

## CITY COUNCIL RESOLUTION

**WHEREAS**, the Board of Light, Gas and Water Commissioners at meeting held May 3, 2007, approved payment of membership fee in the amount of \$44,546.00 to TVPPA GENCO.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Memphis, that payment in the amount of \$44,546.00 to TVPPA GENCO is approved as set forth in the foregoing preamble.

**EXCERPT**  
**from**  
**MINUTES OF MEETING**  
**of**  
**BOARD OF LIGHT, GAS AND WATER COMMISSIONERS**  
**CITY OF MEMPHIS**  
**held**  
**May 3, 2007**

\* \* \* \* \*

WHEREAS, Memphis Light, Gas & Water of the City of Memphis, Tennessee (herein “the Electric System”) is a member of the Tennessee Valley Public Power Association, Inc. (“TVPPA”); and

WHEREAS, TVPPA has been in discussions with the Tennessee Valley Authority (“TVA”) toward reaching an agreement for the purpose of negotiating arrangements for the distributors of TVA power to have an opportunity to acquire an equity ownership in some power generation facilities through amendments to the wholesale power contract with TVA; and

WHEREAS, TVPPA is in the process of creating and organizing a Generation and Transmission Cooperative (“TVPPA GENCO”) through which the TVPPA members may enter into a wholesale power supply contract with the TVPPA GENCO and in the process acquire an equity interest in the form of patronage capital in the TVPPA GENCO; and

WHEREAS, TVPPA is planning to remit the initial membership fee for the participating members to the TVPPA GENCO in behalf of the Electric System, such fee to be paid from a portion of an assessment the Electric System may pay to TVPPA; and

WHEREAS, maintaining membership in the TVPPA GENCO does not obligate the Electric System to enter into any future wholesale power contract with the TVPPA GENCO, and there is no prohibition that prevents the Electric System from withdrawing or terminating its

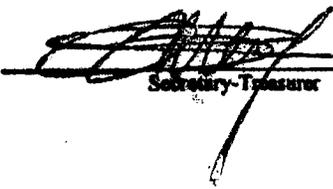
membership voluntarily in the TVPPA GENCO should it so decide before reaching agreement to enter into a wholesale power supply contract with the TVPPA GENCO:

NOW, THEREFORE, BE IT RESOLVED, that the President and Chief Executive Officer of the Electric System is authorized to agree for the Electric System to become a member of the TVPPA GENCO and be bound by the Bylaws of the TVPPA GENCO, and to remit the necessary funds in payment of an assessment equal to the Electric System's annual dues of TVPPA, in the amount of \$44,546.00, from which funds the initial membership fee will be contributed to the TVPPA GENCO, and with the remaining funds to be used for (a) the initial organizational expenses to create and organize the TVPPA GENCO; (b) to engage the necessary engineering and other consultants; and (c) payment of such other obligations as may be necessary or advisable to enter into one or more agreements for the acquisition and/or construction of ownership interest in electric power generation facilities by the TVPPA GENCO.

It was moved by Vice Chairman Evans, seconded by Commissioner Taylor

and unanimously carried that the request as outlined in the foregoing resolution is approved.

I hereby certify that the foregoing is a true copy of a resolution adopted by the Board of Light, Gas and Water Commissioners at a regular ~~special~~ meeting held on 3rd day of May, 2007, at which a quorum was present.

  
Secretary-Treasurer