



Energy Edge

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

Ring in the New Year with utility lower rates!

Electric and gas costs continue to decline, due to MLGW and TVA strategies

As winter moved into Memphis with arctic temperatures forecasted to continue for the next several days, MLGW customers will be pleased to learn that per-unit electricity and natural gas costs are significantly lower than this time last year.

Natural gas

MLGW's comprehensive natural gas purchasing strategy delivered a significant decrease in the Purchased Gas Adjustment (PGA) component for all customers.

Commercial customers on the G7 rate will see a savings of \$31.80 per 100 Ccf consumed since 12/31/2009, compared to the effective rate on 12/31/2008. With Old Man Winter settling in, lower costs will help offset the increase in natural gas consumption driven by higher heating demand.

In procuring natural gas, MLGW uses a three-part strategy to mitigate price swings on the deregulated natural gas market.

MLGW buys gas from physical suppliers at an index to be determined monthly. MLGW purchases futures and options on the New York Mercantile Exchange (NYMEX), considered the "Dow Jones Industrial Average" for the natural gas industry. MLGW locks in one-third of its gas cost with NYMEX futures, caps one-third with options contracts and leaves one-third of the cost unhedged. The physical gas supply is delivered to Memphis and hedged financially with NYMEX contracts. This gives MLGW flexibility to get the best possible prices in an industry with increasingly frequent fluctuations in price.

View PGA history at: http://www.mlgw.com/PGA_Rates.PDF

Electricity

TVA, the federal power generator that supplies electricity distributed by MLGW, lowered its variable Fuel Cost Adjustment (FCA) again, marking the seventh consecutive period the electric rate component has fallen.

The impact varies by rate and consumption. Comparing energy charge and FCA components applicable on 12/31/2008 and

MLGW Rates

MLGW's current and historic electric, natural gas and water rates are published at 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	(\$0.270)	na
G-7	(\$0.278)	na
G-8 / G-9	(\$0.362)	\$0.544
G-10 / G-12	(\$0.549)	na

Monthly adjustment in \$/Ccf to published natural gas rates for meters read on or after 12/31/2009.

Fuel Cost Adjustment (FCA)

TVA Rate Class	MLGW Rate Code	FCA Amount
GSA, Part 1	E-2	(\$0.00833)
GSA, Part 2	E-2	(\$0.00833)
GSA, Part 3	E-2	(\$0.00823)
Residential	E-1	(\$0.00842)
Outdoor Lighting	E-3	(\$0.00843)

Monthly adjustment in \$/kWh to all firm kWh, beginning with meters read on or after 12/31/2009.



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

Emergency: 901-528-4465

Outage: 901-544-6500

VIEW YOUR BILL ONLINE AT www.mlgw.com

12/31/2009, the decrease represents a \$154.00 net savings per 10,000 kWh for commercial customers on the E2/GSA, part 1, and E2/GSA, part 2, electric rates.

TVA cited higher than planned hydro generation output (reducing the need for more expensive resources) and a slight reduction in the forecast for future costs as factors in the lowered FCA. View historic FCA at: http://www.mlgw.com/images/TVA_FCA.pdf

Commercial lighting and HVAC contractors invited to orientation

Meeting to outline contractor processes for upcoming TVA incentive program for businesses

Later this quarter, MLGW will introduce TVA's Commercial Efficiency Advice and Incentive program, a comprehensive new service that will assist demand-billed businesses (those using more than 50 kW in electric load), with information and financial incentives for qualified interior lighting and HVAC improvements which help lower TVA's peak demand. In preparation for the upcoming program, MLGW and TVA are hosting contractor orientation sessions around the region in January.

Orientation is open to commercial contractors in the lighting and HVAC fields. If your company uses specific contractors in these fields, please encourage them to attend to learn more about the program. Sessions will begin at 8:30am and conclude at 2:30pm. Dates and locations for the contractor orientation sessions include:

*West Tennessee –
January 22
MLGW Training Center
4949 Raleigh Lagrange
Road
Memphis, TN 38128*

*West Tennessee –
January 15
Jackson Energy Training
Center
320 Highway 45 Bypass
Jackson, TN 38301*

*North Mississippi –
January 14
TVA Customer Service
Center
3197 Brooks Road
Belden, MS 38826*

To register for any contractor orientation session, call TVA at 800-433-6374. For more details on the contractor component of the Commercial Efficiency Advice and Incentive program, visit www.tva.com/ppn

Watch the February issue of [Energy Edge](#) for complete details about the Commercial Efficiency Advice and Incentive program, including specific incentive amounts and program availability dates.

MLGW refines credit policy to protect customers, address new laws

In 2003, the federal government enacted into law The Fair and Accurate Credit Transaction Act (FACTA), a measure designed to protect American consumers while in the routine business of establishing or obtaining credit in the market place. Of particular interest to someone seeking utility services is the requirement that all customers be properly identified by their utility company in order to safeguard customers from identity theft by third parties.

Some federal regulatory changes in FACTA enacted last year will result in MLGW credit policy updates to better protect you—the valued MLGW customer. Effective 11/1/2009, MLGW began requiring a service agreement between the utility and all new residential and general power (non-residential) customers. MLGW now requires all new residential customers, sole proprietors and general partnerships to provide two forms of identification. **Corporations, Limited Liability Companies, Limited**

Please note that if you are already an established, properly documented customer of MLGW, you need not take any further action at this time. However, if you alter your services in the future, you may be asked to update your identification as a protective measure.

Liability Partnerships, and Limited Partnerships seeking service must be registered with the Tennessee Secretary of State to be eligible to receive utility service.

For new customers, MLGW will continue to connect conditional utility services over the telephone. A service agreement will be mailed to the new customer, who will have approximately 30 business days to return the agreement, along with the required identification, to MLGW. MLGW will remind the customer during that time that all documentation should be returned or disconnection of conditional services will occur. Should the service agreement and valid identification not be returned to MLGW by the date requested, the utility services supplied to that customer will be subject to disconnection.

Doing business with MLGW on behalf of another customer will now require written authorization from that customer. MLGW's customer of record may designate an agent for requesting utility service orders and/or accessing billing records and other information. Agents may be an individual or company. To add agents, customers must submit written request on company letterhead, signed by the company's representatives authorized to access MLGW account information.

View MLGW's credit policy at <http://www.mlgw.com/images/CustomerCarePolicyrevisionIVDec1509.pdf> If you have any questions about authorizing agents to access your MLGW account information, contact MLGW's Commercial Resource Center at 901-528-4270 or crc@mlgw.org

New web content clarifies mysteries of electric demand

Electric demand—it's either a concept you have mastered or one you struggle with on a regular basis. TVA, MLGW's electric generator, has posted a new "Understanding Demand" library online to help explain the mysteries of electric demand. The content is available at http://tva.com/commercial/demand_lib.htm

The website includes definitions and animated scenarios, as well as examples for the following facility types: schools and colleges, restaurants, convenience stores, grocery stores, retail stores, hotels, motels and health care.

MLGW IN THE COMMUNITY

U.S. Green Building Council chapter and MLGW recognize Independent Bank for LEED designated facility



MLGW and the Memphis Chapter of the U.S. Green Building Council (USGBC-MEM) closed the New Year by awarding the first incentive under its Leadership in Energy and Environmental Design (LEED) incentive program. Independent Bank (I-Bank) was awarded the first MLGW/USGBC-MEM incentive on 12/17/2009, receiving a \$10,000 check for its efforts to ensure energy and water efficiency in the pursuit of green building. Given market activity, USGBC-MEM expects another three or four projects to meet incentive requirements in 2010. I-Bank was recognized as the first qualified new commercial building attaining LEED status in Shelby County. The 2,485-square-foot branch in Germantown attained LEED Silver certification in 2009 and also met the incentive requirement for at least two LEED points in the water efficiency category and at least four additional points in energy category.

The award is the first to be drawn out of the \$75,000 grant that MLGW provided to USGBC-MEM to offer an incentive to use energy and water conservation methods in new non-residential construction projects in MLGW's service territory. The funds are available on a first certified, first awarded basis; the award amount, which is

based on square footage and LEED designation attained, varies from a minimum of \$5,000 to a maximum of \$25,000.

“With commercial buildings accounting for more than 40 percent of the nation’s energy use, it is essential to encourage the construction of buildings that are sustainable through energy-efficient and environmental features,” said MLGW President and CEO Jerry Collins. “The LEED incentive extends MLGW’s green building support beyond the influence of our successful residential green building program, EcoBUILD, without requiring additional MLGW staff to work with businesses and organizations to achieve green certification.”

Award recipients are required to achieve additional points in the energy and water categories beyond minimum LEED requirements, provide information about the buildings’ green features and make facilities available for scheduled tours, in order to transfer knowledge and share lessons learned with the community.

For more information on the grant program, including application and eligibility requirements, visit the USGBC-MEM website at www.chapters.usgbc.org/memphis



MLGW President Jerry Collins (front row, second from left) presents the first MLGW/USGBC LEED Incentive Award to Independent Bank President Susan Stephenson (front row, middle), surrounded by bank representatives and members of the U.S. Green Building Council-Memphis chapter grant committee. Germantown Mayor Sharon Goldsworthy (second row, right) attended and announced Germantown’s plan to build a new Fire Station to LEED standards, the first new municipal building in Shelby County to pursue LEED certification.

Energy Edge is published by the Commercial & Industrial Customer Care department of Memphis Light, Gas and Water Division. Comments and distribution list changes may be e-mailed to: crc@mlgw.org