



Energy Edge

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

PGA and FCA fall again, lowering electricity and natural gas costs per unit

TVA's Fuel Cost Adjustment (FCA) fell for the eight consecutive period, to the lowest numbers seen since TVA introduced the variable charge in October 2006, while the Purchased Gas Adjustment (PGA) fell for the fourth straight month. Both fees are in negative numbers, reducing the energy cost per unit.

The impact varies by rate and consumption. For example:

- Commercial customers on the G7 gas rate will see a savings of \$22.20 per 100 Ccf for meter readings taken on and after 2/2/2010, compared to the rate effective a year earlier. This negative PGA will help offset the financial impact of higher gas consumption for heating during January's freeze. View PGA history at: http://www.mlgw.com/PGA_Rates.PDF
- Comparing energy charge and FCA components applicable to meter readings taken on or after 1/30/2009 with those a year later (on or after 2/2/2010), yields a \$160.50 net savings per 10,000 kWh for commercial customers on E2/GSA, part 1, and E2/GSA, part 2, electric rates. View FCA history at: http://www.mlgw.com/images/TVA_FCA.pdf

New J.D. Power survey of satisfaction among business customers shows MLGW improvement

MLGW continues to improve in the various J.D. Power & Associates customer satisfaction surveys, as evidenced by results for the 2010 Electric Utility Business Customer Satisfaction Study announced 2/3/2010. MLGW climbed 41 points, while all utilities averaged an increase of 29 points. This is the second year MLGW has been included in the national survey.

To help improve customer service for its business customers, MLGW has worked to enhance a number of areas, including:

- Improving service and response times to customers conducting business with MLGW over the phone, by mail, in person, and especially electronically.

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	(\$0.325)	na
G-7	(\$0.325)	na
G-8 / G-9	(\$0.404)	\$0.613
G-10 / G-12	(\$0.201)	na

Monthly adjustment in \$/Ccf to published natural gas rates for meters read on or after 2/2/2010.

Fuel Cost Adjustment (FCA)

TVA Rate Class	MLGW Rate Code	FCA Amount
GSA, Part 1	E-2	(\$0.00898)
GSA, Part 2	E-2	(\$0.00898)
GSA, Part 3	E-2	(\$0.00887)
Residential	E-1	(\$0.00907)
Outdoor Lighting	E-3	(\$0.00909)

Monthly adjustment in \$/kWh to all firm kWh, beginning with meters read on or after 2/2/2010.



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

Emergency: 901-528-4465

Outage: 901-544-6500

VIEW YOUR BILL ONLINE AT www.mlgw.com

- Expanding tools for commercial customers using My Account, including the recent addition of bill analysis features for small- to mid-size accounts.
- Expanding electronic payment options for commercial customers.
- Increasing the number of MLGW transactions that commercial customers can handle over the internet, including payment extensions.
- Refining the outage map and restoration updates for customers seeking information.
- Increasing circulation of its monthly business newsletter, *Energy Edge*, to nearly 6,000 customers.

J.D. Power bases its study on web panel responses from representatives of more than 16,000 U.S. businesses that spend between \$500 and \$50,000 monthly on electricity. Nearly 100 utilities serving a total of more than 11.7 million business customers are included in the study. Overall customer satisfaction is measured by examining six factors: power quality and reliability; billing and payment; corporate citizenship; price; communications; and customer service.

The study finds that business customers increasingly rely on their utility websites for information, with 46% of customers reporting using their utility website in 2010, compared to 38% in 2009. In addition, those business customers who visited the utility's website one or more times are considerably more satisfied overall than customers who never visited the utility's website.

The study also finds that utilities may be able to mitigate low satisfaction levels due to outages by providing comprehensive outage information. Among business customers who called their utility to report an outage, those who received four or more pieces of outage information are nearly as satisfied overall as those who never experienced an outage.

“By proactively communicating about corporate citizenship initiatives and power outage information, electric utilities are providing additional value to their business customers (and) those customers are responding positively,” said Destribats. “As utility Web site usage continues to grow among business customers, Web sites will become an increasingly important tool in these communication efforts.”

Within each geographic region included in the study, utility providers are classified in two segments: large (serving 85,000 or more business customers) and midsize (serving between 29,000 and 84,999 business customers). MLGW is in the midsize Southern category. The study was fielded in two waves, from April to June 2009 and September to December 2009.

Ice storm triggered outages, response from MLGW and contractors

School children were likely the only ones excited by the forecast for snow on 1/29/2010, while MLGW used the advance warning of impending bad weather to prepare for potential outages.

Thursday afternoon, the day before the storm hit, MLGW had its electric and tree trimming crews on standby and had contacted mutual aid partners in case out-of-town crews were need to bolster a restoration effort. Over the three-day event, approximately 30,000 customers lost power at some point—mainly from ice-laden trees whose branches fell on power lines, and drivers on icy streets who crashed into utility poles. More than 20 tree trimming crews worked to clear debris, so MLGW troubleshooters could assess the damage and electric crews could coordinate repairs.

MLGW's outage map at http://www.mlgw.com/SubView.php?key=misc_outagemap&x=2 proved to be a popular method for finding outage information and getting updates as the restoration process continued. Due to

security concerns, the website does not provide information on specific addresses, but uses rectangles superimposed over a map of Shelby County to identify areas affected by specific outages and provide updates.

Fitch upgrades MLGW electric system bonds to AA+ status

In the midst of a tenuous economy, Fitch Ratings has upgraded several of MLGW's electric system bonds to 'AA+' status, including one series of revenue bonds and two outstanding bonds. The AA+ ratings indicate that MLGW's rating outlook is stable, primarily due to its "ability to maintain strong financial and operational performance in line with comparably rated electric distribution systems," according to Fitch. Higher bond ratings allow for savings on debt costs which helps MLGW control operating costs.

MLGW's Business Energy Advisor explores new technologies, new options for your facility

Before you make a purchase decision on new equipment and devices, be sure to get the latest information from the Business Energy Advisor section of MLGW's website. Business Energy Advisor is content written by MLGW's information provider, ESource. Since ESource does not sell energy or equipment, the information is fuel- and vendor-neutral.

Topics are updated regularly; the articles noted below were added most recently. To access, go to www.mlgw.com and click *For Your Business*, then *Energy-Saving Tools and Incentives*, then *Business Energy Advisor*. You can also access using links in My Account.

Tankless Water Heaters

Water heating is one of the biggest sources of energy use in commercial buildings, after HVAC and lighting. Tankless water heaters can save energy while providing you with an endless supply of hot water. Read this report to see if tankless technology is right for your next replacement.

Lighting Controls

Lighting controls offer users the ability to provide light when and where it's needed, and in the right quantity. Choices range from simple switches to complex energy management systems. Find out what options are available.

Reciprocating Engine Generators

MLGW does its best to keep the lights on 24 hours a day, 365 days a year, but if your business requires that extra measure of reliability, you may want to consider purchasing a backup generator. Read this article on the variety of reciprocating engine generator sets that are available to learn how you can select the best one for your business.

Last year, the Business Energy Advisor pages were visited 15,082 times by 2,322 unique users seeking information to lower operating costs and boost profitability. Were you one?

Renovations completed at MLGW Community Office

More than cosmetic, facility improvements help lower operating cost

Customers who use MLGW's North Community Office, located at 2424 Summer Avenue, were pleased to see the facility reopen in January, after completion of a four-month building retrofit project. Upgrades were made to the heating and air conditioning system and electrical wiring, the roof was re-tarred, the Credit Area was renovated for greater security, a lower ceiling and new light fixtures were added, bathrooms were made handicap-accessible, and the entire office has been repainted.

In addition to improving comfort for customers and employees, the renovations will help MLGW reduce the facility's operating costs. MLGW's Facility Management staff works to find cost-effective retrofit opportunities for all MLGW locations, ranging from major investments, such as new HVAC equipment and lighting, to low-cost initiatives, such as occupancy sensors, automated controls and reviews of system setpoints. Much like your facility operations, MLGW looks for every opportunity to reduce energy waste and control costs.

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