

**MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS**

**ELECTRIC SERVICE
SCHEDULE MSA
MANUFACTURING POWER RATE - PART A**

AVAILABILITY

This rate shall apply to the firm electric power requirements where (a) a customer's currently effective contract demand is greater than 1,000 kW but not more than 5,000 kW, and (b) the major use of electricity is for activities conducted at the delivery point serving that customer which are classified with a 2-digit Standard Industrial Classification Code between 20 and 39, inclusive, or classified with 2002 North American Industry Classification System (NAICS) code 5181, or 2007 NAICS codes 5182, 522320, and 541214.

Prior to initially taking any service under this schedule, and from time to time thereafter as may be required by Division or the Tennessee Valley Authority (TVA), a customer shall certify to both Division and TVA that it meets the requirements set forth in condition (b) above. The certification form to be used shall be (i) furnished or approved by TVA, (ii) provided by Division to the customer, and (iii) signed and promptly returned by the customer to Division. Further, such customer shall promptly certify any change in the status of any of the information contained in the certification form to Division.

Service during any period for which a customer does not meet the eligibility requirements set forth in condition (b) above will be made available by Division under, and billed in accordance with, the applicable General Power schedule.

A customer may not be on this rate schedule and participate in any demand response program which is designated by TVA as inconsistent with service under this schedule. A customer may not be on this rate schedule and participate in TVA's Enhanced Growth Credit (EGC) Program unless it agrees to a modification of its EGC agreement to provide for the EGC credits to be capped according to applicable guidelines. A customer may not be on this rate schedule and participate in TVA's 5 Minute Response (5 MR) or 60 Minute Response (60 MR) Interruptible Programs unless it agrees to a modification of its 5 MR or 60 MR Agreement to provide for the 5 MR or 60 MR credits to be capped according to applicable guidelines.

Electricity supplied under this rate schedule is for the exclusive use of the Customer and shall not be resold or shared with others.

CHARACTER OF SERVICE

Alternating current, single-phase or three-phase, 60 hertz. Power shall be delivered at a transmission voltage of 161 KV or, if such transmission voltage is not available, at the highest voltage available in the vicinity, unless at the customer's request a lower standard voltage is agreed upon.

BASE CHARGES

	Summer	Winter	Transition
Service charge per delivery point per month:	\$425.00	\$425.00	\$425.00
Per kW coincident on-peak billing demand charge per month	\$9.35	\$8.28	\$8.28
Per kW maximum billing demand charge per month	\$8.89	\$8.57	\$8.57
Excess per kW charge per month by which billing demand exceeds contract demand:	\$18.24	\$16.85	\$16.85
On-peak per kWh energy charge:	\$0.08249	\$0.07026	\$0.06001
Off-peak per kWh energy charge:	\$0.05983	\$0.05996	\$0.06001

TENNESSEE VALLEY AUTHORITY FUEL COST AND PURCHASED POWER ADJUSTMENT RIDER

The above rates are subject to adjustment under the provisions of the Tennessee Valley Authority Fuel Cost and Purchased Power Adjustment Rider.

ADJUSTMENT

The base demand and energy charges shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, such charges shall be increased or decreased to correspond to increases or decreases determined by TVA in the value of the hydro generation benefit allocated to residential customers.)

DETERMINATION OF SEASONAL PERIODS

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

DETERMINATION OF ON-PEAK AND OFF-PEAK HOURS

Except for Saturdays and Sundays and the weekdays that are observed as Federal holidays for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, on-peak hours for each day shall be from 1 p.m. to 7 p.m. from April through October and from 4 a.m. to 10 a.m. during all remaining months. All other hours of each day that are not otherwise defined as on-peak hours and all hours of such excepted days shall be off-peak hours. Such times shall be Central Standard Time or Central Daylight Time, whichever is then in effect. Said on-peak and off-peak hours are subject to change by TVA. In the event TVA determines that such changed on-peak and off-peak hours are appropriate, it shall so notify Division at least 12 months prior to the effective date of such changed hours, and Division shall promptly notify customer.

Determination of Coincident On-Peak and Maximum Billing Demands and Energy Amounts

For purposes of applying the TOU Amounts of the base energy charges, the on-peak and off-peak kWh for any month shall be the energy amounts taken during the respective hours of the month designated under this rate schedule as on-peak and off-peak hours.

Division shall meter the coincident on-peak and maximum demands in kW of all customers taking service under this rate schedule. The coincident on-peak and maximum billing demand for any month shall be determined separately in accordance with this section.

The coincident on-peak billing demand for any month shall occur during the 60-consecutive-minute period (beginning on a clock hour) used by TVA to determine Division's Standard Service On-Peak Billing Demand on its wholesale power invoice for that month. The coincident on-peak billing demand shall be the highest average during a 30-consecutive-minute period of the load metered in kW, and, except as provided below in this section, such amount shall be used as the coincident on-peak billing demand.

The maximum billing demand for any month shall be the highest average during any 30-consecutive-minute period of the month of the load metered in kW and, except as provided below in this section, such amount shall be used as the maximum billing demand.

The coincident on-peak billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest coincident on-peak billing demand established during the preceding 12 months. The maximum billing demand for any month shall in no case be less than 30 percent of the higher of the currently effective contract demand or the highest maximum billing demand established during the preceding 12 months.

REACTIVE DEMAND CHARGES

If the reactive demand (in kVAR) is lagging during the 30-consecutive-minute period beginning or ending on a clock hour of the month in which the customer's highest metered demand occurs, there shall be added to the customer's bill a reactive charge of \$1.73 per kVAR of the amount, if any, by which the reactive demand exceeds 33 percent of such metered demand. If the reactive demand (in kVAR) is leading during the 30 consecutive minute period beginning or ending on a clock hour of the month in which the customer's lowest metered demand (excluding any metered demands which are less than 25 percent of the highest metered demand) occurs, there shall be added to the customer's bill a reactive charge of \$1.35 per kVAR of the amount of reactive demand. Such charges shall be in addition to all other charges under this rate schedule, including minimum bill charges.

MINIMUM MONTHLY BILL

The monthly bill under this rate schedule, excluding any reactive charges, shall not be less than the sum of (1) the base service charge, (2) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to coincident on-peak billing demand applied to the customer's coincident on-peak billing demand, (3) the portion of the base demand charge, as adjusted, (but excluding the additional portion thereof applicable to excess of billing demand over contract demand) applicable to maximum billing demand applied to the customer's maximum billing demand, and (4) the energy charge, as adjusted, applied to the customer's energy takings.

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

CONTRACT REQUIREMENT

Division shall require contracts for all service provided under this rate schedule and such contracts shall be for an initial term of at least 1 year. The customer shall contract for its maximum requirements, which shall not exceed the amount of power capable of being used by customer, and Division shall not be obligated to supply power in greater amount at any time than the customer's currently effective contract demand. If the customer uses any power other than that supplied by Division under this rate schedule, the contract may include other special provisions. The rate schedule in any power contract shall be subject to adjustment, modification, change, or replacement from time to time as provided under the power contract between Division and TVA.

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

PAYMENT

Above rates and charges are net. In the event that any bill is not paid on or before the delinquent date shown on bill, there shall be added to the bill an amount equal to 5 percent on the first \$250.00 of the bill plus one percent on any portion of the bill exceeding \$250.00; to any amount remaining unpaid 30 days after the delinquent date of the bill, there shall be added a penalty of one percent, and an additional one percent shall be added at the end of each successive 30-day period until the amount is paid in full.

SINGLE-POINT DELIVERY

The charges under this rate schedule are based upon the supply of service through a single delivery and metering point, and at a single voltage. If service is supplied to the same customer through more than one point of delivery or at different voltages, the supply of service at each delivery and metering point and at each different voltage shall be separately metered and billed.

Service is subject to Rules and Regulations of Division.