

**MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
TEMPORARY PILOT TIME-OF-USE RESIDENTIAL RATE**

AVAILABILITY

This Temporary Pilot Time-of-Use Residential Electric Rate option shall be available only to customers participating in MLGW's Smart Grid Demonstration Project and for 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 the Voluntary Time-of-Use Residential Electric Rate Agreement 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 MLGW. Multi-phase service shall be supplied in accordance with MLGW's standard policy.

BASE CHARGES

Customer Charge: \$11.20 per month, less
Hydro Allocation Credit: \$1.60 per month

Energy Charge:

Summer On-Peak kWh per month	\$0.13164
Summer Off-Peak kWh per month	\$0.04490
Winter On-Peak kWh per month	\$0.07626
Winter Off-Peak kWh per month	\$0.04490
Transition kWh per month	\$0.04490

DETERMINATION OF SEASONAL PERIODS

Summer Period shall mean the June, July, August, and September calendar months. Winter Period shall mean the December, January, February, and March calendar months. Transition Period shall mean the April, May, October, and November calendar months.

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, on-peak hours for each day shall be (a) from 12 p.m. to 8 p.m. during the Summer Period and (b) from 4 a.m. to 10 a.m. during the Winter Period. All other hours of each day and all hours of such excepted days shall be off-peak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect.

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 the Customer unless the Customer is one for whom a higher minimum monthly bill is required under MLGW's standard policy because of special circumstances affecting MLGW's cost of rendering service.

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

SINGLE-POINT DELIVERY

The charges under the TOU Agreement are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to the Rules and Regulations of MLGW.