



**Resolution authorizing the Council to hold a public hearing at which it will convene as a Ratemaking Board to consider the application of the MLGW Board of Commissioners for rate increases and changes to present electric rate tariffs**

WHEREAS, pursuant to Chapter 381 of the Private Acts of 1939, City of Memphis Charter Section 680, the Memphis Light, Gas and Water Division has made application to the Council to hold a public hearing to consider approval by the Council of electric rate increases to present electric rate tariffs.

WHEREAS, the City Council desires to authorize its staff and MLGW to take all necessary steps to schedule a public hearing of the City Council on November 21, 2023, for the purpose of considering the electric rate application of the MLGW Board of Commissioners.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council shall hold a public hearing on November 21, 2023, at which it will convene as a Ratemaking Board to consider the application of the MLGW Board of Commissioners for rate increases and changes to present electric rate tariffs.

**FURTHER RESOLVED**, that MLGW is hereby authorized to publish notice of such hearing in a newspaper of general circulation no less than three days in advance of the hearing date.

SPONSOR: MLGW ADMINISTRATION

## **Memphis City Council Summary Sheet for MLGW Items**

### **1. Description of the Item**

**Resolution approving an Asset Purchase Agreement for the acquisition of a 600MHz license issued by the Federal Communications Commission to Bluewater Wireless II, L.P., with FCC call sign WRBV764, covering the counties of Shelby TN, Tipton TN, and Crittenden AR, in the amount of Twenty-Seven Million Dollars (\$27,000,000.00).**

### **2. Additional Information**

**The Vice President of Engineering and Operations presented for consideration of the Board an Asset Purchase Agreement for the acquisition of a 600MHz license (the "License") issued by the Federal Communications Commission ("FCC") to Bluewater Wireless II, L.P., with FCC call sign WRBV764, covering the counties of Shelby TN, Tipton TN, and Crittenden AR, in the amount of Twenty-Seven Million Dollars (\$27,000,000.00).**

## **CITY COUNCIL RESOLUTION**

**WHEREAS**, the Board of Light, Gas and Water Commissioners has recommended to the Council of the City of Memphis the purchase of a 600MHz license (the "License") issued by the Federal Communications Commission ("FCC") to Bluewater Wireless II, L.P., with FCC call sign WRBV764, covering the counties of Shelby TN, Tipton TN, and Crittenden AR, in the amount of Twenty-Seven Million Dollars (\$27,000,000.00).

**WHEREAS**, the purchase of the License will provide MLGW with permanent electromagnetic spectrum, enabling MLGW to own and operate its own private LTE (long term evolution) network and providing for reliable, resilient communications in the automated distribution management system; and

**WHEREAS**, the License will play a critical role in the Grid modernization program, and the spectrum will function to manage the new communications system of approximately 3000 devices, to include towers, transmitters, radios, and software; as a communications backbone for automated distribution management system functions, the RF Spectrum will also assist in other operational and business needs, such as meter reading, crew communications, and managing system operations.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEMPHIS** that the Board of Light, Gas and Water Commissioners recommends to the Council of the City of Memphis, the purchase of the License, for and in consideration of Twenty-Seven Million Dollars (\$27,000,000.00), to be funded from the Electric Division included in the 2023 Electric Division Working Capital; and further,

**BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF MEMPHIS that, the President or his designated representative of the Division is hereby authorized to execute and deliver an Asset Purchase Agreement, Exhibit A or in substantially similar form, for the purchase of said asset, in as many counterparts as may be required; and further,**

**BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF MEMPHIS that, the President or his designated representative of the Division is hereby authorized to execute and deliver all such other documents and instruments, including but not limited to those required by the FCC, necessary to complete the transaction.**

**EXCERPT**  
from  
**MINUTES OF MEETING**  
of  
**BOARD OF LIGHT, GAS AND WATER COMMISSIONERS**  
**CITY OF MEMPHIS**  
held  
**October 18, 2023**

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The Vice President of Engineering and Operations presented for consideration of the Board an Asset Purchase Agreement for the acquisition of a 600MHz license (the "License") issued by the Federal Communications Commission ("FCC") to Bluewater Wireless II, L.P., with FCC call sign WRBV764, covering the counties of Shelby TN, Tipton TN, and Crittenden AR, in the amount of Twenty-Seven Million Dollars (\$27,000,000.00).

With the purchase of the License, MLGW will permanently acquire electromagnetic spectrum, enabling MLGW to own and operate its own private LTE (long term evolution) network and providing for reliable, resilient communications in the automated distribution management system. The License will play a critical role in the Grid modernization program, and the spectrum will function to manage the new communications system of approximately 3000 devices, to include towers, transmitters, radios, and software. As a communications backbone for automated distribution management system functions, the RF Spectrum will also assist in other operational and business needs, such as meter reading, crew communications, and managing system operations.

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

**THAT, the Board of Light, Gas and Water Commissioners recommends to the Council of the City of Memphis, the purchase of the License, for and in consideration of Twenty-Seven Million Dollars (\$27,000,000.00), to be funded from the Electric Division included in the 2023 Electric Division Working Capital; and further,**

**THAT, the President or his designated representative of the Division is hereby authorized**

to execute and deliver the Asset Purchase Agreement, Exhibit A or in substantially similar form, for the purchase of said asset in as many counterparts as may be required; and further,

THAT, the President or his designated representative of the Division is hereby authorized to execute and deliver all such other documents and instruments, including but not limited to those required by the FCC, necessary to complete the transaction.

I hereby certify that the foregoing is a true copy of a resolution adopted by the Board of Light, Gas and Water Commissioners at a regular - special meeting held on 18<sup>th</sup> day of October 2023, at which a quorum was present.

  
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SVP, CFO & CAO Secretary - Treasurer



A resolution to approve the 2024 Electric, Gas and Water Operations and Capital Budget.

**WHEREAS**, the Board of Light, Gas and Water Commissioners has submitted a proposed budget for the Memphis Light, Gas and Water Division for operation and maintenance expenses for the calendar year 2024, and the capital expenditures for 2024; and

**WHEREAS**, the Board of Commissioners has approved said budget and submitted to the City Council with the recommendation of the Board for approval; and

**WHEREAS**, the Council has, through its MLGW Committee and other interested members of the Council, reviewed the budget and conducted hearings thereon; and

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Memphis that the attached 2024 Budget of the Memphis Light, Gas and Water Division for operation and maintenance expenses and capital expenditures is approved.



A resolution to approve the 2024 increase in electric revenues of 4.0%, to be effective with meters read on Cycle 1 of the January 2024 revenue month on a non-prorated basis, the 2025 increase in electric revenues of 4.0% to be effective with meters read on Cycle 1 of the January 2025 revenue month on a non-prorated basis, and the 2026 increase in electric revenues of 4.0% to be effective with meters read on Cycle 1 of the January 2026 revenue month on a non-prorated basis.

**WHEREAS**, pursuant to Chapter 381 of the Private Acts of 1939, and City of Memphis Charter Section 680, authority is granted to the governing body of the City of Memphis to convene as a Ratemaking Board for the purpose of determining changes in electric rates; and

**WHEREAS**, the Memphis Light, Gas and Water Division has made application under said sections for the Council to hold a public hearing, at which time the Council will convene as a Ratemaking Board to consider approval by the Council of revisions to the schedule of electric rates adopted and recommended by the Board of Commissioners of MLGW;

**WHEREAS**, the City Council, as authorized by the City's Charter, convened a public hearing as a Ratemaking Board for the purpose of considering approval of revisions in the schedule of electric rates adopted and recommended by the Board of Commissioners of MLGW;

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Memphis, properly convened and sitting as a Ratemaking Board pursuant to the City Charter's Ratemaking Provisions and the Charter as a whole, that the rate application of the Memphis Light, Gas and Water Division consisting of correspondence and exhibits filed herewith and the resolution of the Board of Light, Gas and Water Commissioners establishing said rates ("MLGW Rate Application") is hereby approved and the schedules of electric rates RS, RS-TOU, GSA, MSA, LS, DPS, TGS and TMS (excluding the pass-through effects of TVA Wholesale Power Cost changes) are hereby approved and prescribed resulting in a 4.0% (\$56,712,000) increase in revenues (percentage varies between Transmission Voltage Service Level customers and other classes) on an annual basis in 2024, 4.0% (\$59,256,000) increase in revenues on an annual basis in 2025 and a 4.0% (\$61,914,000) increase in revenues on an annual basis in 2026.

**BE IT FURTHER RESOLVED**, by the Council of the City of Memphis that the aforesaid electric rate increase changes shall be effective for the Cycle 1 meter reading for the January 2024 revenue month on a non-prorated basis, the aforesaid electric rate increase changes shall be effective for the Cycle 1 meter reading for the January 2025 revenue month on a non-prorated basis and the aforesaid electric rate



increase changes shall be effective for the Cycle 1 meter reading for the January 2026 revenue month on a non-prorated basis.

**BE IT FURTHER RESOLVED**, the Council expressly finds that the approval of revisions in the schedule of electric rates as set forth above are necessary to prescribe rates that will be sufficient for the Memphis Light, Gas and Water Division to pay all expenses of operation, maintenance of the electric system, reserves for working capital, renewals and replacements, casualties and other fixed charges, payments in lieu of taxes, construction and capital expenditures and reserves for safe operating margins.