

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

IN RE:)
)
APPLICATION OF JACKSON ENERGY) Docket No.: 07-00201
AUTHORITY TO EXPAND ITS)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY TO PROVIDE INTRASTATE)
TELECOMMUNICATIONS SERVICES)

**RESPONSES OF JACKSON ENERGY AUTHORITY TO
DISCOVERY REQUESTS OF AENEAS COMMUNICATIONS, LLC**

Jackson Energy Authority ("JEA") respectfully submits these Responses to the discovery requests of Aeneas Communications, LLC ("Aeneas").

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 Aeneas' requests to the extent that the requests seek information relating to matters not at issue in this proceeding or to the extent that the 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 Aeneas 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 Aeneas’s requests to the extent that Aeneas 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 Aeneas’s discovery requests in this case.

DISCOVERY REQUESTS

1. JEA currently holds a certificate to operate as a “carrier’s carrier to competitive local exchange carriers (‘CLEC’) within Madison County, Tennessee.” TRA Docket 03-00438, Order, at 8. Explain whether this application to “expand” JEA’s existing certificate will affect JEA’s rights and obligations to continue serving as a carrier’s carrier. Include in your answer an explanation of whether and, if so, how the granting of this petition for expanded authority will affect the “Code of Conduct” submitted by JEA in Docket 03-00438.

RESPONSE: Expansion of Jackson Energy Authority’s (JEA) existing Certificate of Convenience and Necessity (CCN) to allow retail operations will not affect or change JEA’s obligation to continue serving as a carrier’s carrier. JEA has a long-term interconnection agreement with Aeneas which continues through March, 2014. JEA will continue to abide by the terms and conditions of that ICA throughout its remaining term and any subsequent term as may be negotiated.

Since JEA was initially granted its CCN, JEA has operated in accordance with the Code of Conduct contained in that document. Each of the TRA mandated independent annual audits conducted since JEA received its CCN have validated JEA’s compliance with the Code of Conduct, which covers areas such as regulatory compliance, equal treatment of provisioning of services for all providers, offering billing and marketing services to providers in an equal manner, avoidance of anti-competitive inducements with JEA’s other utility services, the proper handling of loans, credit guarantees, and cost accounting between its telephone business unit and other JEA divisions.

An expanded certificate allowing JEA to operate as a retail provider will have no effect on JEA’s ability to fully comply with its existing Code of Conduct.

2. Provide a detailed comparison between, on the one hand, the three-year pro forma financial statements for the JEA Telecommunications Division filed by JEA in TRA Docket 03-00438 (Petition, Appendix D) with, on the other hand, the actual results for those years. Explain all material differences.

RESPONSE: Subject to and without waiver of the General Objections, JEA provides a comparison between the JEA telephone business unit's pro forma projections as set forth in Appendix D to the 2003 Petition and the telephone business unit's actual results for the first three full years of operations.

Attached as Exhibit Q-2 are three schedules that provide a comparison of the actual results of JEA's telephone business unit to the pro forma projections in JEA's Statement of Revenues, Expenses, and Changes to Net Assets, Statement of Net Assets, and Statement of Cash Flows for fiscal years 2005, 2006, and 2007. The material differences between projected and actual results are noted on the schedules.

3. To the extent not covered in the response to Question 2, provide a detailed comparison between, on the one hand, the description of the telephone business unit, including its projected assets, network investment, and numbers of employees as described by JEA in TRA Docket 03-00438 and the telephone business unit as it exists today. Explain all material differences.

RESPONSE: Please see JEA's response to Discovery Request number 2, above.

4. a. Of the \$60 million in bonds described in TRA Docket 03-00438 (Order, at 7), provide the total amount of bonds issued by JEA to provide for the construction and operations of JEA's telecommunications network.
- b. Estimate the difference between, on the one hand, the interest rate on those bonds and, on the other hand, the interest rate on the bonds if the bonds had not been guaranteed by JEA's Electric Division and the City of Jackson.
- c. Describe the schedule for the retirement of those bonds and the anticipated sources of revenue needed to retire the bonds.

RESPONSE Subject to and without waiver of the General Objections, JEA will provide responses to Discovery Requests 4.a. and 4.c. JEA further objects to Discovery Request 4.b. on the basis that such Request seeks information that is not relevant or likely to lead to the discovery of admissible evidence and calls for speculation on the part of JEA.

As to Question 4.a., the total amount of bonds issued by JEA for the construction and operation of its fiber optic network is \$54,300,000.00.

As to Question 4.c., JEA provides a Schedule of Long-Term Debt as Exhibit Q-4. JEA anticipates that revenues from its various broadband business units (assuming telephone revenues from retail and wholesale services) will ultimately provide the revenue needed to retire such bonds, but in the near term, certain inter-division loans are expected to be required for debt service requirements. JEA expects that such inter-division loans will be repaid from revenues from its various broadband business units.

5. Describe the “unit fee” for each of the JEA services offered to CLECs as described in JEA’s “Code of Conduct.” Describe how each such “unit fee” was calculated.

RESPONSE Subject to and without waiver of the General Objections, JEA offers the following description of the “unit fees” and the calculation of such fees as a suite of services offered by JEA. Under its Code of Conduct, JEA may offer a mixture of billing, payment, collection, and credit services to the CLEC providers that use the JEA network. In addition, JEA may allow these CLECs to place billing inserts in JEA’s monthly customer bills. JEA will offer these services to all interested CLEC providers for the same fee per service rendered.

JEA offered its billing and collection related services to Aeneas prior to the start of JEA’s network operations. Aeneas declined the offer of these services indicating a preference for handling its own billing and collection activity.

When Cinergy Communications negotiated its interconnection agreement with JEA, it also negotiated a separate billing support services agreement and a sales and marketing agreement. Within the billing support services agreement, JEA established an initial monthly rate of \$2.25 per Cinergy customer for JEA to 1) include Cinergy’s billing charges on JEA’s monthly statement; 2) provide credit screening of potential Cinergy customers; 3) collect payments for Cinergy’s services; and 4) provide general Tier 1 billing support for Cinergy’s customers.

The initial monthly rate for these services was calculated based upon the cost of processing and printing the Cinergy charges, the postage required for additional pages of billing, and the projected time for customer service representatives to receive and process Cinergy’s payments.

This identical billing support services agreement was offered to Aeneas. Aeneas declined, again expressing a preference for handling its own billing.

Neither of the CLEC providers using the JEA network has requested the use of billing inserts, and as a result a “per unit” fee has not yet been established.

6. Provide the “total long-run incremental cost” as that term is used in T.C.A. §65-5-108, of the following network elements:
 - a. Single analog POTS port
 - b. Single T1 port
 - c. Ethernet port with IP speeds of 256K to 1G in increments of 256K, showing both upstream and downstream speeds.

RESPONSE Expanding upon the General Objections, JEA objects to each Discovery Request on the basis that T.C.A. § 65-5-108 is only applicable to incumbent providers and is not relevant to the statutory certification requirements for JEA. JEA is not an incumbent provider. JEA further objects to Discovery Request 6.c. on the basis that such request addresses a service that is not a jurisdictional telecommunications service.

7. Provide the current wholesale network access fee or fees charged by JEA to its Telephone Business Unit and explain in detail how the fee or fees were calculated.

RESPONSE Expanding upon the General Objections, JEA objects to the characterization of the network access charge as a “wholesale” charge. The network access charge is not a wholesale offering from JEA to itself. The network access charge represents an allocation of common costs of the network to the telephone business unit and is not a wholesale service. Subject to and without waiver of the foregoing objections, JEA provides the following description of the network cost allocation calculation for the telephone business unit’s most recent fiscal year.

JEA has developed procedures for determining the required minimum access charge for the Cable business unit to recover the depreciation, maintenance, and other loaded costs of the fiber distribution plant owned by the Cable business unit. The minimum access charge is calculated based on the usage of the fiber distribution plant by the Telephone business unit customers.

The minimum access charge is based on JEA management using a bandwidth usage rate of the fiber distribution system by the Telephone business unit of 0.95%. The bandwidth usage rate was initially calculated following Federal Communications Commission rules at Title 47, Part 64, Section 901(b)(4). At the end of fiscal year ended June 30, 2007, JEA management revised the estimated bandwidth usage for the Telephone business unit and the Cable business unit for the fiscal year ending June 30, 2008 and 2009 based on the actual bandwidth usage for the fiscal year ended June 30, 2007. The year with the highest percentage of Telephone usage during a forwarding looking three year period, which is expected to be the fiscal year ending June 30, 2009, was used to determine the percentage to charge to the Telephone business unit during the year ended June 30, 2007.

JEA has also developed procedures for determining the amount of the excess access charge for the Telephone business unit for the year ended June 30, 2007.

Exhibit Q-7 shows the calculation of the minimum access fees for the twelve months of fiscal year ended June 30, 2007. Exhibit Q-7 also shows the accumulated excess revenue from the Telephone business unit that is available to be transferred to the Cable business unit as access fees, as of June 30, 2007.

8. State, as a percentage of the retail rate, the wholesale rates of JEA's telephone service if the wholesale rates as calculated in accordance with 47 U.S.C. §252(d)(3) and consistent with the formula used by the TRA for determination of the wholesale rates of BellSouth Telecommunications, Inc.

RESPONSE Expanding upon the General Objections, JEA objects on the basis that 47 U.S.C. § 252(d)(3) refers to obligations of incumbent local exchange carriers under 47 U.S.C. § 251(c)(4). JEA is not an incumbent local exchange carrier subject to these provisions of 47 U.S.C. §§ 251 & 252, and the requested information is not relevant to the statutory certification requirements for JEA. *See* 47 U.S.C. § 251(c) ("In addition to the duties contained in subsection (b) of this section, each *incumbent local exchange carrier* has the following duties . . ."); 47 U.S.C. § 252(d)(3) ("For the purposes of section 251(c)(4) . . . ,” a provision applicable only to incumbent local exchange carriers). Subject to and without waiver of the General Objections, JEA avers that it has not made such a calculation.

9. Provide all documents and explanation concerning JEA's decision in or about May, 2002 to become a wholesale rather than a retail provider of telephone service, including, but not limited to, all studies and analyses used to create the "JEA Wholesale/Retail Option" document introduced as Exhibit 2 in Docket 03-00438.

RESPONSE Expanding upon the General Objections, JEA avers that this Discovery Request is overly broad and unduly burdensome. JEA further avers that a decision in 2002 concerning its business model at that time is not relevant to the statutory certification requirements for JEA and is not reasonably calculated to lead to the development of admissible evidence.

10. Explain whether JEA still supports the analysis described in the “JEA Wholesale/Retail Option” and, if not, explain why that analysis is no longer accurate.

RESPONSE: The “JEA Wholesale/Retail Option” was created as a conceptual discussion document. While it generally describes the business structure under which JEA wishes to operate as a retail provider if granted an expanded CCN, it does not contemplate many of the harsh realities encountered by JEA in the past three years as an exclusive wholesale operator. In its early stages as an exclusively wholesale operator, JEA recognized that customer growth goals of outside providers did not align with the customer growth levels necessary to support the cost of the network. Unlike JEA, these providers were not ultimately responsible for supporting the cost of the network, and as such, and did not have the same incentives or business need to maximize use of the competitive network. JEA’s expansion into retail services is, in large part, designed to increase penetration of competitive retail services and the use of the JEA fiber optic network..

JEA has also identified these additional primary reasons for becoming a retail provider:

- JEA can better control the technical delivery of its product to customers.
- Marketing will be less awkward and confusing to potential customers; unconstrained by corporate bureaucracy.
- Pricing and packaging of JEA broadband services will be under the exclusive domain of JEA.
- The customer service experience for JEA customers will be managed by JEA.

Please also see JEA’s response to Discovery Request number 11.

As it expands into retail services, JEA desires to maintain its wholesale operations and to continue to provide wholesale services to interested CLEC customers to further maximize use of the JEA fiber optic network.

11. Provide all documents and explanation concerning JEA's decision to become a retail provider of telephone service instead of remaining solely a wholesale provider.

RESPONSE Expanding upon the General Objections, JEA avers that this Discovery Request is overly broad and unduly burdensome. Subject to and without waiver of the General Objections, JEA will provide an explanation concerning JEA's decision to become a retail provider, and JEA has attached as Exhibit Q-11 a compilation of the primary strategic planning documents that management developed in connection with this decision to become a retail provider. JEA has redacted sections of this strategic analysis as marked on the basis that the redacted information represents attorney-client and/or work product privileged information.

12. During the period January 1, 2007, through June 30, 2007, provide a comparison of the average time needed to correct a service problem reported by a Cinergy customer with the average time needed to correct a service problem reported by Aeneas.

RESPONSE: The table below provides a comparison of the average time needed to correct a service problem reported by a Cinergy customer with the average time needed to correct a service problem reported by Aeneas. For both Cinergy and Aeneas, the time to correct the problem begins when the customer call is referred to JEA by the provider.

<u>Average Time to Correct Service Problems</u>						
	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007
Aeneas						
Number of Trouble Calls	66	35	78	32	29	48
Avg. Time to Complete (Min.)	293.64	105.86	188.45	258.00	366.45	530.63
Cinergy						
Number of Trouble Calls	119	93	81	99	86	102
Avg. Time to Complete (Min.)	294.66	302.86	203.52	260.84	778.67	541.09
Unclassified Provider						
Number of Trouble Calls	7	0	2	1	3	0
Avg. Time to Complete (Min.)	95.86	0.00	152.00	92.00	118.67	0.00

REQUESTS FOR PRODUCTION OF DOCUMENTS

1. Produce all current and prior contracts between JEA and Cinergy Communications and all current and prior rate schedules for service offered to Cinergy.

RESPONSE Subject to and without waiver of the General Objections, responsive documents will be attached. Enclosed as Exhibit D-1, find a copy of the following past and current contracts and rate schedules between JEA and Cinergy:

- a. Interconnection Agreement General Terms and Conditions (v. 2.0)
- b. Jackson Energy Authority Sales Commission Agreement
- c. Jackson Energy Authority Billing and Support Services Agreement
- d. Amendment to Jackson Energy Authority Interconnection Agreement General Terms and Conditions (v. 2.0)
- e. Letter of Understanding dated February 16, 2005
- f. Reconciliation Agreement
- g. Notice to Enter into Negotiations
- h. Settlement Agreement dated August 23, 2007
- i. Wholesale Services Agreement dated August 23, 2007
- j. Addendum to Wholesale Services Agreement dated August 23, 2007

2. Produce all current and prior contracts between JEA and IRIS Network, including but not limited to, all agreements for the use of JEA poles, conduits and right-of-way.

RESPONSE Subject to and without waiver of the General Objections, the responsive document is attached as Exhibit D-2.

3. Produce all training materials used by JEA to train its employees to ensure compliance with the Code of Conduct.

RESPONSE Subject to and without waiver of the General Objections, JEA employees have been familiarized with the Code as it pertains to their area of operation. For example, employees who provision new customer orders have been instructed to handle all requests for service in the same manner regardless of the provider offering the service. Customer Service Representatives will enter orders for any provider that is specifically requested by a customer. Sections of the Code not handled on a regular or daily basis, such as Regulatory compliance, Loans and Credit Guarantees, and other General Provisions, are referred to JEA management.

Each year, JEA conducts an internal audit of our cost allocation process as well as compliance with our Code of Conduct. Non-compliance is noted and corrective training is provided.

Additionally, a TRA mandated audit to ensure JEA complies with its cost allocation policy and Code of Conduct is done annually by external auditors. In the past three years, no instances of non-compliance with the Code of Conduct have been noted by the auditors.

Training materials used with JEA personnel include memoranda from management and supervisors, order entry training guides, and on-the-job sales training conducted by JEA supervisors and managers. Samples of these materials are enclosed as Exhibit D-3.

4. Produce all trouble tickets produced since commercial launch of the first section of the JEA network.

RESPONSE Expanding upon the General Objections, JEA objects on the basis that this Discovery Request is overly broad and unduly burdensome, seeks information that is not relevant and information that is not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiver of the General Objections, JEA will produce, to the extent of available records, a management report showing the total number of trouble tickets of the telephone business unit, sorted by month and by retail provider for the period corresponding to the Discovery Request number 12 (January 1, 2007 to June 30, 2007).

Trouble Calls by Provider

	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	Total
Aeneas							
Number of Trouble Calls	66	35	78	32	29	48	288
Cinergy							
Number of Trouble Calls	119	93	81	99	86	102	580
Unclassified Provider							
Number of Trouble Calls	7	0	2	1	3	0	13
Total	192	128	161	132	118	150	881

5. Produce all training material used by JEA to ensure compliance with the FCC's CPNI requirements and the CPNI requirements set forth in the Aeneas interconnection agreement.

RESPONSE In anticipation of its provision of telecommunications services to retail customers, JEA has developed a CPNI Policy Handbook, attached as Exhibit D-5. A sample employee acknowledgement is also included with Exhibit D-5. JEA submits that the Aeneas interconnection agreement does not expressly refer to CPNI requirements, and management has not developed any specific training material concerning the confidentiality provisions in that agreement.

6. Produce job description of everyone in the Telecom Division, and anyone in other divisions who actually do work for the Telecom Division.

RESPONSE Expanding upon the General Objections, JEA objects on the basis that this Discovery Request is overly broad and unduly burdensome and is not reasonably calculated to lead to the discovery of admissible evidence. JEA files annual cost allocation reports with the Authority concerning cost allocations to the telephone business unit. Subject to and without waiver of the General Objections, JEA will make available for inspection and copying the job descriptions of JEA employees who are identified in the current version of JEA's cost allocation manual. Some employee positions in the current JEA cost allocation manual may not have a written job description.

The following job descriptions are available for inspection and copying at the offices of Miller & Martin PLLC upon reasonable prior notice:

- Account Executive
- Accounting Associate I
- Accounting Associate II
- Accounting Associate III
- Accounting System Analyst
- Administrative Clerk
- Benefits Coordinator
- Billing Coordinator
- Cashier
- Communications Coordinator
- Community Relations Manager
- Courier
- Creative Services Coordinator I
- Creative Services Coordinator II
- Credit Analyst
- Credit Representative
- Customer Service Representative I
- Customer Service Representative II
- Customer Accounting Clerk
- Employment & Administrative Coordinator
- Financial Analyst Associate
- Financial Analyst
- Headend Specialist - Telecommunications

Human Resources Analyst
IT Business Intelligence Manager
Manager of Accounting
Manager of Applications Development
Manager of Customer Service and Billing
Manager of Finance
Manager of Internal Control & Audits
Manager of Operations
Manager of Telecommunication Operations
Network Analyst
Network Specialist - Telecommunications
PC/Networking Technician
Production Coordinator
Project Manager, Telecom
Safety & Security Director
Secretary
Senior Billing Coordinator
Senior Marketing Manager
Senior System Analyst/Programmer
Staff Accountant
Supervisor of Cashiering
Supervisor of Customer Service
Systems Dispatcher
Telecom Field Service Foreman
Telecom Provisioning Clerk
Serviceman I - Telecommunications
Serviceman II - Telecommunications
Serviceman III - Telecommunications
Traffic Coordinator
Video Production Technician –
Telecommunications
Vice-President
Vice-President of Human Resources
Work Order Coordinator

7. Produce all pre-development market survey material concerning the projected “take rate” of the JEA network.

RESPONSE Enclosed as Exhibit D-7 is a copy of a communications survey conducted January 2002 by Younger Associates for Jackson Energy Authority that was used in establishing projected “take rates” for the development of the telecommunications project.

Respectfully submitted,

TERESA COBB / mws

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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.

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For Miller & Martin PLLC

Exhibit Q-2
to
Responses of Jackson Energy Authority to
Discovery Requests of
Aeneas Communications, LLC

Assets										
Current Assets										
Cash - Gross Revenue Fund	\$	34,334	\$	36,220	\$	1,886				
Accounts Receivable - Customer Billing		6,233		125,735		119,502	(1)			
Materials and Supplies - Utility		-		-		-				
Accrued Interest Receivable		-		(0)		(0)				
Prepaid Expenses		-		-		-				
Other Current Assets		-		196		196				
Total Current Assets		40,567		162,151		121,584				
Deferred Debits										
Miscellaneous Deferred Debits		-		404,302		404,302	(2)			
Total Deferred Debits		-		404,302		404,302				
Total Assets	\$	40,567	\$	566,453	\$	525,886				
Liabilities and Net Assets										
Long Term Debt										
Notes Payable	\$	250,000	\$	731,000	\$	(481,000)	(3)			
Total Long-Term Debt		250,000		731,000		(481,000)				
Current and Accrued Liabilities										
Accounts Payable	-		4,315	(4,315)						
Customer Deposits	-		900	(900)						
Franchise & FCC fees payable	-		-	-						
Property taxes payable	-		-	-						
Sales/Use Tax Payable	-		265	(265)						
Other Current & Accrued Liabilities	-		28,264	(28,264)						
Total Current and Accrued Liabilities		-	33,744	(33,744)						
Reserves										
Accrued Leave	-		22,974	(22,974)						
Total Reserves		-	22,974	(22,974)						
Net Assets										
Beginning of year	-		(63,341)	63,341						
Current year net income		(209,434)		(157,924)		(51,510)				
Total Net Assets		(209,434)		(221,265)		11,831				
Total Liabilities and Net Assets	\$	40,566	\$	566,453	\$	(525,887)				

Current Assets										
Cash - Gross Revenue Fund	\$	51,300	\$	91,370	\$	40,070	(9)			
Accounts Receivable - Customer Billing		66,346		267,442		201,096	(5)			
Materials and Supplies - Utility		-		1,324		1,324				
Accrued Interest Receivable		-		(2)		(2)				
Prepaid Expenses		-		129		129				
Other Current Assets		-		25		25				
Total Current Assets		117,646		360,288		242,642				
Deferred Debits										
Miscellaneous Deferred Debits		-		387,857		387,857	(2)			
Total Deferred Debits		-		387,857		387,857				
Total Assets	\$	117,646	\$	748,145	\$	630,499				
Liabilities and Net Assets										
Long Term Debt										
Notes Payable	\$	150,000	\$	650,000	\$	(500,000)	(3)			
Total Long-Term Debt		150,000		650,000		(500,000)				
Current and Accrued Liabilities										
Accounts Payable	-		3,658	(3,658)						
Customer Deposits	-		11,430	(11,430)						
Franchise & FCC fees payable	-	9,952	-	9,952						
Property taxes payable	-	1,496	-	1,496						
Sales/Use Tax Payable	-	-	154	(154)						
Other Current & Accrued Liabilities	-	-	292,136	(292,136)						
Total Current and Accrued Liabilities		11,448	307,378	(295,930)						
Reserves										
Accrued Leave	-	-	20,920	(20,920)						
Total Reserves		-	20,920	(20,920)						
Net Assets										
Beginning of year		(209,434)		(221,265)		11,831				
Current year net income		165,632		(8,887)		174,519				
Total Net Assets		(43,802)		(230,153)		186,351				
Total Liabilities and Net Assets	\$	117,646	\$	748,145	\$	(630,499)				

Current Assets										
Cash - Gross Revenue Fund	\$	445,429	\$	77,462	\$	(367,967)	(9)			
Accounts Receivable - Customer Billing		171,073		285,096		114,023	(5)			
Materials and Supplies - Utility		-		1,324		1,324				
Accrued Interest Receivable		-		-		-				
Prepaid Expenses		-		364		364				
Other Current Assets		-		25		25				
Total Current Assets		616,502		364,270		(252,232)				
Deferred Debits										
Miscellaneous Deferred Debits		-		370,918		370,918	(2)			
Total Deferred Debits		-		370,918		370,918				
Total Assets	\$	616,502	\$	735,188	\$	118,686				
Liabilities and Net Assets										
Long Term Debt										
Notes Payable	\$	-	\$	701,000	\$	(701,000)	(3)			
Total Long-Term Debt		-		701,000		(701,000)				
Current and Accrued Liabilities										
Accounts Payable	-		6,536	(6,536)						
Customer Deposits	-		31,168	(31,168)						
Franchise & FCC fees payable	-	25,661	-	25,661						
Property taxes payable	-	11,613	-	11,613						
Sales/Use Tax Payable	-	-	1,129	(1,129)						
Other Current & Accrued Liabilities	-	-	172,217	(172,217)						
Total Current and Accrued Liabilities		37,274	211,050	(173,776)						
Reserves										
Accrued Leave	-	-	36,809	(36,809)						
Total Reserves		-	36,809	(36,809)						
Net Assets										
Beginning of year		(43,802)		(230,153)		186,351				
Current year net income		623,029		16,482		606,547				
Total Net Assets		579,227		(213,671)		792,898				
Total Liabilities and Net Assets	\$	616,501	\$	735,188	\$	(118,687)				

Jackson Energy Authority
Comparison of Projections to Actual
Statement of Cash Flows - Telephone

	Projected Year 1	Actual Year 1 2005	Variance Year 1	Projected Year 2	Actual Year 2 2006	Variance Year 2	Projected Year 3	Actual Year 3 2007	Variance Year 3
Cash Provided by (used in) Operating Activities:									
Net Income	\$ (126,200)	\$ (38,429)	\$ 87,771 (1)	\$ 119,218	\$ 41,712	\$ (77,506) (1)	\$ 387,471	\$ 44,860	\$ (342,611) (1)
Adjustments to Reconcile Net Income to Net Cash									
Net Change in Depreciation	(75,233)	(89,612)	(16,379) (1)	54,414	(3,600)	(58,014) (1)	238,558	6,675	(231,883) (1)
Operating federal and state income taxes	(6,233)	(119,047)	(112,814) (2)	(60,114)	(141,707)	(81,593) (3)	(104,726)	(17,654)	87,072 (5)
Changes in Current and Deferred Items:									
Accounts Receivable	-	10	10	-	(1,740)	(1,740)	-	-	-
Materials and Supplies	-	589	589	-	44	44	-	-	-
Prepayments and Other Current Assets	-	14,558	14,558	-	16,444	16,444	-	16,939	16,939
Deferred Debits	-	(3,179)	(3,179)	-	(657)	(657)	-	2,878	2,878
Accounts Payable	-	900	900	-	16,490	16,490	-	45,398	45,398 (6)
Customer Deposits	-	(192)	(192)	-	(3,790)	(3,790)	-	(24,685)	(24,685)
Taxes and Interest Accrued	-	-	-	9,952	-	(9,952)	15,709	-	(15,709)
Franchise and FCC fees payable	-	-	-	1,496	-	(1,496)	10,117	-	(10,117)
Property taxes payable	-	24,692	24,692	-	261,592	261,592 (4)	-	(119,919)	(119,919) (4)
Other Current Liabilities	-	16,791	16,791	-	(2,055)	(2,055)	-	15,889	15,889
Accrued Leave	-	(1)	(1)	-	-	-	-	-	-
Deferred Credits	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	416	416	-	-	-
Net Cash Provided by (used for) Operating Activities	(205,666)	(192,921)	12,745	124,966	183,149	58,183	547,129	(29,856)	(576,985)
Cash Provided by (used in) Financing Activities									
Net Change in Notes Payable - LOC	250,000	256,000	6,000	-	-	-	-	51,000	51,000 (7)
Payment of principal on long term debt	-	-	-	(100,000)	(81,000)	19,000	(150,000)	-	150,000 (8)
Interest Paid	(10,000)	(29,882)	(19,882)	(8,000)	(46,999)	(38,999) (8)	(3,000)	(35,053)	(32,053) (8)
Net Cash Provided by (used in) Financing Activities	240,000	226,118	(13,882)	(108,000)	(127,999)	(19,999)	(153,000)	15,947	168,947
Net Increase (Decrease) in Cash and Temp. Investments	34,334	33,197	(1,137)	16,966	55,150	38,184	394,129	(13,909)	(408,038)
Cash and Temporary Investments - Prior Period	-	3,023	3,023	34,334	36,221	1,887	51,300	91,371	40,071
Cash and Temporary Investments - Current Period	\$ 34,334	\$ 36,221	\$ 1,887	\$ 51,300	\$ 91,371	\$ 40,071	\$ 445,429	\$ 77,462	\$ (367,967)

- (1) See income statement for details.
(2) Higher than anticipated revenue in Year 1.
(3) Projections included 30 days in receivables. Actual history has been 55-60 days in receivables. In addition, we have accrued unbilled receivables for connection costs and commissions.
(4) Primarily portion of billed receivables that were due Cinergy. Also 2006 includes a reserve of \$150,000 for potential liability for Conergy customers still on copper. This reserve was reversed in Year 3.
(5) Revenues much less than projected in 2007.
(6) We have collected deposits on phone customers. Not projected.
(7) Higher operating costs and lower revenues required additional borrowings.
(8) Have not made projected debt repayments due to higher operating costs and lower revenues.

Jackson Energy Authority
Comparison of Projections to Actual
Statement of Revenues, Expenses and Changes in Net Assets - Telephone

	Projected Year 1	Actual Year 1 2005 (1)	Variance Year 1	Projected Year 2	Actual Year 2 2006	Variance Year 2	Projected Year 3	Actual Year 3 2007	Variance Year 3
Operating Revenue									
Access fees for telephone	\$ 74,790	\$ 198,248	\$ 123,458	\$ 796,153	\$ 488,804	\$ (307,349)	\$ 2,052,870	\$ 919,410	\$ (1,133,460)
Miscellaneous Revenues	-	94,056	94,056 (7)	-	233,513	233,513 (7)	-	208,723	208,723 (7)
Uncollectible Revenues	-	-	-	-	(1,664)	(1,664)	-	(1,664)	(1,664)
Total Operating Revenue	74,790	292,304	217,514 (2)	796,153	720,654	(75,499) (8)	2,052,870	1,126,469	(926,401) (8)
Operating Expense									
Operating & Maintenance expenses	248,047	372,489	(124,442) (3)	262,756	411,121	(148,365) (3)	286,150	573,657	(287,507) (3)
Access charges to Cable unit	22,437	16,278	6,159	318,461	237,346	81,115 (6)	1,026,435	456,513	569,922 (6)
Taxes other than inc taxes	-	16,751	(16,751)	1,496	18,621	(17,125)	11,613	28,669	(17,056)
State income tax	(13,613)	(14,382)	769 (4)	10,766	(578)	11,344 (4)	40,497	1,071	39,426 (4)
Federal income tax	(59,620)	(75,230)	15,610 (4)	43,648	(3,022)	46,670 (4)	198,061	5,604	192,457 (4)
Depreciation & Amortization	-	16,700	(16,700)	-	16,941	(16,941)	-	16,941	(16,941)
Local franchise fee	3,740	-	3,740 (9)	39,808	-	39,808 (9)	102,644	-	102,644 (9)
Total Operating Expense	200,991	332,605	(131,614)	676,935	680,429	(3,494)	1,665,400	1,082,454	582,946
Operating Income	(126,201)	(40,300)	85,901	119,218	40,224	(78,994)	387,470	44,015	(343,455)
Non-Operating Income									
Nonoperating state income tax benefit	(13,613)	(14,382)	(769) (4)	10,766	(578)	(11,344) (4)	40,497	1,071	(39,426) (4)
Nonoperating federal income tax benefit	(59,620)	(75,230)	(15,610) (4)	43,648	(3,022)	(46,670) (4)	198,061	5,604	(192,457) (4)
Interest Income	-	806	806	-	2,093	2,093	-	-	-
Other Non-Operating Income	-	1,137	1,137	-	540	540	-	845	845
Total Non-Operating Income	(73,233)	(87,669)	(14,436)	54,414	(965)	(55,379) (8)	238,558	7,520	(231,038) (8)
Non-Operating Expenses									
Other Interest Expense - LOC	10,000	29,882	(19,882) (5)	8,000	46,999	(38,999) (5)	3,000	35,053	(32,053) (5)
Miscellaneous Income Deductions	-	73	(73)	-	1,147	(1,147)	-	-	-
Total Non-Operating Expenses	10,000	29,955	(19,955)	8,000	48,146	(40,146)	3,000	35,053	(32,053)
Income before Contributions	\$ (209,434)	\$ (157,924)	\$ 51,510	\$ 165,632	\$ (8,887)	\$ (174,519)	\$ 623,028	\$ 16,482	\$ (606,546)
Average number of customers	366	1,870	1,504	1,882	4,798	2,916	3,475	6,428	2,953
Average monthly revenue per customer	\$ 8.51	\$ 7.10	\$ (1.41)	\$ 21.88	\$ 9.74	\$ (12.14)	\$ 43.66	\$ 14.03	\$ (29.63)

(1) Operations began May 1, 2004, therefore the year ended 6/30/04 only included 2 months. For this reason we are treating the year ended 6/30/05 as the first year.

(2) Customer numbers exceeded projections in first year. See average number of customers below.

(3) Higher than projected allocation of common JEA costs.

(4) These are a function of net income.

(5) Higher line of credit balances than projected.

(6) Projected access fees were simply a % of revenue. In the actual numbers we turn over all excess revenues as an access fee. In the years in which excess revenues did not exist, we paid a minimum access fee.

See detail calculations of access fees that have been submitted for review.

(7) Includes commissions and residuals.

(8) While the number of customers exceeded projections, our wholesale position did not yield the average monthly revenue we projected. See averages above.

(9) When the projections were done, we were not certain whether or not a franchise fee would be assessed. We currently are not assessed a franchise fee.

Exhibit Q-4
to
Responses of Jackson Energy Authority to
Discovery Requests of
Aeneas Communications, LLC

JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS DIVISION
SCHEDULE OF LONG-TERM DEBT
JUNE 30, 2007

Year Ended June 30,	Series 2003 Bonds		Series 2007 Bonds		Total	Total
	Principal	Interest	Principal	Interest	Interest	Debt Service
2008	\$ 130,000	\$ 768,725	\$ -	\$ 1,413,212	\$ 2,181,937	\$ 2,311,937
2009	370,000	939,730	-	1,413,212	2,352,942	2,722,942
2010	420,000	948,861	300,000	1,405,187	2,354,048	3,074,048
2011	510,000	920,376	1,725,000	1,383,057	2,303,433	4,538,433
2012	570,000	903,721	1,910,000	1,288,004	2,191,725	4,671,725
2013	650,000	848,367	2,070,000	1,213,814	2,062,181	4,782,181
2014	680,000	810,074	2,115,000	1,136,844	1,946,918	4,741,918
2015	790,000	765,219	2,175,000	1,057,825	1,823,044	4,788,044
2016	820,000	717,335	2,200,000	995,929	1,713,264	4,733,264
2017	820,000	680,481	2,305,000	894,213	1,574,694	4,699,694
2018	980,000	613,059	2,180,000	813,189	1,426,248	4,586,248
2019	1,040,000	552,360	2,380,000	728,046	1,280,406	4,700,406
2020	1,070,000	488,874	2,405,000	640,264	1,129,138	4,604,138
2021	1,140,000	423,342	2,535,000	548,759	972,101	4,647,101
2022	1,220,000	353,217	2,685,000	462,033	815,250	4,720,250
2023	1,280,000	283,155	2,800,000	350,607	633,762	4,713,762
2024	1,330,000	198,546	2,795,000	248,255	446,801	4,571,801
2025	1,415,000	111,141	2,935,000	142,207	253,348	4,603,348
2026	1,490,000	34,083	3,095,000	30,188	64,271	4,649,271
	<u>\$ 16,725,000</u>	<u>\$ 11,360,666</u>	<u>\$ 38,610,000</u>	<u>\$ 16,164,845</u>	<u>\$ 27,525,511</u>	<u>\$ 82,860,511</u>

Exhibit Q-7
to
Responses of Jackson Energy Authority to
Discovery Requests of
Aeneas Communications, LLC

JEA

12 Months of Midstream Access Fee Calculation

Telephone Business Unit

30-Jun-07

	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Total
Total Plant Investments on Cable Business Unit	\$ 48,780,713	\$ 52,863,544	\$ 55,472,846	\$ 54,821,874	\$ 56,980,788	\$ 57,530,548	\$ 57,581,210	\$ 57,659,752	\$ 57,703,738	\$ 57,995,009	\$ 59,575,982	\$ 59,433,558	
% of Shared Plant Investments used by Cable & Telephone Unit	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	
Shared Plant Investments Used by Cable & Telephone Unit	42,585,562	46,149,874	48,427,794	47,859,496	49,744,228	50,224,168	50,268,396	50,345,693	50,373,363	50,280,443	52,009,832	51,885,845	
ROI (12 %)	70,976	76,916	80,713	79,766	82,907	83,707	83,781	83,909	83,939	83,801	86,683	86,776	983,594
Tax on ROI (6.5%)	384	417	437	432	449	453	454	455	455	454	470	468	5,328
Shared Depreciation Expense	263,824	265,198	280,659	280,634	293,003	298,684	301,044	302,297	301,309	302,465	321,900	337,466	3,572,827
Shared Property Tax	76,523	88,751	88,465	74,091	76,111	77,355	65,651	75,675	78,478	72,278	90,854	92,412	956,645
Shared Non-Operating Expenses	225,339	273,839	231,190	230,183	281,078	244,981	297,833	229,198	299,184	311,590	255,437	325,543	3,205,796
Revenue Requirement	637,046	705,121	680,865	675,106	723,554	705,181	748,762	691,534	763,385	770,529	755,343	842,765	8,709,191
Bandwidth Usage Rate	0.9500%	0.9500%	0.9500%	0.9500%	0.9500%	0.9500%	0.9500%	0.9500%	0.9500%	0.9500%	0.9500%	0.9500%	0.9500%
Access Charge	\$ 6,052	\$ 6,699	\$ 6,468	\$ 6,414	\$ 6,969	\$ 6,699	\$ 7,113	\$ 6,570	\$ 7,252	\$ 7,320	\$ 7,176	\$ 8,006	\$ 82,737.31
													\$ 82,720.79
													16.52
Depreciation Expense - Cable Business Unit	\$ 302,203	\$ 303,777	\$ 320,801	\$ 332,914	\$ 335,634	\$ 342,135	\$ 344,839	\$ 346,274	\$ 345,142	\$ 346,398	\$ 368,728	\$ 386,559	4,071,403
% of Shared Plant Investments used by Telephone Unit	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	
Shared Depreciation Expense	\$ 263,824	\$ 265,198	\$ 280,659	\$ 280,634	\$ 293,003	\$ 298,684	\$ 301,044	\$ 302,297	\$ 301,309	\$ 302,465	\$ 321,900	\$ 337,466	
Non-Operating Expense - Cable Business Unit	\$ 238,120	\$ 311,676	\$ 264,823	\$ 263,669	\$ 321,668	\$ 280,650	\$ 341,160	\$ 262,541	\$ 342,708	\$ 356,919	\$ 292,596	\$ 373,559	3,672,161
% of Shared Plant Investments used by Telephone Unit	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	87.30%	
Shared Non-Operating Expense	\$ 225,339	\$ 273,839	\$ 231,190	\$ 230,183	\$ 281,078	\$ 244,981	\$ 297,833	\$ 229,198	\$ 299,184	\$ 311,590	\$ 255,437	\$ 325,543	

JEA

Telephone Business Unit

Excess Revenues Available for Access Fees

6/30/2007

Revenue	\$ 669,864.47
Access fees on excess revenues	373,867.21
Less:	
Operating expenses	573,656.50
Other operating expenses	52,261.61
Less privilege tax	(844.85)
Less excise tax	(1,072.63)
Less federal income tax	(5,579.51)
Interest on debt related to system plant	-
Principal on debt related to system plant	-
Cash needed to cover four weeks' operating expenses	51,535.09
Excess revenues available for access fees	<u>\$ 373,775.47</u>
(No entry if less than \$0)	
Additional accrual needed	<u>\$ (91.74)</u>

Exhibit D-7
to
Responses of Jackson Energy Authority to
Discovery Requests of
Aeneas Communications, LLC

Strategic Planning
Market Research
Consulting



Graphic Design
Web Design
Advertising

Jackson Energy Authority Communications Survey January 2002

Younger Associates was retained by Jackson Energy Authority (JEA) to conduct a market study of the communications environment in Madison County. Specific areas to be studied include – television programming, local telephone service, and internet service.

Methodology

A telephone survey conducted among a randomly selected sample of Madison County customers of JEA.

A survey instrument was developed to collect the necessary data to determine current satisfactions levels with current providers of television, telephone, and internet services. The survey was also developed to measure the willingness of the respondents to switch providers of these services if similar services were to be offered by JEA. Basic demographic data was also collected as a means of determining that the final sample population is reflective of the actual population of the JEA service area.

A list of approximately 4,500 JEA customers was provided to Younger Associates for use in selecting the sample. Telephone interviews were conducted on the dates of January 4, 5, 7 and 8, 2002.

The survey instrument was pre-tested to determine that respondents could easily understand all questions and provide meaningful answers. Training was held to educate the survey team on the survey instrument, scope and purpose of the study. A total of 407 interviews were completed by the team.

All responses were entered into a database and tabulated. Complete tabulated survey responses are included in this report.

Key Findings

- A total of 83.1% of all respondents currently receive television programming via cable.
- Among the 14.8% of respondents receiving television programming via satellite, 63.7% own their system.
- Almost 30% of cable customers feel that it is difficult to reach their cable provider on the phone when they need them.
- 72.9% of all respondents indicated they would be likely to switch to JEA for television programming.
- Over 34% of the respondents using BellSouth as their local telephone provider feel that is difficult to reach them when needed.
- Among respondents, 47.6% had internet access in their home.
- America Online was the most frequently used internet service provider among respondents. (32.1%)
- Most respondents chose their ISP because a free trial came with their computer (24.8%) or it was recommended by a friend or co-worker (23.2%).
- While half of the respondents are satisfied or very satisfied (53.1%) with their internet service provider, 31.5% would consider changing internet service providers and 12.6% plan to change providers soon.
- A large majority (83.9%) of internet users would switch the JEA if they offered internet service.
- 75.9% of all respondents liked the idea of having a single provider/point of contact for utilities, television, telephone and internet services.

Communications Survey Results

TELEVISION

How do you receive television programming?

79.8% Cable	Totals: 83.1% Cable
10.3% Satellite System	14.8% Satellite
5.1% Antenna	6.3% Antenna
3.3% Cable & Satellite	
1.2% Satellite & Antenna	
0.3% No Television	

If Cable: What type of television programming package do you currently have?

44.8% Expanded Basic (64 channels)
 33.3% Basic (13 channels)
 22.0% Premium (64 channels plus HBO, Showtime, all paid channels)

If Satellite: Why did you choose a satellite system?

35.6% Better programming available
 32.2% Cable not available where you live
 23.8% Less expensive than cable
 8.5% Other: Problems with cable service/came with house/gift

Do you own or lease your satellite system?

63.7% own
 36.4% lease your satellite system?

If Antenna: Why do you use an antenna rather than cable or satellite?

38.1% Cost
 33.4% Cable not available where you live
 23.8% Do not want cable or satellite
 4.8% Other: Came with house

Do you agree or disagree with the following statements regarding your current TELEVISION programming provider (cable company or satellite systems provider):

Statement	Strongly Agree (4)	Agree (3)	Disagree (2)	Strongly Disagree (1)	No Experience	Rating
It is easy to schedule installation or service changes.	10.9%	59.7%	13.1%	1.3%	15.2%	2.94
Service is reliable	6.8%	79.1%	10.1%	1.8%	2.3%	2.93
Repairs are made quickly	4.3%	58.5%	11.1%	2.6%	23.7%	2.85
It is easy to reach provider on the phone when I need them	7.8%	53.2%	20.7%	8.6%	9.9%	2.67
The customer service department is easy to work with	7.1%	67.1%	10.4%	4.9%	10.6%	2.86
Billing problems are handled promptly	4.3%	64.3%	7.7%	3.1%	20.5%	2.88

If Jackson Energy Authority (formerly the Jackson Utility Division) were to offer cable television service with the same price and programming that you currently have, would you be willing to switch to Jackson Energy Authority cable service?

72.9% Yes
23.2% No
4.0% Would consider

Could you tell me why? See pages 5-8.

If NO: How much money would you have to save per month to switch to Jackson Energy Authority?

61.4% \$10
26.7% \$5
12.0% Would not switch for any amount of savings

TELEPHONE

Is BellSouth your local telephone provider?

96.7% Yes
3.4% No

If NO: Who? All South, All Tel, AT&T, Crockett County, Fraizer's, Universal Telecom, Verizon

Do you agree or disagree with the following statements regarding your current TELEPHONE service provider (BellSouth):

Statement	Strongly Agree (4)	Agree (3)	Disagree (2)	Strongly Disagree (1)	No Experience	Rating
It is easy to schedule installation or service changes.	12.2%	64.5%	12.2%	2.3%	8.6%	2.94
Service is reliable	10.0%	78.2%	8.8%	1.4%	1.4%	2.98
Repairs are made quickly	7.4%	63.6%	12.2%	3.1%	13.6%	2.87
It is easy to reach provider on the phone when I need them	6.9%	53.8%	24.1%	10.0%	5.0%	2.61
The customer service department is easy to work with	8.8%	71.4%	8.6%	2.1%	8.8%	2.96
Billing problems are handled promptly	7.1%	69.8%	7.6%	2.6%	12.6%	2.94

If Jackson Energy Authority were to offer telephone service with the same price and same features as your current provider would you be willing to switch to Jackson Energy Authority telephone service?

64.1% Yes
29.6% No
6.4% Would consider

Could you tell me why? See pages 9-12.

Do you agree or disagree with the following statements regarding Jackson Energy Authority as your utility provider:

Statement	Strongly Agree (4)	Agree (3)	Disagree (2)	Strongly Disagree (1)	No Experience	Rating
It is easy to schedule installation or service changes.	17.4%	74.3%	2.2%	0.2%	5.8%	3.16
Service is reliable	17.7%	75.0%	6.1%	0.2%	0.9%	3.11
Repairs are made quickly	14.7%	69.7%	5.2%	0.7%	9.7%	3.09
It is easy to reach provider on the phone when I need them	15.0%	70.6%	6.6%	2.4%	5.4%	3.04
The customer service department is easy to work with	16.0%	70.1%	5.1%	1.2%	7.5%	3.09
Billing problems are handled promptly	13.3%	66.5%	6.4%	2.2%	11.7%	3.03

INTERNET

Do you have internet access in your home?

47.6% Yes
52.5% No

If Yes: Who is your internet service provider (ISP)?

32.1% America Online
14.8% BellSouth
12.7% Charter
7.9% MSN
6.4% Other
5.8% CompuServe
5.8% Earthlink
3.7% AT&T
3.2% Aeneas
2.1% Click One
2.1% Prodigy
2.1% Don't know
1.6% MindSpring

Why did you choose your internet service provider?

24.8% Free trial came with computer
23.2% Was recommended by friend/co-worker
4.9% Newspaper/TV or other advertising
9.6% Shopped for lowest price
6.5% Shopped for fastest connection
4.3% Already used at work, so I knew about it
26.9% Other: Most Frequent Responses
20% Cable/Modem
16% Special Promotion/Offer
14% Known Company/Reputation
8% Rebate on computer purchase with sign-up

How satisfied are you with your current internet service provider?

24.1% Very satisfied, would not consider changing
32.0% Satisfied and not likely to change
31.5% Somewhat satisfied, but would consider changing
12.6% Not satisfied -- will probably change providers sometime soon

If you were to change internet service providers, would you choose one that offered:

- 51.6% Higher speed
- 48.4% Lower price

If Jackson Energy Authority were to offer internet service at the same price as your current provider, but at a consistently higher speed, would you be willing to switch to Jackson Energy Authority's internet service?

- 83.9% Yes
- 14.6% No
- 1.5% Would consider

Could you tell me why? See pages 13-14.

Would you like to have one service provider for utilities, television, internet and telephone services that provides customer service, repairs and billing?

- 75.9% Yes
- 19.6% No
- 4.6% Depends/Need more information

For comments, see pages 15-16.

Age:

- 7.6% 18-24
- 16.9% 25-34
- 17.4% 35-44
- 25.4% 45-54
- 13.7% 55-64
- 11.5% 65-74
- 7.8% 75+

Occupation:

- 21.0% Retired
- 11.3% Manufacturing
- 7.8% Other
- 6.9% Education
- 6.9% Medical services
- 6.6% Personal services
- 5.4% Business services, professional services (*other than medical*)
- 4.7% Student
- 4.2% Finance, insurance, real estate
- 4.2% Unemployed
- 3.7% Disabled
- 3.5% Retail sales
- 2.5% Government, including military
- 2.5% Special Trades (*electrician, plumbing, HVAC*)
- 1.7% Transportation
- 1.5% Agriculture, farming, landscaping
- 1.5% Self Employed
- 1.5% Construction
- 1.3% Hotel, restaurant
- 1.0% Warehousing, distribution
- 0.8% Communications (*radio, TV, telecommunications*)
- 0.5% Utilities

By Observation Only:

Gender:

61.5% Female
38.5% Male

Race:

24.4% Black
1.7% Hispanic
66.8% White
0.5% Other
6.7% Could not identify by observation

Television Programming Comments

If JEA were to offer TV service with the same price and programming, would you switch?	Why
No	Did/Would not give reason (16)
No	Any 2 bit organization that changes its name I don't trust
No	Better price
No	Cable is a rip off, only if it were a better deal
No	Cheaper
No	Come down on price or add services
No	Diversity in providers
No	Don't care
No	Don't have a clue
No	Had this service for years, will not change
No	Happy
No	Happy with Charter
No	Happy with what I have
No	Harder to reach than the cable people
No	Hate cable company
No	Have to be cheaper
No	Have to have a reason to switch
No	Have to offer some savings
No	Have to save money
No	Husband decides
No	I like who I'm with
No	If I can choose my own package
No	If it were cheaper
No	If price was better
No	If they offer it cheaper
No	In one year
No	It would be the same thing, so why switch
No	JEA is trying to rule the world
No	Legal personal issue
No	Like what I have
No	Like what I have
No	Local
No	Lower price
No	May get a satellite
No	My service now is fine
No	Need cheaper rates
No	Need competition
No	Need more of a reason
No	No advantage for same price
No	No comment
No	No need
No	No need, less \$ or better offer -- I would consider
No	No problems with current provider
No	No problems with current provider
No	No reason to switch, maybe for a better deal
No	Not for the same price
No	Not if it is the same price
No	Not interested in cable
No	Not same price, better deal
No	Nothing wrong with what I have

Television Programming Comments

If JEA were to offer TV service with the same price and programming, would you switch?	Why
No	Only if cheaper
No	Only if they offer a discount
No	Programming is horrible
No	Satisfied
No	Satisfied
No	Satisfied
No	Satisfied
No	Satisfied with current service
No	Satisfied with provider now
No	Save money, better service
No	Son handles it
No	They are very rude @ JEA
No	They turn off too easy
No	They will have to offer a discount
No	Too high
No	Too much trouble to change
No	Too much trouble to change
No	Use to one I have
No	We don't watch TV
No	Why change for the same price
No	Why change without an incentive -- price or programming
No	Why do through the hassle of changing for same price & service
No	Why switch when nothing is better
No	Won't switch
No	Would be nice if cheaper
No	Would check into it
No	Would have to be a better deal
No	Would think about it
Yes	NO OTHER COMMENT (227)
Yes	Absolutely
Yes	Always dependable
Yes	Bad reception
Yes	Better picture
Yes	Better variety & consistent price
Yes	Cable is a monopoly, need competition
Yes	Charter stinks!
Yes	Cheaper
Yes	Cheaper & better programs
Yes	Cheaper & digital
Yes	Cheaper rate
Yes	Competition is good
Yes	Competition is good
Yes	Consolidation of bill
Yes	Daughter works for JEA
Yes	Depends on number of channels
Yes	Depends on price & service
Yes	Disappointed with cable service; cheaper
Yes	Dislikes cable provider
Yes	Don't care for cable co.

Television Programming Comments

If JEA were to offer TV service with the same price and programming, would you switch?	Why
Yes	Easier to pay
Yes	Fed up with what I have
Yes	Fed up with what I have
Yes	Fed up with what I have
Yes	Good deal, try something new
Yes	High speed internet service
Yes	Husband work @ JEA
Yes	I hate Charter. Want more channels and lower price
Yes	If cheaper
Yes	If less money
Yes	If more family programs
Yes	If on one bill with electricity
Yes	If price was better
Yes	If the price was right
Yes	It takes hours or days to catch them. Don't like 800 number – have no choice or would change.
Yes	JEA is very good
Yes	JEA is very good
Yes	Less price
Yes	Likes JEA
Yes	Local
Yes	Lower price
Yes	Lower price
Yes	Lower price
Yes	Lower price
Yes	Lower price
Yes	Lower price
Yes	Lower price
Yes	Makes sense to have one bill
Yes	Must be more accessible
Yes	Need cable
Yes	Need Incentive
Yes	No complaints about Charter
Yes	No switch over fee
Yes	Offer cable internet
Yes	Once they got the bugs worked out
Yes	One bill
Yes	Price & more channels
Yes	Son in law works for JEA
Yes	They are the best
Yes	To have cable
Yes	Try something else
Yes	Try something else
Yes	Want a change
Yes	Want more options
Yes	Would at least consider
Yes	Would consider it

Television Programming Comments

If JEA were to offer TV service with the same price and programming, would you switch?	Why
Other Comments by those not indicating yes or no	
	Depends on price & what they offer
	Don't Know
	Don't Know
	Don't Know
	Don't know
	Don't know
	If the price was cheaper
	If the price was lower
	Maybe
	Maybe
	Maybe
	Maybe
	Not for 1yr -- signed a contract
	Would consider it
	Would consider it
	Would consider it

Telephone Service Comments

If JEA were to offer telephone service with the same price and features, would you switch?	Why
No	Did/Would not indicate reason (22x)
No	All BellSouth
No	Always been with BellSouth
No	Always been with BellSouth
No	As long as they didn't charge to switch, I might consider
No	Because of family matters
No	Because they have been around a long time
No	Been real good!
No	Been with BellSouth for so long
No	Been with them so long
No	BellSouth for too long
No	BellSouth has much experience with phone service - JEA does not
No	BellSouth knows more about service
No	BellSouth OK
No	Bellsouth for a long time
No	Better price
No	Comfortable with Bell South
No	Don't like JEA. Prefer BellSouth
No	Don't like one provider to handle all the services
No	Don't like them
No	Don't trust them
No	Don't want to
No	Employee of BellSouth
No	Familiar with BellSouth
No	Get one provider and stick with it
No	Give me a reason to switch like saving \$. JEA doesn't have experience with phone service
No	Good results with the one I have
No	Happy
No	Happy
No	Happy with BellSouth
No	Happy with BellSouth
No	Happy with BellSouth
No	Have been with BellSouth for years. It would be hard to change.
No	Have to be in business awhile before I would switch
No	Have to save
No	Have to save
No	Have to save
No	If going to the trouble of switching need to offer better package
No	If I could save money
No	If it is the same, why change?
No	If they cut your light, you'd lose your phone
No	Likes BellSouth
No	Likes BellSouth
No	Local person can't handle -- Alamo has local service and it stinks!!!
No	Lower price
No	Lower price
No	Maybe if better price
No	Nationally known
No	Need a better price
No	Need to know what services they are going to provide
No	Need to save a lot more

Telephone Service Comments

If JEA were to offer telephone service with the same price and features, would you switch?	Why
No	New and may have problems
No	No advantage @ the same price
No	No comment
No	No comment
No	No problem with current provider
No	No problems now
No	No problems with BellSouth
No	No problems with phone
No	No problems, been with them a long time and they have always treated me right.
No	No reason to if the price was the same
No	No reason to switch
No	No reason to switch -- maybe for a better deal
No	Not sure
No	Nothing is better
No	Nothing wrong with what I have
No	Only if cheaper
No	Only if cheaper
No	Price to be lower
No	Reduce price
No	Retired from BellSouth
No	Same money, why should I?
No	Same service, same price, why change?
No	Satisfied
No	Satisfied
No	Satisfied
No	Satisfied
No	Satisfied - no reason to switch
No	Satisfied with BellSouth
No	Satisfied with BellSouth
No	Satisfied with BellSouth
No	Satisfied with current service
No	satisfied with what I have
No	Satisfied with what I have
No	Son handles
No	They don't have a track record
No	They would have to have more benefits
No	To save money
No	Too hard to reach
No	Too many services for one company
No	Unless we didn't have a choice
No	Wait to prove themselves first
No	Work for BellSouth
No	Worked for them for 30 yrs
No	Would consider
No	Would have to learn more about it
No	Would have to save some money
No	Would have to save some money

Telephone Service Comments

If JEA were to offer telephone service with the same price and features, would you switch?	Why
Yes	NO OTHER COMMENT (202x)
Yes	Answer every call, no waiting
Yes	BellSouth needs some competition
Yes	BellSouth sucks
Yes	Cheaper
Yes	Cheaper
Yes	Cheaper
Yes	Competition, keeps BellSouth charges from creeping up
Yes	Daughter works for JEA
Yes	Dealing with BellSouth is a problem when trying to get someone on the phone
Yes	Dislikes BellSouth
Yes	Dislikes not having choice of provider
Yes	Diversity
Yes	Don't know
Yes	Don't like what I have
Yes	Encourage competition
Yes	Fed up
Yes	For better price
Yes	Get all on one bill
Yes	Get all on one bill
Yes	High long distance
Yes	High long distance
Yes	If anything is cheaper
Yes	If locally operated
Yes	If price was lower
Yes	If the price was less
Yes	If they had DSL
Yes	In a heartbeat
Yes	It's local and brother works there
Yes	Like JEA
Yes	Like JEA
Yes	Local
Yes	Local
Yes	Long distance is going up
Yes	Lower price
Yes	Lower price
Yes	Lower price
Yes	Lower price
Yes	Lower price
Yes	Lower price
Yes	Lower price
Yes	Lower price
Yes	Make the bill easier to read
Yes	My husband has a cell phone
Yes	Need variation of price or service
Yes	Now have static when it rains
Yes	Once they proved themselves
Yes	One bill more convenient
Yes	Price
Yes	Put it all on one bill
Yes	Same bill
Yes	Supports JEA

Telephone Service Comments

If JEA were to offer telephone service with the same price and features, would you switch?	Why
Yes	Think about it for a long time
Yes	Try something new
Yes	Try something new
Yes	Try something new
Yes	Would consider
Yes	Would switch to anything
Other Comments by Those Not Indicating Yes or No	
	Better price
	Can't say would have to wait and see
	Consider It
	Consider It
	Don't Know
	Don't Know
	Don't Know
	Don't Know
	Don't Know
	Don't know
	Have not thought about it
	Like BellSouth
	Maybe
	Maybe
	Maybe
	Maybe
	Maybe
	Maybe
	No need if I couldn't save money
	Not unless it's less money
	Possible
	Possible
	Same thing, why change?
	Undecided
	Undecided

Internet Service Comments

If JEA were to offer Internet service with the same price and features, would you switch?	Why
No	Did/Would not Indicate reason (9x)
No	Don't need higher speed
No	Don't want to switch
No	Happy with AOL
No	Like AOL
No	Lower price
No	Lower price only
No	Not going to change for same money
No	Only if cheaper
No	Price
No	Satisfied
No	Satisfied
No	Speed & Cheap
No	Speed doesn't matter, \$ does
No	They should do what they know
No	They would have to prove they are going to provide good service
No	Too many services for one company
No	Will stay with what I've got, present service ok
No	Would be interested in savings
No	Would think about it
Yes	NO OTHER COMMENT (133x)
Yes	Convenience
Yes	Doesn't hurt to try
Yes	If all on one bill per month
Yes	If it's on telephone line
Yes	In a heartbeat!
Yes	Lower price
Yes	Lower price
Yes	Only if they had Interactive talking
Yes	Retired from JEA
Yes	Service
Yes	Son works for JEA
Yes	Speed
Yes	Speed
Yes	Speed
Yes	Speed
Yes	Speed
Yes	Speed
Yes	Speed
Yes	Speed
Yes	Speed
Yes	Speed
Yes	Want higher speed. Absolutely
Yes	Want something different
Yes	Would consider if billing was right time of the month
Yes	Would consider it if digital
Yes	Would like higher speed
Yes	Would switch after contract was up
Yes	Would switch in a NY minute

Internet Service Comments

If JEA were to offer Internet service with the same price and features, would you switch?	Why
Other Comments by Those Not Indicating Yes or No	
	Consider it
	Maybe
	Undecided

Comments Collected Regarding One Provider of All Services

Would you like to have one service provider for utilities, TV, internet and telephone services that provide customer service, repairs, and billing?	Comment
No	All but phone service
No	Bigger is not better
No	Charter will not reply to complaints. Definitely looking for a new cable provider.
No	Competition is good
No	Depends on if they fix sewage problem
No	Don't want to put all of my eggs in one basket
No	If they screw up one thing, they screw it all up
No	It would be like a monopoly -- I don't like the idea of not having choices and dealing with only one person
No	JEA doesn't need to control everything
No	Just want to stick with what I've got.
No	Monopoly
No	More competition
No	Need competition
No	No phone included
No	Not important
No	One big bill too much to pay
No	Think it would be too much of a problem
No	Too much control for one company to have
No	Too much to pay @ one time
No	Worried about having one bill for everything
No	Would have to consider
No	Would like one bill
Yes	Better if local
Yes	Convenience
Yes	Convenience
Yes	Convenience
Yes	Convenience
Yes	Currently has Southwest Electric - it stinks! Wants JEA
Yes	Don't like a monopoly, need competition
Yes	Everything but the phone
Yes	Handy
Yes	If could save money
Yes	If it cost less
Yes	If offered for a better price/deal
Yes	If price were right
Yes	If price were right
Yes	If reasonable
Yes	If the price is right
Yes	If they offered the same level of service
Yes	More convenient
Yes	Must be cheaper
Yes	Need a lower price
Yes	Need an incentive
Yes	Need more places to pay your bill
Yes	Needs to be autodraft from bank account
Yes	No automation and don't raise prices

Comments Collected Regarding One Provider of All Services

Would you like to have one service provider for utilities, TV, Internet and telephone services that provide customer service, repairs, and billing?	Comment
Yes	Not totally automated
Yes	Pay one bill
Yes	Would be convenient
Yes	Would like one bill
Yes	Would need more information

Exhibit D-2
to
Responses of Jackson Energy Authority to
Discovery Requests of
Aeneas Communications, LLC



211 Commerce Street
Suite 610
Nashville, Tennessee 37201

Phone 615.425.2300
Fax 615.986.2092
www.iristransport.com

December 20, 2006

Mr. Kim Kersey
Jackson Energy Authority
119 E College St
Jackson TN 38301

Re: Dark Fiber Agreement

Dear Kim,

Please find enclosed one executed Dark Fiber Agreement. I very much appreciate you working with us toward a common solution that should help both of our companies further their respective business interests.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Ebner", written in a cursive style.

Richard Ebner

AGREEMENT

This Agreement ("Agreement") is made as of January 1, 2007 by and between Jackson Energy Authority, a governmental utility authority created by the Tennessee General Assembly by Chapter 55 of the Private Acts of 2001 ("JEA") and Tennessee Independent Telecommunications Group, LLC, d/b/a Iris Networks, a Tennessee limited liability corporation ("IRIS"). JEA and IRIS are collectively referred to herein as the "Parties" and individually referred to herein as "Party".

Recitals

- A. JEA operates a fiber optic broadband network in and around Jackson, Tennessee interconnecting various locations within its operations to transport telecommunications services.
- B. IRIS operates a regional long-haul fiber optic network throughout Tennessee and other locations outside of Tennessee.
- C. IRIS desires to lease a quantity of dark fiber optic strands on the JEA network to use to transport its telecommunications signals from its network point of presence in south Jackson, Tennessee into and from the BellSouth Central Office in downtown Jackson, Tennessee.
- D. IRIS desires to co-locate its network transmission equipment within the JEA Control Center.
- E. JEA desires to lease a portion of its unused dark fiber strands and provide co-location space to qualified operators in exchange for its choice of cash payment or a trade for long haul transport of its telecommunications services over a high bandwidth capacity circuit.

In consideration of the mutual desires and promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1.0 Dark Fiber Lease

- 1.1 JEA shall lease to IRIS the use of certain of its spare dark fiber strands, as described in Exhibit A, that shall be used to connect the IRIS network with certain locations within the JEA Network service territory.

2.0 Co-Location

- 2.1 JEA shall lease to IRIS space within the JEA Control Center, as described in Exhibit B, which shall be used to house and power equipment used by IRIS to transmit its telecommunications signals.

3.0 Interconnection and Cross-Connection

- 3.1 IRIS shall be responsible for all interconnection arrangements between the dark fiber strands it leases from JEA and the BellSouth Central Office.
- 3.2 IRIS shall be responsible for cross-connecting its equipment co-located inside the JEA Control Center with the leased dark fibers terminated inside the Control Center.
- 3.3 JEA will be responsible for installing its fiber into the IRIS point of presence in the TVA facility at 211 Perry Switch Road in Jackson, Tennessee. IRIS will be responsible for coordinating the cross connection of the fiber to the TVA fiber network.

4.0 Consideration

- 4.1 JEA shall lease to IRIS the dark fibers and co-location space at monthly cash lease rates described in Exhibit C.
- 4.2 JEA reserves the right to convert the monthly lease cash charge for the fiber lease and co-location space to a trade arrangement in which JEA shall receive a Gigabit Ethernet circuit between Jackson, TN and the IRIS termination location in Chattanooga, TN, or some other equivalent route(s) as where such capacity is available at the time that the route(s) is requested.
- 4.3 JEA shall charge IRIS a non-recurring charge for installation and engineering work, as described in Exhibit C.

5.0 Term of the Agreement

- 5.1 The "Initial Term" of this Agreement shall be Ten (10) consecutive years, beginning on the Commencement Date and expiring at 11:59 p.m. on the day before the Tenth (10th) anniversary of the Commencement Date. The Acceptance Date shall be the day the fiber is ready for use by IRIS, and confirmed as acceptable by IRIS. From and after the Acceptance Date, the IRIS shall pay to the JEA, on a monthly basis, the amounts specified in Exhibit C.
- 5.2 The Agreement may be renewed for an additional ten year term, unless either Party shall provide a notice of termination six months prior to the end of the initial term

6.0 Default

- 6.1 "Default" occurs if: (1) Iris fails to make any payment required to be made by it under this Agreement and any such failure remains uncorrected for five business days after written notice such payment was due, (2) either party fails to perform or observe any material term or obligation (other than Iris's payment obligations) contained in this Agreement, and any such failure remains uncorrected for thirty (30) calendar days after receipt of a notice from the non-defaulting party informing the defaulting party of such failure; (3) a voluntary or involuntary proceeding shall be commenced by or against either party in any jurisdiction seeking liquidation, reorganization or other relief under any bankruptcy or similar law which is not dismissed within thirty (30) calendar days of filing; or either party shall make an assignment for the benefit of creditors; or shall generally not agree to pay or not be able to pay its debts as they become due.

7.0 Remedies.

- 7.1 If Iris is in default JEA may, in addition to any other rights JEA has under this Agreement or under the law; (1) suspend its performance under this Agreement without the requirement of any further notice to Iris, until Iris has remedied all events of default and paid in full all charges when due, including a late fee of 1.5% of the outstanding balance per month; or (2) terminate this Agreement effective upon notice to Iris.
- 7.2 If Iris is the defaulting party, JEA may collect the total of all charges specified herein throughout the remainder of each Service's Minimum Service Term as a single amount, which shall become due and payable upon written notification to Iris of this election by JEA. If JEA is in default, Iris may, in addition to any other remedies it has under this Agreement or under the law, terminate this Agreement but may not withhold or suspend its own performance.

8.0 Limitation of Liability.

- 8.1 IN NO EVENT SHALL JEA OR ANY OF ITS AFFILIATES BE LIABLE TO IRIS OR ANY OF IRIS' AFFILIATES FOR ANY LOSS OF PROFIT OR REVENUE OR FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR SIMILAR OR ADDITIONAL DAMAGES INCURRED OR SUFFERED AS A RESULT OF UNAVAILABILITY, PERFORMANCE, NON-PERFORMANCE, BREACH, TERMINATION, OR OTHER ACTION OR INACTION UNDER THIS AGREEMENT, EVEN IF IRIS ADVISES JEA OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY: IRIS AGREES THAT ITS SOLE REMEDY IN THE EVENT OF ANY NON-PERFORMANCE OF THE JEA NETWORK SHALL BE LIMITED TO THE PRO-RATED PORTION OF THE

MONTHLY LEASE AMOUNT FOR THE TIME PERIOD OF THE NON-PERFORMANCE.

- 8.2 JEA HEREBY DISCLAIMS ANY LIABILITY TO IRIS FOR INTERRUPTIONS AFFECTING THE SERVICES FURNISHED HEREUNDER WHICH ARE ATTRIBUTABLE TO IRIS' SERVICES OR EQUIPMENT FAILURES, OR TO IRIS'S BREACH OF THIS AGREEMENT. JEA warrants that the Services shall be provided to Iris and shall operate in accordance with prevailing telecommunications industry standards. If JEA determines that the Services are not being provided in accordance with such standards, JEA shall use reasonable efforts under the circumstances to conform the Services to such standards. THE WARRANTIES CONTAINED IN THIS SECTION ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WHICH ARE SPECIFICALLY DISCLAIMED.

9.0 Indemnification.

- 9.1 Iris shall indemnify and hold harmless JEA, its directors, officers, employees, and agents, successors, and assigns, from all damages, costs, expenses, and liabilities, including reasonable attorney's fees and disbursements, (1) sustained in any action commenced by any third party who has access or use of the Services through Iris; and (2) any breach of any covenant or agreement of Iris contained in this Agreement; and (3) any misrepresentation or breach of any of the warranties and representation of Iris contained in this Agreement.

10. Force Majeure

The obligations of the parties hereto are subject to force majeure and neither party shall be in default under this Agreement if any failure or delay in performance is caused by strike or other labor problems, accidents, acts of God, fire, flood, adverse weather conditions, material or facility shortages or unavailability not resulting from such party's failure to timely place orders therefore, lack of transportation, governmental codes, ordinances, laws, rules, regulations or restrictions, condemnation or exercise of rights of eminent domain, war or civil disorder, acts of terrorism, labor shortages resulting from reserve or active military status or employees or contractors or any other cause beyond the reasonable control of either party.

11. Miscellaneous.

- 11.1 This Agreement and each provision hereof may be amended only by an instrument in writing signed by the parties hereto. No failure or delay on the part of either party in exercising any right hereunder and no course of

dealing between the parties shall operate as a waiver of any provision hereof.

- 11.2 In conjunction with this Agreement, each party shall at all times comply with all applicable federal, state, and local statutes, ordinances, regulations and orders of any commission or other government body.
- 11.3 This Agreement shall be governed by the laws of the State of Tennessee.
- 11.4 All notices shall be in writing and shall be delivered by certified mail return receipt requested or any other delivery system which is capable of providing proof of delivery. Any such notice shall be deemed effective on the day of actual delivery. All notices shall be addressed to JEA or Iris as set forth herein. All notices to JEA shall be addressed to:

If to JEA:

Jackson Energy Authority
119 E. College Street
Jackson, TN 38301
Attn: Kim Kersey

If to Iris:

Iris Networks
211 Commerce Street
Suite 610
Nashville, TN 37201
Attn: Chief Manager

The addresses set forth may be changed by appropriate notice to the other party.

- 11.5 This Agreement and its Exhibits comprise the complete and exclusive statement of the agreement of the parties concerning the subject matter hereof, and supersede all previous statements, representations, and agreements concerning the subject matter hereof.
- 11.6 If any part of this Agreement shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Agreement, and Iris and JEA agrees to negotiate with respect to any such invalid or unenforceable part to the extent necessary to render such part valid and enforceable.

The Parties acknowledge their acceptance of this Agreement by their signatures below.

Jackson Energy Authority

By: KIM K. KERSEY

Signature: Kim K. Kersey

Title: SVP- TELECOMMUNICATIONS

Date: 12-18-06

Iris Networks

By: Willie Lewis

Signature: Willie Lewis

Title: Chief Manager

Date: 12/20/2006

Exhibit A - Dark Fiber Route Description and Specifications:

1. IRIS Point of Presence at 211 Perry Switch Road in Jackson, TN to the JEA Control Center at 125 E. College Street in Jackson, TN four (4) dark fiber strands @ 27,633 feet)
2. SW Tennessee Electric Membership Cooperative at 1652 Hwy 70 East in Jackson, TN to the JEA Control Center at 125 E. College Street in Jackson, TN six (6) dark fiber strands @ 28,552 feet)
3. JEA Control Center at 125 E. College Street in Jackson, TN to BellSouth Central Office at 315 E. College Street in Jackson, TN four (4) fibers along a redundant route of 9,000 feet)

Exhibit B -Co-Location Specifications:

1. IRIS will lease space for two standard relay racks. The racks will be provided, mounted, and installed by IRIS and will have two 208volt/60 amp circuits total on separate circuit breakers.
2. JEA will furnish back-up powering for the IRIS equipment in the co-location space via the JEA generator.
3. IRIS will be responsible for cross-connecting their racked equipment with the fiber termination panels inside the JEA Control Center.

Exhibit C - Rates and Charges:

Non-Recurring Charges –

1. JEA shall charge IRIS the amount of \$5,260.00 as a one-time charge for installation and engineering services associated with the dark fiber lease and the co-location space lease.

Monthly Recurring Charges –

1. The dark fiber lease charge shall be \$65.00 per mile for each dark fiber strand.
2. The total fiber strand mileage charge for the dark fiber routes is calculated below:

TVA Site to JEA CC –	27,633 ft. x 4 strands =	110,532 ft.
SWTEMC to JEA CC –	28,552 ft. x 6 strands =	171,312 ft.
JEA CC to BellSouth CO –	Route A 3,500 ft. x 4 strands =	14,000 ft.
	Route B 5,500 ft. x 4 strands =	<u>22,000 ft.</u>
Total strand footage		317,844 ft.
	Divided by	<u>5,280 ft.</u>

TOTAL MILEAGE 60.20 miles

3. The monthly recurring charge for the dark fiber lease will be \$ 3913.00, calculated at 60.20 miles times \$65.00 per mile.
4. The monthly recurring charges for the co-location space will be \$1,500.00, calculated at two racks times \$750.00 per full rack.
5. JEA may increase the monthly recurring charge for the dark fiber lease and the co-location space annually on the anniversary date of the Agreement by 5% or the percentage amount of the Consumer Price Index (CPI-U) for the prior twelve months, whichever is greater.

Exhibit D-3
to
Responses of Jackson Energy Authority to
Discovery Requests of
Aeneas Communications, LLC

Mona Gates

From: Mona Gates
Sent: Thursday, December 13, 2007 7:59 AM
To: Mona Gates
Subject: FW: EPlus Broadband Network Provider Policy Statement

Mona Gates
CSR Supervisor
Jackson Energy Authority
422-7500 ext 295

From: John Williams
Sent: Friday, April 22, 2005 2:32 PM
To: Everyone
Subject: EPlus Broadband Network Provider Policy Statement

The following is how JEA employees should convey information about services provided over the JEA network to our customers. The intent of this policy is to ensure that JEA employees present all providers in a positive manner.

- Cable Television services are provided directly by EPlus Broadband.
- Internet and Telephone services are provided by our third party providers – Aeneas Communications and Cinergy Communications. EPlus Broadband should not be presented as the provider of these services.
- We shall list all Internet and telephone providers in our JEA customer sales forms and customer service information.
- Under the terms of our Billing and Support Services Agreement with Cinergy Communications, JEA shall not publicly endorse or recommend the services of one third-party provider over any other provider on the JEA network, or to exclusively approve the services of any provider. Further, under this Agreement, JEA may communicate to its customers, through general advertising or direct customer contact, any promotional offer regarding any provider with whom JEA has a Billing and Support Services Agreement.
- JEA employees shall not convey to any customer or potential customer any preference or opinion regarding the quality of service of any provider on the JEA Network over another provider.

We are pleased to provide choice and value to our customers through our relationships with our Internet

and telephone providers. I hope that this policy will enable us to serve our customers and providers in a fair and balanced manner.

John W. Williams
Jackson Energy Authority
P. O. Box 68
Jackson, Tennessee 38302-0068
(731) 422-7201
jwilliams@jaxenergy.com

Paula Turner

From: Paula Turner
Sent: Wednesday, December 12, 2007 9:00 PM
To: Paula Turner
Subject: FW:

From: Ted Austin
Sent: Wednesday, October 19, 2005 10:53 AM
To: Courtney Bingham; Mabel Collins; Teresa Hughes; Amanda R. Williams; Angela Bruce; Barbra Mcgee; Bobby Holmes; Brenda Mcmurry; Charity Long; Connie McCage; Courtney Bingham; Frances Perry; Gail Joiner; Gail Lewis; Jackie Arnold; Jason Hollowell; Jennifer Melugin; John Hope; Joy Turner; Lafonda Bond; Lanita Crowder; Lee Ann Jones; Linda Northcott; Mabel Collins; MALL; Michelle Weeden; Mona Gates; Polly Glover; Ruby Fason; Sandra Mullins; Teresa Hughes
Cc: Steve Raper; Ben Lovins; Paula Turner
Subject: FW:

-----Original Message-----

From: Ted Austin
Sent: Wednesday, October 19, 2005 9:54 AM
To: Kim Kersey; Steve Raper
Subject:

Good Morning Customer Service,

The script below will be useful in any discussion we may have as a result of Aeneas contact with the customer to reschedule their Aeneas Phone Connection. Please stay on script and do not add words. If you have any question please let me know.

Thanks for you help,

Ted Austin

Ben, this is the script I and a select number of Aeneas CSR's are narrating to fth customers with orders in the pipeline."

"Due to network difficulties, Aeneas has temporarily suspended adding additional telephone lines to Jackson's fiber to the home network. We expect this suspension to be temporary as JEA and Aeneas resolve technical issues which have recently compromised telephone quality of service. If this poses an inconvenience, Aeneas can provide traditional land line telephone service delivered over copper facilities at competitive pricing. Aeneas continues to provision Internet access over JEA's fth network as these services have been unaffected." Ben, this information will be delivered verbally only.

ETI System Cable - Internet - Telephone

CABLE or INTERNET or TELEPHONE – This is considered “Telecom” Services

- **CABLE ONLY** can be sold separately (*see pricing sheet*)
- In order to get telephone or internet services, customer **HAVE TO** choose 2 services (*either cable & internet; internet & phone; cable & phone*)
- See package pricing for all 3 services

1. ENTRY - Existing Customer go to:

- Manage
- Update
- Account # (*from ECIS without the dash #*) or customer address
- Select correct address
- Go to appropriate tab to perform appropriate task
- **Orders TAB** creates a new work order
- **Services TAB** adds/deletes additional services

2. New Customer (*Get all necessary information before starting by calling up the customer in ECIS, get acct #, cycle, core, channel & IP address*)

To get core, channel & IP –

- Go to **Premise** tab click drop down arrow, type in premise #, enter -- this is your cycle #, **Cancel**
- Go to PATH type **UDEF**
- Go to **Telecom, Routing** tab to find core, channel & IP information

Switch to ETI.....

Enter address to see if we have had a customer at this location – **Clearing a Premise (Location)**

- Manage
- Update
- Customer Number or Address
- Find
- Select, if so go to.....
- Orders
- New
- Work Order Type (*Use Drop Down*)

1. **Premise Select**.....OK

2. **Complete Order**.....OK (2x)

EXIT (3x)

PART I

- Manage
- New
 - ⇒ Subscriber ID: Enter customer's account number from ECIS
 - ⇒ Contact Phone #
 - ⇒ Name (*Last name, First Name*)
 - ⇒ Billing Cycle (*go to ECIS, type in address, go to premise tab, click drop down arrow, type in premise # --- this gives you the cycle #*)
 - ⇒ Rate Plan (*this is whether a package name or just cable only i.e. "Residential"*)
 - ⇒ Tax Class (*I/S = inside city limits or O/S*) You can find this information on the ECIS on the Accounts Services TAB under rate schedule (22 inside / 01 outside)
- OK

PART II

*If customer **DOES NOT** have a phone, get a new phone # from Courtney, Mona or Bobby Holmes*

- Orders
- New
 - ⇒ W/O Type (*use drop down*)
 - ⇒ Premise Select OK
 - ⇒ Location
 - ⇒ Select (*type in address where customer is located / going*)
 - ⇒ Find (*correct location*)
 - ⇒ Select
 - ⇒ Complete Order OK (x2)
- New
 - Determine whether services are UG or OH by going to:*
Manage – Subscriber – Update – type in the street name – Find – (then look for an address close to the one you're entering) – double-click on that address – go to ORDERS (look @ service order to see what the other customer has). (Exit out once you locate info) If you are not comfortable with that use the GTI viewer.
 - ⇒ W/O Type (*use drop down*) -- Choose Fiber/Gateway Overhead (OH) or Underground (UG); Comments: Core d ch OK
 - ⇒ Exit (*to schedule*)
 - ⇒ Select Available Date – Overhead (OH) install can be scheduled for the following day as long as the order is taken before 3:00pm. Underground (UG) takes 7 business days because this is done thru Tennessee One-Call (Diggers Hotline). (311 Ph#)
 - ⇒ Select Exit (x2)
- New
 - ⇒ W/O Type (*use drop down*) -- Choose Connect Customer OK
 - ⇒ Subscriber – Update – Put a checkmark in the Service Enabled Box OK
 - ⇒ Services – Update -- Pull over the services that customer is requesting; If installing Cinergy Phone, also pull over CCC Fiber OK

- **Tasks – New – Task Name (Use drop down) – Units are always 1**
 - ⇒ CAT5 (for all internet connections) **OK**
 - ⇒ Internet – AIT (Aeneas) or CCC Internet (Cinergy) **OK**
 - ⇒ Phone AIT or CCC PH Bell (for apts. ONLY) **OK**
 - ⇒ or CCC PH Fiber (all other) **OK**
 - ⇒ Connect Cable **OK**
 - ⇒ Install Black trap (when customer getting BASIC cable only) **OK**
 - ⇒ Install Blue trap (when customer getting EXP without HBO) **OK**
 - ⇒ Install Red Trap (when customer getting BASIC with HBO) **OK**
 - ⇒ Deliver HD Box or STB – Units are the # of boxes we are delivering **OK**
 - **Exit – Question: Do you want to schedule it now?** **YES / NO**
- (If a customer is porting their # from a current carrier, it takes 7 business days. If this is a NEW PHONE NUMBER, it takes 5 business days. So schedule accordingly)*
- i. Schedule 5 Days from date of OH installation
 - ii. Schedule 7 Days from date of UG installation
- Select Available Date (pick a date and time with convenient to the customer)
 - Select – Exit

.....Go to Billplex

MISCELLANEOUS INFO:

ADDING CORE, IP and CHANNEL FOR A NEW ADDRESS

- Go to ETI
 - ⇒ Manage
 - ⇒ Locations ID Premise #
 - ⇒ Headend JEA
 - ⇒ Network Location IP #
 - ⇒ Enter Address
 - ⇒ Enter City, State and Zip

CNP (Customer Cut for Non-Pay)

- Go to ETI
 - ⇒ Manage
 - ⇒ Use customer account number to pull up account
 - ⇒ Look at the CUT-NON-PAY order to see how much the customer needed to reinstate
 - ⇒ Check ECIS to make sure they paid that amount. *(If they did not pay the reinstate fee of \$25, it needs to be added as a OTC [one time charge] when reconnecting)*
- New
- Reconnect Services (\$25)
- Pull services back over that were pulled for disconnect
- Under **DEVICES**, make video port & devices back In-Service
- Complete

CLOSE ETI ACCOUNTS (when a customer no longer wants our *telecom* services)

- Work Orders
- New: Close Account, CSR
- Details
- Basic: Turn off "Service Enabled & PPV" OK
- Services (*pull everything except Aeneas*) OK
- Devices: *change device status only if closing immediately. If closed immediately, device needs to be made "out of service"* EXIT (2x)
- Task
- New (*Enter 1*)
- Scheduling (*select a date for disconnect*) EXIT
- Basic and change cycle date

If services TOTALLY disconnected chrg STB or HDBx on ECIS side along w/taxD & COMMENTS

Email Ryan Dickey and request, core, IP and channel for address. Include the premise #
Subject Line: "Ryan, I need core, IP & channel for _____, premise #000000000000 – Thanks"

After receiving Ryan's response:

1. Go to **Manage**, then **Subscribers**
2. Click **Update**, and then pull up the account.
3. Click **Work Orders**, then click **New**.
4. Fill out the Work Order Basics:

5. Click **OK**, then **Details** within **Work Order**
6. Click **Devices**, and highlight the box to be removed.

7. Click **Update**, and put in **Truck Status**. Click **OK**. Write down this GI number – you will need it later.

8. Make sure the DCT is still highlighted and hit **Return**. This will take the box off the account and leave it in truck status.
9. Hit **Select**, then put in the new GI number, then hit **Select** again once you find it in the list.
10. The new GI box will be listed in the **Devices** list, select it and put the status in **Service**. Hit **OK**.
11. Hit **Exit** on the **Devices** window. Hit **Exit** again on the **Work Order Details** window.
12. You will now be back at the **Update Work Order Screen**, and you will see the box removed and added in the bottom left window.

Work Order Entry

Work Order Number: 5347
 Work Order Type: Change Service
 Work Order Status: Open
 Provisioning Clerk: [Red Circle]
 Add DCT: [Red Circle]

Subscriber: 104638
 Name: JACKSON ENERGY AUTHORITY (JEA)
 Phone: (731) 422-7544
 Address: 200 S. MAIN ST. JACKSON, TN 38201
 Return Device: 6134210247 - GI Digital
 New Device: 6144200140 - GI Digital

Task	Plan	Completed

Data: [Red Circle]
 Time Slot: [Red Circle]
 Duration: [Red Circle]

Buttons: Save, Cancel, Schedule, New Report, Entry, Find, Complete Order, Exit

13. Hit Complete Work Order, and Yes on the confirmation. The Reason Code is "PCLERK – Provisioning Clerk."
14. Now assign the GI number you took off to the technician's truck.
15. Select Manage, then select Devices.
16. Click Update, then put in the GI number removed from the account.
17. Click Find, then Select.
18. Choose Location, and then Select.
19. Put the technician's first name in the Location ID. Hit Find, then Select.

Location Search

Location ID: JEA
 Address: [Red Circle]
 Network Loc Code: [Red Circle]
 Address: [Red Circle]
 City: [Red Circle]
 State: [Red Circle]

Buttons: Find, Exit, Select

20. Now the GI box is on the truck and assigned to the proper technician. Click Exit.

Manage Devices

Device ID: 6134210247
 Device Type: GI Digital
 Device ID: 6134210247
 Device: Truck
 Device Address: 6134210247

Location ID: JEA
 Location: JEA
 Location Address: JEA

Buttons: Exit, Location, Refresh, Initialize, Print, Display Codes, Swap In New, Swap In Existing, Next Device, Previous Device, Exit

Paula Turner

From: Paula Turner
Sent: Wednesday, December 12, 2007 9:01 PM
To: Paula Turner
Subject: FW: Aeneas

From: Ted Austin
Sent: Thursday, December 08, 2005 7:46 AM
To: Bobby Holmes; Mona Gates
Cc: Kim Kersey; Kyle Spurgeon; Paula Turner
Subject: Aeneas

Mona and Bobby,

Please remind CSRs if the customer has called to request Aeneas PHONE service and this is an area that has not been built. Meaning the CORE is not ready and we can not provide them service over Fiber then give the customer to Aeneas. Their Sales Department will happy to talk with them. If you have any question please give me a call.

Thanks,
Ted

Paula Turner

From: Paula Turner
Sent: Wednesday, December 12, 2007 9:03 PM
To: Paula Turner
Subject: FW: Aeneas Residential Internet

From: Paula Turner
Sent: Friday, October 07, 2005 4:26 PM
To: Mona Gates; Bobby Holmes; Ted Austin; Charity Long; John Hope
Cc: Steve Raper; Kim Kersey; Amanda R. Williams; Barbra Mcgee; Judy Phelps; Lanita Crowder; Lee Ann Jones
Subject: Aeneas Residential Internet

Aeneas requests of JEA the following residential service IP offerings. Please share with the CSRs.

Thanks,

Paula

IP Speed Retail rate

2mb / 256 kb @ \$29.95

4mb / 256 kb @ \$39.95

6mb / 256 kb @ \$54.95

Paula Turner

From: Bobby Holmes
Sent: Thursday, December 13, 2007 8:36 AM
To: Paula Turner
Subject: FW:

From: Bobby Holmes
Sent: Tuesday, January 03, 2006 2:57 PM
To: Michelle Weeden; Gail Joiner; Sandra Mullins; Teresa Hughes; Polly Glover; Linda Northcott; Jennifer Melugin
Cc: Kyle Spurgeon; Ted Austin
Subject:

Just a few things that came about in a meeting this morning with Kyle that I needed to let you know about.

Lets answer the phone with Happy New Year thru this Sat.

Make sure we do not make any suggestions which provider a customer should go with. When talking about Aeneas just let the customer know they are our provider also and they do their own customer service and billing. We do the marketing for Cinergy. Never say any negative comments or agree with any negative comments regarding Aeneas.

If the media calls wanting any type of info refer first to Marquettea Beard, if not available try Steve Raper and last try Kyle Spurgeon. You can give out their cell numbers to the media. Never leave this call as unavailable to reach anyone.

If you have any questions please, give me a call.

Thanks,

Bobby

Exhibit D-5
to
Responses of Jackson Energy Authority to
Discovery Requests of
Aeneas Communications, LLC

Jackson Energy Authority
Customer Proprietary Network Information (CPNI)

Policy Handbook

Introduction

Telecommunications carriers possess information some subscribers may consider private. The Telecommunications Act of 1996 includes safeguards regarding privacy, which require the FCC to enact rules governing permitted and prohibited uses of customer information by telecommunications companies for marketing purposes. "Customer Proprietary Network Information" - or CPNI - is the term for information customers can reasonably expect to remain private. Use of CPNI for marketing purposes is prohibited / permitted in certain cases unless a customer authorizes / prohibits its use.

The use of CPNI for marketing purposes is either:

- "Limited" CPNI which a company may use to market offerings related to, but limited by, the customer's existing service relationship with the company and does not require customer notification or authorization;

or

- "Authorized" CPNI, which requires customer notification and authorization / is subject to restriction prior to its use for marketing purposes by any entity.

The FCC's CPNI rules apply to the use of CPNI for marketing purposes only. CPNI may be used as necessary to conduct business with customers and to protect the property of the company. All companies need to protect any customer information they do possess and they must secure customer authorization prior to releasing CPNI to a third party.

This CPNI manual is not a legal document. This manual is current as of December 2007. The FCC is considering changes to its CPNI rules that may affect your use of CPNI. Please contact us if you need additional assistance.

Table of Contents

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• Company Policy Addendum, Including CPNI Definitions	4
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• Customer Authorization	10
• Corporate Certification	11
• CPNI Checklist	13
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• CPNI Breach Reporting	20

Instructions

Companies Using Authorized CPNI for Marketing Purposes

- 1) Decide upon the following issues:
 - a) Specific CPNI elements used for marketing?
 - b) Written, electronic and/or oral "Notification" permitted?
 - i) In advance or contemporaneous?
 - c) Written, electronic and/or oral "Authorization" permitted?
 - i) In advance or contemporaneous?
- 2) Decide the following issues:
 - a) Restrict release of authorized CPNI to third party?
 - i) Written, electronic and/or oral "Notification" permitted?
 - ii) Written, electronic and/or oral "Authorization" permitted?
 - b) Enforcement policy with penalties:
 - i) General discipline policy?
 - ii) Special CPNI discipline policy?
- 3) Amend each Company and Affiliate policy manual with the appropriate "Procedures" section of this manual.
 - a) Edit as appropriate for each entity.
 - b) Include enforcement language.
- 4) Designate and identify a corporate officer as the CPNI Compliance Officer.
 - a) Understands FCC rules.
 - b) Responsible for issuing "Notification" and "Authorization" for release of CPNI to third parties.
 - c) Responsible for review of marketing plans.
 - d) Responsible for Annual Certification.
- 5) Distribute "Procedures" with marketing and customer service personnel.
 - a) Provide training session.

Procedures - Companies
USING
Authorized CPNI to Market Services

Some policies are developed on an individual case basis

WHAT IS CPNI?

FCC regulations that identify how a telecommunications company may use customer information characterize such information as Customer Proprietary Network Information, (CPNI), defined as:

Information that relates to the quantity, technical configuration, type, destination and amount of use of a telecommunications service subscribed to by any customer of a telecommunications carrier and that is made available to the carrier by the customer solely by virtue of the carrier-customer relationship; and information contained in the bills pertaining to telephone exchange or toll service received by a customer of a carrier.

CPNI is, in short, information about how, when, where and how often a customer makes use of telecommunications services. It is information a carrier possesses solely due to the customer-carrier relationship.

CPNI does not include information that is in the public domain or available from other, non-Company sources. For example, census data, subscriber list information and published directory information is public data.

The company is not restricted from using CPNI in the provisioning of inside wire installation, maintenance, or repair services or billing of telecommunications services nor in any efforts to protect the company's property or prevent the fraudulent use of company property or services.

CMRS carriers are permitted to disclose CPNI without express, prior approval in three emergency-related situations:

- (A) to a public safety answering point, emergency medical service provider or emergency dispatch provider, public safety, fire service, or law enforcement official, or hospital emergency or trauma care facility, in order to respond to the user's call for emergency services;
- (B) to inform the user's legal guardian or members of the user's immediate family of the user's location in an emergency situation that involves the risk of death or serious physical harm; or
- (C) to providers of information or database management services solely for purposes of assisting in the delivery of emergency services in response to an emergency.

WHEN CAN COMPANY EMPLOYEES USE CPNI TO MARKET SERVICES?

Company employees are permitted to use CPNI without customer notification or authorization when it is necessary to:

- Respond to a customer-initiated inquiry regarding existing services to which they currently subscribe;
- or
- Offer or market any services the company currently offers or plans to offer to any current customer of the company or a customer of an affiliate so long as it relates to the customer's existing service relationship with that company (i.e. within the category of service already subscribed to by the customer). The company may share CPNI with its affiliate only if the customer subscribes to the affiliate's service.

Examples of permitted use of CPNI:

- Use of a Telephone Company customer's CPNI to market Telephone Company service is always permitted.
- Use of a Long Distance Company customer's CPNI to market Long Distance Company service is always permitted.
- Use of an ABC Long Distance Customer's CPNI to market ABC Telephone Company services to a customer subscribing to both ABC Telephone Company and ABC Long Distance Company is always permitted.

OPT – IN PROVISIONS:

WHAT IS “AUTHORIZED” CPNI?

“Authorized” CPNI is CPNI that requires customer notification and authorization prior to its use for marketing purposes by any entity. JEA provides the following affected services: local exchange service and toll service. Any marketing efforts that rely upon the CPNI of one of the above-named services to market any other of the above-named service requires prior customer approval.

HOW DO CUSTOMERS AUTHORIZE THE USE OF CPNI?

Written approval for the use of CPNI requires the customer to complete and return the authorization form shown as Attachment 1 prior to JEA use of the CPNI in the marketing of those services requiring prior customer approval. JEA must maintain these records and marketing personnel shall rely upon these records when initiating contact with our customers for marketing affected services.

Oral approval for the use of CPNI: JEA employees may secure oral approval from customers during telephone contact with the customer prior to accessing CPNI in a marketing effort. Oral approval requires the JEA employee to recite the script provided as Attachment 2 and for the customer to orally affirm that they will permit JEA to access the customer's CPNI for the purpose of marketing another telecommunications service. The employee must note the following information with respect to the approval: the customer's name as shown in billing account records, the person granting the approval, the date and time of the approval and the employee's name. JEA must maintain these records and marketing personnel shall rely upon these records when initiating contact that relies upon the use of CPNI with our customers for marketing affected services.

JEA employees may contact customers using information not considered CPNI. Such information includes customer billing name, address and telephone numbers. If, in the course of the marketing call, the employee wishes to rely upon CPNI to continue or complete the marketing effort, the employee must read from the prepared script and the customer must affirm their consent to use the CPNI by the employee.

WHEN ARE COMPANY EMPLOYEES PROHIBITED FROM USING CPNI TO MARKET SERVICES?

Use of CPNI to market a different category of service not subscribed to by the customer and without the customers approval as outlined above is prohibited.

Example of Prohibited Use of CPNI:

- If a JEA Telephone customer subscribes to the services of non-affiliated XYZ Long Distance, an ABC Long Distance employee is forbidden from utilizing either JEA Telephone Company or XYZ Long Distance customer CPNI for any marketing purpose unless customer approval is secured.

Additional CPNI restrictions include:

- Employees may not release CPNI to a third party without the written consent of the customer.
- All marketing plans developed by JEA employees or on behalf of JEA Telephone must address use of CPNI and be approved by an officer or employee responsible for CPNI compliance ("CPNI Compliance Officer").

Failure to abide by these policies can result in disciplinary action or termination.

Definitions

The definitions of the terms “employee” and “service” are used for the purpose(s) defined within this section of the JEA policy manual and have no effect on the terms “employee” or “service” as those terms may be used in other sections of the JEA employee manual, or other company documents.

“Employee” is defined as a person hired to perform work on behalf of JEA. The person is either directly employed by JEA or is employed by an Affiliate of JEA and is performing work on behalf of, and charging time to, the accounts of JEA.

“Services” are distinct telecommunications offerings of a telecommunications carrier, which can be classified into one of the three “service” groups defined below. This definition is for the sole purpose of these CPNI rules. The following are related service group categories:

- Local exchange service;
- Toll, or long distance service;
- Commercial Mobile Radio Service (Wireless).

Services not classified into one of the three groupings listed in this section of the rules, such as information services, yellow pages listings, CPE sales, or other third party services are not telecommunications services. As such, use of CPNI to market such non-telecommunications services is prohibited unless notification and authorization by customers has been secured.

“Affiliate” means an entity that directly owns or controls, is owned or controlled by, or is in common ownership or control with, another entity. In terms of CPNI, it may mean a line of business JEA itself or an “affiliated” company provides to a subscriber.

MODEL CUSTOMER NOTICE - MUST BE CLEAR AND IN LARGE TYPE

Important Customer Notice

Federal law protects your privacy rights as a customer of JEA. These rights are in addition to the existing safeguards that JEA already has in place to ensure one's privacy rights. The Federal Communications Commission (FCC) requires JEA to notify all subscribers of their rights to restrict the use of their Customer Proprietary Network Information (CPNI). You have the right, and JEA has a duty, under federal law, to protect the confidentiality of your CPNI.

What is CPNI?

Customer Proprietary Network Information (CPNI) is personally identifiable information that a telecommunications carrier collects when providing telephone service to a subscriber. CPNI typically consists of telephone numbers called by the subscriber along with the associated call duration and timing of those calls as well as call frequency and any call management services utilized by the customer.

Why should I care about the use of my CPNI?

Congress has recently enacted federal legislation making a practice known as "pretexting" a crime. This practice involves a party, acting under the false "pretext" of being a customer, contacting a telephone company or accessing on-line accounts and obtaining CPNI, often times with the intent to sell it to others. Federal CPNI protection rules have existed since 1996 but because of the development of "pretexting" and other unethical practices for misuse of CPNI new rules are now in place for your protection.

Permitted Use of CPNI By JEA Without Your Permission

CPNI can be used by JEA for certain purposes without your permission. JEA may use CPNI to offer you new or enhanced services that are related to the category of services to which you currently subscribe. JEA may also use CPNI to respond to your inquiry regarding services you currently use or related services JEA offers. In addition, JEA may use CPNI in connection with repair and maintenance services, billing and collection, and to protect company property and to prevent fraud.

Prohibited Use of CPNI Unless Authorized By You

Unless you specifically authorize its use, JEA may not use CPNI to market services unrelated to the services to which you currently subscribe. For example, JEA may not use CPNI to offer you any type of long distance service unless you currently subscribe to their long distance offerings. JEA may not share CPNI with any other company, including our affiliate companies unless you are a customer of our affiliate.

Additional Information Regarding Your CPNI Rights

You have the right to deny or withdraw access to CPNI at any time or to instruct JEA to disclose

CPNI to unaffiliated third parties upon submission of a written request. Any approval or denial for the use of CPNI outside of the service to which you subscribe to from the company is valid until you affirmatively revoke or limit such approval or denial. A denial of your approval will not affect the provision of any services to which you subscribe.

CPNI "Opt-In" Protection Request

I give my permission for the use of my Customer Proprietary Network Information (CPNI) by JEA for those uses specifically permitted with my consent. I have been provided a copy of the notification of my rights concerning release of my CPNI, and I understand my rights under Federal CPNI rules. I understand I may limit or revoke this authorization at any time upon proper written notice to JEA.

Please print:

Customer Name _____

Address _____

Account Number _____

Customer Signature _____

Date _____

Attachment 1

CPNI Customer Authorization
for Release of CPNI to Affiliates of Company
or Third Party Telecommunications Carriers

I authorize JEA to release any information in its possession protected under Federal CPNI rules. I have been provided a copy of the notification of my rights concerning, and understand my rights under, Federal CPNI rules. I understand I may limit or revoke this authorization at any time upon proper notice to company.

Signed _____

Date _____

CPNI Corporate Certification

Required Annually

I, (name), (title) am a corporate officer of JEA. Pursuant to 47 U.S.C. § 222; 47 C.F.R. §64.2009, I hereby state that I am responsible for company compliance with the FCC's CPNI rules and have personal knowledge that JEA is in compliance with the Commission's CPNI rules. JEA complies with Rule Section 64.2009(d) as demonstrated in our CPNI Policy Statement (Attached). Our company utilizes an employees training program with a supervisory review process to ensure compliance with CPNI rules and regulations. Our company maintains records of compliance for the minimum period as required by FCC rules and regulations. Our company has a supervisory approval process in place for any proposed outbound marketing request for CPNI.

Signed _____

Dated _____

Filed with the FCC on _____

Attachment 2

SAMPLE CPNI Customer Service Script

If CPNI is NOT required, complete the order without using CPNI.

If the customer called the company, permission may not be necessary but some companies may choose to recite simple script:

“In order to assist you to (e.g. complete this order), I will need to access your confidential customer data. Would you authorize me to do so at this time?”

If Customer consents, record customer name, date, time and purpose.

If Customer declines and if CPNI IS required, inform customer that access to CPNI is necessary in order to complete the order by stating:

“I am sorry but in order to complete this transaction, I require access to your confidential information. If you wish, you may permit that access now.”

If Customer still declines, thank them for calling but inform them the transaction can not be completed unless access to CPNI is permitted.

CPNI Checklist

- ✓ JEA has chosen to prohibit the use of CPNI for marketing purposes between itself and its affiliates, if any.
- ✓ JEA's Policy Manual(s) has/have been updated to include CPNI.
- ✓ Employees have been trained on the FCC CPNI rules and JEA's penalties for non-compliance and their signed acknowledgements have been obtained and filed.
- ✓ Employees who might need to access Customer Service Records (CSR) stored in the OSS of other carriers/service providers have been provided a copy of JEA's CSR Policy, including penalties for non-compliance, and their signed acknowledgements have been obtained and filed. (CSR Policy must require written customer authorization prior to accessing CSR data as part of the new customer sales procedure).
- ✓ JEA requires written approval for release of CPNI to third parties.
- ✓ Customer Notice and Authorization forms are readily available to JEA employees / Compliance Officer for distribution to customers upon request.
- ✓ JEA will require a password for any customer-initiated telephone contact where call detail information is being requested. If the password can not be provided the call detail information will be mailed to the address of record, or, by calling the customer at the telephone number of record.
- ✓ JEA has chosen to use authorized CPNI for marketing. The customer service representatives will acquire verbal authorization on every applicable incoming and outgoing customer call. All calls are recorded to ensure compliance and to support record retention requirements.
- ✓ JEA has provided one-time notification to customers for use of CPNI.
- ✓ A Corporate Officer has been named as the JEA CPNI Compliance Officer and will certify annually that JEA is in compliance with all Federal CPNI rules and will make the required annual filing to the FCC.
- ✓ Safeguards are in place with all third parties having access to JEA customer data or responsibility for creation of JEA customer data. All applicable parties have attested to their compliance with FCC CPNI Rules and their attestations are on file.
- ✓ Safeguards are in place to obtain the explicit consent of a customer before disclosing a customer's CPNI to a joint venture partner or independent contractor for the purpose of marketing communications-related services to that customer.

PART 64: MISCELLANEOUS RULES RELATING TO COMMON CARRIERS

Subpart U--Customer Proprietary Network Information

Sec. 64.2005 Use of customer proprietary network information without customer approval.

(a) Any telecommunications carrier may use, disclose, or permit access to CPNI for the purpose of providing or marketing service offerings among the categories of service (i.e., local, interexchange, and CMRS) already subscribed to by the customer from the same carrier, without customer approval.

(1) If a telecommunications carrier provides different categories of service, and a customer subscribes to more than one category of service offered by the carrier, the carrier is permitted to share CPNI among the carrier's affiliated entities that provide a service offering to the customer.

(2) If a telecommunications carrier provides different categories of service, but a customer does not subscribe to more than one offering by the carrier, the carrier is not permitted to share CPNI among the carrier's affiliated entities.

(b) A telecommunications carrier may not use, disclose, or permit access to CPNI to market to a customer service offerings that are within a category of service to which the customer does not already subscribe to from that carrier, unless the carrier has customer approval to do so, except as described in paragraph (c) of this section.

(1) A wireless provider may use, disclose, or permit access to CPNI derived from its provision of CMRS, without customer approval, for the provision of CPE and information service(s). A wireline carrier may use, disclose or permit access to CPNI derived from its provision of local exchange service or interexchange service, without customer approval, for the provision of CPE and call answering, voice mail or messaging, voice storage and retrieval services, fax store and forward, and protocol conversions.

(2) A telecommunications carrier may not use, disclose or permit access to CPNI to identify or track customers that call competing service providers. For example, a local exchange carrier may not use local service CPNI to track all customers that call local service competitors.

(c) A telecommunications carrier may use, disclose, or permit access to CPNI, without customer approval, as described in this paragraph (c).

(1) A telecommunications carrier may use, disclose, or permit access to CPNI, without customer approval, in its provision of inside wiring installation, maintenance, and repair services.

(2) CMRS providers may use, disclose, or permit access to CPNI for the purpose of conducting research on the health effects of CMRS.

(3) LECs and CMRS providers may use CPNI, without customer approval, to market services formerly known as adjunct-to-basic services, such as, but not limited to, speed dialing, computer-provided directory assistance, call monitoring, call tracing, call blocking, call return, repeat dialing, call tracking, call waiting, caller I.D., call forwarding, and certain centrex features.

(d) A telecommunications carrier may use, disclose, or permit access to CPNI to protect the rights or property of the carrier, or to protect users of those services and other carriers from fraudulent, abusive, or unlawful use of, or subscription to, such services.

Sec. 64.2007 Notice and approval required for use of customer proprietary network information.

(a) A telecommunications carrier must obtain customer approval to use, disclose, or permit access to CPNI to market to a customer service to which the customer does not already subscribe to from that carrier.

(b) A telecommunications carrier may obtain approval through written, oral or electronic methods.

(c) A telecommunications carrier relying on oral approval must bear the burden of demonstrating that such approval has been given in compliance with the Commission's rules in this part.

(d) Approval obtained by a telecommunications carrier for the use of CPNI outside of the customer's total service relationship with the carrier must remain in effect until the customer revokes or limits such approval.

(e) A telecommunications carrier must maintain records of notification and approval, whether oral, written or electronic, for at least one year.

(f) Prior to any solicitation for customer approval, a telecommunications carrier must provide a one-time notification to the customer of the customer's right to restrict use of, disclosure of, and access to that customer's CPNI.

(1) A telecommunications carrier may provide notification through oral or written methods.

(2) Customer notification must provide sufficient information to enable the customer to make an informed decision as to whether to permit a carrier to use, disclose or permit access to, the customer's CPNI.

(i) The notification must state that the customer has a right, and the carrier a duty, under federal law, to protect the confidentiality of CPNI.

(ii) The notification must specify the types of information that constitute CPNI and the specific entities that will receive the CPNI, describe the purposes for which CPNI will be used, and inform the customer of his or her right to disapprove those uses, and deny or withdraw access to CPNI at any time.

(iii) The notification must advise the customer of the precise steps the customer must take in order to grant or deny access to CPNI, and must clearly state that a denial of approval will not affect the provision of any services to which the customer subscribes.

(iv) The notification must be comprehensible and not be misleading.

(v) If written notification is provided, the notice must be clearly legible, use sufficiently large type, and be placed in an area so as to be readily apparent to a customer.

(vi) If any portion of a notification is translated into another language, then all portions of the notification must be translated into that language.

(vii) A carrier may state in the notification that the customer's approval to use CPNI may enhance the carrier's ability to offer products and services tailored to the customer's needs. A carrier also may state in the notification that it may be compelled to disclose CPNI to any person upon affirmative written request by the customer.

(viii) A carrier may not include in the notification any statement attempting to encourage a customer to freeze third party access to CPNI.

(ix) The notification must state that any approval, or denial of approval for the use of CPNI outside of the service to which the customer already subscribes to from that carrier is valid until the customer affirmatively revokes or limits such approval or denial.

(3) A telecommunications carrier's solicitation for approval must be proximate to the notification of a customer's CPNI rights.

Sec. 64.2009 Safeguards required for use of customer proprietary network information:

(a) Telecommunications carriers must implement a system by which the status of a customer's CPNI approval can be clearly established prior to the use of CPNI.

(b) Telecommunications carriers must train their personnel as to when they are and are not authorized to use CPNI, and carriers must have an express disciplinary process in place.

(c) All carriers shall maintain a record, electronically or in some other manner, of their sales and marketing campaigns that use CPNI. The record must include a description of each campaign, the specific CPNI that was used in the campaign, the date and purpose of the campaign, and what products or services were offered as part of the campaign. Carriers shall retain the record for a minimum of one year.

(d) Telecommunications carriers must establish a supervisory review process regarding carrier compliance with the rules in this subpart for outbound marketing situations and maintain records of carrier compliance for a minimum period of one year. Specifically, sales personnel must obtain supervisory approval of any proposed outbound marketing request.

(e) A telecommunications carrier must have an officer, as an agent of the carrier, sign a compliance certificate on an annual basis stating that the officer has personal knowledge that the company has established operating procedures that are adequate to ensure compliance with the rules in this subpart. The carrier must provide a statement accompanying the certificate explaining how its operating procedures ensure that it is or is not in compliance with the rules in this subpart.

Appendix B

Final Rules

Subpart U of Part 64, of Title 47 of the Code of Federal Regulations is amended to read as follows:

SUBPART U – CUSTOMER PROPRIETARY NETWORK INFORMATION

1. Section 64.2003(k) is amended to read as follows:

- (k) *Telecommunications carrier or carrier.* The terms “telecommunications carrier” or “carrier” shall have the same meaning as set forth in section 3(44) of the Communications Act of 1934, as amended, 47 U.S.C. 153(44). For the purposes of this subpart, the term “telecommunications carrier” or “carrier” shall include an entity that provides interconnected VoIP service, as that term is defined in section 9.3 of these rules.

2. Section 64.2003 is amended by redesignating paragraphs (a)-(l) and by adding the following paragraphs:

- (a) *Account information.* “Account information” is information that is specifically connected to the customer’s service relationship with the carrier, including such things as an account number or any component thereof, the telephone number associated with the account, or the bill’s amount.
 - (b) *Address of record.* An “address of record,” whether postal or electronic, is an address that the carrier has associated with the customer’s account for at least 30 days.
 - (d) *Call detail information.* Any information that pertains to the transmission of specific telephone calls, including, for outbound calls, the number called, and the time, location, or duration of any call and, for inbound calls, the number from which the call was placed, and the time, location, or duration of any call.
 - (m) *Readily available biographical information.* “Readily available biographical information” is information drawn from the customer’s life history and includes such things as the customer’s social security number, or the last four digits of that number; mother’s maiden name; home address; or date of birth.
 - (q) *Telephone number of record.* The telephone number associated with the underlying service, not the telephone number supplied as a customer’s “contact information.”
 - (r) *Valid photo ID.* A “valid photo ID” is a government-issued means of personal identification with a photograph such as a driver’s license, passport, or comparable ID that is not expired.

3. Section 64.2005(c)(3) is amended to read as follows:

- (3) LECs, CMRS providers, and entities that provide interconnected VoIP service as that term is defined in section 9.3 of these rules, may use CPNI, without customer approval, to market services formerly known as adjunct-to-basic services, such as, but not limited to, speed dialing, computer-provided directory assistance, call monitoring, call tracing, call blocking, call return, repeat dialing, call tracking, call waiting, caller I.D., call forwarding, and certain centrex features.

4. Section 64.2007 is amended by deleting paragraphs (b)(2) and (b)(3), and revising paragraph (b)(1) to read as follows:

- (b) *Use of Opt-Out and Opt-In Approval Processes.* A telecommunications carrier may, subject to opt-out approval or opt-in approval, use its customer's individually identifiable CPNI for the purpose of marketing communications-related services to that customer. A telecommunications carrier may, subject to opt-out approval or opt-in approval, disclose its customer's individually identifiable CPNI, for the purpose of marketing communications-related services to that customer, to its agents and its affiliates that provide communications-related services. A telecommunications carrier may also permit such persons or entities to obtain access to such CPNI for such purposes. Except for use and disclosure of CPNI that is permitted without customer approval under section § 64.2005, or that is described in this paragraph, or as otherwise provided in section 222 of the Communications Act of 1934, as amended, a telecommunications carrier may only use, disclose, or permit access to its customer's individually identifiable CPNI subject to opt-in approval.
5. Section 64.2009 is amended by revising paragraph (e) to read as follows:
- (e) A telecommunications carrier must have an officer, as an agent of the carrier, sign and file with the Commission a compliance certificate on an annual basis. The officer must state in the certification that he or she has personal knowledge that the company has established operating procedures that are adequate to ensure compliance with the rules in this subpart. The carrier must provide a statement accompanying the certificate explaining how its operating procedures ensure that it is or is not in compliance with the rules in this subpart. In addition, the carrier must include an explanation of any actions taken against data brokers and a summary of all customer complaints received in the past year concerning the unauthorized release of CPNI. This filing must be made annually with the Enforcement Bureau on or before March 1 in EB Docket No. 06-36, for data pertaining to the previous calendar year.
6. Section 64.2010 is added to read as follows:

§ 64.2010 Safeguards on the disclosure of customer proprietary network information

- (a) *Safeguarding CPNI.* Telecommunications carriers must take reasonable measures to discover and protect against attempts to gain unauthorized access to CPNI. Telecommunications carriers must properly authenticate a customer prior to disclosing CPNI based on customer-initiated telephone contact, online account access, or an in-store visit.
- (b) *Telephone access to CPNI.* Telecommunications carriers may only disclose call detail information over the telephone, based on customer-initiated telephone contact, if the customer first provides the carrier with a password, as described in paragraph (e) of this section, that is not prompted by the carrier asking for readily available biographical information, or account information. If the customer does not provide a password, the telecommunications carrier may only disclose call detail information by sending it to the customer's address of record, or, by calling the customer at the telephone number of record. If the customer is able to provide call detail information to the telecommunications carrier during a customer-initiated call without the telecommunications carrier's assistance, then the telecommunications carrier is permitted to discuss the call detail information provided by the customer.
- (c) *Online access to CPNI.* A telecommunications carrier must authenticate a customer without the use of readily available biographical information, or account information, prior to allowing the customer online access to CPNI related to a telecommunications service account. Once authenticated, the customer may only obtain online access to CPNI related to a telecommunications service account through a password, as described in paragraph (e) of this section, that is not prompted by the carrier asking for readily available biographical information, or account information.
- (d) *In-store access to CPNI.* A telecommunications carrier may disclose CPNI to a customer who, at a carrier's retail location, first presents to the telecommunications carrier or its agent a valid photo ID matching the customer's account information.

- (e) *Establishment of a Password and Back-up Authentication Methods for Lost or Forgotten Passwords.* To establish a password, a telecommunications carrier must authenticate the customer without the use of readily available biographical information, or account information. Telecommunications carriers may create a back-up customer authentication method in the event of a lost or forgotten password, but such back-up customer authentication method may not prompt the customer for readily available biographical information, or account information. If a customer cannot provide the correct password or the correct response for the back-up customer authentication method, the customer must establish a new password as described in this paragraph.
- (f) *Notification of account changes.* Telecommunications carriers must notify customers immediately whenever a password, customer response to a back-up means of authentication for lost or forgotten passwords, online account, or address of record is created or changed. This notification is not required when the customer initiates service, including the selection of a password at service initiation. This notification may be through a carrier-originated voicemail or text message to the telephone number of record, or by mail to the address of record, and must not reveal the changed information or be sent to the new account information.
- (g) *Business Customer Exemption.* Telecommunications carriers may bind themselves contractually to authentication regimes other than those described in this section for services they provide to their business customers that have both a dedicated account representative and a contract that specifically addresses the carriers' protection of CPNI.

7. Section 64.2011 is added to read as follows:

§ 64.2011 Notification of customer proprietary network information security breaches

- (a) A telecommunications carrier shall notify law enforcement of a breach of its customers' CPNI as provided in this section. The carrier shall not notify its customers or disclose the breach publicly, whether voluntarily or under state or local law or these rules, until it has completed the process of notifying law enforcement pursuant to paragraph (b).
- (b) As soon as practicable, and in no event later than seven (7) business days, after reasonable determination of the breach, the telecommunications carrier shall electronically notify the United States Secret Service (USSS) and the Federal Bureau of Investigation (FBI) through a central reporting facility. The Commission will maintain a link to the reporting facility at <http://www.fcc.gov/eb/cpni>.
 - (1) Notwithstanding any state law to the contrary, the carrier shall not notify customers or disclose the breach to the public until 7 full business days have passed after notification to the USSS and the FBI except as provided in paragraphs (2) and (3).
 - (2) If the carrier believes that there is an extraordinarily urgent need to notify any class of affected customers sooner than otherwise allowed under paragraph (1), in order to avoid immediate and irreparable harm, it shall so indicate in its notification and may proceed to immediately notify its affected customers only after consultation with the relevant investigating agency. The carrier shall cooperate with the relevant investigating agency's request to minimize any adverse effects of such customer notification.
 - (3) If the relevant investigating agency determines that public disclosure or notice to customers would impede or compromise an ongoing or potential criminal investigation or national security, such agency may direct the carrier not to so disclose or notify for an initial period of up to 30 days. Such period may be extended by the agency as reasonably necessary in the judgment of the agency. If such direction is given, the agency shall notify the carrier when it appears that public disclosure or notice to affected customers will no longer impede or compromise a criminal investigation or national security. The agency shall provide in writing its initial direction to the carrier, any

subsequent extension, and any notification that notice will no longer impede or compromise a criminal investigation or national security and such writings shall be contemporaneously logged on the same reporting facility that contains records of notifications filed by carriers.

- (c) *Customer Notification.* After a telecommunications carrier has completed the process of notifying law enforcement pursuant to paragraph (b), it shall notify its customers of a breach of those customers' CPNI.
- (d) *Recordkeeping.* All carriers shall maintain a record, electronically or in some other manner, of any breaches discovered, notifications made to the USSS and the FBI pursuant to paragraph (b), and notifications made to customers. The record must include, if available, dates of discovery and notification, a detailed description of the CPNI that was the subject of the breach, and the circumstances of the breach. Carriers shall retain the record for a minimum of 2 years.
- (e) *Definitions.* As used in this section, a "breach" has occurred when a person, without authorization or exceeding authorization, has intentionally gained access to, used, or disclosed CPNI.
- (f) This section does not supersede any statute, regulation, order, or interpretation in any State, except to the extent that such statute, regulation, order, or interpretation is inconsistent with the provisions of this section, and then only to the extent of the inconsistency.

CPNI Breach Reporting

Pursuant to Section 64.2011 of the commission's rules (47 C.F.R. § 64.2011), a telecommunications carrier or interconnected VoIP provider that determines that a person, without authorization or exceeding authorization, has intentionally gained access to, used, or disclosed CPNI is required to electronically notify the United States Secret Service and the Federal Bureau of Investigation through a central reporting facility. That facility is available at <https://www.cpnireporting.gov>.

Follow all instructions on the website to complete the report.

Jackson Energy Authority :
Employee CPNI Acknowledgement

I acknowledge, as an employee of Jackson Energy Authority, I have been provided a copy of the JEA CPNI Policy Manual. I acknowledge I have been trained on the FCC CPNI rules and on the JEA's CPNI policies. I acknowledge that I agree to comply with the terms of JEA's policies regarding the accessing and use of CPNI including penalties for non-compliance. I acknowledge that I agree to comply with the terms of JEA's policy regarding accessing the CPNI of other carriers and service providers (company CSR policy) including penalties for non-compliance.

Victor W. Anderson

Signature

VICTOR W. ANDERSON

Printed Name

2/16/08

Date

Exhibit D-1
to
Responses of Jackson Energy Authority to
Discovery Requests of
Aeneas Communications, LLC

**INTERCONNECTION AGREEMENT
GENERAL TERMS AND CONDITIONS
(Version 2.0)**

THIS AGREEMENT is made and entered into this 22nd day of December, 2004, by and between Jackson Energy Authority, (hereinafter referred to as "JEA"), a public utility authority created by 2001 Tennessee Private Acts, Chapter 55, and Cinergy Communications Company, a Kentucky corporation (hereinafter referred to as "Contractor"). This Agreement may refer to either JEA or Contractor or both as a "Party" or "Parties."

W I T N E S S E T H

WHEREAS, JEA is a Tennessee utility authority that is authorized to own and operate a telecommunications system and provide telecommunications services in the state of Tennessee; and

WHEREAS, JEA has constructed a cable television system with a "fiber to the home" broadband network architecture (hereinafter referred to as the "Network") in and around the City of Jackson that also has the capability of providing transport for telephony and data services utilizing Gigabit Ethernet technology; and

WHEREAS, Contractor warrants that it currently possesses a valid Certificate of Convenience and Necessity to operate as a Competitive Local Exchange Carrier ("CLEC") to provide telecommunications services in the state of Tennessee; and

WHEREAS, Contractor desires JEA to provide transport for its telephony and ISP services over the Network for a fee; and

WHEREAS, the Parties wish to interconnect their facilities for this purpose pursuant to State and Federal law.

NOW THEREFORE, in consideration of the mutual agreements contained herein, JEA and Contractor agree to the following terms and conditions as follows:

Definitions

Affiliate means an entity: (i) that is wholly owned by a Party; or (ii) is wholly owned by the parent entity of a Party; or (iii) where a Party, or the parent entity of a Party, controls the voting rights of all outstanding equity in such entity.

Ancillary Service means any Contractor service or application offered over a Contractor data transport service (i.e.T-1, DS-1), for which there is a separate and identifiable billing charge to the End User. (VoIP telephony offered over a residential high speed Internet connection is an example of an Ancillary Service)

Authority is defined as the Tennessee Regulatory Authority ("TRA").

Competitive Local Exchange Carrier ("CLEC") means a telephone company certificated by the Authority to provide local exchange service within JEA's network area.

Direct Solicitation means the specific targeting of only the Contractor customer base in part or in its entirety, by any direct sales, direct advertising or direct marketing effort, including but not limited to door-to-door solicitations, or calling campaigns, initiated by JEA, should JEA be authorized to offer retail services, or an agent of JEA, for the expressed purpose of selling those End Users services which are competitive with Contractor's Services.

End Use Devices means any customer owned equipment, including but not limited to computers, hubs, PBX switches, routers, or telephone sets, that is connected to the Network via the JEA Gateway.

End User means a user to whom Contractor provides services utilizing, in part, the transport services provided over the Network by JEA to Contractor under this Agreement. (End User may also be referred to as "Contractor's customer", or simply as "customer".)

FCC means the Federal Communications Commission.

Gateway means the network terminal device located at the customer premises that makes the conversion of the end user's service between light waves and electrical or radio frequency signals and connects with the end user's internal wiring to the end use devices.

Indirect Solicitation means mass marketing efforts initiated by JEA, should JEA be authorized to provide retail services, or an agent of JEA, that are targeted to all existing or potential customers throughout the JEA Network Territory.

Industry Standards means those standards, procedures, practices, and specifications that are commonly recognized and utilized among telecommunications providers and equipment manufacturer in the telecommunications industry.

Internet Service Provider ("ISP") means a company that provides customers (companies and private individuals) with access to the Internet and the World Wide Web, and ancillary services such as web hosting, Static IP addressing, Domain Server registration, and other features.

JEA Network ("Network") means JEA's fiber optic cabling and equipment between the designated Network Interface Point and the output side of the JEA Gateway at an End User's premises.

JEA Network Territory means the service area of the JEA Network within the City of Jackson and Madison County, Tennessee.

Mediation as used herein shall refer to private mediation.

Network Interface Point means the designated entry point described as the input to the Ethernet switch port located inside the JEA Master Telecommunications Control Center at 125 E. College Street, Jackson, TN.

Network Service Outage means a complete disruption of a Service or a failure of the Service to conform in any material respect to the technical specifications applicable to that Service caused by failure of the JEA Network to facilitate such performance.

Network Transport means the transport of Contractor's Services provided by JEA across its Network between the input of the Ethernet switch port and the output of the Gateway device.

Response means, in the context of trouble call response, that dispatch personnel have properly notified the appropriate technical repair personnel to the existence of a service problem that requires immediate attention and repair.

Retail Charge means the amount of money charged to the customer for a particular service, excluding any fees, taxes, or surcharges collected from the customer.

Scheduled Outage means any disruption or degradation of Service caused by scheduled maintenance or planned enhancements or upgrades to the Network.

Service means any telephony, Ancillary, or ISP service provided by Contractor to an End User over the JEA Network.

1.0 Certifications

- 1.1 Prior to execution of this Agreement, Contractor agrees to provide JEA with a copy of Contractor's CLEC certification. JEA agrees to provide Contractor with written evidence of its authority to enter into this Agreement.

2.0 Term of the Agreement

- 2.1 The initial term of the Agreement shall be three (3) years ("Initial Term"), beginning on the above effective date and, unless either Party gives written notice of its intention not to renew the Agreement at least two hundred seventy (270) days prior to the expiration of the then current term, the Agreement shall automatically renew for successive seven (7) year renewal terms. The Agreement shall apply to the JEA Network Territory.
- 2.2 In the event that either Party provides proper notice of its intention not to renew this Agreement, within fifteen (15) days of delivery of such notice, either Party may make written request for the commencement of negotiations for a new agreement to be effective beginning on the expiration date of this Agreement ("Subsequent Agreement"). Upon such request, the Parties shall negotiate in

“good faith” and make reasonable efforts to enter into a Subsequent Agreement within one hundred twenty (120) days of commencing negotiations.

2.3 If, within one hundred twenty (120) days of commencing with such negotiations, the Parties are unable to negotiate new terms, conditions, and prices for a Subsequent Agreement, the Agreement shall terminate upon expiration of the then current term. Upon termination of this Agreement, JEA shall continue to provide Network Transport pursuant to Section 2.5.

2.4 If the Agreement is terminated due to an uncured Contractor default, JEA shall continue to provide Network Transport services to Contractor pursuant to the terms, conditions and rates set forth in this Agreement for a period of six (6) months (“Migration Period”). During the Migration Period, Contractor shall formulate and implement a plan to migrate its existing customers to another contractor or to JEA, provided that JEA has the legal authority to offer telephony services. Such plan shall comply with anti-slamming laws and shall include notification to the Contractor’s customers of how and when their accounts will be transferred to a new service provider. Contractor shall pay all costs associated with such customer notification. During the Migration Period, Contractor may not establish any new End User accounts that would require transport over the JEA Network.

2.5 If this Agreement is terminated for any reason other than an uncured Contractor default, Contractor may choose to continue to provide Services to its End Users utilizing the Network, subject to following conditions: (1) Contractor may not add any new End Users to the Network without JEA’s express consent; (2) Contractor shall continue to pay all applicable fees under the Agreement; and (3) Contractor shall continue to adhere to all terms and network service requirements under the Agreement. Notwithstanding the foregoing, if Contractor desires to no longer serve all or substantially all of its End Users, the Parties agree in good faith from and after the date Contractor notifies JEA of such desire, to transition the End Users to JEA or a JEA designee, provided JEA agrees to reimburse Contractor for any losses, costs or expenses Contractor incurs during or related to the transition and provided further that the transition period shall not exceed one hundred eighty (180) days. As part of such transition, JEA shall agree to assume and hold Contractor harmless from, any and all further liability relative to such End Users from and after, or related to, the transition. Nothing herein shall prohibit Contractor from moving its End Users to another network upon the expiration or termination of this Agreement for any reason other than an uncured Contractor default.

3.0 Non Competition and Non Solicitation

3.1 Non Competition - For the Initial Term of the Agreement, JEA shall not: (i) either directly, through any entity where the JEA is a shareholder or has an ownership interest, or through a third party on behalf of JEA, offer any services that are comparable to the Services offered by Contractor in the JEA Network Territory; or (ii) interfere with Contractor’s relationship with any End User or Contractor employee.

- 3.2 Non Solicitation - After the expiration of the Initial Term, if the Agreement is renewed or Contractor continues to provide Services to its End Users pursuant to Section 2.5, JEA shall refrain from the Direct Solicitation of Contractor's End Users for a period of three (3) years from the date the Initial Term expires. However, nothing in this section shall prohibit JEA from engaging in Indirect Solicitation as defined in this Agreement.
- 4.0 **Network Access and Transport**
- 4.1 Network Interconnection and Interface – JEA shall provide Contractor with access to the Network at the designated entry point of the JEA Master Telecommunications Control Center (“MTCC”) at 125 E. College Street, Jackson, Tennessee. Contractor shall be responsible for providing and maintaining a fiber optic interconnection link between the JEA MTCC and the Contractor switching facilities with sufficient spare fiber to reach the JEA Ethernet switch and/or routers. JEA may, at Contractor' option, provide and maintain the fiber optic interconnection link to the Contractor switching facilities for a monthly fee. Subject to the Port Charges in Attachment 1 of this Agreement, JEA shall make and maintain all necessary connections within its MTCC for the Contractor interconnection link to interface with its Ethernet switch and routers.
- 4.2 Network Transport – JEA shall provide transport for Contractor's services as prioritized data packets utilizing Internet Protocol (“IP”) over Gigabit Ethernet technology to and from Contractor's customers over the Network. Telephony packets shall have priority over data packets.
- 4.3 Network Maintenance and Operation – JEA shall perform the monitoring and coordinating of all testing, maintenance, and repair functions of the Network twenty-four (24) hours per day, seven days (7) per week with the objective of causing the Services to perform in compliance with Industry Standards. JEA shall use its best efforts to construct and maintain the Network to provide carrier class transport service for Contractor's Services. All active components of the Network, including the MTCC, Network core devices, and JEA Gateway devices, shall be supported by sufficient stand-by battery and/or generator back up to provide eight (8) hours of on-hook and two (2) hours of off-hook operation for Contractor' telephony customers.
- 4.4 Trouble Call Reporting and Response – JEA shall be responsible for responding to and correcting any problems with the Network between the Network Interface Point, where Contractor enters the Network, to the output side of the Gateway at an End User's premises. JEA shall maintain a call center and service staff sufficient to receive and respond to End User trouble calls on a twenty four (24) hour, seven (7) day a week basis. Upon receiving a trouble call or system alarm, JEA shall immediately commence coordinating efforts to effect appropriate repairs and restore service. JEA shall respond within two (2) hours from the time any trouble call or system alarm related to a Network Service Outage is received.

- 4.5 Scheduled System Maintenance – Scheduled system maintenance that may potentially disrupt overall Network service, without limitation, including software upgrades/patches, circuit turn-up and testing, hardware additions, shall be performed outside of regular business hours during the maintenance window of 12:00am CST to 5:00am CST, and any scheduled system maintenance that is likely to disrupt Network Transport shall be scheduled with no less than five (5) days advance notice to Contractor. Such notice shall contain a good faith estimate of the expected duration of the outage. In instances where it is either mutually beneficial or where both parties consent to the amended schedule, the five days advance notice may be waived to provide upgrades when the potential for an outage exists without the upgrade. A Network Service Outage outside of regular business hours resulting from scheduled system maintenance, and about which Contractor was given appropriate notice, and, where applicable, consented as provided in this Agreement, shall not result in a credit for a Network Service Outage. Such maintenance work shall be completed as soon as practicable. Notwithstanding the foregoing, Contractor shall be eligible to receive outage credits for any portion of the scheduled Network Service Outage which exceeds JEA's good faith estimate by more than 100% if such delay is not due to unforeseen or unusual circumstances.
- 4.6 Installation of Network Service Drops – So long as an End User: (i) orders cable television service from JEA; or (ii) orders both phone and data service from Contractor; for a charge to the Contractor as specified in Attachment 1 of this Agreement, JEA shall install a fiber optic service drop to the End User premises and shall install and maintain Gateway devices and any necessary power supplies. JEA shall perform any other such work as is specified in the description of charges in Attachment 1. Unless otherwise agreed to in writing between both Parties, Contractor shall be responsible for collecting such installation charges as it deems appropriate, directly from the End User, to recoup JEA's charge to the Contractor.
- 4.7 Installation Services Where Network Service Drops Are Present – At the rates specified in Attachment 1, JEA will activate an existing gateway, install new wiring to customer devices, connect existing wiring, and provide customer set-up for Contractor telephone and data services either in combination or individually, where network service drops are already present.
- 4.8 Number Portability – Contractor shall be responsible for making all number portability requests on behalf of its End Users and coordinating the number portability scheduling with JEA.
- 4.9 Provisioning of Services – JEA shall configure and provision its Network equipment to meet, at a minimum, the service level needs ordered by the Contractor's End Users. Provisioning by JEA shall include assigning of IP addresses to Gateways, establishing bandwidth parameters for End Users receiving data services, QoS specifications, and Service Level Agreements ("SLA"). Contractor shall be responsible for provisioning the features and

functionality available through its telephone switch or Internet equipment. Contractor shall be responsible for notifying JEA regarding orders for new accounts, or any changes with its existing End User accounts such as transfers of service, upgrades, or account termination, in order to coordinate the proper provisioning of those accounts on the JEA Network.

4.10 Network Security – JEA shall make commercially reasonable efforts to protect its Network from malicious attacks by unauthorized persons. Contractor shall also be responsible for installing and maintaining industry standard security measures regarding its equipment, including provisioning firewalls and other protective devices, to the reasonable satisfaction of JEA, to reasonably protect the Network from unauthorized intrusion through its facilities.

4.11 Co-Location of Equipment – JEA hereby grants Contractor, its successors and assigns, a license to occupy and use suitable secured space for one (1) standard twenty-three inch (23”) rack, with JEA providing primary and back-up A/C power, inside the JEA MTCC for the purpose of locating, operating and maintaining, its equipment. Contractor shall have twenty four (24) hour per day, seven (7) day per week access to such space. JEA shall maintain the MTCC in good working order. JEA may make available to Contractor, at rates described in Attachment 1, additional non-utilized co-location space within its MTCC for the location of additional telephony and data equipment owned by Contractor.

5.0 Network Transport Fee

5.1 License - JEA hereby grants Contractor, its successor and assigns, a license to access that portion of the Network between the Network Interface Point and the output side of the Gateway located at the End User’s premises, for the purpose of providing Network Transport of the Contractor Services by JEA to Contractor’s End Users and all other purposes described in this Agreement.

5.2 Fees - For and in consideration of the Network Transport of Contractor’s Services by JEA, Contractor agrees to compensate JEA in accordance with fees and charges listed in **Attachment 1**.

6.0 Billing, Taxes and Other Fees

6.1 Invoices – JEA shall invoice Contractor on a monthly recurring basis for the Network Transport fees and other non-recurring charges in accordance with the fee schedule in Attachment 1. Unless JEA has agreed to provide billing services on behalf of Contractor, Contractor shall provide JEA with a certified statement of billed revenue for the immediate prior month, signed by an officer of the Contractor, in the format specified by JEA within ten (10) business days of the end of each month.

6.2 Remittance – Invoices for current charges and fees, and invoices issued upon resolution of disputed charges or fees, are payable within thirty (30) days after receipt of the invoice. Contractor shall pay the sum due in the invoice at the remittance address indicated on the invoice.

- 6.3 Late Payments – In the event Contractor should fail to make any payment by the due date specified above, Contractor shall be liable to JEA for a late charge on all past due amounts at the rate of one and one half percent (1.5%) per month (or such lower rate that is then the maximum rate allowed by law), calculated on a daily basis from the first day when said amount became due and owing until paid.
- 6.4 No Setoff Rights – Except for good faith billing disputes, where only the disputed portion of the bill will be set off as provided in Section 6.5, the amounts due to JEA hereunder are due and payable without set off, unless otherwise agreed to in writing by both Parties.
- 6.5 Disputed Invoices – Should Contractor in good faith dispute any of the charges on a monthly invoice, Contractor shall notify JEA of such dispute in writing no later than thirty (30) days from receipt of the invoice. The notice shall set forth all details concerning the disputed charges and reasons for the dispute and shall include any documentation evidencing the dispute. JEA and Contractor shall attempt in good faith to resolve such dispute prior to the payment due date or, if the due date has already passed, within thirty (30) days of Contractor's written notification of the dispute. If agreement cannot be reached prior to the payment due date, Contractor shall pay all undisputed portions of the bill and such billing dispute shall be subject to the dispute resolution procedures provided in Section 18. Any credits resulting from said dispute, such as in the case of an overpayment, will be reflected in a subsequent billing cycle and shall include accrued interest at the rate of 1.5% per month, calculated on a daily basis from the date of overpayment.
- 6.6 Timely Invoicing – JEA shall invoice for all fees and charges or adjustments to previous invoices no later than ninety (90) days after the end of the month in which those fees, charges or adjustments apply.
- 6.7 Change in Contractor's Creditworthiness – With the exclusion of "set offs" pursuant to Section 6.4, if Contractor has not paid charges otherwise due hereunder within thirty (30) days of receiving a written late notice from JEA, in addition to any other remedies provided in this Agreement, JEA may request commercially reasonable financial information from Contractor for the purpose of determining the continued creditworthiness of Contractor. If such documentation reveals a material adverse change in Contractor's creditworthiness or a material adverse change in Contractor's financial position, JEA may elect, at its reasonable discretion, to demand the posting of a deposit or irrevocable letter of credit equal to four (4) months of the charges on Contractor's bill for the month immediately preceding the month in which JEA makes a formal written demand for assurance of payment. Contractor shall also execute any accompanying agreement with JEA regarding the use of any such deposit or letter of credit, in form and substance reasonably acceptable to both parties. Failure by Contractor to provide adequate assurance of payment will trigger default pursuant to Section 13.0.
- 6.8 Taxes – Contractor shall be responsible for any applicable federal, state or local use, excise, sales or other taxes, fees, assessments, surcharges or similar amounts

in connection with the Services furnished by Contractor to Contractor's End Users pursuant hereto, including but not limited to any Universal Service Fund contributions or other surcharges or contribution required or permitted by a regulatory body. Contractor shall pay all such amounts required to be remitted to a taxing authority directly to the taxing authority unless the taxing authority requires that JEA collect and remit payment, in which event Contractor shall pay said amounts to JEA and JEA shall accept said amounts in trust for this purpose and remit such amounts to the authority. Contractor and JEA shall cooperate in taking all reasonable actions necessary to minimize, or to qualify for exemptions from, any such taxes, duties or liabilities, including the furnishing of certifications that purchases by Contractor are for purposes of resale. Contractor shall provide all information to JEA of any exemption of sales, use, or other tax claimed by Contractor and shall immediately notify JEA of any change in Contractor's tax status.

6.9 Franchise and User Fees; Permits – Contractor shall be solely responsible for obtaining all necessary permits or consents from state or local government authorities, if any, for use by Contractor of the Network and shall pay all franchise or user fees, if any, imposed on Contractor or required of Contractor by the local, state, or federal government authorities upon or as a result of Contractor's use of the Network. JEA shall be solely responsible for obtaining any necessary permits or consents from state and local government authorities, if any, to operate the Network and/or provide Network Transport to Contractor and shall pay all franchise or user fees, if any, imposed on JEA by the local, state, or federal government authorities upon or as a result of JEA operating the Network and/or providing Network Transport to Contractor.

6.10 Indemnification against Taxes and Third Party Fees – Contractor shall indemnify and hold JEA harmless against all taxes, fees, assessments or similar amounts, if any, which may be assessed against Contractor or JEA for Contractor's use of the Network hereunder. Contractor shall further indemnify and hold harmless JEA against all claims or liability due to or arising out of the failure of Contractor to obtain any permit or other consent as may be required from any local government or other regulatory body for use of the Network. JEA shall indemnify and hold Contractor harmless against all taxes, fees, assessments or similar amounts, if any, which may be assessed against Contractor or JEA as a result of JEA's operation of the Network. JEA shall further indemnify and hold harmless Contractor against all claims or liability due to or arising out of failure of JEA to obtain any permit or consent as may be required from any local government or other regulatory body to operate the Network.

6.11 Protest – Either Party shall each have the right to protest or appeal any tax or charge assessed against such Party by any taxing authority, as permitted by law.

7.0 Performance Standards and Network Service Outage Credits

7.1 Allowances for Interruption of Network Service - Contractor shall be entitled to a credit for periods during which Network Transport is interrupted due to a

Network Service Outage. No credit shall be issued for a Network Service Outage caused by failure of the Contractor's equipment outside of the Network. JEA agrees to undertake immediate action to correct any Network Service Outage after receiving notice from Contractor that a Network Service Outage exists. The credit owed to Contractor resulting from a Network Service Outage shall be computed at 1/1440 of the monthly recurring fees applicable to that portion of the Network Transport which is subject to the Network Service Outage for each one-half (1/2) hour or major fraction thereof that a Network Service Outage continues beyond two (2) hours. A Network Service Outage begins when the Network Outage first commences. A Network Service Outage ends when the affected service in JEA Network has passed all required testing and is functioning in compliance with technical specifications. For opening a trouble ticket, Contractor may notify JEA's call center by telephone 1-731-422-7500 or any such similar expedited notice mechanism at the numbers and addresses set forth on JEA's published service escalation procedures as are in effect from time to time. In no event shall the credit for Network Transport during a calendar month exceed the monthly recurring fee for that Network Transport specified in the Service Order. If an unscheduled outage causes an End User to leave Contractor, Contractor shall not be charged for the Network Transport fee associated with that End User during the monthly cycle in which the disconnection order was placed.

7.2 Events Excepted from Credit – Notwithstanding the foregoing, Contractor shall not receive any credit for a Service Outage arising from or caused any of the following events:

- a) Contractor's (or Contractor's employees, agents, or subcontractor's) negligence;
- b) Negligence of End User causing an interruption of their own service;
- c) Failure of electrical power to Contractor equipment.
- d) Election by Contractor, after requested by JEA, to release the Services without testing and repair;
- e) JEA's inability, due to the action or inaction of Contractor or an End-User, to obtain access required to remedy a defect in Service;
- f) Scheduled system maintenance coordinated with Contractor and performed by JEA within the agreed upon time period;
- g) Scheduled upgrade of Service at the request of Contractor;
- h) Malfunction of non-JEA equipment or systems; or
- i) Force Majeure Events.

- 7.3 Credit Claim Deadline – Contractor must request a credit allowance for a Network Service Outage within sixty (60) days after delivery of an invoice involving the affected Service or any claim for an allowance is waived.
- 7.4 Equipment – JEA may substitute, change or rearrange core telecommunications equipment used in providing Network service as long as the quality of service or type of services are not impaired or changed. JEA will use its best efforts to notify Contractor of the technical specifications of these changes at least ninety (90) days in advance. Any special interface equipment or facilities, necessary to achieve compatibility solely between the telecommunications equipment of JEA and the facilities of Contractor, shall be at Contractor's expense and JEA shall not be required to provide any such equipment. The End User shall be responsible for any specific interface equipment necessary to achieve compatibility with the JEA Network.
- 8.0 Contractor Responsibilities**
- 8.1 Network Compatibility - All equipment and services provided by the Contractor shall be compatible with JEA's Wave 7 Optics' network equipment.
- 8.2 Telephony Equipment and Facilities – Contractor shall be responsible for providing and maintaining all Contractor equipment outside of the JEA Network, such as soft switches, media gateways, and any other equipment necessary to switch, distribute, and provision telephone traffic for its telephony End Users. Such equipment may be installed at the Contractor CO or co-located in the MTCC if such space is available. Contractor shall be responsible for establishing and maintaining all necessary interconnection agreements with ILECs and any other CLECs at its expense.
- 8.3 Telephony Provisioning – Contractor shall be responsible for provisioning the features and functionality of its telephony services offered to its End Users through its switch.
- 8.4 Required Services and Operating Regulations – The Parties shall each be responsible for meeting all operating regulations that are required by federal or state law.
- 8.5 Data Equipment and Facilities – Contractor shall be responsible for installing and maintaining all equipment outside of the JEA Network, such as routers, servers, and any other equipment necessary for providing Internet and data services to its End Users. Such equipment may be installed in the Contractor Central Office or co-located in the MTCC if adequate co-location space is available and purchased. Contractor shall be responsible for maintaining adequate interconnections to long-haul carriers sufficient not to exceed a maximum over-subscription rate of fifteen to one (15 to 1) and exceed the requirements of its End Users using the Network.

- 8.6 Security – Contractor shall take commercially reasonable measures to protect the JEA Network against malicious attacks and intrusions by unauthorized persons as outlined in Section 4.9 of this Agreement.
- 8.7 End User Support - Unless the Parties enter into an agreement where JEA agrees to provide Contractor sales and customer support services, Contractor shall be solely responsible for all sales, marketing, service ordering, provisioning, collections and customer support services related to its End Users.
- 8.8 Service Levels - During the term of this Agreement Contractor will use best efforts to provide its End Users service and support in full compliance in all material respects with any applicable State and Federal regulatory requirements but, in any event, no less than the highest quality of service Contractor offers to any of its other End Users receiving services over other networks.
- 8.9 Customer Service – Unless the Parties enter into an agreement where JEA agrees to provide customer and billing services on behalf of Contractor, or Contractor continues to provide Services pursuant to Section 2.5, Contractor shall establish and maintain sufficient local customer service capabilities to adequately serve its customer base. At a minimum, such customer service capabilities shall include, but shall not be limited to: (a) a local business office at which prospective and existing customers may place service orders, make payments, and resolve billing or service questions; (b) a toll-free telephone number through which customers may contact the Contractor's customer service representatives during regular business hours; and (c) Contractor shall provide live 24/7 emergency support via telephone for JEA personnel and its customers. Contractor shall also maintain a trained and knowledgeable Tier I and above help desk for telephone and high-speed data customers at a minimum during the hours of 7:00 a.m. to Midnight, Monday through Friday; 8:00 a.m. to Midnight, Saturday; and 10:00 a.m. to 10:00 p.m., Sunday; all times Central Time Zone.
- 9.0 Parity**
- 9.1 All network access services provided by either Party hereto to the other shall be equal in quality, subject to the same conditions, and provided within the same provisioning time intervals that the Contractor provides to any of its customers or End Users. To the extent technically feasible, the quality of the Network, as well as the quality of the access to the Network provided by JEA to Contractor shall be at least equal in quality to that which JEA would provide to any other customers including itself, its Affiliates, or any other information or telecommunications carrier. The quality of the interconnection between the network of JEA and the facilities of Contractor shall be at a level that is equal to that which JEA and Contractor, respectively, would provide itself, a subsidiary, an Affiliate, or any other carrier or provider.
- 10.0 Directory Listings**

10.1 Contractor shall be responsible for tendering all subscriber listing information (“SLI”) to the incumbent local exchange carrier for publication in any listings directory that is regularly published for Madison County, Tennessee.

11.0 Court Ordered Requests for Call Detail Records and Other Subscriber Information

11.1 In instances where either Party receives a subpoena or court-ordered request for information involving information possessed only by the other Party, the Party receiving the request will advise the law enforcement agency initiating the request to redirect such request to the other Party.

12.0 Indemnification

12.1 By Contractor – Except to the extent that any loss, cost, damage or liability is due to the negligence of JEA, Contractor shall indemnify, defend and hold harmless JEA and its affiliates, employees, directors, officers, and representatives,, (“Indemnified Parties”) from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including interest, penalties and disbursements (collectively, “Claims”), to the extent any such Claim is asserted by a third party against JEA or any of its Indemnified Parties, directly by reason of or resulting from any Contractor failure to perform an obligation under this Agreement or any action or inaction of Contractor or its employees or agents that is illegal or constitutes negligence or intentional misconduct, or as a result of: (i) claims for libel, slander, infringement of copyright or unauthorized use of trademark, logo, trade name or service mark arising out of use of the Service; (ii) claims for infringement of any valid U.S. patent or copyright arising from combining or connection of facilities to use JEA’s Network; (iii) claims for damage to property and/or personal injuries (including death) arising out of the negligence or willful act or omission of Contractor; (iv) claims that any actions of Contractor violate any law or regulation; and (v) failure or inability of Contractor to provide directory listings for any of its customers.

12.2 By JEA – Except to the extent that any loss, cost, damage or liability is due to the negligence of Contractor, and to the extent legally permissible and subject to the statutory liability limitations of the Governmental Tort Liability Act (TCA 29-20-201), JEA shall indemnify, defend and hold harmless Contractor its affiliates, employees, directors, officers and representatives (“Collectively “Contractor Parties”) from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including interest, penalties and disbursements, to the extent any such claims are asserted directly or indirectly by a third party against Contractor or any of it’s the Contractor Parties directly by reason of or resulting from any JEA failure to perform an obligation under this Agreement or any action or inaction of JEA or its employees or agents that is illegal or constitutes negligence or intentional misconduct, or incurred as a result of: (i) claims for infringement of any valid U.S. patent or

copyright relating to the equipment or software used by JEA to provide the Services hereunder; (ii) claims for damages to property and/or personal injuries (including death) arising out of the negligence or willful act or omission of JEA; and (iii) claims that any action of the JEA violate any law or regulation.

- 12.3 Procedures – A Party seeking indemnification for itself or an Indemnified Party shall notify the other Party promptly after becoming aware of the Claim, and shall provide or cause the Indemnified Party to provide reasonable and customary cooperation (e.g. providing copies of documents or testimony of witnesses) in the defense of the Claim. The Party being asked to provide indemnification shall not be bound to honor any settlement or compromise of a claim affected by an Indemnified Party without the prior written consent of the indemnifying Party.

13.0 Default, Remedies and Security Interest

- 13.1 Default. A Party shall be in “Default” under this Agreement if:

- a) Such Party fails to make a payment when due and such failure continues for more than thirty (30) days after written notice, in accordance with the terms of sections 6.1 through 6.11
- b) such Party fails to perform any obligation required under this Agreement, including but not limited to the provisions set forth in Section 6.0 and Contractor Responsibilities listed under Section 8.0 above, and such failure continues for more than thirty (30) days after written notice, provided that if the breach is of such a nature that it cannot be cured within thirty (30) days, then such Party shall have an additional thirty (30) day period(s), such period(s) approved in writing by the other Party, in which to cure its breach. Failure by the Contractor to cure after the period(s) allowed by JEA may result in automatic suspension of service leading to termination as described in Section 13.3 below.
- c) Such Party fails generally to pay its debts as such debts become due, or admits in writing its inability to pay its debts as such debts become due, or makes any general assignment for the benefit of creditors.
- d) There is commenced by such Party any case, proceeding, or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, or reorganization, or relief of debtors, or seeking appointment of a receiver, trustee, custodian, or other similar official for it or for all or any substantial part of its property.
- e) There is commenced any case, proceeding or other action against such Party seeking to have any order for relief entered against such Party as debtor, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of such Party or its debts under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors, or seeking appointment of a receiver, trustee, custodian, or other similar official for such Party or for all or

any substantial part of the property of such Party, and (i) such Party shall, by any act or omission, indicate its consent to, approval of, or acquiescence in such case, proceeding or action, or such case, proceeding or action results in the entry of an order for relief which is not fully stayed within seven (7) business days after the entry thereof, or (ii) such case, proceeding or action remains un-dismissed for a period of thirty (30) days or more or is dismissed or suspended only pursuant to section 305 of the United States Bankruptcy Code or any corresponding provision of any future United States bankruptcy law.

- 13.2 Remedies – Upon the occurrence of a Default, the non-Defaulting Party may seek any and all remedies available at law and/or equity, except to the extent any such remedy is specifically limited or prohibited by this Agreement, and may terminate this Agreement by written notification.
- 13.3 Suspension of Service – In the event of Default by the Contractor as described in Section 13.1 above, JEA, in its sole and absolute discretion, shall have the right, on and after the thirtieth (30th) calendar day after JEA has either given Contractor written notice of Default or the expiration of any additional time granted to cure a default, in addition to exercising any remedies available for such Default, to suspend acceptance of any new customer addition requests. After the Contractor has exhausted its cure period permitted by JEA without correcting its Default, JEA may provide all of the Contractor's customers with written notice that the Contractor is in Default of its agreement with JEA and subject to cessation of Network Transport services by JEA and that the Contractor's customers may switch to another service provider of their choice within a reasonable amount of time as provided for in Section 2.4. At the end of the time period during which the Defaulting Contractor's customers may switch providers, JEA may terminate its Agreement with the Contractor.
- 13.4 Prohibited Use – If Contractor uses any Network service in a manner that is a violation of law or that interferes with the technical functionality of the Network, and if Contractor does not cease such objectionable use immediately after receipt of notice from JEA, JEA shall have the right to suspend its provision of the relevant Service to Contractor until Contractor provides assurances reasonably acceptable to JEA that such use is not or no longer shall be in violation of applicable law, or will no longer interfere with the technical functionality of the JEA Network. In addition to immediate suspension of service following notice of Prohibited Use of the JEA Network by the Contractor, continued violation of this section after receipt of notice by JEA shall constitute a Termination of this Agreement.
- 13.5 Contractor Remedies - In the event of any uncured Default by JEA, upon the expiration of the applicable default cure period, in addition to any legal rights and remedies it may have, Contractor shall have the right to continue to offer services to its End Users over the Network in accordance with Section 2.4 of this Agreement.

14.0 **Limitation of Liability**

- 14.1 Definition – For purposes of this Section 14, “JEA” shall be defined as JEA, its Affiliates, and its and their employees, directors, officers, agents and representatives, “Contractor” shall be defined under this Section 14 as Contractor, its Affiliates, their employees, directors, officers, agents and representatives.
- 14.2 Exclusive Remedies – JEA’S ENTIRE LIABILITY, AND CONTRACTOR’S EXCLUSIVE REMEDIES AGAINST JEA, FOR ANY DAMAGES CAUSED BY ANY SERVICE OUTAGE, DEFECT OR FAILURE SHALL BE THE OUTAGE CREDIT AND TERMINATION PROVISIONS SET FORTH ABOVE IN SECTION 7.
- 14.3 Limitation of Liability – THE ENTIRE LIABILITY OF EITHER PARTY FOR OTHER CLAIMS ARISING IN CONNECTION WITH ANY SERVICE OR THIS AGREEMENT, IF NOT OTHERWISE LIMITED BY ANOTHER PROVISION OF THIS AGREEMENT, SHALL BE LIMITED TO DIRECT DAMAGES NOT TO EXCEED PER CLAIM (OR IN THE AGGREGATE DURING ANY THREE MONTH PERIOD) THE TOTAL NET PAYMENTS MADE BY CONTRACTOR TO JEA UNDER THIS AGREEMENT FOR THE APPLICABLE SERVICE DURING THE SIX (6) MONTHS PRECEDING THE MONTH IN WHICH THE DAMAGE OCCURRED.
- 14.4 No Consequential or Punitive Damages – IN NO EVENT SHALL JEA OR CONTRACTOR BE LIABLE TO THE OTHER OR TO ANY THIRD PARTIES FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, RELIANCE OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS, ADVANTAGE, SAVINGS OR REVENUES OF ANY KIND OR INCREASED COST OF OPERATIONS, WHETHER OR NOT JEA OR CONTRACTOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 14.5 Technical Limitations – NEITHER JEA OR CONTRACTOR SHALL BE LIABLE FOR ANY DAMAGES ARISING OUT OF OR RELATING TO: INTEROPERABILITY, INTERACTION OR INTERCONNECTION PROBLEMS WITH APPLICATIONS, EQUIPMENT, SERVICES OR NETWORKS PROVIDED BY THE PARTIES OR THIRD PARTIES; OR UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION, LOSS OR DESTRUCTION OF THE PARTIES’, END USERS’ OR THIRD PARTIES’ APPLICATIONS, CONTENT, DATA, PROGRAMS, INFORMATION, EQUIPMENT, NETWORK OR SYSTEMS.
- 14.6 Additional Limitation of Liability – JEA HEREBY ADVISES CONTRACTOR THAT FIBER STRANDS ON JEA’S NETWORK MAY BE IN CLOSE PROXIMITY TO ELECTRICAL CABLES THAT ARE SUBJECT TO FAULT, BURNOUT, OR OTHER MALFUNCTION WHICH CAN RESULT IN DAMAGE, DESTRUCTION, OR DISRUPTION TO SUCH FIBER STRANDS. CONTRACTOR ACKNOWLEDGES AND AGREES THAT NEITHER JEA

NOR ANY HOLDER OF AN UNDERLYING RIGHT ASSUMES LIABILITY FOR ANY SUCH DAMAGE, DESTRUCTION, OR DISRUPTION, EXCEPT FOR SERVICE CREDIT AS PROVIDED FOR UNDER OUTAGE CREDITS IN SECTION 7.0

14.7 Form of Claim – THE LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION 14 AND IN ANY ATTACHMENT SHALL APPLY: (i) REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE; AND (ii) WHETHER OR NOT DAMAGES WERE FORESEEABLE. THESE LIMITATIONS OF LIABILITY SHALL SURVIVE FAILURE OF ANY EXCLUSIVE REMEDIES PROVIDED IN THIS AGREEMENT, AND (iii) ONLY TO DISPUTES WHICH ARISE FROM THE PERFORMANCE OF THIS INTERCONNECTION AGREEMENT AND ANY ATTACHMENT THERETO.

14.8 No Third Party Beneficiaries – This Agreement does not expressly or implicitly provide any third party (including End-Users) with any remedy, claim, liability, reimbursement, cause of action or other right or privilege.

15.0 Insurance

15.1 Insurance - Within thirty (30) days after the Effective Date, JEA and Contractor shall each procure, and thereafter shall maintain through the term of this Agreement, insurance coverage in the type and amount set forth below. Such coverage shall be obtained on an occurrence basis from carriers having a AM Best Rating Service rating of A- / X or better and licensed to do business in the State where the Services are to be delivered. Each Party shall deliver to the other, standard form insurance certificates evidencing the foregoing coverage and stating that such coverage shall not be cancelled, non-renewed or materially and adversely modified without at least thirty (30) days written notice to the certificate holder.

15.2 Each Party shall maintain the following coverages: Commercial general liability insurance, covering claims for bodily injury, death and property damage, including comprehensive form, premises and operations, independent contractors, products and completed operations, personal injury, contractual, and broad form property damage liability coverage, with limits of \$1,000,000 per occurrence and \$2,000,000 aggregated for each annual period;

a) Comprehensive automobile liability insurance, covering owned, non-owned, hired and other vehicles, with combined single limits \$1,000,000; and

b) Umbrella, or excess liability, coverage in the amount of \$5,000,000.

c) Worker's compensation insurance shall also be maintained but the other Party shall not be named as an additional insured.

16.0 Intellectual Property Rights and Indemnification

16.1 No License - No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Unless otherwise agreed in writing by the Parties, the Parties are strictly prohibited from any use, including but not limited to, in the selling, marketing, promoting or advertising of telecommunications services, of any name, service mark, logo or trademark (collectively, the "Marks") of the other Party. The Marks include those Marks owned directly by a Party or its Affiliate(s) and those Marks that a Party has a legal and valid license to use. The Parties acknowledge that they are separate and distinct and that each provides a separate and distinct service and agree that neither Party may, expressly or impliedly, state, advertise, or market that it offers the same service as the other Party, or engage in any other activity that may result in a likelihood of confusion between its own service and the service of the other Party.

16.2 Ownership of Intellectual Property - Any intellectual property that originates from or is developed by a Party shall remain the exclusive property of that Party. Except for a limited, non-assignable, non-exclusive, non-transferable license to use patents or copyrights to the extent necessary for the Parties to use any facilities or equipment (including software) or to receive any service solely as provided under this Agreement, no license in patent, copyright, trademark or trade secret, or other proprietary or intellectual property right, now or hereafter owned, controlled or licensable by a Party, is granted to the other Party. Neither shall it be implied nor arise by estoppel. Any trademark, copyright or other proprietary notices appearing in association with the use of any facilities or equipment (including software) shall remain on the documentation, material, product, service, equipment or software. It is the responsibility of each Party to ensure at no additional cost to the other Party that it has obtained any necessary licenses in relation to intellectual property of third Parties used in its network that may be required to enable the other Party to use any facilities or equipment (including software), to receive any service, or to perform its respective obligations under this Agreement.

16.0 Intellectual Property Remedies

16.1 Claim of Infringement - In the event that use of any facilities or equipment (including software), becomes, or in the reasonable judgment of the Party who owns the affected facilities, software or equipment is likely to become, the subject of a claim, action, suit, or proceeding based on intellectual property infringement, then said Party shall promptly and at its sole expense and sole option, but subject to the limitations of liability set forth below:

- a) modify or replace the applicable facilities or equipment (including software) while maintaining form and function, or
- b) obtain a license sufficient to allow such use to continue.

16.2 Termination - In the event these remedies are commercially unreasonable, then said Party may terminate, upon reasonable notice, this Agreement with respect to use of, or services provided through use of, the affected facilities or equipment (including software), but solely to the extent required to avoid the infringement claim.

- 16.3 Exception to Obligations - Neither Party's obligations under this Section shall apply to the extent the infringement is caused by: (i) modification of the facilities or equipment (including software) by the indemnitee; (ii) use by the indemnitee of the facilities or equipment (including software) in combination with equipment or facilities (including software) not provided or authorized by the indemnitor, provided the facilities or equipment (including software) would not be infringing if used alone; (iii) conformance to specifications of the indemnitee which would necessarily result in infringement; or (iv) continued use by the indemnitee of the affected facilities or equipment (including software) after being placed on notice to discontinue use as set forth herein.
- 16.4 Exclusive Remedy - The foregoing shall constitute the Parties' sole and exclusive remedies and obligations with respect to a third party claim of intellectual property infringement arising out of the conduct of business under this Agreement.
- 17.0 Proprietary and Confidential Information**
- 17.1 Proprietary and Confidential Information. It may be necessary for JEA and Contractor, each as the "Discloser," to provide to the other Party, as "Recipient," certain proprietary and confidential information (including trade secret information) including but not limited to technical, financial, marketing, staffing and business plans and information, strategic information, proposals, request for proposals, specifications, drawings, maps, prices, costs, costing methodologies, procedures, processes, business systems, software programs, techniques, customer account data, call detail records and like information that is either marked "Confidential" or "Proprietary" (collectively the "Information"). All such Information is deemed confidential and shall not be disclosed except as required by law.
- 17.2 Use and Protection of Information - Recipient agrees to protect such Information of the Discloser provided to Recipient from whatever source from distribution, disclosure or dissemination to anyone except employees of Recipient with a need to know such Information solely in conjunction with Recipient's analysis of the Information and for no other purpose except as authorized herein or as otherwise authorized in writing by the Discloser. Recipient will not make any copies of the Information inspected by it.
- 17.3 Exceptions - Recipient will not have an obligation to protect any portion of the Information which: (a) is made publicly available by the Discloser or lawfully by a nonparty to this Agreement; (b) is lawfully obtained by Recipient from any source other than Discloser; (c) is previously known to Recipient without an obligation to keep it confidential; or (d) is released from the terms of this Agreement by Discloser upon written notice to Recipient. Contractor acknowledges that JEA is a public utility authority created by 2001 Tennessee Private Acts Chapter 55, and as such is subject to the Tennessee Open Records Act, under which JEA may be required under law to disclose information provided to JEA by the Contractor.

- 17.4 Publication - Recipient agrees not to publish or use the Information for any advertising, sales or marketing promotions, press releases, or publicity matters that refer either directly or indirectly to the Information or to the Discloser or any of its affiliated companies.
- 17.5 Ownership of Rights - The disclosure of Information neither grants nor implies any license to the Recipient under any trademark, patent, copyright, application or other intellectual property right that is now or may hereafter be owned by the Discloser.
- 17.6 Survival of Confidentiality Obligations - The Parties' rights and obligations under this Section shall survive and continue in effect after the expiration or termination date of this Agreement with regard to all Information exchanged prior to and during the term of this Agreement. Thereafter, the Parties' rights and obligations hereunder survive and continue in effect with respect to any Information that is a trade secret under applicable law.
- 18.0 Resolution of Disputes**
- 18.1 Any claim or controversy related to or arising out of this Agreement, whether in contract or in tort ("Dispute"), will be resolved on a confidential basis, according to the following process, which either party may start by delivering to the other party a written notice describing the Dispute and the amount involved ("Demand"):
- 18.2 After receipt of a Demand, authorized representatives of the parties will meet at a mutually agreed upon time and place to try to resolve the Dispute by negotiation. If the Dispute remains unresolved after thirty (30) days after the receipt of the Demand, either Party may start binding arbitration in Evansville, Indiana if the claim is brought by the JEA or Jackson, Tennessee if the claim is brought by Contractor. The arbitration will be before a three (3) arbitrator panel. Each Party will select one arbitrator to represent its interest, at its sole expense. The final arbitrator, who shall be impartial, will be selected by the two partial arbitrators. In the event the two (2) partial arbitrators shall fail to select an impartial arbitrator, either party may apply to a court of law in the jurisdiction where the arbitration is being conducted, to have a judge select an impartial arbitrator. Discovery shall be controlled by the impartial arbitrator and shall be permitted to the extent set forth in this Section 18.2. Each Party shall be entitled to any combination of thirty-five (35) discovery requests, without subparts, consisting of any of the following: interrogatories, demands to produce documents or requests for admission. Upon receipt of any such discovery requests, each Party shall respond within a reasonable time period as determined by the impartial arbitrator. At a time and place mutually agreed upon between the Parties, or, if the Parties cannot agree on a time and place, at a time and place determined by the impartial arbitrator, each Party shall also be entitled to take the oral deposition of one individual of the other Party. Additional discovery may be permitted upon mutual agreement of the Parties. The three (3) arbitrators, by majority rule, shall adopt any other procedures they deem efficient and appropriate for making the determinations submitted to them for adjudication. No statements by or communications between the Parties during negotiations or mediation, or both,

will be admissible for any purpose in arbitration. Each Party shall bear its internal expenses, the costs of its partial arbitrator and its attorney's fees and expenses, and jointly share the cost of the impartial arbitrator. The decision(s) of a majority of the arbitrators shall be final and binding on the Parties.

18.3 The foregoing notwithstanding, this Section shall not prevent either Party from seeking any temporary equitable relief, including a temporary restraining order.

19.0 Taxes

19.1 Definition. For purposes of this Section, the terms "taxes", "fees", and "surcharges" shall include but shall not be limited to federal, state or local sales, use, excise, gross receipts or other taxes or tax-like fees of whatever nature and however designated, such as amounts charged to recoup taxes imposed upon the Contractor for providing services (and including in-lieu of tax payments, tariff surcharges and any fees, charges or other payments, contractual or otherwise, for the use of public streets or rights of way, whether designated as franchise fees or otherwise) imposed, or sought to be imposed, on or with respect to the services furnished hereunder or measured by the charges or payments therefore, excluding any taxes levied on income.

19.2 Remittance - Unless otherwise agreed to in writing between the Parties, any taxes and fees collected by the Contractor from the End User required to be remitted to a taxing authority shall be held in trust by Contractor for remittance to the appropriate authority or entity. State and federal USF, excise tax, and Federal Access Charge collections shall be reported under the Contractor Tax Identification Number.

19.3 Mutual Cooperation - In any contest of a tax or fee by one Party, the other Party shall cooperate fully by providing records, testimony and such additional information or assistance as may reasonably be necessary to pursue the contest. Further, the non-disputing Party shall be reimbursed for any reasonable and necessary out-of-pocket copying and travel expenses incurred in assisting in such contest.

20.0 Force Majeure

20.1 If the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, terrorism, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Contractor, the Party affected, upon giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided, however, that the Party so affected shall use diligent efforts to avoid or remove such causes of non-

performance and both Parties shall proceed whenever such causes are removed or cease.

21.0 Modification of Agreement

21.1 No modification, amendment, supplement to, or waiver of this Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties.

21.2 In the event that any effective legislative, regulatory, judicial or other legal action or technological change affects any material terms of this Agreement, or the ability of Contractor or JEA to perform any material terms of this Agreement, Contractor or JEA may, on thirty (30) days written notice, require that such terms be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required. In the event that such new terms are not renegotiated within thirty (30) days after such notice, the Dispute shall be referred to the Dispute Resolution procedure set forth in this Agreement.

22.0 Severability

22.1 If any provision of this Agreement is held by a court or regulatory agency of competent jurisdiction to be unenforceable, the rest of the Agreement shall remain in full force and effect and shall not be affected unless removal of that provision results in a material change to this Agreement. If a material change as described in this paragraph occurs as a result of action by a court or regulatory agency, the Parties shall negotiate in good faith for replacement language. If replacement language cannot be agreed upon within a reasonable period, either Party may terminate this Agreement without penalty or liability for such termination upon written notice to the other Party.

23.0 Waivers

23.1 A failure or delay of either Party to enforce any of the provisions hereof, to exercise any right which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options, and each Party, notwithstanding such failure, shall have the right thereafter to insist upon the performance of any and all of the provisions of this Agreement.

24.0 Governing Law

24.1 Where applicable, this Agreement shall be governed by and construed in accordance with federal and Tennessee substantive law, including applicable rules and regulations of the FCC and the TRA.

25.0 Assignments

25.1 Any assignment by either Party to any non-affiliated entity of any right, obligation or duty, or of any other interest hereunder, in whole or in part, without the prior written consent of the other Party shall be void. Consent to assignment shall not be unreasonably withheld. A Party may assign this Agreement in its entirety to an Affiliate of the Party without the consent of the other Party; provided, however, that the assigning Party shall notify the other Party in writing

of such assignment thirty (30) days prior to the Effective Date thereof and, provided further, if the assignee is an assignee of Contractor, the assignee must provide evidence of TRA CLEC certification. The Parties shall amend this Agreement to reflect such assignments and shall work cooperatively to implement any changes required due to such assignment. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party. Notwithstanding anything to the contrary herein, neither Party shall assign this Agreement to an Affiliate to avoid any of its obligations under this Agreement or otherwise avoid liability to the other Party.

26.0 Relationship of Parties/Independent Contractor

26.1 Each party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation, and discharge of its employees assisting in the performance of such obligations. Nothing contained herein shall constitute the Parties as joint venturers, partners, employees, or agents of one another, and neither Party shall have the right to bind or obligate the other. Except for any provisions herein expressly authorizing a party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other party.

27.0 Notices

27.1 Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered by hand, by overnight courier or by US mail postage prepaid, address to:

Jackson Energy Authority

Mr. Kim K. Kersey
Senior Vice President – Telecommunications
Jackson Energy Authority
119 East College Street
Jackson, TN 38301

with copy to:

Ms. Teresa Cobb, General Counsel
Jackson Energy Authority
119 E. College Street
Jackson, TN 38301

Contractor

Mr. Michael Farmer
Cinergy Communications Company

5856 West 74th Street
Indianapolis, IN 46278

with a copy to:

Legal Department c/o Mr. John Campbell
Cinergy Communications Company
8829 Bond Street
Overland Park KS 66214

Mr. John Cinelli
Cinergy Communications Company
1419 W. Lloyd Expressway
Evansville, IN 47710

or at such other address as the intended recipient previously shall have designated by written notice to the other Party.

27.2 Unless otherwise provided in this Agreement, notice by mail shall be effective and receipt shall be accomplished on the date it is officially recorded as delivered by return receipt or equivalent.

28.0 Rule of Construction

28.1 No rule of construction requiring interpretation against the drafting Party hereof shall apply in the interpretation of this Agreement.

29.0 Headings of No Force or Effect

29.1 The headings of Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

30.0 Multiple Counterparts

30.1 This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute but one and the same document.

31.0 Necessary Approvals

31.1 Each Party shall be responsible for obtaining and keeping in effect all approvals from, and rights granted by, governmental authorities, building and property owners, other carriers, and any other persons that may be required in connection with the performance of its obligations under this Agreement. Each Party shall reasonably cooperate with the other Party in obtaining and maintaining any required approvals and rights for which such Party is responsible.

31.2 Each Party shall file and maintain any necessary tariffs with appropriate authorities. Each Party agrees to comply with all state and federal statutes and regulations and administrative orders applicable to it, including but not limited to those addressing minimum performance standards, slamming and cramming, confidentiality, free choice with respect to customer premises equipment, toll

dialing parity plans, telephone numbering plans, end user customer deposits, and the like.

- 31.3 Each Party warrants that the person executing this Agreement on their behalf below is lawfully authorized to do so. The Board of the Jackson Energy Authority has given the representative executing this Agreement authority to do so by virtue of action taken at its meeting on the 23rd day of September, 2004 and as reflected in the minutes of said meeting.

32.0 Good Faith Performance

- 32.1 Each Party shall act in good faith in its performance under this Agreement and, in each case in which a Party's consent or agreement is required or requested hereunder, such Party shall not unreasonably withhold or delay such consent or agreement.

33.0 Nonexclusive Dealings

- 33.1 Nothing in the Agreement shall be construed to prevent JEA from entering into a similar interconnection agreement with any other service provider subsequent to this Agreement. Should such a subsequent agreement contain terms more favorable or less burdensome than those contained in this Agreement, Contractor may adopt the new Agreement in its totality.

34.0 Survival

- 34.1 The Parties' obligations under this Agreement, which by their nature are intended to continue beyond the termination or expiration of this Agreement, shall survive the termination or expiration of this Agreement.

35.0 Entire Agreement

- 35.1 "This Agreement" means the General Terms and Conditions, the Attachments and all documents identified therein, as such may be amended from time to time as provided herein and those (if any) which are incorporated herein by reference, all of which, when taken together, are intended to constitute one indivisible agreement. This Agreement sets forth the entire understanding and supersedes all prior agreements and understanding between the Parties relating to the subject matter hereof. Neither Party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise regarding the subject matter hereto other than as expressly stated in the Service Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written below.

Jackson Energy Authority

Signature

Name

Title

Date

Contractor

Signature

Name

Title

Date

Attachment 1

Jackson Energy Authority Fiber Optic Broadband Telecommunications Network Access and Non-Recurring Charges

1. NETWORK ACCESS CHARGES

JEA shall charge the Network access fees listed below for transport of Contractor service traffic across its Network. The definition of the JEA Network relating to these charges shall include all JEA facilities, equipment, and associated software from the service provider's backbone optronics patch panel through to the gateway at the customer's premises. Access charges shall include maintenance of the Network by JEA. For purposes of calculating all Network access charges, revenue derived from any Ancillary Service is specifically excluded, unless otherwise expressly included below, and shall not be used to calculate the monthly billed revenue for any data service. Contractor shall provide JEA with a monthly certified statement of billed revenue within 10 days of the end of each month, delineated by service category and level.

Residential telephone service.....	<u>40% of monthly billed revenue,</u> excluding long distance, taxes, subscriber line charges, and regulatory fees,, or \$7.50, whichever is greater.
Business telephone service.....	<u>40% of monthly billed revenue,</u> excluding long distance, taxes, subscriber line charges, and regulatory fees, or \$12.00, whichever is greater.
Business DS1/T1 telephone service.....	<u>\$150.00 + *50% of the retail charge for</u> <u>T1/DS1 service over \$750/month,</u> *Retail charges shall exclude all long distance, taxes, subscriber line charges, and regulatory fees
Residential high-speed data service.....	<u>50% of monthly billed revenue,</u> for the data connection, excluding taxes and regulatory fees or \$10.00 for 256/256Kbps connection, \$12.50 for a 512/256Kbps connection, \$15 for a 1.5Mbps/256Kbps connection, \$17.50 for a 2Mbps/384Kbps connection, or \$20.00 for a 3Mbps/512Kbps connection, \$25.00 for a 4Mbps/512Kbps connection, or \$30.00 for a 5Mbps/ 512Kbps connection, whichever is greater.

Business high-speed data service.....	<u>50% of monthly billed revenue, excluding taxes, ancillary service revenue, and regulatory fees, for the data connection transport offerings mutually agreed between the parties pursuant to the procedure set forth below.</u>

Business high-speed data pricing procedure – The product description and pricing of all business data connection transport service offerings shall be determined by the mutual agreement of the Parties. Within sixty (60) days of the date of this Agreement, the Parties shall mutually develop an initial pricing schedule for all business data connection transport services to be offered by Contractor over the JEA Network. Upon completion, such schedule shall be incorporated into this Agreement as Attachment “2”. Thereafter, upon request by either Party, “Attachment 2” may be revised by the mutual agreement of the Parties. Upon request for revisions, the Parties agree to work in good faith to revise Attachment “2” as necessary to ensure that Contractor’s business data service offerings are competitive with similar offerings in the JEA Service Territory. In the event the Parties cannot agree on such revisions, either Party may apply for arbitration under Section 18 of this Agreement.

2. CO-LOCATION CHARGES

For any space that Contractor may require beyond the co-location space provided under Section 4.11 the following rate structure shall apply. Contractor may co-locate its equipment in available rack space inside JEA’s secure Master Control headend facility that features proper temperature and humidity controls to satisfy equipment requirements and adequate electrical circuitry and sufficient generator and UPS back-up. The co-location charges shall be inclusive of rack space, HVAC, electrical powering and electrical back-up, and 24-hour access.

a. Full rack and cross connects to JEA Network interface	\$500.00/mo.
b. Half rack and cross connects to JEA Network interface	\$300.00/mo.

3. PORT CHARGES

JEA shall charge monthly for connection to its Ethernet switch ports to cover the cost of equipment and maintenance necessary to maintain the Contractor Network connectivity. Based on anticipated traffic volume of the Contractor, JEA reserves the right to assign switch ports to a service provider.

a. Extreme Networks BlackDiamond 6800 series Switch (one gigabit of capacity per port)	\$360.00/mo.
b. Extreme Network Summit series Switch (10/100 Mbps of capacity per port)	\$200.00/mo.

4. NON-RECURRING CHARGES

JEA shall charge Contractor non-recurring charges for installation and activation of services at customers' premises. Such charges shall be billed monthly based on activity during the prior month.

A. RESIDENTIAL INSTALLATIONS

Non-recurring charges for residential End Users shall include installation of a fiber optic service drop to the customer's premises, installation and activation of the gateway, installation of new wiring to customer devices, connection of existing wiring, and customer set-up for services.

a. Telephone or high-speed data service turn-up, during same dispatch trip with cable television account turn-up and using existing customer wiring, where customer performs self-installation of data service software and a network interface card is present.	\$8.00 per service
b. Telephone or high-speed data service turn-up, separate dispatch trip without cable television and using existing customer wiring where customer performs self-installation of data service software and network interface card is present.	\$20.00 per service
c. New Category 5 wiring installed in connection with item a. or b. above.	\$12.50 per outlet
d. Installation of customer-supplied network interface card into customer PC	\$24.00 per installation
e. Installation of customer-supplied Internet hub	\$25.00 per installation
f. Customer telephone or data set-up beyond establishing dial tone or data connectivity, and setting up email.	\$50.00 per hour

B. BUSINESS INSTALLATIONS

Small Business Aerial Installations

Non-recurring aerial installations into small businesses shall include the installation of an aerial fiber optic service drop to the customer's premise, installation and activation of a gateway and power supply on the outside of the customer's premise, installation of new wiring to customer devices, connection of existing wiring to customer devices, and customer set-up of services.

a. Telephone or high-speed data service turn-up, during same dispatch trip with cable television account turn-up and using existing customer wiring, where customer performs self-installation of data service software and network interface card is present.	\$8.00 per service
b. Telephone or high-speed data service turn-up, separate dispatch trip without cable television and using existing customer wiring where customer performs self-installation of data service software and network interface card is present.	\$20.00 per service
c. Installation of fiber drop on more than two utility poles.	\$20.00 per additional pole
d. New Category 5 wiring installed in connection with item a. or b. above.	\$12.50 per outlet
e. Installation of customer-supplied network interface card into customer PC	\$24.00 per installation
f. Installation of customer-supplied Internet hub	\$25.00 per installation
g. Customer telephone or data set-up beyond establishing dial tone or data connectivity, and setting up email.	\$50.00 per hour

Large Business and Underground Small Business Installations

Large Business installations shall be treated differently than residential installations and Small Business End User aerial installations, as described above, due to the variables for aerial and underground service drop installation costs, special conditions that may exist at a business premises, gateway requirements, and customer requirements for inside wiring and services turn-up.

JEA shall charge Contractor the actual cost of installation as bid by an approved contractor. JEA will involve the Contractor in the selection of contractors qualified to receive periodic bid proposals for this purpose.

C. SERVICE REPAIR

Residential Customers

Service repair for residential customers shall be performed by JEA following the generation of a repair dispatch order in the Contractor trouble repair tracking system. JEA shall charge for service repair trips according to the following schedule:

- a. Service repair for telephone and/or data only, if the problem exists on the customer side of the gateway. \$25.00 per trip
- b. Service repair for telephone and/or data, if the problem exists on the customer side of the gateway and the service repair trip also involves a cable television repair. \$12.50 per trip

Business Customers

Service repair for business customers shall be performed by JEA following the generation of a repair dispatch order in the Contractor trouble repair tracking system.

- a. For those service repair trips where the problem exists on the customer side of the Gateway, JEA shall charge \$50.00 per hour.
- b. For those service repair trips where the problems exist on the customer side of the Gateway and where cable repair is also involved, JEA shall charge \$25.00 per hour.
- c. For those service repair trips where the problem exists on the JEA Network side of the Gateway, there will be no charge to the Contractor for the repair.

5. NETWORK ACCESS AND RECURRING CHARGE ADJUSTMENTS

JEA reserves the right to review and adjust its network access and recurring charges on an annual basis by the lesser of any increase in the Consumer Price Index ("CPI") from the previous year, or actual network access services cost increases incurred by JEA.

6. NON-RECURRING CHARGE ADJUSTMENTS

Non-recurring charges by JEA will be subject to annual review and may be adjusted by amounts equivalent to JEA's direct underlying direct costs for such items as materials and company-wide labor rate adjustments as approved by the JEA Board of Directors, in any case not to exceed the increase in the CPI + 1.5%. To the extent possible, JEA will attempt to minimize cost increases by third party suppliers through competitive bidding

JACKSON ENERGY AUTHORITY SALES COMMISSION AGREEMENT

THIS AGREEMENT is made and entered into this 22nd day of December, 2004, by and between Jackson Energy Authority (hereinafter referred to as "JEA"), a public utility authority created by 2001 Tennessee Private Acts, Chapter 55, and Cinergy Communications Company, a privately held company organized under the laws of Kentucky (hereinafter referred to as "CONTRACTOR"). The Agreement may refer to either JEA or CONTRACTOR or both as a "Party" or "Parties".

WITNESSETH

WHEREAS, JEA and CONTRACTOR have entered into the JEA Interconnection Agreement (Version 2.0) dated December 22, 2004 ("Interconnection Agreement") under which JEA shall provide transport for CONTRACTOR's data and telephony traffic across JEA's telecommunications network in and around the City of Jackson and the County of Madison Tennessee, and

WHEREAS, JEA offers cable television service and CONTRACTOR provides telephone and data services to residential and business consumers in Jackson, Tennessee over JEA's telecommunications network, and

WHEREAS, CONTRACTOR and JEA desire to enter into an agreement whereby each Party will have the ability to market and sell the services of the other Party;

NOW THEREFORE, in consideration of the mutual agreements contained herein, JEA and CONTRACTOR agree to the following terms and conditions as follows:

DEFINITIONS

Affiliate means an entity: (i) that is wholly owned by a Party; or (ii) is wholly owned by the parent entity of the Party; or (iii) where the Party, or the parent entity of the Party, controls the voting rights of all outstanding equity in such entity.

Contractor Network shall mean any integral portion of a network outside of the JEA network.

Effective Date shall mean the date this Agreement is fully executed by the Parties.

JEA Network shall mean JEA's fiber optic cabling and equipment between the designated network interface point and the output side of the JEA gateway at an end user premises.

JEA Network Territory shall mean the service area of the JEA Network within the City of Jackson and Madison County, Tennessee.

Sales shall mean the solicitation of new customer accounts by various means and may include the completion of necessary forms or applications to document the customer's authorization for

the provision and billing of services, and the acceptance by the customer of the terms and conditions of their business relationship with JEA and/or CONTRACTOR.

1.0 Nature of Relationship

- 1.1 The Parties to this Agreement are entering into a business relationship whereby each Party will have the ability to market and sell those products and services of the other Party more particularly described in Exhibit "A", which is attached hereto and incorporated by reference, to business and residential customers located within the JEA Network Territory.
- 1.2 Each party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation, and discharge of its employees assisting in the performance of such obligations. Nothing contained herein shall constitute the Parties as joint venturers, partners, employees, or agents of one another, and neither Party shall have the right to bind or obligate the other. Except for any provisions herein expressly authorizing a party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other party.

2.0 Contractor Requirements

- 2.1 Within a maximum of sixty (60) days from the Effective Date of this Agreement, CONTRACTOR shall provide JEA with the following:
 - a. confirmed pricing and feature sets for all categories of its services
 - b. CONTRACTOR product and service training for JEA personnel
- 2.2 In providing any sales services specified herein, CONTRACTOR shall provide a level of service quality that is equivalent of that provided to its own customer base.

3.0 JEA Requirements

- 3.1 In providing the sales services as specified herein, JEA shall provide a level of service quality that is equivalent to that provided to its utility customers.
- 3.2 For the term of this Agreement, JEA agrees to waive all Port Charges otherwise due under the Interconnection Agreement.
- 3.3 Within a maximum of sixty (60) days from the Effective Date of this Agreement, JEA shall provide CONTRACTOR with the following:
 - a. Confirmed pricing and feature sets for all categories of JEA cable service
 - b. JEA product and service training for CONTRACTOR personnel.

4.0 Term of Agreement

- 4.1 The term of this Agreement shall commence on the Effective Date and shall remain in effect so long as CONTRACTOR utilizes the JEA Network to provide services to its end users. The Agreement shall apply to the JEA Network Territory.

5.0 Sales of Services

- 5.1 JEA hereby authorizes CONTRACTOR to market and sell those JEA services described in Exhibit "A" in accordance with the terms and conditions of this Agreement. JEA may require CONTRACTOR sales and customer services personnel to follow a sales contract script provide by JEA to close sales. CONTRACTOR will be responsible for following any procedures established by JEA to order its services. Nothing in this Agreement shall constitute an obligation on the part of CONTRACTOR to perform sales activities for JEA.
- 5.2 CONTRACTOR authorizes JEA to market and sell those CONTRACTOR services described in Exhibit "A" in accordance with the terms and conditions of this Agreement. CONTRACTOR may require JEA sales and customer service personnel to follow a CONTRACTOR provided sales contact script to close sales or to direct potential sales to qualified CONTRACTOR sales agents, and enter the order into JEA's order entry system for order processing as required. Nothing in this Agreement shall constitute an obligation on the part of JEA to perform sales activities for the CONTRACTOR.
- 5.3 CONTRACTOR shall offer telephone and high-speed data service to all classes of JEA's residential and business customer base consistent with its tariff and any applicable state or federal law and in a non-discriminatory manner. JEA shall offer cable television services in compliance with any applicable state or federal law and in a non-discriminatory manner.
- 5.4 CONTRACTOR shall offer free installation of services to all residential customers during the construction build out of the JEA Network. Such build out is scheduled to be concluded by June 30, 2005, and the free installation offer period may be extended beyond this date with the mutual consent of both Parties.
- 5.5 CONTRACTOR and JEA shall be required to screen all new account orders sold by either party utilizing the scoring methodology and credit score table of the Party supplying the service to determine if a security deposit or pre-payment may be required. Each Party shall independently determine its credit scoring methodology and the amount of the security deposit or pre-payment subject to any applicable state or federal law. In the event a customer meets the appropriate credit requirements of the Party supplying the service, such customer may be accepted by the Party selling the service. However, new accounts requiring a security deposit or pre-payment will not be installed by JEA until the deposit or pre-payment has been made by the potential customer.
- 5.6 CONTRACTOR agrees not to impose term commitments for residential customers.

6.0 JEA Sales Commissions

- 6.1 CONTRACTOR will only be assessed a sales commission fee on those sales completed by JEA, for which they provide direct order entry, or where a qualified referral results in a subsequent sale. In the case of a direct JEA sale, the customer must meet CONTRACTOR's stated credit requirements and any technical specifications for provisioning service set forth by CONTRACTOR. A referral shall be considered qualified if it includes the name and telephone number of the business account sales prospect, service address, services desired, and the expected date for sales contact follow-up by a CONTRACTOR sales representative. Any sales made by CONTRACTOR directly or through an authorized CONTRACTOR sales agent will not be commissionable. To insure accurate sales commission tracking, JEA will identify the order entry owner in their service address database.
- 6.2 Sales commissions will be paid in accordance with the schedule in Attachment 1. Sales will become commissionable upon installation of the service.
- 6.3 Sales commissions will be billed monthly by JEA for the prior month's activity and shall be due within thirty (30) days following the invoice date. Residual sales commissions shall be billed monthly for the prior month's billing or collection activity. Late payments of billed charges will result in a monthly penalty of 1.5%.

7.0 CONTRACTOR Sales Commissions

- 7.1 JEA will only be assessed a sales commission fee on those sales completed by CONTRACTOR, for which they procure a direct sale from a customer, or where a qualified referral results in a subsequent sale. In the case of a direct sale, the customer must meet JEA's stated credit requirements and any technical specifications for provisioning service set forth by JEA. A referral shall be considered qualified if it includes the name and telephone number of the business or residential sales prospect, service address, services desired, and the expected date for sales contact follow-up by a JEA sales representative. Any sales made by JEA directly or through an authorized JEA sales agent will not be commissionable.
- 7.2 Sales commissions will be paid in accordance with the schedule in Attachment 1. Sales will become commissionable upon installation of the service.
- 7.3 Sales commissions will be billed monthly by CONTRACTOR for the prior month's installation activity and shall be due within thirty (30) days following the invoice date. Late payments of billed charges will result in a monthly penalty of 1.5%.

8.0 Joint Marketing

- 8.1 From time to time the Parties may agree to individually or jointly market their services as in combination with other services or individually. For such purposes each Party shall have the limited right to use the name, logo or brand of the other Party. All marketing and advertising materials or content, regardless of the media being utilized, using a

Party's name, logo or brand shall be approved by that Party in writing prior to publication or use. Such approval shall not be unreasonably withheld, conditioned or delayed.

9.0 Taxes and Fees

- 9.1 For purposes of this Section, the terms "taxes", "fees", and "surcharges" shall include but are not limited to federal, state or local sales taxes, subscriber line charges, and regulatory fees or other taxes or tax-like fees or charges of whatever nature and however designated that are regularly passed through and charged to the customer. Unless otherwise agreed to in writing between the Parties, each Party shall be responsible for the billing, collection, and payment of all such taxes, fees, and charges, as applicable.

10.0 Indemnification

- 10.1 By Contractor – Except to the extent that any loss, cost, damage or liability is due to the negligence of JEA, CONTRACTOR shall indemnify, defend and hold harmless JEA and its affiliates, employees, directors, officers and representatives ("Indemnified Parties") from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, interest, penalties and disbursements (collectively, "Claims"), to the extent any such Claim is asserted by a third party against JEA or any of its Indemnified Parties, directly or indirectly, by reason of or resulting from any Contractor failure to perform an obligation under this Agreement or any action or inaction of CONTRACTOR or its employees or agents that is illegal or constitutes negligence or intentional misconduct, or as a result of: (i) claims for infringement of any valid U.S. patent or copyright relating to the equipment or software used by CONTRACTOR providing the CONTRACTOR services; and (ii) claims for damages to property and/or personal injuries (including death) arising out of the negligence or willful act or omission of CONTRACTOR (iii) claims for libel, slander, infringement of copyright or unauthorized use of trademark, logo, trade name or service mark arising out of the sale of any JEA service by CONTRACTOR; (iv) claims for damages resulting from any: (a) false or misleading advertising materials regarding JEA services issued by CONTRACTOR and not pre-approved by JEA; (b) false or misleading representations made by a CONTRACTOR employees or agent regarding JEA's services; or (c) any representations or warranties regarding the services not previously approved by JEA; and/or (v) claims, demand or actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, interest and penalties incurred by JEA as a result of CONTRACTOR's failure to comply with any state or federal laws or requirements.
- 10.2 By JEA – Except to the extent that any loss, cost, damage or liability is due to the negligence of CONTRACTOR, and to the extent legally permissible and subject to the statutory liability limitations of the Governmental Tort Liability Act (TCA 29-20-201), JEA shall indemnify, defend and hold harmless CONTRACTOR, its employees, directors and officers from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, interest, penalties and disbursements, to the extent any such Claim is asserted by a third party against Contractor directly or indirectly, by reason of or resulting from any JEA failure to perform an obligation under this Agreement or any action or inaction of JEA or its employees or agents that is illegal or constitutes negligence or intentional misconduct, or incurred as a result of: (i) claims

for infringement of any valid U.S. patent or copyright relating to the equipment or software used by JEA hereunder; and (ii) claims for damages to property and/or personal injuries (including death) arising out of the negligence or willful act or omission of JEA (iii) claims for libel, slander, infringement of copyright or unauthorized use of trademark, logo, trade name or service mark arising out of the sale of any CONTRACTOR service by JEA; or (iv) claims for damages resulting from any: (a) false or misleading advertising materials regarding CONTRACTOR services issued by JEA and not pre-approved by CONTRACTOR; (b) false or misleading representations made by a JEA employee or agent regarding CONTRACTOR's services; or (c) any representations or warranties regarding the services not previously approved by CONTRACTOR and/or (v) claims, demand or actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, interest and penalties incurred by CONTRACTOR as a result of JEA's failure to comply with any state or federal laws or requirements.

- 10.3 Procedures – A Party seeking indemnification for itself or an Indemnified Party shall notify the other Party promptly after becoming aware of the Claim, and shall provide or cause the Indemnified Party to provide reasonable and customary cooperation (e.g. providing copies of documents or testimony of witnesses) in the defense of the Claim. The Party being asked to provide indemnification shall not be bound to honor any settlement or compromise of a claim affected by an Indemnified Party without the prior written consent of the indemnifying Party.

11.0 Limitation of Liability

- 11.1 Definition – For purposes of this Article 11, “JEA” shall be defined as JEA, its Affiliates, and its and their employees, directors, officers, agents and representatives, “Contractor” shall be defined under this Article 11 as Contractor, its Affiliates, their employees, directors, officers, agents and representatives.
- 11.2 Limitation of Liability – THE ENTIRE LIABILITY OF EITHER PARTY FOR CLAIMS ARISING IN CONNECTION WITH THIS AGREEMENT, IF NOT OTHERWISE LIMITED BY ANOTHER PROVISION OF THIS AGREEMENT, SHALL BE LIMITED TO DIRECT DAMAGES NOT TO EXCEED PER CLAIM (OR IN THE AGGREGATE DURING ANY THREE MONTH PERIOD) THE TOTAL NET PAYMENTS MADE BY CONTRACTOR TO JEA UNDER THIS AGREEMENT FOR THE APPLICABLE SERVICE DURING THE SIX (6) MONTHS PRECEDING THE MONTH IN WHICH THE DAMAGE OCCURRED.
- 11.3 No Consequential or Punitive Damages – IN NO EVENT SHALL JEA OR CONTRACTOR BE LIABLE TO THE OTHER OR TO ANY THIRD PARTIES FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, RELIANCE OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS, ADVANTAGE, SAVINGS OR REVENUES OF ANY KIND OR INCREASED COST OF OPERATIONS, WHETHER OR NOT JEA OR CONTRACTOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

11.4 Form of Claim – THE LIMITATIONS OF LIABILITY SET FORTH IN THIS ARTICLE 11 AND IN ANY ATTACHMENT SHALL APPLY: (i) REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE; AND (ii) WHETHER OR NOT DAMAGES WERE FORESEEABLE. THESE LIMITATIONS OF LIABILITY SHALL SURVIVE FAILURE OF ANY EXCLUSIVE REMEDIES PROVIDED IN THIS AGREEMENT, AND (iii) ONLY TO DISPUTES WHICH ARISE FROM THE PERFORMANCE OF THIS SALES AND SUPPORT SERVICES AGREEMENT AND ANY ATTACHMENT THERETO.

11.5 No Third Party Beneficiaries – This Agreement does not expressly or implicitly provide any third party (including End-Users) with any remedy, claim, liability, reimbursement, cause of action or other right or privilege.

12.0 Default and Remedies

12.1 Default. The following shall constitute a “Default” under this Agreement:

- a. Either Party fails to make a payment, in accordance with the terms of section 6.0 and 7.0 *et seq.* above, when due and such failure continues for more than fifteen (15) days after written notice.
- b. Either Party fails to perform any obligation required under this Agreement, and such failure continues for thirty (30) days after receipt of written notice, and such failure is not cured within said thirty (30) days, then the Party in default may have additional thirty (30) day period(s) as required, such period(s) approved in writing by the non defaulting Party.

12.2 Remedies – Upon the occurrence of a Default, the non defaulting Party may seek any and all remedies available at law and/or equity, except to the extent any such remedy is specifically limited or prohibited by this Agreement.

13.0 Condition Precedent

13.1 As a condition for entering into this Sales Services Agreement, both Parties shall execute the JEA Interconnection Agreement (Version 2.0) prior to this Agreement.

14.0 Force Majeure

14.1 If the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, terrorism, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Contractor, the Party affected, upon giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party

shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided, however, that the Party so affected shall use diligent efforts to avoid or remove such causes of non-performance and both Parties shall proceed whenever such causes are removed or cease.

15.0 Modification of Agreement

- 15.1 No modification, amendment, supplement to, or waiver of this Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties.
- 15.2 In the event that any effective legislative, regulatory, judicial or other legal action materially affects any material terms of this Agreement, or the ability of CONTRACTOR or JEA to perform any material terms of this Agreement, CONTRACTOR or JEA may, on thirty (30) days' written notice, require that such terms be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required. In the event that such new terms are not renegotiated within ninety (90) days after such notice, this Agreement shall terminate.

16.0 Severability

- 16.1 If any provision of this Agreement, or the application of such provision to either Party or circumstance, shall be held invalid, the remainder of the Agreement, or the application of any such provision to the Parties or circumstances other than those to which it is held invalid, shall not be affected thereby, provided that the Parties shall attempt to reformulate such invalid provision to give effect to such portions thereof as may be valid without defeating the intent of such provision.

17.0 Waivers

- 17.1 A failure or delay of either Party to enforce any of the provisions hereof, to exercise any right which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options, and each Party, notwithstanding such failure, shall have the right thereafter to insist upon the performance of any and all of the provisions of this Agreement.

18.0 Governing Law

- 18.1 This Agreement shall be governed by and construed in accordance with federal and Tennessee substantive law, including applicable rules and regulations of the FCC and the TRA.

19.0 Assignments

- 19.1 Any assignment by either Party to any non-affiliated entity of any right, obligation or duty, or of any other interest hereunder, in whole or in part, without the prior written

consent of the other Party shall be void. Consent to assignment shall not be unreasonably withheld. A Party may assign this Agreement in its entirety to an Affiliate of the Party without the consent of the other Party; provided, however, that the assigning Party shall notify the other Party in writing of such assignment thirty (30) days prior to the Effective Date thereof and, provided further, if the assignee is an assignee of Contractor, the assignee must provide evidence of TRA CLEC certification. The Parties shall amend this Agreement to reflect such assignments and shall work cooperatively to implement any changes required due to such assignment. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party. Notwithstanding anything to the contrary herein, neither Party shall assign this Agreement to an Affiliate to avoid any of its obligations under this Agreement or otherwise avoid liability to the other Party.

20.0 Notices

- 20.1 Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered by hand, by overnight courier or by US mail postage prepaid, address to:

Jackson Energy Authority

Mr. Kim K. Kersey
Senior Vice President - Telecommunications
Jackson Energy Authority
119 East College Street
Jackson, TN 38301

with a copy to:

Ms. Teresa Cobb, General Counsel
Jackson Energy Authority
119 E. College Street
Jackson, TN 38301

Cinergy Communications Company

Mr. Michael Farmer
Cinergy Communications Company
5856 West 74th St.
Indianapolis, Indiana 46278

with a copy to:

Legal Department c/o Mr. John Campbell
Cinergy Communications Company
8829 Bond Street
Overland Park KS 66214

Mr. John Cinelli
Cinergy Communications Company
1419 W. Lloyd Expressway
Evansville, IN 47710

or at such other address as the intended recipient previously shall have designated by written notice to the other Party.

- 20.2 Unless otherwise provided in this Agreement, notice by mail shall be effective and Receipt shall be accomplished on the date it is officially recorded as delivered by return receipt or equivalent.

21.0 Rule of Construction

- 21.1 No rule of construction requiring interpretation against the drafting Party hereof shall apply in the interpretation of this Agreement.

22.0 Headings of No Force or Effect

- 22.1 The headings of Articles and Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

23.0 Multiple Counterparts

- 23.1 This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute but one and the same document.

24.0 Necessary Approvals

- 24.1 Each Party shall be responsible for obtaining and keeping in effect all approvals from, and rights granted by, governmental authorities, building and property owners, other carriers, and any other persons that may be required in connection with the performance of its obligations under this Agreement. Each Party shall reasonably cooperate with the other Party in obtaining and maintaining any required approvals and rights for which such Party is responsible.
- 24.2 Each Party shall file and maintain any necessary tariffs with appropriate authorities. Both Parties agree to comply with all state and federal statutes and regulations and administrative orders applicable to it, including but not limited to those addressing minimum performance standards, slamming and cramming, confidentiality, free choice with respect to customer premises equipment, toll dialing parity plans, telephone numbering plans, end user customer deposits, and the like.

- 24.3 Both Parties warrant that the person executing this Agreement on its behalf below is lawfully authorized to do so. The Board of the Jackson Energy Authority has given the representative executing this Agreement authority to do so by virtue of action taken at its meeting on the 23rd day of September, 2004 and as reflected in the minutes of said meeting.

25.0 Good Faith Performance

- 25.1 Each Party shall act in good faith in its performance under this Agreement and, in each case in which a Party's consent or agreement is required or requested hereunder, such Party shall not unreasonably withhold or delay such consent or agreement.

26.0 Resolution of Disputes

- 26.1 Any claim or controversy related to or arising out of this Agreement, whether in contract or in tort ("Dispute"), will be resolved on a confidential basis, according to the following process, which either party may start by delivering to the other party a written notice describing the Dispute and the amount involved ("Demand"):
- 26.2 After receipt of a Demand, authorized representatives of the parties will meet at a mutually agreed upon time and place to try to resolve the Dispute by negotiation. If the Dispute remains unresolved after thirty (30) days after the receipt of the Demand, either Party may start binding arbitration in Evansville, Indiana if the claim is brought by the JEA or Jackson, Tennessee if the claim is brought by Contractor. The arbitration will be before a three (3) arbitrator panel. Each Party will select one arbitrator to represent its interest, at its sole expense. The final arbitrator, who shall be impartial, will be selected by the two partial arbitrators. In the event the two (2) partial arbitrators shall fail to select an impartial arbitrator, either party may apply to a court of law in the jurisdiction where the arbitration is being conducted to have a judge select an impartial arbitrator. Discovery shall be controlled by the impartial arbitrator and shall be permitted to the extent set forth in this Section 26.2. Each Party shall be entitled to any combination of thirty-five (35) discovery requests, without subparts, consisting of any of the following: interrogatories, demands to produce documents or requests for admission. Upon receipt of any such discovery requests, each Party shall respond within a reasonable time period as determined by the impartial arbitrator. At a time and place mutually agreed upon between the Parties, or, if the Parties cannot agree on a time and place, at a time and place determined by the impartial arbitrator, each Party shall also be entitled to take the oral deposition of one individual of the other Party. Additional discovery may be permitted upon mutual agreement of the Parties. The three (3) arbitrators, by majority rule, shall adopt any other procedures they deem efficient and appropriate for making the determinations submitted to them for adjudication. No statements by or communications between the Parties during negotiations or mediation, or both, will be admissible for any purpose in arbitration. Each Party shall bear its internal expenses, the costs of its partial arbitrator and its attorney's fees and expenses, and jointly share the cost of the impartial arbitrator. The decision(s) of a majority of the arbitrators shall be final and binding on the Parties.

26.3 The foregoing notwithstanding, this Section shall not prevent either Party from seeking any temporary equitable relief, including a temporary restraining order.

27.0 Entire Agreement

27.1 "This Agreement" the Attachments and all documents identified therein, as such may be amended from time to time as provided herein and those (if any) which are incorporated herein by reference, all of which, when taken together, are intended to constitute one indivisible agreement. This Agreement sets forth the entire understanding and supersedes prior agreements and understanding between the Parties relating in any way to the subject matter of this Agreement. Neither Party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as universally accepted in the telecommunications industry or is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the Party to be bound thereby.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written below.

JACKSON ENERGY AUTHORITY

CINERGY COMMUNICATIONS COMPANY

Signature

Signature

Name

Name

Title

Title

Date

Date

EXHIBIT "A"

COMMISSIONABLE SERVICES

Pursuant to the terms of Section 6.0 and 7.0 of this Agreement, either Party shall be paid commissions for the sales of the following services. This list of services may be amended from time to time, as agreed to in writing by both Parties, to include additional services.

JEA SERVICES:

Cable Television

CONTRACTOR SERVICES:

High Speed Data

Circuit-switched Telephone service

Voice over IP Telephone Service

Gaming services

Security services

Attachment 1

Sales Commissions

JEA shall charge CONTRACTOR the commission amounts below in accordance with the terms and conditions in Section 6.0 and Section 7.0 of this Agreement:

I. One time Payments

A. For each new residential telephone account sold by JEA personnel, CONTRACTOR will pay a one-time commission of \$20.00 for the first line and \$10.00 for each additional line. For each new residential high-speed data account, CONTRACTOR will pay a one-time commission of \$20.00.

B. For each new business telephone account sold by JEA personnel, CONTRACTOR will pay a one-time commission of \$20.00 for each line, or 50% of the retail price of any DS1/T1.

C. For each new business high-speed data account sold by JEA personnel, CONTRACTOR will pay a one-time commission equal to the first month's retail price.

D. For any other services sold by JEA personnel, CONTRACTOR shall pay a one-time commission equal to the first month's retail price for that service.

E. For each new cable television account sold by CONTRACTOR personnel, JEA will pay a one-time commission of \$20.00.

II. Residual Payments

A. For each customer account opened by JEA personnel on behalf of CONTRACTOR, CONTRACTOR shall pay a monthly residual commission as a percentage of collected revenue for the services sold by JEA under such account. Such residual payments shall continue throughout the life of the account. The monthly residual commission percentages shall be as follows for the various categories of services:

Residential Telephone, Data or any other residential service	5.0 % of monthly collected revenue
Small/Medium Business Telephone or Data or any other small/medium business service	3.0 % of monthly collected revenue
Business T1 Telephone or any other service offered to a large business customer	1.5 % of monthly collected revenue

B. CONTRACTOR shall provide JEA with a certified statement of all accounts billed by the CONTRACTOR within ten (10) days of invoice date for those services that will be used to compute the above commission amounts.

C. For purposes of this Section II "revenue" shall mean all revenue derived from a commissionable service received by the Party supplying such service to the customer excluding any regulatory fees, SLC, taxes, or surcharges.

JACKSON ENERGY AUTHORITY BILLING AND SUPPORT SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this 22nd day of December, 2004, by and between Jackson Energy Authority (hereinafter referred to as "JEA"), a public utility authority created by the 2001 Tennessee Private Acts, Chapter 55, and Cinergy Communications Company, a privately held company organized under the laws of Kentucky (hereinafter referred to as "CONTRACTOR"). The Agreement may refer to either JEA or CONTRACTOR or both as a "Party" or "Parties".

WITNESSETH

WHEREAS, JEA and CONTRACTOR have entered into an Interconnection Agreement (Version 2.0) dated December 22, 2004 ("Interconnection Agreement") under which JEA shall provide transport for CONTRACTOR's data and telephony traffic across JEA's telecommunications network in and around the City of Jackson and the County of Madison, Tennessee, and

WHEREAS, the Parties have also entered into a Sales Commission Agreement dated December, 22, 2004 under which each Party may market and sell the services of the other Party; and

WHEREAS, JEA desires to offer and has the capability to provide various support services, including order entry, billing, collection, provisioning, trouble reporting, and general customer support, through its staff resources, and

WHEREAS, CONTRACTOR desires to purchase such support services from JEA for its operations within the JEA telecommunications service area for customers who receive service from CONTRACTOR over the JEA Network.

NOW THEREFORE, in consideration of the mutual agreements contained herein, JEA and CONTRACTOR agree to the following terms and conditions as follows:

DEFINITIONS

Affiliate means an entity: (i) that is wholly owned by a Party; or (ii) is wholly owned by the parent entity of the Party; or (iii) where the Party, or the parent entity of the Party, controls the voting rights of all outstanding equity in such entity.

Ancillary Service means any Contractor service or application offered over a Contractor data transport service (i.e.T-1, DS-1), for which there is a separate and identifiable billing charge to the End User. (VoIP telephony offered over a residential high speed Internet connection is an example of an Ancillary Service)

Billing shall mean the rendering of a billing statement via mail or other means by JEA for recurring and non-recurring charges for services provided to a customer by CONTRACTOR.

Contractor Agreements shall mean the Interconnection Agreement, the Sales Commission Agreement and this Billing and Support Services Agreement.

Contractor Network shall mean any integral portion of a network outside of the JEA network.

Commercial Services shall mean those Contractor data transport services for business customers with symmetrical throughput of no less than 1Mbps.

Collections shall mean the receipt by JEA personnel of billed customer charges or monies due through JEA's normal collections means.

Customer Account Management shall mean application to a customer's account of appropriate charges for services received or rendered, posting of payments as received by the customer, issuance of credits as appropriate, proper calculation of monies owed by the customer, and maintenance of other such historical transactional or service information pertaining to the customer

Customer Service shall mean the support provided to a customer to include handling billing and service inquiries, trouble call reporting and resolution, payment collection and processing, and any other activity that will aid in the acquisition and retention of the customers of JEA or CONTRACTOR.

Effective Date shall mean the date this Billing and Support Services Agreement is fully executed by the Parties.

JEA Network shall mean JEA's fiber optic cabling and equipment between the designated network interface point and the output side of the JEA gateway at an end user premises.

JEA Network Territory shall mean the service area of the JEA Network within the City of Jackson and Madison County, Tennessee.

JEA Billing Support Services shall mean all Billing, Collections, Customer Account Management, Customer Service and Order Entry Services provided by JEA to CONTRACTOR under this Agreement.

Order Entry shall mean the input into an order management system of the pertinent information necessary to provision the proper level of services desired by the customer, to render customer billing statements, and to ascertain customer credit history.

Provisioning shall involve the configuration of switches, routers, and other such network equipment to deliver the proper types and levels of services requested by a customer.

Telecommunications Services shall mean telephony and data services.

Triple Play Services – shall mean a single integrated bundle of telephone, data and cable television services jointly offered by CONTRACTOR and JEA.

1.0 Nature of Relationship

- 1.1. The scope of service offered by JEA under this Agreement shall include order entry of sales taken for CONTRACTOR by either JEA or CONTRACTOR, inclusion of the CONTRACTOR's portion of the charges on the JEA bill, collection of billed charges by JEA, handling billing and service inquiries, and trouble call reporting and resolution for CONTRACTOR. JEA and CONTRACTOR agree that data and telephone services provided by CONTRACTOR may be billed by JEA individually or jointly, or as a single discounted bundle of Triple Play Services containing cable television, data and telephone offerings.
- 1.2 Each party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation, and discharge of its employees assisting in the performance of such obligations. Nothing contained herein shall constitute the Parties as joint venturers, partners, employees, or agents of one another, and neither Party shall have the right to bind or obligate the other. Except any for provisions herein expressly authorizing a party to act for another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other party.
- 1.3 For any end user receiving CONTRACTOR services through the JEA Network, CONTRACTOR shall be required to utilize JEA to provide the JEA Billing Support Services. Notwithstanding the foregoing, with notice to JEA, Contractor may provide all such billing and customer service functions directly to any business customer receiving Commercial Services.

2.0 CONTRACTOR Requirements

- 2.1 Within a maximum of seventy-five (75) days from the effective date of this Agreement, CONTRACTOR shall provide JEA with the following:
 - a. confirmed pricing and feature sets for all categories of its services;
 - b. help desk and trouble call reporting requirements and procedures;
 - c. billing interfaces and data transfer formats conforming to the technical requirements of JEA;
 - d. CONTRACTOR product and service training for JEA personnel; and
 - e. on-site resources and technical training for "go live" and follow up training.
- 2.2 CONTRACTOR shall notify JEA in writing of any customer receiving Commercial Services who will not receive the JEA Billing Support Services from JEA. CONTRACTOR shall be responsible for providing all billing and customer support services to any such customer.

3.0 JEA Requirements

- 3.1 JEA shall be responsible for providing the staff and resources required to perform all of the JEA Billing Support Services contained in this Agreement.

- 3.2 In providing the JEA Billing Support Services as specified herein, JEA shall provide a level of service quality that is equivalent to that provided to its utility customers.
- 3.3 For the Initial Term of this Agreement, JEA shall not publicly endorse the services of any provider who offers services over the JEA Network. For purposes of this Section 3.3 "endorse" shall mean to recommend the services of one provider utilizing the JEA Network over the services of another provider utilizing the JEA Network or to exclusively approve the services of any provider. Nothing herein shall prevent the JEA from doing joint advertisements with service providers utilizing the JEA Network so long as the JEA does not explicitly recommend the services of any of those providers in such advertisements.

4.0 Term of Agreement

- 4.1 The initial term of this Agreement shall be three (3) years, beginning on the Effective Date ("Initial Term") and, unless either Party gives written notice of its intention not to renew the Agreement at least two hundred seventy (270) days prior to the expiration of the then current term, the Agreement shall automatically renew for successive seven (7) year renewal terms. The Agreement shall apply to the JEA Network Territory.
- 4.2 In the event that either Party provides proper notice of its intention not to renew this Agreement, within fifteen (15) days of delivery of such notice, either Party may make written request for the commencement of negotiations for a new agreement ("Subsequent Agreement") to be effective beginning on the expiration date of this Agreement. Upon such request, the Parties shall negotiate in "good faith" and make reasonable efforts to enter into a Subsequent Agreement within ninety (90) days of commencing negotiations.
- 4.3 If, within ninety (90) days of commencing such negotiations, the Parties are unable to negotiate new terms, conditions, and prices for a Subsequent Agreement, this Agreement shall terminate.
- 4.4 Termination of the Interconnection Agreement automatically terminates this Billing and Support Services Agreement.

5.0 JEA Billing Support Services

- 5.1 CONTRACTOR agrees to arrears billing for all of its services billed by the JEA.
- 5.2 CONTRACTOR services that are billed on JEA billing statements shall be issued over a number of billing cycles throughout the month. Customers may be offered the option of receiving a consolidated billing statement for JEA's utility and cable television services and CONTRACTOR's telephone and/or high-speed data service, or receiving a separate billing statement combining only JEA cable television service and CONTRACTOR's services. JEA shall provide all materials and labor necessary to print, process, and mail all customer billing statements. CONTRACTOR may add inserts to customer bills, at CONTRACTOR's sole cost and expense. JEA shall approve any such billing insert

developed by CONTRACTOR to ensure that the insert meets JEA's billing specifications for production standards, content and space availability.

- 5.3 CONTRACTOR will transmit to JEA, according to JEA's bill cycle schedules, and in the format required by JEA, all pertinent billing information for the customer's account including a listing of the services billed as described by CONTRACTOR and itemized charges for each service such as recurring and non-recurring charges, long distance CDRs and call rating data, taxes, subscriber line charges, and regulatory charges.
- 5.4 JEA may apply a 20% discount on all CONTRACTOR residential services sold to JEA active and retired employees and board members in so doing, recurring network access fees due under the Interconnection Agreement and recurring fees due under this Agreement shall be discounted by an offsetting amount.
- 5.5 JEA shall provide customer account management services to include entry of new account orders, billing and general information inquiry support, payment collection and posting, and repair service order entry for those CONTRACTOR customers receiving JEA Billing Support Services.
- 5.6 CONTRACTOR will provide JEA with an interface to its billing and order management system into which JEA customer service personnel may enter orders, post payments, and enter adjustments to customer accounts as approved by CONTRACTOR.
- 5.7 Collection efforts for past due accounts shall include late payment notification letters, service disconnect notices, and service disconnects. To mitigate any CONTRACTOR related potential uncollectible accounts, JEA and CONTRACTOR agree to coordinate collection procedures to address the timing of late payment and service disconnect notification, as well as service disconnect policy. For those customers electing a single bundled services bill, JEA will first disconnect electric service, where applicable, on all such past due accounts as is current practice. For those customers being disconnected who are utilizing a separate bill statement for cable television and telecommunications services, all billed services will be shut off simultaneously, to the extent permitted by the TRA.
- 5.8 All fees due under the Contractor Agreements shall be paid in accordance with the procedures set forth in Attachment "1" which is attached hereto and made a part of this Agreement.
- 5.9 Both Parties acknowledge that CONTRACTOR is a regulated telecommunications provider subject to state and federal billing laws and regulations, including but not limited to the FCC's "truth-in-billing" requirements. Accordingly, CONTRACTOR shall pre-approve the format of any CONTRACTOR charges appearing on a JEA bill, or produced by JEA on behalf of CONTRACTOR, prior to distribution to CONTRACTOR's customers. As may be requested by CONTRACTOR from time-to-time, JEA shall also make any changes to its billing format that may be required to ensure

that CONTRACTOR stays in compliance with state and federal regulatory billing requirements. Such changes to the JEA billing format shall be made at CONTRACTOR's expense.

6.0 Technical Operations Conditions and Requirements

6.1 CONTRACTOR shall be capable of automatically accepting JEA data feeds into the CONTRACTOR's Operations Support System with appropriate time for interface development by JEA and CONTRACTOR.

6.2 CONTRACTOR shall be able to interface with JEA's trouble ticket system to ensure timely tracking and completion of service repair orders with appropriate time for such interface development by JEA and CONTRACTOR.

7.0 Support Services Charges

7.1 JEA shall charge CONTRACTOR Two Dollars and 25/100 (\$2.25) per billed account for all JEA Support Services. On each anniversary of the Effective Date of this Agreement, with thirty (30) days prior written notice to CONTRACTOR, JEA may adjust the charge for the JEA Support Services annually by the amount of any increase in the CPI for the prior year plus 1.5%.

8.0 Remittance of Net Collected Receipts

8.1 In accordance with the procedures set forth in Attachment 1, JEA shall remit, via wire transfer to CONTRACTOR, receipts of collected revenue on a weekly basis, net of applicable network access charges due under the Interconnection Agreement, sales residual commissions due under the Sales Commission Agreement and billing and support charges due under this Agreement determined on an individual customer basis. JEA shall send via email a report to accompany the wire transfer of net receipts detailing collections by account and the amounts deducted for any fees due under the Contractor Agreements. Throughout the term of this Agreement and for a period of two (2) years thereafter, JEA shall keep and maintain detailed records of all billing activities, including but not limited to bank statements, invoices and collection information related to CONTRACTOR's customers. CONTRACTOR shall have the right to audit, at its expense, JEA's billing and collections records with reasonable advance notice. In the event such audit reveals that JEA owes CONTRACTOR additional funds, CONTRACTOR shall present to JEA reasonable documentation evidencing any such additional funds. Upon receipt of such documentation and agreement of the audit findings by JEA, JEA shall have thirty (30) days to pay such additional amount.

9.0 Taxes and Fees

9.1 For purposes of this Section, the terms "taxes", "fees", and "surcharges" shall include but are not limited to federal, state or local sales taxes, and regulatory fees or other taxes or tax-like fees or charges of whatever nature and however designated that are regularly passed through and charged to the customer. Any such taxes, fees, and charges billed to CONTRACTOR's customers by JEA shall be collected and remitted to CONTRACTOR

in total at the time that JEA wire transfers the net service receipts according to Section 8.1 above.

10.0 Indemnification

- 10.1 By Contractor – Except to the extent that any loss, cost, damage or liability is due to the negligence of JEA, CONTRACTOR shall indemnify, defend and hold harmless JEA and its affiliates, employees, directors, officers and representatives (“Indemnified Parties”) from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, interest, penalties and disbursements (collectively, “Claims”), to the extent any such Claim is asserted by a third party against JEA or any of its Indemnified Parties, directly or indirectly, by reason of or resulting from any Contractor failure to perform an obligation under this Agreement or any action or inaction of CONTRACTOR or its employees or agents that is illegal or constitutes negligence or intentional misconduct, or as a result of: (i) claims for damage to property and/or personal injuries (including death) arising out of the negligence or willful act or omission of CONTRACTOR; and (ii) claims arising for CONTRACTOR’s failure to comply with any state or federal billing laws or requirements.
- 10.2 By JEA – Except to the extent that any loss, cost, damage or liability is due to the negligence of CONTRACTOR, and to the extent legally permissible and subject to the statutory liability limitations of the Governmental Tort Liability Act (TCA 29-20-201), JEA shall indemnify, defend and hold harmless CONTRACTOR, its employees, directors and officers from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, interest, penalties and disbursements, to the extent any such Claim is asserted by a third party against Contractor directly or indirectly, by reason of or resulting from any JEA failure to perform an obligation under this Agreement or any action or inaction of JEA or its employees or agents that is illegal or constitutes negligence or intentional misconduct, or incurred as a result of: (i) claims for infringement of any valid U.S. patent or copyright relating to the equipment or software used by JEA hereunder; and (ii) claims for damages to property and/or personal injuries (including death) arising out of the negligence or willful act or omission of JEA
- 10.3 Procedures – A Party seeking indemnification for itself or an Indemnified Party shall notify the other Party promptly after becoming aware of the Claim, and shall provide or cause the Indemnified Party to provide reasonable and customary cooperation (e.g. providing copies of documents or testimony of witnesses) in the defense of the Claim. The Party being asked to provide indemnification shall not be bound to honor any settlement or compromise of a claim affected by an Indemnified Party without the prior written consent of the indemnifying Party.

11.0 Limitation of Liability

- 11.1 Definition – For purposes of this Article 11, “JEA” shall be defined as JEA, its Affiliates, and its and their employees, directors, officers, agents and representatives, “Contractor” shall be defined under this Article 11 as Contractor, its Affiliates, their employees, directors, officers, agents and representatives.

- 11.2 Limitation of Liability – THE ENTIRE LIABILITY OF EITHER PARTY FOR CLAIMS ARISING IN CONNECTION WITH THIS AGREEMENT, IF NOT OTHERWISE LIMITED BY ANOTHER PROVISION OF THIS AGREEMENT, SHALL BE LIMITED TO DIRECT DAMAGES NOT TO EXCEED PER CLAIM (OR IN THE AGGREGATE DURING ANY THREE MONTH PERIOD) THE TOTAL NET PAYMENTS MADE BY CONTRACTOR TO JEA UNDER THIS AGREEMENT FOR THE APPLICABLE SERVICE DURING THE SIX (6) MONTHS PRECEDING THE MONTH IN WHICH THE DAMAGE OCCURRED.
- 11.3 No Consequential or Punitive Damages – IN NO EVENT SHALL JEA OR CONTRACTOR BE LIABLE TO THE OTHER OR TO ANY THIRD PARTIES FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, RELIANCE OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS, ADVANTAGE, SAVINGS OR REVENUES OF ANY KIND OR INCREASED COST OF OPERATIONS, WHETHER OR NOT JEA OR CONTRACTOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 11.4 Technical Limitations – NEITHER JEA OR CONTRACTOR SHALL BE LIABLE FOR ANY DAMAGES ARISING OUT OF OR RELATING TO: INTEROPERABILITY, INTERACTION OR INTERCONNECTION PROBLEMS WITH APPLICATIONS, EQUIPMENT, SERVICES OR NETWORKS PROVIDED BY THE PARTIES OR THIRD PARTIES; OR UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION, LOSS OR DESTRUCTION OF THE PARTIES', END USERS' OR THIRD PARTIES' APPLICATIONS, CONTENT, DATA, PROGRAMS, INFORMATION, EQUIPMENT, NETWORK OR SYSTEMS.
- 11.5 Form of Claim – THE LIMITATIONS OF LIABILITY SET FORTH IN THIS ARTICLE 11 AND IN ANY ATTACHMENT SHALL APPLY: (i) REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE; AND (ii) WHETHER OR NOT DAMAGES WERE FORESEEABLE. THESE LIMITATIONS OF LIABILITY SHALL SURVIVE FAILURE OF ANY EXCLUSIVE REMEDIES PROVIDED IN THIS AGREEMENT, AND (iii) ONLY TO DISPUTES WHICH ARISE FROM THE PERFORMANCE OF THIS AGREEMENT AND ANY ATTACHMENT THERETO.
- 11.6 No Third Party Beneficiaries – This Agreement does not expressly or implicitly provide any third party (including End-Users) with any remedy, claim, liability, reimbursement, cause of action or other right or privilege.
- 12.0 Default and Remedies**
- 12.1 Default. The following shall constitute a "Default" under this Agreement:

- a. Either Party fails to make a payment, in accordance with the terms of section 7.0 or 8.0 *et seq.* above, when due and such failure continues for more than fifteen (15) days after written notice.
 - b. Either Party fails to perform any obligation required under this Agreement, and such failure continues for thirty (30) days after receipt of written notice, and such failure is not cured within said thirty (30) days, then the Party in default may have additional thirty (30) day period(s) as required, such period(s) approved in writing by the non-defaulting Party.
- 12.2 Remedies – Upon the occurrence of a Default, the non defaulting Party may seek any and all remedies available at law and/or equity, except to the extent any such remedy is specifically limited or prohibited by this Agreement.
- 12.3 Suspension of Service – In the event of Default by CONTRACTOR as described in Section 12.1 above, JEA, in its sole and absolute discretion, shall have the right, after the thirtieth (30th) calendar day after JEA has given CONTRACTOR written notice of Default, in addition to exercising any remedies available for such Default, to suspend order entry activity for new CONTRACTOR customer additions. In the event that a default has not been cured within the allocated time frame as stated above, either Party may terminate this Agreement by written notification to the other Party.

13.0 Force Majeure

- 13.1 If the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, terrorism, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, changes requested by Contractor, the Party affected, upon giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided, however, that the Party so affected shall use diligent efforts to avoid or remove such causes of non-performance and both Parties shall proceed whenever such causes are removed or cease.

14.0 Modification of Agreement

- 14.1 No modification, amendment, supplement to, or waiver of this Agreement or any of its provisions shall be effective and binding upon the Parties unless it is made in writing and duly signed by the Parties.
- 14.2 In the event that any effective legislative, regulatory, judicial or other legal action materially affects any material terms of this Agreement, or the ability of CONTRACTOR or JEA to perform any material terms of this Agreement, CONTRACTOR or JEA may, on thirty (30) days' written notice, require that such terms be renegotiated, and the Parties

shall renegotiate in good faith such mutually acceptable new terms as may be required. In the event that such new terms are not renegotiated within ninety (90) days after such notice, this Agreement shall terminate pursuant to the provisions of Section 4.3.

15.0 Severability

- 15.1 If any provision of this Agreement, or the application of such provision to either Party or circumstance, shall be held invalid, the remainder of the Agreement, or the application of any such provision to the Parties or circumstances other than those to which it is held invalid, shall not be affected thereby, provided that the Parties shall attempt to reformulate such invalid provision to give effect to such portions thereof as may be valid without defeating the intent of such provision.

16.0 Waivers

- 16.1 A failure or delay of either Party to enforce any of the provisions hereof, to exercise any right which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options, and each Party, notwithstanding such failure, shall have the right thereafter to insist upon the performance of any and all of the provisions of this Agreement.

17.0 Governing Law

- 17.1 This Agreement shall be governed by and construed in accordance with federal and Tennessee substantive law, including applicable rules and regulations of the FCC and the TRA.

18.0 Assignments

- 18.1 Any assignment by either Party to any non-affiliated entity of any right, obligation or duty, or of any other interest hereunder, in whole or in part, without the prior written consent of the other Party shall be void. Consent to assignment shall not be unreasonably withheld. A Party may assign this Agreement in its entirety to an Affiliate of the Party without the consent of the other Party; provided, however, that the assigning Party shall notify the other Party in writing of such assignment thirty (30) days prior to the effective date thereof and, provided further, if the assignee is an assignee of CONTRACTOR, the assignee must provide evidence of TRA CLEC certification. The Parties shall amend this Agreement to reflect such assignments and shall work cooperatively to implement any changes required due to such assignment. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party. Notwithstanding anything to the contrary herein, neither Party shall assign this Agreement to an Affiliate without first obtaining the consent of the other Party if such Affiliate does not have the financial and technological resources, including qualified personnel, to meet all the assigning Party's obligations and duties under this Agreement.

19.0 Notices

- 19.1 Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered by hand, by overnight courier or by US mail postage prepaid, address to:

Jackson Energy Authority

Mr. Kim K. Kersey
Senior Vice President - Telecommunications
Jackson Energy Authority
119 East College Street
Jackson, TN 38301

with a copy to:

Ms. Teresa Cobb, General Counsel
Jackson Energy Authority
119 E. College Street
Jackson, TN 38301

Cinergy Communications Company

Mr. Michael Farmer
Cinergy Communications Company
5856 West 74th St.
Indianapolis, Indiana 46278

with a copy to:

Legal Department c/o Mr. John Campbell
Cinergy Communications Company
8829 Bond Street
Overland Park KS 66214

Mr. John Cinelli
Cinergy Communications Company
1419 W. Lloyd Expressway
Evansville, IN 47710

or at such other address as the intended recipient previously shall have designated by written notice to the other Party.

- 19.2 Unless otherwise provided in this Agreement, notice by mail shall be effective and Receipt shall be accomplished on the date it is officially recorded as delivered by return receipt or equivalent.

20.0 Rule of Construction

- 20.1 No rule of construction requiring interpretation against the drafting Party hereof shall apply in the interpretation of this Agreement.

21.0 Headings of No Force or Effect

- 21.1 The headings of Articles and Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

22.0 Multiple Counterparts

- 22.1 This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute but one and the same document.

23.0 Necessary Approvals

- 23.1 Each Party shall be responsible for obtaining and keeping in effect all approvals from, and rights granted by, governmental authorities, building and property owners, other carriers, and any other persons that may be required in connection with the performance of its obligations under this Agreement. Each Party shall reasonably cooperate with the other Party in obtaining and maintaining any required approvals and rights for which such Party is responsible.
- 23.2 Each Party shall file and maintain any necessary tariffs with appropriate authorities. Both Parties agree to comply with all state and federal statutes and regulations and administrative orders applicable to it, including but not limited to those addressing minimum performance standards, slamming and cramming, confidentiality, free choice with respect to customer premises equipment, toll dialing parity plans, telephone numbering plans, end user customer deposits, and the like.
- 23.3 Both Parties warrant that the person executing this Agreement on its behalf below is lawfully authorized to do so. The Board of the Jackson Energy Authority has given the representative executing this Agreement authority to do so by virtue of action taken at its meeting on the 23rd day of September, 2004 and as reflected in the minutes of said meeting.

24.0 Good Faith Performance

- 24.1 Each Party shall act in good faith in its performance under this Agreement and, in each case in which a Party's consent or agreement is required or requested hereunder, such Party shall not unreasonably withhold or delay such consent or agreement.

25.0 Resolution of Disputes

- 25.1 Any claim or controversy related to or arising out of this Agreement, whether in contract or in tort ("Dispute"), will be resolved on a confidential basis, according to the following process, which either party may start by delivering to the other party a written notice describing the Dispute and the amount involved ("Demand"):
- 25.2 After receipt of a Demand, authorized representatives of the parties will meet at a mutually agreed upon time and place to try to resolve the Dispute by negotiation. If the Dispute remains unresolved after thirty (30) days after the receipt of the Demand, either Party may start binding arbitration in Evansville, Indiana if the claim is brought by the JEA or Jackson, Tennessee if the claim is brought by Contractor. The arbitration will be before a three (3) arbitrator panel. Each Party will select one arbitrator to represent its interest, at its sole expense. The final arbitrator, who shall be impartial, will be selected by the two partial arbitrators. In the event the two (2) partial arbitrators shall fail to select an impartial arbitrator, either party may apply to a court of law in the jurisdiction where the arbitration is being conducted to have a judge select an impartial arbitrator. Discovery shall be controlled by the impartial arbitrator and shall be permitted to the extent set forth in this Section 25.2. Each Party shall be entitled to any combination of thirty-five (35) discovery requests, without subparts, consisting of any of the following: interrogatories, demands to produce documents or requests for admission. Upon receipt of any such discovery requests, each Party shall respond within a reasonable time period as determined by the impartial arbitrator. At a time and place mutually agreed upon between the Parties, or, if the Parties cannot agree on a time and place, at a time and place determined by the impartial arbitrator, each Party shall also be entitled to take the oral deposition of one individual of the other Party. Additional discovery may be permitted upon mutual agreement of the Parties. The three (3) arbitrators, by majority rule, shall adopt any other procedures they deem efficient and appropriate for making the determinations submitted to them for adjudication. No statements by or communications between the Parties during negotiations or mediation, or both, will be admissible for any purpose in arbitration. Each Party shall bear its internal expenses, the costs of its partial arbitrator and its attorney's fees and expenses, and jointly share the cost of the impartial arbitrator. The decision(s) of a majority of the arbitrators shall be final and binding on the Parties.
- 25.3 The foregoing notwithstanding, this Section shall not prevent either Party from seeking any temporary equitable relief, including a temporary restraining order.

26.0 Entire Agreement

- 26.1 "This Agreement" means the Billing and Support Services Agreement and Attachment 1, as such may be amended from time to time as provided herein and those (if any) which are incorporated herein by reference, all of which, when taken together, are intended to constitute one indivisible agreement. This Agreement sets forth the entire understanding between the Parties regarding the subject matter hereof. Neither Party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as universally accepted in the

telecommunications industry or is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the Party to be bound thereby.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written below.

JACKSON ENERGY AUTHORITY

CINERGY COMMUNICATIONS COMPANY

Signature

Signature

Name

Name

Title

Title

Date

Date

Attachment 1.

Payment Procedures

The following procedures shall govern the payment of all fees due to JEA under the Contractor Agreements.

A. Collected Revenue. Unless otherwise indicated, all fees due to JEA under any of the Contractor Agreements shall be paid out of collected revenue. Notwithstanding the foregoing, JEA shall separately invoice CONTRACTOR for all access fees due under the Interconnection Agreement and all commissions due under the Sales Commission Agreement for customers directly billed by CONTRACTOR. Such fees for directly billed customers shall be invoiced starting on the date service is initiated and shall be billed in advance thereafter. All invoices shall be due and payable within thirty (30) days of the invoice date.

B. JEA Discount. Because the Parties have agreed to deduct the recurring fees due under the Contractor Agreements from collected revenue, JEA shall be entitled to a discount fee for its loss in the use of money from the time services are billed by JEA to the time the revenue is due from CONTRACTOR's customers. The discount rate applied to the CONTRACTOR's share of monthly collected revenue shall be .9975 based on a three percent (3%) per annum discount rate.

C. Uncollected Revenue Allocation. The following allocation methodology shall apply to any revenue, including late fees, collected from a customer that is less than the billed charges for the services provided to that customer regardless of when such revenue is collected by JEA:

Step 1 Percentage of Collected Revenue – The percentage of collected revenue shall first be determined by taking the total billed charges from the customer's monthly bill and dividing those charges by the total revenue collected.

Step 2 Taxes and Regulatory Fees – All taxes and regulatory fees shall then be totaled amongst all services on the bill and subtracted from the collected revenue. (All other charges excluded from billed revenue under the Interconnection Agreement including the SLC, long distance revenue and ancillary service revenue, if applicable to a customer, shall be deducted based on the percentage of collected revenue determined in Step 1.

Step 3 Allocation of Collected Revenue Amongst Services – The collected revenue shall then be allocated amongst the various services appearing on the bill by the percentage each service bears in relation to the total billed charges for all services appearing on the bill.

Step 4 Assessment of Interconnection Fees and Commissions – Within that portion of the collected revenue allocated to a CONTRACTOR service, the applicable fee for interconnection access and JEA's sales commission shall then be deducted from the collected revenue based on the percentage of collected revenue as determined in Step 1. For instance if the percentage of collected revenue is 50%, then 50% of the access fee normally due, and 50% of the sales commission normally due, would be deducted from the collected revenue.

Step 5 Assessment of Fees for JEA Billing Support Services – Upon completion of Step 4 for each CONTRACTOR service appearing on the bill, all revenue due to CONTRACTOR for each CONTRACTOR service on the bill is then added together. From this collective amount, the fee for JEA Billing Support Services is then deducted. If there is a shortfall between CONTRACTOR's share of collected revenue and the fee for the JEA Billing Support Services, JEA shall invoice CONTRACTOR separately for such shortfall.

Step 6 Deduction of JEA Discount – The remaining balance of collected revenue for all CONTRACTOR services is then multiplied by JEA's discount rate of .9975.

Step 7 Revenue Remitted to CONTRACTOR - Upon completion of Step 6, the remaining balance of collected revenue along with CONTRACTOR's portion of taxes fees and surcharges, long distance charges and SLC revenue is then remitted to CONTRACTOR.

The following is an example of this methodology being applied to a customer bill.

Customer	Gas	Cable	Phone	Internet	Total	
John Doe	\$ 65.72	\$ 47.70	\$ 40.05	\$ 20.00	\$ 173.47	Past Due Amounts
	\$ 0.99	\$ 0.72	\$ 0.60	\$ 0.30	\$ 2.61	Finance Charges
	\$ 62.00	\$ 45.00	\$ 35.00	\$ 20.00	\$ 162.00	Current Charges
			\$ 20.00		\$ 20.00	Long Distance charges
	\$ 128.71	\$ 93.42	\$ 95.65	\$ 40.30	\$ 358.08	Sub total
	\$ 3.72	\$ 2.70	\$ 5.05		\$ 11.47	Taxes and Regulatory Fees
	\$ 132.43	\$ 96.12	\$ 100.70	\$ 40.30	\$ 369.55	Total Due
	36%	26%	27%	11%	100%	Percentage of overall charges

Amount collected from Customer: \$200

Step 1 Percentage of Collected Revenue

Total Due:	\$ 369.54
Amount Collected	\$ 200.00
% of Collected Revenue	54%

Step 2 Taxes and Regulatory Fees

\$ 200.00	Amount Collected
\$ 11.47	Taxes and Regulatory Fees
\$ 188.53	Amount to be allocated

Assessment of Long Distance Charges

#(Long Distance Revenue	\$20	\$ 188.53	Amount to be allocated
% Collected Revenue	* 54%	\$ 10.82	#Long Distance Allocation
	\$ 10.82)	\$ 177.71	Amount to be allocated

Step 3 Allocation of Collected Revenue

Service	Gas	Cable	Telephone	Internet	Total
% of Charges	36%	26%	27%	11%	100%
Allocation	\$63.98	\$46.20	\$47.98	\$19.55	\$177.71

Step 4 Assessment of Access Fees and Commissions

	Telephone	Internet
Allocated Revenue	\$ 47.98	\$ 19.55
Access Fee	40%	50%
Commission	3%	3%
Total Fee	<u>\$ 20.63</u>	<u>\$ 10.36</u>
Remaining Balance	\$ 27.35	\$ 9.19

Step 5 Assessment of JEA Billing Service Support Charges

# (Telephone Revenue	\$ 27.35	\$ 36.54	#Total Revenue
Internet Revenue	<u>\$ 9.19</u>	<u>\$ 2.25</u>	Billing Fee
Total Revenue	\$ 36.54)	\$ 34.29	Remaining Balance

Step 6 Assessment of JEA Discount

\$ 34.29	Remaining Balance
* 0.9975	Discount Rate
<u>\$ 34.20</u>	Remaining Balance

Step 7 Revenue Remitted to Contractor

\$ 34.20	Remaining Balance
\$ 10.82	Long Distance Assessment
<u>\$ 5.05</u>	Taxes and Regulatory Fees
\$ 50.07	Total to be Remitted

AMENDMENT TO JACKSON ENERGY AUTHORITY
INTERCONNECTION AGREEMENT GENERAL TERMS AND CONDITIONS
(Version 2.0)

This Amendment dated September 22, 2005 ("Amendment") shall modify the Jackson Energy Authority Interconnection Agreement General Terms and Conditions (Version 2.0) dated December 22, 2004 ("Agreement"), by and between Cinergy Communications Company ("Contractor") and the Jackson Energy Authority ("JEA"). All capitalized terms not defined herein shall have the same meanings as ascribed in the Agreement. In the case of a conflict between the terms of this Amendment and those in the Agreement, the terms of the Amendment shall prevail.

The Parties agree to amend the Agreement as follows:

1. **Definitions.** The Definitions Section following the preamble of the Agreement is hereby modified to include the following definitions.

DMARC means the demarcation point between the customer premises and the JEA network gateway. In the case of telephone service the demarcation point is defined as the RJ21 block installed by JEA at the customer premises. In the case of Internet service to Large Business customers, the demarcation point is defined as the Ethernet connection point installed by the JEA at the customer premises. In the case of Internet Service to Small Business customers, the demarcation point is defined as the network hub or computer terminal at the customer premises which is connected to the JEA Network through data wiring installed by JEA.

Large Business means any commercial account having more than four telephone lines and/or symmetrical Internet service.

Small Business means any commercial account having four or fewer telephone lines and/or asymmetrical Internet service.

2. **Small Business Aerial Installations.** Attachment 1, Section 4, Subsection B, is hereby amended to include the following additional charges.

h. Where the gateway and a new DMARC are installed inside the customer premises	\$60 per DMARC for Internet Service/\$25 per phone line.

3. **Large Business and Underground Small Business Installations.** The last two paragraphs of Attachment 1, Section 4, Subsection B are hereby deleted in their entirety and replaced with the following schedule of charges.

Small Business Underground Installations

Non recurring charges for Small Business underground installations shall include the installation of a fiber optic service drop to the customer's premises, installation and activation of a gateway and power supply outside or inside the customer's premises, installation of new wiring to a single network hub or computer, and connection of existing wiring to customer devices, and customer set-up services.

	<u>Internet</u>	<u>Telephone</u>
1. Where the existing DMARC is outside of the premises adjacent to the gateway located outside the customer premises.	\$60.00 per DMARC	\$25.00 per line
2. Where a new DEMARC and gateway are installed inside the customer premises	\$60.00 per DMARC	\$25.00 per line

Large Business Aerial and Underground Installations

Non recurring charges for Large Business aerial and underground installations shall include the installation of a fiber optic service drop to the customer's premises, installation and activation of a gateway and power supply outside or inside the customer's premises, and installation, if required, of a DMARC at the location of the gateway.

	<u>Internet</u>	<u>Telephone</u>	<u>T1Service</u>
1. Where the existing DMARC is outside of the premises adjacent to the gateway located outside the customer premises	\$400 per DMARC	\$25 per line	\$350 per installation
2. Where a new DEMARC and gateway are installed inside the customer premises	\$400 per DMARC	\$25 per line	\$350 per installation

Additional Installation Services

If JEA performs additional installation services requested by an End User, such as additional wiring or jacks placed beyond the DMARC, JEA will bill the End User directly for such services and Contractor will have no duty or obligation to pay for any such additional services.

Installations Exceeding \$750.00

Notwithstanding anything to contrary herein, if JEA believes the cumulative cost of performing an installation for a Small or Large Business End User will exceed \$750, excluding the cost of the gateway device and power supply, JEA will estimate the total price of the installation and present such estimate to Contractor. JEA will not be required to perform the installation work for the End User until Contractor agrees in writing to pay the actual amount which exceeds \$750.00 for the installation work. Contractor's refusal to pay such additional costs and unwillingness to provide services to such customer, will not be considered a breach of any of its duties or obligations to JEA under any agreement executed between the Parties.

Treatment of Installation Fees Passed Through to End Users

Upon written notice from Contractor, JEA will bill any installation costs passed through to an End User based on the terms set forth in such written notice. Any pass through installation charges billed to an End User will not be considered monthly billed revenue for purposes of determining access charges under the Agreement or monthly collected revenue

for purposes of determining commissions under the Sales Commission Agreement previously executed between the Parties on December 22, 2004.

4. Term. The term of this Amendment is six (6) months, commencing on the date of this Amendment. Upon the expiration of such term, this Amendment will have no further force or effect and, unless modified through a separate amendment executed between the Parties, all terms modified by this Amendment will revert back to their original form prior to execution of this Amendment.
5. Negotiations. Thirty (30) days prior to the expiration of the term of this Amendment, the Parties agree to commence with good faith negotiations regarding the adjustment of installation rates contained in this Amendment to better reflect JEA's actual installation costs and prevailing market conditions. Upon request, JEA agrees to give Contractor access to all invoices and other reasonable documentation evidencing the actual costs of the installation work performed by JEA during the term of this Amendment.
6. Full Force and Effect. Except as specifically modified or amended by the terms of this Amendment, the Agreement and all provisions contained therein are, and shall continue, in full force and effect and are hereby ratified and confirmed.

Contractor

By:

Title:

Jackson Energy Authority

By:

Title: President/CEO

February 16, 2005

Mr. Kim Kersey
Senior Vice President - Telecommunications
Jackson Energy Authority
119 East College Street
Jackson, TN 38301

Re: Letter of Understanding

Dear Kim:

The purpose of this letter is to memorialize the understanding between Jackson Energy Authority (JEA) and Cinergy Communications Company (CCC) regarding the matters specified herein. It is the intention of the parties hereto to abide by this understanding in performing their respective duties and obligations under the Interconnection Agreement and Billing and Support Services Agreement between the parties each dated December 22, 2004.

Both Parties agree to the following:

1. Installation Charges – Notwithstanding anything to the contrary in the Interconnection Agreement, JEA will directly bill CCC's customers for the following referenced installation charges. (Attachment 1, Section 4, subsection A, items d-f and subsection B, items e-g). JEA will exclusively seek payment of such charges directly from CCC's customers. CCC shall not act as guarantor for payment of any such fees by its customers.
2. Inside Wiring Plan – JEA will offer an inside wiring plan to CCC's customers. JEA will be responsible for the billing and collection of all fees associated with this plan. CCC will not act as a guarantor for the payment of any fees due by its customers under the plan.

If you are in agreement with the foregoing terms, please execute both copies of this letter, returning an original copy to: 8829 Bond Street, Overland Park, KS 66214, Attn: Legal Department.

Sincerely,



Michael Farmer
Senior Vice President

The signature of each party's duly authorized representative below shall evidence the agreement of such party that the terms contained in this letter accurately summarizes its understanding with respect to the subject matter hereof and that each party agrees to abide by such understanding.

Jackson Energy Authority

By: ^{K.K.} John N. Hill

Its: President

Date: 5/31/05

Cinergy Communications Company

By: Michael J. Hauer

Its: Executive Vice President

Date: 2/16/05

CINERGY.
COMMUNICATIONS

February 1, 2007

Mr. Kim Kersey
Senior Vice President - Telecommunications
Jackson Energy Authority
119 East College Street
Jackson, TN 38301

Dear Mr. Kersey:

The purpose of this letter agreement is to memorialize the understanding and agreement between Jackson Energy Authority ("JEA") and Cinergy Communications Company ("CCC") regarding the matters set forth herein. In consideration of the mutual promises set forth below, the parties agree to abide by the following terms and conditions regarding the performance of their respective duties and obligations under the Interconnection Agreement executed between the parties on December 22, 2004 ("ICA").

JEA and CCC are currently engaged in negotiations regarding several billing disputes emanating from the ICA for a period from April 1, 2005 to January 31, 2007 (the "Reconciliation Period"). One of those disputes involves the application of minimum network access fees to CCC services during the Reconciliation Period ("Billing Dispute"). Prior to resolving the Billing Dispute, JEA and CCC wish to engage in certain joint marketing promotions wherein CCC will discount the pricing of its phone and Internet service offerings. Therefore, for the mutual benefit of the parties, JEA agrees to waive the application of the minimum network access fees and CCC agrees to discount the pricing of its Internet and phone services subject to the following terms and conditions:

1. Application of Minimum Network Access Fees. From February 1, 2007 through July 31, 2007, JEA agrees to waive the minimum network access fees contained in Attachment 1, Section 1 of the ICA ("the Minimums Suspension Period") on any of the services offered by CCC that are discounted in joint service offering packages approved by both CCC and JEA. In turn, CCC agrees to make reasonable reductions to the pricing of its Internet and phone services in all joint service offering packages during the Minimums Suspension Period.
2. Effect of the Minimums Suspension Period. Nothing in this letter agreement shall be construed to limit JEA's ability to apply the minimum network access fees outside of the Minimums Suspension Period or to apply the minimum network access fees to other CCC service offerings that are not a part of any joint service packages.

3. ICA Amendment. JEA and CCC are engaged in negotiations regarding the application by JEA of minimum network access fees in the ICA. The terms of any amendment executed between the parties regarding changes to such minimum network access fees after the Reconciliation Period, shall supersede the terms of this letter agreement on a going forward basis effective on the date of the signing of the amendment.
4. Ongoing Reconciliation. Nothing contained in this letter agreement shall be interpreted or construed as an admission or concession by either party regarding the Billing Dispute including, but not limited to, the application of the minimum network access fees to CCC services.

If you are in agreement with the foregoing terms, please execute both copies of this letter agreement, returning an original copy to: 8829 Bond Street, Overland Park, KS 66214, Attn: Legal Department.

Sincerely,



Phil Lambert
Director of Business Development

The signature of each party's duly authorized representative below shall evidence the agreement of such party that the terms contained in this letter agreement accurately summarizes its understanding with respect to the subject matter hereof and that each party agrees to abide by such understanding.

Jackson Energy Authority

By: Dana R. Wheeler
JEA

Its: President & C

Cinergy Communications Company

By: [Signature]
John H. Cinelli, as President

Its: President

Approved as to form
Legal

By: JNC Date: _____

March 22, 2007

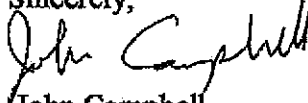
Mr. Kim Kersey
Senior Vice President - Telecommunications
Jackson Energy Authority
119 East College Street
Jackson, TN 38301

Re: Notice to Enter Into Negotiations

Dear Mr. Kersey:

Cinergy Communication Company ("CCC") is in receipt of Jackson Energy Authority's ("JEA") notice of intent not to renew the Interconnection Agreement General Terms and Conditions (Version 2.0) Agreement dated December 22, 2004 between the parties ("ICA"). In accordance with Section 2.2 of the ICA, CCC hereby provides notice that it wishes to enter into negotiations on a Subsequent Agreement. Please indicate the times and dates that the JEA will be available to commence with such negotiations. Thank you

Sincerely,


John Campbell
Corporate Counsel

CC: Ms. Teresa Cobb, Esq.
General Counsel
Jackson Energy Authority

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") between Cinergy Communications, a Division of Norlight, Inc. ("CC") and Jackson Energy Authority ("JEA") is effective as of this 23rd day of August, 2007. JEA and CC are sometimes referred to herein as the "Parties" or individually as a "Party"

WITNESSETH

WHEREAS, CC and JEA are parties to that Interconnection Agreement General Terms and Conditions Agreement dated December 22, 2007 ("ICA") under which CC pays JEA certain fees to access and utilize the JEA network to provide services to its end users, and;

WHEREAS, disputes have arisen between CC and JEA under or related to the ICA which disputes have not been resolved prior to the date of this Agreement; and

WHEREAS, CC and JEA wish to resolve all such disputes;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

- 1.0 Disputes Subject to this Agreement. The following claims under or related to the ICA collectively comprise the dispute ("Dispute") between the Parties.
 - (a) CC's claim that JEA improperly withheld \$182,067.96 in revenue otherwise due to CC as payment for network access fees for CC phone lines that were not on the JEA network and long distance fees that were not otherwise due to JEA.
 - (b) JEA's claim that CC owes JEA additional network access fees based on the application of minimum network access charges in the amount of \$224,953.65.
- 2.0 Additional Consideration. As additional consideration for the settlement of the Dispute, each Party has conditioned their obligations under this Agreement upon the Parties entering into a wholesale services agreement to replace the ICA. ("Wholesale Services Agreement").
- 3.0 Releases. Upon the commencement of the Wholesale Services Agreement, each of the Parties (on behalf of their respective affiliates, parents, subsidiaries, shareholders, officers, directors, employees, agents, attorneys, predecessors, successors and assigns) hereby releases and discharges the other (and their respective affiliates, parents, subsidiaries, shareholders, officers, directors, employees, agents, attorneys, predecessors, successors and assigns) from all claims, suits, debts, damages, injuries, demands, liabilities, judgments, losses, fees (including, but not limited to, attorney fees), expenses, actions, or causes of action that either Party may have had or now has, whether known or unknown, whether fixed or contingent, whether presently asserted or not, whether at law or equity, whether in or under contract, tort, statute, or otherwise, from the beginning of time to the date of this Agreement, relating to the Dispute ("Claims").

- 4.0 No Admission of Liability. This Agreement constitutes the settlement of the Dispute. It does not and shall not constitute an admission of liability by either of the Parties and shall not be used by a Party or any other person or entity in any litigation or proceeding for that purpose. The Parties further agree that the Dispute subject to this Agreement shall not be considered in any context except as may be required to respond truthfully to governmental inquiries or required testimony.
- 5.0 No Other Claims/Assignment of Claims. Each Party represents, as of the date of this Agreement, that it has not filed, nor is there pending, any complaint, charge, or lawsuit against the other with any governmental agency or any court. Further, each Party agrees that it will not file or make any further Claims against the other Party. Further, each Party represents and warrants that it has not pledged, assigned, conveyed or transferred any Claims to any third party.
- 6.0 Defenses. Each Party expressly acknowledges that this Agreement may be pled as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit or other proceeding that may be instituted or prosecuted by that Party, by anyone on that Party's behalf, or anyone claiming through the rights of that Party, against any other Party for any Claims.
- 7.0 Governing law, arbitration. Except as expressly provided herein, this Agreement shall be governed by the laws of the State of Tennessee. Any disputes arising out of or in connection with this Agreement shall be referred to binding arbitration pursuant to Section 8.0 below.
- 8.0 Arbitration. Any claim or controversy related to or arising out of this Agreement, whether in contract or in tort ("Dispute"), will be resolved on a confidential basis, according to the following process, which either Party may start by delivering to the other Party a written notice describing the Dispute and the amount involved ("Demand").

After receipt of a Demand, authorized representatives of the Parties will meet at a mutually agreed upon time and place to try to resolve the Dispute by negotiation. If the Dispute remains unresolved thirty (30) days after commencement of negotiations, either Party may start binding arbitration. If the Demand is brought by JEA the arbitration will be held in Evansville, Indiana. If the Demand is brought by the CC the arbitration will be held in Jackson, Tennessee. The Parties shall use their best efforts to conclude the arbitration as expediently as possible but in no event later than sixty (60) days following commencement of any proceeding. The arbitration will be before a three (3) arbitrator panel. Each Party will select one arbitrator to represent its interest, at its sole expense. The final arbitrator, who shall be impartial, will be selected by the two partial arbitrators. In the event the two (2) partial arbitrators shall fail to select an impartial arbitrator, either party may apply to a court of law in the jurisdiction where the arbitration is being conducted, to have a judge select an impartial arbitrator. Discovery shall be controlled by the impartial arbitrator and shall be permitted to the extent set forth in this Section 6.0. Each Party shall be entitled to any combination of thirty-five (35) discovery requests, without subparts, consisting of any of the following: interrogatories, demands to produce documents or requests for admission. Upon receipt of any such discovery requests, each Party shall respond within a reasonable time period as determined by the impartial arbitrator. At a time and place mutually agreed upon between the Parties or if the Parties cannot agree on a time and place, at a time and place determined by the impartial

arbitrator, each Party shall also be entitled to take the oral deposition of one individual of the other Party. Additional discovery may be permitted upon mutual agreement of the Parties. The three (3) arbitrators, by majority rule, shall adopt any other procedures they deem efficient and appropriate for making the determinations submitted to them for adjudication. No statements by or communications between the Parties during negotiations or mediation, or both, will be admissible for any purpose in arbitration. Each Party shall bear its internal expenses, the costs of its partial arbitrator and its attorney's fees and expenses, and jointly share the cost of the impartial arbitrator. The decision(s) of a majority of the arbitrators shall be final and binding on the Parties.

The foregoing notwithstanding, this Section shall not prevent either Party from seeking any temporary equitable relief, including a temporary restraining order.

- 9.0 Notices. Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered by hand, by overnight courier or by US mail postage prepaid, address to:

Jackson Energy Authority

Mr. Kim K. Kersey
Senior Vice President – Telecommunications
Jackson Energy Authority
119 East College Street
Jackson, TN 38301

with copy to:

Ms. Teresa Cobb, General Counsel
Jackson Energy Authority
119 E. College Street
Jackson, TN 38301

CC

Mr. John P. Cinelli
Cinergy Communications
3701 Communications Drive
Evansville, IN

with a copy to:

Legal Department c/o John Campbell
Cinergy Communications
8829 Bond Street
Overland Park KS 66214

or at such other address as the intended recipient previously shall have designated by written notice to the other Party. Unless otherwise provided in this Agreement, notice by mail shall be effective and receipt shall be accomplished on the date it is officially recorded as delivered by return receipt or equivalent.

9.0 Miscellaneous. This Agreement shall be binding and inure to the benefit of the Parties and their respective successors and assigns. This Agreement may be signed in counterparts, each of which shall be deemed an original. This Agreement may only be amended in writing, which amendment may also be signed in counterparts. The Parties agree to execute and deliver any additional papers, documents and other assurances, and take all acts that are reasonably necessary to carry out the intent of this Agreement. Nothing in this Agreement shall confer any rights upon any person or entity who is not a party to this Agreement, nor shall anything in this Agreement be construed as creating an obligation by either CC or JEA to any non-party to this agreement. This Agreement was drafted by both of the Parties and, thus, shall not be construed against any Party because that Party initially drafted any particular provision.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written above.

Jackson Energy Authority

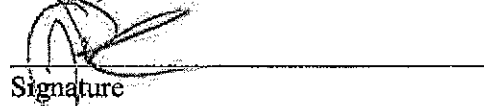

Signature

Dana R. Wheeler
Name

President & CEO
Title

August 23, 2007
Date

**Cinergy Communications, a Division of
Norlight, Inc.**


Signature

John P. Cinelli
Name

as President
Title

8/24/07
Date

Approved as to form
Legal

By JNC Date 08/24/07

WHOLESALE SERVICES AGREEMENT

THIS WHOLESALE SERVICES AGREEMENT ("Agreement") is made and entered into as of this 23rd day of August, 2007, by and between Jackson Energy Authority, Telecommunications Division, ("JEA"), a public utility authority created by 2001 the Tennessee Private Acts, Chapter 55, and Cinergy Communications, a Division of Norlight, Inc., a Kentucky corporation ("CC"). JEA and CC are sometimes referred to herein individually as a "Party" and collectively as "Parties."

WITNESSETH

WHEREAS, JEA owns and operates a broadband network capable of delivering voice and Internet services to residential and business customers located in and around Jackson, Tennessee ("Network"); and

WHEREAS, CC is a voice and Internet service provider with the technical capability and network facilities necessary to provide telephone and Internet services over the Network; and

WHEREAS, JEA wishes to purchase voice and Internet services from CC on a wholesale basis to resell such services to its customers pursuant to the terms of this Agreement and CC is willing to sell such voice and data services to JEA on a wholesale basis pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the mutual agreements contained herein, JEA and CC agree to the following terms and conditions as follows:

ARTICLE I DEFINITIONS

"95th Percentile Utilization Calculation" means the measurement of bandwidth utilization by JEA measured in bits per second (bps). For purposes of this calculation, in the course of a month, bandwidth utilization measurements during the busiest top 5% of time periods shall be discarded. The remaining highest utilization measurement will be considered as the maximum utilization. Inbound and outbound traffic will be separately measured.

"Affiliate" means an entity: (i) that is wholly owned by a Party; or (ii) is wholly owned by the parent entity of a Party; or (iii) where a Party, or the parent entity of a Party, controls the voting rights of all outstanding equity in such entity.

"Applicable Law" means all effective federal, state and local laws, ordinances, government regulations, government orders, Authority regulations or orders (including procurement of required permits or certificates) applicable to each Party's performance of its obligations under this Agreement.

"Authority" is defined as the Tennessee Regulatory Authority.

"Bandwidth Allocation" shall have the meaning set forth in Attachment I.

"Basic Telephone Service" means basic standard single line voice service provided by CC.

"Business Day" means any time during Business Hours, Monday through Friday, excluding Saturdays, Sundays and all Holidays.

"Business Hours" means any time between 8:00 a.m. to 5:00 p.m. (Central Time Zone – Central Standard Time when applicable and Central Daylight Time when applicable).

"CAS T1" means Channel Associated Signaling voice services over a T1 circuit.

"Claims" shall have the meaning set forth in Section 8.1.

"CC Parties" shall have the meaning set forth in Section 8.1.

"CC's Receivables" shall have the meaning set forth in Attachment III.

"Commencement Date" means the date this Agreement is fully executed by the Parties.

"Communications Service" means any service that allows the provision, transmission, conveyance, or routing, for consideration, of voice data, video or any other information signals of the end user's choosing, but specifically excluding cable television or any other video services, to a point or between or among points specified by the end user, by or through any electronic, radio, light, fiber optic, or similar medium or method now in existence or later devised.

"Complex Internet Accounts" shall have the meaning set forth in Attachment III.

"Complex Telephone Services" means CAS T1 or PRI service.

"Complex Telephone Accounts" shall have the meaning set forth in Attachment III.

"Closing" shall have the meaning set forth in Attachment III.

"Closing Date" shall have the meaning set forth in Attachment III.

"Customer List" shall have the meaning set forth in Attachment III.

"Customer Services" means the Internet technical support and repair center support provided by CC.

"Day" means calendar day unless otherwise specified.

"Default" shall have the meaning set forth in Section 9.1.

"Demand" shall have the meaning set forth in Article XII.

"Dispute" shall have the meaning set forth in Article XII.

"Effective Date" means October 1, 2007.

"End User" or "JEA End User" means residential and business customers located in the JEA Network Territory who receive at least one Service from JEA for their exclusive use and not for resale to any other Party.

"Fees" shall have the meaning set forth in Section 6.1.

"FCC" means the Federal Communications Commission.

"Force Majeure Events" shall have the meaning set forth in Section 13.1.

"Holidays" means New Year's Day, Labor Day, Thanksgiving, Memorial Day, Christmas Day, Easter Day, and Independence Day.

"Information" shall have the meaning set forth in Section 11.6.

"Initial Term" shall have the meaning set forth in Section 4.1.

"Industry Standards" means those standards, procedures, practices, and specifications that are commonly recognized and utilized among telecommunications providers and equipment manufacturers in the telecommunications industry.

"Internet Service Provider ("ISP")" means a company that provides customers (companies and private individuals) with access to the Internet and the World Wide Web, and ancillary services such as web hosting, public routable IP addressing, domain name service, and other features.

"Internet Customer Accounts" shall have the meaning set forth in Attachment III.

"JEA Network ("Network")" means JEA's fiber optic cabling and equipment between the designated network interface point and the output side of the JEA Gateway at an End User's premises.

"JEA Network Territory" means the service area of the JEA Network within the City of Jackson and Madison County, Tennessee.

"JEA Parties" shall have the meaning set forth in Section 8.2.

"Marks" shall have the meaning set forth in Section 11.1.

"Material Error" means any significant error on an End User bill that results in an End User being eligible for a refund of more than \$1.00. For purposes of this definition contested usage based charges such as long distance calls shall not be considered as billing errors.

"MTCC" shall have the meaning set forth in Section 3.1.

"PRI" means Primary Rate Interface service over TI circuits.

"Response" means, in the context of trouble call response, that dispatch personnel have properly notified the appropriate technical repair personnel to the existence of a service problem that requires immediate attention and repair.

"Scheduled Outage" means any disruption or degradation of Service caused by scheduled maintenance or planned enhancements or upgrades to a network.

"Services" shall have the meaning set forth in Section 2.1.

"Service Levels" shall have the meaning set forth in Section 2.2.

"Surcharges" shall have the meaning set forth in Section 6.1.

"Taxes" shall have the meaning set forth in Section 6.1.

"Telephone Accounts" shall have the meaning set forth in Attachment III.

"Telephone Service" means any Basic Telephone Service or Complex Telephone Services provided to any End User.

ARTICLE II GENERAL SERVICE TERMS

2.1 Services. Upon the Effective Date, subject to the terms and conditions of this Agreement, CC agrees to provide to JEA and JEA agrees to purchase from CC those services more particularly described in Attachment I ("Services"). The procedure under which JEA may order the Services from CC is also set forth in Attachment I.

2.2 Service Levels. The Services shall be provided to JEA pursuant to the service levels set forth in Attachment II ("Service Levels"). If CC fails to meet the Service Levels, as its sole remedy, JEA shall receive service credits against fees otherwise due to CC and, if applicable, may have the ability to terminate this Agreement in accordance with the terms stated in Attachment II.

2.3 End Users. All Communications Services offered by JEA to the End Users within the JEA Network Territory shall be exclusively purchased from and provided by CC under the terms of this Agreement. JEA shall only provision Communications Services to End Users that were purchased from CC under the terms of this Agreement. JEA is only authorized to sell the Services to the End Users. Prior to offering the Services for sale, JEA shall submit its proposed

customer terms and conditions to CC for approval which approval shall not be unreasonably withheld, conditioned or delayed. Upon approval, JEA shall only sell the Services to customers who have agreed to be bound to such terms and conditions. CC shall not sell Communications Services to End Users located in the JEA Network Territory that compete with Communications Services provided by JEA. Notwithstanding the foregoing, CC may continue to sell Internet and Complex Telephone Services to commercial customers located in the JEA Network Territory provided that the following conditions are met: (i) any CC commercial customer located in the JEA Network Territory must: (a) have their primary business office located outside of the JEA Network Territory; and (b) that primary business office must receive services from the network facilities of CC or one of its Affiliates; and (ii) pursuant to the procedure set forth below, CC must give JEA the right of first refusal to provide those network access services JEA is capable of providing (e.g. circuits) that are necessary to provide service to the customer. To comply with subsection (ii) above, CC shall provide JEA with a written request listing those network access services it will require along with any pricing quotes it has obtained from other carriers capable of providing such services. Upon receipt of a request, JEA shall have three (3) Days to deliver a pricing quote to CC for the requested services. So long as JEA's pricing and terms of service are reasonably comparable with those quoted or available from any other carrier capable of providing the network services, CC shall accept JEA's quote. Nothing in this Section 2.3 shall prohibit CC from selling any service to a customer located in the JEA Network Territory if JEA cannot or is unwilling to provide the service to the customer.

2.4 Suspension of Services. CC may terminate, suspend, or limit any of the Services provided to JEA under this Agreement without liability and with notice to JEA as required by Applicable Law, for any of the following reasons: (a) the Services are being used in violation of any Applicable Law; (b) the Services are being used in an unauthorized or fraudulent manner; (c) the Services are being used in any way that materially and detrimentally affects the performance and/or operation of CC's network; (d) a court or other governmental authority having jurisdiction issues an order prohibiting CC from furnishing the Services to JEA; (e) JEA fails to timely pay any charges for Services provided by CC (except for charges that are subject to a billing dispute pursuant to Section 5.6).

2.5 Existing CC Customers. As a part of this Agreement, CC has agreed to sell to JEA its existing residential and business customer base located in the JEA Network Territory. The terms governing such sale and transfer are contained in Attachment III.

ARTICLE III NETWORK INTERCONNECTION

3.1 Network Interconnection. At no cost to CC, JEA shall provide CC with access to the JEA Network at the designated entry point of the JEA Master Telecommunications Control Center ("MTCC") located at 125 E. College Street, Jackson, Tennessee. CC shall be responsible for providing and maintaining a fiber optic interconnection link between the MTCC and the CC switching facilities with sufficient spare fiber to reach the JEA Ethernet switch and/or routers. JEA shall make and maintain all necessary connections within its MTCC for the CC interconnection link to interface with its Ethernet switch and routers.

3.2 Interconnection Facilities. The physical interconnection between the CC network and the JEA Network shall be either OC-3 or Gigabit Ethernet as required by bandwidth needs. Each Party shall be responsible for their own equipment costs. JEA shall be responsible for securing and maintaining any necessary customer premises equipment required to provide the Services to its End Users.

3.3 Delivery of Basic Telephone Service. Basic Telephone Service shall be delivered by CC over long-haul transport to JEA in a manner compatible for use on the JEA Network.

3.4 Delivery of Complex Telephone Service. The physical interconnection(s) between the CC network and the JEA Network will be a DS-3. JEA shall be responsible for T1 muxing and any IP conversions required to support the Complex Telephone Services across the JEA Network.

3.5 Co-Location of Equipment. At no cost to CC, JEA hereby grants to CC, its successors and assigns, a license to occupy and use one (1) standard nineteen inch ("19") rack, with JEA providing primary and back-up A/C power, inside the MTCC for the purpose of locating, operating and maintaining, its equipment solely for the provision of the Services to JEA. CC shall have access twenty four (24) hours a Day, seven (7) Days a week to such co-location space. At no cost to CC, JEA shall make available to CC additional non-utilized co-location space, including primary and back up A/C power, within its MTCC for the location of additional telephony and data equipment as reasonably required by CC to meet any increase in demand for the Services by JEA or the introduction of new Services for resale by JEA to the End Users. All co-location space provided by JEA to CC under this Section 3.5 shall be used by CC for the sole purpose of providing the Services to JEA.

3.6 Additional Facilities or Equipment. To the extent that JEA needs any additional facilities, equipment, or materials that are not provided for under this Agreement in order to deliver the Services to the End Users, it shall be JEA's responsibility to procure such facilities, equipment, or materials. JEA shall ensure that the facilities or equipment provided by JEA are properly interconnected with the facilities and equipment provided by CC. CC shall not be liable for any damages or losses caused by the failure of equipment, inside wire or other facilities provided by JEA or a third party. JEA is solely responsible for the selection, implementation and maintenance of security features for protection against unauthorized or fraudulent use of the Services by the End Users and CC shall have no liability thereof.

3.7 CC Redundancy. All CC core network equipment and transport facilities involved in the provision of Services to the JEA Network shall have a level of redundancy to ensure a service level up time of 99.995%. The transport for all Telephone Services provided to JEA between CC facilities and the JEA Network shall be redundant and path diverse. Upon the occurrence of a Force Majeure Event involving any CC network facility that directly involves network components provided by a third party, CC shall make commercially reasonable efforts to restore the Services no later than seventy-two (72) hours after the occurrence.

3.8 Switching Diversity. CC shall use commercially reasonable best efforts to adhere to best practices in providing telephone core switching diversity. To that end, CC will enhance its network design so that in the event of a failure of the CC switching platform servicing JEA, CC

will have the capability of restoring Services within six (6) hours. These enhancements will be implemented as soon as reasonably possible, but no later than December 31, 2008.

ARTICLE IV TERM AND TERMINATION

4.1 Term. The term of this Agreement shall be three (3) years commencing on the Commencement Date ("Initial Term"). Thereafter the Agreement shall automatically renew on a year-to-year basis until terminated by either Party with written notice at least one hundred eighty (180) Days prior to the expiration of the then current term.

4.2 Termination. This Agreement may be terminated for any of the following reasons:

- (a) pursuant to the terms of Section 4.1;
- (b) pursuant to the terms of Article IX;
- (c) pursuant to the terms of Section 11.4;

Termination of this Agreement for any cause shall not release either Party from any liability which at the time of termination has already accrued to the other Party or which thereafter may accrue in respect to any act or omission prior to termination or from any obligation which is expressly stated in this Agreement to survive termination.

ARTICLE V BILLING

5.1 Rates and Charges. JEA shall pay the rates and charges (and satisfy all other requirements) set forth in this Agreement (including without limitation, the rates and charges set forth in Attachment I), together with all applicable taxes, fees and surcharges for the Services.

5.2 Invoices. CC shall invoice JEA no more than two times a month for all non recurring charges, recurring charges, and other applicable charges associated with the Services based on the rates and fees set forth in Attachment I of this Agreement. All recurring charges and fees shall be invoiced in arrears, following the billing cycle(s) associated with the invoice. CC shall commence invoicing JEA for a Service on the date that CC has provisioned such Service so that the Service is available to JEA to provision to its End User. All partial months shall be prorated. All non recurring charges shall be separately billed by CC and shall be due and payable by JEA within twenty (20) Days of receipt of invoice by JEA.

5.3 Remittance. Invoices for current charges and fees, and invoices issued upon resolution of disputed charges or fees, are payable within twenty (20) Days after receipt of the invoice or resolution of the dispute. JEA shall remit all payments at the remittance address indicated on the invoice.

5.4 Late Payments. In the event JEA should fail to make any payment by the due dates specified above, as applicable, JEA shall be liable to CC for a late charge on all past due amounts at the rate of one and one half percent (1.5%) per month (or such lower rate that is then the

maximum rate allowed by law), calculated on a daily basis from the first Day when said amount became due and owing until paid.

5.5 No Setoff Rights. Except for a good faith billing dispute as provided in Section 5.6, where only the disputed portion of the bill shall be set off, the amounts due to CC hereunder are due and payable without set off, unless otherwise agreed to in writing by the Parties.

5.6 Disputed Invoices. Should JEA in good faith dispute any of the charges on a monthly invoice, JEA shall notify CC of such dispute in writing no later than thirty (30) Days after receipt of the invoice. The notice shall set forth all details concerning the disputed charges and reasons for the dispute and shall include any documentation evidencing the dispute. JEA and CC shall attempt in good faith to resolve such dispute prior to the payment due date or, if the due date has already passed, within thirty (30) Days of CC's receipt of JEA's written notification of the dispute. If agreement cannot be reached, the dispute shall be resolved pursuant to the dispute resolution procedures set forth in Article XII. Any credits issued to JEA resulting from the resolution of the dispute shall be reflected in a subsequent billing cycle and shall include accrued interest at the rate of 1.5% per month, calculated on a daily basis from the date of overpayment. If it is determined that JEA underpaid for the Services, JEA shall have thirty (30) Days from the resolution of the dispute to pay such shortfall and any late payment fee that may be due under Section 5.4.

5.7 Timely Invoicing. CC shall invoice for all fees and charges or adjustments to previous invoices no later than ninety (90) Days after the end of the month in which those fees, charges or adjustments apply.

ARTICLE VI TAXES, FEES AND SURCHARGES

6.1 Definition of Taxes, Fees and Surcharges. For purposes of this Article VI and Section 5.1, the terms "taxes," "fees," and "surcharges" shall include but shall not be limited to federal, state or local sales, use, excise, gross receipts or other taxes or tax-like fees of whatever nature and however designated, such as amounts charged to recoup taxes imposed upon the JEA for selling the Services or related to the Services (and including in-lieu of tax payments, tariff surcharges and any fees, charges or other payments, contractual or otherwise, for the use of public streets or rights of way, whether designated as franchise fees or otherwise) imposed, or sought to be imposed, on or with respect to the services furnished hereunder or measured by the charges or payments therefore, excluding any taxes levied on income.

6.2 Taxes. JEA shall be responsible for any applicable federal, state or local use, excise, sales or other taxes, fees or surcharges or similar amounts in connection with the offering of the Services to the End Users pursuant hereto, including but not limited to any universal service fund contributions or other surcharges or contribution required or permitted by a regulatory body and/or pursuant to Applicable Law. JEA shall pay all such amounts required to be remitted to a taxing authority directly to the taxing authority unless the taxing authority requires that CC collect and remit payment, in which event JEA shall pay said amounts to CC and CC shall remit such amounts directly to the taxing authority. CC and JEA shall cooperate in taking all reasonable actions necessary to minimize, or to qualify for exemptions from, any such taxes, duties or

liabilities, including the furnishing of certifications that purchases by JEA are for purposes of resale. JEA shall provide all information to CC of any exemption of sales, use, or other tax claimed by JEA and shall immediately notify CC of any change in JEA's tax status.

6.3 Protest. Either Party shall each have the right to protest or appeal any tax or charge assessed against such Party by any taxing authority, as permitted by law.

6.4 Mutual Cooperation. In any contest of a tax, fee or surcharge by one Party, the other Party shall cooperate fully by providing records, testimony and such additional information or assistance as may reasonably be necessary to pursue the contest. Further, the non-disputing Party shall be reimbursed for any reasonable and necessary expenses incurred in assisting in such contest.

6.5 Indemnification against Taxes and Third Party Fees. JEA shall indemnify and hold CC harmless against all taxes, fees, assessments or similar amounts, if any, which may be assessed against CC based on JEA selling the Services to the End Users.

ARTICLE VII REGULATORY REQUIREMENTS

7.1 Regulatory Requirements. In connection with providing the Services to the JEA or as otherwise required in connection with the performance of CC's obligations under this Agreement, CC shall, at its sole expense, (i) obtain and keep in effect all necessary permits, consents and/or approvals required by Applicable Law; (ii) comply, on a continuing basis, with all requirements under Applicable Law; (iii) obtain any necessary consents or approvals from building and property owners, other carriers and any other persons. In connection with providing the Services to the End Users or as otherwise required in connection with the performance of JEA's obligations under this Agreement, JEA shall, at its sole expense: (i) obtain and keep in effect all necessary permits, consents and/or approvals required by Applicable Law; (ii) comply, on a continuing basis, with all requirements under Applicable Law; (iii) obtain any necessary consents or approvals from any building and property owners, other carriers and any other persons. Upon request, a Party shall provide the other Party with proof of its compliance with the requirements of this Section 7.1. Each Party shall reasonably cooperate with the other Party in obtaining and maintaining any required approvals and rights for which such Party is responsible.

7.2 Prohibition. In the event JEA is prohibited from, fails to obtain or maintain the necessary approvals required under Applicable Law to offer a Service to the End Users, either on a temporary or permanent basis, JEA shall immediately notify CC of such prohibition and take immediate steps to suspend or discontinue offering the affected Service to the End Users.

7.3 Law Enforcement. Each Party may cooperate with law enforcement authorities and national security authorities to the full extent required or permitted by Applicable Law in matters related to the Services provided under this Agreement, including the production of records, the establishment of new lines or the installation of new services on an existing line in order to support law enforcement and/or national security operations, and the installation of wiretaps, trap and trace facilities and equipment, and dialed number recording facilities and equipment. A Party shall not have the obligation to inform the other Party or any End Users of actions taken in cooperating with

law enforcement or national security authorities, except to the extent required by Applicable Law. Where a law enforcement or national security request relates to the establishment of lines (including lines established to support interception of communications on other lines) or the installation of other services, facilities or arrangements, a Party may act to prevent the other Party from obtaining access to information concerning such lines, services, facilities and arrangements, through other operational system interfaces.

ARTICLE VIII INDEMNIFICATION AND LIMITATION OF LIABILITY

8.1 Indemnification by JEA. Except to the extent that any loss, cost, damage or liability is due to the negligence of CC, and to the extent legally permissible and subject to the statutory liability limitations of the Governmental Tort Liability Act (TCA 29-20-201), JEA shall indemnify, defend and hold harmless CC and its Affiliates, employees, directors, officers, and representatives (collectively the "CC Parties") from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including interest, penalties and disbursements (collectively, "Claims"), to the extent any such Claim is asserted by a third party against any of the CC Parties, directly by reason of or resulting from any of the following: (i) any action or inaction of JEA's End Users; (ii) any action or inaction of JEA or its employees or agents that is illegal or constitutes negligence or intentional misconduct; (iii) claims for libel, slander, infringement of copyright or unauthorized use of trademark, logo, trade name or service mark arising out of the sale or use of the Services; (iv) claims for infringement of any valid U.S. patent or copyright; (v) claims for damage to property and/or personal injuries (including death) arising out of the negligence or willful act or omission of JEA; (vi) any breach of JEA's obligations under Article VII.

8.2 Indemnification by CC. Except to the extent that any loss, cost, damage or liability is due to the negligence of JEA, CC shall indemnify, defend and hold harmless JEA its Affiliates, employees, directors, officers and representatives ("Collectively the 'JEA Parties'") from and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including interest, penalties and disbursements, to the extent any such claims are asserted directly or indirectly by a third party against any of the JEA Parties directly by reason of or resulting from any of the following: (i) any action or inaction of CC or its employees or agents that is illegal or constitutes negligence or intentional misconduct; (ii) claims for infringement of any valid U.S. patent or copyright relating to the equipment or software used by CC to provide the Services to JEA; (iii) claims for damages to property and/or personal injuries (including death) arising out of the negligence or willful act or omission of CC; (v) any breach of CC's obligations under Article VII.

8.3 PROCEDURES. ANY PARTY SEEKING INDEMNIFICATION UNDER THIS ARTICLE VIII SHALL NOTIFY JEA OR CC, AS APPROPRIATE, PROMPTLY AFTER BECOMING AWARE OF THE CLAIM, AND SHALL PROVIDE REASONABLE AND CUSTOMARY COOPERATION (E.G. PROVIDING COPIES OF DOCUMENTS OR TESTIMONY OF WITNESSES) IN THE DEFENSE OF THE CLAIM. THE INDEMNIFYING PARTY SHALL NOT BE BOUND TO HONOR ANY SETTLEMENT OR COMPROMISE OF A CLAIM AFFECTED BY THE PARTY SEEKING INDEMNIFICATION UNLESS THE INDEMNIFYING PARTY HAS AGREED IN WRITING TO SUCH SETTLEMENT.

8.4 Exclusive Remedies. CC'S ENTIRE LIABILITY, AND JEA'S EXCLUSIVE REMEDY AGAINST CC, FOR ANY DAMAGES CAUSED BY ANY SERVICE OUTAGE, DEFECTS OR FAILURE IN ANY OF THE SERVICES PROVIDED TO THE JEA UNDER THIS AGREEMENT SHALL BE THE SERVICE CREDITS SET FORTH IN ATTACHMENT II AND THE TERMINATION PROVISIONS SET FORTH IN ARTICLE 4.2.

8.5 Limitation of Liability. EXCEPT FOR EACH PARTY'S RESPECTIVE INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, THE ENTIRE LIABILITY OF EITHER PARTY FOR OTHER CLAIMS ARISING IN CONNECTION WITH THE SERVICES PROVIDED UNDER THIS AGREEMENT OR ANY BREACH OF THIS AGREEMENT, IF NOT OTHERWISE LIMITED BY ANOTHER PROVISION OF THIS AGREEMENT, SHALL BE LIMITED TO DIRECT DAMAGES NOT TO EXCEED PER CLAIM THE TOTAL NET PAYMENTS MADE BY JEA TO CC UNDER THIS AGREEMENT FOR THE SERVICES DURING THE SIX (6) MONTHS PRECEDING THE MONTH IN WHICH THE DAMAGE OCCURRED.

8.6 Limitation of Warranties. OTHER THAN THOSE WARRANTIES EXPRESSLY SET FORTH IN ATTACHMENT II, CC HEREBY DISCLAIMS ALL OTHER WARRANTIES OF ANY TYPE OR KIND REGARDING THE SERVICES PROVIDED TO JEA AND ANY SERVICES INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR NON-INFRINGEMENT OF ANY THIRD PARTY RIGHTS, OR ANY WARRANTIES CONCERNING THE ACCURACY, ADEQUACY OR TIMELINESS OF ANY INFORMATION OR SERVICES PROVIDED OVER THE SYSTEM.

8.7 No Consequential or Punitive Damages. EXCEPT FOR EACH PARTY'S RESPECTIVE INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, IN NO EVENT SHALL JEA OR CC BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, RELIANCE OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS, ADVANTAGE, SAVINGS OR REVENUES OF ANY KIND OR INCREASED COST OF OPERATIONS, WHETHER OR NOT JEA OR CC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8.8 Form of Claim. THE LIMITATIONS OF LIABILITY SET FORTH IN THIS ARTICLE VIII AND IN ANY ATTACHMENT SHALL APPLY: (i) REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE; (ii) WHETHER OR NOT DAMAGES WERE FORESEEABLE. THESE LIMITATIONS OF LIABILITY SHALL SURVIVE FAILURE OF ANY EXCLUSIVE REMEDIES PROVIDED IN THIS AGREEMENT; AND (iii) ONLY TO DISPUTES WHICH ARISE FROM THIS AGREEMENT.

8.9 No Third Party Beneficiaries. This Agreement does not expressly or implicitly provide any third party, including but not limited to the End Users, with any remedy, claim, liability, reimbursement, or cause of action or other right or privilege.

ARTICLE IX
DEFAULT

9.1 Default. Each of the following shall constitute an event of default under the Agreement ("Default"):

- (a) if either Party fails to make any payment when due and such failure continues for more than thirty (30) Days after written notice;
- (b) if either Party incurs a failure of its facilities that affects the delivery of Services to all, or substantially all of JEA End-Users and such failure continues for more than two (2) consecutive Days or any seven (7) Days within a thirty (30) Day period. Notwithstanding the foregoing, subject to the requirements of Section 3.7 and Section 3.8, if the failure is due to a third party CC shall have three (3) consecutive Days to restore Service;
- (c) if either Party fails to perform any material obligation required under this Agreement and such failure continues for more than thirty (30) Days after written notice, provided that if the breach is of such a nature that it cannot be cured within thirty (30) Days, then such Party shall have an additional thirty (30) Day period(s), such period(s) approved in writing by the other Party, in which to cure its breach;
- (d) if either Party fails generally to pay its debts as such debts become due, or admits in writing its inability to pay its debts as such debts become due, or makes any general assignment for the benefit of creditors;
- (e) if there is commenced by either Party any case, proceeding, or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, or reorganization, or relief of debtors, or seeking appointment of a receiver, trustee, custodian, or other similar official for it or for all or any substantial part of its property;
- (f) if there is commenced any case, proceeding or other action against either Party seeking to have any order for relief entered against such Party as debtor, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of such Party or its debts under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors, or seeking appointment of a receiver, trustee, custodian, or other similar official for such Party or for all or any substantial part of the property of such Party, and (i) such Party shall, by any act or omission, indicate its consent to, approval of, or acquiescence in such case, proceeding or action, or such case, proceeding or action results in the entry of an order for relief which is not fully stayed within seven (7) business Days after the entry thereof, or (ii) such case, proceeding or action remains un-dismissed for a period of thirty (30) Days or more or is dismissed or suspended only pursuant to Section 305 of the United States Bankruptcy Code or any corresponding provision of any future United States bankruptcy law.

9.2 Remedies. Upon the occurrence and continuation of an event of Default then without limiting any other rights or remedies to which it may be entitled to at law or in equity, the injured Party may terminate this Agreement by giving the other Party written notice.

ARTICLE X INSURANCE

10.1 Insurance. Within thirty (30) Days after the Effective Date, JEA and CC shall each procure, and thereafter shall maintain through the term of this Agreement, insurance coverage in the type and amount set forth below. Such coverage shall be obtained on an occurrence basis from carriers having an AM Best Rating Service rating of A- / X or better, or as a minimum requirement from carriers approved by and in excellent financial standing with the Tennessee Department of Commerce and Insurance, and licensed to do business in the state where the Services are to be delivered. Each Party shall deliver to the other, standard form insurance certificates evidencing the foregoing coverage and stating that such coverage shall not be cancelled, non-renewed or materially and adversely modified without at least thirty (30) Days written notice to the certificate holder.

10.2 Coverage. Each Party shall maintain valid and collectible insurance as follows:

- (a) Commercial General Liability Insurance, covering claims for bodily injury, death and property damage, including comprehensive form, premises and operations, independent contractors, products and completed operations, personal injury, contractual, and broad form property damage liability coverage, with limits of \$1,000,000 per occurrence and \$2,000,000 aggregated for each annual period;
- (b) Comprehensive Automobile Liability Insurance, covering owned, non-owned, hired and other vehicles, with combined single limits \$1,000,000;
- (c) Umbrella, or Excess Liability Insurance, in the amount of \$5,000,000; and
- (d) Worker's Compensation Insurance or its equivalent shall also be maintained but the other Party shall not be named as an additional insured.

ARTICLE XI INTELLECTUAL PROPERTY AND PROPRIETARY INFORMATION

11.1 No License. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Unless otherwise agreed to in writing by the Parties, each Party is strictly prohibited from any use, including but not limited to, using the name, logo or trademark (collectively the "Marks") of the other Party in the selling, marketing, promoting or advertising of any of the CC Services. The Marks include those Marks owned directly by a Party or its Affiliate(s) and those Marks that a Party has a legal and valid license to use.

11.2 Branding. JEA shall provide the exclusive interface to the End Users, except as JEA shall otherwise specify for the reporting of trouble or other matters identified by JEA for which CC may directly communicate with the End Users. In those instances where JEA requests that CC personnel interface with End Users, CC personnel shall not identify themselves as representatives of CC. Other business materials furnished by CC to End Users shall bear no corporate name, logo, trademark or tradename. Except as specifically permitted by a Party, in no event shall either Party provide information to the other Party's subscribers about the other Party or the other Party's products or services.

11.3 Claim of Infringement. In the event that use of any facilities or equipment (including software), becomes, or in the reasonable judgment of the Party who owns the affected facilities, software or equipment is likely to become, the subject of a claim, action, suit, or proceeding based on intellectual property infringement, then such infringing Party shall promptly and at its sole expense and sole option, but subject to the limitations of liability set forth below:

- (a) modify or replace the applicable facilities or equipment (including software) while maintaining form and function, or
- (b) obtain a license sufficient to allow such use to continue.

11.4 Termination. In the event the infringing Party has used its commercially reasonable best efforts to perform the requirements set forth in Section 11.3 but such requirements are either excessively costly or otherwise impossible to implement, then upon reasonable notice, the infringing Party may terminate the use of, or the Services provided through, the affected facilities or equipment (including software), but only to the extent required to avoid the infringement claim. If CC, as the infringing Party, elects to discontinue a Service that will result in significant financial loss for JEA, then JEA will have the right to terminate this Agreement upon written notice.

11.5 Exclusive Remedy. The foregoing shall constitute the Parties' sole and exclusive remedies and obligations with respect to a third party claim of intellectual property infringement arising out of the conduct of business under this Agreement.

11.6 Proprietary and Confidential Information. It may be necessary for JEA and CC, each as the "Discloser," to provide to the other Party, as "Recipient," certain proprietary and confidential information (including trade secret information) including but not limited to technical, financial, marketing, staffing and business plans and information, strategic information, proposals, request for proposals, specifications, drawings, maps, prices, costs, costing methodologies, procedures, processes, business systems, software programs, techniques, customer account data, call detail records and like information that is either marked "Confidential" or "Proprietary" (collectively the "Information"). All such Information is deemed confidential and shall not be disclosed except as required by Applicable Law.

11.7 Use and Protection of Information. Recipient agrees to protect such Information of the Discloser provided to Recipient from whatever source from distribution, disclosure or dissemination to anyone except employees of Recipient with a need to know such Information solely in conjunction with Recipient's analysis of the Information and for no other purpose except

as authorized herein or as otherwise authorized in writing by the Discloser. Recipient will not make any copies of the Information inspected by it.

11.8 Exceptions. Recipient will not have an obligation to protect any portion of the Information which: (a) is made publicly available by the Discloser or lawfully by a nonparty to this Agreement; (b) is lawfully obtained by Recipient from any source other than Discloser; (c) is previously known to Recipient without an obligation to keep it confidential; or (d) is released from the terms of this Agreement by Discloser upon written notice to Recipient. Contractor acknowledges that JEA is a public utility authority created by 2001 Tennessee Private Acts Chapter 55, and as such is subject to the Tennessee Open Records Act, under which JEA may be required under law to disclose information provided to JEA by the CC.

11.9 Publication. Recipient agrees not to publish or use the Information for any advertising, sales or marketing promotions, press releases, or publicity matters that refer either directly or indirectly to the Information or to the Discloser or any of its Affiliated companies.

11.10 Ownership of Rights. The disclosure of Information neither grants nor implies any license to the Recipient under any trademark, patent, copyright, application or other intellectual property right that is now or may hereafter be owned by the Discloser.

11.11 Survival of Confidentiality Obligations. The Parties' rights and obligations under this Section shall survive and continue in effect after the expiration or termination date of this Agreement with regard to all Information exchanged prior to and during the term of this Agreement. Thereafter, the Parties' rights and obligations hereunder survive and continue in effect with respect to any Information that is a trade secret under Applicable Law.

ARTICLE XII DISPUTE RESOLUTION

Any claim or controversy related to or arising out of this Agreement, whether in contract or in tort ("Dispute"), will be resolved on a confidential basis, to the extent permitted by the Tennessee Open Records Act, according to the following process, which either Party may start by delivering to the other Party a written notice describing the Dispute and the amount involved ("Demand"):

After receipt of a Demand, authorized representatives of the Parties will meet at a mutually agreed upon time and place to try to resolve the Dispute by negotiation. If the Dispute remains unresolved thirty (30) Days after commencement of negotiations, either Party may start binding arbitration. If the Demand is brought by JEA the arbitration will be held in Evansville, Indiana. If the Demand is brought by CC the arbitration will be held in Jackson, Tennessee. The Parties shall use their best efforts to conclude the arbitration as expediently as possible but in no event later than sixty (60) Days following commencement of any proceeding. The arbitration will be before a three (3) arbitrator panel. Each Party will select one arbitrator to represent its interest, at its sole expense. The final arbitrator, who shall be impartial, will be selected by the two partial arbitrators. In the event the two (2) partial arbitrators shall fail to select an impartial arbitrator, either party may apply to a court of law in the jurisdiction where the arbitration is being conducted, to have a judge select an impartial arbitrator. Discovery shall be controlled by the impartial arbitrator and

shall be permitted to the extent set forth in this Article XII. Each Party shall be entitled to any combination of thirty-five (35) discovery requests, without subparts, consisting of any of the following: interrogatories, demands to produce documents or requests for admission. Upon receipt of any such discovery requests, each Party shall respond within a reasonable time period as determined by the impartial arbitrator. At a time and place mutually agreed upon between the Parties or if the Parties cannot agree on a time and place, at a time and place determined by the impartial arbitrator, each Party shall also be entitled to take the oral deposition of one (1) individual of the other Party. Additional discovery may be permitted upon mutual agreement of the Parties. The three (3) arbitrators, by majority rule, shall adopt any other procedures they deem efficient and appropriate for making the determinations submitted to them for adjudication. No statements by or communications between the Parties during negotiations or mediation, or both, will be admissible for any purpose in arbitration. Each Party shall bear its internal expenses, the costs of its partial arbitrator and its attorney's fees and expenses, and jointly share the cost of the impartial arbitrator. The decision(s) of a majority of the arbitrators shall be final and binding on the Parties.

The foregoing notwithstanding, this Section shall not prevent either Party from seeking any temporary equitable relief, including a temporary restraining order.

ARTICLE XIII GENERAL PROVISIONS

13.1 Force Majeure. If the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire, flood, earthquake or like acts of God, wars, revolution, civil commotion, explosion, terrorism, acts of public enemy, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, or unavailability of equipment from a vendor ("Force Majeure Events"), the Party affected, upon giving prompt notice to the other Party, shall be excused from such performance on a Day-to-Day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a Day-to-Day basis until the delay, restriction or interference has ceased); provided, however, that the non-performing Party shall use diligent efforts to avoid or remove such causes of non-performance and both Parties shall proceed whenever such causes are removed or cease.

13.2 Modification of Agreement. No modification, amendment, supplement to, or waiver of this Agreement or any of its provisions shall be effective and binding unless it is made in writing and duly signed by the Parties. In the event that any effective legislative, regulatory, judicial or other legal action or technological change affects any material term of this Agreement, or the ability of CC or JEA to perform any their respective material obligations under this Agreement, either Party may, upon written notice to the other Party, request that the terms of the Agreement affected by such change be renegotiated. Upon such a request, the Parties shall have thirty (30) Days from the date of the notice to negotiate in good faith to modify the terms of this Agreement affected by the change so as to preserve the original intent of the Parties in light of the change. All such modifications to the Agreement shall require the approval of the JEA Board of Directors. In the event that the Parties cannot agree on the appropriate modifications within such

thirty (30) Day period, the matter shall be resolved pursuant to the dispute resolution procedure set forth in Article XII.

13.3 Severability. If any provision of this Agreement is held by a court or regulatory body of competent jurisdiction to be unenforceable, the rest of the Agreement shall remain in full force and effect and shall not be affected unless removal of the unenforceable provision results in a material change to this Agreement. In such case, either Party may, upon written notice to the other Party, request that the unenforceable term be renegotiated. Upon such a request, the Parties shall have thirty (30) Days from the date of the notice to negotiate in good faith to modify the unenforceable term so as to preserve the original intent of the Parties. In the event that the Parties cannot agree on the appropriate modifications within such thirty (30) Day period, the matter shall be resolved pursuant to the dispute resolution procedure set forth in Article XII.

13.4 Waivers. A failure or delay of either Party to enforce any of the provisions hereof, to exercise any right which is herein provided, or to require performance of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions or options, and each Party, notwithstanding such failure, shall have the right thereafter to insist upon the performance of any and all of the provisions of this Agreement.

13.5 Governing Law. Where applicable, this Agreement shall be governed by and construed in accordance with Federal and Tennessee substantive law, including applicable rules and regulations of the FCC and the TRA.

13.6 Assignments. Any assignment by either Party to a non-Affiliate of any right, obligation or duty, or of any other interest hereunder, in whole or in part, without the prior written consent of the other Party shall be void. Consent to assignment shall not be unreasonably withheld. A Party may assign this Agreement in its entirety to an Affiliate of the Party without the consent of the other Party; provided, however, that the assigning Party shall notify the other Party in writing of such assignment thirty (30) Days prior to the effective date thereof and, provided further, if the assignee is an assignee of JEA, the assignee must produce evidence that it has obtained all necessary regulatory approvals to assume JEA's obligations under this Agreement. The Parties shall amend this Agreement to reflect such assignments and shall work cooperatively to implement any changes required due to such assignment. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party. Notwithstanding anything to the contrary herein, any assignment by either Party to an Affiliate to avoid any of its obligations under this Agreement or otherwise avoid liability to the other Party shall be null and void.

13.7 Relationship of Parties/Independent Contractor. Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement and retains full control over the employment, direction, compensation, and discharge of its employees assisting in the performance of such obligations. Nothing contained herein shall constitute the Parties as joint venturers, partners, employees, or agents of one another, and neither Party shall have the right to bind or obligate the other. Except for any provisions herein expressly authorizing a party to act for

another, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other party.

13.8 Notices. Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered by hand, by overnight courier or by US mail postage prepaid, addressed to:

Jackson Energy Authority

Mr. Kim K. Kersey
Senior Vice President – Telecommunications
Jackson Energy Authority
119 East College Street
Jackson, TN 38301

with copy to:

Ms. Teresa Cobb, General Counsel
Jackson Energy Authority
119 E. College Street
Jackson, TN 38301

Cinergy Communications

Mr. John P. Cinelli
Cinergy Communications
3701 Communications Way
Evansville, IN 47715

with a copy to:

Legal Department c/o John Campbell
Cinergy Communications
8829 Bond Street
Overland Park KS 66214

or at such other address as the intended recipient previously shall have designated by written notice to the other Party. Unless otherwise provided in this Agreement, notice by mail shall be effective and receipt shall be accomplished on the date it is officially recorded as delivered by return receipt or equivalent.

13.9 Rule of Construction. No rule of construction requiring interpretation against the drafting Party hereof shall apply in the interpretation of this Agreement.

13.10 Headings of No Force or Effect. The headings of sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

13.11 Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute but one and the same document.

13.12 Approvals. Each Party warrants that the person executing this Agreement on their behalf below is lawfully authorized to do so. The Board of the Jackson Energy Authority has given the representative executing this Agreement authority to do so by virtue of action taken at its meeting on the 23rd day of August, 2007 and as reflected in the minutes of said meeting.

13.13 Good Faith Performance. Each Party shall act in good faith in its performance under this Agreement and, in each case in which a Party's consent or agreement is required or requested hereunder, such Party shall not unreasonably withhold or delay such consent or agreement.

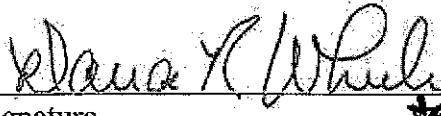
13.14 Interpretation. Where context requires, singular terms shall include references to the plural and vice versa. Unless the context otherwise requires, the words "hereof," "hereby" and "herein" and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular article, section or provision of this Agreement. The format, words and phrases used in this Agreement shall have the meaning generally understood in the broadband and communications industries.

13.15 Survival. The Parties' obligations under this Agreement, which by their nature are intended to continue beyond the termination or expiration of this Agreement, shall survive the termination or expiration of this Agreement.

13.16 Entire Agreement. This Agreement, including Attachments I, II and III along with all other attachments and addendums that are identified herein or incorporate the terms of this Agreement and all documents identified therein, as such may be amended from time to time, as provided herein and those (if any) which are incorporated herein by reference, all of which, when taken together, are intended to constitute one indivisible agreement. This Agreement sets forth the entire understanding and supersedes all prior agreements and understanding between the Parties relating to the subject matter hereof. Neither Party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise regarding the subject matter hereto other than as expressly stated in this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written above.

Jackson Energy Authority


Signature 

Dana R. Wheeler
Name

President & CEO
Title

August 23, 2007
Date

**Cinergy Communications, a Division of
Norlight, Inc.**


Signature

John P. Cinelli
Name

as President
Title

8/24/07
Date

Approved as to form
Legal

By JMC Date 08/24/07

ATTACHMENT I SERVICES

I. Description of Services

A. Internet Service.

- (1) Minimum Service Requirements. All Internet Service provided to JEA by CC shall meet the following minimum service requirements:
 - (a) CC shall allocate 3.0 Mbps of symmetrical bandwidth for every 100 standard Internet Service packages in service ("Bandwidth Allocation");
 - (b) CC shall provide sufficient bandwidth capacity to ensure that traffic levels can burst at least 5% above the Bandwidth Allocation. JEA bandwidth utilization shall be measured using the 95th Percentile Utilization Calculation using the greater of the amount of inbound and outbound Internet traffic.
 - (c) CC shall provide full DHCP and routing support for all Internet traffic to and from JEA Internet End Users;
 - (d) CC shall provide multiple geographically diverse paths from the JEA Network to multiple Tier 1 providers connected to CC's network at geographically diverse connection points;
 - (e) CC shall provide CALEA support;
 - (f) CC shall provide copyright infringement support;
 - (g) CC shall provide Internet technical support and repair center support pursuant to the standards set forth in Attachment II.
- (2) Webmail. CC shall install a new webmail service that will be available for utilization by new End Users receiving Internet Service no later than sixty (60) Days after the Effective Date. End Users receiving Internet Service that are acquired by JEA pursuant to the terms of Attachment III shall have access to the new webmail service no later than ninety (90) Days after the Effective Date.
- (3) IP Addresses. End Users receiving Internet Service shall be assigned one of the following types of IP addresses:
 - (a) A single dynamic private IP address routable to the public Internet through a CC provided network address translation. This is the default

assignment for the Internet Service packages set forth in Section 4 below.

- (b) A single dynamic public IP address. This address may be used when a residential End User is experiencing problems with the use of a Private IP Address.
- (c) A single static public IP address. This may be used when a business End User is experiencing problems with the use of a Private IP Address.

- (4) Internet Service Packages. JEA may purchase the following Internet Service packages from CC for resale to its End Users.

Service Package	Personalized Web Portal	Email Addresses*	Internet Security Suite**	Monthly Recurring Fee Per Account	IP Addresses
Residential Package	Yes	10	Yes	\$7.75	1
Asymmetrical Business Package***	Yes	50	No	\$12.50	1
Symmetrical Business Package ***	No	No	No	\$12.50	5

Notes.

- * Each e-mail address shall have a 100MBs of storage. Spam filtering shall be included with the e-mail service.
- ** The Internet security suite shall contain firewall, spam filtering, virus protection and web content filtering.
- *** A multi-location business shall require one business package per location, if they desire discrete Internet service at each location.

- (5) Additional Internet Service Charges.

- (a) Additional IP Addresses Per Business Package.

IP Address Assignment	IP Addresses	Usable Addresses	Non-Recurring Charge	Monthly Recurring Charge
/29	8	5	\$10	\$0
/28*	16	13	\$25	\$5
/27*	32	29	\$25	\$10
/26*	64	61	\$25	\$20
/25*	128	125	\$25	\$40
/24*	256	253	\$25	\$80

Notes.

- * Requires adherence to ARIN guidelines. End Users will be required to fill out paperwork outlining setting forth a need and utilization plan for the IP addresses.

(b) Bandwidth Allocation Overage. JEA shall pay \$70.00 per Mbps for bandwidth usage over the Bandwidth Allocation.

B. Telephone Service. The following standards and service packages apply to Basic Telephone Service.

(1) Minimum Service Requirements. All Basic Telephone Service provided to JEA by CC shall meet the following minimum service requirements.

- (a) CC shall provide full CALEA support.
- (b) CC shall provide local number portability.
- (c) CC shall provide full E911 support.
- (d) All CC core network equipment and transport facilities involved in the provision of Services to the JEA Network shall have a level of redundancy to ensure a service level up time of 99.995%. The transport for all Telephone Services provided to the JEA between CC facilities and the JEA Network shall be redundant and path diverse. Upon the occurrence of a Force Majeure Event involving any CC network facility that directly involves network components provided by a third party, CC shall make commercially reasonable efforts to restore the Services no later than seventy-two (72) hours after the occurrence.
- (e) CC shall use commercially its reasonable best efforts to adhere to best practices in providing telephone core switching diversity. To that end, CC will enhance its network design so that in the event of a failure of the CC switching platform servicing JEA, CC will have the capability of restoring Services within six (6) hours. These enhancements will be implemented as soon as reasonably possible, but no later than December 31, 2008.
- (f) CC shall provide technical support and repair center support pursuant to the standards set forth in Attachment II.

- (2) Basic Telephone Service Packages. JEA may purchase the following Basic Telephone Service packages from CC for resale to its End Users.

Recurring Charges

<u>Service Packages</u>	<u>Basic Service Package *</u>	<u>Enhanced Service Package **</u>	<u>Monthly Recurring Fee Per Account</u>
Residential basic	Yes	No	\$11.00
Residential Standard	Yes	Yes	\$12.00 ***
Business Telephone	Yes	Yes with the hunting feature	\$14.50 ***

Non Recurring Charges

<u>Description</u>	<u>Fee Per Item</u>
New Basic Telephone Service (per line)	\$12.50
Address Change (per line)****	\$8.00

Notes:

- * Basic Service Package shall consist of E911 access and touchtone service only.
- ** Enhanced Service Package shall consist of voicemail, 3-way calling, caller ID/name, call waiting, with caller ID/name, call forwarding no answer, call forwarding busy, call forwarding variable, call forwarding remote access, call return, repeat dial, anonymous call rejection, and speed call 30.
- *** JEA shall receive a \$.50 discount for each customer who is eligible for caller ID w/name who does not deploy such service.
- **** CC shall not assess a charge for any feature changes.

- (3) Complex Telephone Service Packages. JEA may purchase the following Complex Telephone service packages from CC for resale to its End Users.

Recurring Charges

<u>Service Description</u>	<u>Monthly Recurring Fee Per Account</u>
CAS T1 for Voice	\$87 per T1 and \$7 per active line (DS0) on the T1. Must have a minimum of 9 active lines.
Two-Way PRI – Full (1 D Channel and 23 B Channels)	\$250
Two-Way PRI – Half (1 D Channel and 12 B Channels)	\$150
Inbound-Only PRI (1 D Channel and 23 B Channels)	\$125
20 Number DID Block (applies to Channelized T1 and PRI)	\$2.50
PAC Codes	\$2.00 per block of 250
1-800 access	\$1.25 per number
Additional Directory Listing	\$2.50 per listing

Non-Recurring Charges

<u>Description</u>	<u>Fee Per Item</u>
Setup and Configuration for CAS T1 and PRI Service	\$100

Moves, Adds, Changes to CAS T1 and PRI Service	\$50 per order
20 Number DID Block Setup	1 st Block - \$50 Subsequent blocks on same order - \$5.00 Maximum charge for one order of \$125

- (4) Long Distance Services. JEA may purchase the following long distance phone service from CC for resale to its End Users.

User	Unlimited Long Distance Package	Per Minute Fee	International Calls **
Residential Customer	\$5.00 per line*	\$.04	80% of CC's retail rate
Small Business Customer	\$7.50 per line*	\$.04	80% of CC's retail rate

Notes:

* JEA shall only sell CC's unlimited long distance plans to its End Users pursuant to CC's usage policies which JEA shall enforce. Unlimited long distance does not include International calls. JEA's shall indemnify and hold CC harmless from any loss, cost or liability incurred by CC as a result of JEA's failure to adhere to the requirements of this paragraph. Unlimited long distance packages are not applicable to Complex Telephone Service packages.

** As used in this subsection (4) "International calls" mean calls placed to phone numbers outside of the 48 contiguous United States.

- (5) Non JEA Network Services. If JEA wishes to provide a Service to an End User that cannot be provisioned over the JEA Network, CC shall secure the required network elements from BellSouth/AT&T (provided that they are available) to provide the Service to such End User. CC shall charge JEA all recurring and non recurring charges, expenses and fees paid by CC to BellSouth/AT&T for such network elements plus twenty percent (20%). CC shall not be responsible to JEA for any delays caused by BellSouth/AT&T in provisioning the Service to the End User.

C. Other Services.

- (1) Billing Service. CC shall provide billing records to JEA regarding usage of the Services by the End Users in accordance with the procedures set forth in Section II below. CC shall use the same billing cycles that were in use as of January 2007. End User billing information shall be transmitted in the same format as was utilized as of January 2007 between the Parties. If required, JEA agrees to obtain a license or other third party consent as may be necessary for CC to transmit tax, fee and surcharge information to JEA. Billing records shall consist of the following:
- (a) line item charges for each of the Services received by the End User;
 - (b) records for all usage based charges;
 - (c) calculation of taxes, fees and surcharges for the Services.

Moves, Adds, Changes to CAS T1 and PRI Service	\$50 per order
20 Number DID Block Setup	1 st Block - \$50 Subsequent blocks on same order - \$5.00 Maximum charge for one order of \$125

- (4) Long Distance Services. JEA may purchase the following long distance phone service from CC for resale to its End Users.

User	Unlimited Long Distance Package	Per Minute Fee	International Calls **
Residential Customer	\$5.00 per line*	\$.04	80% of CC's retail rate
Small Business Customer	\$7.50 per line*	\$.04	80% of CC's retail rate
Large Business Customer (PRI and CAS T1 only)		\$.015	80% of CC's retail rate

Notes:

* JEA shall only sell CC's unlimited long distance plans to its End Users pursuant to CC's usage policies which JEA shall enforce. Unlimited long distance does not include International calls. JEA's shall indemnify and hold CC harmless from any loss, cost or liability incurred by CC as a result of JEA's failure to adhere to the requirements of this paragraph. Unlimited long distance packages are not applicable to Complex Telephone Service packages.

** As used in this subsection (4) "International calls" mean calls placed to phone numbers outside of the 48 contiguous United States.

- (5) Non JEA Network Services. If JEA wishes to provide a Service to an End User that cannot be provisioned over the JEA Network, CC shall secure the required network elements from BellSouth/AT&T (provided that they are available) to provide the Service to such End User. CC shall charge JEA all recurring and non recurring charges, expenses and fees paid by CC to BellSouth/AT&T for such network elements plus twenty percent (20%). CC shall not be responsible to JEA for any delays caused by BellSouth/AT&T in provisioning the Service to the End User.

C. Other Services.

- (1) Billing Service. CC shall provide billing records to JEA regarding usage of the Services by the End Users in accordance with the procedures set forth in Section II below. CC shall use the same billing cycles that were in use as of January 2007. End User billing information shall be transmitted in the same format as was utilized as of January 2007 between the Parties. If required, JEA agrees to obtain a license or other third party consent as may be necessary for CC to transmit tax, fee and surcharge information to JEA. Billing records shall consist of the following:
- (a) line item charges for each of the Services received by the End User;
 - (b) records for all usage based charges;

- (c) calculation of taxes, fees and surcharges for the Services.
- (2) Customer Service. CC shall provide customer service support to the JEA on a 24 hour a Day /7 Days a week basis for End User issues in accordance with the procedures set forth in Section II and the standards set forth in Attachment II. CC shall also provide to JEA and update, as required, an escalation list for the resolution of critical End User issues.
- (3) Changes in Services and Rates. In the event that JEA wishes to make any changes to the rates, fees or charges for any of the Services or to change any of the customer calling features or ancillary services in a Service package JEA shall submit a written request to CC specifying the proposed changes. CC shall respond to such request with an approximate date of when the changes can be implemented and how many hours of programming and technical implementation work will be required to implement such request. Commencing upon the Effective Date and each anniversary of the Effective Date thereafter, JEA shall receive a maximum of forty (40) hours of programming and technical implementation work related to any such requested changes from CC at no charge. For all additional programming work and technical implementation work JEA shall be charged at a rate of \$50.00 an hour.

II. PROCEDURES

- A. System Interfaces. CC shall provide and maintain electronic interfaces and systems for the ordering, provisioning, and servicing of Service orders and trouble tickets. JEA shall have user permissions to such systems and interfaces to review CC comments, trouble ticket detail and history, as well as End User billing record detail and history. JEA shall secure and maintain any equipment necessary to interconnect with CC's systems.
- B. Ordering Procedures.
 - (1) New Order. To order a new Service from CC, JEA shall enter the following End User information into CC's ordering interface, BillPlex Web Wizard or any other medium CC may reasonably designate, from time-to-time, to receive Service orders from JEA:
 - (a) End User name;
 - (b) End User billing and service address;
 - (c) telephone number(s) to be serviced (if applicable);
 - (d) Services ordered;
 - (e) telephone list information (if applicable);
 - (f) IP Address (if applicable);
 - (g) requested in service date;
 - (h) any other information reasonably required by CC to provision Services to the End User.

- (2) Letter of Authorization. With each order for Telephone Service, JEA shall submit to CC a Letter of Authorization ("LOA") from such End User in a form reasonably acceptable to CC or, if JEA receives authorization over the phone, reasonable proof that JEA has obtained such authorization verbally through a third party authentication service.
- (3) Customer Privacy and Proprietary Information. CC and JEA shall comply with all Applicable Laws regarding the protection of customer information.
- (4) Order Expedite Fee. At the request of JEA, CC shall use commercially reasonable efforts to expedite the provisioning of any Service order beyond CC's standard service intervals stated in Section II(C)(3) below. JEA shall pay a fee of \$10.00 for each expedite request. Such fee shall only be due if CC actually accepts and meets the requested in service date.
- (5) Customer Order Changes. JEA shall pay CC an administrative fee of \$10.00 for any changes, additions or corrections made to an End User order for Telephone Service more than one hour after making the initial order entry.

C. Provisioning Responsibilities of the Parties.

- (1) CC Telephone Provisioning Responsibilities. CC shall perform the following provisioning functions, as required, for each new Telephone Service order:
 - (a) CC shall port any existing End User telephone numbers through the submission of a Local Service Request ("LSR") to the current service provider;
 - (b) CC shall configure its network to provide those features and services requested in the Service order;
 - (c) CC shall ensure that all switch ports are unlocked and prepared for telephone activation;
 - (d) CC shall activate the LNP port to enable a customer's telephone number to operate correctly on CC's network;
 - (e) CC shall perform a test call to ensure that the telephone line is capable of receiving inbound calls;
 - (f) CC shall ensure accurate listings with applicable directory providers;
 - (g) CC shall ensure accurate CNAM and LIDB information is available to other service providers for call handling;
 - (h) CC shall ensure that E911 service is activated;
 - (i) CC shall ensure that the proper billing records have been established to accurately bill the Services ordered.
- (2) JEA Phone Provisioning Responsibilities. JEA shall perform the following provisioning functions, as required, for each new Telephone Service order:

- (a) JEA shall ensure that the End User is connected to the JEA Network;
- (b) JEA shall configure the JEA Network to provide those Services and features requested in the Service order;
- (c) JEA shall contact CC's test and turn up department on the in service date so that CC can turn up the telephone service;
- (d) JEA shall perform test calls to ensure the telephone line is capable of making outbound calls.

- (3) CC Service Intervals. For purposes of provisioning Basic Telephone Service, CC shall meet the following minimum service provisioning intervals. The provisioning intervals shall commence starting on the Business Day the order is received for all orders inputted into BillPlex by 2:00 PM. For those orders received after 2:00 PM the provisioning interval will commence starting on the next Business Day following the Day the provisioning request was received from JEA. All intervals are for an individual End User only.

<u>Service</u>	<u>Days to Provision</u>
Telephone Installation (new telephone number)	2
Telephone Installation (ported telephone number)	5
Class of Service Change	2
D-Marc (add/move)	1
Directory Listing (add/change/delete)	7
Calling Feature (add/change/delete)	2
Forward to Telephone Number Change	2
Move Order	3
Telephone Number Change	2
PIC Change	2
Local Telephone Rate Change	2
Local Telephone Restore Service	1
Local Telephone Suspend Service	1
Local Telephone Terminate Service	3
PAC (add/change/delete)	2
LD Rate Change	2
LD Restore Service	1
LD Suspend Service	1
LD Terminate Service	1
Toll Free Rate Change	2
Toll Free Restore Service	1
Toll Free Suspend Service	1
Toll Free Terminate Service	2
Notification (add/change/delete)	1
Voice Mail Rate Change	1

Voice Mail Restore	1
Voice Mail Suspend	1
Voice Mail Terminate	1

D. Customer Service Procedure. JEA and CC shall use the following procedure to identify and resolve any customer service issues.

- (1) JEA shall act as the primary interface with the End User experiencing the service issues.
- (2) JEA shall perform initial data gathering activities to identify the nature of the End User's service issue.
- (3) JEA shall verify that the JEA Network is not the cause of the service issue.
- (4) If JEA reasonably determines that it is not the cause of the service issue, it shall create a service order that will auto create a trouble ticket in CC's "footprints" customer service system. JEA may also perform a "warm" transfer of the End User to CC's customer service department. JEA shall provide the following information on the trouble ticket:
 - (a) telephone number(s) affected by the service issue;
 - (b) a call example including to and from number and time of call;
 - (c) a short summary of the customer issue including frequency of the problem;
 - (d) End User contact information including, if possible, an alternate number;
 - (e) a summary of JEA's actions to resolve the service issue;
 - (f) confirmation that the JEA gateway equipment is in service and the all End User telephones are "on hook."
- (5) Should a trouble ticket fail to "auto-create" or upon a warm transfer of an End User from JEA, CC shall open a trouble ticket in its customer service system for tracking purposes. The End User shall be provided with the ticket number for future reference.
- (6) CC shall perform network testing to identify and resolve the root cause of the reported service issue. Once the service issue is resolved, CC shall contact the End User to perform any additional testing necessary to ensure that the End User is satisfied that trouble is resolved.
- (7) If CC determines that the root cause of the service issue is not the CC network, CC shall refer the ticket back to JEA for further network testing.
- (8) CC shall document all test results, status updates, communications, and contacts with End Users and closure codes promptly with the trouble ticket reporting system.

- (9) Notwithstanding anything herein to the contrary, JEA and CC shall work together to solve each End User service issue until the issue is completely resolved regardless of the cause of such issue.

E. Billing Procedures.

- (1) Upon the turn up of Service, CC shall map the End User's billing to JEA's billing cycles.
- (2) CC shall assign a charge code to all Services ordered to allow JEA to accurately identify such Services on the End User's bill.
- (4) CC shall upload all End User billing records for the Services into an FTP server. JEA shall be responsible for downloading those records into JEA's billing system.
- (5) JEA shall be responsible for interfacing with an End User to resolve any billing dispute.
- (6) If required to resolve a billing issue, JEA shall provide CC with a PDF copy of the End User's bill generated by JEA.
- (7) If the JEA customer service representative cannot answer an End User billing inquiry, the customer service representative may refer the inquiry to CC's Alternative Channel Coordinator for resolution. CC's Alternative Channel Coordinator shall research and respond to the JEA customer service representative within a reasonable period of time after receiving the inquiry.

ATTACHMENT II SERVICE STANDARDS

- I. Network Standards. CC's network shall meet the requirements set forth in this Attachment II.
- A. Minimal Network Requirements. CC shall, at its own expense, provide and maintain the necessary transport equipment to interconnect to the JEA Network and provide the Services. CC shall perform maintenance activities and shall install software upgrades to keep all hardware and software in CC's network operating at current release levels.
- B. Voice Services Standards. CC Basic Telephone Service shall be provided using VoIP over the IP interconnection between the CC network and the JEA Network. CC Complex Telephone Service shall be provided over T1 circuits via a DS3 interconnection. CC voice services over T1 TDM interconnection include Primary Rate Interface ("PRI") service, Channel Associated Signaling ("CAS") service, and GR-303 oversubscribed Plain Old Telephone Service ("POTS"). CC voice services over IP interconnection include the call signaling protocols of MGCP as well as RTP voice and fax protocols using any of the standard RTP codecs including G.711, G.726, G.729a/b, G.723.1, T.37 and T.38.
- C. Service Level Standards. The Parties acknowledge their mutual interest in offering carrier class voice services over the JEA Network. Accordingly, each Party will use commercially reasonable efforts to configure their respective networks to meet the service level standards stated below. CC shall be obligated to meet such standards for all outbound calls originated from the Network. JEA shall be responsible for meeting such standards for inbound calls to the JEA Network.
- D. Service Level Measurements
- (1) Audio Quality Measurements. Audio quality across the CC and JEA networks will be measured using the ITU standard P.862.1 Perceptual Evaluation of Speech Quality – Listening Quality Objective Mean Score ("PESQ-LQO"). PESQ-LQO measures voice quality in terms of customer perception. The PESQ rating scale rates the quality of a voice call from a low of 1 to a high of 5. A score of 4.0 is considered toll-quality. DTMF Success Ratio ("DSR") measures the accuracy of transmitting DTMF tones across the Network.
- (2) Call Connectivity Measurements. The JEA Network must ensure that calls are successfully delivered. The Call Completion Ratio ("CCR") is the ratio of successfully completed calls to the total number of attempted calls. The Call Loss Ratio ("CLR") is the rate at which calls are prematurely ended.

E. Measurement Reporting and Performance Objectives. CC shall provide reports to JEA on a quarterly basis regarding the performance of CC's network in each of the four areas previously identified. CC's network shall meet or exceed those targets identified in the Service Level Performance Objectives table below 99.99% of the time that the CC network is in operation, excluding normal scheduled maintenance windows, performance issues caused by third party networks and Force Majeure events.

F. Service Level Performance Objectives.

Measurement	Expected Average
PESQ-LQO	Not less than 4.0
DSR	Not less than 99.5%
CCR	Not less than 70%
CLR	Not greater than 2%

G. Testing Method. The Parties will reasonably cooperate with each other to schedule and perform periodic performance quality testing of their networks. All performance quality testing will be done using a commercially available Voice Quality Testing Suite. Testing points will be chosen to ensure that only the characteristics of the respective networks are being measured. Path components that are not subject to the service level requirements outlined in this section include CC "off-net" network components. Upon the completion of any performance quality testing, the Parties will share the results with each other. If required by the results of such testing, the Parties agree to make any necessary modifications to bring their networks into conformance with the above performance standards.

H. Service Performance Results. The Parties agree to work together in good faith to identify, diagnose, and resolve any problems related to the quality of the Services as measured by the above Service Level Performance Objectives regardless of whether the problems originate from CC's network or the JEA Network. Each Party will take all reasonable steps including, but not limited to, increasing network capacity and/or making equipment and software upgrades, to resolve any such issues.

I. Monthly Reporting. By the fifteenth (15th) Day of each month, CC will issue a network performance report to JEA for the previous month. The report will show the current level of voice traffic passing over each circuit deployed by CC and the remaining capacity available on those circuits. The Parties will use this report to determine future capacity needs based on sales projections and expected customer attrition.

II. Service Levels for CC Customer Service. The service level requirements for CC Customer Services shall meet the requirements set forth in this Section II.

A. Performance Evaluation. The performance of CC's network and CC's customer service obligations shall be measured and evaluated based upon a point system. CC

shall receive points based on the performance of its network and on the quality of service it provides in each area of customer service identified below. At the end of each month all points earned by CC in each area shall be totaled to give CC an overall service score. CC shall be required to earn a customer service score of at least 90 points each month to avoid issuing any credits to JEA.

- B. Monthly Trouble Report Rate (TRR) - shall measure those trouble tickets opened due to End User reported problems solely attributable to CC's failure to adhere to the voice and data network requirements contained in Section I of this Attachment II. All End User reported problems attributable in whole or in part to the End User or JEA shall be excluded from such calculation.

(1) Internet Service

TRR Rate	Points
TRR 1% or lower	27
TRR > 1% and $\leq 1.5\%$	26
TRR > 1.5% and $\leq 2\%$	25
TRR > 2% and $\leq 3\%$	23
TRR > 3% and $\leq 4\%$	20
TRR > 4% and $\leq 5\%$	17
TRR > 5% and $\leq 6\%$	14
TRR > 6% and $\leq 7\%$	11
TRR > 7%	0

(2) Phone Service

TRR Rate	Points
TRR 1% or lower	27
TRR > 1% and $\leq 2\%$	26
TRR > 2% and $\leq 3\%$	25
TRR > 3% and $\leq 4\%$	23
TRR > 4% and $\leq 5\%$	20
TRR > 5% and $\leq 6\%$	17
TRR > 6% and $\leq 7\%$	14
TRR > 7% and $\leq 8\%$	11
TRR > 8%	0

- C. New Customer Turn-ups - shall measure CC's ability to provision Internet and phone service to new End Users after the entry of new orders by JEA into the CC system. For purposes of this calculation, CC must satisfy all of its provisioning obligations that are not dependent on JEA for completion. Any delays in provisioning service that are caused by JEA's failure to enter End User information correctly shall not be excluded from such calculation. CC is required to achieve the following service levels 95% of the time.

(Signature)

shall receive points based on the performance of its network and on the quality of service it provides in each area of customer service identified below. At the end of each month all points earned by CC in each area shall be totaled to give CC an overall service score. CC shall be required to earn a customer service score of at least 90 points each month to avoid issuing any credits to JEA.

- B. Monthly Trouble Report Rate (TRR) - shall measure those trouble tickets opened due to End User reported problems solely attributable to CC's failure to adhere to the voice and data network requirements contained in Section I of this Attachment II. All End User reported problems attributable in whole or in part to the End User or JEA shall be excluded from such calculation.

(1) Internet Service

TRR Rate	Points
TRR 1% or lower	27
TRR > 1% and $\leq 1.5\%$	26
TRR > 1.5% and $\leq 1.5\%$	25
TRR > 2% and $\leq 3\%$	23
TRR > 3% and $\leq 4\%$	20
TRR > 4% and $\leq 5\%$	17
TRR > 5% and $\leq 6\%$	14
TRR > 6% and $\leq 7\%$	11
TRR > 7%	0

(2) Phone Service

TRR Rate	Points
TRR 1% or lower	27
TRR > 1% and $\leq 2\%$	26
TRR > 2% and $\leq 3\%$	25
TRR > 3% and $\leq 4\%$	23
TRR > 4% and $\leq 5\%$	20
TRR > 5% and $\leq 6\%$	17
TRR > 6% and $\leq 7\%$	14
TRR > 7% and $\leq 8\%$	11
TRR > 8%	0

- C. New Customer Turn-ups - shall measure CC's ability to provision Internet and phone service to new End Users after the entry of new orders by JEA into the CC system. For purposes of this calculation, CC must satisfy all of its provisioning obligations that are not dependent on JEA for completion. Any delays in provisioning service that are caused by JEA's failure to enter End User information correctly shall not be excluded from such calculation. CC is required to achieve the following service levels 95% of the time.

Service	Service levels (95% requirement)	Points
Internet	End of next Business Day after order is placed	3
Telephone (New Number)	End of 2 nd Business Day after order is placed	3
Telephone (LNP)	End of the 5 th business Day after order is placed	4

- D. Monthly Service Level Speed-to-Answer ("SLSA") - shall measure the response time of CC's Internet technical support staff and repair center staff to JEA customer calls. Response times shall be measured during Business Hours only. All percentages below are based on the number of calls answered by CC in less than thirty (30) seconds.

(1) Internet Tech Support Calls

SLSA Rate	Points
SLSA 95% or better	6
SLSA $\geq 90\%$ and $< 95\%$	5
SLSA $\geq 85\%$ and $< 90\%$	4
SLSA $\geq 80\%$ and $< 85\%$	3
SLSA $\geq 75\%$ and $< 80\%$	2
SLSA $\geq 70\%$ and $< 75\%$	1
SLSA $\leq 70\%$	0

(2) Repair Center Calls

SLSA Rate	Points
SLSA 95% or better	6
SLSA $\geq 90\%$ and $< 95\%$	5
SLSA $\geq 85\%$ and $< 90\%$	4
SLSA $\geq 80\%$ and $< 85\%$	3
SLSA $\geq 75\%$ and $< 80\%$	2
SLSA $\geq 70\%$ and $< 75\%$	1
SLSA $\leq 70\%$	0

- E. Monthly Abandonment Rate ("AR") - shall measure the number of calls that are not answered by CC's Internet technical support and repair center staff.

(1) Internet Tech Support Calls

AR Rate	Points
AR 4% or lower	6
AR $> 4\%$ and $\leq 5\%$	5
AR $> 5\%$ and $\leq 6\%$	4

AR >6% and ≤7%	3
AR >7% and ≤8%	2
AR >8% and ≤9%	1
AR >9%	0

(2) Repair Center Calls

AR Rate	Points
AR 4% or lower	6
AR >4% and ≤5%	5
AR >5% and ≤6%	4
AR >6% and ≤7%	3
AR >7% and ≤8%	2
AR >8% and ≤9%	1
AR >9%	0

- F. Response to Emails and Voicemails - shall measure the response time of CC's Internet technical and repair center support staff to End User voicemails and e-mails. Response time on Holidays and responses required by problems caused by JEA shall be excluded from such calculation. All percentages below are based on the number of voicemails and/or e-mails that are responded to within twenty-four (24) hours of receipt by CC's support staff. For purposes of this calculation the trouble tickets shall be cumulative between CC's Internet technical staff and repair center staff.

Percent Answered	Points
≥ 95%	10
≥ 90% and <95%	8
≥85% and <90%	6
≥80% and <85%	4
<80%	0

- G. Trouble Ticket Resolution - shall measure the response time of CC's Internet technical and repair center staff to trouble tickets. Responses on Holidays and responses required by problems caused by JEA or an End User shall be excluded from such calculation. All percentages below are based on the number of trouble tickets that are closed by CC within twenty-four (24) hours of receipt by CC's support staff. For purposes of this calculation reporting for all trouble tickets shall be cumulative between CC's Internet technical and repair center staff.

Percent Resolved	Points
≥ 95%	11
≥ 90% and <95%	10
≥ 85% and <90%	8
≥ 80% and <85%	6

≥ 75% and <80%	4	:
<75%	0	

- H. Monthly Reporting. By the 15th Day of each month, CC shall submit a detailed report to JEA describing its performance and assigning a point value for each performance metric described in Sections B through G above. Upon request, CC shall submit to JEA any supplemental documentation supporting its calculation of the point totals. JEA shall have thirty (30) Days from receipt of CC's report to contest any point totals awarded by CC by delivering written notice to CC. Upon receipt of any such notice, the Parties agree to work together in good faith to make any necessary modifications and corrections to the point total reflected in the report. If the Parties cannot agree on the final point total for the report within sixty (60) Days of the date JEA originally received report the matter shall be resolved pursuant to the dispute resolution procedure set forth in Article XII of the Agreement.
- I. Credits. In the event that CC achieves a score of less than 90 points on any report, JEA shall receive a credit for the services provided during that report month equal to 1% of the total fees due for the Services based on the schedule below. Notwithstanding the foregoing, the credit may not be applied to any fees due for long distance or other rated or usage based Services. Except for any point totals which are disputed between the Parties, in which case any credit shall be issued within thirty (30) Days of the resolution of the dispute, JEA shall receive a service credit within thirty-five (35) Days of the issuance of the CC report under which the credit arose.

Service Credit	Point Total
1%	89
2%	88
3%	87
4%	86
5%	85
6%	84
7%	83
8%	82
9%	81
10%	80
11%	79
12%	78
13%	77
14%	76
15%	75 or less

- J. Termination Remedy. In the event that CC fails to achieve a score of 75 or higher during any period of two (2) consecutive months, as its sole remedy for such breach, JEA may: (i) terminate the Agreement with thirty (30) Days prior written

notice to CC; or (ii) if applicable, with thirty (30) Days prior written notice to CC, shorten the length of the Initial Term by up to twenty-four (24) months. JEA shall have sixty (60) Days from the date of CC's breach of this provision to exercise either termination right. Notwithstanding anything to the contrary in the Agreement, if JEA fails to exercise its termination right within such sixty (60) Day period, JEA shall forfeit such right.

- K. Credits for Billing Errors. If there is a Material Error on a End User bill that is solely caused by CC and JEA is required to issue a ten dollar (\$10.00) customer credit as a result of the error pursuant to its billing policy, upon confirmation of the billing error CC shall issue a credit to JEA to be applied against fees due CC for local telephone service or Internet service equal to the ten dollar (\$10.00) credit. Notwithstanding the foregoing, CC shall have a grace period of thirty (30) Days equal to one full billing cycle for each affected customer any time that JEA changes its rates or service packages. The thirty (30) Day grace period shall begin when JEA notifies CC in writing of a billing error related to the rate change.

III. Excluded Events and Exclusive Remedy.

- A. Excluded Events. Any failure by CC to comply with the service standards and service level requirements set forth in Attachment I and Attachment II shall be excused or excluded from calculation of the service level requirements, as the case may be, if such failure is the result of any of the following excluded events.

- (1) Any negligent act or omission by JEA or JEA's contractors, employees or agents.
- (2) Any service interruption or failure caused by End Users.
- (3) The failure of all or any portion of the JEA Network.
- (4) The election by JEA, after request by CC for testing and repair, to release the Services over the JEA Network without such testing or repair.
- (5) JEA's failure to provide accurate End User information to CC.
- (6) CC's inability, due to the action or inaction of JEA or an End User, to obtain access or information required to remedy a defect in service.
- (7) Any scheduled network or system maintenance coordinated with JEA and performed by CC within the agreed upon maintenance time period.
- (8) Any scheduled service upgrades requested by JEA.
- (9) The malfunction of equipment or systems not controlled by CC.
- (10) Force Majeure Events.

- B. Exclusive Remedy. Other than as provided in this Attachment II, CC shall have no liability whatsoever to JEA or any third party for any failure by CC to provide the Services in accordance with the network and service levels and requirements set forth in Attachment I and Attachment II.

**ATTACHMENT III :
SALE OF CC CUSTOMER BASE**

- I. Background. CC currently offers telephone and Internet Service to residential and business customers located in the JEA Territory. As a part of the Agreement, JEA wishes to purchase and CC wishes to sell all right, title and interest to such customers pursuant to the terms contained in this Attachment III.
- II. Purchase and Sale of Assets. CC hereby agrees to sell to JEA and JEA hereby agrees to buy from CC all right, title and interest in the following CC assets (collectively the "Assets"):
- A. Internet Customer Accounts. All of CC's residential and business Internet customer accounts existing as of October 1, 2007 for customers located in the JEA Territory.
 - B. Telephone Customer Accounts. All of CC's residential and business telephone Customer accounts existing as of October 1, 2007 for customers located in the JEA Territory.
 - C. Complex Internet Accounts. All of CC's large business customer accounts with symmetrical Internet service greater than 3 Mb/s existing as of October 1, 2007 for customers located in the JEA Territory that utilize the JEA Network.
 - D. Complex Telephone Accounts. All of CC's large business customer accounts with T1 or PRI telephone service existing as of October 1, 2007 for customers located in the JEA Territory that utilize the JEA Network.
 - E. Internet/Telephone Accounts. For purposes of clarification both Internet Customer Accounts and Complex Internet Accounts are referred to herein as "Internet Accounts". All Telephone Customer Accounts and Complex Telephone Accounts are referred to herein as "Telephone Accounts".
 - F. Domain Name. The domain name "Jaxnet.net;"
 - G. CC's Receivables. All billed but uncollected revenue for all Internet Accounts and Telephone Accounts as of October 1, 2007.
 - H. Contracts. All customer contracts associated with CC's Internet Accounts and Telephone Accounts.
- III. Purchase Price. The purchase price for the Assets shall be paid by JEA to CC in accordance with the following terms.
- A. Computation of the Purchase Price for Telephone/Internet Accounts. On a Closing Date, CC shall provide JEA with a detailed customer list setting forth all Telephone Accounts and/or Internet Accounts (any such list is referred to herein as a

"Customer List"). JEA shall pay to CC a monthly recurring fee for each customer account listed on a Customer List as follows:

Account Type	Monthly Recurring Fee	Term of payments
Telephone Account	\$3.50 per account	36 months
Internet Account	\$2.50 per account	36 months
Complex Telephone and Internet Accounts	\$5,000 (for all Complex Telephone and Internet Accounts)	24 months

- B. Computation of the Purchase Price for CC's Receivables. On October 1, 2007, CC shall provide JEA with an "Aging Report" showing all CC's Receivables as of that date. JEA shall purchase the CC Receivables based on the following schedule.

Aging Category	Adjustment from billed Amount
1-30 Days	0%
31-60 Days	5%
61-90 Days	10%
91-120 Days	30%
121-180 Days	70%
Over 180 Days	100%

(Note: For purposes of clarification, on October 1, 2007, if a CC customer account is 91-120 Days past due, JEA shall pay CC a fee equal to 70% of the outstanding billed amount due for ownership of that receivable.)

- C. Payment of the Purchase Price for the Telephone/Internet Accounts. Commencing on the first month following a Closing, JEA shall pay CC those monthly recurring fees stated in Article III(A) of this Attachment III for those Internet Accounts and/or Telephone Accounts listed on the Customer List prepared for that Closing. JEA shall continue making such payments for thirty six (36) consecutive months. For purpose of clarity, per the terms of this Attachment III, the transfer of Internet Accounts and Telephone Accounts may not occur during the same Closing.
- D. Adjustments to the Purchase Price of the Telephone/Internet Accounts. Notwithstanding anything herein to the contrary, on the eighteenth (18th) month following the commencement of payment by JEA of the monthly recurring fees for the Telephone Accounts and Internet Accounts respectively, JEA shall have thirty (30) Days to submit to CC a revised Customer List for each Service that removes customers from the initial Customer List who no longer utilize JEA for telephone or Internet Services, as applicable. Upon receipt and verification of the removed accounts by CC, the updated Customer List will be used to calculate the monthly recurring fees for purposes Section B above. For purposes of updating the Customer List, End Users who cancelled Services and then returned to JEA as customers receiving the same or similar Services within ninety (90) Days of the initial cancellation and End Users who transferred their Services to another address

 *PSW*

"Customer List"). JEA shall pay to CC a monthly recurring fee for each customer account listed on a Customer List as follows:

Account Type	Monthly Recurring Fee	Term of payments
Telephone Account	\$3.50	36 months
Internet Account	\$2.50	36 months
Complex Telephone and Internet Accounts	\$5,000	24 months

- B. Computation of the Purchase Price for CC's Receivables. On October 1, 2007, CC shall provide JEA with an "Aging Report" showing all CC's Receivables as of that date. JEA shall purchase the CC Receivables based on the following schedule.

Aging Category	Adjustment from billed Amount
1-30 Days	0%
31-60 Days	5%
61-90 Days	10%
91-120 Days	30%
121-180 Days	70%
Over 180 Days	100%

(Note: For purposes of clarification, on October 1, 2007, if a CC customer account is 91-120 Days past due, JEA shall pay CC a fee equal to 70% of the outstanding billed amount due for ownership of that receivable.)

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- D. Adjustments to the Purchase Price of the Telephone/Internet Accounts. Notwithstanding anything herein to the contrary, on the eighteenth (18th) month following the commencement of payment by JEA of the monthly recurring fees for the Telephone Accounts and Internet Accounts respectively, JEA shall have thirty (30) Days to submit to CC a revised Customer List for each Service that removes customers from the initial Customer List who no longer utilize JEA for telephone or Internet Services, as applicable. Upon receipt and verification of the removed accounts by CC, the updated Customer List will be used to calculate the monthly recurring fees for purposes Section B above. For purposes of updating the Customer List, End Users who cancelled Services and then returned to JEA as customers receiving the same or similar Services within ninety (90) Days of the initial cancellation and End Users who transferred their Services to another address

shall not be removed from the Customer List. Notwithstanding anything herein to the contrary, CC shall have sixty (60) Days from receipt of the updated Customer List to dispute any account removed from the Customer List by JEA by delivering written notice to JEA. Upon receipt of such notice, the Parties will work together in good faith, including sharing customer information, regarding any disputed account. If the Parties cannot resolve the dispute within sixty (60) Days of the date JEA received CC's notice the matter may be resolved pursuant to the dispute resolution procedure set forth in Article XII of the Agreement. Any payment from JEA resulting from the settlement of the dispute shall be due and payable to CC within thirty (30) Days of the resolution of any such dispute.

- E. Payment of the Purchase Price for the CC Receivables. On October 1st, 2007, CC shall invoice JEA for the CC Receivables based upon on the schedule set forth in Article III (B) of this Attachment III. Such invoice shall be due and payable no later than thirty (30) Days from the date of the invoice. Any late payments shall be subject to those late fees set forth in Article V of the Agreement.
- F. Survival. Upon the transfer of Assets, JEA unconditionally and irrevocably guarantees payment of the purchase price for the Assets without setoff for any reason. Without limiting the foregoing, JEA's payment obligations under this Article III shall survive the termination of the Agreement for any reason.

IV. Closing. The Parties anticipate that multiple closings may be required to transfer the Assets from CC to JEA. For purposes of this Attachment III any closing date referenced in this Article IV shall be referred to as a "Closing Date" and any closing contemplated under the terms of this Article IV shall be referenced as a "Closing".

- A. Closing for Internet Accounts. The Closing for the transfer and assignment to JEA of the Internet Accounts, the CC Receivables, the "Jaxnet.net" domain name and any customer contracts associated with the Internet Accounts shall take place at 5:00 P.M. C.S.T. on October 1, 2007.
- B. Deliveries for the Internet Account Closing.
 - (1) CC shall deliver to JEA a Customer List for all Internet Accounts;
 - (2) CC shall deliver to JEA any other bills of sale, deeds, transfers and assignments required under this Attachment III to transfer to JEA the Internet Accounts, "Jaxnet.net" domain name and any customer contracts associated with the Internet Account.
 - (3) CC shall deliver an Aging Report to JEA with a list of the CC Receivables.
- C. Closing for Telephone Customer Accounts. The Closing for the transfer and assignment to JEA of the Telephone Accounts and any customer contracts associated with the Telephone Accounts shall take place at 5:00 P.M. on the next Business Day after confirmation by CC that all approvals and requirements

referenced in Article IV(D) below have been obtained and satisfied provided that in no event will the Closing for the Telephone Accounts take place before October 1, 2007.

D. Deliveries for the Telephone Account Closing.

- (1) CC shall deliver to JEA a Customer List for all Telephone Accounts;
- (2) JEA shall deliver to CC a copy of its certification from the TRA allowing JEA to offer residential and commercial phone service in the JEA Territory and any other documentation reasonably requested by CC evidencing JEA's authorization to provide residential and commercial phone service in the JEA Territory.
- (3) CC shall receive written confirmation from each regulatory authority having jurisdiction over the Telephone Accounts authorizing the sale and transfer of the Telephone Accounts to JEA.
- (4) CC shall confirm that all customer notification requirements required by Applicable Law have been fulfilled.

E. Remote Closing. Any closing under this Article IV shall be conducted between the Parties remotely through the exchange of documents via traditional mail and, as appropriate, e-mail.

F. Closing Dates. Any Closing Date listed in this Article IV may be adjusted to by the mutual written consent of the Parties.

V. Customer Consents. JEA represents and warrants that it has had an opportunity to review all CC customer contracts assigned to it under this Attachment III and that all such contracts are capable of being assigned to JEA without customer consent under Tennessee law and that JEA will not assert any claim for nonpayment of the purchase price for the Assets based upon the non assignability of the customer contracts.

VI. Billing Transfer. Notwithstanding anything herein to the contrary, for purposes of billing, each Telephone Account and/or Internet Account shall be transferred from CC's billing system to JEA's billing system at the beginning of each customer's next billing cycle following a Closing.

VII. Representations and Warranties of CC. CC represents and warrants the following:

- A. Title. CC has good title to the Assets and such Assets are free and clear of all liens and encumbrances.
- B. Litigation. To CC's knowledge, there are no actions, suits or proceedings pending or threatened against or affecting the Assets.

- C. Authority. CC has taken all necessary corporate actions to authorize the transfer of the Assets to JEA in accordance with the terms of this Attachment III.
- D. Binding Obligation. CC obligations hereunder constitute valid and binding obligations of CC and CC is not subject to any restrictions other than as specifically enumerated in this Attachment III (including any provision of the articles of incorporation and bylaws of CC) which would prevent CC from transferring the Assets to JEA.
- E. No Other Representations. JEA acknowledges that, except as expressly set forth in this Article VII, CC has not made, and JEA is not relying on any representations or warranties whatsoever, implied or otherwise regarding the Assets.

VIII. Representations and Warranties of JEA. JEA represents and warrants the following:

- A. Authority. JEA has the full power and authority to accept transfer of the Assets and fulfill its other obligations in accordance with the terms of this Attachment III.
- B. Binding Obligation. JEA's obligations hereunder constitute valid and binding obligations of JEA and JEA is not subject to any restrictions which would prevent JEA from accepting transfer of the Assets as contemplated hereunder.

IX. Assumption of Liabilities. JEA shall assume all liabilities and obligations with respect to the Assets and to the extent that CC is required to assign any contractual rights to JEA, JEA agrees to assume all of CC's obligations reflected in the contracts so assumed. JEA accepts the sale and transfer of the Assets and represents and warrants that it will fulfill the obligations and faithfully and punctually perform, satisfy and discharge all of the obligations, terms, conditions and covenants arising out of or in connection with the Assets transferred and sold hereunder, and JEA agrees to indemnify and hold CC harmless from and against any and all losses, claims, damages, expenses or fees, including reasonable attorney's fees, resulting from JEA's acts of omission or commission under or relating to the Assets purchased hereunder.

X. Expenses. In performing their respective obligations under this Attachment III each Party shall bear its own expenses.

XI. Cooperation. CC and JEA shall execute and/or provide such other documents as may reasonably be required by counsel for either Party to effectuate the purposes of the transfer of the Assets hereunder and to place JEA in actual possession and operating control of the Assets being purchased by JEA from CC hereunder at Closing.

ADDENDUM TO WHOLESALE SERVICES AGREEMENT

THIS ADDENDUM TO WHOLESALE SERVICE AGREEMENT ("Addendum") is made and entered into as of this 23rd day of August, 2007, by and between the Telecommunications Division of Jackson Energy Authority, ("JEA"), a public utility authority created by 2001 the Tennessee Private Acts, Chapter 55, and Cinergy Communications a Division of Norlight, Inc. ("CC").

Reference is made to that certain Wholesale Services Agreement dated August 23, 2007 by and between CC and JEA ("Agreement"). Capitalized terms that are not defined in this Addendum shall have the same meaning ascribed to them in the Agreement. In the case of a conflict between the terms of this Addendum and the terms of the Agreement, the terms of this Addendum shall prevail.

1. Purpose. Under the terms of the Agreement, CC is obligated to provide JEA with Telephone Services on a wholesale basis for resale to the JEA End Users. JEA, however, cannot sell such Telephone Services as the "provider of record" until it obtains all of the necessary approvals required by the FCC, the Authority and Applicable Law ("Regulatory Approvals"). Until such time as JEA receives the Regulatory Approvals, the Parties wish to enter into an interim arrangement where CC will provide the Telephone Services on a wholesale basis to the JEA and its End Users while still remaining the provider of record.
2. Term. The term of this Addendum shall be from the date first written above until such time as JEA obtains the Regulatory Approvals or the Agreement is terminated or expires.
3. Support Services. Other than as set forth in the Agreement, CC shall have no obligation to provide or pay JEA to provide any of the following services to an End User requesting or receiving Telephone Service: billing support, customer support, or sales and marketing support.
4. Ownership of the End Users. If this Agreement expires or is terminated for any reason prior to the time JEA obtains the Regulatory Approvals, all End Users receiving Telephone Service, as of the date of such expiration or termination, shall be deemed customers of CC for purposes of Telephone Service only.
5. Additional Fees for Telephone Services. During the term of this Addendum, for each End User receiving Telephone Service, JEA shall pay CC a monthly recurring fee equal to the wholesale rates in Attachment "I" for the applicable Telephone Service along with an allocation reasonably determined by CC for the taxes and fees associated with the Telephone Service, including, but not limited to, the Subscriber Line Access Charge.

6. Taxes and Fees. CC shall be solely responsible for remitting all Taxes and regulatory fees to the appropriate governmental body as required by Applicable Law.
7. Retail Pricing. In accordance with Applicable Law, JEA may request changes to the retail pricing for the Telephone Services. CC shall use commercially reasonable efforts to tariff any such requested rates and fees for the Telephone Services as determined by JEA. CC will use commercially reasonable efforts to make modifications or special pricing promotions to its tariff to accommodate such JEA requested changes without charge once every six (6) months. For any additional pricing modifications or special promotions requested by JEA that require CC to perform tariff filings, JEA shall pay CC an hourly rate of \$150.00 an hour. CC reserves the right to reject any JEA requested rate fee or special pricing promotion to the Telephone Services that requires a tariff filing if CC believes, in its reasonable judgment, that such request will have an adverse impact on CC's tariffed pricing in other regions of Tennessee or is otherwise in violation of any Applicable Law. CC shall use commercially reasonable efforts to secure Authority approval for any JEA requested tariff filing. CC, however, shall have no liability to JEA, whatsoever, if the Authority rejects a JEA requested tariff filing.
8. Legal and Regulatory Requirements. Other than as provided in the Agreement, JEA shall provide all sales and marketing support, installation and provisioning support, "Tier 1" customer support and billing services required to provision Telephone Service to the End Users. All such services shall be supplied by JEA in accordance with Applicable Law. Without limiting the foregoing, JEA shall specifically comply with the following requirements:
 - (a) Truth in Billing. JEA will incorporate and make any modifications requested by CC to its JEA's End User bills to keep such bills in compliance with the Authority and FCC's "truth in billing" requirements;
 - (b) Advertising. All advertising for the Telephone Services will be primarily marketed under the JEA brand and CC shall be included in such advertising materials only to the extent required by Applicable Law. JEA will allow CC a minimum of three (2) Business Days to review all advertising and marketing materials involving the Telephone Services. JEA will incorporate any CC proposed changes to such advertising materials to the extent required to keep them in compliance with Applicable Law and CC's internal marketing guidelines;
 - (c) End User Terms and Conditions. JEA will utilize all CC approved service order forms and End User Terms and Conditions to sell the Telephone Services to End Users and shall secure all necessary LOA's from such End Users.
9. Miscellaneous. Except as expressly set forth herein, the terms and conditions of the Agreement shall continue in full force and effect. This Addendum may be

executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Addendum the day and year written above.

Jackson Energy Authority


Signature *tjc*

Dana R. Wheeler
Name

President & CEO
Title

August 23, 2007
Date

**Cinergy Communications, a Division of
Norlight, Inc.**


Signature

John P. Cinelli
Name

as President
Title

8/24/07
Date

Approved as to form
Legal

By JMC Date 08/24/07

Exhibit Q-11
to
Responses of Jackson Energy Authority to
Discovery Requests of
Aeneas Communications, LLC

Telecom Strategic Planning
BUSINESS MODEL & REVENUE ENHANCEMENT
Session II

August 31, 2006
8:30 AM-12:00 PM

Participants Teresa Cobb, Michael Johnston, Kim Kersey, Ben Lovins, Tommy Nanne, Steve Raper, Kyle Spurgeon, Sam Turner, Jim Watson, Danny Wheeler, John Williams, Vicky Wright

Time	Item
8:30-9:45	Business Model Presentation of Findings and Discussion—Group 1
9:45-10:00	Break
10:00-11:45	Revenue Enhancement Discussion—Group 2 • Competition • Positioning • Marketing • New Applications • How can JEA showcase applications?
11:45-12:00	Wrap-Up

Summary Notes
Telecom Planning – Session II
Revenue Enhancement
September 6, 2006

Session III – Revenue Enhancement Presentation of Findings
Group 2 (Kyle, Steve, Michael, Kim)

Observation Statement

There is no long term plan for revenue enhancement or marketing. To date our focus been short term and generally focused on price points and packaging. Retention and up-sell campaigns need to be developed (thank you campaigns). We need to say thank you to our customers more often than we have and we need to continue to promote and provide customer satisfaction with all of our services. We must be clear on what service levels are to be expected with our telecom system so they do not conflict with customer expectations in other systems. We must realize what opportunities we have within JEA across all systems to utilize our Broadband capabilities.

Where are we today?

As of today we simply have not sold how unique our network is or the capabilities of our fiber network. Early efforts to connect subscribers in the residential sector have been successful and at times seemed to be more than we could handle, however we know there is room to continue to grow. The commercial sector has proved to be more of a challenge. Today there are special commercial applications offered by third party providers on our broadband system that are low revenue drivers for JEA. They include offsite back, tele-radiology, hosting services, and remote computing.

What do we want to accomplish?

Based on session II and a clear understanding of what business model is there are two keys to what we must do:

1. Improve target penetration levels across all service segments---cable, telephone, and Internet.
2. Develop targeted marketing campaigns to increase customer retention and drive more double and triple play customers.

Bandwidth is what we have the most to provide and we need to create the want and desire to get it. Telecom must be treated the same as all other services by maintaining, promoting and providing great customer service just like its done with all other services. This document specifically targets the marketing of residential broadband services.

How do we get there?

It is essential that we develop a marketing plan that provides an annual direction to our sales, marketing, and public relations efforts. We must create both a real and a perceived "gap" between the capabilities of our competitors (see attached sheet) and the capabilities of our network.

This plan must be pro-active but also be nimble enough to change should the market environment quickly change. We must focus on the superiority of our services, not the price points.

1. Develop a comprehensive marketing plan that positions E+Broadband as the preferred supplier of bandwidth to all market segments. Plan must be conceived as an annual effort with quarterly updates and reviews.
 - a. Conduct focus group research with specific demographic segments of existing customers. Determine what they view as the strengths and weaknesses of each broadband service.
 - b. Utilize research to develop marketing plan that identifies non-customers and targets existing customers for up-sell opportunities.
 - i. New program developed by Tommy Bowman will augment focus group research findings and allow us to narrowly target potential and existing customers.
 - ii. Expand Customer Service Survey process to include more "real-time" customer response.
 1. Outbound calls by CSR's
 2. Regular surveys utilizing Internet
 - iii. Market programs, services, and features that create a unique selling proposition for E+. Sell what makes us different from the existing competition and potential new competition.
 1. Customer Service
 - a. Local
 - b. Real people
 - c. Friendly
 - d. Part of community
 2. Bandwidth
 - a. Showcase "future proof" network
 - b. Promote "did you know you could" type activities on broadband
 3. Speed and Applications
 - a. Highlight MP3 download speeds
 - b. Showcase digital photo upload speeds
 - c. Showcase gaming functionality
 - d. Focus on the advantages of upload speeds available on E+Broadband

- e. Showcase examples of telephone applications available on E+Broadband that create a difference between us and our competitors
- 4. E+TV6
 - a. Develop more unique programming that is community focused
 - b. Develop a broadband "tutorial" show
 - c. Explore TV Bingo concept
 - d. Make decision to move forward or not with Steve Bowers morning show broadcast live on TV6.
- c. Develop tagline for E+Broadband. This tagline should focus on a combination of speed, bandwidth, and customer service.
- 2. To reach target penetration levels (see attached sheet) it is essential that E+Broadband control all aspects of the customer service experience.
- 3. Develop a comprehensive customer retention program.
 - a. CSR's make outbound calls and write thank you notes to existing customers.
 - b. Develop a series of "thank you" commercials that will be broadcast across our cable insert system.
 - c. Many customers are not aware that double and triple play packages offer a savings when compared to our competition or subscribing to one service.
- 4. Encourage "up-sells" to existing customer base
 - a. Schedule "free previews" of digital channels by placing them on an analog channel so that all cable subscribers can view them.
 - b. Develop a specific marketing effort around the idea of "\$10.00 more gets you all this". Target those customers that have digital service but not digital programming.
 - c. Encourage more PPV usage by good credit customers.
 - i. Raise usage cap
 - ii. Target market specific events to this customer base
- 5. Develop internal PR effort to "educate" more JEA employees on the broadband system and our capabilities.
 - a. Tours of head-end
 - b. More involvement in day-to-day operations (process)
 - c. Continue to celebrate successes, but make sure to include all JEA employees
- 6. Develop an external PR program that highlights our successes and focuses on the capabilities of the network
 - a. Customer testimonials highlighting customer usage
 - i. Digital uploads
 - ii. File transfers

- iii. Gaming
- b. Regular press updates of customer penetration progress
- c. Press briefings on new broadband applications that drive bandwidth usage
- d. Showcase our relationship with the Jackson-Madison County School System.
 - i. Press releases highlighting school system connectivity advantages
 - ii. Set up meeting with Dr. Zambito to discuss how to strengthen relationship between JEA and the school system---E+ specifically
 - iii. Set up tours of control center for school system administration, faculty, and students.
 - iv. Develop programs that encourage students to utilize E+Broadband services.
 - 1. School promotions on TV6.
 - 2. Video classroom on TV6 and/or web-site set up for high-bandwidth users.
 - 3. Develop system to allow teachers to upload lectures utilizing high bandwidth only available on E+Broadband
 - 4. Research alternatives to Cable in the Classroom. which is delivered by Charter
- 7. Develop relationships with third-party providers designed to drive customer usage of applications that require high bandwidth.
 - a. Security Systems
 - b. Video-Conferencing
 - c. Remote computing
 - d. Tele-radiology

Timetable

We propose that during the first week of October, 2006 the Business Development Department conduct a marketing planning session designed to frame a Telecom marketing plan for 2007. The decisions made during the Telecom Planning Session will serve as the backbone for all efforts and plans made for the marketing effort.

The plan will be completed by early November 2006 and then will be offered to Telecom Planning Session group for final approval. The marketing plan will be organized into quarterly segments and will be reviewed each quarter.

Who is responsible and / or resources needed?

A marketing strategy team will be developed and will include, at a minimum, the following:

- ❖ Ted Austin
- ❖ Steve Bowers
- ❖ Kerrie Brooks
- ❖ Ty Cowles
- ❖ Bruce Dorris
- ❖ Cassandra Fuller
- ❖ Steve Raper
- ❖ Mary Reed
- ❖ Kyle Spurgeon
- ❖ Sam Turner

Sam Turner and Ty Cowles will develop the market research which will be utilized to formulate the marketing plan.

Mary will be utilized as an outside resource to help frame the PR relations component of the plan. She can also be helpful with positioning the overall plan. The group may also seek input from others within JEA to help further refine the marketing plan. Each person on this team will receive a non-business sensitive summary of our Telecom plan.

This group must act within the framework of an approved marketing budget. If this scenario is approved by the this Strategic Planning Committee we will move immediately to ask those involved in the marketing plan to begin clearing their calendar to allow for this process to be completed as soon as possible.

		FY 2007							FY 2008			
		Customers at the End of							Customers at the End of			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Residential												
Cable	13,026	13,726	14,176	14,776	15,526	15,876	16,076	16,376				
Internet	7,815	8,236	8,506	8,866	9,445	9,856	10,181	10,576				
Phone	7,164	7,550	7,797	8,127	8,669	9,062	9,378	9,758				

Telecom Strategic Planning
REVENUE ENHANCEMENT & ORGANIZATION/PROCESSES

Session III

September 6, 2006

8:30 AM-12:00 PM

Participants

Teresa Cobb, Michael Johnston, Kim Kersey, Ben Lovins, Tommy Nanney, Steve Raper, Kyle Spurgeon, Sam Turner, Jim Watson, Danny Wheeler, John Williams, Vicky Wright

Time	Item
8:30-9:45	Revenue Enhancement Presentation of Findings---Group 2
9:45-10:00	Break
10:00-11:45	Organization/Processes Discussion---Group 3 • Organization and Work • How should Telecom be organizationally structured? • How do we improve processes? • Identify and remedy internal bottlenecks.
11:45-12:00	Wrap-Up

Summary Notes
Telecom Planning Session III
Organization & Processes

Session IV – Organization / Processes Presentation of Findings
Group 3 (Sam, Kim, Jim, Ben)

Observation Statement

In 1993, Jackson Energy Authority (JEA at that time) made a decision to develop a matrix type organizational structure. JEA segmented the organization into functional areas. Senior Management retained responsibility for rates, budgets, regulatory and legal issues along with lead representation to the various professional organizations for the different product lines. They were also responsible for system expansion decisions as well as the integrity and safe operation of each service type. The processes for these product lines were relatively stable and mature. From the onset, Telecom was envisioned to operate with a similar organizational structure, but cost allocations have caused the system to operate in a silo type environment. This has created isolation from the other functional areas and made economies of scale difficult to achieve.

Where are we today?

The organizational structure created in 1993 is in use today by all product lines except Telecom. The allocation of expenses has made it difficult for Telecom to mirror the structure of the rest of the JEA organizations.

Telecom has experienced several restructuring efforts in an attempt to eliminate unnecessary cost and streamline the organization. Although financial benefits were achieved, the restructuring effort also brought an undesired effect, isolation. Two of JEA's largest work groups, Distribution & Operations do not have significant roles in Telecom. Only 31% of JEA's employees are used in day-to-day operations. This absence of responsibilities has diminished buy-in. Of all the functional areas, Customer Service appears to have experienced the greatest level of change in day-to-day operations.

Work processes, designed to meet the demands of adding large numbers of customers during build-out, remain relatively unchanged. Although the Emergency Response Manual does address restoration of the Telecom system, the processes appear to lack detailed structure that would ensure successful restoration efforts.

What do we want to accomplish?

The group sees four primary goals that need to be accomplished.

1. Modify the organizational structure of Telecom to reflect other JEA systems without creating unnecessary roll-up costs.
2. Establish detailed processes to assure effective emergency response efforts.
3. Streamline customer facing processes by 50%.
4. Streamline Customer Service processes to decrease time and increase accuracy.

Accountability through involvement and responsibility is a key as we move forward. A close look at any successful organization reveals a working structure designed from the top-down with responsibility, accountability and measurability in place at all levels. It is critical for all areas of JEA to have a stake in the success of Telecom.

Changes in the business model may result in the need for additional labor resources. Should this occur, there are several alternatives that exist. Current models being considered indicate a need for a small group of specialized technicians to provide Tier Two support. There may be economies of scale that could be achieved by creating a SBU to provide provisioning and tier two support for utilities with similar infrastructures.

How do we get there?

If the premise of "everyone has a stake" in Telecom is agreed upon, we should look at the components of the Telecom system and determine a way to involve all departments with a minimal and reasonable roll-up of expenses. At the same time, we should explore further expense reductions within shared cost areas to offset any "roll-up" increases incurred.

1. Modify the organizational structure of Telecom to reflect other JEA systems without creating unnecessary roll-up costs.
 - a. Establish Telecom Services workgroup (Ben Lovins) reporting to Jim Watson (COO).
 - b. Change Daryl Pope's duties to address special installations, maintenance and training.
 - c. Move technicians to field services reporting to Chuck Underwood.
 - d. Explore opportunities for Electric Distribution to perform telecom installations on a cost-per-unit basis.

These changes will effectively align Telecom into the JEA matrix organization, allow senior leadership to focus on long-range issues, build relationships throughout the organization and maximize employee utilization with minimal cost.

With responsibility and accountability clearly defined, measurability needs to be addressed. The timely communication of key performance indicators (KPI's) is essential to the success of these organizational changes. Reports will be designed to consistently report data to all levels of the organization.

2. Establish detailed processes to assure effective emergency response efforts.
 - a. Emergency Response Manual updated
 - b. Establish joint agreements with other utilities such as Memphis, Morristown, Bristol, Glasgow, and Paducah that have experience with FTTH.
 - c. Train strategic work groups to splice fiber in the event of an emergency.

JEA's ability to respond in emergency situations has created an opportunity in the market. JEA's fiber system has yet to be tested under these conditions. Our performance will have a greater impact on future sales than any marketing effort we could design.

3. Streamline customer facing processes by 50%.
 - a. Re-design processes to decrease connect times.
 - i. Decrease optical troubleshooting window without negatively impacting customer.
 - ii. Work with contractor to ensure schedule compliance.
 - iii. Offer to call customer if available prior to the scheduled install date.
 - b. Leverage relationship with Heath as well as distribution crews experience to evaluate opportunities to decrease time required for underground installs.
 - c. Review all processes to assure that they are efficient.

JEA has a strategic advantage as the first point of sale for cable, Internet and telephone services. Premises with an existing gateway provide an opportunity for JEA to provide same day service for cable and next business day service for Internet and telephone. Currently we require 6 business days for overhead installations and 11 business days for underground installations. This may pose an obstacle for acquiring sales where the competitor's infrastructure is already available at the premise. Decreasing these timelines effectively eliminate potential barriers to sales.

4. Streamline Customer Service processes to decrease time and increase accuracy.
 - a. Investigate how IVR could effectively be used to improve customer service efforts without negatively affecting the customer experience.
 - i. Focus groups to evaluate customer acceptance
 - ii. Quantify call types to determine opportunities.
 - iii. Develop models that would define call flow and ensure effective call management
 - b. Explore ways to eliminate duplicate data entry.
 - c. Evaluate Screen Pop and other interfaces that would allow us to work smarter.
 - d. Review all processes to make sure that they are efficient and effectively communicated
 - e. Review CSR recruitment practices and training methods
 - i. Identify potential employees for recruitment.
 - ii. Update CSR Training Manual to address Telecom
 - iii. Develop modular training methods

JEA's reputation for service has been a key factor to our current market penetrations. The 2006 Residential Customer Service Survey indicates that customers are still relatively satisfied with JEA; however, there are opportunities for improvement. The goal of technology should be to assist us in meeting or exceeding the customer's needs, not to isolate us from the customer.

Timetable

Organizational Change: We propose that organizational changes be initiated within 30 days. Key performance indicators should be identified and reports available for review by January 1st, 2007.

Emergency Response Planning: Proper preparation in this area is essential to JEA's overall success. With this in mind, we propose that discussions begin immediately with the date for completion to be set no later than November 1st.

Streamline Customer Facing Processes: New processes will be established and in place to decrease timelines on installs by November 1st. Decreased customer volumes anticipated during the holiday season along with seasonal weather conditions may make it difficult to measure the effectiveness of these changes until spring of 07.

Streamline Customer Service Processes: We need to be confident that the changes proposed align with customer expectations. Evaluation of all areas can be accomplished by January 1st. Implementation/integration of interfaces will have established timelines based on the degree of complexity, cost and resources.

Who is responsible and/or resources needed.

Organizational Change: John, Danny, Kim, Jim will be responsible for changes in organizational structure. Resources such as org charts, financials, budgets and allocations are already established. Kim, Ben, Tommy, Andrew, Ty and Sam will work to establish key performance indicators and an effective means of communicating data throughout the organization.

Emergency Response Planning: Randy, Jim F., Daryll, Don and Ben will be responsible for emergency response planning. Kim, Tommy and Teresa will work with joint agreements. No further resources will be required.

Streamline Customer Facing Processes: Ben, Andrew, Ty and K.I.S. will be responsible for evaluating customer facing processes. A multi-functional team composed of distribution personnel, underground installers and Heath will assist in searching for solutions.

Streamline Customer Service Processes: Kyle, Tommy, Sam and Ted will be responsible for items a-d. Kyle, Sam and Ted will be responsible for item e. Additional IT staff may be needed to evaluate interfaces. Additional clerical staff will be required to complete these tasks within the prescribed timelines.

Customer moving to an address where a gateway is present can have cable connectivity can be ported the next day and phones with new numbers can be ported the next day as well. Porting an existing number takes 5-7 days.

9/7

Phone w/ Head @

9/12 - 9/14
Number Port to New Address



Wednesday, September 06, 2006

Wednesday, September 06

9/7

9/7-9/14
4 Day Optical Troubleshooting Window

9/8 - 9/14
4 Day Optical Troubleshooting Window

9/7

Customer Connects

Customer requesting service in an overhead service area where no gateway is present

9/15



Thursday, September 07, 2006

Thursday, September 07

9/13

(UG) Duct Installation / Drop Pulled

9/13 - 9/13

(UG) 3 Day Locate

9/14

(UG) Gateway 2 Opticlip Installed

9/15 - 9/15

4 Day Optical Troubleshooting Window

Customer requesting service in an UG service area where no gateway is present

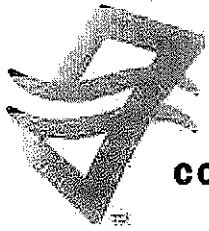
9/15

Customer Connects



Friday, September 08, 2006

Friday, September 08



Charter
COMMUNICATIONS®

*****AUTO***5-DIGIT 38301

Joe Crowder 8353500230003340
80 Pleasant Hill Church Rd
Jackson TN 38301-8604



September 1st, 2006

Dear Joe Crowder:

As an industry leader in technology and entertainment, Charter continually reviews and invests in our network and services in order to provide you, our loyal customer, with the very best in choices and value that the industry has to offer.

Many of the costs of doing business, particularly gasoline for our trucks, real estate taxes on our buildings, and insurance for vehicles has risen to unprecedented levels. Charter is not alone; all cable and satellite providers are experiencing the same increases. Programming fees alone escalated 22% last year. Therefore the price of the services to which you subscribe will change from \$62.99 to \$67.99 per month. This increase will be reflected in your October billing.

You are an important customer to us, and we know you want to receive the best value for your entertainment dollar. This might be the perfect time to review the different package options available. In many markets you can add Charter Telephone and bundle your services for one terrific low price. Or, if you like, you can take this opportunity to change your current service choices. We have packages to suit every budget.

If you have any questions about your present service or any of Charter's Value Packages, just give us a call at 1-866-517-6189 and one of our Customer Service Specialists will be more than happy to help.

As always, we value your business and will continue to strive to bring you the very best in channels, choices, and value.

Sincerely
Charter Communications

Laughlin, Michael E.	Programmer Analyst
Leah, Timothy	Telecommunications
McIntosh, Robert E.	Systems Analyst M.I.S.
Systems Analyst	Systems Analyst/Programmer
McGraw, Charles Steven	TV & Media Manager
Williams, Michael	M. P. of Internal Control

There are 19 employees with more than 25% of their salary being allocated to telecom, excluding senior level positions. They are listed below:

Lee, Clinton	Headend Specialist
Young, Freddy	Marketing Coordinator
Kozlowitz, Andrew	Network Specialist / Telecom
Pope, Darrell T	Project Manager - Telecom
Dickey, Ryan	Provisioning Clerk
Alexander, James Wes	Serviceman I
Lester, Jeremmy W.	Serviceman I
Lute, Jeffery A	Serviceman I
Mays, Hunter L	Serviceman I
Griggs, Kenneth	Serviceman II
Taylor, Gregory Scott	Serviceman II
Lovins, Benjamin	Telecom Sr Operations Mgr
Chumney, James	Telecom Storekeeper
Davis, Sedrick	Telecom Technician
Schieler Jr, John H	Telecom Technician
Styers, Anita S	Traffic Coordinator
Exum, Thomas	Video Production Technician
Varughese, Thomas	Video Production Technician
Kozlowitz, Ashley	Work Order Coordinator

ASISTP 1A

**Telecom Strategic Planning
ORGANIZATION/PROCESSES & GROWTH & EXPANSION**

Session IV

September 8, 2006

8:30 AM-12:00 PM

Participants Teresa Cobb, Michael Johnston, Kim Kersey, Ben Lovins, Tommy Nanne, Steve Raper, Kyle Spurgeon, Sam Turner, Jim Watson, Danny Wheeler, John Williams, Vicky Wright

Time	Item
8:30-9:45	Organization/Processes Presentation of Findings---Group 3
9:45-10:00	Break
10:00-11:45	Growth & Expansion Discussion---Group 4 • Timetable • Business Structure • Potential Partners • Legal Barriers
11:45-12:00	Wrap-Up

Growth & Expansion

Observation Statement

The expansion of the Broadband System into areas of the county presently not served by the Electric Division has been hampered by the reluctance of the electric cooperative to grant permission for the location of telecommunications cables in the power space of their poles. Make-ready issues have made the location of the telecommunications cables in the traditional communication space cost prohibitive.

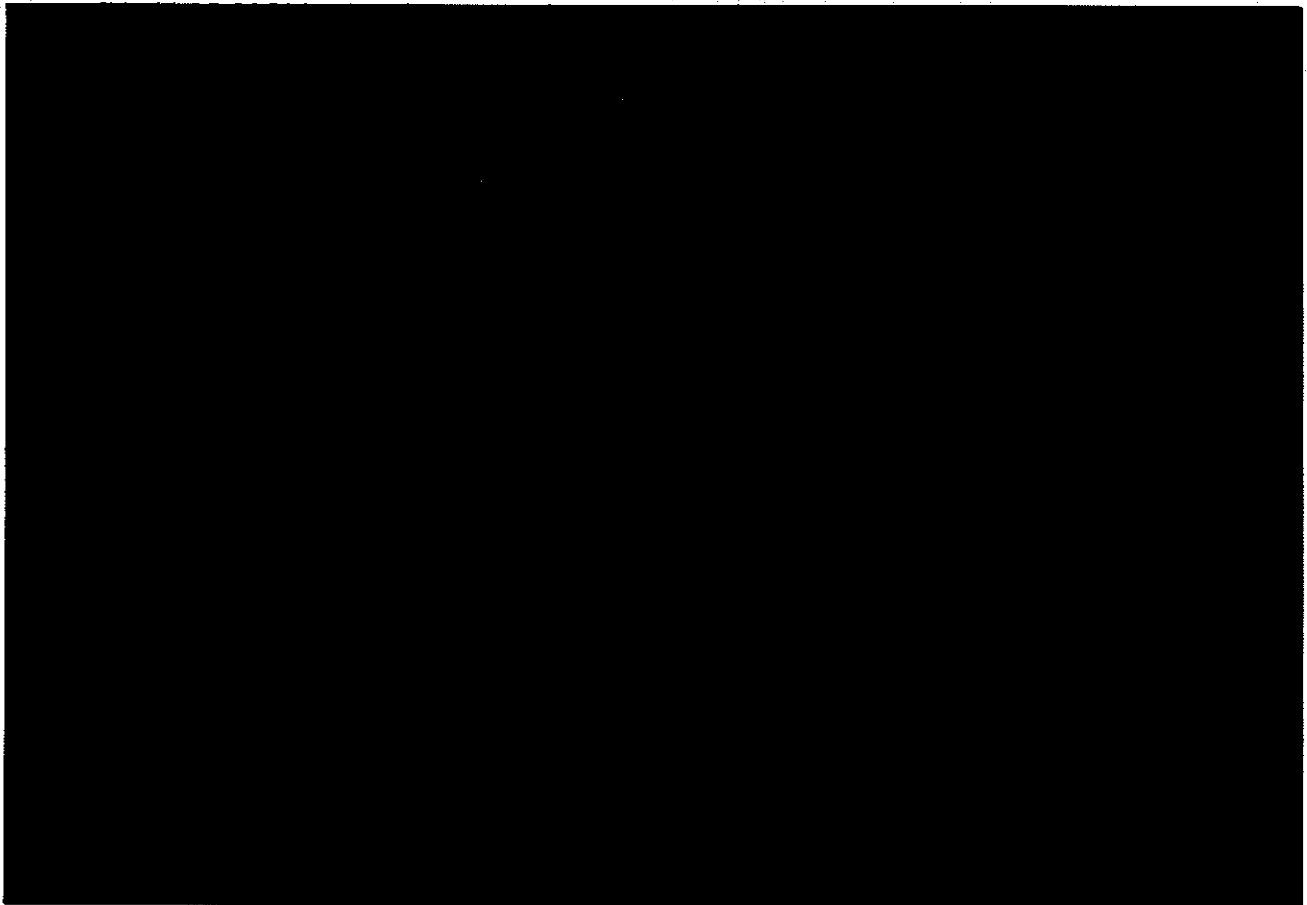
Where are we today?

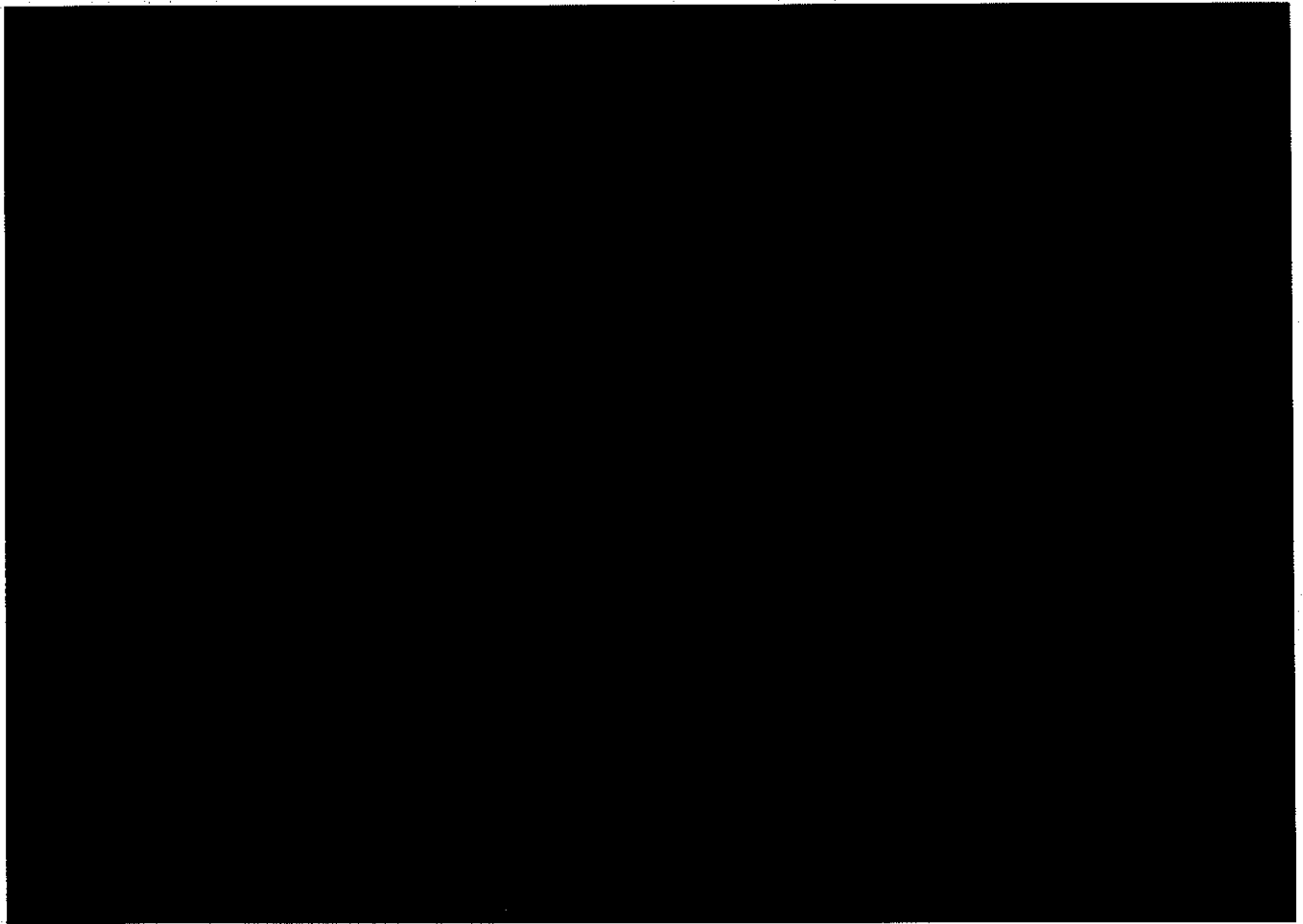
The Broadband System has been able to expand into subdivisions in the county that are contiguous to the Electric Systems' facilities where those subdivisions are currently fed through underground electric facilities, negating the issue of pole attachments with the electric cooperative.

What do we want to accomplish?

In order to expand more into the populated areas of the county, a workable agreement with the electric cooperative is needed. This agreement would need to be economically beneficial to both parties, creating an incentive for the electric cooperative to enter into this agreement. Ideally, this type of agreement would not be limited to the adjacent electric cooperative, but could be used with other electric cooperatives in surrounding areas.

How do we get there?





Telecom Strategic Planning

GROWTH & EXPANSION

Session V

November 30, 2006

10:00 AM-noon

Participants Teresa Cobb, Michael Johnston, Kim Kersey, Ben Lovins, Tommy Nanne, Steve Raper, Kyle Spurgeon, Sam Turner, Jim Watson, Danny Wheeler, John Williams, Vicky Wright

Time	Item
10:00 am - noon	Growth & Expansion Discussion---Group 4 • Timetable • Business Structure • Potential Partners • Legal Barriers

Telecom Strategic Planning Recommendations
October 27, 2006

Business Model Changes

The Telecommunications Division of Jackson Energy Authority proposes to modify its operating business model to become a full retail provider of all telecommunications services – cable television, high speed Internet, and telephone. JEA's hybrid business model has proven to be ineffective for achieving our Telecommunication Division's goals for the following reasons:

- Basic business philosophies of public and private organizations are not aligned.
- The transport fees charged to both providers do not generate sufficient revenues necessary to meet debt service requirements and offset operating expenses.
- Our two Interconnection Agreements with Aeneas Communications and Cinergy Communications are cumbersome and costly to administer.
- Managing our two providers has been difficult due to competitive in-fighting and differences in their business relationships with JEA.
- The strength of JEA's brand has been diminished under the hybrid model and marketing multiple brands has resulted in market confusion.
- Poor customer service by our providers has adversely affected JEA's customer relationships.
- Technical issues with our two providers are difficult to correct as JEA is not directly involved with the resolution of these problems.
- Sales goals of the two providers are not in alignment with JEA's plans for customer growth.

We have reviewed various options as to how JEA may move to a full retail services model and believe that our creating and retailing cable and Internet services and branding and retailing telephone service through a wholesale dial-tone provider (Cinergy most likely) will be the most effective for achieving our financial goals. As we determined whether we should move to this full retail model, we considered these factors in reaching our decision:

Advantages

1. Leverage our JEA brand name more effectively
2. Simplify marketing message to customers
3. Streamline product development and deployment
4. Maintain direct customer relationship for sales, billing, and support
5. Increase sales through stronger employee buy-in
6. Maximize gross margin per customer
 - a. Current Internet margin is 50% of collected revenue, JEA would receive all revenue net of operating expenses.
 - b. Current Telephone margin is 40% of collected revenue, JEA would receive all revenue net of wholesale switch costs, and operating expenses.

- c. JEA receives 5% of collected revenue from Cinergy for residential billing and collections expense. This would cease and JEA would pay Cinergy for billing costs for telephone billing and wholesale long distance.
- d. JEA receives 1.5% of collected revenue from Cinergy for commercial billing and collection expense. This would cease and JEA would pay Cinergy for billing costs for telephone billing and wholesale long distance.

Disadvantages

- 1. Increased O&M costs for staff and facilities
 - a. Additional Customer Service Reps for billing support and 24/7 Help Desk
 - a. Hire and manage Commercial sales team
 - b. Internet backhaul costs to Memphis or Nashville
 - c. Potential legal expenses for TRA certificate
- 2. JEA to bear full marketing costs
 - a. Currently co-op media 50/50 with Cinergy, JEA would bear all expenses.
 - b. Cinergy pays sales commission of \$20 per residential internet or telephone line sold, higher for commercial. JEA would bear all expenses.
- 3. Moderate CAPEX requirements
 - a. ISP server and associated equipment

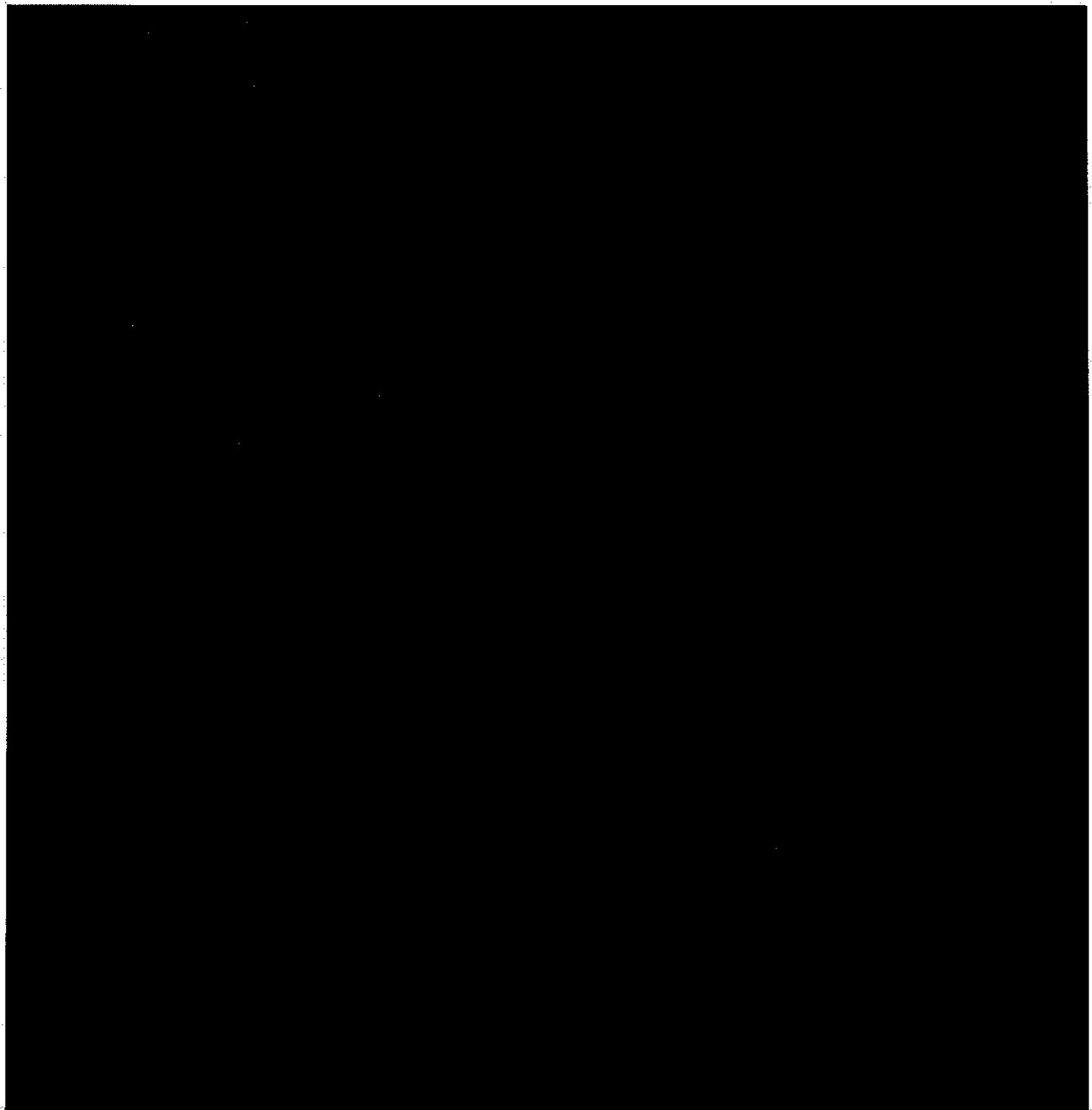
Obstacles/Requirements

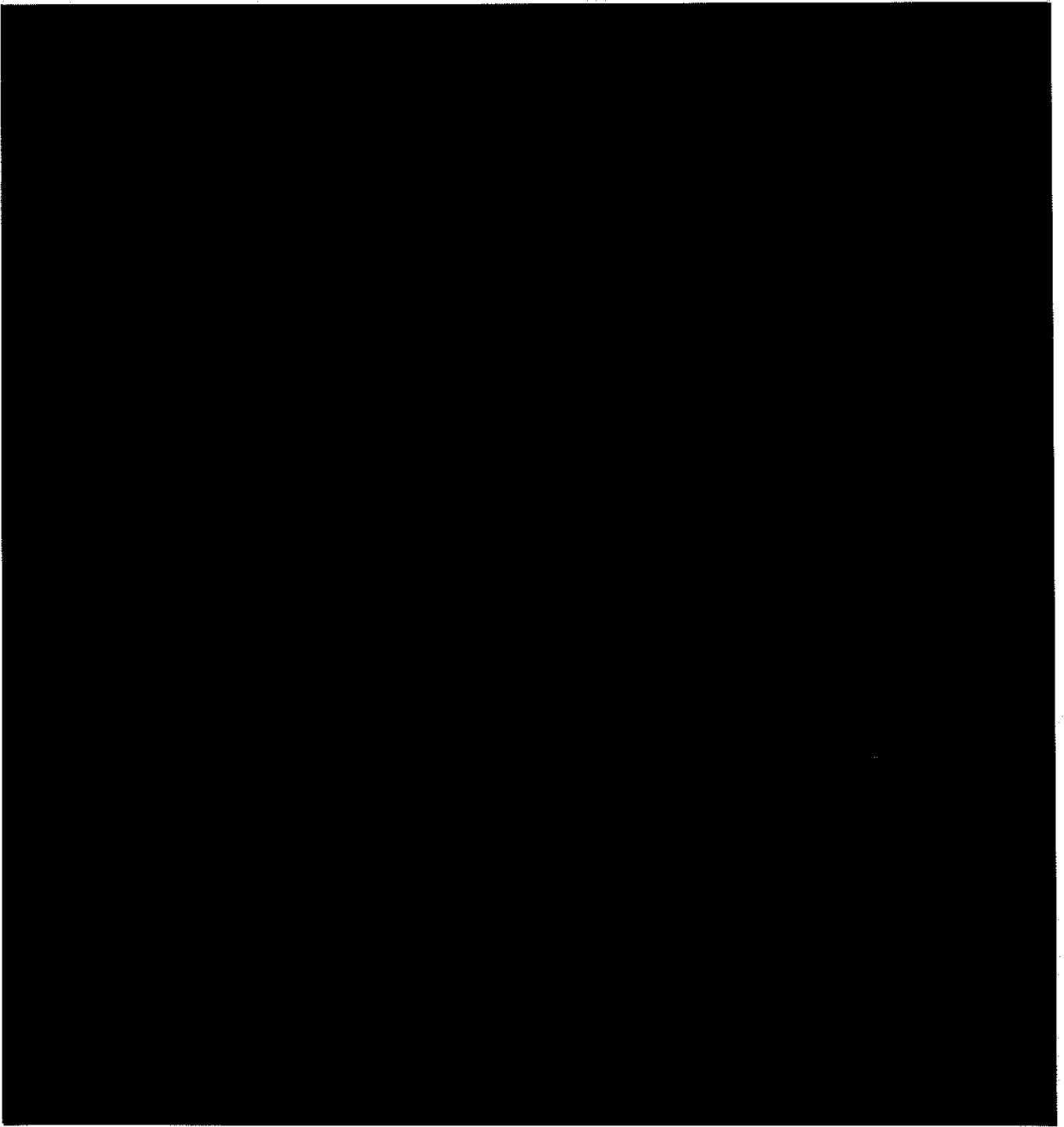
- 1. Legal challenges anticipated by Charter, BellSouth, Aeneas, and potentially Cinergy
- 2. Retail TRA certificate will be required (this is not yet determined)
- 3. Establish customer confidence with JEA as telephone and Internet provider
- 4. Establish BellSouth interconnect agreement (may be able to work through Cinergy's agreement)
- 5. Establish rate tariff and file with TRA (if required)
- 6. Identify and acquire Internet servers and associated equipment and infrastructure
- 7. Develop ISP domain name and associated ancillary services (email, security, etc.)
- 8. Develop IP scheme for JEA as service provider

Under this full retail business model, JEA will develop the technical infrastructure and support staff necessary to provide Internet service, just as it does for its cable television service. This will involve a moderate level of capital investment for servers and other related equipment. JEA will hire additional personnel to maintain this equipment and to provide help desk support for customers. Some aspects of JEA's Internet operations, such as after-hours tech support and email hosting services may be contracted. JEA will also be responsible for obtaining back-haul transport of Internet traffic from Jackson to an Internet point-of-presence in Memphis, Nashville or other appropriate location.

Providing retail telephone service through a wholesale dial-tone supplier allows JEA to forgo the upfront capital needed to purchase telephone switch equipment and a billing system. While ultimately more costly than owning its own facilities, this option enables JEA to "pay as you grow" and eliminates the expense of maintaining technical support staff for switch operations and billing services. The wholesale dial-tone supplier will also provide all interconnection agreements with BellSouth and long distance carriers. Although JEA will be dependent upon an outside party to manage the technical quality of the switch and billing services, JEA will have the flexibility of switching to other wholesale providers should its provider fail to perform adequately.

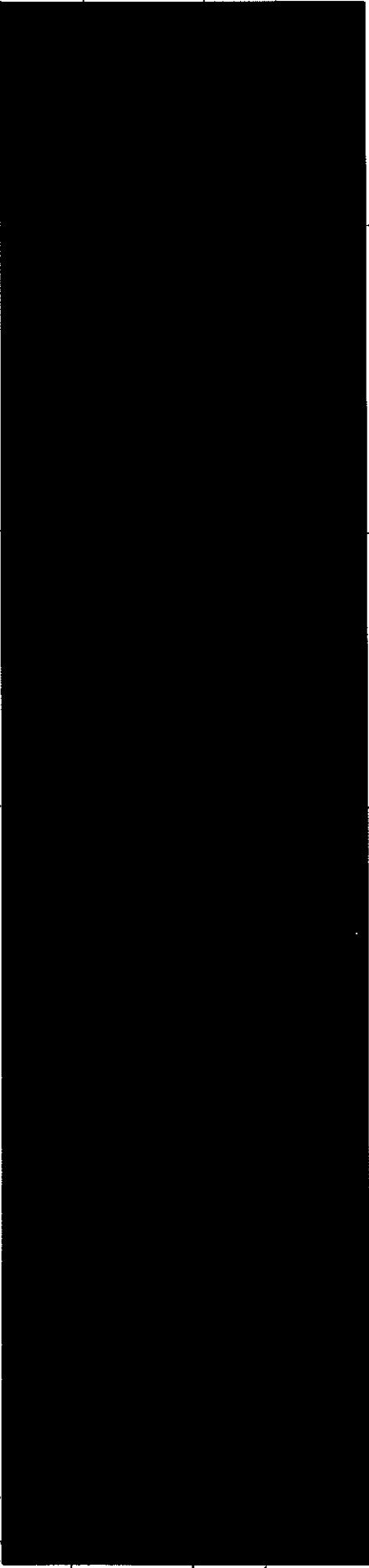
To achieve its goal of becoming a full retail provider, JEA must accomplish the following steps:





#

Jackson Energy Authority
Telecom Strategic Planning Session
8/23/06 – 12/11/06

	Goal	Responsible Party	Timeframe	Status/Comments
				
5.	Identify a wholesale dial-tone/billing provider and establish long-haul fiber connection to that provider for telephone and Internet signal transport.			
6.	Identify suppliers for Internet equipment and associated services.		6/07	
7.	Complete budget for JEA Internet and telephone operations.		6/07	
8.	Recruit, hire and train the staff necessary for Internet and telephone retail operations. Commence JEA Internet and telephone retail operations 1/08.		11/07	
9.	Develop a comprehensive marketing plan for 2007 with quarterly updates and reviews.	Marketing team	11/06	In progress.
10.	Develop a comprehensive customer retention program.			

	Goal	Responsible Party	Timeframe	Status/Comments
11.	Develop ways to "up-sell" to existing customer base.			
12.	Develop internal PR effort to educate more JEA employees on the broadband system and its capabilities.			
13.	Develop an external PR program that highlights JEA's successes and focuses of capabilities of the network.			
14.	Showcase our relationship with the school system.			
15.	Develop relationships with third-party providers designed to drive high bandwidth usage.			
16.	Modify the organizational structure of telecom to reflect other JEA systems without creating unnecessary roll-up costs. a. Establish Telecom Services (Ben Lovins) workgroup reporting to COO. b. Change Daryl Pope's duties to address special installations, maintenance & training. c. Move technicians to field services reporting to Chuck Underwood. d. Explore opportunities for electric distribution crews to perform telecom installations on a cost-per-unit basis.	Kersey, Wheeler, Watson	10/06	In progress.
17.	Establish detailed processes to ensure effective emergency response efforts. a. Emergency Response Manual updated. b. Establish joint agreements with other utilities such as Memphis, Morristown, Bristol, Glasgow & Paducah that have experience with FTH. c. Train strategic workgroups to splice fiber in an emergency.	a. Nipp, Ferrell, Pope, Mallette, Lovins b. Kersey, Nanney, Cobb	12/1/06	

	Goal	Responsible Party	Timeframe	Status/Comments
18.	Streamline customer facing processes by 50%. a. Redesign processes to decrease connect times. i. Decrease optical troubleshooting window without negatively impacting customer. ii. Work with contractor to ensure schedule compliance. iii. Offer to call customer prior to scheduled install date. b. Leverage relationship with Heath as well as distribution crews experience to evaluate opportunities to decrease time required for underground installs. c. Review all processes for efficiency.	Lovins, Kozlewitz, Cowles, KIS	12/1/06	
19.	Streamline customer service processes to decrease time and accuracy. a. Investigate how IVR could be effectively used to improve customer service efforts without negatively affecting the customer experience. i. Focus groups to evaluate customer acceptance. ii. Quantify call types to determine opportunities. iii. Develop models that would define call flow and ensure effective call management. b. Explore ways to eliminate duplicate data entry. c. Evaluate Screen Pop and other interfaces. d. Review all processes for efficiency and effectively communicate these. e. Review CSR recruitment practices and training methods. i. Identify potential employees for recruitment. ii. Update CSR training manual to address telecom. iii. Develop modular training methods.	a-d. Spurgeon, Turner, Bowman, Austin e. Spurgeon, Turner, Austin	Evaluation by 1/31/07: implementation timelines based on degree of complexity, cost and resources	

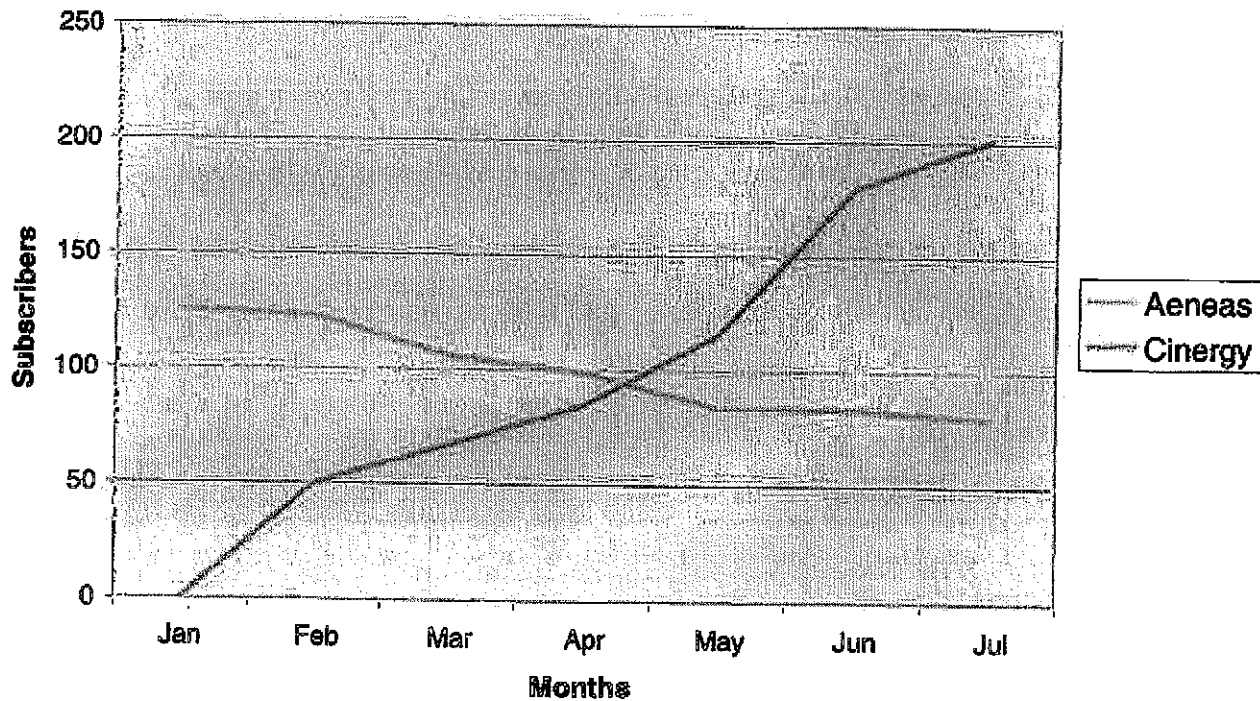
	Goal	Responsible Party	Timeframe	Status/Comments
20.				

□

EFPlus Broadband Subscriber Profile
2006 Telecom Strategic Planning

Commercial Telephone	2006						
	January	February	March	April	May	June	July
Premises Passed	4,390	4,390	4,390	4,390	4,390	4,390	4,390
Aeneas Telephone subscribers	126	123	106	99	84	84	80
% of premises passed	3%	3%	2%	2%	2%	2%	2%
Cinergy Telephone subscribers	0	50	67	85	116	180	201
% of premises passed	0%	1%	2%	2%	3%	4%	5%
Total Telephone Subscribers	126	173	173	184	200	264	281
% of premises passed	3%	4%	4%	4%	5%	6%	6%

2006 Commercial Telephone Subscribers



Telecom Organizational Issues

Observation Statement

In 1993 Jackson Energy Authority (JEA at that time) made a decision to develop a matrix organization. JEA created functional areas for the entire company. Senior Management retained responsibility for the rates, budgets, regulatory and legal issues along with lead representation to the various professional organizations for the different product lines. They were also responsible for system expansion decisions as well as the integrity and safe operation of each service type.

Where are we today?

That same organization exists today for all product lines except Telecom. The allocation of expenses makes it difficult for Telecom to mirror the rest of the JEA organization. Herein may lie a problem.

One difficulty we have experienced because of the "silo" type Telecom organization is "buy-in" throughout the entire company where each and every employee has a stake in its success. Two of our largest work groups, Distribution and Operations do not have roles in Telecom. System Dispatchers do have a small role in after hours trouble calls.

What do we want to accomplish?

Accountability through involvement and responsibility is a key as we move forward. A close look at any successful organization reveals a working structure designed from the top-down with responsibility, accountability and measurability in place at all levels. It is critical for all areas of the Authority to have a stake in the success of Telecom.

How do we get there?

If the premise of "everyone has a stake" in Telecom is agreed upon we should look at the components of Telecom and determine a way to involve all departments (Distribution & Operations) with a minimal and reasonable "roll-up" of expenses. At the same time we should explore further expense reductions within the shared cost area to offset any "roll-up" increases with the end target being the budgeted operational expense FY-07 total.

Timetable

Resolve within a 30 day window.

Who is responsible and/or resources needed?

John, Danny, Kim and Jim. Resources needed are already available - org charts, financials, budgets, allocations.

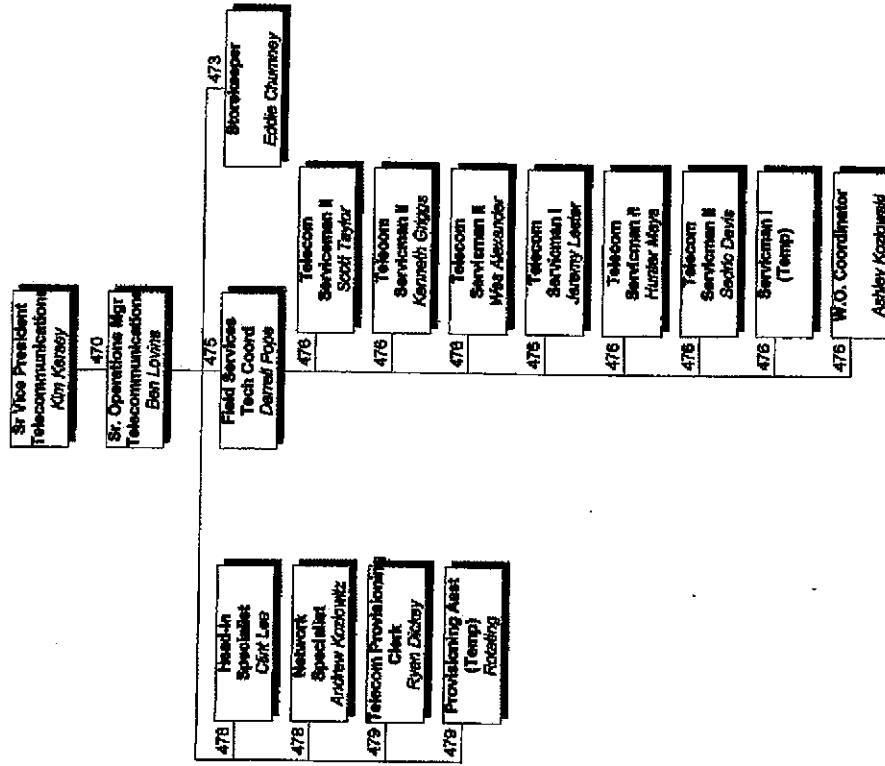
Key points for discussion

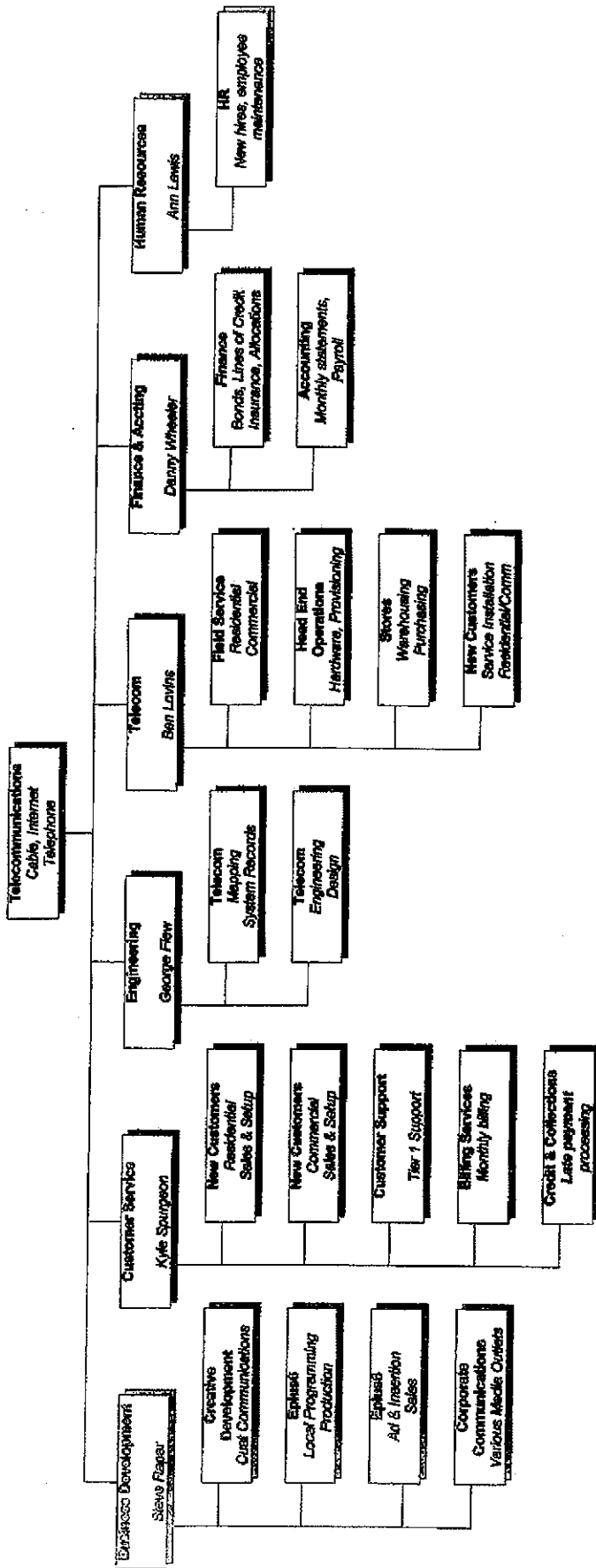
How do we create excitement and participation in the sales, service and delivery of our "state of the art" fiber system within the organizational structure?

Should the Telecom organization mirror our other product lines?

If so, how do we resolve the cost allocation issue?

Telecommunications Division





Summary Notes
Telecom Planning - Session I
Overview and Business Model
August 23, 2006

This is the first of seven planning sessions designed to chart a course for the future of our telecom system. At the end of the sessions, we should have a clear, concise roadmap for future telecom activities.

Present State:

Overview of subscriber base – Kim Kersey (see handout)

Financial and business model – Danny Wheeler (see handout)

- Currently in discussion with bond counsel to see if we can unwind current taxable bond issue and reissue at least a portion of it as tax-exempt.

Marketing efforts – Steve Raper

- Marketing campaigns have generally been focused on 2-4 month runs based on price points and packaging.
- Campaigns have been geared toward increasing number of customers rather than touting the services provided.
- No continuous, long-term plan in place.
- Need to tailor a marketing plan based on the business plan.
- Joint marketing efforts with Cinergy; 50/50 split on costs.
- Too much time to put specific marketing campaigns in place; example: double-play campaign first discussed in May but not implemented until August.
- Marketing has been too cable-driven, not focused on data strengths.
- Need to distinguish ourselves from others; highlight what makes us unique; may even need to change the terminology we use in reference to our services from "broadband" to "fiber".

Organizational/Processes – Jim Watson (see handout)

Original Vision

- To provide a unique telecom system, not a "me too" system
- To embrace the latest technology and exploit that technology
- Deliver "world-class" customer service in the deployment, operation and maintenance of a state-of-the-art telecommunications system
- Change in the original vision – investigate a wireless option

What have we learned from the first two years?

Successes

- EPlus TV6
- Televised public meetings
- Millions of dollars remain in our community
- Recognition and admiration of our system by others (international)
- Vendors (mainly Wave 7) use us as an example
- We have customers what they asked for; positive feedback from customers
- Customers like getting all services on one bill; added convenience to their lives
- Made telecom another JEA utility
- Won legal battles, TRA approval
- Like the way we "regroup and attack" problems
- Good share of the market

Mistakes

- Under estimated the cost of providing some of the services
- Under estimated complexity of providing service
- Financing mistakes
- No "gee-whiz" technology (somewhat due to financial constraints)
- Not touting our data applications and the uniqueness of our network
- The Telecom Division is not integrated with the entire JEA organization; isolated and not using available JEA resources
- System build out may have been too fast, outgrew financial resources
- Accelerated build out forced us to take on too many "temporary" CSRs
- May have taken on too many potential "bad-debt" customers just to advance customer count

Barriers

- Inability to fix problems due to third party providers
- Legal constraints under current contracts

Business Model

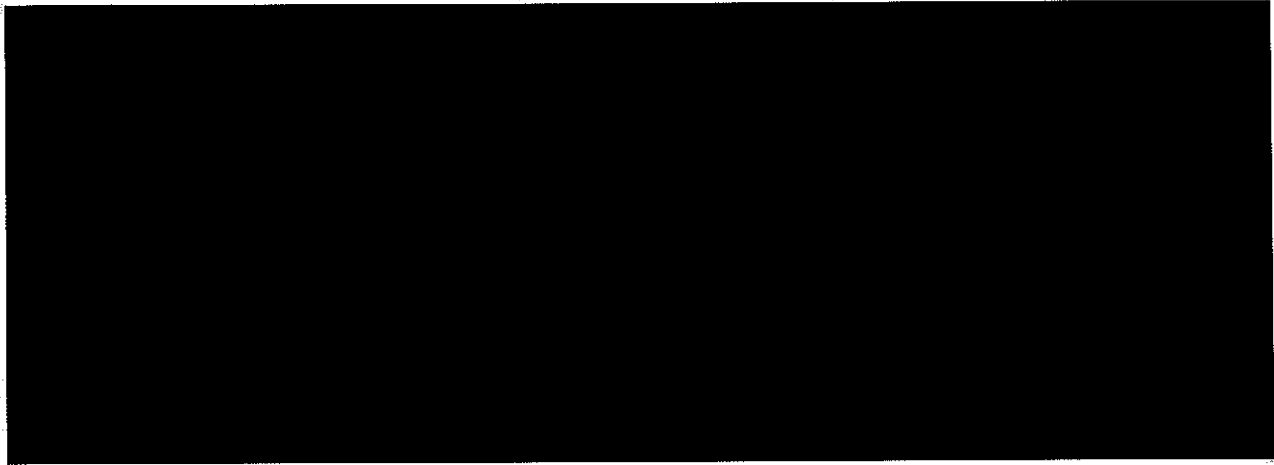
The business model should be structured where it can easily be adapted to the constantly changing marketplace and technology changes.

What business should we be in? Possibilities include: Providing Internet service ourselves; cell service, security monitoring, wireless

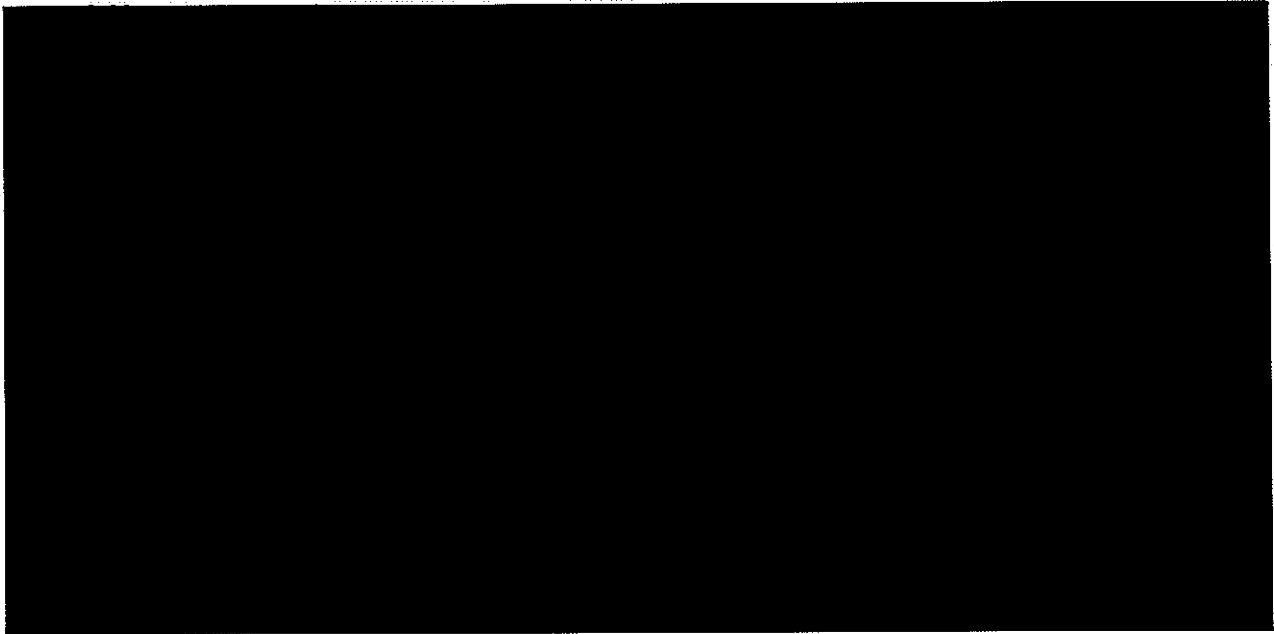
We should identify the margin/per customer on services and concentrate on higher revenue generators.

Legal

CInergy – [REDACTED]



Aeneas – [REDACTED]



Group I was asked to deliberate and consider the following questions and suggestions for their "Business Model" discussion on August 31st.

What businesses should we be in?

Can JEA be an ISP? If so, what are the legal, financial and other ramifications of doing so?

If JEA provides internet services, it is estimated that the capital costs would be relatively minor. It is projected that an additional 4 employees would be needed to staff a help desk at a cost of approximately \$300,000. Could JEA outsource the help desk? Could JEA outsource email so we would not need multiple servers?

Other opportunities to investigate:

Can we attract AOL customers now that AOL is offering free content and services to everyone with or without an AOL Internet connection?

How can JEA drive the need for bandwidth and tout applications that require bandwidth above what competitors can provide?

How can JEA showcase our capabilities (video classrooms between schools? student access from home? Web TV?)

Can we develop "entrepreneurs" who use our system for advanced data applications? Could marketing dollars be shifted to provide "seed money" to get these "entrepreneurs" started?

Should we talk to national telephone providers about using JEA's infrastructure? Should we look at a wholesale model of the telephone business? Can JEA retail telephone service by using a wholesaler?

Memo

TO: Teresa Cobb, Michael Johnston, Kim Kersey, Ben Lovins, Tommy Nanney, Steve Raper, Kyle Spurgeon Sam Turner, Jim Watson, Danny Wheeler, Vicky Wright

FROM: John Williams

RE: Telecom Strategic Planning

DATE: August 18, 2006

Attached is an agenda for our initial Telecom Strategic Planning Session set for next Wednesday. Also attached is a breakdown of work groups and presentation dates for each respective group.

Next Wednesday's meeting will be geared to developing a common understanding of our "present state" of Telecom. We need to make sure that everyone in the room is on the same page and has the same understanding of where we presently stand.

As you will see on the agenda for Tuesday's meeting, Kim, Danny, Steve, and Jim, will all provide an overview of a specific portion of our Telecom business. All of us in the room will have the opportunity to add to the discussion and ask questions.

It is important that we learn from both our successes and failures. The second part of Wednesday's session will be geared to allow a free-flowing discussion of what we have done right and what we have done wrong. Regardless of what we have accomplished or the mistakes that we have made, we can only accomplish more by learning from the last two years.

We have organized and assigned members to five specific work groups. The attached agendas outline suggested topic areas along with discussion and presentation dates for each group.

Each group will have responsibilities that will stretch from the second half of a session to the first half of the subsequent meeting. During the discussion phase, each respective group is expected to garner ideas, thoughts, and suggestions that they will further explore and then compile into a presentation for the next session.

Keep in mind that your presentations are not designed to be 2-3 hour documentaries on your designated subject. Instead your team is expected to lead a discussion, conduct more research on your topic, and then present a summary presentation.

Also, included in this notebook is an outline of questions that I would like for each group to answer when making your presentations. This document will serve as the backbone of our final summary and presentation.

Finally, at the conclusion of this process, we want to have a very concise roadmap that will serve as a guide for future telecom activities. This roadmap will be a compilation of all the discussions and presentations from our sessions.

TELECOM STRATEGIC PLANNING PROCESS

WORKGROUP

NAME: _____

PARTICIPANTS: _____

1. Observation Statement:

2. Where are we today?

3. Where do we want to go or what do we want to accomplish?

Group_____

4. How do we get there?

5. Timetable?

6. Who is responsible and/or resources needed?

Telecom Strategic Planning

Session I

August 23, 2006

8:30 AM-2:15 PM

Participants

Teresa Cobb, Michael Johnston, Kim Kersey, Ben Lovins, Tommy Nanne, Steve Raper, Kyle Spurgeon, Sam Turner, Jim Watson, Danny Wheeler, John Williams, Vicky Wright

Time

Item

8:30-8:45

Session Overview, Guidelines, and Goals—John

8:45-9:30

Present State (15 minutes each)

- Overview of Subscriber Base—Kim
- Overview of Financials and Business Model—Danny
- Overview of Marketing Efforts—Steve
- Organizational and Work Processes—Kim and Jim

9:30-10:00

What Have We Learned in the First Two Years? Group Discussion

- Successes
- Mistakes
- Barriers to Growth

10:00-10:15

Break

10:15-11:00

The Original Vision—John

- Is It Still Valid
- Additions or Deletions to Original Vision

11:00-11:15

Expectations and Assignments for Subsequent Meetings—Kyle

- Overview of Workgroup Roles
- Discussion of Schedule

11:15-12:30

Break and Lunch

12:30-2:00

Business Model Discussion—Group 1 leads

- What businesses should we be in?
- What can we legally provide?
- Internally or externally provided?

2:00-2:15

Wrap-Up

Strategic Planning Workgroups and Meeting Schedule

(First name listed is point-person)

Wednesday, August 23, 2006
Group 1 (Kim, Teresa, Danny)

Business Model

What businesses should we be in?
What can we legally provide?
Internally or externally provided?

Thursday, August 31, 2006
Group 2 (Kyle, Steve, Michael, Kim)

Revenue Enhancement

Competition
Positioning
Marketing
New Applications
How can JEA showcase applications?

Wednesday, September 6, 2006
Group 3 (Sam, Ben, Jim, Kim)

Organization/Processes

Organization and Work
How should Telecom be organizationally structured?
How do we improve processes?
Identify and remedy internal bottlenecks

Thursday, November 30, 2006
10:00 a.m. - noon
Group 4 (Kim, Danny, Tommy, Teresa)

Growth and Expansion (Discussion only)

Timetable
Business Structure
Potential Partners
Legal Barriers

Monday, December 11, 2006
1:30 p.m. - 5:00 p.m.
Group 4 (Kim, Danny, Tommy, Teresa)

Growth and Expansion (Presentation of findings)

Tuesday, December 19, 2006
1:30 p.m. - 5:00 p.m.
Group 5 (Danny, Kim - additional team members will be assigned)

Capital Needs

Wednesday, January 10, 2007
8:30 a.m. - noon
Group 6 (Tommy, Michael, Kim)

Identify and recommend internal JEA uses of applications

Automated Meter Reading
Electric, Water, Wastewater, Gas System Usage
System Dispatch (Outage Notification)
Internal Communications (Telephone, Video Conferencing)

Telecom Strategic Planning
August 23, 2006

Current Customer Market Penetration

To date, we have garnered 13,200 telecom customers, approximately 44% of our potential residential and commercial passings. Of this number, 12,071 are residential customers (47% of 25,450 residential passings) and 937 are commercial customers (21% of 4,390 commercial passings).

Current Residential Customer Characteristics

During our first year and a half of operation, we experienced rapid, undisciplined growth responding to high demand from the residential sector during our construction build-out. Our first 10,000 customers can be characterized as:

- JEA Loyalists – Customers with whom we have built strong goodwill by providing extraordinary customer service for our other utility services. These customers spurned competitive offers from Charter because they wanted to do business with JEA. They have been very patient throughout our telephone problems.
- Anti-Charter - Customers who had unsatisfactory experiences with Charter or who were turned off by their perception of high rates. These customers felt they did not have choices with a single operator for cable and Internet.
- Technophiles – Customers attracted by the advanced capabilities of our network.
- Non-Qualified – Customers brought on without adequate deposits or credit checks.

Remaining Potential Residential Customers

Of the remaining 13,000 residential households, we can categorize these potential customers as:

- Budget-Minded – These customers are looking for the best “deal” and may be prone to switch between providers based solely on the lowest price.
- Procrastinators – This group of customers may be inclined to switch service providers, but don’t take the time or haven’t found the right motivator.

- Settled – Perhaps elderly customers who are resistant to change and have their services set up “just like they want them”. They are probably not comfortable with new technology or to change in general.
- Newcomers – These are newcomers to Jackson who have not had the “JEA experience” and understand the differences in providers.
- Deposit-Required – A deposit or prior balance may be a barrier to these customers.

Commercial Customers

Commercial customer growth has been disappointing due to negative bias toward Aeneas during the first year, delays in the installation of Cinergy's telephone switch in the second year, and aggressive efforts by BellSouth to establish long-term contracts with their customers through discount programs. We have not had an effective commercial sales effort internally or through our providers. Many of our early commercial accounts were acquired through “relationship selling”. Charter beat us to the punch with many of the motel accounts and other large bulk accounts. *friends of JEA*

We are starting to show improved momentum with our commercial sales for all services, but will need to overcome the problems we have experienced with Cinergy and Aeneas telephone services. We will also need to wait until some of the long-term contracts with BellSouth and Charter run their course.

EPlus Broadband Subscriber Profile
2006 Telecom Strategic Planning

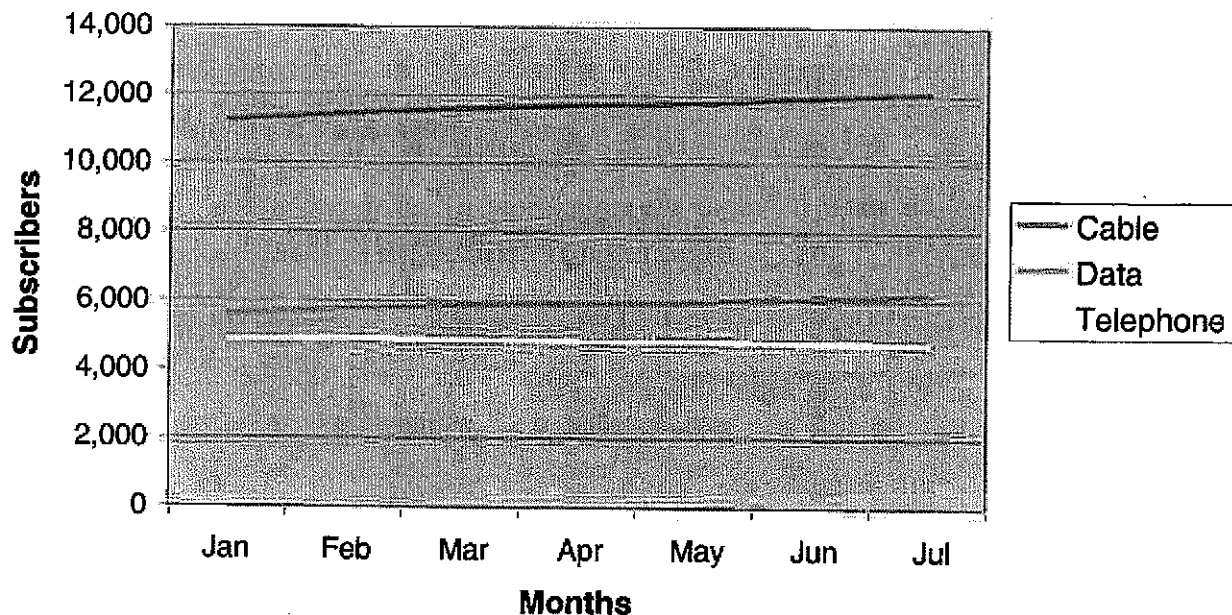
Residential Subscriber Totals	2006						
	January	February	March	April	May	June	July
Total Homes Passed	25,450	25,450	25,450	25,450	25,450	25,450	25,450
Cable Television	11,238	11,448	11,607	11,715	11,777	11,935	12,071
% of homes passed	44%	45%	46%	46%	46%	47%	47%
High Speed Data	5,579	5,746	5,871	5,926	5,992	6,093	6,165
% of cable subscribers (not homes passed)	50%	50%	51%	51%	51%	51%	51%
Telephone	4,852	4,897	4,867	4,840	4,830	4,782	4,763
% of cable subscribers	43%	43%	42%	41%	41%	40%	39%
Double Play Subscribers						3,103	
% of cable subscribers						26%	
Triple Play Subscribers						3,700	
% of cable subscribers						31%	

(not homes passed)

- behind other systems in this area (ex. 70+90 in morristown)

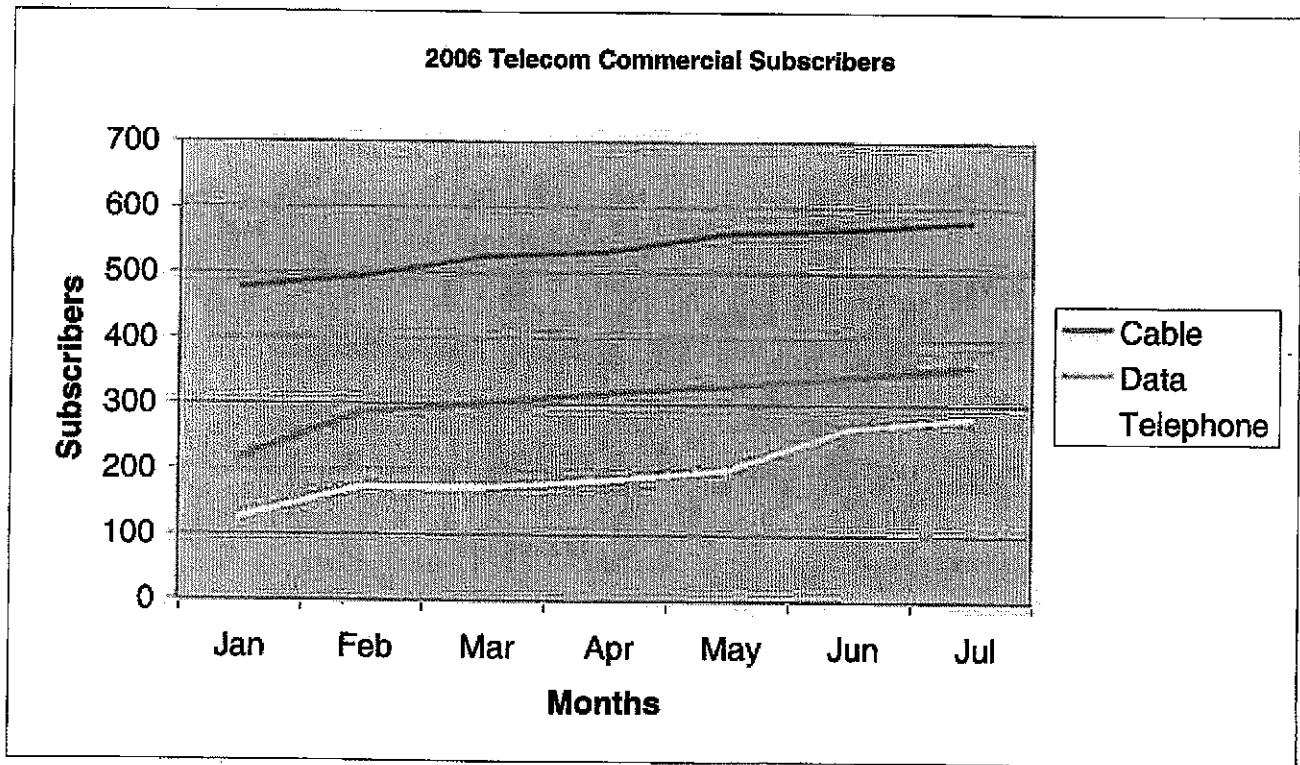
✓ slight decline due to equipment issues - cinergy

2006 Residential Telecom Subscribers



EPlus Broadband Subscriber Profile
2006 Telecom Strategic Planning

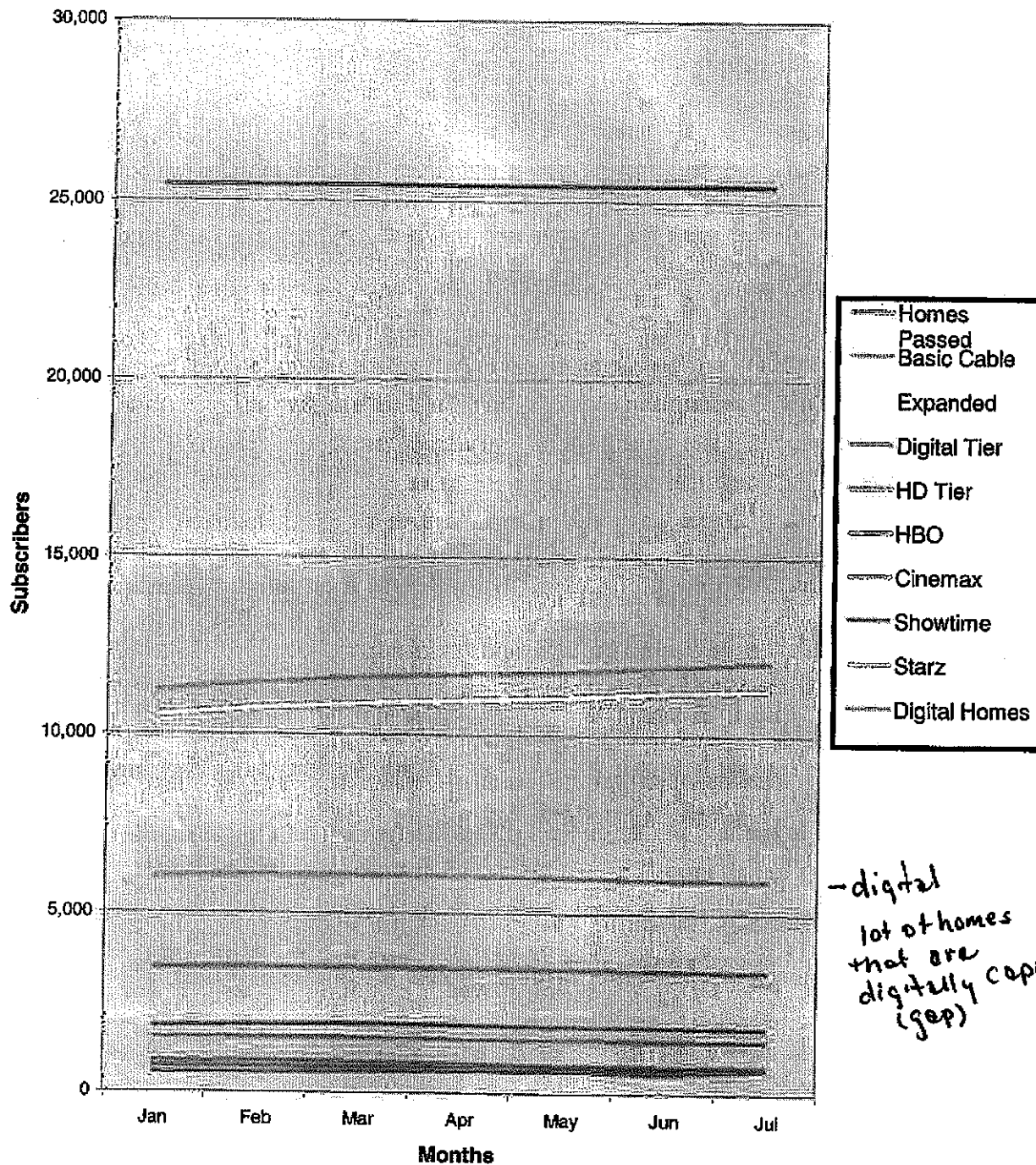
Commercial Subscriber Totals	2006						
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>
Total Premises Passed	4,390	4,390	4,390	4,390	4,390	4,390	4,390
Cable Television	476	494	524	533	561	567	579
% of total premises	11%	11%	12%	12%	13%	13%	13%
High Speed Data	217	286	301	318	329	343	358
% of total premises	5%	7%	7%	7%	7%	8%	8%
Telephone	126	173	173	184	200	264	281
% of total premises	3%	4%	4%	4%	5%	6%	6%



EPlus Broadband Subscriber Profile
2006 Telecom Strategic Planning

Residential Subscriber Totals	2006						
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>
Total Homes Passed	25,450	25,450	25,450	25,450	25,450	25,450	25,450
Basic Cable	11,238	11,448	11,607	11,715	11,777	11,935	12,071
% of Homes Passed	44%	45%	46%	46%	46%	47%	47%
Expanded Cable	10,527	10,727	10,863	10,968	11,057	11,193	11,277
% of Basic Cable	94%	94%	94%	94%	94%	94%	93%
Digital Households	6,022	6,062	6,066	6,071	6,033	5,969	5,933
% of Basic Cable	54%	53%	52%	52%	51%	50%	49%
Digital Tier	3,483	3,497	3,494	3,480	3,473	3,428	3,390
% of Basic Cable	31%	31%	30%	30%	29%	29%	28%
HD Tier	566	576	600	620	646	559	687
% of Basic Cable	5%	5%	5%	5%	5%	5%	6%
HBO	1,857	1,903	1,932	1,903	1,880	1,856	1,826
% of Basic Cable	17%	17%	17%	16%	16%	16%	15%
Cinemax	742	745	739	726	706	706	705
% of Basic Cable	7%	7%	6%	6%	6%	6%	6%
Showtime	865	883	853	833	788	756	746
% of Basic Cable	8%	8%	7%	7%	7%	6%	6%
Starz	1,534	1,550	1,544	1,513	1,497	1,481	1,466
% of Basic Cable	14%	14%	13%	13%	13%	12%	12%

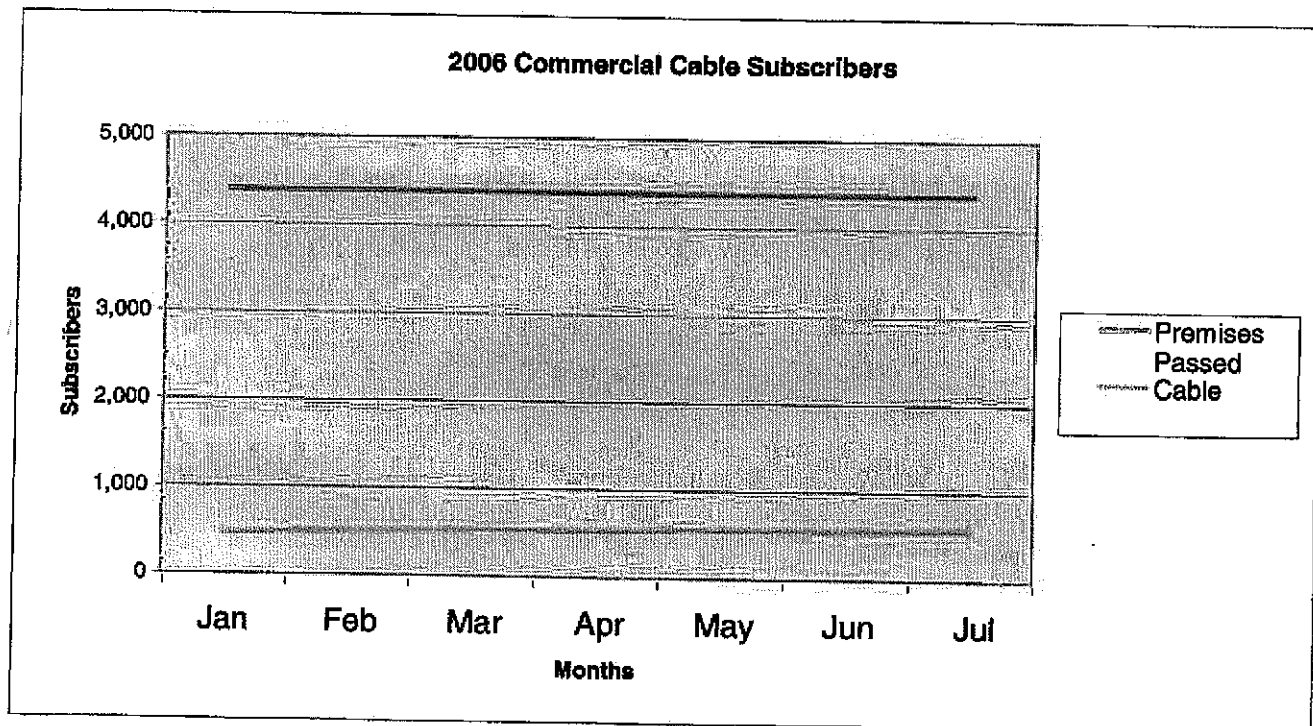
2006 Cable Subscribers



-digital
lot of homes
that are
digitally capable
(gap)

EPlus Broadband Subscriber Profile
2006 Telecom Strategic Planning

Commercial Subscriber Totals	2006						
	January	February	March	April	May	June	July
Total Premises Passed	4,390	4,390	4,390	4,390	4,390	4,390	4,390
G1/G2 Accounts	231	253	261	266	271	277	289
Bulk Account EBU's Equivalent Basic Unit	245	241	263	267	290	290	290
Total Commercial Cable Accounts	476	494	524	533	561	567	579
% of premises passed	11%	11%	12%	12%	13%	13%	13%



EPlus Broadband Subscriber Profile
2006 Telecom Strategic Planning

Residential High Speed Data

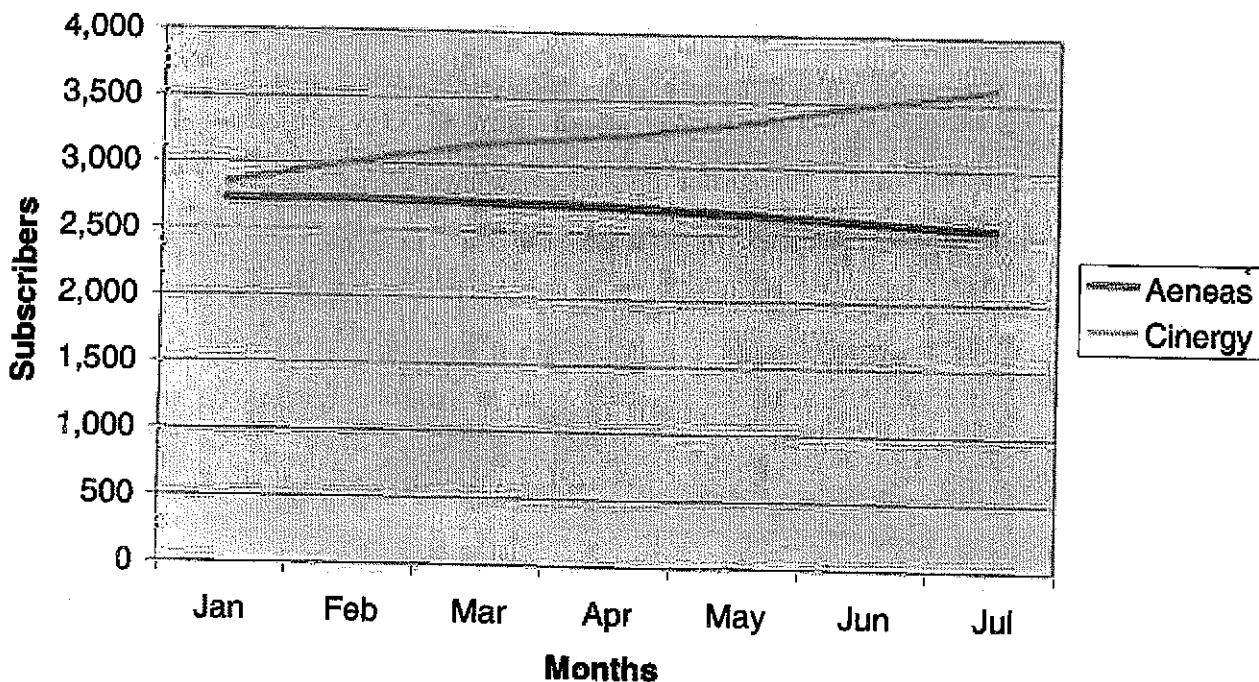
	2006						
	January	February	March	April	May	June	July
Homes Passed	25,450	25,450	25,450	25,450	25,450	25,450	25,450
Cable Subscribers	11,238	11,448	11,607	11,715	11,777	11,935	12,071
Aeneas HSD subscribers	2,730	2,733	2,716	2,699	2,657	2,606	2,553
% of homes passed	11%	11%	11%	11%	10%	10%	10%
% of cable subscribers	24%	24%	23%	23%	23%	22%	21%
Cinergy HSD subscribers	2,849	3,013	3,155	3,227	3,335	3,487	3,612
% of homes passed	11%	12%	12%	13%	13%	14%	14%
% of cable subscribers	25%	26%	27%	28%	28%	29%	30%
Total Residential HSD subscriber	5,579	5,746	5,871	5,926	5,992	6,093	6,165
% of homes passed	22%	23%	23%	23%	24%	24%	24%
% of cable subscribers	50%	50%	51%	51%	51%	51%	51%

-down-
trend!!

growing

more
res
access
tees &
Aeneas

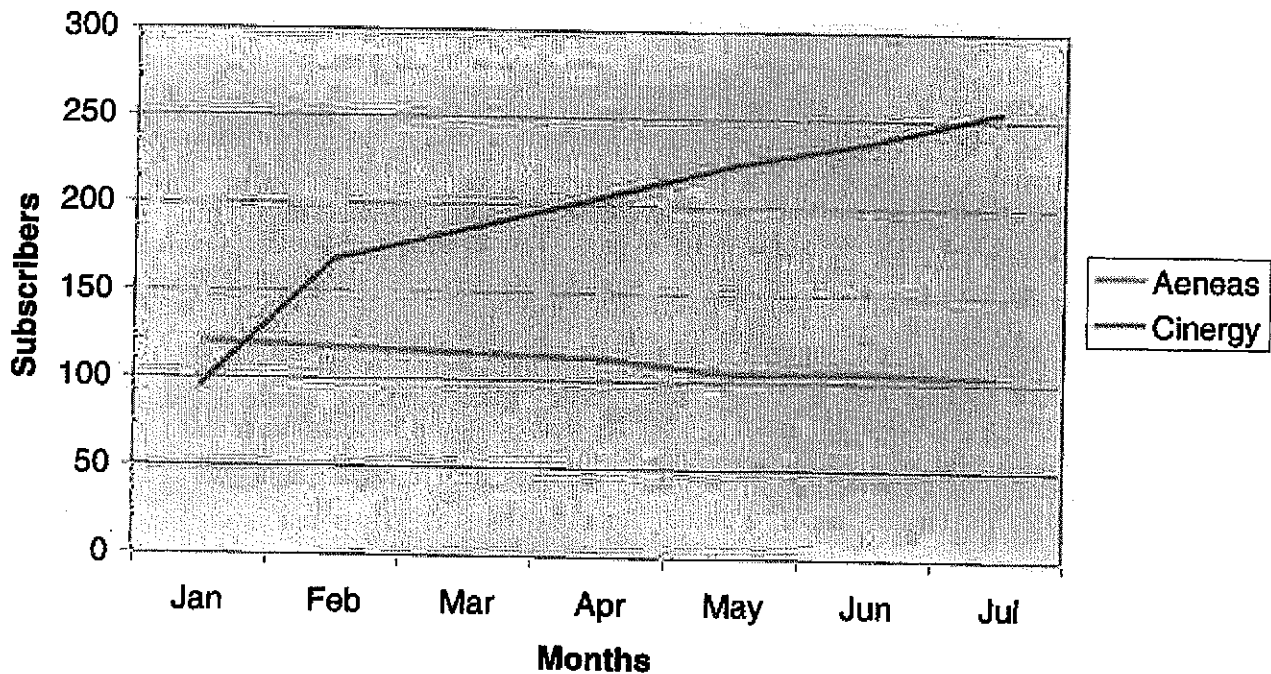
2006 Residential Data Subscribers



EPlus Broadband Subscriber Profile
2006 Telecom Strategic Planning

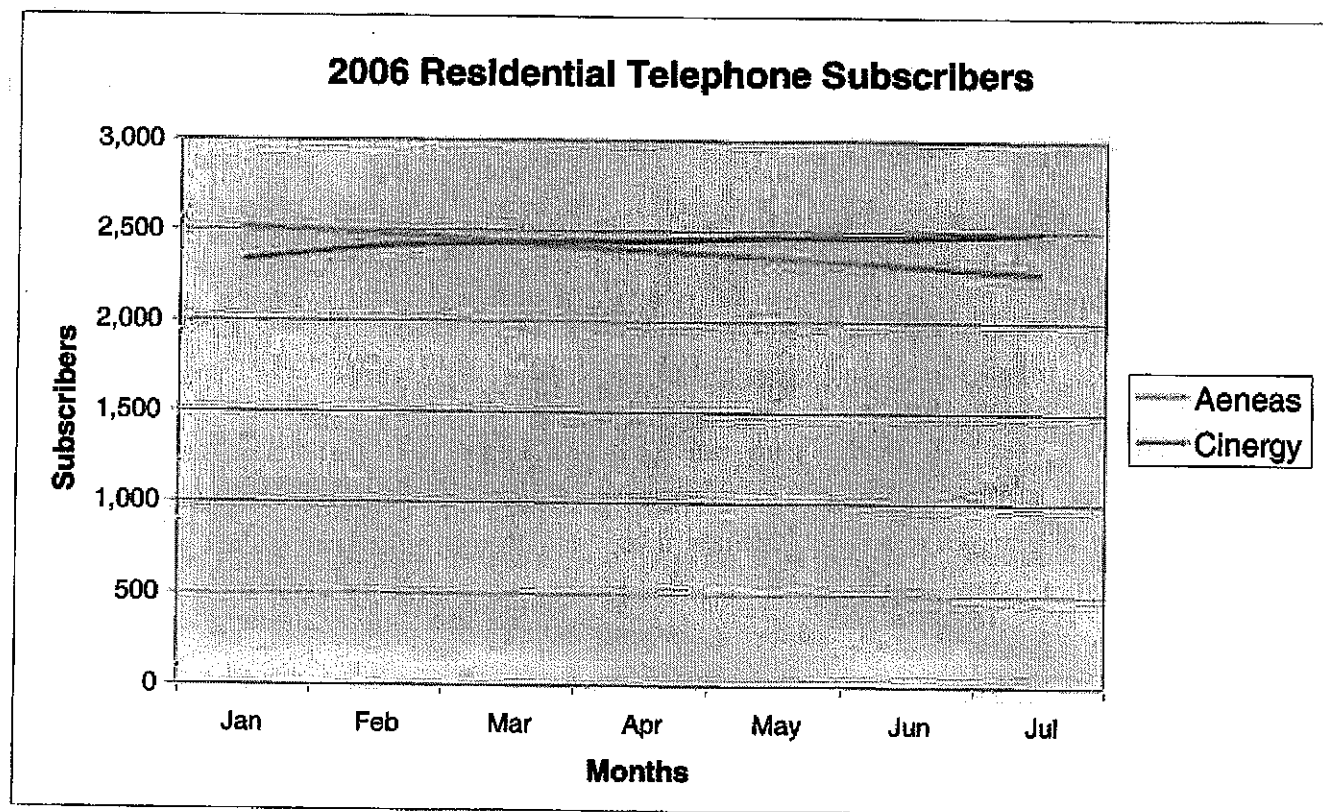
Commercial High Speed Data	2006						
	January	February	March	April	May	June	July
Premises Passed	4,390	4,390	4,390	4,390	4,390	4,390	4,390
Aeneas HSD subscribers	121	118	115	113	105	106	103
% of premises passed	3%	3%	3%	3%	2%	2%	2%
Cinergy HSD subscribers	96	168	186	205	224	237	255
% of premises passed	2%	4%	4%	5%	5%	5%	6%
Total Commercial HSD subscribe	217	286	301	318	329	343	358
% of premises passed	5%	7%	7%	7%	7%	8%	8%

2006 Commercial Data Subscribers



EPlus Broadband Subscriber Profile
2006 Telecom Strategic Planning

Residential Telephone	2006						
	January	February	March	April	May	June	July
Homes Passed	25,450	25,450	25,450	25,450	25,450	25,450	25,450
Cable Subscribers	11,238	11,448	11,607	11,715	11,777	11,935	12,071
Aeneas Telephone subscribers	2,514	2,485	2,430	2,394	2,361	2,314	2,269
% of homes passed	10%	10%	10%	9%	9%	9%	9%
% of cable subscribers	22%	22%	21%	20%	20%	19%	19%
Cinergy Telephone subscribers	2,338	2,412	2,437	2,446	2,469	2,468	2,494
% of homes passed	9%	9%	10%	10%	10%	10%	10%
% of cable subscribers	21%	21%	21%	21%	21%	21%	21%
Total Res. Telephone subscribers	4,852	4,897	4,867	4,840	4,830	4,782	4,763
% of homes passed	19%	19%	19%	19%	19%	19%	19%
% of cable subscribers	43%	43%	42%	41%	41%	40%	39%



Telecom Financial Working Model

Business Model

Retail Video

Retail Internet

Retail Telephone (purchase wholesale dail-tone)

Revision Date: 8/25/2008

Last Changes Made By: [REDACTED]

Input Factors

O&M Expense 7/1/06: \$ 339,695
O&M Inflation Factor: 3.5%

Internet Customers as a % of Cable Customers:

	2007	2008	2009	2010	2011
Cinergy %	39.5%	27.5%	18.0%	8.0%	10.0%
Aeneas %	20.5%	15.0%	8.0%	4.0%	0.0%
JEA Retail %	10.0%	22.5%	42.0%	57.0%	60.0%
Total Internet customers as a % of Cable customers	160.0%	65.0%	68.0%	69.0%	70.0%

Telephone Customers as a % of Cable Customers:

	2007	2008	2009	2010	2011
Cinergy %	35.9%	30.0%	18.0%	12.0%	11.0%
Aeneas %	19.1%	10.0%	7.0%	4.0%	0.0%
JEA Retail %	0.0%	20.0%	40.0%	50.0%	50.0%
Total Telephone customers as a % of Cable customers	55.0%	60.0%	65.0%	66.0%	67.0%

Financial

	2006	2007	2008	2009	2010	2011
Annual Capital Expenditures	6,241,428	4,364,084	2,602,748	1,974,625	1,726,904	1,483,391
Annual O&M	4,604,587	4,092,923	4,656,371	4,860,237	5,094,105	5,302,646
Annual Net Income	(4,408,796)	(3,439,028)	(2,606,782)	(1,012,482)	499,036	1,647,224
Ending Cash Flow	33,544	745,369	1,142,481	2,388,934	4,372,381	6,986,336
Lowest Monthly Cash Flow	(17,036)	11,665	641,336	1,224,087	2,537,089	4,605,571
Highest Monthly Cash Flow	397,641	745,369	1,142,481	2,388,934	4,372,381	6,986,336

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	\$ 629,524.16	\$ 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	221,683.46	219,201.95	222,021.16	228,336.42	231,865.10	236,546.55	241,897.29	247,248.02	251,915.25
Miscellaneous Revenues	116,222.51	125,102.95	273,778.73	148,831.17	138,569.82	136,526.56	86,998.74	97,946.70	115,794.73	131,162.29	132,108.73	124,710.78
Total Operating Revenue	915,114.80	958,293.95	1,155,363.02	1,069,567.23	1,074,506.66	1,092,728.16	1,055,276.78	1,075,997.20	1,107,074.96	1,139,607.32	1,157,713.45	1,166,786.69
Cost of Programming												
Local Network Services Revenues	\$ 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	\$ 412,200.02	\$ 418,322.70
Network Access Services Revenues	597,802.41	630,078.99	817,096.97	704,600.80	710,020.48	721,528.54	664,732.04	681,535.44	706,479.28	733,306.16	745,513.43	748,463.99
Total Operating Revenue less Cost of Programming	597,802.41	630,078.99	817,096.97	704,600.80	710,020.48	721,528.54	664,732.04	681,535.44	706,479.28	733,306.16	745,513.43	748,463.99
Operating Expenses												
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	\$ 54,555.73
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	29,902.79
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	128,024.91
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	127,211.57
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	339,695.00
Other Operating Expense												
Depreciation & Amortization	298,329.67	309,856.76	318,634.60	324,735.76	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	12,404.31
Payroll Taxes	(13,912.81)	(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)	(15,057.53)
Other taxes	296,801.18	309,379.95	330,240.79	329,350.67	335,235.10	338,152.18	338,461.40	343,508.10	344,105.17	349,884.07	351,956.96	348,110.43
Total Other Operating Expense	(8,693.76)	(18,995.96)	147,161.18	35,555.13	35,000.38	43,681.36	(13,424.35)	(1,667.46)	22,679.11	43,730.09	53,861.48	44,075.63
Operating Income	27,616.97	27,616.99	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	(3,252.90)	(3,121.39)	(1,585.10)	(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)
Other Non-Operating Income												
Special Charges												
Gain or Loss on Fixed Assets												
Total Non-Operating Income	24,364.07	24,495.59	26,031.89	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	219,520.77	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	106,499.07	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
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	317,599.53	324,497.55	340,929.06	328,763.91	324,402.47	353,881.13	335,358.47	316,151.93	359,990.64	334,973.28	344,010.54	413,252.00
Income before Contributions	(331,929.23)	(331,997.92)	(316,735.98)	(326,819.27)	(326,611.66)	(326,003.02)	(332,396.09)	(329,621.11)	(331,224.39)	(326,594.65)	(326,400.57)	(324,449.91)
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)	(331,997.92)	(316,735.98)	(326,819.27)	(326,611.66)	(326,003.02)	(332,396.09)	(329,621.11)	(331,224.39)	(326,594.65)	(326,400.57)	(324,449.91)
Net Assets, beginning of period	(8,216,652.64)	(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)	(10,489,310.93)	(10,801,535.38)	(11,067,130.02)	(11,331,530.54)
Net Assets, end of period	(8,548,581.87)	(8,899,579.79)	(9,204,315.77)	(9,382,744.04)	(9,649,036.70)	(9,913,603.78)	(10,209,095.87)	(10,489,310.93)	(10,801,535.38)	(11,067,130.02)	(11,331,530.54)	(11,655,980.45)

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 Revenues												
Local Network Services Revenues	\$ 843,628.99	\$ 867,146.86	\$ 893,740.70	\$ 924,189.55	\$ 948,449.62	\$ 967,291.35	\$ 982,758.36	\$ 1,000,548.12	\$ 1,017,443.16	\$ 1,037,120.50	\$ 1,056,928.67	\$ 1,078,558.72
Network Access Services Revenues	256,582.50	261,249.73	261,559.61	262,340.70	261,884.18	259,005.61	254,990.77	251,626.41	248,912.54	246,702.88	244,427.20	240,718.48
Miscellaneous Revenues	126,784.26	126,757.75	127,021.96	127,278.45	125,529.59	118,597.75	72,730.82	86,360.15	106,306.39	115,993.43	115,827.81	103,864.39
Total Operating Revenue	1,226,995.74	1,255,154.34	1,276,022.38	1,310,659.83	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	423,995.05	433,865.28	441,542.52	449,108.34	453,956.30	456,353.75	478,734.63	481,204.69	485,345.68	488,523.26	497,560.95	495,697.24
% of cable revenues	0.69	0.69	0.69	0.69	0.64	0.64	0.69	0.68	0.64	0.67	0.67	0.64
Total Operating Revenue less Cost of Programming	803,000.69	821,289.06	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	927,444.36
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	34,299.33	34,366.58	34,434.61	34,503.45
Customer Operations	145,212.27	145,232.27	145,232.27	145,467.07	145,740.56	146,013.21	146,287.55	146,563.38	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	146,201.25	146,490.70	146,783.52
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	385,352.16	385,352.16	385,352.16	385,975.17	386,700.84	387,424.16	388,152.18	388,884.60	389,639.52	390,403.44	391,176.36	391,958.28
% of cable revenues	0.69	0.69	0.69	0.69	0.64	0.64	0.69	0.68	0.64	0.67	0.67	0.64
Other Operating Expense	351,879.74	353,732.00	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
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)	(6,710.13)	(3,034.84)	(4,574.70)	(7,497.02)	(4,214.46)	(5,236.02)	(1,633.08)	(1,342.70)	(6,225.03)
Other taxes	357,482.20	360,796.14	362,408.64	367,097.74	370,747.84	370,874.98	369,277.35	373,650.61	379,581.50	378,168.69	379,464.63	375,507.12
Total Other Operating Expense	60,166.33	75,216.76	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	(2,536.25)	(2,358.26)	(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)	(2,116.92)
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
Other Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
Special Charges	-	-	-	-	-	-	-	-	-	-	-	-
Gain or Loss on Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Income	21,355.08	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	22,860.99
Non-Operating Expenses												
Interest on Long Term Debt	219,520.77	219,520.77	232,801.95	215,520.77	210,483.29	237,674.40	217,699.40	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	118,550.94	119,313.13	119,640.78	120,779.98
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	340,095.32	355,176.62	343,043.18	335,067.52	362,936.62	342,826.09	322,044.35	363,734.13	337,295.21	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)	(11,956,875.81)	(12,180,542.66)	(12,427,321.28)	(12,691,287.55)	(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)	(\$12,180,542.66)	(\$12,427,321.28)	(\$12,641,287.55)	(\$12,883,707.86)	(\$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	\$ 1,141,825.89	\$ 1,161,751.69	\$ 1,183,366.65	\$ 1,210,894.16	\$ 1,230,550.90	\$ 1,247,560.80	\$ 1,264,703.56	\$ 1,282,380.06	\$ 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	223,959.96	219,909.82	215,929.64	211,719.42	207,579.16	203,408.86	199,208.52	194,978.14
Miscellaneous Revenues	102,968.92	102,821.07	102,749.80	102,461.07	102,028.14	101,575.71	101,122.80	100,660.68	100,195.77	99,721.97	99,257.22	98,783.42
Total Operating Revenue	1,481,738.55	1,497,675.74	1,516,261.87	1,540,894.14	1,556,539.00	1,569,046.33	1,581,656.00	1,594,660.15	1,607,637.50	1,620,592.94	1,633,554.79	1,646,464.86
Cost of Programming												
Local Network Services	498,826.75	506,711.82	511,955.04	516,961.35	519,888.56	521,236.78	546,742.44	549,214.82	553,047.57	554,952.24	557,113.12	558,840.04
Total Operating Revenue less Cost of Programming	982,911.80	990,963.92	1,006,246.83	1,023,932.79	1,036,650.44	1,047,809.56	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	152,778.18	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
Total Operating Expense	401,054.34	401,783.75	402,555.77	403,277.68	403,977.59	404,671.41	405,374.12	406,080.74	406,791.25	407,505.66	408,223.98	408,946.19
Other Operating Expense												
Depreciation & Amortization	368,515.08	369,554.27	370,740.24	372,145.16	373,458.97	374,574.91	375,560.55	376,453.78	377,294.92	378,111.12	378,910.69	379,695.18
Property Taxes	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	2,663.57	2,633.80	4,523.69	6,187.34	4,851.93	5,211.74	7,384.62	4,928.85	7,573.11	7,712.95	3,525.54
Other taxes	385,431.74	386,889.59	388,073.78	391,594.95	394,597.79	394,203.84	395,575.04	398,566.86	397,078.18	400,564.71	401,535.36	398,157.80
Total Other Operating Expense	196,425.73	202,598.78	215,617.29	223,260.17	238,578.05	248,934.31	253,564.40	240,697.74	250,720.50	257,571.32	266,662.34	280,526.82
Operating Income	25,307.91	25,538.40	25,769.37	23,327.21	23,588.29	23,849.93	24,112.11	24,374.84	24,638.12	24,901.94	25,166.33	25,431.26
Non-Operating Income												
Interest Income	(1,116.53)	(1,063.52)	(1,065.86)	(820.26)	(601.59)	(765.15)	(712.55)	(428.98)	(735.45)	(391.88)	(366.85)	(894.60)
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	217,899.40	230,658.29	217,499.40	205,397.26	231,911.34	212,243.84	191,704.11	231,931.34	205,397.26	212,243.84	277,584.76
Other Interest Expense	116,603.26	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	343,504.51	331,715.93	358,225.43	338,337.14	317,638.87	357,747.65	331,321.11	318,185.29	403,700.48
Income before Contributions	(\$120,986.35)	(\$115,741.43)	(\$115,960.53)	(\$91,737.40)	(\$70,151.17)	(\$86,206.34)	(\$80,973.19)	(\$52,995.27)	(\$83,124.49)	(\$49,239.72)	(\$46,723.47)	(\$19,643.00)
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)	(\$91,737.40)	(\$70,151.17)	(\$86,206.34)	(\$80,973.19)	(\$52,995.27)	(\$83,124.49)	(\$49,239.72)	(\$46,723.47)	(\$19,643.00)
Net Assets, beginning of period	(14,387,462.17)	(14,403,448.51)	(14,519,189.94)	(14,635,150.47)	(14,726,887.88)	(14,797,039.05)	(14,853,245.39)	(14,964,218.57)	(15,012,113.85)	(15,100,336.33)	(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)	(\$14,726,887.88)	(\$14,797,039.05)	(\$14,853,245.39)	(\$14,964,218.57)	(\$15,012,113.85)	(\$15,100,336.33)	(\$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	\$ 1,505,525.81	\$ 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	186,718.24	183,996.96	181,351.57	178,380.42	175,183.31	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	94,832.71	94,417.72	93,999.97	93,582.97	92,162.91
Total Operating Revenue	1,713,732.09	1,730,867.17	1,748,341.92	1,766,464.49	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													
Local Network Services Revenues	561,108.76	568,865.84	573,432.39	577,756.69	580,532.65	582,004.89	610,189.91	612,001.48	613,545.77	614,998.73	618,035.87	619,944.88	621,841.34
Network Access Services Revenues	115,623.33	116,200.34	117,490.54	118,707.80	119,858.41	120,843.87	118,494.90	119,470.96	120,153.08	120,830.30	121,614.71	122,655.86	129,750.14
Total Operating Revenue less Cost of Programming	1,152,623.33	1,162,006.34	1,174,909.54	1,188,706.80	1,199,852.41	1,208,363.87	1,188,494.90	1,194,920.96	1,201,538.08	1,208,839.30	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	37,549.68	37,602.97	37,656.53	38,812.78
Customer Operations	158,713.85	158,959.77	159,218.50	159,460.11	159,682.63	159,895.37	160,108.68	160,322.55	160,536.99	160,754.03	160,992.21	161,221.52	166,171.83
Corporate Operations	157,705.54	157,949.90	158,207.07	158,447.05	158,688.16	158,879.55	159,091.51	159,304.02	159,517.10	159,742.70	159,969.43	160,197.27	165,116.14
Total Operating Expense	421,123.51	421,776.04	422,462.77	423,103.60	423,694.03	424,258.51	424,824.49	425,391.97	425,960.95	426,563.38	427,168.81	427,777.24	440,912.16
Other Operating Expense													
Depreciation & Amortization	330,480.27	331,373.29	332,397.75	333,566.69	334,718.26	335,730.04	336,590.19	337,342.98	338,022.68	338,663.39	339,332.51	339,020.56	390,721.24
Property 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
Payroll Taxes	12,486.86	13,087.82	12,852.64	14,443.71	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
Other taxes	408,344.89	409,782.70	410,677.06	413,460.46	416,233.89	415,872.35	416,592.39	419,221.83	417,407.15	420,420.90	421,052.88	417,700.49	427,660.86
Total Other Operating Expense	313,154.92	330,442.59	341,769.70	352,143.74	359,930.48	368,333.02	347,077.42	350,307.16	358,169.98	361,846.02	367,893.01	381,178.13	423,177.12
Operating 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	26,287.90
Non-Operating Income													
Interest Income	252.56	323.22	306.95	314.84	725.68	555.71	543.11	787.43	474.60	781.25	780.73	269.98	1,395.63
Other Non-Operating Income													
Special Charges													
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	27,683.53
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	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	115,022.02	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	348,040.01	328,730.54	308,398.65	347,010.62	321,056.16	327,416.37	390,751.26	323,290.65
Income before Contributions	\$14,666.12	\$21,358.11	\$19,784.84	\$40,295.77	\$61,112.76	\$44,435.80	\$43,255.78	\$67,377.08	\$36,631.14	\$66,884.98	\$66,888.58	\$16,646.07	\$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
Net Assets, beginning of period	\$14,666.12	\$21,358.11	\$19,784.84	\$40,295.77	\$61,112.76	\$44,435.80	\$43,255.78	\$67,377.08	\$36,631.14	\$66,884.98	\$66,888.58	\$16,646.07	\$127,549.99
Net Assets, end of period	(15,280,578.42)	(15,280,578.42)	(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)	(14,946,527.94)	(14,879,442.97)	(14,812,554.39)	(14,793,508.32)
Net Assets, end of period	(15,280,578.42)	(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)	(14,946,527.94)	(14,879,442.97)	(14,812,554.39)	(14,793,508.32)	(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	\$ 1,701,858.56	\$ 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	147,058.91	146,522.57	145,910.35	145,294.58	144,651.77	144,028.55	143,403.77	142,774.44	142,141.57
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	95,485.34	95,556.08
Total Operating Revenue	1,918,963.27	1,932,871.74	1,944,429.81	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	630,813.09	633,695.88	635,239.56	636,321.05	666,639.35	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	0.39	0.39
Total Operating Revenue less Cost of Programming	1,291,297.80	1,302,057.74	1,310,733.94	1,316,442.07	1,321,175.06	1,296,614.83	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	166,890.13
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	165,829.88
Other	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	441,124.12	441,371.47	441,550.73	441,695.78	441,841.14	441,974.16	442,120.06	442,265.26	442,412.77	442,559.57	442,818.07
Other Operating Expense	513,342	515,181	517,058	518,600	520,182	522,332	524,060	525,865	527,215	528,605	530,446
Depreciation & Amortization	391,463.41	392,302.64	393,275.96	394,199.89	395,011.78	395,748.97	396,409.54	397,053.29	397,685.84	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	21,784.55	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	438,328.23	438,988.84	431,184.20	433,487.99	432,762.73	432,990.39	435,319.61	433,448.63	436,233.01	436,659.71	433,209.31
Total Other Operating Expense	421,845.46	431,697.43	437,999.91	441,258.30	446,461.19	421,660.37	423,789.66	428,926.33	430,747.91	434,605.34	445,206.58
Operating Income	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	26,319.59
Non-Operating Income	1,390.80	1,371.64	1,533.24	1,716.21	1,527.43	1,470.05	1,689.80	1,576.36	1,657.71	1,639.54	1,127.35
Interest Income	-	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-
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	26,837.86	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	103,615.04	103,262.32
Amort. or 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	329,489.92	304,156.05	310,776.63	370,897.68
Income before Contributions	\$127,118.37	\$125,269.40	\$141,235.64	\$159,315.71	\$140,585.95	\$135,199.56	\$156,900.51	\$136,095.28	\$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	\$140,585.95	\$135,199.56	\$156,900.51	\$136,095.28	\$153,863.03	\$152,134.41	\$101,756.23
Net Assets, beginning of period	(14,668,358.13)	(14,541,239.96)	(14,415,970.56)	(14,274,734.92)	(14,115,419.22)	(13,974,633.77)	(13,839,433.71)	(13,692,532.20)	(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)	(\$13,974,633.77)	(\$13,839,433.71)	(\$13,692,532.20)	(\$13,556,437.92)	(\$13,402,574.89)	(\$13,250,440.48)	(\$13,148,684.25)

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	\$ 629,524.16	\$ 657,561.69	\$ 677,116.77	\$ 700,052.61	\$ 716,734.90	\$ 731,130.44	\$ 740,141.62	\$ 746,185.41	\$ 754,733.68	\$ 766,547.74	\$ 778,336.70	\$ 790,160.65
Network Access Services Revenues	169,388.14	175,228.31	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	251,915.25
Miscellaneous Revenues	116,232.51	125,102.95	273,778.73	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	915,144.80	958,293.95	1,155,363.02	1,061,567.23	1,074,506.66	1,092,728.16	1,055,176.78	1,075,977.20	1,107,074.96	1,139,602.32	1,157,713.45	1,186,786.69
Cost of Programming	317,312.39	338,214.96	338,266.05	356,966.43	364,486.18	379,199.61	390,444.73	394,461.77	400,595.68	406,298.17	412,000.02	418,327.70
% of sales revenue	0.39	0.39	0.39	0.41	0.41	0.41	0.43	0.43	0.43	0.43	0.43	0.43
Total Operating Revenue less Cost of Programming	597,802.41	620,078.99	817,096.97	704,600.80	710,020.48	721,528.54	664,732.04	681,535.44	706,479.28	733,309.16	745,513.43	748,468.99
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	31,562.60
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	133,421.82
Other	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	356,276.33
Total Operating Expense	689,329.67	709,356.76	709,356.76	709,356.76	709,356.76	709,356.76	709,356.76	709,356.76	709,356.76	709,356.76	709,356.76	748,468.99
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)	(15,057.53)
Other taxes	296,801.18	309,379.95	330,240.79	329,350.67	335,325.10	338,152.18	338,461.40	343,508.10	344,105.17	349,884.07	351,956.96	348,110.03
Total Other Operating Expense	296,801.18	309,379.95	330,240.79	329,350.67	335,325.10	338,152.18	338,461.40	343,508.10	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)	(1,667.66)	22,679.11	43,730.09	53,861.48	44,075.63
Non-Operating Income												
Interest Income	27,616.97	27,616.99	27,616.99	27,703.81	27,790.81	27,877.98	27,963.34	28,052.89	28,140.61	28,228.52	28,316.61	28,404.88
Other Non-Operating Income	(3,252.90)	(3,121.39)	(1,585.10)	(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)
Special Charges												
Gain or Loss on Fixed Assets												
Total Non-Operating Income	24,364.07	24,495.59	26,031.89	25,099.52	25,226.37	25,100.75	24,790.74	25,198.47	25,087.14	25,648.54	25,748.55	25,026.46
Non-Operating Expenses												
Interest on Long Term Debt	219,520.77	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	104,664.23	106,499.07	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
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	317,599.53	324,497.55	340,929.06	328,763.92	324,402.47	353,881.13	335,558.47	316,151.93	359,990.64	334,973.28	344,810.54	413,252.00
Income before Contributions	(\$331,929.23)	(\$318,997.92)	(\$167,735.98)	(\$268,189.27)	(\$264,175.72)	(\$285,099.02)	(\$323,990.09)	(\$292,621.11)	(\$312,224.39)	(\$265,594.05)	(\$264,400.57)	(\$344,149.91)
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)	(\$268,189.27)	(\$264,175.72)	(\$285,099.02)	(\$323,990.09)	(\$292,621.11)	(\$312,224.39)	(\$265,594.05)	(\$264,400.57)	(\$344,149.91)
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)	(9,872,695.78)	(10,196,689.87)	(10,489,310.98)	(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)	(9,872,695.78)	(10,196,689.87)	(10,489,310.98)	(10,801,535.38)	(11,067,130.02)	(11,331,530.54)	(11,675,680.45)

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	\$ 982,758.36	\$ 1,000,548.12	\$ 1,017,443.16	\$ 1,037,120.30	\$ 1,056,928.67	\$ 1,078,558.72
Network Access Services Revenues	256,582.50	261,249.73	261,559.61	262,340.70	261,684.18	259,005.61	254,990.77	251,606.41	248,912.54	246,702.88	244,427.20	240,718.48
Miscellaneous Revenues	126,784.26	126,757.75	120,721.96	123,239.59	122,275.45	118,587.75	72,730.82	86,360.15	106,306.39	115,995.43	115,892.81	103,864.39
Total Operating Revenue	1,226,995.74	1,255,154.34	1,276,022.58	1,310,659.83	1,332,409.25	1,344,884.71	1,310,479.94	1,338,534.67	1,372,662.09	1,399,818.51	1,417,183.68	1,423,141.60
Cost of Programming	423,995.05	433,866.28	441,542.52	449,108.34	453,956.30	450,353.75	478,734.63	481,204.69	485,345.68	488,923.26	493,560.95	495,692.24
% of cable revenues	0.50	0.50	0.49	0.49	0.48	0.47	0.49	0.48	0.48	0.47	0.47	0.46
Total Operating Revenue less Cost of Programming	803,000.69	821,288.06	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	34,299.33	34,366.58	34,434.61	34,503.45
Customer Operations	145,232.27	145,232.27	145,232.27	145,467.07	145,740.56	146,013.21	146,287.55	146,563.38	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	146,201.25	146,490.70	146,783.52
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	385,352.16	385,352.16	385,352.16	385,975.17	386,780.84	387,424.26	388,151.18	388,884.60	389,639.52	390,403.44	391,176.36	391,958.28
Other Operating Expense												
Depreciation & Amortization	351,879.74	353,732.00	355,647.06	357,713.59	359,661.90	361,302.48	362,600.59	363,664.55	364,589.43	365,545.78	366,533.12	367,514.43
Property Taxes	14,071.53	14,071.53	14,071.53	14,094.28	14,120.78	14,147.20	14,173.78	14,200.32	14,228.09	14,255.98	14,284.21	14,312.76
Other 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)	(6,323.08)
Total Other Operating Expense	357,482.20	360,730.14	362,408.64	367,097.74	370,747.84	370,874.98	369,177.35	373,650.61	373,581.50	378,168.69	379,464.63	375,502.12
Operating Income	445,618.49	460,557.92	472,071.12	493,853.75	507,665.11	517,655.99	462,568.13	483,679.37	503,676.89	533,126.86	545,158.10	551,947.24
Non-Operating Income												
Interest Income	23,891.32	23,979.97	24,068.79	23,255.03	23,481.23	23,707.81	23,935.05	24,162.67	24,390.77	24,619.34	24,848.39	25,077.91
Other Non-Operating Income	(2,536.25)	(2,358.26)	(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)
Special Charges	-	-	-	-	-	-	-	-	-	-	-	-
Gain or Loss on Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Income	21,355.08	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	22,860.99
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	284,458.29
Other Interest Expense	115,697.21	113,475.76	114,875.88	116,023.62	117,763.43	117,763.43	117,827.90	118,094.49	118,560.94	119,313.13	119,640.78	120,779.98
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	340,495.53	355,176.62	343,043.18	335,067.52	362,936.62	342,876.09	322,044.35	363,734.13	337,295.21	344,638.97	412,237.06
Income before Contributions	(\$261,195.36)	(\$243,666.85)	(\$246,778.62)	(\$213,966.27)	(\$192,403.31)	(\$211,024.74)	(\$246,308.55)	(\$205,055.12)	(\$217,341.35)	(\$171,581.57)	(\$167,395.86)	(\$229,387.11)
% of cable revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contributions in Aid of Construction												
Increase in Net Assets	(\$261,195.36)	(\$243,666.85)	(\$246,778.62)	(\$213,966.27)	(\$192,403.31)	(\$211,024.74)	(\$246,308.55)	(\$205,055.12)	(\$217,341.35)	(\$171,581.57)	(\$167,395.86)	(\$229,387.11)
Net Assets, beginning of period	(11,655,680.45)	(11,916,575.81)	(12,180,542.66)	(12,442,321.28)	(12,641,287.45)	(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	(11,916,875.81)	(12,160,242.66)	(12,427,321.28)	(12,655,287.53)	(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	\$ 1,141,825.89	\$ 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	223,959.96	219,909.82	215,829.64	211,719.42	207,579.16	203,408.86	199,208.52	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	1,481,738.55	1,497,675.74	1,518,201.87	1,540,894.14	1,556,537.00	1,569,046.33	1,581,653.00	1,594,660.15	1,607,637.50	1,620,593.94	1,633,534.79	1,646,464.86
Cost of Programming												
% of sales revenue	94.4	94.4	94.3	94.3	94.3	94.3	94.3	94.3	94.3	94.3	94.3	94.3
	498,826.75	506,711.82	511,955.04	516,961.35	519,589.56	521,236.78	524,742.44	529,214.82	533,047.57	538,952.24	547,113.12	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	1,047,809.56	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	64,327.31	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	151,130.14	151,425.04	151,716.00	151,988.07	152,249.97	152,512.34	152,774.18	153,036.49	153,298.27	153,560.52	153,822.24	154,084.43
Corporate Operations	150,189.88	150,463.03	150,732.14	151,002.49	151,282.73	151,564.43	151,847.58	152,132.20	152,418.28	152,704.82	152,991.82	153,279.28
Other	401,054.34	401,783.75	402,555.77	403,377.68	403,972.59	404,671.41	405,374.12	406,080.74	406,791.25	407,505.66	408,223.98	408,945.19
Total Operating Expense	982,911.80	990,963.92	1,006,246.83	1,023,932.79	1,036,948.44	1,047,809.56	1,034,913.56	1,045,445.34	1,054,589.92	1,065,641.70	1,076,421.68	1,087,624.82
Other Operating Expense												
Depreciation & Amortization	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
Property Taxes	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	2,263.57	2,253.80	2,243.69	2,233.19	2,222.34	2,211.14	2,200.62	2,189.85	2,178.11	2,166.33	2,154.54
Other taxes	385,431.74	386,889.39	388,073.78	391,394.95	394,397.79	394,203.84	395,575.04	398,666.86	397,078.18	400,564.71	401,535.36	398,157.80
Total Other Operating Expense	196,425.73	202,290.78	215,617.29	223,260.17	238,578.05	248,934.31	233,864.40	248,697.74	250,770.50	257,571.32	266,662.34	280,570.82
Operating Income	25,307.91	25,538.40	25,769.37	23,327.21	23,588.29	23,849.93	24,112.11	24,374.84	24,638.12	24,901.94	25,166.33	25,431.26
Non-Operating Income												
Interest Income	(1,116.53)	(1,063.52)	(1,065.86)	(820.26)	(601.59)	(765.15)	(712.55)	(428.98)	(735.45)	(391.88)	(366.85)	(894.60)
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	118,596.33	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	356,225.43	338,337.14	317,638.97	357,747.65	331,321.11	338,185.29	403,700.48
Income before Contributions	(\$120,986.35)	(\$115,741.43)	(\$115,960.83)	(\$91,737.40)	(\$70,151.17)	(\$86,206.34)	(\$80,973.19)	(\$52,995.27)	(\$83,124.49)	(\$49,239.72)	(\$46,723.47)	(\$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)	(\$115,960.83)	(\$91,737.40)	(\$70,151.17)	(\$86,206.34)	(\$80,973.19)	(\$52,995.27)	(\$83,124.49)	(\$49,239.72)	(\$46,723.47)	(\$89,643.00)
Net Assets, beginning of period	(14,382,462.17)	(14,403,448.51)	(14,519,189.94)	(14,635,130.47)	(14,726,887.88)	(14,797,039.05)	(14,883,245.39)	(14,964,218.57)	(15,017,213.85)	(15,100,338.33)	(15,140,578.06)	(15,196,301.53)
Net Assets, end of period	(\$14,403,448.51)	(\$14,519,189.94)	(\$14,635,150.47)	(\$14,726,887.88)	(\$14,797,039.05)	(\$14,883,245.39)	(\$14,964,218.57)	(\$15,017,213.85)	(\$15,100,338.33)	(\$15,140,578.06)	(\$15,196,301.53)	(\$15,284,944.53)

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	\$ 1,505,525.81	\$ 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	\$ 1,609,821.35
Network Access Services Revenues	190,717.73	186,718.24	183,906.96	181,351.57	178,333.12	175,118.31	171,716.51	168,303.11	164,878.11	161,441.51	158,082.60	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	95,601.35	95,249.09	94,836.71	94,478.05	94,107.72	93,702.41	92,462.97
Total Operating Revenue	1,713,731.09	1,730,867.17	1,748,241.92	1,765,464.49	1,780,391.06	1,790,368.77	1,798,684.81	1,806,922.44	1,815,083.85	1,823,809.03	1,834,150.58	1,846,600.74	1,913,591.48
Cost of Programming													
% of cable revenues	0.39	0.37	0.39	0.39	0.39	0.38	0.40	0.40	0.39	0.38	0.39	0.39	0.37
	\$61,108.76	\$68,865.84	\$73,432.39	\$77,756.09	\$80,532.65	\$82,004.89	\$82,189.91	\$82,001.48	\$81,545.77	\$81,998.73	\$82,035.87	\$81,944.38	\$81,841.34
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	37,396.68	37,446.56	37,496.65	37,549.68	37,602.97	37,656.33	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	160,754.03	160,992.21	161,221.52	166,171.83
Corporate Operations	157,703.54	157,949.90	158,207.07	158,447.05	158,688.16	158,879.55	159,091.51	159,304.02	159,517.10	159,742.70	159,969.43	160,197.27	165,116.14
Total Operating Expense	421,123.51	421,776.04	423,461.77	423,103.60	423,694.03	424,258.51	424,824.49	425,391.97	425,960.95	426,563.38	427,168.81	427,777.24	440,912.16
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
Property 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
Payroll Taxes	12,486.86	13,007.82	12,852.64	14,443.71	16,044.01	14,650.07	14,489.80	16,345.22	13,830.07	16,181.11	16,121.87	12,059.20	20,839.26
Other taxes	405,344.89	409,782.70	410,677.06	413,460.46	416,233.89	415,872.35	416,592.59	419,231.83	417,407.15	420,420.90	421,052.88	417,700.49	427,660.86
Total Other Operating Expense	924,159.82	930,442.59	931,769.70	932,143.74	935,930.48	936,333.02	937,177.42	938,307.16	938,169.98	938,846.02	938,893.01	938,178.13	943,177.12
Operating Income	228,503.51	231,559.25	241,439.77	245,604.20	253,164.33	262,105.36	263,670.41	266,623.84	275,578.13	272,264.32	277,246.90	288,477.73	348,832.98
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	943.11	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	199,528.77	225,304.73	206,179.73	186,226.85	225,304.73	199,528.77	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
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	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	308,396.65	347,016.62	321,056.16	327,416.37	390,751.26	323,290.65
Income before Contributions	\$14,765.72	\$21,358.11	\$19,784.04	\$40,295.77	\$61,112.76	\$44,435.80	\$43,255.78	\$67,377.08	\$36,631.14	\$66,884.98	\$66,888.58	\$16,646.07	\$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	\$14,765.72	\$21,358.11	\$19,784.04	\$40,295.77	\$61,112.76	\$44,435.80	\$43,255.78	\$67,377.08	\$36,631.14	\$66,884.98	\$66,888.58	\$16,646.07	\$127,549.99
Net Assets, beginning of period	(15,294,944.53)	(15,280,578.42)	(15,259,220.31)	(15,239,436.27)	(15,199,140.50)	(15,158,027.74)	(15,093,591.94)	(15,050,336.16)	(14,962,959.08)	(14,946,527.94)	(14,879,442.97)	(14,812,554.59)	(14,795,908.32)
Net Assets, end of period	(\$15,280,178.81)	(\$15,259,220.31)	(\$15,239,436.27)	(\$15,199,140.50)	(\$15,138,027.74)	(\$15,093,591.94)	(\$15,050,336.16)	(\$14,962,959.08)	(\$14,946,527.94)	(\$14,879,442.97)	(\$14,812,554.59)	(\$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	\$ 1,701,858.56	\$ 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	147,539.94	147,058.91	146,522.57	145,910.35	145,294.58	144,678.77	144,062.55	143,446.32	142,830.10	142,213.87
Miscellaneous Revenues	92,134.81	92,547.38	95,512.35	95,249.06	95,152.60	95,202.86	95,213.05	95,346.62	95,416.52	95,485.34	95,556.08
Total Operating Revenue	1,918,963.27	1,932,671.74	1,944,429.81	1,951,681.63	1,957,496.11	1,963,254.18	1,968,694.16	1,974,657.23	1,980,649.05	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	670,816.00	671,255.96	672,820.40	673,852.65
% of Cable revenues	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37
Total Operating Revenue less Cost of Programming	1,291,297.80	1,302,057.74	1,310,733.94	1,316,442.07	1,321,265.06	1,296,624.83	1,300,319.33	1,304,641.22	1,309,393.08	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	166,890.13
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	165,829.88
Other	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	441,124.12	441,371.47	441,550.73	441,695.78	441,841.14	441,974.16	442,120.06	442,265.26	442,412.77	442,559.57	442,818.07
Other Operating Expense	513,342	515,151	517,098	518,690	520,182	522,332	524,090	525,805	527,215	528,665	530,246
Depreciation & Amortization	391,463.41	392,302.64	393,275.96	394,199.89	395,011.78	395,748.97	396,409.54	397,053.29	397,685.84	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	428,988.84	431,184.20	433,487.99	432,762.73	432,990.30	435,319.61	433,448.63	436,233.01	436,659.71	433,209.31
Total Other Operating Expense	421,845.46	431,697.43	437,999.01	441,258.30	446,661.19	421,660.37	422,789.66	428,926.33	430,747.91	434,605.34	445,206.98
Operating Income	26,387.23	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	26,319.59
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	1,127.55
Interest Income	-	-	-	-	-	-	-	-	-	-	-
Other Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-
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	206,179.73	218,653.77	206,179.73	192,486.38	217,352.79	198,902.79	179,654.14	217,352.79	192,486.38	198,902.79	260,136.38
Interest on Long Term Debt	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
Other Interest 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
Amort. of Debt Discount & Expense	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70	770.70
Miscellaneous Income Deductions	322,705.12	334,706.91	321,809.23	307,519.75	331,612.67	312,490.63	292,489.21	329,469.92	304,156.05	310,076.69	378,697.68
Total Non-Operating Expenses	\$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
Income before Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contributions in Aid of Construction	-	-	-	-	-	-	-	-	-	-	-
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	(14,668,158.33)	(14,541,239.96)	(14,415,970.56)	(14,274,734.92)	(14,113,419.22)	(13,974,653.27)	(13,839,433.71)	(13,682,553.20)	(13,566,437.92)	(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	\$14,113,419.22	\$13,974,653.27	\$13,839,433.71	\$13,682,553.20	\$13,566,437.92	\$13,402,574.89	\$13,250,440.48	\$13,148,684.25

Assets

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Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Net Assets

Assets

	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-07	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Utility Plant															
Total Plant - Beginning of Year	\$59,988,177.03	\$59,988,177.03	\$59,988,177.03	\$59,988,177.03	\$59,988,177.03	\$59,988,177.03	\$59,988,177.03	\$59,988,177.03	\$59,988,177.03	\$59,988,177.03	\$59,988,177.03	\$59,988,177.03	\$59,988,177.03	\$59,988,177.03	\$59,988,177.03
Net Plant Additions During Year	1,294,457.84	1,608,237.35	1,909,298.88	2,131,688.15	2,311,962.98	2,477,411.51	2,658,231.39	2,803,683.50	2,973,515.76	3,147,427.69	3,326,459.51	3,510,617.77	3,694,529.51	3,878,441.23	4,062,353.01
Total Completed Plant	61,282,634.87	61,596,414.39	61,897,475.91	62,119,865.18	62,300,140.01	62,585,588.54	62,843,408.42	63,131,862.53	63,419,698.79	63,707,604.72	63,995,638.02	64,283,755.79	64,571,984.53	64,860,425.76	65,148,778.02
Construction Work in Progress	1,001,540.33	843,182.79	667,163.11	546,835.61	475,345.61	419,519.54	362,302.32	309,490.78	256,833.08	204,255.44	151,783.36	100,000.00	50,000.00	0.00	0.00
Total Utility Plant	62,284,175.21	62,439,597.17	62,564,639.02	62,666,695.79	62,775,485.62	62,995,108.08	63,205,710.74	63,441,353.31	63,676,531.85	63,911,860.16	64,147,421.38	64,383,755.79	64,620,004.53	64,856,851.02	65,093,131.02
Reserve for Depreciation	(18,038,720.49)	(18,038,720.49)	(18,038,720.49)	(18,038,720.49)	(18,038,720.49)	(18,038,720.49)	(18,038,720.49)	(18,038,720.49)	(18,038,720.49)	(18,038,720.49)	(18,038,720.49)	(18,038,720.49)	(18,038,720.49)	(18,038,720.49)	(18,038,720.49)
Total Net Plant	\$44,245,454.72	\$44,400,876.68	\$44,525,918.53	\$44,627,975.30	\$44,736,765.13	\$44,956,387.59	\$45,167,030.25	\$45,402,633.80	\$45,638,252.34	\$45,878,180.65	\$46,116,141.87	\$46,352,035.30	\$46,588,284.04	\$46,823,130.53	\$47,058,410.53
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	5,522,419.50	5,522,419.50	5,522,419.50
Construction Funds	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39
Debt Sinking Fund	115,999.80	224,188.91	333,224.68	442,477.59	551,958.12	661,666.72	771,603.98	881,770.09	992,165.80	1,102,791.51	1,213,641.81	1,324,724.81	1,435,946.06	1,547,309.57	1,658,814.27
Total Investments and Funds	\$5,640,837.69	\$5,749,026.80	\$5,858,072.86	\$5,967,300.28	\$6,076,836.01	\$6,186,800.11	\$6,296,473.87	\$6,406,443.87	\$6,516,744.50	\$6,627,075.33	\$6,737,536.65	\$6,848,124.93	\$6,958,858.28	\$7,069,637.94	\$7,180,462.14
Current Assets															
Cash - Gross Revenue Fund	641,787.76	735,082.43	861,823.45	891,318.99	909,650.76	1,017,089.14	1,021,497.00	1,054,861.23	1,142,932.78	1,234,539.13	1,329,625.16	1,390,346.04	1,374,112.70	1,518,175.79	1,717,992.00
Accounts Receivable - Customer Billing	2,490,702.38	2,553,078.90	2,566,877.84	2,491,239.14	2,244,315.11	2,244,315.11	2,609,391.10	2,693,359.51	2,704,961.11	2,816,553.24	2,846,741.29	2,882,642.33	2,928,689.61	2,958,326.02	2,981,994.97
Accumulated Provisions for Uncollectible Accounts	(196,450.00)	(196,450.00)	(196,450.00)	(196,450.00)	(196,450.00)	(196,450.00)	(196,450.00)	(196,450.00)	(196,450.00)	(196,450.00)	(196,450.00)	(196,450.00)	(196,450.00)	(196,450.00)	(196,450.00)
Materials and Supplies - Utility	21,190.10	21,422.60	21,656.22	21,892.78	24,131.71	24,373.03	24,616.35	24,862.92	25,111.35	25,362.87	25,616.29	25,874.46	26,132.18	26,390.49	26,648.42
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	(12,764.69)	(17,337.58)	(21,710.45)	(27,683.30)	(36,663.17)	(50,609.02)	(67,549.79)	(87,523.34)	(109,547.47)	(133,621.78)	(159,650.60)	(187,674.27)	(217,693.85)	(249,708.18)	(283,712.11)
Other Current Assets	15,888.47	15,888.47	15,888.47	15,888.47	15,888.47	15,888.47	15,888.47	15,888.47	15,888.47	15,888.47	15,888.47	15,888.47	15,888.47	15,888.47	15,888.47
Total Current Assets	\$2,978,058.94	\$3,140,162.33	\$3,246,803.43	\$3,180,153.91	\$3,240,982.26	\$3,302,148.46	\$3,429,135.95	\$3,475,174.91	\$3,624,458.32	\$3,765,908.28	\$3,909,572.48	\$4,055,370.45	\$4,102,892.73	\$4,258,339.59	\$4,377,691.81
Deferred Debts															
Unamortized Debt Expense	638,221.26	631,317.49	628,413.72	621,509.95	616,606.18	611,702.41	606,798.64	601,894.87	596,991.10	592,087.33	587,183.56	582,279.79	577,376.02	572,472.25	567,568.48
Accumulated Deferred Debts	3,633,733.99	3,671,260.49	3,697,782.45	3,650,502.16	3,626,148.86	3,601,800.00	3,621,080.00	3,615,000.00	3,613,103.86	3,608,651.47	3,591,482.35	3,579,960.01	3,566,140.38	3,550,821.99	3,534,185.05
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 Debts	\$4,271,955.25	\$4,292,577.98	\$4,326,196.17	\$4,272,012.11	\$4,242,755.04	\$4,213,502.41	\$4,227,878.64	\$4,216,894.87	\$4,210,138.96	\$4,194,739.89	\$4,176,665.31	\$4,155,239.80	\$4,132,516.40	\$4,109,294.24	\$4,085,753.53
Total Assets	\$48,517,410.97	\$48,693,444.61	\$48,772,114.66	\$48,808,088.22	\$48,979,547.39	\$49,169,889.65	\$49,596,168.89	\$49,878,849.72	\$50,254,391.28	\$50,644,080.93	\$51,034,116.83	\$51,424,406.19	\$51,814,140.47	\$52,203,869.73	\$52,593,164.35
Liabilities and Net Assets															
Long Term Debt															
Notes Payable	\$53,800,000.00	\$53,800,000.00	\$53,800,000.00	\$53,800,000.00	\$53,800,000.00	\$53,800,000.00	\$53,800,000.00	\$53,800,000.00	\$53,800,000.00	\$53,800,000.00	\$53,800,000.00	\$53,800,000.00	\$53,800,000.00	\$53,800,000.00	\$53,800,000.00
Capital Lease Payable - Trailer	22,646,899.46	22,894,417.49	22,937,889.91	22,972,871.76	23,008,432.43	23,043,993.10	23,079,553.77	23,115,114.44	23,150,675.11	23,186,235.78	23,221,796.45	23,257,357.12	23,292,917.79	23,328,478.46	23,364,039.13
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 Expense	(316,600.13)	(316,600.13)	(316,600.13)	(316,600.13)	(316,600.13)	(316,600.13)	(316,600.13)	(316,600.13)	(316,600.13)	(316,600.13)	(316,600.13)	(316,600.13)	(316,600.13)	(316,600.13)	(316,600.13)
Total Long-Term Debt	\$75,430,299.33	\$76,467,814.36	\$76,561,289.78	\$76,804,279.63	\$77,117,422.53	\$77,434,593.03	\$77,751,763.53	\$78,068,934.03	\$78,386,104.53	\$78,703,275.03	\$79,020,445.53	\$79,337,616.03	\$79,654,786.53	\$80,000,000.00	\$80,316,666.67
Special Fund Liabilities															
Accrued Interest on Bonds	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77
Total Special Fund Liabilities	\$219,520.77	\$219,520.77	\$219,520.77	\$219,520.77	\$219,520.77	\$219,520.77	\$219,520.77	\$219,520.77	\$219,520.77	\$219,520.77	\$219,520.77	\$219,520.77	\$219,520.77	\$219,520.77	\$219,520.77
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	0.00	0.00	0.00
Accounts Payable - General	290,333.60	248,276.76	446,048.24	424,901.54	397,659.94	379,812.29	359,716.67	306,302.43	262,392.30	286,380.26	235,028.14	245,094.92	216,598.75	174,439.86	373,418.05
Capital Lease 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	82,493.22	83,066.91	83,707.76	84,369.61	85,031.46	85,693.31	86,355.16	87,016.99	87,678.84	88,340.69	89,002.54	89,664.39	90,326.24	90,988.09	91,649.94
Customer Deposits	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
Sales Tax Payable	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
Other Current & Accrued Liabilities	598,154.78	614,999.49	631,844.20	648,688.91	665,533.62	682,378.33	699,223.04	716,067.75	732,912.46	749,757.17	766,601.88	783,446.59	800,291.30	817,136.01	833,980.72
Total Current and Accrued Liabilities	\$1,055,440.87	\$1,055,440.87	\$1,055,440.87	\$1,055,440.87	\$1,055,440.87	\$1,055,440.87	\$1,055,440.87	\$1,055,440.87	\$1,055,440.87	\$1,055,440.87	\$1,055,440.87	\$1,055,440.87	\$1,055,440.87	\$1,055,440.87	\$1,055,440.87
Reserves															
Accrued Leave	239,032.42	241,819.68	244,606.94	247,394.20	250,181.46	252,968.72	255,755.98	258,543.24	261,330.50	264,117.76	266,905.02	269,692.28	272,479.54	275,266.80	278,054.06
Total Reserves	\$239,032.42	\$241,819.68	\$244,606.94	\$247,394.20	\$250,181.46	\$252,968.72	\$255,755.98	\$258,543.24	\$261,330.50	\$264,117.76	\$266,905.02	\$269,692.28	\$272,479.54	\$275,266.80	\$278,054.06
Net Assets															
Investment in Capital Assets, Net of Related Debt	\$2,411,944.90	\$2,411,944.90	\$2,411,944.90	\$2,411,944.90	\$2,411,944.90	\$2,411,944.90	\$2,411,944.90	\$2,411,944.90	\$2,411,944.90	\$2,411,944.90	\$2,411,944.90	\$2,411,944.90	\$2,411,944.90	\$2,411,944.90	\$2,411,944.90
Restricted For:															
Capital Projects	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39	2,418.39
Debt Service	(19,250.77)	(19,250.77)	(19,250.77)	(19,250.77)	(19,250.77)	(19,250.77)	(19,250.77)	(19,250.77)	(19,250.77)	(19,250.77)	(19,250.77)	(19,250.77)	(19,250.77)	(19,250.77)	(19,250.77)
Unrestricted	(64,836,130.27)	(64,836,130.27)	(64,836,130.27)	(64,836,130.27)	(64,836,130.27)	(64,836,130.27)	(64,836,130.27)	(64,836,130.27)	(64,836,130.27)	(64,836,130.27)	(64,836,130.27)	(64,836,130.27)	(64,836,130.27)	(64,836,130.27)	(64,836,130.27)
Total Net Assets	\$48,517,410.97	\$48,693,444.61	\$48,772,114.66	\$48,808,088.22	\$48,979,547.39	\$49,169,889.65	\$49,596,168.89	\$49,878,849.72	\$50,254,391.28	\$50,644,080.93	\$51,034,116.83	\$51,424,406.19	\$51,814,140.47	\$52,203,869.73	\$52,593,164.35
Total Liabilities and Net Assets	\$48,517,410.97	\$48,693,444.61	\$48,772,114.66	\$48,808,088.22	\$48,979,547										

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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															
Total Plant - Beginning of Year	\$65,182,969.33	\$65,182,969.33	\$65,182,969.33	\$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 Additions During Year	1,601,911.81	1,516,543.20	1,634,419.37	1,220,338.85	247,186.20	390,960.36	57,706.89	215,992.68	855,033.49	877,776.66	1,094,344.44	1,204,830.92	1,313,971.19	1,430,283.33	1,526,515.04
Total Completed Plant	66,784,881.14	66,699,512.53	66,817,388.40	67,037,727.25	67,064,574.39	67,208,348.76	67,266,095.29	67,482,380.97	68,672,421.89	67,695,165.06	67,911,732.84	68,022,219.31	68,136,359.59	68,217,671.72	68,343,904.43
Construction Work in Progress	343,894.17	333,027.61	369,116.56	381,442.04	413,222.48	500,239.38	474,857.38	477,272.45	378,882.30	339,000.35	330,859.43	321,698.12	311,228.41	318,698.14	316,991.29
Total Utility Plant	67,128,775.31	67,032,540.13	67,186,504.96	67,419,169.29	67,477,796.87	67,708,588.13	67,740,952.67	67,960,653.42	69,051,304.19	68,034,165.41	68,242,592.28	68,343,918.13	68,447,588.00	68,536,369.86	68,660,895.72
Reserve for Depreciation	(21,854,027.28)	(21,253,559.79)	(22,143,380.35)	(22,534,191.59)	(22,925,555.00)	(23,317,867.64)	(23,711,141.60)	(24,103,343.49)	(24,500,355.27)	(24,896,104.24)	(25,292,513.79)	(25,688,567.07)	(26,084,552.91)	(26,481,517.82)	(26,884,474.32)
Total Net Plant	45,274,748.02	45,778,980.34	45,043,124.61	44,884,977.70	44,552,241.87	44,390,720.49	44,029,811.07	43,857,309.93	44,550,948.92	43,138,061.17	42,950,078.49	42,655,351.06	42,363,035.09	42,054,852.04	41,776,421.40
Investments and Funds															
Debt Service Fund	3,332,419.30	3,332,419.30	3,332,419.30	3,332,419.30	3,332,419.30	3,332,419.30	3,332,419.30	3,332,419.30	3,332,419.30	3,332,419.30	3,332,419.30	3,332,419.30	3,332,419.30	3,332,419.30	3,332,419.30
Construction Funds	2,378.48	2,378.48	2,378.48	2,378.48	2,378.48	2,378.48	2,378.48	2,378.48	2,378.48	2,378.48	2,378.48	2,378.48	2,378.48	2,378.48	2,378.48
Debt Sinking Fund	1,037,288.88	1,257,903.06	1,410,356.19	1,564,987.93	1,717,688.95	1,871,549.90	2,025,713.19	2,180,264.73	2,335,317.54	2,490,370.35	2,645,423.16	2,799,475.97	2,954,528.78	3,109,581.59	3,264,634.40
Total Investments and Funds	6,748,186.66	7,862,699.84	6,935,644.33	7,869,845.71	7,869,845.71	7,869,845.71	7,869,845.71	7,869,845.71	7,869,845.71	7,869,845.71	7,869,845.71	7,869,845.71	7,869,845.71	7,869,845.71	7,869,845.71
Current Assets															
Cash - Gross Revenue Fund	4,043,606.65	4,213,947.94	4,372,833.05	4,532,718.16	4,692,603.21	4,852,488.32	5,012,373.43	5,172,258.54	5,332,143.65	5,492,028.76	5,651,913.87	5,811,800.00	5,971,685.11	6,131,570.22	6,291,455.33
Accounts Receivable - Customer Billing	3,465,362.51	3,465,362.51	3,465,362.51	3,465,362.51	3,465,362.51	3,465,362.51	3,465,362.51	3,465,362.51	3,465,362.51	3,465,362.51	3,465,362.51	3,465,362.51	3,465,362.51	3,465,362.51	3,465,362.51
Accumulated Provisions for Uncollectible Accounts	(686,469.73)	(706,393.69)	(726,317.65)	(746,241.61)	(766,165.57)	(786,089.53)	(806,013.49)	(825,937.45)	(845,861.41)	(865,785.37)	(885,709.33)	(905,633.29)	(925,557.25)	(945,481.21)	(965,405.17)
Materials and Supplies - Utility	31,256.75	31,256.75	31,256.75	31,256.75	31,256.75	31,256.75	31,256.75	31,256.75	31,256.75	31,256.75	31,256.75	31,256.75	31,256.75	31,256.75	31,256.75
Accrued Interest Receivable	8,735.80	8,735.80	8,735.80	8,735.80	8,735.80	8,735.80	8,735.80	8,735.80	8,735.80	8,735.80	8,735.80	8,735.80	8,735.80	8,735.80	8,735.80
Prepaid Expenses	38,046.16	33,076.29	28,106.42	23,136.55	18,166.68	13,196.81	8,226.94	3,257.07	(1,712.80)	(6,682.93)	(11,653.02)	(16,623.11)	(21,593.20)	(26,563.29)	(31,533.38)
Other Current Assets	15,008.47	15,009.47	15,010.47	15,011.47	15,012.47	15,013.47	15,014.47	15,015.47	15,016.47	15,017.47	15,018.47	15,019.47	15,020.47	15,021.47	15,022.47
Total Current Assets	6,975,649.60	7,081,784.32	7,239,560.82	7,397,337.38	7,555,113.88	7,712,890.38	7,870,666.88	8,028,443.38	8,186,219.88	8,344,000.38	8,501,780.88	8,659,561.38	8,817,341.88	8,975,122.38	9,132,902.88
Deferred Debit															
Unamortized Debt Expense	489,108.16	489,108.16	489,108.16	489,108.16	489,108.16	489,108.16	489,108.16	489,108.16	489,108.16	489,108.16	489,108.16	489,108.16	489,108.16	489,108.16	489,108.16
Unamortized Deferred Debit	3,160,894.17	3,160,894.17	3,160,894.17	3,160,894.17	3,160,894.17	3,160,894.17	3,160,894.17	3,160,894.17	3,160,894.17	3,160,894.17	3,160,894.17	3,160,894.17	3,160,894.17	3,160,894.17	3,160,894.17
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 Debit	3,649,902.33	3,649,902.33	3,649,902.33	3,649,902.33	3,649,902.33	3,649,902.33	3,649,902.33	3,649,902.33	3,649,902.33	3,649,902.33	3,649,902.33	3,649,902.33	3,649,902.33	3,649,902.33	3,649,902.33
Total Assets	\$6,975,649.60	\$7,081,784.32	\$7,239,560.82	\$7,397,337.38	\$7,555,113.88	\$7,712,890.38	\$7,870,666.88	\$8,028,443.38	\$8,186,219.88	\$8,344,000.38	\$8,501,780.88	\$8,659,561.38	\$8,817,341.88	\$8,975,122.38	\$9,132,902.88
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	24,896,278.50	24,896,278.50	24,896,278.50	24,896,278.50	24,896,278.50	24,896,278.50	24,896,278.50	24,896,278.50	24,896,278.50	24,896,278.50	24,896,278.50	24,896,278.50	24,896,278.50	24,896,278.50	24,896,278.50
Capital Lease Payable - Trailer	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)
Unamortized Debt Discount	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)
Total Long Term Debt	75,534,714.50	75,534,714.50	75,534,714.50	75,534,714.50	75,534,714.50	75,534,714.50	75,534,714.50	75,534,714.50	75,534,714.50	75,534,714.50	75,534,714.50	75,534,714.50	75,534,714.50	75,534,714.50	75,534,714.50
Special Fund Liabilities															
Amount Interest on Bonds	189,528.77	206,179.73	222,830.69	239,481.65	256,132.61	272,783.57	289,434.53	306,085.49	322,736.45	339,387.41	356,038.37	372,689.33	389,340.29	405,991.25	422,642.21
Total Special Fund Liabilities	189,528.77	206,179.73	222,830.69	239,481.65	256,132.61	272,783.57	289,434.53	306,085.49	322,736.45	339,387.41	356,038.37	372,689.33	389,340.29	405,991.25	422,642.21
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	0.00	0.00	0.00
Accounts Payable - General	222,915.36	171,438.91	131,003.02	90,567.71	48,132.42	6,616.54	366,699.09	367,214.05	367,729.01	368,243.97	368,758.93	369,273.89	369,788.85	370,303.81	370,818.77
Capital Lease Payable - Trailer Current Portion	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)	(181,282.00)
Customer Deposits	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
Sales Tax Payable	129,755.66	130,755.66	131,755.66	132,755.66	133,755.66	134,755.66	135,755.66	136,755.66	137,755.66	138,755.66	139,755.66	140,755.66	141,755.66	142,755.66	143,755.66
Other Current & Accrued Liabilities	953,722.42	953,722.42	953,722.42	953,722.42	953,722.42	953,722.42	953,722.42	953,722.42	953,722.42	953,722.42	953,722.42	953,722.42	953,722.42	953,722.42	953,722.42
Total Current and Accrued Liabilities	1,403,888.00	1,355,176.75	1,342,669.81	1,330,164.53	1,317,659.25	1,305,153.97	1,292,648.69	1,280,143.41	1,267,638.13	1,255,132.85	1,242,627.57	1,230,122.29	1,217,617.01	1,205,111.73	1,192,606.45
Reserves															
Accrued Leave	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29
Total Reserves	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29	332,709.29
Net Assets															
Investment in Capital Assets, Net of Related Debt	46,746,708.60	46,746,708.60	46,746,708.60	46,746,708.60	46,746,708.60	46,746,708.60	46,746,708.60	46,746,708.60	46,746,708.60	46,746,708.60	46,746,708.60	46,746,708.60	46,746,708.60	46,746,708.60	46,746,708.60
Retained Earnings	2,278.68	2,278.68	2,278.68	2,278.68	2,278.68	2,278.68	2,278.68	2,278.68	2,278.68	2,278.68	2,278.68	2,278.68	2,278.68	2,278.68	2,278.68
Capital Projects	(199,538.77)	(199,538.77)	(199,538.77)	(199,538.77)	(199,538.77)	(199,538.77)	(199,538.77)	(199,538.77)	(199,538.77)	(199,538.77)	(199,538.77)	(199,538.77)	(199,538.77)	(199,538.77)	(199,538.77)
Debt Service	(60,419,201.46)	(60,419,201.46)	(60,419,201.46)	(60,419,201.46)	(60,419,201.46)	(60,419,201.46)	(60,419,201.46)	(60,419,201.46)	(60,419,201.46)	(60,419,201.46)	(60,419,201.46)	(60,419,201.46)	(60,419,201.46)	(60,419,201.46)	(60,419,201.46)
Unamortized	(14,879,442.87)	(14,879,442.87)	(14,879,442.87)	(14,879,442.87)	(14,879,442.87)	(14,879,442.87)	(14,879,442.87)	(14,879,442.87)	(14,879,442.87)	(14,879,442.87)	(14,879,442.87)	(14,879,442.87)	(14,879,442.87)	(14,879,442.87)	(14,879,442.87)
Total Net Assets	\$62,260,996.01	\$62,2													

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	(\$331,920.23)	(\$318,967.92)	(\$167,735.98)	(\$268,109.27)	(\$264,175.72)	(\$265,038.02)	(\$323,990.09)	(\$292,621.11)	(\$312,224.39)	(\$265,594.65)	(\$264,400.52)	(\$344,149.91)
Depreciation and amortization	298,323.67	309,858.76	318,634.60	325,725.76	331,406.84	335,938.09	339,391.84	341,975.78	344,134.65	340,158.59	348,199.24	350,167.89
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)	(59,428.19)	(61,160.84)	(34,039.52)	(17,057.69)
Materials and supplies	172,821.86	156,788.06	183,554.46	130,071.00	97,987.71	44,504.59	17,771.63	44,538.85	(23,343.76)	(24,326.20)	74,681.54	117,478.35
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	11,265.01	11,474.07	(93,886.24)
Accounts payable	(256,560.58)	(199,462.30)	(143,128.54)	(183,124.11)	(193,981.15)	(46,569.06)	(165,387.54)	(50,819.44)	(13,175.80)	(18,477.88)	(55,828.73)	(42,303.76)
Other accrued liabilities	(75,754.98)	27,860.48	5,794.86	14,016.93	19,486.93	(83,734.32)	4,943.49	4,026.80	32,378.30	(1,421.42)	33,104.47	58,573.71
Net Cash Provided by Operating Activities	(91,756.25)	(88,218.82)	(145,635.83)	216,047.75	(11,942.44)	(46,922.85)	(40,868.88)	28,100.02	(11,742.71)	(2,438.68)	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												
Required principal payments to Electric for DSR Loan	(\$23,804.49)	(\$28,246.87)	(\$30,988.35)	(\$33,860.91)	(\$37,138.86)	(\$40,246.61)	(\$43,707.14)	(\$48,824.24)	(\$49,592.19)	(\$52,915.80)	(\$55,900.41)	(\$59,744.19)
Net Cash Provided By (Used For) Noncapital and Related Financing	395,716.28	531,273.90	301,813.59	377,306.86	216,967.60	241,301.66	217,480.63	199,119.58	231,958.08	201,189.65	205,387.38	270,024.77
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(524,380.75)	(561,810.75)	(642,060.75)	(481,560.75)	(384,710.75)	(224,210.75)	(143,960.75)	(224,210.75)	(321,060.75)	(321,060.75)	(321,060.75)	(214,015.75)
Capital lease payments	(8,321.91)	(6,941.80)	(6,961.69)	(8,981.58)	(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	258,000.00	150,000.00	208,000.00	100,000.00	100,000.00	200,000.00	200,000.00	200,000.00	100,000.00	100,000.00
Change in investments	(4,56)	(4,88)	(4,89)	(41,758.71)	(41,846.71)	(41,932.89)	(42,020.25)	(42,107.78)	(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)	(175,184.64)	(93,022.00)	(73,379.54)	(170,337.26)	(172,077.77)	(263,432.26)	(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	83,781.75	147,840.05	49,878.10	26,673.23	66,284.34	153,501.10
Cash - Beginning	33,644.41	176,217.22	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	591,967.74
Cash - Ending	\$ 176,217.22	\$ 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	\$ 591,967.74	\$ 745,368.84

Jackson Energy Authority
Telecommunications System - Consolidated
Telecommunications Cash Flow Update
Actual Through June, 2006 with Pre Forma
Through June, 2011
With VARIANCE REPORT
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	(\$261,195.36)	(\$243,666.85)	(\$246,778.62)	(\$213,986.27)	(\$192,420.51)	(\$211,024.74)	(\$246,666.55)	(\$205,055.12)	(\$217,341.35)	(\$171,581.57)	(\$167,395.86)	(\$228,397.11)
Depreciation and amortization	351,973.74	353,732.00	355,647.06	357,713.59	359,661.90	361,302.48	362,600.59	363,664.55	364,598.43	365,545.78	366,523.12	367,514.43
Provision for doubtful accounts	13,976.78	14,171.83	14,464.38	14,781.86	14,973.15	15,156.69	14,647.27	14,824.43	15,078.12	15,341.35	15,454.38	15,667.50
Changes in:												
Receivables	(118,529.60)	(53,304.86)	(35,781.73)	(64,587.45)	(42,376.32)	(23,798.94)	65,638.69	(53,075.96)	(64,636.49)	(51,548.51)	(32,858.40)	(11,601.60)
Materials and supplies	102,497.15	(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	9,087.34	12,289.93	11,701.34	15,102.20	15,794.95	(88,173.92)
Accounts payable	25,904.99	(47,468.28)	7,141.54	(37,725.14)	(42,256.84)	197,771.68	(21,145.79)	(27,241.60)	(17,845.85)	(20,077.62)	(53,434.25)	(43,710.13)
Other accrued liabilities	(21,742.21)	44,017.84	22,801.31	31,012.47	34,301.86	(87,181.87)	22,185.64	21,497.33	48,944.71	16,710.22	49,811.33	74,967.45
Net Cash Provided by Operating Activities	98,101.63	74,759.98	120,974.71	87,470.19	144,003.88	293,345.16	205,817.52	126,664.63	140,248.79	168,337.19	193,749.58	85,027.97
Cash Provided By (Used For) Noncapital and Related Financing	67,206.37	-	-	-	-	(100,000.00)	(100,000.00)	-	-	(100,000.00)	(100,000.00)	1,778,463.13
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	219,520.95	219,520.77	210,493.29	237,874.40	217,499.40	190,451.07	237,874.40	210,483.28	217,499.40	284,488.29
Borrowings from Debt Service Reserve - Principal	41,687.00	41,687.00	41,687.00	106,333.33	100,000.00	100,000.00	-	-	100,000.00	100,000.00	100,000.00	100,000.00
Required principal payments to Electric for DSR Loan	(\$62,814.40)	(\$67,158.43)	(\$70,011.55)	(\$73,016.01)	(\$76,765.26)	(\$80,201.98)	(\$82,517.55)	(\$84,502.40)	(\$86,148.55)	(\$89,647.13)	(\$93,091.49)	(\$96,391.31)
Net Cash Provided By (Used For) Noncapital and Related Financing	186,573.37	194,029.34	204,457.40	(245,163.91)	233,718.03	57,472.41	34,981.85	111,948.67	251,526.84	120,636.16	124,407.91	288,066.99
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(361,939.80)	(349,602.41)	(405,929.03)	(293,275.80)	(175,622.55)	(105,045.95)	(102,045.95)	(110,795.95)	(174,622.56)	(174,622.56)	(174,622.56)	(174,622.56)
Capital lease payments	-	-	-	-	-	-	-	-	-	-	-	-
Draws on County Build-Out LOC	-	-	-	-	-	-	-	-	-	-	-	-
Additional LOC	100,000.00	100,000.00	100,000.00	-	-	-	-	-	-	-	-	-
Change in investments	(42,548.24)	(42,656.59)	(42,725.71)	391,422.06	(108,804.15)	(109,030.82)	(109,257.97)	(109,485.59)	(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)	(292,238.30)	(348,654.74)	98,146.26	(284,426.71)	(214,078.77)	(21,303.92)	(220,281.54)	(284,336.25)	(284,564.82)	(284,793.87)	(286,023.39)
Increase (Decrease) in Cash	(7,812.74)	(23,446.98)	(23,222.63)	(49,547.46)	93,294.89	126,740.80	29,495.55	18,331.76	107,438.39	4,408.46	33,363.52	88,071.55
Cash - Beginning	745,388.84	737,556.10	714,106.12	690,983.49	641,336.04	734,630.33	861,371.73	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	\$ 861,371.73	\$ 890,867.27	\$ 909,199.04	\$ 1,016,637.42	\$ 1,021,045.88	\$ 1,054,409.50	\$ 1,142,481.08

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	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	(\$120,986.35)	(\$115,741.43)	(\$115,960.53)	(\$91,737.40)	(\$70,151.17)	(\$88,206.34)	(\$30,973.19)	(\$52,985.27)	(\$84,124.49)	(\$49,238.72)	(\$46,723.47)	(\$89,843.00)
Depreciation and amortization	388,515.08	369,554.27	370,740.24	372,145.16	373,455.87	374,574.91	375,560.65	376,463.78	377,294.92	378,111.12	378,970.89	379,699.18
Provision for doubtful accounts	16,428.06	16,548.35	16,714.26	16,918.48	17,040.87	17,121.20	17,202.77	17,289.85	17,376.03	17,461.40	17,546.05	17,630.03
Changes in:												
Receivables	(111,592.13)	(30,188.05)	(36,901.04)	(43,047.28)	(29,636.40)	(23,688.95)	(23,859.51)	(24,611.53)	(24,559.42)	(24,518.81)	(24,487.94)	(24,466.41)
Materials and supplies	(251.12)	(253.63)	(256.16)	(258.72)	(261.31)	(263.92)	(266.53)	(269.13)	(271.74)	(274.34)	(276.94)	(279.54)
Other assets	20,982.02	21,041.37	21,389.38	23,487.07	25,296.23	24,446.58	25,078.82	27,289.39	25,480.48	28,111.92	28,562.93	(74,770.03)
Accounts payable	17,887.96	(45,552.12)	10,086.76	(28,136.18)	(42,518.89)	188,978.19	(19,840.77)	(27,187.29)	(15,857.98)	(20,311.94)	(52,849.82)	(42,912.88)
Other accrued liabilities	(23,656.48)	40,326.55	18,012.55	27,225.06	27,683.19	(70,875.93)	19,891.19	19,044.78	44,768.76	13,005.01	46,363.70	69,836.55
Net Cash Provided by Operating Activities	168,605.05	255,735.34	282,815.49	276,697.19	300,921.28	434,105.74	312,783.48	335,024.48	341,128.37	342,344.53	347,044.94	228,083.47
Cash Provided By (Used For) Noncapital and Related Financing	1,905,106.31	2,062,739.72	2,270,785.22	2,426,517.70	2,629,968.80	2,920,070.96	2,949,519.29	3,078,726.16	3,293,187.89	3,495,283.63	3,673,981.45	3,708,395.34
Borrowings on working capital line of credit	-	-	(100,000.00)	(100,000.00)	(100,000.00)	(200,000.00)	(200,000.00)	(150,000.00)	(150,000.00)	(125,000.00)	(100,000.00)	(75,000.00)
Principal payments on working capital line of credit	-	-	-	-	-	-	-	-	-	-	-	-
Payments on County Built-Out LOC	-	-	-	-	-	-	-	-	-	-	-	-
Payments on New LOC	-	-	-	-	-	-	-	-	-	-	-	-
Bond Payment	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Debt Service Reserve - Interest	217,499.40	217,499.40	230,638.29	217,499.40	205,397.28	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 - Principal	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
Required principal payments to Electric for DSR Loan	(\$100,827.21)	(\$103,816.22)	(\$106,898.34)	(\$110,247.75)	(\$113,285.30)	(\$116,120.07)	(\$119,293.49)	(\$122,130.74)	(\$125,624.24)	(\$127,672.60)	(\$128,918.35)	(\$132,231.75)
Net Cash Provided By (Used For) Noncapital and Related Financing	216,672.19	213,683.17	123,699.95	(1,192,748.38)	92,101.98	15,811.28	(7,049.65)	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)	(193,885.05)	(123,363.94)	(124,258.94)	(121,283.94)	(128,283.94)	(131,283.94)	(131,283.94)	(131,283.94)	(131,283.94)
Capital lease payments	-	-	-	-	-	-	-	-	-	-	-	-
Draws on County Built-Out LOC	-	-	-	-	-	-	-	-	-	-	-	-
Additional LOC	-	-	-	-	-	-	-	-	-	-	-	-
Change in Investments	(110,630.83)	(110,861.32)	(111,092.28)	1,174,882.88	(125,578.21)	(126,339.85)	(126,102.03)	(126,354.78)	(126,628.03)	(126,891.86)	(127,156.24)	(127,421.18)
Construction fund draws	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Used for Capital Financing Activities	(301,870.88)	(364,332.48)	(426,794.55)	980,817.82	(248,962.15)	(250,098.79)	(247,385.97)	(252,648.70)	(257,911.98)	(258,175.81)	(258,440.19)	(258,705.12)
Increase (Decrease) in Cash	81,806.35	105,086.04	(20,279.12)	64,786.66	144,061.08	188,816.21	58,357.87	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	2,018,366.80	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	\$ 2,018,366.80	\$ 2,130,262.18	\$ 2,276,192.42	\$ 2,388,933.78

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	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	\$14,398.12	\$21,358.11	\$19,784.04	\$40,235.77	\$81,112.76	\$44,435.80	\$43,355.78	\$87,377.08	\$36,631.14	\$66,884.98	\$85,888.58	\$16,546.07
Depreciation and amortization	380,480.27	381,373.29	382,397.75	383,586.68	384,718.28	385,730.04	386,550.19	387,342.88	388,022.06	388,685.39	389,332.51	390,020.56
Provision for doubtful accounts	18,528.28	18,705.54	18,897.71	19,030.11	19,156.90	19,285.07	19,389.97	19,483.54	19,585.80	19,648.90	19,723.92	19,831.05
Changes in:												
Receivables	(128,151.12)	(32,547.19)	(33,138.60)	(34,394.54)	(26,420.33)	(18,905.03)	(15,737.39)	(15,687.44)	(15,441.70)	(16,540.76)	(19,546.54)	(23,607.72)
Materials and supplies	(282.96)	(285.79)	(288.65)	(291.54)	(294.45)	(297.40)	(300.37)	(303.37)	(306.41)	(309.47)	(312.57)	(316.68)
Other assets	34,237.98	35,063.18	35,274.61	37,031.59	38,748.17	37,802.42	37,989.70	39,772.86	37,821.75	40,120.27	40,339.74	(62,899.12)
Accounts payable	19,153.21	(44,828.61)	10,656.10	(34,919.41)	(41,722.50)	198,722.46	(18,542.46)	(26,474.80)	(15,653.49)	(19,431.90)	(51,476.43)	(40,435.82)
Other accrued liabilities	(22,925.23)	38,953.88	16,841.08	25,944.47	25,515.11	(73,468.40)	18,548.22	17,680.18	41,677.06	11,964.38	44,473.55	66,426.70
Net Cash Provided by Operating Activities	315,406.58	417,791.20	450,384.05	436,283.14	480,814.92	594,314.95	471,512.65	489,151.23	482,148.83	490,799.78	489,228.78	385,485.93
Cash Provided By (Used For) Noncapital and Related Financing	3,836,713.93	4,187,900.08	4,382,548.78	4,535,996.44	4,720,174.17	5,013,507.85	5,050,314.75	5,227,272.60	5,384,384.84	5,534,066.25	5,680,947.47	5,899,388.48
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	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	269,653.77
Borrowings from Debt Service Reserve - Principal	75,000.00			100,000.00								
Required principal payments to Electric for DSR Loan	(\$135,471.95)	(\$137,703.69)	(\$138,799.77)	(\$140,068.55)	(\$142,600.32)	(\$143,437.42)	(\$144,641.25)	(\$145,546.14)	(\$146,144.34)	(\$147,308.36)	(\$148,076.23)	(\$148,930.62)
Net Cash Provided By (Used For) Noncapital and Related Financing	151,771.89	74,540.15	86,284.99	1,427,824.72	(43,071.55)	(188,132.70)	(38,461.52)	(109,319.30)	(20,838.61)	(47,779.59)	(41,896.51)	70,723.15
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending												
Capital lease payments	(191,336.57)	(220,547.44)	(248,758.31)	(191,336.57)	(125,439.83)	(85,403.95)	(92,178.95)	(91,403.95)	(86,403.95)	(124,364.83)	(124,364.83)	(124,364.83)
Draws on County Build-Out LOC												
Additional LOC												
Change in Investments	(127,886.67)	(127,952.71)	(128,219.31)	1,349,586.45	(150,726.95)	(161,041.00)	(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)	1,158,249.88	(278,166.77)	(248,444.95)	(248,534.66)	(243,075.03)	(248,391.05)	(278,668.61)	(276,985.96)	(277,303.97)
Increase (Decrease) in Cash	148,155.21	143,831.20	158,691.42	168,888.31	141,576.60	179,737.31	189,516.46	138,756.91	222,916.16	166,351.59	170,341.29	158,865.11
Cash - Beginning	2,383,933.78	2,537,068.99	2,680,920.48	2,839,811.60	3,006,289.91	3,147,876.50	3,327,613.81	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	\$ 2,839,611.60	\$ 3,006,289.91	\$ 3,147,876.50	\$ 3,327,613.81	\$ 3,517,130.28	\$ 3,653,887.19	\$ 3,876,803.35	\$ 4,043,154.93	\$ 4,213,496.22	\$ 4,372,381.33

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	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	\$125,269.40	\$141,235.64	\$159,315.71	\$140,785.95	\$135,189.56	\$186,900.51	\$126,095.28	\$163,863.03	\$162,134.41	\$101,756.23
Depreciation and amortization	390,721.24	391,463.41	392,302.64	393,275.96	394,199.89	395,011.78	395,749.97	396,498.47	397,053.29	397,685.84	398,310.91	398,931.01
Provision for doubtful accounts	20,560.47	20,647.73	20,750.85	20,875.32	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)	(11,366.32)	(11,373.87)	(16,973.52)
Materials and supplies	(318.85)	(322.04)	(325.26)	(328.51)	(331.50)	(335.11)	(338.47)	(341.95)	(346.27)	(348.73)	(352.21)	(356.79)
Other assets	51,648.03	51,760.81	51,808.14	53,093.82	54,480.33	53,291.49	52,989.08	54,698.47	52,556.58	54,888.70	54,566.36	(48,797.13)
Accounts payable	231,694.70	1,759.54	1,157.89	1,043.85	575.86	387.65	10,411.18	844.86	609.49	472.78	953.53	440.15
Other accrued liabilities	(21,821.98)	37,391.48	15,136.02	24,946.38	23,319.92	26,746.32	18,339.86	17,637.14	39,499.02	11,906.25	43,166.02	60,130.20
Net Cash Provided by Operating Activities	672,337.67	619,571.31	579,788.00	612,185.28	698,733.55	625,860.76	622,554.75	636,711.82	625,147.60	628,016.87	659,306.82	520,457.43
Cash Provided By (Used For) Noncapital and Related Financing	6,145,512.66	6,449,777.42	6,811,744.21	6,773,545.45	6,376,015.95	7,141,061.69	7,169,241.47	7,334,440.65	7,470,437.02	7,806,306.86	7,773,813.90	7,805,047.57
Borrowings on working capital line of credit	(230,000.00)	(130,000.00)	(150,000.00)	(150,000.00)	(230,000.00)	(230,000.00)	(200,000.00)	(200,000.00)	(130,000.00)	(150,000.00)	(125,000.00)	(126,000.00)
Principal payments on working capital line of credit												
Payments on County Build-Out LOC												
Payments on New LOC												
Bond Payment	206,179.73	206,179.73	218,653.77	206,179.73	192,486.58	217,352.79	199,902.79	179,054.14	217,352.79	192,486.58	199,902.79	280,136.58
Borrowings from Debt Service Reserve - Interest												
Borrowings from Debt Service Reserve - Principal												
Required principal payments to Electric for DSR Loan	(\$150,705.80)	(\$151,621.52)	(\$152,325.25)	(\$153,300.58)	(\$154,078.15)	(\$154,942.92)	(\$155,585.05)	(\$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	(144,528.08)	(95,341.80)	(83,671.48)	(1,897,120.85)	(161,591.57)	(137,280.13)	(156,582.25)	(176,548.17)	(89,194.38)	(114,954.70)	(84,053.81)	(23,422.12)
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(141,384.33)	(177,027.79)	(212,691.26)	(141,364.33)	(100,700.88)	(100,700.88)	(88,912.02)	(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)	(153,677.16)	(153,887.15)	1,632,830.45	(167,517.87)	(167,868.91)	(168,218.88)	(168,567.19)	(168,918.42)	(169,270.38)	(169,623.08)	(169,978.51)
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)	(268,567.78)	(255,128.70)	(273,093.05)	(273,444.28)	(273,796.24)	(274,148.94)	(274,502.37)
Increase (Decrease) in Cash	233,189.45	193,624.57	129,498.11	206,530.55	208,923.25	220,002.86	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	4,926,693.46	5,135,224.01	5,344,147.26	5,564,150.11	5,774,853.90	5,981,924.50	6,224,433.46	6,463,698.18	6,763,803.25
Cash - Ending	\$ 4,605,570.79	\$ 4,799,195.36	\$ 4,926,693.46	\$ 5,135,224.01	\$ 5,344,147.26	\$ 5,564,150.11	\$ 5,774,853.90	\$ 5,981,924.50	\$ 6,224,433.46	\$ 6,463,698.18	\$ 6,763,803.25	\$ 6,986,336.18

Telecom Financial Working Model
Current Hybrid Business Model
Retail Video
Third Party Providers for Internet/Telephone
Current penetration projections for Internet/Telephone

Revision Date: 9/11/2006

Last Changes Made By: DRW

Input Factors

O&M Expense 7/1/06: \$ 339,695
O&M Inflation Factor: 3.5%

	2007	2008	2009	2010	2011
Internet Customers as a % of Cable Customers:					
Cinergy %	30.5%	29.9%	30.1%	30.2%	30.4%
Aeneas %	20.5%	21.6%	21.7%	21.8%	21.9%
JEA Retail %	0.0%	0.0%	0.0%	0.0%	0.0%
Total Internet customers as a % of Cable customers	51.0%	51.5%	51.8%	52.0%	52.3%

Telephone Customers as a % of Cable Customers:

Cinergy %	28.7%	28.3%	28.1%	28.0%	28.0%
Aeneas %	19.1%	18.6%	18.4%	18.4%	18.4%
JEA Retail %	0.0%	0.0%	0.0%	0.0%	0.0%
Total Telephone customers as a % of Cable customers	47.8%	46.9%	46.5%	46.4%	46.4%

Financial

	2006	2007	2008	2009	2010	2011
Annual Capital Expenditures	6,241,428	4,361,061	2,602,748	1,974,625	1,726,904	1,483,391
Annual O&M	4,604,587	4,020,661	4,425,226	4,520,136	4,652,070	4,797,348
Annual Net Income	(4,270,408)	(3,830,890)	(3,073,331)	(1,986,638)	(904,586)	99,959
Ending Cash Flow	5,342	116,045	184,273	164,151	177,882	223,170
Lowest Monthly Cash Flow	(17,036)	31,208	26,199	98,520	152,326	120,849
Highest Monthly Cash Flow	397,641	151,107	250,188	260,956	214,639	223,170

Jackson Energy Authority
Telecommunications Systems - Consolidated
Statement of Net Assets

Assets

Utility Plant	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
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
Net Plant Additions During Year	3,086,081.27	3,086,081.27	3,086,081.27	3,086,081.27	3,086,081.27	3,086,081.27	3,086,081.27	3,086,081.27	3,086,081.27	3,086,081.27	3,086,081.27	3,086,081.27
Construction Work in Progress	51,495,715.05	51,495,715.05	51,495,715.05	51,495,715.05	51,495,715.05	51,495,715.05	51,495,715.05	51,495,715.05	51,495,715.05	51,495,715.05	51,495,715.05	51,495,715.05
Total Utility Plant	102,990,910.83	102,990,910.83	102,990,910.83	102,990,910.83	102,990,910.83	102,990,910.83	102,990,910.83	102,990,910.83	102,990,910.83	102,990,910.83	102,990,910.83	102,990,910.83
Reserve for Depreciation	(5,025,811.53)	(5,025,811.53)	(5,025,811.53)	(5,025,811.53)	(5,025,811.53)	(5,025,811.53)	(5,025,811.53)	(5,025,811.53)	(5,025,811.53)	(5,025,811.53)	(5,025,811.53)	(5,025,811.53)
Total Net Plant	97,965,099.30	97,965,099.30	97,965,099.30	97,965,099.30	97,965,099.30	97,965,099.30	97,965,099.30	97,965,099.30	97,965,099.30	97,965,099.30	97,965,099.30	97,965,099.30
Investments and Funds												
Debt Service Funds	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41
Capital Funds	2,350,713.30	2,350,713.30	2,350,713.30	2,350,713.30	2,350,713.30	2,350,713.30	2,350,713.30	2,350,713.30	2,350,713.30	2,350,713.30	2,350,713.30	2,350,713.30
Debt Sinking Fund	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41	5,524,806.41
Total Investments and Funds	13,400,326.12	13,400,326.12	13,400,326.12	13,400,326.12	13,400,326.12	13,400,326.12	13,400,326.12	13,400,326.12	13,400,326.12	13,400,326.12	13,400,326.12	13,400,326.12
Current Assets												
Cash - Gross Revenue Fund	46,767.89	101,010.47	52,343.65	31,208.50	122,178.44	102,340.24	126,644.81	151,107.42	126,894.12	120,556.00	147,482.99	116,545.49
Accounts Receivable	1,975,732.24	1,768,911.31	3,852,582.12	1,911,515.49	1,949,633.62	1,978,546.46	1,942,115.59	1,974,431.15	2,018,232.15	2,051,546.00	2,109,251.58	2,139,403.18
Accumulated Provisions for Uncollectible Accounts	19,867.93	4,729.23	(2,469.47)	(31,548.17)	(74,686.87)	(55,833.57)	(69,241.67)	(93,100.97)	(69,241.67)	(103,100.97)	(129,551.57)	(159,062.47)
Materials and Supplies - Utility	985,044.67	828,581.92	644,466.44	411,769.00	411,126.35	369,961.34	351,122.66	306,310.08	328,971.38	359,412.31	277,316.64	199,062.47
Accrued Interest Receivable	152.84	8,313.80	8,313.80	8,313.80	8,313.80	8,313.80	8,313.80	8,313.80	8,313.80	8,313.80	8,313.80	8,313.80
Prepaid Expenses	100,933.04	89,181.27	77,109.49	65,517.72	51,773.04	41,194.17	30,142.40	18,130.62	6,598.85	(5,332.93)	(17,094.70)	71,183.51
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	3,113,793.41	3,800,834.47	3,648,912.50	2,533,463.81	2,540,627.99	2,481,866.51	2,428,661.15	2,417,607.17	2,438,151.11	2,487,200.19	2,419,027.60	2,467,609.91
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
Miscellaneous Deferred Debits	3,327,847.03	3,340,550.60	3,351,849.68	3,361,663.19	3,370,603.30	3,380,596.02	3,392,821.31	3,402,601.19	3,414,128.81	3,422,363.74	3,430,352.37	3,438,103.89
Clearing 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	4,337,624.84	4,345,424.64	4,351,819.95	4,356,729.69	4,360,766.03	4,366,244.98	4,373,176.50	4,379,052.61	4,384,676.46	4,388,007.62	4,391,132.48	4,397,937.23
Total Assets	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25
Liabilities and Net Assets												
Long Term Debt												
Bonds	200,440.88	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77
Notes Payable	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61
Capital Lease Payable - Trailer	29,890.53	29,890.53	29,890.53	29,890.53	29,890.53	29,890.53	29,890.53	29,890.53	29,890.53	29,890.53	29,890.53	29,890.53
Unamortized Debt Discount	(24,424.35)	(24,424.35)	(24,424.35)	(24,424.35)	(24,424.35)	(24,424.35)	(24,424.35)	(24,424.35)	(24,424.35)	(24,424.35)	(24,424.35)	(24,424.35)
Total Long Term Debt	135,936.67	135,936.67	135,936.67	135,936.67	135,936.67	135,936.67	135,936.67	135,936.67	135,936.67	135,936.67	135,936.67	135,936.67
Special Fund Liabilities												
Accrued Interest on Bonds	200,440.88	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77
Total Special Fund Liabilities	200,440.88	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77	219,520.77
Current and Accrued Liabilities												
Long Term Debt - Current Portion	1,236,879.88	1,236,879.88	1,236,879.88	1,236,879.88	1,236,879.88	1,236,879.88	1,236,879.88	1,236,879.88	1,236,879.88	1,236,879.88	1,236,879.88	1,236,879.88
Accounts Payable - General	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61	34,033.61
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	213,556.66	213,556.66	213,556.66	213,556.66	213,556.66	213,556.66	213,556.66	213,556.66	213,556.66	213,556.66	213,556.66	213,556.66
Sales Tax Payable	336,641.89	336,641.89	336,641.89	336,641.89	336,641.89	336,641.89	336,641.89	336,641.89	336,641.89	336,641.89	336,641.89	336,641.89
Other Current & Accrued Liabilities	2,301,060.66	2,301,060.66	2,301,060.66	2,301,060.66	2,301,060.66	2,301,060.66	2,301,060.66	2,301,060.66	2,301,060.66	2,301,060.66	2,301,060.66	2,301,060.66
Total Current and Accrued Liabilities	2,907,117.30	2,907,117.30	2,907,117.30	2,907,117.30	2,907,117.30	2,907,117.30	2,907,117.30	2,907,117.30	2,907,117.30	2,907,117.30	2,907,117.30	2,907,117.30
Reserves												
Accrued Leave	209,713.30	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43
Total Reserves	209,713.30	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43	211,810.43
Net Assets												
Investment in Capital Assets, Net of Related Debt	52,117,380.93	52,383,925.95	52,383,925.95	52,383,925.95	52,383,925.95	52,383,925.95	52,383,925.95	52,383,925.95	52,383,925.95	52,383,925.95	52,383,925.95	52,383,925.95
Restricted For:												
Capital Projects	2,383.51	2,383.51	2,383.51	2,383.51	2,383.51	2,383.51	2,383.51	2,383.51	2,383.51	2,383.51	2,383.51	2,383.51
Debt Service	(200,440.88)	(219,520.77)	(219,520.77)	(219,520.77)	(219,520.77)	(219,520.77)	(219,520.77)	(219,520.77)	(219,520.77)	(219,520.77)	(219,520.77)	(219,520.77)
Unrestricted	(62,558,523.34)	(60,353,602.93)	(61,201,176.64)	(61,201,176.64)	(61,201,176.64)	(61,201,176.64)	(61,201,176.64)	(61,201,176.64)	(61,201,176.64)	(61,201,176.64)	(61,201,176.64)	(61,201,176.64)
Total Net Assets	(6,451,418.25)	(6,451,418.25)	(6,451,418.25)	(6,451,418.25)	(6,451,418.25)	(6,451,418.25)	(6,451,418.25)	(6,451,418.25)	(6,451,418.25)	(6,451,418.25)	(6,451,418.25)	(6,451,418.25)
Total Liabilities and Net Assets	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25	\$6,451,418.25

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Net Assets

ASX

	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	\$59,853,176.66	\$59,853,176.66	\$59,853,176.66	\$59,853,176.66	\$59,853,176.66	\$59,853,176.66	\$59,853,176.66	\$59,853,176.66	\$59,853,176.66	\$59,853,176.66	\$59,853,176.66	\$59,853,176.66
Net Plant Addition During Year	353,468.61	707,760.95	1,063,823.31	1,435,174.56	1,780,500.66	2,069,218.92	2,295,779.74	2,482,475.69	2,643,204.82	2,809,565.16	2,977,012.91	3,147,218.93
Total Completed Plant	60,206,647.27	60,562,939.61	60,917,001.97	61,288,333.22	61,633,673.32	61,922,431.57	62,339,588.39	62,833,654.26	63,406,380.48	64,062,745.82	64,819,198.77	65,660,397.48
Construction Work in Progress	1,058,877.29	1,062,877.89	1,114,033.75	1,174,033.75	1,238,978.39	1,309,978.39	1,386,978.39	1,469,978.39	1,558,978.39	1,653,978.39	1,755,978.39	1,865,978.39
Total Utility Plant	61,265,524.56	61,625,817.50	62,031,035.72	62,462,367.00	62,872,651.71	63,232,409.96	63,726,566.78	64,303,632.65	64,965,358.87	65,716,724.21	66,575,177.16	67,526,375.87
Reserve for Depreciation	(9,016,244.78)	(9,249,377.40)	(9,525,336.25)	(9,845,336.25)	(10,209,336.25)	(10,617,336.25)	(11,069,336.25)	(11,565,336.25)	(12,105,336.25)	(12,689,336.25)	(13,317,336.25)	(13,989,336.25)
Total Net Plant	\$52,249,279.78	\$52,376,440.10	\$52,505,700.47	\$52,617,030.75	\$52,663,315.46	\$52,615,073.71	\$52,657,230.53	\$52,738,296.40	\$52,859,022.62	\$53,027,387.96	\$53,257,840.91	\$53,537,039.62
Investments and Funds												
Debt Service Fund	5,222,415.50	5,222,415.50	5,222,415.50	5,222,415.50	5,222,415.50	5,222,415.50	5,222,415.50	5,222,415.50	5,222,415.50	5,222,415.50	5,222,415.50	5,222,415.50
Debt Service Fund	2,441.19	2,441.19	2,441.19	2,441.19	2,441.19	2,441.19	2,441.19	2,441.19	2,441.19	2,441.19	2,441.19	2,441.19
Debt Service Fund	4,781.31	4,781.31	4,781.31	4,781.31	4,781.31	4,781.31	4,781.31	4,781.31	4,781.31	4,781.31	4,781.31	4,781.31
Total Investments and Funds	5,229,637.99	5,229,637.99	5,229,637.99	5,229,637.99	5,229,637.99	5,229,637.99	5,229,637.99	5,229,637.99	5,229,637.99	5,229,637.99	5,229,637.99	5,229,637.99
Current Assets												
Debt - Gross Revenue Fund	91,217.62	91,217.62	91,217.62	91,217.62	91,217.62	91,217.62	91,217.62	91,217.62	91,217.62	91,217.62	91,217.62	91,217.62
Accounts Receivable - Customer Billing	2,246,814.99	2,246,814.99	2,246,814.99	2,246,814.99	2,246,814.99	2,246,814.99	2,246,814.99	2,246,814.99	2,246,814.99	2,246,814.99	2,246,814.99	2,246,814.99
Accounts Receivable - Unavailable Accounts	(116,448.90)	(116,448.90)	(116,448.90)	(116,448.90)	(116,448.90)	(116,448.90)	(116,448.90)	(116,448.90)	(116,448.90)	(116,448.90)	(116,448.90)	(116,448.90)
Materials and Supplies - Inventory	55,850.97	55,850.97	55,850.97	55,850.97	55,850.97	55,850.97	55,850.97	55,850.97	55,850.97	55,850.97	55,850.97	55,850.97
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	66,210.65	66,210.65	66,210.65	66,210.65	66,210.65	66,210.65	66,210.65	66,210.65	66,210.65	66,210.65	66,210.65	66,210.65
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	2,380,146.61	2,380,146.61	2,380,146.61	2,380,146.61	2,380,146.61	2,380,146.61	2,380,146.61	2,380,146.61	2,380,146.61	2,380,146.61	2,380,146.61	2,380,146.61
Deferred Debits												
Unamortized Debt Expense	650,937.57	650,937.57	650,937.57	650,937.57	650,937.57	650,937.57	650,937.57	650,937.57	650,937.57	650,937.57	650,937.57	650,937.57
Miscellaneous Deferred Debits	3,647,383.57	3,647,383.57	3,647,383.57	3,647,383.57	3,647,383.57	3,647,383.57	3,647,383.57	3,647,383.57	3,647,383.57	3,647,383.57	3,647,383.57	3,647,383.57
Clearing 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	4,298,321.14	4,298,321.14	4,298,321.14	4,298,321.14	4,298,321.14	4,298,321.14	4,298,321.14	4,298,321.14	4,298,321.14	4,298,321.14	4,298,321.14	4,298,321.14
Total Assets	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38
Liabilities and Net Assets												
Long Term Debt												
Bonds	\$54,100,000.00	\$54,100,000.00	\$54,100,000.00	\$54,100,000.00	\$54,100,000.00	\$54,100,000.00	\$54,100,000.00	\$54,100,000.00	\$54,100,000.00	\$54,100,000.00	\$54,100,000.00	\$54,100,000.00
Notes Payable	21,227,693.01	21,227,693.01	21,227,693.01	21,227,693.01	21,227,693.01	21,227,693.01	21,227,693.01	21,227,693.01	21,227,693.01	21,227,693.01	21,227,693.01	21,227,693.01
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	(242,161.14)	(242,161.14)	(242,161.14)	(242,161.14)	(242,161.14)	(242,161.14)	(242,161.14)	(242,161.14)	(242,161.14)	(242,161.14)	(242,161.14)	(242,161.14)
Total Long Term Debt	\$54,085,914.58	\$54,085,914.58	\$54,085,914.58	\$54,085,914.58	\$54,085,914.58	\$54,085,914.58	\$54,085,914.58	\$54,085,914.58	\$54,085,914.58	\$54,085,914.58	\$54,085,914.58	\$54,085,914.58
Special Fund Liabilities												
Accrued Interest on Bonds	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77
Total Special Fund Liabilities	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77	210,530.77
Current and Accrued Liabilities												
Long Term Debt - Current Portion	360,885.73	360,885.73	360,885.73	360,885.73	360,885.73	360,885.73	360,885.73	360,885.73	360,885.73	360,885.73	360,885.73	360,885.73
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	71,369.77	71,369.77	71,369.77	71,369.77	71,369.77	71,369.77	71,369.77	71,369.77	71,369.77	71,369.77	71,369.77	71,369.77
Customer Deposits	78,218.25	78,218.25	78,218.25	78,218.25	78,218.25	78,218.25	78,218.25	78,218.25	78,218.25	78,218.25	78,218.25	78,218.25
Sales Tax 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 & Accrued Liabilities	841,034.16	841,034.16	841,034.16	841,034.16	841,034.16	841,034.16	841,034.16	841,034.16	841,034.16	841,034.16	841,034.16	841,034.16
Total Current and Accrued Liabilities	\$1,323,406.22	\$1,323,406.22	\$1,323,406.22	\$1,323,406.22	\$1,323,406.22	\$1,323,406.22	\$1,323,406.22	\$1,323,406.22	\$1,323,406.22	\$1,323,406.22	\$1,323,406.22	\$1,323,406.22
Reserves												
Accrued Leave	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20
Total Reserves	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20	235,310.20
Net Assets												
Investment in Capital Assets, Net of Related Debt	\$2,501,443.67	\$2,501,443.67	\$2,501,443.67	\$2,501,443.67	\$2,501,443.67	\$2,501,443.67	\$2,501,443.67	\$2,501,443.67	\$2,501,443.67	\$2,501,443.67	\$2,501,443.67	\$2,501,443.67
Restricted For:												
Capital Projects	2,445.19	2,445.19	2,445.19	2,445.19	2,445.19	2,445.19	2,445.19	2,445.19	2,445.19	2,445.19	2,445.19	2,445.19
Debt Service	(210,530.77)	(210,530.77)	(210,530.77)	(210,530.77)	(210,530.77)	(210,530.77)	(210,530.77)	(210,530.77)	(210,530.77)	(210,530.77)	(210,530.77)	(210,530.77)
Unrestricted	(64,490,070.23)	(64,490,070.23)	(64,490,070.23)	(64,490,070.23)	(64,490,070.23)	(64,490,070.23)	(64,490,070.23)	(64,490,070.23)	(64,490,070.23)	(64,490,070.23)	(64,490,070.23)	(64,490,070.23)
Total Net Assets	\$52,501,443.67	\$52,501,443.67	\$52,501,443.67	\$52,501,443.67	\$52,501,443.67	\$52,501,443.67	\$52,501,443.67	\$52,501,443.67	\$52,501,443.67	\$52,501,443.67	\$52,501,443.67	\$52,501,443.67
Total Liabilities and Net Assets	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38	\$64,884,175.38

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	Mar-09	Apr-09	May-09	Jun-09
Utility Plant											
Total Plant - Beginning of Year	\$63,000,697.38	\$63,000,697.38	\$63,000,697.38	\$63,000,697.38	\$63,000,697.38	\$63,000,697.38	\$63,000,697.38	\$63,000,697.38	\$63,000,697.38	\$63,000,697.38	\$64,954,412.46
Total Plant Additions During Year	171,879.20	350,210.35	553,888.84	794,408.39	1,019,576.77	1,210,816.87	1,379,729.92	1,676,885.70	1,816,726.42	1,953,714.88	135,086.95
Total Completed Plant	61,172,576.79	63,350,907.74	63,554,286.42	63,795,106.17	64,002,273.35	64,211,514.46	64,380,427.51	64,577,583.29	64,817,424.00	64,954,412.46	65,089,499.41
Construction Work in Progress	514,986.45	610,135.46	722,459.24	675,594.55	575,120.31	506,739.15	459,110.04	419,232.14	410,965.37	403,260.86	401,457.85
Total Utility Plant	61,707,572.24	63,961,043.40	64,276,745.67	64,470,700.72	64,577,393.66	64,718,253.61	64,839,537.55	64,996,815.43	65,228,389.37	65,357,673.32	65,490,957.26
Reserve for Depreciation	(13,354,727.31)	(13,354,731.63)	(14,105,487.10)	(14,477,865.26)	(14,821,559.26)	(15,226,369.54)	(15,602,165.29)	(15,978,354.41)	(16,374,731.15)	(17,113,877.31)	(17,490,811.99)
Total Net Plant	50,542,844.93	50,606,311.77	50,171,258.57	49,992,835.46	49,755,834.40	49,491,884.06	49,237,372.26	49,018,461.02	48,853,658.22	48,243,796.00	47,997,145.27
Investments and Funds											
Debt Service Fund	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50
Construction Funds	2,500.98	2,511.12	2,516.28	2,531.45	2,536.55	2,541.87	2,547.70	2,553.03	2,558.40	2,563.81	2,569.24
Debt Sinking Fund	1,102,701.31	1,213,641.69	1,324,524.81	1,500,085.76	2,252,512.77	4,014,554.40	5,273,551.18	6,539,510.66	7,807,419.92	9,084,570.79	11,151,865.57
Total Investment and Funds	6,637,621.79	6,748,572.31	6,859,450.59	6,742,597.71	5,800,566.83	5,524,485.77	6,052,487.28	6,178,471.45	6,433,392.45	6,599,548.70	6,695,849.87
Current Assets											
Cash - Grant Revenue Fund	2,017,020.05	154,906.05	169,683.01	167,289.69	106,441.91	260,916.27	194,031.34	98,508.47	186,811.42	181,251.46	164,141.28
Accounts Receivable - Customer Billing	2,637,635.69	2,650,975.38	2,692,722.30	2,723,455.25	2,739,127.65	2,766,866.17	2,792,465.43	2,797,833.59	2,813,101.77	2,828,232.88	2,843,377.24
Accumulated Provisions for Uncollectible Accounts	(295,185.51)	(311,514.53)	(328,051.91)	(344,771.96)	(361,617.04)	(378,540.53)	(395,445.53)	(412,331.11)	(429,207.45)	(446,084.10)	(462,960.76)
Materials and Supplies - Utility	46,635.40	49,081.81	48,225.38	47,962.04	47,293.66	46,813.39	46,337.97	45,861.75	45,386.67	44,911.58	44,436.46
Accrued Interest Receivable	8,714.60	8,715.80	8,716.80	8,717.80	8,718.80	8,719.80	8,720.80	8,721.80	8,722.80	8,723.80	8,724.80
Prepaid Expenses	106,536.19	101,553.32	96,590.45	91,617.58	86,644.71	81,671.84	76,698.96	71,726.09	66,753.22	61,780.35	56,807.48
Other Current Assets	15,887.47	15,888.47	15,889.47	15,890.47	15,891.47	15,892.47	15,893.47	15,894.47	15,895.47	15,896.47	15,897.47
Total Current Assets	2,724,254.10	2,678,697.32	2,703,075.90	2,715,703.27	2,728,606.76	2,741,708.96	2,754,997.61	2,768,402.02	2,781,946.59	2,795,604.88	2,809,377.45
Deferred Debts											
Unamortized Debt Expense	592,087.33	587,183.56	582,279.79	577,376.02	572,472.25	567,568.48	562,664.71	557,760.94	552,857.17	547,953.40	543,049.63
Miscellaneous Deferred Debts	3,072,615.91	3,668,463.97	3,664,333.30	3,658,699.49	3,653,075.55	3,646,390.47	3,639,705.30	3,633,020.19	3,626,335.06	3,619,649.95	3,612,964.84
Clearing Accounts	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	4,264,703.24	4,255,647.53	4,246,613.09	4,236,075.51	4,224,547.80	4,213,958.95	4,203,369.99	4,192,786.13	4,182,192.25	4,171,608.35	4,161,024.48
Total Assets	\$63,969,539.26	\$63,999,482.92	\$63,976,619.75	\$63,914,478.05	\$63,949,443.39	\$63,919,957.75	\$63,917,020.97	\$63,948,832.20	\$63,978,045.29	\$63,932,351.26	\$63,977,231.16
Liabilities and Net Assets											
Long Term Debt											
Bonds											
Notes Payable	\$53,000,000.00	\$53,000,000.00	\$53,000,000.00	\$53,000,000.00	\$53,000,000.00	\$53,000,000.00	\$53,000,000.00	\$53,000,000.00	\$53,000,000.00	\$53,000,000.00	\$53,000,000.00
Capital Lease Payable - Trailer	24,116,331.21	24,230,229.29	24,454,140.99	24,561,601.27	24,603,908.79	24,669,923.60	24,663,072.52	24,543,258.50	24,543,258.50	24,543,258.50	24,671,310.80
Unamortized Debt Discount	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
Total Long-Term Debt	77,023,814.94	77,237,713.01	77,461,624.72	77,569,085.00	77,611,392.52	77,671,407.33	77,670,556.25	76,543,742.23	76,543,742.23	76,543,742.23	76,675,794.33
Special Fund Liabilities											
Accrued Interest on Bonds	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40
Total Special Fund Liabilities	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40	217,409.40
Current and Accrued Liabilities											
Accounts Payable - Current Portion	270,083.91	274,240.90	274,940.90	285,654.87	295,368.87	306,082.87	316,796.87	327,510.87	338,224.87	348,938.87	359,652.87
Capital Lease 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)
Customer Deposits	85,085.14	86,958.17	88,831.20	88,713.42	89,093.23	89,475.04	89,856.85	90,238.66	90,620.47	91,002.28	91,384.09
Sales Tax Payable	83,932.81	89,466.46	92,004.74	91,141.85	90,280.74	89,419.65	88,558.56	87,697.47	86,836.38	85,975.29	85,114.20
Other Current & Accrued Liabilities	217,654.38	217,654.38	217,654.38	217,654.38	217,654.38	217,654.38	217,654.38	217,654.38	217,654.38	217,654.38	217,654.38
Total Current and Accrued Liabilities	463,222.50	463,222.50	463,222.50	463,222.50	463,222.50	463,222.50	463,222.50	463,222.50	463,222.50	463,222.50	463,222.50
Reserves											
Accrued Leave	266,280.24	268,943.02	271,603.48	274,263.80	276,924.12	279,584.44	282,244.76	284,905.08	287,565.40	290,225.72	292,886.04
Total Reserves	266,280.24	268,943.02	271,603.48	274,263.80	276,924.12	279,584.44	282,244.76	284,905.08	287,565.40	290,225.72	292,886.04
Net Assets											
Investment in Capital Assets, Net of Related Debt	50,542,844.93	50,606,311.77	50,171,258.57	49,992,835.46	49,755,834.40	49,491,884.06	49,237,372.26	49,018,461.02	48,853,658.22	48,243,796.00	47,997,145.27
Restricted For:											
Capital Projects	2,500.98	2,511.12	2,516.28	2,531.45	2,536.55	2,541.87	2,547.70	2,553.03	2,558.40	2,563.81	2,569.24
Debt Service	(17,499,400)	(17,499,400)	(17,499,400)	(17,499,400)	(17,499,400)	(17,499,400)	(17,499,400)	(17,499,400)	(17,499,400)	(17,499,400)	(17,499,400)
Unrestricted	(63,531,159.03)	(63,531,159.03)	(63,531,159.03)	(63,531,159.03)	(63,531,159.03)	(63,531,159.03)	(63,531,159.03)	(63,531,159.03)	(63,531,159.03)	(63,531,159.03)	(63,531,159.03)
Total Net Assets	50,542,844.93	50,606,311.77	50,171,258.57	49,992,835.46	49,755,834.40	49,491,884.06	49,237,372.26	49,018,461.02	48,853,658.22	48,243,796.00	47,997,145.27
Total Liabilities and Net Assets	\$63,969,539.26	\$63,999,482.92	\$63,976,619.75	\$63,914,478.05	\$63,949,443.39	\$63,919,957.75	\$63,917,020.97	\$63,948,832.20	\$63,978,045.29	\$63,932,351.26	\$63,977,231.16

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Net Assets

Assets	Jul-08	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Utility Plant												
Total Plant - Beginning of Year	\$64,934,412.46	\$65,223,318.69	\$65,223,318.69	\$65,223,318.69	\$65,223,318.69	\$65,223,318.69	\$65,223,318.69	\$65,223,318.69	\$65,223,318.69	\$65,223,318.69	\$65,223,318.69	\$65,223,318.69
Net Plant Addition During Year	208,906.23	152,991.71	308,302.80	237,761.63	726,046.60	899,383.69	1,046,742.87	1,125,708.64	1,292,151.81	1,401,918.57	1,516,559.02	1,634,425.93
Total Completed Plant	65,223,318.69	65,376,310.41	65,534,621.49	65,464,080.32	65,950,365.29	66,122,702.39	66,270,061.31	66,390,027.34	66,512,470.50	66,624,237.27	66,739,887.72	66,854,744.62
Construction Work in Progress	4,953,715.13	5,250,330.95	5,000,780.88	5,181,853.82	5,200,010.33	4,641,027.54	3,810,971.31	3,091,315.50	2,392,297.29	1,819,894.35	1,357,627.73	960,116.64
Total Utility Plant	65,682,339.83	65,902,641.27	66,135,402.37	66,645,934.15	66,650,375.62	66,563,729.93	66,581,032.62	66,481,342.84	66,904,767.79	68,444,131.62	68,097,512.05	67,814,861.27
Reserve for Depreciation	(12,826,222.33)	(13,256,222.33)	(13,256,222.33)	(13,256,222.33)	(13,256,222.33)	(13,256,222.33)	(13,256,222.33)	(13,256,222.33)	(13,256,222.33)	(13,256,222.33)	(13,256,222.33)	(13,256,222.33)
Total Net Plant	47,289,764.04	47,646,418.94	47,259,180.04	47,259,180.04	47,259,180.04	47,259,180.04	47,259,180.04	47,259,180.04	47,259,180.04	47,259,180.04	47,259,180.04	47,259,180.04
Investments and Funds												
Debt Service Fund	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50	5,532,419.50
Construction Funds	2,569.25	2,574.94	2,580.26	2,585.84	2,591.46	2,597.12	2,603.44	2,609.52	2,615.60	2,621.68	2,627.76	2,633.84
Debt Sinking Fund	1,289,467.20	1,412,615.01	1,545,828.79	1,679,246.77	1,812,664.11	1,946,081.08	2,079,498.05	2,212,915.02	2,346,331.99	2,479,748.96	2,613,165.93	2,746,582.90
Total Investments and Funds	6,814,456.94	6,947,609.45	7,070,828.55	7,204,241.11	7,355,095.05	7,494,597.70	7,634,916.05	7,775,234.04	7,915,555.09	8,055,879.04	8,196,204.09	8,336,528.23
Current Assets												
Cash - Gross Revenue Fund	153,312.54	180,264.84	173,618.12	171,660.60	196,126.56	192,325.73	214,639.15	171,529.96	162,881.97	195,697.34	155,712.30	177,881.73
Accounts Receivable - Customer Billing	2,961,889.73	2,992,507.49	3,020,094.87	3,047,292.74	3,065,098.20	3,076,728.20	3,086,977.92	3,097,502.17	3,108,042.82	3,119,576.68	3,130,721.09	3,142,275.98
Accumulated Provisions for Uncollectible Accounts	(500,177.57)	(518,674.83)	(537,322.55)	(556,143.35)	(575,098.57)	(594,116.31)	(613,197.03)	(632,331.11)	(651,517.43)	(670,756.81)	(690,071.17)	(709,492.31)
Materials and Supplies - Utility	42,631.54	42,009.25	41,380.74	40,749.35	40,104.81	39,457.26	38,803.23	38,142.66	37,479.49	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	141,888.86	136,915.99	131,943.12	126,970.25	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	15,920.47	15,941.47	15,962.47	15,983.47	16,004.47	16,025.47	16,046.47	16,067.47	16,088.47	16,109.47	16,130.47
Total Current Assets	2,838,644.33	2,862,644.33	2,886,644.33	2,910,644.33	2,934,644.33	2,958,644.33	2,982,644.33	3,006,644.33	3,030,644.33	3,054,644.33	3,078,644.33	3,102,644.33
Deferred Debts												
Unamortized Debt Expense	533,242.09	528,318.32	523,394.55	518,470.78	513,546.99	508,623.24	503,699.47	498,775.70	493,851.93	488,928.16	484,004.39	479,080.62
Miscellaneous Deferred Debts	3,597,656.84	3,584,658.51	3,571,660.18	3,558,661.85	3,545,663.52	3,532,665.19	3,519,666.86	3,506,668.53	3,493,670.20	3,480,671.87	3,467,673.54	3,454,675.21
Clearing Accounts	4,159,098.53	4,113,996.83	4,068,895.13	4,023,793.43	3,978,691.73	3,933,590.03	3,888,488.33	3,843,386.63	3,798,284.93	3,753,183.23	3,708,081.53	3,662,979.83
Total Deferred Debts	8,289,997.46	8,226,973.66	8,164,149.86	8,101,325.06	8,038,501.26	7,975,676.46	7,912,851.66	7,850,026.86	7,787,201.96	7,724,377.16	7,661,552.36	7,598,727.56
Total Assets	\$61,593,665.74	\$61,566,935.43	\$61,540,205.12	\$61,513,474.81	\$61,486,744.50	\$61,460,014.19	\$61,433,283.88	\$61,406,553.57	\$61,379,823.26	\$61,353,092.95	\$61,326,362.64	\$61,300,632.33
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
Capital Payable - Thriller	24,712,825.28	24,694,983.53	24,677,141.78	24,659,299.53	24,641,457.28	24,623,615.03	24,605,772.78	24,587,930.53	24,570,088.28	24,552,246.03	24,534,403.78	24,516,561.53
Unamortized Debt Expense	(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)
Total Long Term Debt	18,018,791.45	18,016,596.78	18,014,402.12	18,012,207.45	18,010,012.78	18,007,818.12	18,005,623.45	18,003,428.78	18,001,234.12	17,999,039.45	17,996,844.78	17,994,650.12
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
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	199,337.77	154,794.33	163,182.41	130,041.37	84,115.29	287,641.74	260,292.61	226,771.05	207,131.63	187,492.21	167,852.79	148,213.37
Capital Lease Payable - Thriller 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	92,465.04	92,465.04	92,465.04	92,465.04	92,465.04	92,465.04	92,465.04	92,465.04	92,465.04	92,465.04	92,465.04	92,465.04
Sales Tax Payable	98,481.97	99,241.17	99,999.20	100,757.37	101,515.53	102,273.69	103,031.85	103,789.99	104,548.15	105,306.31	106,064.47	106,822.63
Other Current & Accrued Liabilities	685,256.77	712,181.17	716,697.77	745,944.13	775,206.29	804,467.76	833,729.23	862,990.70	892,252.17	921,513.64	950,775.11	980,036.58
Total Current and Accrued Liabilities	1,068,588.72	1,066,944.06	1,066,871.81	1,066,898.55	1,066,925.29	1,066,951.93	1,066,978.67	1,066,999.41	1,067,020.15	1,067,040.89	1,067,061.63	1,067,082.37
Reserve												
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 Reserve	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	46,006,145.50	47,842,209.79	47,706,500.46	47,514,270.49	47,257,932.18	46,905,542.21	46,664,075.09	46,366,076.19	46,072,397.38	45,780,011.57	45,487,622.76	45,195,233.95
Restricted For:												
Capital Projects	2,569.25	2,574.94	2,580.26	2,585.84	2,591.46	2,597.12	2,603.44	2,609.52	2,615.60	2,621.68	2,627.76	2,633.84
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)
Total Net Assets	\$61,593,665.74	\$61,566,935.43	\$61,540,205.12	\$61,513,474.81	\$61,486,744.50	\$61,460,014.19	\$61,433,283.88	\$61,406,553.57	\$61,379,823.26	\$61,353,092.95	\$61,326,362.64	\$61,300,632.33
Total Liabilities and Net Assets	\$61,593,665.74	\$61,566,935.43	\$61,540,205.12	\$61,513,474.81	\$61,486,744.50	\$61,460,014.19	\$61,433,283.88	\$61,406,553.57	\$61,379,823.26	\$61,353,092.95	\$61,326,362.64	\$61,300,632.33

Jackon Energy Authority
Telecommunications 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	\$66,857,744.62	\$66,857,744.62	\$66,857,744.62	\$66,857,744.62	\$66,857,744.62	\$66,857,744.62	\$66,857,744.62	\$66,857,744.62	\$66,857,744.62	\$66,857,744.62	\$66,857,744.62	\$66,857,744.62
Net Plant Addition During Year	126,038.88	247,184.24	390,960.42	537,706.95	715,992.75	853,083.57	981,377.74	1,094,546.52	1,204,531.00	1,313,197.27	1,420,283.41	1,526,316.12
Total Completed Plant	66,977,783.51	67,104,928.87	67,248,705.04	67,415,451.57	67,573,737.37	67,712,828.19	67,932,123.36	68,217,289.14	68,602,275.62	69,170,941.20	69,874,269.03	70,734,260.74
Construction Work in Progress	311,442.19	451,325.52	500,239.69	474,857.59	417,272.46	379,853.30	339,500.35	319,859.43	325,988.82	321,248.41	318,698.14	316,991.29
Total Utility Plant	67,339,225.70	67,556,254.39	67,748,944.73	67,890,309.17	67,990,999.83	68,091,701.70	68,176,623.71	68,387,148.58	68,887,264.44	69,492,189.61	70,192,967.17	70,870,252.03
Reserve for Depreciation	(27,513,314.64)	(27,597,533.04)	(27,300,071.34)	(27,369,832.77)	(27,468,018.22)	(27,483,265.50)	(27,487,818.10)	(27,487,818.10)	(27,487,818.10)	(27,487,818.10)	(27,487,818.10)	(27,487,818.10)
Total Net Plant	40,825,911.05	40,825,911.05	40,825,911.05	40,825,911.05	40,825,911.05	40,825,911.05	40,825,911.05	40,825,911.05	40,825,911.05	40,825,911.05	40,825,911.05	40,825,911.05
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
Construction Fund	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36
Debt Sinking Fund	1,564,087.93	1,717,685.95	1,871,349.99	2,024,117.17	2,176,885.26	2,329,652.34	2,482,419.42	2,635,186.50	2,787,953.58	2,940,720.66	3,093,487.74	3,246,254.82
Total Investments and Funds	7,093,145.21	7,242,724.81	7,395,408.85	7,549,176.03	7,701,943.12	7,854,713.80	8,007,484.28	8,160,254.36	8,313,024.44	8,465,794.52	8,618,564.60	8,771,334.68
Current Assets												
Cash - Check	177,973.78	155,384.25	152,481.36	147,004.51	143,520.25	140,037.26	136,554.00	133,070.74	129,587.48	126,104.22	122,620.96	119,137.70
Accounts Receivable - Customer Billing	3,273,163.09	3,290,907.38	3,308,651.67	3,326,395.96	3,344,140.25	3,361,884.54	3,379,628.83	3,397,373.12	3,415,117.41	3,432,861.70	3,450,606.00	3,468,350.29
Accounts Payable - Customer Billing	(770,841.10)	(750,260.13)	(729,679.10)	(709,098.07)	(688,516.94)	(667,935.81)	(647,354.68)	(626,773.55)	(606,192.42)	(585,611.29)	(565,030.16)	(544,449.03)
Accrued Interest Receivable	1,719,411.41	1,738,880.80	1,758,350.19	1,777,819.58	1,797,288.97	1,816,758.36	1,836,227.75	1,855,697.14	1,875,166.53	1,894,635.92	1,914,105.31	1,933,574.70
Prepaid Expenses	8,273.80	8,273.80	8,273.80	8,273.80	8,273.80	8,273.80	8,273.80	8,273.80	8,273.80	8,273.80	8,273.80	8,273.80
Other Current Assets	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
Total Current Assets	2,957,287.25	3,013,470.67	3,069,694.41	3,125,908.10	3,182,121.80	3,238,335.50	3,294,549.20	3,350,762.90	3,406,976.60	3,463,190.30	3,519,404.00	3,575,617.70
Deferred Debts												
Unamortized Debt Expense	474,396.65	469,495.08	464,593.51	459,691.94	454,790.37	449,888.80	444,987.23	440,085.66	435,184.09	430,282.52	425,380.95	420,479.38
Miscellaneous Deferred Debts	3,421,821.13	3,401,084.52	3,380,347.76	3,359,611.11	3,338,874.46	3,318,137.81	3,297,401.16	3,276,664.51	3,255,927.86	3,235,191.21	3,214,454.56	3,193,717.91
Cleaning 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	3,896,217.78	3,870,579.60	3,844,941.27	3,819,303.05	3,793,664.83	3,768,026.61	3,742,388.39	3,716,750.17	3,691,111.95	3,665,473.73	3,639,835.51	3,614,197.29
Total Assets	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05
Liabilities and Net Assets												
Long Term Debt												
Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Notes Payable	23,539,994.57	23,539,994.57	23,539,994.57	23,539,994.57	23,539,994.57	23,539,994.57	23,539,994.57	23,539,994.57	23,539,994.57	23,539,994.57	23,539,994.57	23,539,994.57
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	(174,663.30)	(174,663.30)	(174,663.30)	(174,663.30)	(174,663.30)	(174,663.30)	(174,663.30)	(174,663.30)	(174,663.30)	(174,663.30)	(174,663.30)	(174,663.30)
Total Long-Term Debt	23,372,814.97	23,372,814.97	23,372,814.97	23,372,814.97	23,372,814.97	23,372,814.97	23,372,814.97	23,372,814.97	23,372,814.97	23,372,814.97	23,372,814.97	23,372,814.97
Special Fund Liabilities												
Accrued Interest on Bonds	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73
Total Special Fund Liabilities	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73	208,179.73
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 - Current	346,139.15	346,139.15	346,139.15	346,139.15	346,139.15	346,139.15	346,139.15	346,139.15	346,139.15	346,139.15	346,139.15	346,139.15
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	97,595.09	97,595.09	97,595.09	97,595.09	97,595.09	97,595.09	97,595.09	97,595.09	97,595.09	97,595.09	97,595.09	97,595.09
Salaries Payable	188,144.74	188,144.74	188,144.74	188,144.74	188,144.74	188,144.74	188,144.74	188,144.74	188,144.74	188,144.74	188,144.74	188,144.74
Other Current & Accrued Liabilities	832,242.28	832,242.28	832,242.28	832,242.28	832,242.28	832,242.28	832,242.28	832,242.28	832,242.28	832,242.28	832,242.28	832,242.28
Total Current and Accrued Liabilities	1,366,703.87	1,366,703.87	1,366,703.87	1,366,703.87	1,366,703.87	1,366,703.87	1,366,703.87	1,366,703.87	1,366,703.87	1,366,703.87	1,366,703.87	1,366,703.87
Reserves												
Accrued Leave	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25
Total Reserves	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25	338,105.25
Net Assets												
Investment in Capital Assets, Net of Related Debt	45,018,879.15	44,803,183.65	44,587,488.15	44,371,792.65	44,156,097.15	43,940,401.65	43,724,706.15	43,509,010.65	43,293,315.15	43,077,619.65	42,861,924.15	42,646,228.65
Restricted For:												
Capital Projects	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36	2,638.36
Debt Service	(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)
Unrestricted	(62,713,314.94)	(62,495,011.31)	(62,276,707.68)	(62,058,404.03)	(61,840,099.28)	(61,621,794.53)	(61,403,489.78)	(61,185,185.03)	(60,966,880.28)	(60,748,575.53)	(60,530,270.78)	(60,311,966.03)
Total Net Assets	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05
Total Liabilities and Net Assets	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05	\$48,789,645.05

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	\$ 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	\$ 767,056.85	\$ 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	231,543.55	235,983.28
Miscellaneous Revenues	117,135.52	99,646.32	113,447.90	116,108.29	114,105.29	112,738.99	80,115.96	87,310.03	96,744.33	110,529.70	111,691.30	112,030.22
Total Operating Revenue	917,200.37	918,920.51	974,277.32	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 cable revenues	0.51	0.51	0.50	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
	317,614.82	322,089.46	332,713.56	351,358.93	358,866.29	364,569.89	384,555.81	388,557.71	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	46,573.39	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	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
Total Operating Expense	578,432.15	605,389.22	605,389.22	605,389.22	605,389.22	605,389.22	605,389.22	605,389.22	605,389.22	605,389.22	605,389.22	605,389.22
Other Operating Expense												
Depreciation & Amortization	314,366.63	300,583.21	312,239.49	321,259.60	328,209.98	331,592.10	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	(3,480.51)	(14,575.03)	(13,328.21)	(12,150.79)	(11,461.89)	(13,391.33)	(15,281.53)	(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	314,513.12	329,152.40	333,605.09	334,789.21	339,914.34	340,167.67	345,958.84	348,083.84	345,571.86
Total Other Operating Expense	427,755.10	396,824.98	399,627.18	406,026.64	436,700.59	441,206.17	446,649.92	450,938.68	450,830.04	459,523.28	468,841.22	478,143.95
Operating Income	12,153.40	91,441.83	36,174.54	48,392.05	61,871.54	71,533.28	32,168.89	45,670.67	62,386.29	87,130.83	95,148.86	106,349.57
Non-Operating Income												
Interest Income	25,700.89	27,616.98	27,616.98	27,703.81	27,790.81	27,877.98	27,965.34	28,052.89	28,140.61	28,228.32	28,316.61	28,404.88
Other Non-Operating 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)
Special Charges												
Gain or Loss on Fixed Assets												
Total Non-Operating Income	16,405.79	24,281.48	24,436.53	24,672.63	24,848.55	24,693.92	24,546.00	24,919.77	24,732.40	25,273.70	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	219,520.77	287,101.95
Other Interest Expense	36,003.33	96,054.95	99,520.33	104,080.44	104,494.98	107,086.13	108,928.09	110,650.91	112,410.23	114,680.38	116,638.33	118,300.57
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	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	338,080.00	334,433.23	354,468.19	335,947.65	316,436.53	359,792.29	334,618.63	343,657.89	412,901.31
Income before Contributions	(\$250,532.89)	(\$340,069.47)	(\$324,831.57)	(\$310,136.80)	(\$301,571.32)	(\$325,151.86)	(\$348,277.55)	(\$320,066.21)	(\$347,147.05)	(\$302,478.52)	(\$302,440.43)	(\$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
Increase in Net Assets	(\$250,532.89)	(\$340,069.47)	(\$324,831.57)	(\$310,136.80)	(\$301,571.32)	(\$325,151.86)	(\$348,277.55)	(\$320,066.21)	(\$347,147.05)	(\$302,478.52)	(\$302,440.43)	(\$358,796.70)
Net Assets, beginning of period	(8,098,264.59)	(8,348,797.48)	(8,588,866.95)	(9,013,698.33)	(9,323,835.12)	(9,622,206.44)	(9,950,358.30)	(10,298,635.86)	(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)	(\$8,688,866.95)	(\$8,913,698.53)	(\$9,323,835.12)	(\$9,625,206.44)	(\$9,950,358.30)	(\$10,298,635.86)	(\$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	\$ 900,952.53	\$ 906,824.01	\$ 911,459.91	\$ 918,729.87	\$ 925,984.82	\$ 934,896.38
Network Access Services Revenues	240,422.01	245,429.95	251,013.42	255,442.87	260,523.77	260,523.77	262,891.04	265,589.64	268,864.84	272,139.90	274,556.78	277,573.53
Miscellaneous Revenues	114,530.04	115,390.94	121,927.25	124,416.14	122,023.60	123,957.83	85,554.63	92,325.01	106,348.62	117,633.75	118,160.89	121,851.04
Total Operating Revenue	1,186,642.38	1,204,895.96	1,232,037.94	1,257,598.03	1,272,757.10	1,281,785.45	1,249,376.20	1,264,738.67	1,286,673.37	1,308,503.52	1,319,002.49	1,334,320.95
Cost of Programming												
% of cable revenues	6.30	6.51	6.51	6.20	6.50	6.50	6.52	6.53	6.53	6.52	6.53	6.53
	768,632.16	777,081.52	796,560.12	814,560.10	822,752.02	831,527.85	777,042.32	789,927.34	807,750.64	826,411.39	832,891.84	845,085.17
Total Operating Revenue less Cost of Programming												
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	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
Total Operating Expense	1,186,642.38	1,204,895.96	1,232,037.94	1,257,598.03	1,272,757.10	1,281,785.45	1,249,376.20	1,264,738.67	1,286,673.37	1,308,503.52	1,319,002.49	1,334,320.95
Other Operating Expense												
Depreciation & Amortization	351,432.93	353,512.64	355,579.35	357,746.96	359,762.67	361,448.19	362,776.25	363,860.18	364,798.37	365,763.40	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)	(7,388.55)	(10,085.81)	(7,694.51)	(9,563.14)	(6,300.34)	(6,461.10)	(10,685.85)
Other taxes	355,228.90	357,952.51	360,221.00	364,279.80	367,427.34	367,525.61	366,156.42	369,631.64	368,692.21	372,939.23	373,751.72	370,522.23
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	70,287.61	84,713.33	90,370.50	105,794.11
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	(2,691.94)	(2,609.76)	(2,585.36)	(2,329.85)	(2,193.45)	(2,388.92)	(2,725.76)	(2,414.25)	(2,647.60)	(2,226.40)	(2,241.78)	(2,775.09)
Other Non-Operating Income												
Special Charges												
Gain or Loss on Fixed Assets												
Total Non-Operating Income	21,199.38	21,370.21	21,483.43	20,925.17	21,287.78	21,318.98	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	237,074.40	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	343,232.63	335,258.53	363,163.89	343,054.37	322,273.62	363,964.39	337,526.43	344,871.14	412,470.17
Income before Contributions	(\$276,548.36)	(\$268,454.18)	(\$266,062.26)	(\$240,886.98)	(\$227,414.88)	(\$246,411.50)	(\$279,727.99)	(\$248,998.32)	(\$271,938.61)	(\$230,420.17)	(\$231,894.04)	(\$284,373.23)
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	(\$276,548.36)	(\$268,454.18)	(\$266,062.26)	(\$240,886.98)	(\$227,414.88)	(\$246,411.50)	(\$279,727.99)	(\$248,998.32)	(\$271,938.61)	(\$230,420.17)	(\$231,894.04)	(\$284,373.23)
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)	(13,208,221.44)	(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	\$ 1,004,212.44	\$ 1,029,480.57	\$ 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	294,534.30	296,691.41	298,848.56	301,005.75	303,162.98	305,320.24	307,477.54
Miscellaneous Revenues	121,721.38	123,083.10	125,509.21	125,509.21	123,550.15	123,070.86	123,444.91	123,813.73	124,183.36	124,553.81	124,925.02	125,296.89
Total Operating Revenue	1,386,766.51	1,399,061.09	1,415,920.65	1,432,041.65	1,420,139.82	1,447,087.74	1,454,796.19	1,465,942.92	1,471,031.44	1,479,067.59	1,487,856.60	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	539,873.38	542,332.61	546,136.05	548,033.45	550,183.69	551,905.72
% of total revenue	0.36	0.36	0.36	0.36	0.36	0.36	0.37	0.37	0.37	0.37	0.37	0.37
Total Operating Revenue less Cost of Programming	894,403.18	898,877.68	910,505.29	921,629.85	907,106.91	932,411.04	914,922.81	923,610.31	924,895.39	931,034.14	937,672.91	943,097.47
Operating Expense												
Plant Specific												
Plant Non-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
Customer Operations	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
Corporate 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
Other	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	368,745.38	369,786.33	370,973.47	372,379.16	373,693.49	374,809.78	375,795.75	376,689.04	377,330.28	378,346.54	379,146.16	379,934.68
Depreciation & Amortization	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
Property Taxes	(2,454.04)	(2,252.33)	(2,505.50)	(1,039.15)	106.49	(1,574.71)	(1,466.36)	430.64	(2,332.57)	(4.56)	(157.28)	(6,644.72)
Other taxes	380,046.13	381,285.78	382,222.76	385,074.79	387,554.77	386,989.86	388,084.18	390,574.47	388,552.50	392,096.77	392,743.67	389,044.75
Total Other Operating Expense	137,679.02	140,910.88	151,465.89	159,877.02	162,874.11	168,663.16	150,160.61	153,057.82	159,364.87	162,259.35	167,451.22	177,377.70
Operating Income	25,307.91	25,538.40	25,769.37	23,327.21	23,588.29	23,849.03	24,112.11	24,374.84	24,638.12	24,901.94	25,166.33	25,431.26
Non-Operating Income	(1,721.20)	(1,692.39)	(1,723.17)	(1,534.08)	(1,378.85)	(1,586.46)	(1,565.87)	(1,374.43)	(1,663.06)	(1,359.77)	(1,372.64)	(1,938.33)
Interest Income												
Other Non-Operating Income												
Special Charges												
Gain or Loss on Fixed Assets												
Total Non-Operating Income	23,586.71	23,846.01	24,046.19	21,793.13	22,209.44	22,263.47	22,546.23	23,057.41	22,975.06	23,542.18	23,793.69	23,492.93
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	231,031.34	205,397.26	212,243.84	217,384.76
Other Interest Expense	118,818.46	117,448.00	118,064.24	118,722.21	118,899.13	118,600.41	117,987.96	117,417.76	117,300.13	117,477.22	117,289.37	117,231.09
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	341,816.64	342,446.19	355,221.32	343,720.40	331,795.18	355,030.53	337,730.59	316,626.66	356,730.26	330,373.27	337,031.99	402,314.64
Income before Contributions	(180,550.91)	(177,689.30)	(180,709.23)	(162,950.24)	(146,711.63)	(167,103.91)	(165,023.75)	(140,505.44)	(174,490.33)	(144,571.75)	(145,787.09)	(121,444.01)
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)	(162,950.24)	(146,711.63)	(167,103.91)	(165,023.75)	(140,505.44)	(174,490.33)	(144,571.75)	(145,787.09)	(121,444.01)
Net Assets, beginning of period	(15,002,485.29)	(15,183,036.20)	(15,360,725.50)	(15,541,434.74)	(15,703,484.98)	(15,850,196.61)	(16,017,300.51)	(16,182,524.26)	(16,322,229.69)	(16,497,320.02)	(16,641,891.77)	(16,787,678.85)
Net Assets, end of period	(15,183,036.20)	(15,360,725.50)	(15,541,434.74)	(15,703,484.98)	(15,850,196.61)	(16,017,300.51)	(16,182,524.26)	(16,322,229.69)	(16,497,320.02)	(16,641,891.77)	(16,787,678.85)	(16,909,122.87)

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 Revenues												
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	313,237.42	316,592.08	319,350.25	321,531.65	323,424.64	325,317.71	327,210.85	329,104.10	331,000.20	333,468.46	335,450.90
Miscellaneous Revenues	125,664.22	127,412.10	128,861.35	129,199.95	128,084.74	127,202.08	127,059.78	127,343.37	127,628.27	128,311.47	129,107.03	129,443.82
Total Operating Revenue	1,557,046.92	1,573,242.86	1,587,784.92	1,602,079.59	1,611,424.13	1,617,531.92	1,622,533.26	1,628,573.47	1,634,027.96	1,640,969.59	1,648,083.50	1,657,358.17
Cost of Programming												
% of sales revenues	0.49	0.54	0.50	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49
	554,169.17	561,864.33	566,419.58	570,734.78	573,504.16	574,971.95	576,833.60	579,022.88	581,556.32	584,003.06	586,471.35	588,952.48
Total Operating Revenue less Cost of Programming	1,002,877.75	1,011,378.53	1,021,365.34	1,031,344.81	1,037,919.97	1,042,559.96	1,020,009.66	1,023,850.59	1,027,871.64	1,032,666.54	1,037,462.15	1,045,033.69
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	-	-	-	-	-	-	-	-	-	-	-	-
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	380,715.80	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
Property 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
Payroll 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
Other taxes	398,897.83	400,308.53	401,021.91	403,567.57	405,034.37	405,428.49	405,993.08	406,462.61	406,598.82	407,381.70	408,868.33	409,334.88
Total Other Operating Expense	216,307.42	223,417.50	232,670.93	240,104.74	244,213.10	249,458.97	256,144.08	257,715.48	258,690.32	259,612.33	259,911.32	261,026.30
Operating 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
Non-Operating Income												
Interest Income	(827.83)	(757.46)	(793.67)	(613.07)	(438.54)	(536.98)	(666.81)	(440.12)	(768.00)	(476.46)	(492.66)	(1,023.62)
Other Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-	-
Special Charges	-	-	-	-	-	-	-	-	-	-	-	-
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	23,414.10	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	269,653.77
Other Interest Expense	113,478.12	113,970.64	114,141.35	113,966.19	114,035.36	113,102.45	112,273.43	111,764.50	110,867.39	110,408.32	109,907.30	109,557.87
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	333,220.75	333,713.27	346,724.90	333,708.82	321,062.92	345,995.96	325,951.95	305,480.14	343,670.91	317,435.88	323,585.82	386,710.43
Total Non-Operating Expenses	(892,044.42)	(885,690.54)	(888,618.25)	(870,793.52)	(855,551.32)	(873,632.89)	(855,233.63)	(853,233.63)	(855,751.42)	(856,986.15)	(858,525.95)	(811,075.57)
Income before Contributions	(866,375.67)	(864,427.75)	(866,882.86)	(847,369.89)	(827,613.29)	(851,581.81)	(834,234.85)	(834,233.63)	(834,233.63)	(834,233.63)	(834,233.63)	(834,233.63)
Contributions in Aid of Construction	382,044.42	385,090.54	388,618.25	370,793.52	355,551.32	373,632.89	355,233.63	353,233.63	355,751.42	356,986.15	358,525.95	311,075.57
Increase in Net Assets	(484,331.25)	(479,337.21)	(478,264.61)	(476,576.37)	(472,061.97)	(477,948.92)	(479,001.22)	(481,000.20)	(478,482.21)	(477,247.48)	(475,707.68)	(473,158.06)
Net Assets, beginning of period	(16,989,122.87)	(17,081,157.29)	(17,166,257.83)	(17,254,876.08)	(17,325,669.60)	(17,379,220.92)	(17,452,243.82)	(17,528,162.71)	(17,581,686.34)	(17,667,937.76)	(17,724,423.90)	(17,782,948.83)
Net Assets, end of period	(17,473,454.12)	(17,560,514.50)	(17,644,522.44)	(17,731,452.45)	(17,807,731.57)	(17,877,169.84)	(17,946,245.04)	(18,015,375.93)	(18,084,168.56)	(18,152,625.21)	(18,220,731.51)	(18,288,886.89)

Jackson Energy Authority
Telecommunications System - Consolidated
Statement of Revenues, Expenses and Changes 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	345,147.43	347,274.63	349,202.01	351,023.37	352,933.06	354,880.94	356,808.98	358,737.21	360,730.23
Miscellaneous Revenues	128,938.73	129,776.83	131,118.93	131,288.54	130,409.01	130,272.63	130,420.17	130,691.17	131,116.46	131,407.73	131,699.04	132,066.16
Total Operating Revenue	1,720,918.75	1,729,324.97	1,740,058.22	1,750,574.82	1,756,686.46	1,762,007.99	1,767,503.41	1,772,666.59	1,778,570.28	1,784,320.32	1,790,070.17	1,795,960.83
Cost of Programming												
% of cable revenue	6.4	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6
	614,415.67	620,193.89	623,333.39	626,208.56	627,747.70	628,735.63	628,780.98	630,513.74	632,143.45	633,777.00	635,431.00	637,099.43
Total Operating Revenue less Cost of Programming	1,106,503.08	1,109,131.07	1,116,724.83	1,124,366.26	1,128,938.76	1,133,272.36	1,138,722.43	1,142,152.85	1,146,426.83	1,149,543.32	1,152,639.17	1,155,861.40
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	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	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
Other Operating Expense												
Depreciation & Amortization	4,644.17	4,652.83	4,661.49	4,670.14	4,678.80	4,687.45	4,696.10	4,704.75	4,713.40	4,722.05	4,730.70	4,739.35
Property Taxes	390,956.80	391,696.98	392,538.20	393,380.42	394,222.64	395,064.86	395,907.08	396,749.30	397,591.52	398,433.74	399,275.96	400,118.18
Payroll 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
Other 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	7,803.86
Total Other Operating Expense	415,065.16	417,002.77	417,451.83	419,591.63	421,845.51	421,118.49	421,387.44	423,738.04	421,891.52	424,697.80	425,157.92	421,570.77
Operating Income	290,678.93	292,429.32	299,494.91	304,995.63	307,314.26	312,374.87	317,567.00	322,655.81	327,556.31	332,456.83	337,357.26	342,257.63
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	26,319.59
Other Non-Operating Income	77.52	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	26,345.42	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	26,132.62
Non-Operating Expenses												
Interest on Long Term Debt	206,179.73	206,179.73	218,653.77	206,179.73	192,436.58	217,352.79	198,002.79	179,654.14	217,352.79	192,486.58	198,902.79	260,136.58
Other Interest Expense	105,613.61	104,572.99	103,906.05	103,287.73	102,301.37	101,138.05	100,075.97	98,933.17	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	316,966.24	302,236.74	325,989.63	306,477.56	286,086.10	322,675.76	286,907.73	302,222.61	367,469.22
Income before Contributions	(21,267.78)	(17,895.97)	(30,563.70)	(11,970.61)	(29,286.39)	(13,614.76)	(5,909.56)	(23,390.28)	(25,119.45)	(24,433.95)	(26,865.05)	(24,211.59)
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	(21,267.78)	(17,895.97)	(30,563.70)	(11,970.61)	(29,286.39)	(13,614.76)	(5,909.56)	(23,390.28)	(25,119.45)	(24,433.95)	(26,865.05)	(24,211.59)
Net Assets, beginning of period	(17,893,708.37)	(17,895,978.15)	(17,898,182.96)	(17,898,777.11)	(17,887,016.49)	(17,857,732.10)	(17,846,929.25)	(17,841,128.87)	(17,813,389.54)	(17,815,877.73)	(17,790,351.14)	(17,766,063.93)
Net Assets, end of period	(17,915,000.15)	(17,913,874.12)	(17,928,746.66)	(17,910,747.80)	(17,916,302.88)	(17,901,117.34)	(17,892,838.79)	(17,867,759.15)	(17,842,648.70)	(17,840,314.75)	(17,813,213.71)	(17,791,275.52)

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

Actual	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	(\$250,532.89)	(\$340,089.47)	(\$324,834.37)	(\$310,138.80)	(\$301,371.32)	(\$325,151.86)	(\$348,277.55)	(\$320,056.21)	(\$347,147.05)	(\$302,476.52)	(\$302,040.43)	(\$358,796.70)
Depreciation and amortization	312,748.64	300,583.21	312,239.48	321,258.60	328,269.98	333,592.10	337,816.43	340,573.42	342,991.00	345,223.40	347,336.35	343,989.69
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)	(59,333.37)	(37,768.13)	(29,282.84)	36,431.17	(32,906.55)	(42,903.31)	(57,218.84)	(32,707.55)	(31,151.63)
Materials and supplies	131,148.44	157,422.75	184,185.48	130,718.44	98,641.82	48,185.04	18,438.69	45,212.57	(22,863.30)	(23,838.93)	75,375.88	115,180.43
Other assets	(57,572.89)	(20,280.44)	5,498.47	6,882.03	7,755.44	6,312.82	6,860.25	6,915.66	5,187.93	8,480.61	8,876.91	(95,032.88)
Accounts payable	(162,736.40)	(282,913.21)	(142,933.14)	(183,142.87)	(193,985.38)	(46,572.41)	(185,455.93)	(50,824.60)	(13,185.57)	(18,481.77)	(55,833.59)	(47,984.17)
Other accrued liabilities	49,515.38	(140,824.82)	6,870.27	14,037.81	19,510.30	(83,710.08)	4,987.14	4,052.50	32,404.31	(1,395.12)	33,131.19	58,532.02
Net Cash Provided by Operating Activities	(109,025.92)	(103,722.14)	(51,894.92)	(68,576.47)	(67,868.78)	(88,488.53)	(100,281.11)	4,111.51	(54,197.29)	(38,380.47)	85,077.28	4,325.38
Cash Provided By (Used For) Noncapital and Related Financing												
Borrowings on working capital line of credit	-	340,000.00	100,000.00	159,000.00	100,000.00	-	-	-	-	-	-	-
Principal payments on working capital line of credit	-	-	-	-	-	-	-	-	-	-	-	-
Payments on County Build-Out LOC	-	-	-	-	-	-	-	-	-	-	-	-
Payments on New LOC	-	-	-	-	-	-	-	-	-	-	-	-
Bond Payment	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Debt Service Reserve - Interest	188,245.68	219,520.77	232,801.95	219,520.77	212,439.45	239,853.27	219,520.77	198,276.82	239,883.27	212,439.45	219,520.77	207,101.95
Borrowings from Debt Service Reserve - Principal	-	-	-	41,687.00	41,687.00	41,687.00	41,687.00	41,687.00	41,687.00	41,687.00	41,687.00	41,687.00
Required principal payments to Electric for DSR Loan	(\$29,187.72)	(\$27,798.61)	(\$30,546.52)	(\$33,445.41)	(\$36,709.80)	(\$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	551,722.16	302,255.43	377,742.36	317,398.88	241,724.77	217,897.67	193,530.84	232,363.25	201,588.02	205,781.00	270,412.77
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(371,637.82)	(581,810.75)	(642,080.75)	(481,550.75)	(384,710.75)	(224,210.75)	(143,950.75)	(224,210.75)	(321,080.75)	(321,080.75)	(321,080.75)	(363,715.75)
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)	(41,756.71)	(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	(8,606.36)	(373,757.43)	(299,027.33)	(330,301.04)	(156,557.93)	(173,184.64)	(93,022.00)	(173,378.54)	(220,337.26)	(172,077.77)	(283,432.26)	(306,175.54)
Increases (Decrease) in Cash	41,425.68	54,242.58	(46,666.82)	(21,135.15)	90,970.15	(19,928.40)	24,594.57	24,262.61	(22,171.30)	(8,879.22)	27,426.00	(31,437.41)
Cash - Beginning	5,942.21	46,767.89	101,010.47	52,343.65	31,208.50	122,178.64	102,250.24	126,844.81	151,107.42	126,936.12	120,056.80	147,482.90
Cash - Ending	\$ 46,767.89	\$ 101,010.47	\$ 52,343.65	\$ 31,208.50	\$ 122,178.64	\$ 102,250.24	\$ 126,844.81	\$ 151,107.42	\$ 128,936.12	\$ 120,056.90	\$ 147,482.90	\$ 116,045.49

Jackson Energy Authority
Telecommunications System - Consolidated
Telecommunications Cash Flow Update
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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	(\$278,546.38)	(\$288,454.18)	(\$266,082.28)	(\$240,886.98)	(\$227,414.59)	(\$246,611.50)	(\$279,727.99)	(\$248,988.32)	(\$271,938.61)	(\$230,420.17)	(\$231,894.04)	(\$284,373.23)
Depreciation and amortization	351,432.83	353,512.64	355,679.35	357,748.96	358,762.67	361,448.19	362,776.25	363,860.18	364,788.37	365,763.80	366,746.95	367,742.11
Provision for doubtful accounts	13,791.13	13,985.99	14,278.31	14,595.34	14,786.44	14,989.86	14,460.36	14,637.03	14,890.60	15,153.68	15,266.54	15,479.25
Changes in:												
Receivables	(117,411.81)	(34,683.07)	(51,575.54)	(48,648.93)	(24,837.93)	(21,342.27)	61,849.65	(20,172.23)	(41,713.96)	(41,535.28)	(19,950.22)	(26,198.60)
Materials and supplies	103,205.24	480.08	494.99	498.94	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	7,864.06	8,965.96	7,770.37	5,522.30	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)	(42,607.51)	197,523.39	(21,482.08)	(27,496.34)	(18,113.17)	(20,340.90)	(53,704.08)	(43,979.14)
Other accrued liabilities	(21,725.20)	43,298.39	22,091.29	30,246.34	35,537.24	(87,945.58)	21,419.31	20,724.22	46,147.95	14,503.30	49,094.92	74,199.16
Net Cash Provided by Operating Activities	82,889.36	66,074.35	87,721.58	83,472.29	122,826.53	246,324.44	165,322.91	101,822.84	102,820.86	119,278.14	135,329.13	8,074.49
Cash Provided By (Used For) Noncapital and Related Financing	(488,232.14)											1,318,092.47
Borrowings on working capital line of credit			100,000.00									
Principal payments on working capital line of credit						(100,000.00)						
Payments on County Build-Out LOC												
Payments on New LOC												
Bond Payment												
Borrowings from Debt Service Reserve - Interest	219,520.77	219,520.77	232,801.85	218,520.77	210,483.29	237,874.40	217,499.40	198,451.07	237,674.40	210,483.29	217,499.40	284,458.29
Borrowings from Debt Service Reserve - Principal	41,867.00	41,867.00	41,867.00	108,333.33	108,333.33				100,000.00	100,000.00	100,000.00	100,000.00
Requited principal payments to Electric for DSR Loan	(\$62,231.96)	(\$66,771.09)	(\$69,630.50)	(\$72,642.56)	(\$76,395.33)	(\$79,960.03)	(\$82,279.16)	(\$84,267.51)	(\$85,917.12)	(\$89,619.10)	(\$92,866.82)	(\$95,169.94)
Net Cash Provided By (Used For) Noncapital and Related Financing	199,855.81	154,416.07	304,838.45	(244,789.46)	242,421.29	57,714.36	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)	(405,928.03)	(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 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)	(42,636.89)	(42,725.71)	391,422.06	(108,804.15)	(109,030.82)	(109,257.97)	(109,485.59)	(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)	96,146.26	(284,426.71)	(214,076.77)	(211,303.92)	(220,281.54)	(284,396.25)	(284,564.82)	(284,793.87)	(285,023.39)
Increase (Decrease) in Cash	(22,832.87)	(31,748.87)	27,805.29	(63,168.81)	80,821.20	89,962.03	(10,760.77)	(6,275.04)	70,241.89	(50,422.50)	(24,832.16)	9,339.44
Cash - Beginning	116,945.49	93,212.62	61,463.75	89,369.04	26,199.14	107,020.33	186,892.36	186,221.59	179,946.55	250,186.43	189,765.93	174,933.77
Cash - Ending	\$ 93,212.62	\$ 61,463.75	\$ 89,369.04	\$ 26,199.14	\$ 107,020.33	\$ 186,892.36	\$ 186,221.59	\$ 179,946.55	\$ 250,186.43	\$ 199,765.93	\$ 174,933.77	\$ 184,273.21

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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	(\$180,550.91)	(\$177,689.30)	(\$188,708.23)	(\$162,050.24)	(\$148,711.53)	(\$167,103.91)	(\$165,023.75)	(\$140,505.44)	(\$174,490.33)	(\$144,571.75)	(\$145,787.09)	(\$201,444.01)
Depreciation and amortization	365,745.38	389,785.33	370,973.47	372,379.16	373,693.49	374,809.78	375,795.75	376,689.04	377,530.26	378,346.54	379,146.16	379,994.68
Provision for doubtful accounts	16,231.20	16,351.34	16,517.06	16,722.05	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)	(30,353.45)	(15,452.11)	(13,062.88)	(14,795.43)	(15,475.25)	(15,368.16)	(15,288.18)	(15,178.22)	(15,097.26)
Materials and supplies	546.78	552.25	557.77	563.35	568.98	574.67	580.42	586.22	592.08	598.00	603.98	610.02
Other assets	13,728.29	14,046.59	14,003.31	15,510.45	16,698.58	15,359.72	15,584.11	17,374.21	15,096.37	17,260.15	17,258.77	(66,528.01)
Accounts payable	17,580.87	(45,823.01)	9,799.68	(23,385.71)	(42,757.84)	188,738.39	(20,185.76)	(27,432.72)	(16,110.27)	(20,558.04)	(53,098.19)	(43,160.63)
Other accrued liabilities	(24,734.87)	39,527.88	18,164.68	26,533.98	26,935.38	(71,638.93)	19,122.82	18,271.74	44,011.40	12,223.32	45,577.59	69,046.21
Net Cash Provided by Operating Activities	111,535.42	193,412.39	217,559.82	210,319.58	229,816.84	354,599.95	228,083.12	246,695.69	248,438.28	245,283.20	245,870.76	120,762.52
Cash Provided By (Used For) Noncapital and Related Financing	1,425,302.53	1,536,015.58	1,687,501.03	1,810,099.03	1,956,442.58	2,188,215.30	2,189,973.98	2,251,246.76	2,397,863.10	2,540,335.44	2,672,928.06	2,698,391.45
Borrowings on working capital line of credit	-	-	-	(100,000.00)	(150,000.00)	(250,000.00)	(300,000.00)	(200,000.00)	(100,000.00)	(150,000.00)	(150,000.00)	(150,000.00)
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	217,499.40	217,499.40	230,638.29	217,499.40	205,397.36	231,931.34	212,243.84	191,704.11	231,931.34	205,397.25	212,243.84	277,584.76
Borrowings from Debt Service Reserve - Principal	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
Required principal payments to Electric for DSR Loan	(\$100,409.10)	(\$103,601.32)	(\$106,746.59)	(\$110,038.12)	(\$113,088.73)	(\$115,917.55)	(\$119,093.82)	(\$121,934.11)	(\$124,430.50)	(\$127,481.77)	(\$129,730.27)	(\$132,046.44)
Net Cash Provided By (Used For) Noncapital and Related Financing	217,090.30	113,898.08	223,911.89	(1,192,539.72)	42,307.53	(83,986.20)	(108,850.08)	(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												
Capital spending	(191,240.05)	(253,471.16)	(315,702.27)	(193,865.05)	(123,383.94)	(124,258.94)	(121,283.94)	(126,283.94)	(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	(110,630.83)	(110,861.32)	(111,082.28)	1,174,682.88	(125,576.21)	(125,839.85)	(128,102.03)	(128,354.76)	(126,628.03)	(128,681.86)	(127,156.24)	(127,421.18)
Construction fund draws	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Used for Capital Financing Activities	(301,870.85)	(364,332.46)	(426,784.55)	960,817.82	(248,962.15)	(250,088.79)	(247,385.97)	(282,646.70)	(257,911.89)	(258,176.81)	(268,440.19)	(268,705.12)
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	184,273.21	211,028.05	154,006.05	166,683.01	167,280.69	190,441.91	260,356.27	134,803.34	98,520.33	196,548.47	186,681.42	181,525.56
Cash - Ending	\$ 211,028.05	\$ 154,006.05	\$ 168,683.01	\$ 167,280.69	\$ 190,441.91	\$ 260,356.27	\$ 134,803.34	\$ 98,520.33	\$ 196,548.47	\$ 186,581.42	\$ 181,525.56	\$ 164,151.28

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	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	(\$92,044.42)	(\$95,090.54)	(\$98,618.25)	(\$70,793.52)	(\$53,551.32)	(\$73,032.89)	(\$75,908.89)	(\$53,523.63)	(\$85,751.42)	(\$58,886.15)	(\$58,525.95)	(\$110,768.52)
Depreciation and amortization	380,715.80	381,608.83	382,633.30	383,802.24	384,953.81	385,965.60	386,525.75	387,578.54	388,258.24	388,893.95	389,568.07	390,256.12
Provision for doubtful accounts	18,319.96	18,496.45	18,648.52	18,820.81	18,947.52	19,025.84	19,080.53	19,134.07	19,186.31	19,235.39	19,314.37	19,421.13
Changes in:												
Receivables	(118,312.48)	(30,817.77)	(27,587.38)	(27,197.87)	(17,805.96)	(11,629.50)	(10,089.72)	(10,704.25)	(10,540.65)	(11,834.06)	(14,831.11)	(18,013.10)
Materials and supplies	816.12	622.28	628.51	634.78	641.14	647.55	654.03	660.57	667.17	673.85	680.58	687.39
Other assets	22,010.51	22,672.97	22,580.43	23,994.80	25,320.94	24,043.33	23,885.50	25,502.39	23,311.34	25,380.83	25,328.73	(78,197.82)
Accounts payable	18,748.06	(45,073.44)	10,418.08	(35,141.04)	(41,928.08)	199,528.45	(18,349.14)	(26,672.30)	(15,851.21)	(19,639.45)	(51,689.31)	(40,845.40)
Other accrued liabilities	(23,823.54)	38,313.51	16,185.44	25,322.64	24,852.14	(73,940.92)	18,014.48	17,145.14	41,140.70	11,380.39	43,896.59	65,845.30
Net Cash Provided by Operating Activities	205,230.02	300,782.40	334,868.65	319,442.65	341,532.19	470,607.27	344,142.54	359,120.53	360,420.49	357,103.76	353,739.98	228,595.10
Cash Provided By (Used For) Noncapital and Related Financing	2,859,546.98	3,047,743.96	3,189,200.22	3,291,083.05	3,422,295.87	3,693,087.09	3,652,830.28	3,783,867.89	3,887,492.49	4,008,165.86	4,114,803.74	4,097,328.08
Borrowings on working capital line of credit	-	-	-	(100,000.00)	(100,000.00)	(250,000.00)	(100,000.00)	(150,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(50,000.00)
Principal payments on working capital line of credit	-	-	-	(50,000.00)	(50,000.00)	(100,000.00)	(50,000.00)	(50,000.00)	(100,000.00)	(100,000.00)	(75,000.00)	-
Payments on County Build-Out LOC	-	-	-	-	-	-	-	-	-	-	-	-
Payments on New LOC	-	-	-	-	-	-	-	-	-	-	-	-
Bond Payment	-	-	-	(1,500,000.00)	-	-	-	-	-	-	-	-
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	269,653.77
Borrowings from Debt Service Reserve - Principal	75,000.00	-	-	100,000.00	-	-	-	-	-	-	-	-
Required principal payments to Electric for USR Loan	(\$135,289.36)	(\$137,523.78)	(\$138,622.51)	(\$139,893.90)	(\$142,428.23)	(\$143,287.87)	(\$144,474.18)	(\$145,381.54)	(\$145,982.15)	(\$147,148.55)	(\$147,918.78)	(\$148,775.48)
Net Cash Provided By (Used For) Noncapital and Related Financing	101,954.48	74,720.05	98,462.25	(1,477,650.06)	(42,889.46)	(287,983.14)	(38,284.45)	(189,154.89)	(120,677.42)	(47,619.79)	(116,739.06)	70,878.28
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(191,335.57)	(220,547.44)	(249,758.31)	(191,335.57)	(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	(127,888.67)	(127,952.71)	(128,219.31)	1,349,686.45	(150,726.95)	(151,041.00)	(151,355.71)	(151,671.07)	(151,987.10)	(152,303.78)	(152,621.13)	(152,939.14)
Construction fund draws	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Used for Capital Financing Activities	(319,023.23)	(348,500.15)	(377,977.62)	1,158,249.88	(276,166.77)	(246,444.95)	(243,534.66)	(243,076.03)	(246,391.05)	(276,686.81)	(276,965.95)	(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)	(6,647.88)	32,815.36	(39,965.04)	22,188.42
Cash - Beginning	164,151.28	153,312.54	180,264.84	173,618.12	173,660.60	186,126.58	152,325.73	214,639.15	171,529.86	162,881.97	195,697.34	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	\$ 171,529.86	\$ 162,881.97	\$ 195,697.34	\$ 155,712.30	\$ 177,891.72

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	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	(\$2,267.78)	\$793.19	(\$3,594.15)	\$11,780.82	\$29,284.39	\$10,802.85	\$5,800.38	\$27,939.33	(\$2,588.19)	\$25,526.59	\$24,287.22	(\$27,664.96)
Depreciation and amortization	380,956.80	391,699.98	392,588.20	393,511.52	394,435.45	395,247.34	395,984.54	386,645.10	397,288.88	397,821.40	398,548.48	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	20,889.03	20,942.56	20,997.10	21,051.84	21,106.17
Changes in:												
Receivables	(120,899.50)	(15,915.02)	(20,372.27)	(20,005.04)	(11,635.65)	(10,106.99)	(10,444.64)	(9,782.47)	(11,201.46)	(10,912.23)	(10,912.82)	(11,176.99)
Materials and supplies	694.26	701.21	708.23	715.30	722.46	729.68	736.97	744.34	751.79	759.31	766.90	774.57
Other assets	41,382.84	41,652.72	41,449.87	42,642.76	43,937.14	42,704.11	42,007.92	43,983.10	41,919.82	43,925.93	43,891.56	(59,669.69)
Accounts payable	231,342.21	1,671.61	1,070.57	980.43	524.85	336.58	10,245.47	592.87	555.73	420.64	539.82	380.70
Other accrued liabilities	(22,460.01)	37,175.91	14,880.09	24,787.51	23,180.36	26,605.70	18,214.55	17,397.35	38,358.04	11,768.14	43,023.77	62,816.77
Net Cash Provided by Operating Activities	539,087.42	478,206.61	447,211.60	475,028.66	501,181.98	487,107.12	483,788.95	498,305.65	487,026.96	490,406.87	521,186.86	385,685.16
Cash Provided By (Used For) Noncapital and Related Financing	4,515,622.99	4,787,599.58	4,934,078.78	5,074,238.78	5,255,978.12	5,401,553.05	5,414,732.73	5,568,895.84	5,686,802.27	5,826,788.65	5,890,871.75	6,022,816.93
Borrowings on working capital line of credit												
Principal payments on working capital line of credit	(200,000.00)	(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)	(50,000.00)	
Payments on County Build-Out LOC	(100,000.00)	(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)	(200,000.00)	(200,000.00)
Payments on New LOC												
Bond Payment	208,179.73	206,179.73	218,653.77	(1,900,000.00)	192,486.58	217,352.79	198,902.79	179,654.14	217,352.79	192,486.58	198,902.79	280,136.58
Borrowings from Debt Service Reserve - Interest												
Borrowings from Debt Service Reserve - Principal												
Required principal payments to Electric for DSR Loan	(\$150,592.95)	(\$151,370.91)	(\$162,176.85)	(\$153,154.37)	(\$153,934.08)	(\$154,500.98)	(\$155,425.19)	(\$158,064.51)	(\$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)	(1,371,974.64)	(238,447.51)	(212,148.19)	(231,522.40)	(251,410.37)	(184,058.59)	(214,820.93)	(208,922.00)	(88,292.25)
Cash Provided By (Used For) Capital and Related Financing Activities												
Capital spending	(141,364.33)	(177,027.78)	(212,881.26)	(141,364.33)	(100,700.88)	(100,700.88)	(86,912.02)	(104,525.66)	(104,525.66)	(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)	(153,677.15)	(153,897.15)	1,632,830.46	(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)	(366,598.41)	1,491,466.13	(288,218.73)	(288,587.78)	(255,128.70)	(273,093.05)	(273,444.28)	(273,786.24)	(274,148.94)	(274,502.37)
Increase (Decrease) in Cash	92.06	(22,889.53)	(2,899.89)	(5,478.86)	(3,484.26)	6,391.15	(2,864.15)	(26,197.78)	49,524.09	1,789.70	38,115.92	12,890.53
Cash - Beginning	177,881.72	177,973.78	155,384.25	152,484.36	147,004.51	143,520.25	145,911.40	147,047.26	120,849.48	170,373.57	172,163.27	210,278.19
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	\$ 210,278.19	\$ 223,169.71