

OFFICIAL FILE

COMPANY: Peak Communications, Inc.
 DATE: 10-Aug-00
 PURPOSE: Cash Flow Statement

I.C.C. DOCKET NO. 00-0453
71 Ret Exhibit No. 0
 Witness C. Waller
 Date 8/15/00 Reporter _____
 Year 1 Year 2

OPERATING ACTIVITIES:

Net income (loss)	(54,289)	149,822
Adjustments to reconcile net income:		
Depreciation and Amortization	45,000	65,000
Provision for Uncollectibles	698	3,864
Deferred Income Taxes	0	0
Decrease (Increase) in Accounts Receivable	(13,967)	(63,314)
Decrease (Increase) in Inventories	(5,000)	(500)
Changes in Other Operating Assets	(1,500)	(150)
Increase (decrease) in Accounts Payable	67,606	98,138
Changes in Other Operating Liabilities	1,000	50
Other Adjustments - Credits	0	0
Other Adjustments - Debits	0	0
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	39,548	252,910

INVESTING ACTIVITIES:

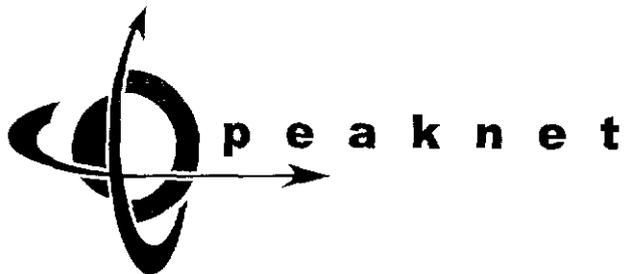
Capital Expenditures	(450,000)	(200,000)
Proceeds from the Disposal of Property	0	0
Other Investing Activities	0	0
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(450,000)	(200,000)

FINANCING ACTIVITIES:

Issuance of Long-term Debt	500,000	0
Repayments of Long-term Debt	(9,913)	(40,908)
Proceeds from Issuance of Preferred Stock	60,000	0
Proceeds from Issuance of Common Stock	2,000	0
Dividends Paid	0	0
Increase (Decrease) in Short-term Borrowings	0	0
Other Financing Activities	0	0
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	552,087	(40,908)

Net (decrease) increase in cash and cash equivalents	141,636	12,002
Cash and cash equivalents at beginning of period	0	141,636
CASH AND CASH EQUIVALENTS AT END OF PERIOD	141,636	153,637

Year 3	Year 4	Year 5	
181,938	161,419	176,486	
100,000	120,000	145,000	
5,348	6,709	7,946	
0	0	0	
(29,685)	(27,212)	(24,738)	
(550)	(605)	(666)	
(165)	(182)	(200)	
52,167	90,600	66,169	
53	55	58	
0	0	0	
0	0	0	
309,105	350,785	370,055	
(350,000)	(200,000)	(250,000)	
0	0	0	
0	0	0	
(350,000)	(200,000)	(250,000)	
0	0	0	
(46,096)	(51,942)	(58,530)	
0	0	0	
0	0	0	
0	0	0	
70,558	(33,175)	(37,383)	0
0	0	0	
24,462	(85,117)	(95,913)	
(16,433)	65,668	24,142	
153,637	137,204	202,872	
137,204	202,872	227,014	



Mr. Dan Kinnick
Vice President, Strategic Sales
Solunet Inc.
Suite 110
1571 Robert J. Conlan Boulevard
Palm Bay, Florida 32905

Dear Dan,

In response to your letter, Peak Communications will be issuing Solunet, Inc. 600 shares of \$100.00 par value preferred stock in payment of maintenance and engineering services. We are truly excited to have you as a part of our team assisting us to serve our customers, as we become a CLEC. We have enjoyed a long and beneficial relationship, and look forward to continuing to work together.

Very truly Yours,

A handwritten signature in cursive script that reads "Grant Wuller".

Grant Wuller
President
Peak Communications



Mr. Grant Wuller
President
Peak Communications
6400 West Main Street
Suite 1A
Belleville, IL 62223

Dear Grant,

In response to our telephone conversation, Solunet will be pleased to provide maintenance and network engineering to Peak Communications. Solunet's maintenance group called SoluServe will be providing the required services. Once your switch and other equipment are selected, they will be contacting you to finalize the arrangements.

We will provide these services on an annual basis renewable anytime prior to the end of the current service year. The charge for this service is \$60,000 per year. We discussed payment terms and I understand your position. Your offer is unusual; however, we will accept Peak Communications' 600 shares of \$100.00 par value preferred stock in payment. This is for the first year of service only. Any future services will be based on our normal credit terms.

Thank you for selecting Solunet. We appreciate your business and look forward to helping you make your business grow.

Very truly Yours,

A handwritten signature in black ink, appearing to read "Dan Kinnick", is written over a horizontal line.

Dan Kinnick
Vice President, Strategic Sales

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