



2005 revenues projected at \$61.6 million

Conway Corporation's 2005 budget, approved by its board of directors on November 16, 2004, projects total operating revenues topping \$61.6 million. The four-department budget is up slightly from 2004's \$58 million estimated revenues. Total net income is projected at \$5,672,000.

In general, the 2005 projections are very conservative. A slight increase in 2005 revenues is expected. Revenue and expense projections were derived by looking at results from the past few years and estimating what the results will be for the coming year based on historical trends. (Department breakdowns in box at right.)

2005 Conway Corporation Budget

Electric Department	2004 Actual	2005 Budget
Operating Revenues	36,735,000	38,295,000
Operation & Maintenance Expenses	33,718,000	36,597,000
Net Operating Income	3,017,000	1,698,000
Non-Operating Revenues	734,000	755,000
Non-Operating Expenses	1,010,000	424,000
Total Net Income	2,741,000	2,029,000
Water Department	2004 Actual	2005 Budget
Operating Revenues	5,762,000	6,045,000
Operation & Maintenance Expenses	4,299,000	4,616,000
Net Operating Income	1,463,000	1,429,000
Non-Operating Revenues	174,000	160,000
Non-Operating Expenses	553,000	509,000
Total Net Income	1,084,000	1,080,000
Wastewater Department	2004 Actual	2005 Budget
Operating Revenues	4,038,000	4,512,000
Operation & Maintenance Expenses	3,767,000	3,913,000
Net Operating Income	271,000	599,000
Non-Operating Revenues	35,000	10,000
Non-Operating Expenses	329,000	307,000
Total Net Income (Loss)	(23,000)	302,000
Cable TV Department	2004 Actual	2005 Budget
Operating Revenues	11,729,000	12,785,000
Operation & Maintenance Expenses	9,162,000	10,364,000
Net Operating Income	2,567,000	2,421,000
Non-Operating Revenues	38,000	40,000
Non-Operating Expenses	280,000	200,000
Total Net Income	2,325,000	2,261,000

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This newsletter is published bimonthly by Conway Corporation, operators of the city-owned electric, electronic, and water systems. Conway Corporation is a not-for-profit organization committed to providing the best possible utility service to its customers, consistent with sound and prudent business management practices. Customer comments are welcome. Address: Conway Corporation Newsletter, P.O. 99, Conway, AR 72033 Phone: 450-6000

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Advertise and win on Channel 81 Classifieds

Conway Corporation Channel 81 Classifieds gives customers the opportunity to reach 95% percent of the homes in Conway with their classified ad, according to Linda Johnson, ad sales/communications manager.

In addition to placing items for sale, customers can participate in and vote in 81's "Captured Moments" photo contest and test their knowledge by responding on-line to 5

featured trivia questions.

Plus, throughout the month of January, advertisers will be entered in a drawing to win a hp photosmart 7760 printer.

Rates begin at \$10 per week for text-only ads and \$15 per week with a photo or graphic. For more information contact Johnson at 450-6025, or click on the 81 Classifieds logo at www.conwaycorp.net.

Cable Privacy Notice

The Federal Cable Communications Act [47 U.S.C. 551] contains certain provisions regarding the collection and disbursement of personally identifiable information by cable television operators. In accordance with those provisions, Conway Corporation collects and maintains personally identifiable information concerning customers. That information includes, among other things, your name, address, phone number, billing records, service maintenance and repair records, subscriber selection subscription information, marketing information and customer complaints.

Personally identifiable information is generally used for the normal business purpose of offering and rendering cable television service and other services to you. Some persons have access to such information, when necessary, in connection with our business or when otherwise desirable. Access may be on a day-to-day basis. Those people who have access include cable system employees, businesses which provide services to the cable system, such as our accountants, billing and collection services, program and program guide providers where applicable, program services which will periodically audit subscription information. The cable system will not maintain such information after it is no longer necessary for carrying on our business.

As a customer, you may review any personal information held by us which pertains to you if you give us a reasonable period of time to locate and, if necessary, prepare information for review. Preparation is sometimes necessary to avoid disclosure of information relating to other customers. If you wish to review your personal information, please contact us by letter or telephone to arrange for a review. The review will be at our 1307 Prairie Street office. You may request correction of any errors in personal information which we collect and maintain pertaining to you. Federal law prohibits collecting any personally identifiable information other than information necessary to carry on our business or to detect theft of service, unless you consent.

To the extent that we are permitted to collect personally identifiable information, we are permitted to disclose such information only to the extent necessary to conduct our business. Conway Corporation does not disclose your name and address for non-cable service related mailing lists. Conway Corporation is permitted to contact you regarding cable television services. We may do this directly or contract with an outside company to do this solely for the benefit of Conway Corporation. If you do not wish to be contacted even in limited situations described above, or if you wish to limit the circumstances in which we will disclose it, please obtain, fill out and return a no contact form from our Prairie Street office.

Except as indicated in the preceding paragraph, we may not disclose personally identifiable information without your consent, unless we are required to do so by court order. If we are served with a court order requiring disclosure of personally identifiable information concerning a customer, we will inform the customer before any information is released. Under some circumstances, a governmental entity may seek a court order to obtain personally identifiable information from the cable system concerning a cable customer. The customer must be given an opportunity to consent to issuance for such an order. A governmental entity may, however, be given information authorized under titles 119, 121 or 206 of Title 18 (U.S.C.) but shall not include subscriber selection of video programming

Any person aggrieved by an act of a cable operator in violation of these federal limitations on the collection and disclosure of personally identifiable information may bring a civil action in a United States District Court to enforce the limitations.

Digital Basic

- 101 Biography
- 102 History International
- 103 BBC America
- 104 WE - Women's Entertainment
- 105 Lifetime Movies
- 106 Hallmark Channel
- 108 AETN2
- 109 Discovery Home
- 110 Discovery Times
- 111 Military Channel
- 112 The Science Channel
- 113 Discovery Kids
- 116 Nick Toons
- 117 Nick GAS
- 118 Noggin
- 119 Boomerang
- 120 WAM
- 121 Encore East
- 122 Encore West
- 123 Westerns East
- 124 Westerns West
- 125 True Stories East
- 126 True Stories West
- 127 Mystery East
- 128 Mystery West
- 129 Love East
- 130 Love West
- 131 Action East
- 132 Action West
- 133 Fox Movies
- 134 Trio
- 135 G4tech TV
- 136 DIY
- 137 Speed Channel
- 138 Fox Soccer Channel
- 139 FCS Pacific
- 140 FCS Central
- 141 FCS Atlantic
- 142 ESPNews
- 143 The Sportsman Channel
- 160 Great American Country
- 161 VH1 Classic
- 162 MTV2
- 163 MTV Hits

Digital Basic \$51.00
 Standard Package = 71 Channels
 Digital Basic = 44 Channels
 DMX Music = 45 Channels
 Conway Corporation iNDEMAND = 28 Channels
 Digital Receiver and Remote
Total Channels = 188

HDTV Digital Basic

- 501 KATV HD, ABC - Little Rock
- 502 KTHV HD, CBS - Little Rock
- 505 PBS HD
- 506 INHD
- 507 INHD2
- 508 ESPN HD
- 509 Discovery HD
- 510 KLRT, Fox HD - Little Rock

HDTV Digital Pack \$64.95
 Standard Package = 71 Channels
 Digital Basic = 44 Channels
 DMX Music = 45 Channels
 Conway Corporation iNDEMAND = 28 Channels
 HDTV Channels = 8
 HD Receiver and Remote
Total Channels = 196

What is the difference between HDTV and Digital Cable?

Digital Cable is a type of television signal. HDTV, or high definition, is the highest quality in digital signals, offering better resolution and sound than a standard digital signal. **Digital cable can be watched on your existing standard television** if you have one of our digital receiver boxes. Digital Cable can also be watched in high definition if you own a HDTV television and you have a HD compatible, digital receiver.

HDTV is actually the high-end of digital television. HD is the new standard of television technology, which provides wide-screen picture quality similar to 35mm film along with compact disc (CD) sound quality. The hallmark of a true HDTV is the rectangular "wide" screen and the high resolution of display. From a viewer's perspective, High Definition translates to better visual and acoustic enjoyment when watching TV. Wide screen is defined as 16:9 ratio of width to height. An analog TV has a 4:3 ratio.

Dell named engineering and planning department assistant manager



Greg Dell

Conway Corporation water/water systems designer and CAD administrator, Greg Dell, has been promoted to engineering and planning department assistant manager.

Hired in 1985, Dell started as an engineering assistant. He advanced to water and water systems designer in 1995 and was made CAD administrator in 2001.

Trinity Broadcasting Network dropped from lineup—

Network name changes on tap for first quarter

Conway Corporation customers will see several changes in their digital cable lineup in the coming weeks. Discovery Wings will become the Military Channel on January 10, and Fox Sports World becomes Fox Soccer Channel on February 7.

In addition to these name changes, all cable customers will see changes in Local Edition on Headline News, channel 14.

Turner Networks has adjusted the hours and days during which Local Edition on Headline News will be available. Beginning January 31, Local Edition will not be available Monday through Friday between the hours of 6 and 7:30 p.m. and 9 p.m. and 1 a.m. Local Edition will continue to be available during each hour on weekends.

In addition, Conway Corporation's contract with TBN (Trinity Broadcasting Network), channel 77, expired on December 31. This network will no longer be available on Conway Corporation's cable system. However, TBN has a live stream of its programming on the Internet at www.tbn.org.

"The loss of TBN 'frees up' some much needed bandwidth and will allow us to consider adding other additional networks to our digital basic lineup," said CEO Richard Arnold.

"We are evaluating the Gospel Music channel, FamilyNet and Inspiration Network. We hope to present a recommendation to the programming advisory committee in the near future."



CURRENTLY UNDER CONSTRUCTION

- Gleason Water Treatment Plant Expansion – Water
- Dave Ward Sewer Project (Intersection of Dave Ward & Country Club) – Sewer
- Sewer System Rehabilitation – Sewer
- Conway Commons Subdivision – CATV
- Moix Meadows Subdivision – Electric and CATV
- Cresthaven Subdivision "Phase 2" – Electric and CATV
- Bristol Subdivision – Electric, Water, Sewer and CATV
- Faulkner County Jail - South German Lane – Water and Sewer
- Pepsi USA Building, UCA – Electric and CATV
- Padgett Road – Water
- Dave Ward & Trey Lane - Trunk Extension – CATV
- Nutter's Crossing Subdivision – Water & Sewer
- Circuit W201, Tyler Street – Electric and CATV Transfer
- Circuit W203 Rebuild, Trey Lane to Prince to Padgett Road – Electric
- Quail Run Subdivision – Electric and CATV
- The Fairways at Centennial "Phase 4" – Electric and CATV
- Weatherstone Subdivision – Water and Sewer
- Middle Road - Natural Resources Center – CATV



Subscribe to Conway Corporation's HBO Package and receive **HBO and Cinemax for the price of HBO for two months!**

Call 450-6000 and get 7 channels of HBO and 8 channels of Cinemax with digital cable!

Limited time offer begins 1/1/2005 and expires 2/28/2005. Monthly cable TV and equipment fees are additional. Any introductory premium service subscription offers are good only for the time specified; thereafter standard monthly premium fees apply. Limited cable required to receive optional service features. Offer may vary and other restrictions may apply.

Thoughts on paper

Communities cannot progress without investing in their infrastructure—roads, bridges, water systems, sewer, electric, sidewalks, shopping facilities, schools, hospitals and recreational facilities. Conway citizens have witnessed a vast array of infrastructure construction in recent years.

Our policy is that all of the new water distribution lines and wastewater collection lines and certain electric and cable plant are installed at the property-owner or developer's expense. As such, these infrastructure additions are not funded

by utility rates. The beneficiary of the infrastructure bears its cost.

In recent years, our annual capital budget has included major line relocations driven by the road construction necessitated by our city's growth. For example, recent road construction at the Exit 129 overpass required the relocation of water lines, as did the improvements at Donaghey and Tyler. Conway Corporation's cost for the overpass—\$133,000; for Donaghey and Tyler—\$388,900. Construction on Dave Ward Drive in 2001,

called for the relocation and construction of water, sewer, electric and cable service.

Approximate cost: \$1.8 million. The Highway 25 interchange construction on tap for 2005 will require water, electric and cable construction and is budgeted at \$753,400. Because often our utility lines are in the street right-of-way, Conway Corporation must bear the cost of their relocation.

We also coordinate with the City of Conway Street Department. We evaluate their street improvement plans and our utility plant beneath

those streets. When warranted and to protect the city's investment in its streets, we will replace our water or sewer mains at our expense.

Road construction within our city is becoming a "norm". Conway Corporation must be prepared to fund its line relocations and replacements when this construction makes it necessary.

RICHARD ARNOLD
CHIEF EXECUTIVE OFFICER