Energy Edge

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

JULY 2007

One-time MLGW gas billing credit to be issued beginning 7/9/07

MLGW customers who consumed natural gas during the September 2006 through April 2007 billing period will receive a credit on upcoming bills, rendered between 7/9/07 and 8/6/07. The amount of credit will be unique to each customer and is based on the amount of gas consumed over the eight-month period, as well as the customer's applicable natural gas rate.

The credit is a result of charges that were added to the Purchased Gas Adjustment (PGA) component of customer bills during that period in order to finance the purchase of natural gas inventories related to a new storage contract. This financing method has been discontinued in favor of an alternative method, with customers receiving a one-time credit to refund the amount collected for this storage gas.

Why MLGW buys natural gas during the summer

MLGW buys some natural gas during the summer to put into storage for use in the upcoming winter. This is done, in part, to take advantage of summer prices which are typically lower than winter months, when demand is high. These savings are passed along to customers when the gas is consumed.

Old method of financing summer gas purchases halted

For 2007, MLGW added new storage capability to further take advantage of summer-to-winter price differentials and to enhance operational reliability. In order to fund the initial purchase of gas to put into this new storage, MLGW added a component to the PGA used for billing between 8/24/06 and 4/25/07. The funds collected through this component were earmarked to buy gas over the summer months to put into storage for use in the upcoming winter. MLGW has discontinued this method of financing for storage and will be crediting collected funds back to customers.

New method of financing implemented

MLGW will continue to purchase and store natural gas for our customers' convenience and savings, but will now borrow funds from a financial institution to handle the transactions. When customers use the stored gas in the winter, they will be charged

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	$0.2583	na
G-7	$0.3307	na
G-8 / G-9	$0.3051	($0.0023)
G-10 / G-12	$0.3631	na

Adjustment in $/Ccf to published natural gas rates for bills rendered on or after 6/26/07.

Fuel Cost Adjustment (FCA)

TVA Rate Class	MLGW Rate Code	FCA Amount
GSA, Part 1	E-2	$0.00091
GSA, Part 2	E-2	$0.00091
GSA, Part 3	E-2	$0.00089
Residential	E-1	$0.00092
Outdoor Lighting	E-3	$0.00092

Adjustment in $/kWh to all firm kWh, beginning with bills rendered on 6/26/07 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 it at that time. Funds collected from customers when they use the stored gas will be used by MLGW to pay back the loan. New loans will be taken out each year to purchase natural gas during the summer and retired every year as funds are received from the purchase of stored gas by customers.

How to calculate your gas billing credit

If you purchased natural gas from MLGW during the affected billing periods (8/24/06 through 4/25/07), a credit will show on your bill issued between 7/9/07 and 8/6/07. Customers who have inactive accounts with appropriate forwarding addresses will receive special checks by mail.

Your credit will appear on your bill under the section called Gas Billing Credit. Headings in that section show the reading dates of your bill, the amount of natural gas consumed during that billing period, the rate added to the PGA to pay for storage gas, and the amount of the credit.

You can check these calculations by looking at your old bills, dated between 8/24/06 and 4/25/07. Multiply your usage each month by the rate to arrive at the amount of credit for the month. The total natural gas billing credit is summed at the bottom of the amount column and is credited to your current bill.

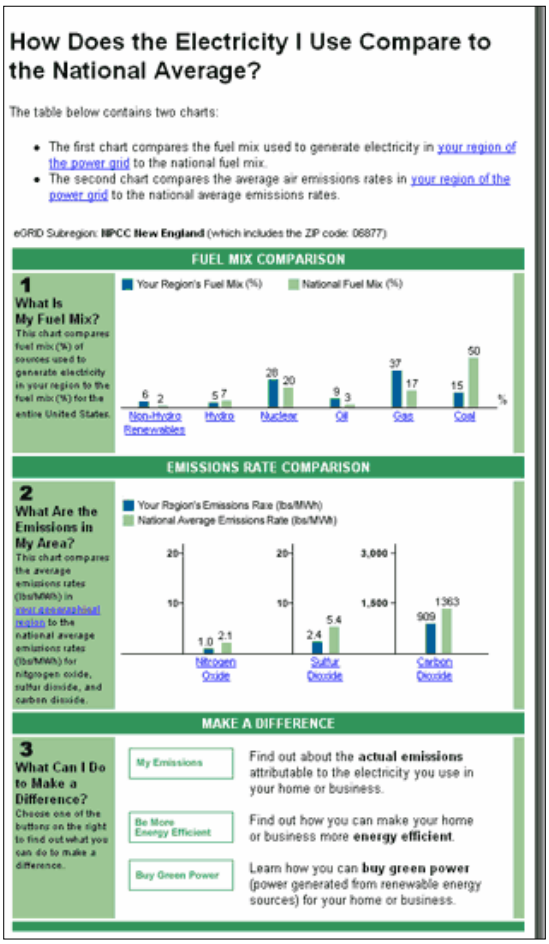
Historic PGA rate revisions

Since many commercial and industrial customers track historic PGA rates, the following table has been provided to show the revised PGA rate, excluding the component used for MLGW's summer gas purchases. If your organization tracks historic PGA rates, please modify your files to reflect the revisions.

Revised Purchased Gas Adjustment (PGA) Chart
per Unit of Consumption, in Dollars

Effective Bill Date	G-1/G-3 (residential)		G-7		G-8/G-9	G-8/G-9 (demand)	G-8/G-9	G-8/G-9 (demand)	G-10/G-12	
	Original	Revised	Original	Revised	Original	Original	Revised	Revised	Original	Revised
8/24/06 thru 9/22/06	0.4366	0.3414	0.4785	0.3895	0.4597	(0.0599)	0.3747	(0.0599)	0.4992	0.4260
9/25/06 thru 10/23/07	0.3864	0.2912	0.3504	0.2614	0.2918	(0.0454)	0.2068	(0.0454)	0.3903	0.3171
10/24/06 thru 11/21/07	0.4144	0.3192	0.3319	0.2429	0.3158	(0.0843)	0.2308	(0.0843)	0.2525	0.1793
11/22/06 thru 12/22/07	0.5699	0.4747	0.5619	0.4729	0.5341	(0.0688)	0.4491	(0.0688)	0.4517	0.3785
12/27/06 thru 1/25/07	0.5371	0.4419	0.5001	0.4111	0.4195	(0.0680)	0.3345	(0.0680)	0.3382	0.2650
1/26/07 thru 2/23/07	0.5625	0.4673	0.5585	0.4695	0.6039	(0.0497)	0.5189	(0.0497)	0.6095	0.5363
2/26/07 thru 3/26/07	0.5998	0.5046	0.6395	0.5505	0.6658	(0.0764)	0.5808	(0.0764)	0.6573	0.5841
3/27/07 thru 4/25/07	0.4179	0.3227	0.3932	0.3042	0.4199	(0.0610)	0.3349	(0.0610)	0.4201	0.3469
Gas Billing Credit Rate		(0.0952)		(0.0890)			(0.0850)	(0.0000)		(0.0732)

EPA Power Profiler offers quick method to calculate carbon footprint



"Carbon footprint" has become a popular term to describe the environmental impact of a home's or facility's electricity use. With just a few clicks of the mouse and a ZIP code, households and businesses can see how their individual energy use is affecting the Earth. EPA's Power Profiler calculates how much air pollution results from individual electricity use, the fuels used to produce that electricity and how to reduce the impact.

EPA has updated the web-based Power Profiler with recently released data on emissions and fuels. In addition to learning the emissions from their individual electricity use, users can see how they compare with national averages.

The air pollutants used in the calculator are carbon dioxide (CO2), sulfur dioxide (SO2) and nitrogen oxides (NOx). CO2 contributes to global warming or climate change, while NOx and SO2 contribute to unhealthy air quality and acid rain in many parts of the country.

Power Profiler displays the fuel mix in percent coal, oil, gas, nuclear, hydro-electric (water), and other renewable sources including biomass, wind, solar, geothermal, and landfill gas.

With information from the calculator on their monthly electricity use, consumers can assess their annual emissions. The site also guides users to other online information showing how to reduce emissions from one's home or business through greater energy efficiency and use of renewable energy.

Power Profiler uses information from EPA's Emissions & Generation Resource Integrated Database (eGRID), a comprehensive source of data on the environmental characteristics of nearly all electric power generated in the United States. To access Power Profiler, visit: http://www.epa.gov/cleanenergy/powerprofiler.htm

MLGW to co-host Fundamentals of Compressed Air Systems session

Industrial workshop designed for facility engineers, operators and maintenance staff

Memphis Light, Gas and Water is partnering with several organizations to offer the first course in a series of workshops known as the Compressed Air Challenge (CAC). The mission of the CAC is to develop and provide resources that educate industry on the opportunities to raise net profits through compressed air system optimization.

Fundamentals of Compressed Air Systems, the first course in the CAC training program, is being offered on 7/19/07. This is a one-day introductory workshop designed to teach facility engineers, operators and maintenance staff how to achieve 15 - 25% cost savings through more effective production and use of compressed air.

The U.S. Department of Energy performed an assessment of the CAC training program, and found that not only are participants seeing energy savings, but they are also experiencing significant non-energy benefits. These benefits include reduced downtime, reduced moisture and contamination in the system air, more consistent system pressure, increased production capacity and reduced maintenance costs.

Workshop sponsors include: Tencarva Machinery Company, Draw Professional Services, Energy Division-State of Tennessee, Tennessee Tech, Compressed Air Challenge, DOE EERE and MLGW.

Fundamentals of Compressed Air Systems

When: Thursday, 7/19/2007
7:30am

Where: MLGW Training Center
4949 Raleigh LaGrange Rd
Room 111

Registration fee: $250 per person

Seating is limited, so register early to ensure space. Be prepared to present photo identification at the security desk upon arrival. For a registration form, contact your MLGW representative or download the form at:
http://www1.eere.energy.gov/industry/newsandevents/events.html?sort=title:a-z

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