,611.53)	(24,559.42)	(24,518.61)	(24,487.94)	(24,466.41)
Materials and supplies	(251.12)	(253.63)	(256.16)	(259.72)	(261.31)	(263.92)	(266.58)	(269.23)	(271.92)	(274.64)	(277.39)	(280.16)
Other assets	20,362.02	21,041.37	21,399.38	23,487.07	25,296.23	24,446.68	25,078.82	27,299.39	25,480.48	28,111.92	28,562.93	(74,770.03)
Accounts payable	17,987.96	(45,552.12)	10,066.78	(38,136.18)	(42,518.89)	198,578.19	(19,840.77)	(27,187.29)	(15,857.98)	(20,311.94)	(52,849.82)	(42,912.69)
Other accrued liabilities	(23,858.48)	40,326.58	19,012.55	27,325.06	27,693.19	(70,876.93)	19,891.19	19,044.78	44,788.76	13,005.01	46,363.70	69,836.55
Net Cash Provided by Operating Activities	196,605.05	265,735.34	282,815.49	276,697.19	308,921.28	434,055.74	312,793.48	335,024.49	341,126.37	342,344.53	347,044.94	226,093.47
Cash Provided By (Used For) Noncapital and Related Financing	1,905,106.31	2,062,739.72	2,270,785.22	2,426,577.70	2,628,966.80	2,920,070.96	2,949,619.29	3,078,728.16	3,293,187.89	3,495,283.63	3,673,997.45	3,706,335.34
Borrowings on working capital line of credit												
Principal payments on working capital line of credit												
Payments on County Build-Out LOC												
Payments on New LOC												
Bond Payment	217,499.40	217,499.40	230,636.29	(1,300,000.00)	205,387.26	231,931.34	212,243.84	191,704.11	231,931.34	205,397.26	212,243.84	217,594.76
Borrowings from Debt Service Reserve - Interest	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	75,000.00	75,000.00	75,000.00
Borrowings from Debt Service Reserve - Principal	(\$100,627.21)	(\$103,918.22)	(\$106,358.34)	(\$110,247.75)	(\$13,295.30)	(\$116,120.07)	(\$19,283.49)	(\$122,130.74)	(\$124,824.24)	(\$127,872.60)	(\$129,918.35)	(\$132,231.75)
Required principal payments to Electric for DSR Loan												
Net Cash Provided By (Used For) Noncapital and Related Financing	216,872.19	213,683.17	123,699.95	(1,192,748.36)	92,101.96	15,811.26	(7,046.69)	19,573.37	57,307.10	27,724.66	57,325.48	145,353.01
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(191,240.05)	(253,471.16)	(315,702.27)	(193,865.05)	(123,383.94)	(124,258.94)	(121,289.34)	(128,283.94)	(131,283.94)	(131,283.94)	(131,283.94)	(131,283.94)
Capital lease payments												
Draws on County Build-Out LOC												
Additional LOC												
Change in Investments	(110,630.63)	(110,861.32)	(111,092.28)	1,174,682.88	(125,578.21)	(125,839.85)	(126,102.03)	(126,364.76)	(126,628.03)	(126,891.86)	(127,156.24)	(127,421.18)
Construction fund draws												
Net Cash Used for Capital Financing Activities	(301,870.68)	(364,332.48)	(426,794.55)	990,817.82	(248,962.15)	(250,086.79)	(247,386.97)	(252,648.70)	(257,911.98)	(258,175.81)	(258,440.19)	(258,705.12)
Increase (Decrease) in Cash	81,806.35	105,068.04	(20,278.12)	64,766.66	144,061.09	199,818.21	59,357.87	101,949.16	140,521.49	111,893.39	145,930.24	112,741.36
Cash - Beginning	1,142,481.06	1,224,087.41	1,329,173.44	1,308,894.32	1,373,660.98	1,517,722.07	1,717,540.28	1,775,898.15	1,877,847.31	2,018,368.80	2,130,262.18	2,276,192.42
Cash - Ending	\$ 1,224,087.41	\$ 1,329,173.44	\$ 1,308,894.32	\$ 1,373,660.98	\$ 1,517,722.07	\$ 1,717,540.28	\$ 1,775,898.15	\$ 1,877,847.31	\$ 2,018,368.80	\$ 2,130,262.18	\$ 2,276,192.42	\$ 2,388,933.78

Jackson Energy Authority
Telecommunications System - Consolidated
Telecommunications Cash Flow Update
Actual Through June, 2006 with Pro Forma
Through June, 2011
With VARIANCE REPORT
June, 2006

	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Cash Provided by Operating Activities												
Operating income	\$14,368.12	\$21,358.11	\$10,784.04	\$40,235.77	\$81,112.76	\$44,435.80	\$43,255.78	\$87,377.08	\$26,551.14	\$85,884.98	\$85,884.98	\$16,646.07
Depreciation and amortization	380,480.27	381,373.29	382,397.75	383,566.09	384,718.26	385,730.04	386,590.19	387,342.95	388,022.68	388,663.39	389,322.51	390,020.56
Provision for doubtful accounts	18,628.29	18,705.54	18,857.71	19,030.11	19,156.90	19,235.07	19,289.97	19,343.54	19,395.80	19,448.90	19,523.92	19,631.05
Changes in:												
Receivables	(128,151.12)	(32,547.19)	(33,138.60)	(34,394.54)	(28,420.33)	(18,905.03)	(15,737.39)	(16,597.44)	(15,441.70)	(16,540.78)	(19,545.64)	(23,607.72)
Materials and supplies	(282.98)	(285.79)	(288.65)	(291.54)	(294.45)	(297.40)	(300.37)	(303.37)	(306.41)	(309.47)	(312.57)	(315.69)
Other assets	34,237.98	35,063.18	35,274.61	37,031.58	38,749.17	37,802.42	37,508.70	38,772.88	37,821.75	40,120.27	40,339.74	(62,898.12)
Accounts payable	19,153.21	(44,829.81)	10,656.10	(34,919.41)	(41,722.50)	193,722.46	(18,042.46)	(26,474.60)	(15,653.48)	(19,431.90)	(51,476.43)	(40,435.92)
Other accrued liabilities	(22,925.23)	38,953.88	18,841.08	25,944.47	25,515.11	(73,408.40)	18,548.22	17,680.18	41,677.06	11,384.38	44,473.55	68,428.70
Net Cash Provided by Operating Activities	315,405.56	417,791.20	450,384.05	438,263.14	460,814.92	594,314.96	471,512.65	489,151.23	492,146.83	490,799.78	489,223.76	365,485.93
Cash Provided By (Used For) Noncapital and Related Financing	3,936,713.93	4,187,900.08	4,362,548.78	4,535,996.44	4,720,114.17	5,013,607.36	5,050,874.75	5,227,272.50	5,384,394.84	5,534,068.25	5,680,947.47	5,859,388.46
Borrowings on working capital line of credit	-	-	-	(100,000.00)	(100,000.00)	(250,000.00)	(100,000.00)	(150,000.00)	(160,000.00)	(100,000.00)	(100,000.00)	(60,000.00)
Principal payments on working capital line of credit	-	-	-	-	-	-	-	-	-	-	-	-
Payments on County Build-Out LOC	-	-	-	-	-	-	-	-	-	-	-	-
Payments on New LOC	-	-	-	-	-	-	-	-	-	-	-	-
Bond Payment	212,243.84	212,243.84	225,084.76	212,243.84	199,528.77	225,304.73	206,179.73	188,226.85	225,304.73	199,528.77	206,179.73	289,653.77
Borrowings from Debt Service Reserve - Interest	78,000.00	-	-	100,000.00	-	-	-	-	-	-	-	-
Borrowings from Debt Service Reserve - Principal	(135,471.95)	(137,703.69)	(138,789.77)	(140,066.55)	(142,600.32)	(143,437.42)	(144,641.25)	(145,546.14)	(146,144.34)	(147,308.38)	(148,076.23)	(148,930.62)
Required principal payments to Electric for DSR Loan	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Provided By (Used For) Noncapital and Related Financing	151,771.89	74,540.15	86,294.99	(1,427,824.72)	(43,071.55)	(168,132.70)	(38,461.52)	(109,319.30)	(20,839.81)	(47,779.59)	(41,888.51)	70,723.15
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(191,336.57)	(220,547.44)	(249,758.31)	(191,336.57)	(125,439.83)	(95,403.95)	(92,178.95)	(91,403.95)	(96,403.95)	(124,384.83)	(124,384.83)	(124,384.83)
Capital lease payments	-	-	-	-	-	-	-	-	-	-	-	-
Draws on County Build-Out LOC	-	-	-	-	-	-	-	-	-	-	-	-
Additional LOC	-	-	-	-	-	-	-	-	-	-	-	-
Change in Investments	(127,686.07)	(127,952.71)	(128,219.31)	1,349,586.45	(150,726.95)	(151,041.00)	(151,355.71)	(151,671.07)	(151,987.10)	(152,303.78)	(152,621.13)	(152,938.14)
Construction fund draws	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Used for Capital Financing Activities	(319,023.23)	(348,500.15)	(377,977.82)	1,158,249.88	(276,186.77)	(248,444.95)	(243,534.66)	(243,076.03)	(248,391.05)	(276,665.61)	(276,985.95)	(277,303.97)
Increase (Decrease) in Cash	148,155.21	143,831.20	159,691.42	166,898.31	141,576.80	178,737.31	189,516.46	136,756.91	222,916.16	168,351.58	170,341.29	158,895.11
Cash - Beginning	2,398,933.78	2,537,098.99	2,680,920.18	2,839,811.60	3,006,299.91	3,147,876.50	3,327,813.81	3,517,130.28	3,653,887.19	3,876,803.35	4,043,154.93	4,213,496.22
Cash - Ending	\$ 2,537,088.99	\$ 2,680,920.18	\$ 2,839,811.60	\$ 3,006,299.91	\$ 3,147,876.50	\$ 3,327,813.81	\$ 3,517,130.28	\$ 3,653,887.19	\$ 3,876,803.35	\$ 4,043,154.93	\$ 4,213,496.22	\$ 4,372,381.33

Jackson Energy Authority
Telecommunications System - Consolidated
Telecommunications Cash Flow Update
Actual Through June, 2006 with Pro Forma
Through June, 2011
With VARIANCE REPORT
June, 2006

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Cash Provided by Operating Activities												
Operating income	\$127,540.99	\$127,118.37	\$125,289.40	\$141,235.64	\$159,315.71	\$140,786.95	\$135,199.56	\$156,900.51	\$126,095.28	\$153,983.03	\$152,134.41	\$101,756.23
Depreciation and amortization	380,721.24	391,463.41	392,302.64	393,270.96	394,199.69	395,011.78	395,748.97	396,409.64	397,093.29	397,885.84	398,310.91	398,931.01
Provision for doubtful accounts	20,958.47	20,647.73	20,750.85	20,876.32	20,952.90	21,007.46	21,061.72	21,107.99	21,162.54	21,217.10	21,271.66	21,326.22
Changes in:												
Receivables	(127,704.93)	(10,247.99)	(26,341.78)	(21,963.18)	(13,779.27)	(11,033.79)	(10,927.17)	(10,144.94)	(11,482.34)	(11,368.32)	(11,373.87)	(15,973.52)
Materials and supplies	(318.85)	(322.04)	(325.26)	(328.51)	(331.80)	(335.11)	(338.47)	(341.85)	(345.27)	(348.72)	(352.21)	(355.73)
Other assets	51,649.03	51,760.81	51,808.14	53,099.82	54,480.33	53,291.49	52,999.08	54,598.47	52,556.58	54,566.70	54,566.36	(46,797.13)
Accounts payable	231,694.70	1,759.54	1,157.99	1,043.85	575.88	387.66	10,411.18	644.96	609.49	472.78	583.53	440.15
Other accrued liabilities	(21,821.98)	37,391.48	15,138.02	24,946.38	23,319.92	26,745.32	18,339.88	17,537.14	39,488.02	11,908.25	43,166.02	63,130.20
Net Cash Provided by Operating Activities	672,337.67	519,571.31	579,758.00	612,185.28	638,733.55	625,880.75	622,494.75	636,711.82	625,147.60	628,018.67	658,305.82	520,457.43
Cash Provided By (Used For) Noncapital and Related Financing	6,145,612.88	6,449,777.42	6,617,744.21	6,773,545.45	6,976,015.85	7,141,081.89	7,169,241.47	7,394,440.85	7,470,437.02	7,608,305.86	7,773,813.90	7,908,047.57
Borrowings on working capital line of credit	(230,000.00)	(150,000.00)	(150,000.00)	(150,000.00)	(200,000.00)	(200,000.00)	(200,000.00)	(200,000.00)	(150,000.00)	(150,000.00)	(125,000.00)	(125,000.00)
Principal payments on working capital line of credit												
Payments on County Build-Out LOC												
Payments on New LOC												
Bond Payment	208,170.73	206,179.73	218,653.77	206,179.73	192,486.58	217,352.79	193,902.79	179,654.14	217,352.79	192,486.58	188,902.79	260,136.58
Borrowings from Debt Service Reserve - Interest												
Borrowings from Debt Service Reserve - Principal												
Required principal payments to Electric for DSR Loan	(\$150,705.00)	(\$151,521.52)	(\$152,325.25)	(\$153,300.68)	(\$154,078.15)	(\$154,642.92)	(\$155,565.05)	(\$156,202.31)	(\$156,547.16)	(\$157,441.28)	(\$157,956.60)	(\$158,558.70)
Net Cash Provided By (Used For) Noncapital and Related Financing	(144,828.08)	(95,341.80)	(83,671.48)	(1,897,120.85)	(161,551.57)	(137,280.13)	(156,662.25)	(178,548.17)	(89,194.36)	(114,954.70)	(84,053.81)	(23,422.12)
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(141,364.33)	(177,027.79)	(212,591.26)	(141,364.33)	(100,700.96)	(100,700.86)	(86,912.02)	(104,525.86)	(104,525.86)	(104,525.86)	(104,525.86)	(104,525.86)
Capital lease payments												
Draws on County Build-Out LOC												
Additional LOC												
Change in investments	(163,257.61)	(153,577.15)	(153,897.15)	1,632,830.45	(167,517.87)	(167,866.91)	(168,216.68)	(169,567.19)	(165,918.42)	(169,270.38)	(169,623.08)	(169,976.51)
Construction fund draws												
Net Cash Used for Capital Financing Activities	(294,622.14)	(330,604.94)	(366,588.41)	1,491,466.13	(288,218.73)	(268,567.78)	(256,128.70)	(273,093.05)	(273,444.28)	(273,796.24)	(274,148.94)	(274,502.37)
Increase (Decrease) in Cash	233,169.45	183,624.57	129,496.11	206,630.55	206,923.25	220,002.85	210,703.79	187,070.60	262,508.96	239,265.72	300,104.07	222,532.93
Cash - Beginning	4,372,381.33	4,605,570.79	4,799,195.36	4,828,693.46	5,135,224.01	5,344,147.26	5,594,150.11	5,774,853.90	5,981,924.50	6,224,433.46	6,463,699.18	6,769,803.25
Cash - Ending	\$ 4,605,570.79	\$ 4,799,195.36	\$ 4,928,693.46	\$ 5,135,224.01	\$ 5,344,147.26	\$ 5,564,150.11	\$ 5,774,853.90	\$ 5,961,924.50	\$ 6,224,433.46	\$ 6,463,699.18	\$ 6,769,803.25	\$ 6,996,336.18

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Net Assets

Assets

	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Utility Plant												
Total Plant - Beginning of Year	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51	\$48,409,114.51
Total Plant - Additions During Year	3,586,031.27	3,586,031.27	3,586,031.27	3,586,031.27	3,586,031.27	3,586,031.27	3,586,031.27	3,586,031.27	3,586,031.27	3,586,031.27	3,586,031.27	3,586,031.27
Total Plant - Depreciation	(48,780,713.05)	(48,780,713.05)	(48,780,713.05)	(48,780,713.05)	(48,780,713.05)	(48,780,713.05)	(48,780,713.05)	(48,780,713.05)	(48,780,713.05)	(48,780,713.05)	(48,780,713.05)	(48,780,713.05)
Construction Work in Progress												
Total Utility Plant	\$4,145,448.19	\$4,145,448.19	\$4,145,448.19	\$4,145,448.19	\$4,145,448.19	\$4,145,448.19	\$4,145,448.19	\$4,145,448.19	\$4,145,448.19	\$4,145,448.19	\$4,145,448.19	\$4,145,448.19
Reserve for Depreciation	(5,094,811.15)	(5,094,811.15)	(5,094,811.15)	(5,094,811.15)	(5,094,811.15)	(5,094,811.15)	(5,094,811.15)	(5,094,811.15)	(5,094,811.15)	(5,094,811.15)	(5,094,811.15)	(5,094,811.15)
Total Net Plant	\$1,919,339.09	\$1,919,339.09	\$1,919,339.09	\$1,919,339.09	\$1,919,339.09	\$1,919,339.09	\$1,919,339.09	\$1,919,339.09	\$1,919,339.09	\$1,919,339.09	\$1,919,339.09	\$1,919,339.09
Investments and Funds												
Debt Service Fund	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50	5,322,419.50
Construction Fund	2,183,571.00	2,183,571.00	2,183,571.00	2,183,571.00	2,183,571.00	2,183,571.00	2,183,571.00	2,183,571.00	2,183,571.00	2,183,571.00	2,183,571.00	2,183,571.00
Debt Sinking Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments and Funds	\$7,505,990.50	\$7,505,990.50	\$7,505,990.50	\$7,505,990.50	\$7,505,990.50	\$7,505,990.50	\$7,505,990.50	\$7,505,990.50	\$7,505,990.50	\$7,505,990.50	\$7,505,990.50	\$7,505,990.50
Current Assets												
Cash - Other Revenue Fund	46,767.89	101,010.47	92,343.65	31,208.50	121,178.64	102,250.24	126,844.81	151,137.42	178,936.12	120,056.90	147,482.99	116,045.49
Accounts Receivable - Customer Billing	1,995,733.24	1,748,511.31	1,852,802.13	1,511,915.49	1,949,683.62	1,978,946.46	1,974,921.85	2,018,325.15	2,018,325.15	2,075,444.00	2,108,251.56	2,139,402.18
Accounts Receivable - Other Revenue	1,860,931.00	8,799.23	(2,409.47)	(13,548.17)	(24,688.67)	(35,823.57)	(46,964.27)	(58,102.97)	(69,241.87)	(80,380.37)	(91,519.07)	(102,657.77)
Materials and Supplies - Utility	986,104.67	828,681.92	644,086.44	513,768.00	415,126.38	369,951.34	351,322.66	306,310.08	328,913.38	332,612.32	277,236.64	159,056.21
Accrued Interest Receivable	152.44	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80
Prepaid Expenses	100,892.04	89,101.27	77,509.49	65,517.72	53,751.94	41,594.17	30,142.40	18,350.62	6,558.85	(5,233.91)	(17,004.70)	71,183.43
Other Current Assets	275.00	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47
Total Current Assets	\$3,113,793.61	\$2,800,634.47	\$2,648,912.50	\$2,533,463.81	\$2,440,627.59	\$2,381,866.91	\$2,318,661.15	\$2,247,687.47	\$2,183,153.11	\$2,187,200.19	\$2,149,027.60	\$2,097,630.91
Deferred Debits												
Unamortized Debt Expense	709,777.81	704,874.04	699,970.27	695,066.30	690,162.75	685,259.19	680,355.19	675,451.42	670,547.65	665,643.88	660,740.11	655,836.34
Miscellaneous Deferred Debits	3,527,847.05	3,540,650.60	3,551,846.58	3,561,663.19	3,570,603.39	3,580,096.02	3,592,821.31	3,602,601.19	3,611,428.81	3,622,563.74	3,630,382.37	3,642,103.89
Churning Accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Deferred Debits	\$3,237,624.86	\$4,245,524.64	\$4,251,816.85	\$4,256,729.49	\$4,260,766.15	\$4,265,355.21	\$4,270,176.50	\$4,275,052.61	\$4,280,976.66	\$4,286,207.62	\$4,291,122.48	\$4,297,923.23
Total Assets	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97
Liabilities and Net Assets												
Long Term Debt												
Bonds	15,436,879.88	15,436,879.88	15,436,879.88	15,436,879.88	15,436,879.88	15,436,879.88	15,436,879.88	15,436,879.88	15,436,879.88	15,436,879.88	15,436,879.88	15,436,879.88
Notes Payable	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61
Capital Lease Payable - Trailer	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18
Unamortized Debt Discount	(254,024.98)	(254,024.98)	(254,024.98)	(254,024.98)	(254,024.98)	(254,024.98)	(254,024.98)	(254,024.98)	(254,024.98)	(254,024.98)	(254,024.98)	(254,024.98)
Total Long-Term Debt	\$15,382,333.69	\$15,382,333.69	\$15,382,333.69	\$15,382,333.69	\$15,382,333.69	\$15,382,333.69	\$15,382,333.69	\$15,382,333.69	\$15,382,333.69	\$15,382,333.69	\$15,382,333.69	\$15,382,333.69
Special Fund Liabilities												
Accrued Interest on Bonds	209,448.98	216,520.77	232,801.85	218,520.77	212,439.45	239,883.27	219,520.77	198,276.82	239,883.27	212,439.45	219,520.77	287,101.95
Total Special Fund Liabilities	\$209,448.98	\$216,520.77	\$232,801.85	\$218,520.77	\$212,439.45	\$239,883.27	\$219,520.77	\$198,276.82	\$239,883.27	\$212,439.45	\$219,520.77	\$287,101.95
Current and Accrued Liabilities												
Long Term Debt - Current Portion	1,536,879.88	1,536,879.88	1,536,879.88	1,536,879.88	1,536,879.88	1,536,879.88	1,536,879.88	1,536,879.88	1,536,879.88	1,536,879.88	1,536,879.88	1,536,879.88
Accounts Payable - General	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61	14,933.61
Capital Lease Payable - Trailer Current Portion	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18
Customer Deposits	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18	99,545.18
Salaries Payable	21,152.66	64,221.90	64,221.90	64,221.90	64,221.90	64,221.90	64,221.90	64,221.90	64,221.90	64,221.90	64,221.90	64,221.90
Other Current & Accrued Liabilities	316,546.33	336,618.89	321,767.28	341,889.84	352,023.12	345,114.20	285,161.10	285,161.10	270,187.72	290,201.00	295,183.56	295,183.56
Total Current and Accrued Liabilities	\$2,094,066.66	\$2,094,066.66	\$2,094,066.66	\$2,094,066.66	\$2,094,066.66	\$2,094,066.66	\$2,094,066.66	\$2,094,066.66	\$2,094,066.66	\$2,094,066.66	\$2,094,066.66	\$2,094,066.66
Reserves												
Accrued Leave	209,713.30	211,810.43	213,928.54	216,067.82	218,228.50	220,410.79	222,614.89	224,841.04	227,089.45	229,369.35	231,653.95	233,970.49
Total Reserves	\$209,713.30	\$211,810.43	\$213,928.54	\$216,067.82	\$218,228.50	\$220,410.79	\$222,614.89	\$224,841.04	\$227,089.45	\$229,369.35	\$231,653.95	\$233,970.49
Net Assets												
Investment in Capital Assets, Net of Related Debt	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93
Restricted For:												
Capital Projects	2,385.51	2,385.51	2,385.51	2,385.51	2,385.51	2,385.51	2,385.51	2,385.51	2,385.51	2,385.51	2,385.51	2,385.51
Debt Service	(200,440.98)	(219,520.77)	(232,801.85)	(218,520.77)	(212,439.45)	(239,883.27)	(219,520.77)	(198,276.82)	(239,883.27)	(212,439.45)	(219,520.77)	(287,101.95)
Unrestricted	(60,248,323.34)	(60,248,323.34)	(60,248,323.34)	(60,248,323.34)	(60,248,323.34)	(60,248,323.34)	(60,248,323.34)	(60,248,323.34)	(60,248,323.34)	(60,248,323.34)	(60,248,323.34)	(60,248,323.34)
Total Net Assets	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93	\$2,117,500.93
Total Liabilities and Net Assets	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97	\$64,794,573.97

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Net Assets

Assets

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-07	May-08	Jun-08
Utility Plant												
Total Plant - Beginning of Year	\$59,851,178.66	\$59,851,178.66	\$59,851,178.66	\$59,851,178.66	\$59,851,178.66	\$59,851,178.66	\$59,851,178.66	\$59,851,178.66	\$59,851,178.66	\$59,851,178.66	\$59,851,178.66	\$59,851,178.66
Net Plant Additions During Year	333,468.61	709,760.93	1,083,923.31	1,483,174.56	1,750,500.66	2,059,253.92	2,295,278.74	2,487,175.94	2,643,204.82	2,825,853.16	2,977,012.27	3,127,018.92
Total Plant	60,200,647.27	60,560,939.61	60,935,102.97	61,334,353.22	61,601,679.32	61,910,432.57	62,146,457.40	62,341,354.60	62,504,383.48	62,811,741.82	63,000,491.58	63,000,491.58
Construction Work in Progress	1,068,877.02	1,082,137.09	1,114,053.15	1,153,978.39	1,205,274.76	1,262,262.46	1,318,217.67	1,374,172.93	1,429,128.10	1,484,083.26	1,539,038.42	1,594,000.00
Total Utility Plant	61,270,524.29	61,643,076.70	62,049,156.12	62,488,331.61	62,806,954.08	63,172,695.03	63,464,675.07	63,715,527.53	63,933,511.58	64,295,825.08	64,539,529.99	64,594,491.58
Reserve for Depreciation	(9,010,246.76)	(8,259,237.40)	(7,525,235.29)	(6,792,233.29)	(6,059,231.29)	(5,326,229.29)	(4,593,227.29)	(3,860,225.29)	(3,127,223.29)	(2,394,221.29)	(1,661,219.29)	(928,217.29)
Total Net Plant	\$52,259,277.53	\$53,383,839.30	\$54,523,920.83	\$55,696,100.32	\$56,747,722.79	\$57,846,465.74	\$58,871,447.78	\$59,855,302.24	\$60,806,288.29	\$61,901,603.79	\$63,000,310.70	\$63,666,274.29
Investments and Funds												
Debt Service Fund	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50
Construction Fund	7,146,310.00	7,146,310.00	7,146,310.00	7,146,310.00	7,146,310.00	7,146,310.00	7,146,310.00	7,146,310.00	7,146,310.00	7,146,310.00	7,146,310.00	7,146,310.00
Debt Sinking Fund	401,429.11	401,429.11	401,429.11	401,429.11	401,429.11	401,429.11	401,429.11	401,429.11	401,429.11	401,429.11	401,429.11	401,429.11
Total Investments and Funds	\$5,984,339.80	\$5,984,339.80	\$5,984,339.80	\$5,984,339.80	\$5,984,339.80	\$5,984,339.80	\$5,984,339.80	\$5,984,339.80	\$5,984,339.80	\$5,984,339.80	\$5,984,339.80	\$5,984,339.80
Current Assets												
Cash - Grant Revenue Fund	91,212.62	61,483.75	89,519.04	26,199.14	107,000.33	166,982.36	186,221.59	179,982.55	250,188.43	198,765.93	174,933.77	184,773.21
Accounts Receivable - Customer Billing	2,256,814.99	2,291,495.06	2,341,573.61	2,391,721.34	2,442,581.47	2,493,903.74	2,545,226.31	2,465,940.07	2,446,940.27	2,438,475.55	2,508,412.77	2,577,624.37
Accumulated Penalties for Uncollectible Accounts	(116,448.90)	(130,434.89)	(144,713.20)	(159,308.50)	(174,094.98)	(189,064.84)	(203,524.00)	(218,162.69)	(233,052.84)	(248,206.52)	(263,473.68)	(278,952.31)
Materials and Supplies - Utility	55,850.97	55,360.88	54,965.89	54,565.95	54,166.01	53,766.07	53,366.13	52,966.19	52,566.25	52,166.31	51,766.37	51,366.43
Accrued Interest Receivable	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80	8,713.80
Prepaid Expenses	66,216.65	61,237.78	56,258.91	51,280.04	46,301.17	41,322.30	36,343.42	31,364.55	26,385.68	21,406.81	16,427.94	11,449.07
Other Current Assets	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47	15,886.47
Total Current Assets	\$2,380,246.61	\$2,380,246.61	\$2,380,246.61	\$2,380,246.61	\$2,380,246.61	\$2,380,246.61	\$2,380,246.61	\$2,380,246.61	\$2,380,246.61	\$2,380,246.61	\$2,380,246.61	\$2,380,246.61
Deferred Debts												
Unamortized Debt Expense	650,932.57	646,028.80	641,125.03	636,221.26	631,317.49	626,413.72	621,509.95	616,606.18	611,702.41	606,798.64	601,894.87	596,991.10
Miscellaneous Deferred Debts	3,667,383.57	3,651,846.53	3,636,309.47	3,620,772.36	3,605,235.30	3,589,698.24	3,574,161.18	3,558,624.12	3,543,087.06	3,527,550.00	3,512,012.94	3,496,475.88
Charging Accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Deferred Debts	\$4,298,316.14	\$4,297,875.33	\$4,297,434.50	\$4,296,993.62	\$4,296,552.79	\$4,296,111.96	\$4,295,671.13	\$4,295,230.30	\$4,294,789.47	\$4,294,348.64	\$4,293,907.81	\$4,293,466.98
Total Assets	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28
Liabilities and Net Assets												
Long Term Debt												
Bonds	\$54,300,000.00	\$54,300,000.00	\$54,300,000.00	\$54,300,000.00	\$54,300,000.00	\$54,300,000.00	\$54,300,000.00	\$54,300,000.00	\$54,300,000.00	\$54,300,000.00	\$54,300,000.00	\$54,300,000.00
Notes Payable	2,177,699.61	2,177,699.61	2,177,699.61	2,177,699.61	2,177,699.61	2,177,699.61	2,177,699.61	2,177,699.61	2,177,699.61	2,177,699.61	2,177,699.61	2,177,699.61
Capital Lease Payable - Trailer	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73
Unamortized Debt Discount	(24,063.14)	(24,063.14)	(24,063.14)	(24,063.14)	(24,063.14)	(24,063.14)	(24,063.14)	(24,063.14)	(24,063.14)	(24,063.14)	(24,063.14)	(24,063.14)
Total Long Term Debt	\$54,350,117.16	\$54,350,117.16	\$54,350,117.16	\$54,350,117.16	\$54,350,117.16	\$54,350,117.16	\$54,350,117.16	\$54,350,117.16	\$54,350,117.16	\$54,350,117.16	\$54,350,117.16	\$54,350,117.16
Special Fund Liabilities												
Accrued Interest Bonds	218,520.77	218,520.77	218,520.77	218,520.77	218,520.77	218,520.77	218,520.77	218,520.77	218,520.77	218,520.77	218,520.77	218,520.77
Total Special Fund Liabilities	\$218,520.77	\$218,520.77	\$218,520.77	\$218,520.77	\$218,520.77	\$218,520.77	\$218,520.77	\$218,520.77	\$218,520.77	\$218,520.77	\$218,520.77	\$218,520.77
Current and Accrued Liabilities												
Long Term Debt - Current Portion	340,888.73	313,399.94	282,911.16	252,422.38	221,933.60	191,444.82	160,956.04	130,467.26	100,000.00	70,000.00	40,000.00	10,000.00
Accounts Payable - General	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)
Capital Lease Payable - Trailer Current Portion	77,359.77	77,359.77	77,359.77	77,359.77	77,359.77	77,359.77	77,359.77	77,359.77	77,359.77	77,359.77	77,359.77	77,359.77
Customer Deposits	78,218.25	79,085.25	80,136.74	81,441.73	83,046.83	84,852.93	86,759.03	88,765.13	90,871.23	92,977.33	95,083.43	97,189.53
Salaries Payable	332,041.14	332,041.14	332,041.14	332,041.14	332,041.14	332,041.14	332,041.14	332,041.14	332,041.14	332,041.14	332,041.14	332,041.14
Other Current and Accrued Liabilities	841,034.16	831,664.34	822,294.52	812,924.70	803,554.88	794,185.06	784,815.24	775,445.42	766,075.60	756,705.78	747,335.96	737,966.14
Total Current and Accrued Liabilities	\$1,500,112.72	\$1,488,112.72	\$1,476,112.72	\$1,464,112.72	\$1,452,112.72	\$1,440,112.72	\$1,428,112.72	\$1,416,112.72	\$1,404,112.72	\$1,392,112.72	\$1,380,112.72	\$1,368,112.72
Reserves												
Accrued Leave	236,310.20	236,310.20	236,310.20	236,310.20	236,310.20	236,310.20	236,310.20	236,310.20	236,310.20	236,310.20	236,310.20	236,310.20
Total Reserves	\$236,310.20	\$236,310.20	\$236,310.20	\$236,310.20	\$236,310.20	\$236,310.20	\$236,310.20	\$236,310.20	\$236,310.20	\$236,310.20	\$236,310.20	\$236,310.20
Net Assets												
Investment in Capital Assets, Net of Related Debt	\$7,901,462.67	\$7,901,462.67	\$7,901,462.67	\$7,901,462.67	\$7,901,462.67	\$7,901,462.67	\$7,901,462.67	\$7,901,462.67	\$7,901,462.67	\$7,901,462.67	\$7,901,462.67	\$7,901,462.67
Restricted For:												
Capital Projects	2,443.19	2,443.19	2,443.19	2,443.19	2,443.19	2,443.19	2,443.19	2,443.19	2,443.19	2,443.19	2,443.19	2,443.19
Debt Service	(215,500.77)	(215,500.77)	(215,500.77)	(215,500.77)	(215,500.77)	(215,500.77)	(215,500.77)	(215,500.77)	(215,500.77)	(215,500.77)	(215,500.77)	(215,500.77)
Unrestricted	(64,490,022.22)	(64,490,022.22)	(64,490,022.22)	(64,490,022.22)	(64,490,022.22)	(64,490,022.22)	(64,490,022.22)	(64,490,022.22)	(64,490,022.22)	(64,490,022.22)	(64,490,022.22)	(64,490,022.22)
Total Net Assets	\$12,954,943.84	\$12,954,943.84	\$12,954,943.84	\$12,954,943.84	\$12,954,943.84	\$12,954,943.84	\$12,954,943.84	\$12,954,943.84	\$12,954,943.84	\$12,954,943.84	\$12,954,943.84	\$12,954,943.84
Total Liabilities and Net Assets	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28	\$64,884,175.28

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Net Assets

Assets

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
UTILITY PLANT												
Total Plant - Beginning of Year	\$63,000,697.58	\$63,000,697.58	\$63,000,697.58	\$63,000,697.58	\$63,000,697.58	\$63,000,697.58	\$63,000,697.58	\$63,000,697.58	\$63,000,697.58	\$63,000,697.58	\$63,000,697.58	\$64,954,412.46
Net Plant Additions During Year	171,878.20	350,210.35	353,888.84	798,468.39	1,030,376.77	1,210,813.77	1,379,729.92	1,532,866.06	1,670,833.70	1,812,728.62	1,953,712.83	2,100,881.92
Total Completion Plant	63,172,575.79	63,350,907.94	63,354,586.42	64,800,166.17	64,800,166.17	64,800,166.17	64,800,166.17	64,800,166.17	64,800,166.17	64,800,166.17	64,800,166.17	66,855,294.38
Construction Work in Progress	254,988.45	610,135.48	722,425.24	675,504.55	573,729.31	486,729.13	409,110.84	322,372.30	250,851.44	183,370.37	115,973.32	58,800,573.36
Total Utility Plant	63,427,564.24	63,961,043.42	64,077,011.66	65,475,670.72	65,373,895.48	65,286,895.30	65,209,277.01	64,800,166.17	64,800,166.17	64,800,166.17	64,800,166.17	67,006,867.74
Reserve for Depreciation	(13,354,727.31)	(13,354,727.31)	(14,105,487.00)	(14,477,885.00)	(14,511,529.56)	(15,220,242.40)	(15,400,039.55)	(15,732,844.33)	(16,354,304.61)	(16,734,731.15)	(17,113,877.21)	(17,493,411.89)
Total Net Plant	50,072,836.93	50,606,316.11	50,171,524.66	50,997,785.72	50,862,365.92	50,066,652.90	49,809,237.46	49,067,321.84	48,445,861.56	48,065,435.02	47,686,288.96	49,513,455.85
INVESTMENTS AND FUNDS												
Debt Service Fund	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50	5,572,418.50
Construction Funds	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96
Debt Sinking Fund	1,302,771.83	1,311,447.60	1,324,734.81	1,334,734.81	1,345,045.76	1,355,619.77	1,366,454.40	1,377,512.18	1,388,890.59	1,399,419.92	1,409,994.70	1,420,618.57
Total Investment and Funds	9,378,694.25	9,386,369.96	9,400,657.27	9,410,657.27	9,419,974.22	9,430,532.22	9,440,372.86	9,450,434.64	9,460,813.05	9,471,342.38	9,482,017.16	9,492,841.03
CURRENT ASSETS												
Cash - Current Revenue Fund	211,028.05	154,906.85	168,483.01	167,280.69	196,441.91	260,555.27	134,803.34	98,520.33	196,548.47	186,581.42	181,525.56	164,151.38
Accounts Receivable - Customer Billing	2,637,638.69	2,460,975.38	2,692,722.30	2,723,675.75	2,739,127.85	2,732,190.74	2,766,965.17	2,792,863.43	2,797,833.39	2,811,101.77	2,828,279.08	2,843,771.24
Accounts Receivable - Other	(995,185.51)	(911,334.83)	(911,334.83)	(911,334.83)	(911,334.83)	(911,334.83)	(911,334.83)	(911,334.83)	(911,334.83)	(911,334.83)	(911,334.83)	(911,334.83)
Accounts Payable - Utility	49,634.40	49,634.40	49,634.40	49,634.40	49,634.40	49,634.40	49,634.40	49,634.40	49,634.40	49,634.40	49,634.40	49,634.40
Accounts Payable - Other	8,714.80	8,714.80	8,714.80	8,714.80	8,714.80	8,714.80	8,714.80	8,714.80	8,714.80	8,714.80	8,714.80	8,714.80
Accounts Payable - Other	106,576.19	101,563.32	96,590.43	91,617.84	86,544.71	81,671.84	76,598.04	71,726.09	66,753.32	61,780.35	56,807.48	51,834.61
Prepaid Expenses	15,887.47	15,887.47	15,887.47	15,887.47	15,887.47	15,887.47	15,887.47	15,887.47	15,887.47	15,887.47	15,887.47	15,887.47
Other Current Assets	3,794,254.10	2,678,697.32	3,720,078.50	2,710,370.37	2,728,690.76	2,787,708.94	2,653,795.20	2,610,242.48	2,700,997.91	2,683,467.02	2,670,666.88	2,705,377.45
Total Current Assets	9,928,087.33	8,871,463.57	9,928,087.33	9,928,087.33	9,928,087.33	9,928,087.33	9,928,087.33	9,928,087.33	9,928,087.33	9,928,087.33	9,928,087.33	9,928,087.33
DEFERRED DEBITS												
Unamortized Debt Expense	3,677,613.91	3,688,483.97	3,664,335.30	3,658,899.46	3,651,875.55	3,646,390.47	3,640,881.00	3,635,381.43	3,629,871.97	3,624,362.46	3,618,852.95	3,613,343.44
Miscellaneous Deferred Debits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Clearing Accounts	4,246,723.24	4,255,647.85	4,246,723.24	4,246,723.24	4,246,723.24	4,246,723.24	4,246,723.24	4,246,723.24	4,246,723.24	4,246,723.24	4,246,723.24	4,246,723.24
Total Deferred Debits	7,924,337.15	7,944,131.82	7,911,058.54	7,905,612.69	7,898,649.29	7,893,113.71	7,881,604.24	7,871,104.67	7,859,595.21	7,848,086.70	7,836,577.19	7,825,067.68
LIABILITIES AND NET ASSETS												
LIABILITIES												
Long Term Debt												
Bonds Payable	24,116,331.21	24,116,331.21	24,116,331.21	24,116,331.21	24,116,331.21	24,116,331.21	24,116,331.21	24,116,331.21	24,116,331.21	24,116,331.21	24,116,331.21	24,116,331.21
Capital Lease Payable - Trailer	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73
Unamortized Debt Discount	(228,271.30)	(218,446.98)	(210,622.50)	(214,283.59)	(213,193.62)	(211,145.20)	(209,125.38)	(207,105.56)	(205,085.74)	(203,065.92)	(201,046.10)	(199,026.28)
Total Long-Term Debt	21,905,543.64	21,905,367.96	21,905,191.44	21,905,529.35	21,905,619.32	21,905,669.74	21,905,689.56	21,905,709.38	21,905,729.20	21,905,749.02	21,905,768.84	21,905,788.66
Special Fund Liabilities												
Accrued Interest on Bonds	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40
Total Special Fund Liabilities	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40	317,489.40
Current and Accrued Liabilities												
Accounts Payable - Current Portion	270,063.91	224,240.90	234,940.38	205,554.87	163,896.93	361,633.32	341,449.56	314,016.83	297,506.27	277,148.53	254,250.34	231,889.71
Capital Lease Payable - Trailer Current Portion	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)
Accounts Payable - Other	86,085.14	86,085.14	86,085.14	86,085.14	86,085.14	86,085.14	86,085.14	86,085.14	86,085.14	86,085.14	86,085.14	86,085.14
Accounts Payable - Other	88,032.81	89,466.46	90,204.74	91,441.86	92,688.18	93,935.50	95,182.82	96,430.14	97,677.46	98,924.78	100,172.10	101,419.42
Other Current & Accrued Liabilities	27,654.33	51,290.47	59,914.93	59,914.93	67,036.96	73,210.53	79,384.10	85,557.67	91,731.24	97,904.81	104,078.38	110,251.95
Total Current and Accrued Liabilities	942,253.50	952,462.84	962,166.96	942,166.96	962,166.96	962,166.96	962,166.96	962,166.96	962,166.96	962,166.96	962,166.96	962,166.96
Reserves												
Accrued Leave	266,280.24	268,941.07	271,601.90	274,262.73	276,923.56	279,584.39	282,245.22	284,906.05	287,566.88	290,227.71	292,888.54	295,549.37
Total Reserves	266,280.24	268,941.07	271,601.90	274,262.73	276,923.56	279,584.39	282,245.22	284,906.05	287,566.88	290,227.71	292,888.54	295,549.37
Net Assets												
Investment in Capital Assets, Net of Related Debt	50,563,116.23	50,444,576.75	50,327,881.23	50,209,242.80	50,090,503.92	49,971,764.92	49,853,025.92	49,734,286.92	49,615,547.92	49,496,808.92	49,378,069.92	49,259,330.92
Restricted For:												
Capital Projects	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96	2,503.96
Debt Service	(217,499.40)	(217,499.40)	(217,499.40)	(217,499.40)	(217,499.40)	(217,499.40)	(217,499.40)	(217,499.40)	(217,499.40)	(217,499.40)	(217,499.40)	(217,499.40)
Unrestricted	(65,531,139.22)	(65,531,139.22)	(65,531,139.22)	(65,531,139.22)	(65,531,139.22)	(65,531,139.22)	(65,531,139.22)	(65,531,139.22)	(65,531,139.22)	(65,531,139.22)	(65,531,139.22)	(65,531,139.22)
Total Net Assets	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58
Total Liabilities and Net Assets	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58	50,344,989.58

Jackson Energy Authority
Transmission System - Consolidated
Statement of Net Assets

ASSETS

	Jul-08	Aug-09	Sep-09	Oct-09	Nov-09	Dec-08	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Utility Plant												
Total Plant - Beginning of Year	\$64,994,412.46	\$65,223,118.69	\$65,223,118.69	\$65,223,118.69	\$65,223,118.69	\$65,223,118.69	\$65,223,118.69	\$65,223,118.69	\$65,223,118.69	\$65,223,118.69	\$65,223,118.69	\$65,223,118.69
Net Plant Additions During Year	268,902.33	152,991.71	318,502.00	528,761.63	728,045.90	899,983.69	1,006,742.87	1,175,708.64	1,292,153.81	1,400,918.57	1,510,550.00	1,624,442.93
Total Completed Plant	55,233,316.69	63,796,110.41	65,541,620.69	65,750,882.32	65,949,164.59	66,122,702.37	66,270,861.57	66,439,570.21	66,541,472.50	66,739,848.72	66,937,744.62	67,135,187.55
Construction Work in Progress	48,975.13	502,360.36	600,778.88	591,853.82	520,010.38	441,077.54	388,927.31	309,335.30	252,254.29	243,194.33	231,627.73	201,110.64
Total Utility Plant	55,687,293.83	65,062,841.27	66,142,399.58	66,342,736.15	66,469,174.97	66,563,779.91	66,659,788.88	66,748,905.51	66,793,726.79	66,983,043.05	67,169,372.35	67,336,298.19
Reserve for Depreciation	(1,874,537.29)	(1,874,537.29)	(1,874,537.29)	(1,874,537.29)	(1,874,537.29)	(1,874,537.29)	(1,874,537.29)	(1,874,537.29)	(1,874,537.29)	(1,874,537.29)	(1,874,537.29)	(1,874,537.29)
Total Net Plant	47,807,764.84	47,807,764.84	47,807,764.84	47,807,764.84	47,807,764.84	47,807,764.84	47,807,764.84	47,807,764.84	47,807,764.84	47,807,764.84	47,807,764.84	47,807,764.84
Investments and Funds												
Debt Service Fund	5,372,419.50	5,372,419.50	5,372,419.50	5,372,419.50	5,372,419.50	5,372,419.50	5,372,419.50	5,372,419.50	5,372,419.50	5,372,419.50	5,372,419.50	5,372,419.50
Capital Projects Fund	2,693.23	2,693.23	2,693.23	2,693.23	2,693.23	2,693.23	2,693.23	2,693.23	2,693.23	2,693.23	2,693.23	2,693.23
Debt Sinking Fund	1,289,697.29	1,417,615.01	1,445,938.79	1,508,236.77	1,446,948.10	497,993.43	460,443.41	801,008.71	952,089.98	1,105,283.88	1,237,903.06	1,410,835.19
Total Investments and Funds	8,844,656.54	5,992,693.25	7,779,825.56	5,721,442.11	5,711,560.85	6,033,100.95	6,174,855.76	6,556,036.83	6,478,023.63	6,478,023.63	6,478,023.63	6,478,023.63
Current Assets												
Cash - Grants Revenue Fund	153,312.54	180,264.84	173,618.12	173,660.60	196,126.56	152,325.73	214,639.15	171,329.96	102,881.97	152,697.34	155,732.30	177,881.72
Accounts Receivable	3,961,689.23	2,992,207.49	3,000,094.87	3,047,292.74	3,065,098.77	3,076,728.20	3,086,797.92	3,097,302.17	3,108,042.82	3,119,673.88	3,131,702.99	3,152,721.09
Accumulated Provisions for Uncollectible Accounts	(500,177.57)	(518,674.03)	(537,232.55)	(556,143.53)	(575,090.87)	(594,116.51)	(611,797.03)	(632,331.11)	(651,517.43)	(670,756.81)	(690,097.17)	(709,492.31)
Materials and Supplies - Utility	42,631.54	42,695.25	41,360.74	40,745.95	40,104.81	39,457.26	38,803.23	38,142.66	37,475.49	36,801.65	36,121.06	35,433.67
Accrued Interest Receivable	8,726.80	8,727.80	8,728.80	8,729.80	8,730.80	8,731.80	8,732.80	8,733.80	8,734.80	8,735.80	8,736.80	8,737.80
Prepaid Expenses	146,861.73	141,888.36	136,915.99	131,943.12	126,970.23	121,997.38	117,024.50	112,051.63	107,078.76	102,105.89	97,133.02	92,160.15
Other Current Assets	15,899.47	15,899.47	15,901.47	15,902.47	15,903.47	15,904.47	15,905.47	15,906.47	15,907.47	15,908.47	15,909.47	15,910.47
Total Current Assets	3,528,844.33	2,862,624.69	2,859,377.46	2,862,131.55	2,877,843.71	2,881,028.33	2,884,706.44	2,811,535.60	2,788,603.90	2,808,569.23	2,789,269.47	2,873,552.60
Deferred Debits												
Unamortized Debt Expense	533,242.09	528,338.32	523,434.55	518,530.78	513,627.01	508,723.24	503,819.47	498,915.70	494,011.93	489,108.16	484,204.39	479,300.62
Miscellaneous Deferred Debits	3,597,456.84	3,584,638.51	3,571,922.72	3,559,206.96	3,546,491.20	3,533,775.44	3,521,059.68	3,508,343.92	3,495,628.16	3,482,912.40	3,470,196.64	3,457,480.88
Charging Accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Deferred Debits	4,130,698.93	4,112,976.83	4,095,357.27	4,077,737.74	4,060,118.20	4,042,498.68	4,024,879.15	4,007,259.62	3,989,640.09	3,972,020.56	3,954,401.03	3,936,781.50
Total Assets	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74
Liabilities and Net Assets												
Long Term Debt												
Bonds	\$25,500,000.00	\$25,500,000.00	\$25,500,000.00	\$25,500,000.00	\$25,500,000.00	\$25,500,000.00	\$25,500,000.00	\$25,500,000.00	\$25,500,000.00	\$25,500,000.00	\$25,500,000.00	\$25,500,000.00
Notes Payable	24,712,626.26	24,712,626.26	24,712,626.26	24,712,626.26	24,712,626.26	24,712,626.26	24,712,626.26	24,712,626.26	24,712,626.26	24,712,626.26	24,712,626.26	24,712,626.26
Capital Lease Payable - Trailer	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73
Unamortized Debt Discount	(198,719.49)	(198,719.49)	(198,719.49)	(198,719.49)	(198,719.49)	(198,719.49)	(198,719.49)	(198,719.49)	(198,719.49)	(198,719.49)	(198,719.49)	(198,719.49)
Total Long-Term Debt	24,510,680.40	24,510,680.40	24,510,680.40	24,510,680.40	24,510,680.40	24,510,680.40	24,510,680.40	24,510,680.40	24,510,680.40	24,510,680.40	24,510,680.40	24,510,680.40
Special Fund Liabilities												
Accrued Interest Bonds	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84
Total Special Fund Liabilities	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84	212,243.84
Current and Accrued Liabilities												
Long Term Debt - Current Portion	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Payable - General	199,837.77	154,764.33	165,182.41	110,041.37	88,115.29	287,643.74	269,294.61	242,022.30	226,771.09	207,131.65	155,443.34	114,796.94
Capital Lease Payable - Trailer Current Portion	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)
Customer Deposits	92,466.04	92,466.04	92,466.04	92,466.04	92,466.04	92,466.04	92,466.04	92,466.04	92,466.04	92,466.04	92,466.04	92,466.04
Sales Tax Payable	98,481.97	98,481.97	98,481.97	98,481.97	98,481.97	98,481.97	98,481.97	98,481.97	98,481.97	98,481.97	98,481.97	98,481.97
Other Current & Accrued Liabilities	853,266.27	717,181.37	718,067.77	718,954.13	719,840.53	720,726.93	721,613.33	722,500.73	723,387.13	724,273.53	725,159.93	726,046.33
Total Current and Accrued Liabilities	1,068,568.72	1,068,568.72	1,068,568.72	1,068,568.72	1,068,568.72	1,068,568.72	1,068,568.72	1,068,568.72	1,068,568.72	1,068,568.72	1,068,568.72	1,068,568.72
Reserves												
Accrued Leave	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24
Total Reserves	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24	300,051.24
Net Assets												
Investment in Capital Assets, Net of Related Debt	48,006,145.50	47,843,539.79	47,708,500.48	47,514,270.46	47,320,931.18	46,900,946.21	46,664,675.09	46,366,076.19	46,072,377.58	45,796,039.13	45,530,011.57	45,271,201.55
Residual For:												
Capital Projects	2,469.23	2,469.23	2,469.23	2,469.23	2,469.23	2,469.23	2,469.23	2,469.23	2,469.23	2,469.23	2,469.23	2,469.23
Debt Service	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)	(212,243.84)
Unrestricted	(64,577,638.20)	(64,577,638.20)	(64,577,638.20)	(64,577,638.20)	(64,577,638.20)	(64,577,638.20)	(64,577,638.20)	(64,577,638.20)	(64,577,638.20)	(64,577,638.20)	(64,577,638.20)	(64,577,638.20)
Total Net Assets	(17,081,167.29)	(17,081,167.29)	(17,081,167.29)	(17,081,167.29)	(17,081,167.29)	(17,081,167.29)	(17,081,167.29)	(17,081,167.29)	(17,081,167.29)	(17,081,167.29)	(17,081,167.29)	(17,081,167.29)
Total Liabilities and Net Assets	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74	\$41,582,065.74

Jackson Energy Authority
Telecommunication System - Consolidated
Statement of Net Assets

Assets

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Utility Plant												
Total Plant - Beginning of Year	\$66,837,744.62	\$66,837,744.62	\$66,837,744.62	\$66,837,744.62	\$66,837,744.62	\$66,837,744.62	\$66,837,744.62	\$66,837,744.62	\$66,837,744.62	\$66,837,744.62	\$66,837,744.62	\$66,837,744.62
Net Plant Addition During Year	120,038.88	297,186.24	399,950.42	377,709.95	715,992.75	855,933.57	980,377.74	1,095,584.52	1,204,831.00	1,313,197.27	1,420,283.41	1,526,516.12
Total Completed Plant	66,957,783.51	67,134,930.87	67,234,695.04	67,215,454.57	67,553,737.37	67,693,678.19	68,116,122.46	68,789,362.62	68,170,575.62	68,153,941.90	68,254,025.03	68,380,260.74
Construction Work in Progress	381,442.69	411,532.52	500,239.90	474,857.59	417,277.46	376,882.50	335,500.35	333,893.43	325,978.82	321,258.41	318,978.14	316,971.97
Total Utility Plant	67,339,226.20	67,546,463.39	67,734,934.94	67,690,312.16	67,971,014.83	68,070,560.69	68,451,622.81	69,123,256.05	68,496,554.44	68,475,200.31	68,573,003.17	68,697,232.71
Reserve for Depreciation	(22,315,428.65)	(22,967,253.04)	(23,198,072.14)	(23,693,382.77)	(24,083,252.50)	(24,483,252.50)	(24,873,252.50)	(25,263,252.50)	(25,653,252.50)	(26,043,252.50)	(26,433,252.50)	(26,823,252.50)
Total Net Plant	45,023,797.55	44,579,210.35	44,536,862.80	44,000,929.39	43,887,762.33	43,587,308.19	43,578,370.31	43,860,003.55	42,843,301.94	42,431,947.81	42,139,750.67	41,873,980.21
Investments and Funds												
Debt Service Fund	5,522,419.50	5,522,419.50	5,522,419.50	5,522,419.50	5,522,419.50	5,522,419.50	5,522,419.50	5,522,419.50	5,522,419.50	5,522,419.50	5,522,419.50	5,522,419.50
Debt Service Fund	2,312.34	2,644.40	2,644.40	2,644.40	2,644.40	2,644.40	2,644.40	2,644.40	2,644.40	2,644.40	2,644.40	2,644.40
Debt Service Fund	1,564,987.33	1,717,688.95	1,871,548.80	2,025,418.19	2,179,288.65	2,333,159.10	2,487,029.55	2,640,900.00	2,794,770.45	2,948,640.90	3,102,511.35	3,256,381.80
Total Investments and Funds	7,089,719.17	7,242,752.85	7,396,612.70	7,550,482.19	7,704,352.65	7,858,222.00	8,012,091.55	8,165,960.90	8,319,830.35	8,473,700.80	8,627,571.25	8,781,441.70
Current Assets												
Cash - Grant Revenue Fund	177,973.78	158,384.25	125,484.36	147,004.51	143,570.25	149,911.40	147,047.26	120,849.48	170,373.57	172,103.27	210,779.19	223,169.71
Accounts Receivable - Customer Billing	3,273,620.59	3,289,534.51	3,309,907.38	3,329,912.93	3,341,548.58	3,351,655.57	3,362,100.22	3,371,884.69	3,383,084.15	3,393,984.38	3,404,909.00	3,416,000.00
Accumulated Provisions for Uncollectible Accounts	(729,941.10)	(720,269.12)	(710,800.20)	(701,455.65)	(692,188.55)	(683,076.19)	(674,000.00)	(665,064.55)	(656,164.55)	(647,300.00)	(638,475.00)	(629,688.46)
Materials and Supplies - Utility	34,739.41	34,038.20	33,329.99	32,618.69	31,907.33	31,196.02	30,484.71	29,773.40	29,062.09	28,350.78	27,639.47	26,928.16
Accrued Interest Receivable	8,737.80	8,737.80	8,737.80	8,737.80	8,737.80	8,737.80	8,737.80	8,737.80	8,737.80	8,737.80	8,737.80	8,737.80
Prepaid Expenses	176,146.80	160,133.45	144,120.11	128,106.76	112,093.42	96,080.07	80,066.73	64,053.38	48,040.04	32,026.69	16,013.35	0.00
Other Current Assets	15,910.47	15,910.47	15,910.47	15,910.47	15,910.47	15,910.47	15,910.47	15,910.47	15,910.47	15,910.47	15,910.47	15,910.47
Total Current Assets	2,957,827.75	2,913,470.67	2,893,694.41	2,870,831.50	2,848,514.10	2,826,481.69	2,804,700.07	2,782,918.35	2,761,136.63	2,739,354.91	2,717,573.19	2,695,791.47
Deferred Debts												
Unamortized Debt Expense	474,396.83	466,493.08	464,589.31	459,685.54	454,781.77	449,877.00	444,972.23	440,067.46	435,162.69	430,257.92	425,353.15	420,448.38
Miscellaneous Deferred Debts	3,421,821.13	3,401,085.52	3,380,349.76	3,359,614.11	3,338,878.46	3,318,142.80	3,297,407.15	3,276,671.50	3,255,935.85	3,235,200.20	3,214,464.55	3,193,728.90
Clearing Accounts	3,876,117.98	3,876,117.98	3,876,117.98	3,876,117.98	3,876,117.98	3,876,117.98	3,876,117.98	3,876,117.98	3,876,117.98	3,876,117.98	3,876,117.98	3,876,117.98
Total Deferred Debts	7,772,335.74	7,743,696.58	7,725,057.05	7,695,617.63	7,666,178.21	7,636,738.79	7,607,299.37	7,577,859.95	7,548,420.53	7,518,981.11	7,489,541.69	7,460,102.27
Total Assets	\$28,796,041.05	\$28,696,492.56	\$28,644,315.96	\$28,449,860.00	\$28,444,402.08	\$28,444,402.08	\$28,444,402.08	\$28,444,402.08	\$28,444,402.08	\$28,444,402.08	\$28,444,402.08	\$28,444,402.08
Liabilities and Net Assets												
Long Term Debt												
Bonds												
Notes Payable	\$31,000,000.00	\$31,000,000.00	\$31,000,000.00	\$31,000,000.00	\$31,000,000.00	\$31,000,000.00	\$31,000,000.00	\$31,000,000.00	\$31,000,000.00	\$31,000,000.00	\$31,000,000.00	\$31,000,000.00
Capital Lease Payable - Trailer	23,939,540.00	21,760,434.18	23,686,240.26	23,174,245.43	23,174,245.43	23,064,649.95	22,814,147.56	22,814,147.56	22,814,147.56	22,814,147.56	22,814,147.56	22,814,147.56
Capital Lease Payable - Trailer Current Portion	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73	7,483.73
Unamortized Debt Discount	(176,481.62)	(176,481.62)	(176,481.62)	(176,481.62)	(176,481.62)	(176,481.62)	(176,481.62)	(176,481.62)	(176,481.62)	(176,481.62)	(176,481.62)	(176,481.62)
Total Long Term Debt	54,455,058.09	52,562,550.91	54,529,858.05	54,820,742.12	54,820,742.12	54,820,742.12	54,820,742.12	54,820,742.12	54,820,742.12	54,820,742.12	54,820,742.12	54,820,742.12
Special Fund Liabilities												
Accrued Interest on Bonds	206,179.73	206,179.73	216,653.77	206,179.73	192,486.58	217,352.79	195,902.79	179,654.14	217,352.79	192,486.58	195,902.79	206,179.73
Total Special Fund Liabilities	206,179.73	206,179.73	216,653.77	206,179.73	192,486.58	217,352.79	195,902.79	179,654.14	217,352.79	192,486.58	195,902.79	206,179.73
Current and Accrued Liabilities												
Long Term Debt - Current Portion	346,139.15	347,810.75	348,811.32	349,811.76	350,812.20	351,812.64	352,813.08	353,813.52	354,813.96	355,814.40	356,814.84	357,815.28
Accounts Payable - General	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)	(7,483.73)
Capital Lease Payable - Trailer Current Portion	97,939.50	98,712.12	99,484.74	100,256.98	101,029.22	101,801.46	102,573.70	103,345.94	104,118.18	104,890.42	105,662.66	106,434.90
Customer Deposits	107,990.26	108,144.74	108,299.22	108,453.70	108,608.18	108,762.66	108,917.14	109,071.62	109,226.10	109,380.58	109,535.06	109,689.54
Sales Tax Payable	822,742.20	853,871.13	885,000.06	916,128.99	947,257.92	978,386.85	1,009,515.78	1,040,644.71	1,071,773.64	1,102,902.57	1,134,031.50	1,165,160.43
Other Current and Accrued Liabilities	1,566,783.87	1,400,426.01	1,396,603.44	1,431,612.19	1,465,702.72	1,499,793.25	1,533,883.78	1,567,974.31	1,602,064.84	1,636,155.37	1,670,245.90	1,704,336.43
Total Current and Accrued Liabilities	2,822,985.90	2,951,487.75	2,938,998.02	3,007,944.64	3,048,491.47	3,089,038.20	3,129,584.93	3,170,131.66	3,210,678.39	3,251,225.12	3,291,771.85	3,332,318.58
Reserves												
Accrued Leave	338,102.25	341,486.30	344,901.17	348,316.18	351,731.19	355,146.20	358,561.21	361,976.22	365,391.23	368,806.24	372,221.25	375,636.26
Total Reserves	338,102.25	341,486.30	344,901.17	348,316.18	351,731.19	355,146.20	358,561.21	361,976.22	365,391.23	368,806.24	372,221.25	375,636.26
Net Assets												
Investment in Capital Assets, Net of Related Debt	45,019,879.15	44,833,181.63	44,651,712.38	44,469,740.86	44,287,769.33	44,105,797.80	43,923,826.27	43,741,854.74	43,559,883.21	43,377,911.68	43,195,940.15	43,013,968.62
Restricted For												
Capital Projects	2,638.36	2,644.40	2,650.44	2,656.48	2,662.52	2,668.56	2,674.60	2,680.64	2,686.68	2,692.72	2,698.76	2,704.80
Debt Service	(2,061,179.73)	(2,061,179.73)	(2,061,179.73)	(2,061,179.73)	(2,061,179.73)	(2,061,179.73)	(2,061,179.73)	(2,061,179.73)	(2,061,179.73)	(2,061,179.73)	(2,061,179.73)	(2,061,179.73)
Unrestricted	(62,712,113.50)	(62,408,601.18)	(62,104,088.86)	(61,800,576.54)	(61,497,064.22)	(61,193,551.90)	(60,889,039.58)	(60,584,527.26)	(60,280,014.94)	(59,975,502.62)	(59,670,990.30)	(59,366,477.98)
Total Net Assets	\$55,285,684.33	\$55,144,996.22	\$55,004,307.91	\$54,863,619.26	\$54,722,930.51	\$54,582,241.76	\$54,441,553.01	\$54,300,864.26	\$54,160,175.51	\$54,019,486.76	\$53,878,798.01	\$53,738,109.26

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Revenues, Expenses and Changes in Net Assets

	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Operating Revenues												
Local Network Services Revenues	\$ 622,240.09	\$ 631,741.41	\$ 665,939.02	\$ 688,836.24	\$ 705,502.90	\$ 718,905.12	\$ 728,865.97	\$ 734,901.46	\$ 743,439.22	\$ 755,240.55	\$ 767,036.85	\$ 778,828.22
Network Access Services Revenues	177,824.76	187,532.78	194,890.41	200,893.09	206,318.86	209,848.29	213,134.18	217,406.12	222,254.97	227,103.82	231,545.55	235,983.28
Miscellaneous Revenues	117,135.52	99,646.32	113,497.90	116,108.29	114,105.29	112,738.99	80,113.96	87,310.03	96,744.33	110,529.70	111,691.30	112,030.22
Total Operating Revenue	917,200.37	918,920.51	974,277.33	1,005,837.63	1,025,927.06	1,041,492.40	1,022,114.12	1,039,617.60	1,062,438.51	1,092,874.06	1,110,271.70	1,126,841.72
Cost of Programming												
% of sales revenue	0.51	0.51	0.50	0.51	0.51	0.51	0.53	0.53	0.53	0.53	0.53	0.53
	317,614.82	322,089.46	332,713.56	351,358.93	359,866.29	364,569.89	384,555.81	390,557.71	394,663.00	400,354.01	406,241.63	412,348.20
Total Operating Revenue less Cost of Programming	599,585.55	596,831.05	641,563.76	654,478.69	667,060.76	676,922.50	637,558.31	651,059.89	667,775.51	692,520.05	704,030.08	714,493.52
Operating Expense												
Plant Specific	46,573.30	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73	54,555.73
Plant Non-Specific	32,699.55	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79	29,902.79
Customer Operations	83,132.58	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91	128,024.91
Corporate Operations	121,610.91	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57	127,211.57
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	284,016.43	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00	339,695.00
Other Operating Expense												
Depreciation & Amortization	314,366.63	300,583.21	312,239.49	321,259.60	328,209.98	333,592.10	337,616.43	340,579.42	342,991.00	345,223.40	347,336.36	349,369.69
Property Taxes	10,991.98	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31	12,404.31
Payroll Taxes	(5,480.51)	(14,575.03)	(13,328.21)	(12,150.79)	(11,461.89)	(13,391.33)	(15,281.33)	(13,069.39)	(15,227.64)	(11,668.87)	(11,656.83)	(16,202.15)
Other Taxes	319,878.10	298,412.49	311,315.59	321,513.12	329,152.40	333,605.09	334,739.21	339,914.34	340,167.67	345,958.84	348,083.84	345,571.86
Total Other Operating Expense	(4,008.98)	(41,276.44)	(9,446.84)	(6,729.43)	(1,786.64)	4,623.42	(36,875.90)	(28,549.45)	(12,087.16)	6,866.21	16,251.23	29,226.66
Operating Income	25,760.89	27,616.98	27,616.99	27,703.81	27,790.81	27,877.98	27,965.34	28,052.89	28,140.61	28,228.52	28,316.61	28,404.88
Non-Operating Income												
Interest Income	(9,295.10)	(3,335.50)	(3,180.46)	(3,031.18)	(2,942.26)	(3,184.07)	(3,419.35)	(3,133.11)	(3,408.21)	(2,954.62)	(2,950.39)	(3,526.94)
Other Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-	-
Special Charges	-	-	-	-	-	-	-	-	-	-	-	-
Gain or Loss on Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Income	16,465.79	24,281.48	24,436.53	24,672.63	24,848.55	24,693.92	24,546.00	24,919.77	24,732.40	25,273.90	25,366.22	24,877.94
Non-Operating Expenses												
Interest on Long Term Debt	219,958.28	219,520.77	232,801.95	219,520.77	212,439.45	239,883.27	219,520.77	198,276.82	239,883.27	212,439.45	219,220.77	287,101.95
Other Interest Expense	36,003.33	96,054.95	99,520.33	101,060.44	104,494.98	107,086.13	108,928.09	110,650.91	112,410.23	114,680.38	116,638.33	118,300.57
Amount of Debt Discount & Expense	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09
Miscellaneous Income Deductions	0.00	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70
Total Non-Operating Expenses	262,689.70	323,074.50	339,821.07	328,080.00	324,433.23	354,468.19	335,947.65	316,426.55	359,792.29	334,618.63	343,657.89	412,901.31
Income before Contributions	(250,532.89)	(340,069.47)	(324,831.37)	(310,136.80)	(301,371.32)	(325,151.86)	(338,277.55)	(320,056.21)	(347,147.05)	(302,478.52)	(302,040.43)	(358,796.70)
Contributions in Aid of Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income before Net Assets	(250,532.89)	(340,069.47)	(324,831.37)	(310,136.80)	(301,371.32)	(325,151.86)	(338,277.55)	(320,056.21)	(347,147.05)	(302,478.52)	(302,040.43)	(358,796.70)
Net Assets, beginning of period	(8,098,264.59)	(8,248,797.48)	(8,688,866.95)	(9,013,698.33)	(9,323,835.12)	(9,635,206.44)	(9,950,358.30)	(10,298,635.85)	(10,618,692.06)	(10,965,839.11)	(11,268,317.63)	(11,570,358.05)
Net Assets, end of period	(8,348,797.48)	(8,588,866.95)	(8,993,698.33)	(9,323,835.12)	(9,635,206.44)	(9,950,358.30)	(10,298,635.85)	(10,618,692.06)	(10,965,839.11)	(11,268,317.63)	(11,570,358.05)	(11,929,154.76)

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Revenues, Expenses and Changes in Net Assets

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-07	May-08	Jun-08
Operating Revenue												
Local Network Services Revenues	\$ 831,689.33	\$ 844,075.06	\$ 859,096.27	\$ 877,739.02	\$ 890,209.90	\$ 897,303.85	\$ 900,952.43	\$ 906,824.01	\$ 911,459.91	\$ 918,729.87	\$ 925,984.82	\$ 934,896.38
Network Access Services Revenues	240,423.01	245,429.95	251,013.42	255,442.87	259,385.10	263,957.83	262,891.04	265,589.64	268,864.84	272,139.90	274,856.78	277,573.53
Miscellaneous Revenues	114,530.04	115,300.94	121,927.75	124,416.14	127,023.60	123,957.83	85,554.63	92,125.01	106,348.62	117,633.75	118,160.89	121,851.04
Total Operating Revenue	1,186,642.38	1,204,805.96	1,232,037.44	1,257,598.03	1,270,618.60	1,285,219.51	1,249,876.07	1,264,539.67	1,286,673.37	1,308,503.52	1,319,002.49	1,334,320.95
Cost of Programming												
% of cable revenues	0.40	0.51	0.51	0.50	0.50	0.50	0.50	0.53	0.53	0.53	0.52	0.53
	418,010.21	427,814.44	435,477.32	443,028.93	447,866.58	450,259.60	473,355.87	474,811.32	478,922.73	482,092.13	486,111.45	489,235.78
Total Operating Revenue less Cost of Programming	768,632.16	777,091.52	796,560.12	814,569.10	822,752.02	834,959.91	777,042.32	789,727.34	807,750.64	826,411.39	832,891.04	845,085.17
Operating Expense												
Plant Specific	59,225.05	59,225.05	59,225.05	59,225.05	59,225.05	59,225.05	59,225.05	59,225.05	59,225.05	59,225.05	59,225.05	59,225.05
Plant Non-Specific	32,462.12	32,462.12	32,462.12	32,462.12	32,462.12	32,462.12	32,462.12	32,462.12	32,462.12	32,462.12	32,462.12	32,462.12
Customer Operations	138,982.31	138,982.31	138,982.31	138,982.31	138,982.31	138,982.31	138,982.31	138,982.31	138,982.31	138,982.31	138,982.31	138,982.31
Corporate Operations	138,099.35	138,099.35	138,099.35	138,099.35	138,099.35	138,099.35	138,099.35	138,099.35	138,099.35	138,099.35	138,099.35	138,099.35
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	368,768.83	368,768.83	368,768.83	368,768.83	368,768.83	368,768.83	368,768.83	368,768.83	368,768.83	368,768.83	368,768.83	368,768.83
Other Operating Expense												
Depreciation & Amortization	351,432.93	353,512.64	355,579.35	357,746.96	359,762.67	361,443.19	362,776.25	363,860.18	364,798.37	365,763.60	366,746.85	367,742.11
Property Taxes	13,465.97	13,465.97	13,465.97	13,465.97	13,465.97	13,465.97	13,465.97	13,465.97	13,465.97	13,465.97	13,465.97	13,465.97
Payroll Taxes	(9,670.00)	(9,026.10)	(8,824.32)	(6,833.14)	(5,801.30)	(7,338.55)	(10,085.81)	(7,694.51)	(9,565.14)	(6,300.34)	(6,461.10)	(10,685.85)
Other taxes	355,228.90	357,952.51	360,221.00	364,379.80	367,427.34	367,625.61	366,156.42	369,631.64	368,699.31	371,929.23	373,751.72	370,522.13
Total Other Operating Expense	44,634.44	50,360.18	67,570.30	81,420.47	86,555.85	95,233.41	42,117.08	51,526.88	70,282.61	84,713.33	90,370.50	105,794.11
Operating Income												
Non-Operating Income	23,891.32	23,979.97	24,068.79	23,255.03	23,481.23	23,707.91	23,935.05	24,162.67	24,390.77	24,619.34	24,848.39	25,077.91
Interest Income	(2,691.94)	(2,609.76)	(2,585.36)	(2,359.65)	(2,193.45)	(2,388.92)	(2,725.76)	(2,414.25)	(2,647.60)	(2,226.40)	(2,241.78)	(2,775.09)
Special Charges	-	-	-	-	-	-	-	-	-	-	-	-
Gain or Loss on Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Income	21,199.38	21,370.21	21,483.43	20,895.37	21,287.78	21,319.98	21,209.30	21,748.43	21,743.17	22,392.93	22,606.61	22,302.82
Non-Operating Expenses												
Interest on Long Term Debt	219,520.77	219,520.77	222,801.95	219,520.77	210,483.29	237,674.40	217,499.40	196,451.07	237,674.40	210,483.29	217,499.40	284,458.29
Other Interest Expense	115,362.63	113,165.01	114,815.24	116,213.07	117,276.45	117,990.71	118,056.18	118,323.77	118,791.20	119,544.35	119,872.95	120,513.09
Amort of Debt Discount & Expense	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09
Miscellaneous Income Deductions	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70
Total Non-Operating Expenses	342,382.19	340,184.57	355,115.98	343,332.63	335,258.53	363,163.89	343,054.37	322,773.62	363,964.39	337,576.43	344,871.14	412,470.17
Income before Contributions	(\$27,646.36)	(\$268,454.18)	(\$266,062.26)	(\$240,886.58)	(\$227,414.89)	(\$246,611.50)	(\$279,777.99)	(\$248,998.32)	(\$271,938.61)	(\$230,420.17)	(\$231,894.04)	(\$184,373.23)
Contributions in Aid of Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Increase in Net Assets	(\$27,646.36)	(\$268,454.18)	(\$266,062.26)	(\$240,886.58)	(\$227,414.89)	(\$246,611.50)	(\$279,777.99)	(\$248,998.32)	(\$271,938.61)	(\$230,420.17)	(\$231,894.04)	(\$184,373.23)
Net Assets, beginning of period	(11,929,154.76)	(12,205,703.12)	(12,474,157.30)	(12,740,219.56)	(12,981,106.54)	(13,208,521.44)	(13,455,132.94)	(13,734,860.93)	(13,983,859.25)	(14,255,797.86)	(14,486,218.02)	(14,718,112.06)
Net Assets, end of period	(\$12,205,703.12)	(\$12,474,157.30)	(\$12,740,219.56)	(\$12,981,106.54)	(\$13,208,521.44)	(\$13,455,132.94)	(\$13,734,860.93)	(\$13,983,859.25)	(\$14,255,797.86)	(\$14,486,218.02)	(\$14,718,112.06)	(\$15,002,485.29)

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Revenues, Expenses and Changes in Net Assets

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
Operating Revenue												
Local Network Services Revenues	\$ 984,754.49	\$ 992,377.94	\$ 1,002,924.81	\$ 1,016,312.24	\$ 1,024,212.44	\$ 1,029,402.57	\$ 1,034,659.77	\$ 1,040,280.63	\$ 1,045,842.34	\$ 1,051,350.80	\$ 1,056,811.34	\$ 1,062,228.75
Network Access Services Revenues	280,290.14	283,600.05	287,486.63	290,220.19	292,377.23	294,334.30	296,691.41	298,848.56	301,005.75	303,162.98	305,320.24	307,477.54
Miscellaneous Revenues	121,721.88	123,083.10	125,370.60	125,509.21	125,550.15	123,070.85	123,445.01	123,813.73	124,183.36	124,553.81	124,923.02	125,296.89
Total Operating Revenue	1,386,766.51	1,399,061.09	1,415,782.04	1,432,041.65	1,440,139.82	1,447,007.74	1,454,796.19	1,462,942.92	1,471,031.44	1,479,067.59	1,487,056.60	1,495,003.19
Cost of Programming	492,363.33	500,183.41	505,415.36	510,411.80	513,032.91	514,676.70	519,873.38	524,232.61	526,136.05	528,033.45	530,181.69	531,905.72
% of sales revenues	0.36	0.36	0.36	0.35	0.35	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Total Operating Revenue less Cost of Programming	894,403.18	898,877.68	910,366.68	921,629.84	927,106.91	932,331.04	934,922.81	938,710.31	944,895.39	951,034.14	956,874.91	963,097.47
Operating Expense												
Plant Specific	60,495.28	60,495.28	60,495.28	60,495.28	60,495.28	60,495.28	60,495.28	60,495.28	60,495.28	60,495.28	60,495.28	60,495.28
Plant Non-Specific	33,158.35	33,158.35	33,158.35	33,158.35	33,158.35	33,158.35	33,158.35	33,158.35	33,158.35	33,158.35	33,158.35	33,158.35
Customer Operations	141,963.14	141,963.14	141,963.14	141,963.14	141,963.14	141,963.14	141,963.14	141,963.14	141,963.14	141,963.14	141,963.14	141,963.14
Corporate Operations	141,061.25	141,061.25	141,061.25	141,061.25	141,061.25	141,061.25	141,061.25	141,061.25	141,061.25	141,061.25	141,061.25	141,061.25
Total Operating Expense	376,678.03	376,678.03	376,678.03	376,678.03	376,678.03	376,678.03	376,678.03	376,678.03	376,678.03	376,678.03	376,678.03	376,678.03
Other Operating Expense												
Depreciation & Amortization	368,745.38	369,786.33	370,973.47	372,379.16	373,693.49	374,808.78	375,795.75	376,689.04	377,530.28	378,346.54	379,146.16	379,934.68
Property Taxes	13,754.79	13,754.79	13,754.79	13,754.79	13,754.79	13,754.79	13,754.79	13,754.79	13,754.79	13,754.79	13,754.79	13,754.79
Payroll Taxes	(2,464.04)	(2,252.33)	(2,505.50)	(1,059.15)	106.49	(1,374.71)	(1,466.36)	430.64	(2,332.57)	(4,36)	(157.28)	(4,647.72)
Other taxes	380,046.13	381,288.78	382,222.76	383,074.79	383,554.77	384,038.86	384,524.18	385,009.47	385,494.79	385,980.11	386,465.43	386,950.75
Total Other Operating Expense	137,679.02	140,910.88	151,465.89	159,877.02	167,874.11	168,663.16	169,160.61	169,587.82	169,964.87	170,259.35	170,554.22	170,849.15
Operating Income	25,307.91	25,538.40	25,769.37	26,000.61	26,232.31	26,463.88	26,695.45	26,927.02	27,158.59	27,390.16	27,621.73	27,853.30
Non-Operating Income												
Interest Income	(1,721.20)	(1,692.39)	(1,723.17)	(1,534.08)	(1,378.85)	(1,586.46)	(1,565.87)	(1,317.43)	(1,663.06)	(1,359.77)	(1,732.64)	(1,938.33)
Other Non-Operating Income	23,586.71	23,846.01	24,046.19	24,296.73	24,547.16	24,797.44	25,047.62	25,297.80	25,548.08	25,798.26	26,048.44	26,298.62
Total Non-Operating Income	21,865.51	22,153.62	22,322.99	22,762.65	23,168.31	23,210.98	23,481.75	23,980.37	23,884.99	24,438.49	24,315.80	24,360.29
Non-Operating Expenses												
Interest on Long Term Debt	217,499.40	217,499.40	217,499.40	217,499.40	217,499.40	217,499.40	217,499.40	217,499.40	217,499.40	217,499.40	217,499.40	217,499.40
Other Interest Expense	116,818.46	117,448.00	118,064.24	118,722.21	119,380.18	120,038.15	120,696.12	121,354.09	122,012.06	122,670.03	123,328.00	123,985.97
Amort. of Debt Discount & Expense	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09
Miscellaneous Income Deductions	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70
Total Non-Operating Expenses	341,816.64	344,446.19	345,221.32	345,221.32	345,221.32	345,221.32	345,221.32	345,221.32	345,221.32	345,221.32	345,221.32	345,221.32
Income before Contributions	(\$180,550.91)	(\$177,689.30)	(\$180,709.23)	(\$182,050.24)	(\$183,391.63)	(\$184,732.44)	(\$186,073.25)	(\$187,414.06)	(\$188,754.87)	(\$190,095.68)	(\$191,436.49)	(\$192,777.30)
Contributions in Aid of Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Increase in Net Assets	(\$180,550.91)	(\$177,689.30)	(\$180,709.23)	(\$182,050.24)	(\$183,391.63)	(\$184,732.44)	(\$186,073.25)	(\$187,414.06)	(\$188,754.87)	(\$190,095.68)	(\$191,436.49)	(\$192,777.30)
Net Assets, beginning of period	(15,002,485.29)	(15,183,036.20)	(15,363,587.11)	(15,544,138.02)	(15,724,688.93)	(15,905,239.84)	(16,085,790.75)	(16,266,341.66)	(16,446,892.57)	(16,627,443.48)	(16,807,994.39)	(16,988,545.30)
Net Assets, end of period	(\$15,183,036.20)	(\$15,363,587.11)	(\$15,544,138.02)	(\$15,724,688.93)	(\$15,905,239.84)	(\$16,085,790.75)	(\$16,266,341.66)	(\$16,446,892.57)	(\$16,627,443.48)	(\$16,807,994.39)	(\$16,988,545.30)	(\$17,169,096.21)

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Revenues, Expenses and Changes in Net Assets

	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Operating Revenue												
Local Network Services Revenues	\$ 1,121,171.05	\$ 1,132,593.34	\$ 1,142,331.49	\$ 1,153,529.39	\$ 1,161,807.74	\$ 1,166,905.20	\$ 1,170,455.78	\$ 1,173,919.24	\$ 1,177,295.58	\$ 1,180,671.92	\$ 1,185,508.01	\$ 1,192,463.46
Network Access Services Revenues	310,211.65	313,257.42	316,592.08	319,350.25	321,531.65	323,424.64	325,117.71	327,210.86	329,104.10	331,286.20	333,468.46	335,650.90
Miscellaneous Revenues	125,664.22	127,112.10	128,861.35	129,199.95	128,084.74	127,202.08	127,059.78	127,343.37	127,628.27	128,311.47	129,144.82	129,443.82
Total Operating Revenue	1,557,046.91	1,573,962.85	1,587,784.92	1,600,079.59	1,611,424.13	1,617,531.92	1,622,633.26	1,628,473.47	1,634,027.96	1,640,269.59	1,648,093.50	1,657,558.17
Cost of Programming												
% of cable revenues	0.49	0.48	0.49	0.49	0.49	0.49	0.49	0.49	0.51	0.51	0.52	0.51
Total Operating Revenue less Cost of Programming	1,002,877.75	1,011,398.53	1,021,365.34	1,031,344.81	1,037,919.97	1,042,559.96	1,045,909.66	1,053,850.59	1,057,871.64	1,062,666.54	1,067,462.15	1,074,033.69
Operating Expense												
Plant Specific	62,261.02	62,261.02	62,261.02	62,261.02	62,261.02	62,261.02	62,261.02	62,261.02	62,261.02	62,261.02	62,261.02	62,261.02
Plant Non-Specific	34,126.18	34,126.18	34,126.18	34,126.18	34,126.18	34,126.18	34,126.18	34,126.18	34,126.18	34,126.18	34,126.18	34,126.18
Customer Operations	146,106.76	146,106.76	146,106.76	146,106.76	146,106.76	146,106.76	146,106.76	146,106.76	146,106.76	146,106.76	146,106.76	146,106.76
Corporate Operations	145,178.55	145,178.55	145,178.55	145,178.55	145,178.55	145,178.55	145,178.55	145,178.55	145,178.55	145,178.55	145,178.55	145,178.55
Other	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50
Total Operating Expense	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50	387,672.50
Other Operating Expense												
Depreciation & Amortization	390,715.80	381,608.83	382,633.30	383,802.24	384,953.81	385,965.60	386,825.75	387,578.54	388,258.24	388,898.95	389,568.07	390,256.12
Payroll Taxes	14,156.26	14,156.26	14,156.26	14,156.26	14,156.26	14,156.26	14,156.26	14,156.26	14,156.26	14,156.26	14,156.26	14,156.26
Other taxes	4,025.77	4,543.44	4,232.35	5,609.07	6,924.29	5,306.63	5,011.07	6,727.81	4,094.32	6,326.49	6,144.00	1,922.50
Total Other Operating Expense	398,897.83	400,308.53	401,021.91	403,567.57	406,034.37	405,438.49	405,993.08	408,462.61	406,508.82	409,381.70	409,868.33	406,334.88
Operating Income	216,307.42	223,417.50	232,670.93	240,104.74	244,213.10	249,458.97	256,344.08	257,715.48	253,690.33	255,612.33	259,921.32	251,026.30
Non-Operating Income												
Interest Income	25,696.75	25,962.79	26,229.39	23,423.63	23,737.03	24,031.08	24,365.79	24,681.15	24,997.18	25,313.86	25,631.21	25,949.22
Other Non-Operating Income	(827.83)	(757.56)	(793.67)	(613.07)	(438.54)	(636.98)	(666.81)	(440.12)	(768.00)	(476.46)	(492.66)	(1,023.62)
Gain or Loss on Fixed Assets												
Total Non-Operating Income	24,868.91	25,205.23	25,435.72	22,810.56	23,298.49	23,394.10	23,698.98	24,241.03	24,229.18	24,837.40	25,138.55	24,925.60
Non-Operating Expenses												
Interest on Long Term Debt	212,243.84	212,243.84	225,084.76	212,243.84	199,528.77	225,304.73	206,179.73	186,226.85	225,304.73	199,528.77	206,179.73	209,653.77
Other Interest Expense	113,478.12	113,570.64	114,141.35	113,966.19	114,033.36	113,102.45	112,723.43	111,754.30	110,867.39	110,408.32	109,907.30	109,557.87
Amort. of Debt Discount & Expense	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09
Miscellaneous Income Deductions	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70
Total Non-Operating Expenses	333,220.75	333,713.27	346,724.90	333,798.82	321,062.92	345,905.96	325,551.95	305,480.14	343,670.91	317,435.88	323,588.82	386,710.43
Income before Contributions	(892,044.42)	(885,090.54)	(888,618.25)	(870,793.52)	(853,551.32)	(873,032.89)	(875,508.89)	(853,523.63)	(885,751.42)	(856,966.15)	(858,525.95)	(810,758.53)
Contributions in Aid of Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Increase in Net Assets	(892,044.42)	(885,090.54)	(888,618.25)	(870,793.52)	(853,551.32)	(873,032.89)	(875,508.89)	(853,523.63)	(885,751.42)	(856,966.15)	(858,525.95)	(810,758.53)
Net Assets, beginning of period	(16,939,122.87)	(17,081,167.29)	(17,166,257.83)	(17,254,876.08)	(17,325,669.60)	(17,379,220.92)	(17,452,251.82)	(17,528,162.71)	(17,581,686.34)	(17,657,437.76)	(17,724,423.90)	(17,782,949.85)
Net Assets, end of period	(17,081,167.29)	(17,166,257.83)	(17,254,876.08)	(17,325,669.60)	(17,379,220.92)	(17,452,251.82)	(17,528,162.71)	(17,581,686.34)	(17,657,437.76)	(17,724,423.90)	(17,782,949.85)	(17,893,708.37)

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Revenues, Expenses and Charges in Net Assets

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Operating Revenue												
Local Network Services Revenues	\$ 1,254,146.51	\$ 1,259,210.51	\$ 1,265,807.96	\$ 1,273,938.85	\$ 1,279,002.82	\$ 1,282,533.35	\$ 1,286,063.87	\$ 1,289,042.36	\$ 1,292,572.88	\$ 1,296,103.40	\$ 1,299,633.92	\$ 1,303,164.44
Network Access Services Revenues	337,833.51	340,337.62	343,131.34	345,347.43	347,274.63	349,202.01	351,025.37	352,953.06	354,880.94	356,808.98	358,737.21	360,730.23
Miscellaneous Revenues	128,958.73	129,778.83	131,118.93	131,288.54	130,409.01	130,272.63	130,420.17	130,671.17	131,116.46	131,407.73	131,699.04	132,066.16
Total Operating Revenue	1,720,938.75	1,729,326.97	1,740,058.22	1,750,574.82	1,756,686.46	1,762,007.98	1,767,509.41	1,773,666.59	1,778,570.28	1,784,320.12	1,790,070.17	1,795,960.83
Cost of Programming												
% of cable revenues	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.51	0.51	0.51	0.51	0.51
	\$ 614,415.67	\$ 620,193.89	\$ 623,333.39	\$ 626,208.56	\$ 627,747.70	\$ 628,735.63	\$ 628,789.98	\$ 630,513.74	\$ 632,143.45	\$ 633,777.00	\$ 635,410.00	\$ 637,042.48
Total Operating Revenue less Cost of Programming	1,106,523.09	1,109,133.07	1,116,724.83	1,124,366.26	1,128,938.76	1,133,272.36	1,138,728.43	1,142,152.85	1,146,428.83	1,150,543.12	1,154,659.17	1,158,918.35
Operating Expense												
Plant Specific	64,205.34	64,205.34	64,205.34	64,205.34	64,205.34	64,205.34	64,205.34	64,205.34	64,205.34	64,205.34	64,205.34	64,205.34
Plant Non-Specific	35,191.89	35,191.89	35,191.89	35,191.89	35,191.89	35,191.89	35,191.89	35,191.89	35,191.89	35,191.89	35,191.89	35,191.89
Customer Operations	150,669.48	150,669.48	150,669.48	150,669.48	150,669.48	150,669.48	150,669.48	150,669.48	150,669.48	150,669.48	150,669.48	150,669.48
Corporate Operations	149,712.28	149,712.28	149,712.28	149,712.28	149,712.28	149,712.28	149,712.28	149,712.28	149,712.28	149,712.28	149,712.28	149,712.28
Other	399,778.99	399,778.99	399,778.99	399,778.99	399,778.99	399,778.99	399,778.99	399,778.99	399,778.99	399,778.99	399,778.99	399,778.99
Total Operating Expense	4,644,177	4,652,335	4,658,389	4,664,486	4,670,583	4,676,680	4,682,777	4,688,874	4,694,971	4,701,068	4,707,165	4,713,262
Other Operating Expense												
Depreciation & Amortization	390,956.80	391,698.98	392,538.20	393,511.52	394,435.45	395,247.34	395,984.54	396,645.10	397,288.86	397,931.40	398,546.48	399,166.57
Property Taxes	14,598.34	14,598.34	14,598.34	14,598.34	14,598.34	14,598.34	14,598.34	14,598.34	14,598.34	14,598.34	14,598.34	14,598.34
Payroll Taxes	10,510.01	10,705.44	10,315.28	11,481.77	12,811.71	11,272.81	10,804.56	12,494.60	10,004.32	12,178.15	12,013.10	7,805.86
Other taxes	416,065.16	417,002.77	417,451.83	419,591.63	421,845.51	424,118.49	423,387.44	423,738.04	424,891.52	424,697.90	425,157.92	424,570.77
Total Other Operating Expense	912,130.31	914,005.53	914,903.65	919,902.97	923,691.05	927,273.97	929,770.26	932,264.48	934,778.02	937,289.98	939,800.80	942,311.54
Operating Income	294,392.78	295,127.54	291,821.18	304,463.29	307,343.71	311,153.87	315,340.99	318,418.37	321,537.31	324,853.14	328,258.37	331,646.81
Non-Operating Income												
Interest Income	26,267.90	26,587.23	26,907.24	23,512.63	23,860.95	24,209.99	24,559.77	24,910.27	25,261.50	25,613.46	25,966.16	26,318.59
Other Non-Operating Income	71.52	108.15	63.21	218.60	395.92	207.63	156.17	379.35	69.75	354.62	341.41	(186.97)
Gain or Loss on Fixed Assets												
Total Non-Operating Income	26,339.42	26,695.38	26,970.45	23,731.23	24,256.87	24,417.62	24,715.94	25,289.62	25,331.25	25,968.08	26,307.57	26,131.62
Non-Operating Expenses												
Interest on Long Term Debt	206,179.73	206,179.73	218,653.77	206,179.73	192,486.58	217,352.79	198,902.79	179,654.14	217,352.79	192,486.58	198,902.79	200,136.58
Other Interest Expense	105,613.61	104,572.99	103,906.05	103,287.73	102,301.37	101,138.05	98,933.17	97,824.17	97,824.17	96,922.36	95,821.03	94,833.85
Amort. of Debt Discount & Expense	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09	6,728.09
Miscellaneous Income Deductions	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70
Total Non-Operating Expenses	319,292.13	318,251.51	330,058.61	316,966.54	307,286.74	325,889.63	306,477.56	286,086.10	322,957.16	296,907.73	302,222.61	302,469.22
Income before Contributions	(24,899.35)	(23,123.97)	(38,237.43)	\$11,766.62	\$29,284.39	\$10,802.85	\$5,800.38	\$27,839.33	\$25,566.59	\$28,945.41	\$26,035.76	(27,822.41)
Contributions in Aid of Construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Increase in Net Assets	(24,899.35)	(23,123.97)	(38,237.43)	\$11,766.62	\$29,284.39	\$10,802.85	\$5,800.38	\$27,839.33	\$25,566.59	\$28,945.41	\$26,035.76	(27,822.41)
Net Assets, beginning of period	(17,895,976.15)	(17,895,976.15)	(17,895,976.15)	(17,895,976.15)	(17,895,976.15)	(17,895,976.15)	(17,895,976.15)	(17,895,976.15)	(17,895,976.15)	(17,895,976.15)	(17,895,976.15)	(17,895,976.15)
Net Assets, end of period	(17,920,875.50)	(17,919,100.12)	(17,934,213.58)	(17,884,209.53)	(17,866,691.76)	(17,845,173.30)	(17,819,175.77)	(17,791,336.82)	(17,765,409.56)	(17,736,464.15)	(17,702,428.39)	(17,664,605.93)

Jackson Energy Authority
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	Actual Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06
Cash Provided by Operating Activities												
Operating income	\$250,532.89	\$340,088.47	\$324,831.37	\$310,138.80	\$301,371.32	\$325,151.88	\$348,277.55	\$320,056.21	\$347,147.05	\$302,478.52	\$302,040.43	\$358,736.70
Depreciation and amortization	312,746.64	300,583.21	312,238.46	321,268.50	328,208.86	333,592.10	337,616.43	340,579.42	342,891.00	345,223.40	347,336.36	349,569.69
Provision for doubtful accounts	1,387.20	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70	11,138.70
Changes in:												
Receivables	(132,978.40)	211,220.93	(104,070.81)	(69,333.37)	(37,768.13)	(29,282.84)	38,431.17	(32,906.65)	(42,903.31)	(57,218.84)	(32,707.56)	(31,181.63)
Materials and supplies	131,143.44	157,422.75	184,195.48	130,718.44	96,641.62	45,165.04	18,438.69	45,212.57	(22,663.30)	(23,638.93)	75,375.68	118,180.43
Other assets	(57,572.89)	(20,280.44)	5,496.47	6,882.03	7,755.44	6,312.82	4,860.25	6,915.68	6,167.93	8,460.61	8,676.91	(95,082.86)
Accounts payable	(162,736.40)	(282,913.21)	(142,933.14)	(183,142.87)	(193,985.38)	(46,572.41)	(185,455.93)	(60,824.60)	(13,185.57)	(18,481.77)	(55,833.69)	(47,964.17)
Other accrued liabilities	49,515.38	(140,824.82)	6,870.27	14,037.81	19,510.30	(93,710.06)	4,967.14	4,052.50	32,404.31	(1,395.12)	33,131.19	58,632.02
Net Cash Provided by Operating Activities	(109,025.92)	(103,722.14)	(51,894.92)	(68,576.47)	(67,868.76)	(88,488.53)	(100,281.11)	4,111.51	(34,197.29)	(38,390.47)	85,077.28	4,325.36
Cash Provided By (Used For) Noncapital and Related Financing												
Borrowings on working capital line of credit	-	340,000.00	100,000.00	150,000.00	100,000.00	-	-	-	-	-	-	-
Principal payments on working capital line of credit	-	-	-	-	-	-	-	-	-	-	-	-
Payments on County Build-Out LOC	-	-	-	-	-	-	-	-	-	-	-	-
Payments on New LOC	-	-	-	-	-	-	-	-	-	-	-	-
Bond Payment	188,245.68	219,520.77	232,801.95	219,520.77	212,439.45	239,833.27	219,520.77	198,278.82	235,893.27	212,439.45	219,520.77	287,101.95
Borrowings from Debt Service Reserve - Interest	-	-	-	41,667.00	41,667.00	41,667.00	41,667.00	41,667.00	41,667.00	41,667.00	41,667.00	41,667.00
Borrowings from Debt Service Reserve - Principal	-	-	-	-	-	-	-	-	-	-	-	-
Required principal payments to Electric for DSR Loan	(\$29,187.72)	(\$27,798.61)	(\$30,546.52)	(\$33,445.41)	(\$36,709.60)	(\$39,825.50)	(\$43,290.08)	(\$46,413.18)	(\$49,187.02)	(\$52,517.43)	(\$55,406.77)	(\$58,356.19)
Net Cash Provided By (Used For) Noncapital and Related Financing	159,057.96	531,722.16	302,255.43	377,742.38	317,396.86	241,724.77	217,897.67	193,530.64	233,363.25	201,589.02	205,781.00	270,412.77
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(371,637.92)	(561,810.75)	(642,080.75)	(481,560.75)	(384,710.75)	(224,210.75)	(143,960.75)	(224,210.75)	(321,080.75)	(321,080.75)	(321,080.75)	(363,715.79)
Capital lease payments	(6,921.91)	(6,941.80)	(6,961.69)	(6,981.58)	(7,001.47)	(7,021.00)	(7,041.00)	(7,061.00)	(7,081.00)	(7,101.00)	(7,121.00)	(7,141.00)
Draws on County Build-Out LOC	-	-	-	-	-	-	-	-	-	-	-	-
Additional LOC	370,000.00	195,000.00	350,000.00	200,000.00	275,000.00	100,000.00	100,000.00	100,000.00	150,000.00	200,000.00	100,000.00	100,000.00
Change in investments	(46.53)	(4.88)	(4.88)	(41,758.71)	(41,845.71)	(41,932.89)	(42,020.25)	(42,107.79)	(42,195.51)	(42,283.42)	(42,371.51)	(42,459.79)
Construction fund draws	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Used for Capital Financing Activities	(8,608.36)	(373,757.43)	(293,027.33)	(330,301.04)	(156,557.93)	(173,164.64)	(93,022.00)	(173,379.54)	(220,337.26)	(172,077.77)	(263,432.26)	(306,175.54)
Increases (Decrease) in Cash	41,425.68	54,242.68	(48,666.82)	(21,135.15)	90,970.15	(19,928.40)	24,594.57	24,262.61	(22,171.30)	(8,678.22)	27,426.00	(31,437.41)
Cash - Beginning	5,342.21	46,767.89	101,010.47	52,343.65	31,208.50	122,176.64	102,250.24	128,844.81	151,107.42	128,938.12	120,066.90	147,482.90
Cash - Ending	\$ 46,767.89	\$ 101,010.47	\$ 52,343.65	\$ 31,208.50	\$ 122,176.64	\$ 102,250.24	\$ 128,844.81	\$ 151,107.42	\$ 128,938.12	\$ 120,066.90	\$ 147,482.90	\$ 116,045.49

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	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-07	May-08	Jun-08
Cash Provided by Operating Activities												
Operating Income	(\$276,548.36)	(\$268,454.18)	(\$266,082.26)	(\$240,898.98)	(\$227,414.89)	(\$246,611.50)	(\$279,727.99)	(\$248,938.32)	(\$271,838.61)	(\$230,420.17)	(\$231,834.04)	(\$284,373.23)
Depreciation and amortization	331,432.33	333,512.64	355,579.35	357,746.36	359,762.67	361,448.19	362,776.25	363,860.18	364,798.37	365,763.60	366,746.85	367,742.11
Provision for doubtful accounts	13,791.13	13,985.99	14,576.31	14,595.54	14,796.44	14,569.86	14,460.36	14,537.03	14,590.80	15,153.68	15,266.54	15,479.25
Changes in:												
Receivables	(117,411.81)	(34,683.07)	(91,575.54)	(48,649.93)	(24,837.93)	(21,342.27)	61,849.85	(28,172.23)	(41,713.96)	(41,535.28)	(19,950.22)	(29,188.80)
Materials and supplies	103,205.24	480.08	494.99	489.94	504.94	509.99	515.09	520.24	525.44	530.70	536.00	541.36
Other assets	4,653.97	5,413.28	5,818.81	7,854.05	8,985.96	7,770.37	5,622.30	7,748.15	6,224.23	9,223.20	9,233.15	(94,276.43)
Accounts payable	25,301.47	(47,488.79)	7,136.65	(37,943.43)	(42,507.81)	197,523.38	(21,482.06)	(27,496.34)	(18,113.17)	(20,340.90)	(63,704.08)	(43,978.14)
Other accrued liabilities	(21,725.20)	43,288.39	22,051.29	30,246.34	33,537.24	(67,943.58)	21,419.31	20,724.22	48,147.95	14,903.30	48,094.92	74,139.16
Net Cash Provided by Operating Activities	82,689.36	66,074.35	87,721.58	83,472.29	122,826.63	246,324.44	185,322.91	101,822.94	102,830.86	113,278.14	135,329.13	6,074.49
Cash Provided By (Used For) Noncapital and Related Financing	(486,232.14)											1,319,092.47
Borrowings on working capital line of credit												
Principal payments on working capital line of credit												
Payments on County Build-Out LOC												
Payments on New LOC												
Bond Payment												
Borrowings from Debt Service Reserve - Interest	219,520.77	219,520.77	232,801.95	219,520.77	210,483.29	237,674.40	217,459.40	196,451.07	237,674.40	210,483.29	217,459.40	284,458.29
Borrowings from Debt Service Reserve - Principal	41,667.00	41,667.00	41,667.00	108,333.33	108,333.33				100,000.00	100,000.00	100,000.00	100,000.00
Required principal payments to Electric for DSR Loan	(\$62,231.96)	(\$66,771.69)	(\$69,530.50)	(\$72,642.56)	(\$76,395.33)	(\$79,960.03)	(\$82,278.16)	(\$84,267.51)	(\$85,917.12)	(\$89,618.10)	(\$92,863.82)	(\$96,169.94)
Net Cash Provided By (Used For) Noncapital and Related Financing	198,955.81	194,416.07	304,938.45	(244,788.46)	242,421.29	57,714.38	35,220.24	112,183.56	251,757.28	120,864.18	124,632.58	288,288.35
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(361,939.80)	(349,602.41)	(405,929.03)	(293,275.80)	(175,822.56)	(105,046.95)	(102,045.95)	(110,795.95)	(174,822.56)	(174,822.56)	(174,822.56)	(174,822.56)
Capital lease payments												
Draws on County Build-Out LOC												
Additional LOC	100,000.00	100,000.00	84,000.00									
Change in Investments	(42,548.24)	(42,536.89)	(42,725.71)	391,422.06	(108,804.15)	(109,030.82)	(109,257.97)	(109,465.59)	(109,713.69)	(109,942.26)	(110,171.30)	(110,400.83)
Construction fund draws												
Net Cash Used for Capital Financing Activities	(304,488.04)	(292,239.30)	(364,654.74)	98,146.26	(284,426.71)	(214,076.77)	(211,303.92)	(220,281.54)	(284,336.25)	(284,554.82)	(284,793.87)	(285,023.39)
Increase (Decrease) in Cash	(22,832.87)	(31,748.87)	27,905.29	(63,169.91)	80,821.20	89,982.03	(10,760.77)	(6,275.04)	70,241.89	(50,422.50)	(24,832.16)	9,398.44
Cash - Beginning	116,045.49	93,212.62	61,463.75	89,369.04	26,199.14	107,020.39	198,982.36	186,221.69	179,946.55	280,188.43	199,705.93	174,933.77
Cash - Ending	\$ 93,212.62	\$ 61,463.75	\$ 89,369.04	\$ 26,199.14	\$ 107,020.33	\$ 196,992.36	\$ 186,221.59	\$ 179,946.55	\$ 250,188.43	\$ 189,765.93	\$ 174,933.77	\$ 184,273.21

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	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Cash Provided by Operating Activities												
Operating income	(\$180,550.91)	(\$177,693.30)	(\$180,709.23)	(\$162,050.24)	(\$146,711.63)	(\$167,103.91)	(\$165,023.75)	(\$140,505.44)	(\$174,490.33)	(\$144,571.75)	(\$145,787.09)	(\$201,444.01)
Depreciation and amortization	368,745.38	369,786.33	370,973.47	372,379.16	373,693.49	374,038.78	375,795.75	376,589.04	377,530.28	378,348.54	379,146.16	379,534.88
Provision for doubtful accounts	18,231.20	16,351.34	16,517.06	18,722.05	16,843.09	16,923.51	17,004.97	17,091.88	17,177.91	17,263.14	17,347.85	17,431.51
Changes in:												
Receivables	(100,011.32)	(23,339.69)	(31,746.92)	(30,953.45)	(15,452.11)	(13,062.86)	(14,795.43)	(15,479.25)	(15,398.16)	(15,268.18)	(15,178.22)	(15,097.26)
Materials and supplies	546.78	552.29	557.77	563.35	568.98	574.67	580.42	586.22	592.06	598.00	603.88	610.02
Other assets	13,728.29	14,046.59	14,003.31	15,510.45	16,698.58	16,359.72	15,684.11	17,374.21	16,098.37	17,260.15	17,268.77	(86,528.01)
Accounts payable	17,690.87	(45,823.01)	9,795.68	(28,385.71)	(42,757.94)	198,738.39	(20,185.76)	(27,432.72)	(18,110.27)	(20,559.04)	(53,098.19)	(43,160.63)
Other accrued liabilities	(24,734.87)	39,527.88	18,164.68	26,593.98	26,933.36	(71,639.93)	19,122.32	18,271.74	44,011.40	12,223.32	45,577.69	69,046.21
Net Cash Provided by Operating Activities	111,635.42	189,412.39	217,959.82	210,319.68	229,815.84	354,599.35	228,083.12	246,595.89	248,439.28	245,393.20	245,870.76	120,792.52
Cash Provided By (Used For) Noncapital and Related Financing	1,425,302.33	1,536,015.56	1,667,501.03	1,810,099.03	1,956,442.59	2,186,215.30	2,189,973.98	2,251,246.76	2,397,693.10	2,540,335.44	2,672,928.06	2,669,391.45
Borrowings on working capital line of credit	-	-	-	-	-	-	-	-	-	-	-	-
Principal payments on working capital line of credit	-	-	-	-	-	-	-	-	-	-	-	-
Payments on County Build-Out LOC	-	-	-	-	-	-	-	-	-	-	-	-
Payments on New LOC	-	-	-	-	-	-	-	-	-	-	-	-
Bond Payment	217,499.40	217,499.40	230,659.29	217,499.40	205,337.26	231,931.34	212,243.84	191,704.11	231,931.34	205,397.26	212,243.84	277,584.76
Borrowings from Debt Service Reserve - Interest	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	75,000.00	75,000.00	75,000.00
Borrowings from Debt Service Reserve - Principal	(\$100,409.40)	(\$103,601.32)	(\$106,746.59)	(\$110,039.12)	(\$113,089.73)	(\$115,917.53)	(\$119,093.92)	(\$121,934.11)	(\$124,430.50)	(\$127,481.71)	(\$129,730.27)	(\$132,046.44)
Required principal payments to Electric for DSR Loan	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Provided By (Used For) Noncapital and Related Financing	217,090.30	113,898.08	223,911.69	(1,192,539.72)	42,307.53	(33,986.20)	(106,850.08)	(30,230.00)	107,500.84	2,915.55	7,513.57	120,538.32
Cash Provided By (Used For) Capital and Related Financing Activities	(191,240.05)	(253,471.16)	(315,702.27)	(193,865.05)	(123,363.94)	(124,258.94)	(121,283.94)	(126,283.94)	(131,283.94)	(131,283.94)	(131,283.94)	(131,283.94)
Capital spending	-	-	-	-	-	-	-	-	-	-	-	-
Capital lease payments	-	-	-	-	-	-	-	-	-	-	-	-
Draws on County Build-Out LOC	-	-	-	-	-	-	-	-	-	-	-	-
Additional LOC	-	-	-	-	-	-	-	-	-	-	-	-
Change in investments	(110,630.83)	(110,861.32)	(111,092.28)	1,174,862.88	(126,578.21)	(125,639.85)	(126,102.03)	(126,384.76)	(126,628.03)	(128,891.88)	(127,156.24)	(127,421.18)
Construction fund draws	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Used for Capital Financing Activities	(301,870.89)	(364,332.46)	(426,794.55)	980,817.82	(246,962.15)	(250,096.79)	(247,385.97)	(232,648.70)	(257,911.98)	(258,175.81)	(258,440.19)	(258,705.12)
Increase (Decrease) in Cash	26,764.84	(57,022.00)	14,676.96	(1,402.32)	23,161.22	70,514.36	(126,152.93)	(36,283.01)	98,028.14	(9,967.06)	(5,055.86)	(17,374.28)
Cash - Beginning	194,273.21	211,028.05	154,006.05	168,683.01	167,280.69	180,441.91	260,956.27	134,803.34	98,520.33	196,548.47	181,525.56	164,151.28
Cash - Ending	\$ 211,028.05	\$ 154,006.05	\$ 168,683.01	\$ 167,280.69	\$ 180,441.91	\$ 260,956.27	\$ 134,803.34	\$ 98,520.33	\$ 196,548.47	\$ 186,581.42	\$ 181,525.56	\$ 164,151.28

Jackson Energy Authority
Telecommunications System - Consolidated
Telecommunications Cash Flow Update
Actual Through June, 2006 with Pro Forma
Through June, 2011
With VARIANCE REPORT
June, 2006

	Jul-08	Aug-09	Sep-09	Oct-09	Nov-08	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Cash Provided by Operating Activities												
Operating income	(\$92,044.42)	(\$85,030.54)	(\$88,618.25)	(\$70,793.52)	(\$53,551.32)	(\$73,032.89)	(\$75,908.89)	(\$53,523.63)	(\$85,751.42)	(\$56,986.15)	(\$58,525.95)	(\$110,768.52)
Depreciation and amortization	380,716.80	381,608.83	382,633.30	383,802.24	384,953.81	385,965.60	386,825.75	387,578.54	388,258.24	388,898.95	389,588.07	390,266.12
Provision for doubtful accounts	18,319.36	18,496.45	18,646.52	18,820.81	18,947.62	19,025.64	19,080.53	19,134.07	19,188.31	19,239.38	19,314.37	19,421.13
Changes in:												
Receivables	(118,312.48)	(30,817.77)	(27,587.38)	(27,187.87)	(17,805.96)	(11,528.50)	(10,069.72)	(10,704.26)	(10,940.85)	(11,894.06)	(14,831.11)	(18,013.10)
Materials and supplies	816.12	622.28	628.51	634.79	641.14	647.55	654.03	660.57	667.17	673.85	680.58	687.39
Other assets	22,010.51	22,672.97	22,880.43	23,984.60	25,302.94	24,043.33	23,885.50	25,602.39	23,311.34	25,360.83	26,326.73	(78,197.82)
Accounts payable	18,748.06	(46,073.44)	10,418.08	(35,141.04)	(41,928.08)	199,528.45	(18,349.14)	(26,672.30)	(15,851.21)	(19,639.45)	(51,889.31)	(40,646.40)
Other accrued liabilities	(23,823.54)	38,313.61	18,165.44	25,322.64	24,952.14	(73,940.92)	18,014.48	17,145.14	41,140.70	11,390.39	43,896.69	86,646.30
Net Cash Provided by Operating Activities	206,230.02	300,732.40	334,889.65	319,442.65	341,532.19	470,607.27	344,142.54	358,120.53	360,420.49	357,103.76	353,739.89	228,595.10
Cash Provided By (Used For) Noncapital and Related Financing	2,856,546.96	3,047,743.96	3,189,200.22	3,291,063.05	3,422,295.67	3,663,087.09	3,652,630.28	3,763,697.69	3,897,692.49	4,096,156.56	4,114,603.74	4,097,328.08
Borrowings on working capital line of credit												
Payments on County Build-Out LOC												
Payments on New LOC	(80,836.03)			(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(50,000.00)
Bond Payment												
Borrowings from Debt Service Reserve - Interest	212,243.84	212,243.84	225,084.76	212,243.84	199,528.77	225,304.73	206,179.73	186,226.85	225,304.73	199,528.77	206,179.73	209,553.77
Borrowings from Debt Service Reserve - Principal	75,000.00			100,000.00								
Required principal payments to Electric for DSR Loan	(\$135,289.36)	(\$137,523.78)	(\$138,622.51)	(\$139,883.90)	(\$142,428.23)	(\$143,267.87)	(\$144,474.18)	(\$145,381.54)	(\$145,982.15)	(\$147,148.55)	(\$147,918.78)	(\$148,776.48)
Net Cash Provided By (Used For) Noncapital and Related Financing	101,954.48	74,720.05	38,462.25	(1,477,650.06)	(42,899.46)	(287,963.14)	(38,294.46)	(159,154.69)	(120,677.42)	(47,619.79)	(116,739.06)	70,878.28
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(191,336.57)	(220,547.44)	(249,758.31)	(191,336.57)	(125,439.88)	(95,403.95)	(92,178.95)	(91,403.95)	(96,403.95)	(124,364.83)	(124,364.83)	(124,364.83)
Capital lease payments												
Draws on County Build-Out LOC												
Additional LOC												
Change in investments	(127,680.67)	(127,932.71)	(128,219.31)	1,340,598.45	(150,726.95)	(151,041.00)	(151,355.71)	(151,671.07)	(151,987.10)	(152,303.78)	(152,621.13)	(152,938.14)
Construction fund draws												
Net Cash Used for Capital Financing Activities	(319,023.23)	(348,500.15)	(377,977.62)	1,158,261.88	(275,186.77)	(246,444.95)	(243,534.66)	(243,075.03)	(248,391.05)	(276,668.61)	(276,985.96)	(277,303.97)
Increase (Decrease) in Cash	(10,838.74)	26,952.30	(6,646.72)	42.47	22,465.96	(43,800.83)	62,313.42	(43,109.19)	(6,647.96)	32,815.36	(39,985.04)	22,168.42
Cash - Beginning	184,151.28	153,312.54	180,264.84	173,618.12	173,680.60	198,126.56	182,325.73	214,699.15	171,529.96	182,881.97	195,897.34	155,712.30
Cash - Ending	\$ 153,312.54	\$ 180,264.84	\$ 173,618.12	\$ 173,660.60	\$ 196,126.56	\$ 152,325.73	\$ 214,639.15	\$ 171,529.96	\$ 162,881.97	\$ 195,697.34	\$ 155,712.30	\$ 177,881.72

Jackson Energy Authority
Telecommunications System - Consolidated
Telecommunications Cash Flow Update
Actual Through June, 2006 with Pro Forma
Through June, 2011
With VARIANCE REPORT
June, 2006

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Cash Provided by Operating Activities												
Operating income	(82,287.78)	\$793.19	(\$3,594.15)	\$11,760.62	\$28,284.39	\$10,802.85	\$5,800.38	\$27,838.33	(\$2,588.19)	\$25,526.59	\$24,287.22	(\$27,884.96)
Depreciation and amortization	389,895.80	391,698.96	392,536.20	393,511.52	394,435.45	395,241.34	395,994.54	396,645.10	397,286.86	397,921.40	398,546.48	399,166.57
Provision for doubtful accounts	20,348.80	20,428.02	20,531.08	20,655.46	20,733.00	20,787.54	20,841.77	20,888.03	20,942.56	20,997.10	21,051.64	21,106.17
Changes in:												
Receivables	(120,899.50)	(15,915.02)	(20,372.27)	(20,005.04)	(11,635.65)	(10,105.99)	(10,444.54)	(9,782.47)	(11,201.46)	(10,912.23)	(10,912.62)	(11,176.98)
Materials and supplies	684.26	701.21	708.22	715.30	722.45	729.68	736.97	744.34	751.79	759.31	766.90	774.57
Other assets	41,362.84	41,852.72	41,449.87	42,642.76	43,937.14	42,704.11	42,407.92	43,983.10	41,915.62	43,925.93	43,891.56	(59,689.69)
Accounts payable	231,342.21	1,671.61	1,070.57	950.43	524.85	336.88	10,245.47	590.87	555.73	420.84	529.82	380.70
Other accrued liabilities	(22,460.01)	37,175.91	14,880.09	24,767.61	23,180.36	25,605.70	18,214.55	17,397.35	39,358.04	11,768.14	43,025.77	62,818.77
Net Cash Provided by Operating Activities	539,087.42	479,206.61	447,211.60	475,028.86	501,181.98	487,107.12	483,788.95	480,305.85	487,028.96	490,408.87	521,188.86	395,885.15
Cash Provided By (Used For) Noncapital and Related Financing	4,515,622.89	4,787,598.58	4,934,076.78	5,074,238.78	5,255,978.12	5,401,553.05	5,414,732.73	5,566,895.84	5,696,802.27	5,826,788.55	5,960,871.76	6,022,816.93
Borrowings on working capital line of credit	(206,000.00)	(150,000.00)	(150,000.00)	(150,000.00)	(200,000.00)	(200,000.00)	(200,000.00)	(200,000.00)	(150,000.00)	(150,000.00)	(150,000.00)	(150,000.00)
Payments on County Build-Out LOC	(130,000.00)	(75,000.00)	(75,000.00)	(75,000.00)	(75,000.00)	(75,000.00)	(75,000.00)	(75,000.00)	(75,000.00)	(75,000.00)	(75,000.00)	(75,000.00)
Payments on New LOC												(250,000.00)
Bond Payment	206,179.73	206,179.73	218,653.77	(1,800,000.00)	192,486.58	217,352.79	198,302.78	170,654.14	217,352.79	192,486.58	198,902.79	260,136.58
Borrowings from Debt Service Reserve - Interest				206,179.73								
Borrowings from Debt Service Reserve - Principal												
Required principal payments to Electric for DSR Loan	(\$150,552.86)	(\$151,370.91)	(\$152,176.85)	(\$153,154.37)	(\$153,934.06)	(\$154,500.98)	(\$155,425.19)	(\$156,084.51)	(\$156,411.38)	(\$157,307.50)	(\$157,824.79)	(\$158,428.83)
Net Cash Provided By (Used For) Noncapital and Related Financing	(244,373.22)	(170,191.19)	(83,523.09)	(1,971,974.64)	(238,447.51)	(212,148.19)	(231,522.40)	(251,410.37)	(164,056.59)	(214,830.83)	(206,922.09)	(98,292.25)
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(141,364.33)	(177,027.79)	(212,091.26)	(141,364.33)	(100,700.86)	(100,700.86)	(96,912.02)	(104,525.86)	(104,525.86)	(104,525.86)	(104,525.86)	(104,525.86)
Capital lease payments												
Draws on County Build-Out LOC												
Additional LOC												
Change in investments	(153,257.81)	(153,577.15)	(153,897.16)	1,632,830.45	(167,517.87)	(167,866.91)	(168,216.68)	(168,567.19)	(168,918.42)	(169,270.38)	(169,623.08)	(169,976.51)
Construction fund draws												
Net Cash Used for Capital Financing Activities	(294,622.14)	(330,604.94)	(366,588.41)	1,491,466.13	(266,218.73)	(268,587.78)	(255,128.70)	(273,093.05)	(273,444.28)	(273,796.24)	(274,148.94)	(274,502.37)
Increase (Decrease) in Cash	92.06	(22,589.53)	(2,899.69)	(5,479.86)	(3,484.26)	6,391.15	(2,864.15)	(26,197.78)	49,524.09	1,789.70	36,115.92	12,860.53
Cash - Beginning	177,891.72	177,973.78	155,384.25	152,484.38	147,004.51	143,520.25	149,911.40	147,047.26	120,849.48	170,373.57	172,163.27	210,279.19
Cash - Ending	\$ 177,973.78	\$ 155,384.25	\$ 152,484.36	\$ 147,004.51	\$ 143,520.25	\$ 149,911.40	\$ 147,047.26	\$ 120,849.48	\$ 170,373.57	\$ 172,163.27	\$ 210,279.19	\$ 223,169.71

Exhibit D-7
to
Responses of Jackson Energy Authority to
Discovery Requests of Tennessee Cable
Telecommunications Association



DOCE450001718328900004000000

REGIONS

BANK

PROMISSORY NOTE

K9PH5

Principal	Loan Date	Maturity	Loan No.	Serv. Co.	Account	City	State
\$7,250,000.00	02-28-2007	02-28-2008	17183289000004	00001	8326308	JACKSON	MISSISSIPPI

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing ***** has been omitted due to text length limitations.

Borrower: JACKSON ENERGY AUTHORITY (TIN: 62-1888550)
116 EAST COLLEGE STREET
JACKSON, TN 38301-8202

Lender: REGIONS BANK
VININGS
1861 N. HIGHLAND
JACKSON, TN 38305

Principal Amount: \$7,250,000.00

Initial Rate: 7.020%

Date of Note: February 28, 2007

PROMISE TO PAY. JACKSON ENERGY AUTHORITY ("Borrower") promises to pay to REGIONS BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of Seven Million Two Hundred Fifty Thousand & 00/100 Dollars (\$7,250,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on February 28, 2008. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning March 28, 2007, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the London Interbank Offered Rate (as defined below) for the applicable Interest Period (as defined below), (the "Index"). The index is not necessarily the lowest rate charged by Lender on its loans. If the index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each month. Borrower understands that Lender may make loans based on other rates as well. The index currently is 5.320% per annum. The interest rate to be applied to the unpaid principal balance during this Note will be at a rate of 1.700 percentage points over the index, resulting in an initial rate of 7.020% per annum. NOTICE: Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "prepayment", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: REGIONS BANK, VININGS, 1861 N. HIGHLAND, JACKSON, TN 38305.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, at Lender's option, and if permitted by applicable law, Lender may add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the rate provided in this Note. Upon default, the total sum due under this Note will continue to accrue interest at the interest rate under this Note. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Foreclosure Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or foreclosure proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay

**PROMISSORY NOTE
(Continued)**

Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Tennessee without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Tennessee.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

LINE OF CREDIT. This Note evidences a revolving line of credit. Advances under this Note may be requested either orally or in writing by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person currently is authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of his or her authority: **DANA R WHEELER, President of JACKSON ENERGY AUTHORITY**. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

ARBITRATION. Borrower and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Note or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any collateral securing this Note shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any collateral securing this Note, including any claim to rescind, reform, or otherwise modify any agreement relating to the collateral securing this Note, shall also be arbitrated, provided any arbitrator may be entered in any court having jurisdiction. Nothing in this Note shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, setoff, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

DEFINITIONS RELATING TO INDEX. As used in this Note, the following capitalized terms will have the meanings indicated:

"Business Day" means a day on which the office of the Lender at which payments under this Note are to be made is open for business.

"Interest Period" means, with respect to the initial Interest Period hereunder, the period commencing on the date of the Note and, with respect to any subsequent Interest Period hereunder, the period commencing on the last day of the immediately preceding Interest Period, and in any case ending on the day numerically corresponding to the date of the Note in the first month thereafter; provided that any Interest Period which begins on a day of a calendar month for which there is no numerically corresponding day in the appropriate subsequent calendar month shall end on the last day of the appropriate subsequent calendar month.

"LIBOR Business Day" means a day on which the office of the Lender at which payments under this Note are to be made is open for business and on which dealings in U.S. dollar deposits are carried out in the London interbank market.

"London Interbank Offered Rate" means, with respect to any Interest Period, that rate for deposits in U.S. dollars for a period comparable to the term of such Interest Period which appears on Telerate Page 3750 as of 11:00 a.m., London, England time on the day (the "Pricing Date") that is two LIBOR Business Days preceding the first day of such Interest Period, as such rate is published on the Business Day next following the Pricing Date in the Money Market Section of the Wall Street Journal. If such rate cannot be so determined for any reason, Lender will request the principal London office of at least two banks to provide a quotation of its rate for deposits in U.S. dollars for a period comparable to the applicable Interest Period and the rate for such Interest Period will be the arithmetic mean of such quotations.

CREDITING OF PAYMENTS. Payments received after our cut-off times established from time to time or on weekends or bank holidays will be credited as of the next Business Day.

PRIOR NOTE. Renewal of the Promissory Note to us dated 11/22/2005. This does not satisfy or in any way discharge the existing debt under that note.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

JACKSON ENERGY AUTHORITY

By: 
DANA R WHEELER, President of JACKSON ENERGY AUTHORITY



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REGIONS

BANK

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No.	Call Coll	Account	Officer	Branch
\$7,250,000.00	02-28-2007	02-28-2008	17183269080000	0001	8328808	0002	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: JACKSON ENERGY AUTHORITY (TIN: 62-1868550)
116 EAST COLLEGE STREET
JACKSON, TN 38301-6202

Lender: REGIONS BANK
VININGS
1861 N. HIGHLAND
JACKSON, TN 38305

LOAN TYPE. This is a Variable Rate Nondisclosable Revolving Line of Credit Loan to a Government Entity for \$7,250,000.00 due on February 28, 2008. The reference rate (London Interbank Offered Rate (as defined below) for the applicable Interest Period (as defined below), currently 5.320%) is added to the margin of 1.700%, resulting in an initial rate of 7.020. This is an unsecured renewal of the following described indebtedness: Renewal of the Promissory Note to us dated 11/22/2006. This does not satisfy or in any way discharge the existing debt under that note..

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- ☐ Personal, Family, or Household Purposes or Personal Investment.
- ☒ Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: Comm'l-Short Term.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$7,250,000.00 as follows:

Undisbursed Funds: \$7,250,000.00

Note Principal: \$7,250,000.00

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED FEBRUARY 28, 2007.

BORROWER:

JACKSON ENERGY AUTHORITY

By: 
DANA R. WHEELER, President of JACKSON
ENERGY AUTHORITY

AMENDMENT 1 TO BUSINESS LOAN AGREEMENT

THIS AMENDMENT 1 TO BUSINESS LOAN AGREEMENT made and entered into this ____ day of _____, 2007, by and between REGIONS BANK, a State of Alabama banking association ("Bank"), and JACKSON ENERGY AUTHORITY, a public corporation and political subdivision of the State of Tennessee for the use and benefit of its Telecommunications System ("Borrower").

RECITALS:

A. Bank and Borrower entered into a Business Loan Agreement dated August 22, 2006, providing for a loan in the amount of \$7,250,000.00 (the "Loan") which matures on February 28, 2007. The Loan was evidenced by a Promissory Note dated August 22, 2006 in the original principal amount of \$7,250,000.00 (the "Note").

B. In conjunction with the Business Loan Agreement, Bank and Borrower entered into an Addendum To \$7,250,000.00 Business Loan Agreement dated August 22, 2006.

C. Borrower has requested an extension of the maturity date of the Loan for a period of one (1) year through February 28, 2008, and for a modification of the interest rate established on the Note.

D. Bank has agreed to Borrower's request for an extension of the maturity date and a modification of the interest rate on the Note.

NOW, THEREFORE, in consideration of the premises and the recitals herein, and the parties mutual covenants hereinafter provided, it is agreed as follows:

1. **Extension And Modification Of Note.** Borrower agrees to execute and deliver to Bank a Promissory Note extending and modifying the original Note whereby the maturity date of the Note would be extended to February 28, 2008, and the Index Rate of Interest would be adjusted to the London Inter Bank Offered Rate ("LIBOR"), with the applicable rate on the Note to be 1.700 percentage points over the LIBOR Rate.

2. **Representations And Warranties And Covenants.** Borrower hereby ratifies and confirms to Bank that all representations and warranties of Borrower set forth in the Business Loan Agreement are true and correct as of the date hereof. Borrower also acknowledges to Bank that all covenants and obligations on Borrower in the Business Loan Agreement and the Addendum to Business Loan Agreement shall continue to apply, and that Borrower is in compliance with all covenants and obligations on Borrower as of the date hereof.

3. **Other Provisions.** All other provisions of the Business Loan Agreement and the Addendum To \$7,250,000.00 Business Loan Agreement, shall remain in full force and effect, except as modified herein.

IN WITNESS WHEREOF, the parties have executed this Amendment 1 To Business Loan Agreement on the day and date written above.

REGIONS BANK

BY: _____
Title: _____

JACKSON ENERGY AUTHORITY

BY: _____
Title: _____



D0064500017183289080003000000

REGIONS

BANK

PROMISSORY NOTE

Principal	Term Date	Maturity	Account	Office	Initial
\$4,750,000.00	02-28-2007	02-28-2008	8226908	JACKSON	Initial

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: JACKSON ENERGY AUTHORITY (TIN: 62-1868550)
116 EAST COLLEGE STREET
JACKSON, TN 38301-8202

Lender: REGIONS BANK
JAX COMMERCIAL LENDING
1861 N. HIGHLAND
JACKSON, TN 38306

Principal Amount: \$4,750,000.00

Initial Rate: 7.020%

Date of Note: February 28, 2007

PROMISE TO PAY. JACKSON ENERGY AUTHORITY ("Borrower") promises to pay to REGIONS BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of Four Million Seven Hundred Fifty Thousand & 00/100 Dollars (\$4,750,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on February 28, 2008. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning March 28, 2007, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the London Interbank Offered Rate (as defined below) for the applicable interest period (as defined below), (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each month. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 5.320% per annum. The interest rate to be applied to the unpaid principal balance during this Note will be at a rate of 1.700 percentage points over the Index, resulting in an initial rate of 7.020% per annum. NOTICE: Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: REGIONS BANK, JAX COMMERCIAL LENDING, 1861 N. HIGHLAND, JACKSON, TN 38306.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, at Lender's option, and if permitted by applicable law, Lender may add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the rate provided in this Note. Upon default, the total sum due under this Note will continue to accrue interest at the interest rate under this Note. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Foreclosure Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or foreclosure proceeding and if Borrower gives Lender written notice of the creditor or foreclosure proceeding and deposits with Lender monies or a surety bond for the creditor or foreclosure proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay

Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Tennessee without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Tennessee.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

LINE OF CREDIT. This Note evidences a revolving line of credit. Advances under this Note may be requested either orally or in writing by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person currently is authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of his or her authority: **DANA R WHEELER, PRESIDENT OF JACKSON ENERGY AUTHORITY**. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs. Lender will have no obligation to advance funds under this Note if: (A) Borrower or any guarantor is in default under the terms of this Note or any agreement that Borrower or any guarantor has with Lender, including any agreement made in connection with the signing of this Note; (B) Borrower or any guarantor ceases doing business or is insolvent; (C) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Note or any other loan with Lender; (D) Borrower has applied funds provided pursuant to this Note for purposes other than those authorized by Lender; or (E) Lender in good faith believes itself insecure.

ARBITRATION. Borrower and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Note or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any collateral securing this Note shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any collateral securing this Note, including any claim to rescind, reform, or otherwise modify any agreement relating to the collateral securing this Note, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Note shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

DEFINITIONS RELATING TO INDEX. As used in this Note, the following capitalized terms will have the meanings indicated:

"Business Day" means a day on which the office of the Lender at which payments under this Note are to be made is open for business.

"Interest Period" means, with respect to the initial Interest Period hereunder, the period commencing on the date of the Note and, with respect to any subsequent Interest Period hereunder, the period commencing on the last day of the immediately preceding Interest Period, and in any case ending on the day numerically corresponding to the date of the Note in the first month thereafter; provided that any Interest Period which begins on a day of a calendar month for which there is no numerically corresponding day in the appropriate subsequent calendar month shall end on the last day of the appropriate subsequent calendar month.

"LIBOR Business Day" means a day on which the office of the Lender at which payments under this Note are to be made is open for business and on which dealings in U.S. dollar deposits are carried out in the London Interbank market.

"London Interbank Offered Rate" means, with respect to any Interest Period, that rate for deposits in U.S. dollars for a period comparable to the term of such Interest Period which appears on Teletext Page 3750 as of 11:00 a.m., London, England time on the day (the "Pricing Date") that is two LIBOR Business Days preceding the first day of such Interest Period, as such rate is published on the Business Day next following the Pricing Date in the Money Market Section of the Wall Street Journal. If such rate cannot be so determined for any reason, Lender will request the principal London office of at least two banks to provide a quotation of its rate for deposits in U.S. dollars for a period comparable to the applicable Interest Period and the rate for such Interest Period will be the arithmetic mean of such quotations.

CREDITING OF PAYMENTS. Payments received after our cut-off times established from time to time or on weekends or bank holidays will be credited as of the next Business Day.

PRIOR NOTE. Renewal of the Promissory Note to us dated 11/22/2005. This does not satisfy or in any way discharge the existing debt under that note.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

JACKSON ENERGY AUTHORITY

By: 
DANA R WHEELER, PRESIDENT of JACKSON
ENERGY AUTHORITY



DOC24000017183289080003000000

REGIONS

BANK

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan #	Loan Coll	Account	Office	Branch
\$4,750,000.00	02/28/2007	02/28/2008	7183289080003	0001	8326908	10-100	10-100

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: JACKSON ENERGY AUTHORITY (TIN: 82-1868550)
116 EAST COLLEGE STREET
JACKSON, TN 38301-6202

Lender: REGIONS BANK
JAX COMMERCIAL LENDING
1861 N. HIGHLAND
JACKSON, TN 38305

LOAN TYPE. This is a Variable Rate Nondisclosable Revolving Line of Credit Loan to a Government Entity for \$4,750,000.00 due on February 28, 2008. The reference rate (London Interbank Offered Rate (as defined below) for the applicable Interest Period (as defined below)), currently 5.320% is added to the margin of 1.700%, resulting in an initial rate of 7.020. This is an unsecured renewal of the following described indebtedness: Renewal of the Promissory Note to us dated 11/22/2005. This does not satisfy or in any way discharge the existing debt under that note..

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- ☐ Personal, Family, or Household Purposes or Personal Investment.
- ☒ Business (including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: Comm'l-Short Term.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$4,750,000.00 as follows:

Undisbursed Funds:	\$4,750,000.00
Note Principal:	\$4,750,000.00

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED FEBRUARY 28, 2007.

BORROWER:

JACKSON ENERGY AUTHORITY

By: 
DANA R. WHEELER, PRESIDENT of JACKSON
ENERGY AUTHORITY

AMENDMENT 1 TO BUSINESS LOAN AGREEMENT

THIS AMENDMENT 1 TO BUSINESS LOAN AGREEMENT made and entered into this ____ day of _____, 2007, by and between REGIONS BANK, a State of Alabama banking association ("Bank"), and JACKSON ENERGY AUTHORITY, a public corporation and political subdivision of the State of Tennessee for the use and benefit of its Telecommunications System ("Borrower").

RECITALS:

A. Bank and Borrower entered into a Business Loan Agreement dated November 22, 2005, providing for a loan in the amount of \$4,750,000.00 (the "Loan") which matures on February 28, 2007. The Loan was evidenced by a Promissory Note dated November 22, 2005 in the original principal amount of \$4,750,000.00 (the "Note").

B. In conjunction with the Business Loan Agreement, Bank and Borrower entered into an Addendum To \$4,750,000.00 Business Loan Agreement dated November 22, 2005.

C. Borrower has requested an extension of the maturity date of the Loan for a period of one (1) year through February 28, 2008, and for a modification of the interest rate established on the Note.

D. Bank has agreed to Borrower's request for an extension of the maturity date and a modification of the interest rate on the Note.

NOW, THEREFORE, in consideration of the premises and the recitals herein, and the parties mutual covenants hereinafter provided, it is agreed as follows:

1. **Extension And Modification Of Note.** Borrower agrees to execute and deliver to Bank a Promissory Note extending and modifying the original Note whereby the maturity date of the Note would be extended to February 28, 2008, and the Index Rate of Interest would be adjusted to the London Inter Bank Offered Rate ("LIBOR"), with the applicable rate on the Note to be 1.700 percentage points over the LIBOR Rate.

2. **Representations And Warranties And Covenants.** Borrower hereby ratifies and confirms to Bank that all representations and warranties of Borrower set forth in the Business Loan Agreement are true and correct as of the date hereof. Borrower also acknowledges to Bank that all covenants and obligations on Borrower in the Business Loan Agreement and the Addendum to Business Loan Agreement shall continue to apply, and that Borrower is in compliance with all covenants and obligations on Borrower as of the date hereof.

3. **Other Provisions.** All other provisions of the Business Loan Agreement and the Addendum To \$4,750,000.00 Business Loan Agreement, shall remain in full force and effect, except as modified herein.

IN WITNESS WHEREOF, the parties have executed this Amendment 1 To Business Loan Agreement on the day and date written above.

REGIONS BANK

BY: _____
Title: _____

JACKSON ENERGY AUTHORITY

BY: _____
Title: _____

Exhibit D-9
to
Responses of Jackson Energy Authority to
Discovery Requests of Tennessee Cable
Telecommunications Association

JACKSON ENERGY AUTHORITY

Telecommunications - Telephone

Monthly Financial Reports

as of

June 30, 2004

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**Jackson Energy Authority
Telecommunications System - Telephone
Statement of Net Assets**

	June 30	
	2004	2003
<u>Assets</u>		
Utility Plant		
Total Plant - Beginning of Year	\$0.00	\$0.00
Net Plant Additions During Year	0.00	0.00
Total Completed Plant	0.00	0.00
Construction Work in Progress	0.00	0.00
Total Utility Plant	0.00	0.00
Reserve for Depreciation	0.00	0.00
Total Utility Plant - Depreciated	0.00	0.00
Unamortized Acquisition Adjustment	0.00	0.00
Total Net Plant	0.00	0.00
Current Assets		
Cash - Gross Revenue Fund	3,023.45	0.00
Accounts Receivable - Customer Billing	4,375.00	0.00
Accounts Receivable - Miscellaneous	2,313.46	0.00
Materials and Supplies - Utility	9.64	0.00
Prepaid Expenses	20.05	0.00
Other Current Assets	764.64	0.00
Total Current Assets	10,506.24	0.00
Deferred Debits		
Miscellaneous Deferred Debits	418,859.39	0.00
Total Deferred Debits	418,859.39	0.00
Total Assets	\$429,365.63	\$0.00

**Jackson Energy Authority
Telecommunications System - Telephone
Statement of Net Assets**

	June 30	
	2004	2003
<u>Liabilities and Net Assets</u>		
Long Term Debt		
Notes Payable	\$ 475,000.00	0.00
Total Long-Term Debt	475,000.00	0.00
Current and Accrued Liabilities		
Accounts Payable - General	7,494.48	0.00
Sales/Use Tax Payable	456.88	0.00
Other Current & Accrued Liabilities	3,572.15	0.00
Total Current and Accrued Liabilities	11,523.51	0.00
Reserves		
Accrued Leave	6,183.04	0.00
Total Reserves	6,183.04	0.00
Deferred Credits		
Net Assets		
Investment in Capital Assets, Net of Related Debt	0.00	0.00
Restricted For:		
Capital Projects	0.00	0.00
Debt Service	0.00	0.00
Unrestricted	(63,340.92)	0.00
Total Net Assets	(63,340.92)	0.00
Total Liabilities and Net Assets	\$429,365.63	\$0.00

Jackson Energy Authority
Telecommunications System - Telephone
Statement of Revenues, Expenses and Changes in Net Assets

	June 30		12 Months Year to Date	
	2004	2003	2004	2003
Operating Revenue				
Local Network Services Revenues	\$415.90	\$0.00	\$415.90	\$0.00
Network Access Services Revenues	0.00	0.00	0.00	0.00
Long Distance Network Services Revenues	0.00	0.00	0.00	0.00
Miscellaneous Revenues	722.65	0.00	6,197.65	0.00
Nonregulated Revenues	0.00	0.00	0.00	0.00
Uncollectible Revenues	0.00	0.00	0.00	0.00
Total Operating Revenue	1,138.55	0.00	6,613.55	0.00
Operating Expense				
Plant Specific	94.37	0.00	299.84	0.00
Plant Non-Specific	5,900.07	0.00	10,717.36	0.00
Customer Operations	18,891.47	0.00	25,582.70	0.00
Corporate Operations	16,181.46	0.00	24,863.31	0.00
Other	0.00	0.00	0.00	0.00
Total Operating Expense	41,067.37	0.00	61,463.21	0.00
Other Operating Expense				
Depreciation & Amortization	1,287.32	0.00	2,519.79	0.00
Payroll Taxes	2,631.84	0.00	3,832.81	0.00
Franchise Fees	0.00	0.00	0.00	0.00
Total Other Operating Expense	3,919.16	0.00	6,352.60	0.00
Operating Income	(43,847.98)	0.00	(61,202.26)	0.00
Non-Operating Income				
Interest Income	0.66	0.00	4.16	0.00
Other Non-Operating Income	39.20	0.00	39.20	0.00
Special Charges	0.00	0.00	0.00	0.00
Gain or Loss on Fixed Assets	0.00	0.00	0.00	0.00
Total Non-Operating Income	39.86	0.00	43.36	0.00
Non-Operating Expenses				
Interest on Long Term Debt	0.00	0.00	0.00	0.00
Other Interest Expense	1,204.94	0.00	2,182.02	0.00
Amort. of Debt Discount & Expense	0.00	0.00	0.00	0.00
Miscellaneous Income Deductions	0.00	0.00	0.00	0.00
Total Non-Operating Expenses	1,204.94	0.00	2,182.02	0.00
Income before Contributions	(\$45,013.06)	\$0.00	(\$63,340.92)	\$0.00
Contributions in Aid of Construction	0.00	0.00	0.00	0.00
Increase in Net Assets	(\$45,013.06)	\$0.00	(\$63,340.92)	\$0.00
Net Assets, beginning of period	(18,327.86)	0.00	0.00	0.00
Net Assets, end of period	(\$63,340.92)	\$0.00	(\$63,340.92)	\$0.00

JACKSON ENERGY AUTHORITY

Telecommunications - Telephone

Monthly Financial Reports

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**Jackson Energy Authority
Telecommunications System - Telephone
Statement of Net Assets**

<u>Assets</u>	<u>June 30</u>	
	<u>2005</u>	<u>2004</u>
Current Assets		
Cash - Gross Revenue Fund	\$ 36,220.47	\$ 3,023.45
Accounts Receivable - Customer Billing	76,082.65	4,375.00
Accounts Receivable - Miscellaneous	49,652.52	2,313.46
Materials and Supplies - Utility	0.00	9.64
Accrued Interest Receivable	(0.46)	0.00
Prepaid Expenses	0.00	20.05
Other Current Assets	196.07	764.64
Total Current Assets	162,151.25	10,506.24
Deferred Debits		
Miscellaneous Deferred Debits	404,301.57	418,859.39
Total Deferred Debits	404,301.57	418,859.39
Total Assets	\$566,452.82	\$429,365.63

**Jackson Energy Authority
Telecommunications System - Telephone
Statement of Net Assets**

	June 30	
	2005	2004
<u>Liabilities and Net Assets</u>		
Long Term Debt		
Notes Payable	\$ 731,000.00	\$ 475,000.00
Total Long-Term Debt	731,000.00	475,000.00
Current and Accrued Liabilities		
Accounts Payable - General	4,315.34	7,494.48
Customer Deposits	900.00	0.00
Sales/Use Tax Payable	264.76	456.88
Other Current & Accrued Liabilities	28,263.94	3,572.15
Total Current and Accrued Liabilities	33,744.04	11,523.51
Reserves		
Accrued Leave	22,974.08	6,183.04
Total Reserves	22,974.08	6,183.04
Deferred Credits		
Net Assets		
Investment in Capital Assets, Net of Related Debt	0.00	0.00
Restricted For:		
Capital Projects	0.00	0.00
Debt Service	0.00	0.00
Unrestricted	(221,265.30)	(63,340.92)
Total Net Assets	(221,265.30)	(63,340.92)
Total Liabilities and Net Assets	\$566,452.82	\$429,365.63

Jackson Energy Authority
Telecommunications System - Telephone
Statement of Revenues, Expenses and Changes in Net Assets

	June 30		12 Months Year to Date	
	2005	2004	2005	2004
Operating Revenue				
Local Network Services Revenues	\$28,877.93	\$415.90	\$181,970.50	\$415.90
Miscellaneous Revenues	17,516.38	722.65	94,056.45	6,197.65
Total Operating Revenue	46,394.31	1,138.55	276,026.95	6,613.55
Operating Expense				
Plant Specific	300.62	94.37	3,886.53	299.84
Plant Non-Specific	194.23	5,900.07	19,538.56	10,717.36
Customer Operations	4,036.43	18,891.47	176,812.37	25,582.70
Corporate Operations	10,749.35	16,181.46	172,251.43	24,863.31
Total Operating Expense	15,280.63	41,067.37	372,488.89	61,463.21
Other Operating Expense				
Depreciation & Amortization	1,411.74	1,287.32	16,699.69	2,519.79
Payroll Taxes	272.21	2,631.84	12,842.45	3,832.81
Other Taxes	56,701.22	0.00	(85,703.90)	0.00
Total Other Operating Expense	58,385.17	3,919.16	(56,161.76)	6,352.60
Operating Income	(27,271.49)	(43,847.98)	(40,300.18)	(61,202.26)
Non-Operating Income				
Interest Income	74.96	0.66	806.37	4.16
Other Non-Operating Income	77,552.87	39.20	(88,475.40)	39.20
Total Non-Operating Income	77,627.83	39.86	(87,669.03)	43.36
Non-Operating Expenses				
Other Interest Expense	3,214.43	1,204.94	29,881.95	2,182.02
Miscellaneous Income Deductions	61.99	0.00	73.22	0.00
Total Non-Operating Expenses	3,276.42	1,204.94	29,955.17	2,182.02
Income before Contributions	\$47,079.92	(\$45,013.06)	(\$157,924.38)	(\$63,340.92)
Net Assets, beginning of period	(268,345.22)	(18,327.86)	(63,340.92)	0.00
Net Assets, end of period	(\$221,265.30)	(\$63,340.92)	(\$221,265.30)	(\$63,340.92)

JACKSON ENERGY AUTHORITY

Telecommunications - Telephone

Monthly Financial Reports

as of

June 30, 2006

Final

**Jackson Energy Authority
Telecommunications System - Telephone
Statement of Net Assets**

	June 30	
	2006	2005
<u>Assets</u>		
Current Assets		
Cash - Gross Revenue Fund	\$ 91,370.04	\$ 36,220.47
Accounts Receivable - Customer Billing	254,904.63	76,082.65
Accounts Receivable - Miscellaneous	14,103.36	49,652.52
Accumulated Provisions for Uncollectible Accounts	(1,566.03)	0.00
Materials and Supplies - Utility	1,323.86	0.00
Accrued Interest Receivable	(1.61)	(0.46)
Prepaid Expenses	128.59	0.00
Other Current Assets	25.00	196.07
Total Current Assets	360,287.84	162,151.25
Deferred Debits		
Miscellaneous Deferred Debits	387,857.18	404,301.57
Clearing Accounts	0.00	0.00
Total Deferred Debits	387,857.18	404,301.57
Total Assets	\$748,145.02	\$566,452.82

Jackson Energy Authority
Telecommunications System - Telephone
Statement of Net Assets

	<u>June 30</u>	
	<u>2006</u>	<u>2005</u>
<u>Liabilities and Net Assets</u>		
Long Term Debt		
Notes Payable	\$ 650,000.00	\$ 731,000.00
Total Long-Term Debt	<u>650,000.00</u>	<u>731,000.00</u>
Current and Accrued Liabilities		
Accounts Payable - General	3,658.03	4,315.34
Customer Deposits	11,430.00	900.00
Sales/Use Tax Payable	154.38	264.76
Other Current & Accrued Liabilities	292,135.81	28,263.94
Total Current and Accrued Liabilities	<u>307,378.22</u>	<u>33,744.04</u>
Reserves		
Accrued Leave	20,919.52	22,974.08
Total Reserves	<u>20,919.52</u>	<u>22,974.08</u>
Deferred Credits		
Net Assets		
Investment in Capital Assets, Net of Related Debt	0.00	0.00
Restricted For:		
Capital Projects	0.00	0.00
Debt Service	0.00	0.00
Unrestricted	(230,152.72)	(221,265.30)
Total Net Assets	<u>(230,152.72)</u>	<u>(221,265.30)</u>
Total Liabilities and Net Assets	<u>\$748,145.02</u>	<u>\$566,452.82</u>

Jackson Energy Authority
Telecommunications System - Telephone
Statement of Revenues, Expenses and Changes in Net Assets

	June 30		12 Months Year to Date	
	2006	2005	2006	2005
Operating Revenue				
Local Network Services Revenues	(\$189,491.11)	\$28,877.93	\$251,458.67	\$181,970.50
Miscellaneous Revenues	30,523.76	17,516.38	233,513.44	94,056.45
Uncollectible Revenues	(138.70)	0.00	(1,664.35)	0.00
Total Operating Revenue	(159,106.05)	46,394.31	483,307.76	276,026.95
Operating Expense				
Plant Specific	979.29	300.62	6,389.97	3,886.53
Plant Non-Specific	3,195.92	194.23	24,569.55	19,538.56
Customer Operations	13,858.46	4,036.43	190,574.62	176,812.37
Corporate Operations	14,172.96	10,749.35	189,587.14	172,251.43
Total Operating Expense	32,206.63	15,280.63	411,121.28	372,488.89
Other Operating Expense				
Depreciation & Amortization	1,411.74	1,411.74	16,940.88	16,699.69
Payroll Taxes	1,245.91	272.21	17,387.72	12,842.45
Other Taxes	(61,504.54)	56,701.22	22,542.73	(85,703.90)
Total Other Operating Expense	(58,846.89)	58,385.17	56,871.33	(56,161.76)
Operating Income	(132,465.79)	(27,271.49)	15,315.15	(40,300.18)
Non-Operating Income				
Interest Income	193.84	74.96	2,093.49	806.37
Other Non-Operating Income	(61,664.58)	77,552.87	21,850.33	(88,475.40)
Total Non-Operating Income	(61,470.74)	77,627.83	23,943.82	(87,669.03)
Non-Operating Expenses				
Other Interest Expense	4,778.54	3,214.43	46,999.36	29,881.95
Miscellaneous Income Deductions	137.54	61.99	1,147.03	73.22
Total Non-Operating Expenses	4,916.08	3,276.42	48,146.39	29,955.17
Income before Contributions	(\$198,852.61)	\$47,079.92	(\$8,887.42)	(\$157,924.38)
Net Assets, beginning of period	(31,300.11)	(268,345.22)	(221,265.30)	(63,340.92)
Net Assets, end of period	(\$230,152.72)	(\$221,265.30)	(\$230,152.72)	(\$221,265.30)

JACKSON ENERGY AUTHORITY

Telecommunications - Telephone

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**Jackson Energy Authority
Telecommunications System - Telephone
Statement of Net Assets**

	June 30	
	2007	2006
<u>Assets</u>		
Utility Plant		
Construction Work in Progress	0.00	0.00
Total Net Plant	0.00	0.00
Current Assets		
Cash - Gross Revenue Fund	\$ 77,461.52	\$ 91,370.04
Accounts Receivable - Customer Billing	274,034.25	254,904.63
Accounts Receivable - Miscellaneous	8,949.86	14,103.36
Accumulated Provisions for Uncollectible Accounts	2,112.09	(1,566.03)
Materials and Supplies - Utility	1,323.86	1,323.86
Accrued Interest Receivable	0.00	(1.61)
Prepaid Expenses	363.89	128.59
Other Current Assets	25.00	25.00
Total Current Assets	364,270.47	360,287.84
Deferred Debits		
Miscellaneous Deferred Debits	370,917.78	387,857.18
Total Deferred Debits	370,917.78	387,857.18
Total Assets	\$735,188.25	\$748,145.02

Jackson Energy Authority
Telecommunications System - Telephone
Statement of Net Assets

	June 30	
	2007	2006
<u>Liabilities and Net Assets</u>		
Long Term Debt		
Notes Payable	\$ 701,000.00	\$ 650,000.00
Total Long-Term Debt	701,000.00	650,000.00
Current and Accrued Liabilities		
Accounts Payable - General	6,535.70	3,658.03
Customer Deposits	31,167.85	11,430.00
Sales/Use Tax Payable	1,129.40	154.38
Other Current & Accrued Liabilities	172,216.96	292,135.81
Total Current and Accrued Liabilities	211,049.91	307,378.22
Reserves		
Accrued Leave	36,808.84	20,919.52
Total Reserves	36,808.84	20,919.52
Deferred Credits		
Net Assets		
Investment in Capital Assets, Net of Related Debt	0.00	0.00
Restricted For:		
Capital Projects	0.00	0.00
Debt Service	0.00	0.00
Unrestricted	(213,670.50)	(230,152.72)
Total Net Assets	(213,670.50)	(230,152.72)
Total Liabilities and Net Assets	\$735,188.25	\$748,145.02

Jackson Energy Authority
Telecommunications System - Telephone
Statement of Revenues, Expenses and Changes in Net Assets

	June 30		12 Months Year to Date	
	2007	2006	2007	2006
Operating Revenue				
Local Network Services Revenues	\$59,193.05	(\$189,491.11)	\$462,896.95	\$251,458.67
Miscellaneous Revenues	9,520.86	30,523.76	208,723.06	233,513.44
Uncollectible Revenues	(138.65)	(138.70)	(1,663.80)	(1,664.35)
Total Operating Revenue	68,575.26	(159,106.05)	669,956.21	483,307.76
Operating Expense				
Plant Specific	626.66	979.29	6,944.62	6,389.97
Plant Non-Specific	19,035.85	3,195.92	65,448.87	24,569.55
Customer Operations	65,478.97	13,858.46	235,911.90	190,574.62
Corporate Operations	51,230.03	14,172.96	265,351.11	189,587.14
Total Operating Expense	136,371.51	32,206.63	573,656.50	411,121.28
Other Operating Expense				
Depreciation & Amortization	1,411.74	1,411.74	16,940.88	16,940.88
Payroll Taxes	7,611.69	1,245.91	25,707.70	17,387.72
Other Taxes	(26,282.88)	(86,413.78)	9,636.18	(2,366.51)
Total Other Operating Expense	(17,259.45)	(83,756.13)	52,284.76	31,962.09
Operating Income	(50,536.80)	(107,556.55)	44,014.95	40,224.39
Non-Operating Income				
Interest Income	533.48	193.84	(6,656.25)	2,093.49
Other Non-Operating Income	(26,552.78)	(86,573.82)	7,520.14	(3,058.91)
Total Non-Operating Income	(26,019.30)	(86,379.98)	863.89	(965.42)
Non-Operating Expenses				
Other Interest Expense	(4,091.07)	4,778.54	28,396.62	46,999.36
Miscellaneous Income Deductions	0.00	137.54	0.00	1,147.03
Total Non-Operating Expenses	(4,091.07)	4,916.08	28,396.62	48,146.39
Income before Contributions	(\$72,465.03)	(\$198,852.61)	\$16,482.22	(\$8,887.42)
Contributions in Aid of Construction	0.00	0.00	0.00	0.00
Increase in Net Assets	(\$72,465.03)	(\$198,852.61)	\$16,482.22	(\$8,887.42)
Net Assets, beginning of period	(141,205.47)	(31,300.11)	(230,152.72)	(221,265.30)
Net Assets, end of period	(\$213,670.50)	(\$230,152.72)	(\$213,670.50)	(\$230,152.72)

JACKSON ENERGY AUTHORITY

Telecommunications - Telephone

Monthly Financial Reports

as of

December 31, 2007

**Jackson Energy Authority
Telecommunications System - Telephone
Statement of Net Assets**

	December 31	
	2007	2006
<u>Assets</u>		
Utility Plant		
Construction Work in Progress	(9.81)	0.00
Total Utility Plant	(9.81)	0.00
Total Net Plant	(9.81)	0.00
Investments and Funds		
Investment - Purchased Cinergy Customers	623,579.35	0.00
Total Investments and Funds	623,579.35	0.00
Current Assets		
Cash - Gross Revenue Fund	2,018.84	51,370.38
Accounts Receivable - Customer Billing	345,948.34	284,392.64
Accounts Receivable - Miscellaneous	2,649.73	15,872.35
Accumulated Provisions for Uncollectible Accounts	1,202.11	(2,397.93)
Materials and Supplies - Utility	1,323.86	1,323.86
Prepaid Expenses	3,140.73	3,842.61
Other Current Assets	25.00	25.00
Total Current Assets	356,308.61	354,428.91
Deferred Debits		
Miscellaneous Deferred Debits	362,115.36	379,055.72
Clearing Accounts	0.00	(975.00)
Total Deferred Debits	362,115.36	378,080.72
Total Assets	\$1,341,993.51	\$732,509.63

**Jackson Energy Authority
Telecommunications System - Telephone
Statement of Net Assets**

	December 31	
	2007	2006
<u>Liabilities and Net Assets</u>		
Long Term Debt		
Notes Payable	1,205,610.98	557,000.00
Total Long-Term Debt	1,205,610.98	557,000.00
Current and Accrued Liabilities		
Long Term Debt - Current Portion	28,968.37	0.00
Accounts Payable - General	68,157.15	4,683.95
Customer Deposits	45,810.70	20,930.00
Sales Tax Payable	2,284.07	152.28
Other Current & Accrued Liabilities	164,931.78	341,887.24
Total Current and Accrued Liabilities	310,152.07	367,653.47
Reserves		
Accrued Leave	29,864.93	27,510.92
Total Reserves	29,864.93	27,510.92
Net Assets		
Investment in Capital Assets, Net of Related Debt	(28,978.18)	0.00
Restricted For:		
Capital Projects	0.00	0.00
Debt Service	0.00	0.00
Unrestricted	(174,656.29)	(219,654.76)
Total Net Assets	(203,634.47)	(219,654.76)
Total Liabilities and Net Assets	\$1,341,993.51	\$732,509.63

**Jackson Energy Authority
Telecommunications System - Telephone
Statement of Cash Flows**

	December 31	
	Current Month	6 Months Year to Date
Cash Provided by (used in) Operating Activities:		
Net Income	(\$67,783.46)	\$10,036.03
Changes in Current and Deferred Items:		
Accounts Receivable	(15,704.22)	(64,703.98)
Prepayments and Other Current Assets	562.26	(2,776.84)
Deferred Debits	568,930.67	8,802.42
Accounts Payable	(1,884.52)	61,621.45
Taxes and Interest Accrued	188.41	(99,448.88)
Other Current Liabilities	10,193.14	(7,285.18)
Accrued Leave	(148.03)	(6,943.91)
Net Cash Provided by (used for) Operating Activities	525,672.62	43,515.88
 Cash Provided by (used in) Financing Activities		
Net Change in Notes Payable	97,147.38	504,610.98
Net Cash Provided by (used in) Financing Activities	97,147.38	504,610.98
 Net Increase (Decrease) in Cash and Temp. Investments	(762.08)	(75,442.68)
Cash and Temporary Investments - Prior Period	2,780.92	77,461.52
Cash and Temporary Investments - Current Period	\$2,018.84	\$2,018.84

Jackson Energy Authority
Telecommunications System - Telephone
Statement of Revenues, Expenses and Changes in Net Assets

	December 31		6 Months Year to Date	
	2007	2006	2007	2006
Operating Revenue				
Telephone Service Revenues	\$135,849.10	\$32,304.70	\$480,645.19	\$140,810.55
Miscellaneous Revenues	8.99	26,366.06	61,640.41	133,597.74
Uncollectible Revenues	(138.70)	(138.65)	(832.20)	(831.90)
Total Operating Revenue	135,719.39	58,532.11	541,453.40	273,576.39
Phone Service Wholesale Cost	139,372.12	0.00	214,094.40	0.00
Total Operating Revenue less Cost of Services	(3,652.73)	58,532.11	327,359.00	273,576.39
Operating Expense				
Plant Specific	206.62	649.40	1,134.31	4,160.33
Plant Non-Specific	4,122.76	3,825.44	25,854.52	21,663.22
Customer Operations	17,577.34	13,862.07	104,524.90	88,361.89
Corporate Operations	36,203.34	31,030.56	143,990.70	112,080.65
Total Operating Expense	58,110.06	49,367.47	275,504.43	226,266.09
Other Operating Expense				
Depreciation & Amortization	1,411.74	1,411.74	8,470.44	8,470.44
Payroll Taxes	1,341.92	1,249.86	9,494.25	9,145.20
Other Taxes	(19,832.46)	(3,520.20)	33,048.04	(3,279.21)
Total Other Operating Expense	(17,078.80)	(858.60)	51,012.73	14,336.43
Operating Income	(44,683.99)	10,023.24	841.84	32,973.87
Non-Operating Income				
Interest Income	(156.71)	(1,682.40)	(7.40)	(4,527.55)
Other Non-Operating Income	(20,021.37)	(2,545.56)	31,890.29	(3,123.46)
Total Non-Operating Income	(20,178.08)	(4,227.96)	31,882.89	(7,651.01)
Non-Operating Expenses				
Other Interest Expense	2,921.39	(8,958.01)	22,688.70	14,824.90
Total Non-Operating Expenses	2,921.39	(8,958.01)	22,688.70	14,824.90
Income before Contributions	(\$67,783.46)	\$14,753.29	\$10,036.03	\$10,497.96
Increase in Net Assets	(\$67,783.46)	\$14,753.29	\$10,036.03	\$10,497.96
Net Assets, beginning of period	(135,851.01)	(234,408.05)	(213,670.50)	(230,152.72)
Net Assets, end of period	(\$203,634.47)	(\$219,654.76)	(\$203,634.47)	(\$219,654.76)

Jackson Energy Authority
Telecommunications System - Telephone
Statement of Revenues, Expenses and Changes in Net Assets

	December 31, 2007	
	Current Month	12 Months Ended
Operating Revenue		
Telephone Service Revenues	\$135,849.10	\$802,492.70
Miscellaneous Revenues	8.99	137,004.62
Uncollectible Revenues	(138.70)	(1,664.10)
Total Operating Revenue	135,719.39	937,833.22
Phone Service Wholesale Costs	139,372.12	214,094.40
Total Operating Revenue less Cost of Services	(3,652.73)	723,738.82
Operating Expense		
Plant Specific	206.62	3,918.60
Plant Non-Specific	4,122.76	69,640.17
Customer Operations	17,577.34	252,074.91
Corporate Operations	36,203.34	297,261.16
Total Operating Expense	58,110.06	622,894.84
Other Operating Expense		
Depreciation & Amortization	1,411.74	16,940.88
Payroll Taxes	1341.92	26056.75
Other Taxes	(19832.46)	45963.43
Total Other Operating Expense	(17,078.80)	88,961.06
Operating Income	(44,683.99)	225,977.32
Non-Operating Income		
Interest Income	(156.71)	(2,136.10)
Other Non-Operating Income	(20,021.37)	42,533.89
Total Non-Operating Income	(20,178.08)	40,397.79
Non-Operating Expenses		
Other Interest Expense	2,921.39	36,260.42
Total Non-Operating Expenses	2,921.39	36,260.42
Income before Contributions	(\$67,783.46)	\$230,114.69
Increase in Net Assets	(\$67,783.46)	\$230,114.69
Net Assets, beginning of period	(135,851.01)	(433,749.16)
Net Assets, end of period	(\$203,634.47)	(\$203,634.47)

Jackson Energy Authority
Telecommunications System - Telephone
Budget Variance Report
December 31, 2007

	6 Months Year to Date		Over (Under)	%
	Actual	Budget	Budget	Variance
Operating Revenue				
Telephone Service Revenues	\$480,645	\$589,554	(\$108,909)	-18.5%
Miscellaneous Revenues	61,640	0	61,640	#N/A
Uncollectible Revenues	(832)	0	(832)	#N/A
Total Operating Revenue	541,453	589,554	(48,101)	(0)
Phone Service Wholesale Cost	214,094	0	214,094	#N/A
Total Operating Revenue less Cost of Services	327,359	589,554	(262,195)	#N/A
Operating Expense				
Plant Specific	1,134	3,986	(2,852)	-71.5%
Plant Non-Specific	25,855	18,230	7,625	41.8%
Customer Operations	104,525	131,755	(27,230)	-20.7%
Corporate Operations	143,991	135,866	8,125	6.0%
Total Operating Expense	275,504	289,837	(14,332)	-4.9%
Other Operating Expense				
Depreciation & Amortization	8,470	8,470	0	0.0%
Payroll Taxes	9,494	0	9,494	#N/A
Other Taxes	33,048	3,070	29,978	976.5%
Total Other Operating Expense	51,013	11,540	39,472	342.0%
Operating Income	842	288,177	(73,241)	-25.4%
Non-Operating Income				
Interest Income	(7)	0	(7)	#N/A
Other Non-Operating Income	31,890	(13,264)	45,155	-340.4%
Total Non-Operating Income	31,883	(13,264)	45,147	(3)
Non-Operating Expenses				
Other Interest Expense	22,689	19,320	3,368	17.4%
Miscellaneous Income Deductions	0	550	(550)	-100.0%
Total Non-Operating Expenses	22,689	19,870	2,818	0
Income before Contributions	\$10,036	\$255,042	(\$30,912)	-12.1%
Increase in Net Assets	\$10,036			
Net Assets, beginning of period	(213,671)			
Net Assets, end of period	(\$203,634)			

EXHIBIT 15

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

**AS SET FORTH IN THE GUIDELINES FOR BUSINESS PLAN TO
BE PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE
CABLE, TWO-WAY VIDEO, VIDEO PROGRAMMING, INTERNET,
OR SIMILAR SERVICES**

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
January 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

AUDITED FINANCIAL STATEMENT

**PLEASE INSERT MOST RECENT JACKSON ENERGY
AUDITED FINANCIAL STATEMENT**

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ASSETS										
Utility Plant										
Telecommunications plant	\$ 21,636,469	\$ 46,039,595	\$ 51,172,588	\$ 53,757,816	\$ 55,614,137	\$ 57,204,679	\$ 58,800,324	\$ 60,376,911	\$ 62,012,447	\$ 63,586,642
Less depreciation	844,855	3,274,440	6,736,537	10,498,458	14,432,503	18,491,536	22,666,953	26,960,190	31,373,622	35,907,282
Net telecommunications plant	20,791,614	43,365,155	44,436,051	43,259,358	41,181,635	38,713,143	36,133,371	33,416,722	30,638,825	27,679,359
Current Assets										
Cash and temporary investments	35,752,916	8,477,693	4,807,981	5,107,532	7,387,063	9,635,947	11,406,569	12,982,818	14,481,911	16,076,202
Accounts receivable	28,645	102,907	172,714	209,441	226,886	241,139	254,849	268,604	283,851	299,178
Materials and supplies	432,729	932,792	1,023,452	1,075,156	1,112,283	1,144,094	1,176,006	1,207,538	1,240,249	1,271,733
Total current assets	36,214,291	9,513,392	6,004,147	6,392,129	8,726,232	11,021,179	12,837,424	14,458,960	16,006,011	17,647,113
Other Assets										
Unamortized organization expense										
Unamortized debt expense	361,627	342,594	323,561	304,528	285,495	266,462	247,429	228,396	209,363	190,330
Total other assets	361,627	342,594	323,561	304,528	285,495	266,462	247,429	228,396	209,363	190,330
Total Assets	\$ 57,367,532	\$ 53,221,141	\$ 50,763,759	\$ 49,956,014	\$ 50,193,362	\$ 50,000,784	\$ 49,218,224	\$ 48,104,078	\$ 46,854,199	\$ 45,516,802
LIABILITIES AND CAPITAL										
Long-Term Debt										
Bonds payable	\$ 54,380,000	\$ 52,770,000	\$ 51,060,000	\$ 49,250,000	\$ 47,330,000	\$ 45,300,000	\$ 43,140,000	\$ 40,860,000	\$ 38,440,000	\$ 35,870,000
Current Liabilities										
Accounts Payable	106,886	155,658	172,691	182,625	193,826	201,590	206,279	213,255	219,803	226,521
Franchise and FCC fees payable	20,855	73,943	122,797	214,162	240,285	260,511	277,755	296,305	316,607	337,727
Sales tax and federal tax payable	11,073	51,226	96,733	126,178	146,074	161,633	174,294	185,823	198,015	209,912
Property taxes payable	259,143	550,536	594,109	622,514	643,422	661,604	679,958	698,060	716,865	734,914
Total current liabilities	397,957	831,364	986,330	1,145,480	1,223,607	1,285,358	1,338,285	1,393,444	1,451,290	1,509,074
Capital										
Investment by JEA	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Investment by investment group	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total investments	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Reinvested Earnings										
Beginning of year	(3,410,425)	(3,410,425)	(6,380,223)	(7,282,571)	(6,439,465)	(4,360,246)	(2,584,574)	(1,260,061)	(149,366)	962,909
Current year net income	(3,410,425)	(2,969,798)	(902,348)	1,491,466	3,071,820	4,431,469	5,585,684	6,589,927	7,661,062	8,716,310
Current year dividends paid	-	-	-	(648,361)	(992,601)	(2,655,797)	(4,261,172)	(5,479,232)	(6,548,787)	(7,541,491)
Total earnings reinvested	(3,410,425)	(6,380,223)	(7,282,571)	(6,439,465)	(4,360,246)	(2,584,574)	(1,260,061)	(149,366)	962,909	2,137,728
Total capital	2,589,575	(380,223)	(1,282,571)	(439,465)	1,639,754	3,415,426	4,739,939	5,850,634	6,962,909	8,137,728
Total Liabilities and Capital	\$ 57,367,532	\$ 53,221,141	\$ 50,763,759	\$ 49,956,014	\$ 50,193,362	\$ 50,000,784	\$ 49,218,224	\$ 48,104,078	\$ 46,854,199	\$ 45,516,802

Jackson Energy Authority
 FTRH Broadband Financial Projections - 2002
 Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Revenue										
Cable television sales revenue	\$ 1,031,217	\$ 3,464,659	\$ 5,467,712	\$ 6,399,871	\$ 6,907,899	\$ 7,383,207	\$ 7,837,831	\$ 8,292,902	\$ 8,800,486	\$ 9,309,713
Telephone revenue	485,318	2,897,652	5,904,943	7,901,634	9,233,593	10,251,781	11,059,324	11,714,901	12,386,601	13,004,543
Data revenue	136,448	679,851	1,424,799	2,067,311	2,598,610	2,930,232	3,163,211	3,447,971	3,750,242	4,083,538
Advertising revenue	-	80,000	250,000	380,000	420,000	432,600	445,578	458,945	472,714	486,895
Total operating revenue	\$ 1,652,983	\$ 7,122,162	\$ 13,047,454	\$ 16,748,817	\$ 18,160,103	\$ 20,997,820	\$ 22,505,944	\$ 23,914,719	\$ 25,410,043	\$ 26,884,689
Operating Expense										
Programming expense	\$ 384,717	\$ 1,337,845	\$ 2,181,999	\$ 2,635,770	\$ 2,941,270	\$ 3,169,989	\$ 3,390,483	\$ 3,612,804	\$ 3,862,948	\$ 4,115,795
Long distance and access fees	133,146	447,439	858,228	1,147,827	1,357,114	1,498,205	1,611,513	1,705,597	1,802,309	1,891,463
Operating and Maintenance expense	2,565,266	3,735,791	4,144,574	4,382,995	4,651,830	4,838,165	4,950,689	5,118,126	5,275,269	5,436,511
Depreciation	844,855	2,429,585	3,462,097	3,761,921	3,934,044	4,059,033	4,175,417	4,293,236	4,413,433	4,533,660
Amortization of organization expense										
Property taxes and tax equivalents	259,143	550,536	594,109	622,514	643,422	661,604	679,958	698,060	716,865	734,914
Total operating expense	\$ 4,187,126	\$ 8,501,196	\$ 11,241,007	\$ 12,551,027	\$ 13,527,681	\$ 14,226,997	\$ 14,808,060	\$ 15,427,823	\$ 16,070,824	\$ 16,712,343
Operating Income	\$ (2,534,143)	\$ (1,379,034)	\$ 1,806,447	\$ 4,197,789	\$ 5,632,422	\$ 6,770,823	\$ 7,697,884	\$ 8,486,896	\$ 9,339,219	\$ 10,172,346
Other Income										
Interest income	2,405,551	1,691,069	476,439	376,310	413,432	519,479	624,834	710,464	792,476	869,396
Total other income	2,405,551	1,691,069	476,439	376,310	413,432	519,479	624,834	710,464	792,476	869,396
Other expense										
Interest expense	3,262,800	3,262,800	3,166,200	3,063,600	2,955,000	2,839,800	2,718,000	2,588,400	2,451,600	2,306,400
Amortization of debt expense	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033
Total other expense	3,281,833	3,281,833	3,185,233	3,082,633	2,974,033	2,858,833	2,737,033	2,607,433	2,470,633	2,325,433
Net Income	\$ (3,410,425)	\$ (2,969,798)	\$ (902,348)	\$ 1,491,466	\$ 3,071,820	\$ 4,431,469	\$ 5,585,684	\$ 6,589,927	\$ 7,661,062	\$ 8,716,310

Jackson Energy Authority
 FYTH Broadband Financial Projections - 2002
 Cash Flow Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Provided By (Used In) Operations										
Net income	\$ (3,410,425)	\$ (2,969,798)	\$ (902,348)	\$ 1,491,466	\$ 3,071,820	\$ 4,431,469	\$ 5,585,684	\$ 6,589,927	\$ 7,661,062	\$ 8,716,310
Adjustments to reconcile net income to net cash										
Depreciation	844,855	2,429,585	3,462,097	3,761,921	3,934,044	4,059,033	4,175,417	4,293,236	4,413,433	4,533,660
Amortization of:										
Organization expense										
Debt expense	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033
Changes in current assets and liabilities										
Accounts receivable	(28,645)	(74,262)	(69,807)	(36,727)	(17,445)	(14,253)	(13,710)	(13,755)	(15,247)	(15,327)
Materials and supplies	(432,729)	(500,063)	(90,660)	(51,705)	(37,126)	(31,811)	(31,913)	(31,532)	(32,711)	(31,484)
Accounts payable	106,886	48,772	17,033	9,934	11,201	7,764	4,688	6,977	6,548	6,718
Franchise and FCC fees payable	20,855	53,088	48,854	91,365	26,122	20,226	17,244	18,550	20,302	21,120
Sales tax and federal tax payable	11,073	40,154	45,506	29,445	19,896	15,579	12,641	11,529	12,192	11,897
Property taxes payable	259,143	291,394	43,573	28,405	20,908	18,182	18,354	18,102	18,805	18,048
Net cash provided by operations	\$ (2,609,955)	\$ (662,097)	\$ 2,573,281	\$ 5,343,139	\$ 7,048,454	\$ 8,525,222	\$ 9,787,439	\$ 10,912,068	\$ 12,103,416	\$ 13,279,976
Cash Provided By (Used In) Investing Activities										
Additions to plant	(21,636,469)	(25,003,126)	(4,532,993)	(2,585,228)	(1,856,321)	(1,590,542)	(1,595,646)	(1,576,587)	(1,635,536)	(1,574,194)
Net cash provided by investing activities	\$ (21,636,469)	\$ (25,003,126)	\$ (4,532,993)	\$ (2,585,228)	\$ (1,856,321)	\$ (1,590,542)	\$ (1,595,646)	\$ (1,576,587)	\$ (1,635,536)	\$ (1,574,194)
Cash Provided By (Used In) Financing Activities										
Long-term borrowings	\$ 53,999,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payment of principal on long term debt	-	(1,610,000)	(1,710,000)	(1,810,000)	(1,920,000)	(2,030,000)	(2,160,000)	(2,280,000)	(2,420,000)	(2,570,000)
Investment by IEA	3,000,000	-	-	-	-	-	-	-	-	-
Investment by investment group	3,000,000	-	-	(324,180)	(496,300)	(1,327,898)	(2,130,586)	(2,739,616)	(3,274,393)	(3,770,745)
Payment of dividends to IEA	-	-	-	(324,180)	(496,300)	(1,327,898)	(2,130,586)	(2,739,616)	(3,274,393)	(3,770,745)
Payment of dividends to investment group	-	-	-	(324,180)	(496,300)	(1,327,898)	(2,130,586)	(2,739,616)	(3,274,393)	(3,770,745)
Net cash provided by financing activities	\$ 59,999,340	\$ (1,610,000)	\$ (1,710,000)	\$ (2,458,361)	\$ (2,912,601)	\$ (4,685,797)	\$ (6,421,172)	\$ (7,759,232)	\$ (8,968,787)	\$ (10,111,491)
Net Increase (Decrease) in Cash	35,752,916	(27,275,224)	(3,669,712)	299,551	2,279,532	2,248,884	1,770,622	1,576,249	1,499,093	1,594,291
Cash beginning of year	-	35,752,916	8,477,693	4,807,981	5,107,532	7,387,063	9,635,947	11,406,569	12,982,818	14,481,911
Cash end of year	\$ 35,752,916	\$ 8,477,693	\$ 4,807,981	\$ 5,107,532	\$ 7,387,063	\$ 9,635,947	\$ 11,406,569	\$ 12,982,818	\$ 14,481,911	\$ 16,076,202

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
VIDEO REVENUE										
Basic	\$ 209,547	\$ 703,672	\$ 1,083,619	\$ 1,235,253	\$ 1,304,475	\$ 1,370,603	\$ 1,440,096	\$ 1,513,047	\$ 1,589,682	\$ 1,670,247
Expanded Basic	523,130	1,756,705	2,705,235	3,083,789	3,256,598	3,431,688	3,595,175	3,777,294	3,968,615	4,169,743
Business Basic	3,326	15,962	31,703	43,453	53,208	59,942	65,268	70,668	76,729	82,886
Commercial Bulk Basic	18,000	60,000	108,000	150,000	171,000	182,310	194,145	206,525	219,474	233,014
Line Maintenance Plan	9,477	37,128	65,344	83,799	98,327	103,304	108,556	114,050	119,816	125,995
Set Top with Remote	421	1,414	2,178	2,483	2,622	2,755	2,894	3,041	3,195	3,357
HBO Analog Only	37,750	126,767	195,208	222,528	234,987	246,896	259,447	272,581	286,361	300,888
Commercial Bulk HBO (Analog)	12,600	42,000	75,600	105,000	119,700	127,617	135,901	144,568	153,632	163,110
HBO Digital Group	20,133	67,609	104,111	118,682	125,326	131,678	138,372	145,376	152,726	160,474
Cinemax Digital Group	15,716	52,775	81,271	92,644	97,836	102,795	108,007	113,479	119,226	125,265
Showtime Digital Group	23,061	77,439	119,252	135,940	143,548	150,824	158,491	166,514	174,931	183,806
The Movie Channel Digital Group	15,079	50,636	77,977	88,889	93,870	98,629	103,629	108,878	114,393	120,191
Starz Encore Digital Group	16,743	56,223	86,581	98,696	104,227	109,511	115,063	120,892	127,015	133,452
Showtime Digital Combo (Show, TMC, & IFS)	13,636	45,792	70,517	80,385	84,889	89,193	93,715	98,462	103,449	108,692
HBO Digital Group/Cinemax Digital Group	21,007	70,544	108,634	123,834	130,767	137,394	144,379	151,687	159,355	167,440
Independent Film Channel, Flix, Sundance (IFS)	4,391	14,745	22,707	25,884	27,335	28,721	30,177	31,705	33,312	35,000
Digital Basic Tier, Dig. Conv. w/Music Choice & Out	54,545	183,167	352,584	482,308	594,224	713,541	805,948	886,159	993,112	1,086,919
Video on Demand Movies & Events	3,213	3,213	3,213	3,213	3,213	3,213	3,409	3,511	3,617	3,725
Late Charges	12,636	42,432	65,344	74,488	78,662	82,649	86,840	91,239	95,860	100,718
Pay Per View Movies	16,806	56,435	108,634	148,603	183,085	219,848	248,319	273,033	305,985	334,889
Total Cable TV Customer Revenue	\$ 1,031,217	\$ 3,464,659	\$ 5,467,712	\$ 6,399,871	\$ 6,907,899	\$ 7,383,207	\$ 7,837,831	\$ 8,292,902	\$ 8,800,486	\$ 9,309,713
Fees and taxes not reflected as revenue:										
Franchise Fees	36,093	121,263	191,370	319,994	345,395	369,160	391,892	414,645	440,024	465,486
FCC Regulatory Fee	842	2,829	4,356	4,966	5,244	5,349	5,457	5,566	5,678	5,792
Sales Tax	63,906	214,757	342,292	404,806	440,562	478,859	515,279	551,678	592,604	633,599
Gross Cable TV Customer Collections	\$ 1,132,058	\$ 3,803,508	\$ 6,005,730	\$ 7,129,637	\$ 7,699,101	\$ 8,236,576	\$ 8,750,468	\$ 9,264,791	\$ 9,838,793	\$ 10,414,589
Advertising Revenue	-	80,000	250,000	380,000	420,000	432,600	445,578	458,945	472,714	486,895
Total Cable Television Receipts	\$ 1,132,058	\$ 3,883,508	\$ 6,255,730	\$ 7,509,637	\$ 8,119,101	\$ 8,669,176	\$ 9,196,036	\$ 9,723,736	\$ 10,311,506	\$ 10,901,484
VIDEO PROGRAMMING EXPENSES										
Basic Service	\$ 8,845	\$ 30,594	\$ 48,526	\$ 56,976	\$ 61,974	\$ 65,116	\$ 68,417	\$ 71,883	\$ 75,524	\$ 79,352
Expanded Basic Service	239,225	835,465	1,367,484	1,656,107	1,837,212	2,010,984	2,159,352	2,309,077	2,478,726	2,650,242
Business Basic	1,116	5,571	11,504	16,393	20,869	23,731	26,082	28,582	31,239	34,063
Commercial Bulk Basic	6,043	20,942	39,190	56,589	67,070	72,176	77,582	83,303	89,357	95,760
Pay Programming	97,370	336,783	534,181	627,201	682,191	716,768	753,182	791,315	831,338	873,500
Commercial Bulk HBO	15,716	52,775	81,271	92,644	97,836	102,795	108,007	113,479	119,226	125,265
PPV Programming	10,084	33,861	65,180	89,162	109,851	131,909	148,991	163,820	183,592	200,933
Outside Channels	6,318	21,853	34,662	40,697	44,267	46,511	48,870	51,345	53,946	56,680
Total Programming Expense	\$ 384,717	\$ 1,337,845	\$ 2,181,999	\$ 2,635,770	\$ 2,941,270	\$ 3,169,989	\$ 3,390,483	\$ 3,612,804	\$ 3,862,948	\$ 4,115,795

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002

G&A EXPENSES

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Salaries & Wages	\$ 247,300	\$ 254,719	\$ 278,805	\$ 287,169	\$ 313,229	\$ 322,626	\$ 350,813	\$ 361,337	\$ 372,177	\$ 383,342
Overtime	19,784	20,378	22,304	22,973	25,058	25,810	28,065	28,907	29,774	30,667
Payroll Taxes	20,432	21,045	23,035	23,726	25,879	26,655	28,984	29,854	30,749	31,672
Benefits	107,205	110,421	120,862	124,468	135,785	139,858	152,077	156,640	161,339	166,179
Capitalized Labor	(120,800)	(124,424)	(80,098)	(49,501)	(33,990)	(17,505)	(18,030)	(18,571)	(19,128)	(19,702)
Vehicle Expense	2,175	2,262	2,352	2,447	2,544	2,646	2,752	2,862	2,977	3,096
Travel & Entertainment	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Training & Seminars	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
Audit Fees & Accounting	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Bank Charges	600	618	637	656	675	696	716	738	760	783
Contributions	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Bad Debt	16,981	57,053	90,086	106,945	115,487	123,549	131,257	138,972	147,582	156,219
Uniforms	188	188	225	225	263	263	300	300	300	300
Liability Insurance	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
Utilities	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Janitorial Services	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Postage	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Billing Service	12,636	42,432	65,344	74,488	78,662	80,242	81,855	83,497	85,171	86,881
Dues & Subscriptions	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Rent	10,500	10,815	11,139	11,474	11,818	12,172	12,538	12,914	13,301	13,700
Telephone	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Office Supplies	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697
Repair & Maint.	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Office Equipment	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
Subs/Research	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
Legal	18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486
Copyright Fees	2,515	8,444	13,003	14,823	15,654	16,447	17,281	18,157	19,076	20,043
Total G & A Expenses	\$ 427,614	\$ 515,230	\$ 662,250	\$ 737,840	\$ 812,467	\$ 858,443	\$ 917,277	\$ 948,071	\$ 980,455	\$ 1,013,585

Fees and taxes not reflected as expenses:

Franchise Fees	36,093	121,263	191,370	319,994	345,395	369,160	391,892	414,645	440,024	465,486
FCC Regulatory Fee	842	2,829	4,356	4,966	5,244	5,349	5,457	5,566	5,678	5,792
Sales Tax	63,906	214,757	342,292	404,806	440,562	478,859	515,279	551,678	592,604	633,599
Property Tax	\$ 46,708	\$ 55,018	\$ 59,606	\$ 62,905	\$ 65,639	\$ 68,162	\$ 70,474	\$ 72,556	\$ 75,325	\$ 77,873
G&A Personnel										
V.P. Cable Television	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
MIS Coordinator	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Customer Service Supervisor	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Customer Service Representatives	2.0	2.0	2.5	2.5	3.0	3.0	3.5	3.5	3.5	3.5
Accounting Associate II	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Collections/AR Credit Clerk	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total G & A Employees	5.5	5.5	6.0	6.0	6.5	6.5	7.0	7.0	7.0	7.0
G & A Salary & Wages	\$ 100,000	\$ 103,000	\$ 106,090	\$ 109,273	\$ 112,551	\$ 115,927	\$ 119,405	\$ 122,987	\$ 126,677	\$ 130,477
V. P. Cable Television	31,080	31,930	32,888	33,875	34,891	35,937	37,016	38,126	39,270	40,448
Administrative Assistant										

Jackson Energy Authority
FY08 Broadband Financial Projections - 2002

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
MIS Coordinator	17,500	18,025	18,566	19,123	19,696	20,287	20,896	21,523	22,168	22,834
Customer Service Supervisor	22,800	23,484	24,189	24,914	25,662	26,431	27,224	28,041	28,882	29,749
Customer Service Representatives	62,000	63,860	65,758	67,686	69,642	71,624	73,631	75,664	77,723	79,807
Accounting Associate II	14,000	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267
Collections/AR Credit Clerk	13,500	13,905	14,322	14,752	15,194	15,650	16,120	16,603	17,101	17,614
Total C & A Salary & Wages	247,500	254,719	262,805	271,169	279,829	288,626	297,583	306,737	316,107	325,692
Vehicles	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

FACILITIES BASED EXPENSES

Salaries - Technical	149,500	153,985	158,579	163,330	168,236	173,296	178,514	183,883	189,407	195,089
Overtime	14,950	15,399	15,858	16,330	16,814	17,312	17,824	18,350	18,891	19,447
Payroll Taxes	12,580	12,958	13,346	13,744	14,152	14,570	15,000	15,441	15,894	16,360
Benefits	64,808	66,752	68,723	70,721	72,746	74,798	76,877	78,982	81,114	83,273
Capitalized Labor	(225,745)	(232,517)	(239,290)	(246,064)	(252,839)	(259,614)	(266,390)	(273,167)	(279,944)	(286,721)
Tower and Fiber Lease	72,000	74,160	76,320	78,480	80,640	82,800	84,960	87,120	89,280	91,440
Infrastructure access fees	-	1,200	4,800	4,944	5,092	5,245	5,402	5,565	5,731	5,903
Converter Maintenance	4,200	4,200	5,600	7,000	8,400	9,800	11,200	12,600	14,000	15,400
Vehicle Expense	3,150	3,150	3,600	4,050	4,500	4,950	5,400	5,850	6,300	6,750
Mobile Communications	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Supplies - Technical, Engineering, Drafting, etc.	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Training & Seminars	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Utilities - Headend	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Property Damage	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Uniforms	1,800	1,800	2,100	2,400	2,700	3,000	3,300	3,600	3,900	4,200
Office Supplies	1,200	1,248	1,298	1,350	1,404	1,460	1,518	1,579	1,642	1,708
Total facilities based expenses	172,444	177,054	181,892	186,964	192,272	197,816	203,594	209,507	215,655	221,939

Field & Technical Employees and Contractors

Manager of Operations	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Headend Technicians	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Serviceman II	1.0	1.0	1.5	2.0	3.0	4.0	4.0	4.0	4.0	4.0
Total Field & Technical Employees and Contractors	3.5	3.5	4.0	4.5	5.5	6.5	6.5	6.5	6.5	6.5
Field & Technical Salary & Wages	37,500	38,625	39,784	40,977	42,207	43,473	44,777	46,120	47,504	48,929
Manager of Operations	80,000	82,400	84,872	87,418	90,041	92,742	95,524	98,390	101,342	104,382
Headend Technicians	32,000	32,960	33,920	34,880	35,840	36,800	37,760	38,720	39,680	40,640
Serviceman II	149,500	153,985	158,579	163,330	168,236	173,296	178,514	183,883	189,407	195,089
Total Field & Technical Salary & Wages	37,500	38,625	39,784	40,977	42,207	43,473	44,777	46,120	47,504	48,929
Vehicles	1.5	1.5	2.0	2.5	3.5	4.5	4.5	4.5	4.5	4.5

VIDEO SALES & MARKETING EXPENSES

Salaries - Sales	79,500	81,885	84,270	86,655	89,040	91,425	93,810	96,195	98,580	100,965
Sales Commission	183,000	187,645	192,290	196,935	201,580	206,225	210,870	215,515	220,160	224,805
Payroll Taxes	20,081	20,694	21,307	21,920	22,533	23,146	23,759	24,372	24,985	25,598
Benefits	123,834	126,845	130,856	134,867	138,878	142,889	146,900	150,911	154,922	158,933

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Advertising & Promotions	36,000	37,080	38,192	39,338	40,518	41,734	42,986	44,275	45,604	46,972
Direct Mail	22,490	40,381	35,060	33,585	33,511	34,179	34,860	35,556	36,266	36,990
Sales Materials	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Graphic Design	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Office Supplies/Postage	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
Training & Seminars	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
Travel & Entertainment	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Miscellaneous	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Total Sales & Marketing Expenses	\$ 478,806	\$ 617,456	\$ 422,811	\$ 378,044	\$ 361,019	\$ 370,943	\$ 381,097	\$ 391,532	\$ 402,302	\$ 413,371
Marketing and Sales Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sales Clerks	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
In-House Field Representatives	-	-	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Contract Field Representatives	4.0	5.0	5.0	-	-	-	-	-	-	-
Total Sales and Marketing Employees and Contractors	6.0	7.0	9.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Sales and Marketing Employees and Contractors										
Residential Sales Manager	\$ 55,000	\$ 56,690	\$ 58,350	\$ 60,100	\$ 61,903	\$ 63,760	\$ 65,673	\$ 67,643	\$ 69,672	\$ 71,763
Sales Clerks	24,500	25,235	25,992	26,772	27,575	28,402	29,254	30,132	31,036	31,967
In-House Field Representatives	-	-	44,133	45,457	46,821	48,226	49,673	51,163	52,698	54,279
Contract Field Representatives	-	-	-	-	-	-	-	-	-	-
Total Sales and Marketing Salary & Wages	\$ 79,500	\$ 81,925	\$ 128,475	\$ 132,329	\$ 136,299	\$ 140,388	\$ 144,600	\$ 148,938	\$ 153,406	\$ 158,008
Vehicles										

Jackson Energy Authority
 FTTH Broadband Financial Projections - 2002
 Telephone Revenue & Expenses

OPERATING REVENUE

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Telephone Revenue	\$ 267,915	\$ 1,535,601	\$ 3,267,837	\$ 4,469,455	\$ 5,241,351	\$ 5,820,414	\$ 6,216,907	\$ 6,641,477	\$ 7,014,536	\$ 7,358,863
Local Service Revenue	181,351	999,587	2,071,816	2,805,718	3,313,527	3,705,943	4,014,442	4,264,204	4,520,185	4,752,207
Long Distance Revenue (Local Customers)										
Long Distance Revenue (Non-Local Customers)										
Interstate Access Revenue	5,080	62,436	90,132	92,934	97,538	102,446	107,566	112,992	118,632	124,556
Intrastate Access Revenue	384	4,748	6,850	7,064	7,412	7,786	8,176	8,588	9,016	9,466
Interstate Toll Revenue	9,244	113,530	163,878	168,972	177,342	186,264	195,576	205,440	215,694	226,464
Intrastate Toll Revenue	9,244	113,530	163,878	168,972	177,342	186,264	195,576	205,440	215,694	226,464
Voice Mail Revenue	3,970	22,715	47,545	64,045	74,776	82,731	88,965	94,159	99,481	104,136
Features Revenue	8,130	45,505	93,007	123,475	144,306	159,933	172,116	182,601	193,362	202,388
Total Telephone Revenue	\$ 485,318	\$ 2,897,652	\$ 5,904,943	\$ 7,901,634	\$ 9,233,593	\$ 10,251,781	\$ 11,059,324	\$ 11,714,901	\$ 12,386,601	\$ 13,004,543

Data Revenue

Residential Data	72,467	345,957	722,843	1,038,780	1,356,784	1,529,596	1,602,376	1,673,386	1,747,071	1,835,361
Commercial Data	63,981	333,894	701,956	1,008,531	1,241,826	1,400,636	1,560,835	1,774,585	2,003,171	2,248,177
Total Data Revenue	\$ 136,448	\$ 679,851	\$ 1,424,799	\$ 2,067,311	\$ 2,598,610	\$ 2,930,232	\$ 3,163,211	\$ 3,447,971	\$ 3,750,242	\$ 4,083,538
Fees and taxes not reflected as revenue:										
Sales Tax	54,405	313,032	641,352	872,283	1,035,318	1,153,426	1,244,472	1,326,751	1,411,974	1,495,207
Local franchise fee (data only)	4,776	23,795	49,868	103,366	129,931	146,512	158,161	172,399	187,512	204,177
Federal Tax	14,560	86,930	177,148	237,049	277,008	307,553	331,780	351,447	371,598	390,136
Total Telephone and Data Collections	\$ 695,506	\$ 4,001,259	\$ 8,198,111	\$ 11,181,643	\$ 13,274,460	\$ 14,789,504	\$ 15,956,947	\$ 17,013,469	\$ 18,107,926	\$ 19,177,602

Other revenue

Infrastructure access fee - cable television	\$ 695,506	\$ 4,001,259	\$ 8,198,111	\$ 11,181,643	\$ 13,274,460	\$ 14,789,504	\$ 15,956,947	\$ 17,013,469	\$ 18,107,926	\$ 19,177,602
Total Revenue	\$ 695,506	\$ 4,001,259	\$ 8,198,111	\$ 11,181,643	\$ 13,274,460	\$ 14,789,504	\$ 15,956,947	\$ 17,013,469	\$ 18,107,926	\$ 19,177,602

OPERATING EXPENSES

Long Distance and Access Fees	\$ 60,444	\$ 333,162	\$ 690,536	\$ 935,479	\$ 1,104,398	\$ 1,235,191	\$ 1,358,013	\$ 1,421,259	\$ 1,506,578	\$ 1,583,911
Wholesale Long Distance	8,424	42,432	87,125	124,146	157,324	160,484	163,710	166,993	170,341	173,761
Broadband Help Desk Support	3,600	3,852	4,122	4,410	4,719	5,049	5,403	5,781	6,185	6,618
Trunk Expense	678	3,792	7,751	10,290	12,025	13,328	14,343	15,217	16,114	16,866
Number Portability	60,000	64,200	68,694	73,503	78,648	84,153	90,044	96,347	103,091	110,308
Internet Backbone										
Total fees	\$ 133,146	\$ 447,439	\$ 858,228	\$ 1,147,827	\$ 1,357,114	\$ 1,498,205	\$ 1,611,513	\$ 1,705,597	\$ 1,802,369	\$ 1,891,463

General & Administrative Expenses

General & Administration Salary & Wages	\$ 328,800	\$ 338,664	\$ 365,268	\$ 376,226	\$ 404,958	\$ 417,107	\$ 448,128	\$ 461,572	\$ 475,419	\$ 489,681
Overtime	19,728	20,320	21,916	22,574	24,297	25,026	26,888	27,694	28,525	29,381
Payroll Taxes	26,662	27,462	29,626	30,508	32,838	33,823	36,339	37,429	38,552	39,708
Benefits	142,535	146,811	158,344	163,094	175,549	180,816	194,263	200,091	206,094	212,277

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Telephone Revenue & Expenses

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Capitalized Labor	(138,920)	(143,088)	(92,113)	(56,926)	(39,089)	(20,131)	(165,878)	(170,854)	(175,980)	(181,259)
Vehicle Expense	2,175	2,240	2,307	2,377	2,448	2,521	2,597	2,675	2,755	2,838
Travel and Entertainment	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
Training and Seminars	12,000	12,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Audit Fees and Accounting	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Bank Charges	6,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829
Contributions	10,000	8,000	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919
Bad Debt	10,433	60,019	122,972	167,725	199,117	221,843	239,354	255,202	271,619	287,664
Uniforms	413	413	450	450	488	488	525	525	525	525
Property Insurance	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
Liability Insurance	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
Utilities	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Janitorial Services	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Postage	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Billing Service	12,636	42,432	65,344	74,488	78,662	80,242	81,855	83,497	85,171	86,881
Dues & Subscriptions	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Rent	10,500	10,815	11,139	11,474	11,818	12,172	12,538	12,914	13,301	13,700
Telephone	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Office Supplies	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697
Repair & Maint.	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Office Equipment	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
Subs/Research	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
Legal	75,000	77,250	79,568	40,000	30,000	30,900	31,827	32,782	33,765	34,778
Consultant Fees	90,000	45,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Administrative	\$ 723,061	\$ 773,008	\$ 923,161	\$ 994,243	\$ 1,087,365	\$ 1,155,232	\$ 1,083,130	\$ 1,122,618	\$ 1,163,368	\$ 1,204,462
Fees and taxes not reflected as revenue:										
Local franchise fees (data only)	4,776	23,795	49,868	103,366	129,931	146,512	158,161	172,399	187,512	204,177
Sales Tax	60,857	350,110	717,335	978,394	1,161,515	1,294,082	1,396,233	1,488,679	1,584,444	1,678,040
Federal Tax	14,560	86,930	177,148	237,049	277,008	307,553	331,780	351,447	371,598	390,136
Property Tax	\$ 212,435	\$ 495,519	\$ 534,503	\$ 559,610	\$ 577,784	\$ 593,442	\$ 609,484	\$ 625,204	\$ 641,540	\$ 657,041
General & Administrative Personnel										
Sr. V.P. Telecommunications	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Customer Service Supervisor	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Customer Service Reps	2.0	2.0	2.5	2.5	3.0	3.0	3.5	3.5	3.5	3.5
Provisioning Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Billing Account Analyst	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Collections/AR Credit Clerk	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
MIS Coordinator	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Accounting Associate II	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
G&A Personnel Total	6.0	6.0	6.5	6.5	7.0	7.0	7.5	7.5	7.5	7.5

Jackson Energy Authority
 FTTH Broadband Financial Projections - 2002
 Telephone Revenue & Expenses

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
General & Administrative Salaries & Wages										
Sr. V.P. Telecommunications	\$ 115,000	\$ 118,450	\$ 122,004	\$ 125,664	\$ 129,434	\$ 133,317	\$ 137,316	\$ 141,435	\$ 145,679	\$ 150,049
Administrative Assistant	31,000	31,930	32,888	33,875	34,891	35,937	37,016	38,126	39,270	40,448
Customer Service Supervisor	22,800	23,484	24,189	24,914	25,662	26,431	27,224	28,041	28,882	29,749
Customer Service Reps	62,000	63,860	65,740	67,640	69,560	71,500	73,460	75,440	77,440	79,460
Provisioning Clerk	26,000	26,780	27,583	28,411	29,263	30,141	31,045	31,977	32,936	33,924
Billing Account Analyst	27,000	27,810	28,644	29,504	30,389	31,300	32,239	33,207	34,203	35,229
Collections/AR Credit Clerk	13,500	13,905	14,322	14,752	15,194	15,650	16,120	16,603	17,101	17,614
MIS Coordinator	17,500	18,025	18,566	19,123	19,696	20,287	20,896	21,523	22,168	22,834
Accounting Associate II	14,000	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267
G&A Salaries Total	\$ 328,800	\$ 338,664	\$ 348,268	\$ 357,626	\$ 366,958	\$ 376,107	\$ 385,128	\$ 394,126	\$ 403,109	\$ 412,078

Facility Based Expenses										
Field & Technical Salaries and Wages	\$ 419,500	\$ 432,085	\$ 444,775	\$ 457,570	\$ 470,470	\$ 483,475	\$ 496,485	\$ 509,495	\$ 522,505	\$ 535,515
Overtime	41,950	43,209	44,468	45,727	46,986	48,245	49,504	50,763	52,022	53,281
Payroll Taxes	35,301	36,360	37,419	38,478	39,537	40,596	41,655	42,714	43,773	44,832
Benefits	181,853	187,309	192,765	198,221	203,677	209,133	214,589	220,045	225,501	230,957
Capitalized Labor	(485,465)	(342,944)	(275,377)	(181,007)	(101,130)	(10,433)	10,746	11,069	11,392	11,715
Training	9,000	9,270	9,540	9,810	10,080	10,350	10,620	10,890	11,160	11,430
Uniforms	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Vehicle Expense	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600	12,600
Pole Rental	108,306	323,887	327,775	331,710	335,692	339,723	343,801	347,929	352,106	356,333
Plant Repairs & Maintenance	18,607	50,844	51,486	52,285	53,119	53,992	54,864	55,736	56,608	57,480
Equipment Repairs & Maintenance	10,880	21,115	24,806	26,582	27,446	28,311	29,176	30,041	30,906	31,771
Supplies - Technical, Engineering, Drafting, etc.	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Tools & Equipment	4,800	4,944	5,092	5,245	5,402	5,565	5,731	5,903	6,080	6,263
Utilities - Headend	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Mobile Communications	7,650	7,650	7,650	7,650	7,650	7,650	7,650	7,650	7,650	7,650
Property Damage	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Office Supplies	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
Computer Maintenance	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Switching Expense	6,435	35,367	71,837	95,520	112,230	125,040	135,040	143,534	152,253	159,688
Network Maintenance	28,600	31,200	32,760	34,398	36,118	37,924	39,820	41,811	43,902	46,097
Total Facility Based	\$ 430,017	\$ 883,651	\$ 1,113,617	\$ 1,295,717	\$ 1,394,688	\$ 1,499,186	\$ 1,588,852	\$ 1,656,927	\$ 1,703,169	\$ 1,774,384

Field & Technical Employees										
Manager of Operations	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Project Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Network Engineer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Systems Administrator	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Programmer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Broadband Service Technicians	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Serviceman II	1.0	1.0	1.5	2.0	3.0	4.0	4.0	4.0	4.0	4.0

Jackson Energy Authority
 FTTH Broadband Financial Projections - 2002
 Telephone Revenue & Expenses

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Contract Installers	12.0	16.0	10.0	8.0	6.0	12.5	12.5	12.5	12.5	12.5
Total Field & Technical Employees and Contractors	20.5	24.5	20.0	18.5	17.5	12.5	12.5	12.5	12.5	12.5
Field & Technical Salary & Wages										
Manager of Operations	\$ 37,500	\$ 38,625	\$ 39,784	\$ 40,977	\$ 42,207	\$ 43,473	\$ 44,777	\$ 46,120	\$ 47,504	\$ 48,929
Project Superintendent	55,000	56,650	58,350	60,100	61,903	63,760	65,673	67,643	69,672	71,763
Network Engineer	70,000	72,100	74,263	76,491	78,786	81,149	83,584	86,091	88,674	91,334
Systems Administrator	110,000	113,300	116,699	120,200	123,806	127,520	131,346	135,286	139,345	143,525
Programmer	45,000	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715
Broadband Service Technicians	70,000	72,100	74,263	76,491	78,786	81,149	83,584	86,091	88,674	91,334
Serviceman II	32,000	32,960	33,923	34,889	35,856	36,823	37,791	38,759	39,727	40,695
Total Field & Technical Salary & Wages	\$ 419,500	\$ 432,085	\$ 445,153	\$ 458,612	\$ 472,476	\$ 486,743	\$ 501,413	\$ 516,486	\$ 531,961	\$ 547,938
Vehicles	4.5	4.5	6.0	6.5	7.5	8.5	8.5	8.5	8.5	8.5

Telephony/Data Sales and Marketing Expenses

Salaries - Sales	\$ 104,500	\$ 169,435	\$ 174,518	\$ 179,754	\$ 185,146	\$ 190,588	\$ 196,080	\$ 201,622	\$ 207,214	\$ 212,856
Sales Commissions	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Commercial Sales Commissions	34,775	165,288	209,843	149,177	104,641	75,752	58,372	52,826	54,723	53,484
Payroll Taxes	9,907	16,787	17,176	17,576	17,989	18,406	18,823	19,240	19,657	20,074
Benefits	61,092	103,518	105,916	108,386	110,930	113,548	116,231	118,979	121,791	124,658
Advertising & Promotions	36,000	37,080	38,192	39,338	40,518	41,734	42,986	44,275	45,604	46,972
Contract Marketing & Sales	75,660	222,586	119,391	101,433	89,983	80,080	72,448	66,120	60,856	56,644
Direct Mail	22,490	40,381	35,060	33,585	33,511	34,179	34,860	35,556	36,266	36,990
Sales Materials	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Graphic Design	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Office Supplies/Postage	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
Training & Seminars	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
Travel & Entertainment	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Miscellaneous	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Total Sales & Marketing Expenses	\$ 383,324	\$ 819,392	\$ 764,843	\$ 694,437	\$ 648,363	\$ 524,678	\$ 515,325	\$ 520,666	\$ 533,961	\$ 524,580

Commercial Sales Personnel

Commercial Sales Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sales Clerks	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Commercial Sales Representatives	1.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Total Commercial Sales Employees	3.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
Commercial Sales Salaries & Wages										
Commercial Sales Manager	\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703	\$ 61,494	\$ 63,339	\$ 65,239
Sales Clerks	24,500	25,235	25,992	26,772	27,575	28,402	29,254	30,132	31,036	31,967
Commercial Sales Representatives	30,000	92,700	95,481	98,345	101,296	104,336	107,461	110,672	113,969	117,354
Total Sales and Marketing Salary & Wages	\$ 104,500	\$ 169,435	\$ 174,518	\$ 179,754	\$ 185,146	\$ 190,588	\$ 196,080	\$ 201,622	\$ 207,214	\$ 212,856

Jackson Energy Authority
 FTTH Broadband Financial Projections - 2002
 Capital Expenditures - Cable Television

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Office Building & Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Studio, Furniture & Office Equipment	250,000	25,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Headend Building, Tower & Generator	714,723	-	-	-	-	-	-	-	-	-
Video Headend Electronics	1,562,711	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Digital Headend Equipment	545,049	-	-	-	-	-	-	-	-	-
In-house capitalized labor	346,545	356,941	225,476	181,584	175,475	155,707	137,300	141,419	145,661	150,031
sub-total Fixed Plant	\$ 3,419,028	\$ 395,441	\$ 241,476	\$ 197,584	\$ 191,475	\$ 171,707	\$ 153,300	\$ 157,419	\$ 161,661	\$ 166,031
Digital Customer Premise Equipment	177,326	244,341	111,831	56,373	19,050	22,540	24,748	26,001	28,438	30,115
sub-total Variable Plant	\$ 177,326	\$ 244,341	\$ 111,831	\$ 56,373	\$ 19,050	\$ 22,540	\$ 24,748	\$ 26,001	\$ 28,438	\$ 30,115
Total	3,596,354	639,783	353,307	253,958	210,525	194,247	178,048	183,420	190,100	196,146
Contingency	179,818	31,989	17,665	12,698	10,526	9,712	8,902	9,171	9,505	9,807
Total Capital Expenditures	\$ 3,776,171	\$ 671,772	\$ 370,972	\$ 266,656	\$ 221,051	\$ 203,960	\$ 186,950	\$ 192,591	\$ 199,605	\$ 205,953
Depreciation										
Office Building & Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Studio, Furniture & Office Equipment	12,500	26,250	27,625	27,875	28,125	28,375	28,625	28,875	29,125	29,375
Headend Building, Tower & Generator	8,934	17,868	17,868	17,868	17,868	17,868	17,868	17,868	17,868	17,868
Video Headend Electronics	78,136	156,946	158,296	159,646	160,996	162,346	163,696	165,046	166,396	167,746
Digital Headend Equipment	27,252	54,505	54,505	54,505	54,505	54,505	54,505	54,505	54,505	54,505
Capitalized Labor	17,327	13,125	20,406	25,494	29,957	34,097	37,759	41,243	44,832	48,528
sub-total Fixed Plant	\$ 144,149	\$ 255,569	\$ 258,294	\$ 259,894	\$ 261,494	\$ 263,094	\$ 264,694	\$ 266,294	\$ 267,894	\$ 269,494
Digital Customer Premise Equipment	8,866	29,950	47,758	56,169	59,940	62,019	64,384	66,921	69,643	72,571
sub-total Variable Plant	8,866	29,950	47,758	56,169	59,940	62,019	64,384	66,921	69,643	72,571
Contingency	5,997	13,061	14,717	15,729	16,504	17,179	17,800	18,402	19,025	19,669
Total Depreciation	\$ 159,013	\$ 298,579	\$ 320,769	\$ 331,792	\$ 337,938	\$ 342,292	\$ 346,877	\$ 351,617	\$ 356,562	\$ 361,734

Jackson Energy Authority
FITH Broadband Financial Projections - 2002
Capital Expenditures - Telecommunications

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Telephone Switch, Upgrade & ATM Switch	\$ 1,194,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,000	\$ -
Headend Voice Gateway - Phone Customers	62,316	221,345	179,254	72,688	66,333	42,291	39,029	39,662	40,283	19,652
Voice Gateway & AMS Software	61,930	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227
High Speed Modems and Installation - Residential	-	-	-	-	-	-	-	-	-	-
High Speed Modems and Installation - Commercial	-	-	-	-	-	-	-	-	-	-
In-House Capitalized Labor	624,385	486,031	367,489	237,933	234,873	225,465	331,215	317,380	326,901	311,490
sub-total Telecom/Data only	\$ 1,943,152	\$ 711,603	\$ 550,970	\$ 314,848	\$ 305,434	\$ 271,983	\$ 374,471	\$ 361,269	\$ 410,412	\$ 335,369
Contingency	97,158	35,580	27,548	15,742	15,272	13,599	18,724	18,063	20,521	16,768
Total Capital Expenditures	\$ 2,040,309	\$ 747,184	\$ 578,518	\$ 330,590	\$ 320,706	\$ 285,582	\$ 393,194	\$ 379,333	\$ 430,932	\$ 352,137

Depreciation

Telephone Switch, Upgrade & ATM Switch	\$ 59,726	\$ 119,452	\$ 119,452	\$ 119,452	\$ 119,452	\$ 119,452	\$ 119,452	\$ 119,452	\$ 121,402	\$ 123,352
Headend Voice Gateway - Phone Customers	3,116	17,299	37,329	49,926	56,877	62,308	66,374	70,309	74,306	77,303
Voice Gateway & AMS Software	3,097	6,404	6,827	7,250	7,673	8,095	8,518	8,941	9,363	9,786
High Speed Modems and Installation - Residential	-	-	-	-	-	-	-	-	-	-
High Speed Modems and Installation - Commercial	-	-	-	-	-	-	-	-	-	-
In-House Capitalized Labor	62,439	86,740	129,416	159,687	183,327	206,344	234,178	266,608	298,822	330,742
Contingency	3,240	7,667	9,772	11,216	12,250	13,213	14,291	15,518	16,805	18,048
Total depreciation	\$ 131,617	\$ 237,562	\$ 302,796	\$ 347,531	\$ 379,579	\$ 409,413	\$ 442,814	\$ 480,828	\$ 520,698	\$ 559,231

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Summary

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Expanded Basic \$ 27.00 \$ 36.95 rate

Market Share 40%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Homes Passed	13,000	26,084	26,606	27,138	27,681	28,234	28,799	29,375	29,962	30,562
Begin. Subscribers	0	3,510	8,277	9,874	10,817	11,034	11,256	11,482	11,712	11,947
	0.27	0.37	3.38	1.40	0.40	0.40	0.40	0.40	0.40	0.40
New Connects	3,510	4,837	1,763	745	217	222	226	230	235	240
Reconnects	300	632	1,490	2,172	2,163	2,207	2,251	2,296	2,342	2,389
Churn %	3,810	5,469	3,253	2,917	2,380	2,429	2,477	2,526	2,577	2,629
	10.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Disconnects	300	702	1,655	1,975	2,163	2,207	2,251	2,296	2,342	2,389
	3,510	4,767	1,597	942	217	222	226	230	235	240
	27%	32%	37%	40%	40%	40%	40%	40%	40%	40%
Net Gain										
Ending Subscribers	3,510	8,277	9,874	10,817	11,034	11,256	11,482	11,712	11,947	12,187
Avg. Subscribers	1,755	5,893	9,076	10,346	10,925	11,145	11,369	11,597	11,829	12,067
Ending Penetration	27.0%	31.7%	37.1%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%
Homes Passed by Area										
Total	13,000	26,084	26,606	27,138	27,681	28,234	28,799	29,375	29,962	30,562
Total Video Customers	3,510	8,347	10,110	10,855	11,072	11,294	11,520	11,750	11,985	12,225
Percentage Residential Mkt Penetration	27%	32%	38%	40%	40%	40%	40%	40%	40%	40%
Average Video Customers	1,755	5,893	9,076	10,346	10,925	11,145	11,369	11,597	11,829	12,067
Average Video Customers %	13.50%	22.59%	34.11%	38.12%	39.47%	39.47%	39.48%	39.48%	39.48%	39.48%
Bulk Commercial Units Passed										
Begin Commercial Units Passed	0	1,800	3,200	3,350	3,500	3,650	3,800	3,950	4,100	4,250
Jackson, TN	1,800	1,400	100	100	100	100	100	100	100	100
Madison County, TN	0	0	50	50	50	50	50	50	50	50
Ending Commercial Units Passed	1,800	3,200	3,350	3,500	3,650	3,800	3,950	4,100	4,250	4,400

Jackson Energy Authority

FTTH Broadband Financial Projections - 2002

Summary

Page: 1

Expanded Basic \$ 27.00 \$ 36.95 rate

40%

Market Share

Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7 Year 8 Year 9 Year 10

Bulk Commercial Customers

Begin Bulk Commercial Customers 0 600 1,400 2,200 2,800 2,900 3,000 3,100 3,200 3,300

Customers Added 600 800 800 600 100 100 100 100 100 100

Ending Bulk Commercial Customers 600 1,400 2,200 2,800 2,900 3,000 3,100 3,200 3,300 3,400

Average Bulk Commercial Customers 300 1,000 1,800 2,500 2,850 2,950 3,050 3,150 3,250 3,350

Small/Medium Businesses Passed

Begin S/M Business Addresses 0 1,000 3,000 4,000 4,050 4,100 4,150 4,200 4,250 4,300

Addresses Added 1,000 2,000 1,000 50 50 50 50 50 50 50

Ending S/M Business Addresses 1,000 3,000 4,000 4,050 4,100 4,150 4,200 4,250 4,300 4,350

Small/Medium Business Accounts

Begin S/M Business Accounts 0 150 450 650 750 850 900 950 1,000 1,050

Accounts Added 150 300 200 100 100 50 50 50 50 50

Ending S/M Business Accounts 150 450 650 750 850 900 950 1,000 1,050 1,100

Average Business Accounts 75 300 550 700 800 875 925 975 1,025 1,075

Large Businesses Passed

50 100 105 110 112 114 116 118 120 122

Total Plant Miles by Area

Jackson, TN 220.00 469.08 474.72 480.42 486.18 492.02 497.93 503.91 509.95 516.08

Madison County, TN 0.00 188.82 191.09 193.38 195.70 198.05 200.43 202.84 205.27 207.74

Total

220 658 666 674 682 690 698 707 715 724

Plant Miles % per Area

Jackson, TN 100.00% 71.30% 71.30% 71.30% 71.30% 71.30% 71.30% 71.30% 71.30% 71.30%

Madison County, TN 0.00% 28.70% 28.70% 28.70% 28.70% 28.70% 28.70% 28.70% 28.70% 28.70%

Jackson Energy Authority
TJTH Broadband Financial Projections - 2002
Capital Expenditures - Shared Plant

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Strand Mapping, Permitting, Engineering and Design	\$ 306,501	\$ 240,000	\$ 240,000	\$ 180,000	\$ 135,000	\$ 101,250	\$ 75,938	\$ 56,953	\$ 42,715	\$ 32,036
Project Consulting	240,000	64,801	1,171	1,185	1,199	1,213	1,228	1,243	1,258	1,273
Aerial Make Ready Engineering	32,606	1,404,649	25,336	25,640	25,944	26,248	26,552	26,856	27,160	27,464
Aerial Make Ready	705,685	689,013	11,706	11,657	11,598	11,539	11,480	11,421	11,362	11,303
Aerial Strand Labor	326,059	320,822	323,771	323,771	323,771	323,771	323,771	323,771	323,771	323,771
Aerial Strand, Hardware & Materials	638,589	638,589	638,589	638,589	638,589	638,589	638,589	638,589	638,589	638,589
Optical Splitters, Closures & Potentials	1,626,631	2,945,640	53,131	53,769	54,414	55,057	55,700	56,343	56,986	57,629
Fiber Cable	1,479,867	1,202,303	21,686	21,946	22,206	22,466	22,726	22,986	23,246	23,506
Underground Plant Labor	604,028	1,945,650	35,094	35,515	35,942	36,373	36,804	37,235	37,666	38,097
Primary & Secondary Hub Connectivity	977,480	1,924,851	6,534	6,612	6,692	6,772	6,853	6,935	7,019	7,103
Optical Headend Equipment	1,252,979	21,773	21,773	21,773	21,773	21,773	21,773	21,773	21,773	21,773
Optical Equipment Software Revisions - Annual	1,396,043	606,242	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
FTTH Equipment	400,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Complete Equipment & Billing System Software Upgrades	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Special Project Fund	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Fusion Splicer and Splicing Equipment	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Tools, Test Equipment and Spare Equipment	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Vehicles and Mobile Communications	700,000	140,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Total system plant	\$ 11,007,745	\$ 13,547,332	\$ 636,348	\$ 540,495	\$ 627,224	\$ 568,435	\$ 531,477	\$ 515,209	\$ 503,655	\$ 497,519
Customer Premise Install Labor & Materials - Residential	\$ 702,000	\$ 956,422	\$ 374,073	\$ 162,816	\$ 48,847	\$ 51,472	\$ 53,971	\$ 56,574	\$ 59,177	\$ 61,780
Customer Premise Install Labor & Materials - Commercial	97,938	276,104	244,173	212,460	184,778	33,251	29,012	29,735	31,425	33,190
Head/Mold Rerouting - Labor & Materials	165,704	458,548	7,491	7,581	7,672	7,763	7,854	7,945	8,036	8,127
Customer Premise Equipment	37,526	87,265	1,497	1,515	1,534	1,552	1,571	1,590	1,609	1,628
Optical Equipment - Customer Premise - Residential	2,793,647	3,849,429	1,409,462	592,083	171,493	172,550	181,341	182,057	186,678	189,715
Optical Equipment - Customer Premise - Commercial	202,096	846,016	739,814	376,365	210,419	173,631	169,771	171,657	174,037	176,916
Total customer plant	\$ 4,058,910	\$ 6,513,784	\$ 2,776,511	\$ 1,352,821	\$ 820,749	\$ 480,136	\$ 433,667	\$ 441,613	\$ 453,288	\$ 470,199
Total	\$ 15,066,655	\$ 22,461,115	\$ 3,412,859	\$ 1,893,316	\$ 1,251,966	\$ 1,048,571	\$ 967,144	\$ 956,822	\$ 957,142	\$ 967,718
Contingency	753,333	1,123,056	170,643	94,666	62,598	52,429	48,357	47,841	47,857	48,386
Total Capital Expenditures	\$ 15,819,988	\$ 23,584,171	\$ 3,583,502	\$ 1,987,982	\$ 1,314,565	\$ 1,101,000	\$ 1,015,501	\$ 1,004,663	\$ 1,004,999	\$ 1,016,104
Depreciation	\$ 6,130	\$ 12,260	\$ 12,260	\$ 12,260	\$ 12,260	\$ 12,260	\$ 12,260	\$ 12,260	\$ 12,260	\$ 12,260
Strand Mapping, Permitting, Engineering and Design	\$ 4,800	\$ 14,400	\$ 24,000	\$ 32,400	\$ 38,700	\$ 43,425	\$ 46,969	\$ 49,627	\$ 51,620	\$ 53,115
Project Consulting	652	2,602	3,924	3,971	4,018	4,067	4,116	4,165	4,215	4,266
Aerial Make Ready Engineering	14,114	56,320	84,920	85,940	86,971	88,011	89,052	90,101	91,150	92,200
Aerial Make Ready	6,521	26,023	39,237	39,708	40,185	40,667	41,155	41,650	42,150	42,656
Aerial Strand Labor	6,416	32,605	38,607	38,607	38,607	38,607	38,607	38,607	38,607	38,607
Aerial Strand, Hardware & Materials	32,533	329,821	195,744	194,094	200,472	202,879	205,315	207,789	210,274	212,799
Optical Splitters, Closures & Potentials	29,597	118,107	178,083	180,221	182,384	184,574	186,790	189,033	191,302	193,599
Fiber Cable	12,081	48,207	72,681	73,560	74,443	75,326	76,211	77,100	78,003	79,020
Underground Plant Labor	19,550	78,012	117,627	119,039	120,468	121,915	123,378	124,860	126,359	127,876
Primary & Secondary Hub Connectivity	9,952	56,203	92,499	92,499	92,499	92,499	92,499	92,499	92,499	92,499
Optical Headend Equipment	62,649	221,540	318,110	318,167	319,432	320,705	322,000	323,317	324,656	326,027
Optical Equipment Software Revisions - Annual	1,089	1,089	3,266	5,516	7,838	10,161	12,484	14,806	17,128	19,450
FTTH Equipment	69,802	169,916	200,229	200,229	200,229	200,229	200,229	200,229	200,229	200,229
Complete Equipment & Billing System Software Upgrades	13,340	28,346	31,016	33,017	35,019	37,021	39,023	41,025	43,027	45,029
Special Project Fund	3,335	10,005	15,008	18,343	20,844	21,678	21,678	21,678	21,678	21,678
Fusion Splicer and Splicing Equipment	5,670	12,340	16,342	18,343	20,344	22,345	24,346	26,347	28,348	30,349
Tools, Test Equipment and Spare Equipment	3,315	7,237	8,338	8,338	8,338	8,338	8,338	8,338	8,338	8,338
Vehicles and Mobile Communications	25,680	56,028	61,804	63,032	64,260	65,488	66,716	67,944	69,172	70,400
Customer Premise Install Labor & Materials - Residential	35,100	120,021	188,516	215,390	225,974	236,558	247,142	257,726	268,310	278,894
Customer Premise Install Labor & Materials - Commercial	4,897	23,599	40,613	72,444	92,306	103,208	114,110	125,012	135,914	146,816
Head/Mold Rerouting - Labor & Materials	8,285	30,498	62,800	63,553	64,316	65,079	65,842	66,605	67,368	68,131
Customer Premise Equipment	1,876	8,116	12,554	12,705	12,857	13,011	13,167	13,325	13,485	13,647
Optical Equipment - Customer Premise - Residential	139,682	471,836	754,781	834,838	873,037	890,489	908,433	926,883	945,040	963,863
Optical Equipment - Customer Premise - Commercial	13,105	68,510	147,802	205,611	232,950	254,287	275,591	296,862	307,947	325,798
Total	\$ 25,124	\$ 87,701	\$ 130,846	\$ 139,694	\$ 144,939	\$ 148,775	\$ 152,136	\$ 155,344	\$ 158,536	\$ 161,746
Contingency	554,225	1,893,443	2,813,532	3,082,598	3,216,527	3,307,328	3,363,726	3,400,791	3,436,172	3,470,695
Total Depreciation	\$ 25,678	\$ 89,594	\$ 133,678	\$ 142,792	\$ 147,466	\$ 150,103	\$ 152,860	\$ 155,635	\$ 158,428	\$ 161,441

Jackson Energy Broadband Project

Programming Expense

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Basic										
Subscribers	1755	5893	9076	10346	10925	11145	11369	11597	11829	12067
Rate/Sub	\$5.04	\$5.19	\$5.35	\$5.51	\$5.67	\$5.84	\$6.02	\$6.20	\$6.38	\$6.58
Total Cost	\$8,845	\$30,594	\$48,526	\$56,976	\$61,974	\$65,116	\$68,417	\$71,883	\$75,524	\$79,352
Expanded										
Subs	1615	5422	8349	9518	10051	10253	10459	10669	10883	11101
Rate/Sub	\$135.12	\$140.52	\$146.15	\$151.99	\$158.07	\$164.39	\$170.97	\$177.81	\$184.92	\$192.32
Total Cost	\$218,165	\$761,915	\$1,220,243	\$1,446,636	\$1,588,811	\$1,685,561	\$1,788,217	\$1,897,043	\$2,012,479	\$2,135,000
Digital Tier										
Units	351	1179	2269	3104	3824	4458	4889	5219	5678	6033
Rate/Unit	\$60.00	\$62.40	\$64.90	\$67.49	\$70.19	\$73.00	\$75.92	\$78.96	\$82.11	\$85.40
Total Cost	\$21,060	\$73,550	\$147,241	\$209,471	\$268,401	\$325,423	\$371,135	\$412,034	\$466,247	\$515,242
HBO										
Units	491	1650	2541	2897	3059	3120	3183	3247	3312	3379
Rate/Unit	\$86.88	\$89.49	\$92.17	\$94.94	\$97.78	\$100.72	\$103.74	\$106.85	\$110.06	\$113.36
Total Cost	\$42,693	\$147,666	\$234,214	\$275,001	\$299,109	\$314,268	\$330,245	\$346,962	\$364,501	\$382,993
Cinemax										
Units	219	737	1134	1293	1366	1393	1421	1450	1479	1508
Rate/Unit	\$45.00	\$46.35	\$47.74	\$49.17	\$50.65	\$52.17	\$53.73	\$55.34	\$57.00	\$58.71
Total Cost	\$9,872	\$34,145	\$54,159	\$63,589	\$69,166	\$72,672	\$76,360	\$80,227	\$84,288	\$88,560
Showtime										
Units	263	884	1361	1552	1639	1672	1705	1740	1774	1810
Rate/Unit	\$80.28	\$82.69	\$85.17	\$87.72	\$90.36	\$93.07	\$95.86	\$98.73	\$101.70	\$104.75
Total cost	\$21,134	\$73,097	\$115,943	\$136,132	\$148,064	\$155,568	\$163,477	\$171,752	\$180,435	\$189,588
TMC										
Units	228	766	1180	1345	1420	1449	1478	1508	1538	1569
Rate/Unit	\$55.20	\$56.86	\$58.56	\$60.32	\$62.13	\$63.99	\$65.91	\$67.89	\$69.93	\$72.02
Total Cost	\$12,594	\$43,560	\$69,092	\$81,123	\$88,237	\$92,710	\$97,415	\$102,349	\$107,529	\$112,980
Starz										
Units	176	589	908	1035	1093	1114	1137	1160	1183	1207
Rate/Unit	\$43.92	\$45.24	\$46.59	\$47.99	\$49.43	\$50.92	\$52.44	\$54.02	\$55.64	\$57.31
Total Cost	\$7,708	\$26,660	\$42,287	\$49,651	\$54,006	\$56,744	\$59,621	\$62,641	\$65,814	\$69,149
IFS										
Units	140	471	726	828	874	892	909	928	946	965
Rate/Unit	\$24.00	\$24.72	\$25.46	\$26.23	\$27.01	\$27.82	\$28.66	\$29.52	\$30.40	\$31.31
Total Cost	\$3,370	\$11,655	\$18,486	\$21,705	\$23,609	\$24,806	\$26,064	\$27,384	\$28,771	\$30,229

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Data Revenue & Expense

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue										
Residential Revenue	\$72,467	\$345,957	\$722,843	\$1,058,780	\$1,356,784	\$1,529,596	\$1,602,376	\$1,673,386	\$1,747,071	\$1,835,361
Commercial Revenue	\$63,981	\$333,894	\$701,956	\$1,008,531	\$1,241,826	\$1,400,636	\$1,560,835	\$1,774,585	\$2,003,171	\$2,248,177
Franchise Fee	\$4,776	\$23,795	\$49,868	\$103,366	\$129,931	\$146,512	\$158,161	\$172,399	\$187,512	\$204,177
Sales Tax	\$11,939	\$59,487	\$124,670	\$180,898	\$227,378	\$256,395	\$276,781	\$301,697	\$328,146	\$357,310
Total Revenue	\$153,163	\$763,133	\$1,599,337	\$2,351,567	\$2,955,919	\$3,333,139	\$3,598,153	\$3,922,067	\$4,265,900	\$4,645,024

EXPENSE

Facilities Based Expense										
Technical Ops Salaries & Wages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Network Maintenance	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518	\$41,734	\$42,986	\$44,275	\$45,604	\$46,972
Occupancy Expense	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822	\$36,896	\$38,003	\$39,143
Network Backbone	\$72,000	\$74,160	\$76,385	\$78,676	\$81,037	\$83,468	\$85,972	\$88,551	\$91,207	\$93,944
Tools & Equipment	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Vehicle Expense	\$10,800	\$11,124	\$11,458	\$11,801	\$12,155	\$12,520	\$12,896	\$13,283	\$13,681	\$14,092
Total Facilities Based Expenses	\$153,800	\$158,414	\$163,166	\$168,061	\$173,103	\$178,296	\$183,645	\$189,155	\$194,829	\$200,674

Sales & Marketing										
Residential Commissions	\$3,510	\$11,787	\$18,151	\$20,691	\$21,850	\$22,289	\$22,737	\$23,193	\$23,658	\$24,133
Commercial Commissions	\$1,280	\$6,678	\$14,039	\$20,171	\$24,837	\$28,013	\$31,217	\$35,492	\$40,063	\$44,964
Payroll Taxes	\$366	\$1,413	\$2,463	\$3,126	\$3,572	\$3,848	\$4,127	\$4,489	\$4,875	\$5,286
Benefits	\$2,076	\$8,004	\$13,954	\$17,714	\$20,239	\$21,806	\$23,389	\$25,440	\$27,623	\$29,954
Advertising	\$60,000	\$120,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Total Marketing Expense	\$67,232	\$147,882	\$108,607	\$121,701	\$130,497	\$135,956	\$141,471	\$148,615	\$156,220	\$164,337

General & Administrative										
Cost Service & Ops Salary/Wages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Training	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Occupancy	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
Bad Debt	\$2,297	\$11,447	\$23,990	\$35,273	\$44,339	\$49,997	\$53,972	\$58,831	\$63,989	\$69,675
Corporate Overhead	\$24,000	\$24,720	\$25,463	\$26,225	\$27,012	\$27,823	\$28,657	\$29,517	\$30,402	\$31,315
Franchise Fees	\$4,776	\$23,795	\$49,868	\$103,366	\$129,931	\$146,512	\$158,161	\$172,399	\$187,512	\$204,177
Sales Tax	\$11,939	\$59,487	\$124,670	\$180,898	\$227,378	\$256,395	\$276,781	\$301,697	\$328,146	\$357,310
Total G&A Expense	\$67,012	\$143,449	\$247,990	\$369,754	\$452,660	\$504,727	\$541,571	\$586,444	\$634,049	\$686,476

Total Data Expenses	\$288,045	\$449,744	\$519,763	\$659,517	\$756,261	\$818,979	\$866,687	\$924,213	\$985,099	\$1,051,487
Total Data Operating Income	(134,882)	\$313,389	\$1,079,574	\$1,692,050	\$2,199,659	\$2,514,160	\$2,731,465	\$2,997,853	\$3,280,802	\$3,593,537

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Telephony Customer Growth

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Year 1 Year 2 Year 3 Year 4 Year 5 Year 6 Year 7 Year 8 Year 9 Year 10

RESIDENTIAL TELEPHONE

<u>Residential Households Available</u>	13,000	26,084	26,606	27,138	27,681	28,234	28,799	29,375	29,962	30,562
Residential Penetration	5%	10%	12%	14%	16%	17%	18%	19%	20%	20%
Ending Customers	650	2,608	3,193	3,799	4,429	4,800	5,184	5,581	5,992	6,112
Average Customers	325	1,629	2,901	3,496	4,114	4,614	4,992	5,383	5,787	6,052
Avg. Res. Lines @ 1.1 lines per Customer	358	1,792	3,191	3,846	4,525	5,076	5,491	5,921	6,366	6,658
Res. Local Service Revenue/Line/Mo.	\$18.50	\$18.50	\$18.50	\$18.50	\$18.50	\$18.50	\$18.50	\$18.50	\$18.50	\$18.50
Res. Long Distance Revenue/Line/Mo.	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Residential Local Revenue	\$79,365	\$397,851	\$708,312	\$853,720	\$1,004,661	\$1,126,824	\$1,218,997	\$1,314,407	\$1,413,146	\$1,477,993
Residential Long Distance Revenue	\$64,350	\$322,581	\$574,307	\$692,205	\$814,589	\$913,640	\$988,375	\$1,065,735	\$1,145,793	\$1,198,372

COMMERCIAL TELEPHONE

Small/Medium Businesses Available	1,000	3,000	4,000	4,050	4,100	4,150	4,200	4,250	4,300	4,350
Penetration	8%	14%	18%	22%	24%	26%	27%	28%	29%	30%
Ending Small/Medium Business Cust.	80	420	720	891	984	1,079	1,134	1,190	1,247	1,305
Average S/M Business Customers	40	250	570	806	938	1,032	1,107	1,162	1,219	1,276
Average Lines/Business	8	8	8	8	8	8	8	8	8	8
Ending Small/Medium Business Lines	320	2,000	4,560	6,444	7,500	8,252	8,852	9,296	9,748	10,208
S/M Business Local Revenue/Line/Mo.	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00	\$ 45.00
S/M Business Long Dist. Rev/Line/Mo.	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
S/M Business Local Revenue	\$172,800	\$1,080,000	\$2,462,400	\$3,479,760	\$4,050,000	\$4,456,080	\$4,780,080	\$5,019,840	\$5,263,920	\$5,512,320
S/M Business Long Distance Revenue	\$96,000	\$600,000	\$1,368,000	\$1,933,200	\$2,250,000	\$2,475,600	\$2,655,600	\$2,788,800	\$2,924,400	\$3,062,400

Jackson Energy Authority
 FTTH Broadband Financial Projections - 2002
 Telephony Customer Growth

Page: 11

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Large Businesses Available	50	100	105	110	112	114	116	118	120	122
Penetration	3%	4%	5%	7%	9%	11%	12%	13%	14%	15%
Ending Large Business Customers	2	4	5	8	10	13	14	15	17	18
Average Large Business Customers	1	3	5	6	9	11	13	15	16	18
Average Lines/Business	50	50	50	50	50	50	50	50	50	50
Ending Large Business Lines	38	138	231	324	445	566	662	732	804	878
Large Bus. Local Revenue/Line/Mo.	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00
Large Bus. Long Dist. Rev./Line/Mo.	\$46.67	\$46.67	\$46.67	\$46.67	\$46.67	\$46.67	\$46.67	\$46.67	\$46.67	\$46.67
Large Business Local Revenue	\$15,750	\$57,750	\$97,125	\$135,975	\$186,690	\$237,510	\$277,830	\$307,230	\$337,470	\$368,550
Large Business Long Distance Revenue	\$21,002	\$77,006	\$129,509	\$181,313	\$248,938	\$316,703	\$370,466	\$409,669	\$449,992	\$491,435
TOTAL BUSINESS LINES	338	2,138	4,791	6,768	7,945	8,818	9,514	10,028	10,552	11,086
Total Commercial Revenue	\$305,552	\$1,814,756	\$4,057,034	\$5,730,248	\$6,735,628	\$7,485,893	\$8,083,976	\$8,525,539	\$8,975,782	\$9,434,705
Total Residential & Business Lines	715	3,930	7,982	10,613	12,470	13,893	15,004	15,948	16,917	17,743
TOTAL LOCAL REVENUE	\$267,915	\$1,535,601	\$3,267,837	\$4,469,455	\$5,241,351	\$5,820,414	\$6,276,907	\$6,641,477	\$7,014,536	\$7,358,863
TOTAL LONG DISTANCE REVENUE	\$181,351	\$999,587	\$2,071,816	\$2,806,718	\$3,313,527	\$3,705,943	\$4,014,442	\$4,264,204	\$4,520,185	\$4,752,207
Voice Mail Penetration - Residential	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Small/Medium Businesses	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Voice Mail Rate	\$3.95	\$3.95	\$3.95	\$3.95	\$3.95	\$3.95	\$3.95	\$3.95	\$3.95	\$3.95
Features	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
RESIDENTIAL DATA											
Residential Households Available	13,000	26,084	26,606	27,138	27,681	28,234	28,799	29,375	29,962	30,562	
Residential Video Penetration	27%	32%	38%	40%	40%	40%	40%	40%	40%	40%	
Ending Video Customers	3,510	8,347	10,110	10,855	11,072	11,294	11,520	11,750	11,985	12,225	102,667
Average Video Customers	1,755	5,893	9,076	10,346	10,925	11,145	11,369	11,597	11,829	12,067	
Residential Data Pass. Of Video Avg. Cust.											
High Speed Data Level 1 - \$24.95	2%	2%	3%	4%	4%	4%	4%	4%	4%	4%	
High Speed Data Level 2 - \$29.95	3%	4%	5%	6%	8%	8%	8%	8%	8%	8%	
High Speed Data Level 3 - \$34.95	5%	9%	12%	13%	18%	18%	18%	18%	18%	18%	
Modem Rental - \$2.95	10%	13%	15%	15%	10%	5%	4%	2%	0%	0%	
High Speed Data Level 1 - ending cust	70	167	303	434	443	452	461	470	479	489	
High Speed Data Level 2 - ending cust	105	334	506	651	886	903	922	940	959	978	
High Speed Data Level 3 - ending cust	176	751	1213	1628	1993	2033	2074	2115	2157	2200	
High Speed Data Level 1 - avg cust	35	119	235	369	439	448	457	466	475	484	
High Speed Data Level 2 - avg cust	53	220	420	579	769	895	913	931	950	969	
High Speed Data Level 3 - avg cust	88	464	982	1,421	1,811	2,013	2,054	2,095	2,136	2,179	
Residential Data Revenue											
High Speed Data Level 1 - \$24.95	\$10,479	\$36,543	\$74,644	\$120,559	\$147,765	\$155,321	\$163,198	\$171,408	\$179,964	\$189,074	
High Speed Data Level 2 - \$29.95	\$18,869	\$81,255	\$160,141	\$227,192	\$310,864	\$372,687	\$391,592	\$411,518	\$432,286	\$454,164	
High Speed Data Level 3 - \$34.95	\$36,907	\$200,224	\$436,933	\$651,001	\$854,626	\$978,720	\$1,028,363	\$1,080,362	\$1,134,821	\$1,192,123	
Modem Rental - \$2.95	\$6,213	\$27,935	\$31,126	\$60,029	\$43,529	\$22,868	\$19,222	\$10,098	\$0	\$0	
Total Residential Data Revenue	\$72,467	\$345,957	\$722,843	\$1,058,780	\$1,356,784	\$1,529,596	\$1,602,376	\$1,673,386	\$1,747,071	\$1,835,361	
COMMERCIAL DATA											
Small/Medium Businesses Available	1,000	3,000	4,000	4,050	4,100	4,150	4,200	4,250	4,300	4,350	
Data Penetration											
Business Level 1 - \$79.95	6%	6%	7%	7%	7%	8%	8%	8%	8%	8%	
Business Level 2 - \$149.95	1%	2%	3%	4%	5%	5%	6%	6%	7%	7%	
Business Level 3 - \$249.95	1%	2%	2%	3%	3%	3%	3%	4%	4%	5%	
Business Level 1 - ending customers	60	180	280	284	287	332	336	340	344	348	
Business Level 2 - ending customers	10	60	120	162	205	208	252	255	301	305	
Business Level 3 - ending customers	10	60	80	122	123	125	126	170	172	218	
Business Level 1 - average customers	30	120	230	282	285	310	334	338	342	346	
Business Level 2 - average customers	5	35	90	141	184	206	230	254	278	303	
Business Level 3 - average customers	5	35	70	101	122	124	125	148	171	195	
Small/Medium Business Revenue											
Business Level 1 - \$79.95	\$28,782	\$118,582	\$234,100	\$295,376	\$308,017	\$344,228	\$382,622	\$398,820	\$415,646	\$433,123	
Business Level 2 - \$149.95	\$8,997	\$64,868	\$171,809	\$277,242	\$371,632	\$430,237	\$493,636	\$561,004	\$633,680	\$710,799	
Business Level 3 - \$249.95	\$14,997	\$108,128	\$222,744	\$330,211	\$412,698	\$410,294	\$448,575	\$545,955	\$649,723	\$762,161	
Total Small/Medium Business Revenue	\$52,776	\$291,579	\$628,653	\$902,828	\$1,092,346	\$1,204,760	\$1,324,833	\$1,505,779	\$1,699,050	\$1,906,083	
Large Businesses Available											
Penetration	3%	4%	5%	7%	9%	11%	12%	13%	14%	15%	
Ending Large Business Customers	2	4	5	8	10	13	14	15	17	18	
Average Large Business Customers	1	3	5	6	9	11	13	15	16	18	

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE**

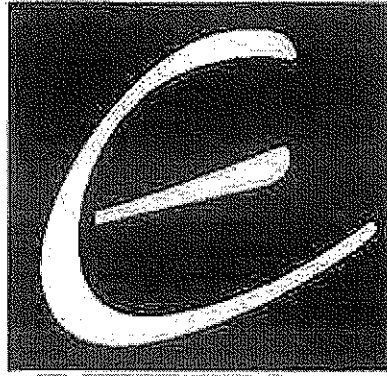
**BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND
SERVICES**

JANUARY 15, 2002

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE**

UPDATED JUNE 1, 2002



JACKSON ENERGY AUTHORITY

**Broadband Business Plan
State of Tennessee
Office of the Comptroller**

January 11, 2002

Updated June 1, 2002

RESTRICTION ON DISCLOSURE OF DATA

The data furnished in this document shall not be disclosed outside the organization or government to which it is submitted and shall not be duplicated, used, or disclosed in whole or in part, for any purpose other than to evaluate the document and to implement the plan that it sets forth. This restriction does not limit any right to use information contained in this document if it is obtained from another source.



Jackson Energy Authority

June 27, 2002

Mr. David Bowling, Director
Division of Local Finance
Office of the Comptroller of the Treasury
505 Deaderick Street, Suite 500
Nashville, Tennessee 37243-0274

Dear Mr. Bowling:

Enclosed is an updated copy of the Business Plan that we submitted to your office on January 11, 2002. The intent of this submittal is strictly to supply you with the latest financial information relating to this project. The actual circumstances and scope of this project have not changed. The only material change to the project concerns the involvement of a contract provider for telephone and Internet services rather than the participation of an investor in the telephone and Internet portion of the project as originally indicated. The Energy Authority will continue to provide both the infrastructure for the delivery of signals to the customer and the cable television services to the customer. The updated Business Plan also reflects a change in the anticipated interest rate for the bond issue of 5.884% instead of 6%, which reflects information received from the bonding companies with which we have been working. The penetration level of 40% for the cable television venture is still utilized in the updated financial projections. The anticipated amount of the bond issue remains as \$54,380,000. We have not received final proposals on the installations costs and on the fiber-optic cable material costs as of yet, so we have not updated the projected cost of construction.

If you have any questions regarding this updated information, please contact me at 731.422.7229 or e-mail me at tnanney@jaxenergy.com.

Sincerely,

Thomas E. Nanney, P.E.
Senior Vice President of Telecommunications

Enclosure: (1)

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE
Updated June 1, 2002**

**AS SET FORTH IN THE GUIDELINES FOR THE BUSINESS PLAN TO BE PREPARED BY
MUNICIPALITIES DESIRING TO PROVIDE CABLE, TWO-WAY VIDEO, VIDEO
PROGRAMMING, INTERNET, OR SIMILAR SERVICES**

- A. The Jackson Energy Authority (the "**Authority**"), as a governmental authority that operates as a public corporation, with all the authorities granted to municipal water, wastewater, gas, telecommunications and electric utility systems, desirous of providing cable services, two way video transmission, video programming, Internet services, or other similar services (the "**Services**"), hereby submits a detailed business plan to the Office of the Comptroller of the Treasury for the State of Tennessee. (Chapter 481, Tennessee Public Acts of 1999; Tennessee Code Annotated Title 7, Chapter 52, Part 6.)
- B. The business plan is hereby submitted to:
- Mr. John G. Morgan
Comptroller of the Treasury
First Floor, State Capitol
Nashville, Tennessee 37243-0274
(Phone: 615.741.4276; Fax: 614.532.9237)
- C. The business plan meets the following conditions:
- Condition 1: The **Services** in this filing do not include telephone, telegraph and telecommunications services, which are permitted under the authority of Title 7, Chapter 52, Part 4, Tennessee Code Annotated.
- Condition 2: The business plan does not propose that the **Services** be provided in any area where a privately-held cable television operator is providing cable service over a cable system and in total serves 6,000 or fewer subscribers over one or more cable systems.
- Condition 3: The business plan does not propose that the **Services** be provided in any area where an existing telephone cooperative has been

providing cable service for not less than ten (10) years under the authority of the Federal Communications Commission.

Condition 4: The detailed business plan is hereby authorized and submitted to the Office of the Comptroller of the Treasury by the Jackson Energy Authority, a governmental agency that operates as a public corporation with all the authorities granted to municipal water, wastewater, gas, telecommunications, and electric utility systems, upon the approval and at the direction of the governing board of the Jackson Energy Authority, as evidenced by the resolution of the Board of Directors, dated January 11, 2002, attached as Tab1, Exhibit 1.

D. The following are included as a part of this detailed business plan:

1. Management statement: In addition to statements made regarding adherence to Conditions 1, 2, 3 and 4 in Section C herein, a management statement is attached as Tab 2, Exhibit 2.
2. Governing Board action: A copy of action taken by the Board of Directors of the Jackson Energy Authority, held on January 11, 2002, authorizing the submission of the business plan to the Office of the Comptroller is attached as Tab 1, Exhibit 1.
3. Cost benefit analysis: A three-year cost benefit analysis, which identifies and discloses the total projected direct cost and indirect cost of and revenues to be derived from providing the **Services** is attached as Tab 3, Exhibit 3. Although a three-year analysis is required by statute, a ten-year period is reflected to help determine the feasibility of the plan. Exhibit 3 – Page 1 identifies each of the revenue producing programs included in the plan. Exhibit 3 – Page 2 describes, in detail, the calculations used in determining the projections of revenues and expenditures in each program. Exhibit 3 – Page 3 indicates the number of customers expected under each program. Exhibit 3 – Page 5 and Page 6 indicates the fees to be charged for the **Services** to be provided in each program. The business plan does not reflect nor anticipate any indirect costs being allocated between the electric system and the telecommunications program, therefore, there is not method used in calculating such costs. The cost benefit analysis and the business plan include all costs attributable to management, personnel resources, physical resources, information systems, supplies, communications and all other capital and operating costs required to construct and operate the system and to provision the **Services**. It should be assumed that all costs in the business plan would be directly accounted to the appropriate system. The business plan assumes that the **Authority** will maintain separate books and records from other utility operations for all expenses and capital costs attributable to the project and the provisioning of the **Services**.

4. Description of Services: A description of the quality and level of **Services** to be provided is attached as Tab 4, Exhibit 4.
5. Pro forma financial statements are attached as tab 5, Exhibit 5.
6. A detailed financing plan is attached as Tab 6, Exhibit 6. The most recent debt issued by the **Authority** closed November 30, 2000, for an amount of \$5,600,000, and carried a net interest cost of 4.16%, shown as Tab 7, Exhibit 7.
7. A detailed marketing plan is attached as Tab 8, Exhibit 8.
8. A detailed rate structure is attached as Tab 9, Exhibit 9.

E. The following additional information is provided as required in the guidelines:

1. The address of the chief legislative body and governing board of the Jackson Energy Authority is:

Attn:
Chair, Board of Directors
Jackson Energy Authority
P.O. Box 68
Jackson, Tennessee 38302-0068

2. A statement from Mr. John Williams, President of the **Authority** pertaining to the following issues is attached hereto as Tab 10, Exhibit 10: (a) the reasons for establishing a telecommunications program; (b) a comparison of the proposed system to any incumbent system currently serving the area, including comparisons of charges, equipment, systems, customers, etc.; and (c) a description of the advantages subscribers will experience in choosing the municipal telecommunications system's program over an incumbent provider's program.
3. A statement that the accounting and record-keeping system to be maintained by the **Authority** for the telecommunications program will be sufficient to accurately reflect the financing operations of the division, and will be structured in such a manner as to provide sufficient control against cross-subsidization of revenues/expenses of the telecommunications program by the **Authority** is attached as Tab 11, Exhibit 11.
4. A statement concerning the most recent pole charges paid by an incumbent provider of these services and a comparison of these to similar charges included in the business plan, as required by law, is attached as Tab 12, Exhibit 12.

5. A statement concerning any in-lieu-of taxes to be paid by the telecommunications division representing excise taxes, franchise taxes, sales taxes, and local privilege taxes, as required by law, and a comparison of these to similar taxes paid by any incumbent provider of these services is attached as Tab 13, Exhibit 13.
6. A statement concerning tax-equivalent payments to be made by the telecommunications division to the local government, as required by law, and comparison of these tax payments made by any incumbent provider of these services is attached as tab 14, Exhibit 14.
7. A copy of the most recently completed audited financial reports for the **Authority** is attached as Tab 15, Exhibit 15.
8. The name, street address and telephone number of the office where an interested party could go to examine the business plan is:

Jackson Energy Authority
119 E. College Street
Jackson, Tennessee 38301
Phone: 731.422.7500

- F. The **Authority** understands that during the review process, the Comptroller may request information from representatives of an incumbent provider of similar services in the area proposed to be covered by the plan; and, in requesting such information, may also provide information concerning the plan to such incumbent.
- G. It is the understanding of the Authority that the Comptroller's Office will acknowledge receipt of the business plan and has sixty (60) days to review the plan and prepare a written analysis of its feasibility to the chief legislative body and the governing board of the Authority. The Authority also understands that in the event the Comptroller's Office does not respond within a sixty (60) day period, the governing board may proceed as provided in the statutes. Further, the Authority understands that the sixty (60) day period does not commence until all information required by the statutes to be included in the business plan has been submitted to the Comptroller's Office, including, but not limited to, any additional information requested by the Comptroller as described in Section E.

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES**

SCHEDULE OF EXHIBITS

TAB 1	Jackson Energy Authority Board Minutes
TAB 2	Jackson Energy Authority Management Statement
TAB 3	Cost Benefit Analysis
TAB 4	Description of Quality and Level of Services
TAB 5	Pro Forma Financial Statements
TAB 6	Detailed Financing Plan
TAB 7	Jackson Energy Authority Bond Issue Official Statement
TAB 8	Marketing Plan
TAB 9	Service Rate Structure
TAB 10	Chief Operating Officer Statement
TAB 11	Cross-subsidization Statement
TAB 12	Pole Charges Statement
TAB 13	In-lieu-of Taxes Statement
TAB 14	Tax-equivalent Payment Statement
TAB 15	Jackson Energy Authority Audited Financial Statement

Jackson Energy Authority
Meeting of the Board of Directors
January 11, 2002

Resolution approving submittal of broadband network business plan to Comptroller of the Treasury, State of Tennessee.

Background:

The Jackson Energy Authority was authorized to provide telecommunications services by the Tennessee State Legislature in the Private Acts, 2001, Public Chapter No. 55. In general, municipalities are authorized to provide telecommunications services as set forth in Tennessee Code Annotated, Title 7, Chapter 52, as amended, and the Communications Act of 1934, as amended by the Telecommunications Act of 1996. This authorization includes the right of the Jackson Energy Authority to provide telephone, cable television, and high-speed data services, including Internet access, along with any other communication services desired by the community, including the right to secure financing for these ventures.

Following the passage of the enabling legislation, the Jackson Energy Authority began a study process at the instruction of the Board of Directors to establish the feasibility of entering these markets. With the advances in technology, a fiber-to-the-home broadband network that is capable of delivering cable television, telephone and high-speed data service to the Authority's residential and commercial customers has become feasible. A business plan has been prepared with supporting financial projections and market surveys that verifies the feasibility of this venture and the soundness of the investment in a state-of-the-art broadband telecommunications network.

Approved Resolution:

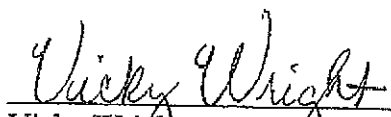
RESOLVED, by the Board of Directors of the Jackson Energy Authority, duly assembled on January 11, 2002, a quorum being present, that the Jackson Energy Authority intends to pursue the opportunity associated with the construction and operation of a broadband network that will provide cable television and other communication services.

FURTHER RESOLVED, That the Authority intends to secure financing intended solely for the capitalization, acquisition, construction, operation, maintenance, and expansion of said network, and that the Authority will be reimbursed from the proceeds of any revenue bonds or other financial arrangements for capitalization of the network for expenses incurred during the development stages associated with the start-up of said network.

FURTHER RESOLVED, That the Board of Directors of Jackson Energy Authority hereby authorizes the President to forward a copy of the feasibility study and business plan to the Tennessee Comptroller for review.

ADOPTED this 11th day of January, 2002.

ATTEST:


Vicky Wright, Secretary


Sarah T. Barnes, Chair

EXHIBIT 1

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
CONTROLLER OF THE TREASURY
STATE OF TENNESSEE
Updated June 1, 2002**

**AS SET FORTH IN THE GUIDELINES FOR THE BUSINESS PLAN TO BE
PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE CABLE, TWO-WAY
VIDEO, VIDEO PROGRAMMING, INTERNET, OR SIMILAR SERVICES**

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

I. The Jackson Energy Authority Board Members

Board Members	Term
Sarah T. Barnes – Chair Retired School Teacher	July 1993 – June 2003
Joe Bigford – Vice Chair President, City Concrete Company	July 1995 – June 2005
Lloyd McKelvey President, Mack Pest Control	July 1999 – June 2004
Harbert Alexander Chairman of the Board Union Planters Bank, Jackson, TN	July 1997 – June 2002
Ken Marston	April 2002 – June 2006

II. Existing Jackson Energy Authority Employees involved in Telecommunications Division

John W. Williams, President/CEO – Mr. Williams has been President of the Jackson Energy Authority since April 1, 1990, and has responsibility for the management of the **Authority's** electric, gas, water and wastewater systems. Prior to April 1, Mr. Williams served as Assistant Manager from July 1, 1988. He is a graduate of the University of Tennessee (B.S., Electric Engineering; M.S., Engineering Management). Mr. Williams is a registered Professional Engineer in the States of Tennessee and Georgia. Mr. Williams began his career with the **Authority** in 1964 as a cooperative engineering student with the **Authority's** Electric Department. He was employed as a Project Engineer upon graduation in 1969 and subsequently was promoted to Chief Engineer of the **Authority's** Electric Department, except for a two-year period in 1975 to 1977 when he was in private practice as a consulting engineer for electric power systems. Mr. Williams was the Manager of the Gas Department of the **Authority** for approximately eleven years prior to 1988.

Dana R. Wheeler, Senior Vice President, Electric Division – Mr. Wheeler has been Senior Vice President of the Jackson Energy Authority's Electric Division

since January 1998, and has responsibility for the management of the electric system. Prior to January 1998, Mr. Wheeler served as Vice President of Business Development. He is a graduate of the University of Tennessee (B.S., Electrical Engineering) and is a Registered Professional Engineer in the State of Tennessee. Mr. Wheeler began his career with the **Authority** in 1966 as a cooperative engineering student with the **Authority's** Electric Department. He was employed as a Project Engineer with the **Authority** following graduation in 1970. Mr. Wheeler left the **Authority** in 1976 to work with a utility supply company as a sales engineer and then as President of a retail computer franchise. He returned to the **Authority** in 1986 as the Vice President of Business Development.

Thomas E. Nanney, Senior Vice President, Telecommunications – Mr. Nanney has been Vice President of Telecommunications for the **Authority** since November 5, 2001, and has the responsibility for the development of telecommunications activities of the **Authority**. Prior to November 2001, Mr. Nanney served as Vice President of Business Development, having also held positions as Vice President of Engineering and Vice President of Operations. He is a graduate of the University of Tennessee (B.S., Electrical Engineering), the University of Memphis (M.B.A., Management), and is a Registered Professional Engineer in the State of Tennessee. Mr. Nanney began his career with the **Authority** in 1971 as a cooperative engineering student. He was employed by the **Authority** in 1977 as a Project Engineer following two years of employment with TVA.

Kim K. Kersey, Senior Vice President, Cable Television – Mr. Kersey was hired by the Jackson Energy Authority in November 2001 to head up the cable television initiative for the **Authority**. He has direct responsibility for all aspects of the cable television operation, including plan development and system construction. Prior to joining the **Authority**, Mr. Kersey worked in the cable television industry for 28 years in marketing and operations management positions. He was General Manager for the Tuscaloosa, Alabama cable television system from 1981 to 1991 when he relocated to Jackson, Tennessee to manage that cable system. Mr. Kersey was General Manager for the Jackson, Tennessee cable system until 1998 when he was promoted to Group Director of Operations for Charter Communications' cluster of cable systems serving over 90,000 customers in West Tennessee and West Kentucky. Mr. Kersey is a graduate of Rhodes College in Memphis, Tennessee and has served as a board member and chairman of the cable television trade associations in Alabama and Tennessee.

EXHIBIT 2

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
CONTROLLER OF THE TREASURY
STATE OF TENNESSEE
Updated June 1, 2002**

**AS SET FORTH IN THE GUIDELINES FOR THE BUSINESS PLAN TO BE
PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE CABLE, TWO-WAY
VIDEO, VIDEO PROGRAMMING, INTERNET, OR SIMILAR SERVICES**



Jackson Energy Authority

John W. Williams
President & CEO

January 11, 2002

Mr. John G. Morgan
Comptroller of the Treasury
First Floor, State Capitol
Nashville, Tennessee 37243

Dear Mr. Morgan:

The Jackson Energy Authority ("the Authority") hereby submits a detailed business plan associated with the development of a broadband network dated January 11, 2002, prepared by Jackson Energy Authority with the assistance of United Telesystems, Inc., of Savannah, Georgia (the "Business Plan"). The Business Plan is submitted upon the approval and at the direction of the Board of Directors of the Authority. All associated documentation indicating such are attached hereto.

The Authority was created on July 1, 2001, as a governmental authority that operates as a public corporation, with the all the authorities granted to municipal water, wastewater, gas, telecommunications and electric utility systems as authorized by the general laws of the State of Tennessee.

The Business Plan is not submitted for the provisioning of telephone, telegraph, and telecommunications services permitted under Title 7, Chapter 52, Part 4, TCA. The proposed service area is not: (a) an area where a privately-held cable television operator is providing cable service over a cable system and in total serves 6,000 or fewer subscribers; or (b) an area of an existing telephone cooperative that has been providing cable service for not less than ten (10) years under the authority of the Federal Communications Commission.

To date, the Authority has incurred an estimated cost of \$85,000 associated with the preparation of the Business Plan. Attached are copies of invoices pertaining to this preparation.

The address of the chief legislative body and governing board of the Jackson Energy Authority is:

Board of Directors
Jackson Energy Authority
P. O. Box 68
Jackson, Tennessee 38302-0068

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
CONTROLLER OF THE TREASURY
STATE OF TENNESSEE
Updated June 1, 2002**

**BROADBAND INITIATIVE FINANCIAL PROJECTIONS
REVENUE AND EXPENSES CALCULATION SUMMARY**

I. SUMMARY

The financial projections included in the Broadband Business Plan were prepared under the assumption that the construction and operation of the broadband network and the associated business would be developed as a division of the Jackson Energy Authority. No consideration has been given in the Broadband Business Plan to possible operating expense or capital cost savings realized through the utilization of existing **Authority** resources. The implementation of the plan as set forth in the Broadband Business Plan anticipates that the broadband services division the **Authority** will operate as a "stand alone" entity and therefore, the Broadband Business Plan does not contemplate that the project will have any impact on existing utility department resources. The **Authority's** Broadband Division Organizational chart is attached hereto as Attachment 1.

The Broadband Business Plan and associated financial projections represent a plan, which by design is intended to be conservative in all respects. For example, expense items such as franchise fees and pole attachment rental are shown as being paid by the Authority's broadband services division. It is likely that existing Authority resources can be integrated into the operation of the Broadband Division to reduce capital expenditures and operating expenses.

II. DESCRIPTION OF CALCULATIONS

Following, please find references to the financial projections:

A. Revenue Producing Programs and Expenditures

1. Video Services Revenue: See attached "Video Revenue" schedule.
2. Video Services Operating Expenses: Video services operating expenses equal a total of the following (see attached "Video Services Operating Expenses" schedules as described below):

Video Programming Expenses +
General & Administrative Expenses +
Facilities Based Expenses +
Sales & Marketing Expenses =
Total Video Service Operating Expenses

3. Telephone and Data Access Revenue: Revenue for access to the Authority's customers through the fiber-optic broadband system has been calculated using the estimated rates and charges as shown under Tab 4 as attachments. Using estimated penetration levels and these charges, the access revenue is calculated as a percentage of gross revenue from telephone and data sales.

B. Video Service Revenue

1. Revenue derived from all tiers of Video Services are computed taking the average of the service tier rate per customer (the service rates times the percentage of the service penetration for that like tier of service) and multiplying that times the average total "Basic" service tier customers.

Please contact Thomas E. Nanney with Jackson Energy Authority at 731.422.7229 or via e-mail at tnanney@jaxenergy.com at your convenience with any additional questions and/or comments.

Jackson Energy Authority
FTH Broadband Financial Projections - 2002
Summary

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Market Share 40% Expanded Basic \$ 27.00 \$ 36.95 rate

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Homes Passed	13,000	26,084	26,606	27,138	27,681	28,234	28,799	29,375	29,962	30,562

Begin. Subscribers	0	3,510	8,277	9,874	10,817	11,034	11,256	11,482	11,712	11,947
	0.27	0.37	3.38	1.40	0.40	0.40	0.40	0.40	0.40	0.40
New Connects	3,510	4,837	1,763	745	217	222	226	230	235	240
Reconnects	300	632	1,490	2,172	2,163	2,207	2,251	2,296	2,342	2,389
Churn %	3,810	5,469	3,253	2,917	2,380	2,429	2,477	2,526	2,577	2,629
	10.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Disconnects	300	702	1,655	1,975	2,163	2,207	2,251	2,296	2,342	2,389
	3,510	4,767	1,597	942	217	222	226	230	235	240
	27%	32%	37%	40%	40%	40%	40%	40%	40%	40%

Total Connects										
Net Gain										
Ending Subscribers	3,510	8,277	9,874	10,817	11,034	11,256	11,482	11,712	11,947	12,187
Avg. Subscribers	1,755	5,893	9,076	10,346	10,925	11,145	11,369	11,597	11,829	12,067
Ending Penetration	27.0%	31.7%	37.1%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%

Homes Passed by Area

Total	13,000	26,084	26,606	27,138	27,681	28,234	28,799	29,375	29,962	30,562
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Total Video Customers

Percentage Residential Mkt Penetrati	27%	32%	38%	40%	40%	40%	40%	40%	40%	40%
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Average Video Customers

Average Video Customers %	1,755	5,893	9,076	10,346	10,925	11,145	11,369	11,597	11,829	12,067
	13.50%	22.59%	34.11%	38.12%	39.47%	39.47%	39.48%	39.48%	39.48%	39.48%

Bulk Commercial Units Passed

Begin Commercial Units Passed	0	1,800	3,200	3,350	3,500	3,650	3,800	3,950	4,100	4,250
Jackson, TN	1,800	1,400	100	100	100	100	100	100	100	100
Madison County, TN	0	0	50	50	50	50	50	50	50	50
Ending Commercial Units Passed	1,800	3,200	3,350	3,500	3,650	3,800	3,950	4,100	4,250	4,400

Bulk Commercial Customers

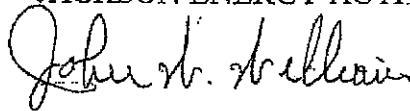
Mr. John G. Morgan
January 11, 2001
Page 2

Although the Office of the Comptroller of the Treasury of the State of Tennessee (the "Office of the Comptroller") will review the Business Plan, the Authority's management and Board of Directors understand that pursuant to the provisions of Title 7, Chapter 53, Part 602, Tennessee Code Annotated, which states that the Office of the Comptroller "shall provide a written analysis of the feasibility of the proposed business plan," the Office of the Comptroller will not be making a determination as to the feasibility of the project, but will, however, make an analysis as to the project's potential feasibility based upon the assumptions set forth. Further, the Authority's management and Board of Directors fully understand their role and sole responsibility regarding pursuing the development of the project based upon their assessment of the business plan and its feasibility.

Should you have any additional questions or comments, please do not hesitate to contact me at your convenience at 731.422.7201, Mr. Tommy Nanney, Senior Vice President, Telecommunications Division at 731.422.7229, Mr. Kim Kersey, Vice President, Cable Television Division at 731.422.7257 or our consultant, Allen Davis, President of United Telesystems, Inc., at 912.598.7223.

Sincerely,

JACKSON ENERGY AUTHORITY

A handwritten signature in dark ink, appearing to read "John W. Williams", is written over the typed name.

John W. Williams
President

JWW/vw

Attachments

EXHIBIT 3

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
CONTROLLER OF THE TREASURY
STATE OF TENNESSEE
Updated June 1, 2002**

**AS SET FORTH IN THE GUIDELINES FOR THE BUSINESS PLAN TO BE
PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE CABLE, TWO-
WAY VIDEO, VIDEO PROGRAMMING, INTERNET, OR SIMILAR SERVICES**

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Summary

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	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Market Share		40%	Expanded Basic \$ 27.00						
				\$ 36.95 rate						
Begin Bulk Commercial Customers	0	600	1,400	2,200	2,800	2,900	3,000	3,100	3,200	3,300
Customers Added	600	800	800	600	100	100	100	100	100	100
Ending Bulk Commercial Customers	600	1,400	2,200	2,800	2,900	3,000	3,100	3,200	3,300	3,400
Average Bulk Commercial Customers	300	1,000	1,800	2,500	2,850	2,950	3,050	3,150	3,250	3,350
<u>Small/Medium Businesses Passed</u>										
Begin S/M Business Addresses	0	1,000	3,000	4,000	4,050	4,100	4,150	4,200	4,250	4,300
Addresses Added	1,000	2,000	1,000	50	50	50	50	50	50	50
Ending S/M Business Addresses	1,000	3,000	4,000	4,050	4,100	4,150	4,200	4,250	4,300	4,350
<u>Small/Medium Business Accounts</u>										
Begin S/M Business Accounts	0	150	450	650	750	850	900	950	1,000	1,050
Accounts Added	150	300	200	100	100	50	50	50	50	50
Ending S/M Business Accounts	150	450	650	750	850	900	950	1,000	1,050	1,100
Average Business Accounts	75	300	550	700	800	875	925	975	1,025	1,075
<u>Large Businesses Passed</u>										
	50	100	105	110	112	114	116	118	120	122
Total cust	3,660	8,797	10,760	11,605	11,922	12,194	12,470	12,750	13,035	13,325
Average cust	1,830	6,193	9,626	11,046	11,725	12,020	12,294	12,572	12,854	13,142
<u>Total Plant Miles by Area</u>										
Jackson, TN	220.00	469.08	474.72	480.42	486.18	492.02	497.93	503.91	509.95	516.08
Madison County, TN	0.00	188.82	191.09	193.38	195.70	198.05	200.43	202.84	205.27	207.74
Total	220	658	666	674	682	690	698	707	715	724
<u>Plant Miles % per Area</u>										
Jackson, TN	100.00%	71.30%	71.30%	71.30%	71.30%	71.30%	71.30%	71.30%	71.30%	71.30%
Madison County, TN	0.00%	28.70%	28.70%	28.70%	28.70%	28.70%	28.70%	28.70%	28.70%	28.70%

Proposed Rates and Charges

Cable Television Service

	<u>Rate</u>
Basic Cable (18 Channels)	\$9.95
Expanded Service (52 Channels)	<u>\$27.00</u>
STANDARD SERVICE (70 Channels)	\$36.95

Digital Cable Service with Remote Control Digital Converter	\$12.95
(26 Digital Nets + 45 Music Choice Chs. + On-Screen Guide + PPV+ Line Maint. Plan)	
COMPLETE DIGITAL STANDARD SERVICE	\$49.90

Premium Services and Pay-Per-View

Analog HBO (3 Channels - No Converter Required)	\$11.95
HBO Digital Service (7 Channels)	\$11.95
Cinemax Digital Group (4 Channels)	\$9.95
Showtime Digital Group (5 Channels)	\$10.95
The Movie Channel Group (3 Channels)	\$8.95
Starz/Encore (7 Channels)	\$7.95
IFC, Flix, Sundance (4 Channels)	\$6.95
HBO/Cinemax Combo	\$19.95
Showtime/Movie Channel Combo	\$12.95
InDemand PPV Movies, each	\$3.99
Specialty PPV Movies and Events	Varies
Sports PPV Events	Varies

Equipment Rental

Standard Converter with Remote Control	\$1.00
Digital Converter with Music Choice, Guide & PPV only	\$5.95
Additional Digital Converter, each	\$3.95

Installation and Other Charges

Unwired Home	\$30.00
Prewired Home and Reconnects	\$20.00
Additional Outlet (same trip)	\$10.00
Additional Outlet (separate trip)	\$20.00
Relocate Outlet (same trip)	\$10.00
Relocate Outlet (separate trip)	\$20.00
Custom Installation (Wired within walls)	\$40.00
Service Upgrade/Equipment Delivery	\$20.00
Line Maintenance Plan (recommended, free with Digital Service)	\$2.95
Returned Check Charge	\$25.00
Hourly Service Call	\$20.00
Late Payment Processing Charge	\$5.00
Franchise Fee to City	3%
Franchise Fee to County	5%
FCC Fee (monthly)	\$0.05
State Sales Tax	8.75%

Proposed Rates and Charges (Contract Provider)

High Speed Data Services

Residential

High Speed Internet Access - Level 1	\$24.95
High Speed Internet Access - Level 1	\$29.95
High Speed Internet Access - Level 1	\$34.95
Residential Modem Rental	\$2.95
Residential Service Activation	\$35.00
Ethernet Card and Installation	\$99.00

Commercial

Commercial High Speed Data - Level 1	\$49.95
Commercial High Speed Data - Level 2	\$79.95
Commercial High Speed Data - Level 3	\$99.95
Commercial High Speed Data - Level 4	\$119.95
Commercial High Speed Data - Level 5	\$149.95
Commercial High Speed Data - Level 6	\$179.95
Commercial High Speed Data - Level 7	\$199.95
Commercial High Speed Data - Level 8	\$249.95
Commercial High Speed Data Set Up - Level 1	\$200.00
Commercial High Speed Data Set Up - Level 2	\$225.00
Commercial High Speed Data Set Up - Level 3	\$750.00
Commercial High Speed Data Set Up - Level 4	\$775.00
Commercial High Speed Data Set Up - Level 5	\$1,125.00
Commercial High Speed Data Set Up - Level 6	\$1,150.00
Commercial High Speed Data Set Up - Level 7	\$1,500.00
Commercial High Speed Data Set Up - Level 8	\$1,525.00

Telephone Service

Residential

Local Service	\$18.50
Preferred Features	\$1.00
Line Maintenance Plan	\$1.50
Voice Mail, per line	\$3.95
Long Distance, per minute	\$0.08

Commercial

Local Service per line	\$45.00
Voice Mail, per line	\$3.95
Long Distance, per minute	\$0.05

Jackson Energy Authority
FTTH Broadband Financial Projections - 2001

VIDEO REVENUE

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Basic	\$ 209,547	\$ 703,672	\$ 1,083,619	\$ 1,235,253	\$ 1,304,475	\$ 1,370,803	\$ 1,440,096	\$ 1,513,047	\$ 1,589,682	\$ 1,670,247
Expanded Basic	521,130	1,756,705	2,705,235	3,083,789	3,256,598	3,421,688	3,595,175	3,777,294	3,968,615	4,169,743
Business Basic	3,326	15,962	31,703	43,453	59,942	76,729	92,860	109,352	126,286	143,686
Commercial Bulk Basic	18,000	60,000	108,000	150,000	171,000	182,310	194,145	206,525	219,474	233,014
Line Maintenance Plan	9,477	37,128	65,344	83,799	98,327	103,304	108,556	114,050	119,816	125,895
Set Top with Remote	421	1,414	2,178	2,483	2,622	2,755	2,894	3,041	3,195	3,357
HBO Analog Only	37,750	126,767	195,208	222,528	234,987	246,896	259,447	272,581	286,361	300,888
Commercial Bulk HBO (Analog)	12,600	42,000	75,600	105,000	119,700	127,617	135,901	144,568	153,632	163,110
HBO Digital Group	20,133	67,609	104,111	118,682	124,326	131,678	138,372	145,376	152,726	160,474
Cinemax Digital Group	15,716	52,775	81,271	92,644	97,836	102,795	108,007	113,479	119,236	125,365
Showtime Digital Group	23,061	77,439	119,252	135,940	149,548	159,824	166,514	174,931	183,806	193,101
The Movie Channel Digital Group	15,079	50,636	77,977	88,889	93,870	98,629	103,629	108,878	114,393	120,191
Starz/Encore Digital Group	16,743	56,223	86,581	98,686	104,227	109,511	115,063	120,892	127,015	133,452
Showtime Digital Combo (Show, TMC, & 1)	13,636	45,792	70,517	80,385	84,889	89,193	93,715	98,462	103,449	108,692
HBO Digital Group/Cinemax Digital Group	21,007	70,544	108,634	123,834	130,767	137,394	144,379	151,687	159,355	167,440
Independent Film Channel, Flix, Sundance (	4,391	14,745	22,707	25,884	27,335	28,721	30,177	31,705	33,312	35,000
Digital Basic Tier, Dig. Conv. w/Music Cho	54,545	181,167	352,584	482,308	594,224	713,541	805,948	886,159	993,112	1,086,919
Videa on Demand Movies & Events	3,213	3,213	3,213	3,213	3,213	3,213	3,409	3,511	3,617	3,725
Late Charges	12,636	42,432	65,344	74,488	78,662	82,649	86,840	91,239	95,860	100,718
Pay Per View Movies	16,806	56,435	108,634	148,603	183,085	219,948	248,319	273,033	305,986	334,889
Total Cable TV Customer Revenue	\$ 1,031,217	\$ 3,464,659	\$ 5,467,712	\$ 6,399,571	\$ 6,907,899	\$ 7,383,207	\$ 7,857,831	\$ 8,292,902	\$ 8,900,486	\$ 9,305,713

Advertising Revenue

Rev for Telephone/Data/System Access

Fees and taxes not reflected as revenue:

Franchise Fees

FCC Regulatory Fee

Sales Tax

	\$ 1,132,058	\$ 5,458,042	\$ 9,379,716	\$ 12,037,954	\$ 13,521,579	\$ 14,370,236	\$ 15,079,874	\$ 15,815,970	\$ 16,621,510	\$ 17,443,610
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Total Cable Television Receipts

VIDEO PROGRAMMING EXPENSES

Basic Service	\$ 8,845	\$ 30,594	\$ 48,526	\$ 56,976	\$ 61,974	\$ 65,116	\$ 68,417	\$ 71,883	\$ 75,524	\$ 79,352
Expanded Basic Service	239,225	835,465	1,267,484	1,656,107	1,857,212	2,010,984	2,159,352	2,309,077	2,478,726	2,650,242
Business Basic	1,116	5,571	11,504	16,393	20,869	23,731	26,082	28,582	31,239	34,063
Commercial Bulk Basic	6,043	20,942	39,190	56,589	67,070	72,176	77,582	83,303	89,357	95,740
Pay Programming	97,370	336,783	534,181	627,201	682,191	716,768	753,182	791,315	831,338	873,500
Commercial Bulk HBO	15,716	52,775	81,271	92,644	97,836	102,795	108,007	113,479	119,236	125,265
PPV Programming	10,084	33,861	65,180	89,162	109,851	131,909	148,591	163,820	183,592	200,933
Cable Channels	6,318	21,853	34,662	40,697	44,267	46,511	48,870	51,345	53,946	56,680
Total Programming Expense	\$ 384,717	\$ 1,237,845	\$ 2,181,999	\$ 2,635,770	\$ 2,941,270	\$ 3,169,989	\$ 3,390,483	\$ 3,612,804	\$ 3,862,948	\$ 4,115,795

Jackson Energy Authority
FTH Broadband Financial Projections - 2002

G&A EXPENSES

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Salaries & Wages	\$ 461,000	\$ 474,830	\$ 521,963	\$ 537,622	\$ 588,641	\$ 606,300	\$ 661,505	\$ 681,350	\$ 701,791	\$ 722,844
Overtime	36,880	37,986	41,757	43,010	47,091	48,504	52,920	54,508	56,143	57,828
Payroll Taxes	38,088	39,230	43,125	44,418	48,634	50,093	54,654	56,293	57,982	59,721
Benefits	196,844	205,839	226,271	233,059	255,176	262,831	286,762	295,365	304,226	313,353
Capitalized Labor	(260,928)	(268,756)	(178,012)	(106,921)	(73,419)	(37,811)	(38,945)	(40,114)	(41,317)	(42,556)
Vehicle Expense	2,175	2,262	2,352	2,447	2,544	2,646	2,752	2,862	2,977	3,096
Travel & Entertainment	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Training & Seminars	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
Audit Fees & Accounting	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Bank Charges	600	618	637	656	675	696	716	738	760	783
Contributions	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Bad Debt	16,989	81,879	140,704	180,578	202,833	215,563	226,208	237,249	249,333	261,663
Uniforms	375	375	450	450	525	525	600	600	600	600
Liability Insurance	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143
Utilities	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Janitorial Services	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Postage	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Billing Service	12,636	42,432	65,344	74,488	78,662	80,242	81,855	83,497	85,171	86,881
Dues & Subscriptions	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Rent	10,500	10,815	11,139	11,474	11,818	12,172	12,538	12,914	13,301	13,700
Telephone	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743
Office Supplies	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697
Repair & Maint.	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Office Equipment	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
Subs/Research	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
Legal	18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486
Copyright Fees	2,515	2,444	13,003	14,823	15,654	16,447	17,281	18,157	19,076	20,043
Total G & A Expenses	\$ 628,773	\$ 747,235	\$ 1,006,289	\$ 1,154,031	\$ 1,300,237	\$ 1,383,192	\$ 1,487,516	\$ 1,551,886	\$ 1,586,420	\$ 1,638,363

Fees and taxes not reflected as expenses:

Franchise Fees	36,093	177,214	305,466	553,723	622,656	661,239	683,292	726,606	763,011	800,201
FCC Regulatory Fee	842	2,829	4,356	4,966	5,244	5,349	5,457	5,566	5,678	5,792
Sales Tax	63,906	214,757	342,292	404,806	440,562	478,859	515,279	551,678	592,604	633,599
Property Tax	\$ 230,074	\$ 456,593	\$ 505,098	\$ 534,904	\$ 555,665	\$ 577,471	\$ 595,185	\$ 613,488	\$ 632,234	\$ 654,796

G&A Personnel

Sr. V.P. Telecommunications	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sr. V.P. Cable Television	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
MIS Coordinator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Customer Service Supervisor	-	-	-	-	-	-	-	-	-	-
Customer Service Representatives	4.0	4.0	5.0	5.0	6.0	6.0	7.0	7.0	7.0	7.0
Accounting Associate II	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Collections/AR Credit Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total G & A Employees	9.0	9.0	10.0	10.0	11.0	11.0	12.0	12.0	12.0	12.0

Vehicles

	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
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Jackson Energy Authority
FTTH Broadband Financial Projections - 2002

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating Management Contract										
FACILITIES BASED EXPENSES										
Salaries - Technical	\$ 439,400	\$ 452,262	\$ 537,240	\$ 588,324	\$ 678,007	\$ 772,540	\$ 795,716	\$ 819,388	\$ 844,176	\$ 869,501
Overtime	43,940	45,226	53,724	58,832	67,801	77,254	79,572	81,959	84,418	86,950
Payroll Taxes	36,976	38,085	45,209	49,507	57,004	65,009	66,968	68,968	71,037	73,168
Benefits	190,480	196,194	232,893	255,039	293,916	334,896	344,943	355,291	365,950	376,929
Capitalized Labor	(562,264)	(579,132)	(558,795)	(463,325)	(488,102)	(487,690)	(456,164)	(469,849)	(483,944)	(498,462)
Tower and Fiber Lease	72,000	74,160	76,385	48,000	49,440	50,923	52,451	54,024	55,645	57,315
Infrastructure access fees	-	-	-	-	-	-	-	-	-	-
Converter Maintenance	-	1,200	4,800	4,944	5,092	5,245	5,402	5,565	5,731	5,903
Vehicle Expense	21,000	21,000	26,600	29,400	35,000	40,600	40,600	40,600	40,600	40,600
Pole Rental	108,305	323,887	327,775	331,710	335,692	339,723	343,801	347,929	352,106	356,333
Plant Repairs & Maintenance	16,505	37,825	39,326	40,568	40,907	41,488	42,099	42,732	43,385	44,055
Equipment Repairs & Maintenance	11,416	21,323	24,769	26,456	27,264	27,854	28,478	29,130	29,814	30,527
Mobile Communications	19,330	22,950	19,350	18,450	18,450	14,850	14,850	14,850	14,850	14,850
Supplies - Technical Engineering, Drafting, Training & Seminars	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Utilities - Headend	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572
Property Damage	3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Uniforms	3,000	3,600	4,800	5,400	6,600	7,800	7,800	7,800	7,800	7,800
Office Supplies	1,200	1,248	1,298	1,350	1,404	1,460	1,518	1,579	1,642	1,708
Total facilities based expense	\$ 425,909	\$ 684,900	\$ 860,835	\$ 1,020,681	\$ 1,155,337	\$ 1,319,775	\$ 1,395,683	\$ 1,429,684	\$ 1,463,613	\$ 1,498,488

Field & Technical Employees and Contractors

Manager of Operations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Project Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Broadband Project Engineer	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Systems Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Headend Technicians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Broadband Foreman	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Broadband Service Technicians	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Service Technician II	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Contract Installers	12.0	16.0	10.0	8.0	6.0	8.0	8.0	8.0	8.0	8.0
Total Field & Technical Employees and Contractors	21.5	25.5	21.5	20.5	20.5	16.5	16.5	16.5	16.5	16.5
Vehicles	7.5	7.5	9.5	10.5	12.5	14.5	14.5	14.5	14.5	14.5

VIDEO SALES & MARKETING EXPENSES

Salaries - Sales	79,500	81,885	128,475	132,329	136,299	140,388	144,600	148,938	153,406	158,008
Sales Commissions	91,500	128,823	62,698	45,779	38,960	39,761	40,547	41,345	42,185	43,040
Payroll Taxes	15,082	16,119	14,625	13,625	13,407	13,781	14,164	14,557	14,963	15,380
Benefits	80,669	99,401	90,186	84,023	82,679	84,985	87,343	89,766	92,270	94,845
Vehicle Expense	2,800	2,800	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400
Advertising Consultant & Production	300,000	300,000	100,000	50,000	-	-	-	-	-	-
Advertising & Promotions	36,000	37,080	38,192	39,338	40,518	41,734	42,986	44,275	45,604	46,972

Jackson Energy Authority
 FTH Broadband Financial Projections - 2002

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Direct Mail	22,490	40,381	35,060	33,585	33,511	34,179	34,860	35,556	36,266	36,990
Sales Materials	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Graphic Design	2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131
Office Supplies/Postage	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
Training & Seminars	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
Travel & Entertainment	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Miscellaneous	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Total Sales & Marketing Expenses	\$ 639,941	\$ 720,806	\$ 493,382	\$ 422,268	\$ 369,419	\$ 379,343	\$ 389,497	\$ 399,932	\$ 410,702	\$ 421,771
Marketing and Sales Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sales Clerks	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
In-House Field Representatives	-	-	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Contract Field Representatives	4.0	5.0	5.0	-	-	-	-	-	-	-
Total Sales and Marketing Employees and Contractors	6.0	7.0	9.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Vehicles	1	1	3	3	3	3	3	3	3	3

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Capital Expenditures - Cable Television

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Office Building & Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Studio, Furniture & Office Equipment	250,000	25,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Headend Building, Tower & Generator	1,250,000	-	-	-	-	-	-	-	-	-
Video Headend Electronics	546,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Digital Headend Equipment	400,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
In-house capitalized labor	157,043	26,183	49,761	42,939	35,900	34,904	46,682	50,080	54,459	42,651
sub-total Fixed Plant	\$ 2,603,043	\$ 81,183	\$ 82,261	\$ 75,439	\$ 68,400	\$ 67,404	\$ 79,182	\$ 82,580	\$ 86,959	\$ 75,151
Digital Customer Premise Equipment	305,370	433,444	203,402	106,238	37,185	44,780	50,477	55,372	62,158	68,109
sub-total Variable Plant	\$ 305,370	\$ 433,444	\$ 203,402	\$ 106,238	\$ 37,185	\$ 44,780	\$ 50,477	\$ 55,372	\$ 62,158	\$ 68,109
Total	2,908,413	514,627	285,663	181,676	105,585	112,185	129,659	137,952	149,116	143,260
Contingency	145,421	25,731	14,283	9,084	5,279	5,609	6,483	6,898	7,456	7,163
Total Capital Expenditures	\$ 3,053,834	\$ 540,358	\$ 299,946	\$ 190,760	\$ 110,864	\$ 117,794	\$ 136,142	\$ 144,850	\$ 156,572	\$ 150,423
Depreciation										
Office Building & Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Studio, Furniture & Office Equipment	12,500	26,250	27,625	27,875	28,125	28,375	28,625	28,875	29,125	29,375
Headend Building, Tower & Generator	15,625	31,250	31,250	31,250	31,250	31,250	31,250	31,250	31,250	31,250
Video Headend Electronics	27,300	55,350	56,850	58,350	59,850	61,350	62,850	64,350	65,850	67,350
Digital Headend Equipment	20,000	40,750	42,250	43,750	45,250	46,750	48,250	49,750	51,250	52,750
Capitalized Labor	7,852	4,253	5,203	6,361	7,347	8,232	9,252	10,461	11,768	12,982
sub-total Fixed Plant	\$ 83,277	\$ 153,600	\$ 157,975	\$ 161,225	\$ 164,475	\$ 167,725	\$ 170,975	\$ 174,225	\$ 177,475	\$ 180,725
Digital Customer Premise Equipment	15,269	52,209	84,051	99,533	106,705	110,803	115,566	120,858	126,735	133,248
sub-total Variable Plant	15,269	52,209	84,051	99,533	106,705	110,803	115,566	120,858	126,735	133,248
Contingency	4,850	10,558	11,892	12,671	13,150	13,514	13,917	14,363	14,842	15,329
Total Depreciation	\$ 103,395	\$ 216,367	\$ 253,919	\$ 273,430	\$ 283,330	\$ 292,041	\$ 300,458	\$ 309,446	\$ 319,051	\$ 329,302

Jackson Energy Authority
 FTTH Broadband Financial Projections - 2002
 Capital Expenditures - Broadband Systems Plant

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Strand Mapping, Permitting, Engineering and Design	\$ 197,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Consulting	240,000	240,000	120,000	60,000	25,000	25,000	25,000	25,000	25,000	25,000
GIS Software Package	300,000	-	-	-	-	-	-	-	-	-
Aerial Make Ready Engineering	32,606	64,901	1,171	1,185	1,199	1,213	1,228	1,243	1,258	1,273
Aerial Make Ready	318,560	634,086	11,437	11,574	11,713	11,854	11,996	12,140	12,286	12,434
Aerial Strand Labor	363,660	723,857	13,056	13,213	13,372	13,532	13,695	13,859	14,025	14,194
Aerial Strand, Hardware & Materials	369,600	735,680	13,270	13,429	13,590	13,753	13,918	14,085	14,255	14,426
Wave7 Optical Cores (pwr supplies, modules)	1,898,455	2,056,150	367,570	223,612	86,522	88,102	89,712	91,355	93,031	94,740
Wave7 Last Mile Taps	1,013,187	1,097,347	196,169	119,340	46,176	47,019	47,879	48,755	49,650	50,562
Fiber Cable (fiber, splices, enclosures)	739,998	1,472,949	26,568	26,887	27,209	27,536	27,867	28,201	28,540	28,882
Fiber Labor	591,605	1,177,575	21,240	21,495	21,753	22,014	22,278	22,546	22,817	23,091
Underground Plant Labor (adder)	302,249	601,620	10,851	10,982	11,114	11,247	11,382	11,519	11,657	11,797
Primary & Secondary Hub Connectivity	-	-	-	-	-	-	-	-	-	-
Optical Headend Equipment	900,000	-	-	-	-	300,000	-	-	-	300,000
Optical Equipment Software Revisions - Annual	-	4,500	4,500	4,500	4,500	6,000	6,000	6,000	6,000	7,500
Aggregation & Server Equipment	352,634	381,925	68,275	41,535	16,071	16,365	16,664	16,969	17,280	17,598
Computer Equipment & Billing System Software U	400,000	50,000	30,000	30,000	30,000	30,000	15,000	15,000	15,000	15,000
Special Project Fund	100,000	100,000	50,000	50,000	25,000	-	-	-	-	-
Fusion Splicer and Splicing Equipment	170,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Tools, Test Equipment and Spare Equipment	100,000	20,000	5,000	-	-	-	-	-	-	-
Vehicles and Mobile Communications	770,000	140,000	35,000	-	154,000	151,200	151,760	151,648	151,670	151,666
Total system plant	\$ 9,159,954	\$ 9,530,591	\$ 1,004,106	\$ 657,752	\$ 517,220	\$ 794,835	\$ 484,379	\$ 488,321	\$ 492,468	\$ 798,162
Customer Premise Install Labor & Materials - Resid	\$ 526,500	\$ 747,317	\$ 280,555	\$ 122,112	\$ 36,635	\$ 38,604	\$ 40,478	\$ 42,431	\$ 44,654	\$ 46,972
Customer Premise Install Labor & Materials - Com	117,525	247,535	146,590	154,156	143,806	17,036	18,024	18,688	19,755	20,739
Network Powering	852,988	918,799	92,686	35,644	36,108	36,767	37,439	38,125	38,824	39,538
Hotel/Motel Rewiring - Labor & Materials	165,704	458,548	7,491	7,581	7,672	-	-	-	-	-
Customer Premise Equipment	37,526	87,265	1,497	1,515	1,534	1,552	1,571	1,590	1,609	1,628
Optical Equipment - Cust Premise - Residential	3,259,105	4,491,251	1,636,981	691,747	201,489	206,131	209,846	213,560	218,202	222,845
Optical Equipment - Cust Premise - Commercial	321,390	642,780	289,800	144,900	144,900	72,450	72,450	72,450	72,450	72,450
Total customer plant	\$ 5,280,738	\$ 7,593,494	\$ 2,455,600	\$ 1,157,657	\$ 572,144	\$ 372,540	\$ 379,808	\$ 386,843	\$ 395,494	\$ 404,172
Total	\$ 14,440,691	\$ 17,124,085	\$ 3,459,707	\$ 1,815,408	\$ 1,089,364	\$ 1,167,375	\$ 864,187	\$ 875,164	\$ 887,962	\$ 1,202,333
In-House Capitalized Labor	\$ 874,817	\$ 841,150	\$ 708,098	\$ 546,898	\$ 552,263	\$ 519,288	\$ 476,419	\$ 488,755	\$ 500,637	\$ 501,840
Contingency	765,775	898,262	208,390	118,115	82,081	84,333	67,030	68,196	69,430	85,209
Total Capital Expenditures	\$ 16,081,284	\$ 18,863,497	\$ 4,376,195	\$ 2,480,421	\$ 1,723,708	\$ 1,770,996	\$ 1,407,636	\$ 1,432,115	\$ 1,458,029	\$ 1,789,382
Depreciation										
Strand Mapping, Permitting, Engineering and Design	3,948	7,896	7,896	7,896	7,896	7,896	7,896	7,896	7,896	7,896
Project Consulting	4,800	14,400	21,600	25,200	26,900	27,900	28,900	29,900	30,900	31,900
Aerial Make Ready Engineering	632	2,602	3,924	3,971	4,018	4,067	4,116	4,165	4,215	4,266
Aerial Make Ready	6,371	25,424	38,335	38,795	39,261	39,732	40,209	40,692	41,180	41,675
Aerial Strand Labor	7,273	29,024	43,762	44,287	44,819	45,357	45,901	46,453	47,010	47,575
Aerial Strand, Hardware & Materials	7,392	29,498	44,477	45,011	45,551	46,098	46,651	47,211	47,778	48,352
Optical Splitters, Closures & Pedestals	37,969	117,061	165,536	177,359	183,562	187,054	190,611	194,232	197,920	201,675
Fiber Cable	20,264	62,474	88,345	94,655	97,965	99,829	101,727	103,660	105,628	107,632
Fiber Labor	14,800	59,059	89,049	90,118	91,200	92,295	93,403	94,525	95,659	96,808
Underground Plant Labor	11,832	47,216	71,192	72,047	72,912	73,787	74,673	75,569	76,477	77,395
Primary & Secondary Hub Connectivity	-	-	-	-	-	-	-	-	-	-
Optical Headend Equipment	45,000	90,000	90,000	90,000	90,000	105,000	120,000	120,000	120,000	135,000
Optical Equipment Software Revisions - Annual	-	225	675	1,125	1,575	2,100	2,700	3,300	3,900	4,575
FTTH Equipment	17,632	54,360	76,870	82,360	85,241	86,862	88,514	90,195	91,908	93,652
Computer Equipment & Billing System Software U	13,340	28,348	31,016	33,017	35,018	37,019	38,519	39,520	40,520	41,521
Special Project Fund	3,335	10,005	15,008	18,343	20,844	21,678	21,678	21,678	21,678	21,678
Fusion Splicer and Splicing Equipment	5,670	12,340	14,341	16,342	18,343	20,344	22,345	24,346	26,347	28,348
Tools, Test Equipment and Spare Equipment	3,335	7,337	8,171	8,338	8,338	8,338	8,338	8,338	8,338	8,338
Vehicles and Mobile Communications	25,680	56,028	61,864	63,032	68,167	78,346	88,450	98,568	108,684	118,800
Customer Premise Install Labor & Materials - Resid	26,325	90,016	141,409	161,543	169,480	173,242	177,196	181,342	185,696	190,277
Customer Premise Install Labor & Materials - Com	5,876	24,129	43,835	58,873	73,771	81,813	83,566	85,402	87,324	89,348
Hotel/Motel Rewiring - Labor & Materials	8,285	39,498	62,800	63,553	64,316	64,699	64,699	64,699	64,699	64,699
Customer Premise Equipment	1,876	8,116	12,554	12,705	12,857	13,011	13,167	13,325	13,485	13,647
Optical Equipment - Cust Premise - Residential	162,955	550,473	856,885	973,321	1,017,983	1,038,364	1,059,163	1,080,333	1,101,921	1,123,973
Optical Equipment - Cust Premise - Commercial	16,070	64,278	110,907	132,642	147,132	158,000	165,245	172,490	179,735	186,980
Total	58,350	114,455	161,685	198,163	234,999	269,636	301,413	334,013	367,405	400,878
In-House Capitalized Labor	25,539	81,034	117,941	128,830	135,507	141,057	146,105	150,614	155,204	160,361
Contingency	-	-	-	-	-	-	-	-	-	-
Total Depreciation	\$ 534,568	\$ 1,625,294	\$ 2,380,074	\$ 2,641,523	\$ 2,797,653	\$ 2,923,522	\$ 3,035,183	\$ 3,132,464	\$ 3,231,506	\$ 3,347,247

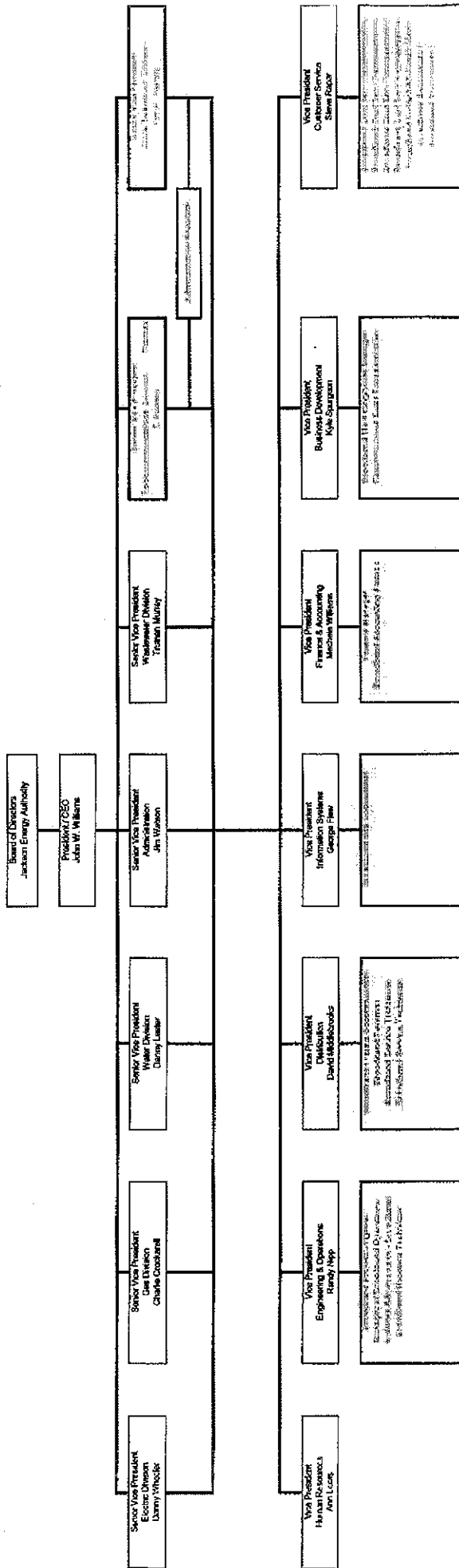


EXHIBIT 4

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
CONTROLLER OF THE TREASURY
STATE OF TENNESSEE
Updated June 1, 2002**

**AS SET FORTH IN THE GUIDELINES FOR THE BUSINESS PLAN TO BE
PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE CABLE, TWO-
WAY VIDEO, VIDEO PROGRAMMING, INTERNET, OR SIMILAR SERVICES**

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
CONTROLLER OF THE TREASURY
STATE OF TENNESSEE
Updated June 1, 2002**

DESCRIPTION OF SERVICES

I. CURRENT JACKSON ENERGY AUTHORITY SERVICE OPPORTUNITIES:

Through the proposed Broadband Network, existing technology will allow the Jackson Energy Authority to economically provide the following:

- ◆ Broadband video services (cable television)
- ◆ Local area data networking
- ◆ Wide area data networking
- ◆ Fiber optic transport
- ◆ Utility management

II. NEW SERVICE OFFERING & TECHNOLOGY

The Fiber-optic Broadband Network, as proposed is capable of delivering large amounts of analog and digital information from point to point. The limiting factor associated with any and all service offerings is only attributable to the capability of end user components and economic feasibility. The proposed network will provide a platform that will accommodate new developments in broadband technology, potentially allowing the **Authority** to provide such things as interactive video services and utility enhancements such as remote meter reading, outage detection and appliance monitoring.

Broadband technology will also allow users to access the Internet and Internet-related services at speeds significantly higher than allowed by traditional narrowband modems. At present, Internet users typically connect at speeds of less than 56 kbps. Broadband technology allows users to access the Internet at speeds that range from ten to hundreds of times faster than typical dial-up speeds. This increased speed will provide consumers with a range of enhanced

services, including streaming video and telephony services. Analysts predict that broadband technology will produce applications that will change the way consumers communicate, shop, educate and entertain. By 2000, over two million Americans had access to broadband technology. By 2008, that number is predicted to reach 78 million.

III. THE JACKSON ENERGY AUTHORITY BROADBAND NETWORK

A. Broadband Network Architecture Overview

Beginning in the early 1990s, broadband architectures have transformed from closed systems that feature one-way delivery of analog television signals to two-way, interactive broadband systems, comprised of a hybrid of traditional coaxial and modern fiber-optic technologies ("hybrid fiber-coaxial" or "HFC") to all fiber or fiber-to-the-home ("FTTH") systems. A FTTH architecture provides a broadband system capable of delivering high quality video programming, interactive services, high-speed data and Internet access, telephony, and other revenue generating applications.

In years past, networks deployed by cable television operators were constructed to provide only traditional video programming services that required only one-way transmission of signals. Until recently, the traditional one-way cable television system provided approximately 50 channels of analog video. The network was a full coaxial system designed with a centralized "headend"¹ and lines called "trunks" leading from the headend to trunk amplifiers and line extenders placed in residential neighborhoods. A traditional, tree-branch coaxial cable system included many amplifiers to boost the signal along the way to subscribers' homes. A coaxial wire called a "service drop" then carried the service from the distribution line to the customer premise.

The FTTH architecture replaces the previous coaxial trunk with a fiber-optic "trunk." The fiber terminates at passive optical network ("PON") or active optical network ("AON") cabinets, where the signal is then carried over distribution fibers to the customer premises. FTTH networks do not require amplifiers and offer improved reliability, virtually unlimited capacity, and clearer signal transmission, all of which facilitate two-way transmission.

Broadband networks have evolved from one-way video entertainment networks of 300 to 550 MHz of bandwidth to full service two-way 1 GHz FTTH networks, as set forth in the **Authority's** business plan. The evolution from one-way to two-way technology has been occurring for several and is escalating as broadband service providers seek to enter advanced communications businesses. The

¹ The headend broadband facility is the technological center of the system where many programming operations and functions are processed, such as the reception of satellite delivered programming and broadcast signals. It includes equipment for descrambling incoming signals from satellite and broadcast programming networks, assigning them channel numbers, and processing them for re-transmission over cable lines. The headend also contains electronic equipment for inserting advertising at the local level, encrypting signals for security purposes, and playing or producing public access/local origination programming customer's television set.

Business Plan assumes the deployment of an advanced broadband network utilizing aFTTH architecture as the basic transmission media. Since its introduction and implementation over the past year, FTTH has become the telecommunications architecture of choice. All fiber-optic technology provides the system operator with the highest possible degree of reliability, flexibility and extended bandwidth.

In addition to flexibility serving customers with high bandwidth communications capability, the FTTH architecture allows simple hubbing and interconnection via fiber transport rings. By linking the broadband network headend and distribution hubs, the Authority would be positioned to better allocate resources over a broader customer base to achieve maximum program delivery efficiency through proper headend utilization while providing a high level of redundancy and reliability. The architecture also provides a platform for the introduction of new services as they are developed. FTTH's strong economic model is attributed to the use of optical components and equipment recently developed to allow service providers to cost effectively push fiber deeper into the network.

The FTTH architecture divides the broadband network into various sized service areas (dependant on the specific architecture of each vendor) of 100 and 500 homes passed. The size of number of these service areas are determined by density, desired service capability, and overall economics. The FTTH architecture utilizes optical network cabinets that feed a network of optical enclosures and optical splitters that eventually deliver optical programming, voice and data signals through the service drops to the home. The FTTH architecture provides the maximum in design efficiency.

High-powered optical transmitters in the headend or hub site provide shared signals to the optical receivers. All fiber-optic electronics are currently specified up to 1 GHz operation. Current technology allows for a symmetrical optical path that allows for transmission of signals at the same speed for downstream and upstream traffic, unlike previous technologies where upstream traffic typically suffered significantly decreased speed. UTI has recommended a technologically advanced broadband network architecture to be deployed based upon: (1) equipment availability, (2) capability, (3) flexibility, (4) potential service offerings, and (5) capital costs.

B. Broadband Network Capabilities

As proposed in the Business Plan, the broadband infrastructure would initially provide services through approximately 650 plant miles, passing about 26,000 residential homes in and around Jackson and Madison County, Tennessee, with the ultimate objective of providing as close to universal service in the **Authority's** service area as economically feasible.

Broadband networks are also one of the primary networks that utilities will utilize as they automate processes and provide a variety of new products and services to existing and new utility customers. The broadband network will provide the

Authority with a high-speed customer communications network framework to potentially provide real-time automatic meter reading, market-based pricing, outage reporting, both load control and customer choice control, and other customer and utility communications services. In addition, the interactive broadband network of the future could support new energy services such as the **Authority's** video channel that could be the interface for a large number of the **Authority's** utility customers. On this video channel, the **Authority** would be able to market services to their customers, provide customers with access to current and historical billing information, and provide a means for customers to pay their bills via electronic funds transfer.

The utilization of fiber-optic technology increases the broadband network's capacity and reduces signal noise, providing cleaner transmission paths, necessary for provisioning such services as high-speed Internet access, telephony and other new services, which require two-way interactivity. The use of a FTTH architecture will enable the **Authority** to deliver data applications at very high data rates. This Business Plan is based upon the assumption that the **Authority** will construct a broadband network capable of providing up to 80 analog video channels, hundreds of digital video channels, as well as provide capacity for Internet access, telephony and other services. With respect to Internet access, the broadband network will be capable of carrying data up to several hundred times faster than transmission using dial-up modems over ordinary telephone lines, and fifty times faster than ISDN (integrated services digital network) telephone lines.

C. Digital Video Services

The Business Plan anticipates that the **Authority** will provide digital video services to customers. Digital signal transmission, as compared to the analog signal transmission historically used in cable systems, can provide superior video picture quality and increased channel capacity through compression techniques. Subscriber reception of digital video signals requires a set-top converter device to de-compress and decode incoming signals and to translate the digital signals into the analog signals used by most television sets.

D. Internet and High-Speed Data Services

Internet and other data services can be transmitted faster over a broadband infrastructure than over most telephone systems. Broadband systems and cable modems offer speeds up to 27 megabits-per-second ("Mbps"), though most users experience speeds between 500 kilobits-per-second ("kbps") and 2.5 Mbps, as compared with traditional "dial-up" data access for the personal computer, which uses a traditional telephone modem and traditional telephone lines to transmit data and yields significantly slower data exchange at 56 Kbps or less. The **Authority's** broadband system will provide its customers the ability to access the Internet without the need for an additional dedicated telephone line or without tying up an existing line. Typical broadband networks use a shared network infrastructure to the headend, thus the rate of speed can depend on the

number of subscribers using the shared bandwidth at any given point in time. However, the broadband network proposed by the **Authority** has the capacity to guarantee speeds up to 30 Mbps for every customer without any degradation due to the number of users.

As an example, Table 1 compares the transfer rate for downloading a 10 Megabyte file. A 10 Megabyte file is approximately the equivalent of a 10 to 20 minute movie clip. FTTH architecture can transmit both upstream and downstream packets of information. The **Authority** thus will be positioned to operate as a "pipeline" or "conduit" provider or become a full-service provider, combining both Internet access and other value-added services.

TABLE 1: Transfer Rate for a 10 Megabyte File

Modem Speed/Type	Transfer Time
14.4 kbps telephone modem	1.5 hours
28.8 kbps telephone modem	46 minutes
56 kbps telephone modem	24 minutes
128 kbps ISDN modem	10 minutes
1.54 Mbps T-1 connection	52 seconds
2.5 Mbps cable modem	32 seconds
10 Mbps FTTH connection	8 seconds

Source: <http://www.cablemodems.com/whatis.html>

A formal path of certification has been established for cable modem suppliers to obtain an "interoperability seal" for their high-speed data delivery devices under the cable modem standard, DOCSIS (Data Over Cable Service Interface Specification). Originally, only one among many proposed standards, DOCSIS started to emerge as the leading option for a cable modem standard in late 1997. Between July 1997 and May 1998, vendors tested prototypes of the equipment. In March 1998, the International Telecommunications Union approved DOCSIS. In June 1998, CableLabs hosted a series of "Interoperability and Certification Wave" vendor conclaves to initiate the final "certification and commercialization" phase of a cable modem standard. DOCSIS standards have been approved as of 1998, and interoperable modems have become commercially available from a number of DOCSIS certified vendors. The formal seal of DOCSIS compliance is granted by a Certification Board made up of five broadband industry representatives and a liaison from CableLabs. The Business Plan anticipates the use of DOCSIS compliant modems by the **Authority**.

IV. JACKSON ENERGY AUTHORITY BROADBAND SERVICES

A. Jackson Energy Authority's Services & Rates

The Business Plan assumes that the **Authority** will provide Basic Video Services Tier of eighteen (18) analog channels for \$9.95 per month and the Expanded Basic Video Services Tier of an additional fifty-seven (57) analog channels for

\$27.00 per month, for a total of \$36.95 per month, excluding taxes and franchise fees, for seventy-five (75) analog channels. The Business Plan also assumes that the **Authority** will provide thirty-six (36) video channels of Digital Service along with forty-one (41) DMX music channels for another \$12.95 per month plus taxes and franchise fees. Twenty-nine (29) additional premium services are offered in the Digital Services tier along with seventy-six (76) Pay-per-View channels. A franchise fee of three percent (3%) for the City of Jackson and five percent (5%) for Madison County and sales tax of eight and three-quarters percent (8 ¾%) are passed on to the customer.

The Business Plan also assumes that the **Authority** will provide, along with the analog service tier, one channel each of HBO, HBO Plus and HBO Family offered for \$11.95 per month. In the premium Digital Service Tier, the Cinemax group of channels is offered for \$9.95 per month. The Showtime group of channels is offered for \$10.95 per month, and the Movie Channel group of channels is offered for \$8.95 per month, plus appropriate fees and taxes. The Starz/Encore group of channels is offered at \$7.95 per month for each service plus fees and taxes, through the Digital Services set-top. A detailed schedule of video services and rates is attached hereto as Attachment 1.

B. Jackson Energy Authority High Speed Data Services

The Business Plan anticipates that the **Authority** will provide high-speed data and Internet access services ("Data Services") to customers through the proposed "Broadband Network" by a contract provider. Provisioning the Data Services will involve the installation of certain equipment in the Broadband Network's headend facility by a contract provider of Internet services and the installation of Ethernet ports at the customer premises where ports are not already present within the customer's computer. The Data Services will provide customers with high-speed access to the Internet without requiring the use of a telephone line. In addition, the service does not require customers to dial-up and "log-on" as required for typical dial-up Internet access. The Business Plan anticipates that the **Authority** will provide connectivity and e-mail hosting. The Business Plan does not anticipate that the **Authority** will provide a wide array of Internet content. A schedule of the anticipated Data Services and rates to be provided by the contract provider through the **Authority's** Broadband network is attached hereto as Attachment 2.

Proposed Rates and Charges

<u>Cable Television Service</u>	<u>Rate</u>
Basic Cable (18 Channels)	\$9.95
Expanded Service (52 Channels)	<u>\$27.00</u>
STANDARD SERVICE (70 Channels)	\$36.95
Digital Cable Service with Remote Control Digital Converter	\$12.95
(26 Digital Nets + 45 Music Choice Chs. + On-Screen Guide + PPV+ Line Maint. Plan)	
COMPLETE DIGITAL STANDARD SERVICE	\$49.90
<u>Premium Services and Pay-Per-View</u>	
Analog HBO (3 Channels - No Converter Required)	\$11.95
HBO Digital Service (7 Channels)	\$11.95
Cinemax Digital Group (4 Channels)	\$9.95
Showtime Digital Group (5 Channels)	\$10.95
The Movie Channel Group (3 Channels)	\$8.95
Starz/Encore (7 Channels)	\$7.95
IFC, Flix, Sundance (4 Channels)	\$6.95
HBO/Cinemax Combo	\$19.95
Showtime/Movie Channel Combo	\$12.95
InDemand PPV Movies, each	\$3.99
Specialty PPV Movies and Events	Varies
Sports PPV Events	Varies
<u>Equipment Rental</u>	
Standard Converter with Remote Control	\$1.00
Digital Converter with Music Choice, Guide & PPV only	\$5.95
Additional Digital Converter, each	\$3.95
<u>Installation and Other Charges</u>	
Unwired Home	\$30.00
Prewired Home and Reconnects	\$20.00
Additional Outlet (same trip)	\$10.00
Additional Outlet (separate trip)	\$20.00
Relocate Outlet (same trip)	\$10.00
Relocate Outlet (separate trip)	\$20.00
Custom Installation (Wired within walls)	\$40.00
Service Upgrade/Equipment Delivery	\$20.00
Line Maintenance Plan (recommended, free with Digital Service)	\$2.95
Returned Check Charge	\$25.00
Hourly Service Call	\$20.00
Late Payment Processing Charge	\$5.00
Franchise Fee to City	3%
Franchise Fee to County	5%
FCC Fee (monthly)	\$0.05
State Sales Tax	8.75%

Energy Authority Proposed Analog Channel Line-up

Basic Cable Service

1	NEWS 10N
2	WABC-TV (ABC)
3	WABC-TV (ABC)
4	WABC-TV (ABC)
5	WABC-TV (ABC)
6	WABC-TV (ABC)
7	WABC-TV (ABC)
8	WABC-TV (ABC)
9	WABC-TV (ABC)
10	WABC-TV (ABC)
11	WABC-TV (ABC)
12	WABC-TV (ABC)
13	WABC-TV (ABC)
14	WABC-TV (ABC)
15	WABC-TV (ABC)
16	WABC-TV (ABC)
17	WABC-TV (ABC)
18	WABC-TV (ABC)
19	WABC-TV (ABC)
20	WABC-TV (ABC)
21	WABC-TV (ABC)
22	WABC-TV (ABC)
23	WABC-TV (ABC)
24	WABC-TV (ABC)
25	WABC-TV (ABC)
26	WABC-TV (ABC)
27	WABC-TV (ABC)
28	WABC-TV (ABC)
29	WABC-TV (ABC)
30	WABC-TV (ABC)
31	WABC-TV (ABC)
32	WABC-TV (ABC)
33	WABC-TV (ABC)
34	WABC-TV (ABC)
35	WABC-TV (ABC)
36	WABC-TV (ABC)
37	WABC-TV (ABC)
38	WABC-TV (ABC)
39	WABC-TV (ABC)
40	WABC-TV (ABC)
41	WABC-TV (ABC)
42	WABC-TV (ABC)
43	WABC-TV (ABC)
44	WABC-TV (ABC)
45	WABC-TV (ABC)
46	WABC-TV (ABC)
47	WABC-TV (ABC)
48	WABC-TV (ABC)
49	WABC-TV (ABC)
50	WABC-TV (ABC)
51	WABC-TV (ABC)
52	WABC-TV (ABC)
53	WABC-TV (ABC)
54	WABC-TV (ABC)
55	WABC-TV (ABC)
56	WABC-TV (ABC)
57	WABC-TV (ABC)
58	WABC-TV (ABC)
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62	WABC-TV (ABC)
63	WABC-TV (ABC)
64	WABC-TV (ABC)
65	WABC-TV (ABC)
66	WABC-TV (ABC)
67	WABC-TV (ABC)
68	WABC-TV (ABC)
69	WABC-TV (ABC)
70	WABC-TV (ABC)
71	WABC-TV (ABC)
72	WABC-TV (ABC)
73	WABC-TV (ABC)
74	WABC-TV (ABC)
75	WABC-TV (ABC)
76	WABC-TV (ABC)
77	WABC-TV (ABC)
78	WABC-TV (ABC)
79	WABC-TV (ABC)
80	WABC-TV (ABC)

Analog Premium Service

20	HBO
21	HBO Plus
22	HBO Family

Expanded Cable Service

Ch #	Network
23	The Weather Channel
24	CNN
25	MSNBC
26	Fox News
27	CNBC
28	Bloomberg TV
29	Prevue Guide
30	ESPN
31	ESPN2
32	ESPNNews
33	Golf
34	Speedvision
35	Outdoor Channel
36	FOX SS
37	TBS
38	Turner South

Expanded Cable Service, cont.

39	TNT
40	USA
41	TNN
42	FX
43	Prevue Guide
44	Discovery
45	TLC
46	A&E
47	History Channel
48	Travel Channel
49	Court TV
50	Prevue Guide
51	Comedy
52	E!
53	Lifetime
54	Food Network
55	WE
56	Style
57	HGTV
58	Bravo
59	AMC
60	TCM
61	Sol-Fi
62	Prevue Guide
63	TV Land
64	Nickelodeon
65	Cartoon
66	Disney
67	Animal Planet
68	Fox Family
69	Prevue Guide
70	EWTN
71	INSP
72	TBN
73	HSN
74	QVC
75	BET
76	CMT
77	VH-1
78	MTV
79	Prevue Guide
80	Open

Energy Authority Proposed Digital Line-up

Digital Basic

Ch.#	Network
100	ESPN
101	ESPN2
102	ESPN3
103	Discovery
104	Discovery Science
105	Discovery Kids
106	Discovery World
107	Discovery Channel
108	Discovery World
109	ESPN
110	ESPN2
111	History Channel
112	National Geographic
113	ESPN
114	ESPN2
115	ESPN3
116	ESPN4
117	ESPN5
118	ESPN6
119	ESPN7
120	ESPN8
121	ESPN9
122	ESPN10
123	ESPN11
124	ESPN12
125	ESPN13
126	ESPN14
127	ESPN15
128	ESPN16
129	ESPN17
130	ESPN18
131	ESPN19
132	ESPN20
133	ESPN21
134	ESPN22
135	ESPN23
136	ESPN24
137	ESPN25
138	ESPN26
139	ESPN27
140	ESPN28
141	ESPN29
142	ESPN30
143	ESPN31
144	ESPN32
145	ESPN33
146	ESPN34
147	ESPN35
148	ESPN36
149	ESPN37
150	ESPN38
151	ESPN39
152	ESPN40
153	ESPN41
154	ESPN42
155	ESPN43
156	ESPN44
157	ESPN45
158	ESPN46
159	ESPN47
160	ESPN48
161	ESPN49
162	ESPN50
163	ESPN51
164	ESPN52
165	ESPN53
166	ESPN54
167	ESPN55
168	ESPN56
169	ESPN57
170	ESPN58
171	ESPN59
172	ESPN60
173	ESPN61
174	ESPN62
175	ESPN63
176	ESPN64
177	ESPN65
178	ESPN66
179	ESPN67
180	ESPN68
181	ESPN69
182	ESPN70
183	ESPN71
184	ESPN72
185	ESPN73
186	ESPN74
187	ESPN75
188	ESPN76
189	ESPN77
190	ESPN78
191	ESPN79
192	ESPN80
193	ESPN81
194	ESPN82
195	ESPN83
196	ESPN84
197	ESPN85
198	ESPN86
199	ESPN87
200	ESPN88
201	ESPN89
202	ESPN90
203	ESPN91
204	ESPN92
205	ESPN93
206	ESPN94
207	ESPN95
208	ESPN96
209	ESPN97
210	ESPN98
211	ESPN99
212	ESPN100

Digital Premiums

Ch.#	Network
201	ESPN
202	ESPN2
203	ESPN3
204	ESPN4
205	ESPN5
206	ESPN6
207	ESPN7
208	ESPN8
209	ESPN9
210	ESPN10
211	ESPN11
212	ESPN12
213	ESPN13
214	ESPN14
215	ESPN15
216	ESPN16
217	ESPN17
218	ESPN18
219	ESPN19
220	ESPN20
221	ESPN21
222	ESPN22
223	ESPN23
224	ESPN24
225	ESPN25
226	ESPN26
227	ESPN27
228	ESPN28
229	ESPN29
230	ESPN30
231	ESPN31
232	ESPN32
233	ESPN33
234	ESPN34
235	ESPN35
236	ESPN36
237	ESPN37
238	ESPN38
239	ESPN39
240	ESPN40
241	ESPN41
242	ESPN42
243	ESPN43
244	ESPN44
245	ESPN45
246	ESPN46
247	ESPN47
248	ESPN48
249	ESPN49
250	ESPN50
251	ESPN51
252	ESPN52
253	ESPN53
254	ESPN54
255	ESPN55
256	ESPN56
257	ESPN57
258	ESPN58
259	ESPN59
260	ESPN60
261	ESPN61
262	ESPN62
263	ESPN63
264	ESPN64
265	ESPN65
266	ESPN66
267	ESPN67
268	ESPN68
269	ESPN69
270	ESPN70
271	ESPN71
272	ESPN72
273	ESPN73
274	ESPN74
275	ESPN75
276	ESPN76
277	ESPN77
278	ESPN78
279	ESPN79
280	ESPN80
281	ESPN81
282	ESPN82
283	ESPN83
284	ESPN84
285	ESPN85
286	ESPN86
287	ESPN87
288	ESPN88
289	ESPN89
290	ESPN90
291	ESPN91
292	ESPN92
293	ESPN93
294	ESPN94
295	ESPN95
296	ESPN96
297	ESPN97
298	ESPN98
299	ESPN99
300	ESPN100

Digital Music Choice

Ch.#	Network
301	Music Choice
302	Music Choice
303	Music Choice
304	Music Choice
305	Music Choice
306	Music Choice
307	Music Choice
308	Music Choice
309	Music Choice
310	Music Choice
311	Music Choice
312	Music Choice
313	Music Choice
314	Music Choice
315	Music Choice
316	Music Choice
317	Music Choice
318	Music Choice
319	Music Choice
320	Music Choice
321	Music Choice
322	Music Choice
323	Music Choice
324	Music Choice
325	Music Choice
326	Music Choice
327	Music Choice
328	Music Choice
329	Music Choice
330	Music Choice
331	Music Choice
332	Music Choice
333	Music Choice
334	Music Choice
335	Music Choice
336	Music Choice
337	Music Choice
338	Music Choice
339	Music Choice
340	Music Choice

Digital en Español

Ch.#	Network
201	ESPN en Español
202	ESPN2 en Español
203	ESPN3 en Español
204	ESPN4 en Español
205	ESPN5 en Español
206	ESPN6 en Español
207	ESPN7 en Español
208	ESPN8 en Español
209	ESPN9 en Español
210	ESPN10 en Español
211	ESPN11 en Español
212	ESPN12 en Español
213	ESPN13 en Español
214	ESPN14 en Español
215	ESPN15 en Español
216	ESPN16 en Español
217	ESPN17 en Español
218	ESPN18 en Español
219	ESPN19 en Español
220	ESPN20 en Español
221	ESPN21 en Español
222	ESPN22 en Español
223	ESPN23 en Español
224	ESPN24 en Español
225	ESPN25 en Español
226	ESPN26 en Español
227	ESPN27 en Español
228	ESPN28 en Español
229	ESPN29 en Español
230	ESPN30 en Español
231	ESPN31 en Español
232	ESPN32 en Español
233	ESPN33 en Español
234	ESPN34 en Español
235	ESPN35 en Español
236	ESPN36 en Español
237	ESPN37 en Español
238	ESPN38 en Español
239	ESPN39 en Español
240	ESPN40 en Español
241	ESPN41 en Español
242	ESPN42 en Español
243	ESPN43 en Español
244	ESPN44 en Español
245	ESPN45 en Español
246	ESPN46 en Español
247	ESPN47 en Español
248	ESPN48 en Español
249	ESPN49 en Español
250	ESPN50 en Español
251	ESPN51 en Español
252	ESPN52 en Español
253	ESPN53 en Español
254	ESPN54 en Español
255	ESPN55 en Español
256	ESPN56 en Español
257	ESPN57 en Español
258	ESPN58 en Español
259	ESPN59 en Español
260	ESPN60 en Español
261	ESPN61 en Español
262	ESPN62 en Español
263	ESPN63 en Español
264	ESPN64 en Español
265	ESPN65 en Español
266	ESPN66 en Español
267	ESPN67 en Español
268	ESPN68 en Español
269	ESPN69 en Español
270	ESPN70 en Español
271	ESPN71 en Español
272	ESPN72 en Español
273	ESPN73 en Español
274	ESPN74 en Español
275	ESPN75 en Español
276	ESPN76 en Español
277	ESPN77 en Español
278	ESPN78 en Español
279	ESPN79 en Español
280	ESPN80 en Español
281	ESPN81 en Español
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283	ESPN83 en Español
284	ESPN84 en Español
285	ESPN85 en Español
286	ESPN86 en Español
287	ESPN87 en Español
288	ESPN88 en Español
289	ESPN89 en Español
290	ESPN90 en Español
291	ESPN91 en Español
292	ESPN92 en Español
293	ESPN93 en Español
294	ESPN94 en Español
295	ESPN95 en Español
296	ESPN96 en Español
297	ESPN97 en Español
298	ESPN98 en Español
299	ESPN99 en Español
300	ESPN100 en Español

Dig. Pay-Per-View

Ch.#	Network
301	ESPN
302	ESPN2
303	ESPN3
304	ESPN4
305	ESPN5
306	ESPN6
307	ESPN7
308	ESPN8
309	ESPN9
310	ESPN10
311	ESPN11
312	ESPN12
313	ESPN13
314	ESPN14
315	ESPN15
316	ESPN16
317	ESPN17
318	ESPN18
319	ESPN19
320	ESPN20
321	ESPN21
322	ESPN22
323	ESPN23
324	ESPN24
325	ESPN25
326	ESPN26
327	ESPN27
328	ESPN28
329	ESPN29
330	ESPN30
331	ESPN31
332	ESPN32
333	ESPN33
334	ESPN34
335	ESPN35
336	ESPN36
337	ESPN37
338	ESPN38
339	ESPN39
340	ESPN40
341	ESPN41
342	ESPN42
343	ESPN43
344	ESPN44
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348	ESPN48
349	ESPN49
350	ESPN50
351	ESPN51
352	ESPN52
353	ESPN53
354	ESPN54
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356	ESPN56
357	ESPN57
358	ESPN58
359	ESPN59
360	ESPN60
361	ESPN61
362	ESPN62
363	ESPN63
364	ESPN64
365	ESPN65
366	ESPN66
367	ESPN67
368	ESPN68
369	ESPN69
370	ESPN70
371	ESPN71
372	ESPN72
373	ESPN73
374	ESPN74
375	ESPN75
376	ESPN76
377	ESPN77
378	ESPN78
379	ESPN79
380	ESPN80
381	ESPN81
382	ESPN82
383	ESPN83
384	ESPN84
385	ESPN85
386	ESPN86
387	ESPN87
388	ESPN88
389	ESPN89
390	ESPN90
391	ESPN91
392	ESPN92
393	ESPN93
394	ESPN94
395	ESPN95
396	ESPN96
397	ESPN97
398	ESPN98
399	ESPN99
400	ESPN100

Proposed Rates and Charges (Contract Provider)

High Speed Data Services

Residential

High Speed Internet Access - Level 1	\$24.95
High Speed Internet Access - Level 1	\$29.95
High Speed Internet Access - Level 1	\$34.95
Residential Modem Rental	\$2.95
Residential Service Activation	\$35.00
Ethernet Card and Installation	\$99.00

Commercial

Commercial High Speed Data - Level 1	\$49.95
Commercial High Speed Data - Level 2	\$79.95
Commercial High Speed Data - Level 3	\$99.95
Commercial High Speed Data - Level 4	\$119.95
Commercial High Speed Data - Level 5	\$149.95
Commercial High Speed Data - Level 6	\$179.95
Commercial High Speed Data - Level 7	\$199.95
Commercial High Speed Data - Level 8	\$249.95
Commercial High Speed Data Set Up - Level 1	\$200.00
Commercial High Speed Data Set Up - Level 2	\$225.00
Commercial High Speed Data Set Up - Level 3	\$750.00
Commercial High Speed Data Set Up - Level 4	\$775.00
Commercial High Speed Data Set Up - Level 5	\$1,125.00
Commercial High Speed Data Set Up - Level 6	\$1,150.00
Commercial High Speed Data Set Up - Level 7	\$1,500.00
Commercial High Speed Data Set Up - Level 8	\$1,525.00

Telephone Service

Residential

Local Service	\$18.50
Preferred Features	\$1.00
Line Maintenance Plan	\$1.50
Voice Mail, per line	\$3.95
Long Distance, per minute	\$0.08

Commercial

Local Service per line	\$45.00
Voice Mail, per line	\$3.95
Long Distance, per minute	\$0.05

EXHIBIT 5

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
CONTROLLER OF THE TREASURY
STATE OF TENNESSEE**

Updated June 1, 2002

**AS SET FORTH IN THE GUIDELINES FOR THE BUSINESS PLAN TO BE
PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE CABLE, TWO-
WAY VIDEO, VIDEO PROGRAMMING, INTERNET, OR SIMILAR SERVICES**

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Jackson Energy Authority Telecommunications										
ASSETS										
Utility Plant										
Telecommunications plant	19,135,118	38,538,973	43,215,113	45,886,295	47,720,867	49,609,658	51,153,436	52,730,400	54,345,002	56,284,807
Less depreciation	637,964	2,479,625	5,113,618	8,028,571	11,110,553	14,326,117	17,661,757	21,103,667	24,654,225	28,330,774
Net telecommunications plant	18,497,154	36,059,347	38,101,496	37,857,725	36,610,314	35,283,541	33,491,679	31,626,733	29,690,777	27,954,032
Current Assets										
Cash and temporary investments	33,803,003	12,451,695	8,064,135	5,387,538	4,254,181	3,861,143	4,022,440	4,494,172	5,326,117	6,240,898
Accounts receivable	28,645	102,907	172,714	209,441	226,886	241,139	254,849	268,604	283,851	299,178
Materials and supplies	382,702	770,779	864,302	917,726	954,417	992,193	1,023,069	1,054,608	1,086,900	1,125,696
Total current assets	34,214,350	13,325,382	9,101,151	6,514,705	5,435,484	5,094,475	5,300,358	5,817,384	6,696,867	7,665,771
Other Assets										
Unamortized organization expense										
Unamortized debt expense	361,627	342,594	323,561	304,528	285,495	266,462	247,429	228,396	209,363	190,330
Total other assets	361,627	342,594	323,561	304,528	285,495	266,462	247,429	228,396	209,363	190,330
Total Assets	\$53,073,131	\$49,727,323	\$47,526,208	\$44,676,958	\$42,331,293	\$40,644,479	\$39,039,465	\$37,672,513	\$36,597,008	\$35,810,134
LIABILITIES AND CAPITAL										
Long-Term Debt										
Bonds payable	\$54,380,000	\$54,380,000	\$54,380,000	\$52,430,000	\$50,370,000	\$48,190,000	\$45,880,000	\$43,430,000	\$40,840,000	\$38,100,000
Current Liabilities										
Subordinated Loan Payable	2,043,021	1,565,478	1,066,446	544,957	-	-	-	-	-	-
Accounts Payable	70,609	89,706	98,396	108,207	117,716	128,429	136,404	140,229	144,197	148,275
Consulting Fees Payable	-	-	-	-	-	-	-	-	-	-
Franchise and FCC fees payable	18,467	90,021	154,911	279,344	313,950	333,294	349,375	366,086	384,344	402,996
Sales tax and federal tax payable	5,326	17,896	28,524	33,734	36,714	39,905	42,940	45,973	49,384	52,800
Property taxes payable	230,074	456,593	505,098	534,904	555,665	577,471	595,185	613,488	632,234	654,796
Total current liabilities	2,367,497	2,219,694	1,853,375	1,501,146	1,024,045	1,079,100	1,123,903	1,165,776	1,210,159	1,258,868
Capital	-	-	-	-	-	-	-	-	-	-
Investment by JEA	-	-	-	-	-	-	-	-	-	-
Total investments										
Retrieved Earnings	-	-	-	-	-	-	-	-	-	-
Beginning of year	-	(3,674,366)	(6,872,371)	(8,707,167)	(9,254,189)	(9,062,751)	(8,624,621)	(7,964,438)	(6,923,263)	(5,453,151)
Current year net income	(3,674,366)	(3,198,005)	(1,834,796)	(547,022)	191,437	438,130	660,183	1,041,175	1,470,111	1,904,417
Total earnings reinvested	(3,674,366)	(6,872,371)	(8,707,167)	(9,254,189)	(9,062,751)	(8,624,621)	(7,964,438)	(6,923,263)	(5,453,151)	(3,548,734)
Total capital	(3,674,366)	(6,872,371)	(8,707,167)	(9,254,189)	(9,062,751)	(8,624,621)	(7,964,438)	(6,923,263)	(5,453,151)	(3,548,734)
Total Liabilities and Capital	\$53,073,131	\$49,727,323	\$47,526,208	\$44,676,958	\$42,331,293	\$40,644,479	\$39,039,465	\$37,672,513	\$36,597,008	\$35,810,134

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Jackson Energy Authority Telecommunications										
Operating Revenue										
Cable television sales revenue	\$ 1,031,217	\$ 4,983,243	\$ 8,477,602	\$ 10,694,459	\$ 12,033,117	\$ 12,792,188	\$ 13,420,268	\$ 14,073,174	\$ 14,787,504	\$ 15,517,123
Advertising revenue	-	80,000	250,000	380,000	420,000	432,600	445,578	458,945	472,714	486,895
Total operating revenue	\$ 1,031,217	\$ 5,063,243	\$ 8,727,602	\$ 11,074,459	\$ 12,453,117	\$ 13,224,788	\$ 13,865,846	\$ 14,532,120	\$ 15,260,217	\$ 16,004,018
Operating Expense										
Programming expense	\$ 384,717	\$ 1,337,845	\$ 2,181,999	\$ 2,635,770	\$ 2,941,270	\$ 3,169,989	\$ 3,390,483	\$ 3,612,804	\$ 3,862,948	\$ 4,115,795
Operating and Maintenance expense	1,694,615	2,152,933	2,361,498	2,596,972	2,825,185	3,082,300	3,273,687	3,365,492	3,460,724	3,558,611
Depreciation	637,964	1,841,661	2,633,992	2,914,953	3,081,983	3,215,563	3,335,640	3,441,910	3,550,558	3,676,549
Amortization of organization expense										
Property taxes and tax equivalents	230,074	456,593	505,098	534,904	555,665	577,471	595,185	613,488	632,234	654,796
Total operating expense	2,947,370	5,789,033	7,682,587	8,682,598	9,404,103	10,045,324	10,594,996	11,033,694	11,506,464	12,005,752
Operating Income	(1,916,153)	(725,790)	1,045,015	2,391,861	3,049,014	3,179,464	3,270,850	3,498,426	3,753,754	3,998,266
Other income										
Interest income	1,573,039	838,473	409,389	327,860	270,960	241,470	243,865	261,362	290,812	328,209
Total other income	1,573,039	838,473	409,389	327,860	270,960	241,470	243,865	261,362	290,812	328,209
Other expense										
Interest expense	3,199,719	3,199,719	3,199,719	3,199,719	3,084,981	2,963,771	2,835,500	2,699,579	2,555,421	2,403,026
Interest expense on subordinated loan	112,500	91,936	70,447	47,990	24,523	-	-	-	-	-
Amortization of debt expense	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033
Total other expense	3,331,252	3,310,688	3,289,199	3,266,742	3,128,537	2,982,804	2,854,533	2,718,612	2,574,454	2,422,059
Net Income	\$ (3,674,366)	\$ (3,198,005)	\$ (1,834,796)	\$ (547,022)	\$ 191,437	\$ 438,130	\$ 660,183	\$ 1,041,175	\$ 1,470,111	\$ 1,904,417

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Cash Flow Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Jackson Energy Authority Telecommunications										
Cash Provided By (Used In) Operations										
Net income	\$ (3,674,366)	\$ (3,198,005)	\$ (1,834,796)	\$ (547,022)	\$ 191,437	\$ 438,130	\$ 660,183	\$ 1,041,175	\$ 1,470,111	\$ 1,904,417
Adjustments to reconcile net income to net cash										
Depreciation	637,964	1,841,661	2,633,992	2,914,953	3,081,983	3,215,563	3,335,640	3,441,910	3,550,558	3,676,549
Amortization of:										
Organization expense	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033	19,033
Debt expense										
Changes in current assets and liabilities										
Accounts receivable	(28,645)	(74,262)	(69,807)	(36,727)	(17,445)	(14,253)	(13,710)	(13,755)	(15,247)	(15,327)
Materials and supplies	(382,702)	(388,077)	(93,523)	(53,424)	(36,691)	(37,776)	(30,876)	(31,539)	(32,292)	(38,796)
Accounts payable	70,609	19,097	8,690	9,811	9,569	10,713	7,974	3,825	3,968	4,079
Consulting fees payable	-	-	-	-	-	-	-	-	-	-
Franchise and FCC fees payable	18,467	71,554	64,890	124,433	34,606	19,344	16,080	16,712	18,258	18,652
Sales tax and federal tax payable	5,326	12,571	10,628	5,210	2,980	3,191	3,035	3,033	3,411	3,416
Property taxes payable	230,074	226,519	48,504	29,807	20,761	21,806	17,714	18,303	18,746	22,562
Net cash provided by operations	(3,104,240)	(1,469,910)	787,612	2,466,075	3,306,172	3,675,753	4,015,075	4,498,697	5,036,546	5,594,585
Cash Provided By (Used In) Investing Activities										
Additions to plant	(19,135,118)	(19,403,855)	(4,676,141)	(2,671,182)	(1,834,572)	(1,888,791)	(1,543,778)	(1,576,965)	(1,614,602)	(1,939,804)
Net cash provided by investing activities	(19,135,118)	(19,403,855)	(4,676,141)	(2,671,182)	(1,834,572)	(1,888,791)	(1,543,778)	(1,576,965)	(1,614,602)	(1,939,804)
Cash Provided By (Used In) Financing Activities										
Long-term borrowings	\$ 53,999,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payment of principal on long term debt	-	-	-	(1,950,000)	(2,060,000)	(2,180,000)	(2,310,000)	(2,450,000)	(2,590,000)	(2,740,000)
Subordinated Loan	2,500,000	-	-	-	-	-	-	-	-	-
Payment of principal on subordinated loan	(456,979)	(477,543)	(499,032)	(521,489)	(544,957)	-	-	-	-	-
Net cash provided by financing activities	\$ 56,042,361	\$ (477,543)	\$ (499,032)	\$ (2,471,489)	\$ (2,604,957)	\$ (2,180,000)	\$ (2,310,000)	\$ (2,450,000)	\$ (2,590,000)	\$ (2,740,000)
Net Increase (Decrease) in Cash	33,803,003	(21,351,308)	(4,387,561)	(2,676,596)	(1,133,357)	(393,038)	161,297	471,732	831,944	914,781
Cash beginning of year	-	33,803,003	12,451,695	8,064,135	5,387,538	4,254,181	3,861,143	4,022,440	4,494,172	5,326,117
Cash end of year	33,803,003	12,451,695	8,064,135	5,387,538	4,254,181	3,861,143	4,022,440	4,494,172	5,326,117	6,240,898

EXHIBIT 6

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
COMPTROLLER OF THE TREASURY
STATE OF TENNESSEE
Updated June 1, 2002**

**AS SET FORTH IN THE GUIDELINES FOR THE BUSINESS PLAN TO BE
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**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
CONTROLLER OF THE TREASURY
STATE OF TENNESSEE
Updated June 1, 2002**

PLAN OF FINANCING OVERVIEW

I. PLAN OF FINANCING OVERVIEW

The Business Plan anticipates that the Jackson Energy Authority ("the **Authority**") will issue taxable revenue bonds to capitalize the construction of the proposed broadband network. The Business plan anticipates that the revenue bonds will be secured by the assets of the broadband network, the revenues of the project, and the Authority.

II. REVENUE BOND ISSUE SOURCES AND USES STATEMENT

The following Revenue Bond Issue Sources and Uses Statement sets forth the details of revenue bonds to be issued by the **Authority** to capitalize the Broadband Network infrastructure as contemplated in the Broadband Business Plan Financial Projections. A significant and sufficient amount of detail required to evaluate the financial feasibility of the project can be found in the Broadband Business Plan Financial Projections. The Financial Projections include details, which substantiate all elements of the Revenue Bond Issue Sources and Uses Statement set forth herein.

Should the **Authority** elect to proceed with the implementation of the Broadband Business Plan, it is anticipated that the **Authority** will research financing options, the final terms of which can then be incorporated in the financial projections included as part of this Broadband Business Plan.

III. REVENUE BOND DEBT SERVICE SCHEDULE

A revenue bond debt service schedule is attached hereto. The debt service schedule assumes an interest only period of three (3) years as allowed under applicable Tennessee statutes and an amortization period of seventeen (17) years beginning in year four (4). The debt service schedule also assumes a net

interest cost of five point eight eight four percent (5.884%). As stated previously, interest rates change frequently and are subject to market conditions.

Jackson Energy Authority
FTTH Broadband Financial Projections - 2002
Source of Funds

Sources of Funds:

Revenue bond issue at par	\$ 54,380,000	
Subordinated Loan	\$ 2,500,000	
Loan	-	4.50%
Line of Credit Loan	-	
Investment by JEA	-	
Investment by Investors	-	
Total sources	<u>56,880,000</u>	

Uses of Funds

Deposit to cash account	56,499,340	
Bond underwriter's discount	271,900	0.50%
Bond issuance expense	108,760	0.20%
Total uses	<u>\$ 56,880,000</u>	

Amortization of Bond Issue

Coupon rate	5.884%
Term	20 years

Period				Amortization of	
	Interest	Principal	Total	Balance	Debt Expense
Year 1	\$ 3,199,719	-	\$ 3,199,719	\$ 54,380,000	\$ 19,033
Year 2	3,199,719	-	3,199,719	54,380,000	19,033
Year 3	3,199,719	-	3,199,719	54,380,000	19,033
Year 4	3,199,719	1,950,000	5,149,719	52,430,000	19,033
Year 5	3,084,981	2,060,000	5,144,981	50,370,000	19,033
Year 6	2,963,771	2,180,000	5,143,771	48,190,000	19,033
Year 7	2,835,500	2,310,000	5,145,500	45,880,000	19,033
Year 8	2,699,579	2,450,000	5,149,579	43,430,000	19,033
Year 9	2,555,421	2,590,000	5,145,421	40,840,000	19,033
Year 10	2,403,026	2,740,000	5,143,026	38,100,000	19,033
Year 11	2,241,804	2,910,000	5,151,804	35,190,000	19,033
Year 12	2,070,580	3,080,000	5,150,580	32,110,000	19,033
Year 13	1,889,352	3,260,000	5,149,352	28,850,000	19,033
Year 14	1,697,534	3,450,000	5,147,534	25,400,000	19,033
Year 15	1,494,536	3,650,000	5,144,536	21,750,000	19,033
Year 16	1,279,770	3,870,000	5,149,770	17,880,000	19,033
Year 17	1,052,059	4,090,000	5,142,059	13,790,000	19,033
Year 18	811,404	4,340,000	5,151,404	9,450,000	19,033
Year 19	556,038	4,590,000	5,146,038	4,860,000	19,033
Year 20	285,962	4,860,000	5,145,962	-	19,033

EXHIBIT 7

**JACKSON ENERGY AUTHORITY
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EXHIBIT 8

**JACKSON ENERGY AUTHORITY
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**JACKSON ENERGY AUTHORITY
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SALES & MARKETING PLAN

I. SALES & MARKETING GENERAL OVERVIEW

- A. Service Area** – The Business Plan anticipates that the Jackson Energy Authority (“the **Authority**”) intends to market video and data services to potential customers in the City of Jackson and portions of Madison County, Tennessee franchised service areas (the “Service Area”).
- B. Initial Activation Marketing Effort** – The Business Plan anticipates that initial activation sales and marketing efforts will be founded on direct sales. The Business Plan anticipates that the **Authority** will utilize mass marketing advertising following the initial efforts.
- C. Direct Sales Strategy** – The Business Plan anticipates the **Authority** will implement effective and proven direct sales marketing strategies, which are organized and implemented to maximize video and data service penetration levels.
- D. Direct Sales Policies and Procedures** – To accomplish sales objectives, the Business Plan anticipates that the **Authority** will establish certain policies and procedures to provide the foundation for the direct sales subscriber acquisition efforts.

II. THE DIRECT SALES TEAM

- A. Sales Representatives** – To achieve 70 to 150 targeted average installations per week as set forth in the Business Plan, the direct sales team should be comprised of from 5 – 6 Sales Representatives. The ratio of Sales Representatives to activated homes passed equates to achieving a 36% service

penetration level with each Sales Representative averaging approximately 5 sales per day, 5 days per week.

- B. Management** – The Business Plan anticipates that the following **Authority** management and support personnel will assist in supporting the direct sales subscriber acquisition effort in the Service Area: 1) Sales & Marketing Manager; 2) Customer Service Representatives; and 3) Customer Service Supervisor. The direct sales team will be directly supervised by the Team Leader, who will report directly to the Sales & Marketing Manager or the Senior Vice President.
- C. Sales Territory Management** – The number of activated homes passed issued to Sales Representatives will be increased or reduced based upon service penetration levels. Higher service penetration levels will result in an increase in the sales to contact ratio, which will result in fewer activated homes issued and outstanding to any individual Sales Representative. Lower service penetration levels will result in the more activated homes being issued to achieve installation objectives.
- D. Contractor Classification** – All Sales Representatives will be class "1099" contractors and will be responsible for expenses directly related to canvassing for customers.
- E. Sales Compensation** – The Business Plan anticipates that compensation for contract sales services rendered to the **Authority** will be paid on a commission only basis at the gross rate of 1 to 1 ½ times the first month's recurring service charge for all video services sold by Sales Representatives and the Team Leader.
- F. Commissions Breakdown** – The Business Plan anticipates that approximately 25 – 28% of gross sales commissions should be allocated to sales management and 72 – 78% of gross sales commissions should be allocated to the Sales Representatives.

III. GENERAL DIRECT SALES POLICIES AND PROCEDURES

As part of the subscriber acquisition campaign, each Sales Representative will be required to:

1. Contact all potential customers at each serviceable address issued.
2. Present all levels of service offerings and pricing.
3. Provide an overview of installation procedures.
4. Explain customer billing procedures and pro-ration.
5. Complete work orders for installation and billing.
6. Schedule the installation.
7. Obtain atypical wiring and outlet placement information to facilitate installation.

IV. REPORTING

Daily sales reports, including the following information for the previous day, the current week and to-date, should be provided to the **Authority** management for the first 1,000 homes passed, with weekly reports provided thereafter:

1. The total number of activated homes passed that have been issued to Sales Representatives.
2. The number of potential subscribers contacted.
3. The number of sales, including details of services sold.
4. The number of potential subscribers contacted who declined to purchase any video services offered.
5. The number of residences or commercial units listed as potential customers that were found vacant.

V. TEAM LEADER RESPONSIBILITIES

The direct sales Team Leader should be responsible for the following:

1. The Team Leader will coordinate field efforts of his or her team with the Marketing & Sales Manager of the Senior Vice President of Cable Television regarding the issuance of all serviceable homes to be marketed.
2. Immediately following the issuance of a new service area and prior to the assignment of homes to Sales Representatives, the Team Leader will conduct a field survey of the designated service area.
3. Subsequent to conducting the field survey, the Team Leader will assign territory to Sales Representatives.
4. The Team Leader will review and approve the contact sheets of all Sales Representatives on a daily basis to determine sales to contact percentages that shall serve as a basis for the issuance of new activated homes passed territory.
5. The Team Leader will conduct random calls on a regular basis in serviceable areas previously issued and marketed to maintain quality controls.
6. Upon the completion of sales efforts on each serviceable street, the Team Leader will provide completed contact sheets to the Authority management, which will become a part of the system's permanent records.

VI. SALES REPRESENTATIVES RESPONSIBILITIES

Sales Representative responsibilities should include the following:

1. Sales Representatives must be available for work every week day and Saturdays, other than recognized holidays.

2. Sales Representatives are to report to their Team Leader to turn in completed orders and contact sheets on a daily basis.
3. Sales Representatives are required to attend all scheduled sales meetings.
4. Sales Representatives will derive all customer orders from only those areas assigned to them. No referrals or orders from unassigned areas will be accepted without the permission of the Team Leader.
5. Sales Representatives are expected to meet established minimum standards of sales performance on a daily and weekly basis.
6. All Sales Representatives must keep a neat and professional appearance in the office and while in the field.
7. Identification badges are to be worn by Sales Representatives in a visible place on the office premises as well as in the field at all times.

VI. INSTALLATIONS & DIRECT SALES PROJECTIONS

The Business Plan anticipates that the **Authority** will hire outside Sales Representatives to market Services to potential customers in the Service Area based upon the following installation and sales objectives (beginning approximately 6 months following launch of construction):

Month 7 Targeted Subscribers:	310			
	<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>
Targeted Subscribers	78	78	78	78
Installs Per Installer Per Day	5	5	5	5
Average Install Days per Week	5	5	5	5
Total Installers	3	3	3	3
Sales Per Sales Rep Per Day	5	5	5	5
Average Sales Days Per Week	6	6	6	6
Total Sales Reps	3	3	3	3

Month 8 Targeted Subscribers:	310			
	<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>
Targeted Subscribers	78	78	78	78
Installs Per Installer Per Day	5	5	5	5
Average Install Days per Week	5	5	5	5
Total Installers	3	3	3	3
Sales Per Sales Rep Per Day	5	5	5	5
Average Sales Days Per Week	6	6	6	6
Total Sales Reps	3	3	3	3

Month 9 Targeted Subscribers:	464			
	<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>
Targeted Subscribers	116	116	116	116
Installs Per Installer Per Day	5	5	5	5
Average Install Days per Week	5	5	5	5
Total Installers	5	5	5	5
Sales Per Sales Rep Per Day	5	5	5	5
Average Sales Days Per Week	6	6	6	6
Total Sales Reps	4	4	4	4

Month 10 Targeted Subscribers:	464			
	<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>
Targeted Subscribers	116	116	116	116
Installs Per Installer Per Day	5	5	5	5
Average Install Days per Week	5	5	5	5
Total Installers	5	5	5	5
Sales Per Sales Rep Per Day	5	5	5	5
Average Sales Days Per Week	6	6	6	6
Total Sales Reps	4	4	4	4

Month 11 Targeted Subscribers:	620			
	<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>
Targeted Subscribers	155	155	155	155
Installs Per Installer Per Day	5	5	5	5
Average Install Days per Week	5	5	5	5
Total Installers	6	6	6	6
Sales Per Sales Rep Per Day	5	5	5	5
Average Sales Days Per Week	6	6	6	6
Total Sales Reps	5	5	5	5

Month 12 Targeted Subscribers:	620			
	<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>
Targeted Subscribers	155	155	155	155
Installs Per Installer Per Day	5	5	5	5
Average Install Days per Week	5	5	5	5
Total Installers	6	6	6	6
Sales Per Sales Rep Per Day	5	5	5	5
Average Sales Days Per Week	6	6	6	6
Total Sales Reps	5	5	5	5

EXHIBIT 9

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
CONTROLLER OF THE TREASURY
STATE OF TENNESSEE
Updated June 1, 2002**

**AS SET FORTH IN THE GUIDELINES FOR THE BUSINESS PLAN TO BE
PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE CABLE, TWO-
WAY VIDEO, VIDEO PROGRAMMING, INTERNET, OR SIMILAR SERVICES**

Proposed Rates and Charges

Cable Television Service

	<u>Rate</u>
Basic Cable (18 Channels)	\$9.95
Expanded Service (52 Channels)	\$27.00
STANDARD SERVICE (70 Channels)	\$36.95
Digital Cable Service with Remote Control Digital Converter	\$12.95
(26 Digital Nets + 45 Music Choice Chs. + On-Screen Guide + PPV+ Line Maint. Plan)	
COMPLETE DIGITAL STANDARD SERVICE	\$49.90

Premium Services and Pay-Per-View

Analog HBO (3 Channels - No Converter Required)	\$11.95
HBO Digital Service (7 Channels)	\$11.95
Cinemax Digital Group (4 Channels)	\$9.95
Showtime Digital Group (5 Channels)	\$10.95
The Movie Channel Group (3 Channels)	\$8.95
Starz/Encore (7 Channels)	\$7.95
IFC, Filx, Sundance (4 Channels)	\$6.95
HBO/Cinemax Combo	\$19.95
Showtime/Movie Channel Combo	\$12.95
InDemand PPV Movies, each	\$3.99
Specialty PPV Movies and Events	Varies
Sports PPV Events	Varies

Equipment Rental

Standard Converter with Remote Control	\$1.00
Digital Converter with Music Choice, Guide & PPV only	\$5.95
Additional Digital Converter, each	\$3.95

Installation and Other Charges

Unwired Home	\$30.00
Prewired Home and Reconnects	\$20.00
Additional Outlet (same trip)	\$10.00
Additional Outlet (separate trip)	\$20.00
Relocate Outlet (same trip)	\$10.00
Relocate Outlet (separate trip)	\$20.00
Custom Installation (Wired within walls)	\$40.00
Service Upgrade/Equipment Delivery	\$20.00
Line Maintenance Plan (recommended, free with Digital Service)	\$2.95
Returned Check Charge	\$25.00
Hourly Service Call	\$20.00
Late Payment Processing Charge	\$5.00
Franchise Fee to City	3%
Franchise Fee to County	5%
FCC Fee (monthly)	\$0.05
State Sales Tax	8.75%

Energy Authority Proposed Analog Channel Line-up

34	WFLA
35	WTVT
36	WFTS
37	WWSB
38	WFTS
39	WTVT
40	WFTS
41	WTVT
42	WFTS
43	WTVT
44	WFTS
45	WTVT
46	WFTS
47	WTVT
48	WFTS
49	WTVT
50	WFTS
51	WTVT
52	WFTS
53	WTVT
54	WFTS
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64	WFTS
65	WTVT
66	WFTS
67	WTVT
68	WFTS
69	WTVT
70	WFTS
71	WTVT
72	WFTS
73	WTVT
74	WFTS
75	WTVT
76	WFTS
77	WTVT
78	WFTS
79	WTVT
80	WFTS

Expanded Premium Service

- 20 HBO
- 21 HBO Plus
- 22 HBO Family

Expanded Cable Service

Ch #	Network
23	The Weather Channel
24	CNN
25	MSNBC
26	Fox News
27	CNBC
28	Bloomberg TV
29	Prevue Guide
30	ESPN
31	ESPN2
32	ESPNNews
33	Golf
34	Speedvision
35	Outdoor Channel
36	FOX SS
37	TBS
38	Turner South

Expanded Cable Service, cont.

- 39 TNT
- 40 USA
- 41 TNN
- 42 FX
- 43 Prevue Guide
- 44 Discovery
- 45 TLC
- 46 A&E
- 47 History Channel
- 48 Travel Channel
- 49 Court TV
- 50 Prevue Guide
- 51 Comedy
- 52 E!
- 53 Lifetime
- 54 Food Network
- 55 WE
- 56 Style
- 57 H&TV
- 58 Bravo
- 59 AMC
- 60 TCM
- 61 Sci-Fi
- 62 Prevue Guide
- 63 TV Land
- 64 Nickelodeon
- 65 Cartoon
- 66 Disney
- 67 Animal Planet
- 68 Fox Family
- 69 Prevue Guide
- 70 EWTN
- 71 INSP
- 72 TBN
- 73 HSN
- 74 QVC
- 75 BET
- 76 CMT
- 77 VH-1
- 78 MTV
- 79 Prevue Guide
- 80 Open

Energy Authority Proposed Digital Line-up

Digital Basic

1	ESPN
2	ESPN2
3	ESPN3
4	ESPN4
5	ESPN5
6	ESPN6
7	ESPN7
8	ESPN8
9	ESPN9
10	ESPN10
11	ESPN11
12	ESPN12
13	ESPN13
14	ESPN14
15	ESPN15
16	ESPN16
17	ESPN17
18	ESPN18
19	ESPN19
20	ESPN20
21	ESPN21
22	ESPN22
23	ESPN23
24	ESPN24
25	ESPN25
26	ESPN26
27	ESPN27
28	ESPN28
29	ESPN29
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91	ESPN91
92	ESPN92
93	ESPN93
94	ESPN94
95	ESPN95
96	ESPN96
97	ESPN97
98	ESPN98
99	ESPN99
100	ESPN100

Digital Premiums

101	ESPN101
102	ESPN102
103	ESPN103
104	ESPN104
105	ESPN105
106	ESPN106
107	ESPN107
108	ESPN108
109	ESPN109
110	ESPN110
111	ESPN111
112	ESPN112
113	ESPN113
114	ESPN114
115	ESPN115
116	ESPN116
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186	ESPN186
187	ESPN187
188	ESPN188
189	ESPN189
190	ESPN190
191	ESPN191
192	ESPN192
193	ESPN193
194	ESPN194
195	ESPN195
196	ESPN196
197	ESPN197
198	ESPN198
199	ESPN199
200	ESPN200

Digital Music Choice

Ch.#	Network
900	Music Choice
901	Music Choice
902	Music Choice
903	Music Choice
904	Music Choice
905	Music Choice
906	Music Choice
907	Music Choice
908	Music Choice
909	Music Choice
910	Music Choice
911	Music Choice
912	Music Choice
913	Music Choice
914	Music Choice
915	Music Choice
916	Music Choice
917	Music Choice
918	Music Choice
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922	Music Choice
923	Music Choice
924	Music Choice
925	Music Choice
926	Music Choice
927	Music Choice
928	Music Choice
929	Music Choice
930	Music Choice
931	Music Choice
932	Music Choice
933	Music Choice
934	Music Choice
935	Music Choice
936	Music Choice
937	Music Choice
938	Music Choice
939	Music Choice
940	Music Choice

Digital en Español

Ch.#	Network
200	Cable Escudo
201	Cable Escudo
202	Cable Escudo
203	Cable Escudo
204	Cable Escudo
205	Cable Escudo
206	Cable Escudo
207	Cable Escudo
208	Cable Escudo
209	Cable Escudo
210	Cable Escudo
211	Cable Escudo
212	Cable Escudo
213	Cable Escudo
214	Cable Escudo
215	Cable Escudo
216	Cable Escudo
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242	Cable Escudo
243	Cable Escudo
244	Cable Escudo
245	Cable Escudo
246	Cable Escudo
247	Cable Escudo
248	Cable Escudo
249	Cable Escudo
250	Cable Escudo
251	Cable Escudo
252	Cable Escudo
253	Cable Escudo
254	Cable Escudo
255	Cable Escudo

Dig. Pay- Per-View

Ch.#	Network
500	InDemand PPV
501-599	InDemand PPV
600-699	Specialty PPV
700-799	Specialty PPV
800-899	Specialty PPV
900-999	Specialty PPV

Proposed Rates and Charges (Contract Provider)

High Speed Data Services

Residential

High Speed Internet Access - Level 1	\$24.95
High Speed Internet Access - Level 1	\$29.95
High Speed Internet Access - Level 1	\$34.95
Residential Modem Rental	\$2.95
Residential Service Activation	\$35.00
Ethernet Card and Installation	\$99.00

Commercial

Commercial High Speed Data - Level 1	\$49.95
Commercial High Speed Data - Level 2	\$79.95
Commercial High Speed Data - Level 3	\$99.95
Commercial High Speed Data - Level 4	\$119.95
Commercial High Speed Data - Level 5	\$149.95
Commercial High Speed Data - Level 6	\$179.95
Commercial High Speed Data - Level 7	\$199.95
Commercial High Speed Data - Level 8	\$249.95
Commercial High Speed Data Set Up - Level 1	\$200.00
Commercial High Speed Data Set Up - Level 2	\$225.00
Commercial High Speed Data Set Up - Level 3	\$750.00
Commercial High Speed Data Set Up - Level 4	\$775.00
Commercial High Speed Data Set Up - Level 5	\$1,125.00
Commercial High Speed Data Set Up - Level 6	\$1,150.00
Commercial High Speed Data Set Up - Level 7	\$1,500.00
Commercial High Speed Data Set Up - Level 8	\$1,525.00

Telephone Service

Residential

Local Service	\$18.50
Preferred Features	\$1.00
Line Maintenance Plan	\$1.50
Voice Mail, per line	\$3.95
Long Distance, per minute	\$0.08

Commercial

Local Service per line	\$45.00
Voice Mail, per line	\$3.95
Long Distance, per minute	\$0.05

EXHIBIT 10

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
CONTROLLER OF THE TREASURY
STATE OF TENNESSEE
Updated June 1, 2002**

**AS SET FORTH IN THE GUIDELINES FOR THE BUSINESS PLAN TO BE
PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE CABLE, TWO-
WAY VIDEO, VIDEO PROGRAMMING, INTERNET, OR SIMILAR SERVICES**

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
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CHIEF OPERATING OFFICER STATEMENT

I. THE BROADBAND SERVICE OPPORTUNITY

A. Internal Justification

One of the Jackson Energy Authority's ("the **Authority**") initial justifications for deploying a broadband infrastructure is founded upon the need to enhance local educational communications capabilities and to support internal needs such as those associated with the operation of existing utilities.

B. Industrial Growth Justification

As a second justification, the **Authority** seeks to promote local industrial growth through providing new businesses seeking to expand or locate in the area with access to an enhanced telecommunications infrastructure.

C. Commercial Justification

The **Authority** has the opportunity to achieve long-term objectives through developing commercial broadband service offerings. To allow these services to be provided, the **Authority** seeks to construct a state-of-the-art Broadband Network with a fiber-to-the-home ("FTTH") architecture capable of delivering advanced video services, telephone services and data to residents of the community. While providing advanced video and data services to consumers, the **Authority** will also improve the cost effectiveness, efficiency and productivity of existing internal operations.

D. An Assessment of the Jackson Energy Authority's Role

In the past, one of the fundamental missions of the **Authority** has been to improve and maintain local infrastructure to facilitate the provisioning of utility services to promote commerce and to enhance the quality of life for the local citizens in Jackson and the surrounding area. While the passage of years can sometimes cause many daily conveniences to be taken for granted, the **Authority** has often determined that the capitalization and deployment or construction of infrastructure was in the best interest of the community and its operations.

The **Authority** seeks to convert the advent of technological advancements and regulatory freedoms into financially sound decisions and policies designed to enhance the local infrastructure and to enhance the quality of life for the citizens of Jackson. To enable the **Authority** to accomplish its objectives while protecting its core services, the **Authority** has sought the information necessary to support the deployment of a technically advanced Broadband Network that is cost effective and capable of satisfying market demand.

The Business Plan incorporates information associated with facility-based service provisioning opportunities. The primary objective of the Business Plan is to provide the **Authority** with information to allow decisions to be made associated with pursuing existing and potential associated opportunities through a defined course of action and implementing plan.

The deregulation of the telecommunications industry presents new challenges and opportunities as the **Authority** seeks to define and achieve strategic objectives in potentially changing competitive markets. This Business Plan represents the first step in the progressive efforts undertaken by the **Authority** to enhance the local infrastructure to allow for the provisioning of advanced video and data service offerings to consumers.

II. VIDEO SERVICES AND RATES COMPARISON

A. Video Services

As proposed, the Authority broadband infrastructure would initially provide services through approximately 650 plant miles, passing about 26,000 residential homes, in and around Jackson, Tennessee, with the ultimate objective of providing as close to universal service in the Jackson service area as economically feasible.

The Business Plan assumes that the Authority will provide Basic Video Services Tier of eighteen (18) analog channels for \$9.95 per month and the Expanded Basic Video Services Tier of an additional fifty-seven (57) analog channels for \$27.00 per month, for a total of \$36.95 per month, excluding taxes and franchise fees, for seventy-five (75) analog channels. The Business Plan also assumes that the Authority will provide thirty-six (36) video channels of Digital Service

along with forty-one (41) DMX music channels for another \$12.95 per month plus taxes and franchise fees. Twenty-nine (29) additional premium services are offered in the Digital Services tier along with seventy-six (76) Pay-Per-View channels. A franchise fee of three percent (3%) and eight and three-quarters percent (8 ¾%) sales tax are passed on to the customer.

The Business Plan also assumes the Authority will provide, along with the analog service tier, one channel each of HBO, HBO Plus and HBO Family offered for \$11.95 per month. In the premium Digital Service tier, the Cinemax group of channels is offered for \$9.95 per month, the Showtime group of channels is offered for \$10.95 per month, and the Movie Channel group of channels is offered for \$8.95, plus appropriate fees and taxes. The Starz/Encore group of channels is offered at \$7.95 per month for each service plus fees and taxes through the Digital Services set-top. A detailed schedule of video services and rates is attached hereto as Attachment 1.

B. Charter Communications, Inc. Video Services

The primary video services provider in Jackson is Charter Communications, Inc. ("Charter") formerly Renaissance Media. Charter's Jackson system is operating a hybrid-fiber-coax (HFC) system at a capacity of 750 MHz, offering sixty-eight (68) analog channels. Charter has reported that the system serving Jackson passes approximately 33,900 potential homes passed, serving 31,782 customers through 444.3 miles of broadband coaxial plant also serves the following areas:

Madison County, Tennessee
Bemis, Tennessee
Malesus, Tennessee

Charter is currently providing a Basic Video Services Tier of twelve (12) channels for \$8.95 per month and the Standard Video Services Tier of an additional fifty-six (56) channels for \$33.00 per month. The Full Service tier, which includes sixty-three (63) channels, is \$37.95 per month, excluding franchise fees. Charter also offers HBO, Cinemax, Showtime, The Movie Channel and all Plex channels for \$12.95 per month. In addition, Charter provides packaged prices of twenty-three (23) premiums for \$21.95 per month. Charter's Digital service offers the digital consumer terminal for \$7.50 per month. Family's Choice, Movies and More, and Video Music are offered for \$3.50 per month each.

A franchise fee of three percent (3%), a \$0.05 per month per customer FCC charge and eight and three quarters percent (8 ¾%) sales tax are passed on to the customer.

III. ACCOUNTING

Regarding cost accounting rules, as the **Authority** is a TVA regulated electric distributor, joint costs will be allocated between the **Authority** and the **Authority's** Broadband Division based on a Joint Cost Study performed by the

Authority upon TVA's final approval. Further, the **Authority** intends to adhere to the guidelines regarding Cost Allocation Accounting established by TVA as set forth in Attachment 1 hereto.

IV. POLE CHARGES

The average **Authority** pole attachment fee for fiscal year 2001 is \$10.47 per pole per year. The Business Plan reflects a rate of \$10.47 per pole per year.

EXHIBIT 11

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
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JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
CONTROLLER OF THE TREASURY
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Updated June 1, 2002**

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WAY VIDEO, VIDEO PROGRAMMING, INTERNET, OR SIMILAR SERVICES**



Jackson Energy Authority

John W. Williams
President & CEO

January 2, 2002

Mr. Allen Davis
United Telesystems, Inc.
4 Skidaway Village Square
Savannah, Georgia 31411

Dear Mr. Davis:

Thank you for your inquiry requesting information supporting Jackson Energy Authority's submittal to the Comptroller of the Treasury, State of Tennessee. Regarding cost accounting rules, in keeping with the Authority's power contract and regulatory oversight with TVA, joint costs will be strictly allocated between the Authority's electric division and its broadband division. Allocation of costs will be done based on a joint cost study performed by our Financial Officer and based on TVA's final approval. This will be done in the same manner as costs are now allocated between the Authority's existing four divisions to ensure that there is no subsidization between the divisions.

Should you have remaining questions, please contact me at 731.422-7201.

Sincerely,

John W. Williams

JWW/vw

EXHIBIT 12

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
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STATE OF TENNESSEE
Updated June 1, 2002**

POLE RENTAL STATEMENT

The Business Plan assumes an average pole rental fee of \$10.47 per pole per year as set forth in the financial projections shown in Exhibit 3, under Facilities Based Expenses.

EXHIBIT 13

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
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WAY VIDEO, VIDEO PROGRAMMING, INTERNET, OR SIMILAR SERVICES**



Jackson Energy Authority

John W. Williams
President & CEO

January 2, 2002

Mr. Allen Davis
United Telesystems, Inc.
4 Skidaway Village Square
Savannah, Georgia 31411

Dear Mr. Davis:

Thank you for your inquiry requesting information supporting Jackson Energy Authority's submittal to the Comptroller of the Treasury, State of Tennessee. Based upon our review of the State of Tennessee's enabling legislation, the Authority would agree to be subject to the same taxation level as a private provider of similar services. The Authority's in-lieu-of-taxes payment would not be less than what a private provider of service would have to pay in property taxes.

Should you have remaining questions, please contact me at 731.422-7201.

Sincerely,

John W. Williams

JWW/vw

EXHIBIT 14

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

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WAY VIDEO, VIDEO PROGRAMMING, INTERNET, OR SIMILAR SERVICES**

**JACKSON ENERGY AUTHORITY
THE CITY OF JACKSON, TENNESSEE
BUSINESS PLAN
FOR THE PROVISIONING OF BROADBAND SERVICES
JANUARY 15, 2002**

SUBMITTED TO:

**DIVISION OF LOCAL FINANCE
CONTROLLER OF THE TREASURY
STATE OF TENNESSEE
Updated June 1, 2002**

IN-LIEU OF TAX PAYMENTS

Please refer to the letter and information included in Tab 13 herein.

EXHIBIT 15

**JACKSON ENERGY AUTHORITY
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**AS SET FORTH IN THE GUIDELINES FOR THE BUSINESS PLAN TO BE
PREPARED BY MUNICIPALITIES DESIRING TO PROVIDE CABLE, TWO-
WAY VIDEO, VIDEO PROGRAMMING, INTERNET, OR SIMILAR SERVICES**

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AUDITED FINANCIAL STATEMENT