Board of Light, Gas and Water Commissioners

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

Board Meeting

~ Preliminary Agenda ~

Wednesday, October 15, 2025 **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 in the public section of the ground floor lobby of the Administration Building and 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. Large agreements, items related to Homeland Security or items received too late to post may not be viewable. You may view those documents in the Public Records Office prior to or after the Board meeting. 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 member or group 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 Speaker Card*** to make such desire known to the Board Secretary. Such request to be heard should be marked with the date of the meeting; the agenda item number; if the comments are in support, opposition, or general as they relate to the item; the speaker's name and address; and if the speaker is representing someone else as a paid consultant. Paid lobbyists 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 and state your name and address. The board and staff will not answer questions that are asked in this forum but written questions or a written statement may be provided to the Board Secretary for entry into the official record. If any Board member receives approval of the Board Chairman, that Board Member may address questions to the person providing the public statement.
*****All MLGW Board Speaker Cards must be received by Security no later than 8:30 a.m. the day of the Board Meeting in order to speak to the Board.**

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 1, 2025.

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

Acknowledge receipt of Certified Copies of City Council Resolutions dated October 7, 2025, Items 12 through 21.

PRESENTATIONS:

Gas Portfolio Management Presentation - Hyung Lee

GENERAL STATEMENT(S) FROM THE PUBLIC:

REGULAR AGENDA

(Item 1)

1. Resolution approving the 2026 Operating and Capital Budgets for the Electric, Water and Gas Divisions. (Doug McGowen) (REQUIRES CITY COUNCIL APPROVAL)

CONSENT AGENDA

(Items 2 through 21)

PRESIDENT & CEO

(None)

SVP, CHIEF OPERATING OFFICER

(None)

VP ELECTRIC ENGINEERING & OPERATIONS

2. Resolution awarding sixty-month purchase orders for medium voltage circuit breakers to ABB Inc., Mitsubishi Electric Power Products, Inc., Siemens Industry, Inc., and Siemens Energy Inc. in an amount not-to-exceed $16,500,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

3. Resolution awarding sixty-month purchase orders for high voltage power circuit breakers to Mitsubishi Electric Power Products, Inc. and Siemens Energy Inc. in an amount not-to-exceed $16,500,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

4. Resolution awarding purchase order for Dell computers, workstations, and monitors to Electronic Responsible Recyclers, LLC in the amount of $311,673.75. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

5. Resolution approving of Scope Change and Increase (Change No. 2) to Contract No. 11913, Distribution Engineering Analysis Software with CYME International T & D, Inc. to expand the scope and increase the current contract value in the funded amount of $59,487.33. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

6. Resolution awarding purchase order for substation network modules and software licenses to GE Grid Solutions, LLC in the amount of $241,336.70. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP WATER & GAS ENGINEERING & OPERATIONS

7. Resolution approving Increase (Change No. 1) to Contract No. 12540 (solicited under Contract No. 12512), Master Paving Program - Section 2 with VuCon, LLC, to increase the current contract in the funded amount of $1,759,240.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

8. Resolution approving Renewal (Change No. 8) to Contract No. 11996, Operator Qualification Training with Veriforce, LLC to renew the current contract in the funded amount of $35,899.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

9. Resolution ratifying the emergency award and approval of Extension, Scope Change and Increase of the funded amount for the Authorization of Payment (Change No. 1) to Contract No. 12539, Capleville LNG Regen Heater Piping (Emergency Award) with Mid South Boring & Piping, LLC to authorize payment, expand the scope, increase and extend the contract in the funded not-to-exceed amount of $279,870.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

10. Resolution approving Scope Change and Increase (Change No. 1) to Contract No. 12500, 2-18" XHP Replacement to Equix Energy Services, LLC, to expand the scope and increase the current contract in the not-to-exceed funded amount of $5,929,830.94. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP, CFO & SECRETARY-TREASURER

11. Resolution approving Ratification and Renewal (Change No. 9) to Contract No. 10614, Bloomberg Data License and Maintenance Agreement with Bloomberg, L.P. to ratify and renew the current contract in the funded not-to-exceed amount of $82,440.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

12. Resolution approving Ratification and Renewal (Change No. 19) to Contract No. 10793, Professional Portfolio Software with Advent Software, Incorporated to ratify and renew the current contract in the funded amount of $14,902.84. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP & CIO

13. Resolution approving Ratification and Renewal (Change No. 1) to Contract No. 12531 (formerly Contract No. C2729), RedHat Enterprise Service License and Support Subscription with TechnoLogyx, Inc. to ratify and renew the current contract in the funded amount of $106,932.20. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

14. Resolution approving Increase (Change No. 4) to Contract No. 12069, ArcFM Viewer Replacement with SSP Innovations, LLC to increase the current contract in the funded amount of $64,116.72. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

15. Resolution approving Expansion and Renewal (Change No. 11) to Contract No. 11296, Enterprise GIS Software Selection and Installation with Environmental System Research Institute (ESRI), Inc. to expand the scope and renew the current contract in the funded amount of $1,597,949.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP SHARED SERVICES

16. Resolution awarding purchase order for luminaire floodlights LED 400W equivalent to Brighter Days & Nites Inc. in the amount of $232,200.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

17. Resolution awarding twenty-four-month purchase orders for crushed limestone CR-610 to Fullen Dock & Warehouse and Vulcan Materials Company in the amount of $3,651,250.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

18. Resolution awarding purchase order for reclosers to G&W Electric Company in the amount of $7,844,901.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

19. Resolution awarding Contract No. 12643, Johnson Controls Fire Protection Services to Johnson Control Fire Protection LP in the funded amount of $400,000.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

20. Resolution approving Renewal (Change No. 2) to Contract No. 12553, (formerly Contract No. C2607), Well Lots Turf Management with Turf Doctors L&LM, LLC to renew the current contract in the funded amount of $186,332.29. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP & CHIEF INTERNAL AUDITING OFFICER

(None)

VP CUSTOMER EXPERIENCE & ENERGY SERVICES

21. Resolution approving Scope Change, Increase and Extension (Change No. 1) to Contract No. 12249 ESource Membership Agreement through TVPPA to E Source Companies LLC to expand the scope, increase and extend the current contract in the funded amount of $1,881,490.00. (Randy Orsby) (REQUIRES CITY COUNCIL APPROVAL)

VP CORPORATE COMMUNICATIONS

(None)

VP & GENERAL COUNSEL

(None)

VP & CPO PEOPLE SERVICES

(None)

PRESIDENT'S BRIEFING

22. Review Consent Agenda - Doug McGowen

23. Other - Doug McGowen

COMMITTEE REPORTS:

(None)

ADJOURNMENT

ADDITIONAL MEETINGS ON OCTOMER 15, 2025:

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 approving the 2026 Operating and Capital Budgets of the Electric, Water and Gas Divisions.

2. Additional Information

The President presented the proposed budgets for the Electric, Gas and Water Divisions for 2026 operating expenses and capital expenditures to the Board of Light, Gas and Water Commissioners. Such annual budgets have been prepared in compliance with Chapter 381 of the Private Acts of 1939, as amended, and 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.

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The President presented the proposed budgets for the Electric, Gas and Water Divisions for 2026 operating expenses and capital expenditures to the Board of Light, Gas and Water Commissioners. Such annual budgets have been prepared in compliance with Chapter 381 of the Private Acts of 1939, as amended, and 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.

The President has recommended approval and adoption of the Budgets as presented by the Board of Light, Gas and Water Commissioners.

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 2026 operating expenses and capital expenditures, as presented by the President, be adopted and in effect for the fiscal year 2026, subject to the consent and approval of the Council of the City of Memphis, and

(2) THAT, the President and Secretary Treasurer are hereby authorized to amend the budgets to reflect the outcome of on-going negotiations of economic items under the Memorandum of Understanding between MLGW and IBEW Local 1288 subject to ratification of such changes and amendments by this Board.

A resolution to approve the 2026 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 2026, and the capital expenditures for 2026; 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 2026 Budget of the Memphis Light, Gas and Water Division for operation and maintenance expenses and capital expenditures is approved.

2026 Change in Net Position Impacts

Income Statement Impact	Electric	Gas	Water	Total
Current Change in Net Position	$84,675,816	($37,480,529)	($13,842,753)	$33,352,534
Revised Change in Net Position	$82,007,097	($38,966,289)	($14,300,332)	$28,740,476
Impact	($2,668,719)	($1,485,760)	($457,579)	($4,612,058)
Meter Amortization	*$ 1,280,452*	*$ 1,522,230*	*$ 484,111*	
Luminaires Amortization	*$ 593,259*	*$ -*	*$ -*	
Rents change	*$ 63,008*	*$ (36,470)*	*$ (26,532)*	
Bond Interest	*$ 732,000*			
Change Detail	*$ 2,668,719*	*$ 1,485,760*	*$ 457,579*	*$ 4,612,058*

Upon conducting a detailed review of the preliminary budget and analyzing each FERC account, it was determined that adjustments to bond interest and depreciation & amortization were necessary. These adjustments account for the interest on the 2024 electric refunding, amortization related to electric, gas, and water meters and luminaires serving the areas of Memphis, Arlington, Bartlett, and Millington. Additionally, changes in rent allocations resulted in a net zero impact. It was concluded that a lease utilized exclusively by the Electric Division should be fully allocated to that division to ensure accurate cost attribution.

MLGW

2026 Capital Expenditure Change Impacts

Capital Expenditure Impact	Electric	Gas	Water	Total
2026 Preliminary CapEx Plan	$192,654,910	$ 48,121,695	$58,490,858	$299,267,463
2026 Budget CapEx Plan	$192,654,910	$ 39,241,695	$58,490,858	$290,387,463
Impact	$ -	$ (8,880,000)	$ -	$ (8,880,000)
New Systems Operations Buildout Plan		*$ (8,880,000)*		
Change Detail	*$ -*	*$ (8,880,000)*	*$ -*	*$ (8,880,000)*

The Gas Division's 2026 Capital Expenditure Plan reflects a decrease of $8.9 million, which was moved to 2027. This reduction is attributable to the strategic reallocation of expenditures originally designated for the new systems operations building, in order to better align with the revised buildout schedule and associated planning requirements.

MLGW

MLGW
2026 BUDGET

Leadership

MLGW Board of Commissioners

Micheal E. Pohlman, *Chair*

Carl Person, *Vice Chair*

Cheryl Pesce

Mitch Graves

Leon Dickson Sr.

Advisory Board Members

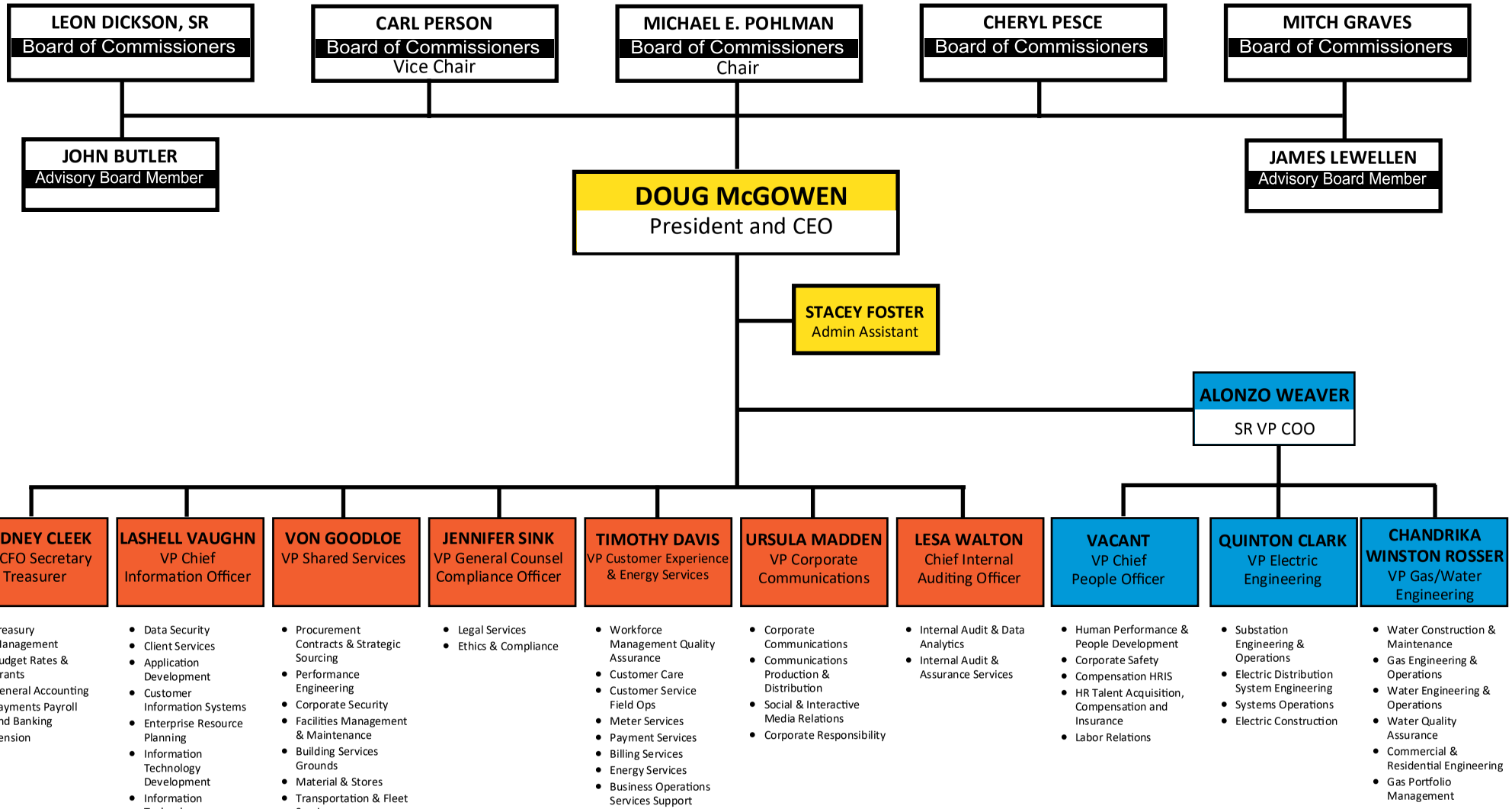
John Butler

James Lewellen

Senior Leadership Council

Doug McGowen, *President and CEO*
Alonzo Weaver, *SR VP and COO & Chief People Services Officer*
Quinton Clark, *VP of Electric Engineering and Operations*
Rodney Cleek, *VP CFO and Secretary Treasurer*
Timothy Davis, *VP of Customer Experience and Energy Services*
Von Goodloe, *VP of Shared Services*
Ursula Madden, *VP of Corporate Communications*
Jennifer Sink, *VP and General Counsel*
Lesa Walton, *VP of Internal Audit*
Chandrika Winston, *VP of Gas and Water Engineering Operations*

Board of Commissioners & Senior Leadership Council



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President & Chief Executive's Letter

October 15, 2025

I am proud to present a budget for 2026 that builds on the momentum we have created over the past several years. We are strengthening the reliability of our systems today while preparing Memphis for the energy and infrastructure demands of tomorrow.

This year's budget reflects our continued commitment to modernizing our electric grid, expanding our water and gas systems, and investing in the facilities and workforce that make it all possible. In 2026, we will complete the first phase of our battery storage installations. This milestone marks a transformative step toward grid resilience and energy flexibility. We will also break ground on our new operations center, a state-of-the-art facility that will unify control of our electric, gas, and water systems. It will replace the outdated Covington Pike location with a modern hub designed for the next generation.

On the water side, we are accelerating lead service line replacements through our ten-year program, expanding filtration upgrades across our treatment plants, and continuing construction on the Allen Pumping Station. These efforts will ensure safe, clean water for decades to come. Our gas system will see critical upgrades to high-pressure transmission lines and continued progress on our steel tap replacement program. These improvements will reinforce safety and reliability across the network.

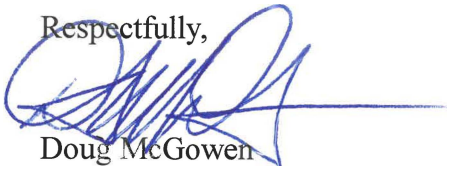
We are also investing in our people and facilities. The expansion of the North Service Center will streamline fleet and equipment maintenance. It will also allow us to repurpose valuable downtown property for higher community use. Our budget supports a dedicated workforce of approximately 2,700 full-time employees and contracted partners. It includes a modest cost-of-living adjustment to maintain competitiveness and support retention.

The Total Operating and Capital Budget for 2026 is $2.6 billion. Of this, approximately $1.4 billion is allocated to purchased power and gas costs. Operations and maintenance expenses total $601 million, and our capital program is budgeted at $290 million. Payments in lieu of taxes to local governments are projected to be $87 million.

This budget is more than numbers. It reflects our values, our vision, and our unwavering commitment to serve Memphis with excellence. We are investing in infrastructure that will stand the test of time, in technology that will make our systems smarter and more resilient, and in people who make it all possible.

Thank you for your continued trust and partnership.

Respectfully,



Doug McGowen
President and CEO

MLGW Overview

Memphis Light, Gas and Water (MLGW) stands as a cornerstone of utility services in Memphis, Tennessee, with a history that reflects the city's growth and technological advancements. Established in 1939, MLGW is the largest three-service public utility in the United States, and operates three separate utilities, as divisions, providing electricity and gas in the City and Shelby County and water to the City in conjunction with other municipal systems in Shelby County. Memphis Light Gas and Water provides services to roughly 447,219 electric customers, 317,337 gas customers, and 261,277 water customers.

Memphis Light, Gas and Water receives electricity from the Tennessee Valley Authority (TVA) and represents approximately 10 percent of TVA's total electric power load. Memphis Light, Gas and Water acts as a pass through of the electric rates, therefore, not realizing any profit on the sale of electricity

Early Beginnings

The roots of MLGW trace back to 1852 with the formation of the Memphis Gas Light Company, which served a population of around 10,000. This early utility company laid the groundwork for future developments in the city's utility infrastructure. A significant milestone occurred in 1887 with the discovery of a pure artesian water supply, leading to the creation of The Artesian Water Company. This discovery was pivotal, as it provided Memphis with a reliable and high-quality water source.

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.

Modern Developments

Throughout its history, MLGW has been at the forefront of innovation and service delivery. The utility continually upgrades its infrastructure to meet the growing demands of its customers. MLGW's commitment to sustainability and efficiency is evident in its various initiatives, including energy conservation programs and the integration of renewable energy sources.

Community Impact

MLGW's role extends beyond utility services; it is an integral part of the Memphis community. The utility actively engages in community outreach and support programs, contributing to the overall well-being of the region. From providing assistance to low-income households to supporting local events and initiatives, MLGW demonstrates a strong commitment to the community it serves.

Conclusion

Memphis Light, Gas and Water's history is a testament to the city's dedication to providing essential services to its residents. From its early beginnings in the 19th century to its current status as a leading public utility, MLGW has played a crucial role in the development and prosperity of Memphis. As the utility continues to evolve, its focus remains on delivering reliable, efficient, and sustainable services to its customers

Community Engagement

MLGW employees partnered with Habitat for Humanity of Greater Memphis to help build a new home for a local family. Their hands-on support reflects MLGW's commitment to strengthening our community, one nail, one board and one home at a time.

On 9/11 Day of Service, MLGW employees stepped up to show gratitude in a meaningful way by delivering lunch to local first responders who dedicate their lives to protecting our community. It was a heartfelt gesture of appreciation, reminding us that service and unity are the strongest tributes we can offer.

MLGW employees, joined by their family and friends, hit the lanes with purpose at the 39th Annual Bowl-A-Thon. Together, they raised funds to support K–12 students through Junior Achievement of Memphis and the Mid-South. Strikes, spares, and smiles filled the day as the community came together to inspire the next generation.

FAST FACTS

CUSTOMERS

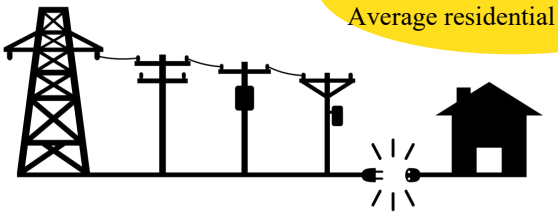
447,219

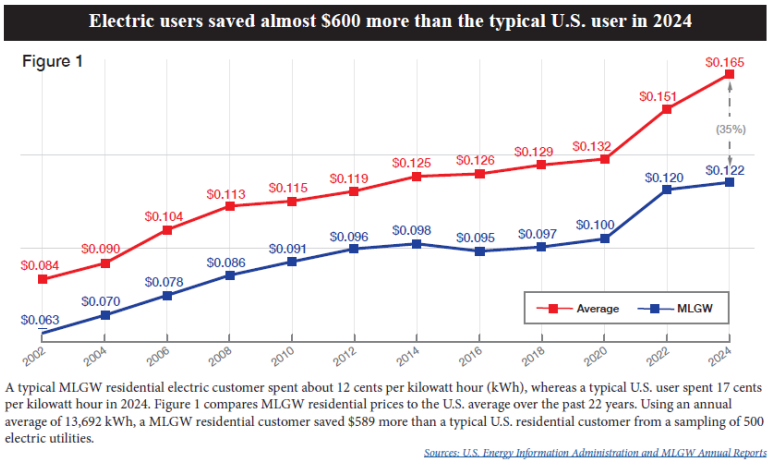
317,337

261,277

MLGW operates one of the largest artesian well systems in the world. It is through this system that MLGW taps into the aquifer and delivers water to customers. MLGW operates 10 water pumping stations and more than 175 wells throughout Shelby County.

$212.88
Average residential utility bill.





A typical MLGW residential electric customer spent about 12 cents per kilowatt hour (kWh), whereas a typical U.S. user spent 17 cents per kilowatt hour in 2024. Figure 1 compares MLGW residential prices to the U.S. average over the past 22 years. Using an annual average of 13,692 kWh, a MLGW residential customer saved $589 more than a typical U.S. residential customer from a sampling of 500 electric utilities.

Sources: U.S. Energy Information Administration and MLGW Annual Reports

USAGE

Average annual use per residential customer:

- **13,692 kWh of power**
- **616 cubic feet of gas**
- **98 cubic feet of water**

2713 EMPLOYEES

7,339.5 Circuit Miles

4,574 Miles of Gas Mains

3,980 Miles of Water Mains

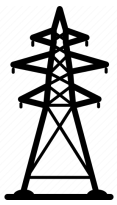
PROJECTS

- **New substations and substation upgrades**
- **New pumping station and pumping station rehabilitation**
- **Optimize Memphis Neighborhood Initiative Projects**
- **Steel tap replacements**

RANKINGS

- **16th in lowest electric bills**
- **2nd in lowest gas bills**
- **2nd in lowest water bills**

Based on independent study amongst 39 other utility companies of the same size in the US.



2026 BUDGET: $2.6B

Major Capital Improvement Plan

Items are included in the capital improvement plan based on need and available resources. The Engineering group evaluates the age of existing infrastructure and monitors growth within the service area to determine where system improvements are needed to maintain reliability. Costs are estimated to perform the work and the resulting capital projects are added to the budget.

Some of the more notable projects included in the 2026 capital improvement plan include:

Electric:

• New Substation and substation upgrades	$ 25,500,000
• Distribution Projects	$ 22,144,700

Gas:

• Steel Tap Replacements	$ 8,672,500
• Operations Center Buildout	$ 4,400,000

Water:

• Pumping Stations	$ 33,870,000
• Production Wells	$ 10,650,000
• Lead Service Replacement	$ 10,530,000

New Operations Center

How to Read the Budget Book

INTRODUCTION

We are pleased to submit the 2026 Budget of 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 2026 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 organization 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 budget approved by the Memphis City Council scheduled in November.

How to Read the Budget Book

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.

ALL DIVISIONS

This section supplies a comparison of the Electric, Gas and Water Division's Income, Expense & Change in Net Position and Capital Expenditures Budget for the 2026 Budget.

ELECTRIC

The first page of this section (Page E4) is the *Income, Expense, and Changes in Net Position Comparison* for the Electric Division. It provides a side-by-side view of the 2024 Actual Expenditures, 2025 Budget and the 2026 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 2025 Budget, 2026 Budget and the difference between the 2025 Budget and 2026 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 2024 Actual, 2025 Budget and the 2026 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 2026 Budget figures.

How to Read the Budget Book

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).

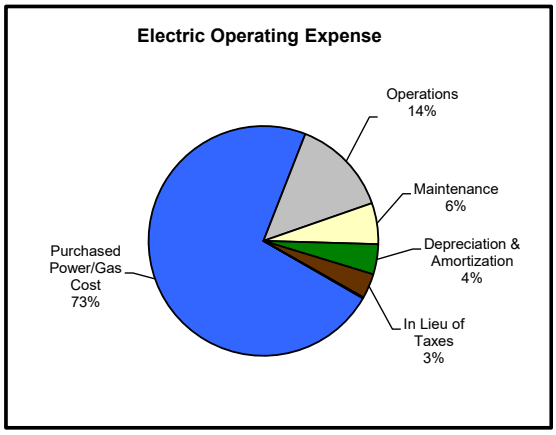
APPENDIX
This section presents a definition and/or explanation of specific line items referenced throughout the Budget document. Each page includes a heading stating what page the information is referencing. For example, Page A1 has a heading of "Notes for Page 3 – Capital Expenditures Budget". This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

2026 MLGW
BUDGET HIGHLIGHTS

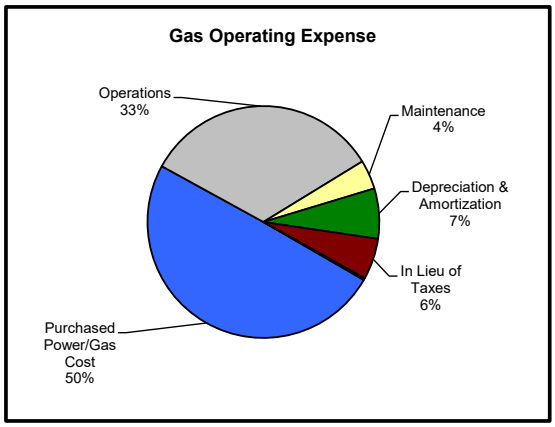
ELECTRIC DIVISION
(In Thousands)

Total Operating Revenue	**$ 1,822,613**
Purchased Power	**$ 1,282,660**
Total O&M Expense	**$ 344,782**
Other Operating Expense	**$ 139,133**
Total Operating Expense	**$ 1,766,575**
Operating Income (Loss)	**$ 56,038**
Change in Net Position	**$ 82,007**
CAPITAL PROGRAM	**$ 192,655**



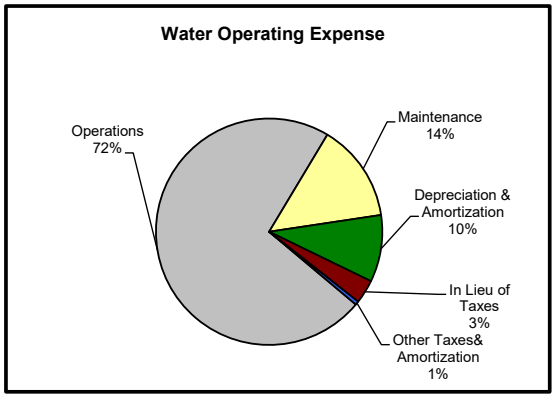
GAS DIVISION
(In Thousands)

Total Operating Revenue	**$ 321,523**
Purchased Gas	**$ 178,744**
Total O&M Expense	**$ 134,411**
Other Operating Expense	**$ 46,813**
Total Operating Expense	**$ 359,968**
Operating Income (Loss)	**$ (38,445)**
Change in Net Position	**$ (38,966)**
CAPITAL PROGRAM	**$ 39,241**



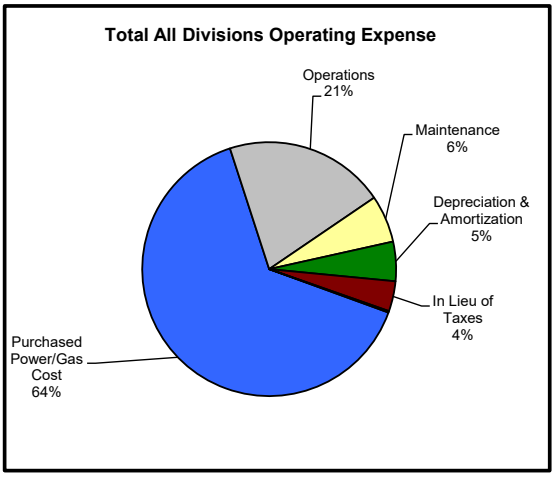
WATER DIVISION
(In Thousands)

Total Operating Revenue	**$ 128,193**
Total O&M Expense	**$ 122,050**
Other Operating Expense	**$ 19,013**
Total Operating Expense	**$ 141,064**
Operating Income (Loss)	**$ (12,871)**
Change in Net Position	**$ (14,300)**
CAPITAL PROGRAM	**$ 58,491**



ALL DIVISIONS
(In Thousands)

TOTAL OPERATING REVENUE	**$ 2,272,329**
TOTAL PURCHASED POWER & GAS	**$ 1,461,404**
TOTAL O&M EXPENSE	**$ 601,243**
TOTAL OTHER OPERATING EXPENSE	**$ 204,959**
TOTAL OPERATING EXPENSE	**$ 2,267,607**
OPERATING INCOME	**$ 4,723**
CHANGE IN NET POSITION	**$ 28,740**
TOTAL CAPITAL PROGRAM	**$ 290,387**



2026 Operations & Maintenance Budget

Area of Responsibility	Category	Electric	Gas	Water	Grand Total
President and Board of Commissioners	Labor	$ 250	$ 96	$ 71	$ 417
	Material	$ -	$ -	$ -	$ -
	Equipment	$ -	$ -	$ -	$ -
	Other	$ 43	$ 16	$ 12	$ 72
	Total	$ 293	$ 112	$ 83	$ 488
Internal Audit	Labor	$ 729	$ 279	$ 207	$ 1,215
	Material	$ 0	$ 0	$ 0	$ 1
	Equipment	$ 4	$ 1	$ 1	$ 6
	Other	$ 208	$ 80	$ 59	$ 346
	Total	$ 941	$ 360	$ 266	$ 1,568
General Counsel	Labor	$ 1,718	$ 658	$ 487	$ 2,863
	Material	$ 0	$ 0	$ 0	$ 1
	Equipment	$ 16	$ 6	$ 5	$ 27
	Other	$ 537	$ 205	$ 152	$ 894
	Total	$ 2,271	$ 870	$ 643	$ 3,784
Finance and Accounting	Labor	$ 3,814	$ 1,544	$ 1,148	$ 6,506
	Material	$ 9	$ 3	$ 3	$ 15
	Equipment	$ -	$ -	$ -	$ -
	Other	$ 2,850	$ 1,143	$ 849	$ 4,843
	Total	$ 6,673	$ 2,691	$ 2,000	$ 11,364
Information Systems and Technology	Labor	$ 10,388	$ 4,350	$ 3,217	$ 17,956
	Material	$ 6	$ 2	$ 2	$ 10
	Equipment	$ 7	$ 3	$ 2	$ 12
	Other	$ 21,518	$ 8,833	$ 6,573	$ 36,924
	Total	$ 31,920	$ 13,188	$ 9,794	$ 54,901
Shared Services	Labor	$ 12,115	$ 5,928	$ 6,200	$ 24,243
	Material	$ 311	$ 121	$ 90	$ 522
	Equipment	$ 666	$ 277	$ 494	$ 1,437
	Other	$ 8,160	$ 3,088	$ 2,938	$ 14,186
	Total	$ 21,253	$ 9,413	$ 9,722	$ 40,388
People Services	Labor	$ 7,932	$ 3,039	$ 2,246	$ 13,218
	Material	$ 9	$ 3	$ 3	$ 15
	Equipment	$ 191	$ 73	$ 54	$ 317
	Other	$ 4,611	$ 1,767	$ 1,306	$ 7,684
	Total	$ 12,743	$ 4,883	$ 3,609	$ 21,234
SVP Chief Operation Officer	Labor	$ 514	$ 197	$ 146	$ 857
	Material	$ -	$ -	$ -	$ -
	Equipment	$ -	$ -	$ -	$ -
	Other	$ 125	$ 48	$ 35	$ 208
	Total	$ 639	$ 245	$ 181	$ 1,064

2026 Operations & Maintenance Budget

Area of Responsibility	Category	Electric	Gas	Water	Grand Total
Electric Engineering and Operations	Labor	$ 67,570	$ 2,993	$ 2,248	$ 72,811
	Material	$ 2,190	$ 41	$ 27	$ 2,258
	Equipment	$ 6,075	$ 112	$ 86	$ 6,273
	Other	$ 90,392	$ 7,050	$ 6,549	$ 103,990
	Total	$ 166,227	$ 10,195	$ 8,910	$ 185,332
Gas and Water Engineering and Operations	Labor	$ 4,054	$ 16,000	$ 12,748	$ 32,802
	Material	$ 74	$ 695	$ 726	$ 1,495
	Equipment	$ 331	$ 1,861	$ 2,309	$ 4,500
	Other	$ 809	$ 16,502	$ 17,075	$ 34,387
	Total	$ 5,267	$ 35,058	$ 32,859	$ 73,184
Customer Experiences and Energy Services	Labor	$ 21,080	$ 17,757	$ 12,091	$ 50,929
	Material	$ 119	$ 103	$ 412	$ 633
	Equipment	$ 916	$ 1,201	$ 713	$ 2,830
	Other	$ 10,592	$ 7,662	$ 5,701	$ 23,955
	Total	$ 32,707	$ 26,723	$ 18,917	$ 78,347
Corporate Communication	Labor	$ 2,519	$ 965	$ 713	$ 4,198
	Material	$ 2	$ 1	$ 0	$ 3
	Equipment	$ 133	$ 51	$ 38	$ 221
	Other	$ 5,718	$ 2,191	$ 1,620	$ 9,529
	Total	$ 8,371	$ 3,208	$ 2,371	$ 13,950
Common	Labor	$ (10,183.20)	$ (4,247.79)	$ (3,390.03)	$ (17,821)
	Material	$ 425	$ 210	$ 220	$ 856
	Equipment	$ 675	$ 308	$ 322	$ 1,304
	Other	$ 92,728	$ 38,604	$ 43,432	$ 174,764
	Total	$ 83,645	$ 34,873	$ 40,584	$ 159,103
Transfers to Capital	Labor	$ -	$ -	$ -	$ -
	Material	$ -	$ -	$ -	$ -
	Equipment	$ -	$ -	$ -	$ -
	Other	$ (28,169)	$ (7,408)	$ (7,888)	$ (43,465)
	Total	$ (28,169)	$ (7,408)	$ (7,888)	$ (43,465)
Grand Total	Labor	$ 122,502	$ 49,559	$ 38,132	$ 210,193
	Material	$ 3,144	$ 1,180	$ 1,483	$ 5,808
	Equipment	$ 9,014	$ 3,891	$ 4,023	$ 16,928
	Other	$ 210,122	$ 79,782	$ 78,412	$ 368,315
	Total	$ 344,782	$ 134,412	$ 122,050	$ 601,243

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 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 five-member board who are nominated by the Mayor of the City of Memphis and confirmed by the Memphis City Council. The MLGW Board also includes two non-voting Advisory Board members.

2026 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$ 417	
Material	$ -	
Equipment	$ -	
Outside Purchases	$ 15	
Outside Services	$ 37	
Other Expenditures	$ 19	
Grand Total	**$ 488**	

Internal Audit

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. Internal Audit is compromised of Data Analytics and Assurance Services.

2026 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$	1,215
Material	$	1
Equipment	$	6
Outside Purchases	$	80
Outside Services	$	228
Other Expenditures	$	38
Grand Total	**$**	**1,568**

General Counsel

The General Counsel department plays a vital role in safeguarding the 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.

Ethics and Compliance is responsible overseeing MLGW's corporate-wide ethics compliance and ensuring the compliance of MLGW's utility systems with federal, state and local laws, regulations, and standards

2026 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$	2,863
Material	$	1
Equipment	$	27
Outside Purchases	$	157
Outside Services	$	654
Other Expenditures	$	82
Grand Total	**$**	**3,784**

Finance & Accounting

The Finance and Accounting department is essential for managing the financial health and stability of MLGW. It consists of four 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, Rates & 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.

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.

2026 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$	6,506
Material	$	15
Equipment	$	-
Outside Purchases	$	490
Outside Services	$	1,364
Other Expenditures	$	2,989
Grand Total	**$**	**11,364**

Information Services & Technology

The Information Systems & 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 solution.

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 support 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 supports areas throughout the Division.

2026 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$	17,956
Material	$	10
Equipment	$	12
Outside Purchases	$	4,019
Outside Services	$	14,353
Other Expenditures	$	18,551
Grand Total	**$**	**54,901**

Shared Services

The Shared Services department is a centralized unit designed to streamline operations and enhance efficiency across the organization. It comprises six 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 rrecovery 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, services equipment in a safe, cost-effective manner.

Shared Services

2026 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$	24,243
Material	$	522
Equipment	$	1,437
Outside Purchases	$	3,934
Outside Services	$	8,495
Other Expenditures	$	1,758
Grand Total	**$**	**40,388**

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.

Corporate Safety is responsible for ensuring a safe working environment by implementing and monitoring safety protocols.

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.

2026 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$	13,218
Material	$	15
Equipment	$	317
Outside Purchases	$	2,127
Outside Services	$	4,134
Other Expenditures	$	1,423
Grand Total	**$**	**21,234**

SVP & COO

The SVP and COO area is responsible for overseeing the engineering, design, construction, and operation of MLGW. This includes the Electric Engineering, which focuses on maintaining and enhancing the electrical infrastructure to ensure reliable power delivery. Gas & Water Engineering manages the infrastructure for gas and water services, ensuring safe and efficient distribution to customers. Together, these areas work to provide essential utilities, maintain system integrity, and support the overall operational goals of the organization.

2026 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$	857
Material	$	-
Equipment	$	-
Outside Purchases	$	128
Outside Services	$	47
Other Expenditures	$	32
Grand Total	**$**	**1,064**

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 focusing on the design, maintenance, and operation of electrical substations, which are critical for transforming and distributing electricity.

2026 Operations & Maintenance Budget (O&M)	
Category (Thousands of Dollars)	**Total**
Labor	$ 72,811
Material	$ 2,258
Equipment	$ 6,272
Outside Purchases	$ 8,353
Outside Services	$ 54,850
Other Expenditures	$ 40,788
Grand Total	**$ 185,332**

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 focusing on 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 water distribution system. This area works to ensure a reliable and uninterrupted water 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.

Gas & Water Engineering & Operations

2026 Operations & Maintenance Budget (O&M)	
Category (Thousands of Dollars)	**Total**
Labor	$ 32,802
Material	$ 1,495
Equipment	$ 4,500
Outside Purchases	$ 6,902
Outside Services	$ 23,828
Other Expenditures	$ 3,657
Grand Total	**$ 73,184**

Customer Experience & Energy Services

The Customer Experiences & 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 Services is responsible for accurate billing and metering; this division ensures that customers are billed correctly and on time. They manage meter readings, billing cycles, and address any discrepancies in billing to maintain transparency and trust.

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.

Customer Experience & Energy Services

2026 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$	50,929
Material	$	633
Equipment	$	2,830
Outside Purchases	$	2,831
Outside Services	$	20,662
Other Expenditures	$	462
Grand Total	**$**	**78,347**

Corporate Communication

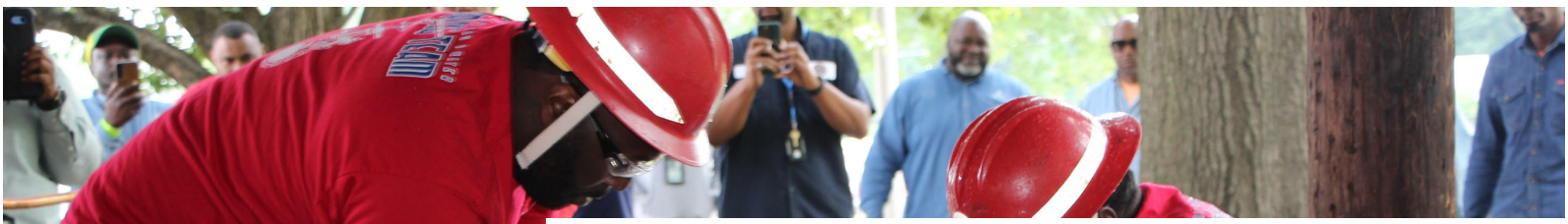
The Corporate Communication department is integral to maintaining and enhancing MLGW's public image and internal communication. It comprises three key areas:

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.

2026 Operations & Maintenance Budget (O&M)		
Category (Thousands of Dollars)	**Total**	
Labor	$	4,198
Material	$	3
Equipment	$	221
Outside Purchases	$	1,667
Outside Services	$	2,151
Other Expenditures	$	5,710
Grand Total	**$**	**13,950**



ALL DIVISIONS

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
FOR CALENDAR YEAR OF 2026

ALL DIVISIONS

DESCRIPTION	THOUSANDS OF DOLLARS			
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL
OPERATING REVENUE				
Sales Revenue	1,797,973	267,802	124,700	2,190,475
Revenue Adjustment for Uncollectibles	(8,994)	(2,484)	(2,126)	(13,604)
Non-Sales Revenue	33,634	56,205	5,619	95,458
OPERATING REVENUE	1,822,613	321,523	128,193	2,272,329
OPERATING EXPENSE				
Purchased Power	1,282,660	-	-	1,282,660
Purchased Gas	-	150,070	-	150,070
Compressed Natural Gas (CNG)	-	456	-	456
Liquefied Natural Gas (LNG)	-	2,388	-	2,388
Industrial Gas	-	25,830	-	25,830
Production Expense	-	1,869	24,546	26,415
Transmission Expense	7,627	-	-	7,627
Distribution Expense	75,542	40,624	21,599	137,765
Customer Accounts Expense	23,341	16,991	12,012	52,344
Customer Service & Information Expense	2,581	2,193	1,337	6,111
Sales Expense	2,499	421	267	3,187
Administrative & General Expense	130,955	57,650	42,503	231,108
OPERATING EXPENSE	1,525,205	298,492	102,264	1,925,961
MAINTENANCE EXPENSE				
Transmission Expense	3,821	-	-	3,821
Production Expense	-	2,525	4,452	6,976
Distribution Expense	92,973	10,451	10,628	114,052
Administrative & General Expense	5,442	1,688	4,707	11,837
MAINTENANCE EXPENSE	102,237	14,663	19,786	136,687
OTHER OPERATING EXPENSE				
Depreciation Expense	71,672	20,154	13,013	104,839
Payment in Lieu of Taxes	61,559	20,634	4,800	86,993
F.I.C.A. Taxes	2,527	969	716	4,211
Amortization of Legacy Meters	1,280	1,522	484	3,287
Amortization - Right of Use Leases & Subscriptions	1,502	3,534	-	5,036
Amortization - Street Lighting Retrofit	593	-	-	593
OTHER OPERATING EXPENSE	139,133	46,813	19,013	204,959
TOTAL OPERATING EXPENSE	1,766,575	359,968	141,064	2,267,607
INCOME				
Operating Income	56,038	(38,445)	(12,871)	4,723
Other Income	53,228	2,802	1,595	57,624
Reduction of Plant Cost Recovered through CIAC	(17,581)	(3,683)	(21,519)	(42,784)
NET INCOME BEFORE DEBT EXPENSE	91,684	(39,327)	(32,795)	19,563
DEBT EXPENSE				
Interest Expense - Long Term Debt	30,610	4,693	3,930	39,233
Amortization of Debt Discount & Expense	(3,351)	(1,370)	(905)	(5,627)
TOTAL DEBT EXPENSE	27,259	3,323	3,025	33,606
NET INCOME AFTER DEBT EXPENSE	64,426	(42,650)	(35,819)	(14,043)
Contributions in Aid of Construction	17,581	3,683	21,519	42,784
CHANGE IN NET POSITION	82,007	(38,966)	(14,300)	28,740

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
FOR CALENDAR YEAR OF 2026

ALL DIVISIONS

DESCRIPTION	THOUSANDS OF DOLLARS			
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL
OPERATING REVENUE				
Sales Revenue	**1,797,973**	**267,802**	**124,700**	**2,190,475**
Revenue Adjustment for Uncollectibles	**(8,994)**	**(2,484)**	**(2,126)**	**(13,604)**
Non-Sales Revenue				
Forfeited Discounts	14,252	3,160	1,470	18,882
Miscellaneous Service Revenue	11,253	2,041	2,087	15,381
Cross Connection Revenue	-	-	1,422	1,422
Other Operating Revenue	1,716	660	480	2,856
Compressed Natural Gas (CNG)	-	516	-	516
Liquefied Natural Gas (LNG)	-	4,356	-	4,356
Industrial Gas Revenue	-	26,845	-	26,845
Rent from Electric/Gas/Water Property	6,413	7,862	160	14,435
Transported Gas	-	10,765	-	10,765
Total Non-Sales Revenue	**33,634**	**56,205**	**5,619**	**95,458**
OPERATING REVENUE	**1,822,613**	**321,523**	**128,193**	**2,272,329**
OPERATING EXPENSE				
Purchased Power	**1,282,660**	**-**	**-**	**1,282,660**
Purchased Gas	**-**	**150,070**	**-**	**150,070**
Compressed Natural Gas (CNG)	**-**	**456**	**-**	**456**
Liquified Natural Gas (LNG)	**-**	**2,388**	**-**	**2,388**
Industrial Gas	**-**	**25,830**	**-**	**25,830**
Production Expense				
Chemicals	-	-	2,478	2,478
Fuel or Power Purchased for Pumping	-	-	11,500	11,500
Miscellaneous Expense	-	-	3,279	3,279
Operations Production Water Treatment	-	-	86	86
Operation Labor and Expenses	-	1,709	6,488	8,197
Operation Supervision and Engineering	-	161	347	508
Pumping Labor and Expenses	-	-	368	368
Total Production Expense	**-**	**1,869**	**24,546**	**26,415**
Transmission Expense				
Load Dispatching	854	-	-	854
Miscellaneous Transmission Expenses	1,582	-	-	1,582
Operation Supervision and Engineering	4,739	-	-	4,739
Station Expenses	452	-	-	452
Underground Transmission Line Expenses	-	-	-	-
Total Transmission Expense	**7,627**	**-**	**-**	**7,627**
Distribution Expense				
Customer Installation Expenses	-	6,189	3,127	9,316
Distribution Load Dispatching Expense	1,708	905	-	2,613
Mains and Services	-	7,184	-	7,184
Measuring and Regulating Expenses	-	114	-	114
Meter and House Regulator Expenses	1,068	3,346	1,263	5,677
Miscellaneous Distribution Expenses [1]	50,498	20,480	15,457	86,435
Operation Supervision and Engineering	5,927	2,405	1,149	9,480
Overhead Distribution Line Expense	6,831	-	-	6,831
Rents	-	-	-	-
Services on Customers' Premises	5,949	-	-	5,949
Station Expenses	1,748	-	-	1,748
Storage Facilities	-	-	133	133
Street Lighting and Signal System Expenses	145	-	-	145
Transmission and Distribution Lines	-	-	471	471
UG Distribution	1,668	-	-	1,668
Total Distribution Expense	**75,542**	**40,624**	**21,599**	**137,765**

[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 2026

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	20,275	12,510	8,752	41,537
Meter Reading Expenses	2,900	4,338	3,121	10,359
Supervision-Customer Accounting and Collection	165	143	140	448
Total Customer Accounts Expense	**23,341**	**16,991**	**12,012**	**52,344**
Customer Service & Information Expense				
Customer Assistance Expenses	1,036	781	586	2,403
Informational and Instructional Advertising Expenses	375	128	440	942
Miscellaneous Customer Service & Informational Expenses	770	956	-	1,726
Supervision-Customer Service and Information	401	328	311	1,040
Total Customer Service & Information Expense	**2,581**	**2,193**	**1,337**	**6,111**
Sales Expense				
Sales Supervision	91	-	-	91
Miscellaneous Sales Expenses	2,408	421	267	3,096
Total Sales Expense	**2,499**	**421**	**267**	**3,187**
Administrative & General Expense				
Administrative and General Salaries	22,944	9,275	6,466	38,685
Administration Expenses Transferred to Capital	(12,270)	(2,534)	(3,408)	(18,212)
Pension Expense	24,908	10,416	7,699	43,023
Other Active & Retiree Benefits	11,071	7,813	4,297	23,181
Other Post Employment Benefits Funding	14,894	6,228	4,603	25,725
Injuries and Damages	3,886	1,537	1,333	6,756
Miscellaneous General Expenses [(2)]	19,279	8,125	7,067	34,471
Office Supplies and Expenses	8,299	3,091	2,230	13,620
Outside Services Employed	28,239	8,290	6,351	42,880
Property Insurance	2,847	1,434	995	5,276
Rents-Miscellaneous	6,859	3,975	4,869	15,703
Total Administrative & General Expense	**130,955**	**57,650**	**42,503**	**231,108**
OPERATING EXPENSE	**1,525,205**	**298,492**	**102,264**	**1,925,961**
MAINTENANCE EXPENSE				
Transmission Expense				
Maintenance of Overhead Transmission Lines	-	-	-	-
Maintenance of Station Equipment	1,600	-	-	1,600
Maintenance of Underground Transmission Lines	681	-	-	681
Maintenance of Structures and Improvements	176	-	-	176
Maintenance Supervision and Engineering	1,364	-	-	1,364
Total Transmission Expense	**3,821**	**-**	**-**	**3,821**
Production Expense				
Maintenance of Holders	-	223	-	223
Maintenance of Other Equipment	-	2,028	-	2,028
Maintenance of Pumping Equipment	-	-	1,458	1,458
Maintenance of Structures and Improvements	-	24	-	24
Maintenance of Water Treatment Equipment	-	-	1,246	1,246
Maintenance of Wells	-	-	1,580	1,580
Maintenance Supervision and Engineering	-	251	168	419
Total Production Expense	**-**	**2,525**	**4,452**	**6,976**

[(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 2026

ALL DIVISIONS

DESCRIPTION	THOUSANDS OF DOLLARS			
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL
MAINTENANCE EXPENSE (Continued)				
Distribution Expense				
Maintenance of Hydrants	-	-	854	854
Maintenance of Line Transformers	2,160	-	-	2,160
Maintenance of Mains	-	5,879	-	5,879
Maintenance of Meters	2,392	-	3,779	6,171
Maintenance of Miscellaneous Distribution Plant	1,172	-	41	1,213
Maintenance of Overhead Distribution Lines	52,420	-	-	52,420
Maintenance of Distribution Structures and Improvements	0	-	-	0
Maintenance of Services	-	2,398	2,282	4,680
Maintenance of Station Equipment	2,504	-	-	2,504
Maintenance of Street Lighting and Signal System	6,836	-	-	6,836
Maintenance of Gas Distribution Facilities	-	-	-	-
Maintenance of Transmission and Distribution Mains	-	-	3,672	3,672
Maintenance of Underground Distribution Lines	21,480	-	-	21,480
Maintenance Supervision and Engineering	4,010	103	-	4,113
Measuring and Regulating Equipment Expenses	-	2,070	-	2,070
Total Distribution Expense	**92,973**	**10,451**	**10,628**	**114,052**
Administrative & General Expense				
Maintenance of General Plant	5,072	1,567	2,353	8,992
Facilities Maintenance Expense	370	120	2,355	2,845
Total Administrative & General Expense	**5,442**	**1,688**	**4,707**	**11,837**
MAINTENANCE EXPENSE	**102,237**	**14,663**	**19,786**	**136,687**
OTHER OPERATING EXPENSE				
Depreciation Expense	**71,672**	**20,154**	**13,013**	**104,839**
Payment in Lieu of Taxes	**61,559**	**20,634**	**4,800**	**86,993**
F.I.C.A. Taxes	**2,527**	**969**	**716**	**4,211**
Amortization of Legacy Meters	**1,280**	**1,522**	**484**	**3,287**
Amortization - Right of Use Leases & Subscriptions	**1,502**	**3,534**	**-**	**5,036**
Amortization - Street Lighting Retrofit	**593**	**-**	**-**	**593**
OTHER OPERATING EXPENSE	**139,133**	**46,813**	**19,013**	**204,959**
TOTAL OPERATING EXPENSE	**1,766,575**	**359,968**	**141,064**	**2,267,607**
INCOME				
Operating Income	**56,038**	**(38,445)**	**(12,871)**	**4,723**
Other Income				
Expenses of Merchandising, Jobbing & Contracts	-	(3,300)	(2,979)	(6,279)
Revenues from Merchandising, Jobbing & Contracts	-	1,299	2,979	4,278
Revenues from Non-Utility Property	-	-	-	-
Revenues from Common Transportation Equipment	-	-	-	-
Revenues from Sinking & Other Funds-Interest Income	9,800	2,302	870	12,972
Medicare Part D Refund	83	427	500	1,010
Non-Operating Income - TVA Transmission Credit	40,428	-	-	40,428
Miscellaneous Non-Operating Income	2,917	2,073	225	5,215
Total Other Income	**53,228**	**2,802**	**1,595**	**57,624**
Contributions in Aid of Construction	**(17,581)**	**(3,683)**	**(21,519)**	**(42,784)**
NET INCOME BEFORE DEBT EXPENSE	**91,684**	**(39,327)**	**(32,795)**	**19,563**

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
FOR CALENDAR YEAR OF 2026

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	-	-	308	308
Interest on Ltd - Series 2016	1,162	1,162	610	2,934
Interest on Ltd - Series 2017	2,558	1,280	673	4,511
Interest on Ltd - Series 2020	5,764	2,251	2,339	10,355
Interest on Ltd - Series 2024	10,060	-	-	10,060
Interest on Ltd - Series 2025	11,066	-	-	11,066
Total Interest Expense - Long-Term Debt	**30,610**	**4,693**	**3,930**	**39,233**
Amortization of Debt Discount & Expense				
Amortization of Debt Disc & Exp - Series 2014	-	-	(34)	(34)
Amortization of Debt Disc & Exp - Series 2016	(414)	(416)	(125)	(955)
Amortization of Debt Disc & Exp - Series 2017	(640)	(371)	(142)	(1,154)
Amortization of Debt Disc & Exp - Series 2020	(1,320)	(582)	(605)	(2,507)
Amortization of Debt Disc & Exp - Series 2024	(977)	-	-	
Total Amortization of Debt Discount & Expense	**(3,351)**	**(1,370)**	**(905)**	**(4,650)**
TOTAL DEBT EXPENSE	**27,259**	**3,323**	**3,025**	**34,583**
NET INCOME AFTER DEBT EXPENSE	**64,426**	**(42,650)**	**(35,819)**	**(14,043)**
Contributions in Aid of Construction	**17,581**	**3,683**	**21,519**	**42,784**
CHANGE IN NET POSITION	**82,007**	**(38,966)**	**(14,300)**	**28,740**

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL EXPENDITURES
FOR CALENDAR YEAR OF 2026

ALL DIVISIONS

DESCRIPTION	THOUSANDS OF DOLLARS				REF. NO.
	ELECTRIC DIVISION	GAS DIVISION	WATER DIVISION	TOTAL	
TOTAL 2026 CAPITAL EXPENDITURES	**192,655**	**39,241**	**58,491**	**290,387**	3-1

ELECTRIC DIVISION

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2024 THROUGH 2026

ELECTRIC DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2024 ACTUAL	2025 BUDGET	2026 BUDGET	REF. NO.
OPERATING REVENUE				
Sales Revenue	1,472,595	1,613,540	1,797,973	4-1
Revenue Adjustment for Uncollectibles	(7,873)	(7,908)	(8,994)	4-2
Non-Sales Revenue	27,256	31,245	33,634	4-3
OPERATING REVENUE	1,491,978	1,636,877	1,822,613	
OPERATING EXPENSE				
Purchased Power	1,084,669	1,174,874	1,282,660	4-4
Transmission Expense	5,918	6,895	7,627	4-5
Distribution Expense	56,317	74,969	75,542	4-6
Customer Accounts Expense	18,556	22,746	23,341	4-7
Customer Service & Information Expense	2,023	2,696	2,581	4-8
Sales Expense	2,017	2,435	2,499	4-9
Administrative & General Expense*	102,040	124,758	130,955	4-10
OPERATING EXPENSE	1,271,541	1,409,373	1,525,205	
MAINTENANCE EXPENSE				
Transmission Expense	5,111	3,776	3,821	4-11
Distribution Expense	88,990	91,272	92,973	4-12
Administrative & General Expense	5,693	6,060	5,442	4-13
MAINTENANCE EXPENSE	99,794	101,108	102,237	
OTHER OPERATING EXPENSE				
Depreciation Expense	64,561	65,168	71,672	4-14
Payment in Lieu of Taxes	48,881	52,152	61,559	4-15
F.I.C.A. Taxes	2,257	1,938	2,527	4-16
Amortization of Legacy Meters	1,254	1,286	1,280	4-17
Amortization - Right of Use Leases & Subscriptions	7,543	1,635	1,502	4-18
Amortization - Street Lighting Retrofit	544	731	593	4-19
OTHER OPERATING EXPENSE	125,039	122,910	139,133	
TOTAL OPERATING EXPENSE	1,496,373	1,633,391	1,766,575	
INCOME				
Operating Income	(4,396)	3,486	56,038	4-20
Other Income	55,913	53,720	53,228	4-21
Reduction of Plant Cost Recovered through CIAC	(26,074)	(17,561)	(17,581)	4-22
NET INCOME BEFORE DEBT EXPENSE	25,444	39,645	91,684	
DEBT EXPENSE				
Interest Expense - Existing Long-Term Debt	13,938	25,174	30,610	4-23
Amortization of Debt Discount & Expense	(3,015)	(3,899)	(3,351)	4-24
TOTAL DEBT EXPENSE	10,923	21,275	27,259	
NET INCOME AFTER DEBT EXPENSE	14,522	18,370	64,426	
Contributions in Aid of Construction	26,074	17,561	17,581	4-25
CHANGE IN NET POSITION*	40,595	35,931	82,007	

** 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
2025 THROUGH 2026

ELECTRIC DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS		
	2025 BUDGET	2026 BUDGET	DIFFERENCE
OPERATING REVENUE			
Sales Revenue	**1,613,540**	**1,797,973**	**184,433**
Revenue Adjustment for Uncollectibles	**(7,908)**	**(8,994)**	**(1,086)**
Non-Sales Revenue			
Forfeited Discounts	13,029	14,252	1,223
Miscellaneous Service Revenue	10,262	11,253	991
Other Operating Revenue	1,632	1,716	84
Rent from Gas/Water Property	6,322	6,413	91
Total Non-Sales Revenue	**31,245**	**33,634**	**2,389**
OPERATING REVENUE	**1,636,877**	**1,822,613**	**185,736**
OPERATING EXPENSE			
Purchased Power	**1,174,874**	**1,282,660**	**107,786**
Transmission Expense			
Load Dispatching	819	854	35
Miscellaneous Transmission Expenses	1,576	1,582	6
Operation Supervision and Engineering	4,051	4,739	688
Station Expenses	449	452	3
Total Transmission Expense	**6,895**	**7,627**	**732**
Distribution Expense			
Distribution Load Dispatching Expense	1,687	1,708	21
Meter Expenses	948	1,068	120
Miscellaneous Distribution Expenses (1)	50,441	50,498	57
Operation Supervision and Engineering	6,133	5,927	(206)
Overhead Distribution Line Expense	6,437	6,831	394
Services on Customers' Premises	5,895	5,949	54
Station Expenses	1,724	1,748	24
Street Lighting and Signal System Expenses	256	145	(111)
Underground Distribution Line Expenses	1,448	1,668	220
Total Distribution Expense	**74,969**	**75,542**	**573**
Customer Accounts Expense			
Customer Order, Records and Collection Expenses	19,586	20,275	689
Meter Reading Expenses	2,995	2,900	(95)
Supervision-Customer Accounting and Collection	165	165	(0)
Total Customer Accounts Expense	**22,746**	**23,341**	**595**
Customer Service & Information Expense			
Customer Assistance Expenses	1,036	1,036	(0)
Informational and Instructional Advertising Expenses	216	375	159
Miscellaneous Customer Service & Informational Expense	1,041	770	(271)
Supervision-Customer Service and Information	403	401	(2)
Total Customer Service & Information Expense	**2,696**	**2,581**	**(115)**
Sales Expense			
Sales Supervision	98	91	(7)
Miscellaneous Sales Expenses	2,337	2,408	71
Total Sales Expense	**2,435**	**2,499**	**64**

(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
2025 THROUGH 2026

ELECTRIC DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS		
	2025 BUDGET	2026 BUDGET	DIFFERENCE
OPERATING EXPENSE (Continued)			
Administrative & General Expense			
Administrative and General Salaries	24,919	22,944	(1,975)
Administration Expenses Transferred to Capital	(9,410)	(12,270)	(2,860)
Pension Expense	19,513	24,908	5,395
Other Active & Retiree Benefits	22,630	11,071	(11,559)
Other Post Employment Benefits Funding	888	14,894	14,006
Injuries and Damages	5,019	3,886	(1,133)
Miscellaneous General Expenses [(2)]	18,627	19,279	652
Office Supplies and Expenses	7,659	8,299	640
Outside Services Employed	27,166	28,239	1,073
Property Insurance	1,947	2,847	900
Rents-Miscellaneous	5,800	6,859	1,059
Total Administrative & General Expense	**124,758**	**130,955**	**6,197**
OPERATING EXPENSE	**1,409,373**	**1,525,205**	**115,832**
MAINTENANCE EXPENSE			
Transmission Expense			
Maintenance of Station Equipment	1,537	1,600	63
Maintenance of Underground Transmission Lines	806	681	(125)
Maintenance of Structures and Improvements	24	176	152
Maintenance Supervision and Engineering	1,409	1,364	(45)
Total Transmission Expense	**3,776**	**3,821**	**45**
Distribution Expense			
Maintenance of Line Transformers	2,170	2,160	(10)
Maintenance of Meters	2,141	2,392	251
Maintenance of Miscellaneous Distribution Plant	1,468	1,172	(296)
Maintenance of Overhead Distribution Lines	53,767	52,420	(1,347)
Maintenance of Distribution Structures and Improvements	4	0	(4)
Maintenance of Station Equipment	2,426	2,504	78
Maintenance of Street Lighting and Signal System	7,646	6,836	(810)
Maintenance of Underground Distribution Lines	17,623	21,480	3,857
Maintenance Supervision and Engineering	4,027	4,010	(17)
Total Distribution Expense	**91,272**	**92,973**	**1,701**
Administrative & General Expense			
Maintenance of General Plant	5,776	5,072	(704)
Facilities Maintenance Expense	284	370	86
Total Administrative & General Expense	**6,060**	**5,442**	**(618)**
MAINTENANCE EXPENSE	**101,108**	**102,237**	**1,129**

[(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
2025 THROUGH 2026

ELECTRIC DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS		
	2025 BUDGET	2026 BUDGET	DIFFERENCE
OTHER OPERATING EXPENSE			
Depreciation Expense	**65,168**	**71,672**	**6,504**
Payment in Lieu of Taxes	**52,152**	**61,559**	**9,407**
F.I.C.A. Taxes	**1,938**	**2,527**	**589**
Amortization of Legacy Meters	**1,286**	**1,280**	**(6)**
Amortization - Right of Use Leases & Subscriptions	**1,635**	**1,502**	**(133)**
Amortization - Street Lighting Retrofit	**731**	**593**	**(138)**
OTHER OPERATING EXPENSE	**122,910**	**139,133**	**16,223**
TOTAL OPERATING EXPENSE	**1,633,391**	**1,766,575**	**133,184**
INCOME			
Operating Income	**3,486**	**56,038**	**52,552**
Other Income			
Revenues from Sinking & Other Funds - Interest Income	10,464	9,800	(664)
Medicare Part D Refund	1,000	83	(917)
Non-Operating Income - TVA Transmission Credit	39,390	40,428	1,038
Miscellaneous Non-Operating Income	2,866	2,917	51
Total Other Income	**53,720**	**53,228**	**(492)**
Reduction of Plant Cost Recovered through CIAC	**(17,561)**	**(17,581)**	**(20)**
NET INCOME BEFORE DEBT EXPENSE	**39,645**	**91,684**	**52,040**
DEBT EXPENSE			
Interest Expense - Long-Term Debt			
Interest on Ltd - Series 2016	1,252	1,162	(90)
Interest on Ltd - Series 2017	2,754	2,558	(196)
Interest on Ltd - Series 2020	5,917	5,764	(153)
Interest on Ltd - Series 2024	9,626	10,060	434
Interest on Ltd - Series 2025	5,625	11,066	5,441
Total Interest Expense - Long-Term Debt	**25,174**	**30,610**	**5,436**
Amortization of Debt Discount & Expense			
Amortization of Debt Disc & Exp - Series 2014	(470)	-	470
Amortization of Debt Disc & Exp - Series 2016	(446)	(414)	32
Amortization of Debt Disc & Exp - Series 2017	(690)	(640)	50
Amortization of Debt Disc & Exp - Series 2020	(1,358)	(1,320)	38
Amortization of Debt Disc & Exp - Series 2024	(935)	(977)	(42)
Total Amortization of Debt Discount & Expense	**(3,899)**	**(3,351)**	**548**
TOTAL DEBT EXPENSE	**21,275**	**27,259**	**5,984**
NET INCOME AFTER DEBT EXPENSE	**18,370**	**64,426**	**46,056**
Contributions in Aid of Construction	**17,561**	**17,581**	**20**
CHANGE IN NET POSITION	**35,931**	**82,007**	**46,076**

MEMPHIS LIGHT, GAS AND WATER DIVISION
SOURCE AND APPLICATION OF FUNDS
2026 BUDGET
(THOUSANDS OF DOLLARS)

ELECTRIC DIVISION

		REF. NO.
SOURCE OF FUNDS:		
FROM OPERATIONS:		
Change in Net Position	82,007	5-1
Non-Cash Charges to Income:		
Depreciation Charged to Operating Income	71,672	5-2
Depreciation Charged to Other Accounts	2,261	5-3
Amortization of Legacy Meters	1,280	5-4
Amortization - Right of Use Leases & Subscriptions	1,502	5-5
Amortization - Streetlighting Retrofit	593	5-6
TOTAL FUNDS FROM OPERATIONS	159,316	
Salvage	1,813	5-7
Financing: 2025 Debt Proceeds	250,000	5-8
TOTAL FUNDS AVAILABLE	411,129	
APPLICATION OF FUNDS:		
Capital Expenditures	192,655	5-9
Costs of Removal and Other Charges to the Reserve for Depreciation	6,409	5-10
Retirement of Long-Term Debt	15,845	5-11
TOTAL APPLICATION OF FUNDS	214,909	
INCREASE (DECREASE) IN WORKING CAPITAL	196,219	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL EXPENDITURES COMPARISON
FOR CALENDAR YEAR OF 2026

ELECTRIC DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2024 Actual	2025 BUDGET	2026 BUDGET	REF. NO.
PROUCTION				
ELEC - DISTRIBUTIVE ENERGY RESOURCE	-	51,875	-	6-1
TOTAL - PRODUCTION	-	51,875	-	
SUBSTATION AND TRANSMISSION				
ELEC - SUBSTATION	34,498	19,008	26,805	6-2
ELEC - SUBSTATION TRANSFORMERS REPLACEMENT	3,703	2,473	7,500	6-3
ELEC - SUBSTATION CIRCUIT BREAKERS REPLACEMENT	7,463	3,675	5,200	6-4
ELEC - TRANSMISSION LINES	1,261	5,019	4,564	6-5
CONTRIBUTION IN AID OF CONSTRUCTION - CIAC	-	-	-	6-6
TOTAL - SUBSTATION AND TRANSMISSION	46,925	30,175	44,069	
DISTRIBUTION SYSTEM				
ELEC - RESIDENTIAL SERVICE IN S/D	875	1,705	763	6-7
ELEC - RESIDENTIAL SERVICE NOT IN S/D	2,604	3,103	3,025	6-8
ELEC - RESIDENTIAL S/D	192	1,615	1,762	6-9
ELEC - APARTMENTS	997	601	1,188	6-10
ELEC - GENERAL POWER SERVICE	4,638	4,297	5,534	6-11
ELEC - GENERAL POWER S/D	678	224	1,183	6-12
ELEC - MOBILE HOME PARK	-	326	-	6-13
ELEC - TEMPORARY SERVICE	-	520	389	6-14
ELEC - MULTIPLE-UNIT GENERAL POWER	220	282	302	6-15
ELEC - RELOCATE AT CUSTOMER REQUEST	2,739	1,416	3,670	6-16
ELEC - STREET IMPROVEMENTS	8,414	4,967	6,775	6-17
ELEC - NEW CIRCUITS	3,580	10,117	11,700	6-18
ELEC - LINE RECONSTRUCTION/REMOVE IDLE FACILITIES	2,260	14,202	8,875	6-19
ELEC - DEFECT CABLE/FEEDER CABLE REPLACEMENT	7,139	11,052	16,800	6-20
ELEC - DISTRIBUTION POLES	5,159	2,705	2,500	6-21
ELEC - POLE-DUCT USE AND ESCORTS	14	-	-	6-22
ELEC - PMNI MAINTENANCE	-	3,864	-	6-23
ELEC - OMNI MAINTENANCE	-	-	6,000	6-24
ELEC - DISTRIBUTION AUTOMATION	4,721	6,183	15,000	6-25
ELEC - STREET LIGHTS INSTALL	14,351	7,638	3,205	6-26
ELEC - DEMOLITION	165	130	165	6-27
ELEC - STREET LIGHT MAINTENANCE	3,929	2,898	3,750	6-28
ELEC - PLANNED MAINTENANCE	8,617	7,343	9,880	6-29
ELEC - TREE TRIMMING	-	8	-	6-30
ELEC - OPERATIONS MAINTENANCE	(1,184)	-	-	6-31
ELEC - LEASED OUTDOOR LIGHTING	1,505	1,551	6,000	6-32
ELEC - STORM RESTORATION	522	-	-	6-33
ELEC - SHARED USE CONTRACT	-	386	500	6-34
ELEC - DUCT LINE LEASE	-	58	75	6-35
ELEC - EMERGENCY MAINTENANCE	8,438	6,183	8,160	6-36
JT - RESIDENTIAL SERVICE IN S/D	1,065	1,278	865	6-37
JT - RESIDENTIAL SERVICE NOT IN S/D	-	-	-	6-38
JT - RESIDENTIAL S/D	3,620	3,288	4,873	6-39
JT - APARTMENTS	9	17	-	6-40
PCI - CAPACITOR BANKS	-	773	-	6-41
PCI - DIST TRANSFORMERS	10,405	11,593	15,000	6-42
ELEC- METERS	2,431	1,542	1,501	6-43
CONTRIBUTION IN AID OF CONSTRUCTION - CIAC	(23,579)	(17,561)	(17,581)	6-44
TOTAL - DISTRIBUTION SYSTEM	74,524	94,304	121,859	
GENERAL PLANT				
ELEC - BUILDINGS & STRUCTURES	533	9,790	16,187	6-45
ELEC - SECURITY AUTOMATION	919	841	2,088	6-46
ELEC - LAND PURCHASE	439	348	750	6-47
ELEC - FLEET CAPITAL POWER OPERATED EQUIPMENT	2,147	7,558	12,243	6-48
ELEC - TRANSPORTATION EQUIPMENT	2,907	3,773	3,619	6-49
ELEC - LAB & TEST	690	393	356	6-50
ELEC - COMMUNCIATION EQUIPMENT	94	132	176	6-51
ELEC - COMMUNICATION TOWERS	26,882	271	500	6-52
ELEC - TELECOMMUNICATION NETWORK	2,169	12,134	20,300	6-53
ELEC - UTILITY MONITORING	246	4,970	6,659	6-54
ELEC - CIS DEVELOPMENT	1,083	-	3,375	6-55
ELEC - BUSINESS CONTINUITY	-	155	-	6-56
ELEC - DATA PROCESSING EQUIPMENT	-	13,248	18,352	6-57
ELEC - IS/IT PROJECTS	3,772	-	-	6-58
ELEC - CONTINGENCY FUND	-	155	200	6-59
TOTAL - GENERAL PLANT	41,881	53,767	84,805	
TOTAL - ELECTRIC DIVISION CATEGORIES	163,330	230,122	250,733	
Delayed Cost Allocations	(620)	-	(58,077)	6-60
TOTAL - ELECTRIC DIVISION	162,710	230,123	192,655	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2026

ELECTRIC DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
SUBSTATION & TRANSMISSION MAJOR PROJECTS		
SUBSTATION		
Install Substation 68 third 161/23 kV transformer	12,229,986	7-1
Substation Feeder Electromechanical Relay Replacement Program (Distribution Automation)	7,500,000	7-2
Replace RTU's various locations	1,700,000	7-3
Sub #49-Install Definite Purpose Capacitor Bank Breakers 49363 &49373	800,000	7-4
Replace Reactor Substation 1	750,000	7-5
AC Service for Breaker Storage Yard @ Substation 33	694,658	7-6
Replace relays various locations	600,000	7-7
Sub 4 Lighting Enhancement Project	550,000	7-8
Sub 4 Fence Replacement Project	500,000	7-9
Replace batteries various locations	480,000	7-10
Replace Switches Various Locations	400,000	7-11
Install JPAX Nodes to Upgrade JMUX SONET Nodes	250,000	7-12
Refurbish Station Service, Transformer Storage AC, Power & Lighting Substation 32	250,000	7-13
Install Transmission Metering Equipment for Transmission Planning Monitoring	50,000	7-14
Seismic Retrofit of Non-Structural Substation Components	50,000	7-15
TOTAL SUBSTATION IMPROVEMENTS	26,804,644	
SUBSTATION TRANSFORMERS		
Replace 161/115kV transformer bank 32643	3,500,000	7-16
Replace 161/23 kV transformer bank 49647	2,000,000	7-17
Contingency Failed Transformers/Procure Spares	2,000,000	7-18
TOTAL SUBSTATION TRANSFORMERS	7,500,000	
SUBSTATION CIRCUIT BREAKERS		
Replace Breakers Various Locations	3,200,000	7-19
Contingency Failed Breakers/Procure Spares	1,200,000	7-20
Replace 12 kV Breakers 1617 and 1631 @ Substation 21	800,000	7-21
TOTAL SUBSTATION CIRCUIT BREAKERS	5,200,000	
TOTAL SUBSTATION	39,504,644	
SUBSTATION/TRANSMISSION PROJECTS		
Storm/Tornado Material Assessment & Storage Solution	1,300,000	7-22
Sub #36 - Install Two (2) New 161kV Breaker Bays, Terminate Ckt. 15621, Add sectionalizing breaker	1,000,000	7-23
Misc. projects (OPGW, structure replacements, etc.)	1,000,000	7-24
OPGW 11-35	454,458	7-25
OPGW 42-23	210,000	7-26
OPGW Sub 15	150,000	7-27
UAV Contract #12134	50,000	7-28
TOTAL SUBSTATION/TRANSMISSION PROJECTS	4,164,458	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2026

ELECTRIC DIVISION PAGE 8

DESCRIPTION	IN BUDGET YEAR	REF. NO.
TRANSMISSION - REIMBURSABLE		
TDOT Lamar & Shelby Drive	400,000	8-1
TOTAL TRANSMISSION REIMBURSABLE	400,000	
TRANSMISSION LINES	4,564,458	8-2
TOTAL - SUBSTATION AND TRANSMISSION	44,069,102	
DISTRIBUTION SYS. - MAJOR PROJECTS		
Sub 68 New Ckt Ties	2,675,000	8-3
Sub 84 Ckt Ties	2,000,000	8-4
Sub 74 New Ckt Ties	1,725,000	8-5
Circuit 61301 stepdown transfomer change out	1,500,000	8-6
Sub 68 Cabling (3 ckts)	1,250,000	8-7
Sub 83 Ckt Ties	800,000	8-8
Ckt Ties in Sub 15 & 84 Area	750,000	8-9
Other New circuit ties	500,000	8-10
Other 2025-2029 Projects	500,000	8-11
TOTAL MAJOR NEW CIRCUIT PROJECTS	11,700,000	
MISC. PROJECTS - REIMBURSABLE		
Other Relocate at Customer Request Projects	3,669,700	8-12
TOTAL MISC. PROJECTS - REIMBURSABLE	3,669,700	
STREET IMPROVEMENT PROJECTS		
Lamar Phase 3	2,000,000	8-13
Other 2026-2030 Projects	1,500,000	8-14
CV 22/04 Shelby Dr, Shelby Post to Jasper	600,000	8-15
Hacks Cross Rd Stateline to Shelby Dr	600,000	8-16
LL 09/02 - New Canada Rd (Re-Alignment N of I-40 to US-70)	600,000	8-17
Holmes Road, Malone to US-78/Lamar (CP 04/38)	550,000	8-18
Malone, Holmes to Shelby Drive	400,000	8-19
Elvis Presley Blvd. Middle Section	200,000	8-20
New Allen @ Ridgemont - Round-about	125,000	8-21
SC 15/01: Walnut Grove, Houston Levee to Rocky Point	100,000	8-22
Mudville Road Bridge, over Big Creek Proj.# 100111	100,000	8-23
	6,775,000	
TOTAL DISTRIBUTION SYS. - MAJOR PROJECTS	22,144,700	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2026

ELECTRIC DIVISION **PAGE 9**

DESCRIPTION	IN BUDGET YEAR	REF. NO.
GENERAL PLANT		
PURCHASE OF LAND	750,000	9-1
BUILDINGS & STRUCTURES		
SUBSTATIONS		
Replace Roofs - Various Substations	126,900	9-2
Road Paving Various Substations	217,000	9-3
ELECTRIC & SYSTEMS OPERATIONS		
New ESO Storage Building	3,000,000	9-4
NETTERS BUSINESS OPERATIONS CENTER		
Replace 5 Liebert Units/Roof Condensers & Leak Detection System	1,000,000	9-5
Replace UPS & Emergency Generator	1,000,000	9-6
Replace Cooling Tower Fill Media	500,000	9-7
Repace 7 Air Handlers & Upgrade TRANE Controls	35,000	9-8
NEW BUILDINGS		
Fabrication & Repair Shops Construction	7,125,000	9-9
EV Charging Stations	1,682,750	9-10
Expansion Propery Site Development	1,500,000	9-11
TOTAL BUILDINGS & STRUCTURES	16,186,650	
ELEC - SECURITY AUTOMATION	2,088,403	9-12
ELEC - FLEET CAPITAL POWER OPERATED EQUIPMENT	12,243,082	9-13
ELEC-TRANSPORTATION EQUIPMENT	3,618,704	9-14
ELEC-COMMUNICATION EQUIPMENT	176,225	9-15
LAB & TEST	355,771	9-16

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2026

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 NEWORK		
Distribution Automation Communication Infrastructure	17,000,000	10-2
Smart Meter GateKeepers/Network Improvements	1,200,000	10-3
Fiber optic cable and equipment	800,000	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	20,300,000	
UTILITY MONITORING & CONTROL SYSTEMS		
Systems Backup Control & Communication Plan (CO)	6,659,410	10-8
TOTAL UTILITY MONITORING & CONTROL SYS.	6,659,410	
CUSTOMER INFO SYSTEM DEVELOPMENT		
CIS Replacement	3,375,000	10-9
TOTAL BUSINESS CONTINUITY	3,375,000	
PURCHASE OF DATA PROCESSING EQUIPMENT		
HPE Storage Area Network (SAN) Replacement/Expansion	6,431,689	10-10
Server Blades and Chassis for Compute Systems	4,913,289	10-11
Field Use Laptop (New/Replacements)	1,373,442	10-12
DNS/DHCP System Replacement	1,300,000	10-13
Artifical Intelligence (AI) Infrastruture	1,036,435	10-14
GIS Utility Network Conversion	1,000,000	10-15
SAN Fiber Channel Switches	875,786	10-16
Work Center Wireless (outdoor)	800,000	10-17
Network Security Upgrades and Enchancements	450,000	10-18
Network Hardware Upgrades and Enchancements	100,000	10-19
PC Equipment (Capital)	71,519	10-20
TOTAL PURCHASE OF DATA PROCESSING EQUIPMENT	18,352,160	
CONTINGENCY FUNDS - GENERAL PLANT	200,000	10-21
Total General Plant	84,805,405	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL CARRYOVER SUMMARY*
FOR CALENDAR YEAR OF 2026

ELECTRIC DIVISION

CAPITAL CARRYOVER CATEGORY	CARRYOVER AMOUNT
Telecommunication Network & Communication Towers	10,350,000
Distribution	9,650,000
Power Operated and Transportation Equipment	6,702,528
Substations, Transmission & Distribution System	5,614,458
Buildings & Structures	4,377,600
Purchase of Data Processing Equipment	3,972,604
Utility Monitoring	3,594,410
Security Automation	988,403
TOTAL CAPITAL CARRYOVER SUMMARY	**45,250,003**

***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 2026 Budget.**

GAS DIVISION

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2024 THROUGH 2026

GAS DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2024 ACTUAL	2025 BUDGET	2026 BUDGET	REF. NO.
OPERATING REVENUE				
Sales Revenue	197,833	231,743	267,802	12-1
Revenue Adjustment for Uncollectibles	(1,826)	(1,388)	(2,484)	12-2
Non-Sales Revenue	40,634	48,553	56,205	12-3
OPERATING REVENUE	236,641	278,908	321,523	
OPERATING EXPENSE				
Production - LNG Plant	1,788	1,870	1,869	12-4
Purchased Gas	85,313	114,047	150,070	12-5
Compressed Natural Gas (CNG)	171	456	456	12-6
Liquefied Natural Gas (LNG)	385	3,084	2,388	12-7
Industrial Gas	13,824	18,864	25,830	12-8
Distribution Expense	32,010	38,828	40,624	12-9
Customer Accounts Expense	13,281	16,567	16,991	12-10
Customer Service & Information Expense	1,736	1,930	2,193	12-11
Sales Expense	300	431	421	12-12
Administrative & General Expense*	47,055	55,851	57,650	12-13
OPERATING EXPENSE	195,860	251,928	298,492	
MAINTENANCE EXPENSE				
Production Expense	852	5,435	2,525	12-14
Distribution Expense	8,951	11,293	10,451	12-15
Administrative & General Expense	1,768	1,970	1,688	12-16
MAINTENANCE EXPENSE	11,571	18,698	14,663	
OTHER OPERATING EXPENSE				
Depreciation Expense	18,744	18,419	20,154	12-17
Payment in Lieu of Taxes	16,380	16,425	20,634	12-18
F.I.C.A. Taxes	865	749	969	12-19
Amortization of Legacy Meters	1,482	1,518	1,522	12-20
Amortization - Right of Use Leases & Subscriptions	6,315	3,690	3,534	12-21
OTHER OPERATING EXPENSE	43,787	40,801	46,813	
TOTAL OPERATING EXPENSE	251,218	311,427	359,968	
INCOME				
Operating Income	(14,576)	(32,519)	(38,445)	12-22
Other Income	10,364	5,975	2,802	12-23
Reduction of Plant Cost Recovered through CIAC	(4,223)	(10,877)	(3,683)	12-24
NET INCOME BEFORE DEBT EXPENSE	(8,436)	(37,421)	(39,327)	
DEBT EXPENSE				
Interest Expense - Long-Term Debt	5,140	4,932	4,693	12-25
Amortization of Debt Discount & Expense	(1,511)	(1,491)	(1,370)	12-26
TOTAL DEBT EXPENSE	3,629	3,441	3,323	
NET INCOME AFTER DEBT EXPENSE	(12,065)	(40,862)	(42,650)	
Contributions in Aid of Construction	4,223	10,877	3,683	12-27
CHANGE IN NET POSITION*	(7,842)	(29,985)	(38,966)	

** 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
2025 THROUGH 2026

GAS DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2025 BUDGET	2026 BUDGET	DIFFERENCE
OPERATING REVENUE			
Sales Revenue	**231,743**	**267,802**	**36,059**
Revenue Adjustment for Uncollectibles	**(1,388)**	**(2,484)**	**(1,096)**
Non-Sales Revenue			
Forfeited Discounts	3,108	3,160	52
Miscellaneous Service Revenue	2,083	2,041	(42)
Other Operating Revenue	624	660	36
Compressed Natural Gas (CNG)	516	516	-
Liquefied Natural Gas (LNG)	4,824	4,356	(468)
Industrial Gas	19,879	26,845	6,966
Rent from Electric/Water Property	7,228	7,862	634
Transported Gas	10,291	10,765	474
Total Non-Sales Revenue	**48,553**	**56,205**	**7,652**
OPERATING REVENUE	**278,908**	**321,523**	**42,615**
OPERATING EXPENSE			
Purchased Gas	**114,047**	**150,070**	**36,023**
Compressed Natural Gas (CNG)	**456**	**456**	**-**
Liquified Natural Gas (LNG)	**3,084**	**2,388**	**(696)**
Industrial Gas	**18,864**	**25,830**	**6,966**
Production Expense			
Operation Labor and Expenses	1,720	1,709	(11)
Operation Supervision and Engineering	150	161	11
Total Production Expense	**1,870**	**1,869**	**(1)**
Distribution Expense			
Customer Installation Expenses	6,044	6,189	145
Distribution Load Dispatching Expense	884	905	21
Mains and Services	8,035	7,184	(851)
Measuring and Regulating Expenses	67	114	47
Meter and House Regulator Expenses	3,081	3,346	265
Miscellaneous Distribution Expenses [1]	18,256	20,480	2,224
Rents	1	-	(1)
Operation Supervision and Engineering	2,460	2,405	(55)
Total Distribution Expense	**38,828**	**40,624**	**1,796**
Customer Accounts Expense			
Customer Order, Records and Collection Expenses	11,953	12,510	557
Meter Reading Expenses	4,470	4,338	(132)
Supervision-Customer Accounting and Collection	144	143	(1)
Total Customer Accounts Expense	**16,567**	**16,991**	**424**
Customer Service & Information Expense			
Customer Assistance Expenses	780	781	1
Informational and Instructional Advertising Expenses	72	128	56
Miscellaneous Customer Service & Informational Expenses	748	956	208
Supervision-Customer Service and Information	330	328	(2)
Total Customer Service & Information Expense	**1,930**	**2,193**	**263**
Sales Expense			
Miscellaneous Sales Expenses	431	421	(10)
Total Sales Expense	**431**	**421**	**(10)**

[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
2025 THROUGH 2026

GAS DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2025 BUDGET	2026 BUDGET	DIFFERENCE
OPERATING EXPENSE (Continued)			
Administrative & General Expense			
Administrative and General Salaries	10,046	9,275	(771)
Administration Expenses Transferred to Capital	(1,850)	(2,534)	(684)
Pension Expense	8,160	10,416	2,256
Other Active & Retiree Benefits	13,588	7,813	(5,775)
Other Post Employment Benefits Funding	371	6,228	5,857
Injuries and Damages	2,984	1,537	(1,447)
Miscellaneous General Expenses [(2)]	7,646	8,125	479
Office Supplies and Expenses	3,257	3,091	(166)
Outside Services Employed	8,817	8,290	(527)
Property Insurance	969	1,434	465
Rents-Miscellaneous	1,863	3,975	2,112
Total Administrative & General Expense	**55,851**	**57,650**	**1,799**
OPERATING EXPENSE	**251,928**	**298,492**	**46,564**
MAINTENANCE EXPENSE			
Production Expense			
Maintenance of Holders	297	223	(74)
Maintenance of Other Equipment	4,884	2,028	(2,856)
Maintenance of Structures and Improvements	21	24	3
Maintenance Supervision and Engineering	233	251	18
Total Production Expense	**5,435**	**2,525**	**(2,910)**
Distribution Expense			
Maintenance of Mains	6,899	5,879	(1,020)
Maintenance of Meters	-	-	-
Maintenance of Services	2,351	2,398	47
Maintenance Supervision and Engineering	100	103	3
Measuring and Regulating Equipment Expenses	1,943	2,070	127
Total Distribution Expense	**11,293**	**10,451**	**(842)**
Administrative & General Expense			
Maintenance of General Plant	1,887	1,567	(320)
Facilities Maintenance Expense	83	120	37
Total Administrative & General Expense	**1,970**	**1,688**	**(282)**
MAINTENANCE EXPENSE	**18,698**	**14,663**	**(4,035)**
OTHER OPERATING EXPENSE			
Depreciation Expense	**18,419**	**20,154**	**1,735**
Payment in Lieu of Taxes	**16,425**	**20,634**	**4,209**
F.I.C.A. Taxes	**749**	**969**	**220**
Amortization of Legacy Meters	**1,518**	**1,522**	**4**
Amortization - Right of Use Leases & Subscriptions	**3,690**	**3,534**	**(156)**
OTHER OPERATING EXPENSE	**40,801**	**46,813**	**6,012**
TOTAL OPERATING EXPENSE	**311,427**	**359,968**	**48,541**

[(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
2025 THROUGH 2026

GAS DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2025 BUDGET	2026 BUDGET	DIFFERENCE
INCOME			
Operating Income	**(32,519)**	**(38,445)**	**(5,926)**
Other Income			
Expenses of Merchandising, Jobbing & Contracts	(3,300)	(3,300)	(0)
Revenues from Merchandising, Jobbing & Contracts	1,302	1,299	(3)
Revenues from Sinking & Other Funds-Interest Income	5,473	2,302	(3,171)
Medicare Part D Refund	1,000	427	(573)
Miscellaneous Non-Operating Income	1,500	2,073	573
Total Other Income	**5,975**	**2,802**	**(3,173)**
Reduction of Plant Cost Recovered through CIAC	**(10,877)**	**(3,683)**	**7,194**
NET INCOME BEFORE DEBT EXPENSE	**(37,421)**	**(39,327)**	**(1,906)**
DEBT EXPENSE			
Interest Expense - Long-Term Debt			
Interest on Ltd - Series 2016	**1,252**	**1,162**	**(90)**
Interest on Ltd - Series 2017	**1,365**	**1,280**	**(85)**
Interest on Ltd - Series 2020	**2,315**	**2,251**	**(64)**
Total Interest Expense - Long-Term Debt	**4,932**	**4,693**	**(239)**
Amortization of Debt Discount & Expense			
Amortization of Debt Disc & Exp - Series 2016	**(446)**	**(416)**	**30**
Amortization of Debt Disc & Exp - Series 2017	**(396)**	**(371)**	**25**
Amortization of Debt Disc & Exp - Series 2020	**(649)**	**(582)**	**67**
Total Amortization of Debt Discount & Expense	**(1,491)**	**(1,370)**	**121**
TOTAL DEBT EXPENSE	**3,441**	**3,323**	**(118)**
NET INCOME AFTER DEBT EXPENSE	**(40,862)**	**(42,650)**	**(1,788)**
Contributions in Aid of Construction	**10,877**	**3,683**	**(7,194)**
CHANGE IN NET POSITION	**(29,985)**	**(38,966)**	**(8,981)**

MEMPHIS LIGHT, GAS AND WATER DIVISION
SOURCE AND APPLICATION OF FUNDS
2026 BUDGET
(THOUSANDS OF DOLLARS)

GAS DIVISION

		REF. NO.
SOURCE OF FUNDS:		
FROM OPERATIONS:		
Change in Net Position	(38,966)	13-1
Non-Cash Charges to Income:		
Depreciation Charged to Operating Income	20,154	13-2
Depreciation Charged to Other Accounts	2,115	13-3
Amortization of Legacy Meters	1,522	13-4
Amortization - Right of Use Leases & Subscriptions	3,534	13-5
TOTAL FUNDS FROM OPERATIONS	(11,641)	
Salvage	238	13-6
TOTAL FUNDS AVAILABLE	(11,403)	
APPLICATION OF FUNDS:		
Capital Expenditures	39,241	13-7
Costs of Removal and Other Charges to the Reserve for Depreciation	149	13-8
Retirement of Long Term Debt	5,020	13-9
TOTAL APPLICATION OF FUNDS	44,410	
INCREASE (DECREASE) IN WORKING CAPITAL	(55,813)	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2026

GAS DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2024 Actual	2025 BUDGET	2026 BUDGET	REF. NO.
PRODUCTION SYSTEM				
GAS - LNG PROCESSING FACILITIES	52	798	1,106	14-1
GAS - CNG STATIONS	(32)	-	-	
TOTAL PRODUCTION SYSTEM	20	798	1,106	
DISTRIBUTION SYSTEM				
GAS -APARTMENTS	76	71	195	14-2
GAS - RESIDENTIAL SERVICE IN S/D	-	29	16	14-3
GAS - RESIDENTIAL SERVICE NOT IN S/D	854	1,223	2,216	14-4
GAS - RESIDENTIAL S/D	-	-	44	14-5
GAS - LAND PURCHASE	-	82	250	14-6
GAS - GENERAL POWER SERVICE	1,163	4,600	3,207	14-7
GAS - GENERAL POWER S/D	72	-	97	14-8
GAS - MULTIPLE-UNIT GENERAL POWER	33	165	65	14-9
GAS - RELOCATE AT CUSTOMER REQUEST	605	389	810	14-10
GAS - PURCHASE OF METERS	4,454	3,900	8,455	14-11
GAS - STREET IMPROVEMENTS	1,949	3,705	4,615	14-12
GAS - NEW GAS MAIN	602	205	250	14-13
GAS - GAS MAIN/SERVICE REPL (D.O.T.)	3,472	6,287	9,129	14-14
GAS - PLANNED MAINTENANCE	3,515	3,087	3,836	14-15
GAS - TRANSMISSION PIPELINES AND FACILITIES	238	24,368	750	14-16
GAS - REGULATOR STATIONS	1,630	821	670	14-17
GAS - GATE STATIONS	396	-	150	14-18
JT - RESIDENTIAL SERVICE IN S/D	-	617	459	14-19
JT - RESIDENTIAL S/D	1,535	1,166	2,006	14-20
JT - APARTMENTS	12	5	-	14-21
GAS - EMERGENCY MAINTENANCE	858	1,375	1,708	14-22
GAS - DEMOLITION	68	16	70	14-23
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(2,570)	(10,877)	(4,498)	14-24
TOTAL - DISTRIBUTION SYSTEM	18,962	41,234	34,500	
GENERAL PLANT				
GAS - BUILDINGS & STRUCTURES	5,391	23,660	8,830	14-25
GAS - SECURITY AUTOMATION	-	353	450	14-26
GAS - FURNITURE & FIXTURES	-	493	-	14-27
GAS - AUDIOVISUAL	-	48	95	14-28
GAS - FLEET CAPITAL COMMON POWER OPERATED EQUIP	735	1,396	834	14-29
GAS - FLEET CAPITAL COMON TRANSPORTATION EQUIP	2,247	3,463	3,641	14-30
GAS - FLEET GAS POWER OPERATED EQUIPMENT	1,405	519	1,752	14-31
GAS - FLEET GAS TRANSPORTATION EQUIPMENT	265	2,220	2,123	14-32
GAS - AUTOMATED FUELING STRUCTURE	80	-	49	14-33
GAS - TOOLS & EQUIPMENT	143	-	125	14-34
GAS - COMMON TOOLS & EQUIPMENT	179	329	191	14-35
GAS - COMMUNITY OFFICE KIOSKS	-	-	374	14-36
GAS - CONTINGENCY FUNDS		164	200	14-37
TOTAL - GENERAL PLANT	10,445	32,645	18,664	
TOTAL - GAS DIVISION CATEGORIES	29,427	74,677	54,270	
Delayed Cost Allocations	459	-	(15,029)	14-38
TOTAL - GAS DIVISION	29,886	74,677	39,241	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2026

GAS DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
PRODUCTION SYSTEM		
Gas - LNG Processing Facilities	1,106,300	15-1
TOTAL GAS - PRODUCTION SYSTEM	1,106,300	
DISTRIBUTION SYSTEM - MAJOR PROJECTS		
STREET IMPROVEMENTS		
CP 04/38, Holmes Rd, Malone Rd To Lamar Ave	1,200,000	15-2
Projections 2021-2030	782,800	15-3
CP 19/10, Innovation Corridor	711,000	15-4
LL 09/02 Canada Rd, Re-Alignment	625,000	15-5
CV 18/04, Shelby Dr, east of Sycamore Rd to US-72	320,000	15-6
CP 05/15, Malone Rd, Holmes to Shelby	252,000	15-7
SC 19/02, Hacks Cross Rd, Stateline - Shelby Dr.	195,000	15-8
SP 20/12, SR-57/Poplar, from Eastley to SR-385	175,000	15-9
CP 23/21, Morningside Pl - Drainage	111,000	15-10
CP 23/18, Poplar, Angelus to Belvedere - Drainage	82,000	15-11
CP 20/06, Laudeen at Randall - drainage	35,000	15-12
CP 22/20, Peebles Road, east of Third St - Drainage	25,000	15-13
CP 23/07, Scott Street Sewer Interceptor	25,000	15-14
CP 21/09, Bartlett Rd Bridge over Fletcher Creek	20,000	15-15
CP 20/05, Mickey to Millbranch - drainage,	20,000	15-16
CP 20/05, Mickey - Millbranch Drainage,	20,000	15-17
CP 23/16, Wanda Street Storm Drain,	15,000	15-18
Carnes Ave/Hanley School Safety Improvements	1,500	15-19
TOTAL GAS - STREET IMPROVEMENTS	4,615,300	
NEW GAS MAIN		
System Improvement Projections	250,000	15-20
TOTAL GAS - NEW GAS MAIN	250,000	
GAS MAIN/SERVICE REPL (D.O.T.)		
Steel Tap Replacement	8,672,500	15-21
Distribution Integrity Management Program (DIMP)	200,000	15-22
Unplanned Distribution Work	175,000	15-23
Corrosion Control	81,000	15-24
TOTAL GAS -GAS MAIN/SERVICE REPL (D.O.T)	9,128,500	
TRANSMISSION PIPELINES AND FACILITIES		
TIMP Initiative	500,000	15-25
Unplanned Transmission Work	250,000	15-26
TOTAL TRANSMISSION PIPELINES AND FACILITIES	750,000	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2026

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	15,563,800	
GENERAL PLANT		
BUILDINGS & STRUCTURES		
NORTH SERVICE CENTER		
Generator/Transfer Switch Replacement	1,500,000	16-3
Building #2: (Re-cover 36,000 square foot roof)	936,000	16-4
Building #6: Roof Replacement 23,684 square feet	616,000	16-5
Building #3: (Re-cover 30,650 square foot roof)	30,000	16-6
Building #1 Replace 3 HVAC Package Units	20,000	16-7
TOTAL NORTH SERVICE CENTER	3,102,000	
BRUNSWICK SERVICE CENTER		
Replace Main Building Roof	50,000	16-8
TOTAL BRUNSWICK SERVICE CENTER	50,000	
HICKORY HILL SERVICE CENTER		
HHSC Service Center Roof Replacement	433,784	16-9
Replace Canopy roofs	9,000	16-10
TOTAL HICKORY HILL SERVICE CENTER	442,784	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2026

GAS DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
GENERAL PLANT (Continued)		
ADMINISTRATION BUILDING		
Administration Building Upgrades & renovations (elevator modernization)	300,000	17-1
TOTAL ADMINISTRATION BUILDING	300,000	
CHOCTAW		
New Concrete Wash Bay Area	500,000	17-2
Roof Replacement, Wing B - 14,352 sf	17,000	17-3
Roof Replacement, Wing A - 13,605 sf	16,000	17-4
Roof Replacement, South Canopy - 1,173 sf	1,800	17-5
TOTAL CHOCTAW SERVICE CENTER	534,800	
NEW BUILDING		
Engineering & Operations Building 130,000 sq. ft.	4,400,000	17-6
TOTAL NEW BUILDING	4,400,000	
TOTAL BUILDINGS & STRUCTURES	8,829,584	
GAS - SECURITY AUTOMATION	450,000	17-7
GAS - AUDIOVISUAL	95,400	17-8
GAS - TOOLS & EQUIPMENT COMMON	191,221	17-9
GAS - TOOLS & EQUIPMENT	125,446	17-10
FLEET CAPITAL COMMON POWER OPERATED EQUIP	834,358	17-11
FLEET CAPITAL COMMON TRANSPORTATION EQUIP	3,640,965	17-12
FLEET GAS POWER OPERATED EQUIPMENT	1,752,279	17-13
FLEET GAS TRANSPORTATION EQUIPMENT	2,122,623	17-14
COMMUNITY OFFICE KIOSKS	374,000	17-15
ALTERNATIVE FUELING STRUCTURE	48,600	17-16
CONTINGENCY FUNDS - GENERAL PLANT	200,000	17-17
TOTAL GENERAL PLANT	18,664,476	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL CARRYOVER SUMMARY*
FOR CALENDAR YEAR OF 2026

GAS DIVISION

CAPITAL CARRYOVER CATEGORY	CARRYOVER AMOUNT
Buildings & Structures	5,168,784
Distribution System	4,672,500
Power Operated and Transportation Equipment	2,259,893
Production System	972,000
Audiovisual	42,500
TOTAL CAPITAL CARRYOVER SUMMARY	13,115,677

*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 2026 Budget.

WATER DIVISION

MEMPHIS LIGHT, GAS AND WATER DIVISION
INCOME, EXPENSE, AND CHANGES IN NET POSITION COMPARISON
2024 THROUGH 2026

WATER DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2024 ACTUAL	2025 BUDGET	2026 BUDGET	REF. NO.
OPERATING REVENUE				
Sales Revenue	131,100	125,524	124,700	19-1
Revenue Adjustment for Uncollectibles	(2,019)	(1,349)	(2,126)	19-2
Non-Sales Revenue	5,536	5,766	5,619	19-3
OPERATING REVENUE	134,617	129,941	128,193	
OPERATING EXPENSE				
Production Expense	17,886	22,817	24,546	19-4
Distribution Expense	20,773	18,484	21,599	19-5
Customer Accounts Expense	9,387	11,695	12,012	19-6
Customer Service & Information Expense	1,137	1,182	1,337	19-7
Sales Expense	174	277	267	19-8
Administrative & General Expense*	31,695	41,072	42,503	19-9
OPERATING EXPENSE	81,052	95,527	102,264	
MAINTENANCE EXPENSE				
Production Expense	4,673	3,318	4,452	19-10
Distribution Expense	12,233	12,606	10,628	19-11
Administrative & General Expense	6,824	4,627	4,707	19-12
MAINTENANCE EXPENSE	23,730	20,551	19,786	
OTHER OPERATING EXPENSE				
Depreciation Expense	12,014	11,835	13,013	19-13
Payment in Lieu of Taxes	4,700	4,800	4,800	19-14
F.I.C.A. Taxes	639	600	716	19-15
Amortization of Legacy Meters	482	484	484	19-16
Amortization - Right of Use Leases & Subscriptions	1,977	-	-	19-17
OTHER OPERATING EXPENSE	19,813	17,719	19,013	
TOTAL OPERATING EXPENSE	124,595	133,797	141,064	
INCOME				
Operating Income	10,022	(3,856)	(12,871)	19-18
Other Income	7,700	2,237	1,595	19-19
Reduction of Plant Cost Recovered through CIAC	(5,185)	(20,256)	(21,519)	19-20
NET INCOME BEFORE DEBT EXPENSE	12,537	(21,875)	(32,795)	
DEBT EXPENSE				
Interest Expense - Existing Long - Term Debt	4,280	4,264	3,930	19-21
Amortization of Debt Discount & Expense	(982)	(946)	(905)	19-22
TOTAL DEBT EXPENSE	3,297	3,318	3,025	
NET INCOME AFTER DEBT EXPENSE	9,239	(25,193)	(35,819)	
Contributions in Aid of Construction	5,185	20,256	21,519	19-23
CHANGE IN NET POSITION*	14,425	(4,937)	(14,300)	

* 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
2025 THROUGH 2026

WATER DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS		
	2025 BUDGET	2026 BUDGET	DIFFERENCE
OPERATING REVENUE			
Sales Revenue	**125,524**	**124,700**	**(824)**
Revenue Adjustment for Uncollectibles	**(1,349)**	**(2,126)**	**(777)**
Non-Sales Revenue			
Forfeited Discounts	1,685	1,470	(215)
Miscellaneous Service Revenue	2,081	2,087	6
Cross Connection Revenue	1,409	1,422	13
Other Operating Revenue	456	480	24
Rent from Electric/Gas Property	135	160	25
Total Non-Sales Revenue	**5,766**	**5,619**	**(147)**
OPERATING REVENUE	**129,941**	**128,193**	**(1,748)**
OPERATING EXPENSE			
Production Expense			
Chemicals	2,766	2,478	(288)
Operations Production Water Treatment	84	86	2
Fuel or Power Purchased for Pumping	8,948	11,500	2,552
Miscellaneous Expense	3,626	3,279	(347)
Operation Labor and Expenses	6,686	6,488	(198)
Operation Supervision and Engineering	341	347	6
Pumping Labor and Expenses	366	368	2
Total Production Expense	**22,817**	**24,546**	**1,729**
Distribution Expense			
Customer Installation Expenses	3,058	3,127	69
Meter Expenses	1,655	1,263	(392)
Miscellaneous Distribution Expenses [1]	12,747	15,457	2,710
Operation Supervision and Engineering	934	1,149	215
Storage Facilities	121	133	12
Transmission and Distribution Lines	(31)	471	502
Total Distribution Expense	**18,484**	**21,599**	**3,115**
Customer Accounts Expense			
Customer Order, Records and Collection Expenses	8,333	8,752	419
Meter Reading Expenses	3,222	3,121	(101)
Supervision-Customer Accounting and Collection	140	140	(0)
Total Customer Accounts Expense	**11,695**	**12,012**	**317**
Customer Service & Information Expense			
Customer Assistance Expenses	585	586	1
Informational and Instructional Advertising Expenses	284	440	156
Supervision-Customer Service and Information	313	311	(2)
Total Customer Service & Information Expense	**1,182**	**1,337**	**155**
Sales Expense			
Miscellaneous Sales Expenses	277	267	(10)
Total Sales Expense	**277**	**267**	**(10)**

[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
2025 THROUGH 2026

WATER DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2025 BUDGET	2026 BUDGET	DIFFERENCE
OPERATING EXPENSE (Continued)			
Administrative & General Expense			
Administrative and General Salaries	7,062	6,466	(596)
Administration Expenses Transferred to Capital	(2,649)	(3,408)	(759)
Pension Expense	6,031	7,699	1,668
Other Active & Retiree Benefits	7,798	4,297	(3,501)
Other Post Employment Benefits	274	4,603	4,329
Injuries and Damages	1,845	1,333	(512)
Miscellaneous General Expenses [(2)]	7,090	7,067	(23)
Office Supplies and Expenses	2,371	2,230	(141)
Outside Services Employed	7,738	6,351	(1,387)
Property Insurance	691	995	304
Rents-Miscellaneous	2,821	4,869	2,048
Total Administrative & General Expense	**41,072**	**42,503**	**1,431**
OPERATING EXPENSE	**95,527**	**102,264**	**6,737**
MAINTENANCE EXPENSE			
Production Expense			
Maintenance of Pumping Equipment	1,098	1,458	360
Maintenance of Water Treatment Equipment	1,742	1,246	(496)
Maintenance of Wells	314	1,580	1,266
Maintenance Supervision and Engineering	164	168	4
Total Production Expense	**3,318**	**4,452**	**1,134**
Distribution Expense			
Maintenance of Hydrants	1,041	854	(187)
Maintenance of Meters	3,114	3,779	665
Maintenance of Miscellaneous Distribution Plant	32	41	9
Maintenance of Services	1,785	2,282	497
Maintenance of Transmission and Distribution Mains	6,634	3,672	(2,962)
Total Distribution Expense	**12,606**	**10,628**	**(1,978)**
Administrative & General Expense			
Maintenance of General Plant	2,141	2,353	212
Facilities Maintenance Expense	2,486	2,355	(131)
Total Administrative & General Expense	**4,627**	**4,707**	**80**
MAINTENANCE EXPENSE	**20,551**	**19,786**	**(765)**
OTHER OPERATING EXPENSE			
Depreciation Expense	**11,835**	**13,013**	**1,178**
Payment in Lieu of Taxes	**4,800**	**4,800**	**-**
F.I.C.A. Taxes	**600**	**716**	**116**
Amortization of Legacy Meters	**484**	**484**	**0**
Amortization of Leases	**-**	**-**	**-**
OTHER OPERATING EXPENSE	**17,719**	**19,013**	**1,294**
TOTAL OPERATING EXPENSE	**133,797**	**141,064**	**7,267**

[(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
2025 THROUGH 2026

WATER DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS		
	2025 BUDGET	2026 BUDGET	DIFFERENCE
INCOME			
Operating Income	**(3,856)**	**(12,871)**	**(9,015)**
Other Income			
Revenues from Sinking & Other Funds-Interest Income	1,320	870	(450)
Medicare Part D Refund	500	500	-
Miscellaneous Non-Operating Income	417	225	(192)
Expenses of Merchandising, Jobbing & Contracts	(2,979)	(2,979)	-
Revenues from Merchandising, Jobbing & Contracts	2,979	2,979	-
Total Other Income	**2,237**	**1,595**	**(642)**
Reduction of Plant Cost Recovered through CIAC	**(20,256)**	**(21,519)**	**(1,263)**
NET INCOME BEFORE DEBT EXPENSE	**(21,875)**	**(32,795)**	**(10,920)**
DEBT EXPENSE			
Interest Expense - Long-Term Debt			
Interest on Ltd - Series 2014	359	308	(51)
Interest on Ltd - Series 2016	663	610	(53)
Interest on Ltd - Series 2017	768	673	(95)
Interest on Ltd - Series 2020	2,474	2,339	(135)
Total Interest Expense - Long-Term Debt	**4,264**	**3,930**	**(334)**
Amortization of Debt Discount & Expense			
Amortization of Debt Disc & Exp - Series 2014	(37)	(34)	3
Amortization of Debt Disc & Exp - Series 2016	(133)	(125)	8
Amortization of Debt Disc & Exp - Series 2017	(153)	(142)	11
Amortization of Debt Disc & Exp - Series 2020	(623)	(605)	18
Total Amortization of Debt Discount & Expense	**(946)**	**(905)**	**22**
TOTAL DEBT EXPENSE	**3,318**	**3,025**	**(312)**
NET INCOME AFTER DEBT EXPENSE	**(25,193)**	**(35,819)**	**(10,608)**
Contributions in Aid of Construction	**20,256**	**21,519**	**1,263**
CHANGE IN NET POSITION	**(4,937)**	**(14,300)**	**(9,363)**

MEMPHIS LIGHT, GAS AND WATER DIVISION
SOURCE AND APPLICATION OF FUNDS
2026 BUDGET
(THOUSANDS OF DOLLARS)

WATER DIVISION

		REF. NO,
SOURCE OF FUNDS:		
FROM OPERATIONS:		
Change in Net Position	(14,300)	20-1
Non-Cash Charges to Income:		
Depreciation Charged to Operating Income	13,013	20-2
Depreciation Charged to Other Accounts	495	20-3
Amortization of Legacy Meters	484	20-4
Amortization of Leases	-	20-5
TOTAL FUNDS FROM OPERATIONS	(308)	
Salvage	84	20-6
TOTAL FUNDS AVAILABLE	(225)	
APPLICATION OF FUNDS:		
Capital Expenditures	58,491	20-7
Costs of Removal and Other Charges to the Reserve for Depreciation	1,243	20-8
Retirement of Long-Term Debt	4,785	20-9
TOTAL APPLICATION OF FUNDS	64,519	
INCREASE (DECREASE) IN WORKING CAPITAL	(64,744)	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL EXPENDITURES COMPARISON
FOR CALENDAR YEAR OF 2026

WATER DIVISION

DESCRIPTION	THOUSANDS OF DOLLARS 2024 Actual	2025 BUDGET	2026 BUDGET	REF. NO.
PRODUCTION SYSTEM				
WATER - PUMPING STATIONS	9,214	44,262	33,870	21-1
WATER - UNDERGROUND STORAGE RESERVOIRS	127	83	2,500	21-2
WATER - PRODUCTION WELLS	11,036	14,563	10,650	21-3
WATER - LAND PURCHASE	(3)	167	150	21-4
WATER - OPERATIONS MAINTENANCE	(1,583)	1,252	1,500	21-5
Contingency Fund - Production System	-	42	50	21-6
SUBTOTAL - PRODUCTION SYSTEM	18,791	60,369	48,720	
WATER - BUILDINGS & STRUCTURES	465	2,895	4,286	21-7
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	-	(15,971)	(20,221)	21-8
TOTAL PROD. SYSTEM - BLDGS. & STRUCT.	19,256	47,293	32,785	
DISTRIBUTION SYSTEM				
WATER - RESIDENTIAL SERVICE IN S/D	176	354	269	21-9
WATER - RESIDENTIAL SERVICE NOT IN S/D	379	509	619	21-10
WATER - RESIDENTIAL S/D	194	334	286	21-11
WATER - APARTMENTS	8	8	9	21-12
WATER - GENERAL POWER SERVICE	2,794	3,740	2,372	21-13
WATER - RELOCATE AT CUSTOMER REQUEST	200	246	272	21-14
WATER - STREET IMPROVEMENTS	6,801	5,029	4,350	21-15
WATER - NEW WATER MAIN	440	2,169	2,499	21-16
WATER - LEAD SERVICE REPLACEMENT	2,662	8,554	10,530	21-17
WATER - STORM RESTORATION	936	-	-	21-18
WATER - PURCHASE OF METERS	542	4,163	10,039	21-19
WATER - PLANNED MAINTENANCE	4,342	3,338	4,000	21-20
WATER - BOOSTER STATIONS	-	416	500	21-21
WATER - EMERGENCY MAINTENANCE	3,441	2,950	3,605	21-22
CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)	(4,006)	(4,285)	(1,298)	21-23
TOTAL - DISTRIBUTION SYSTEM	18,909	27,525	38,052	
GENERAL PLANT				
WATER - BUILDINGS & STRUCTURE	186	38	45	21-24
WATER - SECURITY AUTOMATION	-	43	704	21-25
WATER - TOOLS & EQUIPMENT	52	43	57	21-26
WATER - FLEET CAPITAL POWER OPERATED EQUIP	919	233	1,001	21-27
WATER - FLEET CAPITAL WATER TRANSPORTATION EQUIP	742	1,992	1,641	21-28
WATER - IS/IT PROJECTS	-	-	-	21-29
MISCELLAENOUS CAPITAL (SIMULATOR)	-	234	280	21-30
WATER - CONTINGENCY FUND	-	167	200	21-31
TOTAL - GENERAL PLANT	1,899	2,750	3,928	
TOTAL - WATER DIVISION CATEGORIES	40,063	77,568	74,765	
Delayed Cost Allocations	(2,360)	-	(16,274)	21-32
TOTAL - WATER DIVISION	37,704	77,568	58,491	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2026

WATER DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
PRODUCTION SYSTEM		
PUMPING STATIONS		
Allen Pumping Station		
Generator Upgrades	1,510,000	22-1
Total Allen Pumping Station	1,510,000	
Davis Pumping Station		
Filter Media Rehab and Replacement (Station Rehab) (CO)	4,000,000	22-2
Station Rehabilitation (CO)	250,000	22-3
VFD, Motor & Transformer Replacements	100,000	22-4
Total Davis Pumping Station	4,350,000	
Lichterman Pumping Station		
Station Rehabilitation (CO)	250,000	22-5
VFD, Motor & Transformer Replacements	150,000	22-6
Total Lichterman Pumping Station	400,000	
LNG Pumping Station		
Station Rehabilitation	250,000	22-7
Total LNG Pumping Station	250,000	
Mallory Pumping Station		
Filter Media Rehab and Replacement (Station Rehab) (CO)	4,800,000	22-8
Generator Upgrades	1,510,000	22-9
Station Rehabilitation	250,000	22-10
Total Mallory Pumping Station	6,560,000	
McCord Pumping Station		
Filter Media Rehabilitation and Replacement (Station Rehab)	3,000,000	22-11
Station Rehabilitation	400,000	22-12
Total McCord Pumping Station	3,400,000	
Morton Pumping Station		
Filter Media Rehabilitation and Replacement (Station Rehab)	7,000,000	22-13
Station Rehabilitation	250,000	22-14
VFD, Motor & Transformer Replacements	150,000	22-15
Total Morton Pumping Station	7,400,000	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2026

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)	7,000,000	23-2
Station Rehabilitation	250,000	23-3
Total Shaw Pumping Station	7,250,000	
Sheehan Pumping Station		
Medium Voltage Breaker & Switchgear Replacements	850,000	23-4
Station Rehabilitation (CO)	250,000	23-5
Total Sheehan Pumping Station	1,100,000	
Miscellaneous Pumping Facilities		
Engineering Services Contract (CO)	1,100,000	23-6
Water Operations Capital Items (CO)	300,000	23-7
Total Miscellaneous Pumping Facilities	1,400,000	
TOTAL PUMPING STATIONS	33,870,000	
UNDERGROUND STORAGE RESERVOIRS		
Allen Pumping Station	2,500,000	23-8
Total Underground Storage Reservoirs	2,500,000	
PRODUCTION WELLS		
Sheehan Pumping Station - Construct/Replace Well	3,400,000	23-9
Davis Pumping Station - Construct/Replace Well	3,400,000	23-10
McCord Pumping Station - Construct/Replace Well	1,700,000	23-11
Shaw Pumping Station - Construct/Replace Well	1,700,000	23-12
Miscellaneous Pumping Facilities- Abandon Wells	450,000	23-13
TOTAL PRODUCTION WELLS	10,650,000	
OPERATIONS MAINTENANCE	1,500,000	23-14
LAND PURCHASE	150,000	23-15

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2026

WATER DIVISION

DESCRIPTION	IN BUDGET YEAR	REF. NO.
BUILDINGS AND STRUCTURES		
McCord Pumping Station		
New Mechanical Maintenance and Special Storage Building	3,000,000	24-1
Reroof Main Building (15930 sf)	454,000	24-2
Aerator Bldg: Replace Roof (6825 sf)	200,000	24-3
Allen Pumping Station		
Roof Replacements (design and construction	325,000	24-4
Mallory Pumping Station		
Roof Replacements (Design/Construction) Filter Building	172,000	24-5
Replace Site Paving	75,000	24-6
Shaw Pumping Station		
Roof Replacement	33,000	24-7
Lichterman Pumping Station		
Roof Replacement-Pump Building	15,000	24-8
Roof Replacement-Aerator Bldg	12,000	24-9
Total Building and Structure	4,286,000	
CONTINGENCY FUND - PRODUCTION SYSTEM	50,000	24-10
CONTRIBUTION IN AID OF CONSTRUCTION	(20,220,992)	24-11
TOTAL PRODUCTION SYSTEM	32,785,008	

MEMPHIS LIGHT, GAS AND WATER DIVISION
SELECT CAPITAL EXPENDITURE BUDGETS
FOR CALENDAR YEAR OF 2026

WATER DIVISION **PAGE 25**

DESCRIPTION	IN BUDGET YEAR	REF. NO.
DISTRIBUTION SYSTEM - MAJOR PROJECTS		
NEW WATER MAIN		
Collecting Main Installation	1,500,000	25-1
Main Replacement Projects	300,000	25-2
Large Main Extensions	300,000	25-3
Major Valve Replacements/Additions	200,000	25-4
Miscellaneous Projects - Reimbursable	148,679	25-5
Minor Systems Improvements	50,000	25-6
TOTAL NEW WATER MAIN	2,498,679	
STREET IMPROVEMENTS		
City of Lakeland Projects	2,250,000	25-7
City of Memphis Projects	1,350,000	25-8
Shelby County Projects	550,000	25-9
City of Arlington Projects	100,000	25-10
TDOT Projects	100,000	25-11
TOTAL STREET IMPROVEMENTS	4,350,000	
LEAD REPLACEMENT	10,530,000	25-12
TOTAL DISTRIBUTION SYSTEM-MAJOR PROJECTS	17,378,679	
WATER-BUILDING/STRUCTURES	45,000	25-13
WATER - SECURITY AUTOMATION	704,000	25-14
WATER - FLEET CAPITAL POWER OPERATED EQUIP	1,001,191	25-15
WATER - FLEET CAPITAL WATER TRANSPORTATION EQUIP	1,641,240	25-16
WATER - WATER TOOLS AND EQUIPMENT	56,890	25-17
MISCELLAENOUS CAPITAL (SIMULATOR)	280,000	25-18
CONTINGENCY FUNDS	200,000	25-19
TOTAL GENERAL PLANT	3,928,321	

MEMPHIS LIGHT, GAS AND WATER DIVISION
CAPITAL CARRYOVER SUMMARY*
FOR CALENDAR YEAR OF 2026

WATER DIVISION

CAPITAL CARRYOVER CATEGORY	CARRYOVER AMOUNT
Production	12,915,000
Buildings & Structures	3,185,000
Power Transportation Equipment	444,476
Land Purchase/Property	150,000
TOTAL CAPITAL CARRYOVER SUMMARY	16,694,476

*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 2026 Budget.

MLGW

2025 - 2030 CAPITAL IMPROVEMENT PROGRAM

ELECTRIC DIVISION

DESCRIPTION	2025 BUDGET	2026 BUDGET	2027 PROJECTION	2028 PROJECTION	2029 PROJECTION	2030 PROJECTION
PRODUCTION						
Distributive Energy Resource	$ 61,875,000	$ -	$ -	$ -	$ -	$ -
TOTAL - PRODUCTION	**$ 61,875,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
SUBSTATION AND TRANSMISSION						
Substation	$ 24,593,078	$ 26,804,644	$ 41,611,056	$ 39,737,413	$ 26,942,413	$ 22,930,000
Substation Circuit Breakers	$ 3,200,000	$ 5,200,000	$ 5,200,000	$ 5,200,000	$ 5,200,000	$ 5,200,000
Substation Transformers	$ 4,756,291	$ 7,500,000	$ 7,487,787	$ 7,500,000	$ 7,500,000	$ 7,500,000
Transmission Lines	$ 6,493,658	$ 4,564,458	$ 1,400,000	$ 1,325,000	$ 1,325,000	$ 1,050,000
CONTRIBUTIONS IN AID OF CONSTRUCTION	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL-SUBSTATION & TRANSMISSION	**$ 39,043,027**	**$ 44,069,102**	**$ 55,698,843**	**$ 53,762,413**	**$ 40,967,413**	**$ 36,680,000**
DISTRIBUTION SYSTEM						
Apartments	$ 778,058	$ 1,188,487	$ 1,236,027	$ 1,273,107	$ 1,311,301	$ 1,350,640
Def. Cable/Trans Replace	$ 14,300,000	$ 16,800,000	$ 16,800,000	$ 16,800,000	$ 16,800,000	$ 16,800,000
Demolition	$ 168,004	$ 165,000	$ 169,950	$ 175,049	$ 180,300	$ 185,709
Emergency Maintenance	$ 8,000,000	$ 8,160,000	$ 8,323,200	$ 8,489,664	$ 8,659,457	$ 8,832,646
General Power Service	$ 5,559,538	$ 5,534,193	$ 5,743,560	$ 5,906,867	$ 6,075,073	$ 6,248,325
General Power Service S/D	$ 289,771	$ 1,182,639	$ 1,229,945	$ 1,266,843	$ 1,304,848	$ 1,343,994
Mobile Home Park	$ 421,460	$ -	$ -	$ -	$ -	$ -
Leased Outdoor Lighting	$ 2,006,925	$ 6,000,000	$ 16,000,000	$ 16,000,000	$ 11,000,000	$ 1,500,000
Duct Line Lease	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000
Distribution Automation	$ 8,000,000	$ 15,000,000	$ 15,000,000	$ 15,000,000	$ 15,000,000	$ 15,000,000
Line Reconstruction	$ 18,375,000	$ 8,875,000	$ 9,375,000	$ 12,375,000	$ 12,375,000	$ 11,375,000
Multiple-Unit Gen Power	$ 364,766	$ 301,741	$ 313,810	$ 323,224	$ 332,921	$ 342,909
New Circuits	$ 13,090,000	$ 11,700,000	$ 13,000,000	$ 10,345,000	$ 3,150,000	$ 5,400,000
Voltage Conversion	$ -	$ -	$ -	$ 1,000,000	$ 1,000,000	$ 1,000,000
Operations Maintenance	$ -	$ -	$ -	$ -	$ -	$ -
Planned Maintenance	$ 9,500,000	$ 9,880,000	$ 10,275,200	$ 10,686,208	$ 11,113,656	$ 11,558,203
Distribution Pole Replacement	$ 3,500,000	$ 2,500,000	$ 2,000,000	$ 1,500,000	$ 1,500,000	$ 1,500,000
ELEC - OMNI MAINTENANCE	$ 5,000,000	$ 6,000,000	$ 6,000,000	$ 4,000,000	$ 3,000,000	$ 2,000,000
Tree Trimming	$ 10,000	$ -	$ -	$ -	$ -	$ -
Relocate at Customer Req	$ 1,832,364	$ 3,669,700	$ 3,816,488	$ 3,930,983	$ 4,048,912	$ 4,170,379
Residential S/D	$ 2,090,150	$ 1,762,052	$ 1,832,534	$ 1,887,510	$ 1,944,136	$ 2,002,460
Residential Svc in S/D	$ 2,205,854	$ 762,806	$ 793,318	$ 817,118	$ 841,632	$ 866,881
Residential Svc not S/D	$ 4,014,466	$ 3,024,619	$ 3,145,603	$ 3,239,972	$ 3,337,171	$ 3,437,286
JT-Resident S/D	$ 4,254,678	$ 4,873,007	$ 5,067,927	$ 5,219,965	$ 5,376,564	$ 5,537,860
JT-Resident Svc not S/D	$ -	$ -	$ -	$ -	$ -	$ -
JT-Residential Svc in S/D	$ 1,653,057	$ 864,672	$ 899,259	$ 926,237	$ 954,024	$ 982,644
JT-Apartments	$ 21,632	$ -	$ -	$ -	$ -	$ -
Shared Use contract	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 20,000	$ 20,000
Street Improvements	$ 6,425,920	$ 6,775,000	$ 1,000,000	$ 1,350,000	$ 1,000,000	$ 1,000,000
Street Light Maintenance	$ 3,750,000	$ 3,750,000	$ 3,750,000	$ 3,750,000	$ 3,750,000	$ 3,750,000
Street Lights Install	$ 9,881,797	$ 3,205,069	$ 3,301,221	$ 3,400,258	$ 3,502,266	$ 3,607,334
Temporary Service	$ 672,156	$ 388,745	$ 404,295	$ 416,424	$ 428,917	$ 441,784
Previously Capitalized items - Capacitor Banks	$ 1,000,000	$ -	$ -	$ -	$ -	$ -
Previously Capitalized Items - Transformers	$ 15,000,000	$ 15,000,000	$ 15,000,000	$ 15,000,000	$ 15,000,000	$ 15,000,000
Previously Capitalized Items - Meters	$ 1,995,630	$ 1,501,400	$ 1,081,960	$ 1,136,058	$ 1,192,818	$ 1,505,243
Contributions in Aid of Construction	$ (27,561,873)	$ (17,581,383)	$ (14,172,739)	$ (14,708,399)	$ (15,134,801)	$ (15,573,995)
TOTAL - DISTRIBUTION SYSTEM	**$ 117,174,353**	**$ 121,857,747**	**$ 131,961,558**	**$ 132,082,088**	**$ 119,139,195**	**$ 111,260,302**
GENERAL PLANT						
Purchase of Land	$ 450,000	$ 750,000	$ 450,000	$ 500,000	$ 500,000	$ 650,000
Buildings/Structures	$ 12,666,400	$ 16,186,650	$ 39,580,194	$ 27,860,000	$ 1,000,000	$ 1,072,000
Capital Security Automation	$ 1,088,403	$ 2,088,403	$ 350,000	$ 1,240,000	$ 740,000	$ 1,000,000
Lab and Test	$ 386,882	$ 355,771	$ 373,560	$ 392,238	$ 411,849	$ 432,442
Tools and Equipment	$ -	$ -	$ -	$ -	$ -	
Utility Monitoring	$ 6,430,150	$ 6,659,410	$ 4,225,000	$ 2,900,000	$ 2,975,000	$ 625,000
Communication Equip	$ 171,093	$ 176,225	$ 181,511	$ 186,956	$ 192,564	$ 198,340
Communication Towers	$ 350,000	$ 500,000	$ 375,000	$ 100,000	$ 100,000	$ 100,000
Telecommunication Network	$ 15,700,000	$ 20,300,000	$ 15,400,000	$ 16,100,000	$ 11,100,000	$ 6,100,000
Fleet Capital Power Operated Equipment	$ 4,881,819	$ 12,243,082	$ 12,732,805	$ 13,242,117	$ 13,771,802	$ 14,322,674
Transportation Equipment	$ 9,778,564	$ 3,618,704	$ 3,763,452	$ 3,913,990	$ 4,070,550	$ 4,233,372
Data Processing	$ 17,140,791	$ 18,352,160	$ 10,833,435	$ 7,990,000	$ 4,640,000	$ 7,740,000
IS/IT Projects	$ -	$ -	$ -	$ -	$ -	
CIS Development	$ -	$ 3,375,000	$ 33,750,000	$ 23,625,000	$ 20,250,000	$ -
Business Continuity	$ 200,000	$ -	$ -	$ -	$ -	$ -
Contingency Fund - General Plant	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
Delayed Cost Allocations	$ (57,507,296)	$ (58,077,344)	$ (70,223,200)	$ (65,397,014)	$ (52,932,850)	$ (46,200,849)
TOTAL - ELECTRIC DIVISION	**$ 230,029,186**	**$ 192,654,910**	**$ 239,652,158**	**$ 218,697,788**	**$ 167,125,523**	**$ 138,413,281**

2026 GAS 5-YEAR CAPITAL IMPROVEMENT PROGRAM

GAS DIVISION

DESCRIPTION	2025 BUDGET	2026 BUDGET	2027 PROJECTION	2028 PROJECTION	2029 PROJECTION	2030 PROJECTION
PRODUCTION SYSTEM						
LNG - Processing Facilities	$ 972,000	$ 1,106,300	$ 8,500,000	$ 6,500,000	$ 1,000,000	$ 1,000,000
CNG Stations	$ -	$ -	$ -	$ -		
TOTAL PRODUCTION SYSTEM	**$ 972,000**	**$ 1,106,300**	**$ 8,500,000**	**$ 6,500,000**	**$ 1,000,000**	**$ 1,000,000**
DISTRIBUTION SYSTEM						
Apartments	$ 86,340	$ 194,646	$ 202,432	$ 208,505	$ 214,760	$ 221,202
Demolition	$ 20,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000
Emergency Maintenance	$ 1,674,696	$ 1,708,190	$ 1,742,354	$ 1,777,201	$ 1,830,517	$ 1,885,433
Gas Main-Svc Repl (DOT)	$ 7,659,500	$ 9,128,500	$ 9,078,500	$ 9,078,500	$ 9,078,500	$ 9,078,500
Gate Stations	$ -	$ 150,000	$ 5,000,000	$ 150,000	$ 2,000,000	$ 2,000,000
General Power S/D	$ -	$ 97,322	$ 101,215	$ 104,252	$ 107,379	$ 110,601
General Power Service	$ 5,603,255	$ 3,207,717	$ 1,814,026	$ 1,507,947	$ 1,553,185	$ 1,599,781
Multiple-Unit Gen Power	$ 201,380	$ 64,531	$ 67,113	$ 69,126	$ 71,200	$ 73,336
New Gas Main	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Trans Pipeline/Facilities	$ 29,685,500	$ 750,000	$ 1,750,000	$ 1,250,000	$ 1,250,000	$ 1,250,000
Purchase of Land	$ 100,000	$ 250,000	$ 250,000	$ 300,000	$ 300,000	$ 400,000
Planned Maintenance	$ 3,760,745	$ 3,835,955	$ 3,912,674	$ 3,990,927	$ 4,110,655	$ 4,233,975
Regulator Stations	$ 1,000,000	$ 670,000	$ 550,000	$ 550,000	$ 550,000	$ 550,000
Relocate at Customer Req	$ 474,075	$ 810,218	$ 842,626	$ 867,905	$ 893,942	$ 920,761
Residential Svc in S/D	$ 35,344	$ 15,731	$ 16,361	$ 16,851	$ 17,357	$ 17,878
Residential Svc not S/D	$ 1,489,657	$ 2,216,466	$ 2,305,125	$ 2,374,279	$ 2,445,507	$ 2,518,872
Residential S/D	$ -	$ 43,600	$ 45,344	$ 46,704	$ 48,105	$ 49,548
Street Improvements	$ 4,513,505	$ 4,615,300	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
JT-Resident S/D	$ 1,420,626	$ 2,006,052	$ 2,086,294	$ 2,148,883	$ 2,213,349	$ 2,279,750
JT-Resident Svc not S/D	$ -	$ -	$ -	$ -	$ -	$ -
JT-Resident in S/D	$ 751,883	$ 459,164	$ 477,531	$ 491,857	$ 506,612	$ 521,811
JT-Apartments	$ 6,490	$ -	$ -	$ -	$ -	$ -
Previously Capitalized Items - Meters & Metering Equipment	$ 4,751,472	$ 8,454,773	$ 5,811,872	$ 3,688,937	$ 3,829,943	$ 4,158,365
Contributions in Aid of Construction	$ (10,878,509)	$ (4,497,933)	$ (3,155,850)	$ (2,890,026)	$ (2,976,726)	$ (3,066,028)
TOTAL DISTRIBUTION SYSTEM	**$ 52,605,959**	**$ 34,500,232**	**$ 34,217,617**	**$ 27,051,848**	**$ 29,364,285**	**$ 30,123,785**
GENERAL PLANT						
Buildings/Structures	$ 28,823,000	$ 8,829,584	$ 29,364,000	$ 5,154,488	$ 1,187,000	$ 456,000
Capital Security Automation	$ 430,000	$ 450,000	$ 60,000	$ 100,000	$ 500,000	$ -
Furniture & Fixtures	$ 600,000	$ -	$ 600,000	$ 625,000	$ 650,000	$ 675,000
Audiovisual	$ 58,547	$ 95,400	$ 125,400	$ 155,400	$ 155,400	$ 155,400
Tools and Equipment	$ -	$ 125,446	$ 137,991	$ 151,790	$ 166,969	$ 183,666
Tools and Equipment - Common	$ 400,444	$ 191,221	$ 210,343	$ 231,377	$ 254,515	$ 279,967
Fleet Capital Transportation & Power Operated Equipment - Gas	$ 3,336,558	$ 3,874,902	$ 4,029,898	$ 4,191,094	$ 4,358,738	$ 4,533,087
Fleet Capital Transportation Equipment & Power Operated Equipment - Common	$ 5,919,758	$ 4,475,323	$ 4,654,336	$ 4,840,509	$ 5,034,130	$ 5,235,495
Automated Fueling Structure	$ -	$ 48,600	$ -	$ -	$ -	$ -
IS/IT Projects	$ -	$ -	$ -	$ -	$ -	$ -
Community Office Kiosks	$ -	$ 374,000	$ -	$ -	$ -	$ -
Contingency Fund - General Plant	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
TOTAL - GENERAL PLANT	**$ 39,768,307**	**$ 18,664,476**	**$ 39,381,968**	**$ 15,649,658**	**$ 12,506,752**	**$ 11,718,615**
Delayed Cost Allocations	$ (18,669,253)	$ (15,029,314)	$ (20,762,034)	$ (14,356,103)	$ (13,270,641)	$ (13,452,771)
TOTAL - GAS DIVISION	**$ 74,677,013**	**$ 39,241,694**	**$ 61,337,551**	**$ 34,845,403**	**$ 29,600,396**	**$ 29,389,629**

2026 WATER 5-YEAR CAPITAL IMPROVEMENT PROGRAM

DESCRIPTION	2025 BUDGET	2026 BUDGET	2027 PROJECTION	2028 PROJECTION	2029 PROJECTION	2030 PROJECTION
PRODUCTION SYSTEM						
Production Wells	$ 14,563,123	$ 10,650,000	$ 10,650,000	$ 10,650,000	$ 10,650,000	$ 10,650,000
Pumping Stations	$ 44,261,878	$ 33,870,000	$ 34,750,000	$ 53,050,000	$ 33,450,000	$ 14,500,000
Underground Storage Reservoirs	$ 83,456	$ 2,500,000	$ 2,500,000	$ -	$ 4,250,000	$ 14,000,000
Purchase of Land	$ 166,913	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 250,000
Operations Maintenance	$ 1,251,844	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000
Contingency Fund - Production system	$ 41,728	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ -
Contributions in Aid of Construction	$ (15,970,992)	$ (20,220,992)	$ -	$ -	$ -	$ -
SUBTOTAL - PRODUCTION SYSTEM	**$ 44,397,950**	**$ 28,499,008**	**$ 49,600,000**	**$ 65,400,000**	**$ 50,050,000**	**$ 40,900,000**
SUBTOTAL - BLDGS. AND STRUCTURES	$ 2,895,099	$ 4,286,000	$ 3,912,000	$ 750,000	$ 334,000	$ 1,576,000
TOTAL PROD. SYSTEM w/BLDGS & STRUCT.	**$ 47,293,049**	**$ 32,785,008**	**$ 53,512,000**	**$ 66,150,000**	**$ 50,384,000**	**$ 42,476,000**
DISTRIBUTION SYSTEM						
Apartments	$ 7,698	$ 8,819	$ 9,171	$ 9,447	$ 9,730	$ 10,022
Emergency Maintenance	$ 2,949,538	$ 3,604,916	$ 3,677,014	$ 3,750,554	$ 3,825,565	$ 3,902,077
General Power Service	$ 3,739,932	$ 2,371,852	$ 2,466,726	$ 2,540,727	$ 2,616,949	$ 2,695,458
New Water Main	$ 2,168,783	$ 2,498,679	$ 2,248,653	$ 2,248,626	$ 2,248,598	$ 2,248,570
Lead Service Replacement	$ 8,554,270	$ 10,530,000	$ 10,530,000	$ 10,530,000	$ 10,530,000	$ 10,530,000
Planned Maintenance	$ 3,338,252	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000
Booster Stations	$ 417,281	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
Relocate at Customer Req	$ 246,438	$ 272,335	$ 283,228	$ 291,725	$ 300,477	$ 309,491
Residential S/D	$ 333,995	$ 285,905	$ 297,341	$ 306,261	$ 315,448	$ 324,912
Residential Svc in S/D	$ 353,616	$ 268,957	$ 279,716	$ 288,107	$ 296,750	$ 305,653
Residential Svc not S/D	$ 509,371	$ 619,075	$ 643,838	$ 663,153	$ 683,048	$ 703,539
Street Improvements	$ 5,029,178	$ 4,350,000	$ 2,200,000	$ 2,050,000	$ 2,050,000	$ 2,050,000
Previously Capitalized Items - Meters	$ 4,162,779	$ 10,039,308	$ 10,541,271	$ 11,068,316	$ 11,621,732	$ 12,202,819
Contributions in Aid of Construction	$ (4,285,760)	$ (1,298,083)	$ (1,344,006)	$ (1,379,826)	$ (1,416,721)	$ (1,454,723)
TOTAL - DISTRIBUTION SYSTEM	**$ 27,525,371**	**$ 38,051,763**	**$ 36,332,952**	**$ 36,867,090**	**$ 37,581,576**	**$ 38,327,818**
GENERAL PLANT						
Buildings/Structures	$ 37,555	$ 45,000	$ 900,000	$ -	$ -	$ -
Capital Security Automation	$ 43,264	$ 704,000	$ 950,000	$ 220,000	$ -	$ -
Fleet Capital Power Operated Equipment	$ 232,580	$ 1,001,191	$ 1,041,239	$ 1,082,888	$ 1,126,204	$ 1,171,252
Transportation Equipment	$ 1,992,271	$ 1,641,240	$ 1,706,890	$ 1,775,165	$ 1,846,172	$ 1,920,019
Tools and Equipment	$ 43,291	$ 56,890	$ 62,579	$ 68,837	$ 75,721	$ 83,293
Contingency Fund - General Plant	$ 166,913	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
Miscellaneous Request (Simulator)	$ 233,678	$ 280,000	$ -	$ -	$ -	$ -
TOTAL - GENERAL PLANT	**$ 2,749,552**	**$ 3,928,321**	**$ 4,860,708**	**$ 3,346,890**	**$ 3,248,097**	**$ 3,374,564**
Delayed Cost Allocations	$ -	$ (16,274,234)	$ (20,315,196)	$ (22,701,823)	$ (19,728,923)	$ (18,381,312)
TOTAL - WATER DIVISION	**$ 77,567,972**	**$ 58,490,858**	**$ 74,390,464**	**$ 83,662,157**	**$ 71,484,750**	**$ 65,797,070**

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.

NOTES FOR PAGE 4–INCOME & EXPENSE COMPARISON (Continued)

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.

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.
4-23=4	**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 Issuance**	Expected debt issuance in the Electric Division for the 2025 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

Production System

6-1	**Distributive Energy Resource**	Please see Appendix 7-1

Substation and Transmission

6-2	**Substation**	Please see Appendix 7-2 through 7-16.
6-3	**Substation Transformers Replacement**	Please see Appendix 7-17 through 7-18.
6-4	**Substation Circuit Breakers Replacement**	Please see Appendix 7-19 through 7-23.
6-5	**Transmission Lines**	Please see Appendix 8-1 through 8-8.
6-6	**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. Please see Appendix 8-12.

Distribution Svstem
Major Projects

6-7	**Residential Service in S/D**	All subdivisions that are fed internally by overhead electric primary lines.
6-8	**Residential Service Not in S/D**	Property not in subdivisions fed internally by overhead electric primary lines.
6-9	**Residential S/D**	Other property not in subdivisions fed internally by overhead electric primary lines.
6-10	**Apartments**	All apartments and mobile home communities that are fed internally by overhead electric primary lines.
6-11	**General Power Service**	Commercial properties that are fed internally by overhead or underground electric primary lines
6-12	**General Power S/D**	Commercial properties in subdivisions that are fed internally by overhead or underground electric primary lines
6-13	**Mobile Home Park**	All apartments and mobile home communities that are fed internally by overhead electric primary lines. No expenditures for the 2024 budget year.
6-14	**Temporary Service**	Services used for temporary construction.
6-15	**Multiple Unit General Power**	Commercial properties and apartments that are fed internally by overhead or underground electric primary lines
6-16	**Relocate At Customer Request**	This budget category provides for the expenses incurred at customers request for facilities to be relocated.
6-17	**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 8-26 through 8-38.
6-18	**New Circuits**	Please see Appendix 8-11 through 8-23.
6-19	**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.
6-20	**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.
6-21	**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.
6-22	**PMNI Maintenance**	This category is the Planned Maintenance Neighborhood Initiative program developed to make improvements in the various historical Memphis communities to improve reliability and resiliency.
6-23	**Distribution Automation**	To install communications and hardware to allow for remote/automated operation to provide for more advanced restoration capabilities.

NOTES FOR PAGE 6–CAPITAL EXPENDITURES (Continued)

Major Projects (Continued)

6-24	**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.
6-25	**Demolition**	The budget includes demolition work.
6-26	**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.
6-27	**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.
6-28	**Tree Trimming**	Trim or remove trees interfering with overhead lines.
6-29	**Operations Maintenance**	No expenditures planned for the 2024 budget year.
6-30	**Leased Outdoor Lighting (LOL)**	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.
6-31	**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.
6-32	**Shared Use Contract**	To account for small cell pole attachments.
6-33	**Duct Line Lease**	To account for leasing available duct line for fiber cable.
6-34	**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.
6-35	**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).
6-36	**JT-Residential Service Not 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).
6-37	**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).
6-38	**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).
6-39	**PCI-Capacitor Banks**	Enhances the electrical supply quality and power systems efficiency
6-40	**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.
6-41	**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.
6-42	**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

6-43	**Buildings and Structures**	Please see Appendix 9-14 through 10-6.
6-44	**Security Automation**	Please see Appendix 10-7.
6-45	**Land Purchase**	Please see Appendix 9-13.
6-46	**Fleet Capital Power Operated**	Please see Appendix 10-8.
6-47	**Transportation Equipment**	Please see Appendix 10-9.
6-48	**Lab & Test**	Please see Appendix 10-11.
6-49	**Communication Equipment**	Please see Appendix 10-10.
6-50	**Communication Towers**	Please see Appendix 10-12.
6-51	**Telecommunication Network**	Please see Appendix 10-13 through 10-18.
6-52	**Utility Monitoring**	Please see Appendix 11-1.
6-53	**Business Continuity**	Please see Appendix 11-2
6-54	**Data Processing Equipment**	Please see Appendix 11-3 through 11-13.
6-55	**IS/IT Projects**	No expenditures planned for the 2025 budget year.
6-56	**Customer Information System (CIS) Development**	No expenditures planned for the 2025 budget year.
6-57	**Contingency Fund**	Please see Appendix 11-14.
6-58	**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

Production

7-1	**Generation/Solar/Battery Storage**		Provides cheaper power, a better-quality grid, and cleaner power with lower emissions—oil reciprocating engines. Energy produced at one time for use at a later time to reduce imbalances between energy demand and production.

Substation & Transmission

Substation

7-2	**Install Substation 83 161/23kV Facilities**	**Description/Location**	Various locations
		Purpose/Necessity	Substation 83 161/23kV Facilities build
7-3	**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
7-4	**Replace RTU's various locations**	**Description/Location**	Replace RTU's various locations
		Purpose/Necessity	Replace failed breakers
7-5	**Replace relays various locations**	**Description/Location**	Replace relays various locations
		Purpose/Necessity	Replace failed breakers
7-6	**Replace definite purpose capacitor bank breakers**	**Description/Location**	Substation 49
		Purpose/Necessity	Replace fused capacitor switches with breakers for more efficient operation/protection of system in the area.
7-7	**Replace Reactor Substation 1**	**Description/Location**	To change out aging infrastructure
		Purpose/Necessity	Replace reactor various locations
7-8	**Substation 38 Install Capacitor Bank 38273 & PCB 38271**	**Description/Location**	Various locations
		Purpose/Necessity	To change out aging infrastructure
7-9	**Replace batteries various locations**	**Description/Location**	Replace batteries various locations
		Purpose/Necessity	To change out aging infrastructure
7-10	**Replace switches various locations**	**Description/Location**	Replace switches at various locations
		Purpose/Necessity	To change out aging infrastructure
7-11	**Install JPAX Nodes to Upgrade JMUX SONET Nodes**	**Description/Location**	Install JPAX Nodes
		Purpose/Necessity	Various locations
7-12	**Substation 76 Install third 115/12 KV transformer**	**Description/Location**	Installation of transformer in the Pinch District
		Purpose/Necessity	Pinch District
7-13	**Install 161 kV CVT on Circuit 05697 @ Substation 5**	**Description/Location**	Install 161 kV CVT on Circuit Breaker 05697
		Purpose/Necessity	Substation 5
7-14	**Substation 34 Implement Breaker Fail Scheme**	**Description/Location**	Substation 34 Implement Breaker Fail Scheme
		Purpose/Necessity	Install relay settings to improve substation equipment protection and system in the event of a fault.
7-15	**Install Transmission Metering Equipment for Transmission Planning Monitoring**	**Description/Location**	Transmission Metering Equipment
		Purpose/Necessity	Transmission Metering Equipment
7-16	**Seismic Retrofit of Non-Structural Substation Components**	**Description/Location**	Various locations
		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)

NOTES FOR PAGE 7–CAPITAL EXPENDITURES BUDGET (Continued)

Substation/Transmission Projects (Continued)

Substation Transformers

7-17	**Replace 161/23 kV transformer bank 49647**	**Description/Location**	Substation 49
		Purpose/Necessity	Replacement of failed transformers at substations
7-18	**Replace 115/12 kV transformer bank 6157**	**Description/Location**	Substation 26
		Purpose/Necessity	Replacement of failed transformers at substations

Substation Circuit Breakers

7-19	**Replace breakers various locations**	**Description/Location**	Replace breakers various locations
		Purpose/Necessity	Replace failed breakers
7-20	**Replace 12 kV Breaker 1705, 1709, 1711, 1713, & 1739 @ Substation 11**	**Description/Location**	Replace failed breakers
		Purpose/Necessity	Substation 11
7-21	**Replace 12 kV Breaker 42235 @ Substation 42**	**Description/Location**	Replace 12 kV Breaker 42235 @ Substation 42
		Purpose/Necessity	Replace failed breakers
7-22	**Replace 23 kV Breaker 48309 @ Substation 48**	**Purpose/Necessity**	Replace 23 kV Breaker 48309 @ Substation 48
		Purpose/Necessity	Replace failed breakers
7-23	**Replace 23 kV Breaker 48351 @ Substation 4**	**Description/Location**	Replace 23 kV Breaker 48351 @ Substation 4
		Purpose/Necessity	Replace failed breakers

NOTES FOR PAGE 8–CAPITAL EXPENDITURES BUDGET

Substation/Transmission Projects (Continued)

Substation/Transmission Projects

8-2	**Structure #1641 Bank Stabilization (USACE Section 14 Funding)**	**Description/Location**	Structure #1641 Bank Stabilization
		Purpose/Necessity	Bank Stabilization to prevent Tower #1641 from falling into Wolf River.
8-2	**Structure #1613 Bank Stabilization (USACE Section 14 Funding)**	**Description/Location**	Structure #1613 Bank Stabilization
		Purpose/Necessity	Bank Stabilization to prevent Tower #1613 from falling into Wolf River.
8-3	**Misc. projects (OPGW, structure replacements, etc.)**	**Description/Location**	Misc. projects (OPGW, structure replacements, etc.)
		Purpose/Necessity	Install small fiber communication jobs, structure replacements/upgrades and bank stabilization at various locations.
8-4	**OPGW 11-35**	**Description/Location**	OPGW 11 - 35
		Purpose/Necessity	Install fiber communication between Substations 11 & 35.
8-5	**Sub 84 Cut-in**	**Description/Location**	Substation 84
		Purpose/Necessity	Substation 84 Cut-in
8-6	**OPGW 42-23**	**Description/Location**	OPGW 42 - 23
		Purpose/Necessity	Install fiber communication between Substations 42 & 23.
8-7	**OPGW Sub 15**	**Description/Location**	OPGW 15
		Purpose/Necessity	Install fiber communication Substation 15.
8-8	**UAV Contract #12134**	**Description/Location**	Various MLGW transmission line locations
		Purpose/Necessity	Use UAV drones to inspect MLGW transmission lines and perform post-storm assessment.

Transmission - Reimbursable

8-9	**TDOT Lamar & Shelby Drive**	**Description/Location**	TDOT Lamar & Shelby Drive
		Purpose/Necessity	Lamar & Shelby Drive

Distribution System - Major Projects

New Circuits Out of Substations

8-10	**Sub 68 New Ckt Ties**	**Description/Location**	Install multiple circuit ties for station 68 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-11	**Sub 84 Ckt Ties**	**Description/Location**	Install multiple circuit ties for station 84 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-12	**Sub 83 Ckt Ties**	**Description/Location**	Install multiple circuit ties for station 83 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-13	**Ckt Ties Sub 15 & 84 Areas**	**Description/Location**	Install multiple circuit ties substations 15 & 84
		Purpose/Necessity	Reliability and switching flexibility
8-14	**Substation 83 MH/DL (6 ckts)**	**Description/Location**	Sub 83 (Hwy 72 and Quinn Rd)
		Purpose/Necessity	To install manhole/duct line for new distribution circuits at Sub 83 to provide increased capacity and resiliency on the distribution system.
8-15	**Other New Circuits**	**Description/Location**	Install multiple circuit ties for station circuits.
			Reliability and switching flexibility
8-16	**Other 2025 - 2029 Projects**	**Description/Location**	Install multiple circuit ties for Other Projects.
		Purpose/Necessity	Reliability and switching flexibility
8-17	**Kellogg's Alternate CKT Upgrade**	**Description/Location**	Kellogg's Alternate CKT upgrade
		Purpose/Necessity	Reliability and switching flexibility
8-18	**Sub 68 Cabling (3 ckts)**	**Description/Location**	Install multiple circuit ties for station 68 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-19	**Sub 83 Cabling (6 ckts)**	**Description/Location**	Install multiple circuit ties for station 83 circuits.
		Purpose/Necessity	Reliability and switching flexibility
8-20	**Circuit 61301 stepdown transformer change out**	**Description/Location**	Circuit 61301 stepdown transformer change out
		Purpose/Necessity	Reliability and switching flexibility
8-21	**Sub 76 Cabling**	**Description/Location**	Install multiple circuit ties for station 76 circuits.
		Purpose/Necessity	Reliability and switching flexibility

Miscellaneous Reimbursable Projects

8-22	**Other Relocate at Customer Request Projects**	**Description/Location**	Downtown area
		Purpose/Necessity	Relocating/improving electric facilities in conjunction with the proposed improvements in various areas at customers request.

NOTES FOR PAGE 9–CAPITAL EXPENDITURES BUDGET

Street Improvement Projects

9-1	**SP 97/09: TDOT SR-1/US - 70 Summer Avenue, from Macon to Elmore Road**	**Description/Location**	'SP 97/09: TDOT SR-1/US - 70 Summer Avenue, from Macon to Elmore Road
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-2	**Elvis Presley Blvd. North and Middle Section**	**Description/Location**	Elvis Presley Corridor-North and Middle Section
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-3	**Other Projections 2023-2027**	**Description/Location**	Other Projections 2023-2027
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-4	**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.
9-5	**Holmes Road, Malone to US-78/Lamar (CP 04/38)**	**Description/Location**	Holmes Road, Malone to US-78/Lamar (CP 04/38)
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-6	**Malone, Holmes to Shelby Drive**	**Description/Location**	Malone, Holmes to Shelby Drive
		Purpose/Necessity	Relocate utilities Malone, Holmes to Shelby Drive
9-7	**LL 09/02 - New Canada Rd. (Re-Alignment N of I-40 to US-70)**	**Description/Location**	LL 09/02 - 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
9-8	**SR-57/Poplar, from Eastley to SR-385**	**Description/Location**	SR-57/Poplar, from Eastley to SR-385
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-9	**Carnes Ave/ Hanley School Safety Improvements**	**Description/Location**	Carnes Avenue
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-10	**Tonto Road - Drainage Project**	**Description/Location**	Tonto Road - Drainage Project
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-11	**Scott Street Sewer Interceptor**	**Description/Location**	Scott Street Sewer Interceptor
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities
9-12	**Lillian Drive - Drainage (MSQ2)**	**Description/Location**	Lillian Drive - Drainage (MSQ2)
		Purpose/Necessity	Relocate utilities for proposed street improvement project by TDOT or municipalities

NOTES FOR PAGE 9–CAPITAL EXPENDITURES BUDGET (Continued)

General Plant

Buildings and Structures

9-13	**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			
9-14	**Replace Roofs - Various Substations**	**Description/Location**	Various Substations
		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.

Electrical & Systems Operations

9-15	**ESO - Drainage and pavement upgrade**	**Description/Location**	Electric Systems Operations
		Purpose/Necessity	Pavement upgrade
9-16	**Radio Tower Bldg**	**Description/Location**	Replace 874 square foot roof
		Purpose/Necessity	This project is to address roof maintenance and extend the life of the building.
9-17	**Replace UPS**	**Description/Location**	UPS Battery Replacement
		Purpose/Necessity	Replacement of UPS batteries to maintain energy runtime for critical computer system.

NOTES FOR PAGE 10–CAPITAL EXPENDITURES BUDGET

General Plant

Buildings and Structures Continued

Netters Business Operations Center

10-1	**Replace 5 Liebert CRAC Units/Roof Condensers & Leak detection System**	**Description/Location**	Netters Business Operations Center
		Purpose/Necessity	Replace 5 Liebert CRAC units/roof condensers and leak detection system
10-2	**Replace Cooling Tower Fill Media**	**Description/Location**	Netters Business Operations Center
		Purpose/Necessity	Replace cooling tower fill media
10-3	**Roof Replacement**	**Purpose/Necessity**	This project is to address roof maintenance and extend the life of the building.
		Description/Location	Netters Business Operations Center

New Buildings

10-4	**Fabrication & Repair Shops Construction**	**Description/Location**	Repair Shops
		Purpose/Necessity	Building upgrades
10-5	**EV Charging Stations**	**Description/Location**	Electric Vehicle charging stations
		Purpose/Necessity	Electric Vehicle charging stations
10-6	**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.

General Plant (Continued)

10-7	**Security Automation**	**Description/Location**	Various Locations
		Purpose/Necessity	Installation and upgrade of security features for various substations.
10-8	**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.
10-9	**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.
10-10	**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
10-11	**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

Communication Towers

10-12	**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			
10-13	**Distribution Automation Communication Infrastructure**	**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.
10-14	**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.
10-15	**Smart Meter/SCADA Network Improvements**	**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.
10-16	**Fiber Optic Multiplexers**	**Description/Location**	Purchase and install fiber optic end equipment (places light on the optical fibers and "makes them work") at various locations.
		Purpose/Necessity	Enable communications over proposed fiber optic cable.
10-17	**Telecommunication Systems Growth**	**Description/Location**	Telecom systems growth - various locations. This is to cover unplanned and unforeseen Telecom expenditures that typically occur.
		Purpose/Necessity	Previous Telecom budgets had separate line items for systems growth in Mobile Radio, Fiber Optic, Microwave, Voice Recorder, Video Conferencing, Audio Conferencing, Voice System etc. This item consolidates the separate items.
10-18	**Fiber Optic Cable and Equipment**	**Description/Location**	Install fiber optic cable at various locations.
		Purpose/Necessity	Provide fiber optic communications to specified facilities.

NOTES FOR PAGE 11–CAPITAL EXPENDITURES BUDGET

Utility Monitoring & Control Systems

11-1	**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.

Business Continuity

11-2	**Business Continuity/Disaster Recovery Site**	**Description/Location**	DR/BC Recovery Site
		Purpose/Necessity	This is a multi-year project upgrade disaster recovery systems to include an out-region location

Purchase of Data Processing Equipment

11-3	**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.
11-4	**SAN Fiber Channel Switches**	**Description/Location**	SAN Fiber Channel Switches
		Purpose/Necessity	Use in a dedicated storage area network (SAN), inspects a data packet header, determines the computing devices of origin and destination and forwards the packet to the intended system.
11-5	**Storge Area Network (SAN) Replacement/Expansion**	**Description/Location**	Storage Area Network Replacement
		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.
11-6	**Work Center Wireless (outdoor)**	**Description/Location**	Work Center Wireless (outdoor)
		Purpose/Necessity	To expand MLGW's wireless outdoor network at North, South, Hickory Hill and Brunswick service centers.
11-7	**Replace Virtual Desktop Environment Storage System**	**Description/Location**	Replace Virtual Desktop Environment Storage System
		Purpose/Necessity	To replace and upgrade the current virtual desktop infrastructure which has reached end of support life.
11-8	**Field Use Laptop Replacements**	**Description/Location**	Field Use Laptop Replacements
		Purpose/Necessity	Replacement cycle of Crew reporting Toughbooks.
11-9	**DNS/DHCP System Replacement**	**Description/Location**	Virtual Server Infrastructure
		Purpose/Necessity	Add additional server blade capacity to existing farm which will increase capacity for up to 1000 virtual servers running across 2 data centers.
11-10	**Network Core Upgrade and Enhancements**	**Description/Location**	Wireless Networking
		Purpose/Necessity	Increase coverage area and reliability of the wireless network by adding new access points, replacing or upgrading end-of-life equipment.
11-11	**Corporate Wireless Upgrades and Enhancements**	**Description/Location**	Add and expand Wireless Network for business needs
		Purpose/Necessity	Add and expand Wireless Network at multiple locations for business needs and access to the corporate network.
11-12	**New\Replacement Servers**	**Description/Location**	Annual New/Replacement Servers
11-13	**PC Equipment (Capital)**	**Description/Location**	PC equipment (above $5,000 unit cost) requested for various reasons
11-14	**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 13–INCOME & EXPENSE COMPARISON

Operating Revenue

13-1	**Sales Revenue**	This account includes projected revenue from the sale of natural gas to the residential, commercial, industrial, and interdepartmental customer classes.
13-2	**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.
13-3	**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 customers who arrange for purchase of their gas from suppliers other than MLGW.

Operating Expense

13-4	**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.
13-5	**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.
13-6	**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.
13-7	**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.
13-8	**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.
13-9	**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 servicing customer meters and house regulators. Also included in this account are the expenses incurred in work on customer premises, rents and other expenses.
13-10	**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.
13-11	**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 and to conserve energy.
13-12	**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 mail advertising, printing booklets, bulletins, etc.
13-13	**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

13-14	**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.
13-15	**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.
13-16	**Administrative and General Expense**	Please see Appendix 13-13.

NOTES FOR PAGE 13–INCOME & EXPENSE COMPARISON (Continued)

Other Operating Expense

13-17	**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.
13-18	**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
13-19	**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.
13-20	**Amortization of Legacy Meters**	This account includes amortization charges related to expenditures on meters.
13-21	**Amortization-Right of Use Leases & Subscriptions**	Non-cash expense related to amortization charges related to lease and software expenditures.

Income

13-22	**Operating Income**	Operating income is equal to operating revenue less total operating expense.
13-23	**Other Income**	This consists primarily of investment income and property rentals. It does not include any sales of electricity, gas or water.
13-24	**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

13-25	**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.
13-26	**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.
13-27	**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 14–SOURCES AND APPLICATION OF FUNDS

Source of Funds

14-1	**Change in Net Position**	Please see Budget page 14.
14-2	**Depreciation Charged to Operating Income**	Please see Budget page 14.
14-3	**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.
14-4	**Amortization of Legacy Meters**	Non-cash expense related to employee pension expenses above or below actual funding due to change in accounting principles.
14-5	**Amortization-Right of Use Leases & Subscriptions**	Non-cash expense related to amortization charges related to lease and software expenditures.
14-6	**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.

Applications of Funds

14-7	**Capital Expenditures**	Please see Budget page 15.
14-8	**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.
14-9	**Retirement of Long-Term Debt**	Bond principal amounts due 12-01 per the bond debt schedules are funded in equal monthly installments during 2025.

NOTES FOR PAGE 15–CAPITAL EXPENDITURES BUDGET

Production System

15-1	**LNG Processing Facilities**	LNG Processing Facilities- Purchase and installation of regeneration heating equipment, replacement of existing 20 year old equipment.

Distribution System

15-2	**Apartments**	This budget category provides for the expenses incurred by the Gas Division for developer requests for gas facilities located in a subdivision.
15-3	**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.
15-4	**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.
15-5	**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.
15-6	**Operations 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.
15-7	**Land Purchase**	This budget category provides for the purchase of land rights that will be needed for Capital Budget Projects.
15-8	**General Power Service**	This budget category provides for the expenses incurred by the Gas Division for customer requests for new General Power Service.
15-9	**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.
15-10	**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.
15-11	**Relocate At Customer Request**	This budget category provides for the expenses incurred by the Gas Division for customer requests to relocate existing gas facilities.
15-12	**Purchase of Meters**	This budget category provides for the expenses incurred from buying new gas meters and reconditioning existing gas meters.
15-13	**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.
15-14	**New Gas Main**	This budget category provides for the expenses incurred for the installation of miscellaneous new gas mains and facilities.
15-15	**Gas Main/Service Reply (D.O.T.)**	This budget category provides for replacement of old cast iron main that requires excessive maintenance and that has a history of leaking. This is a 30 year project that began in 1991 and was requested by the TN Regulatory Authority to replace 330 miles an was completed in 2021. This budget category also 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.
15-16	**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.
15-17	**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.
15-18	**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.
15-19	**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.
15-20	**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.

Distribution System (Continued)

15-21	**JT-Residential Service not in 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.
15-22	**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.
15-23	**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.
15-24	**Emergency Maintenance**	This budget line item provides for emergency repair work when leaks and cut facilities require immediate repair.
15-25	**Demolition**	The budget includes demolition work.
15-26	**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 15–CAPITAL EXPENDITURES BUDGET (Continued)

General Plant

15-27	**Buildings and Structures**	Please see Appendix 17-2 through 18-5.
15-28	**Security Automation**	Please see Appendix 18-6.
15-29	**Purchase of Furniture & Fixtures**	Please see Appendix 18-7.
15-30	**Audiovisual**	Please see Appendix 18-8.
15-31	**IS/IT Projects**	No expenditures planned for the 2025 budget year.
15-32	**Fleet Capital Common Power Operated Equip**	Please see Appendix 18-10.
15-33	**Fleet Capital Common Transportation Equip**	Please see Appendix 18-11.
15-34	**Fleet Gas Power Operated Equipment**	Please see Appendix 18-12.
15-35	**Fleet Gas Transportation Equipment**	Please see Appendix 18-13.
15-36	**Automated Fueling Structure**	No expenditures planned for the 2025 budget year.
15-37	**Tools & Equipment**	No expenditures planned for the 2025 budget year.
15-38	**Common Tools & Equipment**	Please see Appendix 18-9
15-39	**Contingency Funds**	Please see Appendix 18-14.
15-40	**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 16–CAPITAL EXPENDITURES BUDGET

Production System

16-1	**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

16-2	**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.
16-3	**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.
16-4	**CP 19/10, Innovation Corridor, WO1252099, in design**	**Description/Location**	Innovation Corridor
		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.
16-5	**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.
16-6	**CV 18/04, Shelby Dr, east of Sycamore Rd to US-72**	**Description/Location**	Shelby Dr, east of Sycamore Rd to US-72
		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.
16-7	**CP 05/15, Malone Rd, Holmes to Shelby**	**Description/Location**	Malone Rd, Holmes to Shelby
		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.
16-8	**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.
16-9	**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.
16-10	**SP 20/12, SR-57/Poplar, from Eastley to SR-385**	**Description/Location**	Poplar, from Eastley to SR-385
		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.
16-11	**CP 23/21, Morningside Pl - Drainage**	**Description/Location**	Morningside Pl - 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.
16-12	**CP 23/18, Poplar, Angelus to Belvedere - Drainage**	**Description/Location**	Poplar, Angelus to Belvedere - 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.
16-13	**CP 20/03, Tchulahoma at Blue Bonnet**	**Description/Location**	Tchulahoma at Blue Bonnet
		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 16–CAPITAL EXPENDITURES BUDGET (Continued)

Street Improvements (Continued)

16-14	**CP 22/20, Peebles Road, east of Third St - Drainage**	**Description/Location**	Peebles Road, east of Third St - 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.
16-15	**CP 23/07, Scott Street Sewer Interceptor**	**Description/Location**	Scott Street Sewer Interceptor
		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.
16-16	**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.
16-17	**CP 23/16, Wanda Street Storm Drain**	**Description/Location**	Wanda Street Storm Drain
		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.
16-18	**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.
16-19	**Carnes Ave/Hanley School Safety Improvements**	**Description/Location**	Carnes 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.

New Gas Main

16-20	**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.)

16-21	**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.
16-22	**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.
16-23	**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.
16-24	**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 16–CAPITAL EXPENDITURES BUDGET (Continued)			
Transmission Pipelines and Facilities			
16-25	**18" XXHP Pipeline Replacement @ Weaver to Gill**	**Description/Location**	18" XXHP Pipeline Replacement @ Weaver to Gill
		Purpose/Necessity	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.
16-26	**18" XXHP Pipeline Replacement @ Covington Pike & LNRR**	**Description/Location**	18" XXHP Pipeline Replacement @ Covington Pike & LNRR
		Purpose/Necessity	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.
16-27	**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 17–CAPITAL EXPENDITURES BUDGET			
Regulator Stations			
17-1	**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

General Plant
Buildings and Structures
South Service Center

17-2	**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.

General Plant
Buildings and Structures
North Service Center

17-3	**Asphalt Paving & Concrete Slabs/ Drives - Phase 2**	**Description/Location**	North 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.
17-4	**Building #1 Replace 3 HVAC Package Units**	**Description/Location**	North Service Center
		Purpose/Necessity	This project is for replacing three HVAC package units.
17-5	**Generator/Transfer Switch Replacement**	**Description/Location**	North Service Center
		Purpose/Necessity	This project is for replacing Generator /Transfer Switch
17-6	**AC Installation Building #6**	**Description/Location**	North Service Center
		Purpose/Necessity	This project is for AC installation.
17-7	**Building #2: (Re-cover 36,000 square foot roof)**	**Description/Location**	North Service Center
		Purpose/Necessity	This project is for roof improvements.
17-8	**Building #3: (Re-cover 30,650 square foot roof)**	**Description/Location**	North Service Center
		Purpose/Necessity	This project is for roof improvements.
17-9	**Building #6: Roof Replacement 23,684 square feet**	**Description/Location**	North Service Center
		Purpose/Necessity	This project is for roof replacement.

NOTES FOR PAGE 17–CAPITAL EXPENDITURES BUDGET (Continued)

General Plant (Continued)
Buildings and Structures
BRUNSWICK SERVICE CENTER

17-10	**Paving Upgrade - Phase 2**	**Description/Location**	Brunswick Service Center
		Purpose/Necessity	All roof replacement projects are targeted in the Facilities master plan based on expected life expectancy and existing maintenance issues.
HICKORY HILL SERVICE CENTER			
17-11	**HHSC Service Center Roof Replacement**	**Description/Location**	HICKORY HILL SERVICE CENTER
		Purpose/Necessity	All roof replacement projects are targeted in the Facilities master plan based on expected life expectancy and existing maintenance issues.
17-12	**Paving Upgrade - Phase 2 - Employee Parking Lot**	**Description/Location**	HICKORY HILL SERVICE CENTER
		Purpose/Necessity	All roof replacement projects are targeted in the Facilities master plan based on expected life expectancy and existing maintenance issues.
17-13	**Replace Canopy roofs**	**Description/Location**	HICKORY HILL SERVICE CENTER
		Purpose/Necessity	All roof replacement projects are targeted in the Facilities master plan based on expected life expectancy and existing maintenance issues.

NOTES FOR PAGE 18–CAPITAL EXPENDITURES BUDGET

ADMINISTRATION BUILDING

18-1	**Administration Building Upgrades & renovations (elevator modernization)**	**Description/Location**	Administration Building
		Purpose/Necessity	Elevator upgrades
CHOCTAW			
18-2	**New Concrete Wash Bay Area**	**Description/Location**	CHOCTAW
		Purpose/Necessity	This project is for a new concrete wash bay area
18-3	**Security Fencing Choctaw property**	**Description/Location**	CHOCTAW
		Purpose/Necessity	Security Fencing around Choctaw and new property.

LNG Capleville

18-4	**Metal Storage Building (50' x 100')**	**Description/Location**	LNG Capleville
		Purpose/Necessity	Metal storage building
NEW BUILDINGS			
18-5	**Engineering & Operations Building 130,000 sq. ft.**	**Description/Location**	New Building
		Purpose/Necessity	This project is for a new Building
18-6	**Security Automation**	**Description/Location**	Division security automation equipment used for work in and around Shelby County.
		Purpose/Necessity	Security Automation
18-7	**FURNITURE & FIXTURES**	**Description/Location**	
		Purpose/Necessity	FURNITURE & FIXTURES
18-8	**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.

NOTES FOR PAGE 18–CAPITAL EXPENDITURES BUDGET (Continued)			
18-9	**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.
18-10	**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.
18-11	**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.
18-12	**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.
18-13	**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.

18-14	**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 20–INCOME & EXPENSE COMPARISON

Operating Revenue

20-1	**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.
20-2	**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.
20-3	**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

20-4	**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.
20-5	**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.
20-6	**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.
20-7	**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.
20-8	**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.
20-9	**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

20-10	**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.
20-11	**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.
20-12	**Administrative & General Expense**	Please see Appendix 20-9.

NOTES FOR PAGE 20–INCOME & EXPENSE COMPARISON (Continued)

Other Operating Expense

20-13	**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.
20-14	**Payment In Lieu of Taxes**	MLGW and the City of Memphis have agreed on a P.I.L.O.T. in the amount of $2,500,000 to be made on an annual basis to the City from the revenues of the Water Division through fiscal years 2028.
20-15	**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.
20-16	**Amortization of Legacy Meters**	This account includes amortization charges related to expenditures on meters.
20-17	**Amortization-Right of Use Leases & Subscriptions**	This account includes amortization charges related to expenditures on leases and software.

Income

20-18	**Operating Income**	Operating income is equal to operating revenue less total operating expense.
20-19	**Other Income**	This consists primarily of interest and investment income. It does not include any sales of electricity, gas or water.
20-20	**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

20-21	**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.
20-22	**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.
20-23	**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 21–INCOME & EXPENSE COMPARISON

Source of Funds

21-1	**Change in Net Position**	Please see page 20.
21-2	**Depreciation Charged to Operating Income**	Please see page 20.
21-3	**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.
21-4	**Amortization of Legacy Meters**	Non-cash expense related to employee pension expenses related to meter expenditures.
21-5	**Amortization of Leases**	This account includes non-cash amortization charges related to expenditures on leases.
21-6	**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.

Application of Funds

21-7	**Capital Expenditures**	Please see page 22.
21-8	**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.
21-9	**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 22–CAPITAL EXPENDITURES BUDGET

Production System

22-1	**Pumping Stations**	Please see Appendix 23-1 to 24-9.
22-2	**Underground Storage Reservoirs**	Please see Appendix 24-10
22-3	**Production Wells**	Please see Appendix 24-11 to 24-15
22-4	**Land Purchase**	Please see Appendix 23-17
22-5	**Operations Maintenance**	Please see Appendix 24-6
22-6	**Contingency Fund - Production**	Please see Appendix 26-7
22-7	**Buildings and Structures - Production System**	Please see Appendix 25-1 to 25-5
22-8	**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

22-9	**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.
22-10	**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.
22-11	**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.
22-12	**Apartments**	This budget category provides for the expenses incurred by the Water Division for developer requests for Water facilities for new apartment developments.
22-13	**General Power Service**	This budget category provides for the expenses incurred by the Water Division for customer requests for new General Power Service.
22-14	**Relocate At Customer Request**	This budget category provides for the expenses incurred to relocate at the customer's request.
22-15	**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 23-14 through 23-17.
22-16	**New Water Main**	This budget category provides for the expenses incurred for the installation of miscellaneous new water mains and facilities.
22-17	**Lead Service Replacement**	Replace lead services with copper at known locations throughout Shelby County.
22-18	**Storm Restoration**	No expenditures planned for the 2025 budget year.
22-19	**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.
22-20	**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.
22-21	**Booster Stations**	This budget category is used to boost constant supply.
22-22	**Emergency Maintenance**	This budget line item provides for emergency repair work when leaks and cut facilities require immediate repair.
22-23	**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 22–CAPITAL EXPENDITURES BUDGET (Continued)

General Plant

22-24	**Buildings and Structures**	Please see Appendix 25-1 through 25-5 and 26-1
22-25	**Security Automation**	Please see Appendix 26-2.
22-26	**Tools & Equipment**	Please see Appendix 26-5.
22-27	**Fleet Capital Power Operated Equip**	Please see Appendix 26-3.
22-28	**Fleet Capital Water Transportation Equip**	Please see Appendix 26-4.
22-29	**IS/IT Projects**	None budgeted for 2025.
22-30	**Miscellaneous Request (Simulator)**	Please see Appendix 26-6.
22-31	**Contingency Fund**	This is an estimated budget amount to cover unforeseen emergency items that may arise in the current year. See Appendix 26-7.
22-32	**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 23–CAPITAL EXPENDITURES BUDGET

Production System
Pumping Stations
Allen Pumping Station

23-1	**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	The existing infrastructure can no longer be operated safely or reliably.
23-2	**Station Rehabilitation**	**Description/Location**	Design and the purchase and installation of replacement of aerators.
		Purpose/Necessity	The existing infrastructure can no longer be operated safely or reliably.
23-3	**Medium Voltage Breaker & Switchgear Replacements**	**Description/Location**	Design, purchase and installation of the 12kV and 5 kV circuit breakers/Switchgear.
		Purpose/Necessity	Parts for the existing 12kV and 5 kV Circuit Breakers are unavailable and there are safety concerns related to the existing breakers
23-4	**VFD, Motor & Transformer Replacements**	**Description/Location**	Design, Construction Administration and Integration needed to replace high service pump drive equipment.
		Purpose/Necessity	The existing VFD's chronically overheat and replacement parts are unavailable when the VFD's fail.

Davis Pumping Station

23-5	**Filter Media Rehab and Replacement (Station Rehab)**	**Description/Location**	Davis Pumping Station
		Purpose/Necessity	Filter media rehab and replacement.
23-6	**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.
23-7	**VFD, Motor & Transformer Replacements**	**Description/Location**	Design, Construction Administration and Integration needed to replace high service pump drive equipment.
		Purpose/Necessity	The existing VFD's chronically overheat and replacement parts are unavailable when the VFD's fail.
23-8	**Medium Voltage Breaker & Switchgear Replacements**	**Description/Location**	Design, purchase and installation of the 12kV and 5 kV circuit breakers/Switchgear.
		Purpose/Necessity	Parts for the existing 12kV and 5 kV Circuit Breakers are unavailable and there are safety concerns related to the existing breakers

Lichterman Pumping Station

23-9	**VFD, Motor & Transformer Replacements**	**Description/Location**	Design, Construction Administration and Integration needed to replace high service pump drive equipment.
		Purpose/Necessity	The existing VFD's chronically overheat and replacement parts are unavailable when the VFD's fail.
23-10	**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

23-11	**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.

NOTES FOR PAGE 23–CAPITAL EXPENDITURES BUDGET (Continued)

Pumping Stations (Continued)
Mallory Pumping Station

23-12	**Filter Media Rehab and Replacement (Station Rehab)**	**Description/Location**	Mallory Pumping Station
		Purpose/Necessity	Filter media rehab and replacement
23-13	**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.
23-14	**VFD, Motor & Transformer Replacements**	**Description/Location**	Design, Construction Administration and Integration needed to replace high service pump drive equipment.
		Purpose/Necessity	The existing VFD's chronically overheat and replacement parts are unavailable when the VFD's fail.
23-15	**Medium Voltage Breaker & Switchgear Replacements**	**Description/Location**	Design, purchase and installation of the 12kV and 5 kV circuit breakers/Switchgear.
		Purpose/Necessity	Parts for the existing 12kV and 5 kV Circuit Breakers are unavailable and there are safety concerns related to the existing breakers

McCord Pumping Station

23-16	**Filter Media Rehab and Replacement (Station Rehab)**	**Description/Location**	McCord Pumping Station
		Purpose/Necessity	Filter media rehab and replacement
23-17	**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.
23-18	**Medium Voltage Breaker & Switchgear Replacements**	**Description/Location**	Design, purchase and installation of the 12kV and 5 kV circuit breakers/Switchgear.
		Purpose/Necessity	Parts for the existing 12kV and 5 kV Circuit Breakers are unavailable and there are safety concerns related to the existing breakers

Pumping Stations (Continued)
Morton Pumping Station

23-19	**Filter Media Rehab and Replacement (Station Rehab)**	**Description/Location**	Morton Pumping Station
		Purpose/Necessity	Filter media rehab and replacement
23-20	**VFD, Motor, Transformer Replacements**	**Description/Location**	Design, Construction Administration and Integration needed to replace high service pump drive equipment.
		Purpose/Necessity	The existing VFD's chronically overheat and replacement parts are unavailable when the VFD's fail.
23-21	**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.

NOTES FOR PAGE 24–CAPITAL EXPENDITURES BUDGET

Palmer Pumping Station

24-1	**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.

Pumping Stations (Continued)

Shaw Pumping Station

24-2	**Filter Media Rehab and Replacement (Station Rehab)**	**Description/Location**	Shaw Pumping Station
		Purpose/Necessity	Filter media rehab and replacement
24-3	**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.
24-4	**VFD, Motor, Transformer Replacements**	**Description/Location**	Design, Construction Administration and Integration needed to replace the existing distributed process control system.
		Purpose/Necessity	The existing DPC system is outdated and parts can no longer be obtained for the existing controller. This is needed for regulatory compliance with Tennessee Department of Environment and Conservation standards.

Sheehan Pumping Station

24-5	**Medium Voltage Breaker & Switchgear Replacements**	**Description/Location**	Design, purchase and installation of the 12kV and 5 kV circuit breakers/Switchgear.
		Purpose/Necessity	Parts for the existing 12kV and 5 kV Circuit Breakers are unavailable and there are safety concerns related to the existing breakers
24-6	**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.

New Pumping Station

24-7	**Engineer Water Treatment Plant**	**Description/Location**	Pickle Pumping Station
		Purpose/Necessity	Design, construction, and maintenance needed for water treatment plants.

Miscellaneous Pumping Facilities

24-8	**Water Operations Capital Items (CO)**	**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.
24-9	**Engineering Services Contract (CO)**	**Description/Location**	Engineering Consultants on an “as-needed” basis. / As-needed.
		Purpose/Necessity	Water E&O has a need to retain Engineering Consultants on an “as-needed” basis. / Water Engineering does not have the expertise to perform certain engineering functions.

NOTES FOR PAGE 24–CAPITAL EXPENDITURES BUDGET (Continued)

Underground Storage Reservoirs

Sheehan Pumping Station

24-10	**Engineer Wash Recovery Basin Replacement**	**Description/Location**	Construction of WWRB.
		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

24-11	**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 Facilities			
24-12	**Well Failures**	**Description/Location**	Construction of a large water production well. Various pumping station.
		Purpose/Necessity	Water production wells fail unexpectedly and need to be replaced.
24-12	**Well Generators**	**Description/Location**	Various locations.
		Purpose/Necessity	Water production well generators need to be replaced.
24-12	**Abandon Wells**	**Description/Location**	To abandon water production wells that have reached the end of life.
		Purpose/Necessity	Well abandonment is needed to drill second generation wells on the same well site.
Allen Pumping Station			
24-13	**Construct/Replace Well**	**Description/Location**	Construction of a large water production well.
		Purpose/Necessity	A number of the wells need to be replaced.
Lichterman Pumping Station			
24-14	**Construct/Replace Well**	**Description/Location**	Construction of a large water production well.
		Purpose/Necessity	A number of the wells need to be replaced.
Mallory Pumping Station			
24-15	**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

24-16	**Operations Maintenance**	**Description/Location**	Maintenance necessary for the continuation of normal operations
		Purpose/Necessity	Maintenance necessary for the continuation of normal operations

Land Purchase

24-17	**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 25–CAPITAL EXPENDITURES BUDGET

Buildings and Structures

McCord Pumping Station

25-1	**New Mechanical Maintenance & Special Storage Building**	**Description/Location**	McCord Pumping Station
		Purpose/Necessity	
25-2	**Reroof Main Building (15,930 sf)**	**Description/Location**	McCord Pumping Station
		Purpose/Necessity	This project is needed to replace roof.
25-3	**Aerator Bldg: Replace Roof (6,825 sf)**	**Description/Location**	McCord Pumping Station
		Purpose/Necessity	This project is needed to replace roof.

Mallory Pumping Station

25-4	**Roof Replacement (Design/Construction)**	**Description/Location**	Mallory Pumping Station
		Purpose/Necessity	This project is needed to replace roof.

Arlington Pumping Station

25-5	**Repave Drives**	**Description/Location**	Arlington Pumping Station
		Purpose/Necessity	This project is needed to repave drives. The existing pavement is past it's life expectancy and is getting frequent requests.

Contingency Fund

25-6	**Contingency Funds**	This is an estimated budget amount to cover unforeseen emergency items that may arise in the current year.

CIAC

25-7	**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 25–CAPITAL EXPENDITURES BUDGET (Continued)

Distribution System

New Water Main

25-8	**Collecting Main Installation**	**Description/Location**	Various locations
		Purpose/Necessity	The ties bring water from the aquifer to the plant.
25-9	**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.
25-10	**Large Main Extensions**	**Description/Location**	Large Main Extensions
		Purpose/Necessity	Provides more water to parts of Shelby County were there is a need or future need to more water.
25-11	**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.
25-12	**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 place valves on primary and secondary feeders to optimize the ability to isolate large mains while minimizing the number of cut off customers
25-13	**Minor System Improvements**	**Description/Location**	Minor System Improvements to Water Distribution System
		Purpose/Necessity	Minor System Improvements to Water Distribution System.

Street Improvements

25-14	**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.
25-15	**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.
25-16	**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.
25-17	**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.

Lead Replacement

25-18	**Lead Replacement**	**Description/Location**	Lead Replacement
		Purpose/Necessity	Lead Replacement

NOTES FOR PAGE 26–CAPITAL EXPENDITURES BUDGET

General Plant

26-1	**Buildings & Structures**	**Description/Location**	MLGW University
		Purpose/Necessity	Canopy for MLGW University lineman pole training.
26-2	**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.
26-3	**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.
26-4	**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.
26-5	**Tools & Equipment**	**Description/Location**	Division tools/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 down time.
26-6	**Miscellaneous Capital (Simulator)**	**Description/Location**	Construction & Maintenance Labs Equipment Training Simulator
		Purpose/Necessity	This simulator provides training to MLGW employees on the use of MLGW construction equipment
26-7	**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 Santé 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 Principals. 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.

GLOSSARY

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 Bithenyls.

GLOSSARY

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.

GLOSSARY

XFMR: Symbol used to denote transformer.

XHP: Extra High Pressure.

XXHP: Extra, Extra High Pressure.

RESOLUTION SUMMARY

1. **Short Title Description** – Medium Voltage Circuit Breakers – Sixty-Month Purchase Order

2. **Requested Funding –** Not-to-Exceed $16,500,000.00

3. **Award Duration –** Sixty-Months with the Option of Two, One-Year Extensions

4. **Type of Bid** – Sealed Bid

5. **Awarded To –**
   - ABB Inc. – Primary supplier for line item 5
   - Mitsubishi Electric Power Products, Inc. - Primary supplier for line items 2, 8, 9, and 10
   - Siemens Industry Inc. – Primary supplier for line items 1, 3, 4, 6, and 7
   - ABB Inc. – Secondary supplier for line items 1, 6, and 7
   - Mitsubishi Electric Power Products, Inc. – Secondary supplier for line items 3 and 4
   - Siemens Industry Inc. – Secondary supplier for line item 5
   - Siemens Energy Inc. – Secondary supplier for line items 8, 9, and 10

6. **Plain Language Description –** To purchase 125 medium voltage circuit breakers which will be used for MLGW's electric infrastructure.
   - 25 – AC med-voltage 15.5 kV, 1200 A, 40 kA
   - 10 – AC med-voltage 15.5 kV, 1200 A, 50 kA
   - 20 – AC med-voltage 15.5 kV, 3000 A, 40 kA
   - 5 – AC med-voltage 15.5 kV, 3000 A, 40 kA cap
   - 25 – AC med-voltage 25.8 kV, 1200 A, 40 kA
   - 10 – AC med-voltage 25.8 kV, 2000 A, 40 kA
   - 5 – AC med-voltage 25.8 kV, 2000 A, 40 kA cap
   - 10 – AC med-voltage 72.5 kV, 1200 A, 63 kA
   - 10 – AC med-voltage 72.5 kV, 3000 A, 50 kA
   - 5 – AC med-voltage 72.5 kV, 3000 A, 63 kA cap

7. **Impact –** The medium voltage circuit breakers are needed for master plan capital expansion projects and to replace electrical components that have reached end-of-life at various substation facilities.

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners that it awards sixty-month purchase orders for medium voltage circuit breakers to ABB Inc., Mitsubishi Electric Power Products, Inc., Siemens Industry, Inc., and Siemens Energy Inc. in an amount not-to-exceed $16,500,000.00.

Sixty-month purchase orders will be awarded for medium voltage circuit breakers with options for two one-year extensions. The medium voltage circuit breakers are needed for master plan capital expansion projects and to replace electrical components that have reached end-of-life.

Bids were opened on July 23, 2025. Notice to Bidders was advertised. Thirteen bids were solicited, and four bids were received with the best complying and most responsive bidders being the firms of ABB Inc., Mitsubishi Electric Power Products, Inc., Siemens Industry, Inc., and Siemens Energy Inc. This award complies with all applicable laws and policies.

The 2025 budgeted amount for Substation – Substation Maintenance is $25,157,372.00; the amount spent year-to-date is $22,356,243.96; leaving a balance available of $2,801,128.05; of which $16,500,000.00 will be spent on this purchase in subsequent budget years 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 sixty-month purchase orders to ABB Inc., Mitsubishi Electric Power Products, Inc., Siemens Industry, Inc., and Siemens Energy Inc. are approved for furnishing:

25 – AC med-voltage 15.5 kV, 1200 A, 40 kA;

10 – AC med-voltage 15.5 kV, 1200 A, 50 kA;

20 – AC med-voltage 15.5 kV, 3000 A, 40 kA;

5 – AC med-voltage 15.5 kV, 3000 A, 40 kA cap;

5 – AC med-voltage 25.8 kV, 1200 A, 40 kA;

10 – AC med-voltage 25.8 kV, 2000 A, 40 kA;

5 – AC med-voltage 25.8 kV, 2000 A, 40 kA cap;

10 – AC med-voltage 72.5 kV, 1200 A, 63 kA;

10 – AC med-voltage 72.5 kV, 3000 A, 50 kA;

5 – AC med-voltage 72.5 kV, 3000 A, 63 kA cap;

Totaling $16,500,000.00; f.o.b. Memphis, Tennessee, our dock; transportation prepaid; said prices are subject to escalation / de-escalation; includes a 35% contingency to cover the escalation of the purchase price from years two through five and any unforeseen increases; Substation Engineering has the authority to select the supplier and time slots for all purchases made on behalf of the Division; the projected items and estimated quantities may include similar or like items; the quantities are for estimation purposes only and do 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 is 22-145 weeks, terms net 30 days.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved sixty-month purchase orders for medium voltage circuit breakers and is now recommending to the Council of the City of Memphis that it approves said purchase; and

WHEREAS, sixty-month purchase orders will be awarded for medium voltage circuit breakers with options for two one-year extensions. The medium voltage circuit breakers are needed for master plan capital expansion projects and to replace electrical components that have reached end-of-life; and

WHEREAS, bids were opened on July 23, 2025. Notice to Bidders was advertised. Thirteen bids were solicited, and four bids were received with the best complying and most responsive bidders being the firms of ABB Inc., Mitsubishi Electric Power Products, Inc., Siemens Industry, Inc., and Siemens Energy Inc. 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 sixty-month purchase orders for medium voltage circuit breakers from ABB Inc., Mitsubishi Electric Power Products, Inc., Siemens Industry, Inc., and Siemens Energy Inc. in a not-to-exceed amount of $16,500,000.00 chargeable to subsequent budget years as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Quinton Clark
Procurement Contracts Specialist II: Annie Mathis

Board Meeting Date: 10/15/2025
Requisition Number: 5141547
Purchase Commodity: Medium Voltage Circuit Breakers
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	Substation and Transmission Engineering / Mike Waldrop / 901-528-4562 / mwaldrop@mlgw.org
Scope: Contract _____ **Purchase** __X__ **Other** _____	Purchase orders will be awarded for sixty months to procure medium voltage circuit breakers.
Explanation of the Contract or Purchase Action. *(Contract, Purchase, invoice payments, land purchase, dues, other)*	To purchase medium voltage circuit breakers for the MLGW electric system.
Where will the work take place? *(MLGW facility or jobsite, etc.)*	The medium voltage circuit breakers will be installed in MLGW's substation facilities.
Why the need exists? (Contract, Purchase, invoice payments, land purchase, dues, other)	The medium voltage circuit breakers are needed to replace existing electrical infrastructure that has reached end-of-life and for master plan capital expansion 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, RFP, RFQ) RFQ	

	Total	In 2025 Budget Year	After Budget Year
Amount Requested	$ 16,500,000.00	$ -	$ 16,500,000.00
2025 Budget	$ 25,157,372.00		
Amount Spent Year-to-Date	$ 22,356,243.96		
2025 Budget Balance Available		$ 2,801,128.05	
Budget Balance After Award		$ 2,801,128.05	

***Please Indicate Category Below**

[ ] **O&M:**
[X] **Capital**

Project Substation
Expenditure Organization 0562230 Substation Maintenance and Construction
Expenditure Type eAM Outside Purchases
Task Various

Comments:

CC	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **09.11.2025**

Budget & Financial Planning — **Date**

BID ON MEDIUM VOLTAGE CIRCUIT BREAKERS

BIDS OPENED ON JULY 23, 2025

FOR BOARD MEETING OF OCTOBER 15, 2025

BASE UNIT: EACH

COMPLYING BIDDERS	ITEM	Line 1	Line 2	Line 3	Line 4	Line 5	Line 6	Line 7	Line 8	Line 9	Line 10
	QUANTITY	25	10	20	5	25	10	5	10	10	5
	DESCRIPTION	AC Med-Voltage 15.5 kV, 1200 A, 40 kA	AC Med-Voltage 15.5 kV, 1200 A, 50 kA	AC Med-Voltage 15.5 kV, 3000 A, 40 kA	AC Med-Voltage 15.5 kV, 3000 A, 40 kA Cap	AC Med-Voltage 25.8 kV, 1200 A, 40 kA	AC Med-Voltage 25.8 kV, 2000 A, 40 kA	AC Med-Voltage 25.8 kV, 2000 A, 40 kA Cap	AC Med-Voltage 72.5 kV, 1200 A, 63 kA	AC Med-Voltage 72.5 kV, 3000 A, 50 kA	AC Med-Voltage 72.5 kV, 3000 A, 63 kA Cap
ABB Inc.		$ 53,496.93	$ -	$ 48,105.53	$ 48,076.08	$ 53,494.51	$ 57,603.08	$ 57,603.08	$ -	$ -	$ -
Cary, NC											
Mitsubishi Electric Power Products, Inc		$ 100,600.00	$ 143,700.00	$ 100,200.00	$ 100,200.00	$ 100,600.00	$ 100,400.00	$ 100,400.00	$ 172,100.00	$ 143,200.00	$ 171,700.00
Warrendale, PA											
Siemens Industry Inc.		$ 33,090.00	$ -	$ 53,870.00	$ 53,870.00	$ 42,200.00	$ 43,830.00	$ 43,830.00	$ -	$ -	$ -
Wendell, NC											
Siemens Energy Inc.		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 242,567.00	$ 231,958.00	$ 231,958.00
Richland, MS											

COMPLYING BIDDERS	DESCRIPTION	Total	Local Bidding Preference	Local Bidding Presence	Terms	Delivery
ABB Inc.		$ 4,741,323.20	N/A	N/A	Net 30	22-27 Weeks
Cary, NC						
Mitsubishi Electric Power Products, Inc.		$ 14,489,500.00	N/A	N/A	Net 30	104-130 Weeks
Warrendale, PA						
Siemens Industry Inc.		$ 3,886,450.00	N/A	N/A	Net 30	32 Weeks
Wendell, NC						
Siemens Energy Inc.		$ 5,905,040.00	N/A	N/A	30/70 Net 30	140-145 Weeks
Richland, MS						

RECOMMEND SPLIT AWARD AS FOLLOWS: (1) ABB Inc.; (2) Mitsubishi Electric Power Products, Inc.; (3) Siemens Industry Inc.; & (4) Siemens Energy Inc..... $16,500,000.00

Note: The award will be split between ABB Inc.; Mitsubishi Electric Power Products, Inc.; Siemens Industry Inc., and Siemens Energy Inc. This dollar figure includes the cost of all medium voltage circuit breakers projected to be purchased over the five-year term of the alliance, a 35% margin to cover the escalation of the purchase price from years two through five and any unforeseen contingencies. Substation Engineering will maintain the autonomy to designate which supplier and time slots as needed for all purchases for the Division.

Medium Voltage Power Circuit Breaker Alliance Forecast 2025						
Line Item	Description	Unit Price	Quantity	Total		Notes
1	15.5kV 1200A 40kA	$ 46,840.00	25	$ 1,171,000.00		Data Sheet A4N
2	15.5kV 1200A 50kA	$ 182,750.00	10	$ 1,827,500.00		Data Sheet A5N
3	15.5kV 3000A 40kA	$ 67,620.00	20	$ 1,352,400.00		Data Sheet A4R
4	15.5kV 3000A 40kA	$ 67,620.00	5	$ 338,100.00		Data Sheet A4RC
5	25.8kV 1200A 40kA	$ 53,494.51	25	$ 1,337,362.75		Data Sheet B4N
6	25.8kV 2000A 40kA	$ 57,580.00	10	$ 575,800.00		Data Sheet B4Q
7	25.8kV 2000A 40kA	$ 57,580.00	5	$ 287,900.00		Data Sheet B4QC
8	72.5kV 1200A 63kA	$ 211,150.00	10	$ 2,111,500.00		Data Sheet C6N
9	72.5kV 3000A 50kA	$ 182,250.00	10	$ 1,822,500.00		Data Sheet C5R
10	72.5kV 3000A 63kA	$ 210,750.00	5	$ 1,053,750.00		Data Sheet C6RC

SUBTOTAL:	$ 11,877,812.75
35% Margin escalation:	$ 4,157,234.46
TOTAL:	$ 16,035,047.21
TOTAL Rounded:	$16,500,000.00

35% Margin is added for escalation of the purchase price as well as unforeseen failures and contingencies not accounted for in the above quantities.

2025 - Bids for Medium-Voltage Power Circuit Breaker Alliance

Item 1 - 15.5kV 1200A 40kA - Data Sheet A4N

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	$ 53,496.93	See tender letter	22 weeks	$ -	$ 53,496.93		ABB Breakers	Secondary Supplier	***40 kA
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 100,600.00	Net 30	130 weeks	$ 53,625.00	$ 154,225.00		Mitsubishi Breakers		
Siemens Industry, Incorporated	$ 33,090.00	MLGW & SII Terms	32 weeks	$ 13,750.00	$ 46,840.00		Siemens Breakers		

Item 2 - 15.5kV 1200A 50kA - Data Sheet A5N

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	No Bid	N/A	N/A	$ -	No Bid		ABB Breakers		
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 143,700.00	Net 30	104 weeks	$ 39,050.00	$ 182,750.00		Mitsubishi Breakers		
Siemens Industry, Incorporated	No Bid	N/A	N/A	$ -	No Bid		Siemens Breakers		

Item 3 - 15.5kV 3000A 40kA - Data Sheet A4R

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	$ 48,105.53	See tender letter	27 weeks	$ -	$ 48,105.53		ABB Breakers	Bidder's Proposal has 25 kA not 40 kA	25 kA N/G
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 100,200.00	Net 30	130 weeks	$ 53,625.00	$ 153,825.00		Mitsubishi Breakers	Secondary Supplier	
Siemens Industry, Incorporated	$ 53,870.00	MLGW & SII Terms	32 weeks	$ 13,750.00	$ 67,620.00		Siemens Breakers		

Item 4 - 15.5kV 3000A 40kA - Data Sheet A4RC

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	$ 48,076.08	See tender letter	27 weeks	$ -	$ 48,076.08		ABB Breakers	Bidder's Proposal has 25 kA not 40 kA	25 kA N/G
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 100,200.00	Net 30	104 weeks	$ 53,625.00	$ 153,825.00		Mitsubishi Breakers	Secondary Supplier	
Siemens Industry, Incorporated	$ 53,870.00	MLGW & SII Terms	32 weeks	$ 13,750.00	$ 67,620.00		Siemens Breakers		

Item 5 - 25.8kV 1200A 40kA - Data Sheet B4N

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	$ 53,494.51	See tender letter	22 weeks	$ -	$ 53,494.51		ABB Breakers		***40 kA
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 100,600.00	Net 30	130 weeks	$ 53,625.00	$ 154,225.00		Mitsubishi Breakers		
Siemens Industry, Incorporated	$ 42,200.00	MLGW & SII Terms	32 weeks	$ 13,750.00	$ 55,950.00		Siemens Breakers	Secondary Supplier	

Item 6 - 25.8kV 2000A 40kA - Data Sheet B4Q

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	$ 57,603.08	See tender letter	22 weeks	$ -	$ 57,603.08		ABB Breakers	Secondary Supplier	***40 kA
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 100,400.00	Net 30	104 weeks	$ 53,625.00	$ 154,025.00		Mitsubishi Breakers		
Siemens Industry, Incorporated	$ 43,830.00	MLGW & SII Terms	32 weeks	$ 13,750.00	$ 57,580.00		Siemens Breakers		

Item 7 - 25.8kV 2000A 40kA - Data Sheet B4QC

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	$ 57,603.08	See tender letter	27 weeks	$ -	$ 57,603.08		ABB Breakers	Secondary Supplier	***40 kA
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 100,400.00	Net 30	104 weeks	$ 53,625.00	$ 154,025.00		Mitsubishi Breakers		
Siemens Industry, Incorporated	$ 43,830.00	MLGW & SII Terms	32 weeks	$ 13,750.00	$ 57,580.00		Siemens Breakers		

Item 8 - 72.5kV 1200A 63kA - Data Sheet C6N

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	No Bid	N/A	N/A	$ -	No Bid		ABB Breakers		
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 172,100.00	Net 30	104 weeks	$ 39,050.00	$ 211,150.00		Mitsubishi Breakers		
Siemens Energy, Incorporated	$ 242,567.00	30/70	145 weeks	$ 82,300.00	$ 324,867.00		Siemens Breakers	Secondary Supplier	

Item 9 - 72.5kV 3000A 50kA - Data Sheet C5R

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	No Bid	N/A	N/A	$ -	No Bid		ABB Breakers		
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 143,200.00	Net 30	104 weeks	$ 39,050.00	$ 182,250.00		Mitsubishi Breakers		
Siemens Energy, Incorporated	$ 231,958.00	30/70	145 weeks	$ 82,300.00	$ 314,258.00		Siemens Breakers	Secondary Supplier	

Item 10 - 72.5kV 3000A 63kA - Data Sheet C6RC

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	No Bid	N/A	N/A	$ -	No Bid		ABB Breakers		
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 171,700.00	Net 30	104 weeks	$ 39,050.00	$ 210,750.00		Mitsubishi Breakers		
Siemens Energy, Incorporated	$ 231,958.00	30/70	145 weeks	$ 82,300.00	$ 314,258.00		Siemens Breakers	Secondary Supplier	

*** ABB in General - all R-MAG Breakers rated at 40 kA are not rated for capacitor switching Class C1. Use Secondary Supplier for capacitor applications.

INTEROFFICE MEMORANDUM

TO: ANNIE MATHIS

FROM: MIKE WALDROP

SUBJECT: RECOMMENDATION FOR THE FIVE YEAR MEDIUM VOLTAGE POWER CIRCUIT BREAKER - 15.5 KV, 25.8 KV AND 72.5 KV - PURCHASE ALLIANCE

DATE: 08/26/2025

CC: D. BANKS, C. MITCHELL

We recommend an award for a 5-Year Alliance for Medium-Voltage Power Circuit Breakers rated 15.5 kV, 25.8 kV and 72.5 kV each to ABB Incorporated, Mitsubishi Electric Power Products, Incorporated, Siemens Energy Incorporated and Siemens Industry Incorporated based on compliance with the MLGW specification, suitability for the application, lowest evaluated total cost of ownership in accordance with attached referenced tabulations, and with the following:

Best lowest acceptable total evaluated cost proposals were offered by ABB Incorporated for Line Item 5; Mitsubishi Electric Power Products, Incorporated for Line Items 2, 8, 9, and 10; and Siemens Industry, Incorporated for Line Items 1, 3, 4, 6, and 7.

With the anticipation of increasing quantities of infrastructure replacements with respect to key Line Items we would also like to recommend possible alternate manufacturing sources: For Line Item 5 we recommend Siemens Industry Incorporated; for Line Items 8, 9, and 10 we recommend Siemens Energy Incorporated; for Line Item 3 and 4 we recommend Mitsubishi Electric Power Products, Incorporated; and for Line Items 1, 6, and 7 we recommend ABB Incorporated as a secondary supplier if required to meet electrical system requirements. Actual purchase orders shall be awarded based upon an analysis of MLGW's equipment needs, project schedules and the manufacturer's ability to provide equipment to meet those schedules. Please refer to the document "2025 – Bids for Medium - Voltage Power Circuit Breaker Alliance" for comparisons with respect to alternate Secondary Suppliers.

Each Line Item was evaluated using a Total Evaluated Unit Cost analysis which uses life cycle cost criteria to determine the equipment that will provide the lowest cost of operation and ownership over its service life. Each Line Item was also reviewed with respect to MLGW system application Data Tables.

ABB Incorporated offers the lowest acceptable Total Evaluated Unit Cost for Line Item 5 this being $53,494.51.

Mitsubishi Electric Power Products, Incorporated offers the lowest acceptable Total Evaluated Cost for Line Items 2, 8, 9, and 10 this being $182,750.00, $211,150.00, $182,250.00, and $210,750.00 respectively.

Siemens Industry, Incorporated, offers the lowest acceptable Total Evaluated Unit Cost for Line Items 1, 3, 4, 6, and 7 this being $46,840.00, $67,620.00, $67,620.00, $57,580.00, and $57,580.00, respectively.

We further recommend that the five-year power circuit breaker purchase alliance for 15.5 kV, 25.8 kV and 72.5 kV power circuit breakers with ABB Incorporated for Line Item 5; Mitsubishi Electric Power Products, Incorporated for Line Items 2, 8, 9, and 10; and Siemens Industry, Incorporated for Line Items 1, 3, 4, 6, and 7 to be approved by the MLGW Board of Commissioners for the amount of $16,500,000.00. This figure includes the cost of all power circuit breakers projected to be purchased over the five-year term of the alliance, a 35% margin to cover the escalation of the purchase price and any unforeseen contingencies. We also request that each release on the alliance be covered by a separate Purchase Order. Please include the two (2) optional single-year renewable terms in the contract duration.

Please contact me at 901-528-4562 if you need further information.

INTEROFFICE MEMORANDUM

TO: ANNIE MATHIS

FROM: MIKE WALDROP

SUBJECT: REQUISITION #5141547 – FIVE YEAR AC MEDIUM-VOLTAGE POWER CIRCUIT BREAKER - 15.5 KV, 25.8 KV AND 72.5 KV – EXPLANATION OF LIFE CYCLE COST EVALUATION

DATE: 08/26/25

CC: D. BANKS, C. MITCHELL

Please find below an explanation with respect to the Life Cycle Cost Evaluation. This evaluation method was tabulated per line item and included with the distributed bid packages, please refer to the sample attached. Each bidder is required to complete the column "Bidder's Proposal Complies" and state whether or not they will supply the stated critical or preferred design features and warranties. Cost adders were determined by the amount of estimated cost for labor and equipment to maintain the breaker over the life cycle based on providing preferred but not required, design features.

Please refer to the sample AC Medium-Voltage Circuit Breaker Data Table. In this case Item 4 is evaluated for design features. Note the bidder MEPPI states that they will not provide some of the design features. The MLGW Evaluated Cost Adjustments are added to the Bid Price for this feature. In this example the Cost Adjustments are $13,750.00, $25,300.00, and $14,575.00, which is added to the bidder's per unit stated cost for this line item. The bid price for this item was $100,200.00 so the Total Evaluated Price was $100,200.00 + $13,750.00 + $25,300.00 + $14,575.00 = $153,825.00.

Please contact me at 901-528-4562 if you need further information.

AC MEDIUM-VOLTAGE Circuit Breaker Data Table – Continued

Bidder shall enter requested data for proposed equipment for **Item 4** on **Data Sheet A4RC**.

For evaluation of Bidder's proposal, cost adjustments for repair and maintenance costs for the life of the circuit breaker will be added to the circuit breaker bid price by MLGW for deviation from critical recommended or preferred design features and warranties as shown in Table below. Bidder shall enter "Yes" or "No" in center column, as appropriate, for proposed equipment for **Item 3** on **Data Sheet A4RC**. A "Yes" response means that the Bidder's Proposal complies with the critical design feature as described. If a "No" response is given, MLGW will add the cost adjustment to the Bidder's proposal cost for evaluation purposes.

LIFE CYCLE COST EVALUATION

Evaluated Critical Design Feature	Bidder's Proposal Complies	MLGW Evaluated Cost Adjustment
Operating mechanism is spring opening and spring closing (spring-spring) or magnetically actuated	yes	+$6,875.00
Circuit breaker operating mechanism is magnetically actuated.	no	+ $13,750.00
Circuit breaker has vacuum interrupters.	no	+ $25,300.00
SF6 leak rate is warranted at 0% for 10-year warranty period or breaker is non-SF6	yes, parts only	+$16,500.00
Interior and exterior of all joints containing SF6 gas are sealed with RTV sealant, hermetically sealed, or breaker is non-SF6	yes	+$8,875.00
Bushings' joint seals are not required to be disturbed or broken and bushings are not required to be displaced or removed to inspect/replace main arcing contacts/nozzles	yes	+$17,875.00
Bushing joint seal is not required to be disturbed or broken and bushing is not required to be displaced or removed to replace a current transformer	yes	+$5,775.00
Gas charging and monitoring system, including gauge(s), alarm/lockout switch devices, valves, and service fitting(s), is located in the control cabinet with gauge(s) behind a control cabinet window or breaker is non-SF6	no	+$14,575.00

Total Life Cycle Cost Evaluation $ 53625
(To be determined by MLGW)

Bidder Mitsubishi Electric

2025 - Bids for Medium-Voltage Power Circuit Breaker Alliance

Item 1 - 15.5kV 1200A 40kA - Data Sheet A4N

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	$ 53,496.93	See tender letter	22 weeks	$ -	$ 53,496.93		ABB Breakers	Secondary Supplier	***40 kA
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 100,600.00	Net 30	130 weeks	$ 53,625.00	$ 154,225.00		Mitsubishi Breakers		
Siemens Industry, Incorporated	$ 33,090.00	MLGW & SII Terms	32 weeks	$ 13,750.00	$ 46,840.00		Siemens Breakers		

Item 2 - 15.5kV 1200A 50kA - Data Sheet A5N

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	No Bid	N/A	N/A	$ -	No Bid		ABB Breakers		
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 143,700.00	Net 30	104 weeks	$ 39,050.00	$ 182,750.00		Mitsubishi Breakers		
Siemens Industry, Incorporated	No Bid	N/A	N/A	$ -	No Bid		Siemens Breakers		

Item 3 - 15.5kV 3000A 40kA - Data Sheet A4R

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	$ 48,105.53	See tender letter	27 weeks	$ -	$ 48,105.53		ABB Breakers	Bidder's Proposal has 25 kA not 40 kA	25 kA N/G
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 100,200.00	Net 30	130 weeks	$ 53,625.00	$ 153,825.00		Mitsubishi Breakers	Secondary Supplier	
Siemens Industry, Incorporated	$ 53,870.00	MLGW & SII Terms	32 weeks	$ 13,750.00	$ 67,620.00		Siemens Breakers		

Item 4 - 15.5kV 3000A 40kA - Data Sheet A4RC

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	$ 48,076.08	See tender letter	27 weeks	$ -	$ 48,076.08		ABB Breakers	Bidder's Proposal has 25 kA not 40 kA	25 kA N/G
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 100,200.00	Net 30	104 weeks	$ 53,625.00	$ 153,825.00		Mitsubishi Breakers	Secondary Supplier	
Siemens Industry, Incorporated	$ 53,870.00	MLGW & SII Terms	32 weeks	$ 13,750.00	$ 67,620.00		Siemens Breakers		

Item 5 - 25.8kV 1200A 40kA - Data Sheet B4N

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	$ 53,494.51	See tender letter	22 weeks	$ -	$ 53,494.51		ABB Breakers		***40 kA
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 100,600.00	Net 30	130 weeks	$ 53,625.00	$ 154,225.00		Mitsubishi Breakers		
Siemens Industry, Incorporated	$ 42,200.00	MLGW & SII Terms	32 weeks	$ 13,750.00	$ 55,950.00		Siemens Breakers	Secondary Supplier	

Item 6 - 25.8kV 2000A 40kA - Data Sheet B4Q

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	$ 57,603.08	See tender letter	22 weeks	$ -	$ 57,603.08		ABB Breakers	Secondary Supplier	***40 kA
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 100,400.00	Net 30	104 weeks	$ 53,625.00	$ 154,025.00		Mitsubishi Breakers		
Siemens Industry, Incorporated	$ 43,830.00	MLGW & SII Terms	32 weeks	$ 13,750.00	$ 57,580.00		Siemens Breakers		

Item 7 - 25.8kV 2000A 40kA - Data Sheet B4QC

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	$ 57,603.08	See tender letter	27 weeks	$ -	$ 57,603.08		ABB Breakers	Secondary Supplier	***40 kA
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 100,400.00	Net 30	104 weeks	$ 53,625.00	$ 154,025.00		Mitsubishi Breakers		
Siemens Industry, Incorporated	$ 43,830.00	MLGW & SII Terms	32 weeks	$ 13,750.00	$ 57,580.00		Siemens Breakers		

Item 8 - 72.5kV 1200A 63kA - Data Sheet C6N

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	No Bid	N/A	N/A	$ -	No Bid		ABB Breakers		
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 172,100.00	Net 30	104 weeks	$ 39,050.00	$ 211,150.00		Mitsubishi Breakers		
Siemens Energy, Incorporated	$ 242,567.00	30/70	145 weeks	$ 82,300.00	$ 324,867.00		Siemens Breakers	Secondary Supplier	

Item 9 - 72.5kV 3000A 50kA - Data Sheet C5R

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	No Bid	N/A	N/A	$ -	No Bid		ABB Breakers		
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 143,200.00	Net 30	104 weeks	$ 39,050.00	$ 182,250.00		Mitsubishi Breakers		
Siemens Energy, Incorporated	$ 231,958.00	30/70	145 weeks	$ 82,300.00	$ 314,258.00		Siemens Breakers	Secondary Supplier	

Item 10 - 72.5kV 3000A 63kA - Data Sheet C6RC

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications	Note
ABB Incorporated	No Bid	N/A	N/A	$ -	No Bid		ABB Breakers		
Mitsubishi Electric Power Products, Incorporated (MEPPI)	$ 171,700.00	Net 30	104 weeks	$ 39,050.00	$ 210,750.00		Mitsubishi Breakers		
Siemens Energy, Incorporated	$ 231,958.00	30/70	145 weeks	$ 82,300.00	$ 314,258.00		Siemens Breakers	Secondary Supplier	

*** ABB in General - all R-MAG Breakers rated at 40 kA are not rated for capacitor switching Class C1. Use Secondary Supplier for capacitor applications.

AWARD RECOMMENDATION

To: Mike Waldrop

From: **Procurement Contracts Specialist II:** Annie Mathis

Date: 8/26/2025

Requisition #: 5141547 **Bid on:** Medium Voltage Circuit Breakers

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:
Please see the attached recommendation memo for the selection of ABB Inc., Mitsubishi Electric Power Products, Inc., Siemens Energy, Inc. and Siemens Industry, Inc. as the successful bidders.

2. RECOMMENDATION:

A. Which bid(s) do you recommend? We recommend the proposals submitted by ABB Inc., Mitsubishi Electric Power Products, Inc., Siemens Energy, Inc. and Siemens Industry, Inc.

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, supplier diversity policy application, or earliest delivery based on need, please include in your recommendation.

The award recommendation of ABB Inc., Mitsubishi Electric Power Products Inc., Siemens Energy, Inc., and Siemens Industry, Inc. is made based on the attached evaluation criteria. A complete explanation of the recommendation is given in the attached memorandum.

(attach an additional sheet if further comment or explanation is required)

PRINT NAME Michael Waldrop
Area Supervisor or designee

SIGNATURE Annie L. Mathis
Procurement Contracts Specialist II

SIGNATURE _____

DATE 9/3/2025

DATE 8/26/2025 **PHONE** 901-528-4562

3. PROCUREMENT ACTION/RECOMMENDATION(S): (Purchasing to complete)

This award complies with all applicable laws and policies.

RESOLUTION SUMMARY

1. **Short Title Description** – High Voltage Power Circuit Breakers – Sixty-Month Purchase Order

2. **Requested Funding –** Not-to-Exceed $16,500,000.00

3. **Award Duration –** Sixty-Months with the Option of Two, One-Year Extensions

4. **Type of Bid** – Sealed Bid

5. **Awarded To –** Mitsubishi Electric Power Products, Inc. and Siemens Energy Inc.

6. **Plain Language Description –** To procure high voltage power circuit breakers for use in MLGW's electric infrastructure, for the estimated quantities listed below.
    - 25 – Circuit breakers, AC hi-voltage 123 kV, 2000 A, 40 kA
    - 9 – Circuit breakers, AC hi-voltage 123 kV, 2000 A, 50 kA
    - 25 – Circuit breakers, AC hi-voltage 170 kV, 2000 A, 40 kA
    - 30 – Circuit breakers, AC hi-voltage 170 kV, 2000 A, 63 kA
    - 8 – Circuit breakers, AC hi-voltage 170 kV, 2000 A, 63 kA SUB 35

7. **Impact –** The high voltage power circuit breakers are needed for master plan capital expansion projects and to replace electrical components that have reached end-of-life at various substation facilities.

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners that it awards sixty-month purchase orders for high voltage power circuit breakers to Mitsubishi Electric Power Products, Inc. and Siemens Energy Inc. in an amount not-to-exceed $16,500,000.00.

Sixty-month purchase orders will be awarded for high voltage power circuit breakers, with two one-year extension options. The high voltage power circuit breakers are needed for master plan capital expansion projects and to replace electrical components that have reached end-of-life.

Bids were opened on July 16, 2025. Notice to Bidders was advertised. Eleven bids were solicited, and four bids were received with the best complying and most responsive bidders being the firms of Mitsubishi Electric Power Products, Inc. and Siemens Energy Inc. This award complies with all applicable laws and policies.

The 2025 budgeted amount for Substation – Substation Maintenance is $25,157,372.00; the amount spent year-to-date is $21,070,966.94; leaving a balance available of $4,086,405.06; of which $16,500,000.00 will be spent on this purchase in subsequent budget years 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 sixty-month purchase orders to Mitsubishi Electric Power Products, Inc. and Siemens Energy Inc. is approved for furnishing:

25 – Circuit breakers, AC hi-voltage 123 kV, 2000 A, 40 kA;

9 – Circuit breakers, AC hi-voltage 123 kV, 2000 A, 50 kA;

25 – Circuit breakers, AC hi-voltage 170 kV, 2000 A, 40 kA;

30 – Circuit breakers, AC hi-voltage 170 kV, 2000 A, 63 kA;

8 – Circuit breakers, AC hi-voltage 170 kV, 2000 A, 63 kA SUB 35;

Totaling $16,500,000.00; f.o.b. Memphis, Tennessee, our dock; transportation prepaid; said prices are subject to escalation / de-escalation; a 25% contingency to cover the escalation of the purchase price from years two through five and any unforeseen increases; Substation Engineering has the authority to select the supplier and time slots for all purchases made on behalf of the Division; the projected items and estimated quantities may include similar or like items; the quantities are for estimation purposes only and do 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 is 60-145 weeks, terms net 30 days.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved sixty-month purchase orders for high voltage power circuit breakers and is now recommending to the Council of the City of Memphis that it approves said purchase; and

WHEREAS, sixty-month purchase orders will be awarded for high voltage power circuit breakers, with two one-year extension options. The high voltage power circuit breakers are needed for master plan capital expansion projects and to replace electrical components that have reached end-of-life; and

WHEREAS, bids were opened on July 16, 2025. Notice to Bidders was advertised. Eleven bids were solicited, and four bids were received with the best complying and most responsive bidders being the firms of Mitsubishi Electric Power Products, Inc. and Siemens Energy Inc. 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 sixty-month purchase orders for high voltage power circuit breakers from Mitsubishi Electric Power Products, Inc. and Siemens Energy Inc. in a not-to-exceed amount of $16,500,000.00 chargeable to subsequent budget years as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Quinton Clark

Procurement Contracts Specialist II: Annie Mathis

Board Meeting Date: 10/15/2025
Requisition Number: 5138750
Purchase Commodity: High Voltage Power Circuit Breakers
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	Substation and Transmission Engineering / Mike Waldrop / 901-528-4562 / mwaldrop@mlgw.org
Scope: Contract ____ **Purchase** __X__ **Other** ____	Sixty-month purchase orders will be awarded to procure high voltage power circuit breakers.
Explanation of the Contract or Purchase Action. *(Contract, Purchase, invoice payments, land purchase, dues, other)*	To purchase ninety-seven high voltage power circuit breakers.
Where will the work take place? *(MLGW facility or jobsite, etc.)*	The high voltage power circuit breakers will be installed in MLGW's substation facilities.
Why the need exists? (Contract, Purchase, invoice payments, land purchase, dues, other)	The high voltage power circuit breakers are needed to replace existing electrical infrastructure that has reached end-of-life and for master plan capital expansion 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, RFP, RFQ) RFQ	

BUDGET:

	Total	In 2025 Budget Year	After Budget Year
Amount Requested	$ 16,500,000.00	$ -	$ 16,500,000.00
2025 Budget	$ 25,157,372.00		
Amount Spent Year-to-Date	$ 21,070,966.94		
2025 Budget Balance Available		$ 4,086,405.06	
Budget Balance After Award		$ 4,086,405.06	

***Please Indicate Category Below**

[ ] **O&M:**
[X] **Capital**

Project Substation
Expenditure Organization 0562230 Substation Maintenance and Construction
Expenditure Type eAM Outside Purchases
Task Various

Comments:

CC	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda.Croft
Budget and Rates

09.05.2025
Date

BID ON HIGH-VOLTAGE POWER CIRCUIT BREAKERS

FOR BOARD MEETING OF OCTOBER 15, 2025

BIDS OPENED ON JULY 16, 2025

BASE UNIT: EACH

BIDDERS	ITEM	Line 1	Line 2	Line 3	Line 4	Line 5	Total	Local Bidding Preference	Local Bidding Presence	Terms	Delivery	Award Based On Total Evaluated Cost
	QUANTITY	25	9	25	30	8						
COMPLYING BIDDERS	DESCRIPTION	Circuit Breakers, AC Hi-Voltage 123 kV, 2000 A, 40 kA	Circuit Breakers, AC Hi-Voltage 123 kV, 2000 A, 50 kA	Circuit Breakers, AC Hi-Voltage 170 kV, 2000 A, 40 kA	Circuit Breakers, AC Hi-Voltage 170 kV, 2000 A, 63 kA	Circuit Breakers, AC Hi-Voltage 170 kV, 2000 A, 63 kA SUB 35						
Mitsubishi Electric Power Products, Inc.		$100,944.00	$122,074.00	$105,164.00	$172,931.00	$172,931.00	$12,822,744.00	N/A	N/A	Net 30	60 Weeks	$ 685,132.00
Warrendale, PA												
Siemens Energy Inc.		$157,932.00	$228,704.00	$157,932.00	$228,704.00	$239,042.00	$18,728,392.00	N/A	N/A	Net 30	105-145 Weeks	$ 1,091,514.00
Richland, MS												
Hitachi Energy USA Inc.		$189,935.00	$273,935.00	$267,635.00	$270,785.00	$276,035.00	$24,236,495.00	N/A	N/A	Net 30	110-114 Weeks	$ 1,496,485.00
Mount Pleasant, PA												
HICO America		$271,416.00	$271,416.00	$475,912.00	$509,631.00	$509,631.00	$40,491,922.00	N/A	N/A	Net 30	70-78 Weeks	$ 2,388,886.00
Pittsburgh, PA												

RECOMMEND SPLIT AWARD AS FOLLOWS: Primary Partner: Mitsubishi Electric Power Products, Inc. and Secondary Partner: Siemens Energy, Inc. ..... $ 16,500,000.00

Note: The award will be split between Primary Partner - Mitsubishi Electric Power Products, Inc. and Secondary Partner - Siemens Energy, Inc. This dollar figure includes the cost of all high-voltage power circuit breakers projected to be purchased over the five-year term of the alliance, and a 25% margin to cover the escalation of the purchase price from years two through five and any unforeseen contingencies. Substation Engineering will maintain the authority to designate which supplier and time slots are needed for all purchases for the Division.

2025 - Bids for High-Voltage Power Circuit Breaker Alliance

Item 1 - 123kV 2000A 40kA - Data Sheet D4Q

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications
HICO America David Schutz	$ 271,416.00	Terms - Left blank	64-72 weeks	$ 67,656.00	$ 339,072.00	$ 322,118.40	** Bidder's Proposal Incomplete	Bid was not signed by Bidder
Hitachi Billy Kinard	$ 189,935.00	Previously negotiated	110-114 weeks	$ 38,352.00	$ 228,287.00	N/A		
MEPPI Jason Simon	$ 100,944.00	Net 30	60 weeks	$ -	$ 100,944.00	N/A	10 year SF6 leak warranty - parts only	
Siemens Energy Mike Blalock	$ 157,932.00	Net 30	105-115 weeks	$ 15,840.00	$ 173,772.00	N/A	Capped at 5 year leak warranty	

Item 2 - 123kV 2000A 50kA - Data Sheet D5Q

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications
HICO America David Schutz	$ 271,416.00	Terms - Left blank	64-72 weeks	$ 67,656.00	$ 339,072.00	$ 322,118.40	** Bidder's Proposal Incomplete	Bid was not signed by Bidder
Hitachi Billy Kinard	$ 273,935.00	Previously negotiated	110-114 weeks	$ 44,952.00	$ 318,887.00	N/A		
MEPPI Jason Simon	$ 122,074.00	Net 30	60 weeks	$ -	$ 122,074.00	N/A	10 year SF6 leak warranty - parts only	
Siemens Energy Mike Blalock	$ 228,704.00	Net 30	140-145 weeks	$ 15,840.00	$ 244,544.00	N/A	Capped at 5 year leak warranty	

Item 3 - 170kV 2000A 40kA - Data Sheet E4Q

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications
HICO America David Schutz	$ 475,912.00	Terms - Left blank	Incomplete	$ 67,656.00	$ 543,568.00	$ 516,389.60	** Bidder's Proposal Incomplete	Bid was not signed by Bidder
Hitachi Billy Kinard	$ 267,635.00	Previously negotiated	110-114 weeks	$ 44,952.00	$ 312,587.00	N/A		
MEPPI Jason Simon	$ 105,164.00	Net 30	60 weeks	$ -	$ 105,164.00	N/A	10 year SF6 leak warranty - parts only	
Siemens Energy Mike Blalock	$ 157,932.00	Net 30	105-115 weeks	$ 15,840.00	$ 173,772.00	N/A	Capped at 5 year leak warranty	

Item 4 - 170kV 2000A 63kA - Data Sheet E6Q

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications
HICO America David Schutz	$ 509,631.00	Terms - Left blank	64-72 weeks	$ 73,956.00	$ 583,587.00	$ 554,407.65	** Bidder's Proposal Incomplete	Bid was not signed by Bidder
Hitachi Billy Kinard	$ 270,785.00	Previously negotiated	110-114 weeks	$ 44,952.00	$ 315,737.00	N/A		
MEPPI Jason Simon	$ 172,931.00	Net 30	60 weeks	$ 5,544.00	$ 178,475.00	N/A	10 year SF6 leak warranty - parts only	
Siemens Energy Mike Blalock	$ 228,704.00	Net 30	140-145 weeks	$ 15,840.00	$ 244,544.00	N/A	Capped at 5 year leak warranty	

Item 5 - 170kV 2000A 63kA - Data Sheet E6Q35

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications
HICO America David Schutz	$ 509,631.00	Terms - Left blank	64-72 weeks	$ 73,956.00	$ 583,587.00	$ 554,407.65	** Bidder's Proposal Incomplete	Bid was not signed by Bidder
Hitachi Billy Kinard	$ 276,035.00	Previously negotiated	110-114 weeks	$ 44,952.00	$ 320,987.00	N/A		
MEPPI Jason Simon	$ 172,931.00	Net 30	60 weeks	$ 5,544.00	$ 178,475.00	N/A	10 year SF6 leak warranty - parts only	
Siemens Energy Mike Blalock	$ 239,042.00	Net 30	140-124 weeks	$ 15,840.00	$ 254,882.00	N/A	Capped at 5 year leak warranty	

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications
HICO America					$ 2,388,886.00	$ 2,269,441.70		
Hitachi					$ 1,496,485.00			
Mitsubishi Electric Power Products Incorporated (MEPPI)					$ 685,132.00		TOTAL Primary Supplier	
Siemens - Utility Sales Agency, LLC					$ 1,091,514.00		TOTAL Secondary Supplier	

** HICO Bidders Proposal is Incomplete. Missing Terms, Bidder's Proposal data, Life Cycle Cost Evaluation data, data on HV Breakers that they can supply per Rating, and no Signature of Bidder.

2025 High Voltage Power Circuit Breaker Alliance Forecast								
Line Item		Description		Price	Quantity	Total		Notes
1		123kV 2000A 40kA		$ 100,944.00	25	$ 2,523,600.00		Data Sheet D4Q
2		123kV 2000A 50kA		$ 122,074.00	9	$ 1,098,666.00		Data Sheet D5Q
3		170kV 2000A 40kA		$ 105,164.00	25	$ 2,629,100.00		Data Sheet E4Q
4		170kV 2000A 63kA		$ 178,475.00	30	$ 5,354,250.00		Data Sheet E6Q
5		170kV 2000A 63kA		$ 178,475.00	8	$ 1,427,800.00		Data Sheet E6Q35

SUBTOTAL:	$ 13,033,416.00
25% Margin escalation:	$ 3,258,354.00
TOTAL:	$ 16,291,770.00
TOTAL Rounded:	$16,500,000.00

25% Margin is added for escalation of the purchase price as well as unforeseen failures and customer substations not accounted for in the above quantities.

INTEROFFICE MEMORANDUM

TO: ANNIE MATHIS

FROM: MIKE WALDROP

SUBJECT: REQUISITION #5138750 – FIVE YEAR AC HIGH-VOLTAGE POWER CIRCUIT BREAKER - 123 KV AND 170 KV – EXPLANATION OF LIFE CYCLE COST EVALUATION

DATE: 08/25/25

CC: D. BANKS, C. MITCHELL

Please find below an explanation with respect to the Life Cycle Cost Evaluation. This evaluation method was tabulated per line item and included with the distributed bid packages, please refer to the sample attached. Each bidder is required to complete the column "Bidder's Proposal Complies" and state whether or not they will supply the stated critical or preferred design features and warranties. Cost adders were determined by the amount of estimated cost for labor and equipment to maintain the breaker over the life cycle based on providing preferred but not required, design features.

Please refer to the sample AC High-Voltage Circuit Breaker Data Table. In this case Item 4 is evaluated for design features. Note the bidder MEPPI states that they will not provide one of the design features. The MLGW Evaluated Cost Adjustments are added to the Bid Price for this feature. In this example the Cost Adjustment is $5,544 and is added to the bidder's per unit stated cost for this line item. The bid price for this item was $172,931 so the Total Evaluated Price was $172,931 + $5,544 = $178,475.

Please contact me at 901-528-4562 if you need further information.

INTEROFFICE MEMORANDUM

TO: ANNIE MATHIS

FROM: MIKE WALDROP

SUBJECT: REQUISITION #5138750 – FIVE YEAR AC HIGH-VOLTAGE POWER CIRCUIT BREAKER - 123 KV AND 170 KV – EXPLANATION OF LIFE CYCLE COST EVALUATION

DATE: 08/25/25

CC: D. BANKS, C. MITCHELL

Please find below an explanation with respect to the Life Cycle Cost Evaluation. This evaluation method was tabulated per line item and included with the distributed bid packages, please refer to the sample attached. Each bidder is required to complete the column "Bidder's Proposal Complies" and state whether or not they will supply the stated critical or preferred design features and warranties. Cost adders were determined by the amount of estimated cost for labor and equipment to maintain the breaker over the life cycle based on providing preferred but not required, design features.

Please refer to the sample AC High-Voltage Circuit Breaker Data Table. In this case Item 4 is evaluated for design features. Note the bidder MEPPI states that they will not provide one of the design features. The MLGW Evaluated Cost Adjustments are added to the Bid Price for this feature. In this example the Cost Adjustment is $5,544 and is added to the bidder's per unit stated cost for this line item. The bid price for this item was $172,931 so the Total Evaluated Price was $172,931 + $5,544 = $178,475.

Please contact me at 901-528-4562 if you need further information.

AC High-Voltage Circuit Breaker Data Table - Continued

Bidder shall enter requested data for proposed equipment for **Item 4** on **Data Sheet E6Q**.

For evaluation of Bidder's proposal, cost adjustments for repair and maintenance costs for the life of the circuit breaker will be added to the circuit breaker bid price by MLGW for deviation from critical recommended or preferred design features and warranties as shown in Table below. Bidder shall enter "Yes" or "No" in center column, as appropriate, for proposed equipment for **Item 4** on **Data Sheet E6Q**. A "Yes" response means that the Bidder's Proposal complies with the critical design feature as described. If a "No" response is given, MLGW will add the cost adjustment to the Bidder's proposal cost for evaluation purposes.

LIFE CYCLE COST EVALUATION

Evaluated Critical Design Feature	Bidder's Proposal Complies	MLGW Evaluated Cost Adjustment
Bushings' joint seals are not required to be disturbed or broken and bushings are not required to be displaced or removed to inspect/replace main arcing contacts/nozzles	YES	+$17,160.00
Bushing joint seal is not required to be disturbed or broken and bushing is not required to be displaced or removed to replace a current transformer	NO ✓	+$5,544.00 ✓
Operating mechanism is spring opening and spring closing (spring-spring)	YES	+$6,600.00
SF6 leak rate is warranted at 0% for 10-year warranty period	YES, Please note this would be for Parts only.	+$15,840.00
Gas charging and monitoring system, including gauge(s), alarm/lockout switch devices, valves, and service fitting(s), is located in the control cabinet with gauge(s) behind a control cabinet window	YES	+$13,992.00
Interior and exterior of all joints containing SF6 gas are sealed with RTV sealant	YES	+$8,520.00
TRV capacitors are not required for control of the rate-of-rise of transient recovery voltage on circuit breaker terminals connected to an overhead line to achieve full interrupting capability.	YES	+$6,300.00

Total Life Cycle Cost Evaluation $ 5,544.00 ✓
(To be determined by MLGW)

Bidder Mitsubishi Electric

2025 - Bids for High-Voltage Power Circuit Breaker Alliance

Item 1 - 123kV 2000A 40kA - Data Sheet D4Q

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications
HICO America David Schutz	$ 271,416.00	Terms - Left blank	64-72 weeks	$ 67,656.00	$ 339,072.00	$ 322,118.40	** Bidder's Proposal Incomplete	Bid was not signed by Bidder
Hitachi Billy Kinard	$ 189,935.00	Previously negotiated	110-114 weeks	$ 38,352.00	$ 228,287.00	N/A		
MEPPI Jason Simon	$ 100,944.00	Net 30	60 weeks	$ -	$ 100,944.00	N/A	10 year SF6 leak warranty - parts only	
Siemens Energy Mike Blalock	$ 157,932.00	Net 30	105-115 weeks	$ 15,840.00	$ 173,772.00	N/A	5 year leak warranty	

Item 2 - 123kV 2000A 50kA - Data Sheet D5Q

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications
HICO America David Schutz	$ 271,416.00	Terms - Left blank	64-72 weeks	$ 67,656.00	$ 339,072.00	$ 322,118.40	** Bidder's Proposal Incomplete	Bid was not signed by Bidder
Hitachi Billy Kinard	$ 273,935.00	Previously negotiated	110-114 weeks	$ 44,952.00	$ 318,887.00	N/A		
MEPPI Jason Simon	$ 122,074.00	Net 30	60 weeks	$ -	$ 122,074.00	N/A	10 year SF6 leak warranty - parts only	
Siemens Energy Mike Blalock	$ 228,704.00	Net 30	140-145 weeks	$ 15,840.00	$ 244,544.00	N/A	5 year leak warranty	

Item 3 - 170kV 2000A 40kA - Data Sheet E4Q

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications
HICO America David Schutz	$ 475,912.00	Terms - Left blank	Incomplete	$ 67,656.00	$ 543,568.00	$ 516,389.60	** Bidder's Proposal Incomplete	Bid was not signed by Bidder
Hitachi Billy Kinard	$ 267,635.00	Previously negotiated	110-114 weeks	$ 44,952.00	$ 312,587.00	N/A		
MEPPI Jason Simon	$ 105,164.00	Net 30	60 weeks	$ -	$ 105,164.00	N/A	10 year SF6 leak warranty - parts only	
Siemens Energy Mike Blalock	$ 157,932.00	Net 30	105-115 weeks	$ 15,840.00	$ 173,772.00	N/A	5 year leak warranty	

Item 4 - 170kV 2000A 63kA - Data Sheet E6Q

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications
HICO America David Schutz	$ 509,631.00	Terms - Left blank	64-72 weeks	$ 73,956.00	$ 583,587.00	$ 554,407.65	** Bidder's Proposal Incomplete	Bid was not signed by Bidder
Hitachi Billy Kinard	$ 270,785.00	Previously negotiated	110-114 weeks	$ 44,952.00	$ 315,737.00	N/A		
MEPPI Jason Simon	$ 172,931.00	Net 30	60 weeks	$ 5,544.00	$ 178,475.00	N/A	10 year SF6 leak warranty - parts only	
Siemens Energy Mike Blalock	$ 228,704.00	Net 30	140-145 weeks	$ 15,840.00	$ 244,544.00	N/A	5 year leak warranty	

Item 5 - 170kV 2000A 63kA - Data Sheet E6Q35

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications
HICO America David Schutz	$ 509,631.00	Terms - Left blank	64-72 weeks	$ 73,956.00	$ 583,587.00	$ 554,407.65	** Bidder's Proposal Incomplete	Bid was not signed by Bidder
Hitachi Billy Kinard	$ 276,035.00	Previously negotiated	110-114 weeks	$ 44,952.00	$ 320,987.00	N/A		
MEPPI Jason Simon	$ 172,931.00	Net 30	60 weeks	$ 5,544.00	$ 178,475.00	N/A	10 year SF6 leak warranty - parts only	
Siemens Energy Mike Blalock	$ 239,042.00	Net 30	140-124 weeks	$ 15,840.00	$ 254,882.00	N/A	5 year leak warranty	

Bidder	Bid Price	Terms	Delivery	Evaluated Cost Adders	Total Evaluated Cost	Deduct Local 5%	Comments	Clarifications
HICO America					$ 2,388,886.00	$ 2,269,441.70		
Hitachi					$ 1,496,485.00			
Mitsubishi Electric Power Products Incorporated (MEPPI)					$ 685,132.00		TOTAL Primary Supplier	
Siemens - Utility Sales Agency, LLC					$ 1,091,514.00		TOTAL Secondary Supplier	

** HICO Bidders Proposal is Incomplete. Missing Terms, Bidder's Proposal data, Life Cycle Cost Evaluation data, data on HV Breakers that they can supply per Rating, and no Signature of Bidder.

INTEROFFICE MEMORANDUM

TO: ANNIE MATHIS

FROM: MIKE WALDROP

SUBJECT: REQUISITION #5138750 – FIVE YEAR AC HIGH-VOLTAGE POWER CIRCUIT BREAKER - 123 KV AND 170 KV - PURCHASE ALLIANCE RECOMMENDATION

DATE: 08/25/25

CC: D. BANKS, C. MITCHELL

Of the four (4) proposals received for the five-year high voltage power circuit breaker purchase alliance for 123 kV and 170 kV power circuit breakers, we recommend acceptance of the proposal by Mitsubishi Electrical Power Products, Inc., for the primary supplier, and Siemens Industry, Inc., for the secondary supplier. Actual purchase orders shall be awarded based upon an analysis of MLGW's equipment needs, project schedules and the manufacturer's ability to provide equipment to meet those schedules.

Mitsubishi offers the lowest Total Evaluated Cost of $685,132.00. The request for proposal included the life cycle cost evaluation criteria which seeks to choose the equipment that will provide the lowest cost of operation and ownership over their service life. Terms are net 30 days. Mitsubishi offers the specified 5-year warranty, a 10-year no SF6 gas leak guarantee – parts only and offers delivery in 60 weeks after receipt of order with reserved production slots for MLGW power circuit breaker requirements. The seven exceptions and remarks included in the Mitsubishi proposal are acceptable to MLGW. Mitsubishi can provide all power circuit breakers rated 123 kV and 170 kV that might be needed by MLGW during the term of the purchase alliance. Mitsubishi will provide application assistance through their Electrical Power Systems Studies Group to ensure correct application of any power circuit breaker provided to MLGW.

Siemens offers the second lowest acceptable Total Evaluated Cost of $1,091,514.00. Siemens offers a 5-year warranty, and offers delivery in 140-145 weeks after receipt of order. Siemens can provide all power circuit breakers rated 123 kV and 170 kV that might be needed by MLGW during the term of the purchase alliance. Siemens will provide application assistance through their TIP applications group in Germany and design engineering one-line analysis in their Jackson, Mississippi, facility to ensure correct application of any power circuit breaker provided to MLGW.

The proposals made by HICO America and Hitachi were higher in Total Evaluated Cost than Mitsubishi and Siemens and were not considered in the final acceptance evaluation.

A tabulation of the power circuit breaker bid data is provided on a separate spread sheet.

We further recommend that the five-year power circuit breaker purchase alliance for 123 kV and 170 kV power circuit breakers with Mitsubishi Electrical Power Products, Inc., for the primary supplier and Siemens Industry, Inc., for the secondary supplier to be approved by the MLGW Board of Commissioners for the amount of $16,500,000.00. This figure includes the cost of all power circuit breakers projected to be purchased over the five-year term of the alliance, a 25% margin to cover the escalation of the purchase price from years two through five and any contingencies, and the cost of power circuit breakers being purchased for customer substations. We also request that each release on the alliance be covered by a separate Purchase Order. Please include the two (2) optional single-year renewable terms in the contract duration.

Please contact me at 901-528-4562 if you need further information.

AWARD RECOMMENDATION

To: Michael Waldrop

From: **Procurement Contracts Specialist II:** Annie Mathis

Date: 8/25/2025

Requisition #: 5138750 **Bid on:** High Voltage Power Circuit Breakers

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:
Please see the attached recommendation memo for the selection of Mitsubishi Electric Power Products, Inc. and Siemens Energy Inc as the successful bidders.

2. RECOMMENDATION:

A. Which bid(s) do you recommend? We recommend the proposals submitted by Mitsubishi Electric Power Products, Inc. and Siemens Energy Inc.

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, supplier diversity policy application, or earliest delivery based on need, please include in your recommendation.

The award recommendation of Mitsubishi Electric Power Products, Inc. and Siemens Energy Inc. is made based on the attached evaluation criteria. A complete explanation of the recommendation is given in the attached memorandum.

(attach an additional sheet if further comment or explanation is required)

PRINT NAME Michael Waldrop
Area Supervisor or designee

SIGNATURE Annie L. Mathis
Procurement Specialist

SIGNATURE

DATE 9/4/2025

DATE 8/25/2025 **PHONE** 901-528-4562

3. PROCUREMENT ACTION/RECOMMENDATION(S): (Purchasing to complete)

This award complies with all applicable laws and policies.

RESOLUTION SUMMARY

1. **Short Title Description –** Dell Computers, Workstations, and Monitors

2. **Requested Funding –** $311,673.75

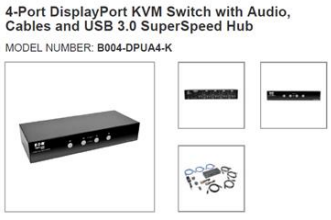
3. **Award Duration –** One-Time Purchase

4. **Type of Bid** – Sealed Bid

5. **Awarded To –** Electronic Responsible Recyclers, LLC

6. **Plain Language Description –** To procure the Dell equipment detailed below. This acquisition is necessary to replace outdated units that have surpassed their life cycle, ensuring continued operational efficiency.
    - 65 – Dell Precision 5860
    - 75 – Dell 40-inch curved 2160p
    - 5 – Spare graphics card – AMD Radeon Pro W7500, 8 GB GDDR6, 4DP
    - 5 – Spare SSD – 1TB performance SSD M.2 Nvme
    - 5 – Spare memory – 32GB DDR5
    - 30 – DisplayPort KVM – 4 port – 4K 60Hz – Dual Monitor KVM – DisplayPort switch

7. **Impact –** Upgrading our Dell computers, workstations, and monitors is essential for enhancing equipment performance and reliability. The new workstations are specifically required to support the advanced grid modernization software. Without this equipment upgrade, MLGW will be unable to effectively operate the electric, gas, and water systems or manage the critical grid modernization applications.



EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners that it awards a purchase order for Dell computers, workstations, and monitors to Electronic Responsible Recyclers, LLC in the amount of $311,673.75.

The Dell computers, workstations, and monitors are needed to enhance equipment performance and reliability. The replacement of this equipment is critical for addressing the inefficiencies and operational risks posed by our outdated units. The current hardware is experiencing frequent component failures, which has led to a notable decrease in performance.

Bids were opened on August 13, 2025. Notice to Bidders was advertised. Fourteen bids were solicited, and four bids were received with the best complying and most responsive bidder being the firm of Electronic Responsible Recyclers, LLC. This award complies with all applicable laws and policies.

The 2025 budgeted amount for Utility Monitor / Controls - System Operations Support is $4,970,000.00; the amount spent year-to-date is $285,779.11; leaving a balance available of $4,684,220.89; of which $311,673.75 will be spent on this purchase in 2025; leaving a balance available of $4,372,547.14 after award; 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 Electronic Responsible Recyclers, LLC is approved for furnishing:

65 – Dell Precision 5860;

75 – Dell 40-inch curved 2160p;

5 – Spare graphics card - AMD Radeon Pro W7500, 8 GB GDDR6, 4 DP;

5 – Spare SSD - 1TB performance SSD M.2 Nvme;

5 – Spare memory – 32GB DDR5;

30 – DisplayPort KVM - 4 port - 4K 60Hz - dual monitor KVM - DisplayPort switch;

Totaling $311,673.75; f.o.b. Memphis, Tennessee, our dock; transportation prepaid; said prices being firm; the quantities are for estimation purposes only and do 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 two weeks, terms net 60 days.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved the purchase of Dell computers, workstations, and monitors and is now recommending to the Council of the City of Memphis that it approves said purchase; and

WHEREAS, the Dell computers, workstations, and monitors are needed to enhance equipment performance and reliability. The replacement of this equipment is critical for addressing the inefficiencies and operational risks posed by our outdated units. The current hardware is experiencing frequent component failures, which has led to a notable decrease in performance; and

WHEREAS, bids were opened on August 13, 2025. Notice to Bidders was advertised. Fourteen bids were solicited, and four bids were received with the best complying and most responsive bidder being the firm of Electronic Responsible Recyclers, 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 the purchase of Dell computers, workstations, and monitors from Electronic Responsible Recyclers, LLC in the amount of $311,673.75 chargeable to the MLGW 2025 fiscal year budget.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Quinton Clark

Procurement Contracts Specialist: Demetria Bowers-Adair

Board Meeting Date: 10/15/2025

Requisition Number: 5141051

Purchase Commodity: Dell Computers, Workstations, and Monitors

Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	System Operations Support / Marshun Brooks / 901-372-5689 / mbrooks@mlgw.org	
Scope: Contract ____ Purchase __X__ Other ____	A purchase order will be issued to procure Dell computers, workstations, and monitors.	
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	To purchase a quantity of 185 Dell computers, workstations, and monitors.	
Where will the work take place? *(MLGW facility or jobsite, etc.)*	The Dell computers, workstations, and monitors will be installed at various MLGW facilities within Shelby County, Tennessee.	
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	This procurement is for Dell computers, workstations, and monitors that will be used to support SCADA system operations. The acquisition is necessary to replace aging and unreliable equipment that is experiencing a decline in performance and frequent component failures.	
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 2025 Budget Year	After Budget Year
Amount Requested	$ 311,673.75	$ 311,673.75	$ -
2025 Budget*	$ 4,970,000.00		
Amount Spent Year-to-Date	$ 285,779.11		
2025 Budget Balance Available		$ 4,684,220.89	
Budget Balance After Award		$ 4,372,547.14	

Please indicate category *(O&M or Capital).

[ ] **O&M**

[X] **Capital**

Project Utility Monitor/Controls

Expenditure Organization 0560340 System Operations Support

Expenditure Type eAM Contracted Svcs

Task WO1342899-E

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft

Budget & Financial Planning

09.03.2025

Date

Rev. 11/01/2018

BID ON DELL COMPUTERS, WORKSTATIONS, AND MONITORS

FOR BOARD MEETING OF OCTOBER 15, 2025

BIDS OPENED ON AUGUST 13, 2025

BASE UNIT: EACH

BIDDERS	ITEM	Line 1	Line 2	Line 3	Line 4	Line 5	Line 6	Total	Local Bidding Preference	Local Bidding Presence	Terms	Delivery
	QUANTITY	65	75	5	5	5	30					
	DESCRIPTION	Dell Precision 5860	Dell 40-inch Curved 2160p	Spare Graphics Card - AMD Radeon Pro W7500, 8 GB GDDR6, 4 DP	Spare SSD - 1TB Performance SSD M.2 Nvme	Spare Memory - 32GB DDR5	DisplayPort KVM - 4 port - 4K 60Hz - Dual Monitor KVM - DisplayPort Switch					
COMPLYING BIDDERS												
Electronic Responsible Recyclers, LLC		$2,966.25	$1,290.60	$493.02	$199.80	$685.80	$505.98	$311,673.75	N/A	N/A	Net 60	2 Weeks
Memphis, TN												
Tate Computer Systems Inc.		$3,018.97	$1,348.00	$514.94	$207.80	$716.30	$528.48	$320,382.65	N/A	N/A	Net 30	5-10 Days
Memphis, TN												
Thomas Consultants Inc.		$4,257.29	$1,978.72	$427.55	$218.51	$691.33	$390.04	$443,516.00	N/A	N/A	Net 30	10 Days
Memphis, TN												
NON-COMPLYING BIDDER												
Unistar-Sparco Computers, Inc.		$2,941.78	$1,283.25	$477.78	$192.65	$661.25	$487.87	$308,753.95	N/A	N/A	Net 30	4-6 Weeks
Millington, TN												
Unistar Sparco Computers, Inc. was non-compliant due to their failure to complete and submit the MLGW Supply Chain Questionnaire and their refusal to hold the pricing for 120 days. Consequently, their bid was deemed incomplete and was not considered for evaluation or award.												

RECOMMEND AWARD AS FOLLOWS: Electronic Responsible Recyclers, LLC $311,673.75

AWARD RECOMMENDATION

To: Marshun Brooks

From: **Procurement Contracts Specialist II:** Demetria Bowers-Adair

Date: 8/22/2025

Requisition #: 5141051 **Bid on:** Dell Computers, Workstations, and Monitors

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:

2. RECOMMENDATION:

A. Which bid(s) do you recommend? Electronic Responsible Recyclers, LLC

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.

Unistar-Sparco Computers, Inc. was the lowest bidder, but was non-complying due to not completing the Supply Chain Risk Management (SCRM) questionnaire and not agreeing to the 120-day price hold. Electronic Responsible Recyclers, LLC has the lowest bid of the complying bidders.

(attach an additional sheet if further comment or explanation is required)

PRINT NAME Marshun Brooks
Area Supervisor or designee

SIGNATURE Demetria Bowers-Adair
Procurement Contracts Specialist II

SIGNATURE Marshun Brooks **DATE** 8/25/2025

DATE 8/22/2025 **PHONE** 901-372-5626

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. 11913 – Distribution Engineering Analysis Software**

2. **Funded Amount - $59,487.33**

3. **Award Duration – Scope Change and Increase (June 18, 2023 through June 17, 2028)**

4. **Type of Bid – RFP**

5. **Awarded to – CYME International T&D Inc.**

6. **Plain Language Description – This is a change order with CYME International T&D, Inc. to purchase additional software modules that will support grid modernization efforts.**

7. **Impact – The software modules will aid in Planning and Systems Engineering's efforts to automate work functions and to optimize Volt/ VAR strategies and voltage regulator placement, which directly impacts grid modernization.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners the approval of Scope Change and Increase (*Change No. 2*) to Contract No. 11913, Distribution Engineering Analysis Software with CYME International T & D, Inc. to expand the scope and increase the current contract value in the funded amount of $59,487.33.

The project scope is to develop and implement an engineering analysis software package to analyze MLGW's electric distribution system, including, but not limited to: fault calculations; protective device coordination; and load flow. In addition, the scope also includes annual renewals for license, maintenance, and support services. The contract award was based on the Request for Proposal ("RFP") evaluation process.

This change is to expand the scope and increase the contract value to purchase licenses and software maintenance for the following additional CYME software modules: (1) CYME/Optimal Voltage Regulator Placement (OVRP); (2) CYME/Python Scripting - Developer Version (PYTHON-DEV); (3) Python Scripting - Runtime Version Concurrent (CYME/PYTHON-RTN); and (4) Volt/Var Optimization (CYME/VVO) in the amount of $59,487.33. MLGW will utilize these additional software modules to support grid modernization efforts, analyze the electric distribution system and to automate tasks. The contract term will remain through June 17, 2028. This Scope Change and Increase complies with all applicable laws and policies. The new contract value is $895,872.31.

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 Scope Change and Increase (*Change No. 2*) to Contract No. 11913, Distribution Engineering Analysis Software with CYME International T & D, Inc. to expand the scope and increase the current contract value in the amount of $59,487.33, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Scope Change and Increase.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved Scope Change and Increase (*Change No. 2*) to Contract No. 11913, Distribution Engineering Analysis Software with CYME International T & D, Inc. to expand the scope and increase the current contract value in the funded amount of $59,487.33, and is now recommending to the Council of the City of Memphis that it approves said scope change and increase as approved; and

WHEREAS, the project scope is to develop and implement an engineering analysis software package to analyze MLGW's electric distribution system, including, but not limited to: fault calculations; protective device coordination; and load flow. In addition, the scope also includes annual renewals for license, maintenance, and support services. The contract award was based on the Request for Proposal ("RFP") evaluation process; and

WHEREAS, this change is to expand the scope and increase the contract value to purchase licenses and software maintenance for the following additional CYME software modules: (1) CYME/Optimal Voltage Regulator Placement (OVRP); (2) CYME/Python Scripting - Developer Version (PYTHON-DEV); (3) Python Scripting - Runtime Version Concurrent (CYME/PYTHON-RTN); and (4) Volt/Var Optimization (CYME/VVO) in the amount of $59,487.33. MLGW will utilize these additional software modules to support grid modernization efforts, analyze the electric distribution system and to automate tasks. The contract term will remain through June 17, 2028. This Scope Change and Increase complies with all applicable laws and policies. The new contract value is $895,872.31; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved Scope Change and Increase (*Change No. 2*) to Contract No. 11913, Distribution Engineering Analysis Software with CYME International T & D, Inc. to expand the scope and increase the current contract value in the funded amount of $59,487.33 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Quinton Clark
Specialist: Verkisserous Thompson

Board Meeting Date: 10/15/2025
Contract Number: 11913
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Adam Blair/ 0560230 Systems and Planning Engineering/ (901) 413-1369/ ablair@mlgw.org**
Scope: Contract X **Purchase ____** **Other ____**	**The project scope is to develop and implement an engineering analysis software package to analyze MLGW's electric distribution system, including, but not limited to fault calculations; protective device coordination; and load flow. In addition, the scope also includes annual renewals for license, maintenance, and support services.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to expand the scope and increase the contract value to purchase licenses and software maintenance for the following additonal CYME software modules: (1) CYME/Optimal Voltage Regulator Placement (OVRP); (2) CYME/Python Scripting - Developer Version (PYTHON-DEV); (3) Python Scripting - Runtime Version Concurrent (CYME/PYTHON-RTN), and (4) Volt/Var Optimization (CYME/VVO).**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at the MLGW Hansen Administration Building.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to maintain proper licensing and support for Eaton CYME products that align with grid modernization efforts.**
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) **RFP**	

BUDGET:

	Total	In 2025 Budget Year	After Budget Year
Amount Requested	$ 59,487.33	$ 59,487.33	$ -
2025 Budget*	$ 760,000.00		
Amount Spent Year-to-Date	$ 31,121.00		
2025 Budget Balance Available		$ 728,879.00	
Budget Balance After Award		$ 669,391.67	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Planning Sys Engr R2024
Expenditure Organization 0560230 Systems and Planning Engineering
Expenditure Type Contracted Svc-Other
Task Admin Expense

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **08.26.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Contractor: **CYME International T & D Inc.**

10/15/2025

Contract Number: 11913

	Actions	**Date**	**Amount**
Original Award	**Award**	**6/18/2022**	**$621,081.00**
Ratification and Renewal (Change Order No. 1)	This change was to ratify and renew annual software license, maintenance and support services for the period covering June 18, 2023 through June 17, 2028 in the amount of $238,727.51 with no increase in rates from the initial award. In addition, this change was to expand the scope of work to add the following CYME software licenses: (1) Distribution Analysis; (2) Arc Flash Hazards - Distribution; (3) Enhanced Substation Modeling; (4) Online Maps Service and (5) Protective Device Analysis in the amount of $37,973.00. The total amount of this ratification, renewal, and change was $276,700.51; of which, $61,396.53 was absorbed in the current contract value.	2/21/2024	$215,303.98
Current Contract Amount			$836,384.98
Amount Paid to Date as of 09.30.25			$835,854.53
Current Contract Balance			$530.45
Scope Change and Increase (Change Order No. 2)	***This change is to expand the scope and increase the contract value to purchase licenses and software maintenance for the following additional CYME software modules: (1) CYME/Optimal Voltage Regulator Placement (OVRP); (2) CYME/Python Scripting - Developer Version (PYTHON-DEV); (3) Python Scripting - Runtime Version Concurrent (CYME/PYTHON-RTN); and (4) Volt/Var Optimization (CYME/VVO) in the amount of $59,487.33. MLGW will utilize these additional software modules to support grid modernization efforts, analyze the electric distribution system and to automate tasks. The contract term will remain through June 17, 2028.***	***10/15/2025***	***$59,487.33***
Available Balance			***$60,017.78***
Cumulative Contract Value			***$895,872.31***

Note: MLGW's Systems and Planning Engineering Department will utilize the remaining balance for a pending project to be completed for the fiscal year of 2026.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 2**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 15, 2025**
CONTRACT NUMBER 11913 **SHEET 1 OF 7**

TO: MIKAELA MOHAUPT

CYME INTERNATIONAL T&D, INC.

P.O. BOX 4580, POSTAL STATION A

TORONTO, ONTARIO, M5W4W2

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 DEVELOP AND IMPLEMENT AN ENGINEERING ANALYSIS SOFTWARE PACKAGE TO ANALYZE MLGW'S ELECTRIC DISTRIBUTION SYSTEM, INCLUDING, BUT NOT LIMITED TO: FAULT CALCULATIONS; PROTECTIVE DEVICE COORDINATION; AND LOAD FLOW. IN ADDITION, THE SCOPE ALSO INCLUDES ANNUAL RENEWALS FOR LICENSE, MAINTENANCE, AND SUPPORT SERVICES. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR PROPOSAL ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO EXPAND THE SCOPE AND INCREASE THE CONTRACT VALUE TO PURCHASE LICENSES AND SOFTWARE MAINTENANCE FOR THE FOLLOWING ADDITIONAL CYME SOFTWARE MODULES: (1) CYME/OPTIMAL VOLTAGE REGULATOR PLACEMENT (OVRP); (2) CYME/PYTHON SCRIPTING – DEVELOPER VERSION (PYTHON-DEV); (3) PYTHON SCRIPTING – RUNTIME VERSION CONCURRENT (CYME/PYTHON-RTN); AND (4) VOLT/VAR OPTIMIZATION (CYME/VVO) IN THE AMOUNT OF $59,487.33. MLGW WILL UTILIZE THESE ADDITIONAL SOFTWARE MODULES TO SUPPORT GRID MODERNIZATION EFFORTS, ANALYZE THE ELECTRIC DISTRIBUTION SYSTEM AND TO AUTOMATE TASKS. THE CONTRACT TERM WILL REMAIN THROUGH JUNE 17, 2028. THIS SCOPE CHANGE AND INCREASE COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $895,872.31.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$836,384.98**
Change Amount	**$ 59,487.33 – Scope Change and Increase (*Change No. 2)***
Total Contract Amount	**$895,872.31**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

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CYME
Power Engineering Software

CYME Software Quotation

Company	MLGW
Attention	Adam Blair
	ablair@mlgw.org
Date	July 24, 2025

Following your recent request, Eaton is pleased to provide this quotation for CYME Software Licenses.

Mikaela Mohaupt
CYME North American Sales Manager
CYME International T & D Inc.

Energy Automation Solutions Division
5025 Boulevard Lapinière, Suite 9000
Brossard, Quebec
Canada J4Z 0N5
Direct: +1 414 935-8829
Office: +1 450 461-3655
Fax: +1 450 461-0966
MikaelaJMohaupt@eaton.com
Please visit us at our new and redesigned web page
www.cyme.com
www.eaton.com

Docusign Envelope ID: 9C4D5185-2FC3-4223-A597-37FA6BCF0E67

CYME
Power Engineering Software

1. Price Quotation (Network Licenses)

Qty	Software Module	Description	Network Licenses
1	CYME/OVRP	Optimal Voltage Regulator Placement	US $ 3,565
1	CYME/PYTHON-DEV	Python Scripting - Developer Version	US $ 28,750
1	CYME/PYTHON-RTN	Python Scripting - Runtime Version Concurrent	US $ 1,610
1	CYME/VVO	Volt/Var Optimization	US $ 7,820
	MAINTENANCE	Maintenance fees to align with existing modules – through June 17, 2028	US $ 17,742.33
		Total Quoted Price	**US $ 59,487.33**
	The quoted price includes: • License fees • Reference and User's manuals in Electronic Form • CYME License Manager • One-year customer support and software update period	DocuSigned by: 7F79063B814948D...	
	Maintenance fees		
	After the one-year customer support and update period, maintenance contracts are available on an annual basis at a cost that amounts to **15%** of the purchase price of the software. Online Maps is a service. As such the maintenance fee is equivalent to the price quoted to maintain the maps service.		

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EATON

Docusign Envelope ID: 9C4D5185-2FC3-4223-A597-37FA6BCF0E67

2. Maintenance services

The Maintenance services include prompt customer support and access to software updates reflecting on-going software development at CYME International T&D.

The procedure during the first year free-of-charge period and subsequent years for clients that have current maintenance contracts is as follows:

1. Software upgrades

a. New software versions periodically that include new features in response to customer requests/needs as well as industry trends.

b. New software revisions periodically that include fixes for reported bugs as well as minor improvements to existing features and modules.

2. Customer technical support

a. This service involves the reply to any technical questions on the software by Fax, Email or by telephone within one (1) business day. All customer technical questions can be e-mailed to cymesupport@eaton.com or faxed to our fax number (450) 461-0966 or by phone at 450-461-3655.

b. This service is provided in English, French and Spanish.

c. The CYME technical support team is available from 8:00AM to 5:PM Eastern Time

3. CYME user portal

CYME International T&D offers a user portal (my.cyme.com). Subscribed users have access to a download section for software and manuals, a knowledge base section, and a forum. Please note that the content display of this user portal is based on the software licenses covered by the License contract. The subscribed users have access to the portal during the whole warranty period and as long as a maintenance contract is in force the use of the portal is free of charge.

The customer is responsible to register the users.

We strongly recommend that the customer subscribes only expert users in the case where the customer has a great number of users of the software; in order to better focus on the need and get the full benefit of resolution time.

It is part of CYME International T&D's mission to offer unsurpassed after-sales customer support. The quality of our customer support service has made us stand out in the power engineering software market. Please feel free to comment and suggest.

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Docusign Envelope ID: 9C4D5185-2FC3-4223-A597-37FA6BCF0E67

3. Hardware and software requirements

The minimum hardware and software requirements are as follows:

1. Operating system

CYME requires a computer using Microsoft Windows ® 8.1, 10 or 11; or using Microsoft Server 2012, 2012R2, 2016, 2019 or 2022.

2. Minimum hardware requirements

- An Intel I5-based computer
- 2 GB of hard disk space
- Full HD Monitor

3. Network vs stand-alone versions

The software can be operated on individual PCs or on multi-user environment in a server / workstation system with appropriate access control.

Two types of licenses are available:

- **Stand-alone licenses are per computer (dedicated license)**. These are Dedicated PC licenses, which in nature are less flexible than the network versions.
- **Network licenses are per concurrent user (floating licenses)**. On the other hand, network floating licenses provide greater flexibility since any user can run the programs from any computer. This is with the understanding that the number of users that can access the programs at any given time cannot exceed the number of licenses purchased. This will be programmed into the protection scheme of the software packages.

For maximum flexibility, the user has the option of a mix of dedicated and floating licenses. As an example, you may purchase dedicated licenses for team members who need near full-time access to the program, while other team members can share a pool of floating licenses.

4. General terms and conditions

1. Taxes and custom duties

All local taxes and custom duties in the US, if any, shall be borne by your company.

2. Delivery

The software will be downloaded from my.cyme.com.

3. Validity

This offer is valid for a period of 180 days from the date of this quotation.

5. Payment information

All purchase orders and payments should be made to CYME International T&D.

Payment will be Net 30-days upon receipt of software and corresponding invoice.

© Eaton, CYME International

MEMPHIS LIGHT, GAS AND WATER DIVISION

City of Memphis, Memphis, Tennessee

By: _____
Doug McGowen
President and Chief Executive Officer

Date: _____

Attest:

_____
Rodney Cleek
Vice-President, Chief Financial Officer
and Secretary-Treasurer

Approved:

_____
Geoffrey Lewis
Attorney
Board of Light, Gas and Water Commissioners

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RESOLUTION SUMMARY

1. **Short Title Description –** Substation Network Modules and Software Licenses

2. **Requested Funding –** $241,336.70

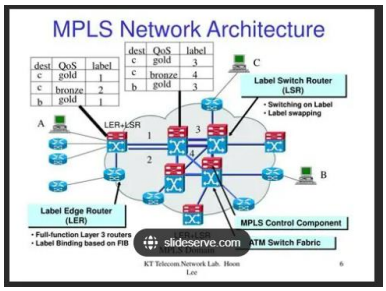
3. **Award Duration –** One-Time Purchase

4. **Type of Bid** – Sealed Bid

5. **Awarded To –** GE Grid Solutions, LLC

6. **Plain Language Description –** To procure substation network modules and software licenses in the estimated quantities listed below. The substation network modules and software licenses provide communication for MLGW's electric substations. The network sends Supervisory Control and Data Acquisition (SCADA) and protective relaying between substations and the Electric System Operator (ESO).
    - 6 – JPAX MPLS-TP Converged Nodes
    - 6 – MPLS-TP JPAX Node Software Licenses Gold Package
    - 1 – MPLS-TP JPAX Node Recommended Spare Part

7. **Impact –** The JungleMux (JMUX) SONET system has reached its end-of-life status after nearly 30 years in service. The new JunglePax (JPAX) MPLS system will provide an updated and robust communication backbone with all the same features. Approximately 20% of JMUX nodes will be replaced each year, and all new substations will be equipped with JPAX hardware.



EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners that it awards a purchase order for substation network modules and software licenses to GE Grid Solutions, LLC in the amount of $241,336.70.

The substation network modules and software licenses facilitate communication for MLGW's electric substations. The JunglePAX (JPAX) MPLS system is being procured to replace the end-of-life JungleMUX (JMUX) SONET system currently in service at various substation facilities.

Bids were opened on July 9, 2025. Notice to Bidders was advertised. Fourteen bids were solicited, and one bid was received with the best complying and most responsive bidder being the firm of GE Grid Solutions, LLC. This award complies with all applicable laws and policies.

The 2025 budgeted amount for Substation – Substation Maintenance and Construction is $25,157,372.00; the amount spent year-to-date is $20,221,004.48; leaving a balance available of $4,936,367.52; of which $241,336.70 will be spent on this purchase 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 GE Grid Solutions, LLC is approved for furnishing:

6 – JPAX MPLS-TP converged nodes;

6 – MPLS-TP JPAX node software licenses gold package;

1 – MPLS-TP JPAX node recommended spare part;

Totaling $241,336.70; f.o.b. Memphis, Tennessee, our dock; transportation prepaid; said prices being firm; the quantities are for estimation purposes only and do 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 ten weeks, terms net 30 days.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025, approved the purchase of substation network modules and software licenses and is now recommending to the Council of the City of Memphis that it approves said purchase; and

WHEREAS, the substation network modules and software licenses facilitate communication for MLGW's electric substations. The JunglePAX (JPAX) MPLS system is being procured to replace the end-of-life JungleMUX (JMUX) SONET system currently in service at various substation facilities; and

WHEREAS, bids were opened on July 9, 2025. Notice to Bidders was advertised. Fourteen bids were solicited, and one bid was received with the best complying and most responsive bidder being the firm of GE Grid Solutions, 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 the purchase of substation network modules and software licenses from GE Grid Solutions, LLC in the amount of $241,336.70 chargeable to subsequent budget year as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Quinton Clark

Procurement Contracts Specialist: Annie L. Mathis

Board Meeting Date: 10/15/2025
Requisition Number: 5139359
Purchase Commodity: Substation Network Modules and Software Licenses
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	Substation & Transmission Engineering / Bill Walker / 901-528-4991 / bwalker@mlgw.org	
Scope: **Contract** ____ **Purchase** __X__ **Other** ____	A purchase order will be issued to procure substation network modules and software licenses.	
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	The JunglePAX (JPAX) MPLS system will replace the obsolete JungleMUX (JMUX) SONET system.	
Where will the work take place? *(MLGW facility or jobsite, etc.)*	The substation network modules and software licenses will be installed at various substation facilities.	
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	The substation network modules and software licenses are needed to replace existing software that has reached end-of-life.	
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 2025 Budget Year	After Budget Year
Amount Requested	$ 241,336.70	$ -	$ 241,336.70
2025 Budget*	$ 25,157,372.00		
Amount Spent Year-to-Date	$ 20,221,004.48		
2025 Budget Balance Available		$ 4,936,367.52	
Budget Balance After Award		$ 4,936,367.52	

Please indicate category *(O&M or Capital).

[ ] **O&M**

[X] **Capital**

Project Substation
Expenditure Organization 0562230 Substation Maintenance and Construction
Expenditure Type eAM Outside Purchases
Task Various

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **08.21.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

BID ON SUBSTATION NETWORK MODULES AND SOFTWARE LICENSES

FOR BOARD MEETING OF OCTOBER 15, 2025

BIDS OPENED ON JULY 9, 2025

BASE UNIT: EACH

BIDDER	ITEM	Line 1	Line 2	Line 3	Total	Local Bidding Preference	Local Bidding Presence	Terms	Delivery
	QUANTITY	6	6	1					
	DESCRIPTION	JPAX MPLS-TP Converged Node	MPLS-TP JPAX Node Software Licenses Gold Package	MPLS-TP JPAX Node Recommended Spare Parts					
COMPLYING BIDDER									
GE Grid Solutions, LLC		$33,082.50	$3,872.00	$19,609.70	$241,336.70	N/A	N/A	Net 30	10 Weeks
Markham, ON, Canada									

RECOMMEND AWARD AS FOLLOWS: GE Grid Solutions, LLC ..... $ 241,336.70

INTERDEPARTMENTAL MEMORANDUM

To: Camela Mitchell, Randy Orsby, Rodney Cleek

From: Annie L. Mathis

Subject: Substation Network Modules & Software Licenses

Date: July 31, 2025

Memphis Light, Gas and Water opened bids for Substation Network Modules & Software Licenses on June 20, 2025. Bids were sent to fourteen suppliers as well as posted on MLGW's Online Bid Notification System and advertised in The Daily Newspaper. However, MLGW only received one bid response to this solicitation, being the firms of G. E. Grid Solutions, LLC.

I was able to obtain feedback from some of the suppliers that did not submit a response to the solicitation. Below is the feedback that I received:

Stuart C. Irby Company: Rhonda McNabb

The supplier was unable to provide a quote because it was not within the scope of their business.

Yoder Sales Agency Inc.: Billy Mack

The supplier did not provide a response to our inquiry.

Brighter Days and Nites, Inc.: – Dorothy Sinclair

The supplier opted not to quote because they couldn't find a manufacturer or source.

4Tech Solutions, LLC: – Lindsay Martin

The supplier didn't respond to the solicitation nor to our inquiry for feedback.

VPrime Tech Inc.: – Adnan Alee

The supplier didn't respond to the solicitation nor to our inquiry for feedback.

Hypertec USA Inc.: – Mike Marracino

The supplier didn't respond to the solicitation nor to our inquiry for feedback.

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CBS Arc Safe, Inc.: – Chrissy Sullivan

The supplier didn't respond to the solicitation nor to our inquiry for feedback.

Doble Engineering Company: – Steve Hutchinson

The supplier didn't respond to the solicitation nor to our inquiry for feedback.

Industrial Sales Company: – Curtis Mathis

The supplier didn't respond to the solicitation nor to our inquiry for feedback.

Phoenix Electric LLC: – Tina Sowell

The supplier didn't respond to the solicitation nor to our inquiry for feedback.

Phoenix Energy Corp.: – Norm Rutland

The supplier didn't respond to the solicitation nor to our inquiry for feedback.

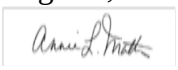
Phoenix Rizn, LLC: – Clarence Mitchell

The supplier didn't respond to the solicitation nor to our inquiry for feedback.

Wesco Distribution Inc.: – Cathy Oglesby

The supplier didn't respond to the solicitation nor to our inquiry for feedback.

Regards,



Annie L. Mathis
Procurement Contracts Specialist 2

Frequently asked questions about Siemens

Question 1: Is Siemens Industry and Siemens Energy the same company?

No, Siemens Industry and Siemens Energy are not the same company; Siemens Energy was spun off from Siemens AG in 2020 and is now an independent, publicly traded company, while Siemens AG focuses on other sectors like Digital Industries, Smart Infrastructure, and Siemens Mobility. Siemens Industry represents the ongoing operations of Siemens AG in industrial automation and other areas, whereas Siemens Energy is focused solely on the energy sector, including power generation and transmission.

*Siemens Energy:

- **What it is:**
  - An independent, publicly traded company focused on the energy sector.
- **History:**
  - Formed by the spin-off of the former Gas and Power division of Siemens AG in 2020.
- **Focus:**
  - Power generation, transmission, and solutions for the energy industry, including both traditional and renewable energy.

*Siemens Industry:

- **What it is:**
  - The collective name for Siemens AG's ongoing business in the industrial sector.
- **Focus:**
  - Industrial automation, digitalization, electrification, and related solutions, as well as home appliances, media, and other areas.
- **Relationship to Siemens AG:**
  - Siemens Industry is a core part of the parent company, Siemens AG, which continues to focus on digital transformation,

Question 2: Is Siemens Energy part of Siemens?

No, Siemens Energy is no longer part of the original Siemens Group, as it was spun off in 2020 and is now an independent, publicly listed company, although Siemens AG retains a significant minority stake in it. The separation allowed Siemens Energy to focus solely on the energy sector, from conventional power generation to renewable energy technologies.

Question 3: What does the “AG” stand for?

In Siemens AG, the "AG" stands for Aktiengesellschaft, a German term for a public limited company or stock corporation whose shares can be traded on a stock market.

MLGW

INTEROFFICE MEMORANDUM

TO: Annie Mathis

From: Bill Walker

SUBJECT: Requisition #5139359

DATE: 10/2/2025

CC: D. Banks, C. Mitchell

We recommend acceptance of the proposal with the low total bid price of $241,336.70 submitted by GE Grid Solutions LLC, for the (6 each) JPAX MPLS-TP Converged Nodes and Associated Node License Software packages and Associated Spare Parts. Delivery was quoted as 10 weeks after receipt of order. This equipment will be utilized as communications for relaying and SCADA equipment utilized in MLGW Electric Substations.

There were Fourteen total bids solicited, with one bidder supplying a bid that was in compliance at the time of evaluation with required Substation documentation.

Bill Walker, **PE.**
Substation & Transmission Engineering

AWARD RECOMMENDATION

To: Bill Walker

From: **Procurement Contracts Specialist II:** Annie L. Mathis

Date: 7/14/2025

Requisition #: 5139359 **Bid on:** Substation Network Modules and Software Licenses

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:

2. RECOMMENDATION:

A. Which bid(s) do you recommend? We recommend acceptance of the proposal with the total bid price of $241,336.70 as submitted by GE Grid Solutions, LLC.

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 Bill Walker — Area Supervisor or designee **SIGNATURE** Annie Mathis — Procurement Contracts Specialist II

SIGNATURE Bill Walker **DATE** 7/15/2025

DATE 7/14/2025 **PHONE** 901-525-4891

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. 12540 (*solicited under Contract No. 12512*) – Master Paving Program – Section 2**

2. **Requested Funding – $1,759,240.00**

3. **Award Duration – Increase (December 9, 2024 through December 8, 2025)**

4. **Type of Bid – Sealed Bid**

5. **Awarded To – VuCon, LLC**

6. **Plain Language Description – The project scope is to provide all labor, technical skills, tools, materials, and equipment necessary for the milling and paving repairs, paving approximately 50 miles of single-lane paving.**

7. **Impact – This change is to continue working on the single lane asphalt paving for lead service replacement jobs throughout Memphis and Shelby County, Tennessee. This will reduce the amount of time that patches remain in the city streets as well as allow MLGW to complete the paving prior to winter weather and asphalt plant shutdown.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners the approval of Increase (*Change No. 1*) to Contract No. 12540 *(solicited under Contract No. 12512)*, Master Paving Program – Section 2 with VuCon, LLC, to increase the current contract in the funded amount of $1,759,240.00.

The project scope is to provide all labor, technical skills, tools, materials, and equipment necessary for the milling and paving repairs, paving approximately 50 miles of single-lane paving. The Contractor is responsible for setup, operation and take down of all equipment used during the execution of work. The contract award was selected based on the lowest and best bid using the Sealed Bid process.

This change is to increase the contract value in the amount of $1,759,240.00 to continue working on the single lane asphalt paving for lead service replacement jobs throughout Memphis and Shelby County, Tennessee. This will reduce the amount of time that patches remain in the city streets as well as allow MLGW to complete the paving prior to winter weather and asphalt plant shutdown. The term of the contract will remain through December 8, 2025. This change complies with all applicable laws and policies. The new contract value is $8,620,162.33.

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 (*Change No. 1*) to Contract No. 12540 *(solicited under Contract No. 12512)*, Master Paving Program – Section 2 with VuCon, LLC to increase the current contract in the funded amount of $1,759,240.00, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Increase.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved Increase (*Change No. 1*) to Contract No. 12540 *(solicited under Contract No. 12512)*, Master Paving Program – Section 2 with VuCon, LLC to increase the current contract in the funded amount of $1,759,240.00; and is now recommending to the Council of the City of Memphis that it approves said change as approved; and

WHEREAS, the project scope is to provide all labor, technical skills, tools, materials, and equipment necessary for the milling and paving repairs, paving approximately 50 miles of single-lane paving. The Contractor is responsible for setup, operation and take down of all equipment used during the execution of work. The contract award was selected based on the lowest and best bid using the Sealed Bid process; and

WHEREAS, this change is to increase the contract value in the amount of $1,759,240.00 to continue working on the single lane asphalt paving for lead service replacement jobs throughout Memphis and Shelby County, Tennessee. This will reduce the amount of time that patches remain in the city streets as well as allow MLGW to complete the paving prior to winter weather and asphalt plant shutdown. The term of the contract will remain through December 8, 2025. This change complies with all applicable laws and policies. The new contract value is $8,620,162.33; and

NOW THEREFORE BE IT RESOLVED by the Council of the City of Memphis, that there be and is hereby approved Increase (*Change No. 1*) to Contract No. 12540 *(solicited under Contract No. 12512)*, Master Paving Program – Section 2 with VuCon, LLC, to increase the current contract in the funded amount of $1,759,240.00 as approved.

BOARD RESOLUTION TRANSMITTAL

Board Meeting Date: 10/15/2025

Expenditure Org Executive: Chandrika Winston-Rosser
Procurement Contracts Specialist: TaShay Yates

Contract Number: 12540 (*solicited under Contract No. 12512*)
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**570220 - Gas Contracting Services - Brian Throneberry - 901-320-1520**	
Scope: Contract ___X_ Purchase ____ Other ____	**The project scope is to provide all labor, technical skills, tools, materials, and equipment necessary for the milling and paving repairs, paving approximately 50 miles of single-lane paving. The Contractor is responsible for setup, operation and take down of all equipment used during the execution of work.**	
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**The change is to increase the current contract balance to continue single lane asphalt paving for lead service replacement jobs throughout Memphis and Shelby County, Tennessee. The term of the contract will remain through December 8, 2025.**	
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place throughout Memphis and Shelby County, Tennessee.**	
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to continue working on the single lane asphalt paving for lead service replacement jobs in the City of Memphis. This will reduce the amount of time that patches remain in the city streets as well as allow MLGW to complete the paving prior to winter weather and asphalt plant shutdown.**	
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 2025 Budget Year	After Budget Year
Amount Requested	$ 1,759,240.00	$ 1,759,240.00	$ -
2025 Budget*	$ 8,554,000.00		
Amount Spent Year-to-Date	$ 4,917,847.94		
2025 Budget Balance Available		$ 3,636,152.06	
Budget Balance After Award		$ 1,876,912.06	

Please indicate category *(O&M or Capital).

☐ **O&M**

■ **Capital**

Project	Lead Service Replacement
Expenditure Organization	0570221 Paving and Concrete Restoratio
Expenditure Type	eAM Contracted Svcs
Task	Water

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **09.19.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Contractor: **VuCon, LLC**

10/15/2025

Contract Number: 12540 (*solicited under Contract No. 12512*)

	Actions	**Date**	**Amount**
Original Award	**Award**	**10/2/2024**	**$6,860,922.33**
Amount Paid to Date as of 09.26.25			$5,729,602.84
Current Contract Balance			$1,131,319.49
Increase (Change Order No. 1)	***This change is to increase the current contract balance to continue single lane asphalt paving for lead service replacement jobs throughout Memphis and Shelby County, Tennessee. The term of the contract will remain through December 8, 2025.***	***10/15/2025***	***$1,759,240.00***
Available Balance			**$2,890,559.49**
Cumulative Contract Value			**$8,620,162.33**
Note: MLGW's Water Construction and Maintenance Department will utilize the remaining balance to complete projects through December 8, 2025.			

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS, AND WATER DIVISION **CONTRACT CHANGE NO. 1**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 15, 2025**
CONTRACT NUMBER 12540 **SHEET 1 OF 1**
(*solicited under Contract No. 12512*)

TO: ROB HARRISON

VUCON, LLC

527 N. HOLLYWOOD ST.

MEMPHIS, TN 38112

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 ALL LABOR, TECHNICAL SKILLS, TOOLS, MATERIALS, AND EQUIPMENT NECESSARY FOR THE MILLING AND PAVING REPAIRS, PAVING APPROXIMATELY 50 MILES OF SINGLE-LANE PAVING. THE CONTRACTOR IS RESPONSIBLE FOR SETUP, OPERATION AND TAKE DOWN OF ALL EQUIPMENT USED DURING THE EXECUTION OF WORK. THE CONTRACT AWARD WAS SELECTED BASED ON THE LOWEST AND BEST BID USING THE SEALED BID PROCESS.

THIS CHANGE IS TO INCREASE THE CONTRACT VALUE IN THE AMOUNT OF $1,759,240.00 TO CONTINUE WORKING ON THE SINGLE LANE ASPHALT PAVING FOR LEAD SERVICE REPLACEMENT JOBS THROUGHOUT MEMPHIS AND SHELBY COUNTY, TENNESSEE. THIS WILL REDUCE THE AMOUNT OF TIME THAT PATCHES REMAIN IN THE CITY STREETS AS WELL AS ALLOW MLGW TO COMPLETE THE PAVING PRIOR TO WINTER WEATHER AND ASPHALT PLANT SHUTDOWN. THE TERM OF THE CONTRACT WILL REMAIN THROUGH DECEMBER 8, 2025. THIS CHANGE COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $8,620,162.33.

CHANGE IN CONTRACT PRICE:

CONTRACT AMOUNT	**$6,860,922.33**
CHANGE AMOUNT	**$1,759,240.00- Increase (*Change No. 1*)**
TOTAL CONTRACT AMOUNT	**$8,620,162.33**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

RESOLUTION SUMMARY

1. **Short Title – Contract No. 11996 - Operator Qualification Training**

2. **Funded Amount - $35,899.00**

3. **Award Duration – Renewal (February 14, 2026 through February 13, 2027)**

4. **Type of Bid - RFP**

5. **Awarded Vendor - Veriforce, LLC**

6. **Plain Language Description - This change is to renew annual software maintenance, licenses, and support services.**

7. **Impact - Veriforce provides a national service that provides data tracking and online certified training for MLGW gas crews under Operator Qualification (OQ) Rule 49 CFR Part 192 Subpart N, Part 195 Subpart G. Federal regulations are enforced by the Tennessee Public Utility Commission.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners the approval of Renewal (*Change No. 8*) to Contract No. 11996, Operator Qualification Training with Veriforce, LLC to renew the current contract in the funded amount of $35,899.00.

The project scope is to provide data tracking and online certification training for MLGW employees under Operator Qualification (OQ) Rule 49 CFR Part 192 Subpart N, Part 195 Subpart G and state regulations from the Tennessee Public Utility Commission (TPUC). The contract award was selected based on the Request for Proposal ("RFP") evaluation process.

This change is to renew annual software maintenance, licenses, and support services for the period covering February 14, 2026 through February 13, 2027 in the funded amount of $35,899.00 with no increase in rates from the previous term. This renewal complies with all applicable laws and policies. The new contract value is $310,194.00.

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 Renewal (*Change No. 8*) to Contract No. 11996, Operator Qualification Training with Veriforce, LLC to renew the current contract in the funded amount of $35,899.00, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved Renewal (*Change No. 8*) to Contract No. 11996, Operator Qualification Training with Veriforce, LLC to renew the current contract in the funded amount of $35,899.00, 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 provide data tracking and online certification training for MLGW employees under Operator Qualification (OQ) Rule 49 CFR Part 192 Subpart N, Part 195 Subpart G and state regulations from the Tennessee Public Utility Commission (TPUC). The contract award was selected based on the Request for Proposal ("RFP") evaluation process; and

WHEREAS, this change is to renew annual software maintenance, licenses, and support services for the period covering February 14, 2026 through February 13, 2027 in the funded amount of $35,899.00 with no increase in rates from the previous term. This renewal complies with all applicable laws and policies. The new contract value is $310,194.00; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved Renewal (*Change No. 8*) to Contract No. 11996, Operator Qualification Training with Veriforce, LLC to renew the current contract in the funded amount of $35,899.00 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Chandricka Winston Rosser
Specialist: Jessica Payne

Board Meeting Date: 10/15/2025
Contract Number: 11996
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Gas System Integrity / Nate Taylor / 901.491.5415 / Nvtaylor@mlgw.org**
Scope: Contract _X___ Purchase ____ Other ____	**The project scope is to provide data tracking and onlne certified training for MLGW employees under Operator Qualification (OQ) Rule 49 CFR Part 192 Subpart N, Part 195 Subpart G and state regulations as codified by the Tennessee Public Utility Commission (TPUC).**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to renew annual software maintenance, licenses, and support services for the period covering February 14, 2026 through February 13, 2027.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at various MLGW facilities.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists for MLGW to meet federal regulation requirements of having a written operator qualification program.**
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) **RFP**	

BUDGET:

	Total	In 2025 Budget Year	After Budget Year
Amount Requested	$ 35,899.00	$ -	$ 35,899.00
2025 Budget*	$ 630,000.00		
Amount Spent Year-to-Date	$ 209,979.43		
2025 Budget Balance Available		$ 420,020.57	
Budget Balance After Award		$ 420,020.57	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Gas Sys Integrity R2024
Expenditure Organization 0570450 Gas System Integrity
Expenditure Type Outside Svc-Other Professional
Task Admin Expense

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **09.11.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Contractor: **Veriforce, LLC**

10/15/2025

Contract Number: 11996

	Actions	**Date**	**Amount**
Original Award		2/9/2018	$34,200.00
Ratification and Renewal (Change Order No. 1)	This change was to ratify and renew annual software maintenance for the period covering February 14, 2019 through February 13, 2020, with no increase in rates from the previous year.	3/6/2019	$29,700.00
Renewal (Change Order No. 2)	This change was to renew annual software maintenance, licenses, and support services for the period covering February 14, 2020 through February 13, 2021, with no increase in rates from the previous year.	3/6/2019	$29,700.00
Scope Change and Renewal (Change Order No. 3)	This change was to renew annual software maintenance, licenses, and support services for the period covering February 14, 2021 through February 13, 2022 in the funded amount of $29,700.00, with no increase in rates from the previous year. In addition, this change is to add the Veriforce Compliance Management application to track, manage and report on OQ qualifications for MLGW's contractors including TDOT drug and alcohol testing requirements in the funded amount of $4,999.00. The total amount of this renewal and change is $34,699.00.	8/5/2020	$34,699.00
Renewal (Change Order No. 4)	This change was to renew annual software maintenance, licenses, and support services for the period covering February 14, 2022 through February 13, 2023 in the funded amount of $34,699.00, with no increase in rates from the previous year.	9/15/2021	$34,699.00

Renewal (Change Order No. 5)	This change was to renew annual software maintenance, licenses, and support services for the period covering February 14, 2023 through February 13, 2024 in the funded amount of $41,899.00.	1/23/2022	$41,899.00
Renewal (Change Order No. 6)	This change was to renew annual software maintenance, licenses, and support services for the period covering February 14, 2024 through February 13, 2025 in the funded amount of $34,699.00, with no increase in rates from the previous year.	2/13/2024	$34,699.00
Ratification and Renewal (Change Order No. 7)	This change was to ratify and renew annual software maintenance, licenses, and support services for the period covering February 14, 2025 through February 13, 2026 in the funded amount of $34,699.00, with no increase in rates from the previous term.	1/22/2025	$34,699.00
Current Contract Amount			$274,295.00
Amount Paid to Date as of 09.26.25			$272,095.00
Current Contract Balance			$2,200.00
Renewal (Change Order No. 8)	***This change is to renew annual software maintenance, licenses, and support services for the period covering February 14, 2026 through February 13, 2027 in the funded amount of $35,899.00 with no increase in rates from the previous term.***	***10/15/2025***	***$35,899.00***
Available Balance			***$38,099.00***
Cumulative Contract Value			***$310,194.00***

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 8**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 15, 2025**
CONTRACT NUMBER 11996 **SHEET 1 OF 2**

TO: **MR. CHANDLER SCHULTE**

VERIFORCE, LLC

300 HOLIDAY SQUARE BLVD.

COVINGTON, LA 70433

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 PROVIDE DATA TRACKING AND ONLINE CERTIFICATION TRAINING FOR MLGW EMPLOYEES UNDER OPERATOR QUALIFICATION (OQ) RULE 49 CFR PART 192 SUBPART N, PART 195 SUBPART G AND STATE REGULATIONS FROM THE TENNESSEE PUBLIC UTILITY COMMISSION (TPUC). THE CONTRACT AWARD WAS SELECTED BASED ON THE REQUEST FOR PROPOSAL ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO RENEW ANNUAL SOFTWARE MAINTENANCE, LICENSES, AND SUPPORT SERVICES FOR THE PERIOD COVERING FEBRUARY 14, 2026 THROUGH FEBRUARY 13, 2027 IN THE FUNDED AMOUNT OF $35,899.00 WITH NO INCREASE IN RATES FROM THE PREVIOUS TERM. THIS RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $310,194.00.

CHANGE IN CONTRACT PRICE:

Contract Value	**$274,295.00**
Change Amount	**$ 35,899.00 – Renewal (*Change No. 8*)**
Total Contract Amount	**$310,194.00**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

REFERENCE CONTRACT NO. 11996

Veriforce Renewal Quote Letter for Memphis Light, Gas and Water

For fiscal year: 2026 - 2027

Prepared by: Chandler Schulte
Chandler.Schulte@veriforce.com

The 2026-2027 total renewal amount for Memphis Light, Gas and Water, represents the following Veriforce services & associated amounts. All of which are referenced in original contract/scope(s) of work, attached herein. This renewal quote is only applicable to the 2026-2027 renewal term and should not be referenced for future renewal terms.

INVOICE NUMBER	INVOICE DATE	DUE DATE	2024-2025 RENEWAL AMOUNT
To be sent in Sept. 2025	To be sent in Sept. 2025	02/01/2026	$35,899.00

SUMMARY

Product	Service Period	Quantity	Total Price
Service Bundle: Contractor OQ, OQ Plan & Development, and Drug & Alcohol	02/14/2026 – 02/13/2027	1	$4,999.00
Employee OQ	02/14/2026 – 02/13/2027	1	$29,500.00
VeriSource Operator Access Fee	02/14/2026 – 02/13/2027	1	$200.00
Data Integration Annual Maintenance Fee	02/14/2026 – 02/13/2027	1	$1,200.00
Discount			$0.00
Sales Tax			$0.00
Grand Total			$35,899.00
Less Payments			$0.00
Balance Due			**$35,899.00**

Agreed and Accepted by:

Veriforce, LLC
Signed by:
Sherri Russell
7474F43CF788428...

Name: Sherri Russell

Title: Chief Financial Officer

Date: 9/17/2025

Memphis Light, Gas and Water Division
DocuSigned by:
Virgil Deanes
38075A0F3D04490...

Name: Virgil Deanes

Title: Manager Gas Engr. & Operations

Date: 9/17/2025

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12539 – Capleville LNG Regen Heater Piping (Emergency Award)**

2. **Requested Funding – $279,870.00 (Bid Amount: $219,250.00, contingency funds: $21,925.00 and increase in the funded amount for Authorization of Payment: $38,695.00)**

3. **Award Duration – Emergency Award Ratification, Extension, Scope Change, Increase and Authorization of Payment (effective August 29, 2024 through August 28, 2025)**

4. **Type of Bid – Emergency Award Ratification**

5. **Awarded To – Mid South Boring & Piping, LLC**

6. **Plain Language Description – This Emergency Contract request was to allow the installation of a new Regeneration (Regen) Heater at the Capleville Liquefied Natural Gas (LNG) plant. The heater is an essential component of the Gas Pretreatment System that conditions the gas prior to liquefaction. The liquefaction process is required to fill the LNG Tank which provides Gas Peak-Shaving ability for the Division. On July 25, 2024, the existing Regen Heater was damaged due to an internal fire. With the heater out of service, the LNG Plant is unable to liquefy gas.**

7. **Impact – The installation of the new Regen Heater via an emergency contract allowed the LNG plant to resume operations as quickly as possible, avoiding a prolonged plant outage during the normal contract approval process.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners that it ratify the emergency award and approval of Extension, Scope Change and Increase of the funded amount for the Authorization of Payment (*Change No. 1*) to Contract No. 12539, Capleville LNG Regen Heater Piping (Emergency Award) with Mid South Boring & Piping, LLC to authorize payment, expand the scope, increase and extend the contract in the funded not-to-exceed amount of $279,870.00.

The project scope is to fabricate and install piping for a Regen Heater at MLGW's Liquefied Natural Gas (LNG) Facility located at 5105 E. Holmes Road, Memphis, TN. This is an emergency contract as outlined in the MLGW Procurement Policy.

This request is to ratify the emergency award and authorization of payment to Mid South Boring & Piping, LLC in the amount of $241,175.00 for replacement of the Regeneration (Regen) Heater at the LNG Capleville Plant ($219,250.00) and contingency funds for any unforeseen circumstances ($21,925.00). MLGW also requests ratification for the approval of the payment, scope change, and increase in the funded amount of $38,695.00 to remove and install six (6) concrete piers that were required to complete the installation. Lastly, MLGW is requesting to extend the original contract term that was executed on August 29, 2024, from two (2) months from the date of the Notice to Proceed to August 31, 2025, which allowed sufficient time to complete the additional emergency repairs. The total funded amount of this ratification, emergency award, extension, scope change, increase and authorization of payment is $279,870.00. This emergency award ratification and change was needed for continuity of Capleville LNG plant operations after the original heater, a critical component of the Gas Pretreatment

System used to condition gas before liquefaction, was damaged by an internal fire. This emergency award ratification, extension, scope change and increase of the funded amount for the authorization of payment complies with all applicable laws and policies.

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 Emergency Award Ratification, Extension, Scope Change and Increase of the funded amount for the Authorization of Payment (*Change No. 1*) of Contract No. 12539, Capleville Regen Heater Piping (Emergency Award) with Mid South Boring & Piping in the funded not-to-exceed amount of $279,870.00, as outlined in the above preamble, is approved; and further,

THAT, the President, or his designated representative is authorized to execute the Emergency Award Ratification, Extension, Scope Change and Increase of the funded amount for the Authorization of Payment.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 to ratify the emergency award of Contract No. 12539, Capleville Regen Heater Piping (Emergency Award) with Mid South Boring & Piping, LLC in the funded not-to-exceed amount of $279,870.00, and is now recommending to the Council of the City of Memphis that it approve said extension, scope change and increase of the funded amount for the authorization of payment (Change No. 1) as approved; and

WHEREAS, the project scope is to fabricate and install piping for a Regen Heater at MLGW's Liquefied Natural Gas Facility (LNG) located at 5105 E. Holmes Road, Memphis, TN. This is an emergency contract as outlined in the MLGW Procurement Policy; and

WHEREAS, this request is to ratify the emergency award and authorization of payment to Mid South Boring & Piping, LLC in the amount of $241,175.00 for replacement of the Regeneration (Regen) Heater at the LNG Capleville Plant ($219,250.00) and contingency funds for any unforeseen circumstances ($21,925.00). MLGW also requests ratification for the approval of the payment, scope change, and increase in the funded amount of $38,695.00 to remove and install six (6) concrete piers that were required to complete the installation. Lastly, MLGW is requesting to extend the original contract term that was executed on August 29, 2024, from two (2) months from the date of the Notice to Proceed to August 31, 2025, which allowed sufficient time to complete the additional emergency repairs. The total funded amount of this ratification, emergency award, extension, scope change, increase and authorization of payment is $279,870.00. This emergency award ratification and change was needed for continuity of Capleville LNG plant operations after the original heater, a critical component of the Gas Pretreatment System used to condition gas before liquefaction, was damaged by an internal fire. This Emergency Award Ratification, Extension, Scope Change and Increase of the funded amount for the Authorization of Payment 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 approval of the Emergency Award Ratification, Extension, Scope Change, and Increase of the funded amount for the Authorization of Payment *(Change No. 1)* of Contract No. 12539, Capleville Regen Heater Piping (Emergency) with Mid South Boring & Piping, LLC in the funded not-to-exceed amount of $279,870.00 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Alonzo Weaver
Procurement Contracts Specialist: Toka Ivy

Board Meeting Date: 10/15/2025
Contract Number: 12539
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Gas Engineering & Operations / Cole McDaniel / 901-321-6996 / cmcdaniel@mlgw.org**
Scope: Contract __X__ **Purchase** ____ **Other** ____	**The project scope is to fabricate and install piping for a Regen Heater at MLGW's Liquefied Natural Gas (LNG) Facility located at 5105 East Holmes Road, Memphis, Tennessee.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This request is to ratify, extend, increase, expand the scope, and authorize the payment of the emergency award to Mid South Boring & Piping, LLC.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at MLGW's LNG Capleville Plant located at 5101 East Holmes Road, Memphis, Tennessee 38118.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**Emergency replacement of the Regen Heater was required for continuity of Capleville LNG plant operations after the existing Regen Heater failed due to an internal fire.**
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) **Emergency Award Ratification**	

BUDGET:

	Total	In 2025 Budget Year	After Budget Year
Amount Requested	$ 279,870.00	$ 279,870.00	$ -
2025 Budget*	$ 798,000.00		
Amount Spent Year-to-Date	$ 47,774.02		
2025 Budget Balance Available		$ 750,225.98	
Budget Balance After Award		$ 470,355.98	

Please indicate category *(O&M or Capital).

☐ **O&M**
☒ **Capital**

Project LNG Processing Facilities
Expenditure Organization 0570420 Liquid Natural Gas Plant Capleville
Expenditure Type eAM Contracted Svcs
Task Gas

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **08.05.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 1**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 15, 2025**
CONTRACT NUMBER 12539 **SHEET 1 OF 2**

TO: **MR. BOB CONRAD**

MID SOUTH BORING & PIPING, LLC

1132 COLLIERVILLE ARLINGTON ROAD

COLLIERVILLE, TN 38017

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, TENNESSEE HEREBY AUTHORIZED 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 FABRICATE AND INSTALL PIPING FOR A REGEN HEATER AT MLGW'S LIQUEFIED NATURAL GAS FACILITY (LNG) LOCATED AT 5105 E. HOLMES ROAD, MEMPHIS, TN. THIS IS AN EMERGENCY CONTRACT AS OUTLINED IN THE MLGW PROCUREMENT POLICY.

THIS REQUEST IS TO RATIFY THE EMERGENCY AWARD AND AUTHORIZATION OF PAYMENT TO MID SOUTH BORING & PIPING, LLC IN THE AMOUNT OF $241,175.00 FOR REPLACEMENT OF THE REGENERATION (REGEN) HEATER AT THE LNG CAPLEVILLE PLANT ($219,250.00) AND CONTINGENCY FUNDS FOR ANY UNFORESEEN CIRCUMSTANCES ($21,925.00). MLGW ALSO REQUESTS RATIFICATION FOR THE APPROVAL OF THE PAYMENT, SCOPE CHANGE, AND INCREASE IN THE FUNDED AMOUNT OF $38,695.00 TO REMOVE AND INSTALL SIX (6) CONCRETE PIERS THAT WERE REQUIRED TO COMPLETE THE INSTALLATION. LASTLY, MLGW IS REQUESTING TO EXTEND THE ORIGINAL CONTRACT TERM THAT WAS EXECUTED ON AUGUST 29, 2024, FROM TWO (2) MONTHS FROM THE DATE OF THE NOTICE TO PROCEED TO AUGUST 31, 2025, WHICH ALLOWED SUFFICIENT TIME TO COMPLETE THE ADDITIONAL EMERGENCY REPAIRS. THE TOTAL FUNDED AMOUNT OF THIS RATIFICATION, EMERGENCY AWARD, EXTENSION, SCOPE CHANGE, INCREASE AND AUTHORIZATION OF PAYMENT IS $279,870.00. THIS EMERGENCY AWARD RATIFICATION AND CHANGE WAS NEEDED FOR CONTINUITY OF CAPLEVILLE LNG PLANT OPERATIONS AFTER THE ORIGINAL HEATER, A CRITICAL COMPONENT OF THE GAS PRETREATMENT SYSTEM USED TO CONDITION GAS BEFORE LIQUEFACTION, WAS DAMAGED BY AN INTERNAL FIRE. THIS EMERGENCY AWARD RATIFICATION, EXTENSION, SCOPE CHANGE AND INCREASE OF THE FUNDED AMOUNT FOR THE AUTHORIZATION OF PAYMENT COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 241,175.00**	**Emergency Award Ratification, Extension,**
Change Amount	**$ 38,695.00**	**Scope Change, Increase of the funded amount**
Total Contract Amount	**$ 279,870.00**	**for the Authorization of Payment (*Change No. 1*)**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: 13711983-8E1A-481F-B26A-B0D484B00E65

MID SOUTH
BORING & PIPING
1132 Collierville Arlington Road • Collierville, TN 38017 • 901-854-6111

Monday, September 8, 2025

Mr. Cole McDaniel
Memphis Light Gas & Water
245 S Main St, Memphis, TN 38103

RE: Change Order request for Contract 12539, CAPLEVILLE LNG REGEN HEATER PIPING (EMERGENCY)

Mr. McDaniel,

During this project, additional installations and repairs were required. Six concrete piers were required to be installed. This included the removal of the existing piers and installation of new piers using rebar, Hilti bolts with epoxy, and Sonotube forms. The cost for these pier assemblies was $3,270.00 each, for a total of $19,620.00. Subsequently, there was damage to these piers by another contractor that required repairs. This required a full crew for 60 hours of repair at $625 per hour, for a total of $37,500.00. There was also a separate invoice for $3,500.00 for the final pipe insulation that was credited due to the work being unfinished at the time of invoicing. This invoice (#9457) has been paid in full.

In total, the requested change order amount comes to $60,620.00. These changes have been reflected in the enclosed invoice.

Kind regards,

DocuSigned by:
Virgil Deanes
38075A0F3D64490...
9/9/2025

Brad Boutwell
Mid South Boring & Piping

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12500 - 2-18" XHP Replacement**

2. **Requested Funding – Not-to-exceed $5,929,830.94 (Scope Change Amount: $4,941,525.78 and Continency Funds $988,305.16)**

3. **Award Duration – Scope Change and Increase (March 19, 2025 through March 18, 2026)**

4. **Type of Bid – Sealed Bid**

5. **Awarded To – Equix Energy Services, LLC**

6. **Plain Language Description – The project will be removing two (2) existing 18" XXHP transmission pipelines and replacing them with 5.4 miles of large 30"/24" diameter gas transmission piping. The change order is requested to cover the cost of design changes due to environmental and customer mitigative impacts during construction.**

7. **Impact – This project is a major milestone on the MLGW Way Forward Plan with removal and replacement of the two (2) 95-year-old existing 18" XXHP transmission pipelines, upkeep cost due to current and more stringent future federal regulations have been mitigated. The new project also bolsters the reliability of MLGW's gas system.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners the approval of Scope Change and Increase (*Change No. 1*) to Contract No. 12500, 2-18" XHP Replacement to Equix Energy Services, LLC, to expand the scope and increase the current contract in the not-to-exceed funded amount of $5,929,830.94.

The project scope is to provide all supervision, labor, technical skills, tools, equipment, materials, other facilities and items necessary to remove two (2) existing sections of 18" GL-001 and GL-212 pipeline and replace it with 24" and 30" pipeline. The contract award was selected based on the lowest and best bid using the Sealed Bid process.

This change is to expand the scope of the current contract due to design changes needed for constructability while replacing gas transmission lines GL-001 and GL-212 in the amount of $4,941,525.78. MLGW is also requesting contingency funds in the amount of $988,305.16 to cover any unforeseen circumstance which may arise during the completion of the project. The total funded amount for this scope change and increase is not-to-exceed $5,929,830.94. The term of the contract will remain March 19, 2025 through March 18, 2026. This scope change and increase complies with all applicable laws and policies. The new contract value is $34,752,083.11.

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 Scope Change and Increase (*Change No. 1*) to Contract No. 12500, 2-18" XHP Replacement to Equix Energy Services, LLC, to expand the scope and increase the current contract in the not-to-exceed funded amount of $5,929,830.94, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Scope Change and Increase.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved Scope Change and Increase (*Change No. 1*) to Contract No. 12500, 2-18" XHP Replacement to Equix Energy Services, LLC to expand the scope and increase the current contract in the not-to-exceed funded amount of $5,929,830.94; and is now recommending to the Council of the City of Memphis that it approves said scope change and increase as approved; and

WHEREAS, the project scope is to provide all supervision, labor, technical skills, tools, equipment, materials, other facilities and items necessary to remove two (2) existing sections of 18" GL-001 and GL-212 pipeline and replace it with 24" and 30" pipeline. The contract award was selected based on the lowest and best bid using the Sealed Bid process; and

WHEREAS, this change is to expand the scope of the current contract due to design changes needed for constructability while replacing gas transmission lines GL-001 and GL-212 in the amount of $4,941,525.78. MLGW is also requesting contingency funds in the amount of $988,305.16 to cover any unforeseen circumstance which may arise during the completion of the project. The total funded amount for this scope change and increase is not-to-exceed $5,929,830.94. The term of the contract will remain March 19, 2025 through March 18, 2026. This scope change and increase complies with all applicable laws and policies. The new contract value is $34,752,083.11; and

NOW THEREFORE BE IT RESOLVED by the Council of the City of Memphis, that there be and is hereby approved Scope Change and Increase (*Change No. 1*) to Contract No. 12500, 2-18" XHP Replacement to Equix Energy Services, LLC, to expand the scope and increase the current contract in the not-to-exceed funded amount of $5,929,830.94 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Virgil Deanes
Procurement Contracts Specialist: Arma Orr

Board Meeting Date: 10/15/2025
Purchase Order/Requisition Number: 12500
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Gas Engineering and Operations / Nate Taylor / 901-9415/ Nvtaylor@mlgw.org**	
Scope: Contract ___X_ **Purchase** ____ **Other** ____	**The project scope is to provide all supervision, labor, technical skills, tools, equipment, materials, other facilities and items necessary to remove two (2) existing sections of 18" GL-001 and GL-212 pipeline and replace it with 24" and 30" pipeline.**	
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to expand the scope and increase the contract value. The contract term will remain March 19, 2025 through March 18, 2026.**	
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place near Weaver Road traversing 5.4 miles throughout the southwest corridor of Memphis, Tennessee.**	
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to add additional construction dollars to the existing contract for construction services to install XXHP gas pipelines. Design changes due to constructability impacts of customer's residences drove the need.**	
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 2025 Budget Year	After Budget Year
Amount Requested	$ 5,929,830.94	$ 5,929,830.94	$ -
2025 Budget*	$ 24,368,088.00		
Amount Spent Year-to-Date	$ 17,223,302.99		
2025 Budget Balance Available		$ 7,144,785.01	
Budget Balance After Award		$ 1,214,954.07	

Please indicate category *(O&M or Capital).

[ ] **O&M**
[X] **Capital**

Project Trans Pipeline/Facilities
Expenditure Organization 0570410 Gas Engineering
Expenditure Type eAM Contracted Svcs
Task WO425749

Comments:

Expenditure Type	Budget	Actual	Available
			$ -

APPROVED:

Ronda Croft — **08.21.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Contractor: **Equix Energy Services, LLC**

10/15/2025

Contract Number: 12500

	Actions	**Date**	**Amount**
Original Award	**Award**	**3/19/2025**	**$28,822,252.17**
Amount Paid to Date as of 09.25.25			$17,830,252.70
Current Contract Balance			$10,991,999.47
Scope Change and Increase (Change Order No. 1)	***This change is to expand the scope of the current contract due to design changes needed for constructability while replacing gas transmission lines GL-001 and GL-212 in the amount of $4,941,525.78. MLGW is also requesting contingency funds in the amount of $988,305.16 to cover any unforeseen circumstance which may arise during the completion of the project. The total funded amount for this scope change and increase is not-to-exceed $5,929,830.94. The term of the contract will remain March 19, 2025 through March 18, 2026.***	***10/15/2025***	***$5,929,830.94***
Available Balance			**$16,921,830.41**
Cumulative Contract Value			**$34,752,083.11**

Note: The Gas Engineering and Operations Department will pay an outstanding invoice in the amount of $10,029,302.88. The remaining balance of $962,696.59 will be utilzed towards construction work during the months of September, October, and November, 2026.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS, AND WATER DIVISION **CONTRACT CHANGE NO. 1**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 15, 2025**
CONTRACT NUMBER 12500 **SHEET 1 OF 2**

TO: **MR. DON WHITE**

EQUIX ENERGY SERVICES, LLC

32410 BLUE STAR HIGHWAY

MIDWAY, FL 32343

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF 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 ALL SUPERVISION, LABOR, TECHNICAL SKILLS, TOOLS, EQUIPMENT, MATERIALS, OTHER FACILITIES AND ITEMS NECESSARY TO REMOVE TWO (2) EXISTING SECTIONS OF 18" GL-001 AND GL-212 PIPELINE AND REPLACE IT WITH 24" AND 30" PIPELINE. THE CONTRACT AWARD WAS SELECTED BASED ON THE LOWEST AND BEST BID USING THE SEALED BID PROCESS.

THIS CHANGE IS TO EXPAND THE SCOPE OF THE CURRENT CONTRACT DUE TO DESIGN CHANGES NEEDED FOR CONSTRUCTABILITY WHILE REPLACING GAS TRANSMISSION LINES GL-001 AND GL-212 IN THE AMOUNT OF $4,941,525.78. MLGW IS ALSO REQUESTING CONTINGENCY FUNDS IN THE AMOUNT OF $988,305.16 TO COVER ANY UNFORESEEN CIRCUMSTANCE WHICH MAY ARISE DURING THE COMPLETION OF THE PROJECT. THE TOTAL FUNDED AMOUNT FOR THIS SCOPE CHANGE AND INCREASE IS NOT-TO-EXCEED $5,929,830.94. THE TERM OF THE CONTRACT WILL REMAIN MARCH 19, 2025 THROUGH MARCH 18, 2026. THIS SCOPE CHANGE AND INCREASE COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $34,752,083.11.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$28,822,252.17**
Change Amount	**$ 5,929,830.94 - Scope Change and Increase *(Change No. 1)***
Total Contract Amount	**$34,752,083.11**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: C4B924F4-619B-44C2-8DAF-C78201A5E9B4

Equix Energy Services, LLC

August 7th, 2025

Memphis Light
Gas & Water
Attn: Nate Taylor

RE: 2-18 XHP Replacement Change Request No. 01

Dear Nate,

Equix is requesting an adjustment to the quantities of line items B.1, B.5, B.13, & F.12 to reflect the quantities installed. Please see further clarifications below explaining the increases of the above-mentioned items.

- **F.12:** Wood access mat quantity has increased above the estimated quantity due to the ongoing wet weather that was experienced during the project. The additional mats were required to access the site locations and perform the work safely. Additional mats were also requested in the environmentally sensitive areas by the onsite third-party inspectors. This resulted in an increase of $658,944.00 to the contract amount.
- **B.13:** The size of the horizontal directional drilling machines required to install the 24" & 30" pipe required a larger quantity of pipe removal at the entry and exit locations in order to have ample room to drill and pull in the new pipe and avoid conflicts with the existing. In addition to this with the large diameter pipe tie-in bell holes to tie-in the bores are quite large requiring additional footage of pipe removal as well to avoid any conflicts with the existing pipe and the newly installed pipeline. This resulted in an increase of $1,530,000.00 to the contract amount.

- **B.1:** The 30" pipe installation by bore quantity was increased due to the combination of 7 bores (Holmes, eight, & Jonetta) (Wetland 6 & Honduras) (Cypress creek & neighborhood HDD) to bring the number of bores from 12 to 7, we also were able to eliminate the wetland 5 HDD. As well as the redesign of bores in order to meet a minimum cover of 20' with 3,000' radius in order to reduce the impact of any hydro fracture and drilling mud coming to the surface. Entry and exit angles were adjusted in order to get this cover resulting in additional footage installed. Additionally, the combining of the bores also allowed for a significantly less impact of the citizen's property as it reduced the open cut footage and avoided the need to excavate in homeowners' backyards. This resulted in an increase of $514,399.14 to the contract amount.

- **B.5:** The 24" pipe installation by bore quantity was increased due to the combination of 3 bores (stream 2, wetland 1, & Fairway Ave) to bring the number of bores from 7 to 5. As well as the redesign of bores in order to meet a minimum cover of 20' with 2,400' radius in order to reduce the impact of any hydro fracture and drilling mud coming to the surface. Entry and exit angles were adjusted in order to get this cover resulting in additional footage installed. Additionally, the combining of the bores also allowed for a significantly less impact of the citizen's property as it reduced the open cut footage and avoided the need to excavate in homeowners' backyards. This resulted in an increase of $2,238,182.64 to the contract amount.

Thank you

Colby McDonald

Colby McDonald
Project Manager

DS

DocuSigned by:
Virgil Deanes
38075A0F3D64490...

9/18/2025

Virgil Deanes PE
Manager of Engineering Gas Engineering and Operations

Equix Energy Services, LLC
www.equixinc.com
32410 Blue Star Highway
Midway, FL 32343

Building Confidence
Since 1985

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 10614 – Bloomberg Data License and Maintenance Agreement**

2. **Requested Funding – $82,440.00**

3. **Award Duration – Ratification and Renewal (September 2, 2025 through September 1, 2027)**

4. **Type of Bid – Sole Source**

5. **Awarded To – Bloomberg, L.P.**

6. **Plain Language Description – This contract renews Treasury Management's license with Bloomberg L.P. for access to real-time global financial data, advanced financial analytical tools and trading capabilities.**

7. **Impact – This Bloomberg license allows Treasury Management to have instantaneous access to transparent, reliable, real-time financial data to conduct trades and monitor financial trends. It provides collaborative tools that enhance communication and networking with financial professionals; and supplies company financials, statistical data, and current news that helps to ensure the preservation of principal for MLGW.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners the approval of Ratification and Renewal (*Change No. 9*) to Contract No. 10614, Bloomberg Data License and Maintenance Agreement with Bloomberg, L.P. to ratify and renew the current contract in the funded not-to-exceed amount of $82,440.00.

The project scope is to provide access to the Bloomberg online subscription service for real-time and historical market data for use by the Treasury Management Department. The contract award was selected using the Sole Source process.

This change is to ratify and renew the current contract for bi-annual software maintenance, licenses, and support services for an additional two (2) year term covering the period September 2, 2025 through September 1, 2027 in the funded not-to-exceed amount of $82,440.00, which reflects a rate increase of 3.25% per year for a two-year subscription term from the previous term. The increase is due to increases in labor and material costs as a result of global inflation. MLGW is requesting approval of continuous software maintenance, licenses, and support services of the acquired system, which can only be performed by Bloomberg, L.P. This ratification and sole source renewal complies with all applicable laws and policies. The new contract value is $876,710.00.

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, Ratification and Renewal (*Change No. 9*) to Contract No. 10614, Bloomberg Data License and Maintenance Agreement with Bloomberg, L.P. to ratify and renew the current contract in the funded not-to-exceed amount of $82,440.00, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Ratification and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved Ratification and Renewal (*Change No. 9*) to Contract No. 10614, Bloomberg Data License and Maintenance Agreement with Bloomberg, L.P. to ratify and renew the current contract in the funded not-to-exceed amount of $82,440.00, and is now recommending to the Council of the City of Memphis that it approves said ratification and renewal as approved; and

WHEREAS, the project scope is to provide access to the Bloomberg online subscription service for real-time and historical market data for use by the Treasury Management Department. The contract award was selected using the Sole Source process; and

WHEREAS, this change is to ratify and renew the current contract for bi-annual software maintenance, licenses, and support services for an additional two (2) year term covering the period September 2, 2025 through September 1, 2027 in the funded not-to-exceed amount of $82,440.00, which reflects a rate increase of 3.25% per year for a two-year subscription term from the previous term. The increase is due to increases in labor and material costs as a result of global inflation. MLGW is requesting approval of continuous software maintenance, licenses, and support services of the acquired system, which can only be performed by Bloomberg, L.P. This ratification and sole source renewal complies with all applicable laws and policies. The new contract value is $876,710.00; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved Ratification and Renewal (*Change No. 9*) to Contract No. 10614, Bloomberg Data License and Maintenance Agreement with Bloomberg, L.P. to ratify and renew the current contract in the funded not-to-exceed amount of $82,440.00 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Rodney Cleek
Procurement Contracts Specialist: Von Griffin

Board Meeting Date: 10/15/2025
Contract Number: 10614
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**0331100 / Treasury Management / Frank Terrell Davis / 528-4156 / tfdavis@mlgw.org**	
Scope: Contract __X__ Purchase ____ Other ____	**The project scope is to provide access to the Bloomberg online subscription service for real-time and historical market data for use by the Treasury Management Department.**	
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to ratify and renew the current contract for bi-annual software maintenance, licenses and support services for an additional two (2) year term covering the period September 2, 2025 through September 1, 2027.**	
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place in the Treasury Management Department.**	
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to provide access to real-time financial data.**	
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 2025 Budget Year	After Budget Year
Amount Requested	$ 82,440.00	$ 20,610.00	$ 61,830.00
2025 Budget*	$ 51,996.00		
Amount Spent Year-to-Date	$ 19,470.00		
2025 Budget Balance Available		$ 32,526.00	
Budget Balance After Award		$ 11,916.00	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Treasury Management R2025
Expenditure Organization 0331100 Treasury Management
Expenditure Type Contracted Svc-Other
Task Admin Expense

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Rpnda Croft — **08.27.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Contractor: **Bloomberg, L.P.**
10/15/2025

Contract Number: 10614

	Actions	**Date**	**Amount**
Original Award	**Award**	**8/25/1999**	**$39,390.00**
Continuous Subscription	For the period covering 8/25/99 to 9/2/11	9/2/2011	$400,000.00
Renewal (Change Order No. 1)	This change was to modify the renewal provision of the contract from automatic renewals to renewals after request and approval. This change was also to renew the annual software maintenance, support services, and licensing fees.	9/15/2011	$62,880.00
Renewal (Change Order No. 2)	This change was to renew annual software, maintenance and licensing fees with no increase in contract value covering the period September 2, 2013 through September 1, 2015. This change reflected a 1.09% increase from the previous years due to system upgrades and improvements.	7/18/2013	$0.00
Renewal (Change Order No. 3)	This change was to renew the current contract for annual software maintenance, licenses, and support services for an additional two (2) year term covering the period September 2, 2015 through September 1, 2017 with no increase from the previous years.	7/1/2015	$0.00
Renewal (Change Order No. 4)	This change was to renew the current contract for annual software maintenance, licenses, and support services for an additional two (2) year term covering the period September 2, 2017 through September 1, 2019 in the funded amount, not-to-exceed, $66,840.00.	6/7/2017	$66,840.00
Scope Change (Change Order No. 5)	Network Access Ethernet connection during this contract term in the funded amount of $2,200.00. This change is needed due to the current (T1) infrastructure is being decommissioned. As a result of this change, the network access cost will increase from $495.00 per month to $595.00 per month. The contract term will remain through September 1, 2019.	11/1/2017	$2,200.00

Renewal (Change Order No. 6)	This change was to renew the current contract for bi-annual software maintenance, licenses, and support services covering the period September 2, 2019 through September 1, 2021 in the funded amount, not-to-exceed, $71,880.00.	7/24/2019	$71,880.00
Renewal (Change Order No. 7)	This change was to renew the current contract for bi-annual software maintenance, licenses, and support services for an additional two (2) year term covering the period September 2, 2021 through September 1, 2023 in the funded not-to-exceed amount of $73,200.00, with a 1.83% increase in rates from the previous term.	7/21/2021	$73,200.00
Renewal and Ratification (Change Order No. 8)	This change was to ratify and renew the current contract for bi-annual software maintenance, licenses, and support services for an additional two (2) year term covering the period September 2, 2023 through September 1, 2025 in the funded not-to-exceed amount of $77,880.00, which reflects a rate increase of 6.3% over the two-year period from the previous term to accommodate for the increases in labor and material costs as a result of global inflation. MLGW is requesting approval of continuous software maintenance, licenses, and support services of the acquired system, which can only be performed by Bloomberg, L.P.	7/19/2023	$77,880.00
Current Contract Amount			$794,270.00
Amount Paid to Date as of 09.30.2025			$761,083.16
Current Contract Balance			$33,186.84
Renewal (Change Order No. 9)	***This change is to renew the current contract for annual software maintenance, licenses, and support services for an additional two (2) year term covering the period September 2, 2025 through September 1, 2027 in the funded not-to-exceed amount of $82,440.00, which reflects a rate increase of 3.25% over the two-year period from the previous term to accommodate for the increases in labor and material costs as a result of global inflation. MLGW is requesting approval of continuous software maintenance, licenses, and support services of the acquired system, which can only be performed by Bloomberg, L.P.***	***10/15/2025***	***$82,440.00***
Available Balance			***$115,626.84***
Cumulative Contract Value			***$876,710.00***

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 9**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 15, 2025**
CONTRACT NUMBER 10614 **SHEET 1 OF 3**

TO: MR. ROBERT ASHAMOLE

BLOOMBERG, L.P.

120 PARK AVENUE

NEW YORK, NY 10017

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 PROVIDE ACCESS TO THE BLOOMBERG ONLINE SUBSCRIPTION SERVICE FOR REAL-TIME AND HISTORICAL MARKET DATA FOR USE BY THE TREASURY MANAGEMENT DEPARTMENT. THE CONTRACT AWARD WAS SELECTED USING THE SOLE SOURCE PROCESS.

THIS CHANGE IS TO RATIFY AND RENEW THE CURRENT CONTRACT FOR BI-ANNUAL SOFTWARE MAINTENANCE, LICENSES, AND SUPPORT SERVICES FOR AN ADDITIONAL TWO (2) YEAR TERM COVERING THE PERIOD SEPTEMBER 2, 2025 THROUGH SEPTEMBER 1, 2027 IN THE FUNDED NOT-TO-EXCEED AMOUNT OF $82,440.00, WHICH REFLECTS A RATE INCREASE OF 3.25% PER YEAR FOR A TWO-YEAR SUBSCRIPTION TERM FROM THE PREVIOUS TERM. THE INCREASE IS DUE TO INCREASES IN LABOR AND MATERIAL COSTS AS A RESULT OF GLOBAL INFLATION. MLGW IS REQUESTING APPROVAL OF CONTINUOUS SOFTWARE MAINTENANCE, LICENSES, AND SUPPORT SERVICES OF THE ACQUIRED SYSTEM, WHICH CAN ONLY BE PERFORMED BY BLOOMBERG, L.P. THIS RATIFICATION AND SOLE SOURCE RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $876,710.00.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$794,270.00**
Change Amount	**$ 82,440.00 – Ratification and Renewal (*Change No. 9*)**
Total Contract Amount	**$876,710.00**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Bloomberg L.P. 731 Lexington Ave Tel +1 212 318 2000
New York, NY 10022 bloomberg.com

Bloomberg

Bloomberg Quote details
Monday, July 7, 2025

Account #	Account Name
122688	MEMPHIS LIGHT GAS & WATER DIVISION

2 Base Year

TERM	PERFORMANCE PEF	PERFORMANCE P	SUBSCRIPTION TYPE	SUBSCRIPTION QTY*	MONTHLY RATE	ANNUAL RATE
	9/2/2025	9/1/2027	Bloomberg Terminal	1	$2,665.00	$31,980.00
	9/2/2025	9/1/2027	23" FLat Panel w/ PC	1	$175.00	$2,100.00
	9/2/2025	9/1/2027	5Mb Network Access	1	$595.00	$7,140.00
SUB Total				3	$3,435.00	$41,220.00

Manager, Treasury Management

* *Bloomberg Terminal® (Multi-User/Shared Access)* subscription: One or more users can access the subscription on a single PC. Each PC requires its own subscription, and remote access is not available; or *Bloomberg Anywhere® (Individual Access)* subscription: Only one user can access the subscription via any Internet-ready PC or mobile device.

*** Additional Information:**
Prices shown in U.S. dollars. For each subscription there is a one-time installation fee of $50.00 for self-installation and self-removal or $300.00 for each installation, relocation, conversion or removal by a Bloomberg technician on-site. We reserve the right to change hardware manufacturers. Base monthly subscription fees do not include real-time exchange and third-party information services fees. Real-time exchange and/or third-party data is billed on an enablement basis, i.e., if more users are enabled at any time, the cost for these exchanges will change to reflect such usage. Exchange and third-party data pricing is subject to change at the determination of the provider. If fees owed are in excess of funds allocated or "obligated", then Customer shall allocate (or obligate) additional funds to cover such charges accordingly. Additionally, subscription costs do not include ancillary charges for customer-requested installations, upgrades, removals, relocations, conversions, equipment modifications and other changes. Lost or stolen equipment is replaced by Bloomberg, upon request, at the following prices: lost or stolen B-Unit - one-time charge; lost or stolen keyboard - $325.00 one-time charge. Customers must obligate funds to cover these charges accordingly. If option years have been requested, such option years shall be invoiced at the prevailing rates then offered by Bloomberg. For indicative purposes only in this quote, a 10% increase is applied to option years. For the avoidance of doubt, Bloomberg's prevailing rates for option years may be higher or lower than the amount shown in this non-binding indicative quote.

Please note that this quote is a non-binding indicative estimate only. Provison of any proposed services by Bloomberg is subject to agreement to the terms and conditions of a definitive, final contract. To the extent this proposal refers to services that are currently licensed by Customer, provision of those services are subject to the terms and conditions of Customer's applicable Bloomberg Agreement with any amendments, addenda or schedules thereto.

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v 02.2025

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New York, NY 10022 bloomberg.com

Bloomberg

Monday, July 7, 2025

Account #	Account Name
122688	MEMPHIS LIGHT GAS & WATER DIVISION

Summary

We kindly request that the government add the following language in the final purchase or delivery order: "*The applicable Bloomberg Agreement and any addenda, schedules, and/or amendments thereto between the government and Bloomberg Finance L.P. are hereby incorporated by reference into this document with the same force and effect as if included in full text.*" If applicable, your Bloomberg Sales team can provide a copy of your prior executed contract(s).

Service Type	POP	New / Existing	Number
Bloomberg Terminal	09/02/2025 to 09/01/2027	Existing	1
23" FLat Panel w/ PC	09/02/2025 to 09/01/2027	Existing	1
5Mb Network Access Charge	09/02/2025 to 09/01/2027	Existing	1
Total			3

* *Bloomberg Terminal® (Multi-User/Shared Access)* subscription: One or more users can access the subscription on a single PC. Each PC requires its own subscription, and remote access is not available; or *Bloomberg Anywhere® (Individual Access)* subscription: Only one user can access the subscription via any Internet-ready PC or mobile device.

^ **Additional Information:**
Prices shown in U.S. dollars. For each subscription there is a one-time installation fee of $50.00 for self-installation and self-removal or $300.00 for each installation relocation, conversion or removal by a Bloomberg technician on-site. We reserve the right to change hardware manufacturers. Base monthly subscription fees do not include real-time exchange and third-party information services fees. Real-time exchange and/or third-party data is billed on an enablement basis, i.e., if more users are enabled at any time, the cost for these exchanges will change to reflect such usage. Exchange and third-party data pricing is subject to change at the determination of the provider. If fees owed are in excess of funds allocated or "obligated" then Customer shall allocate (or obligate) additional funds to cover such charges accordingly. Additionally, subscription costs do not include ancillary charges for customer-requested installations, upgrades, removals, relocations, conversions, equipment modifications and other changes. Lost or stolen equipment is replaced by Bloomberg, upon request, at the following prices: lost or stolen B-Unit - one-time charge; lost or stolen keyboard - $325.00 one-time charge. Customers must obligate funds to cover these charges accordingly. If option years have been requested, such option years shall be invoiced at the prevailing rates then offered by Bloomberg. For indicative purposes only in this quote, a 10% increase is applied to option years. For the avoidance of doubt, Bloomberg's prevailing rates for option years may be higher or lower than the amount shown in this non-binding indicative quote.

Please note that this quote is a non-binding indicative estimate only. Provision of any proposed services by Bloomberg is subject to agreement to the terms and conditions of a definitive, final contract. To the extent this proposal refers to services that are currently licensed by Customer, provision of those services are subject to the terms and conditions of Customer's applicable Bloomberg Agreement with any amendments, addenda or schedules thereto.

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v.02/2025

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 10793 - Professional Portfolio Software**

2. **Requested Funding – $14,902.84**

3. **Award Duration – Ratification and Renewal (May 11, 2025 through May 10, 2026)**

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 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners, the approval of Ratification and Renewal (*Change No. 19*) to Contract No. 10793, Professional Portfolio Software with Advent Software, Incorporated to ratify and renew the current contract in the funded amount of $14,902.84.

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 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. 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 and renewal complies with all applicable laws and policies. The new contract value is $700,223.20.

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 Ratification and Renewal (*Change No. 19*) to Contract No. 10793, Professional Portfolio Software, with Advent Software, Incorporated to ratify and renew the current contract in the funded amount of $14,902.84, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Ratification and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved Ratification and Renewal (*Change No. 19*) to Contract No. 10793, Professional Portfolio Software with Advent Software, Incorporated to ratify and renew the current contract in the funded amount of $14,902.84, and is now recommending to the Council of the City of Memphis that it approves said ratification and renewal 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 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. 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 and renewal complies with all applicable laws and policies. The new contract value is $700,223.20; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved Ratification and Renewal (*Change No. 19*) to Contract No. 10793, Professional Portfolio Software with Advent Software, Incorporated to ratify and renew the current contract in the funded amount of $14,902.84 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Rodney Cleek
Procurement Contracts Specialist: Shanikka Tate/Shelby Collins

Board Meeting Date: 10/15/2025
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 and renew the current contract for an additional year for the period covering May 11, 2025, through May 10, 2026.**	
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 2025 Budget Year	After Budget Year
Amount Requested	$ 14,902.84	$ 14,902.84	$ -
2025 Budget*	$ 38,340.00		
Amount Spent Year-to-Date	$ -		
2025 Budget Balance Available		$ 38,340.00	
Budget Balance After Award		$ 23,437.16	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Treasury Management R2025
Expenditure Organization 0331100 Treasury Management
Expenditure Type Purchase PC Software
Task Admin Expense

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **07.28.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Contractor: **Advent Software, Inc.**

10/15/2025

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
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
Renewal (Change No. 4)	This change was to renew the contract for the period covering the May 11, 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
Renewal (Change No. 5)	This change was to renew the contract for the period covering May 11, 2011 through May 10, 2012.	4/7/2011	$28,444.77
Renewal (Change No. 6)	This change was to renew the contract for the period covering May 11, 2012 through May 10, 2013 with no increase from the previous year.	3/15/2012	$28,444.77
Renewal (Change No. 7)	This change was to renew the contract for the period covering May 11, 2013 through May 10, 2014, which reflects a 3.00% increase from the previous year.	3/7/2013	$29,286.11
Renewal (Change No. 8)	This change was to renew the current contract for the period covering May 11, 2014 through May 10, 2015, which reflects a 3.00% increase from the previous year.	3/20/2014	$30,152.70

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
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
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
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
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	4/3/2019	$0.00
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
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
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
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
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

Current Contract Amount			$685,320.36
Amount Paid to Date as of 09.17.2025			$684,299.81
Current Contract Balance			$1,020.55
Ratification and Renewal (Change No. 19)	***This change is 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***
Available Balance			***$15,923.39***
Cumulative Contract Value			***$700,223.20***

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS, AND WATER DIVISION **CONTRACT CHANGE NO. 19**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 15, 2025**
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 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. 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 AND RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $700,223.20.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 685,320.36**
Change Amount	**$ 14,902.84 – Ratification and Renewal (*Change No. 19*)**
Total Contract Amount	**$ 700,223.20**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: AAABB9A3-7C7C-4FA8-A509-8D65061CA81F

SS&C ADVENT

Advent Maintenance and ACD Renewal

September 15, 2025
Memphis Light, Gas & Water
Advent Customer ID: 1233
220 S Main St
Memphis, TN 38103-3917
ATTN: Shelby L Collins

Dear Shelby

Memphis Light, Gas & Water has requested to inactivate a portion of your Perpetual Maintenance Services. The updated fee for your Maintenance renewal for the period from 11-MAY-2025 to 10-MAY-2026 for 1 seat of Axys and corresponding Axys Custom Reports is $14,902.84. Thereafter, for any renewal of the Perpetual Maintenance Services, if any, the fee Perpetual Maintenance Services shall in accordance with the ordering document for such Axys Software and Axys Custom Reports.

The ACD services are priced according to the terms of C2227. The fee for the ACD services for the period from 11-MAY-2025 to 10-MAY-2026 shall be $13,784.39 and is based on Advent's current Standard Account Fee schedule. Thereafter, for any renewal of the ACD service, if any, shall in accordance with Advent's then current Standard Account Fee.

Sincerely,

Angel Mayenberg

Renewals Sales Associate

Signed by:
Angel Mayenberg
3C156EAAAA5A4BA...

Manager, Treasury Management

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12531 – RedHat Enterprise Server License and Support Subscription (*formerly Contract No. C2729*)**

2. **Funded Amount – $106,932.20**

3. **Award Duration – Ratification and Renewal for the first of three (3) annual renewals (November 16, 2025 through November 15, 2026)**

4. **Type of Bid – Sealed Bid**

5. **Awarded To – TechnoLogyx, Inc.**

6. **Plain Language Description – Red Hat provides open-source software solutions such as the Red Hat Enterprise Linux operating system, giving MLGW the ability to provide cloud computing, automation, container management, and a scalable IT infrastructure.**

7. **Impact – MLGW chose Red Hat for its stability, longevity, enterprise-grade security, support for work environments, and delivery of the Customer Information System (CIS), Geographical Information System (GIS), Power Plan, and other applications.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas, and Water Commissioners the approval of Ratification and Renewal (*Change No. 1*) to Contract No. 12531 (*formerly Contract No. C2729*), RedHat Enterprise Service License and Support Subscription with TechnoLogyx, Inc. to ratify and renew the current contract in the funded amount of $106,932.20.

The project scope is to purchase one (1) year RedHat Enterprise Linux Licenses Software Subscription and Support. This contract award was based on the lowest and best bid using the Sealed Bid process.

This change is to ratify and renew the current contract for the first of three (3) annual renewal terms for the period covering November 16, 2025 through November 15, 2026, with a 47% reduction in overall cost for the current renewal term. This cost savings was based on modification of the deployment of the Red Hat licenses. Originally procured under an unlimited licenses-per-host approach, the purchase was adjusted to actual license cost-per-installation. Although this change increased the total number of licenses received, it ultimately reduced the cost per installation. This ratification and renewal complies with all applicable laws and policies. The new contract value is $316,178.80.

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 Ratification and Renewal (*Change No. 1*) to Contract 12531 (*formerly Contract No. C2729*), RedHat Enterprise Service License and Support Subscription with TechnoLogyx, Inc. to ratify and renew the current contract in the funded amount of $106,932.20, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Ratification and Renewal.

RESOLUTION

WHEREAS, the board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved Ratification and Renewal (*Change No. 1*) to Contract No. 12531 (*formerly Contract No. C2729*), RedHat Enterprise Service License and Support Subscription with TechnoLogyx, Inc. to ratify and renew the current contract in the funded amount of $106,932.20, and is now recommending to the Council of the City of Memphis that it approves said ratification and renewal as approved; and

WHEREAS, the project scope is to purchase one (1) year RedHat Enterprise Linux Licenses Software Subscription and Support. This contract award was based on the lowest and best bid using the Sealed Bid process; and

WHEREAS, this change is to ratify and renew the current contract for the first of three (3) annual renewal terms for the period covering November 16, 2025 through November 15, 2026, with a 47% reduction in overall cost for the current renewal term. This cost savings was based on modification of the deployment of the Red Hat licenses. Originally procured under an unlimited licenses-per-host approach, the purchase was adjusted to actual license cost-per-installation. Although this change increased the total number of licenses received, it ultimately reduced the cost per installation. This ratification and renewal complies with all applicable laws and policies. The new contract value is $316,178.80; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved Ratification and Renewal (*Change No. 1*) to Contract No. 12531 (*formerly Contract No. C2729*), RedHat Enterprise Service License and Support Subscription with TechnoLogyx, Inc. to ratify and renew the current contract in the funded amount of $106,932.20 as approved.

BOARD RESOLUTION TRANSMITTAL

Board Meeting Date: 10/15/2025

Expenditure Org Executive: Lashell Vaughn
Procurement Contracts Specialist: Toka Ivy

Contract Number: 12531 (formerly *Contract No. C2729*)
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**0351310 Enterprise Infrastructure Services / Jonathan Thomas / 901-729-8472 / jthomas@mlgw.org**
Scope: Contract __X__ Purchase ____ Other ____	**The project scope is to purchase one (1) year RedHat Enterprise Linux Licenses Software Subscription and Support.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to ratify and renew the current contract for the first of three (3) annual renewal terms for the period covering November 16, 2025 through November 15, 2026.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at MLGW's Netters Business Center.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to provide annual software maintenance, support services, and licenses for RedHat Enterprise Linux OperatingSystem which is utilized by Tropos Networks, MyAccount Application System, and the Enterprise Scheduling System.**
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 2025 Budget Year	After Budget Year
Amount Requested	$106,932.20	$106,932.20	$ -
2025 Budget*	$15,054,060.00		
Amount Spent Year-to-Date	$10,115,925.13		
2025 Budget Balance Available		$ 4,938,134.87	
Budget Balance After Award		$ 4,831,202.67	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Information Technology
Expenditure Organization 0352300 Information Technology
Expenditure Type IS Other
Task Admin Expense

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft
Budget & Financial Planning

09.11.2025
Date

Rev. 11/01/2018

Contractor: **TechnoLogyx, Inc.**

10/15/2025

12531 (*formerly Contract No. C2729*)

	Actions	**Date**	**Amount**
Original Award	**Award**	**10/18/2024**	**$209,246.60**
Amount Paid to Date as of 09.29.25			**$209,246.60**
Current Contract Balance			$0.00
Ratification and Renewal (Change Order No. 1)	***This change is to ratify and renew the current contract for the first of three (3) annual renewal terms for the period covering November 16, 2025 through November 15, 2026, with a 47% reduction in overall cost for the current renewal term. This cost savings was based on modification of the deployment of the Red Hat licenses. Originally procured under an unlimited licenses-per-host approach, the purchase was adjusted to actual license cost-per-installation. Although this change increased the total number of licenses received, it ultimately reduced the cost per installation.***	***10/15/2025***	***$106,932.20***
Available Balance			**$106,932.20**
Cumulative Contract Value			**$316,178.80**

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS, AND WATER DIVISION **CONTRACT CHANGE NO. 1**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 15, 2025**
CONTRACT NUMBER 12531 **SHEET 1 OF 3**
(*formerly Contract No. C2729*)

TO: PAULA JONES

TECHNOLOGYX, INC.

1138 N. GERMANTOWN PKWY., SUITE 203

CORDOVA, TN 38016

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 PURCHASE ONE (1) YEAR REDHAT ENTERPRISE LINUX LICENSES SOFTWARE SUBSCRIPTION AND SUPPORT. THIS CONTRACT AWARD WAS BASED ON THE LOWEST AND BEST BID USING THE SEALED BID PROCESS.

THIS CHANGE IS TO RATIFY AND RENEW THE CURRENT CONTRACT FOR THE FIRST OF THREE (3) ANNUAL RENEWAL TERMS FOR THE PERIOD COVERING NOVEMBER 16, 2025 THROUGH NOVEMBER 15, 2026, WITH A 47% REDUCTION IN OVERALL COST FOR THE CURRENT RENEWAL TERM. THIS COST SAVINGS WAS BASED ON MODIFICATION OF THE DEPLOYMENT OF THE RED HAT LICENSES. ORIGINALLY PROCURED UNDER AN UNLIMITED LICENSES-PER-HOST APPROACH, THE PURCHASE WAS ADJUSTED TO ACTUAL LICENSE COST-PER-INSTALLATION. ALTHOUGH THIS CHANGE INCREASED THE TOTAL NUMBER OF LICENSES RECEIVED, IT ULTIMATELY REDUCED THE COST PER INSTALLATION. THIS RATIFICATION AND RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $316,178.80.

CHANGE IN CONTRACT PRICE:

CONTRACT AMOUNT	**$209,246.60**
CHANGE AMOUNT	**$106,932.20- Ratification and Renewal (*Change No. 1*)**
TOTAL CONTRACT AMOUNT	**$316,178.80**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: E2C1A4EE-6809-492C-9EC8-25A5C1EF0329

TECHNOLOGYX

William Pearson
220 S. Main
Memphis, TN 38103

SUBJECT: 2025-2026 Renewal for Contract# 12531 Red Hat

William,

This letter is for the acceptance of the 2025-2026 renewal of Contract# 12531 RED HAT. TechnoLogyx, Inc will continue to provide support and services under the existing contract. The renewal date is November 16, 2025, through November 15, 2026. The renewal amount is $106,932.20.

Important Things to Consider

The awarded contract value for 2024-2025 was $209,246.60. The 2025-2026 period represents a substantial discount, and the contract value is $106,932.20. This represents savings of $102,314.40.

The RED HAT renewal includes the following: Red Hat Enterprise Linux Server with Satellite, Premium (Physical or Virtual Nodes), 1yr and Red Hat Enterprise Linux Extended Life Cycle Support (Physical or Virtual Nodes), 1yr.

Thanks for the opportunity to do business and continue providing the RED HAT solution that is mission critical for your datacenter environment.

Sincerely,

Paula Jones,
Business Development Manager
8/11/2025

Signed by: Renetta Lesure
4872D33804474F3...

DocuSigned by: Timothy D McEwen
FA836CAAD00544F...

DocuSigned by: Albert Brooks
4D01B44CFE69409...

1138 N Germantown Pkwy, Suite 203 ♦ Cordova, TN 38016 ♦ (901) 620-6321 phone ♦ (901) 531-8169 fax
http://www.tlxi.net

Docusign Envelope ID: E2C1A4EE-6809-492C-9EC8-25A5C1EF0329

QUOTE

TECHNOLOGYX

1138 N Germantown Pkwy, Suite 203
Cordova, TN 38016
Phone: (901) 620-6321
Fax: (901) 531-8169
Website: http://www.tlxi.net

QUOTE #:	AAAQ3286
Date:	Aug 5, 2025

Prepared For:

William Pearson
Memphis Light, Gas & Water Divisio
220 South Main Street
P.O. Box 430
Memphis, TN 38101-0430
United States
Phone (901) 881-2653

Prepared By:

Paula Jones
Account Manager
pjones@tlxi.net
(901) 620-6321 x325

P.O. Number	Payment Terms	Shipped Via	Valid Through
	Net 30	Ground	11/14/2025

Here is the quote you requested.

Qty	Description	Unit Price	Ext. Price
35	Red Hat Enterprise Linux Server with Satellite, Premium (Physical or Virtual Nodes), 1y Red Hat - RH00008 Start Date: 11/16/2025 End Date: 11/15/2026	$1,619.00	$56,665.00
32	Red Hat Enterprise Linux Extended Life Cycle Support (Physical or Virtual Nodes), 1y Red Hat - RH00270 Start Date: 07/01/2024 End Date: 11/15/2026 ACCT #: 548600	$1,570.85	$50,267.20

Please contact me if I can be of further assistance.

Paula Jones
8/11/2025

SubTotal	$106,932.20
Tax	$0.00
Shipping	$0.00
TOTAL	$106,932.20

Initial RL DS JDM DS AB

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12069 – ArcFM Viewer Replacement**

2. **Requested Funding – $64,116.72**

3. **Award Duration – Increase (November 1, 2020 through October 31, 2027)**

4. **Type of Bid – RFP**

5. **Awarded To – SSP Innovations, LLC**

6. **Plain Language Description – In 2019 MIMS (Mobile Information Management System) was selected to replace ArcFM Viewer for GIS on the crew laptops. The software allows MLGW's construction crews to access online real time GIS data over wireless networks for physical utility infrastructure location validation and to submit electronic failure and damage reports.**

7. **Impact – The additional funds are needed to complete the upgrade to the new version of MIMS for the Windows 11 Operating System.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners the approval of Increase (*Change No. 4*) to Contract No. 12069, ArcFM Viewer Replacement with SSP Innovations, LLC to increase the current contract in the funded amount of $64,116.72.

The project scope is to provide software and services to replace the current ArcFM Viewer Application on MLGW's mobile devices. The software will allow MLGW's field personnel to access online GIS data over wireless networks. The contract award was selected based on the Request for Proposal ("RFP") evaluation process.

This change is to increase the contract value in the amount of $64,116.72 for the continued support of Mobile Information Management System (MIMS). MLGW is requesting these additional funds to allot for a payment adjustment to Contract No. 12069, ArcFM Viewer Replacement. A payment was incorrectly charged to this contract in August 2023 which should have been applied to another contract. The term of the contract will remain through October 31, 2027. This change complies with all applicable laws and policies. The new contract value is $960,105.91.

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 (*Change No. 4*) to Contract No. 12069, ArcFM Viewer Replacement with SSP Innovations, LLC to increase the current contract in the funded amount of $64,116.72, as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Increase.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025, approved Increase (Change No. 4) to Contract No. 12069, ArcFM Viewer Replacement with SSP Innovations, LLC to increase the current contract in the funded amount of $64,116.72; and is now recommending to the Council of the City of Memphis that it approves said increase as approved; and

WHEREAS, the project scope is to provide software and services to replace the current ArcFM Viewer Application on MLGW's mobile devices. The software will allow MLGW's field personnel to access online GIS data over wireless networks. The contract award was selected based on the Request for Proposal ("RFP") evaluation process; and

WHEREAS, this change is to increase the contract value in the amount of $64,116.72 for the continued support of Mobile Information Management System (MIMS). MLGW is requesting these additional funds to allot for a payment adjustment to Contract No. 12069, ArcFM Viewer Replacement. A payment was incorrectly charged to this contract in August 2023 which should have been applied to another contract. The term of the contract will remain through October 31, 2027. This change complies with all applicable laws and policies. The new contract value is $960,105.91; and

NOW THEREFORE BE IT RESOLVED by the Council of the City of Memphis, that there be and is hereby approved Increase (*Change No. 4*) to Contract No. 12069, ArcFM Viewer Replacement with SSP Innovations, LLC to increase the current contract in the funded amount of $64,116.72 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Lashell Vaughn
Procurement Contracts Specialist: Jessica Payne

Board Meeting Date: 10/15/2025
Contract Number: 12069
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**0351320 / Enterprise Resource Planning / Steve Veltman / 901-491-51141/sveltman@mlgw.org**	
Scope: Contract __X__ Purchase ____ Other ____	**The project scope is to provide software and services to replace the current ArcFM Viewer Application on MLGW's mobile devices. The software will allow MLGW's field personnel to access online GIS data over wireless networks.**	
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to increase the contract value for the continued support of Mobile Information Management System (MIMS).**	
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at various MLGW facilities.**	
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to be able to continue using MIMS software by MLGW's field personnel.**	
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 2025 Budget Year	After Budget Year
Amount Requested	$ 64,116.72	$ 64,116.72	$ -
2025 Budget*	$ 640,000.00		
Amount Spent Year-to-Date	$ 83,374.52		
2025 Budget Balance Available		$ 556,625.48	
Budget Balance After Award		$ 492,508.76	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project GIS Enterprise Reporting
Expenditure Organization 0351320 GIS and Enterprise Reporting
Expenditure Type IS Other
Task Admin Expense

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **09.26.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Contractor: **SSP Innovations**

10/15/2025

Contract Number: 12069

	Actions	**Date**	**Amount**
Original Award	Award	8/21/2019	$624,794.50
Revision (Change Order No. 1)	This change was to revise the five-year maintenance schedule covering the period of November 1, 2020 through October 31, 2025. The cost associated with the five-year maintenance was included in the initial contract term.	9/16/2020	$0.00
Revison (Change Order No. 2)	This change was to revise the five-year maintenance schedule from the period of November 1, 2020 through October 31, 2025 to a seven (7) year maintenance period of November 1, 2020 through October 31, 2027. The cost associated with the seven (7) year maintenance caused the contract value to increase in the amount of $37,500.00 due to adding two (2) additional years of software maintenance and support.	4/20/2022	$37,500.00
Increase (Change Order No. 3)	This change was to increase the contract value in the negotiated amount of $233,694.69 for software upgrades needed for the current term. MLGW is requesting additional funds for the MIMS software upgrade from Version 2020.3.10 to Version 5.1 due to Microsoft Windows 10 operation system's deprecation that will no longer be supported. The software upgrade will allow MLGW to continue using MIMS in its field operations for an extended period with more enhanced capabilities on a supported Windows operating system (Windows 11). The term of the contract will remain November 1, 2020 through October 31, 2027.	1/22/2025	$233,694.69
Current Contract Amount			$895,989.19
Amount Paid to Date as of 09.29.25			$731,409.07
Current Contract Balance			$164,580.12
Increase (Change Order No. 4)	***This change is to increase the contract value in the amount $64,116.72 for the continued support of Mobile Information Management System (MIMS). MLGW is requesting these additional funds to allot for a payment adjustment to Contract No. 12069, ArcFM Viewer Replacement. A payment was incorrectly charged to this contract in August 2023 which should have been applied to another contract. The term of the contract will remain through October 31, 2027.***	***10/15/2025***	***$64,116.72***
Available Balance			***$228,696.84***
Cumulative Contract Value			***$960,105.91***
Note: The Enterprise Resource Planning Department will utiilize the remaining contract balance for unpaid invoices for the remainder of the term.			

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 4**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 15, 2025**
CONTRACT NUMBER 12069 **SHEET 1 OF 1**

TO: MR. IAN MARTIN

SSP INNOVATIONS, LLC

6766 SOUTH RIVERE PARKWAY, SUITE 10

CENTENNIAL, CO 80112

YOU ARE ADVISED THAT THE MEMPHIS LIGHT, GAS AND WATER DIVISION, CITY OF MEMPHIS, MEMPHIS, AND 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 SOFTWARE AND SERVICES TO REPLACE THE CURRENT ARCFM VIEWER APPLICATION ON MLGW'S MOBILE DEVICES. THE SOFTWARE WILL ALLOW MLGW'S FIELD PERSONNEL TO ACCESS ONLINE GIS DATA OVER WIRELESS NETWORKS. THE CONTRACT AWARD WAS SELECTED BASED ON THE REQUEST FOR PROPOSAL ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO INCREASE THE CONTRACT VALUE IN THE AMOUNT OF $64,116.72 FOR THE CONTINUED SUPPORT OF MOBILE INFORMATION MANAGEMENT SYSTEM (MIMS). MLGW IS REQUESTING THESE ADDITIONAL FUNDS TO ALLOT FOR A PAYMENT ADJUSTMENT TO CONTRACT NO. 12069, ARCFM VIEWER REPLACEMENT. A PAYMENT WAS INCORRECTLY CHARGED TO THIS CONTRACT IN AUGUST 2023 WHICH SHOULD HAVE BEEN APPLIED TO ANOTHER CONTRACT. THE TERM OF THE CONTRACT WILL REMAIN THROUGH OCTOBER 31, 2027. THIS CHANGE COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $960,105.91.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$**	**895,989.19**	
Change Amount	**$**	**64,116.72**	**Increase (*Change No. 4*)**
Total Contract Amount	**$**	**960,105.91**	

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: D1961507-5A95-469F-9343-6F3F46D36D61

INTERDEPARTMENTAL MEMORANDUM

APPLICATION DEVELOPMENT DEPARTMENT

AREA 351320 ▪ NB/01 ▪ 491-5114 (cell)

From: **Steve Veltman, Supervisor, GIS and Enterprise Reporting**

Date: **September 15, 2025**

Subject: **Request to Add Funds to Contract 12069, ArcFM Viewer Replacement**

The following payment was mistakenly charged to Contract 12069, SSP Innovations, ArcFM Viewer Replacement in August 2023. The payment should have been charged to Contract 12152, SSP Innovations, 10.6.1 ArcGIS & ArcFM Upgrade, SSP Innovations). Contract 12152 expired in 2023.

Correct Contract	Purchase Order Number	Purchase Order Date	Charge
12152	7047844	8/29/2023	$ 64,116.72

Due to this oversight, Contract 12069, SSP Innovations, ArcFM Viewer Replacement lacks sufficient funds to cover the remaining scheduled payments for the contract.

We request an additional $64,116.72 be added to Contract 12069. The funds needed to make the remaining payments for this year are already approved and allocated in the 2025 budget.

APPROVALS:

DocuSigned by:
FCAD503D74AE4AE...

9/16/2025

Arnisa Davis
Manager, Enterprise Resource Planning and GIS

DocuSigned by:
556FCC7885C44E4...

9/18/2025

Michael Faulk
Director, Application Development

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 11296 - Enterprise GIS Software Selection and Installation**

2. **Requested Funding – $1,597,949.00**

3. **Award Duration – Expansion and Renewal (December 31, 2025 through December 30, 2028)**

4. **Type of Bid – RFP**

5. **Awarded To – Environmental System Research Institute (ESRI), Inc.**

6. **Plain Language Description – The ESRI software plays a critical role in enabling MLGW to manage its daily operations through Geographic Information Systems (GIS). The software allows for location intelligence, regulatory compliance and asset mapping (i.e. poles, transformers, gas and water valves, power lines, premises, etc.).**

7. **Impact – Renewing the GIS software licenses with ERSI is necessary for MLGW to continue using the Esri products to serve the needs of the Engineering, Construction and Operations departments.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommend to the Board of Light, Gas and Water Commissioners the approval of Expansion and Renewal (*Change No. 11*) to Contract No. 11296, Enterprise GIS Software Selection and Installation with Environmental System Research Institute (ESRI), Inc. to expand the scope and renew the current contract in the funded amount of $1,597,949.00.

The project scope is to provide an Enterprise License Agreement (ELA) for the GIS Information System Software for selection and installation. A geographic information system (GIS) is a system that creates, manages, analyzes, and maps all types of data. GIS connects data to a map, integrating location data (where things are) with all types of descriptive information (what things are like there). This provides a foundation for mapping and analysis that is used in almost every industry and by almost every utility provider around the world. GIS helps users understand patterns, relationships, and geographic context. The benefits include improved communication and efficiency as well as better management and decision making. The contract award was based on the Request for Proposals ("RFP") evaluation process.

This change is to expand the scope and renew the current contract for software licenses, maintenance, and support services for the period covering December 31, 2025 through December 30, 2028 in the amount of $1,597,949.00, which reflects a negotiated 20% increase in cost over three (3) years from the previous term. This renewal is for the software licenses, add-on licenses, maintenance, premium access to ESRI experts and support services. The increase reflects the Consumer Price Index (CPI) adjustment and adding new software: 1) ArcGIS notebook server; and 2) ArcGIS site scan. It also includes Enterprise Advantage Program (EAP) credits to support the major utility network conversion project, adding 150 credits over three (3) years in the amount of $259,850.00. MLGW is requesting

approval of the acquired system, which can only be performed by ESRI, Inc. This expansion and renewal complies with all laws and policies. The new contract value is $7,241,964.00.

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 Expansion and Renewal (*Change No. 11*) to Contract No. 11296, Enterprise GIS Software Selection and Installation with Environmental System Research Institute (ESRI), Inc. to expand the scope and renew the current contract in the funded amount of $1,597,949.00, as outlined in the foregoing preamble, is approved; and further,

THAT, The President or his designated representative is authorized to execute the Expansion and Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved Expansion and Renewal (*Change No. 11*) to Contract No. 11296, Enterprise GIS Software Selection and Installation with Environmental System Research Institute (ESRI), Inc. to expand the scope and renew the current contract in the funded amount of $1,597,949.00 and is now recommending to the Council of the City of Memphis that it approves said expansion and renewal as approved; and

WHEREAS, the project scope is to provide an Enterprise License Agreement (ELA) for the GIS Information System Software for selection and installation. A geographic information system (GIS) is a system that creates, manages, analyzes, and maps all types of data. GIS connects data to a map, integrating location data (where things are) with all types of descriptive information (what things are like there). This provides a foundation for mapping and analysis that is used in almost every industry and by almost every utility provider around the world. GIS helps users understand patterns, relationships, and geographic context. The benefits include improved communication and efficiency as well as better management and decision making. The contract award was based on the Request for Proposals ("RFP") evaluation process; and

WHEREAS, this change is to expand the scope and renew the current contract for software licenses, maintenance, and support services for the period covering December 31, 2025 through December 30, 2028 in the amount of $1,597,949.00, which reflects a negotiated 20% increase in cost over three (3) years from the previous term. This renewal is for the software licenses, add-on licenses, maintenance, premium access to ESRI experts and support services. The increase reflects the Consumer Price Index (CPI) adjustment and adding new software: 1) ArcGIS notebook server; and 2) ArcGIS site scan. It also includes Enterprise Advantage Program (EAP) credits to support the major utility network conversion project, adding 150 credits over three (3) years in the amount of $259,850.00. MLGW is

requesting approval of the acquired system, which can only be performed by ESRI, Inc. This expansion and renewal complies with all laws and policies. The new contract value is $7,241,964.00; and

NOW THEREFORE BE IT RESOLVED by the Council of the City of Memphis, that there be and is hereby approved Expansion and Renewal (*Change No. 11*) to Contract No. 11296, Enterprise GIS Software Selection and Installation with Environmental System Research Institute (ESRI), Inc. to expand the scope and renew the current contract in the funded amount of $1,597,949.00 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Lashell Vaughn
Procurement Contracts Specialist: Von Griffin

Board Meeting Date: 10/15/2025
Contract Number: 11296
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**351320 /Uday Bhanu Burrey / 479-276-6087 / uburrey@mlgw.org**	
Scope: Contract ____ Purchase ____ Other ____	**The project scope is to provide an Enterprise License Agreement (ELA) for ESRI software products and licenses.**	
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to expand the scope and renew the current contract for software licenses, maintenance, and support services for the period covering December 31, 2025 through December 30, 2028.**	
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at various MLGW facilities.**	
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to allow Esri software to be utilized for maintaining, operating and managing MLGW facilities within the GIS System.**	
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 2025 Budget Year	After Budget Year
Amount Requested	$ 1,597,949.00	$ 528,583.00	$ 1,069,366.00
2025 Budget*	$ 15,054,060.00		
Amount Spent Year-to-Date	$ 10,143,587.66		
2025 Budget Balance Available		$ 4,910,472.34	
Budget Balance After Award		$ 4,381,889.34	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Information Technology
Expenditure Organization 0352300 Information Technology
Expenditure Type IS Other
Task Admin Expense

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **10.02.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Contractor: **Environmental System Research Institute (ESRI), Inc.**
10/15/2025

Contract Number: 11296

	Actions	**Date**	**Amount**
Original Award	**Award**	**11/20/2008**	**$714,705.00**
Renewal (Change Order No. 1)	This change was to provide software maintenance for the Enterprise GIS Software for the period covering December 8, 2010- December 7, 2011 in the amount of $19,900.00.	11/18/2010	$0.00
Renewal (Change Order No. 2)	This change was to request an assignment to Telvent to provide to MLGW the maintenance of its software for a portion of this scope as proposed by ESRI to separate from the subcontractor, Telvent, as proposed in the original contract. This change was to also renew to ESRI the maintenance for its hardware and software for the period covering December 31, 2011 to December 30, 2013 in the amount of $396,000.00.	10/20/2011	$396,000.00
Renewal (Change Order No. 3)	The initial contract award amount was a negotiated discount valued at 50% less than the cost of the State of Tennessee's contract for the same service. A review of MLGW's needs during the renewal period requires a change to the basic services provided by the initial ELA to include the purchase of additional software licenses for the intranet mapping portal (ArGIS Online). The new negotiated cost of the expanded ELA for the period covering December 31, 2013 to December 30, 2014 is $900,000.00.	11/21/2013	$900,000.00
Renewal (Change Order No. 4)	This change was to renew the current contract for software licenses, maintenance and support services for the period covering December 31, 2016 through December 30, 2019. The new negotiated cost of the expanded ELA for this renewal term is in the funded amount of $936,000.00 ($312,000.00 annually). This renewal reflected a 2% increase due to the cost of providing enhancements to the overall ArcGIS platform.	11/2/2016	$936,000.00

Contractor: **Environmental System Research Institute (ESRI), Inc.**

10/15/2025

Contract Number: 11296

	Actions	Date	Amount
Expansion (Change Order No. 5)	This change was to add the following licenses: 1) Pipeline Referencing for Desktop Single Use - two (2) licenses; and 2) ArcGIS Pipeline Referencing Server Extension - one (1) license in the funded amount of $41,310.00. The contract term will remain through December 30, 2019. This change is needed for implementation of Gas Transmission Pipeline Tracking and Traceability Projects for the Gas Regulatory Compliance Department.	5/17/2017	$41,310.00
Expansion (Change Order No. 6)	This change was to add 30 additional licenses for Insight ArcGIS Enterprise, an analytics tool which can be used for advanced analytics of data, with no increase in the contract value. The contract term will remain through December 30, 2019.	3/7/2018	$0.00
Renewal (Change Order No. 7)	This change was to renew the current contract for software licenses, maintenance and support services for the period covering December 31, 2019 through December 30, 2022. The new negotiated cost of the expanded ELA for this renewal term was in the funded amount of $990,000.00 ($330,000.00 annually). This renewal reflected a 1.3% increase in annual cost due to increased business costs such as payroll, marketing, technology and overhead.	9/25/2019	$990,000.00
Expansion (Change Order No. 8)	This change was to add 70 ArcGIS Enterprise Field Worker licenses and uncapped ArcGIS Monitor licensing to the current contract at no additional cost. The contract term will remain through December 30, 2022.	6/16/2021	$0.00

Contractor: **Environmental System Research Institute (ESRI), Inc.**

10/15/2025

Contract Number: 11296

	Actions	Date	Amount
Renewal (Change Order No. 9)	This change was to renew the current contract for software licenses, maintenance and support services for the period covering December 31, 2022 through December 30, 2025. The new negotiated cost of the expanded ELA for this renewal term was in the funded amount of $1,050,000.00 ($350,000.00 annually). This renewal reflected a 6% increase in annual cost due to MLGW deploying additional ArcGIS Enterprise servers, additional user types (120 Mobile Workers), new capabilities such as ArcGIS Monitor and ArcGIS Drone2Map, and an increase in the number of Tier-Two Standard Support Callers (6 to 8).	10/5/2022	$1,050,000.00
Expansion and Renewal (Change Order No. 10)	This change was to expand the scope of services to acquire the ESRI Advantage Program to assist MLGW with developing a transition plan, performing data assessments, and conducting pilot studies to prepare for Utility Network and ArcGIS Pro conversions of MLGW GIS (replacing legacy network and application systems that will reach end-of-life by March 2028). These services will aid with composing more detailed, accurate, and comprehensive requirements when seeking bids for a vendor to help with the migration to Utility Network and ArcGIS Pro. The approved funded renewal amount originally for a three (3) year term was $350,000.00 annually. As a result of this change, the renewal amounts will be adjusted to reflect: 1) Year 1 covering the period of December 31, 2022 through December 30, 2023 in the amount of $370,700.00; and 2) Year 2 covering the period of December 31, 2023 through December 30, 2024 in the amount of $245,300.00. The renewal amount for Year 3 will remain $350,000.00 covering the period of December 31, 2024 through December 30, 2025. The total funded amount of this change is $616,000.00.	11/1/2023	$616,000.00
Current Contract Amount			$5,644,015.00
Amount Paid to Date as of 09.29.25			$5,624,740.00
Current Contract Balance			$19,275.00

Contractor: **Environmental System Research Institute (ESRI), Inc.**
10/15/2025

Contract Number: 11296

	Actions	Date	Amount
Expansion and Renewal (Change Order No. 11)	***This change is to expand the scope and renew the current contract for software licenses, maintenance, and support services for the period covering December 31, 2025 through December 30, 2028 in the amount of $1,597,949.00, which reflects a negotiated 20% increase in cost over three (3) years from the previous term. This renewal is for the software licenses, add-on licenses, maintenance, premium access to ESRI experts and support services. The increase reflects the Consumer Price Index (CPI) adjustment and adding new software: 1) ArcGIS notebook server; and 2) ArcGIS site scan. It also includes Enterprise Advantage Program (EAP) credits to support the major utility network conversion project, adding 150 credits over three (3) years in the amount of $259,850.00.***	***10/15/2025***	***$1,597,949.00***
Available Contract Balance			***$1,617,224.00***
Cumulative Contract Value			***$7,241,964.00***

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 11**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 15, 2025**
CONTRACT 11296 **SHEET 1 OF 13**

TO: MR. JEFFERY JOHNSON

ENVIRONMENTAL SYSTEM RESEARCH INSTITUTE (ESRI)

3325 SPRINGBREAK LANE, SUITE 200

CHARLOTTE, NC 28226

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 AN ENTERPRISE LICENSE AGREEMENT (ELA) FOR THE GIS INFORMATION SYSTEM SOFTWARE FOR SELECTION AND INSTALLATION. THE CONTRACT AWARD WAS BASED ON THE REQUEST FOR PROPOSALS ("RFP") EVALUATION PROCESS.

THIS CHANGE IS TO EXPAND THE SCOPE AND RENEW THE CURRENT CONTRACT FOR SOFTWARE LICENSES, MAINTENANCE, AND SUPPORT SERVICES FOR THE PERIOD COVERING DECEMBER 31, 2025 THROUGH DECEMBER 30, 2028 IN THE AMOUNT OF $1,597,949.00. WHICH REFLECTS A NEGOTIATED 20% INCREASE IN COST OVER THREE (3) YEARS FROM THE PREVIOUS TERM. THIS RENEWAL IS FOR THE SOFTWARE LICENSES, ADD-ON LICENSES, MAINTENANCE, PREMIUM ACCESS TO ESRI EXPERTS AND SUPPORT SERVICES. THE INCREASE REFLECTS THE CONSUMER PRICE INDEX (CPI) ADJUSTMENT AND ADDING NEW SOFTWARE: 1) ARCGIS NOTEBOOK SERVER; AND 2) ARCGIS SITE SCAN. IT ALSO INCLUDES ENTERPRISE ADVANTAGE PROGRAM (EAP) CREDITS TO SUPPORT THE MAJOR UTILITY NETWORK CONVERSION PROJECT, ADDING 150 CREDITS OVER THREE (3) YEARS IN THE AMOUNT OF $259,850.00. MLGW IS REQUSTING APPROVAL OF THE ACQUIRED SYSTEM, WHICH CAN ONLY BE PERFORMED BY ESRI, INC. THIS EXPANSION AND RENEWAL COMPLIES WITH ALL LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $7,241,964.00.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$5,644,015.00**
Change Amount	**$1,597,949.00- Expansion and Renewal (*Change No. 11*)**
Total Contract Amount	**$7,241,964.00**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Amendment No. 13
Esri ELA Contract No. 00253510.0
Customer Contract No. 11296

This Amendment No. 13 is entered into by and between **Memphis Light Gas & Water Division** (hereinafter referred to as "**Customer**") and **Environmental Systems Research Institute, Inc.** (hereinafter referred to as "**Esri**"). Customer and Esri are collectively referred to as the "Parties" in this Amendment.

WHEREAS, Customer and Esri (collectively referred to as the "Parties") entered into an Enterprise License Agreement with an effective date of December 31, 2008 (hereinafter "Agreement" or "ELA"); and

WHEREAS, the Parties desire to further amend the ELA to extend the term for an additional three (3) years, and update fees, applicable language and appendices for the extension period.

NOW THEREFORE, the Parties agree that the ELA is modified as follows: -

1. Enterprise License Terms and Conditions (E512M – 6/08), Article 1 Definitions is revised to add the following new definitions:

   - "Affiliate" means an affiliate of Customer, unless excluded in the Proposal Letter, that meets the following criteria: the affiliate (i) is a U.S. domestic subsidiary of Customer located in the United States; (ii) is more than fifty percent (50%) owned by Customer; (iii) is not a company in the business of offering geographic information system (GIS) software services to third parties; and (iv) is not ineligible to receive or have access to Esri products or services by operation of law, including U.S. export control laws, decrees, orders, rules, regulations, policies, riders, conditions, or provisos.

   - "Authorized Entity" means, if applicable, Affiliate when Customer is a commercial entity or Eligible Agency when Customer is a government entity.

   - "Case" means a failure of the Software or Online Services to operate according to the Documentation where such failure substantially impacts operational or functional performance.

   - "Effective Date" means the Effective Date stated in the base ELA. From and including this Amendment No. 13 to ELA, the Effective Date of any renewals shall be the date specified in the Proposal Letter as the Effective Date, or the date otherwise specified in the renewal document.

   - "ELA Products" means the Products identified in the Proposal Letter, excluding Unit-Priced Items.

   - "Proposal Letter" means an offer document that includes, at a minimum, the ELA Products and ELA Fee and may also include additional Esri Products and Services, which may be attached and incorporated into an Amendment to the ELA.

   - "Unit-Priced Items" means optional Products or Services that are listed in the Proposal Letter as separately orderable for an additional fee. Pricing for Unit-Priced Items is valid for one (1) year from the Effective Date, unless a different duration is identified in the Proposal Letter."

2. Enterprise License Terms and Conditions (E512M – 6/08), Article 1 Definitions. The existing definitions of "Deploy", "Deployed" or "Deployment," "ELA Fee," "ELA Maintenance," "Enterprise License Software," "Rolled-In Software," "Technical Support," "Tier 1 Help Desk," "Tier 1 Support," and "Tier 2 Support" are deleted and replaced by the following updated definitions:

   - "Deploy", "Deployed" and "Deployment" mean to redistribute and install the ELA Products and related Authorization Codes within Customer's organization and to Authorized Entities.

   - "ELA Fee" means the fee set forth in the ELA Fee Schedule contained in the Proposal Letter.

- "ELA Maintenance" means Tier 2 Support provided to Customer as described in Article 4 ELA Maintenance.
- "Enterprise License Software" means ELA Products.
- "Rolled-In Software" means Products (excluding Term licenses or subscriptions) of the same type as ELA Products that Customer acquired for use prior to the Effective Date, that are current on paid maintenance (as shown in Esri's customer service records), and that receive ELA Maintenance during the term of the ELA. If this ELA is extended or renewed, Rolled-In Software shall include ELA Products Deployed prior to the then-current renewal period.
- "Technical Support" means the technical assistance for attempting resolution of a reported Case through error correction, patches, hot fixes, workarounds, replacement deliveries, or any other type of product corrections or modifications.
- "Tier 1 Help Desk" means Customer's point of contacts in My Esri, to provide all Tier 1 Support within Customer's organization and Authorized Entities.
- "Tier 1 Support" means the Technical Support provided by the Tier 1 Help Desk.
- "Tier 2 Support" means the Esri Technical Support provided to the Tier 1 Help Desk when a Case cannot be resolved through Tier 1 Support.

3. Enterprise License Terms and Conditions (E512M – 6/08), Article 2 Grant of License is deleted in its entirety and replaced by the following updated Article 2:

"**ARTICLE 2 GRANT OF LICENSE**

2.1 Grant of License. Subject to the terms and conditions of this ELA, Esri grants to Customer a personal, nonexclusive, nontransferable license solely to use, copy, and Deploy quantities of the ELA Products listed in the Proposal Letter for the term of the ELA (i) for the applicable ELA Fee and (ii) in accordance with the License Agreement. Unit-Priced Items and Rolled-In Software, if listed in the Proposal Letter, will be licensed in accordance with the terms and conditions identified in either this ELA including an amendment to it or the Proposal Letter (as applicable). Beta licenses are not available under this ELA as ELA Products.

2.2 Authorized Entity Access. Customer may permit Authorized Entities to use ELA Products, provided Customer ensures that Authorized Entities use the ELA Products in accordance with the terms and conditions of this ELA and Customer is liable and solely responsible for the use or misuse of ELA Products by Authorized Entities. Within thirty (30) calendar days of a request from Esri, Customer will provide Esri a list of Authorized Entities and their business addresses.

2.3 Consultant Access. Esri grants Customer the right to permit Customer's consultants or contractors to use the ELA Products exclusively for Customer's benefit in accordance with the License Agreement. Customer will be solely responsible for compliance by consultants and contractors with this ELA and will ensure that the consultant or contractor discontinues use of ELA Products upon completion of work for Customer. Access to or use of ELA Products by consultants or contractors not exclusively for Customer's benefit is prohibited. Customer may not permit its consultants or contractors to install Software or Data on consultant, contractor, or third-party computers or remove Software or Data from Customer locations, except for the purpose of hosting the ELA Products on contractor servers for the benefit of Customer."

4. Enterprise License Terms and Conditions (E512M – 6/08), Article 3 Scope of Use is deleted in its entirety and replaced by the following updated Article 3:

"**ARTICLE 3 SCOPE OF USE.**

3.1 Additional Permitted Uses. For the term of the ELA, Customer may copy and Deploy the ELA Products to Customer's organization and Authorized Entities up to the quantities of licenses identified in the Proposal Letter. No other entity has a right to copy (except as permitted in the License Agreement) or Deploy the ELA Products.

Customer may only transfer, redistribute, and Deploy the ELA Products within the continental United States; Hawaii; Alaska; and U.S. territories, excluding Puerto Rico and the U.S. Virgin Islands.

3.2 Uses Not Permitted. Customer shall not transfer, redistribute, or assign ELA Products to any third party without the prior written permission of Esri. Customer shall not use the ELA Products outside the United States or its territories or possessions without the prior written permission of Esri and agreement on additional fees, if any. Any such export will be subject to U.S. Export Control Regulation requirements of the License Agreement.

3.3 Third-Party Offerings. If the Proposal Letter includes a third-party offering that Esri is reselling, that third-party offering may be subject to the third party's terms and conditions and, if applicable, will be provided at the time of delivery with the third-party offering."

5. Enterprise License Terms and Conditions (E512M – 6/08), Article 4 Maintenance is deleted in its entirety and replaced by the following updated Article 4:

"ARTICLE 4 ELA MAINTENANCE

4.1 ELA Maintenance is included in the ELA Fee. Rolled-In Software and ELA Products will receive ELA Maintenance, provided that standard maintenance is available for each item. ELA Maintenance includes benefits specified in the most current applicable Esri Maintenance and Support Program document (found at https://www.esri.com/en-us/legal/terms/maintenance) as modified by this Section 4.1. If Unit-Priced Items are included in the Proposal Letter, annual maintenance fees for Unit-Priced Items will be in addition to the Fee and ordered separately from this ELA.

a. Tier 1 Support

1. The Tier 1 Help Desk will provide Tier 1 Support to all Customer's authorized users and Authorized Entities.
2. The Tier 1 Help Desk will be fully trained in the ELA Products.
3. At a minimum, Tier 1 Support will include those activities that assist the user in resolving how-to and operational questions as well as questions on installation and troubleshooting procedures.
4. The Tier 1 Help Desk will be the initial point of contact for all questions and reporting of a Case. The Tier 1 Help Desk will obtain a full description of each reported Case and the system configuration from the user. This may include obtaining any customizations, code samples, data, databases, or other information involved in the Case.
5. If the Tier 1 Help Desk cannot resolve the Case, an authorized Tier 1 Help Desk individual may contact Tier 2 Support. The Tier 1 Help Desk will provide support in such a way as to minimize repeat calls and make solutions to problems available to Customer's organization.
6. Customer may assign named Tier 1 Help Desk individuals up to the quantity listed in the Proposal Letter. Tier 1 Help Desk individuals are the only individuals authorized to contact Tier 2 Support. Customer may change the Tier 1 Help Desk individuals through the My Esri portal.

b. Tier 2 Support

1. Tier 2 Support analysts will log the calls received from the Tier 1 Help Desk.
2. Tier 2 Support analysts will review all information collected by and received from the Tier 1 Help Desk including preliminary documented troubleshooting provided by the Tier 1 Help Desk when Tier 2 Support is required.
3. Tier 2 Support analysts may request that Tier 1 Help Desk individuals provide verification of information, additional information, or answers to additional questions to supplement any preliminary information gathering or troubleshooting performed by Tier 1 Help Desk.
4. Tier 2 Support analysts will assist the Tier 1 Help Desk individuals and attempt to resolve the Case.
5. When the Case is resolved, Tier 2 Support analysts will communicate the information to the Tier 1 Help Desk, and the Tier 1 Help Desk will disseminate the resolution to the users.
6. For Tier 2 Support, contact Esri through My Esri at https://my.esri.com, via the web at https://support.esri.com, or by phone at 909-793-3774 (within the United States only).

4.2 Obsolescence. During the term of this ELA, some ELA Products may be retired, become obsolete, or may no longer be available to Deploy in the identified quantities. Customer and Authorized Entities may continue to use ELA

Products that have been Deployed, but updates for ELA Products and Rolled-In Software in the mature and retired phases may not be available. Maintenance will be subject to the individual Product Life Cycle Support Status and Product Life Cycle Support Policy, which can be found at https://support.esri.com/en/other-resources/product-life-cycle by selecting the product type and clicking the Product Life Cycle link for specific product plans."

6. Enterprise License Terms and Conditions (E512M – 6/08), Article 5.3 Esri User Conference Registration is deleted in its entirety and replaced by the following updated Article 5.3:

   "**5.3 Esri User Conference Registration.** Esri shall provide Esri User Conference registrations to Customer annually during the term of this ELA in the quantities set forth in the Proposal Letter. Customer is responsible for distributing the registrations internally and to Authorized Entities. Third parties may not represent or attend on behalf of Customer at any Esri User Conference."

7. Enterprise License Terms and Conditions (E512M – 6/08), Article 7.1 Term is deleted in its entirety and replaced by the following updated 7.1 Term:

   "7.1 Term. This ELA and all licenses hereunder will commence on the Effective Date and continue for the duration identified in the Proposal Letter. Except as otherwise authorized in this Section 5, this ELA is for the committed duration identified in the Proposal Letter. If the Proposal Letter includes optional years, Customer may exercise each optional year by providing written notice to Esri Customer Service sixty (60) calendar days prior to the end of the then-current year. If more than one optional year is identified in the Proposal Letter, then each optional year must be exercised consecutively, or the ELA will expire at the end of the then-current year. An optional year may be a duration other than twelve (12) months and will be identified in the Proposal Letter. If the Proposal Letter includes Training Pass days, unused Training Pass days do not rollover to subsequent years and expire at the end of each annual term."

   For clarification purposes, in this Amendment No. 13, the term of the ELA is extended for three (3) years as detailed in the attached Proposal Letter from December 31, 2025 through December 30, 2028.

8. Enterprise License Terms and Conditions (E512M – 6/08), Article 7.3 *License Term and Use Upon Expiration of ELA Term* is deleted in its entirety and replaced by the following updated Article 7.3 Use Upon Expiration:

   "**7.3 Use upon Expiration.** Upon full payment of the ELA Fee and expiration of this ELA, the License Agreement will survive, and Customer and Authorized Entities may continue to use the perpetual licenses of Deployed ELA Products included in the final Deployment Report and Rolled-In Software in accordance with the terms and conditions set forth in the License Agreement. Customer shall notify Esri of the quantity and type of licenses for which Customer and Authorized Entities, as may be applicable, elect to purchase standard maintenance. If maintenance is not ordered for Rolled-In Software or ELA Products upon expiration of the ELA, it lapses. If, at a later date, Customer or Authorized Entities decide to reinstate maintenance, Customer or Authorized Entity, as may be applicable, must pay maintenance reinstatement fees from the date the ELA expired (i.e., back maintenance fees). Customer and Authorized Entities may only purchase standard maintenance or reinstate maintenance on licenses that were included in the final Deployment Report. Customer shall not Deploy additional copies of the ELA Products beyond the quantities in use as of the date of expiration. All term licenses and subscription licenses of Deployed ELA Products terminate upon expiration of the ELA. Esri User Conference registrations, Advantage Program Learning and Services credits, and Training Pass days terminate upon expiration."

9. Enterprise License Terms and Conditions (E512M – 6/08). Add the following new Articles 7.4 and 7.5:

   "7.4 Term Enterprise Agreement. If the ELA Products are all term licenses and subscription licenses, Customer and Authorized Entities are only authorized to use ELA Products during the term identified in the Proposal Letter and all ELA Products, all Maintenance, and Esri User Conference registrations terminate upon termination of the ELA.

   7.5 Termination of a Particular Authorized Entity. If Authorized Entities are included in the Proposal Letter, Esri may elect to terminate the license rights of a particular Authorized Entity for material breach without terminating this ELA with Customer or other Authorized Entities. The breaching Authorized Entity will be given a period of ten (10) business days from date of written notice to cure any material breach. Upon termination of Authorized

Entity, all Deployed ELA Products provided to Authorized Entity will also terminate. Customer shall reasonably cooperate with Esri in termination of an Authorized Entity in material breach of this ELA, including enforcement of the ELA with respect to such Authorized Entity. There will be no reduction in the ELA Fee if an Authorized Entity's rights are terminated. The terminated Authorized Entity will have no further access to any benefits, entitlements, rights, or other items included in or otherwise related to this ELA."

10. Enterprise License Terms and Conditions (E512M – 6/08), Article 1 Administrative Requirements is deleted in its entirety and replaced by the following updated Article 11:

"**ARTICLE 11 ADMINISTRATIVE REQUIREMENTS**

11.1 Esri Partner Original Equipment Manufacturer (OEM) Bundled or Embedded Items/Services. Under Esri's OEM or Solution OEM programs, OEM partners are authorized to embed or bundle portions of Esri products and services with their application or service. OEM partners' business model, licensing terms and conditions, and pricing are independent of this ELA. Customer and Authorized Entities will not seek any discount from the OEM partner or Esri based on the availability of ELA Products under this ELA. Customer and Authorized Entities will not decouple Esri products or services from the OEM partners' application or service. Esri products or services embedded in third-party products or services are not ELA Products.

11.2 New Products. Esri reserves the right to exclude new Products from uncapped Deployment if added to this ELA. New Products may contain or be developed with (i) newly acquired technology obtained through a significant investment or (ii) third-party intellectual property that requires a unit-based royalty fee or prohibits Deployment under an educational site or enterprise license. Such items can be made available to Customer or Authorized Entities on a limited-quantity basis or as Unit-Priced Items.

11. Enterprise License Terms and Conditions (E512M – 6/08), add a new Article 12 as follows:

"**ARTICLE 12 MERGERS, ACQUISITIONS, OR DIVESTITURES**

If Customer is a commercial entity, Customer will notify Esri in writing in the event of (i) a consolidation, merger, or reorganization of Customer or an Authorized Entity with or into another corporation or entity; (ii) Customer's or Authorized Entity's acquisition, in whole or in part, of another entity or its assets; or (iii) a transfer or sale of all or part of Customer's or an Authorized Entity's organization (subsections i, ii, and iii, separately or collectively referred to as **"Ownership Change"**). There will be no decrease in the ELA Fee as a result of any Ownership Change.

12.1 Customer may not transfer or Deploy ELA Products to any third party in connection with a divestiture, merger, or sale of Customer or its assets, in whole or in part. If an Ownership Change results in a divestiture or a transfer or sale of a portion of Customer's or an Authorized Entity's organization or its assets, that portion of Customer's or the Authorized Entity's organization will return the ELA Products to Customer or the applicable Authorized Entity or uninstall, remove, and destroy all copies of the ELA Products.

12.2 This ELA may not be assigned to a successor entity as a result of an Ownership Change unless approved by Esri in writing in advance. If the assignment to the new entity is not approved, Customer and Authorized Entities will require any successor entity to uninstall, remove, and destroy the ELA Products. This Agreement will terminate upon such Ownership Change.

12.3 If Customer or an Authorized Entity merges with or acquires part of another entity or its assets, Esri reserves the right to increase the ELA Fee in proportion to the anticipated increase in Deployments or terminate this ELA and the parties will negotiate a new agreement. If Customer or an Authorized Entity acquires another entity and Customer would like to Deploy ELA Products to that entity, Esri and Customer must first sign an amendment to this ELA adding the new entity as an Authorized Entity and agree to an increase in the ELA Fee."

12. Delete and replace both Appendix A Products and Deployment Schedule and Appendix B ELA Fee Schedule with the attached Proposal Letter, which is incorporated herein by this reference. Any references in the ELA to Appendix A Products and Deployment Schedule and/or Appendix B ELA Fee Schedule shall be read from and including this Amendment No. 13 to mean the applicable referenced Proposal Letter.

13. Advantage Program. The Advantage Program referenced in the attached Proposal Letter is provided subject to the terms and conditions of the Advantage Program Agreement included in Amendment No. 12 to ELA.

Except as may be specifically modified by this Amendment No. 13, all other terms and conditions of the ELA Contract and any prior Amendment(s) or Addendum(s) constitute the entire agreement between the Parties and supersede all prior and contemporaneous agreements or representations, written or oral, concerning the subject matter of this Contract.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 13 as of the date of the last party to sign below.

ACCEPTED AND AGREED:

MEMPHIS LIGHT GAS & WATER DIVISION
CITY OF MEMPHIS, TN
(Customer)

By: **See Signature Page**
Authorized Signature

Printed Name: _____

Title: _____

Date: _____

ENVIRONMENTAL SYSTEMS
RESEARCH INSTITUTE, INC.
(Esri)

By: _____
Authorized Signature

Printed Name: _____

Title: _____

Date: _____

Proposal Letter

September 11, 2025

Steve Veltman
Memphis Light, Gas, & Water
220 South Main Street
Memphis, TN, 38103

Dear Steve:

As a follow-up to our meetings regarding an Enterprise Agreement for Memphis Light, Gas, & Water, I am providing proposed pricing and product rights below.

The Esri Enterprise Agreement (EA) will remain in effect for three (3) years and grant Memphis Light, Gas, & Water access to the Esri products listed below.

Maintenance on all listed software, including maintenance on listed software deployed prior to the Agreement, is included for the term of the EA. This Agreement also includes Licenses that are Annual and will expire at the end of the Agreement.

The Agreement will be effective on December 31, 2025 and requires a firm three-year commitment.

Memphis Light, Gas, & Water has been a successful, long-term Esri customer. They have worked diligently to drive the operations of their organization forward with Enterprise GIS technology at the core. Memphis Light, Gas, & Water has built authoritative network information management systems on ArcGIS for all of their various utility domains. They have built on that value by pushing GIS capabilities to the field to create seamless collaboration between the office and field. Memphis Light, Gas, & Water has made good use of the technology they have access to and accelerated their progress through the Esri Advantage Program.

As we look forward to the upcoming term of this renewal enterprise agreement GIS will continue to be a mission critical business system. Memphis Light, Gas, & Water. They are currently piloting the next generation of their network information strategy on ArcGIS Utility Network. Their electric, gas, and water networks will undergo a digital transformation through this change and unlock new capabilities. Memphis Light, Gas, & Water will continue their work with the Esri Advantage Program to manage this organizational change, make their projects successful, and equip their team with the knowledge necessary to be successful.

Although your organization has already deployed a considerable amount of Esri technology, our experience with similar customers indicates there is significant potential to apply GIS in many additional areas within your organization. For these reasons, we believe your organization will greatly benefit from an Enterprise Agreement. An EA offers numerous benefits including:

- A lower cost per unit for licensed software
- Substantially reduced administrative and procurement expenses
- Maintenance on all Esri software identified in this proposal and deployed within the organization

- Complete flexibility to deploy software products when and where needed

Proposed payment terms for the EA, developed to reflect your organization's anticipated deployment schedule, are as follows:

	Year 1 December 31, 2025- December 30, 2026	Year 2 December 31, 2026- December 30, 2027	Year 3 December 31, 2027- December 30, 2028	Total
Annual EA software Fee	$446,033	$446,033	$446,033	$1,338,099
Annual Esri Advantage Program Fee	$82,550	$86,550	$90,750	$259,850
Annual EA Fee	$528,583	$532,583	$536,783	$1,597,949

Esri products and services to which Memphis Light, Gas, & Water will have deployment rights during the term of this agreement include:

EA Products— Esri Flex (formerly Uncapped) *

Product - Perpetual	**Total**
ArcGIS Enterprise: ArcGIS Enterprise (Advanced and Standard)	Esri Flex
ArcGIS Enterprise Extensions: ArcGIS 3D Analyst, ArcGIS Data Reviewer, ArcGIS Geostatistical Analyst, ArcGIS Network Analyst, ArcGIS Schematics, and ArcGIS Spatial Analyst	Esri Flex
ArcGIS Pipeline Referencing (location referencing) for ArcGIS Server	Esri Flex
ArcGIS GIS Server: Advanced, Standard, Basic	Esri Flex
ArcGIS Enterprise Additional Capability Servers: ArcGIS Image Server, and ArcGIS GeoEvent Server	Esri Flex
ArcGIS Monitor	Esri Flex
ArcGIS Runtime Advanced	Esri Flex
ArcGIS Runtime Analysis Extension	Esri Flex

Product - Annual Subscription	**Total**
ArcGIS 3D Analyst for ArcGIS Online Creator or Professional User Type Annual Subscription	Esri Flex
ArcGIS Data Reviewer for ArcGIS Online Creator or Professional User Type Annual Subscription	Esri Flex
ArcGIS Geostatistical Analyst for ArcGIS Online Creator or Professional User Type Annual Subscription	Esri Flex

ArcGIS Network Analyst for ArcGIS Online Creator or Professional User Type Annual Subscription	Esri Flex
ArcGIS Spatial Analyst for ArcGIS Online Creator or Professional User Type Annual Subscription	Esri Flex
ArcGIS Workflow Manager for ArcGIS Online Creator or Professional User Type Annual Subscription	Esri Flex
ArcGIS Workflow Manager for ArcGIS Enterprise Creator or Professional User Type Annual Subscription	Esri Flex

*Esri Flex (formerly Uncapped) provides the right to Deploy quantities as needed throughout the term of the Agreement.

The Enterprise Agreement also includes:

EA Products—Capped Quantities

ArcGIS Desktop Perpetual Products	**SU/CU**	**Rolled-In Qty. (if applicable)**	**Qty. to Be Deployed**	**Total**
ArcGIS Desktop Advanced	CU	75	0	75
ArcGIS 3D Analyst	CU	11	0	11
ArcGIS Data Reviewer	CU	10	0	10
ArcGIS Geostatistical	CU	11	0	11
ArcGIS Network Analyst	CU	11	0	11
ArcGIS Publisher	CU	11	0	11
ArcGIS Schematics	CU	11	0	11
ArcGIS Spatial Analyst	CU	11	0	11
ArcGIS Production Mapping for Desktop	CU	11	0	11
ArcGIS Workflow Manager	CU	50	0	50

Perpetual Products	**Rolled-In Qty. (if applicable)**	**Qty. to Be Deployed**	**Total**
ArcGIS Workflow Manager Server Advanced up to four cores	0	1	1
ArcGIS Workflow Manager Server Advanced Additional Cores	0	28	28
ArcGIS Workflow Manager Server Advanced Staging up to four cores	0	8	8
ArcGIS Notebook Server Advanced Up to Four Cores Server Perpetual License	0	2	2

Annual Subscription Products	Term 1	Term 2	Term 3
ArcGIS Developer Bundle Annual Subscription	2	2	2
Site Scan Single Operator USA Hosted Annual Subscription	2	2	2
ArcGIS Location Sharing User Type Extension for ArcGIS Online Annual Subscription	4	4	4

User Type Products	Term 1	Term 2	Term 3
ArcGIS Enterprise	***(number of Users per Term)***		
ArcGIS Enterprise Creator User Type Annual Subscription	237	237	237
ArcGIS Enterprise Mobile Worker User Type Annual Subscription	120	120	120
ArcGIS Enterprise Professional (formerly Standard) User Type Annual Subscription	20	40	50
ArcGIS Enterprise Professional Plus (formerly Advanced) User Type Annual Subscription	20	40	50
ArcGIS Online ***(1 Organizational Subscription)***	***(number of Users per Term)***		
ArcGIS Online Viewer User Type Annual Subscription	50	50	50
ArcGIS Online Creator User Type Annual Subscription *(500 credits per user)*	320	320	320
ArcGIS Drone2Map Standard for ArcGIS Online Annual Subscription	2	2	2

The EA also includes the following additional components:

Additional Benefits	Quantity
Esri International User Conference Registrations	10
Back-Up Media (available upon request)	1
Authorized Tier-Two Standard Support Callers	8

Advantage Program: One annual subscription to the Advantage Program.

- This program includes the following components per year for three years:
  - Up to 100 Advisor hours
  - Annual one-day Planning Meeting

  - Technology Webcasts
  - 50 Learning and Services credits that can apply towards:
    - **Business and Technical Consulting:** Access to a range of industry, business, and technical domain consultants. Get advice and hands-on help from GIS experts, industry specialists, developers, and designers.
    - **Training:** Access to an extensive curriculum of instructor-led training courses as well as client-site training options. A complete list of Esri training facilities and course catalog are available at www.esri.com/training.
    - **Premium Support Services (PSS):** Access to prioritized incident management and all-hours technical support. PSS has been designed to meet the needs of Esri customers who are developing, implementing, or supporting complex, mission-critical GIS applications.
    - **Esri Managed Cloud Services:** Access to a variety of hosting options for the ArcGIS platform that leverage a cloud environment designed to be reliable, cost-effective, and secure.

- Unused Learning and Services credits will expire 24 months from their purchase date, or one month after the expiration of the program, whichever is first. Learning and Services credits are a flexible way for your organization to receive focused technical enablement support. These credits are not intended for use on project-specific professional services. Any project-related activities requiring Esri Project Services support will be scoped, budgeted, and scheduled outside of the Advantage Program. You can find more information about the Advantage Program at www.esri.com/services/eeap.
- Any activities proposed to be completed under the Advantage Program would be subject to review and approval by Esri to ensure alignment with the intent of the Advantage Program.
- At time of renewal, Esri reserves the right to update Advantage Program (AP) terms to reflect the latest program offering.

This proposal will remain valid until the December 30, 2025. In order to complete the agreement within this timeframe, I ask that you contact me within the next seven days to work through any questions or concerns you may have.

Esri and Memphis Light, Gas, & Water have a long and rich history working together. I appreciate the opportunity to present you with this proposal, as I believe it will greatly benefit your organization. Thank you very much for your consideration.

Best regards,

Jeffery Johnson
Sales Team Lead – Infrastructure

Jeffery S. Johnson

MEMPHIS LIGHT, GAS AND WATER DIVISION

City of Memphis, Memphis, Tennessee

By: _____
Doug McGowen
President and Chief Executive Officer

Date: _____

Attest:

_____
Rodney Cleek
Vice-President, Chief Financial Officer
and Secretary-Treasurer

Approved:

_____
Geoffrey Lewis
Attorney
Board of Light, Gas and Water Commissioners

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MLGW

INTERDEPARTMENTAL MEMORANDUM

INFORMATION SERVICES DEPARTMENT

AREA 0351320 ▪ NB/01 ▪ 901-491-5114 (cell)

From: Steve Veltman, Supervisor, GIS and Enterprise Reporting

Date: October 7, 2025

Subject: ESRI Enterprise License Agreement (ELA) renewal Contract

This memorandum requests the renewal of the Enterprise License Agreement (ELA) with ESRI (resolution # **#11210**). There are 3 main items in the renewal: software maintenance, new software purchase, and maintenance of support services.

Software Maintenance

Environmental Spatial Research Institute (ESRI) continues to be the dominant market leader with over 90% market share for Geospatial Information Systems (GIS) software, location intelligence and mapping in the Utility sector.

We have successfully negotiated with ESRI to extend current licensing for GIS software over the next three years. ESRI is replacing several programs as part of the new Utility Network conversion. The 3-year contract reflects a maximum increase of 6% per year, which is in line with the Consumer Price Index (CPI) for software.

New Software

Additionally, we have requested extra licenses for ArcGIS Notebook and ArcGIS Site Scan for the next contract term. ArcGIS Notebooks will allow use of AI to analyze GIS data and automate more web-based GIS workflows. Site Scan allows spatial analysis of drone imagery, and the Reliability and Power Quality area at MLGW intends to evaluate this program for use in aerial surveys of electric utility infrastructure.

Support Services

The ELA includes renewal of our premium subscription to the Enterprise Advantage Program (EAP), offering priority access to ESRI training, expertise, strategic planning, and support for Utility Network conversion project.

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	First Year Cost	Second Year Cost	Third Year Cost
ESRI ELA Maintenance	$420,000	$420,000	$420,000
Additional software (ArcGIS Notebook Server and ArcGIS SiteScan licenses of 2 qty each)	$26,033	$26,033	$26,033
EAP for Utility Network Conversion project	$82,550	$86,550	$90,750
Total	$528,583	$532,583	$536,783

APPROVALS:

DocuSigned by:
ECAD505D74AE4AE...

10/7/2025

Arnisa Davis
Manager, Enterprise Resource Planning and GIS

DocuSigned by:
556FCC7085C44E4...

10/7/2025

Michael Faulk
Director, Application Development

RESOLUTION SUMMARY

1. **Short Title Description** – Luminaire Floodlights LED 400W Equivalent

2. **Requested Funding –** $232,200.00

3. **Award Duration –** One-Time Purchase

4. **Type of Bid** – Sealed Bid

5. **Awarded To –** Brighter Days & Nites Inc.

6. **Plain Language Description –** To purchase 516 luminaire floodlights LED 400W equivalent which will be used for MLGW's electric infrastructure. The luminaires are utilized to distribute, and control artificial lighting across MLGW's service area.

7. **Impact –** The luminaires are needed for upcoming projects and for infrastructure updates.

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners that it awards a purchase order for luminaire floodlights LED 400W equivalent to Brighter Days & Nites Inc. in the amount of $232,200.00.

The luminaire floodlights are essential for maintaining MLGW's electrical infrastructure. The luminaires are utilized to distribute, and control artificial lighting across MLGW's service area. The luminaires are needed for upcoming projects and for infrastructure updates.

Bids were opened on August 20, 2025. Notice to Bidders was advertised. Thirteen bids were solicited, and five bids were received with the best complying and most responsive bidder being the firm of Brighter Days and Nites Inc. This award complies with all applicable laws and policies.

The 2025 budgeted amount for Leased Outdoor Lighting – Miscellaneous Accounting is $1,551,000.00; the amount spent year-to-date is $306,446.90; leaving a balance available of $1,244,553.10; of which $232,200.00 will be spent on this purchase 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 Brighter Days & Nites Inc. is approved for furnishing:

516 – Luminaire floodlights LED 400W equivalent;

Totaling $232,200.00; f.o.b. Memphis, Tennessee, our dock; transportation prepaid; said prices being 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 the actual purchase to be made according to operational needs, not to exceed the approved total expenditure; delivery in 10-12 weeks, terms net 15 days.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved the purchase of luminaire floodlights LED 400W equivalent and is now recommending to the Council of the City of Memphis that it approves said purchase; and

WHEREAS, the luminaire floodlights are essential for maintaining MLGW's electrical infrastructure. The luminaires are utilized to distribute, and control artificial lighting across MLGW's service area. The luminaires are needed for upcoming projects and for infrastructure updates; and

WHEREAS, bids were opened on August 20, 2025. Notice to Bidders was advertised. Thirteen bids were solicited, and five bids were received with the best complying and most responsive bidder being the firm of Brighter Days and Nites Inc. 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 luminaire floodlights LED 400W equivalent from Brighter Days and Nites Inc. in the amount of $232,200.00 chargeable to subsequent budget year as approved.

BOARD RESOLUTION TRANSMITTAL

Board Meeting Date: 10/15/2025
Expenditure Org Executive: Dr. Von Goodloe
Purchase Order/Requisition Number: 5144992
Procurement Contracts Specialist: Demetria D. Bowers-Adair
Purchase Commodity: Luminaire Floodlights LED 400W Equivalent
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	Purchasing Department / Demetria D. Bowers-Adair / 901-528-4701 / dbowers-adair@mlgw.org
Scope: **Contract** ____ **Purchase** __X__ **Other** ____	A purchase order will be issued to purchase luminaire floodlights LED 400W equivalent.
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	To purchase 516 luminaire floodlights LED 400W equivalent.
Where will the work take place? *(MLGW facility or jobsite, etc.)*	The luminaire floodlights LED 400W will be installed in MLGW's infrastructure.
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	The luminaire floodlights LED 400W are needed for upcoming projects and for infrastructure updates.
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 2025 Budget Year	After Budget Year
Amount Requested	$ 232,200.00	$ -	$ 232,200.00
2025 Budget*	$ 1,551,000.00		
Amount Spent Year-to-Date	$ 306,446.90		
2025 Budget Balance Available		$ 1,244,553.10	
Budget Balance After Award		$ 1,244,553.10	

Please indicate category *(O&M or Capital).

☐ **O&M**

☒ **Capital**

Project Leased Outdoor Lighting
Expenditure Organization 0988888 Misc Accounting Transaction
Expenditure Type eAM Outside Purchases
Task Various

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **09.26.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

BID ON LUMINAIRE FLOODLIGHTS LED 400W EQUIVALENT

FOR BOARD MEETING OF OCTOBER 15, 2025

BIDS OPENED ON AUGUST 20, 2025

BASE UNIT: EACH

BIDDERS	ITEM QUANTITY	Line 1 516	Total	Local Bidding Preference	Local Bidding Presence	Terms	Delivery
	DESCRIPTION	LUMINAIRE FLOODLIGHTS LED 400W EQUIVALENT					
COMPLYING BIDDERS							
Brighter Days & Nites Inc.		$450.00	$232,200.00	$220,590.00	N/A	Net 15	10-12 Weeks
Memphis, TN							
Stuart C. Irby Company		$451.86	$233,159.76	N/A	N/A	Net 30	10-12 Weeks
Jackson, TN							
Engineered Sealing Components LLC		$454.79	$234,671.64	$222,938.06	N/A	Net 30	6-12 Weeks
Memphis, TN							
ATG Supply LLC		$463.68	$239,258.88	$227,295.94	N/A	Net 15	10-12 Weeks
Memphis, TN							
Industrial Sales Co. of Memphis Inc.		$471.37	$243,226.92	N/A	N/A	Net 30	10-12 Weeks
Bartlett, TN							

RECOMMEND AWARD AS FOLLOWS: Brighter Days & Nites Inc…..... $232,200.00

AWARD RECOMMENDATION

To: Camela Mitchell

From: **Procurement Contracts Specialist I:** Demetria D. Bowers-Adair

Date: 9/24/2025

Requisition #: 5144992 **Bid on:** Luminaire Floodlights LED 400W Equivalent

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:

2. RECOMMENDATION:

A. Which bid(s) do you recommend? I am recommending the award be made to Brighter Days & Nite Inc. for the luminaire floodlights LED 400W equivalent.

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 Camela Mitchell
Area Supervisor or designee

SIGNATURE Demetria D. Bowers-Adair
Procurement Contracts Specialist II

SIGNATURE Camela Mitchell

DATE 9/24/2025

DATE 9/24/2025 **PHONE** 901-528-4701

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** – Crushed Limestone CR-610 – Twenty-Four-Month Purchase Order

2. **Requested Funding –** $3,651,250.00

3. **Award Duration –** Twenty-Four-Months

4. **Type of Bid** – Sealed Bid

5. **Awarded To –** Fullen Dock & Warehouse and Vulcan Materials Company

6. **Plain Language Description –** To procure approximately 100,000 tons of crushed limestone CR-610. The material will be ordered and delivered to MLGW's four storerooms on a just-in-time basis, ensuring adequate supply for ongoing project needs.

7. **Impact –** The crushed limestone CR-610 serves as backfill and an aggregate for general construction purposes.

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners that it awards twenty-four-month purchase orders for crushed limestone CR-610 to Fullen Dock & Warehouse and Vulcan Materials Company in the amount of $3,651,250.00.

Approval is requested to award twenty-four-month purchase orders for crushed limestone CR-610. The material will be used for backfill and general construction, with deliveries made on an as-needed basis to MLGW's four storerooms.

Bids were opened on August 27, 2025. Notice to Bidders was advertised. Three bids were solicited, and two bids were received with the best complying and most responsive bidders being the firms of Fullen Dock & Warehouse and Vulcan Materials Company. This award complies with all applicable laws and policies.

The 2025 budgeted amount for Electric, Gas, and Water - General Power Service / Miscellaneous Accounting is $12,637,000.00; the amount spent year-to-date is $3,285,989.57; leaving a balance available of $9,351,010.43; of which $152,135.42 will be spent on this purchase in 2025; leaving a balance available of $9,198,875.01; of which $3,499,114.58 will be spent in subsequent budget years 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 twenty-four-month purchase orders to Fullen Dock & Warehouse and Vulcan Materials Company is approved for furnishing:

100,000 Tons approximately – Limestone crushed CR-610 gradation D Type 1 as defined by ASTM D1241 (latest revision) and shall meet the standard gradation requirements;

Totaling $3,651,250.00; f.o.b. Memphis, Tennessee, our dock; transportation prepaid; said prices subject to escalation / de-escalation; includes a 15% contingency to cover the escalation of the purchase price for year two and any unforeseen increases; the quantities are for estimation purposes only and do 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 and net 15 days.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025, approved twenty-four-month purchase orders for crushed limestone CR-610 and is now recommending to the Council of the City of Memphis that it approves said purchase; and

WHEREAS, approval is requested to award twenty-four-month purchase orders for crushed limestone CR-610. The material will be used for backfill and general construction, with deliveries made on an as-needed basis to MLGW's four storerooms; and

WHEREAS, bids were opened on August 27, 2025. Notice to Bidders was advertised. Three bids were solicited, and two bids were received with the best complying and most responsive bidders being the firms of Fullen Dock & Warehouse and Vulcan Materials Company. 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 twenty-four-month purchase orders for crushed limestone CR-610 from Fullen Dock & Warehouse and Vulcan Materials Company in the amount of $152,135.42 chargeable to the MLGW 2025 fiscal year budget and $3,499,114.58 chargeable to subsequent budget years as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Von Goodloe
Procurement Contracts Specialist II: Annie L. Mathis

Board Meeting Date: 10/15/2025
Requisition Number: 5146347
Purchase Commodity: Crushed Limestone - CR610
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	Purchasing Department / Annie L. Mathis / 901-528-4701 / amathis@mlgw.org
Scope: Contract ____ **Purchase** __X__ **Other** ____	Purchase orders will be awarded for twenty-four months to procure crushed limestone CR-610.
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	To purchase approximately 100,000 tons of crushed limestone CR-610.
Where will the work take place? *(MLGW facility or jobsite, etc.)*	The crushed limestone CR-610 will be used at MLGW Storerooms 85, 87, 88 and 89.
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	The crushed limestone CR-610 is used by distribution support crews as backfill material and for general construction purposes.
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 2025 Budget Year	After Budget Year
Amount Requested	$ 3,651,250.00	$ 152,135.42	$ 3,499,114.58
2025 Budget*	$ 12,637,000.00		
Amount Spent Year-to-Date	$ 3,285,989.57		
2025 Budget Balance Available		$ 9,351,010.43	
Budget Balance After Award		$ 9,198,875.01	

Please indicate category *(O&M or Capital).

☐ **O&M**

☒ **Capital**

Project ELEC- General Power Service
Project GAS - General Power Service
Project WATER - General Power Service
Expenditure Organization 0988888 Misc Accounting Transaction
Expenditure Type eAM Outside Purchases
Task Various

Note: Storeroom Material

Class & Item # 067-7815

Comments: Storeroom Material, Class & Item # 067-7815

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **09.11.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

BID ON CRUSHED LIMESTONE CR-610

FOR BOARD MEETING OF OCTOBER 15, 2025

BIDS OPENED ON AUGUST 27, 2025

BASE UNIT: TON

BIDDERS	ITEM / QUANTITY / DESCRIPTION	Line 1	Line 2	Line 3	Line 4	Total	Local Bidding Preference	Local Bidding Presence	Terms	Delivery
	QUANTITY	25,000	25,000	25,000	25,000					
	DESCRIPTION	LIMESTONE CRUSHED CR-610	LIMESTONE CRUSHED CR-610	LIMESTONE CRUSHED CR-610	LIMESTONE CRUSHED CR-610					
COMPLYING BIDDERS										
Fullen Dock & Warehouse		$30.00	$33.50	$30.00	$33.50	$3,175,000.00	N/A	N/A	Net 30	24 Hours
Memphis, TN										
Vulcan Materials Company		$34.00	$35.50	$32.50	$38.00	$3,500,000.00	N/A	N/A	Net 15	As requested
Memphis, TN										

RECOMMEND AWARD AS FOLLOWS: Primary Fullen Dock & Warehouse; (2) Emergency Partner: Vulcan Materials Company..... $3,651,250.00

NOTE: Fullen Dock & Warehouse will be the primary partner and Vulcan Materials Company will be used as the emergency partner. This dollar figure includes the cost of all crushed limestone CR-610 projected to be purchased over the two-year term and a 15% margin to cover the escalation of the purchase price for the second year of the contract and any unforeseen contingencies. The sum of all orders from the specified suppliers will not exceed the total amount requested. If Fullen Dock and Warehouse is unable to fulfill an order, Vulcan Materials will be used as a backup supplier for crushed limestone.

INTERDEPARTMENTAL MEMORANDUM

To: Camela Mitchell, Randy Orsby

From: Annie L. Mathis

Subject: Crushed Limestone CR-610

Date: September 05, 2025

Memphis Light, Gas and Water opened bids for Crushed Limestone CR-610 on August 27, 2025. Bids were sent to three (3) suppliers as well as posted on MLGW's Online Bid Notification System and advertised in The Daily Newspaper. However, MLGW only received two (2) bid responses to this solicitation, being the firms of Fullen Dock & Warehouse and Vulcan Materials Company.

I was able to obtain feedback from the supplier that did not submit a response to the solicitation. Below is the feedback received:

JWC, Inc.: Susan Walker, Co-Owner

Their representatives were unable to create a bid response before the deadline.

Regards,

Annie Mathis
Procurement Contracts Specialist 2

AWARD RECOMMENDATION

To: Camela Mitchell

From: **Procurement Contracts Specialist II:** Annie L. Mathis

Date: 8/29/2025

Requisition #: 5146347 **Bid on:** Crushed Limestone - CR 610

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:

2. RECOMMENDATION:

A. Which bid(s) do you recommend? We recommend Fullen Dock & Warehouse as the primary supplier, with Vulcan Materials Company serving as a secondary backup for emergencies.

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 Camela Mitchell
Area Supervisor or designee

SIGNATURE Annie L. Mathis
Procurement Contracts Specialist II

SIGNATURE Camela Mitchell **DATE** 8/29/2025

DATE 8/29/2025 **PHONE** 901-528-4701

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 –** Reclosers

2. **Requested Funding –** $7,844,901.00

3. **Award Duration –** One-Time Purchase

4. **Type of Bid** – Sealed Bid

5. **Awarded To –** G&W Electric Company

6. **Plain Language Description –** To procure three different types of reclosers in the estimated quantities listed below. Reclosers are critical devices in the MLGW electric distribution system, designed to detect faults and automatically interrupt power flow. The recloser automatically trips to isolate a fault, such as one caused by a falling tree limb or damaged equipment, thereby preventing widespread outages.
    - Reclosers, VAC 600A, 3PH 12KV Quantity: 45
    - Reclosers, VAC 600A, 3PH, 23KV Quantity: 145
    - Reclosers, VAC 600A, 3PH, 12KV, 16KA Quantity: 4

7. **Impact –** By minimizing the extent of service interruptions, reclosers reduce the number of customers affected and enable more efficient power restoration.

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners that it awards a purchase order for reclosers to G&W Electric Company in the amount of $7,844,901.00.

Reclosers are critical devices in the MLGW electric distribution system, designed to detect faults and automatically interrupt power flow. The recloser automatically trips to isolate a fault, such as one caused by a falling tree limb or damaged equipment, thereby preventing widespread outages.

Bids were opened on July 23, 2025. Notice to Bidders was advertised. Fifteen bids were solicited, and six bids were received with the lowest and best complying bidder being the firm of G&W Electric Company. This award complies with all applicable laws and policies.

The 2025 budgeted amount for Line Reconstruction – Miscellaneous Accounting is $14,202,000.00; the amount spent year-to-date is $8,660,529.53; leaving a balance available of $5,541,470.47; of which $7,844,901.00 will be spent on this purchase 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 G&W Electric Company is approved for furnishing:

45 – Reclosers, VAC 600A 3PH 12KV site ready pole mounted;

145 – Reclosers, VAC 600A 3PH 23KV site ready pole mounted;

4 – Reclosers, VAC 600A 3PH 12KV 16KA site ready pole mounted;

Totaling $7,844,901.00; f.o.b. Memphis, Tennessee, our dock; transportation prepaid; said prices being firm; the quantities are for estimation purposes only and do 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 is subject to factory lead-time, terms net 30 days.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved the purchase of reclosers and is now recommending to the Council of the City of Memphis that it approves said purchase; and

WHEREAS, reclosers are critical devices in the MLGW electric distribution system, designed to detect faults and automatically interrupt power flow. The recloser automatically trips to isolate a fault, such as one caused by a falling tree limb or damaged equipment, thereby preventing widespread outages; and

WHEREAS, bids were opened on July 23, 2025. Notice to Bidders was advertised. Fifteen bids were solicited, and six bids were received with the lowest and best complying bidder being the firm of G&W Electric Company. 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 reclosers from G&W Electric Company in the amount of $7,844,901.00 chargeable to subsequent budget year as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Von Goodloe
Procurement Contracts Specialist: Donna Adams

Board Meeting Date: 10/15/2025
Purchase Order/Requisition Number: 5143702
Purchase Commodity: Reclosers
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	Purchasing Department / Donna Adams / (901) 528-4701 / dadams@mlgw.org
Scope: Contract _____ Purchase __X__ Other _____	A purchase order will be issued to procure three types of reclosers.
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	To acquire 194 reclosers of different types for the electric distribution system.
Where will the work take place? *(MLGW facility or jobsite, etc.)*	The reclosers will be installed within MLGW's infrastructure within Shelby County, Tennessee.
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	To reduce customer outages, reclosers are used on the electric distribution system to interrupt faults, such as those caused by fallen trees or natural disasters. These devices are needed for upcoming projects and infrastructure improvements.
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 2025 Budget Year	After Budget Year
Amount Requested	$ 7,844,901.00	$ -	$ 7,844,901.00
2025 Budget*	$ 14,202,000.00		
Amount Spent Year-to-Date	$ 8,660,529.53		
2025 Budget Balance Available		$ 5,541,470.47	
Budget Balance After Award		$ 5,541,470.47	

Class Item 040-2787 (45)
Class item 040-2788 (145)
Class item 040-2797 (4)

Please indicate category *(O&M or Capital).

[ ] **O&M**
[X] **Capital**

Project Line Reconstruction
Expenditure Organization 0988888 Misc Accounting Technician
Expenditure Type eAM Outside Purchases
Task Various

Comments: Storeroom Material Class Item Numbers: 040-2787 (Qty 45), 040-2788 (Qty 145), 040-2797 (Qty 4)

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft
Budget & Financial Planning

08.26.2025
Date

Rev. 11/01/2018

BID ON RECLOSERS

FOR BOARD MEETING OF OCTOBER 15, 2025

BIDS OPENED ON JULY 23, 2025

BASE UNIT: EACH

BIDDERS	ITEM / QUANTITY	Line 1	Line 2	Line 3	Total	Local Bidding Preference	Local Bidding Presence	Terms	Delivery
		45	145	4					
COMPLYING BIDDER(S)	DESCRIPTION	RECLOSERS, VAC 600A 3PH 12KV SITE READY POLE MOUNTED	RECLOSERS, VAC 600A 3PH 23KV SITE READY POLE MOUNTED	RECLOSERS, VAC 600A 3PH 12KV 16KA SITE READY POLE MOUNTED					
G&W Electric Company		$39,672.00	$40,617.00	$42,549.00	$7,844,901.00	N/A	NA	Net 30	TBD
Bolingbrook, IL									*subject to factory leadtime*
Border States Industries Inc.		$40,979.35	$41,826.13	$43,988.00	$8,084,811.60	N/A	N/A	Net 30	31 Weeks
Fargo, ND									
Brighter Days and Nites		$41,083.20	$42,037.80	$43,989.35	$8,120,182.40	$8,020,182.40	N/A	Net 15	31 Weeks
Memphis, TN									
ATG Supply LLC		$41,372.00	$42,217.00	$44,349.00	$8,160,601.00	$8,060,601.00	N/A	Net 15	31 Weeks
Memphis, TN									
Stuart C Irby Company		$41,929.89	$42,904.12	$44,895.87	$8,287,525.93	N/A	N/A	Net 30	31 Weeks
Tupelo, MS									
Engineered Sealing Components		$42,866.66	$43,851.04	$45,863.51	$8,470,854.54	$8,370,854.54	N/A	Net 30	31 Weeks
Memphis, TN									

RECOMMEND AWARD AS FOLLOWS: G&W Electric Company…..$7,844,901.00

AWARD RECOMMENDATION

To: Camela Mitchell

From: **Procurement Contracts Specialist II:** Donna Adams

Date: 8/22/2025

Requisition #: 5143702 **Bid on:** Reclosers

1. PROCUREMENT COMMENTS:
Class item 040-2487 (Quantity 45)
Class item 040-2788 (Quantity 145)
Class item 040-2797 (Quantity 4)

2. RECOMMENDATION:

A. Which bid(s) do you recommend? G&W Electric Company

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 Camela Mitchell
Area Supervisor or designee

SIGNATURE Donna Adams
Procurement Contracts Specialist II

SIGNATURE Camela Mitchell **DATE** 8/22/2025

DATE 8/22/2025 **PHONE** 901-528-4701

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. 12643 – Johnson Controls Fire Protection Services**

2. **Requested Funding – $400,000.00 ($296,359.16 quote amount plus $103,640.84 in contingency funds)**

3. **Award Duration – From the date of the Notice to Proceed through April 22, 2026**

4. **Type of Bid – Cooperative Purchasing Agreement**

5. **Awarded To – Johnson Controls Fire Protection LP**

6. **Plain Language Description – This contract is needed for the installation, repair, replacement, inspection and monitoring of all fire protection systems for MLGW properties that have fire protection.**

7. **Impact – Keep employees, customers and buildings safe from fire**.

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas, and Water Commissioners the award of Contract No. 12643, Johnson Controls Fire Protection Services to Johnson Control Fire Protection LP in the funded amount of $400,000.00.

The project scope is to inspect, repair, replace, monitor, and install fire protection equipment and software for all MLGW properties.

In accordance with Tennessee Code Annotated §12-3-1205 Cooperative Purchasing Agreements, MLGW is requesting to execute a contract with Johnson Controls Fire Protection LP using the cooperative agreement with Sourcewell. Sourcewell is a local government and service cooperative created under the laws of the State of Minnesota offering a Cooperative Purchasing program that was designed to provide eligible participating government entities with access to competitively awarded cooperative purchasing agreements.

Sourcewell issued a Request for Proposal (RFP) to provide the solutions to facility security systems, equipment, and software with Related Services which includes: a) Fire alarm and sprinkler systems; b) Central station monitoring and access control; c) Regulatory compliance testing and documentation; d) Fire suppression systems; e) CCTV, surveillance, and intrusion detection; f) Mass notification and active shooter solutions; g) Security gate and vehicle barrier control; h) Thermal imaging for body temperature; i) Touchless visitor management and registration; j) Contact tracing; k) Building automation systems; and l) Service and maintenance under RFP 030421 which resulted in an award to Johnson Controls Fire Protection LP. The contract had an expiration day of April 22, 2025, but the parties may extend the contract by mutual consent. Both parties agreed to extend the contract for an

additional one (1) year period with a new contract expiration date of April 22, 2026.

The RFP solicitation process meets the public bidding requirements of the State of Tennessee and MLGW's Procurement Policy. Therefore, MLGW requests the approval of Contract No. 12643, Johnson Controls Fire Protection Services to Johnson Controls Fire Protection LP in the amount of $296,359.16. MLGW is also requesting contingency funds in the amount of $103,640.84 for any unforeseen circumstances. The total amount of this award is not-to-exceed $400,000.00. The term of Contract 12643 will be from the date of the Notice to Proceed to April 22, 2026. This award complies with all applicable laws and policies.

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 award of Contract No. 12643, Johnson Controls Fire Protection Services to Johnson Controls Fire Protection LP in the funded amount of $400,000.00, as outlined in the above preamble, is approved; and further

THAT, the President or his designated representative is authorized to execute the Award.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025, awarded Contract No. 12643, Johnson Controls Fire Protection Services to Johnson Controls Fire Protection LP in the funded amount of $400,000.00, and is now recommending to the Council of the City of Memphis that it approves said award as approved; and

WHEREAS, the project scope is to inspect, repair, replace, monitor, and install fire protection equipment and software for all MLGW properties; and

WHEREAS, in accordance with Tennessee Code Annotated §12-3-1205 Cooperative Purchasing Agreements, MLGW is requesting to execute a contract with Johnson Controls Fire Protection LP using the cooperative agreement with Sourcewell. Sourcewell is a local government and service cooperative created under the laws of the State of Minnesota offering a Cooperative Purchasing program that was designed to provide eligible participating government entities with access to competitively awarded cooperative purchasing agreements; and

WHEREAS, Sourcewell issued a Request for Proposal (RFP) to provide the solutions to facility security systems, equipment, and software with Related Services which includes: a) Fire alarm and sprinkler systems; b) Central station monitoring and access control; c) Regulatory compliance testing and documentation; d) Fire suppression systems; e) CCTV, surveillance, and intrusion detection; f) Mass notification and active shooter solutions; g) Security gate and vehicle barrier control; h) Thermal imaging for body temperature; i) Touchless visitor management and registration; j) Contact tracing; k) Building automation systems; and l) Service and maintenance under RFP 030421 which resulted in an award to Johnson Controls Fire Protection LP. The contract had an expiration day of April 22, 2025, but the parties may extend the contract by mutual consent. Both parties agreed to extend the contract for an additional one (1) year period with a new contract expiration date of April 22, 2026; and

WHEREAS, the RFP solicitation process meets the public bidding requirements of the State of Tennessee and MLGW's Procurement Policy. Therefore, MLGW requests the approval of Contract No. 12643, Johnson Controls Fire Protection Services to Johnson Controls Fire Protection LP in the amount of $296,359.16. MLGW is also requesting contingency funds in the amount of $103,640.84 for any unforeseen circumstances. The total amount of this award is not-to-exceed $400,000.00. The term of Contract 12643 will be from the date of the Notice to Proceed to April 22, 2026. 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 an award of Contract No. 12643, Johnson Controls Fire Protection Services to Johnson Controls Fire Protection LP in the funded amount of $400,000.00 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Dr Von Goodloe
Procurement Contracts Specialist: Jessica Payne

Board Meeting Date: 10/15/2025
Contract Number: 12643
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Physical Security/ Anthony Rosser / 901-321-6907 / arosser@mlgw.org**	
Scope: Contract __X_ Purchase ____ Other ____	**The project scope is to inspect, repair, replace, monitor and install fire protection equipment and software for all MLGW properties.**	
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This is an Award.**	
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at all MLGW properties that are equipped with fire protection equipment.**	
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to ensure the safety of the properties, employees and customers from fire dangers.**	
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) **Cooperative Purchasing Agreement**		

BUDGET:

	Total	In 2025 Budget Year	After Budget Year
Amount Requested	$ 400,000.00	$ 272,000.00	$ 128,000.00
2025 Budget*	$ 275,004.00		
Amount Spent Year-to-Date	$ 2,899.47		
2025 Budget Balance Available		$ 272,104.53	
Budget Balance After Award		$ 104.53	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Physical/Electronic Sec
Expenditure Organization 0361100 Physical and Electronic Security
Expenditure Type Contrated Svc-Other
Task Admin Expense

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **09.10.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

MEMPHIS LIGHT, GAS & WATER DIVISION
INTERDEPARTMENTAL

TO: Board of Commissioners **DATE: 10/15/25**

FROM: Randy Orsby

SUBJECT: Contract No. 12643, Johnson Controls Fire Protection Services

The Contracts Management Department, with an outline of work to be provided by the Corporate Security Department, received a request to enter into an agreement with Johnson Controls Fire Protection LP to inspect, repair, replace, monitor, and install fire protection equipment and software for all MLGW properties.

In accordance with Tennessee Code Annotated §12-3-1205 Cooperative Purchasing Agreements, MLGW is requesting to execute a contract with Johnson Controls Fire Protection LP using the cooperative agreement with Sourcewell. Sourcewell is a local government and service cooperative created under the laws of the State of Minnesota offering a Cooperative Purchasing program that was designed to provide eligible participating government entities with access to competitively awarded cooperative purchasing agreements.

Sourcewell issued a Request for Proposal (RFP) to provide the solutions to facility security systems, equipment, and software with Related Services which includes: a) Fire alarm and sprinkler systems; b) Central station monitoring and access control; c) Regulatory compliance testing and documentation; d) Fire suppression systems; e) CCTV, surveillance, and intrusion detection; f) Mass notification and active shooter solutions; g) Security gate and vehicle barrier control; h) Thermal imaging for body temperature; i) Touchless visitor management and registration; j) Contact tracing; k) Building automation systems; and l) Service and maintenance under RFP 030421 which resulted in an award to Johnson Controls Fire Protection LP. The contract had an expiration date of April 22, 2025, but the parties may extend the contract by mutual consent. Both parties agreed to extend the contract for an additional one (1) year period with a new contract expiration date of April 22, 2026.

The RFP solicitation process meets the public bidding requirements of the State of Tennessee and MLGW's Procurement Policy. Therefore, MLGW requests the approval of Contract No. 12643, Johnson Controls Fire Protection Services to Johnson Controls Fire Protection LP in the amount of $296,359.16. MLGW is also requesting contingency funds in the amount of $103,640.84 for any unforeseen circumstances. The total amount of this award is not-to-exceed $400,000.00. The term of Contract 12643 will be from the date of the Notice to Proceed to April 22, 2026. This award complies with all applicable laws and policies.

Provider	Total Agreement Amount	Local Bidding Preference and Presence Comments
Johnson Controls Fire Protection	$400,000.00 ($296,359.16 plus $103,640.84 in contingency)	N/A

MLGW, through the use of the Sourcewell Cooperative Purchase Agreement, will inspect, repair, replace, monitor, and install fire protection equipment and software for all MLGW Properties under Contract No. 12643, Johnson Controls Fire Protection Services to Johnson Controls Fire Protection LP in the funded amount of $400,000.00.

CONTRACT EXTENSION

Contract Number: 030421-JHN

Sourcewell
202 12th Street Northeast
P.O. Box 219
Staples, MN 56479
(Sourcewell)

and

Johnson Controls Fire Protection
6600 Congress Ave

Boca Raton, Florida 33487-1213
(Vendor)

have entered into Contract Number: 030421-JHN
for the procurement of: Facility Security Systems, Equipment, and Software with Related Services

The Contract has an expiration date of 2025-04-22 , but the parties may extend the Contract by mutual consent.

Sourcewell and Vendor acknowledge that extending the Contract benefits the Vendor, Sourcewell and Sourcewell's Members. Vendor and Sourcewell agree to extend the Contract listed above for an additional period, with a new Contract expiration date of 2026-04-22 . All other terms and conditions of the Contract remain in full force and effect.

Sourcewell

DocuSigned by:
Jeremy Schwartz
C0FD2A139D06489...
Authorized Signature

Jeremy Schwartz
Name

Chief Operating and Procurement Officer
Title

4/9/2024 | 7:40 AM CDT
Date

DocuSigned by:
David Zimmerman
F8F7A17850CB4F0...
Authorized Signature

David Zimmerman
Name

VP Installation, NA
Title

4/9/2024 | 10:21 AM CDT
Date

DocuSign Envelope ID: D4B07D3E-C843-4343-AE25-527EC2EA8D16

Sourcewell

Solicitation Number: RFP #030421

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Johnson Controls Fire Protection LP, 6600 Congress Ave., Boca Raton, FL 33487-1213 (Vendor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Facility Security Systems, Equipment, and Software with Related Services from which Vendor was awarded a contract.

Vendor desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

B. EXPIRATION DATE AND EXTENSION. This Contract expires April 22, 2025, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended up to one additional one-year period upon request of Sourcewell and with written agreement by Vendor.

C. SURVIVAL OF TERMS. Articles 11 through 14 survive the expiration or cancellation of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

A. EQUIPMENT, PRODUCTS, OR SERVICES. Vendor will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Vendor's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new/current model. Vendor may offer close-out or refurbished Equipment or Products if they are clearly indicated in Vendor's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Vendor warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship for a period of one year for Equipment and Products and ninety days for Services. Vendor's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that is effective past the expiration of the Vendor's warranty will be passed on to the Participating Entity.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Upon Contract execution, Vendor will make available to Sourcewell a means to validate or authenticate Vendor's authorized dealers, distributors, and/or resellers relative to the Equipment, Products, and Services related to this Contract. This list may be updated from time-to-time and is incorporated into this Contract by reference. It is the Vendor's responsibility to ensure Sourcewell receives the most current version of this list.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced as stated in Vendor's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Vendor must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable

time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery.

Vendor must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Vendor in breach of this Contract if the Vendor intentionally delivers substandard or inferior Equipment or Products. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Vendor as soon as possible and the Vendor will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

B. SALES TAX. Each Participating Entity is responsible for supplying the Vendor with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Vendor may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Vendor determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Vendor may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Contract Administrator. This form is available from the assigned Sourcewell Contract Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing

restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Request Form will become an amendment to this Contract and be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Vendor understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Vendor is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Vendor's employees may be required to perform work at government-owned facilities, including schools. Vendor's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Vendor that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Vendor. Typically, a Participating Entity will issue an order directly to Vendor. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration of this Contract; however, Vendor performance, Participating Entity payment, and any applicable warranty periods or other Vendor or Participating Entity obligations may extend beyond the term of this Contract.

Vendor's acceptable forms of payment are included in Attachment A. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Vendor, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Vendor will deliver its standard terms and conditions for monitoring services, and its standard terms and conditions for the scope of all task orders, to be incorporated in transaction documents with the Participating Entity. Some Participating Entitles may require the use of a Participating Addendum; the terms of which will be worked out directly between the Participating Entity and the Vendor. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements) not addressed in this Contract, the Participating Entity and the Vendor may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Vendor in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the goods to be purchased;
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements; or
3. Vendor commits any material breach of this Contract or the additional terms agreed to between the Vendor and a Participating Entity.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Vendor will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Vendor must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Vendor must provide a contract sales activity report (Report) to the Sourcewell Contract Administrator assigned to this Contract. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Vendor must submit a report indicating no sales were made).

The Report must contain the following fields:

- Customer Name (e.g., City of Staples Highway Department);
- Customer Physical Street Address;
- Customer City;
- Customer State/Province;
- Customer Zip Code;
- Customer Contact Name;
- Customer Contact Email Address;
- Customer Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Vendor.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Vendor will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Vendor may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Vendor will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Vendor's name and Sourcewell-assigned contract number in the memo; and must be

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mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Vendor agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Vendor is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Vendor in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Vendor's Authorized Representative is the person named in the Vendor's Proposal. If Vendor's Authorized Representative changes at any time during this Contract, Vendor must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. AUDIT. Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. ASSIGNMENT. Neither the Vendor nor Sourcewell may assign or transfer any rights or obligations under this Contract without the prior consent of the parties and a fully executed assignment agreement. Such consent will not be unreasonably withheld.

C. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been fully executed by the parties.

D. WAIVER. If either party fails to enforce any provision of this Contract, that failure does not waive the provision or the right to enforce it.

E. CONTRACT COMPLETE. This Contract contains all negotiations and agreements between Sourcewell and Vendor. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22, the terms of Articles 1-22 will govern.

F. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. LIABILITY

Vendor must indemnify, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees, arising out of negligence or willful misconduct in the performance of this Contract by the Vendor or its agents or employees for third-party injury or death to person(s) or property or caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Vendor will not be liable for indirect or consequential damages.

12. GOVERNMENT DATA PRACTICES

Vendor and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Vendor under this Contract.

If the Vendor receives a request to release the data referred to in this article, the Vendor must immediately notify Sourcewell and Sourcewell will assist with how the Vendor should respond to the request.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:

   a. Sourcewell grants to Vendor a royalty-free, worldwide, non-exclusive right and license to use theTrademark(s) provided to Vendor by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Vendor.

   b. Vendor grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Vendor's Trademarks in advertising and promotional materials for the purpose of marketing Vendor's relationship with Sourcewell.

2. *Limited Right of Sublicense*. The right and license granted herein includes a limited right of each party to grant sublicenses to its and their respective distributors, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article.

Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

a. Sourcewell must not alter Vendor's Trademarks from the form provided by Vendor and must comply with Vendor's removal requests as to specific uses of its trademarks or logos.

b. Vendor must not alter Sourcewell's Trademarks from the form provided by Sourcewell and must comply with Sourcewell's removal requests as to specific uses of its trademarks or logos.

c. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's Trademarks only in good faith and in a dignified manner consistent with such party's use of the Trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. As applicable, Vendor agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Vendor in violation of applicable patent or copyright laws.

5. Termination. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of vendors which may be used until the next printing). Vendor must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Vendor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Materials should be sent to the Sourcewell Contract Administrator assigned to this Contract.

D. ENDORSEMENT. The Vendor must not claim that Sourcewell endorses its Equipment, Products, or Services.

14. GOVERNING LAW, JURISDICTION, AND VENUE

Minnesota law governs this Contract. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state court in Todd County or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found to be illegal, unenforceable, or void then both Sourcewell and Vendor will be relieved of all obligations arising under such provisions. If the remainder of this Contract is capable of performance, it will not be affected by such declaration or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Vendor will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Vendor may escalate the resolution of the issue to a higher level of management. The Vendor will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Vendor must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Vendor fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed will be borne by the Vendor.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

Written notice of default and a reasonable opportunity to cure must be issued by the party claiming default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Vendor must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*
Workers' Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:
Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Vendor will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.
Minimum Limits:
$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for Products-Completed operations
$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Vendor will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms no less

broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Vendor will maintain umbrella coverage over Workers' Compensation, Commercial General Liability, and Commercial Automobile.

Minimum Limits:
$2,000,000

5. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Vendor will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Vendor's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:
$2,000,000 per occurrence
$2,000,000 annual aggregate

Failure of Vendor to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Vendor must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Contract Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Vendor to provide certificates of insurance, in no way limits or relieves Vendor of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Vendor agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Vendor's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Vendor, and products and completed operations of Vendor. The policy provision(s) or endorsement(s) must further provide that coverage is

primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Vendor waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Vendor or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Vendor or its subcontractors. Where permitted by law, Vendor must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Vendor must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Vendor conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Vendor certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Vendor declares bankruptcy, Vendor must immediately notify Sourcewell in writing.

Vendor certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Vendor further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may also require additional requirements based on specific funding specifications. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Vendor's Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Vendor must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Vendor certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names

of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Vendors must file any required certifications. Vendors must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Vendors must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Vendors must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Vendor must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Vendor further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Vendor must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Vendor must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Vendor agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Vendor that are directly pertinent to Vendor's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Vendor's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation

and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

22. CANCELLATION

Sourcewell or Vendor may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Vendor's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell

DocuSigned by:
By: Jeremy Schwartz
C0FD2A139D06489...
Jeremy Schwartz
Title: Chief Procurement Officer
Date: 4/20/2021 | 1:07 PM CDT

Johnson Controls Fire Protection LP

DocuSigned by:
By: Tracy Long
17A8A69F65B84E6...
Tracy Long
Title: VP & GM Fire BSNA
Date: 4/30/2021 | 5:25 PM CDT

Approved:

DocuSigned by:
By: Chad Coauette
7E42B8F817A64CC...
Chad Coauette
Title: Executive Director/CEO
Date: 4/30/2021 | 5:36 PM CDT

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Summary Page

SERVICE	COST
FIRE ALARM INSPECTIONS	$38,713.18
ALARM MONITORING	$4,987.59
WET SPRINKLER INSPECTIONS	$8,494.97
SPECIAL HAZARD INSPECTIONS	$44,056.17
FIRE EXTINGUISHER INSPECTIONS	$107.25
REPLACEMENT PARTS	$200,000.00
CONTINGENCY	$103,640.84
TOTAL	$400,000.00

Contract #030421 - JHN

2024-Mar-7

Memphis Light Gas & Water - 030421-JHN

Contract #	ACE Customer #	Site Name	Address	City, State, Zip	Fire Alarm Inspection $	Fire Alarm Inspection Frequency	Fire Alarm Inspection Month(s)	Monitoring $'s	Monitoring Account Number	WET Sprinkler Inspection $	Wet Sprinkler Inspection Frequency	Wet Sprinkler Inspection month(s)	Special Hazard Inspection $'s	Special Hazard Inspection Frequency	Special Hazard Inspection months	Fire Extinguisher Inspection $	Fire Extinguisher Inspection Frequency	Fire Extinguisher Inspection Month	Annual Total of Inspection $
0	1576957	MLG&W Sheahan Pumping Station	3941 Grandview Ave	Memphis TN 38111	$1,041.63	Annual	Dec	$527.51	UL-1671	$653.46	Semi-Annual	Oct April	$316.75	Semi-annual	Oct April	$107.25	Annual	Dec	$2,646.60
0	673846	MLG&W Netters	1665 Whitten Rd	Memphis TN 38134	$1,442.98	Annual	September (June)	$527.51	UL-1858	$475.13	Semi-Annual	Oct April	$4,221.00	Semi-annual	Sept & Mar	$0.00	Please Selec	0	$7,043.24
0	732744	MLGW Building #3	1060Tupelo St	Memphis TN 38108	$426.14	Annual	Dec	$527.51	UL-1564	$1,366.77	Semi-Annual	Oct - April	$4,969.52	Semi-annual	Aug / Feb	$0.00	Please Selec	0	$8,043.17
0	32738	Memphis Light Gas & Water	4949 Raleigh LaGrange Rd	Memphis TN 38128	$2,245.36	Annual	Nov	$527.51	UL-1221	$0.00	Please Select	0	$0.00	Please Select	0	$0.00	Please Selec	0	$2,772.87
0	32753	Memphis Light Gas & Water	2935 Lamar Ave	Memphis TN 38114	$741.92	Annual	Nov	$527.51	106-1070	$475.13	Semi-Annual	Oct April	$0.00	Please Select	0	$0.00	Please Selec	0	$1,744.56
0	32758	Memphis Light Gas Water	2425 Covington Pike - Operations Facility Bldg	Memphis TN 38128	$949.22	Annual	Aug (July)	$527.51	203-8278	$653.46	Semi-Annual	Oct April	$4,622.84	Semi-annual	Sept / Mar	$0.00	Please Selec	0	$7,129.65
0	32766	MLG&W Patricia Walker Shaw Pumping Station	10300 Humphrey Rd Pumping Station	Cordova TN 38018	$442.00	Annual	Sept (May)	$0.00	0	$0.00	Please Select	0	$6,196.63	Semi-annual	July & Jan	$0.00	Please Selec	0	$6,638.63
0	32733	Memphis Light Gas & Water	1111 E Shelby Dr	Memphis TN 38116	$832.66	Annual	Dec	$527.51	UL-1985	$475.13	Semi-Annual	Oct April	$0.00	Please Select	0	$0.00	Please Selec	0	$1,835.30
0	32723	Beale St Landing Garage	245 S Main St	Memphis TN 38103	$728.02	Annual	Dec	$527.51	UL-1894	$475.13	Semi-Annual	Oct April	$0.00	Please Select	0	$0.00	Please Selec	0	$2,107.28
0	32761	MLGW - Receiving Dock	220 S Main St	Memphis, TN 38103	$8,843.53	Annual	October	$0.00	0	$1,010.12	Semi-Annual	Oct Apr	$1,750.00	Semi-annual	July & Jan	$0.00	Please Selec	0	$12,733.49
0	4380530	MLG& W Morton Pumping Station	3150 Hawkins Mill Rd	Memphis TN 38128	$0.00	Annual	October	$0.00	0	$0.00	Please Select	0	$2,757.26	Semi-annual	Jan & July	$0.00	Please Selec	0	$2,757.26
0	0	MLG&W	180 W Shelby Dr	Memphis TN 38109	$0.00	Please Select	October	$0.00	0	$0.00	Please Select	0	$1,496.48	Semi-annual	Jan & July	$0.00	Please Selec	0	$1,496.48
0	0	MLG&W Substation	3020 Gill Rd	Memphis TN 38019	$0.00	Please Select	0	$0.00	0	$0.00	Please Select	0	$0.00	Please Select	0	$0.00	Please Selec	0	$673.42
0	0	MLG&W	650 Shawnee Rd	Memphis TN 38118	$0.00	Please Select	0	$0.00	0	$0.00	Please Select	0	$1,185.95	Semi-annual	Oct April	$0.00	Please Selec	0	$1,185.95
0	0	MLG&W	8790 Pleasant Ridge Dr	Arlington TN 38002	$0.00	Please Select	0	$0.00	0	$0.00	Please Select	0	$1,185.95	Semi-annual	Oct April	$0.00	Please Selec	0	$1,185.95
0	0	MLGW	9655 Winchester Rd	Memphis TN 38125	$0.00	Please Select	0	$0.00	0	$0.00	Please Select	0	$1,185.95	Semi-annual	Oct April	$0.00	Please Selec	0	$1,185.95
0	0	MLG&W Paint Booth	653 Beale St	Memphis TN 38103	$0.00	Please Select	0	$0.00	0	$0.00	Please Select	0	$2,398.09	Semi-annual	Oct April	$0.00	Please Selec	0	$2,398.09
0	0	MLG&W	Steam Plant Rd	Memphis TN	$0.00	Please Select	0	$0.00	0	$0.00	Please Select	0	$1,197.17	Semi-annual	Oct April	$0.00	Please Selec	0	$1,197.17
0	0	MLG&W McCord Pumping Station	6230 Summer Ave	Memphis TN 38134	$0.00	Please Select	0	$0.00	0	$0.00	Please Select	0	$1,813.24	Semi-annual	Jan & July	$0.00	Please Selec	0	$1,813.24
0	0	MLG&W	3773 Brunswick Rd	Memphis TN 38133	$0.00	Please Select	0	$0.00	0	$475.13	Semi-Annual	Oct April	$0.00	Please Select	0	$0.00	Please Selec	0	$851.75
0	0	MLG&W Millington Substation	5131 Navy Rd	Millington TN 38053	$0.00	Please Select	0	$0.00	0	$475.13	Semi-Annual	Oct April	$0.00	Please Select	0	$0.00	Please Selec	0	$475.13
0	0	MLG&W	6012 Winchester Rd	Memphis TN 38115	$0.00	Please Select	0	$0.00	0	$475.13	Semi-Annual	Oct April	$0.00	Please Select	0	$0.00	Please Selec	0	$851.75
0	0	MLG&W	3937 Grandview Ave	Memphis TN 38111	$0.00	Please Select	0	$0.00	0	$475.13	Semi-Annual	Oct April	$0.00	Please Select	0	$0.00	Please Selec	0	$475.13
0	0	MLG&W LNG Plant	5101 East Holmes Rd	Memphis TN 38118	$0.00	Please Select	0	$0.00	0	$1,010.12	Semi-Annual	Oct April	$3,229.87	Semi-annual	Oct April	$0.00	Please Selec	0	$5,746.44
0	0	MLG&W Radio Towers	8145 Woodstock Cuba Rd	Millington TN 38053	$0.00	Please Select	0	$0.00	0	$0.00	Please Select	0	$1,185.95	Semi-annual	Oct April	$0.00	Please Selec	0	$1,185.95
0	0	MLG&W Water Lab	3937 Grandview Ave	Memphis TN 38111	$0.00	Please Select	0	$767.51	0	$0.00	Please Select	0	$0.00	Please Select	0	$0.00	Please Selec	0	$767.51
0	0	MLG&W	7135 Goodlett Farms Parkway	Cordova TN 38016	$21,019.72	Annual	September	$0.00	0	$0.00	Please Select	0	$2,847.04	Semi-annual	Sept/ Mar	$0.00	Please Selec	0	$23,866.76
				Totals	**$38,713.18**			**$4,987.59**		**$8,494.97**			**$44,056.17**			**$107.25**			**$102,305.20**

Contract Term will be for 1 year. The fire alarm coverage for Enhanced Labor and Parts is selected but the coverage is "Labor Only" with a spot reduction.

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Signature Page

Prepared by: DocuSigned by: Larry Bailey BF215EDDAD4746E...

Larry M. Bailey
Supervisor
Security Automation

9/26/2025
Date

Reviewed by: Signed by: Gregory Willingham D0975390C5CD408...

Gregory Willingham
Supervisor
Physical Security

9/26/2025
Date

Approved by: Signed by: 5C4816F2346C441...

Michael Starks
Director
Corporate Security

9/26/2025
Date

RESOLUTION SUMMARY

1. **Short Title Description – Contract No. 12553 (*formerly Contract No. C2607*) – Well Lots Turf Management**

2. **Requested Funding – $186,332.29 ($166,332.29 Renewal amount plus $20,000.00 in contingency)**

3. **Award Duration – Renewal two (2) of four (4) (February 1, 2026 through January 31, 2027)**

4. **Type of Bid – Sealed bid**

5. **Awarded To – Turf Doctors L&LM, LLC**

6. **Plain Language Description – This contract is for grounds maintenance for well lots at various MLGW locations.**

7. **Impact – This contract will help ensure our well lots are maintained properly.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners the approval of Renewal (*Change No. 2*) to Contract No. 12553, (*formerly Contract No. C2607*), Well Lots Turf Management with Turf Doctors L&LM, LLC to renew the current contract in the funded amount of $186,332.29.

The project scope is to furnish all required supervision, labor, materials, transportation, equipment, gasoline, and tools necessary to perform trimming, weed-eating, brush clearing, fence clearing, mowing, removing debris/trash and discarded items, and other grounds maintenance duties throughout Shelby County, Tennessee. The contract award was selected based on the lowest and best bid using the Sealed Bid process.

This change is to renew the current contract for the second of four (4) annual renewal terms for the period covering February 1, 2026 through January 31, 2027 in the amount of $166,332.29, which reflects a negotiated 9% increase in cost from the previous term. The increase is due to the rising cost of fertilizer, fuel, equipment maintenance, and labor costs. Additionally, MLGW is requesting contingency funds in the amount of $20,000.00 for any unforeseen circumstances. The total funded amount of this renewal is $186,332.29. This renewal complies with all applicable laws and policies. The new contract value is $452,072.76.

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 Renewal (*Change No. 2*) to Contract No. 12553, (*formerly Contract No. C2607*), Well Lots Turf Management with Turf Doctors L&LM, LLC to renew the current contract in the funded amount of $186,332.29, as outlined in the above preamble, is approved; and further,

THAT, the President, or his designated representative is authorized to execute the Renewal.

RESOLUTION

WHEREAS, the Board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved Renewal (*Change No. 2*) to Contract No. 12553, *(formerly Contract No. C2607*), Well Lots Turf Management with Turf Doctors L&LM, LLC to renew the current contract in the funded amount of $186,332.29, 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 required supervision, labor, materials, transportation, equipment, gasoline, and tools necessary to perform trimming, weed-eating, brush clearing, fence clearing, mowing, removing debris/trash and discarded items, and other grounds maintenance duties throughout Shelby County, Tennessee. The contract award was selected based on the lowest and best bid using the Sealed Bid process; and

WHEREAS, this change is to renew the current contract for the second of four (4) annual renewal terms for the period covering February 1, 2026 through January 31, 2027 in the amount of $166,332.29, which reflects a negotiated 9% increase in cost from the previous term. The increase is due to the rising cost of fertilizer, fuel, equipment maintenance, and labor costs. Additionally, MLGW is requesting contingency funds in the amount of $20,000.00 for any unforeseen circumstances. The total funded amount of this renewal is $186,332.29. This renewal complies with all applicable laws and policies. The new contract value is $452,072.76; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved Renewal (*Change No. 2*) to Contract No. 12553, (*formerly Contract No. C2607*), Well Lots Turf Management with Turf Doctors L&LM, LLC to renew the current contract in the funded amount of $186,332.29 as approved.

BOARD RESOLUTION TRANSMITTAL

Board Meeting Date: 10/15/2025

Expenditure Org Executive: Von Goodloe
Specialist: TaShay Yates

Contract Number: 12553 (*formerly Contract No. C2607*)
Purchase Commodity:

Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**363300 Managers Office Building Services Grounds / Charles D. Barnes II / 901-320-189 / charles.barnes@mlgw.org**
Scope: Contract _X___ **Purchase** ____ **Other** ____	**The project scope is to furnish all required supervision, labor, materials, transportation, equipment, gasoline, and tools necessary to perform trimming, weed-eating, brush clearing, fence clearing, mowing, removing debris/trash and discarded items, and other grounds maintenance duties throughout Shelby County, Tennessee.**
Explanation of Action. *(Contract/Purchase invoice payments, land purchase, dues, other)*	**This change is to renew the current contract for the second of four (4) annual renewal terms for the period covering February 1, 2026 through January 31, 2027.**
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place at various locations throughout Shelby County, Tennessee.**
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to provide turf management services to MLGW's Well Lots.**
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?	**Yes, the cost comparison was provided on September 2, 2025.**
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 2025 Budget Year	After Budget Year
Amount Requested	$186,332.29	$0.00	$186,332.29
2025 Budget*	$ 200,004.00		
Amount Spent Year-to-Date	$ 7,234.22		
2025 Budget Balance Available		$ 192,769.78	
Budget Balance After Award		$ 192,769.78	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Bldg Svcs Grounds R2024
Expenditure Organization 0363300 Managers Office Building Services Grounds
Expenditure Type Outside Purchases
Task Admin Expense

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:

Ronda Croft — **09.25.2025**

Budget & Financial Planning — **Date**

Rev. 11/01/2018

Contractor: **Turf Doctors L&LM, LLC**
10/15/2025

Contract Number: 12553
(*formerly Contract No. C2607*)

	Actions	**Date**	**Amount**
Original Award 12.5.2023			**$139,998.56**
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 February 1, 2025 through January 31, 2026 in the amount of $152,598.43, which reflects a negotiated 9% increase in cost from the initial award. The increase is due to increases in fertilizer, fuel, equipment maintenance, and labor costs. Additionally, MLGW is requesting contingency funds in the amount of $11,000.00 for any unforeseen circumstances. The total funded amount of this renewal is $163,598.43; of which $37,856.52 will be absorbed from the current contract balance. The total requested amount for this renewal is $125,741.91.	12/4/2024	$125,741.91
Current Contract Amount			**$265,740.47**
Amount Paid to Date as of 09.25.25			$220,427.48
Current Contract Balance			$45,312.99
Renewal (Change Order No. 2)	***This change is to renew the current contract for the second of four (4) annual renewal terms for the period covering February 1, 2026 through January 31, 2027 in the amount of $166,332.29, which reflects a negotiated 9% increase in cost from the previous term. The increase is due to the rising cost of fertilizer, fuel, equipment maintenance, and labor costs. Additionally, MLGW is requesting contingency funds in the amount of $20,000.00 for any unforeseen circumstances. The total funded amount of this renewal is $186,332.29.***	***10/15/2025***	***$186,332.29***
Available Balance			***$231,645.28***
Cumulative Contract Value			***$452,072.76***

Note: MLGW's Building Services Grounds Department will utilize the remaining balance for services to be rendered throughout the remaining term.

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 2**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 15, 2025**
CONTRACT NUMBER 12553 (*formerly Contract No. C2607*) **SHEET 1 OF 2**

TO: BRIAN JOHNSON

TURF DOCTORS L&LM, LLC

6076 HIGHWAY 51

MILLINGTON, TN 38053

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 FURNISH ALL REQUIRED SUPERVISION, LABOR, MATERIALS, TRANSPORTATION, EQUIPMENT, GASOLINE, AND TOOLS NECESSARY TO PERFORM TRIMMING, WEED-EATING, BRUSH CLEARING, FENCE CLEARING, MOWING, REMOVING DEBRIS/TRASH AND DISCARDED ITEMS, AND OTHER GROUNDS MAINTENANCE DUTIES THROUGHOUT SHELBY COUNTY, TENNESSEE. THE CONTRACT AWARD WAS SELECTED BASED ON THE LOWEST AND BEST BID RECEIVED USING THE SEALED BID PROCESS.

THIS CHANGE IS TO RENEW THE CURRENT CONTRACT FOR THE SECOND OF FOUR (4) ANNUAL RENEWAL TERMS FOR THE PERIOD COVERING FEBRUARY 1, 2026 THROUGH JANUARY 31, 2027 IN THE AMOUNT OF $166,332.29, WHICH REFLECTS A NEGOTIATED 9% INCREASE IN COST FROM THE PREVIOUS TERM. THE INCREASE IS DUE TO THE RISING COST OF FERTILIZER, FUEL, EQUIPMENT MAINTENANCE, AND LABOR COSTS. ADDITIONALLY, MLGW IS REQUESTING CONTINGENCY FUNDS IN THE AMOUNT OF $20,000.00 FOR ANY UNFORESEEN CIRCUMSTANCES. THE TOTAL FUNDED AMOUNT OF THIS RENEWAL IS $186,332.29. THIS RENEWAL COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $452,072.76.

CHANGE IN CONTRACT PRICE:

Contract Value	**$265,740.47**
Change Amount	**$186,332.29 - Renewal (*Change No. 2*)**
Total Contract Amount	**$452,072.76**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: 74C493F1-9D89-4574-B9C9-34AD723BAB18

TURF DOCTORS
LAWN & LANDSCAPE MAINTENANCE

6076 Highway 51 North ● Millington, TN 38053
accountsmanagement@tnturfdrs.com
1(901) 872-2989 (office) ● 1(901) 531-8398 (fax)
www.tnturfdocs.com

Thursday, July 3, 2025

Subject: Contract 12553

MLGW Administration,

Turf Doctors L&LM, LLC would like to renew Contract 12553, and the company is proposing a contractual increase in the amount of 9%. Company expenses continue to rise to cover gas, fuel, fertilizer and maintenance costs associated with the equipment used to perform services rendered to our customers. In addition, employee turnover has required an increase in our employee wages, to maintain a stable workflow and obtain reliable long-term employees.

The current contract amount is an annual amount of $152,598.43 for the period of February 1, 2025 – January 31, 2026. The new requested annual amount is $166,332.29 which incorporates the increase of $13,733.86 for the upcoming period of February 1, 2026 – January 31, 2027. All other specifications of the initial contract will remain in place.

Please accept this as Turf Doctors L&LM, LLC official Letter of Intent to renew the above referenced contract number C12553.

Respectfully,

Brian Johnson

Brian Johnson
Owner, President of Turf Doctors L&LM, LLC
tnturfdoctors@gmail.com (owner)

Signed by:
Charles D. Barnes II
9E89D753B5FE44E...
7/22/2025

RESOLUTION SUMMARY

1. **Short Title Description - Contract No. 12249 – ESource Membership Agreement Through TVPPA**

2. **Requested Funding – $1,881,490.00**

3. **Award Duration – Scope Change, Increase and Extension (January 1, 2026 through December 31, 2030)**

4. **Type of Bid – Single Source**

5. **Awarded To – E Source Companies LLC**

6. **Plain Language Description – This change order enables MLGW to continue to access industry research, reports, best practices, councils, ad HOC inquiries, and other resources when developing, implementing, evaluating and/or expanding MLGW customer programs and services. This change order includes deliverables from E Source's Research Services - Demand Side Management, Distributed Energy Resource Strategy, Technology Assessment, Residential Marketing, Business Marketing, Account Management, Corporate Communications, Contact Center Optimization, Customer Experience Strategy, and E-Channel, as well as a MLGW-branded Business Energy Advisor portal accessible via MLGW's website. The scope is expanded to add BatteryNext and Mobility, plus Low-Income Energy Issues Forum.**

7. **Impact – Continued E Source membership enables MLGW staff to utilize resources to quickly research utility best practices, benchmarking data and other information curated from a variety of sources to evaluate new program and service opportunities that could deliver energy efficiency, demand response and other benefits to participating customers, MLGW and the greater community.**

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 15, 2025

The Manager of Procurement and Contracts recommends to the Board of Light, Gas and Water Commissioners the approval of Scope Change, Increase and Extension (*Change No. 1*) to Contract No. 12249 ESource Membership Agreement through TVPPA to E Source Companies LLC to expand the scope, increase and extend the current contract in the funded amount of $1,881,490.00.

The project scope is to allow E Source Companies LLC as a Single Source provider to provide access to utility research, reports, trends, and best practices when developing, implementing, evaluating and/or expanding MLGW services, including the following deliverables: E Source Research Services - Demand Side Management, Distributed Energy Resource Strategy, Technology Assessment, Residential Marketing, Business Marketing, Account Management, Corporate Communications, Customer Care, Customer Experience E-Channel Services, BatteryNext & Mobility, and Low-Income Energy Issues Forum. The contract award was selected based on the Single Source procurement process.

This change is to extend and increase the current contract for five (5) years for the period covering January 1, 2026 through December 31, 2030 in the amount of $1,881,490.00 which is a negotiated 13% increase in the contract value that includes the cost of the extension and additional services. MLGW is also requesting to expand the scope of the current contract by adding the following: 1) BatteryNext & Mobility; and 2) Low-Income Energy Issues Forum. This Scope Change, Increase and Extension complies with all applicable laws and policies. The new contract value is $3,242,866.00.

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 Scope Change, Increase and Extension (*Change No. 1*) to Contract No. 12249 ESource Membership Agreement through TVPPA to E Source Companies LLC to expand the scope, and increase and extend the current contract in the funded amount of $1,881,490.00 as outlined in the above preamble, is approved; and further

THAT, the President, or his designated representative is authorized to execute the Scope Change, Increase and Extension.

RESOLUTION

WHEREAS, the board of Light, Gas and Water Commissioners in their meeting of October 15, 2025 approved Scope Change, Increase and Extension (*Change No. 1*) to Contract No. 12249 ESource Membership Agreement through TVPPA to E Source Companies LLC to expand the scope, increase and extend the current contract in the funded amount of $1,881,490.00 is now recommending to the Council of the City of Memphis that it approves said change, increase and extension as approved; and

WHEREAS, the project scope is to allow E Source Companies LLC as a Single Source provider to provide access to utility research, reports, trends, and best practices when developing, implementing, evaluating and/or expanding MLGW services including the following deliverables: ESource Research Services - Demand Side Management, Distributed Energy Resource Strategy, Technology Assessment, Residential Marketing, Business Marketing, Account Management, Corporate Communications, Customer Care, Customer Experience E-Channel Services, BatteryNext & Mobility, and Low-Income Energy Issues Forum. The contract award was selected based on the Single Source procurement process; and

WHEREAS, this change is to extend and increase the current contract for five (5) years for the period covering January 1, 2026 through December 31, 2030 in the amount of $1,881,490.00 which is a negotiated 13% increase in the contract value that includes the cost of the extension and additional services. MLGW is also requesting to expand the scope of the current contract by adding the following: 1) BatteryNext & Mobility; and 2) Low-Income Energy Issues Forum. This Scope Change, Increase and Extension complies with all applicable laws and policies. The new contract value is $3,242,866.00; and

NOW THEREFORE BE IT RESOLVED BY THE Council of the City of Memphis, that there be and is hereby approved Scope Change, Increase and Extension (*Change No. 1*) to Contract No. 12249 ESource Membership Agreement through TVPPA to E Source Companies LLC to expand the scope, increase and extend the current contract in the funded amount of $1,881,490.00 as approved.

BOARD RESOLUTION TRANSMITTAL

Expenditure Org Executive: Timothy Davis
Procurement Contracts Specialist: Shanikka Tate / Aline Cotton

Board Meeting Date: 10/15/2025
Contract Number: 12249
Purchase Commodity:
Other (Non-Procurement Items):

Responsible Group (Requesting Area/ Contact Person) (Telephone number/email address)	**Business Operations Services & Support, area 703400 Becky Williamson, 605-2025, bwilliamson@mlgw.org**	
Scope: Contract __X__ Purchase ____ Other ____	**This contract includes deliverables from E Source Research Services - Demand Side Management, Distributed Energy Resource Strategy, Technology Assessment, Residential Marketing, Business Marketing, Account Management, Corporate Communications, Contact Center Optimization, Customer Experience Strategy, and E-Channel, as well as a MLGW-branded Business Energy Advisor portal accessible via MLGW's website. The scope is expanded to add BatteryNext & Mobility, plus Low-Income Energy Issues Forum.**	
Explanation of Action. (Contract/Purchase invoice payments, land purchase, dues, other)	**This change is to increase and extend the current contract for five (5) years for the period covering January 1, 2026 through December 31, 2030, and expand the scope by adding the following: 1) BatteryNext & Mobility; and 2) Low-Income Energy Issues Forum.**	
Where will the work take place? *(MLGW facility or jobsite, etc.)*	**The work will take place off-site.**	
Why the need exists? (Contract/Purchase invoice payments, land purchase, dues, other)	**The need exists to allow MLGW the ability to access industry research, reports, and best practices when developing, implementing, evaluating and/or expanding MLGW customer services.**	
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) **Single Source**		

BUDGET:

	Total	In 2025 Budget Year	After Budget Year
Amount Requested	$ 1,881,490.00	$ 341,208.00	$ 1,540,282.00
2025 Budget*	$ 2,329,020.00		
Amount Spent Year-to-Date	$ 268,739.00		
2025 Budget Balance Available		$ 2,060,281.00	
Budget Balance After Award		$ 1,719,073.00	

Please indicate category *(O&M or Capital).

[X] **O&M**
[ ] **Capital**

Project Bus Ops Service Support
Expenditure Organization 0703400 Business Operations Services S
Expenditure Type Contracted Svc-Other
Task Admin Expense

Comments:

Expenditure Type	Budget	Actual	Available
	$ -	$ -	$ -
	$ -	$ -	$ -
			$ -

APPROVED:
Ronda Croft
Budget & Financial Planning

10.01.2025
Date

Rev. 11/01/2018

Contractor: **E Source Companies LLC**

10/15/2025

Contract Number: 12249

	Actions	**Date**	**Amount**
Original Award	**Award**	**1/1/2021**	**$1,361,376.00**
Amount Paid to Date as of 09.26.25			$1,361,376.00
Current Contract Balance			$0.00
Scope Change, Increase and Extension (Change Order No. 1)	***This change is to increase and extend the current contract for five (5) years for the period covering January 1, 2026 through December 31, 2030 in the amount of $1,881,490.00 which is a negotiated 13% increase in the contract value that includes the cost of the extension and additional services. MLGW is also requesting to expand the scope of the current contract by adding the following: 1) BatteryNext & Mobility; and 2) Low-Income Energy Issues Forum.***	***10/15/2025***	***$1,881,490.00***
Available Balance			**$1,881,490.00**
Cumulative Contract Value			**$3,242,866.00**

CONTRACT CHANGE FORM

MEMPHIS LIGHT, GAS AND WATER DIVISION **CONTRACT CHANGE NO. 1**
CITY OF MEMPHIS **DATE OF CHANGE OCTOBER 15, 2025**
CONTRACT NUMBER 12249 **SHEET 1 OF 8**

TO: ALEANA REEVES

E SOURCE COMPANIES LLC

3020 CARBON PLACE, SUITE 300

BOULDER, CO 80301

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 ALLOW E SOURCE COMPANIES LLC AS A SINGLE SOURCE PROVIDER TO PROVIDE ACCESS TO UTILITY RESEARCH, REPORTS, TRENDS, AND BEST PRACTICES WHEN DEVELOPING, IMPLEMENTING, EVALUATING AND/OR EXPANDING MLGW SERVICES INCLUDING THE FOLLOWING DELIVERABLES: E SOURCE RESEARCH SERVICES - DEMAND SIDE MANAGEMENT, DISTRIBUTED ENERGY RESOURCE STRATEGY, TECHNOLOGY ASSESSMENT, RESIDENTIAL MARKETING, BUSINESS MARKETING, ACCOUNT MANAGEMENT, CORPORATE COMMUNICATIONS, CUSTOMER CARE, CUSTOMER EXPERIENCE E-CHANNEL SERVICES, BATTERYNEXT & MOBILITY, AND LOW-INCOME ENERGY ISSUES FORUM. THE CONTRACT AWARD WAS SELECTED BASED ON THE SINGLE SOURCE PROCUREMENT PROCESS.

THIS CHANGE IS TO EXTEND AND INCREASE THE CURRENT CONTRACT FOR FIVE (5) YEARS FOR THE PERIOD COVERING JANUARY 1, 2026 THROUGH DECEMBER 31, 2030 IN THE AMOUNT OF $1,881,490.00 WHICH IS A NEGOTIATED 13% INCREASE IN THE CONTRACT VALUE THAT INCLUDES THE COST OF THE EXTENSION AND ADDITIONAL SERVICES. MLGW IS ALSO REQUESTING TO EXPAND THE SCOPE OF THE CURRENT CONTRACT BY ADDING THE FOLLOWING: 1) BATTERYNEXT & MOBILITY; AND 2) LOW-INCOME ENERGY ISSUES FORUM. THIS SCOPE CHANGE, INCREASE AND EXTENSION COMPLIES WITH ALL APPLICABLE LAWS AND POLICIES. THE NEW CONTRACT VALUE IS $3,242,866.00.

CHANGE IN CONTRACT PRICE:

Contract Amount	**$ 1,361,376.00**
Change Amount	**$ 1,881,490.00 – Scope Change, Increase and Extension (*Change No. 1)***
Total Contract Amount	**$ 3,242,866.00**

APPROVED BY THE BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

APPROVED BY THE PRESIDENT **DATE**

Docusign Envelope ID: 59E59C44-D5E5-4506-8222-5652DE123FDF

E Source Membership Agreement

Prepared for: MLGW

E Source Companies LLC

3020 Carbon Pl #300

Boulder, CO 80301

Dear Mr. Davis:

We greatly value our partnership with MLGW and appreciate the opportunity to continue our relationship and provide you with optimum benefits and value from your investment with E Source. Based on your expressed and anticipated future needs, this objective will be best accomplished through this multi-year membership agreement to E Source.

The purpose of this document is to provide you with a detailed scope of your Service Plan and the provided services and pricing. We are grateful for our continued partnership and helping MLGW realize our mutual goal of optimizing your utilization of our services.

This membership agreement outlines the following:

- Existing Memberships from prior E Source | MLGW agreement including access to the following E Source research memberships: DER Strategy, DSM Service, Technology Assessment Service, Business Energy Advisor, Corporate Communication Service, E-Channel Service, Contact Center Optimization Service, Customer Experience Strategy Service, Account Management Service, Business Marketing Service, and Residential Marketing Service. Additional memberships include the Low Income Energy Issues Forum, and BatteryNext for Mobility

Regards,

Aleana Reeves

Aleana Reeves

VP, Sales Support & Engagement

E Source

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E Source Membership Agreement

Demand-Side Management Service

Includes benefits such as:

- Access to all E Source Demand-Side Management Service publications and events
- Access to data-rich proprietary market research on customer and utility perceptions and behaviors for energy efficiency and demand response programs
- Participation in E Source DSM Service virtual events, including webinars and exchanges (working group conversations and presentations)
- Access to Energy RFP, our database that catalogs current and archived requisitions issued by utilities, public power associations, public utilities commissions, regional energy efficiency organizations, and government entities
- Access to DSMdat, our database of over 5,000 US and Canadian utility programs
- Access to the DSM Evaluation Library, our database of US and Canadian program evaluations
- Invitations for up to three executive-level participants to the Customer Energy Solutions Leadership Council, E Source exclusive, vendor-free roundtable discussions for utility DSM, DER, and emerging tech leaders
- Participation in the annual E Source Forum
- Ask E Source privileges within the content area of this service

Distributed Energy Resource Strategy Service

Includes benefits such as:

- Access to all E Source Distributed Energy Resource (DER) Strategy Service publications, market research and events
- Access to data-rich proprietary market research on customer and utility perceptions and behaviors for DER and electrification programs
- Participation in E Source DER Service virtual events, including webinars and online exchanges (working group conversations and presentations)
- Access to Energy RFP, our database that catalogs current and archived requisitions issued by utilities, public power associations, public utilities commissions, regional energy efficiency organizations, and government entities
- Invitations for up to three executive-level participants to the Customer Energy Solutions Leadership Council, E Source exclusive, vendor-free roundtable discussions for utility DSM, DER, and emerging tech leaders
- Participation in E Source DER Strategy Service virtual events, including webinars and online exchanges (working group conversations and presentations)
- Participation in the annual E Source Forum
- Ask E Source privileges within the content area of this service

Technology Assessment Service

Includes benefits such as:

- Access to all E Source Technology Assessment Service publications, market research and events
- Access to data-rich proprietary market research on customer and utility perceptions and behaviors for emerging energy efficiency, demand response, electrification, and decarbonization technologies and concepts
- Participation in our Tech Roundup Webinars, which outline E Source-evaluated emerging technologies and concepts for DSM, DER, and electrification pilots
- Participation in E Source Technology Assessment Service virtual events, including webinars and online exchanges (working group conversations and presentations)

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- Access to Energy RFP, our database that catalogs current and archived requisitions issued by utilities, public power associations, public utilities commissions, regional energy efficiency organizations, and government entities
- Invitations for up to three executive-level participants to the Customer Energy Solutions Leadership Council, E Source exclusive, vendor-free roundtable discussions for utility DSM, DER, and emerging tech leaders
- Participation in the annual E Source Forum
- Ask E Source privileges within the content area of this service

Residential Marketing Service

Includes benefits such as:

- Access to our full library of Residential Marketing Service publications and past events
- Participation in Residential Marketing Service virtual events
- Access to Energy AdVision, our online database of utility residential marketing campaigns and dashboard of utility campaign metrics.
- Access to data-rich proprietary market research on customer and utility perceptions and behaviors for residential customer related marketing activities and initiatives
- Access to Energy RFP, our database that catalogs current and archived requisitions issued by utilities, public power associations, public utilities commissions, regional energy efficiency organizations, and government entities
- Invitations for up to three executive-level participants to the Marketing and Communications Leadership Council, E Source exclusive, vendor-free roundtable discussions for utility marketing and communications professionals
- Participation in the annual E Source Forum
- Ask E Source privileges within the content area of this service

Business Marketing Service

Includes benefits such as:

- Access to our full library of Business Marketing Service publications and past events
- Access to Energy AdVision, our online database of utility business marketing campaigns and dashboard of utility campaign metrics.
- Access to data-rich proprietary market research on customer and utility perceptions and behaviors for business customer related marketing activities and initiatives
- Access to Energy RFP, our database that catalogs current and archived requisitions issued by utilities, public power associations, public utilities commissions, regional energy efficiency organizations, and government entities
- Participation in Business Marketing Service virtual events
- Invitations for up to three executive-level participants to the Marketing and Communications Leadership Council, E Source exclusive, vendor-free roundtable discussions for utility marketing and communications professionals
- Participation in the annual E Source Forum
- Ask E Source privileges within the content area of this service

Corporate Communications Service

Includes benefits such as:

- Access to all Corporate Communications Service publications and past events
- Participation in Corporate Communications Service virtual events
- Access to data-rich proprietary market research on customer and utility perceptions and behaviors related to corporate communications activities and initiatives
- Access to Energy AdVision, our online database of utility communication campaigns and dashboard of utility campaign metrics.

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- Access to Energy RFP, our database that catalogs current and archived requisitions issued by utilities, public power associations, public utilities commissions, regional energy efficiency organizations, and government entities
- Invitations for up to three executive-level participants to the Marketing and Communications Leadership Council, E Source exclusive, vendor-free roundtable discussions for utility marketing and communications professionals
- Participation in the annual E Source Forum
- Ask E Source privileges within the content area of this service

Account Management Service

Includes benefits such as:

- Access to our full library of Account Management Service publications and past events
- Access to sector snapshots, which are detailed industry overviews covering energy technologies and efficiency strategies
- Access to “Key account plan” and “Strategic sector plan” templates
- Access to data-rich proprietary market research on customer and utility perceptions and behaviors related to account management activities and initiatives
- Access to Energy RFP, our database that catalogs current and archived requisitions issued by utilities, public power associations, public utilities commissions, regional energy efficiency organizations, and government entities
- Participation in Account Management Service virtual events, including our Account Management Network exchange series for account management leaders, account managers, and account management support teams to discuss trending topics like tiering business accounts, business development and sales strategies, recruiting and training account managers, and other top concerns for key account teams.
- Invitations for up to three leadership-level participants to the Account Management Leadership Council, E Source exclusive, vendor-free roundtable discussions for utility account management and SMB leaders.
- Participation in the annual E Source Forum
- Ask E Source privileges within the content area of this service

Contact Center Optimization Service

Includes benefits such as:

- Access to our full library of Contact Center Optimization Service publications and tools
- Participation in contact center virtual events
- Access to data-rich proprietary market research on customer and utility perceptions and behaviors for contact center and IVR optimization activities and initiatives
- Access to Energy RFP, our database that catalogs current and archived requisitions issued by utilities, public power associations, public utilities commissions, regional energy efficiency organizations, and government entities
- Invitations for up to three executive-level participants at the Customer Experience Leadership Council, E Source exclusive, vendor-free roundtable discussions for utility customer experience professionals
- Participation in the annual E Source Forum
- Ask E Source privileges within the content area of this service

Customer Experience Strategy Service

Includes benefits such as:

- Access to our full library of Customer Experience (CX) Strategy Service publications and tools
- Participation in CX Strategy Service virtual events, including our CX exchange series which enables CX professionals to network and discuss trending topics in utility CX.
- Access to data-rich proprietary market research on customer and utility perceptions and behaviors for customer experience strategy related activities and initiatives
- Access to our Customer Experience Maturity Assessment, which provides actionable next steps to achieve your CX goals; includes an annual review of your results with a team of

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E Source advisers to support strategic conversations, prioritize initiatives, and build the business case for CX within your utility
- Access to Energy RFP, our database that catalogs current and archived requisitions issued by utilities, public power associations, public utilities commissions, regional energy efficiency organizations, and government entities
- Invitations for up to three executive-level participants at the Customer Experience Leadership Council, E Source exclusive, vendor-free roundtable discussions for utility customer experience professionals
- Participation in the annual E Source Forum
- Ask E Source privileges within the content area of this service

E-Channel Service

Includes benefits such as:

- Access to our full library of E-Channel Service publications and tools
- Participation in E-Channel Service virtual events
- Access to our Utility Website Design Center, a resource for improving your website; includes screenshots, best practices, and design recommendations
- Access to data-rich proprietary market research on customer and utility perceptions and behaviors related to website and self-service activities and initiatives
- Access to Energy RFP, our database that catalogs current and archived requisitions issued by utilities, public power associations, public utilities commissions, regional energy efficiency organizations, and government entities
- Invitations for up to three executive-level participants at the Customer Experience Leadership Council, E Source exclusive, vendor-free roundtable discussions for utility customer experience professionals
- Participation in the annual E Source Forum
- Ask E Source privileges within the content area of this service

Business Energy Advisor

Business Energy Advisor (BEA) is a library of information that integrates with your existing website and provides sector-specific energy advice for a wide variety of business types and technologies. By providing this valuable information on your website, you can improve engagement with your business customers, help them make the case for energy efficiency, and drive them to your efficiency programs. BEA also serves as a valuable resource for account managers, business contact center representatives, and demand side management program managers.

Company-wide access to BEA comes with information such as:

- Automatic access to new and updated content about:
  - Facility-specific energy consumption and savings potential, efficiency and demand response strategies, case studies and examples
  - Facility and energy manager advice for improving equipment energy performance, and purchasing new equipment
  - Equipment options with links to manufacturers
  - Measure calculators
- Marketing copy that you can include in your newsletters
- Web traffic metrics of your BEA instance upon request

API data delivery from E Source allows you to pull the code for our content directly into your site. This enables you to:

- Style the content however you choose and have your development team maintain the appearance of the material
- Have your development team maintain the content on your site through regular API downloads of the most recent code updates
- Use your site's search capabilities to help customers find BEA content
- Have your development team segment the content by sector or technology as you prefer

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Low-Income Energy Issues Forum (LIEIF)

Includes benefits such as:

- Access to E Source LIEIF publications, research, past event recordings, and slides
- Access to data-rich proprietary market research on customer perceptions and behaviors for energy affordability-related customer and utility initiatives
- Access to the E Source Energy Affordability Program Database
- Opportunities for collaborative and multiclient research initiatives, including in-depth analysis, findings, and workshop or virtual reporting
- Participation in E Source LIEIF interactive member roundtables
- Participation in E Source LIEIF virtual events, including online exchanges and webinars (working group conversations and presentations)
- Invitations for up to three participants in the E Source LIEIF annual meeting

BatteryNext & Mobility

Includes benefits such as:

- Access to E Source EV Sales Forecast, our database of forecasts of automotive electric vehicle sales on a car-model by car-model basis. These forecasts are broken down by model, by manufacturer and by region
- Access to E Source market forecasts for other electric transportation applications including trucks, buses, marine, aviation, micromobility, and off-highway vehicles
- Access to reports on electric vehicle and EV battery market trends, and battery storage trends
- Access to all E Source Mobility Service publications, research, past event recordings, and slides
- Access to data-rich proprietary market research on customer and utility perceptions and behaviors for Mobility-related customer and utility initiatives
- Access to Transportation Electrification Insights, our proprietary database of utility transportation electrification plans and reported metrics
- Participation in E Source Mobility Service virtual events, including webinars and online exchanges (working group conversations and presentations)
- Invitations for up to two executive-level participants in the Mobility Leadership Council, E Source exclusive, vendor-free roundtable discussions for utility Mobility executives
- Participation in the annual E Source Forum
- Ask E Source privileges within the content area of this service

Total amount for E Source multi-year membership

MLGW Existing Memberships + BatteryNext & Mobility + Low Income Energy Issues Forum						
	Current Pricing	Multiyear Pricing				
Existing E Source Memberships	**MLGW 2025**	**MLGW 2026**	**MLGW 2027**	**MLGW 2028**	**MLGW 2029**	**MLGW 2030**
	1/1/2025-12/31/2025	1/1/2026-12/31/2026	1/1/2027-12/31/2027	1/1/2028-12/31/2028	1/1/2029-12/31/2029	1/1/2030-12/31/2030
E Source Annual Pricebook value		*$ 601,114*	*$ 646,500*	*$ 713,040*	*$ 786,510*	*$ 837,250*
Existing Membership Services		$ 272,708	$ 283,618	$ 294,963	$ 306,765	$ 327,035
Low Income Energy Isssues Forum		$ 18,500	$ 18,900	$ 19,300	$ 19,700	$ 20,000
BatteryNext & Mobility		$ 50,000	$ 57,000	$ 61,000	$ 64,000	$ 68,000
MLGW Annual Percentage Discount off E Source Pricebook (rounded)		43%	44%	47%	50%	50%
Total per year with Discount		*$ 341,208*	*$ 359,518*	*$ 375,263*	*$ 390,465*	*$ 415,035*
Annualized Amount	**$ 262,219**	**$ 376,298**	**$ 376,298**	**$ 376,298**	**$ 376,298**	**$ 376,298**
Invoiced by	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030

Technical support for E Source services and tools is provided during our hours of operation. Contact Customer Service at 1-800-ESOURCE (1-800-376-8723), 9:00 a.m. to 5:00 p.m. MT, if you experience problems. We provide service and tool operation with 99% availability.

By accepting E Source materials and services, the subscribing organization agrees to be bound by the terms and conditions stated above, any applicable License Agreement, and all other terms and conditions stated on the E Source website. All prices are given in US dollars and are considered confidential.

Reviewed and Recommended by:

DocuSigned by:
Becky Williamson
977D4A297E2E430...
9/4/2025

Agreed and Accepted by:

Signed by:
Adrienne Johnson
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9/4/2025

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MEMPHIS LIGHT, GAS AND WATER DIVISION

City of Memphis, Memphis, Tennessee

By: _____
Doug McGowen
President and Chief Executive Officer

Date: _____

Attest:

_____
Rodney Cleek
Vice-President, Chief Financial Officer
and Secretary-Treasurer

Approved:

_____
Geoffrey Lewis
Attorney
Board of Light, Gas and Water Commissioners

Intentionally Blank