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April 5, 2000

Via Hand-Delivery

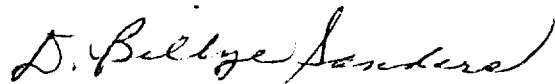
K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37219

Re: Application of Memphis Networx, LLC for a Certificate of Public Convenience and Necessity to Provide Intrastate Telecommunication Services and Joint Petition of Memphis Light Gas & Water Division, a Division of the City of Memphis, Tennessee ("MLGW") and A&L Networks-Tennessee, LLC ("A&L") for Approval for Agreement Between MLGW and A&L regarding Joint Ownership of Memphis Networx, LLC; Docket No.99-00909 – Responses to Second Set of Staff Data Requests

Dear Mr. Waddell:

Enclosed you will find the original and thirteen (13) copies of the responses to the Staff Data Requests dated March 23, 2000.

Sincerely,



D. Billye Sanders

DBS:np
Enclosures

cc: Parties of Record
John Knox Walkup, Esq.
J. Maxwell Williams, Esq.
Ward Huddleston, Esq.

POSTED
4-6-00

RESPONSE TO DATA REQUEST

ON BEHALF OF MLGW AND MEMPHIS NETWORKX, LLC

1. Please provide a cost allocation manual. This manual should outline specific and detailed methods and procedures for determining and allocating any and all past, present and future costs from MLGW to Memphis Networkx. Please refer to Request Nos. 2, 4 and 14 in the response of Memphis Networkx, LLC, MLGW and A&L to data requests of the Tennessee Cable Telecommunications Association, which is a general overview of allocation methods and is not suitable for our purposes. Additionally, these specific responses and appendices refer specifically to the electric, gas and water divisions. The Tennessee Regulatory Authority needs to review a cost allocation manual which includes specific cost allocations methods and procedures in place for Memphis Networkx and MLGW and should include examples of how cost allocations are calculated.

RESPONSE:

See attached cost allocation manual of MLGW.

2. Will MLGW provide to the Tennessee Regulatory Authority a separate annual audit opinion from their independent auditors for cost allocation compliance purposes?

RESPONSE:

MLGW has some question about the type of audit opinion that is requested. However, MLGW will work with its independent auditors and the TRA staff to determine the type of audit that will be in compliance with the TRA's requests and concerns. MLGW will provide a copy of the annual audit that it currently obtained.

3. Please provide a list and copy of all agreements between MLGW and any Incumbent Local Exchange Carrier and/or Competitive Local Exchange Carrier, other than those provided in the response of Memphis Networkx, LLC, MLGW and A&L to data Request No. 12 of the Tennessee Cable Telecommunications Association, appendix 12.

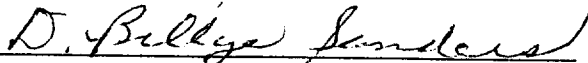
RESPONSE:

1. Contract number 10663 - Fiber Optics Agreement between MLGW and Hyperion Communications of Tennessee, L.P.
2. Contract number 10362 - Route Specific Pole Attachment and Master Conduit Occupancy Agreement between MLGW and MCImetro Access Transmission Services, Inc.
3. Contract number 1138 - Fiber Optics Agreement between MLGW and City Signal, Inc.
4. Contract number 10445 - Route Specific Conduit Occupancy Agreement between MLGW and WorldCom Network Services, Inc.
5. Contract number 7993 - Joint Points, Conduit and Trench Use with Memphis CATV, Inc.

MLGW has not included in this response contracts with cellular companies that might also provide competitive local exchange carrier services, but only contract for use MLGW's facilities for cellular services.

CERTIFICATE OF SERVICE

I, D. Billye Sanders, hereby certify that on this 5th day of April, 2000, a true and correct copy of the foregoing was delivered by hand delivery, facsimile or U.S. Mail postage pre-paid to the Counsel of Record listed below.


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Attorney for the International
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MLGW

Cost

Allocation

Manual



**CHARGE CODE
DISTRIBUTION POLICY**

2

**CHARGE CODE
DISTRIBUTION ALLOCATION**

3

**ADMINISTRATION AND GENERAL
EXPENSE ALLOCATION FACTOR**

4

**INTERDEPARTMENTAL
RENT STUDY**

5

JOB ORDER PROCEDURES

6

**ADMINISTRATIVE AND GENERAL
OVERHEAD**

7

**ALLOCATION OF ELEC. DIV. EXP.
TO TELECOM DIV. IN 1999**

8

**ELECTRIC DIVISION
LOAN TO TELECON**

9

10

Introduction

The following comments are offered as explanation to the Authority on the business structure and relationship between Memphis Light, Gas and Water Division (MLGW) and Memphis Networkx, LLC.

MLGW's Electric Division has shared with A&L Networks-Tennessee, LLC (A&L) Prior Costs and Subsequent Costs as defined in the Agreement dated November 8, 1999 between MLGW and A&L (the "Umbrella Agreement"). These expenses will be reimbursed to the MLGW Electric Division by the MLGW Telecommunications Division upon receipt of TRA approval of the application and joint petition. The creation of Memphis Networkx as a separate limited liability company is the best protection that MLGW could offer against inadvertent cross-subsidization that might occur if the telecommunications effort were to be internal to MLGW. Memphis Networkx has its own professional staff, including a Chief Manager, Chief Financial Officer, Office Manager, Office staff, and a compliment of engineers. Memphis Networkx has its own accounting system, pays its own bills (except that MLGW and A&L have paid Prior Costs and some Subsequent Costs that have been or will be reimbursed) and payrolls, signs contracts in its name, and has just received an unqualified audit opinion from Ernst and Young. Involvement by MLGW personnel has been in the role of evaluating the potential investment into the LLC and managing the ongoing interest of MLGW as a member.

This is our Charge Code Distribution Policy as it pertains to the separation of charges among the three utility divisions of Memphis Light, Gas and Water.

Purpose

- ◆ Examine the MLGW Accounting Policy for allocating costs to the three divisions and continue to ensure:
 - Results of operations and changes in financial position of each division are presented fairly and consistently from year to year
 - Cost allocation methods are utilized consistently throughout the Division
 - Adherence to the regulations of:
 - GAAP FERC GASB
 - FASB NARUC

Purpose

(cont'd)

- ◆ Review the existing charge code conversions and recommend changes, *if necessary*, to conform with the revised Accounting Policy
- ◆ Review Mission 2000 account re-distribution requests and make final determination based on policy developed
- ◆ Document the revised MLGW accounting policy and guidelines for handling exceptions

Policy & Guidelines

- ◆ Costs must be allocated to the three divisions in a manner which ensures:
 - Results of operations and changes in financial position of each division are presented fairly and consistently from year to year
 - Allocation methods are reasonable and cost effective to maintain
 - Reasonable number of split formulas
 - Significant dollars are impacted by the split (5% or greater impact)

Policy & Guidelines

(cont'd)

- Adherence to GAAP, FASB, GASB, FERC, & NARUC regulations
- ◆ Charge codes in a supervisor's area will be split to the three divisions based on the function of the area (not based on individual employee activities)
- ◆ Manager area charge codes will be on an A&G split, or, if practical and material, on a pro-rata basis based on the functions of the supervisor areas in the department

Policy & Guidelines

(cont'd)

- ◆ Charge codes for the areas of Vice-Presidents and above will be distributed on the A&G split
- ◆ Contracted services for the exclusive benefit of a particular division will be charged direct to the appropriate division. Contracts which supplement the normal functions of an area will be allocated to the three divisions based on the function of the area

Policy & Guidelines

(cont'd)

- ◆ The Stores Clearing Account will only include expenses which are directly attributable to the facilities and employees the storerooms

- Costs Included:
 - Employee labor and benefits
 - Insurance and Utilities of storeroom buildings
 - Lost and unaccounted for inventory
 - etc.
- Costs Not Included:
 - Purchasing/Contracts Management
 - Accounting
 - Information Services
 - etc.

Policy & Guidelines

(cont'd)

◆ The Transportation Clearing Accounts will accumulate all costs of owning, using and maintaining vehicles and equipment

— Costs Included:

- Transportation labor and benefits
- Insurance and Utilities buildings
- Depreciation, interest and taxes on vehicles and equipment
- etc.

— Costs Not Included:

- Purchasing/Contracts Management
- Accounting
- Information Services
- etc.

Policy & Guidelines

(cont'd)

- ◆ Rental of commonly used facilities and property will consist of depreciation, interest, and in-lieu-of-tax payments only
- ◆ Expenses related to commonly used facilities and property will be allocated to the three divisions as incurred (property insurance, utilities, housekeeping, security, building maintenance, etc.)
- ◆ Supervisors may not enter changes to the fixed time distribution of their employees. Requests for changes will be coordinated by Budget, Plant & Rates

Policy & Guidelines

(cont'd)

- ◆ Exceptions to area splits will be considered if:
 - The activity is outside the normal area function (ice storm)
 - There is a need to collect specific costs for reimbursement (claims, job orders)
 - There is a material financial impact

Policy & Guidelines

(cont'd)

- ◆ Area personnel are expected to use correct charge codes for functions performed, and should not manipulate the cost allocation process by using improper charge codes
- ◆ Budget, Plant and Rates will be responsible for routine maintenance of charge code allocations based upon the MLGW Accounting Policy
- ◆ The General Auditor, and the Managers of General Accounting, and Budget, Plant & Rates will review the MLGW Accounting Policy at least every five years

Actions Taken

- ◆ Examined and revised the MLGW Accounting Policy for allocating costs to the three divisions
- ◆ Assigned allocation methods to each area based on area function
- ◆ Eliminated charge codes not used in 24 months
- ◆ Reviewed charge code distributions and MISSION 2000 requests for each area
- ◆ Made changes as necessary to area charge code conversions to comply with Policy

Standard Allocation Methods

- ◆ Customer 43%-E 32%-G 25%-W
- ◆ Customer Service 43%-E 39%-G 18%-W
- ◆ Commercial Customer 49%-E 26%-G 25%-W
- ◆ Administrative & General 57%-E 27%-G 16%-W
- ◆ Regular Payroll \$ 51.6%-E 25.6%-G 17.0%-W
2.1%-St 3.7%-Tr

Standard Allocation Methods

(con't)

- ◆ Const. & Maintenance 62%-E 22%-G 16%-W
- ◆ C&M Gas Distribution 15%-E 85%-G 0%-W
- ◆ C&M Water Distribution 2.5%-E 5.5%-G 92%-W
- ◆ Custom Splits Used Only in Rare Circumstances

Examples

ELECTRIC ENGINEERING

◆ ALLOCATE ALL COSTS 100% TO ELECTRIC DIVISION

- Labor
- Accrued Vacation
- Military Leave
- United Way
- Office Expenses
- etc....

Examples

SYSTEM OPERATIONS

- ◆ Manager's Office - Customer Split
- ◆ Systems Control, Electric - 100% Electric
- ◆ Systems Control, Gas & Wtr - 56% Gas 44% Water*

* Pro-rata Gas & Water portion of Customer Split

Allocation of Common Cost

Costs that are common to two or more Divisions are allocated to the respective Division through the General Ledger System. The system has preset percentages to each Division for several thousand charge codes through which all expenditures must pass; i.e.,

<u>Charge Code</u>	<u>Electric</u>	<u>Gas</u>	<u>Water</u>
Office and Clerical Labor in the Budget Department	57%	27%	16%

The percentages are determined by one of several allocation methods based on number of customers, revenues, or customized formulae. The allocation methods are updated periodically.

A fourth allocation to Telecom has been added and a percentage assigned for several employees' labor and for disbursements. The percentage can, of course, be 100% to a Division, if appropriate.

DIALOG: ISD1005 FIXED TIME CHARGE CODES DATE: 04/04/00
POSITION NUMBER: 00751 LAST MODIFIED BY:
DATE:
TIME:

TYPE, JOB CODE & TITLE: PERM XX893 ADMIN.ASST., EXEC. OFFICE
STATUS: FILLED 46390 RADICIONI, SHERYL
AREA: 500000 SR. VP-OPERATION

EFFECTIVE DATE: 04/04/00 TIME REPORTING CODE: E
DAILY - (P) FIXED TIME - (E)
CHARGE CODE PERCENTAGE DESCRIPTION
1. 0119 95.00 OFFICE/CLERICAL LABOR-O&M-ADMN
2. 5490 5.00 TELECOMMUNICATIONS
3.
4.
5.
6.
7.
8.
9.

PF1=RESTART PF2=CANCEL PF6=POSN INQUIRY BY AR
EFF DATE !! NEED TO BE GREATER THAN OR EQUAL TO CUR DATE
TRANS: 005 POSITION NUMBER: 00751 ORGANIZATION ID:

Administrative and General Expense Allocation Factor

The A&G split is actually a composite allocator based on four other cost allocators. The A&G split is calculated by taking all common O&M expenses for MLGW and assigning them to one of four categories. These categories are Labor Related, Customer Related, Plant Related, and Miscellaneous (Common). In the A&G calculation, a unique cost allocation to each division is used for expenses in each category. Labor Related expenses are allocated based on each division's direct labor costs compared to total direct labor costs; Customer Related expenses are allocated based on each division's number of customers compared to total customers; Plant Related expenses are allocated based on each division's Gross Plant compared to Total Gross Plant; and Miscellaneous expenses are allocated based on each division's margin compared to total margin. After all expenses in each category have been allocated to the appropriate division, the total charged to each division is then summed. Each division's total compared to total common expenses becomes that division's portion of the A&G split.

At this time, this will not be a vehicle for allocating costs to the Telecom Division as these costs are identified specifically. In the future, if the costs and number of employees become large enough to be too cumbersome to capture costs directly, we can revise the percentage allocation to include the Telecom Division using this method.

Analysis of Charges using A&G Split

Year Ending December, 1993

		Charge Code			
<u>Group</u>		<u>Total</u>	<u>Electric</u>	<u>Gas</u>	<u>Water</u>
Labor Related :	Adj. Labor Allocator		57.17%	27.32%	15.51%
	Group Total	33,801,005	19,323,208	9,234,716	5,243,081
Common :	Margin Allocator		58.10%	27.25%	14.65%
	Group Total	6,945,500	4,035,350	1,892,736	1,017,414
Customer Related :	Avg. Cust. Allocator		43.43%	31.45%	25.13%
	Group Total	2,589,507	1,124,587	814,279	650,642
Plant Related :	Direct Plant Allocator		63.11%	17.87%	19.02%
	Group Total	4,101,521	2,588,289	733,070	780,161
Total		47,437,533	27,071,434	12,674,801	7,691,298
Calculated A&G Split			57.07%	26.72%	16.21%
Actual A&G Split			61.00%	24.00%	15.00%
93 Charges Using Actual A&G Split		48,451,442	29,466,530	11,719,408	7,265,504
93 Charges If Calc. A&G Split Used		48,451,442	27,650,047	12,945,707	7,855,688
Difference		0	(1,816,483)	1,226,299	590,184

Adjusted Labor Allocator

	Total Labor	Less: A&G Labor	Less: Store & Trans Pool Labor	Adjusted Labor	%
Electric	\$63,297,386	\$14,734,225	\$6,164,570	\$42,398,591	57.17%
Gas	\$25,827,224	\$5,564,598	\$0	\$20,262,626	27.32%
Water	<u>\$15,135,512</u>	<u>\$3,631,251</u>	<u>\$0</u>	<u>\$11,504,261</u>	<u>15.51%</u>
Total	\$104,260,122	\$23,930,074	\$6,164,570	\$74,165,478	100.00%

(1) CC Splits 100% E,G, or W

Margin Allocator

	Sales Rev	Power/Gas	Margin	%
Electric	657,587,408	520,227,483	137,359,925	58.10%
Gas	185,417,041	120,989,891	64,427,150	27.25%
Water	<u>42,750,984</u>	<u>8,119,059</u>	<u>34,631,925</u>	<u>14.65%</u>
Total	885,755,433	649,336,433	236,419,000	100.00%

Average Customer Allocator

	Customers	%
Electric	369,147	43.43%
Gas	267,288	31.45%
Water	<u>213,574</u>	<u>25.13%</u>
Total	850,009	100.00%

Direct Plant Allocator

	Gross Plant	Less: General Plant	Less: Common Plant
Electric	750,587,368	40,970,801	10,192,896
Gas	264,677,854	39,739,179	24,564,800
Water	<u>232,778,721</u>	<u>25,875,461</u>	<u>0</u>
Total	1,248,043,943	106,585,441	34,757,696
	Add: Contributions	Adjusted Gross Plant	%
Electric	26,119,814	725,543,485	63.11%
Gas	5,118,804	205,492,679	17.87%
Water	<u>11,789,845</u>	<u>218,693,105</u>	<u>19.02%</u>
Total	43,028,463	1,149,729,269	100.00%

Estimated Impact on Projected Year-end Cash Balances

1993 Calculated Reallocation

Electric	(\$1,816,483)
Gas	\$1,226,299
Water	\$590,184
Inflation Adjustment	3.00%

	1995	1996	1997	1998	1999
<u>Electric</u>					
Current Forecasts	\$18,032,000	\$21,099,000	\$17,157,000	\$32,815,000	\$19,243,000
Adjusted	\$19,959,107	\$23,083,920	\$19,201,468	\$34,920,802	\$21,411,976
Difference	\$1,927,107	\$1,984,920	\$2,044,468	\$2,105,802	\$2,168,976

	1995	1996	1997	1998	1999
<u>Gas</u>					
Current Forecasts	\$37,520,000	\$15,803,000	\$8,969,000	\$7,957,000	\$6,145,000
Adjusted	\$36,219,020	\$14,462,990	\$7,588,790	\$6,535,384	\$4,680,735
Difference	(\$1,300,980)	(\$1,340,010)	(\$1,380,210)	(\$1,421,616)	(\$1,464,265)

	1995	1996	1997	1998	1999
<u>Water</u>					
Current Forecasts	\$21,661,000	\$23,220,000	\$17,926,000	\$12,153,000	\$16,176,000
Adjusted	\$21,034,873	\$22,575,090	\$17,261,742	\$11,468,815	\$15,471,289
Difference	(\$626,127)	(\$644,910)	(\$664,258)	(\$684,185)	(\$704,711)

Review of Annual Net Income

<u>Net Income after Extraordinary Item/Dividends</u>	<u>Electric</u>	<u>Gas</u>	<u>Water</u>
1992	\$4,223,649	\$11,550,597	\$427,872
1993	\$15,703,826	\$16,596,335	\$6,310,402
1994 Budget	\$22,316,000	\$10,870,000	\$6,090,000

Labor Related

102	Accrued Vacation - Exp	1,104,108
118	Supervision/Admin - O&M	3,166,388
119	Office/Clerical Labor - O&M	1,642,143
121	Office Expense	32,310
126	Train Employee-Dept Operations	80,217
128	Attend Meetings	68,590
135	Office Supplies	209,359
136	Motor Pool Use	78,934
160	Misc General Expense	33,896
402	Absent-Bonus Day Taken	153,064
403	Absent-Sick Leave Taken	291,127
408	Absent - Holiday	768,869
415	Absent-Holiday (Birthday)	60,354
431	Pynt-Bonus Day Sold	49,054
432	Pynt-Bonus Day Expired	32,749
434	Pynt-Accident-Occ	82,299
446	Pynt-Car Allowance	265,939
611	Management by Walking Around	38,518
675	Conduct-Labor Relation Funct	201,780
705	Travel Exp	354,775
708	In-house Consultant Training	20,028
709	Local Seminars - Memphis	57,457
795	Mail Distribution	26,298
798	Contracted Serv-Mail Dist	112,019
1051	Spec Admin Projects	233,277
1052	Affirmative Action Program	50,963
1054	Admin-Selection & Placement	146,909
1058	Recruit-intv-test new empl	68,175
1059	Educational Reimbursements	102,081
1061	Formulating Job Descriptions	53,069
1067	Compensation Admin Paperwork	20,244
1068	Employment Section Paperwork	178,927
1072	Guidance & Counseling Prog	79,427
1084	Instruct-Div Training Prog	138,392
1086	Total Quality Training	75,925
1112	Training Program -T&D	191,957
114	Coordinate Div Trainig Prog	172,703
1115	Mat Needed - Train Emps	53,004
1116	Contracted Training Fees	53,269
1168	Cond Safe Prog.-Central Shops	26,996
1171	Cond Safe Prog.-Bldg. Mgmt	16,063
1172	Cond Safe Prog.-Trans	15,401
1177	Cond Safe Prog.-Cust Serv	16,063
1181	Purch & Pro Hard Hats-Eye G	50,159
1190	Purch & Proc Safe Shoe	19,954
1200	Quality Training/Assessment	20,968
1252	Assessment Center	34,117
1253	Employee Testing	28,325
3445	Contract Doc & Spec	77,585
3447	Policy & Procedure Writing	58,298
3502	Reliability&Testing Prog Dev	59,709
4140	Proc-Main Payroll Records	93,303
4306	Admin Empl. Group Ins Prog	167,917
4311	Life Insurance Conv.	149,661
4313	Medical-Self-Funded	15,558,656
4314	Life Insurance Premium	978,098
4315	St Sal Cont Self-funded	250,417
4316	Ltd Salary Cont.	135,151
4326	Pre-Employment Physical	30,469
4327	Med Svc Result of Occu Injr	80,606
4350	Admin Emp Pension Prog	66,945
4440	Invest Pension Funds	70,834
5001	Insur Reserve-Retiree Insur BF	5,246,713
<hr/>		
Total Labor		33,801,005

Common (Margin Allocator)

100	Work Simplification Program	227,335
129	Subscriptions to Periodicals	54,877
130	Membership Dues-assns-clubs	220,945
137	Office Equipment Rental	357,190
139	Office Equipment Maintenance	294,794
194	MGMT Support System	46,816
196	Contract Services	287,110
200	Outside Svc-Other Professional	453,762
201	Outside Svc -Temp Empls	137,134
610	Commissioners Salary	22,962
620	Disparity Study	34,438
633	Outside Services -Legal - Commo	240,138
701	Internal Auditing	256,726
706	Outside Serv. - Fin Audit	68,000
741	Connection	60,063
1110	Audio Visual Production	62,058
1441	Maintng Records For Reports	38,719
2220	Mnt. of Base Station Eq	29,092
2222	Mnt. Rad Eq Inc Trans	19,210
2305	Maint. Of CRT Terminals	73,751
2309	Maintain Character Printers	15,662
2312	Maintain SCADA Remotes	117,696
2315	Maintain SCADA Computer	15,545
2317	Loc Leaks & Rep Telep Cable	16,306
3640	Div Watchman/Security Service	361,162
3643	Contract Security Service	883,585
3909	Maint. of Personal Computers	47,627
3912	Programming -MSS	932,794
3918	MSS-Planning & Trouble	79,668
3919	Programming -PCs	110,907
3945	Microfilming	144,983
3947	Microfilm Aperture Cards	29,010
3961	Telephone Operators	37,215
3979	Purchase PC Software	154,127
00	Investing Div Funds	43,576
1104	Bank Services	69,566
4170	General Accounting	565,511
4230	Prepare Budget	36,663
4321	Comp Comm Official Bonds	34,052
4328	Legal Assis For Gen Counsel	211,024
4352	Outside Service-Bank Custody	33,835
4441	Prepare Anal Reports	19,666

Total Margin 6,945,500

Customer Related

190	Collecting - Garbage Fees	39,446
191	Collecting - Sewer Charges	40,186
285	Corporate Outreach	32,989
690	Industrial Development	200,442
692	Outside Advertising	120,000
791	Printing & Binding Forms	502,376
796	Office Forms	310,021
1503	Dues for Tenn 1 Call Sys	56,073
1704	Misc Reproduction	67,891
1837	Proc/Maint Rec-EGW Service	146,369
1938	Environmental Eng. Studies	30,742
3531	Indust Engr Projects	162,316
4238	Rates Anal & Inquires	37,556
4325	Handle Dam Claims	629,146
4700	Collect Misc A/R	25,392
4761	Prepare & Display	42,477
4762	Conduct Adult Programs	37,114
4763	Conduct School Programs	26,261
4768	Comm. Relations Projects	18,860
9	Energy Loan Maint.	19,481
4181	Estimate Proposed Jobs	44,369

Total Customers 2,589,507

Plant Related

184	Fab & Repair Ofc Fur & Fix	88,182
'91	Rents & Utilities	15,000
,23	Maint. of Capable Units	59,660
3539	Eval of Materials & Tools	20,566
3645	Misc Oper Exp - Buildings	25,985
3646	Maintain Heat & Vent Equipment	196,396
3647	Maintain Air Conditioning	162,542
3648	Maintain Plum Drain	133,575
3649	Carpentry & Fab in Bldg	114,928
3650	Repairing Floors	36,096
3651	Masonry & Fab ib Bld	35,246
3652	Maintain Light & Wiring	315,015
3653	Maintain Painting	270,530
3654	Maint. of Elec Doors	62,217
3657	Janitors-Porters-Maids	802,790
3658	Maint. Drives/Sidewalks/Bld	49,755
3660	Maint. Tools	68,843
3661	Maint. Fencing	35,810
3663	Outside Svcs Trash Pickup	90,505
3665	Cut Grass	627,015
3671	Spraying Chemical on Trees	35,335
3672	Rake-Haul Leaves & Trash	184,329
3674	Maint. Roof Gut	23,759
3675	Sewer Charge	20,295
3679	Outside Service Cleaning	568,277
3687	Unplanned Office Recon	29,042
9579	Repair Wrecked Equip	29,828
		<hr/>
Total Capital		4,101,521
Grand Total		47,437,533

Interdepartmental Rents

The purpose of interdepartmental rents is to allocate the costs of jointly used assets across the benefitting utility divisions. The basis for the building cost allocations is a combination of square feet and the administrative and general (A & G) split. Other jointly used equipment: communication, radio, laboratory, stores, office furniture and equipment, computers, and tools and garage equipment are allocated on the A & G split.

Costs included in the interdepartmental rents are depreciation, taxes and cost of capital. Other associated operation and maintenance costs: utility cost, guard service, ground maintenance, etc. are allocated as incurred.

During 1999, we allocated a small percentage to the Telecom Division for office space and equipment used by MLGW employees who were directly involved with Telecom Division matters. This will continue. Memphis Networkx does not use any of these facilities owned by MLGW.

USE OF SPACE REPORT

DATE: 01/01/01 BY: J. J. JONES

ROOM NO.	ROOM NAME	AREA (SQ. FT.)	ALLOD EXIST	USAGE ELECTRIC (SQ. FT.)	USAGE GAS (SQ. FT.)	USAGE WATER (SQ. FT.)	USAGE H & S (SQ. FT.)	USAGE TRANS. (SQ. FT.)
101	RECEIVING DESK	500.00		600.00	120.00	550.00		300.00
102	RECEIVING DESK	500.00						
103	RECEIVING DESK	500.00						
104	RECEIVING DESK	500.00						
105	RECEIVING DESK	500.00						
106	RECEIVING DESK	500.00						
107	RECEIVING DESK	500.00						
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200	RECEIVING DESK	500.00						

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SHALICE AND COMPANY
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[illegible]

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INTERDEPARTMENTAL REVENUE
OFFICE BUILDING MAINTENANCE EXPENSE DETAIL

BUILDING	QTR	ALLOC	USAGE ELECTRIC	USAGE GAS	USAGE WATER	USAGE EXPENSE N & S	USAGE EXPENSE TRANSF.	TOTAL
SEAL ST. LTD. E	A & B		23567.87	92717.85	57948.66			366324.38
TRAINING CENTER E	A & B		8650.76	3405.58	2127.24			14181.58
ELECTRIC DRG. E	A & B		17922.82	50330.29	31456.43			209709.54
CTL. SH. & FND. E	SO. FT		111941.03	2218.34	1023.85		55458.57	170641.81
S&TY SER. E	A & B		9240.57	3674.98	2298.86			15312.41
RENE ST. LTD. G	A & B		42645.79	16778.67	10486.67			69711.13
ADMIN. - OFFICE G	SO. FT/ALG		379341.10	149341.37	93384.86	14137.55	107597.22	744102.50
CREDIT UNION G	A & B		19435.20	4105.65	2566.03			17106.88
GAS SVC LAND G	A & B		31561.93	12417.81	7761.13			51740.86
BLDG #1 G	ACTUAL		36779.53					36779.53
BLDG #2 G	ACTUAL					18379.99		18379.99
BLDG #3 G	ACTUAL					7664.67		7664.67
BLDG #5 G	ACTUAL			37450.98				37450.98
BLDG #5 G	ACTUAL					13691.08		13691.08
BLDG #7 G	ACTUAL					6347.52		6347.52
BLDG #8 G	SO. FT		6243.53	49789.37	1239.17	31773.69	69822.68	158868.44
BLDG #8 G	ACTUAL				8882.25			8882.25
BLDG #10 / RADIO G	A & B		159.25	62.66	39.16			251.07
BLDG #11 / GUARD G	A & B		1116.46	439.26	274.54			1830.26
OTHER 53C G	A & B		50260.76	19774.72	12359.20			82394.68
INDOOR HALL G	SO. FT		39757.79	23520.66	7237.13	12175.47	7237.13	180928.18
BRUSHING G	SO. FT		31744.91	16813.11	5043.93	99197.36	15131.80	168131.12
SMITH SC G	SO. FT		35203.98	34629.90	26234.77	110186.04	55093.02	262347.70
MILLINGTON BFT G	A & B		25372.33	10393.87	6489.92			43266.11
AL. CORAL OFFICE G	A & B		17327.29	6817.30	4260.81			28405.40
S. CORAL OFFICE G	A & B		40726.77	16102.34	10063.76			67093.06
W. CORAL OFFICE G	A & B		48103.66	18926.03	11828.77			78858.46
TRAINING CENTER W	A & B		97285.49	39063.15	2414.47			162763.11
TOTAL			158778.82	648761.89	327412.81	372515.17	730377.03	3043374.71

INTERDEPARTMENTAL RENTIS
PAID TO FYRINE ALUMNAS FOR USARP

BUILDING	BY	ELEC	2401-9310	3401-9310	1184-0001	1188-0001
			E&S	WATER	M & S	TRANSP.
BEALE ST. LIND. E	E		92717.85	57549.66	0.00	0.00
TRAINING CENTER E	E		3403.58	2127.24	0.00	0.00
ELECTRIC REF. E	E		50230.27	31456.43	0.00	0.00
LIL. SHF. & POPE E	E		2218.34	1053.85	0.00	55458.59
SAFETY SER. E	E		3674.98	2296.86	0.00	0.00
BEALE ST. LIND. G	G	42545.77		10486.67	0.00	0.00
ADMIN. -OFFICE G	G	375641.10		93384.86	14137.95	107597.22
CREDIT UNION G	G	10475.20		2566.03	0.00	0.00
S&S S/C LIND G	G	31561.93		0.00	0.00	0.00
BLDG #1 G	G	26779.53		7761.13	0.00	0.00
BLDG #2 G	G	0.00		0.00	0.00	0.00
BLDG #3 G	G	0.00		0.00	18379.97	0.00
BLDG #5 G	G	0.00		0.00	7664.67	0.00
BLDG #6 G	G	0.00		0.00	0.00	0.00
BLDG #7 G	G	0.00		0.00	0.00	13691.09
BLDG #8 G	G	5243.53		1239.17	31773.69	6347.52
BLDG #9 G	G	0.00		8882.25	0.00	69922.68
BLDG #10 /RADIO G	G	157.25		37.16	0.00	0.00
BLDG #11 /BOARD G	G	1116.46		274.54	0.00	0.00
OTHER GSC G	G	50260.76		12359.20	0.00	0.00
HILL CRY HILL G	G	30757.77		7237.13	112175.47	7237.13
BOARDSHED G	G	31944.91		5043.93	59197.36	15131.80
SOUTH SC G	G	36203.58		26234.77	110186.04	55093.02
HILLINGHAM OFF G	G	26792.33		6487.92	0.00	0.00
N. COMM. OFFICE G	G	17327.27		4280.91	0.00	0.00
S. COMM. OFFICE G	G	40926.77		10063.96	0.00	0.00
N. COMM. OFFICE G	G	49103.66		11828.77	0.00	0.00
TRAINING CENTER W	W	57285.49	37053.15		0.00	0.00
1918 12 months		59785.76	131408.19	303005.34	393515.17	330379.03
TOTAL 1 month		71148.91	15750.68	25250.45	32722.73	27531.57

INTERDEPARTMENTAL RENTS
 CREDITS TO REV & NONREVENUE ACCOUNTS FOR USAGE

DEPT	1400-0400	2400-0400	3400-0400	1400-0300	2400-0300	3400-0300	1400-0200	2400-0200	3400-0200	1400-0100	2400-0100	3400-0100
FUNCTION	PA	ELEC REV	WATER REV	E. OFER.	G. OFER.	M. OFER.	E. MAIN.	G. MAIN.	M. MAIN.			
FEARL ST. LND. E	150666.51			0.00			0.00					
TRAINING CENTER E	5330.82			0.00			0.00					
ELECTRIC DEP. E	81785.72			0.00			0.00					
CL. SEC. RMV E	7242.15			50467.31			4991.27					
SOUTH SER. E	5971.84											
FEARL ST. LND. G	53132.46			0.00			0.00					
ADMIN. -OFFICE G	473025.96			115648.41			6086.76					
CREDIT UNION G	13001.23			0.00			0.00					
DATA S/C LND G	0.00			0.00			0.00					
RM 06 #1 G	37323.06			0.00			0.00					
RM 06 #2 G	36779.53			0.00			0.00					
RM 06 #3 G	0.00			18012.37			367.60					
RM 06 #4 G	0.00			7511.38			153.29					
RM 06 #5 G	0.00			0.00			0.00					
RM 06 #6 G	0.00			13417.26			273.82					
RM 06 #7 G	0.00			6220.56			126.95					
RM 06 #8 G	7482.70			99564.44			2031.93					
RM 06 #9 G	6882.25			0.00			0.00					
RM 06 #10 G	193.42			0.00			0.00					
RM 06 #11 G	1359.99			0.00			0.00					
OFFICE SSC G	62617.96			0.00			0.00					
HILLORY HILL G	37994.92			115830.22			3582.38					
BRANDSTADT G	35988.85			106326.12			8003.04					
SMITH SC G	62438.75			157015.10			8263.95					
UNION STATION OFFICE G	32882.25			0.00			0.00					
N. CORNL. OFFICE G	21588.10			0.00			0.00					
S. CORNL. OFFICE G	50990.73			0.00			0.00					
M. CORNL. OFFICE G	50990.73			0.00			0.00					
TRAINING CENTER W	138348.64			0.00			0.00					
Total 12 months	537198.08	598552.57	133348.64	50467.31	639545.89	0.00	4991.27	28989.72	0.00			
Total 1 month	20599.84	8321.05	11529.05	4205.61	53255.43	0.00	415.94	2497.48	0.00			

JOURNAL VOUCHER

MLGM DIVISION

JOURNAL VOUCHER NAME INTERDEPT. RENTS - COMMUNICATION EQUIPMENT (OWNED BY ELECTRIC)
 JOURNAL VOUCHER Type 5 Offset Div #1 Trans Flag Source: JV JOURNAL VOUCHER #

TRANSACTION DATE: 7-30-92
 BATCH CONTROL TOTAL \$31,825.84
 PAGE: 1 LINES PER PAGE: 1

KEYED

Line	Perform	Charge/Request	Work Req	FENC	DEBIT	CREDIT	IFC/L	DESCRIPTION
Number	Area	Code	Area	Number	Amount	Amount	Code	
1.00	1588888	14501	1588888	240193101	18547.34			RENTS-MISC. COMMUNICATION EQUIP. - GAS
2.00	1588888	14502	1588888	340193101	13278.49			RENTS-MISC. COMMUNICATION EQUIP. - WAT.
3.00	1588888	18204	1588888	140004001		31825.84		RENT REVENUE FROM ELECTRIC PROPERTY
TOTAL					31825.84	31825.84		

PREPARED BY _____ APPROVED BY _____

COMMUNICATION EQUIPMENT

FLIGHT ACCOUNT DEP. ACCOUNT
1118-3570 1119-3570

ACCOUNT BALANCE
8547305.50

TAX RATE
(1 + .55) + 2.15% + .9557 CITY
(1 + .55) + 2.66% + .9557 COUNTY
TOT. RATE
5%

DEF. RATE
5%

0 & H Y RATE
ELECTRIC 6.00
GAS 12.00
WATER 12.00

SPLIT BASIS (ACTUAL)	FLIGHT VALUE BY USAGE	ACQU. DEFREC.	FLIGHT MINUS ACQU. DEFREC. BY USAGE	TAX BASIS	INTEREST EXPENSE	DEPRECIATION EXPENSE 1991	CITY TAX EXPENSE	COUNTY TAX EXPENSE	0 & H EXPENSE	INT. DEF. TAX. 0 & H	MONTHLY EXPENSE
ELECTRIC	1.00 5135530.92	1166286.27	3969242.65	3969242.65	198462.13	256776.55	44857.02	60087.54	0.00	560183.23	46681.94
GAS	1.00 2040413.68	463381.60	1577032.08	1577032.08	78851.60	102020.68	17822.28	23873.57	0.00	222568.13	18547.34
WATER	1.00 1460781.72	331746.15	1129035.57	1129035.57	56451.78	73039.09	12757.40	17091.67	0.00	159341.93	13278.49
TOTAL	3.00 8636726.32	1961416.02	6675310.30	6675310.30	333765.52	431836.32	75438.70	101052.77	0.00	942093.30	78507.78

RENT DUE ELECTRIC PER MONTH FROM:

JY #	ACCT. #	DEBIT	CREDIT
	1401-9310		
	2401-9310	18547.34	
	3401-9310	13278.49	
	1400-0400		31825.84
	2400-0400		
	3400-0400		
TOTAL		31825.84	31825.84

JOURNAL VOUCHER										HLGW DIVISION	
JOURNAL VOUCHER NAME INTERDEPT. RENTS-COMMUNICATION EQUIP. (OWNED BY GAS)										JOURNAL VOUCHER #	
JOURNAL VOUCHER Type S Offset Div #1 Trans Flag Source: JV											
TRANSACTION DATE: 7-30-92										KEYED	
BATCH CONTROL TOTAL \$7,150.34											
LINES PER PAGE:											
Line	Perform	Charge	Request	Work	Req	FERC	DERIT	CREDIT	IFLLC		
Number	Area	Code	Area	Number	Number	Number	AMOUNT	AMOUNT	Code	DESCRIPTION	
1.00	1588888	14500	1588888			14019310	5739.09			RENTS-MISC. COMMUNICATION EQUIP. ELEC.	
2.00	1588888	14502	1588888			34019310	1411.25			RENTS-MISC. COMMUNICATION EQUIP. WATER	
3.00	1588888	18234	1588888			24000400		7150.34		RENT REVENUE FROM GAS PROPERTY	
										7150.34	7150.34
TOTAL										7150.34	7150.34

PREPARED BY _____ APPROVED BY _____

COMMUNICATION EQUIPMENT

PLANT ACCOUNT
2118-3970

DEP. ACCOUNT
2118-3970

ACCOUNT BALANCE
1096182.97

TAX RATE
(1 + .55) ÷ 2.15% ÷ .9557 CITY
(1 + .55) ÷ 2.15% ÷ .9557 COUNTY
INT. RATE
5%

DEF. RATE
5%

U & M % RATE
ELECTRIC 6.00
GAS 17.00
WATER 13.00

	SPLIT BASIS (ACTUAL)	PLANT VALUE BY USAGE	ACCUM. DEFREC.	PLANT MINUS ACCUM. DEFREC. BY USAGE	TAX BASIS	INTEREST EXPENSE	DEPRECIATION EXPENSE 1991	CITY TAX EXPENSE	COUNTY TAX EXPENSE	U & M EXPENSE	INT. DEF., TAX U & M	MONTHLY EXPENSE BY USAGE
ELECTRIC	1.00	632590.42	145413.76	487176.66	487176.66	24358.83	31629.52	5505.66	7375.02	0.00	68869.03	5739.09
GAS	1.00	248888.04	57211.97	191676.07	191676.07	9583.80	12444.40	2166.16	2901.65	0.00	27096.01	2258.00
WATER	1.00	155555.02	35757.48	119797.54	119797.54	5989.88	7777.75	1353.85	1813.53	0.00	16935.01	1411.25
TOTAL		1037033.48	238383.22	798650.26	798650.26	39932.51	51851.67	9025.67	12090.20	0.00	112900.05	9408.34

RENT DUE GAS PER MONTH FROM:

JV #	ACCT. #	DEBIT	CREDIT
	1401-9310	5739.09	
	2401-9310		
	3401-9310	1411.25	
	1400-0400		
	2400-0400		7150.34
	3400-0400		
TOTAL		7150.34	7150.34

JOURNAL VOUCHER #	MGM DIVISION			
JOURNAL VOUCHER NAME INTERDEPT. REENTIS-LABORATORY RADIO EQUIP. (OWNED BY ELECTRIC)				
JOURNAL VOUCHER Type 5 Offset Div #1 Trans Flag Source JV				
TRANSACTION DATE:	7-30-92			
BATCH CONTROL TOTAL	\$359.22			
LINES PER PAGE:				
Line : Form : Charge : Request : Work Req :	FERC :	DEBIT :	CREDIT :	IFLCL :
: Number : Area : Code : Area : Number :	: Number :	: Amount :	: Amount :	: Cd :
1.00 1588868 14501 1588868	240193101	221.06		
2.00 1588868 14502 1588868	340193101	138.16		
3.00 1575599 18204 1575599	140004001		359.22	
TOTAL			359.22	

APPROVED BY _____

APPROVED BY

 PREPARED BY

LABORATORY & RADIO EQUIPMENT

PLANT ACCOUNT DEFREC. ACCOUNT
1118-3950 1115-3950

ACCOUNT BALANCE
123237.40

TAX RATE
(1 + .55) + 2.15% + .9557 CITY
(1 + .55) + 2.89% + .9557 COUNTY
INT. RATE
5%

DEF. RATE
8%

O & H % RATE
ELECTRIC 6.00
GAS 17.00
WATER 13.00

	SELLT BASIS (A & G)	PLANT VALUE BY USAGE	ACCOM. DEFREC.	PLANT MINUS ACCOM. DEFREC. BY USAGE	TAX BASIS	INTEREST EXPENSE	DEFREC. EXPENSE 1991	CITY TAX EXPENSE	COUNTY TAX EXPENSE	O & H EXPENSE	INT. DEF. TAX & O & H TOTAL	MONTHLY EXPENSE BY USAGE
ELECTRIC	0.61	75174.81	65648.02	9526.79	9526.79	476.34	6013.99	107.66	144.22	0.00	6742.21	561.85
GAS	0.24	29576.98	25828.73	3748.25	3748.25	187.41	2366.16	42.36	56.74	0.00	2652.67	221.06
WATER	0.15	18485.61	16142.96	2342.65	2342.65	117.13	1478.85	26.47	35.46	0.00	1657.92	138.16
TOTAL	1.00	123237.40	107619.71	15617.69	15617.69	780.88	9859.99	176.50	236.43	0.00	11052.80	921.07

RENT DUE ELECTRIC PER MONTH FROM:

JV #	ACCT. #	DEBIT	CREDIT
	1401-9310		
	2401-9310	221.06	
	3401-9310	138.16	
	1400-0400		359.22
	2400-0400		
	3400-0400		
TOTAL		359.22	359.22

LABORATORY EQUIPMENT

PLANT ACCOUNT DEPREC. ACCOUNT
2118-3950 2119-3950

ACCOUNT BALANCE
64114.08

TAX RATE

(1 + .55) + 2.15% + .9557 CITY
(1 + .55) + 2.15% + .9557 COUNTY

INT. RATE
5%

DEF. RATE
8%

O & H % RATE

ELECTRIC 6.00
GAS 17.00
WATER 13.00

SPLIT BASIS (A & B)	PLANT VALUE BY USAGE	ACCUM. DEPREC.	PLANT MINUS ACCUM. DEPREC.	TAX BASIS	INTEREST EXPENSE	DEPRECIATION EXPENSE 1991	CITY TAX EXPENSE	COUNTY TAX EXPENSE	O & H EXPENSE	INT, DEF, TAX O & H TOTAL	MONTHLY EXPENSE BY USAGE
ELECTRIC	0.61	39107.59	19228.48	19881.11	974.06	3128.77	224.68	300.97	0.00	4648.47	387.37
GAS	0.24	15387.38	7565.30	7822.08	391.10	1230.99	88.40	118.41	0.00	1828.91	152.41
WATER	0.15	9617.11	4728.32	4888.80	244.44	769.37	55.25	74.01	0.00	1143.07	95.26
TOTAL	1.00	64114.08	31522.10	32591.98	1629.60	5129.13	368.33	493.39	0.00	7620.44	635.04

RENT DUE GAS PER MONTH FROM:

JY #	ACCT. #	DEBIT	CREDIT
	1401-9310	387.37	
	2401-9310		
	3401-9310	95.26	
	1400-0400		
	2400-0400		482.63
	3400-0400		
TOTAL		482.63	482.63

JOURNAL VOUCHER										MGM DIVISION	
JOURNAL VOUCHER NAME		INTERDEPT. RENTS-STORES EQUIPMENT (OWNED BY GAS)				JOURNAL VOUCHER #					
JOURNAL VOUCHER Type 5		Offset Div #1		Trans Flag		Source: JV					
TRANSACTION DATE:		7-30-92		KEYED							
PATCH CONTROL TOTAL		\$1,170.94									
LINES PER PAGE:											
Line	Form	Charge	Request	Work	Req	FERC	DERIT	CREDIT	IFLCL	AMOUNT	DESCRIPTION
Number	Area	Code	Area	Number	Number	Number	Number	Number	Number	Number	Number
1.00	1988888	14700	1988888			14019310	939.83				RENTS - MISC. STORES EQUIP.-ELECTRIC.
2.00	1988888	14702	1988888			34019310	231.11				RENTS - MISC. STORES EQUIP.-ELECTRIC.
3.00	1999999	18234	1999999			24000400		1170.94			RENT REVENUE FROM GAS PROPERTY
TOTAL										1170.94	1170.94

PREPARED BY _____ APPROVED BY _____

STORES EQUIPMENT

PLANT ACCOUNT DEPREC. ACCOUNT
2118-3930 2100-3930

ACCOUNT BALANCE
326477.79

TAX RATE
(1 @ .55) @ 2.15% @ .9557 CITY
(1 @ .55) @ 2.15% @ .9557 COUNTY
INT. RATE 5%

DEF. RATE 3%

O & H % RATE
ELECTRIC 6.00
GAS 17.00
WATER 13.00

SPLIT BASIS (A & B)	PLANT VALUE BY USAGE	ACCU. DEPREC.	PLANT MINUS ACCU. DEPREC. BY USAGE	TAX BASIS	INTEREST EXPENSE	DEPRECIATION EXPENSE 1991	CITY TAX EXPENSE	COURTY TAX EXPENSE	O & H EXPENSE	INT, DEF, TAX, O & H TOTAL	MONTHLY EXPENSE BY USAGE
ELECTRIC	0.61	129770.57	69380.88	69380.88	3469.04	5974.54	784.08	1050.31	0.00	11277.98	939.83
GAS	0.24	78354.67	51057.27	27297.40	1364.87	2350.64	308.49	413.24	0.00	4437.24	369.77
WATER	0.15	48971.67	31910.80	17060.87	853.04	1469.15	192.81	258.27	0.00	2773.27	231.11
TOTAL	1.00	326477.79	212738.64	113739.15	5686.96	9794.33	1285.38	1721.82	0.00	18488.49	1540.71

RENT DUE GAS PER MONTH FROM:

JV #	ACCT. #	DEBIT	CREDIT
	1401-9310	939.83	
	2401-9310		
	3401-9310	231.11	
	1400-0400		
	2400-0400		1170.94
	3400-0400		
TOTAL		1170.94	1170.94

JOURNAL VOUCHER										ALGM DIVISION	
JOURNAL VOUCHER NAME INTERDEPT. RENTS-STORES EQUIP. (owned by electric)										JOURNAL VOUCHER #	
JOURNAL VOUCHER Type 5 Offset Div #1 Trans Flag Source: JV											
TRANSACTION DATE: 7-30-92										KEYED	
BATCH CONTROL TOTAL \$62.86											
LINES PER PAGE:											
Line	Perform	Charge/Request	Work Req	PERC	DEBIT	CREDIT	IFCL	DESCRIPTION			
Number	Area	Code	Area	Number	Amount	Amount	CD				
1.00	1988888	4901	1988888	24019310	38.69			RENTS - STORES EQUIP. -GAS			
2.00	1988888	4902	1988888	34019310	24.18			RENTS - STORES EQUIP. -WATER			
3.00	1999999	8204	1999999	14000400		62.86		RENT REVENUE FROM ELECTRIC PROPERTY			
TOTAL										62.86	62.86

PREPARED BY _____ APPROVED BY _____

STORES EQUIPMENT

PLANT ACCOUNT DEFREC. ACCOUNT
1101-3930 1109-3930

ACCOUNT BALANCE
35526.74

TAX RATE

(1 + .55) + 2.15% + .9557 CITY
(1 + .55) + 2.88% + .9557 COUNTY

INT. RATE
5%

DEF. RATE
3%

O & N % RATE

ELECTRIC 6.00

GAS 17.00

WATER 13.00

	SPLIT BASIS (A & B)	PLANT VALUE BY USAGE	ACCUM. DEPREC.	PLANT MINUS DEPREC. BY USAGE	TAX BASIS	INTEREST EXPENSE	DEPRECIATION EXPENSE 1991	CITY TAX EXPENSE	COUNTY TAX EXPENSE	O & N TAX EXPENSE	INT. DEF. TAX O & N TOTAL	MONTHLY EXPENSE BY USAGE
ELECTRIC	0.61	21671.31	14740.65	6930.66	6930.66	346.53	650.14	78.32	104.92	0.00	1179.92	98.33
GAS	0.24	8526.42	5799.60	2726.82	2726.82	136.34	255.79	30.82	41.28	0.00	464.23	38.69
WATER	0.15	5329.01	3624.75	1704.26	1704.26	85.21	159.87	19.26	25.80	0.00	290.14	24.18
TOTAL	1.00	35526.74	24165.00	11361.74	11361.74	568.09	1065.80	128.40	172.00	0.00	1934.29	161.19

RENT DUE ELECTRIC PER MONTH FROM:

JV #	ACCT. #	DEBIT	CREDIT
	1401-9310		
	2401-9310	38.69	
	3401-9310	24.18	
	1400-0400		62.86
	2400-0400		
	3400-0400		
TOTAL		62.86	62.86

JOURNAL VOUCHER										JOURNAL DIVISION		
JOURNAL VOUCHER NAME		INTERDEPT. RENTS-OFFICE FURNITURE (OWNED BY GAS)				JOURNAL VOUCHER #						
JOURNAL VOUCHER TYPE 5		Offset Div #1	Trans Flag	Source: JV								
TRANSACTION DATE:		7-30-92						KEYED				
BATCH CONTROL TOTAL		\$31,166.52										
LINES PER PAGE: _____												
Line	Perform	Charge	Request	Work	Req	FERC	DEBIT	CREDIT	IFCL	DESCRIPTION		
Number	Area	Code	Area	Number	Number	Number	AMOUNT	AMOUNT	Cd			
1.00	988888	14900	988888		140193101		25015.23			RENTS - MISC. BLDGS. EXPENSE -ELECTRIC		
2.00	988888	14902	988888		340193101		6151.29			RENTS - MISC. BLDGS. EXPENSE -WATER		
3.00	999999	18234	999999		240004001		31166.52			RENT REVENUE FROM GAS PROPERTY		
TOTAL										31166.52	31166.52	

PREPARED BY _____

APPROVED BY _____

APPROVED BY _____

OFFICE FURNITURE & FIXTURES

PLANT ACCOUNT DEFREC. ACCOUNT
2118-3910 2119-3910

ACCOUNT BALANCE
6930124.26

TAX RATE
(1 + .55) + 2.15% + .9557 CITY
(1 + .55) + 2.15% + .9557 COUNTY

INT. RATE
X 5%

DEF. RATE
4%

U & H % RATE
ELECTRIC 6.00
GAS 17.00
WATER 13.00

SPLIT BASIS (A & B)	PLANT VALUE BY USAGE	ACCU. DEFREC.	PLANT MINUS ACCU DEFREC. BY USAGE	TAX BASIS	INTEREST EXPENSE	DEPRECIATION EXPENSE 1991	CITY TAX EXPENSE	COUNTY TAX EXPENSE	U & H EXPENSE TOTAL	INT. DEF. TAX. U & H TOTAL	MONTHLY EXPENSE BY USAGE
ELECTRIC	0.61	3678375.80	1676166.74	2002209.06	2002209.06	147135.03	22627.27	30310.02	0.00	300182.77	25015.23
GAS	0.24	1447229.82	659475.44	787754.39	39387.72	57889.19	8902.53	11925.25	0.00	118104.70	9842.06
WATER	0.15	904518.64	412172.15	492346.49	24617.32	36180.75	5564.08	7453.28	0.00	73815.44	6151.27
TOTAL	1.00	6030124.26	2747814.32	3282309.94	3282309.94	241204.97	37093.87	49688.55	0.00	492102.91	41008.58

RENT DUE GAS PER MONTH FROM:

JV #	ACCT. #	DEBIT	CREDIT
	1401-9310	25015.23	
	2401-9310		
	3401-9310	6151.29	
	1400-0400		
	2400-0400		31166.52
	3400-0400		
TOTAL		31166.52	31166.52

JOURNAL VOUCHER	JOURNAL DIVISION
JOURNAL VOUCHER NAME INTERCEPT, RENTS-TOOLS SHIP AND GARAGE EQUIP.	JOURNAL VOUCHER #
JOURNAL Type 5 Offset Div #1 Trans Flag Source: JV	
TRANSACTION DATE: 7-30-92	LEVED _____
BATCH CONTROL TOTAL \$7,836.79	
PAGES:	
LINES PER PAGE:	
Line : Perform Charge Request Work Req : FERC : DEBIT : CREDIT : FLCL :	DESCRIPTION :
Number : Area : Code : Area : Number : Number : AMOUNT : AMOUNT : Cd :	
1.00 1988888 14900 1988888 : : 140193101 : 6290.06 : : :	RENTS - TOOLS SHIP & GAR. EQUIP-ELEC.
2.00 1988888 14902 1988888 : : 340193101 : 1546.74 : : :	RENTS - TOOLS SHIP & GAR. EQUIP-ELEC.
3.00 1999999 18234 1999999 : : 240004001 : 7836.79 : : :	RENT REVENUE FROM GAS PROPERTY
TOTAL	7836.79 7836.79
PREPARED BY	APPROVED BY

TOOLS SHIP AND GARAGE EQUIPMENT

PLANT ACCOUNT DEFREC. ACCOUNT
2119-3940 2119-3940

ACCOUNT BALANCE
1319572.47

TAX RATE

(1 & .55) & 2.15% & .9557 CITY
(1 & .55) & 2.88% & .9557 COUNTY

INT. RATE
5%

DEP. RATE
8%

O & H X RATE

ELECTRIC 6.00

GAS 17.00

WATER 13.00

SELLT BASIS (A & G)	PLANT VALUE	PLANT BY USAGE	ACCUM. DEPREC.	PLANT MINUS ACCUM. DEPREC.	TAX BASIS	INTEREST EXPENSE	DEPRECIATION EXPENSE 1991	CITY TAX EXPENSE	COUNTY TAX EXPENSE	O & H EXPENSE	INT, DEP, TAX O & H	MONTHLY EXPENSE BY USAGE
ELECTRIC 0.61	804939.21	659915.07	145024.14	145024.14	145024.14	7251.21	64395.14	1638.94	2195.42	0.00	75480.70	6290.06
GAS 0.24	316897.39	259638.72	57058.68	57058.68	57058.68	2852.93	25335.79	644.83	863.77	0.00	29697.32	2474.78
WATER 0.15	197935.87	162274.20	35661.67	35661.67	35661.67	1783.08	15834.87	403.02	539.86	0.00	18560.83	1546.74
TOTAL 1.00	1319572.47	1081827.98	237744.49	237744.49	237744.49	11887.22	105565.80	2686.79	3599.04	0.00	123738.85	10311.57

RENT DUE GAS FER MONTH FROM:

JV #	ACCT. #	DEBIT	CREDIT
	1401-9310	6290.06	
	2401-9310		
	3401-9310	1546.74	
	1400-0400		
	2400-0400		7836.79
	3400-0400		
TOTAL		7836.79	7836.79

JOURNAL VOUCHER										PLGM DIVISION	
JOURNAL VOUCHER NAME		INTERDEPT. RENTS-STORES EQUIPMENT (OWNED BY WATER)								JOURNAL VOUCHER #	
JOURNAL Type 5		Offset Div #1	Trans Flag		Source: JV						
PAGE:		TRANSACTION DATE: 7-30-92		BATCH CONTROL TOTAL		\$47.15		KEYED		-----	
=====											
Line	Perform	Charge/Request	Work Req	FERC	DEBIT	CREDIT	PLCL				
Number	Area	Code	Area	Number	Amount	Amount	Code				
=====											
1.00	1988888	4900	1988888		33.84			RENTS - MISC. STORES EQUIP.-ELECTRIC.			
2.00	1988888	4501	1988888		13.31			RENTS - MISC. STORES EQUIP.-WATER			
3.00	1999999	18259	1999999			47.15		RENT REVENUE FROM WATER PROPERTY			
=====											
TOTAL 47.15 47.15											

PREPARED BY _____ APPROVED BY _____

STURES EQUIPMENT

PLANT ACCOUNT DEFREC. ACCOUNT
3101-3930 3101-3930

ACCOUNT BALANCE
16719.75

TAX RATE

(1 \$.55) \$ 2.15% \$.9557 CITY
(1 \$.55) \$ 2.88% \$.9557 COUNTY

INT. RATE
5%

DEF. RATE

3%

O & H % RATE

ELECTRIC 6.00

GAS 17.00

WATER 13.00

SPLIT BASIS (A + B)	PLANT VALUE BY USAGE	ACCT. DEPREC.	PLANT MINUS ACCTUM DEPREC	TAX BASIS	INTEREST EXPENSE	DEPRECIATION EXPENSE 1991	TAX EXPENSE	O & H EXPENSE	INT, DEP, TAX O & H TOTAL	MONTHLY EXPENSE BY USAGE
ELECTRIC	0.61	10199.05	8197.38	2001.67	100.08	305.97	0.00	0.00	406.05	33.84
GAS	0.24	4012.74	3225.20	787.54	39.38	120.38	0.00	0.00	159.76	13.31
WATER	0.15	2507.96	2015.75	492.21	24.61	75.24	0.00	0.00	99.85	8.32
TOTAL	1.00	16719.75	13438.33	3281.42	164.07	501.59	0.00	0.00	665.66	55.47

RENT DUE WATER PER MONTH FROM:

JV #	ACCT. #	DEBIT	CREDIT
	1401-9310	33.84	
	2401-9310	13.31	
	3401-9310		
	1400-0400		
	2400-0400		
	3400-0400		47.15
TOTAL		47.15	47.15

JOURNAL VOUCHER				PLGN DIVISION				
JOURNAL VOUCHER NAME		INTERDEPT. RENTIS-STORES EQUIPMENT (OWNED BY GAS)		JOURNAL VOUCHER #				
JOURNAL TYPE 5		Offset Div #1	Trans Flag	Source: JV				
TRANSACTION DATE:		7-30-92		KEYED				
BATCH CONTROL TOTAL		\$140.54						
LINES PER PAGE:								
Line	Perform	Charge/Request	Work Req	FERC	DEBIT	CREDIT	FLCL	DESCRIPTION
Number	Area	Code	Area	Number	Amount	Amount	Co	
1.00	988888	14700	988888	14019310	112.95			RENTIS - MISC. STORES EQUIP.-ELECTRIC.
2.00	988888	14702	988888	34019310	27.58			RENTIS - MISC. STORES EQUIP.-WATER
3.00	999999	18234	999999	24000400		140.54		RENT REVENUE FROM GAS PROPERTY
TOTAL					140.54	140.54		

PREPARED BY _____ APPROVED BY _____

STORES EQUIPMENT

PLANT ACCOUNT IN REC. ACCOUNT
2101-3730 2108-3930

ACCOUNT BALANCE
71476.69

TAX RATE

(1 + .55) + 2.15% + .9557 CITY
(1 + .55) + 2.88% + .9557 COUNTY

INT. RATE
5%

DEF. RATE
3%

O & M % RATE

ELECTRIC 6.00
GAS 17.00
WATER 13.00

SPILT BASIS (A & G)	PLANT VALUE BY USAGE	ACCUM. DEFREC.	PLANT MINUS ACCUM DEFREC BY USAGE	TAX BASIS	INTEREST EXPENSE	DEPRECIATION EXPENSE 1991	CITY TAX EXPENSE	COUNTY TAX EXPENSE	O & M EXPENSE	INT, DEF, TAX O & M TOTAL	MONTHLY EXPENSE BY USAGE
ELECTRIC	0.61	43600.78	42980.43	620.35	31.02	1308.02	7.01	9.39	0.00	1355.44	112.95
GAS	0.24	17154.41	16910.33	244.07	12.20	514.63	2.76	3.69	0.00	529.59	44.13
WATER	0.15	10721.50	10568.96	152.55	7.63	321.65	1.72	2.31	0.00	331.00	27.58
TOTAL	1.00	71476.69	70459.72	1016.97	50.85	2144.30	11.49	15.40	0.00	2216.03	184.67

RENT DUE GAS PER MONTH FROM:

JV #	ACCT. #	DEBIT	CREDIT
	1401-9310	112.95	
	2401-9310		
	3401-9310	27.58	
	1400-0400		
	2400-0400		140.54
	3400-0400		
TOTAL		140.54	140.54

JOURNAL VOUCHER						PLCM DIVISION	
JOURNAL VOUCHER NO.	INTERDEPT.	RENTS - DATA PROCESSING EQUIPMENT (OWNED BY WATER)		JOURNAL VOUCHER #			
JOURNAL VOUCHER Type 5	Offset Div #1	Trans Flag	Source: JV				
TRANSACTION DATE:			7-30-92				
PATCH CONTROL TOTAL			\$137,044.68				
PAGES PER PAGE:							
Line Form	Charge Request	Work Req	FISC	DEBIT	CREDIT		
Number	Area	Code	Area	Number	Amount		
1.00	588888	4900	588888	14019310	99785.00		
2.00	588888	4901	588888	24019310	39259.67		
3.00	595979	8259	595979	34000400	139044.88		
RENTS-MISC. DATA PROCESSING EQUIP-GAS							
RENTS-MISC. DATA PROCESSING EQUIP-ELEC							
RENT REVENUE FROM WATER PROPERTY							
TOTAL				139044.68	139044.68		

PREPARED BY _____

APPROVED BY _____

DATA PROCESSING EQUIPMENT

PLANT ACCOUNT INTREC. ACCOUNT
3101-3910 3108-3910

ACCOUNT BALANCE
14306362.63

TAX RATE
(1 @ .55) @ 2.15% @ .9557 CITY
(1 @ .55) @ 2.88% @ .9557 COUNTY
INT. RATE
5%

DEF. RATE
10%

O & M % RATE
ELECTRIC 6.00
GAS 17.74
WATER 13.00

SPLIT BASIS (A & B)	PLANT VALUE BY USAGE	ACUM. DEFREC.	PLANT HINDS ACUM. DEFREC BY USAGE	TAX BASIS	INTEREST EXPENSE	DEFRECIATION EXPENSE 1991	CITY TAX EXPENSE	COUNTY TAX EXPENSE	O & M EXPENSE	INT, DEF, TAX O & M TOTAL	MONTHLY EXPENSE BY USAGE
ELECTRIC	0.61	8726881.20	2232242.63	6494638.58	324731.93	872688.12	0.00	0.00	0.00	1197420.05	99785.00
GAS	0.24	3433527.03	878259.39	2555267.64	127763.38	343352.70	0.00	0.00	0.00	471116.09	39259.67
WATER	0.15	2145954.39	548712.12	1597042.27	79852.11	214595.44	0.00	0.00	0.00	294447.55	24537.30
TOTAL	1.00	14706362.63	3659414.14	10646948.49	532347.42	1430636.26	0.00	0.00	0.00	1962783.69	163581.97

RENT DUE WATER PER MONTH FROM:

JV #	ACCT. #	DEBIT	CREDIT
	1401-9310	99785.00	
	2401-9310	39259.67	
	3401-9310		
	1400-0400		
	2400-0400		
	3400-0400		139044.68
TOTAL		139044.68	139044.68

Job Orders

A Job Order is a type of work request used to collect charges for work performed by MLGW at the request and for the benefit of others. Job Orders are billed to the customer based on actual charges incurred.

Charges collected in the job order are the labor (through time reporting), material (through material issue tickets), equipment (through time reporting), cash payments (through accounts payable) and miscellaneous journal entries. Job orders have a unique prefix to easily distinguish them from work MLGW does for its own benefit. An administrative and general overhead is applied to each job order before billing.

Any work that is performed by MLGW for Memphis Network or another third party (i.e., as construction, engineering, or billing) the costs will be accumulated and billed in accordance with this method.

EXPLANATION OF TERMS

Performing Area: This is the area that is responsible for performing the work. The Performing Area will always receive the charge.

W.A. (Work Authorization):

A Work Authorization (W.A.) is an approved work order to expend Division's funds for a certain type of project which will result in capital additions to Plant in Service.

Job Order:

A Job Order (J.O.) is an approved work order to expend Division funds for certain types of projects that are done for the benefit of others and for which the Division will be reimbursed for the expenses incurred.

Function Number: A function number is a particular work operation, or a particular group of work operations, which is significant for operating control. All costs incurred in performing the work operations described by a function will be charged to the function number, i.e., labor, materials, and transportation mileage or hourly usage. The functions are numbered in three groups as follows:

BLANKET WORK AUTHORIZATIONS AND JOB ORDERS

WORK AUTHORIZATIONS

A Work Authorization is an approved Work Order to expend Division funds for a certain type of project which will result in capital additions to Plant in Service.

BLANKET W.A.

A Blanket W.A. is a W.A. for a certain type of reoccurring expenditure with a pre-determined limit or "ceiling" amount, which has been approved by Management, for each separate project but without limit as to the number of individual projects which may be charged to the same Blanket W.A. For Example, any number of separate Electric, Gas or Water Revenue Extensions may be charged to the appropriate Blanket W.A. so long as not one of these extensions exceeds the ceiling amount of \$5,000.00, although each separate extension must have the necessary approval signatures.

SPECIFIC W.A.

A Specific W.A. number is assigned to each project which exceeds the Blanket W.A. ceiling amount for that particular type of project, and a separate accounting record is kept on each Specific W.A.; also, a detailed estimate of cost is prepared on each Specific W.A., and it must have varying degrees of approval, depending upon the total cost involved.

JOB ORDERS

A Job Order (J.O.) is an approved Work Order to expend Division funds for certain types of projects that are done for the benefit of others and for which the Division will be reimbursed for the expenses incurred. A function number will always be reported with a Job Order number. Certain function numbers have been assigned for specific types of work on Job Orders. All other work performed on Job Orders must be charged to Function #9001.

Actual Cost Plus 3.4%

Most Job Orders are actual cost plus 3.4% . Listed below are some examples.

1. State of TN
2. Next Link
3. Time Warner
4. City of Collierville
5. U-Signal
- 6.. TVA
7. Dowdy Housemovers
8. J. C. May Housemovers

Other Job Orders are billed at Actual cost Plus 10%
(Pension Portion of employee benefits (EB), exclude bad
weather (BW), Administrative & General (A&G) is 10%)

1. City of Memphis
2. Memphis Board of Education
3. Memphis Housing Authority

Occasionally special arrangements are made.

REPORT NAME: PMCL0283 MEMPHIS LIGHT, GAS AND WATER DIVISION DATE: 03/31/00
CLOSING SYSTEM
PAGE: 1
WR ANALYSIS: LABOR SUMMARY

WOK REQUEST: J7A21532

PAY CLASS	DESCRIPTION	JOB CODE	PAY RATE	HOURS	AMOUNT
EB547	UTILITY WORKER II	REG	12.10	4.00	48.40
			13.54	16.00	216.64
			14.18	8.00	113.44
		OVT	18.15	8.00	145.20
			20.32	1.00	20.32
				37.00	544.00
EE780	UTILITY WORKER I	REG	9.34	8.00	74.72
		OVT	14.02	0.50	7.01
				8.50	81.73
EE954	MACHINE OPERATOR (ELEC.)	REG	14.87	4.00	59.48
			15.75	4.00	63.00
			16.45	16.00	263.20
		OVT	22.30	8.00	178.44
			23.62	8.00	189.00
			24.68	0.50	12.34
				40.50	765.46
EE954	SUBST. ELECTRICIAN APPR.	REG	16.45	8.00	131.60
		OVT	24.68	0.50	12.34
				8.50	143.94
EW882	FRMN., URD CONSTRUCTION	REG	22.58	4.00	90.32
			25.44	8.00	203.52
		OVT	33.87	8.00	270.96

REPORT NAME: PMCL0283 MEMPHIS LIGHT, GAS AND WATER DIVISION DATE: 03/31/00
CLOSING SYSTEM
PAGE: 2
WR ANALYSIS: LABOR SUMMARY

WORK REQUEST: J7A21532

PAY CLASS	DESCRIPTION	JOB CODE	PAY RATE	HOURS	AMOUNT
EW882	FRMN., URD CONSTRUCTION	OVT	38.16	0.50	19.08
				20.50	583.88
GG780	UTILITY WORKER I	REG	9.80	4.00	39.20
		OVT	14.70	8.00	117.60
				12.00	156.80
WW780	UTILITY WORKER I	REG	9.80	4.00	39.20
		OVT	14.70	8.00	117.60
				12.00	156.80
TOTAL REGULAR					1,342.72
TOTAL OVERTIME					1,089.89
					=====
TOTAL LABOR					2,432.61
TOTAL LOADINGS					2,343.11
					=====

*** GRAND TOTAL *** 4,775.72

REPORT NAME: PMCL1110

MEMPHIS LIGHT, CLOSING SYSTEM
AND WATER DIVISION

WORK REQUEST: J7A21532 TYPE: 133 E JO/HOUSE MOVES
G/L PERIOD: 04/97
TIMESHEET

DATE CREW AREA EMP NO. EMPLOYEE NAME

18 S MAIN , 18 S. MAIN

DATE	CREW	AREA	EMP NO.	EMPLOYEE NAME	CHRG CODE	PAY CD	HOURS	***** TIME *****	E&S DOLLARS	EB DOLLARS	BW DOLLARS	TOTAL AMOUNT
04/18/97	1260	550240	00420	DAVIS, WESLEY	9000	REG	4.00	48.40	31.46	23.72	2.66	106.24
	1260	550240	00548	BILLINGSLEY, JIMMIE L	9000	REG	4.00	39.20	25.48	19.21	2.16	86.05
	1260	550240	00569	BEASON, RICKIE D	9000	REG	4.00	39.20	25.48	19.21	2.16	86.05
	1260	550240	58957	GREEN, HOWARD T	9000	REG	4.00	63.00	40.95	30.87	3.47	138.29
	1260	550240	58957	MALONE, SCOTT E	9000	REG	4.00	59.48	38.66	29.15	3.27	130.56
04/19/97	1260	550240	66117	MORRISON, MICHAEL L	9000	REG	4.00	90.32	58.71	44.26	4.97	198.26
	1260	550240	00420	DAVIS, WESLEY	9000	DVT	8.00	145.20	94.38	0.00	0.00	239.58
	1260	550240	00548	BILLINGSLEY, JIMMIE L	9000	DVT	8.00	117.60	76.44	0.00	0.00	194.04
	1260	550240	00569	BEASON, RICKIE D	9000	DVT	8.00	117.60	76.44	0.00	0.00	194.04
	1260	550240	37070	GREEN, HOWARD T	9000	DVT	8.00	189.00	122.85	0.00	0.00	311.85
	1260	550240	58957	MALONE, SCOTT E	9000	DVT	8.00	178.44	115.99	0.00	0.00	294.43
	1260	550240	66117	MORRISON, MICHAEL L	9000	DVT	8.00	270.96	176.12	0.00	0.00	447.08
	***	***	***	TOTALS	***	***	24.00	339.60	220.74	166.42	18.69	745.45
	***	***	***	- REGULAR	***	***	48.00	1,018.80	662.22	0.00	0.00	1,681.02
	***	***	***	- OVERTIME	***	***	0.00	0.00	0.00	0.00	0.00	0.00
	***	***	***	- DBL TIME	***	***	0.00	0.00	0.00	0.00	0.00	0.00
	***	***	***	- SPECIAL	***	***	0.00	0.00	0.00	0.00	0.00	0.00
	***	***	***	**TOTALS**	***	***	72.00	1,358.40	882.96	166.42	18.69	2,426.47
05/07/98	1260	550240	00420	DAVIS, WESLEY	9000	REG	8.00	108.32	70.41	56.33	5.96	241.02
	1260	550240	00791	ADELL, DARRYL J	9000	REG	0.50	10.16	6.60	0.00	0.00	16.76
	1260	550240	37070	GREEN, HOWARD T	9000	REG	8.00	74.72	48.57	38.85	4.11	166.25
	1260	550240	58957	MALONE, SCOTT E	9000	REG	8.00	7.01	4.56	0.00	0.00	11.57
	1260	550240	59141	MANLEY, JAMES F	9000	REG	8.00	131.60	85.54	68.43	7.24	292.81
	1260	550240	63703	MERRIWEATHER, W F	9000	REG	8.00	131.60	85.54	68.43	7.24	292.81
	1260	550240	66117	MORRISON, MICHAEL L	9000	REG	8.00	108.32	70.41	56.33	5.96	241.02
	1260	550240	91750	UNSELL, PAUL A	9000	REG	8.00	10.16	6.60	0.00	0.00	16.76
	***	05/98	***	TOTALS	***	***	0.50	12.34	8.02	0.00	0.00	292.81
	***	***	***	- REGULAR	***	***	8.00	203.52	132.29	105.83	11.19	452.83
	***	***	***	- OVERTIME	***	***	0.50	19.08	12.40	0.00	0.00	31.48
	***	***	***	- DBL TIME	***	***	8.00	113.44	73.74	58.99	6.24	252.41
	***	***	***	- SPECIAL	***	***	3.00	1,003.12	652.04	521.62	55.18	2,231.96
	***	***	***	**TOTALS**	***	***	0.00	71.09	46.20	0.00	0.00	117.29
	***	***	***	WORK REQUEST TOTALS	***	***	0.00	0.00	0.00	0.00	0.00	0.00
	***	***	***	- REGULAR	***	***	67.00	1,074.21	698.24	521.62	55.18	2,349.25
	***	***	***	- OVERTIME	***	***	88.00	1,342.72	872.78	688.04	73.87	2,977.41
	***	***	***	- DBL TIME	***	***	51.00	1,089.89	708.42	0.00	0.00	1,798.31
	***	***	***	- SPECIAL	***	***	0.00	0.00	0.00	0.00	0.00	0.00
	***	***	***	**TOTALS**	***	***	139.00	2,432.61	1,581.20	688.04	73.87	4,775.72

DAILY TIME AND MILEAGE REPORT

WORK CENTER C AREA 551210 STARTING DATE 09 1 92 TIME 0700 CREW 3010 PAGE 011
 ENDING DATE 09 17 92 TIME 1530 BATCH 237247

P X E

WORK OUT OF CLASS CODES

- 1 — Employee Sick
- 2 — Employee on Jury Duty
- 3 — Employee on Vacation
- 4 — Employee Working Out Of Class
- 5 — Making Up Crew
- 6 — Employee Using Bonus Day
- 7 — Training For Upward Mobility
- 8 — Other

LOCATION	WORK REQUEST	CHARGE CODE	WORK UNITS	REQUESTING AREA	REPAIR ORDER	EMPLOYEE ID	NAME
1120	Blue Bird Relocation	W771129	W7227445			54718	S. Ledford
	9000	9000	0143	0126		71210	D. Pannell
						17803	B. Conner
						89025	B. Tacke77
						76920	A. Richardson
						00252	J. Cassidy
						00258	B. Baggett

EMPLOYEE ID	EARN	HRS MIN	EARN	HRS MIN	EARN	HRS MIN	EARN	HRS MIN	EARN	HRS MIN	WOC	RSN	TOTAL HRS MINS
54718	010	1:30	010	5:30	010	1:00							8:00
71210	010	1:30	010	5:30	010	1:00							8:00
17803	010	1:30	010	5:30	010	1:00							8:00
89025			010	5:00	010	1:00	010	2:00					8:00
76920	010	1:30	010	3:00	010	1:00							5:30
00252	010	1:30	010	5:30	010	1:00							8:00
00258	010	1:30	010	5:30	010	1:00							8:00

TOTALS

EQUIPMENT TYPE	EMPLOYEE ID	EQUIPMENT NO	USAGE	USAGE	USAGE	USAGE	USAGE	TOTAL EQUIP USAGE	ACTUAL START	ACTUAL STOP
BKT Trk.	71210	7462	1:30	5:30	1:00	7:00	2:00	8:00	28576	28598
Mat. Trk.	00258	7514	1:30	5:30	1:00			8:00	22817	22843
Crane Trk.	00252	7311	1:30	4:00	1			5:30	61451	61465

EARNINGS TYPES PAY CODES

- 010 — Regular
- 030 — Overtime
- 040 — Doubletime
- 120 — Shift (11-7)
- 130 — Shift (2-11)
- 140 — WOC Supervisor
- 150 — WOC BUSS 13
- 160 — WOC BUSS 7

PAID ABSENCES & SPECIAL FUNCTIONS

- 402 — Bonus Day
- 403 — Sick Leave
- 404 — Operation Major
- 405 — Operation Minor
- 407 — Accident Non-Occ.
- 409 — Military Leave — Up to 5 days
- 410 — Jury Duty
- 411 — Death in Family
- 412 — Employee Funeral
- 421 — Vacation
- 422 — Next Year's Vac.
- 434 — Occupational
- 435 — Partial Day
- 435 — Accident
- 443 — Occupational
- 443 — Standby Time
- 444 — Showing Time
- UNPAID ABSENCES
- 900 — Salary Continuation
- 901 — Unauthorized — Up to 5 days
- 902 — Unauthorized — Above 5 days
- 903 — Military Leave
- 904 — Unauthorized abs.
- 905 — Probationary illness
- 906 — Abuse of Sick Leave
- 907 — Disciplinary Action
- 908 — Strike

REMARKS

Batch

491384

P X
E

Sample

DAILY TIME AND MILEAGE REPORT

Work Center

Area 0

Start Date 08/30/96 Time 07:00

Date 08/30/96

Stop Date 08/30/96 Time 15:30

Crew 1750

Page 1 of 1

Location	-----1-----	-----2-----	-----3-----	-----4-----	-----5-----	Approved: _____
Job Name	2248 WHITTEN	8044 GIACOSA				Foreman: _____
Work Request		LINENS & THI				Supv: <i>Mike R. Carter</i>
Charge Code	W7508877	W7852336				
Requesting Area	9000	9000	9000			
	551010	551010	0			

Name	Emp #	Earn HH:MM	Earn HH:MM	Earn HH:MM	Earn HH:MM	Earn HH:MM	WOC	RSN	TOTAL HH:MM
SELDON, DAVID W	00238			403	8:00				8:00
SHUMPERT J.	83607	010 2:00	010 6:00						8:00
LONG J.	56868	010 2:00	010 6:00						8:00
DUREN K.	00536	010 2:00	010 6:00						8:00
WILSON K.	00522	010 2:00	010 6:00						8:00
NUNALLY J.	00297	010 2:00	010 6:00						8:00
DIXON D.	23719			421	8:00				8:00
MCCLAIN R.	61256			421	8:00				8:00
		10:00	30:00	24:00	0:00	0:00			64:00

ment Type	Emp #	Eq #	Usage	Usage	Usage	Usage	Usage	Total Usage	Actual Start	Actual Stop
SERVICE T	83607	7598	2:00	6:00				8.00	43140	43182
AIR COMP SKID	56868	8801	2:00	6:00				8.00	0	0
SERVICE T	56868	7474	2:00	6:00				8.00	39128	39148
TRAILER PLATF	56868	8995	2:00	6:00				8.00	0	0
TRACTOR	56868	8594	2:00	6:00				8.00	0	0
Safety Checklist			NOT FOUND	NOT FOUND						

REMARKS

Printed: 08/30/96 15:11:43

WOF REQUEST: J7A21532

CLS-ITEM	DESCRIPTION	QTY	UNIT PRICE	COST
037-7005	TIE CABLE TEFLON 3/16"X14 -1/2" MAX BUNDLE DIA 4"	20.00	0.5350	10.70
070-8010	TAPE VINYL PLASTIC ELECTRICAL 3/4"X.0085"X66'	20.00	2.4950	49.90
075-8155	TAG LAMP VINYL FOR MEMPHIS CATV CABLE ID	20.00	0.4650	9.30
078-8655	TWINE TARRED NYLON #60 TY PE T 1LB TUBE-APPROX 308'	5.00	4.9800	24.90

***	MATERIAL COST	***	94.80
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***	MS OVERHEAD @ 14%	***	13.27
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***	WORK REQUEST TOTAL	***	108.07
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MEMPHIS LIGHT, GAS
CLOSING S
WATER DIVISION
EM
STORES

PERIOD: 04/99 CLASS ITEM: 037-7005

***** CLASS ITEM TOTAL *****

DATE	TIME	CLASS	ITEM	DD	04/99	05/99	06/99	07/99	08/99	09/99	10/99	11/99	12/99	01/00	02/00	03/00	04/00	05/00	06/00	07/00	08/00	09/00	10/00	11/00	12/00	01/01	02/01	03/01	04/01	05/01	06/01	07/01	08/01	09/01	10/01	11/01	12/01	01/02	02/02	03/02	04/02	05/02	06/02	07/02	08/02	09/02	10/02	11/02	12/02	01/03	02/03	03/03	04/03	05/03	06/03	07/03	08/03	09/03	10/03	11/03	12/03	01/04	02/04	03/04	04/04	05/04	06/04	07/04	08/04	09/04	10/04	11/04	12/04	01/05	02/05	03/05	04/05	05/05	06/05	07/05	08/05	09/05	10/05	11/05	12/05	01/06	02/06	03/06	04/06	05/06	06/06	07/06	08/06	09/06	10/06	11/06	12/06	01/07	02/07	03/07	04/07	05/07	06/07	07/07	08/07	09/07	10/07	11/07	12/07	01/08	02/08	03/08	04/08	05/08	06/08	07/08	08/08	09/08	10/08	11/08	12/08	01/09	02/09	03/09	04/09	05/09	06/09	07/09	08/09	09/09	10/09	11/09	12/09	01/10	02/10	03/10	04/10	05/10	06/10	07/10	08/10	09/10	10/10	11/10	12/10	01/11	02/11	03/11	04/11	05/11	06/11	07/11	08/11	09/11	10/11	11/11	12/11	01/12	02/12	03/12	04/12	05/12	06/12	07/12	08/12	09/12	10/12	11/12	12/12	01/13	02/13	03/13	04/13	05/13	06/13	07/13	08/13	09/13	10/13	11/13	12/13	01/14	02/14	03/14	04/14	05/14	06/14	07/14	08/14	09/14	10/14	11/14	12/14	01/15	02/15	03/15	04/15	05/15	06/15	07/15	08/15	09/15	10/15	11/15	12/15	01/16	02/16	03/16	04/16	05/16	06/16	07/16	08/16	09/16	10/16	11/16	12/16	01/17	02/17	03/17	04/17	05/17	06/17	07/17	08/17	09/17	10/17	11/17	12/17	01/18	02/18	03/18	04/18	05/18	06/18	07/18	08/18	09/18	10/18	11/18	12/18	01/19	02/19	03/19	04/19	05/19	06/19	07/19	08/19	09/19	10/19	11/19	12/19	01/20	02/20	03/20	04/20	05/20	06/20	07/20	08/20	09/20	10/20	11/20	12/20	01/21	02/21	03/21	04/21	05/21	06/21	07/21	08/21	09/21	10/21	11/21	12/21	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	01/23	02/23	03/23	04/23	05/23	06/23	07/23	08/23	09/23	10/23	11/23	12/23	01/24	02/24	03/24	04/24	05/24	06/24	07/24	08/24	09/24	10/24	11/24	12/24	01/25	02/25	03/25	04/25	05/25	06/25	07/25	08/25	09/25	10/25	11/25	12/25	01/26	02/26	03/26	04/26	05/26	06/26	07/26	08/26	09/26	10/26	11/26	12/26	01/27	02/27	03/27	04/27	05/27	06/27	07/27	08/27	09/27	10/27	11/27	12/27	01/28	02/28	03/28	04/28	05/28	06/28	07/28	08/28	09/28	10/28	11/28	12/28	01/29	02/29	03/29	04/29	05/29	06/29	07/29	08/29	09/29	10/29	11/29
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FOR MEMPHIS CATV CABLE ID

*****	CLASS	ITEM	TOTAL	*****
*****	1000	1000	1000	*****
*****	2000	2000	2000	*****
*****	3000	3000	3000	*****
*****	4000	4000	4000	*****
*****	5000	5000	5000	*****
*****	6000	6000	6000	*****
*****	7000	7000	7000	*****
*****	8000	8000	8000	*****
*****	9000	9000	9000	*****
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*****	74000	74000	74000	*****
*****	75000	75000	75000	*****
*****	76000</			

PERIOD: 04/99	CLASS ITEM: 078-8655	TWINE TARRED NYLON #60 TYPE I 1LB TUBE APPROX 333			
			4.98	5.00 EA	24.90
					4.40
					29.30

CLASS	ITEM	TOTAL
1	1	1
2	2	2
3	3	3
4	4	4
5	5	5
6	6	6
7	7	7
8	8	8
9	9	9
10	10	10
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67	67	67
68	68	68
69	69	69
70	70	70
71	71	71
72	72	72
73	73	73
74	74	74
75	75	75
76	76	76
77	77	77
78	78	78
79	79	79
80	80	80
81	81	81
82	82	82
83	83	83
84	84	84
85	85	85
86	86	86
87	87	87
88	88	88
89	89	89
90	90	90
91	91	91
92	92	92
93	93	93
94	94	94
95	95	95
96	96	96
97	97	97
98	98	98
99	99	99
100	100	100

***** WORK REQUEST TOTAL *****

FUNCTION: MCF006 MATERIAL AND SUPPLIES RECORD DATE: 03/31/00
DIALOG : MCD006 TIME: 14:49:16

CLS-ITM: 37-7005 DESC: TIE CABLE TEFZEL 3/16"X14-1/2" MAX BUNDLE DIA 4"
KEYWORD: TIE CABLE TOTAL QTY ALL SR: 7846
U/M: EA U/I: EA ISSU CNV/U: 1.000 TOTAL AMT ALL SR: 4181.46
STORES FLG: Y PREV CAP : N AVG UNIT COST : 0.53294
SERV TYPE : 1 SENSITIVE : N REPLENISH CODE : A
TYPE STK : T IN CU: Y INV CLASS : A QTY ON REQUEST : 0
COIL/REEL : N TRADE IN : N QTY ON ORDER : 3000.000
INSP REQD : R TERM ORD : N LAST PO NBR: 110059 U/P: C
LST ADJ DT: 8/30/95 METHOD ADJ: I PO PRICE : 52.53000
SCRAP C&I : 0-0000 SCRP CNV/U: 0.0000 SALV SUCCESS : .000000
DRAW FROM S/R: 85 S/R NUMBERS: 55 85 87 88 89 90

STOREROOM NBR : 55

PRIMARY BIN LOCATION: BUILDING NUMBER 8 ROW: 3 BAY/SEC: A BIN: 5
QTY ON HAND : 0 MTH BEG BAL : 0 YR-BEG-BAL : 0
ONHLD INSTK : 0 CURR MTH USE: 0 ORDER POINT : 6
ONHLD OUTSTK: 0 LAST MTH USE: 0 RESERVE PNT : 0
QTY RESERVED: 0 AVG MTH USE : 16

PRESS PF1 FOR A FULL LISTING OF ALL VALID FUNCTION KEYS

ENT=INQ CLEAR=CLR/SRC PF2=AVG PRICE PF3=M&S MANT PF23=PRV SCR PF24 = MAINMENU

*** REQUESTED INFORMATION FOUND AND DISPLAYED ***

DATE: 03/31/00
PAGE: 1

TYPE	DESCRIPTION	RATE	QTY	AMOUNT
606	SERVICE TRK 3/4 TON - H	3.530	12.00	42.36
			=====	=====
			12.00	42.36
611	SERVICE TRK 1 TON - H	4.270	8.50	36.29
			=====	=====
			8.50	36.29
700	SERVICE TRK 2 TON - H	5.230	12.00	62.76
		5.540	8.50	47.09
			=====	=====
			20.50	109.85
770	TRK - WINCH-H	6.960	12.00	83.52
		7.840	8.50	66.64
			=====	=====
			20.50	150.16
** GRAND TOTAL **				338.66

DATE: 06/21/99
PAGE: 1

WMS WB ANALYSIS: EQUIPMENT

G/L PERIOD	***** TYPE	EQUIPMENT DESCRIPTION *****	CHARGE CODE	UNIT A/U	TIME SHEET DATE	CREW	AREA	U/M	QTY	EQMT RATE	TOTAL AMOUNT
4-97	606	1-T CC SERV TRK	9000	A	04/18/97	1260	550240	HOURS	4.00	3.53	14.12
	700	CREW CAB SERVICE TRUCK	9000	A	04/18/97	1260	550240	HOURS	4.00	5.23	20.92
	770	CAB & CHASSIS W/10T WINCH TRK	9000	8074	A	04/18/97	1260	550240	HOURS	6.96	27.84
	606	1-T CC SERV TRK	9000	A	04/19/97	1260	550240	HOURS	8.00	3.53	28.24
	700	CREW CAB SERVICE TRUCK	9000	A	04/19/97	1260	550240	HOURS	8.00	5.23	41.84
	770	CAB & CHASSIS W/10T WINCH TRK	9000	8074	A	04/19/97	1260	550240	HOURS	6.96	55.68
<hr/>											
5-98	611	1-T CC SERV TRK	9000	A	05/07/98	1260	550240	HOURS	0.50	4.27	2.13
	700	2-T CC SERV TRK	9000	A	05/07/98	1260	550240	HOURS	8.00	4.27	34.16
	770	WINCH TRK W/10-T WINCH	9000	8074	A	05/07/98	1260	550240	HOURS	5.54	2.77
			9000	A	05/07/98	1260	550240	HOURS	0.50	5.54	44.32
			9000	A	05/07/98	1260	550240	HOURS	0.50	3.92	3.92
			9000	A	05/07/98	1260	550240	HOURS	8.00	7.84	62.72
<hr/>											
											188.64
<hr/>											
***** G/L PERIOD TOTAL *****											
***** G/L PERIOD TOTAL *****											150.02
***** WORK REQUEST TOTAL *****											338.66

MEMPHIS LIGHT, GAS AND WATER DIVISION
TRANSPORTATION RATE CHANGE
BY EQUIP. TYPE JDE

DATE: 01/01/00

PAGE: 1

EQUIP TYPE	PREV RATE	NEW RATE
1	100.00	.00
2	100.00	.00
3	13.00	.00
5	125.00	.00
8	40.00	.00
10	16.25	.00
12	10.00	.00
14	100.00	.00
15	100.00	.00
16	100.00	.00
18	100.00	.00
19	22.50	.00
20	100.00	.00
22	100.00	.00
23	100.00	.00
24	100.00	.00
25	175.00	.00
26	29.00	.00
27	10.00	.00
29	2.75	.00
31	10.00	.00
32	5.50	.00
33	1.00	.00
34	.00	.00
35	400.00	.00
36	8.50	.00
37	600.00	.00
38	75.00	.00
39	565.00	.00
40	.00	.00
41	100.00	.00
42	700.00	.00
43	275.00	.00
44	700.00	.00
45	1,000.00	.00
46	25.00	.00
47	44.17	.00
100	4.00	.00
101	4.05	.00
104	9.00	.00
105	8.94	.00
106	8.95	.00
110	3.75	.00
111	3.90	.00
112	4.50	.00
120	.50	.00

EQUIP TYPE	PREV RATE	NEW RATE
125	.25	.00
126	.25	.00
130	6.48	.00
131	.35	.00
132	28.75	.00
150	.60	.00
151	.50	.00
155	2.05	.00
156	2.15	.00
160	1.55	.00
165	22.50	.00
170	1.00	.00
400	.35	.00
405	.48	.48
406	.88	.00
408	.36	.00
410	.25	.00
500	.56	.00
505	.55	.00
510	1.85	.00
520	.90	.00
525	.42	.42
530	1.00	.00
532	2.15	2.15
535	2.15	2.15
536	.65	.65
540	.30	.00
545	2.85	.00
546	.50	.00
550	1.05	1.05
551	2.81	2.81
552	.78	.78
553	2.30	2.30
600	1.31	1.31
601	2.28	2.28
602	.34	.00
603	1.45	.00
604	1.10	1.10
605	1.50	1.50
606	3.78	3.78
607	1.34	1.34
608	3.25	3.25
611	4.27	4.27
612	5.63	5.63
615	1.29	1.29
616	2.91	2.91

EQMT TYPE	PREV RATE	NEW RATE
618	4.88	4.88
620	2.30	2.30
621	4.18	4.18
622	4.00	.00
623	4.03	4.03
624	3.80	3.80
625	4.70	4.70
627	4.75	.00
631	5.23	5.23
636	5.75	5.75
637	1.30	.00
700	6.09	6.09
701	11.00	11.00
710	10.00	10.00
712	10.45	10.45
715	11.32	11.32
717	13.05	13.05
720	5.90	5.90
725	6.44	6.44
735	8.10	.00
740	18.50	.00
745	24.56	24.56
746	31.05	.00
751	7.18	7.18
755	9.77	9.77
760	18.96	18.96
761	21.73	21.73
765	6.27	6.27
770	7.84	7.84
775	3.31	.00
800	25.44	25.44
802	15.41	15.41
803	16.96	16.96
804	16.72	16.72
806	48.59	48.59
808	94.26	94.26
811	14.11	14.11
813	15.55	15.55
814	19.23	19.23
816	11.00	11.00
817	14.63	.00
818	35.00	.00
820	4.44	4.44
822	21.95	21.95
824	37.00	.00
850	26.13	26.13

REPORT NO.: PMEM0455

MEMPHIS LIGHT, GAS AND WATER DIVISION

DATE: 01/01/00

REPORT NO.: PMEM0455

MEMPHIS LIGHT, GAS AND WATER DIVISION
TRANSPORTATION RATE CHANGE
BY EQUIP. TYPE CODEDATE: 01/01/00
PAGE: 4

EQUIP TYPE	PREV.		NEW	
	RATE		RATE	
851	61.67		61.67	
852	14.81		14.81	
853	16.67		16.67	
854	13.59		13.59	
855	83.74		83.74	
856	87.68		87.68	
857	12.02		12.02	
858	9.41		9.41	
859	13.74		13.74	
860	22.28		22.28	
861	22.00		22.00	
862	32.88		32.88	
863	51.73		51.73	
865	63.23		63.23	
866	56.43		.00	
867	57.48		57.48	
868	49.76		.00	
869	13.06		13.06	
871	86.25		.00	
874	52.88		52.88	
876	40.19		40.19	
877	29.26		29.26	
878	68.97		68.97	
879	98.40		98.40	
881	9.78		.00	
882	6.48		6.48	
883	8.36		8.36	
884	22.52		22.52	
885	13.06		13.06	
886	19.23		19.23	
887	8.26		8.26	
888	8.15		8.15	
889	1.50		.00	
890	3.45		3.45	
891	3.24		3.24	
892	4.88		4.88	
894	5.23		5.23	
895	3.08		3.08	
896	8.36		.00	
897	4.18		4.18	
898	2.87		2.87	
899	2.72		2.72	
900	3.76		3.76	
901	2.55		.00	
902	4.96		4.96	
903	33.00		33.00	

EQUI TYPE	PREV RATE	NEW RATE
905	21.85	21.85
906	122.69	122.69
909	9.67	9.67
910	30.00	.00
911	32.76	32.76
912	4.00	.00
913	8.36	8.36
915	25.29	25.29
916	307.49	307.49
917	135.69	135.69
918	22.00	22.00
920	15.00	15.00
921	7.35	.00
922	8.62	8.62
923	7.05	7.05
924	1.00	1.00
926	35.42	35.42
927	42.80	42.80
928	2.00	.00
929	7.00	7.00
930	6.79	6.79
931	26.13	26.13
932	5.35	.00
933	12.22	.00
934	111.82	111.82
935	3.35	.00
936	3.45	3.45
937	19.66	19.66
938	.89	.89
939	21.51	.00
940	3.55	.00
942	1.05	1.05
943	6.90	.00
944	30.00	.00
945	7.37	7.37
946	11.00	.00
947	5.20	.00
948	21.95	21.95
949	15.50	.00
950	25.18	25.18
951	12.65	12.65
952	12.02	12.02
953	15.69	15.69
954	5.12	5.12
955	4.	4.65
956	14.37	14.37

OVERHEADS

OBJECTIVE:

- 1) To identify the overheads to be used in the proposed accounting system.
- 2) To explain how each type of overhead will be applied.

I. OVERHEAD TYPES

- A. M & S (Materials and supplies)
- B. Purchase
- C. E & S (Engineering and superintendence)
- D. A & G (Administrative and general)
- E. Employee Benefits
- F. Bad Weather
- G. Reclamation

II. M & S

- A. M & S overhead will be based on total, pure M & S charges.
- B. The M & S rate will be determined (based upon a study) and this rate will be applied to all M & S charges to work requests and charge codes.
- C. This M & S rate will not take into account salvaging and scrapping activities. These activities will be covered by reclamation overhead.
- D. The Stores Sub-system using the M & S loading table will determine the amount of M & S loading that is to be applied to each work request or charge code.

III. PURCHASE

- A. Purchase overhead will be based on the total dollar amount of a non-Stores material item.
- B. The purchase rate will be determined, and this rate will be applied to each work request or charge code that a non-Stores material item is charged to.
- C. The A/P sub-system, using the purchase loading table, will determine the amount of purchase loading that is to be applied to each work request or charge code.

IV. E & S

- A. E & S overhead will be based on total direct labor charges to all work requests.
- B. All E & S charges will be reported and distributed by charge code. Some charge codes will convert to construction work in progress sub accounts. Some charge codes will convert to O & M expense accounts. To the extent possible each E & S charge will identify

(not charge) a specific work request. Work requests will not be directly charged for E & S charges.

- C. There will be multiple E & S rates. The work request type will dictate the rate to be applied to each work request. Work Requesting will identify the work request type as each work request is established.
- D. Work requests will be loaded with E & S overhead at the point of transaction. The Payroll Sub-system using the E & S loading table will determine the amount of E & S loading that is to be applied to each work request.
- E. E & S will also be applied to contracted labor based on contracted labor charges. This type of E & S overhead will be applied by the Accounts Payable Sub-system. The work request type will dictate the E & S rate to be applied.

V. A & G

- A. A & G overhead will be based on total capital charges (direct and indirect) to work requests.
- B. The A & G rate will be determined and applied to capital work request charges from all sources (payroll, M & S, transportation, A/P and journal vouchers).
- C. The Closing Sub-system will determine the amount of A & G loading to be applied to each work request.
- D. A & G will be loaded to work requests during the closing process and will be applied only to the capital portion of a work request.

VI. EMPLOYEE BENEFITS

- A. Employee benefits overhead will be based on regular direct labor dollars (no overtime, no work out of class differential, etc.)
- B. The employee benefits rate will be determined and this rate will be applied to the regular direct labor dollars that are charged to all compatible unit work requests and charge code work requests.
- C. The Payroll Sub-system, utilizing the employee benefits loading table, will determine the amount of employee benefit loading that is to be applied to each work request.

VII. BAD WEATHER

- A. Bad weather overhead will be based on total direct labor charges.
- B. The bad weather overhead rate will be determined and this rate will be applied to the total direct labor charges of all work requests that may be affected by bad weather.
- C. The work request type (established by WMSII) must indicate whether or not the work request is to be loaded with bad weather overhead.
- D. The Payroll Sub-system will perform an edit to determine if the work request is to be loaded. This system will also utilize the bad weather loading table to determine the amount of bad weather loading that is to be applied to each appropriate work request.

VIII RECLAMATION

- A. Reclamation overhead will be based on the salvage/scrap value of the material being reclaimed.
- B. The reclamation rate (or rates) will be determined and the rate will be applied by the Closing Sub-system.
- C. The Closing Sub-system, using the reclamation loading table, will determine the amount of reclamation loading to be applied to each affected material item.
- D. Reclaimed material items will receive reclamation loading during the closing process.

LOADINGS

1. ENGINEERING AND SUPERINTENDENCE LOADING:

Description:

E&S Study consists of payroll dollars for employees who work on several different construction jobs each day. To avoid having to report daily time to various jobs each day, they charge part or all of their time to various E&S pools on fixed and daily time reporting. These types of positions include engineering personnel, inspectors, staff positions, job coordinators, customer representatives, supervisors, general foremen, etc.

Percent:

To calculate the correct E&S percent, the numerator would be all labor charged to the E&S pools plus Employee Benefits. The denominator would be all labor charged directly to construction.

2. ADMINISTRATIVE AND GENERAL EXPENSE LOADING

Description:

A&G Expense Study consists of administrative and general salaries, transportation, rent and maintenance of general plant, and other expenses.

Percent:

Percent is determined by above study, total dollars to be capitalized, plus any undistributed A&G. This is divided by the total CWIP (Construction Work in Progress) and the estimated capital expenditures for the budget year.

3. BAD WEATHER LOADING

Percent is determined by total charges to Bad Weather divided by total payroll multiplied by the number of working days in the year.

4. EMPLOYEE BENEFITS LOADING

Description:

Employee Benefits Loading Study is composed of vacation, holidays, sick pay, absences, pension, insurance and injuries and damages.

Percent:

Vacation, holidays, sick pay and absences are determined by taking total working days minus total productive days divided by total productive days.

Pension is based on employer contributions to the pension system which is decided by a pre-determined percent of total payroll.

Insurance & Injuries/Damages is determined by total Division contributions divided by total payroll.

5. MATERIALS & SUPPLIES/CASH VOUCHER LOADING

Description:

M&S/CV loading represents the costs involved in the procurement, storage, and issuance of M&S inventory items (cable, pipe, poles, etc.) as well as non-Stores items (office equipment, field equipment, vehicles, etc.). M&S items are loaded at the time of their use; non-Stores items are loaded at the time of purchase by a "cash voucher."

Percent:

To calculate the correct loading percent, the numerator would be the total personnel costs and physical plant costs involved with the Purchasing function and the Storerooms operation. The denominator would be the total dollar value of all M&S items issued from the Storerooms plus the cost of all non-Stores items purchased during the year.

**MEMPHIS LIGHT, GAS AND WATER DIVISION
INTERDEPARTMENTAL COMMUNICATION**

TO Vice Presidents, Managers & Supervisors

DATE 2-26-92

FROM Budget & Rates

FILE

SUBJECT Administrative & General Expense Loading & Bad Weather Loading

A current study of administrative & general expense & bad weather loading indicates the following changes should be made in the percentages. The new percentages are effective as of March 1, 1992.

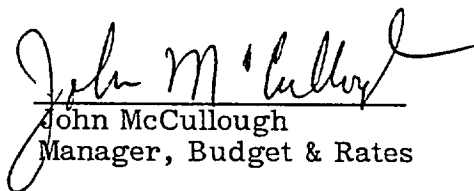
	<u>Old</u>	<u>New</u>
<u>Administrative & General Expense</u>	5.00%	3.40%
<u>Bad Weather</u>	6.00%	7.00%

Please distribute this letter to the appropriate personnel who are involved in estimating and/or analyzing construction cost.



John Banks

Accountant, Budget & Rates



John McCullough

Manager, Budget & Rates

MEMPHIS LIGHT, GAS AND WATER DIVISION
INTERDEPARTMENTAL COMMUNICATION

TO Vice Presidents, Managers & Supervisors DATE 1-27-92
 FROM Budget & Rates FILE
 SUBJECT Engineering & Superintendence Loading, Employee Benefits Costs Loading

A current study of engineering and superintendence loading and employee benefits costs loading indicates the following changes should be made in the percentages. The new percentages are effective as of February 1, 1992.

<u>ENGINEERING & SUPERINTENDENCE</u>		<u>Old</u>	<u>Rates</u> <u>New</u>
Electric:	Work Management Rates	72%	65%
	Substations, Transmission Lines, Transmission R.O.W., Communica- tions Equip. Computer Dispatch Eq.	72%	65%
	All other electric rates the same		
Gas:	Work Management Rates	72%	65%
	All other gas rates the same.		
Water:	Work Management Rates	72%	65%
	Water Production	63%	65%
	All other water rates the same		

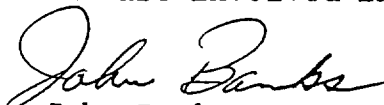
IN 4/2/87

<u>EMPLOYEE BENEFITS COSTS</u>		<u>Old</u>	<u>New</u>
	Vacation, holiday, sick pay.	15.77%	16.08%
	Pension Fund	17.83%	16.14%
	Employee Insurance	11.19%	14.13%
	Injuries & Damages	0.95%	1.27%
	Medical	<u>2.26%</u>	<u>3.38%</u>
	Total Benefit Costs	48.00%	51.00%

The appropriate employee benefits percentage relating to analyses using "Payroll" or "Salary" as a basis, as opposed to "Productive Labor" or "Direct Labor" is shown below:

	<u>Old</u>	<u>New</u>
Pension Fund	15.50%	14.00%
Employee Insurance	9.73%	12.27%
Injuries & Damages	.82%	1.18%
Medical	<u>2.00%</u>	<u>3.00%</u>
Total	28.05%	30.45%

Managers please distribute this letter to the appropriate personnel who are involved in estimating and/or analyzing construction cost.


 John Banks
 Accountant, Budget & Rates

APPROVED:


 Manager, Budget & Rates

Memorandum

To: See List Below
From: Budget & Rates
Date: 02/04/94
Subject: Employee Benefit Costs and Bad Weather

A current study of employee benefit costs and bad weather indicates the following changes should be made in the percentages. The percentages for Employee Benefit Costs were effective on February 1, 1994. Bad Weather percentage is effective on February 7, 1994.

Employee Benefit Costs

Vacation, holiday, sick pay	18.36%
Pension fund	14.16%
Employee insurance	12.96%
Injuries and damages	1.62%
Medical	5.90%
Total Benefit Costs	53.00%

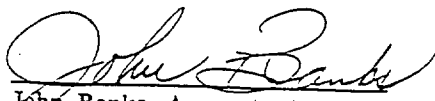
The appropriate employee benefits percentage relating to analyses using "Payroll" or "Salary" as a basis, as opposed to "Productive Labor" or "Direct Labor," is shown below:

Pension fund	12.00%
Employee insurance	10.98%
Injuries and damages	1.37%
Medical	5.00%
Total	29.35%

Bad Weather

5.5%

Managers, please distribute this letter to the appropriate personnel who are involved in estimating and/or analyzing construction costs.


John Banks, Accountant
Budget & Financial Planning

sgb

c: John W. McCullough	C. H. Pickel	B. M. Tate
Ira C. Carbage	B. H. Ogletree	G. H. Thomason
T. C. Whitlow	W. C. Adams	M. W. Bridges
A. C. Broady	C. A. Shrein ✓	C. W. Wooddell
C. E. Merryman	E. L. Gafford	N. P. Cathey
J. W. Hardy	A. H. Long	C. L. Smart
H. Winter	J. Foreman	
M. W. Biscoe	A. W. Stinson	

MEMPHIS LIGHT, GAS AND WATER DIVISION
INTERDEPARTMENTAL COMMUNICATION

TO Vice Presidents, Managers, & Supervisors
FROM Budget, Plant and Rates
SUBJECT Employee Benefit Costs

DATE 4/3/96

FILE

A current study of employee benefit costs indicates the following changes should be made in the percentages. The percentages for Employee Benefit Costs were effective on April 1, 1996.

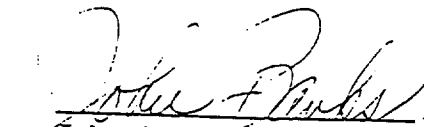
Employee Benefit Costs

Vacation, holiday, sick pay	19.00%
Pension fund	13.04%
Employee insurance	15.35%
Injuries and damages	<u>1.61%</u>
Total Benefit Costs	49.00%

The appropriate employee benefits percentage relating to analyses using "Payroll" or "Salary" as a basis, as opposed to "Productive Labor," is shown below:

Pension fund	11.00%
Employee insurance	12.95%
Injuries and damages	<u>1.35%</u>
Total	25.30%

Managers, please distribute this letter to the appropriate personnel who are involved in estimating and/or analyzing construction costs.


John Banks, Accountant
Budget & Financial Planning

sgb

MEMPHIS LIGHT, GAS AND WATER DIVISION
INTERDEPARTMENTAL COMMUNICATION

TO Vice Presidents, Managers, & Supervisors
FROM Finance & Treasury
SUBJECT Employee Benefit Costs

DATE 2/16/98
FILE

A current study of employee benefit costs indicates the following changes should be made in the percentages. The percentages for Employee Benefit Costs were effective on February 16, 1998.

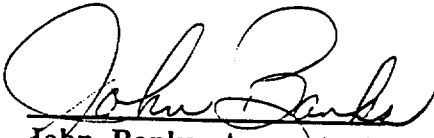
Employee Benefit Costs

	<u>OLD</u>	<u>RATES</u> <u>NEW</u>
Vacation, holiday, sick pay	19.00%	18.26%
Pension fund	13.04%	13.04%
Employee insurance	15.35%	19.17%
Injuries and damages	<u>1.61%</u>	<u>1.53%</u>
Total Benefit Costs	49.00%	52.00%

The appropriate employee benefits percentage relating to analyses using "Payroll" or "Salary" as a basis, as opposed to "Productive Labor," is shown below:

	<u>OLD</u>	<u>NEW</u>
Pension fund	11.00%	11.00%
Employee insurance	12.95%	16.15%
Injuries and damages	<u>1.35%</u>	<u>1.28%</u>
Total	25.30%	28.43%

Managers, please distribute this letter to the appropriate personnel who are involved in estimating and/or analyzing construction costs.


John Banks, Accountant
Budget & Financial Planning

sgb

**MEMPHIS LIGHT, GAS AND WATER DIVISION
INTERDEPARTMENTAL COMMUNICATION**

Vice Presidents, Managers, & Supervisors

3/09/00

TO

DATE

FROM Finance & Treasury

FILE

SUBJECT Employee Benefit Costs

A current study of employee benefit costs indicates the following changes should be made in the percentages. The percentages for Employee Benefit Costs are to be effective on April 1, 2000.

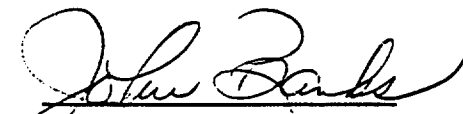
Employee Benefit Costs

	<u>NEW</u>
Vacation, holiday, sick pay	19.30%
Pension fund	11.40%
Employee insurance	23.62%
Injuries and damages	<u>1.68%</u>
Total Benefit Costs	56.00%

The appropriate employee benefits percentage relating to analyses using "Payroll" or "Salary" as a basis, as opposed to "Productive Labor," is shown below:

	<u>NEW</u>
Pension fund	9.50%
Employee insurance	19.97%
Injuries and damages	<u>1.40%</u>
Total	30.87%

Managers, please distribute this letter to the appropriate personnel who are involved in estimating and/or analyzing construction costs.


John Banks, Accountant
Budget & Financial Planning

sgb

FUNCTION: BUF082
DIALOG : BUD082

LOAD CODE
INQUIRE
CURRENT VERSION

DATE: 03/30/00

LOAD CODE : MS

WR TYPE :

LOAD CODE NAME : MATERIAL AND SUPPLIES LOADING

PERCENTAGE : 018.0

SOURCE : MS

MATERIALS & SUPPLIES

OFFSET CHARGE CODES

=====

ELECTRIC	: 9900	LOAD CODE-MATERIALS & SUPPLIES
GAS	: 9900	LOAD CODE-MATERIALS & SUPPLIES
WATER	: 9900	LOAD CODE-MATERIALS & SUPPLIES

DATE LAST MODIFIED : 1/03/97

PF7 = PAGE BACKWARD

PF8 = PAGE FORWARD

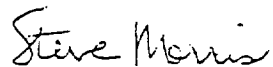
**MEMPHIS LIGHT, GAS AND WATER DIVISION
INTERDEPARTMENTAL COMMUNICATION**

TO Diana M. Veazey
FROM Steve Morris
SUBJECT M & S Loading Percentage

DATE 2/9/96

FILE

Effective today, February 9, 1996, M & S loading was raised from 14% to 16% pending further analysis of account #1184.0001. Non-Stores loading was eliminated effective February 1, 1996.



Steve Morris, Supervisor
Management Accounting

bl

cc: Tom McCormack
Carol Shrein
John McCullough



MEMPHIS LIGHT, GAS AND WATER DIVISION
P.O. Box 388
Memphis, Tennessee 38145

Invoice: 70622

ATTN PHIL KRAFT
TIME WARNER COMMUNICATIONS
6555 QUINCE
MEMPHIS TN 38119-

Date: 12/13/1999

Amount: \$ 5,403.66

To insure prompt credit, please return a copy of this invoice with payment

Customer No.: 7191
Area: 530222

Account: 1143.1000
Claims:

Description of Charges - Terms Net 30

JOB ORDER J7A21532

FOR ALL COSTS INCURRED IN CONNECTION
WITH THE REMOVAL AND INSTALLATION OF
TIME WARNER CABLE IN NETWORK DUCTLINE.

\$ 5,403.66
=====

Please pay this amount --> \$ 5,403.66

Copy 4-Requesting Area

**MEMPHIS LIGHT, GAS AND WATER DIVISION
INTERDEPARTMENTAL COMMUNICATION**

TO Steve Morris
FROM Property Accounting
SUBJECT J7A21532

October 21, 1999

DATE
FILE

Please make an invoice and journal voucher entries on the following job order which has been analyzed and checked by this department and is now ready to be closed.

DATE ISSUED	JOB ORDER NO.	DESCRIPTION
04/04/97	J7A21532	Time Warner Comm. ATTN: Phil Kraft 6555 Quince Memphis, Tn 38119

FINAL BILLING

TYPE: All costs incurred in connection with the removal and installation of Time Warner Cable in network ductline.

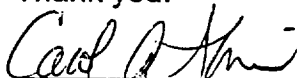
FINAL BILLING

Charge to Customer:	5,403.66
Actual Cost:	5,403.66
Explanation:	Actual Cost

Please make journal entries as follows:

Dr. 999999-9999-999999	11431000	5,403.66	
Cr. 999999-9000-999999	J7A21532		5,403.66
Dr. 999999-9000-999999	J7A21532	177.68	
Cr. 999999-9999-999999	14000500		177.68

Thank you.



Carol A. Shrein
Supervisor, Property Accounting

J7A21532	Charge to Customer:	5,403.66	0
October 21, 1999			

WORK REQUEST TOTAL	5,225.98		
AP TOTAL	\$0.00		
JV TOTAL	\$0.00		
MATERIAL TOTAL (MS)	\$111.60	0.00	0.00
PAYROLL TOTAL (PR)	\$4,775.72		
EQUIPMENT TOTAL (TR)	\$338.66		
SUBTOTAL	5,225.98		
ACTUAL COST (3.4%)	177.68		
TOTAL	5,403.66		

Dr. 999999-9999-	999999	11431000	5,403.66	
Cr. 999999-9000-	999999	J7A21532		5,403.66
Dr. 999999-9000-	999999	J7A21532	177.68	
999999-9999-	999999	14000500		177.68

REPORT NAME: /CLO140

MEMPHIS LIGHT, GAS AND WATER DIVISION
CLOSING SYSTEM
ALL SOURCES SUMMARY REPORT

WORK REQUEST: J7A21532 18 S MAIN , 18 S. MAIN

	TRANSACTION AMOUNT	LOADING AMOUNT	TOTAL AMOUNT
* WORK REQUEST TOTAL:	2,866.07	2,359.91	5,225.98
* AP SOURCE TOTAL:	0.00	0.00	0.00
* JV SOURCE TOTAL:	0.00	0.00	0.00
* MS SOURCE TOTAL:	94.80	16.80	111.60
* PR SOURCE TOTAL:	2,432.61	2,343.11	4,775.72
* TR SOURCE TOTAL:	338.66	0.00	338.66

REPORT NUMBER: PMCL1060

PERIOD: 04/99	CLASS ITEM: 078-8655	TWINE TARRED NYLON #60 TYPE T 1LB TUBE-APPROX 308'
04/09/99	2012 5610 988888	5610 M584812 5.00 EA 4.98 24.
*****	CLASS ITEM TOTAL *****	5.00 24.
*****	G/L PERIOD TOTAL *****	65.00 94.
*****	WORK REQUEST TOTAL *****	65.00 94.

DATE: 06/21/99
PAGE: 1

18 S MAIN , 18 S. MAIN

G/L PERIOD	*****	EQUIPMENT DESCRIPTION	*****	CHARGE CODE	UNIT	A/U	TIME SHEET DATE	CREW	AREA	U/M	QTY	EQMT RATE	TOTAL AMOUNT
4-97	606	1-T CC SERV TRK		9000	6310	A	04/18/97	1260	550240	HOURS	4.00	3.53	14.12
	700	CREW CAB SERVICE TRUCK		9000	7585	A	04/18/97	1260	550240	HOURS	4.00	5.23	20.92
	770	CAB & CHASSIS W/10T. WINCH TRK		9000	8074	A	04/18/97	1260	550240	HOURS	4.00	6.96	27.84
	606	1-T CC SERV TRK		9000	6310	A	04/19/97	1260	550240	HOURS	8.00	3.53	28.24
	700	CREW CAB SERVICE TRUCK		9000	7585	A	04/19/97	1260	550240	HOURS	8.00	5.23	41.84
	770	CAB & CHASSIS W/10T. WINCH TRK		9000	8074	A	04/19/97	1260	550240	HOURS	8.00	6.96	55.68

G/L PERIOD TOTAL *****													
188.64													
5-98	611	1-T CC SERV TRK		9000	6310	A	05/07/98	1260	550240	HOURS	0.50	4.27	2.13
	700	2-T CC SERV TRK		9000	7585	A	05/07/98	1260	550240	HOURS	8.00	5.54	34.16
	770	WINCH TRK W/10-T WINCH		9000	7585	A	05/07/98	1260	550240	HOURS	8.00	5.54	44.32
				9000	8074	A	05/07/98	1260	550240	HOURS	0.50	7.84	3.92
				9000	8074	A	05/07/98	1260	550240	HOURS	8.00	7.84	62.72

G/L PERIOD TOTAL *****													
150.02													

WORK REQUEST TOTAL *****													
338.66													

REPORT NAME: PWCL1110

MEMPHIS LIGHT, GAS AND WATER DIVISION
CLOSING SYSTEM
WMS WR ANALYSIS: PAYROLL

DATE: 06/21/99
PAGE: 1

WORK REQUEST: J7A21532 TYPE: 133 E JO/HOUSE MOVES

18 S MAIN , 18 S. MAIN

G/L PERIOD: 04/97

DATE	CREW	AREA	EMP NO.	EMPLOYEE NAME	CHRG CODE	PAY CD	HOURS	TIME *****	E&S DOLLARS	EB DOLLARS	BW DOLLARS	TOTAL AMOUNT
04/18/97	1260	550240	00420	DAVIS, WESLEY	9000	REG	4.00	48.40	31.46	23.72	2.66	106.24
	1260	550240	00548	BILLINGSLEY, JIMMIE L	9000	REG	4.00	39.20	25.48	19.21	2.16	86.05
	9998	551230	00569	BEASON, RICKIE D	9000	REG	4.00	39.20	25.48	19.21	2.16	86.05
	1260	550240	37070	GREEN, HOWARD T	9000	REG	4.00	63.00	40.95	30.87	3.47	138.29
	1260	550240	58957	MALONE, SCOTT E	9000	REG	4.00	59.48	38.66	29.15	3.27	130.56
	1260	550240	66117	MORRISON, MICHAEL L	9000	REG	4.00	90.32	58.71	44.26	4.97	198.26
04/19/97	1260	550240	00420	DAVIS, WESLEY	9000	OVT	8.00	145.20	94.38	0.00	0.00	239.58
	1260	550240	00548	BILLINGSLEY, JIMMIE L	9000	OVT	8.00	117.60	76.44	0.00	0.00	194.04
	9998	551230	00569	BEASON, RICKIE D	9000	OVT	8.00	189.00	122.85	0.00	0.00	311.85
	1260	550240	37070	GREEN, HOWARD T	9000	OVT	8.00	178.44	115.99	0.00	0.00	294.43
	1260	550240	58957	MALONE, SCOTT E	9000	OVT	8.00	270.96	176.12	0.00	0.00	447.08
	1260	550240	66117	MORRISON, MICHAEL L	9000	OVT	24.00	339.60	220.74	166.42	18.69	745.45
	***			TOTALS			48.00	1,018.80	662.22	0.00	0.00	1,681.02
	***			- REGULAR			0.00	0.00	0.00	0.00	0.00	0.00
	***			- OVERTIME			0.00	0.00	0.00	0.00	0.00	0.00
	***			- DBL TIME			0.00	0.00	0.00	0.00	0.00	0.00
	***			- SPECIAL			0.00	0.00	0.00	0.00	0.00	0.00
	***			**TOTALS**			72.00	1,358.40	882.96	166.42	18.69	2,426.47
05/07/98	1260	550240	00420	DAVIS, WESLEY	9000	REG	8.00	108.32	70.41	56.33	5.96	241.02
	1260	550240	00791	ADELL, DARRYL J	9000	OVT	0.50	10.16	6.60	0.00	0.00	16.76
	1260	550240	37070	GREEN, HOWARD T	9000	REG	8.00	74.72	48.57	38.85	4.11	166.25
	1260	550240	58957	MALONE, SCOTT E	9000	OVT	0.50	7.01	4.56	0.00	0.00	11.57
	1260	550240	59141	MANLEY, JAMES F	9000	REG	8.00	131.60	85.54	68.43	7.24	292.81
	1260	550240	63703	MERRIWEATHER, W F	9000	REG	8.00	131.60	85.54	68.43	7.24	292.81
	1260	550240	66117	MORRISON, MICHAEL L	9000	OVT	0.50	12.34	8.02	0.00	0.00	20.36
	1260	550240	91750	UNSELL, PAUL A	9000	REG	8.00	108.32	70.41	56.33	5.96	241.02
	***			TOTALS			0.50	10.16	6.60	0.00	0.00	16.76
	***			- REGULAR			8.00	131.60	85.54	68.43	7.24	292.81
	***			- OVERTIME			0.50	12.34	8.02	0.00	0.00	20.36
	***			- DBL TIME			0.00	0.00	0.00	0.00	0.00	0.00
	***			- SPECIAL			0.00	0.00	0.00	0.00	0.00	0.00
	***			**TOTALS**			67.00	1,074.21	698.24	521.62	55.18	2,349.25
05/08/98	1260	550240	91750	UNSELL, PAUL A	9000	REG	8.00	113.44	73.74	58.99	6.24	252.41
	***			TOTALS			64.00	1,003.12	652.04	521.62	55.18	2,231.96
	***			- REGULAR			3.00	71.09	46.20	0.00	0.00	117.29
	***			- OVERTIME			0.00	0.00	0.00	0.00	0.00	0.00
	***			- DBL TIME			0.00	0.00	0.00	0.00	0.00	0.00
	***			- SPECIAL			0.00	0.00	0.00	0.00	0.00	0.00
	***			**TOTALS**			139.00	2,432.61	1,581.20	688.04	73.87	4,775.72
05/09/98	1260	550240	91750	UNSELL, PAUL A	9000	REG	8.00	1342.72	872.78	688.04	73.87	2,977.41
	***			TOTALS			51.00	1,089.89	708.42	0.00	0.00	1,798.31
	***			- REGULAR			0.00	0.00	0.00	0.00	0.00	0.00
	***			- OVERTIME			0.00	0.00	0.00	0.00	0.00	0.00
	***			- DBL TIME			0.00	0.00	0.00	0.00	0.00	0.00
	***			- SPECIAL			0.00	0.00	0.00	0.00	0.00	0.00
	***			**TOTALS**			139.00	2,432.61	1,581.20	688.04	73.87	4,775.72

WORK REQUEST: J7A21532 TYPE: 133 E JO/HOUSE MOVES 18 S MAIN, 18 S. MAIN

G/L PERIOD: 04/97		EMP		EMPLOYEE NAME		CHRG PAY		***** TIME *****		E&S		EB		BW		TOTAL	
DATE	CREW	AREA	NO.			CODE	CD	HOURS	DOLLARS	DOLLARS	DOLLARS	DOLLARS	DOLLARS	DOLLARS	DOLLARS	AMOUNT	
04/04/97	9998	510370	97763	WILSON, THOMAS E	REGULAR	6536	REG	8.00	117.36	0.00	0.00	57.51	0.00	0.00	0.00	174.87	
		***		- OVERTIME	***			8.00	117.36	0.00	0.00	57.51	0.00	0.00	0.00	174.87	
		***		- DBL TIME	***			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
		***		- SPECIAL	***			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
		***		**TOTALS**	***			8.00	117.36	0.00	0.00	57.51	0.00	0.00	0.00	174.87	
		***		WORK REQUEST TOTALS	REGULAR			8.00	117.36	0.00	0.00	57.51	0.00	0.00	0.00	174.87	
		***		- OVERTIME	***			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
		***		- DBL TIME	***			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
		***		- SPECIAL	***			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
		***		**TOTALS**	***			8.00	117.36	0.00	0.00	57.51	0.00	0.00	0.00	174.87	

REPORT NAME: PMCL1260

MEMPHIS LIGHT, GAS AND WATER DIVISION
CLOSING SYSTEM
WORK REQUEST MATERIAL VARIANCE ANALYSIS

DATE: 06/21/99
PAGE: 1

WORK REQUEST: J7A21532 TYPE: 133 E JO/HOUSE MOVES 18 S MAIN , 18 S. MAIN

MATL NUMBER	DESCRIPTION	*****		*****		*****		*****		*****	
		AS-BUILT	QUANTITY ACTUAL	VARIANCE	AS-BUILT	DOLLARS ACTUAL	VARIANCE	AS-BUILT	DOLLARS ACTUAL	VARIANCE	
037-7005	TIE CABLE TEFZEL 3/16"X14-1/2" MAX BUNDLE DI	20.00	20.00	0.00	10.72	10.70			10.70	0.02	
070-8010	TAPE VINYL PLASTIC ELECTRICAL 3/4"X.0085"X66	20.00	20.00	0.00	49.97	49.90			49.90	0.07	
075-B155	TAG LAMD VINYL FOR MEMPHIS CATV CABLE ID	20.00	20.00	0.00	9.35	9.30			9.30	0.05	
078-8655	TWINE TARRED NYLON #60 TYPE T 1LB TUBE-APPRO	5.00	5.00	0.00	23.58	24.90			24.90	1.32	
*** STORES TOTAL ***		65.00	65.00		93.62	94.80			94.80	1.18	
*** CV MATERIALS ***						0.00			0.00		
*** JV MATERIALS ***						0.00			0.00		
*** WR TOTAL ***		65.00	65.00		93.62	94.80			94.80	1.18	

REPORT NAME: PMCL1620

MEMPHIS LIGHT, GAS AND WATER DIVISION
CLOSING SYSTEM
CASH VOUCHER ANALYSIS

DATE: 06/21/99
PAGE: 1

WORK REQUEST: J7A21532 TYPE:

***** NO TRANSACTIONS FOUND FOR THIS WORK REQUEST *****

REPORT NAME: PMCLO130

MEMPHIS LIGHT, GAS AND WATER DIVISION
CLOSING SYSTEM
ACTUAL COSTS BY AREA NUMBERDATE: 06/21/99
PAGE: 1

WORK REQUEST: J7A21532 18 S MAIN , 18 S. MAIN

AREA	CHRG CD	LABOR MAN-HOURS	LABOR DOLLARS	MATERIAL DOLLARS	EQUIPMENT DOLLARS	OTHER DOLLARS	TOTAL DOLLARS
550240 E.D.-DIST. SUP	9000 WORK MANAGEMENT - WORK REQUE	127.00	4,495.63	94.80	338.66	0.00	4,929.09
AREA TOTAL		127.00	4,495.63	94.80	338.66	0.00	4,929.09
551230 WATER DIST SSC	9000 WORK MANAGEMENT - WORK REQUE	12.00	280.09	0.00	0.00	0.00	280.09
AREA TOTAL		12.00	280.09	0.00	0.00	0.00	280.09
988888 GD DUMMY O&M 5	9000 WORK MANAGEMENT - WORK REQUE	0.00	0.00	16.80	0.00	0.00	16.80
AREA TOTAL		0.00	0.00	16.80	0.00	0.00	16.80
WORK REQUEST TOTAL		139.00	4,775.72	111.60	338.66	0.00	5,225.98

REPORT NAME: PNCLO140

MEMPHIS LIGHT, GAS AND WATER DIVISION
CLOSING SYSTEM
ALL SOURCES SUMMARY REPORT

DATE: 06/21/99
PAGE: 1

WORK REQUEST: J7A21532 18 S MAIN , 18 S. MAIN

	TRANSACTION AMOUNT	LOADING AMOUNT	TOTAL AMOUNT
* WORK REQUEST TOTAL:	2,866.07	2,359.91	5,225.98
* AP SOURCE TOTAL:	0.00	0.00	0.00
* JV SOURCE TOTAL:	0.00	0.00	0.00
* MS SOURCE TOTAL:	94.80	16.80	111.60
* PR SOURCE TOTAL:	2,432.61	2,343.11	4,775.72
* TR SOURCE TOTAL:	338.66	0.00	338.66

WORK REQUEST: J7A21532		18 S MAIN , 18 S. MAIN		AREA		LABOR MAN-HOURS	LABOR DOLLARS	MATERIAL DOLLARS	EQUIPMENT DOLLARS	OTHER DOLLARS	TOTAL DOLLARS
CHRG CD											
9000	WORK MANAGEMENT - WORK REQUE	550240	E.D.-DIST. SUP			127.00	4,495.63	94.80	338.66	0.00	4,929.09
		551230	WATER DIST SSC			12.00	280.09	0.00	0.00	0.00	280.09
		988888	GD DUMMY O&M S			0.00	0.00	16.80	0.00	0.00	16.80
	CHRG CODE TOTAL					139.00	4,775.72	111.60	338.66	0.00	5,225.98
	WORK REQUEST TOTAL					139.00	4,775.72	111.60	338.66	0.00	5,225.98

REQUESTOR- NAME: ADAM D SAPPINGTON PHONE: 522/4912
AREA: 550220 HICKORY HILL SVC CTR-MGR'S OFF
CONTRIBUTION PAID BY: _____
WORK REQ ORIG: 03/14/00 WORK REQ COMPLETE: 00/00/00
WORK LOCATION- ADDRESS: 2555 - APPLING CENTER DR
LOC CODE: 1 422 TOWN: 1
JOB NAME: MEMPHIS NETWORK - FIBER OPTIC TESTING
PURPOSE/NECESSITY: TO CAPTURE COSTS ASSOCIATED WITH FIBER OPTIC CABLE
TESTING PERFORMED BY THE ELECTRIC OPERATIONS DEPT.

BLANKET: X AFFIDAVIT: X ARREST DATE: 12/31/60 SCHEDULE TYPE: N
 JOHN BERRY: DO THE LISTING OF OTHER QUAL CAR'S FOUND IN RI THE FILTERED
 INDEX: AND REMOVED: _____

		PROPERTY ADDITIONS	\$	1.00
		REPAIRS CHRGD		
OTHER ITEMS NOT CHARGE TO WR		TOTAL COST CHARGE TO WR	\$	1.00
		OPERATIONS & MAINTENANCE		
		OTHER ITEMS NOT		
		AIR WARE		
		TOTAL NOT CHARGE TO WR		
		TOTAL COST OF PROJECT	\$	1.00
OTHER ITEMS TOTAL		COST CONTROLLING AMOUNT		

SECRET - NOFORN CIVILIAN COMPLAINT

***** WORK REQUEST REMARKS *****

REMARKS4-- 1 ENTERED- 03/14/00 BY- 11562 BUCHIGNANI, DANIEL J
INVOICES WILL BE MAILED TO: MEMPHIS NETWORK, ATTN: MR. DAVID
ORI, 7555 ARLINE CENTER DRIVE, MEMPHIS, TN 38135. RE.
SAPPHINGTON TO PROVIDE ADDITIONAL DOCUMENTATION IN THE FUTURE

MEMPHIS LIGHT, GAS AND WATER DIVISION

CUSTOMER COST ESTIMATE

No. 4697

Customer MEMPHIS NETWORK
 Job Address 7555 APPLING CENTER DR
MEMPHIS TENNESSEE 38133-5069
 Contact Person RANDY Mc DANIEL Telephone No. 213-5117
 Work Request Number N7C7B345 Nature of Work PERFORM O.T.O.R.
TESTING ON FIBER OPTIC CABLE

ESTIMATE**ACTUAL**

Crew Type	Number of Hours	*Differential Crew Rate Per Hour	Charge	Number of Hours	*Differential Crew Rate Per Hour	Charge
			\$			\$
Estimated Charge			\$ <u>619.46</u>	Total Charge		\$

Tentative Dates Work Can Be Done: 3-15-00 3-16-00

*Difference between regular time and overtime rate

It is agreed that the work outlined above will be done on _____ Date _____ Time _____
 at ☒ time and one half N/A ACTUAL COST.
☐ double time charge for which the customer agrees to pay MLGW actual charges for the difference between the regular time and overtime rate.

Memphis Light, Gas and Water Division

RANNY ANDERSON
 Estimated By

3-9-00
 Date

Charged By

Date

By [Signature]
 Authorized Signature
DIRECTOR - NETWORK ENGINEERING
 Title

03-13-00
 Customer's Purchase Order # Date

7555 APPLING CENTER DR.
 Billing Address

MEMPHIS, TN 38133-5069

ATTN: DAVID ORI

REPORT NAME: PMCL1100

MEMPHIS LIGHT, GAS AND WATER DIVISION
CLOSING SYSTEM
NON-WMS WR ANALYSIS: PAYROLLDATE: 04/03/00
PAGE: 1

WORK REQUEST: NYC78345 TYPE: 179 E CC JOB ORDER

7555 APPLING CENTER DR , MEMPHIS NETWORK - FIBER 0

G/L ACCOUNT: 11740001 MISCELLANEOUS CURENT AND ACCR

G/L PERIOD: 03/00

DATE	CREW AREA	EMP NO.	EMPLOYEE NAME	CHRG CODE	PAY CD	HOURS	TIME	DOLLARS	E&S DOLLARS	E&B DOLLARS	B&W DOLLARS	TOTAL AMOUNT
03/15/00	9998	520150	11414 BROWN, BOBBY D	9001	REG	5.00	90.50	58.83	47.06	4.98	201.37	
	9998	520150	97784 WILSON, DONALD W	9001	REG	5.00	125.05	81.28	65.03	6.88	278.24	
03/16/00	9998	520150	11414 BROWN, BOBBY D	9001	REG	8.00	144.80	94.12	75.30	7.96	322.18	
	9998	520150	97784 WILSON, DONALD W	9001	REG	8.00	200.08	130.05	104.04	11.00	445.17	
03/17/00	9998	520150	11414 BROWN, BOBBY D	9001	REG	3.00	54.30	35.30	28.24	2.99	120.83	
	9998	520150	97784 WILSON, DONALD W	9001	REG	3.00	75.03	48.77	39.02	4.13	165.95	
*** 03/00 TOTALS ***												
			- REGULAR			32.00	689.76	448.35	358.69	37.94	1,534.74	
			- OVERTIME			0.00	0.00	0.00	0.00	0.00	0.00	
			- DBL TIME			0.00	0.00	0.00	0.00	0.00	0.00	
			- SPECIAL			0.00	0.00	0.00	0.00	0.00	0.00	
			TOTALS			32.00	689.76	448.35	358.69	37.94	1,534.74	
*** G/L ACCOUNT TOTALS ***												
			- REGULAR			32.00	689.76	448.35	358.69	37.94	1,534.74	
			- OVERTIME			0.00	0.00	0.00	0.00	0.00	0.00	
			- DBL TIME			0.00	0.00	0.00	0.00	0.00	0.00	
			- SPECIAL			0.00	0.00	0.00	0.00	0.00	0.00	
			TOTALS			32.00	689.76	448.35	358.69	37.94	1,534.74	
*** CNTL ACCOUNT TOTALS ***												
			- REGULAR			32.00	689.76	448.35	358.69	37.94	1,534.74	
			- OVERTIME			0.00	0.00	0.00	0.00	0.00	0.00	
			- DBL TIME			0.00	0.00	0.00	0.00	0.00	0.00	
			- SPECIAL			0.00	0.00	0.00	0.00	0.00	0.00	
			TOTALS			32.00	689.76	448.35	358.69	37.94	1,534.74	
*** WORK REQUEST TOTALS ***												
			- REGULAR			32.00	689.76	448.35	358.69	37.94	1,534.74	
			- OVERTIME			0.00	0.00	0.00	0.00	0.00	0.00	
			- DBL TIME			0.00	0.00	0.00	0.00	0.00	0.00	
			- SPECIAL			0.00	0.00	0.00	0.00	0.00	0.00	
			TOTALS			32.00	689.76	448.35	358.69	37.94	1,534.74	

DATE: 04/03/00
PAGE: 1

7555 APPLING CENTER DR , MEMPHIS NETWORKX - FIBER 0

7555 APPLING CENTER DR , MEMPHIS NETWORKX - FIBER 0

[illegible]

WORK REQUEST: N7C78345 TYPE: 179 E CC JOB ORDER

ACCOUNT NUMBER: 11740001 MISCELLANEOUS CURRENT AND ACCR

7555 APPLING CENTER DR , MEMPHIS NETWORK

REF SO NUMBER	LMEO UOM	QUANTITY	TRANSACTION AMOUNT	LOADING AMOUNT	TOTAL AMOUNT	DESCRIPTION
* PR SOURCE TOTAL:			689.76	844.98	1,534.74	
* TR SOURCE TOTAL:			44.96	0.00	44.96	
* ACCOUNT TOTAL:			734.72	844.98	1,579.70	
* WORK REQUEST TOTAL:			734.72	844.98	1,579.70	
* AP SOURCE TOTAL:			0.00	0.00	0.00	
* JV SOURCE TOTAL:			0.00	0.00	0.00	
* MS SOURCE TOTAL:			0.00	0.00	0.00	
* PR SOURCE TOTAL:			689.76	844.98	1,534.74	
* TR SOURCE TOTAL:			44.96	0.00	44.96	

REPORT NAME : PMCLO140

MEMPHIS LIGHT, GAS AND WATER DIVISION
CLOSING SYSTEM
ALL SOURCES SUMMARY REPORT

DATE : 04/03/00
PAGE : 1

WORK REQUEST : N7C78345 7555 APPLING CENTER DR , MEMPHIS NETWORK - FIBER 0

	TRANSACTION AMOUNT	LOADING AMOUNT	TOTAL AMOUNT
* WORK REQUEST TOTAL:	734.72	844.98	1,579.70
* AP SOURCE TOTAL:	0.00	0.00	0.00
* JV SOURCE TOTAL:	0.00	0.00	0.00
* MS SOURCE TOTAL:	0.00	0.00	0.00
* PR SOURCE TOTAL:	689.76	844.98	1,534.74
* TR SOURCE TOTAL:	44.96	0.00	44.96

REPORT NAME: PMCLO130

MEMPHIS LIGHT, GAS AND WATER DIVISION
CLOSING SYSTEM
ACTUAL COSTS BY AREA NUMBER

DATE: 04/03/00
PAGE: 1

WORK REQUEST: N7C78345 7555 APPLING CENTER DR, MEMPHIS NETWORK - FIBER 0

AREA	CHRG CD	LABOR MAN-HOURS	LABOR DOLLARS	MATERIAL DOLLARS	EQUIPMENT DOLLARS	OTHER DOLLARS	TOTAL DOLLARS
520150 COMP & SYS CNT	9001 JOB ORDER COST	32.00	1,534.74	0.00	44.96	0.00	1,579.70
AREA TOTAL		32.00	1,534.74	0.00	44.96	0.00	1,579.70
WORK REQUEST TOTAL		32.00	1,534.74	0.00	44.96	0.00	1,579.70

REPORT NAME: PMCLO130

MEMPHIS LIGHT, GAS AND WATER DIVISION

DATE: 04/03/00

CLOSING SYSTEM
ACTUAL COSTS BY CHARGE CODE

WORK REQUEST: N7C78345 7555 APPLING CENTER DR , MEMPHIS NETWORK - FIBER 0

CHRG CD	AREA	LABOR		MATERIAL	EQUIPMENT	OTHER	TOTAL
		MAN-HOURS	DOLLARS				
9001 JOB ORDER COST	520150 COMP & SYS CNT	32.00	1,534.74	0.00	44.96	0.00	1,579.70
CHRG CODE TOTAL		32.00	1,534.74	0.00	44.96	0.00	1,579.70
WORK REQUEST TOTAL		32.00	1,534.74	0.00	44.96	0.00	1,579.70

Administrative and General Expense Loading

The Administrative and General Expense Loading Expense Study consists of administrative and general salaries, transportation, rent and maintenance of general plant, and other expenses such as office expenses, office supplies, and miscellaneous general expenses. The A&G overhead will be applied to capital charges on work requests from all sources (payroll, M&S, transportation, A/P and journal entries). During the closing process the amount of A&G is calculated and loaded to work requests and credited to O&M expenses.

ADMINISTRATIVE AND GENERAL EXPENSES TO BE CAPITALIZED IN 1992

1992 Administrative and General Expenses to be Capitalized:

\$4,146,356

Constr. Work in Progress 12/31/91
Less Contract Work in Progress
Construction WIP Less Contr. WIP 12/31/91

1992 Proposed Budget
Less Contract Work
Proposed Budget Excl. Cont. Work

Less 10% Adjustment for Items Incl. in
Budget on which expenditures may
not occur, such as Cont'g. Fund

Estimated 1992 Capital Expenditures

Constr. WIP Less Contract WIP 12/31/91
Estimated 1992 Capital Expenditures

<u>ELECTRIC</u>	<u>GAS</u>	<u>WATER</u>	<u>TOTAL</u>
\$30,011,493	\$15,813,360	\$9,059,333	\$54,884,186
8,946,937	2,416,336	1,242,156	12,605,429
\$21,064,556	\$13,397,024	\$7,817,177	\$42,278,757
\$48,278,000	\$37,515,000	\$20,989,000	\$106,782,000
13,697,668	2,671,548	3,635,223	20,004,439
\$34,580,332	\$34,843,452	\$17,353,777	\$86,777,561
\$3,458,033	\$3,484,345	\$1,735,378	\$8,677,756
\$31,122,299	\$31,459,107	\$15,618,399	\$78,199,805
\$21,064,556	\$13,397,024	\$7,817,177	\$42,278,757
31,122,299	31,459,107	15,618,399	78,199,805
\$52,186,855	\$44,856,131	\$23,435,576	\$120,478,562

\$4,146,356 = 3.4
\$120,478,562

The percentage charged to Work Requests (currently 3.4%) when closed is determined by taking the total dollars to be capitalized plus any undistributed A&G which applies to Construction Work in Progress (CWIP). This is divided by the total CWIP and the Estimated Capital Expenditures for the budget year. Excluded from this figure is any Contract Work in Progress and contract work for the budget year.

ADMINISTRATIVE & GENOME EXP. ALLOCATION.
PROJECTED FIGURES FOR 1992

Sch. No.

A. SALARIES, TRANSPORTATION, OFFICE
SUPPLIES, & OTHER EXPENSE

2635813

B RENT & MAINT. OF GEN PLANT.

730174

B Pension Benefit.

207786

B INSURANCE Benefit.

512583

4146356

A & C Allocation Study Form
SALARIES, TRAVEL, & OTHER EXPENSES

1	2	3	4	5
AREA OR	ACTUAL FOR	BASIS	Amount	
DEPT	1991	FOR	APPLICABLE TO	PER-CENT
		ALLOCATION	CONSTRUCTION	
010000 Travel	330417	2 ✓	30068	9.1
010300 - Dept. Adm.	991924	2 ✓	90265	9.1
020000 V.P. H.R.	115462	3 ✓	24247	21.0
020100 Personnel	1067442	3 ✓	224163	21.0
020200 Trng.	127534	3 ✓	26782	21.0
020220 Safety Svcs.	967719	3 ✓	203221	21.0
020240 Prog. Dev.	388115	3 ✓	81504	21.0
020250 Maint. Dev.	335633	3 ✓	70483	21.0
020260 Org. Dev.	378250	3 ✓	79433	21.0
020270 Coops. & Int. Prog.	114214	3 ✓	23985	21.0
020600 Genl. Svcs.	368914	3 ✓	77472	21.0
020610 Sec. Svcs.	1375738	3 ✓	288905	21.0
020620 Res. Prot.	449293	3 ✓	94352	21.0
030000 V.P./Sec. Treas.	200733	2 -	18267	9.1
030100 Genl. Acct.	95568	2 ✓	8697	9.1
030110 Payroll	162469	3 ✓	34118	21.0
030120 Mgmt. Acct.	885309	2 ✓	80563	9.1
030300 Invg. Mgt. Off.	90056	3 ✓	18912	21.0
030310 Invg.	443759	3 ✓	93189	21.0
030330 Personnel	133314	3 ✓	27996	21.0
500000 SR. V.P.	230672	2 ✓	20991	9.1
500100 Res. & Trans.	325629	2 -	29632	9.1
500130 FLS.	641862	2 ✓	58409	9.1
500300 L. Relations	226835	2 ✓	20642	9.1
500400 Dept. (MIS)	7550070	2 ✓	687056	9.1
510000 V.P. Engr. Div.	373472	1 ✓	162834	43.6
520000 V.P. Oper.	362596	1 ✓	44962	12.4
550000 V.P. Constr.	161151	2	14665	9.1
410000		✓	2635813	
400000 Sr. V.P.		✓		
420130 Empl. & Relations		✓		
420130 Selection & Prom.		✓		
420140 Compensation Admin.		✓		

BASIS FOR ALLOCATION:

AEG ALLOCATION STUDY
PER-CENTS 1991

	1	2	3	4	5
1	(1) ALLOCATED ON THE BASIS OF CONSTRUCTION PAYROLL TO TOTAL PAYROLL FOR EMPLOYERS SUPERVISED				
2	(2) " " " " " " EXPENDITURES TO TOTAL EXPENDITURES				
3	(3) " " " " " " PAYROLL TO PAYROLL				
4					
5					
6					
7			O&M	CAPITAL	PER-CENT
8	(1) DIVISION 510000	4406521	3401717		43.6
9			1808298		
10	" 520000	10893329	1537854		12.4
11			12431183		
12					
13					
14					
15					
16	(2) CONSTRUCTION EXPENDITURES	822,159,000	82,064,000		9.1 %
17	(FINAL BUDGET 1991)		904,223,000		
18					
19	(3) PAYROLL (1991)	691,580,52	18,420,453		21.0 %
20	BUDGET.		87,578,505		
21	(DID NOT INCLUDE ADDL COST)				
22					
23					
24					
25					
26					
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39					
40					

National
brand

45-605 Eve-Ease®

Made in USA

A & G Allocation Study - Rental.

		1	2	3	4	5
		1991	ACTUAL		FROM PROPERTY	AMOUNT
		LABOR		% APPLICABLE	ACCT. TOTAL RENT	APPLICABLE
		O & M	CAPITAL	TO CONSTR	FOR 1986	TO CONSTRUCTION
1	ADMIN BLDG.				1875858	
2	Area 010000.	159084				
3	Dept. 010300.	534388				
4	Dept. 010400	945630				
5	Area 020000.	96292				
6	Area 020100	833583				
7	Area 020300.	185737				
8	Area 020630	176907				
9	Div. 030000	2642791	138658			
10	Area 040000	92571				
11	Area 040020.	46255				
12	Area 040030					
13	Area 040040	61972				
14	Div. 050000	57833				
15	Area 500000	79682				
16	Dept. 500100.	513105				
17	Area 500300	194014				
18	Dept. 500400.	3160470	11776			
19	Area 500500	90500				
20	Area 500510.	131179				
21	Area 500520.	435228	5039			
22	Div 510000.	4406521	3401777			
23	Area 520000.	95612				
24	Area 540000	89462				
25	Area 540100	79813				
26	Area 540110 (PARTIAL)					
27	Area 540120	825649				
28	Dept. 540300.	1451922				
29	Area 540400	148434				
30	Area 540410	1099410				
31	Area 540470.	2644022				
32	Area 550000	100508				
33		21379274	3557250	14.3 %		268248
34						
35						
36						
37						
38						
39						
40						

		1	2	3	4	5
		1991 Actual.			* From Property	Amount
		LABOR		% APPLICABLE	ACT. TOTAL	APPLICABLE
		O&M	CAPITAL	TO CONSTRUCTION	RENT for 1986	TO CONSTRUCTION
1	ELECTRIC OPER. Bldg.				206547	
2	Dept. 520100.	3940976	1039668			
3	Dept. 520600	1563462	63			
4		5504438	1039731	15.9		32841
5						
6	Brunswick Svc. CTR				87412	
7	Dept. 551000.	2133826	2168572			
8	AREA 540460	1249007				
9	AREA 550680	177687				
10		3560520	2168572	37.9		33129
11						
12	CENTRAL SHOPS				318582	
13	Dept. 550100	2752910	1122807			
14	(Excluding 550120)			29.0		92389
15						
16						
17	HEAVY EQ. Bldg				31781	
18	Area 550120.	974894	125724			
19	AREA 550650.	502602	4484			
20	AREA 550690	244646	414732			
21		1722142	544940	24.0		7627
22	653 BEALE (FONTAINE)				80649	
23	AREA 550640	225527	152455			
24	AREA 550140.	701185	749388			
25		926712	901843	49.3		39760
26						
27	GAS SK CENTER				395407	
28	Dept. 550900	2364550	1669262			
29	Dept. 550800	6225286	2420464			
30	Dept. 550200					
31	AREA 540420. Cust Svc.	1516998				
32	AREA 550630. GARAGE	839737	2826			
33	AREA 020640. Pkg. Svc.	499544	173			
34	AREA 550610					
35	AREA 550600 TRANS.	328310				
36	AREA 550610. PARKS	158765				
37	AREA 540130 MTR. Serv.	797778				
38	AREA 500540 S/room.	62710				
39	AREA 500560 S.R. 85	654379	74			
40	AREA 550645 Tire Shop	258050	153			
		13706107	4093452	23.0		90944

		1	2	3	4	5
		1991 ACTUAL			From Property	Amount
		LABOR		% APPLICABLE	Acc. TOTAL	APPLICABLE
		O&M CAPITAL		TO CONSTRUCTION	Paid for 1986	TO CONSTRUCTION
1	Hickory Hill Svc. CTR				84982	
2	Dept 550800	2337101	1960915			
3	AREA 540440	1480149				
4	AREA 550670	386059				
5	Area 540110	4203309	1960915	31.8		27024
6						
7	South Svc CTR				195130	
8	Dept 551200	2538724	1745826			
9	AREA 540430	1348951	104			
10	AREA 550660	249069	23971			
11	AREA 540110	4136744	1769901	30.0		58539
12						
13	TRAINING CENTER					
14	Dept 020200	1492756	21506			
15	AREA 550620	73112	129			
16						
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A & G ALLOCATION STUDY - RENTAL

Rental of Fur & Fixtures: Basis

$$\text{For Allocation (\#3)} \quad 21\% \times 216622 = 45491$$

Rental of Stores Equip.: Basis For Allocation

$$\text{See Below For \%} \quad 85\% \times 16,642 = 14146$$

RENTAL of Tools Shop & GARAGE EQ: Basis for

$$\text{Allocation (TRANS & Payroll)} \quad 38.2\% \times 52450 = 20036$$

14%

TOTAL SALARIES Pension
APPLICABLE TO Benefit
CONSTRUCTION, 1991.

INSURANCE
Benefit.
12.27 %

A & G. SALARIES

1484184

207786

182109

TRANSPORTATION

1864779

228808

PURCH & STORES

1317571

161666

207786

572583

(1) TOTAL SALARIES IN. 550600 Div.

4387715

BASED ON 1991 ACTUAL

TOTAL Transp Chgs. for Div.

CAP. 4228066

42.5 %

TOTAL O&M & Cap 9960873

1864779

(2) TOTAL SALARIES IN. Storage Areas.

1550083

Based on 1991 ACTUAL

TOTAL M&S CHGS. for Div.

CAP. 11473066

85.0 %

TOTAL O&M & Cap 13498395

1317571

(O&M Labor)

(CAP. Labor)

Dept. 550100 (LABOR)

3727804

1248531

4387715

1317571

1864779

42.5

1864779

5045375

3113310

3113310

8158685

= 38.2 %

* From 1992 Employee Benefit Study.

TOTAL RENT

730174

An accumulation of all expenses relating to Telecom for 1999 in the amount of approximately \$2.1 million will be shown as a loss in the Electric Division's 1999 income statement under Other Income Gain or Loss Equity Investment, Telecom.

The expenses are comprised of:

- 1.) 50% of the loss on the Memphis Networx 1999 Operating Income Statement; and**
- 2.) an estimate of Electric Division expenses relating to Telecom for 1999.**

In accordance with MLGW board resolutions, the Telecom Division will reimburse the Electric Division for the above loss after TRA approval and subsequent inter-Division loan of \$20,000,000.

JOURNAL VOUCHER

MEMPHIS LIGHT, GAS AND WATER DIVISION

JOURNAL VOUCHER # 6077

JOURNAL VOUCHER NAME

Memphis Network - YE Adjustments

JOURNAL VOUCHER TYPE:

5 OFFSET DIV # 1 TRANS. FLAG JV SOURCE JV

PAGE:

TRANSACTION DATE: 12/31/99LINES PER PAGE: 20 BATCH CONTROL TOTAL: \$ 2053,686.42☒ Keyed HH

3-10

LINE NO.	PERFORMING AREA	CHARGE CODE	REQUESTING AREA	WORK REQUEST NUMBER	FERC NUMBER	AMOUNT	D C	PLCL CD	DESCRIPTION
01	9	9	9		142110500	11868642			Transfer Labor costs to Telecom
02	988888	7777	988888		14219200	9196220	c		
03	9	9901	9			2672422	c		
04					142110600	1935000			MLGW share of Telecom loss &
05					12320300	46112855	c		set up payables for difference in
06					11743000	147387145	c		commitment
07									
08									
09									
10									
11									
12	LINE 1	Debt	to Telecom						Electronic Division
13	LINE 2	Cre	to Electric						water use by Telecom
14	LINE 3	Cre	to Electric						transmission loading
15									
16	LINE 4	Debt	to Telecom						make
17	LINE 5	Cre	to Telecom						costs paid by Telecom
18	LINE 6	Cre	to Telecom						costs paid in 1999
19									
20									
21									State House

PREPARED BY

APPROVED BY

APPROVED BY

TELECOM

<div style="text-align: right; border-bottom: 1px solid black; margin-bottom: 5px;">1421.0500</div> <div style="border-bottom: 1px solid black; padding-bottom: 5px;">① 118,686.42</div>		<div style="text-align: right; border-bottom: 1px solid black; margin-bottom: 5px;">1421.0600</div> <div style="border-bottom: 1px solid black; padding-bottom: 5px;">② 1,935,000.00</div>	
	<div style="text-align: right; border-bottom: 1px solid black; margin-bottom: 5px;">1232.0300</div> <div style="border-bottom: 1px solid black; padding-bottom: 5px;">461,128.55 ②</div>		<div style="text-align: right; border-bottom: 1px solid black; margin-bottom: 5px;">1401.9200</div> <div style="border-bottom: 1px solid black; padding-bottom: 5px;">91,962.20 ①</div> <div style="border-bottom: 1px solid black; padding-bottom: 5px;">26,724.22 ①</div>
	<div style="text-align: right; border-bottom: 1px solid black; margin-bottom: 5px;">1174.3000</div> <div style="border-bottom: 1px solid black; padding-bottom: 5px;">1,473,871.45 ②</div>		

① Transfer Labor costs to Telecom

② Record MLGW share of Telecom Loss and
set up payable for difference in Investment

FUNCTION: BUF485
DIALOG : BUD485

FERC LEDGER ACCOUNT ANALYSIS
INQUIRE ANNUAL ACTIVITY
YEAR: 1999

DATE: 03/27/00

FERC: 1-421-0500 FOR DIRECT ACCESS, KEY IN FERC NBR OR YEAR AND PRESS ENTER
MISC NON-OP INCOME - TELECOM EXPENSE

BEGINNING BALANCE: 0.00

GL-PD	DEBITS	CREDITS	NET	ENDING BALANCE
1	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00
3	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	0.00
5	0.00	0.00	0.00	0.00
6	0.00	0.00	0.00	0.00
7	0.00	0.00	0.00	0.00
8	0.00	0.00	0.00	0.00
9	0.00	0.00	0.00	0.00
10	0.00	0.00	0.00	0.00
11	0.00	0.00	0.00	0.00
12	118,686.42	0.00	118,686.42	118,686.42
	=====	=====	=====	=====

PF7 - PAGE BACKWARD

PF8 - PAGE FORWARD

FUNCTION: BUF485
DIALOG : BUD485

FERC LEDGER ACCOUNT ANALYSIS
INQUIRE ANNUAL ACTIVITY
YEAR: 1999

DATE: 03/27/00

FERC: 1-421-0600 FOR DIRECT ACCESS, KEY IN FERC NBR OR YEAR AND PRESS ENTER
MISC NON-OP INCOME-EQUITY IN EARNINGS(LOSS) TELECOM

BEGINNING BALANCE: 0.00

GL-PD	DEBITS	CREDITS	NET	ENDING BALANCE
1	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00
3	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	0.00
5	0.00	0.00	0.00	0.00
6	0.00	0.00	0.00	0.00
7	0.00	0.00	0.00	0.00
8	0.00	0.00	0.00	0.00
9	0.00	0.00	0.00	0.00
10	0.00	0.00	0.00	0.00
11	0.00	0.00	0.00	0.00
12	1,935,000.00	0.00	1,935,000.00	1,935,000.00
	=====	=====	=====	=====

PF7 - PAGE BACKWARD

PF8 - PAGE FORWARD

FUNCTION: BUF485
DIALOG : BUD485

FERC LEDGER ACCOUNT ANALYSIS
INQUIRE ANNUAL ACTIVITY
YEAR: 1999

DATE: 03/27/00

FERC: 1-232-0300 FOR DIRECT ACCESS, KEY IN FERC NBR OR YEAR AND PRESS ENTER
ACCOUNTS PAYABLE - TELECOM TO NETWORK

BEGINNING BALANCE: 0.00

GL-PD	DEBITS	CREDITS	NET	ENDING BALANCE
1	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00
3	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	0.00
5	0.00	0.00	0.00	0.00
6	0.00	0.00	0.00	0.00
7	0.00	0.00	0.00	0.00
8	0.00	0.00	0.00	0.00
9	0.00	0.00	0.00	0.00
10	0.00	0.00	0.00	0.00
11	0.00	0.00	0.00	0.00
12	0.00	461,128.55	-461,128.55	-461,128.55
	=====	=====	=====	=====

PF7 - PAGE BACKWARD

PF8 - PAGE FORWARD

FUNCTION: BUF485
DIALOG : BUD485

FERC LEDGER ACCOUNT ANALYSIS
INQUIRE ANNUAL ACTIVITY
YEAR: 1999

DATE: 03/27/00

FERC: 1-174-3000 . FOR DIRECT ACCESS, KEY IN FERC NBR OR YEAR AND PRESS ENTER
INVESTMENT IN MEMPHIS NETWORK - TELECOM

BEGINNING BALANCE: 0.00

GL-PD	DEBITS	CREDITS	NET	ENDING BALANCE
1	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00
3	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	0.00
5	0.00	0.00	0.00	0.00
6	0.00	0.00	0.00	0.00
7	0.00	0.00	0.00	0.00
8	0.00	0.00	0.00	0.00
9	0.00	0.00	0.00	0.00
10	0.00	0.00	0.00	0.00
11	0.00	0.00	0.00	0.00
12	1,473,871.45	1,473,871.45	0.00	0.00
=====				

PF7 - PAGE BACKWARD

PF8 - PAGE FORWARD

FUNCTION: BUF485
DIALOG : BUD485

FERC LEDGER ACCOUNT ANALYSIS
INQUIRE ANNUAL ACTIVITY
YEAR: 1999

DATE: 03/27/00

FERC: 1-401-9200 FOR DIRECT ACCESS, KEY IN FERC NBR OR YEAR AND PRESS ENTER
ADMINISTRATIVE AND GENERAL SALARIES

BEGINNING BALANCE: 0.00

GL-PD	DEBITS	CREDITS	NET	ENDING BALANCE
1	625,313.29	59,197.27	566,116.02	566,116.02
2	529,975.70	63,890.32	466,085.38	1,032,201.40
3	584,100.94	5,169.22	578,931.72	1,611,133.12
4	592,960.61	3,268.39	589,692.22	2,200,825.34
5	602,814.69	6,952.07	595,862.62	2,796,687.96
6	522,700.39	6,854.88	515,845.51	3,312,533.47
7	625,851.33	28,342.44	597,508.89	3,910,042.36
8	611,102.04	5,984.36	605,117.68	4,515,160.04
9	713,697.94	94,913.57	618,784.37	5,133,944.41
10	580,179.11	5,382.55	574,796.56	5,708,740.97
11	598,325.03	32,671.26	565,653.77	6,274,394.74
12	676,443.02	310,239.47	366,203.55	6,640,598.29
=====	=====	=====	=====	=====

PF7 - PAGE BACKWARD

PF8 - PAGE FORWARD

MEMPHIS NETWORKX LLC									
BALANCE SHEET									
AS OF 12/31/99									
	Assets								
CURRENT ASSETS									
Cash	108,847.62								108,847.62
Total Current Assets	108,847.62								108,847.62
Property & Equipment									
Office Equipment	56,381.37								56,381.37
Software Costs	70,000.00								70,000.00
Gross Property & Equipment	126,381.37								126,381.37
Less Accumulated Depreciation	(11,671.04)								(11,671.04)
Net Property & Equipment	114,710.33								114,710.33
Other Assets									
Deposits	70,509.49								70,509.49
Total Assets	294,067.44								294,067.44
Liabilities & Stockholders' Equity									
CURRENT LIABILITIES									
Accounts Payable	749,226.72								749,226.72
Accrued Liabilities	467,663.61								467,663.61
Total Current Liabilities	1,216,890.33								1,216,890.33
Equity									
A & L Contribution	1,474,071.45								1,474,071.45
M.G.W Contribution	1,473,871.45								1,473,871.45
Year to Date Loss	(3,870,765.79)								(3,870,765.79)
Total Equity	(954,645.72)								(954,645.72)
Total Liabilities & Stockholders' Equity	294,067.44								294,067.44

3,870,765.79 ÷

2.0 =

1,935,382.99

2,193,500

use rounded per John Harris

PRELIM AUDITED FINANCIALS FROM NETWORKX per John Harris DAT 3-10-2000

SM

MEMPHIS NETWORKX LLC
STATEMENT OF OPERATIONS
PERIOD ENDED DECEMBER 31, 1999

MEMPHIS NETWORKX LLC						
STATEMENT OF OPERATIONS						
PERIOD ENDED DECEMBER 31, 1999						
GENERAL & ADMINISTRATIVE EXPENSES						
Salaries	91,146.15					
Bank Charges	288.55					
Building Services	2,156.16					
Computer/Internet Supplies	7,812.14					
Consultants	3,260,030.85					
Delivery Services	348.45					
Dues	833.00					
Travel	56,327.72					
Entertainment	4,534.79					
General Insurance	7,716.00					
Medical & LTD Insurance	3,412.14					
Maintenance	886.40					
Legal	359,085.92					
Audit Fees	10,000.00					
Rent	5,250.00					
Property Taxes	3,300.00					
Software Maintenance	11,310.00					
Subscriptions	143.72					
Supplies	7,046.86					
Payroll Taxes	7,827.65					
Depreciation	11,671.04					
Misc	3,397.52					
Utilities	16,240.73					
Total	3,870,765.79					
NET LOSS	(3,870,765.79)					

MEMPHIS NETWORKX LLC					
STATEMENT OF CASH FLOW					
PERIOD ENDED DECEMBER 31,1999					
CASH FLOW FROM OPERATING ACTIVITIES					
NET INCOME(LOSS)				(3,870,765.79)	
ADD DEPRECIATION				11,671.04	
ADJUSTMENTS TO RECONCILE NET INCOME					
TO NET CASH PROVIDED BY (APPLIED TO)					
OPERATING ACTIVITIES					
Increase in Accounts Payable				749,226.72	
Increase in Accrued Liabilities				467,663.61	
Increase in Deposits				(70,509.49)	
NET CASH PROVIDED BY OPERATING ACTIVITIES				(2,712,713.91)	
CASH FLOW FROM INVESTING ACTIVITIES					
Office Equipment Purchases				(126,381.37)	
NET CASH PROVIDED BY INVESTING ACTIVITIES				(126,381.37)	
CASH FLOW FROM FINANCING ACTIVITIES					
MLGW Contribution				1,473,871.45	
A & L Networks - TN LLC Contribution				1,474,071.45	
NET CASH PROVIDED BY FINANCING ACTIVITIES				2,947,942.90	
NET INCREASE TO CASH				108,847.62	
CASH AT BEGINNING OF YEAR				0.00	
CASH AT END OF YEAR				108,847.62	

Cost Allocation for Telecom Division

All costs are allocated to Divisions through a charge code distribution accounting policy (attached). Labor and expenses common to two or more Divisions are split based on allocation factors described in the charge code distribution policy. We have identified the initial employees that will have a portion of their time split to Telecom and will modify distribution of charges in the future as the situation warrants.

HOURLY RATE

AK&A

Name:	010000	Herman Morris, Jr.	73.08
Title:		President and CEO	
Business Phone:		528-4151	
Home Address:			
Home Phone:			
% Time Prior to 8/99:		<5%	
% Time 8/99 to Date:		<5%	
Description:		Review of concept, approval of strategic partner, evaluation/approval to proceed, n	
Name:	500000	W. L. Thompson	66.83
Title:		Senior Vice President, Operations	
Business Phone:		528-4525	
Home Address:			
Home Phone:			
% Time Prior to 8/99:		10%	
% Time 8/99 to Date:		<5%	
Description:		Review of concept, approval of strategic partner, evaluation/approval to proceed, n	
Name:	550000	Wade Stinson	54.12
Title:		Vice President, Construction & Maintenance	
Business Phone:		528-4136	
Home Address:		2830 Fairway Glen Dr. Collierville, TN 38017	
Home Phone:		854-2549	
% Time Prior to 8/99:		15%	
% Time 8/99 to Date:		15%	
Description:		Review of concept, RFP development, selection of strategic partner, input in decisi	
Name:	010300	Michael Whitten	42.65
Title:		General Auditor	
Business Phone:			
Home Address:			
Home Phone:			
% Time Prior to 8/99:		<5%	
% Time 8/99 to Date:		15%	
Description:		Financial analysis and arrangements, input in decision to proceed, negotiating ope	
Name:	530000	John McCullough	55.09
Title:		Vice President, Finance	
Business Phone:			
Home Address:			
Home Phone:			
% Time Prior to 8/99:		<5%	
% Time 8/99 to Date:		<5%	
Description:		Financial analysis and arrangements, negotiating operating agreement, serving on	
Name:	050000	J. Maxwell Williams	55.72
Title:		General Counsel	
Business Phone:			
Home Address:			
Home Phone:			
% Time Prior to 8/99:		10%	
% Time 8/99 to Date:		5%	
Description:			

Name:	050100	Charlotte Knight-Griffin	39.37
Title:		Attorney Level IV, Litigation Coordinator	
Business Phone:			
Home Address:			
Home Phone:			
% Time Prior to 8/99:	use		
% Time 8/99 to Date:	5%		
Description:			
Name:	550800	Ronnie Sappington	33.98
Title:		Planner/Coordinator	
Business Phone:	528-4913		
Home Address:			
Home Phone:			
% Time Prior to 8/99:	0%		
% Time 8/99 to Date:	70% (since 1/00)		
Description:		Developing/implementing joint use policy, representing MLGW's interests.	
Name:	550200	Gene Crawford	37.01
Title:		Assistant Manager	
Business Phone:	320-1420		
Home Address:			
Home Phone:			
% Time Prior to 8/99:	10%		
% Time 8/99 to Date:	<5%		
Description:		Preparing RFP, evaluating RFP responses, selection of strategic partner, developi	
Name:	510780	Michael Kissell	38.10
Title:		Supervisor, Telecommunications Engineering	
Business Phone:			
Home Address:			
Home Phone:			
% Time Prior to 8/99:	<5%		
% Time 8/99 to Date:	<5%		
Description:		Preparing RFP, evaluating RFP responses, selection of strategic partner, developi	
Name:	550000	Sheryl Radiconi	19.71
Title:		Executive Secretary	
Business Phone:	528-4136		
Home Address:			
Home Phone:			
% Time Prior to 8/99:	<5%		
% Time 8/99 to Date:	<5%		
Description:		Administrative support.	

0.*

0.*

73.08x
2,030.=
152,006.40*

152,006.40x
0.05=

MORRIS 7,600.32*

0.*

66.83x
2,030.=
ANNUAL 139,006.40*

139,006.40÷
12.=

MONTHLY 11,533.87*

11,533.87x
7.x

7 MONTHS
@ 15%

0.10=
8,103.71*

11,533.87x
5.x

5 MONTHS
@ 5%

0.05=
2,895.97*

0.*

8,103.71+
2,895.97+

002

11,004.68*

THOMPSON

54.12x
2,030.=

112,569.60*

112,569.60x

0.15=

16,885.44*

STINSON

0.*

42.65x
2,030.=

83,712.00*

83,712.00÷
12.=

MONTHLY

7,302.67*

7,302.67x

7.x

7 MONTHS
@ 5%

0.05=

2,537.43*

7,302.67x

5.x

5 MONTHS
@ 15%

0.15=

5,544.50*

2,537.43+

5,544.50+

002

WHITTEN

8,131.93*

0.*

55.09x

2,030.=

114,587.20*

114,587.20x

0.05=

5,729.36*

McGOWAN

0.*

55.72x
2,030.=

115,397.60*

115,397.60x

0.05=

WILLIAMS

5,794.88*

39.37x

2,030.=

81,339.60*

81,339.60x

0.05=

KNIGHT-GRIFFIN

4,094.48*

0.*

33.98x

2,030.=

70,573.40*

70,573.40÷

12.=

MONTHLY

5,839.87*

5,839.87x

5.x

5 MONTHS
@ 10%

0.70=

20,614.55*

0.*

SAPPINGTON

[illegible]

MEMPHIS LIGHT, GAS AND WATER DIVISION
INTERDEPARTMENTAL COMMUNICATION

TO Vice Presidents, Managers, & Supervisors
FROM Finance & Treasury
SUBJECT Employee Benefit Costs

DATE 2/16/98
FILE

A current study of employee benefit costs indicates the following changes should be made in the percentages. The percentages for Employee Benefit Costs were effective on February 16, 1998.

Employee Benefit Costs

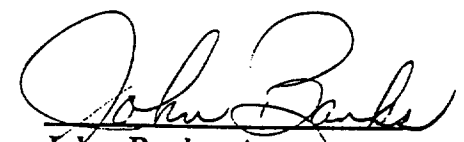
	<u>OLD</u>	<u>RATES</u> <u>NEW</u>
Vacation, holiday, sick pay	19.00%	18.26%
Pension fund	13.04%	13.04%
Employee insurance	15.35%	19.17%
Injuries and damages	<u>1.61%</u>	<u>1.53%</u>
Total Benefit Costs	49.00%	52.00%

The appropriate employee benefits percentage relating to analyses using "Payroll" or "Salary" as a basis, as opposed to "Productive Labor," is shown below:

	<u>OLD</u>	<u>NEW</u>
Pension fund	11.00%	11.00%
Employee insurance	12.95%	16.15%
Injuries and damages	<u>1.35%</u>	<u>1.28%</u>
Total	25.30%	28.43%

29.06 per J. Banks

Managers, please distribute this letter to the appropriate personnel who are involved in estimating and/or analyzing construction costs.


John Banks, Accountant
Budget & Financial Planning

Use 9901 per Carol S.

SM
3-8-00

sgb

JOURNAL VOUCHER

MEMPHIS LIGHT, GAS AND WATER DIVISION

JOURNAL VOUCHER NAME Tekcom CostsJOURNAL VOUCHER # 6077JOURNAL VOUCHER TYPE: 5 OFFSET DIV # 1 TRANS. FLAG TL SOURCE TLPAGE: 1 TRANSACTION DATE: 12-26-49LINES PER PAGE: 21 BATCH CONTROL TOTAL: \$ 12,349.00☒ Keyed 11/25

LINE NO.	PERFORMING AREA	CHARGE CODE	REQUESTING AREA	WORK REQUEST NUMBER	FERC NUMBER	AMOUNT	D C	PLCL CD	DESCRIPTION
01	988888	7777	988888		14210500	9814.00			In allocate to Tekcom Portion
02					14019300	8555.00			of Rents, Mswell Exp
03					14024300	1259.00			and At-G Loading
04					14210500	4035.00			Loading Portion
05						4135.00			
06									
07									
08									
09									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									

PREPARED BY Carol ShumAPPROVED BY Carol Shum

APPROVED BY

Telecom Allocations
For the Year Ending 12/31/1999

0.000286 Sq Foot Allocation (1)
0.000381 Employee Allocation (2)

Rents:

Buildings	3,043,375	SF	870.9369	
Comm Eq	112,900	E	42.98885	
Office Furn & Fixt	492,103	E	187.3777	
Computer Equip	1,962,984	E	747.4439	
	5,611,362		1848.747	1849
Misc General Expenses	245,294	E	93.40041	
	4,015,670	SF	1149.183	
Maint of General Plant	844,332	E	321.4956	
	3,276,037	SF	937.5189	
			2501.598	2502
Car Allowance			5245	5245
Telecom Project			216	218
Total				9814

(1) (Appox sq ft of offices of emps who worked on Telecom * %of time)/sq ft of bldgs

(2) % of time of emps who worked on Telecom/# of employees

JOURNAL VOUCHER

MEMPHIS LIGHT, GAS AND WATER DIVISION

JOURNAL VOUCHER NAME

Memphis Network - YE Adjustments

JOURNAL VOUCHER TYPE:

5 OFFSET DIV # *1* TRANS. FLAG *JV* SOURCE *JV*JOURNAL VOUCHER # *6077*

PAGE:

TRANSACTION DATE: *12/31/99*

LINES PER PAGE:

BATCH CONTROL TOTAL: \$ *2053,686.42*☒ Keyed

3-10

LINE NO.	PERFORMING AREA	CHARGE CODE	REQUESTING AREA	WORK REQUEST NUMBER	FERC NUMBER	AMOUNT	D C	PLCL CD	DESCRIPTION
01	9	9	9		14210500	118,686.42			Transfer Labor costs to Telecom
02	988888	7777	988888		14219290	91,962.20	c		
03	9	9901	9		14210600	26,724.22	c		
04					14210600	1935.94			MLGW share of Telecom loss &
05					12329300	461.24	c		set up payable for diffman in
06					11743000	1473.87	c		Leasehold
07									
08									
09									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									

A+G loading 0.*
on Labor

118,686.42x

0.034 =

4,035.44

SM

PREPARED BY

Kristallan

APPROVED BY

Steve Morris

APPROVED BY

JOURNAL VOUCHER

MEMPHIS LIGHT, GAS AND WATER DIVISION

JOURNAL VOUCHER NAME TELECOM / NETWORK - SUPPLEMENTAL ENTRYJOURNAL VOUCHER # 6077JOURNAL VOUCHER TYPE: 5 OFFSET DIV # 1 TRANS. FLAG - SOURCE JVPAGE: 1 TRANSACTION DATE: 12-30-99☒ Keyed SMLINES PER PAGE: 21 BATCH CONTROL TOTAL: \$ 1,473,871.45

LINE NO.	PERFORMING AREA	CHARGE CODE	REQUESTING AREA	WORK REQUEST NUMBER	PERC NUMBER	AMOUNT	D C	PLCL CD	DESCRIPTION
01	9				11740150	1473871.45			TO RECOGNIZE RECEIVABLE FROM
02					12320150	1473871.45			TELECOM DIVISION FOR INTERIM
03									FUNDING PER BOARD RESOLUTION
04									
05									
06									
07									
08									
09									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									

Steve Morris

PREPARED BY

Steve Morris

APPROVED BY

APPROVED BY

FUNCTION: BUF485
DIALOG : BUD485

FERC LEDGER ACCOUNT ANALYSIS
INQUIRE ANNUAL ACTIVITY

DATE: 03/10/00

YEAR: 1999

FERC: 1-174-3000 FOR DIRECT ACCESS, KEY IN FERC NBR OR YEAR AND PRESS ENTER
INVESTMENT IN MEMPHIS NETWORK - TELECOM

BEGINNING BALANCE: 0.00

GL-PD	DEBITS	CREDITS	NET	ENDING BALANCE
1	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00
3	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	0.00
5	0.00	0.00	0.00	0.00
6	0.00	0.00	0.00	0.00
7	0.00	0.00	0.00	0.00
8	0.00	0.00	0.00	0.00
9	0.00	0.00	0.00	0.00
10	0.00	0.00	0.00	0.00
11	0.00	0.00	0.00	0.00
12	1,473,871.45	0.00	1,473,871.45	1,473,871.45
	=====	=====	=====	=====

PF7 - PAGE BACKWARD

PF8 - PAGE FORWARD

*This is the amount of cash payments to Networkx
plus payments made directly by MLGW to ADL
and attorneys.*

FUNCTION: BUF485
DIALOG : BUD485

FERC LEDGER ACCOUNT ANALYSIS
INQUIRE ANNUAL ACTIVITY
YEAR: 1999

DATE: 04/04/00

FERC: 1-174-0150 FOR DIRECT ACCESS, KEY IN FERC NBR OR YEAR AND PRESS ENTER
ACCOUNTS RECEIVABLE FROM TELECOM DIVISION

BEGINNING BALANCE: 0.00

GL-PD	DEBITS	CREDITS	NET	ENDING BALANCE
1	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00
3	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	0.00
5	0.00	0.00	0.00	0.00
6	0.00	0.00	0.00	0.00
7	0.00	0.00	0.00	0.00
8	0.00	0.00	0.00	0.00
9	0.00	0.00	0.00	0.00
10	0.00	0.00	0.00	0.00
11	0.00	0.00	0.00	0.00
12	1,473,871.45	0.00	1,473,871.45	1,473,871.45
=====	=====	=====	=====	=====

PF7 - PAGE BACKWARD

PF8 - PAGE FORWARD

FUNCTION: BUF485
DIALOG : BUD485

FERC LEDGER ACCOUNT ANALYSIS
INQUIRE ANNUAL ACTIVITY
YEAR: 1999

DATE: 04/04/00

FERC: 1-232-0150 FOR DIRECT ACCESS, KEY IN FERC NBR OR YEAR AND PRESS ENTER
ACCOUNTS PAYABLE TO MLGW ELECTRIC DIVISION - TELECOM

BEGINNING BALANCE: 0.00

GL-PD	DEBITS	CREDITS	NET	ENDING BALANCE
1	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00
3	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	0.00
5	0.00	0.00	0.00	0.00
6	0.00	0.00	0.00	0.00
7	0.00	0.00	0.00	0.00
8	0.00	0.00	0.00	0.00
9	0.00	0.00	0.00	0.00
10	0.00	0.00	0.00	0.00
11	0.00	0.00	0.00	0.00
12	0.00	0.00	0.00	0.00
=====	=====	=====	=====	=====
		1,473,871.45	-1,473,871.45	-1,473,871.45
		=====	=====	=====

PF7 - PAGE BACKWARD

PF8 - PAGE FORWARD

These balances are eliminated (i.e. - offset each other)
on the Electric Div. balance sheet.

EXCERPT
FROM
MINUTES OF MEETING
BOARD OF LIGHT, GAS & WATER COMMISSIONERS
CITY OF MEMPHIS
held
October 21, 1999

The President submitted for approval of the Board authorization to provide interim funding for feasibility studies and obtaining regulatory approval for participation in a telecommunications entity.

WHEREAS, the Memphis Light, Gas and Water Division of the City of Memphis ("MLGW") has conducted further investigations into the feasibility of participating in a telecommunications entity through the Telecommunications Division of the Electric Division, upon receipt of all necessary regulatory approvals; and

WHEREAS, it is appropriate to provide for interim funding of expenses pending receipt of all necessary regulatory approvals, including the regulatory approval of that certain inter-division loan as authorized by the Board on August 19, 1999.

NOW, THEREFORE, BE IT RESOLVED by the Board of Light, Gas and Water Commissioners, THAT:

1. Pending the receipt of all necessary regulatory approvals the President and Chief Executive Officer is authorized, but not required, to provide for expenditures incurred to date and to make such further expenditures as are prudent and necessary in connection with the organization, creation and regulatory approval of a telecommunications entity but no expenditures shall be for construction purposes. Upon receipt of all such regulatory approvals, such expenditures shall be reimbursed from the inter-division loan authorized by the Board on August 19, 1999.

2. The President and Secretary-Treasurer of MLGW are authorized in the name of and on behalf of MLGW to execute, deliver and file such agreements, documents, instruments, and applications and to expend such sums of money and to do any and all other acts as may be necessary, convenient or proper to carry out the intents and purposes of the Board's resolutions of August 19, 1999 and today's date.

It was moved by Commissioner . Graves, seconded by Commissioner Hatters

and unanimously carried:

THAT, Authority to make interim expenditures for the organization, creation and regulatory approval of a telecommunications entity, pending receipt of all necessary regulatory approvals is granted, and the proper officers of MLGW are authorized to execute, and deliver those documents necessary to carry out the intents and purposes of the foregoing resolutions.

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 1st day of October, 19 99, at which a quorum was present. This 11th day of October, 19 99

J. Miller
Secretary-Treasurer

CONTRACT NO. 10663

FIBER OPTICS AGREEMENT

THIS AGREEMENT made and entered into as of MARCH 2, 2000 ("Contract Date"), between Memphis Light, Gas and Water, a Division of the City of Memphis, Tennessee, hereinafter called MLGW, and Hyperion Communications of Tennessee, LP, a Delaware limited partnership, with its principal offices located at DDI Plaza Two, 500 Thomas Street, Suite 400, Bridgeville, Pennsylvania 15017, hereinafter called LICENSEE.

WITNESSETH

WHEREAS, LICENSEE proposes to design, install, operate and maintain a Memphis area Fiber Optic Communication Network ("Network") utilizing MLGW's electric distribution Poles and Conduit System (as defined hereinafter) to place its fiber optic cable; and,

WHEREAS, MLGW issued an RFP in September 1991 for the purpose of discovering reasonable rates and Pole attachment and Conduit System use provisions; and,

WHEREAS, MLGW is willing to permit, to the extent it may lawfully do so and on the terms hereinafter set forth, the attachment or MLGW installation of said fiber optic cables to MLGW's Poles and Conduit System, when in its judgement, such use will not interfere with its own service requirements, including considerations of safety and economy.

AGREEMENT

In consideration of the facts stated above, the mutual covenants and agreements of the parties, and other valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, IT IS AGREED:

I. DEFINITIONS

For the purposes of this Agreement, the following terms and phrases shall have the following meanings:

- A. "Actual Costs" means all costs of MLGW including engineering, labor, overtime and double time labor, material, transportation, equipment, loading, interest and administrative costs, not limited in any way by the estimate.
- B. "Attachment" means an attachment to a MLGW Pole or within a portion of MLGW's Conduit System of a fiber optic cable or associated (and authorized) equipment in a MLGW designated location, and in a MLGW specified manner. For purposes of permitting and prior authorization, such term applies whether the cable facilities are placed directly on MLGW's Poles or are overlashed onto existing communications wires on the Poles.
- C. "Conduit System" means MLGW's conduit, Innerduct, manholes, vaults, risers, pull-boxes and trenches.
- D. "Fiber Optic Telecommunications Network" or "Network" means that portion of the LICENSEE's system, located within the MLGW service area, consisting of all fiber optic cables, wires, lines, and associated equipment or facilities designed and constructed for the purpose of distributing, receiving, transmitting or producing electronic signals to and/or from locations within the City and its vicinity, and in accordance with the LICENSEE's Franchise in effect at the time of this Agreement. Such term shall not include fiber or associated equipment transferred to MLGW.
- E. "Innerduct" means flexible conduit installed inside a larger rigid conduit for the placement of fiber optic cable.
- F. "Joint User" means a party, other than MLGW or LICENSEE, which may attach to MLGW's Poles or occupy its Conduit System, including parties to a Joint Use Agreement.
- G. "LICENSEE's Expense" means LICENSEE's obligation to pay MLGW's Actual Costs as defined in the Agreement.
- H. "Make-Ready" means all work, as reasonably determined by MLGW, required to accommodate the LICENSEE's Network and/or to comply with all applicable engineering specifications and standards for the use of MLGW's Poles and Conduit System. Such work includes, but is not limited to, design engineering, supervision, administration, installation, inspection, repair and/or maintenance associated with the design, installation, rearrangement, operation and maintenance of such facilities.

- I. "MLGW Fiber System" means fiber optics and associated equipment that are transferred to MLGW pursuant to the terms of this Agreement, and as specified in Attachments A and B.
- J. "Permit" means written authorization of MLGW for LICENSEE to make, or maintain, Attachments to specific Poles pursuant to the requirements of the Agreement.
- K. "Pole" means a pole owned by MLGW used for the distribution of electricity that is capable of supporting Attachments for communications services.

II. SCOPE OF AGREEMENT

- A. Subject to the provisions of this Agreement, MLGW hereby grants LICENSEE a revocable, and nonexclusive license authorizing Licensee to install and maintain Attachments to MLGW's Poles and Conduit System.
- B. LICENSEE and MLGW agree to be bound by all provisions of this Agreement and of the Permit(s) issued pursuant to this Agreement.
- C. The parties agree that MLGW will issue a Permit(s) to LICENSEE only when MLGW determines, in its sole judgment, that (i) it has sufficient capacity to accommodate the requested Attachments, (ii) LICENSEE meets all requirements set forth in this Agreement, and (iii) such Permit(s) comply with all applicable standards and specifications. The parties further agree that any access to MLGW's Poles and Conduit System made available to LICENSEE pursuant to this Agreement is to MLGW's reserve capacity, which may be reclaimed by MLGW for future electric service use, including the attachment of communications lines for internal MLGW operational requirements.
- D. No use, however lengthy, of any of MLGW's facilities, and no payment of any fees, charges or other compensation required under this Agreement, shall create or vest in LICENSEE any easements or other ownership or property rights of any nature in any portion of such facilities. After issuance of any Permit, LICENSEE shall be and remain a mere licensee. Neither this Agreement, nor any Permit granted under this Agreement, shall constitute an assignment of any of MLGW's rights to the MLGW facilities.

- E. Nothing in this Agreement shall be construed as granting LICENSEE any right to attach LICENSEE's communications facilities to any specific Pole or portion of the Conduit System or to compel MLGW to grant LICENSEE the right to attach to any specific Pole or portion of its Conduit System.
- F. LICENSEE is obligated to obtain all necessary certification, permitting, and franchising from Federal, state and local authorities prior to making any Attachments.
- G. The parties agree that this Agreement does not in any way limit MLGW's right to locate, operate and maintain its Poles and Conduit System in the manner that it believes will best enable it to fulfill its own service requirements.
- H. Nothing in this Agreement shall be construed to require MLGW to install, retain, extend, or maintain any Pole or portion of the Conduit System for use by the LICENSEE when such Pole or Conduit System is not needed for MLGW's own service requirements.
- I. Nothing in this Agreement shall limit, restrict, or prohibit MLGW from fulfilling any agreement or arrangement regarding Poles into which MLGW has previously entered, or may enter in the future, with Joint Users and others licensees not parties to this Agreement.
- J. This Agreement shall only apply to wood Poles and the Conduit System associated with the distribution of electric power and not to any other MLGW facilities, absent express written concurrence from MLGW.
- K. Nothing in this Agreement shall be construed to require MLGW to allow LICENSEE to use MLGW's Poles or Conduit System after the termination of this Agreement.
- L. LICENSEE agrees that this Agreement is limited to the uses specifically stated above in the Recitals and any other use shall be considered a breach of this Agreement.

III. MLGW FIBER SYSTEM

A. Transfer Of Optical Fibers To MLGW:

- 1. In consideration of MLGW's obligations set forth in this Agreement, including the future encumbrance of its infrastructure, LICENSEE agrees to transfer to MLGW six (6) optical fibers in a ring architecture connecting MLGW facilities with routing by way of MLGW's electric distribution system. Specific MLGW facilities to be served and the routing of such fiber shall be mutually agreed upon by the parties and incorporated into this Agreement as Attachment A ("Optical Fibers"). The connection equipment to be transferred and the manner of such connections shall be mutually agreed

by the parties and more particularly described in Attachment B ("Equipment"). As a general matter it is agreed that the route location of the fibers to be transferred to MLGW shall reasonably correspond with the proposed route of LICENSEE's Network as described in Attachment A, and said LICENSEE Network route shall be substantially completed before venturing to outlying areas. The Optical Fibers and the Equipment are collectively referred to in this Agreement as the "MLGW Fiber System." The transfer of ownership of the six (6) optical fibers shall be at zero (0) cost to MLGW with LICENSEE maintaining all of these fibers free of charge.

2. If and when LICENSEE elects to expand the fiber optic backbone of its Network beyond its initial proposed route as diagrammed in Attachment A, to the extent such proposed route would utilize MLGW's Poles and/or Conduit System, LICENSEE shall provide MLGW an additional six (6) dark fibers and associated Equipment in a ring architecture along any portion of said proposed route in order to expand the MLGW Fiber System free of charge. MLGW shall have sixty days from receipt of written notification of the proposed expansion from LICENSEE to request such additional fibers and provide any necessary routing information. To the extent practical, upon request LICENSEE shall connect any such additional fibers to the MLGW Fiber System.. MLGW agrees to pay LICENSEE's cost of time and materials to reroute fibers and reconfigure the architecture in order to interconnect such networks. All additional fibers and equipment obtained by MLGW as the result of an expansion of LICENSEE's Network shall be maintained by LICENSEE free of charge.
3. LICENSEE further agrees to install additional cable spurs and equipment, to reroute MLGW's six optical fibers and to reconfigure MLGW's ring architecture at MLGW's written request. All such requests by MLGW for additional cable spurs and equipment shall be sold to MLGW by LICENSEE on the basis of LICENSEE's incremental cost for such fiber spurs and/or equipment. MLGW agrees to pay LICENSEE's cost of time and materials to reroute fibers and reconfigure the architecture. Fiber cables installed by LICENSEE at MLGW's request and fiber cables installed by MLGW shall, at MLGW's request, be connected by LICENSEE to MLGW's six (6) fiber ring transferred to MLGW by LICENSEE, as may be expanded from time to time pursuant to Article III.A.2. MLGW agrees to pay LICENSEE's cost of time and materials to connect these fibers. Additional cable spurs and equipment installed by LICENSEE shall be maintained by LICENSEE free of charge.

- B. Ownership Of Fiber And Equipment: The parties agree that MLGW shall only own the Optical Fibers, Equipment, additional cables spurs and equipment as described in Article III.A. and as listed on Attachments A and B provided under this Agreement and as may be amended by mutual agreement of both parties, and that the ownership

of all other cables and other equipment related to the Network that is attached to MLGW's Poles or placed within its Conduit System shall be owned by LICENSEE.

- C. Title To MLGW Fiber System: Within twelve (12) months of the Contract Date, LICENSEE shall deliver to MLGW a Certificate of Ownership for the six (6) Optical Fibers and the Equipment as described in Article III.A, free and clear of all claims, liens and encumbrances except for any security interest granted by LICENSEE to its vendors or financial institutions for the construction of the Network. The Certificate of Ownership shall provide a complete list of all personal property provided to MLGW.
- D. Repair And Maintenance: All repair and maintenance of the Equipment and the additional equipment described in Article III and the cable containing the Optical Fibers and the additional cable spurs described in Article III shall be performed by LICENSEE or an individual or entity authorized by LICENSEE for the term of this Agreement without additional charge to MLGW.
- E. Service Interruption: LICENSEE shall be responsible for the installation and maintenance of all services as described in this Agreement and shall respond to a major service interruption within two (2) hours of MLGW's trouble report. A major service interruption is defined as having complete loss of any light signal between any of the MLGW buildings. All other services maintenance or repairs shall be performed in a commercially reasonable time.
- F. Service Interruptions Caused By Licensee Maintenance: LICENSEE's maintenance of its Network normally will not result in a loss or interruption of MLGW's optical signal. In the event that LICENSEE's maintenance should reasonably be expected to require the loss or interruption of MLGW's optical signal, to the extent possible LICENSEE shall so notify MLGW within a reasonable time but not later than forty eight (48) hours prior to such anticipated loss or interruption.

IV. FORCE MAJEURE - LICENSEE:

Notwithstanding any other term or provision in this Agreement, LICENSEE shall not be liable to MLGW or any other person, firm, or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the control of LICENSEE. Such causes shall include: acts of God or any civil or military authority, national emergencies, insurrections, riots or wars. Restoration of any part of the Network due to incidents of Force Majeure or otherwise beyond the control of either party will be at LICENSEE's sole cost and expense.

V. INDEMNIFICATION BY LICENSEE AND INSURANCE:

- A. LICENSEE shall defend, indemnify, protect and hold harmless MLGW, its officers,

agents, and employees from any and all claims, losses, liabilities, causes of actions, demands, judgments, decrees, proceedings, and expenses of any nature (including, without limitation, reasonable attorney fees) arising out of or resulting from the acts or omissions of, LICENSEE, its officers, agents, employees, contractors, successors, or assigns. LICENSEE shall, at its own expense, defend MLGW and its officers, agents and employees against any and all such claims, actions and demands and shall indemnify MLGW and its officers, agents and employees for all costs and expenses it may incur in connection therewith. If LICENSEE refuses to undertake the defense of a claim described in this section, then MLGW, its officers, agents and employees shall have the right to take all actions they deem necessary and appropriate to defend the claim, and shall be reimbursed by LICENSEE for all costs incurred in defending such claim as provided above in this section, including, without limitation, reasonable attorney fees.

- B. Further, LICENSEE agrees to pay all of MLGW's costs and expenses, including, but not limited to, reasonable attorney fees, court costs, and interest incurred in any litigation commenced by MLGW to collect or enforce indemnification obligations contained in this section.
- C. LICENSEE shall obtain and maintain in full force and effect the following insurance covering all insurable risks associated with its ownership and operation of the Network:
 - 1. LICENSEE shall obtain and maintain in full force and effect a comprehensive occurrence (not claims made) general liability insurance policy, including completed operations, independent contractors and contractual liability coverage, in an amount not less than one million dollars per occurrence.
 - 2. LICENSEE shall also obtain and maintain in full force and effect in occurrence (not claims made), automobile liability insurance policy covering any vehicle used in connection with its activities under this Agreement in an amount not less than one million dollars per occurrence.
 - 3. LICENSEE shall obtain and maintain an umbrella liability policy certificate in addition to the certificates listed above with minimum acceptable limits of liability to be five million dollars per occurrence.
 - 4. LICENSEE shall obtain and maintain in full force and effect all workers compensation and employers liability insurance required by Tennessee law.
 - 5. MLGW and its officers, employees and agents shall all be named as additional insures in all policies required under this section of this Agreement.
- D. LICENSEE shall provide MLGW with thirty (30) days prior written notice of the

cancellation, modification, or expiration of any insurance policy required under this Agreement.

- E. LICENSEE shall provide MLGW with a current Certificate of Insurance evidencing all of the insurance required above in this Article prior to the installation of its Network and at times thereafter while this Agreement remains in effect. Each insurance certificate shall state that the issuer of the insurance certificate shall give MLGW thirty (30) days prior written notice of any cancellation, modification or expiration of any insurance policy referred to in the certificate. Replacement certificates shall be filed with MLGW at least thirty (30) days before the expiration of the current insurance policies.
- F. All insurance required by this section to be maintained by LICENSEE shall be affected by valid and enforceable policies issued by insurers authorized to conduct business in Tennessee and in good standing of the laws of Tennessee.
- G. Upon MLGW's request from time to time, LICENSEE shall deliver duplicate originals of such policies and renewal policies for such insurance to MLGW.

VI. GENERAL LIMITATION OF LIABILITY OF LICENSEE:

- A. Service Interruptions: In the event service is interrupted for any reason whatsoever, except for the negligent or willful acts or omissions of LICENSEE or its agents or representatives, or LICENSEE equipment failure LICENSEE shall not be liable to MLGW for any damages, including, without limitation, any direct, indirect, consequential, special, actual, punitive or any other damages, or for any lost profits of any kind whatsoever. Except for damage due to the negligent or willful acts or omissions of LICENSEE or its agents or representatives, LICENSEE's sole obligation to MLGW in the event service is interrupted, for whatever reason, is to use its best efforts to repair the Service within a commercially reasonable time.
- B. Damage: LICENSEE shall pay MLGW for any damage caused to MLGW's facilities and the facilities of others by LICENSEE's negligence, omission, willful acts or by LICENSEE's equipment malfunction. LICENSEE shall indemnify, defend and hold harmless MLGW and its agents and representatives from any and all claims, demands and causes of actions including the payment of MLGW's reasonable attorney fees in attempting to require performance of LICENSEE under the terms of this Agreement. LICENSEE shall notify MLGW promptly in case of such damage to any of its facilities.
- C. All Other Liability: LICENSEE, at its own expense, will indemnify MLGW and hold it harmless with respect to any and all loss, damage, liability or expense asserted against MLGW by a third party on account of any property damage or personal injury caused by any negligence or willful misconduct of LICENSEE or its agents or representatives arising out of its performance of this Agreement. LICENSEE's

obligations under the immediately preceding sentence shall be subject to MLGW's duty to take reasonable precautions so as not to interfere with the facilities or service provided by LICENSEE.

- D. Protection Against Claims For Improper Programming: LICENSEE shall indemnify, save harmless and insure MLGW with respect to all material transmitted over LICENSEE's Network from and against any and all claims and demands for damages or loss for infringement of copyright, for libel and slander, for unauthorized use thereof and from and against all claims and demands for infringement of patents with respect to the manufacture, use and operation of LICENSEE's equipment whether arising from the use of LICENSEE's equipment in combination with MLGW's Poles and Conduit System.
- E. Indemnification For Patent Infringement: In the event that any claim, demand or liability is made or asserted against MLGW by any third party based upon allegations that the Network violates any patent laws, then, and in such event, LICENSEE shall indemnify, defend and hold harmless MLGW and its agents and representatives of and from any, and all such claims, demands, lawsuits and liability, including the payment of MLGW's legal fees.
- F. Non-Waiver of Indemnification: No provision of this Agreement is intended, or shall be construed, to be a waiver for any purpose by MLGW of any applicable limits on municipal liability available to MLGW. No indemnification provision contained in this Agreement under which Licensee indemnifies MLGW shall be construed in any way to limit any other indemnification provision contained in this Agreement.

VII. PERMITS, LICENSES AND RIGHTS-OF-WAY:

- A. In order to construct, place and maintain its Network, LICENSEE will need to negotiate with various Federal, State, County and local authorities and private entities for permits, license, rights-of-way, franchise agreements and property easements. The cost of such permits, licenses, rights-of-way, franchise agreements and property easements shall be born by LICENSEE. If LICENSEE is unable to obtain such permits, licenses, rights-of-way, franchise agreements, and property easements to install and operate its Network within one year of this Agreement, under terms acceptable solely to LICENSEE, either party may terminate this Agreement without liability to the other party.
- B. LICENSEE shall use its best efforts to obtain such permits, licenses, rights-of-way, franchise agreements and property easements. LICENSEE shall provide to MLGW copies of all such permits, licenses, rights-of-way, franchises, agreements and property easements prior to start of work.

VIII. FURTHER APPROVALS:

obligations under the immediately preceding sentence shall be subject to MLGW's duty to take reasonable precautions so as not to interfere with the facilities or service provided by LICENSEE.

- D. Protection Against Claims For Improper Programming: LICENSEE shall indemnify, save harmless and insure MLGW with respect to all material transmitted over LICENSEE's Network from and against any and all claims and demands for damages or loss for infringement of copyright, for libel and slander, for unauthorized use thereof and from and against all claims and demands for infringement of patents with respect to the manufacture, use and operation of LICENSEE's equipment whether arising from the use of LICENSEE's equipment in combination with MLGW's Poles and Conduit System.
- E. Indemnification For Patent Infringement: In the event that any claim, demand or liability is made or asserted against MLGW by any third party based upon allegations that the Network violates any patent laws, then, and in such event, LICENSEE shall indemnify, defend and hold harmless MLGW and its agents and representatives of and from any, and all such claims, demands, lawsuits and liability, including the payment of MLGW's legal fees.
- F. Non-Waiver of Indemnification: No provision of this Agreement is intended, or shall be construed, to be a waiver for any purpose by MLGW of any applicable limits on municipal liability available to MLGW. No indemnification provision contained in this Agreement under which Licensee indemnifies MLGW shall be construed in any way to limit any other indemnification provision contained in this Agreement.

VII. PERMITS, LICENSES AND RIGHTS-OF-WAY:

- A. In order to construct, place and maintain its Network, LICENSEE will need to negotiate with various Federal, State, County and local authorities and private entities for permits, license, rights-of-way, franchise agreements and property easements. The cost of such permits, licenses, rights-of-way, franchise agreements and property easements shall be born by LICENSEE. If LICENSEE is unable to obtain such permits, licenses, rights-of-way, franchise agreements, and property easements to install and operate its Network within one year of this Agreement, under terms acceptable solely to LICENSEE, either party may terminate this Agreement without liability to the other party.
- B. LICENSEE shall use its best efforts to obtain such permits, licenses, rights-of-way, franchise agreements and property easements. LICENSEE shall provide to MLGW copies of all such permits, licenses, rights-of-way, franchises, agreements and property easements prior to start of work.

VIII. FURTHER APPROVALS:

LICENSEE shall be solely responsible for obtaining all necessary permits, consents, or approvals, either public or private which may be necessary prior to the beginning of construction, and this Agreement shall be contingent upon acquisition of all such permits, consents or approvals under terms acceptable solely to LICENSEE. LICENSEE shall provide to MLGW written consent from private property owner or owners, stating that LICENSEE has permission to ingress and egress and also to construct and operate its facilities over and under and upon the MLGW owned Poles located on said private property. LICENSEE shall use its best efforts to obtain such permits, consents or approvals.

IX. NON-EXCLUSIVE:

MLGW grants LICENSEE non-exclusive rights for its attachments on Poles or in the Conduit System. MLGW does not suggest, imply or guarantee that LICENSEE will have sole occupancy of a Pole or any portion of the Conduit System.

X. ATTACHMENT AND INSTALLATION PROCEDURES:

No attachment, placement or installation shall be made by LICENSEE on any Poles before written permission is received from MLGW. The procedure and forms to be used in making application and receiving permission for attachment, placements or installations shall be as provided for as described in this Agreement. Such permission shall not be unreasonably withheld. All installations in the Conduit System must be approved and performed by MLGW. LICENSEE shall reimburse MLGW for the Actual Costs incurred, as herein defined.

XI. OVERHEAD APPLICATION REQUIREMENTS:

- A. Before making attachments to any Poles, including the overlashing of existing Attachments, LICENSEE shall make application and receive a Permit therefore, with respect to each Pole in the form of Attachments C and D. An individual Permit may cover between 1 and 25 contiguous Poles. If the Pole is located on public right of way, LICENSEE shall obtain all necessary permits from City of Memphis, Shelby County or State of Tennessee and present to MLGW at the time a request is made to attach to said Poles.
- B. The method and location of installation on Poles must first be approved by MLGW. Such approvals shall not be unreasonably withheld. LICENSEE shall furnish MLGW with a construction drawing indicating the location of and specifying the type of cable to be installed with a target date for completion. Authorized Pole attachments under this Agreement are restricted to the designated communication space, as indicated in the specification diagrams in Attachment F, and shall not be placed within the power supply space.
- C. There is a non-refundable application fee of \$50 per Pole attachment Permit. This

fee may be applied against any necessary Make Ready expenses due MLGW from LICENSEE. The fee may be adjusted annually to reflect changes in the engineering, administrative and processing costs of MLGW in reviewing permit applications.

- D. There shall be no additional Pole Attachment fee for LICENSEE to overlash its own cables, provided that the LICENSEE has furnished MLGW with prior notification through the permitting process. Overlashing of LICENSEE's facilities by non-affiliated third-parties is prohibited absent a separate License Agreement with MLGW.
- E. MLGW will at intervals not exceeding five (5) years perform an actual inventory of the Pole Attachments in all or in part of the territory covered by this Agreement, for the purpose of checking and verifying the number of Poles on which LICENSEE has attachments. Such field check shall be made jointly by both parties and shall be at LICENSEE's Expense.
- F. Notwithstanding any other revenues available to MLGW, if through an inventory or other means, MLGW discovers that LICENSEE has made Pole Attachments, including overlashing, without first obtaining a Permit from MLGW, the LICENSEE shall pay a Pole Attachment rate for such Attachments that is equal to three (3) times the applicable rate specified under this Agreement.

XII. REARRANGEMENT AND RELOCATION OF POLE ATTACHMENTS AND POLE REPLACEMENT ("OVERHEAD WORK"):

- A. In the event that LICENSEE requests Overhead Work and MLGW agrees to perform such Overhead Work, MLGW shall prepare a cost estimate for Overhead Work. As a condition of further consideration of the request, LICENSEE shall acknowledge and approve the estimate. LICENSEE's approval establishes its obligation to pay MLGW's Actual Costs, as herein defined.
- B. When a request has been approved and MLGW has received payment for Overhead Work, MLGW will proceed with the Overhead Work.
- C. Rearrangement and Relocation of Pole Attachments (Make Ready Work):
 - 1. LICENSEE shall compensate MLGW for the Actual Costs for rearranging, transferring, and/or relocating MLGW facilities on Poles in order to accommodate LICENSEE's Attachment.
 - 2. LICENSEE shall reimburse the owner or owners of other facilities attached to MLGW Poles for any expense incurred by them for rearranging or transferring such facilities in order to accommodate LICENSEE's facilities.
- D. Pole Replacement

1. LICENSEE shall compensate MLGW for the Actual Costs for replacing any Pole that must be replaced in order to be able to support LICENSEE's Attachments.
 2. If LICENSEE is the first communications company to require Pole replacement, LICENSEE must absorb the Actual Costs of the project. If a second communications company or other user attaches to the same Pole within a period of sixty months, then this second organization must reimburse the original attachee fifty per cent of the Actual Costs for the original Pole replacement. After sixty months the attachment will be handled as a routine attachment. For all Joint Use Poles, the above condition shall not apply to BellSouth.
 3. If LICENSEE is the first communications company to attach to a Pole in the best and most proper manner and there is no suitable space for a second communications company then the second communications company must request the Pole be replaced for a taller Pole and must absorb the Actual Costs of the Pole replacement. For all Joint Use Poles, the above condition shall not apply to BellSouth.
- E. A two foot (2') clearance shall be maintained on Poles that are in Joint Use with BellSouth.

XIII. GUYS AND ANCHOR ATTACHMENTS:

- A. LICENSEE shall at its own expense and to the satisfaction of MLGW place guys and anchors to sustain any unbalanced loads caused by LICENSEE's Attachments. When, in unusual circumstances, LICENSEE determines that it is necessary or desirable for it to attach its guys to anchors owned by MLGW, it may make application to do so in a manner similar to that outlined in Article XI above for application to make Pole Attachments. In such circumstances, all the provisions of this Agreement that are applicable to Poles shall also be separately applicable to anchors. In the event that any anchor or guy to which LICENSEE desires to make Attachments is inadequate to support the additional facilities in accordance with the aforesaid specifications, MLGW will notify LICENSEE of the changes necessary to provide an adequate anchor or guy, together with the estimated cost thereof to LICENSEE. LICENSEE will compensate MLGW in advance for the full estimated expense including engineering and administrative cost for changing the guy and anchor. LICENSEE shall be obligated to pay MLGW's Actual Costs for changing the guy and anchor, not limited in any way by the estimated expense.
- B. For anchors in place to which LICENSEE wishes to attach, LICENSEE shall pay to MLGW a one time installation fee of \$36.00 per anchor upon initial installation only, for the use of each of MLGW's anchors to which Attachments are made.

XIV. INSTALLATION OF GROUNDS:

- A. When MLGW is requested by LICENSEE to install grounds or make connections to MLGW's electric system neutral, LICENSEE shall on demand reimburse MLGW for the Actual Costs thereby incurred on initial installation only.
- B. All grounds installed by LICENSEE shall be in accordance with MLGW's standard grounding practices shown in Attachment E attached hereto and made a part hereof.

XV. POLES NOT COVERED BY THIS AGREEMENT:

Should LICENSEE attach any of its facilities to Poles not covered by this agreement or should LICENSEE attach any of its facilities to Poles that MLGW has a Joint Use agreement, it shall maintain proper clearance between such equipment and communication lines and street lighting wires and shall otherwise install, maintain and remove the equipment on such Poles in such manner as to satisfy the requirements of this Agreement with respect to safety, good workmanship and avoidance of hazard.

XVI. POLES NOT ALLOWED TO BE JOINT:

Upon notice from MLGW to LICENSEE that the use of any Pole is forbidden by municipal authorities or property owner, the permit covering the use of such Pole shall immediately terminate and the cables, wires and appliances of LICENSEE shall be removed, within a reasonable length of time, from the affected Pole.

XVII. REMOVAL OF ATTACHMENTS FOR OVERHEAD TO UNDERGROUND CONVERSION:

Upon notice from MLGW to LICENSEE that MLGW's electric system is to be converted from overhead to underground in a specified area and the Poles will be removed, the permit covering the use of said Poles shall immediately terminate and the cables, wires and appliances of LICENSEE shall be removed promptly from the affected Pole.

XVIII. CODES, RULES, AND STANDARDS:

LICENSEE's facilities, in each and every location, shall be erected and maintained in accordance with the requirements and specifications of the latest revision of the National Electric Safety Code, as the same may be amended from time to time, the National Electrical Code ("NEC"), the regulations of the Occupational Safety and Health Act ("OSHA") and in compliance with any rules or orders now in effect or that may hereafter be issued by MLGW or other authority having jurisdiction. LICENSEE's attachments shall be made in accordance with Attachment F, Figures 1 through 8, and the location of any attachment may be redesignated from time to time. LICENSEE further agrees that all of its facilities will meet the standards and requirements as set out in Attachment G.

XIX. REMOVAL OF ATTACHMENTS:

LICENSEE may at any time remove its attachments from any Pole of MLGW, but shall immediately give MLGW written notice of such removals in the form of Attachment H. No refund of any Pole attachment fee will be due on account of such removal.

XX. CONDUIT APPLICATION REQUIREMENTS:

- A. LICENSEE shall submit for approval by MLGW's authorized representative Attachment I as application for use of MLGW's Conduit System. MLGW reserves the right to determine routes and portions of the Conduit System to be used.
- B. If Conduit System occupancy is to be surrendered, Attachment J shall be submitted to MLGW. The date this application is received by MLGW shall serve as the effective date. No refund of any conduit occupancy fee will be due on account of such surrender.
- C. While some of the standards and technical requirements for LICENSEE's cable placed with MLGW's Conduit System are set forth herein, MLGW reserves the right to specify the type of construction required in situations not otherwise covered. In such cases, MLGW will at its discretion furnish to LICENSEE written materials which will specify and explain the required construction. LICENSEE reserves the right to terminate this Agreement in the event it disagrees with MLGW's specification of the type of or cost of construction required in situations not otherwise covered. LICENSEE shall use its best efforts to negotiate disputed specifications before termination.
- D. LICENSEE shall furnish MLGW with a construction drawing indicating the location of and specifying the type of cable to be installed with a target date for completion of construction by MLGW.

XXI. CONDUIT SYSTEM PREPARATION, INNERDUCT INSTALLATION AND CABLE INSTALLATION ("UNDERGROUND WORK")

- A. Subject to MLGW's approval of LICENSEE's application for use of the Conduit System, MLGW shall prepare a cost estimate for Underground Work. As a condition of further consideration of the application, LICENSEE shall acknowledge and approve the estimate. LICENSEE's approval establishes its obligation to pay MLGW's Actual Costs, not limited in any way by the estimate.
- B. When an application for Conduit System use has been approved and MLGW has received payment for Underground Work, MLGW will proceed with the Underground Work.

C. **Conduit System Preparation**

1. LICENSEE shall compensate MLGW for the Actual Costs for clearing obstructions, making repairs and dig-ups, rearranging, transferring and relocating MLGW's Conduit System facilities and any other work required to prepare the Conduit System for the installation of Innerduct and/or LICENSEE's cable.
2. LICENSEE shall reimburse the owner or owners of other facilities occupying MLGW's Conduit System for any expense incurred by them for rearranging or transferring such facilities to accommodate LICENSEE's Conduit System use.

D. **Innerduct Installation:** Any use of Innerduct in MLGW manholes and Conduit System shall be subject to MLGW approval and shall be installed by MLGW at LICENSEE's Expense. When Innerduct is installed, MLGW will install four (4) sections of Innerduct per span of conduit. LICENSEE shall pay one-fourth (1/4) of the purchase price of the Innerduct and one-fourth (1/4) of the Actual Costs of installing four (4) sections of Innerduct in said conduit. If MLGW installs three (3) or (2) sections of Innerduct per span of conduit, then LICENSEE shall pay one-third (1/3) or one-half (1/2), respectively, of the purchase price of the Innerduct and one-third (1/3) or one-half (1/2), respectively, of the Actual Costs of installing the Innerducts in said conduit.

E. **Cable Installation:** LICENSEE shall compensate MLGW for the Actual Costs of installing LICENSEE's cable.

XXII. **OCCUPANCY OF CONDUIT SYSTEM:**

For the purpose of computing the total conduit occupancy fee due hereunder, the length of the conduit shall be measured from the center to the center of manholes, or from the center of a manhole to the end of MLGW's Conduit System occupied by LICENSEE's cable. Occupancy fees will not be charged for conduit installed under Article XXV.

XXIII. **ELECTRICAL DESIGN SPECIFICATIONS:**

- A. Cables with an outer metallic sheath shall be bonded at each manhole by MLGW. No cable of LICENSEE's shall be permitted in MLGW's Conduit System if such cable causes electrical interference on any facilities of MLGW. Such interference shall be removed by MLGW at LICENSEE's Expense. LICENSEE's power supplies will not be permitted in MLGW's Conduit System.
- B. LICENSEE's cable shall not be designed to use the earth as the sole conductor for any part of LICENSEE's circuits.

- C. Separation of communication and electrical conductors shall be as stipulated in the National Electrical Safety Code.
- D. LICENSEE shall not circumvent MLGW's corrosion mitigation measures.
- E. LICENSEE cable shall be compatible with MLGW's facilities so as not to damage any facilities of MLGW by corrosion or otherwise. LICENSEE shall be liable to MLGW for any damages occasioned by such corrosion or otherwise.

XXIV. PHYSICAL DESIGN SPECIFICATIONS:

- A. LICENSEE's cables bound or wrapped with cloth or having any kind of fibrous covering or impregnated with an adhesive material shall not be permitted in MLGW's Conduit System.
- B. Splices and terminations in LICENSEE's underground cables shall be located only in termination boxes installed by LICENSEE in a location external to MLGW's Conduit System. Splices, termination boxes and associated equipment shall not be allowed in MLGW's manholes or any other part of MLGW's Conduit System. These splices and terminations shall be made by LICENSEE.
- C. Installation of a small coil of fiber optic cable, approximately 10 feet in length or smaller, in a MLGW manhole will be allowed at MLGW's sole discretion.
- D. The purpose of this cable coil is to provide excess cable for slack requirements and emergencies. The cable coil shall not be used for splices, terminations or installation of a termination box.
- E. Cable coils, if allowed by MLGW, will be installed by MLGW at LICENSEE's Expense. Cable coil location inside the manhole will be determined by MLGW.
- F. The maximum permissible diameter of any cable and/or Innerduct and the number of cables and/or Innerduct to be placed in any of MLGW's conduits shall be determined by MLGW based upon the size and shape of the conduits and the size of the existing cable in the conduit. LICENSEE's cable and/or Innerduct installed for LICENSEE's use will not be permitted in any ductline where less than two vacant conduits remain after the installation of LICENSEE's cable and/or Innerduct installed for LICENSEE's use.
- G. Reels shall be constructed with a maximum flange diameter of 90 inches and width of 55 inches. The arbor hole shall admit a spindle of 4 1/2 inches without binding.

XXV. CONNECTION OF LICENSEE'S CONDUIT:

Any section of conduit which connects with MLGW's manhole or transformer vault shall be installed by MLGW at LICENSEE's Expense. The maximum length of conduit shall not exceed five (5) feet and shall be maintained at LICENSEE's Expense .

XXVI. WORK RULES:

- A. MLGW's manholes or transformer vaults shall not be opened or tampered with by an employee, agent or contractor of LICENSEE.
- B. No employee, agent or contractor of LICENSEE shall enter or work in any of MLGW's manholes or transformer vaults.
- C. Clearing obstructions, repairs, dig-ups and any other work required to make a conduit usable for the initial placing of LICENSEE's cable or Innerduct installed for LICENSEE's use shall be done by MLGW at LICENSEE's Expense.
- D. MLGW shall place, remove, change, and maintain all cable in MLGW's Conduit System with materials supplied by LICENSEE, approved by MLGW and delivered in a timely manner to the location designated by MLGW.
- E. MLGW and LICENSEE'S cable shall be permanently identified by tags at each manhole or other access opening in the Conduit System. Tags shall be of a type and wording satisfactory to MLGW. All cost of this identification shall be at LICENSEE's Expense.
- F. Where manholes or transformer vaults must be pumped in order to allow work operations to proceed, pumping shall be done by MLGW at LICENSEE's Expense.
- G. Any leak detection liquid or device used by LICENSEE's agents, employees or contractors shall be of a type approved in writing by MLGW.
- H. When LICENSEE, its agents, employees or contractors are working around any part of MLGW's Conduit System located in the streets, alleys, highways, or other public rights-of-way or easements granted to MLGW or City of Memphis, the protection of persons and property shall be provided by LICENSEE in an adequate and satisfactory manner; LICENSEE shall be solely responsible for providing adequate barricades, warning lights, traffic cones, danger signs and other similar devices to protect all traffic, persons and property around the work area from danger.
- I. MLGW's authorized representative shall have the authority to terminate LICENSEE's work operations around MLGW's manholes or transformer vaults if, in the sole discretion of MLGW's authorized representative, any hazardous condition arises or any unsafe practice is being followed by LICENSEE's agents, employees or contractors. Said discretion shall not be unreasonably executed.

XXVII. LICENSEE REPRESENTATIVE:

A LICENSEE representative shall be present during all MLGW installation of underground fiber cable. The LICENSEE representative shall be knowledgeable and experienced in underground fiber cable installation and shall be authorized by LICENSEE to answer questions and make decisions on LICENSEE's behalf regarding problems and questions that occur during MLGW installation of underground cable. The LICENSEE representative shall be furnished at LICENSEE's expense.

XXVIII. EMERGENCY CONDITIONS:

In cases of emergency:

- A. MLGW's work shall take precedence over any and all operations of LICENSEE.
- B. MLGW may pull a cable into any of MLGW's conduits either occupied by or scheduled to be occupied by LICENSEE's facilities. Should it become necessary for MLGW to use a conduit occupied by LICENSEE, LICENSEE's cable may be removed by MLGW. MLGW will endeavor to make other conduit space available for the displaced facilities of LICENSEE as soon as possible.
- C.. MLGW may rearrange LICENSEE's cable at LICENSEE's Expense when necessary to make maximum use of its electric system.
- D. LICENSEE shall provide MLGW a point(s) of contact for emergency and non-emergency twenty-four (24) service.

XXIX. DECOMMISSIONING:

MLGW may, in its sole judgment, remove any Poles or portions of its Conduit System not needed for its service requirements; and LICENSEE shall, upon written notification from MLGW, remove its attachments from such Poles and portions of the Conduit System.

XXX. INSTALL AND TRANSFER FACILITIES:

LICENSEE shall, at its own expense make and maintain said attachments in safe conditions and in good repair, or relocate or replace its facilities placed on said Poles or in conduit or perform other work that may be required by MLGW; provided, however, that in case of emergency, MLGW may arrange to relocate, replace or transfer LICENSEE's facilities at LICENSEE's expense.

XXXI. CHARGES FOR INCOMPLETE WORK:

In the event that requests for attachments and/or use of the Conduit System are made by

LICENSEE and steps are taken by MLGW to carry out the request by performing necessary engineering and administrative work and the job is canceled causing the job not to be done or completed, LICENSEE shall reimburse MLGW for the Actual Costs incurred by MLGW.

XXXII. INSPECTION:

MLGW reserves the right to inspect each new installation of LICENSEE and to make periodic inspections, as conditions may warrant, of that portion of LICENSEE's Network that is attached to MLGW's Poles and placed in MLGW's Conduit System. Such inspections, or the failure to make such inspections, shall not operate to relieve LICENSEE of any responsibility or obligation or liability assumed under this Agreement.

XXXIII. PROTECTION AND INDEMNITY:

MLGW reserves to itself, its successors and assigns, the right to maintain its Poles and Conduit System and to operate its facilities thereon in such manner as will best enable it to fulfill its own service requirements. MLGW shall exercise reasonable precaution to prevent damage to, or interference with the operation of the equipment of LICENSEE, but MLGW shall not be liable for any such damage or interference which may arise out of the use of MLGW's Poles or Conduit System. LICENSEE shall exercise special precautions to avoid damage to facilities of MLGW or of other authorized users of said Poles or Conduit System; and LICENSEE hereby assumes all responsibility for any and all damage to facilities of said MLGW or other authorized users arising out of or caused by the erection, maintenance, installation, presence use or removal of LICENSEE's facilities. LICENSEE shall make an immediate report to the particular owner of the facilities affected by the occurrence of any damage and hereby agrees to reimburse such owner for the expenses incurred in making the necessary repairs and replacement.

XXXIV. TIME TABLE:

LICENSEE agrees to have the MLGW Fiber System operational within six (6) months of receipt of all approvals as stated in this Agreement. If within twelve (12) months from the Contract Date, LICENSEE has not received all necessary approvals, either party may cancel this Agreement without liability.

XXXV. ASSIGNMENT:

LICENSEE may assign or transfer any of its rights under this Agreement in whole or in part, by merger, consolidation, reorganization or change in the ownership or control of LICENSEE's business or by other means, provided that LICENSEE gives MLGW thirty (30) days advance written notice of such transaction. If any cable containing the Optical Fibers is sold, transferred or assigned by LICENSEE, the new owner or operator of the cable shall be required by LICENSEE to acknowledge in writing to MLGW that maintenance and repair will continue under the same terms and conditions set forth in this Agreement and that the

new owner or operator shall be bound by all terms of this Agreement to the full extent as is LICENSEE.

XXXVI. ADDITIONAL PROVISIONS:

- A. The failure of either party to give notice of default or to enforce or insist upon compliance with any of the terms or conditions of this Agreement, the waiver of any term or conditions of this Agreement or the granting of an extension of time for performance shall not constitute the permanent waiver of any term or condition of this Agreement and this Agreement and each of its provisions shall remain at all times in full force and effect until modified by authorized parties in writing.
- B. The provision of the Service will not create a partnership or joint venture between the parties nor result in a joint communications service offering to the customers of either LICENSEE or MLGW.
- C. LICENSEE shall not, without the prior written consent of MLGW use any of its facilities attached to MLGW's Poles, or installed in MLGW's Conduit System, for any purpose other than that provided in this Agreement. Whenever, in the reasonable judgement of MLGW, LICENSEE has used its facilities for any purpose not authorized herein, MLGW shall forthwith notify LICENSEE. Upon receipt of such notice, LICENSEE shall as promptly as practicable (and in no later than twelve hours after receipt of such notice) cease such use complained of in the notice. Failure to do so or repeated unauthorized use shall constitute a default of LICENSEE's obligations and, notwithstanding any other provision of this Agreement, MLGW may at its option forthwith terminate this agreement.
- D. No subsequent agreement between MLGW and LICENSEE concerning the Service shall be effective or binding unless it is made in writing by authorized representatives of the parties hereto and no representation, promise, inducement or statement of intention has been made by either party which is not embodied herein.
- E. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns.
- F. The Parties acknowledge and agree that this Agreement constitutes the entire Agreement between MLGW and LICENSEE, and supersedes all prior agreements and understandings, both oral and written, with respect to the subject matter hereof. This Agreement may not be modified or terminated excepted as provided herein.
- G. LICENSEE and MLGW acknowledge and agree that all material terms and conditions of this Agreement, including but not limited to the compensation requirements specified in Articles III and XXXIX, are essential and non-severable

components of this Agreement, and that if any such material requirements are held to be unenforceable under applicable law, this Agreement shall thereupon terminate.

- H. Descriptive headings in this Agreement are for convenience only and shall not affect the construction of this Agreement.

XXXVII. NOTICE:

Notices under this Agreement shall be in writing and delivered to the persons whose names and business addresses appear below or as otherwise provided for by proper notice hereunder and the effective date of any notice under this Agreement shall be the date of delivery of such notice, not the date of mailing.

If to LICENSEE: Hyperion Communications of Tennessee, LP
DDI Plaza Two
500 Thomas Street
Suite 400
Bridgeville, Pa. 15017
ATTN: Director of Legal and Regulatory Affairs

If to MLGW: Memphis Light, Gas and Water
220 South Main Street
Memphis, TN 38103
Attention: Contract Management

XXXVIII. RIGHTS:

Nothing herein contained shall be construed as affecting the rights or privileges previously conferred by MLGW, by contract or otherwise, to others not parties to this Agreement, to use any Poles or portions of the Conduit System covered by this Agreement; and MLGW shall have the right to continue and extend such rights or privileges to subsequent licenses. The attachment privileges herein granted shall at all times be subject to such existing contracts and arrangements.

XXXIX. OTHER COMPENSATION:

- A. In addition to providing and maintaining six (6) dark fibers as specified in Article III and Attachments A and B, LICENSEE also agrees to make quarterly payments to MLGW on March 1, June, September 1 and December 1 of each year. LICENSEE payments to MLGW shall be of the greater dollar amount of the two payment options:

1. Payment Option One:

- a. Initial Pole attachment fee of \$17.28 for each Pole attachment for a twelve (12) month period. No additional fee is required for overflashing, if such overflashing is owned by the LICENSEE or its affiliate, and is authorized pursuant to a Permit.
- b. Initial Conduit System occupancy fee of \$2.64 for each foot of occupied conduit and Innerduct for a twelve (12) month period
- c. The Pole Attachment and Conduit System occupancy fees ("Fees") shall be adjusted annually to equal the purchasing power of the previous year, except that in no event shall the amount of the Fees decrease. The Fees shall be adjusted by any change in the Index now known as "United States Bureau of Labor Statistics, Consumer Price Index-All Urban Consumers, base period 1982-84 = 100, (CPI-U)," hereinafter referred to as the "Index". The parties agree that the November 1999 Index is one hundred sixty-eight point three (168.3). If such Index shall be discontinued with no successor or comparable successor Index, the parties shall attempt to agree upon a substitute formula, if the parties are unable to agree upon a substitute formula, MLGW may at its discretion adopt a widely used comparable formula.
 - i. The first adjustments shall be made on the one year anniversary of the Contract Date and shall be accomplished by multiplying the aforementioned initial Pole Attachment fee and the initial Conduit System occupancy fee ("Initial Fees") by a fraction, the numerator of which shall be the most recently published monthly Index preceding the one year anniversary of the Contract Date, the denominator of which fraction shall be the published monthly Index twelve months prior to the Index used in the numerator. Said sums shall be added to the Initial Fees to determine the new Fees. The new Fees shall be used to calculate the dollar amount due under Payment Option One for each of the four quarterly payments that follow the one year anniversary of the Contract Date.
 - ii. All succeeding adjustments to the Fees shall be made annually on the anniversary of the Contract Date and shall be accomplished by multiplying the then current Fees by a fraction, the numerator of which shall be the most recently published monthly Index preceding the current anniversary of the Contract Date, the denominator of which fraction shall be the published monthly Index twelve months prior to the Index used in the numerator. Said sums shall be

added to the then current Fees to determine the new Fees. The new Fees shall be used to calculate the dollar amount due under Payment Option One for each of the four quarterly payments that follow the current anniversary of the Contract Date.

or

2. Payment Option Two:

- a. Three percent (3%) of LICENSEE's Gross Revenue derived from rent or sale of fiber optic network services provided on LICENSEE's Network. Gross Revenue shall be as shown in independently audited annual financial statements, a copy of which shall be provided to MLGW twelve (12) months after the Contract Date and annually on that day thereafter. Fiber optic network services include sale, lease or rent of fibers or capacity or bandwidth between any points on LICENSEE's Memphis Network.

- B. If MLGW does not receive any fee or other amount owed within thirty (30) days after it becomes due, Licensee, upon receipt of ten (10) days written notice, shall pay interest to MLGW, compounded daily from the date due until the date paid, at the rate of one percent (1%) per month.

XL EXPENSES:

LICENSEE shall be responsible for reimbursing MLGW for all expenses as stated throughout this Agreement. Such expenses shall include all engineering, labor, overtime and double time labor, material, transportation and equipment used for LICENSEE work to be inclusive of all loading, interest and administrative costs. MLGW will provide monthly invoices for work that has occurred under this Agreement. Payment for such work shall be made within thirty (30) days after receipt of invoice. Non-payment of an invoice shall constitute a default of this Agreement. In the event of such default, MLGW shall be entitled to recover the full amount due under this Article plus any reasonable expenses or collection including attorneys fees and court costs.

XLI. TERM:

This Agreement shall become effective on the Contract Date above written; and if not terminated in accordance with the provisions herein, shall continue in effect for a term of not less than thirty (30) years from the Contract Date. Either party may terminate the Agreement at the end of said thirty (30) year period or at any time thereafter by giving at least six (6) months prior written notice. Such termination in no way exempts payment for Pole attachment and conduit occupancy prior to the actual removal of all facilities. Upon termination of the Agreement in accordance with any of its terms, LICENSEE after receiving notice of intent to terminate shall immediately remove its cables, wires and appurtenances

from all Poles or conduit of MLGW. If not so removed, MLGW shall have the right to remove them at LICENSEE's Expense and without any liability therefor, and LICENSEE agrees to pay the Actual Costs thereof within ten (10) days after it has received an invoice from MLGW.

XLII. RECEIVERSHIP, FORECLOSURE, OR ACT OF BANKRUPTCY:

A. The Pole and Conduit System use of this Agreement granted hereunder shall at the option of MLGW cease and terminate one hundred twenty (120) days after the appointment of a receiver or receivers or trustee or trustees to take over and conduct the business of LICENSEE whether in a receivership, reorganization, bankruptcy or other action or proceeding unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred twenty (120) days, or unless:

1. Such receivers or trustees shall have, within one hundred twenty (120) days after their election or appointment, fully complied with all the terms and provisions of this Agreement granted pursuant hereto, and the receivers or trustees within said one hundred twenty (120) days shall have remedied all defaults under the agreement; and
2. Such receivers or trustees shall within said one hundred twenty (120) days, execute an agreement duly approved by MLGW having jurisdiction in the premises, whereby such receivers or trustees assume and agree to be bound by each and every term, provision and limitation of the franchise herein granted.

B. In the case of foreclosure or other judicial sale of the plant, property and equipment of LICENSEE, or any part thereof, including or excluding this Agreement, MLGW may service notice of termination upon LICENSEE and the successful bidder at such sale, in which event the Agreement herein granted and all rights and privileges of the Agreement hereunder shall cease and terminate thirty (30) days after service of such notice, unless:

1. MLGW shall have approved the transfer of this Agreement, as and in the manner in this Agreement provided; and
2. Unless such successful bidder shall have covenanted and agreed with MLGW to assume and be bound by all the terms and conditions to this Agreement.

XLIII. TRANSFER RIGHTS OF ATTACHMENTS:

LICENSEE shall not assign, transfer, sublease or resell the rights of attachments hereby granted to it, or the rights to use facilities so attached to MLGW's Poles or placed in MLGW's Conduit System, without prior consent in writing of MLGW. Failure of LICENSEE to give such notice shall be cause for termination of this Agreement.

XLIV. PERFORMANCE BOND:

LICENSEE shall furnish a Performance Bond (form attached) executed by a surety company acceptable to the Board of Light, Gas and Water Commissioners which is duly authorized to do business in the State of Tennessee, in the amount of Two Hundred Thousand Dollars (\$200,000.00) as security for the faithful performance of this Agreement and for the payment of all persons performing labor and furnishing materials in connection with this Agreement.

XLV. DEFAULT:

If MLGW or LICENSEE shall fail to comply with any of the terms or provision of this Agreement, or default in any of its obligations under this Agreement and shall fail within thirty (30) days after written notice from the other party to correct such default or non-compliance, the party may, at its option, terminate this Agreement.

XLVI. TERMINATION:

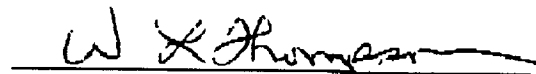
In the event of termination that is not the fault of MLGW, LICENSEE shall compensate MLGW for all Actual Costs and Expenses incurred as of the date of termination.


XLVII. JURISDICTION:

Any and all disputes arising out of this Agreement shall be governed, construed and enforced according to the laws of the State of Tennessee. All actions relating to the validity, construction, interpretation and enforcement of this Contract shall be instituted and litigated in the Courts of Tennessee, in accordance herewith the parties to this Contract submit to the jurisdiction of the courts of Tennessee, located in Shelby County, Tennessee.

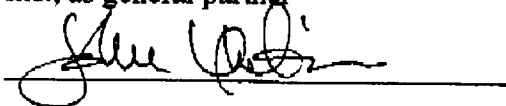
IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed the day and year first above written.

MEMPHIS LIGHT, GAS AND WATER
DIVISION
City of Memphis, Tennessee

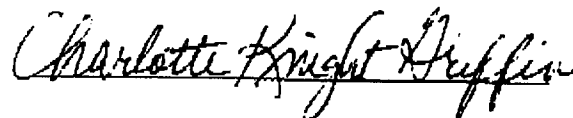


 President

Hyperion Communications of Tennessee, LP:
By: Hyperion Communications General Holdings,
Inc., as general partner

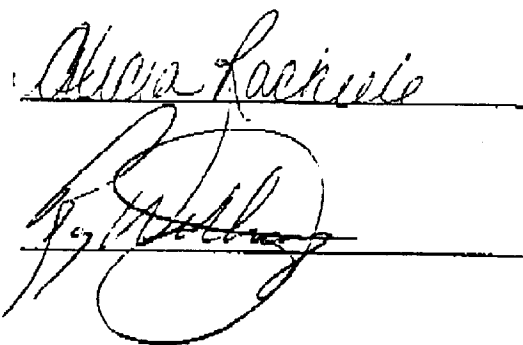


APPROVED:



Attorney, Board of Light, Gas and Water

WITNESS:



ATTEST:

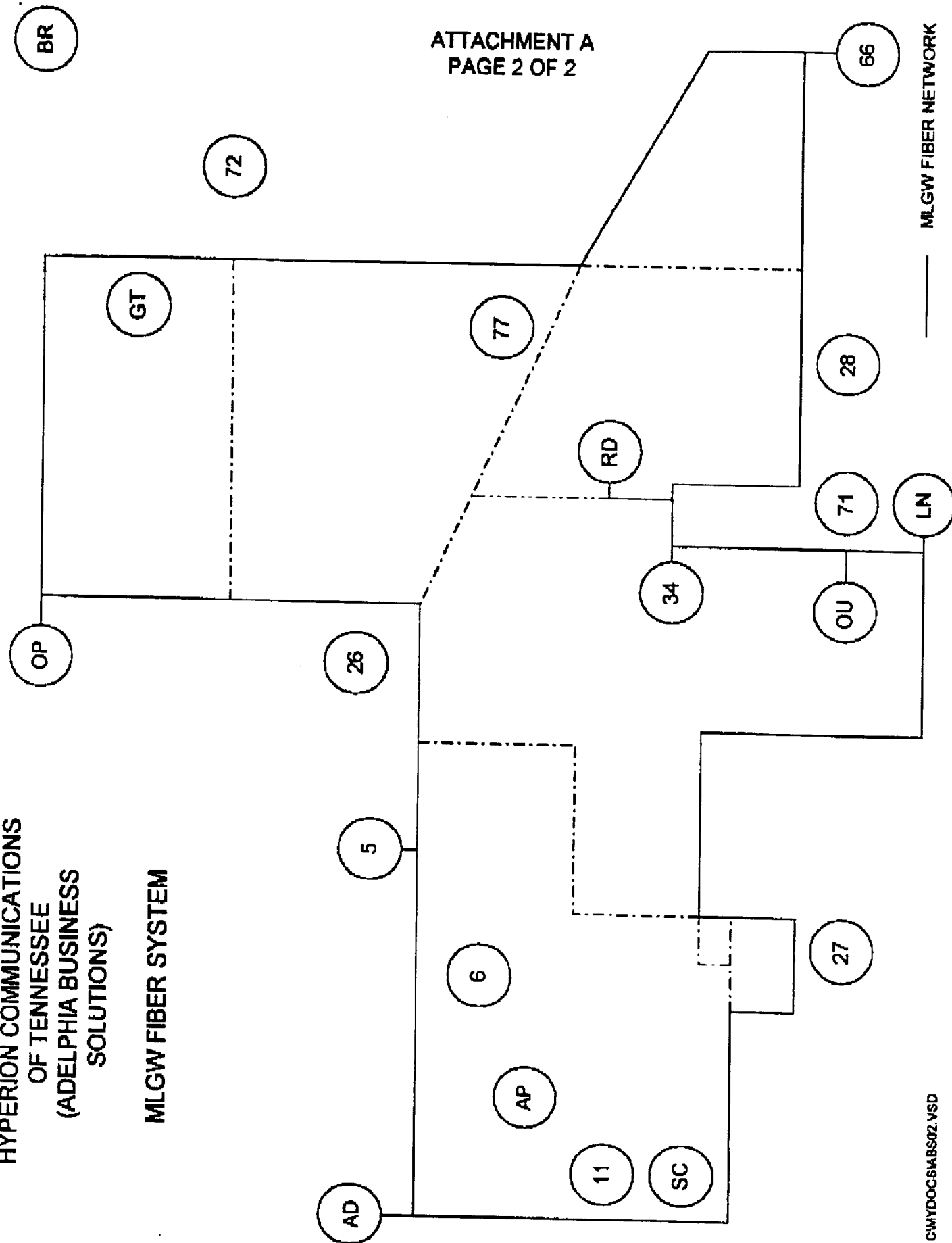


Secretary-Treasurer, Board of Light, Gas
and Water Commissioners

HYPERION COMMUNICATIONS
OF TENNESSEE
(ADELPHIA BUSINESS
SOLUTIONS)

MLGW FIBER SYSTEM

ATTACHMENT A
PAGE 2 OF 2



JBK

Attachment B

Equipment

	<u>Adm</u>	<u>Sub</u> <u>5</u>	<u>Sys</u> <u>Op</u>	<u>Sub</u> <u>66</u>	<u>Rdg</u> <u>way</u>	<u>Sub</u> <u>34</u>	<u>Out</u> <u>land</u>	<u>LNG</u>
Fibers in	6	6	6	6	6	6	6	6
Fibers out	6	6	6	6	6	6	6	6
ST connectors/panel	12	12	12	12	12	12	12	12
ST pigtails	12	12	12	12	12	12	12	12
Fusion splicing tray	1	1	1	1	1	1	1	1

AD	Admin Bldg mezzanine wire room	220 South Main Street
5	Substation 5 control house	2904 Poplar Avenue
OP	Systems Operation wire room	2425 Covington Pike
66	Substation 66 tower building	9655 Winchester Road
RD	Ridgeway Gas Gate control house	2812 Ridgeway Road
34	Substation 34 control house	2716 Mt. Moriah
OU	Outland Gas Gate control house	4015 Outland Road
LN	LNG Plant Capleville control room	5101 Holmes Road East

MLGW agrees to provide Licensee with duct access, if overhead access is not available, into all MLGW Fiber System Buildings listed above. Licensee shall be exempt from duct lease costs to the locations specified above with the exception of the duct access to the Administration Building (AD) at 220 South Main Street. Licensee shall be exempt from duct construction costs associated with constructing, operating and maintaining the MLGW Fiber System for the locations specified above.

ATTACHMENT "C"
APPLICATION FOR POLE ATTACHMENT

DATE: _____

MEMPHIS LIGHT, GAS AND WATER DIVISION**Attention: Electric Distribution Engineering Department**

In accordance with the terms of Contract No. _____ between our respective companies covering attachments on poles owned by Memphis Light, Gas and Water Division, application is hereby made for attachment of the undersigned Licensee's facilities to the poles noted below:

<u>POLE NO.</u>	<u>REQUESTED CHANGES TO POLES</u>	<u>DESCRIPTION OF PROPOSED ATTACHMENTS</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The proposed attachments are further described by the attached drawings, identified as _____
_____. Installation of the proposed attachments is planned to begin
on the date _____ and conclude on the date _____.

Licensee:**Memphis Light, Gas and Water Division:**Licensee: _____
(Name of Company)

Authorized by: _____

Address: _____

Supervisor, Electric Distribution Engineering

Authorized by: _____

Date: _____

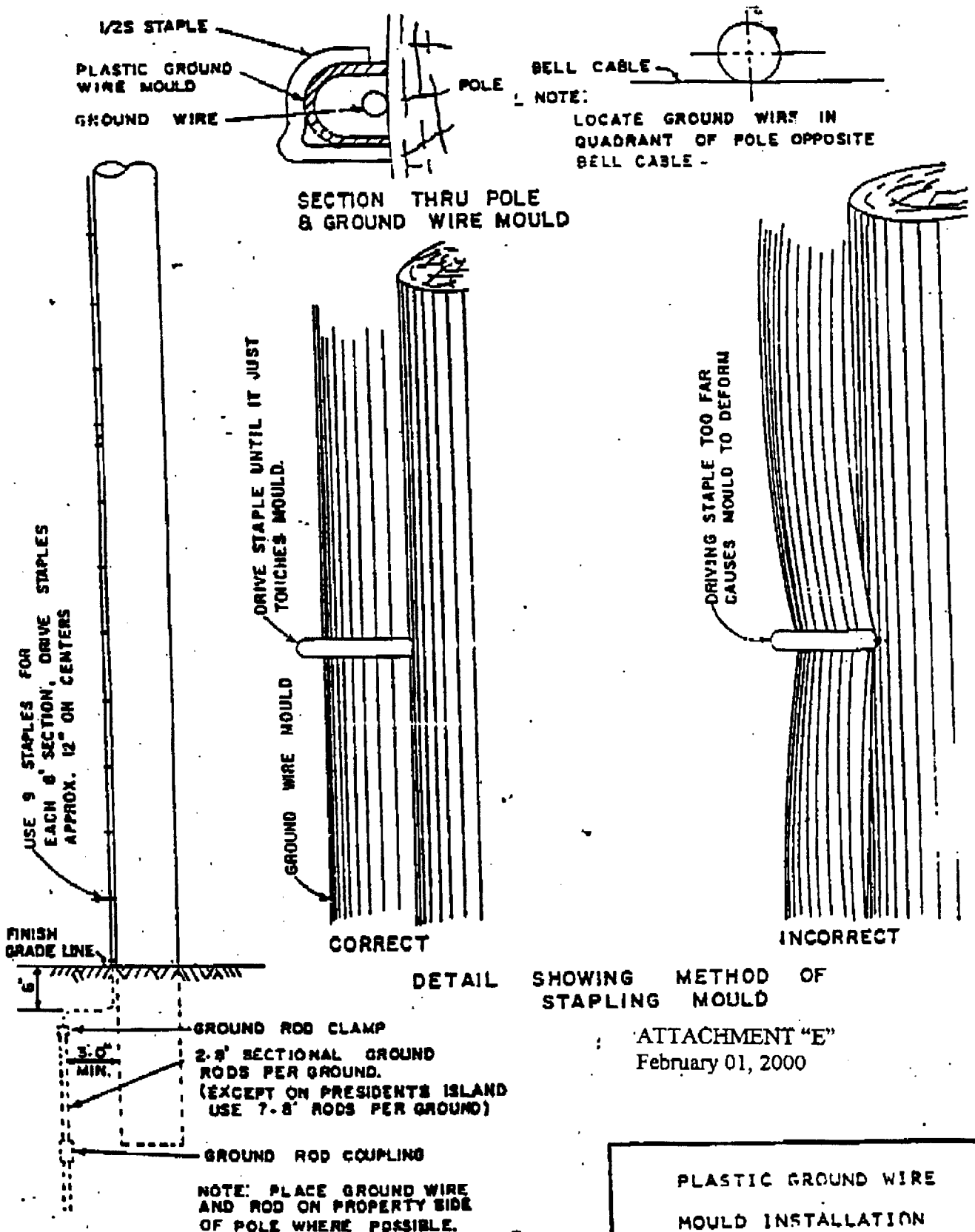
Title: _____

JSC

ATTACHMENT "D"

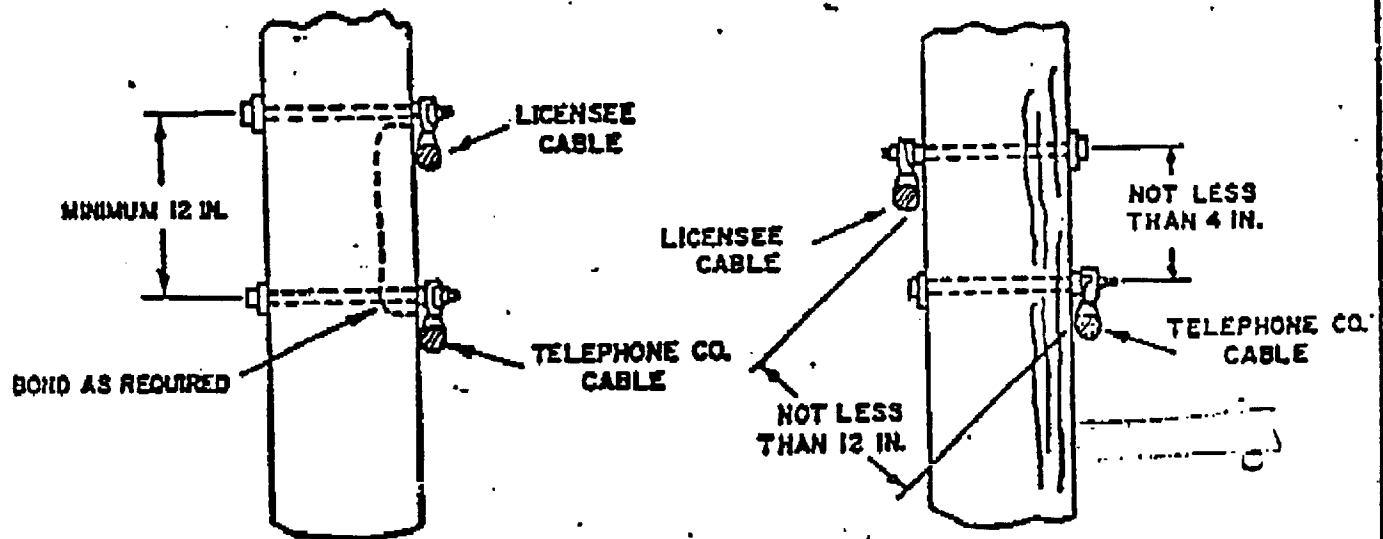
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JES

CONSTRUCTION **MLG & W** STANDARD

W. N. Miller *Richard L. Thompson*

W. N.



PREFERABLE CLEARANCE

ALTERNATE METHOD OF
OBTAINING CLEARANCE
THIS METHOD OF CON-
STRUCTION IS TO BE USED
ONLY WHERE SPECIAL PER-
MISSION IS GIVEN BY THE
LICENSOR.

TELEPHONE COMPANY ATTACHMENT

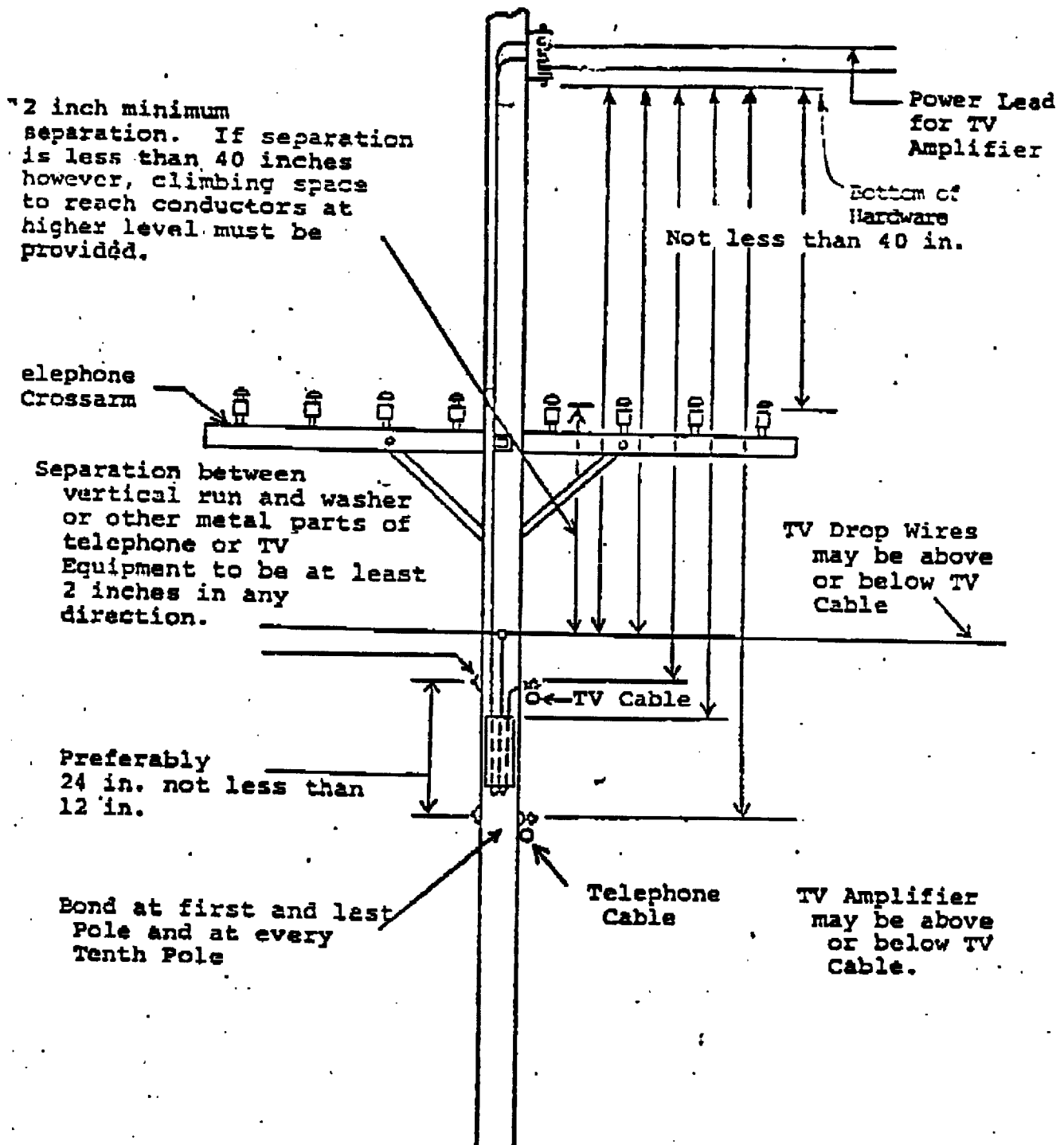
FIG. 1

ATTACHMENT "F"
February 01, 2000

20

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES

Pole Carrying Power Circuits, Open Wire or Cable or Both
TV Cable, Amplifier and Drop Wires with Power Lead for TV Amplifier

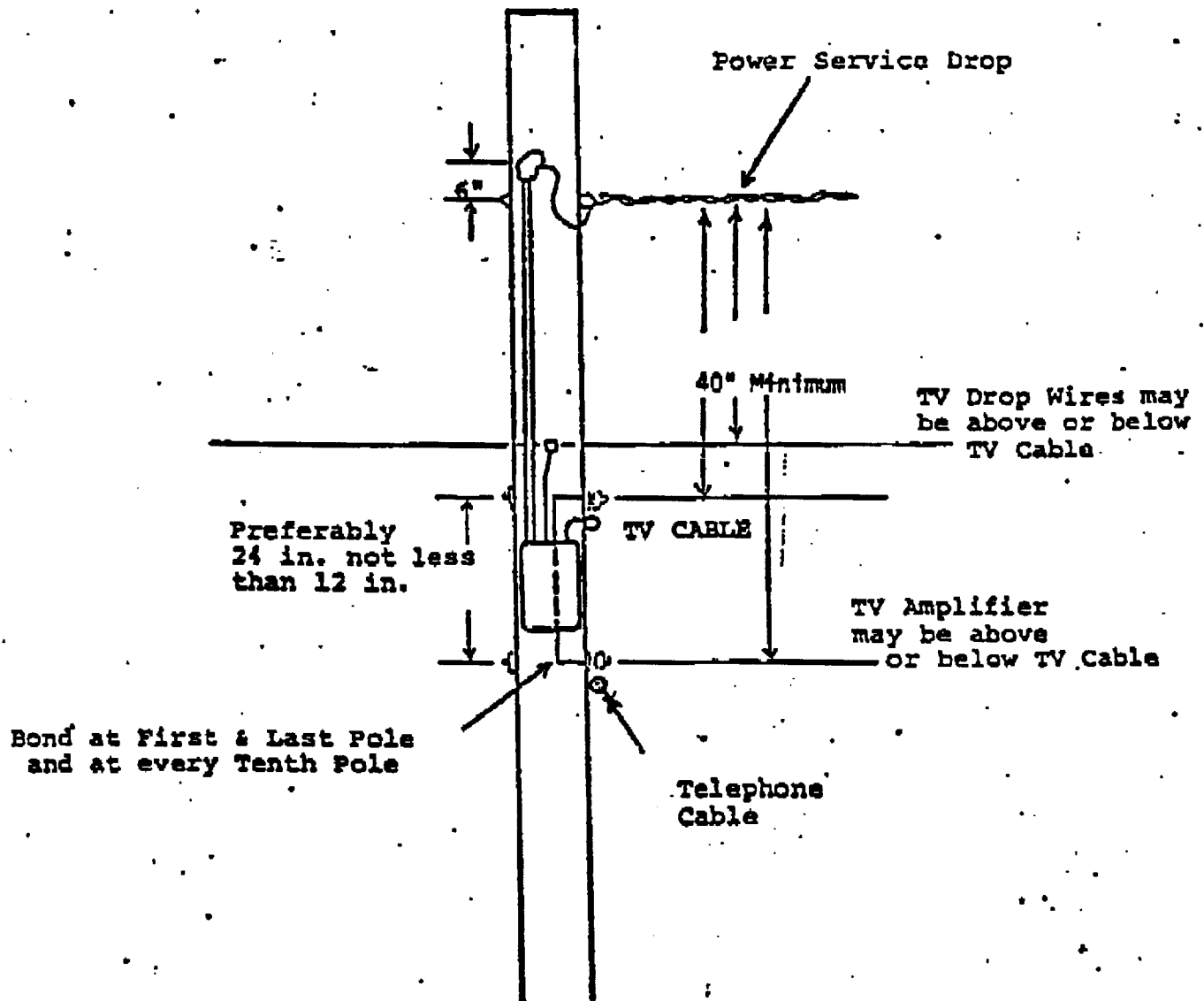


ATTACHMENT "F" February 01, 2000

Fig. 2 - Clearances for TV Facilities

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES

Telephone Poles without Power Circuits, Carrying
Cable, TV Cable Amplifier and Drop Wires with Power
Service Drop for TV Amplifier



ATTACHMENT "F"

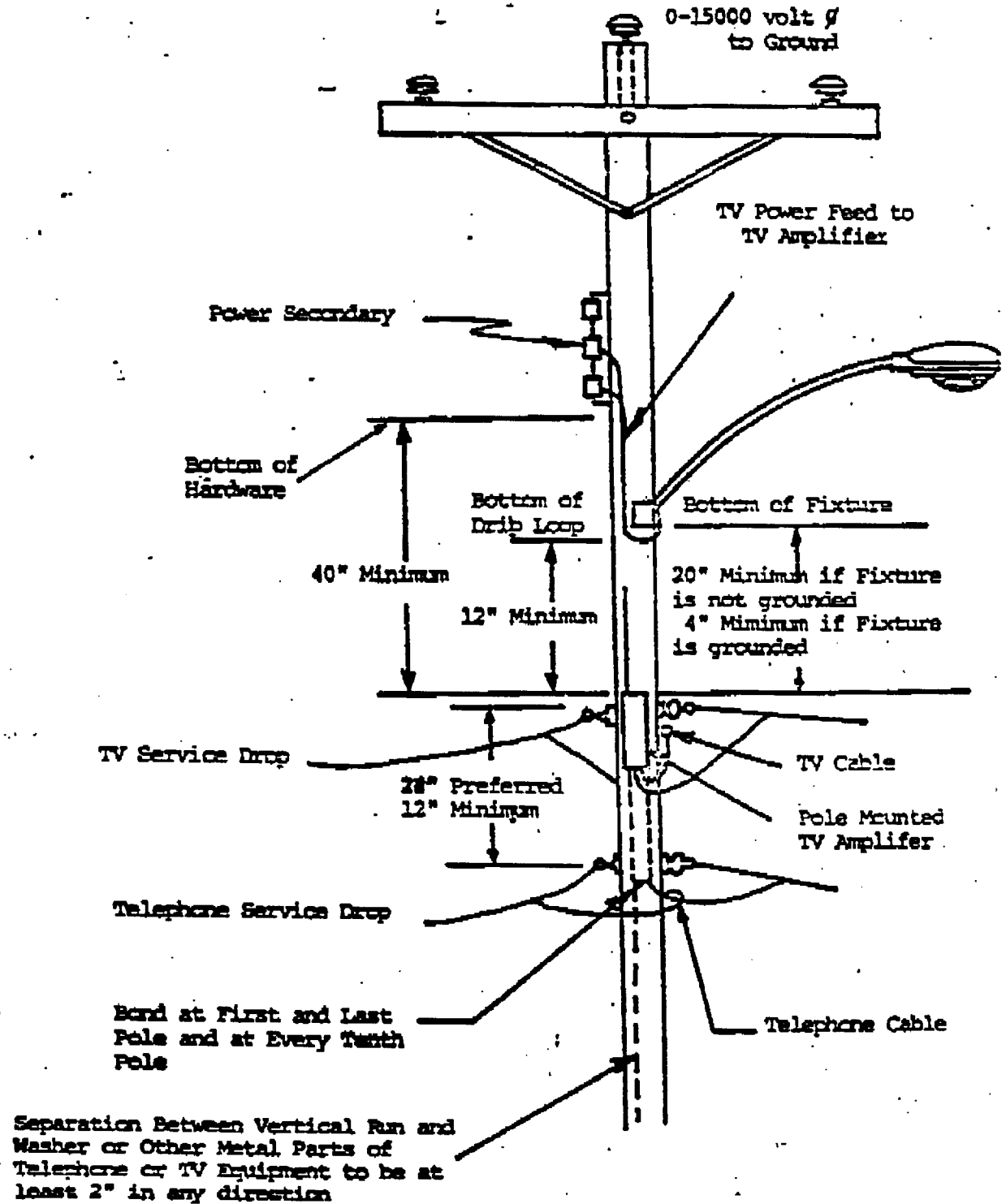
February 01, 2000

Fig. 3 - Clearance For TV Facilities

JES

ATTACHMENT OF TV DISTRIBUTION SYSTEM TO POLES

TV Cable Mounted on Pole
TV Amplifier Mounted on Pole
Electric Light Bracket on Pole



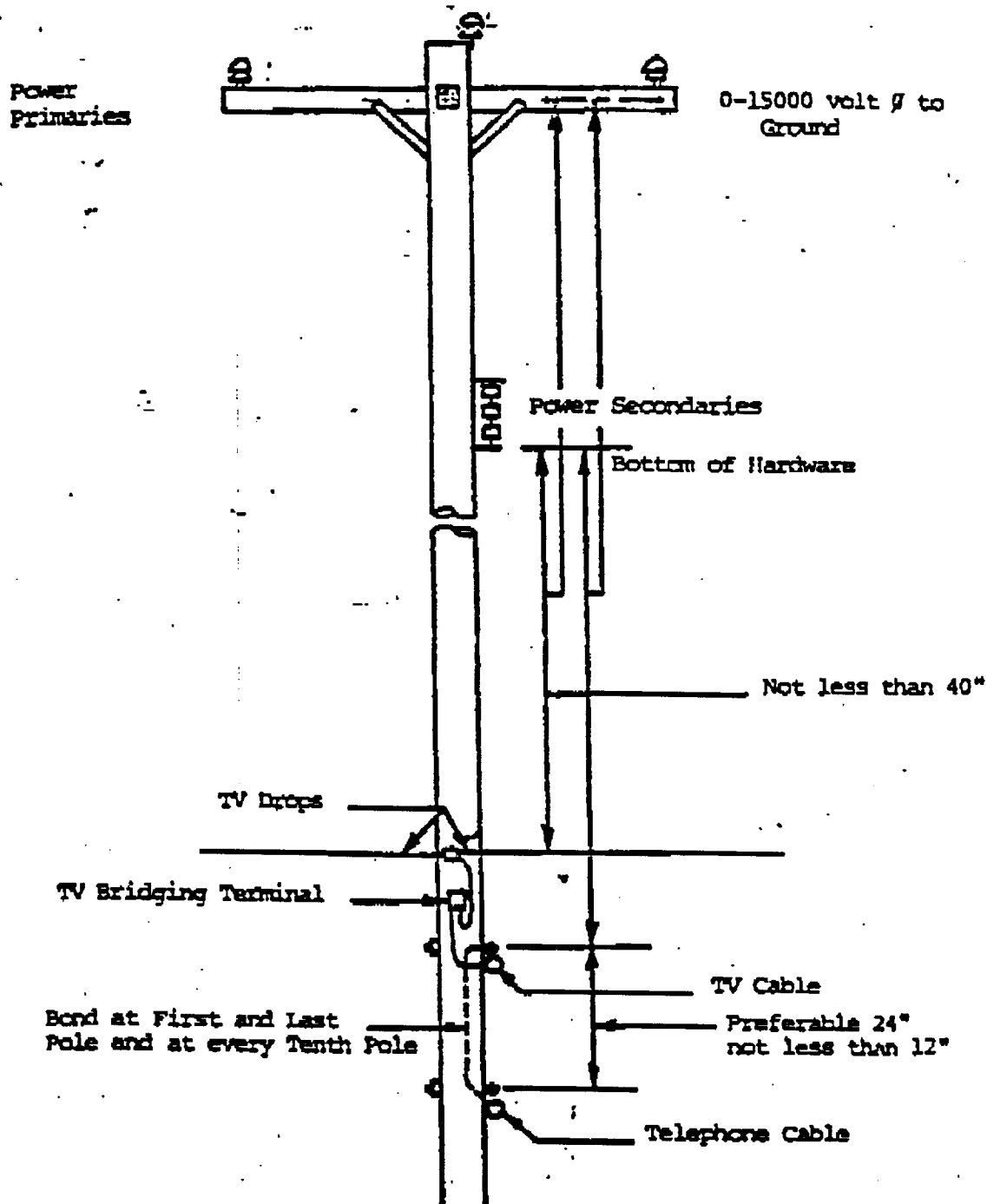
ATTACHMENT "F" February 01, 2000

Figure 4 - Clearance for TV Facilities

JBT

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES

No Amplifier



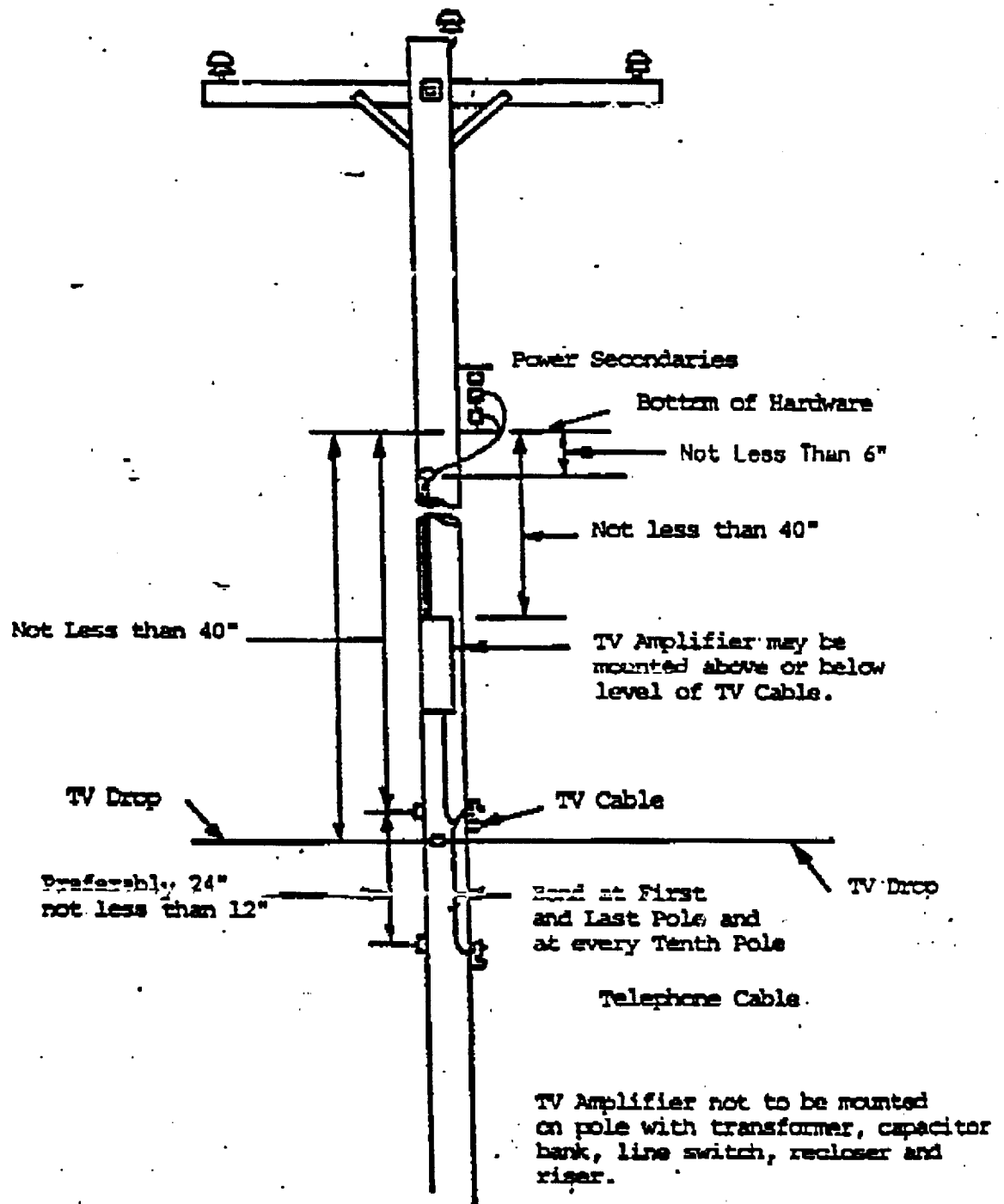
ATTACHMENT "F" February 01, 2000

Figure 5 - Clearances for TV Facilities

JAS

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES

TV Cable and Amplifier Mounted on Pole



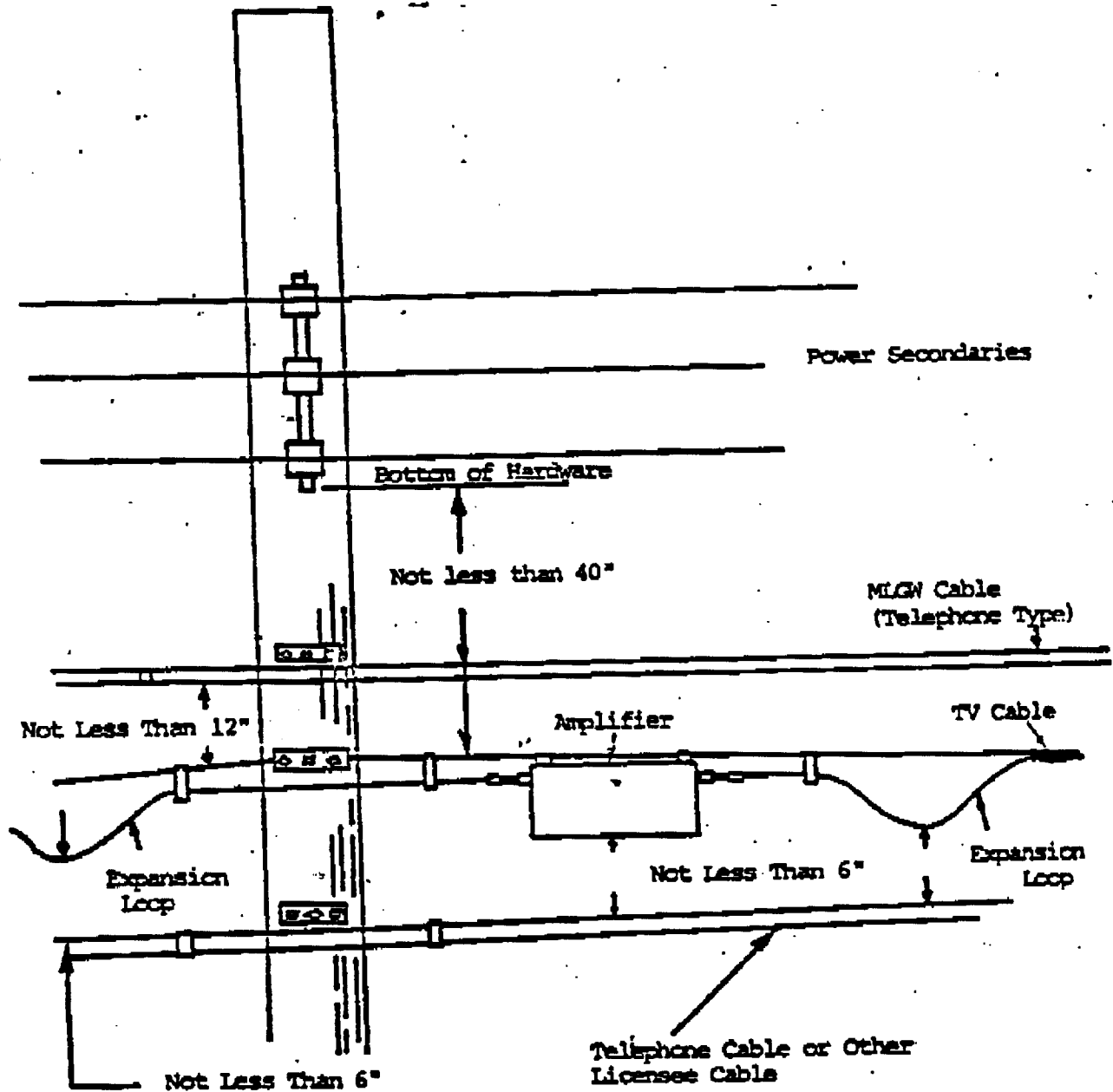
ATTACHMENT "F" February 01, 2000

Figure 6 - Clearance for TV Facilities

UBW

ATTACHMENT OF TV DISTRIBUTION SYSTEM TO POLES

TV Cable With Strand Mounted Amplifier

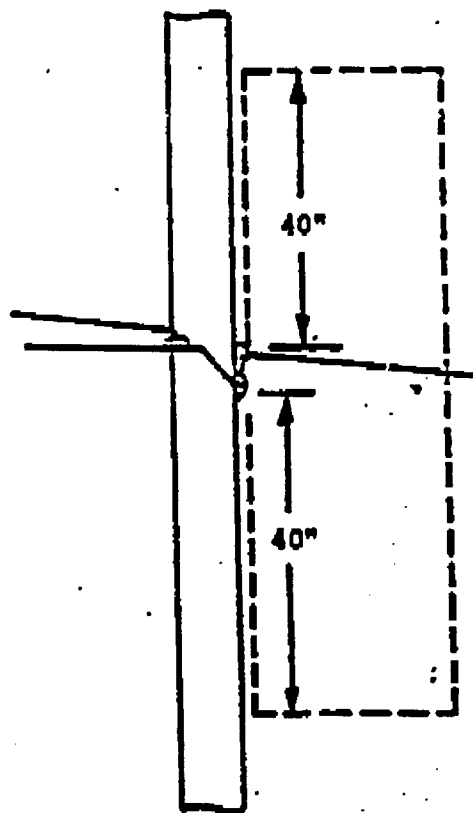
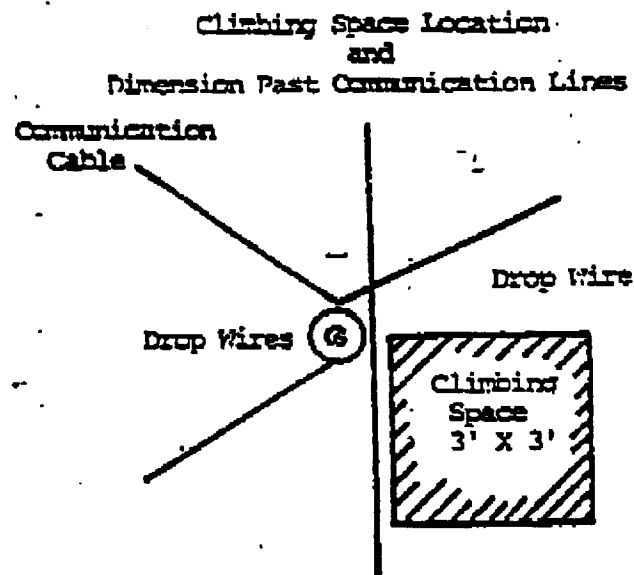


ATTACHMENT "F" February 01, 2000

Figure 7 - Clearance for TV Facilities

JH

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES



ATTACHMENT "F"

February 01, 2000

Figure 8 - Clearance for TV Facilities

Jaw

ATTACHMENT "G"

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ATTACHMENT "H"
NOTIFICATION OF REMOVAL BY LICENSEE

Date: _____

MEMPHIS LIGHT, GAS AND WATER DIVISIONAttention: Electric Distribution Engineering Department

In accordance with the terms of Contract No. _____ between our respective companies covering attachments on poles owned by Memphis Light, Gas and Water Division, notice is given that the following Licensee facilities were removed from the poles noted below. Licensee hereby surrenders its authorization for these attachments.

<u>POLE NO.</u>	<u>DESCRIPTION OF ATTACHMENTS REMOVED</u>	<u>DATE REMOVED</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Licensee:

Memphis Light, Gas and Water Division:

Licensee: _____
(Name of Company)

Authorized by: _____

Address: _____

Supervisor, Electric Distribution Engineering

Authorized by: _____

Date: _____

Title: _____

JES

ATTACHMENT "I"
APPLICATION FOR CONDUIT OCCUPANCY

Date: _____

MEMPHIS LIGHT, GAS AND WATER DIVISION

Attention: Electric Distribution Engineering Department

In accordance with the terms of Contract No. _____ between our respective companies covering occupancy of conduit owned by Memphis Light, Gas and Water Division, application is hereby made for occupancy of conduit by the undersigned Licensee's facilities as noted below:

<u>CONDUIT RUN</u>		<u>LENGTH</u>	<u>DESCRIPTION OF PROPOSED FACILITIES</u>
<u>From</u>	<u>To</u>		
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The proposed occupancies are further described by the attached drawings, identified as _____. These drawings include the location where, and manner in which, the Licensee's facilities will enter and exit MLGW's facilities and designate the particular ducts the proposed facilities will occupy. Installation of the proposed attachments is planned to begin on the date _____ and conclude on the date _____.

Licensee:

Memphis Light, Gas and Water Division:

Licensee: _____

Authorized by: _____

(Name of Company)

Address: _____

Supervisor, Electric Distribution Engineering

Authorized by: _____

Date: _____

Title: _____

JLW

ATTACHMENT "J"
NOTIFICATION OF SURRENDER OF CONDUIT OCCUPANCY

Date: _____

MEMPHIS LIGHT, GAS AND WATER DIVISION**Attention: Electric Distribution Engineering Department**

In accordance with the terms of Contract No. _____ between our respective companies covering occupancy of conduit owned by Memphis Light, Gas and Water Division, notice is hereby given that the Licensee intends to surrender its authorization for the occupancy of the following conduit/duct and that MLGW is authorized to remove the facilities listed.

<u>CONDUIT RUN</u>		<u>LENGTH</u>	<u>DESCRIPTION OF FACILITIES TO BE REMOVED</u>
<u>From</u>	<u>To</u>		
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The proposed occupancies are further described by the attached drawings, identified as _____. These drawings include the location where, and manner in which, the Licensee's facilities will enter and exit MLGW's facilities and designate the particular ducts the proposed facilities occupy. The facilities will be available for removal on the date _____.

Licensee:**Memphis Light, Gas and Water Division:**

Licensee: _____

Authorized by: _____

(Name of Company)

Address: _____

Supervisor, Electric Distribution Engineering

Authorized by: _____

Date: _____

Title: _____

CONTRACT NO. 10362

**ROUTE SPECIFIC POLE ATTACHMENT AND MASTER CONDUIT OCCUPANCY
AGREEMENT**

THIS AGREEMENT made and entered into as of 8-15, 1996, between Memphis Light, Gas and Water, a Division of the City of Memphis, Tennessee, hereinafter called MLGW, and MCImetro Access Transmission Services, Inc., a Delaware corporation, with its principal offices located at 2250 Lakeside Boulevard, Richardson, Texas 75082, hereinafter called Metro.

W I T N E S S E T H:

WHEREAS, Metro proposes to utilize MLGW's wood poles and conduits to place its fiber optic cable; and,

WHEREAS, MLGW is willing to permit, to the extent it may lawfully do so and on the terms hereinafter set forth, Metro's attachment to MLGW's poles or MLGW installation of said fiber optic cables in conduits, when in its judgement, such use will not interfere with its own service requirements, including considerations of safety and economy.

AGREEMENT

In consideration of the facts stated above, the mutual covenants and agreements of the parties, and other valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, IT IS AGREED:

1. **TRANSFER OF OPTICAL FIBERS:**

In consideration of MLGW's obligations set forth in this Agreement, Metro agrees to provide to MLGW the use of six (6) dark optical fibers (the "Optical Fibers") along the route depicted in **Attachment A** hereto, being approximately 60,000 feet (the "Memphis LCN"), which includes the attachment by Metro to MLGW poles as described on **Attachment B**, subject to the application requirements set forth in **Article 10**. The Optical Fibers shall be connected in a loop as shown on **Attachment A**. MLGW's use of the Optical Fibers shall be subject to the restrictions set forth in **Article 31**. Metro agrees to provide the Optical Fibers to the demarcation point at or prior to the time any service to customers is provided on the Memphis LCN. As further consideration hereunder, Metro

agrees to provide at no additional charge to MLGW the equipment listed on **Attachment C** hereto. In addition, at the time of Metro's construction of the Memphis LCN, Metro agrees to connect the Optical Fibers to the MLGW Administration Building at 220 South Main Street and Electric Substation #6 at 777 South Willett Street, in Memphis, by pulling fiber optic cable from the pole line adjacent or near these two buildings through MLGW provided conduit to the mezzanine at the Administration Building and to the basement at Electric Substation #6, such areas being the demarcation points for the six fibers provided for herein. Fiber optic cable for diversity into these two buildings can be provided by Metro if diverse conduit space is made available by MLGW.

At the Administration Building, MLGW shall install fiber optic cable, provided by Metro, from the basement to its ultimate building destination. Metro agrees to install the equipment listed in **Attachment C** at the ultimate destination and terminate the Optical Fibers. Metro also agrees to splice the Optical Fibers in the basement and provide an intermediate splice panel. At Electric Substation #6, Metro agrees to install the equipment listed in **Attachment C** in the basement and terminate the Optical Fibers.

At Metro's request and at no cost to Metro, MLGW agrees to provide conduit, building entrance links and equipment space in the Administration Building and any substation connected to the Optical Fibers by Metro. Metro shall have access to any of its equipment placed in any such building or substation on a 24-hour, 7-day per week basis.

2. **OWNERSHIP:**

The parties agree that the ownership of all cables and other equipment installed by Metro shall be owned by Metro except the equipment listed on **Attachment C**.

Upon termination or expiration of this Agreement, MLGW will have the right, but will not be obligated to acquire the Optical Fibers and any other fibers located within Metro's cable attached to MLGW's poles or in MLGW's conduit by paying Metro the salvage value of such fiber. The salvage value shall be mutually agreed upon between the parties.

3. **REPAIR AND MAINTENANCE:**

All maintenance, repair and relocation of the Optical Fibers will be the sole obligation of Metro, except as provided below. MLGW will not have the right to maintain, repair or otherwise access the Optical Fibers except at the demarcation points and as expressly allowed in this Agreement.

Metro shall repair and maintain the Optical Fibers as a result of any failure, interruption or impairment which requires immediate remediation. In the event of damage or loss of use to the Optical Fibers, Metro shall notify MLGW immediately upon becoming aware

of such damage or loss of use and shall work diligently to restore such use. Metro will provide MLGW with prior notice of any routine maintenance of the cable containing the

Optical Fibers if such maintenance would result in an interruption of MLGW's use of the Optical Fibers.

Metro will from time to time schedule and perform MLGW requested changes or modifications to the Optical Fibers ("Demand Maintenance"). MLGW may request Demand Maintenance by delivering to Metro a Statement of Work detailing the services MLGW desires to be performed, including the time schedule for such services. Upon receipt of such a Statement of Work, Metro will provide an estimate of the price and time of such Demand Maintenance. Following MLGW's acceptance of such estimate, Metro will schedule and perform such Demand Maintenance.

Metro will perform Demand Maintenance on a time and materials basis at the standard Metro rates in effect at the time services are performed.

In the event MLGW desires to replace the Optical Fibers at its sole cost and expense, MLGW shall so notify Metro and Metro shall proceed with replacement of the Optical Fibers. Within thirty days of completion of replacement of the Optical Fibers, MLGW shall pay to Metro the actual cost of any such replacement.

4. **INDEMNIFICATION BY METRO AND INSURANCE:**

Metro shall defend, indemnify, protect and hold harmless MLGW, its officers, agents, and employees from any and all claims, losses, liabilities, causes of actions, demands, judgments, decrees, proceedings, and expenses of any nature (including, without limitation, reasonable attorney fees) arising out of or resulting from the acts or omissions of, Metro, its officers, agents, employees, contractors, successors, or assigns. Metro shall, at its own expense, defend MLGW and its officers, agents and employees against any and all such claims, actions and demands and shall indemnify MLGW and its officers, agents and employees for all costs and expenses it may incur in connection therewith. If Metro refuses to undertake the defense of a claim described in this section, then MLGW, its officers, agents and employees shall have the right to take all actions they deem necessary and appropriate to defend the claim, and shall be reimbursed by Metro for all costs incurred in defending such claim as provided above in this section, including, without limitation, reasonable attorney fees.

Further, Metro agrees to pay all of MLGW's costs and expenses, including, but not limited to, reasonable attorney fees, court costs, and interest incurred in any litigation commenced by MLGW to collect or enforce indemnification obligations contained in this section.

Metro shall obtain and maintain in full force and effect the following insurance covering all insurable risks associated with its ownership and operation of its fiber optic cables:

Metro shall obtain and maintain in full force and effect a comprehensive occurrence (not claims made) general liability insurance policy, including completed operations, independent contractors and contractual liability coverage, in an amount not less than one million dollars per occurrence.

Metro shall also obtain and maintain in full force and effect in occurrence (not claims made), automobile liability insurance policy covering any vehicle used in connection with its activities under this Agreement in an amount not less than one million dollars per occurrence.

Metro shall obtain and maintain an umbrella liability policy certificate in addition to the certificates listed above with minimum acceptable limits of liability to be five million dollars per occurrence.

Metro shall obtain and maintain in full force and effect all workers compensation and employers liability insurance required by Tennessee law.

MLGW and its officers, employees and agents shall all be named as additional insureds in all policies required under this section of this Agreement.

Metro shall provide MLGW with thirty (30) days' prior written notice of the cancellation, modification, or expiration of any insurance policy required under this Agreement.

Metro shall provide MLGW with a current Certificate of Insurance evidencing all of the insurance required above in this article prior to the installation of its fiber optic cable and at times thereafter while this Agreement remains in effect. Each insurance certificate shall state that the issuer of the insurance certificate shall give MLGW thirty (30) days' prior written notice of any cancellation, modification or expiration of any insurance policy referred to in the certificate. Replacement certificates shall be filed with MLGW at least thirty (30) days before the expiration of the current insurance policies.

All insurance required by this section to be maintained by Metro shall be affected by valid and enforceable policies issued by insurers authorized to conduct business in Tennessee and in good standing of the laws of Tennessee.

5. **GENERAL LIMITATION OF LIABILITY OF METRO:**

- a. **Consequential Damages:** Metro shall not be liable to MLGW for any indirect, consequential, special or punitive damages or for any lost profits of any kind whatsoever.
- b. **Damage:** Metro shall pay MLGW for any damage caused to MLGW's facilities and the facilities of others by Metro's negligence, omission, willful acts or by Metro's equipment malfunction. Metro shall notify MLGW promptly in case of such damage to any of its facilities.
- c. **All Other Liability:** Metro, at its own expense, will indemnify MLGW and hold it harmless with respect to any and all loss, damage, liability or expense asserted against MLGW by a third party on account of any property damage or personal injury caused by any negligence or willful misconduct of Metro or its agents or representatives arising out of its performance of this Agreement. Metro's obligations under the immediately preceding sentence shall be subject to MLGW's duty to take reasonable precautions so as not to interfere with the facilities or service provided by Metro.

6. **PROTECTION AGAINST CLAIMS FOR IMPROPER PROGRAMMING:**

Metro shall indemnify, save harmless and insure MLGW with respect to all material transmitted over Metro's fiber optic cables from and against any and all claims and demands for damages or loss for infringement of copyright, for libel and slander, for unauthorized use thereof and from and against all claims and demands for infringement of patents with respect to the manufacture, use and operation of Metro's equipment whether arising from the use of Metro's equipment in combination with MLGW's poles and conduit.

7. **INDEMNIFICATION FOR PATENT INFRINGEMENT:**

In the event that any claim, demand or liability is made or asserted against MLGW by any third party based upon allegations that Metro's fiber optic cable violates any patent laws, then, and in such event, Metro shall indemnify, defend and hold harmless MLGW and its agents and representatives of and from any and all such claims, demands, lawsuits and liability, including the payment of MLGW's legal fees.

8. **PERMITS, LICENSES AND RIGHTS-OF-WAY:**

In order to construct, place and maintain its optical fiber cables, Metro may need to negotiate with various Federal, State, County and local authorities and private entities for permits, licenses, rights-of-way, franchise agreements and property easements. The cost

of such permits, licenses, rights-of-way, franchise agreements and property easements shall be borne by Metro. Metro shall provide copies of any such permits, licenses, rights-of-way, franchise agreements or easements to MLGW upon request.

9. **NON-EXCLUSIVE:**

MLGW grants Metro non-exclusive rights for its attachments on poles, or in conduit. MLGW does not suggest, imply or guarantee that Metro will have sole occupancy of a pole or conduit.

10. **APPLICATION REQUIREMENTS:**

Before making attachments to any poles Metro shall make application and receive a permit therefor, with respect to each pole in the form of **Attachments D and E**.

The method and location of installation on poles or in conduits must first be approved by MLGW. Such approvals shall not be unreasonably withheld.

11. **CONDUIT APPLICATION REQUIREMENTS:**

Metro shall submit for approval by MLGW's authorized representative **Attachment F** as application for use of MLGW's conduit system. MLGW reserves the right to determine routes and conduit to be used.

If conduit system occupancy is to be surrendered, **Attachment G** shall be submitted to MLGW. The date this application is received by MLGW shall serve as the effective date of surrender.

Compliance to the Work Rules of **Article 16** is required in all cases.

While some of the standards and technical requirements for Metro's cable are set forth herein, MLGW reserves the right to specify the type of construction required in situations not otherwise covered. In such cases, MLGW will at its discretion furnish to Metro written materials which will specify and explain the required construction. Metro reserves the right to withdraw its application for attachment or occupancy in the event it disagrees with MLGW's specification of the type of or cost of construction required in situations not otherwise covered.

Metro shall furnish MLGW with a construction drawing indicating the location of and specifying the type of cable to be installed with a target date for completion of construction by MLGW.

12. **OCCUPANCY OF CONDUIT SYSTEM:**

For the purpose of computing the total conduit occupancy fee due hereunder, the length of the conduit and/or innerduct shall be measured from the center to the center of manholes, or from the center of a manhole to the end of MLGW's conduit system occupied by Metro's cable. Occupancy fee will not be charged for conduit installed under Article 15 or for additional cables in the same Metro occupied conduit.

13. **ELECTRICAL DESIGN SPECIFICATIONS:**

Cables with an outer metallic sheath shall be bonded at each manhole by MLGW. No cable of Metro's shall be permitted in MLGW's conduit system if such cable causes electrical interference on any facilities of MLGW. Such interference shall be removed at the expense of Metro. Metro's power supplies will not be permitted in MLGW's conduit system.

Metro's cable shall not be designed to use the earth as the sole conductor for any part of Metro's circuits.

Separation of communication and electrical conductors shall be as stipulated in the National Electrical Safety Code.

Metro shall not circumvent MLGW's corrosion mitigation measures.

Metro's cable shall be compatible with MLGW's facilities so as not to damage any facilities of MLGW by corrosion or otherwise. Metro shall be liable to MLGW for any damages occasioned by such corrosion or otherwise.

14. **PHYSICAL DESIGN SPECIFICATIONS:**

Metro's cables bound or wrapped with cloth or having any kind of fibrous covering or impregnated with an adhesive material shall not be permitted in MLGW's conduits.

Splices and terminations in Metro's underground cables shall be located only in splice capsules. These splices and terminations shall be made by Metro. The purpose of the splice capsule shall be to provide for connection of small spur cables from Metro's customers to a larger backbone cable. A splice capsule and a small coil of fiber cable, approximately 50 feet in length or less, will be allowed in an MLGW manhole if, in MLGW's sole determination:

- a. it does not pose a safety hazard,
- b. sufficient room exists inside the manhole for installation, placement and removal,

- c. sufficient room exists for future MLGW requirements, and
- d. the manhole does not already contain a splice capsule.

Splice capsules in manholes will be installed and removed by MLGW. Splice capsule location inside the manhole will be determined by MLGW. Splice capsules shall not exceed 7 inches in diameter and 30 inches in length.

MLGW will remove the splice capsule from the manhole for Metro to perform work on the capsule. All Metro work involving the splice capsule shall be performed outside of the manhole and the conduit system. Metro will replace the splice capsule in the manhole after Metro has finished work on the capsule.

A small coil of fiber optic cable, approximately 10 feet in length or smaller, will be allowed in each MLGW manhole not containing a splice capsule if, in MLGW's sole determination:

- a. it does not pose a safety hazard,
- b. sufficient room exists inside the manhole for its placement, and
- c. sufficient room exists for future requirements.

The purpose of this cable coil is to provide excess cable for slack requirements and emergencies. The cable coil shall not be used for splices, terminations or installation of a splice capsule.

Cable coils will be installed by MLGW. Cable coil location inside the manhole will be determined by MLGW.

Innerduct is flexible conduit installed inside a larger conduit for the placement of fiber optic cable. Any use of innerduct in MLGW manholes and conduit shall be subject to MLGW approval and shall be installed by MLGW.

All MLGW work involving Metro splice capsules, cable coils and innerduct shall be performed at Metro's expense.

The maximum permissible diameter of any cable and/or innerduct of Metro and the number of cables and/or innerduct of Metro to be placed in any of MLGW's conduits shall be determined by MLGW based upon the size and shape of the conduits and the size of the existing cable in the conduit. Metro's cable and/or innerduct will not be permitted in any ductline where less than two vacant conduits remain after the installation of Metro's cable and/or innerduct.

Reels shall be constructed with a maximum flange diameter of 90 inches and width of 55 inches. The arbor hole shall admit a spindle of 4 1/2 inches without binding.

15. **CONNECTION OF METRO'S CONDUIT:**

Any section of conduit which connects with MLGW's manhole or transformer vault shall be installed by MLGW at the expense of Metro. The maximum length of conduit shall not exceed five (5) feet and shall be maintained at Metro's expense.

16. **WORK RULES:**

MLGW's manholes or transformer vaults shall not be opened or tampered with by an employee, agent or contractor of Metro.

No employee, agent or contractor of Metro shall enter or work in any of MLGW's manholes or transformer vaults.

Clearing obstructions, repairs, dig-ups and any other work required to make a conduit usable for the initial placing of Metro's cable shall be done by MLGW at Metro's expense.

MLGW shall place, remove, change, and maintain all cable in MLGW's conduit system with materials supplied by Metro, approved by MLGW and delivered in a timely manner to the location designated by MLGW.

MLGW and Metro's cable shall be permanently identified by tags at each manhole or other access opening in the conduit system. Tags shall be of a type and wording satisfactory to MLGW. All cost of this identification shall be at the expense of Metro.

Where manholes or transformer vaults must be pumped in order to allow work operations to proceed, pumping shall be done by MLGW at Metro's expense.

Any leak detection liquid or device used by Metro's agents, employees or contractors shall be of a type approved in writing by MLGW.

When Metro, its agents, employees or contractors are working around any part of MLGW's conduit system located in the streets, alleys, highways, or other public rights-of-way or easements granted to MLGW or City of Memphis, the protection of persons and property shall be provided by Metro in an adequate and satisfactory manner; Metro shall be solely responsible for providing adequate barricades, warning lights, traffic cones, danger signs and other similar devices to protect all traffic, persons and property around the work area from danger.

MLGW's authorized representative shall have the authority to terminate Metro's work operations around MLGW's manholes or transformer vaults if, in the sole discretion of MLGW's authorized representative, any hazardous condition arises or any unsafe practice

is being followed by Metro's agents, employees or contractors. Said discretion shall not be unreasonably executed.

17. **EMERGENCY CONDITIONS:**

In cases of emergency:

- a. MLGW's work shall take precedence over any and all operations of Metro.
- b. MLGW may rearrange Metro's cable at the expense of Metro when necessary to make maximum use of its system.
- c. Should it become necessary for MLGW to use a conduit occupied by Metro, MLGW shall provide Metro with sufficient notice to permit Metro to temporarily relocate its cable to permit MLGW use of such conduit. MLGW will endeavor to make other conduit space available for the displaced facilities of Metro.

18. **ATTACHMENT AND INSTALLATION PROCEDURES:**

No attachment, placement or installation shall be made by Metro on any poles before written permission is received from MLGW. The procedure and forms to be used in making application and receiving permission for attachment, placements or installations shall be as provided for as described in this Agreement. All installations in conduits must be approved and performed by MLGW. Metro shall reimburse MLGW for all costs incurred. Such permission shall not be unreasonably withheld.

19. **DECOMMISSIONING:**

MLGW may, in its sole judgment, remove any poles or conduits not needed for its service requirements; and Metro shall, upon ninety (90) days' written notification from MLGW, remove its attachments from such poles and conduits, or, at Metro's option, Metro may purchase such pole from MLGW at its fair market value.

20. **INSTALL AND TRANSFER FACILITIES:**

Metro shall, at its own expense, make and maintain said attachments in safe conditions and in good repair, or relocate or replace its facilities placed on said poles or in conduit or perform other work that may be required by MLGW; provided, however, that in case of emergency, MLGW may arrange to relocate, replace or transfer Metro's facilities. Metro shall, on demand, reimburse MLGW for the expenses thereby incurred.

21. **REARRANGEMENT AND RELOCATION OF ATTACHMENTS AND REPLACEMENT OF POLES:**

Metro will compensate MLGW in advance for the full estimated expenses, including engineering and administrative cost for rearranging, transferring and/or relocating facilities on poles in order to accommodate Metro's attachment.

Metro will compensate MLGW in advance for the full estimated cost, including engineering and administrative cost for changing any pole that must be changed in order to be able to support Metro's attachments.

If Metro is the first communications company to require change-out of a pole, Metro must absorb the total cost of the project. If a second communications company or other user attaches to the same pole within a period of sixty months, then this second organization must reimburse the original attachee fifty percent of the total original cost of labor and material for the original change-out. After sixty months the attachment will be handled as a routine attachment. For all joint use poles, the above condition shall not apply to BellSouth.

If Metro is the first communications company to attach to a pole in the best and most proper manner and there is no suitable space for a second communications company then the second communications company must request the pole be replaced for a taller pole and must absorb the total cost of the change-out. For all joint use poles, the above condition shall not apply to BellSouth.

MLGW reserves to itself, its successors and assigns, the right to maintain its poles and conduits and to operate its facilities thereon in such a manner as will best enable it to fulfill its own service requirements. MLGW shall not be liable to Metro for any interruption to service of Metro or for interference with the operation of the cables, wires and appliances of Metro arising in any manner out of the use of MLGW's poles hereunder.

Metro will also in advance reimburse the owner or owners of other facilities attached to said poles for any expense incurred by them for rearranging or transferring such facilities.

MLGW will maintain a 2 foot clearance for all joint use poles that BellSouth will require at Metro's cost.

22. **GUYS AND ANCHOR ATTACHMENTS:**

Metro shall at its own expense and to the satisfaction of MLGW place guys and anchors to sustain any unbalanced loads caused by Metro's attachments. When, in unusual circumstances, Metro determines that it is necessary or desirable for it to attach its guys to anchors owned by MLGW, it may make application to do so in a manner similar to that

outlined in Article 9 above for application to make pole attachments. In such circumstances, all the provisions of this Agreement that are applicable to poles shall also be separately applicable to anchors. In the event that any anchor or guy to which Metro desires to make attachments is inadequate to support the additional facilities in accordance with the aforesaid specifications, MLGW will notify Metro of the changes necessary to provide an adequate anchor or guy, together with the estimated cost thereof to Metro.

Metro will compensate MLGW in advance for the full estimated expense including engineering and administrative cost for changing the guy and anchor.

For anchors in place to which Metro wishes to attach, Metro shall pay to MLGW an installation cost of \$18.00 per anchor on initial installation only for the use of each of MLGW's anchors to which attachments are made.

23. **INSTALLATION OF GROUNDS:**

When MLGW is requested by Metro to install grounds or make connections to MLGW's system neutral, Metro shall on demand reimburse MLGW for the total expenses including engineering, clerical and administrative cost thereby incurred on initial installation only.

All grounds installed by Metro shall be in accordance with MLGW's standard grounding practices shown in Attachment H attached hereto and made a part hereof.

24. **CHARGES FOR INCOMPLETE WORK:**

In the event that requests for attachments are made by Metro and steps are taken by MLGW to carry out the request by performing necessary engineering and administrative work and the job is canceled causing the job not to be done or completed, Metro shall reimburse MLGW for the total estimated cost incurred by MLGW including engineering, clerical and administrative and construction costs.

25. **POLES NOT COVERED BY THIS AGREEMENT:**

Should Metro attach any of its facilities to poles not covered by this agreement or should Metro attach any of its facilities to poles that MLGW has a joint use agreement, it shall maintain proper clearance between such equipment and communication lines and street lighting wires and shall otherwise install, maintain and remove the equipment on such poles in such manner as to satisfy the requirements of Article 30 hereof with respect to safety, good workmanship and avoidance of hazard.

26. **POLES NOT ALLOWED TO BE JOINT:**

Upon notice from MLGW to Metro that the use of any pole is a violation of municipal law or prohibited under the MLGW's easement or other rights from an underlying property owner, Metro shall be given a sufficient period of time in which to obtain the necessary approvals or consent from any such municipality or property owner. If such approval or consent cannot be obtained by Metro within such period of time, the permit covering the use of such poles shall immediately terminate and the cables, wires and appliances of Metro shall be removed, within a reasonable length of time, from the affected pole.

27. **REMOVAL OF ATTACHMENTS FOR O.H. TO U.G. CONVERSION:**

Upon ninety (90) days' notice from MLGW to Metro that the system is to be converted from overhead to underground in a specified area and the joint use poles will be removed, the permit covering the use of said poles shall immediately terminate and the cables, wires and appliances of Metro shall be removed promptly from the affected pole. Metro may make application for conduit occupancy thereof as provided herein.

28. **INSPECTION:**

MLGW reserves the right to inspect each new installation of Metro and to make periodic inspections, as conditions may warrant, of Metro's attachments and occupancy of MLGW facilities. Such inspections, or the failure to make such inspections, shall not operate to relieve Metro of any responsibility or obligation or liability assumed under this Agreement.

29. **PROTECTION AND INDEMNITY:**

MLGW reserves to itself, its successors and assigns, the right to maintain its poles, manholes and conduit and to operate its facilities thereon in such manner as will best enable it to fulfill its own service requirements. MLGW shall exercise reasonable precaution to prevent damage to, or interference with the operation of the equipment of Metro, but MLGW shall not be liable for any such damage or interference which may arise out of the use of MLGW's poles, manholes or conduit hereunder. Metro shall exercise special precautions to avoid damage to facilities of MLGW or of other authorized users of said poles or conduit; and Metro hereby assumes all responsibility for any and all damage to facilities of said MLGW or other authorized users arising out of or caused by the erection, maintenance, installation, presence, use or removal of Metro's facilities. Metro shall make an immediate report to the particular owner of the facilities affected by the occurrence of any damage and hereby agrees to reimburse such owner for the expenses incurred in making the necessary repairs and replacement.

30. **CODES, RULES, AND STANDARDS:**

Metro's facilities, in each and every location, shall be erected and maintained in accordance with the requirements and specifications of the latest revision of the National Electric Safety Code, as the same may be amended from time to time, and in compliance with any rules or orders now in effect or that may hereafter be issued by MLGW or other authority having jurisdiction. Metro's attachments shall be made in accordance with Attachment I, Figures 1 through 8, and the location of any attachment may be redesignated from time to time. Metro shall reimburse MLGW for all costs, including administrative charges and transportation costs incurred while working with Metro and while working out approvals for initial or rearrangement of attachments. Metro further

agrees that all of its facilities will meet the standards and requirements as set out in Attachment J.

31. **USE RESTRICTION:**

MLGW shall utilize the Metro provided Optical Fibers for its own internal use and shall not sell, lease or assign the Optical Fibers or capacity from said Optical Fibers to any other entity.

MLGW shall have the right to connect the MLGW Optical Fibers to MLGW's energy suppliers and to metering and supervisory equipment at MLGW's customer sites. These fibers will be used to operate MLGW's water and energy systems and do not constitute sale, lease or assignment of fibers or capacity.

32. **ASSIGNMENT:**

Metro shall not assign, transfer, sublease or resell the rights of attachment hereby granted to it, or the rights to use facilities so attached to MLGW's pole, without prior consent in writing of MLGW, except that Metro may assign or transfer any of its rights under this Agreement in whole or in part, by merger, consolidation, reorganization or change in the ownership or control of Metro's business or by other means. If any cable containing the Optical Fibers is sold, transferred or assigned by Metro, the new owner or operator of the cable shall be required by Metro to acknowledge in writing that it agrees to be bound by all terms of this Agreement to the full extent as is Metro.

33. **ADDITIONAL PROVISIONS:**

- a. The failure of either party to give notice of default or to enforce or insist upon compliance with any of the terms or conditions of this Agreement, the waiver of any term or conditions of this Agreement or the granting of an extension of time for performance shall not constitute the permanent waiver of any term or condition

of this Agreement and this Agreement and each of its provisions shall remain at all times in full force and effect until modified by authorized parties in writing;

- b. The provision of the Optical Fibers will not create a partnership or joint venture between the parties nor result in a joint communications service offering to the customers of either Metro or MLGW;
- c. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns;
- d. This Agreement sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements or understandings relating to its subject matter;
- e. If any part of any provision of this Agreement or any other agreement, document or writing given pursuant to or in connection with this Agreement shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Agreement, and the parties hereby agree to negotiate with respect to any such invalid or unenforceable part to the extent necessary to render such part valid and enforceable;
- f. Descriptive headings in this Agreement are for convenience only and shall not affect the construction of this Agreement.

34. **NOTICE:**

Notices under this Agreement shall be in writing and delivered to the persons whose names and business addresses appear below or as otherwise provided for by proper notice hereunder and the effective date of any notice under this Agreement shall be the date of delivery of such notice, not the date of mailing.

If to Metro: MCImetro Access Transmission Services, Inc.
2250 Lakeside Boulevard
Richardson, TX 75082
Attention: Vice President

with a copy to: MCImetro Access Transmission Services, Inc.
2400 North Glenville Drive
Richardson, TX 75082
Attention: Law and Public Policy
Manager, Real Estate Administration

If to MLGW: Memphis Light, Gas and Water
 220 South Main Street
 Memphis, TN 38103
 Attention: Contract Management

35. **RIGHTS:**

Nothing herein contained shall be construed as affecting the rights or privileges previously conferred by MLGW, by contract or otherwise, to others not parties to this Agreement, to use any poles or conduit covered by this Agreement; and MLGW shall have the right to continue and extend such rights or privileges to subsequent licenses. The attachment privileges herein granted shall at all times be subject to such existing contracts and arrangements.

36. **OTHER COMPENSATION:**

In exchange for Metro's provisions of the Optical Fibers as provided in Article 1, no pole attachment fees are due and payable for the poles described in Attachment B. For conduit occupancy, Metro agrees to make payments as follows:

Basic Conduit Rental Fee of \$3.60 for each foot for a twelve (12) month period. Such Conduit Rental Fee shall include any building entrance(s) permitted and occupied pursuant to this Agreement.

The conduit rental fees ("Fees") shall be billed semi-annually on the first day of February and August by MLGW to Metro. Fees shall be based on the number of feet of occupied conduit on the date of billing. Metro shall return payment in full to MLGW within 45 days of the date of billing.

The Fees shall be revised annually based on the change in the Handy-Whitman Index (HWI) for the South Atlantic Region 2. The beginning reference for the Fees shall be line 46 (Underground Conduit) of the HWI dated July 1, 1995, with a cost index number of 247.

The first change in Fees shall be made twelve (12) months after the initial payment for any attachment or conduit rental. The Fees shall be calculated using the following formula:

$$\frac{\$3.60 \times (\text{HWI of July 1st of the previous year})}{247}$$

All succeeding changes in Fees shall be made annually on each anniversary thereafter.

MLGW will at intervals not exceeding five (5) years perform an actual inventory of the attachments of jointly used poles in all or in part of the territory covered by this

Agreement, for the purpose of checking and verifying the number of poles on which Metro has attachments. Such field check shall be made jointly by both parties and shall be at the expense of Metro.

37. **EXPENSES:**

Metro shall be responsible for reimbursing MLGW for all expenses as stated throughout this Agreement. Such expenses will include all engineering, labor, material and equipment used for Metro work to be inclusive of all loading, interest and administrative costs. MLGW will provide monthly invoices for work that has occurred under this Agreement. Payment for such work shall be made within thirty (30) days after receipt of invoice. Non-payment of such costs shall constitute a default of this Agreement. In the event of such default, MLGW shall be entitled to recover the full amount due under this article plus any reasonable expenses or collection including attorneys' fees and court costs.

38. **TERM:**

This Agreement shall become effective on the day and year first above written; and if not terminated in accordance with the provisions herein, shall continue in effect for a term of thirty (30) years from said date. Either party may terminate the Agreement at the end of said thirty (30) year period or at any time thereafter by giving at least six (6) months' prior written notice. Such termination shall in no way exempt payment for pole attachment and conduit rental prior to the actual removal of all facilities. Upon termination of this Agreement in accordance with any of its terms, Metro shall immediately remove its cables, wires and appurtenances from all poles or conduit of MLGW, unless MLGW exercises its rights under Article 2. If not so removed, MLGW shall have the right to remove them at the cost and expense of Metro and without any liability therefor, and Metro agrees to pay the reasonable cost thereof within ten (10) days after it has received an invoice from MLGW.

39. **RECEIVERSHIP, FORECLOSURE, OR ACT OF BANKRUPTCY:**

The pole and conduit use of this Agreement granted hereunder shall at the option of MLGW cease and terminate one hundred twenty (120) days after the appointment of a receiver or receivers or trustee or trustees to be take over and conduct the business of Metro whether in a receivership, reorganization, bankruptcy or other action or proceeding unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred twenty (120) days, or unless:

- a. Such receivers or trustees shall have, within one hundred twenty (120) days after their election or appointment, fully complied with all the terms and provisions of this Agreement granted pursuant hereto, and the receivers or trustees within said

one hundred twenty (120) days shall have remedied all defaults under the agreement; and

- b. Such receivers or trustees shall within said one hundred twenty (120) days, execute an agreement duly approved by MLGW having jurisdiction in the premises, whereby such receivers or trustees assume and agree to be bound by each and every term, provision and limitation of the license herein granted.

In the case of foreclosure or other judicial sale of the plant, property and equipment of Metro, or any part thereof, including or excluding this Agreement, MLGW may serve notice of termination upon Metro and the successful bidder at such sale, in which event the

Agreement herein granted and all rights and privileges of the Agreement hereunder shall cease and terminate thirty (30) days after service of such notice, unless:

- a. MLGW shall have approved the transfer of this Agreement, as and in the manner in this Agreement provided; and
- b. Unless such successful bidder shall have covenanted and agreed with MLGW to assume and be bound by all the terms and conditions to be this Agreement.

40. **RIGHTS OF MLGW - OWNERSHIP:**

No use, however extended, of MLGW's poles, under this Agreement, shall create or vest in Metro any ownership or property rights of said poles, but Metro rights therein shall be and remain a mere license.

41. **REMOVAL OF ATTACHMENTS:**

Metro may at any time remove its attachments from any pole of MLGW, but shall immediately give MLGW written notice of such removals in the form of Attachment K, hereto attached and made a part hereof. No refund of any rental will be due on account of such removal.

42. **DEFAULT:**

Neither party hereto shall not be deemed in default under this Agreement until it has received written notice thereof and has failed to cure the same within thirty (30) days after receipt of such notice; provided, however, in the event any such default (other than the payment of Fees) cannot reasonably be cured within such thirty (30) day period, the time for curing such default shall be extended for whatever period of time required to be complete such curing so long as such party is proceeding with due diligence.

In the event of termination not the fault of MLGW, Metro shall compensate MLGW as described in **Article 37** for expenses incurred to date of termination.

43. **JURISDICTION:**

Any and all disputes arising out of this Agreement shall be governed, construed and enforced according to be the laws of the State of Tennessee. All actions relating to be the validity, construction, interpretation and enforced enforcement of this Agreement shall be instituted and litigated in the Courts of Tennessee, and in accordance herewith the parties to this Agreement submit to the jurisdiction of the Courts of Tennessee, located in Shelby County, Tennessee.

44. **METRO REPRESENTATIVE:**

A Metro representative shall be present during all MLGW installation of underground fiber cable, innerduct, splice capsules and accessories. The Metro representative shall be knowledgeable and experienced in underground fiber cable, innerduct, splice capsules and accessory installation and shall be authorized by Metro to answer questions and make decisions on Metro's behalf regarding problems and questions that occur during MLGW installation of underground cable, innerduct, splice capsules and accessories. The Metro representative shall be furnished at Metro's expense.

(Continued on next page)

IN WITNESS WHEREOF, the parties hereto have caused these presents to be he duly executed the day and year first above written.

MCImetro ACCESS TRANSMISSION
SERVICES, INC.

MEMPHIS LIGHT, GAS AND WATER DIVISION
City of Memphis, Memphis, Tennessee

By: _____
Kenneth C. Gceslin
Vice President

By: _____
President

ATTEST:

APPROVED:

Assistant Secretary
MCImetro Access Transmission
Services, Inc.

Attorney, Board of Light, Gas and
Water Commissioners

ATTEST:

Secretary-Treasurer, Board of Light,
Gas and Water Commissioners

Attachment A

Memphis LCN

(attach map)

Attachment B

- (1) Metal street light poles on Madison Avenue from Bellevue Blvd. to East Parkway.
- (2) Wood power poles on Bellevue Blvd. from Madison Avenue to Union Avenue.
- (3) Wood power poles on Avery Avenue from East Parkway to the east side of the CSX Railroad right-of-way.
- (4) Wood power poles on Central Avenue from the east side of Hollywood Street to the CSX Railroad crossing west of Cooper Street.
- (5) Metal street light poles on Central Avenue from first pole west of Tanglewood to Melrose Street.
- (6) Wood power poles from Melrose and Central Avenue to Lamar Avenue, then continue southeast on Lamar to be the CSX Railroad overpass.

Attachment C

Equipment

	Administration Building	Substation 6
Fibers in	6	6
Fibers out	6	6
ST Connectors/Panel	12	12
ST Pigtails	12	12
Fusion Splicing Tray	1	1
Equipment Rack - 19"	1	1
Intermediate Splice Panel	1	0

AUG 31 1992

ATTACHMENT "D"
APPLICATION FOR POLE ATTACHMENT PERMIT

Date _____ Number of Poles Covered
Application No. _____ by Notice _____
MEMPHIS LIGHT, GAS AND WATER DIVISION
Attention: Electric Distribution Engineering Department
In accordance with the terms and conditions of the agreement dated
_____, 19____, between our respective companies covering
pole attachments in the City of Memphis, Tennessee, application is hereby made
for attachment of undersigned's _____ facilities to the following poles:

<u>Pole No.</u>	<u>Description of Attachments to be Installed</u>
_____	_____
_____	_____
_____	_____
_____	_____

By _____
Title _____

Permit for attachment of communication wire to the above listed poles
approved: _____

Date _____
By _____
Title _____

ATTACHMENT "E"

AUG 31 1992

POLE ATTACHMENT PERMIT

Permission is hereby granted to make the attachments described in this application, subject to the terms and conditions set forth in the agreement between the companies, the following special terms and conditions:

and further subject to acceptance by Metro of the obligation to pay the cost (the estimated cost of which is shown below), if any, of the following changes in the plant involved to accommodate the above-specified attachments:

MEMPHIS LIGHT, GAS AND WATER DIVISION

By _____

Estimated Cost \$ _____

Title _____

Date _____

McMetro ACCESS TRANSMISSION SERVICES, INC.

Above estimated cost, if any, accepted:

By _____

Title _____

Date _____

STATUS OF POLE ATTACHMENTS:

Number of poles in use prior to this permit: _____

Number of poles added by this permit: _____

New Total number in use: _____

NOTE: This form shall be submitted to MLGW in duplicate by Metro. If there are not changes in plant involving costs to Metro MLGW will retain one copy and return one copy to Metro. If there are changes in plant involving such costs, both copies shall be returned to Metro who shall retain one copy and return to MLGW one copy containing Metro's acceptance of such costs. The permit shall not become effective until MLGW has received its copy containing CSI's acceptance of such costs. The estimated cost shown re MLGW's costs and do not include the costs of rearrangements to be made by joint users and other licensees.

AUG 31 1992

ATTACHMENT "F"

CONDUIT OCCUPANCY APPLICATION

Supervisor, Distribution Engineering
Electric Engineering Department
Memphis Light, Gas and Water Division
P. O. Box 430
Memphis TN 38101-0430

_____, 19__

In accordance with the terms and conditions of the License Agreement between us, dated _____, 199__, application is hereby made for a revocable, non-exclusive license to occupy the conduit system shown on the attached sketch indicating location, type and size cable.

Metro hereby agrees to pay the cost incurred by MLGW in determining if the above specified facilities of CSI can be accommodated in the sections of the conduit system for which Metro has requested a license to occupy. Payment of costs by Metro to be in accordance with this Agreement.

MCI Metro ACCESS TRANSMISSION SERVICES,
INC.

By _____

Title _____

A revocable, non-exclusive license is hereby granted to the above to occupy MLGW's conduit system with cable.

EXCEPTIONS (State "None" if none): _____

MEMPHIS LIGHT, GAS AND WATER DIVISION

By _____

No. of duct feet added by this

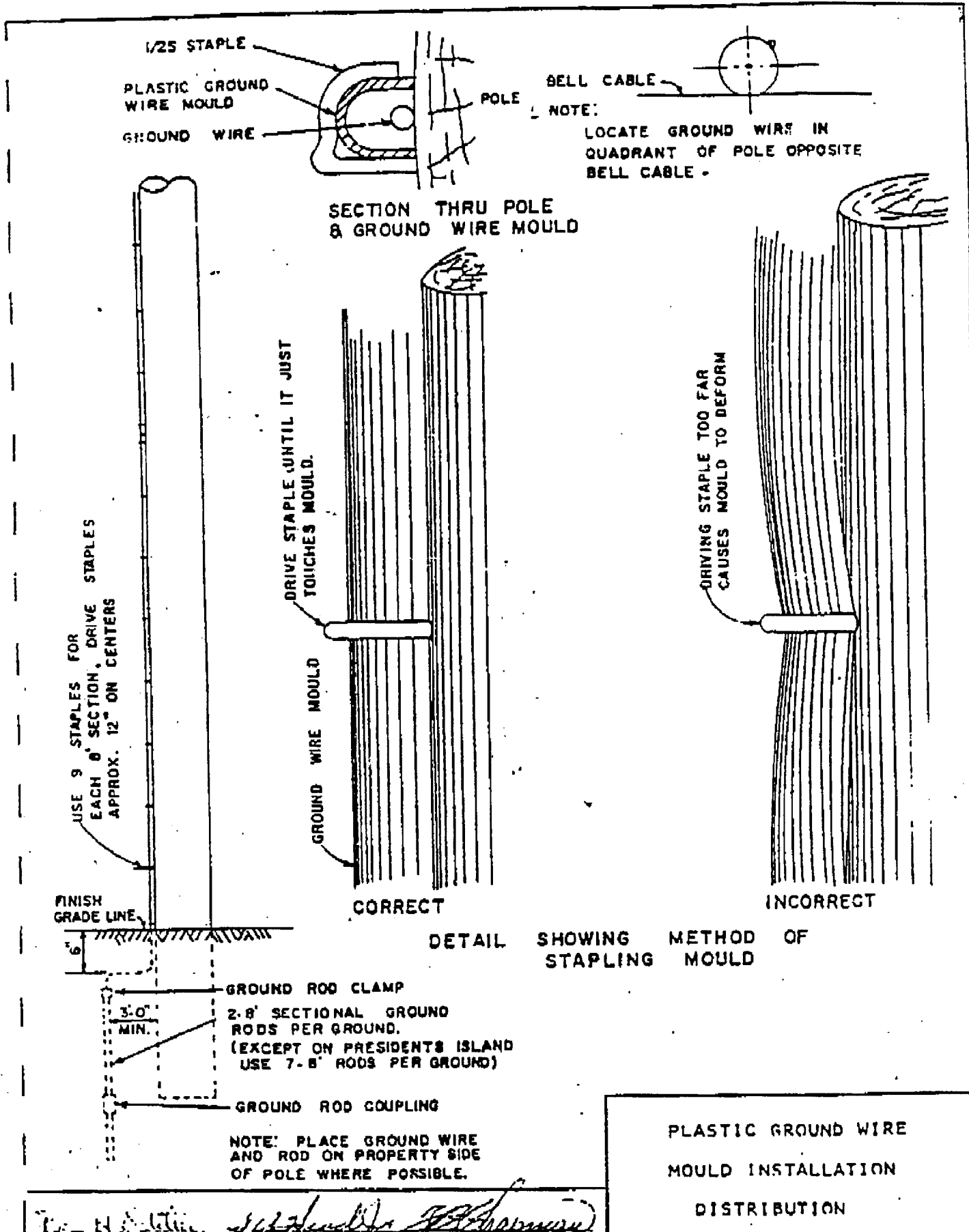
Title _____

request: _____

Date _____

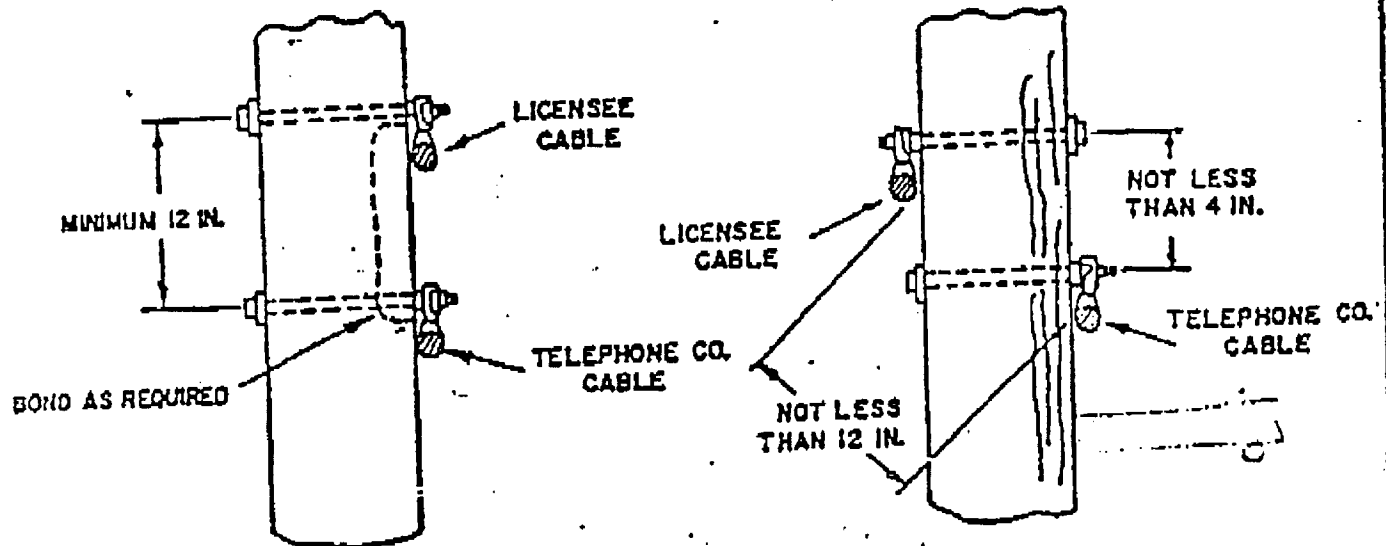
ATTACHMENT H
CONSTRUCTION **MLG & W** STANDARD

AUG 31 1992



AUG 31 1992

ATTACHMENT I



PREFERABLE CLEARANCE

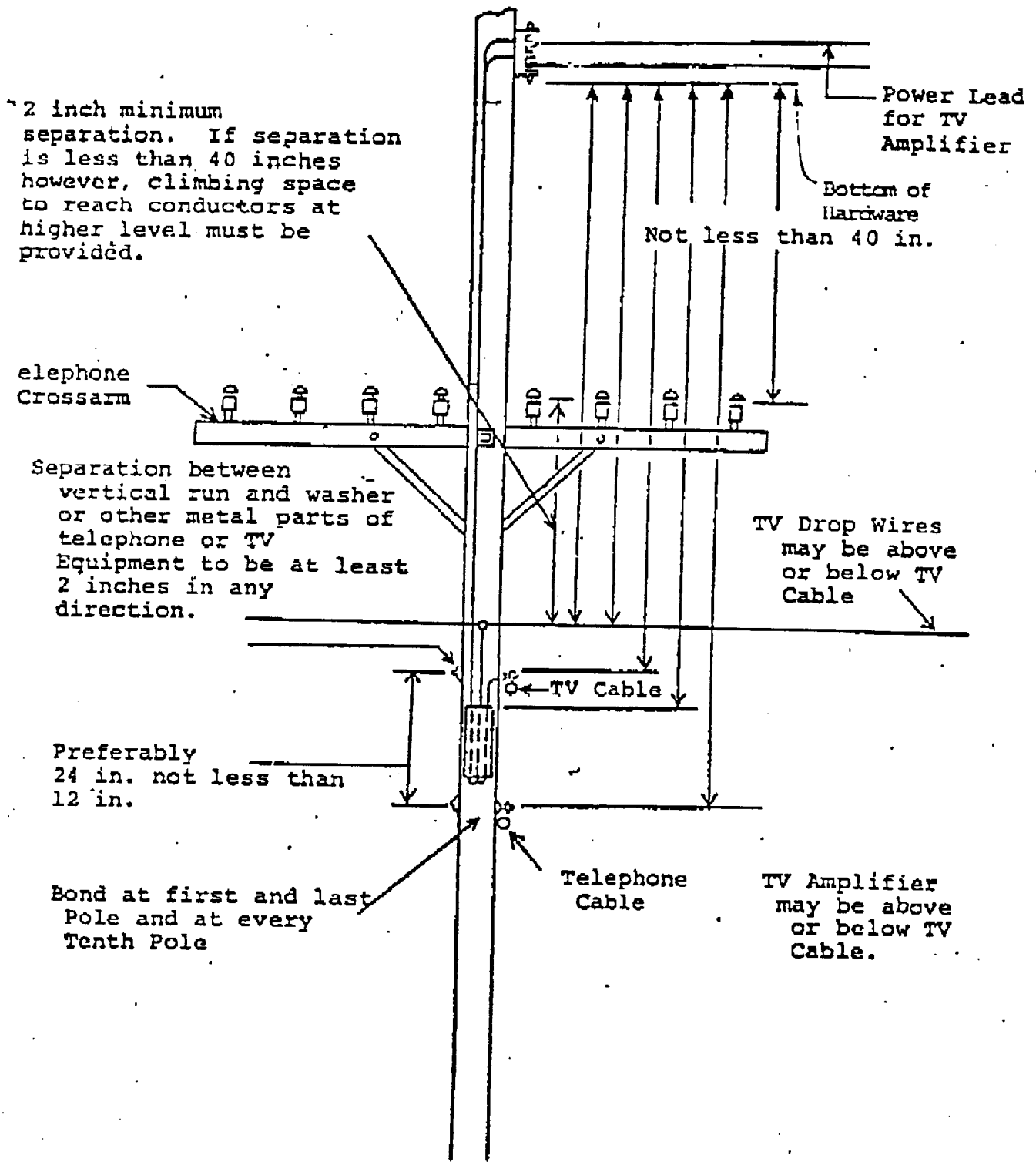
ALTERNATE METHOD OF
OBTAINING CLEARANCE
THIS METHOD OF CON-
STRUCTION IS TO BE USED
ONLY WHERE SPECIAL PER-
MISSION IS GIVEN BY THE
LICENSOR.

TELEPHONE COMPANY ATTACHMENT

FIG. 1

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES AUG 31 1992

Pole Carrying Power Circuits, Open Wire or Cable or Both
TV Cable, Amplifier and Drop Wires with Power Lead for TV Amplifier



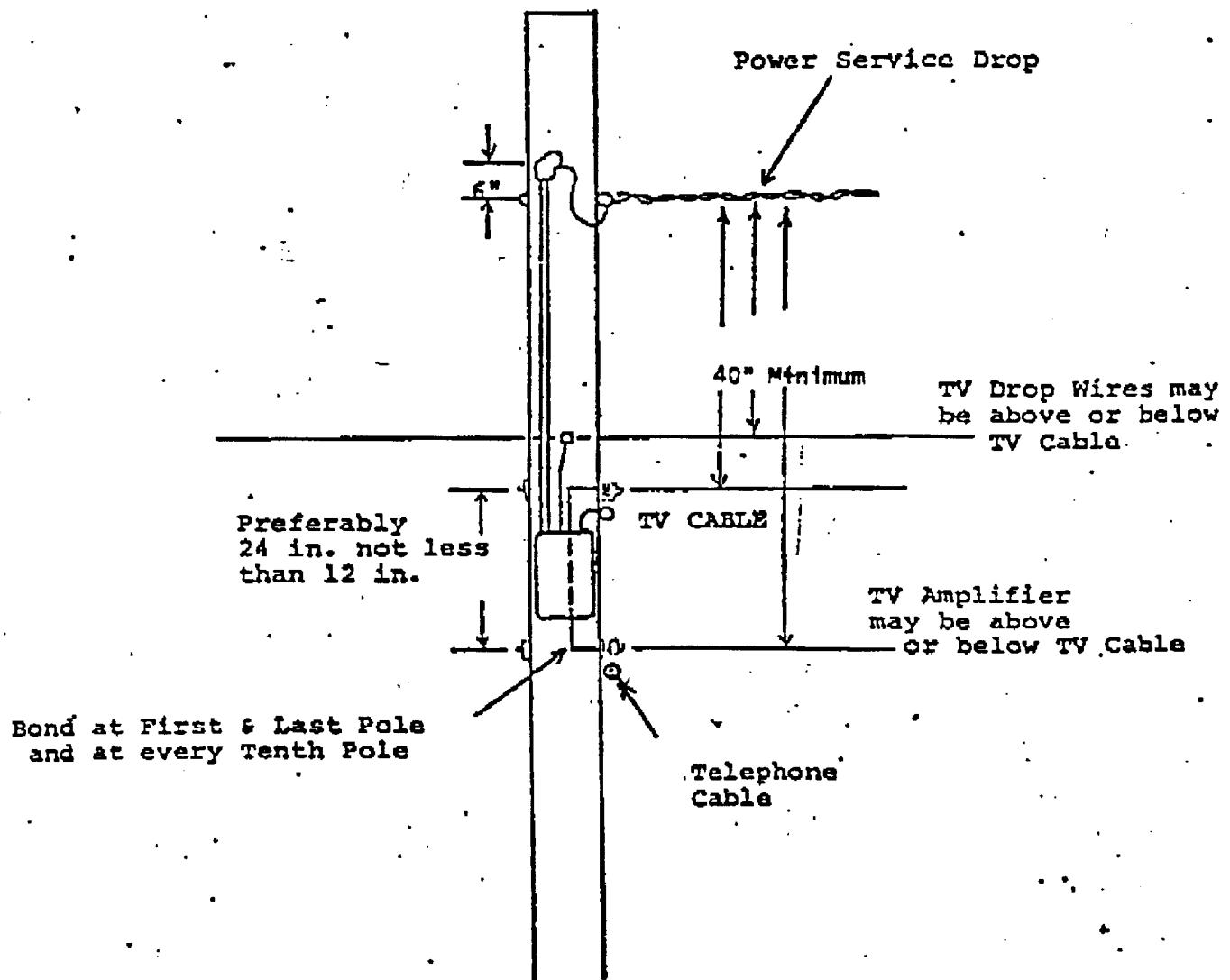
ATTACHMENT I

Fig. 2 - Clearances for TV Facilities

AUG 31 1992

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES

Telephone Pole without Power Circuits, Carrying
Cable, TV Cable Amplifier and Drop Wires with Power
Service Drop for TV Amplifier



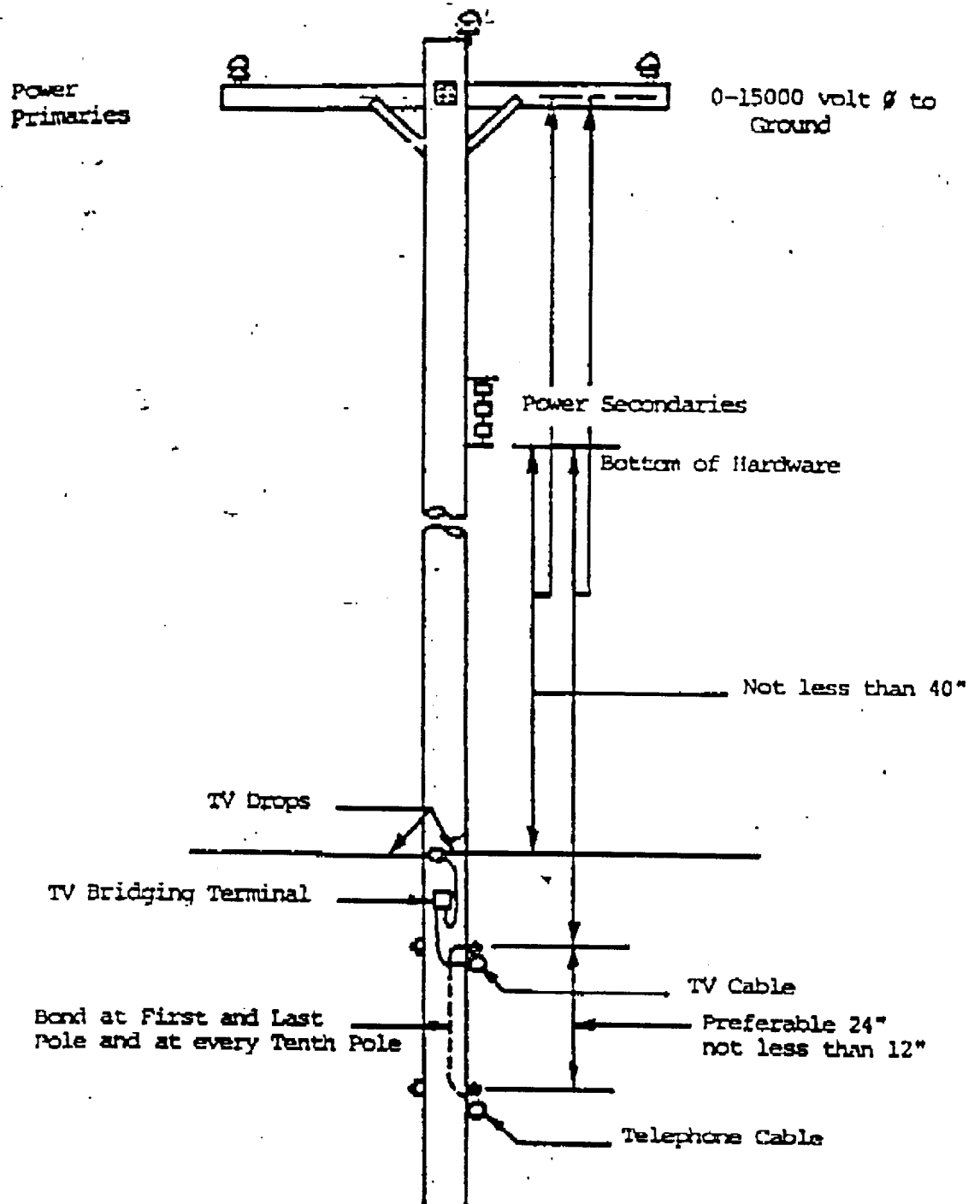
ATTACHMENT I

Fig. 3 - Clearance For TV Facilities

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES

No Amplifier

AUG 5 1 1992



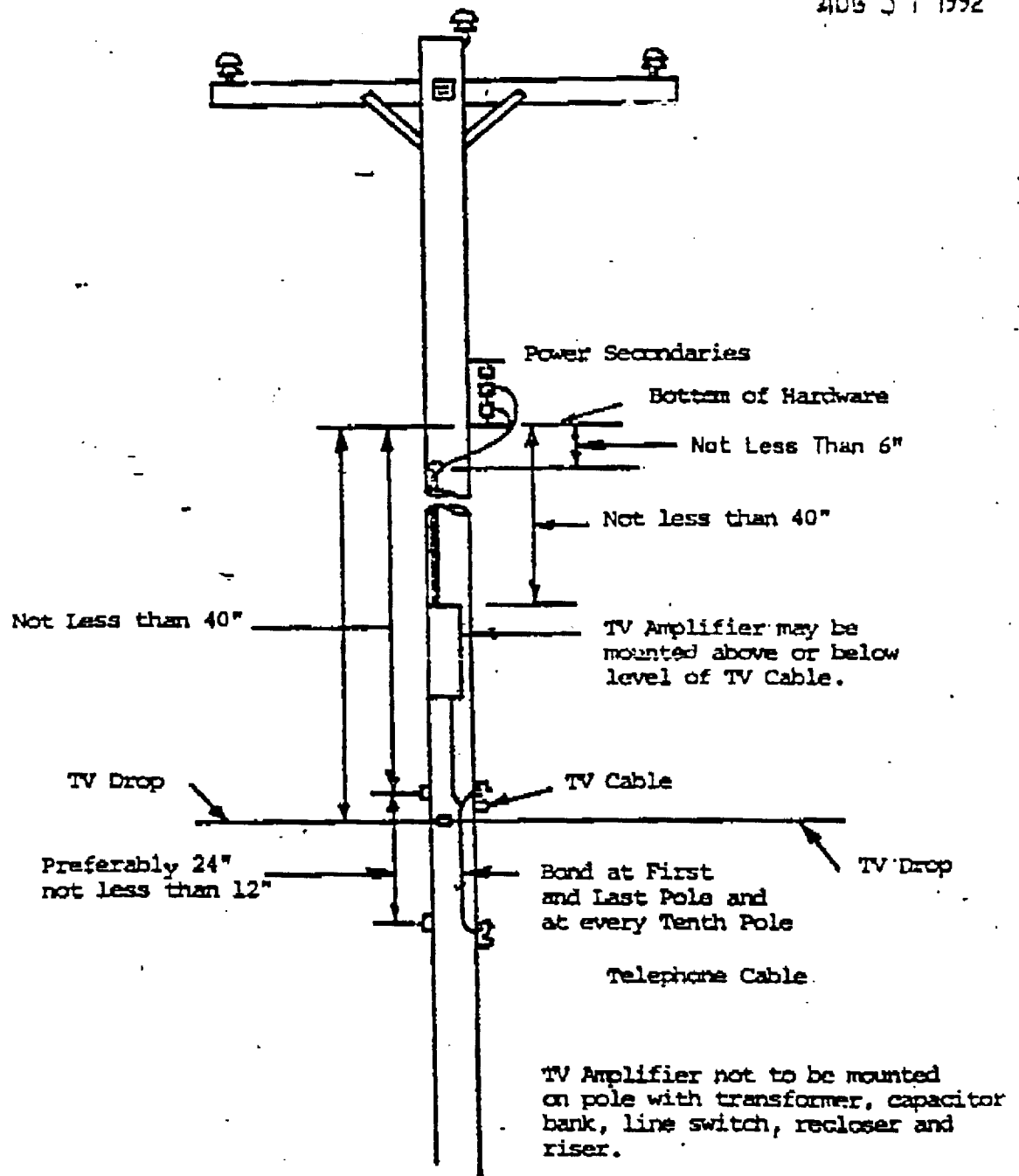
ATTACHMENT I

Figure 5 - Clearances for TV Facilities

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES

TV Cable and Amplifier Mounted on Pole

AUG 31 1992



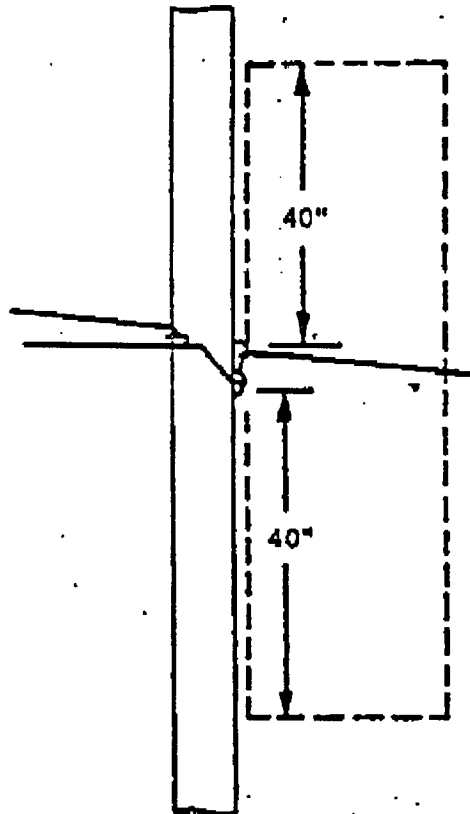
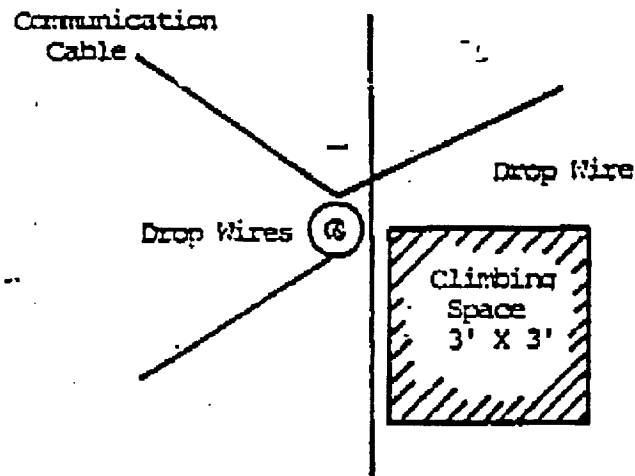
ATTACHMENT I

Figure 6 - Clearance for TV Facilities

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES

Climbing Space Location
and
Dimension Past Communication Lines

AUG 31 1992



Attachment I

Figure 8 - Clearance for TV Facilities

ATTACHMENT J

AUG 31 1992

Cable Specifications

Radiation from any cable shall be limited to comply with the requirements found in Part 15 of the Federal Communication Rules and Regulations.

An approved protective device, such as a grounding block, will be provided at the drop termination point on the Licensee's subscriber's premises at or near the entrance to the building.

AUG 31 1992

ATTACHMENT "K"NOTIFICATION OF REMOVAL BY CSI_____
_____, 19__

Memphis Light, Gas and Water Division

In accordance with the terms of agreement dated _____,
19__, kindly cancel from your records the following poles and/or anchors
covered by permit No. _____ from which attachments were removed on
_____, 19__.

Location: _____
(City and State)

Pole*
Number Location: _____

*For anchors prefix pole number with "ANC".

By _____

Title _____

Notice Acknowledged _____, 19__.

Memphis Light, Gas and Water Division

By _____

Title _____

(MLGW)

Notice No. _____

Total Poles Discontinued _____

Total Anchors Discontinued _____

MEMPHIS LIGHT, GAS AND WATER DIVISION

CITY OF MEMPHIS

MEMPHIS, TENNESSEE

SPECIFICATIONS AND CONTRACT DOCUMENTS

FOR

CONTRACT NO. 10038

JUL 31 1992

FIBER OPTICS AGREEMENT

APPROVED BY THE
BOARD OF COMMISSIONERS
ON JULY 2, 1992

BOARD OF LIGHT, GAS AND WATER COMMISSIONERS

ELSIE A. BOAZ
THOMAS R. BUTTERICK
EDDIE L. CURRIE
JAMES C. MCWILLIE
JAMES L. NETTERS

CHAIRMAN
VICE-CHAIRMAN
COMMISSIONER
COMMISSIONER
COMMISSIONER

W. S. CRAWFORD
PAUL S. HARRIS
JOYCE M. BLACKMON

PRESIDENT
SENIOR VICE-PRESIDENT,
OPERATIONS/FINANCE
SENIOR VICE PRESIDENT,
ADMINISTRATION AND SUPPORT

CONTRACT NO. 10038

FIBER OPTICS AGREEMENT

AUG 31 1992

THIS AGREEMENT made and entered into as of August 7, 1992, between Memphis Light, Gas and Water a Division of the City of Memphis, Tennessee, hereinafter called MLGW, and City Signal, Inc., a Michigan Corporation with its principal offices located at 250 Monroe, N.W., Suite 640, Grand Rapids, Michigan, hereinafter called CSI.

W I T N E S S E T H :

WHEREAS, CSI proposes to design, install, operate and maintain a Memphis area fiber optic communication network utilizing MLGW's wood poles and conduits to place its fiber optic cable; and,

WHEREAS, MLGW is willing to permit, to the extent it may lawfully do so and on the terms hereinafter set forth, the attachment or MLGW installation of said fiber optic cables to MLGW's poles and conduits, when in its judgement, such use will not interfere with its own service requirements, including considerations of safety and economy.

AGREEMENT

In consideration of the facts stated above, the mutual covenants and agreements of the parties, and other valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, IT IS AGREED:

1. TRANSFER OF OPTICAL FIBERS:

In consideration of MLGW's obligations set forth in Article 6 of this Agreement, CSI agrees to transfer to MLGW six (6) Optical Fibers in all CSI fiber that has a node connection on CSI's digital network of 565 Mbps speed or greater in a self-healing failover type fiber network connecting the MLGW Administration Building, South Center, Hickory Hill Center, North Center and the Operations/Training Center with routing by way of the electric distribution system and more particularly described on Attachment A ("Optical Fibers") and the equipment for use in connecting the Optical Fibers more particularly described in Attachment B ("Equipment"). The route shall reasonably correspond with the route in Attachment A and said route should be substantially completed before venturing to outlying areas. The Optical Fibers and the Equipment are collectively referred to in this Agreement as the "System." All future requests by MLGW for additional cable spurs and equipment shall be sold to MLGW by CSI on the basis of CSI's incremental cost for such fiber spurs and/or equipment. Under this Agreement, fiber cables installed by MLGW shall, at MLGW's request, be connected by CSI to MLGW's six (6) fiber network transferred to MLGW by CSI. MLGW agrees to pay CSI's cost of time and materials to connect these fibers.

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2. OWNERSHIP:

The parties agree that upon acceptance of the system by MLGW, MLGW shall only own the fiber and equipment as described in Article 1 and as listed on Attachments A and B provided under this Agreement and as may be amended by mutual agreement of both parties, and that the ownership of all other cables and other equipment related to the area-wide fiber optic communication System shall be owned by CSI.

3. TITLE:

Upon Acceptance of the System by MLGW, CSI shall deliver to MLGW a Certificate of Ownership for the six (6) Optical Fibers and the Equipment as described in Articles 1 and 2, free and clear of all claims, liens and encumbrances except for any security interest granted by CSI to equipment or Optical Fiber vendors or financial institutions for the construction of the System. The Certificate of Ownership shall provide a complete list of all personal property provided to MLGW.

4. REPAIR AND MAINTENANCE:

All repair and maintenance of the Equipment and the cable containing the Optical Fibers shall be performed by CSI or an individual or entity authorized by CSI for the term of this Agreement without additional charge to MLGW.

5. SERVICE INTERRUPTION:

CSI shall furnish to MLGW the Optical Fibers and Equipment to provide fiber optic network service to MLGW. CSI shall be responsible for the installation and maintenance of all services as described in this Agreement and shall respond to a major service interruption within two (2) hours of MLGW's trouble report. A major service interruption is defined as having complete loss of any light signal between any of the MLGW buildings. All other services shall be performed in a commercially reasonable time.

6. MLGW'S OBLIGATIONS:

MLGW shall be responsible to:

- a. provide a 10 feet x 10 feet or similar space for the placement of CSI's network equipment and fiber cable in MLGW's Administration Building, South Service Center, Hickory Hill Service Center, Operations/Training Center and North Service Center;
- b. to provide adequate space and environment, including, but not limited to, heat of 40 to 90 degrees Fahrenheit for equipment provided by CSI;
- c. to provide reasonable electrical power necessary to operate CSI equipment placed in the 10 feet x 10 feet space provided on MLGW's premises;

AUG 31 1992

- d. to provide distribution poles and conduit for CSI use as described elsewhere in this Agreement.
 - e. to allow CSI's to place its cables in/on additional agreed upon MLGW facilities to connect its fiber network to new locations in the MLGW service area;
 - f. to make CSI's service components and equipment available for maintenance at all reasonable times upon proper notification to MLGW and with proper MLGW representation present at the time of maintenance.
7. SERVICE INTERRUPTIONS CAUSED BY SYSTEM MAINTENANCE:

System maintenance normally will not result in material service interruptions. In the event that system maintenance should require the interruption of service to a material degree, to the extent possible CSI shall so notify MLGW within a reasonable time but not later than 48 hours prior to such interruption. A material degree will be defined as any change in the fiber network that would cause a loss of optical signal.
8. FORCE MAJEURE - CSI:

Notwithstanding any other term or provision in this Agreement, CSI shall not be liable to MLGW or any other person, firm, or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the control of CSI. Such causes shall include: acts of God or any civil or military authority, national emergencies, insurrections, riots or wars. Restoration of any part of the system due to incidents of Force Majeure or otherwise beyond the control of either party will be at CSI's sole cost and expense.
9. INDEMNIFICATION BY CSI AND INSURANCE:

CSI shall defend, indemnify, protect and hold harmless MLGW, its officers, agents, and employees from any and all claims, losses, liabilities, causes of actions, demands, judgments, decrees, proceedings, and expenses of any nature (including, without limitation, reasonable attorney fees) arising out of or resulting from the acts or omissions of, CSI, its officers, agents, employees, contractors, successors, or assigns. CSI shall, at its own expense, defend MLGW and its officers, agents and employees against any and all such claims, actions and demands and shall indemnify MLGW and its officers, agents and employees for all costs and expenses it may incur in connection therewith. If CSI refuses to undertake the defense of a claim described in this section, then MLGW, its officers, agents and employees shall have the right to take all actions they deem necessary and appropriate to defend the claim, and shall be reimbursed by CSI for all costs incurred in defending such claim as provided above in this section, including, without limitation, reasonable attorney fees.

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Further, CSI agrees to pay all of MLGW's costs and expenses, including, but not limited to, reasonable attorney fees, court costs, and interest incurred in any litigation commenced by MLGW to collect or enforce indemnification obligations contained in this section.

CSI shall obtain and maintain in full force and effect the following insurance covering all insurable risks associated with its ownership and operation of the System:

CSI shall obtain and maintain in full force and effect a comprehensive occurrence (not claims made) general liability insurance policy, including completed operations, independent contractors and contractual liability coverage, in an amount not less than one million dollars per occurrence.

CSI shall also obtain and maintain in full force and effect in occurrence (not claims made), automobile liability insurance policy covering any vehicle used in connection with its activities under this Agreement in an amount not less than one million dollars per occurrence.

CSI shall obtain and maintain an umbrella liability policy certificate in addition to the certificates listed above with minimum acceptable limits of liability to be five million dollars per occurrence.

CSI shall obtain and maintain in full force and effect all workers compensation and employers liability insurance required by Tennessee law.

MLGW and its officers, employees and agents shall all be named as additional insureds in all policies required under this section of this Agreement.

CSI shall provide MLGW with thirty (30) days prior written notice of the cancellation, modification, or expiration of any insurance policy required under this Agreement.

CSI shall provide MLGW with a current Certificate of Insurance evidencing all of the insurance required above in this article prior to the installation of its System and at times thereafter while this Agreement remains in effect. Each insurance certificate shall state that the issuer of the insurance certificate shall give MLGW thirty (30) days prior written notice of any cancellation, modification or expiration of any insurance policy referred to in the certificate. Replacement certificates shall be filed with MLGW at least thirty (30) days before the expiration of the current insurance policies.

All insurance required by this section to be maintained by CSI shall be affected by valid and enforceable policies issued by insurers authorized to conduct business in Tennessee and in good standing of the laws of Tennessee.

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Upon MLGW's request from time to time, CSI shall deliver duplicate originals of such policies and renewal policies for such insurance to MLGW.

10. GENERAL LIMITATION OF LIABILITY OF CSI:

- a. Service Interruptions: In the event service is interrupted for any reason whatsoever, except for the negligent or willful acts or omissions of CSI or its agents or representatives, or CSI equipment failure CSI shall not be liable to MLGW for any damages, including, without limitation, any direct, indirect, consequential, special, actual, punitive or any other damages, or for any lost profits of any kind whatsoever. Except for damage due to the negligent or willful acts or omissions of CSI or its agents or representatives, CSI's sole obligation to MLGW in the event service is interrupted, for whatever reason, is to use its best efforts to repair the Service within a commercially reasonable time.
- b. Damage: CSI shall pay MLGW for any damage caused to MLGW's facilities and the facilities of others by CSI's negligence, omission, willful acts or by CSI's equipment malfunction. CSI shall indemnify, defend and hold harmless MLGW and its agents and representatives from any and all claims, demands and causes of actions including the payment of MLGW's reasonable attorney fees in attempting to require performance of CSI under the terms of this Agreement. CSI shall notify MLGW promptly in case of such damage to any of its facilities.
- c. All Other Liability: CSI, at its own expense, will indemnify MLGW and hold it harmless with respect to any and all loss, damage, liability or expense asserted against MLGW by a third party on account of any property damage or personal injury caused by any negligence or willful misconduct of CSI or its agents or representatives arising out of its performance of this Agreement. CSI's obligations under the immediately preceding sentence shall be subject to MLGW's duty to take reasonable precautions so as not to interfere with the facilities or service provided by CSI.

11. PROTECTION AGAINST CLAIMS FOR IMPROPER PROGRAMMING:

CSI shall indemnify, save harmless and insure MLGW with respect to all material transmitted over CSI System from and against any and all claims and demands for damages or loss for infringement of copyright, for libel and slander, for unauthorized use thereof and from and against all claims and demands for infringement of patents with respect to the manufacture, use and operation of CSI's equipment whether arising from the use of CSI's equipment in combination with MLGW's poles and conduit.

12. INDEMNIFICATION FOR PATENT INFRINGEMENT:

In the event that any claim, demand or liability is made or asserted against MLGW by any third party based upon allegations that the System violates any patent laws, then, and in such event, CSI shall indemnify,

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defend and hold harmless MLGW and its agents and representatives of and from any and all such claims, demands, lawsuits and liability, including the payment of MLGW's legal fees.

13. PERMITS, LICENSES AND RIGHTS-OF-WAY:

In order to construct, place and maintain its optical fiber network, CSI will need to negotiate with various Federal, State, County and local authorities and private entities for permits, license, rights-of-way, franchise agreements and property easements. The cost of such permits, licenses, rights-of-way, franchise agreements and property easements shall be born by CSI. If CSI is unable to obtain such permits, licenses, rights-of-way, franchise agreements, and property easements to install and operate its public network within one year of this Agreement, under terms acceptable solely to CSI, either party may terminate this Agreement without liability to the other party.

CSI shall use its best efforts to obtain such permits, licenses, rights-of-way, franchise agreements and property easements. CSI shall provide to MLGW copies of all such permits, licenses, rights-of-way, franchises, agreements and property easements prior to start of work.

14. FURTHER APPROVALS:

CSI shall be solely responsible for obtaining all necessary permits, consents, or approvals, either public or private which may be necessary prior to the beginning of construction, and this Agreement shall be contingent upon acquisition of all such permits, consents or approvals under terms acceptable solely to CSI. CSI shall provide to MLGW written consent from private property owner or owners, stating that CSI has permission to ingress and egress and also to construct and operate its facilities over and under and upon the MLGW owned poles located on said private property. CSI shall use its best efforts to obtain such permits, consents or approvals.

15. NON-EXCLUSIVE:

MLGW grants CSI non-exclusive rights for its attachments on poles, or in conduit. MLGW does not suggest, imply or guarantee that CSI will have sole occupancy of a pole or conduit.

16. APPLICATION REQUIREMENTS:

Before making attachments to any poles CSI shall make application and receive a permit therefor, with respect to each pole in the form of Attachments C and D. If the pole or conduit is located on public right of way, CSI shall obtain all necessary permits from City of Memphis, Shelby County or State of Tennessee and present to MLGW at time request is made to attach to said poles or in conduit.

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The method and location of installation on poles or in conduits must first be approved by MLGW. Such approvals shall not be unreasonably withheld.

17. CONDUIT APPLICATION REQUIREMENTS:

CSI shall submit for approval by MLGW's authorized representative Attachment E as application for use of MLGW's conduit system. MLGW reserves the right to determine routes and conduit to be used.

If conduit system occupancy is to be surrendered, Attachment F shall be submitted to MLGW. The date this application is received by MLGW shall serve as the effective date.

Compliance to the Work Rules of Article 22 is required in all cases.

While some of the standards and technical requirements for CSI's cable are set forth herein, MLGW reserves the right to specify the type of construction required in situations not otherwise covered. In such cases, MLGW will at its discretion furnish to CSI written materials which will specify and explain the required construction. CSI reserves the right to terminate this Agreement in the event it disagrees with MLGW's specification of the type of or cost of construction required in situations not otherwise covered. CSI shall use its best efforts to negotiate disputed specifications before termination.

CSI shall furnish MLGW with a construction drawing indicating the location of and specifying the type of cable to be installed with a target date for completion of construction by MLGW.

18. OCCUPANCY OF CONDUIT SYSTEM:

For the purpose of computing the total conduit occupancy fee due hereunder, the length of the conduit shall be measured from the center to the center of manholes, or from the center of a manhole to the end of MLGW's conduit system occupied by CSI's cable. Occupancy fee will not be charged for conduit installed under Article 21 or for additional cables in the same CSI-occupied conduit.

19. ELECTRICAL DESIGN SPECIFICATIONS:

Cables with an outer metallic sheath shall be bonded at each manhole by MLGW. No cable of CSI's shall be permitted in MLGW's conduit system if such cable causes electrical interference on any facilities of MLGW. Such interference shall be removed at the expense of CSI. CSI's power supplies will not be permitted in MLGW's conduit system.

CSI's cable shall not be designed to use the earth as the sole conductor for any part of CSI's circuits.

Separation of communication and electrical conductors shall be as stipulated in the National Electrical Safety Code.

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CSI shall not circumvent MLGW's corrosion mitigation measures.

CSI'S cable shall be compatible with MLGW's facilities so as not to damage any facilities of MLGW by corrosion or otherwise. CSI shall be liable to MLGW for any damages occasioned by such corrosion or otherwise.

20. PHYSICAL DESIGN SPECIFICATIONS:

CSI's cables bound or wrapped with cloth or having any kind of fibrous covering or impregnated with an adhesive material shall not be permitted in MLGW's conduits.

Splices and terminations in CSI's underground cables shall be located only in splice capsules. These splices and terminations shall be made by CSI. The purpose of the splice capsule shall be to provide for connection of small spur cables from CSI's customers to a larger backbone cable. A splice capsule and a small coil of fiber cable, approximately 50 feet in length or less, will be allowed in an MLGW manhole if, in MLGW's sole determination:

- a. it does not pose a safety hazard,
- b. sufficient room exists inside the manhole for installation, placement and removal,
- c. sufficient room exists for future MLGW requirements, and
- d. the manhole does not already contain a splice capsule.

Splice capsules in manholes will be installed and removed by MLGW. Splice capsule location inside the manhole will be determined by MLGW. Splice capsules shall not exceed 7 inches in diameter and 30 inches in length.

MLGW will remove the splice capsule from the manhole for CSI to perform work on the capsule. All CSI work involving the splice capsule shall be performed outside of the manhole and the conduit system. MLGW will replace the splice capsule in the manhole after CSI has finished work on the capsule.

A small coil of fiber optic cable, approximately 10 feet in length or smaller, will be allowed in each MLGW manhole not containing a splice capsule if, in MLGW's sole determination:

- a. it does not pose a safety hazard,
- b. sufficient room exists inside the manhole for its placement, and
- c. sufficient room exists for future MLGW requirements.

The purpose of this cable coil is to provide excess cable for slack requirements and emergencies. The cable coil shall not be used for splices, terminations or installation of a splice capsule.

Cable coils will be installed by MLGW. Cable coil location inside the manhole will be determined by MLGW.

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Innerduct is flexible conduit installed inside a larger conduit for the placement of fiber optic cable. Any use of innerduct in MLGW manholes and conduit shall be subject to MLGW approval and shall be installed by MLGW.

All MLGW work involving CSI splice capsules, cable coils and innerduct shall be performed at CSI's expense.

The maximum permissible diameter of any cable and/or innerduct of CSI and the number of cables and/or innerduct of CSI to be placed in any of MLGW's conduits shall be determined by MLGW based upon the size and shape of the conduits and the size of the existing cable in the conduit. CSI's cable and/or innerduct will not be permitted in any ductline where less than two vacant conduits remain after the installation of CSI's cable and/or innerduct.

Reels shall be constructed with a maximum flange diameter of 90 inches and width of 55 inches. The arbor hole shall admit a spindle of 4 1/2 inches without binding.

21. CONNECTION OF CSI'S CONDUIT:

Any section of conduit which connects with MLGW's manhole or transformer vault shall be installed by MLGW at the expense of CSI. The maximum length of conduit shall not exceed five (5) feet and shall be maintained at CSI's expense.

22. WORK RULES:

MLGW's manholes or transformer vaults shall not be opened or tampered with by an employee, agent or contractor of CSI.

No employee, agent or contractor of CSI shall enter or work in any of MLGW's manholes or transformer vaults without an authorized representative of MLGW present.

Clearing obstructions, repairs, dig-ups and any other work required to make a conduit usable for the initial placing of CSI's cable shall be done by MLGW at CSI's expense.

MLGW shall place, remove, change, and maintain all cable in MLGW's conduit system with materials supplied by CSI, approved by MLGW and delivered in a timely manner to the location designated by MLGW.

MLGW and CSI'S cable shall be permanently identified by tags at each manhole or other access opening in the conduit system. Tags shall be of a type and wording satisfactory to MLGW. All cost of this identification shall be at the expense of CSI.

Where manholes or transformer vaults must be pumped in order to allow work operations to proceed, pumping shall be done by MLGW at CSI's expense.

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Any leak detection liquid or device used by CSI's agents, employees or contractors shall be of a type approved in writing by MLGW.

When CSI, its agents, employees or contractors are working around any part of MLGW's conduit system located in the streets, alleys, highways, or other public rights-of-way or easements granted to MLGW or City of Memphis, the protection of persons and property shall be provided by CSI in an adequate and satisfactory manner; CSI shall be solely responsible for providing adequate barricades, warning lights, traffic cones, danger signs and other similar devices to protect all traffic, persons and property around the work area from danger.

MLGW's authorized representative shall have the authority to terminate CSI's work operations around MLGW's manholes or transformer vaults if, in the sole discretion of MLGW's authorized representative, any hazardous condition arises or any unsafe practice is being followed by CSI's agents, employees or contractors. Said discretion shall not be unreasonably executed.

23. EMERGENCY CONDITIONS:

In cases of emergency:

- a. MLGW's work shall take precedence over any and all operations of CSI.
- b. MLGW may pull a cable into any of MLGW's conduits either occupied by or scheduled to be occupied by CSI's facilities. Should it become necessary for MLGW to use a conduit occupied by CSI, CSI's cable may be removed by MLGW. MLGW will endeavor to make other conduit space available for the displaced facilities of CSI as soon as possible.
- c. MLGW may rearrange CSI's cable at the expense of CSI when necessary to make maximum use of its system.

24. ATTACHMENT AND INSTALLATION PROCEDURES:

No attachment, placement or installation shall be made by CSI on any poles before written permission is received from MLGW. The procedure and forms to be used in making application and receiving permission for attachment, placements or installations shall be as provided for as described in this Agreement. All installations in conduits must be approved and performed by MLGW. CSI shall reimburse MLGW for all costs incurred. Such permission shall not be unreasonably withheld.

25. JOINT CONSTRUCTION:

Minimum requirements for joint construction shall be in conformity with the then current edition of the National Electrical Safety Code except where modified by authority of the State of Tennessee or any other authority having jurisdiction.

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26. DECOMMISSIONING:

MLGW may, in its sole judgment, remove any poles or conduits not needed for its service requirements; and CSI shall, upon written notification from MLGW, remove its attachments from such poles and conduits.

27. INSTALL AND TRANSFER FACILITIES:

CSI shall, at its own expense make and maintain said attachments in safe conditions and in good repair, or relocate or replace its facilities placed on said poles or in conduit or perform other work that may be required by MLGW; provided, however, that in case of emergency, MLGW may arrange to relocate, replace or transfer CSI's facilities. CSI shall on demand, reimburse MLGW for the expenses thereby incurred.

28. REARRANGEMENT AND RELOCATION OF ATTACHMENTS AND REPLACEMENT OF POLES:

CSI will compensate MLGW in advance for the full estimated expenses, including engineering and administrative cost for rearranging, transferring and/or relocating facilities on poles in order to accommodate CSI's attachment.

CSI will compensate MLGW in advance for the full estimated cost, including engineering and administrative cost for changing any pole that must be changed in order to be able to support CSI's attachments.

If CSI is the first communications company to require change-out of a pole, it must absorb the total cost of the project. If a second communications company or other user attaches to the same pole within a period of sixty months, then this second organization must reimburse the original attachee fifty per cent of the total original cost of labor and material for the original change-out. After sixty months the attachment will be handled as a routine attachment. For all joint use poles, the above condition shall not apply to South Central Bell.

If CSI is the first communications company to attach to a pole in the best and most proper manner and there is no suitable space for a second communications company then the second communications company must request the pole be replaced for a taller pole and must absorb the total cost of the change-out. For all joint use poles, the above condition shall not apply to South Central Bell.

MLGW reserves to itself, its successors and assigns, the right to maintain its poles and conduits and to operate its facilities thereon in such a manner as will best enable it to fulfill its own service requirements. MLGW shall not be liable to CSI for any interruption to service of CSI or for interference with the operation of the cables, wires and appliances of CSI arising in any manner out of the use of MLGW's poles hereunder.

CSI will also in advance reimburse the owner or owners of other facilities attached to said poles for any expense incurred by them for rearranging or transferring such facilities.

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MLGW will maintain a 2 foot clearance for all joint use poles that South Central Bell will require at CSI's cost.

29. GUYS AND ANCHOR ATTACHMENTS:

CSI shall at its own expense and to the satisfaction of MLGW place guys and anchors to sustain any unbalanced loads caused by CSI's attachments. When, in unusual circumstances, CSI determines that it is necessary or desirable for it to attach its guys to anchors owned by MLGW, it may make application to do so in a manner similar to that outlined in Article 16 above for application to make pole attachments. In such circumstances, all the provisions of this Agreement that are applicable to poles shall also be separately applicable to anchors. In the event that any anchor or guy to which CSI desires to make attachments is inadequate to support the guy, in accordance with the specifications, MLGW will notify CSI of the changes necessary to provide an adequate anchor or guy, together with the estimated cost thereof to CSI. CSI will compensate MLGW in advance for the full estimated expense including engineering and administrative cost for changing the guy and anchor.

For anchors in place to which CSI wishes to attach, CSI shall pay to MLGW an installation cost of \$18.00 per anchor on initial installation only for the use of each of MLGW's anchors to which attachments are made.

30. INSTALLATION OF GROUNDS:

When MLGW is requested by CSI to install grounds or make connections to MLGW's system neutral, CSI shall on demand reimburse MLGW for the total expenses including engineering, clerical and administrative cost thereby incurred on initial installation only.

All grounds installed by CSI shall be in accordance with MLGW's standard grounding practices shown in Attachment G attached hereto and made a part hereof.

31. CHARGES FOR INCOMPLETE WORK:

In the event that requests for attachments are made by CSI and steps are taken by MLGW to carry out the request by performing necessary engineering and administrative work and the job is cancelled causing the job not to be done or completed, CSI shall reimburse MLGW for the total estimated cost incurred by MLGW including engineering, clerical and administrative and construction costs.

32. POLES NOT COVERED BY THIS AGREEMENT:

Should CSI attach any of its facilities to poles not covered by this agreement or should CSI attach any of its facilities to poles that MLGW has a joint use agreement, it shall maintain proper clearance between such equipment and communication lines and street lighting wires and shall otherwise install, maintain and remove the equipment on such poles in such manner as to satisfy the requirements of Article 38 hereof with respect to safety, good workmanship and avoidance of hazard.

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33. POLES NOT ALLOWED TO BE JOINT:

Upon notice from MLGW to CSI that the use of any pole is forbidden by municipal authorities or property owner, the permit covering the use of such pole shall immediately terminate and the cables, wires and appliances of CSI shall be removed, within a reasonable length of time, from the affected pole.

34. REMOVAL OF ATTACHMENTS FOR O.H. TO U.G. CONVERSION:

Upon notice from MLGW to CSI that the system is to be converted from overhead to underground in a specified area and the joint use poles will be removed, the permit covering the use of said poles shall immediately terminate and the cables, wires and appliances of CSI shall be removed promptly from the affected pole.

35. EMERGENCY RESTORATION:

In the event CSI experiences an emergency with its facilities located in MLGW's conduit system, it is necessary that a MLGW representative be at the site before CSI, or its contractor, enters a manhole and/or works on the cable in a MLGW conduit system facility for any reason. MLGW will respond to an emergency as arranged between CSI and a MLGW representative. An emergency call associated with CSI or MLGW's customers out of service will be treated on a "priority" basis. MLGW's response time will be based on the situation existing at the time of the emergency. All MLGW labor and material associated with a CSI emergency will be billed to CSI.

36. INSPECTION:

MLGW reserves the right to inspect each new installation of CSI and to make periodic inspections, as conditions may warrant, of the entire system of CSI. Such inspections, or the failure to make such inspections, shall not operate to relieve CSI of any responsibility or obligation or liability assumed under this Agreement.

37. PROTECTION AND INDEMNITY:

MLGW reserves to itself, its successors and assigns, the right to maintain its poles, ~~manholes~~ and conduit and to operate its facilities thereon in such manner as will best enable it to fulfill its own service requirements. MLGW shall exercise reasonable precaution to prevent damage to, or interference with the operation of the equipment of CSI, but MLGW shall not be liable for any such damage or interference which may arise out of the use of MLGW's poles, ~~manholes~~ or conduit hereunder. CSI shall exercise special precautions to avoid damage to facilities of MLGW or of other authorized users of said poles or conduit; and CSI hereby assumes all responsibility for any and all damage to facilities of said MLGW or other authorized users arising out of or caused by the erection, maintenance, installation, presence, use or removal of CSI's facilities. CSI shall make an immediate report to the particular owner

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of the facilities affected by the occurrence of any damage and hereby agrees to reimburse such owner for the expenses incurred in making the necessary repairs and replacement.

38. CODES, RULES, AND STANDARDS:

CSI's facilities, in each and every location, shall be erected and maintained in accordance with the requirements and specifications of the latest revision of the National Electric Safety Code, as the same may be amended from time to time, and in compliance with any rules or orders now in effect or that may hereafter be issued by MLGW or other authority having jurisdiction. CSI's attachments shall be made in accordance with Attachment H, Figures 1 through 8, and the location of any attachment may be redesignated from time to time. CSI shall reimburse MLGW for all costs, including administrative charges and transportation costs incurred while working with CSI and while working out approvals for initial or rearrangement of attachments. CSI further agrees that all of its facilities will meet the standards and requirements as set out in Attachment I.

39. TIME TABLE:

CSI agrees to have the MLGW fiber System operational within six (6) months of receipt of all approvals as stated in this Agreement. If within twelve (12) months from the date of this Agreement, CSI has not received all necessary approvals, either party may cancel this Agreement without liability.

40. USE RESTRICTION:

MLGW shall utilize CSI provided Optical Fibers for its own internal use and shall not sell, lease or assign Optical Fibers or capacity from said Optical Fibers to any other entity.

MLGW shall have the right to connect MLGW fibers to MLGW's energy suppliers and to metering and supervisory equipment at MLGW's customer sites. These fibers will be used to operate MLGW's water and energy systems and do not constitute sale, lease or assignment of fibers or capacity.

41. ASSIGNMENT:

CSI may assign or transfer any of its rights under this Agreement in whole or in part, by merger, consolidation, reorganization or change in the ownership or control of CSI's business or by other means. If any cable containing the Optical Fibers is sold, transferred or assigned by CSI, the new owner or operator of the cable shall be required by CSI to acknowledge in writing to MLGW that maintenance and repair will continue under the same terms and conditions set forth in this Agreement and that the new owner or operator shall be bound by all terms of this Agreement to the full extent as is CSI.

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42. ADDITIONAL PROVISIONS:

- a. The failure of either party to give notice of default or to enforce or insist upon compliance with any of the terms or conditions of this Agreement, the waiver of any term or conditions of this Agreement or the granting of an extension of time for performance shall not constitute the permanent waiver of any term or condition of this Agreement and this Agreement and each of its provisions shall remain at all times in full force and effect until modified by authorized parties in writing;
- b. The provision of the Service will not create a partnership or joint venture between the parties nor result in a joint communications service offering to the customers of either CSI or MLGW;
- c. CSI shall not, without the prior written consent of MLGW use any of its facilities attached to MLGW's poles, or installed in MLGW's conduit, for any purpose other than that provided in this Agreement. Whenever, in the reasonable judgement of MLGW, CSI has used its facilities for any purpose not authorized herein, MLGW shall forthwith notify CSI. Upon receipt of such notice, CSI shall as promptly as practicable (and in no later than twelve hours after receipt of such notice) cease such use complained of in the notice. Failure to do so or repeated unauthorized use shall constitute a default of CSI's obligations and, notwithstanding any other provision of this Agreement, MLGW may at its option forthwith terminate this agreement.
- d. No subsequent agreement between MLGW and CSI concerning the Service shall be effective or binding unless it is made by authorized representatives of the parties hereto and no representation, promise, inducement or statement of intention has been made by either party which is not embodied herein;
- e. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns.
- f. This Agreement sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements or understandings relating to its subject matter;
- g. If any part of any provision of this Agreement or any other agreement, document or writing given pursuant to or in connection with this Agreement shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Agreement, and the parties hereby agree to negotiate with respect to any such invalid or unenforceable part to the extent necessary to render such part valid and enforceable;

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- h. descriptive headings in this Agreement are for convenience only and shall not affect the construction of this Agreement.

43. NOTICE:

Notices under this Agreement shall be in writing and delivered to the persons whose names and business addresses appear below or as otherwise provided for by proper notice hereunder and the effective date of any notice under this Agreement shall be the date of delivery of such notice, not the date of mailing.

If to CSI: CSI
250 Monroe Ave., NW, Suite 640
Grand Rapids, MI 49503
Attention: Brad A. Evans

If to MLGW: Memphis Light, Gas and Water
220 South Main Street
Memphis, TN 38103
Attention: Contract Management

44. RIGHTS:

Nothing herein contained shall be construed as affecting the rights or privileges previously conferred by MLGW, by contract or otherwise, to others not parties to this Agreement, to use any poles or conduit covered by this Agreement; and MLGW shall have the right to continue and extend such rights or privileges to subsequent licenses. The attachment privileges herein granted shall at all times be subject to such existing contracts and arrangements.

45. OTHER COMPENSATION:

In addition to providing and maintaining six (6) dark fibers to MLGW's described facilities, CSI also agrees to make annual payments to MLGW of the greater dollar amount of the two payment options:

Payment Option 1: Basic Pole Attachment Fee of \$14.48 for each attachment for a twelve (12) month period

Basic Conduit Rental Fee of \$2.25 for each foot for a twelve (12) month period

The basic pole attachment and conduit rental fees ("Fees") shall be increased/decreased by the change in percentage over time in the Handy Whitman Index.

The first change in Fees shall be made twelve (12) months after initial system acceptance by MLGW. The Fees shall be multiplied by the percentage of increase/decrease in the Handy Whitman Index since the date of signing of this Contract and the change shall be added to the basic Fees to determine the new

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Fees. CSI's first payment for pole attachment and conduit rental shall be determined by using the newly calculated Fees and shall be due twelve (12) months after the initial system acceptance by MLGW.

All succeeding changes in Fees shall be made annually on the anniversary of the initial system acceptance by MLGW. The Fees shall be multiplied by the percentage of increase/decrease in the Randy Whitman Index since the last change in Fees and the change shall be added to the then current Fees to determine the new Fees. CSI payments for pole attachment and conduit rental shall be determined by using the newly calculated Fees and shall be due annually on the anniversary of the initial system acceptance by MLGW.

MLGW will at intervals not exceeding five (5) years perform an actual inventory of the attachments of jointly used poles in all or in part of the territory covered by this Agreement, for the purpose of checking and verifying the number of poles on which CSI has attachments. Such field check shall be made jointly by both parties and shall be at the expense of CSI.

or

Payment Option 2: Three percent (3%) of gross CSI revenue derived from rent or sale of fiber optic network services provided on CSI's Memphis fiber network. Gross revenue shall be as shown in independently audited annual financial statements, a copy of which shall be provided to MLGW twelve (12) months after initial system acceptance by MLGW and annually on that day thereafter. MLGW acknowledges that CSI has a proprietary interest in its financial statements and MLGW agrees to hold in strictest confidence and not to disclose, provide or otherwise make available all or any part of CSI's Financial Statements. Fiber optic network services include sale, lease or rent of fibers or capacity or bandwidth between any points on CSI Memphis fiber network. Payments will be due twelve (12) months after initial system acceptance by MLGW and annually on that day thereafter.

46. EXPENSES:

CSI shall be responsible for reimbursing MLGW for all expenses as stated throughout this Agreement. Such expenses will include all engineering labor, material and equipment used for CSI work to be inclusive of all loading, interest and administrative costs. MLGW will provide monthly invoices for work that has occurred under this Agreement. Payment for

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such work shall be made within thirty (30) days after receipt of invoice. Non-payment of such costs shall constitute a default of this Agreement. In the event of such default, MLGW shall be entitled to recover the full amount due under this Article plus any reasonable expenses or collection including attorneys fees and court costs.

47. TERM:

This Agreement shall become effective on the day and year first above written; and if not terminated in accordance with the provisions herein, shall continue in effect for a term of not less than thirty (30) years from said date. Either party may terminate the Agreement at the end of said thirty (30) year period or at any time thereafter by giving at least six (6) months prior written notice. Such termination in no way exempts payment for pole attachment and conduit rental prior to the actual removal of all facilities. Upon termination of the Agreement in accordance with any of its terms, CSI after receiving notice of intent to terminate shall immediately remove its cables, wires and appurtenances from all poles or conduit of MLGW. If not so removed, MLGW shall have the right to remove them at the cost and expense of CSI and without any liability therefor, and CSI agrees to pay the reasonable cost thereof within ten (10) days after it has received an invoice from MLGW.

48. RECEIVERSHIP, FORECLOSURE, OR ACT OF BANKRUPTCY:

The pole and conduit use of this Agreement granted hereunder shall at the option of MLGW cease and terminate one hundred twenty (120) days after the appointment of a receiver or receivers or trustee or trustees to take over and conduct the business of CSI whether in a receivership, reorganization, bankruptcy or other action or proceeding unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred twenty (120) days, or unless:

- a. Such receivers or trustees shall have, within one hundred twenty (120) days after their election or appointment, fully complied with all the terms and provisions of this Agreement granted pursuant hereto, and the receivers or trustees within said one hundred twenty (120) days shall have remedied all defaults under the agreement; and
- b. Such receivers or trustees shall within said one hundred twenty (120) days, execute an agreement duly approved by MLGW having jurisdiction in the premises, whereby such receivers or trustees assume and agree to be bound by each and every term, provision and limitation of the franchise herein granted.

In the case of foreclosure or other judicial sale of the plant, property and equipment of CSI, or any part thereof, including or excluding this Agreement, MLGW may service notice of termination upon CSI and the successful bidder at such sale, in which event the Agreement herein granted and all rights and privileges of the Agreement hereunder shall

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cease and terminate thirty (30) days after service of such notice, unless:

- a. MLGW shall have approved the transfer of this Agreement, as and in the manner in this Agreement provided; and
- b. Unless such successful bidder shall have covenanted and agreed with MLGW to assume and be bound by all the terms and conditions to this Agreement.

49. TRANSFER RIGHTS OF ATTACHMENTS:

CSI shall not assign, transfer, sublease or resell the rights of attachments hereby granted to it, or the rights to use facilities so attached to MLGW's poles, without prior consent in writing of MLGW. Failure of CSI to give such notice shall be cause for termination of this Agreement.

50. RIGHTS OF MLGW - OWNERSHIP:

No use, however, extended of MLGW's poles, under this Agreement, shall create or vest in CSI any ownership or property rights of said poles, but CSI rights therein shall be and remain a mere license.

51. REMOVAL OF ATTACHMENTS:

CSI may at any time remove its attachments from any pole of MLGW, but shall immediately give MLGW written notice of such removals in the form of Attachment J, hereto attached and made a part hereof. No refund of any rental will be due on account of such removal.

52. PERFORMANCE BOND:

CSI shall furnish a Performance Bond (form attached) executed by a surety company acceptable to the Board of Light, Gas and Water Commissioners which is duly authorized to do business in the State of Tennessee, in the amount of Two Hundred Thousand Dollars (\$200,000.00) for the duration of this construction period as security for the faithful performance of this Agreement and for the payment of all persons performing labor and furnishing materials in connection with this Agreement.

The construction period is defined as the period of time beginning on the date of the signing of this Contract and ending on the date of MLGW's acceptance of the fiber optic network system.

53. DEFAULT:

If MLGW or CSI shall fail to comply with any of the terms or provisions of this Agreement, or default in any of its obligations under this Agreement and shall fail within thirty (30) days after written notice from the other party to correct such default or non-compliance, the party may, at its option, terminate this Agreement.

AUG 31 1992

54. TERMINATION:

In the event of termination not the fault of MLGW, CSI shall compensate MLGW as described in Article 46 for expenses incurred to date of termination.

55. JURISDICTION:

Any and all disputes arising out of this Agreement shall be governed, construed and enforced according to the laws of the State of Tennessee. All actions relating to the validity, construction, interpretation and enforcement of this Contract shall be instituted and litigated in the Courts of Tennessee, in accordance herewith the parties to this Contract submit to the jurisdiction of the Courts of Tennessee, located in Shelby County, Tennessee.

56. TRAINING:

CSI shall provide training for MLGW construction and engineering personnel for the installation of fiber optic cable, splice capsules and innerduct in conduit and manholes. Training shall be conducted by representatives of CSI's underground fiber cable, splice capsule and innerduct manufacturers at an MLGW facility in Memphis.

Underground cable, splice capsule and innerduct installation instruction manuals, videos and other training aids deemed necessary by the manufacturers' representatives shall be given to MLGW at no cost to MLGW.

The cost of the training representatives and all training expenses shall be paid by CSI. Training facilities shall be provided by MLGW. Training shall be scheduled by mutual consent of MLGW and CSI.

57. CSI REPRESENTATIVE:

A CSI representative shall be present during all MLGW installation of underground fiber cable, innerduct, splice capsules and accessories. The CSI representative shall be knowledgeable and experienced in underground fiber cable, innerduct, splice capsules and accessory installation and shall be authorized by CSI to answer questions and make decisions on CSI's behalf regarding problems and questions that occur during MLGW installation of underground cable, innerduct, splice capsules and accessories. The CSI representative shall be furnished at CSI's expense.

AUG 31 1992

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed the day and year first above written.

MEMPHIS LIGHT, GAS AND WATER DIVISION
City of Memphis, Memphis, Tennessee

By _____
President

CSI:

APPROVED:

Attorney, Board of Light, Gas and
Water Commissioners

WITNESS:

ATTEST:

Secretary-Treasurer, Board of Light,
Gas and Water Commissioners

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

July 10, 1992

PRODUCER

Buiten Tamblin Steensma
& Associates, Inc.
6731 28th Street S.E.
Grand Rapids, MI 49546

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
POLICIES BELOW.

COMPANIES AFFORDING COVERAGE**INSURED**

City Signal, Inc.
250 Monroe N.W. Suite #640
Grand Rapids, MI 49503

COMPANY LETTER **A** The Travelers Insurance Company

COMPANY LETTER **B** Accident Fund of Michigan

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

AUG 31 1992

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
GENERAL LIABILITY					
A	X COMMERCIAL GENERAL LIABILITY	660543J2052COF92	2/01/92	2/01/93	GENERAL AGGREGATE \$ 1,000,000
	CLAIMS MADE X OCCUR.				PRODUCTS-COMP/OP AGG. \$ 1,000,000
	X OWNER'S & CONTRACTOR'S PROT.				PERSONAL & ADV. INJURY \$ 1,000,000
	X Incl Cont Liab				EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 100,000
					MED. EXPENSE (Any one person) \$ 5,000
AUTOMOBILE LIABILITY					
	X ANY AUTO	660543J2052COF92	2/01/92	2/01/93	COMBINED SINGLE LIMIT \$ 1,000,000
	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
X	HIRED AUTOS				PROPERTY DAMAGE \$
X	NON-OWNED AUTOS				
	GARAGE LIABILITY				
EXCESS LIABILITY					
A	X UMBRELLA FORM	CUP680G9327-91	2/01/92	2/01/93	EACH OCCURRENCE \$ 5,000,000
	OTHER THAN UMBRELLA FORM				AGGREGATE \$ 5,000,000
WORKER'S COMPENSATION					
B	AND	179459	3/29/92	3/29/93	STATUTORY LIMITS
	EMPLOYERS' LIABILITY				EACH ACCIDENT \$ 100,000
					DISEASE-POLICY LIMIT \$ 100,000
	OTHER				DISEASE-EACH EMPLOYEE \$ 100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

The following is named as additional insured for General Liability coverages only: Memphis Light, Gas and Water and its officers, employees and agents

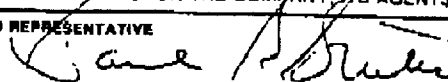
CERTIFICATE HOLDER

Memphis Light, Gas and Water
220 South Main
Memphis, TN 38101

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION ON LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



AUG 31 1992



Bond No. BNS13509

PERFORMANCE BOND

Approved by The American Institute of Architects
A.I.A. Document No. A-311 (Feb. 1970 Edition)

KNOW ALL MEN BY THESE PRESENTS:

That City Signal, Inc.

(Here insert full name and address or legal title of the Contractor)

250 Monroe N.W. Suite #640, Grand Rapids, MI 49503

as Principal, hereinafter called Contractor, and The Continental Insurance Company as Surety
(Here insert full name and address or legal title of Surety)

hereinafter called Surety, are held and firmly bound unto Memphis Light, Gas and Water, a
Division of the City of Memphis, Tennessee
220 South Main, Memphis, TN 38101
(Here insert full name and address or legal title of Owner)

as Obligees, hereinafter called Owner, in the amount of Two Hundred Thousand and 00/100*****
*****Dollars (\$ 200,000.00

for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors or assigns, jointly and severally, firmly by these presents.

WHEREAS, Contractor has by written agreement dated July 10, 1992
entered into a contract with Owner for Fiber Optic Communication Network

in accordance with drawings and specifications prepared by _____

(Here insert full name and address or legal title of Architect)

which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said contract, then the obligation shall be null and void; otherwise it shall remain in full force and effect.

The Surety hereby waives notice of any alteration or extension of time made by the Owner.

Whenever Contractor shall be, and declared by Owner to be in default under the Contract, the Owner having performed Owner's obligation thereunder, the Surety may promptly remedy the default, or shall promptly

1) Complete the Contract in accordance with its terms and conditions, or
2) Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by Surety of the lowest responsible bidder, or if the Owner elects, upon determination by the Owner and the Surety jointly of the lowest responsible bidder, arrange for a contract between such bidder and Owner, and make available as work progresses, even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph, sufficient funds to pay the cost of completion less the balance of the contract price, not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the contract price," as used in this paragraph, shall mean the total amount payable by Owner to Contractor under the Contract and any amendments thereto, less the amount properly paid by Owner to Contractor.

Any suit under this bond must be instituted before the expiration of two (2) years from the date on which final payment under the contract falls due. No right of action shall accrue on this bond to or for the use of any person or corporation other than the Owner named herein or the heirs, executor, administrators or successors of the Owner.

Signed and sealed this 10th day of July A.D. 19 92

City Signal, Inc.

[Signature]

(Principal)

(Seal)

[Signature]

(Witness)

[Signature]

(Title)

The Continental Insurance Company

(Surety)

(Seal)

[Signature]

(Witness)

[Signature]

Paul S. Buiten, Attorney

The Continental Insurance Company

GENERAL POWER OF ATTORNEY

AUG 31 1992.

Know all men by these Presents, That THE CONTINENTAL INSURANCE COMPANY has made, constituted and appointed, and by these presents does make, constitute and appoint

PAUL S. BUITEN OF GRAND RAPIDS, MICHIGAN

its true and lawful attorney, for it and in its name, place, and stead to execute on behalf of the said Company, as surety, bonds, undertakings and contracts of suretyship to be given to

ALL OBLIGEEES

provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of

FIVE MILLION (5,000,000) DOLLARS

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company on the 13th day of January, 1989:

"RESOLVED, that the Chairman of the Board, the Vice Chairman of the Board, the President, an Executive Vice President or a Senior Vice President or a Vice President of the Company, be, and that each or any of them is, authorized to execute Powers of Attorney qualifying the attorney named in the given Power of Attorney to execute in behalf of the Company, bonds, undertakings and all contracts of suretyship; and that an Assistant Vice President, a Secretary or an Assistant Secretary be, and that each or any of them hereby authorized to attest the execution of any such Power of Attorney, and to attach thereto the seal of the Company.

FURTHER RESOLVED, that the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached."

In Witness Whereof, THE CONTINENTAL INSURANCE COMPANY has caused its official seal to be hereunto affixed, and these presents to be signed by one of its Vice Presidents and attested by one of its Assistant Vice Presidents this 5 day of JUNE, 1990

Attest:

THE CONTINENTAL INSURANCE COMPANY

D.L. Baria

D.L. Baria, Assistant Vice President



By

Emil B. Askew

Emil B. Askew, Vice President

STATE OF CONNECTICUT }

COUNTY OF HARTFORD }

On this 5 day of JUNE 19 90 before me personally came Emil B. Askew, to me known, who being by me duly sworn, did depose and say that he is a Vice President of THE CONTINENTAL INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.



CERTIFICATE

Gloria D. Seckins

GLORIA D. SECKINS
NOTARY PUBLIC
My Commission Expires March 31, 1993

I, the undersigned, an Assistant Vice President of THE CONTINENTAL INSURANCE COMPANY, a New Hampshire corporation, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore that the Resolution of the Board of Directors, set forth in the said Power of Attorney, is now in force.

Signed and sealed at the town of Farmington, in the State of Connecticut. Dated the 10th day of July, 19 92.



J. Dennis Lane

J. Dennis Lane, Assistant Vice President

LABOR AND MATERIAL PAYMENT BOND
Approved by The American Institute of Architects
A.I.A. Document No. A-311 (Feb. 1970 Edition)

APR 3 1992

Note: This bond is issued simultaneously with another bond in favor of the owner conditioned for the full and faithful performance of the contract.
KNOW ALL MEN BY THESE PRESENTS:

That City Signal, Inc.

(Here insert full name and address or legal title of the Contractor)

250 Monroe N.W. Suite #640, Grand Rapids, MI 49503as Principal, hereinafter called Principal, and The Continental Insurance Company as Surety

(Here insert full name and address or legal title of Surety)

hereinafter called Surety, are held and firmly bound unto Memphis Light, Gas and Water, a Division of the City of Memphis, Tennessee

(Here insert full name and address or legal title of Owner)

220 South Main, Memphis, TN 38101as Obligor, hereinafter called Owner, for the use and benefit of claimants as hereinbelow defined, in the amount of Two Hundred Thousand and 00/100***** Dollars (\$ 200,000.00

(Here insert a sum equal to at least one-half of the contract price)

for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents.

WHEREAS, Contractor has by written agreement dated July 10, 1992 entered into a contract with Owner for Fiber Optic Communication Network

in accordance with drawings and specifications prepared by _____

(Here insert full name, title and address or legal title of Architect)

which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if the Principal shall promptly make payment to all claimants as hereinafter defined, for all labor and material used or reasonably required for use in the performance of the Contract, then this obligation shall be void otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A claimant is defined as one having a direct contract with the Principal or with a subcontractor of the Principal for labor, material or both, used or reasonably required for use in the performance of the contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.

2. The above named Principal and Surety hereby jointly and severally agree with the Owner that every claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date on which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for the use of such claimant, prosecute the suit to final judgment for such sum or sums as may be justly due claimant, and have execution thereon. The Owner shall not be liable for the payment of any costs or expenses of any such suit.

3. No suit or action shall be commenced hereunder by any claimant:

a) Unless claimant, other than one having a direct contract with the Principal, shall have given written notice to any two of the following: The Principal, the Owner, or the Surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be served by mailing the same by registered mail or certified mail, postage prepaid, in an envelope addressed to the Principal, Owner or Surety, at any place where an office is regularly maintained for the transaction of business, or served in any manner in which the legal process may be served in the state in which the aforesaid project is located, save that such service need not be made by a public officer.

b) After the expiration of one (1) year following the date on which Principal ceased work on said Contract, it being understood, however, that if any limitation embodied in this bond is prohibited by any law controlling the construction hereof, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

c) Other than in a state court of competent jurisdiction in and for the county or other political subdivision of the state in which the project, or any part thereof, is situated, or in the United States District Court for the district in which the project, or any part thereof, is situated, and nowhere else.

4. The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder, inclusive of the payment by Surety of mechanics' liens which may be filed of record against said improvement, whether or not claim for the amount of such lien be presented under and against this bond.

Signed and sealed this 10th day of July A.D. 19 92City Signal, Inc.Bob Ward

(Principal)

(Seal)

Rita M. Saylor

(Witness)

President

(Title)

The Continental Insurance Company

(Surety)

(Seal)

Yvonne A. Smith

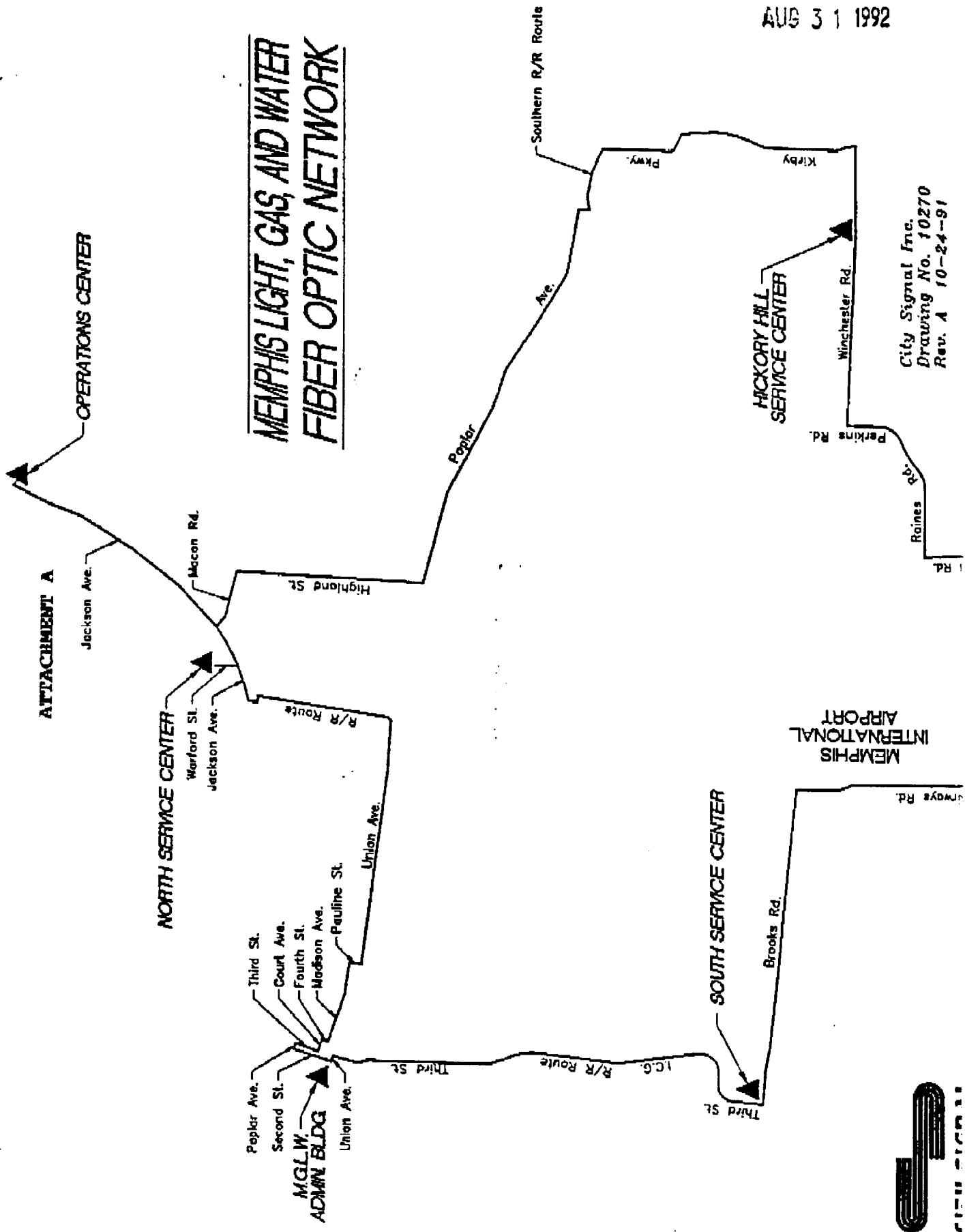
(Witness)

Paul S. Buiten

(Title)

Paul S. Buiten, Attorney

AUG 31 1992



City Signal Inc.
Drawing No. 10270
Rev. A 10-24-91

AUG 31 1992

ATTACHMENT BEQUIPMENT

	<u>ADMINI- STRATION BLDG.</u>	<u>SOUTH</u>	<u>HICKORY HILL</u>	<u>NORTH</u>	<u>OPE ATIC</u>
Fibers in	6	6	6	6	
Fibers out	6	6	6	6	
ST Connectors/Panel	12	12	12	12	1
ST Pigtaills	12	12	12	12	1
Fusion Splicing Tray	1	1	1	1	
Equipment Rack - 19"	1	1	1	1	

AUG 31 1992

ATTACHMENT "C"
APPLICATION FOR POLE ATTACHMENT PERMIT

Date _____

Number of Poles Covered
by Notice _____

Application No. _____

MEMPHIS LIGHT, GAS AND WATER DIVISION

Attention: Electric Distribution Engineering Department

In accordance with the terms and conditions of the agreement dated _____, 19__, between our respective companies covering pole attachments in the City of Memphis, Tennessee, application is hereby made for attachment of undersigned CSI's facilities to the following poles:

<u>Pole No.</u>	<u>Description of Attachments to be Installed</u>
_____	_____
_____	_____
_____	_____
_____	_____

 Shelby County Government

(Name of CSI)

By _____
 Title _____

 Permit for attachment of communication wire to the above listed poles
 approved:

Date _____
 By _____
 Title _____

ATTACHMENT "D"

AUG 31 1992

POLE ATTACHMENT PERMIT

Permission is hereby granted to make the attachments described in this application, subject to the terms and conditions set forth in the agreement between the companies, the following special terms and conditions:

and further subject to acceptance by CSI of the obligation to pay the cost (the estimated cost of which is shown below), if any, of the following changes in the plant involved to accommodate the above-specified attachments:

MEMPHIS LIGHT, GAS AND WATER DIVISION

By _____

Estimated Cost \$ _____

Title _____

Date _____

CITY SIGNAL, INC.

Above estimated cost, if any, accepted:

By _____

Title _____

Date _____

STATUS OF POLE ATTACHMENTS:

Number of poles in use prior to this permit: _____

Number of poles added by this permit: _____

New Total number in use: _____

NOTE: This form shall be submitted to MLGW in duplicate by CSI. If there are not changes in plant involving costs to CSI, MLGW will retain one copy and return one copy to CSI. If there are changes in plant involving such costs, both copies shall be returned to CSI who shall retain one copy and return to MLGW one copy containing CSI's acceptance of such costs. The permit shall not become effective until MLGW has received its copy containing CSI's acceptance of such costs. The estimated cost shown re MLGW's costs and do not include the costs of rearrangements to be made by joint users and other licensees.

ATTACHMENT "E"

APR 31 1992

CONDUIT OCCUPANCY APPLICATION

Supervisor, Distribution Engineering
Electric Engineering Department
Memphis Light, Gas and Water Division
P. O. Box 430
Memphis TN 38101-0430

_____, 19__

In accordance with the terms and conditions of the License Agreement between us, dated _____, 199__, application is hereby made for a revocable, non-exclusive license to occupy the conduit system shown on the attached sketch indicating location, type and size cable.

CSI hereby agrees to pay the cost incurred by MLGW in determining if the above specified facilities of CSI can be accommodated in the sections of the conduit system for which CSI has requested a license to occupy. Payment of costs by CSI to be in accordance with this Agreement.

CITY SIGNAL, INC.

By _____

Title _____

CSI

A revocable, non-exclusive license is hereby granted to the above CSI to occupy MLGW's conduit system with cable.

EXCEPTIONS (State "None" if none): _____

MEMPHIS LIGHT, GAS AND WATER DIVISION

By _____

No. of duct feet added by this

Title _____

request: _____

Date _____

AUG 31 1992

ATTACHMENT "F"

NOTIFICATION OF SURRENDER OF CONDUIT SYSTEM

OCCUPANCY BY CITY SIGNAL, INC.

Supervisor, Distribution Engineering
Electric Engineering Department
Memphis Light, Gas and Water Division
P. O. Box 430
Memphis, TN 38101-0430

In accordance with the terms and conditions of the License Agreement between us, dated _____, 199__, notice is hereby given that the license covering occupancy of the conduit system shown on the attached sketch is surrendered and you are hereby authorized to remove said cable. Said cable will be returned to MLGW's work center to be picked up by CSI.

CITY SIGNAL, INC.

By _____

Title _____

Date _____

Date Notice Received _____

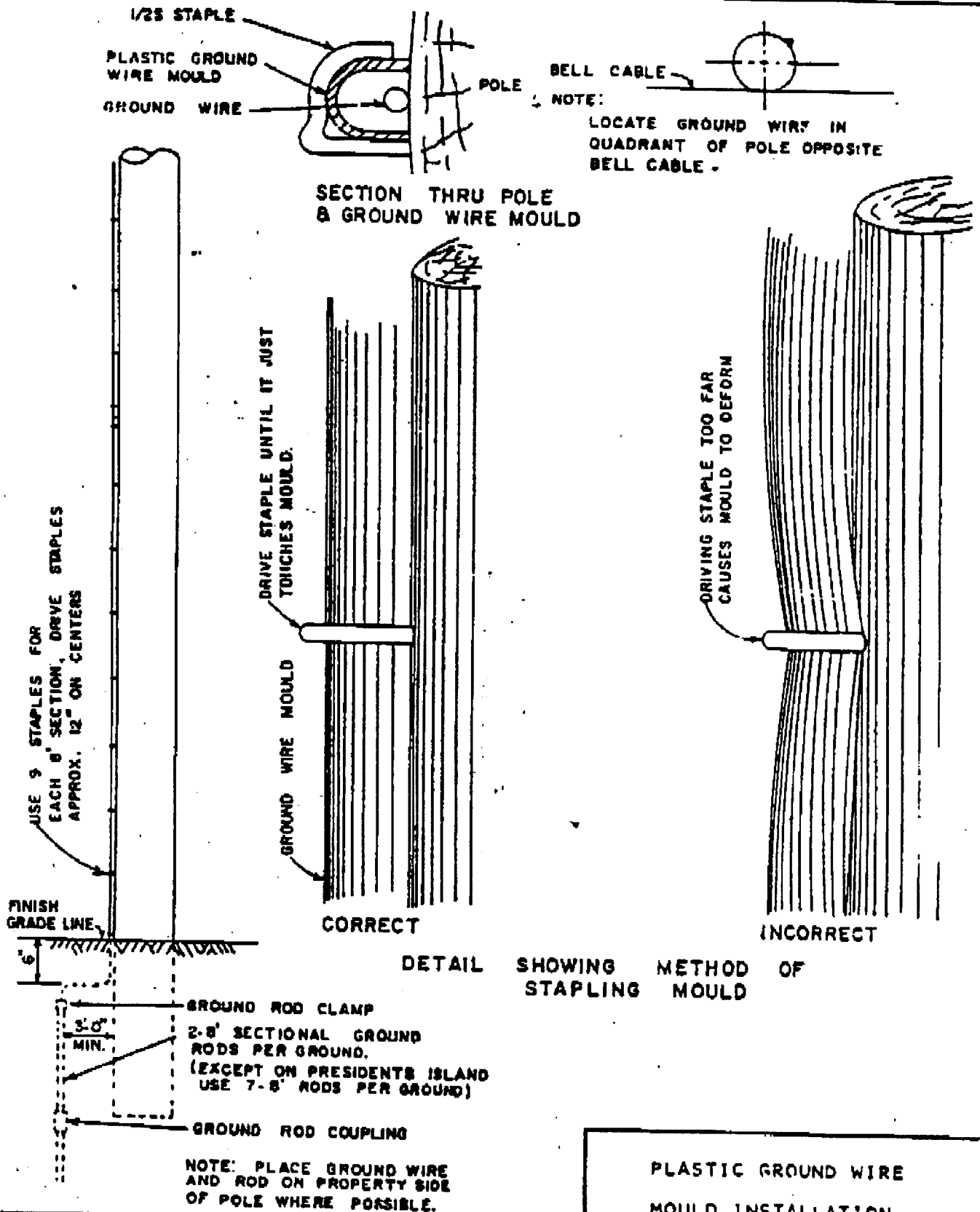
By _____

Title _____

CONSTRUCTION **MLG & W** STANDARD

ATTACHMENT 6

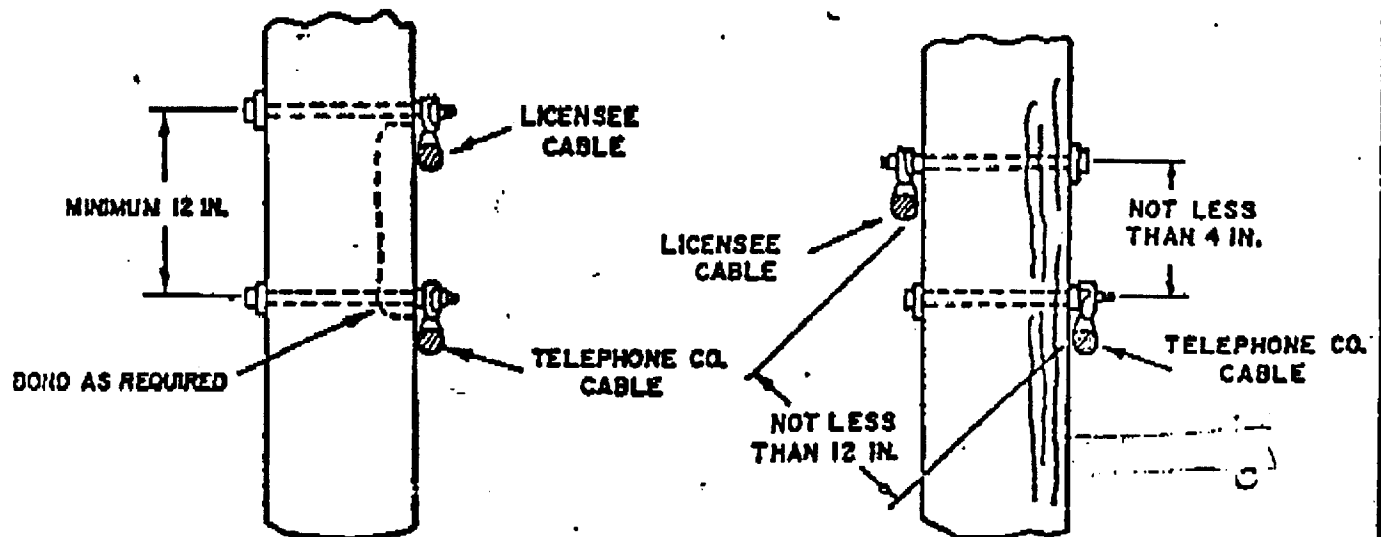
AUG 31 1992



PLASTIC GROUND WIRE
MOULD INSTALLATION
DISTRIBUTION

AUG 31 1992

ATTACHMENT H



PREFERABLE CLEARANCE

ALTERNATE METHOD OF
OBTAINING CLEARANCE
THIS METHOD OF CON-
STRUCTION IS TO BE USED
ONLY WHERE SPECIAL PER-
MISSION IS GIVEN BY THE
LICENSOR.

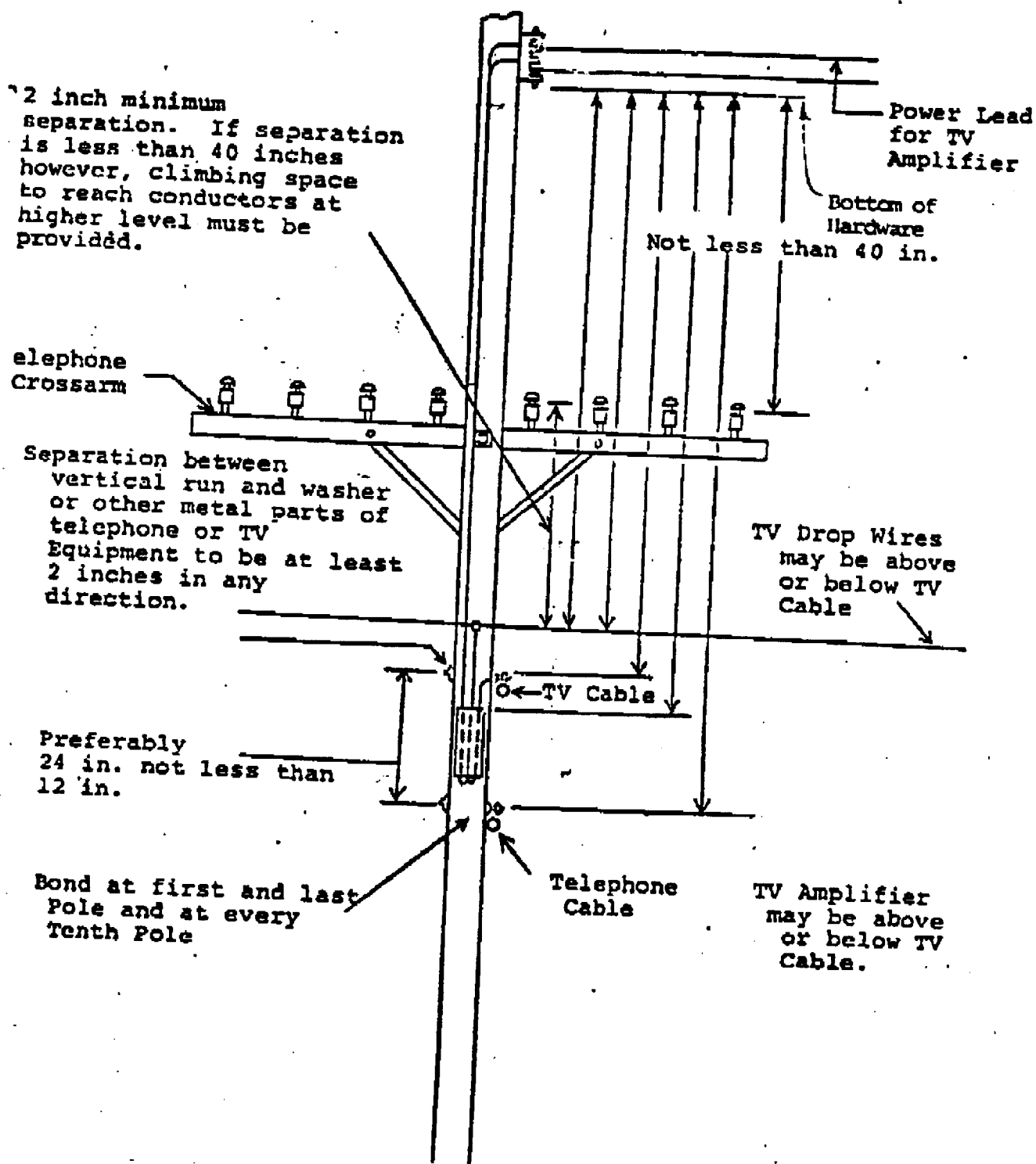
TELEPHONE COMPANY ATTACHMENT

FIG. 1

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES

443 31 1992

Pole Carrying Power Circuits, Open Wire or Cable or Both
TV Cable, Amplifier and Drop Wires with Power Lead for TV Amplifier



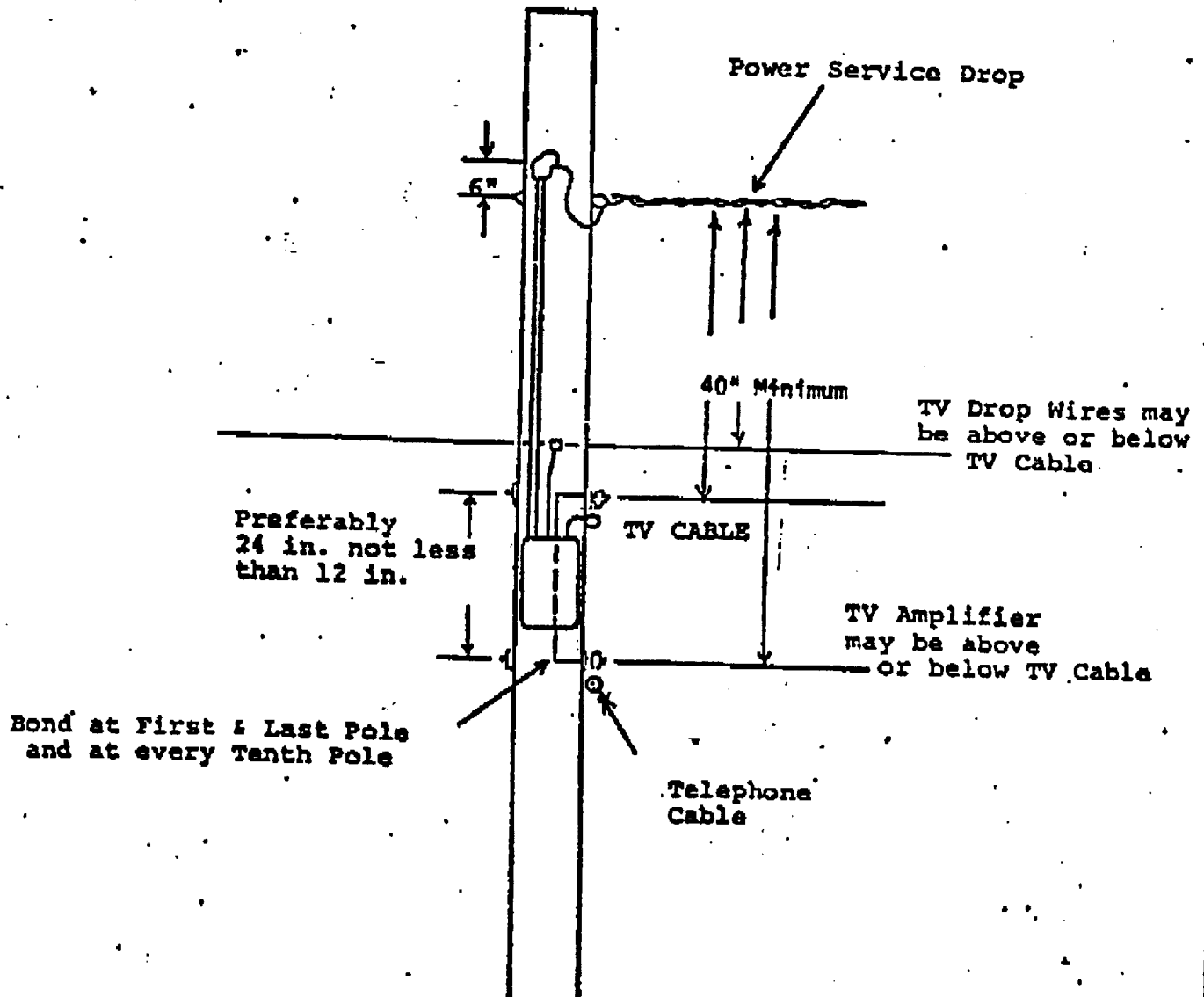
ATTACHMENT H

Fig. 2 - Clearances for TV Facilities

AUG 5 1992

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES

Telephone Pole without Power Circuits, Carrying
Cable, TV Cable Amplifier and Drop Wires with Power
Service Drop for TV Amplifier



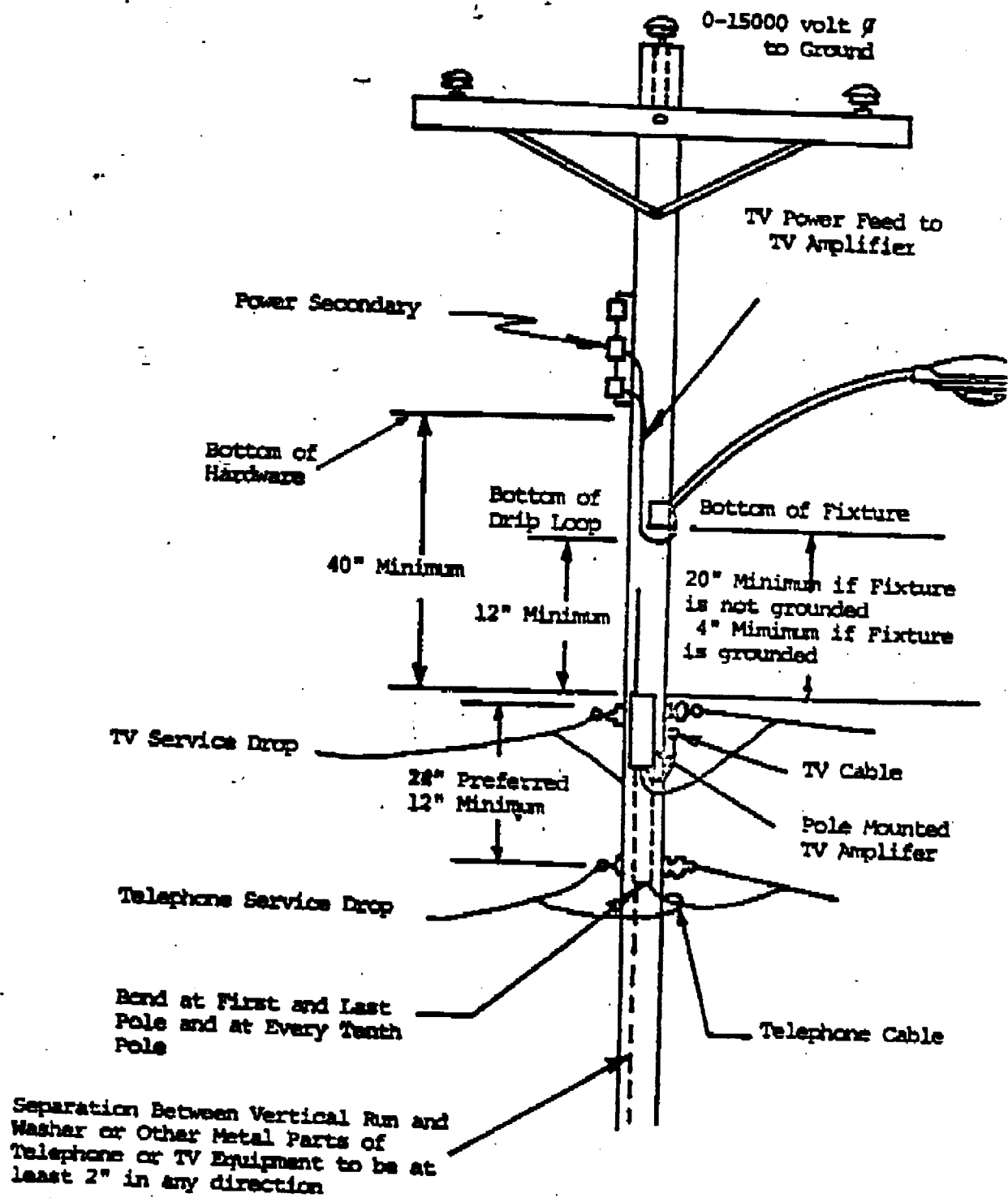
ATTACHMENT H

Fig. 3 - Clearance For TV Facilities

ATTACHMENT OF TV DISTRIBUTION SYSTEM TO POLES

TV Cable Mounted on Pole
TV Amplifier Mounted on Pole
Electric Light Bracket on Pole

AUG 31 1992



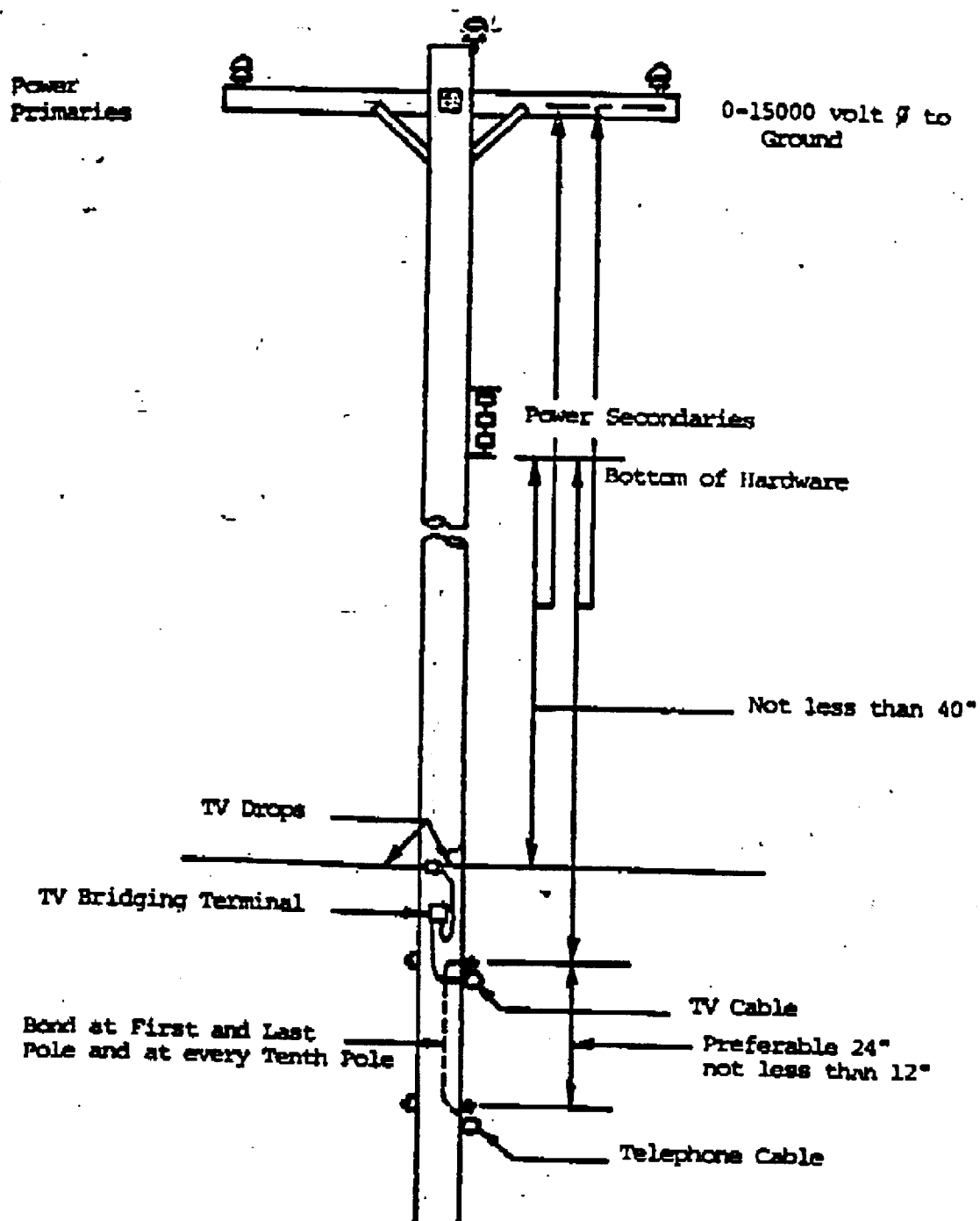
ATTACHMENT H

Figure 4 - Clearance for TV Facilities

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES

No Amplifier

400 5 1 1992



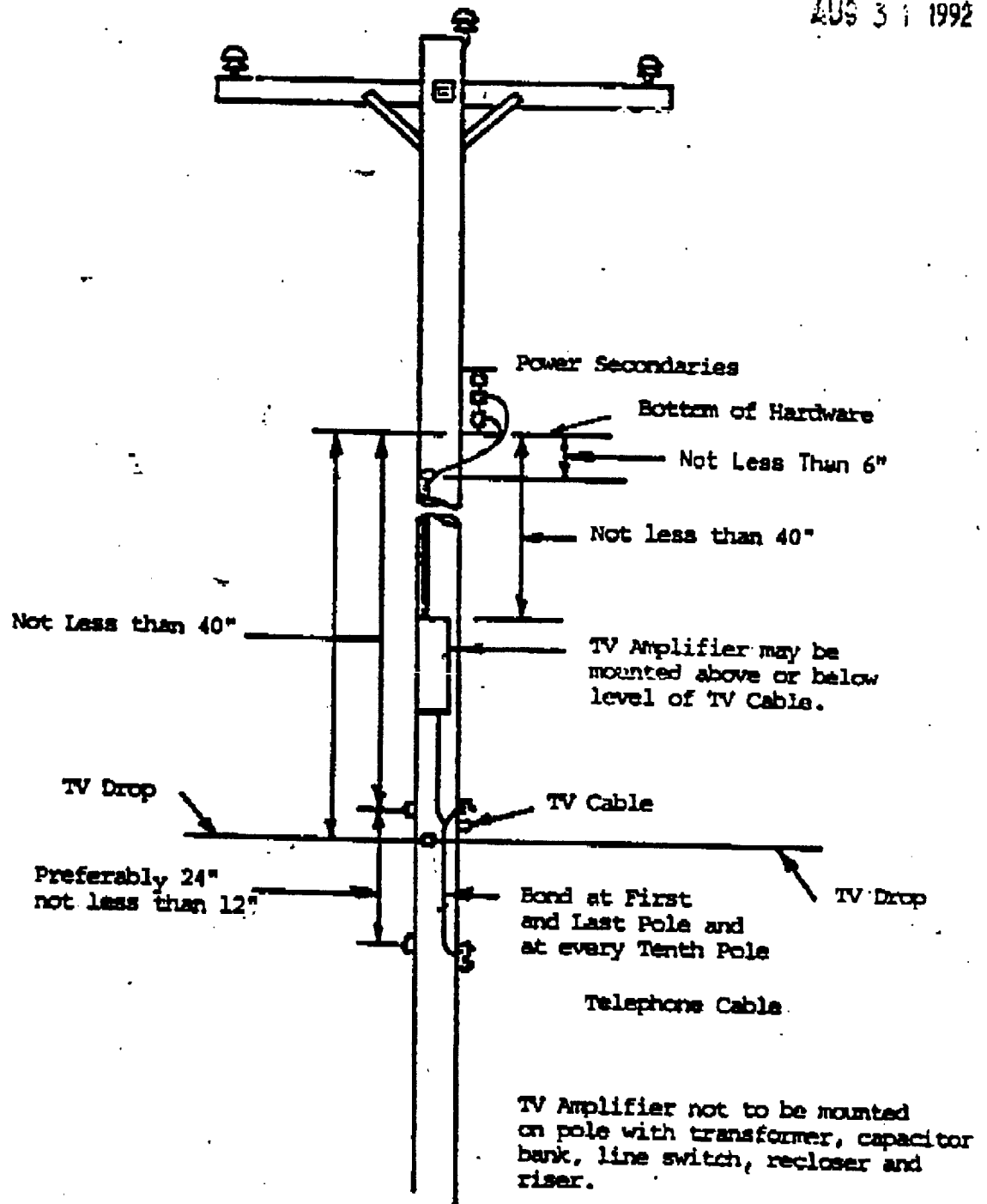
ATTACHMENT 4

Figure 5 - Clearances for TV Facilities

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES

TV Cable and Amplifier Mounted on Pole

AUG 31 1992



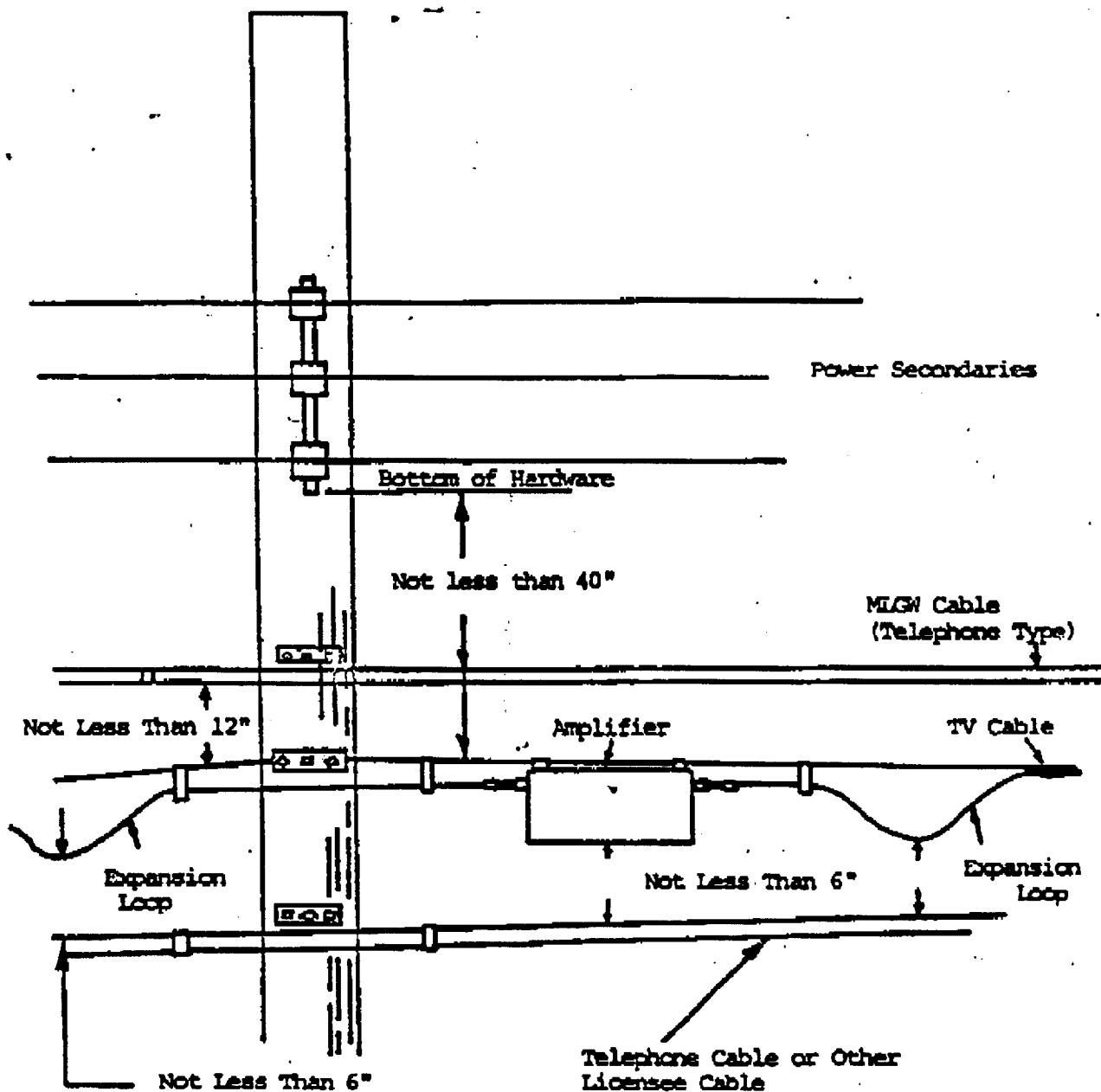
ATTACHMENT H

Figure 6 - Clearances for TV Facilities

ATTACHMENT OF TV DISTRIBUTION SYSTEM TO POLES

TV Cable With Strand Mounted Amplifier

AUG 31 1992



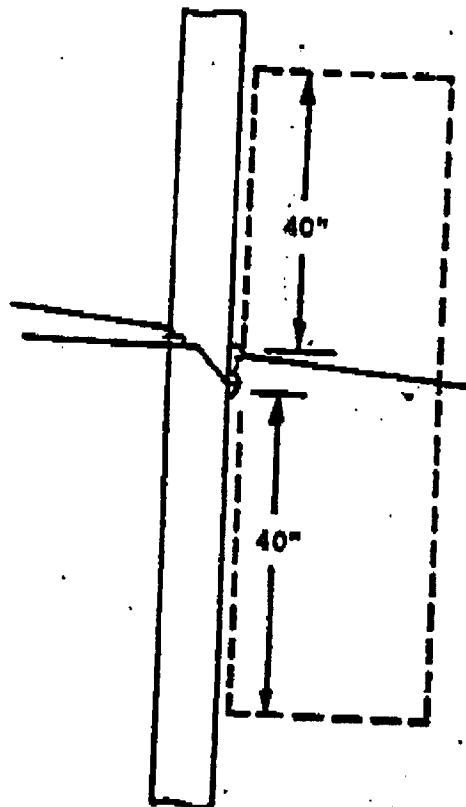
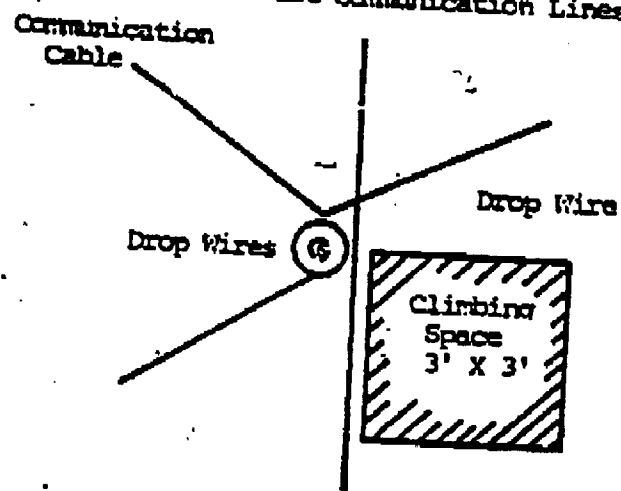
ATTACHMENT 4

Figure 7 - Clearance for TV Facilities

ATTACHMENTS OF TV DISTRIBUTION SYSTEM TO POLES

Climbing Space Location
and
Dimension Past Communication Lines

AUG 5 1 1992



ATTACHMENT #4

Figure 8 - Clearance for TV Facilities

ATTACHMENT I

AUG 31 1992

Cable Specifications

Radiation from any cable shall be limited to comply with the requirements found in Part 15 of the Federal Communication Rules and Regulations.

An approved protective device, such as a grounding block, will be provided at the drop termination point on the Licensee's subscriber's premises at or near the entrance to the building.

JUN 3 1992

ATTACHMENT "A"NOTIFICATION OF REMOVAL BY CSI_____
_____, 19__

Memphis Light, Gas and Water Division

In accordance with the terms of agreement dated _____,
19__, kindly cancel from your records the following poles and/or anchors
covered by permit No. _____ from which attachments were removed on
_____, 19__.

Location: _____
(City and State)

Pole*
Number Location: _____

*For anchors prefix pole number with "ANC".

By _____

Title _____
(CSI)

Notice Acknowledged _____, 19__.

Memphis Light, Gas and Water Division

By _____

Title _____

(MLGW)

Notice No. _____

Total Poles Discontinued _____

Total Anchors Discontinued _____

CONTRACT NO. 10445

ROUTE SPECIFIC CONDUIT OCCUPANCY AGREEMENT

THIS AGREEMENT is made and entered into as of October 1, 1997, 1997 between MEMPHIS LIGHT, GAS AND WATER, a Division of the City of Memphis, Tennessee, hereinafter called "MLGW", and WORLDCOM NETWORK SERVICES, INC., a Delaware corporation, with offices located at Tulsa, Oklahoma, hereinafter called "WORLDCOM".

W I T N E S S E T H :

WHEREAS, WORLDCOM proposes to extend its nationwide fiber optic communication network into the Memphis area in part utilizing MLGW's conduits to place its fiber; and

WHEREAS, MLGW is willing to permit, to the extent it may lawfully do so and on the terms hereinafter set forth, the installation of said fiber optic cable within MLGW's conduits, when in its judgment, such use will not interfere with its own service requirements, including considerations of safety and economy.

AGREEMENT

In consideration of the facts stated above, the mutual covenants and agreements of the parties, and other valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, IT IS AGREED:

1. GRANT OF RIGHTS IN CONDUIT SYSTEM:

Effective as of the date first shown above, MLGW hereby grants, leases and assigns, to WORLDCOM the right to place, operate, maintain and replace within MLGW conduits a fiber optic cable (the "Cable") along the route as generally depicted on Exhibit "A" hereto, for the purposes described herein, including the right of reasonable access for such purposes, subject to underlying real property and contractual limitations and restrictions, for the Term defined herein, all on the terms and subject to the conditions set forth herein.

2. CONSIDERATION FOR GRANT:

Subject to performance by MLGW of its obligations hereunder, WORLDCOM agrees to pay to MLGW the amount of \$3.66 per year per each conduit foot in which the Cable is installed pursuant to the terms of this Agreement (the "Contract Price"). WORLDCOM shall pay the initial such annual fee in full upon completion of such

installation, and thereafter such annual fee shall be due and payable on each anniversary of the date first above written.

The annual fee shall be revised annually based on the change over time in the Handy-Whitman Index ("HWI") for the South Atlantic Region 2. The beginning reference for conduit rental is line 46 ("Underground conduit") of the HWI dated July 1, 1996 with a cost index number of 251.

The first revision in Fees shall be made on January 1, 1998. All succeeding revisions shall be made on January 1st of each year thereafter and shall apply to that calendar year's payment by WORLDCOM.

The revised conduit rental fee shall be calculated each January 1st by this formula:

$$\frac{\$3.66 \times (\text{HWI of July 1st of the previous year})}{251}$$

3. INSTALLATION OF THE CABLE:

A. MLGW shall provide conduit and/or innerduct on the terms and subject to the conditions set forth herein and consistent with the specifications set forth in Exhibit "A".

B. The scheduled delivery date for completion of the installation of the conduit and/or innerduct shall be 12/1/97, _____ (the "Scheduled Delivery Date").

C. MLGW shall install WORLDCOM'S fiber optic cable in the conduit and/or innerduct along the route shown in Exhibit "A".

D. WORLDCOM shall provide workers and a supervisor for the workers to assist MLGW in the above-ground portions of the fiber optic cable installation. WORLDCOM shall provide equipment to transport the fiber optic cable.

E. MLGW shall perform, in accordance with engineering practices standard in the utility industry, all construction activities necessary to install and deliver the conduit and/or innerduct in accordance with the provisions hereof.

F. MLGW will permit use of existing conduit along the route shown on Exhibit "A" and will provide an additional five feet of conduit at the end of the route as shown on Exhibit "A". Conduit will be sufficient to allow for the installation of the Cable. All conduit will have sufficient pull rope installed to allow for the Cable to be installed. Subject to the limitations set forth below, WORLDCOM shall bear the expense of preparing the conduit, installing the additional conduit, installing the pull rope and any other make ready cost necessary to prepare said conduit for installation of the Cable. Where innerduct is to be installed, MLGW will install four (4) sections of innerduct per span of conduit. WORLDCOM shall pay one-fourth the cost of purchasing and installing four sections of innerduct in 4,100(±) feet of said conduit.

The parties acknowledge that all costs of the make ready work necessary for the installation of innerduct and cable cannot be known prior to the actual performance of the work. If in the course of performing make ready work, MLGW determines that the estimated cost of the work will exceed \$15,000 then MLGW agrees to consult with WORLDCOM before performing any additional work.

Notwithstanding any provision herein to the contrary, the total cost to WORLDCOM for make ready shall not exceed \$25,000, unless agreed to in writing by WORLDCOM after the MLGW consultation described in the preceding paragraph.

G. WORLDCOM shall obtain all Cable and splice enclosures at its own expense. WORLDCOM shall cause the Cable to be installed at WORLDCOM's expense subject to paragraph 3G above. WORLDCOM will reimburse MLGW for all direct, out-of-pocket expenses (including loading) incurred by MLGW for providing access to the conduit system. Loading shall not exceed 123% of MLGW's direct labor cost.

H. Splice enclosures and slack Cable shall be located in MLGW manholes, as space permits. Splicing shall be performed by WORLDCOM outside MLGW manholes.

I. WORLDCOM shall procure all materials to be incorporated in and to become a permanent part of the Cable.

J. Upon WORLDCOM's written request, MLGW shall make available for inspection by WORLDCOM copies of all information, documents, reports, permits, drawings and specifications generated, obtained or acquired by MLGW in performing its duties pursuant to this Section 3.

K. MLGW shall furnish WORLDCOM final "as-built" drawings within ninety (90) days of the completion of installation of the Cable, which drawings, as the same may be amended from time to time, shall depict the location of the Cable and the location of all fiber splices.

4. OPERATIONS:

Neither party hereto is supplying or is obligated to supply to the other party any optronics or electronics or optical or electrical equipment or other facilities, including without limitation, generators, batteries, air conditioners, fire protection or monitoring and testing equipment, nor is either party responsible for performing any work other than as specified in this Agreement.

5. MAINTENANCE AND REPAIR OF THE SYSTEM:

MLGW shall, for the Term of this Agreement, at its sole expense, perform routine maintenance of the rights-of-way and all components of the conduit system in which the Cable is enclosed. MLGW shall provide WORLDCOM not less than seventy two (72) hours notice of any maintenance of the conduit system or which might affect the Cable, unless an emergency preventing the giving of such notice has arisen.

6. PERMITS: PHYSICAL PLANT AND REQUIRED RIGHTS:

A. MLGW hereby guarantees that it does now possess, and hereby covenants that it shall cause to remain effective during the Term all rights, licenses, authorizations, rights-of-way and other agreements necessary for the installation of the Cable and for WORLDCOM to continue housing its Cable in the MLGW conduit, or other physical plant facilities, as well as any other such rights, licenses, authorizations (including any necessary state, tribal or federal authorizations such as environmental permits), rights-of-way and other agreements necessary for the installation of the Cable.

B. MLGW shall give WORLDCOM twelve (12) months prior notice of any required relocation, if possible. WORLDCOM shall pay the total cost of, and be solely responsible for relocation of its cable, accessories and occupied innerduct. MLGW shall deliver to

WORLDCOM updated "As-Builts" with respect to a relocated portion of the System not later than ninety (90) days following the completion of such relocation.

7. USE OF CABLE:

A. WORLDCOM may use the Cable for any lawful purpose. MLGW agrees and acknowledges that it has no right to use the Cable, and that MLGW shall keep the Cable free from any liens, rights or claims of any third party attributable to MLGW that adversely affect or impair WORLDCOM's exclusive use of the Cable hereunder.

B. WORLDCOM and MLGW shall promptly notify each other of any matters pertaining to any damage or impending damage to or loss of the Cable that are known to such party.

C. Each party shall take all reasonable precautions against, and shall assume liability, subject to the terms herein, for any damage caused by such party to the other's property. However, in no event shall the liability of MLGW exceed the limits set forth in the Tennessee GLTA.

D. WORLDCOM agrees to pay all of MLGW's costs and expenses, including, but not limited to, reasonable attorney fees, court costs, and interest incurred in any litigation commenced by MLGW to collect any payments required herein or to collect or enforce indemnification obligations contained in this section.

8. INSURANCE:

A. WORLDCOM shall obtain and maintain in full force and effect the following insurance covering all insurable risks associated with its ownership and operation of the System:

i) WORLDCOM shall obtain and maintain in full force and effect an occurrence (not claims made), automobile liability insurance policy covering any vehicle used in connection with its activities under this Agreement in an amount not less than one million dollars per occurrence.

ii) WORLDCOM shall obtain and maintain in full force and effect comprehensive liability insurance in minimum limits of \$1,000,000 each person and \$1,000,000 each occurrence for bodily injury and \$1,000,000 each occurrence and \$1,000,000 aggregate for property damage. The Certificate of Insurance shall indicate coverage for the following:

- a) Premises - Operations
- b) Products and Completed Operations
- c) Broad Form Contractual
- d) Broad Form Property Damage
- e) Inclusion of the interest of MLGW as an Additional Insured

iii) WORLDCOM shall obtain and maintain in full force and effect all workers' compensation and employers liability insurance required by Tennessee law.

iv) WORLDCOM shall obtain and maintain an umbrella liability policy certificate in addition to the certificates listed above with minimum acceptable limits of liability to be five million dollars per occurrence.

v) MLGW shall all be named as additional insured in all policies required under this section of this Agreement.

vi) WORLDCOM shall provide MLGW with thirty (30) days prior written notice of the cancellation, modification, or expiration of any insurance policy required under this Agreement.

vii) WORLDCOM shall provide MLGW with a current Certificate of Insurance evidencing all of the insurance required above in this article prior to the installation of its System and at times thereafter while this Agreement remains in effect. Each insurance certificate shall state that the issuer of the insurance certificate shall give MLGW thirty (30) days prior written notice of any cancellation, modification or expiration of any insurance policy referred to in the certificate. Replacement certificates shall be filed with MLGW at least thirty (30) days before the expiration of the current insurance policies.

B. All insurance required by this section to be maintained by WORLDCOM shall be effected by valid and enforceable policies issued by insurers authorized to conduct business in Tennessee and in good standing of the laws of Tennessee.

C. Upon MLGW's request from time to time, WORLDCOM shall deliver duplicate originals of such policies and renewal policies for such insurance to MLGW.

9. LIABILITY OF WORLDCOM:

A. WORLDCOM shall pay MLGW for any damage caused to MLGW's facilities and the facilities of others by WORLDCOM's negligence, omission, willful acts or by WORLDCOM's equipment malfunction. WORLDCOM shall indemnify, defend and hold harmless MLGW and its agents and representatives from any and all claims, demands and causes of actions including the payment of MLGW's reasonable attorney fees in attempting to require performance of WORLDCOM under the terms of this Agreement. WORLDCOM shall notify MLGW promptly in case of such damage to any of its facilities.

B. WORLDCOM, at its own expense, will indemnify MLGW and hold it harmless with respect to any and all loss, damage, liability or expense asserted against MLGW by a third party on account of any property damage or personal injury caused by any negligence or willful misconduct of WORLDCOM or its agents or representatives arising out of its performance of this Agreement. WORLDCOM's obligations under the immediately preceding sentence shall be subject to MLGW's duty to take reasonable precautions so as not to interfere with the facilities or service provided by WORLDCOM.

C. Notwithstanding any other provision hereof to the contrary, in no event shall either party be liable to the other party for any special, incidental, or consequential damages arising out of, or in connection with, transmission interruptions or problems, or any interruption or degradation of service, whether occasioned by any construction, reconstruction, relocation, repair or maintenance performed by, or failed to be performed by, the other party.

10. PERMITS, LICENSES AND RIGHTS-OF-WAY:

In order to construct, place and maintain its optical fiber network, WORLDCOM may need to negotiate with various Federal, State, county and local authorities and private entities for permits, license, rights-of-way, franchise agreements and property easements. The cost of any such permits, licenses, rights-of-way, franchise agreements and property easements shall be borne by WORLDCOM. If WORLDCOM is unable to obtain such permits, licenses, rights-of-way, franchise agreements, and property easements to install and operate its public network within one year of the effective date of this Agreement, under terms acceptable solely to WORLDCOM, either party may terminate this Agreement without liability to the other party. WORLDCOM shall provide to MLGW

copies of all such permits, licenses, rights-of-way, franchises, agreements and property easements prior to start of work.

11. NON-EXCLUSIVE:

A. MLGW grants WORLDCOM non-exclusive rights to occupy a conduit bank. MLGW does not suggest, imply or guarantee that WORLDCOM will have sole occupancy of a conduit bank. MLGW does warrant and represent that it has the right to grant WORLDCOM the rights granted herein and that such rights shall be sufficient to allow WORLDCOM to occupy the MLGW conduit.

B. Innerduct is flexible conduit installed inside a larger rigid conduit. WORLDCOM shall occupy one innerduct where innerduct is installed. The innerduct occupied by WORLDCOM shall be occupied exclusively by WORLDCOM. Occupancy of other innerduct shall be controlled by MLGW. In instances where no innerduct is installed and WORLDCOM is occupying a conduit, then that conduit shall be occupied exclusively by WORLDCOM. MLGW shall determine the locations where innerduct is to be installed.

12. CONDUIT APPLICATION REQUIREMENTS:

While some of the standards and technical requirements for WORLDCOM's cable are set forth herein, MLGW reserves the right to specify the type of construction required in situations not otherwise covered. In such cases, MLGW will at its discretion furnish to WORLDCOM written materials which will specify and explain the required construction. WORLDCOM reserves the right to terminate this Agreement in the event it disagrees with MLGW's specification of the type of or cost of construction required in situations not otherwise covered. WORLDCOM shall use its best efforts to negotiate disputed specifications before termination.

13. OCCUPANCY OF CONDUIT SYSTEM:

For the purpose of computing the total conduit occupancy fee due hereunder, the length of the conduit shall be measured from the center to the center of manholes, or from the center of a manhole to the end of MLGW's conduit system occupied by WORLDCOM's cable.

14. ELECTRICAL DESIGN SPECIFICATIONS:

A. Cables with an outer metallic sheath shall be bonded at each manhole by MLGW. No cable of WORLDCOM's shall be permitted in MLGW's conduit system if such cable causes electrical interference on any facilities of MLGW. Such interference shall be removed at the expense of WORLDCOM. WORLDCOM's power supplies will not be permitted in MLGW's conduit system. WORLDCOM's cable shall not be

designed to use the earth as the sole conductor for any part of WORLDCOM's circuits.

B. WORLDCOM shall not circumvent MLGW's corrosion mitigation measures. The Cable shall be compatible with MLGW's facilities so as not to damage any facilities of MLGW by corrosion or otherwise. WORLDCOM shall be liable to MLGW for any damages occasioned by such corrosion or otherwise.

15. PHYSICAL DESIGN SPECIFICATIONS:

A. WORLDCOM's cables bound or wrapped with cloth or having any kind of fibrous covering or impregnated with an adhesive material shall not be permitted in MLGW's conduits.

B. Splices and terminations in WORLDCOM's underground cables shall be located only in splice enclosures. These splices and terminations shall be made by WORLDCOM. The purpose of the splice enclosures shall be to provide for connection of small spur cables from WORLDCOM's customers to a larger backbone cable. A splice enclosure and a small coil of fiber cable, approximately 50 feet in length or less, will be allowed in an MLGW manhole if, in MLGW's sole determination:

- i) it does not pose a safety hazard,
- ii) sufficient room exists inside the manhole for installation, placement and removal,
- iii) sufficient room exists for future MLGW requirements, and
- iv) the manhole does not already contain a splice enclosure.

C. A splice enclosure in a manhole will be installed and removed by MLGW. Splice enclosure location inside the manhole will be determined by MLGW.

D. MLGW will remove the splice enclosure from the manhole for WORLDCOM to perform work on the enclosure. All WORLDCOM work involving the splice enclosure shall be performed outside of the manhole and the conduit system. MLGW will replace the splice enclosure in the manhole after WORLDCOM has finished work on the enclosure.

E. A small coil of fiber optic cable, in such lengths as may be designated by WORLDCOM and approved by MLGW, will be allowed in each MLGW manhole not containing a splice enclosure if, in MLGW's sole determination:

- i) it does not pose a safety hazard,
- ii) sufficient room exists inside the manhole for its placement, and
- iii) sufficient room exists for future MLGW requirements.

The purpose of this cable coil is to provide excess cable for slack requirements and emergencies. The Cable coil shall not be used for splices, terminations or installation of a splice enclosure. Cable coils will be installed by MLGW. Cable coil location inside the manhole will be determined by MLGW.

F. The maximum permissible diameter of the Cable to be placed in any of MLGW's conduits shall be determined by MLGW based upon the size and shape of the conduits and the size of the existing cable in the conduit. WORLDCOM's Cable will not be permitted in any ductline where less than two vacant conduits remain after the installation of WORLDCOM's Cable.

G. All MLGW work involving WORLDCOM splice enclosures and cable coils shall be performed at WORLDCOM's expense.

16. CONNECTION OF WORLDCOM'S CONDUIT:

Any section of conduit which connects with MLGW's manhole shall be installed by MLGW at the expense of WORLDCOM. The maximum length of conduit shall not exceed five (5) feet and shall be maintained at WORLDCOM's expense.

17. WORK RULES:

A. MLGW's manholes or transformer vaults shall not be opened or tampered with by an employee, agent or contractor of WORLDCOM. No employee, agent or contractor of WORLDCOM shall enter or work in any of MLGW's manholes or transformer vaults.

B. Clearing obstructions, repairs, dig-ups and any other work required to make a conduit usable for the initial placing of WORLDCOM's cable shall be done by MLGW at WORLDCOM's expense.

C. MLGW shall place, remove, change, and maintain all Cable in MLGW's conduit system with materials supplied by WORLDCOM, approved by MLGW and delivered in a timely manner to the location designated by MLGW.

D. MLGW and WORLDCOM's cable shall be permanently identified by tags at each manhole or other access opening in the conduit system. Tags shall be of a type and wording satisfactory to MLGW.

All cost of this identification shall be at the expense of WORLDCOM.

E. Where manholes or transformer vaults must be pumped in order to allow work operations to proceed, pumping shall be done by MLGW at WORLDCOM's expense. Any leak detection liquid or device used by WORLDCOM's agents, employees or contractors shall be of a type approved in writing by MLGW.

F. When WORLDCOM, its agents, employees or contractors are working around any part of MLGW's conduit system located in the streets, alleys, highways, or other public rights-of-way or easements granted to MLGW or City of Memphis, the protection of persons and property shall be provided by WORLDCOM in an adequate and satisfactory manner; WORLDCOM shall be solely responsible for providing adequate barricades, warning lights, traffic cones, danger signs and other similar devices to protect all traffic, persons and property around the work area from danger.

G. MLGW's authorized representative shall have the authority to terminate WORLDCOM's work operations around MLGW's manholes or transformer vaults if, in the sole discretion of MLGW's authorized representative, any hazardous condition arises or any unsafe practice is being followed by WORLDCOM's agents, employees or contractors. Said discretion shall not be unreasonably executed.

18. EMERGENCY CONDITIONS:

In cases of emergency, MLGW's work shall take precedence over any and all operations of WORLDCOM.

19. DECOMMISSIONING:

MLGW may, in its sole judgment, remove any conduits not needed for its service requirements; and WORLDCOM shall, upon written notification from MLGW, remove its attachments from such conduits.

Notwithstanding the foregoing, all conduits occupied by WORLDCOM must either be maintained by WORLDCOM at its expense or relocated at the expense of WORLDCOM.

20. INSTALL AND TRANSFER FACILITIES:

WORLDCOM shall at its own expense make and maintain said attachments in safe conditions and in good repair, or relocate or replace its facilities placed in conduit or perform other work that may be required by MLGW; provided, however, that in case of emergency, MLGW may arrange to relocate, replace or transfer WORLDCOM's facilities. WORLDCOM shall on demand, reimburse MLGW for the expense thereby incurred.

21. EMERGENCY RESTORATION:

MLGW will respond to an emergency as arranged between WORLDCOM and an MLGW representative. An emergency call associated with WORLDCOM or MLGW's customers out of service will be treated on a "priority" basis. MLGW's response time will be based on the situation existing at the time of the emergency. All MLGW labor and material associated with a WORLDCOM emergency will be billed to WORLDCOM.

22. INSPECTION:

MLGW reserves the right to inspect each new installation of WORLDCOM and to make periodic inspections, as conditions may warrant, of the entire system of WORLDCOM. Such inspections, or the failure to make such inspections, shall not operate to relieve WORLDCOM of any responsibility or obligation or liability assumed under this Agreement.

23. PROTECTION AND INDEMNITY:

MLGW reserves to itself, its successors and assigns, the right to maintain its manholes and conduit and to operate its facilities thereon in such manner as will best enable it to fulfill its own service requirements. MLGW shall exercise reasonable precaution to prevent damage to, or interference with the operation of the equipment of WORLDCOM, but MLGW shall not be liable for any such damage or interference which may arise out of the use of MLGW's manholes or conduit hereunder. WORLDCOM shall exercise special precautions to avoid damage to facilities of MLGW or of other authorized users of said conduit; and WORLDCOM hereby assumes all responsibility for any and all damage to facilities of said MLGW or other authorized users arising out of or caused by the maintenance, installation, presence, use or removal of WORLDCOM's facilities. WORLDCOM shall make an immediate report to the particular owner of the facilities affected by the occurrence of any damage and hereby agrees to reimburse such owner for the expenses incurred in making the necessary repairs and replacement. Notwithstanding anything contained herein to the contrary, WORLDCOM reserves any claims against any third party (other than MLGW) for damages caused by said third party to the Cable.

24. CODES, RULES, AND STANDARDS:

WORLDCOM's facilities, in each and every location, shall be installed and maintained in accordance with the applicable requirements and specifications of the latest revision of the National Electric Safety Code, as the same may be amended from time to time, and in compliance with any rules or orders now in effect or that may hereafter be issued by MLGW or other authority having jurisdiction. Separation of communication and electrical conductors shall be as stipulated in the National Electrical Safety Code.

25. ASSIGNMENT:

WORLDCOM shall not assign, transfer, sublease or resell the rights of occupancy hereby granted to it, without prior consent in writing of MLGW. Failure of WORLDCOM to give such notice shall be cause for termination of this Agreement. WORLDCOM may assign or transfer any of its rights under this Agreement in whole or in part, by merger, consolidation, reorganization or change in the ownership or control of WORLDCOM's business without obtaining MLGW's consent. If any cable containing the optical fibers is sold, transferred or assigned by WORLDCOM in accordance with the terms of this paragraph, the new owner or operator of the cable shall be required by WORLDCOM to acknowledge in writing to MLGW that it agrees to be bound by all terms of this Agreement to the full extent as is WORLDCOM.

26. ADDITIONAL PROVISIONS:

A. The failure of either party to give notice of default or to enforce or insist upon compliance with any of the terms or conditions of this Agreement, the waiver of any term or conditions of this Agreement or the granting of an extension of time for performance shall not constitute the permanent waiver of any term or condition of this Agreement and this Agreement and each of its provisions shall remain at all times in full force and effect until modified by authorized parties in writing;

B. This Agreement will not create a partnership or joint venture between the parties nor result in a joint communications service offering to the customers of either WORLDCOM or MLGW;

C. No subsequent agreement between MLGW and WORLDCOM concerning the Service shall be effective or binding unless it is made by authorized representatives of the parties hereto and no representation, promise, inducement or statement of intention has been made by either party which is not embodied herein;

D. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns.

E. This Agreement sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements or understandings relating to its subject matter;

F. If any part of any provision of this Agreement or any other agreement, document or writing given pursuant to or in connection with this Agreement shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Agreement, and the parties hereby agree to negotiate with respect to any such invalid or unenforceable part to the extent necessary to render such part valid and enforceable;

G. Descriptive headings in this Agreement are for convenience only and shall not affect the construction of this Agreement.

H. MLGW is a tax-exempt governmental entity. Any tax, including sales, use or in lieu of tax liability resulting from the installation of WORLDCOM's cable shall be borne by WORLDCOM.

27. NOTICE:

Notices under this Agreement shall be in writing and delivered to the persons whose names and business addresses appear below or as otherwise provided for by proper notice hereunder and the effective date of any notice under this Agreement shall be the date of delivery of such notice, not the date of mailing.

If to WORLDCOM: WorldCom Network Services, Inc.
One Williams Center
P. O. Box 21348
Tulsa, Oklahoma 74172

Attn: Vice President,
Fiber Operations

If to MLGW: Memphis Light, Gas and Water
220 South Main Street
Memphis, TN 38103
Attn: Contract Management

28. RIGHTS:

Nothing herein contained shall be construed as affecting the rights or privileges previously conferred by MLGW, by contract or otherwise, to others not parties to this Agreement, to use any conduit covered by this Agreement; and MLGW shall have the right to continue and extend such rights or privileges to subsequent licenses. The attachment privileges herein granted shall at all times be subject to such existing contracts and arrangements.

29. EXPENSES:

WORLDCOM shall be responsible for reimbursing MLGW for all expenses, including those incurred by MLGW in the performance of work requested by WORLDCOM after the Cable has been installed, as stated throughout this Agreement. Such expenses will include all engineering, labor, material and equipment used for WORLDCOM work to be inclusive of all loading, interest and administrative costs. MLGW will provide monthly invoices for work that has occurred under this Agreement. Payment for such work shall be made within thirty (30) days after receipt of invoice. Non-payment of such costs shall constitute a default of this Agreement. In the event of such default, MLGW shall be entitled to recover the full amount due under this Article plus any reasonable expenses or collection including attorneys fees and court costs.

30. TERM:

This Agreement shall become effective on the day and year first above written; and if not terminated in accordance with the provisions herein, shall continue in effect for a term of twenty (20) years from said date. Either party hereto may terminate the Agreement at the end of said twenty (20) year period or at any time thereafter by giving at least six (6) months prior written notice. Such termination in no way exempts payment for conduit rental prior to the actual removal of all facilities but WORLDCOM's obligation to pay rental shall cease as of the date of said removal. Upon termination of the Agreement in accordance with any of its terms, WORLDCOM after receiving notice of intent to terminate shall immediately remove its cables, wires and appurtenances from all conduit of MLGW. If not so removed, MLGW shall have the right to remove them at the cost and expense of WORLDCOM and without any liability therefor, and WORLDCOM agrees to pay the reasonable cost thereof within ten (10) days after it has received an invoice from MLGW.

31. RECEIVERSHIP, FORECLOSURE, OR ACT OF BANKRUPTCY:

A. All rights of conduit use granted hereunder shall, at the option of MLGW, cease and terminate one hundred twenty (120) days after the appointment of a receiver or receivers or trustee or

trustees to take over and conduct the business of WORLDCOM whether in a receivership, reorganization, bankruptcy or other action or proceeding unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred twenty (120) days, or unless:

i) Such receivers or trustees shall have, within one hundred twenty (120) days after their election or appointment, fully complied with all the terms and provisions of this Agreement granted pursuant hereto, and the receivers or trustees within said one hundred twenty (120) days shall have remedied all defaults under the agreement; and

ii) Such receivers or trustees shall within said one hundred twenty (120) days, execute an agreement duly approved by MLGW having jurisdiction in the premises, whereby such receivers or trustees assume and agree to be bound by each and every term, provision and limitation of the franchise herein granted.

B. In the case of foreclosure or other judicial sale of the plant, property and equipment of WORLDCOM, or any part thereof, including or excluding this Agreement, MLGW may serve notice of termination upon WORLDCOM and the successful bidder at such sale, in which event the Agreement herein granted and all rights and privileges of the Agreement hereunder shall cease and terminate thirty (30) days after service of such notice, unless:

i) MLGW shall have approved the transfer of this Agreement, as and in the manner in this Agreement provided; and

ii) Unless such successful bidder shall have covenanted and agreed with MLGW to assume and be bound by all the terms and conditions to this Agreement.

32. DEFAULT:

If MLGW or WORLDCOM shall fail to comply with any of the terms or provisions of this Agreement, or default in any of its obligations under this Agreement and shall fail within thirty (30) days after written notice from the other party to correct such default or non-compliance, the party may, at its option, terminate this Agreement.

33. JURISDICTION:

Any and all disputes arising out of this Agreement shall be governed, construed and enforced according to the of the State of Tennessee. All actions relating to the validity, construction,

interpretation and enforcement of this Contract shall be instituted and litigated in the Courts of Tennessee, in accordance herewith the parties to this Contract submit to the jurisdiction of the Courts of Tennessee, located in Shelby County, Tennessee.

34. WORLDCOM REPRESENTATIVE:

A WORLDCOM representative shall be present during all MLGW installation of underground fiber cable, splice enclosures and accessories. The WORLDCOM representative shall be knowledgeable and experienced in underground fiber cable, splice enclosures and accessory installation and shall be authorized by WORLDCOM to answer questions and make decisions on WORLDCOM's behalf regarding problems and questions that occur during MLGW installation of underground cable, splice enclosures and accessories. THE WORLDCOM representative shall be furnished at WORLDCOM's expense.

35. CHARGES FOR INCOMPLETE WORK:

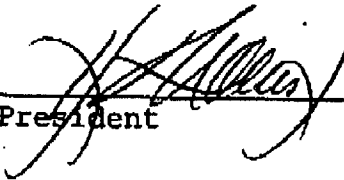
In the event that requests for attachments are made by WORLDCOM and steps are taken by MLGW to carry out the request for performing necessary engineering and administrative work and the job is canceled causing the job not to be done or completed, WORLDCOM shall reimburse MLGW for the total actual cost incurred by MLGW including engineering, clerical and administrative and construction costs.

36. TERMINATION:

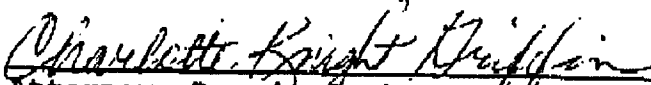
In the event of termination not the fault of MLGW, WORLDCOM shall compensate MLGW as described in Article 29 for expenses incurred to date of termination.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed the day and year first above written.

MEMPHIS LIGHT, GAS AND WATER DIVISION
City of Memphis, Memphis, Tennessee

By 
President


APPROVED:


Attorney, Board of Light, Gas and
Water Commissioners

Attest:

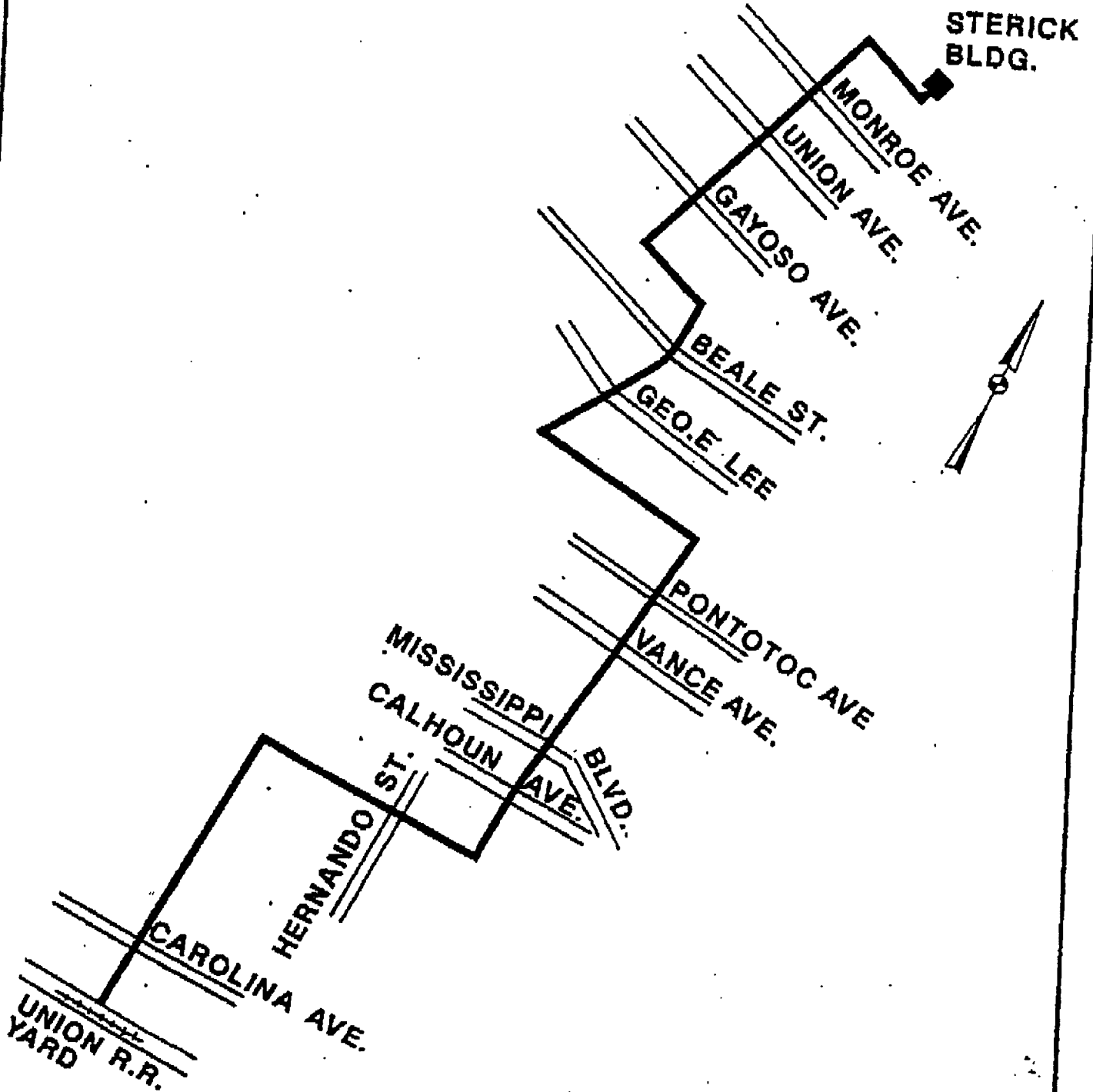

Secretary-Treasurer, Board of Light,
Gas and Water Commissioners

WORLDCOM NETWORK SERVICES, INC.

By 
Its Larry Duvall
Director, New Construction

OK
9-25-97

EXHIBIT A



PROPOSED
WORLDCOM ROUTE

NTS

PROPOSED WORLDCOM ROUTE
MEMPHIS TENN.

LDOS
**WORLD
COM**

Voice Data Video

DRAWN BY	DATE
CHECKED BY	
APPROVED	
DRAWING NUMBER	

MEMPHIS LIGHT, GAS AND WATER DIVISION

AGREEMENT

FOR

JOINT POLES, CONDUIT AND TRENCH USE

WITH

MEMPHIS CATV, INC.

#7993

MAY 3, 1973

C. R. HENZE

PRESIDENT

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JOINT USE AGREEMENT

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THIS AGREEMENT made 17th / May 3, 1973, between
Memphis Light, Gas and Water Division, City of Memphis, a Division of the City
of Memphis, a municipal corporation hereinafter called Licensor, party of the
first part, having its principal office at P. O. Box 388, Memphis, Tennessee,
and Memphis CATV, Inc., a Tennessee corporation, hereinafter called Licensee,
party of the second part, having its principal office at First National Bank
Building, Memphis, Tennessee.

The City of Memphis is also a party to this contract to grant whatever
interest is necessary under any public easements obtained by it for the use of
easements taken in its name for its use or for the use of the Memphis Light,
Gas and Water Division.

W I T N E S S E T H :

WHEREAS, Licensee proposes to furnish Broadband Telecommunications
system service for delivery via cable within the present city limits of Memphis,
Tennessee, and as said city limits are hereinafter enlarged pursuant to franchise
granted to Licensee, and desires to erect and maintain aerial cables, wires and
associated appliances throughout the area to be served and also desires to attach
or install such cables, wires and appliances to poles, conduit and trench of
Licensor; and

WHEREAS, subject in all instances to considerations of Licensor's service
requirements including considerations of economy and safety (which requirements,
together with its obligations under joint-use agreements with companies or muni-
cipalities providing communication service to the public or fire alarm systems
shall be paramount to any permits granted hereunder), Licensor is willing when it
may lawfully do so to permit the attachment or installation of Licensee's cables,
wires, and appliances to poles, conduit, trench and use of easements of Licensor,
but does not warrant same nor guarantee that objection to said installation might
not be made in which event Licensee will make necessary adjustments.

1. PURPOSE OF AGREEMENT

1.1 This license is granted for the purpose of permitting the use of Licensor's wood poles conduit or trench used in the electric or gas distribution system by Licensee in the furnishing of Broadband Telecommunications System service Licensee's patrons in the area set out above.

1.2 This license also permits the attachment of facilities for, or transmission of, other lawful signals which Licensee is legally authorized to transmit over the Broadband Telecommunications System facilities. Licensee shall not attach or install facilities for any other purpose to Licensor's poles, or trenches, and shall not use facilities for any other purpose to Licensor's poles, or trenches, and shall not use facilities attached hereunder for any other purpose or for any unlawful purpose.

2. APPLICATION REQUIREMENTS

2.1 Before attaching facilities to any pole or installing facilities in any conduit or trench of Licensor or any pole, conduit or trench of any utility of which Licensor has electrical attachment Licensee shall make application and receive a permit therefor with respect to each pole in the form of Exhibit B, hereto attached and made a part hereof. Upon granting such permit, Licensor agrees that Licensee is permitted to make the attachments thereby covered, subject to the terms and conditions in this agreement. In granting or denying the permit, Licensor reserves the sole right to determine whether a grant would affect any of Licensor's electric facilities including, but not limited to, all questions of economy, safety and

future needs of Licensor and any contractual obligation of Licensor to any other public utilities, any governmental bodies or other entities which may be entitled to use of or control of use of such pole, conduit or trench.

2.2 Within two (2) weeks after the date of signing by Licensor of Licensee's "Request for Joint Trench Consideration", Licensee must submit a design and layout sketch of Licensee's facilities along with "Application and Permit" in the form of Exhibit F, attached hereto and made a part hereof.

2.3. Upon Licensor's receipt of Licensee's "Application and Permit", and sketch, representative of the Electric Engineering Department will check and approve or disapprove Licensee's design and layout proposal.

2.4 Subsequent to Licensor's approval of Licensee's design and layout sketch a permit will be signed and returned to Licensee indicating the Licensee's proposal is acceptable to Licensor.

2.5 Those sections of Licensee's facilities as indicated on Licensee's design and layout sketch which run parallel and on the same side of the street as Licensor's facilities may be included in estimated cost to Licensee. Licensor will be responsible for the installation of Licensee's cable in this area only.

2.6 Licensor's Electric and Gas Engineering Departments shall have the right to locate Licensor's facilities in whatever manner as to be economical to Licensor. No provisions of this agreement shall be construed to require Licensor to relocate its facilities for the sole benefit of Licensee unless in the opinion of Licensor the cost savings would be mutually conducive.

3. INSTALL AND TRANSFER FACILITIES

Licensee shall, at its own expense, make and maintain said attachments in safe condition and in good repair, and in a manner suitable to Licensor and compatible with the use of said poles, conduit or trench by Licensor, and other owners of facilities using said poles, conduit or trench and in a manner that will not interfere with the maintenance and use of facilities thereon or which may from time to time be placed thereon. ^{CABLEVISION} Licensee shall at any time, at its own expense, upon notice from ^{MLGW} Licensor, relocate or replace its facilities placed on said poles or in conduit or trench and transfer them to substituted poles, conduit or trench or perform any other work in connection with said facilities that may be required by ^{MLGW} Licensor; provided, however, that in cases of emergency, Licensor may arrange to relocate or replace the facilities placed on said poles or in conduit or trench by Licensee, transfer them to substituted poles, conduit or trench or perform any other work in connection with said facilities that may be required in the maintenance, replacement, removal or relocation of said poles, conduit or trench or the facilities thereon or those which may be placed thereon. Licensee shall, on demand, reimburse Licensor for the expense thereby incurred.

4. CODES, RULES AND STANDARDS

Licensee's cables, wires and appliances, in each and every location, shall be erected and maintained in accordance with the requirements and specifications of the latest revision of the National Electrical Safety Code, the Safety Rules for the Installation and Maintenance of Electric Supply and Communication Lines, as the same may be amended from time to time the Occupational

Safety and Health Act of 1970 and in compliance with any rules or orders now in effect or that may hereafter be issued by the Licensor or other authority having jurisdiction. The location of Licensee's attachments to be made on each pole will be designated by Licensor, in accordance with attached drawings, figure 1 through 10, and the location of any attachment may be redesignated from time to time. Licensee shall reimburse Licensor for all costs, including administrative charges and transportation costs incurred while working with Licensee and while working out approvals for initial or rearrangements of attachments. Licensee agrees that all of its facilities will meet the standards and requirements as set out in Exhibit H attached hereto and made a part hereof.

5. REARRANGEMENT AND RELOCATION OF ATTACHMENTS

Where accommodation of Licensee's desired attachments may be made on present poles of Licensor by rearranging Licensor's facilities thereon, Licensee will compensate Licensor in advance for the full estimated expense of completing such rearrangements. Licensee will also in advance reimburse the Owner or Owners of other facilities attached to said poles or installed in conduit or trench for any expense incurred by them in rearranging such facilities. Licensee is prohibited from tampering with, interfering with, removing or relocating any electrical facilities on any pole or in conduit or trench covered by this contract.

6. REPLACEMENT OF POLES

6.1 In the event that any pole of Licensor to which Licensee desires to make attachments is inadequate to support the additional

facilities in accordance with the aforesaid specifications, Licensor will notify Licensee of the changes necessary to provide an adequate pole, together with the estimated cost thereof to Licensee. ^{CATV} Licensee will compensate ^{ALCW} Licensor in advance for the full estimated expense including engineering, clerical and administrative cost for changing the pole and transferring its facilities. Licensee will also in advance reimburse the owner or owners of other facilities attached to said poles for any expense incurred by them for rearranging or transferring such facilities.

6.2 Should any pole, conduit or trench become inadequate to accommodate additional required facilities of Licensor or of South Central Bell Telephone Company by reason of Licensee's attachment thereto, or presence therein, Licensor will notify Licensee in writing and will include the estimated costs of the changes necessary to provide adequate facilities. Within 30 days after such notice, Licensee shall indicate in writing to Licensor whether it will promptly remove its facilities in order to accommodate Licensor's requirements or whether it desires Licensor to make the necessary changes to provide adequate facilities at Licensee's expense. If it desires Licensor to make changes, Licensee shall reimburse Licensor in advance for the entire estimated additional cost thereof as set forth above. Licensee will also in advance reimburse the owner or owners of other facilities attached to said pole to be rearranged or replaced for any expense incurred by it or them in rearranging or transferring such facilities to the new pole.

6.3 The first Broadband Telecommunications Company to require a change-out of pole, must absorb the total cost of the project. If a second Broadband Telecommunications Company or other

user attaches to the same pole within a period of sixty months, then this second organization must reimburse the original attachee fifty percent of the total original cost of labor and material for the original change-out. After sixty months the attachment will be handled as a routine attachment.

6.4 If the first Broadband Telecommunications Company attaches a pole in the best and most proper manner and there is no suitable space for a second Broadband Telecommunications Company then the second Broadband Telecommunications Company must request the pole to be replaced for a taller pole and must absorb the total cost of the change-out.

6.5 Licensor reserves to itself, its successors and assigns, the right to maintain its poles, conduit or trench hereunder and to operate its facilities thereon in such a manner as will best enable it to fulfill its own service requirements. Licensor shall not be liable to Licensee for any interruption to service of Licensee or for interference with the operation of the cables, wires and appliances of Licensee arising in any manner out of the use of Licensor's poles hereunder.

7. REQUIRED PROOF OF LICENSEE TO PERFORM WORK

Prior to execution of this license agreement, Licensee shall have submitted to Licensor evidence, satisfactory to Licensor, of its authority to erect and maintain its facilities within public streets, highways and other thoroughfares and shall secure any necessary consent from Federal, State or Municipal Authorities or from the owners of property to construct and maintain facilities

at the locations of poles of Licensor which it desires to use. Licensee shall indemnify and reimburse Licensor for all loss and expense which result from claims of governmental bodies, owners of property or others that Licensee has not a sufficient right or authority for placing and maintaining Licensee's facilities on Licensor's poles or elsewhere.

8. INSPECTION OF LICENSEE'S FACILITIES

Licensor, because of the importance of its service, reserves the right to inspect each new installation of Licensee on its poles or in conduit or trench and in the vicinity of its lines or appliances and to make periodic inspections, as plant conditions may warrant. Such inspections, or Licensor's lack of inspection, shall not operate to relieve Licensee of any responsibility, obligation or liability assumed under this agreement.

9. GUY AND ANCHOR ATTACHMENTS

The Licensee shall at its own expense and to the satisfaction of the Licensor place guys and anchors to sustain any unbalanced loads caused by the Licensee's attachments. When, in unusual circumstances, the Licensee determines that it is necessary or desirable for it to attach its guys to anchors owned by the Licensor, it may make application to do so in a manner similar to that outlined in paragraph 2 above for application to make pole attachments. In such circumstances all the provisions of paragraph 3, 4, 5, 6, 7, 8, 9, and 10, above, applicable to poles shall also be separately applicable to anchors. In the event that any anchor or guy to which Licensee desires to make attachments is inadequate to support the additional facilities in accordance with the aforesaid specifications,

Licensors will notify Licensee of the changes necessary to provide an adequate anchor or guy, together with the estimated cost thereof to Licensee. Licensee will compensate Licensors in advance for the full estimated expense including engineering and administrative cost for changing the guy and anchor.

For anchors in place to which Licensee wishes to attach, the Licensee shall pay to the Licensors an installation cost of \$ 18.00 _____ per anchor on initial installation only for the use of each of the Licensors's anchors to which attachments are made.

10. INSTALLATION OF GROUNDS

When Licensors is requested by Licensee to install grounds or make connections to Licensors's system neutral, Licensee shall on demand reimburse Licensors for the total expenses including engineering, clerical and administrative cost thereby incurred on initial installation only.

All grounds installed by Licensee shall be in accordance with Licensors's standard grounding practices shown in Exhibit K attached hereto and made a part hereof.

11. R.O.W. MAINTENANCE

It is agreed that the cost of maintenance of right of way and recurring trimming should be borne jointly to the extent that each of the parties will benefit by the joint endeavor. Due to varying conditions expected to be encountered, the division of cost of maintaining right of way and tree trimming shall be agreed upon after a joint inspection by representatives of both parties of the work operations required to provide necessary clearances.

The division of cost as provided in this section shall be based on mutually agreeable predetermined divisions of cost and shall be subject to revision at the request of either party upon ninety (90) days written notice.

12. CHARGES FOR INCOMPLETE WORK

In the event that a request for attachments are made by Licensee and steps are taken by Licensor to carry out the request by performing necessary engineering and administrative work and the job is cancelled causing the job not to be done or completed, the Licensee shall reimburse the Licensor for the total estimated cost incurred by the Licensor including engineering, clerical and administrative and construction cost.

13. RENTAL RATE AND CONDITION OF PAYMENT

13.1 Licensee shall pay to Licensor, for attachments made to poles under this agreement, a rental at the rate of \$ 4.30 per pole per year. Said rental shall be payable semiannually in advance on the first day of January and the first day of July of each year during which this agreement remains in effect, based upon the number of poles on which attachments are being maintained on the first day of December and the first day of June respectively. The first payment of rental hereunder shall include such prorata amount as may be due for use of poles from the effective date hereof. For the purpose of determining the charge, absent satisfactory evidence to the contrary, the unlicensed use shall be treated as having existed (since the last field inventory of Licensee attachments or for the period beginning with the date of this Agreement) whichever period shall be the shorter.

13.2 At intervals not exceeding five (5) years an actual inventory of attachments shall be made of jointly used poles in all or in part of the territory covered by this Agreement, for the purpose of checking and verifying the number of poles on which Licensee has attachments. Such field check shall be made jointly by both parties and shall be at the expense of the Licensee.

13.3 The rental rate shall be reviewed and adjusted at the end of the first three years after the execution of this contract and at intervals of three years thereafter.

13.4 Electric service to amplifiers or other equipment and rates for this service are to be provided as covered under existing service policy as amended.

14. DAMAGES TO LICENSOR'S FACILITIES

Licensee shall exercise special precautions to avoid damage to facilities of Licensor and of others supported on said poles or buried in trenches and hereby assumes all responsibility for any and all loss for such damage. Licensee shall make an immediate report to Licensor of the occurrence of any damage and hereby agrees to reimburse Licensor and such others for the expense incurred in making repairs.

15. POLES NOT COVERED BY THIS AGREEMENT

Should Licensee attach any of its facilities to poles not covered by this agreement or should Licensee attach any of its facilities to poles that the Licensor has a joint use agreement, it shall maintain proper clearance between such equipment and communication lines and street lighting wires and shall otherwise

install, maintain and remove the equipment on such poles in such manner as to satisfy the requirements of paragraph 4 hereof with respect to safety, good workmanship, and avoidance of hazard.

16. LIABILITY OF LICENSEE AND INSURANCE

16.1 Licensee understands and agrees that the erection, placement, presence, maintenance, use and removal of its facilities in the vicinity of the Licensor's facilities at any and all locations increases the exposure of Licensor for damage to or loss of its property and the property of third persons, and for injury to or death of its employees and the employees of its contractors and subcontractors, and to third persons, and that Licensor's exposure to claims, demands and suits for any or all of the above is increased to a greater degree than exists in the absence of Licensee's facilities in the vicinity of Licensor's facilities at any location.

16.2 It shall be expressly understood and agreed by and between Licensor and the Licensee that the Licensee shall save the Licensor harmless from all loss sustained by the Licensor on account of any suit, judgement, execution, claim, or demand whatsoever arising out of but not limited to copyright infringements and all other damages arising out of the installation, operation or maintenance of the broadband telecommunications system whether or not any act or omission complained of is authorized, allowed or prohibited by the Agreement. In case suit shall be filed against the Licensor, either individually or jointly with the Licensee to recover for any claims or damages, the Licensee upon notice to it by the Licensor shall defend the Licensor against the action and in the event of a final judgement being obtained against the Licensor, either individually

or jointly with the Licensee, solely by the reason of the acts of the Licensee, the Licensee will pay said judgement and all costs and hold the Licensor harmless therefrom.

16.3 The Licensor shall notify the Licensee's representative in the City within fifteen (15) days after the presentation of any claim or demand to the Licensor, either by suit or otherwise, made against the Licensor on account of any negligence or contract as aforesaid on the part of the Licensee.

16.4 The Licensee shall furnish a Certificate of Insurance for itself showing the City as a named insured and the Memphis Light, Gas and Water Division as a named insured or as otherwise required by the Division to protect its interest and shall carry and pay the cost of the following Comprehensive Automobile and General Liability Insurance in support of its undertaking to hold the City, including the Memphis Light, Gas and Water Division, harmless from loss sustained on account of the negligence of the Licensee in at least the amount indicated below for injury to or death of persons and injuries to or destruction of property:

- (a) \$250,000 for personal or bodily injury to any one person
- (b) \$1,000,000 for personal or bodily injury in any one accident, or occurrence basis if available
- (c) \$250,000 property damage for any one accident, or occurrence basis if available
- (d) in the event that the Council of the City of Memphis feels that it is necessary for the protection of citizens of the City, they may demand that the amounts of insurance set out above be increased.
- (e) the Licensee shall also comply with all provisions of the Workmen's Compensation Law of Tennessee and copies of the above insurance policies shall be filed with the City Comptroller and the Memphis Light, Gas and Water Division Insurance Department.

16.5 The Licensee shall pay, and by his acceptance of this Agreement hereunder agrees that he will pay, all expenses incurred

by the Licensor in defending itself with regard to all damages and penalties mentioned above. These expenses shall include all out-of-pocket expenses, such as consultant or attorney fees, and shall also include the reasonable value of any services rendered by the City Attorney or his staff or any other employees of the City or the Memphis Light, Gas and Water Division.

16.6 The insurance policies mentioned above shall provide an endorsement containing contractual liability coverage with comparable limits as shown above so as to provide coverage for any and all liability assumed by the Licensee under the terms of this Agreement and shall contain the additional endorsement as follows:

- (a) it is hereby understood and agreed that this policy may not be cancelled nor the amount of coverage thereof reduced until sixty (60) days after receipt by the City Comptroller and the Memphis Light, Gas and Water Division Insurance Department by registered mail of a written notice of such intent to cancel or reduce said coverage.

16.7 The Licensee shall maintain, and by his acceptance of this Agreement hereunder agrees that he will maintain, throughout the term of the contract a faithful performance bond running to the City, including Memphis Light, Gas and Water Division, with at least two good and sufficient sureties approved by the City Attorney or his appointee in the sum of one million dollars (\$1,000,000) conditioned that the Licensee shall well and truly observe, fulfill and perform each term and condition of this Agreement, and upon the further condition that in the event Licensee shall fail to comply with any one or more of the provisions of this Agreement, there shall be recoverable jointly and separately from the principal and surety of such bond, any damages or loss suffered by the Licensor as a result thereof including the full amount of any compensation, indemnification or cost of removal or abandonment of any property of the Licensee as prescribed hereby, plus a reasonable amount for attorney fees and costs up to the full amount of the bond; said

condition to be a continuing obligation for the duration of this Agreement until the Licensee has liquidated all of its obligations to the Licensor. Notwithstanding the above provisions of this subsection, the Licensor may, in its sole discretion, waive said bond or reduce the required amount thereof after five (5) years of operation of the system, where in the sole opinion of the City Council said operation has been satisfactory. The bond shall also contain the following endorsement:

- (a) It is hereby understood and agreed that this bond may not be cancelled nor the intention not to renew be stated until sixty (60) days after receipt by the City Comptroller and the Memphis Light, Gas and Water Division Insurance Department by registered mail of a written notice of such intent to cancel or not renew.

16.8 All bonds, policies of insurance or certified copies thereof and written evidence of payment of required premiums shall be filed and maintained with the City Comptroller and the Memphis Light, Gas and Water Division Insurance Department during the term this Agreement.

16.9 The Licensee shall have no recourse whatsoever against the Licensor for any loss, cost, expense or damage arising out of any provision or requirement of this Agreement.

16.10 The Licensor shall have the right to intervene and the Licensee specifically agrees by his acceptance of this Agreement hereunder not to oppose such intervention by the Licensor in any suit or proceeding to which the Licensee is a party.

17. REMOVAL OF ATTACHMENTS

Licensee may at any time remove its attachments from any pole of Licensor, but shall immediately give Licensor written notice of

such removal in the form of Exhibit D, hereto attached and made a part hereof. No refund of any rental will be due on account of such removal. Should Licensee thereafter again wish to make attachments to such pole, it shall make application and receive a permit therefore as provided in paragraph 2 hereof.

18. POLES NOT ALLOWED TO BE JOINT

Upon notice from Licensor to Licensee that the use of any pole is forbidden by municipal authorities or property owner, the permit covering the use of such pole shall immediately terminate and the cables, wires and appliances of Licensee shall be removed, within a reasonable length of time, from the affected pole.

19. REMOVAL OF ATTACHMENTS FOR O.H. TO U.G. CONVERSION

Upon notice from Licensor to Licensee that the system is to be converted from overhead to underground in a specified area and the joint use poles will be removed, the permit covering the use of said poles shall immediately terminate and the cables, wires and appliances of Licensee shall be removed promptly from the affected pole.

20. NEW SERVICE AREAS AND CO-ORDINATION OF DESIGN

20.1 In order for Licensee to have the right to participate with Licensor in the design, planning and construction of Joint Trench projects in Subdivisions, Apartment Complexes, or other underground construction projects, a Request for Joint Trench Consideration, in the form of Exhibit E attached hereto and made a part hereof must be completed and submitted to Licensor within two (2) weeks after the Memphis City Council approval of said Subdivision or Apartment Complex property plat or within two (2) weeks after Licensor furnishes Licensee a Notice of Engineering Planning, for other projects in the form of Exhibit G, attached hereto and made a part hereof.

20.2 After Licensor has received Licensee's "Request for Joint Trench Consideration" and has decided that a Joint Trench project would be practical and beneficial, the signed request will be returned to Licensee with Licensor's preliminary Electric and Gas design and layout sketch for the project under consideration.

20.3 Licensee will then design and layout his facilities attempting to follow as close as practical the Electric and Gas design and layout of Licensor, indicating on sketch sections where joint trenching is desirable.

21. ESTIMATING LICENSEE'S COST AND BILLING - UNDERGROUND

21.1 Licensor's estimate for Licensee's cost for joint trench installations for opening trench, laying cable, backfilling and finishing when required will be based on each functional operation according to the following schedule:

<u>ITEM</u>	<u>INSTALLATION SCHEDULE</u>	<u>COST PER FOOT</u>	
		<u>JOINT TRENCH</u>	<u>BBTC ONLY</u>
21.1.1	Dirt areas (Grass plot, sodded area etc.)	\$0.75	\$1.18
21.1.2	Asphalt paved areas (Driveways, parking areas, etc.)	\$2.20	\$4.00
21.1.3	Paved streets (concrete or asphalt over gravel or concrete)	\$3.65	\$7.50
21.1.4	Concrete sidewalk areas	\$4.95	\$9.10
21.1.5	Undeveloped street crossing by trench (New unpaved streets, street improvement without pavement etc., including conduit)	\$1.67	\$2.58
21.1.6	Street crossing by boring (including conduit)	\$2.30	\$3.50
21.1.7	Other installations by boring (Drives, sidewalks, parking areas, patios, etc., including conduit)	\$2.30	\$3.50

Construction rates to be reviewed and adjusted annually.

21.2 Licensee shall make application to Licensor for permission to occupy Joint Use Trenches in accordance with paragraph 2 of this agreement. Upon approval of the application, the Licensor will issue the Licensee a permit which will include an estimated cost of the work to be performed. Separate permits will be issued for each project. A project being all work covered on an individual M/GW sketch. No one permit will be allowed to cover more than one M/GW sketch.

21.3 Upon approval of application and completion of the estimated cost of joint trench to be borne by Licensee, the permit and estimated cost along with a bill for the entire estimated cost will be forwarded to the Licensee. The bill to be due at least five (5) work days, excluding Saturday, Sunday and Holidays, prior to the start of construction of the project.

The Licensor will notify Licensee approximately ten (10) work days, excluding Saturday, Sunday and Holidays, prior to the scheduled starting date.

22. TRENCHING RESPONSIBILITY

22.1 Trenching by Licensor shall be limited to that required for Licensor's facilities as shown on layout and design drawings plus short sections of trench required by Licensee to reach pull boxes across the sidewalk from trench. Licensee shall be responsible for all other trench in excess of 10' portions which may joint with main trench.

22.2 Licensor's designated representative on each Joint Trench job shall have the responsibility for determining sequence of construction.

23. CONSTRUCTION RESPONSIBILITY - TRENCHING

23.1 Licensor shall install Licensee's coaxial cable, conduit and street crossings in Joint Trench.

23.2 Licensor will not be responsible for making service splices, amplifier connects or splices in pull boxes of Licensee's facilities. Licensee will not be permitted the mutual use of any pedestal, terminal or like facility of Licensor.

23.3 Licensee shall furnish a knowledgeable inspector on each job who will have the responsibility of making sure that Licensee's facilities are correctly installed.

23.4 Licensor shall not be responsible for cable failures or injury during construction of Licensee's facilities and Licensee's inspector on each job shall be totally responsible for serviceability of Licensee's facilities.

24. SCHEDULING OF TRENCH

24.1 Licensee shall be given a notice ten (10) working days prior to planned date to begin construction, excluding Saturdays, Sundays and Holidays recognized by Licensor.

24.2 Licensee shall be responsible for having its cable available at the construction site on the day given in notice. Licensee shall locate materials at job site as determined to be most

suitable by Licensor.

24.3 Failure to have cable available at the appropriate time will relieve Licensor of responsibility for installing Licensee's facilities as set forth in this agreement and that portion of trench as deemed necessary by Licensor to protect Licensor's facilities will be closed and shall not be re-opened for the installation of Licensee's facilities.

24.4 Licensor will begin installation of Licensee's facilities at that point in construction when appropriate materials become available.

24.5 Licensor will not be responsible for Licensee's materials which are lost or damaged at construction site due to materials being left overnight unguarded.

25. MAINTENANCE AND DAMAGE IN JOINT TRENCH

25.1 The subsequent need for excavation in the Joint Trench by Licensee shall require the notification of other occupants so they may protect their facilities. Failure of other occupants to send personnel to protect their facilities, as a result of a notice, does not absolve the excavating party from responsibilities.

25.2 If during the course of excavation by Licensee any damage is caused to other occupants' facilities, the owner of that facility shall be notified immediately. Any cost to repair damaged facilities shall be billed to party causing such damage.

25.3 Licensor's Control Room shall be the appropriate department for Licensee to notify concerning damage of Licensor's facilities and the Licensor's Information Center shall be notified concerning excavation.

26. TRANSFER RIGHT OF ATTACHMENTS

Licensee shall not assign, transfer, sublease or resell the rights of attachment hereby granted to it, or the right to use the facilities so attached to Licensor's poles, without prior consent in writing of Licensor. The assignment, transfer, sublease or resale by Licensee of the rights of attachment hereby granted to it or the right to use the facilities so attached without written consent of Licensor, shall constitute a default of Licensee's obligations and, notwithstanding any other provision of this agreement, Licensor may at its option forthwith terminate this agreement or any permit issued hereunder. Where control of Licensee is transferred subsequent to the date of this agreement, whether by sale of stock or otherwise, Licensee shall promptly notify Licensor in writing. Failure of Licensee to give such notice shall be cause for termination of this agreement, at the option of Licensor, as provided hereinabove in this paragraph. However, transfer from a subsidiary to a parent corporation or vice versa shall not be considered a transfer.

27. LIMITATIONS OF USE OF LICENSEE'S FACILITIES

Licensee shall not, without the prior written consent of Licensor, use any of its facilities attached to Licensor's poles, or install in Licensor's conduit or trench, for any purpose other than that provided for in paragraph 1 and 2 hereof. Whenever, in the reasonable judgment of Licensor, Licensee has used its facilities for any purpose not authorized herein, Licensor shall forthwith notify Licensee. Upon receipt of such notice, Licensee shall as promptly as practicable (and in no event later than twelve hours after receipt of such notice) cease such use complained of in the notice. Failure to do so or repeated unauthorized use shall constitute a default of Licensee's obligations and, notwithstanding

any other provision of this agreement, Licensor may at its option forthwith terminate this agreement.

28. PROTECTION AGAINST CLAIMS FOR IMPROPER PROGRAMMING

Licensee shall indemnify, save harmless and insure Licensor with respect to all program material transmitted over Licensee's Broadband Telecommunications system from and against any and all claims and demands for damages or loss for infringement of copyright, for libel and slander, for unauthorized use of television broadcast programs, and for unauthorized use of other program material, and from and against all claims and demands for infringement of patents with respect to the manufacture, use and operation of Licensee's equipment whether arising from the use of Licensee's equipment in combination with Licensor's poles or otherwise.

29. TERMINATION OF AGREEMENT

Except as otherwise expressly provided in this agreement, if Licensee shall fail to comply with any of the provisions of the agreement including the specifications hereinbefore referred to, or default in any of its obligations in this agreement and shall fail within thirty (30) days after written notice from Licensor to correct such default or non-compliance Licensor may, at its option, forthwith terminate this agreement or the permit covering the poles or trench as to which such default or non-compliance shall have occurred.

In the event that Licensor terminates this agreement as to any permit or permits granted hereunder, Licensee shall within thirty (30) days remove its affected facilities or abandon cable in trench and in the event that Licensee does not remove its

facilities within thirty (30) days, Licensor may do so, the removal costs to be borne, in any event, by Licensee.

30. PAYMENT OF BILLS

Bills for expenses and other charges under this agreement, except those advance payments specifically covered herein, shall be payable within thirty (30) days after presentation. Nonpayment of bills shall constitute a default of this agreement.

31. FAILURE TO COMPLY WITH SPECIFICATIONS

Failure to enforce or insist upon compliance with any of the terms or conditions of this agreement shall not constitute a general waiver or relinquishment of any such terms of conditions, but the same shall be and remain at all times in full force and effect.

32. RIGHTS OF LICENSOR - OTHER JOINT AGREEMENTS

Nothing herein contained shall be construed as affecting the rights or privileges previously conferred by Licensor, by contract or otherwise, to other, not parties to this agreement, to use any poles covered by this agreement; and Licensor shall have the right to continue and extend such rights or privileges to subsequent licensees. The attachment privileges herein granted shall at all times be subject to such existing contracts and arrangements.

33. RIGHTS OF LICENSOR - OWNERSHIP

No use, however, extended, of Licensor's poles, conduit, or trench under this agreement, shall create or vest in Licensee any ownership or property rights in said poles, conduit or trench but Licensee's rights therein shall be and shall remain a mere license.

Nothing herein contained shall be construed to compel Licensor to maintain any of said poles, conduit, or trench for a period longer than demanded by its own service requirements. This agreement confers no exclusive right on Licensee for the use of Licensor's poles, conduit or trench or any particular space on Licensor's poles, conduit or trench; and Licensor retains the full rights and discretion to grant, without notice, pole attachment or other use privileges as to any and all of its present or future poles in the area covered by this agreement to any other person or persons for any purpose including but not limited to Broadband Telecommunication System service.

34. RATES AND TARIFFS

Notwithstanding anything contained herein, Licensee is not hereby authorized to make any use of its facilities which would violate any duly filed tariffs of Licensor nor shall any provision of the agreement be construed to require Licensor to do, or perform, or permit any act, which would violate any of its duly filed rates.

35. TERM OF AGREEMENT

This agreement shall become effective upon its execution and if not terminated in accordance with other provisions of the Agreement shall continue in effect for the length of the franchise agreement between the City of Memphis and the Licensee and any renewal thereof or upon revocation or other termination of the franchise as provided in said franchise ordinance. Upon termination of this Agreement in accordance with any of its terms or upon the termination of any permit granted hereunder, Licensee shall immediately remove or abandon its cables, wires and

appliances from all poles, conduit or trench of Licensor affected by such termination. If not so removed, Licensor shall have the right to remove them at the cost and expense of Licensee and without any liability therefor in accordance with the terms of the franchise agreement and a furnishing of the performance bond by Licensee as set forth in said franchise ordinance.

36. EVIDENCE OF CONTRACTUAL INSURANCE

Licensee may be required to furnish satisfactory evidence of contractual insurance coverage in an amount which in the judgement of the Licensor, is required to guarantee the payment of any sums which may become due to Licensor for rentals, or for work performed for the benefit of Licensee under this agreement including the removal of attachments as provided for herein. The amount of the contractual insurance coverage is subject to be increased or decreased whenever, in the judgement of the Licensor, such action is deemed advisable from a standpoint of protecting the payments due Licensor as set forth above.

Subject to the provisions of paragraph 28 hereof, this agreement shall extend to and bind the successors and assigns of the parties hereto.

37. SPECIAL PROJECTS

Installations other than those covered specifically by this contract shall be considered special projects and shall be negotiable. The design, construction and cost of these jobs shall be decided and agreed upon, based on mutual benefits of both parties.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed the day and year first above written.

MEMPHIS LIGHT, GAS AND WATER DIVISION
City of Memphis, Memphis, Tennessee

By *William H. Hager*
President or General Manager

LICENSEE:

ATTEST:

William H. Hager
MEMPHIS CATV, INC.

Sam T. Muller
Secretary, Board of Light, Gas and
Water Commissioners

APPROVED BY CITY COUNCIL
NO 6-6198 DATED 5-1-73

WITNESS:

APPROVED:

ATTEST:
A. R. Hopper
City Comptroller

A. B. Hearn
Attorney, Board of Light, Gas and
Water Commissioners

Edith Clark
Mayor, City of Memphis, Tennessee
James M. Hager
City Attorney, City of Memphis, Tennessee

Exhibit "A"

Initial Service Area

The map displays a complex network of roads and land parcels. Key features include:

- River System:** A prominent river flows from the upper left towards the lower center, with several tributaries.
- Place Names:** Numerous locations are labeled, including VERNONVILLE, SODDY, FOREST, PINE, WOODSTOCK, and many smaller towns like LEBANON, HARTLAND, and COLUMBIA.
- Grid System:** A coordinate grid is overlaid on the map, with letters A through M across the top and numbers 1 through 10 down the right edge.
- Compass Rose:** Located in the lower-left quadrant, it shows North (N) pointing towards the bottom-left.
- Thick Black Line:** A thick black line traces a path through the central part of the map, possibly representing a major road or boundary.



*all
March 31, 1982*

AMENDMENT NUMBER ONE
to
CONTRACT NUMBER 7993

April 8

13. RENTAL RATE AND CONDITION OF PAYMENT

13.1 Licensee shall pay to Licensor, for attachments made to poles under this Agreement, a rental at the rate of \$4.30 per pole per year through March 31, 1982 and at the rate of \$7.50 per pole per year beginning April 1, 1982. Said rental shall be payable quarterly in advance on the first day of January and the first day of April, July and October of each year during which this Agreement remains in effect, based upon the number of poles on which attachments are being maintained on the first day of December, March, June and September respectively. For the purpose of determining the charge, absent satisfactory evidence to the contrary, the unlicensed use shall be treated as having existed (since the last field inventory of Licensee attachments or for the period beginning with the date of this Agreement) whichever period shall be shorter.

13.2 At intervals not exceeding five (5) years an actual inventory of attachments shall be made of jointly used poles in all or in part of the territory covered by this Agreement, for the purpose of checking and verifying the number of poles on which Licensee has attachments. Such field check shall be made jointly by both parties and shall be at the expense of the Licensee.

13.3 The rental rate under this Amendment shall be effective for three (3) years. At any time after the expiration of said period, the rate, after review, may be adjusted. Any adjusted rates shall also be effective for a minimum three (3) year period and subject to adjustment at any time thereafter for subsequent minimum three (3) year periods.

E X C E R P T
from
MINUTES OF MEETING
of
BOARD OF LIGHT, GAS AND WATER COMMISSIONERS, CITY OF MEMPHIS
held
April 8, 1982 ✓

The Vice President of the Engineering Division submitted for consideration of the Board Amendment No. One to Contract No. 7993 between Memphis Light, Gas and Water Division and Memphis CATV, Inc. which provides for joint pole, conduit and trench use at a rental rate of \$4.30 per pole per year; and stipulates that said rental shall be payable semi-annually in advance on the first day of January and the first day of July of each year. The contract further states that the rental rate shall be reviewed and adjusted at the end of the first three years after the execution of this contract and at intervals of three years thereafter.

Amendment No. One to Contract No. 7993 is a mutual agreement between Memphis Light, Gas and Water Division and Memphis CATV, Inc. that the billing dates be on a quarterly basis with the first quarter of 1982 based on the present rate of \$4.30 per pole and the succeeding quarters of 1982, and thereafter until mutually changed by both parties, at the new rate of \$7.50 per pole per year. The new rate of \$7.50 per pole per year is based on the Tennessee Valley Public Power Association (TVPPA) pole rental formula. The Vice President of the Engineering Division recommends that Agreement No. One to Contract No. 7993 be approved.

It was moved by Vice Chairman Worthington, seconded
by Commissioner Sarno and unanimously carried:

THAT, Amendment No. One to Contract No. 7993 which is a mutual agreement between Memphis Light, Gas and Water Division and Memphis CATV, Inc. that the billing dates be on a quarterly basis with the first quarter of 1982 based on the present rate of \$4.30 per pole per year, and the succeeding quarters of 1982, and thereafter until mutually changed by both parties, at the new rate of \$7.50 per pole per year, as stated in the foregoing preamble, be and the same is hereby approved.

I hereby certify that the foregoing is a true copy of
a resolution of the Board of Directors of the Memphis
Light, Gas and Water Division, adopted on the 5th day of
April, 1982, at the regular meeting of the Board of
Directors held at the City of Memphis, Tennessee.

T. K. Richardson
Secretary-Treasurer

This Agreement is made this 30th day of June, 1983, as Addendum Number Two to Contract #7993 executed by Memphis Light, Gas and Water Division and Memphis CATV, Inc. on May 3, 1973. This agreement provides for the use of the conduit system, in the network area, owned by Memphis Light, Gas and Water Division, hereinafter called the Licensor, by Memphis CATV, Inc., 5450 Winchester Road, Memphis, Tennessee 38115, hereinafter called the Licensee.

It is hereby agreed by all parties that all provisions of Contract #7993 shall remain in effect in addition to the following:

1. GENERAL

1.1 The fees and charges specified shall be applicable to all licenses granted to Licensee hereunder, without regard to the methods of placement used.

1.2 All requirements of the National Electrical Safety Code or the National Electrical Code herein shall mean the current edition of such code, and shall include any additional requirements of any applicable Federal, State, County or Municipal code, rule or order. References to simply the Safety Code, N.E.S.C. or N.E.C. have the same meaning.

1.3 While some of the standards and technical requirements for Licensee's cable are set forth herein, Licensor reserves the right to specify the type of construction required in situations not otherwise covered. In such cases, Licensor will at its discretion furnish to Licensee written materials which will specify and explain the required construction.

1.4 Licensor shall not be liable to Licensee for any interruption of service of Licensee or for interference with the operation of the cable, equipment and facilities of Licensee arising in any manner, except from Licensor's sole negligence. Damage to Licensee's facilities during emergencies on Licensor's facilities shall not constitute negligence.

1.5 Licensee shall furnish Licensor with a construction drawing indicating the location of and specifying the type of cable to be installed with a target date for completion of construction by Licensor.

2. APPLICATION REQUIREMENTS

2.1 The Licensee shall submit for approval by the Licensor's authorized representative Exhibit I as application for use of the Licensor's conduit system. The Licensor reserves the right to determine routes and conduit to be used.

2.2 If conduit system occupancy is to be surrendered, Exhibit J shall be submitted to Licensor. The date this application is received by the Licensor shall serve as the effective date.

2.3 Compliance to the Work Rules of Paragraph 9 of this Addendum is required in all cases.

3. DEFINITIONS

"Conduit system", "ductline" or "duct system", means any reinforced passage in, on, over, under or through the ground capable of containing electrical facilities and includes conduit, manholes and and transformer vaults.

Any references made to poles, conduit or trench in Contract #7993 shall be considered as applying to the conduit system referred to in this Addendum.

4. OCCUPANCY OF CONDUIT SYSTEM

4.1 Occupancy Fee - \$0.37 per foot of conduit per year. In no event shall the occupancy fee charged to Licensee for more than one of its cables in a single conduit exceed \$0.37 per foot per year.

4.2 Computation - For the purpose of computing the total conduit occupancy fee due hereunder, the length of the cable shall be measured from the center to the center of manholes, or from the center of a manhole to the end of Licensor's conduit system occupied by Licensee's cable. Occupancy fee will not be charged for conduit installed under Article 8.

4.3 Payment Date - Conduit occupancy fees shall be due and payable quarterly, in advance, on the first day of January, April, July and October of each year during which this Agreement remains in effect, based upon the footage of conduit being used on the first day of December, March, June and September respectively. For the purpose of determining the charge, absent satisfactory evidence to the contrary, the unlicensed use shall be treated as having existed since the last field inventory of Licensee cable installation or for the period beginning with the date of this Agreement, whichever period shall be the shorter. Failure to pay such fees within 30 days after presentment of the bill shall constitute a default of this Agreement.

4.4 For the purpose of checking and verifying the quantity of conduit occupied by Licensee, an actual inventory of cable installed and conduit used in all or part of the territory covered by this Agreement shall be made jointly by both parties at intervals not exceeding five (5) years and shall be at the expense of the Licensee.

4.5 The occupancy fee shall be adjusted after each increase by Memphis CATV of the basic monthly service subscription charge to cable customers in the City. Any occupancy fee adjustment shall be effective with the next quarterly payment after any increase by Memphis CATV for basic monthly service. The basic occupancy fee shall be increased by the change of percentage of the Handy-Whitman Index of Utility Construction for the South Atlantic Region for "underground conduit" for a distribution plant from July 1, 1983 to the date of any such rate increase. The basic occupancy fee of \$0.37 per foot will be multiplied by the percentage of the change and the amount added to the basic occupancy fee to determine the new occupancy fee in effect until subsequent future subscription charge increase.

4.6 Termination of License - No refund of any occupancy fee will be paid on account of any termination or surrender of a license granted hereunder.

5. OTHER CHARGES

All charges for inspections, engineering, rodding, swabbing, placement and removal of cable, and any other charges for work performed for Licensee shall be based upon the full cost to Licensor for performing such work. The cost to Licensor shall be determined in accordance with the regular and customary methods used by Licensor in determining such costs.

6. ELECTRICAL DESIGN SPECIFICATIONS

6.1 Cables with an outer metallic sheath shall be bonded at each man-hole by Licensor.

6.2 No cable of Licensee shall be permitted in Licensor's conduit system if such cable causes electrical interference on any facilities of Licensor. Such interference shall be removed at the expense of Licensee. Licensee's power supplies will not be permitted in Licensor's conduit system.

6.3 Licensee's cable shall not be designed to use the earth as the sole conductor for any part of the Licensee's circuits.

6.4 Separation of communication and electrical conductors shall be as stipulated in the N.E.S.C.

6.5 Licensee shall not circumvent Licensor's corrosion mitigation measures.

6.6 Licensee's cable shall be compatible with the Licensor's facilities so as not to damage any facilities of the Licensor by corrosion or otherwise. Licensee shall be liable to Licensor for any damages occasioned by such corrosion or otherwise.

7. PHYSICAL DESIGN SPECIFICATIONS

7.1 Licensee's cables bound or wrapped with cloth or having any kind of fibrous covering or impregnated with an adhesive material shall not be permitted in Licensor's conduits.

7.2 Splices and terminations in Licensee's cables shall be located only in termination boxes installed by Licensee. These splices and terminations shall be made by Licensee.

7.3 The maximum permissible diameter of any cable of Licensee and the number of cables of Licensee to be placed in any of Licensor's conduits shall be determined by the Licensor based upon the size and shape of the conduits and the size of the existing cable in the conduit. Licensee's cable will not be permitted in any ductline where less than two vacant conduits remain after the installation of Licensee's cable.

7.4 Reels shall be constructed with a maximum flange diameter of 90 inches and width of 55 inches. The arbor hole shall admit a spindle of 4 1/2 inches without binding.

8. CONNECTION OF LICENSEE'S CONDUIT

Any section of conduit which connects with the Licensor's manhole or transformer vault shall be installed by Licensor or Licensor's contractor at Licensee's expense. The maximum length of conduit shall not exceed five (5) feet and will be maintained at the expense of the Licensee.

9. WORK RULES

9.1 Licensor's manholes or transformer vaults shall not be opened or tampered with by an employee, agent or contractor of Licensee.

9.2 No employee, agent or contractor of Licensee shall enter or work in any of Licensor's manholes or transformer vaults without an authorized representative of Licensor present.

9.3 Clearing obstructions, repairs, dig-ups and any other work required to make a conduit usable for the initial placing of Licensee's cable shall be done by the Licensor or Licensor's contractor at Licensee's expense.

9.4 Licensor shall place, remove, change, and maintain all cable in Licensor's conduit system with materials supplied by Licensee, approved by Licensor and delivered in a timely manner to the location designated by Licensor.

9.5 Licensor and Licensee's cable shall be permanently identified by tags at each manhole or other access opening in the conduit system. Tags shall be of a type and wording satisfactory to the Licensor. All cost of this identification shall be at the expense of the Licensee.

9.6 Where manholes or transformer vaults must be pumped in order to allow work operations to proceed, pumping shall be done by the Licensor or Licensor's contractor at Licensee's expense.

9.7 Any leak detection liquid or device used by Licensee's agents, employee's or contractors shall be of a type approved in writing by Licensor.

9.8 When Licensee, its agents, employees or contractors are working around any part of Licensor's conduit system located in the streets, alleys, highways, other public rights-of-way or easements granted to the Licensor or City of Memphis, the protection of persons and property shall be provided by Licensee in an adequate and satisfactory manner; Licensee shall be solely responsible for providing adequate barricades, warning lights, traffic cones, danger signs and other similar devices to protect all traffic, persons and property around the work area from danger.

9.9 Licensor's authorized representative shall have the authority to terminate Licensee's work operations around Licensor's manholes or transformer vaults if, in the sole discretion of Licensor's authorized representative, any hazardous condition arises or any unsafe practice is being followed by Licensee's agents, employees or contractors.

10. EMERGENCY CONDITIONS

10.1 In cases of emergency:

10.1.1 Licensor's work shall take precedence over any and all operations of Licensee.

10.1.2 Licensor may pull a cable into any of Licensor's conduits either occupied by or scheduled to be occupied by Licensee's facilities. Should it become necessary for Licensor to use a conduit occupied by the Licensee, Licensee's cable may be removed by Licensor. Licensor will endeavor to make other conduit space available for the displaced facilities of Licensee as soon as possible.

10.1.3 Licensor may rearrange Licensee's cable at the expense of the Licensee when necessary to make maximum use of its system.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed the day and year first above written.

LICENSEE:

415 Bill Morrison
Memphis CATV, Inc.
Vice President

MEMPHIS LIGHT, GAS AND WATER DIVISION
City of Memphis, Memphis, Tennessee

By Marvin B. Benson
for President

APPROVED:

James M. Hays
Attorney, Board of Light, Gas
and Water Commissioners

ATTEST:

ACTING:

W. H. Benson
Secretary, Board of Light, Gas and
Water Commissioners

CONDUIT OCCUPANCY APPLICATION

Supervisor, Distribution Engineering
 Electric Engineering Department
 Memphis Light, Gas and Water Division
 P.O. Box 430
 Memphis, Tennessee 38101

_____, 19__

In accordance with the terms and conditions of the License Agreement between us, dated _____, 19__, application is hereby made for a revocable, non-exclusive license to occupy the conduit system shown on the attached sketch indicating location, type and size cable.

Licensee hereby agrees to pay the cost incurred by Licensor in determining if the above specified facilities of Licensee can be accommodated in the sections of the conduit system for which Licensee has requested a license to occupy. Payment of costs by Licensee to be in accordance with Paragraph 5 of this Agreement.

 (Name of Licensee)

By _____

Title _____

LICENSEE

A revocable, non-exclusive license is hereby granted to the above Licensee to occupy Licensor's conduit system with cable.

EXCEPTIONS (State NONE if none): _____

MEMPHIS LIGHT, GAS AND WATER DIVISION

No. of duct feet added by this
 request: _____

By _____

Title _____

Date _____

NOTIFICATION OF SURRENDER OF CONDUIT SYSTEM

EXHIBIT J

OCCUPANCY BY LICENSEE

Supervisor, Distribution Engineering
Electric Engineering Department
Memphis Light, Gas and Water Division
P.O. Box 430
Memphis, Tennessee 38101

In accordance with the terms and conditions of the License Agreement between us, dated _____, 19____, notice is hereby given that the license covering occupancy of the conduit system shown on the attached sketch is surrendered and you are hereby authorized to remove said cable. Said cable will be returned to Licensor's work center to be picked up by Licensee.

Dated _____, 19____

(Name of Licensee)

By _____

Title _____

Date Notice Received _____

By _____

Title _____

AMENDMENT NUMBER FOUR
to
CONTRACT NUMBER 7993

This agreement is made and entered into by the parties on the 17 day of December, 1992 as amendment to the Memphis Light, Gas and Water Division Agreement for Joint Poles Conduit and Trench Use with Memphis CATV, Inc., and is designated Amendment Number ^{four} ~~Three~~ to Contract Number 7993. The contract is amended by substituting the following clauses and provisions for their like numbers where found in the original agreement as previously amended.

13. RENTAL RATE AND CONDITION OF PAYMENT.

13.1 Licensee shall pay to Licensor, for attachments made to poles under this Agreement, a rental at the rate of \$4.86 per pole per year through May 6, 1993 and at a rate of \$6.06 per pole per year beginning May 7, 1993. Effective May 7, 1994, Licensee shall pay to Licensor a rental rate of \$7.26 per pole per year. Effective May 7, 1995, Licensee shall pay to Licensor, a rental rate not to exceed \$8.45 per pole per year. Said rental rate shall be subject to the adjustments provided for in Section 13.3.

13.3 The pole rental rates set forth in 13.1 above shall be effective as of December 17, 19 ~~92~~ and shall remain in effect through May 6, 1997. The rate shall be escalated, effective May 7, 1997, and every three years thereafter, based upon the Handy Whitman Index of Utility Construction for the South Atlantic Region. The revised rate will apply to all existing attachments and to all future attachments covered under this agreement until

further revised.

35. TERM OF AGREEMENT

This agreement shall become effective contingent on the Licensee and the City of Memphis reaching agreement on a renewal of their Franchise Agreement and shall become effective at that time, and if not terminated in accordance with the provisions of Paragraph 29, shall continue in effect for a period of ten years until May 6, 2003, or for fifteen years until May 6, 2008. The termination date is to coincide with the expiration of the Licensee's CATV Franchise with the City of Memphis. However, there shall be no automatic renewal after the above stated expiration of the term. Further, should the Franchise end before the termination dates set forth above, for any reason, this agreement shall terminate simultaneously with said Franchise and revert to the conditions set out in Paragraph 29.

38. AGREEMENT AS TO SUBSEQUENT FORMAL CONTRACT

All other terms of the Memphis Light, Gas and Water Division Agreement for Joint Poles, Conduit and Trench Use with Memphis CATV, Inc. (Agreement) shall be reviewed and a formal amendment to the agreement shall be prepared and executed by both parties on or before 360 days from the signing of this amendment, setting forth in detail such other amendments to the remaining terms and conditions as may be agreed to by the parties at that time.

In all other respects, except as modified and supplemented herein, the Amended Agreement and all of its terms and conditions shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this
Amendment to Contract Number 7993 to be executed this 17th day of
DECEMBER, 1992.

MEMPHIS LIGHT, GAS AND WATER
DIVISION, City of Memphis,
Memphis, Tennessee

By: [Signature]
President

LICENSEE:

[Signature]
MEMPHIS CATV, INC.

ATTEST:

[Signature]
Secretary, Board of Light, Gas
and Water Commissioners

WITNESS:

[Signature]

APPROVED:

[Signature]
General Counsel

AMENDMENT NUMBER FIVE
TO
CONTRACT NUMBER 7993

This agreement is made and entered into by the parties on the 18th day of May, 1995 as Amendment to the Memphis Light, Gas & Water Division Agreement for Joint Poles Conduit and Trenches with Memphis CATV, Inc. as previously amended, and is designated Amendment Number Five to Contract Number 7993. The Contract is Amended by substituting or adding the following clauses and provisions for their like numbers where found in the original agreement or in previous amendments.

4. OCCUPANCY OF CONDUIT SYSTEM

4.1 Occupancy Fee - \$2.37 per foot of conduit per year. In no event shall the occupancy fee charged to licensee for more than one of its cables in a single conduit exceed \$2.37 per foot per year, said rental rate shall be subject to the same adjustments provided for in Section 13.3 for pole rental rate.

39. SPECTRUM USE

It is anticipated that MLGW may wish to send data information to homes served by Time Warner and collect data information from these homes in the future to assist the operation of their utility business. The specific types of information are unknown, at this time, but may include items such as meter reading or power load management. Time Warner agrees to provide MLGW such spectrum capacity and/or frequencies necessary to accomplish those activities. Time Warner will make no transmission or tariff charges to MLGW for this specific use. MLGW and Time Warner will define the specifics of any such use at such time as MLGW requests

such service. The contract may also include details of any construction, activation or on-going maintenance which may be necessary.

40. AGREEMENT AS TO SUBSEQUENT FORMAL CONTRACT

MLGW, Memphis CATV, Inc. and Time Warner Entertainment (as assignee of Memphis CATV, Inc.) agree that this agreement shall last for 180 days unless during that period all terms, other than those resolved by operation of Amendment No. 4 dated 17 December 1992 and this Amendment No. 5 of the Memphis, Light, Gas and Water Division Agreement for Joint Poles, Conduit and Trench Use with Memphis CATV, Inc. and Time Warner Entertainment (1972 Agreement), shall be reviewed and a formal amendment to the agreement shall be prepared and executed by both parties on or before 180 days from the signing of this amendment, setting forth in detail such other amendments to the remaining terms and conditions as may be agreed to by the parties at that time. The parties may agree to extend the 180 days deadline for an additional 90 days.

In all other respects, except as modified and supplemented herein, the amended agreement and all of its terms and conditions shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Number Five to Contract Number 7993 to be executed this ___ day of May, 1995.

LICENSEE:

Time Warner Entertainment
as Assignee of Memphis CATV, Inc.

By: 

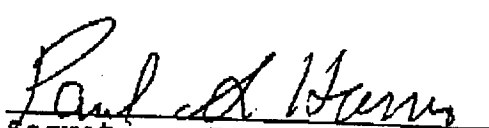
Dean Devo
Division President

MEMPHIS, LIGHT, GAS AND WATER
DIVISION, City of Memphis,
Memphis, Tennessee

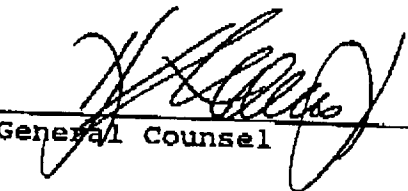
By: 

President

ATTEST:


Secretary, Board of Light, Gas
and Water Commissioners

APPROVED:


General Counsel