Board of Light, Gas and Water Commissioners

220 S. Main Street
Memphis, TN 38103
www.mlgw.com

Board Meeting

~ Preliminary Agenda ~

Wednesday, October 21, 2026 **8:30 AM** **Board Room**

INFORMATION FOR THE BENEFIT OF THE PUBLIC:

Public Notice: Regular board meetings are held the first and third Wednesdays of the month at MLGW's Administration Building unless otherwise noted in the public notice filing and website. The proposed agenda will be posted on MLGW's website at least 48 hours before the Board meets. You may access the proposed Board agenda and all available documents related to the items linked from the agenda on the Internet at: www.mlgw.com. Add-on items may not be viewable online. By Board action, agenda items may be added, deleted or held for later consideration at a later board meeting.

Consent Agenda: Items shown under the Consent Agenda consists of items considered to be routine and non-controversial upon which the documentation provided to the Board is adequate to give sufficient information for approval without inquiry or discussion during the Board meeting. The use of the Consent Agenda is designed to minimize the time required for the handling of routine matters in order to permit additional time to be spent on more significant matters. The Chairman will call for approval on the Consent Agenda as a whole and the vote will be treated as a separate vote on each item. At the request of a Board member, the Chairman may move any item on the Consent Agenda to the Regular Agenda.

Regular Agenda: Item(s) to be individually considered for Board action.

Filed Items: The Board may be provided information which does not require Board approval or Board discussion but which is noted for the official record as having been supplied to the Board.

Resolutions: Generally, there are two types of resolutions subject to approval by the MLGW Board of Commissioners. Internal Board Resolutions are within the full authority of the Board and considered final upon the acceptance of the minutes of that board action. External Board Resolutions are subject to the approval of the City Council and are not considered final until the City Council accepts the minutes of their approval for such.

ADA: As a covered entity under Title II of the Americans with Disabilities Act, MLGW does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services, and activities. To ensure availability, such request should be made 72 hours in advance by contacting Triniscia Griggs at (901) 528-4351 during business hours.

To Officially Communicate to the Board: Any individual of the general public desiring to address the Board orally on items of interest to the public that are within the subject matter jurisdiction of the Board, shall complete an ***MLGW Board Comment Card.*** Such request to be heard shall include the speaker's name, home address, company/organization affiliation (if any) and subject matter. Any speaker who is a paid consultant or lobbyist must complete the required disclosure of their client's name, phone number, and address.

Statements shall not exceed three minutes unless additional time is granted by the Board Chair. When recognized, please proceed forward to the podium. Persons who have filled out the comment card completely shall only be required to state their name and company/organization affiliation (if any) at the podium. Speakers who fail to submit a completed comment card will also be required to state their address on the record before speaking. Any persons submitting a card in an untimely manner will not be recognized.

***** All MLGW Board Comment Cards must be received by Security no later than 8:30 a.m. on the day of the Board Meeting in order to be considered timely.**

CALL TO ORDER AND OPENING REMARKS: **Chairman Pohlman**

PLEDGE OF ALLEGIANCE: **Chairman Pohlman**

ROLL CALL: **Rodney Cleek**

APPROVALS: **Chairman Pohlman**

Approve Minutes from the Meeting of October 7, 2026.

CITY COUNCIL ACKNOWLEDGEMENTS & UPDATE: **Rodney Cleek**

Acknowledge receipt of Certified Copies of City Council Resolutions dated October 6, 2026, Items 9 through 16, with Same Night Minutes approved for Item 16.

PRESENTATIONS: **Chairman Pohlman**

(None)

GENERAL STATEMENT(S) FROM THE PUBLIC: **Chairman Pohlman**

REGULAR AGENDA

(Items 1 and 2)

1. Resolution to approve the proposed budgets for the Electric, Gas and Water Divisions for 2027 operating expenses and 2027 capital expenditures which includes gas and water rate increases over the next three-year period, new Electric Vehicle Charging Rate Schedule EVC and modifications to the Fuel Cost and Purchased Power Adjustment Rider FCA in the Electric Division and the new W-15 and W-16 Data Center Rate Schedules in the Water Division. (Doug McGowen) (REQUIRES CITY COUNCIL APPROVAL)

2. Resolution to request the City Council convene as a ratemaking body at a public hearing to consider and determine revisions in MLGW tariffs and rates. (Doug McGowen) (REQUIRES CITY COUNCIL APPROVAL)

CONSENT AGENDA

(Items 3 through 22)

PRESIDENT & CEO

(None)

VP ELECTRIC ENGINEERING & OPERATIONS

3. Resolution awarding a twelve-month purchase order for various rocks to Fullen Dock and Warehouse in the amount of $370,447.50. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

4. Resolution approving the Increase and Renewal (Change No. 1) to Contract No. 12725 (formerly Contract No. C2841), Power System Analysis with 1898 & Co. (formerly Burns & McDonnell Engineering Company, Inc.) to increase and renew the current contract in the funded amount of $150,000.00. (Randy Orsby)

5. Resolution approving the Increase and Renewal (Change No. 1) to Contract No. 12726 (formerly Contract No. C2842), CYME Training and Support with Eaton Corporation to increase and renew the current contract in the funded amount of $150,000.00. (Randy Orsby)

6. Resolution approving the Renewal (Change No. 4) to Contract No. 12386 (solicited under Contract No. 12302), Substation Engineering Services (Substation) with Allen & Hoshall, Incorporated to renew the current contract with no increase in the contract value. (Randy Orsby)

7. Resolution approving the Renewal (Change No. 4) to Contract No. 12385 (solicited under Contract No. 12302), Substation Engineering Services (Transmission) with Allen & Hoshall, Incorporated to renew the current contract with no increase in the contract value. (Randy Orsby)

VP WATER & GAS ENGINEERING & OPERATIONS

8. Resolution for Increase and Renewal (Change No. 4) to Contract No. 12424, Water Well Production Drilling with National Water Services LLC to increase and renew the current contract in the funded amount of $4,000,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP CFO & SECRETARY- TREASURER

9. Resolution approving of the Ratification, Renewal and Increase (Change No. 20) to Contract No. 10793, Professional Portfolio Software with Advent Software, Incorporated to ratify, renew and increase the current contract in the funded amount of $15,337.93. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP & CIO

10. Resolution approving the Increase and Renewal (Change No. 3) to Contract No. 12469 (solicited under Contract No. 12433), Professional Services IS/IT with TEKsystems to increase and renew the current in the funded amount of $2,011,814.09. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

11. Resolution approving the Increase and Renewal (Change No. 3) to Contract No. 12470 (solicited under Contract No. 12433), Professional Services IS/IT with Vaco to increase and renew the current contract in the funded amount of $1,831,815.07. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

12. Resolution approving the Increase and Renewal (Change No. 3) to Contract No. 12468 (solicited under Contract No. 12433), Professional Services IS/IT with Stragistics Technology, Inc. to increase and renew the current contract in the funded amount of $2,466,191.98. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

13. Resolution approving the Increase and Renewal (Change No. 3) to Contract No. 12467 (solicited under Contract No. 12433), Professional Services IS/IT with Nextech Solutions, LLC to increase and renew the current contract in the funded amount of $2,787,084.11. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

14. Resolution approving the Increase and Renewal (Change No. 3) to Contract No. 12466 (solicited under Contract No. 12433), Professional Services IS/IT with CTD Staffing to increase and renew the current contract in the funded amount of $2,705,909.83. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

15. Resolution approving the Increase and Renewal (Change No. 3) to Contract No. 12433, Professional Services IS/IT with 1Link Technology, LLC to increase and renew the current contract in the funded amount of $1,140,455.10. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

16. Resolution approving the Increase and Renewal (Change No. 3) to Contract No. 12465 (solicited under Contract No. 12433), Professional Services IS/IT with Cook Systems to increase and renew the current contract in the funded amount of $2,372,382.11. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

17. Resolution approving the amendment of Purchase Order number 7057248 with Crayon Software LLC for Microsoft 365 Office user licenses in the additional amount of $729,411.86. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP SHARED SERVICES

18. Resolution approving of an invoice payment, after the fact (Change No. 5) to Contract No. 12214, Roof Maintenance with Dakota Corporation dba Jessie Bryant Roofing in the amount of $11,500.00. (Randy Orsby)

VP CUSTOMER EXPERIENCE & ENERGY SERVICES

(None)

VP CORPORATE COMMUNICATIONS

19. Resolution approving the Increase and Extension (Change No. 1) to Contract No. 12599, Heavy Duty/High Volume Utility Bill Insertion System with Bell and Howell, LLC and the associated lease agreement to Bell and Howell Capital Finance to increase the contract value and extend the current contract in the funded amount of $8,608.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP & GENERAL COUNSEL

(None)

VP HUMAN RESOURCES & CHRO

(None)

VP SAFETY & COMPLIANCE

20. Resolution approving the Increase and Renewal (Change No. 3) to Contract No. 12408, Environmental Consulting Services with BH&M Environmental Consultants, Inc. in the funded amount of $9,000,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

21. Resolution approving of the increase and renewal (Change No. 4) to Contract No. 12407, Environmental Abatement Services with Northwest Contracting Services, Incorporated in the funded not-to-exceed amount of $10,000,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

22. Resolution approving the increase and renewal (Change No. 3) to Contract No. 12407, Environmental Abatement Services with General Construction Services, Incorporated in the funded not-to-exceed amount of $1,750,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

PRESIDENT'S BRIEFING: **Chairman Pohlman**

23. Review Consent Agenda - Doug McGowen

24. Other - Doug McGowen

COMMITTEE REPORTS: **Chairman Pohlman**

(None)

ADJOURNMENT **Chairman Pohlman**

ADDITIONAL MEETINGS ON OCTOBER 21, 2026:

Pension Board Meeting - Immediately Following the BOC Meeting - MLGW Board Room

OPEB Trust Committee Meeting - Immediately Following Pension Board Meeting - MLGW Board Room

RESOLUTION SUMMARY

1. Description of the Item

Resolution to approve the proposed budgets for the Electric, Gas and Water Divisions for 2027 operating expenses and 2027 capital expenditures which includes gas and water rate increases over the next three-year period, new Electric Vehicle Charging Rate Schedule EVC and modifications to the Fuel Cost and Purchased Power Adjustment Rider FCA in the Electric Division and the new W-15 and W-16 Data Center Rate Schedules in the Water Division.

2. Additional Information

The President presented the proposed budgets for the Electric, Gas and Water Divisions for 2027 operating expenses and 2027 capital expenditures to the Board of Light, Gas and Water Commissioners which includes gas and water rate increases over the next three-year period for adoption. Such annual budgets include the applicable revenues, expenses and capital improvements for each system. These budgets have been reviewed by the Budget Review Committee and the applicable management staff, and copies have been provided to each member of the Board with opportunity given for each member to ask questions. Also presented were the new Electric Vehicle Charging Rate Schedule EVC and modifications to the Fuel Cost and Purchased Power Adjustment Rider FCA in the Electric Division and the new W-15 and W-16 Data Center Rate Schedules in the Water Division, all to become effective in the January 2027 revenue month.

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The President presented the proposed budgets for the Electric, Gas and Water Divisions for 2027 operating expenses and 2027 capital expenditures to the Board of Light, Gas and Water Commissioners which includes gas and water rate increases over the next three-year period for adoption. Such annual budgets include the applicable revenues, expenses and capital improvements for each system. These budgets have been reviewed by the Budget Review Committee and the applicable management staff, and copies have been provided to each member of the Board with opportunity given for each member to ask questions. Also presented were the new Electric Vehicle Charging Rate Schedule EVC and modifications to the Fuel Cost and Purchased Power Adjustment Rider FCA in the Electric Division and the new W-15 and W-16 Data Center Rate Schedules in the Water Division, all to become effective in the January 2027 revenue month.

The President has recommended approval and adoption of each of the following actions by the Board of Light, Gas and Water Commissioners:

(1) Revision of gas rate schedules G-1 & G-3, G-7, G-8 & G-9, G10 & G12 sales, G-10 & G-12 Market, and FT (excluding the pass-through effects of wholesale natural gas purchases) and revision of water rate schedules W-1, W-2, W-5, W-6, W-7, W-8, W-9, W-10, W-11, W-51, W-53, W-57, FP-1 and FP-2 to reflect the rate increases listed in the table below, to be effective with meters read on Cycle 1 of the revenue months outlined below on a non-prorated basis:

Division	January 2027	January 2028	January 2029
Gas	12.0%, $29,376,000 (percentage varies between classes)	11.0%, $29,376,000 (percentage varies between classes)	11.0%, $32,771,000 (percentage varies between classes)
Water	16.0%, $20,000,000 (percentage varies between classes)	16.0%, $23,666,000 (percentage varies between classes)	16.0%, $27,591,000 (percentage varies between classes)

(2) Implementation of the new Electric Vehicle Charging Rate Schedule EVC in the Electric Division which allows for a new rate applicable to commercial services where the majority of electric usage is for electric vehicle charging. This Schedule is to become effective with meters read on Cycle 1 of the January 2027 revenue month.

(3) Implementation of language modifications to the Electric Division Fuel Cost and Purchased Power Adjustment Rider FCA which allows for recovery of all purchased power costs incurred by the division. This Schedule is to become effective with meters read on Cycle 1 of the January 2027 revenue month.

(4) Implementation of the new W-15 and W-16 Data Center Rate Schedules in the Water Division which allows for new rates applicable to customers where most of their water usage is for activities that meet one of the following criteria: (A) activities classified under the 2022 North American Industry Classification System (NAICS) subsector codes 518 or 519, except for 519210; (B) activities classified under 2022 NAICS codes 522320 or 541214; or (C) activities that, in the Division's sole discretion, are used to operate computational equipment. (This mimics TVA's description of a Data Center within the Electric Division rates.) W-15 shall be effective for customers within the corporate limits of the City of Memphis. W-16 shall be effective for customers outside the corporate limits of the City of Memphis. These Schedules are to become effective with meters read on Cycle 1 of the January 2027 revenue month. Each new schedule will be subject to rate increases in subsequent years.

After discussion, the Board of Memphis Light, Gas and Water Commissioners determined that, in their opinion,

(1) the proposed gas and water rate increases are necessary in order to keep the Gas and Water Divisions financially sound and that they are all in compliance with Chapter 381 of Private Acts 1939, as amended, creating the Division, and

(2) the proposed new Electric Vehicle Charging Rate Schedule EVC will continue to keep the Electric Division financially sound, and that it is in compliance with Chapter 381 of Private Acts 1939, as amended, creating the Division and

(3) the proposed language modifications to the Electric Division Fuel Cost and Purchased Power Adjustment Rider FCA which allows for recovery of all purchased power costs incurred by the division will continue to keep the Electric Division financially sound, and that it is in compliance with Chapter 381 of Private Acts 1939, as amended, creating the Division and

(4) the proposed new W-15 and W-16 Data Center Rate Schedules will continue to keep the Water Division financially sound, and that it is in compliance with Chapter 381 of Private Acts 1939, as amended, creating the Division.

NOW THEREFORE BE IT RESOLVED BY THE Board of Light, Gas and Water Commissioners:

(1) THAT, the Budgets for the Electric, Gas and Water Divisions for the 2027 operating expenses and the 2027 capital expenditures, as presented by the President, subject to the consent and approval of the Council of the City of Memphis, be adopted and be in effect for the fiscal year 2027;

(2) THAT, the rate increases for the Gas Division and Water Division implemented as presented, subject to the consent and approval of the Council of the City of Memphis, be adopted and be in effect beginning fiscal year 2027;

(3) THAT, the proposed adoption of the Electric Division Electric Vehicle Charging Rate Schedule EVC and the Water Division W-15 and W-16 Data Center Rate Schedules, as presented by the President, subject to the consent

and approval of the Council of the City of Memphis, be adopted and be in effect Cycle 1 of the January 2027 revenue month;

(4) THAT, the proposed Electric Division Fuel Cost and Purchased Power Adjustment Rider FCA, as presented by the President, subject to the consent and approval of the Council of the City of Memphis, be adopted and be in effect Cycle 1 of the January 2027 revenue month;

(5) BE IT FURTHER RESOLVED THAT the President is directed to seek approval from the Memphis City Council of the rate revisions adopted herein at a public ratemaking hearing to be convened at a future date to be set by the Memphis City Council.

STATEMENT OF RODNEY M. CLEEK
VP, CFO and Secretary - Treasurer
MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
October 21, 2026
****

My name is Rodney M. Cleek. I hold the position of Vice President, Chief Financial Officer and Secretary-Treasurer at Memphis Light, Gas and Water Division, and it is my duty to make recommendations concerning the schedule of rates to the Board of Commissioners. I have recommended and the Board of Commissioners has approved, pursuant to Section 680 of the Charter of the City of Memphis, a schedule of rates as will enable the Memphis Light, Gas and Water Division, pursuant to said Charter requirements, to pay operating expenses, interest, sinking fund reserves, working capital, renewal and replacements, casualties, and other fixed charges including necessary capital improvements and payments in lieu of taxes to the City of Memphis.

On October 21, I recommended to the Board the approval and the adoption of:

(1) multi-year increases and revisions to gas rate schedules G-1 & G-3, G-7, G-8 & G-9, G10 & G12 sales, G-10 & G-12 Market, and FT and

(2) multi-year increases and revisions of water rate schedules W-1, W-2, W-5, W-6, W-7, W-8, W-9, W-10, W-11, W-51, W-53, W-57, FP-1 and FP-2

(3) proposed adoption of the Electric Division Electric Vehicle Charging Rate Schedule EVC and the Water Division W-15 and W-16 Data Center Rate Schedules

(4) proposed language modifications to the Fuel Cost and Purchased Power Adjustment Rider FCA.

I have further advised the Board of certain factors and details outlining the necessity for these rate tariff changes and the file herewith exhibits these factors for your consideration and discussion at the public hearing to be held on a future date to be set by the Memphis City Council.

As Vice President, Chief Financial Officer and Secretary-Treasurer of Memphis Light, Gas and Water Division, it is my opinion that the rates requested by the Division

will produce sufficient revenues to meet the obligations of Memphis Light, Gas and Water under the Charter and covenants in Bond Resolutions.

For the reasons set out above, I recommend that the Memphis City Council, pursuant to Chapter 381 of the Private Acts of 1939, as amended, approve these revisions at the public hearing to be set at a future date by the Memphis City Council.

RESPECTFULLY SUBMITTED

Rodney M. Cleek
VP, CFO and Secretary - Treasurer
Memphis Light, Gas and Water Division

MLGW

2027 BUDGET

October 7, 2026

PRELIMINARY



Leadership

MLGW Board of Commissioners



Michael E. Pohlman, *Chairman*



Carl Person, *Vice Chairman*



John Butler



Leon Dickson Sr.



James Lewellen



Cheryl Pesce



Kevin Woods

Senior Leadership Council

Doug McGowen, *President and CEO*

Rodney Cleek, *VP, Chief Financial Officer and Secretary-Treasurer*

Quinton Clark, *VP of Electric Engineering and Operations*

Timothy Davis, *VP of Customer Experience and Energy Services*

Dr. Von Goodloe, *VP of Shared Services*

Neva Burke Hawes, *VP Chief of Human Resources Officer*

Ursula Madden, *VP of Corporate Communications*

Brooke Sinclair, *VP of Safety, Compliance and Preparedness*

Jennifer Sink, *VP General Counsel*

Lashell Vaughn, *VP and Chief Information Officer*

Chandrika Rosser, *VP of Gas and Water Engineering and Operations*

BOARD OF COMMISSIONERS & SENIOR LEADERSHIP COUNCIL

Board of Commissioners

Michael E. Pohlman	Carl Person	John Butler	Leon Dickson, Sr.	James Lewellen	Cheryl Pesce	Kevin Woods
Board of Commissioners Chairman	Board of Commissioners Vice Chairman	Board of Commissioners	Board of Commissioners	Board of Commissioners	Board of Commissioners	Board of Commissioners

Office of the President

DOUG McGOWEN
PRESIDENT/CEO

STACEY FOSTER
Administrative Assistant

Senior Leadership Council

RODNEY CLEEK	LASHELL VAUGHN	VON GOODLOE	JENNIFER SINK	TIMOTHY DAVIS	URSULA MADDEN	NEVA BURKE HAWES	QUINTON CLARK	CHANDRIKA ROSSER	BROOKE SINCLAIR
VP CFO Secretary Treasurer	VP Chief Information Officer	VP Shared Services	VP General Counsel	VP Customer Experience & Energy Services	VP Corporate Communications	VP Chief Human Resources Officer	VP Electric Engineering and Operations	VP Gas/Water Engineering	VP Safety Compliance and Preparedness
• Treasury Management • Budget, Financial Planning & Grants • Rates & Analytics • General Accounting • Payments Payroll and Banking • Pension	• Data Security • Client Services • Application Development • Customer Information Systems • Enterprise Resource Planning • Information Technology Development • Information Technology	• Procurement Contracts & Strategic Sourcing • Performance Engineering • Corporate Security • Facilities Management & Maintenance • Building Services Grounds • Material & Stores • Transportation & Fleet Services	• Legal Services • Claims • Internal Audit	• Workforce Management Quality Assurance • Customer Care • Customer Service Field Ops • Meter Services • Payment Services • Billing Services • Energy Services • Business Operations Services Support	• Corporate Communications • Communications Production & Distribution • Social & Interactive Media Relations • Corporate Responsibility	• Human Performance & People Development • Compensation HRIS • HR Talent Acquisition, Compensation and Insurance • Labor Relations	• Substation Engineering & Operations • Electric Distribution System Engineering • Systems Operations • Electric Construction	• Water Construction & Maintenance • Gas Engineering & Operations • Water Engineering & Operations • Gas Construction & Maintenance • Water Quality Assurance • Commercial & Residential Engineering • Gas Portfolio Management	• Corporate Safety • Environmental Engineering

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PRESIDENT'S LETTER



As Memphis and Shelby County continue to grow, Memphis Light, Gas and Water remains focused on one essential responsibility: delivering reliable, resilient and affordable utility services while preparing our systems for the future. The proposed 2027 budget advances that commitment through disciplined investment in infrastructure, technology, employees and customer service.

This budget builds on the progress MLGW has made through preventive maintenance, infrastructure renewal and replacement, grid modernization and system expansion. Continued investment in our electric, gas and water systems is necessary to strengthen reliability, reduce service disruptions and ensure that our infrastructure can support both current needs and future economic development.

Our employees remain central to every improvement we make. The 2027 budget supports the workforce, tools and training required to operate increasingly complex utility systems and serve customers with professionalism and care. It also strengthens our ability to engage with customers, businesses, elected officials and community partners through transparent communication and meaningful collaboration.

The proposed 2027 operating and capital budget totals $2.6 billion. Of that amount, $1.4 billion is allocated to purchased power and gas costs. Operations and maintenance expenses total $622 million, and our capital program is budgeted at $371 million. These investments reflect our responsibility to manage public resources carefully while addressing the infrastructure and operational needs that affect customers every day.

MLGW has made meaningful progress, but our work continues. Through responsible stewardship, strategic planning and sustained investment, we will strengthen the systems our community depends on and position MLGW to serve future generations.



Doug McGowen
President and CEO
Memphis Light, Gas and Water Division

RELIABLE TODAY.
READY FOR TOMORROW.

MLGW OVERVIEW

Memphis Light, Gas and Water is the nation's largest three-service public utility, providing electric, natural gas and water services throughout Memphis and Shelby County. Established in 1939, MLGW supports the region's quality of life and economic vitality by delivering essential utility services to hundreds of thousands of residential, commercial and industrial customers.

MLGW receives electricity from the Tennessee Valley Authority and operates three utility systems through one customer-facing organization. This integrated structure gives customers one bill, one service provider and one organization responsible for supporting the infrastructure that powers homes, businesses and community growth.

A Legacy of Public Service

MLGW's roots extend to 1852 with the formation of the Memphis Gas Light Company. Memphis established municipal ownership of its water system in 1902, and the modern Memphis Light, Gas and Water Division was formed in 1939 by bringing electric, gas and water services together under one public utility. That legacy continues through MLGW's commitment to reliable service, affordability and responsible stewardship.

Municipal Ownership and Expansion

In 1902, the city of Memphis purchased The Artesian Water Company, establishing the Memphis Artesian Water Department, the first city-owned utility. This move marked the beginning of municipal ownership and control over essential services. The city's commitment to providing reliable utilities continued to grow, culminating in the formation of MLGW in 1939. This was achieved through the acquisition of the privately-owned Memphis Power and Light, consolidating electricity, gas and water services under one entity.

Community Impact

MLGW's role extends beyond providing essential utility services. Through community partnerships, employee volunteerism, customer assistance programs and energy education, MLGW works to strengthen the quality of life throughout Memphis and Shelby County.

Modernizing the Grid

MLGW is modernizing the electric grid through investments in advanced communications, automation and technologies that improve system visibility. These improvements will strengthen resiliency, support faster restoration and prepare the grid for the community's changing energy needs.

COMMUNITY ENGAGEMENT

MLGW's commitment to Memphis and Shelby County extends beyond the delivery of essential utility services. Throughout the year, employees volunteer their time, support local organizations and strengthen partnerships that improve the communities we serve. These efforts reflect a culture of public service and a shared commitment to making a meaningful local impact.



MLGW expanded the **Fast Charge TN** network with two new electric vehicle charging sites in Shelby County, bringing the countywide total to seven. The new locations increased access to convenient, high-speed charging while supporting cleaner transportation throughout the community.

The **MLGW IT NextGen Career Academy** is a workforce development partnership between Memphis Light, Gas and Water (MLGW), Southwest Tennessee Community College, and Memphis-Shelby County Schools designed to train local high school students for careers in technology.





MLGW brought services directly to the community through its **Emergency Preparedness Information Center (EPIC)**. During the August 2026 Bow Echo storm, EPIC was deployed to provide customers with in-person support, timely restoration information and access to mobile charging stations. EPIC also supported Workforce Wednesdays at the Benjamin L. Hooks Central Library, where MLGW representatives interviewed job applicants and connected residents with career opportunities. Together, these deployments showed how EPIC can serve the community during emergencies and in everyday outreach.

MLGW and the **Tennessee Valley Authority (TVA)** frequently coordinate joint community volunteer and service efforts throughout Memphis and Shelby County. Most recently, MLGW and TVA employees teamed up to volunteer at the Habitat for Humanity ReStore, where they assembled furniture, unboxed merchandise and organized inventory to support affordable housing initiatives.



FAST FACTS

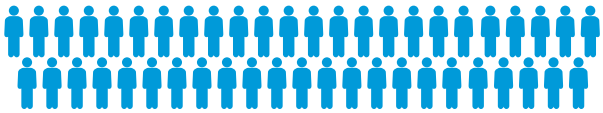
Customers

- **445,754** electric customers
- **316,964** gas customers
- **260,385** water customers



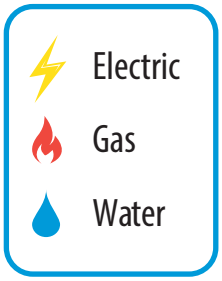
Employees

2,750 total employees



Average Annual Residential Use

- **13,699** kWh of electricity
- **637** ccf of natural gas
- **85** ccf of water



Miles

- **4,511.5** overhead electric distribution circuit miles
- **2,891** underground electric distribution circuit miles
- **4,585** miles of gas mains
- **3,990** miles of water mains



2027 Budget: $2.6B





RELIABLE TODAY.
READY FOR TOMORROW.

How to Read the Budget

INTRODUCTION

We are pleased to submit the 2027 Budget for Memphis Light, Gas and Water Division (MLGW) as required by Memphis City Ordinance #3509. This Budget has been prepared in compliance with this ordinance, which requires conformity to the Federal Energy Regulatory Commission (FERC), the regulations of any other applicable regulatory body, and in accordance with the provisions of the bond resolutions approved by the Memphis City Council.

Memphis Light, Gas and Water Division's accounting and financial practices conform to Generally Accepted Accounting Principles (GAAP), under the rules and regulations of the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

Memphis Light, Gas and Water Division was created by an amendment to the City Charter, adopted March 9, 1939. MLGW operates three separate utilities, as divisions, providing electricity and gas in the City and Shelby County. Water service is provided by MLGW in the City and, together with other municipal systems, in Shelby County. Each division operates as a separate entity for accounting and financial purposes pursuant to the City Charter. For economic reasons, activities common to all three divisions are administered jointly and costs are prorated among the divisions. The 2027 operating and capital budgets are developed simultaneously and are presented together in a combined budget. In this manner, MLGW can accomplish personnel planning and allocate resources to ensure the achievement of each strategic area of focus.

THE BUDGET PROCESS

Memphis Light, Gas and Water Division develops the operating and capital expenditure budgets annually to coincide with its fiscal year, which extends from January 1 to December 31. The budget process begins early in the year that precedes the fiscal year for which the budget will take effect. The entire process continues for several months until final approval is obtained by the Memphis City Council**.**

At the onset of the process, a budget schedule is created to establish the critical deadlines for activities necessary in producing the final approved budget document. Some of the budget calendar events include planning meetings, multiple budget training sessions, capital project budget meetings and equipment budget meetings, all of which are completed before the end of June.

During July through August, requests for the upcoming budget year are submitted by organization supervisors and managers. The vice presidents are then responsible for reviewing the proposed budget and making necessary adjustments.

The proposed budget goes through several stages of formal review and approval before being finalized. The initial level of approval occurs during mid-August through early October by the members of MLGW's executive staff. A preliminary budget document is subsequently developed and presented to the MLGW Board of Commissioners for review and approval in October, with the final approval by the Memphis City Council scheduled for November.

How to Read the Budget

CONTENTS OF THE BUDGET DOCUMENT

This Budget document begins with the Budget Highlights which offers a summary of Total Operating Revenue, Total Operating Expense, Operating Income (Loss), Change in Net Position and the Capital Program for each Division. The information provided in the remaining sections of the Budget document is detailed below.

AREA OF RESPONSIBILITY

This section supplies the 2027 Operations & Maintenance Budget for Electric, Gas and Water organized by each area of responsibility.

ALL DIVISIONS

This section supplies a comparison of the Electric, Gas and Water Divisions' Income, Expense & Change in Net Position and Capital Expenditures Budget for the 2027 Budget.

ELECTRIC

The first page of this section (Page 4) is the *Income, Expense, and Changes in Net Position Comparison* for the Electric Division. It provides a side-by-side view of the 2025 Actual Expenditures, 2026 Budget and the 2027 Budget.

The last column contains a Reference Number that can be cross-referenced with the Appendix, which provides a brief explanation or description of that specific line item; for example, Sales Revenue has a reference number of 4-1. The Appendix includes notes for 4-1 on page A2 stating that "this account includes projected revenue from the sale of electricity to the residential, commercial, industrial, outdoor lighting and traffic signal and interdepartmental customer classes."

The next three pages (4a-4c) provide the detailed account information for each of the line items presented on page 4; for example, the four specific accounts for non-Sales Revenue are Forfeited Discounts, Miscellaneous Service Revenue, Other Operating Revenue and Rent from Gas/Water Property. The sum of these four accounts (Total non-Sales Revenue) is rolled up to page 4. The detail account information provides a comparison of the 2026 Budget, 2027 Budget and the difference between the 2026 Budget and 2027 Budget.

Next is the *Source and Application of Funds*, which includes reference numbers that correlate to the Appendices which provide a description of each line item.

The *Capital Expenditures Comparison* (page 6) gives a comparison of the 2025 Actual, 2026 Budget and the 2027 Budget. Again, the last column is the Reference Number that can be used to look up explanations of each line item. The next four pages (7-10) provide information by project for each of the major line items on page 6. Each project listed has the amount that will be spent in the Budget year. Every project has a reference number that can be used to find a description of the project in the Appendix.

The last page of this section is the *Capital Carryover Summary*. Carryover dollars are funds that were budgeted in the previous year that were not utilized due to delays in projects, shortage of resources or commodities ordered but not received. These dollars are a component of the 2027 Budget figures.

How to Read the Budget

CONTENTS OF THE BUDGET DOCUMENT (continued)

GAS
The Gas Division section is set up in the same format as the Electric Division: *Income, Expense, and Changes in Net Position Comparison for the Gas Division*; *Sources and Applications of Funds; Capital Expenditures Comparison; and the Capital Carryover Summary*. Please refer to the Electric description above for information on how to read these sections.

WATER
The Water Division section is set up in the same format as the Electric Division: *Income, Expense and Changes in Net Position Comparison for the Water Division*; *Sources and Applications of Funds; Capital Expenditures Comparison and the Capital Carryover Summary*. Please refer to the Electric description above for information on how to read these sections.

CAPITAL IMPROVEMENT PLAN
This section presents the Division's 5-year capital improvement plan for the Electric, Gas, and Water Divisions' infrastructure by work order type (WOT).

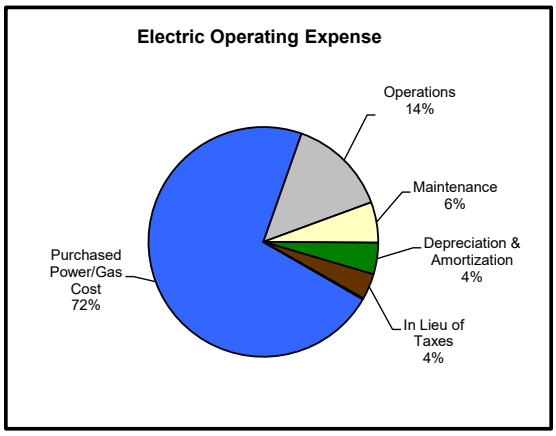
APPENDIX
This section presents a definition and/or explanation of specific line items referenced throughout the Budget document. Each page includes a heading stating what page the information is referencing. For example, Page A1 has a heading of "Notes for Page 3 – Capital Expenditures Budget". This means that the notes for Page 3 begin here and each line item on page three is defined.

The Appendix also includes a Glossary that defines acronyms and other terms commonly used throughout this Budget document.

2027 MLGW
BUDGET HIGHLIGHTS

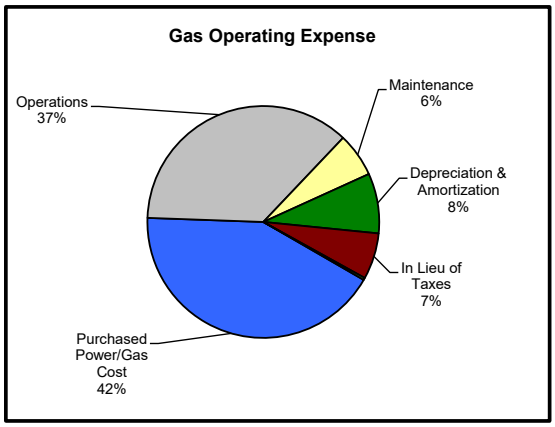
ELECTRIC DIVISION
(In Thousands)

Total Operating Revenue	**$ 1,832,527**
Purchased Power	**$ 1,285,072**
Total O&M Expense	**$ 351,572**
Other Operating Expense	**$ 146,581**
Total Operating Expense	**$ 1,783,225**
Operating Income (Loss)	**$ 49,302**
Change in Net Position	**$ 79,083**
CAPITAL PROGRAM	**$ 226,868**



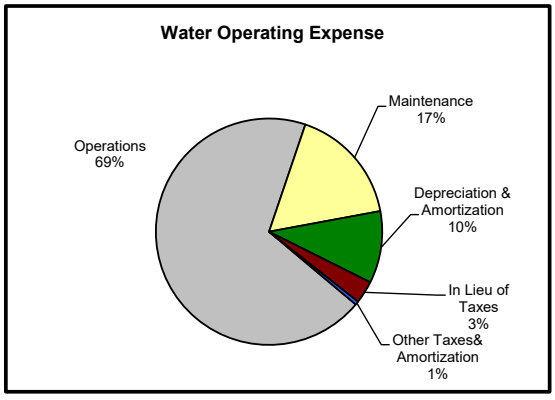
GAS DIVISION
(In Thousands)

Total Operating Revenue	**$ 313,931**
Purchased Gas	**$ 141,318**
Total O&M Expense	**$ 142,734**
Other Operating Expense	**$ 50,594**
Total Operating Expense	**$ 334,646**
Operating Income (Loss)	**$ (20,715)**
Change in Net Position	**$ (23,172)**
CAPITAL PROGRAM	**$ 58,568**



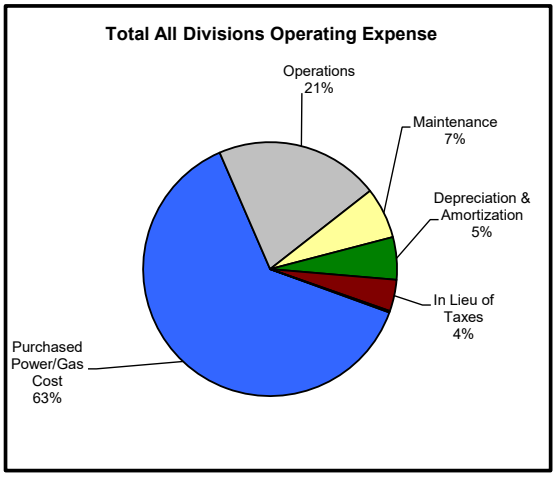
WATER DIVISION
(In Thousands)

Total Operating Revenue	**$ 151,688**
Total O&M Expense	**$ 127,592**
Other Operating Expense	**$ 20,819**
Total Operating Expense	**$ 148,411**
Operating Income (Loss)	**$ 3,277**
Change in Net Position	**$ 749**
CAPITAL PROGRAM	**$ 85,575**



ALL DIVISIONS
(In Thousands)

TOTAL OPERATING REVENUE	**$ 2,298,146**
TOTAL PURCHASED POWER & GAS	**$ 1,426,390**
TOTAL O&M EXPENSE	**$ 621,898**
TOTAL OTHER OPERATING EXPENSE	**$ 217,994**
TOTAL OPERATING EXPENSE	**$ 2,266,283**
OPERATING INCOME	**$ 31,864**
CHANGE IN NET POSITION	**$ 56,660**
TOTAL CAPITAL PROGRAM	**$ 371,012**



2027 Operations & Maintenance Budget

Area of Responsibility	Category	Electric	Gas	Water	Grand Total
President and Board of Commissioners	Labor	$ 256	$ 98	$ 73	$ 427
	Material	$ -	$ -	$ -	$ -
	Equipment	$ -	$ -	$ -	$ -
	Other	$ 43	$ 16	$ 12	$ 71
	Total	$ 299	$ 114	$ 85	$ 498
General Counsel	Labor	$ 2,136	$ 818	$ 605	$ 3,559
	Material	$ -	$ -	$ -	$ -
	Equipment	$ 22	$ 8	$ 6	$ 36
	Other	$ 571	$ 218	$ 162	$ 951
	Total	$ 2,729	$ 1,044	$ 773	$ 4,546
Finance and Accounting	Labor	$ 3,796	$ 1,541	$ 1,147	$ 6,484
	Material	$ 9	$ 4	$ 2	$ 15
	Equipment	$ -	$ -	$ -	$ -
	Other	$ 1,233	$ 522	$ 390	$ 2,145
	Total	$ 5,038	$ 2,067	$ 1,539	$ 8,644
Information Services and Technology	Labor	$ 10,507	$ 4,387	$ 3,242	$ 18,136
	Material	$ 5	$ 2	$ 1	$ 8
	Equipment	$ 10	$ 4	$ 3	$ 17
	Other	$ 23,489	$ 9,515	$ 7,074	$ 40,078
	Total	$ 34,011	$ 13,908	$ 10,320	$ 58,239
Shared Services	Labor	$ 12,934	$ 6,172	$ 6,467	$ 25,573
	Material	$ 344	$ 134	$ 99	$ 577
	Equipment	$ 788	$ 302	$ 536	$ 1,626
	Other	$ 8,791	$ 3,610	$ 3,474	$ 15,875
	Total	$ 22,857	$ 10,218	$ 10,576	$ 43,651
People Services	Labor	$ 6,021	$ 2,308	$ 1,706	$ 10,035
	Material	$ 15	$ 5	$ 4	$ 24
	Equipment	$ 20	$ 8	$ 6	$ 34
	Other	$ 2,551	$ 977	$ 722	$ 4,250
	Total	$ 8,607	$ 3,298	$ 2,438	$ 14,343
Electric Engineering and Operations	Labor	$ 70,662	$ 2,995	$ 2,255	$ 75,912
	Material	$ 2,082	$ 44	$ 27	$ 2,153
	Equipment	$ 6,291	$ 113	$ 85	$ 6,489
	Other	$ 73,034	$ 1,144	$ 816	$ 74,994
	Total	$ 152,069	$ 4,296	$ 3,183	$ 159,548
Gas and Water Engineering and Operations	Labor	$ 4,564	$ 16,399	$ 13,771	$ 34,734
	Material	$ 76	$ 583	$ 628	$ 1,287
	Equipment	$ 339	$ 1,935	$ 2,173	$ 4,447
	Other	$ 2,146	$ 24,684	$ 16,911	$ 43,741
	Total	$ 7,125	$ 43,601	$ 33,483	$ 84,209
Customer Experience and Energy Services	Labor	$ 22,815	$ 19,239	$ 13,160	$ 55,214
	Material	$ 110	$ 107	$ 388	$ 605
	Equipment	$ 956	$ 1,325	$ 784	$ 3,065
	Other	$ 12,835	$ 9,492	$ 7,990	$ 30,317
	Total	$ 36,716	$ 30,163	$ 22,322	$ 89,201

2027 Operations & Maintenance Budget

Area of Responsibility	Category	Electric	Gas	Water	Grand Total
Corporate Communications	Labor	$ 2,695	$ 1,032	$ 764	$ 4,491
	Material	$ 1	$ -	$ -	$ 1
	Equipment	$ 135	$ 52	$ 38	$ 225
	Other	$ 6,050	$ 2,319	$ 1,714	$ 10,083
	Total	$ 8,881	$ 3,403	$ 2,516	$ 14,800
Safety, Compliance & Preparedness	Labor	$ 3,859	$ 1,479	$ 1,093	$ 6,431
	Material	$ 10	$ 4	$ 3	$ 17
	Equipment	$ 212	$ 81	$ 60	$ 353
	Other	$ 12,635	$ 5,584	$ 7,153	$ 25,372
	Total	$ 16,716	$ 7,148	$ 8,309	$ 32,173
Common	Labor	$ (10,241)	$ (4,242)	$ (3,436)	$ (17,919)
	Material	$ 436	$ 118	$ 212	$ 766
	Equipment	$ 675	$ 338	$ 275	$ 1,288
	Other	$ 94,485	$ 35,448	$ 43,653	$ 173,586
	Total	$ 85,355	$ 31,662	$ 40,704	$ 157,721
Transfers to Capital	Labor				$ -
	Material				$ -
	Equipment				$ -
	Other	$ (28,831)	$ (8,188)	$ (8,656)	$ (45,675)
	Total	$ (28,831)	$ (8,188)	$ (8,656)	$ (45,675)
Grand Total	Labor	$ 130,004	$ 52,226	$ 40,847	$ 223,077
	Material	$ 3,088	$ 1,001	$ 1,364	$ 5,453
	Equipment	$ 9,448	$ 4,166	$ 3,966	$ 17,580
	Other	$ 209,032	$ 85,341	$ 81,415	$ 375,788
	Total	$ 351,572	$ 142,734	$ 127,592	$ 621,898

President & Board of Commissioners

The President is responsible for setting the overall vision and strategy, managing day-to-day operations, and ensuring financial health. The president is the main communicator between the Board, employees, customers, and other stakeholders, while also representing the company in public forums and maintaining its image. The president also ensures compliance with all relevant laws and regulations, working closely with regulatory bodies to keep the company aligned with legal standards.

The Board of Commissioners ensures that MLGW operates effectively and in the best interests of the customers. It is a seven-member board whose members are nominated by the Mayor of the City of Memphis and confirmed by the Memphis City Council.

2027 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$ 427	
Material	$ -	
Equipment	$ -	
Outside Purchases	$ 15	
Outside Services	$ 40	
Other Expenditures	$ 16	
Grand Total	**$ 498**	

General Counsel

The General Counsel department plays a vital role in safeguarding MLGW's legal and ethical integrity. It comprises three key areas:

Legal Services is responsible for providing legal assistance to all Departments to facilitate operational needs including prosecuting and defending lawsuits, regulatory matters, and drafting/negotiating contracts.

Claims is responsible for investigating, evaluating, resolving, and pursuing claims by and against third parties for damages and casualty to property and personal injury.

Internal Audit is responsible for providing audit expertise for financial, operational systems, special projects, and other organizational and business-related audits, and safeguarding company assets in compliance with policies, procedures and practices established by certifying, regulatory, municipal or official guidelines.

2027 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$ 3,559	
Material	$ -	
Equipment	$ 36	
Outside Purchases	$ 190	
Outside Services	$ 693	
Other Expenditures	$ 68	
Grand Total	**$ 4,546**	

Finance & Accounting

The Finance and Accounting department is essential for managing the financial health and stability of MLGW. It consists of six key areas:

General Accounting is responsible for monthly and year-end closing of accounting records and preparing this information for reporting to the President & CEO, MLGW Board of Commissioners, Memphis City Council, and the Citizens of Shelby County.

Budget, Financial Planning & Grants is responsible for compiling annual operating and capital budgets, forecasting short-term and long-term operating expenses, revenues, cash balances and funding requirements, maintaining and developing rate schedules and obtaining federal/state funding through grants.

Rates & Analytics is responsible for the analysis and projection of revenues and expenses, and development of rates to support financial stability. Rates and Analytics is also responsible for the maintenance of the rate and billing structure segments of CIS and responsible for billing MLGW's largest electric accounts on complex, time-of-use rate programs. The team also prepares regulatory filings, operational statistics, and forecasts for budgeting and financial reporting.

Treasury Management is responsible for investing short-term cash portfolio and debt service funds in accordance with investment guidelines, overseeing the investments of MLGW's pension fund assets and other post-employment benefits assets, and managing the issuance of debt to cover capital improvement expenditures for the electric, gas, and water systems.

Payments, Payroll and Banking is responsible for maintaining payroll records, overseeing employee paychecks, ensuring timely submission of payroll, participating in payroll audits, processing payroll, deducting payroll taxes, and calculating allowances.

Pension is responsible for helping MLGW employees save for retirement. Pension manages employee retirement plans, ensuring their financial stability and compliance with regulations.

Finance & Accounting

2027 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$ 6,484	
Material	$ 15	
Equipment	$ -	
Outside Purchases	$ 493	
Outside Services	$ 1,306	
Other Expenditures	$ 346	
Grand Total	**$ 8,644**	

Information Services & Technology

The Information Services & Technology department is crucial for managing and advancing the technological infrastructure of MLGW. It comprises five key areas:

Application Development is responsible for the Core Billing, SmartMeter, System Integrations, Financial and Mobile Network, the development and support of web and mobile applications for MLGW's external and internal customers, and the maintenance of MLGW's intranet site, IVR and 50+ third party software solutions.

Information Technology is responsible for scheduling, assigning, and coordinating the operation of computer/auxiliary equipment, processing/handling of input and output data and managing the daily operations of the data center and data processing activities, providing direct support for personal computers, handheld computers and enterprise-wide desktop applications, and specifying, acquiring, installing, and supporting physical servers, virtual servers, Storage Area Networks (SAN), tape Library hardware, Windows server OS, Netware, SUSE Linux, and enterprise backup system.

Data Security is responsible for developing plans for increased security across systems, implementing various protections, testing and re-testing systems for known vulnerabilities, monitoring systems for security breaches, and investigating breaches and any other anomalies.

Client Services is responsible for managing relationships with key business areas, serving as an advocate for key business areas, and supporting the Information Technology Oversight Committee.

Enterprise Resource Planning is responsible for the development and maintenance of critical centralized applications that support areas throughout the Division.

2027 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$ 18,136	
Material	$ 8	
Equipment	$ 17	
Outside Purchases	$ 4,511	
Outside Services	$ 16,210	
Other Expenditures	$ 19,357	
Grand Total	**$ 58,239**	

Shared Services

The Shared Services department is a centralized unit designed to streamline operations and enhance efficiency across the organization. It comprises five key areas:

Procurement Contracts & Strategic Sourcing is responsible for overseeing the procurement of goods and materials, facilitating contracts for services from contractors and consultants, and seeking to provide locally-owned small businesses equal access to participate in procurement opportunities—either in a contractor or sub-contractor arrangement with MLGW.

Performance Engineering is responsible for analyzing operations and developing recommendations for improvement using knowledge of quality and statistics, time study, work measurement, finance, ergonomics, simulation, and other industrial engineering-related concepts and skill sets, the development and maintenance of Oracle Work Management processes by researching, analyzing, troubleshooting, monitoring/explaining the work management processes and their interaction with division areas to manage material, people and work activities, the creation and modification of all Asset Groups, Preventive Maintenance schedules, Failure Set forms, and Collection plans for all non-GIS Electric, Gas, Water, Facilities, Central Shops and Environmental assets; as well as GIS assets such as Leased Outdoor Lights, Poles, Single-Phase, 3-Phase, and Pad Mounts.

Corporate Security is responsible for monitoring and overseeing the strategic vision and the implementation of MLGW's physical security and controls management strategies and security programs by protecting and safeguarding the enterprise critical assets.

Facilities is responsible for upgrading the physical environment and infrastructure of the Division's properties in order to create safe, functional and well-maintained facilities.

Transportation, Material and Stores is responsible for supervising primary stores, investment recovery and service center storerooms, processing scrap sales, payment of freight bills and approval of demurrage on freight, cylinders, and railroad spurs and providing quality goods, servicing equipment in a safe, cost-effective manner.

Shared Services

2027 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$ 25,573	
Material	$ 577	
Equipment	$ 1,626	
Outside Purchases	$ 5,097	
Outside Services	$ 9,913	
Other Expenditures	$ 865	
Grand Total	**$ 43,651**	

People Services

The People Services department is dedicated to supporting and enhancing the employee experience. It encompasses several key areas:

Employment Services and Talent Acquisition is responsible for managing employee records, onboarding, and offboarding processes and focuses on recruiting and hiring the best talent to meet the organization's needs.

Labor Relations is responsible for promoting positive employee relations and engagement initiatives.

Insurance Benefits is responsible for administering employee benefits programs, including health, dental, and life insurance.

Human Performance and People Development is responsible for enhancing employee performance through training and development programs and focuses on career growth and development opportunities for employees.

Compensation and HRIS is responsible for managing salary structures, bonuses, and other financial rewards. HRIS (Human Resources Information Systems) maintains and optimizes HR technology systems for efficient data management and reporting.

2027 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$ 10,035	
Material	$ 24	
Equipment	$ 34	
Outside Purchases	$ 2,079	
Outside Services	$ 2,228	
Other Expenditures	$ (57)	
Grand Total	**$ 14,343**	

Electric Engineering & Operations

The Electric Engineering and Operations department is responsible for ensuring the efficient and reliable delivery of electrical services. It includes several specialized areas:

Electric Construction is responsible for overseeing the building and installation of electrical infrastructure.

Electric Distribution Systems Engineering is responsible for designing and maintaining the systems that distribute electricity to consumers.

Environmental Engineering is responsible for ensuring that electrical operations comply with environmental regulations and sustainability practices.

System Operations is responsible for managing the real-time operation of the electrical grid to ensure stability and reliability.

Substation and Telecommunications, Engineering and Operations is responsible for the design, maintenance, and operation of electrical substations, which are critical for transforming and distributing electricity.

2027 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$ 75,912	
Material	$ 2,153	
Equipment	$ 6,489	
Outside Purchases	$ 583	
Outside Services	$ 34,343	
Other Expenditures	$ 40,068	
Grand Total	**$ 159,548**	

Gas & Water Engineering & Operations

The Gas & Water Engineering & Operations department is a comprehensive division responsible for ensuring the efficient and safe delivery of gas and water services. This department plays a crucial role in maintaining the infrastructure and quality of essential gas and water services. It encompasses several key areas:

Gas Engineering & Operations is responsible for the design, maintenance, and operation of the gas distribution system. It ensures that gas is delivered safely and reliably to all customers, addressing any technical challenges that arise.

Water Engineering & Operations is responsible for managing the infrastructure and processes required to deliver clean and safe water. This area ensures that the water supply system is efficient and meets the community's needs.

Water Quality Assurance is dedicated to maintaining high standards of water quality. This area conducts rigorous testing and monitoring to ensure that the water supply complies with all regulatory standards and is safe for consumption.

Commercial & Residential Engineering provides engineering support for both commercial and residential projects. This area ensures that all developments adhere to relevant standards and regulations, facilitating smooth project execution.

Gas Construction & Maintenance manages the construction, repair, and upkeep of the gas distribution system. This area works to ensure a reliable and uninterrupted gas supply through effective maintenance practices.

Water Construction & Maintenance is responsible for the construction, repair, and upkeep of the water distribution system, ensuring a reliable water supply.

Gas Portfolio Management is responsible for managing the procurement, allocation, and optimization of gas resources to meet the needs of the community efficiently.

Strategic Planning & Innovations focuses on developing forward-looking strategies and implementing innovative solutions to enhance the efficiency, reliability, and sustainability of gas and water operations. It identifies emerging opportunities, drives continuous improvement, and supports long-term planning to ensure the department adapts to evolving community needs and industry standards.

Gas & Water Engineering & Operations

2027 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$ 34,734	
Material	$ 1,287	
Equipment	$ 4,447	
Outside Purchases	$ 7,946	
Outside Services	$ 27,590	
Other Expenditures	$ 8,205	
Grand Total	**$ 84,209**	

Customer Experience & Energy Services

The Customer Experience & Energy Services department is a multifaceted team dedicated to enhancing customer satisfaction and optimizing energy services. This department plays a crucial role in ensuring customers receive high-quality service and innovative energy solutions, contributing to overall customer satisfaction and operational excellence. It is composed of several key areas:

Customer Care is the frontline of customer interaction, handling inquiries, resolving issues, and ensuring customer satisfaction. They provide personalized assistance and support to address customer needs promptly and effectively.

Revenue & Metering Assurance ensures accurate meter data to provide reliable, trusted information to customers through oversight of field operations, meter services, and quality assurance.

Economic & Business Development is tasked with fostering economic growth and business development within the community. They collaborate with local businesses and stakeholders to create opportunities for economic advancement and support sustainable development initiatives. This area also focuses on maintaining strong relationships with major clients. This division provides tailored services and support to key accounts. They work closely with large customers to understand their unique needs and deliver customized solutions that drive mutual success.

Customer Programs & Services provides valuable conservation and energy-efficiency opportunities to help customers understand and reduce their energy consumption. These opportunities include in-person walk-through audits and various public speaking engagements for both small and large audiences. The department is responsible for planning, marketing and analysis for the weatherization and energy-efficiency programs to best serve our customers. As a key partner, the department also provides technical assistance and support for other programs within the community.

Billing & Payment Services ensures that customers are billed correctly and on time. They oversee the meter-to-cash process, enabling transparency into customer billing from meter data aggregation, billing exception mitigation, in-person customer counseling, and managing accounts receivables.

Strategic Initiatives & Execution supports the development and delivery of various customer-facing programs and services that address MLGW's next generation of product offerings and needs, such as distributed energy solutions, electric transportation and electrification strategy, customer-facing technology solutions, and value-added services.

Customer Experience & Energy Services

2027 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$ 55,214	
Material	$ 605	
Equipment	$ 3,065	
Outside Purchases	$ 5,704	
Outside Services	$ 25,519	
Other Expenditures	$ (906)	
Grand Total	**$ 89,201**	

Corporate Communications

The Corporate Communications department is integral to maintaining and enhancing MLGW's public image and internal communication. It comprises three key areas:

Communications and Public Relations distributes proactive, accurate and timely information to MLGW stakeholders (residential and commercial customers, appointed and elected officials, our employees) through a variety of digital and traditional platforms. This team also works closely with local and national media outlets, in addition to handling all MLGW social media platforms.

Corporate Social Responsibility (CSR) primary objective is to engage and educate the community about the positive impact that MLGW has on customers' lives through in-person meetings, curriculum, sponsorship and financial assistance programs. Working with the Finance department, CSR also oversees the handling of The MLGW Power of Giving Fund and actively raises private dollars and seeks grants for those philanthropic accounts.

Communications Production and Distribution mails out 5 million utility bill statements to residential and commercial customers annually. Providing high-quality prints and binding marketing material for internal and external use is also a priority. Our internal switchboard operators utilize their skills to assign incoming calls to the most suitable MLGW departments for customer service. This area also provides oversight of all incoming and outgoing mail and packaging through overnight carrier services, internal interoffice mail, and courier services.

2027 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$ 4,491	
Material	$ 1	
Equipment	$ 225	
Outside Purchases	$ 1,786	
Outside Services	$ 2,629	
Other Expenditures	$ 5,668	
Grand Total	**$ 14,800**	

Safety, Compliance & Preparedness

The Safety, Compliance & Preparedness department supports MLGW's commitment to maintaining a safe, compliant, and resilient working environment through the development, implementation, and oversight of programs designed to protect employees, operations, and the organization. This area provides leadership and support across key functions including occupational safety, environmental compliance and engineering, regulatory compliance, emergency preparedness, training, and organizational risk reduction.
It consists of four key areas:

Corporate Safety is responsible for developing, implementing, and overseeing MLGW's corporate safety programs, standards, training, and risk-reduction efforts to protect employees, contractors, and the public across electric, gas, and water operations. The area promotes consistent safe-work practices through hazard identification, field oversight, incident management, employee training, accountability, and continuous improvement.

Environmental Compliance is responsible for environmental requirements while promoting responsible environmental stewardship. The area also provides environmental engineering and technical support and manages environmental assessments, remediation, abatement, corrective actions, waste management, and other projects necessary to address environmental conditions and reduce organizational risk.

Utility Compliance is responsible for developing, coordinating, and overseeing compliance programs associated with MLGW's regulated electric, gas, and drinking water operations, including pipeline safety and security, electric transmission and reliability, and drinking water requirements. The area works with operational groups to understand regulatory obligations, monitor compliance, identify and reduce regulatory risk, and ensure deficiencies and corrective actions are appropriately addressed.

Preparedness is responsible for developing and maintaining the plans, programs, training, exercises, and response structures necessary to prepare MLGW for emergencies and significant disruptions affecting its electric, gas, and water systems. The area strengthens organizational resilience by supporting risk assessment, incident command, continuity of critical operations, coordinated response, restoration and recovery, and continuous improvement following actual events and exercises.

Safety, Compliance & Preparedness

2027 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$ 6,431	
Material	$ 17	
Equipment	$ 353	
Outside Purchases	$ 1,431	
Outside Services	$ 22,672	
Other Expenditures	$ 1,269	
Grand Total	**$ 32,173**	







ALL DIVISIONS



MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
FOR CALENDAR YEAR OF 2027

ALL DIVISIONS

DESCRIPTION	THOUSANDS OF DOLLARS			
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL
OPERATING REVENUE				
Sales Revenue	1,810,026	265,726	147,174	2,222,926
Revenue Adjustment for Uncollectibles	(9,298)	(2,126)	(1,263)	(12,687)
Non-Sales Revenue	31,799	50,331	5,777	87,907
OPERATING REVENUE	1,832,527	313,931	151,688	2,298,146
OPERATING EXPENSE				
Purchased Power	1,285,072	-	-	1,285,072
Purchased Gas	-	120,211	-	120,211
Compressed Natural Gas (CNG)	-	24	-	24
Liquefied Natural Gas (LNG)	-	744	-	744
Industrial Gas	-	20,339	-	20,339
Production Expense	-	1,852	22,753	24,605
Transmission Expense	8,524	-	-	8,524
Distribution Expense	76,200	44,040	23,609	143,849
Customer Accounts Expense	20,508	14,195	9,972	44,675
Customer Service & Information Expense	2,729	2,277	1,380	6,386
Sales Expense	2,500	421	286	3,207
Administrative & General Expense	139,263	59,417	44,540	243,220
OPERATING EXPENSE	1,534,796	263,520	102,540	1,900,856
MAINTENANCE EXPENSE				
Transmission Expense	4,111	-	-	4,111
Production Expense	-	5,772	4,513	10,285
Distribution Expense	90,655	12,500	15,452	118,607
Administrative & General Expense	7,082	2,260	5,087	14,429
MAINTENANCE EXPENSE	101,848	20,532	25,052	147,432
OTHER OPERATING EXPENSE				
Depreciation Expense	71,893	20,734	13,130	105,757
Payment in Lieu of Taxes	64,613	21,590	4,800	91,003
F.I.C.A. Taxes	2,614	1,002	740	4,356
Amortization of Legacy Meters	1,282	1,505	487	3,274
Amortization - Right of Use Leases & Subscriptions	5,536	5,763	1,662	12,961
Amortization - Street Lighting Retrofit	643	-	-	643
OTHER OPERATING EXPENSE	146,581	50,594	20,819	217,994
TOTAL OPERATING EXPENSE	1,783,225	334,646	148,411	2,266,283
INCOME				
Operating Income	49,302	(20,715)	3,277	31,863
Other Income	55,059	1,946	3,056	60,061
Reduction of Plant Cost Recovered through CIAC	(15,266)	(3,120)	(1,066)	(19,452)
NET INCOME BEFORE DEBT EXPENSE	89,095	(21,890)	5,266	72,472
DEBT EXPENSE				
Interest Expense - Long Term Debt	29,612	5,692	6,449	41,753
Amortization of Debt Discount & Expense	(4,334)	(1,290)	(866)	(6,490)
TOTAL DEBT EXPENSE	25,278	4,403	5,583	35,263
NET INCOME AFTER DEBT EXPENSE	63,817	(26,292)	(317)	37,209
Contributions in Aid of Construction	15,266	3,120	1,066	19,452
CHANGE IN NET POSITION	79,083	(23,172)	749	56,660

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
FOR CALENDAR YEAR OF 2027

ALL DIVISIONS

DESCRIPTION	THOUSANDS OF DOLLARS			
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL
OPERATING REVENUE				
Sales Revenue	**1,810,026**	**265,726**	**147,174**	**2,222,926**
Revenue Adjustment for Uncollectibles	**(9,298)**	**(2,126)**	**(1,263)**	**(12,687)**
Non-Sales Revenue				
Forfeited Discounts	15,237	3,305	1,704	20,246
Miscellaneous Service Revenue	11,622	2,167	1,989	15,778
Cross Connection Revenue	-	-	1,408	1,408
Other Operating Revenue	1,824	696	516	3,036
Compressed Natural Gas (CNG)	-	96	-	96
Liquefied Natural Gas (LNG)	-	1,656	-	1,656
Industrial Gas Revenue	-	21,212	-	21,212
Rent from Electric/Gas/Water Property	3,116	6,980	160	10,256
Transported Gas	-	14,219	-	14,219
Total Non-Sales Revenue	**31,799**	**50,331**	**5,777**	**87,907**
OPERATING REVENUE	**1,832,527**	**313,931**	**151,688**	**2,298,146**
OPERATING EXPENSE				
Purchased Power	**1,285,072**	**-**	**-**	**1,285,072**
Purchased Gas	**-**	**120,211**	**-**	**120,211**
Compressed Natural Gas (CNG)	**-**	**24**	**-**	**24**
Liquefied Natural Gas (LNG)	**-**	**744**	**-**	**744**
Industrial Gas	**-**	**20,339**	**-**	**20,339**
Production Expense				
Chemicals	-	-	2,605	2,605
Fuel or Power Purchased for Pumping	-	-	11,068	11,068
Miscellaneous Expense	-	-	4,412	4,412
Operations Production Water Treatment	-	-	78	78
Operation Labor and Expenses	-	1,683	3,890	5,573
Operation Supervision and Engineering	-	169	318	487
Pumping Labor and Expenses	-	-	382	382
Total Production Expense	**-**	**1,852**	**22,753**	**24,605**
Transmission Expense				
Load Dispatching	943	-	-	943
Miscellaneous Transmission Expenses	1,673	-	-	1,673
Operation Supervision and Engineering	5,435	-	-	5,435
Station Expenses	473	-	-	473
Total Transmission Expense	**8,524**	**-**	**-**	**8,524**
Distribution Expense				
Customer Installation Expenses	-	6,421	3,224	9,645
Distribution Load Dispatching Expense	1,816	942	-	2,758
Mains and Services	-	10,685	-	10,685
Measuring and Regulating Expenses	-	160	-	160
Meter and House Regulator Expenses	(299)	3,637	2,029	5,367
Miscellaneous Distribution Expenses [1]	51,208	19,732	16,482	87,422
Operation Supervision and Engineering	6,523	2,463	1,173	10,159
Overhead Distribution Line Expense	7,371	-	-	7,371
Rents	-	-	-	-
Services on Customers' Premises	6,004	-	-	6,004
Station Expenses	1,891	-	-	1,891
Storage Facilities	-	-	174	174
Street Lighting and Signal System Expenses	123	-	-	123
Transmission and Distribution Lines	-	-	527	527
UG Distribution	1,563	-	-	1,563
Total Distribution Expense	**76,200**	**44,040**	**23,609**	**143,849**

[1] Includes, but not limited to, the following items: Accrued vacation, absences such as holiday and sick leave, lost time due to bad weather, stand-by pay, and contract services.

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
FOR CALENDAR YEAR OF 2027

ALL DIVISIONS

DESCRIPTION	THOUSANDS OF DOLLARS			
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL
OPERATING EXPENSE (Continued)				
Customer Accounts Expense				
Customer Order, Records and Collection Expenses	18,895	11,899	8,293	39,087
Meter Reading Expenses	1,469	2,172	1,558	5,199
Supervision-Customer Accounting and Collection	144	124	121	389
Total Customer Accounts Expense	**20,508**	**14,195**	**9,972**	**44,675**
Customer Service & Information Expense				
Customer Assistance Expenses	1,110	837	632	2,579
Informational and Instructional Advertising Expenses	401	137	437	975
Miscellaneous Customer Service & Informational Expenses	797	965	-	1,762
Supervision-Customer Service and Information	421	338	311	1,070
Total Customer Service & Information Expense	**2,729**	**2,277**	**1,380**	**6,386**
Sales Expense				
Sales Supervision	93	-	-	93
Miscellaneous Sales Expenses	2,407	421	286	3,114
Total Sales Expense	**2,500**	**421**	**286**	**3,207**
Administrative & General Expense				
Administrative and General Salaries	24,459	9,907	6,943	41,309
Administration Expenses Transferred to Capital	(14,279)	(4,616)	(5,134)	(24,029)
Pension Expense	27,481	11,492	8,494	47,467
Other Active & Retiree Benefits	13,799	8,916	5,099	27,814
Other Post Employment Benefits Funding	11,531	4,822	3,564	19,917
Injuries and Damages	4,743	1,568	1,348	7,659
Miscellaneous General Expenses [(2)]	21,616	7,457	8,035	37,108
Office Supplies and Expenses	8,862	3,233	2,474	14,569
Outside Services Employed	32,391	13,299	9,607	55,297
Property Insurance	2,500	1,237	860	4,597
Rents-Miscellaneous	6,160	2,102	3,250	11,512
Total Administrative & General Expense	**139,263**	**59,417**	**44,540**	**243,220**
OPERATING EXPENSE	**1,534,796**	**263,520**	**102,540**	**1,900,856**
MAINTENANCE EXPENSE				
Transmission Expense				
Maintenance of Station Equipment	1,634	-	-	1,634
Maintenance of Underground Transmission Lines	665	-	-	665
Maintenance of Structures and Improvements	451	-	-	451
Maintenance Supervision and Engineering	1,361	-	-	1,361
Total Transmission Expense	**4,111**	**-**	**-**	**4,111**
Production Expense				
Maintenance of Holders	-	333	-	333
Maintenance of Other Equipment	-	5,145	-	5,145
Maintenance of Pumping Equipment	-	-	1,449	1,449
Maintenance of Structures and Improvements	-	29	-	29
Maintenance of Water Treatment Equipment	-	-	1,224	1,224
Maintenance of Wells	-	-	1,687	1,687
Maintenance Supervision and Engineering	-	265	153	418
Total Production Expense	**-**	**5,772**	**4,513**	**10,285**

[(2)] Includes, but not limited to, the following items: Mail distribution, property appraisals, security and janitorial services, and fuel use by MLGW.

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
FOR CALENDAR YEAR OF 2027

ALL DIVISIONS

DESCRIPTION	THOUSANDS OF DOLLARS			
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL
MAINTENANCE EXPENSE (Continued)				
Distribution Expense				
Maintenance of Hydrants	-	-	1,078	1,078
Maintenance of Line Transformers	2,220	-	-	2,220
Maintenance of Mains	-	7,027	-	7,027
Maintenance of Meters	2,526	-	5,099	7,625
Maintenance of Miscellaneous Distribution Plant	1,189	-	32	1,221
Maintenance of Overhead Distribution Lines	45,536	-	-	45,536
Maintenance of Services	-	3,191	2,600	5,791
Maintenance of Station Equipment	2,686	-	-	2,686
Maintenance of Street Lighting and Signal System	8,602	-	-	8,602
Maintenance of Transmission and Distribution Mains	-	-	6,643	6,643
Maintenance of Underground Distribution Lines	23,758	-	-	23,758
Maintenance Supervision and Engineering	4,138	112	-	4,250
Measuring and Regulating Equipment Expenses	-	2,170	-	2,170
Total Distribution Expense	**90,655**	**12,500**	**15,452**	**118,607**
Administrative & General Expense				
Maintenance of General Plant	6,588	2,172	2,338	11,098
Facilities Maintenance Expense	494	88	2,749	3,331
Total Administrative & General Expense	**7,082**	**2,260**	**5,087**	**14,429**
MAINTENANCE EXPENSE	**101,848**	**20,532**	**25,052**	**147,432**
OTHER OPERATING EXPENSE				
Depreciation Expense	**71,893**	**20,734**	**13,130**	**105,757**
Payment in Lieu of Taxes	**64,613**	**21,590**	**4,800**	**91,003**
F.I.C.A. Taxes	**2,614**	**1,002**	**740**	**4,356**
Amortization of Legacy Meters	**1,282**	**1,505**	**487**	**3,274**
Amortization - Right of Use Leases & Subscriptions	**5,536**	**5,763**	**1,662**	**12,961**
Amortization - Street Lighting Retrofit	**643**	**-**	**-**	**643**
OTHER OPERATING EXPENSE	**146,581**	**50,594**	**20,819**	**217,994**
TOTAL OPERATING EXPENSE	**1,783,225**	**334,646**	**148,411**	**2,266,283**
INCOME				
Operating Income	**49,302**	**(20,715)**	**3,277**	**31,863**
Other Income				
Expenses of Merchandising, Jobbing & Contracts	-	(3,424)	-	(3,424)
Revenues from Merchandising, Jobbing & Contracts	-	1,302	-	1,302
Revenues from Sinking & Other Funds-Interest Income	11,227	1,583	1,100	13,910
Medicare Part D Refund	1,180	638	1,820	3,638
Non-Operating Income - TVA Transmission Credit	40,832	-	-	40,832
Miscellaneous Non-Operating Income	1,820	1,846	135	3,801
Total Other Income	**55,059**	**1,946**	**3,056**	**60,061**
Contributions in Aid of Construction	**(15,266)**	**(3,120)**	**(1,066)**	**(19,452)**
NET INCOME BEFORE DEBT EXPENSE	**89,095**	**(21,890)**	**5,266**	**72,472**

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
FOR CALENDAR YEAR OF 2027

ALL DIVISIONS

DESCRIPTION	THOUSANDS OF DOLLARS			
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL
DEBT EXPENSE				
Interest Expense - Long-Term Debt				
Interest on Ltd - Series 2014	-	-	285	285
Interest on Ltd - Series 2016	1,067	1,067	581	2,715
Interest on Ltd - Series 2017	2,353	1,190	616	4,159
Interest on Ltd - Series 2020	5,603	2,185	2,267	10,055
Interest on Ltd - Series 2024	9,015	-	-	9,015
Interest on Ltd - Series 2025	11,574	-	-	11,574
Interest on Ltd - Series 2027	-	1,250	2,700	3,950
Total Interest Expense - Long-Term Debt	**29,612**	**5,692**	**6,449**	**41,753**
Amortization of Debt Discount & Expense				
Amortization of Debt Disc & Exp - Series 2014	-	-	(32)	(32)
Amortization of Debt Disc & Exp - Series 2016	(760)	(380)	(118)	(1,258)
Amortization of Debt Disc & Exp - Series 2017	(589)	(345)	(130)	(1,064)
Amortization of Debt Disc & Exp - Series 2020	(1,280)	(565)	(586)	(2,431)
Amortization of Debt Disc & Exp - Series 2024	(941)	-	-	(941)
Amortization of Debt Disc & Exp - Series 2025	(764)	-	-	(764)
Total Amortization of Debt Discount & Expense	**(4,334)**	**(1,290)**	**(866)**	**(6,490)**
TOTAL DEBT EXPENSE	**25,278**	**4,403**	**5,583**	**35,263**
NET INCOME AFTER DEBT EXPENSE	**63,817**	**(26,292)**	**(317)**	**37,208**
Contributions in Aid of Construction	**15,266**	**3,120**	**1,066**	**19,452**
CHANGE IN NET POSITION	**79,083**	**(23,172)**	**749**	**56,660**

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL EXPENDITURES
FOR CALENDAR YEAR OF 2027

ALL DIVISIONS

DESCRIPTION	THOUSANDS OF DOLLARS				REF. NO.
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL	
TOTAL 2027 CAPITAL EXPENDITURES	**226,868**	**58,568**	**85,575**	**371,012**	3-1



ELECTRIC DIVISION

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2025 THROUGH 2027

ELECTRIC DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2025 ACTUAL	2026 BUDGET	2027 BUDGET	REF. NO.
OPERATING REVENUE				
Sales Revenue	1,667,601	1,797,973	1,810,026	4-1
Revenue Adjustment for Uncollectibles	(8,417)	(8,994)	(9,298)	4-2
Non-Sales Revenue	30,275	33,634	31,799	4-3
OPERATING REVENUE	1,689,459	1,822,613	1,832,527	
OPERATING EXPENSE				
Purchased Power	1,218,534	1,282,660	1,285,072	4-4
Transmission Expense	6,400	7,761	8,524	4-5
Distribution Expense	66,873	75,882	76,200	4-6
Customer Accounts Expense	19,604	23,368	20,508	4-7
Customer Service & Information Expense	2,243	2,579	2,729	4-8
Sales Expense	2,432	2,488	2,500	4-9
Administrative & General Expense*	101,253	131,088	139,263	4-10
OPERATING EXPENSE	1,417,339	1,525,826	1,534,796	
MAINTENANCE EXPENSE				
Transmission Expense	3,617	3,816	4,111	4-11
Distribution Expense	82,585	93,103	90,655	4-12
Administrative & General Expense	5,857	5,447	7,082	4-13
MAINTENANCE EXPENSE	92,060	102,366	101,848	
OTHER OPERATING EXPENSE				
Depreciation Expense	67,242	71,672	71,893	4-14
Payment in Lieu of Taxes	53,837	61,559	64,613	4-15
F.I.C.A. Taxes	2,709	2,527	2,614	4-16
Amortization of Legacy Meters	1,269	1,280	1,282	4-17
Amortization - Right of Use Leases & Subscriptions	5,036	1,502	5,536	4-18
Amortization - Street Lighting Retrofit	623	593	643	4-19
OTHER OPERATING EXPENSE	130,716	139,133	146,581	
TOTAL OPERATING EXPENSE	1,640,115	1,767,325	1,783,225	
INCOME				
Operating Income	49,343	55,288	49,302	4-20
Other Income	78,035	53,228	55,059	4-21
Reduction of Plant Cost Recovered through CIAC	(27,433)	(17,581)	(15,266)	4-22
NET INCOME BEFORE DEBT EXPENSE	99,945	90,935	89,095	
DEBT EXPENSE				
Interest Expense - Existing Long-Term Debt	20,668	30,610	29,612	4-23
Amortization of Debt Discount & Expense	(3,804)	(3,351)	(4,334)	4-24
TOTAL DEBT EXPENSE	16,864	27,259	25,278	
NET INCOME AFTER DEBT EXPENSE	83,082	63,676	63,817	
Contributions in Aid of Construction	27,433	17,581	15,266	4-25
CHANGE IN NET POSITION*	110,515	81,257	79,083	

** Exludes Pension Non-Cash and Other Post Employment Benefits Non-Cash*

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2026 THROUGH 2027

ELECTRIC DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS		
	2026 BUDGET	2027 BUDGET	DIFFERENCE
OPERATING REVENUE			
Sales Revenue	**1,797,973**	**1,810,026**	**12,053**
Revenue Adjustment for Uncollectibles	**(8,994)**	**(9,298)**	**(304)**
Non-Sales Revenue			
Forfeited Discounts	14,252	15,237	985
Miscellaneous Service Revenue	11,253	11,622	369
Other Operating Revenue	1,716	1,824	108
Rent from Gas/Water Property	6,413	3,116	(3,297)
Total Non-Sales Revenue	**33,634**	**31,799**	**(1,835)**
OPERATING REVENUE	**1,822,613**	**1,832,527**	**9,914**
OPERATING EXPENSE			
Purchased Power	**1,282,660**	**1,285,072**	**2,412**
Transmission Expense			
Load Dispatching	877	943	66
Miscellaneous Transmission Expenses	1,595	1,673	78
Operation Supervision and Engineering	4,835	5,435	600
Station Expenses	454	473	19
Total Transmission Expense	**7,761**	**8,524**	**763**
Distribution Expense			
Distribution Load Dispatching Expense	1,741	1,816	75
Meter Expenses	1,068	(299)	(1,367)
Miscellaneous Distribution Expenses (1)	50,633	51,208	575
Operation Supervision and Engineering	6,028	6,523	495
Overhead Distribution Line Expense	6,846	7,371	525
Services on Customers' Premises	5,979	6,004	25
Station Expenses	1,768	1,891	123
Street Lighting and Signal System Expenses	147	123	(24)
Underground Distribution Line Expenses	1,672	1,563	(109)
Total Distribution Expense	**75,882**	**76,200**	**318**
Customer Accounts Expense			
Customer Order, Records and Collection Expenses	20,301	18,895	(1,406)
Meter Reading Expenses	2,902	1,469	(1,433)
Supervision-Customer Accounting and Collection	165	144	(21)
Total Customer Accounts Expense	**23,368**	**20,508**	**(2,860)**
Customer Service & Information Expense			
Customer Assistance Expenses	1,033	1,110	77
Informational and Instructional Advertising Expenses	376	401	25
Miscellaneous Customer Service & Informational Expense	771	797	26
Supervision-Customer Service and Information	399	421	22
Total Customer Service & Information Expense	**2,579**	**2,729**	**150**
Sales Expense			
Sales Supervision	91	93	2
Miscellaneous Sales Expenses	2,397	2,407	10
Total Sales Expense	**2,488**	**2,500**	**12**

(1) Includes, but not limited to, the following items: Accrued vacation, absences such as holiday and sick leave, lost time due to bad weather, stand-by pay, and contract services.

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2026 THROUGH 2027

ELECTRIC DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS		
	2026 BUDGET	2027 BUDGET	DIFFERENCE
OPERATING EXPENSE (Continued)			
Administrative & General Expense			
Administrative and General Salaries	23,053	24,459	1,406
Administration Expenses Transferred to Capital	(12,270)	(14,279)	(2,009)
Pension Expense	24,908	27,481	2,573
Other Active & Retiree Benefits	11,067	13,799	2,732
Other Post Employment Benefits Funding	14,894	11,531	(3,363)
Injuries and Damages	3,891	4,743	852
Miscellaneous General Expenses [(2)]	19,295	21,616	2,321
Office Supplies and Expenses	8,299	8,862	563
Outside Services Employed	28,239	32,391	4,152
Property Insurance	2,853	2,500	(353)
Rents-Miscellaneous	6,859	6,160	(699)
Total Administrative & General Expense	**131,088**	**139,263**	**8,175**
OPERATING EXPENSE	**1,525,826**	**1,534,796**	**8,970**
MAINTENANCE EXPENSE			
Transmission Expense			
Maintenance of Station Equipment	1,603	1,634	31
Maintenance of Underground Transmission Lines	683	665	(18)
Maintenance of Structures and Improvements	177	451	274
Maintenance Supervision and Engineering	1,353	1,361	8
Total Transmission Expense	**3,816**	**4,111**	**295**
Distribution Expense			
Maintenance of Line Transformers	2,168	2,220	52
Maintenance of Meters	2,392	2,526	134
Maintenance of Miscellaneous Distribution Plant	1,176	1,189	13
Maintenance of Overhead Distribution Lines	52,412	45,536	(6,876)
Maintenance of Station Equipment	2,512	2,686	174
Maintenance of Street Lighting and Signal System	6,889	8,602	1,713
Maintenance of Underground Distribution Lines	21,492	23,758	2,266
Maintenance Supervision and Engineering	4,062	4,138	76
Total Distribution Expense	**93,103**	**90,655**	**(2,448)**
Administrative & General Expense			
Maintenance of General Plant	5,078	6,588	1,510
Facilities Maintenance Expense	369	494	125
Total Administrative & General Expense	**5,447**	**7,082**	**1,635**
MAINTENANCE EXPENSE	**102,366**	**101,848**	**(518)**

[(2)] Includes, but not limited to, the following items: Mail distribution, property appraisals, security and janitorial services, and fuel use by MLGW.

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2026 THROUGH 2027

ELECTRIC DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS		
	2026 BUDGET	2027 BUDGET	DIFFERENCE
OTHER OPERATING EXPENSE			
Depreciation Expense	**71,672**	**71,893**	**221**
Payment in Lieu of Taxes	**61,559**	**64,613**	**3,054**
F.I.C.A. Taxes	**2,527**	**2,614**	**87**
Amortization of Legacy Meters	**1,280**	**1,282**	**2**
Amortization - Right of Use Leases & Subscriptions	**1,502**	**5,536**	**4,034**
Amortization - Street Lighting Retrofit	**593**	**643**	**50**
OTHER OPERATING EXPENSE	**139,133**	**146,581**	**7,448**
TOTAL OPERATING EXPENSE	**1,767,325**	**1,783,225**	**15,900**
INCOME			
Operating Income	**55,288**	**49,302**	**(5,986)**
Other Income			
Revenues from Sinking & Other Funds - Interest Income	9,800	11,227	1,427
Medicare Part D Refund	83	1,180	1,097
Non-Operating Income - TVA Transmission Credit	40,428	40,832	404
Miscellaneous Non-Operating Income	2,917	1,820	(1,097)
Total Other Income	**53,228**	**55,059**	**1,831**
Reduction of Plant Cost Recovered through CIAC	**(17,581)**	**(15,266)**	**2,315**
NET INCOME BEFORE DEBT EXPENSE	**90,935**	**89,095**	**(1,840)**
DEBT EXPENSE			
Interest Expense - Long-Term Debt			
Interest on Ltd - Series 2016	1,162	1,067	(95)
Interest on Ltd - Series 2017	2,558	2,353	(205)
Interest on Ltd - Series 2020	5,764	5,603	(161)
Interest on Ltd - Series 2024	10,060	9,015	(1,045)
Interest on Ltd - Series 2025	11,066	11,574	508
Total Interest Expense - Long-Term Debt	**30,610**	**29,612**	**(998)**
Amortization of Debt Discount & Expense			
Amortization of Debt Disc & Exp - Series 2016	(414)	(760)	(346)
Amortization of Debt Disc & Exp - Series 2017	(640)	(589)	51
Amortization of Debt Disc & Exp - Series 2020	(1,320)	(1,280)	40
Amortization of Debt Disc & Exp - Series 2024	(977)	(941)	36
Amortization of Debt Disc & Exp - Series 2025	-	(764)	(764)
Total Amortization of Debt Discount & Expense	**(3,351)**	**(4,334)**	**(983)**
TOTAL DEBT EXPENSE	**27,259**	**25,278**	**(1,981)**
NET INCOME AFTER DEBT EXPENSE	**63,676**	**63,817**	**141**
Contributions in Aid of Construction	**17,581**	**15,266**	**(2,315)**
CHANGE IN NET POSITION	**81,257**	**79,083**	**(2,174)**

MEMPHIS LIGHT, GAS AND WATER DIVISION
SOURCE AND APPLICATION OF FUNDS
2027 BUDGET
(THOUSANDS OF DOLLARS)

ELECTRIC DIVISION

		REF. NO.
SOURCE OF FUNDS:		
FROM OPERATIONS:		
Change in Net Position	79,083	5-1
Non-Cash Charges to Income:		
Depreciation Charged to Operating Income	71,893	5-2
Depreciation Charged to Other Accounts	2,275	5-3
Amortization of Legacy Meters	1,282	5-4
Amortization - Right of Use Leases & Subscriptions	5,536	5-5
Amortization - Streetlighting Retrofit	643	5-6
TOTAL FUNDS FROM OPERATIONS	160,712	
Salvage	1,898	5-7
Financing: 2025 Debt Proceeds	80,949	5-8
TOTAL FUNDS AVAILABLE	243,559	
APPLICATION OF FUNDS:		
Capital Expenditures	226,868	5-9
Costs of Removal and Other Charges to the Reserve for Depreciation	7,259	5-10
Retirement of Long-Term Debt	20,365	5-11
TOTAL APPLICATION OF FUNDS	254,492	
INCREASE (DECREASE) IN WORKING CAPITAL	(10,932)	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL EXPENDITURES COMPARISON
FOR CALENDAR YEAR OF 2027

ELECTRIC DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2025 ACTUAL	2026 BUDGET	2027 BUDGET	REF. NO.
SUBSTATION AND TRANSMISSION				
ELEC - SUBSTATION	21,302	26,805	21,217	6-1
ELEC - SUBSTATION TRANSFORMERS REPLACEMENT	5,552	7,500	10,750	6-2
ELEC - SUBSTATION CIRCUIT BREAKERS REPLACEMENT	6,224	5,200	6,400	6-3
ELEC - TRANSMISSION LINES	721	4,564	4,010	6-4
CONTRIBUTION IN AID OF CONSTRUCTION - CIAC	-	-	-	6-5
TOTAL - SUBSTATION AND TRANSMISSION	33,799	44,069	42,377	
DISTRIBUTION SYSTEM				
ELEC - RESIDENTIAL SERVICE IN S/D	655	763	1,694	6-6
ELEC - RESIDENTIAL SERVICE NOT IN S/D	3,138	3,025	3,190	6-7
ELEC - RESIDENTIAL S/D	2,427	1,762	329	6-8
ELEC - APARTMENTS	1,266	1,188	1,829	6-9
ELEC - GENERAL POWER SERVICE	6,969	5,534	7,125	6-10
ELEC - GENERAL POWER S/D	128	1,183	127	6-11
ELEC - TEMPORARY SERVICE	35	389	23	6-12
ELEC - MULTIPLE-UNIT GENERAL POWER	164	302	305	6-13
ELEC - RELOCATE AT CUSTOMER REQUEST	22,282	3,670	5,637	6-14
ELEC - STREET IMPROVEMENTS	2,439	6,775	13,900	6-15
ELEC - NEW CIRCUITS	5,958	11,700	11,875	6-16
ELEC - LINE RECONSTRUCTION/REMOVE IDLE FACILITIES	(585)	3,375	5,545	6-17
ELEC - DEFECT CABLE/FEEDER CABLE REPLACEMENT	9,213	16,800	16,800	6-18
ELEC - DISTRIBUTION POLES	2,270	2,500	1,300	6-19
ELEC - POLE-DUCT USE AND ESCORTS	2	-	-	6-20
ELEC - OMNI MAINTENANCE	4,356	11,500	9,700	6-21
ELEC - DISTRIBUTION AUTOMATION	12,870	15,000	4,000	6-22
ELEC - STREET LIGHTS INSTALL	9,186	3,205	4,092	6-23
ELEC - DEMOLITION	222	165	170	6-24
ELEC - STREET LIGHT MAINTENANCE	4,914	3,750	3,750	6-25
ELEC - PLANNED MAINTENANCE	13,431	9,880	10,275	6-26
ELEC - OPERATIONS MAINTENANCE	3	-	-	6-27
ELEC - LEASED OUTDOOR LIGHTING	2,695	6,000	13,372	6-28
ELEC - STORM RESTORATION	3,509	-	-	6-29
ELEC - SHARED USE CONTRACT	-	500	300	6-30
ELEC - DUCT LINE LEASE	-	75	75	6-31
ELEC - EMERGENCY MAINTENANCE	7,977	8,160	8,323	6-32
JT - RESIDENTIAL SERVICE IN S/D	908	865	1,324	6-33
JT - RESIDENTIAL S/D	7,997	4,873	4,155	6-34
JT - APARTMENTS	47	-	50	6-35
PCI - DIST TRANSFORMERS	13,530	15,000	15,000	6-36
ELEC - METERS	6,532	1,501	3,053	6-37
CONTRIBUTION IN AID OF CONSTRUCTION - CIAC	(27,433)	(17,581)	(15,266)	6-38
TOTAL - DISTRIBUTION SYSTEM	117,105	121,859	132,052	
GENERAL PLANT				
ELEC - BUILDINGS & STRUCTURES	1,000	16,187	49,005	6-39
ELEC - SECURITY AUTOMATION	306	2,088	1,138	6-40
ELEC - LAND PURCHASE	8	750	500	6-41
ELEC - FLEET CAPITAL POWER OPERATED EQUIPMENT	3,871	12,243	7,618	6-42
ELEC - TRANSPORTATION EQUIPMENT	3,629	3,619	4,424	6-43
ELEC - LAB & TEST	502	356	257	6-44
ELEC - COMMUNICATION EQUIPMENT	137	176	122	6-45
ELEC - COMMUNICATION TOWERS	52	500	500	6-46
ELEC - TELECOMMUNICATION NETWORK	7,088	20,300	18,300	6-47
ELEC - UTILITY MONITORING	286	6,659	5,849	6-48
ELEC - CIS DEVELOPMENT	56	3,375	-	6-49
ELEC - DATA PROCESSING EQUIPMENT	2	18,352	21,726	6-50
ELEC - IS/IT PROJECTS	9,672	-	-	6-51
ELEC - CONTINGENCY FUND	-	200	200	6-52
TOTAL - GENERAL PLANT	26,608	84,805	109,639	
TOTAL - ELECTRIC DIVISION CATEGORIES	177,513	250,733	284,068	
Delayed Cost Allocations	(8,379)	(57,911)	(57,200)	6-53
TOTAL - ELECTRIC DIVISION	169,134	192,821	226,868	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2027

ELECTRIC DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
SUBSTATION & TRANSMISSION MAJOR PROJECTS		
SUBSTATION		
Install Substation 29 161/23kV Facilities	6,272,500	7-1
Substation Feeder Electromechanical Relay Replacement Program (Distribution Automation)	3,470,000	7-2
Install Substation 61 third 161/23 kV bank	2,000,000	
Install Substation 74 third 161/23 kV transformer	1,000,000	
Substation Animal Mitigation Initiative	1,000,000	7-3
Substation Pavement Project	1,000,000	7-4
Replace Switches Various Locations	800,000	7-5
Sub #61 - Install Definite Purpose Capacitor Bank Breakers 61361 & 61371	800,000	7-6
Replace Reactor Substation 1	750,000	7-7
AC Service for Breaker Storage Yard @ Substation 33	694,658	7-8
Substation Grounding Upgrade Projects - 5G	650,000	7-9
Replace relays various locations	600,000	7-10
Sub 4 Lighting Enhancement Project	500,000	7-11
Replace batteries various locations	480,000	7-12
Sub #49 - Install Definite Purpose Capacitor Bank Breakers 49363 &49373	300,000	7-13
Install JPAX Nodes to Upgrade JMUX SONET Nodes	250,000	7-14
Refurbish Station Service, Transformer Storage AC, Power & Lighting Substation 32	250,000	7-15
Implement Breaker Fail Scheme @ Distribution Substations	100,000	7-16
Install 5CDC 80MW Customer Substation with Sub 34 & 74 Upgrades	100,000	7-17
Install Phoenix Investors 150MW Customer Substation with Sub 33, 35, 65 and 69 Upgrades	100,000	7-18
Install Transmission Metering Equipment for Transmission Planning Monitoring	50,000	7-19
Seismic Retrofit of Non-Structural Substation Components	50,000	7-20
TOTAL SUBSTATION IMPROVEMENTS	21,217,158	
SUBSTATION TRANSFORMERS		
Replace 161/115kV transformer bank 32645	3,500,000	7-21
Replace 161/12 kV LTC transformer bank 42659 @ Substation 42	3,000,000	7-22
Replace 161/23 kV transformer bank 74645	2,000,000	7-23
Contingency Failed Transformers/Procure Spares	2,000,000	7-24
Replace 161/115kV transformer bank 32643	250,000	7-25
TOTAL SUBSTATION TRANSFORMERS	10,750,000	
SUBSTATION CIRCUIT BREAKERS		
Replace Breakers Various Locations	5,200,000	7-26
Contingency Failed Breakers/Procure Spares	1,200,000	7-27
TOTAL SUBSTATION CIRCUIT BREAKERS	6,400,000	
TOTAL SUBSTATION	38,367,158	
SUBSTATION/TRANSMISSION PROJECTS		
UAV Transmission Planned Improvement Repairs	1,000,000	7-28
Misc. projects (OPGW, structure replacements, etc.)	1,000,000	7-29
OPGW Sub 2-14	350,000	7-30
OPGW 42-23	210,000	7-31
OPGW Sub 15	150,000	7-32
UAV Contract #12134	50,000	7-33
TOTAL SUBSTATION/TRANSMISSION PROJECTS	2,760,000	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2027

ELECTRIC DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
TRANSMISSION - REIMBURSABLE		
Phoenix Investors 150MW Substation Transmission Cut-In with Circuit 33629, 33687 & 69999 Reconductoring	750,000	8-1
5CDC 80MW Substation Transmission Cut-In with Circuit 34699 & 69663 Reconductoring	500,000	8-2
TOTAL TRANSMISSION REIMBURSABLE	1,250,000	
TRANSMISSION LINES	4,010,000	8-3
TOTAL - SUBSTATION AND TRANSMISSION	42,377,158	
DISTRIBUTION SYS. - MAJOR PROJECTS		
Sub 68 New Ckt Ties	3,750,000	8-4
Sub 74 New Ckt Ties	1,725,000	8-5
Sub 84 Ckt Ties	1,200,000	8-6
Sub 74 Cabling (3 ckts)	1,000,000	8-7
Contingency Failed Stepdown Transformers/ Procure Spares	1,000,000	8-8
Sub 68 Cabling (3 ckts)	750,000	8-9
Kellogg's Alternate Ckt Upgrade	750,000	8-10
Ckt Ties in Sub 15 & 84 Area	750,000	8-11
Other New circuit ties	500,000	8-12
Sub 83 Ckt Ties	250,000	8-13
Sub 74 MH/DL	200,000	8-14
TOTAL MAJOR NEW CIRCUIT PROJECTS	11,875,000	
Customer Relocate		
Other Relocate at Customer Request Projects	4,637,260	8-15
Sub 76 Cabling	1,000,000	8-16
	5,637,260	
TOTAL MISC. PROJECTS - REIMBURSABLE		
STREET IMPROVEMENT PROJECTS		
TDOT Street Improvements	5,000,000	8-17
Lamar Avenue Phase 3 Raines to Getwell Road	3,000,000	8-18
240 Interchange at Airways Blvd	2,000,000	8-19
Lamar Shelby Drive to Raines/Perkins Interchange	2,000,000	8-20
New Canada Rd (Re-Alignment N of I-40 to US-70)	600,000	8-21
Shelby Dr, Shelby Post to Jasper	600,000	8-22
Hacks Cross Rd Stateline to Shelby Dr	600,000	8-23
Shelton Rd Bridge Replacement	100,000	8-24
TOTAL STREET IMPROVEMENTS	13,900,000	
TOTAL DISTRIBUTION SYS. - MAJOR PROJECTS	31,412,260	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2027

ELECTRIC DIVISION **PAGE 9**

DESCRIPTION	IN BUDGET YEAR	REF. NO.
GENERAL PLANT		
PURCHASE OF LAND	500,000	9-1
BUILDINGS & STRUCTURES		
SUBSTATIONS		
Substations grout/seal exerior to waterproof	1,000,000	9-2
Substation Windows and Door Replacement	1,000,000	9-3
Replace Roofs - Various Substations	71,000	9-4
ELECTRIC & SYSTEMS OPERATIONS		
New ESO Storage Building	2,078,900	9-5
Radio Tower Bldg: Replace 874 sq ft roof	75,000	9-6
ESO Transfer Switches	2,000	9-7
NETTERS BUSINESS OPERATIONS CENTER		
Roof Replacement	1,500,000	9-8
Replace UPS & Emergency Generator	1,000,000	9-9
Replace 7 Air Handlers & Upgrade TRANE Controls	777,807	9-10
NEW BUILDINGS		
Fabrication & Repair Shops Construction	38,000,000	9-11
Expansion Property Site Development	3,500,000	9-12
TOTAL BUILDINGS & STRUCTURES	49,004,707	
ELEC - SECURITY AUTOMATION	1,138,403	9-13
ELEC - FLEET CAPITAL POWER OPERATED EQUIPMENT	7,617,776	9-14
ELEC - TRANSPORTATION EQUIPMENT	4,424,364	9-15
ELEC - COMMUNICATION EQUIPMENT	121,766	9-16
LAB & TEST	257,132	9-17

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2027

ELECTRIC DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
GENERAL PLANT *(Continued)*		
COMMUNICATION TOWERS		
Microwave/Mobile Radio	500,000	10-1
TOTAL COMMUNICATION TOWERS	500,000	
TELECOMMUNICATION NETWORK		
Distribution Automation Communication Infrastructure	16,000,000	10-2
Smart Meter GateKeepers/Network Improvements	500,000	10-3
Fiber Optic Cable and Equipment	500,000	10-4
Fiber Optic Multiplexers	500,000	10-5
Telecommunication Systems Growth	500,000	10-6
Voice Network	300,000	10-7
TOTAL TELECOMMUNICATIONS NETWORK	18,300,000	
UTILITY MONITORING & CONTROL SYSTEMS		
Systems Backup Control & Communication Plan (CO)	5,849,460	10-8
TOTAL UTILITY MONITORING & CONTROL SYS.	5,849,460	
PURCHASE OF DATA PROCESSING EQUIPMENT		
HPE Storage Area Network (SAN) Replacement/Expansion	6,431,689	10-9
Server Blades and Chassis for Compute Systems	4,913,289	10-10
Control Room IT Infrastructure	2,657,000	10-11
Artificial Intelligence (AI) Infrastructure	2,200,000	10-12
GIS Utility Network Conversion	2,000,000	10-13
Field Use Laptop Replacements	1,373,442	10-14
HRIS Application Enhancements and Automation	1,000,000	10-15
Network Security Upgrades and Enhancements	500,000	10-16
Network Hardware Upgrades and Enhancements	250,000	10-17
Flexscan System	200,000	10-18
PC Equipment (Capital)	100,321	10-19
Work Center Wireless	70,000	10-20
Weather Intelligence System	30,000	10-21
TOTAL PURCHASE OF DATA PROCESSING EQUIPMENT	21,725,741	
CONTINGENCY FUNDS - GENERAL PLANT	200,000	10-22
Total General Plant	109,639,349	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL CARRYOVER SUMMARY*
FOR CALENDAR YEAR OF 2027

ELECTRIC DIVISION

CAPITAL CARRYOVER CATEGORY	CARRYOVER AMOUNT
Distribution System	14,600,000
Purchase of Data Processing Equipment	8,841,565
Substations, Transmission & Distribution System	5,704,658
Telecommunication Network & Communication Towers	6,000,000
Power Operated and Transportation Equipment	3,679,231
Buildings & Structures	1,500,000
Utility Monitoring	1,263,603
Security Automation	788,403
Land Purchase/Property	300,000
Lab & Test	27,820
TOTAL CAPITAL CARRYOVER SUMMARY	**42,705,280**

*Carryover items constitute the funding necessary for capital projects or purchases not completed during the prior budget year. This would include projects which may have been delayed, large projects requiring multiple years to complete, or commodities ordered but not received. These items are part of the total 2027 Budget.



GAS DIVISION

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2025 THROUGH 2027

GAS DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2025 ACTUAL	2026 BUDGET	2027 BUDGET	REF. NO.
OPERATING REVENUE				
Sales Revenue	251,510	267,802	265,726	12-1
Revenue Adjustment for Uncollectibles	(1,699)	(2,484)	(2,126)	12-2
Non-Sales Revenue	49,093	56,205	50,331	12-3
OPERATING REVENUE	298,904	321,523	313,931	
OPERATING EXPENSE				
Production - LNG Plant	1,975	1,875	1,852	12-4
Purchased Gas	146,209	150,070	120,211	12-5
Compressed Natural Gas (CNG)	(30)	456	24	12-6
Liquefied Natural Gas (LNG)	515	2,388	744	12-7
Industrial Gas	19,060	25,830	20,339	12-8
Distribution Expense	33,189	40,712	44,040	12-9
Customer Accounts Expense	13,893	17,028	14,195	12-10
Customer Service & Information Expense	1,763	2,194	2,277	12-11
Sales Expense	361	425	421	12-12
Administrative & General Expense*	45,767	57,730	59,417	12-13
OPERATING EXPENSE	262,702	298,708	263,520	
MAINTENANCE EXPENSE				
Production Expense	714	2,526	5,772	12-14
Distribution Expense	8,986	10,451	12,500	12-15
Administrative & General Expense	1,744	1,687	2,260	12-16
MAINTENANCE EXPENSE	11,444	14,664	20,532	
OTHER OPERATING EXPENSE				
Depreciation Expense	19,390	20,154	20,734	12-17
Payment in Lieu of Taxes	17,314	20,634	21,590	12-18
F.I.C.A. Taxes	1,037	969	1,002	12-19
Amortization of Legacy Meters	1,502	1,522	1,505	12-20
Amortization - Right of Use Leases & Subscriptions	5,763	3,534	5,763	12-21
OTHER OPERATING EXPENSE	45,006	46,813	50,594	
TOTAL OPERATING EXPENSE	319,152	360,185	334,646	
INCOME				
Operating Income	(20,248)	(38,662)	(20,715)	12-22
Other Income	9,277	2,802	1,946	12-23
Reduction of Plant Cost Recovered through CIAC	(4,217)	(3,683)	(3,120)	12-24
NET INCOME BEFORE DEBT EXPENSE	(15,188)	(39,543)	(21,889)	
DEBT EXPENSE				
Interest Expense - Long-Term Debt	4,912	4,693	5,692	12-25
Amortization of Debt Discount & Expense	(1,441)	(1,370)	(1,290)	12-26
TOTAL DEBT EXPENSE	3,471	3,323	4,402	
NET INCOME AFTER DEBT EXPENSE	(18,659)	(42,866)	(26,291)	
Contributions in Aid of Construction	4,217	3,683	3,120	12-27
CHANGE IN NET POSITION*	(14,442)	(39,183)	(23,172)	

** Excludes Pension Non-Cash and Other Post Employment Benefits Non-Cash*

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2026 THROUGH 2027

GAS DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2026 BUDGET	2027 BUDGET	DIFFERENCE
OPERATING REVENUE			
Sales Revenue	**267,802**	**265,726**	**(2,076)**
Revenue Adjustment for Uncollectibles	**(2,484)**	**(2,126)**	**358**
Non-Sales Revenue			
Forfeited Discounts	3,160	3,305	145
Miscellaneous Service Revenue	2,041	2,167	126
Other Operating Revenue	660	696	36
Compressed Natural Gas (CNG)	516	96	(420)
Liquefied Natural Gas (LNG)	4,356	1,656	(2,700)
Industrial Gas	26,845	21,212	(5,633)
Rent from Electric/Water Property	7,862	6,980	(882)
Transported Gas	10,765	14,219	3,454
Total Non-Sales Revenue	**56,205**	**50,331**	**(5,874)**
OPERATING REVENUE	**321,523**	**313,931**	**(7,592)**
OPERATING EXPENSE			
Purchased Gas	**150,070**	**120,211**	**(29,859)**
Compressed Natural Gas (CNG)	**456**	**24**	**(432)**
Liquefied Natural Gas (LNG)	**2,388**	**744**	**(1,644)**
Industrial Gas	**25,830**	**20,339**	**(5,491)**
Production Expense			
Operation Labor and Expenses	1,714	1,683	(31)
Operation Supervision and Engineering	161	169	8
Total Production Expense	**1,875**	**1,852**	**(23)**
Distribution Expense			
Customer Installation Expenses	6,203	6,421	218
Distribution Load Dispatching Expense	913	942	29
Mains and Services	7,160	10,685	3,525
Measuring and Regulating Expenses	115	160	45
Meter and House Regulator Expenses	3,348	3,637	289
Miscellaneous Distribution Expenses [1]	20,548	19,732	(816)
Operation Supervision and Engineering	2,425	2,463	38
Total Distribution Expense	**40,712**	**44,040**	**3,328**
Customer Accounts Expense			
Customer Order, Records and Collection Expenses	12,542	11,899	(643)
Meter Reading Expenses	4,343	2,172	(2,171)
Supervision-Customer Accounting and Collection	143	124	(19)
Total Customer Accounts Expense	**17,028**	**14,195**	**(2,833)**
Customer Service & Information Expense			
Customer Assistance Expenses	780	837	57
Informational and Instructional Advertising Expenses	128	137	9
Miscellaneous Customer Service & Informational Expenses	959	965	6
Supervision-Customer Service and Information	327	338	11
Total Customer Service & Information Expense	**2,194**	**2,277**	**83**
Sales Expense			
Miscellaneous Sales Expenses	425	421	(4)
Total Sales Expense	**425**	**421**	**(4)**

[1] Includes, but not limited to, the following items: Accrued vacation, absences such as holiday and sick leave, lost time due to bad weather, stand-by pay, and contract services.

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2026 THROUGH 2027

GAS DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2026 BUDGET	2027 BUDGET	DIFFERENCE
OPERATING EXPENSE (Continued)			
Administrative & General Expense			
Administrative and General Salaries	9,334	9,907	573
Administration Expenses Transferred to Capital	(2,533)	(4,616)	(2,083)
Pension Expense	10,416	11,492	1,076
Other Active & Retiree Benefits	7,811	8,916	1,105
Other Post Employment Benefits Funding	6,228	4,822	(1,406)
Injuries and Damages	1,537	1,568	31
Miscellaneous General Expenses [2]	8,144	7,457	(687)
Office Supplies and Expenses	3,091	3,233	142
Outside Services Employed	8,290	13,299	5,009
Property Insurance	1,437	1,237	(200)
Rents-Miscellaneous	3,975	2,102	(1,873)
Total Administrative & General Expense	**57,730**	**59,417**	**1,687**
OPERATING EXPENSE	**298,708**	**263,520**	**(35,188)**
MAINTENANCE EXPENSE			
Production Expense			
Maintenance of Holders	223	333	110
Maintenance of Other Equipment	2,028	5,145	3,117
Maintenance of Structures and Improvements	24	29	5
Maintenance Supervision and Engineering	251	265	14
Total Production Expense	**2,526**	**5,772**	**3,246**
Distribution Expense			
Maintenance of Mains	5,868	7,027	1,159
Maintenance of Services	2,395	3,191	796
Maintenance Supervision and Engineering	105	112	7
Measuring and Regulating Equipment Expenses	2,083	2,170	87
Total Distribution Expense	**10,451**	**12,500**	**2,049**
Administrative & General Expense			
Maintenance of General Plant	1,567	2,172	605
Facilities Maintenance Expense	120	88	(32)
Total Administrative & General Expense	**1,687**	**2,260**	**573**
MAINTENANCE EXPENSE	**14,664**	**20,532**	**5,868**
OTHER OPERATING EXPENSE			
Depreciation Expense	**20,154**	**20,734**	**580**
Payment in Lieu of Taxes	**20,634**	**21,590**	**956**
F.I.C.A. Taxes	**969**	**1,002**	**33**
Amortization of Legacy Meters	**1,522**	**1,505**	**(17)**
Amortization - Right of Use Leases & Subscriptions	**3,534**	**5,763**	**2,229**
OTHER OPERATING EXPENSE	**46,813**	**50,594**	**3,781**
TOTAL OPERATING EXPENSE	**360,185**	**334,646**	**(25,539)**

[2] Includes, but not limited to, the following items: Mail distribution, property appraisals, security and janitorial services, and fuel use by MLGW.

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2026 THROUGH 2027

GAS DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS		
	2026 BUDGET	2027 BUDGET	DIFFERENCE
INCOME			
Operating Income	**(38,662)**	**(20,715)**	**17,947**
Other Income			
Expenses of Merchandising, Jobbing & Contracts	(3,300)	(3,424)	(124)
Revenues from Merchandising, Jobbing & Contracts	1,299	1,302	3
Revenues from Sinking & Other Funds-Interest Income	2,302	1,583	(719)
Medicare Part D Refund	428	638	210
Miscellaneous Non-Operating Income	2,073	1,846	(227)
Total Other Income	**2,802**	**1,946**	**(857)**
Reduction of Plant Cost Recovered through CIAC	**(3,683)**	**(3,120)**	**563**
NET INCOME BEFORE DEBT EXPENSE	**(39,543)**	**(21,890)**	**17,653**
DEBT EXPENSE			
Interest Expense - Long-Term Debt			
Interest on Ltd - Series 2016	**1,162**	**1,067**	**(95)**
Interest on Ltd - Series 2017	**1,280**	**1,190**	**(90)**
Interest on Ltd - Series 2020	**2,251**	**2,185**	**(66)**
Interest on Ltd - Series 2027	**-**	**1,250**	**1,250**
Total Interest Expense - Long-Term Debt	**4,693**	**5,692**	**999**
Amortization of Debt Discount & Expense			
Amortization of Debt Disc & Exp - Series 2016	**(416)**	**(380)**	**36**
Amortization of Debt Disc & Exp - Series 2017	**(372)**	**(345)**	**27**
Amortization of Debt Disc & Exp - Series 2020	**(582)**	**(565)**	**17**
Total Amortization of Debt Discount & Expense	**(1,370)**	**(1,290)**	**80**
TOTAL DEBT EXPENSE	**3,323**	**4,403**	**1,079**
NET INCOME AFTER DEBT EXPENSE	**(42,866)**	**(26,292)**	**16,574**
Contributions in Aid of Construction	**3,683**	**3,120**	**(563)**
CHANGE IN NET POSITION	**(39,183)**	**(23,172)**	**16,011**

MEMPHIS LIGHT, GAS AND WATER DIVISION
SOURCE AND APPLICATION OF FUNDS
2027 BUDGET
(THOUSANDS OF DOLLARS)

GAS DIVISION

		REF. NO.
SOURCE OF FUNDS:		
FROM OPERATIONS:		
Change in Net Position	(23,172)	13-1
Non-Cash Charges to Income:		
Depreciation Charged to Operating Income	20,734	13-2
Depreciation Charged to Other Accounts	2,122	13-3
Amortization of Legacy Meters	1,505	13-4
Amortization - Right of Use Leases & Subscriptions	5,763	13-5
TOTAL FUNDS FROM OPERATIONS	6,952	
Salvage	293	13-6
Financing: 2027 Bond Proceeds	100,000	13-7
TOTAL FUNDS AVAILABLE	107,245	
APPLICATION OF FUNDS:		
Capital Expenditures	58,568	13-8
Costs of Removal and Other Charges to the Reserve for Depreciation	149	13-9
Retirement of Long Term Debt	5,646	13-10
TOTAL APPLICATION OF FUNDS	64,363	
INCREASE (DECREASE) IN WORKING CAPITAL	42,882	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL EXPENDITURE COMPARISON
FOR CALENDAR YEAR OF 2027

GAS DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2025 ACTUAL	2026 BUDGET	2027 BUDGET	REF. NO.
PRODUCTION SYSTEM				
GAS - LNG PROCESSING FACILITIES	48	1,106	1,970	14-1
GAS - CNG STATIONS	-	-	-	
TOTAL PRODUCTION SYSTEM	48	1,106	1,970	
DISTRIBUTION SYSTEM				
GAS - APARTMENTS	5	195	34	14-2
GAS - RESIDENTIAL SERVICE IN S/D	-	16	7	14-3
GAS - RESIDENTIAL SERVICE NOT IN S/D	672	2,216	971	14-4
GAS - RESIDENTIAL S/D	72	44	-	14-5
GAS - LAND PURCHASE	9	250	500	14-6
GAS - GENERAL POWER SERVICE	1,370	3,207	2,291	14-7
GAS - GENERAL POWER S/D	57	97	-	14-8
GAS - MULTIPLE-UNIT GENERAL POWER	18	65	27	14-9
GAS - RELOCATE AT CUSTOMER REQUEST	439	810	818	14-10
GAS - PURCHASE OF METERS	5,273	8,455	5,812	14-11
GAS - STREET IMPROVEMENTS	1,091	4,615	6,257	14-12
GAS - NEW GAS MAIN	2	250	650	14-13
GAS - GAS MAIN/SERVICE REPL (D.O.T.)	3,933	9,129	9,102	14-14
GAS - PLANNED MAINTENANCE	4,490	3,836	3,913	14-15
GAS - TRANSMISSION PIPELINES AND FACILITIES	47,797	750	1,000	14-16
GAS - REGULATOR STATIONS	358	670	670	14-17
GAS - GATE STATIONS	398	150	150	14-18
JT - RESIDENTIAL SERVICE IN S/D	-	459	-	14-19
JT - RESIDENTIAL S/D	2,050	2,006	1,537	14-20
JT - APARTMENTS	34	-	28	14-21
GAS - EMERGENCY MAINTENANCE	1,177	1,708	1,742	14-22
GAS - DEMOLITION	69	70	70	14-23
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(4,217)	(4,498)	(3,120)	14-24
TOTAL - DISTRIBUTION SYSTEM	65,097	34,500	32,459	
GENERAL PLANT				
GAS - BUILDINGS & STRUCTURES	33,078	8,830	25,927	14-25
GAS - SECURITY AUTOMATION	-	450	60	14-26
GAS - AUDIOVISUAL	143	95	124	14-27
GAS - FLEET CAPITAL COMMON POWER OPERATED EQUIP	1,729	834	3,951	14-28
GAS - FLEET CAPITAL COMON TRANSPORTATION EQUIP	2,688	3,641	3,144	14-29
GAS - FLEET GAS POWER OPERATED EQUIPMENT	737	1,752	2,472	14-30
GAS - FLEET GAS TRANSPORTATION EQUIPMENT	2,276	2,123	2,305	14-31
GAS - AUTOMATED FUELING STRUCTURE	59	49	-	14-32
GAS - TOOLS & EQUIPMENT	-	125	-	14-33
GAS - COMMON TOOLS & EQUIPMENT	31	191	224	14-34
GAS - COMMUNITY OFFICE KIOSKS	-	374	374	14-35
GAS - CONTINGENCY FUNDS		200	200	14-36
TOTAL - GENERAL PLANT	40,741	18,664	38,780	
TOTAL - GAS DIVISION CATEGORIES	105,886	54,270	73,209	
Delayed Cost Allocations	(481)	(14,985)	(14,642)	14-37
TOTAL - GAS DIVISION	105,406	39,285	58,568	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2027

GAS DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
PRODUCTION SYSTEM		
Gas - LNG Processing Facilities	1,970,099	15-1
TOTAL GAS - PRODUCTION SYSTEM	1,970,099	
DISTRIBUTION SYSTEM - MAJOR PROJECTS		
STREET IMPROVEMENTS		
SP 03/08, SR-4/US-78/Lamar, from Perkins to Getwel	2,408,700	15-2
CP 04/38, Holmes Rd, Malone Rd To Lamar Ave	1,200,000	15-3
LL 09/02 Canada Rd, Re-Alignment	600,000	15-4
SC 19/02, Hacks Cross Rd, Stateline - Shelby Dr.	350,000	15-5
SR-14, from SR-385 to Kerrville/Rosemark Road.	300,000	15-6
SP 97/09, SR-1/Summer Ave, from Macon Rd To Elmore Rd	250,000	15-7
CP 16/16 Elvis Presley Middle Seg	173,000	15-8
SP 03/10, SR-4/US-78 from Shelby Dr - Raines/Perkins	150,000	15-9
SC 15/01 Walnut Grove, Rocky Point - Houston Levee	150,000	15-10
CP 23/24, Holmes Rd, Phase 2/East, Horn Lake to Tulane	150,000	15-11
CV 22/06, Walnut St - Drainage, WO1712320	110,000	15-12
CV 23/01, Burrow Rd, WO1341542	80,000	15-13
CP 18/09 Bethel Grove Sewer Ext	60,000	15-14
CV 22/04, Shelby Dr, Shelby Post to Jasper	60,000	15-15
SC 17/02, Mudville Road Bridge, over Big Creek	40,000	15-16
CP 21/09, Bartlett Rd Bridge over Fletcher Creek	40,000	15-17
SC 18/02, Houston Levee Road, Wolf River to Walnut Grove	40,000	15-18
GT 21/03, Poplar Culverts Replacement, Phase V	40,000	15-19
CV 24/06, Shelton Rd Bridge Replacement	35,000	15-20
CP 20/05, Mickey to Millbranch	20,000	15-21
TOTAL GAS - STREET IMPROVEMENTS	6,256,700	
NEW GAS MAIN		
System Improvement Projections	650,000	15-22
TOTAL GAS - NEW GAS MAIN	650,000	
GAS MAIN/SERVICE REPL (D.O.T.)		
Steel Tap Replacement	8,672,500	15-23
Distribution Integrity Management Program (DIMP)	200,000	15-24
Unplanned Distribution Work	175,000	15-25
Corrosion Control	54,000	15-26
TOTAL GAS -GAS MAIN/SERVICE REPL (D.O.T)	9,101,500	
TRANSMISSION PIPELINES AND FACILITIES		
Valero XXHP Meter Station Valves	400,000	15-27
TIMP Initiative	350,000	15-28
Unplanned Transmission Work	250,000	15-29
TOTAL TRANSMISSION PIPELINES AND FACILITIES	1,000,000	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2027

GAS DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
DISTRIBUTION SYSTEM - MAJOR PROJECTS *(Continued)*		
REGULATOR STATIONS		
Regulator Station Replacement	670,000	16-1
TOTAL GAS- REGULATOR STATION REPLACEMENT	670,000	
GATE STATIONS		
Gate Station Work	150,000	16-2
TOTAL GAS- GATE STATIONS	150,000	
TOTAL DISTRIBUTION SYS. - MAJOR PROJECTS	17,828,200	
GENERAL PLANT		
BUILDINGS & STRUCTURES		
SOUTH SERVICE CENTER		
Paving Upgrade - Employee Parking Lot	250,000	16-3
Renovation	150,000	16-4
Replace Storage/Truck Canopy Roofs	15,000	16-5
TOTAL SOUTH SERVICE CENTER	415,000	
NORTH SERVICE CENTER		
Generator/Transfer Switch Replacement	1,500,000	16-6
Building #3: (Re-cover 30,650 square foot roof)	797,000	16-7
Building #5: (Re-cover 24,764 square foot roof)	642,000	16-8
Building #8: Replace Chiller	400,000	16-9
AC Installation Building #6	75,000	16-10
Building #6: Roof Replacement 23,684 square feet	62,000	16-11
TOTAL NORTH SERVICE CENTER	3,476,000	
HICKORY HILL SERVICE CENTER		
Paving Upgrade - Phase 2 - Employee Parking Lot	250,000	16-12
TOTAL HICKORY HILL SERVICE CENTER	250,000	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2027

GAS DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
GENERAL PLANT (Continued)		
WHITEHAVEN COMMUNITY OFFICE		
Roof Replacement	156,000	17-1
TOTAL WHITEHAVEN COMMUNITY OFFICE	156,000	
ADMINISTRATION BUILDING		
Administration Building Upgrades & Renovations	1,475,000	17-2
6 Air Handler w/ Controls upgrade	300,000	17-3
Upgrade VAV Boxes to DDC	300,000	17-4
Trane Chiller Renewal Service Program (Chiller #1 & #2)	145,000	17-5
TOTAL ADMINISTRATION BUILDING	2,220,000	
CHOCTAW		
Roof Replacement	100,000	17-6
TOTAL CHOCTAW SERVICE CENTER	100,000	
LNG CAPLEVILLE		
Boiler Catwalk and Platforms	50,000	17-7
LNG Design for Septic Tank	25,000	17-8
TOTAL LNG CAPLEVILLE SERVICE CENTER	75,000	
GOODLETT FARMS		
Engineering & Operations Building	15,500,000	17-9
Control upgrades (HVAC & Generators)	2,000,000	17-10
Goodlett Farms Pkwy Transfer Switchgear (section B & C)	1,200,000	17-11
Goodlett Farms Pkwy Watercoll Chillers Rebuild	250,000	17-12
Goodlett Farms Pkwy Roofing	150,000	17-13
Pond & Storm Channel Restoration	75,000	17-14
Goodlett Farms Pkwy Aircool Backup	60,000	17-15
TOTAL GOODLETT FARMS	19,235,000	
TOTAL BUILDINGS & STRUCTURES	25,927,000	
GAS - SECURITY AUTOMATION	60,000	17-16
GAS - AUDIOVISUAL	123,520	17-17
GAS - TOOLS & EQUIPMENT COMMON	224,152	17-18
FLEET CAPITAL COMMON POWER OPERATED EQUIP	3,951,448	17-19
FLEET CAPITAL COMMON TRANSPORTATION EQUIP	3,143,907	17-20
FLEET GAS POWER OPERATED EQUIPMENT	2,471,765	17-21
FLEET GAS TRANSPORTATION EQUIPMENT	2,304,552	17-22
COMMUNITY OFFICE KIOSKS	374,000	17-23
CONTINGENCY FUNDS - GENERAL PLANT	200,000	17-24
TOTAL GENERAL PLANT	38,780,344	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL CARRYOVER SUMMARY*
FOR CALENDAR YEAR OF 2027

GAS DIVISION

CAPITAL CARRYOVER CATEGORY	CARRYOVER AMOUNT
Distribution System	3,360,000
Production System	1,106,300
Land Purchase/Property	200,000
Power Operated and Transportation Equipment	73,842
TOTAL CAPITAL CARRYOVER SUMMARY	4,740,142

*Carryover items constitute the funding necessary for capital projects or purchases not completed during the prior budget year. This would include projects which may have been delayed, large projects requiring multiple years to complete, or commodities ordered but not received. These items are part of the total 2027 Budget.



WATER DIVISION

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2025 THROUGH 2027

WATER DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2025 ACTUAL	2026 BUDGET	2027 BUDGET	REF. NO.
OPERATING REVENUE				
Sales Revenue	122,527	124,700	147,174	19-1
Revenue Adjustment for Uncollectibles	(1,053)	(2,126)	(1,263)	19-2
Non-Sales Revenue	5,603	5,619	5,777	19-3
OPERATING REVENUE	127,077	128,193	151,688	
OPERATING EXPENSE				
Production Expense	20,192	24,568	22,753	19-4
Distribution Expense	19,395	21,688	23,609	19-5
Customer Accounts Expense	9,532	12,026	9,972	19-6
Customer Service & Information Expense	1,206	1,335	1,380	19-7
Sales Expense	228	270	286	19-8
Administrative & General Expense*	34,449	42,555	44,540	19-9
OPERATING EXPENSE	85,002	102,442	102,540	
MAINTENANCE EXPENSE				
Production Expense	5,045	4,456	4,513	19-10
Distribution Expense	13,043	10,636	15,452	19-11
Administrative & General Expense	2,023	4,703	5,087	19-12
MAINTENANCE EXPENSE	20,111	19,795	25,052	
OTHER OPERATING EXPENSE				
Depreciation Expense	12,600	13,013	13,130	19-13
Payment in Lieu of Taxes	4,800	4,800	4,800	19-14
F.I.C.A. Taxes	765	716	740	19-15
Amortization of Legacy Meters	486	484	487	19-16
Amortization - Right of Use Leases & Subscriptions	1,662	-	1,662	19-17
OTHER OPERATING EXPENSE	20,313	19,013	20,819	
TOTAL OPERATING EXPENSE	125,426	141,250	148,411	
INCOME				
Operating Income	1,651	(13,057)	3,277	19-18
Other Income	6,817	1,595	3,056	19-19
Reduction of Plant Cost Recovered through CIAC	(16,240)	(21,519)	(1,066)	19-20
NET INCOME BEFORE DEBT EXPENSE	(7,772)	(32,981)	5,267	
DEBT EXPENSE				
Interest Expense - Existing Long - Term Debt	4,108	3,930	6,449	19-21
Amortization of Debt Discount & Expense	(946)	(905)	(866)	19-22
TOTAL DEBT EXPENSE	3,162	3,025	5,583	
NET INCOME AFTER DEBT EXPENSE	(10,934)	(36,006)	(316)	
Contributions in Aid of Construction	16,240	21,519	1,066	19-23
CHANGE IN NET POSITION*	5,306	(14,487)	749	

* Excludes Pension Non-Cash and Other Post Employment Benefits Non-Cash

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2026 THROUGH 2027

WATER DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS		
	2026 BUDGET	2027 BUDGET	DIFFERENCE
OPERATING REVENUE			
Sales Revenue	**124,700**	**147,174**	**22,474**
Revenue Adjustment for Uncollectibles	**(2,126)**	**(1,263)**	**863**
Non-Sales Revenue			
Forfeited Discounts	1,470	1,704	234
Miscellaneous Service Revenue	2,087	1,989	(98)
Cross Connection Revenue	1,422	1,408	(14)
Other Operating Revenue	480	516	36
Rent from Electric/Gas Property	160	160	-
Total Non-Sales Revenue	**5,619**	**5,777**	**158**
OPERATING REVENUE	**128,193**	**151,688**	**23,495**
OPERATING EXPENSE			
Production Expense			
Chemicals	2,478	2,605	127
Operations Production Water Treatment	87	78	(9)
Fuel or Power Purchased for Pumping	11,500	11,068	(432)
Miscellaneous Expense	3,288	4,412	1,124
Operation Labor and Expenses	6,493	3,890	(2,603)
Operation Supervision and Engineering	351	318	(33)
Pumping Labor and Expenses	371	382	11
Total Production Expense	**24,568**	**22,753**	**(1,815)**
Distribution Expense			
Customer Installation Expenses	3,143	3,224	81
Meter Expenses	1,263	2,029	766
Miscellaneous Distribution Expenses [1]	15,509	16,482	973
Operation Supervision and Engineering	1,169	1,173	4
Storage Facilities	133	174	41
Transmission and Distribution Lines	471	527	56
Total Distribution Expense	**21,688**	**23,609**	**1,921**
Customer Accounts Expense			
Customer Order, Records and Collection Expenses	8,763	8,293	(470)
Meter Reading Expenses	3,123	1,558	(1,565)
Supervision-Customer Accounting and Collection	140	121	(19)
Total Customer Accounts Expense	**12,026**	**9,972**	**(2,054)**
Customer Service & Information Expense			
Customer Assistance Expenses	584	632	48
Informational and Instructional Advertising Expenses	440	437	(3)
Supervision-Customer Service and Information	311	311	-
Total Customer Service & Information Expense	**1,335**	**1,380**	**45**
Sales Expense			
Miscellaneous Sales Expenses	270	286	16
Total Sales Expense	**270**	**286**	**16**

[1] Includes, but not limited to, the following items: Accrued vacation, absences such as holiday and sick leave, lost time due to bad weather, stand-by pay, and contract services.

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2026 THROUGH 2027

WATER DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2026 BUDGET	2027 BUDGET	DIFFERENCE
OPERATING EXPENSE (Continued)			
Administrative & General Expense			
Administrative and General Salaries	6,501	6,943	442
Administration Expenses Transferred to Capital	(3,407)	(5,134)	(1,727)
Pension Expense	7,699	8,494	795
Other Active & Retiree Benefits	4,296	5,099	803
Other Post Employment Benefits	4,603	3,564	(1,039)
Injuries and Damages	1,334	1,348	14
Miscellaneous General Expenses [(2)]	7,082	8,035	953
Office Supplies and Expenses	2,230	2,474	244
Outside Services Employed	6,351	9,607	3,256
Property Insurance	997	860	(137)
Rents-Miscellaneous	4,869	3,250	(1,619)
Total Administrative & General Expense	**42,555**	**44,540**	**1,985**
OPERATING EXPENSE	**102,442**	**102,540**	**98**
MAINTENANCE EXPENSE			
Production Expense			
Maintenance of Pumping Equipment	1,460	1,449	(11)
Maintenance of Water Treatment Equipment	1,245	1,224	(21)
Maintenance of Wells	1,581	1,687	106
Maintenance Supervision and Engineering	170	153	(17)
Total Production Expense	**4,456**	**4,513**	**57**
Distribution Expense			
Maintenance of Hydrants	854	1,078	224
Maintenance of Meters	3,786	5,099	1,313
Maintenance of Miscellaneous Distribution Plant	41	32	(9)
Maintenance of Services	2,282	2,600	318
Maintenance of Transmission and Distribution Mains	3,673	6,643	2,970
Total Distribution Expense	**10,636**	**15,452**	**4,816**
Administrative & General Expense			
Maintenance of General Plant	2,351	2,338	(13)
Facilities Maintenance Expense	2,352	2,749	397
Total Administrative & General Expense	**4,703**	**5,087**	**384**
MAINTENANCE EXPENSE	**19,795**	**25,052**	**5,257**
OTHER OPERATING EXPENSE			
Depreciation Expense	**13,013**	**13,130**	**117**
Payment in Lieu of Taxes	**4,800**	**4,800**	**-**
F.I.C.A. Taxes	**716**	**740**	**24**
Amortization of Legacy Meters	**484**	**487**	**3**
Amortization of Leases	**-**	**1,662**	**1,662**
OTHER OPERATING EXPENSE	**19,013**	**20,819**	**1,806**
TOTAL OPERATING EXPENSE	**141,250**	**148,411**	**7,162**

[(2)] Includes, but not limited to, the following items: Mail distribution, property appraisals, security and janitorial services, and fuel use by MLGW.

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2026 THROUGH 2027

WATER DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2026 BUDGET	2027 BUDGET	DIFFERENCE
INCOME			
Operating Income	**(13,057)**	**3,277**	**16,334**
Other Income			
Revenues from Sinking & Other Funds-Interest Income	870	1,100	230
Medicare Part D Refund	500	1,820	1,320
Miscellaneous Non-Operating Income	225	135	(90)
Expenses of Merchandising, Jobbing & Contracts	(2,979)	-	2,979
Revenues from Merchandising, Jobbing & Contracts	2,979	-	(2,979)
Total Other Income	**1,595**	**3,056**	**1,461**
Reduction of Plant Cost Recovered through CIAC	**(21,519)**	**(1,066)**	**20,453**
NET INCOME BEFORE DEBT EXPENSE	**(32,981)**	**5,266**	**38,247**
DEBT EXPENSE			
Interest Expense - Long-Term Debt			
Interest on Ltd - Series 2014	308	285	(23)
Interest on Ltd - Series 2016	610	581	(29)
Interest on Ltd - Series 2017	673	616	(57)
Interest on Ltd - Series 2020	2,339	2,267	(72)
Interest on Ltd - Series 2027	-	2,700	2,700
Total Interest Expense - Long-Term Debt	**3,930**	**6,449**	**2,519**
Amortization of Debt Discount & Expense			
Amortization of Debt Disc & Exp - Series 2014	(34)	(32)	2
Amortization of Debt Disc & Exp - Series 2016	(125)	(118)	7
Amortization of Debt Disc & Exp - Series 2017	(142)	(130)	12
Amortization of Debt Disc & Exp - Series 2020	(605)	(586)	19
Total Amortization of Debt Discount & Expense	**(905)**	**(866)**	**39**
TOTAL DEBT EXPENSE	**3,025**	**5,583**	**2,558**
NET INCOME AFTER DEBT EXPENSE	**(36,006)**	**(317)**	**35,689**
Contributions in Aid of Construction	**21,519**	**1,066**	**(20,453)**
CHANGE IN NET POSITION	**(14,487)**	**749**	**15,236**

MEMPHIS LIGHT, GAS AND WATER DIVISION
SOURCE AND APPLICATION OF FUNDS
2027 BUDGET
(THOUSANDS OF DOLLARS)

WATER DIVISION

		REF. NO,
SOURCE OF FUNDS:		
FROM OPERATIONS:		
Change in Net Position	750	20-1
Non-Cash Charges to Income:		
Depreciation Charged to Operating Income	13,130	20-2
Depreciation Charged to Other Accounts	494	20-3
Amortization of Legacy Meters	487	20-4
Amortization of Leases	1,662	20-5
TOTAL FUNDS FROM OPERATIONS	16,523	
Salvage	82	20-6
Financing: 2027 Bond Proceeds	225,000	20-7
TOTAL FUNDS AVAILABLE	241,605	
APPLICATION OF FUNDS:		
Capital Expenditures	85,575	20-8
Costs of Removal and Other Charges to the Reserve for Depreciation	1,495	20-9
Retirement of Long-Term Debt	5,846	20-10
TOTAL APPLICATION OF FUNDS	92,916	
INCREASE (DECREASE) IN WORKING CAPITAL	148,688	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL EXPENDITURES COMPARISON
FOR CALENDAR YEAR OF 2027

WATER DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2025 ACTUAL	2026 BUDGET	2027 BUDGET	REF. NO.
PRODUCTION SYSTEM				
WATER - PUMPING STATIONS	29,461	33,870	38,850	21-1
WATER - UNDERGROUND STORAGE RESERVOIRS	126	2,500	6,000	21-2
WATER - PRODUCTION WELLS	15,642	10,650	11,850	21-3
WATER - LAND PURCHASE	26	150	150	21-4
WATER - OPERATIONS MAINTENANCE	17	1,500	1,600	21-5
CONTINGENCY FUND - PRODUCTION SYSTEM	-	50	50	21-6
SUBTOTAL - PRODUCTION SYSTEM	45,272	48,720	58,500	
WATER - BUILDINGS & STRUCTURES	627	4,286	2,145	21-7
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	-	(20,221)	-	21-8
TOTAL PROD. SYSTEM - BLDGS. & STRUCT.	**45,899**	**32,785**	**60,645**	
DISTRIBUTION SYSTEM				
WATER - RESIDENTIAL SERVICE IN S/D	179	269	289	21-9
WATER - RESIDENTIAL SERVICE NOT IN S/D	682	619	977	21-10
WATER - RESIDENTIAL S/D	275	286	295	21-11
WATER - APARTMENTS	9	9	18	21-12
WATER - GENERAL POWER SERVICE	2,451	2,372	4,125	21-13
WATER - RELOCATE AT CUSTOMER REQUEST	814	272	506	21-14
WATER - STREET IMPROVEMENTS	926	4,350	3,035	21-15
WATER - NEW WATER MAIN	1,478	2,499	2,399	21-16
WATER - LEAD SERVICE REPLACEMENT	6,879	10,530	10,530	21-17
WATER - MULTIPLE-UNIT GEN POWER	33	-	-	21-18
WATER - STORM RESTORATION	36	-	-	21-19
WATER - PURCHASE OF METERS	643	10,039	10,975	21-20
WATER - PLANNED MAINTENANCE	7,294	4,000	4,000	21-21
WATER - BOOSTER STATIONS	-	500	500	21-22
WATER - EMERGENCY MAINTENANCE	5,172	3,605	3,676	21-23
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(16,240)	(1,298)	(1,066)	21-24
TOTAL - DISTRIBUTION SYSTEM	**10,631**	**38,052**	**40,258**	
GENERAL PLANT				
WATER - BUILDINGS & STRUCTURE	-	45	340	21-25
WATER - SECURITY AUTOMATION	-	704	1,854	21-26
WATER - TOOLS & EQUIPMENT	2	57	-	21-27
WATER - FLEET CAPITAL POWER OPERATED EQUIP	348	1,001	1,681	21-28
WATER - FLEET CAPITAL WATER TRANSPORTATION EQUIP	1,939	1,641	1,868	21-29
MISCELLANEOUS CAPITAL (SIMULATOR)	-	280	-	21-30
WATER - CONTINGENCY FUND	-	200	200	21-31
TOTAL - GENERAL PLANT	**2,289**	**3,928**	**5,943**	
TOTAL - WATER DIVISION CATEGORIES	**58,819**	**74,765**	**106,846**	
Delayed Cost Allocations	(1,313)	(16,245)	(21,271)	21-32
TOTAL - WATER DIVISION	**57,507**	**58,520**	**85,575**	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2027

WATER DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
PRODUCTION SYSTEM		
PUMPING STATIONS		
Allen Pumping Station		
Station Rehabilitation (New Allen)	30,000,000	22-1
Total Allen Pumping Station	30,000,000	
Davis Pumping Station		
Station Rehabilitation	250,000	22-2
Medium Voltage Breaker & Switchgear Replacements	850,000	22-3
Total Davis Pumping Station	1,100,000	
Lichterman Pumping Station		
Station Rehabilitation (CO)	250,000	22-4
Total Lichterman Pumping Station	250,000	
LNG Pumping Station		
Station Rehabilitation	250,000	22-5
Total LNG Pumping Station	250,000	
Mallory Pumping Station		
Generator Upgrades	500,000	22-6
Station Rehabilitation	250,000	22-7
Total Mallory Pumping Station	750,000	
McCord Pumping Station		
Station Rehabilitation	250,000	22-8
Total McCord Pumping Station	250,000	
Morton Pumping Station		
Filter Media Rehabilitation and Replacement (Station Rehab)(CO)	1,250,000	22-9
Station Rehabilitation	250,000	22-10
VFD, Motor & Transformer Replacements	100,000	22-11
Total Morton Pumping Station	1,600,000	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2027

WATER DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
PUMPING STATIONS CONT.		
Palmer Pumping Station		
Station Rehabilitation	250,000	23-1
Total Palmer Pumping Station	250,000	
Shaw Pumping Station		
Filter Media Rehabilitation and Replacement (Station Rehab)	1,250,000	23-2
Station Rehabilitation	250,000	23-3
Total Shaw Pumping Station	1,500,000	
Sheehan Pumping Station		
Station Rehabilitation	600,000	23-4
Total Sheehan Pumping Station	600,000	
Miscellaneous Pumping Facilities		
Engineering Services Contract	2,000,000	23-5
Water Operations Capital Items	300,000	23-6
Total Miscellaneous Pumping Facilities	2,300,000	
TOTAL PUMPING STATIONS	38,850,000	
UNDERGROUND STORAGE RESERVOIRS		
Allen Pumping Station	6,000,000	23-7
Total Underground Storage Reservoirs	6,000,000	
PRODUCTION WELLS		
Sheehan Pumping Station - Construct/Replace Well	3,800,000	23-8
Allen Pumping Station - Construct/Replace Well	1,900,000	23-9
McCord Pumping Station - Construct/Replace Well	1,900,000	23-10
Morton Pumping Station - Construct/Replace Well	1,900,000	23-11
Shaw Pumping Station - Construct/Replace Well	1,900,000	23-12
Misc. Pumping Facilities - Well Pump and Motor Replacement	450,000	23-13
TOTAL PRODUCTION WELLS	11,850,000	
OPERATIONS MAINTENANCE	1,600,000	23-14
LAND PURCHASE	150,000	23-15

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2027

WATER DIVISION **PAGE 24**

DESCRIPTION	IN BUDGET YEAR	REF. NO.
BUILDINGS AND STRUCTURES		
Mallory Pumping Station		
Roof Replacements (Main Building and Aerator)	1,500,000	24-1
Davis Pumping Station		
Aerator Roof Replacement	17,000	24-2
Repave Drives	17,000	24-3
Palmer Pumping Station		
Aerator Building-Roof Replacement	18,000	24-4
Lichterman Pumping Station		
Roof Replacement-Pump Building	300,000	24-5
Roof Replacement-Aerator Building	225,000	24-6
Morton Pumping Station		
Aerator Bldg and Pump Room-Roof Replacement	35,000	24-7
Shaw Pumping Station		
Roof Replacement	33,000	24-8
Total Building and Structure	2,145,000	
CONTINGENCY FUND - PRODUCTION SYSTEM	50,000	24-9
TOTAL PRODUCTION SYSTEM	60,645,000	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2027

WATER DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
DISTRIBUTION SYSTEM - MAJOR PROJECTS		
NEW WATER MAIN		
Main Replacement Projects	1,200,000	25-1
Collecting Main Installation	500,000	25-2
Large Main Extensions	300,000	25-3
Major Valve Replacements/Additions	200,000	25-4
Miscellaneous Projects - Reimbursable	148,653	25-5
Minor Systems Improvements	50,000	25-6
TOTAL NEW WATER MAIN	2,398,653	
STREET IMPROVEMENTS		
City of Lakeland Projects	1,100,000	25-7
City of Memphis Projects	1,000,000	25-8
Shelby County Projects	450,000	25-9
City of Arlington Projects	285,000	25-10
TDOT Projects	199,500	25-11
TOTAL STREET IMPROVEMENTS	3,034,500	
LEAD REPLACEMENT	10,530,000	25-12
TOTAL DISTRIBUTION SYSTEM-MAJOR PROJECTS	15,963,153	
WATER-BUILDING/STRUCTURES	340,000	25-13
WATER - SECURITY AUTOMATION	1,854,000	25-14
WATER - FLEET CAPITAL POWER OPERATED EQUIP	1,680,911	25-15
WATER - FLEET CAPITAL WATER TRANSPORTATION EQUIP	1,867,797	25-16
CONTINGENCY FUNDS	200,000	25-17
TOTAL GENERAL PLANT	5,942,708	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL CARRYOVER SUMMARY*
FOR CALENDAR YEAR OF 2027

WATER DIVISION

CAPITAL CARRYOVER CATEGORY	CARRYOVER AMOUNT
Production	2,640,000
Buildings & Structures	1,500,000
System Automation	704,000
Distribution	650,000
Land Purchase/Property	100,000
Power Transportation Equipment	33,202
TOTAL CAPITAL CARRYOVER SUMMARY	5,627,202

*Carryover items constitute the funding necessary for capital projects or purchases not completed during the prior budget year. This would include projects which may have been delayed, large projects requiring multiple years to complete, or commodities ordered but not received. These items are part of the total 2027 Budget.

MLGW

2027 - 2031 CAPITAL IMPROVEMENT PROGRAM



ELECTRIC DIVISION

DESCRIPTION	2026 BUDGET	2027 BUDGET	2028 PROJECTION	2029 PROJECTION	2030 PROJECTION	2031 PROJECTION
Substation	$ 26,804,644	$ 21,217,158	$ 72,457,063	$ 54,115,527	$ 48,580,000	$ 41,580,000
Substation Circuit Breakers	$ 5,200,000	$ 6,400,000	$ 6,400,000	$ 6,400,000	$ 6,400,000	$ 6,400,000
Substation Transformers	$ 7,500,000	$ 10,750,000	$ 6,500,000	$ 7,500,000	$ 7,500,000	$ 7,500,000
Transmission Lines	$ 4,564,458	$ 4,010,000	$ 29,079,458	$ 37,934,060	$ 30,953,881	$ 20,000,000
CONTRIBUTIONS IN AID OF CONSTRUCTION	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL-SUBSTATION & TRANSMISSION	**$ 44,069,102**	**$ 42,377,158**	**$ 114,436,521**	**$ 105,949,587**	**$ 93,433,881**	**$ 75,480,000**
DISTRIBUTION SYSTEM						
Apartments	$ 1,188,487	$ 1,828,502	$ 1,901,642	$ 1,958,692	$ 2,017,452	$ 2,077,976
Def. Cable/Trans Replace	$ 16,800,000	$ 16,800,000	$ 16,800,000	$ 16,800,000	$ 16,800,000	$ 16,800,000
Demolition	$ 165,000	$ 169,950	$ 175,049	$ 180,300	$ 185,709	$ 191,280
Emergency Maintenance	$ 8,160,000	$ 8,323,200	$ 8,489,664	$ 8,659,457	$ 8,832,646	$ 9,009,299
General Power Service	$ 5,534,193	$ 7,125,403	$ 10,006,819	$ 10,118,524	$ 10,336,579	$ 10,561,177
General Power Service S/D	$ 1,182,639	$ 126,780	$ 131,851	$ 135,807	$ 139,881	$ 144,078
Leased Outdoor Lighting	$ 6,000,000	$ 13,372,508	$ 24,467,409	$ 13,541,431	$ 2,617,674	$ 2,696,204
Duct Line Lease	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000
Distribution Automation	$ 15,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000
Line Reconstruction	$ 3,375,000	$ 5,545,000	$ 6,710,000	$ 6,125,000	$ 6,625,000	$ 6,625,000
Multiple-Unit Gen Power	$ 301,741	$ 304,721	$ 316,910	$ 326,417	$ 336,209	$ 346,296
New Circuits	$ 11,700,000	$ 11,875,000	$ 11,925,000	$ 11,225,000	$ 13,520,000	$ 11,475,000
Voltage Conversion	$ -	$ -	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ -
Planned Maintenance	$ 9,880,000	$ 10,275,000	$ 10,686,208	$ 11,113,656	$ 11,558,203	$ 12,020,531
Distribution Pole Replacement	$ 2,500,000	$ 1,300,000	$ 1,300,000	$ 1,300,000	$ 1,300,000	$ 3,500,000
ELEC - OMNI MAINTENANCE	$ 11,500,000	$ 9,700,000	$ 9,700,000	$ 9,700,000	$ 9,700,000	$ 9,700,000
Relocate at Customer Req	$ 3,669,700	$ 5,637,260	$ 4,822,750	$ 4,967,433	$ 5,116,456	$ 5,269,950
Residential S/D	$ 1,762,052	$ 329,183	$ 342,350	$ 352,621	$ 363,199	$ 374,095
Residential Svc in S/D	$ 762,806	$ 1,694,196	$ 1,761,964	$ 1,814,823	$ 1,869,268	$ 1,925,346
Residential Svc not S/D	$ 3,024,619	$ 3,190,087	$ 3,317,690	$ 3,417,221	$ 3,519,737	$ 3,625,330
JT-Resident S/D	$ 4,873,007	$ 4,154,811	$ 4,321,003	$ 4,450,633	$ 4,584,152	$ 4,721,677
JT-Residential Svc in S/D	$ 864,672	$ 1,324,132	$ 1,377,097	$ 1,418,410	$ 1,460,962	$ 1,504,791
JT-Apartments	$ -	$ 50,162	$ 52,168	$ 53,733	$ 55,345	$ 57,005
Shared Use contract	$ 500,000	$ 300,000	$ 300,000	$ 20,000	$ 20,000	$ 20,000
Street Improvements	$ 6,775,000	$ 13,900,000	$ 6,750,000	$ 1,000,000	$ 1,500,000	$ 300,000
Street Light Maintenance	$ 3,750,000	$ 3,750,000	$ 3,750,000	$ 3,750,000	$ 3,750,000	$ 3,750,000
Street Lights Install	$ 3,205,069	$ 4,092,260	$ 4,255,951	$ 4,383,629	$ 4,515,138	$ 4,650,592
Temporary Service	$ 388,745	$ 22,618	$ 23,523	$ 24,229	$ 24,956	$ 25,704
Previously Capitalized Items - Transformers	$ 15,000,000	$ 15,000,000	$ 15,000,000	$ 15,000,000	$ 15,000,000	$ 10,000,000
Previously Capitalized Items - Meters	$ 1,501,400	$ 3,052,758	$ 1,727,904	$ 1,297,188	$ 1,614,863	$ 1,695,606
Contributions in Aid of Construction	$ (17,581,383)	$ (15,266,451)	$ (61,331,184)	$ (60,575,593)	$ (26,634,127)	$ (15,119,652)
TOTAL - DISTRIBUTION SYSTEM	**$ 121,857,747**	**$ 132,052,080**	**$ 94,156,769**	**$ 77,633,610**	**$ 105,804,304**	**$ 112,022,285**
GENERAL PLANT						
Purchase of Land	$ 750,000	$ 500,000	$ 500,000	$ 500,000	$ 650,000	$ 650,000
Buildings/Structures	$ 16,186,650	$ 49,004,707	$ 32,967,000	$ 20,100,000	$ 3,222,000	$ 2,500,000
Capital Security Automation	$ 2,088,403	$ 1,138,403	$ 750,000	$ 200,000	$ 1,000,000	$ 500,000
Lab and Test	$ 355,771	$ 257,132	$ 269,989	$ 283,488	$ 297,662	$ 312,546
Utility Monitoring	$ 6,659,410	$ 5,849,460	$ 2,900,000	$ 2,975,000	$ 125,000	$ 1,800,000
Communication Equip	$ 176,225	$ 121,766	$ 150,000	$ 154,500	$ 159,135	$ 163,909
Communication Towers	$ 500,000	$ 500,000	$ 500,000	$ 1,000,000	$ 1,000,000	$ 500,000
Telecommunication Network	$ 20,300,000	$ 18,300,000	$ 12,300,000	$ 12,300,000	$ 9,100,000	$ 5,100,000
Fleet Capital Power Operated Equipment	$ 12,243,082	$ 7,617,776	$ 7,922,487	$ 8,239,387	$ 8,568,962	$ 8,911,720
Transportation Equipment	$ 3,618,704	$ 4,424,364	$ 4,601,339	$ 4,785,392	$ 4,976,808	$ 5,175,880
Data Processing	$ 18,352,160	$ 21,725,741	$ 17,985,920	$ 18,685,920	$ 6,635,920	$ 8,085,920
CIS Development	$ 3,375,000	$ -	$ 1,000,000	$ 4,375,000	$ 33,750,000	$ 40,500,000
Contingency Fund - General Plant	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
TOTAL - GENERAL PLANT	**$ 84,805,405**	**$ 109,639,349**	**$ 82,046,735**	**$ 73,798,687**	**$ 69,685,487**	**$ 74,399,975**
Delayed Cost Allocations	$ (57,911,433)	$ (57,199,855)	$ (58,128,005)	$ (51,476,377)	$ (53,784,734)	$ (52,380,452)
TOTAL - ELECTRIC DIVISION	**$ 192,820,821**	**$ 226,868,732**	**$ 232,512,020**	**$ 205,905,507**	**$ 215,138,938**	**$ 209,521,808**

2027 GAS 5-YEAR CAPITAL IMPROVEMENT PROGRAM

GAS DIVISION

DESCRIPTION	2026 BUDGET	2027 BUDGET	2028 PROJECTION	2029 PROJECTION	2030 PROJECTION	2031 PROJECTION
PRODUCTION SYSTEM						
LNG - Processing Facilities	$ 1,106,300	$ 1,970,099	$ 6,150,000	$ 7,000,000	$ 6,000,000	$ 1,000,000
CNG Stations	$ -	$ -	$ -			
TOTAL PRODUCTION SYSTEM	**$ 1,106,300**	**$ 1,970,099**	**$ 6,150,000**	**$ 7,000,000**	**$ 6,000,000**	**$ 1,000,000**
DISTRIBUTION SYSTEM						
Apartments	$ 194,646	$ 34,320	$ 35,693	$ 36,764	$ 37,866	$ 39,002
Demolition	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000
Emergency Maintenance	$ 1,708,190	$ 1,742,354	$ 1,777,201	$ 1,830,517	$ 1,885,433	$ 1,885,433
Gas Main-Svc Repl (DOT)	$ 9,128,500	$ 9,101,500	$ 9,101,500	$ 9,101,500	$ 9,101,500	$ 9,101,500
Gate Stations	$ 150,000	$ 150,000	$ 500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000
General Power S/D	$ 97,322	$ -	$ -	$ -	$ -	$ -
General Power Service	$ 3,207,717	$ 2,291,327	$ 1,654,980	$ 1,704,630	$ 1,755,769	$ 1,808,442
Multiple-Unit Gen Power	$ 64,531	$ 27,519	$ 28,620	$ 29,478	$ 30,363	$ 31,274
New Gas Main	$ 250,000	$ 650,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
Trans Pipeline/Facilities	$ 750,000	$ 1,000,000	$ 1,750,000	$ 1,250,000	$ 1,250,000	$ 1,250,000
Purchase of Land	$ 250,000	$ 500,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000
Planned Maintenance	$ 3,835,955	$ 3,912,674	$ 3,990,927	$ 4,110,655	$ 4,233,975	$ 4,233,975
Regulator Stations	$ 670,000	$ 670,000	$ 550,000	$ 550,000	$ 550,000	$ 550,000
Relocate at Customer Req	$ 810,218	$ 817,703	$ 850,411	$ 875,924	$ 902,201	$ 929,267
Residential Svc in S/D	$ 15,731	$ 7,032	$ 7,314	$ 7,533	$ 7,759	$ 7,992
Residential Svc not S/D	$ 2,216,466	$ 971,139	$ 1,009,984	$ 1,040,284	$ 1,071,492	$ 1,103,637
Residential S/D	$ 43,600	$ -	$ -	$ -	$ -	$ -
Street Improvements	$ 4,615,300	$ 6,256,700	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
JT-Resident S/D	$ 2,006,052	$ 1,536,791	$ 1,598,262	$ 1,646,210	$ 1,695,596	$ 1,746,464
JT-Resident in S/D	$ 459,164	$ -	$ -	$ -	$ -	$ -
JT-Apartments	$ -	$ 28,962	$ 30,121	$ 31,025	$ 31,955	$ 32,914
Previously Capitalized Items - Meters & Metering Equipment	$ 8,454,773	$ 5,811,872	$ 3,688,937	$ 3,829,943	$ 4,158,365	$ 4,304,428
Contributions in Aid of Construction	$ (4,497,933)	$ (3,120,402)	$ (2,511,984)	$ (2,587,344)	$ (2,664,964)	$ (2,784,950)
TOTAL DISTRIBUTION SYSTEM	**$ 34,500,232**	**$ 32,459,490**	**$ 25,931,966**	**$ 27,827,118**	**$ 28,417,311**	**$ 28,609,378**
GENERAL PLANT						
Buildings/Structures	$ 8,829,584	$ 25,927,000	$ 14,930,500	$ 6,752,225	$ 3,500,000	$ 1,035,000
Capital Security Automation	$ 450,000	$ 60,000	$ 100,000	$ 450,000	$ -	$ 240,000
Audiovisual	$ 95,400	$ 123,520	$ 324,000	$ 324,000	$ 124,000	$ 124,000
Tools and Equipment	$ 125,446		$ -	$ -	$ -	$ -
Tools and Equipment - Common	$ 191,221	$ 224,152	$ 246,567	$ 271,224	$ 298,346	$ 328,181
Fleet Capital Transportation & Power Operated Equipment - Gas	$ 3,874,902	$ 4,776,317	$ 4,967,370	$ 5,166,064	$ 5,372,707	$ 5,587,615
Fleet Capital Transportation Equipment & Power Operated Equipment - Common	$ 4,475,323	$ 7,095,355	$ 7,629,214	$ 7,934,383	$ 8,251,758	$ 8,581,829
Automated Fueling Structure	$ 48,600	$ -	$ -	$ -	$ -	$ -
Community Office Kiosks	$ 374,000	$ 374,000	$ -	$ -	$ -	$ -
Contingency Fund - General Plant	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
TOTAL - GENERAL PLANT	**$ 18,664,476**	**$ 38,780,344**	**$ 28,397,651**	**$ 21,097,896**	**$ 17,746,812**	**$ 16,096,625**
Delayed Cost Allocations	$ (14,985,631)	$ (14,641,987)	$ (12,095,923)	$ (11,185,003)	$ (10,432,824)	$ (9,141,200)
TOTAL - GAS DIVISION	**$ 39,285,377**	**$ 58,567,947**	**$ 48,383,694**	**$ 44,740,011**	**$ 41,731,298**	**$ 36,564,802**

2027 WATER 5-YEAR CAPITAL IMPROVEMENT PROGRAM

WATER DIVISION

DESCRIPTION	2026 BUDGET	2027 BUDGET	2028 PROJECTION	2029 PROJECTION	2030 PROJECTION	2031 PROJECTION
PRODUCTION SYSTEM						
Production Wells	$ 10,650,000	$ 11,850,000	$ 11,850,000	$ 11,850,000	$ 11,850,000	$ 11,850,000
Pumping Stations	$ 33,870,000	$ 38,850,000	$ 55,300,000	$ 35,450,000	$ 16,250,000	$ 12,550,000
Underground Storage Reservoirs	$ 2,500,000	$ 6,000,000	$ -	$ 4,250,000	$ 4,250,000	$ -
Purchase of Land	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Operations Maintenance	$ 1,500,000	$ 1,600,000	$ 1,600,000	$ 1,600,000	$ 1,600,000	$ 1,600,000
Contingency Fund - Production system	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Contributions in Aid of Construction	$ (20,220,992)	$ -	$ -	$ -	$ -	$ -
SUBTOTAL - PRODUCTION SYSTEM	**$ 28,499,008**	**$ 58,500,000**	**$ 68,950,000**	**$ 53,350,000**	**$ 34,150,000**	**$ 26,200,000**
SUBTOTAL - BLDGS. AND STRUCTURES	$ 4,286,000	$ 2,145,000	$ 1,765,000	$ 334,000	$ 1,576,000	$ -
TOTAL PROD. SYSTEM w/BLDGS & STRUCT.	**$ 32,785,008**	**$ 60,645,000**	**$ 70,715,000**	**$ 53,684,000**	**$ 35,726,000**	**$ 26,200,000**
DISTRIBUTION SYSTEM						
Apartments	$ 8,819	$ 17,680	$ 18,387	$ 18,939	$ 19,507	$ 20,092
Emergency Maintenance	$ 3,604,916	$ 3,677,014	$ 3,750,554	$ 3,825,565	$ 3,902,077	$ 3,980,118
General Power Service	$ 2,371,852	$ 4,124,618	$ 4,289,602	$ 4,418,290	$ 4,550,839	$ 4,687,364
New Water Main	$ 2,498,679	$ 2,398,653	$ 2,248,626	$ 2,248,598	$ 2,248,570	$ 2,248,542
Lead Service Replacement	$ 10,530,000	$ 10,530,000	$ 10,530,000	$ 10,530,000	$ 10,530,000	$ 10,530,000
Planned Maintenance	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000
Booster Stations	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
Relocate at Customer Req	$ 272,335	$ 506,425	$ 526,682	$ 542,483	$ 558,757	$ 575,520
Residential S/D	$ 285,904	$ 295,268	$ 307,078	$ 316,291	$ 325,779	$ 335,553
Residential Svc in S/D	$ 268,957	$ 288,563	$ 300,105	$ 309,109	$ 318,382	$ 327,933
Residential Svc not S/D	$ 619,075	$ 976,726	$ 1,015,795	$ 1,046,269	$ 1,077,657	$ 1,109,987
Street Improvements	$ 4,350,000	$ 3,034,500	$ 2,050,000	$ 2,050,000	$ 2,050,000	$ 2,050,000
Previously Capitalized Items - Meters	$ 10,039,308	$ 10,975,147	$ 11,523,885	$ 12,100,080	$ 12,705,084	$ 5,853,830
Contributions in Aid of Construction	$ (1,298,083)	$ (1,066,382)	$ (1,710,856)	$ (1,779,291)	$ (1,832,669)	$ (1,887,649)
TOTAL - DISTRIBUTION SYSTEM	**$ 38,051,762**	**$ 40,258,211**	**$ 39,349,860**	**$ 40,126,333**	**$ 40,953,983**	**$ 34,331,290**
GENERAL PLANT						
Buildings/Structures	$ 45,000	$ 340,000	$ 300,000	$ 400,000	$ -	$ -
Capital Security Automation	$ 704,000	$ 1,854,000	$ 20,000	$ -	$ 200,000	$ -
Fleet Capital Power Operated Equipment	$ 1,001,191	$ 1,680,911	$ 1,748,147	$ 1,818,073	$ 1,890,796	$ 1,966,428
Transportation Equipment	$ 1,641,240	$ 1,867,797	$ 1,942,509	$ 2,020,209	$ 2,101,018	$ 2,185,058
Tools and Equipment	$ 56,890	$ -	$ -	$ -	$ -	$ -
Contingency Fund - General Plant	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
Miscellaneous Request (Simulator)	$ 280,000		$ -	$ -	$ -	$ -
TOTAL - GENERAL PLANT	**$ 3,928,321**	**$ 5,942,708**	**$ 4,210,656**	**$ 4,438,282**	**$ 4,391,814**	**$ 4,351,486**
Delayed Cost Allocations	$ (16,245,320)	$ (21,270,784)	$ (22,718,103)	$ (19,809,723)	$ (16,322,359)	$ (12,976,555)
TOTAL - WATER DIVISION	**$ 58,519,771**	**$ 85,575,135**	**$ 91,557,413**	**$ 78,438,893**	**$ 64,749,438**	**$ 51,906,221**

NOTES FOR PAGE 3–Capital Expenditures Budget

Total Capital Expenditures

3-1	**Total Capital Expenditures**	Expected capital spend in 2027 budget year.

NOTES FOR PAGE 4–INCOME & EXPENSE COMPARISON

Operating Revenue

4-1	**Sales Revenue**	This account includes projected revenue from the sale of electricity to the residential, commercial, industrial, outdoor lighting and traffic signal, and interdepartmental customer classes.
4-2	**Revenue Adjustment for Uncollectibles**	Per Governmental Accounting Standards Board (GASB) 34 requirements, bad debt expense must be shown as a reduction of revenue. This is the amount that will not be collected due to customer's inability to pay.
4-3	**Non-Sales Revenue**	This account includes revenue from forfeited discounts (extra charges for payments received after net due date), plus rent charged for Electric Division property that is used by the Gas and Water Divisions, and other miscellaneous revenue (e.g., fees for connecting service).

Operating Expense

4-4	**Purchased Power**	This account includes the cost of electricity purchased from TVA for resale to customers.
4-5	**Transmission Expense**	This account includes the cost of labor and expenses incurred in the supervision and operation of the transmission system. Included are load dispatching operations, transmission substations, switching stations, overhead and underground line expenses, and miscellaneous transmission expenses. Included in this account are inspecting and testing circuit breakers, switches, breakers, load testing of circuits, line patrolling, and routine inspection of manholes, conduit, network and transformer vaults.
4-6	**Distribution Expense**	This account includes the cost of labor and expenses incurred in the supervision and direct labor of the operation of the distribution system. Included are direct switching, arranging and controlling clearances for construction, maintenance test and emergencies, communication services provided for system control purposes and controlling system voltages. Also included are the expenses for operation of the overhead and underground distribution lines and stations, street lighting, meter expenses, work on customer installations in inspecting premises and in rendering services to customers, miscellaneous expenses and rent.
4-7	**Customer Accounts Expense**	This account includes the cost of labor, materials and expenses used in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints. It also includes meter reading expenses.
4-8	**Customer Service and Information Expense**	This account includes the cost of labor, materials and expenses incurred in providing instructions or assistance to customers, the object of which is to encourage safe, efficient, and economical use of services, and activities which convey information in utilizing electric services to protect health and safety, to encourage environmental protection, to use electrical equipment safely and economically and to conserve electric energy.
4-9	**Sales Expense**	This account includes the cost of labor, materials and expenses incurred in promotional, demonstrating and selling activities, advertising designed to promote or retain the use of utility services and miscellaneous sales expense. Included are exhibitions, displays, lectures, engineering and technical advice, advertising in newspapers, periodicals, billboards, radio, etc., postage on direct mail advertising, printing booklets, bulletins, etc.
4-10	**Administrative and General Expense**	This account includes the compensation of board members, executives, and other administrative and general employees of the utility not chargeable directly to a particular operating function. It also includes the cost of insurance to protect the utility against physical plant losses, cost of reserve accruals to protect the utility against injuries and damage claims of employees or others, such as liability, property damage, casualty, and employee liability. Employee pensions and benefits including payments to pension funds, life insurance, group medical expenses, payments for accident, sickness, hospital and death benefits, and expenses in connection with educational and wellness activities are also included in this account. In accordance with GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*, MLGW must recognize all post-employment benefits, such as medical insurance and life insurance, when earned, effective budget year 2007.

Maintenance Expense

4-11	**Transmission Expense**	This account includes the cost of labor, materials and expenses incurred in the maintenance of the transmission system, of structures, and station equipment. This includes maintenance of overhead lines and underground lines.
4-12	**Distribution Expense**	This account includes the cost of labor, materials, and expenses incurred in the maintenance of the distribution system, structures, plant, station equipment, overhead lines and underground lines, distribution line transformers, street lighting and signal systems, meters, and other miscellaneous distribution plant.
4-13	**Administrative and General Expense**	Please see Appendix 4-10.

Other Operating Expense

4-14	**Depreciation Expense**	The purpose of depreciation is to allocate the original cost of a fixed asset over its estimated useful life. In a utility environment, the annual depreciation rate also takes into account the estimated salvage and cost of removal upon retirement.
4-15	**Payment in Lieu of Taxes**	Payment in lieu of taxes is the amount paid to the municipalities in which MLGW has plant. The formula for payment in lieu of taxes is based on the Municipal Electric System Tax Equivalent Law of 1987 and the Municipal Gas Equivalent Law which became effective July 1, 1988. The tax formula has two parts--net investment and revenue. The net investment includes plant in service and held for future use (net of depreciation), construction work-in-progress and materials inventory. The net investment is multiplied by an assessment ratio, the property tax rates for each governmental body, and an equalization rate set by the State. The revenue part of the formula is 4% of a three-year average of operating revenue less power cost.
4-16	**F.I.C.A. Taxes**	This represents the 1.45% Medicare portion of Social Security Tax which is required to be paid on all MLGW employees hired after 03-31-86.
4-17	**Amortization of Legacy Meters**	This account includes amortization charges related to expenditures on meters.
4-18	**Amortization of Right of Use Leases & Subscriptions**	This account includes amortization charges related to expenditures on leases and software.
4-19	**Amortization of Street Lighting Retrofit**	Non-cash expense related to amortization charges related to replacement of High Pressure Sodium (HPS) streetlighting retrofit expenditures.

NOTES FOR PAGE 4–INCOME & EXPENSE COMPARISON (continued)		
Income		
4-20	**Operating Income**	Operating income is equal to operating revenue less total operating expense.
4-21	**Other Income**	This consists primarily of investment income and property rentals and the electric prepayment agreement. It does not include any sales of electricity, gas or water.
4-22	**Reduction of Plant Recovered through CIAC**	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.
Debt Expense		
4-23	**Interest Expense - Existing Long-Term Debt**	Bond interest payments due 06-01 and 12-01 per the bond debt schedules are funded in equal monthly installments.
4-24	**Amortization of Debt Discount and Expense**	This represents the spreading of bond issuance costs over the life span of the bond series rather than recognizing such costs all at the time of sale.
4-25	**Contributions in Aid of Construction**	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

NOTES FOR PAGE 5– SOURCES AND APPLICATION OF FUNDS

Source of Funds

5-1	**Change in Net Position**	Please see Budget page 4c.
5-2	**Depreciation Charged to Operating Income**	Please see Appendix 4-14.
5-3	**Depreciation Charged to Other Accounts**	Depreciation charged to other accounts is the annual depreciation for transportation and power operated equipment. Depreciation on these plant items is charged to a clearing account and used in the equipment rate calculations.
5-4	**Amortization of Legacy Meters**	Non-cash expense related to amortization charges related to meter expenditures.
5-5	**Amortization of Right of Use Leases & Subscriptions**	Non-cash expense related to amortization charges related to lease and software expenditures.
5-6	**Amortization of Streetlighting Retrofit**	Non-cash expense related to amortization charges related to streetlighting retrofit expenditures.
5-7	**Salvage**	Salvage is the amount received for property retired from plant in service. The property may be sold for scrap or returned to stores inventory for reuse.
5-8	**Debt Proceeds**	Expected debt proceeds in the Electric Division for the 2027 budget year.

Application of Funds

5-9	**Capital Expenditures**	Please see Budget page 6.
5-10	**Costs of Removal and Other Charges to the Reserve for Depreciation**	Cost of removal is the cost associated with demolishing, dismantling, tearing down or otherwise removing utility plant, including the cost of transportation and labor.
5-11	**Retirement of Long-Term Debt**	Bond principal amounts due 12-01 per the bond debt schedules are funded in equal monthly installments during

NOTES FOR PAGE 6–CAPITAL EXPENDITURES

Substation and Transmission

6-1	**Substation**	Please see Appendix 7-1 through 7-20.
6-2	**Substation Transformers Replacement**	Please see Appendix 7-21 through 7-25.
6-3	**Substation Circuit Breakers Replacement**	Please see Appendix 7-26 through 7-27.
6-4	**Transmission Lines**	Please see Appendix 8-1 through 8-3.
6-5	**Contributions in Aid of Construction**	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

Distribution System

6-6	**Residential Service in S/D**	All subdivisions that are fed internally by overhead electric primary lines.
6-7	**Residential Service Not in S/D**	Property not in subdivisions fed internally by overhead electric primary lines.
6-8	**Residential S/D**	Other property not in subdivisions fed internally by overhead electric primary lines.
6-9	**Apartments**	All apartments and mobile home communities that are fed internally by overhead electric primary lines.
6-10	**General Power Service**	Commercial properties that are fed internally by overhead or underground electric primary lines
6-11	**General Power S/D**	Commercial properties in subdivisions that are fed internally by overhead or underground electric primary lines
	Mobile Home Park	All apartments and mobile home communities that are fed internally by overhead electric primary lines. No expenditures for the 2026 budget year.
6-12	**Temporary Service**	Services used for temporary construction.
6-13	**Multiple Unit General Power**	Commercial properties and apartments that are fed internally by overhead or underground electric primary lines
6-14	**Relocate At Customer Request**	This budget category provides for the expenses incurred at customers request for facilities to be relocated.
6-15	**Street Improvements**	This budget category provides for the expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated. Please see Appendix 8-17 through 8-24.
6-16	**New Circuits**	Please see Appendix 8-4 through 8-14.
6-17	**Line Reconstruction/Remove Idle Facilities**	This category describes projects whereby existing distribution lines are improved and/or removed. These projects can include instances where existing circuits are rebuilt to create ties to other circuits to improve reliability to customers; conductors are upgraded to increase the current carrying ability of the circuit; devices such as switches, voltage regulators, capacitors, or reclosers are added to a circuit to improve voltage/reliability; or existing idle facilities are removed to decrease losses.
6-18	**Defect Cable/Feeder Cable Replacement**	This category describes the systematic retrofitting of the Division's Underground Residential Distribution system. The cable is replaced as it reaches end-of-life as determined by in service failures. Obsolete transformers and other distribution hardware are also replaced in this category. Cable replacement was initiated in 1982.
6-19	**Distribution Poles**	The budget includes utility poles used to support overhead power lines and various other public utilities, such as electrical cable, fiber optic cable, and related equipment such as transformers and street lights.
6-20	**Pole-Duct Use and Escorts**	Pole-Duct Use and Escorts.No expenditures for the 2027 budget year.
6-21	**OMNI Maintenance**	This category is the Optimize Maintenance Neighborhood Initiative program developed to make improvements in the various historical Memphis communities to improve reliability and resiliency.
6-22	**Distribution Automation**	To install communications and hardware to allow for remote/automated operation to provide for more advanced restoration capabilities.
6-23	**Street Lights Install**	The budget includes work necessary to provide street light maintenance in existing subdivisions, along roadways, Memphis city annexations, and adjustments to lights in existing developments requested by the cities throughout the year.
6-24	**Demolition**	The budget includes demolition work.
6-25	**Street Light Maintenance**	The budget includes work necessary to provide street light maintenance in existing subdivisions, along roadways, Memphis city annexations, and adjustments to lights in existing developments requested by the cities throughout the year.
6-26	**Planned Maintenance**	Construction in minor work that arises daily. These are mainly calls that go through the Control Room, to include pole knockdowns, gas, and water leaks, etc.
6-27	**Operations Maintenance**	No expenditures planned for the 2027 budget year.
6-28	**Leased Outdoor Lighting**	LOL provides area and security lighting for residential, commercial and industrial customers in Memphis and Shelby County. LOL customers pay aid-to-construction for the installation of lighting fixtures and a monthly flat rate energy and facility fee. Services provided through LOL include engineering design of lighting systems to meet customer needs as well as building codes and standards. Installation and maintenance are handled through Distribution Support, using Division personnel and contracted labor.

NOTES FOR PAGE 6–CAPITAL EXPENDITURES (continued)

Major Projects (continued)

6-29	**Storm Restoration**	This category shows actual expenditures for previous years related to storm restoration efforts. MLGW does not budget for unexpected storm related expenses. These storms are generally large enough to cause major damage to our electric distribution system. Funds expensed in this category are reimbursable by the Federal Emergency Management Agency.
6-30	**Shared Use Contract**	To account for small cell pole attachments.
6-31	**Duct Line Lease**	To account for leasing available duct line for fiber cable.
6-32	**Emergency Maintenance**	Emergency maintenance is minor capital unplanned work that arises daily. These are mainly calls that go through the Control Room, such as pole knockdowns, gas or water leaks, etc.
6-33	**JT-Residential Service in S/D**	All subdivisions that are fed internally by underground electric primary lines and all subdivisions and apartments that are joint trench (underground electric primary and gas in the same trench).
6-34	**JT-Residential S/D**	All subdivisions that are fed internally by underground electric primary lines and all subdivisions and apartments that are joint trench (underground electric primary and gas in the same trench).
6-35	**JT-Apartments**	All subdivisions that are fed internally by underground electric primary lines and all subdivisions and apartments that are joint trench (underground electric primary and gas in the same trench).
6-36	**PCI- Dist. Transformers**	Purchase, receive, test and stock overhead type transformers for the Overhead Electric Distribution System--inventory levels are closely managed based on growth, new construction, history, voltage conversions and failures.
6-37	**Elec Meters**	The Electric Meter Area's capital budget for the purchase of electric metering equipment along with installation of revenue metering at the gate stations.
6-38	**Contributions in Aid of Construction**	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

General Plant

6-39	**Buildings and Structures**	Please see Appendix 9-2 through 9-12.
6-40	**Security Automation**	Please see Appendix 9-13.
6-41	**Land Purchase**	Please see Appendix 9-1.
6-42	**Fleet Capital Power Operated Equipment**	Please see Appendix 9-14.
6-43	**Transportation Equipment**	Please see Appendix 9-15.
6-44	**Lab & Test**	Please see Appendix 9-17.
6-45	**Communication Equipment**	Please see Appendix 9-16.
6-46	**Communication Towers**	Please see Appendix 10-1.
6-47	**Telecommunication Network**	Please see Appendix 10-2 through 10-7.
6-48	**Utility Monitoring**	Please see Appendix 10-8.
6-49	**Customer Information System (CIS)**	No expenditures planned for the 2027 budget year.
6-50	**Data Processing Equipment**	Please see Appendix 10-9 through 10-21.
6-51	**IS/IT Projects**	No expenditures planned for the 2027 budget year.
6-52	**Contingency Fund**	Please see Appendix 10-22.
6-53	**Delayed Cost Allocations**	These are funds budgeted in the current year for items that may arrive late from the previous year's budget.

NOTES FOR PAGE 7–CAPITAL EXPENDITURES BUDGET

Substation & Transmission Major Projects

Substation

7-1	Install Substation 29 161/23kV Facilities	Description/Location	Various locations
		Purpose/Necessity	Substation 68 Third 161/23 kV transformer
7-2	Substation Feeder Electromechanical Relay Replacement Program	Description/Location	Various locations
		Purpose/Necessity	Replacement of protective relays to improve system coordination and align with reclosers and ADMS deployment. Protects circuits from overcurrent, ground, faults, phase loss, overload, and other detrimental conditions
7-3	Substation Animal Mitigation Initiative	Description/Location	Replace RTU's various locations
		Purpose/Necessity	Replace failed breakers
7-4	Substation Pavement Project	Description/Location	Substation Pavement Project
		Purpose/Necessity	
7-5	Replace Switches Various Locations	Description/Location	Replace Switches Various Locations
		Purpose/Necessity	
7-6	Sub #61-Install Definite Purpose Capacitor Bank Breakers 61361 & 61371	Description/Location	Sub #61-Install Definite Purpose Capacitor Bank Breakers 61361 & 61371
		Purpose/Necessity	
7-7	Replace reactor Substation 1	Description/Location	Replace reactor Substation 1
		Purpose/Necessity	
7-8	AC Service for Breakers Storage Yard @ Substation 33	Description/Location	AC Service for Breakers Storage Yard @ Substation 33
		Purpose/Necessity	
7-9	Substation Grounding Upgrade Projects - 5G	Description/Location	Substation Grounding Upgrade Projects - 5G
		Purpose/Necessity	
7-10	Replace relays various locations	Description/Location	Replace relays various locations
		Purpose/Necessity	To change out aging infrastructure
7-11	Sub 4 Lighting Enhancement Project	Description/Location	Sub 4 Lighting Enhancement Project
		Purpose/Necessity	To change out aging infrastructure
7-12	Replace batteries various locations	Description/Location	Replace batteries various locations
		Purpose/Necessity	To change out aging infrastructure
7-13	Sub #49-Install Definite Purpose Capacitor Bank Breakers 49363 &49373	Description/Location	Sub #49-Install Definite Purpose Capacitor Bank Breakers 49363 &49373
		Purpose/Necessity	
7-14	Install JPAX Nodes to Upgrade JMUX SONET Nodes	Description/Location	Install JPAX Nodes
		Purpose/Necessity	Various locations
7-15	Refurbish Station Service, Transformer Storage AC, Power & Lighting Substation 32	Description/Location	Refurbish Station Service, Transformer Storage AC, Power & Lighting Substation 32
		Purpose/Necessity	Pinch District
7-16	Implement Breaker Fail Scheme @ Distribution Substations	Description/Location	Implement Breaker Fail Scheme @ Distribution Substations
		Purpose/Necessity	To change out aging infrastructure
7-17	Install 5CDC 80MW Customer Substation with Sub 34 & 74 Upgrades	Description/Location	Install 5CDC 80MW Customer Substation with Sub 34 & 74 Upgrades
		Purpose/Necessity	
7-18	Install Phoenix Investors 150MW Customer Substation with Sub 33, 35, 65 and 69 Upgrades	Description/Location	Install Phoenix Investors 150MW Customer Substation with Sub 33, 35, 65 and 69 Upgrades
		Purpose/Necessity	
7-19	Install Transmission Metering Equipment for Transmission Planning Monitoring	Description/Location	Transmission Metering Equipment
		Purpose/Necessity	Transmission Metering Equipment
7-20	Seismic Retrofit of Non-Structural Substation Components	Description/Location	Seismic Retrofit of Non-Structural Substation Components
		Purpose/Necessity	Nonstructural anchorage, bracing or restraints for nonstructural control and metering equipment in substation control and oil buildings and in the electric operations/SCADA building. (2007 Multi-Hazard Risk Assessment)

Substation Transformers

7-21	Replace 161/115 kV transformer bank 32645	Description/Location	Replace 161/115 kV transformer bank 32643
		Purpose/Necessity	Replacement of failed transformers at substations
7-22	Replace 161/12 kV transformer bank 42659 @ Substation 42	Description/Location	Replace 161/12 kV transformer bank 42659 @ Substation 42
		Purpose/Necessity	Replacement of failed transformers at substations
7-23	Replace 161/23 kV transformer bank 74645	Description/Location	Replace 161/23 kV transformer bank 74645
		Purpose/Necessity	Replacement of failed transformers at substations
7-24	Contingency Failed Transformers/Procure Spares	Description/Location	Contingency Failed Transformers/Procure Spares
		Purpose/Necessity	Replacement of failed transformers at substations
7-25	Replace 61/115 kV transformer bank 32643	Description/Location	Replace 61/115 kV transformer bank 32643
		Purpose/Necessity	Replacement of failed transformers at substations

Substation Circuit Breakers

7-26	Replace breakers various locations	Description/Location	Replace breakers various locations
7-27	Contingency Failed Breakers/Procure Spares	Purpose/Necessity	Replace failed breakers

NOTES FOR PAGE 7–CAPITAL EXPENDITURES BUDGET (Continued)

Substation/Transmission Projects

7-28	**UAV Transmission Planned Improvement Repairs**	**Description/Location**	UAV Transmission Planned Improvement Repairs
7-29	**Misc. projects (OPGW, structure replacements, etc.)**	**Description/Location**	Misc. projects (OPGW, structure replacements, etc.)
7-30	**OPGW Sub 2-14**	**Description/Location**	OPGW Sub 2-14
7-31	**OPGW 42-23**	**Description/Location**	OPGW 42-23
7-32	**OPGW Sub 15**	**Description/Location**	OPGW Sub 15
7-33	**UAV Contract #12134**	**Description/Location**	UAV Contract #12134
		Purpose/Necessity	Replace failed breakers

NOTES FOR PAGE 8–CAPITAL EXPENDITURES BUDGET

Transmission - Reimbursable

8-1	Phoenix Investors 150MW Substation Transmission Cut-In with Circuit 33629, 33687 & 69999 Reconductoring	Description/Location	Phoenix Investors 150MW Substation Transmission Cut-In with Circuit 33629, 33687 & 69999 Reconductoring
		Purpose/Necessity	
8-2	5CDC 80MW Substation Transmission Cut-In with Circuit 34699 & 69663 Reconductoring	Description/Location	5CDC 80MW Substation Transmission Cut-In with Circuit 34699 & 69663 Reconductoring
		Purpose/Necessity	
8-3	Transmission Lines	Description/Location	Transmission Lines
		Purpose/Necessity	

Distribution System - Major Projects

Major New Circuit Projects

8-4	Sub 68 New Ckt Ties	Description/Location	Install multiple circuit ties for station 68 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-5	Sub 74 New Ckt Ties	Description/Location	Install multiple circuit ties for station 74 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-6	Sub 84 New Ckt Ties	Description/Location	Install multiple circuit ties for station 84 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-7	Sub 74 Cabling (3 ckts)	Description/Location	Install multiple circuit ties for station 74 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-8	Contingency Failed Stepdown transformers/Procure Spares	Description/Location	Contingency Failed Stepdown transformers/Procure Spares
		Purpose/Necessity	Reliability and switching flexibility
8-9	Sub 68 Cabling (3 ckts)	Description/Location	Install multiple circuit ties for station 68 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-10	Kellogg's Alternate Ckt Upgrade	Description/Location	Kellogg's Alternate Ckt Upgrade
		Purpose/Necessity	Reliability and switching flexibility
8-11	Ckt Ties in Sub 15 & 84 Area	Description/Location	Install multiple circuit ties for station 15 and 84 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-12	Other New Circuits	Description/Location	Install multiple circuit ties for station circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-13	Sub 83 Cabling (6 ckts)	Description/Location	Install multiple circuit ties for station 83 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-14	Sub 74 MH/DL	Description/Location	Install multiple circuit ties for station 74 MH/DL
		Purpose/Necessity	Reliability and switching flexibility

Customer Relocate

8-15	Other Relocate at Customer Request Projects	Description/Location	Various Areas
		Purpose/Necessity	Relocating/improving electric facilities in conjunction with the proposed improvements in various areas at customers request.
8-16	Sub 76 Cabling	Description/Location	Various Areas
		Purpose/Necessity	

Street Improvement Projects

8-17	TDOT Street Improvements	Description/Location	TDOT Street Improvements
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
8-18	Lamar Phase 3 Raines to Getwell Road	Description/Location	Lamar Phase 3 Raines to Getwell Road
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
8-19	240 Interchange at Airways Blvd	Description/Location	240 Interchange at Airways Blvd
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
8-20	Lamar Shelby Drive to Raines/Perkins Interchange	Description/Location	Lamar Shelby Drive to Raines/Perkins Interchange
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
8-21	New Canada Rd. (Re-Alignment N of I-40 to US-70)	Description/Location	New Canada Rd. (Re-Alignment N of I-40 to US-70)
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
8-22	Shelby Dr, Shelby Post to Jasper	Description/Location	Shelby Dr, Shelby Post to Jasper
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
8-23	Hacks Cross Rd Stateline to Shelby Dr	Description/Location	Hacks Cross Road Stateline to Shelby Drive
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
8-24	Shelton Rd Bridge Replacement	Description/Location	Shelton Rd Bridge Replacement
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities

NOTES FOR PAGE 9–CAPITAL EXPENDITURES BUDGET

General Plant

Purchase Land

9-1	**Purchase of Land**	**Description/Location**	Land purchase or the acquisition of land rights for distribution and transmission line facilities.
		Purpose/Necessity	To accommodate electric facilities, transmission lines, feeder circuits, etc.

Substations

9-2	**Substations grout/seal exterior to waterproof**	**Description/Location**	Various Substations
9-3	**Substation Windows and Door Replacement**	**Description/Location**	Various Substations
9-4	**Replace Roofs - Various Substations**	**Description/Location**	Various Substations

Electrical & Systems Operations

9-5	**New ESO Storage Building**	**Description/Location**	Electric Systems Operations
		Purpose/Necessity	
9-6	**Radio Tower Bldg: Replace 874 sq ft roof**	**Description/Location**	Electric Systems Operations
		Purpose/Necessity	This project was identified in the Master Roof Plan to be replaced at this time due to increased maintenance, potential leaking, and projected life expectancy.
9-7	**ESO Transfer Switches**	**Description/Location**	Electric Systems Operations
		Purpose/Necessity	

Netters Business Operations Center

9-8	**Roof Replacement**	**Description/Location**	Netters Business Operations Center
		Purpose/Necessity	This project is to address roof maintenance and extend the life of the building.
9-9	**Replace UPS & Emergency Generator**	**Description/Location**	Replace UPS & Emergency Generator
		Purpose/Necessity	
9-10	**Replace 7 Air Handlers & Upgrade TRANE Controls**	**Description/Location**	Replace 7 Air Handlers & Upgrade TRANE Controls
		Purpose/Necessity	Netters Business Operations Center

New Buildings

9-11	**Fabrication & Repair Shops Construction**	**Description/Location**	Repair Shops
		Purpose/Necessity	Building upgrades
9-12	**Expansion Property Site Development**	**Description/Location**	Expansion property north of Choctaw
		Purpose/Necessity	Purchased property (Choctaw); site development which includes fencing, automatic gate, roads and stored items.
9-13	**Security Automation**	**Description/Location**	Various Locations
		Purpose/Necessity	Installation and upgrade of security features for various substations.
9-14	**Fleet Capital Power Operated Equipment**	**Description/Location**	Division equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for crews to complete job assignments. Replacements are evaluated based on age, actual operational usage, projected usage, repair cost and frequency, parts availability, and effectiveness to meet areas needs. Additions are evaluated based on justification request and proper approval.
9-15	**Transportation Equipment**	**Description/Location**	Division equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for crews to complete job assignments. Replacements are evaluated based on age, actual operational usage, projected usage, repair cost and frequency, parts availability, and effectiveness to meet areas needs. Additions are evaluated based on justification request and proper approval.
9-16	**Communication Equipment**	**Description/Location**	Control Area for Communication Equipment
		Purpose/Necessity	To satisfy the Division needs for Electric Communication Equipment for the Budget. The replacement policy is broken down into the following categories: 1. Lost or Stolen; 2. Damaged Beyond Repair; 3. Not Repairable/No Abuse; 4. Obsolete
9-17	**Lab & Test**	**Description/Location**	Control Area for Lab & Test Equipment
		Purpose/Necessity	To satisfy the Division needs for Electric Laboratory Equipment. The replacement policy is broken down into the following categories: 1. Lost or Stolen; 2. Damaged Beyond Repair; 3. Not Repairable/No Abuse; 4. Obsolete

NOTES FOR PAGE 10–CAPITAL EXPENDITURES BUDGET

General Plant (Continued)
Communication Towers

10-1	**Microwave/Mobile Radio**	**Description/Location**	Reconfigure microwave loop for Netters radio tower
		Purpose/Necessity	Installation of Netters radio tower requires reconfiguration of microwave loop

Telecommunication Network

10-2	**Distribution Automation Communication**	**Description/Location**	Wireless and fiber infrastructure across Shelby County
		Purpose/Necessity	Upgrading communications infrastructure, wireless and fiber, to provide a reliable and resilient network for operation of Distribution Automation by Electric Operations during electrical service interruptions.
10-3	**Smart Meter Gatekeepers/**	**Description/Location**	Memphis and Shelby County
		Purpose/Necessity	Installation of **D**istribution **A**utomated Switches to improve responsiveness and aid in reducing customer minutes interrupted. Projected to install over 1100 automated distribution switches over a five year period.
10-4	**Fiber Optic Cable and Equipment**	**Description/Location**	Install fiber optic cable at various locations.
		Purpose/Necessity	Provide fiber optic communications to specified facilities.
10-5	**Fiber Optic Multiplexers**	**Description/Location**	Purchase and install fiber optic end equipment (places light on the optical fibers and
		Purpose/Necessity	Enable communications over proposed fiber optic cable.
10-6	**Telecommunication Systems Growth**	**Description/Location**	Telecom systems growth - various locations.
		Purpose/Necessity	Telecom systems growth - various locations. This is to cover unplanned and unforeseen Telecom expenditures that typically occur.
10-7	**Voice Network**	**Description/Location**	Replace Administration Building telephone switch
		Purpose/Necessity	Replace obsolete switch; reconfigure voice system to have three "master" switches that provide service to all MLGW facilities instead of separate switches at each location.

Utility Monitoring & Control Systems

10-8	**Systems Backup Control & Communication Plan (CO)**	**Description/Location**	SCADA and CARES Systems long-term development
		Purpose/Necessity	Support long-term development of SCADA and CARES systems which involves implementation of backup system, upgrade of SCADA communications systems which includes relocating communication paths from ESO to fiber ring.

Purchase of Data Processing Equipment

10-9	**HPE Storage Area Network (SAN) Replacement/Expansion**	**Description/Location**	HPE Storage Area Network (SAN) Replacement/Expansion
		Purpose/Necessity	To replace three (3) 9-year-old Storage Area Network (SAN) arrays at two data centers. These arrays consist of about 1.9 Peta Bytes (PB) of data which host data and virtual server environments.
10-10	**Server Blades and Chassis for Computer Systems**	**Description/Location**	Server Blades and Chassis for Computer Systems
		Purpose/Necessity	Houses essential hardware components, such as a central processing unit (CPU), memory, storage, and networking interfaces.
10-11	**Control Room IT Infrastructure**	**Description/Location**	Control Room IT Infrastructure
		Purpose/Necessity	Control Room IT Infrastructure
10-12	**Artificial Intelligence (AI) Infrastructure**	**Description/Location**	Artificial Intelligence (AI) Infrastructure
		Purpose/Necessity	The implementation of artificial intelligence software with advanced search capabilities is needed to improve decision making by using data mining to quickly convert data to useful information with an augmented digital assistant.
10-13	**GIS Utility Network Conversion**	**Description/Location**	GIS Utility Network Conversion
		Purpose/Necessity	GIS Utility Network Conversion
10-14	**Field Use Laptop Replacements**	**Description/Location**	Field Use Laptop Replacements
		Purpose/Necessity	Replacement cycle of Crew reporting Toughbooks.
10-15	**HRIS Application Enhancements and Automation**	**Description/Location**	HRIS Application Enhancements and Automation
		Purpose/Necessity	HRIS Application Enhancements and Automation
10-16	**Network Security Upgrades and Enhancements**	**Description/Location**	Network Security Upgrades and Enhancements
		Purpose/Necessity	Increase network security by replacing or upgrading end-of-line equipment and adding new security equipment.
10-17	**Network Hardware Upgrades and Enhancements**	**Description/Location**	Network Hardware Upgrades and Enhancements
		Purpose/Necessity	Network Hardware Upgrades and Enhancements

NOTES FOR PAGE 10–CAPITAL EXPENDITURES BUDGET (Continued)

Purchase of Data Processing Equipment (Continued)

10-18	**Flexscan System**	**Description/Location**	Flexscan System
		Purpose/Necessity	Flexscan System
10-19	**PC Equipment (Capital)**	**Description/Location**	PC equipment (above $5,000 unit cost) requested for various reasons
		Purpose/Necessity	PC equipment requested for various reasons including: additional functionality, laptops with docking stations to replace desktop PCs, and laptops needing replacement ahead of schedule due to software requirements.
10-20	**Work Center Wireless**	**Description/Location**	Work Center Wireless
		Purpose/Necessity	Work Center Wireless
10-21	**Weather Intelligence System**	**Description/Location**	Weather Intelligence System
		Purpose/Necessity	Weather Intelligence System
10-22	**Contingency Fund - General Plant**	This is an estimated budget amount to cover unforeseen emergency items that may arise in the current year.	

NOTES FOR PAGE 12–INCOME & EXPENSE COMPARISON

Operating Revenue

12-1	**Sales Revenue**	This account includes projected revenue from the sale of natural gas to the residential, commercial, industrial, and interdepartmental customer classes.
12-2	**Revenue Adjustment for Uncollectible**	Per Governmental Accounting Standards Board (GASB) 34 requirements, bad debt expense must be shown as a reduction of revenue. This is the amount that will not be collected due to customers inability to pay.
12-3	**Non-Sales Revenue**	This account includes revenue from forfeited discounts (extra charges for payments received after net due date), plus rent charged for Gas Division property that is used by the Electric and Water Divisions, other miscellaneous revenue (e.g., fees for connecting/disconnecting service), and charges for transporting gas, CNG and LNG within the MLGW system for those industrial

Operating Expense

12-4	**Production – LNG Plant**	This account includes the cost of expenses incurred in the cost of fuel used in extracting salable products from natural gas and of operation of storage facilities and equipment.
12-5	**Purchased Gas**	This account includes the cost of natural gas and transportation of this gas to be used for injection into the system for resale.
12-6	**Compressed Natural Gas (CNG)**	This account includes the cost of compressed natural gas and transportation of this gas to be used for injection into the system for resale.
12-7	**Liquefied Natural Gas (LNG)**	This account includes the cost of liquefied natural gas and transportation of this gas to be used for injection into the system for resale.
12-8	**Industrial Gas**	This account includes the cost of industrial gas and transportation of this gas to be used for injection into the system for resale.
12-9	**Distribution Expense**	This account includes the cost of labor and expenses incurred in the operation of the distribution system. Included are costs incurred in dispatching and controlling the supply and flow of the gas through the distribution system, in operating system mains and services, in operating general distribution measuring and regulating stations, and in removing, resetting, changing, testing, and
12-10	**Customer Accounts Expense**	This account includes the cost of labor, materials and expenses used in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints. It also includes meter reading expenses.
12-11	**Customer Service and Information Expense**	This account includes the cost of labor, materials and expenses incurred in providing instructions or assistance to customers, the object of which is to encourage safe, efficient, and economical use of services, and activities which convey information in utilizing services to protect health and safety, to encourage environmental protection, to use electrical equipment safely and economically
12-12	**Sales Expense**	This account includes the cost of labor, materials and expenses incurred in promotional, demonstrating and selling activities, advertising designed to promote or retain the use of utility services and miscellaneous sales expense. Included are exhibitions, displays, lectures, engineering and technical advice, advertising in newspapers, periodicals, billboards, radio, etc., postage on direct
12-13	**Administrative and General Expense**	This account includes the compensation of board members, executives, and other administrative and general employees of the utility not chargeable directly to a particular operating function. It also includes the cost of insurance to protect the utility against physical plant losses, cost of reserve accruals to protect the utility against injuries and damage claims of employees or others, such as liability, property damage, casualty, and employee liability. Employee pensions and benefits including payments to pension funds, life insurance, group medical expenses, payments for accident, sickness, hospital and death benefits, and expenses in connection with educational and wellness activities are also included in this account. In accordance with GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension, MLGW must recognize all post-employment benefits, such as medical insurance and life insurance, when earned, effective budget year 2007.

Maintenance Expense

12-14	**Production Expense**	This account includes the cost of labor, materials and expenses incurred in the maintenance of liquefaction equipment, of measuring and regulating equipment, structures, station equipment and other equipment.
12-15	**Distribution Expense**	This account includes the cost of labor, materials and expenses incurred in the maintenance of distribution facilities, of structures, of distribution mains, of measuring and regulating equipment, of services, and of meters and house regulators.
12-16	**Administrative and General Expense**	Please see Appendix 12-13.

Other Operating Expense

12-17	**Depreciation Expense**	The purpose of depreciation is to allocate the original cost of a fixed asset over its estimated useful life. In a utility environment, the annual depreciation rate also takes into account the estimated salvage and cost of removal upon retirement.
12-18	**Payment in Lieu of Taxes**	Payment in lieu of taxes is the amount paid to the municipalities in which MLGW has plant. The formula for payment in lieu of taxes is based on the Municipal Electric System Tax Equivalent Law of 1987 and the Municipal Gas Equivalent Law which became effective July 1, 1988. The tax formula has two parts -- net investment and revenue. The net investment includes plant in service and held for future use (net of depreciation), construction work in progress and materials inventory. The net investment is multiplied by an assessment ratio, the property tax rates for each governmental body, and an equalization rate set by the State. The revenue part of the formula is 4% of a three year average of operating revenue less gas cost.
12-19	**F.I.C.A. Taxes**	This represents the 1.45% Medicare portion of Social Security Tax that is required to be paid on all MLGW employees hired after 03-31-1986.
12-20	**Amortization of Legacy Meters**	This account includes amortization charges related to expenditures on meters.
12-21	**Amortization-Right of Use Leases & Subscriptions**	Non-cash expense related to amortization charges related to lease and software expenditures.

NOTES FOR PAGE 12–INCOME & EXPENSE COMPARISON (Continued)

Income

12-22	**Operating Income**	Operating income is equal to operating revenue less total operating expense.
12-23	**Other Income**	This consists primarily of investment income and property rentals. It does not include any sales of electricity, gas or water.
12-24	**Reduction of Plant Recovered through CIAC**	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

Debt Expense

12-25	**Interest Expense -Long Term Debt**	Bond interest payments due 06-01 and 12-01 per the bond debt schedules are funded in equal monthly installments.
12-26	**Amortization of Debt Discount & Expense**	This represents the spreading of bond issuance costs over the life span of the bond series rather than recognizing such costs all at the time of sale.
12-27	**Contributions in Aid of Construction**	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

NOTES FOR PAGE 13–SOURCES AND APPLICATION OF FUNDS

Source of Funds

13-1	**Change in Net Position**	Please see Budget page 4.
13-2	**Depreciation Charged to Operating Income**	Please see Appendix 4-14.
13-3	**Depreciation Charged to Other Accounts**	Depreciation charged to other accounts is the annual depreciation for transportation and power operated equipment. Depreciation on these plant items is charged to a clearing account and used in the equipment rate calculations.
13-4	**Amortization of Legacy Meters**	Non-cash expense related to employee pension expenses above or below actual funding due to change in accounting principles.
13-5	**Amortization-Right of Use Leases & Subscriptions**	Non-cash expense related to amortization charges related to lease and software expenditures.
13-6	**Salvage**	Salvage is the amount received for property retired from plant in service. The property may be sold for scrap or returned to stores inventory for reuse.
13-7	**2027 Bond Proceeds**	

Applications of Funds

13-8	**Capital Expenditures**	Please see Budget page 13.
13-9	**Costs of Removal and Other Charges to the Reserve for Depreciation**	Cost of removal is the cost associated with demolishing, dismantling, tearing down or otherwise removing utility plant, including the cost of transportation and labor.
13-10	**Retirement of Long-Term Debt**	Bond principal amounts due 12-01 per the bond debt schedules are funded in equal monthly installments during 2027.

NOTES FOR PAGE 14–CAPITAL EXPENDITURES BUDGET

Production System

14-1	**LNG Processing Facilities**	LNG Processing Facilities- Purchase and installation of regeneration heating equipment, replacement of existing 20 year old equipment.

Distribution System

14-2	**Apartments**	This budget category provides for the expenses incurred by the Gas Division for developer requests for gas facilities located in a subdivision.
14-3	**Residential Service in S/D**	This budget category provides for the expenses incurred by the Gas Division for customer requests for service located in a subdivision.
14-4	**Residential Service Not in S/D**	This budget category provides for the expenses incurred by the Gas Division for customer requests for service not located in a subdivision.
14-5	**Residential S/D**	This budget category provides for the expenses incurred by the Gas Division for developer requests for gas facilities located in a subdivision.
		Construction in minor work that arises daily. These are mainly calls that go through the Control Room, to include pole knockdowns, gas, and water leaks, etc.
14-6	**Land Purchase**	This budget category provides for the purchase of land rights that will be needed for Capital Budget Projects.
14-7	**General Power Service**	This budget category provides for the expenses incurred by the Gas Division for customer requests for new General Power Service.
14-8	**General Power S/D**	This budget category provides for the expenses incurred by the Gas Division for customer requests for new General Power Service located in a subdivision.
14-9	**Multiple-Unit General Power**	This budget category provides for the expenses incurred by the Gas Division for customer requests for multiple units of new General Power Service by the same customer and general location.
14-10	**Relocate At Customer Request**	This budget category provides for the expenses incurred by the Gas Division for customer requests to relocate existing gas facilities.
14-11	**Purchase of Meters**	This budget category provides for the expenses incurred from buying new gas meters and reconditioning existing gas meters.
14-12	**Street Improvements**	This budget category provides for the expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated. Please see Appendix 15-2 through 15-19.
14-13	**New Gas Main**	This budget category provides for the expenses incurred for the installation of miscellaneous new gas mains and facilities.
14-14	**Gas Main/Service Reply (D.O.T.)**	This budget category provides for replacement of steel taps and associated services, if needed, that have a history of leaking. This is a program initiated by DIMP findings.
14-15	**Planned Maintenance**	Construction in minor work that arises daily. These are mainly calls that go through the Control Room, to include pole knockdowns, gas, and water leaks, etc.
14-16	**Transmission Pipelines and Facilities**	This budget category provides for the expenses incurred for maintenance of cased gas transmission crossings required by regulatory changes, minor repair of transmission pipelines from scheduled inspections, and minor transmission improvements.
14-17	**Regulator Stations**	This budget line item provides for the expenses incurred from upgrading obsolete regulator station equipment. The DOT Code mandates that regulators must be maintained to operate within the design parameters of the gas distribution system.
14-18	**Gate Stations**	This budget line item provides for the expenses related to gas piping systems that are discovered to be unsafe due to corrosion defects, aged facilities, third party damages, or necessary relocations due to erosion problems for transmission as well as distribution.
14-19	**JT-Residential Service in S/D**	This budget category provides for the expenses incurred by the Gas Division for customer requests for gas facilities in a joint trench subdivision.
14-20	**JT-Residential S/D**	This budget category provides for the expenses incurred by the Gas Division for developer requests for gas facilities in a joint trench subdivision.
14-21	**JT-Apartments**	This budget category provides for the expenses incurred by the Gas Division for developer requests for gas facilities in a joint trench apartment development.
14-22	**Emergency Maintenance**	This budget line item provides for emergency repair work when leaks and cut facilities require immediate repair.
14-23	**Demolition**	The budget includes demolition work.
14-24	**Contributions in Aid of Construction**	This budget line item provides for the payment that was predicted to be received from the developer and/or customer for the requested gas facilities to serve their development, businesses and/or new homes.

NOTES FOR PAGE 14–CAPITAL EXPENDITURES BUDGET (Continued)

General Plant

14-25	**Buildings and Structures**	Please see Appendix 16-3 through 17-15
14-26	**Security Automation**	Please see Appendix 17-16.
14-27	**Audiovisual**	Please see Appendix 17-17.
14-28	**Fleet Capital Common Power Operated Equip**	Please see Appendix 17-19.
14-29	**Fleet Capital Common Transportation Equip**	Please see Appendix 17-20.
14-30	**Fleet Gas Power Operated Equipment**	Please see Appendix 17-21.
14-31	**Fleet Gas Transportation Equipment**	Please see Appendix 17-22.
14-32	**Automated Fueling Structure**	No expenditures planned for the 2027 budget year.
14-33	**Tools & Equipment**	No expenditures planned for the 2027 budget year.
14-34	**Common Tools & Equipment**	Please see Appendix 17-18.
14-35	**Community Office Kiosks**	Please see Appendix 17-23.
14-36	**Contingency Funds**	Please see Appendix 17-24.
14-37	**Delayed Cost Allocations**	These are funds budgeted in the current year for items that may arrive late from the previous year's budget.

NOTES FOR PAGE 15–CAPITAL EXPENDITURES BUDGET

Production System

15-1	**LNG Processing Facilities**	**Description/Location**	Projects related to Capital Maintenance of the Capleville Liquefied Natural Gas Facility.
		Purpose/Necessity	Projects related to Capital Maintenance of the Capleville Liquefied Natural Gas Facility.

Distribution System- Major Projects

Street Improvements

15-2	**SP 03/08, SR-4/US-78/Lamar, from Perkins to Getwel**	**Description/Location**	Lamar, from Perkins to Getwell
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-3	**CP 04/38, Holmes Rd, Malone Rd To Lamar Ave**	**Description/Location**	Holmes Rd, Malone Rd to Lamar Ave
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-4	**LL 09/02 Canada Rd, Re-Alignment**	**Description/Location**	Canada Rd, Re-Alignment
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-5	**SC 19/02, Hacks Cross Rd, Stateline - Shelby Dr**	**Description/Location**	Hacks Cross Rd, Stateline - Shelby Dr
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-6	**SR-14, from SR-385 to Kerrville/Rosemark Road.**	**Description/Location**	SR-385 to Kerrville/Rosemark Road.
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-7	**SP 97/09, SR-1/Summer Ave, from Macon Rd To Elmore Rd**	**Description/Location**	Summer Ave, from Macon Rd To Elmore Rd
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-8	**CP 16/16 Elvis Presley Middle Seg**	**Description/Location**	Elvis Presley Middle Seg
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-9	**SP 03/10, SR-4/US-78 from Shelby Dr - Raines/Perkins**	**Description/Location**	US-78 from Shelby Dr - Raines/Perkins
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-10	**SC 15/01 Walnut Grove, Rocky Point - Houston Levee**	**Description/Location**	Walnut Grove, Rocky Point - Houston Levee
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-11	**CP 23/24, Holmes Rd, Phase 2/East, Horn Lake to Tulane**	**Description/Location**	Holmes Rd, Phase 2/East, Horn Lake to Tulane
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-12	**CV 22/06, Walnut St - Drainage, WO1712320**	**Description/Location**	Walnut St - Drainage, WO1712320
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-13	**CV 23/01, Burrow Rd, WO1341542**	**Description/Location**	Burrow Rd, WO1341542
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.

NOTES FOR PAGE 15–CAPITAL EXPENDITURES BUDGET (Continued)			
Street Improvements			
15-14	**CP 18/09 Bethel Grove Sewer Ext**	**Description/Location**	Bethel Grove Sewer Ext
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-15	**CV 22/04, Shelby Dr, Shelby Post to Jasper**	**Description/Location**	Shelby Dr, Shelby Post to Jasper
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-16	**SC 17/02, Mudville Road Bridge, over Big Creek**	**Description/Location**	Mudville Road Bridge, over Big Creek
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-17	**CP 21/09, Bartlett Rd Bridge over Fletcher Creek**	**Description/Location**	Bartlett Rd Bridge over Fletcher Creek
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-18	**SC 18/02, Houston Levee Road, Wolf River to Walnut Grove**	**Description/Location**	Houston Levee Road, Wolf River to Walnut Grove
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-19	**GT 21/03, Poplar Culverts Replacement, Phase V**	**Description/Location**	Poplar Culverts Replacement, Phase V
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-20	**CV 24/06, Shelton Rd Bridge Replacement**	**Description/Location**	Shelton Rd Bridge Replacement
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
15-21	**CP 20/05, Mickey to Millbranch - Drainage**	**Description/Location**	Mickey to Millbranch - Drainage
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
New Gas Main			
15-22	**System Improvement Projections**	**Description/Location**	System Improvement Projections
		Purpose/Necessity	Expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated for the drainage, elevation changes and/or new sewer facilities.
Gas Main/Service Reply (D.O.T.)			
15-23	**Steel Tap Rep Replacement**	**Description/Location**	Location(s) vary due to system prioritization needs and City paving schedules.
		Purpose/Necessity	This budget category provides for replacement of steel couplings on steel service taps that requires excessive maintenance and has a history of leaking.
15-24	**Distribution Integrity Management Program (DIMP)**	**Description/Location**	Locations vary due to system needs.
		Purpose/Necessity	Planned work to address risks to the distribution system, undocumented mains.
15-25	**Unplanned Distribution Work**	**Description/Location**	Locations vary due to system needs.
		Purpose/Necessity	This budget category provides for the expenses incurred from replacing steel services, valves or mains with new PE services, valves and mains due to a CP issue that must be addressed in that calendar year.
15-26	**Corrosion Control**	**Description/Location**	Locations vary due to system needs.
		Purpose/Necessity	This budget category provides for the expenses incurred from replacing steel services, valves or mains with new PE services, valves and mains due to a CP issue that must be addressed in that calendar year.

NOTES FOR PAGE 15–CAPITAL EXPENDITURES BUDGET (Continued)

Transmission Pipelines and Facilities

15-27	**Valero XXHP Meter Station Valves**	**Description/Location**	Valero XXHP Meter Station Valves
		Purpose/Necessity	Pressure tests and other work on transmission piping required by PHMSA to confirm MAOP, Replace sections of transmission pipeline in MCA, Install pig launchers and receivers.
15-28	**TIMP Initiative**	**Description/Location**	TIMP Initiative
		Purpose/Necessity	Pressure tests and other work on transmission piping required by PHMSA to confirm MAOP, Replace sections of transmission pipeline in MCA, Install pig launchers and receivers.
15-29	**Unplanned Transmission Work**	**Description/Location**	Various locations
		Purpose/Necessity	Pressure tests and other work on transmission piping required by PHMSA to confirm MAOP, Replace sections of transmission pipeline in MCA, Install pig launchers and receivers.

NOTES FOR PAGE 16–CAPITAL EXPENDITURES BUDGET

Regulator Stations

16-1	**Regulator Station Replacement**	**Description/Location**	Regulator station replacement
		Purpose/Necessity	Regulator stations are used to reduce the pressure of the gas to the appropriate operating pressure for each system

Gate Stations

16-2	**Gate Station Work**	**Description/Location**	Gate Station Work
		Purpose/Necessity	Regulator stations are used to reduce the pressure of the gas to the appropriate operating pressure for each system

General Plant

Buildings and Structures

South Service Center

16-3	**Paving Upgrade - Employee Parking Lot**	**Description/Location**	South Service Center
		Purpose/Necessity	This project was identified in the Master Plan. All asphalt drives, parking areas are in very bad shape. Also, there is a need to pave areas for safe movement of material.
16-4	**Renovation**	**Description/Location**	South Service Center
		Purpose/Necessity	Renovation
16-5	**Replace Storage/Truck Canopy Roofs**	**Description/Location**	South Service Center
		Purpose/Necessity	This project is for roof improvements.

North Service Center

16-6	**Generator/Transfer Switch Replacement**	**Description/Location**	North Service Center
		Purpose/Necessity	Generator/Transfer Switch Replacement
16-7	**Building #3: (Re-cover 30,650 square foot roof)**	**Description/Location**	North Service Center
		Purpose/Necessity	This project is for roof replacement.
16-8	**Building #5: (Re-cover 24,764 square foot roof)**	**Description/Location**	North Service Center
		Purpose/Necessity	This project is for roof improvements.
16-9	**Building #8: Replace Chiller**	**Description/Location**	North Service Center
		Purpose/Necessity	Replace Chiller
16-10	**AC Installation Building #6**	**Description/Location**	North Service Center
		Purpose/Necessity	This project is for replacing three HVAC package units.
16-11	**Building #6: Roof Replacement 23,684 square feet**	**Description/Location**	North Service Center
		Purpose/Necessity	This project is for roof improvements.

Buildings and Structures (continued)

HICKORY HILL SERVICE CENTER

16-12	**Paving Upgrade - Phase 2 - Employee Parking Lot**	**Description/Location**	HICKORY HILL SERVICE CENTER
		Purpose/Necessity	This project was identified in the Master Plan. All asphalt drives, parking areas are in very bad shape. Also, there is a need to pave areas for safe movement of material.

NOTES FOR PAGE 17–CAPITAL EXPENDITURES BUDGET

WHITEHAVEN COMMUNITY OFFICE

17-1	Roof Replacement	Description/Location	WHITEHAVEN
		Purpose/Necessity	Roof Replacement

ADMINISTRATION BUILDING

17-2	Administration Building Upgrades & renovations	Description/Location	Administration Building
		Purpose/Necessity	Upgrades & renovations
17-3	6 air handler w/ Controls upgrade	Description/Location	Administration Building
		Purpose/Necessity	6 air handler w/ Controls upgrade
17-4	Upgrade VAV Boxes to DDC	Description/Location	Administration Building
		Purpose/Necessity	Upgrade VAV Boxes to DDC
17-5	Trane Chiller Renewal Service Program (Chiller #1 & #2)	Description/Location	Administration Building
		Purpose/Necessity	Trane Chiller Renewal Service Program (Chiller #1 & #2)

CHOCTAW

17-6	Roof Replacement	Description/Location	CHOCTAW
		Purpose/Necessity	Roof Replacement

LNG CAPLEVILLE

17-7	Boiler Catwalk and Platforms	Description/Location	LNG CAPLEVILLE
		Purpose/Necessity	Boiler Catwalk and Platforms
17-8	LNG Design for Septic Tank	Description/Location	LNG CAPLEVILLE
		Purpose/Necessity	LNG Design for Septic Tank

NEW BUILDINGS

17-9	Engineering & Operations Building	Description/Location	New Building
		Purpose/Necessity	This project is for a new Building
17-10	Control upgrades (HVAC & Generators)	Description/Location	New Building
		Purpose/Necessity	Control upgrades (HVAC & Generators)
17-11	Goodlett Farms Pkwy Transfer Switchgear (section B & C)	Description/Location	New Building
		Purpose/Necessity	Goodlett Farms Pkwy Transfer Switchgear (section B & C in Varying years)
17-12	Goodlett Farms Pkwy Watercoll Chillers Rebuild	Description/Location	New Building
		Purpose/Necessity	Goodlett Farms Pkwy Watercoll chillers rebuild
17-13	Goodlett Farms Pkwy Roofing	Description/Location	New Building
		Purpose/Necessity	Goodlett Farms Pkwy Roofing
17-14	Pond & Storm Channel Restoration	Description/Location	New Building
		Purpose/Necessity	Pond & Storm channel Restoration
17-15	Goodlett Farms Pkwy Aircool Backup	Description/Location	New Building
		Purpose/Necessity	Goodlett Farms Pkwy Aircool backup

NOTES FOR PAGE 17–CAPITAL EXPENDITURES BUDGET (Continued)

GENERAL PLANT

17-16	**Security Automation**	**Description/Location**	Division security automation equipment used for work in and around Shelby County.
		Purpose/Necessity	Security Automation
17-17	**Audiovisual**	**Description/Location**	Division audiovisual equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Tools are considered replacements for the following reasons: I. Damaged beyond repair; ii. Worn from time/age/use, cost does not justify repair; iii. Lost/Stolen report submitted in a timely manner; iv. No longer suited for work being done, replace with a new model; v. Safety hazard; vi. Repair cost is at or above 50% of cost of new tool; vii. High occurrence of maintenance that creates excessive downtime.
17-18	**TOOLS & EQUIPMENT COMMON**	**Description/Location**	Division tools/equipment common used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Tools are considered replacements for the following reasons: I. Damaged beyond repair; ii. Worn from time/age/use, cost does not justify repair; iii. Lost/Stolen report submitted in a timely manner; iv. No longer suited for work being done, replace with a new model; v. Safety hazard; vi. Repair cost is at or above 50% of cost of new tool; vii. High occurrence of maintenance that creates excessive down time.
17-19	**Fleet Capital Common Power Operated Equipment**	**Description/Location**	Division vehicles/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Tools are considered replacements for the following reasons: I. Damaged beyond repair; ii. Worn from time/age/use, cost does not justify repair; iii. Lost/Stolen report submitted in a timely manner; iv. No longer suited for work being done, replace with a new model; v. Safety hazard; vi. Repair cost is at or above 50% of cost of new tool; vii. High occurrence of maintenance that creates excessive downtime.
17-20	**Fleet Capital Common Transportation Equipment**	**Description/Location**	Division vehicles/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Tools are considered replacements for the following reasons: I. Damaged beyond repair; ii. Worn from time/age/use, cost does not justify repair; iii. Lost/Stolen report submitted in a timely manner; iv. No longer suited for work being done, replace with a new model; v. Safety hazard; vi. Repair cost is at or above 50% of cost of new tool; vii. High occurrence of maintenance that creates excessive downtime.
17-21	**Fleet Gas Power Operated Equipment**	**Description/Location**	Division vehicles/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Tools are considered replacements for the following reasons: I. Damaged beyond repair; ii. Worn from time/age/use, cost does not justify repair; iii. Lost/Stolen report submitted in a timely manner; iv. No longer suited for work being done, replace with a new model; v. Safety hazard; vi. Repair cost is at or above 50% of cost of new tool; vii. High occurrence of maintenance that creates excessive downtime.
17-22	**Fleet Gas Transportation Equipment**	**Description/Location**	Division vehicles/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items, in order to provide equipment for employees to complete job assignments. Tools are considered replacements for the following reasons: I. Damaged beyond repair; ii. Worn from time/age/use, cost does not justify repair; iii. Lost/Stolen report submitted in a timely manner; iv. No longer suited for work being done, replace with a new model; v. Safety hazard; vi. Repair cost is at or above 50% of cost of new tool; vii. High occurrence of maintenance that creates excessive downtime.
17-23	**Community Office Kiosks**	**Description/Location**	Community Office Kiosks for customer payment services.
		Purpose/Necessity	To provide secure, user friendly, and accessible payment solution available 24 hours a day.
17-24	**Contingency Fund - General Plant**	This is an estimated budget amount to cover unforeseen emergency items that may arise in the current year.	

NOTES FOR PAGE 19–INCOME & EXPENSE COMPARISON

Operating Revenue

19-1	**Sales Revenue**	This account includes projected revenue from the sale of water to the residential, commercial, resale, and interdepartmental customer classes, as well as revenue from fire protection services.
19-2	**Revenue Adjustment for Uncollectible**	Per Governmental Accounting Standards Board (Water) 34 requirements, bad debt expense must be shown as a reduction of revenue. This is the amount that will not be collected due to customers inability to pay.
19-3	**Non-Sales Revenue**	This account includes revenue from forfeited discounts (charges for payments received after net due date), plus rent charged for Water Division property that is used by the Electric and Water Divisions, and other miscellaneous revenue (e.g., fees for connecting/disconnecting service).

Operating Expense

19-4	**Production Expense**	This account includes the cost of labor and expenses incurred in the general supervision and operation of the water source of supply facilities, the power production and pumping facilities, and the water treatment expenses. Also included is the fuel used in the production of power to operate the pumps, all chemicals used in the treatment of water and miscellaneous expenses including general clerical labor, building services, general operating supplies and care of grounds.
19-5	**Distribution Expense**	This account includes the cost of labor and expenses incurred in the operation of distribution reservoirs and tanks, meter expenses, customer installation expenses and miscellaneous expenses including preparing maps and prints, general clerical support, operating records, service interruption, trouble records, and other miscellaneous labor.
19-6	**Customer Accounts Expense**	This account includes the cost of labor and expenses incurred in the reading of customer meters, in customer applications, orders, contracts, credit investigations, billing and accounting, collections and complaints.
19-7	**Customer Service and Information Expense**	This account includes the cost of labor and expenses incurred in customer service and informational activities, the purpose of which is to encourage safe and efficient use of the utility's services, to promote the conservation of the utility's services and to assist customers in answering specific inquiries as to the proper and economic use of the utility's services.
19-8	**Sales Expense**	This account includes the cost of labor, materials and expenses incurred in promotional, demonstrating and selling activities, advertising designed to promote or retain the use of utility services and miscellaneous sales expense. Included are exhibitions, displays, lectures, engineering and technical advice, advertising in newspapers, periodicals, billboards, radio, etc., postage on direct mail advertising, printing booklets, bulletins, etc.
19-9	**Administrative and General Expense**	This account includes the compensation of board members, executives, and other administrative and general employees of the utility not chargeable directly to a particular operating function. It also includes the cost of insurance to protect the utility against physical plant losses, cost of reserve accruals to protect the utility against injuries and damage claims of employees or others, such as liability, property damage, casualty, and employee liability. Employee pensions and benefits including payments to pension funds, life insurance, group medical expenses, payments for accident, sickness, hospital and death benefits, and expenses in connection with educational and wellness activities are also included in this account. In accordance with Water 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension, MLGW must recognize all postemployment benefits, such as medical insurance and life insurance, when earned, effective budget year 2007.

Maintenance Expense

19-10	**Production Expense**	This account includes the labor and expenses incurred in the maintenance of structures and improvements, collecting and impounding reservoirs, maintenance of wells, the maintenance of observation wells, the maintenance of structures and improvements used in connection with pumping, maintenance of power production equipment used directly in pumping operations, the maintenance of pumping equipment, maintenance of structures and improvements to the water treatment plant, and water treatment plant equipment.
19-11	**Distribution Expense**	This account includes the labor and expenses incurred in the maintenance of the distribution system including structures and improvements, mains, services, meters, meter testing equipment, fire hydrants, and miscellaneous plant.
19-12	**Administrative & General Expense**	Please see Appendix 19-9.

NOTES FOR PAGE 19–INCOME & EXPENSE COMPARISON (Continued)

Other Operating Expense

19-13	**Depreciation Expense**	The purpose of depreciation is to allocate the original cost of a fixed asset over its estimated useful life. In a utility environment, the annual depreciation rate also takes into account the estimated salvage and cost of removal upon retirement.
19-14	**Payment In Lieu of Taxes**	MLGW and the City of Memphis have agreed on a P.I.L.O.T. to be made on an annual basis to the City from the revenues of the Water Division through fiscal years 2028.
19-15	**F.I.C.A. Taxes**	This represents the 1.45% Medicare portion of Social Security Tax that is required to be paid on all MLGW employees hired after 03-31-1986.
19-16	**Amortization of Legacy Meters**	This account includes amortization charges related to expenditures on meters.
19-17	**Amortization-Right of Use Leases & Subscriptions**	This account includes amortization charges related to expenditures on leases and software.

Income

19-18	**Operating Income**	Operating income is equal to operating revenue less total operating expense.
19-19	**Other Income**	This consists primarily of interest and investment income. It does not include any sales of electricity, gas or water.
19-20	**Reduction of Plant Recovered through CIAC**	Contributions-in-aid-of-construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

Debt Expense

19-21	**Interest Expense – Existing Long-Term Debt**	Bond interest payments due 06-01- and 12-01 per the bond debt schedules are funded in equal monthly installments.
19-22	**Amortization of Debt Discount & Expense**	This represents the spreading of bond issuance costs over the life span of the bond series rather than recognizing such costs all at the time of sale.
19-23	**Contributions in Aid of Construction**	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

NOTES FOR PAGE 20–INCOME & EXPENSE COMPARISON

Source of Funds

20-1	**Change in Net Position**	Please see page 19.
20-2	**Depreciation Charged to Operating Income**	Please see page 19-13.
20-3	**Depreciation Charged to Other Accounts**	Depreciation charged to other accounts is the annual depreciation for transportation and power operated equipment. Depreciation on these plant items is charged to a clearing account and used in the equipment rate calculations.
20-4	**Amortization of Legacy Meters**	Non-cash expense related to employee pension expenses related to meter expenditures.
20-5	**Amortization of Leases**	This account includes non-cash amortization charges related to expenditures on leases.
20-6	**Salvage**	Salvage is the amount received for property retired from plant in service. The property may be sold for scrap or returned to stores inventory for reuse.
20-7	**2027 Bond Proceeds**	Debt Proceeds in the Gas Division for the 2027 budget year

Application of Funds

20-8	**Capital Expenditures**	Please see page 21.
20-9	**Costs of Removal and Other Charges to the Reserve for Depreciation**	Cost of removal is the cost associated with demolishing, dismantling, tearing down or otherwise removing utility plant, including the cost of transportation and labor.
20-10	**Retirement of Long-Term Debt**	Bond principal amounts due 12-01 per the bond debt schedules are funded in equal monthly installments during.

NOTES FOR PAGE 21–CAPITAL EXPENDITURES BUDGET

Production System

21-1	**Pumping Stations**	Please see Appendix 22-1 through 23-6.
21-2	**Underground Storage Reservoirs**	Please see Appendix 23-7
21-3	**Production Wells**	Please see Appendix 23-8 through 23-13
21-4	**Land Purchase**	Please see Appendix 23-15.
21-5	**Operations Maintenance**	Please see Appendix 23-14.
21-6	**Contingency Fund - Production**	Please see Appendix 24-9.
21-7	**Buildings and Structures - Production System**	Please see Appendix 24-1 through 24-8, 25-13
21-8	**Contributions in Aid of Construction**	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

Distribution System

21-9	**Residential Service in S/D**	This budget category provides for the expenses incurred by the Water Division for customer requests for service located in a subdivision.
21-10	**Residential Service not in S/D**	This budget category provides for the expenses incurred by the Water Division for customer requests for service not located in a subdivision.
21-11	**Residential S/D**	This budget category provides for the expenses incurred by the Water Division for developer requests for Water facilities located in a subdivision.
21-12	**Apartments**	This budget category provides for the expenses incurred by the Water Division for developer requests for Water facilities for new apartment developments.
21-13	**General Power Service**	This budget category provides for the expenses incurred by the Water Division for customer requests for new General Power Service.
21-14	**Relocate At Customer Request**	This budget category provides for the expenses incurred to relocate at the customer's request.
21-15	**Street Improvements**	This budget category provides for the expenses incurred when City, State and Federal Street Improvements dictate that facilities must be relocated. Please see Appendix 25-7 through 25-11.
21-16	**New Water Main**	This budget category provides for the expenses incurred for the installation of miscellaneous new water mains and facilities.
21-17	**Lead Service Replacement**	Replace lead services with copper at known locations throughout Shelby County.
21-18	**Multiple -Unit Gen Power**	No expenditures planned for the 2027 budget year.
21-19	**Storm Restoration**	No expenditures planned for the 2027 budget year.
21-20	**Purchase of Meters**	The number of meters purchased is based on projections for the coming year. These meters include meters that will be paid for by customer contributions relating to new residential and commercial development and replacement of existing meters.
21-21	**Planned Maintenance**	Construction in minor work that arises daily. These are mainly calls that go through the Control Room, to include pole knockdowns, gas, and water leaks, etc.
21-22	**Booster Stations**	This budget category is used to boost constant supply.
21-23	**Emergency Maintenance**	This budget line item provides for emergency repair work when leaks and cut facilities require immediate repair.
21-24	**Contributions in Aid of Construction**	Contributions in aid of construction are the donations or contributions of cash, services, or property from states, municipalities, or other governmental agencies, individuals, and others for construction purposes.

General Plant

21-25	**Buildings and Structures**	Please see Appendix 24-1 through 24-8, 25-13.
21-26	**Security Automation**	Please see Appendix 25-14.
21-27	**Tools & Equipment**	No expenditures planned for the 2027 budget year.
21-28	**Fleet Capital Power Operated Equip**	Please see Appendix 25-15.
21-29	**Fleet Capital Water Transportation Equip**	Please see Appendix 25-16.
21-30	**Miscellaneous Request (Simulator)**	No expenditures planned for the 2027 budget year.
21-31	**Contingency Fund**	This is an estimated budget amount to cover unforeseen emergency items that may arise in the current year. See Appendix 25-17.
21-32	**Delayed Cost Allocations**	These are funds budgeted in the current year for items that may arrive late from the previous year's budget.

NOTES FOR PAGE 22–CAPITAL EXPENDITURES BUDGET

Production System

Pumping Stations

Allen Pumping Station

22-1	**Station Rehabilitation (New Allen)**	**Description/Location**	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc., Rehabilitation of concrete structural components.
		Purpose/Necessity	

Davis Pumping Station

22-2	**Station Rehabilitation**	**Description/Location**	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc., Rehabilitation of concrete structural components.
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.
22-3	**Medium Voltage Breaker & Switchgear Replacements**	**Description/Location**	
		Purpose/Necessity	

Lichterman Pumping Station

22-4	**Station Rehabilitation (CO)**	**Description/Location**	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc., Rehabilitation of concrete structural components.
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

LNG Pumping Station

22-5	**Station Rehabilitation**	**Description/Location**	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc., Rehabilitation of concrete structural components.
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

Mallory Pumping Station

22-6	**Generator Upgrades**	**Description/Location**	Generator Upgrades
		Purpose/Necessity	
22-7	**Station Rehabilitation**	**Description/Location**	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc., Rehabilitation of concrete structural components.
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

McCord Pumping Station

22-8	**Station Rehabilitation**	**Description/Location**	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc., Rehabilitation of concrete structural components.
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

Morton Pumping Station

22-9	**Filter Media Rehab and Replacement (Station Rehab)**	**Description/Location**	Morton Pumping Station
		Purpose/Necessity	Filter media rehab and replacement
22-10	**Station Rehabilitation**	**Description/Location**	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc., Rehabilitation of concrete structural components.
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.
22-11	**VFD, Motor, Transformer Replacements**	**Description/Location**	Design, Construction Administration and Integration needed to replace high service pump drive equipment.
		Purpose/Necessity	The existing VFDs chronically overheat and replacement parts are unavailable when the VFDs fail.

NOTES FOR PAGE 23–CAPITAL EXPENDITURES BUDGET

Palmer Pumping Station

23-1	**Station Rehabilitation**	**Description/Location**	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc., Rehabilitation of concrete structural components.
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

Shaw Pumping Station

23-2	**Filter Media Rehab and Replacement (Station Rehab)**	**Description/Location**	Shaw Pumping Station
		Purpose/Necessity	Filter media rehab and replacement
23-3	**Station Rehabilitation**	**Description/Location**	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc., Rehabilitation of concrete structural components.
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.

Sheehan Pumping Station

23-4	**Station Rehabilitation**	**Description/Location**	The purchase and installation of replacement valves, piping, hardware, meters, actuators, etc., Rehabilitation of concrete structural components.
		Purpose/Necessity	The existing VFDs chronically overheat and replacement parts are unavailable when the VFDs fail.

Miscellaneous Pumping Facilities

23-5	**Engineering Services Contract**	**Description/Location**	Pickle Pumping Station
		Purpose/Necessity	Design, construction, and maintenance needed for water treatment plants.
23-6	**Water Operations Capital Items**	**Description/Location**	This item is to account for unplanned Capital Items. / As-needed
		Purpose/Necessity	This is a projected budget amount to cover unforeseen Capital Items in the current year due to mechanical/electrical/etc. failure. / When equipment breaks, it must be fixed.

Underground Storage Reservoirs

Allen Pumping Station

23-7	**Allen Pumping Station**	**Description/Location**	Allen Pumping Station
		Purpose/Necessity	The existing WWRB is the retrofitted Equalizing Basin. The operational performance of the existing WWRB is very poor. There are regulatory issues with the existing WWRB.

Production Wells

Sheehan Pumping Station

23-8	**Construct/Replace Well**	**Description/Location**	Construction of a large water production well.
		Purpose/Necessity	A number of the wells need to be replaced.
Allen Pumping Station			
23-9	**Construct/Replace Well**	**Description/Location**	Construction of a large water production well.
		Purpose/Necessity	A number of the wells need to be replaced.
McCord Pumping Station			
23-10	**Construct/Replace Well**	**Description/Location**	Construction of a large water production well.
		Purpose/Necessity	A number of the wells need to be replaced.
Morton Pumping Station			
23-11	**Construct/Replace Well**	**Description/Location**	Construction of a large water production well.
		Purpose/Necessity	A number of the wells need to be replaced.
Shaw Pumping Station			
23-12	**Construct/Replace Well**	**Description/Location**	Construction of a large water production well.
		Purpose/Necessity	A number of the wells need to be replaced.
Miscellaneous Pumping Station			
23-13	**Construct/Replace Well**	**Description/Location**	Construction of a large water production well.
		Purpose/Necessity	A number of the wells need to be replaced.

Operations Maintenance

23-14	**Operations Maintenance**	**Description/Location**	Maintenance necessary for the continuation of normal operations
		Purpose/Necessity	Maintenance necessary for the continuation of normal operations

Land Purchase

23-15	**Land Purchase**	**Description/Location**	Purchase water production well lots/Various locations.
		Purpose/Necessity	Well lots are needed to install new/replacement water production wells to provide an adequate source water supply for customers.

NOTES FOR PAGE 24–CAPITAL EXPENDITURES BUDGET

Buildings and Structures

Mallory Pumping Station

24-1	**Roof Replacement (Main Building and Aerator)**	**Description/Location**	Mallory Pumping Station
		Purpose/Necessity	This project is needed to replace the roof.

Davis Pumping Station

24-2	**Roof Replacement (Design/Construction)**	**Description/Location**	Davis Pumping Station
		Purpose/Necessity	This project is needed to replace the roof.
24-3	**Repave Drives**	**Description/Location**	Repave Drives
		Purpose/Necessity	Davis Pumping Station

Palmer Pumping Station

24-4	**Roof Replacement-Aerator Bldg**	**Description/Location**	Palmer Pumping Station
		Purpose/Necessity	This project is needed to replace the roof.

Lichterman Pumping Station

24-5	**Roof Replacement-Pump Building**	**Description/Location**	Lichterman Pumping Station
		Purpose/Necessity	This project is needed to replace the roof.
24-6	**Roof Replacement-Aerator Bldg**	**Description/Location**	Lichterman Pumping Station
		Purpose/Necessity	This project is needed to replace the roof.

Morton Pumping Station

24-7	**Aerator Bldg and Pump Rm-Replace Roof**	**Description/Location**	Morton Pumping Station
		Purpose/Necessity	This project is needed to replace the roof.

Shaw Pumping Station

24-8	**Roof Replacement**	**Description/Location**	Shaw Pumping Station
		Purpose/Necessity	This project is needed to replace the roof.

Contingency Fund

24-9	**Contingency Funds**	This is an estimated budget amount to cover unforeseen emergency items that may arise in the current year.

NOTES FOR PAGE 25–CAPITAL EXPENDITURES BUDGET

Distribution System

New Water Main

25-1	**Main Replacement Projects**	**Description/Location**	Older cast iron mains in older parts of town sometimes break several times and it is more feasible to replace the main.
		Purpose/Necessity	Older cast iron mains in older parts of town sometimes break several times and it is more feasible to replace the main.
25-2	**Collecting Main Installation**	**Description/Location**	Various locations
		Purpose/Necessity	The ties bring water from the aquifer to the plant.
25-3	**Large Main Extensions**	**Description/Location**	Large Main Extensions
		Purpose/Necessity	Provides more water to parts of Shelby County where there is a need or future need to more water.
25-4	**Major Valve Replacements/Additions**	**Description/Location**	The project will involve the replacement and additions of 12" and larger valves
		Purpose/Necessity	Replacement of non-functioning and key valves and adding strategically placed valves on primary and secondary feeders to optimize the ability to isolate large mains while minimizing the number of cut off customers
25-5	**Miscellaneous Projects - Reimbursable**	**Description/Location**	This line item covers former SCBPU projects aimed at improving the Distribution System in former SCBPU areas of the county. These projects mostly center around improvements in the Shelby Forest area.
		Purpose/Necessity	This line item covers former SCBPU projects aimed at improving the Distribution System in former SCBPU areas of the county.
25-6	**Minor System Improvements**	**Description/Location**	Minor System Improvements to Water Distribution System
		Purpose/Necessity	Minor System Improvements to Water Distribution System.

Street Improvements

25-7	**City of Lakeland Projects**	**Description/Location**	These are street improvement projects done by the City of Lakeland requiring the relocation of MLGW water mains.
		Purpose/Necessity	MLGW will meet the utility relocation needs of the City, County, and State for their street improvement projects.
25-8	**City of Memphis Projects**	**Description/Location**	These are street improvement projects done by the City of Memphis requiring the relocation of MLGW water mains.
		Purpose/Necessity	MLGW will meet the utility relocation needs of the City, County, and State for their street improvement projects.
25-9	**Shelby County Projects**	**Description/Location**	These are street improvement projects done by Shelby County requiring the relocation of MLGW water mains.
		Purpose/Necessity	MLGW will meet the utility relocation needs of the City, County, and State for their street improvement projects.
25-10	**City of Arlington Projects**	**Description/Location**	These are street improvement projects done by the City of Arlington requiring the relocation of MLGW water mains.
		Purpose/Necessity	MLGW will meet the utility relocation needs of the City, County, and State for their street improvement projects.
25-11	**TDOT Projects**	**Description/Location**	These are street improvement projects done by TDOT requiring the relocation of MLGW water mains.
		Purpose/Necessity	MLGW will meet the utility relocation needs of the City, County, and State for their street improvement projects.

Lead Replacement

25-12		**Description/Location**	Lead Replacement
		Purpose/Necessity	Lead Replacement

General Plant

25-13	**Buildings & Structures**	**Description/Location**	MLGW University
		Purpose/Necessity	Canopy for MLGW University lineman pole training.
25-14	**Security Automation**	**Description/Location**	Various locations
		Purpose/Necessity	Install card readers on control house doors, install a CCTV system, install fence alarms and various security upgrades throughout the division.
25-15	**Fleet Capital Power Operated Equipment**	**Description/Location**	Division vehicles/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items in order to provide equipment for crews to complete job assignments. Replacements are evaluated based on age, actual operational usage, repair cost and frequency, parts availability, and effectiveness to meet area's needs. Additions are evaluated based on justification request and proper approval.

NOTES FOR PAGE 25–CAPITAL EXPENDITURES BUDGET (Continued)

General Plant (continued)

25-16	**Fleet Capital Transportation Equipment**	**Description/Location**	Division vehicles/equipment used for work in and around Shelby County.
		Purpose/Necessity	To purchase approved budget items in order to provide equipment for crews to complete job assignments. Replacements are evaluated based on age, actual operational usage, repair cost and frequency, parts availability, and effectiveness to meet area's needs. Additions are evaluated based on justification request and proper approval.
25-17	**Contingency Funds – General Plant**	This is an estimated budget amount to cover unforeseen emergency items that may arise in the current year.	

GLOSSARY

ACD: Automatic Call Distributor.

ACSR: Aluminum, Cable Steel Reinforced cable.

ADA: Americans with Disabilities Act.

BNSF: Burlington Northern Santa Fe Railway Company.

BTU: British Thermal Unit.

Battery Storage (BESS): Devices that enable energy renewables to be stored then released when the power is needed most.

Capital Budget: Fixed assets and capital projects to be acquired or contracted during the budget period.

Capital Expenditure: Expenditures that result in the acquisition of, or addition to, fixed assets including land, buildings, improvements, machinery, and equipment.

CA: Cab to Axle.

CARES: Computer Assisted Restoration of the Electric System.

CCTV: Closed-circuit television.

C&C: Cab and Chassis.

CC&C: Crew Cab & Chassis.

CKT: Circuit.

CN: Canadian National Railway.

CNG: Compressed Natural Gas.

CO: Carryover.

CPU: Central Processing Unit.

CSX: CSX Transportation.

CSX/RR: CSX Transportation Railroad.

DA: Distribution Automation.

DASD: Direct Access Storage Device.

DB: Decibel.

DDC: Direct Digital Controller.

DER: Distributive Energy Resources

GLOSSARY

Debt Service: Principal and interest payments on outstanding bonds.

DIMP: Distribution Integrity Management Program.

DOT: Department of Transportation.

ERC: Emergency Response Center.

ESO: Electric Systems Operations.

Expenditure: The outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid.

FC: Suffix for connector type.

FCI: Failed Circuit Indicators.

FEMA: Federal Emergency Management Agency.

FIS: Facility Information System.

Fixed Assets: Assets that are used in a productive capacity, have physical substance, are relatively long-lived, and provide future benefit, which is readily measurable, such as land, buildings, machinery, furniture, vehicles, other equipment and capital projects. Those assets that are capitalized and depreciated over a period of time.

GAAP: Generally Accepted Accounting Principles. Uniform minimum standards and guidelines for disclosing, recording and reporting financial transactions and entries.

GASB: Governmental Accounting Standards Board.

GIS: Geographic Information System.

GPS: Global Positioning System.

HHSC: Hickory Hill Service Center.

HMI: Human Machine Interface.

HP: High Pressure.

HSP: High Service Pump.

HVAC: Heating, Ventilation, and Air Conditioning.

IC RR: Illinois Central Railroad.

IDS: Intrusion Detection System.

IR: Infrared.

JT: Joint Trench.

KV: Kilo Volts, a unit of potential equal to a thousand volts.

KVA: Kilo Volt-Ampere, one thousand volt-amps.

KW: Kilowatt.

LC: Suffix for connector type.

LNG: Liquefied Natural Gas.

LOL: Leased Outdoor Lighting.

LWB: Long Wheel Base pickup.

MAOP: Maximum allowable operating pressure.

MDMS: Meter Data Management System.

MG: Millions of gallons.

MGD: Million gallons per day.

MH/DL: Manhole/Duct line.

MHz: Megahertz.

MSS: Management Support System.

NERC: North American Electric Reliability Corporation.

Net Assets: The difference between assets and liabilities for a period of time.

O&M: Operations and Maintenance.

OH: Overhead.

OPEB: Other Post Employment Benefits.

Operating Budget: The portion of the budget that pertains to daily operations that provide basic services. The operating budget contains approved expenditures.

OPGW: Optical Ground Wire.

OTL: Oracle Time and Labor.

OTDR: Optical Time Domain Reflectometer.

Pad: Pad-mounted transformer.

PCB: Polychlorinated Biphenyls.

PSI: Pound per Square Inch.

PTAC: Packaged terminal air conditioning.

PTO: Power Take Off.

PV: Photo-Voltaic or solar cells.

ROW: Right of Way.

RR: Railroad.

RTU: Remote Terminal Unit.

SAN: Storage Area Network.

SC: Suffix for connector type.

SCADA: Supervisory Control and Data Acquisition, used to monitor and control the electric system. SCADA gathers information and transfers the information to a central site.

SCBPU: Shelby County Board of Public Utilities.

SPCC: Spill Prevention, Control and Countermeasure.

Solar Generation: A renewable and infinite energy source converted from sun.

T-line: Transmission line.

TDOT: Tennessee Department of Transportation.

TEMA: Tennessee Emergency Management Agency.

TIMP: Transmission Integrity Management Program

TOU: Time of Use.

UG: Underground.

UPS: Uninterruptible Power Source.

URD: Underground Residential Development.

USPS: United States Postal Service.

VAV: Variable Air Volume.

VFD: Variable Frequency Drive.

WAQL: Water Assurance Quality Lab.

WWRB: Wash Water Recovery Basin.

XFMR: Symbol used to denote transformer.

XHP: Extra High Pressure.

XXHP: Extra, Extra High Pressure.

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

ELECTRIC SERVICE
SCHEDULE EVC
ELECTRIC VEHICLE CHARGING POWER RATE

PRELIMINARY

AVAILABILITY

This rate shall exclusively apply to separately metered charging stations for electric vehicles where the charging station's demand is greater than 50 kW but not more than 5,000 kW.

All customers participating under this rate schedule shall agree to a full requirements service from the Division. In addition, customers must agree that the sole use of the electric service is for the purpose of charging electric vehicles used for transportation purposes only.

Unless otherwise provided for in a written agreement between TVA and the Division, for customers served under this schedule, the customer's "meter-reading time" shall be 0000 hours CST or CDT, whichever is currently effective, on the first day of the calendar month following the month for which a bill under this schedule is being calculated.

CHARACTER OF SERVICE

The service supplied shall be 60 hertz alternating current, single phase or three-phase. 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

All charges are on a per month basis.

Service Charge:	$100.00	per delivery point per month, plus
On-peak Energy Charge:	$0.33225	per kWh per month for all metered on-peak kWh, plus
Off-peak Energy Charge:	$0.27365	per kWh per month for all metered off-peak kWh, plus

TENNESSEE VALLEY AUTHORITY FUEL COST AND PURCHASED POWER ADJUSTMENT RIDER

The rates included within are subject to adjustment under the provisions of the Tennessee Valley Authority Fuel Cost and Purchased Power Adjustment Rider (FCA). The FCA rates are published monthly and can be accessed through www.mlgw.com.

ADJUSTMENT

The base 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.

DETERMINATION OF SEASONAL PERIODS

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

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

Except for Saturdays, 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 from 1 p.m. to 7 p.m. from April through October and from 4 a.m. to 10 a.m. during all remaining months. All other hours of each day that are not otherwise defined as on-peak hours and all hours of such excepted days shall be off-peak hours. Such times shall be CST or CDT, whichever is then in effect. Said on-peak and off-peak hours are subject to change by TVA. In the event TVA determines that such changed on-peak and off-peak hours are appropriate, it shall so notify the Division at least 12 months prior to the effective date of such changed hours, and the Division shall promptly notify customer.

MINIMUM MONTHLY BILL

The monthly bill under this rate schedule shall not be less than the service charge.

Division may require minimum bills higher than those stated above, including, without limitation, charges to cover any additional metering and related costs.

CONTRACT REQUIREMENT

All customers under this rate schedule shall be required to execute contracts, regardless of demand level. The contract shall be for an initial term of one year extended automatically from year to year thereafter. After the initial term the contract may be terminated upon not less than 90 days' 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. The customer is prohibited from using any power other than that supplied by Distributor 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.

After having received service for at least 1 year under this rate schedule, the customer, subject to 90 days prior written notice and appropriate amendments in its power contract with Division, may receive service under the General Power Rate - Schedule GSA. In such case the term of the power contract shall remain the same and the contract demand for service under the General Power Rate - Schedule GSA shall not be less than the contract demand in effect when service was taken under this rate schedule.

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.

Service is subject to Rules and Regulations of Division.

PRELIMINARY

EFFECTIVE JANUARY 1, 2027

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
ELECTRIC SERVICE

SCHEDULE FCA
FUEL COST AND PURCHASED POWER ADJUSTMENT RIDER

All retail rates for electricity may be adjusted for changes in the Tennessee Valley Authority's (TVA) costs of fuel and all other wholesale purchased power cost not recovered in retail rates. Adjustments may be made to the retail rates to reflect TVA's applicable Fuel Cost Adjustment which is reflected in the Statement of Amounts schedules as provided by TVA and to reflect the total cost of Wholesale Power Costs as purchased by MLGW from TVA. Adjustments may also be made in connection with Power Purchase Agreements (PPAs) that the division enters into for the procurement of capacity, generation, battery energy storage, or other related services.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULE G-1 & G-3
RESIDENTIAL RATE

AVAILABILITY
Schedule G-1 is available for domestic use to residential Customers in individual private residences or other individual dwelling units situated within the corporate limits of the City of Memphis, Tennessee. Schedule G-3 is available for domestic use to residential Customers in individual private residences or other individual dwelling units situated outside the corporate limits of the City of Memphis, Tennessee. Private dwellings in which space is occasionally used for the conduct of business by a person residing therein will be served under this rate schedule. Where a portion of the dwelling is used regularly for the conduct of business, the gas consumed in that portion so used will be separately metered and billed under another appropriate gas rate. If separate piping which permits separate metering is not provided by the Customer, the entire premises shall be classified as non-residential and billed accordingly. The Residential Rate Schedule shall not apply to service to multiple dwelling units or to institutions such as clubs, fraternities, orphanages or homes, recognized rooming or boarding houses, the space in an apartment or other residential building primarily devoted to use as an office or studio, or for professional or other gainful purposes.

Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold or shared with others. Availability of gas under this rate schedule is subject to curtailment in the event of any curtailment of the Division's supply of gas.

MONTHLY RATE (ccf equals 100 cubic feet)

SERVICE CHARGE: $11.86 per month plus,

FOR GAS CONSUMED:
First 100 ccf per month @ $0.664 per ccf
Excess over 100 ccf per month @ $0.558 per ccf, 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 monthly bill shall be equal to the Service Charge.

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 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, 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.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

PRELIMINARY

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 unless the gas is consumed in an individual residence of any type. Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold.

CONTRACT REQUIREMENT
Customers taking service under this rate schedule and having a Daily Contract Demand of 500 ccf or greater shall be required to execute written contracts. For purposes of this rate schedule, a Daily Contract Demand means the maximum quantity of service that the Division will render during a day.

MONTHLY RATE (ccf equals 100 Cubic Feet)

SERVICE CHARGE:

For meters rated up to 425 cubic feet per hour (cfh)….	$35.55
For meters rated at 426 to 1,400 cfh……..	$65.17
For meters rated over 1,400 cfh……..	$118.50

per month plus,

ALL GAS CONSUMED: $0.597 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.

MAXIMUM DAILY DEMAND
The Maximum Daily Demand shall be defined as the maximum volume consumed during a twenty-four (24) hour period during the current month. The Maximum Daily Demand shall be determined at the option of the Division according to one of the following methods:

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

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.

PRELIMINARY

MINIMUM BILL
The minimum bill shall be $0.775 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 the Service Charge listed above.

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.

SINGLE POINT DELIVERY
Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate service agreement.

Customer shall install and maintain at its expense any equipment deemed necessary by the Division to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of MLGW.

EMERGENCY CONDITIONS
In the event of a system emergency, the Division may curtail deliveries under this Rate Schedule.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULES G-8 & G-9
LARGE GENERAL SERVICE

PRELIMINARY

AVAILABILITY
This rate schedule is available for gas service to all Customers contracting for not less than 100 ccf of Maximum Daily Demand. Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold.

CONTRACT REQUIREMENT
Customer taking service under this rate schedule shall be required to execute a written contract for a period of not less than one (1) year that specifies a Daily Contract Demand. For purposes of this rate schedule, a Daily Contract Demand means the maximum quantity of service that the Division will render during a day.

MONTHLY RATE (ccf equals 100 cubic feet)

DEMAND CHARGE: $0.297 per ccf per month of Daily Contract Demand or Maximum Daily Demand during the twelve (12) months ending with the billing month, whichever is higher, plus

FOR GAS CONSUMED:
First 200,000 ccf per month @ $0.549 per ccf
Volumes exceeding 200,000 ccf per month @ $0.437 per ccf, plus

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

MAXIMUM DAILY DEMAND
The Maximum Daily Demand shall be defined as the maximum volume consumed during a twenty-four (24) hour period during the current month. The Maximum Daily Demand shall be determined at the option of MLGW according to one of the following methods:

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

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.

MINIMUM BILL
The minimum bill shall be $1.072 for each ccf of the higher of: (1) the Maximum Daily Demand during the twelve (12) months ending with the billing month, or (2) the Daily Contract Demand.

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.

SINGLE POINT DELIVERY AND JOINT SERVICE THROUGH ONE METER
Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate service agreement.

Customer shall install and maintain at its expense any equipment deemed necessary by the Division to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of the Division.

EMERGENCY CONDITIONS
In the event of a system emergency, the Division may curtail deliveries under this Rate Schedule.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULE G-10 & G-12
LARGE GENERAL SERVICE – INTERRUPTIBLE

AVAILABILITY
This rate schedule is available for gas service to all Customers contracting for not less than 1,500 ccf of Maximum Daily Demand. Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold.

Service under this rate schedule is subject to curtailment. Customers served under this rate schedule are required to have alternate fuels and/or operational procedures that will prevent plant, property, equipment, and product from sustaining any significant damages during a period of curtailment. Gas sold under this rate schedule shall be interrupted whenever, in the opinion of the Division, the interruption is necessary. Customers receiving gas service under this rate schedule shall at no time take gas during any "Period of Curtailment."

CONTRACT REQUIREMENT
Customers taking service under this rate schedule shall be required to execute written contracts for a period of not less than one (1) year that specifies a Daily Contract Demand. For purposes of this rate schedule, a Daily Contract Demand means the maximum quantity of service that the Division will render during a day.

MONTHLY RATE (ccf equals 100 cubic feet)

SERVICE CHARGE: $592.47 per month, plus

FOR GAS CONSUMED:
First 200,000 ccf per month @ $0.512 per ccf
Volumes exceeding 200,000 ccf per month @ $0.430 per ccf, plus

PURCHASED GAS ADJUSTMENT RIDER
The above rates are subject to the provisions of the Purchased Gas Adjustment Rider.

MAXIMUM DAILY DEMAND
The Maximum Daily Demand shall be defined as the maximum volume consumed during a twenty-four (24) hour period during the current month but shall not be less than 80% of the Maximum Daily Demand for any of the preceding eleven (11) months, provided that gas consumed during the months of May through September for the preceding eleven (11) months shall be excluded when determining the Maximum Daily Demand for this purpose. The Maximum Daily Demand shall be determined at the option of the Division according to one of the following methods:

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

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.

PRELIMINARY

MINIMUM BILL
The minimum monthly bill shall be $0.415 for each ccf of the higher of: (1) the Maximum Daily Demand during the twelve (12) months ending with the billing month, or (2) the Daily Contract Demand, but in no event less than the Service Charge.

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.

PERIOD OF CURTAILMENT
"Period of Curtailment" shall mean the period of time specified by the Division when giving notice to Customer or its authorized agent. It shall begin no earlier than one (1) hour after the Division gives notice to Customer. The Division may provide notice by any means, including electronic and verbal notice.

If, for any reason, Customer continues to take gas during any Period of Curtailment there shall become due and payable to the Division, not as a penalty but as liquidated damages, an amount equal to $2.50 per ccf for all gas taken. An additional charge of $10.00 per ccf shall be applied to all gas taken in excess of 10% of the Daily Contract Demand during any Period of Curtailment. This amount is to be in addition to the Division's incremental cost per ccf for all gas taken during the Period of Curtailment and all other amounts billed in accordance with this rate schedule.

During a Period of Curtailment, Customer shall have the right but not the obligation to temporarily convert service to the transportation Rate Schedule FT. As provided under Rate Schedule FT, customer would deliver, or cause to be delivered, natural gas to the Division for redelivery to Customer. Customer must perform the responsibilities of a customer under Rate Schedule FT, satisfy those terms, and pay those rates for gas redelivered by the Division, provided that the Division will not apply the Service Charge under Rate Schedule FT, but will apply the Service Charge applicable in this Rate Schedule.

SINGLE POINT DELIVERY AND JOINT SERVICE THROUGH ONE METER
Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate service agreement.

Customer shall install and maintain at its expense any equipment deemed necessary by the Division to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of the Division. Further, if the Customer takes gas during a "Period of Curtailment" at such a meter, the Division may discontinue all services to that meter.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

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MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULE G-10 & G-12 MARKET
LARGE GENERAL SERVICE – INTERRUPTIBLE

AVAILABILITY
This rate schedule is available for gas service to all Customers contracting for not less than 1,500 ccf of Maximum Daily Demand. Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold.

Service under this rate schedule is subject to curtailment. Customers served under this rate schedule are required to have alternate fuels and/or operational procedures that will prevent plant, property, equipment, and product from sustaining any significant damages during a period of curtailment. Gas sold under this rate schedule shall be interrupted whenever, in the opinion of the Division, the interruption is necessary. Customers receiving gas service under this rate schedule shall at no time take gas during any "Period of Curtailment."

CONTRACT REQUIREMENT
Customers taking service under this rate schedule shall be required to execute written contracts for a period of not less than one (1) year that specifies a Daily Contract Demand. For purposes of this rate schedule, a Daily Contract Demand means the maximum quantity of service that the Division will render during a day.

MONTHLY RATE (ccf equals 100 cubic feet)

SERVICE CHARGE: $592.47 per month, plus

FOR GAS CONSUMED:
First 200,000 ccf per month @ $0.170 per ccf
Volumes exceeding 200,000 ccf per month @ $0.088 per ccf, plus

GAS COST
Customer will be financially responsible for all gas purchased on their behalf. Gas purchases will be made at a rate determined monthly by the Division.

MAXIMUM DAILY DEMAND
The Maximum Daily Demand shall be defined as the maximum volume consumed during a twenty-four (24) hour period during the current month but shall not be less than 80% of the Maximum Daily Demand for any of the preceding eleven (11) months, provided that gas consumed during the months of May through September for the preceding eleven (11) months shall be excluded when determining the Maximum Daily Demand for this purpose. The Maximum Daily Demand shall be determined at the option of the Division according to one of the following methods:

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

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.

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MINIMUM BILL
The minimum monthly bill shall be $0.415 for each ccf of the higher of: (1) the Maximum Daily Demand during the twelve (12) months ending with the billing month, or (2) the Daily Contract Demand, but in no event less than the Service Charge.

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.

PERIOD OF CURTAILMENT
"Period of Curtailment" shall mean the period of time specified by the Division when giving notice to Customer or its authorized agent. It shall begin no earlier than one (1) hour after the Division gives notice to Customer. The Division may provide notice by any means, including electronic and verbal notice.

If, for any reason, Customer continues to take gas during any Period of Curtailment there shall become due and payable to the Division, not as a penalty but as liquidated damages, an amount equal to $2.50 per ccf for all gas taken. An additional charge of $10.00 per ccf shall be applied to all gas taken in excess of 10% of the Daily Contract Demand during any Period of Curtailment. This amount is to be in addition to the Division's incremental cost per ccf for all gas taken during the Period of Curtailment and all other amounts billed in accordance with this rate schedule.

During a Period of Curtailment, Customer shall have the right but not the obligation to temporarily convert service to the transportation Rate Schedule FT. As provided under Rate Schedule FT, customer would deliver, or cause to be delivered, natural gas to the Division for redelivery to Customer. Customer must perform the responsibilities of a customer under Rate Schedule FT, satisfy those terms, and pay those rates for gas redelivered by the Division, provided that the Division will not apply the Service Charge under Rate Schedule FT, but will apply the Service Charge applicable in this Rate Schedule.

SINGLE POINT DELIVERY AND JOINT SERVICE THROUGH ONE METER
Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate service agreement.

Customer shall install and maintain at its expense any equipment deemed necessary by MLGW to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of the Division. Further, if the Customer takes gas during a "Period of Curtailment" at such a meter, the Division may discontinue all services to that meter.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

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MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULE FT
FIRM TRANSPORTATION OF CUSTOMER-OWNED GAS
GENERAL SERVICE

1. AVAILABILITY

1.1 This rate schedule is available for the local transportation of natural gas by the Division that is owned by any Customer which: (a) delivers, or will cause to be delivered, its own natural gas to the Division for redelivery by the Division to Customer; and (b) executes a Transportation Service Agreement with the Division for service under this rate schedule that specifies a Maximum Daily Volume in excess of 1,500 ccf per day.

1.2 Gas transported under this rate schedule must be for the exclusive use of Customer in Customer's facilities located within the Division's service area such that it shall not be resold, redelivered, or reallocated by the Customer or its agent.

1.3 Customer shall provide to the Division upon request all agreements, licenses, permits, and other documents demonstrating its ability to deliver its own gas to the Division's facilities.

1.4 If Customer fails to comply with any term of this rate schedule, any term of Customer's Transportation Service Agreement, or the Rules and Regulations of the Division, the Division may refuse to perform service under this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This rate schedule shall apply to all transportation services performed by the Division for Customer during the term identified in Customer's Gas Transportation Service Agreement, up to the Maximum Daily Volume set forth in the Gas Transportation Service Agreement. Customer may not exceed its Maximum Daily Volume without prior approval of the Division. The transportation service rendered shall be on a firm basis.

2.2 If, pursuant to any the Division transportation rate schedule, the total volume nominated by Customers for transportation through a particular point of receipt into the Division system exceeds the total capacity available at that receipt point, volumes scheduled for receipt will be allocated among Customers as determined by the Division.

2.3 Provided the Division's prior consent is obtained, Customer may tender volumes of gas in excess of the Maximum Daily Volume on any day if such tender and transportation of such gas can be accomplished by the Division without detriment either to any other customer under any of the Division's sales or transportation rate schedules or to the Division's system operations. Subject to the foregoing restrictions, the Division's consent shall not be unreasonably withheld.

2.4 The Division will not be responsible for any interruption of deliveries of gas due to Force Majeure. Force Majeure shall mean act of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraint of rulers and peoples, civil disturbances, explosions, breakage or accidents to gas transmission or distribution lines, the necessity for making repairs or alterations in machinery in transmission and or distribution lines, changes in laws or regulations affecting the Division's gas transportation services not within the control of the Division, and which, by the exercise of reasonable care, the Division is unable to prevent or overcome, and whether occurring on the

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Division's distributing system or on the transmission lines by which gas is delivered to the Division. When Force Majeure occurs on the Division's system and the interruption of delivery of gas due to the Force Majeure is for a period of seventy-two (72) hours or longer, the Division will prorate the minimum bill for that part of the billing period in which delivery of gas was affected by Force Majeure and waive any associated imbalance charge.

2.5 In the event of a system emergency, the Division retains discretion to use Customer's gas to protect system integrity, provided that the Division returns the gas in kind and does not apply an imbalance charge as a result.

3. MONTHLY RATE (ccf equals 100 cubic feet)

SERVICE CHARGE: $1,733.54 per month, plus

MONTHLY BILLING VOLUME UP TO 600,000 CCF:

First 200,000 ccf per month @ $0.0686 per ccf
Next 400,000 ccf per month @ $0.0057 per ccf,

MONTHLY BILLING VOLUME IN EXCESS OF 600,000 CCF:

First 1,000,000 ccf per month @ $0.0267 per ccf
Next 3,000,000 ccf per month @ $0.0220 per ccf
Volumes exceeding 4,000,000 ccf per month @ $0.0154 per ccf,

Plus all other appropriate charges invoiced to the Division by the delivering pipeline in connection with the transportation of gas on behalf of Customer.

4. MINIMUM BILL

The minimum monthly bill shall equal the Service Charge.

5. 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 the delinquent date shown on the bill, the gross rates shall apply.

6. SINGLE POINT DELIVERY AND JOINT SERVICE THROUGH ONE METER

6.1 Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate Transportation Service Agreement.

6.2 Customer shall install and maintain at its expense any equipment deemed necessary by the Division to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

6.3 If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of the Division. Further, at such a meter, if the Customer violates any Operational Flow Order, the Division may discontinue all services to that meter.

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7. RECEIPT AND DELIVERY POINTS

7.1 The Receipt Point(s) for all gas transported by the Division under this rate schedule shall be at a mutually agreeable interconnection between the Division facilities and the facilities of the pipeline(s) delivering gas to the Division.

7.2 The Delivery Point(s) for all gas transported by the Division under this rate schedule shall be a mutually agreeable interconnection between the Division's facilities and the facilities of Customer in the Division's service area.

7.3 Customer shall deliver and receive gas in uniform volumes during any month and in uniform hourly volumes during any day with no significant fluctuation.

8. NOMINATIONS AND SCHEDULING

8.1 Customer agrees to provide the Division in writing delivered by a method acceptable by the Division, no later than two (2) business days prior to the beginning of each calendar month, a schedule showing the daily nominated volumes it desires to have transported by the Division that month unless otherwise agreed to in the Transportation Service Agreement. Such schedule will show the volumes of gas at Points of Receipt into the Division's system. The total volume delivered to the Division shall not exceed the Maximum Daily Volume unless advance agreement is obtained from the Division.

8.2 Customer may alter the schedule of daily volumes during the calendar month provided such alteration is received by the Division before the nomination deadlines of the interstate pipeline that delivers the Customer's gas to the Receipt Point.

8.3 The Division reserves the right, at any time, to require Customer to modify its nominations to correct any imbalance if, in the Division's sole judgment, system conditions warrant such a change. Customer shall be solely responsible for any imbalance penalties occurring on the delivering pipeline system for its own account.

9. BALANCING AND PENALTIES

9.1 Operational Flow Orders

The Division shall have the right to issue Operational Flow Orders (OFOs) as specified in this Section which require actions in order to alleviate conditions which threaten the integrity of the Division's system, to maintain system operations at the pressures required to provide an efficient and reliable service, to have adequate gas supplies in the system, to maintain service to Customers, to maintain proper storage inventory levels, to maintain the system balance, or other considerations deemed necessary in the Division's sole judgment.

Notice of an OFO shall identify the time the OFO will become effective and state the estimated duration of the OFO (or, if unknown, that the OFO is indefinite). Verbal notice by telephone from the Division's dispatcher or such other notice as deemed necessary by the Division to the Customer or his authorized agent shall be deemed to be proper notice of an OFO.

All volumes tendered to the Division at a Receipt Point and/or taken by the Customer at a Delivery Point in violation of an OFO shall constitute unauthorized receipts or deliveries. In such event, the Customer shall pay an additional charge of $1.50 per ccf on such volumes up to plus or minus 110% of the volumes specified by the OFO. For any volumes exceeding that 10% tolerance level, Customer shall pay instead an additional charge of $6.00 per ccf. These charges are in addition to any imbalance charge that a Customer may incur.

Compliance with OFOs, as well as the other terms and conditions of rate schedules, rules, and

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regulations, is essential to the Division's ability to provide deliveries and services under all rate schedules. A failure by one or more Customers to comply with an OFO may affect the Division's ability to provide such deliveries and services. In such event and in addition to other provisions hereof and not in lieu of any other remedies available in law or at equity, the Division will, except for negligence, undue discrimination, or willful misconduct, have no liability or responsibility for its inability to provide deliveries and services and will be indemnified and held harmless against any claims related to such failure to provide deliveries and services by the Customer(s) failing to comply with this rate schedule. Customers will be exempt from penalties or charges on imbalances that result from complying with an OFO.

9.2 Daily Balancing

The Daily Scheduling Variance shall mean the difference between scheduled daily volumes to the Receipt Point(s) on behalf of a transporting customer and actual daily volumes taken by the Customer at the Delivery Point(s). When the Daily Scheduling Variance is within plus or minus 10% of the daily scheduled volumes, there shall be no daily balancing penalties. On each day where the Daily Scheduling Variance exceeds plus or minus 10% of daily scheduled volumes, a charge of $0.0167 per ccf shall be assessed on all volumes in excess of the plus or minus 10% tolerance.

9.3 Monthly Balancing

Customer shall maintain a concurrent balance between scheduled volumes of gas and volumes of gas actually taken by the Customer each month. If Customer does not maintain a concurrent balance between volumes of gas scheduled and volumes of gas taken, the resulting imbalance shall be cashed out to eliminate imbalances accumulated during the month. All imbalances accrued by Customer under this rate schedule shall be resolved on a monthly basis pursuant to the provisions herein.

For monthly imbalances where volumes taken by the Customer exceed scheduled deliveries to the Receipt Point(s) on behalf of the Customer, Customer shall pay the Division based on the accumulated sum of the results of the formulas listed below:

Imbalance Level	Factor
0% - <= 5%	1.00
> 5% - <= 10%	1.10
>10% - <= 15%	1.20
>15% - <= 20%	1.30
>20% - <= 25%	1.40
>25%	1.50

The amount due to the Division shall be determined by multiplying the imbalance level factor by the Index Price and then multiplying that dollar amount by the volumes within each corresponding imbalance level. In addition, the Customer shall pay the Division an amount for upstream transportation charges equal to the total imbalance volume multiplied by the currently effective maximum interstate pipeline transportation rates that serve the Memphis city gate specified in the corresponding rate schedule stated at the 100% load factor maximum rate equivalent, including all fuel and other applicable surcharges.

For monthly imbalances where scheduled receipts to the Receipt Point(s) on behalf of the Customer exceed volumes taken by the Customer, the Division shall purchase from the Customer the excess receipts. The Division shall pay the Customer based on the accumulated sum of the results of the formulas listed below:

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Imbalance Level	Factor
0% - <= 5%	1.00
> 5% - <= 10%	0.90
>10% - <= 15%	0.80
>15% - <= 20%	0.70
>20% - <= 25%	0.60
>25%	0.50

The amount due to the Customer shall be determined by multiplying the imbalance level factor by the Index Price and then multiplying that dollar amount by the volumes within each corresponding imbalance level. In addition, the Division shall credit the Customer's invoice an amount for upstream transportation charges equal to the total imbalance volume multiplied by the currently effective minimum interstate pipeline transportation rates that serve the Memphis city gate specified in the corresponding rate schedule, including all fuel and other applicable surcharges.

9.4 Index Price

Each month, Index Prices will be derived based on prices reported in natural gas trade publications. The applicable Index Price used for charging customers taking volumes in excess of deliveries may be higher than the price used for reimbursing customers whose gas deliveries exceed volumes taken.

10. RULES AND REGULATIONS

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

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULE G-1 & G-3
RESIDENTIAL RATE

AVAILABILITY
Schedule G-1 is available for domestic use to residential Customers in individual private residences or other individual dwelling units situated within the corporate limits of the City of Memphis, Tennessee. Schedule G-3 is available for domestic use to residential Customers in individual private residences or other individual dwelling units situated outside the corporate limits of the City of Memphis, Tennessee. Private dwellings in which space is occasionally used for the conduct of business by a person residing therein will be served under this rate schedule. Where a portion of the dwelling is used regularly for the conduct of business, the gas consumed in that portion so used will be separately metered and billed under another appropriate gas rate. If separate piping which permits separate metering is not provided by the Customer, the entire premises shall be classified as non-residential and billed accordingly. The Residential Rate Schedule shall not apply to service to multiple dwelling units or to institutions such as clubs, fraternities, orphanages or homes, recognized rooming or boarding houses, the space in an apartment or other residential building primarily devoted to use as an office or studio, or for professional or other gainful purposes.

Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold or shared with others. Availability of gas under this rate schedule is subject to curtailment in the event of any curtailment of the Division's supply of gas.

MONTHLY RATE (ccf equals 100 cubic feet)

SERVICE CHARGE: $13.44 per month plus,

FOR GAS CONSUMED:
First 100 ccf per month @ $0.753 per ccf
Excess over 100 ccf per month @ $0.633 per ccf, 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 monthly bill shall be equal to the Service Charge.

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 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, 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.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

PRELIMINARY

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 unless the gas is consumed in an individual residence of any type. Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold.

CONTRACT REQUIREMENT
Customers taking service under this rate schedule and having a Daily Contract Demand of 500 ccf or greater shall be required to execute written contracts. For purposes of this rate schedule, a Daily Contract Demand means the maximum quantity of service that the Division will render during a day.

MONTHLY RATE (ccf equals 100 Cubic Feet)

SERVICE CHARGE:

For meters rated up to 425 cubic feet per hour (cfh)….	$40.30
For meters rated at 426 to 1,400 cfh……..	$73.88
For meters rated over 1,400 cfh……..	$134.33

per month plus,

ALL GAS CONSUMED: $0.677 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.

MAXIMUM DAILY DEMAND
The Maximum Daily Demand shall be defined as the maximum volume consumed during a twenty-four (24) hour period during the current month. The Maximum Daily Demand shall be determined at the option of the Division according to one of the following methods:

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

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.

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MINIMUM BILL
The minimum bill shall be $0.879 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 the Service Charge listed above.

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.

SINGLE POINT DELIVERY
Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate service agreement.

Customer shall install and maintain at its expense any equipment deemed necessary by the Division to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of MLGW.

EMERGENCY CONDITIONS
In the event of a system emergency, the Division may curtail deliveries under this Rate Schedule.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULES G-8 & G-9
LARGE GENERAL SERVICE

PRELIMINARY

AVAILABILITY
This rate schedule is available for gas service to all Customers contracting for not less than 100 ccf of Maximum Daily Demand. Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold.

CONTRACT REQUIREMENT
Customer taking service under this rate schedule shall be required to execute a written contract for a period of not less than one (1) year that specifies a Daily Contract Demand. For purposes of this rate schedule, a Daily Contract Demand means the maximum quantity of service that the Division will render during a day.

MONTHLY RATE (ccf equals 100 cubic feet)

DEMAND CHARGE: $0.337 per ccf per month of Daily Contract Demand or Maximum Daily Demand during the twelve (12) months ending with the billing month, whichever is higher, plus

FOR GAS CONSUMED:
First 200,000 ccf per month @ $0.622 per ccf
Volumes exceeding 200,000 ccf per month @ $0.495 per ccf, plus

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

MAXIMUM DAILY DEMAND
The Maximum Daily Demand shall be defined as the maximum volume consumed during a twenty-four (24) hour period during the current month. The Maximum Daily Demand shall be determined at the option of MLGW according to one of the following methods:

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

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.

MINIMUM BILL
The minimum bill shall be $1.215 for each ccf of the higher of: (1) the Maximum Daily Demand during the twelve (12) months ending with the billing month, or (2) the Daily Contract Demand.

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.

SINGLE POINT DELIVERY AND JOINT SERVICE THROUGH ONE METER
Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate service agreement.

Customer shall install and maintain at its expense any equipment deemed necessary by the Division to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of the Division.

EMERGENCY CONDITIONS
In the event of a system emergency, the Division may curtail deliveries under this Rate Schedule.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULE G-10 & G-12
LARGE GENERAL SERVICE – INTERRUPTIBLE

AVAILABILITY
This rate schedule is available for gas service to all Customers contracting for not less than 1,500 ccf of Maximum Daily Demand. Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold.

Service under this rate schedule is subject to curtailment. Customers served under this rate schedule are required to have alternate fuels and/or operational procedures that will prevent plant, property, equipment, and product from sustaining any significant damages during a period of curtailment. Gas sold under this rate schedule shall be interrupted whenever, in the opinion of the Division, the interruption is necessary. Customers receiving gas service under this rate schedule shall at no time take gas during any "Period of Curtailment."

CONTRACT REQUIREMENT
Customers taking service under this rate schedule shall be required to execute written contracts for a period of not less than one (1) year that specifies a Daily Contract Demand. For purposes of this rate schedule, a Daily Contract Demand means the maximum quantity of service that the Division will render during a day.

MONTHLY RATE (ccf equals 100 cubic feet)

SERVICE CHARGE: $671.63 per month, plus

FOR GAS CONSUMED:
First 200,000 ccf per month @ $0.580 per ccf
Volumes exceeding 200,000 ccf per month @ $0.487 per ccf, plus

PURCHASED GAS ADJUSTMENT RIDER
The above rates are subject to the provisions of the Purchased Gas Adjustment Rider.

MAXIMUM DAILY DEMAND
The Maximum Daily Demand shall be defined as the maximum volume consumed during a twenty-four (24) hour period during the current month but shall not be less than 80% of the Maximum Daily Demand for any of the preceding eleven (11) months, provided that gas consumed during the months of May through September for the preceding eleven (11) months shall be excluded when determining the Maximum Daily Demand for this purpose. The Maximum Daily Demand shall be determined at the option of the Division according to one of the following methods:

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

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.

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MINIMUM BILL
The minimum monthly bill shall be $0.470 for each ccf of the higher of: (1) the Maximum Daily Demand during the twelve (12) months ending with the billing month, or (2) the Daily Contract Demand, but in no event less than the Service Charge.

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.

PERIOD OF CURTAILMENT
"Period of Curtailment" shall mean the period of time specified by the Division when giving notice to Customer or its authorized agent. It shall begin no earlier than one (1) hour after the Division gives notice to Customer. The Division may provide notice by any means, including electronic and verbal notice.

If, for any reason, Customer continues to take gas during any Period of Curtailment there shall become due and payable to the Division, not as a penalty but as liquidated damages, an amount equal to $2.50 per ccf for all gas taken. An additional charge of $10.00 per ccf shall be applied to all gas taken in excess of 10% of the Daily Contract Demand during any Period of Curtailment. This amount is to be in addition to the Division's incremental cost per ccf for all gas taken during the Period of Curtailment and all other amounts billed in accordance with this rate schedule.

During a Period of Curtailment, Customer shall have the right but not the obligation to temporarily convert service to the transportation Rate Schedule FT. As provided under Rate Schedule FT, customer would deliver, or cause to be delivered, natural gas to the Division for redelivery to Customer. Customer must perform the responsibilities of a customer under Rate Schedule FT, satisfy those terms, and pay those rates for gas redelivered by the Division, provided that the Division will not apply the Service Charge under Rate Schedule FT, but will apply the Service Charge applicable in this Rate Schedule.

SINGLE POINT DELIVERY AND JOINT SERVICE THROUGH ONE METER
Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate service agreement.

Customer shall install and maintain at its expense any equipment deemed necessary by the Division to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of the Division. Further, if the Customer takes gas during a "Period of Curtailment" at such a meter, the Division may discontinue all services to that meter.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULE G-10 & G-12 MARKET
LARGE GENERAL SERVICE – INTERRUPTIBLE

AVAILABILITY
This rate schedule is available for gas service to all Customers contracting for not less than 1,500 ccf of Maximum Daily Demand. Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold.

Service under this rate schedule is subject to curtailment. Customers served under this rate schedule are required to have alternate fuels and/or operational procedures that will prevent plant, property, equipment, and product from sustaining any significant damages during a period of curtailment. Gas sold under this rate schedule shall be interrupted whenever, in the opinion of the Division, the interruption is necessary. Customers receiving gas service under this rate schedule shall at no time take gas during any "Period of Curtailment."

CONTRACT REQUIREMENT
Customers taking service under this rate schedule shall be required to execute written contracts for a period of not less than one (1) year that specifies a Daily Contract Demand. For purposes of this rate schedule, a Daily Contract Demand means the maximum quantity of service that the Division will render during a day.

MONTHLY RATE (ccf equals 100 cubic feet)

SERVICE CHARGE: $671.63 per month, plus

FOR GAS CONSUMED:
First 200,000 ccf per month @ $0.238 per ccf
Volumes exceeding 200,000 ccf per month @ $0.145 per ccf, plus

GAS COST
Customer will be financially responsible for all gas purchased on their behalf. Gas purchases will be made at a rate determined monthly by the Division.

MAXIMUM DAILY DEMAND
The Maximum Daily Demand shall be defined as the maximum volume consumed during a twenty-four (24) hour period during the current month but shall not be less than 80% of the Maximum Daily Demand for any of the preceding eleven (11) months, provided that gas consumed during the months of May through September for the preceding eleven (11) months shall be excluded when determining the Maximum Daily Demand for this purpose. The Maximum Daily Demand shall be determined at the option of the Division according to one of the following methods:

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

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.

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MINIMUM BILL
The minimum monthly bill shall be $0.470 for each ccf of the higher of: (1) the Maximum Daily Demand during the twelve (12) months ending with the billing month, or (2) the Daily Contract Demand, but in no event less than the Service Charge.

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.

PERIOD OF CURTAILMENT
"Period of Curtailment" shall mean the period of time specified by the Division when giving notice to Customer or its authorized agent. It shall begin no earlier than one (1) hour after the Division gives notice to Customer. The Division may provide notice by any means, including electronic and verbal notice.

If, for any reason, Customer continues to take gas during any Period of Curtailment there shall become due and payable to the Division, not as a penalty but as liquidated damages, an amount equal to $2.50 per ccf for all gas taken. An additional charge of $10.00 per ccf shall be applied to all gas taken in excess of 10% of the Daily Contract Demand during any Period of Curtailment. This amount is to be in addition to the Division's incremental cost per ccf for all gas taken during the Period of Curtailment and all other amounts billed in accordance with this rate schedule.

During a Period of Curtailment, Customer shall have the right but not the obligation to temporarily convert service to the transportation Rate Schedule FT. As provided under Rate Schedule FT, customer would deliver, or cause to be delivered, natural gas to the Division for redelivery to Customer. Customer must perform the responsibilities of a customer under Rate Schedule FT, satisfy those terms, and pay those rates for gas redelivered by the Division, provided that the Division will not apply the Service Charge under Rate Schedule FT, but will apply the Service Charge applicable in this Rate Schedule.

SINGLE POINT DELIVERY AND JOINT SERVICE THROUGH ONE METER
Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate service agreement.

Customer shall install and maintain at its expense any equipment deemed necessary by MLGW to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of the Division. Further, if the Customer takes gas during a "Period of Curtailment" at such a meter, the Division may discontinue all services to that meter.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULE FT
FIRM TRANSPORTATION OF CUSTOMER-OWNED GAS
GENERAL SERVICE

1. AVAILABILITY

1.1 This rate schedule is available for the local transportation of natural gas by the Division that is owned by any Customer which: (a) delivers, or will cause to be delivered, its own natural gas to the Division for redelivery by the Division to Customer; and (b) executes a Transportation Service Agreement with the Division for service under this rate schedule that specifies a Maximum Daily Volume in excess of 1,500 ccf per day.

1.2 Gas transported under this rate schedule must be for the exclusive use of Customer in Customer's facilities located within the Division's service area such that it shall not be resold, redelivered, or reallocated by the Customer or its agent.

1.3 Customer shall provide to the Division upon request all agreements, licenses, permits, and other documents demonstrating its ability to deliver its own gas to the Division's facilities.

1.4 If Customer fails to comply with any term of this rate schedule, any term of Customer's Transportation Service Agreement, or the Rules and Regulations of the Division, the Division may refuse to perform service under this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This rate schedule shall apply to all transportation services performed by the Division for Customer during the term identified in Customer's Gas Transportation Service Agreement, up to the Maximum Daily Volume set forth in the Gas Transportation Service Agreement. Customer may not exceed its Maximum Daily Volume without prior approval of the Division. The transportation service rendered shall be on a firm basis.

2.2 If, pursuant to any the Division transportation rate schedule, the total volume nominated by Customers for transportation through a particular point of receipt into the Division system exceeds the total capacity available at that receipt point, volumes scheduled for receipt will be allocated among Customers as determined by the Division.

2.3 Provided the Division's prior consent is obtained, Customer may tender volumes of gas in excess of the Maximum Daily Volume on any day if such tender and transportation of such gas can be accomplished by the Division without detriment either to any other customer under any of the Division's sales or transportation rate schedules or to the Division's system operations. Subject to the foregoing restrictions, the Division's consent shall not be unreasonably withheld.

2.4 The Division will not be responsible for any interruption of deliveries of gas due to Force Majeure. Force Majeure shall mean act of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraint of rulers and peoples, civil disturbances, explosions, breakage or accidents to gas transmission or distribution lines, the necessity for making repairs or alterations in machinery in transmission and or distribution lines, changes in laws or regulations affecting the Division's gas transportation services not within the control of the Division, and which, by the exercise of reasonable care, the Division is unable to prevent or overcome, and whether occurring on the

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Division's distributing system or on the transmission lines by which gas is delivered to the Division. When Force Majeure occurs on the Division's system and the interruption of delivery of gas due to the Force Majeure is for a period of seventy-two (72) hours or longer, the Division will prorate the minimum bill for that part of the billing period in which delivery of gas was affected by Force Majeure and waive any associated imbalance charge.

2.5 In the event of a system emergency, the Division retains discretion to use Customer's gas to protect system integrity, provided that the Division returns the gas in kind and does not apply an imbalance charge as a result.

3. MONTHLY RATE (ccf equals 100 cubic feet)

SERVICE CHARGE: $1,924.23 per month, plus

MONTHLY BILLING VOLUME UP TO 600,000 CCF:

First 200,000 ccf per month @ $0.0761 per ccf
Next 400,000 ccf per month @ $0.0063 per ccf,

MONTHLY BILLING VOLUME IN EXCESS OF 600,000 CCF:

First 1,000,000 ccf per month @ $0.0296 per ccf
Next 3,000,000 ccf per month @ $0.0244 per ccf
Volumes exceeding 4,000,000 ccf per month @ $0.0171 per ccf,

Plus all other appropriate charges invoiced to the Division by the delivering pipeline in connection with the transportation of gas on behalf of Customer.

4. MINIMUM BILL

The minimum monthly bill shall equal the Service Charge.

5. 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 the delinquent date shown on the bill, the gross rates shall apply.

6. SINGLE POINT DELIVERY AND JOINT SERVICE THROUGH ONE METER

6.1 Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate Transportation Service Agreement.

6.2 Customer shall install and maintain at its expense any equipment deemed necessary by the Division to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

6.3 If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of the Division. Further, at such a meter, if the Customer violates any Operational Flow Order, the Division may discontinue all services to that meter.

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7. RECEIPT AND DELIVERY POINTS

7.1 The Receipt Point(s) for all gas transported by the Division under this rate schedule shall be at a mutually agreeable interconnection between the Division facilities and the facilities of the pipeline(s) delivering gas to the Division.

7.2 The Delivery Point(s) for all gas transported by the Division under this rate schedule shall be a mutually agreeable interconnection between the Division's facilities and the facilities of Customer in the Division's service area.

7.3 Customer shall deliver and receive gas in uniform volumes during any month and in uniform hourly volumes during any day with no significant fluctuation.

8. NOMINATIONS AND SCHEDULING

8.1 Customer agrees to provide the Division in writing delivered by a method acceptable by the Division, no later than two (2) business days prior to the beginning of each calendar month, a schedule showing the daily nominated volumes it desires to have transported by the Division that month unless otherwise agreed to in the Transportation Service Agreement. Such schedule will show the volumes of gas at Points of Receipt into the Division's system. The total volume delivered to the Division shall not exceed the Maximum Daily Volume unless advance agreement is obtained from the Division.

8.2 Customer may alter the schedule of daily volumes during the calendar month provided such alteration is received by the Division before the nomination deadlines of the interstate pipeline that delivers the Customer's gas to the Receipt Point.

8.3 The Division reserves the right, at any time, to require Customer to modify its nominations to correct any imbalance if, in the Division's sole judgment, system conditions warrant such a change. Customer shall be solely responsible for any imbalance penalties occurring on the delivering pipeline system for its own account.

9. BALANCING AND PENALTIES

9.1 Operational Flow Orders

The Division shall have the right to issue Operational Flow Orders (OFOs) as specified in this Section which require actions in order to alleviate conditions which threaten the integrity of the Division's system, to maintain system operations at the pressures required to provide an efficient and reliable service, to have adequate gas supplies in the system, to maintain service to Customers, to maintain proper storage inventory levels, to maintain the system balance, or other considerations deemed necessary in the Division's sole judgment.

Notice of an OFO shall identify the time the OFO will become effective and state the estimated duration of the OFO (or, if unknown, that the OFO is indefinite). Verbal notice by telephone from the Division's dispatcher or such other notice as deemed necessary by the Division to the Customer or his authorized agent shall be deemed to be proper notice of an OFO.

All volumes tendered to the Division at a Receipt Point and/or taken by the Customer at a Delivery Point in violation of an OFO shall constitute unauthorized receipts or deliveries. In such event, the Customer shall pay an additional charge of $1.50 per ccf on such volumes up to plus or minus 110% of the volumes specified by the OFO. For any volumes exceeding that 10% tolerance level, Customer shall pay instead an additional charge of $6.00 per ccf. These charges are in addition to any imbalance charge that a Customer may incur.

Compliance with OFOs, as well as the other terms and conditions of rate schedules, rules, and

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regulations, is essential to the Division's ability to provide deliveries and services under all rate schedules. A failure by one or more Customers to comply with an OFO may affect the Division's ability to provide such deliveries and services. In such event and in addition to other provisions hereof and not in lieu of any other remedies available in law or at equity, the Division will, except for negligence, undue discrimination, or willful misconduct, have no liability or responsibility for its inability to provide deliveries and services and will be indemnified and held harmless against any claims related to such failure to provide deliveries and services by the Customer(s) failing to comply with this rate schedule. Customers will be exempt from penalties or charges on imbalances that result from complying with an OFO.

9.2 Daily Balancing

The Daily Scheduling Variance shall mean the difference between scheduled daily volumes to the Receipt Point(s) on behalf of a transporting customer and actual daily volumes taken by the Customer at the Delivery Point(s). When the Daily Scheduling Variance is within plus or minus 10% of the daily scheduled volumes, there shall be no daily balancing penalties. On each day where the Daily Scheduling Variance exceeds plus or minus 10% of daily scheduled volumes, a charge of $0.0167 per ccf shall be assessed on all volumes in excess of the plus or minus 10% tolerance.

9.3 Monthly Balancing

Customer shall maintain a concurrent balance between scheduled volumes of gas and volumes of gas actually taken by the Customer each month. If Customer does not maintain a concurrent balance between volumes of gas scheduled and volumes of gas taken, the resulting imbalance shall be cashed out to eliminate imbalances accumulated during the month. All imbalances accrued by Customer under this rate schedule shall be resolved on a monthly basis pursuant to the provisions herein.

For monthly imbalances where volumes taken by the Customer exceed scheduled deliveries to the Receipt Point(s) on behalf of the Customer, Customer shall pay the Division based on the accumulated sum of the results of the formulas listed below:

Imbalance Level	Factor
0% - <= 5%	1.00
> 5% - <= 10%	1.10
>10% - <= 15%	1.20
>15% - <= 20%	1.30
>20% - <= 25%	1.40
>25%	1.50

The amount due to the Division shall be determined by multiplying the imbalance level factor by the Index Price and then multiplying that dollar amount by the volumes within each corresponding imbalance level. In addition, the Customer shall pay the Division an amount for upstream transportation charges equal to the total imbalance volume multiplied by the currently effective maximum interstate pipeline transportation rates that serve the Memphis city gate specified in the corresponding rate schedule stated at the 100% load factor maximum rate equivalent, including all fuel and other applicable surcharges.

For monthly imbalances where scheduled receipts to the Receipt Point(s) on behalf of the Customer exceed volumes taken by the Customer, the Division shall purchase from the Customer the excess receipts. The Division shall pay the Customer based on the accumulated sum of the results of the formulas listed below:

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Imbalance Level	Factor
0% - <= 5%	1.00
> 5% - <= 10%	0.90
>10% - <= 15%	0.80
>15% - <= 20%	0.70
>20% - <= 25%	0.60
>25%	0.50

The amount due to the Customer shall be determined by multiplying the imbalance level factor by the Index Price and then multiplying that dollar amount by the volumes within each corresponding imbalance level. In addition, the Division shall credit the Customer's invoice an amount for upstream transportation charges equal to the total imbalance volume multiplied by the currently effective minimum interstate pipeline transportation rates that serve the Memphis city gate specified in the corresponding rate schedule, including all fuel and other applicable surcharges.

9.4 Index Price

Each month, Index Prices will be derived based on prices reported in natural gas trade publications. The applicable Index Price used for charging customers taking volumes in excess of deliveries may be higher than the price used for reimbursing customers whose gas deliveries exceed volumes taken.

10. RULES AND REGULATIONS

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

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULE G-1 & G-3
RESIDENTIAL RATE

AVAILABILITY
Schedule G-1 is available for domestic use to residential Customers in individual private residences or other individual dwelling units situated within the corporate limits of the City of Memphis, Tennessee. Schedule G-3 is available for domestic use to residential Customers in individual private residences or other individual dwelling units situated outside the corporate limits of the City of Memphis, Tennessee. Private dwellings in which space is occasionally used for the conduct of business by a person residing therein will be served under this rate schedule. Where a portion of the dwelling is used regularly for the conduct of business, the gas consumed in that portion so used will be separately metered and billed under another appropriate gas rate. If separate piping which permits separate metering is not provided by the Customer, the entire premises shall be classified as non-residential and billed accordingly. The Residential Rate Schedule shall not apply to service to multiple dwelling units or to institutions such as clubs, fraternities, orphanages or homes, recognized rooming or boarding houses, the space in an apartment or other residential building primarily devoted to use as an office or studio, or for professional or other gainful purposes.

Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold or shared with others. Availability of gas under this rate schedule is subject to curtailment in the event of any curtailment of the Division's supply of gas.

MONTHLY RATE (ccf equals 100 cubic feet)

SERVICE CHARGE: $15.20 per month plus,

FOR GAS CONSUMED:
First 100 ccf per month @ $0.851 per ccf
Excess over 100 ccf per month @ $0.716 per ccf, 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 monthly bill shall be equal to the Service Charge.

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 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, 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.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

PRELIMINARY

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 unless the gas is consumed in an individual residence of any type. Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold.

CONTRACT REQUIREMENT
Customers taking service under this rate schedule and having a Daily Contract Demand of 500 ccf or greater shall be required to execute written contracts. For purposes of this rate schedule, a Daily Contract Demand means the maximum quantity of service that the Division will render during a day.

MONTHLY RATE (ccf equals 100 Cubic Feet)

SERVICE CHARGE:

For meters rated up to 425 cubic feet per hour (cfh)….	$45.57
For meters rated at 426 to 1,400 cfh……..	$83.53
For meters rated over 1,400 cfh……..	$151.88

per month plus,

ALL GAS CONSUMED: $0.765 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.

MAXIMUM DAILY DEMAND
The Maximum Daily Demand shall be defined as the maximum volume consumed during a twenty-four (24) hour period during the current month. The Maximum Daily Demand shall be determined at the option of the Division according to one of the following methods:

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

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.

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MINIMUM BILL
The minimum bill shall be $0.994 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 the Service Charge listed above.

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.

SINGLE POINT DELIVERY
Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate service agreement.

Customer shall install and maintain at its expense any equipment deemed necessary by the Division to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of MLGW.

EMERGENCY CONDITIONS
In the event of a system emergency, the Division may curtail deliveries under this Rate Schedule.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULES G-8 & G-9
LARGE GENERAL SERVICE

AVAILABILITY
This rate schedule is available for gas service to all Customers contracting for not less than 100 ccf of Maximum Daily Demand. Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold.

CONTRACT REQUIREMENT
Customer taking service under this rate schedule shall be required to execute a written contract for a period of not less than one (1) year that specifies a Daily Contract Demand. For purposes of this rate schedule, a Daily Contract Demand means the maximum quantity of service that the Division will render during a day.

MONTHLY RATE (ccf equals 100 cubic feet)

DEMAND CHARGE: $0.381 per ccf per month of Daily Contract Demand or Maximum Daily Demand during the twelve (12) months ending with the billing month, whichever is higher, plus

FOR GAS CONSUMED:
First 200,000 ccf per month @ $0.703 per ccf
Volumes exceeding 200,000 ccf per month @ $0.560 per ccf, plus

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

MAXIMUM DAILY DEMAND
The Maximum Daily Demand shall be defined as the maximum volume consumed during a twenty-four (24) hour period during the current month. The Maximum Daily Demand shall be determined at the option of MLGW according to one of the following methods:

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

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.

PRELIMINARY

MINIMUM BILL
The minimum bill shall be $1.374 for each ccf of the higher of: (1) the Maximum Daily Demand during the twelve (12) months ending with the billing month, or (2) the Daily Contract Demand.

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.

SINGLE POINT DELIVERY AND JOINT SERVICE THROUGH ONE METER
Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate service agreement.

Customer shall install and maintain at its expense any equipment deemed necessary by the Division to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of the Division.

EMERGENCY CONDITIONS
In the event of a system emergency, the Division may curtail deliveries under this Rate Schedule.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULE G-10 & G-12
LARGE GENERAL SERVICE – INTERRUPTIBLE

AVAILABILITY
This rate schedule is available for gas service to all Customers contracting for not less than 1,500 ccf of Maximum Daily Demand. Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold.

Service under this rate schedule is subject to curtailment. Customers served under this rate schedule are required to have alternate fuels and/or operational procedures that will prevent plant, property, equipment, and product from sustaining any significant damages during a period of curtailment. Gas sold under this rate schedule shall be interrupted whenever, in the opinion of the Division, the interruption is necessary. Customers receiving gas service under this rate schedule shall at no time take gas during any "Period of Curtailment."

CONTRACT REQUIREMENT
Customers taking service under this rate schedule shall be required to execute written contracts for a period of not less than one (1) year that specifies a Daily Contract Demand. For purposes of this rate schedule, a Daily Contract Demand means the maximum quantity of service that the Division will render during a day.

MONTHLY RATE (ccf equals 100 cubic feet)

SERVICE CHARGE: $759.38 per month, plus

FOR GAS CONSUMED:
First 200,000 ccf per month @ $0.656 per ccf
Volumes exceeding 200,000 ccf per month @ $0.551 per ccf, plus

PURCHASED GAS ADJUSTMENT RIDER
The above rates are subject to the provisions of the Purchased Gas Adjustment Rider.

MAXIMUM DAILY DEMAND
The Maximum Daily Demand shall be defined as the maximum volume consumed during a twenty-four (24) hour period during the current month but shall not be less than 80% of the Maximum Daily Demand for any of the preceding eleven (11) months, provided that gas consumed during the months of May through September for the preceding eleven (11) months shall be excluded when determining the Maximum Daily Demand for this purpose. The Maximum Daily Demand shall be determined at the option of the Division according to one of the following methods:

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

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.

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MINIMUM BILL
The minimum monthly bill shall be $0.531 for each ccf of the higher of: (1) the Maximum Daily Demand during the twelve (12) months ending with the billing month, or (2) the Daily Contract Demand, but in no event less than the Service Charge.

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.

PERIOD OF CURTAILMENT
"Period of Curtailment" shall mean the period of time specified by the Division when giving notice to Customer or its authorized agent. It shall begin no earlier than one (1) hour after the Division gives notice to Customer. The Division may provide notice by any means, including electronic and verbal notice.

If, for any reason, Customer continues to take gas during any Period of Curtailment there shall become due and payable to the Division, not as a penalty but as liquidated damages, an amount equal to $2.50 per ccf for all gas taken. An additional charge of $10.00 per ccf shall be applied to all gas taken in excess of 10% of the Daily Contract Demand during any Period of Curtailment. This amount is to be in addition to the Division's incremental cost per ccf for all gas taken during the Period of Curtailment and all other amounts billed in accordance with this rate schedule.

During a Period of Curtailment, Customer shall have the right but not the obligation to temporarily convert service to the transportation Rate Schedule FT. As provided under Rate Schedule FT, customer would deliver, or cause to be delivered, natural gas to the Division for redelivery to Customer. Customer must perform the responsibilities of a customer under Rate Schedule FT, satisfy those terms, and pay those rates for gas redelivered by the Division, provided that the Division will not apply the Service Charge under Rate Schedule FT, but will apply the Service Charge applicable in this Rate Schedule.

SINGLE POINT DELIVERY AND JOINT SERVICE THROUGH ONE METER
Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate service agreement.

Customer shall install and maintain at its expense any equipment deemed necessary by the Division to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of the Division. Further, if the Customer takes gas during a "Period of Curtailment" at such a meter, the Division may discontinue all services to that meter.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULE G-10 & G-12 MARKET
LARGE GENERAL SERVICE – INTERRUPTIBLE

AVAILABILITY
This rate schedule is available for gas service to all Customers contracting for not less than 1,500 ccf of Maximum Daily Demand. Gas supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold.

Service under this rate schedule is subject to curtailment. Customers served under this rate schedule are required to have alternate fuels and/or operational procedures that will prevent plant, property, equipment, and product from sustaining any significant damages during a period of curtailment. Gas sold under this rate schedule shall be interrupted whenever, in the opinion of the Division, the interruption is necessary. Customers receiving gas service under this rate schedule shall at no time take gas during any "Period of Curtailment."

CONTRACT REQUIREMENT
Customers taking service under this rate schedule shall be required to execute written contracts for a period of not less than one (1) year that specifies a Daily Contract Demand. For purposes of this rate schedule, a Daily Contract Demand means the maximum quantity of service that the Division will render during a day.

MONTHLY RATE (ccf equals 100 cubic feet)

SERVICE CHARGE: $759.38 per month, plus

FOR GAS CONSUMED:
First 200,000 ccf per month @ $0.314 per ccf
Volumes exceeding 200,000 ccf per month @ $0.209 per ccf, plus

GAS COST
Customer will be financially responsible for all gas purchased on their behalf. Gas purchases will be made at a rate determined monthly by the Division.

MAXIMUM DAILY DEMAND
The Maximum Daily Demand shall be defined as the maximum volume consumed during a twenty-four (24) hour period during the current month but shall not be less than 80% of the Maximum Daily Demand for any of the preceding eleven (11) months, provided that gas consumed during the months of May through September for the preceding eleven (11) months shall be excluded when determining the Maximum Daily Demand for this purpose. The Maximum Daily Demand shall be determined at the option of the Division according to one of the following methods:

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

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.

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MINIMUM BILL
The minimum monthly bill shall be $0.531 for each ccf of the higher of: (1) the Maximum Daily Demand during the twelve (12) months ending with the billing month, or (2) the Daily Contract Demand, but in no event less than the Service Charge.

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.

PERIOD OF CURTAILMENT
"Period of Curtailment" shall mean the period of time specified by the Division when giving notice to Customer or its authorized agent. It shall begin no earlier than one (1) hour after the Division gives notice to Customer. The Division may provide notice by any means, including electronic and verbal notice.

If, for any reason, Customer continues to take gas during any Period of Curtailment there shall become due and payable to the Division, not as a penalty but as liquidated damages, an amount equal to $2.50 per ccf for all gas taken. An additional charge of $10.00 per ccf shall be applied to all gas taken in excess of 10% of the Daily Contract Demand during any Period of Curtailment. This amount is to be in addition to the Division's incremental cost per ccf for all gas taken during the Period of Curtailment and all other amounts billed in accordance with this rate schedule.

During a Period of Curtailment, Customer shall have the right but not the obligation to temporarily convert service to the transportation Rate Schedule FT. As provided under Rate Schedule FT, customer would deliver, or cause to be delivered, natural gas to the Division for redelivery to Customer. Customer must perform the responsibilities of a customer under Rate Schedule FT, satisfy those terms, and pay those rates for gas redelivered by the Division, provided that the Division will not apply the Service Charge under Rate Schedule FT, but will apply the Service Charge applicable in this Rate Schedule.

SINGLE POINT DELIVERY AND JOINT SERVICE THROUGH ONE METER
Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate service agreement.

Customer shall install and maintain at its expense any equipment deemed necessary by MLGW to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of the Division. Further, if the Customer takes gas during a "Period of Curtailment" at such a meter, the Division may discontinue all services to that meter.

RULES AND REGULATIONS
Service is subject to the Rules and Regulations of the Division.

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MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS

GAS SERVICE

SCHEDULE FT
FIRM TRANSPORTATION OF CUSTOMER-OWNED GAS
GENERAL SERVICE

1. AVAILABILITY

1.1 This rate schedule is available for the local transportation of natural gas by the Division that is owned by any Customer which: (a) delivers, or will cause to be delivered, its own natural gas to the Division for redelivery by the Division to Customer; and (b) executes a Transportation Service Agreement with the Division for service under this rate schedule that specifies a Maximum Daily Volume in excess of 1,500 ccf per day.

1.2 Gas transported under this rate schedule must be for the exclusive use of Customer in Customer's facilities located within the Division's service area such that it shall not be resold, redelivered, or reallocated by the Customer or its agent.

1.3 Customer shall provide to the Division upon request all agreements, licenses, permits, and other documents demonstrating its ability to deliver its own gas to the Division's facilities.

1.4 If Customer fails to comply with any term of this rate schedule, any term of Customer's Transportation Service Agreement, or the Rules and Regulations of the Division, the Division may refuse to perform service under this rate schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This rate schedule shall apply to all transportation services performed by the Division for Customer during the term identified in Customer's Gas Transportation Service Agreement, up to the Maximum Daily Volume set forth in the Gas Transportation Service Agreement. Customer may not exceed its Maximum Daily Volume without prior approval of the Division. The transportation service rendered shall be on a firm basis.

2.2 If, pursuant to any the Division transportation rate schedule, the total volume nominated by Customers for transportation through a particular point of receipt into the Division system exceeds the total capacity available at that receipt point, volumes scheduled for receipt will be allocated among Customers as determined by the Division.

2.3 Provided the Division's prior consent is obtained, Customer may tender volumes of gas in excess of the Maximum Daily Volume on any day if such tender and transportation of such gas can be accomplished by the Division without detriment either to any other customer under any of the Division's sales or transportation rate schedules or to the Division's system operations. Subject to the foregoing restrictions, the Division's consent shall not be unreasonably withheld.

2.4 The Division will not be responsible for any interruption of deliveries of gas due to Force Majeure. Force Majeure shall mean act of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraint of rulers and peoples, civil disturbances, explosions, breakage or accidents to gas transmission or distribution lines, the necessity for making repairs or alterations in machinery in transmission and or distribution lines, changes in laws or regulations affecting the Division's gas transportation services not within the control of the Division, and which, by the exercise of reasonable care, the Division is unable to prevent or overcome, and whether occurring on the

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Division's distributing system or on the transmission lines by which gas is delivered to the Division. When Force Majeure occurs on the Division's system and the interruption of delivery of gas due to the Force Majeure is for a period of seventy-two (72) hours or longer, the Division will prorate the minimum bill for that part of the billing period in which delivery of gas was affected by Force Majeure and waive any associated imbalance charge.

2.5 In the event of a system emergency, the Division retains discretion to use Customer's gas to protect system integrity, provided that the Division returns the gas in kind and does not apply an imbalance charge as a result.

3. MONTHLY RATE (ccf equals 100 cubic feet)

SERVICE CHARGE: $2,135.90 per month, plus

MONTHLY BILLING VOLUME UP TO 600,000 CCF:

First 200,000 ccf per month @ $0.0845 per ccf
Next 400,000 ccf per month @ $0.0070 per ccf,

MONTHLY BILLING VOLUME IN EXCESS OF 600,000 CCF:

First 1,000,000 ccf per month @ $0.0329 per ccf
Next 3,000,000 ccf per month @ $0.0271 per ccf
Volumes exceeding 4,000,000 ccf per month @ $0.0190 per ccf,

Plus all other appropriate charges invoiced to the Division by the delivering pipeline in connection with the transportation of gas on behalf of Customer.

4. MINIMUM BILL

The minimum monthly bill shall equal the Service Charge.

5. 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 the delinquent date shown on the bill, the gross rates shall apply.

6. SINGLE POINT DELIVERY AND JOINT SERVICE THROUGH ONE METER

6.1 Service under this rate schedule shall be delivered to a single meter and at a single pressure. Service for the same Customer at other meters or at different pressures shall be separately metered and billed under a separate Transportation Service Agreement.

6.2 Customer shall install and maintain at its expense any equipment deemed necessary by the Division to provide service under this rate schedule, including, but not limited to, telephone lines and power outlets.

6.3 If a Customer receives service under more than one rate schedule at a meter, the volumes delivered under each rate schedule will be determined as provided in the Rules and Regulations of the Division. Further, at such a meter, if the Customer violates any Operational Flow Order, the Division may discontinue all services to that meter.

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7. RECEIPT AND DELIVERY POINTS

7.1 The Receipt Point(s) for all gas transported by the Division under this rate schedule shall be at a mutually agreeable interconnection between the Division facilities and the facilities of the pipeline(s) delivering gas to the Division.

7.2 The Delivery Point(s) for all gas transported by the Division under this rate schedule shall be a mutually agreeable interconnection between the Division's facilities and the facilities of Customer in the Division's service area.

7.3 Customer shall deliver and receive gas in uniform volumes during any month and in uniform hourly volumes during any day with no significant fluctuation.

8. NOMINATIONS AND SCHEDULING

8.1 Customer agrees to provide the Division in writing delivered by a method acceptable by the Division, no later than two (2) business days prior to the beginning of each calendar month, a schedule showing the daily nominated volumes it desires to have transported by the Division that month unless otherwise agreed to in the Transportation Service Agreement. Such schedule will show the volumes of gas at Points of Receipt into the Division's system. The total volume delivered to the Division shall not exceed the Maximum Daily Volume unless advance agreement is obtained from the Division.

8.2 Customer may alter the schedule of daily volumes during the calendar month provided such alteration is received by the Division before the nomination deadlines of the interstate pipeline that delivers the Customer's gas to the Receipt Point.

8.3 The Division reserves the right, at any time, to require Customer to modify its nominations to correct any imbalance if, in the Division's sole judgment, system conditions warrant such a change. Customer shall be solely responsible for any imbalance penalties occurring on the delivering pipeline system for its own account.

9. BALANCING AND PENALTIES

9.1 Operational Flow Orders

The Division shall have the right to issue Operational Flow Orders (OFOs) as specified in this Section which require actions in order to alleviate conditions which threaten the integrity of the Division's system, to maintain system operations at the pressures required to provide an efficient and reliable service, to have adequate gas supplies in the system, to maintain service to Customers, to maintain proper storage inventory levels, to maintain the system balance, or other considerations deemed necessary in the Division's sole judgment.

Notice of an OFO shall identify the time the OFO will become effective and state the estimated duration of the OFO (or, if unknown, that the OFO is indefinite). Verbal notice by telephone from the Division's dispatcher or such other notice as deemed necessary by the Division to the Customer or his authorized agent shall be deemed to be proper notice of an OFO.

All volumes tendered to the Division at a Receipt Point and/or taken by the Customer at a Delivery Point in violation of an OFO shall constitute unauthorized receipts or deliveries. In such event, the Customer shall pay an additional charge of $1.50 per ccf on such volumes up to plus or minus 110% of the volumes specified by the OFO. For any volumes exceeding that 10% tolerance level, Customer shall pay instead an additional charge of $6.00 per ccf. These charges are in addition to any imbalance charge that a Customer may incur.

Compliance with OFOs, as well as the other terms and conditions of rate schedules, rules, and

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regulations, is essential to the Division's ability to provide deliveries and services under all rate schedules. A failure by one or more Customers to comply with an OFO may affect the Division's ability to provide such deliveries and services. In such event and in addition to other provisions hereof and not in lieu of any other remedies available in law or at equity, the Division will, except for negligence, undue discrimination, or willful misconduct, have no liability or responsibility for its inability to provide deliveries and services and will be indemnified and held harmless against any claims related to such failure to provide deliveries and services by the Customer(s) failing to comply with this rate schedule. Customers will be exempt from penalties or charges on imbalances that result from complying with an OFO.

9.2 Daily Balancing

The Daily Scheduling Variance shall mean the difference between scheduled daily volumes to the Receipt Point(s) on behalf of a transporting customer and actual daily volumes taken by the Customer at the Delivery Point(s). When the Daily Scheduling Variance is within plus or minus 10% of the daily scheduled volumes, there shall be no daily balancing penalties. On each day where the Daily Scheduling Variance exceeds plus or minus 10% of daily scheduled volumes, a charge of $0.0167 per ccf shall be assessed on all volumes in excess of the plus or minus 10% tolerance.

9.3 Monthly Balancing

Customer shall maintain a concurrent balance between scheduled volumes of gas and volumes of gas actually taken by the Customer each month. If Customer does not maintain a concurrent balance between volumes of gas scheduled and volumes of gas taken, the resulting imbalance shall be cashed out to eliminate imbalances accumulated during the month. All imbalances accrued by Customer under this rate schedule shall be resolved on a monthly basis pursuant to the provisions herein.

For monthly imbalances where volumes taken by the Customer exceed scheduled deliveries to the Receipt Point(s) on behalf of the Customer, Customer shall pay the Division based on the accumulated sum of the results of the formulas listed below:

Imbalance Level	Factor
0% - <= 5%	1.00
> 5% - <= 10%	1.10
>10% - <= 15%	1.20
>15% - <= 20%	1.30
>20% - <= 25%	1.40
>25%	1.50

The amount due to the Division shall be determined by multiplying the imbalance level factor by the Index Price and then multiplying that dollar amount by the volumes within each corresponding imbalance level. In addition, the Customer shall pay the Division an amount for upstream transportation charges equal to the total imbalance volume multiplied by the currently effective maximum interstate pipeline transportation rates that serve the Memphis city gate specified in the corresponding rate schedule stated at the 100% load factor maximum rate equivalent, including all fuel and other applicable surcharges.

For monthly imbalances where scheduled receipts to the Receipt Point(s) on behalf of the Customer exceed volumes taken by the Customer, the Division shall purchase from the Customer the excess receipts. The Division shall pay the Customer based on the accumulated sum of the results of the formulas listed below:

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Imbalance Level	Factor
0% - <= 5%	1.00
> 5% - <= 10%	0.90
>10% - <= 15%	0.80
>15% - <= 20%	0.70
>20% - <= 25%	0.60
>25%	0.50

The amount due to the Customer shall be determined by multiplying the imbalance level factor by the Index Price and then multiplying that dollar amount by the volumes within each corresponding imbalance level. In addition, the Division shall credit the Customer's invoice an amount for upstream transportation charges equal to the total imbalance volume multiplied by the currently effective minimum interstate pipeline transportation rates that serve the Memphis city gate specified in the corresponding rate schedule, including all fuel and other applicable surcharges.

9.4 Index Price

Each month, Index Prices will be derived based on prices reported in natural gas trade publications. The applicable Index Price used for charging customers taking volumes in excess of deliveries may be higher than the price used for reimbursing customers whose gas deliveries exceed volumes taken.

10. RULES AND REGULATIONS

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

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-1

RESIDENTIAL RATE

AVAILABILITY

This schedule is available for water service within the corporate limits of the City of Memphis 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: $2.704 per ccf per month

MINIMUM BILL

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

5/8” meter	$10.58	1-1/2” meter	$65.86
3/4” meter	$16.50	2” meter	$117.08
1” meter	$29.27		

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

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: $4.210 per ccf per month

MINIMUM BILL

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

5/8” meter	$14.73	1-1/2” meter	$91.63
3/4” meter	$22.89	2” meter	$162.87
1” meter	$40.75		

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-5

TEMPORARY

AVAILABILITY

This schedule is available for temporary water service to all customers using water through a metered fire hydrant connection within the corporate limits of the City of Memphis. Such temporary service shall include, but not necessarily be limited to construction, carnivals and festivals, replacement of supplies due to failure or interruption of customer's own water system, or any service whose duration is expected to be six months or less.

RATE FOR CONSUMPTION DURING PERMIT PERIOD (ccf equals 100 cubic feet)

When meter is returned bill will be calculated as follows:

First	200 ccf	@	$5.066	per ccf
Next	400 ccf	@	$3.393	per ccf
Excess over	600 ccf	@	$1.699	per ccf

MINIMUM BILL AND REFUNDABLE DEPOSIT

Refer to Rules and Regulations of MLGW Service Policy Manual.

PAYMENT

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

CONTRACT REQUIREMENT

Customers receiving service under this rate schedule will be required to execute a Temporary Water Permit for a period of not more than six (6) months. Such permits may be renewed at customer's request after payment for consumption during initial permit. MLGW may deny renewal at its discretion.

SINGLE POINT DELIVERY

The above rates apply to consumption through each meter. If customer has more than one meter the consumption will not be combined for calculation of bill.

RULES AND REGULATIONS

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

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-6

TEMPORARY

AVAILABILITY

This schedule is available for temporary water service to all customers using water through a metered fire hydrant connection 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. Such temporary service shall include, but not necessarily be limited to construction, carnivals and festivals, replacement of supplies due to failure or interruption of customer's own water system, or any service whose duration is expected to be six months or less.

RATE FOR CONSUMPTION DURING PERMIT PERIOD (ccf equals 100 cubic feet)

When meter is returned, bill will be calculated as follows:

First	200 ccf	@	$7.603	per ccf
Next	400 ccf	@	$5.092	per ccf
Excess over	600 ccf	@	$2.533	per ccf

MINIMUM BILL AND REFUNDABLE DEPOSIT

Refer to Rules and Regulations of MLGW Service Policy Manual.

PAYMENT

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

CONTRACT REQUIREMENT

Customers receiving service under this rate schedule will be required to execute a Temporary Water Permit for a period of not more than six (6) months. Such permits may be renewed at customer's request after payment for consumption during initial permit. MLGW may deny renewal at its discretion.

SINGLE POINT DELIVERY

The above rates apply to consumption through each meter. If customer has more than one meter the consumption will not be combined for calculation of bill.

RULES AND REGULATIONS

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

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-7

GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service to all customers within the corporate limits of the City of Memphis, except residential customers using service exclusively for domestic use.

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)

First	30	ccf of water consumed per month	@	$3.403	per ccf
Next	70	ccf of water consumed per month	@	$3.179	per ccf
Next	100	ccf of water consumed per month	@	$2.902	per ccf
Next	400	ccf of water consumed per month	@	$2.334	per ccf
Next	5,400	ccf of water consumed per month	@	$1.425	per ccf
Excess over	6,000	ccf of water consumed per month	@	$1.485	per ccf

MINIMUM BILL

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

5/8” meter	$21.58	2” meter	$179.92	8” meter	$823.09
3/4” meter	$25.18	3” meter	$359.71	10” meter	$1,705.01
1” meter	$43.13	4” meter	$537.93	12” meter	$2,379.04
1-1/2” meter	$86.32	6” meter	$680.48	14” meter	$3,271.22

Battery of 2 - 2" meters	$359.71
Battery of 3 - 2" meters	$537.93

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-8

GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service to all customers 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 (except residential customers using service exclusively for domestic use).

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)

First	30	ccf of water consumed per month	@	$4.999	per ccf
Next	70	ccf of water consumed per month	@	$4.749	per ccf
Next	100	ccf of water consumed per month	@	$4.559	per ccf
Next	400	ccf of water consumed per month	@	$3.729	per ccf
Next	5,400	ccf of water consumed per month	@	$2.160	per ccf
Excess over	6,000	ccf of water consumed per month	@	$2.240	per ccf

MINIMUM BILL

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

5/8” meter	$33.01	2” meter	$274.99	8” meter	$1,257.72
3/4” meter	$38.51	3” meter	$550.02	10” meter	$2,605.40
1” meter	$66.01	4” meter	$821.97	12” meter	$3,635.41
1-1/2” meter	$131.97	6” meter	$1,039.86	14” meter	$4,995.26

Battery of 2 - 2" meters	$550.02
Battery of 3 - 2" meters	$821.97

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-9

RESALE

AVAILABILITY

This schedule is available for water service to utility districts, created, organized and existing pursuant to the Utility District Act of 1937, as amended, under the laws of the State of Tennessee, or to incorporated towns, for resale within the service areas of said utility districts or incorporated towns within Shelby County and not for resale except to individual consumers; said availability being limited to a maximum quantity of water as may be determined by the Board of Light, Gas and Water Commissioners and agreed on by contract.

MONTHLY RATE (ccf equals 100 cubic feet)

$2.839 per ccf for all water received by customer at the point or points of delivery.

MINIMUM BILL

The Minimum Monthly Bill shall be determined in the definitive contract.

PAYMENT

The above rates are net and all amounts shall be due on the fifteenth (15th) of the month following the month in which the water was used or five (5) days after receipt of bill from Division whichever is the later.

CONTRACT REQUIREMENT

Service under this schedule will be rendered only when the Division has adequate facilities in its distribution system to render such service without any additions thereto and the contract shall be for a period of not less than three (3) years. Other conditions for rendering service shall be as mutually agreed under a definitive contract.

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, or as provided in the definitive contract.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-10

LARGE GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service to all customers within the corporate limits of the City of Memphis (except residential customers using service exclusively for domestic use), contracting for not less than 6,000 ccf of monthly water consumption.

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)

First	30	ccf of water consumed per month	@	$3.403	per ccf
Next	70	ccf of water consumed per month	@	$3.179	per ccf
Next	100	ccf of water consumed per month	@	$2.902	per ccf
Next	400	ccf of water consumed per month	@	$2.334	per ccf
Excess over	600	ccf of water consumed per month	@	$1.425	per ccf

MINIMUM BILL

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

5/8” meter	$21.58	2” meter	$179.92	8” meter	$823.09
3/4” meter	$25.18	3” meter	$359.71	10” meter	$1,705.01
1” meter	$43.13	4” meter	$537.93	12” meter	$2,379.04
1-1/2” meter	$86.32	6” meter	$680.48	14” meter	$3,271.22

Battery of 2 - 2" meters	$359.71
Battery of 3 - 2" meters	$537.93

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-11

GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service to all customers outside the corporate limits of the City of Memphis (except residential customers using service exclusively for domestic use), contracting for not less than 6,000 ccf of monthly water consumption.

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)

First	30	ccf of water consumed per month	@	$4.999	per ccf
Next	70	ccf of water consumed per month	@	$4.749	per ccf
Next	100	ccf of water consumed per month	@	$4.559	per ccf
Next	400	ccf of water consumed per month	@	$3.729	per ccf
Excess over	600	ccf of water consumed per month	@	$2.160	per ccf

MINIMUM BILL

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

5/8” meter	$33.01	2” meter	$274.99	8” meter	$1,257.72
3/4” meter	$38.51	3” meter	$550.02	10” meter	$2,605.40
1” meter	$66.01	4” meter	$821.97	12” meter	$3,635.41
1-1/2” meter	$131.97	6” meter	$1,039.86	14” meter	$4,995.26

Battery of 2 - 2" meters	$550.02
Battery of 3 - 2" meters	$821.97

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-15

DATA SERVICE RATE

AVAILABILITY
This schedule is available for water service to all data centers within the corporate limits of the City of Memphis. A customer will be considered a data center if most of their water usage is for activities that meet one of the following criteria: (1) activities classified under the 2022 North American Industry Classification System (NAICS) subsector codes 518 or 519, except for 519210; (2) activities classified under 2022 NAICS codes 522320 or 541214; or (3) activities that, in the Division's sole discretion, are used to operate computational equipment.

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)

First	30	ccf of water consumed per month	@	$3.743	per ccf
Next	70	ccf of water consumed per month	@	$3.497	per ccf
Next	100	ccf of water consumed per month	@	$3.192	per ccf
Next	400	ccf of water consumed per month	@	$2.567	per ccf
Excess over	600	ccf of water consumed per month	@	$1.568	per ccf

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

5/8" meter	$23.74	2" meter	$197.91	8" meter	$905.40
3/4" meter	$27.70	3" meter	$395.68	10" meter	$1,875.51
1" meter	$47.44	4" meter	$591.72	12" meter	$2,616.94
1-1/2" meter	$94.95	6" meter	$748.53	14" meter	$3,598.34

Battery of 2 - 2" meters	$395.68
Battery of 3 - 2" meters	$591.72

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-16

DATA SERVICE RATE

AVAILABILITY
This schedule is available for water service to all data centers outside the corporate limits of the City of Memphis. A customer will be considered a data center if most of their water usage is for activities that meet one of the following criteria: (1) activities classified under the 2022 North American Industry Classification System (NAICS) subsector codes 518 or 519, except for 519210; (2) activities classified under 2022 NAICS codes 522320 or 541214; or (3) activities that, in the Division's sole discretion, are used to operate computational equipment.

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)

First	30	ccf of water consumed per month	@	$5.499	per ccf
Next	70	ccf of water consumed per month	@	$5.224	per ccf
Next	100	ccf of water consumed per month	@	$5.015	per ccf
Next	400	ccf of water consumed per month	@	$4.102	per ccf
Excess over	600	ccf of water consumed per month	@	$2.376	per ccf

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

5/8" meter	$36.31	2" meter	$302.49	8" meter	$1,383.49
3/4" meter	$42.36	3" meter	$605.02	10" meter	$2,865.94
1" meter	$72.61	4" meter	$904.17	12" meter	$3,998.95
1-1/2" meter	$145.17	6" meter	$1,143.85	14" meter	$5,494.79

Battery of 2 - 2" meters	$605.02
Battery of 3 - 2" meters	$904.17

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-51

RESIDENTIAL RATE

AVAILABILITY

This schedule is available for water service within the area 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: $4.210 per ccf per month

MINIMUM BILL

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

5/8” meter	$14.73	1-1/2” meter	$91.63
3/4” meter	$22.89	2” meter	$162.87
1” meter	$40.75		

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.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-53

CONSTRUCTION SERVICE - TEMPORARY

AVAILABILITY

This schedule is available for temporary water service to all customers using water through a metered fire hydrant connection outside the corporate city limits of the City of Memphis, within 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. Such temporary service shall include, but not necessarily be limited to construction, carnivals, and festivals, replacement of supplies due to failure or interruption of customer's own water system, or any service whose duration is expected to be six months or less.

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

MONTHLY RATE (ccf equals 100 cubic feet)

When meter is returned, bill will be calculated as follows:

First	200 ccf	@	$7.603	per ccf
Next	400 ccf	@	$5.092	per ccf
Excess over	600 ccf	@	$2.533	per ccf

MINIMUM BILL

Refer to Rules and Regulations of MLGW Service Policy Manual.

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.

CONTRACT REQUIREMENT

Customers receiving service under this rate schedule will be required to execute a Temporary Water Permit for a period of not more than six (6) months. Such permits may be renewed at customer's request after payment of consumption during initial permit. MLGW may deny renewal at its discretion.

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.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-57

GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service within the area 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 all customers except residential customers using service exclusively for domestic use.

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)

First	30	ccf of water consumed per month	@	$4.999	per ccf
Next	70	ccf of water consumed per month	@	$4.749	per ccf
Next	100	ccf of water consumed per month	@	$4.559	per ccf
Next	400	ccf of water consumed per month	@	$3.729	per ccf
Next	5,400	ccf of water consumed per month	@	$2.160	per ccf
Excess over	6,000	ccf of water consumed per month	@	$2.240	per ccf

MINIMUM BILL

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

5/8” meter	$33.01	2” meter	$274.99	8” meter	$1,257.72
3/4” meter	$38.51	3” meter	$550.02	10” meter	$2,605.40
1” meter	$66.01	4” meter	$821.97	12” meter	$3,635.41
1-1/2” meter	$131.97	6” meter	$1,039.86	14” meter	$4,995.26

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE FP-1

FIRE PROTECTION

AVAILABILITY

This schedule is available for fire protection service to all customers within the corporate limits of the City of Memphis.

Water supplied under this schedule shall be used only for fire extinguishing purposes.

ANNUAL RATE

SPRINKLER SYSTEMS

Connection Size	Annual Charge
4" or smaller	$649.22
6"	$822.70
8"	$1,723.31
10"	$2,121.13
12"	$2,540.83
14"	$2,966.15
16"	$3,385.83

Charges for each connection size above include 600 sprinkler heads or less. An additional annual charge of $0.1791 per sprinkler head will apply for all sprinkler heads in excess of 600.

Whenever it becomes necessary to fill the tank connected to customer's sprinkler system, the Division must be notified, and the seals on the system broken in the presence of its inspector.

Charge for water so used shall be at metered rates in accordance with Rate Schedule W-7, except that the Minimum Charge shall be $35.04.

FIRE HYDRANTS

Each hydrant with one 2-1/2 inch hose opening, $408.50 per annum.

Each hydrant with two 2-1/2 inch hose openings, $649.22 per annum.

If more hydrants are installed than can be supplied with water simultaneously through the connection provided, the Division will make a charge for only that number of hydrants that Division determines can be supplied with water at the same time.

PRELIMINARY

STANDPIPES

Connection Size	Annual Charge
2"	$408.50
4"	$649.22
6"	$822.70
8"	$1,723.31
10"	$2,121.13
12"	$2,540.83
14"	$2,966.15
16"	$3,385.83

Charges for each connection size above include 50,000 square feet or less of protected area. An additional annual charge of $0.3520 per 100 square feet will apply for all area protected in excess of 50,000 square feet.

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. Current monthly charge shall be 1/12th of the "ANNUAL RATE."

CONTRACT REQUIREMENT

Service under this schedule shall be taken for a minimum term of one (1) year. Customers to whom this rate is applicable will be required to execute contracts.

RULES AND REGULATIONS

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

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 5, 2027

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

FIRE PROTECTION

AVAILABILITY

This schedule is available for fire protection service to all customers outside the corporate limits of the City of Memphis.

Water supplied under this schedule shall be used only for fire extinguishing purposes.

ANNUAL RATE

SPRINKLER SYSTEMS

Connection Size	Annual Charge
4" or smaller	$973.95
6"	$1,236.98
8"	$2,580.25
10"	$3,184.88
12"	$3,805.95
14"	$4,449.63
16"	$5,093.26

Charges for each connection size above include 600 sprinkler heads or less. An additional annual charge of $0.2794 per sprinkler head will apply for all sprinkler heads in excess of 600.

Whenever it becomes necessary to fill the tank connected to customer's sprinkler system, the Division must be notified, and the seals on the system broken in the presence of its inspector.

Charge for water so used shall be at metered rates in accordance with Rate Schedule W-8, except that the Minimum Charge shall be $52.59.

FIRE HYDRANTS

Each hydrant with one 2-1/2 inch hose opening, $615.64 per annum.

Each hydrant with two 2-1/2 inch hose openings, $973.95 per annum.

If more hydrants are installed than can be supplied with water simultaneously through the connection provided, the Division will make a charge for only that number of hydrants that Division determines can be supplied with water at the same time.

PRELIMINARY

STANDPIPES (in lieu of sprinkler system)

Connection Size	Annual Charge
2"	$615.64
4"	$973.95
6"	$1,236.98
8"	$2,580.25
10"	$3,184.88
12"	$3,805.95
14"	$4,449.63
16"	$5,093.26

Charges for each connection size above include 50,000 square feet or less of protected area. An additional annual charge of $0.5599 per 100 square feet will apply for all area protected in excess of 50,000 square feet.

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. Current monthly charge shall be 1/12th of the "ANNUAL RATE."

CONTRACT REQUIREMENT

Service under this schedule shall be taken for a minimum term of one (1) year. Customers to whom this rate is applicable will be required to execute contracts.

RULES AND REGULATIONS

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

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-1

RESIDENTIAL RATE

AVAILABILITY

This schedule is available for water service within the corporate limits of the City of Memphis 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: $3.137 per ccf per month

MINIMUM BILL

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

5/8” meter	$12.12	1-1/2” meter	$76.40
3/4” meter	$19.14	2” meter	$135.81
1” meter	$33.95		

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2028

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: $4.884 per ccf per month

MINIMUM BILL

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

5/8” meter	$16.87	1-1/2” meter	$106.29
3/4” meter	$26.55	2” meter	$188.93
1” meter	$47.27		

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2028

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-5

TEMPORARY

AVAILABILITY

This schedule is available for temporary water service to all customers using water through a metered fire hydrant connection within the corporate limits of the City of Memphis. Such temporary service shall include, but not necessarily be limited to construction, carnivals and festivals, replacement of supplies due to failure or interruption of customer's own water system, or any service whose duration is expected to be six months or less.

RATE FOR CONSUMPTION DURING PERMIT PERIOD (ccf equals 100 cubic feet)

When meter is returned bill will be calculated as follows:

First	200 ccf	@	$5.877	per ccf
Next	400 ccf	@	$3.936	per ccf
Excess over	600 ccf	@	$1.971	per ccf

MINIMUM BILL AND REFUNDABLE DEPOSIT

Refer to Rules and Regulations of MLGW Service Policy Manual.

PAYMENT

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

CONTRACT REQUIREMENT

Customers receiving service under this rate schedule will be required to execute a Temporary Water Permit for a period of not more than six (6) months. Such permits may be renewed at customer's request after payment for consumption during initial permit. MLGW may deny renewal at its discretion.

SINGLE POINT DELIVERY

The above rates apply to consumption through each meter. If customer has more than one meter the consumption will not be combined for calculation of bill.

RULES AND REGULATIONS

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

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2028

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-6

TEMPORARY

AVAILABILITY

This schedule is available for temporary water service to all customers using water through a metered fire hydrant connection 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. Such temporary service shall include, but not necessarily be limited to construction, carnivals and festivals, replacement of supplies due to failure or interruption of customer's own water system, or any service whose duration is expected to be six months or less.

RATE FOR CONSUMPTION DURING PERMIT PERIOD (ccf equals 100 cubic feet)

When meter is returned, bill will be calculated as follows:

First	200 ccf	@	$8.819	per ccf
Next	400 ccf	@	$5.907	per ccf
Excess over	600 ccf	@	$2.938	per ccf

MINIMUM BILL AND REFUNDABLE DEPOSIT

Refer to Rules and Regulations of MLGW Service Policy Manual.

PAYMENT

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

CONTRACT REQUIREMENT

Customers receiving service under this rate schedule will be required to execute a Temporary Water Permit for a period of not more than six (6) months. Such permits may be renewed at customer's request after payment for consumption during initial permit. MLGW may deny renewal at its discretion.

SINGLE POINT DELIVERY

The above rates apply to consumption through each meter. If customer has more than one meter the consumption will not be combined for calculation of bill.

RULES AND REGULATIONS

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

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-7

GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service to all customers within the corporate limits of the City of Memphis, except residential customers using service exclusively for domestic use.

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)

First	30	ccf of water consumed per month	@	$3.947	per ccf
Next	70	ccf of water consumed per month	@	$3.688	per ccf
Next	100	ccf of water consumed per month	@	$3.366	per ccf
Next	400	ccf of water consumed per month	@	$2.707	per ccf
Next	5,400	ccf of water consumed per month	@	$1.653	per ccf
Excess over	6,000	ccf of water consumed per month	@	$1.723	per ccf

MINIMUM BILL

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

5/8” meter	$25.03	2” meter	$208.71	8” meter	$954.78
3/4” meter	$29.21	3” meter	$417.26	10” meter	$1,977.81
1” meter	$50.03	4” meter	$624.00	12” meter	$2,759.69
1-1/2” meter	$100.13	6” meter	$789.36	14” meter	$3,794.62

Battery of 2 - 2" meters	$417.26
Battery of 3 - 2" meters	$624.00

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2028

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-8

GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service to all customers 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 (except residential customers using service exclusively for domestic use).

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)

First	30	ccf of water consumed per month	@	$5.799	per ccf
Next	70	ccf of water consumed per month	@	$5.509	per ccf
Next	100	ccf of water consumed per month	@	$5.288	per ccf
Next	400	ccf of water consumed per month	@	$4.326	per ccf
Next	5,400	ccf of water consumed per month	@	$2.506	per ccf
Excess over	6,000	ccf of water consumed per month	@	$2.598	per ccf

MINIMUM BILL

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

5/8” meter	$38.29	2” meter	$318.99	8” meter	$1,458.96
3/4” meter	$44.67	3” meter	$638.02	10” meter	$3,022.26
1” meter	$76.57	4” meter	$953.49	12” meter	$4,217.08
1-1/2” meter	$153.09	6” meter	$1,206.24	14” meter	$5,794.50

Battery of 2 - 2" meters	$638.02
Battery of 3 - 2" meters	$953.49

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.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-9

RESALE

AVAILABILITY

This schedule is available for water service to utility districts, created, organized and existing pursuant to the Utility District Act of 1937, as amended, under the laws of the State of Tennessee, or to incorporated towns, for resale within the service areas of said utility districts or incorporated towns within Shelby County and not for resale except to individual consumers; said availability being limited to a maximum quantity of water as may be determined by the Board of Light, Gas and Water Commissioners and agreed on by contract.

MONTHLY RATE (ccf equals 100 cubic feet)

$3.293 per ccf for all water received by customer at the point or points of delivery.

MINIMUM BILL

The Minimum Monthly Bill shall be determined in the definitive contract.

PAYMENT

The above rates are net and all amounts shall be due on the fifteenth (15th) of the month following the month in which the water was used or five (5) days after receipt of bill from Division whichever is the later.

CONTRACT REQUIREMENT

Service under this schedule will be rendered only when the Division has adequate facilities in its distribution system to render such service without any additions thereto and the contract shall be for a period of not less than three (3) years. Other conditions for rendering service shall be as mutually agreed under a definitive contract.

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, or as provided in the definitive contract.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2028

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-10

LARGE GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service to all customers within the corporate limits of the City of Memphis (except residential customers using service exclusively for domestic use), contracting for not less than 6,000 ccf of monthly water consumption.

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)

First	30	ccf of water consumed per month	@	$3.947	per ccf
Next	70	ccf of water consumed per month	@	$3.688	per ccf
Next	100	ccf of water consumed per month	@	$3.366	per ccf
Next	400	ccf of water consumed per month	@	$2.707	per ccf
Excess over	600	ccf of water consumed per month	@	$1.653	per ccf

MINIMUM BILL

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

5/8” meter	$25.03	2” meter	$208.71	8” meter	$954.78
3/4” meter	$29.21	3” meter	$417.26	10” meter	$1,977.81
1” meter	$50.03	4” meter	$624.00	12” meter	$2,759.69
1-1/2” meter	$100.13	6” meter	$789.36	14” meter	$3,794.62

Battery of 2 - 2" meters	$417.26
Battery of 3 - 2" meters	$624.00

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2028

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-11

GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service to all customers outside the corporate limits of the City of Memphis (except residential customers using service exclusively for domestic use), contracting for not less than 6,000 ccf of monthly water consumption.

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)

First	30	ccf of water consumed per month	@	$5.799	per ccf
Next	70	ccf of water consumed per month	@	$5.509	per ccf
Next	100	ccf of water consumed per month	@	$5.288	per ccf
Next	400	ccf of water consumed per month	@	$4.326	per ccf
Excess over	600	ccf of water consumed per month	@	$2.506	per ccf

MINIMUM BILL

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

5/8” meter	$38.29	2” meter	$318.99	8” meter	$1,458.96
3/4” meter	$44.67	3” meter	$638.02	10” meter	$3,022.26
1” meter	$76.57	4” meter	$953.49	12” meter	$4,217.08
1-1/2” meter	$153.09	6” meter	$1,206.24	14” meter	$5,794.50

Battery of 2 - 2" meters	$638.02
Battery of 3 - 2" meters	$953.49

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2028

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-15

DATA SERVICE RATE

AVAILABILITY
This schedule is available for water service to all data centers within the corporate limits of the City of Memphis. A customer will be considered a data center if most of their water usage is for activities that meet one of the following criteria: (1) activities classified under the 2022 North American Industry Classification System (NAICS) subsector codes 518 or 519, except for 519210; (2) activities classified under 2022 NAICS codes 522320 or 541214; or (3) activities that, in the Division's sole discretion, are used to operate computational equipment.

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)

First	30	ccf of water consumed per month	@	$4.342	per ccf
Next	70	ccf of water consumed per month	@	$4.057	per ccf
Next	100	ccf of water consumed per month	@	$3.703	per ccf
Next	400	ccf of water consumed per month	@	$2.978	per ccf
Excess over	600	ccf of water consumed per month	@	$1.818	per ccf

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

5/8" meter	$27.53	2" meter	$229.58	8" meter	$1,050.26
3/4" meter	$32.13	3" meter	$458.99	10" meter	$2,175.59
1" meter	$55.03	4" meter	$686.40	12" meter	$3,035.66
1-1/2" meter	$110.14	6" meter	$868.30	14" meter	$4,174.08

Battery of 2 - 2" meters	$458.99
Battery of 3 - 2" meters	$686.40

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2028

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-16

DATA SERVICE RATE

AVAILABILITY
This schedule is available for water service to all data centers outside the corporate limits of the City of Memphis. A customer will be considered a data center if most of their water usage is for activities that meet one of the following criteria: (1) activities classified under the 2022 North American Industry Classification System (NAICS) subsector codes 518 or 519, except for 519210; (2) activities classified under 2022 NAICS codes 522320 or 541214; or (3) activities that, in the Division's sole discretion, are used to operate computational equipment.

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)

First	30	ccf of water consumed per month	@	$6.379	per ccf
Next	70	ccf of water consumed per month	@	$6.060	per ccf
Next	100	ccf of water consumed per month	@	$5.817	per ccf
Next	400	ccf of water consumed per month	@	$4.759	per ccf
Excess over	600	ccf of water consumed per month	@	$2.757	per ccf

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

5/8" meter	$42.12	2" meter	$350.89	8" meter	$1,604.86
3/4" meter	$49.14	3" meter	$701.82	10" meter	$3,324.49
1" meter	$84.23	4" meter	$1,048.84	12" meter	$4,638.79
1-1/2" meter	$168.40	6" meter	$1,326.86	14" meter	$6,373.95

Battery of 2 - 2" meters	$701.82
Battery of 3 - 2" meters	$1,048.84

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2028

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-51

RESIDENTIAL RATE

AVAILABILITY

This schedule is available for water service within the area 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: $4.884 per ccf per month

MINIMUM BILL

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

5/8" meter	$16.87	1-1/2" meter	$106.29
3/4" meter	$26.55	2" meter	$188.93
1" meter	$47.27		

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.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-53

CONSTRUCTION SERVICE - TEMPORARY

AVAILABILITY

This schedule is available for temporary water service to all customers using water through a metered fire hydrant connection outside the corporate city limits of the City of Memphis, within 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. Such temporary service shall include, but not necessarily be limited to construction, carnivals, and festivals, replacement of supplies due to failure or interruption of customer's own water system, or any service whose duration is expected to be six months or less.

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

MONTHLY RATE (ccf equals 100 cubic feet)

When meter is returned, bill will be calculated as follows:

First	200 ccf	@	$8.819 per ccf
Next	400 ccf	@	$5.907 per ccf
Excess over	600 ccf	@	$2.938 per ccf

MINIMUM BILL

Refer to Rules and Regulations of MLGW Service Policy Manual.

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.

CONTRACT REQUIREMENT

Customers receiving service under this rate schedule will be required to execute a Temporary Water Permit for a period of not more than six (6) months. Such permits may be renewed at customer's request after payment of consumption during initial permit. MLGW may deny renewal at its discretion.

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2028

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-57

GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service within the area 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 all customers except residential customers using service exclusively for domestic use.

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)

First	30	ccf of water consumed per month	@	$5.799	per ccf
Next	70	ccf of water consumed per month	@	$5.509	per ccf
Next	100	ccf of water consumed per month	@	$5.288	per ccf
Next	400	ccf of water consumed per month	@	$4.326	per ccf
Next	5,400	ccf of water consumed per month	@	$2.506	per ccf
Excess over	6,000	ccf of water consumed per month	@	$2.598	per ccf

MINIMUM BILL

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

5/8” meter	$38.29	2” meter	$318.99	8” meter	$1,458.96
3/4” meter	$44.67	3” meter	$638.02	10” meter	$3,022.26
1” meter	$76.57	4” meter	$953.49	12” meter	$4,217.08
1-1/2” meter	$153.09	6” meter	$1,206.24	14” meter	$5,794.50

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.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE FP-1

FIRE PROTECTION

AVAILABILITY

This schedule is available for fire protection service to all customers within the corporate limits of the City of Memphis.

Water supplied under this schedule shall be used only for fire extinguishing purposes.

ANNUAL RATE

SPRINKLER SYSTEMS

Connection Size	Annual Charge
4" or smaller	$753.10
6"	$954.33
8"	$1,999.04
10"	$2,460.51
12"	$2,947.36
14"	$3,440.73
16"	$3,927.56

Charges for each connection size above include 600 sprinkler heads or less. An additional annual charge of $0.2078 per sprinkler head will apply for all sprinkler heads in excess of 600.

Whenever it becomes necessary to fill the tank connected to customer's sprinkler system, the Division must be notified, and the seals on the system broken in the presence of its inspector.

Charge for water so used shall be at metered rates in accordance with Rate Schedule W-7, except that the Minimum Charge shall be $40.65.

FIRE HYDRANTS

Each hydrant with one 2-1/2 inch hose opening, $473.86 per annum.

Each hydrant with two 2-1/2 inch hose openings, $753.10 per annum.

If more hydrants are installed than can be supplied with water simultaneously through the connection provided, the Division will make a charge for only that number of hydrants that Division determines can be supplied with water at the same time.

PRELIMINARY

STANDPIPES

Connection Size	Annual Charge
2"	$473.86
4"	$753.10
6"	$954.33
8"	$1,999.04
10"	$2,460.51
12"	$2,947.36
14"	$3,440.73
16"	$3,927.56

Charges for each connection size above include 50,000 square feet or less of protected area. An additional annual charge of $0.4083 per 100 square feet will apply for all area protected in excess of 50,000 square feet.

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. Current monthly charge shall be 1/12th of the "ANNUAL RATE."

CONTRACT REQUIREMENT

Service under this schedule shall be taken for a minimum term of one (1) year. Customers to whom this rate is applicable will be required to execute contracts.

RULES AND REGULATIONS

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

PRELIMINARY

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

FIRE PROTECTION

AVAILABILITY

This schedule is available for fire protection service to all customers outside the corporate limits of the City of Memphis.

Water supplied under this schedule shall be used only for fire extinguishing purposes.

ANNUAL RATE

SPRINKLER SYSTEMS

Connection Size	Annual Charge
4" or smaller	$1,129.78
6"	$1,434.90
8"	$2,993.09
10"	$3,694.46
12"	$4,414.90
14"	$5,161.57
16"	$5,908.18

Charges for each connection size above include 600 sprinkler heads or less. An additional annual charge of $0.3241 per sprinkler head will apply for all sprinkler heads in excess of 600.

Whenever it becomes necessary to fill the tank connected to customer's sprinkler system, the Division must be notified, and the seals on the system broken in the presence of its inspector.

Charge for water so used shall be at metered rates in accordance with Rate Schedule W-8, except that the Minimum Charge shall be $61.00.

FIRE HYDRANTS

Each hydrant with one 2-1/2 inch hose opening, $714.14 per annum.

Each hydrant with two 2-1/2 inch hose openings, $1,129.78 per annum.

If more hydrants are installed than can be supplied with water simultaneously through the connection provided, the Division will make a charge for only that number of hydrants that Division determines can be supplied with water at the same time.

PRELIMINARY

STANDPIPES (in lieu of sprinkler system)

Connection Size	Annual Charge
2"	$714.14
4"	$1,129.78
6"	$1,434.90
8"	$2,993.09
10"	$3,694.46
12"	$4,414.90
14"	$5,161.57
16"	$5,908.18

Charges for each connection size above include 50,000 square feet or less of protected area. An additional annual charge of $0.6495 per 100 square feet will apply for all area protected in excess of 50,000 square feet.

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. Current monthly charge shall be 1/12th of the "ANNUAL RATE."

CONTRACT REQUIREMENT

Service under this schedule shall be taken for a minimum term of one (1) year. Customers to whom this rate is applicable will be required to execute contracts.

RULES AND REGULATIONS

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

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2029

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-1

RESIDENTIAL RATE

AVAILABILITY

This schedule is available for water service within the corporate limits of the City of Memphis 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: $3.639 per ccf per month

MINIMUM BILL

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

5/8" meter	$13.12	1-1/2" meter	$88.62
3/4" meter	$22.20	2" meter	$157.54
1" meter	$39.38		

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.

PRELIMINARY

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: $5.665 per ccf per month

MINIMUM BILL

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

5/8” meter	$18.26	1-1/2” meter	$123.30
3/4” meter	$30.80	2” meter	$219.16
1” meter	$54.83		

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.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-5

TEMPORARY

PRELIMINARY

AVAILABILITY

This schedule is available for temporary water service to all customers using water through a metered fire hydrant connection within the corporate limits of the City of Memphis. Such temporary service shall include, but not necessarily be limited to construction, carnivals and festivals, replacement of supplies due to failure or interruption of customer's own water system, or any service whose duration is expected to be six months or less.

RATE FOR CONSUMPTION DURING PERMIT PERIOD (ccf equals 100 cubic feet)

When meter is returned bill will be calculated as follows:

First	200 ccf	@	$6.817	per ccf
Next	400 ccf	@	$4.566	per ccf
Excess over	600 ccf	@	$2.286	per ccf

MINIMUM BILL AND REFUNDABLE DEPOSIT

Refer to Rules and Regulations of MLGW Service Policy Manual.

PAYMENT

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

CONTRACT REQUIREMENT

Customers receiving service under this rate schedule will be required to execute a Temporary Water Permit for a period of not more than six (6) months. Such permits may be renewed at customer's request after payment for consumption during initial permit. MLGW may deny renewal at its discretion.

SINGLE POINT DELIVERY

The above rates apply to consumption through each meter. If customer has more than one meter the consumption will not be combined for calculation of bill.

RULES AND REGULATIONS

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

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-6

TEMPORARY

AVAILABILITY

This schedule is available for temporary water service to all customers using water through a metered fire hydrant connection 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. Such temporary service shall include, but not necessarily be limited to construction, carnivals and festivals, replacement of supplies due to failure or interruption of customer's own water system, or any service whose duration is expected to be six months or less.

RATE FOR CONSUMPTION DURING PERMIT PERIOD (ccf equals 100 cubic feet)

When meter is returned, bill will be calculated as follows:

First	200 ccf	@	$10.230 per ccf
Next	400 ccf	@	$6.852 per ccf
Excess over	600 ccf	@	$3.408 per ccf

MINIMUM BILL AND REFUNDABLE DEPOSIT

Refer to Rules and Regulations of MLGW Service Policy Manual.

PAYMENT

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

CONTRACT REQUIREMENT

Customers receiving service under this rate schedule will be required to execute a Temporary Water Permit for a period of not more than six (6) months. Such permits may be renewed at customer's request after payment for consumption during initial permit. MLGW may deny renewal at its discretion.

SINGLE POINT DELIVERY

The above rates apply to consumption through each meter. If customer has more than one meter the consumption will not be combined for calculation of bill.

RULES AND REGULATIONS

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

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2029

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-7

GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service to all customers within the corporate limits of the City of Memphis, except residential customers using service exclusively for domestic use.

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)

First	30	ccf of water consumed per month	@	$4.579	per ccf
Next	70	ccf of water consumed per month	@	$4.278	per ccf
Next	100	ccf of water consumed per month	@	$3.905	per ccf
Next	400	ccf of water consumed per month	@	$3.140	per ccf
Next	5,400	ccf of water consumed per month	@	$1.917	per ccf
Excess over	6,000	ccf of water consumed per month	@	$1.999	per ccf

MINIMUM BILL

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

5/8” meter	$29.03	2” meter	$242.10	8” meter	$1,107.54
3/4” meter	$33.88	3” meter	$484.02	10” meter	$2,294.26
1” meter	$58.03	4” meter	$723.84	12” meter	$3,201.24
1-1/2” meter	$116.15	6” meter	$915.66	14” meter	$4,401.76

Battery of 2 - 2" meters	$484.02
Battery of 3 - 2" meters	$723.84

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.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-8

GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service to all customers 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 (except residential customers using service exclusively for domestic use).

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)

First	30	ccf of water consumed per month	@	$6.727	per ccf
Next	70	ccf of water consumed per month	@	$6.390	per ccf
Next	100	ccf of water consumed per month	@	$6.134	per ccf
Next	400	ccf of water consumed per month	@	$5.018	per ccf
Next	5,400	ccf of water consumed per month	@	$2.907	per ccf
Excess over	6,000	ccf of water consumed per month	@	$3.014	per ccf

MINIMUM BILL

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

5/8” meter	$44.42	2” meter	$370.03	8” meter	$1,692.39
3/4” meter	$51.82	3” meter	$740.10	10” meter	$3,505.82
1” meter	$88.82	4” meter	$1,106.05	12” meter	$4,891.81
1-1/2” meter	$177.58	6” meter	$1,399.24	14” meter	$6,721.62

Battery of 2 - 2" meters	$740.10
Battery of 3 - 2" meters	$1,106.05

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.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-9

RESALE

AVAILABILITY

This schedule is available for water service to utility districts, created, organized and existing pursuant to the Utility District Act of 1937, as amended, under the laws of the State of Tennessee, or to incorporated towns, for resale within the service areas of said utility districts or incorporated towns within Shelby County and not for resale except to individual consumers; said availability being limited to a maximum quantity of water as may be determined by the Board of Light, Gas and Water Commissioners and agreed on by contract.

MONTHLY RATE (ccf equals 100 cubic feet)

$3.820 per ccf for all water received by customer at the point or points of delivery.

MINIMUM BILL

The Minimum Monthly Bill shall be determined in the definitive contract.

PAYMENT

The above rates are net and all amounts shall be due on the fifteenth (15th) of the month following the month in which the water was used or five (5) days after receipt of bill from Division whichever is the later.

CONTRACT REQUIREMENT

Service under this schedule will be rendered only when the Division has adequate facilities in its distribution system to render such service without any additions thereto and the contract shall be for a period of not less than three (3) years. Other conditions for rendering service shall be as mutually agreed under a definitive contract.

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, or as provided in the definitive contract.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2029

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-10

LARGE GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service to all customers within the corporate limits of the City of Memphis (except residential customers using service exclusively for domestic use), contracting for not less than 6,000 ccf of monthly water consumption.

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)

First	30	ccf of water consumed per month	@	$4.579	per ccf
Next	70	ccf of water consumed per month	@	$4.278	per ccf
Next	100	ccf of water consumed per month	@	$3.905	per ccf
Next	400	ccf of water consumed per month	@	$3.140	per ccf
Excess over	600	ccf of water consumed per month	@	$1.917	per ccf

MINIMUM BILL

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

5/8” meter	$29.03	2” meter	$242.10	8” meter	$1,107.54
3/4” meter	$33.88	3” meter	$484.02	10” meter	$2,294.26
1” meter	$58.03	4” meter	$723.84	12” meter	$3,201.24
1-1/2” meter	$116.15	6” meter	$915.66	14” meter	$4,401.76

Battery of 2 - 2" meters	$484.02
Battery of 3 - 2" meters	$723.84

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2029

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-11

GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service to all customers outside the corporate limits of the City of Memphis (except residential customers using service exclusively for domestic use), contracting for not less than 6,000 ccf of monthly water consumption.

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)

First	30	ccf of water consumed per month	@	$6.727	per ccf
Next	70	ccf of water consumed per month	@	$6.390	per ccf
Next	100	ccf of water consumed per month	@	$6.134	per ccf
Next	400	ccf of water consumed per month	@	$5.018	per ccf
Excess over	600	ccf of water consumed per month	@	$2.907	per ccf

MINIMUM BILL

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

5/8” meter	$44.42	2” meter	$370.03	8” meter	$1,692.39
3/4” meter	$51.82	3” meter	$740.10	10” meter	$3,505.82
1” meter	$88.82	4” meter	$1,106.05	12” meter	$4,891.81
1-1/2” meter	$177.58	6” meter	$1,399.24	14” meter	$6,721.62

Battery of 2 - 2" meters	$740.10
Battery of 3 - 2" meters	$1,106.05

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2029

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-15

DATA SERVICE RATE

AVAILABILITY
This schedule is available for water service to all data centers within the corporate limits of the City of Memphis. A customer will be considered a data center if most of their water usage is for activities that meet one of the following criteria: (1) activities classified under the 2022 North American Industry Classification System (NAICS) subsector codes 518 or 519, except for 519210; (2) activities classified under 2022 NAICS codes 522320 or 541214; or (3) activities that, in the Division's sole discretion, are used to operate computational equipment.

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)

First	30	ccf of water consumed per month	@	$5.037	per ccf
Next	70	ccf of water consumed per month	@	$4.706	per ccf
Next	100	ccf of water consumed per month	@	$4.296	per ccf
Next	400	ccf of water consumed per month	@	$3.454	per ccf
Excess over	600	ccf of water consumed per month	@	$2.109	per ccf

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

5/8" meter	$31.93	2" meter	$266.31	8" meter	$1,218.29
3/4" meter	$37.27	3" meter	$532.42	10" meter	$2,523.69
1" meter	$63.83	4" meter	$796.22	12" meter	$3,521.36
1-1/2" meter	$127.77	6" meter	$1,007.23	14" meter	$4,841.94

Battery of 2 - 2" meters	$532.42
Battery of 3 - 2" meters	$796.22

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.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-16

DATA SERVICE RATE

AVAILABILITY
This schedule is available for water service to all data centers outside the corporate limits of the City of Memphis. A customer will be considered a data center if most of their water usage is for activities that meet one of the following criteria: (1) activities classified under the 2022 North American Industry Classification System (NAICS) subsector codes 518 or 519, except for 519210; (2) activities classified under 2022 NAICS codes 522320 or 541214; or (3) activities that, in the Division's sole discretion, are used to operate computational equipment.

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)

First	30	ccf of water consumed per month	@	$7.400	per ccf
Next	70	ccf of water consumed per month	@	$7.029	per ccf
Next	100	ccf of water consumed per month	@	$6.747	per ccf
Next	400	ccf of water consumed per month	@	$5.520	per ccf
Excess over	600	ccf of water consumed per month	@	$3.198	per ccf

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

5/8" meter	$48.86	2" meter	$407.03	8" meter	$1,861.63
3/4" meter	$57.00	3" meter	$814.11	10" meter	$3,856.40
1" meter	$97.70	4" meter	$1,216.66	12" meter	$5,380.99
1-1/2" meter	$195.34	6" meter	$1,539.16	14" meter	$7,393.78

Battery of 2 - 2" meters	$814.11
Battery of 3 - 2" meters	$1,216.66

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2029

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-51

RESIDENTIAL RATE

AVAILABILITY

This schedule is available for water service within the area 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: $5.665 per ccf per month

MINIMUM BILL

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

5/8" meter	$18.26	1-1/2" meter	$123.30
3/4" meter	$30.80	2" meter	$219.16
1" meter	$54.83		

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.

PRELIMINARY

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-53

CONSTRUCTION SERVICE - TEMPORARY

AVAILABILITY

This schedule is available for temporary water service to all customers using water through a metered fire hydrant connection outside the corporate city limits of the City of Memphis, within 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. Such temporary service shall include, but not necessarily be limited to construction, carnivals, and festivals, replacement of supplies due to failure or interruption of customer's own water system, or any service whose duration is expected to be six months or less.

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

MONTHLY RATE (ccf equals 100 cubic feet)

When meter is returned, bill will be calculated as follows:

First	200 ccf	@	$10.230	per ccf
Next	400 ccf	@	$6.852	per ccf
Excess over	600 ccf	@	$3.408	per ccf

MINIMUM BILL

Refer to Rules and Regulations of MLGW Service Policy Manual.

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.

CONTRACT REQUIREMENT

Customers receiving service under this rate schedule will be required to execute a Temporary Water Permit for a period of not more than six (6) months. Such permits may be renewed at customer's request after payment of consumption during initial permit. MLGW may deny renewal at its discretion.

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2029

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE W-57

GENERAL SERVICE RATE

AVAILABILITY

This schedule is available for water service within the area 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 all customers except residential customers using service exclusively for domestic use.

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)

First	30	ccf of water consumed per month	@	$6.727	per ccf
Next	70	ccf of water consumed per month	@	$6.390	per ccf
Next	100	ccf of water consumed per month	@	$6.134	per ccf
Next	400	ccf of water consumed per month	@	$5.018	per ccf
Next	5,400	ccf of water consumed per month	@	$2.907	per ccf
Excess over	6,000	ccf of water consumed per month	@	$3.014	per ccf

MINIMUM BILL

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

5/8” meter	$44.42	2” meter	$370.03	8” meter	$1,692.39
3/4” meter	$51.82	3” meter	$740.10	10” meter	$3,505.82
1” meter	$88.82	4” meter	$1,106.05	12” meter	$4,891.81
1-1/2” meter	$177.58	6” meter	$1,399.24	14” meter	$6,721.62

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.

PRELIMINARY

RATE EFFECTIVE FOR METERS READ
ON OR AFTER JANUARY 2029

MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
WATER SERVICE SCHEDULE
SCHEDULE FP-1

FIRE PROTECTION

AVAILABILITY

This schedule is available for fire protection service to all customers within the corporate limits of the City of Memphis.

Water supplied under this schedule shall be used only for fire extinguishing purposes.

ANNUAL RATE

SPRINKLER SYSTEMS

Connection Size	Annual Charge
4" or smaller	$873.60
6"	$1,107.02
8"	$2,318.89
10"	$2,854.19
12"	$3,418.94
14"	$3,991.25
16"	$4,555.97

Charges for each connection size above include 600 sprinkler heads or less. An additional annual charge of $0.2410 per sprinkler head will apply for all sprinkler heads in excess of 600.

Whenever it becomes necessary to fill the tank connected to customer's sprinkler system, the Division must be notified, and the seals on the system broken in the presence of its inspector.

Charge for water so used shall be at metered rates in accordance with Rate Schedule W-7, except that the Minimum Charge shall be $47.15.

FIRE HYDRANTS

Each hydrant with one 2-1/2 inch hose opening, $549.68 per annum.

Each hydrant with two 2-1/2 inch hose openings, $873.60 per annum.

If more hydrants are installed than can be supplied with water simultaneously through the connection provided, the Division will make a charge for only that number of hydrants that Division determines can be supplied with water at the same time.

PRELIMINARY

STANDPIPES

Connection Size	Annual Charge
2"	$549.68
4"	$873.60
6"	$1,107.02
8"	$2,318.89
10"	$2,854.19
12"	$3,418.94
14"	$3,991.25
16"	$4,555.97

Charges for each connection size above include 50,000 square feet or less of protected area. An additional annual charge of $0.4736 per 100 square feet will apply for all area protected in excess of 50,000 square feet.

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. Current monthly charge shall be 1/12th of the "ANNUAL RATE."

CONTRACT REQUIREMENT

Service under this schedule shall be taken for a minimum term of one (1) year. Customers to whom this rate is applicable will be required to execute contracts.

RULES AND REGULATIONS

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

PRELIMINARY

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

FIRE PROTECTION

AVAILABILITY

This schedule is available for fire protection service to all customers outside the corporate limits of the City of Memphis.

Water supplied under this schedule shall be used only for fire extinguishing purposes.

ANNUAL RATE

SPRINKLER SYSTEMS

Connection Size	Annual Charge
4" or smaller	$1,310.54
6"	$1,664.48
8"	$3,471.98
10"	$4,285.57
12"	$5,121.28
14"	$5,987.42
16"	$6,853.49

Charges for each connection size above include 600 sprinkler heads or less. An additional annual charge of $0.3760 per sprinkler head will apply for all sprinkler heads in excess of 600.

Whenever it becomes necessary to fill the tank connected to customer's sprinkler system, the Division must be notified, and the seals on the system broken in the presence of its inspector.

Charge for water so used shall be at metered rates in accordance with Rate Schedule W-8, except that the Minimum Charge shall be $70.76.

FIRE HYDRANTS

Each hydrant with one 2-1/2 inch hose opening, $828.40 per annum.

Each hydrant with two 2-1/2 inch hose openings, $1,310.54 per annum.

If more hydrants are installed than can be supplied with water simultaneously through the connection provided, the Division will make a charge for only that number of hydrants that Division determines can be supplied with water at the same time.

PRELIMINARY

STANDPIPES (in lieu of sprinkler system)

Connection Size	Annual Charge
2"	$828.40
4"	$1,310.54
6"	$1,664.48
8"	$3,471.98
10"	$4,285.57
12"	$5,121.28
14"	$5,987.42
16"	$6,853.49

Charges for each connection size above include 50,000 square feet or less of protected area. An additional annual charge of $0.7534 per 100 square feet will apply for all area protected in excess of 50,000 square feet.

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. Current monthly charge shall be 1/12th of the "ANNUAL RATE."

CONTRACT REQUIREMENT

Service under this schedule shall be taken for a minimum term of one (1) year. Customers to whom this rate is applicable will be required to execute contracts.

RULES AND REGULATIONS

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

PRELIMINARY

A resolution to approve the 2027 Electric, Gas and Water Operations and Capital Budget.

WHEREAS, the Board of Light, Gas and Water Commissioners has submitted a proposed budget for the Memphis Light, Gas and Water Division for operation and maintenance expenses for the calendar year 2027, and the capital expenditures for 2027; and

WHEREAS, the Board of Commissioners has approved said budget and submitted to the City Council with the recommendation of the Board for approval; and

WHEREAS, the Council has, through its MLGW Committee and other interested members of the Council, reviewed the budget and conducted hearings thereon; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis that the attached 2027 Budget of the Memphis Light, Gas and Water Division for operation and maintenance expenses and capital expenditures is approved.

RESOLUTION SUMMARY

1. Description of the Item

Resolution to request the City Council convene as a ratemaking body at a public hearing to consider and determine revisions in MLGW tariffs and rates.

2. Additional Information

The Board of Light, Gas and Water Commissioners, by this resolution, petitions the Memphis City Council to convene as a ratemaking body at a public hearing to be convened at a future date to be set by the Memphis City Council, and to consider and determine revisions in MLGW tariffs and rates effective as herein recommended and approved by this Board.

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The President presented the proposed budgets for the Electric, Gas and Water Divisions for 2027 operating expenses and 2027 capital expenditures to the Board of Light, Gas and Water Commissioners which includes gas and water rate increases over the next three-year period, adoption of the new Electric Division Electric Vehicle Charging Rate Schedule EVC and the new Water Division W-15 and W-16 Data Center Rate Schedules, and language modifications to the Electric Division Fuel Cost and Purchased Power Adjustment Rider FCA. This Board has reviewed and adopted this day budgets for all three Divisions and, as adopted, such Budgets include gas and water rate increases and new schedules in electric and water, which are subject to the consent of the Memphis City Council.

NOW THEREFORE BE IT RESOLVED BY THE Board of Light, Gas and Water Commissioners:

> THAT, the Board of Light, Gas and Water Commissioners, by this resolution, petitions the Memphis City Council to convene as a ratemaking body at a public hearing to be convened at a future date to be set by the Memphis City Council, and to consider and determine revisions in MLGW tariffs and rates effective as herein recommended and approved by this Board.

Resolution authorizing the Council to hold a public hearing at which it will convene as a Ratemaking Board to consider the application of the MLGW Board of Commissioners for rate increases and changes to present gas and water rate tariffs, new Electric Vehicle Charging Rate Schedule EVC rate tariff, modifications to the present Electric Division Fuel Cost and Purchased Power Adjustment Rider FCA rate tariff, and new Water Division W-15 and W-16 Data Center rate tariffs.

WHEREAS, pursuant to Chapter 381 of the Private Acts of 1939, City of Memphis Charter Section 680, the Memphis Light, Gas and Water Division has made application to the Council to hold a public hearing to consider approval by the Council of gas and water rate increases and changes to present gas and water rate tariffs, new Electric Vehicle Charging Rate Schedule EVC rate tariff, modifications to the present Electric Division Fuel Cost and Purchased Power Adjustment Rider FCA rate tariff, and new Water Division W-15 and W-16 Data Center rate tariffs.

WHEREAS, the City Council desires to authorize its staff and MLGW to take all necessary steps to schedule a public hearing of the City Council on _____for the purpose of considering the rate application of the MLGW Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, that the City Council shall hold a public hearing on _____at which it will convene as a Ratemaking Board to consider the application of the MLGW Board of Commissioners for rate increases and changes to present gas and water rate tariffs, new Electric Vehicle Charging Rate Schedule EVC rate tariff, modifications to the present Electric Division Fuel Cost and Purchased Power Adjustment Rider FCA rate tariff, and new Water Division W-15 and W-16 Data Center rate tariffs.

FURTHER RESOLVED, that MLGW is hereby authorized to publish notice of such hearing in a newspaper of general circulation no less than three days in advance of the hearing date.

SPONSOR: MLGW COMMITTEE

A resolution to adopt Electric Vehicle Charging Rate Schedule EVC which allows for a new rate applicable to commercial services where the majority of electric usage is for electric vehicle charging and to approve language modifications to the Electric Division Fuel Cost and Purchased Power Adjustment Rider FCA which will allow for recovery of all purchased power costs incurred by the division to be effective with meters read on Cycle 1 of the January 2027 revenue month on a non-prorated basis.

WHEREAS, pursuant to Chapter 381 of the Private Acts of 1939, and City of Memphis Charter Section 680, authority is granted to the governing body of the City of Memphis to convene as a Ratemaking Board for the purpose of approving changes in electric rates; and

WHEREAS, the Memphis Light, Gas and Water Division has made application under said sections for the Council to hold a public hearing, at which time the Council will convene as a Ratemaking Board to consider approval by the Council of revisions to the schedule of electric rates adopted and recommended by the Board of Commissioners of MLGW; and

WHEREAS, the City Council, as authorized by the City's Charter, convened a public hearing as a Ratemaking Board for the purpose of considering approval of revisions in the schedule of electric rates adopted and recommended by the Board of Commissioners of MLGW;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis, properly convened and sitting as a Ratemaking Board pursuant to the City Charter's Ratemaking Provisions and the Charter as a whole, that the rate application of the Memphis Light, Gas and Water Division consisting of correspondence and exhibits filed herewith and the resolution of the Board of Light, Gas and Water Commissioners establishing said rates ("MLGW Rate Application") is hereby approved and the adoption of Electric Vehicle Charging Rate Schedule EVC and modifications to the Electric Division Fuel Cost and Purchased Power Adjustment Rider FCA is hereby approved and prescribed.

BE IT FURTHER RESOLVED, by the Council of the City of Memphis that the aforesaid adoption of the Electric Vehicle Charging Rate Schedule EVC and modifications to the Electric Division Fuel Cost and Purchased Power Adjustment Rider FCA shall be effective with meters read on Cycle 1 of the January 2027 revenue month on a non-prorated basis.

BE IT FURTHER RESOLVED, the Council expressly finds that the adoption of the Electric Vehicle Charging Rate Schedule EVC and modifications to the Electric Division Fuel Cost and Purchased Power

Adjustment Rider FCA as set forth above is necessary to provide services consistent with peers and address an ever-changing electric market.

A resolution to approve the 2027 increase in gas revenues of 12.0%, to be effective with meters read on Cycle 1 of the January 2027 revenue month on a non-prorated basis, the 2028 increase in gas revenues of 11.0% to be effective with meters read on Cycle 1 of the January 2028 revenue month on a non-prorated basis, and the 2029 increase in gas revenues of 11.0% to be effective with meters read on Cycle 1 of the January 2029 revenue month on a non-prorated basis.

WHEREAS, pursuant to Chapter 381 of the Private Acts of 1939, and City of Memphis Charter Section 680, authority is granted to the governing body of the City of Memphis to convene as a Ratemaking Board for the purpose of approving changes in gas rates; and

WHEREAS, the Memphis Light, Gas and Water Division has made application under said sections for the Council to hold a public hearing, at which time the Council will convene as a Ratemaking Board to consider approval by the Council of revisions to the schedule of gas rates adopted and recommended by the Board of Commissioners of MLGW; and

WHEREAS, the City Council, as authorized by the City's Charter, convened a public hearing as a Ratemaking Board for the purpose of considering approval of revisions in the schedule of gas rates adopted and recommended by the Board of Commissioners of MLGW;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis, properly convened and sitting as a Ratemaking Board pursuant to the City Charter's Ratemaking Provisions and the Charter as a whole, that the rate application of the Memphis Light, Gas and Water Division consisting of correspondence and exhibits filed herewith and the resolution of the Board of Light, Gas and Water Commissioners establishing said rates ("MLGW Rate Application") is hereby approved and the schedules of gas rates G-1 & G-3, G-7, G-8 & G-9, G10 & G12 sales, G-10 & G-12 Market, and FT (excluding the pass-through effects of wholesale natural gas purchases) are hereby approved and prescribed resulting in a 12.0% ($29,376,000) increase in revenues (percentage varies between classes) on an annual basis in 2027, 11.0% ($29,376,000) increase in revenues (percentage varies between classes) on an annual basis in 2028 and a 11.0% ($32,771,000) increase in revenues (percentage varies between classes) on an annual basis in 2029.

BE IT FURTHER RESOLVED, by the Council of the City of Memphis that the aforesaid gas rate increase changes shall be effective for the Cycle 1 meter reading for the January 2027 revenue month on a non-prorated basis, the Cycle 1 meter reading for the January 2028 revenue month on a non-prorated

basis and the Cycle 1 meter reading for the January 2029 revenue month on a non-prorated basis respectively.

BE IT FURTHER RESOLVED, the Council expressly finds that the approval of revisions in the schedule of gas rates as set forth above are necessary to prescribe rates that will be sufficient for the Memphis Light, Gas and Water Division to pay all expenses of operation, maintenance of the gas system, reserves for working capital, renewals and replacements, casualties and other fixed charges, payments in lieu of taxes, construction and capital expenditures and reserves for safe operating margins.

A resolution to approve the 2027 increase in water revenues of 16.0%, to be effective with meters read on Cycle 1 of the January 2027 revenue month on a non-prorated basis, the 2028 increase in water revenues of 16.0% to be effective with meters read on Cycle 1 of the January 2028 revenue month on a non-prorated basis, the 2029 increase in water revenues of 16.0% to be effective with meters read on Cycle 1 of the January 2029 revenue month on a non-prorated basis, and the adoption of the Water Division W-15 and W-16 Data Center Rate Schedules.

WHEREAS, pursuant to Chapter 381 of the Private Acts of 1939, and City of Memphis Charter Section 680, authority is granted to the governing body of the City of Memphis to convene as a Ratemaking Board for the purpose of approving changes in water rates; and

WHEREAS, the Memphis Light, Gas and Water Division has made application under said sections for the Council to hold a public hearing, at which time the Council will convene as a Ratemaking Board to consider approval by the Council of revisions to the schedule of water rates adopted and recommended by the Board of Commissioners of MLGW; and

WHEREAS, the City Council, as authorized by the City's Charter, convened a public hearing as a Ratemaking Board for the purpose of considering approval of revisions in the schedule of water rates adopted and recommended by the Board of Commissioners of MLGW;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis, properly convened and sitting as a Ratemaking Board pursuant to the City Charter's Ratemaking Provisions and the Charter as a whole, that the rate application of the Memphis Light, Gas and Water Division consisting of correspondence and exhibits filed herewith and the resolution of the Board of Light, Gas and Water Commissioners establishing said rates ("MLGW Rate Application") is hereby approved and the schedules of water rates W-1, W-2, W-5, W-6, W-7, W-8, W-9, W-10, W-11, W-51, W-53, W-57, FP-1 and FP-2 are hereby approved and prescribed resulting in a 16.0% ($20,000,000) increase in revenues (percentage varies between classes) on an annual basis in 2027, 16.0% ($23,666,000) increase in revenues (percentage varies between classes) on an annual basis in 2028 and a 16.0% ($27,591,000) increase in revenues (percentage varies between classes) on an annual basis in 2029, and the adoption of the new W-15 and W-16 Data Center Rate Schedules.

BE IT FURTHER RESOLVED, by the Council of the City of Memphis that the aforesaid water rate increase changes shall be effective for the Cycle 1 meter reading for the January 2027 revenue month on a non-prorated basis, the Cycle 1 meter reading for the January 2028 revenue month on a non-prorated

basis and the Cycle 1 meter reading for the January 2029 revenue month on a non-prorated basis respectively.

BE IT FURTHER RESOLVED, the Council expressly finds that the approval of revisions in the schedule of water rates as set forth above are necessary to prescribe rates that will be sufficient for the Memphis Light, Gas and Water Division to pay all expenses of operation, maintenance of the water system, reserves for working capital, renewals and replacements, casualties and other fixed charges, payments in lieu of taxes, construction and capital expenditures and reserves for safe operating margins.

RESOLUTION SUMMARY

1. **Short Title Description –** Various Rocks and RipRap Purchases

2. **Requested Funding –** $370,447.50

3. **Award Duration –** Twelve Months

4. **Type of Bid** – Sealed

5. **Awarded To –** Fullen Dock and Warehouse

6. **Plain Language Description –** To procure four various types of rock in the estimated quantities listed below to stabilize the eroding Wolf River bank near MLGW transmission structure No. 1613.
   - 1,800 tons approximately – CR610 rock
   - 4,800 tons approximately – R200 riprap
   - 2,100 tons approximately – 4x1 rock
   - 15 tons approximately – Class A-1 riprap

7. **Impact –** The rocks are needed to prevent further erosion along the Wolf River bank near MLGW Transmission structure No. 1613, between Substations 32 and 33. The rocks will also be used to construct an access road and reinforce the river bank to protect the structure.



EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners that it awards a twelve-month purchase order for various rocks to Fullen Dock and Warehouse in the amount of $370,447.50.

The various types of rock are needed to stabilize the eroding Wolf River bank at MLGW transmission structure No. 1613. The rocks will also be used to construct an access road to reinforce the river bank to protect the structure and prevent further erosion.

Bids were opened on August 19, 2026. Notice to Bidders was advertised. Nine bids were solicited, and three bids were received with the lowest and best complying bidder being the firm of Fullen Dock and Warehouse. This award complies with all applicable laws and policies.

The 2026 budgeted amount for Substation & Transmission Engineering is $44,069,000.00; the amount spent year-to-date is $20,320,804.79; leaving a balance available of $23,748,195.21; of which $200,000.00 will be spent on this

purchase in 2026; leaving a balance available of $23,548,195.21 after award; of which $170,447.50 will be spent in subsequent budget year as approved; and

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, subject to the consent and approval of the Council of the City of Memphis, awards a purchase order to Fullen Dock and Warehouse is approved for furnishing**:**

1,800 tons approximately – CR610 rock;

4,800 tons approximately – R200 riprap;

2,100 tons approximately – 4x1 rock;

15 tons approximately – Class A-1 riprap;

Totaling $370,447.50; f.o.b. Memphis, Tennessee, our dock; transportation prepaid; said price firm; the quantity is for estimation purposes only and does not create a commitment for MLGW to purchase any specific minimum or maximum quantity, with actual purchases to be made according to operational needs, not to exceed the approved total expenditure; delivery in 24 hours, terms net 30 days.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 21, 2026 approved a twelve-month purchase of various rocks and is now recommending to the Council of the City of Memphis that it approves said purchase; and

WHEREAS, the various types of rock are needed to stabilize the eroding Wolf River bank at MLGW transmission structure No. 1613. The rocks will also be used to construct an access road to reinforce the river bank to protect the structure and prevent further erosion; and

WHEREAS, bids were opened on August 19, 2026. Notice to Bidders was advertised. Nine bids were solicited, and three bids were received with the lowest and best complying bidder being the firm of Fullen Dock and Warehouse. This award complies with all applicable laws and policies; and

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Memphis that there be and is hereby approved the purchase of various rocks from Fullen Dock and Warehouse in the amount of $200,000.00 chargeable to the MLGW 2026 fiscal year budget and $170,447.50 chargeable to subsequent budget year as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Quinton Clark
Procurement Contracts Specialist: Annie Mathis

Board Meeting Date: 10/21/2026
Requisition Number: 5164248
Purchase Commodity: Various Rocks
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	Electric Construction & Maintenance Support / Irving Gabaldon / 901-320-1726 / igabaldon@mlgw.org	
Scope: **Contract** _____ **Purchase** __X__ **Other** _____	A purchase order will be issued for various rocks.	
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	To purchase approximately 8,715 tons of four various types of rock.	
Where will the work take place? *(MLGW facility or jobsite, etc.)*	The rocks will be used to stabilize the river bank at MLGW structure No.1613 located at 2480 N. Highland Street.	
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	The rocks will stabilize the eroding Wolf River bank, protect MLGW transmission structure No. 1613, and support construction of an access road.	
Are there any anticipated vendor issues? (If so, please explain)	No	
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	No	
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	No	
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) RFQ		

BUDGET:

	Total	In 2026 Budget Year	After Budget Year
Amount Requested	$ 370,447.50	$ 200,000.00	$ 170,447.50
2026 Budget*	$ 44,069,000.00		
Amount Spent Year-to-Date	$ 20,320,804.79		
2026 Budget Balance Available		$ 23,748,195.21	
Budget Balance After Award		$ 23,548,195.21	

Please indicate category *(O&M or Capital).

[ ] **O&M**
[X] **Capital**

Project Substation
Expenditure Organization 0562110 Substation and Transmission Er
Expenditure Type eAM Outside Purchases
Task WO1306064

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **10.02.2026**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

BID ON VARIOUS ROCKS

FOR BOARD MEETING OF OCTOBER 21, 2026

BIDS OPENED ON AUGUST 19, 2026

BASE UNIT: TONS

BIDDERS	ITEM	Line 1	Line 2	Line 3	Line 4	Total	Local Bidding Preference	Local Bidding Presence	Terms	Delivery
	QUANTITY	1,800	4,800	2,100	15					
	DESCRIPTION	CR610 Rocks	R200 Riprap	4x1 Rocks	Class A-1 Riprap					
COMPLYING BIDDERS										
Fullen Dock & Warehouse		$36.50	$46.50	$38.50	$46.50	$370,447.50	N/A	N/A	Net 30	24 Hours
Memphis, TN										
Vulcan Materials Company		$48.87	$61.07	$54.36	$61.07	$496,174.05	N/A	Yes	Net 30	24 Hours
Memphis, TN										

RECOMMEND AWARD AS FOLLOWS: Fullen Dock & Warehouse ..... $ 370,447.50

Memphis Light, Gas and Water Division
INTERDEPARTMENTAL CORRESPONDENCE
Electric Construction and Maintenance Support
NC 01 400 / Phone: 901-320-1726

TO: Annie Mathis

FROM: Irving Gabaldon, Projects Manager

DATE: September 24, 2026

SUBJECT: RFQ 1803457 - SEALED BID: VARIOUS ROCKS

Per this memo, Electric Construction and Maintenance Support has reviewed the quotes received for RFQ 1803457 (REQ 5164248) and moves to recommend that Purchasing award the order to Fullen Dock & Warehouse for $370,447.50. Below are all bids received for reference.

Fullen Dock & Warehouse	$370,447.50
APAC Tennessee Inc	$435,300.00
Vulcan Materials Company	$496,174.05

Thanks,

IRVING GABALDÓN

Cc: Jason Mayo, Neil Strongosky, Darrell Banks, Wayne Ellis, Camela Mitchell, Russell Webb

AWARD RECOMMENDATION

To: Irving Gabaldon

From: **Procurement Contracts Specialist II:** Annie Mathis

Date: 9/24/2026

Requisition #: 5164248 **Bid on:** Various Rocks

Attached are bid(s) for items requisitioned by your department. Please complete the applicable portions of this form in order that proper presentation and recommendations may be made. Please return this form to the Procurement Specialist as soon as possible.

1. PROCUREMENT COMMENTS:
This requisition is for the purchase of four various rock types to stabilize the Wolf River bank at MLGW transmission structure #1613.

2. RECOMMENDATION:

A. Which bid(s) do you recommend? Fullen Dock and Warehouse

B. Does this meet specifications as per your request and/or as advertised? YES ☑ NO ☐

If No, is the variance considered: MINOR ☐ *or* MAJOR ☐

Explain:

C. Is the recommendation the lowest bid received? YES ☑ NO ☐

If no, list the bids that are low; but which you believe **DO NOT** meet specifications and list reasons why each does not meet specifications. Please attach a memo of explanation to this form, if necessary. If recommendation is based on local bidding preference or earliest delivery based on need, please include in your recommendation.

(attach an additional sheet if further comment or explanation is required)

PRINT NAME Russell Webb
Area Supervisor or designee

SIGNATURE Annie Mathis
Procurement Contracts Specialist II

SIGNATURE Russell Webb **DATE** 9/30/2026

DATE 9/29/2026 **PHONE** 901-320-1565

3. PROCUREMENT ACTION/RECOMMENDATION(S): (Purchasing to complete)

This award complies with all applicable laws and policies.

Revised 6/23/2025

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12725 – Power System Analysis (formerly Contract No. C2841)**

2. **Requested Funding – $150,000.00**

3. **Award Duration – Increase and Renewal the First of four (4) annual renewals (November 13, 2026 – November 12, 2027)**

4. **Type of Bid – RFQ**

5. **Awarded To – 1898 & Co. (formerly Burns & McDonnell Engineering Company, Inc.)**

6. **Plain Language Description – This contract is for engineering consulting services with 1898 & Co. to assist MLGW in evaluating and analyzing the performance of its existing 12kV and 23kV electric distribution and substation systems through the use of Eaton's CYME Power System Analysis software. The key areas for analysis will be Volt/Var management, Distributed Energy Resources (DER) integration, harmonic analysis, and network relay settings. As MLGW begins to evaluate and incorporate these technologies and capabilities into its electric distribution system, 1898 & Co. will provide technical guidance and recommendations based on industry standards and best practices.**

1. **Impact – This will allow MLGW to establish a technical foundation and develop practical approaches for implementing Volt/Var Optimization (VVO) and Distributed Energy Resources technologies in future applications for the electric distribution system.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas, and Water Commissioners the approval of the Increase and Renewal *(Change No. 1)* to Contract No. 12725 *(formerly Contract No. C2841)*, Power System Analysis with 1898 & Co. *(formerly Burns & McDonnell Engineering Company, Inc.)* to increase and renew the current contract in the funded amount of $150,000.00.

The project scope is to evaluate and analyze the performance of MLGW's existing 12kV and 23kV electric distribution and substation systems by 1898 & Co. using Eaton's Cyme Power System Analysis software. The key areas for analysis will be Volt/Var management, Distributed Energy Resources (DER) integration, harmonic analysis, and network relay settings. As MLGW begins to evaluate and incorporate these technologies and capabilities into its electric distribution system, 1898 & Co. will provide technical guidance and recommendations based on industry standards and best practices. This will allow MLGW to establish a technical foundation and develop practical approaches for implementing these technologies in future applications for the electric distribution system. The contract award was based on the Request for Qualifications ("RFQ") evaluation process.

This change is to increase and renew the current contract for the first of four (4) annual renewal terms covering the period of November 13,2026 through November 12, 2027 in the funded amount of $150,000.00. This renewal complies with all applicable laws and polices. The new contract value is $290,000.00

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, the approval of Increase and Renewal *(Change No. 1)* to Contract No. 12725 *(formerly*

Contract No. C2841), Power System Analysis with 1898 & Co. to increase and renew the current contract in the amount of $150,000.00, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Increase and Renewal.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Quinton Clark
Specialist: Aline Cotton

Board Meeting Date: 10/21/2026
Contract Number: 12725 (formerly Contract No.C2841)
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Clayton Brown/ 0560270 Distribution Planning & Engineering/ (901) 528-4292/ clayton_brown@mlgw.org**
Scope: Contract X **Purchase ____** **Other ____**	**The project scope is to evaluate and analyze the performance of MLGW's existing 12kV and 23kV electric distribution and substation systems by 1898 & Co. *(formerly Burns & McDonnell Engineering Company, Inc.)* using Eaton's Cyme Power System Analysis software. The key areas for analysis will be Volt/Var management, Distributed Energy Resources (DER) integration, harmonic analysis, and network relay settings. As MLGW begins to evaluate and incorporate these technologies and capabilities into its electric distribution system, *1898 & Co.* will provide technical guidance and recommendations based on industry standards and best practices. This will allow MLGW to establish a technical foundation and develop practical approaches for implementing these technologies in future applications for the electric distribution system.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to renew the current contract term for the first of four (4) annual renewals for the period covering November 13, 2026 through November 12, 2027 in the amount of $150,000.00.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at MLGW's Hansen Administration Building located at 220 S.Main Street, Memphis, TN 38103.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**This need exists to be sure that MLGW continues to receive guidance on industry best practices for VVO, DER implementation, harmonic analysis, and network relay settings.**
Are there any anticipated vendor issues? (If so, please explain)	**No**
Are there any contract services, labor or IBEW issues?	**No**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall	**No**
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **RFQ**	

BUDGET:

	Total	In 2027 Budget Year	After Budget Year
Amount Requested	$ 150,000.00	$ 150,000.00	$ -
2027 Budget*	$ 300,000.00		
Amount Spent Year-to-Date	$ -		
2027 Budget Balance Available		$ 300,000.00	
Budget Balance After Award		$ 150,000.00	

Please indicate category *(O&M or Capital).

O&M
Capital

Project	**Distribution Planning & Engineering**
Expenditure Organization	**0560270 Distribution Planning & Engineering**
Expenditure Type	**Outside Svc - Other Professional**
Task	**Admin**

Comments: Approval is contgent upon the 2027 Budget Approve

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Katrina Cooper — **10/6/2026**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Contractor:

1898 & Co.
(formerly Burns & McDonnell Engineering Company, Inc.)
10/21/2026

Contract Number: 12725
(formerly Contract No. C2841)

	Actions	**Date**	**Amount**
Original Award	**Award**	**11/19/2025**	**$140,000.00**
Amount Paid to Date as of 09.24.2026			**$8,500.00**
Current Contract Balance			$131,500.00
Renewal (Change Order No. 1)	***This change is to renew and increase the current contract for the first of four (4) annual renewal terms covering the period of November 13,2026 through November 12, 2027 in the amount of $150,000.00.***	***10/21/2026***	***$150,000.00***
Available Balance			**$281,500.00**
Cumulative Contract Value			**$290,000.00**
NOTE: MLGW's Electric Distribution System Engineering Department will utilize the current contract balance for the remaining intial term through November 12, 2026.			

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 1**
CITY OF MEMPHIS **DATE OF CHANGE October 21, 2026**
CONTRACT NUMBER 12725 *(formerly Contract No. C2841)* **SHEET 1 OF 3**

TO: CHARLIE VANCE

1898 & CO. *(BURNS & MCDONNELL ENGINEERING COMPANY, INC.)*

4004 SUMMIT BLVD NE, SUITE 1200

ATLANTA, GA 30319

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZES THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO EVALUATE AND ANALYZE THE PERFORMANCE OF MLGW'S EXISTING 12KV AND 23KV ELECTRIC DISTRIBUTION AND SUBSTATION SYSTEMS BY 1898 & CO. USING EATON'S CYME POWER SYSTEM ANALYSIS SOFTWARE. THE KEY AREAS FOR ANALYSIS WILL BE VOLT/VAR MANAGEMENT, DISTRIBUTED ENERGY RESOURCES (DER) INTEGRATION, HARMONIC ANALYSIS, AND NETWORK RELAY SETTINGS. AS MLGW BEGINS TO EVALUATE AND INCORPORATE THESE TECHNOLOGIES AND CAPABILITIES INTO ITS ELECTRIC DISTRIBUTION SYSTEM, 1898 & CO. WILL PROVIDE TECHNICAL GUIDANCE AND RECOMMENDATIONS BASED ON INDUSTRY STANDARDS AND BEST PRACTICES. THIS WILL ALLOW MLGW TO ESTABLISH A TECHNICAL FOUNDATION AND DEVELOP PRACTICAL APPROACHES FOR IMPLEMENTING THESE TECHNOLOGIES IN FUTURE APPLICATIONS FOR THE ELECTRIC DISTRIBUTION SYSTEM. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR QUALIFICATIONS ("RFQ") EVALUATION PROCESS.

THIS CHANGE IS TO INCREASE AND RENEW THE CURRENT CONTRACT FOR THE FIRST OF FOUR (4) ANNUAL RENEWAL TERMS COVERING THE PERIOD OF NOVEMBER 13,2026 THROUGH NOVEMBER 12, 2027 IN THE FUNDED AMOUNT OF $150,000.00. THIS RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICES. THE NEW CONTRACT VALUE IS $290,000.00

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 140,000.00**	
Change Amount	**$ 150,000.00**	**Increase and Renewal (Change No. 1)**
Total Contract Amount	**$ 290,000.00**	

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: A06308F2-79EE-85F2-812A-41EF78005FA9

MEMPHIS LIGHT, GAS AND WATER DIVISION

Distribution Planning & Engineering

September 2, 2026

Kory Robinson
Manager, Electric Distribution System Engineering
Memphis Light, Gas and Water Division

Charlie Vance
1898 & Co.
4004 Summit Blvd NE, Suite 1200
Atlanta, GA 30319

RE: Notice of Intent to Renew Contract No. 2841 (1898 & Co.: Power System Analysis) and request for Change Order

Dear Mr. Robinson and Mr. Vance:

This letter is to formally notify you of Memphis Light, Gas and Water Division's (MLGW) intent to renew Contract No. 2841 with 1898 & Co. for continued engineering consulting services for MLGW to evaluate and analyze the performance of its existing 12kV and 23kV electric distribution and substation systems. The renewal term will run for one year, from November 13, 2026, through November 12, 2027.

In conjunction with this renewal, MLGW requests a change order to be added to the existing contract.

This continued engagement supports the ongoing needs of MLGW's Distribution Planning & Engineering area to establish a technical foundation and develop practical approaches for implementing Volt/Var optimization, DER integration, harmonic analysis, and network relay settings from industry standards and best practices based on technical guidance from 1898 & Co.

Please indicate your agreement to this renewal and change order by signing below. Should you have any questions, please do not hesitate to contact me.

Sincerely,
Clayton Brown
Supervisor, Distribution Planning & Engineering
Memphis Light, Gas and Water Division

AGREED AND ACCEPTED:

DocuSigned by:
7F79063B814948D...

Date: 9/2/2026

Kory Robinson, Manager, Electric Distribution System Engineering - MLGW

Signed by:
F787D83E80864EF...

Date: 9/8/2026

Charlie Vance, Department Manager, Utility Consulting – 1898 & Co.

MLGW

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12726 *(formerly Contract No. C2842)* CYME Training and Support**

2. **Requested Funding – $150,000.00**

3. **Award Duration – Increase and First of four (4) annual renewals (November 12, 2026 through November 11, 2027)**

4. **Type of Bid – RFQ**

5. **Awarded To – Eaton Corporation**

6. **Plain Language Description – The project scope involves training and support services for Eaton's CYME distribution analysis software. Distributed Energy Resources (DER) schema implementation is the first example of such support. The migration from ArcGIS 10.8 to ESRI Utility Network is the next anticipated support function.**

7. **Impact – MLGW's Distribution Planning & Engineering area needs tailored training on all CYME modules, as well as support for emerging technologies that require fundamental changes to CYME.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas and Water Commissioners the approval of the Increase and Renewal *(Change No. 1)* to Contract No. 12726 *(formerly Contract No. C2842)*, CYME Training and Support with Eaton Corporation to increase and renew the current contract in the funded amount of $150,000.00.

The project scope is to furnish supervision, labor, and materials to provide CYME software training and on-call engineering support services. The project will cover MLGW's existing 12kV and 23kV electric distribution system and substation facilities. All training shall incorporate MLGW's 12/23 kV circuits. The scope of work for this engineering service includes, but are not limited to, the following task areas: 1) On-call technical support on the use of the CYME Software (i.e. application support); 2) Consulting on engineering data management related to the CYME Software to help plan MLGW's transition from ESRI ArcGIS to ESRI Utility Network (UN) and; 3) Tailored hybrid training incorporating MLGW's 12/23 kV circuits on various Power System Analysis and Power Cable Ampacity modules. This contract award was based on the Request for Qualifications ("RFQ") selection process.

This change is to increase and renew the current contract for the first of four (4) annual renewal terms covering the period of November 12, 2026 through November 11, 2027 in the amount of $150,000.00. This increase and renewal complies with all applicable laws and policies. The new contract value is $290,000.00.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, the approval of the Increase and Renewal *(Change No. 1)* to Contract No. 12726 *(formerly Contract No. C2842)*, CYME Training and Support with Eaton Corporation to increase and renew the current contract in the funded amount of $150,000.00, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Increase and Renewal.

BOARD RESOLUTION TRANSMITTAL

Board Meeting Date: 10/21/2026

Expenditure Org Executive: Quinton Clark
Specialist: Toka Ivy

Contract Number: 12726 (formerly Contract No. C2842)
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	Clayton Brown/ 0560270 Distribution Planning & Engineering/ (901) 528-4292/ clayton_brown@mlgw.org
Scope: Contract X Purchase ____ Other ____	The project scope is to furnish supervision, labor, and materials to provide CYME software training and on-call engineering support services. The project will cover MLGW's existing 12kV and 23kV electric distribution system and substation facilities. All training shall incorporate MLGW's 12/23 kV circuits. The scope of work for this engineering service includes, but are not limited to, the following task areas: 1) On-call technical support on the use of the CYME Software (i.e. application support); 2) Consulting on engineering data management related to the CYME Software to help plan MLGW's transition from ESRI ArcGIS to ESRI Utility Network (UN) and; 3) Tailored hybrid training incorporating MLGW's 12/23 kV circuits on various Power System Analysis and Power Cable Ampacity modules.
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	This change is to renew the current contract for the first of four (4) annual renewals for the period covering November 12, 2026 through November 11, 2027.
Where will the work take place? *(MLGW facility or jobsite, etc.)*	The work will take place at the MLGW's Hansen Administration Building located at 220 S. Main Street, Memphis, TN, 38103.
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	This need exists because of the requirement for ongoing CYME training and support, ensuring engineers stay current with the software's latest features and analytical capabilities.
Are there any anticipated vendor issues? (If so, please explain)	No
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	No
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	No
If applicable, how was the recommendation determined? (Bid RFQ or RFP) **RFQ**	

BUDGET:

	Total	In 2027 Budget Year	After Budget Year
Amount Requested	$ 150,000.00	$ 150,000.00	$ -
2027 Budget*	$ 300,000.00		
Amount Spent Year-to-Date	$ -		
2027 Budget Balance Available		$ 300,000.00	
Budget Balance After Award		$ 150,000.00	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project	**Distribution Planning & Engineering**
Expenditure Organization	**0560270 Distribution Planning & Engineering**
Expenditure Type	**Outside Svc - Other Professional**
Task	**Admin**

Comments Approval is contgent upon the 2027 Budget Approve

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Katrina Cooper — **10/6/2026**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Contractor: **Eaton Corporation**

10/21/2026

Contract Number: 12726 (formerly Contract No. C2842)

	Actions	**Date**	**Amount**
Original Award	**Award**	**11/19/2025**	**$140,000.00**
Amount Paid to Date as of 09.24.2026			**$91,581.00**
Current Contract Balance			$48,419.00
Increase and Renewal (Change Order No. 1)	***This change is to increase and renew the current contract for the first of four (4) annual renewal terms covering the period of November 12, 2026 through November 11, 2027 in the amount of $150,000.00.***	***10/21/2026***	***$150,000.00***
Available Balance			**$198,419.00**
Cumulative Contract Value			**$290,000.00**
NOTE: MLGW's Electric Distribution System Engineering Department will utilize the current contract balance for the remaining renewal term.			

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 1**
CITY OF MEMPHIS **DATE OF CHANGE October 21, 2026**
CONTRACT NUMBER 12726 (formerly Contract No. C2842) **SHEET 1 OF 3**

TO: JORGE KOEHRMANN

EATON CORPORATION

6011 GRASSMERE BUSINESS PARK, SUITE 17

NASHVILLE, TN 37211

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZED THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO FURNISH SUPERVISION, LABOR, AND MATERIALS TO PROVIDE CYME SOFTWARE TRAINING AND ON-CALL ENGINEERING SUPPORT SERVICES. THE PROJECT WILL COVER MLGW'S EXISTING 12KV AND 23KV ELECTRIC DISTRIBUTION SYSTEM AND SUBSTATION FACILITIES. ALL TRAINING SHALL INCORPORATE MLGW'S 12/23 KV CIRCUITS. THE SCOPE OF WORK FOR THIS ENGINEERING SERVICE INCLUDES, BUT ARE NOT LIMITED TO, THE FOLLOWING TASK AREAS: 1) ON-CALL TECHNICAL SUPPORT ON THE USE OF THE CYME SOFTWARE (I.E. APPLICATION SUPPORT); 2) CONSULTING ON ENGINEERING DATA MANAGEMENT RELATED TO THE CYME SOFTWARE TO HELP PLAN MLGW'S TRANSITION FROM ESRI ARCGIS TO ESRI UTILITY NETWORK (UN) AND; 3) TAILORED HYBRID TRAINING INCORPORATING MLGW'S 12/23 KV CIRCUITS ON VARIOUS POWER SYSTEM ANALYSIS AND POWER CABLE AMPACITY MODULES. THIS CONTRACT AWARD WAS BASED ON THE REQUEST FOR QUALIFICATIONS ("RFQ") SELECTION PROCESS.

THIS CHANGE IS TO INCREASE AND RENEW THE CURRENT CONTRACT FOR THE FIRST OF FOUR (4) ANNUAL RENEWAL TERMS COVERING THE PERIOD OF NOVEMBER 12, 2026 THROUGH NOVEMBER 11, 2027 IN THE AMOUNT OF $150,000.00. THIS INCREASE AND RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $290,000.00.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 140,000.00**	
Change Amount	**$ 150,000.00**	**Increase and Renewal *(Change No. 1)***
Total Contract Amount	**$ 290,000.00**	

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

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MEMPHIS LIGHT, GAS AND WATER DIVISION

Distribution Planning & Engineering

September 2, 2026

Kory Robinson
Manager, Electric Distribution System Engineering
Memphis Light, Gas and Water Division

Jorge Koehrmann
Eaton Corporation
6011 Grassmere Business Park, Suite 17
Nashville, TN 37211

RE: Notice of Intent to Renew Contract No. 2842 (Eaton Corporation: CYME Distribution Analysis Software Training & Support) and Request for Change Order

Dear Mr. Robinson and Mr. Koehrmann:

This letter is to formally notify you of Memphis Light, Gas and Water Division's (MLGW) intent to renew Contract No. 2842 with Eaton Corporation for continued training and support services related to Eaton's CYME distribution analysis software. The renewal term will run for one year, from November 12, 2026, through November 11, 2027.

In conjunction with this renewal, MLGW requests a change order to be added to the existing contract.

This continued engagement supports the ongoing needs of MLGW's Distribution Planning & Engineering area, including tailored training on all CYME modules and support for emerging technologies that require fundamental changes to CYME, such as DER schema implementation and the anticipated migration from ArcGIS 10.8 to the ESRI Utility Network.

Please indicate your agreement to this renewal and change order by signing below. Should you have any questions, please do not hesitate to contact me.

Sincerely,
Clayton Brown
Supervisor, Distribution Planning & Engineering
Memphis Light, Gas and Water Division

AGREED AND ACCEPTED:

DocuSigned by:
7F79063B814948D...

Date: 9/2/2026

Kory Robinson, Manager, Electric Distribution System Engineering - MLGW

Signed by:
D200E1DE32D443D...

Date: 9/2/2026

Jorge Koehrmann, Project Manager - Eaton Corporation

MLGW

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12386 - Substation Engineering Services (Substation)** ***(solicited under Contract No. 12302)***

2. **Requested Funding – $0.00**

3. **Award Duration – Fourth and final annual renewal (December 5, 2026 through December 4, 2027)**

4. **Type of Bid – RFQ**

5. **Awarded To – Allen & Hoshall, Incorporated**

6. **Plain Language Description – Final renewal for the Engineering Services contract for Allen & Hoshall, Incorporated with an increase in rates but no increase to the total contract.**

7. **Impact – The need exists to provide additional Professional Engineering Services to be used for (1) Substation work that cannot be performed in-house, and/or (2) to supplement existing resources to assist in completing renewal and replacement of substation infrastructure program goals & other system improvement projects.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas, and Water Commissioners the approval of the Renewal *(Change No. 4)* to Contract No. 12386 *(solicited under Contract No. 12302)*, Substation Engineering Services (Substation) with Allen & Hoshall, Incorporated to renew the current contract with no increase in the contract value.

The project scope is to provide substation engineering services including, but not limited to, the design of electrical apparatus installation/replacement in substation switchyards (air disconnect switches, power circuit breakers, power transformer, batteries, etc.). Design of bus systems, site design involving drainage, grading, erosion control, landscaping, and driveways. Structural design of steel support structures, foundations, hand-holes, cable trenches, curbs, inlets, oil spill traps, and fencing. The scope also includes training of MLGW employees to perform design work in electrical, mechanical and civil engineering disciplines in accordance with applicable standards and established MLGW design practices. The contract award was based on the Request for Qualifications ("RFQ") evaluation process.

This change is to renew the current contract for the fourth and final annual renewal term for the period covering December 5, 2026 through December 4, 2027 with no increase in the contract value. As part of the negotiated terms for the upcoming contract period, the agreed upon rates include a 8% increase over the agreed upon 2022 rates. This negotiated rate adjustment accounts for the change in job classification rates. This renewal complies with all applicable laws and policies. The contract value will remain $600,000.00.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, the approval of Renewal (*Change No. 4*) to Contract No. 12386 *(solicited under Contract No. 12302)*, Substation Engineering Services (Substation) with Allen & Hoshall, Incorporated to renew the current contract with no increase in the contract value, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Renewal.

BOARD RESOLUTION TRANSMITTAL

Board Meeting Date: 10/21/2026

Expenditure Org Executive: Quinton Clark
Procurement Contracts Specialist: Shanikka Tate
Purchase Order/Requisition Number: 12386 (solicited under Contract No. 12302)
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Substation & Transmission Engineering/Darrell Banks/413-0093/dbanks@mlgw.org**
Scope: **Contract** X **Purchase** **Other** ____	**The project scope is to provide additional Professional Engineering Services to be used for (1) Substation work that cannot be performed in-house, and/or (2) to supplement existing resources to assist in completing renewal and replacement of substation infrastructure program goals & other system improvement projects.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to renew the current contract for the fourth and final annual renewal term for the period covering December 5, 2026 thorugh December 4, 2027.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will be done in the MLGW service areas of Shelby County, Tennessee.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to provide additional professional engineering services to be used for (1) work that cannot be perform in-house, and/or (2) to supplement existing resources to assist in completing Renewal and Replacement of Infrastructure Program goals & other system improvement projects.**
Are there any anticipated vendor issues? (If so, please explain)	**No.**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No.**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No.**
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **RFQ**	

BUDGET:

	Total	In 2026 Budget Year	After Budget Year
Amount Requested	$ -	$ -	$ -
2026 Budget*	$ 39,505,000.00		
Amount Spent Year-to-Date	$ 20,093,426.52		
2026 Budget Balance Available		$ 19,411,573.48	
Budget Balance After Award		$ 19,411,573.48	

26805
7500
5200
39505

***Please indicate category *(O&M or Capital)*.**

[ ] **O&M**
[X] **Capital**

Project Substation
Expenditure Organization 0562110 Substation & Transmission Engi
Expenditure Type eAM Engineering Services
Task Various

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Katrina Cooper
Budget & Financial Planning

9/30/2026
Date

Rev. 11/01/2018

Contractor: **Allen & Hoshall, Incorporated**
10/21/2026

Contract Number: 12386 (*solicited under Contract No. 12302*)

	Actions	**Date**	**Amount**
Original Award	Award	12/6/2022	$300,000.00
Renewal (Change Order No. 1)	This change was to renew the current contract for the first of four (4) annual renewal terms for the period covering December 5, 2023 through December 4, 2024 in the funded not-to-exceed amount of $300,000.00, with no increase in rates from the initial term. MLGW is requesting additional funding for the Contractor to complete the following work over the next renewal term: 1. MLGW Way Forward Substation Engineering services in support of substation transformer and breaker replacements at various substations; 2. customer-requested 161 kV interconnection ring-bus substation designs and 3. training MLGW personnel to perform design work associated with these projects.	10/18/2023	$300,000.00
Renewal (Change Order No. 2)	This change was to renew the current contract for the second of four (4) annual renewal terms for the period covering December 5, 2024 through December 4, 2025 with no increase in the contract value.	10/2/2024	$0.00
Renewal (Change Order No. 3)	This change was to renew the current contract for the third of four (4) annual renewal terms for the period covering December 5, 2025 through December 4, 2026 with no increase in the contract value. The agreed-upon rates will remain the same as the previous term.	10/1/2025	$0.00
Current Contract Amount			$600,000.00
Amount Paid to Date as of 09.25.26			$220,748.00
Current Contract Balance			$379,252.00
Renewal (Change Order No. 4)	***This change is to renew the current contract for the fourth and final annual renewal term for the period covering December 5, 2026 through December 4, 2027 with no increase in the contract value. As part of the negotiated terms for the upcoming contract period, the agreed upon rates include a 8% increase over the agreed upon 2022 rates. This negotiated rate adjustment accounts for the change in job classification rates.***	***10/21/2026***	***$0.00***
Available Balance			***$379,252.00***
Cumulative Contract Value			***$600,000.00***

Note: MLGW's Substation Transmission Engineering Department will utilize the current contract balance during the remaining renewal term.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 4**

CITY OF MEMPHIS **DATE OF CHANGE October 21, 2026**

CONTRACT NUMBER 12386 *(solicited under Contract No. 12302* **SHEET 1 OF 5**

TO: BRET FISHER

ALLEN & HOSHALL, INCORPORATED

1661 INTERNATIONAL DRIVE

MEMPHIS, TN 31820

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZED THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO PROVIDE SUBSTATION ENGINEERING SERVICES INCLUDING, BUT NOT LIMITED TO, THE DESIGN OF ELECTRICAL APPARATUS INSTALLATION/REPLACEMENT IN SUBSTATION SWITCHYARDS (AIR DISCONNECT SWITCHES, POWER CIRCUIT BREAKERS, POWER TRANSFORMER, BATTERIES, ETC.). DESIGN OF BUS SYSTEMS, SITE DESIGN INVOLVING DRAINAGE, GRADING, EROSION CONTROL, LANDSCAPING, AND DRIVEWAYS. STRUCTURAL DESIGN OF STEEL SUPPORT STRUCTURES, FOUNDATIONS, HAND-HOLES, CABLE TRENCHES, CURBS, INLETS, OIL SPILL TRAPS, AND FENCING. THE SCOPE ALSO INCLUDES TRAINING OF MLGW EMPLOYEES TO PERFORM DESIGN WORK IN ELECTRICAL, MECHANICAL AND CIVIL ENGINEERING DISCIPLINES IN ACCORDANCE WITH APPLICABLE STANDARDS AND ESTABLISHED MLGW DESIGN PRACTICES. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR QUALIFICATIONS ("RFQ") EVALUATION PROCESS.

THIS CHANGE IS TO RENEW THE CURRENT CONTRACT FOR THE FOURTH AND FINAL ANNUAL RENEWAL TERM FOR THE PERIOD COVERING DECEMBER 5, 2026 THROUGH DECEMBER 4, 2027 WITH NO INCREASE IN THE CONTRACT VALUE. AS PART OF THE NEGOTIATED TERMS FOR THE UPCOMING CONTRACT PERIOD, THE AGREED UPON RATES INCLUDE A 8% INCREASE OVER THE AGREED UPON 2022 RATES. THIS NEGOTIATED RATE ADJUSTMENT ACCOUNTS FOR THE CHANGE IN JOB CLASSIFICATION RATES. THIS RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE CONTRACT VALUE WILL REMAIN $600,000.00.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 600,000.00**	
Change Amount	**$ 0.00**	**Renewal (Change No. 4)**
Total Contract Amount	**$ 600,000.00**	

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: 392FAB19-A2C4-8F87-826E-D6DF69FAA5F7

Allen&Hoshall

1661 International Drive, Suite 100
Memphis, Tennessee 38120
Office 901.820.0820
Fax 901.683.1001
www.allenhoshall.com

September 9, 2026

Mr. Darrell Banks, Jr., P.E.
Supervisor
Substation and Transmission Engineering
Memphis Light, Gas & Water Division
220 S. Main St.
Memphis, TN 38103-3917

Re: **MLGW Professional Engineering Services for Substation Engineering**
Contract No. 12386

Dear Mr. Banks:

The purpose of this letter is to request Allen & Hoshall's option to continue professional engineering services for the next annual renewal of the Memphis Light, Gas and Water Division Contract No. 12386 for the term December 5, 2026 through December 4, 2027, Professional Engineering Services for Substation Engineering. Allen & Hoshall is requesting a change in rates for the upcoming term. This rate schedule is attached below.

Allen & Hoshall looks forward to continuing to work with Memphis Light, Gas and Water Division on this important project. Please contact me if you require additional information or have any questions.

Sincerely,

Allen & Hoshall



Signed by:
Neil Strongosky
49B555271F66405...

Bret M. Fisher, P.E.
bfisher@allenhoshall.com

Docusign Envelope ID: 392FAB19-A2C4-8F87-826E-D6DF69FAA5F7

Allen&Hoshall

1661 International Drive, Suite 100
Memphis, Tennessee 38120
Office 901.820.0820
Fax 901.683.1001
www.allenhoshall.com

Allen & Hoshall
2026 – 2027 Hourly Rate Schedule

Principal	$255.00
Project Manager	$215.00
Senior Engineer	$185.00
Design Engineer	$165.00
Project Engineer	$155.00
Registered Land Surveyor	$160.00
2 Member Survey Crew	$165.00
Senior Designer	$140.00
Designer	$115.00
Senior Technician	$105.00
Senior CAD Technician	$120.00
Clerical	$90.00

Reimbursable expenses will be invoiced at cost without any markup and will be in accordance with MLGW Travel Expense Guidelines.

Signed by:
Neil Strongosky
49B555271F66405...

RESOLUTION SUMMARY

1. **Short Title Description - Contract No. 12385 Substation Engineering Services (Transmission)** ***(solicited under Contract No. 12302)***

2. **Requested Funding – $0.00**

3. **Award Duration – Fourth and Final renewal term (December 14, 2026 through December 13, 2027)**

4. **Type of Bid – RFQ**

5. **Awarded To – Allen & Hoshall, Incorporated**

6. **Plain Language Description – Final renewal for the Engineering Services contract with Allen & Hoshall, Incorporated with an increase in rates but no increase to the total contract.**

7. **Impact – The need exists to provide additional professional engineering services to be used for (1) transmission work that cannot be performed perform in-house, and/or (2) to supplement existing resources to assist in completing system improvement projects, specifically 16kV & 115 kV overhead transmission line projects.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas, and Water Commissioners the approval of the Renewal *(Change No. 4)* to Contract No. 12385 *(solicited under Contract No. 12302)*, Substation Engineering Services (Transmission) with Allen & Hoshall, Incorporated to renew the current contract with no increase in the contract value.

The project scope is to provide transmission engineering services including, but not limited to, the design of new overhead 16kV kV tower lines, upgrading existing tower lines, spotting structures, drilled pier foundation design, creating associated environmental permit design documents, NERC Alerts, etc., and writing related specifications thereof. The contract award was based on the Request for Qualifications ("RFQ") evaluation process.

This change is to renew the current contract for the fourth and final annual renewal term for the period covering December 14, 2026 through December 13, 2027 with no increase in the contract value. As part of the negotiated terms for the upcoming contract period, the agreed upon rates include a 8% increase over the agreed upon 2022 rates. This negotiated rate adjustment accounts for the change in job classification rates. This renewal complies with all applicable laws and policies. The contract value will remain $600,000.00.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, the approval of Renewal (*Change No. 4*) to Contract No. 12385 *(solicited under Contract No. 12302)*, Substation Engineering Services (Transmissions) with Allen & Hoshall, Incorporated to renew the current contract with no increase in the contract value, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Renewal.

BOARD RESOLUTION TRANSMITTAL

Board Meeting Date: 10/21/2026

Expenditure Org Executive: Quinton Clark
Procurement Contracts Specialist: Shanikka Tate
Purchase Order/Requisition Number: 12385 (solicited under Contract No. 12302)
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Substation & Transmission Engineering/Darrell Banks/413-0093/dbanks@mlgw.org**
Scope: Contract _X__ Purchase ____ Other ____	**The project scope is to provide transmission engineering services including, but not limited to, the design of new overhead 161 kV tower lines, upgrading existing tower lines, spotting structures, drilled pier foundation design, creating associated environmental permit design documents, NERC Alerts, etc., and writing related specifications thereof.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to renew the current contract for the fourth and final annual renewal term for the period covering December 14,2026 through December 13, 2027.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will be done in the MLGW service area of Shelby County, Tennessee.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to provide additional professional engineering services to be used for (1) work that we cannot perform in-house, and/or (2) to supplement existing resources to assist in completing system improvement projects.**
Are there any anticipated vendor issues? (If so, please explain)	**No.**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No.**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No.**
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **RFQ**	

BUDGET:

	Total	In 2026 Budget Year	After Budget Year
Amount Requested	$ -		$ -
2026 Budget*	$ 39,505,000.00		
Amount Spent Year-to-Date	$ 20,083,426.52		
2026 Budget Balance Available		$ 19,421,573.48	
Budget Balance After Award		$ 19,421,573.48	

Please indicate category *(O&M or Capital).

☐ **O&M**
☒ **Capital**

Project Substation
Expenditure Organization 0562110 Substation & Transmission Engi
Expenditure Type eAM Engineering Services
Task Various

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Katrina Cooper — **9/30/2026**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Contractor: **Allen & Hoshall, Incorporated**

10/21/2026

Contract Number: 12385 (*solicited under Contract No. 12302*)

	Actions	**Date**	**Amount**
Original Award	Award	12/6/2022	$300,000.00
Renewal (Change Order No. 1)	This change was to renew the current contract for the first of four (4) annual renewal terms for the period covering December 14, 2023 through December 13, 2024 in the funded not-to-exceed amount of $300,000.00, with no increase in rates. MLGW is requesting additional funding for the Contractor to complete the following projects over the next renewal period: 1. Transmission line design for internal MLGW 115kV and 161kV facilities; 2. Transmission line design for customer-requested 161 kV interconnection ring-bus substations; 3. Any stream bank restoration to protect MLGW transmission facilities; and 4. Training MLGW personnel to perform design work associated with these projects.	10/18/2023	$300,000.00
Renewal (Change Order No. 2)	This change was to renew the current contract for the second of four (4) annual renewal terms for the period covering December 14, 2024 through December 13, 2025 with no increase in the contract value. The agreed-upon rates will remain the same as the previous term.	10/2/2024	$0.00
Renewal (Change Order No. 3)	This change was to renew the current contract for the third of four (4) annual renewal terms for the period covering December 14, 2025 through December 13, 2026 with no increase in the contract value. The agreed-upon rates will remain the same as the previous term.	10/1/2025	$0.00
Current Contract Amount			$600,000.00
Amount Paid to Date as of 09.24.2026			$309,447.75
Current Contract Balance			$290,552.25
Renewal (Change Order No. 4)	***This change is to renew the current contract for the fourth and final renewal term for the period covering December 14, 2026 through December 13, 2027 with no increase in the contract value. As part of the negotiated terms for the upcoming contract period, the agreed upon rates include a 8% increase over the agreed upon 2022 rates. This negotiated rate adjustment accounts for change in job classification rates.***	***10/21/2026***	***$0.00***
Available Balance			***$290,552.25***
Cumulative Contract Value			***$600,000.00***

Note: MLGW's Substation Transmission Engineering Department will utilize the current contract balance for the remaining renewal term.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 4**
CITY OF MEMPHIS **DATE OF CHANGE October 21, 2026**
CONTRACT NUMBER 12385 (solicited under Contract No. 12302) **SHEET 1 OF 4**

TO: BRET FISHER

ALLEN & HOSHALL, INCORPORATED

1661 INTERNATIONAL DRIVE

MEMPHIS, TN 31820

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZED THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO PROVIDE TRANSMISSION ENGINEERING SERVICES INCLUDING, BUT NOT LIMITED TO, THE DESIGN OF NEW OVERHEAD 161 KV TOWER LINES, UPGRADING EXISTING TOWER LINES, SPOTTING STRUCTURES, DRILLED PIER FOUNDATION DESIGN, CREATING ASSOCIATED ENVIRONMENTAL PERMIT DESIGN DOCUMENTS, NERC ALERTS, ETC., AND WRITING RELATED SPECIFICATIONS THEREOF. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR QUALIFICATIONS ("RFQ") EVALUATION PROCESS.

THIS CHANGE IS TO RENEW THE CURRENT CONTRACT FOR THE FOURTH AND FINAL ANNUAL RENEWAL TERM FOR THE PERIOD COVERING DECEMBER 14, 2026 THROUGH DECEMBER 13, 2027 WITH NO INCREASE IN THE CONTRACT VALUE. AS PART OF THE NEGOTIATED TERMS FOR THE UPCOMING CONTRACT PERIOD, THE AGREED UPON RATES INCLUDE A 8% INCREASE OVER THE AGREED UPON 2022 RATES. THIS NEGOTIATED RATE ADJUSTMENT ACCOUNTS FOR THE CHANGE IN JOB CLASSIFICATION RATES. THIS RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE CONTRACT VALUE WILL REMAIN $600,000.00.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 600,000.00**	
Change Amount	**$ 0.00**	**Renewal (Change No. 4)**
Total Contract Amount	**$ 600,000.00**	

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: 23BA1658-C73A-8720-8023-E640740A5AF9

Allen&Hoshall

1661 International Drive, Suite 100
Memphis, Tennessee 38120
Office 901.820.0820
Fax 901.683.1001
www.allenhoshall.com

September 9, 2026

Mr. Darrell Banks, Jr., P.E.
Supervisor
Substation and Transmission Engineering
Memphis Light, Gas & Water Division
220 S. Main St.
Memphis, TN 38103-3917

Re: **MLGW Professional Engineering Services for Transmission Engineering**
Contract No. 12385

Dear Mr. Banks:

The purpose of this letter is to request Allen & Hoshall's option to continue professional engineering services for the next annual renewal of the Memphis Light, Gas and Water Division Contract No. 12385 for the term December 14, 2026 through December 13, 2027, Professional Engineering Services for Transmission Engineering. Allen & Hoshall is requesting a change in rates for the upcoming term. This rate schedule is attached below.

Allen & Hoshall looks forward to continuing to work with Memphis Light, Gas and Water Division on this important project. Please contact me if you require additional information or have any questions.

Sincerely,

Allen & Hoshall

DocuSigned by:
Neil Stramgosky
49B555271F66405...

Bret M. Fisher, P.E.
bfisher@allenhoshall.com

Docusign Envelope ID: 23BA1658-C73A-8720-8023-E640740A5AF9

Allen&Hoshall

1661 International Drive, Suite 100
Memphis, Tennessee 38120
Office 901.820.0820
Fax 901.683.1001
www.allenhoshall.com

Allen & Hoshall
2022 – 2023 Hourly Rate Schedule

Principal	$250.00
Project Manager	$200.00
Senior Engineer	$170.00
Design Engineer	$155.00
Project Engineer	$145.00
Registered Land Surveyor	$150.00
2 Member Survey Crew	$154.00
Senior Designer	$130.00
Designer	$110.00
Senior Technician	$100.00
Senior CAD Technician	$110.00
Inspector	$84.00
Clerical	$85.00

Reimbursable expenses will be invoiced at cost without any markup and will be in accordance with MLGW Travel Expense Guidelines.

DocuSigned by:
Neil Strongosky
49B555271F66405...

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12424 – Water Well Production Drilling**

2. **Requested Funding – $4,000,000.00**

3. **Award Duration – Increase and the Third of four (4) annual renewals (January 1, 2027 – December 31, 2027)**

4. **Type of Bid – Sealed bid**

5. **Awarded To – National Water Services, LLC**

6. **Plain Language Description – Renewal to drill up to eight (8) wells over the one (1) year renewal term.**

7. **Impact – MLGW must continue to drill water production wells to meet the demand by our customers. New wells consist of replacement wells and new wells added to the system.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas and Water Commissioners Increase and Renewal (*Change No. 4*) to Contract No. 12424, Water Well Production Drilling with National Water Services LLC to increase and renew the current contract in the funded amount of $4,000,000.00.

The project scope is to construct up to eight (8) complete water supply units over one (1) year, consisting of a gravel wall well, motor, pump, and certain appurtenances, the contract award was selected based on the Sealed Bid process.

This change is to increase and renew the current contract for the third of four (4) annual renewal terms covering the period January 1, 2027 through December 31, 2027 in the amount of $10,164,689.00; of which $7,858,741.81 will be absorbed from the current contract value. The renewal amount reflects no price increase from the previous term. The total requested amount of this increase and renewal is $4,000,000.00. This increase and renewal complies with all applicable laws and policies. The new contract value is $35,613,669.90.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, Subject to the consent and approval of the Council of the City of Memphis, the approval of Increase and Renewal (*Change No. 4*) to Contract No. 12424, Water Well Production Drilling with National Water Services, LLC to increase and renew the current contract in the funded amount of $4,000,000.00, as outlined in the foregoing preamble, is approved; and further,

THAT, The President, or his designated representative is authorized to execute the Increase and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting on October 21, 2026 approved Increase and Renewal (*Change No. 4*) to Contract No. 12424, Water Well Production Drilling with National Water Services, LLC to increase and renew the current contract in the funded amount of $4,000,000.00, and is now recommending to the Council of the City of Memphis that it approves said increase and renewal; and

WHEREAS, the project scope is to construct up to eight (8) complete water supply units over one (1) year, consisting of a gravel wall well, motor, pump, and certain appurtenances. The contract award was selected based on the Sealed Bid process; and

WHEREAS, this change is to increase and renew the current contract for the third of four (4) annual renewal terms covering the period January 1, 2027 through December 31, 2027 in the amount of $10,164,689.00; of which $7,858,741.81 will be absorbed from the current contract value. The renewal amount reflects no price increase from the previous term. The total requested amount of this increase and renewal is $4,000,000.00. This increase and renewal complies with all applicable laws and policies. The new contract value is $35,613,669.90; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved Increase and Renewal (*Change No. 4*) to Contract No. 12424, Water Well Production Drilling with National Water Services, LLC to increase and renew the current contract in the funded amount of $4,000,000.00 as approved.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 4**
CITY OF MEMPHIS **DATE OF CHANGE October 21, 2026**
CONTRACT NUMBER 12424 **SHEET 1 OF 6**

TO: **MR. STEVE ANDERSON**

NATIONAL WATER SERVICES, LLC

10545 HIGHWAY 64, SUITE 1

ARLINGTON, TN 38002

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZED THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO CONSTRUCT UP TO EIGHT (8) COMPLETE WATER SUPPLY UNITS OVER ONE (1) YEAR, CONSISTING OF A GRAVEL WALL WELL, MOTOR, PUMP, AND CERTAIN APPURTENANCES, THE CONTRACT AWARD WAS SELECTED BASED ON THE SEALED BID PROCESS.

THIS CHANGE IS TO INCREASE AND RENEW THE CURRENT CONTRACT FOR THE THIRD OF FOUR (4) ANNUAL RENEWAL TERMS COVERING THE PERIOD JANUARY 1, 2027 THROUGH DECEMBER 31, 2027 IN THE AMOUNT OF $10,164,689.00; OF WHICH $7,858,741.81 WILL BE ABSORBED FROM THE CURRENT CONTRACT VALUE. THE RENEWAL AMOUNT REFLECTS NO PRICE INCREASE FROM THE PREVIOUS TERM. THE TOTAL REQUESTED AMOUNT OF THIS INCREASE AND RENEWAL IS $4,000,000.00. THIS INCREASE AND RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $35,613,669.90.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 31,613,669.90**	
Change Amount	**$ 4,000,000.00**	**- Increase and Renewal (*Change No. 4*)**
Total Contract Amount	**$ 35,613,669.90**	

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Chandrika Winston-Rosser
Procurement Contracts Specialist: TaShay Yates

Board Meeting Date: 10/21/2026
Purchase Order/Requisition Number: 12424
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Water Engineering / Heather Horton / 901-528-3643 / hhorton@mlgw.org**	
Scope: Contract _X___ Purchase ____ Other ____	**The project scope is to construct up to eight (8) complete water supply units over one (1) year, consisting of a gravel wall well, motor, pump, and certain appurtenances.**	
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to increase and renew the current contract term for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027in the amount of $4,000,000.00.**	
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at various MLGW Well Fields.**	
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to ensure adequate raw water supply exists for reliable customer service.**	
Are there any anticipated vendor issues? (If so, please explain)	**No**	
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**	
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**	
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **Sealed Bid**		

BUDGET:

	Total	In 2027 Budget Year	After Budget Year
Amount Requested	$ 4,000,000.00	$ 4,000,000.00	$ -
2027 Budget*	$ 11,850,000.00		
Amount Spent Year-to-Date	$ -		
2027 Budget Balance Available		$ 11,850,000.00	
Budget Balance After Award			

Please indicate category *(O&M or Capital).

☐ **O&M**
☒ **Capital**

Project Production Wells
Expenditure Organization 0570510 Water Engineering
Expenditure Type Various
Task Various

Comments: Contingent on the approval of the 2027 budget.

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft
Budget & Financial Planning

09.17.2026
Date

Rev. 11/01/2018

Docusign Envelope ID: 11CCFDDE-A2C3-843E-8026-E6D62C857F15

National Water Service
10545 Hwy 64, Suite 1
Arlington, TN 38002
(901) 409-4052
www.national-water.com

August 6, 2026

Memphis Light, Gas, and Water Division
P.O. Box 430
Memphis, TN 38101-0430
Attn: Heather Horton

RE: Contract 12424 –Contract Renewal #3

Dear Heather,

National Water Service would like to renew the current contract with MLGW for 2027. There will be no increases to the bid items for this contract year.

Thank you for taking this renewal option into consideration. We look forward to continuing this project with MLGW.

Sincerely,

Steve Anderson

Steve Anderson
Sr. Project Manager
National Water Service, LLC

Reviewed and recommended by:

DocuSigned by:
Darren Beal 4/2026
AB80BF33C5B5495...

Signed by:
Aaron Smith 4/2026
99AF842B5AFD42A...

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Contract No. 12424

Water Production Wells
Bidding Blank

Proposal

Any MLGW Well Field

Well Items:

Any (1) Water Production Well

1a.	Cost to drill test hole and complete new gravel wall well at $ 2,776.00 per foot	$ 866,112.00
1b.	Cost to purchase **submersible pumping unit**, motor and accessories	$ 235,350.00
1c.	**Additional** cost to purchase **line shaft pumping unit**, motor and accessories	$ 85,862.00
1d.	Cost to install **submersible pumping unit**, motor and accessories	$ 21,550.00
1e.	**Additional** cost to install **line shaft pumping unit**, motor and accessories	$ 0.00
1f.	Cost of max 125 feet of surface casing at $ 578.00 per foot*	$ 72,250.00
1g.	Cost to remove and dispose drilling mud mixture as necessary (per 60,000 gal)**	$ 133,000.00
	Total Bid to Drill (1) Water Production Well in a MLGW Well Field	$ 1,414,124.00

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Estimated Quantities

The following is not to be construed as being the exact quantity of work to be performed on this contract, but is a representative estimate of each item in this contract for bid analysis.

Additional Well Items:

Item	Description	Estimated Quantity	Unit	Unit Cost	Total Cost
1	Installed Outer Casing (per 8 wells)	3,000	Feet	$ 476.00	$ 1,428,000.00
2	Wire Wound; Continuous Slot Strainer	70	Feet	$ 396.00	$ 27,720.00
3	Blank Strainer	70	Feet	$ 232.00	$ 16,240.00
4	Concrete Plug, Cap or Gravel Pack Seal	25	Feet	$ 384.00	$ 9,600.00
5	Abandon Test Hole and Remobilize to New Site****	1	Each	$86,845.00	$ 86,845.00
6	Electrical Cabinet Reinforced Concrete Foundations†	6	Each	$ 12,500.00	$ 75,000.00
7	Pipe Support Reinforced Concrete Pads††	6	Each	$ 6,090.00	$ 36,540.00

Bid Summary:

Bid to Drill (6) Water Production Wells *(Total Bid to Drill (1) Water Production Well * 6 Wells)*	$ 8,484,744.00
PLUS	
Bid for Additional Well Items	$ 1,679,945.00
EQUALS	
Total Award Amount is	$ 10,164,689.00

*** If the maximum allowance of 125' of surface casing is not utilized, the cost difference between the allowed 125' of surface casing and the utilized surface casing will be deducted from the total well cost. If more than 125' of surface casing is necessary, this unit cost will be used for change order purposes.**

**** During process of well drilling where drilling mud will be used to stabilize, drilling mud mixture must be occasionally pumped off site and disposed of accordingly by contractor. This varies by each location.**

***** Unit price includes cost per foot to drill complete new gravel wall well past a depth of 312 feet.**

****** Abandonment cost shall include moving onto site and setting up equipment; drilling the test hole; abandoning hole and filling with neat cement grout; restoring site to original condition; and removing all equipment and materials.**

† Electrical Cabinet Reinforced Foundation shall be constructed per attached specifications.

†† Pipe Support Reinforced Foundation shall be constructed per attached specifications.

Prices are unit prices

The prices for Additional Well Items may be added to or subtracted from the Well Items prices, upon MLGW approval.

The site for any well may be at another location in any MLGW well field, to be determined by MLGW.

Any and all related contractor expenses must be included in the unit prices provided above, as necessary.

The quantity of wells to be drilled and the quantity of additional well items may be changed during the course of the contract as the MLGW Water Engineering and Operations Department deems necessary.

MLGW reserves the right to not purchase any item in the Bid Proposal.

Docusign Envelope ID: 4B32BF27-F35B-49C8-93B7-504DA642CBE1

MLGW reserves the right to accept or reject any bid or any portion of any bid, and make contract awards as serves the best interests of MLGW.

Labor expense is 42 **% of the bid price.**

Material expense is 25 **% of the bid price.**

Equipment expense is 33 **% of the bid price.**

Contractor: **National Water Services, LLC**

10/21/2026

Contract Number: 12424

	Actions	**Date**	**Amount**
Original Award		11.01.2023	**$7,130,300.90**
Scope Change and Increase (Change Order No. 1)	This change was to expand the current scope of work by adding up to three (3) additional water supply units to be constructed at the current rate of $1,426,060.18 per well, totaling $4,278,180.54. This will increase the number of wells from five (5) up to eight (8). In addition, to include the construction of eight (8) Electric Cabinet Foundations at the rate of $11,830.00 per foundation and eight (8) Pipe Stand Support foundations at the rate of $5,854.54 per foundation, totaling $141,476.32. MLGW requested contingency funds of $220,983.14 for any additional unforeseen concerns. The total amount of this change was $4,640,640.00. This expansion was needed to increase the amount of source water wells drilled annually to increase raw water supply and maintain reliability. The contract term will remain through December 31, 2024.	2/21/2024	$4,640,640.00
Renewal and Increase (Change Order No. 2)	This change was to renew the current contract for the first of four (4) annual renewal terms covering the period January 1, 2025 through December 31, 2025 in the amount of $13,342,729.00 which reflects a negotiated price increase of 13.35% from the previous term. The increase is due to rising labor rates, equipment, and material costs. In addition, MLGW was able to remove redundant and unused items for this renewal.	11/20/2024	$13,342,729.00

Renewal and Increase (Change Order No. 3)	This change was to renew the current contract for the second of four (4) annual renewal terms covering the period January 1, 2026 through December 31, 2026 in the amount of $10,164,689.00; of which $4,608,298.00 will be absorbed from the current contract value. The renewal amount reflects a negotiated increase of 1.58% from the previous term due to rising labor rates, equipment, and material costs. Additionally, MLGW was able to reduce excess line-item quantities and hold material prices by ordering materials in advance. Also, MLGW is requesting contingency funds in the amount of $943,609.00 for any unforeseen conditions that may arise when drilling wells at unknown depths. The total requested amount of this renewal is $6,500,000.00.	11/19/2025	$6,500,000.00
Current Contract Amount			***$31,613,669.90***
Amount Paid to Date as of 9.24.2026			$15,809,495.50
Current Contract Balance			$15,804,174.40
Increase and Renewal (Change Order No. 4)	***This change is to increase and renew the current contract for the third of four (4) annual renewal terms covering the period January 1, 2027 through December 31, 2027 in the amount of $10,164,689.00; of which $7,858,741.81 will be absorbed from the current contract value. The renewal amount reflects no price increase from the previous term. The total requested amount of this increase and renewal is $4,000,000.00.***	***10/21/2026***	***$4,000,000.00***
Available Balance			***$19,804,174.40***
Cumulative Contract Value			***$35,613,669.90***

Note: MLGW's Water Engineering and Operations Department will utilize an estimated amount of $2,305,947.19 to pay for invoices for work performed in 2026 and the remaining balance will be utilized in the 2027 renewal term.

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 10793 - Professional Portfolio Software**

2. **Requested Funding – $15,337.93**

3. **Award Duration – Ratification, Renewal and Increase (May 11, 2026 through May 10, 2027)**

4. **Type of Bid – Sole Source**

5. **Awarded To – Advent Software, Incorporated**

6. **Plain Language Description – This contract renews our maintenance agreement with SSC Advent for Treasury Management's automated portfolio accounting, reporting, and performance measurement software.**

7. **Impact – The SSC Advent software is a comprehensive tool for managing various asset types, streamlining reconciliation, compliance, and trading. It provides customizable reports and enhances financial oversight that gives Treasury Management a comprehensive and clear view of the Pension, OPEB Trust and Common funds financial positions.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas and Water Commissioners, the approval of the Ratification, Renewal and Increase (*Change No. 20*) to Contract No. 10793, Professional Portfolio Software with Advent Software, Incorporated to ratify, renew and increase the current contract in the funded amount of $15,337.93.

The project scope is to provide accounting and portfolio management for MLGW's Treasury Management Department. This contract award was selected based on the Sole Source selection process.

This change is to ratify, renew and increase the current contract for an additional year for the period covering May 11, 2026 through May 10, 2027 in the amount of $15,337.93 which reflects a 3% increase from the previous term. The increase is due to continued research and development, cost of products, and additional costs of doing business. MLGW is requesting the approval of continuous maintenance support of the acquired system, which can only be performed by Advent Software, Incorporated. This sole source ratification, renewal and increase comply with all applicable laws and policies. The new contract value is $715,561.13.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, Subject to the consent and approval of the Council of the City of Memphis, the approval of the Ratification, Renewal and Increase (*Change No. 20*) to Contract No. 10793, Professional Portfolio Software, with Advent Software, Incorporated to ratify, renew and increase the current contract in the funded amount of $15,337.93, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Ratification, Renewal and Increase.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 21, 2026 approved the Ratification, Renewal and Increase (*Change No. 20*) to Contract No. 10793, Professional Portfolio Software with Advent Software, Incorporated to ratify, renew and increase the current contract in the funded amount of $15,337.93 and is now recommending to the Council of the City of Memphis that it approves said ratification, renewal and increase as approved; and

WHEREAS, the project scope is to provide accounting and portfolio management for MLGW's Treasury Management Department. The contract award was selected based on the Sole Source selection process; and

WHEREAS, this change is to ratify, renew and increase the current contract for an additional year for the period covering May 11, 2026 through May 10, 2027 in the amount of $15,337.93 which reflects a 3% increase from the previous term. The increase is due to continued research and development, cost of products, and additional costs of doing business. MLGW is requesting the approval of continuous maintenance support of the acquired system, which can only be performed by Advent Software, Incorporated. This sole source ratification, renewal and increase comply with all applicable laws and policies. The new contract value is $715,561.13; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved the Ratification, Renewal and Increase (*Change No. 20)* to Contract No. 10793, Professional Portfolio Software with Advent Software, Incorporated to ratify, renew and increase the current contract in the funded amount of $15,337.93 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Rodney Cleek
Procurement Contracts Specialist: Shelby Collins

Board Meeting Date: 10/21/2026
Contract Number: 10793
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Treasury Management / Terrell Davis / 901-528-4156 / tfdavis@mlgw.org**	
Scope: Contract __X__ **Purchase** ____ **Other** ____	**The project scope is to provide accounting and portfolio management for MLGW's Treasury Management Department.**	
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to ratify, renew and increase the current contract for an additional year for the period covering May 11, 2026, through May 10, 2027.**	
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place in the MLGW Treasury Management Department.**	
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to provide access to accounting and portfolio management for the Treasury Management Department.**	
Are there any anticipated vendor issues? (If so, please explain)	**No**	
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**	
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**	
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **Sole Source**		

BUDGET:

	Total	In 2026 Budget Year	After Budget Year
Amount Requested	$ 15,337.93	$ 15,337.93	$ -
2026 Budget*	$ 108,000.00		
Amount Spent Year-to-Date	$ 55,004.39		
2026 Budget Balance Available		$ 52,995.61	
Budget Balance After Award		$ 37,657.68	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Treasury Management R2018
Expenditure Organization 0331100 Treasury Management
Expenditure Type Contracted Svc-Other
Task Admin Expense

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Katrina Cooper — **9/11/2026**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Contractor: **Advent Software, Incorporated**
10/21/2026

Contract Number: 10793

	Actions	**Date**	**Amount**
Original Award	**Award**	**9/6/2001**	**$162,666.86**
Increase (Change No. 1)	This change was to purchase maintenance for the AXYS and DTC interface products provided the cost does not exceed 10% over the prior yearly change.	4/19/2007	$22,349.69
Increase (Change No. 2)	This change was to purchase license and maintenance support to MLGW with AXYS and DTC Interface products.	5/15/2008	$24,594.24
Increase and Renewal (Change No. 3)	This change was to renew the contract for the period covering April 19, 2009 through April 20, 2010.	3/19/2009	$26,402.80
Increase and Renewal (Change No. 4)	This change was to renew the contract for the period covering the May11, 2010 through May 10, 2011 with a 4.35% increase from the previous year due to the upgrade of the software.	3/18/2010	$27,550.10
Increase and Renewal (Change No. 5)	This change was to renew the contract for the period covering May11, 2011 through May 10, 2012.	4/7/2011	$28,444.77
Increase and Renewal (Change No. 6)	This change was to renew the contract for the period covering May11, 2012 through May 10, 2013 with no increase from the previous year.	3/15/2012	$28,444.77
Increase and Renewal (Change No. 7)	This change was to renew the contract for the period covering May11, 2013 through May 10, 2014, which reflects a 3.00% increase from the previous year.	3/7/2013	$29,286.11
Increase and Renewal (Change No. 8)	This change was to renew the current contract for the period covering May11, 2014 through May 10, 2015, which reflects a 3.00% increase from the previous year.	3/20/2014	$30,152.70
Increase and Renewal (Change No. 9)	This change was to renew the current contract for an additonal year for the period covering May 11, 2015 through May 10, 2016 which, reflects a 2.96% increase from the previous year.	3/18/2015	$31,045.28
Increase and Renewal (Change No. 10)	This change was to renew the current contract for an additonal year for the period covering May 11, 2016 through May 10, 2017, which reflects a 2.96% increase from the previous year.	3/16/2016	$31,964.64
Increase and Renewal (Change No. 11)	This change was to renew the current contract for an additonal year for the period covering May 11, 2017 through May 10, 2018 which, reflects a 2.96% increase from the previous year.	3/22/2017	$32,911.58

Increase and Renewal (Change No. 12)	This change was to renew the current contract for an additonal year for the period covering May 11, 2018 through May 10, 2019, which reflects a 3.00% increase from the previous year.	3/21/2018	$33,886.93
Increase and Renewal (Change No. 13)	This change was to renew the current contract for an additional year for the period covering May 11, 2019 through May 10, 2020 in the funded amount of $34,891.53, with a 3.00% increase from the previous year; which will be absorbed in the current contract value.	4/3/2019	$0.00
Increase and Renewal (Change No. 14)	This change was to renew the current contract for an additional year for the period covering May 11, 2020 through May 10, 2021 in the funded amount of $35,926.28, with a 3% increase from the previous year.	3/18/2020	$35,926.28
Increase and Renewal (Change No. 15)	This change was to renew the current contract for an additional year for the period covering May 11, 2021 through May 10, 2022 in the funded amount of $33,408.11.	4/7/2021	$33,408.11
Increase and Renewal (Change No. 16)	This change was to renew the current contract for an additional year for the period covering May 11, 2022 through May 10, 2023 in the amount of $34,398.35, which reflects a 3% increase in rates from the previous term. The increase was due to continued development and the cost of supporting the software products, as well as increases in the cost of doing business.	3/16/2022	$34,398.35
Increase and Renewal (Change No. 17)	This change was to ratify and renew the current contract for an additional year for the period covering May 11, 2023 through May 10, 2024 in the amount of $35,418.30, which reflects a 3% increase in rates from the previous term. The increase is due to continued development and the cost of supporting software products, as well as increases in the cost of doing business.	5/17/2023	$35,418.30
Increase and Renewal (Change No. 18)	This change was to ratify and renew the current contract for an additional year for the period covering May 11, 2024 through May 10, 2025 in the amount of $36,468.85, which reflects a 3% increase in rates from the previous term. The increase is due to continued development and the cost of supporting software products, as well as increases in the cost of doing business.	5/1/2024	$36,468.85
Ratification and Renewal (Change No. 19)	This change was to ratify and renew the current contract for an additional year for the period covering May 11, 2025 through May 10, 2026 in the amount of $14,902.84, which reflects a 59.1% decrease due to the number of user licenses reduced to a single user.	10/15/2025	$14,902.84
Current Contract Amount			$700,223.20
Amount Paid to Date as of 10.06.26			$699,205.65
Current Contract Balance			$1,017.55
Ratification, Renewal and Increase (Change No. 20)	***This change is to ratify, renew and increase the current contract for an additional year for the period covering May 11, 2026 through May 10, 2027 in the amount of $15,337.93 which reflects a 3% increase from the previous term. The increase is due to continued research and development, cost of products, and additional costs of doing business.***	***10/21/2026***	***$15,337.93***
Available Balance			***$16,355.48***
Cumulative Contract Value			***$715,561.13***

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS, AND WATER DIVISION **CONTRACT CHANGE NO. 20**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 21, 2026**
CONTRACT NUMBER 10793 **SHEET 1 OF 2**

TO: MS. JENNIFER VELTRI

ADVENT SOFTWARE, INCORPORATED

9000 SOUTHSIDE BOULEVARD, SUITE 7500

JACKSONVILLE, FL 32256

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZES THE FOLLOWING CHANGE IN REGARDS TO THE ABOVE CONTRACT NUMBER. THE CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO PROVIDE ACCOUNTING AND PORTFOLIO MANAGEMENT FOR MLGW'S TREASURY MANAGEMENT DEPARTMENT. THIS CONTRACT AWARD WAS SELECTED BASED ON THE SOLE SOURCE SELECTION PROCESS.

THIS CHANGE IS TO RATIFY, RENEW AND INCREASE THE CURRENT CONTRACT FOR AN ADDITIONAL YEAR FOR THE PERIOD COVERING MAY 11, 2026 THROUGH MAY 10, 2027 IN THE AMOUNT OF $15,337.93 WHICH REFLECTS A 3% INCREASE FROM THE PREVIOUS TERM. THE INCREASE IS DUE TO CONTINUED RESEARCH AND DEVELOPMENT, COST OF PRODUCTS, AND ADDITIONAL COSTS OF DOING BUSINESS. MLGW IS REQUESTING THE APPROVAL OF CONTINUOUS MAINTENANCE SUPPORT OF THE ACQUIRED SYSTEM, WHICH CAN ONLY BE PERFORMED BY ADVENT SOFTWARE, INCORPORATED. THIS SOLE SOURCE RATIFICATION, RENEWAL AND INCREASE COMPLY WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $715,561.13.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 700,223.20**
Change Amount	**$ 15,337.93 – Ratification, Renewal and Increase (*Change No. 20*)**
Total Contract Amount	**$ 715,561.13**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

SS&C | ADVENT

Advent Maintenance and ACD Renewal

October 9, 2026
Memphis Light, Gas & Water
Advent Customer ID: 1233
220 S Main St
Memphis, TN 38103-3917
ATTN: Terrell Davis

Dear Terrell,

The pricing for your Maintenance renewal for 1 Axys and corresponding Axys Custom Reports is $15,337.93. Your AXYS product increased by 3% this year, priced in accordance with contract #10793 for Maintenance. We have annual increases on all of our software products. The increase reflects continued research and development, the cost of supporting our products, and additional costs of doing business.

The ACD services are priced according to the terms of C2227. The $14,887.14 price is based on Advent's current Standard Account Fee schedule. Your ACD product increased by 8% as this fee fluctuates based on the account volume; in addition, the adjustment to the fee is tied to Advent's data agreements with external providers.

Sincerely,

Max Higgs
Renewals Sales Associate

Manager, Treasury Management

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12469 – Professional Services IS/IT (*solicited under Contract No. 12433*)**

2. **Requested Funding – $2,011,814.09**

3. **Award Duration – Increase and the Third of four (4) annual renewals (January 1, 2027 through December 31, 2027)**

4. **Type of Bid – RFP**

5. **Awarded To – TEKsystems**

6. **Plain Language Description – This contract provides professional staffing services to support Information Systems as well as other areas that require expertise in computer science, engineering, accounting and finance. These services are used by the Information Services Division and other departments for both staff augmentation and project-specific assignments. By maintaining agreements with multiple vendors, the organization gains access to a wider pool of qualified professionals and can choose the most suitable Contractors for each need. In addition, if issues arise with one vendor, other vendors are available to ensure uninterrupted service.**

7. **Impact – This contract enables the organization to rapidly fill difficult-to-staff positions, ensure backup support for critical operations, bring in temporary expertise for specific projects, provide training and knowledge transfer, and manage workload fluctuations effectively.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas and Water Commissioners the approval of the Increase and Renewal (*Change No. 3*) to Contract No. 12469 (*solicited under Contract No. 12433*), Professional Services IS/IT with TEKsystems to increase and renew the current in the funded amount of $2,011,814.09.

The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process.

This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,011,814.09 with no increase in rates from the previous term. This increase and renewal comply with all applicable laws and policies. The new contract value is $5,866,416.09.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, the approval of the Increase and Renewal (*Change No. 3*) to Contract No. 12469 (*solicited under Contract No. 12433*), Professional Services IS/IT with TEKsystems to increase and renew the current contract in the funded amount of $2,011,814.09 as outlined in the above preamble, is approved; and further

THAT, the President or his designated representative is authorized to execute the Increase and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 21, 2026 approved the Increase and Renewal (*Change No. 3*) to Contract No. 12469 *(solicited under Contract No. 12433*), Professional Services IS/IT with TEKsystems to increase and renew the current contract in the funded amount of $2,011,814.09 and is now recommending to the Council of the City of Memphis that it approves said increase and renewal as approved; and

WHEREAS, the project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process; and

WHEREAS, this change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,011,814.09 with no increase in rates from the previous term. This increase and renewal comply with all applicable laws and policies. The new contract value is $5,866,416.09; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved the Increase and Renewal (*Change No. 3*) to Contract No. 12469 *(solicited under Contract No. 12433*), Professional Services IS/IT with TEKsystems to increase and renew the current contract in the funded amount of $2,011,814.09 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Lashell Vaughn
Procurement Contracts Specialist: Shanikka Tate

Board Meeting Date: 10/21/2026
Contract Number: 12469 (*solicited under Contract No. 12433*)
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**350620 / Information Systems / Darren Sharp / 901-729-8969 / dsharp@mlgw.org**
Scope: Contract __x__ Purchase ____ Other ____	**The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to increase and renew the current contract for the third of four (4) annual renewal terms covering the period January 1, 2027 through December 31, 2027 in the amount of $2,011,814.09.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at the Netters Business Center, MLGW's Administration Building, or specified work locations depending on the need.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to augment existing technology staff with industry expertise to meet the demands of requested technological solutions.**
Are there any anticipated vendor issues? (If so, please explain)	**No**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **RFP**	

BUDGET:

	Total	In 2027 Budget Year	After Budget Year
Amount Requested	$ 2,011,814.09	$ 2,011,814.09	$ -
2027 Budget*	$ 9,670,975.00		
Amount Spent Year-to-Date	$ -		
2027 Budget Balance Available		$ 9,670,975.00	
Budget Balance After Award		$ 7,659,160.91	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Various
Expenditure Organization Various
Expenditure Type Outside Svc - Other Professional
Task Admin Expense

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Katrina Cooper — **Budget & Financial Planning**

10/8/2026 — **Date**

Rev. 11/01/2018

Amt in 2027 Budget (per Resource)	Organization	Project Name	Tasks	Expenditure Type	2027 Budget
$140,400.00	0703400 Business Operations Services and Support	BOSS Projects R2027	Admin Expense	Outside Svc-Other Professional	$ 141,960.00
$124,800.00	0703400 Business Operations Services and Support	BOSS Projects R2027	Admin Expense	Outside Svc-Other Professional	$ -
$119,600.00	350000 Vice President and CIO	350000 Vice President and CIO	Admin Expense	Outside Svc-Other Professional	$ 119,600.00
$60,000.00	0563000 Electric Engineering and Operations Strategic Initiatives Directors Office	Dir Eng Ops Strgc Initvs	Admin Expense	Outside Svc-Other Professional	$ 60,000.00
$164,183.20	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	$ 2,731,347.00
$174,800.00	0352300 Information Technology	Information Technology	Admin Expense	Outside Svc-Other Professional	$ 393,696.00
$133,326.40	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	$ -
$213,826.40	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	$ -
$169,146.60	0352320 Network Engineering and Security Services	Network Engr Sec Svcs	Admin Expense	Outside Svc-Other Professional	$ 813,837.00
$98,800.00	0560340 System Operations Support	System Operations Support	Admin Expense	Outside Svc-Other Professional	$ 327,600.00
$174,800.00	351120 CIS Core Billing	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	$ 1,786,574.00
$220,800.00	351120 CIS Core Billing	Customer Information Sys R2024	Admin Expense	Outside Svc-Other Professional	$ -
$104,880.00	351130 CIS System Integration	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	$ 1,630,314.00
$163,760.00	351300 ERP and GIS	Enterprise Resource Planning	Admin Expense	Outside Svc-Other Professional	$ 163,760.00
$184,000.00	351320 GIS and Enterprise Reporting	GIS Enterprise Reporting	Admin Expense	Outside Svc-Other Professional	$ 1,502,287.00
$193,200.00	351320 GIS and Enterprise Reporting	GIS Enterprise Reporting	Admin Expense	Outside Svc-Other Professional	$ -
					$ 9,670,975.00

$ 2,440,322.60	**Total**
$ 428,508.51	**Avaliable Balance**
$ 2,011,814.09	**Amount Requested**

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 3**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 21, 2026**
CONTRACT NUMBER 12469 (*solicited under Contract No. 12433*) **SHEET 1 OF 3**

TO: RAVEN JONES SIMELTON

TEKSYSTEMS

6060 POPLAR AVE. STE 276

MEMPHIS, TN 38119

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZED THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO PROVIDE SUPPLEMENTAL TECHNICAL STAFFING AND/OR DELIVER TURN-KEY TECHNICAL SUPPORT OR BUSINESS APPLICATION SOLUTIONS FOR ON OR OFF-SITE PROJECTS. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR PROPOSALS ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO INCREASE AND RENEW THE CURRENT CONTRACT FOR THE THIRD OF FOUR (4) ANNUAL RENEWALS FOR THE PERIOD COVERING JANUARY 1, 2027 THROUGH DECEMBER 31, 2027 IN THE AMOUNT OF $2,011,814.09 WITH NO INCREASE IN RATES FROM THE PREVIOUS TERM. THIS INCREASE AND RENEWAL COMPLY WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $5,866,416.09.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 3,854,602.00**	
Change Amount	**$ 2,011,814.09 -**	**Increase and Renewal (*Change No. 3*)**
Total Contract Amount	**$ 5,866,416.09**	

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: 40E97C33-2EC3-8989-8159-B26D7DB61835

September 3, 2026

Darren Sharp
Supervisor, Strategic IT Business Support

RE: Contract # 12469
Renewal # 3
Period: 1/1/2027 to 12/31/2027

This letter is to formally accept to renew TEKsystems' contract (#12469) for the above referenced period of 1/1/2027 – 12/31/2027. TEKsystems agrees to abide by the existing rate chart during this renewal year.

Thanks,

Raven Simelton
Account Manager
337-466-2000
rjones@teksystems.com

DocuSigned by:
4BFB903BA9BF4CD...
9/10/2026

DocuSigned by:
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9/10/2026

Docusign Envelope ID: A8CE57FF-BE45-8B98-80A8-8D68277BD954

Docusign Envelope ID: 420036D3-A3E9-4094-A381-7E1DA7657394

TEKsystems

Professional Services IS/IT

TEKsystems
Own change

JOB CLASSIFICATION	MINIMUM BILLABLE RATE/HR	MAXIMUM BILLABLE RATE/HR
APPLICATION DEVELOPER	$50	$98
BUSINESS SYSTEMS ANALYST	$82	$93
COMPUTER OPERATIONS SPECIALIST	$40	$70
CONSULTANT	$65	$130
DATA ANALYTICS/INTEGRATION SPECIALST	$52	$90
DATABASE ADMINISTRATOR	$60	$98
DESKTOP SUPPORT SPECIALIST	$35	$60
DOCUMENT IMAGING SPECIALIST	$30	$60
INFORMATION SECURITY ADMINISTRATOR	$60	$95
INFORMATION TECHNOLOGY INFRASTRUCTURE ARCHITECT	$70	$115
INFORMATION TECHNOLOGY SYSTEM ENGINEER	$60	$95
IVR (INTERACTIVE VOICE RESPONSE) DEVELOPER	$42	$88
NETWORK ENGINEER	$60	$98
NETWORK SECURITY SPECIALIST/ENGINEER	$62	$105
OPERATING SYSTEMS/SERVER ADMINISTRTOR	$53	$90
ORACLE E-BUSINESS SUITE V12 DEVELOPER	$70	$105
ORACLE E-BUSINESS SUITE PROJECT APPLICATIONS ANALYST	$75	$110
PROJECT COORDINATOR	$50	$75
PROJECT ENGINEER	$50	$85
PROJECT MANAGER	$70	$98
SERVICE DESK SPECIALIST	$30	$55
SOFTWARE INTEGRATION ANALYST	$55	$88
SYSTEMS SECURITY & COMPLIANCE SPECIALIST	$55	$95
VIRTUAL DESKTOP INFRASTRUCTURE SPECIALIST	$55	$88
WEB DEVELOPER	$50	$95
WEB/MOBILE INTEGRATION DEVELOPER	$50	$95

Additional Agreements of Vendors

The Vendor should submit, with its proposal, copies of all supplemental agreements and counterparts requiring execution by both parties. MLGW will not accept any supplemental agreements or counterparts submitted after the proposal due date.

REVIEWED & RECOMMENDED BY
DocuSigned by:
4BEB003BA9B54CD...
9/29/2026
NAME DATE

REVIEWED & RECOMMENDED BY
DocuSigned by:
FC14099B88DD469...
10/1/2026
NAME DATE

Contractor: **TEKsystems**

10/21/2026

Contract Number: 12469
(*solicited under Contract No. 12433*)

	Actions	**Date**	**Amount**
Original Award	Award	11/15/2023	**$1,959,868.40**
Renewal (Change Order No. 1)	This change was to renew the current contract for the first of four (4) annual renewals for the period covering January 1, 2025 through December 31, 2025 with no increase in the contract value. The agreed upon rates will remain the same as the current rates.	11/20/2024	$0.00
Increase and Renewal (Change Order No. 2)	This change was to renew the current contract for the second of four (4) annual renewals for the period covering January 1, 2026 through December 31, 2026 with no increase in rates from the initial term.	10/1/2025	$1,894,733.60
Current Contract Amount			**$3,854,602.00**
Amount Paid to Date as of 09.18.25			$2,488,402.92
Current Contract Balance			$1,366,199.08
Increase and Renewal (Change Order No. 3)	***This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,011,814.09 with no increase in rates from the previous term.***	***10/21/2026***	***$2,011,814.09***
Available Balance			***$3,378,013.17***
Cumulative Contract Value			***$5,866,416.09***

Note: MLGW's Strategic IT Systems Business Consulting Department will utilize the remaining balance for the continuation of budgeted projects to be completed through December 31, 2027.

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12470 – Professional Services IS/IT (*solicited under Contract No. 12433*)**

2. **Requested Funding – $1,831,815.07**

3. **Award Duration – Increase and the Third of four (4) annual renewals (January 1, 2027 through December 31, 2027)**

4. **Type of Bid – RFP**

5. **Awarded To – Vaco**

6. **Plain Language Description – This contract provides professional staffing services to support Information Systems as well as other areas that require expertise in computer science, engineering, accounting and finance. These services are used by the Information Services Division and other departments for both staff augmentation and project-specific assignments. By maintaining agreements with multiple vendors, the organization gains access to a wider pool of qualified professionals and can choose the most suitable Contractors for each need. In addition, if issues arise with one vendor, other vendors are available to ensure uninterrupted service.**

7. **Impact – This contract enables the organization to rapidly fill difficult-to-staff positions, ensure backup support for critical operations, bring in temporary expertise for specific projects, provide training and knowledge transfer, and manage workload fluctuations effectively.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas and Water Commissioners the approval of the Increase and Renewal (*Change No. 3*) to Contract No. 12470 *(solicited under Contract No. 12433*), Professional Services IS/IT with Vaco to increase and renew the current contract in the funded amount of $1,831,815.07.

The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process.

This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $1,831,815.07 with no increase in rates from the previous term. This increase and renewal comply with all applicable laws and policies. The new contract value is $9,099,399.05.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, Subject to the consent and approval of the Council of the City of Memphis, the approval of the Increase and Renewal (*Change No. 3*) to Contract No. 12470 *(solicited under Contract No. 12433*), Professional Services IS/IT with Vaco to increase and renew the current contract in the funded amount of $1,831,815.07 as outlined in the above preamble, is approved; and further

THAT, the President or his designated representative is authorized to execute the Increase and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 21, 2026 approved the Increase and Renewal (*Change No. 3*) to Contract No. 12470 *(solicited under Contract No. 12433*), Professional Services IS/IT with Vaco to increase and renew the current contract in the funded amount of $1,831,815.07 and is now recommending to the Council of the City of Memphis that it approves said increase and renewal as approved; and

WHEREAS, the project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process; and

WHEREAS, this change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $1,831,815.07 with no increase in rates from the previous term. This increase and renewal comply with all applicable laws and policies. The new contract value is $9,099,399.05; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved the Increase and Renewal (*Change No. 3*) to Contract No. 12470 *(solicited under Contract No. 12433*), Professional Services IS/IT with Vaco to increase and renew the current contract in the funded amount of $1,831,815.07 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Lashell Vaughn
Procurement Contracts Specialist: Shanikka Tate

Board Meeting Date: 10/21/2026
Contract Number: 12470 (*solicited under Contract No. 12433*)
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**350620 / Information Systems / Darren Sharp / 901-729-8969 / dsharp@mlgw.org**
Scope: Contract __x__ Purchase ____ Other ____	**The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to increase and renew the current contract for the third of four (4) annual renewal terms covering the period January 1, 2027 through December 31, 2027 in the amount of $1,831,815.07.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at the Netters Business Center, MLGW's Administration Building, or specified work locations depending on the need.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to augment existing technology staff with industry expertise to meet the demands of requested technological solutions.**
Are there any anticipated vendor issues? (If so, please explain)	**No**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **RFP**	

BUDGET:

	Total	In 2027 Budget Year	After Budget Year
Amount Requested	$ 1,831,815.07	$ 1,831,815.07	$ -
2027 Budget*	$ 12,192,110.00		
Amount Spent Year-to-Date	$ -		
2027 Budget Balance Available		$ 12,192,110.00	
Budget Balance After Award		$ 10,360,294.93	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Various
Expenditure Organization Various
Expenditure Type Outside Svc - Other Professional
Task Admin Expense

Comments: Contingent of City Council's approval of the 2027 budget

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:
Katrina Cooper
Budget & Financial Planning

10/8/2026
Date

Rev. 11/01/2018

Amt in 2027 Budget (per Resource)	Organization	Project Name	Tasks	Expenditure Type	2027 Budget
$50,000.00	570000 Gas & Water Engineering and Operations	New Construction Customer Onboarding	Admin Expense	Outside Svc-Other Professional	$ 100,000.00
$196,751.20	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	$ 2,731,347.00
$97,060.00	352220 IT Service Desk and Operations	IT Service Desk and Operations R2022	Admin Expense	Outside Svc-Other Professional	$ 926,469.00
$231,619.20	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	
$204,681.60	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	
$79,380.00	570450 Gas System Integrity	570450 Gas System Integrity	Admin Expense	Outside Svc-Other Professional	$ 801,506.00
$156,400.00	351120 CIS Core Billing	Customer Information Sys R2024	Admin Expense	Outside Svc-Other Professional	$ 1,786,574.00
$156,400.00	351120 CIS Core Billing	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	
$183,834.40	351130 CIS System Integration	eBusiness Sys Integ R2029	Admin Expense	Outside Svc-Other Professional	$ 882,710.00
$193,200.00	351310 ERP Finance and HCM	ERP Finance and HCM	Admin Expense	Outside Svc-Other Professional	$ 1,136,946.00
$142,140.00	351320 GIS and Enterprise Reporting	GIS Enterprise Reporting	Admin Expense	Outside Svc-Other Professional	$ 1,502,287.00
$180,320.00	351320 GIS and Enterprise Reporting	GIS Enterprise Reporting	Admin Expense	Outside Svc-Other Professional	
$193,310.40	351320 GIS and Enterprise Reporting	GIS Enterprise Reporting	Admin Expense	Outside Svc-Other Professional	
$220,800.00	351320 GIS and Enterprise Reporting	GIS Enterprise Reporting	Admin Expense	Outside Svc-Other Professional	
$207,920.00	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2023	Admin Expense	Outside Svc-Other Professional	$ 2,324,271.00
					$ 12,192,110.00

$ 2,493,816.80	**Total**
$ 662,001.73	**Avaliable Balance**
$ 1,831,815.07	**Amount Requested**

Contractor: **Vaco**

10/21/2026

Contract Number: 12470
(*solicited under Contract No. 12433*)

	Actions	**Date**	**Amount**
Original Award	Award	11/15/2023	**$1,917,495.00**
Increase and Renewal (Change Order No. 1)	This change was to renew the current contract for the first of four (4) annual renewals for the period covering January 1, 2025 through December 31, 2025 with no increase in the contract value. The agreed upon rates will remain the same as the current rates.	11/20/2024	$2,759,533.20
Increase and Renewal (Change Order No. 2)	This change was to renew the current contract for the second of four (4) annual renewals for the period covering January 1, 2026 through December 31, 2026 in the amount of $2,590,555.78 with no increase in rates from the initial term.	10/1/2025	$2,590,555.78
Current ContractAmount			**$7,267,583.98**
Amount Paid to Date as of 10.02.26			$5,330,743.19
Current Contract Balance			$1,936,840.79
Increase and Renewal (Change Order No. 3)	***This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $1,831,815.07 with no increase in rates from the previous term.***	***10/21/2026***	***$1,831,815.07***
Available Balance			***$3,768,655.86***
Cumulative Contract Value			***$9,099,399.05***

Note: MLGW's Strategic IT Systems Business Consulting Department will utilize the remaining balance for the continuation of budgeted projects through December 31, 2027.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 3**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 21, 2026**
CONTRACT NUMBER 12470 (*solicited under Contract No. 12433*) **SHEET 1 OF 3**

TO: BOB BURDITT

VACO

1648 W. MASSEY, SUITE 100

MEMPHIS, TN 38120

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZED THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO PROVIDE SUPPLEMENTAL TECHNICAL STAFFING AND/OR DELIVER TURN-KEY TECHNICAL SUPPORT OR BUSINESS APPLICATION SOLUTIONS FOR ON OR OFF-SITE PROJECTS. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR PROPOSALS ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO INCREASE AND RENEW THE CURRENT CONTRACT FOR THE THIRD OF FOUR (4) ANNUAL RENEWALS FOR THE PERIOD COVERING JANUARY 1, 2027 THROUGH DECEMBER 31, 2027 IN THE AMOUNT OF $1,831,815.07 WITH NO INCREASE IN RATES FROM THE INITIAL TERM. THIS INCREASE AND RENEWAL COMPLY WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $9,099,399.05.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 7,267,583.98**	
Change Amount	**$ 1,831,815.07**	**- Increase and Renewal (*Change No. 3*)**
Total Contract Amount	**$ 9,099,399.05**	

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

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vaco
BY HIGHSPRING

September 3,2026

To Whom it May Concern,

Please consider this our formal written request to continue Contract #12009, Renewal #3 with a period of 1/1/2027 – 12/31/2027.

We recognize the existing rate chart and will continue to abide by the standards previously set within that chart.

Please note the update of our name and address as below:

Highspring Consulting LLC dba Vaco LLC
1648 West Massey
Suite 100
Memphis, TN 38120

Should you have any questions or need anything further, please let us know.

Sincerely,

Justin Farmer

jfarmer@vaco.com
Managing Partner
901.333.2250

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9/10/2026

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9/10/2026

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vaco BY HIGHSPRING

MLGW Professional Services IS & IT
Contract NO: 12433

VIII. Compensation

Job Classification	Minimum Billable Rate/HR	Maximum Billable Rate/HR
Application Developer	$55	$125
Business Systems Analyst	$50	$100
Computer Operations Specialist	$35	$50
Consultant	$60	$120
Data Analytics/Integration Specilist	$60	$120
Database Administrator	$55	$105
Desktop Support Specialist	$35	$55
Document Imaging Specialist	$25	$40
Information Security Administrator	$60	$90
Information Technology Infrastructure Architect	$70	$100
Information Technology System Engineer	$60	$100
IVR (Interactive Voce Response) Developer	$60	$100
Network Engineer	$55	$105
Network Security Specialist/Engineer	$60	$90
Operating Systems/Server Administrator	$45	$120
Oracle E-Business Suite V12 Developer	$60	$120
Oracle E-Business Suite Project Applications Analyst	$60	$100
Project Coordiantor	$45	$60
Project Engineer	$70	$110
Project Manager	$70	$110
Service Desk Specialist	$35	$55
Software Integraion Analyst	$60	$90
Systems Security & Compliance Specialist	$75	$100
Virtual Desktop Infrastructure Specialist	$50	$60
Web Developer	$55	$110
Web/Mobile Integration Developer	$55	$120

REVIEWED & RECOMMENDED BY
DocuSigned by:
NAME DATE

REVIEWED & RECOMMENDED BY
DocuSigned by:
10/1/2026
NAME DATE

RESOLUTION SUMMARY

1. **Short Title Description - Contract No. 12468 - Professional Services IS/IT *(solicited under Contract No. 12433)***

2. **Requested Funding - $2,466,191.98**

3. **Award Duration – Increase and the Third of four (4) annual renewals (January 1, 2027 through December 31, 2027)**

4. **Type of Bid - RFP**

5. **Awarded To - Stragistics Technology, Inc.**

6. **Plain Language Description - This contract provides professional staffing services to support Information Systems as well as other areas that require expertise in computer science, engineering, accounting and finance.These services are used by the Information Services Division and other departments for both staff augmentation and project-specific assignments. By maintaining agreements with multiple vendors, the organization gains access to a wider pool of qualified professionals and can choose the most suitable contractors for each need. In addition, if issues arise with one vendor, other vendors are available to ensure uninterrupted service.**

7. **Impact - This contract enables the organization to rapidly fill difficult-to-staff positions, ensure backup support for critical operations, bring in temporary expertise for specific projects, provide training and knowledge transfer, and manage workload fluctuations effectively.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas and Water Commissioners the approval of the Increase and Renewal (*Change No. 3*) to Contract No. 12468 (*solicited under Contract No. 12433*), Professional Services IS/IT with Stragistics Technology, Inc. to increase and renew the current contract in the funded amount of $2,466,191.98.

The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process.

This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,466,191.98 with no increase in rates from the previous term. This increase and renewal comply with all applicable laws and policies. The new contract value is $10,301,956.38.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, Subject to the consent and approval of the Council of the City of Memphis, the approval of the Increase and Renewal (*Change No. 3*) to Contract No. 12468 (*solicited under Contract No. 12433*), Professional Services IS/IT with Stragistics Technology, Inc. to increase and renew the current contract in the funded amount of $2,466,191.98 as outlined in the above preamble, is approved; and further

THAT, the President or his designated representative is authorized to execute the Increase and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 21, 2026 approved the Increase and Renewal (*Change No. 3*) to Contract No. 12468 *(solicited under Contract No. 12433*), Professional Services IS/IT with Stragistics Technology, Inc. to increase and renew the current contract in the funded amount of $2,466,191.98 and is now recommending to the Council of the City of Memphis that it approves said increase and renewal as approved; and

WHEREAS, the project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process; and

WHEREAS, this change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,466,191.98 with no increase in rates from the previous term. This increase and renewal comply with all applicable laws and policies. The new contract value is $10,301,956.38; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved the Increase and Renewal (*Change No. 3)* to Contract No. 12468 *(solicited under Contract No. 12433*), Professional Services IS/IT with Stragistics Technology, Inc. to increase and renew the current contract in the funded amount of $2,466,191.98 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Lashell Vaughn
Procurement Contracts Specialist: Shanikka Tate

Board Meeting Date: 10/21/2026
Contract Number: 12468 (*solicited under Contract No. 12433*)
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**350620 / Information Systems / Darren Sharp / 901-729-8369 / dsharp@mlgw.org**
Scope: Contract x Purchase Other	**The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to increase and renew the current contract for the third of four (4) annual renewal terms covering the period January 1, 2027 through December 31, 2027 in the amount of $2,466,191.98.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at the Netters Business Center, MLGW's Administration Building, or specified work locations depending on the need.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to augment existing technology staff with industry expertise to meet the demands of requested technological solutions.**
Are there any anticipated vendor issues? (If so, please explain)	**No**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **RFP**	

BUDGET:

	Total	In 2027 Budget Year	After Budget Year
Amount Requested	$ 2,466,191.98	$ 2,466,191.98	$ -
2027 Budget*	$ 9,632,057.00		
Amount Spent Year-to-Date	$ -		
2027 Budget Balance Available		$ 9,632,057.00	
Budget Balance After Award		$ 7,165,865.02	

Please indicate category *(O&M or Capital).

[x] **O&M**
[ ] **Capital**

Project Various
Expenditure Organization Various
Expenditure Type Outside Svc-Other Professional
Task Admin Expense

Comments:Contingent of City Council's approval of the 2027 budget

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:
Kahrina Cooper
Budget & Financial Planning

10/8/2026
Date

Rev. 11/01/2018

Amt in 2027 Budget (per Resource)	Organization	Project Name	Tasks	Expenditure Type	2027 Budget
$97,060.00	352220 IT Service Desk and Operations	IT Service Desk and Operations R2021	Admin Expense	Outside Svc-Other Professional	$ 926,469.00
$104,512.00	352220 IT Service Desk and Operations	IT Service Desk and Operations R2024	Admin Expense	Outside Svc-Other Professional	$ -
$164,183.20	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	$ 2,731,347.00
$104,420.00	352220 IT Service Desk and Operations	IT Service Desk and Operations R2020	Admin Expense	Outside Svc-Other Professional	$ -
$108,504.80	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	$ -
$164,183.20	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	$ -
$92,239.20	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	$ -
$179,105.60	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	$ -
$435,000.00	351110 eBiz	eBusiness Sys Integ R2026	Admin Expense	Outside Svc-Other Professional	$ 882,710.00
$115,607.20	351110 eBiz	eBusiness Sys Integ R2023	Admin Expense	Outside Svc-Other Professional	$ -
$231,840.00	351130 CIS System Integration	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	$ 1,630,314.00
$208,945.80	351310 ERP Finance and HCM	ERP Finance and HCM	Admin Expense	Outside Svc-Other Professional	$ 1,136,946.00
$193,200.00	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2023	Admin Expense	Outside Svc-Other Professional	$ 2,324,271.00
$220,800.00	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2023	Admin Expense	Outside Svc-Other Professional	$ -
$220,800.00	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2023	Admin Expense	Outside Svc-Other Professional	$ -
					$ 9,632,057.00

$2,640,401.00	**Total**
174,209.02	**Available Balance**
2,466,191.98	**Requested Amount**

Contractor: **Stragistics Technology, Inc.**
10/21/2026

Contract Number: 12468
(*solicited under Contract No. 12433*)

	Actions	**Date**	**Amount**
Original Award	Award	11/15/2023	**$2,106,700.00**
Increase and Renewal (Change Order No. 1)	This change was to renew the current contract for the first of four (4) annual renewals for the period covering January 1, 2025 through December 31, 2025 in the amount of $3,065,318.80, with no increase in rates from the initial term. This	11/20/2024	$3,065,318.80
Increase and Renewal (Change Order No. 2)	This change was to renew the current contract for the second of four (4) annual renewals for the period covering January 1, 2026 through December 31, 2026 in the amount of $2,663,745.60 with no increase in rates from the initial term.	10/1/2025	$2,663,745.60
Current Contract Amount			**$7,835,764.40**
Amount Paid to Date as of 10.01.26			$5,935,929.77
Current Contract Balance			$1,899,834.63
Increase and Renewal (Change Order No. 3)	***This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,466,191.98 with no increase in rates from the previous term.***	***10/21/2026***	***$2,466,191.98***
Available Balance			***$4,366,026.61***
Cumulative Contract Value			***$10,301,956.38***

Note: MLGW's Strategic IT Systems Business Consulting Department will utilize the remaining balance for the continuation of budgeted projects to be completed through December 31, 2027.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 3**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 21, 2026**
CONTRACT NUMBER 12468 (*solicited under Contract No. 12433*) **SHEET 1 OF 3**

TO: HUGHETTA DUDLEY

STRAGISTICS TECHNOLOGY, INC.

6263 POPLAR AVENUE, SUITE 603

MEMPHIS, TN 38119

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZES THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO PROVIDE SUPPLEMENTAL TECHNICAL STAFFING AND/OR DELIVER TURN-KEY TECHNICAL SUPPORT OR BUSINESS APPLICATION SOLUTIONS FOR ON OR OFF-SITE PROJECTS. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR PROPOSALS ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO INCREASE AND RENEW THE CURRENT CONTRACT FOR THE THIRD OF FOUR (4) ANNUAL RENEWALS FOR THE PERIOD COVERING JANUARY 1, 2027 THROUGH DECEMBER 31, 2027 IN THE AMOUNT OF $2,466,191.98 WITH NO INCREASE IN RATES FROM THE PREVIOUS TERM. THIS INCREASE AND RENEWAL COMPLY WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $10,301,956.38.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 7,835,764.40**
Change Amount	**$ 2,466,191.98 – Increase and Renewal (*Change No. 3*)**
Total Contract Amount	**$ 10,301,956.38**

Docusign Envelope ID: BD60F4A5-17CB-8D35-8285-0AEF3F97EC34

STRAGISTICS TECHNOLOGY, INC

6800 Poplar Avenue Suite 200 * Memphis, TN 38138
901.309-5550 (voice)/901.531.8132 (fax)

Let us assist you in making your vision a manageable project with a plan that spells SUCCESS

September 3, 2026

Darren Sharp
Supervisor, Strategic IT Business Support
Memphis Light Gas and Water Division
P.O. Box 430
Memphis, TN 38101-0430

Re: Contract Number 12468
Renewal # 3
Period: 1/1/2027 to 12/31/2027

Dear Mr. Sharp:

Stragistics Technology, Inc. is submitting this correspondence acknowledging and agreeing to the one year renewal of our current MLGW Contract (12468) IT Support Services contract.

Stragistics agrees to abide by our existing rate chart for the renewal contract renewal period of January 1, 2027 through December 31, 2027.

Thank you for an opportunity to partner with MLGW and Stragistics is looking forward to a long and lasting business relationship.

Sincerely,

Hughetta Dudley
President/CEO

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9/10/2026

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9/10/2026

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Rate Schedule

JOB CLASSIFICATION	MINIMUM BILLABLE RATE/HR	MAXIMUM BILLABLE RATE/HR
APPLICATION DEVELOPER	$ 40.25	$85.00
BUSINESS SYSTEMS ANALYST	$ 46.00	$85.00
COMPUTER OPERATIONS SPECIALIST	$ 35.00	$65.00
CONSULTANT	$ 63.25	$175.00
DATA ANALYTICS/INTEGRATION SPECIALIST	$ 46.00	$85.00
DATABASE ADMINISTRATOR	$ 57.50	$120.00
DESKTOP SUPPORT SPECIALIST	$ 25.30	$55.00
DOCUMENT IMAGING SPECIALIST	$ 28.75	$60.00
INFORMATION SECURITY ADMINISTRATOR	$ 59.00	$130.00
INFORMATION TECHNOLOGY INFRASTRUCTURE ARCHITECT	$ 62.00	$130.00
INFORMATION TECHNOLOGY SYSTEM ENGINEER	$ 60.00	$125.00
IVR (INTERACTIVE VOICE RESPONSE) DEVELOPER	$ 35.79	$65.00
NETWORK ENGINEER	$ 54.00	$125.00
NETWORK SECURITY SPECIALIST/ENGINEER	$ 51.75	$125.00
OPERATING SYSTEMS/SERVER ADMINISTRATOR	$ 44.00	$150.00
ORACLE E-BUSINESS SUITE V-12 DEVELOPER	$ 60.00	$135.00
ORACLE E-BUSINESS SUITE PROJECT APPLICATIONS ANALYST	$ 63.00	$150.00
PROJECT COORDINATOR	$ 35.00	$75.00
PROJECT ENGINEER	$ 45.00	$145.00
PROJECT MANAGER	$ 51.00	$150.00
SERVICE DESK SPECIALIST	$ 25.30	$65.00
SOFTWARE INTEGRATION ANALYST	$ 51.75	$95.00
SYSTEMS SECURITY & COMPLIANCE SPECIALIST	$ 51.75	$145.00
VIRTUAL DESKTOP INFRASTRUCTURE SPECIALIST	$ 48.30	$110.00
WEB DEVELOPER	$ 51.00	$110.00
WEB/MOBILE INTEGRATION DEVELOPER	$ 39.65	$110.00

REVIEWED & RECOMMENDED BY

DocuSigned by:
[signature]
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9/29/2026

NAME DATE

REVIEWED & RECOMMENDED BY

DocuSigned by:
Rashell Vaughn
A1F74099B88DD469...

10/1/2026

NAME DATE

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12467 - Professional Services IS/IT (*solicited under Contract No. 12433*)**

2. **Requested Funding – $2,787,084.11**

3. **Award Duration – Increase and the Third of four (4) annual renewals (January 1, 2027 through December 31, 2027)**

4. **Type of Bid – RFP**

5. **Awarded To – Nextech Solutions, LLC**

6. **Plain Language Description – This contract provides professional staffing services to support Information systems as well as other areas that require expertise in computer science, engineering, accounting and finance. These services are used by the Information Services Division and other departments for both staff augmentation and project specific assignments. By maintaining agreements with multiple vendors, the organization gains access to a wider pool of qualified professionals and can choose the most suitable contractors for each need. In addition, if issues arise with one vendor, other vendors are available to ensure uninterrupted service.**

7. **Impact – This contract enables the organization to rapidly fill difficult-to-staff positions, ensure backup support for critical operations, bring in temporary expertise for specific projects, provide training and knowledge transfer, and manage workload fluctuations effectively.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas and Water Commissioners the approval of the Increase and Renewal (*Change No. 3*) to Contract No. 12467 *(solicited under Contract No. 12433)*, Professional Services IS/IT with Nextech Solutions, LLC to increase and renew the current contract in the funded amount of $2,787,084.11.

The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process.

This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,787,084.11 with no increase in rates from the previous term. This increase and renewal comply with all applicable laws and policies. The new contract value is $10,091,394.43.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, Subject to the consent and approval of the Council of the City of Memphis, the approval of the Increase and Renewal (*Change No. 3)* to Contract No. 12467 *(solicited under Contract No. 12433)*, Professional Services IS/IT with Nextech Solutions, LLC to increase and renew the current contract in the funded amount of $2,787,084.11 as outlined in the above preamble, is approved; and further

THAT, the President or his designated representative is authorized to execute the Increase and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 21, 2026 approved the Increase and Renewal (*Change No. 3*) to Contract No. 12467 *(solicited under Contract No. 12433)*, Professional Services IS/IT with Nextech Solutions, LLC to increase and renew the current contract in the funded amount of $2,787,084.11 and is now recommending to the Council of the City of Memphis that it approves said increase and renewal as approved; and

WHEREAS, the project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process; and

WHEREAS, this change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,787,084.11 with no increase in rates from the previous term. This increase and renewal comply with all applicable laws and policies. The new contract value is $10,091,394.43; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved the Increase and Renewal (*Change No. 3*) to Contract No. 12467 *(solicited under Contract No. 12433)*, Professional Services IS/IT with Nextech Solutions, LLC to increase and renew the current contract in the funded amount of $2,787,084.11 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Lashell Vaughn
Procurement Contracts Specialist: Shanikka Tate

Board Meeting Date: 10/21/2026
Contract Number: 12467 (*solicited under Contract No. 12433*)
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**350620 /Strategic IT Systems Business Consulting / Darren Sharp / 901-729-8369 / dsharp@mlgw.org**
Scope: Contract __x__ Purchase Other ____	**The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,787,084.11.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at the Netters Business Center, MLGW's Administration Building, or specified work locations depending on the need.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to augment existing technology staff with industry expertise to meet the demands of requested technological solutions.**
Are there any anticipated vendor issues? (If so, please explain)	**No**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) RFP	

BUDGET:

	Total	In 2027 Budget Year	After Budget Year
Amount Requested	$ 2,787,084.11	$ 2,787,084.11	
2027 Budget*	$ 11,198,348.00		
Amount Spent Year-to-Date	$ -		
2027 Budget Balance Available		$ 11,198,348.00	
Budget Balance After Award		$ 8,411,263.89	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Various
Expenditure Organization Various
Expenditure Type Outside Svc-Other Professional
Task Admin Expense

Comments: Contingent of City Council's approval of the 2027 budget

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:
Katrina Cooper
Budget & Financial Planning **Date**

Rev. 11/01/2018

Amt in 2027 Budget (per Resource)	Organization	Project Name	Tasks	Expenditure Type	2027 Budget
$189,520.00	0352320 Network Engineering and Security Services	Network Engr Sec Svcs	Admin Expense	Outside Svc-Other Professional	$ 813,837.00
$268,644.60	0352320 Network Engineering and Security Services	Network Engr Sec Svcs	Admin Expense	Outside Svc-Other Professional	
$105,340.00	352220 IT Service Desk and Operations	IT Service Desk and Operations R2018	Admin Expense	Outside Svc-Other Professional	$ 926,469.00
$118,471.08	0570700 Commerical and Residential Eng. Mgr	Comm Res Engr Mgr R2025	Admin Expense	Outside Svc-Other Professional	$ 425,000.00
$95,932.20	0570700 Commerical and Residential Eng. Mgr	Comm Res Engr Mgr R2025	Admin Expense	Outside Svc-Other Professional	
$22,841.00	0364200 Manager Transportation and Fleet Services	Mgr Trsnps Flt Svcs R2024	Admin Expense	Outside Svc-Other Professional	$ 35,126.00
$50,000.00	570000 - VP Gas and Water Engineering & Operations	Water Meter Error Processing and New Construction Customer Onboarding	Admin Expense	Outside Svc-Other Professional	$ 100,000.00
$143,898.30	0561200 Manager Electric Construction Suppt.	Dir Electric Construction	Admin Expense	Outside Svc-Other Professional	$ 450,000.00
$14,056.00	0363200 Facilities Management and Maintenance	Office Automation R2018	Admin Expense	Outside Svc-Other Professional	
$191,859.20	570450 Gas System Integrity	570450 Gas System Integrity	Admin Expense	Outside Svc-Other Professional	$ 801,506.00
$100,740.00	352220 IT Service Desk and Operations	IT Service Desk and Operations R2019	Admin Expense	Outside Svc-Other Professional	
$248,749.60	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	$ 2,731,347.00
$110,731.20	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	

BOARD RESOLUTION TRANSMITTAL

$49,140.00	0570700 Commerical and Residential Eng. Mgr	Comm Res Engr Mgr R2025	Admin Expense	Outside Svc-Other Professional	
$12,285.00	0364200 Manager Transportation and Fleet Services	Mgr Trsnps Flt Svcs R2024	Admin Expense	Outside Svc-Other Professional	
$77,391.60	0561200 Manager Electric Construction Suppt.	Dir Electric Construction	Admin Expense	Outside Svc-Other Professional	
$103,188.80	570450 Gas System Integrity	570450 Gas System Integrity	Admin Expense	Outside Svc-Other Professional	
$149,760.00	570450 Gas System Integrity	570450 Gas System Integrity	Admin Expense	Outside Svc-Other Professional	
$87,318.00	570450 Gas System Integrity	570450 Gas System Integrity	Admin Expense	Outside Svc-Other Professional	
$77,767.60	0352210 Desktop and Collaboration Services	Desktop Collaboration Services	Admin Expense	Outside Svc-Other Professional	$ 77,768.00
$100,740.00	352220 IT Service Desk and Operations	IT Service Desk and Operations R2026	Admin Expense	Outside Svc-Other Professional	
$174,800.00	351110 eBiz	eBusiness Sys Integ R2024	Admin Expense	Outside Svc-Other Professional	$ 882,710.00
$156,400.00	351130 CIS System Integration	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	$ 1,630,314.00
$236,900.00	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2023	Admin Expense	Outside Svc-Other Professional	$ 2,324,271.00
					$ 11,198,348.00

$2,886,474.18	Total
$99,390.07	Available Balance
$2,787,084.11	Requested Amount

Contractor: **Nextech Solutions**

10/21/2026

Contract Number: 12467
(solicited under Contract No. 12433)

	Actions	Date	Amount
Original Award	Award	11/15/2023	**$1,812,231.20**
Increase and Renwal (Change Order No. 1)	This change was to increase the current contract in the amount of $212,520.00 for the initial term through December 31, 2024. The additional funding is being reallocated from one (1) Vendor to this contract due to inability of the Vendor to abide by the terms of the contract. In addition, this change was to renew the current contract for the first of four (4) annual renewals for the period covering January 1, 2025 through December 31, 2025 in the amount of $2,964,141.28, with no increase in rates from the initial term. The total funded amount of this change and renewal was $3,176,661.28.	9/18/2024	$3,176,661.28
Increase and Renewal (Change Order No. 2)	This change was to renew the current contract for the second of four (4) annual renewals for the period covering January 1, 2026 through December 31, 2026 in the amount of $2,315,417.84 with no increase in rates from the initial term.	10/1/2025	$2,315,417.84
Current Contract Amount			**$7,304,310.32**
Amount Paid to Date as of 10.02.26			$5,748,802.34
Current Contract Balance			$1,555,507.98
Increase and Renewal (Change Order No. 3)	***This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,787,084.11 with no increase in rates from the previous term.***	***10/21/2026***	***$2,787,084.11***
Available Balance			***$4,342,592.09***
Cumulative Contract Value			***$10,091,394.43***

Note: MLGW's Strategic IT Systems Business Consulting Department will utilize the remaining balance for the continuation of budgeted projects to be completed through December 31, 2027.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 3**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 21, 2026**
CONTRACT NUMBER 12467 (*solicted under Contract No. 12433*) **SHEET 1 OF 3**

TO: **HELEN MCCASKILL**

NEXTECH SOLUTIONS, LLC

9054 VALLEY CREST LANE, SUITE 201

GERMANTOWN, TN 381238

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZES THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. THE CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO PROVIDE SUPPLEMENTAL TECHNICAL STAFFING AND/OR DELIVER TURN-KEY TECHNICAL SUPPORT OR BUSINESS APPLICATION SOLUTIONS FOR ON OR OFF-SITE PROJECTS. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR PROPOSALS ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO INCREASE AND RENEW THE CURRENT CONTRACT FOR THE THIRD OF FOUR (4) ANNUAL RENEWALS FOR THE PERIOD COVERING JANUARY 1, 2027 THROUGH DECEMBER 31, 2027 IN THE AMOUNT OF $2,787,084.11 WITH NO INCREASE IN RATES FROM THE PREVIOUS TERM. THIS INCREASE AND RENEWAL COMPLY WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $10,091,394.43.

CHANGE IN CONTRACT PRICE:

Contract Value	**$ 7,304,310.32**	
Change Amount	**$ 2,787,084.11 – Increase and Renewal (*Change No. 3*)**	
Total Contract Amount	**$ 10,091,394.43**	

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: E937EF2D-8416-8679-8039-5FD395500028

NEXTech SOLUTIONS
9054 Valley Crest Lane Suite 201 Germantown, TN 38138
Telephone 901-755-0158 Fax 901-755-2297

September 3, 2026

Mr. Darren Sharp
Information Services Department
Memphis Light Gas and Water Division
P.O. Box 430
Memphis, TN 38101

RE: Contract #12467
Renewal #3
Period: 1/1/2027 to 12/31/2027

Dear Darren,

Please allow this letter to serve as notification that NexTech Solutions agrees to renew contract #12467 from 1/1/2027 to 12/31/2027. We agree to abide by the existing rate chart, attached. Our current Certificate of Liability is also attached.

We greatly appreciate the opportunity to continue our partnership with MLG&W. If you need any additional information, please let me know.

Sincerely,

Chris Hogue
President, Nextech Solutions

DocuSigned by:
Darren Sharp 9/10/2026
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DocuSigned by:
Rashell Vaughn 9/10/2026
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Docusign Envelope ID: 420036D3-A3E9-4094-A381-7E1DA7657394

Nextech

SECTION VIII: Compensation

Note: The Respondent MUST include the insurance, taxes, overhead and profit to total the minimum and maximum actual billing rate per hour for the staffing requests attached to this RFP.

JOB CLASSIFICATION	MINIMUM BILLABLE RATE/HR	MAXIMUM BILLABLE RATE/HR
APPLICATION DEVELOPER	$50	$110
BUSINESS SYSTEMS ANALYST	45	100
COMPUTER OPERATIONS SPECIALIST	30	55
CONSULTANT	55	160
DATA ANALYTICS/INTEGRATION SPECIALST	60	85
DATABASE ADMINISTRATOR	55	150
DESKTOP SUPPORT SPECIALIST	20	45
DOCUMENT IMAGING SPECIALIST	25	45
INFORMATION SECURITY ADMINISTRATOR	50	80
INFORMATION TECHNOLOGY INFRASTRUCTURE ARCHITECT	70	100
INFORMATION TECHNOLOGY SYSTEM ENGINEER	50	85
IVR (INTERACTIVE VOICE RESPONSE) DEVELOPER	50	90
NETWORK ENGINEER	50	110
NETWORK SECURITY SPECIALIST/ENGINEER	50	85
OPERATING SYSTEMS/SERVER ADMINISTRATOR	50	80
ORACLE E-BUSINESS SUITE V12 DEVELOPER	75	110
ORACLE E-BUSINESS SUITE PROJECT APPLICATIONS ANALYST	65	100
PROJECT COORDINATOR	40	55
PROJECT ENGINEER	50	85
PROJECT MANAGER	60	90
SERVICE DESK SPECIALIST	20	55
SOFTWARE INTEGRATION ANALYST	40	65
SYSTEMS SECURITY & COMPLIANCE SPECIALIST	50	80
VIRTUAL DESKTOP INFRASTRUCTURE SPECIALIST	45	65
WEB DEVELOPER	50	95
WEB/MOBILE INTEGRATION DEVELOPER	50	100

REVIEWED & RECOMMENDED BY

DocuSigned by:

9/29/2026

NAME DATE

REVIEWED & RECOMMENDED BY

DocuSigned by:

10/1/2026

NAME DATE

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12466 - Professional Services IS/IT (*solicited under Contract No. 12433*)**

2. **Requested Funding – $2,705,909.83**

3. **Award Duration – Increase and the Third of four (4) annual renewals (January 1, 2027 through December 31, 2027)**

4. **Type of Bid – RFP**

5. **Awarded To – CTD Staffing**

6. **Plain Language Description – This contract provides professional staffing services to support Information Systems as well as other areas that require expertise in computer science, engineering, accounting and finance. These services are used by the Information Services Division and other departments for both staff augmentation and project-specific assignments. By maintaining agreements with multiple vendors, the organization gains access to a wider pool of qualified professionals and can choose the most suitable contractors for each need. In addition, if issues arise with one vendor, other vendors are available to ensure uninterrupted service.**

7. **Impact – This contract enables the organization to rapidly fill difficult-to-staff positions, ensure backup support for critical operations, bring in temporary expertise for specific projects, provide training and knowledge transfer, and manage workload fluctuations effectively.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners the approval of the Increase and Renewal (*Change No. 3)* to Contract No. 12466 *(solicited under Contract No. 12433)*, Professional Services IS/IT with CTD Staffing to increase and renew the current contract in the funded amount of $2,705,909.83.

The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process.

This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,705,909.83 with no increase in rates from the previous term. This increase and renewal comply with all applicable laws and policies. The new contract value is $11,117,563.63.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, Subject to the consent and approval of the Council of the City of Memphis, the approval of the Increase and Renewal (*Change No. 3)* to Contract No. 12466 *(solicited under Contract No. 12433)*, Professional Services IS/IT with CTD Staffing to increase and renew the current contract in the funded amount of $2,705,909.83 as outlined in the above preamble, is approved; and further

THAT, the President or his designated representative is authorized to execute the Increase and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 21, 2026 approved the Increase and Renewal *(Change No. 3)* to Contract No. 12466 *(solicited under Contract No. 12433)*, Professional Services IS/IT with CTD Staffing to increase and renew the current contract in the funded amount of $2,705,909.83 and is now recommending to the Council of the City of Memphis that it approves said increase and renewal as approved; and

WHEREAS, the project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process; and

WHEREAS, this change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,705,909.83 with no increase in rates from the previous term. This increase and renewal comply with all applicable laws and policies. The new contract value is $11,117,563.63 and;

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved the Increase and Renewal *(Change No. 3)* to Contract No. 12466 *(solicited under Contract No. 12433)*, Professional Services IS/IT with CTD Staffing to increase and renew the current contract in the funded amount of $2,705,909.83 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Lashell Vaughn
Procurement Contracts Specialist: Shanikka Tate

Board Meeting Date: 10/21/2026
Contract Number: 12466 (*solicited under Contract No. 12433*)
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**350620 / Strategic IT Systems Business Consulting / Darren Sharp / 901-729-8369 / dsharp@mlgw.org**
Scope: Contract x Purchase Other ____	**The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to increase and renew the current contract for the third of four (4) annual renewal terms covering the period January 1, 2027 through December 31, 2027 in the amount of $2,705,909.83.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at the Netters Business Center, MLGW's Administration Building, or specified work locations depending on the need.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to augment existing technology staff with industry expertise to meet the demands of requested technological solutions.**
Are there any anticipated vendor issues? (If so, please explain)	**No**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **RFP**	

BUDGET:

	Total	In 2027 Budget Year	After Budget Year
Amount Requested	$ 2,705,909.83	$ 2,705,909.83	$ -
2027 Budget*	$ 14,439,102.00		
Amount Spent Year-to-Date	$ -		
2027 Budget Balance Available		$ 14,439,102.00	
Budget Balance After Award		$ 11,733,192.17	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Various
Expenditure Organization Various
Expenditure Type Outside Svc-Other Professional
Task Admin Expense

Comments: Contingent of City Council's approval of the 2027 budget

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:
Katrina Cooper — **10/8/2026**
Budget & Financial Planning — **Date**

Rev. 11/01/2018

Amt in 2027 Budget (per Resource)	Organization	Project Name	Tasks	Expenditure Type	2027 Budget
$105,651.00	0570700 Commerical and Residential Engineering MGR	Comm Res Engr Mgr R2025	Admin Expense	Outside Svc-Other Professional	$ 425,000.00
$149,242.40	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	$ 2,731,347.00
$206,080.00	0350410 Systems Security and Compliance	Systems Security R2018	Admin Expense	Outside Svc-Other Professional	$ 212,000.00
$94,300.00	352220 IT Service Desk and Operations	IT Service Desk and Operations R2023	Admin Expense	Outside Svc-Other Professional	$ 926,469.00
$118,560.00	0561200 Manager Electric Construction Suppt.	Dir Electric Construction	Admin Expense	Outside Svc-Other Professional	$ 450,000.00
$54,204.80	0561200 Manager Electric Construction Suppt.	Dir Electric Construction	Admin Expense	Outside Svc-Other Professional	
$239,200.00	0560340 System Operations Support	System Operations Support	Admin Expense	Outside Svc-Other Professional	$ 327,600.00
$33,600.00	0562130 NERC/Asset Eng	NERC Asset Engineering	Admin Expense	Outside Svc-Other Professional	
$65,400.00	0331310 Management and Property	Management Property Accounting	Admin Expense	Outside Svc-Other Professional	$ 103,584.00
$56,915.04	0561200 Manager Electric Construction Suppt.	Dir Electric Construction	Admin Expense	Outside Svc-Other Professional	
$368,000.00	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	
$157,301.60	0351110 eBiz	eBusiness Sys Integ R2028	Admin Expense	Outside Svc-Other Professional	$ 882,710.00
$198,996.00	351120 CIS Core Billing	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	$ 1,786,574.00
$184,000.00	351120 CIS Core Billing	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	
$97,520.00	351130 CIS System Integration	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	$ 1,630,314.00
$77,280.00	351130 CIS System Integration	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	

BOARD RESOLUTION TRANSMITTAL

$50,000.00	351310 ERP Finance and HCM	ERP Finance and HCM	Admin Expense	Outside Svc-Other Professional	$ 1,136,946.00
$189,520.00	351320 GIS and Enterprise Reporting	GIS Enterprise Reporting	Admin Expense	Outside Svc-Other Professional	$ 1,502,287.00
$121,550.00	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2023	Admin Expense	Outside Svc-Other Professional	$ 2,324,271.00
$115,920.00	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2023	Admin Expense	Outside Svc-Other Professional	
$169,280.00	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2024	Admin Expense	Outside Svc-Other Professional	
$170,000.00	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2023	Admin Expense	Outside Svc-Other Professional	
$87,480.00	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2024	Admin Expense	Outside Svc-Other Professional	
$44,957.50	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2025	Admin Expense	Outside Svc-Other Professional	
					$ 14,439,102.00

$3,154,958.34	**Total**
$449,048.51	**Avaliable Balance**
$2,705,909.83	**Amount Requested**

Contractor: **CTD Staffing**
10/21/2026

Contract Number: 12466
(solicited under Contract No. 12433)

	Actions	Date	Amount
Original Award 11.15.2023			**$2,225,490.00**
Increase and Renewal (Change No. 1)	This change was to increase the current contract in the amount of $493,968.40 for the initial term through December 31, 2024. The additional funding was being reallocated from one (1) Vendor to this contract due to inability of the Vendor to abide by the terms of the contract. In addition, this change was to renew the current contract for the first of four (4) annual renewals for the period covering January 1, 2025 through December 31, 2025 in the amount of $2,876,226.40 with no increase in rates from the initial term. The total funded amount of this change and renewal was $3,370,194.80.	9/18/2024	$3,370,194.80
Increase and Renewal (Change No. 2)	This change was to renew the current contract for the second of four (4) annual renewals for the period covering January 1, 2026 through December 31, 2026 in the amount of $2,815,969.00 with a negotiated increase in rates from the previous term. This increase is based on several factors, including contractor experience, project scope, business needs, required skills, role complexity, and the current rate chart.	10/1/2025	$2,815,969.00
Current Contract Amount			***$8,411,653.80***
Amount Paid to Date as of 09.28.26			$5,778,594.21
Current Contract Balance			$2,633,059.59
Increase and Renewal (Change No. 3)	***This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,705,909.83 with no increase in rates from the previous term.***	***10/21/2026***	***$2,705,909.83***
Available Balance			***$5,338,969.42***
Cumulative Contract Value			***$11,117,563.63***

Note: MLGW's Strategic IT Systems Business Consulting Department will utilize the remaining balance to pay outstanding invoices and for the continuation of budgeted projects to be completed through December 31, 2027.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 3**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 21, 2026**
CONTRACT NUMBER 12466 (*solicited under Contract No. 12433*) **SHEET 1 OF 3**

TO: **BEVERLY MULLIKIN**

CTD STAFFING

2247 HEATHERWOOD COVE

MEMPHIS, TN 38119

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZES THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. THE CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO PROVIDE SUPPLEMENTAL TECHNICAL STAFFING AND/OR DELIVER TURN-KEY TECHNICAL SUPPORT OR BUSINESS APPLICATION SOLUTIONS FOR ON OR OFF-SITE PROJECTS. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR PROPOSALS ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO INCREASE AND RENEW THE CURRENT CONTRACT FOR THE THIRD OF FOUR (4) ANNUAL RENEWALS FOR THE PERIOD COVERING JANUARY 1, 2027 THROUGH DECEMBER 31, 2027 IN THE AMOUNT OF $2,705,909.83 WITH NO INCREASE IN RATES FROM THE PREVIOUS TERM. THIS INCREASE AND RENEWAL COMPLY WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $11,117,563.63.

CHANGE IN CONTRACT PRICE:

Contract Value	**$ 8,411,653.80**
Change Amount	**$ 2,705,909.83 – Increase and Renewal (*Change No. 3*)**
Total Contract Amount	**$ 11,117,563.63**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: 0A7613B6-C1F8-8DF7-8247-DD609DCE772D

September 3rd 2026

ATTN: Darren Sharp/MLGW Contracts
RE: Contract# 12466 | Renewal #3

CTD Staffing hereby wishes to renew Contract # 12466 for the time period of 1/1/2027 through 12/31/2027 under the current agreed upon rate chart with MLGW

Vendor Name:	CTD Staffing
Contract #:	Contract# 12466
Period of Commitment:	1/1/2027 through 12/31/2027

Sincerely,

Kyle Yatsula
Vice President of Sales
901-680-0524/901-281-0046
kyle@ctdstaffing.com

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9/10/2026

DocuSigned by:
FC14099B88DD469...
9/10/2026

Job Classification	Minimum Bill Rate/HR	Maximum Bill Rate/HR
Application Developer	42	105
Business Systems Analyst	45	90
Computer Operations Specialist	30	55
Consultant	75	125
Data Analytics/Integration Specialist	38	80
Database Administrator	45	75
Desktop Support Specialist	42	55
Document Imaging Specialist	35	60
Information Security Administrator	58	85
Information Technology Infrastructure Architect	75	115
Information Technology System Engineer	55	80
IVR (interactive voice response) Developer	48	72
Network Engineer	58	75
Network Security Specialist/Engineer	55	85
Operating Systems/Server Administrator	65	80
Oracle E-Business Suite V12 Developer	75	125
Oracle E-Business Suite Project Application Analyst	75	125
Project Coordinator	48	70
Project Engineer	40	70
Project Manager	50	78
Service Desk Specialist	22	35
Software Integration Analyst	40	65
Systems Security & Compliance Specialist	55	75
Virtual Desktop Infrastructure Specialist	50	70
Web Developer	52	90
Web/Mobile Integration Developer	55	85
GIS Specialist	36	72
CRE Senior Analyst	100	129

REVIEWED & RECOMMENDED BY

DocuSigned by:
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NAME

9/29/2026
DATE

REVIEWED & RECOMMENDED BY

DocuSigned by:
FC14099B88DD469...
NAME

10/1/2026
DATE

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12433 - Professional Services IS/IT**

2. **Requested Funding – $1,140,455.10**

3. **Award Duration – Increase and the Third of four (4) annual renewals (January 1, 2027 through December 31, 2027)**

4. **Type of Bid – RFP**

5. **Awarded To – 1Link Technology, LLC**

6. **Plain Language Description – This contract provides professional staffing services to support Information Systems as well as other areas that require expertise in computer science, engineering, accounting and finance. These services are used by the Information Services Division and other departments for both staff augmentation and project-specific assignments. By maintaining agreements with multiple vendors, the organization gains access to a wider pool of qualified professionals and can choose the most suitable Contractors for each need. In addition, if issues arise with one (1) vendor, other vendors are available to ensure uninterrupted service.**

7. **Impact – This contract enables the organization to rapidly fill difficult-to-staff positions, ensure backup support for critical operations, bring in temporary expertise for specific projects, provide training and knowledge transfer, and manage workload fluctuations effectively.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners the approval of the Increase and Renewal *(Change No. 3)* to Contract No. 12433, Professional Services IS/IT with 1Link Technology, LLC to increase and renew the current contract in the funded amount of $1,140,455.10.

The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process.

This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $1,140,455.10 with no increase in rates from the previous term. This increase and renewal complies with all applicable laws and policies. The new contract value is $8,819,330.70.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, Subject to the consent and approval of the Council of the City of Memphis, the approval of the Increase and Renewal *(Change No. 3)* to Contract No. 12433, Professional Services IS/IT with 1Link Technology, LLC to increase and renew the current contract in the funded amount of $1,140,455.10 as outlined in the above preamble, is approved; and further

THAT, the President or his designated representative is authorized to execute the Increase and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 21, 2026 approved the Increase and Renewal *(Change No. 3)* to Contract No. 12433, Professional Services IS/IT with 1Link Technology, LLC to increase and renew the current contract in the funded amount of $1,140,455.10 and is now recommending to the Council of the City of Memphis that it approves said increase and renewal as approved; and

WHEREAS, the project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process; and

WHEREAS, this change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $1,140,455.10 with no increase in rates from the previous term. This increase and renewal complies with all applicable laws and policies. The new contract value is $8,819,330.70; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved Renewal *(Change No. 3)* to Contract No. 12433, Professional Services IS/IT with 1Link Technology, LLC to increase and renew the current contract in the funded amount of $1,140,455.10 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Lashell Vaughn
Procurement Contracts Specialist: Shanikka Tate

Board Meeting Date: 10/21/2026
Contract Number: 12433
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**350620 / Strategic IT Systems Business Consulting / Darren Sharp / 901-729-8369 / dsharp@mlgw.org**
Scope: Contract X Purchase ____ Other ____	**The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $1,140,455.10.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at the Netters Business Center, MLGW's Administration Building, or specified work locations depending on the need.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to augment existing technology staff with industry expertise to meet the demands of requested technological solutions.**
Are there any anticipated vendor issues? (If so, please explain)	**No**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **RFP**	

BUDGET:

	Total	In 2027 Budget Year	After Budget Year
Amount Requested	$ 1,140,455.10	$ 1,140,455.10	$ -
2027 Budget*	$ 11,457,993.00		
Amount Spent Year-to-Date	$ -		
2027 Budget Balance Available		$ 11,457,993.00	
Budget Balance After Award		$ 10,317,537.90	

***Please indicate category *(O&M or Capital)*.**

[X] **O&M**
[ ] **Capital**

Project Various
Expenditure Organization Various
Expenditure Type Outside Svc-Other Professional
Task Admin

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:
Katrina Cooper
Budget & Financial Planning

10/8/2026
Date

Rev. 11/01/2018

Amt in 2027 Budget (per Resource)	Organization	Project Name	Tasks	Expenditure Type	2027 Budget
$186,525.58	0352320 Network Engineering and Security Services	Network Engr Sec Svcs	Admin Expense	Outside Svc-Other Professional	$ 813,837.00
$141,960.00	0703400 Business Operations Services and Support	BOSS Development R2027	Admin Expense	Outside Svc-Other Professional	$ 141,960.00
$97,344.00	331310 Management and Property Accounting	Management Property Accounting	Admin Expense	Outside Svc-Other Professional	$ 162,744.00
$147,200.00	560280 Electric Mapping & Mapping	Electric Mapping & Mapping	Admin Expense	Outside Svc-Other Professional	$ 730,000.00
$248,749.60	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	$ 2,731,347.00
$142,140.00	351120 CIS Core Billing	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	$ 1,786,574.00
$50,000.00	351120 CIS Core Billing	Customer Information Sys R2023	Admin Expense162	Outside Svc-Other Professional	$ -
$108,026.40	351130 CIS System Integration	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	$ 1,630,314.00
$86,480.00	351130 CIS System Integration	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	
$211,600.00	351130 CIS System Integration	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	
$193,200.00	351310 ERP Finance and HCM	ERP Finance and HCM	Admin Expense	Outside Svc-Other Professional	$ 1,136,946.00
$220,800.00	351310 ERP Finance and HCM	ERP Finance and HCM	Admin Expense	Outside Svc-Other Professional	
$278,208.00	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2023	Admin Expense	Outside Svc-Other Professional	$ 2,324,271.00
$90,090.00	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2023	Admin Expense	Outside Svc-Other Professional	
$180,044.00	351330 ERP Procurement SCM and EAM	GIS EAM and Materials R2023	Admin Expense	Outside Svc-Other Professional	
					$11,457,993.00

$2,382,367.58	**Total**
1,241,912.48	**Available Balance**
$1,140,455.10	**Requested Amount**

Contractor: **1Link Technology, LLC**
10/21/2026

Contract Number: 12433

	Actions	**Date**	**Amount**
Original Award 11.15.2023			**$1,910,918.00**
Increase, Change and Renewal (Change No. 1)	This change was to increase the current contract in the amount of $312,800.00 for the initial term through December 31, 2024. The additional funding was being reallocated from one (1) Vendor to this contract due to inability of the Vendor to abide by the terms of the contract. In addition, this change is to renew the current contract for the first of four (4) annual renewals for the period covering January 1, 2025 through December 31, 2025 in the amount of $2,829,361.20, with no increase in rates from the initial term. The total funded amount of this change and renewal was $3,142,161.20.	9/18/2024	$3,142,161.20
Increase and Renewal (Change No. 2)	This change was to renew the current contract for the second of four (4) annual renewals for the period covering January 1, 2026 through December 31, 2026 in the amount of $2,625,796.40, with no increase in rates from the previous term. This renewal complies with all applicable laws and policies. The new contract value is $7,678,874.20	10/1/2025	$2,625,796.40
Current Contract Amount			***$7,678,875.60***
Amount Paid to Date as of 09.28.26			$5,018,286.05
Current Contract Balance			$2,660,589.55
Increase and Renewal (Change No. 3)	***This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $1,140,455.10 with no increase in rates from the previous term.***	***10/21/2026***	***$1,140,455.10***
Available Balance			***$3,801,044.65***
Cumulative Contract Value			***$8,819,330.70***

Note: MLGW's Strategic IT Systems Business Consulting Department will utilize the remaining balance for the continuation of budgeted projects to be completed through December 31, 2027.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 3**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 21, 2026**
CONTRACT NUMBER 12433 **SHEET 1 OF 3**

TO: GASSIA GERGES

1LINK TECHNNOLOGY, LLC

2130 WEST STREET

GERMANTOWN, TN 38138

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZES THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. THE CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO PROVIDE SUPPLEMENTAL TECHNICAL STAFFING AND/OR DELIVER TURN-KEY TECHNICAL SUPPORT OR BUSINESS APPLICATION SOLUTIONS FOR ON OR OFF-SITE PROJECTS. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR PROPOSALS ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO INCREASE AND RENEW THE CURRENT CONTRACT FOR THE THIRD OF FOUR (4) ANNUAL RENEWALS FOR THE PERIOD COVERING JANUARY 1, 2027 THROUGH DECEMBER 31, 2028 IN THE AMOUNT OF $1,140,455.10 WITH NO INCREASE IN RATES FROM THE PREVIOUS TERM. THIS INCREASE AND RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $8,819,930.70.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 7,678,875.60**
Change Amount	**$ 1,140,455.10 - Increase and Renewal (*Change No. 2*)**
Total Contract Amount	**$ 8,819,330.70**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: 040E6322-3737-8F9D-81FD-2683CD154E7A

1Link Technology, LLC
2132 West St.
Germantown, TN 38138
www.1linktechnology.com

September 3, 2026

Mr. Darren Sharp, Supervisor, Strategic IT Systems Business Support
Memphis Light, Gas and Water
P.O. Box 430
220 S. Main St.
Memphis, TN 38101-0430

RE: Contract # 12433
Renewal #3
Period: 1/01/2027 to 12/31/2027

Dear Mr. Sharp:

The purpose of this letter is to express 1Link Technology's intent to renew Contract #12433 with Memphis Light, Gas and Water for the year 2027 (Jan 1, 2027, to December 31, 2027).

It is also 1Link Technology's intent to abide by the existing rate chart/rate terms found in the original/professional service agreement/Contract #12433 executed between 1Link Technology and Memphis Light, Gas and Water in 2024.

Respectfully,

Gassia Gerges, Account Manager
1Link Technology, LLC
Certified Women's Business Enterprise

DocuSigned by:
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9/10/2026

DocuSigned by:
FC14099B88DD469...
9/10/2026

1LINK TECHNOLOGY

1Link Technology
2130 West St.
Germantown, TN 38138
1linktechnology.com

VII. COMPENSATION

JOB CLASSIFICATION	MINIMUM BILLABLE RATE/HR	MAXIMUM BILLABLE RATE/HR
APPLICATION DEVELOPER	$70	$90
BUSINESS SYSTEMS ANALYST	$65	$85
COMPUTER OPERATIONS SPECIALIST	$50	$65
CONSULTANT	$75	$90
DATA ANALYTICS/INTEGRATION SPECIALST	$70	$85
DATABASE ADMINISTRATOR	$75	$90
DESKTOP SUPPORT SPECIALIST	$45	$55
DOCUMENT IMAGING SPECIALIST	$45	$55
INFORMATION SECURITY ADMINISTRATOR	$70	$90
INFORMATION TECHNOLOGY INFRASTRUCTURE ARCHITECT	$85	$98
INFORMATION TECHNOLOGY SYSTEM ENGINEER	$65	$80
IVR (INTERACTIVE VOICE RESPONSE) DEVELOPER	$75	$90
NETWORK ENGINEER	$70	$90
NETWORK SECURITY SPECIALIST ENGINEER	$70	$85
OPERATING SYSTEMS/SERVER ADMINISTRTOR	$65	$80
ORACLE E-BUSINESS SUITE V12 DEVELOPER	$90	$110
ORACLE E-BUSINESS SUITE PROJECT APPLICATIONS ANALYST	$85	$100
PROJECT COORDINATOR	$50	$60
PROJECT ENGINEER	$65	$80
PROJECT MANAGER	$70	$90
SERVICE DESK SPECIALIST	$40	$55
SOFTWARE INTEGRATION ANALYST	$70	$85
SYSTEMS SECURITY & COMPLIANCE SPECIALIST	$80	$90
VIRTUAL DESKTOP INFRASTRUCTURE SPECIALIST	$45	$65
WEB DEVELOPER	$60	$90
WEB/MOBILE INTEGRATION DEVELOPER	$80	$95

REVIEWED & RECOMMENDED BY

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NAME

9/29/2026
DATE

REVIEWED & RECOMMENDED BY

DocuSigned by:
Rashell Vaughn
EC14099B88DD469...
NAME

10/1/2026
DATE

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12465 - Professional Services IS/IT (*solicited under Contract No. 12433*)**

2. **Requested Funding – $2,372,382.11**

3. **Award Duration – Increase and the Third of four (4) annual renewals (January 1, 2027 through December 31, 2027)**

4. **Type of Bid – RFP**

5. **Awarded To – Cook Systems**

6. **Plain Language Description – This contract provides professional staffing services to support Information systems as well as other areas that require expertise in computer science, engineering, accounting and finance. These services are used by the Information Services Division and other departments for both staff augmentation and project specific assignments. By maintaining agreements with multiple vendors, the organization gains access to a wider pool of qualified professionals and can choose the most suitable contractors for each need. In addition, if issues arise with one vendor, other vendors are available to ensure uninterrupted service.**

7. **Impact – This contract enables the organization to rapidly fill difficult-to-staff positions, ensure backup support for critical operations, bring in temporary expertise for specific projects, provide training and knowledge transfer, and manage workload fluctuations effectively.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners the approval of the Increase and Renewal (*Change No. 3*) to Contract No. 12465 *(solicited under Contract No. 12433)*, Professional Services IS/IT with Cook Systems to increase and renew the current contract in the funded amount of $2,372,382.11.

The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process.

This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,372,382.11 with no increase in rates from the previous term. This increase and renewal complies with all applicable laws and policies. The new contract value is $10,997,613.71.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, Subject to the consent and approval of the Council of the City of Memphis, the approval of the Increase and Renewal (*Change No. 3)* to Contract No. 12465 *(solicited under Contract No. 12433)*, Professional Services IS/IT with Cook Systems to increase and renew the current contract in the funded amount of $2,372,382.11 as outlined in the above preamble, is approved; and further

THAT, the President or his designated representative is authorized to execute the Increase and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 21, 2026 approved the Increase and Renewal (*Change No. 3*) to Contract No. 12465 *(solicited under Contract No. 12433)*, Professional Services IS/IT with Cook Systems to increase and renew the current contract in the funded amount of $2,372,382.11 and is now recommending to the Council of the City of Memphis that it approves said increase and renewal as approved; and

WHEREAS, the project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects. The contract award was based on the Request for Proposals ("RFP") evaluation process; and

WHEREAS, this change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,372,382.11 with no increase in rates from the previous term. This increase and renewal complies with all applicable laws and policies. The new contract value is $10,997,613.71; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved the Increase and Renewal (*Change No. 3*) to Contract No. 12465 *(solicited under Contract No. 12433)*, Professional Services IS/IT with Cook Systems to increase and renew the current contract in the funded amount of $2,372,382.11 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Lashell Vaughn
Procurement Contracts Specialist: Shanikka Tate

Board Meeting Date: 10/21/2026
Contract Number: 12465 (*solicited under Contract No. 12433*)
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**350620 / Strategic IT Systems Business Consulting / Darren Sharp / 901-729-8369 / dsharp@mlgw.org**
Scope: Contract __x__ Purchase ____ Other ____	**The project scope is to provide supplemental technical staffing and/or deliver turn-key technical support or business application solutions for on or off-site projects.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to increase and renew the current contract for the third of four (4) annual renewal terms covering the period January 1, 2027 through December 31, 2027 in the amount of $2,372,382.11.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at the Netters Business Center, MLGW's Administration Building, or specified work locations depending on the need.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to augment existing technology staff with industry expertise to meet the demands of requested technological solutions.**
Are there any anticipated vendor issues? (If so, please explain)	**No**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **RFP**	

BUDGET:

	Total	In 2027 Budget Year	After Budget Year
Amount Requested	$ 2,372,382.11	$ 2,372,382.11	$ -
2027 Budget*	$ 12,656,267.00		
Amount Spent Year-to-Date	$ -		
2027 Budget Balance Available		$ 12,656,267.00	
Budget Balance After Award		$ 10,283,884.89	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Various
Expenditure Organization Various
Expenditure Type Outside Svc-Other Professional
Task Admin Expense

Comments: Contingent of City Council's approval of the 2027 budget

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Katrina Cooper — **9/29/2026**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Amt in 2027 Budget (per Resource)	Organization	Project Name	Tasks	Expenditure Type	2027 Budget
$71,760.00	0350420 Records Retention	Records Retention	Admin Expense	Outside Svc-Other Professional	$ 390,000.00
$106,260.00	352220 IT Service Desk and Operations	IT Service Desk and Operations R2025	Admin Expense	Outside Svc-Other Professional	$ 926,469.00
$71,760.00	0350420 Records Retention	Records Retention	Admin Expense	Outside Svc-Other Professional	$ -
$85,008.00	350620 - Strategic IT Business Support 350620	Strategic IT Business Support 350620	Admin Expense	Outside Svc-Other Professional	$ 85,008.00
$50,000.00	570450 Gas System Integrity	570450 Gas System Integrity	Admin Expense	Outside Svc-Other Professional	$ 801,506.00
$140,080.00	0350400 Data Security	Data Security 2018	Admin Expense	Outside Svc-Other Professional	$ 232,240.00
$71,760.00	0350420 Records Retention	Records Retention	Admin Expense	Outside Svc-Other Professional	$ -
$71,760.00	0350420 Records Retention	Records Retention	Admin Expense	Outside Svc-Other Professional	$ -
$95,312.00	0352310 Enterprise Infra Srvcs	0352310 Enterprise Infra Srvcs	Admin Expense	Outside Svc-Other Professional	$ 2,731,347.00
$33,338.76	570700 Commercial and Residential Eng Manager	Comm Res Engr Mgr R2025	Admin Expense	Outside Svc-Other Professional	$ 425,000.00
$227,424.00	0350600 Manager Client Services		Admin	Outside Svc-Other Professional	$ 446,207.00
$218,904.80	0352300 Information Technology	Information Technology	Admin Expense	Outside Svc-Other Professional	$ 393,696.00
$71,760.00	0350420 Records Retention	Records Retention	Admin Expense	Outside Svc-Other Professional	$ -
$92,160.00	0350400 Data Security	Data Security 2018	Admin Expense	Outside Svc-Other Professional	$ -
$50,000.00	570450 Gas System Integrity	570450 Gas System Integrity	Admin Expense	Outside Svc-Other Professional	$ -
$168,672.80	351100 Information Services	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	$ 168,673.00
$288,880.00	351120 CIS Core Billing	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	$ 1,786,574.00

BOARD RESOLUTION TRANSMITTAL

$214,157.60	351120 CIS Core Billing	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	$ -
$108,026.40	351130 CIS System Integration	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	$ 1,630,314.00
$108,026.40	351130 CIS System Integration	Customer Information Sys R2023	Admin Expense	Outside Svc-Other Professional	$ -
$220,800.00	351310 ERP Finance and HCM	ERP Finance and HCM	Admin Expense	Outside Svc-Other Professional	$ 1,136,946.00
$50,000.00	351310 ERP Finance and HCM	ERP Finance and HCM	Admin Expense	Outside Svc-Other Professional	$ -
$198,996.00	351320 GIS and Enterprise Reporting	GIS Enterprise Reporting	Admin Expense	Outside Svc-Other Professional	$ 1,502,287.00
					$ 12,656,267.00

$2,814,846.76	**Total**
$442,464.65	**Avaliable Balance**
$2,372,382.11	**Amount Requested**

Contractor: **Cook Systems**
10/21/2026

Contract Number: 12465
(solicited under Contract No. 12433)

	Actions	Date	Amount
Original Award	Award	11/15/2023	**$2,252,440.00**
Increase and Renewal (Change Order No. 1)	This change was to increase the current contract in the amount of $429,760.00 for the initial term through December 31, 2024. The additional funding is being reallocated from one (1) Vendor to this contract due to inability of the Vendor to abide by the terms of the contract. In addition, this change was to renew the current contract for the first of four (4) annual renewals for the period covering January 1, 2025 through December 31, 2025 in the amount of $2,990,916.80, with no increase in rates from the initial term. The total funded amount of this change and renewal was $3,420,676.80.	9/18/2024	$3,420,676.80
Increase and Renewal (Change Order No. 2)	This change was to renew the current contract for the second of four (4) annual renewals for the period covering January 1, 2026 through December 31, 2026 in the amount of $2,952,114.80, with no increase in rates from the initial term	10/1/2025	$2,952,114.80
Current Contract Amount			**$8,625,231.60**
Amount Paid to Date as of 09.28.26			$6,301,196.88
Current Contract Balance			$2,324,034.72
Increase and Renewal (Change Order No. 3)	***This change is to increase and renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $2,372,382.11 with no increase in rates from the previous term.***	***10/21/2026***	***$2,372,382.11***
Available Balance			***$4,696,416.83***
Cumulative Contract Value			***$10,997,613.71***

Note: MLGW's Strategic IT Systems Business Consulting Department will utilize the remaining balance for the continuation of budgeted projects to be completed through December 31, 2027.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 3**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 21, 2026**
CONTRACT NUMBER 12465 (*solicited under Contract No. 12433*) **SHEET 1 OF 3**

TO: CHARLIE PORTIS

COOK SYSTEMS

6000 POPLAR AVE.

MEMPHIS, TN 38119

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZES THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. THE CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO PROVIDE SUPPLEMENTAL TECHNICAL STAFFING AND/OR DELIVER TURN-KEY TECHNICAL SUPPORT OR BUSINESS APPLICATION SOLUTIONS FOR ON OR OFF-SITE PROJECTS. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR PROPOSALS ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO INCREASE AND RENEW THE CURRENT CONTRACT FOR THE THIRD OF FOUR (4) ANNUAL RENEWALS FOR THE PERIOD COVERING JANUARY 1, 2027 THROUGH DECEMBER 31, 2027 IN THE AMOUNT OF $2,372,382.11 WITH NO INCREASE IN RATES FROM THE PREVIOUS TERM. THIS INCREASE AND RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $10,997,613.71.

CHANGE IN CONTRACT PRICE:

Contract Value	**$ 8,625,231.60**
Change Amount	**$ 2,372,382.11 – Increase and Renewal (*Change No. 3*)**
Total Contract Amount	**$ 10,997,613.71**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: 48D94660-9827-8958-80FF-D72E3F9A9433

COOK SYSTEMS

September 3, 2026

Mr. Darren A. Sharp
Supervisor, Strategic IT Business Support
220 S Main St.
Memphis, TN 38103
Via email: Dsharp@mlgw.com

RE: Memphis Light Gas and Water Support Services Contract #12465
Renewal #3
Period: 1/1/2027 to 12/31/2027

Dear Mr. Sharp:

This written request is to confirm that Cook Systems International, Inc. wishes to renew our Support Services contract, #12465, with MLG&W for the period, January 1, 2027 to December 31, 2027, and agrees to abide by the existing rate chart contained within. A copy of our current Certificate of Liability Insurance is included.

Sincerely,

DocuSigned by:
Darren Sharp
4BFB903BA9BF4CD...
9/10/2026

Charles B. Portis
Executive Vice President
Cook Systems International, Inc.

DocuSigned by:
Rashell Vaughn
FC14099B88DD469...
9/10/2026

Cook Systems, Inc.
6000 Poplar Avenue | Suite 125 | Memphis, TN 38119
(901) 757-8877 | (800) 266-5185

Cook

JOB CLASSIFICATION	MINIMUM BILLABLE RATE/HR	MAXIMUM BILLABLE RATE/HR
APPLICATION DEVELOPER	$54.64	$89.50
BUSINESS SYSTEMS ANALYST	$43.38	$73.69
COMPUTER OPERATIONS SPECIALIST	$16.55	$55.00
CONSULTANT	$57.07	$160.00
DATA ANALYTICS/INTEGRATION SPECIALST	$63.20	$84.74
DATABASE ADMINISTRATOR	$56.07	$96.30
DESKTOP SUPPORT SPECIALIST	$16.55	$21.75
DOCUMENT IMAGING SPECIALIST	$29.98	$45.00
INFORMATION SECURITY ADMINISTRATOR	$41.70	$76.98
INFORMATION TECHNOLOGY INFRASTRUCTURE ARCHITECT	$70.33	$83.46
INFORMATION TECHNOLOGY SYSTEM ENGINEER	$49.89	$73.69
IVR (INTERACTIVE VOICE RESPONSE) DEVELOPER	$54.64	$89.50
NETWORK ENGINEER	$46.40	$69.20
NETWORK SECURITY SPECIALIST/ENGINEER	$48.79	$79.89
OPERATING SYSTEMS/SERVER ADMINISTRTOR	$41.70	$66.74
ORACLE E-BUSINESS SUITE V12 DEVELOPER	$79.89	$90.00
ORACLE E-BUSINESS SUITE PROJECT APPLICATIONS ANALYST	$79.85	$90.00
PROJECT COORDINATOR	$35.59	$53.67
PROJECT ENGINEER	$48.93	$63.56
PROJECT MANAGER	$63.20	$84.75
SERVICE DESK SPECIALIST	$18.30	$59.00
SOFTWARE INTEGRATION ANALYST	$48.93	$73.45
SYSTEMS SECURITY & COMPLIANCE SPECIALIST	$70.33	$88.89
VIRTUAL DESKTOP INFRASTRUCTURE SPECIALIST	$48.93	$64.20
WEB DEVELOPER	$53.20	$84.60
WEB/MOBILE INTEGRATION DEVELOPER	$60.89	$140.00

Please provide all costs associated with the proposed project to include, but not be limited to, maintenance, training, and travel. MLGW will not provide reimbursable expenses for travel. Travel costs must be included in the Vendor's compensation package. Rates include all overhead and benefits provided to the Contractor's employees, including cost of providing Affordable Complaint Healthcare when requested.

MLGW reserves the right to award this Contract is part of in whole, if applicable.

IX. ADDITIONAL AGREEMENTS OF VENDORS:

The Vendor should submit, with its proposal, copies of all supplemental agreements and counterparts requiring execution by both parties. ***MLGW will not accept any supplemental agreements or counterparts submitted after the proposal due date.***

REVIEWED & RECOMMENDED BY

DocuSigned by:
4FEB903BA9BF4CD...
NAME

DATE

REVIEWED & RECOMMENDED BY

DocuSigned by:
FC14099B88DD469...
NAME

10/1/2026
DATE

RESOLUTION SUMMARY

1. **Short Title Description –** Microsoft 365 Office User Licenses to Amend Purchase Order Number 7057248

2. **Requested Funding –** $729,411.86

3. **Award Duration –** May 29, 2024 - May 29, 2027

4. **Type of Bid –** To Amend Purchase Order Number 7057248

5. **Awarded To –** Crayon Software LLC

6. **Plain Language Description –** To amend Purchase Order number 7057248 for Microsoft 365 Office User Licenses. Microsoft 365 applications, including Outlook, Word, Excel, PowerPoint, and Copilot, are used by Division personnel. The software applications are essential tools which help employees collaborate efficiently, streamline daily workflows, and securely manage communication and documents across the organization.

7. **Impact –** Due to increased operational requirements, including the adoption of Microsoft Copilot AI and Power BI tools and the purchase of additional G5 licenses, we request an amendment to this purchase order. The requested increase is $729,411.86, bringing the total purchase order value to $5,283,531.21.



EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners that it approves the amendment of Purchase Order number 7057248 with Crayon Software LLC for Microsoft 365 Office user licenses in the additional amount of $729,411.86.

The Microsoft end user licensing agreement allows MLGW to license Microsoft products to host software services and applications for Division employees. The Microsoft software products are critical resources needed for the Division's daily operations.

On April 17, 2024, the Board of Light, Gas, and Water Commissioners approved a purchase order for Microsoft 365 Office user licenses. Due to increased operational requirements, including the adoption of Microsoft Copilot AI and Power BI tools and the purchase of additional G5 licenses, we request an amendment to this purchase order. The requested increase is $729,411.86, bringing the total purchase order value to $5,283,531.21. Requesting an increase is essential to ensure we maintain uninterrupted access to Microsoft 365 Office

applications.

Approval is requested to amend Purchase Order number 7057248 in the amount of $729,411.86. All existing terms and conditions will remain the same. This amendment complies with all applicable laws and policies.

The 2026 budgeted amount for Desktop Collaboration Services is $2,159,250.00; the amount spent year-to-date is $1,303,344.26; leaving a balance available of $2,162,894.74; of which $729,411.86 will be spent on this purchase in 2026; leaving a balance available of $1,433,482.88; and

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, subject to the consent and approval of the Council of the City of Memphis, approves the amendment of Purchase Order Number 7057248 with Crayon Software LLC for Microsoft 365 Office user licenses is approved as outlined in the foregoing preamble.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 21, 2026 approved the amendment of Purchase Order number 7057248 and is now recommending to the Council of the City of Memphis that it approves said purchase; and

WHEREAS, the Microsoft end user licensing agreement allows MLGW to license Microsoft products to host software services and applications for Division employees. The Microsoft software products are critical resources needed for the Division's daily operations; and

WHEREAS, on April 17, 2024, the Board of Light, Gas, and Water Commissioners approved a purchase order for Microsoft 365 Office user licenses. Due to increased operational requirements, including the adoption of Microsoft Copilot AI and Power BI tools and the purchase of additional G5 licenses, we request an amendment to this purchase order. The requested increase is $729,411.86, bringing the total purchase order value to $5,283,531.21. Requesting an increase is essential to ensure we maintain uninterrupted access to Microsoft 365 Office applications; and

WHEREAS, approval is requested to amend Purchase Order number 7057248 in the amount of $729,411.86. All existing terms and conditions will remain the same. This amendment complies with all applicable laws and policies.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Memphis that there be and is hereby approved the amendment of Purchase Order Number 7057248 to Crayon Software LLC in the amount of $729,411.86 chargeable to the MLGW 2026 fiscal year budget.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Lashell Vaughn
Procurement Contracts Specialist: A'Ricka Jackson

Board Meeting Date: 10/21/2026
Purchase Order Number: 7057248
Purchase Commodity: Microsoft 365 Office User Licenses
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	Desktop and Collaboration Services / Kevin Dammond / 901-729-8327 / kdammond@mlgw.org
Scope: Contract ____ **Purchase** ____ **Other** __X__	The scope of this request is to amend Purchase Order number 7057248 for Microsoft 365 Office user licenses.
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	To amend Purchase Order number 7057248 for Microsoft 365 Office user licenses with Crayon Software Experts LLC by increasing the funding in the amount of $729,411.86.
Where will the work take place? *(MLGW facility or jobsite, etc.)*	The licenses will be installed at MLGW's Netters Business Center at 1665 Whitten Road, Memphis, Tennessee.
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	Microsoft 365 licenses enable MLGW personnel to utilize Microsoft Office applications, such as Outlook, Word, PowerPoint, Excel, and Copilot.
Are there any anticipated vendor issues? (If so, please explain)	No
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	No
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	No
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) Amendment	

BUDGET:

	Total	In 2026 Budget Year	After Budget Year
Amount Requested	$ 729,411.86	$ 729,411.86	$ -
2026 Budget*	$ 2,159,250.00		
Amount Spent Year-to-Date	$ 1,303,344.26		
2026 Budget Balance Available		$ 2,162,894.74	
Budget Balance After Award		$ 1,433,482.88	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Desktop Collaboration Svc
Expenditure Organization 0352210 Desktop and Collaboration Services
Expenditure Type Purchase PC Software
Task ADMIN

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Katrina Cooper — **9/30/2026**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Docusign Envelope ID: 87FFD6A3-8AD1-8D2B-834D-AE80948C524C

MLGW

MEMPHIS LIGHT, GAS & WATER DIVISION

INTERDEPARTMENTAL COMMUNICATION

To: A'Ricka Jackson

From: Kevin Dammond

Subject: Amendment to Purchase Order Memo – PO# 7057248

Date: October 8, 2026

This memo is to request an amendment to **Purchase Order #7057248** for the purpose of increasing its value by **$729,411.86**; current PO value is **$4,554,119.35**. This additional funding is required to cover Microsoft user license expenses that were not included in the original scope when the PO was initiated. These licenses include the adoption of Microsoft **Copilot AI tools**, **Power BI tools**, and a need to purchase more G5 license due to the addition of personnel caused by reorganization.

As our operational needs have evolved, expanded licensing has become essential to support workforce productivity, cloud service compliance, cybersecurity requirements, and overall continuity of enterprise systems. Since these licensing costs were not anticipated during the initial planning, the current PO lacks sufficient funding to support the required activation and maintenance of these licenses.

To prevent disruption to critical business operations and ensure continued compliance with software usage requirements, I respectfully request approval of this PO increase. New value of this Purchase Order will be **$5,283,531.21** upon approval.

Regards,

Signed by:
Kevin Dammond
9807EC85CBC24D6...
10/8/2026

Kevin Dammond
Supervisor, Desktop and Collaboration Services

Signed by:
AEF1BFBD1E1A451...
10/8/2026

Clinton Ward
Manager, Desktop Technologies

RESOLUTION SUMMARY

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners that it award a thirty-six-month purchase order to Crayon Software Experts LLC. for Microsoft end user licenses in the amount of $4,554,119.35.

The Microsoft end user licensing agreement allows MLGW to license Microsoft products to host software services and applications for Division employees. The Microsoft software products are critical resources needed for the Division's daily operations.

Bids were opened on January 17, 2024. Notice to Bidders was advertised. Nine bids were solicited, and two bids were received with the lowest and best complying bidder being the firm of Crayon Software Experts LLC. This award complies with all applicable laws and policies.

The 2024 budgeted amount for Data Processing / Office Automation is $1,001,800.00; the amount spent-to-date is $583.10; leaving a balance available of $1,001,216.90; of which $900,000.00 will be spent in 2024; leaving a balance of $101,216.90 after award; the remaining balance of $3,654,119.35 will be spent in subsequent budget years as approved; and

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
April 17, 2024

NOW, THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, subject to the consent and approval of the Council of the City of Memphis, award a thirty-six-month purchase order to Crayon Software Experts LLC. is approved for furnishing:

6,750 – Microsoft 365 G5;

3,300 – Azure Active Directory P2;

2,400 – Exchange Online;

Totaling $4,554,119.35; f.o.b. Memphis, Tennessee, transportation prepaid; our dock; said prices being firm; delivery as requested; terms net 30 days.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of April 17, 2024 approved a thirty-six-month purchase order for Microsoft end user licenses and is now recommending to the Council of the City of Memphis that it approves said purchase as approved in the 2024 fiscal year budget and subsequent budget years as approved; and

WHEREAS, the Microsoft end user licensing agreement allows MLGW to license Microsoft products to host software services and applications for Division employees. The Microsoft software products are critical resources needed for the Division's daily operations; and

WHEREAS, bids were opened on January 17, 2024. Notice to Bidders was advertised. Nine bids were solicited, and two bids were received with the lowest and best complying bidder being the firm of Crayon Software Experts LLC. This award complies with all applicable laws and policies; and

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Memphis that there be and is hereby approved a thirty-six-month purchase order for Microsoft end user licenses from Crayon Software Experts LLC. in the amount of $900,000.00 chargeable to the MLGW 2024 fiscal year budget and the

remaining balance of $3,654,119.35 chargeable to subsequent budget years as approved.

RESOLUTION SUMMARY

1. **Short title description – Contract No. 12214 - Roof Maintenance**

2. **Requested Funding - $11,500.00**

3. **Award Duration – Increase and Ratification of the approval of an invoice payment, after the fact (May 9, 2025 through May 8, 2026)**

4. **Type of Bid – Sealed Bid**

5. **Awarded to – Dakota Corporation dba Jessie Bryant Roofing**

6. **Plain Language Description – This change is to add money to the contract to pay an outstanding invoice.**

7. **Impact – This contract will help to ensure that MLGW can fix and correct roofing issues in a timely manner to protect facilities from further damage.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement, Contracts and Strategic Sourcing recommends to the Board of Light, Gas, and Water Commissioners the Increase and Ratification approval of an invoice payment, after the fact (*Change No. 5*) to Contract No. 12214, Roof Maintenance with Dakota Corporation dba Jessie Bryant Roofing in the amount of $11,500.00.

The project scope is to furnish supervision, labor, transportation, equipment and materials to perform roofing repairs on an as needed and emergency basis at various MLGW locations. The contract award was selected based on the lowest and best bid received using the Sealed Bid process.

This change is to increase and ratify the approval of an invoice payment, after the fact, in the amount of **$**13,393.00; of which $1,893.00 will be absorbed from the current contract value. MLGW is requesting an additional $11,500.00 for work that was performed prior to the contract expiration of May 8, 2026. The total requested amount of this increase and ratification is $11,500.00. This increase and ratification complies with all applicable laws and policies. The new contract value is $261,250.00.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, the approval of the Increase and Ratification approval, of an invoice payment, after the fact (*Change No. 5*) to Contract No. 12214, Roof Maintenance with Dakota Corporation dba Jessie Bryant Roofing, in the funded amount of $11,500.00 as outlined in the foregoing preamble, is approved and further,

THAT, the President, or his designated representative is authorized to execute the Increase and Ratification.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Dr. Von Goodloe
Specialist: Arma Orr/Aline Cotton

Board Meeting Date: 10/21/2026
Contract Number: 12214
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Building Construction & Maintenance / James Reed / 901-571-1374 / james.reed@mlgw.org**
Scope: **Contract** _X___ **Purchase** ____ **Other** ____	**The project scope is to furnish supervision, labor, transportation, equipment and materials to perform roofing repairs on an as needed and emergency basis at various MLGW locations.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to ratify the approval of an invoice payment, after the fact, in the amount of $13,393.00; of which $1,893.00 will be absorbed from the current contract value which results in a requested amount of $11,500.00.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**Work has already been completed for a roof replacement.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**This is for an invoice payment.**
Are there any anticipated vendor issues? (If so, please explain)	**No**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**
If applicable, how was the recommendation determined? (Bid or RFP) **Sealed Bid**	

BUDGET:

	Total	In 2026 Budget Year	After Budget Year
Amount Requested	$11,500.00	$11,500.00	$ -
2026 Budget*	$ 4,780,747.00		
Amount Spent Year-to-Date	$ 173,831.55		
2026 Budget Balance Available		$ 4,606,915.45	
Budget Balance After Award		$ 4,595,415.45	

***Please indicate category *(O&M or Capital)*.**

[X] **O&M**
[ ] **Capital**

Project Facilities Mgmt Mtn R2024
Expenditure Organization 0363200 Facilities Management and Maintenance
Expenditure Type Contracted Services- Other
Task Various

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Katrina Cooper
Budget & Financial Planning

9/30/2026
Date

Rev. 11/01/2018

Contractor: **Dakota Corporation dba Jessie Bryant Roofing**
10/21/2026

Contract Number: 12214

	Actions	**Date**	**Amount**
Award 01.06.2021			$84,125.00
Increase and Renewal (Change Order No. 1)	This change was to renew the current contract in the amount of $84,125.00. The term is for the first of four (4) annual renewal terms for the period covering May 9, 2022 through May 8, 2023 in the amount of 96,750.00; of which $12,625.00 will be absorbed in the current contract value, which reflected a 15% increase from previous year as a result of the increase of material costs.	4/8/2022	$84,125.00
Increase and Renewal (Change Order No. 2)	This change was to renew the current contract for the second of four (4) annual renewals for the period covering May 9, 2023 through May 8, 2025 in the amount of $96,750.00; of which, $23,750.00 was absorbed in the current contract value.	3/21/2023	$73,000.00
Increase and Renewal (Change Order No. 3)	This change was to renew the current contract for the third of four (4) annual renewals for the period covering May 9, 2024 through May 8, 2024 in the amount of $8,500.00, with no change in rates from the previous renewal.	4/12/2024	$8,500.00
Renewal (Change Order No. 4)	This change was to renew the current contract for the fourth and final annual renewal term covering the period from May 9, 2025 through May 8, 2026, with no increase in the contract value.	3/19/2025	$0.00
Contract Balance			***$249,750.00***
Amount Paid to Date as of 10.09.26			$247,857.00
Current Contract Balance			$1,893.00
Increase and Ratification (Change Order No. 5)	***This change is to increase and ratify the approval of an invoice payment, after the fact, in the amount of $13,393.00; of which $1,893.00 will be absorbed from the current contract value. MLGW is requesting an additional $11,500.00 for work that was performed prior to the contract expiration of May 8, 2026.***	***10/21/2026***	***$11,500.00***
Available Balance			***$13,393.00***
Cumulative Contract Value			***$261,250.00***

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 5**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 21, 2026**
CONTRACT NUMBER 12214 **SHEET 1 OF 2**

TO: MR. CHRIS MCRAE

DAKOTA CORPORATION DBA JESSIE BRYANT ROOFING

3121 SANDBROOK

MEMPHIS, TN 38116-1815

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZES THE FOLLOWING CHANGE IN REGARDS TO THE ABOVE CONTRACT NUMBER. CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO FURNISH SUPERVISION, LABOR, TRANSPORTATION, EQUIPMENT AND MATERIALS TO PERFORM ROOFING REPAIRS ON AN AS NEEDED AND EMERGENCY BASIS AT VARIOUS MLGW LOCATIONS. THE CONTRACT AWARD WAS SELECTED BASED ON THE LOWEST AND BEST BID RECEIVED USING THE SEALED BID PROCESS.

THIS CHANGE IS TO INCREASE AND RATIFY THE APPROVAL OF AN INVOICE PAYMENT, AFTER THE FACT, IN THE AMOUNT OF $13,393.00; OF WHICH $1,893.00 WILL BE ABSORBED FROM THE CURRENT CONTRACT VALUE. MLGW IS REQUESTING AN ADDITIONAL $11,500.00 FOR WORK THAT WAS PERFORMED PRIOR TO THE CONTRACT EXPIRATION OF MAY 8, 2026. THE TOTAL REQUESTED AMOUNT OF THIS INCREASE AND RATIFICATION IS $11,500.00. THIS INCREASE AND RATIFICATION COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $261,250.00.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 249,750.00**
Change Amount	**$ 11,500.00– Increase and Ratification (*Change No. 5*)**
Total Contract Amount	**$ 261,250.00**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: 9433D072-A38F-81C5-8350-8F57FB569956

Dakota Corp. dba Jessie Bryant Roofing
3121 Sandbrook
Memphis, TN 38116
USA

Voice: (901) 398-9799
Fax: (901) 398-9820

INVOICE

Invoice Number: 26-0093
Invoice Date: Feb 25, 2026
Page: 1
Duplicate

Bill To:	Ship to:
MemphisLG&W P O Box 430 Memphis, TN 38101	MemphisLG&W P O Box 430 Memphis, TN 38101

Customer ID	Customer PO	Payment Terms	
MLG&W		Net Due	
Sales Rep ID	**Shipping Method**	**Ship Date**	**Due Date**
	Airborne		2/25/26

Quantity	Item	Description	Unit Price	Amount
		MLG&W - Wagner Service crew completed the scope of work listed in the attached proposal.		13,393.00

Subtotal	13,393.00
Sales Tax	
Total Invoice Amount	13,393.00
Payment/Credit Applied	
TOTAL	**13,393.00**

Check/Credit Memo No:

Signed by:
James Reed
CE15A3F1098B47F...

9/24/2026

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12599 - Heavy Duty/High Volume Utility Bill Insertion System**

2. **Requested Funding – $8,608.00**

3. **Award Duration – Increase and Three (3) month Extension (April 21, 2031 through July 6, 2031)**

4. **Type of Bid – RFP**

5. **Awarded To – Bell and Howell, LLC and the associated lease agreement to Bell and Howell Capital Finance**

6. **Plain Language Description – This change is to ensure there are enough funds available to cover invoices due to an unexpected Tennessee filing fee and an increase in monthly payments. The contract term will be extended from April 21, 2031 to July 6, 2031 to align the 60-month term with the first invoice received.**

7. **Impact – This change is to ensure there are enough funds available for the invoices over the duration of the contract.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas, and Water Commissioners the approval of the Increase and Extension *(Change No. 1)* to Contract No. 12599, Heavy Duty/High Volume Utility Bill Insertion System with Bell and Howell, LLC and the associated lease agreement to Bell and Howell Capital Finance to increase the contract value and extend the current contract in the funded amount of $8,608.00.

The project scope is to furnish supervision, labor, transportation, equipment, and materials to secure a Heavy-Duty, High-Volume mail inserting system for 60 months. The contract award was based on the Request for Proposals ("RFP") evaluation process.

This change is to increase the contract value to cover the one-time Tennessee Filing fee of $539.20 and the increase in monthly rental payments in the amount of $134.48. This monthly rental rate increase is attributable to the market index rate in effect at the time the equipment was accepted. Additionally, this change is to extend the contract term for an additional three (3) months, covering the period of April 21, 2031 through July 6, 2031 to align the contract's covered period with the date of the first invoice. This increase and extension will ensure that the 60-month contract remains active and fully funded for the entire contract term. The total funded amount of this increase and extension is $8,608.00. This increase and extension complies with all applicable laws and policies. The new contract value is $743,428.00.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas, and Water Commissioners:

THAT, Subject to the consent and approval of the Council of the City of Memphis, the approval of the Increase and Extension *(Change No. 1)* to Contract No. 12599, Heavy Duty/High Volume

Utility Bill Insertion System with Bell and Howell, LLC and the associated lease agreement to Bell and Howell Capital Finance to increase the contract value and extend the current contract in the funded amount of $8,608.00, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Increase and Extension.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting on October 21, 2026 approved the Increase and Extension *(Change No. 1)* to Contract No. 12599, Heavy Duty/High Volume Utility Bill Insertion System with Bell and Howell, LLC and the associated lease agreement to Bell and Howell Capital Finance to increase the contract value and extend the current contract in the funded amount of $8,608.00, and is now recommending to the Council of City of Memphis that it approves said increase and extension as approved; and

WHEREAS, the project scope is to furnish supervision, labor, transportation, equipment, and materials to secure a Heavy-Duty, High-Volume mail inserting system for 60 months. The contract award was based on the Request for Proposals ("RFP") evaluation process.

WHEREAS, this change is to increase the contract value to cover the one-time Tennessee Filing fee of $539.20 and the increase in monthly rental payments in the amount of $134.48. This monthly rental rate increase is attributable to the market index rate in effect at the time the equipment was accepted. Additionally, this change is to extend the contract term for an additional three (3) months, covering the period of April 21, 2031 through July 6, 2031 to align the contract's covered period with the date of the first invoice. This increase and extension will ensure that the 60-month contract remains active and fully funded for the entire contract term. The total funded amount of this increase and extension is $8,608.00. This increase and extension complies with all applicable laws and policies. The new contract value is $743,428.00.

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved the Increase and Extension *(Change No. 1)* to Contract No. 12599, Heavy Duty/High Volume Utility Bill Insertion System with Bell and Howell, LLC and the associated lease agreement to Bell and Howell Capital Finance to increase the contract value and extend the current contract in the funded amount of $8,608.00, as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Ursula Madden
Specialist: Toka Ivy

Board Meeting Date: 10/21/2026
Contract Number: 12599
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**811300 / Communication Production and Distribution / Ronald T. Shotwell/ 9015284318 / rshotwell@mlgw.org**
Scope: Contract _X___ Purchase ____ Other ____	**The project scope is to furnish supervision, labor, transportation, equipment, and materials to secure a Heavy-Duty, High-Volume mail inserting system for 60 months.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to increase the contract value to cover the one-time Tennessee Filing fee of $539.20 and the increase in monthly rental payments in the amount of $134.48. This change is also to extend the contract for three (3) months.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at the MLGW's Administration Building located at 220 South Main Street, Memphis, TN 38103.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to satisfy the invoice amount over the duration of the contract.**
Are there any anticipated vendor issues? (If so, please explain)	**No**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**
If applicable, how was the recommendation determined? (Bid, RFQ, or RFP) **RFP**	

BUDGET:

	Total	In 2026 Budget Year	After Budget Year
Amount Requested	$ 8,608.00	$ 672.40	$ 7,935.60
2026 Budget*	$ 819,840.00		
Amount Spent Year-to-Date	$ 513,247.00		
2026 Budget Balance Available		$ 306,593.00	
Budget Balance After Award		$ 305,920.60	

Please indicate category *(O&M or Capital).

[x] **O&M**
[ ] **Capital**

Project comm pro dist r2024
Expenditure Organization 811300 communication production and distribut
Expenditure Type outside purchases
Task admin

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Budget & Financial Planning **Date**

Rev. 11/01/2018

Contractor: **Bell and Howell, LLC and the associated lease agreement to Bell and Howell Capital Finance**

10/21/2026

Contract Number: 12599

	Actions	**Date**	**Amount**
Original Award	**Award**	**2/4/2026**	**$734,820.00**
Amount Paid to Date as of 09.24.2026			**$53,391.02**
Current Contract Balance			$681,428.98
Increase and Extension (Change Order No. 1)	***This change is to increase the contract value to cover the one-time Tennessee Filing fee of $539.20 and the increase in monthly rental payments in the amount of $134.48. This monthly rental rate increase is attributable to the market index rate in effect at the time the equipment was accepted. Additionally, this change is to extend the contract term for an additional three (3) months, covering the period of April 21, 2031 through July 6, 2031 to align the contract's covered period with the date of the first invoice. This increase and extension will ensure that the 60-month contract remains active and fully funded for the entire contract term. The total funded amount of this increase and extension is $8,608.00.***	***10/21/2026***	***$8,608.00***
Available Balance			**$690,036.98**
Cumulative Contract Value			**$743,428.00**
NOTE: MLGW's Corporate Communications Department will utilize the current contract balance for the remaining contract term.			

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 1**
CITY OF MEMPHIS **DATE OF CHANGE October 21, 2026**
CONTRACT NUMBER 12599 **SHEET 1 OF 3**

TO: CONNER MCKENNA

BELL AND HOWELL, LLC

3791 ALSTON AVE

DURHAM, NC 27713

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZED THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO FURNISH SUPERVISION, LABOR, TRANSPORTATION, EQUIPMENT, AND MATERIALS TO SECURE A HEAVY-DUTY, HIGH-VOLUME MAIL INSERTING SYSTEM FOR 60 MONTHS. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR PROPOSALS ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO INCREASE THE CONTRACT VALUE TO COVER THE ONE-TIME TENNESSEE FILING FEE OF $539.20 AND THE INCREASE IN MONTHLY RENTAL PAYMENTS IN THE AMOUNT OF $134.48. THIS MONTHLY RENTAL RATE INCREASE IS ATTRIBUTABLE TO THE MARKET INDEX RATE IN EFFECT AT THE TIME THE EQUIPMENT WAS ACCEPTED. ADDITIONALLY, THIS CHANGE IS TO EXTEND THE CONTRACT TERM FOR AN ADDITIONAL THREE (3) MONTHS, COVERING THE PERIOD OF APRIL 21, 2031 THROUGH JULY 6, 2031 TO ALIGN THE CONTRACT'S COVERED PERIOD WITH THE DATE OF THE FIRST INVOICE. THIS INCREASE AND EXTENSION WILL ENSURE THAT THE 60-MONTH CONTRACT REMAINS ACTIVE AND FULLY FUNDED FOR THE ENTIRE CONTRACT TERM. THE TOTAL FUNDED AMOUNT OF THIS INCREASE AND EXTENSION IS $8,608.00. THIS INCREASE AND EXTENSION COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $743,428.00.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 734,820.00**	
Change Amount	**$ 8,608.00**	**Increase and Extension (Change No. 1)**
Total Contract Amount	**$ 743,428.00**	

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12408 Environmental Consulting Services**

2. **Funded Amount - $9,000,000.00**

3. **Award Duration – Increase and the Third of four (4) annual renewals (January 1, 2027 through December 31, 2027)**

4. **Type of Bid - RFP**

5. **Awarded to – BH&M Environmental Consultants, Inc.**

6. **Plain Language Description – To provide environmental consulting services on an "as needed" basis.**

7. **Impact – The need exists to comply with environmental regulatory requirements.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas and Water Commissioners the approval of the Increase and Renewal *(Change No. 3)* to Contract No. 12408, Environmental Consulting Services with BH&M Environmental Consultants, Inc. in the funded amount of $9,000,000.00.

The project scope is to provide environmental consulting services applicable to MLGW's facilities and operations on an as-needed basis. The contract award was based on the Request for Proposals ("RFP") evaluation process.

This change is to renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $9,000,000.00 with no increase in rates from the previous term. The additional funding is needed for planned and budgeted projects for the 2027 calendar year. This increase and renewal complies with all applicable laws and policies. The new contract value is $37,000,000.00.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, Subject to the consent and approval of the Council of the City of Memphis, the approval of the Increase and Renewal *(Change No. 3)* to Contract No. 12408, Environmental Consulting Services with BH&M Environmental Consultants, Inc. in the funded amount of $9,000,000.00, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Increase and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting on October 21, 2026 approved the Increase and Renewal *(Change No. 3)* to Contract No. 12408, Environmental Consulting Services with BH&M Environmental Consultants, Inc. in the funded amount of $9,000,000.00, and is now recommending to the Council of the City of Memphis that it approves said increase and renewal as approved; and

WHEREAS, the project scope is to provide environmental consulting services applicable to MLGW's facilities and operations on an as-needed basis. The contract award was based on the Request for Proposals ("RFP") evaluation process.

WHEREAS, this change is to renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $9,000,000.00 with no increase in rates from the previous term. The additional funding is needed for planned and budgeted projects for the 2027 calendar year. This increase and renewal complies with all applicable laws and policies. The new contract value is $37,000,000.00.

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved the Increase and Renewal *(Change No. 3)* to Contract No. 12408, Environmental Consulting Services with BH&M Environmental Consultants, Inc. in the funded amount of $9,000,000.00, as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Brooke Sinclair
Procurement Contracts Specialist: Jessica Payne

Board Meeting Date: 10/21/2026
Contract Number: 12408
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Kerry Roy / 820200 Environmental Engineering / KRoy@mlgw.org / 901.351.0437**
Scope: Contract __X__ Purchase ____ Other ____	**The project scope is to provide environmental consulting services applicable to MLGW's facilities and operations on an as-needed basis.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to increase and renew the current contract for the third of four (4) annual renewal terms for the period covering January 1, 2027 through December 31, 2027 in the amount of $9,000,000.00.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place throughout Shelby County, Tennessee as-needed.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to comply with environmental regulatory requirements.**
Are there any anticipated vendor issues? (If so, please explain)	**No**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **RFP**	

BUDGET:

	Total	In 2027 Budget Year	After Budget Year
Amount Requested	$ 9,000,000.00	$ 9,000,000.00	$ -
2027 Budget*	$ 21,705,708.00		
Amount Spent Year-to-Date			
2027 Budget Balance Available		$ 21,705,708.00	
Budget Balance After Award		$ 12,705,708.00	

Please indicate category *(O&M or Capital).

[x] **O&M**
[ ] **Capital**

Project Environmental Engineering
Expenditure Organization 0820200 Environmental Engineering
Expenditure Type eAM Contracted Services
Task Water/Gas/Electric/Common-Env-Expens

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Katrina Cooper
Budget & Financial Planning

9/8/2026
Date

Rev. 11/01/2018

Contractor: **BH&M Environmental Consultants, Incorporated**
10/21/2026

Contract Number: 12408

	Actions	**Date**	**Amount**
Original Award 11.15.2023			**$11,000,000.00**
Increase and Renewal (Change Order No. 1)	This change was to renew the current contract for the first of four (4) annual renewals for the period covering January 1, 2025 through December 31, 2025 in the amount of $8,600,000.00, with no increase in rates from the initial term. The additional funding was needed for planned and budgeted projects for the 2025 calendar year.	11/6/2024	$8,600,000.00
Increase and Renewal (Change Order No. 2)	This change was to renew the current contract for the second of four (4) annual renewals for the period covering January 1, 2026 through December 31, 2026 in the amount of $8,400,000.00 with no increase in rates from the previous term. The additional funding is needed for planned and budgeted projects for the 2026 calendar year.	11/19/2025	$8,400,000.00
Current Contract Amount			**$28,000,000.00**
Amount Paid to Date as of 9.24.2026			$23,190,881.16
Current Contract Balance			$4,809,118.84
Increase and Renewal (Change Order No. 3)	***This change is to renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the amount of $9,000,000.00 with no increase in rates from the previous term. The additional funding is needed for planned and budgeted projects for the 2027 calendar year.***	***10/21/2026***	***$9,000,000.00***
Available Balance			***$13,809,118.84***
Cumulative Contract Value			***$37,000,000.00***

Note: MLGW's Environmental Department will utilize the remaining balance for the continuation of budgeted projects to be completed through December 31, 2026.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 3**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 21, 2026**
CONTRACT NUMBER 12408 **SHEET 1 OF 8**

TO: **MR. MATTHEW GARNER**

BH&M ENVIRONMENTAL CONSULTANTS, INC

3775 COVINGTON PIKE

MEMPHIS, TN 38135

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZED THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO PROVIDE ENVIRONMENTAL CONSULTING SERVICES APPLICABLE TO MLGW'S FACILITIES AND OPERATIONS ON AN AS-NEEDED BASIS. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR PROPOSALS ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO RENEW THE CURRENT CONTRACT FOR THE THIRD OF FOUR (4) ANNUAL RENEWALS FOR THE PERIOD COVERING JANUARY 1, 2027 THROUGH DECEMBER 31, 2027 IN THE FUNDED AMOUNT OF $9,000,000.00 WITH NO INCREASE IN RATES FROM THE PREVIOUS TERM. THE ADDITIONAL FUNDING IS NEEDED FOR PLANNED AND BUDGETED PROJECTS FOR THE 2027 CALENDAR YEAR. THIS RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $37,000,000.00.

CHANGE IN CONTRACT PRICE:

Original Contract Amount	**$28,000,000.00**	
Change (Renewal) Amount	**$ 9,000,000.00**	**Increase and Renewal (Change No. 3)**
Total Contract Amount	**$37,000,000.00**	

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: 95A41361-6958-859A-8073-6944095F5BCF
Signed by: Brooke Sinclair 89024A8C0C0D45A...
9/6/2026

Doc Kerry Roy 514AF4AE7DFD4D4...
9/4/2026

MLGW Contract Management Department

Contract 12408 Environmental Consulting Services

PROPOSAL EVALUATION PACKAGE

Fees and Rate Schedules

RFP Due 03.13.23

Item	Description	Unit	Ave Rate	BH&M				
Category 1 - Overall Contract Management								
1.1	Contract Manager	Hr		$ 95				
1.2	Clerical Support	Hr		$ 78				
Category 2 - Consulting Services								
2.1	Professional Engineer (PE)	Hr		$ 90				
2.2	Project Engineer	Hr		$ 90				
2.3	Staff Enginer	Hr		$ 75				
2.4	Scientist	Hr		$ 65				
2.5	Registered Geologist (RG)	Hr		$ 90				
2.6	Professional Geologist (PG)	Hr		$ 90				
2.7	Certified Industrial Hygienist (CIH)	Hr		$ 90				
2.8	Industrial Hygienist	Hr		$ 85				
2.9	Environmental Professional	Hr		$ 65				
2.1	Environmental Specialist	Hr		$ 92				
2.11	Toxicologist	Hr		$ 100				
2.12	Risk Assessor	Hr		$ 75				
2.13	QA/QC	Hr		$ 75				
2.14	Certified Safety Specialist (CSP)	Hr		$ 75				
2.15	Certified Hazardous Materials Manager (CHMM)	Hr		$ 70				
2.16	Draftsman/CADD	Hr		$ 60				
Category 3 - Field Services								
3.1	Technical Specialist	Hr		$ 50				
3.2	Engineering Technician	Hr		$ 50				
3.3	Environmental Technician	Hr		$ 50				
3.4	Environmental Professional	Hr		$ 60				
3.5	Environmental Specialist	Hr		$ 60				

Docusign Envelope ID: 95A41361-6958-859A-8073-6944095F5BCF

MLGW Contract Management Department

Contract 12408 Environmental Consulting Services

PROPOSAL EVALUATION PACKAGE

Fees and Rate Schedules

RFP Due 03.13.23

Item	Description	Unit	Ave Rate	BH&M				
Category 3 - Field Services (cont'd)								
3.6	Certified Industrial Hygienist (CIH)	Hr		$ 125				
3.7	Certified Safety Specialist (CSP)	Hr		$ 80				
3.8	Health and Safety Specialist	Hr		$ 65				
3.9	Lab Technician	Hr		$ 92				
3.1	Field Technician	Hr		$ 85				
3.11	Certified Asbestos Hazard Evaluation Specialist	Hr		$ 45				
3.12	Certified Asbestos Hazard Project Designer	Hr		$ 65				
3.13	Certified Lead Risk Assessor	Hr		$ 55				
3.14	Certified Lead Risk Inspector	Hr		$ 55				
3.15	Survey Crew	Hr		$ 110				
3.16	Hazardous Materials Specialist	Hr		$ 65				

Contract Specialist: Shanikka Tate

Evaluation Team Facilitator: Monica Darby Monica Darby

Evaluation Team Members: Kerry Roy and Alvis Whitlock KRR AW

Docusign Envelope ID: 95A41361-6958-859A-8073-6944095F5BCF

BH&M
ENVIRONMENTAL
CONSULTANTS, INC.

September 4, 2026

Kerry Roy
Memphis Light, Gas and Water Division
220 South Main Street Room 323
Memphis, Tennessee 38103-3917

RE: 3rd Renewal Term Letter 12408- Environmental Consulting & Remediation Services

Dear Ms. Roy:

BH&M Environmental Consultants, Inc. (BHM) is in agreement to renew the above-referenced contract (12408) for the 3rd renewal term, which would be from January 1, 2027, through December 31, 2027.

BHM is not requesting that the contract prices be adjusted for the 3rd renewal term of contract 12408. BH&M's rates will remain the same.

BHM is agreeable to the offered contract amount of $9,000,000.00 for the 3rd renewal term for 2027. This amount is necessary to complete the planned and budgeted work for the calendar year 2027. The amount is also needed to cover emergency projects that arise.

If you have any comments or if I can be of further service, please feel free to call me at (901) 687-7432.

Sincerely,

Matthew Garner
Vice President
BH&M Environmental Consultants, Inc.

Signed by:
Brooke Sinclair
89024A8C0C0D45A...
9/6/2026

DocuSigned by:
Kerry Roy
514AF4AE7DFD4D4...
9/4/2026

3775 Covington Pike Memphis TN 38135 ● Phone: 901-435-6429 ● Fax: 901-512-4600

Docusign Envelope ID: 95A41361-6958-859A-8073-6944095F5BCF

MLGW Contract Management Department

Contract 12408 Environmental Consulting Services

PROPOSAL EVALUATION PACKAGE

Fees and Rate Schedules

RFP Due 03.13.23

Item	Description	Unit	Ave Rate	BH&M				
Category 1 - Overall Contract Management								
1.1	Contract Manager	Hr		$ 95				
1.2	Clerical Support	Hr		$ 78				
Category 2 - Consulting Services								
2.1	Professional Engineer (PE)	Hr		$ 90				
2.2	Project Engineer	Hr		$ 90				
2.3	Staff Enginer	Hr		$ 75				
2.4	Scientist	Hr		$ 65				
2.5	Registered Geologist (RG)	Hr		$ 90				
2.6	Professional Geologist (PG)	Hr		$ 90				
2.7	Certified Industrial Hygienist (CIH)	Hr		$ 90				
2.8	Industrial Hygienist	Hr		$ 85				
2.9	Environmental Supervisor	Hr		$ 92				
2.10	Environmental Specialist	Hr		$ 92				
2.11	Toxicologist	Hr		$ 100				
2.12	Risk Assessor	Hr		$ 75				
2.13	QA/QC	Hr		$ 75				
2.14	Certified Safety Specialist (CSP)	Hr		$ 75				
2.15	Certified Hazardous Materials Manager (CHMM)	Hr		$ 70				
2.16	Draftsman/CADD	Hr		$ 60				
Category 3 - Field Services								
3.1	Technical Specialist	Hr		$ 50				
3.2	Engineering Technician	Hr		$ 50				
3.3	Environmental Technician	Hr		$ 50				
3.4	Environmental Professional	Hr		$ 60				
3.5	Environmental Specialist	Hr		$ 60				

Docusign Envelope ID: 95A41361-6958-859A-8073-6944095F5BCF

MLGW Contract Management Department

Contract 12408 Environmental Consulting Services

PROPOSAL EVALUATION PACKAGE

Fees and Rate Schedules

RFP Due 03.13.23

Item	Description	Unit	Ave Rate	BH&M				
Category 3 - Field Services (cont'd)								
3.6	Certified Industrial Hygienist (CIH)	Hr		$ 125				
3.7	Certified Safety Specialist (CSP)	Hr		$ 80				
3.8	Health and Safety Specialist	Hr		$ 65				
3.9	Lab Technician	Hr		$ 92				
3.1	Field Technician	Hr		$ 85				
3.11	Certified Asbestos Hazard Evaluation Specialist	Hr		$ 45				
3.12	Certified Asbestos Hazard Project Designer	Hr		$ 65				
3.13	Certified Lead Risk Assessor	Hr		$ 55				
3.14	Certified Lead Risk Inspector	Hr		$ 55				
3.15	Survey Crew	Hr		$ 110				
3.16	Hazardous Materials Specialist	Hr		$ 65				

Contract Specialist: Shanikka Tate

Evaluation Team Facilitator: Monica Darby Monica Darby AW

Evaluation Team Members: KRR Kerry Roy and Alvis Whitlock

BH&M Vice President: Matthew Garner 09/04/26

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12446 - *(solicited under Contract No. 12407)* Environmental Abatement Services**

2. **Requested Funding – $10,000,000.00**

3. **Award Duration – Increase and the Third of four (4) annual renewals (January 1, 2027 through December 31, 2027)**

4. **Type of Bid – RFP**

5. **Awarded To – Northwest Contracting Services, Incorporated**

6. **Plain Language Description – Environmental Abatement contract with Environmental Affairs, on an "as-needed" basis to provide services.**

7. **Impact – The need exists to comply with environmental regulatory requirements.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas and Water Commissioners the approval of the increase and renewal *(Change No. 4)* to Contract No. 12407, Environmental Abatement Services with Northwest Contracting Services, Incorporated in the funded not-to-exceed amount of $10,000,000.00.

The project scope is to furnish all supervision, labor, transportation, equipment and material on an "as-needed" basis to provide services for the assessment, abatement and/or remediation of asbestos containing materials, lead, mold, PCBs and/or any other environmental contaminant (as identified) by persons who are knowledgeable, qualified and trained in the identification, removal, treatment, handling and disposal of such referenced pollutants and subsequent cleaning and/or restoring of the affected environment in a good and skillful manner free from faults and defects. The contract award was selected based on the Request for Proposals ("RFP") evaluation process.

This change is to renew the current contract for the third of four (4) annual renewal terms for the period covering January 1, 2027 through December 31, 2027 in the funded not-to-exceed amount of $10,000,000.00 with no increase in rates from the initial term. The additional funding is needed for planned and budgeted projects for the 2027 calendar year. This renewal complies with all applicable laws and policies. The new contract value is $35,000,000.00.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, Subject to the consent and approval of the Council of the City of Memphis, the approval of the Increase and Renewal *(Change No. 4)* to Contract No. 12407, Environmental Abatement Services with Northwest Contracting Services, Incorporated in the funded not-to-exceed amount of $10,000,000.00, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Increase and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting on October 21, 2026 approved the increase and renewal *(Change No. 4)* to Contract No. 12446 *(solicited under Contract No. 12407)*, Environmental Abatement Services with Northwest Contracting Services, Incorporated in the funded not-to-exceed amount of $10,000,000.00, and is now recommending to the Council of the City of Memphis that it approves said renewal as approved; and

WHEREAS, the project scope is to furnish all supervision, labor, transportation, equipment and material on an "as-needed" basis to provide services for the assessment, abatement and/or remediation of asbestos containing materials, lead, mold, PCBs and/or any other environmental contaminant (as identified) by persons who are knowledgeable, qualified and trained in the identification, removal, treatment, handling and disposal of such referenced pollutants and subsequent cleaning and/or restoring of the affected environment in a good and skillful manner free from faults and defects. The contract award was selected based on the Request for Proposals ("RFP") evaluation process.

WHEREAS, this change is to renew the current contract for the third of four (4) annual renewal terms for the period covering January 1, 2027 through December 31, 2027 in the funded not-to-exceed amount of $10,000,000.00 with no increase in rates from the initial term. The additional funding is needed for planned and budgeted projects for the 2027 calendar year. This renewal complies with all applicable laws and policies. The new contract value is $35,000,000.00; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved the Increase and Renewal *(Change No. 4)* to Contract No. 12407 *(solicited under Contract No. 12407)*, Environmental Abatement Services with Northwest Contracting Services, Incorporated in the funded not-to-exceed amount of $10,000,000.00, as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Brooke Sinclair
Procurement Contracts Specialist: Verkisserous Thompson

Board Meeting Date: 10/21/2026
Contract Number: 12446
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Kerry Roy / 820200 Environmental Engineering / 901.351.0437 / KRoy@mlgw.org**
Scope: Contract X Purchase ____ Other ____	**The project scope is to furnish supervision, labor, transportation, equipment and material on an "as-needed" basis to provide services for the assessment, abatement and/or remediation of asbestos containing materials, lead, mold, PCBs and/or any other environmental contaminant (as identified) by persons who are knowledgeable, qualified and trained in the identification, removal, treatment, handling and disposal of such referenced pollutants and subsequent cleaning and/or restoring of the affected environment in a good and skillful manner free from faults and defects.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to renew the current contract for the third of four (4) annual renewal terms for the period covering January 1, 2027 through December 31, 2027 in the amount of $10,000,000.00.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place throughout Shelby County, Tennessee as needed.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to comply with environmental regulatory requirements.**
Are there any anticipated vendor issues? (If so, please explain)	**No**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **RFP**	

BUDGET:

	Total	In 2027 Budget Year	After Budget Year
Amount Requested	$ 10,000,000.00	$ 10,000,000.00	$ -
2027 Budget*	$ 21,705,708.00		
Amount Spent Year-to-Date			
2027 Budget Balance Available		$ 21,705,708.00	
Budget Balance After Award		$ 11,705,708.00	

***Please indicate category *(O&M or Capital)*.**

[x] **O&M**
[ ] **Capital**

Project Environmental Engineering
Expenditure Organization 0820200 Environmental Engineering
Expenditure Type eAM Contracted Services
Task Water/Gas/Electric/Common-Env-Expens

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Katrina Cooper
Budget & Financial Planning

9/8/2026
Date

Rev. 11/01/2018

Contractor: **Northwest Contracting Services, Incorporated**
10/21/2026

Contract Number: 12446
(solicited under Contract No. 12407)

	Actions	Date	Amount
Original Award 11.15.2023			**$5,500,000.00**
Increase (Change Order No. 1)	This change was to increase the current contract in the amount of $1,500,000.00 to complete various projects through December 31, 2024, which includes the continuation of the following services: 1) Sheahan Pumping Station window replacement; 2) Firestone and TVA Allen excavation; and 3) Sheahan Pumping Station crane abatement. The additional funding was needed to replace monies that were spent on unbudgeted projects.	8/21/2024	$1,500,000.00
Increase and Renewal (Change Order No. 2)	This change was to renew the current contract for the first of four (4) annual renewals for the period covering January 1, 2025 through December 31, 2025 in the not-to- exceed amount of $10,000,000.00, with no increase in rates from the initial term. Additional funding is needed for planned and budgeted projects for the 2025 calendar year.	11/6/2024	$10,000,000.00
Increase and Renewal (Change Order No. 3)	This change was to renew the current contract for the second of four (4) annual renewals for the period covering January 1, 2026 through December 31, 2026 in the not-to-exceed amount of $8,000,000.00 with no increase in rates from the previous term. The additional funding is needed for planned and budgeted projects for the 2026 calendar year.	11/19/2025	$8,000,000.00
Current Contract Amount			$25,000,000.00
Amount Paid to Date as of 9.24.2026			$19,432,815.18
Current Contract Balance			$5,567,184.82
Increase and Renewal (Change Order No. 4)	***This change is to renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the not-to-exceed amount of $10,000,000.00 with no increase in rates from the previous term. The additional funding is needed for planned and budgeted projects for the 2027 calendar year.***	***10/21/2026***	***$10,000,000.00***
Available Balance			***$15,567,184.82***
Cumulative Contract Value			***$35,000,000.00***

Note: MLGW's Environmental Department will utilize the remaining balance for the continuation of budgeted projects to be completed through December 31, 2027.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 4**
CITY OF MEMPHIS **DATE OF CHANGE October 21, 2026**
CONTRACT NUMBER 12446 *(solicited under contract No. 12407)* **SHEET 1 OF 8**

TO: **MR. MIKE FEDERICO**

NORTHWEST CONTRACTING SERVICES, INCORPORATED

4180 BF GOODRICH BOULEVARD

MEMPHIS, TN 38118

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZED THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO FURNISH ALL SUPERVISION, LABOR, TRANSPORTATION, EQUIPMENT AND MATERIAL ON AN "AS-NEEDED" BASIS TO PROVIDE SERVICES FOR THE ASSESSMENT, ABATEMENT AND/OR REMEDIATION OF ASBESTOS CONTAINING MATERIALS, LEAD, MOLD, PCBS AND/OR ANY OTHER ENVIRONMENTAL CONTAMINANT (AS IDENTIFIED) BY PERSONS WHO ARE KNOWLEDGEABLE, QUALIFIED AND TRAINED IN THE IDENTIFICATION, REMOVAL, TREATMENT, HANDLING AND DISPOSAL OF SUCH REFERENCED POLLUTANTS AND SUBSEQUENT CLEANING AND/OR RESTORING OF THE AFFECTED ENVIRONMENT IN A GOOD AND SKILLFUL MANNER FREE FROM FAULTS AND DEFECTS. THE CONTRACT AWARD WAS SELECTED BASED ON THE REQUEST FOR PROPOSALS ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO RENEW THE CURRENT CONTRACT FOR THE THIRD OF FOUR (4) ANNUAL RENEWAL TERMS FOR THE PERIOD COVERING JANUARY 1, 2027 THROUGH DECEMBER 31, 2027 IN THE FUNDED NOT-TO-EXCEED AMOUNT OF $10,000,000.00 WITH NO INCREASE IN RATES FROM THE INITIAL TERM. THE ADDITIONAL FUNDING IS NEEDED FOR PLANNED AND BUDGETED PROJECTS FOR THE 2027 CALENDAR YEAR. THIS RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $35,000,000.00.

CHANGE IN CONTRACT PRICE:		
Contract Amount	**$ 25,000,000.00**	
Change Amount	**$ 10,000,000.00**	**Increase and Renewal (Change No. 4)**
Total Contract Amount	**$ 35,000,000.00**	

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

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MEMPHIS LIGHT, GAS AND WATER

INTERDEPARTMENTAL COMMUNICATION

TO: Latausha Kelly, Supervisor Contracts Management

FROM: Kerry Roy, Supervisor Environmental Engineering

SUBJECT: Contract #12446 Northwest Contracting Services
Environmental Abatement Services Renewal #3

DATE: 10/02/2026

CC: Brooke Sinclair, VP Safety, Compliance and Preparedness

The following is a brief justification of the requested amount of $10,000,000 for the third renewal term of Contract #12446 with no increase in rates. This contract was originally bid as an RFP in 2023 (solicited under 12407), and two vendors were awarded contracts based on a competitive fee schedule.

Under MLGW's Environmental Abatement contract with Environmental Engineering, the contractor shall furnish supervision, labor, transportation, equipment and material on an "as needed" basis to provide services for the assessment, abatement and/or remediation of asbestos containing materials, lead, mold, PCBs and/or any other environmental contaminant (as identified) by persons who are knowledgeable, qualified and trained in the identification, removal, treatment, handling and disposal of such referenced pollutants and subsequent cleaning and/or restoring of the affected environment in a good and skillful manner free from faults and defects.

For the next renewal term, 2027 planned work is provided on the following pages. It is our belief this workload will more than justify the funds requested on this contract renewal. Please let us know if you require additional information.

Signed by:
Brooke Sinclair 10/2/2026
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Vice President, Safety, Compliance & Preparedness

Signed by:
Kerry Roy 10/2/2026
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Supervisor, Env. Engineering

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2027 Northwest Contractor Allocations

Total Northwest Projected Costs: $10,083,628.47

Common

- UST Work: $50,000.00*
- Unplanned Lead Abatement: $115,000.00
- Storm Water Remediation: $200,000.00
- Rapid Response: $350,000.00
- Asbestos Abatement: $40,000.00
- Lead Paint Abatement: $105,000.00
- Hickory Hill Interior Renovations: $80,000.00*
- North Service Center Oversight For Construction: $100,000.00
- McCord Aerator Flashing: $86,635.00*
- Davis Aerator Flashing: $65,000.00*
- North Service Center Interior Renovations: $400,000.00*
- Substation Roofs Three Roofs Will Be Replaced That Contain ACMs: $80,000.00
- Concrete Storm 52 Inch Storm Drain: $69,193.68*
- Street Lights: $130,000.00*

Common subtotal: $1,870,828.68

Electric

- Rapid Response: $320,000.00
- Waste Disposal: $200,000.00
- Environmental Sampling: $75,000.00
- Sub 11 Transformer Abatement: $263,195.00*
- Unplanned Asbestos Abatement: $100,000.00
- Sub 1 Water Sealing: $190,134.92*
- Sub 1 Lead Paint In Basement: $691,350.00*
- Sub 35 Demo Old Relay Houses: $242,105.00*
- Substation 6 Window Replacement: $600,000.00*
- Sub 55 Excavation: $13,295.00*
- Vac Truck Boring Needs: $225,000.00
- NSC Communications House Demolition: $41,675.00*
- Sheahan Monopole Abatement And Disposal: $65,002.50*
- Utility Pole Increase Disposal From 2026 And Install Racks/Upgrades To Storage Area At NSC As A Pilot: $250,000.00
- Sub 5 Tunnel Cleaning And Sanitation: $25,000.00

Electric subtotal: $3,301,757.42

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Gas

- Weaver To Gill ARAP Restoration Work: $221,756.00*
- Asbestos Pipe Wrap Abatement: $175,000.00
- Rapid Response: $200,000.00
- Gas Vaults Biocide: $354,887.65*
- Gravel Installation For Erosion Control At Vaults And Regulator Stations: $130,000.00
- Vac Truck Use For Mud Borings: $150,000.00
- Septic Tank Cleanouts At Capleville LNG: $22,500.00
- Large Scale Gravel At LNG For TSA Compliance: $138,705.00

Gas subtotal: $1,392,848.65

Water

- Industrial Cleanings: $250,000.00*
- Rapid Response: $350,000.00
- Unplanned Lead Abatement: $75,000.00
- Unplanned Asbestos Abatement: $75,000.00
- Davis Aerator Stripping: $474,185.00*
- Lichterman Aerator Work: $474,185.00*
- Water Well Gravel Installation: $85,000.00
- Arlington LNG Concrete Drain: $5,000.00
- Sheahan UST Removal: $45,021.00*
- Water Plant Valve Lead Abatement: $60,477.48*
- Shaw Pond Cleanout And Dredging: $456,081.87*
- Arlington Pond Cleanout And Dredging: $456,081.87*
- Mallory Hand Rails Lead Abatement: $677,045.00*
- Recovery Basin Assistance: $35,116.50*

Water subtotal: $3,518,193.72

*Although certain projects appear under multiple contracts, the associated costs are not duplicative because each contractor performs a distinct role and scope of work. The environmental consultant serves as MLGW's on-site representative, providing sampling, air monitoring, clearance testing, laboratory coordination, and reporting, while the abatement contractors perform the actual remediation and removal work; supplies and equipment may also be procured through different contracts based on availability and subcontractor resources. Refer to the scope of work presented in paragraph two of this memo for contract details.

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Signed by:
Brooke Sinclair
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9/6/2026

DocuSigned by:
Kerry Kay
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9/4/2026

ATTACHMENT 1

Fees and Rate Schedule

ITEM #	DESCRIPTION OF WORK ACTIVITY/ SERVICE PROVIDED	UOM	UNIT COST
	REMOVAL/ REMEDIATION		
RR-001	Glove bag removal of pipe or fitting insulation (mini cont>50')	EA	$9.25
RR-002	Hepa Vac and washing surface (smooth surface)	SF	$0.90
RR-003	Removal of acoustic ceiling panels (clean grid for reuse)	SF	$0.95
RR-004	Removal of acoustic or metal pan ceiling system (incl grid)	SF	$1.00
RR-005	Removal of carpet over resilient flooring	SF	$0.90
RR-006	Removal of CMU wall	SF	$1.65
RR-007	Removal of contaminated building insulation	SF	$1.15
RR-008	Removal of contaminated pipe insulation	LF	$2.60
RR-009	Removal of contaminated plaster	SF	$2.05
RR-010	Removal of contaminated suspended ceiling panels	SF	$0.90
RR-011	Removal of drywall partition (incl wall framing)	SF	$1.90
RR-012	Removal of equipment insulation	SF	$3.75
RR-013	Removal of floor leveling material	SF	$0.95
RR-014	Removal of HVAC duct insulation	SF	$1.70
RR-015	Removal of HVAC duct system flexible connector	SF	$0.95
RR-016	Removal of pipe insulation incl fittings (full cont 6-12" diam)	LF	$3.25
RR-017	Removal of plaster ceiling system (incl black iron & metal lath)	SF	$2.85
RR-018	Removal of resilient flooring incl mastic	SF	$1.25
RR-019	Removal of roofing or roof flashing material	SF	$2.05
RR-020	Removal of sprayed on fireproofing	SF	$3.95
RR-021	Removal of paint from columns or structural framing members	SF	$2.55
RR-022	Removal of paint from flat surfaces	SF	$1.80
RR-023	Removal of paint from handrails	LF	$2.55
RR-024	Removal of paint from piping	SF	$2.55
RR-025	Removal of paint from stair treads, risers and stringers	SF	$2.55
	LABOR		
LR-001	Certified Hazwoper Supervisor	HR	$82.00
LR-002	Certified Hazwoper Worker	HR	$63.00
LR-003	OSHA Certified Lead Abatement Worker	HR	$32.00
LR-004	State Certified Erosion Prevention & Sediment Control Insp	HR	$40.00
LR-005	State Licensed Asbestos Abatement Supervisor	HR	$82.00
LR-006	State licensed Asbestos Abatement Worker	HR	$65.00
LR-007	State Licensed Lead Abatement Supervisor	HR	$87.00
LR-008	State Licensed Lead Abatement Worker	HR	$65.00
LR-009	General Laborer	HR	$38.00
LR-010	General Supervisor	HR	$50.00
	MISCELLANEOUS ITEMS		
MI-002	Project Notification (1% of abatement cost)	EA	1%
MI-003	Payment and performance project bond (2% of contract)	EA	2%

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Northwest Contracting Services, Inc.

September 4, 2026

Mrs. Kerry Roy
Memphis Light, Gas & Water
220 S. Main Street
Memphis, TN 38103

RE: Contract No. 12446
Environmental Abatement Services
Renewal #3

Mrs. Roy,

Northwest Contracting Services, Inc. (NWCS) would like to renew Contract # 12446 for the third renewal term. This renewal would be effective from January 1, 2027 through December 31, 2027. The rates will remain the same for this term.

NWCS is requesting a contract amount of $10,000,000 for the renewal for 2027. This amount is necessary to complete the planned and budgeted work for calendar year 2027. The amount is also needed to cover emergency projects that arise.

Northwest Contracting Services, Inc. looks forward to continuing to provide Environmental Abatement Services to Memphis Light, Gas & Water for this next term. If there are any questions or if additional information is needed, please contact us at (901) 365-6252.

Sincerely,

9/4/2026

Mike Federico
Secretary

Signed by:
Brooke Sinclair
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9/6/2026

DocuSigned by:
Kerry Roy
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9/4/2026

Docusign Envelope ID: 43D11761-604D-8297-827A-C6118E6798D1

ATTACHMENT 1

Fees and Rate Schedule

ITEM #	DESCRIPTION OF WORK ACTIVITY/ SERVICE PROVIDED	UOM	UNIT COST
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RR-003	Removal of acoustic ceiling panels (clean grid for reuse)	SF	$0.95
RR-004	Removal of acoustic or metal pan ceiling system (incl grid)	SF	$1.00
RR-005	Removal of carpet over resilient flooring	SF	$0.90
RR-006	Removal of CMU wall	SF	$1.65
RR-007	Removal of contaminated building insulation	SF	$1.15
RR-008	Removal of contaminated pipe insulation	LF	$2.60
RR-009	Removal of contaminated plaster	SF	$2.05
RR-010	Removal of contaminated suspended ceiling panels	SF	$0.90
RR-011	Removal of drywall partition (incl wall framing)	SF	$1.90
RR-012	Removal of equipment insulation	SF	$3.75
RR-013	Removal of floor leveling material	SF	$0.95
RR-014	Removal of HVAC duct insulation	SF	$1.70
RR-015	Removal of HVAC duct system flexible connector	SF	$0.95
RR-016	Removal of pipe insulation incl fittings (full cont 6-12" diam)	LF	$3.25
RR-017	Removal of plaster ceiling system (incl black iron & metal lath)	SF	$2.85
RR-018	Removal of resilient flooring incl mastic	SF	$1.25
RR-019	Removal of roofing or roof flashing material	SF	$2.05
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RR-024	Removal of paint from piping	SF	$2.55
RR-025	Removal of paint from stair treads, risers and stringers	SF	$2.55
	LABOR		
LR-001	Certified Hazwoper Supervisor	HR	$82.00
LR-002	Certified Hazwoper Worker	HR	$63.00
LR-003	OSHA Certified Lead Abatement Worker	HR	$32.00
LR-004	State Certified Erosion Prevention & Sediment Control Insp	HR	$40.00
LR-005	State Licensed Asbestos Abatement Supervisor	HR	$82.00
LR-006	State licensed Asbestos Abatement Worker	HR	$65.00
LR-007	State Licensed Lead Abatement Supervisor	HR	$87.00
LR-008	State Licensed Lead Abatement Worker	HR	$65.00
LR-009	General Laborer	HR	$38.00
LR-010	General Supervisor	HR	$50.00
	MISCELLANEOUS ITEMS		
MI-002	Project Notification (1% of abatement cost)	EA	1%
MI-003	Payment and performance project bond (2% of contract)	EA	2%

9/4/2026

Docusign Envelope ID: 43D11761-604D-8297-827A-C6118E6798D1

NORTHWEST CONTRACTING SERVICES, INC.

OWNED EQUIPMENT RATES (Heavy and/or Specialized Equipment)

DESCRIPTION OF EQUIPMENT/FEES	UOM	UNIT COST
Volvo/Bobcat/John Deere Mini-Excavator (or equivalent)	HR	$80.00
Volvo ECR88 Excavator (or equivalent)	HR	$90.00
Volvo ECR140 Excavator (or equivalent)	HR	$125.00
Volvo ECR210 Excavator (or equivalent)	HR	$145.00
Volvo ECR220 Excavator (or equivalent)	HR	$145.00
Komatsu E290 Excavator (or equivalent)	HR	$175.00
Mini-Excavator w/ breaker	HR	$175.00
Excavator w/ breaker	HR	$275.00
Volvo Backhoe (or equivalent)	HR	$85.00
Bobcat Skid Steer (or equivalent)	HR	$85.00
Caterpillar Dozer w/GPS	HR	$175.00
Komatsu Dozer w/GPS	HR	$200.00
John Deere Dozer	HR	$100.00
54" Pad Foot Roller or Smooth Drum Roller	HR	$85.00
Trench Roller	HR	$75.00
Tri-Axle Dump Truck (or equivalent)	HR	$150.00
End Dump Trailer w/Tractor	HR	$150.00
F650 Single Axle Dump Bed (or equivalent)	HR	$85.00
Water Truck	HR	$75.00
Peterbilt Liquid Ring Vacuum Truck	HR	$175.00
Mileage for Vacuum Truck	Mile	$1.61
Vacuum Hose (3" or 4" in twenty foot sections)	Day	$40.00
Vacuum Truck Clean Out Charge	Each	$315.00
Five Gas Meter	Day	$115.00
Confined Space Tripod, Winch & Harness	Day	$150.00
Coppous Blower Fan (portable ventilation)	Day	$65.00
5000 PSI Cold/Hot Water Pressure Washer w/ tank	Day	$375.00
Crew Truck for Pressure Washer	Day	$75.00
Mileage for Crew Truck	Mile	$0.52
Roll Off Truck for Dumpster Hauling	HR	$150.00
30 CY Dumpster Rental	Month	$200.00
Large Equipment Mobilization	Each	$450.00
Small Equipment Mobilization	Each	$350.00

9/4/2026

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12407 - Environmental Abatement Services**

2. **Requested Funding – $1,750,000.00**

3. **Award Duration – Increase and the Third of four (4) annual renewals (January 1, 2027 through December 31, 2027)**

4. **Type of Bid – RFP**

5. **Awarded To – General Construction Services, Incorporated**

6. **Plain Language Description – Environmental Abatement Services applicable to MLGW facilities and operations on an as-needed basis.**

7. **Impact – This contract includes 24/7/365 emergency response services. For the next renewal term scheduled and anticipated work includes:**

- **Lead Paint abatement Water High Service Pumps, Booster Pumps, and Wells per TDEC's Sanitary Survey results.**
- **Abatement of Asbestos roofing material on the Davis Pumping Station Aerator**
- **Abatement of the asbestos Gas Pipe Wrap for Corrosion Damage Assessments and Integrity Digs.**
- **Lead Abatement on Gas Vaults per a Fischer and Arnold vault assessment study.**
- **Lead Abatement on Sub 55 equipment so it can be dismantled and relocated to Sub 61.**
- **Emergency abatement work for mold, asbestos containing materials, lead paint, and other environmental remediation on an "as-needed" basis.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 2026

The Director of Procurement and Contracts & Strategic Sourcing recommends to the Board of Light, Gas and Water Commissioners the approval of the increase and renewal *(Change No. 3)* to Contract No. 12407, Environmental Abatement Services with General Construction Services, Incorporated in the funded not-to-exceed amount of $1,750,000.00.

The project scope is to furnish supervision, labor, transportation, equipment and material on an "as-needed" basis to provide services for the assessment, abatement and/or remediation of asbestos containing materials, lead, mold, PCBs and/or any other environmental contaminant (as identified) by persons who are knowledgeable, qualified and trained in the identification, removal, treatment, handling and disposal of such referenced pollutants and subsequent cleaning and/or restoring of the affected environment in a good and skillful manner free from faults and defects.

This change is to renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the funded not-to-exceed amount of $1,750,000.00 with no increase in rates from the initial term. The additional funding is needed for planned and budgeted projects for the 2027 calendar year. This renewal complies with all applicable laws and policies. The new contract value is $6,782,000.00.

NOW THEREFORE BE IT RESOLVED BY the Board of Light, Gas and Water Commissioners:

THAT, Subject to the consent and approval of the Council of the City of Memphis, the approval of the Increase and Renewal (Change No. 3) to Contract No. 12407, Environmental Abatement Services with General Construction Services, Incorporated in the funded not-to-exceed amount of $1,750,000.00, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Increase and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting on October 21, 2026 approved the increase and renewal (Change No. 3) to Contract No. 12407, Environmental Abatement Services with General Construction Services, Incorporated in the funded not-to-exceed amount of $1,750,000.00, and is now recommending to the Council of the City of Memphis that it approves said renewal as approved; and

WHEREAS, the project scope is to furnish supervision, labor, transportation, equipment and material on an "as-needed" basis to provide services for the assessment, abatement and/or remediation of asbestos containing materials, lead, mold, PCBs and/or any other environmental contaminant (as identified) by persons who are knowledgeable, qualified and trained in the identification, removal, treatment, handling and disposal of such referenced pollutants and subsequent cleaning and/or restoring of the affected environment in a good and skillful manner free from faults and defects; and

WHEREAS, this change is to renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the funded not-to-exceed amount of $1,750,000.00 with no increase in rates from the initial term. The additional funding is needed for planned and budgeted projects for the 2027 calendar year. This renewal complies with all applicable laws and policies. The new contract value is $6,782,000.00. This renewal complies with all applicable laws and policies. The new contract value is $6,782,000.00; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved the Increase and Renewal (Change No. 3) to Contract No. 12407, Environmental Abatement Services with General Construction Services, Incorporated in the funded not-to-exceed amount of $1,750,000.00, as approved.

Contractor: **General Construction Services, Incorporated**
10/21/2026

Contract Number: 12407

	Actions	**Date**	**Amount**
Original Award 11.15.2023			**$1,500,000.00**
Increaase and Renewal (Change order No. 1)	This change was to renew the current contract for the first of four (4) annual renewals for the period covering January 1, 2025 through December 31, 2025 in the amount of $1,600,000.00, with no increase in rates from the initial term. The additional funding was needed for planned and budgeted projects for the 2025 calendar year.	11/6/2024	$1,600,000.00
Increase and Renewal (Change Order No. 2)	This change was to renew the current contract for the second of four (4) annual renewals for the period covering January 1, 2026 through December 31, 2026 in the amount of $1,932,000.00 with no increase in rates from the previous term. The additional funding is needed for planned and budgeted projects for the 2026 calendar year.	11/19/2025	$1,932,000.00
Current Contract Amount			$5,032,000.00
Amount Paid to Date as of 9.24.2026			$4,027,460.89
Current Contract Balance			$1,004,539.11
Increase and Renewal (Change Order No. 3)	***This change is to renew the current contract for the third of four (4) annual renewals for the period covering January 1, 2027 through December 31, 2027 in the funded not-to-exceed amount of $1,750,000.00 with no increase in rates from the initial term. The additional funding is needed for planned and budgeted projects for the 2027 calendar year.***	***10/21/2026***	***$1,750,000.00***
Available Balance			***$2,754,539.11***
Cumulative Contract Value			***$6,782,000.00***

Note: MLGW's Environmental Department will utilize the remaining balance for the continuation of budgeted projects to be completed through December 31, 2027.

BOARD RESOLUTION TRANSMITTAL

Board Meeting Date: 10/21/2026
Expenditure Org Executive: Brooke Sinclair
Contract Number: 12407
Procurement Contracts Specialist: Verkisserous Thompson
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Kerry Roy / 820200 Environmental Engineering / 901.351.0437 / KRoy@mlgw.org**
Scope: Contract X Purchase ____ Other ____	**The project scope is to furnish supervision, labor, transportation, equipment and material on an "as-needed" basis to provide services for the assessment, abatement and/or remediation of asbestos containing materials, lead, mold, PCBs and/or any other environmental contaminant (as identified) by persons who are knowledgeable, qualified and trained in the identification, removal, treatment, handling and disposal of such referenced pollutants and subsequent cleaning and/or restoring of the affected environment in a good and skillful manner free from faults and defects.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to renew the current contract for the third of four (4) annual renewal terms for the period covering January 1, 2027 through December 31, 2027.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place throughout Shelby County, Tennessee as needed.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to comply with environmental regulatory requirements.**
Are there any anticipated vendor issues? (If so, please explain)	**No**
Are there any contract services, labor or IBEW issues? If yes, has cost comparison been provided to IBEW? Date Provided?	**No**
Is there a Budget deficit? If yes, please explain why. Identify in the Budget section below the area, charge code and amount which will absorb the shortfall.	**No**
If applicable, how was the recommendation determined? (Bid, RFQ or RFP) **RFP**	

BUDGET:

	Total	In 2027 Budget Year	After Budget Year
Amount Requested	$ 1,750,000.00	$ 1,750,000.00	$ -
2027 Budget*	$ 21,705,708.00		
Amount Spent Year-to-Date			
2027 Budget Balance Available		$ 21,705,708.00	
Budget Balance After Award		$ 19,955,708.00	

Please indicate category *(O&M or Capital).

[x] **O&M**
[ ] **Capital**

Project Environmental Engineering
Expenditure Organization 0820200 Environmental Engineering
Expenditure Type eAM Contracted Services
Task Water/Gas/Electric/Common-Env-Expens

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Katrina Cooper

Budget & Financial Planning

9/4/2026
Date

Rev. 11/01/2018

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 3**
CITY OF MEMPHIS **DATE OF CHANGE October 21, 2026**
CONTRACT NUMBER 12407 **SHEET 1 OF 3**

TO: **MR. LAURENCE HAMMOND**

GENERAL CONSTRUCTION SERVICES, INCORPORATED

3895 VANTECH DRIVE, SUITE 9

MEMPHIS, TN 38115

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZED THE FOLLOWING CHANGE IN REGARD TO THE ABOVE CONTRACT NUMBER. CONTRACTOR AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF SAID CONTRACT AND PREVIOUS CHANGES.

THE PROJECT SCOPE IS TO FURNISH SUPERVISION, LABOR, TRANSPORTATION, EQUIPMENT AND MATERIAL ON AN "AS-NEEDED" BASIS TO PROVIDE SERVICES FOR THE ASSESSMENT, ABATEMENT AND/OR REMEDIATION OF ASBESTOS CONTAINING MATERIALS, LEAD, MOLD, PCBS AND/OR ANY OTHER ENVIRONMENTAL CONTAMINANT (AS IDENTIFIED) BY PERSONS WHO ARE KNOWLEDGEABLE, QUALIFIED AND TRAINED IN THE IDENTIFICATION, REMOVAL, TREATMENT, HANDLING AND DISPOSAL OF SUCH REFERENCED POLLUTANTS AND SUBSEQUENT CLEANING AND/OR RESTORING OF THE AFFECTED ENVIRONMENT IN A GOOD AND SKILLFUL MANNER FREE FROM FAULTS AND DEFECTS.

THIS CHANGE IS TO RENEW THE CURRENT CONTRACT FOR THE THIRD OF FOUR (4) ANNUAL RENEWALS FOR THE PERIOD COVERING JANUARY 1, 2027 THROUGH DECEMBER 31, 2027 IN THE FUNDED NOT-TO-EXCEED AMOUNT OF $1,750,000.00 WITH NO INCREASE IN RATES FROM THE INITIAL TERM. THE ADDITIONAL FUNDING IS NEEDED FOR PLANNED AND BUDGETED PROJECTS FOR THE 2027 CALENDAR YEAR. THIS RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $6,782,000.00.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$5,032,000.00**	
Change Amount	**$1,750,000.00**	**Increase and Renewal (Change No. 3)**
Total Contract Amount	**$6,782,000.00**	

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

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GENERAL CONSTRUCTION SERVICES
DIFFICULT WORK DONE RIGHT.

September 4, 2026

Kerry Roy
Memphis Light Gas and Water
220 South Main Street
Memphis, TN 38103

Re: 2027 Contract Renewal - 12407- Environmental Abatement Services

Dear Ms. Roy,

General Construction Services (GCS) would like to renew the above-referenced contract for the 3rd term, January 1, 2027, through December 31, 2027, in the amount of $1,750,000.00

General Construction Services is not adjusting the contract prices for the aforementioned term and contract. Please see our 2027 fee schedule below.

	REMOVAL/REMEDIATION		
RR-001	GLOVE BAG REMOVAL OF PIPE OR FITTING INSULATION (MINI-CONT- > 50')	EA	$ 18.06
RR-002	HEPA VACUUMING AND WASHING SURFACE (SMOOTH SURFACE)	SF	$ 0.64
RR-003	REMOVAL OF ACOUSTIC CEILING PANELS (CLEAN GRID FOR REUSE)	SF	$ 1.28
RR-004	REMOVAL OF ACOUSTIC OR METAL PAN CEILING SYSTEM (INCL GRID)	SF	$ 0.30
RR-005	REMOVAL OF CARPET OVER RESILIENT FLOORING	SF	$ 0.38
RR-006	REMOVAL OF CMU WALL	SF	$ 3.40
RR-007	REMOVAL OF CONTAMINATED BUILDING INSULATION	SF	$ 0.43
RR-008	REMOVAL OF CONTAMINATED PIPE INSULATION	LF	$ 1.91
RR-009	REMOVAL OF CONTAMINATED PLASTER	SF	$ 3.40
RR-010	REMOVAL OF CONTAMINATED SUSPENDED CEILING PANELS	SF	$ 1.49
RR-011	REMOVAL OF DRYWALL PARTITION (INCL WALL FRAMING)	SF	$ 1.28
RR-012	REMOVAL OF EQUIPMENT INSULATION	SF	$ 0.85
RR-013	REMOVAL OF FLOOR LEVELING MATERIAL	SF	$ 0.21
RR-014	REMOVAL OF HVAC DUCT INSULATION	SF	$ 0.85
RR-015	REMOVAL OF HVAC DUCT SYSTEM FLEXIBLE CONNECTOR	SF	$ 10.00
RR-016	REMOVAL OF PIPE INSULATION INCL FITTINGS (FULL CONTAINMENT -6"-12" DIA)	LF	$ 9.35
RR-017	REMOVAL OF PLASTER CEILING SYSTEM (INCL BLACK IRON AND METAL LATH)	SF	$ 3.40
RR-018	REMOVAL OF RESILIENT FLOORING INCL MASTIC	SF	$ 0.98
RR-019	REMOVAL OF ROOFING OR ROOF FLASHING MATERIAL	SF	$ 2.17
RR-020	REMOVAL OF SPRAYED ON FIREPROOFING	SF	$ 10.12
RR-021	REMOVAL OF PAINT FROM COLUMNS AND STRUCTURAL FRAMING MEMBERS	SF	$ 7.65
RR-022	REMOVAL OF PAINT FROM FLAT SURFACES	SF	$ 7.65
RR-023	REMOVAL OF PAINT FROM HANDRAIL	LF	$ 6.38
RR-024	REMOVAL OF PAINT FROM PIPING	SF	$ 8.08

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RR-025	REMOVAL OF PAINT FROM STAIR TREADS, RISERS AND STRINGERS	SF	$ 8.08
	MISCELLANEOUS ITEMS		
MI-002	PROJECT NOTIFICATION (1% OF ABATEMENT COST)	EA	$ 135.00
MI-003	PAYMENT AND PERFORMANCE PROJECT BOND (2% OF CONTRACT)	EA	2.5%
	LABOR		
LR-001	CERTIFIED HAZWOPER SUPERVISOR	HR	$ 91.38
LR-002	CERTIFIED HAZWOPER WORKER	HR	$ 46.38
LR-003	OSHA CERTIFIED LEAD ABATEMENT WORKER	HR	$ 46.38
LR-004	STATE CERTIFIED EROSION PREVENTION AND SEDIMENT CONTROL INSPECTOR	HR	$ 91.38
LR-005	STATE LICENSED ASBESTOS ABATEMENT SUPERVISOR	HR	$ 91.38
LR-006	STATE LICENSED ASBESTOS ABATEMENT WORKER	HR	$ 46.38
LR-007	STATE LICENSED LEAD ABATEMENT SUPERVISOR	HR	$ 91.38
LR-008	STATE LICENSED LEAD ABATEMENT WORKER	HR	$ 46.38
LR-009	GENERAL LABORER	HR	$ 46.38
LR-010	GENERAL SUPERVISOR	HR	$ 91.38
	OT LABOR		
LR-001	CERTIFIED HAZWOPER SUPERVISOR	HR	$ 91.38
LR-002	CERTIFIED HAZWOPER WORKER	HR	$ 60.30
LR-003	OSHA CERTIFIED LEAD ABATEMENT WORKER	HR	$ 60.30
LR-004	STATE CERTIFIED EROSION PREVENTION AND SEDIMENT CONTROL INSPECTOR	HR	$ 91.38
LR-005	STATE LICENSED ASBESTOS ABATEMENT SUPERVISOR	HR	$ 91.38
LR-006	STATE LICENSED ASBESTOS ABATEMENT WORKER	HR	$ 60.30
LR-007	STATE LICENSED LEAD ABATEMENT SUPERVISOR	HR	$ 91.38
LR-008	STATE LICENSED LEAD ABATEMENT WORKER	HR	$ 60.30
LR-009	GENERAL LABORER	HR	$ 61.30
LR-010	GENERAL SUPERVISOR	HR	$ 91.38

If you have any questions or comments, please feel free to call me at (901) 385-8606.

Thanks,



Laurence Hammond
General Construction Service

Signed by:
Brooke Sinclair
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9/8/2026

DocuSigned by:
Kerry Roy
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9/4/2026