



Memphis City Council Summary Sheet

Resolution approving the Temporary Pilot Time-of-Use Residential Rate for participants in MLGW's Smart Grid Demonstration and requesting the Memphis City Council to convene as a ratemaking body for the purpose of approving the Temporary Pilot Time-of-Use Residential Rate.

1. Describe item (Resolution, Ordinance, etc.)

This is a temporary, voluntary time-of-use residential pilot rate that requires rate making action by the City Council. This is a new rate option available for up to approximately 1,000 volunteers who are participating in MLGW's Smart Meter Pilot Project.

2. Identify initiating party (e.g., Public Works; at request of City Council, etc.)

MLGW requests the ratemaking authority of the City Council to enact this temporary rate action.

3. State whether this is a change to an existing ordinance or resolution, if applicable.

No change. This is a new rate option.

4. State whether this requires a new contract, or amends an existing contract, if applicable.

Not applicable.

5. State whether this requires an expenditure of funds/requires a budget amendment.

None.

RESOLUTION

WHEREAS, pursuant to Section 7 of Chapter 381 of the Private Acts of 1939, which amended the Charter of the City of Memphis, and which section was codified as City of Memphis Charter Section 680 (“Ratemaking Charter Provisions”), authority is granted to the governing body of the City of Memphis to convene as a Ratemaking Board to finally approve the offering of the Temporary Pilot Time-of-Use Residential Rate for Memphis Light, Gas and Water Division (“MLGW”); and

WHEREAS, the Board of Commissioners of MLGW has made application under said Ratemaking Charter Provisions and the City Charter for the Council to hold a public hearing at which time the Council will convene as a Ratemaking Board to consider approval by the Council of the offering of the Temporary Pilot Time-of-Use Residential Rate recommended by MLGW;

WHEREAS, the City Council, as authorized by the Ratemaking Charter Provisions, convened a public hearing as a Ratemaking Board for the purpose of considering approval of the Temporary Pilot Time-of-Use Residential Rate as proposed by MLGW;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis, properly convened and sitting as a Ratemaking Board pursuant to Ratemaking Charter Provisions and the Charter as a whole, that the rate application of the Memphis Light, Gas and Water Division consisting of correspondence, written statements and exhibits filed herewith and the resolution of the Board of Light, Gas and Water Commissioners recommending said temporary pilot rates (“MLGW Rate Application”) is hereby approved and the Temporary Pilot Time-of-Use Residential Rate is hereby approved.

EXCERPT
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS
CITY OF MEMPHIS
held
April 21, 2011

The President submitted for consideration of the Board a Temporary Pilot Time-of-Use Residential Rate under the terms of which participants in MLGW's Smart Grid Demonstration may voluntarily opt to be billed, during the period beginning 10/1/2011 and ending 09/30/2012. The Temporary Pilot Time-of-Use Residential Rate will be available only to those residential customers who are participants in MLGW's Smart Grid Demonstration and features "on-peak" and "off-peak" hours during the Summer and Winter billing months. Electricity prices are higher during on-peak hours and lower during off-peak hours as well as during Transition billing months. Saturdays and Sundays, as well as six designated Federal holidays, are considered off-peak during all billing months.

The Temporary Pilot Time-of-Use Residential Rate uses price signals to encourage conservation and load shifting from high-cost/high-demand periods to low-cost/low-demand periods. The customer's ability to respond determines the electricity cost savings. MLGW will offer educational tools to assist customers in evaluating the Temporary Pilot Time-of-Use Residential Rate opportunity and in tracking their electricity usage to encourage maximum benefits.

Customers who choose to elect the Temporary Pilot Time-of-Use Residential Rate option would sign a Voluntary agreement to participate for the entire term of 10/1/2011 through 9/30/2012.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Temporary Pilot Time-of-Use Residential Rate as outlined in the foregoing preamble, is hereby approved in substantially the form attached as Exhibit A hereto.

BE IT FURTHER RESOLVED THAT the Temporary Pilot Time-of-Use Residential Rate is recommended for approval by the Memphis City Council and the President is directed to submit the Temporary Pilot Time-of-Use Residential Rate to the Memphis City Council for approval as a part of the Smart Grid Demonstration project.

BE IT FURTHER RESOLVED THAT the Memphis City Council is hereby requested to convene as a ratemaking body for the purpose of approving the Temporary Pilot Time-of-Use Residential Rate.

BE IT FURTHER RESOLVED THAT the President is directed to cause to be published in a newspaper of general circulation in Shelby County, Tennessee a public notice of the intention of MLGW to seek approval from the Memphis City Council of the Temporary Pilot Time-of-Use Residential Rate at a ratemaking hearing to be convened for that purpose as determined by the City Council.

I hereby certify that this meeting was held on the 21st day of April, 2011, at which a quorum was present.

[Signature]
Acting Secretary-Treasurer

**EXHIBIT A
MEMPHIS LIGHT, GAS AND WATER DIVISION
CITY OF MEMPHIS
TEMPORARY PILOT TIME-OF-USE RESIDENTIAL RATE**

AVAILABILITY

This Temporary Pilot Time-of-Use Residential Electric Rate option shall be available only to customers participating in MLGW's Smart Grid Demonstration Project and for electric service to a single-family dwelling (including its appurtenances if served through the same meter), where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Electricity supplied under the Voluntary Time-of-Use Residential Electric Rate Agreement is for the exclusive use of the Customer and shall not be resold or shared with others.

CHARACTER OF SERVICE

Alternating current, single-phase, 60 hertz. Power shall be delivered at a service voltage available in the vicinity or agreed to by MLGW. Multi-phase service shall be supplied in accordance with MLGW's standard policy.

BASE CHARGES

Customer Charge: \$11.20 per month, less
Hydro Allocation Credit: \$1.60 per month

Energy Charge:

Summer On-Peak kWh per month	\$0.12800
Summer Off-Peak kWh per month	\$0.04385
Winter On-Peak kWh per month	\$0.07426
Winter Off-Peak kWh per month	\$0.04385
Transition kWh per month	\$0.04385

DETERMINATION OF SEASONAL PERIODS

Summer Period shall mean the June, July, August, and September calendar months. Winter Period shall mean the December, January, February, and March calendar months. Transition Period shall mean the April, May, October, and November calendar 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 (a) from 12 p.m. to 8 p.m. during the Summer Period and (b) from 4 a.m. to 10 a.m. during the Winter Period. All other hours of each day 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.

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 energy charge shall be increased or decreased in accordance with the current Adjustment Addendum published by TVA. (In addition, the base energy charge and the hydro allocation credit 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.)

MINIMUM MONTHLY BILL

The base customer charge, as reduced by the hydro allocation credit, constitutes the minimum monthly bill for the Customer unless the Customer is one for whom a higher minimum monthly bill is required under MLGW's standard policy because of special circumstances affecting MLGW's cost of rendering service.

Bills will be rendered monthly. Any amount of bill unpaid after due date specified on bill may be subject to additional charges under MLGW's standard policy.

SINGLE-POINT DELIVERY

The charges under the TOU Agreement are based upon the supply of service through a single delivery and metering point, and at a single voltage.

Service is subject to the Rules and Regulations of MLGW.