



VIA ELECTRONIC FILING

21-00033

Ms. Tory Lawless,
Docket Room Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
TPUC.DocketRoom@tn.gov

March 10, 2021

RE: Application for CLEC CPCN Authority from Johnson City Energy Authority dba
BrightRidge ("BrightRidge")

One (1) original plus four (4) hard copies of this CLEC CPCN Application from BrightRidge will be filed via USPS on this date. The \$25 filing fee is enclosed. This Application was filed electronically on March 10, 2021.

Questions concerning this filing may be directed to the undersigned on 301-788-6889 or tfireccg@myactv.net.

Respectfully submitted,

/s/ *Terri K. Firestein*

Terri K. Firestein
CCG Consulting
Regulatory Compliance Consultant
on behalf of BrightRidge

Enclosures

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
JOHNSON CITY ENERGY AUTHORITY)	21-00033
DBA BRIGHTRIDGE FOR A CPCN TO)	
PROVIDE COMPETING INTRASTATE AND)	
LOCAL TELECOMMUNICATION SERVICES)	
ON A WHOLESALE BASIS)	

**APPLICATION FOR CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY (CPCN) TO PROVIDE
COMPETING WHOLESALE INTRASTATE AND LOCAL
TELECOMMUNICATIONS SERVICES IN TENNESSEE**

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Public Utility Commission ("TPUC") and Section 253 of the Federal Telecommunications Act of 1996 ("Act"), Johnson City Energy Authority dba BrightRidge ("Applicant" or "BrightRidge") respectfully requests that the Tennessee Public Utility Commission grant to it authority to provide competing intrastate and local telecommunications services, on a wholesale basis, including exchange access telecommunications services, within the State of Tennessee. Applicant is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing intrastate and local telecommunications services.

In support of its Application, Applicant submits the following:

1. The full name and address of the Applicant

Johnson City Energy Authority dba BrightRidge
2600 Boones Creek Rd., PO Box 1636, Johnson City, TN 37615
Telephone: 423-952-5000

Questions regarding this application should be directed to:

Terri K. Firestein
Sr. Director, CCG Consulting
10806 Garrison Hollow Rd., Clear Spring, MD 21722
Telephone: (301) 788-6889 E-mail: tfireccg@myactv.net

Contact name and address at the Company is:

Stacy Evans

Chief Broadband and Technology Officer

2600 Boones Creek Rd., Johnson City, TN 37615

Telephone: (423) 952-5000

E-mail: sevans@brightridge.com

2. Organizational Chart of Corporate Structure: Include any pertinent acquisition or merger information.

See **Exhibit A**

3. Corporate information:

Applicant is a political subdivision of the State of Tennessee and operates as an Energy Authority.

Applicant was incorporated in the State of Tennessee on November 15, 2016. A copy of

Applicant's Articles of Incorporation and amendments are provided in **Exhibit B**. A copy of

Applicant's Authority to transact business in the State of Tennessee is provided in **Exhibit C**.

The names and addresses of the principal corporate officers are in **Exhibit D**. The biographies of the principal officers and other key technical staff are in **Exhibit E**.

4. Applicant possesses the managerial, technical, and financial ability to provide telecommunications service in the State of Tennessee as demonstrated below:

A. Financial Qualifications:

In support of its financial qualifications, Applicant submits its 2019 audited financial statement in **Exhibit F**. Applicant has a July 1 to June 30 fiscal year so the 2020 report is not yet available.

Applicant expects to continue to grow revenues and decrease expenses throughout 2021 as it realizes revenues and operating efficiencies from its existing hosted voice service product, its broadband transport network and enhanced service arrangements working alongside its strategic alliance partners. Applicant asserts that it has the financial resources necessary to operate as a competitive local service provider in Tennessee.

Applicant's financials do not reflect any revenues or expenses associated with reciprocal compensation. The required Corporate Surety Bond is provided as **Exhibit G**

B. Managerial Ability:

As shown in **Exhibit E** to this Application, Applicant has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. As described in the attached biographical information, Applicant's management team has extensive management and business experience in telecommunications.

C. Technical Qualifications:

Applicant's services will satisfy the minimum standards established by the TPUC. Applicant elects market regulation and will maintain a Wholesale Service Terms and Conditions Guide on its website, www.brightridge.com. As noted in the biographies (Exhibit E) of the principal officers, there are several officers with engineering backgrounds and numerous years of telecommunications expertise. Thus, Applicant is certainly technically qualified to provide competitive wholesale telecommunications service in Tennessee.

5. Proposed Service Area:

Applicant has no applications for authority pending in any other state(s). While Applicant is not currently authorized with a CPCN or CLEC authority in any state Applicant, through its 3rd party hosted voice provider, is operating within the service footprint of the Energy Authority in Tennessee providing a variety of broadband, voice and video products on a retail basis.

Applicant proposes to expand into competitive wholesale services throughout the State of Tennessee utilizing two virtualized MetaSwitch CFS servers (Version 9.5.40) operating at 2600 Boones Creek Rd., Johnson City TN. This switch is currently interconnected to the BrightRidge network for local on-net call origination/termination. Applicant will seek Interconnection

Agreements with applicable ILEC's upon receiving the requested Authorization from this Commission. Further, Applicant operates a Fiber-to-the-Home/Premise network with fully redundant fiber paths and relying on two 3rd Party providers for transport and Public Switched Telephone Network connectivity. Route redundancy, facilities protection and disaster recovery are ensured by the BrightRidge Network Operations Center (NOC). The initial proposed wholesale service areas are currently being served by AT&T- Tennessee and Lumen (fka CenturyLink – Tennessee), which are designated open to competition. Applicant intends to offer a broad range of telecommunications services through use of its own facilities, third-party facilities and a combination of these provisioning methods.

6. Types of Local Exchange Service to be provided:

Applicant intends to provide an array of facilities based, leased and resale competitive wholesale telecommunications and transport services including, but not limited to, dedicated and switched access services, private line and special access services, enhanced services and hosted voice telecommunications services. Applicant plans to offer wholesale basic access line service, PBX and DID Services, Ethernet services, Number Portability, Call Management Features, Directory Assistance, Directory Services, and Operator Services, as well as all services required under Chapter 1220-4-8-.04 (3) (6) and (2).

7. Repair and Maintenance:

Applicant understands the importance of effective customer service for both wholesale and retail customers of Applicant's service offerings. Applicant will make arrangements for its wholesale customers to contact the company on a toll-free customer service number. In addition, customers will interface with the company via a Customer Portal at www.brightridge.com.

Grant of the Application will further the goals of the Tennessee Legislature and further the

public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. Authorizing BrightRidge to provide wholesale local exchange telecommunications services will enhance materially the telecommunications infrastructure in the State of Tennessee and will facilitate economic development. In particular, the public will benefit both directly, through the use of the competitive services to be offered by BrightRidge and indirectly, because Applicant's presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Grant of this Application will further enhance the service options available to Tennessee citizens for the reasons set forth above.

8. **Small and Minority-Owned Telecommunications Business Participation Plan: (65-5-112): Exhibit H**

9. **Toll Dialing Parity Plan: Exhibit I**

10. **Service Notice**

Applicant has served notice of this Application to the current incumbent local exchange telephone companies in Tennessee with a statement regarding the company's intention of operating geographically. See **Exhibit J** for the list.

11. **Numbering Issues:**

Statement provided in **Exhibit K**

12. **Tennessee Specific Operational Issues:**

Statements provided in **Exhibit L**

13. Miscellaneous:

- A. Sworn Pre-filed testimony of Mr. Stacy Evans, Chief Broadband and Technology Officer: **Exhibit M**
- B. Applicant does not require customer deposits.
- C. As of now, Applicant has not been subject to complaints in any of the states in which we are doing business.
- D. A copy of a tariff is not enclosed. Applicant will elect Market Regulation and will file this request at the appropriate time.

CONCLUSION:

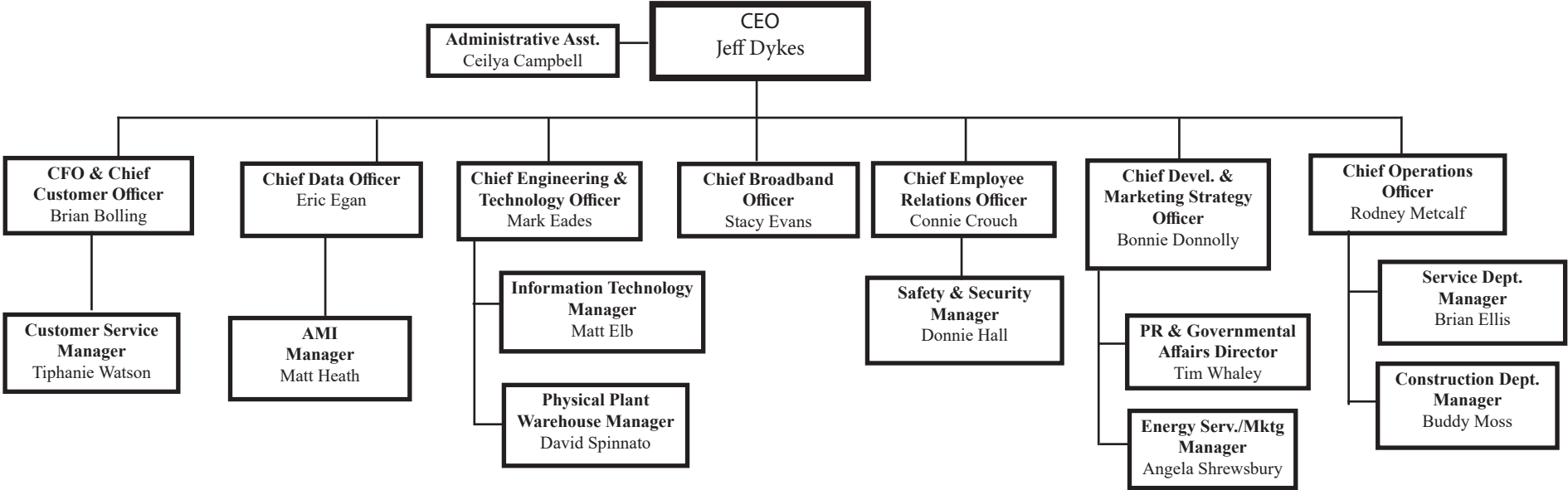
BrightRidge respectfully requests that the TPUC enter an order granting it a Certificate of Convenience and Necessity to operate as a competing wholesale telecommunications service provider with authority to provide a full range of services on a facilities-based and resale basis throughout the State of Tennessee. For the reasons stated above, BrightRidge's provision of these services would promote the public interest by providing high-quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing telecommunications providers.

Respectfully submitted this 10th day of March 2021.

/s/ Terri K. Firestein

Consultant for Johnson City Energy Authority dba BrightRidge

EXHIBIT A
ORGANIZATIONAL CHART



Administration Total	Electric Full Time Employees	180
	Electric Part-Time Employees	5
	Broadband Full Time Employees	12
	Broadband Part-Time Employees	0

EXHIBIT B
ARTICLES OF INCORPORATION
ASSUMED NAME DOCUMENTATION



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

JOHNSON CITY ENERGY AUTHORITY
PO BOX 1636
JOHNSON CITY, TN 37605-1636

November 16, 2016

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control # :	000875170	Formation Locale:	TENNESSEE
Filing Type:	Nonprofit Corporation - Domestic	Date Formed:	11/15/2016
Filing Date:	11/15/2016 9:18 AM	Image # :	B0305-8072
Status:	Active		
Duration Term:	Perpetual		
Business Type:	Municipal Energy Authority - Exempt		
Public/Mutual Benefit:	Public		
Business County:	WASHINGTON COUNTY		

Document Receipt

Receipt # : 002969402

Filing Fee: \$0.00

Registered Agent Address:

Principal Address:

2600 BOONES CREEK RD
JOHNSON CITY, TN 37615-4448

Congratulations on the successful filing of your **Charter** for **JOHNSON CITY ENERGY AUTHORITY** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Please visit the Tennessee Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and receive it from our website.

Tre Hargett
Secretary of State

Processed By: Laurie Cook

CERTIFICATE OF INCORPORATION
OF THE
JOHNSON CITY ENERGY AUTHORITY

FILED

1. Name. The name of the corporation is JOHNSON CITY ENERGY AUTHORITY (the "Authority"). The legal name of the Authority may only be amended by an amendment to this Certificate of Incorporation. The Authority may adopt assumed corporate names from time to time for its various operating divisions or lines of service by following the process outlined in Tennessee Code Annotated § 7-41-105(d).

2. Approval of Formation. Permission to organize the Authority has been granted by a duly adopted resolution of the City of Johnson City, Tennessee attached as Appendix A hereto.

3. Principal Office. The location of the principal office of the Authority shall be 2600 Boones Creek Road, Johnson City, Tennessee 37615 (Post Office Box 1636, Johnson City, Tennessee 37605-1636).

4. Purpose. The Authority shall be for the purpose of planning, acquiring, constructing, improving, furnishing, equipping, financing, owning, operating, and maintaining electric utility and telecommunications systems within or outside the corporate limits of the City of Johnson City, Tennessee or outside this state, and to exercise all powers granted to energy authorities by the Municipal Energy Authority Act as enacted by Public Chapter No. 995 of the 2016 Public Acts of the State of Tennessee (the "Act"). The Authority will not engage in the provision of water or sewer services.

5. Mission Statement: The Authority's mission is to be recognized by its customers, non-customers, and competitors as the leading services provider in the region. The Authority will:

- Seek out, understand, and act upon our customers' needs;
- Provide the highest quality energy and services at the lowest possible rates;

- Conduct all business with integrity and honesty; and
- Promote and support economic development programs for the benefit of all.

This mission statement is a general statement of governance and operational philosophy to guide and inform the actions of the Authority. The mission statement does not in any way limit the purposes or powers of the Authority as set forth in the Act or create any rights for the benefit of one or more third parties.

6. Board of Directors.

(a) Initial Directors, Terms and Appointing Authorities. The names, appointing authorities and initial terms of the initial Board of Directors are:

Name	Appointing Authority	Term of Office
Scott Bowman, Chair	City of Johnson City, TN	Expires 7/1/2020 (2 nd term)
B.J. King, Vice-Chair	City of Johnson City, TN	Expires 7/1/2017 (1 st term)
Jenny Brock	City of Johnson City, TN	Expires 7/1/2017 (2 nd term)
Robert Thomas	City of Johnson City, TN	Expires 7/1/2019 (2 nd term)
Guy Wilson	City of Johnson City, TN	Expires 7/1/2018 (2 nd term)
Dan Brant	Washington County, TN	Expires 4/1/2019 (1 st term)
Joe Grandy	Washington County, TN	Expires 4/1/2017 (1 st term)
Hal Knight	Town of Jonesborough, TN	Expires 9/1/2018 (1 st term)

Except as otherwise provided in the Act, initial Directors shall serve until reappointment or until their successor(s) are duly appointed by the appointing local governing body.

(b) Subsequent Directors. All subsequent appointments shall be for four-year terms commencing upon the expiration of the prior Director's specific term. Each appointment shall be made as provided in Tennessee Code Annotated § 7-41-110(b) of the Act, and shall be subject to the following additional requirements:

(i) The City of Johnson City, as the associated municipality, shall maintain the singular authority to make a two-thirds majority of appointments on the Board of Directors at all times. With an initial nine (9) member Board of Directors, the City will be responsible for appointing six (6) members.

(ii) Each governing body having appointment authority is limited to appointing only one of its governing body members as a Director.

(iii) Each Director shall be eligible for two consecutive terms of office, and may be eligible for reappointment to a third term after being off the Board of Directors for at least four years.

(iv) No local governing body may appoint as Director a current, retired or former employee of the Authority or of the Johnson City Power Board.

(v) Each Director shall reside within the service area of the Authority during his or her term of office.

(vi) Notwithstanding anything in the Act to the contrary, each governing body having appointing authority shall directly nominate and select its appointments to the Authority Board of Directors as vacancies arise from time to time.

(vii) Each governing body having appointing authority may, upon prior notice to the Authority, establish other eligibility criteria for its Director positions beyond criteria herein.

(viii) All appointments for vacancies created by the death, resignation or removal of any Director must be filled with 90 days of vacancy, except as otherwise provided in the Act.

(ix) To provide for continuity in governance during the transition from the Johnson City Power Board to the Authority, the City of Johnson City hereby extends the initial term of each of its appointed members of the initial Board of Directors set forth above by two years, and such extension shall not be considered in applying the term limits set forth in this Section. Each other appointing authority shall have the option, by notice to the Authority, to extend the initial term of each of its appointed members of the initial Board of Directors by two years, and such extension shall not be considered in applying the term limits set forth in this Section.

(c) Expansion of the Board of Directors. Upon formation, the Board of Directors shall consist of nine (9) members, including eight (8) existing members named in this Certificate of Incorporation. The ninth member will be a new selection by the City of Johnson City, Tennessee, and this Director shall serve for an initial term of four (4) years. At all times, the City of Johnson City, Tennessee shall maintain a two-thirds majority on the Board of Directors.

7. Perpetual Duration. The duration of the Authority shall be perpetual.

8. Corporate Form. The Authority shall be a public corporation, a political subdivision of the State, and a body politic and corporate.

9. Financial Management. The Authority shall continue to require an independent financial audit, with a copy filed with the City Recorder of the City of Johnson City, Tennessee, the Tennessee Valley Authority, and the Comptroller of the State of Tennessee. Further, Authority staff will continue to present a monthly budget statement to the Authority Board of Directors comparing the amounts of revenues received and expenditures actually incurred, and a general discussion of the progress of the Authority in meeting its budget. All financial and other records of the Authority, as a political subdivision of the State, will continue to be subject to public review under the public records and open meeting laws of the State of Tennessee, as amended from time to time.

10. Powers. The Authority shall have all the privileges, powers and authority granted and provided for an energy authority by the Act, as it presently exists or may be hereafter amended; provided, however, that notwithstanding anything to the contrary in the Act, as amended from time to time, the Authority shall not have any power or authority to provide any utility services other than energy and telecommunications.

11. In Lieu of Tax Payments. The Authority shall make in lieu of tax payments in accordance with the provisions of the Act, as set forth at Tennessee Code Annotated § 7-41-122, which requires payments in lieu of taxes pursuant to the requirements of Tennessee Code Annotated, Title 7, Chapter 52, Part 3 (for electric services, payable on the same basis as payments are currently made to the City of Johnson City, Tennessee, Town of Jonesborough and Washington County), Tennessee Code Annotated § 7-52-404 (for telecommunications services), and Tennessee Code Annotated § 7-52-606 (for cable television and other broadband services).

12. Restrictions on Disposition of Electric Plant. The Authority shall not have any power to dispose of all or substantially all of the of the electric plant of the Authority, except

2025-06-11 11:15:20 AM Received by Tennessee Secretary of State The Honorable

upon the concurrence and consent of the governing body of the City of Johnson City, Tennessee and upon approval of a majority of those voting in a referendum called by the governing body of the City of Johnson City, Tennessee in accordance with Tennessee Code Annotated § 7-52-132 and the provisions of the Act.

13. Residual Interest of the City of Johnson City, Tennessee. If the Authority ceases to exist, or in the event of the sale of all or substantially all of the assets of the electric system of the Authority, all of its assets remaining after all of its obligations and liabilities have been satisfied or discharged shall pass to, and become the property of, the City of Johnson City, Tennessee.

14. Amendment. This Certificate of Incorporation may only be amended as provided in Tennessee Code Annotated § 7-41-106 and a resolution of the governing body of the City of Johnson City, Tennessee that approves the amendment by at least a two-thirds (2/3) majority vote of the entire City Commission.

IN WITNESS WHEREOF, this Certificate of Incorporation has been subscribed and acknowledged by the Mayor of the City of Johnson City, Tennessee before an officer authorized by the State of Tennessee to take acknowledgments, on the day and month set forth below.

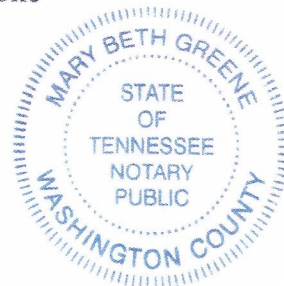
Clayton Stout
Clayton Stout
Mayor
City of Johnson City, Tennessee
Date: 10/24/16

STATE OF TENNESSEE :
COUNTY OF WASHINGTON :

Personally appeared before me, Mary Beth Greene, a Notary Public, Clayton Stout, with whom I am personally acquainted, who acknowledged that he is the duly elected Mayor of the City of Johnson City, Tennessee and that he executed the within instrument for the purposes therein contained.

WITNESS my hand, at office, this 24th day of October, 2016.

My Commission Expires: April 6, 2020
Mary Beth Greene
Notary Public



APPENDIX A

A resolution authorizing the Mayor or the Mayor's designee to form an Energy Authority pursuant to the Municipal Energy Authority Act, approving the form of Certificate of Incorporation for such Energy Authority, and authorizing the Mayor or the Mayor's designee to take such further action as is necessary to prepare for the transfer of assets to and the assumption of liabilities by such Energy Authority

Whereas, the Johnson City Commission established the Johnson City Power Board on July 5, 1945 through the purchase of former East Tennessee Light & Power Company assets held by the Tennessee Valley Authority, and;

Whereas, the initial \$2.3 million bonds in revenue bonds secured by the City to purchase the system have long since been retired in full by electric system ratepayers without a single dollar of taxpayer investment in the system, and;

Whereas, today, the Johnson City Power Board represents a major City asset returning nearly \$3.7 million annually to the City treasury in the form of payment in lieu of taxes while providing affordable, reliable electric power with a 99.99 percent reliability factor essential to our region's economic advancement, and;

Whereas, City leaders recognize the local electricity distribution marketplace represents a \$500 billion industry that largely operates on a 100-year-old business model ripe for business disruption by technological innovation including distributed generation, alternative energy and the increasing feasibility of community focused energy generation and distribution, and;

Whereas, the City desires to provide additional flexibility to enter new markets and pursue public-private partnerships, thereby diversifying and further strengthening Johnson City Power Board's business positioning, and;

Whereas, the Municipal Energy Authority Act, Tennessee Code Annotated Section 7-41-101 *et seq.* (2016) (the "Act"), authorizes a home rule city to create an energy authority and to transfer to such authority the assets and liabilities of its electric system, while maintaining the power to appoint the majority of board of directors of the authority and maintaining ultimate control over the disposition of the authority's assets as set forth in the Act;

10/30/2016 11:15:20 AM Received by Tennessee Secretary of State The Honorable

10305-0079 11/15/2016 9:10 AM Received by Tennessee Secretary of State The Hatfield

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Johnson City by a two-thirds (2/3) or greater vote:

1. That the Mayor or the City Manager, as the Mayor's designee, each is authorized to take all necessary or appropriate steps to form an Energy Authority pursuant to the Act;

2. That the certificate of incorporation for the Energy Authority is approved in the form attached hereto;

3. That the Mayor or City Manager, as the Mayor's designee, is each authorized to take such actions from time to time as are appropriate or necessary to prepare for the transfer of assets of the Johnson City Power Board to and the assumption of liabilities of the Johnson City Power Board by the Energy Authority, provided that such transfer of assets and assumption of liabilities must be further approved by a subsequent resolution or Ordinance (as appropriate) of the City; and

4. That the Mayor or City Manager, as the Mayor's designee, is each authorized to take such further actions from time to time as are necessary or appropriate to carry out the intent of this resolution.

W. Clayton Stout

W. Clayton Stout, Mayor

Attest:

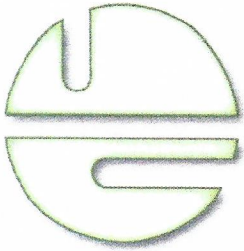
Janet Jennings

Janet Jennings, City Recorder

Approved as to Form:

James H. Epps, IV

James H. Epps, IV, Staff Attorney



CITY OF JOHNSON CITY

601 E. MAIN ST. • P.O. Box 2150 • JOHNSON CITY, TN 37601

WWW.JOHNSONCITYTN.ORG

STATE OF TENNESSEE

COUNTY OF WASHINGTON

I, Janet Jennings, City Recorder of the City of Johnson City, Tennessee, do hereby certify that the attached Certificate of Incorporation of the Johnson City Energy Authority was approved by the Board of Commissioners of the City of Johnson City, Tennessee, in regular session, on the 20th day of October, 2016.

Witness my hand and official seal of the City of Johnson City, Tennessee this the 11th day of November, 2016.

Janet Jennings
City Recorder

SEAL

10305-0000 11/15/2016 9:10 AM Received by Tennessee Secretary of State The Honorable



CITY OF JOHNSON CITY
TENNESSEE

OFFICE OF THE MAYOR

November 10, 2016

The Honorable Tre Hargett
State of Tennessee
Secretary of State
Division of Business Services
312 Rosa L. Parks Avenue, Snodgrass Tower, 6th Floor
Nashville, TN 37243

Re: Certificate of Existence – Johnson City Energy Authority

Dear Secretary Hargett:

At its October 20, 2016 meeting, the City Commission of the City of Johnson City, Tennessee, approved the formation of the Johnson City Energy Authority as a new utility authority pursuant to the Municipal Energy Authority Act, Chapter 995 of the Public Acts of 2016 (the "Act").

Pursuant to Section 7-41-105 of the Act, we have enclosed for filing the fully executed Certificate of Incorporation of the Johnson City Energy Authority. As you will note, the Certificate of Incorporation includes a fully executed copy of the Resolution of the City Commission, which remains in full force and effect.

We hope that you find the Certificate of Incorporation to be in order, and we would appreciate your approving it and recording it in the appropriate book of record. We would also appreciate your returning the original or a copy to us in the enclosed self-addressed stamped envelope after recording.

If you have any questions concerning the Certificate of Incorporation, please contact Pete Peterson at the above telephone number.

Sincerely,

Clayton Stout
Mayor

M. Denis Peterson
City Manager

Enclosures

60305-0001 11/15/2016 9:10 AM Received by Tennessee Secretary of State Tre Hargett



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

JOHNSON CITY ENERGY AUTHORITY
PO BOX 1636
JOHNSON CITY, TN 37605-1636

October 3, 2017

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

Control # : 875170 Status: Active
Filing Type: Nonprofit Corporation - Domestic

Document Receipt

Receipt # : 003601588	Filing Fee:	\$20.00
Payment-Credit Card - State Payment Center - CC #: 3712294058		\$20.00

Amendment Type: Assumed Name

Image # : B0447-2632

Filed Date: 10/03/2017 9:40 AM

This will acknowledge the filing of the attached assumed name with an effective date as indicated above. When corresponding with this office or submitting documents for filing, please refer to the control number given above. The name registration is effective for five years from the date the original registration was filed with the Secretary of State.

Tre Hargett
Secretary of State

Processed By: Corp Web User

Field Name	Changed From	Changed To
New Assumed Name	No Value	BrightRidge



004549176

**APPLICATION FOR REGISTRATION
OF ASSUMED NAME****SS-4230****Tre Hargett**
Secretary of State**Division of Business Services
Department of State**State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: \$20.00

*For Office Use Only***-FILED-**

Amendment # 004549176

Pursuant to the Tennessee Business Corporation Act, Tennessee Nonprofit Corporation Act, Tennessee Limited Liability Company Act, Tennessee Revised Limited Liability Company Act, or the Tennessee Revised Uniform Partnership Act, this application for registration of an assumed name is submitted to the Tennessee Secretary of State.

1. The Secretary of State Control Number is: 000875170

and the true name of the business entity is:

JOHNSON CITY ENERGY AUTHORITY

2. The state or country of organization is:

TENNESSEE

3. The business entity intends to transact business under an assumed name.

4. The assumed name the business entity proposes to use is:

BrightRidge

The assumed name must satisfy the statutory requirements for that type of entity.

10/03/2017

Signature Date

Electronic

Signature

President and CEO

Signer's Capacity

Jeff Dykes

Name (typed or printed)

Note: Pursuant to T.C.A. § 10-7-503 all information on this form is public record.

EXHIBIT D
CORPORATE OFFICERS

Jeff Dykes
CEO
PO Box 1636
Johnson City, TN 37605

Brian Bolling
CFO and Chief Customer Officer
PO Box 1636
Johnson City, TN 37605

Stacy Evans,
Chief Broadband Officer
PO Box 1636
Johnson City, TN 37605

EXHIBIT E
MANAGERIAL AND TECHNICAL CAPABILITY
Staff Experience

Jeffrey R. Dykes – *President & CEO*

Mr. Dykes, has been employed with BrightRidge since January 1, 2013 as CEO. He oversees all aspects of the company to include financial management, budgeting, long range forecasting, staffing, administration and business development. Mr. Dykes has 20 years of management experience in the power industry to include previously serving as General Manager of Newport Utilities and VP/General Manager for Trigen Kansas City Energy/Veolia Energy. His experience includes such areas as Electrical, Water, Waste Water, Customer Service, Finance, Engineering, Business Services and IT management. Previous work experience also includes generation, transmission, and distribution within the electrical industry, as well as water and waste water. He has also served as General Manager of the Elizabethton Electric System in Elizabethton, Tennessee and Modification Manager/Engineer at Westinghouse Savannah River Site in South Carolina.

Mr. Dykes is committed to civic involvement within in his community. He has served on various Boards, State and Federal committees as well as various community organizations throughout his career. His service has included such organizations as the Chamber of Commerce, Kiwanis, Gideons, Rotary, City Council, Youth Front and Boy Scouts. Heavily committed to the future growth and success of Johnson City and the electric utility industry, Mr. Dykes is a member of the Washington County Economic Development Council and Tennessee Municipal Electric Power Association. A native of Elizabethton, Tennessee, Mr. Dykes holds a Bachelor's Degree in Liberal Arts from Milligan College, Johnson City, Tennessee.

Stacy Evans - Chief Broadband & Technology Officer @ BrightRidge in Johnson City, TN

Mr. Evans has thirty-three years of experience working in telecommunication networking and management. For over 16 years, he served in the telecommunications division at Bristol Virginia Utilities in the capacities of Lead Network Engineer and Manager of Network and Fiber Engineering. Beginning in 2002 he was involved with BVU OptiNet's startup operations and continued support of the first municipal broadband network to provide triple-play services over an 100% fiber-optic network.

Stacy has years of experience working as a leader in the business expansion and automation efforts at various operations not only BVU, but also at Aerus Electrolux, United States Gypsum, and Fingerhut.

In June 2018, Stacy joined BrightRidge (an electric provider in Johnson City, TN) as their Chief Broadband Officer to lead a new Broadband initiative that will provide services to a customer base of 80,000 homes and businesses in East Tennessee. BrightRidge is deploying a combination of Fiber-optic and Fixed Wireless network technologies over an eight-year build-out.

Stacy holds a Master of Business Administration and a Bachelor of Information Technology from King University.

Brian Bolling – CFO & Customer Care Officer

Mr. Bolling, has been employed with BrightRidge since February 29, 2012. With over 25 years in the utility industry, he originally joined JCPB as Business Development and Performance Officer. Responsibilities included preparing business plans and supporting documents relevant to the sale of electricity and products and services related there unto. Mr. Bolling specialized in reviewing policies and internal controls to improve business performance. He was later renamed Chief Customer Relations Officer for a short time in 2014 and then became CFO & Chief Customer Officer. Currently, he directs the day to day operations of General Accounting & Finance, Customer Support, and Energy Services & Marketing. While coordinating with the executive management team and CEO, he is largely responsible for financial reporting, the annual budget and forecasts, audits, business development and cash liquidity. Mr. Bolling is also involved in rate analysis and design.

Service on various Boards and organizations include Central Service Association, TVPPA Technology Committee, Bristol Area Home Builders Association, Eastern District Power Accountants Association, United Way of Bristol and First Baptist Church, Bluff City. Previous experience includes Bristol Tennessee Essential Services and BVU Authority where he was VP of Customer and Technical Support. Mr. Bolling holds a Master of Accountancy and a Bachelor's Degree in Accounting from East Tennessee State University, Johnson City, Tennessee. In addition, he is an actively licensed Certified Public Accountant.

DAVID ADDINGTON

22219 Jewel Lane, Bristol, VA 24202

Cell: 2766961918

daddington45@gmail.com

-----SUMMARY-----

Efficient and able fiber optic engineer with 18 years in the maintenance field in both fiber and electronics technician and management roles. Strong organizational and time management skills. Dynamic Fiber Optic Technician skilled in splicing troubleshooting, overhauls, installations, adjustments and repairs on a variety of fiber optic systems. Desires a senior-level role in the Telecommunication industry. Detail-oriented Fiber engineer adept at building positive and lasting customer relationships. Pinpoints underlying issues and resolves complex problems in a timely and professional manner. Talented Fiber Optic engineer adept at tackling complex electrical issues with accuracy and in a timely manner.

-----SKILLS-----

- Operations management
- Fiber splicing
- Troubleshooting
- OTDR
- Design engineering
- Training and development
- Results-oriented
- Client-focused
- Operation of bucket truck and digger derrick
- Valid CDL license
- Vendor sourcing
- Relationship building
- Systems implementation
- Reading technical drawings
- Test and Evaluation (T&E)
- Analytical problem solving
- Cross-functional teamwork
- Plant Operations Support
- Inspections and Testing
- Critical Thinking
- Contract negotiation/review/drafting

-----EXPERIENCE-----

Johnson City Energy Authority dba BrightRidge

Johnson City, TN

Outside Plant (OSP) Engineer

- Engineering design on Fiber-optic network infrastructure for eight-year network buildout.
- Coordinate Pole make-ready for new fiber build areas.
- Management of OSP Technician personnel.
- Management of aerial fiber construction crews and contractors.
- Management of underground fiber construction crews and contractors.
- Design and manage implementation of fiber convergency cabinets, naps, and capacity planning.
- Management of Fiber Splicing staff and contractors.
- Planning and budgeting of material inventory for construction and repair projects.
- Evaluate new technology options for future network designs.
- Design Point of Presence facility layout, site preparation, fiber panels, and equipment layout.
- Coordinate with mapping department to ensure documentation of the network.

BVU OPTINET

Bristol, Virginia

Lead Fiber Technician/Splicer/OS Engineer

02/2002 to Current

- Primary duties will include, maintaining infrastructure, electronic facilities (POP, CO Etc.) Supervisor of infrastructure techs and cad specialist.
- Coordinated installation of all new facility's and or users relocations of existing Facility's and or users.
- Analyzed and interpreted complex data from multiple sources.
- Maintained documentation for all telecommunication systems, including fiber and equipment inventory and floor plans of Pop's and CO.
- Adapted and modified standard techniques, procedures and criteria to solve complex problems.
- Worked closely with network administrators and server engineers to ensure quality service.
- Troubleshoot all levels of infrastructure and electronic facilities. Coordinate and Supervise crews in repair of system.
- Oversee engineering, mapping, documentation and construction of New builds and existing.
- Responsible for training of field techs and mapping techs also responsible for researching ordering and distribution of tool used by the field crews.
- Oversee engineering, mapping, documentation and construction of New builds and existing.
- Responsible for training of field techs and mapping techs also responsible for researching ordering and distribution of tool used by the field crews.
- The ability to build and construct outside plant projects including damage fiber incidents.
- Responsible for IRU fibers contracts and joint use agreements.

BVU AUTHORITY

Bristol, Virginia

A Class Lineman

02/1999 to 04/2002

PIKE ELECTRIC

Mount Airy, NC

Lineman

02/1993 to 02/1999

- A Class Lineman by 1997
- Crew Foreman from 1998-1999

EDUCATION AND TRAINING

HIGH SCHOOL DIPLOMA

1990

Lebanon High School, Lebanon, Virginia

Advanced Line worker Certificate

Siecor TR-07-S Fiber Training

MICHAEL L BOLDT

SUMMARY OF QUALIFICATIONS

Network Engineer with a proven background in FTTx systems, switching and routing, project management, CATV systems, and information technology systems who enjoys challenges and brings value to the organization through strong critical thinking, strong morals, strong team environment and creative problem resolution.

Areas of Expertise Include:

- Project Management
- Customer Interaction
- IPTV/RF QAM from acquisition to delivery
- L2/L3 switching and routing.
- FTTx Systems
- Juniper/Alcatel/Cisco switches/routers

Additional Experience in the following:

- Microsoft Exchange/AD and SQL server
- Linux
- Palo Alto/Fortinet firewalls
- Hyper-V, VMWare, and SAN systems.
- RF/QAM networks

PROFESSIONAL EXPERIENCE

BRIGHTRIDGE

9/2019-PRESENT

Network Engineer

Network Engineer supporting and deploying systems to deliver triple play services across fiber and Fixed LTE Networks to residential, business, and commercial customers.

POINT BROADBAND – ISP (ACQUIRED BVU OPTINET IN AUGUST 2018), Bristol, VA

Network Engineer

1/2012-8/2019

Primary focus on IP and CATV in a FTTx network as well as corporate servers and network

- Responsible for configuring and troubleshooting FTTx PON /ActiveE networks. This includes Nokia and Calix for FTTx delivery and involves working with our NOC, field technicians and OSP engineering to deliver data, video, and VoIP services to the customer.
- Responsible for Switching and Routing to support our customer's internet access and MPLS services as well as the internal corporate network. This includes VLAN's, routing interfaces, LAG groups, etc. Responsible for setting up/monitoring BGP to our upstream providers as well as BGP to some of our enterprise customers.
- I am responsible for Tier 4 support for customer issues regarding data or video issues, usually this involves working with our business customers to resolve issues or core network issues.
- I monitor and respond to network monitor alarms that are escalated via the NOC and using tools such as PRTG, various element managers, port mirrors, event logs, etc.
- Install and maintain Fiber connections and CAT5e/6 in our data center environment. Ensure integrity of connections by using scopes, light meters, CAT5 testers, and RFC2544 testing.
- I am directly responsible for over 100 Windows 2008/2012 servers in a Hyper-V environment and multiple Windows/Linux servers in a VMWare environment with SAN storage. I manage MS Exchange, MSSQL, Active Directory, Web Servers and backup servers.
- Configure and install Linux servers running DNS/DHCP/Web applications
- Responsible for finding, evaluating, testing, and implementing new equipment and technologies to improve service to our customers. One example was implementing a new video monitoring system that

could monitor our video streams in multiple locations for service issues which allowed us to proactively react to video issues, often before a customer would see any issue.

- Directly responsible for daily operations and troubleshooting of Cisco DNCS, and Ericsson Mediaroom systems and all aspects of video ingestion and delivery including IP network.
- I have experience with Motorola/Cisco satellite receivers, Cisco DCM, Harmonic encoders, Alcatel/Juniper switches for headend multicast traffic, and other headend equipment. Monitoring and reacting to alarms in the network. I troubleshoot and configure video from satellite acquisition through to service delivery.
- Responsible for several large projects from budgeting to implementation. This included transitioning support from one vendor to multiple vendors for a major CATV system and upgrade of our Mediaroom system.

BVU OPTINET – ISP

NOC Systems Specialist/NOC Support Specialist

2003-2012

- Provide Tier 1/2/3 triple play technical support for residential and business.
- Responsible for monitoring multiple networks using provided software and coordinate response for repair. Work with network engineers to resolve more complex issues.
- Installed and deployed multiple windows servers including Microsoft Exchange, SQL, backup servers, and Active Directory.
- Provision Alcatel/Calix ONT's for a FTTU network serving triple play residential and business customers. Work with activators to resolve issues at time of activation.
- Hand chosen in 2007 by management to be one of initial employees of Network Operations Center due to proven record of dedication, initiative, and project management skills.

TRACO WINDOW FACTORY JOHNSON CITY, TN

2000-2003

Saw Operator/Fabricator

Read architectural drawings and cut material to match. Fabricate material to match order. Train other employees in saw operation/fabrication and safety at Johnson City plant as well as new plant that was opened in Grey, TN.

EDUCATION

BACHELOR OF INFORMATION TECHNOLOGY (WITH DISTINCTION) – KING UNIVERSITY 2011

Associate of Applied Science in Administration (Magna Cum Laude)–Northeast State Community College 2005

National Deans List 2002 and 2005

PROFESSIONAL DEVELOPMENT

Network+ Certification

Ericsson Mediaroom Training

Cisco DNCS Training

WAN/LAN technologies certificate from Northeast State Technical College

Personal Computer Specialist certificate from Northeast State Technical College

MATTHEW L. MINGLE

15030 Peaceful Valley Rd
Abingdon, VA 24210

Phone: (276) 696-1529
matt.mingle@gmail.com

SUMMARY OF QUALIFICATIONS

Dedicated, loyal, and focused Network Engineer with over 10 years of experience in the design, administration, and support of information systems. In-depth expertise in the implementation, analysis, optimization, troubleshooting, and documentation of Ethernet LAN & WAN technologies. Strong hands on experience with Microsoft, Cisco, Juniper, Palo Alto, Calix, and Alcatel systems. Proven ability to lead and motivate project teams to ensure success. Capable of quickly diagnosing complex problems and delivering effective solutions.

TECHNICAL EXPERTISE

Systems:	Microsoft Windows, Windows Server, Linux/Unix, ESXi, and Mac OSX
Hardware:	Routers and Switches (Juniper, Cisco, Nokia, HP), Wireless Systems (Ruckus, Aruba, Ubiquiti, Cisco), Firewalls (Palo Alto, Juniper, Cisco), HP Storage Area Networks, Passive Optical Network Systems (Calix, Alcatel), DWDM Systems (Infinera, Ciena)
Software:	Microsoft Office, VMware, Microsoft Active Directory, Microsoft Exchange Server, Radius, SQL, PRTG, Solarwinds, Wireshark
Networking:	DNS, TCP/IP, IPv4, IPv6, IP Subnetting, DHCP, OSPF, BGP, EIGRP, Wireless (802.11a/b/g/n), LACP, ARP, NAT, CGNAT, VPN, FTP

PROFESSIONAL EXPERIENCE

BRIGHTRIDGE BROADBAND, Johnson City, TN

2018-Present

***Network Engineer*, 2018-Present**

Work in conjunction with various departments, vendors, consultants, and other network engineers continuing to build and support the operation of BrightRidge Broadband services, including Fiber to the home and Fixed Wireless. Support and maintain BrightRidge's core infrastructure including all IP routing and switching, VMware and SAN environments, and critical Windows and Linux server platforms. Provide engineering support for all products utilized by BrightRidge Broadband services. Test and implement all services before offering it to the customer. Assist with advanced troubleshooting of business and residential services. Manage and oversee network outages as they occur. Supervise and guide department Interns as they learn valuable skills and gain hands on work experience.

BRISTOL VIRGINIA UTILITIES/BVU OPTINET, Bristol, VA

2003-2018

***Network Engineer*, 2012-2018**

Work in conjunction with various departments, vendors, consultants, and other network engineers to support the technical operation of BVU's corporate and service provider networks. Support and maintain BVU's core infrastructure including all IP routing and switching, VMware and SAN environments, and critical Windows and Linux server platforms. Provide engineering support for all products utilized by BVU OptiNet's Broadband Services. Test and implement new services before offering it to the customer. Assist the Network Operation Center with advanced troubleshooting of business and residential services. Manage and oversee network outages as they occur. Supervise and guide Network Engineering Interns as they learn valuable skills and gain hands on work experience.

***Communications Network Technician*, 2004-2012**

Handled on-site support for business and residential customers in BVU's FTTH network. Responsibilities included: repair and installation of our Telephone, Cable TV, and Internet service, FTTH and CATV equipment maintenance, and standard network troubleshooting.

***Network Operations Technician*, 2003-2004**

Responsible for support and maintenance of BVU corporate computer systems and peripherals including installing, diagnosing, repairing, maintaining and upgrading all equipment. Troubleshot problems in timely manner and provided end user training and assistance where required.

ALTECH, INC, Kingsport, TN

2002-2003

PC Technician

Handled all customer PC service and support. Responsible for computer hardware and software installation/repair, virus/malware removal, system backup/restore, and data recovery.

IT Consulting, Tri-Cities, TN

1997-2007

Consultant

Provided various IT services to residential and small businesses. Assisted customers with determining the best technologies for their needs. Helped design, implement and administer small computer networks. Examples of services include structured cabling, wired/wireless network installations, and computer management.

EDUCATION

BACHELOR OF SCIENCE

Information Technology | King College | 2011 Graduate

ASSOCIATES OF APPLIED SCIENCE

Information Technology with Networking Concentration | Northeast State Community College | 2007 Graduate

PROFESSIONAL DEVELOPMENT

Palo Alto Accredited Configuration Engineer Certification

CompTIA A+ Certification

CompTIA Network+ Certification

IT Training Courses: CompTIA Security+, CompTIA Linux+, Cisco CCNA, Palo Alto Advanced Threat Management, MPLS Fundamentals, Juniper JNCIA, VMware vSphere 5.5 VCP5

REFERENCES

Available Upon Request

DARRIN LEONARD

427 Crystal Springs Circle, Gray TN 37615 ♦ Mobile: (423) 483-6707

PROFESSIONAL SUMMARY:

I have extensive knowledge of networking, network cabling as well as network administration knowledge, including back-up, security management, e-mail systems and applications support. I am excellent at juggling multiple tasks and working under pressure. I have broad industry experience including Technology, Transportation and Safety, mostly in a management role. Exceptional leader talented at troubleshooting, training and development and managing people and projects. Technically-savvy with outstanding relationship building, training and presentation skills.

AWARDS: CSX Service Star for outstanding customer service.

SKILLS:

- Network Access Methodologies
- Network Design
- Wireless Networks
- Communications
- Network Security
- Customer Relations
- Time Management
- Troubleshooting
- Multitasking
- Advanced Computer Skills
- Technical Writing
- Leadership
- Crisis Management
- Decision Making
- Networking Wired and Wireless

PROFESSIONAL EXPERIENCE:

2018-Present **Brightridge**, Johnson City, TN
Field Services Manager

- Manage the day to day operations of installing a Fiber to the Home network including 3 employees and a group of 12 contractors
- Manage the installation of FTTH in a city of 80,000 residents
- Site survey locations for installation of Telrad Wireless Internet
- Site survey buildings for fiber optic and Cat6 cable drops
- Create installation standards for FTTH networks
- Install Routers and Switches
- Ensure adequate inventory levels
- Work across departments to ensure successful implementation of FTTH networks
- Resolve issues with employees as well as the customers
- Investigate damage claims
- Approve pay for employees
- Audit invoices from contractors and vendors
- Research and test new components for use in the network
- Schedule installations with customers
- Assist in new product development
- Participate in Business Continuity and Disaster Recovery planning
- Train and educate new employees and contractors on new technologies and standards

2004-2018 **CSX Transportation**, Jacksonville, FL
Network Administrator, PTC

- Analyze PTC commissioned locomotive software logs
- Find root causes of PTC enforcements and identify business impacts and resolutions
- Test software releases and configurations in lab environment for deployment in I-ETMS
- Execute test plans and document issues and prioritize defects with development teams for new software releases

- Proactively monitor locomotive computer hardware systems.
- Use telnet and secure shell to discover locomotive state and apply software patches to locomotive software systems and 220MHZ radios.
- Run locomotive health tests at the request of electricians to test PTC components
- Ensure systems have latest software installed
- Push upgrades and patches to locomotive systems
- Schedule downloads of locomotive software logs
- Resolve trouble tickets with locomotives systems
- Create trouble tickets when issues cannot be resolved remotely
- Create RMA's for defective parts
- Perform various testing and remote patching using proprietary software solutions.
- Copied, logged and scanned supporting documentation.
- Worked directly with Union and Management Mechanical Departments to achieve reduced locomotive downtime due to locomotive software issues.
- Verified data integrity and accuracy.
- Produced ad hoc reports and documents for senior team members.
- Responded to customer requests via telephone and email.

Freight Conductor, Erwin TN, Chattanooga TN, Etowah TN

- Operated Remote Control while switching yard in Chattanooga.
- Used communication skills in dealing with yardmasters, trainmasters and dispatchers.
- Ensured compliance with all train orders, signals, and railroad rules and regulations for safety, operations, and the Federal Railroad Administration.
- Received and transmitted information by radio and telephone.
- Read and understood bulletins, work orders, and switch lists.
- Worked with customers to ensure accurate movement and placement of cars.
- Maintained awareness of surrounding area and activities to ensure rail safety.
- Maintained all operations documentation in an organized manner.
- Established long-term customer relationships through prompt and courteous service.
- Communicated all emergencies, delays due to weather and carrier schedule changes to customers and supervisors.

***CSX Transportation Train Dispatcher/Assistant Chief Train Dispatcher, Huntington WV
(This position was eliminated)***

- Supervised train crews for safe and efficient movement.
- Utilized the CADS to monitor and manage a district of 6 desks and over 1000 miles of railroad while exhibiting leadership skills as an Assistant Chief Train Dispatcher.
- Supervised train dispatchers in safe operating practices and efficient movement of trains.
- Scheduled extra board train dispatchers to cover vacancies of regular train dispatchers and to train on other jobs for qualifications.
- Evaluated information to make the appropriate decisions and solve problems.
- Coordinated projects for Engineering and Mechanical departments to resolve issues.
- Used communication skills to coordinate field personnel in safe operations by communicating hazards involved in their activities.
- Directed and coordinated railroad traffic, issued permits and authorities, monitored all rail movements and computerized records of all activities.
- Answered customer telephone calls promptly and in an appropriate manner.
- Immediately addressed issues with customers so that they could be successfully resolved.
- Entered data promptly and efficiently with a 100% accuracy rate.
- Actively pursued personal learning and development opportunities.
- Communicated clear expectations and goals to each team member.

- Communicated all emergencies, delays due to weather and carrier schedule changes to customers and supervisors.
- Reported carrier-performance metrics and monthly costs reports to executive team.
- Delivered exceptional customer service to individuals who contacted the company's call center for support and assistance.
- Redirected shipments enroute in response to railroad delays

CSX Transportation Training Instructor, REDI. Atlanta GA
(This position was eliminated)

- Delivered and developed training to new hire Train Dispatchers and those promoted to Train Dispatcher including training in rules and the use of the Computer Assisted Dispatching Systems (CADS).
- Supervised up to 30 conductor trainees for 6 weeks to ensure an effective and safe learning environment.
- Used both oral and written communication skills to deliver training, encourage appropriate behavior, coach and mentor students.
- Learned and applied FRA regulatory standards.
- Understood and interpreted rules to new hire conductors and Train Dispatchers
- Performed safety observations and worked to support safety action plans designed to address leading indicators.
- Ensured development and design of training programs, including course design, curriculum objectives, and required competencies. Revised and updated existing training programs to reflect current standards and procedures in conjunction with Instructional Design Team.
- Developed field training grading rubric using HTML.
- Integrated technology resources to maximize training success.
- Consistently received positive teacher evaluations from students.
- Facilitated group sessions and provided one-on-one support.
- Performed continuous evaluations of content and plans in order to enhance delivery and improve effectiveness.
- Verified timekeeping records and handled any discrepancies with employees.
- Developed activities and integrated technology to diversify instruction.
- Handled understaffing, disputes, terminating employees and administering disciplinary procedures.
- Led a comprehensive safety training for up to 30 staff members.
- Worked directly with safety and transportation departments to achieve a 30% reduction in personal injuries.

1992 – 2004

ALTECH, INCORPORATED, Kingsport, TN
Head Computer Technician/Network Administrator/Corporate Officer

- Managed the day to day operations of running an IT company.
- Managed and prioritized incoming service requests
- Supervised and Scheduled 10 employees to service customers over a 100 square mile area
- Used oral and written communication skills in writing proposals and making presentations to customers and organizations.
- Developed policies and procedures that were effective in managing customer service issues.
- Managed issues to resolutions relating to customers.
- Ensured all materials are procured and in place for each project.
- Read schematics, blueprints and troubleshooting flowcharts.
- Performed Data Recovery using specialized software.
- Designed and installed Local area networks to include IP addressing, NAT and Access Control Lists.
- Entered details such as payments, account information and call logs into the computer system.

- Ensured network, system and data availability and integrity through preventative maintenance and upgrades.
- Monitored network performance and provided network performance statistical reports for both real-time and historical measurements.
- Collaborated with clients from concept through final delivery of product or service.
- Managed creative projects from concept to completion while managing outside vendors.
- Consistently met deadlines and requirements for all production work orders.

EDUCATION:

WESTERN GOVERNORS UNIVERSITY, *Salt Lake City, UT*
 Graduated August 2019 Bachelor's Degree in Information Technology
NORTHEAST STATE, *Blountville, TN*
 Graduated May 2004 Associates Degree Information Systems

CERTIFICATIONS:

Cisco CCNA, Cisco CCNA Security, CompTIA Network+, CompTIA Security+
 CompTIA Secure Infrastructure Specialist – CSIS, CompTIA IT Operations Specialist – CIOS

EXHIBIT F
FINANCIAL CAPABILITY

2019 Audited Financial Report



**JOHNSON CITY ENERGY AUTHORITY DBA
BRIGHTRIDGE**

AUDITED FINANCIAL STATEMENTS

2019

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE**

**BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For the Fiscal Year Ended June 30, 2019

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
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June 30, 2019**

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DBA BRIGHTRIDGE
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SECTION I
INTRODUCTORY SECTION

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTBRIDGE
SCHEDULE OF OFFICIALS
June 30, 2019**

Name and Title of Official

Officers

Jeff Dykes	Chief Executive Officer
Brian Bolling	CFO and Chief Customer Officer
Connie Crouch	Chief Employee Relations Officer
Mark Eades	Chief Engineering and Technology Officer
Eric Egan	Chief Data Officer
Stacy Evans	Chief Broadband Officer
Rodney Metcalf	Chief Operations Officer

Members of Governing Board

Dr. B.J. King	Chair
Bob Cantler	Vice-Chair
Dan Brant	
Jenny Brock	
Joe Grandy	
Dr. Hal Knight	
James Smith	
Robert Thomas	
Guy Wilson	

SECTION II
FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Johnson City Energy Authority dba
BrightRidge

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Johnson City Energy Authority dba BrightRidge (BrightRidge), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise BrightRidge's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to BrightRidge's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BrightRidge's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Johnson City Energy Authority dba BrightRidge, as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 13 and the pension and OPEB information on pages 42 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise BrightRidge's basic financial statements. The introductory section, and the supplementary information and other supplementary information subsections, as detailed within the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information subsection is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information subsection is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and other supplementary information subsection have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019, on our consideration of BrightRidge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of BrightRidge's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BrightRidge's internal control over financial reporting and compliance.

Blackburn, Childers and Steagall, PLLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 9, 2019

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

Johnson City Energy Authority (JCEA), dba BrightRidge, is an energy authority created under the Municipal Energy Authority Act with the responsibility to provide electricity and related programs, services, and products. As the tenth largest of TVA's 154 local power companies, JCEA supplies electricity to around 79,150 customers over nearly 350 square miles in Northeast Tennessee. The JCEA service area includes the City of Johnson City; the Town of Jonesborough; part of the City of Kingsport; all of Washington County; and parts of Sullivan, Carter, and Greene counties. In September 2018, JCEA launched a broadband business to provide internet, voice, and video services.

The Management's Discussion and Analysis (MD&A) for JCEA is designed to help the reader focus on significant financial activities and identify any meaningful changes in the financial position for the fiscal year ending June 30, 2019. This MD&A is in accordance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. We encourage readers to consider the information presented here in conjunction with the financial statements and supporting documents taken as a whole.

Overview of the Financial Statements

This discussion and analysis are to introduce the financial statements and provide an analytical overview of JCEA's financial activities for the fiscal year ending June 30, 2019. The financial statements are comprised of the basic financial statements and the notes to the financial statements which provide detailed supporting information.

Basic Financial Statements

The basic financial statements should provide a broad overview of JCEA's finances like those used by a private sector business. The financial statements are prepared using the accrual basis of accounting and offer short and long-term information about financial activities.

The Statement of Net Position presents information on all JCEA's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the remaining difference reported as net position. Net position is an indicator of financial status at a given point in time and can be tracked over time to assess whether the standing is improving or deteriorating. Net position increases when revenues exceed expenses. Improved financial position is shown by an increase to assets without an increase to liabilities, resulting in an increased net position.

The current fiscal year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of cash flows. The success of JCEA operations over the past fiscal year can be measured by this statement and it is useful to determine whether costs are successfully recovered through rates and other charges.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. This statement provides details as to the sources of cash, the uses of cash, and the change in the cash balance during the reporting period, without consideration of the timing of the event.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTBRIDGE
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June 30, 2019**

Financial Analysis

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position convey information about JCEA's activities highlighting the change in financial condition from one year to the next. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of JCEA is improving or declining. Other considerations for electric distribution entities are the influences of non-financial indicators such as economic conditions, population growth, weather, changes in governmental legislation, and energy efficiency. The financial statements reflect the launch of our broadband business. JCEA began purchasing equipment and building infrastructure to be able to deliver broadband services. The broadband business plan has eight phases of construction which cover fiscal years 2019 through 2026.

Condensed Statement of Net Position is presented below:

SUMMARY OF STATEMENT OF NET POSITION

	FY 2019	FY 2018	Dollar Change	% Change
Assets				
Current and Other Assets	66,321,044	64,934,819	1,386,225	2.1%
Restricted Assets	21,363,819	22,075,254	(711,435)	-3.2%
Capital Assets, Net	<u>202,417,490</u>	<u>194,067,439</u>	<u>8,350,051</u>	<u>4.3%</u>
Total Assets	<u>\$ 290,102,353</u>	<u>\$ 281,077,512</u>	<u>\$ 9,024,841</u>	<u>3.2%</u>
 Deferred Outflows of Resources	 <u>\$ 4,792,126</u>	 <u>\$ 4,861,023</u>	 <u>\$ (68,897)</u>	 <u>-1.4%</u>
 Liabilities				
Current Liabilities	36,006,443	34,724,532	1,281,911	3.7%
Long-Term Liabilities	<u>42,768,321</u>	<u>46,900,272</u>	<u>(4,131,951)</u>	<u>-8.8%</u>
Total Liabilities	<u>\$ 78,774,764</u>	<u>\$ 81,624,804</u>	<u>\$ (2,850,040)</u>	<u>-3.5%</u>
 Deferred Inflows of Resources	 <u>\$ 1,181,297</u>	 <u>\$ 848,811</u>	 <u>\$ 332,486</u>	 <u>39.2%</u>
 Net Position				
Net Investment in Capital Assets	169,870,837	158,938,739	10,932,098	6.9%
Unrestricted Net Position	<u>45,067,581</u>	<u>44,526,181</u>	<u>541,400</u>	<u>1.2%</u>
Total Net Position	<u>\$ 214,938,418</u>	<u>\$ 203,464,920</u>	<u>\$ 11,473,498</u>	<u>5.6%</u>

Net position increased \$11,473,498 to \$214,938,418 in fiscal year 2019, up from \$203,464,920 in fiscal year 2018 for a 5.6% increase in total net position. The \$11,473,498 gain in net position includes \$4,056,492 of broadband net capital assets. The primary cost within the broadband assets is the construction of a fiber optic distribution network. JCEA expects broadband net capital assets to exceed \$64 million by 2026.

**JOHNSON CITY ENERGY AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

Condensed Statement of Revenues, Expenses and Changes in Net Position is presented below:

SUMMARY OF STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	FY 2019	FY 2018	Dollar Change	% Change
Operating Revenues				
Electric Sales Revenue	200,087,186	197,507,363	2,579,823	1.3%
Broadband Sales Revenue	12,480	-	12,480	100.0%
Other Operating Revenues	4,124,982	4,008,314	116,668	2.9%
Total Operating Revenues	<u>\$ 204,224,648</u>	<u>\$ 201,515,677</u>	<u>\$ 2,708,971</u>	<u>1.3%</u>
Operating Expenses				
Electric Purchased Power	151,954,739	150,890,594	1,064,145	0.7%
Broadband Wholesale Delivery	242,529	-	242,529	100.0%
Broadband Installation Expenses	349,766	-	349,766	100.0%
Other Operating Expenses	14,798,061	13,841,784	956,277	6.9%
Maintenance Expenses	9,691,588	8,326,145	1,365,443	16.4%
Provision for Depreciation	9,335,450	8,991,094	344,356	3.8%
Tax Equivalents	5,574,301	5,444,336	129,965	2.4%
Total Operating Expenses	<u>\$ 191,946,434</u>	<u>\$ 187,493,953</u>	<u>\$ 4,452,481</u>	<u>2.4%</u>
Nonoperating Revenues (Expenses)	<u>(804,716)</u>	<u>(1,064,429)</u>	<u>259,713</u>	<u>-24.4%</u>
Change In Net Position	<u>\$ 11,473,498</u>	<u>\$ 12,957,295</u>	<u>\$ (1,483,797)</u>	<u>-11.5%</u>
Beginning Net Position	<u>203,464,920</u>	<u>191,220,151</u>	<u>12,244,769</u>	<u>6.4%</u>
Prior Period (Restatement) Adjustment	<u>-</u>	<u>(712,526)</u>	<u>712,526</u>	<u>-100.0%</u>
Beginning Net Position Restated	<u>203,464,920</u>	<u>190,507,625</u>	<u>12,957,295</u>	<u>6.8%</u>
Ending Net Position	<u>\$ 214,938,418</u>	<u>\$ 203,464,920</u>	<u>\$ 11,473,498</u>	<u>5.6%</u>

The change in net position from fiscal year 2018 to fiscal year 2019 is \$11,473,498 or 5.6%. The addition of broadband revenues and expenses was one of the most notable changes to our statements as compared to the prior fiscal years. The statements above reflect the broadband and electric divisions as a single fund. BrightRidge must segregate the electric or broadband division for regulatory reporting to the Tennessee Valley Authority. Within our financial statements, any interfund activity including receivables or accounts payables have been eliminated to clearly reflect a single fund.

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Operating revenues increased by \$2,708,971 or 1.3% during fiscal year 2019. Electric Sales Revenue is based on energy sold to customers, represented in kilowatt hours (kWh). kWh sold was 1,867,676,099 for FY 2019 as compared to 1,898,352,051 kWh in FY 2018. This represents a reduction of 1.6%. Weather serves an important part in determining electric operating revenue for any given year, its influence is reflected in the comparison of degree days from one period to the next. Degree days are a simplified form of historical weather data and are commonly used in monitoring the relationship between energy consumption and outside air temperature. Total degree days for 2019 were 5,260 compared to 5,362 for 2018 which represents a 1.9% decrease in degree days. Electric revenues were higher than FY 2018, even with the decline in kWh. Electric rates increased by approximately 2% in October 2018.

Total operating expenses for fiscal year 2019 are up by \$4,452,481 or 2.4% over fiscal year 2018. Operating expenses include Purchased Power, Broadband Wholesale Delivery, Broadband Installation Expense, Other Operating Expense, Maintenance Expense, Depreciation Expense, and Tax Equivalents.

The primary operating expense is Purchased Power. Purchased Power was \$151,954,739 which represents 79.17% of the total operating expenses of \$191,946,434. For fiscal year 2019, this was \$1,064,145 or .7% more than fiscal year 2018. JCEA must purchase all its power from the Tennessee Valley Authority (TVA) under an all-requirements contract with an initial term of 20 years beginning June 30, 1985. The contract has been extended in 5-year terms beginning October 1, 1997 and requires a 5-year written notice by either party to terminate. TVA bills JCEA for wholesale electricity based on demand and energy. The demand component of the wholesale power bill drives the average cost of purchased power. Demand (kW) is determined by the highest one hour of usage in kW each month. Energy is measured in kilowatt hours (kWh). The cost of purchased power increased slightly from fiscal year 2018 to fiscal year 2019. The wholesale rate increased on October 2018 by approximately 1.88%. Weather patterns during fiscal year 2019 were not as favorable for wholesale power costs. An industry standard calculation referred to as load factor is used to measure the relationship of demand to kWh. A lower load factor may indicate a higher cost of electricity. The less kWh purchased per unit of peak demand, the more the load factor declines, and the ultimate result is that the average cost of power increasing. Increases were offset based an average reduction in the TVA fuel cost adjustment of just over 7%. This is a pass-through from TVA to our customers which represents the variable cost of fuel for generation and off system purchases. The average realized rate for fiscal year 2019 was \$.079 per kWh for purchased power while fiscal year 2018 was \$.075 per kWh for purchased power. JCEA has limited ability to control peak demands as the weather is the primary driver of consumption.

Broadband Wholesale Delivery and Broadband Installation Expense are new categories included in the statements. Broadband Wholesale Delivery includes the cost of transporting services, cost of wholesale internet, cost of wholesale VoIP, and cost of video programming. Broadband Installation Expense is the cost of going onsite to a customer's premise and connecting the services. Actual fiber infrastructure constructed is not included in this area but is reflected in the capital asset category. The costs in these categories are modest this year due to the initial launch. Future years will reflect more costs as we gain customers.

Other operating expenses were \$14,798,061 for fiscal year 2019 as compared to \$13,841,784 for fiscal year 2018. This is an increase of \$956,277 or 6.9%. Other operating expenses include administrative and general, transmission, distribution, and customer service-related expenses. Broadband expenses included in other operating expense were \$1,226,912 while electric accounted for \$13,571,149, which was a decrease of 2% from fiscal year 2018.

**JOHNSON CITY ENERGY AUTHORITY
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Maintenance expenses were up \$1,365,443 or 16.4%. Broadband accounted for \$904,652 of this increase, electric maintenance expense increased \$460,791 or 5.5% for fiscal year 2019. Further, depreciation expense is up \$344,356 or 3.8% with \$49,709 relating to broadband.

In lieu of taxes or tax equivalent payments are computed with authoritative guidance under Tennessee Code Annotated 7-52. Revenues, utility plant, and depreciation are all primary components of the formula. TVA, as our regulatory authority, reviews the JCEA computation of in lieu of taxes annually. Tax equivalents made to local taxing jurisdictions in our service area including the City of Johnson City were up \$129,965 or 2.4%. The total in lieu of tax payment to the City was \$4,251,553 in 2019 up \$102,408 from 2018. JCEA pays the maximum in lieu of tax payment allowed by state law and is the City of Johnson City's largest taxpayer.

Non-Operating Revenues and Expenses for fiscal year 2019 resulted in a net decrease in expense of \$259,713 or -24.4%. Interest income and other income was up \$186,694 due to higher interest rates. Debt expense was down \$73,020, this represents interest paid on long-term debt and the amortization of discounts and premiums. JCEA pays bond principal and interest payments twice each year.

Capital Assets and Debt Administration

Condensed financial information relating to JCEA Capital Assets, before the effect of accumulated depreciation, is presented below:

	FY 2019	FY 2018	Dollar Change	% Change
Electric				
Transmission Plant	51,522,780	48,371,054	3,151,726	7%
Distribution Plant	201,203,716	191,788,346	9,415,370	5%
General Plant	45,403,458	43,620,219	1,783,239	4%
Construction Work in Progress	1,182,791	5,727,041	(4,544,250)	-79.3%
Broadband				
Intangibles	235,121	-	235,121	100%
General Plant	1,367,786	-	1,367,786	100%
Construction Work in Progress	2,528,259	-	2,528,259	100%
Total Capital Assets	<u>\$ 303,443,911</u>	<u>\$ 289,506,660</u>	<u>\$ 13,937,251</u>	<u>4.8%</u>

JCEA electric transmission and distribution facilities serve around 350 square miles which includes the City of Johnson City; the Town of Jonesborough; part of the City of Kingsport; all of Washington County; and parts of Sullivan, Carter, and Greene counties. Such facilities require significant annual capital and maintenance expenditures. Broadband assets represent the equipment and fiber built in the City of Johnson City and the Town of Jonesborough. It also includes fixed wireless assets with Washington County. Fiscal Year 2019 was phase one of an eight year plan that will grow to over \$64 million in net broadband assets by fiscal year 2026.

**JOHNSON CITY ENERGY AUTHORITY
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June 30, 2019**

The investment in electric plant, at June 30, 2019 was \$299,312,745 compared to \$289,506,660 at June 30, 2018, this includes net additions of \$13,858,434 and plant retirements of \$3,901,759. JCEA's electric capital budget for fiscal year 2019 was \$12,607,000. Additions during fiscal year 2019 include the refurbishment of substations for \$2,415,000 and facility renovations of \$1,082,000. For fiscal year 2019 five vehicles were purchased for \$648,200 and \$407,000 was spent for metering equipment. The investment in broadband plant at June 30, 2019 was \$4,131,166. The primary asset is the fiber distribution network. Standard expenditures for the electric system are \$6,000,000 to \$7,000,000 for renewal and replacement of existing facilities with specific projects making up the remaining portion of the budget. JCEA's fiscal year 2019 capital budget includes a five-year projection for spending.

The outstanding bond principal was \$29,890,00 at June 30, 2019, compared to \$32,280,000 at June 30, 2018. Bond payments are made twice a year in November and May. The final maturity date is May 1, 2033. The outstanding bond premium was \$3,559,365 at June 30, 2019, compared to \$3,816,668 at June 30, 2019. Each year \$257,303 is amortized. The Bond rating for JCEA is Moody's "Aa2". JCEA's bonds are secured by the revenue of the energy authority. Funding for the broadband division comes from interfund loans from the electric division to the broadband division. TVA, as our regulatory authority, has approved up to \$35 million in interfund borrowing. Loans have terms of 15 years and an interest rate of 4%.

More detailed information about the JCEA's assets and debt can be found in the notes to the financial statements.

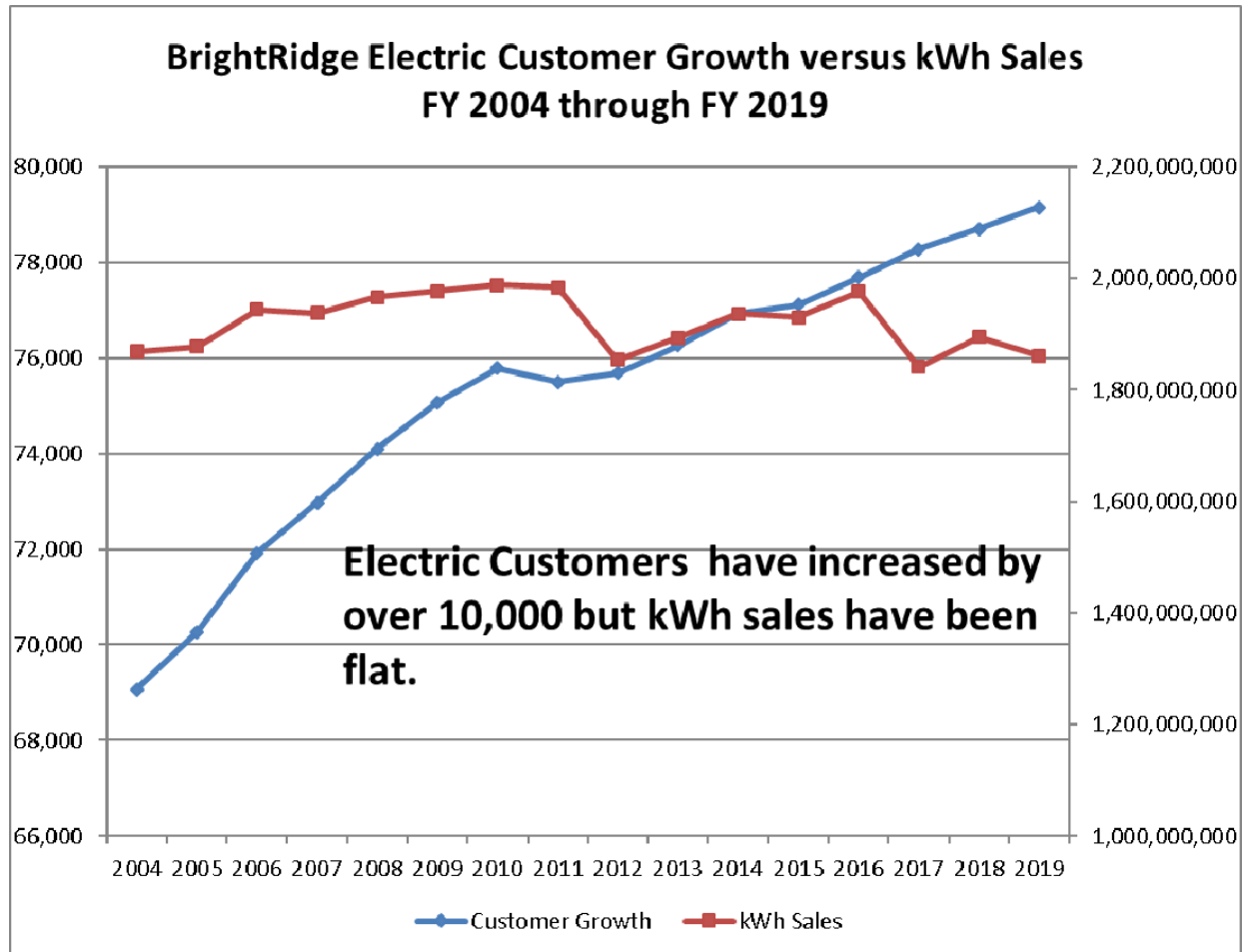
Johnson City Energy Authority Highlights, Economic Factors, and Future

JCEA experienced growth of 444 electric customers for a .56% overall percentage growth this year. The following chart shows the number of electric customers for each classification for the past two years

	2019	2018	Change	% Change
Residential	67,920	67,562	358	0.53%
Small Commercial	9,261	9,139	122	1.33%
Large Commercial/Industrial	1,016	1,048	-32	-3.05%
Street and Athletic Lighting	142	145	-3	-2.07%
Outdoor Lighting Only	<u>808</u>	<u>809</u>	<u>-1</u>	<u>-0.12%</u>
Total Customers	<u>79,147</u>	<u>78,703</u>	<u>444</u>	<u>0.56%</u>

As customer growth has remained steady energy sales have not remained on the same growth pattern. This pattern is mainly correlated to the national and local attention toward energy efficiency and conservation efforts. The chart below visually represents the relationship between kWh (Energy) and Customer Growth.

**JOHNSON CITY ENERGY AUTHORITY
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Since fiscal year July 2009, TVA has increased wholesale rates eight times per the following: 9.00% in October 2009; 3.08% in October 2011; 2.63% in October 2013; 2.61% in October 2014; 2.28% in October 2015; 1.88% in October 2016; 1.88% in October 2017; and 1.88% in October 2018. JCEA implemented rate increases of 1.9% in October 2015, 1.42% in October 2016, 1.42% in October 2017, and .51% in October 2018. These increases were in addition to the TVA increases. Continued volatility on the cost of wholesale power due to demand charges necessitate the increase to stabilize margins. Beginning in October 2016, JCEA implemented a demand cost recovery adjustment referred to as “DCRA”. The DCRA is a variable charge or credit applied to residential and small commercial customers. These customer classes do not pay a demand charge. To protect margins for operational and capital spending, this adjustment was created to recover excess demand charges paid to TVA. The adjustment was also set up to pay out a credit to customers when lower demand charges are paid to TVA. JCEA based the adjustment on the recent history of our normal load factor. When the monthly load factor is better than the normal monthly load factor, customers receive a credit adjustment and when the monthly load factor is lower than the normal monthly load factor, customers receive a charge adjustment. During fiscal year 2019, the DCRA recovered \$2,451,345 to offset higher demands charges paid to TVA compared to \$1,314,949 recovered in 2018. Without the DCRA our revenue and our margin would have been reduced by this amount.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2019**

Financial Contact

This discussion and analysis is designed to provide JCEA customers, investors, and other interested parties with a general overview of the financial position and results of operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Johnson City Energy Authority, 2600 Boones Creek Road, Johnson City, Tennessee 37615.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
STATEMENT OF NET POSITION
June 30, 2019

ASSETS

CURRENT ASSETS

Cash on Hand and in Bank	\$ 35,827,059
Accounts Receivable - Customer Service, Net of Allowance for Uncollectible Accounts	20,197,439
Accounts Receivable - Rents and Other	977,341
Current Maturities of Notes Receivable	108,070
Inventories	8,401,896
Prepaid Expenses	409,809

Total Current Assets	65,921,614
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CAPITAL ASSETS

Land and Land Rights	5,407,968
Intangibles	235,121
Construction in Progress	3,711,050
Depreciable Capital Assets	294,089,772
Less: Accumulated Depreciation	(101,026,421)

Net Capital Assets	202,417,490
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RESTRICTED ASSETS

Cash and Cash Equivalents	20,363,819
Long-Term Certificate of Deposit	1,000,000

Total Restricted Assets	21,363,819
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OTHER ASSETS

Accounts Receivable - Customers - Heat Pumps	3,763,515
Advance from Tennessee Valley Authority	(3,763,515)
Notes Receivable, Net of Current Maturities	399,430

Total Other Assets	399,430
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TOTAL ASSETS	290,102,353
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DEFERRED OUTFLOWS OF RESOURCES

Deferred Loss on Bond Refunding	902,712
Deferred Outflows of Resources Related to OPEB	182,675
Deferred Outflows of Resources Related to the Pension	3,706,739

TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,792,126
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(Continued)

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
STATEMENT OF NET POSITION
June 30, 2019**

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	25,947,293
Accrued Salaries	217,797
Accrued Interest	223,267
Customer Deposits	5,582,377
Current Portion of Compensated Absences	603,135
Current Maturities of Bonds Payable	2,490,000
Current Maturities of Note Payable	76,000
Other Current and Accrued Liabilities	866,574

Total Current Liabilities	<u>36,006,443</u>
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LONG-TERM LIABILITIES

Bonds Payable, Net of Current Maturities and Unamortized Bond Premium	30,959,365
Note Payable, Net of Current Maturities	316,667
Compensated Absences, Net of Current Portion	2,080,737
Net Pension Liability	3,318,435
Other Post-Employment Benefits Liability	6,093,117

Total Long-Term Liabilities	<u>42,768,321</u>
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TOTAL LIABILITIES	<u>78,774,764</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources Related to the Pension	1,057,170
Deferred Inflows of Resources Related to Other Post-Employment Benefits	124,127

TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,181,297</u>
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NET POSITION

Net Investment in Capital Assets	169,870,837
Unrestricted	45,067,581

TOTAL NET POSITION	<u><u>\$ 214,938,418</u></u>
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The accompanying notes are an integral part of these basic financial statements.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2019**

OPERATING REVENUES

Sales of Electric Energy	
Residential	\$ 107,197,236
Large Lighting and Power	63,468,677
Small Lighting and Power	18,034,290
Street and Outdoor Lighting	3,511,206
Unbilled Revenue	7,875,777
Sales of Broadband	
Internet Operating Revenue - Residential	10,128
Internet Operating Revenue - Business	2,169
Internet Operating Revenue - Support Services	183
Other Operating Revenues	<u>4,124,982</u>
Total Operating Revenues (Pledged as Security for Revenue Bonds)	<u>204,224,648</u>

OPERATING EXPENSES

Operations	
Power Purchased from Tennessee Valley Authority	151,954,739
Broadband Wholesale Delivery	242,529
Broadband Installation	349,766
Other Operating Expenses	14,798,061
Maintenance	9,691,588
Provision for Depreciation	9,335,450
Tax Equivalents	<u>5,574,301</u>
Total Operating Expenses	<u>191,946,434</u>

NET OPERATING INCOME	<u>12,278,214</u>
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NONOPERATING REVENUES (EXPENSES)

Interest Income	351,749
Other Income	75,998
Interest Expense	(1,424,509)
Amortization of Bond Premium	257,303
Amortization of Deferred Loss on Bond Refunding	<u>(65,257)</u>
Total Nonoperating Revenues (Expenses)	<u>(804,716)</u>

CHANGE IN NET POSITION	11,473,498
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NET POSITION, BEGINNING	<u>203,464,920</u>
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NET POSITION, ENDING	<u><u>\$ 214,938,418</u></u>
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The accompanying notes are an integral part of these basic financial statements.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Electric Sales	\$ 201,534,318
Cash Received from Broadband Sales	8,758
Cash Received from Rentals and Other Sales	3,834,730
Cash Payments to Suppliers for Goods and Services	(164,502,469)
Cash Payments for Employee Services and Benefits	(13,135,116)
Cash Payments for Tax Equivalents	(5,574,301)
Net Cash Received from Customer Deposits	<u>300,621</u>
Net Cash Provided by Operating Activities	<u>22,466,541</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments Received on Note Receivable Related to USDA Grant Pass-Through	76,000
Principal Paid on USDA Note Payable	<u>(76,000)</u>
Net Cash Provided by Noncapital Financing Activities	<u>0</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(18,365,818)
Payments Received on Note Receivable from Capital Contract	30,207
Principal Paid on Capital Debt	(2,390,000)
Interest Paid on Capital Debt	(1,440,440)
Net Proceeds from Other Income	<u>75,998</u>
Net Cash Used for Capital and Related Financing Activities	<u>(22,090,053)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	<u>351,749</u>
Net Cash Provided by Investing Activities	<u>351,749</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	728,237
BEGINNING CASH AND CASH EQUIVALENTS, JULY 1, 2018	<u>55,462,641</u>
ENDING CASH AND CASH EQUIVALENTS, JUNE 30, 2019	<u><u>\$ 56,190,878</u></u>

(Continued)

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2019

RECONCILIATION OF OPERATING INCOME TO

NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating Income	\$ 12,278,214
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:	
Depreciation Expense (Including Allocated Portion)	10,015,768
Decrease in Allowance for Uncollectible Accounts	(36,328)
(Increase) Decrease in Assets:	
Accounts Receivable	1,153,160
Inventories	(1,048,216)
Prepaid Expenses	(121,379)
(Increase) Decrease in Deferred Outflows:	
Related to OPEB	(182,675)
Related to Pension	186,315
Increase (Decrease) in Liabilities:	
Accounts Payable	278,828
Accrued Salaries	(44,175)
Customer Deposits	300,621
Compensated Absences	194,108
Other Current and Accrued Liabilities	578,446
Net Pension Liability	(1,758,866)
Other Post-Employment Benefits Liability	340,234
Increase (Decrease) in Deferred Inflows:	
Related to Pension	351,821
Related to OPEB	(19,335)

Net Cash Provided by Operating Activities	<u>\$ 22,466,541</u>
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RECONCILIATION OF CASH AND CASH EQUIVALENTS FROM STATEMENT
OF CASH FLOWS TO STATEMENT OF NET POSITION

Cash on Hand and in Bank	\$ 35,827,059
Restricted Assets - Cash and Cash Equivalents	<u>20,363,819</u>

Cash and Cash Equivalents at End of Fiscal Year	<u>\$ 56,190,878</u>
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NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES

Amortization of Bond Premium	\$ 257,303
Amortization of Deferred Loss on Bond Refunding	<u>(65,257)</u>

Non-Cash Capital and Related Financing Activities	<u>\$ 192,046</u>
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The accompanying notes are an integral part of these basic financial statements.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Johnson City Energy Authority (JCEA) was formed April 1, 2017, as a political subdivision of the State of Tennessee, and is the new legal entity which replaced the former Johnson City Power Board. The JCEA did file with the State of Tennessee to continue “doing business as” (dba) the Johnson City Power Board or JCPB through October 3, 2017, at which time the JCEA filed a new dba name of BrightRidge. BrightRidge is a local power company of the Tennessee Valley Authority (TVA), furnishing electrical power to Washington County and portions of other Upper East Tennessee counties, as purchased from TVA and providing broadband and related services to service area customers.

The basic financial statements of BrightRidge have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

Basis of accounting refers to the timing of recognizing revenues and expenses in the basic financial statements. The accompanying basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recognized when earned, and expenses are recognized when the obligation is incurred regardless of the timing of related cash flows.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deposits and Investments

Cash on the Statement of Net Position includes cash on hand and demand deposits in a local bank. Various restrictions on deposits and investments, including repurchase agreements, are imposed by state statutes. These restrictions are summarized as follows.

DEPOSITS - All deposits with financial institutions must be insured or collateralized in an amount equal to 105% of the market value of uninsured deposits.

INVESTMENTS - BrightRidge is authorized to make direct investments in bonds, notes or treasury bills of the U.S. Government and obligations guaranteed by the U.S. Government or any of its agencies. These investments may not have a maturity greater than two years. BrightRidge may make investments with longer maturities if it follows various restrictions established by state law. It is also authorized to make investments in the State Pooled Investment Fund and in repurchase agreements. Repurchase agreements must be approved by the State Director of Local Finance and executed in accordance with procedures established by the State Funding Board.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments (Continued)

For the fiscal year ended June 30, 2019, BrightRidge has invested certain restricted cash and cash equivalents for insurance liabilities in restricted long-term certificates of deposit through Certificate of Deposit Account Registry Service (CDARS) program totaling the amount of \$1,000,000. This investment bears interest of 2.40% over its term of 12 months, with the next maturity in March 2020, and was approved by the Board of Directors.

Securities purchased under a repurchase agreement must be obligations of the U.S. Government or obligations guaranteed by the U.S. Government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least 2.00% below the market value of the securities on the day of purchase. No repurchase agreements existed as of June 30, 2019.

The general ledger carrying amount of BrightRidge's deposits with financial institutions and in petty cash was \$56,190,878 at June 30, 2019, and the bank balance along with petty cash was \$56,208,056.

Covered bank deposits and amounts not on deposit are detailed as follows:

Amount Not on Deposit (Petty Cash)	\$ 18,100
Deposits Insured by Federal Deposit Insurance Corporation (FDIC)	314,266
Excess Deposits Insured with State of Tennessee Bank Collateral Pool	<u>55,875,690</u>
	<u><u>\$ 56,208,056</u></u>

BrightRidge's policy for custodial credit rate risk on deposits is to follow state guidelines.

Restricted Cash and Cash Equivalents

BrightRidge's restricted cash and cash equivalents consist of money market accounts in the amount of \$18,654,386, which are restricted for capital improvements, money market accounts in the amount of \$662,589, which are restricted for bond principal and interest payments, a money market account in the amount of \$1,041,340, which is restricted for insurance liabilities, and a money market account in the amount of \$5,504, which is restricted for tax equivalent payments. All of these restrictions were approved by the Board of Directors. The funds in money market accounts are considered cash equivalents for purposes of the Statement of Cash Flows.

Inventories

Materials and supplies inventories are stated at average cost on a per item basis using the first-in, first-out method of costing.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Land and land rights, buildings, machinery and equipment including meters, intangible capital assets, and electrical distribution system are stated at historical cost and are defined as assets with an initial, individual cost of \$1,000 or greater. Expenses for maintenance and repairs, which do not improve or extend the life of the asset, are charged to expense as incurred. Interest incurred during the construction of large projects is reflected in the capitalized value of the project. The capital assets, including non-electric divisions, are being depreciated on the straight-line method over the useful lives per guidelines of the TVA. Applicable intangible assets are treated as capital assets under GASB and amortized over the life of the contract, if available, and if no contract life is available, intangible assets are not amortized. Amortization expense is included in depreciation expense, when applicable. For the fiscal year ended June 30, 2019, all intangible capital assets did not have available contract lives. Following Federal Energy Regulation Commission (FERC) guidelines, when property is retired or otherwise disposed of, its average cost, together with its cost of removal less salvage, is charged to accumulated depreciation; no gain or loss is recognized as required by FERC guidelines, which differs from generally accepted accounting principles. Also, a disallowance of plant for rate-making purposes is recorded for the amount of capital contributions received resulting in a reduction in the cost of the related capital asset as required by FERC guidelines and in accordance with guidance of the Financial Accounting Standards Board. The FERC guideline methods are also followed by non-electric divisions of BrightRidge, even though not required, to provide consistency within the entity. The depreciation expense for the fiscal year ended June 30, 2019 was \$10,015,768 , \$9,335,451 and \$680,317 of which was charged to Depreciation Expense and Other Operating Expenses, respectively.

Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	33 - 50 years
Office Equipment	3 - 10 years
Transportation and Equipment	3 - 8 years
Other Machinery and Equipment	8 - 25 years
Transmission and Power Distribution System	25 - 40 years

Payments In Lieu of Taxes

Certain payments in lieu of taxes have been recorded in the financial statements related to the broadband division, including for related voice and video services within the division, as applicable.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

BrightRidge has three items reported as deferred outflows: (1) the Deferred Loss on Bond Refunding is reported as a deferred outflow and is being amortized over the life of the refunding bonds, (2) the Deferred Outflows of Resources Related to Pension is related to differences between expected and actual experience and changes in assumptions, as well as BrightRidge's contributions made to the Tennessee Consolidated Retirement System (TCRS) during fiscal year 2019 for all plans, and (3) the Deferred Outflows of Resources Related to Other Post-Employment Benefits (OPEB) is related to differences between expected and actual experience and changes in assumptions, as well as BrightRidge's contributions made for OPEB during fiscal year 2019. The differences in experience and changes in assumptions are a result of the actuarial study for BrightRidge's pension plans through TCRS and the actuarial study for BrightRidge's OPEB commitment, and are being amortized over the average working lifetime of all participants and over the average service of OPEB participants, respectively. The contributions were made subsequent to the pension's measurement date of June 30, 2018 and OPEB's measurement date of June 30, 2017, and will be recognized as a reduction to the net pension liability or the OPEB liability, respectively, in the following measurement period.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. BrightRidge has two items reported as deferred inflows: (1) the Deferred Inflows of Resources Related to the Pension is related to differences between expected and actual experience and projected and actual earnings on pension plan investments. These differences are a result of the actuarial study for BrightRidge's pension plans through TCRS. The differences in experience are being amortized over the average working lifetime of all participants, and the net difference in earnings on pension plans investments is being amortized over a five-year period (staggered based on measurement year). (2) the Deferred Inflows of Resources Related to OPEB is related to the changes in assumptions for the other post-employment benefits (OPEB) liability which is a result of the actuarial study for BrightRidge's OPEB commitment. These changes are being amortized over the average service of OPEB participants.

Compensated Absences

Employees earn various vacation days determined on years of service. Vacation days can be accumulated to a maximum of 40 days, which are payable upon separation of employment. Sick leave is granted after 90 days of employment. The employee earns one day for each one full month employed. Sick leave can be accumulated with no limitation as to the number of days. No obligation exists for payment of accumulated sick leave upon termination for reasons other than death or retirement. For full-time employees hired on or before December 31, 2018, BrightRidge is obligated for 75% of accumulated sick leave days, payable upon either date of retirement or death. For such employees, remaining sick leave is applied as service credit to the TCRS Legacy pension benefit. For full-time employees hired after December 31, 2018, BrightRidge is not obligated for a pay out of accumulated sick leave. The full amount of such employees' sick leave at the time of retirement may be applied toward their TCRS Hybrid pension benefit. TCRS' conversion factor is 20 days of accumulated sick leave equals one month of service credit.

A liability for compensated absences and related fringe benefits is reflected on the Statement of Net Position at June 30, 2019, in the amount of \$2,683,872. The portion of this liability expected to be paid within one year of \$603,135 is classified as a current liability and the remainder as a long-term liability.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position is the difference between assets and deferred outflows of resources minus liabilities and deferred inflows of resources. The Net Investment in Capital Assets is calculated as capital assets, net of accumulated depreciation, plus the deferred loss on bond refunding, less any outstanding debt related to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on its use by external restrictions by other governments, creditors or grantors. No such restrictions existed at June 30, 2019.

Long-Term Obligations

Bonds payable are reported net of the applicable bond premium, which are deferred and amortized over the life of the related bonds and was \$257,304 for the fiscal year 2019. In addition, deferred losses on bond refunding are amortized over the life of the related bonds (see Note 8).

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of BrightRidge's participation in the Public Employee Retirement Plan of TCRS, and additions to/deductions from BrightRidge's fiduciary net position have been determined on the same basis as they are reported by TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Other Post-Employment Benefits

For purposes of measuring the OPEB liability, BrightRidge recognizes benefits (including refunds of employee contributions) when they are due and payable, including related deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, in accordance with the benefit terms and actuarial valuations. BrightRidge does not fund the OPEB liability; expenses are paid as incurred.

Operating Revenues and Expenses, Intrafund Activity, and Divisional Allocations

Operating revenues and expenses generally result from providing services and producing and delivering goods. BrightRidge's principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, amortization and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating.

Revenues and expenses are allocated by BrightRidge to the division incurring the expense or earning the revenue. Intrafund activity, as well as intrafund receivables and payables, have been eliminated to be presented as a single fund entity.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

Under the by-laws, management must submit an annual budget to the Board of Directors for approval. BrightRidge is not required to demonstrate statutory compliance with budgets. Accordingly, budgetary data is not included in the basic financial statements. All budgets are prepared in accordance with bond covenants. Unexpended appropriations lapse at fiscal year end.

NOTE 2 - NOTES RECEIVABLE

BrightRidge entered into a 10-year agreement with a local university for lighting efficiency in November 2012 for \$288,739. The note had a carrying balance at June 30, 2019 of \$121,166. The note is receivable at \$3,206 per month for 120 months. The note bears interest at a rate of 6.00% per fiscal year.

BrightRidge entered into a 10-year loan agreement with an international manufacturing company in August 2014 for \$760,000, which pertained to an equivalent note payable to the United States Department of Agriculture (USDA), Rural Economic Development from federal grant funds received for pass-through to this international manufacturing company (see Note 8). BrightRidge is obligated to USDA Rural Economic Development, and this international manufacturing company is obligated to BrightRidge. The note is receivable \$6,333 per month for 120 months, bearing no interest. Management deems the imputed interest due on the June 30, 2019 remaining balance of \$386,334 to be immaterial.

In conjunction with the note receivable from the international manufacturing company above, BrightRidge was named as beneficiary in an irrevocable standby commercial letter of credit in the amount of \$760,000 on August 21, 2014 (start of Year 1) with a current expiration date of August 21, 2019 (end of Year 5) from a local financial institution. This letter shall automatically renew for up to six additional consecutive one-year periods, with annual reductions in amount to coincide with the aforementioned matching note payable balance to USDA Rural Economic Development over the ten-year term of that note, with the remainder commitment by contract year as follows at June 30, 2019:

Year 5	\$	456,000
Year 6		380,000
Year 7		304,000
Year 8		228,000
Year 9		152,000
Year 10		76,000

NOTE 3 - RISK MANAGEMENT

BrightRidge carries insurance for cyber and privacy, directors and officers, commercial crime, property, automobiles, general liability, worker's compensation, employee group health, and other coverages through external insurance carriers. There was no reduction in coverage from the prior fiscal year, and BrightRidge did not have any settlements in the last three fiscal years which were not covered by insurance.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 3 - RISK MANAGEMENT (CONTINUED)

Since July 1, 1986, BrightRidge has set aside funds as self-insurance for deductibles and uninsured risks. Funds were originally set aside by the Board of Directors in the amount of \$1,000,000 and have accumulated to over \$2 million at June 30, 2019, \$1,041,340 of which is included in restricted cash and cash equivalents and another \$1,000,000 is included in restricted long-term certificates of deposit (Note 1). For the fiscal year ended June 30, 2019, no settlements were paid from these funds.

NOTE 4 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land and Land Rights	\$ 5,401,940	6,028	-	5,407,968
Broadband IP Addresses	-	235,121	-	235,121
Construction in Progress	5,727,041	20,581,953	(22,597,944)	3,711,050
Total Capital Assets, Not Being Depreciated	11,128,981	20,823,102	(22,597,944)	9,354,139
Capital Assets, Being Depreciated				
Buildings	29,351,133	1,336,673	(7,311)	30,680,495
Office Equipment	3,924,506	240,729	(349,009)	3,816,226
Transportation Equipment	6,928,039	902,279	(183,499)	7,646,819
Other Machinery and Equipment	7,503,417	1,853,642	(116,529)	9,240,530
Transmission and Power				
Distribution System	230,670,582	15,204,110	(3,307,736)	242,566,956
Fiber	-	138,746	-	138,746
Total Capital Assets, Being Depreciated	278,377,677	19,676,179	(3,964,084)	294,089,772
Accumulated Depreciation				
Buildings	(9,777,594)	(645,140)	7,311	(10,415,423)
Office Equipment	(1,663,942)	(252,579)	348,147	(1,568,374)
Transportation Equipment	(4,313,369)	(680,320)	151,588	(4,842,101)
Other Machinery and Equipment	(3,029,055)	(478,596)	114,096	(3,393,555)
Transmission and Power				
Distribution System	(76,655,259)	(7,959,094)	3,807,424	(80,806,929)
Fiber	-	(39)	-	(39)
Total Accumulated Depreciation	(95,439,219)	(10,015,768)	4,428,566	(101,026,421)
Net Capital Assets, Being Depreciated	182,938,458	9,660,411	464,482	193,063,351
Net Capital Assets	\$ 194,067,439	30,483,513	(22,133,462)	202,417,490

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 5 - PENSION PLAN

General Information about the Legacy Pension Plan

Plan Description

Full-time employees hired prior to January 1, 2019 are enrolled in the TCRS Legacy plan. Employees of BrightRidge are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated (TCA) Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reportingand-Investment-Policies>.

Benefits Provided

TCA Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. In addition, per a resolution adopted by the Board of Directors of BrightRidge in March 1998, a member may retire prior to age 55 upon attaining 25 years of creditable service. In this situation, the member's benefit will be the actuarial equivalent of the benefit computation for early service retirement that the member could have received at age 55. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost-of-living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 5 - PENSION PLAN (CONTINUED)

General Information about the Legacy Pension Plan (Continued)

Employees Covered by Benefit Terms

At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	104
Inactive Employees Entitled to but not yet Receiving Benefits	191
Active Employees	<u>175</u>
Total Employees	<u><u>470</u></u>

At the measurement date of June 30, 2018, the plan was open to new entrants. However, during the fiscal year ended June 30, 2019, subsequent to the measurement date, a Hybrid plan through TCRS was established and the Legacy plan closed to new entrants.

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. BrightRidge makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the fiscal year ended June 30, 2019, the employer contributions for BrightRidge's Legacy pension plan were \$1,836,466 based on a rate of 13.42 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept BrightRidge's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability – Legacy Plan

BrightRidge's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability as of June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 5 - PENSION PLAN (CONTINUED)

Net Pension Liability – Legacy Plan (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on actual experience including an adjustment for some anticipated improvement. The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation of each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. Equity	5.69%	31%
Developed Market International Equity	5.29%	14%
Emerging Market International Equity	6.36%	4%
Private Equity and Strategic Lending	5.79%	20%
U.S. Fixed Income	2.01%	20%
Real Estate	4.32%	10%
Short-Term Securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

**JOHNSON CITY ENERGY AUTHORITY
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 5 - PENSION PLAN (CONTINUED)

Net Pension Liability – Legacy Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from BrightRidge will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability – Legacy Plan

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2017	\$ 55,432,316	50,355,015	5,077,301
Changes for the Fiscal Year:			
Service Cost	1,048,484	-	1,048,484
Interest	4,003,107	-	4,003,107
Differences between Expected and Actual Experience	(371,233)	-	(371,233)
Changes in Assumptions	-	-	-
Contributions - Employer	-	1,666,121	(1,666,121)
Contributions - Employees	-	620,761	(620,761)
Net Investment Income	-	4,168,938	(4,168,938)
Benefit Payments, Including Refunds of Employee Contributions	(2,531,072)	(2,531,072)	-
Administrative Expense	-	(16,596)	16,596
Net Changes	<u>2,149,286</u>	<u>3,908,152</u>	<u>(1,758,866)</u>
Balance at June 30, 2018	<u>\$ 57,581,602</u>	<u>54,263,167</u>	<u>3,318,435</u>

**JOHNSON CITY ENERGY AUTHORITY
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 5 - PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability – Legacy Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of BrightRidge calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
	<u> </u>	<u> </u>	<u> </u>
Net Pension Liability (Asset)	\$ 10,973,194	3,318,435	(3,105,982)
	<u> </u>	<u> </u>	<u> </u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension – Legacy Plan

Pension Expense

For the fiscal year ended June 30, 2019, BrightRidge recognized pension expense of \$618,149.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2019, BrightRidge reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between Expected and Actual Experience	\$ 755,566	835,373
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	221,797
Changes in Assumptions	1,112,370	-
Contributions Subsequent to the Measurement Date of June 30, 2018	1,836,466	(not applicable)
Total	<u>\$ 3,704,402</u>	<u>1,057,170</u>

**JOHNSON CITY ENERGY AUTHORITY
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 5 - PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension – Legacy Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2018,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

Fiscal Year Ended June 30:

2019	\$	487,685
2020		105,373
2021		(210,953)
2022		40,572
2023		217,242
Thereafter		170,847

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan – Legacy Plan

At June 30, 2019, BrightRidge reported a payable of approximately \$145,000 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2019.

General Information about the Hybrid Pension Plan

During the fiscal year ended June 30, 2019, subsequent to the June 30, 2018 TCRS pension measurement date, BrightRidge began offering a multiple-employer Hybrid plan through TCRS. Full-time employees hired January 1, 2019 and later are enrolled in the TCRS Hybrid plan. BrightRidge contributes 4.00% of the participant’s wages to a hybrid-type of pension plan through TCRS and 5.00% of the participant’s wages to a deferred contribution 401(k) plan. The employee defers 5.00% of eligible wages to the defined benefit plan. An established stabilization factor had a balance at June 30, 2019 of \$1,803, which management deemed immaterial to the financial statements, thus was not reported as an investment at June 30, 2019. During the fiscal year ended June 30, 2019, employer contributions after the pension measurement date of \$2,337 were considered deferred outflows. At June 30, 2019, BrightRidge reported a payable of approximately \$2,500 for the outstanding Hybrid and 401(k) plan contributions required at the year ended June 30, 2019. More information on the Hybrid plan will be available as subsequent actuarial reports are completed.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB)

A Brief Description of the Retiree Life and Medical Insurance Plans

BrightRidge, as a single employer, offers multiple life and medical post-employment benefits which are summarized below. These benefits are approved by the Board of Directors and require their approval for amendment. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

a. Plan Types: Employees and pre-65 retirees have a bundled PPO Medical plan and a Health Reimbursement Account (HRA) plan offered through BlueCross BlueShield of Tennessee.

Effective October 25, 2016, upon reaching age 65, each retiree will be enrolled in the Retiree HRA program.

Life insurance is through Companion Life Insurance.

b. Eligibility: 30 years of service, or age 60 with five years of service
Early retirement – 25 years of service prior to age 55
Early retirement – vested service at age 55
Service-related disability for any length of service
Non-service-related disability with five years of service

c. Benefit/Cost Sharing: BrightRidge pays approximately 75% of the PPO Medical plan premium for the pre-65 retirees. In addition, BrightRidge reimburses the HRA deductible for a maximum annual benefit of \$4,000 per participant.

BrightRidge provides an annual HRA reimbursement of \$2,231 or \$2,434 for the post-65 retirees who were retired prior to October 25, 2016. BrightRidge provides an annual HRA reimbursement of \$1,800 for existing employees as of September 1, 2016, upon retirement and reaching age 65. Employees hired after September 1, 2016 are not eligible for the Retiree HRA Program.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

**NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB)
(CONTINUED)**

A Brief Description of the Retiree Life and Medical Insurance Plans (Continued)

- d. Spouse Benefit:* BrightRidge reimburses the HRA deductible for the retiree's spouse, for a maximum annual benefit of \$4,000 per participant. The spouse pays 100% of the medical premium.
- e. Surviving Spouse Benefit:* Yes, same as spouse benefit above.
- f. Annual Medical Premium:* Effective January 1, 2017 through December 31, 2017

Plan	Premium	Retiree Contribution
Pre-65 Retiree	\$ 6,070	\$ 1,533
Pre-65 Retiree and Spouse	\$ 12,695	\$ 9,055

Effective January 1, 2018 through December 31, 2018

Plan	Premium	Retiree Contribution
Pre-65 Retiree	\$ 6,383	\$ 1,533
Pre-65 Retiree and Spouse	\$ 13,351	\$ 9,055

- g. Life:* Upon retirement, all retirees receive a \$25,000 life insurance policy.

Employees Covered by Benefit Terms

At the actuarial valuation date of July 1, 2017, the following were covered by the benefit terms:

Inactives Receiving Benefits	80
Inactives Not Receiving Benefits	0
Actives	174
Total	254

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

**NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB)
(CONTINUED)**

Funding Policy

The contribution requirements of plan members and BrightRidge are based on pay-as-you-go financing requirements.

OPEB Liability

BrightRidge's OPEB liability was measured based on an actuarial valuation performed as of July 1, 2017, updated on July 24, 2019, with a projection to June 30, 2019, and a measurement date of July 1, 2017.

Actuarial Assumptions

Discount Rate 3.50 percent as of June 30, 2019, 3.87 percent as of June 30, 2018, and 3.58 percent as of June 30, 2017, based on a Bond Buyer's Bond Index

Mortality RP-2000 Combined Fully Generational Mortality table with projection scale BB

Termination Rates It was assumed that employees would terminate employment in accordance with the rates in the following two-year and ultimate table for both males and females:

	1st Year	2nd Year	Male	Female
Age	Employment	Employment	Ultimate	Ultimate
30	24.30%	20.00%	9.10%	11.10%
40	20.40%	15.10%	2.50%	3.50%
45	18.50%	13.90%	2.20%	3.00%
50	16.50%	12.70%	1.90%	2.40%
55	14.60%	11.50%	1.60%	1.90%

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

**NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB)
(CONTINUED)**

OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Retirement Rates It was assumed that the following percentage of eligible employees would retire each year:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
50 - 57	1.50%	67	24.40%
58	4.00%	68	22.10%
59	6.50%	69	19.80%
60	9.00%	70	17.50%
61	11.50%	71	15.20%
62	21.50%	72	12.90%
63	14.50%	73	10.60%
64	16.00%	74	8.30%
65	29.00%	75	100.00%
66	26.70%		

Health Care Trend Rates It was assumed that health care costs would increase in accordance with the trend rates in the following table:

<u>Year</u>	<u>Medical Rates</u>	<u>Medicare Part B Rates</u>
2017	8.00%	5.00%
2018	7.50%	5.00%
2019	7.00%	5.00%
2020	6.50%	5.00%
2021	6.00%	5.00%
2022	5.50%	5.00%
2023+	5.00%	5.00%

Percent Married It was assumed that 40 percent of the male and 40 percent of the female employees who elect retiree health care coverage for themselves would also elect coverage for their spouse upon retirement. It was assumed that male spouses are three years older than their wives and female spouses are three years younger than the retiree. For current retirees, actual census information was used.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

**NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB)
(CONTINUED)**

OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Participation Rate	It was assumed that 100 percent of the current active employees covered under the active plan on the day before retirement would enroll in the retiree medical plan upon retirement.
Administrative Expenses	Included in premiums used
Participant Salary Increases	3.50 percent annually
Payroll Growth Rate	2.50 percent annually
Rate of Inflation	2.50 percent annually
Per Capita Claims Cost	Conventional insured equivalent premiums were age-graded on the current participants in the medical plan.
Actuarial Method	Entry Age Actuarial Cost Method

Changes in the OPEB Liability

	Increase (Decrease)
	Total OPEB Liability
	<hr/>
Balance at June 30, 2018	\$ 5,752,883
Changes for the Fiscal Year:	
Service Cost	194,525
Interest	224,657
Changes in Assumptions	208,404
Benefit Payments	(287,352)
Net Changes	<hr/> 340,234 <hr/>
Balance at June 30, 2019	\$ 6,093,117

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

**NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB)
(CONTINUED)**

Changes in the OPEB Liability (Continued)

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of BrightRidge calculated using the discount rate of 3.50 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
OPEB Liability	\$ 6,712,603	6,093,117	5,552,906

Sensitivity of the OPEB Liability to Changes in the Health Care Trend Rate

The following presents the OPEB liability of BrightRidge calculated using the health care trend rate of 7.50 percent decreasing to 5.00 percent, as well as what the OPEB liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower (6.50 percent decreasing to 4.00 percent) or 1-percentage-point higher (8.50 percent decreasing to 6.00 percent) than the current rate:

	1% Decrease (6.50% decreasing to 4.00%)	Current Health Care Trend Rate (7.50% decreasing to 5.00%)	1% Increase (8.50% decreasing to 6.00%)
OPEB Liability	\$ 5,857,506	6,093,117	6,365,292

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Expense

For the fiscal year ended June 30, 2019, BrightRidge recognized OPEB expense of \$394,883.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

**NOTE 6 - POST-EMPLOYMENT BENEFIT COMMITMENTS OTHER THAN PENSIONS (OPEB)
(CONTINUED)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

For the fiscal year ended June 30, 2019, BrightRidge reported deferred inflows of resources and deferred outflows of resources related to OPEB resulting from changes in assumptions of \$124,127 and \$182,675, respectively. The net amount reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30:

2020	\$	6,394
2021		6,394
2022		6,394
2023		6,394
2024		6,394
Thereafter		26,578

In the table shown above, negative amounts, as applicable, will decrease OPEB expense.

NOTE 7 - DEFERRED COMPENSATION PLAN

BrightRidge offers its employees participation in an optional deferred compensation plan, the Johnson City Energy Authority 457(b) Plan (the Plan). This Plan is available to all full-time employees. It permits all eligible employees to contribute pre-tax or post-tax dollars into the Plan, via a percentage of eligible compensation, which is defined as W-2 wages plus elective contributions, up to certain limits prescribed by the Internal Revenue Service. Elective contributions are amounts contributed by BrightRidge at the employee's election to a qualified plan. The deferred compensation is not available to employees until termination, retirement, deployment, death, or unforeseeable emergency circumstances. The Plan assets are in custodial accounts with the Trust Company and are not reflected in the assets of BrightRidge.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - LONG-TERM LIABILITIES

Long-term liability activity for the fiscal year ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds					
Revenue Bonds Payable	\$ 32,280,000	-	(2,390,000)	29,890,000	2,490,000
Premium	3,816,668	-	(257,303)	3,559,365	-
Total Revenue Bonds	36,096,668	0	(2,647,303)	33,449,365	2,490,000
Note Payable	468,667	-	(76,000)	392,667	76,000
Compensated Absences	2,489,764	732,721	(538,613)	2,683,872	603,135
Total Long-Term Liabilities	<u>\$ 39,055,099</u>	<u>732,721</u>	<u>(3,261,916)</u>	<u>36,525,904</u>	<u>3,169,135</u>

Bonds Payable

On March 31, 2017, BrightRidge refunded and defeased in substance the outstanding Electric System Revenue Bonds, Series 2007A and 2008, as issued in the name of the prior entity, Johnson City Power Board. On that same date, Electric System Revenue Bonds, Series 2017 were issued by the new entity, JCEA. The defeased Series 2007A bonds, with varying outstanding maturity dates at the time of refunding from May 1, 2017 through May 1, 2032, were called and redeemed on May 1, 2017 for the outstanding balance of \$18,075,000. The defeased Series 2008 bonds, with varying outstanding maturity dates at the time of refunding from May 1, 2017 through May 1, 2033, were called and redeemed on May 1, 2017 in the amount of \$910,000, and the remaining \$21,630,000 of defeased bonds were called and redeemed on May 1, 2018.

The advance refunding resulted in an economic loss (difference between the present values of the old and new debt service payments) of \$1,049,539, which is being amortized over the life of the bonds, and the unamortized portion at June 30, 2019 was \$902,712. During the fiscal year ended June 30, 2019, \$65,257 amortization expense was recognized.

On March 31, 2017, BrightRidge issued Electric System Revenue Bonds, Series 2017, totaling \$34,480,000 with interest rates from 3.00% - 5.00% and maturity of May 2033. The interest is payable semiannually on May 1 and November 1 of each fiscal year with the principal payments due on May 1. The revenue of the system is pledged as security for the debt.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

Debt service requirements for the fiscal years subsequent to the fiscal year ended June 30, 2019 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2020	\$ 2,490,000	1,339,600	3,829,600
2021	2,585,000	1,240,000	3,825,000
2022	2,685,000	1,136,600	3,821,600
2023	2,830,000	1,002,350	3,832,350
2024	1,635,000	860,850	2,495,850
2025-2029	9,320,000	3,143,050	12,463,050
2030-2033	8,345,000	792,700	9,137,700
	<u>\$ 29,890,000</u>	<u>9,515,150</u>	<u>39,405,150</u>

Changes in the Deferred Loss on Bond Refunding for the fiscal year ended June 30, 2019 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Deferred Loss on Bond Refunding	<u>\$ 967,969</u>	<u>-</u>	<u>(65,257)</u>	<u>902,712</u>

Note Payable

In June 2014, BrightRidge entered into a promissory note agreement with USDA Rural Economic Development as a result of federal loan funds received in August 2014 for pass-through to an international manufacturing company for construction of their new facility in rural Piney Flats, Tennessee. This \$760,000 note payable has a term of ten years with 0% interest, with imputed interest being deemed immaterial. (See Note 1.) Principal payments of \$6,333 are due monthly. The balance at June 30, 2019 is \$392,667.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019**

NOTE 8 - LONG-TERM LIABILITIES (CONTINUED)

Note Payable (Continued)

Debt service requirements for the fiscal years subsequent to the fiscal year ended June 30, 2019 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 76,000	-	76,000
2021	76,000	-	76,000
2022	76,000	-	76,000
2023	76,000	-	76,000
2024	76,000	-	76,000
2025	12,667	-	12,667
	<u>\$ 392,667</u>	<u>0</u>	<u>392,667</u>

NOTE 9 - HEAT PUMP PROGRAM

TVA's heat pump program offers financing to qualified BrightRidge customers for replacement of certain electric-related items, such as air sealing, attic insulation, doors and windows, electric water heaters, and certain heat pumps. BrightRidge serves as a pass through agent for this program, as reflected in the offsetting asset and contra asset on the Statement of Net Position of \$3,763,515 and (\$3,763,515), respectively.

SECTION III
SUPPLEMENTARY INFORMATION

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS BASED ON
PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Year Ending June 30**

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 863,049	886,120	908,535	928,967	1,048,484
Interest	3,394,641	3,483,216	3,677,919	3,803,875	4,003,107
Differences between Expected and Actual Experience	(790,970)	667,467	(497,971)	626,009	(371,233)
Changes in Assumptions	-	-	-	1,483,160	-
Benefit Payments, including Refunds of Employee Contributions	(2,152,107)	(2,465,462)	(2,460,906)	(2,398,110)	(2,531,072)
Net Change in Total Pension Liability	<u>1,314,613</u>	<u>2,571,341</u>	<u>1,627,577</u>	<u>4,443,901</u>	<u>2,149,286</u>
Total Pension Liability - Beginning	<u>45,474,884</u>	<u>46,789,497</u>	<u>49,360,838</u>	<u>50,988,415</u>	<u>55,432,316</u>
Total Pension Liability - Ending (a)	<u>\$ 46,789,497</u>	<u>\$ 49,360,838</u>	<u>50,988,415</u>	<u>55,432,316</u>	<u>57,581,602</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 1,574,379	1,577,102	1,594,572	1,694,199	1,666,121
Contributions - Employees	567,549	587,572	593,982	631,222	620,761
Net Investment Income	6,171,384	1,331,964	1,174,476	5,129,570	4,168,938
Benefit Payments, including Refunds of Employee Contributions	(2,152,107)	(2,465,462)	(2,460,906)	(2,398,110)	(2,531,072)
Administrative Expense	(8,578)	(9,074)	(13,285)	(14,692)	(16,596)
Net Change in Plan Fiduciary Net Position	<u>6,152,627</u>	<u>1,022,102</u>	<u>888,839</u>	<u>5,042,189</u>	<u>3,908,152</u>
Plan Fiduciary Net Position - Beginning	<u>37,249,258</u>	<u>43,401,885</u>	<u>44,423,987</u>	<u>45,312,826</u>	<u>50,355,015</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 43,401,885</u>	<u>\$ 44,423,987</u>	<u>45,312,826</u>	<u>50,355,015</u>	<u>54,263,167</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,387,612</u>	<u>4,936,851</u>	<u>5,675,589</u>	<u>5,077,301</u>	<u>3,318,435</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.76%	90.00%	88.87%	90.84%	94.24%
Covered Payroll	\$ 11,350,967	\$ 11,751,752	\$ 11,881,393	\$ 12,624,437	\$ 12,415,203
Net Pension Liability as a Percentage of Covered Payroll	29.84%	42.01%	47.77%	40.22%	26.73%

Notes to Schedule:

Changes in Assumptions

In fiscal year 2017, amounts reported as changes in assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

See Independent Auditors' Report.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION
IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Year Ending June 30**

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 1,574,379	1,577,102	1,594,572	1,694,199	1,666,121	1,836,466
Contributions in relation to the						
Actuarially Determined Contribution	1,574,379	1,577,102	1,594,572	1,694,199	1,666,121	1,836,466
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered Payroll	\$ 11,350,967	11,751,752	11,881,393	12,624,437	12,415,203	13,682,546
Contributions as a Percentage of						
Covered Payroll	13.87%	13.42%	13.42%	13.42%	13.42%	13.42%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Notes to Schedule:

Valuation Date

Actuarially-determined contribution rates for fiscal year 2018 were calculated based on the June 30, 2017 actuarial valuation.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (not to exceed 20 years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.50 percent
Salary Increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of investment expense, including inflation
Retirement Age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost-of-Living Adjustments	2.25 percent

See Independent Auditors' Report.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
Last Fiscal Year Ending June 30**

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service Cost	\$ 199,823	194,525
Interest	210,132	224,657
Changes in Assumptions	(162,797)	208,404
Benefit Payments	<u>(325,251)</u>	<u>(287,352)</u>
Net Change in Total OPEB Liability	(78,093)	340,234
Total OPEB Liability - Beginning	5,830,976	5,752,883
Total OPEB Liability - Ending	<u><u>\$ 5,752,883</u></u>	<u><u>6,093,117</u></u>
Covered Payroll	\$ 11,608,049	\$ 11,898,250
Net OPEB Liability as a Percentage of Covered Payroll	49.56%	51.21%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits.

Changes in Assumptions

In fiscal year 2018, discount rates changes from 3.58 percent at June 30, 2017 to 3.87 percent at June 30, 2018. In fiscal year 2019, discount rates changes from 3.87 percent at June 30, 2018 to 3.50 percent at June 30, 2019.

GASB 75 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 75. The information in this schedule is not required to be presented retroactively prior to the implementation date. Fiscal years will be added to this schedule in future fiscal years until 10 fiscal years of information is available.

See Independent Auditors' Report.

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
COMBINING SCHEDULE OF NET POSITION BY DIVISION
June 30, 2019

	Business-Type Fund			
	Electric Division	Broadband Division	Intrafund Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash on Hand and in Bank	\$ 34,666,862	1,160,197	-	35,827,059
Accounts Receivable - Customer Service, Net of Allowance for Uncollectible Accounts	20,197,657	(218)	-	20,197,439
Accounts Receivable - Rents and Other	963,974	13,367	-	977,341
Current Inter-Division Receivables	179,085	3,786	(182,871)	-
Current Maturities of Notes Receivable	108,070	-	-	108,070
Inventories	7,561,021	840,875	-	8,401,896
Prepaid Expenses	362,570	47,239	-	409,809
Total Current Assets	64,039,239	2,065,246	(182,871)	65,921,614
CAPITAL ASSETS				
Land and Land Rights	5,407,968	-	-	5,407,968
Intangibles	-	235,121	-	235,121
Construction in Progress	1,182,791	2,528,259	-	3,711,050
Depreciable Capital Assets	292,721,986	1,367,786	-	294,089,772
Less: Accumulated Depreciation	(100,951,747)	(74,674)	-	(101,026,421)
Net Capital Assets	198,360,998	4,056,492	0	202,417,490
RESTRICTED ASSETS				
Cash and Cash Equivalents	20,363,819	-	-	20,363,819
Long-Term Certificate of Deposit	1,000,000	-	-	1,000,000
Total Restricted Assets	21,363,819	0	0	21,363,819
OTHER ASSETS				
Inter-Division Receivables	8,000,000	600,000	(8,600,000)	-
Accounts Receivable - Customers - Heat Pumps	3,763,515	-	-	3,763,515
Advance from Tennessee Valley Authority	(3,763,515)	-	-	(3,763,515)
Notes Receivable, Net of Current Maturities	399,430	-	-	399,430
Total Other Assets	8,399,430	600,000	(8,600,000)	399,430
TOTAL ASSETS	292,163,486	6,721,738	(8,782,871)	290,102,353
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Bond Refunding	902,712	-	-	902,712
Deferred Outflows of Resources Related to the OPEB	182,675	-	-	182,675
Deferred Outflows of Resources Related to the Pension	3,706,739	-	-	3,706,739
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,792,126	0	0	4,792,126

(Continued)

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
COMBINING SCHEDULE OF NET POSITION BY DIVISION
June 30, 2019**

	Business-Type Fund			Total
	Electric Division	Broadband Division	Intrafund Eliminations	
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	25,600,839	346,454	-	25,947,293
Customer Deposits	5,582,377	-	-	5,582,377
Accrued Interest	223,267	-	-	223,267
Accrued Salaries	217,797	-	-	217,797
Current Portion of Compensated Absences	603,135	-	-	603,135
Current Maturities of Bonds Payable	2,490,000	-	-	2,490,000
Current Maturities of Note Payable	76,000	-	-	76,000
Current Inter-Division Payables	2,413	180,458	(182,871)	-
Other Current and Accrued Liabilities	517,510	349,064	-	866,574
Total Current Liabilities	35,313,338	875,976	(182,871)	36,006,443
LONG-TERM LIABILITIES				
Inter-Division Payables	-	8,600,000	(8,600,000)	-
Bonds Payable, Net of Current Maturities and Unamortized Bond Premium	30,959,365	-	-	30,959,365
Note Payable, Net of Current Maturities	316,667	-	-	316,667
Compensated Absences, Net of Current Portion	2,080,737	-	-	2,080,737
Net Pension Liability	3,318,435	-	-	3,318,435
Other Post-Employment Benefits Liability	6,093,117	-	-	6,093,117
Total Long-Term Liabilities	42,768,321	8,600,000	(8,600,000)	42,768,321
TOTAL LIABILITIES	78,081,659	9,475,976	(8,782,871)	78,774,764
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to the Pension	1,057,170	-	-	1,057,170
Deferred Inflows of Resources Related to Other Post-Employment Benefits	124,127	-	-	124,127
TOTAL DEFERRED INFLOWS OF RESOURCES	1,181,297	0	0	1,181,297
NET POSITION				
Net Investment in Capital Assets	165,814,345	4,056,492	-	169,870,837
Unrestricted	51,878,311	(6,810,730)	-	45,067,581
TOTAL NET POSITION	\$ 217,692,656	(2,754,238)	0	214,938,418

See Independent Auditors' Report.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY DIVISION
For the Fiscal Year Ended June 30, 2019**

	Business-Type Fund			
	Electric Division	Broadband Division	Intrafund Eliminations	Total
OPERATING REVENUES				
Sales of Electric Energy				
Residential	\$ 107,197,236	-	-	107,197,236
Large Lighting and Power	63,468,677	-	-	63,468,677
Small Lighting and Power	18,034,290	-	-	18,034,290
Street and Outdoor Lighting	3,511,206	-	-	3,511,206
Unbilled Revenue	7,875,777	-	-	7,875,777
Sales of Broadband				
Internet Operating Revenue - Residential	-	10,128	-	10,128
Internet Operating Revenue - Business	-	2,169	-	2,169
Internet Operating Revenue - Support Services	-	183	-	183
Other Operating Revenues	4,124,922	60	-	4,124,982
Total Operating Revenues (Pledged as Security for Revenue Bonds)	204,212,108	12,540	0	204,224,648
OPERATING EXPENSES				
Operations				
Power Purchased from Tennessee Valley Authority	151,954,739	-	-	151,954,739
Broadband Wholesale Delivery	-	242,529	-	242,529
Broadband Installation	-	349,766	-	349,766
Other Operating Expenses	13,571,149	1,226,912	-	14,798,061
Maintenance	8,786,936	904,652	-	9,691,588
Provision for Depreciation	9,285,741	49,709	-	9,335,450
Tax Equivalents	5,574,301	-	-	5,574,301
Total Operating Expenses	189,172,866	2,773,568	0	191,946,434
NET OPERATING INCOME	15,039,242	(2,761,028)	0	12,278,214
NONOPERATING REVENUES (EXPENSES)				
Interest Income	351,749	-	-	351,749
Other Income	69,208	6,790	-	75,998
Interest Expense	(1,424,509)	-	-	(1,424,509)
Amortization of Bond Premium	257,303	-	-	257,303
Amortization of Deferred Loss on Bond Refunding	(65,257)	-	-	(65,257)
Total Nonoperating Revenues (Expenses)	(811,506)	6,790	0	(804,716)
CHANGE IN NET POSITION	14,227,736	(2,754,238)	-	11,473,498
NET POSITION, BEGINNING	203,464,920	-	-	203,464,920
NET POSITION, ENDING	\$ 217,692,656	(2,754,238)	0	214,938,418

See Independent Auditors' Report.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
SCHEDULE OF BOND PRINCIPAL AND INTEREST REQUIREMENTS -
2017 REFUNDING ISSUE
June 30, 2019**

<u>Fiscal Year Ending</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
6-30-2020	4.00%	\$ 2,490,000	1,339,600	3,829,600
6-30-2021	4.00%	2,585,000	1,240,000	3,825,000
6-30-2022	5.00%	2,685,000	1,136,600	3,821,600
6-30-2023	5.00%	2,830,000	1,002,350	3,832,350
6-30-2024	5.00%	1,635,000	860,850	2,495,850
6-30-2025	3.00%	1,710,000	779,100	2,489,100
6-30-2026	5.00%	1,765,000	727,800	2,492,800
6-30-2027	5.00%	1,850,000	639,550	2,489,550
6-30-2028	5.00%	1,950,000	547,050	2,497,050
6-30-2029	5.00%	2,045,000	449,550	2,494,550
6-30-2030	5.00%	2,150,000	347,300	2,497,300
6-30-2031	4.00%	2,255,000	239,800	2,494,800
6-30-2032	4.00%	2,340,000	149,600	2,489,600
6-30-2033	3.50%	1,600,000	56,000	1,656,000
		<u>\$ 29,890,000</u>	<u>9,515,150</u>	<u>39,405,150</u>

See Independent Auditors' Report.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
June 30, 2019**

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2018	Issued During Period	Paid and/or Matured During Period	Outstanding June 30, 2019
Bonds Payable, Net of Premium								
Payable Through Electric Fund								
Electric System Revenue Bonds, Series 2017	\$ 46,000,000	3% to 5%	3/31/2017	5/1/2033	<u>\$ 36,096,668</u>	<u>-</u>	<u>(2,647,303)</u>	<u>33,449,365</u>
Total Bonds Payable, Net of Premium, Through Electric Fund					<u>36,096,668</u>	<u>0</u>	<u>(2,647,303)</u>	<u>33,449,365</u>
Notes Payable								
USDA Rural Development Obligations								
Payable Through Electric Fund								
Rural Economics Development Loan	\$ 760,000	0%	8/21/2014	8/21/2024	<u>468,667</u>	<u>-</u>	<u>(76,000)</u>	<u>392,667</u>
Total Notes Payable Through Electric Fund					<u>\$ 468,667</u>	<u>0</u>	<u>(76,000)</u>	<u>392,667</u>

See Independent Auditors' Report.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
CHANGES IN STATEMENT OF NET POSITION ACCOUNTS (UNAUDITED)
June 30, 2019**

A comparison of the Statements of Net Position at June 30, 2019 and 2018 is shown below.

	2019	2018	Increase (Decrease)
Capital Assets	\$ 303,443,911	289,506,658	13,937,253
Less: Accumulated Depreciation	<u>(101,026,421)</u>	<u>(95,439,219)</u>	<u>(5,587,202)</u>
Net Capital Assets	<u>202,417,490</u>	<u>194,067,439</u>	<u>8,350,051</u>
Plus: Other Assets	21,763,249	22,582,754	(819,505)
Plus: Deferred Outflows of Resources	4,792,126	4,861,023	(68,897)
Current Assets	65,921,614	64,427,319	1,494,295
Less: Current Liabilities	<u>(36,006,413)</u>	<u>(34,724,532)</u>	<u>(1,281,881)</u>
Working Capital	<u>29,915,201</u>	<u>29,702,787</u>	<u>212,414</u>
Less: Long-Term Liabilities	(42,768,351)	(46,900,272)	4,131,921
Less: Deferred Inflows of Resources	<u>(1,181,297)</u>	<u>(848,811)</u>	<u>(332,486)</u>
Net Position	<u><u>\$ 214,938,418</u></u>	<u><u>203,464,920</u></u>	<u><u>11,473,498</u></u>

See Independent Auditors' Report.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
COMPARATIVE RESULTS OF OPERATIONS (UNAUDITED)
June 30, 2019**

The operating results for the fiscal years ended June 30, 2019 and 2018 are summarized below.

Percent of Operating Revenues			Amount		Increase (Decrease)
2019	2018		2019	2018	
		Operating Revenues			
97.97 %	98.01	Sales of Electric Energy	\$ 200,089,298	197,507,363	2,581,935
0.01	-	Sales of Broadband	12,540	-	12,540
<u>2.02</u>	<u>1.99</u>	Other Operating Revenues	<u>4,122,808</u>	<u>4,008,314</u>	<u>114,494</u>
<u>100.00</u>	<u>100.00</u>	Total Operating Revenues	<u>204,224,646</u>	<u>201,515,677</u>	<u>2,708,969</u>
		Operating Expenses			
74.41	74.88	Power Purchased	151,954,739	150,890,594	1,064,145
0.29	-	Wholesale Broadband Delivery and Installation	592,295	-	592,295
11.99	11.00	Other Operation and Maintenance Expense	24,489,649	22,167,929	2,321,720
4.57	4.46	Provision for Depreciation	9,335,450	8,991,094	344,356
<u>2.73</u>	<u>2.70</u>	Tax Equivalent	<u>5,574,301</u>	<u>5,444,336</u>	<u>129,965</u>
<u>93.99</u>	<u>93.04</u>	Total Operating Expenses	<u>191,946,434</u>	<u>187,493,953</u>	<u>4,452,481</u>
6.01	6.96	Net Operating Income	12,278,212	14,021,724	(1,743,512)
<u>(0.39)</u>	<u>(0.53)</u>	Nonoperating Revenue (Expense)(Net)	<u>(804,714)</u>	<u>(1,064,429)</u>	<u>259,715</u>
<u>5.62 %</u>	<u>6.43</u>	Change in Net Position	<u>\$ 11,473,498</u>	<u>12,957,295</u>	<u>(1,483,797)</u>

See Independent Auditors' Report.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
SELECTED DATA AND COMPARISONS (UNAUDITED)
June 30, 2019**

Presented below is a summary of certain changes in financial position together with selected data and comparisons.

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Operating Revenues	\$ 204,224,646	201,515,677	2,708,969	1%
Change in Net Position	11,473,498	12,957,295	(1,483,797)	-11%
Gross Plant Additions				
Less or Plus Net Salvage	14,234,488	14,034,550	199,938	1%
Funds for Capital Asset Addition				
Provided Through Depreciation and Amortization	9,940,932	9,676,936	263,996	3%
Excess of Capital Asset Expenditures Over Amounts Provided by Depreciation	4,293,556	4,357,614	(64,058)	-1%
State Sales Tax Collections - TVA	3,330,129	3,337,154	(7,025)	0%
Average Number of Customers				
Electric Division	78,925	78,489	436	1%
Broadband Division	131	-	131	100%
Average Use (kWh) Per Residential Electric Customer	14,513	14,796	(283)	-2%

See Independent Auditors' Report.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
COMPARATIVE STATISTICAL DATA - BRIGHTRIDGE AND OTHER GROUP A MUNICIPALITIES
IN THE TVA AREA (UNAUDITED)
June 30, 2019**

Certain revenue statistics and operating costs of BrightRidge (Electric Division) for the fiscal years ended June 30, 2019 and 2018 are compared with the composite of Group A Municipalities in the TVA area for the fiscal year ended June 30, 2018.

	BrightRidge		2018 Composite of Group A Municipalities on TVA Area (Note 1)
	2019	2018	
Average Number of Customers - Electric	<u>78,925</u>	<u>78,489</u>	<u>15,315</u>
Electric Sales - Cents per Kilowatt Hour Sold	<u>\$ 10.81</u>	<u>\$ 10.42</u>	<u>\$ 9.60</u>
Percent of Revenue by Classes to Total Electric Sales			
Residential	55.56 %	56.25 %	44.25 %
Large Lighting and Power	32.60	33.48	43.01
Small Lighting and Power	9.36	9.34	10.77
Street and Outdoor	1.77	1.79	1.91
Unbilled Revenue - All Classes	<u>0.71</u>	<u>(0.86)</u>	<u>0.06</u>
	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>
Purchased Power - Cents Per Kilowatt Hour Purchased	<u>\$ 7.85</u>	<u>\$ 7.48</u>	<u>\$ 7.34</u>
Percent of Unaccounted for Kilowatt Hours (Distribution Losses)	<u>3.55 %</u>	<u>5.88 %</u>	<u>4.08 %</u>
Certain Expenses Expressed in Dollar per Customer			
Transmission and Distribution	\$ 146.84	\$ 140.89	\$ 164.64
Customer Accounting and Collecting	50.72	48.35	49.65
Sales Promotion	5.15	7.01	6.35
Administrative and General	<u>82.12</u>	<u>89.70</u>	<u>116.46</u>
	<u>\$ 284.83</u>	<u>\$ 285.96</u>	<u>\$ 337.10</u>
Percent of Certain Operating Expenses to Revenue from Electric Sales			
Purchased Power	75.29 %	76.40 %	79.68 %
Other Operating Expenses (Depreciation and Taxes)	<u>7.36</u>	<u>7.31</u>	<u>7.62</u>
	<u>82.65 %</u>	<u>83.71 %</u>	<u>87.30 %</u>

Note 1 - Data compiled from information within "The 2018 Financial and Statistical Report for Municipal and Cooperative Distributors of TVA Power" published by the Tennessee Valley Authority. For comparative purposes, large distributors (Memphis, Chattanooga, Knoxville, Huntsville and Nashville) have been excluded from the Composite. The 2019 report was not available as of the date of this audit report.

See Independent Auditors' Report.

SECTION IV

INTERNAL CONTROL AND COMPLIANCE SECTION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Johnson City Energy Authority
dba BrightRidge

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Johnson City Energy Authority dba BrightRidge (BrightRidge), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise BrightRidge's basic financial statements, and have issued our report thereon dated December 9, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered BrightRidge's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of BrightRidge's internal control. Accordingly, we do not express an opinion on the effectiveness of BrightRidge's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of BrightRidge's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether BrightRidge's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Johnson City Energy Authority
dba BrightRidge
Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of BrightRidge's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BrightRidge's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blackburn, Childers and Steagall, PLLC

BLACKBURN, CHILDERS & STEAGALL, PLC
Johnson City, Tennessee

December 9, 2019

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2019**

Current Fiscal Year Findings

No findings reported.

Prior Fiscal Year Findings Not Implemented

No findings reported.

Prior Fiscal Year Findings Implemented

No findings reported.

EXHIBIT G
CORPORATE SURETY BOND

TENNESSEE PUBLIC UTILITY COMMISSION

TENNESSEE TELECOMMUNICATIONS SERVICE PROVIDER'S SURETY BOND

Bond #: 107389760

WHEREAS, Johnson City Energy Authority (the "Principal"), has applied to the Tennessee Public Utility Commission for authority to provide telecommunications services in the State of Tennessee; and

WHEREAS, under the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated, as amended, the Principal is required to file this bond in order to obtain such authority and to secure the payment of any monetary sanction imposed in any enforcement proceeding brought under Title 65 of the Tennessee Code Annotated or the Consumer Telemarketing Act of 1990 by or on behalf of the Tennessee Public Utility Commission (the "TPUC"); and

WHEREAS, Travelers Casualty and Surety Company of America

(the "Surety"), a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, has agreed to issue this bond in order to permit the Principal to comply with the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated;

NOW THEREFORE, BE IT KNOWN, that we the Principal and the Surety are held and firmly bound to the STATE OF TENNESSEE, in accordance with the provisions of Tennessee Code Annotated, Title 65, Chapter 4, Section 125(j), in the full amount of twenty thousand dollars (\$20,000.00) lawful money of the United States of America to be used for the full and prompt payment of any monetary sanction imposed against the Principal, its representatives, successors or assigns, in any enforcement proceeding brought under Title 65 of Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TPUC, for which obligation we bind ourselves, our representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.

This bond shall become effective on the 18th day of February, 2021, and shall be continuous; provided, however, that each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may remain in force, the liability of the Surety shall not be cumulative, and the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed Twenty Thousand Dollars (\$20,000.00). The Surety may cancel this bond by giving thirty (30) days written notice of such cancellation to the TPUC and Principal by certified mail, it being understood that the Surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

PRINCIPAL

Johnson City Energy Authority

Name of Company authorized by the TPUC

Company ID # as assigned by TPUC

SIGNATURE OF PRINCIPAL

Name: Jeffrey R. Dykes
Title: CEO

SURETY

Travelers Casualty and Surety Company of America

Name of Surety

6640 Carothers Pkwy., Franklin, TN 37607

Address of Surety

SIGNATURE OF SURETY AGENT

Name: Gena Anders
Title: Power of Attorney

Address of Surety Agent:

Johnson City Insurance Agency, Inc.

2908 E Oakland Ave.

Johnson City, TN 37601

THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 125, CHAPTER 4, TITLE 65 OF THE TENNESSEE CODE ANNOTATED AS AMENDED BY CHAPTER NO. 586, 2000 PUBLIC ACTS. SHOULD THERE BE ANY CONFLICT WITH THE TERMS HEREOF AND THE STATUTE OR REGULATIONS PROMULGATED THEREUNDER, THE STATUTE OR REGULATIONS SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)

ACKNOWLEDGMENT OF PRINCIPAL

STATE OF TENNESSEE

COUNTY OF Washington

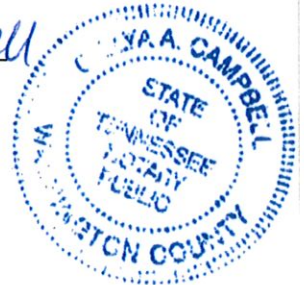
Before me, a Notary Public of the State and County aforesaid, personally appeared Jeff Dykes with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of BrightRidge, and he acknowledged to me that he executed the same.

WITNESS my hand and seal this 19 day of February, 2021.

My Commission Expires:

June 29, 2021

Cecilia A. Campbell
Notary Public



ACKNOWLEDGMENT OF SURETY

STATE OF TENNESSEE

COUNTY OF Washington

Before me, a Notary Public of the State and County aforesaid, personally appeared Gene Anderson with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of TRAVELERS Casualty Surety, the within named Surety, a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, and that he as such an individual being authorized to do so, executed the foregoing bond, by signing the name of the corporation by himself and as such individual.

WITNESS my hand and seal this 19th day of February, 2021.

My Commission Expires:

09-23-2027, 2000

Mark B. Sizemore
Notary Public



APPROVAL AND INDORSEMENT

This is to certify that I have examined the foregoing bond and found the same to be sufficient and in conformity to law, that the sureties on the same are good and worth the penalty thereof, and that the same has been filed with the Tennessee Public Utility Commission, State of Tennessee, this _____ day of _____, 20__.

Name:
Title:

EXHIBIT H
SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN

JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE

SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN

Pursuant to T.C.A. §65-5-112, as amended, BrightRidge submits this small and minority-owned telecommunications business participation plan (the “Plan”) along with its Application for a Certificate of Public Convenience and Necessity to provide competing intrastate and local exchange services in Tennessee.

I. PURPOSE

The purpose of §65-5-112 is to provide opportunities for small and minority-owned businesses to provide goods and services to telecommunications service providers. BrightRidge is committed to the goals of §65-5-112 and to taking steps to support the participation of small and minority-owned telecommunications businesses in the telecommunications industry. BrightRidge will endeavor to provide opportunities for small and minority-owned telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, BrightRidge will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to BrightRidge of such opportunities. BrightRidge’s representatives have already contacted the Department of Economic and Community Development, the administrator of the small and minority-owned telecommunications assistance program, to obtain a list of qualified vendors. Moreover, BrightRidge will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN (cont'd)**

II. DEFINITIONS

As defined in §65-5-112.

Minority-Owned Business. Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

Small Business. Small Business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000).

III. ADMINISTRATION

BrightRidge's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting BrightRidge's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Brian Bolling, CFO
Telephone: 423-952-5000
Email: bbolling@bightridge.com

The Administrator's responsibilities will include:

- (1) Maintaining an updated Plan in full compliance with §65-5-112 and the rules and orders of the Tennessee Public Utility Commission.

**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN (cont'd)**

- (2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- (3) Preparing and submitting such forms as may be required by the Tennessee Public Utility Commission, including the filing of required annual updates.
- (4) Serving as the primary liaison to and cooperate with the Tennessee Public Utility Commission, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in §65-5-112.
- (5) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.
- (6) Providing records and reports and cooperating in any authorized surveys as required by the Tennessee Public Utility Commission.
- (7) Establishing a record-keeping system to track qualified small and minority-owned businesses and efforts to use such businesses.
- (8) Providing information and educational activities to persons within CLEC A and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources,

including: Chambers of Commerce

The Tennessee Department of Economic and Community
Development The United States Department of Commerce
Small Business Administration

Office of Minority Business
The National Minority Supplier Development
Counsel The National Association of Women
Business Owners The National Association of
Minority Contractors
Historically Black Colleges, Universities, and Minority Institutions

The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will include offering, where appropriate and feasible, small and minority-owned businesses assistance with technical, insurance, bonding, licensing, production, and deadline requirements.

IV. RECORDS AND COMPLIANCE REPORTS

BrightRidge will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses. In addition, BrightRidge will maintain records of educational and training activities conducted or attended and of the internal procurement procedures adopted to support this plan.

BrightRidge will submit records and reports required by the Tennessee Public Utility Commission concerning the Plan. Moreover, BrightRidge will cooperate fully with any surveys and studies required by the Tennessee Public Utility Commission.

EXHIBIT I

IntraLATA Toll Dialing Plan

BrightRidge will employ the following checklist to implement its IntraLATA Toll Dialing Parity Plan. The Plan will be posted on the Company website:

1. Include the proposed implementation date. (FCC ORDER 96-333, 38)
2. Include a list of exchanges in which intraLATA toll dialing parity will be provided. (FCC ORDER 96-333, 38)
3. Include a method to be used to enable new and existing customers to select alternate providers of telephone toll service. (FCC ORDER 96-333, 38)
4. Accomplish intraLATA toll dialing parity by a means other than automatically assigning toll customers to itself or any other carrier. (FCC ORDER 96-333, 41 & 81)
5. The Multiple PIC method will be used (FCC ORDER 96- 333, 49)
6. Include customer education procedures (FCC ORDER 96-333, 80)
7. Identify the LATA with which it is proposed to associate. (FCC ORDER 96-333, 38)
8. State whether a PIC change charge waiver period is proposed and for how long. (Tennessee Public Utility Commission)
9. Include anti-slamming procedures. (Tennessee Public Utility Commission)
10. Include statements concerning nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listings. (If applicable)
11. Include a statement that the carrier will comply with all rules of the FCC and the TPUC.

EXHIBIT J
BEFORE THE TENNESSEE PUBLIC UTILITY
COMMISSION

IN THE MATTER OF THE APPLICATION)
OF JOHNSON CITY ENERGY AUTHORITY)
FOR A CERTIFICATE TO PROVIDE)
COMPETING INTRASTATE AND LOCAL)
TELECOMMUNICATIONS SERVICES)

NOTICE OF FILING

TO: ALL INCUMBENT LOCAL EXCHANGE CARRIERS (ILECS)

PLEASE TAKE NOTICE, that in accordance with the Tennessee Public Utility Commission Rules for the Provision of Competitive Intrastate Telecommunications Services, you are hereby given notice that on March 10, 2021, Johnson City Energy Authority dba BrightRidge filed an Application for a Certificate of Public Convenience and Necessity to Provide Competing Intrastate and Local Telecommunications Services.

This 10th day of March, 2021

Johnson City Energy Authority dba BrightRidge

BY: /s/ Terri K. Firestein

Terri K. Firestein, Compliance Officer

EXHIBIT K

NUMBERING ISSUES

Please provide answers to the following questions concerning numbering within your proposed service areas.

1. What is your company's expected demand for NXXs per NPA within a year of approval of your application? Applicant may potentially need to establish a Local Routing Number (LRN) in each LATA where a Point of Interconnection is established. This will require a new NPA-NXX to be opened by iconectiv (formerly Neustar). In addition we anticipate the need to acquire number block codes to cover an estimated ten to (10) rate centers.
2. How many NXXs do you estimate that you will request from NANPA when you establish your service footprint? Please see response to #1.
3. When and in what NPA do you expect to establish your service footprint? This has not yet been determined.
4. Will the company sequentially assign telephone numbers within NXXs? Yes
5. What measures does the company intend to take to conserve Tennessee numbering resources? Applicant will assign telephone numbers in compliance with ATIS and iconectiv telephone number management guidelines.
6. When ordering new NXXs for growth, what percentage fill of an existing NXX does the company use to determine when a request for a new NXX will be initiated? iconectiv requires that seventy-five percent (75%) of telephone numbers be assigned in a code before a growth code can be acquired. Applicant will comply with all industry numbering guidelines.

EXHIBIT L

TENNESSEE SPECIFIC OPERATIONAL ISSUES

Tennessee Specific Operational Issues

Please provide answers to the following questions concerning Tennessee Specific Operational Issues.

1. How does the company intend to comply with TCA §65-21-114? In its description, please explain technically how the company will not bill for countywide calls within Tennessee.

Applicant provides unlimited local and long distance as part of its base telephone service product.

2. Is the company aware of the Tennessee County Wide Calling database maintained by AT&T (BellSouth) and the procedures to enter your telephone numbers in the database? **Yes, to the extent this database continues to be required to be supported Applicant will maintain procedures to do so.**

3. Is your company aware of the local calling areas provided by the Incumbent Local Exchange Carriers in your proposed service areas?

Yes, we maintain a reference copy of the Incumbent Local Tariffs in our business office.

4. Explain the procedures that will be implemented to assure that your customers will not be billed long distance charges for calls within the metro calling areas.

Applicant provides unlimited local and long distance as part of its wholesale telephone service product.

5. Please provide the name and telephone number of an employee of your company that will be responsible to work with the TPUC on resolving customer complaints. **Tiphonie Watson, 423-952-5000.**

6. Does the company intend to telemarket its services in Tennessee? If yes, is the company aware of the telemarketing statutes and regulations found in TCA §65-4-401 *et seq.* and Chapter 1220-4-11? **Applicant is aware of the telemarketing statutes and regulations found in TCA §65-4-401 *et seq.* and Chapter 1220-4-11 it does reserve the right to employ telemarketing.**

EXHIBIT M
BEFORE THE
TENNESSEE PUBLIC UTILITY COMMISSION

Docket No. _____

IN RE: JOHNSON CITY ENERGY AUTHORITY dba BRIGHTRIDGE

Application for a Certificate to Provide Wholesale Competing Intrastate and
Local Exchange Telecommunications Services

PRE-FILED TESTIMONY

OF

STACY EVANS, CHIEF BROADBAND & TECHNOLOGY OFFICER

ON BEHALF OF

JOHNSON CITY ENERGY AUTHORITY dba BRIGHTRIDGE

Q: Please state your name and business address.

A: My name is Mr. Stacy Evans. My business address is:

BrightRidge
2600 Boones Greek Rd.
P.O. Box 1636, Johnson City, TN 37605
www.brightridge.com
Phone/office: 423-952-5198
Fax: 423-610-6599

Q: By whom are you employed and in what capacity:

A: I am employed by BrightRidge as the Chief Broadband and Technology Officer.

Q: Please briefly describe your background and qualifications.

A: I hold a Master of Business Administration and a Bachelor of Information Technology from King University. I have thirty-three years of experience working in telecommunications networking and management. Prior to coming to BrightRidge I served for over sixteen years in the telecommunications division of Bristol Virginia Utilities located in Bristol, Virginia in the capacities of Lead Network Engineer and Manager of Network and Fiber Engineering. In 2002 I was involved with the launch of BVU OptiNet, the first municipal broadband network in Virginia providing triple-play services over a 100% fiber optic network. I joined BrightRidge in 2018.

Q: For whom are you testifying in this matter?

A: I am testifying on behalf of BrightRidge.

Q: Please provide a description of your company?

A: Based in Johnson City, Tennessee, BrightRidge is currently a retail intrastate/local exchange and long-distance telephone service provider, video provider, broadband services provider mainly providing service using a 3rd party host provider. BrightRidge is deploying a combination of Fiber-optic and Fixed Wireless network technologies over an eight-year build-out to serve and benefit approximately 80,000 retail customers in the Johnson City Electric Authority's service footprint. BrightRidge will expand to provide wholesale, fiber optic transport service and other enhanced service options to other service providers and carrier customers in Tennessee and Virginia.

Q: What is the purpose of your testimony?

A: The purpose of my testimony is to support the authorization of a Certificate of Public Convenience and Necessity for BrightRidge to provide intrastate and local service on a resale, facilities and wholesale basis throughout the State of Tennessee. Additionally, my testimony is intended to illustrate to the TPUC that BrightRidge is well qualified financially, technically and managerially to provide the services for which it seeks authority within the State of Tennessee.

Q: Are you familiar with the Application submitted by BrightRidge to this Commission?

A: Yes, I am familiar with the application submitted to the Commission by BrightRidge.

Q: Do you ratify and confirm the statements made therein?

A: Yes, I ratify and confirm the statements made therein.

Q: What type of service does BrightRidge propose to provide within the State of Tennessee?

A: BrightRidge seeks authority to provide competing intrastate and local telecommunications services and exchange access services throughout the State of Tennessee on a wholesale basis, with initial service deployment to services providers and carriers that provide service within AT&T and Lumen exchanges in the state of Tennessee. The BrightRidge services will be available on a full-time basis, twenty-four (24) hours a day, seven (7) days a week. BrightRidge intends to offer service providers and carrier customers in the State of Tennessee, value-added options by not only being positioned to specify telecommunications enhancements which embrace emerging technologies, but to actively implement them for consumers. BrightRidge, anticipates the scope of wholesale services will include, but not be limited to: local exchange and extended area service, toll restriction, call management features, Caller ID services, telephone number porting, E-911 emergency services, operator services, private line and special access services, broadband services and transport services. Through its interconnection arrangements with incumbent local exchange carriers, BrightRidge, will offer 911/E911 Emergency Services, and white page directory listing services. Through third-party vendors we shall provide directory

assistance, operator assisted calling, toll-free calling and operator services. Also, through its interconnection arrangements with the incumbent local exchange carriers, BrightRidge, will offer access to the Tennessee Relay Center, and provide free blocking for 900/976 type services as required by the Commission.

Q: How will BrightRidge, provide its services in Tennessee?

A: BrightRidge. intends to deploy service on a wholesale basis utilizing a 3rd Party switch and company owned virtual switch server located in Johnson City, Tennessee. BrightRidge operates a robust operating support system inclusive of order provisioning, customer service, billing and trouble ticketing modules and a fully operational Network Operations Center (NOC) which is supported by redundant back up emergency facilities.

Q: In what areas of the State does BrightRidge propose to provide service?

A: BrightRidge seeks authority to provide wholesale local exchange services, long-distance services and a variety of enhanced products and services throughout the State of Tennessee geared to voice and broadband service providers and carrier customers.

Q: Is BrightRidge currently providing service in any other state?

A: BrightRidge is currently providing retail telephone service in combination with FTTP broadband service and video services in Tennessee today within the service footprint of the Energy Authority (for which a CPCN from the PUC is not required). BrightRidge does not provide service in any other state.

Q: Does BrightRidge, have adequate access to capital necessary to provide the Tennessee intrastate services it proposes to offer?

A: Yes, BrightRidge, possesses the financial qualifications required of applicants for a CPCN to provide basic local exchange service in the State of Tennessee. Financial information is attached to the Application. BrightRidge already owns and operates a switch and operating support system today therefore additional capital expenditures will be related to the fiber facilities buildout and interconnection to the PSTN.

Q: Will BrightRidge, provide its own billing services?

A: Yes, BrightRidge, bills for its services utilizing a third-party billing platform. The invoices are prepared at the corporate headquarters in Johnson City, TN with sufficient detail so that customers can understand what they have purchased and for what price. Customers will not be billed long distance rates for County-Wide calls as required by §6-21-114.

Q: What procedures has BrightRidge put in place to ensure that new customers have affirmatively selected its services?

A: BrightRidge, has procedures in place to ensure that new customers have affirmatively selected its services. Pursuant to Commission rule 1220-4-2-.56, all new customer orders will require a written Letter of Authorization (LOA) and Master Service Agreement (MSA), which will conform to Commission regulations, and must be signed by an authorized party.

Q: Does BrightRidge, have a toll-free customer service number:

A: Yes, BrightRidge does have a telephone phone number that is local to its current service area and a toll-free number shall be established as the service area is expanded. BrightRidge's customer service representatives are prepared to respond to a broad range of service matters; including the types of services offered, billing questions, concerns pertaining to the customer's current service and general telecommunications matters.

Q: Who is the Commission's point of contact for customer service issues?

A: The Commission's point of contact for customer service issues will be:

Tiphane Watson
Customer Support Manager
2600 Boones Greek Rd.
P.O. Box 1636, Johnson City, TN 37605
Telephone: 423-952-5000
Email: twatson@brightridge.com

Q: How will BrightRidge, handle customer complaints?

A: Customers with complaints will have a customer service representative as their first point of contact. Customer service representatives have been trained to respond to usual and customary complaints. They are trained to understand complexity of complaints and will direct calls to appropriate people within the company. They are also familiar with TPUC rules and regulations pertaining to customer complaints. The customer service representative tracks whether or not the customer has been satisfied with the complaint resolution. At all times,

BrightRidge's policy is to treat customers with respect and understanding. If a complaint cannot be resolved, a customer will be given the address and phone number of the TPUC with whom they can file a complaint. As required by Commission rules, upon receiving a complaint forwarded to the Company by the Commission, BrightRidge, will file a written response with the Commission within ten (10) business days.

Q: Has any state ever denied BrightRidge, authority to provide service for any reason?

A: No. BrightRidge, has never been denied authority to provide telecommunications services in any State or jurisdiction for any reason nor has it had any authority revoked.

Q: Will BrightRidge, abide by all applicable Commission rules and regulations?

A: Yes, BrightRidge, will abide by all Tennessee order, laws, rules and regulations applicable to telephone companies that are currently in place or adopted in the future.

Q: How will the public interest be served by approving this Application?

A: The objective of the Federal Telecommunications Act of 1996 is to foster the development of competition for the ongoing benefit of consumers. The telecommunications industry is continually growing and changing. BrightRidge's entry into the wholesale and resale intrastate and local telecommunications markets as well as the broadband market will further enhance competition, expand

the availability of services, strengthen and diversify transport options, all to the benefit of both commercial and residential customers. The demands of a competitive market provide for affordability of services and an assurance of quality service. Service providers who offer competitive pricing, innovative products, and excellent customer service will thrive in the market- place. Consumers will have choices of what service provider best meets their needs. Companies that do not provide service that meets the customer expectations can expect to lose market share and ultimately, be eliminated from the industry. Competing service providers will be required to be innovative, improving the efficiencies of their operations, thereby reducing costs that can be passed on to retail consumers.

Q: Does this conclude your testimony?

A: Yes, this concludes my testimony. I will be happy to provide any additional information the Commission may require. Thank you.