Effective April 6, 1994

MEMPHIS LIGHT, GAS AND WATER DIVISION CITY OF MEMPHIS

GAS SERVICE

SCHEDULE G-1 & G-3 RESIDENTIAL RATE

AVAILABILITY

Schedule G-1 is available for domestic use to residential Customers in individual private residences or other individual dwelling units situated within the corporate limits of the City of Memphis, Tennessee. Schedule G-3 is available for domestic use to residential Customers in individual private residences or other individual dwelling units situated outside the corporate limits of the City of Memphis, Tennessee. Private dwellings in which space is occasionally used for the conduct of business by a person residing therein will be served under this rate schedule. Where a portion of the dwelling is used regularly for the conduct of business, the gas consumed in that portion so used will be separately metered and billed under another appropriate gas rate. If separate piping which permits separate metering is not provided by the Customer, the entire premises shall be classified as non-residential and billed accordingly. The Residential Rate Schedule shall not apply to service to multiple dwelling units or to institutions such as clubs, fraternities, orphanages or homes, recognized rooming or boarding houses, the space in an apartment or other residential building primarily devoted to use as an office or studio, or for professional or other gainful purposes.

Availability of gas under this rate schedule is subject to curtailment in the event of any curtailment of the Division's supply of gas.

Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold or shared with others.

MONTHLY RATE (CCf equals 100 cubic feet)

SERVICE CHARGE: \$3.40 per month plus,

FOR GAS CONSUMED:

First15 Ccf per month @ \$0.6177 per CcfExcess over15 Ccf per month \$ \$0.4158 per Ccf, plus

PURCHASED GAS ADJUSTMENT RIDER

The above rates are subject to adjustment under the provisions of the Purchased Gas Adjustment Rider.

MINIMUM BILL

\$3.40 per meter for each month service is connected.

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PAYMENT

The above rates are net, the gross rates being 5% higher. In the event the current monthly bill is not paid on or before delinquent date shown on the bill, the gross shall apply.

INGLE POINT DELIVERY

The above rates are 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.

RULES AND REGULATIONS

Service is subject to the Rules and Regulations of the Division.