



# Energy Edge

A NEWSLETTER FOR MEMPHIS LIGHT, GAS AND WATER DIVISION GENERAL POWER CUSTOMERS  
DECEMBER 2010

## Electric FCA and natural gas PGA fall, yielding lower energy costs

MLGW customers will see some good news when they open their upcoming utility bills, as the variable TVA Fuel Cost Adjustment (FCA) and natural gas Purchased Gas Adjustment (PGA) values have dropped from last month—resulting in lower energy costs. The new values are in effect with meters read 12/1/2010.

Lower than expected fuel prices in October, combined with sales that were 5% below the plan, were the primary contributors to the decrease in the FCA, according to TVA. These factors even offset the fact that hydro generation was 28% lower than expected. Based on current expectations and operational conditions, TVA is expecting the FCA rate to decrease monthly during the winter.

Natural gas prices have been pressured by the economic downturn causing sluggish demand. Additionally, large supplies coming from technological advances allowed more producers to tap unconventional shale assets. The amount of proved reserves is 284 trillion cubic feet (Tcf), the highest level since 1971 according to the U.S. Energy Information Administration’s (EIA) Summary. The EIA said, “Shale gas development drove an 11% increase in U.S. natural gas proved reserves last year, to their highest level since 1971, demonstrating the growing importance of shale gas in meeting both current and projected energy needs,”

The FCA and PGA are variable adjustments to MLGW’s base electricity and natural gas rates. View historic trends at: [http://www.mlgw.com/SubView.php?key=comm\\_genrateinfo](http://www.mlgw.com/SubView.php?key=comm_genrateinfo)

## Energy efficiency loan program announces January application period

After receiving more than \$25 million in loan applications during its initial request period, Pathway Lending will begin accepting new applications for the Energy Efficiency Loan Program on 1/4/2011. The second round will remain open until all loan funds are committed to qualified applicants on a first come, first serve basis.

In August, the \$50 million program was launched to help finance investments in energy efficient technology, energy retrofits and renewable energy systems to reduce operating costs and spur

### MLGW Rates

MLGW’s current and historic electric, natural gas and water rates are published at [www.mlgw.com](http://www.mlgw.com), along with updated Purchased Gas Adjustment and Fuel Cost Adjustment rates.

### Purchased Gas Adjustment (PGA)

MLGW Rate	Consumption	Demand
G-1 residential	(\$0.231)	na
G-7	(\$0.251)	na
G-8 / G-9	(\$0.287)	\$0.491
G-10 / G-12	(\$0.305)	na

Monthly adjustment in \$/Ccf to published natural gas rates for meters read on or after 12/1/2010.

### Fuel Cost Adjustment (FCA)

TVA Rate Class	MLGW Rate Code	FCA Amount
GSA, Part 1	E-2	\$0.00496
GSA, Part 2	E-2	\$0.00496
GSA, Part 3	E-2	\$0.00490
Residential	E-1	\$0.00502
Outdoor Lighting	E-3	\$0.00502

Monthly adjustment in \$/kWh to all firm kWh, beginning with meters read on or after 12/1/2010.



### Important Contact Information

Commercial Resource Center:

Monday-Friday

7:30am-5:00pm Central

Phone: 901-528-4270

Fax: 901-528-4547

E-mail: [crc@mlgw.org](mailto:crc@mlgw.org)

Emergency: 901-528-4465

Outage: 901-544-6500

VIEW YOUR BILL ONLINE AT [www.mlgw.com](http://www.mlgw.com)

growth. The Energy Efficiency Loan Program is available to any business and 501(c)3 or 501(c)6 non-profit organization in Tennessee. Through the program, Pathway Lending offers loans at below-market rates, with terms extending to 10 years. Loans can finance up to 100% of costs on projects including building retrofits, equipment replacements or upgrades, lighting and renewable generation. The loans are designed to be repaid with the energy savings derived from each project.

To be eligible for an energy efficiency loan, applicants must have a complete third-party energy audit, assessment, or vendor proposal with detailed project energy savings. Renewable generation loans require a vendor proposal with estimated green power output. Loan amounts (up to \$1 million) are determined by project cost, while the loan term and monthly payment amounts are derived from the energy savings and applicant's ability to repay. Visit [www.pathwaylending.org](http://www.pathwaylending.org) or call Pathway Lending at (615) 425-7171 to learn more.

The Energy Efficiency Loan Program is a collaborative effort between the state of Tennessee, the Tennessee Valley Authority, Pinnacle Financial partners, the U.S. Department of Energy, the U.S. Economic Development Administration and Pathway Lending.

### **Leverage other incentives to maximize the financial return on your project**

The Energy Efficiency Loan Program complements existing TVA incentives available through MLGW. Visit [www.mlgw.com/businessenergyincentives](http://www.mlgw.com/businessenergyincentives) for details about incentives for energy efficiency improvements. Visit [www.mlgw.com/greenpower](http://www.mlgw.com/greenpower) for details about TVA's Generation Partners program, which buys renewable power produced at your facility.

## **Cut energy waste and utility costs during holiday season**

Many companies close their operations for holidays during December, resulting in energy-saving opportunities if you take a little time to plan ahead. Others find their operating hours extended to serve celebrating crowds. Here are some ideas to assist you in reducing energy use in the midst of December festivities:

### **Tips for facilities CLOSED for the holidays**

- Encourage employees to turn off desk lamps and power down computers, monitors, speakers, printers and copiers before they leave. Controlling these plug loads can deliver sizable savings every day, but especially during extended periods when your business is closed.
- Turn off lighting in break rooms, conference rooms and restrooms.
- Adjust heating systems to minimize operation during vacant hours and make sure personal space heaters are turned off. Close your window blinds to slow heat loss.
- Reduce the temperature on your water heater.
- Email tips to staff as a reminder of easy steps they can take to contribute to your organization's profitability.

### **Tips for facilities OPEN LONGER for the holidays**

- Make sure your interior and exterior lighting systems are adjusted to reflect longer operating hours, including cleaning and stocking time, but remember to cut back to minimum needs when the building is vacant.
- Heating and water heating systems need to operate during your extended hours, but usually don't require consistent temperatures overnight so adjust your systems' setback times or make changes manually.
- Retailers, restaurants and other businesses and organizations that extend their hours during the holiday season also are likely to have holiday décor. Consider turning off festive lights, fans for inflatable characters and other energy-consuming decorations when you close each night.