

Memphis Light, Gas and Water

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ELECTRIC, GAS AND WATER Service Policy Manual

2012



MEMPHIS LIGHT, GAS AND WATER DIVISION

MEMPHIS, TENNESSEE

MLGW Electric, Gas and Water Service Policy

This Service Policy Manual was approved by the Memphis Light, Gas and Water Board of Commissioners (MLGW) on December 1, 2011 to become effective January 1, 2012.

PREFACE

This manual contains both a "Schedule of Rules and Regulations" and also the more detailed implementing policies now in effect.

These policies are established as guidelines and authority for the conditions under which MLGW will provide service to a customer or group of customers.

It is neither practical nor desirable to write such a voluminous document in which every conceivable condition or situation is covered in complete detail. Instead, this booklet covers most of the recurring situations where standardized policies and practices have been established.

With the exception of the President/CEO, or his designee, no officer, employee or agent of MLGW has authority to waive the provisions of this Electric Gas and Water Service Manual unless specifically authorized to do so by the Board of Commissioners of the Memphis Light, Gas and Water Division.

Any deviations or exceptions made by the President/CEO shall be presented to the Board of Commissioners for review within 30 days. The Board may delegate this authority from time to time as necessary. The Board may revise this manual at any time and may modify or suspend any portion of it temporarily or permanently.

The policies contained in this document are subject to an annual review and may be amended from time to time as necessary.

This document supersedes all previous service policies.

MLGW ELECTRIC, GAS and WATER SERVICE POLICY

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1 GENERAL

1.1 SCOPE

This schedule of rules and regulations is incorporated by reference into all electric, gas and water service contracts between MLGW and its customers and applies to all service received from MLGW, whether the service is based upon written, implies contract, signed application, rate schedule, or otherwise. A copy of this schedule, together with a copy of MLGW's schedule of rates and charges, will be kept open to inspection at the offices of MLGW.

A copy of the schedule and all other pertinent documents can be examined during business hours at 220 South Main Street and are available on MLGW's website www.mlgw.com.

1.2 REVISIONS

These rules and regulations may be revised, amended, supplemented, or otherwise changed from time to time, without notice. Such changes, when effective, will have the same force as the present rules and regulations.

1.3 APPLICATION OF POLICIES

Nothing contained in these policies will affect or prejudice any rights of MLGW under any existing contract or release or discharge any existing obligation to MLGW.

1.4 CONFLICTS

In case of conflict between any provision of any rate schedule and these service policies, the rate schedule will apply.

Rate schedules and the conditions outlined therein are changed periodically; therefore, it is recommended that all concerned determine that they have the latest applicable rate schedules before making decisions regarding them.

1.5 INVALIDATION

Invalidation of any portion of this manual will affect only that portion. Portions unaffected by the invalidation will remain in full force and effect.

1.6 AUTHORITY OF THE BOARD

Electric, Gas and Water service will be furnished to all customers requesting service whenever existing electric, gas and water distribution facilities are adequate. Notwithstanding anything contained in this manual, the Board of Commissioners reserves the right to refuse to make, or to postpone making any extensions, additions or improvements to the electric, gas or water system or to prescribe the terms and conditions upon which service will be rendered in any particular case. In all matters involving the exercise of judgment or discretion, the decision of the Board of Commissioners will be final and the determination by the Board of all disputed questions of fact arising under these policies likewise will be final.

1.7 MLGW'S RESPONSIBILITY TO THE CUSTOMER

Service rendered will be non-discriminatory in nature within any class of service provided. No group, organization, business or individual within a single class of service will receive preferential treatment.

1.8 MLGW'S RIGHT TO REFUSE OR DISCONTINUE SERVICE

MLGW reserves the right to refuse to connect or to discontinue service to a customer for sufficient cause including but not limited to the following:

- 1) For violation by the customer of any of MLGW's rules, regulations, policies, contract, service agreements, or for theft of service.
- 2) MLGW reserves the right under this policy to refuse to serve any customer which is in so remote a location from existing facilities that service would not be feasible.
- 3) The furnishing of electric, gas or water service would be

detrimental to the safe and continued operation of the electric, gas or water distribution system or to the adequacy of supply to existing customers or could present an unsafe or hazardous condition to any person or property.

- 4) Any connected appliances or devices on the customer's side of the electric, gas or water, meter is not properly installed, of improper design or capacity, or is in such condition that unsafe operation of any component, appliance or service is likely.
- 5) A customer has not complied with all applicable provisions of these service policies and applicable codes and ordinances.
- 6) The furnishing of service or services would require the uneconomical operations of the existing distribution system.
- 7) The customer has attempted to tamper with or interfere with the proper operation of any of MLGW's equipment including but not limited to meters, regulators, valves of control devices.
- 8) MLGW's meters or other equipment are not accessible to MLGW employees.
- 9) MLGW is instructed to withhold service by any authority having such jurisdiction.

1.8.1 DISCONTINUANCE OF ELECTRIC, GAS OR WATER SERVICE WITHOUT NOTICE

MLGW will discontinue immediately, and if necessary, without notice, electric, gas or water service to any existing customer when in MLGW's opinion any of the following exist:

1. The continued furnishing of service would be detrimental to the safe and continued operation of the distribution system or to the adequacy of supply to existing customers or could present an unsafe or hazardous condition to any person or property.
2. The customer has attempted to tamper with or interfere with the proper operation of any item of MLGW's equipment such as meters, regulators, valves, or control devices.

3. MLGW is instructed to discontinue service by any authority having such jurisdiction.
4. Any connected appliances or devices on the customer's side of the electric, gas or water, is not properly installed, of improper design or capacity, or is in such condition that unsafe operation of any component, appliance or service is likely.

1.8.2 FAILURE TO PAY

If a bill is not paid on or before the delinquent date as indicated on a final notice, service will be discontinued without further notice and not resumed until the bill is paid. Neither MLGW nor the City of Memphis will be liable for damages resulting from the discontinuing of service after the delinquent date. The discontinuance of service by MLGW for any cause does not release the customer from obligation to MLGW for the payment of bills. See MLGW's Customer Care Policy at www.MLGW.com Section 103.10 'Monthly Utility Bill and Payment Due Dates'.

1.9 RIGHT OF ACCESS

All equipment on customer's premises belonging to MLGW will be readily accessible to MLGW's identified employees at all reasonable times for all necessary purposes such as reading meters or gauges, testing, maintaining, repairing, installing, removing and/or exchanging equipment.

All MLGW employees are furnished with a distinctive identification card which will be presented upon request.

READILY ACCESSIBLE SHALL MEAN: Capable of being reached quickly for operation, renewal or inspections, without requiring those to whom ready access is requisite to climb over or remove obstacles or to resort to portable ladders, chairs, etc.

1.10 MLGW LIABILITY ON CUSTOMER'S PREMISE

In the absence of a written contract to the contrary, any service rendered by MLGW to any customer in testing, inspecting, adjusting, repairing, or installing electric, gas or water facilities owned by the customer will be for the convenience of the customer. While engaged in such work, MLGW or its agents will not be liable for any loss or damage resulting there from and the customer will protect and indemnify MLGW against such loss or damage.

2 CONTINUITY OF ELECTRIC, GAS AND WATER

2.1 ADEQUATE CONTINUOUS SUPPLY OF UTILITIES

MLGW will use all reasonable diligence to provide, but does not guarantee a continuous and adequate supply of electric, gas and water.

2.2 MLGW's LIABILITY

MLGW will use reasonable diligence in supplying electric, gas or water, but neither MLGW nor the City of Memphis will be liable for breach of contract in the event of, or in tort, for loss, injury, or damage to persons or property resulting from interruption in service, excessive or inadequate voltage or pressure, single phase, or otherwise unsatisfactory service. Such interruptions of service will include, but not be limited to, a reduction of MLGW's electric or gas energy by its supplier thereof or by rules and regulations promulgated by duly authorized federal, state, or local governmental agency. If practical, MLGW will notify customers in advance of its intention to make total or partial discontinuance of service. Service must not be resumed by the customer after any interruption until permission is obtained from MLGW. Service will be resumed as soon as practical after the cause(s) of the interruption have been removed.

2.3 INTENTIONAL INTERRUPTION OF SERVICE BY MLGW

When MLGW deems it necessary for the protection of the supply of electric, gas or water or for the protection of MLGW's system, the supply of electric, gas or water may be immediately discontinued in whole or in part. All electric gas and water sold to customers is subject to interruption, discontinuance or curtailment by MLGW, regardless of priority observance, when an emergency exists or is imminent, justifying such interruption, discontinuance or curtailment.

2.4 MLGW's REPONSIBILITY FOR SERVICE FAILURE DUE TO FORCE MAJEURE

MLGW will not be responsible for any failure, shortage, or interruption of electric, gas or water service due to Force Majeure. Force Majeure means an act of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning,

earthquakes, fires, storms, floods, washouts, arrests and restraint of rulers and peoples, civil disturbances, explosions, breakage or accidents to the electric, gas or water system or the necessity for making repairs or alterations in machinery or transmission or distribution lines or any other cause, whether of the kind herein enumerated or not, not within the control of MLGW and which, but the exercise of reasonable care, MLGW is unable to prevent or overcome and whether occurring on MLGW's distribution system or on the transmission lines by which electrical, gas or water is delivered to MLGW.

2.4.1 ADJUSTMENTS DUE TO FORCE MAJEURE - ELECTRIC

When Force Majeure occurs on MLGW's system and the shortage or interruption of delivery of electrical energy due to the Force Majeure is for a period of seventy-two (72) hours or longer, MLGW will prorate the demand charge and/or minimum bill for that part of the billing period in which delivery of electrical energy was not affected by Force Majeure.

2.4.2 ADJUSTMENTS DUE TO FORCE MAJEURE - GAS

When Force Majeure occurs on MLGW's systems and the shortage or interruption of delivery of gas due to the Force Majeure is for a period of seventy-two (72) hours or longer, MLGW will pro-rate the demand charge and/or minimum bill for that part of the billing period in which delivery of gas was not affected by Force Majeure. In no case will the demand charge and/or the minimum bill be less than 95% of the customer's highest maximum daily demand during the twelve (12) month period ending with the billing month multiplied by the sum of the maximum demand charge per CCF MLGW is paying for pipeline service on behalf of the customer plus the average reservation charge per CCF (if any) MLGW is paying for gas supply.

2.5 CUSTOMER'S RESPONSIBILITY FOR SERVICE FAILURES DUE TO FORCE MAJEURE

A customer will not be required to take electric, gas or water service or pay for those utilities not taken during a period of customer's inability to take gas as a result of Force Majeure that is not within the control of the customer and which by the exercise of reasonable care, the customer is unable to prevent or overcome, provided further nothing contained herein will release the customer from any minimum bill requirement other than those occasioned by the inability of MLGW to deliver electric, gas or water; provided further, that when the causes or contingencies cease to be operative, MLGW will resume delivery and customer will resume taking electric gas and/or water service.

2.5.1 ADJUSTMENTS DUE TO FORCE MAJEURE – ELECTRIC

When Force Majeure occurs on a customer's system and the shortage or interruption of delivery of electrical energy due to the Force Majeure is for a period of seventy-two (72) hours or longer, MLGW will prorate the demand charge for that part of the billing period in which the delivery of electrical energy was not affected by Force Majeure, but in no case will the demand charge be less than the un-prorated demand charge that the customer would pay for the demand occurring at the time of MLGW's simultaneous monthly system peak demand.

2.6 STANDBY AND RESALE SERVICE

All electric, gas, and water utility purchased service (other than emergency or standby service) used on the premises of customer will be supplied exclusively by MLGW and the customer will not, directly or indirectly, sell, sublet, assign, or otherwise dispose of utility service or any part thereof. If the customer bills a third party this will be prima facie evidence that the service is being or has been resold. This prohibition does not apply to municipalities, utility districts or other governmental agencies receiving water service under special contracts, water used by bottling and/or beverage companies or the resell of natural gas as a vehicular fuel or in approved bottle containers at a compressed natural gas (CNG) station.

3 APPLICATION AND CONTRACTS FOR UTILITY SERVICE GENERAL

Application for service at a new location or changes to existing services may be made by telephone, mail, and internet or in person to MLGW. MLGW may require a written statement of intent or agreement before service is provided. No charge will be made to any customer on account of any extensions, additions, or improvements previously made to MLGW's electric, gas or water system unless previously agreed to by the customer in writing. (See specific Section for appropriate department requirements)

"Making application for service" means the customer or representative has furnished the appropriate department of MLGW with all the necessary load and design data for MLGW to precede with its engineering design. General discussion related to the proposed building or project with employees of MLGW or other governmental agencies of the city or county does not mean the customer has made application for service.

3.1 NEW CUSTOMER

New or first-time residential customers requesting connection of service may do so by calling MLGW's Customer Care Center at 901-820-7878 or visit MLGW website at www.mlgw.com. Upon the completion of a credit risk assessment, the customer's connect order may be completed via telephone, internet at www.mlgw.com or the customer may be required to visit a community business office to complete the process. For additional credit information, see the current approved MLGW Customer Care Policy.

3.2 ORDERS TO CHANGE SERVICE

A customer who has an active account or who has had an account that was terminated in good standing within the past 12 months, may place orders to transfer service or to turn on additional accounts in person at any MLGW community office or by calling MLGW's Customer Care Center (901-820-7878). Customers who wish to obtain additional service at another location will be required to pay an additional deposit if their current/reference account requires a

deposit. If non-pay credit action is pending on the active account, the past due amount must be paid before an order is taken to transfer or provide additional service. Customers may terminate their utility account by coming into any MLGW community office or by calling MLGW's Customer Care Center (901-820-7878). Regular termination requests will be worked Monday - Friday during normal business hours, but no sooner than the next workday following the request.

3.3 LOCATION OF PREMISES REQUIRING UTILITY SERVICE

Any premise to which electric, gas or water service is to be metered must front on a dedicated street, alley, road or on an easement satisfactory to MLGW.

3.4 PROVISION FOR ADDRESS ASSIGNMENT

MLGW assigns street numbers to all parcels of land in Memphis and Shelby County. Before an application for electric, gas or water service is accepted, it is necessary for the customer or agent to obtain an address assignment from MLGW for the premises to be served and to place this number on the premises where it may be readily visible from the street, alley or road. Address assignments will be consistent with established practices and procedures established by MLGW.

3.5 MLGW's APPARATUS ON CUSTOMER'S PREMISE

Transformers, switchgear, cable junction enclosures, poles, metering cabinets, water meter boxes and other apparatus necessary to provide service to, and register utility usage by the customer will be furnished by MLGW and will remain the property of MLGW when installed on a customer's premises. The customer will provide a safe space, as specified by the appropriate MLGW engineering department, for this apparatus and protect it from damage. At no time will the customer permit any person, other than a MLGW agent or a person otherwise lawfully authorized to tamper with, inspect or remove any equipment. MLGW has the right of permanently unencumbered routes of ingress and egress, as well as safe space, at all times to inspect, operate and maintain all equipment.

Any obstructions shall be removed or MLGW facilities shall be relocated at the customer's expense. In the event MLGW determines that it is impractical to remove obstructions or relocate MLGW facilities, the customer may incur extended outages during maintenance or failure of equipment. Additionally, the customer may be charged for expenses incurred to MLGW for additional labor and equipment requirements because of obstructed areas during maintenance or replacement of facilities.

3.6 EASEMENT RIGHTS and PERMITS, COST ESTIMATES and FINANCIAL ARRANGEMENTS

All necessary and proper utility easement rights and permits must be granted to MLGW before construction starts. Upon application for service, MLGW will prepare plans and specifications and will provide the applicant with an estimate of the cost of the required extensions, additions, or improvements, including the cost of the installation of any required special equipment or apparatus. Prior to beginning work, the applicant will be required to pay the cost estimate. Alternate financing may be available, for subdivision and apartment type developments, with MLGW by governmental housing authorities with the approval of MLGW's Board of Commissioners.

3.7 APPLYING FOR ELECTRIC, GAS OR WATER SERVICE

When a new or added load to a residence, general power/industrial facility, commercial subdivision, residential subdivision or other development is planned, the customer, or his representative, must consult MLGW for the availability of utilities and furnish, at the earliest practical time, all necessary information so that MLGW can properly and adequately design its facilities and prepare cost estimates. This information shall include site plans, construction drawings, specifications, and a complete written breakdown of all load requirements. The submitted load and/or water meter(s) and/or fire protection size information shall require a signature whether it is submitted by fax, email, in-person or entered on the MLGW website. If the information is submitted electronically, MLGW should be consulted for the current format requirements.

For gas and/or electric service, the customer must submit the load expressed in MCF or KW on MLGW's load worksheet. The estimated hours of operation must also be provided. An MLGW representative from the appropriate Engineering area will be responsible for calculating the demand based on the information submitted.

3.8 REQUIREMENTS FOR PLAN SUBMITTAL

When site or property plans or plats are requested by this Policy, such plans should be drawn to scale and meet generally accepted levels of accuracy and completeness, including a complete property description tied to an acceptable point of origin and showing bearings and distances for property lines and all easements. In instances of individual lots where subdivision plats may not be available, MLGW may, at its discretion, accept a recorded metes and bounds description of the property. MLGW may request that the plans, plats, and other drawings mentioned in this policy be submitted in printed or electronic form or a combination of both, depending upon the specific applications of the requested information. These plans, plats or other drawings should include but is not limited to sewers, drains, and other underground installations.

3.9 DESIGN AND COST ESTIMATE

Electric, gas and water sketches and cost estimates will be prepared by MLGW in accordance with the information furnished by the applicant. After making application for electric, gas or water service, if a customer does not take service for any reason, the customer may be required to reimburse MLGW for any expense incurred. In addition, the applicant may be assessed a redesign fee. In like manner, after MLGW has begun construction based on information furnished by the applicant, the customer may be charged for any and all additional expense incurred by MLGW for construction modifications necessitated by erroneous or inaccurate information provided by the customer or by customer's agent or by revisions to the initial request. MLGW has the exclusive right to determine the

most economical design for providing service to the customer. Should the cost to provide service be increased by design changes requested by the customer, such additional costs shall be borne by the customer.

3.10 WATER CONNECTION FEES

At the time of written application for a new or enlarged metered connection to the water system of MLGW, a non-refundable connection fee will be paid in accordance with this service policy. The customer will pay the total cost of all connections, except as noted herein, as shown on the current "Schedule of Charges." A connection charge will be made for each residential meter connection installed in a residential subdivision, or planned unit development in which future use connections have been installed. There will be no connection charge for a residential dwelling that existed prior to annexation. All connections will be individually estimated except for those having future use connections. In addition to these connection fees, a system capacity fee as shown in the schedule of charges will be charged for water service connections made to the water system purchased from Shelby County Board of Public Utilities (SCBPU) on July 1, 1999, as well as any additions made to the system subsequent to the purchase. There is no system capacity fee for residential dwellings that existed prior to MLGW's purchase of the water system from SCBPU on July 1, 1999. Also once the City of Memphis annexes an area previously served by the SCBPU system purchased by MLGW, no system capacity fee will be charged.

3.11 CHANGE OF CUSTOMER'S INTENT TO OCCUPY PREMISES

After making application for electric, gas or water service, if a customer does not take service for any reason, the customer will reimburse MLGW for any expense incurred. Should the applicant revise any plan, MLGW may require new and additional remuneration to include the cost of any additional or relocated electric, gas or water facilities, and the applicant may be required to pay the cost of abandoning any unused electric, gas or water facilities resulting from the revised plan. In addition, the applicant may be assessed a redesign fee.

3.12 TIME LIMITATIONS ON COST ESTIMATES

MLGW will provide a cost estimate for new or expanded services to the applicant for acceptance. The applicant has ninety (90) calendar days to accept an estimate from date of quotation. Should the quotation not be accepted in this time frame, MLGW will prepare a cost update to reflect current cost and policies. If the applicant has made financial arrangements within this ninety (90) calendar day period, but has prevented MLGW from starting construction within twelve months from the date of the original quotation, deposit or payment, MLGW may revise the cost estimate and require new and additional financial arrangements.

For Subdivisions, Apartments, Ranchettes and Mobile Home Communities quoted by Residential Engineering, the applicant will have 180 calendar days to accept an estimate from the date of quotation. If the applicant chooses to pay within the first (90) ninety calendar days, they will receive a discount. Both options will be clarified in the quote letter given to the customer.

3.13 REDESIGN FEE

Should the customer require MLGW to redesign any system or deviate from a standard design, the customer may be required to pay a redesign fee in addition to the cost of the new design, on a cash non-refundable basis. If electric, gas or water facilities have already been installed, the developer must reimburse MLGW for the cost of any relocated facilities resulting from the revision. The customer will also forfeit any investment allowances associated with any units or lots deleted from the previous plan.

3.14 SITE PREPARATION - GENERAL

No extensions, additions or improvements will begin until MLGW is satisfied that the site preparation and/or customer's work has progressed sufficiently to warrant such extensions, additions or improvements. More detailed information concerning site preparation is contained elsewhere in this manual.

3.15 ENVIRONMENTAL REMEDIATION ON CUSTOMER'S PROPERTY

The cost of any environmental remediation or any associated site issues are the customer's physical and financial responsibility and must be remedied prior to MLGW starting its construction. In the event contamination is discovered during MLGW construction, all MLGW activities will cease until the required remediation has been completed at the customer's expense.

3.16 LINE CLEARANCES - ELECTRIC

Extensions of overhead electric distribution frequently require that trees and underbrush be cleared from the path of the proposed conductors. MLGW will normally include the cost of this clearing in the estimate for providing the electric service to the project. However, a customer has the option of performing his own trimming. If this option is taken, the customer is required to cut down all trees and underbrush from each side of the center line of the pole line and side trim all other trees and overhanging limbs to the edge of the right-of-way. Customer tree trimming must be to MLGW's specifications and will be subject to final acceptance by MLGW's inspector. Failure to meet this inspection will result in delay of the project.

3.17 TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION (TDEC) PLANS REVIEW

MLGW is required to submit plans and specifications for all new water projects to the Tennessee Department of Environment and Conservation (TDEC) and receive approval prior to construction. See TCA 68-221-706.

Per TDEC rules, MLGW cannot release a water design to construction until the original plan has been returned with TDEC approval. When a design is sent to TDEC for approval, MLGW has no control over the time required for the approval process. The approved designs will be promptly sent to construction once the approved plans are received from TDEC and payment for the project has been made by the customer to MLGW. TDEC approval is not required on jobs requiring only a fire protection connection and/or metered service.

3.18 TITLE TO GAS FACILITIES

Title to all gas facilities installed by MLGW, except yard services, will remain with MLGW. The maintenance and operation of said facilities, including yard services, will be the sole responsibility of MLGW.

3.19 REQUIREMENTS FOR GAS SERVICE INSTALLATION

The customer is required to provide MLGW access for installation and maintenance of the gas service pipe from the property line to the meter center. The service pipe will be installed by MLGW or its agents at the customer's expense. In the event driveways, walkways or parking lots will be installed prior to installation of service, the builder/contractor shall have the option to either install a conduit sleeve as specified by MLGW or pay the additional cost for MLGW to bore and/or break out the existing surfaces. When conduit sleeve is to be installed by customer, it shall be the responsibility of the customer to contact MLGW (contact person and telephone number indicated on the installation drawing) for an inspection prior to backfilling excavations. Any installation failing inspection by MLGW shall be required to be corrected prior to providing service. When it is necessary for MLGW to break out existing concrete and/or asphalt on privately owned parking lots, sidewalks, driveways, etc. to install or relocate the customer's service pipe, the replacement of such concrete and asphalt is the responsibility of the customer. MLGW will replace all broken concrete and asphalt after the gas service work is completed at the customer's expense when arranged prior to service pipe installation or the customer has the option to repair their own concrete and asphalt. If the customer chooses to affect their own repairs, they assume responsibility for all repairs to the trench and/or excavations. However, MLGW will leave its barricades, plates, etc. on the job site for a reasonable time to allow the customer to replace the asphalt and concrete.

3.20 MLGW's OBLIGATIONS - WATER

MLGW reserves the right to determine the size and location of new meter connections. MLGW will furnish the material and labor to install meter

connections to MLGW's mains, including the meter and meter box. The meter will be located at or near the curb line in front of or at the side of the premises to be served.

3.21 SERVICE LOCATION – WATER

If there is an existing water meter connection adjacent to the premises and the customer wants service to another location, the customer will be required to pay the cost of capping the existing meter connection in addition to other charges herein specified.

3.22 POINTS OF DELIVERY – WATER

The points of delivery will be at the outlet side of the meter in meter connections and the outlet end of the pipe near the property line for un-metered connections. The customer's piping will begin at the point of delivery and the customer will be responsible for the installation and maintenance of the piping from the point into the premises.

3.23 SYSTEM PROTECTION – WATER

No water service connection to any premises will be installed or maintained unless the potable water and water supply are protected against actual or potential contamination or pollution as required by the Memphis and Shelby County Cross Connection Board.

3.24 CHARGES AND FEES – WATER

Customer service through existing connections will be offered without connection charges unless modifications such as a by-pass is required. Location changes or increases in connection sizes will be made for appropriate connection charges.

4 ELECTRIC PRIMARY, GAS AND WATER MAIN EXTENSIONS POLICIES

4.1 ELECTRIC PRIMARY EXTENSIONS

If the customer is required to finance any primary extension, the cost will be based on the size necessary to serve the customer's load, but in no event less than single-phase #2. The cost difference in what is required to serve the customer's load and what size facilities the master plan calls for shall be charged to system improvement with the approval of the Supervisor of Electric Planning and System Engineering.

4.2 GAS MAIN EXTENSIONS

Gas mains, pipes, facilities, and equipment of MLGW (except gas meters, service regulators, accessories and connections) will be installed only in streets, alleys, roads, and other ways dedicated to public use, or in easements acceptable to MLGW. Upon application for service, MLGW will prepare plans and specifications and will make an estimate of the cost of the required main extension additions or improvements. Installation of gas mains is to be designed to extend to the full limits of the development. All main extensions will be sized by MLGW's Engineering Department to handle present and future requirements. If the customer is required to finance a main extension, the cost will be based on the size necessary to serve the customer's demand, but in no event shall less than a 2" main be installed.

4.3 WATER MAIN EXTENSIONS

New water main extensions or enlargements to existing water mains, including fire hydrants, future use connections and installations for future requirements as applicable, will be made with the size mains deemed necessary to maintain no less than a Class II fire rating as determined by the Insurance Service office and in accordance with the mutually agreed upon fire flow requirements established by the Memphis Fire Department, Shelby County Fire Department and MLGW (See Section 17, Appendix A). If a proposed development does not have the water

flows shown in this table based on recent flow test information, then both MLGW Water Engineering and the appropriate fire prevention authority reserves the right to determine the course of action to bring additional water on site. Specific design criteria is available from MLGW. The customer will be required to finance only that size main necessary to serve his demands but in no event less than a six-inch main where fire protection is required. The cost difference between what is required to serve the customer's demands and what size facilities MLGW calls for to be installed, shall be charged to system improvement with approval from the Supervisor of Water Engineering.

It is the developer's responsibility when building public roads as a part of the development plan, to install such water mains as deemed necessary by MLGW in public streets, as set forth in the City/County Standard Development Contract Section VII and Memphis and Shelby County Subdivision Regulation Section 507. The water main will extend throughout the limits of the street construction.

4.3.1 WATER MAIN EXTENSION AND RESIDENTIAL CONNECTIONS DUE TO ANNEXATION BY THE CITY OF MEMPHIS

Necessary water main extensions and residential connections will be made without cost to prospective residential customers who occupy structures existing at the time of annexation by the City of Memphis if sanitary sewers are available.

4.3.2 TITLE TO ADDITIONS AND IMPROVEMENT TO WATER FACILITIES

Title to all additions and improvements to water facilities which are installed by MLGW will remain with MLGW, regardless of who financed the installation. MLGW will assume responsibility for the maintenance and operation of them.

4.4 CUSTOMER /DEVELOPER OPTION TO INSTALL WATER MAINS

The customer or developer has the option to install water mains by an MLGW approved private contractor. If this option is selected, the customer or developer must install the mains in accordance with MLGW's plans, specifications and contract. This option requires the customer or developer to pay MLGW's

estimated cost for engineering and administration. In addition, the customer or developer will pay an inspection fee as set forth in the Schedule of Charges.

4.5 FINANCING WATER MAIN EXTENSIONS

If customer or developer financing of water main extensions or enlargements is required, the necessary funding will be made by a payment in check or money-order, non-refundable, of an amount equal to 100% of the estimated cost of the distribution system as shown on the approved plan. Alternate financing may be arranged, for subdivision and apartment type developments, with MLGW by Governmental Housing Authorities with the approval of MLGW's Board of Commissioners.

5 SERVICE TO NEW RESIDENTIAL SUBDIVISIONS

5.1 DEFINITION OF RESIDENTIAL SUBDIVISION

A subdivision shall be defined according to the subdivision regulations of Memphis and Shelby County as a division of land into two (2) or more lots. MLGW considers any subdivision consisting entirely of lots four (4) acres or more in size a Ranchette (see Section 8).

5.2 APPLICATION FOR SERVICE

Application for service to a subdivision can only be made by the developer, contractor, etc. signing an official application supplied by the Residential Engineering Area of MLGW. The application must be accompanied by sufficient prints or combination of prints and electronic files of the construction plans and final plats, which have been approved by the appropriate governmental authority and contain street names that have been approved by MLGW's Address Assignment Department. No design for extensions, additions or improvements in any new project will begin until the above conditions have been met.

5.3 DESIGN

MLGW will prepare sketches detailing the proposed electric, gas and water facilities to be constructed to serve all lots shown on the approved plan. MLGW will have the exclusive right to determine the best system to serve the subdivision. Installation of electric facilities, gas and water mains to serve a new subdivision will be designed to extend to the full limits of the development. This system will be on public property or on an approved easement so as to serve all lots on the approved plan.

5.4 COST ESTIMATE AND FINANCIAL ARRANGEMENT

MLGW will provide the developer a cost quotation based upon the electric, gas and water designs prepared by MLGW. Prior to construction, a payment covering MLGW's estimated cost must be paid to MLGW on a non-refundable basis.

5.5 TYPE OF ELECTRIC SERVICE AVAILABLE

Permanent extensions of primary voltage electric conductors from an underground electric system shall remain underground. Extensions of primary voltage electric conductors from overhead electric lines may be either overhead or underground.

5.5.1 OVERHEAD RESIDENTIAL DISTRIBUTION DESIGN

Overhead design will mean that the primary distribution to and through the subdivision will be overhead. Overhead primary conductors, poles, and transformers will be located at the front property line and the service to the house will be underground in conduit. Exceptions to this policy are as follows:

- (a) Primary overhead electric facilities may be located at the rear property line if MLGW deems it prudent for the system integrity, and/or future expansion. The design must be approved by the Engineering Manager.
- (b) A new development that adjoins an existing primary overhead system in the rear may have additional overhead facilities installed at the rear property line if approved by the Engineering Manager.
- (c) Other exceptions regarding overhead primary facilities may be approved on a case-by-case basis by the Engineering Manager.

5.5.2 UNDERGROUND RESIDENTIAL DISTRIBUTION DESIGN

Underground Residential Distribution will mean the backbone primary circuit feeder to the subdivision will be either overhead or underground at MLGW's discretion. All primary conductors within the development will be underground to pad-mounted transformers located in an easement adjacent to a side property line. Service conductors will be underground in conduit. The underground investment allowance will apply to those lots that are served by pad-mounted transformers.

5.5.3 DEVELOPER'S OPTION TO VARY TRANSFORMER SETBACK

The developer will have the option to locate transformers in an easement along

the side property line where clearance between structures and the transformer pad will not be less than three (3) feet. The maximum transformer set-back is the building set-back line measured to the front side of the transformer pad.

5.5.3.1 TRANSFORMER MAINTENANCE FEE

The transformer maintenance fee contained in the Electric Schedule of Charges will be assessed when the requested location of a transformer exceeds MLGW's standard setback and in all instances where transformer location and environment restricts future access to the transformer.

5.6 SITE PREPARATION REQUIREMENTS FOR WATER IN NEW RESIDENTIAL SUBDIVISIONS

Before any construction of water facilities begins, the developer must:

- 1) Make the necessary funding arrangements as outlined in [\(Article 5.4\)](#) of this policy manual.
- 2) Install curbs, if required.
- 3) Install sewers and drainage facilities.
- 4) Grade streets and sidewalk area to within six (6) inches of final grade.
- 5) Paint a Letter "W" on the curb at the location on each lot where the future use connection is to be installed.
- 6) Not install sidewalks and driveway aprons until after MLGW completes construction. .
- 7) Permanently mark front property line.

5.7 SITE PREPARATION REQUIREMENTS FOR ELECTRIC AND GAS IN NEW RESIDENTIAL SUBDIVISIONS

Before any construction of electric and gas facilities begins, the developer must:

- 1) Make the necessary funding arrangements as outlined in this policy manual.
- 2) Install curbs, if required.

- 3) Install sewers, drains and gravel streets, if required.
- 4) Ensure that all electrical pad and handhole sites are level and at grade, and all other easement areas are graded to within (6) inches of final grade.
- 5) Refrain from installing sidewalks and driveways.
- 6) Have site grading substantially complete, with water mains and fire hydrants installed.
- 7) Have permanently marked the property lines, including stakes at the front and rear of property corners. If the rear stakes are not visible from the street, then additional stakes will be required on the side property line 10' past the intersection with the building setback line.
- 8) Notify MLGW prior to paving or sodding any utility construction area.

5.8 ELECTRIC AND GAS CONNECTION FEE AND INSTALLATION OF SERVICES TO RESIDENCES IN A SUBDIVISION

Prior to installation of the electric or gas service the builder will be responsible for the payment of a non-refundable connection fee. This connection fee applies only to standard electric underground service and gas yard service. These connection fees are subject to change whenever MLGW's cost of service studies indicates a change is necessary. The builder will make application and financial arrangements a minimum of two (2) weeks before the yard is sodded, driveways and walkways poured, or service is needed. In the event driveways or walkways are installed prior to installation of service, the builder may install a conduit or sleeve as specified by MLGW. The builder will be charged the extra cost for boring under driveways and walkways if conduit or sleeve has not been installed.

All non-standard installations will require a special cost estimate. Non-standard installation include those for electric services in excess of 350 kcm conductor, additional primary cable or transformer(s), soil compaction, removal and/or installation of sod, boring, etc.

Prior to construction, the builder shall meet all MLGW prescribed job site ready

conditions for installation of services; (including a site clear of all debris, construction material and equipment).

5.9 BACKFILLING AND TAMPING - WATER

MLGW's standard procedure for water construction is to return soil to trenches and excavations and roll the soil with the equipment on the job. However, MLGW's Construction Standards may specify more stringent backfill and tamping procedures for certain situations. The customer may request additional tamping on new main installations. This will be done in accordance with MLGW Construction Standards and will be performed at the customers' expense. MLGW does not guarantee the degree of compaction achieved by its construction methods. Responsibility of final compaction of new streets continues to rest with the developer, contractor, etc.

5.10 RESIDENTIAL SERVICES REQUIRING INSTRUMENT TRANSFORMER TYPE METERING EQUIPMENT AND RESIDENTIAL SERVICE TO CUSTOMER OWNED METERING EQUIPMENT **Refer to Article 11.5**

6 SERVICE TO INDIVIDUALLY-METERED APARTMENTS, TOWNHOUSES, CONDOMINIUMS, PLANNED UNIT DEVELOPMENTS, OR MULTIPLE HOUSING PROJECTS (EXCLUDING HIGH RISE)

6.1 APPLICATION FOR SERVICE

Application for service to a multi-unit development can only be made by the developer, contractor, etc. signing an official application supplied by the Residential Engineering Area of MLGW. The application must be accompanied by sufficient prints or combination of prints and electronic files, of the construction plans and final plats, which have been approved by the appropriate governmental authority and contain street names that have been approved by MLGW's Address Assignment Department. No design for extensions, additions or improvements, in any new project, will begin until the above conditions have been met.

6.2 DESIGN, COST ESTIMATE AND METER COSTS – ELECTRIC

Refer to **Section 3 – Application and Contracts for Utility Service General**

6.3 DESIGN, COST ESTIMATE AND METER COSTS – GAS

A sketch and cost estimate to serve the project with gas will be prepared by MLGW. The sketch detailing the proposed gas system to serve multi-unit developments shall have a single street service with yard services designed to branch off and serve individual units. The gas main must be designed to extend to the full limits of the development. This system will be on public property or on an approved easement. Prior to construction of the distribution system, a payment covering that part of MLGW's estimated cost, plus metering, must be paid by the developer to MLGW on a non-refundable basis. All services on private property are considered "yard service" and the developer will pay the total cost on a non-refundable basis before construction will start. The per-unit investment allowance does not apply to the yard service and is subject to change whenever MLGW's cost of service studies indicates a change is necessary. For multiple-unit developments a single street service shall be designed for serving the entire

development yard service or services. Yard services shall be designed to branch off the single street service to serve individual units.

6.4 DESIGN, COST ESTIMATE AND METER COSTS – WATER

MLGW may, under certain conditions, agree to install water facilities on suitable easements on private property to provide metered connections for individual residential units in apartments, townhouses, condominiums and Planned Unit Development (PUD) projects and businesses. The minimum residential development considered will consist of three living units. This may be done when the builder desires multiple metered connections and the water meters cannot be properly located in accordance with (Section 3) along dedicated rights-of-way. No development exceeding two stories will be considered for individual meters. Financial arrangements for installation on private property will be made in accordance with (Article 4.4 and 4.5).

6.4.1 FIRE PROTECTION

If the complex configuration is such that the Fire Department requires that internal fire protection be provided, MLGW will install the necessary mains and fire hydrants provided that the conditions of (Article 6.4) are met. Since the obligation of MLGW to provide fire protection is limited to the installation of mains and fire hydrants on public rights-of-way, MLGW cannot participate in the cost of that part of the installation required for fire protection service. The developer or customer will pay the annual Fire Protection Rate Schedule.

6.4.2 CHANGE FROM MASTER TO INDIVIDUAL WATER METERS

Any party or parties requesting a change from master to individual unit meters or vice versa for existing apartment, townhouse or condominium development will pay MLGW the total cost of the change on a non-refundable basis.

6.5 TITLE TO ELECTRIC FACILITIES

MLGW will furnish, install, and own the entire underground distribution system

except the conduit riser to the meter center which will be furnished and installed by the electrical contractor.

6.6 SITE PREPARATION – ELECTRIC AND GAS

MLGW will not proceed to schedule construction of job until the developer, contractor, etc. has made the required payments and necessary approvals/easements have been obtained. MLGW will not begin work until the developer/contractor has installed curbs (if applicable), sewers (if applicable), drains (if applicable) and graveled streets. Site grading must be substantially complete with water mains and fire hydrants installed. No sidewalks/walkways and/or driveways shall be installed prior to the installation of MLGW required facilities. Easement areas must be graded to within six (6) inches of final grade. Also, at least 50% of the buildings must be under construction at the point at where utilities enter the project. The presence of footings and foundations will be adequate evidence of a building under construction. Prior to paving or sodding any area, the developer/contractor shall give MLGW adequate notice to permit the installation of its required facilities.

6.7 SITE PREPARATION FOR WATER

Refer to Article 5.6 – Site Preparation Requirement for Water in New Residential Developments

6.8 PLANNED UNIT DEVELOPMENT (PUD) – GAS

A PUD is any residential planned unit development designed for single-family living units on individually-owned lots. A PUD may consist of attached or detached units or a combination of both, and the streets included in the project may be either public or private. The gas design for utility service will be typical of that for subdivisions. PUD's having the characteristics of subdivisions, with minimum lots of 2500 square feet butting streets, will be treated as subdivisions, and service will be provided under the provisions of (Section 5) of this Policy.

7 NEW SERVICE TO INDIVIDUALLY METERED HIGH RISE APARTMENTS

7.1 APPLICATION FOR ELECTRIC SERVICE

The developer will contact the MLGW Engineering Department during the design stage to coordinate the requirements for transformer vault construction and ventilation, conduit, transformers, meter rooms, and location of conduit to the riser pole or other point designated by MLGW. All of this equipment will be furnished and maintained by the developer. The development must be approved by the appropriate governmental authority. When the design is complete and approvals obtained, the developer will complete an official application supplied by the Residential Engineering Area of MLGW (see also Section 3 and Article 5.2) and furnish MLGW with sufficient prints of the approved site and construction plans plus a breakdown of proposed electric load.

7.2 TITLE TO ELECTRIC FACILITIES

MLGW will furnish, install, own, and maintain transformers with appropriate protective devices, primary conductors, and their terminations. The developer will furnish, install, own, and maintain secondary conductors in accordance with MLGW's specifications from transformer to main disconnects serving a group of apartments on each floor or to meter centers if no main disconnects are required.

7.3 HIGH RISE APARTMENT DESIGN AND COST ESTIMATE -ELECTRIC

Service to individually metered high rise apartments may be obtained from either the network or overhead system. The developer will install, own, and maintain all service conductors, conduits and protective devices. Before MLGW's construction is started, the developer must pay a non-refundable payment covering that part of MLGW's estimated cost (line extensions, transformers, metering equipment, etc.) in excess of the estimated annual ratio of 0.75 to 1 for overhead and underground. Any project served by a pad mounted transformer or transformer vault will be considered underground.

- 7.4 HIGH RISE APARTMENT DESIGN AND COST ESTIMATE - GAS**
Refer to [Section 12](#) – Service to General Power and Industrial Customers
- 7.5 HIGH RISE APARTMENT DESIGN AND COST ESTIMATE - WATER**
Refer to [Section 12](#) – Service to General Power and Industrial Customers

8 NEW SERVICE TO RANCHETTES

Ranchette Subdivisions are subdivisions of Residential Estate lots consisting entirely of lots four (4) acres or more in size.

8.1 NEW SERVICE TO RANCHETTES – ELECTRIC

The developer has the option of providing each lot with electric service or installing only a “backbone” primary distribution system designed appropriately for subsequent service to each lot. In either case, the utility system to service the development will be designed under the provisions of (Section 5) of this Policy. If the developer requests only a backbone electric system, no investment allowance will be made by MLGW; individual services to each lot will be made under the provisions of (Section 11) of this Policy.

8.2 NEW SERVICE TO RANCHETTES – GAS AND WATER

Refer to Section 5 Service to New Residential Subdivisions

9 SERVICE TO A NEW MOBILE HOME PARK OR MOBILE HOME SUBDIVISION

There are two types of mobile home developments. A Mobile Home Park with utilities that are master metered and is processed as a General Power service under **Section 12** of this Policy. A Mobile Home Subdivision with utilities that are individually metered at each lot and processed as a Subdivision under **Section 5** of this policy.

9.1 APPLICATION FOR SERVICE

Application for service to a new mobile home park or mobile home subdivision can only be made by the developer submitting an official application to the Residential Engineering Area of MLGW. The application must be accompanied by sufficient prints or combination of prints and electronic files of the construction plans and final plats that have been approved by the appropriate governmental authority. The names of streets or private drives must be indicated on the plans and all spaces numbered. No extensions, additions, or improvements in any new mobile home park or mobile home subdivision will be undertaken or commenced until the above conditions have been met.

9.2 COST ESTIMATE AND CONNECTION FEES – ELECTRIC

Instead of receiving a per lot investment allowance as for standard subdivision lots, the developer will pay the total estimated cost of the electric utility system needed to serve the Mobile Home Subdivision and its individual lots, less connection fees, on a refundable basis. Refunds will be made on the basis of a ratio of \$0.75 for each dollar of revenue, less any revenue on which an allowance has been previously made. Revenue is defined as the amount of dollars computed on the basis of the applicable electric rate schedule. The connection fees (See Schedule of Charges) and Subdivision work request will be paid concurrently by the developer on a non-refundable basis.

9.3 DESIGN AND COST ESTIMATE – GAS

A sketch and cost estimate to serve the project with gas will be prepared by MLGW. The sketch detailing the proposed gas system to serve multi-unit developments shall have a single street service with yard services designed to branch off and serve individual units. The gas main must be designed to extend to the full limits of the development. This system will be on public property or on an approved easement. Prior to construction of the distribution system, a payment covering that part of MLGW's estimated cost, plus metering, must be paid by the developer to MLGW on a non-refundable basis. All gas distribution and services on private property are considered "yard service" and the developer will pay the total cost on a non-refundable basis before construction will start. This cost will include the associated posts and header supports necessary to install the gas meters. The per-unit investment allowance does not apply to the yard service. For multiple-unit developments a single street service shall be designed for serving the entire development yard service or services. Yard services shall be designed to branch off the single street service to serve individual units.

9.4 DESIGN AND COST ESTIMATE - WATER

Refer to [Section 12](#) – Service to General Power and Industrial Customers

9.5 REDESIGN FEE

Refer to [Article 3.13](#) Redesign Fee

9.6 SITE PREPARATION FOR ELECTRIC AND GAS

Refer to [Article 5.7](#) - Site Preparation Requirements for Electric and Gas in New Residential Subdivisions

**9.7 BILLING AND NOTIFICATION OF TURN ON OR TURN OFF -
ELECTRIC AND GAS**

When electric or gas metering is done on individual mobile homes, the meters may be in the name of the project owner, operator or occupant. Should the service be left on, separate bills will be rendered in accordance with the applicable rate schedules, even though the spaces may be vacant. It is the responsibility of the park operator or lot owner to notify MLGW when the electricity or gas is to be turned on or off. If a mobile home park operator fails to notify MLGW when the electricity or gas is to be turned off, the park operator is liable for the minimum billing although the space may be vacant. Electricity or gas may not be turned on by anyone other than a MLGW representative. In all cases before turning electricity or gas on, an inspection will be made to ensure that all MLGW and other regulatory requirements have been met. Provisions must be made for positive identification of mobile homes so inspected.

10 SERVICE TO INDIVIDUAL MOBILE HOMES NOT IN A PARK

10.1 DESIGN COST ESTIMATE AND CONNECTION FEES – ELECTRIC AND GAS

The Applicant must deposit the total estimated cost of the electric overhead or underground service on a refundable basis. If the service is underground, a non-refundable connection fee (See Schedule of Charges) must be paid to MLGW before construction will be started.

The customer will be responsible for the payment of a non-refundable fee to cover the cost of the gas yard service. Additionally, the applicant must deposit the total estimated cost of the gas main extension, gas street service and gas metering on a refundable basis.

10.2 REFUNDS – ELECTRIC AND GAS

The electric refunds will be made at the end of the third year of the contract. The amount of the refund will be calculated according to the ratio of 0.75 to 1.0, based on the electric revenue received during the third year of the contract or the total amount of deposit, whichever is less.

Any gas refunds will be made at the end of the third year of the contract. The amount of the refund will be equal to the actual gas revenue received during the third year of the contract or the total amount of the deposit, whichever is lower.

10.3 ELECTRIC AND GAS REVENUE

Revenue will be defined as the amount of dollars computed on the basis of the applicable electric or gas rate schedule in effect at the time the refund agreement is executed and the consumption during the third year of the contract.

10.4 DESIGN AND COST ESTIMATE - WATER

Refer to [Section 11](#) – Service to Individual Residences Not in a Subdivision

11 SERVICE TO INDIVIDUAL RESIDENCES NOT IN A SUBDIVISION

11.1 BASIC ELECTRIC SERVICE TO INDIVIDUAL RESIDENCE

MLGW will provide an overhead extension, underground extension, or a combination of the two systems. MLGW's Customer Engineering Department will have the exclusive right to determine the lowest cost system. The revenue allowance ratio stated in (Article 11.2) will only apply to the lowest cost system determined by the Customer Engineering Department. The customer will pay the difference in cost between the lowest cost system and the system requested by the customer if the two systems are different.

11.2 REVENUE ALLOWANCE RATIO – ELECTRIC

Any extension, including the service, must be done on a revenue allowance basis. The revenue allowance is 1 to 1. Any amount over the estimated annual revenue allowance and any other associated fees will be paid by the customer on a non-refundable basis.

11.3 SITE PREPARATION – ELECTRIC

MLGW will not make an electric extension to serve individual residences until a MLGW representative is satisfied that the site preparation has progressed sufficiently to warrant the installation of an electric extension. No individual residence will be served until evidence has been presented to MLGW that it will be completed and occupied within a reasonable timeframe. The presence of a footing or foundation will be adequate evidence.

11.4 ADDED LOAD TO EXISTING RESIDENCE – ELECTRIC

Revenue allowances for modifications to existing facilities due to residential added load will be made based on the ratios as stated in (Article 11.2).

NOTE: Exceptions see (Article 18.5).

11.5 RESIDENTIAL SERVICES REQUIRING INSTRUMENT TRANSFORMER TYPE METERING EQUIPMENT AND RESIDENTIAL SERVICE TO CUSTOMER OWNED METERING EQUIPMENT

When it is determined that instrument transformer type metering will be used by MLGW to revenue meter any residential service in or out of a subdivision or the customer chooses to provide the meter socket, the secondary conductors will be furnished by the customer to MLGW's designated point of delivery. This delivery point will be at a pull box, pad mounted transformer or secondary riser, as determined by a MLGW representative, for underground services. The delivery point for overhead services will be at the masthead. All requirements stated further in this Service Policy concerning customer furnished secondary will be adhered to by the customer.

11.6 BASIC GAS SERVICE TO INDIVIDUAL RESIDENCE

The customer will be responsible for the cost of the yard service on a non-refundable basis. No allowance will apply to a yard service. The customer will also be responsible for the payment of a non-refundable fee (less any estimated annual gross margin allowance); to cover MLGW's estimated cost of the main extension, street service, and metering.

11.7 REVENUE ALLOWANCE RATIO – GAS

MLGW will allow credit for 2.5 times the estimated annual gross margin. The gross margin is defined as the difference between revenue and purchased gas costs. The gross margin allowance will be allowed only for completed houses or houses under construction, as evidenced by the presence of footing and foundation, and for which satisfactory financial arrangements for the gas yard service have been made. No allowance will be given for a vacant lot.

11.8 BASIC WATER SERVICE TO INDIVIDUAL RESIDENCE CUSTOMERS NOT IN A SUBDIVISION

Main extensions to serve individual properties not covered by the subdivision or city sewer extension policy will be made in accordance with [Article 4.3](#), [4.4](#) and

4.5 of this policy. Except the minimum main extension must be the midpoint of the appropriate property.

11.9 MLGW's OBLIGATIONS - WATER

Refer to **Article 3.20** MLGW's Obligations – Water

11.10 SERVICE LOCATION – WATER

Refer to **Article 3.21** Service Location – Water

11.11 POINTS OF DELIVERY – WATER

Refer to **Article 3.22** Points of Delivery – Water

11.12 CHARGES AND FEES – WATER

Refer to **Article 3.24** Charges and Fees – Water

11.13 RESIDENTIAL FIRE PROTECTION

Residential fire protection may be installed on a separate metered service when installed in accordance with the Memphis and Shelby County Plumbing Code. No water meter larger than two inch in size will be installed to accommodate residential fire protection. It is the responsibility of the plumber and/or fire protection contractor to notify MLGW that a water meter is serving a residential fire protection system

12 SERVICE TO GENERAL POWER AND INDUSTRIAL CUSTOMERS

12.1 APPLICATION FOR ELECTRIC, GAS OR WATER SERVICE

When a new or expansion of a general power or industrial facility is planned, the customer, or his representative, must consult MLGW for the availability of utilities and furnish, MLGW all necessary plans so MLGW can properly and adequately design its facilities and prepare cost estimates. This information shall include site plans, construction drawings, specifications, and a complete written breakdown of all load requirements. If the information is submitted electronically, MLGW should be consulted for the current format requirements.

Application for new water meter connections to the system of MLGW and the conditions relative to the installation will be done in accordance with the provisions of Chapter 52 of the Code of Ordinances of the City of Memphis.

"Making application for service" means the customer or representative has furnished the appropriate department of MLGW with all the necessary load and design data for MLGW to proceed with its engineering design. General discussion related to the proposed building or project with employees of MLGW or other governmental agencies of the city or county does not mean the customer has made application for service.

12.2 ADDRESS REQUIREMENTS, EASEMENT ACQUISITION, DESIGN AND COST ESTIMATES **Refer to [Section 3](#) - Application and Contracts for Utility Service General**

12.3 ELECTRIC FINANCIAL ARRANGEMENTS, ANNUAL GROSS MARGIN AND REFUNDS FOR DEMANDS OF 5000 KW OR LESS

MLGW will provide an ordinary single or three phase overhead line extension, underground system, or a combination of the two systems to serve permanent general power or industrial customers. MLGW will have the exclusive right to determine the lowest cost system. The lowest cost extension will be made without charge provided the cost does not exceed three times the estimated annual gross margin received by MLGW. Gross margin is defined as the difference between revenue and power costs. Any excess over three times the estimated

annual gross margin will be deposited by the customer on a refundable basis. Deposits made are refundable on the basis of \$1.00 for each dollar of gross margin in excess of the estimated annual gross margin, less any margin on which an allowance has previously been made. Refunds will be made annually, ceasing whenever the total amount of the deposit has been reached or five years have passed, whichever occurs first. Gross margin credit may be received from additional permanent meter installations if served by secondary voltage. Meters served by any additional primary extension or installation of transformers will not be credited to the original refund contract. The margin allowance will apply to the cost of the lowest cost extension only and the customer will pay the difference in cost of the lowest cost extension and the extension requested by the customer on a non-refundable basis. A facility under construction may be served provided evidence has been presented to MLGW that it will be completed and occupied within a reasonable timeframe. The presence of foundations will be adequate evidence.

12.4 ELECTRIC FINANCIAL ARRANGEMENTS FOR DEMANDS OVER 5000 KW

MLGW will negotiate all terms, conditions, design, and financial arrangements with all new and existing customers with kilowatt demands over 5,000 KW.

12.5 TITLE TO ELECTRIC FACILITIES

12.5.1 OVERHEAD FACILITIES

MLGW will install, own, and maintain overhead primary conductors, poles, transformers, secondary and/or service conductors, and metering equipment.

12.5.2 ELECTRIC UNDERGROUND FACILITIES OUTSIDE OF THE NETWORK AREA - MLGW RESPONSIBILITIES

MLGW will install, own and maintain underground primary voltage cable, pad-mounted transformers, pad-mounted switchgear, cable junction enclosures, metering equipment, and mounting pads associated with this equipment. MLGW will install, own and maintain manholes and conduit/ductline systems located in

public rights-of-way. MLGW will make all primary connections in pad-mounted transformers, switchgears, and cable junction enclosures. Also, MLGW will make all secondary voltage connections in pad-mounted transformers.

If unavailable elsewhere, MLGW may supply, at the customer's expense, materials needed by the customer to properly install primary conduit/ductline systems and substructures (variable depth pull boxes, handholes and manholes). MLGW will furnish the customer with design drawings, construction standards or any other information necessary for the proper installation of conduit/ductline systems and substructures.

12.5.3 ELECTRIC UNDERGROUND FACILITIES OUTSIDE OF THE NETWORK AREA - CUSTOMER RESPONSIBILITIES

The customer shall be responsible for the ownership, installation, and maintenance of all service cables, secondary voltage cables, conduit/ductline systems, and substructures located on private property. A conduit/ductline system, with a 200-pound working strength pulling line, shall be required for the installation of all primary voltage cable installations. When an "open trench" method is used to install underground facilities, it shall be the responsibility of the customer to contact MLGW (contact person and telephone number indicated on the installation drawing) for an inspection prior to backfilling excavations. If a "trenchless" method (e.g., guided boring, micro tunneling, etc.) is used to install underground facilities, a depth indication shall be marked on the ground, where practical, in intervals no greater than twenty (20) feet and at critical locations. It shall be the responsibility of the customer to contact MLGW for inspection of depth of facility markings and boring pits prior to backfilling boring and other excavations. MLGW may choose to use electronic cable locating equipment to confirm the depth of facilities. Any installation failing inspection by MLGW shall be required to be corrected prior to providing service.

12.5.4 ELECTRIC UNDERGROUND FACILITIES IN THE NETWORK AREA

MLGW will install, own and maintain, primary, secondary, and service conductors as well as conduit systems, manholes, transformer vaults that are to be located in public rights-of-way. The customer will furnish and install all conduit systems, manholes, and transformer vaults on private property. MLGW will determine the point of delivery and provide any conductors to that point. Beyond that point the customer will provide adequate primary, secondary, and/or service conductors. MLGW will make all connections at the point of delivery in transformer vaults. If unavailable elsewhere, MLGW may supply at the customer's expense materials needed by the electrical contractor to properly install primary conduits and substructures such as manholes, variable depth pull boxes, and handholes. MLGW will furnish the customer's electrical contractor with drawings, details, or other information necessary for the proper installation of conduit systems and substructures including transformer vaults on the customer's premises. The contractor will call MLGW for an inspection and approval of conduit systems and substructures before backfilling. Transformer vaults constructed above ground or within the customer's structure must be periodically inspected by MLGW throughout the construction process and approved at completion.

12.5.5 PRIMARY METERED FACILITIES OVERHEAD OR UNDERGROUND

MLGW will not furnish, install, or own any conductors, transformers, or other associated equipment on the load side of a primary meter. Customers served by an overhead primary meter shall provide lightning arrester protection on the load side within the first 250 feet of the load side primary conductor. The lightning arrester shall be of approved Division material.

Customers served by an underground primary pad mounted metering unit will be allowed only one (1) conductor per phase up to 750 KCM copper and shall not be of lead type cable.

12.6 CONTRACT TERM FOR ELECTRIC SERVICE

The term "contract" means an officially executed Agreement for Electric Service between Memphis Light, Gas and Water Division and another party with reference to the electric service for a specified location. The contract cannot be canceled or demand lowered during its initial term and will be automatically extended after the initial term unless terminated by either party in accordance with the terms of the contract. The contract may state a minimum monthly bill to be paid by the customer each month the contract is in effect. For initial contracts with new customers or renewal contracts with existing customers with less than 10 years of prior service to that or prior customers at the same location:

Total Contract		Termination By
<u>Demand (kw)*</u>	<u>Contract Term**</u>	<u>Either Party Available</u>
51 - 2,500	One to three year*** initial term extended automatically from year to year thereafter through tenth year	At end of initial term or at any time thereafter upon at least 90 days prior written notice.
2,501 - 5,000	One to three year*** initial term extended automatically from year to year thereafter through tenth year	At end of initial term or at any time thereafter upon at least 12 months prior written notice.
5,001 - 25,000	Five-year initial term extended automatically from year to year thereafter through tenth year	At end of initial term or of any extension upon at least two years prior written notice.
25,001 - 100,000	Five-year initial term extended automatically for an additional five year term	At end of initial term or of any extension upon at least three years prior written notice.
100,001 - 350,000	Ten years.	At any time upon five years prior written notice.
350,001 and above	Not less than ten years	At any time upon not less than seven years prior written notice.

For renewal contracts with customers after 10 years or more of prior service to that or prior customers at the same location.*****

Total Contract		Termination By
<u>Demand (kw)*</u>	<u>Contract Term**</u>	<u>Either Party Available</u>
51 - 2,500	Same as for new customer	At any time upon at least 90 days prior written notice.
2,501 - 5,000	Same as for new customer	At any time upon at least 12 months prior written notice.
5,001 - 25,000	Five years	At any time upon prior notice of the sum of 12 months plus one month for each full 2 MW of total contract demand.
25,001- 50,000	Ten years	At any time upon prior written notice of the sum of 24 months plus one month for each full 3 MW of total contract demand.
50,001 - 100,000	Ten years	At any time upon prior written notice of the sum of 48 months plus one month for each full 10 MW of total contract demand.
100,001 - 200,000	Ten years.	At any time upon prior written notice of the sum of 48 months plus one month for each full 10 MW of total contract demand.
200,001 - 350,000	Ten years	At any time upon prior written notice of the sum of 60 months plus one month for each full 20 MW of total contract demand.
350,001 and above	Not less than ten years	At any time upon not less than 7 years prior written notice.

*Total contract demand includes the sum of the firm interruptible contract demands.

**Length of term and minimum notice period for termination may be set at higher levels to reflect unusually large investments required to be made by MLGW or other factors. Terms for contracts with customers other than 100% firm sales customers will be determined based on the requirements of any third parties involved and the size of the investment by MLGW.

***Contract term will be dependent upon MLGW'S cost of providing the extension per (Article 12.3). If the cost MLGW incurs is less than or equal to one times the estimated annual gross margin, the contract term shall be one year; if the cost is greater than one but less than or equal to two times the estimated gross margin, the contract term shall be two years; if the cost is greater than two times the estimated gross margin, the contract term shall be three years.

****Service during the preceding 10 years must have been for a load substantially equivalent to or greater than that to be served under the renewal contract.

NOTE: The Vice President of Customer Care, the Vice President of Engineering and Operations and the Vice President of Construction and Maintenance are authorized to increase terms or change conditions when such action is justified to protect MLGW's investments, or negotiate special cancellation terms when it is in the best interest of MLGW and the customer. The Board of Commissioners are to be notified in writing of any special terms and conditions. The contract may be canceled by either party at the end of the initial term or at any later date by either party notifying the other in writing as specified in the contract. If, during the initial term, a new customer signs a contract equal to or greater than the original contract, the customer will be released from the contract. If, after the initial term, a new customer signs a new contract equal to or greater than the present contract, MLGW will consider the present contract canceled. If the customer requests that the contract demand be lowered after the initial term, a new contract will be executed based on the customer's highest expected demand.

In the event that MLGW cancels the contract for any breach or default on the part of the customer, or the customer should discontinue or abandon the operation of the plant or facility to be served, there will immediately become due and payable to MLGW as liquidated damages, and not as a penalty, an amount equal to the sum of the minimum amounts or minimum monthly bills computed for the entire period of the unexpired contract term. Such amounts will be in addition to any

amounts then due for service under the provision of the contract. Temporary shutdown, breakage of machinery, adverse business conditions, or other circumstances will not be deemed to constitute a discontinuance or abandonment of customer's operations so long as the customer continues to pay its bills, including minimum bills, when due. If, after signing the contract, should the customer not take the service by reason of not occupying the premises or for any reason, the customer will reimburse MLGW for such expense as MLGW may have incurred.

12.7 GAS FINANCIAL ARRANGEMENTS, ANNUAL GROSS MARGIN AND REFUNDS

Prior to construction of the main extensions, additions or improvements is started, a payment covering that part of MLGW's estimated cost in excess of 2.5 times the estimated annual gross margin received by MLGW will be deposited on a refundable basis. Gross margin is defined as the difference between revenue and purchased gas costs. Deposits made are refundable on the basis of \$1.00 for each dollar of gross margin, less any margin on which an allowance has previously been made. Refunds will be made annually, ceasing whenever the total amount of the deposit has been reached or five (5) years have passed, whichever occurs first. Additionally, a non-refundable yard service fee will be paid before construction is started. No gross margin allowance will apply to yard service. Gas facilities will not be installed until a MLGW representative is satisfied that the site preparation and building construction has progressed sufficiently to warrant installation. Prior to paving or sodding any area, the contractor will give MLGW adequate notice to permit the installation of its gas facilities.

12.8 CONTRACT TERM FOR GAS SERVICE

The Term "Contract for Gas Service" means an officially executed Agreement for Gas Service between Memphis Light, Gas and Water Division and another party with reference to the gas service for a specified location. The contract cannot be canceled or demand lowered during its initial term and will be automatically extended thereafter unless terminated by either party in accordance with the terms of the contract. The contract will state a minimum monthly bill to be paid by the customer each month the contract is in effect based on the currently effective rate schedule or as rate schedules are lawfully changed. For initial contracts with new customers or renewal contracts with existing customers with less than 10 years of prior service to that or prior customers at the same location:

Contract Rate	Contract Term	Termination By Either Party Available
G-7	One to three year initial term extended automatically from year to year there-after.**	At end of initial term or at any time thereafter upon at least 30 days after written notice.
G-9	One to three year initial term extended automatically from year to year thereafter.	At end of initial term or at any time thereafter upon at least 90 days written notice.
G-10/G-12 & G17	Three-year initial term extended automatically from year to year there-after	At end of initial term or at any time thereafter upon at least 180 days written notice.

The terms and conditions for customers executing contracts for rates other than the ones listed above are to be negotiated.

For renewal contracts with customers after 10 years or more of prior service to that or prior customers at the same location:*

Contract Rate	Contract Term	Termination By Either Party Available
G-7	One-to three year initial term extended automatically from year to year there-after.**	At end of initial term or at any time thereafter upon at least 30 days after written notice.
G-9	One to three year initial term extended automatically from year to year there-after.**	At end of initial term or at any time thereafter upon at least 90 days written notice.
G-10/G-12	Three-year initial term extended automatically from year to year there-after	At any time upon at least 180 days written notice.

The terms and conditions for customers executing contracts for rates other than the ones listed above are to be negotiated.

- Service during the preceding 10 years must have been for a load substantially equivalent to or greater than that to be served under the renewal contract.
 - ** Contract term will be dependent upon MLGW's cost of providing the extension per (Article 12.7). If the cost MLGW incurs is less than or equal to one times the estimated annual gross margin, the contract term shall be one year- if the cost is greater than one but less than or equal to two times the estimated gross margin, the contract term shall be two years; if the cost is greater than two times the estimated annual gross margin, the contract term shall be three years.
- (NOTE :) The Vice President of Customer Cares, the Vice President of Construction and Maintenance, and the Vice President of Engineering and Operations are authorized to increase terms or change conditions when such action is justified to protect MLGW's investments, or negotiate special cancellation terms when it is in the best interest of MLGW and the customer. However, the Board of Commissioners is to be notified in writing of any special terms and conditions. The contract may be canceled by either party at the end of

the initial term or at any later date by either party notifying the other in writing as specified in the contract. If, during the initial term, a new customer signs a contract equal to or greater than the original contract, the customer will be released from the original contract. If, after the initial term, a new customer signs a new contract equal to or greater than the present contract, MLGW will consider the present contract canceled. If the customer requests that the contract demand be lowered, after the initial term, a new contract will be executed based on the customer's highest expected demand.

In the event that MLGW cancels the contract for any breach or default on the part of the customer, or the customer should discontinue or abandon the operation of the plant or facility to be served, there will immediately become due and payable to MLGW as liquidated damages, and not as a penalty, an amount equal to the sum of the minimum amounts or minimum monthly bills computed for the entire period of the unexpired contract term. Such amounts will be in addition to any amounts then due for service under the provision of the contract. Temporary shutdown, breakage of machinery, adverse business conditions, or other circumstances, will not be deemed to constitute a discontinuance or abandonment of customer's operations so long as the customer continues to pay its bills, including minimum bills, when due. If, after signing the contract, should the customer not take the service by reason of not occupying the premises or for any reason, the customer will reimburse MLGW for such expense as MLGW may have incurred.

12.9 INTERRUPTIBLE AND OFF PEAK GAS CUSTOMERS

Gas sold and/or transported to customers under interruptible and off-peak rate classifications is subject to curtailment whenever, in the opinion of MLGW, such interruption is necessary. Customers served under interruptible and off-peak rate classifications must provide and maintain alternate fuel facilities acceptable to MLGW.

12.10 BASIC WATER SERVICE TO GENERAL POWER CUSTOMERS

Main extensions to serve individual properties not covered by the subdivision or city sewer extension policy will be made in accordance with [Articles 4.3, 4.4 and 4.5](#) of this policy.

12.10.1 MLGW's OBLIGATIONS - WATER

Refer to [Article 3.20](#) – MLGW's Obligations - Water

12.10.2 SERVICE LOCATION – WATER

Refer to [Article 3.21](#) – Service Location – Water

12.10.3 POINTS OF DELIVERY – WATER

Refer to [Article 3.22](#) – Points of Delivery – Water

12.10.4 SYSTEM PROTECTION – WATER

Refer to [Article 3.23](#) – System Protection – Water

12.10.5 CHARGES AND FEES – WATER

Refer to [Article 3.24](#) – Charges and Fees – Water

12.11 SITE PREPARATION ELECTRIC AND GAS

MLGW will proceed to schedule construction when financial and contractual arrangements have been made as required. MLGW will not begin its work until property lines have been established, grading has been completed to within 6" of final grade, curbs, if required, have been installed. Additional requirements for electric are any necessary tree trimming have been completed, pad-mount transformer site has been leveled to final grade, and the electrical contractor has properly installed manholes, vaults, primary and secondary conduits, if required.

12.12 SITE PREPARATION WATER

Before any construction of water facilities begins, the developer must:

- 1) All Financial and contractual arrangements have been made as required.
- 2) Install curbs, if required.
- 3) Install sewers and drainage facilities.
- 4) Grade streets and sidewalk area to within six (6) inches of final grade.
- 5) Not install sidewalks and driveway aprons until after MLGW completes construction.
- 6) Permanently mark front property line.

13 SERVICE TO A NEW COMMERCIAL OR INDUSTRIAL SUBDIVISION

13.1 APPLICATION FOR SERVICE

The developer may, but is not required to furnish electric, gas or water to commercial or industrial subdivisions. The developer must have the subdivision approved by the appropriate governmental authority with the approved layout containing all utility easements required by MLGW. All such easements must be recorded. Two prints or an electronic file of the approved plat must be furnished to MLGW as part of the information supplied in accordance with [Section 3](#).

13.2 ELECTRIC DESIGN

MLGW will prepare an electric distribution sketch to serve all lots shown on the approved plan. MLGW will have the exclusive right to determine the best system to serve the subdivision including both overhead and underground facilities. Three phase designs will not include any transformers to serve specific customers. MLGW will have the option of including transformers on single phase designs when deemed appropriate by the prospective MLGW engineering department.

13.3 ELECTRIC COST ESTIMATE AND FINANCIAL ARRANGEMENT

MLGW will provide the developer a cost quotation based upon the design prepared by MLGW. The developer must pay MLGW the total estimated cost before construction of the extension is started. This payment will be on a non-refundable basis.

13.4 GAS AND WATER DESIGN, COST ESTIMATE AND FINANCIAL ARRANGEMENT

Refer to [Section 4](#) - Electric Primary and Main Extensions.

13.5 SITE PREPARATION ELECTRIC AND GAS

When the developer has permanently marked property lines, installed curbs, if required, graveled streets, etc., and the grading including the sidewalk area has been substantially completed (within six inches of final grade), MLGW on receipt

of adequate advance notice, will proceed to make the installation as required by construction.

13.6 SITE PREPARATION WATER

Before any construction of water facilities begins, the developer must:

- 1) Make the necessary funding arrangements as outlined in [Section 4](#) of this policy manual.
- 2) Install curbs, if required.
- 3) Install sewers and drainage facilities.
- 4) Grade streets and sidewalk area to within six (6) inches of final grade.
- 5) Not install sidewalks and driveway aprons until after MLGW completes construction. .
- 6) Permanently mark front property line.

13.7 TITLE TO ELECTRIC FACILITIES

Title to all electric facilities installed or furnished by MLGW shall remain with MLGW and MLGW will assume the maintenance and operation.

14 SERVICE TO LIGHTING SYSTEMS

14.1 LEASED OUTDOOR LIGHTING

MLGW will install, own, and maintain a complete outdoor lighting system on a customer's property. An overhead or underground wiring system may be installed in any location where an adequate secondary voltage is available, when all applicable codes and zoning regulations can be met, and where any heavy equipment necessary to install, maintain, or remove the system can be safely operated without damage to the customer's property.

14.1.1 FINANCIAL ARRANGEMENTS

The customer will bear the cost of each new lighting installation, less an allowance based on a reasonable return on investment (ROI). The allowance is based on the gross margin of energy facility charges for 24 months (commercial and industrial customers) or 36 months (residential customers). Gross margin is defined as the difference between revenue and power costs. Any excess cost is borne by the customer on a non-refundable basis, except where noted in the Schedule of Charges. Excess cost is due prior to completion of construction but portions of the excess cost may, at MLGW's option, be billed in installments on the customer's utility account. The customer will be charged for all poles and standards used exclusively for LOL service and will be billed energy, facility, and pole charges according to current applicable rate schedules and taxes.

14.1.2 CONTRACT TERMS AND CHARGES

Contracts may be taken for the term of service (where applicable) and can be terminated by either party upon thirty (30) days notice. The contract designates the non-refundable construction cost, any unpaid amounts due in full upon termination of the contract, the current monthly charges for service, and the rights and obligations of both parties for the term of service.

14.2 STREET AND PARK LIGHTING SYSTEMS. TRAFFIC SIGNAL SYSTEMS AND ATHLETIC FIELD LIGHTING INSTALLATIONS: GOVERNMENTAL AGENCIES

Terms, conditions, and applicable charges, including annual facilities charges, shall be as defined in Part A of the Outdoor Lighting Rate Schedule (Schedule LS).

14.3 SPECIAL OUTDOOR LIGHTING INSTALLATIONS: NON-GOVERNMENTAL AGENCIES

This section applies to athletic field, parking lots and similar lighting installations for non-governmental entities. MLGW will install, own, and maintain the electric facilities required to serve a customer-provided lighting system. The customer shall pay MLGW for the estimated costs of construction in a lump-sum payment prior to start of construction. No revenue or gross margin allowances will be allowed toward construction costs. The customer will be billed the energy charges and customer charge as specified under Part A of the Outdoor Lighting Rate Schedule (Schedule LS). A contract with an initial term of one year shall be required, extended automatically from year to year thereafter. The contract may be terminated by either party at the end of the initial term or any time thereafter upon at least 30 days, written notice. Customers who receive power through any individual meter and who have received revenue or gross margin credits as aids to MLGW construction costs or whose services were installed under the provisions of the General Power sections of this policy, will not be allowed to be transferred to or to be billed under the Outdoor Lighting Rate schedule (LS / E-3).

Additional electrical load to that meter will remain on the General Power Rate. Additional lighting load must be separately metered to qualify for the Outdoor Lighting Rate. Incidental loads up to 10% of the total installed lighting capacity but no more than 10 KW may be connected to metered lighting systems on the Outdoor Lighting Rate. Connected loads greater than 10 KW or 10 % of the total lighting load shall be separately metered and billed under the General Power Rate. Customers whose loads exceed these amounts will be required to remove or separately meter the non-lighting load.

15 SEASONAL ELECTRIC SERVICE

Customers contracting for service on a seasonal basis will pay the actual cost of connections and disconnections in excess of one each year plus a seasonal service rate in accordance with the General Power Rate Schedule. Seasonal service will be limited to customers whose entire business is seasonal in nature; such as, a cotton gin or cotton oil mill which operates only a few months a year. Seasonal loads such as air conditioning or heating will not qualify for seasonal service. Preseason testing of equipment without a demand charge may be allowed once a year only during off peak periods, as defined solely by MLGW, when requested and scheduled with MLGW prior to testing. Kilowatt hours used during tests will be billed along with that used in the first month of unrestricted operation. As appropriate, a connect and/or disconnect fee may be charged. Requests for the pro-ration of bills for periods of less than a month will be approved for the first or last billing period of a season. The choice of which bill to prorate is the customer's and can be made up to the time MLGW would normally calculate the last bill of the season. If the customer chooses the first bill and determines later that it would be advantageous to switch to the last bill, the appropriate adjustments will be made to accommodate the change. Likewise, if a customer delays requesting a prorated bill until the final bill and determines that it would have been advantageous to have had the first bill prorated, the appropriate adjustments will be made to accommodate the change. Upon customer's request, MLGW will assist in making the proper determination. Request for operating equipment for after season cleanup with no demand charge may be granted once a year only during off peak periods, as defined solely by MLGW, if scheduled with MLGW prior to operating. At MLGW's option, kilowatt hours used during such periods may be billed as if consumed in the last month of unrestricted operation, or may be carried over and combined with the first month's unrestricted use during the next season. A minimum bill, consisting of the "customer charge" in the general power rate schedule applied by MLGW will apply for all seasonal customers for any month service is provided to the customer at his request. The minimum bill can be

increased by any amount provided for in a contract between MLGW and customer. In no case will the minimum bill be less than MLGW's estimate of the cost of wholesale power associated with the losses of the energized transformer bank serving the facility. An estimate of the minimum bill will be provided upon request.

16 TEMPORARY SERVICE

16.1 TEMPORARY ELECTRIC SERVICE GENERAL

Any customer requiring electric service on a temporary basis is required to make a work request to MLGW. Unless otherwise stated in this document, temporary services are generally intended for use for (1) year or less. After (1) year MLGW reserves the right to either remove the temporary service or designate that service a permanent service with all attendant municipal fees. Exceptions will be addressed on an individual basis. Typically, Division installed temporary service is to carnivals, fairs, circuses, trailers, construction sites, seasonal affairs, etc.

Any customer requesting a temporary service must pay MLGW the cost of installing and removing the necessary facilities on a non-refundable basis. See Schedule of Charges for the cost of the various types of temporary service.

Payment of charges or authorized charges must be made before the work is done. Work request will be valid for one year from date of order unless construction dollars have been charged to the specific work request.

16.2 INSTALLATION BY ELECTRICAL CONTRACTOR

MLGW will connect the necessary facilities to a temporary service installed by an electrical contractor. The contractor must install the service adequately braced to withstand the pull of MLGW's conductors, install a meter socket, and obtain an inspection approval from the appropriate electrical inspector.

16.3 INSTALLATION BY MLGW – UNMETERED PEDESTAL

MLGW will furnish and install an un-metered temporary service pedestal for construction in a residential subdivision where power is available at a pad-mounted transformer or secondary handhole. The pedestal provides single phase 120 Volt power through two (2) duplex 20 amp grounding-type receptacles. The customer is responsible for ensuring the use of portable plug-in type GFCI protection for their personnel. The customer must pay or authorize charge for the installation and removal of the temporary pedestal plus an energy charge for the first six months of use before installation. An additional energy charge will be

made for each successive six months period or portion thereof.

16.4 INSTALLATION BY MLGW – METERED OVERHEAD TEMPORARY

MLGW will furnish and install a metered temporary service for any use where there is a suitable secondary voltage available. This metered temporary service device shall be limited to a time period not to exceed six months of service. Note: 50 amps, 240 volt, single phase, 60 Hertz and 20 amp, 120 volt, single phase, 60 Hertz is available from this temporary. The customer is responsible for ensuring the use of a portable plug-in type GFCI protection for their personnel. The customer must pay or authorize charge for the installation and removal of the temporary before installation. The energy usage will be metered and billed in accordance with the General Power Rate Schedule.

16.5 RESTRICTIONS OF UTILIZATION – ELECTRIC

A temporary service must not be used to energize any portion of the wiring in a permanent building, whether under construction or completed.

16.6 TEMPORARY GAS SERVICE

Temporary gas service may be provided by MLGW at the expense of the customer. An estimate will be prepared by MLGW, which will include cost of labor and material and the cost of removing material and equipment, plus the cost of all supervision and overhead charges. The estimated cost will be paid by the customer before work is started.

16.7 TEMPORARY WATER SERVICE

Refer to **Articles 30.2.3, 30.2.3.1 and 30.2.3.2**

17 FIRE PROTECTION SERVICE

17.1 REQUIREMENTS FOR CONNECTION

MLGW will offer un-metered connections for fire protection service only where, in the opinion of MLGW, its facilities are large enough to provide the amount of water detailed in *Appendix A* at the end of this section. No fire protection for a general service installation shall be installed on a metered service unless that service is equipped with a fire rated meter or written permission of the Supervisor of by MLGW's Water Engineering Area. The minimum size fire rated meter is four inches. For requirements on residential fire protection, see [Article 11.13](#). For main extensions and improvements see [Article 4.3](#).

17.2 CHARGES

17.2.1 Charges for fire protection connections will be quoted after receipt of application and plans by the Water Engineering Department.

17.2.2 A charge for performing a fire flow test will be made in accordance with the current Schedule of Charges. The charge will be waived if MLGW does not have an existing and accurate fire flow test available at the location in question. The Water Engineering Department will determine if an existing test is valid for a given area.

17.3 GENERAL INSTRUCTIONS

17.3.1 Before installing a fire protection system, complete plans of those factors affecting the supply of water to the system must be submitted to MLGW for approval. If a MLGW fire protection connection has been made available to the site, and complete plans related to the private fire protection system, have not been received by the Water Engineering Department, MLGW reserves the right to leave the fire protection control valve closed until such plans are received.

17.3.2 Pipe for fire protection must be fitted only with such fixtures as are needed for fire protection. No fire system pump, which is to take its suction directly from the city mains, will be connected to the city mains until approved by MLGW.

17.3.3 To provide protection against possible contamination, the customer will install, at a designated point on the fire protection line, appropriate backflow protection per applicable codes.

17.3.4 All connections to an MLGW main will be made by MLGW or its authorized agents at the expense of the customer.

17.3.5 An apartment building, condominium, or any other multi-tenant housing complex may install a fire sprinkler system off of an un-metered fire protection connection.

17.3.6 MLGW does not install future-use fire protection connections.

17.3.7 An MLGW inspector may seal all un-metered fire hydrants, valves and hose openings when it is deemed necessary to guard against the unauthorized use of water.

17.3.8 When private fire connections have been sealed, MLGW must be notified when the customer needs to test fire equipment and all tests must be made in the presence of an MLGW employee whose duty is to remove and replace all seals.

17.3.9 Except in case of fire, a seal on any valve controlling fire protection supply, hydrant or hose opening must not be broken without notice to MLGW. In case of violation, the water will be turned off until payment for the expense of turning off and on of valves, and resealing the opening is collected. Compensation for the unauthorized use of water must also be made. In case of fire, MLGW is to be immediately notified so that the valves can be resealed.

17.3.10 Should seals be broken a second time without notice to MLGW, fire protection service will be furnished only after a meter has been installed by MLGW in the service line at the customer's expense. Water will be furnished through this meter at regular metered rates, including the standard monthly minimum charge for the size meter installed.

17.3.11 All new fire protection systems are required to be chlorinated and the water rendered sterile before the valves between the fire protection system and the water main are left permanently open.

17.3.12 MLGW must be notified immediately of any alterations, and/or improvements to a customer's fire protection system so that MLGW's records may be kept current.

17.3.13 MLGW's valve on a fire protection system must be operated only by authorized personnel. While MLGW will endeavor to render reasonable turn-off service when requested, the customer must rely chiefly upon his own control valves to effect needed shutdowns.

17.4 PROHIBITIONS

17.4.1 No pipe fittings, or valve on the customer's system, shall be secured, or tied to the end of MLGW's pipe.

17.4.2 The water from the fire protection system is to be used only to combat fires. No connections will be made to the fire protection system unless such connections are solely for fire fighting purposes and unless MLGW is notified of such connections. No connection will be made between the fire protection system and the domestic system.

17.5 SERVICE CHARGES

A fire protection service charge will be made in accordance with established rate schedules. Pursuant to the fire protection code, as adopted by the governing municipal authority, fire protection service will continue in effect until written notice is given to MLGW to discontinue service and approval is granted by the governing fire department authority.

Appendix A

Fire Flow Requirements (Effective 11/1/2003)		
Description	Minimum Flow Rate (Gallons per minute)	
Congested Valve District	12,000 plus 3,000 for a second fire = 15,000 total	
Hazardous Occupancy	Major Hazard	15,000
	Moderate Hazard	10,000
	Minor Hazard	5,000
Storage Manufacturing Assembly > 1000 Mercantile	Up to 5,000 sq ft*	3,000
	5,000-50,000 sq ft up to 12' storage*	No Sprinklers = 4,000 Sprinkler System = 3,000 ESFR Sprinkler System = 3,000
	5,000-50,000 sq ft over 12' storage, or 50,001-100,000 sq ft up to 12' storage*	No Sprinklers = 6,000 Sprinkler System = 4,200 ESFR Sprinkler System = 3,600
	Larger than 50,000 sq ft with over 12' storage, or over 100,000 sq ft	No Sprinklers = 8,000 Sprinkler System = 5,600 ESFR Sprinkler System = 4,800
Institutional Assembly < 1000 Business Educational Multi-Family Residential	Non-fire resistant, 3 or more stories	4,000
	Semi-fire resistant, 3 or more stories	3,000
	No exposure, 1 or 2 stories	3,000
One and Two Family Dwelling	Less than 3,600 sq ft > 10' apart	2,000
	Over 3,600 sq ft or less than 3,600 sq ft < 10' apart	3,000

*The proper fire prevention authority reserves the right to increase fire flows for special hazard commodities, and will judge these instances on a case by case basis.

Should there be any questions concerning the minimum fire flow requirements or any deviations from the minimum fire flow requirements, MLGW Water Engineering, along with the proper fire prevention authority will be consulted.

MLGW Water Engineering: 528-4720
Memphis Fire Prevention Bureau: 320-5401
Shelby County Fire Department: 385-5123

18 RELOCATION OF AND CHANGES TO MLGW'S FACILITIES

MLGW may, at the request of a customer, relocate, or change existing MLGW-owned equipment. The customer may be required to reimburse MLGW for such changes at actual cost including appropriate overheads.

18.1 MUNICIPAL PROJECTS

Charges to local municipalities for relocation or replacement of facilities within public right-of-way when the street improvement, drainage, sewer, etc. projects are wholly financed by the local municipality shall be determined by then current Federal law or State law, or by then current written agreement between MLGW and the local municipality.

18.2 FEDERAL AND STATE FUNDED PROJECTS

Charges to the Federal government, State of Tennessee or other local municipalities for relocation or replacement of facilities within public right-of-way when the street improvement, drainage, sewer, traffic signals, etc. projects are wholly or partially financed by Federal or State funds shall be determined by then current Federal law or State law.

18.3 SITE PREPARATIONS FOR FEDERAL, STATE AND MUNICIPAL PROJECTS

MLGW will proceed to schedule construction when financial and contractual arrangements have been executed as required. MLGW will not begin its work until the contractor has staked either the ROW or back of sidewalk (if necessary); grading has been completed to within 6" of final grade; curbs, if required, have been installed; and any necessary grubbing has been completed.

18.4 PROJECTS OUTSIDE OF RIGHT-OF-WAY

Charges to the Federal government, State of Tennessee or other municipalities for relocation or replacement of facilities outside public right-of-way but within MLGW easements necessitated by the street improvement, drainage, sewer,

traffic signals, etc. projects regardless of the source of funds shall be determined by then current Federal law or State law.

18.5 STREET RELOCATIONS AND CLOSINGS

When a municipal right-of-way or MLGW easement is to be rerouted, rebuilt or closed for the benefit of private interest and MLGW's electric, gas or water facilities must be adjusted, the cost of such adjustments will be paid, on a non refundable basis, by the requesting parties, unless such costs are allocated to another party by then current written agreement with the Federal government, State of Tennessee or local municipality.

18.6 RELOCATION OF MLGW'S FACILITIES FOR THE CONVENIENCE OF CUSTOMER

Customer costs for modifications to MLGW's distribution facilities for the convenience of the customer will normally be determined by adding the cost of the estimated modification to the overall cost of serving new or additional load under the provisions outlined in (Section 3) of this manual titled "Applications and Contracts for Utility Service", provided that the meter has not been set to handle the new load and one or more of the following conditions is met:

- (a). The development of residential, commercial or industrial property is contingent upon the owner's furnishing additional rights-of-way for street widening and MLGW's facilities must be relocated to permit the street widening.
- (b). Rearrangement is required for permanent preparation on or contiguous to the property being served.
- (c). When proposed improvement will be over or under MLGW's facilities in conflict with applicable local, state or national codes.

MLGW will bear the cost of modifying its distribution facilities if MLGW's facilities are located in an easement containing a removal clause. Additionally, the customer will pay the excess of over \$600.00 for modification to residential

electric service drops. MLGW facilities on MLGW's property or purchased rights-of-way will be relocated only at the expense of the requesting party.

18.7 RELOCATION OF FIRE HYDRANTS

Subject to the approval of the Fire Department for that jurisdiction, an existing public fire hydrant may be relocated upon request, provided that the party requesting the relocation agrees to pay the estimated cost of such relocation. All other changes to MLGW's distribution facilities for the convenience of the customer will be made provided the requesting party pays the estimated cost of such relocation.

18.8 RIGHT TO REMOVE OR ABANDON DISTRIBUTION FACILITIES AND/OR SERVICES

MLGW reserves the right to abandon or remove electric, gas and water distribution facilities and/or services which are not being utilized in serving customers. MLGW retains ownership of abandoned gas mains within easements, rights-of-way and public streets. If the removal or abandonment is at the request of a customer, the customer will be required to pay the full estimated construction cost to have the distribution facilities and/or services removed.

18.9 STRUCTURES

No structure shall be built over or under existing facilities, owned or maintained by MLGW, without prior approval from the Vice President of Engineering and Operations. The cost of relocation of any facilities will be borne by the customer. For additional information contact MLGW's Property Management & Right of Way department.

18.10 TRANSMISSION LINE RIGHT-OF-WAY RELOCATION OR RELEASE OF EASEMENT

See separate MLGW Board Approved Transmission Encroachment Agreement or contact MLGW's Property Management & Right of Way department.

19 RATE CLASSIFICATIONS

19.1 ESTABLISHMENT OF RATES

The Board of Commissioners of MLGW will establish rates subject to the approval of the City Council for the various classes of electric, gas and water service available to customers. The rates fixed in the "Schedule of Rates and Charges" for each class of service are based upon the supply of service to the entire premise through a single delivery and metering point. Separate supply for the same customer at other points on the same premises will be separately metered and billed. Existing electric, gas and water rates may be changed by the Board of Commissioners subject to the approval of the City Council.

19.2 APPROPRIATE RATES

MLGW reserves the right to determine the correct billing rate for each customer. If a customer can establish that he is billed at the wrong rate, his rate classification will be corrected. A refund will be made for the applicable period for the amount the customer was over billed, up to a maximum allowed by the statute of limitations, unless the incorrect rate was based on information furnished MLGW by the customer. If it is found that a customer has been at the wrong rate and was under billed, MLGW will collect for all such prior service, up to the maximum time allowed by the statute of limitations.

19.3 RESIDENTIAL RATE CLASSIFICATION

19.3.1 ELECTRIC AND GAS

1. Any space occupied solely as living quarters by an individual family, together with any employee's quarters, guesthouse, or outbuildings, when used as such, plus any other buildings served through the same meter.
2. Any dwelling occupied as living quarters by an individual family with facilities for three (3) or less roomers and/or boarders. This establishment shall not be licensed or regularly advertised.

3. Any single dwelling converted to no more than two (2) dwelling units and served through a single meter.
4. Any residence part of which is occasionally used for an office or professional purposes by the resident (including its appurtenances if served through the same meter), where the major use of electricity or gas is for domestic purposes and the personal comfort and conveniences of those residing therein.

19.3.2 WATER

Residential service rates apply where the major usage is for traditional residential purposes. The following usages shall also be included in and limit the application of this rate classification.

1. Guest/coach house served through main residential meter. May be rented, but only one (1) dwelling unit served in addition to the main residence.
2. Outbuilding (including barn) - served through main residential meter. Provided total outbuilding water usage does not exceed 49% of total monthly water usage.
3. A single Duplex or no more than two (2) apartments or no more than two dwelling units served by a single meter.
4. Three (3) or less roomers/boarders. Cannot be licensed or use yard sign advertising.
5. Pool, served through the main residential meter.
6. Lawn Sprinkler served through the main residential meter or may have an additional separate water meter for a residential lawn.
7. Any residence part of which is occasionally used for an office or professional purposes by the resident (including its appurtenances if served through the same meter), where the major use of water is for domestic purposes and the personal comfort and conveniences of those residing therein.

19.4 GENERAL POWER RATE CLASSIFICATION

19.4.1 ELECTRIC

General Power Rates shall apply to any customers other than those who qualify as residential customers. Multi-family residential dwelling units consisting of three (3) or more dwelling units served by a single meter shall be classified for General Power Rates.

19.4.2 GAS

General Service or Industrial Rates shall apply to any customers other than those who qualify as residential customers.

19.4.3 WATER

General Service Rates apply to all customers not covered by the above residential rate classification. Multi-family residential dwelling units consisting of three or more dwelling units served by single meter shall be classified for General Service Rates. Large General Service Rates will apply to customers whose load requirements are 6000 CCF per month or greater and enter into a Water Service Agreement with MLGW.

19.5 FREE WATER

No other provisions of these policies will prevent the granting, by the Board of Light, Gas and Water Commissioners, of free water service under the mandate of Chapter 381, Private Acts of Tennessee.

20 BILLING AND CREDIT

For additional credit and billing information, see the current approved MLGW Customer Care Policy at www.MLGW.com.

20.1 SERVICE CHARGE

As referred to in this section "connection" means turning utilities on for a customer. A service charge must be paid for any connection except for the initial connect or turn-on of a new service. A service charge must be paid for reconnecting MLGW utility service(s) as result of disconnection due to non-payment. Additional charges may be assessed when additional work is required to prevent the unauthorized use of services. (See MLGW's Schedule of Charges for connection and reconnection fees and customer tampering).

Rental property owners can be exempted from this service charge if the property owner meets qualifications for "Owner's Reconnect Program." Qualifications can be obtained from the Apartment Desk at 528-4150. A service charge will be required when MLGW must make a special service call to connect service(s) in the owner's name, unless service is off because the previous tenant was disconnected due to non-payment.

20.2 BILLING PERIOD

Bills for residential service will be rendered monthly. The term "Billing Month" is the period, not less than 25 days or more than 35 days, between two regularly scheduled meter readings. Each calendar year contains twelve billing months. Bills to general service customers may be rendered at other intervals at the option of MLGW.

20.3 BILLING ADJUSTED TO STANDARD PERIODS

The demand charges and the blocks in the energy charges set forth in the rate schedules are based on billing periods of approximately one month. In the case of the first billing of new accounts (temporary service accepted) and final billings of

all accounts (temporary service accepted) where the period covered by the billing charge involves fractions of a month, the demand charges and the blocks of the energy charge will be adjusted to a basis proportionate with the period of time during which services is extended.

20.4 ESTIMATED BILLS

If agents of MLGW are unable to obtain access during regular working hours, the meter readings will be estimated. On occasions, MLGW may elect to estimate meter readings due to weather conditions, staffing shortages, or other reasons. MLGW will make every effort to avoid estimating meter readings on consecutive months for these reasons. If a meter fails to register, or if for any other reason correctly registered consumption cannot be determined, MLGW will render a bill to the customer based on the best information available not to exceed the statute of limitation.

20.5 DISCONTINUANCE OF SERVICE

If a bill is not paid on or before the delinquent date as indicated by final notice, service may be discontinued without further notice to customer and not resumed until the entire bill is paid. Neither MLGW nor the City of Memphis will be liable for damages on account of discontinuing service at any time after the delinquent date.

The discontinuance of service by MLGW for any cause including those defined in the Customer Care Policy does not release the customer from his obligation to MLGW for the payment of bills. The temporary discontinuance of service at the customer's request will not relieve the customer from payment of minimum monthly charges according to the applicable rate schedule. This includes seasonal service.

20.6 CUSTOMER'S DECISION TO DISCONTINUE SERVICE

Customers who wish to discontinue service must give at least one day notice to that effect unless specified otherwise by contract. Termination of service prior to the

expiration of a contract term will not relieve the customer from any minimum or guaranteed payment under contract or applicable rate schedule. If the property changes ownership, it is recommended that the seller or buyer of the property notify MLGW if there is a change in the account status. If the services are disconnected for non-payment, the Customer will be held responsible for all usage on all connected meters until proper notice of termination is provided to the utility.

21 ELECTRIC METERING

21.1 POINT OF DELIVERY

The point of delivery is the point, as designated by MLGW, where current is to be delivered to building or premises. All wiring and equipment beyond this point of delivery will be provided and maintained by the customer at no expense to MLGW.

21.1.1 SINGLE POINT OF DELIVERY

The Schedule of Rates for each class of service is based upon the supply of service to the entire premises through a single delivery and metering point and at a single voltage. Exceptions may be made by the Vice President of Engineering based upon unusual circumstances or matters of practicality. Separate supply for the same customer at other points of consumption, or at different voltages, must not conflict with any electrical codes, and must be separately metered and billed, except MLGW may direct that more than one set of service conductors be installed for large loads in the underground network areas. Separate primary circuits of the same voltage, terminating in a common switch room or vault, adjacent bays of a structure or adjacent pad-mount metering units may be totalized. In these cases MLGW will bill the customer on the total simultaneous power demand and energy of these services.

21.1.2 LIMITS OF CUSTOMER'S ELECTRIC DISTRIBUTION SYSTEM

No customer will, in the distribution or use of electricity furnished by MLGW, distribute any electricity through any lines or circuits installed across or on property owned by any other person or corporation, or installed across or on any street, alley, road, or other public way. Under extraordinary circumstances where good cause is shown, the requirements of this paragraph may be waived by the Vice President of the Engineering and Operations Division.

21.1.3 WORK BEYOND THE POINT OF DELIVERY

Whenever possible, MLGW will confine its installations by its own crews to public property or utility easements except for service conductors. It is the general policy of MLGW that no work will be done on the customer's property beyond the point of delivery except specialized testing and maintenance that cannot be done by private contractors.

21.1.4 POINT OF DELIVERY AND METER LOCATION AT CRIMINAL PENAL INSTITUTIONS

The point of delivery for all Institutions that confine, house or process criminals will be at a point outside the security of the penal system or a point that does not expose MLGW's employees to the close proximity of individual criminals. If a criminal institution is adding load that requires grading their existing utilities, or MLGW assumes the responsibility of the customer's existing facilities, the point of delivery shall be required to comply with this policy. The customer will be responsible for any expenses incurred.

21.2 METERING

21.2.1 LOCATION OF METERING EQUIPMENT

All metering equipment will be installed in accordance with MLGW's policies in a neat and workman like manner and located as shown on MLGW's sketch or work request. If there is any conflict between architectural plans and MLGW's sketch, MLGW's sketch or work request will prevail. In no case will previous installations be used as a precedent for not conforming to the meter location sketch.

21.2.2 METER SOCKETS/PEDESTAL AND SERVICE ATTACHMENT DEVICES

Meter sockets/pedestals and service attachment devices as specified on the meter location sketch or work request may be issued to the electrical contractor who has obtained a permit to perform work. Sockets will be issued for wiring alterations only where the alteration requires a different type socket. Meter sockets specified

on work request will be issued to the electrical contractor performing the work up to 90 days after the meter is set. Should an electrical contractor be issued metering equipment for a particular job and it is not used on that job, it will be the contractor's responsibility to return it to MLGW's Meter Area storeroom or pay MLGW the cost of the equipment.

21.2.3 MOUNTING OF METER SOCKETS/PEDESTALS

Meter sockets/pedestals will be installed with non-corrosive screws and will be plumb in all planes. In masonry or brick walls, wooden plugs and plastic anchors are not acceptable for mounting anchors.

21.2.4 MOUNTING OF FREE STANDING METER SOCKETS AND CABINETS

Acceptable free-standing mounting of meter sockets and cabinets will consist of two 2" galvanized rigid pipes or equivalent anchored in concrete with all installations subject to approval by the Electric Meter Area. The use of uni-strut is not acceptable for the free-standing mounting of electric meter sockets or cabinets. Free-standing meter sockets and cabinets shall not be located within three (3) feet of the transformer. The socket/cabinet shall not be located in front of the transformer doors or interfere with the location of protective barriers.

21.2.5 ENERGIZING OF CUSTOMER'S SERVICE EQUIPMENT

Customer's service equipment will not be energized unless the following conditions are met:

1. Customer has applied for service, made necessary financial arrangements and executed necessary contracts.
2. Socket/pedestal or sockets have been properly wired and properly anchored.
3. The safety cover plate furnished is in place and all knockouts and hub openings are closed.
4. The building is properly numbered and in multiple meter installation each meter position is permanently and legibly marked

with a metal tag on the socket body and not on its lid so to be visible after installation.

5. Proper approval has been received by MLGW from governmental inspecting agency having jurisdiction of all wiring and equipment served by a single service.

21.2.6 INSTALLATION OF TEMPORARY JUMPERS

The use of temporary jumpers in meter sockets is strictly prohibited. Whenever jumpers are found, MLGW will remove the jumpers and will bill the responsible party an estimated charge based on the best information available. Also, each case will be investigated by the Revenue Protection Department to determine the need for further action including prosecution for theft of utilities.

21.2.7 EQUIPMENT FURNISHED BY CUSTOMER

The customer may furnish his own socket, or combination meter socket and multi breaker panels provided it is approved by MLGW in writing and the head of the local inspecting authority having jurisdiction. A list of MLGW's requirements will be furnished upon request. In conjunction with these requirements, all individual sockets furnished by the customer for a commercial application will be provided with a lever-operated mechanical meter by-pass socket. When sockets or panels are submitted to MLGW for approval they will be returned as is after the completion of all tests. Equipment furnished by customer will be maintained by the customer. No equipment will be furnished by MLGW for any installation where customer furnished his own, nor will any allowance be made.

21.2.8 METER LOCATION ON ALL NEW CONSTRUCTION

On all new work, the meter will be located on an outside wall where it is readily accessible for reading or testing; however, meters may be located in accessible positions within apartment complexes containing more than four units and in business places which are open during normal business hours. Meter centers will

not be installed on trailers, construction shacks, temporary building, or MLGW's poles.

21.2.9 RELOCATION OF ELECTRIC METERS

Electric meters will be moved to an outside wall of the building or relocated at the expense of the customer, where they will be accessible for reading, testing, repairing, inspection or removal when one or more of these conditions exists:

- The building in which the meter is located is under going structural alterations involving changes in the electrical wiring or facilities. In all cases where a single family type of residence is changed to a multiple dwelling unit, the meter or meters will be located on the outside of the building, even though this requires the relocation of the existing inside meter to the outside wall.
- The customer is making changes in the electrical wiring necessitating an increase in the size or number of the service conductors.
- The customer desires the meter to be relocated for convenience.
- Changes are made in the arrangement of the building which make the meter inaccessible to MLGW.
- A customer is found to be preventing proper registration of the meter.
- The meter location has become dangerous, inaccessible or exposed to possible damage by reason of the customer's use of the space or other conditions for which MLGW is not responsible. MLGW reserves the right to move a meter at the customer's own expense to a more accessible location where it can be easily maintained, despite the fact that the present location of the meter was previously approved by MLGW.

21.2.10 CUSTOMER'S OR PROPERTY OWNER'S RESPONSIBLE FOR MLGW PROPERTY

All meters, service connections, and other equipment furnished by MLGW will be, and remain, the property of MLGW. The customer or property owner will exercise the necessary care to protect MLGW's property on these premises. In the event of loss or damage to MLGW's property, except from Force Majeure, the cost of the necessary repairs or replacements will be paid by the customer or property owner.

21.2.11 DISTURBANCE OF EXISTING METERING EQUIPMENT BY WIRING CONTRACTOR

No electrical contractor will tamper with or break the seal of a meter center or instrument transformer, except where proper application has been made or in cases of extreme urgency. In such cases, MLGW's Information Center must be notified immediately. Whenever it is necessary for the electrical contractor to remove any metering equipment, the contractor will be held responsible for the prompt and safe return of the metering equipment. The metering must be restored as soon as possible.

21.2.12 METER POSITION AND LOCATION

Meter centers will be kept free from obstructions at all times and readily accessible to MLGW's representatives for meter reading, testing and maintenance and will not be subject to severe vibration. Socket type meters will be located not more than six feet or less than three feet from the ground or floor. Special metering cabinets will be mounted as instructed by MLGW. If the customer should make building alterations or other changes resulting in an increase or decrease in height above or below that permitted, the customer will pay the cost of necessary changes.

21.2.13 MODERNIZATION OF OLD METER CENTERS

If a customer's service has been disconnected for one year or more, or if rewiring is being done to bring the installation up to code requirements, the meter center

will be modernized if it is of old construction.

21.2.14 EQUIPMENT LOCATED ON THE LINE SIDE OF THE ELECTRIC METER

Individual circuit breakers, fuses, disconnects, or other electrical equipment should not be installed on the "line side" of the electric meter on new or existing services or work requests involving meter separations. A single, main circuit breaker on the "line side," of the electric meter is permissible only with prior written approval from the Electric Meter Area.

21.2.15 CONDUCTORS CARRYING METERED ENERGY

Conductors carrying metered energy will not be in the same conduit or raceway with conductors carrying un-metered energy.

21.2.16 USE OF ALUMINUM CONDUCTORS

Aluminum conductors will be used only in connectors designed for aluminum and will not be placed in the same connector with copper conductors. Inhibitor must be used with aluminum conductors.

21.2.17 DISCONTINUED USE OF METERING EQUIPMENT

In case the customer's wiring is so changed that MLGW's metering equipment, including sockets, transformer cabinets and their contents and other accessories, are no longer needed for metering, they must be returned to or purchased from MLGW.

21.2.18 METERING EQUIPMENT BEYOND MLGW REQUIREMENTS

If a contractor desires metering equipment in excess of that required and if the accuracy of the metering will not be lowered, and if the metering equipment is in accordance with MLGW standards, the contractor will pay the difference to obtain the desired equipment.

21.2.19 REPAIR AND REPLACEMENT OF METERING EQUIPMENT

If metering equipment is damaged by fire, storms, loose connections, etc., duplicate equipment will be furnished immediately upon request of an electrical contractor. MLGW will make minor repairs in meter sockets/pedestals furnished by MLGW; such as, replacing clips, lugs, or blocks, tightening connections or reconnecting grounds. If extensive repairs are necessary, or parts are no longer available, it will be the responsibility of the customer to have a contractor perform the work using a new socket or parts as required by MLGW's Metering Department. MLGW will make major repairs only when damages are clearly caused by MLGW personnel or equipment.

21.2.20 MLGW OWNED EQUIPMENT WHEN BUILDING IS BEING DEMOLISHED OR MOVED

Anyone demolishing or moving any building is responsible for the safe return of all MLGW owned equipment attached to that building including meters, instrument transformers, transformer mounting equipment, connectors, etc.

21.2.21 TESTING OF ELECTRIC METERS AND CHARGES FOR TESTING

MLGW will, at its own expense, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy. MLGW will make additional tests or inspections of its meters at the request of customer. If tests made at the customer's request show that the meter is within +/- (2%) of the calibration standard, there will be no adjustment made to the customer's bill and a testing charge per meter (see Schedule of Charges) will be added to the customer's bill. If tests made at the customer's request show that the meter is outside +/- (2%) of the calibration standard, an adjustment will be made to the customer's bill over a reasonable period as determined by conditions existing at the time of the test. Also, in this case there will be no charge to the customer for the testing and the customer's meter will be replaced.

21.2.22 REACTIVE METERING

Reactive metering will be installed as required on existing or new electric services.

21.2.23 METER SEPARATION

When an existing service is divided into two or more meters, MLGW will estimate the total cost of providing the additional equipment and associated work. The appropriate revenue ratio for any additional load will be applied to the estimated cost. Any excess cost after applying the appropriate revenue allowance will be paid by the customer on a non-refundable basis.

21.2.24 BONDING CONNECTIONS INSIDE MLGW'S METER SOCKET

All bonding connections inside MLGW's meter socket shall be made at a location designated by the manufacturer of the apparatus. Under no circumstance will the apparatuses be altered or connections made that will affect the operation of the device, MLGW's liability, or the manufacturer's warranty. In the event there are not a sufficient number of bonding connections provided by the manufacturer in the apparatus, MLGW must first approve the method and location of any additional bonding connections. The customer or contractor must also adhere to the local or NEC code concerning this matter in addition to prior approval from MLGW's Electric Meter Department.

21.2.25 READING INACCESSIBLE ELECTRIC METERS

When access to MLGW's metering equipment causes abnormal delays in routine monthly meter reading, the customer will be given the following options:

- (a). Relocate the metering equipment at the customer's expense.
- (b). Provide and maintain a telephone circuit to MLGW for remote interrogation.
- (c). Pay a monthly service charge for MLGW's operation and maintenance of the equipment necessary for remote interrogation.

MLGW will not be limited or restricted from access to the metering equipment during normal working hours as stated in this Electric Service Policy.

21.2.26 PARALLELING CONDUCTORS UNDER A SINGLE WIRING LUG IN A METER SOCKET

RESIDENTIAL APPLICATION

Different wire sizes under a single lug will be permitted as long as there are not more than two wires per lug and the combined ampacity does not exceed the ampacity of the largest single wire specified by the lug. The approval of the combination of wire sizes will be left to the discretion of MLGW's Electric Meter Area Supervisor.

COMMERCIAL APPLICATION

Paralleling 1/0 conductor will be permitted under a single lug, so long as there are no more than two wires per lug and the circular mil capacity of the lug is not exceeded. The paralleling of conductors, their respective sizing and compliance with any and all codes still remain the responsibility of the Electrical Contractor.

21.2.27 CONDUCTOR SIZING FOR SECONDARY NEUTRALS AND GROUNDED PHASES ON ALL SERVICES

The secondary neutrals and grounded phases of all services, whether they are to be used or unused by the customer for their load operation, will be sized as specified by the National Electric Code, the National Electric Safety Code, and the Memphis and Shelby County Electrical Code. The conductor will be extended from the point of delivery to the customer's first disconnect, switch or breaker. This does not include the meter socket as one of those devices.

21.2.28 REVENUE METERING EQUIPMENT OWNERSHIP

All metering equipment installed at a customer's location for the purpose of measuring and registering electrical usage and demand as determined by MLGW's rate schedule and used as a source of revenue billing for any customer by MLGW will be furnished and owned by MLGW. The equipment furnished by

MLGW will be in accordance with that specifically purchased for revenue metering as determined by MLGW's standards or methodology.

21.2.29 FIRE PUMP METERING

See Memphis and Shelby County Joint Electrical Code Section 1506.3.2 for requirements.

21.3 INSTRUMENT TRANSFORMER FOR METERING

21.3.1 INSTALLATION OF INSTRUMENT TRANSFORMERS

Where instrument transformers are required, they will be installed in accordance with instructions issued by MLGW's Meter Department.

21.3.2 ENCLOSURES FOR INSTRUMENT TRANSFORMERS

When a metal cabinet is required to house instrument transformers, MLGW may furnish and own a cabinet which will be installed by the contractor at the customer's expense or the contractor may furnish and install a cabinet that will be owned by the customer. The installation of cabinets in all instances will be at the customer's expense. All cabinets larger than 33" x 36" x 10" will be furnished and installed by the contractor and owned by the customer. All cabinets furnished by the contractor must meet the requirements of MLGW's Meter Department.

21.3.3 LOCATION OF INSTRUMENT TRANSFORMER ENCLOSURES

Transformer cabinets will be installed in safe and accessible locations. They may be oriented to suit the contractor's requirements but in no case will they be permitted on the ceiling. Current transformer cabinets, when in basements, will not be mounted so that water can drain into them through incoming conduits or duct lines. If necessary, a junction box will be placed at the service entrance location.

21.3.4 CONDUIT REQUIREMENTS FOR INSTRUMENT TRANSFORMER LEADS

The minimum size conduit installed by the contractor from the instrument transformer locations to the meter center/cabinet shall be one and one quarter inch (1 ¼"). For long or difficult runs, a larger size conduit may be specified. This conduit will not have more than 270 degrees in bends. Runs shall not exceed 50 feet in length without special permission from the Electric Meter Area prior to installation. If permission is granted, a pull wire must be left in the conduit by the contractor. All meter leads must be installed by MLGW personnel. This conduit cannot contain any other conductor. All conduits installed for instrument transformers leads shall be of the metallic type, except those installed below ground level. Those conduits shall be of the electrical PVC Type Schedule 40. Electric metallic tubing, commonly referred to as thin wall conduit, is satisfactory as a grounding conductor provided the connections to all equipment are made with either compression or set screw type fittings. This grounding conductor must be properly attached to all meter sockets/cabinets and shall not exceed a resistance of 25 ohms.

21.3.5 INSTRUMENT TRANSFORMER LOCATED IN CUSTOMER'S SWITCHGEAR

If instrument transformers are to be installed in customer's switchgear, MLGW will furnish outline drawings of the transformer to the manufacturer. It will be the customer's responsibility to pick up the transformers from the Meter Department Storeroom and have them installed in the switch gear either by the manufacturer or the contractor. These transformers are to be used exclusively for MLGW metering. A list of MLGW's requirements for this type of installation will be furnished upon request.

21.4 DEMAND PULSE DEVICES

21.4.1 DEMAND PULSE RELAY INSTALLATION

MLGW Electric Meter Department will install a demand relay when compatible with MLGW's existing electric meter equipment. This relay will provide the

customer with demand pulses with the same resolution as MLGW's demand recorder.

21.4.2 CUSTOMER COST FOR DEMAND PULSE RELAY

The customer will pay the full cost of the installation and future maintenance. This cost is subject to change without notice.

21.4.3 DEMAND PULSE RATE

When a specific demand pulse rate is requested by the customer and the change in equipment necessary to provide this pulse rate is in accordance with MLGW's metering standards, this equipment will be installed at the customer's expense.

21.4.4 REQUESTS FOR DEMAND PULSE RELAY

All requests for the installation of demand pulse relays or any other type metering equipment must be submitted in writing to MLGW. This request would authorize MLGW to bill the customer for any installation cost incurred.

21.4.5 END OF INTERVAL PULSES

The demand for any month will be determined during any 30-consecutive minute period of the month and MLGW will not provide end of interval pulses.

21.4.6 INTERRUPTION OF PULSES

MLGW will not be responsible for any damage as a result of an interruption of pulses.

21.4.7 INTERVAL REPORTS (WHEN AVAILABLE)

There will be a charge for each interval report requested by the customer. This charge is subject to change without notice.

21.4.8 METERING TELEPHONE CIRCUITS

Customers with demands greater than 1000kw demand or those participating in a special rate contract with MLGW shall provide, maintain and pay the initial and monthly cost of a voice grade telephone circuit that is compatible with MLGW's

equipment and has 24 hour accessibility. The telephone line shall be terminated in the metering cabinet with a modular type jack.

Customers whose metering location is outside of the facility and only have one metered circuit may opt for cellular based metering. If this option is chosen, the customer will be required to pay the difference in the cost of the equipment including any required accessories such as antennas. Along with this initial cost, the customer will also be required to reimburse MLGW a monthly cellular charge. New customers with demands greater than 1000 kw shall adhere to this initially while others comply as their contracts are modified or renewed.

22 CUSTOMER'S ELECTRIC WIRING STANDARDS

All wiring of customer must conform to MLGW's requirements and all applicable codes and ordinances.

22.1 ELECTRIC WIRING APPROVAL

Before the electric service is energized, all wiring and appurtenances must be inspected and approved by the legally authorized electrical inspector. MLGW has the right, but is not obligated to inspect any installation before electricity is introduced or at any later time, and reserves the right to reject any wiring or appliances not in accordance with MLGW's standards; but such inspection or failure to inspect or reject does not render MLGW liable or responsible for any loss or damage resulting from any defects in the installation, wiring, appliances, or from violation.

22.2 LOCATION OF METER CENTER PEDESTAL AND POINT OF DELIVERY

22.2.1 APPROVAL OF METER CENTER/PEDESTAL LOCATION AND POINT OF DELIVERY

Before any wiring is installed or altered, the applicant will obtain locations for meter center and point of delivery from MLGW. Architects and engineers are required to obtain this information before finalizing building plans. Each delivery point shall be served through a meter center unless that service is metered by instrument transformers furnished by MLGW. Under no circumstances will the point of delivery occur within another customer's meter socket. MLGW reserves the right to refuse to connect to any point of delivery that has not been located by a representative of MLGW.

22.2.2 OVERHEAD SERVICE POINT OF DELIVERY

Generally the point of delivery for overhead service will be located near the meter center, but MLGW reserves the right to locate the point of delivery at a distance from the meter center whenever it deems proper, and the customer will extend his service entrance conductors to this location.

22.3 SERVICE ENTRANCE CONDUCTORS, OVERHEAD

22.3.1 SIZE OF CONDUCTORS

Service entrance conductors will be sized in accordance with codes and ordinances of the governmental agency having authority.

22.3.2 SERVICES WITH MULTIPLE CONDUCTORS PER PHASE

On services where more than one conductor per phase is required, the customer may be required to furnish and install a suitable connector to connect all conductors per phase together and the connector will be suitable for connection to MLGW's service drop.

22.3.3 SERVICE OVER 600 AMPERES

For services over 600 amperes, except where proper ampacity can be obtained with two cables per phase not larger than 500 KCM, the customer will install bus bars for the connection of service wires and supply suitable connectors on the bus bars for the connection of MLGW's conductors.

22.3.4 IDENTIFICATION OF NEUTRAL OR GROUNDED PHASE

The neutral or grounded phase conductor must be plainly marked at the service entrance and at the main switch location for the purpose of identification.

22.3.5 LENGTH OF CONDUCTORS AT POINT OF ATTACHMENT

At the point of attachment to a building, the customer will leave a minimum of three feet of service entrance conductor if smaller than #1/0 and a minimum of four feet if #1/0 or larger for connection to MLGW's service conductors.

22.4 OVERHEAD SERVICE ATTACHMENT

22.4.1 INSTALLATION OF SUPPORT RACKS SUPPLIED BY MLGW

MLGW may furnish a suitable supporting rack to be installed by the customer at a point designated by MLGW and it must be securely mounted to withstand a

minimum pull of 2,000 pounds. This rack or eye bolt remains the property of MLGW.

22.4.2 CLEARANCES ON RACKS OR EYE BOLTS ABOVE GROUND

The rack or eye bolt shall be mounted at a height sufficient to provide service conductor clearance above ground as specified in the National Electrical Code, the National Electrical Safety Code, and the Memphis and Shelby County Electrical Code.

22.4.3 SUPPORTS FURNISHED BY THE CUSTOMER

If clearances above ground cannot be obtained using the proper rack or eye bolt supplied by MLGW, the customer must furnish and install a service mast or other permanent means of support for attachment of MLGW's service drop that meets the approval of MLGW. The support will be capable of withstanding a 2,000 pound pull. If customer cannot provide suitable support for attachment, MLGW will install a lift pole, at the customer's expense, to obtain National Electrical Safety Code clearances. This option in no way relieves the customer's obligation to meet the requirements of the National Electrical Code and the Memphis and Shelby County Electrical Code.

22.4.4 EXCESSIVELY LONG SERVICE DROPS

On excessively long service drops, MLGW reserves the right to support the service drop.

22.4.5 MINIMUM SIZE CONDUIT AND CONDUIT TYPE FOR OVERHEAD SERVICE MAST WHEN USED AS A SERVICE ATTACHMENT DEVICE

A 2" rigid conduit will be the minimum size conduit installed for an overhead service mast when used as the service attachment device. This will be installed by the customer at a point designated by MLGW and must be securely mounted to withstand a minimum pull of 2,000 pounds. The mast shall be mounted at a height sufficient to provide service conductor clearance above ground as specified

in the National Electrical Code, the National Safety Code, and the Memphis and Shelby County Electrical Code.

22.5 SERVICE LATERAL (UNDERGROUND)

22.5.1 SERVICE LATERALS FROM THE DIVISION'S UNDERGROUND NETWORK SYSTEM

If service to a customer's project is from MLGW's underground network system, MLGW will approve the routing of service laterals and if the customer's service outlet projects through a building wall at least 12 feet and not more than 15 feet above the ground, MLGW will furnish and install necessary underground service laterals, risers, and conduits.

22.5.2 SERVICE LATERALS OUTSIDE THE UNDERGROUND NETWORK SYSTEM

In areas outside the underground network system, MLGW will approve the routing of service laterals. Responsibility for the installation of service laterals is covered under [Article 12.5.3](#).

23 GAS METERING

23.1 SINGLE POINT OF DELIVERY

The rate schedule for each class of service is based upon the supply of service to the customer's premises through a single delivery and metering point and at a single pressure. Separate supply for the same customer at other points of consumption, or at different pressures, shall be separately metered and billed. There shall be only one source of supply to a lot or parcel of property and one metering point for each premise, regardless of the number of buildings served. Exceptions may be made by the Vice President of Engineering and Operations, based upon unusual circumstances or matters of practicality.

23.2 LOCATION OF GAS METER

MLGW has the exclusive right to locate any gas meter and the applicant must obtain location of meter before any piping is installed or altered. MLGW reserves the right to refuse to connect to a fuel line that has not been located by a representative of MLGW.

23.2.1 SPECIAL REQUIREMENTS FOR CERTAIN INSTITUTIONAL CUSTOMERS

Gas meter installation for schools, colleges or universities, and orphanages, both public and private, shall be enclosed within a chain link fence, or equal, furnished and installed by the customer. All such enclosures shall be equipped with a removable chain link top. Access gate(s) to the enclosure shall be double-locked, with one lock belonging to the customer, and the other belonging to MLGW. Plans for a typical enclosure will be furnished by MLGW upon request. Any variations to the plans furnished by MLGW must be approved by the Supervisor of the Commercial & Industrial Gas Department. Schools, hospitals, or orphanages receiving gas at a fixed pressure shall be provided overpressure protection by MLGW as an integral part of the meter installation. All regulators and overpressure protection devices furnished by the customer shall be installed

above ground outside each building being served.

23.3 TESTING OF GAS METERS AND CHARGES FOR TESTING

MLGW will, at its own expense, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy. MLGW will make additional tests or inspections of its meters at the request of customer. If tests made at the customer's request show that the meter is within +/- (2%) of the calibration standard, there will be no adjustment made to the customer's bill and a testing charge per meter (see Schedule of Charges) will be added to the customer's bill. If tests made at the customer's request show that the meter is outside +/- (2%) of the calibration standard, an adjustment will be made to the customer's bill over a reasonable period as determined by conditions existing at the time of the test. Also, in this case there will be no charge to the customer for the testing and the customer's meter will be replaced.

23.4 LINE PRESSURE GAS CUSTOMERS

The customer must provide one of the following two options:

- 1) Customers must provide and maintain a 120 VAC, 5 ampere electric service along with a analog voice grade telephone circuit that is compatible with MLGW's system, both having 24 hour accessibility, or
- 2) Customers must provide and maintain a 120 VAC, 5 ampere electric service that has 24 hour accessibility along with reimbursing MLGW a monthly cellular charge.

MLGW will designate the installation location and specifications for the necessary equipment and connections. (See Article 29.2 for definition of "Line Pressure".)

24 CUSTOMER'S GAS FACILITIES

24.1 RESTRICTED ROUTING OF GAS PIPING

No customer will, in the distribution or use of gas furnished by MLGW, distribute any gas through any pipes installed across lot or parcel lines, or installed on any street, alley, or road or other public way. Exceptions may be made by the Vice President of Engineering and Operations based upon unusual circumstances or matters of practicality.

24.2 OWNERSHIP

Except where otherwise expressly agreed in writing, all gas lines and equipment, (except meter service valves, meters, service regulators, and other meter set piping and appurtenances) installed on privately owned property will be paid for by and belong to the property owner.

24.2.1 GAS STREET SERVICE

The portion of the service in the street right-of-way will be the property of MLGW.

24.2.2 EARTHQUAKE UTILITY INTERRUPTION EQUIPMENT

MLGW maintains a position of neutrality toward the installation and/or use of earthquake utility interruption equipment. Such equipment is the property of the customer and it is the customer's responsibility to install and maintain the equipment.

24.3 CUSTOMER'S GAS SERVICE PIPE

Each customer's meter will be supplied by an individual service pipe running directly from the main to the meter with no branch connections in between except as provided below:

1. A common service pipe may supply more than one meter provided all customers are housed under one roof and additional outbuildings and all meters are connected directly to a common header.
2. In multiple units, the fuel line for each unit must be marked at the meter center by the customer or agent with a permanent metal tag identifying the particular unit served by that meter.
3. In a planned development, residential or commercial, consisting of multiple units the service line may branch to form an internal distribution system to serve each unit provided:
 - a. Plans for such system are submitted to and approved by MLGW, and,
 - b. Each unit to be served is equipped with a separate gas meter or header with more than one meter, and
 - c. No part of any such internal distribution system will be constructed upon property owned by any person other than the owner of such entire system, and
 - d. Should property be subsequently subdivided, by sale or otherwise, no part of such system shall cross lot or parcel lines (regardless of ownership) unless the appropriate easements are allotted. MLGW reserves the right to require that any such system will be redesigned or reconstructed so that it shall conform to this manual, and the owners will pay the entire expense.

24.3.1 MAINTENANCE ON CUSTOMER'S SERVICE PIPE

Whenever the customer's service pipe requires maintenance or replacement, it will be done by MLGW in accordance with the specifications for new service pipe and at the prevailing rates charged for new service pipes. MLGW may, at its option, make any required repairs or replacements due to leakage of the customer's service pipe or in conjunction with general system improvements at no charge to the customer.

24.3.2 ABANDONED GAS SERVICE PIPE

Natural gas services that have been abandoned longer than one year shall be considered unfit for use. Services that have been abandoned less than one year can be reused if the piping passes the pressure test requirements as per the Operation and Maintenance Manual and exhibits no signs of corrosion pitting or external damage. If a service has been deemed to be in good condition the customer will be refunded the difference between the cost of a new service and the cost that was incurred to pressure test, visually inspect, and cathodically protect for applicable code compliance.

24.3.3 EXCESS FLOW VALVES

When a customer makes a request for an excess flow valve to be installed on an existing service, a special design will be prepared by the Customer Engineering area and cost quote shall be provided to the customer for the material and installation cost.

24.4 CUSTOMER'S RESPONSIBILITY TO MLGW

The customer will be responsible for any loss sustained by MLGW by reason of damage or destruction to MLGW's facilities through negligence or wrongful act of the customer.

24.4.1 MAINTENANCE OF CUSTOMER'S PIPING AND EQUIPMENT

The customer will maintain at all times all piping, equipment, appliances and other appurtenances located on his premises for use of metered gas in a condition conforming with the requirements of all applicable laws and ordinances with the provisions of this manual.

24.5 INSTALLATION REQUIREMENTS DOWNSTREAM OF MLGW'S METER OR POINT OF DELIVERY

All new installations of, and modifications or additions to, gas piping systems, gas appliances and related accessories located downstream of MLGW's meter or

other designated point of delivery shall conform to the applicable requirements of the technical and safety codes in force at the time of installation or modification, in the form adopted by the code authority having jurisdiction. Design and installation of equipment and/or piping not specifically covered by such codes must receive prior approval by MLGW and the code authority having jurisdiction.

24.5.1 EXISTING INSTALLATIONS

Existing installations that were in conformance with technical and safety codes in effect at the time of installation, but not in full compliance with currently adopted technical and safety codes, may continue in operation, provided such operation does not present a hazard to persons or property.

Substantial modifications or additions to existing installations may require the entire installation to conform to currently adopted technical and safety codes. Such determination shall be made by the code agency having jurisdiction.

24.6 ALTERATIONS TO UNMETERED GAS PIPING

The moving, connecting or disconnecting of gas meters, or operation of main line valves, or the making of repairs, alterations, relocations and/or other work on any portion of the gas piping containing unmeasured gas shall be done only by authorized Division employees. During an emergency, qualified persons other than Division employees may temporarily stop leaks in the service pipe or service extension and notify the Division immediately thereafter.

24.7 REPAIR OR REPLACEMENT OF CUSTOMER'S SERVICE PIPE

MLGW may, as it deems appropriate and at no charge to the customer, make any repairs or replacement to the customer's service pipe from the property line to meter center.

25 WATER METERING

25.1 POINTS OF DELIVERY

Refer to [Article 3.22](#)

25.2 LOCATION OF WATER METER

Refer to [Article 3.21](#)

25.3 WATER METER SETS

A residential water meter will not be set until the lot is to grade and all construction debris is cleared from the location of the future use connection. If the customer's water line is directly connected without a spacer and the depth or alignment is wrong, the line will be cut free and the meter and box will be set in the proper position and left for the plumber to reconnect. Once the meter and the box have been set by MLGW, they are not to be removed. Any damages to the meter or box will be the builder's financial responsibility.

25.4 TESTING OF WATER METERS AND CHARGES FOR TESTING

MLGW will, at its own expense, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy. MLGW will make additional tests or inspections of its meters at the request of customer. If tests made at the customer's request show that the meter is within +/- (2%) of the calibration standard, there will be no adjustment made to the customer's bill and a testing charge per meter (see Schedule of Charges) will be added to the customer's bill. If tests made at the customer's request show that the meter is outside +/- (2%) of the calibration standard, an adjustment will be made to the customer's bill over a reasonable period as determined by conditions existing at the time of the test. Also, in this case there will be no charge to the customer for the testing and the customer's meter will be replaced.

25.5 SUB-METERING (WATER)

Sub-meters may be installed downstream of the outlet side of MLGW supplied master meters if the property owner complies with TDEC's sub-metering policy that became effective January 5, 2007. The sub-metered property must be owned by a single person or legal entity. The sub-metered property must receive all its water from MLGW, have no cross connections with any other water source and cannot change the quality of the water provided to its customers.

The property owner shall not create a significant difference in recovering the cost of water measured by the MLGW supplied master meter and the property owner's supplied sub-meters. No property owner shall sub-meter water services for customers of MLGW without express consent from the Vice President of the MLGW Engineering and Operations Division.

25.6 WATER DISTRIBUTION LIMITATIONS

No customer will, in the distribution or use of water furnished by MLGW, distribute any water through any pipes installed across or along property owned by any other party or parties or installed across or along any public right-of-way unless the requirements of this paragraph are waived by a resolution duly adopted by the Board of Light, Gas and Water Commissioners. The Vice President of the MLGW Engineering and Operations Division has the authority to make exceptions to this section for unusual circumstances and for good cause.

25.7 WATER METER BY-PASSES

25.7.1 NEW METER CONNECTIONS

In order to permit on site testing of large water meters without interrupting service to the customer, MLGW requires the installation of un-metered by-passes on connections sized larger than two inches. This requirement is mandatory for all new connections and the total cost of the by-passes is included in the estimated cost of the connection.

25.7.2 EXISTING CONNECTIONS

Any customer now being served through existing connections sized larger than two inches may elect to accept service interruption during on site testing or pay the cost of installing the bypass.

25.7.3 COST OF INSTALLATION

The customer will pay the total estimated cost of installation of any by-pass.

25.8 CONDITIONED WATER

Pipes carrying water that has been conditioned by cooling for air conditioning purposes or heated for heating purposes must be carried in a closed loop system. Such water may be piped across private property owned by someone other than the metered customer provided permission is obtained from the owner of said private property. Said pipe may cross or go along a street, alley, road or other public way provided permission is obtained from the appropriate code enforcement official of that jurisdiction.

25.9 REPAIRS TO METERS OR METER BOXES

Customers are liable for the cost of repairing meters or meter boxes set to serve their premises, provided repairs are necessitated by carelessness or lack of proper equipment on the part of the customer. Since these boxes are either on or close to public rights-of-way, the removal of covers by unauthorized persons is prohibited in the interest of public safety.

25.10 RESPONSIBILITY TO TURN ON AND TURN OFF

Only employees of MLGW will be permitted to turn water on or off at the curb cock, except as provided under (Section 27) or in emergency situations declared by MLGW.

25.11 OCCUPATION

Water will not be turned on unless the premises are occupied by some person purporting to be in charge of the premises at the time the turn-on is made.

26 CROSS CONNECTION (WATER)

26.1 DEFINITION

Any actual or potential connection by means of which contaminants or pollutants of any kind can be caused to enter the potable water supply system.

26.2 CROSS CONNECTION PROHIBITION

Cross connections between the water system of MLGW and that of a quasi-public or private water system will be made only in accordance with the provisions of all laws, ordinances and health regulations and must be approved by the Cross Connection Board.

26.2.1 NON-POTABLE WATER

Whenever non-potable water from a quasi-public or private system is used in conjunction with water from MLGW's water system for fire protection, industrial or other uses, such non-potable water will be distributed through an independent and separate piping system having no cross connection with MLGW's system and any person, firm or corporation having on their premises a system of non-potable water, and at the same time being served water by MLGW, must file with MLGW a statement of non-existence of cross connections.

26.2.2 EXISTING CROSS CONNECTIONS

Whenever a cross connection does exist between MLGW's system and another system, the premises shall be open at all times for inspection by MLGW's representatives, and, if on inspection, it is found that MLGW's system might become contaminated or endangered by such cross connections, MLGW has the right to discontinue water service of its own volition, or upon recommendation of the Memphis and Shelby County Health Department or the Cross Connection Board.

26.2.3 PREVENTING CONTAMINATION

Whenever a cross connection exists or is proposed between MLGW's water system and any other water system, the other water system will be equipped with a suitable device for preventing the co-mingling of water between the two systems, except when the co-mingling of water is desired. The device must insure the immediate and complete separation of water during any possible emergency. This equipment will be installed by the owner of the private system in such a manner as to meet the requirements of the Cross Connection Board.

26.3 CUSTOMER RESPONSIBILITY

The customer has the prime responsibility of preventing contaminants and pollutants from entering his water supply system, and from entering the public water main.

26.3.1 PROTECTION OF THE WATER SYSTEM

The customer shall protect his water supply system against actual or potential cross connection, backflow or back siphonage, as required by the Plumbing Code, the Cross Connection Board and other applicable regulations. The customer will assure that all protective devices are tested and maintained in the working condition required and will assure the necessary plumbing permits are obtained for new water supply system installations, and for alterations or repair to existing systems, as required by the Plumbing Code and the Cross Connection Board.

26.3.2 WATER USE PRACTICES

Nothing will relieve the customer of the responsibility for conducting, or causing to be conducted, periodic surveys of water use practices on their premises to determine whether there are actual or potential cross connections in the customer's water system through which contaminants or pollutants could flow back into a public water system or a potable customer's water system.

26.3.3 IN THE EVENT OF CONTAMINATION OF A POTABLE WATER SYSTEM

In the event of contamination or pollution of a potable water system, the customer must notify immediately the Plumbing Official, the Health Officer or MLGW in order that appropriate measures may be taken to overcome the contamination or pollution.

27 PLUMBER'S AND CONTRACTOR'S OBLIGATION TO MLGW

27.1 AUTHORIZATION

Only authorized employees or authorized agents of MLGW can tap any main or service pipe of MLGW's water system or make any connection to the distributing system ahead of the meter. Only authorized employees/agents of MLGW may operate main line water valves. Proper clearance from system operators must be obtained before any valve is operated.

27.2 MOVING WATER METERS

Plumbers may not tamper with or move any water meter or water meter box.

27.3 SEPARATION OF SERVICES

MLGW requires that the water trench from the property line to the water meter be separated by a distance of at least five feet from sewer, gas pipe, or any other trench.

27.4 POSITION OF CURB COCK

In making customer repairs on any premises served by MLGW, the plumber will leave the water curb cock as originally found after repairs have been completed, unless specifically authorized by MLGW to do otherwise.

27.5 CUT-OFF KEY

Plumbers must not leave a cut-off key in the box at any time or leave the meter box open during and after repairs.

27.6 WATER USAGE AT VACANT PREMISE

A plumber will not turn water on or off at any vacant premise or on any premises about to be occupied, except for repairs, testing purposes or in case of emergency. MLGW reserves the right to turn water on or off at all vacant premises.

27.7 MULTIPLE SERVICE LINES

A plumber will not run more than one service line from any meter without the special written permission of the Supervisor of MLGW Water Engineering Area.

(See Article 19.3.2)

27.8 SUFFICIENT PIPING

The plumbing contractor, when installing a customer's service pipe at a new address, will install sufficient pipe to allow MLGW's meter to be located at the curb line, or otherwise designated location, and approximately in front of the premises to be served. The plumbing contractor should install service piping of a sufficient diameter to minimize pressure losses per the local plumbing code in effect at the time of installation. Information relative to the approximate working pressure at specific locations may be obtained by contacting the Water Engineering Department.

When required by local plumbing codes, an approved water pressure reducing valve (PRV) shall be located on the customer's side of the meter on the customer's property. MLGW does not install or maintain these devices for the customer. It is the customer's responsibility to have the pressure tested to determine if a PRV is required and have this device installed.

27.9 CORNER LOT OR MULTIPLE UNIT BUILDING

When the premise to be served is a multiple unit building or is situated on a corner lot, the plumber will obtain instructions from MLGW as to the proper meter location before installing.

27.10 RESIDENTIAL METER LOCATION/USE OF SPACERS

In residential subdivisions the individual service lines (future use connections) are run to each lot at the time the water mains are installed. Most of these future use connections have a 3/4" or 1" PVC spacer, the same length as a residential meter with couplings. Plumbing contractors may obtain water for test purposes and basic construction needs by connecting to the spacer. If the spacer is damaged or

missing, replacements may be obtained at the MLGW water meter shop located at 3941 Grandview. When connecting to future use connections, plumbers should never remove a spacer or water meter. If the future use connection is located in the area of a proposed driveway, MLGW will set the meter box to match the grade established by the concrete forms. Contractors may call the individual work centers for scheduling. It is the builders' responsibility to see that water is used conservatively. If greater quantities of water are needed, irrigation for example, a meter set should be requested. Builders are exempted from minimum bills and will be charged only for actual water usage. A meter must be in place before the building is occupied.

27.11 SIDEWALKS AND DRIVEWAY INSTALLATIONS

When sidewalks or driveways are to be laid in front of any premises where water facilities are in place, MLGW must be given at least forty-eight hours notice prior to installation to insure proper care is taken. Concrete forms must be in place to establish the proper grade for the meter box and/or valve box.

27.12 USE OF WATER FROM CITY OR COUNTY FIRE HYDRANTS

A contractor must not, under any circumstances, use water from a City or County fire hydrant without complying with [\(Article 30.2.3.1\)](#) of this policy.

28 OTHER PROVISIONS ELECTRIC

28.1 STANDARD PRIMARY VOLTAGES

In areas served by 12 kilovolt circuits, the standard primary voltage will be 12,470 grounded Y/7200 volts, 60 Hertz and areas served by 23 kilovolt circuits, the standard primary voltage will be 23,000 grounded Y/13,280 volts, 60 Hertz.

28.2 STANDARD AVAILABLE THREE-PHASE MEDIUM VOLTAGES

MLGW offers a three-phase medium voltage of 4160 Grounded Y/2400 volts, 60 Hertz, for contracts of 2500 KW or above. Only 5000 KVA and 7500 KVA distribution substation transformers are available at this voltage, both in a Grounded Y configuration. This voltage is not available in areas served by the network system.

28.3 STANDARD AVAILABLE THREE-PHASE SECONDARY VOLTAGES

The following 60 Hertz, standard secondary voltages are available in areas served with three phase primary:

In areas served by overhead, underground, or network primary:

208 Grounded Y/120 Volts

480 Grounded Y/277 Volts

Only in areas served by overhead primary:

240 Volts Delta

480 Volts Delta

It is MLGW's standard installation to ground one corner of delta connected secondary services.

28.4 STANDARD AVAILABLE SINGLE PHASE VOLTAGES

Single phase voltages of 120 volts or 120/240 volt, 60 Hertz are standard and available in single, two or three phase primary areas. The standard single phase voltage of 120 volt, 60 Hertz is available in areas served by network system.

28.5 VOLTAGE FLUCTUATIONS CAUSED BY CUSTOMER

Electric service must be used in such a manner as to not cause unusual fluctuations or disturbances to MLGW's system. MLGW may require customer at his own expense to install suitable apparatus which will reasonably limit such fluctuations.

28.5.1 CUSTOMER'S RESPONSIBILITY IF SYSTEM DISTURBING LOADS ARE UTILIZED

Single phase welders, large motors starting across the line and some furnaces are examples of equipment which create disturbances to MLGW's system. Any changes MLGW may make to its distribution system to prevent unusual fluctuations caused by the customer's utilization of this type equipment must be paid for on a cash, non-refundable basis by the customer causing the fluctuation.

28.5.2 THREE-PHASE LOAD LIMITATIONS

Approval must be obtained from MLGW prior to the installation of all electric furnaces of 100 KW and larger and three phase motors of 75 horsepower and larger for across the line starting.

28.5.3 BALANCE OF THREE-PHASE CIRCUITS

Loads served by a standard three-phase secondary voltage will be balanced within ten percent (10%) on the service equipment where practicable.

28.5.4 SINGLE PHASE LOAD LIMITATIONS

No motor above 7.5 horsepower will be allowed on single phase service unless prior approval is obtained from MLGW. No single phase load above 100 KW will be served unless prior approval is obtained from MLGW.

28.6 ADDITIONAL LOAD

The service connection, transformers, meters, and equipment supplied by MLGW for each customer have definite capacity and no addition to the equipment or load

connected hereto will be allowed except by consent of MLGW. Failure to give notice of additions or changes in load and to obtain MLGW's consent for same, shall render customer liable for any damage to any of MLGW's lines or equipment caused by the additional or changed installations.

28.6.1 CHANGES IN LOAD

When changes in load are anticipated, MLGW will be notified at the earliest possible time, following the same procedure as outlined in (Section 3.7) of this manual. Any changes to MLGW's facilities required to serve the added load will be provided in accordance with the appropriate part in (Section 3) of this manual.

28.7 NON-STANDARD SERVICE

The customer will pay the cost of any special installation necessary to meet any peculiar requirements for service other than standard voltages, or for the supply of closer voltage regulation than required by standard practice.

28.7.1 DEVIATION FROM MLGW STANDARDS

When a customer requires a deviation from MLGW's standards, such as non standard voltage, alternate circuits, special regulation, etc., the deviation must be approved by MLGW. MLGW reserves the right to determine what is standard at a specific location to serve a specific load.

28.7.2 ALTERNATE CIRCUIT CHARGE

When a customer requests an alternate circuit, or which requires MLGW to provide stand-by, or reserved, capacity on its electric system, the customer will pay MLGW a monthly stand-by charge per KVA capacity (see Schedule of Charges). The initial basis on which the stand-by service charge is made will be established at the time the service is requested by the customer. The stand-by capacity amount is subject to change at the end of each contract term. The exact stand-by service charge will be established at the time the service is requested by the customer. The contract for the stand-by service will be an addendum to the

Agreement for Electric Service and the terms will run concurrently.

For customers with an Agreement for Electric Service of equal to or greater than 5,000 KW, the monthly stand-by charge is 1.5 percent of the cost of MLGW's total investment to provide the stand-by capacity. MLGW's investment will include a percentage of a new substation cost based on the customer's load vs. existing firm substation capacity. The investment will also include a percentage of the cost of the existing or new replacement distribution feeder based on the customer's load vs. line capacity. Additionally, the customer will be required to sign a contract agreeing to pay this stand-by charge with an initial term in whole years that will guarantee MLGW is fully reimbursed for all of its cost associated with providing this service; thereafter, the amendment will run concurrently with the Agreement for Electric Service. All designs and cost estimates for alternate circuits must be approved by the Planning and Systems Engineering Area of the Electric Distribution Systems Engineering Department. Customers with less than 5,000 KW demands shall pay all construction costs in excess of five times the annual stand-by service charge on a cash, non-refundable basis, prior to job being released to and scheduled for construction.

28.7.3 FINANCIAL AND MAINTENANCE RESPONSIBILITIES FOR REDUNDANCY OR OTHER SPECIAL FACILITIES INSTALLED AHEAD OF METER POINT

Any special facilities, except transfer switches, installed in MLGW's system ahead of the metering point will be installed by MLGW at the customer's expense. These installations will be the property of MLGW which will assume the maintenance and operation of them. The customer may furnish such special facilities if approved by MLGW or pay MLGW on a cash, non-refundable basis for the extra equipment and cost of installation. Any special facilities installed beyond the metering point will be installed by the customer. When a customer requests MLGW to install redundant transformers or other equipment or systems beyond that which is required to meet their load, the customer will pay for this equipment on a cash, non-refundable basis. In addition, MLGW will recover its future anticipated expense of electrical losses, maintenance, operation, and

amortization of replacement cost through a monthly investment charge described in an amendment to the Agreement for Electric Service.

28.7.4 FINANCIAL AND MAINTENANCE RESPONSIBILITIES FOR TRANSFER SWITCHES INSTALLED AHEAD OF METERING POINT

Any approved transfer switch, manual or automatic, installed in MLGW's system ahead of the metering point will be paid for and owned by the customer and installed and maintained by MLGW at the customer's expense.

28.7.5 PROOF OF PREVENTATIVE MAINTENANCE AND TESTING FOR CUSTOMER OWNED EQUIPMENT MEETING THE FOLLOWING CRITERIA:

All customers not employing buss fuses or mechanical/thermal circuit breakers or like type equipment to automatically separate/disconnect from MLGW's point of delivery during an internal equipment failure.

28.7.5.1 A customer meeting the above criteria shall provide MLGW a one line diagram detailing the high voltage connectivity of the customer owned equipment/switchgear at the delivery point. This diagram should include switches, breaker designations, power transformers, instrument transformers, protective relays, etc.

28.7.5.2 A customer meeting the above criteria shall provide MLGW the basis for the preventative maintenance and testing on the following equipment used in the operation, monitoring and fault detection of their high voltage switchgear:

- A. Breakers
- B. Protective Relays
- C. Battery Systems
- D. Control Circuits
- E. Instrument Transformers

28.7.5.3 A customer meeting the above criteria shall maintain records of their preventative maintenance and testing on the equipment listed in [Article 28.7.52](#). This information shall be shared with MLGW upon request.

28.7.5.4 A customer meeting the above criteria shall provide MLGW annually a letter signed by the Chief Operational Officer (COO) that they are in compliance with their preventative maintenance and testing according to their basis provided in [Article 28.7.5.2](#).

28.7.5.5 A customer making changes in their switchgear connectivity or basis of their preventative maintenance and testing shall provide MLGW revised one line diagrams and/or new basis for their equipment.

28.7.5.6 A customer who fails to comply with [Article 28.7.5](#) of this policy will face the possibility of termination of services.

28.8 UNDERGROUND ELECTRIC FACILITIES

MLGW may at its discretion install its facilities overhead or underground specifications and terms will be furnished by MLGW on request.

28.8.1 OVERHEAD TO UNDERGROUND CONVERSION

Individuals or groups may request that overhead facilities be converted to underground facilities with such conversion being approved by the Electric Engineering Department. The individuals or group making the request must pay the cost of this conversion including future requirements for expansion, maintenance, and replacement of the underground facilities which are in excess of what the original overhead facilities would cost on a non-refundable basis.

29 OTHER PROVISIONS GAS

29.1 TYPE AND QUALITY OF GAS

Gas delivered by MLGW is commercial quality, natural or substitute gas or gases, having an average heating value of not less than 950 BTU/FT³ at 14.73 psia.

Typical composition of gas or gases delivered will be furnished upon request.

29.2 AVAILABLE PRESSURES

29.2.1 OPERATING PRESSURES

The operating pressures of MLGW's gas system are classified and defined as follows:

Standard Pressure (Less than 1 psig)

Intermediate Pressure (1-30 psig)

Medium Pressure (31-60 psig)

High Pressure (61-99.9 psig)

Extra High Pressure (Pressure in excess of 99.9 psig)

29.2.2 DELIVERY PRESSURES

The normal delivery pressure at the meter inlet will be 7" water column.

However, the feasibility of providing a delivery pressure greater than 7" water column and the type of metering required will be determined by the MLGW Engineering Department. For loads connected to a single metering point, a higher delivery pressure may be provided at the discretion of Commercial and Residential Engineering or Gas Engineering. Typically, a connected load of 3,000 CFH and below may qualify for 2 psig delivery; a connected load of 3,000 CFH to 12,000 CFH will normally qualify for 5 psig delivery; and a connected load of 12,000 CFH and above will be delivered at line pressure. Because 5 psig delivery is not available on the Intermediate Pressure System, a connected load of 3,000 CFH and above, on the Intermediate Pressure System will qualify for line pressure delivery.

29.3 OPERATIONAL FLOW ORDERS

See appropriate Rate Schedule.

29.4 LIGHT-UP AND INSPECTION SERVICE

MLGW will inspect, light and adjust domestic or general service heating equipment without charge except during fall light-up season as defined in the schedule of charges for each address where a light-up and/or inspection is performed. This charge will be assessed on each occasion whereby at least one gas appliance has been inspected and left in proper working order.

The light-up charge will be waived wherever the residential customer of record has shown proof that they are handicapped or have reached the age of 60. The inspection, light-up and adjustment of gas appliances will be provided at no additional charge when requested at the time of initial connection, transfer of services, or reconnection after being disconnected for non-payment of a bill. The applicable connect charge will be considered to include these services.

30 OTHER PROVISIONS WATER

30.1 COUNTY FIRE HYDRANTS

At the request of a customer, MLGW may install fire hydrants connected to its water mains in areas outside the city limits of Memphis provided that the customer makes suitable financial arrangements for the installation costs.

30.2 WATER FOR SPECIAL USAGE

30.2.1 CONSERVATION

For conservation purposes MLGW will furnish water only to closed loop air conditioning and refrigeration systems and encourages practices which conserve water and protect its water supply. It is also the intent of MLGW to encourage its water customers to use conservation in other areas of water usage. MLGW reserves the right to limit the amount of water used by a customer, if use of such water constitutes a waste of the natural resource.

30.2.2 STEAM BOILERS

The customer will not supply any steam boiler with water directly from an MLGW water main unless an approved reduced pressure back flow prevention device is utilized.

30.2.3 SPECIAL USE OF FIRE HYDRANTS

Subject to the approval of MLGW, water may be furnished temporarily through a public or an un-metered private fire hydrant. The use of water from a fire hydrant is not to be used as an alternate domestic supply or standby for a private water supply system. The water used through a fire hydrant must be metered through a fire hydrant meter obtained from MLGW. The meters are to be used only on fire hydrants on the Memphis Light, Gas and Water system.

30.2.3.1 CUSTOMER'S RESPONSIBILITY

- 1) Obtain the proper permit and/or meter and operating tools from Memphis Light, Gas and Water's Operations Department located at 3941 Grandview

Avenue, Memphis, Tennessee between the hours of 7:00 and 3:30 p.m.
Monday through Friday.

- 2) Pay a refundable deposit covering loss or damage to the meter.
- 3) Make certain the individual operating the hydrant has a permit copy in possession at all times.
- 4) Sign the use agreement portion of the permit with MLGW and comply with the terms.
- 5) Operate the fire hydrant in the proper manner, and only use approved fire hydrant wrenches so as not to damage the hydrant, water meter and fittings or endanger the water supply system.
- 6) Pay for the water used according to rate schedule W-5 or W-6; or the service charge listed in the Water Schedule of Charges – B., whichever is greater.
- 7) Report monthly meter readings to MLGW.
- 8) Comply with all plumbing codes.

30.2.3.2 MLGW'S RESPONSIBILITY

Memphis Light, Gas and Water may approve and provide the customer with a portable or mobile water meter that can be used on fire hydrants at various locations. MLGW will:

- 1) Supply customer with the proper permit for up to six (6) months use, meter, hydrant wrench and operating instructions.
- 2) Upon return of the meter, customer will be refunded his deposit less charges for water use and damages to the meter or fire hydrant if appropriate.
- 3) Bill the customer according to the proper rate schedule or a minimum bill.
- 4) Install and/or remove the meter from a fire hydrant at the customer's request when approved for a specific location.

31 TERMS AND CONDITIONS FOR POLE AND CONDUIT USE

31.1 APPLICABILITY

These Terms & Conditions for Network Shared Use (“Terms & Conditions”) apply to any Communications User’s attachment of cable, telephone, data, Internet or similar wireline and Network (defined below) facilities to overhead poles or in conduits, or to or in other related facilities of Memphis Light, Gas and Water (“MLGW”) other than pursuant to a current contract between MLGW and the licensed user of such facilities. These Terms & Conditions also apply to a Governmental User’s attachment, for governmental purposes, of cables, wires, traffic signaling equipment, Cameras (defined below) and related Network facilities and equipment to overhead poles or in conduits of MLGW other than pursuant to a current contract between MLGW and the licensed user of such facilities. A user of MLGW’s facilities pursuant to these Terms & Conditions is referred to as “LICENSEE,” and each such LICENSEE shall have a limited, terminable and non-exclusive license to use MLGW’s facilities in accordance with the provisions of these Terms & Conditions. These Terms & Conditions supersede all prior policies of MLGW and may be amended from time to time or terminated in whole or in part. The entire Terms & Conditions comprise an integral part of the Attachment fees provided for in Section 31.37 and the Schedule of Charges.

A LICENSEE that continues to use Attachments (as defined below) on MLGW’s facilities beyond the expiration or termination of a pole attachment agreement with MLGW thereby accepts and consents to the applicability and enforceability of these Terms and Conditions. A LICENSEE that makes Attachments to MLGW’s facilities other than pursuant to a pole attachment agreement with MLGW thereby accepts to the applicability and enforceability of these Terms & Conditions. Nothing in these Terms & Conditions shall operate to limit or in any way prejudice any claims or rights of MLGW or any obligations of LICENSEE as may have arisen prior to LICENSEE’s use of MLGW’s facilities pursuant to these Terms & Conditions.

31.2 DEFINITIONS

For the purposes of these Terms & Conditions, the following terms and phrases shall have the following meanings:

- A. “Actual Costs” means all costs of MLGW including engineering, labor, overtime and double time labor, material, transportation, equipment, loading, interest and administrative costs, not limited in any way by any Estimated Cost. Actual Costs are payable subsequent to work being done by MLGW. MLGW will provide documentation of such costs at LICENSEE’s request.
- B. “Attachment” means a wireline or other associated Network equipment/facility either affixed to an MLGW Pole or occupying a portion of MLGW’s Conduit System. For purposes of permitting and prior authorization, such term applies whether the Network facilities are placed directly on MLGW’s Poles or are overlashed onto existing communications wires on the Poles.
- C. “Camera” means a video and picture device owned by a Governmental User that is a LICENSEE to monitor, record and transmit certain activity within MLGW’s electric system service area for the purpose of preserving the public safety for citizens of Shelby County. Each Camera shall be attached on each Pole in accordance with the specifications set forth on Exhibit A-1.
- D. “Communications Space” means the portion of an MLGW pole available for the attachment of LICENSEE’s Network, per MLGW’s specifications, the upper portion of which is designated for wireline Attachments and the lower portion for other Network devices. Certain of LICENSEE’s facilities, per MLGW’s specifications, may extend above the Communications Space for the purpose of obtaining power.
- E. “Communications User” means a retail and/or wholesale provider of cable, telephone, data, Internet or other similar wireline services to the public or segment of the public.
- F. “Conduit System” means MLGW’s conduit, Innerduct, manholes, vaults,

risers, pull-boxes and trenches.

- G. “Estimated Cost” means MLGW’s projected costs, including engineering, labor, overtime and double time labor, material, transportation, equipment, loading, interest and administrative costs and which is payable prior to the commencement of any work by MLGW.
- H. “Governmental User” means a state or local governmental entity or other political subdivision of the State of Tennessee, but “Governmental User” does not include MLGW.
- I. “Innerduct” means flexible conduit installed inside a larger rigid conduit for the placement of communications cable.
- J. “Shared User” means a party, other than MLGW or LICENSEE, which may attach to MLGW’s Poles or occupy its Conduit System, including parties to a Shared Use, Joint Use Agreement, or other similar agreement.
- K. “LICENSEE’s Expense” means LICENSEE’s obligation to pay MLGW’s Actual Costs as defined in these Terms & Conditions.
- L. “Make-Ready” means all work, as reasonably determined by MLGW, required to accommodate the LICENSEE’s Attachment and/or to comply with all applicable engineering specifications and standards for the use of MLGW’s Poles and Conduit System. Such work may be Overhead Work or Underground Work (as such terms are defined in Sections 31.11 and 31.20) and includes, but is not limited to, design, engineering, supervision, administration, installation, inspection, repair and/or maintenance associated with the design, installation, rearrangement, operation and maintenance of such facilities.
- M. “Network” means, in the case of a Communications User, that portion of the LICENSEE’s system consisting of communications cables, wires, fibers, lines, splices, relays, video/optical devices, sensors, amplifiers, illumination sources, and associated equipment or facilities designed and constructed for the purpose of capturing, distributing, receiving, transmitting, amplifying, or producing electronic and/or video/optical signals and for providing power to such facilities. In the case of a

Governmental User, “Network” means that portion of LICENSEE’s system consisting of all communications cables, wires, fibers, lines, traffic signaling equipment, Cameras and related equipment used by the LICENSEE for governmental purposes.

- N. “Permit” means written authorization of MLGW for LICENSEE to make, or maintain, Attachments to specific Poles or within a portion of MLGW’s Conduit System pursuant to the requirements of these Terms & Conditions.
- O. “Pole” means a pole owned by MLGW used for the distribution of electricity that is capable of supporting Attachments for LICENSEE’s Network.

31.3 SCOPE OF TERMS & CONDITIONS

- A. Before making a new Attachment to any specific Pole or portion of the Conduit System, LICENSEE shall make application therefore in the form set forth in Exhibit B attached hereto and made a part hereof. Upon receipt of a Permit and subject to the provisions of these Terms & Conditions, LICENSEE shall have a revocable and nonexclusive license authorizing LICENSEE to install and maintain Attachments to MLGW’s Poles and Conduit System. Nothing in these Terms & Conditions shall be construed as granting LICENSEE any right to attach LICENSEE’s Network to any specific Pole or portion of the Conduit System until an appropriate Permit is issued nor to compel MLGW to grant LICENSEE the right to attach to any specific Pole or portion of its Conduit System.
- B. LICENSEE and MLGW agree to be bound by all provisions of these Terms & Conditions and of the Permit(s) issued pursuant to these Terms & Conditions.
- C. The parties agree that MLGW will issue a Permit(s) to LICENSEE only when MLGW determines, in its sole judgment, that (i) it has sufficient capacity to accommodate the requested Attachments, (ii) LICENSEE meets all requirements set forth in these Terms & Conditions, and (iii)

such Permit(s) comply with all applicable standards and specifications. The parties further agree that any access to MLGW's Poles and Conduit System made available to LICENSEE pursuant to these Terms & Conditions is subject to MLGW's reserve capacity, which may be reclaimed by MLGW for future electric service use, including the attachment of communications lines for internal MLGW operational requirements and is further subject to MLGW's rights to terminate LICENSEE's use of MLGW's Pole and Conduit System in accordance with the provisions of these Terms & Conditions.

- D. No use, however lengthy, of any of MLGW's facilities, and no payment of any fees, charges or other compensation required under these Terms & Conditions, shall create or vest in LICENSEE any easements or other ownership or property rights of any nature in any portion of such facilities. After issuance of any Permit, LICENSEE shall be and remain a licensee. Neither these Terms & Conditions, nor any Permit granted under these Terms & Conditions, shall constitute an assignment of any of MLGW's rights to the MLGW facilities.
- E. LICENSEE is obligated to obtain all necessary certification, permitting, and franchising from Federal, state and local authorities prior to making any Attachments.
- F. The parties agree that these Terms & Conditions do not in any way limit MLGW's right to locate, operate and maintain its Poles and Conduit System in the manner that it believes will best enable it to fulfill its own service requirements.
- G. Nothing in these Terms & Conditions shall be construed to require MLGW to install, retain, extend, or maintain any Pole or portion of the Conduit System for use by the LICENSEE when such Pole or Conduit System is not needed for MLGW's own service requirements.
- H. Nothing in these Terms & Conditions shall limit, restrict, or prohibit MLGW from fulfilling any agreement or arrangement regarding Poles into which MLGW has previously entered, or may

enter in the future, with Shared Users and others licensees.

- I. These Terms & Conditions shall only apply to Poles and the Conduit System associated with the distribution of electric power and not to any other MLGW facilities, absent express written concurrence from MLGW. Attachments of Network facilities are not permitted on MLGW's metal, decorative, or underground-fed street light poles.
- J. Nothing in these Terms & Conditions shall be construed to require MLGW to allow LICENSEE to use MLGW's Poles or Conduit System without complying with the requirements under these Terms & Conditions or after the termination of these Terms & Conditions or the termination of the right to make a specific Attachment in accordance with these Terms & Conditions.
- K. LICENSEE agrees that these Terms & Conditions are limited to LICENSEE's intended use to either design, install, operate or maintain a network utilizing MLGW's electric distribution Poles and Conduit System to place its facilities, and any other use shall be considered a breach of these Terms & Conditions.
- L. LICENSEE acknowledges that, as applicable, it must separately obtain electric service from MLGW in order to provide electric supply to LICENSEE's Attachments. Permanent electric service to LICENSEE's Network facilities shall require an electric service provided through MLGW's electric meter socket and appropriate current-limiting disconnect device. Electric service shall be governed by the current MLGW Electric Service Policy, as amended from time to time, and any additional service agreements executed between the parties. Energy usage shall be billed per MLGW's applicable rate schedule for general power services. Network facilities requiring electric power may be metered or billed at a flat rate at MLGW's discretion.

31.4 INSURANCE

- A. LICENSEE shall obtain and maintain in full force and effect the following

insurance covering all insurable risks associated with its ownership and operation of the Network:

1. LICENSEE shall obtain and maintain in full force and effect a comprehensive occurrence (not claims made) general liability insurance policy, including completed operations, independent contractors and contractual liability coverage, in an amount not less than one million dollars per occurrence.
 2. LICENSEE shall also obtain and maintain in full force and effect in occurrence (not claims made), automobile liability insurance policy covering any vehicle used in connection with its activities under these Terms & Conditions in an amount not less than one million dollars per occurrence.
 3. LICENSEE shall obtain and maintain an umbrella liability policy certificate in addition to the certificates listed above with minimum acceptable limits of liability to be five million dollars per occurrence.
 4. LICENSEE shall obtain and maintain in full force and effect all workers compensation and employers liability insurance required by Tennessee law.
 5. MLGW and its officers, employees and agents shall all be named as additional insureds in all liability policies required under this section of these Terms & Conditions.
- B. LICENSEE shall provide MLGW with thirty (30) days prior written notice of the cancellation, material modification, change in coverage, or expiration of any insurance policy required under these Terms & Conditions.
- C. LICENSEE shall provide MLGW with a current certificate of insurance evidencing all of the insurance required above in this Section when reasonably requested by MLGW while these Terms & Conditions remain in effect. Each insurance certificate shall state that the issuer of the insurance certificate shall give MLGW thirty (30) days prior written notice

of any cancellation, modification or expiration of any insurance policy referred to in the certificate. Replacement certificates shall be filed with MLGW at least thirty (30) days before the expiration of the current insurance policies.

- D. All insurance required by this section to be maintained by LICENSEE shall be effected by valid and enforceable policies issued by insurers authorized to conduct business in Tennessee and in good standing of the laws of Tennessee.
- E. Upon MLGW's request from time to time, LICENSEE shall deliver copies of such policies and renewal policies for such insurance to MLGW.
- F. The foregoing policy limits shall be adjusted as of January 1, 2011 and every five (5) years thereafter by any change in the CPI in the same manner as provided under the Schedule of Charges for fees and charges.

31.5 PROTECTION, INDEMNITY AND LIMITATION OF LIABILITY

- A. Qualifications: LICENSEE shall ensure that all employees, agents and contractors of LICENSEE used to install or maintain the Attachments are appropriately qualified and trained to work on and in the vicinity of electric distribution facilities.
- B. Assumption of Risk: To the fullest extent permitted by law, LICENSEE expressly assumes responsibility for determining the condition of all facilities of MLGW to be worked on by its employees, agents, contractors or subcontractors, including without limitation, poles to be climbed on or worked on. To the fullest extent permitted by law, LICENSEE assumes all risks (including, without limitation, risks arising from MLGW's sole negligence, but excepting the intentional misconduct of MLGW or its officers, employees or agents) related to the construction, operation and maintenance of its Attachments on MLGW's facilities.
- C. Damage to Facilities: MLGW reserves to itself, its successors and assigns, the right to maintain its Poles and Conduit System and to operate its facilities thereon and therein in such manner as will best enable it to fulfill

its own service requirements. MLGW shall exercise reasonable precaution to prevent damage to, or interference with the operation of the equipment of LICENSEE, but MLGW shall not be liable for any damage to LICENSEE or any interference which may arise out of the use of MLGW's Poles and/or Conduit System. LICENSEE shall exercise special precautions to avoid damage to facilities of MLGW or of other authorized users of said Poles and/or Conduit System and to avoid interference with MLGW's safe and efficient operation of its electric distribution system. LICENSEE hereby assumes all responsibility for any and all damage to or interference with facilities of said MLGW or other authorized users arising out of or caused by the erection, maintenance, installation, presence use or removal of LICENSEE's facilities (excepting the intentional misconduct of MLGW or its officers, employees or agents). LICENSEE shall make an immediate report to the particular owner of the facilities affected by the occurrence of any damage and hereby agrees to reimburse such owner for the expenses incurred in making the necessary repairs and replacement. LICENSEE shall notify MLGW promptly in case of such damage to any of its facilities.

- D. Safety Precautions: LICENSEE shall take all steps necessary to protect persons and property against injury or damage that may result from the presence, installation, use, maintenance or operation of LICENSEE's Attachments. Should any such injury or damage occur despite such steps, LICENSEE shall make an immediate report to MLGW of such injury or damage, and LICENSEE hereby assumes all responsibility for any and all such injuries or damage to the fullest extent permitted by law (including, without limitation, injuries or damages arising from MLGW's sole negligence, but excepting the intentional misconduct of MLGW or its officers, employees or agents).
- E. All Other Liability: LICENSEE shall defend, indemnify, protect and hold harmless MLGW, its officers, agents, and employees from any and all claims, losses, liabilities, causes of actions, demands, judgments, decrees,

proceedings, and expenses of any nature (including, without limitation, reasonable attorney fees) arising out of or resulting from the acts or omissions of LICENSEE, its officers, agents, employees, contractors (and their subcontractors), successors, or assigns. LICENSEE shall, at its own expense, defend MLGW and its officers, agents and employees against any and all such claims, actions and demands and shall indemnify MLGW and its officers, agents and employees for all costs and expenses it may incur in connection therewith, including, without limitation, reasonable attorney fees. If LICENSEE refuses to undertake the defense of a claim described in this section, then MLGW, its officers, agents and employees shall have the right to take all actions they deem necessary and appropriate to defend the claim, and shall be reimbursed by LICENSEE for all costs incurred in defending such claim as provided above in this section, including, without limitation, reasonable attorney fees.

- F. Costs and Expenses: Further, LICENSEE agrees to pay all of MLGW's costs and expenses, including, but not limited to, reasonable attorney fees, court costs, and interest incurred in any litigation commenced by MLGW to collect or enforce indemnification obligations contained in this Section 4.
- G. Protection Against Claims For Improper Network Use: In the event that any claim, demand or liability is made or asserted against MLGW by any third party based upon allegations that material transmitted over LICENSEE's Network results in infringement of copyright, libel or slander, unauthorized use thereof or other similar claims, LICENSEE, to the fullest extent permitted by law, shall indemnify, defend and hold harmless MLGW and its agents and representatives from any and all such claims, demands, lawsuits and liability, including payment of MLGW's legal fees.
- H. Indemnification For Patent Infringement: In the event that any claim, demand or liability is made or asserted against MLGW by any third party

based upon allegations that the Network violates any patent laws, then, and in such event, LICENSEE shall indemnify, defend and hold harmless MLGW and its agents and representatives of and from any, and all such claims, demands, lawsuits and liability, including the payment of MLGW's legal fees to the fullest extent permitted by law.

- I. Non-Waiver of Indemnification: No provision of these Terms & Conditions are intended, or shall be construed, to be a waiver for any purpose by MLGW or any Governmental User of any applicable common law, statutory or constitutional limits on municipal liability available to MLGW or the Governmental User. No indemnification provision contained in these Terms & Conditions under which LICENSEE indemnifies MLGW shall be construed in any way to limit any other indemnification provision contained in these Terms & Conditions.
- J. Limitation of Liability: MLGW reserves to itself, its successors and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will best enable it to fulfill its own service requirements. MLGW shall not be liable to LICENSEE for any interruption to service of LICENSEE or for interference, however caused, with the operation of the cables, wires and appliances of LICENSEE, arising in any manner out of the use of MLGW's poles hereunder, including any effects undesirable to LICENSEE which the presence, breakdown, operation, maintenance, alterations of, or additions to, the lines and other facilities of MLGW or those jointly using MLGW's poles may have upon the Attachments or the transmissions of LICENSEE, even if the cause of such effects may be attributable to negligence (including, to the fullest extent permitted by law and without limitation, MLGW's sole negligence) on the part of MLGW or its agents.
- K. Disclaimer of All Warranties: MLGW makes no warranties under these Terms & Conditions and specifically disclaims and excludes all implied warranties, including the implied warranties of merchantability and fitness for a particular purpose. MLGW further specifically disclaims any

warranty or representation regarding the condition and safety of MLGW's distribution Poles or other facilities.

- L. Cumulative Remedies. The rights, protections and remedies afforded MLGW under the provisions under this Section and under other provisions of these Terms & Conditions are cumulative and not exclusive.

31.6 PERMITS, LICENSES AND RIGHTS-OF-WAY

- A. In order to construct, place and maintain its Network, LICENSEE is solely responsible for obtaining from various Federal, State, County and local authorities and private entities all necessary permits, licenses, rights-of-way, franchise agreements and property easements. The cost of such permits, licenses, rights-of-way, franchise agreements and property easements shall be borne by LICENSEE.
- B. MLGW does not represent or warrant that any of its rights-of-way, easements or other similar rights entitle LICENSEE to access the property underlying MLGW's distribution Poles or other facilities. LICENSEE shall use its best efforts to obtain such permits, licenses, rights-of-way, franchise agreements and property easements. Upon request, LICENSEE shall provide to MLGW copies of all such permits, licenses, rights-of-way, franchises, agreements and property easements. LICENSEE shall continue to maintain all such required authorizations and consents while these Terms & Conditions remain in effect.
- C. Nothing in these Terms & Conditions shall operate to impose any obligation or responsibility on MLGW for LICENSEE's failure to obtain all necessary permits, licenses, rights-of-way, franchise agreements and property easements, and LICENSEE shall indemnify and hold harmless MLGW, its directors, officers and employees, from and against any and all claims and demands including any attorney and/or legal fees or costs incurred by MLGW which result from claims of governmental bodies, owners of property, or others that in any way result from LICENSEE not having a sufficient right or authority for placing and maintaining

Attachments on MLGW's Poles or Conduit System.

31.7 NON-EXCLUSIVE

- A. Privileges granted hereunder for Attachments on Poles or in the Conduit System shall be non-exclusive. MLGW does not suggest, imply or guarantee that LICENSEE will have sole occupancy of a Pole or any portion of the Conduit System.
- B. Notwithstanding MLGW's approval of an Attachment to a Pole, the space available on a Pole for LICENSEE's proposed Attachments may be limited by previously-authorized attachment permits and Shared-Use or Joint-Use Agreements with third parties. Absence of the physical presence of a third-party attachment is not an indication of space availability.
- C. Nothing in these Terms & Conditions shall limit, restrict, or prohibit MLGW from utilizing the Communications Space on poles for its own Network facilities.

31.8 CODES, RULES, AND STANDARDS

LICENSEE's facilities, in each and every location, shall be erected and maintained in accordance with the requirements and specifications of the latest revision of the National Electrical Safety Code ("NESC"), the National Electrical Code ("NEC"), the regulations of the Occupational Safety and Health Act ("OSHA") and in compliance with any rules or orders now in effect or that may hereafter be issued by MLGW or other authority having jurisdiction, as such requirements and specifications may be amended from time to time. LICENSEE's Attachments shall be made in accordance with Exhibit A and the location of any Attachment may be redesignated from time to time. LICENSEE further agrees that its facilities will meet the specifications, standards, and requirements of MLGW's Electric Construction Standards Manual and Electric Service Policy, as may be applicable, as amended from time to time.

31.9 ATTACHMENT AND INSTALLATION PROCEDURES

No new attachment, placement or installation shall be made by LICENSEE on any Poles before written permission is received from MLGW. The procedure and

forms to be used in making application and receiving permission for attachment, placements or installations shall be as provided for as described in these Terms & Conditions. Such permission shall not be unreasonably withheld, conditioned or delayed. All installations in the Conduit System must be approved and performed by MLGW.

31.10 OVERHEAD APPLICATION REQUIREMENTS

- A. Before making Attachments other than Cameras to any Poles, including the overloading of existing Attachments, LICENSEE shall make application and receive a Permit therefore, with respect to each Pole in the form of Exhibit B. For any Attachments of Cameras to any Poles, LICENSEE shall make application and receive a Permit therefore with respect to each Pole in the form of Exhibit B-1. Attachments that have been appropriately permitted under a predecessor agreement with MLGW shall be deemed to have a Permit for purpose of these Terms & Conditions.
- B. The method and location of installation of Attachments on Poles must first be approved by MLGW. Such approvals shall not be unreasonably withheld, conditioned or delayed. LICENSEE shall furnish MLGW with a construction drawing indicating the location of and specifying the type of cable to be installed with a target date for completion. Authorized Pole Attachments under these Terms & Conditions other than Cameras are restricted to the designated locations indicated in Exhibit A, and shall not be placed within the power supply space, except as shown for electric service to Network facilities. Camera Attachments are restricted to the designated locations indicated in Exhibit A-1.
- C. The LICENSEE shall remit a non-refundable application fee contained in the Schedule of Charges to accompany each Permit application. This fee may be adjusted from time to time to reflect changes in the engineering, administrative and processing costs of MLGW in reviewing permit applications.

- D. LICENSEE shall obtain the express written approval of MLGW in the form set forth in Exhibit A prior to any material modification of any prior Attachments, including without limitation, overlashing existing Attachments. LICENSEE shall indicate on its application for overlashing the projected sag of the conductors resulting from the additional weight of the proposed cables or wires and shall make request for Make Ready work when such sag will necessitate additional clearance on MLGW's poles or from the facilities of other Shared Users to meet mandated separation between facilities or clearance over the ground. Overlashed Attachments shall be deemed Attachments for all purposes under these Terms & Conditions. Overlashing of LICENSEE's facilities by any third-parties (whether affiliated or otherwise) is prohibited absent a separate License Agreement with MLGW.
- E. MLGW will periodically perform an actual inventory of the Pole Attachments in all or in part of the territory covered by these Terms & Conditions, for the purpose of checking and verifying the number of Poles on which LICENSEE has Attachments. Such field check shall be made jointly by both parties and shall be at LICENSEE's Expense. MLGW typically performs inventories on five (5) year intervals.
- F. Notwithstanding any other remedies available to MLGW, if through an inventory or other means, MLGW discovers that LICENSEE has made Pole Attachments, including overlashing, without first obtaining a Permit from MLGW whether under these Terms & Conditions or otherwise, in the absence of evidence to the contrary that is satisfactory to MLGW, the Attachment shall be treated as having existed for a period beginning on (i) LICENSEE's first use of MLGW's Pole and Conduit System or (ii) if applicable and later in time, the date of the last pole inventory under these Terms & Conditions or a predecessor agreement (but not including the pole count during which the unreported Attachment was discovered), and LICENSEE shall immediately pay the fee for each such Attachment, at a rate equal to one hundred fifty percent (150%) of the appropriate rate for

each year and for any portion of a year contained in such period. No act or failure to act by MLGW with regard to said fee or said unlicensed use shall be deemed as a ratification of the unlicensed use, and if any Permit for an Attachment should be subsequently issued, said Permit shall not operate retroactively or constitute a waiver by MLGW of any of its rights under these Terms & Conditions.

31.11 REARRANGEMENT AND RELOCATION OF POLE ATTACHMENTS AND POLE REPLACEMENT (“OVERHEAD WORK”)

- A. Should any Pole or Poles to which LICENSEE desires to make Attachments be deemed inadequate by either LICENSEE or MLGW to support the additional facilities in accordance with the specifications herein, LICENSEE shall indicate on Exhibit B the Overhead Work to rearrange, transfer, or replace MLGW’s facilities as necessary to provide adequate space or Poles for its Attachments.
- B. In the event that LICENSEE requests Make Ready work and MLGW agrees to perform such work, MLGW shall prepare a cost estimate for Make Ready work. When a request has been approved and MLGW has received payment for the Estimated Cost, MLGW will proceed with the Overhead Work. Following completion of such work, LICENSEE shall be obligated to pay MLGW’s Actual Costs for such work, not limited in any way by the estimated expense. LICENSEE shall pay such costs within thirty (30) days of receipt of MLGW’s invoice.
- C. LICENSEE shall reimburse the owner or owners of other facilities attached to MLGW Poles for any expense incurred by them for rearranging or transferring such facilities in order to accommodate LICENSEE’s facilities.
- D. LICENSEE shall maintain appropriate clearances, as determined by MLGW in accordance with applicable legal, operational and contractual requirements, on Poles with Shared Users.

31.12 ANCHOR ATTACHMENTS

- A. LICENSEE shall at its own expense and to the satisfaction of MLGW place guys and anchors to sustain any unbalanced loads caused by LICENSEE's Attachments. When, in unusual circumstances, LICENSEE determines that it is necessary or desirable for it to attach its guys to anchors owned by MLGW, it may make application to do so in a manner similar to that outlined in Section 32.9, above, for application to make Pole Attachments. In such circumstances, all the provisions of these Terms & Conditions that are applicable to Poles shall also be separately applicable to anchors. In the event that any anchor to which LICENSEE desires to make Attachments is inadequate to support the additional facilities in accordance with the aforesaid specifications, MLGW will notify LICENSEE of the changes necessary to provide an adequate anchor, together with the Estimated Cost thereof to LICENSEE. LICENSEE will compensate MLGW in advance for the full estimated expense including engineering and administrative cost for changing the anchor. Following completion of such work, LICENSEE shall be obligated to pay MLGW's Actual Costs for changing the anchor, not limited in any way by the estimated expense. LICENSEE shall pay such costs within thirty (30) days of receipt of MLGW's invoice.
- B. For anchors in place to which LICENSEE wishes to attach, LICENSEE shall pay to MLGW a one time installation fee as set forth in the Fee Schedule upon initial installation only, for the use of each of MLGW's anchors to which Attachments are made.

31.13 INSTALLATION OF GROUNDS

When MLGW is requested by LICENSEE to install grounds or make connections to MLGW's electric system neutral, LICENSEE shall on demand reimburse MLGW for the Actual Costs thereby incurred on initial installation only.

3.14 POLES NOT COVERED BY THESE TERMS & CONDITIONS

Should LICENSEE attach any of its facilities to Poles for which MLGW has entered into a Joint Use agreement, it shall maintain proper clearance (as prescribed by generally accepted industry standards, MLGW's work rules and applicable contractual requirements) between such equipment and communication lines and street lighting wires and shall otherwise install, maintain and remove the equipment on such Poles in such manner as to satisfy the requirements of these Terms & Conditions with respect to safety, good workmanship and avoidance of hazard. Notwithstanding anything in these Terms & Conditions to the contrary, LICENSEE shall be subject to all obligations of LICENSEE under these Terms & Conditions, but shall have none of the rights of LICENSEE under these Terms & Conditions, as to any unauthorized Attachments for so long as LICENSEE fails to obtain and maintain all necessary Permits.

31.15 POLES NOT ALLOWED TO BE SHARED

Upon notice from MLGW to LICENSEE that the use of any Pole is forbidden by municipal authorities or property owner, the Permit covering the use of such Pole shall immediately terminate and the cables, wires and appliances of LICENSEE shall be removed from the affected Pole within a reasonable length of time, not to exceed fourteen (14) days.

31.16 REMOVAL OF ATTACHMENTS

- A. LICENSEE may at any time remove its Attachments from any Pole of MLGW, but shall immediately give MLGW written notice of such removals in the form of Exhibit C. No refund of any Pole attachment fee will be due on account of such removal.
- B. Except in the case of transfers of Attachments for Cameras, when LICENSEE desires to transfer its Attachments from an existing alignment of MLGW's Poles to a new alignment, notice of removal in the form of Exhibit C and an application for Attachment to the new poles shall be submitted along with the appropriate Permit Application Fee for

processing by MLGW. When LICENSEE desires to transfer its Attachments for Cameras from an existing alignment of MLGW's Poles to a new alignment, notice of removal in the form of Exhibit C-1 and an application, in the form of Exhibit B-1, for attachment to the new poles along with the appropriate Permit Application Fee for processing shall be submitted to MLGW. For removals only, an Inspection Fee in the amount specified in the Schedule of Charges shall be submitted.

- C. In the event that MLGW replaces or relocates a Pole in an existing alignment, LICENSEE will be notified by MLGW of the need to relocate, remove, or reattach its facilities. Submittal of notice of removal from the existing Pole and a permit to attach to the new Pole shall be made by the LICENSEE, but no fees are required.
- D. In any event that MLGW gives notice of the removal, replacement, or relocation of a Pole to which LICENSEE is attached, the Permit covering the use of said Poles shall immediately terminate and the cables, wires and appliances of LICENSEE shall be removed promptly from the affected Poles.

31.17 PHYSICAL DESIGN SPECIFICATIONS – OVERHEAD ATTACHMENTS

- A. All Network facilities shall be located and installed per Exhibit A and Exhibit A-1, as applicable, in addition to complying with the applicable codes and other requirements specified in these Terms & Conditions. Except as noted, wireline network facilities shall be located in the Communication Space on MLGW's poles, hereby defined to be 18 ft. to 21 ft. above the ground, with a minimum separation of 40" to the nearest current-carrying conductor or electric component located in the power space, with the exception that a 12" separation below the drip loop of a street light may be allowed.
- B. In addition to code requirements, all Network facilities not mounted to the pole itself shall maintain a minimum clearance above ground of 15 ft. 6 in. Pole-mounted facilities must be securely attached to the pole itself, not to

any MLGW equipment or street light arm. There shall be no more than a combined total of a) two (2) Network risers or b) one (1) Network riser and one (1) Network device attached to any pole by LICENSEE and other Shared Users. If MLGW has a device in the communications space, then no Network device may be placed on that pole by LICENSEE.

- C. LICENSEE may not locate Attachments on MLGW's poles or within the public right-of-way unless it owns that right-of-way or has a franchise agreement to utilize it.
- D. LICENSEE shall not utilize MLGW nor third party facilities on Poles for the purpose of supporting its own Network facilities, either temporarily during installation or for permanent support.
- E. Cables, fibers, wires and similar signal-carrying Network facilities passing by a Pole must be attached to that Pole in accordance with these Terms & Conditions.
- F. Risers for transition between overhead and underground distribution must be securely attached to the Pole per MLGW Construction Standards, as amended from time to time. Without limitation of such standards, MLGW may limit the number and specify the orientation of LICENSEE's risers on a Pole.
- G. Excess cable or wire and splices, junction boxes, and similar appurtenances associated with the Network shall be securely and neatly attached to Poles or the LICENSEE's supporting strand; they shall not be left unsupported or swinging free. Conduit attached to poles shall have sufficient straps or brackets to hold it securely to the pole throughout its length. Clearances specified by the NESC and MLGW's Construction Standards Manual, as amended from time to time, must be maintained for all portions of LICENSEE's Network facilities. Such facilities may require rental of additional space at adjacent poles to provide adequate clearances throughout the span.
- H. All wireline Attachments to the non-neutral side of a Pole must utilize stand-off brackets per MLGW Construction Standards. No wireline

Attachment may be made to the non-neutral side of a Pole without the specific written permission of MLGW. Applications for Attachment must clearly indicate if non-neutral-side Attachment is being requested.

- I. In the event of a conflict between the provisions of this Section and the provisions of Section 32.29, the provisions of Section 32.29 shall prevail, but only to the extent necessary to resolve such conflict.

31.18 WORK RULES – OVERHEAD ATTACHMENTS

- A. When LICENSEE, its agents, employees or contractors are working around any part of MLGW's Poles located in the streets, alleys, highways, or other public rights-of-way, easements and other permissions granted to MLGW, the protection of persons and property shall be provided by LICENSEE in an adequate and satisfactory manner; LICENSEE shall be solely responsible for providing adequate barricades, warning lights, traffic cones, danger signs and other similar devices to protect all traffic, persons and property around the work area from danger.
- B. MLGW's authorized representative shall have the authority to terminate LICENSEE's work operations around MLGW's Poles if, in the sole discretion of MLGW's authorized representative, any hazardous condition arises or any unsafe practice is being followed by LICENSEE's agents, employees or contractors. Said discretion shall not be unreasonably executed.

31.19 CONDUIT APPLICATION REQUIREMENTS

- A. LICENSEE shall submit for approval by MLGW's authorized representative Exhibit D as application for use of MLGW's Conduit System. MLGW reserves the right to determine routes and portions of the Conduit System to be used.
- B. If Conduit System occupancy is to be surrendered, Exhibit E shall be submitted to MLGW. The date this application is received by MLGW

shall serve as the effective date. No refund of any conduit occupancy fee will be due on account of such surrender.

- C. While some of the standards and technical requirements for LICENSEE's cable placed with MLGW's Conduit System are set forth herein, MLGW reserves the right to specify the type of construction required in situations not otherwise covered. In such cases, MLGW will upon the request of LICENSEE furnish to LICENSEE written materials which will specify and explain the required construction.
- D. LICENSEE shall furnish MLGW with a construction drawing indicating the location of and specifying the type of cable to be installed with a target date for completion of construction by MLGW.

31.20 CONDUIT SYSTEM PREPARATION, INNERDUCT INSTALLATION AND CABLE INSTALLATION (“UNDERGROUND WORK”)

- A. Subject to MLGW's approval of LICENSEE's application for use of the Conduit System, MLGW shall prepare a cost estimate for Underground Work for clearing obstructions, making repairs and dig-ups, rearranging, transferring and relocating MLGW's Conduit System facilities and any other work required to prepare the Conduit System for the installation of Innerduct and/or LICENSEE's cable.
- B. When an application for Conduit System use has been approved and MLGW has received payment for the Estimated Cost of Underground Work, MLGW will proceed with the Underground Work. Following completion of such work, LICENSEE shall be obligated to pay MLGW's Actual Costs for such work, not limited in any way by the estimated expense. LICENSEE shall pay such costs within thirty (30) days of receipt of MLGW's invoice.
- C. LICENSEE shall reimburse the owner or owners of other facilities occupying MLGW's Conduit System for any expense incurred by them for rearranging or transferring such facilities to accommodate LICENSEE's Conduit System use.

- D. Innerduct Installation: Any use of Innerduct in MLGW manholes and Conduit System shall be subject to MLGW approval and shall be installed by MLGW at LICENSEE's Expense. MLGW will install a minimum of four (4) sections of Innerduct per span of conduit.
- E. Cable Installation: Before MLGW performs such work for LICENSEE, LICENSEE shall compensate MLGW for the Estimated Cost of installing LICENSEE's cable. Following completion of such work, LICENSEE shall be obligated to pay MLGW's Actual Costs for such work, not limited in any way by the estimated expense. LICENSEE shall pay such costs within thirty (30) days of receipt of MLGW's invoice.

31.21 OCCUPANCY OF CONDUIT SYSTEM

For the purpose of computing the total conduit occupancy fee due hereunder, the length of the conduit shall be measured from the center to the center of manholes, or from the center of a manhole to the end of MLGW's Conduit System occupied by LICENSEE's cable. Occupancy fees will not be charged for conduit installed under Section 31.22.

31.22 CONNECTION OF LICENSEE'S CONDUIT

Any section of conduit which connects with MLGW's manhole or transformer vault shall be installed by MLGW at LICENSEE's Expense. The length of conduit shall be determined by MLGW but shall not exceed five (5) feet and shall be maintained at LICENSEE's Expense.

31.23 ELECTRICAL DESIGN SPECIFICATIONS – UNDERGROUND INSTALLATIONS

- A. Cables with an outer metallic sheath shall be bonded at each manhole by MLGW. No cable of LICENSEE's shall be permitted in MLGW's Conduit System if such cable causes electrical interference on any facilities of MLGW. Such interference shall be removed by MLGW at

LICENSEE' Expense. LICENSEE's power supplies will not be permitted in MLGW's Conduit System.

- B. LICENSEE's cable shall not be designed to use the earth as the sole conductor for any part of LICENSEE's circuits.
- C. Separation of communication and electrical conductors shall be as stipulated in the National Electrical Safety Code and MLGW's Construction Standards Manual, as each may be amended from time to time.
- D. LICENSEE shall not circumvent nor impair MLGW's corrosion mitigation measures.
- E. LICENSEE cable shall be compatible with MLGW's facilities so as not to damage any facilities of MLGW by corrosion or otherwise. LICENSEE shall be liable to MLGW for any damages occasioned by such corrosion or otherwise.

31.24 PHYSICAL DESIGN SPECIFICATIONS - UNDERGROUND

- A. LICENSEE's cables bound or wrapped with cloth or having any kind of fibrous covering or impregnated with an adhesive material shall not be permitted in MLGW's Conduit System.
- B. Splices and terminations in LICENSEE's underground cables shall be located only in termination boxes installed by LICENSEE in a location external to MLGW's Conduit System. Splices, termination boxes and associated equipment shall not be allowed in MLGW's manholes or any other part of MLGW's Conduit System. These splices and terminations shall be made by LICENSEE.
- C. Installation of a small coil of fiber optic cable, ten (10) feet in length or shorter, will be allowed in a MLGW manhole at MLGW's sole discretion.
- D. The purpose of this cable coil is to provide excess cable for slack requirements and emergencies. The cable coil shall not be used for splices, terminations or installation of a termination box.
- E. Cable coils, if allowed by MLGW, will be installed by MLGW at

LICENSEE's Expense. Cable coil location inside the manhole will be determined by MLGW.

- F. The maximum permissible diameter of any cable and/or Innerduct and the number of cables and/or Innerduct to be placed in any of MLGW's conduits shall be determined by MLGW based upon the size and shape of the conduits and the size of the existing cable in the conduit. LICENSEE's cable and/or Innerduct installed for LICENSEE's use will not be permitted in any ductline where less than two vacant conduits remain after the installation of LICENSEE's cable and/or Innerduct installed for LICENSEE's use.
- G. Reels of cable to be installed by MLGW shall be constructed with a maximum flange diameter of 90 inches and width of 55 inches. The arbor hole shall admit a spindle of 4 ½ inches without binding.

31.25 WORK RULES – UNDERGROUND INSTALLATIONS

- A. MLGW's manholes or transformer vaults shall not be opened or tampered with by an employee, agent or contractor of LICENSEE.
- B. No employee, agent or contractor of LICENSEE shall enter or work in any of MLGW's manholes or transformer vaults.
- C. Clearing obstructions, repairs, dig-ups and any other work required to make a conduit usable for the initial placing of LICENSEE's cable or Innerduct installed for LICENSEE's use shall be done by MLGW at LICENSEE's Expense.
- D. MLGW shall place, remove, change, and maintain all cable in MLGW's Conduit System with materials supplied by LICENSEE and delivered in a timely manner to the location designated by MLGW.
- E. MLGW and LICENSEE'S cable shall be permanently identified by tags at each manhole or other access opening in the Conduit System. Tags shall be of a type and wording satisfactory to MLGW. All cost of this identification shall be at LICENSEE's Expense.
- F. Where manholes or transformer vaults must be pumped in order to

allow work operations to proceed, pumping shall be done by MLGW at LICENSEE's Expense.

- G. Any leak detection liquid or device used by LICENSEE's agents, employees or contractors shall be of a type approved in writing by MLGW.
- H. When LICENSEE, its agents, employees or contractors are working around any part of MLGW's Conduit System located in the streets, alleys, highways, or other public rights-of-way, easements and other permissions granted to MLGW, the protection of persons and property shall be provided by LICENSEE in an adequate and satisfactory manner; LICENSEE shall be solely responsible for providing adequate barricades, warning lights, traffic cones, danger signs and other similar devices to protect all traffic, persons and property around the work area from danger.
- I. MLGW's authorized representative shall have the authority to terminate LICENSEE's work operations around MLGW's manholes or transformer vaults if, in the sole discretion of MLGW's authorized representative, any hazardous condition arises or any unsafe practice is being followed by LICENSEE's agents, employees or contractors. Said discretion shall not be unreasonably executed.

31.26 LICENSEE REPRESENTATIVE

A LICENSEE representative shall be present during all MLGW installation of underground cable. The LICENSEE representative shall be knowledgeable and experienced in underground cable installation and shall be authorized by LICENSEE to answer questions and make decisions on LICENSEE's behalf regarding problems and questions that occur during MLGW installation of underground cable. The LICENSEE representative shall be furnished at LICENSEE's expense.

31.27 EMERGENCY CONDITIONS

In cases of emergency:

- A. MLGW's work shall take precedence over any and all operations of LICENSEE.
- B. MLGW may pull a cable into any of MLGW's conduits either occupied by or scheduled to be occupied by LICENSEE's facilities. Should it become necessary for MLGW to use a conduit occupied by LICENSEE, LICENSEE's cable may be removed by MLGW. MLGW will endeavor to make other conduit space available for the displaced facilities of LICENSEE as soon as possible.
- C. MLGW may rearrange LICENSEE's Attachments and related facilities at LICENSEE's Expense when necessary to make maximum use of its electric system or to effect repairs.
- D. LICENSEE shall provide MLGW a point(s) of contact for emergency and non-emergency twenty-four (24) hour service. Electric Service Policy Pole and Conduit Use Proposed Amendments 11.24.2010

31.28 DECOMMISSIONING

MLGW may, in its sole judgment, remove any Poles or portions of its Conduit System not needed for its service requirements; and LICENSEE shall, upon written notification from MLGW, remove its Attachments from such Poles and portions of the Conduit System within a reasonable period of time not to exceed thirty (30) days.

31.29 INSTALLATION, MAINTENANCE AND RELOCATION OF FACILITIES

- A. LICENSEE shall, at its own expense, make and maintain its Attachments in safe condition and in thorough repair, and in a manner satisfactory to MLGW and so as not to interfere with MLGW's use of its facilities, or by other companies using said facilities, or interfere with the use and maintenance of facilities thereon or which may from time to time be

placed thereon. LICENSEE shall, at its own expense, within fourteen (14) days of notification from MLGW (unless in MLGW's sole discretion safety, emergency or power supply or restoration efforts or construction schedules require LICENSEE to take corrective action within a shorter period), remove, relocate, replace, or renew its Attachments and facilities placed on said facilities, or transfer them to substitute facilities, or perform any other work in connection with the said Attachments and facilities that may be required by MLGW. In any event that MLGW gives notice of the removal, replacement, or relocation of a Pole to which LICENSEE is attached, the Permit covering the use of said Poles shall immediately terminate and the cables, wires and appliances of LICENSEE shall be removed promptly from the affected Poles in accordance with the requirements of this Section.

- B. Without limitation of the requirements of Section A, if MLGW determines that any of LICENSEE's Attachments do not conform with the technical requirements and specifications listed in these Terms & Conditions, LICENSEE shall at its own expense upon notice by MLGW correct such nonconformance within fourteen (14) days of notification by MLGW (unless in MLGW's sole discretion safety considerations require LICENSEE to take corrective action within a shorter period).
- C. Should the LICENSEE fail to remove, relocate, replace or renew its facilities, fail to transfer its Attachments to the new pole or fail to perform any other work required of LICENSEE under Section A or B, immediately above (collectively, "Maintenance and Relocation"), after the date reasonably specified by MLGW for such Maintenance and Relocation ("Maintenance and Relocation Date"), MLGW will have the following rights, in addition to any other rights and remedies available under these Terms & Conditions:
 - 1. The LICENSEE shall pay MLGW the following amounts until the LICENSEE has performed the Maintenance and Relocation and has notified MLGW in writing that the Maintenance and

Relocation has been accomplished: (a) \$5.00 per pole per month beginning with the sixty-first (61st) day after the Maintenance and Relocation Date and through and including the one hundred twentieth (120th) day after the Maintenance and Relocation Date, and (b) \$10.00 per pole per month (instead of \$5.00) beginning with the hundred twenty-first (121st) day after the Maintenance and Relocation Date.

2. The cost incurred by MLGW to return to the job site to inspect the status of LICENSEE's work and, as applicable, the cost incurred by MLGW to remove the old pole will be paid by the LICENSEE.
3. MLGW may, at LICENSEE's sole risk and without warranty of any kind, perform such Maintenance and Relocation work, including the removal of LICENSEE's Network, and LICENSEE shall, on demand, reimburse MLGW for the full expenses thereby incurred.
4. MLGW may abandon any pole by giving LICENSEE notice in writing to that effect at least thirty (30) days prior to the date on which it intends to abandon such pole. If, at the expiration of such period, MLGW shall have no attachments on such pole but the LICENSEE shall not have removed all of its Attachments there from, such pole shall thereupon become the property of the LICENSEE. In the event of an abandonment, and without limitation of other requirements of LICENSEE under these Terms & Conditions, LICENSEE shall indemnify MLGW from all obligations, liability, damages, costs, expenses or charges incurred or arising thereafter (including attorneys' fees and/or legal fees or costs) because of, or arising out of, the presence or condition of such pole or poles or the presence of any of LICENSEE's Attachments thereon. If MLGW abandons a pole or poles to LICENSEE, then LICENSEE shall also pay MLGW a sum equal

to the then value in place of such abandoned pole or poles, or such other equitable sum as may be agreed upon between the parties. Such abandoned facilities shall not be interpreted to have any legacy rights when determining required clearances from other facilities installed prior to the date of abandonment.

The intent of this subsection is to ensure timely Maintenance and Relocation.

D. Nothing in this Section shall operate to impose any liability upon MLGW for any loss or injury arising directly or indirectly from LICENSEE's failure to conform to applicable technical requirements and specifications, and nothing in this Section shall operate to relieve or in any way limit LICENSEE's obligations to indemnify MLGW under these Terms & Conditions.

31.30 CHARGES FOR INCOMPLETE WORK

In the event that a request for attachments and/or use of the Conduit System made by LICENSEE is canceled, LICENSEE shall reimburse MLGW for the Actual Costs incurred by MLGW prior to receiving written notification of the cancellation.

31.31 INSPECTION

MLGW reserves the right to inspect and/or verify each new installation or removal of LICENSEE and to make periodic inspections and verifications, as conditions may warrant, of that portion of LICENSEE's Network that is attached to MLGW's Poles and placed in MLGW's Conduit System. Such inspections and/or verifications, or the failure to make such, shall not operate to relieve LICENSEE of any responsibility or obligation or liability assumed under these Terms & Conditions; nor shall such inspections and/or verifications operate to impose any liability or responsibility on MLGW for LICENSEE's Attachments. MLGW's inspector shall have the right to stop the installation work of the LICENSEE until any violations of these Terms & Conditions have been rectified.

31.32 USE OF CONTRACTORS

LICENSEE shall require its contractors (and, in turn, their subcontractors) to comply with the work rules and other operating requirements of MLGW under these Terms & Conditions and with the insurance and indemnification obligations of LICENSEE under these Terms & Conditions as if each such contractor were the LICENSEE for purposes of these Terms & Conditions. LICENSEE shall ensure that MLGW is an intended third party beneficiary of such requirements with enforceable rights against each such contractor, and that such rights are enforceable against each such contractor (and their subcontractors) in the same manner and to the same extent as MLGW has such rights against LICENSEE under these Terms & Conditions. Without limitation of the other requirements of these Terms & Conditions, LICENSEE, to the fullest extent permitted by law, shall indemnify MLGW for all liabilities, claims, demands and costs (including, without limitation, any attorneys' and/or legal fees or costs) arising from its failure to comply with the requirements of this Section.

31.33 ASSIGNMENT OR TRANSFER RIGHTS OF INSTALLATION

LICENSEE shall not assign, transfer, sublease or resell the rights of attachment hereby granted to it, or the rights to use facilities so attached to MLGW's Poles or placed in MLGW's Conduit System, without prior consent in writing of MLGW, which consent shall not be unreasonably delayed, conditioned or withheld. Failure of LICENSEE to give such notice and obtain MLGW's consent shall be cause for termination of the license for an Attachment under these Terms & Conditions. MLGW agrees to provide written notification of its approval or disapproval of any request requiring consent within thirty (30) days of LICENSEE's notice.

31.34 ADDITIONAL PROVISIONS

- A. The failure of either party to give notice of default or to enforce or insist upon compliance with any of the terms or conditions of these Terms & Conditions, the waiver of any term or conditions of these Terms &

Conditions or the granting of an extension of time for performance shall not constitute the permanent waiver of any term or condition of these Terms & Conditions and these Terms & Conditions and each of its provisions shall remain at all times in full force and effect until modified by authorized representatives of MLGW and LICENSEE in writing.

- B. Nothing herein will create a partnership or joint venture between the parties nor result in a joint communications service offering to the customers of either LICENSEE or MLGW.
- C. LICENSEE shall not, without the prior written consent of MLGW use any of its facilities attached to MLGW's Poles, or installed in MLGW's Conduit System, for any purpose other than that provided under these Terms & Conditions. Whenever, in the reasonable judgment of MLGW, LICENSEE has used its facilities for any purpose not authorized herein, MLGW shall forthwith notify LICENSEE. Upon receipt of such notice, LICENSEE shall as promptly as practicable (and in no later than twelve (12) hours after receipt of such notice) cease such use complained of in the notice. Failure to do so or repeated unauthorized use shall constitute a default of LICENSEE's obligations and, notwithstanding any other provision of these Terms & Conditions, MLGW may at its option forthwith terminate the license for an Attachment.
- D. No subsequent agreement between MLGW and LICENSEE concerning pole attachment or conduit installation arrangements shall be effective or binding unless it is made in writing by authorized representatives of MLGW and LICENSEE and no representation, promise, inducement or statement of intention has been made by either MLGW and LICENSEE which is not embodied herein.
- E. These Terms & Conditions shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns.
- F. These Terms & Conditions supersede all prior agreements and understandings, both oral and written, between MLGW and LICENSEE

Schedule of Charges. Said rentals shall be payable monthly, in advance, on the first day of each month of each year during which these Terms & Conditions shall remain in effect. Such fees are calculated beginning from the month in which the Permit was issued. There is no prorating of these fees for rentals of less than one full month.

- B. If MLGW does not receive any fee or other amount owed within thirty (30) days after it becomes due, LICENSEE, upon receipt of ten (10) days written notice, shall pay a late charge to MLGW, compounded daily from the date due until the date paid, at the rate of one and one-half percent (1.5%) per month on the balance of the unpaid amount.

31.38 EXPENSES

LICENSEE shall be responsible for reimbursing MLGW for all expenses as stated throughout these Terms & Conditions. Such expenses shall include all engineering, labor, overtime and double time labor, material, transportation and equipment used for LICENSEE work to be inclusive of all loading, interest and administrative costs. MLGW will provide periodic invoices for work that has occurred under these Terms & Conditions. Payment for such work shall be made within thirty (30) days after receipt of invoice. Non-payment of an invoice shall constitute a default under these Terms & Conditions.

31.39 TERMINATION

LICENSEE'S rights to make and obtain Attachments under these Terms & Conditions are terminable, individually or in their entirety, with or without cause by MLGW, upon ten (10) days' prior notice to LICENSEE; provided that, except for termination for default under Section 31.43 below, LICENSEE may continue to use MLGW's facilities for the then current month, if LICENSEE has paid the monthly pole rate for the then current month under Section 31.37. Upon termination of the license for an Attachment, LICENSEE shall immediately remove the terminated Attachments from all poles of MLGW. If not so removed, MLGW shall have the right to remove them at the full cost and expense of

LICENSEE and without any liability therefor, and LICENSEE shall be deemed to have abandoned its facilities if LICENSEE has not removed such facilities within ninety (90) days following such termination.

31.40 RECEIVERSHIP, FORECLOSURE, OR ACT OF BANKRUPTCY

- A. The Pole and Conduit System use granted hereunder shall at the option of MLGW cease and terminate one hundred twenty (120) days after the appointment of a receiver or receivers or trustee or trustees to take over and conduct the business of LICENSEE whether in a receivership, reorganization, bankruptcy or other action or proceeding unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred twenty (120) days, or unless:
1. Such receivers or trustees shall have, within one hundred twenty (120) days after their election or appointment, fully complied with all the terms and provisions of these Terms & Conditions granted pursuant hereto, and the receivers or trustees within said one hundred twenty (120) days shall have remedied all defaults under these Terms & Conditions; and
 2. Such receivers or trustees shall within said one hundred twenty (120) days, execute an agreement duly approved by MLGW having jurisdiction in the premises, whereby such receivers or trustees assume and agree to be bound by each and every term, provision and limitation set forth under these Terms & Conditions.
- B. In the case of foreclosure or other judicial sale of the plant, property and equipment of LICENSEE, or any part thereof, including or excluding these Terms & Conditions, MLGW may service notice of termination upon LICENSEE and the successful bidder at such sale, in which event the license for an Attachment and all rights and privileges of these Terms & Conditions hereunder shall cease and terminate thirty (30) days after service of such notice, unless:

1. MLGW shall have approved the transfer of the license for an Attachment, as and in the manner provided under these Terms & Conditions; and
2. Unless such successful bidder shall have covenanted and agreed with MLGW to assume and be bound by all the terms and conditions to these Terms & Conditions.

31.41 UNAUTHORIZED ATTACHMENTS; SURVIVAL

- A. Unauthorized Attachments which are not subsequently permitted by MLGW shall be removed within thirty (30) days of written notice by MLGW. If not so removed, MLGW shall have the right to remove them at LICENSEE's expense and without any liability therefor, and LICENSEE agrees to pay the Actual Costs thereof within thirty (30) days after it has received an invoice from MLGW. Any of LICENSEE'S unauthorized Attachments not removed by MLGW shall become the property of MLGW, which shall assume no liability for the interruption of service to parties served by the LICENSEE's Network nor obligation for continued operation of said Network. Section 32.39 shall apply to situations where this Agreement or the permission to make or maintain a specific Attachment has been terminated.
- B. Notwithstanding any termination of these Terms & Conditions or other provision in these Terms & Conditions to the contrary, the obligations (but not the rights) of LICENSEE under these Terms & Conditions shall apply to any unauthorized Attachment or other unauthorized use of MLGW's system, facilities, or other property and shall continue to apply to any authorized Attachment or other authorized use for so long as LICENSEE continues to use MLGW's system, facilities, or other property. All obligations, including but without limitation requirements for indemnification and obligations to pay fees and charges, which by their nature should survive termination of these Terms & Conditions, shall survive termination.

31.42 PERFORMANCE BOND

LICENSEE shall furnish a Performance Bond (form attached) executed by a surety company acceptable to the Board of Light, Gas and Water Commissioners which is duly authorized to do business in the State of Tennessee, in the amount of Two Hundred Thousand Dollars (\$200,000.00) as security for the faithful performance of obligations under these Terms & Conditions and for the payment of all persons performing labor and furnishing materials in connection with these Terms & Conditions.

31.43 DEFAULT

If LICENSEE shall fail to comply with any of the terms or provision of these Terms & Conditions, or default in any of its obligations under these Terms & Conditions and shall fail within thirty (30) days after written notice from MLGW to correct such default or non-compliance, MLGW may terminate the license for an Attachment or may terminate Licensee's full rights to make and maintain Attachments under these Terms & Conditions. Further, in the event of a default by LICENSEE, MLGW shall be entitled to recover the full amount due under these Terms & Conditions plus any reasonable expenses or collection including attorneys' fees and court costs.

31.44 JURISDICTION

Any and all disputes arising out of these Terms & Conditions shall be governed, construed and enforced according to the laws of the State of Tennessee. All actions relating to the validity, construction, interpretation and enforcement of these Terms & Conditions shall be instituted and litigated in the Courts of Tennessee, in accordance herewith MLGW and LICENSEE submit to the jurisdiction of the courts of Tennessee, located in Shelby County, Tennessee.

31.45 EXHIBIT LISTING OF FORMS

For copies of the following documents contact the MLGW's Reliability and Power Quality department at 901-528-4544

Exhibit A – Pole Attachment Specifications

Exhibit A-1 – Pole Attachment Specifications (Cameras)

Exhibit B – Pole Attachment Application

Exhibit B-1 – Pole Attachment Application (Cameras)

Exhibit C – Notice of Removal of Pole Attachment

Exhibit C-1 – Notice of Removal of Pole Attachments (Cameras)

Exhibit D – Conduit Installation Application

Exhibit E – Notice of Removal of Conduit Installation