

**MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
ELECTRIC SERVICE SCHEDULE
SCHEDULE MSD
(Code E-2)**

MANUFACTURING POWER RATE - PART D

AVAILABILITY

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective contract demand is greater than 25,000 kW and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive; provided that the other applicable conditions specified below in this section are met.

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

CHARACTER OF SERVICE

Alternating current, single or three phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 kV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

BASE CHARGES

Customer Charge:	\$1,500.00 per delivery point per month
Demand Charge:	\$14.95 per kW of billing demand per month, plus an additional \$14.95 per kW per month for each kW, if any, of the amount by which the customer's billing demand exceeds its contract demand
Energy Charge:	\$0.02708 per kWh per month

TENNESSEE VALLEY AUTHORITY FUEL COST AND PURCHASED POWER ADJUSTMENT RIDER

The above rates are subject to adjustment under the provisions of the Tennessee Valley Authority Fuel Cost and Purchased Power Adjustment Rider.

ADJUSTMENT

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA in the value of the hydro generation benefit allocated to residential customers.)

FACILITIES RENTAL CHARGE

There shall be no facilities rental charge under this rate schedule for delivery at bulk transmission voltage levels of 161 kV or higher.

For delivery at less than 161 kV, there shall be added to the customer's bill a facilities rental charge. This charge shall be \$.38 per kW per month except for delivery at voltages below 46 kV, in which case the charge shall be \$.97 per kW per month for the first 10,000 kW and \$.76 per kW per month for the excess over 10,000 kW. Such charge shall be applied to the higher of (1) the highest billing demand established during the latest 12-consecutive-month

period or (2) the customer's currently effective contract demand and shall be in addition to all other charges under this rate schedule, including minimum bill charges.

REACTIVE DEMAND CHARGES

If the reactive demand (in KVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.46 per KVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in KVAR) is leading during the 30 consecutive minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.14 per KVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

DETERMINATION OF DEMAND

Division shall meter the demands in kW of all customers served under this rate schedule. The metered demand for any month shall be the highest average during any 30-consecutive-minute period beginning or ending on a clock hour of the month of the load metered in kW, and such amount shall be used as the billing demand, except that the billing demand for any month shall in no case be less than the sum of (1) 30 percent of the first 5,000 kW and (2) 40 percent of the next 20,000 kW and (3) 50 percent of the next 25,000 kW, (4) 60 percent of the next 50,000 kW, (5) 70 percent of the next 100,000 kW, (6) 80 percent of the next 150,000 kW, and (7) 85 percent of all kW in excess of 350,000 kW of the higher of the currently effective contract demand or the highest billing demand established during the preceding 12 months.

MINIMUM MONTHLY BILL

The monthly bill under this rate schedule, excluding any facilities rental charges and any reactive charges, shall not be less than the sum of (1) the base customer charge, (2) the base demand charge, as adjusted (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applied to the customer's billing demand, and (3) the base energy charge, as adjusted, applied to the customer's energy takings.

Division may require minimum bills higher than those stated above.

CONTRACT REQUIREMENT

Division shall require contracts for all service provided under this rate schedule. The contract shall be for an initial term of at least 5 years and any renewals or extensions of the initial contract shall be for a term of at least 5 years. The contract shall have provision for termination after the initial term or at any time during the second term upon at least 3 years' written notice. After 10 years of service, any such contract for the renewal or extension of service may provide for termination upon not less than 16 months' notice. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Division shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Division under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Division and TVA.

PAYMENT

Above rates and charges are net. In the event that any bill is not paid on or before the delinquent date shown on bill, there shall be added to the bill an amount equal to 5 percent on the first \$250.00 of the bill plus one percent on any portion of the bill exceeding \$250.00; to any amount remaining unpaid 30 days after the delinquent date of the bill, there shall be added a penalty of one percent, and an additional one percent shall be added at the end of each successive 30-day period until the amount is paid in full.

SINGLE-POINT DELIVERY

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

MANUFACTURING CLASSIFICATION CERTIFICATION

Prior to initial application of the charges provided in a Manufacturing Classification for power resold to a customer, and from time to time thereafter as may be required by Division or TVA, the customer shall certify to both the Division and TVA that it meets the Classification requirements set forth as condition (b) above for the Manufacturing Classification. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Division to customer, and (iii) signed and promptly returned by the customer to Distributor. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Division.

During any period for which a customer does not meet the eligibility requirements set forth in said condition (b), the charges of the applicable General Power Classification will apply for electric service sold to that customer.

Service is subject to Rules and Regulations of Division.