MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-2

RESIDENTIAL RATE

AVAILABILITY

This schedule is available for water service outside the corporate limits of the City of Memphis and outside the area that was served by the Shelby County Water Distribution System at the time of its acquisition by Memphis Light, Gas and Water Division on June 30, 1999, for domestic uses to residential customers in individual private residences or other individual dwelling units. It is not applicable to recognized boarding or rooming houses or to establishments of a commercial or industrial nature.

Water supplied under this schedule is for the exclusive use of the customer and shall not be resold.

MONTHLY RATE (ccf equals 100 cubic feet)

ALL WATER CONSUMED $2.888 per ccf per month

MINIMUM BILL

The Minimum Monthly Bill shall be determined by the size of the meter installed, as follows:

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Minimum Bill</th>
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</thead>
<tbody>
<tr>
<td>5/8”</td>
<td>$10.92</td>
</tr>
<tr>
<td>3/4”</td>
<td>$15.70</td>
</tr>
<tr>
<td>1”</td>
<td>$27.95</td>
</tr>
<tr>
<td>1-1/2”</td>
<td>$62.85</td>
</tr>
<tr>
<td>2”</td>
<td>$111.72</td>
</tr>
</tbody>
</table>

Residential customers shall be served through a single meter not larger than 2” in size.

PAYMENT

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

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. Separate supply for the same customer at other points of consumption shall be separately metered and billed.

RULES AND REGULATIONS

Service under this classification is subject to the Rules and Regulations of Memphis Light, Gas and Water Division.