



# Energy Edge

A NEWSLETTER FOR MEMPHIS LIGHT, GAS AND WATER DIVISION COMMERCIAL CUSTOMERS

DECEMBER 2006

## Customers on interruptible gas rate advised to test alternate systems

Customers on MLGW's interruptible gas rate are reminded to test alternate fuel systems to ensure proper operation. While MLGW is not anticipating any gas curtailments this winter, we do require participants to check their back-up systems annually. Systems should be tested under full load to ensure effective operation.

The G-10 gas rate offers discounts to participating customers who have back-up heating systems and agree to be subject to service interruption. Contact MLGW's Commercial Resource Center if you have an alternate fuel system and would like to explore a contract change.

## TVA Fuel Cost Adjustment rises slightly for first quarter 2007

The Fuel Cost Adjustment (FCA), implemented by TVA in October 2006, has made its first quarterly fluctuation—rising from zero to \$0.00010 per kilowatt hour (kWh) for virtually all TVA rate classes. The new FCA amount is applicable for three MLGW billing periods, beginning with bills rendered on 12/27/07.

During first quarter 2007, the FCA impact for a business using 100,000 kWh per month is \$10.00. The average household, which uses 1,250 kWh per month, would see an impact of approximately \$0.14 per month during this same period. While the FCA amount seems insignificant at the per-unit level, its cumulative effect is large. For example, if the FCA amount for first quarter 2007 was applied to total electric consumption data for 2005, the annual impact to TVA would be more than \$1.5 million from MLGW's customers alone.

The FCA mechanism enables TVA to adjust a portion of its electric rates every three months based on how the actual cost of coal, natural gas and purchased power compares to TVA's forecasted price during the previous quarter. FCA funds are earmarked exclusively for this purpose, which helps the federal power agency keep pace with volatile fuel markets and reduce the frequency of changes to the base electric rates.

### Purchased Gas Adjustment (PGA)

MLGW Rate	Consumption	Demand
G-1 residential	\$0.5699	na
G-7	\$0.5619	na
G-8 / G-9	\$0.5341	(\$0.0688)
G-10 / G-12	\$0.4517	na

Adjustment in \$/Ccf to published natural gas rates for bills rendered on or after 11/22/2006.

### Fuel Cost Adjustment (FCA)

TVA Rate Class	MLGW Rate Code	FCA Amount
GSA, Part 1	E-2	\$0.00010
GSA, Part 2	E-2	\$0.00010
GSA, Part 3	E-2	\$0.00010
GSB, Firm	E-2	\$0.00010
GSC, Firm	E-2	\$0.00010
GSD, Firm	E-2	\$0.00010
MSB, Firm	E-2	\$0.00010
MSC, Firm	E-2	\$0.00010
MSD, Firm	E-2	\$0.00010
Residential	E-1	\$0.00011
Outdoor Lighting	E-3	\$0.00011

Adjustment in \$/kWh to all firm kWh, beginning with bills rendered on 12/27/2006 and lasting for three consecutive billing periods. See current electric rate tariffs at [www.mlgw.com](http://www.mlgw.com) for description of electric load specifications per TVA Rate Class.



### Important Contact Information:

Commercial Resource Center:

Monday-Friday

7:30am to 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

For residential customers and commercial customers with electric demand less than 5,000 kW, the FCA charge is included in the electric charges total, with the FCA per unit amount listed below—as the PGA is currently printed. (See sample bill image at right.) The FCA does not affect electric demand charges, but will affect flat-rate services, such as MLGW’s Leased Outdoor Lighting.

	Readings		Usage	Amount	Total
Previous Balance				\$ 164.95	
Payments Received				164.95	
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<b>GAS</b>	9/15/06	8/16/06			
G-1 Residential Gas	1817	1798	19	28.96	
includes Purchased Gas Adjustment of 0.4366000/ccf					28.96
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<b>ELECTRIC</b>	9/15/06	8/16/06			
E-1 Residential Electric	99795	98882	913	71.98	
includes TVA Fuel Cost Adjustment of 0.0000000/kwh					71.98
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<b>WATER</b>	9/15/06	8/16/06			
W-1 Residential Water	508	505	3	4.81	
9.25% Sales Tax				0.44	5.25
<hr/>					
<b>OTHER MLGW</b>	9/18/06	8/17/06			
Leased Outdoor Lighting				6.71	
includes TVA Fuel Cost Adjustment of 0.0000000 /kwh					
<del>You are billed for Leased Outdoor Lighting service.</del>					
For maintenance, call 320-1498. For information on this service, call 528-4548.					6.71
<hr/>					

**Service:**  
 Days of Service: 30  
 Average Utility Cost per Day: \$ 4.19  
 Average Temperature: 79  
 Billing Cycle: 16  
 Reader on Site: September 15, 2006 09:32:25  
 Next Reading Date: October 16, 2006

**Contact:**  
 Non-MLGW: See back of bill.  
 New Service Requests, Transfers, Disconnects and Trouble/Maintenance: 820-7878  
 Billing Inquiries: 544-MLGW (6549)  
 Payment Arrangements and Service Reconnects:  
 Hours: Monday - Friday 7AM - 9PM

Pay Online! [www.mlgw.com](http://www.mlgw.com)  
 Pay By Phone! 1-888-589-4868

*Due to projected increases in natural gas prices nationwide, MLGW again encourages our customers to be prepared for higher heating bills this winter. For tips on controlling energy costs, visit our website at [www.mlgw.com](http://www.mlgw.com) or call 544-MLGW for a brochure.*

**Energy Edge** will report the FCA as it changes.

The adjustor also will be available in the rates section of [www.mlgw.com](http://www.mlgw.com), where the existing Purchased Gas Adjustment (PGA) fee is published each month.

**Energy Edge** is published by the Economic Development department of Memphis Light, Gas and Water Division. Comments and distribution list changes may be e-mailed to: [crc@mlgw.org](mailto:crc@mlgw.org)