



Energy Edge

A NEWSLETTER FOR MEMPHIS LIGHT, GAS AND WATER DIVISION GENERAL POWER CUSTOMERS
FEBRUARY 2009

Electric costs to fall in second quarter

TVA announces plan to reduce FCA again

TVA officials have announced that the Fuel Cost Adjustor (FCA) will be lower next quarter. The FCA fluctuates quarterly to account for variations in TVA's power generation and purchased power expenses. After three consecutive increases in 2008, this is the second consecutive decrease in FCA. Preliminary information indicates the FCA will fall as much as 40%, which could translate into an appropriate 7% decrease in wholesale electric costs. Once TVA has finalized the wholesale decrease, TVA and other power distributors can calculate the impact on retail rates. This should occur by mid-March, to take effect with meters read beginning 4/1/2009.

TVA attributes the decrease to increased rainfall and economic conditions, which contributed to lower fuel and purchased power costs. Unfortunately, coal prices have not decreased as rapidly as other fuel prices, preventing TVA's costs from dropping further. About 60 percent of TVA's power supply comes from fossil fuels—primarily coal, along with oil and natural gas.

Read TVA's news release at:

http://www.tva.gov/news/releases/janmar09/fuel_cost_adjustment.htm You can track quarterly fluctuations in the FCA at:

http://www.mlgw.com/SubView.php?key=comm_genrateinfo

New money-saving content added to Business Energy Advisor

Find new ideas for reducing operating expenses and upgrading equipment in MLGW's Business Energy Advisor web service. The web-based service features third-party content on new technologies and O&M practices to help your business save time, labor and money. See the following new postings.

New Purchasing Advisor on Hotel Room Automation

Hotel and motel guests are far from being the greatest energy savers, often leaving lights and HVAC systems on when they leave. In addition, though energy use represents only about 6% of a hotel's or motel's total operating costs, it has been increasing at a rate of 12% per year. Fortunately, the lodging industry can combat this problem by capturing significant energy and other savings through the use of automation products. Based on

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	(\$0.109)	na
G-7	(\$0.103)	na
G-8 / G-9	(\$0.162)	\$0.506
G-10 / G-12	(\$0.116)	na

Adjustment in \$/Ccf to published natural gas rates for meters read on or after 1/30/2009.

Fuel Cost Adjustment (FCA)

TVA Rate Class	MLGW Rate Code	FCA Amount
GSA, Part 1	E-2	\$0.01384
GSA, Part 2	E-2	\$0.01384
GSA, Part 3	E-2	\$0.01369
Residential	E-1	\$0.01400
Outdoor Lighting	E-3	\$0.01402

Adjustment in \$/kWh to all firm kWh, beginning with meters read on 12/31/2008 and lasting for three consecutive billing periods.



Important Contact Information

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available studies, automation products can produce a 25%-44% energy savings per room and can be used in virtually any hotel or motel to varying degrees. These products involve a variety of techniques to detect when a room is unoccupied and turn off lights and/or reduce HVAC operation—the two biggest users of energy in limited-service motels. To find out about automation opportunities, see the new Purchasing Advisor under Controls> Hotel Room Automation.

Updated Purchasing Advisor on Voltage Controllers

If your business uses motors that run for long periods of time at low load, you might be able to save energy by installing voltage controllers. These devices reduce the voltage to motors running at low load, thereby reducing their losses. Despite the optimistic claims made by some vendors, voltage controllers are only cost-effective under very specific circumstances. You can learn more about voltage controllers and their best applications on our web site in our recently updated Purchasing Advisor article under Motors> Voltage Controllers..

Updated Purchasing Advisor on Adjustable-Speed Drives

As their name implies, adjustable-speed drives (ASDs) allow motors to operate at varying speeds, from as low as 10% to over 300% of nameplate speed. Since the power consumption of most pump and fan applications varies as the cube of the speed, ASDs can save a tremendous amount of energy wherever the flow required by an application is lower than that provided by full-speed operation. Our newly updated Purchasing Advisor article on ASDs provides a quick introduction to the technology, its best applications, and what to look for when considering an ASD purchase. Read it online under Purchasing Advisor > Motors> Adjustable Speed Drives.

Updated Purchasing Advisor on Exit Signs

Are you looking for an easy way to reduce energy and maintenance bills? Exit signs that must be lit 24 hours a day, seven days a week can take a bite out of commercial and industrial budgets, but today's more efficient exit signs can offer lifetime savings of up to \$300 per sign in reduced energy, materials, and labor costs as compared with standard incandescent models. The U.S. government recently passed a minimum federal efficiency standard for exit signs, thus eliminating not only incandescent but also fluorescent light sources from contention. We've recently updated the information on our web site to reflect the new standards and have expanded our list of high-efficiency exit sign manufacturers. Learn more under Purchasing Advisor > Lighting > Exit Signs.

Updated Purchasing Advisor on Remote-Source Lighting

Remote-source lighting uses fiber optics or light pipes to convey light from a single, high-efficiency source to multiple locations. This approach reduces the amount of heat and ultraviolet radiation introduced into a space, improves safety in wet or explosive environments, and provides an aesthetic appeal. Learn the best applications in our recently updated Purchasing Advisor web page, under Lighting > Remote Source Lighting.

Updated O&M Advisor on Maintaining Fans

We've just expanded our Operation and Maintenance Advisor report on maintaining fans. This report now includes typical maintenance measures for both general and rooftop-unit (RTU) fan systems. In addition, we added specific maintenance considerations for the condenser and supply-air fans found in typical RTUs. Plus, we've highlighted some typical problems and discussed how to prevent these problems. Check it out on our web site under O&M Advisor > HVAC> Maintaining Fans.

Access these articles and others by visiting the Business Energy Advisor section at:

http://www.mlgw.com/frameset.php?head=comm&content=comm_energyadvisor Use the links labeled Purchasing Advisor, O&M Advisor and Commercial Energy Advisor to find specific articles and topics. New content is added often, so we encourage you to bookmark this helpful link for reference the next time you have a question or need to evaluate pre-purchase options.