



### MLGW Quick Facts

- MLGW cannot speak for xAi, the Greater Memphis Chamber of Commerce, the City of Memphis, the Division of Planning and Development, the Economic Development Growth Engine of Memphis and Shelby County, or the Shelby County Health Department.
- MLGW was established for the purpose, and tasked with the responsibility, of providing utilities in Shelby County and is the sole utility provider of natural gas and electricity in the county, and the sole provider of water service for Memphis and Unincorporated Shelby County. Our community chose in 1939 to invest in a public utility to serve our needs, rather than private utilities. Because we are a public utility, we are bound by regulation and law to follow a certain set of protocols relative to the provision of services.
- By law, MLGW cannot withhold or refuse service which can reasonably be demanded and furnished.
- While MLGW is tasked with the duty to provide and maintain services that are safe, proper and adequate, we can (and do) have requirements for new connections so as not to reduce the reliability of the Bulk Electric System (BES) and to ensure that public safety is maintained. However, our service conditions cannot be unjust, unreasonable, unduly preferential or discriminatory.
- Under the TVA Act and our contract with TVA, our contract with TVA can be declared void if they determine we engaged in discriminatory practices regarding electrical services (and rates). In other words, TVA can cancel the contract and stop providing MLGW with power if we engage in discriminatory practices.
- An increase in demand for electric services does not directly relate to a change in the day-to-day reliability of the electric distribution system. It will add to the overall amount of energy that must be generated by our supplier to meet demand.
  - Consistent with standard operating practice, MLGW conducted an electric system impact study to determine if adding this demand to our local distribution system would cause any adverse impacts to reliability for existing customers. MLGW identified the need to upgrade a single transmission line servicing the facility. That upgrade must be completed before the customer can be served with 150MW of peak power, and when that upgrade is completed, there will be no impact to existing customers served by MLGW's electric distribution system.
  - Consistent with standard operating practice, TVA is conducting a system impact study for generation and transmission to determine if there will be any impacts to TVA's ability to provide sufficient power to serve this new customer, without impacting availability for existing customers. MLGW has conveyed the expectation to the company that participation in the TVA Demand Response program is the way that any impacts to existing customers can be avoided from a power supply perspective. Coordination between the company and TVA is ongoing.
- MLGW assessed the availability and capacity of natural gas and water to serve this facility's stated needs, and MLGW can serve those needs without impacting existing customers' natural gas and water service.
- MLGW and xAI have executed four (4) standard electric service agreements, one water service and one gas service agreement, as well as a Firm Transmission agreement for use of MLGW's gas pipeline.