MEMPHIS LIGHT, GAS AND WATER DIVISION CITY OF MEMPHIS ELECTRIC SERVICE SCHEDULE SCHEDULE RS (Code E-1)

STANDARD RESIDENTIAL RATE

AVAILABILITY

This rate shall apply only to electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

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-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by Division. Multi-phase service shall be supplied in accordance with Division's standard policy.

BASE CHARGES

Customer Charge: \$11.20 per month, less

Hydro Allocation Credit: \$1.71 per month

Energy Charge:

First 2,000 kWh per month at \$0.07481 per kWh Additional kWh per month at \$0.08335 per kWh

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 energy charge shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the base energy charge and the hydro allocation credit 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.)

MINIMUM MONTHLY BILL

The base customer charge, as reduced by the hydro allocation credit, constitutes the minimum monthly bill for all customers served under this rate schedule except those customers for which a higher minimum monthly bill is required under Division's standard policy because of special circumstances affecting Division's cost of rendering service.

Bills under this rate schedule will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under Division's standard policy.

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.

Service is subject to Rules and Regulations of Division.