MLGW to present Fiscal 2020 budget

It’s budget season and Memphis Light, Gas and Water Division will ask the Memphis City Council to approve the utility’s Fiscal 2020 budget that addresses the infrastructure concerns voiced by our customers.

The proposed budget is $1.9 billion with $165 million earmarked for capital service improvements, including improved electric reliability, converting portions of the overhead electrical system to underground where feasible, completing the gas line replacement of cast iron and modernizing water pumping stations that currently have an average age of 60 years old.

Overall, the budget is a five-year service improvement plan with rate increases in electric and water for the first three years (2020-2022) and a gas rate increase in the third year (2022).

If approved, the initial increase for electric and water would not go into effect until July 2020.

(continued inside)
Gas leak? Know how to respond

Know your gas! It smells like rotten eggs or sulfur, and it’s stinky! For safety’s sake, know what to do if you smell a strong natural gas odor or leak, especially with winter heating season approaching. Natural gas is safe and efficient when used correctly, and MLGW has a maintenance strategy to keep its pipelines safe.

Natural gas leaks typically result from damaged underground pipelines or indoor gas appliances. MLGW adds the odorant mercaptan to give naturally colorless and odorless gas a recognizable rotten egg smell. Indoor leaks are usually detected by the strong odor. Outdoor gas pipeline leaks sometimes offer more hints such as water bubbling near the site, dirt being blown into the air or dead or dying vegetation near the pipeline.

If you suspect a natural gas leak, the proper response could save your life. The following tips will help you avoid a disaster.

How to recognize natural gas leaks:

- Rotten egg smell.
- Hissing or roaring sound caused by escaping gas.
- Dead or discolored vegetation in an otherwise green setting along a pipeline route.
- Blowing dirt, grass or leaves near a pipeline.
- Flames coming from the ground or from valves along a pipeline.
- Steady bubbling in a wet, flooded area or marshland, river, creek or bayou.
- Frozen ground not related to weather.

What to do if you suspect a gas leak:

- Leave the area immediately. Abandon house, vehicles, equipment.
- Don’t cause a spark by smoking or using matches, phones, electricity or flashlights.
- Use your cell phone outside or a neighbor’s phone to call MLGW at 528-4465 to report the leak.
- Don’t start motor vehicles or electrical equipment near the suspected leak.
- Warn others to stay away from the area.
- Do not try to put out a natural gas fire.
- From a remote location, call MLGW and 911.

It’s clear that the current infrastructure must be improved. Right now, customers experience nearly 140 million minutes of interrupted service. If approved, the Fiscal 2020 budget would provide the resources to cut interrupted service minutes in half by 2025.

Our talks with customers show that they are willing to support rate increases to get that done. In a survey, 62% of attendees of MLGW Public Awareness Community meetings said they would be willing to pay more for more reliable service. Most residents will see an average monthly added cost of $5.19 for electric and $2.23 for water for average total of $7.42 in 2020. Among other things, that will fund moving more lines underground, enable texting of outage alerts to customers and move tree trimming up to a three-year schedule compared to five. By 2023, the residential bill impact would fall to zero for all three services.

The budget will also incorporate a number of operational efficiencies and savings, including a phased reduction in staff through attrition that could produce $30-$35 million in savings. The public is invited to learn more as the budget approval process moves forward. View mlgw.com for updates.