

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

GAS SERVICE

**SCHEDULE EDDR
ECONOMIC DEVELOPMENT DISCOUNT RIDER**

AVAILABILITY

This rate schedule rider is designed to encourage economic growth in the Memphis Area by offering economic incentives to attract new customers and to encourage existing commercial and industrial customers to expand. Customers receive these incentives in the form of discounts to their individual bills based on the amount of load added to MLGW's gas system and the length of the contract term. This rate schedule rider applies to customers served under the G-8 & G-9, G-10 & G-12, and FT-1 Rate Schedules that are not receiving other discounts or incentives from the Division.

A customer qualifies as a New Customer for purposes of the discounts if the customer (1) either initiates operations at an entirely new facility through a new delivery point or restarts an existing facility with no current contract demand which has been shut down for a period of at least 12 consecutive months prior to such restart, and (2) enters into an agreement for gas service which includes a Daily Contract Demand of not less than 2500 Ccf/day, and (3) enters into an Economic Development Discount Supplemental Agreement. Except for a restart customer under (1) above, no customer replacing or renewing its Agreement for Gas Service shall qualify as a New Customer.

An existing customer qualifies as an Expansion Customer for purposes of the discounts if the customer (1) revises its agreement for gas service such that the Daily Contract Demand is increased above the higher of the existing Daily Contract Demand or the maximum Daily Demand established during the preceding 12 months by at least 2500 Ccf/day, and (2) enters into an Economic Development Discount Supplemental Agreement. Increasing Daily Contract Demand due solely to combination of existing delivery points will not qualify a customer for discounts.

MONTHLY DISCOUNTS

For a New Customer, the monthly discount shall be applied to all gas throughput in the billing period. For an Expansion Customer, the monthly discount shall be applied to all gas throughput in the billing period which exceeds the maximum monthly volume occurring in the reference period. The reference period is defined as the twelve (12) months proceeding the month in which an Economic Development Discount Supplemental Agreement is executed between the Customer and MLGW. Published rate schedule charges for gas consumption or transportation shall be discounted by the amounts in the following table:

	<u>Contract Term</u>	<u>New Customer Discount</u>	<u>Expansion Customer Discount</u>
G-8 & G-9	Three Years	\$0.005/Ccf	\$0.005/Ccf
G-10 & G-12	Three Years	\$0.005/Ccf	\$0.005/Ccf
FT-1	Three Years	\$0.005/Ccf	\$0.005/Ccf

MINIMUM BILL

For customers served under the G-8 & G-9, G-10 & G-12 rate schedules, the minimum monthly bill shall be as set forth in the respective rate schedule. For customers served under the FT-1 rate schedule, the minimum monthly bill as stated in the FT-1 rate schedule shall not apply. Instead, the minimum monthly bill shall be as stated in the FT-1 Gas Transportation Service Agreement. Minimum bills shall apply for the term of the Economic Development Discount Supplemental Agreement. Division may require higher minimum bills than those stated above.

CONTRACT REQUIREMENT

Customers taking service under this rate schedule rider shall be required to execute an Economic Development Discount Supplemental Agreement for a period of not less than three (3) years, and shall be required to execute a written Agreement for Gas Service of the same term length as the Economic Development Discount Supplemental Agreement, unless otherwise agreed to by the Customer and MLGW.

RULES AND REGULATIONS

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