



ANNUAL REPORT

Broadband Plans & Operations

as of June 30, 2025

January 31, 2026

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Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT FINANCE**

Report on Broadband Plans and Operations

Tenn. Code Ann. §§ 7-36-107 et seq. and 7-52-601 et al.

Comptroller Review of Broadband Plans

As of June 30, 2025

Statutory Requirement

Pursuant to Tenn. Code Ann. §§ 7-36-107 and 7-52-601, a municipal energy authority, county, metropolitan government, or incorporated city or town operating an electric plant has the power, with certain limitations, to operate a **broadband** system. These local governments must develop a detailed **business plan** as described in Tenn. Code Ann. § 7-52-602 that is subject to review by the Comptroller's Division of Local Government Finance (LGF). Once a complete plan is submitted, LGF has 60 days to review the plan and present the local government with a report on the plan's feasibility. After the report is presented to the governing body, or after the expiration of the 60-day period, the governing body may proceed with the actions described in statute to approve and initiate the plan.

Key Terms

broadband – as pertaining to this report—the provision of services offered under Title 7, Chapter 52, Part 6, including cable TV and internet service.

business plan – a financial plan containing: a detailed explanation of the services to be provided; proforma financial schedules for proposed system; proposed financing; rate structure; and statistically relevant survey results to support assumptions in the plan, including prospective broadband customers of the electric system residing in the service area.

feasible – a determination that the **business plan**, as presented, is expected to have revenues sufficient to cover expenses and remain cash flow positive.

take rate – is the percentage of electric customers that subscribe to the broadband service. The take rate is a key determinate in projecting the success of a broadband system.

History and Purpose

Tennessee's General Assembly passed legislation in 1999 allowing county, metropolitan, and municipal electric systems to provide **broadband** services to its customers. Later, municipal energy authorities were given this same authority. Pursuant to the 1999 legislation, in 2005, the Comptroller of the Treasury evaluated and reported on the operations of the new systems to the state legislature and recommended that the authority to provide **broadband** services continue. In accord with subsequent

legislation, in 2008 the Comptroller of the Treasury reported to state legislators on a pilot project initiated to determine the feasibility of extending **broadband** services beyond a local government's service area. In the 2008 report, the Comptroller recommended no changes to the existing statutory authority.

Before a local government provides **broadband** services, state law requires that local officials prepare a **business plan** that demonstrates their ability to operate a standalone **broadband** system without subsidies from the electric system. The Comptroller's Local Government Finance division is charged with determining if the **business plan** presented is **feasible** and in compliance with state law. Additional information may be found at: <https://comptroller.tn.gov/office-functions/lgf/resources/broadband.html>.

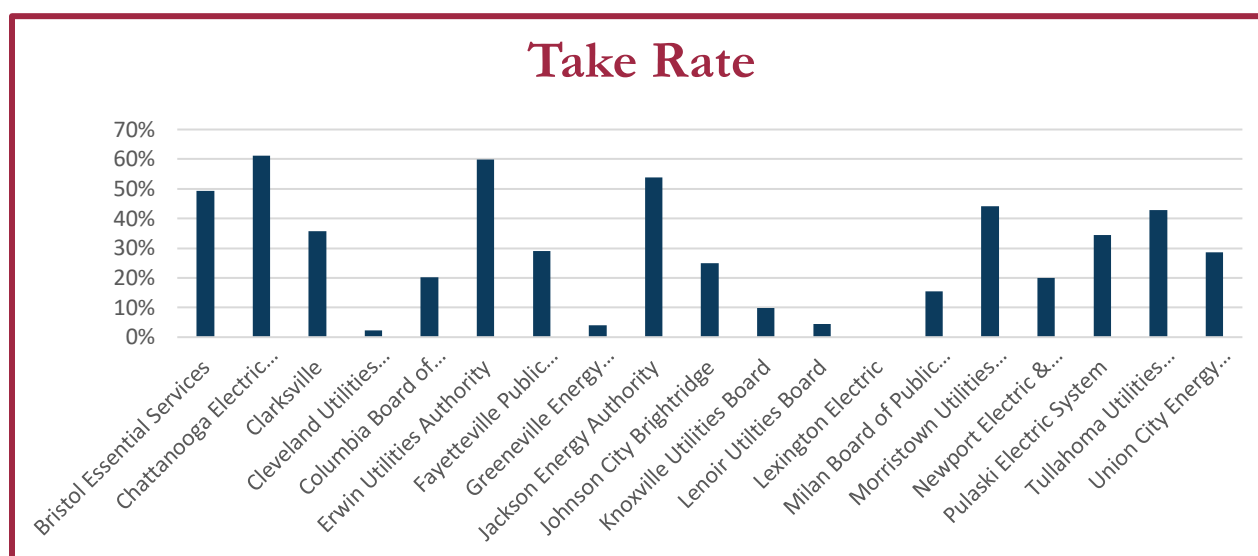
As summarized below, as of June 30, 2025, the Comptroller's Office had reviewed 29 plans for 27 local governments since the law took effect in 1999.

	Feasible	Not able to Determine	Not Feasible	Total Plans
Comptroller Reviews	25	4	0	29

Of the 27 local governments that submitted **business plans** to our office, 21 were providing broadband services, one was building out infrastructure, four did not move forward with providing broadband services, and one sold their system to a private company as of June 30, 2025 (See Appendix B).

Take Rate Summary

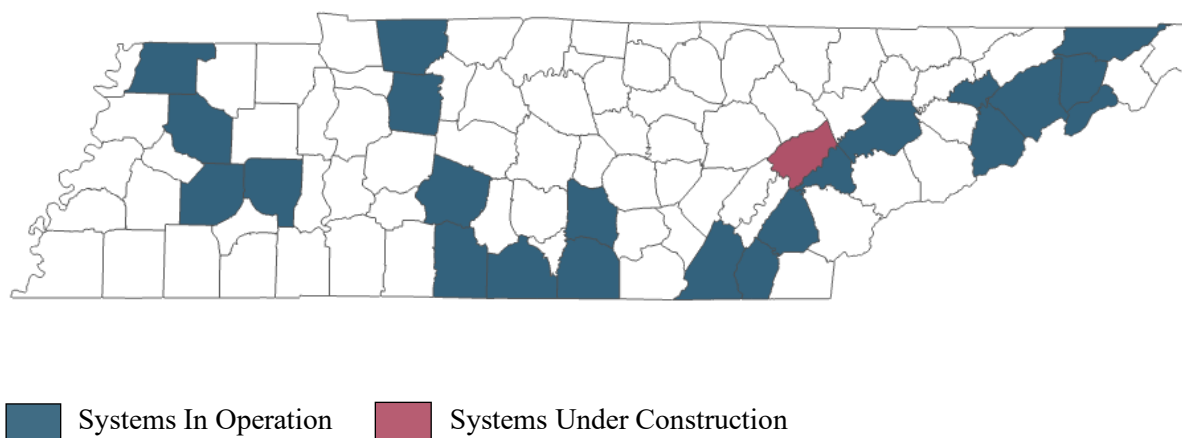
The **take rate** represents the percentage of electric customers that will subscribe to the broadband service and is a key determining factor of the feasibility of a proposed **business plan**. In the **business plan**, the percentage is based upon feedback from customer surveys and can take several years to realize once the system is in operation. For example, the lowest take rates in the following chart represent newer systems that began operations in the past few years.



The above **take rates** are for the 19 systems that reported a customer base in the audit for the fiscal year ended June 30, 2025, that resulted in a take rate greater than 2%. Note: Athens Utility Board, and Dickson Electric System both reported a rate of < 2%.

Map of Local Governments Providing Broadband Services

The following map depicts counties where broadband services were being offered or where broadband infrastructure was being built out by local governments as of June 30, 2025. Twenty-three counties are represented, with the highest concentration in the state's eastern division. Some of the systems serve more than one county. However, only the primary county served is represented below.



Financial Overview of Broadband Systems

As of June 30, 2025, there were 21 local government-run broadband systems in Tennessee, with 20 in operation and one building out infrastructure. The Comptroller's Local Government Finance Division monitors the finances of these systems each year and compiles financial and customer data from the most recent audit for review and analysis. Amounts presented for beginning net position have been adjusted for restatements as presented in the audits when applicable. This information is included in Appendix A and is taken from fiscal year 2025 audits. Copies of the audits can be found at: <https://comptroller.tn.gov/advanced-search>. The system that had not started operations as of June 30, 2025, was the Harriman Utility Board, which has been excluded from the financial overview found in Appendix A.

Telecommunications Joint Venture

As of the date of this report, no joint ventures have been formed pursuant to the Tenn. Code Ann. § 7-59-316.

Local Government Broadband Systems in Operation as of June 30, 2025

Appendix A

	Athens Utility Board	Bristol Tennessee Essential Services	Chattanooga Electric Power Board	Clarksville	Cleveland
First Full Year of Operation	FY 2016	FY 2007	FY 2005	FY 2009	FY 2025
Comptroller Plan Review Status	Feasible	Feasible	Feasible	Feasible	Feasible
Electric Customers	14,129	34,311	202,352	85,569	34,762
Broadband Customers	196	16,951	124,000	30,482	809
Take Rate	1.4%	49.4%	61.3%	35.6%	2.3%
Revenues	\$ 284,743	\$ 23,861,054	\$ 172,267,000	\$ 32,607,210	\$ 331,511
Expenses	150,005	20,152,844	143,010,000	30,744,245	1,303,558
Operating Income	134,738	3,708,210	29,257,000	1,862,965	(972,047)
Other Income	3,197	1,030,768	5,728,000	303,966	(31,022)
Income Before Contributions	137,935	4,738,978	34,985,000	2,166,931	(1,003,069)
Contributions and Transfers	-	(48,073)	151,000	(177,013)	(6,013)
Change in Net Position	\$ 137,935	\$ 4,690,905	\$ 35,136,000	\$ 1,989,918	\$ (1,009,082)
Beginning Net Position	\$ 680,695	\$ 29,380,744	\$ 241,011,000	\$ 20,467,568	\$ (37,294)
Ending Net Position	818,630	34,071,649	276,147,000	22,457,486	(1,046,376)
Change in Net Position as a % Revenues	48%	20%	20%	6%	-304%
Cash	\$ 451,688	\$ 32,579,416	\$ 109,246,000	\$ 8,749,331	\$ 1,037,780

Local Government Broadband Systems in Operation as of June 30, 2025

Appendix A (cont.)

	Columbia Board of Public Utilities	Dickson Electric System	Erwin Utilities Authority	Fayetteville Public Utilities	Greeneville Energy Authority
First Full Year of Operation	FY 2004	FY 2024	FY 2015	FY 2002	FY 2024
Comptroller Plan Review Status	Feasible	Feasible	Feasible	Feasible	Feasible
Electric Customers	37,391	39,006	9,051	19,425	40,954
Broadband Customers	7,522	690	5,411	5,647	1,643
Take Rate	20.1%	1.8%	59.8%	29.1%	4.0%
Revenues	\$ 8,740,598	\$ 2,456,701	\$ 4,224,398	\$ 4,942,478	\$ 1,167,548
Expenses	7,771,813	1,834,333	3,430,391	3,017,786	1,401,423
Operating Income	968,785	622,368	794,007	1,924,692	(233,875)
Other Income	(31,875)	(115,483)	119,623	32,114	(3,279)
Income Before Contributions	936,910	506,885	913,630	1,956,806	(237,154)
Contributions and Transfers	270,508	-	317,000	877,482	-
Change in Net Position	\$ 1,207,418	\$ 506,885	\$ 1,230,630	\$ 2,834,288	\$ (237,154)
Beginning Net Position	\$ 8,446,380	\$ (3,253,991)	\$ 4,588,071	\$ 11,321,778	\$ (523,697)
Ending Net Position	9,653,798	(2,747,106)	5,818,701	14,156,066	(760,851)
Change in Net Position as a % Revenues	14%	21%	29%	57%	-20%
Cash	\$ 1,909,015	\$ 1,620,361	\$ 3,789,787	\$ 3,665,462	\$ 1,535,819

Local Government Broadband Systems in Operation as of June 30, 2025

Appendix A (cont.)

	Jackson Energy Authority	Johnson City Brightridge	Knoxville Utilities Board	Lenoir Utilities Board	(Audit not filed yet) Lexington Electric
First Full Year of Operation	FY 2004	FY 2019	FY 2023	FY 2024	FY 2024
Comptroller Plan Review Status	Feasible	Unable to Determine	Feasible	Feasible	Feasible
Electric Customers	39,149	84,039	226,224	78,027	-
Broadband Customers	21,056	20,972	22,416	3,396	-
Take Rate	53.8%	25.0%	9.9%	4.4%	0.0%
Revenues	\$ 36,478,822	\$ 20,159,557	\$ 17,134,243	\$ 2,130,016	\$ -
Expenses	32,760,861	18,703,956	19,928,122	3,969,206	-
Operating Income	3,717,961	1,455,601	(2,793,879)	(1,839,190)	-
Other Income	(276,100)	(1,237,512)	(1,130,545)	(213,446)	-
Income Before Contributions	3,441,861	218,089	(3,924,424)	(2,052,636)	-
Contributions and Transfers	11,531	-	-	-	-
Change in Net Position	\$ 3,453,392	\$ 218,089	\$ (3,924,424)	\$ (2,052,636)	\$ -
Beginning Net Position	\$ 22,058,946	\$ (18,987,870)	\$ (20,007,830)	\$ (4,016,455)	\$ -
Ending Net Position	25,512,338	(18,769,781)	(23,932,254)	(6,069,091)	-
Change in Net Position as a % Revenues	9%	1%	-23%	-96%	0%
Cash	\$ 7,936,641	\$ 1,235,263	\$ 10,856,874	\$ 112,079	\$ -

Local Government Broadband Systems in Operation as of June 30, 2025

Appendix A (cont.)

	Milan Board of Public Utilities	Morristown Utilities Commission	Newport Electric & Broadband System	Pulaski Electric System	Tulahoma Utilities Authority	Union City Energy Authority
First Full Year of Operation	FY 2020	FY 2007	FY 2019	FY 2007	FY 2010	FY 2018
Comptroller Plan Review Status	Feasible	Feasible	Unable to Determine	Feasible	Feasible	Feasible
Electric Customers	8,534	16,390	24,236	15,247	11,281	6,442
Broadband Customers	1,309	7,246	4,860	5,262	4,840	1,838
Take Rate	15.3%	44.2%	20.1%	34.5%	42.9%	28.5%
Revenues	\$ 382,804	\$ 10,968,415	\$ 3,668,595	\$ 4,094,394	\$ 6,964,826	\$ 1,818,953
Expenses	356,525	10,362,658	3,563,828	2,428,792	5,713,760	899,002
Operating Income	26,279	605,757	104,767	1,665,602	1,251,066	919,951
Other Income	17,056	89,700	(135,924)	232,729	413,926	172,893
Income Before Contributions	43,335	695,457	(31,157)	1,898,331	1,664,992	1,092,844
Contributions and Transfers	-	-	-	-	-	-
Change in Net Position	\$ 43,335	\$ 695,457	\$ (31,157)	\$ 1,898,331	\$ 1,664,992	\$ 1,092,844
Beginning Net Position	\$ 801,747	\$ 11,093,044	\$ (3,107,422)	\$ 4,520,038	\$ 8,877,071	\$ 3,817,921
Ending Net Position	845,082	11,788,501	(3,138,579)	6,418,369	10,542,063	4,910,765
Change in Net Position as a % Revenues	11%	6%	-1%	46%	24%	60%
Cash	\$ 438,048	\$ 4,516,672	\$ 752,731	\$ 6,044,381	\$ 10,546,536	\$ 4,623,169

Local Government Broadband System Plans Reviewed as of June 30, 2025

Appendix B

Local Government	County	Comptroller Report Date	Feasibility Determination	Status
Athens Utility Board	McMinn	June 6, 2002	Feasible	Providing Service
Bolivar Energy Authority	Hardeman	October 29, 1999	Feasible	Did Not Move Forward
Bristol Essential Services	Sullivan	October 7, 2004	Feasible	Providing Service
Chattanooga Electric Power Board (Internet Services)	Hamilton	May 13, 2002	Feasible	Providing Service
Chattanooga Electric Power Board (Cable TV)	Hamilton	August 21, 2007	Feasible	Providing Service
Clarksville	Montgomery	January 11, 2006	Feasible	Providing Service
Cleveland Utilities Authority	Bradley	November 18, 2022	Feasible	Providing Service
Columbia Board of Public Utilities	Maury	<i>Information Not Available</i>	Feasible	Providing Service
Covington	Tipton	December 9, 1999	Feasible	Sold 2007
Dickson Electric System	Dickson	December 28, 2021	Feasible	Providing Service
Erwin Utilities Authority	Unicoi	August 21, 2014	Feasible	Providing Service
Fayetteville Public Utilities	Lincoln	October 27, 1999	Feasible	Providing Service
Greeneville Energy Authority (City)	Greene	December 14, 2022	Could Not Determine	Providing Service
Greeneville Energy Authority (Rural)	Greene	June 21, 2023	Feasible	Providing Service
Harriman Utility Board	Roane	April 5, 2024	Feasible	Building Out
Jackson Energy Authority	Madison	February 28, 2002	Feasible	Providing Service

Local Government Broadband System Plans Reviewed as of June 30, 2025

Appendix B (cont.)

Local Government	County	Comptroller Report Date	Feasibility Determination	Status
Johnson City Energy Authority (BrightRidge)	Washington	June 21, 2018	Could Not Determine	Providing Service
Knoxville Utilities Board	Knox	May 11, 2021	Feasible	Providing Service
Lenoir Utilities Board	Loudon	December 17, 2021	Feasible	Providing Service
Lexington Electric	Henderson	February 18, 2022	Feasible	Providing Service
Milan Board of Public Utilities	Gibson	June 21, 2018	Feasible	Providing Service
Morristown Utilities Commission	Hamblen	July 25, 2000	Feasible	Providing Service
Newport Electric & Broadband System	Cocke	May 17, 2017	Could Not Determine	Providing Service
Paris Utilities Authority	Henry	November 7, 2019	Could Not Determine	Did Not Move Forward
Pulaski Electric System	Giles	June 7, 2002	Feasible	Providing Service
Springfield	Robertson	March 20, 2002	Feasible	Did Not Move Forward
Tullahoma Utilities Authority (Plan Resubmitted)	Coffee	March 5, 2007	Feasible	Providing Service
Union City Energy Authority	Obion	August 15, 2016	Feasible	Providing Service
Winchester	Franklin	May 6, 2004	Feasible	Did Not Move Forward