



Energy Edge

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

MAY 2007

Change in PGA process to yield one-time refund for gas customers

MLGW's natural gas customers will receive a one-time refund reflecting changes in the utility's process for determining Purchased Gas Adjustment (PGA) fees. The amount of the credit will be based on each customer's gas consumption and applicable natural gas rate. MLGW expects credits to appear on bills rendered on or after 6/27/07.

This adjustment is the result of non-cost charges that were included in PGA calculations from September 2006 to April 2007. The charge proceeds were used to pay for initial inventories to fill a new, empty gas storage site. In reviewing the process, MLGW's audit committee determined that customers should be charged at the time the natural gas is consumed, not when gas supplies are placed in inventory. This decision necessitated the upcoming bill credit.

The PGA is a cost recovery mechanism reflecting the cost of the natural gas MLGW purchases, as well as the cost of gas storage, transportation and delivery. These costs fluctuate in today's deregulated, competitive marketplace, resulting in a varying PGA each month. Like virtually all natural gas utilities, MLGW uses a PGA to pass along market-driven cost increases and decreases to its customers.

TN Clean Energy Technology Grant offers funding opportunities

The Energy Division of the State of Tennessee's Department of Economic and Community Development is offering a pilot grant program for businesses to install renewable energy systems at their facilities.

Grant amounts are 40% of the installed cost for solar photovoltaic (PV) systems, wind, solar water heating, hydrogen fuel cells and solar hybrid lighting up to a maximum of \$75,000. The minimum grant amount is \$5,000. To qualify, the facility where the system will be installed must undergo an energy audit.

MLGW Rates

MLGW's 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	\$0.1309	na
G-7	\$0.1164	na
G-8 / G-9	\$0.1518	(\$0.0772)
G-10 / G-12	\$0.1548	na

Adjustment in \$/Ccf to published natural gas rates for bills rendered on or after 4/26/07.

Fuel Cost Adjustment (FCA)

TVA Rate Class	MLGW Rate Code	FCA Amount
GSA, Part 1	E-2	\$0.00088
GSA, Part 2	E-2	\$0.00088
GSA, Part 3	E-2	\$0.00086
Residential	E-1	\$0.00089
Outdoor Lighting	E-3	\$0.00089

Adjustment in \$/kWh to all firm kWh, beginning with bills rendered on 3/27/07 and lasting for three consecutive billing periods.



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

Emergency: 901-528-4465

Outage: 901-544-6500

Outage: 901-544-6500

For businesses considering solar generation, this grant—combined with the MLGW/TVA Generation Partners incentive program and the federal tax credit—improves the project payback period significantly.

The grant application and contact information can be found online at

http://www.dsireusa.org/library/includes/incentive2.cfm?Incentive_Code=TN50F&state=TN&CurrentPageID=1&RE=1&EE=1

Business Energy Advisor web content expanded and updated

New information on daylighting controls has been added to the Business Energy Advisor section of MLGW's website. In addition, updates were made on content for sections addressing windows, window film, heat pump water heaters and motor repair/replacement. Business Energy Advisor is an electronic encyclopedia of energy management tips and purchasing guides designed to assist businesses and organizations in making the most effective energy decisions. Content is provided by E-Source, a fuel-neutral energy information firm that tracks new technologies and energy trends. Access Business Energy Advisor at

http://mlgw.com/frameset.php?head=comm&content=comm_energyadvisor

Annual Water Quality Report confirms purity of MLGW's water

MLGW has begun mailing copies of its annual Water Quality Report to more than 253,000 customers who receive water service from the utility. The report presents the latest data confirming the superior quality of Memphis' drinking water and information on how MLGW continues to meet and exceed all federal and state safety standards.

The report is published annually by MLGW in response to an Environmental Protection Agency (EPA) mandate requiring all community water systems to communicate water quality information to customers in a standard format. An electronic version of the Water Quality Report can be accessed at www.mlgw.com.

The origin and journey of Memphis water from aquifer to tap is outlined in the report, along with information on source water assessment, groundwater protection efforts and MLGW's practices to ensure the quality of our water supply.

Distribution of the report coincides with observance of National Drinking Water Week, May 6-12. This annual awareness effort is a good reminder to review your facility. A quick inspection of faucets, toilets, water fountains and other interior and exterior water devices will identify any leaks. Since sewer charges are based on water consumption, fixing leaks will have a double impact on your utilities.

When evaluating new equipment for replacement or expansion, consider the benefits of low-flow faucets and toilets that can provide automatic water savings.

Did you know...

A "silent" toilet leak can waste 30 to 500 gallons of water per day? Find more water facts and tips at these websites:

- <http://mlgw.com/frameset.php?head=comm&content=energysmart>
- http://mlgw.com/SubView.php?key=res_waterconv
- www.drinktap.org
- www.epa.gov/watersense
- www.h2ouse.org

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