Effective November 4, 1996

MEMPHIS LIGHT, GAS AND WATER DIVISION CITY OF MEMPHIS

GAS SERVICE

SCHEDULE G-7 SMALL GENERAL SERVICE

AVAILABILITY

This rate schedule is available for gas service to all gas Customers except to a residential Customer for use in an individual residence or other individual dwelling units.

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.

MONTHLY RATE (Ccf equals 100 Cubic Feet)

SERVICE CHARGE: \$6.73 per month plus,

ALL GAS CONSUMED: \$0.4661 per Ccf per month plus,

PURCHASED GAS ADJUSTMENT RIDER

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

MINIMUM BILL

The minimum bill shall be \$.5910 for each Ccf of the higher of: (1) The Maximum Daily Demand during the preceding eleven (11) months, or (2) the Daily Contract Demand, but in no case less than \$6.73.

MAXIMUM DAILY DEMAND

The Maximum Daily Demand shall be defined as the maximum twenty-four (24) hours' use of gas during the current month. The Maximum Daily Demand shall be determined at the option of the Division according to one of the following methods:

By estimate -- one-twentieth (1/20) of the current monthly consumption
By actual test
By demand meter

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 rates shall apply.

CONTRACT REQUIREMENT

Customers taking service under this rate schedule and having a Daily Demand of 500 Ccf or greater shall be required to execute written contracts.

SINGLE 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.

VOLUMETRIC RESTRICTIONS

The Division reserves the right to require a new contract from any Customer whose Maximum Daily Demand is less than his Contract Demand, and further reserves the right to prohibit the addition of any loads in excess of present loads or present Contract Demands without prior Division approval. Any Customer who violates these restrictions may be required to remove the excess load requirements or have full service discontinued.

RULES AND REGULATIONS

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