



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

JULY 2009

Reduced TVA Fuel Cost Adjustment delivers savings on utility bills

Savings of \$2.95 per 1,000 kWh versus last quarter

The new TVA Fuel Cost Adjustment (FCA) rider, effective with meter readings beginning 7/1/2009, brings good news in the form of marginally lower electric costs. This quarter's FCA is lower than each of the last five quarters.

Compared to one year ago, the rider is 23% lower, for a savings of more than \$1.60 per 1,000 kWh, depending on your applicable electric rate. Compared to the historic peak FCA, which occurred during fourth quarter 2008, the FCA decrease represents a savings of over \$13.00 per 1,000 kWh.

The FCA allows TVA to pass through increases or decreases in fuel and purchased power costs more frequently than traditional adjustments to base rates. TVA calculates the FCA amount based on quarterly forecasts for fuel and purchased power costs. See the table at right for this quarter's FCA or track historic values online at http://www.mlgw.com/images/TVA_FCA.pdf

June's straight line winds, tornado cut power to 140,000 MLGW customers

Major storms that come through Memphis never arrive at a convenient time, and the one that hit the metro Memphis area on Friday, 6/12/09 was no exception. Around 5:00pm, at the height of rush hour, 70 mph straight-line winds whipped through Shelby County, downing trees and power lines, initially knocking out 76 electric substation circuits. Two tornadoes hit the metro area, in Bartlett and Olive Branch, MS. In the storm's wake, more than 130,000 MLGW customers—nearly one-third—were without power, followed by an additional 12,000 customers from two subsequent weekend storms.

Although severe, the Friday storm and its aftermath did not catch MLGW off guard. The MLGW Electric Crisis Team immediately assembled to begin the assessment process. Given weather forecasts, arrangements already had been made for additional out-of-town crews and contractors to help. After the damage assessment, MLGW crews went to work. While no customer wants to be the last one restored, in order for MLGW to begin work someone will be first and someone will be last.

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	(\$0.084)	na
G-7	(\$0.236)	na
G-8 / G-9	(\$0.351)	\$0.185
G-10 / G-12	(\$0.339)	na

Adjustment in \$/Ccf to published natural gas rates for meters read on or after 7/1/2009.

Fuel Cost Adjustment (FCA)

TVA	MLGW	FCA
Rate Class	Rate Code	Amount
GSA, Part 1	E-2	\$0.00548
GSA, Part 2	E-2	\$0.00548
GSA, Part 3	E-2	\$0.00542
Residential	E-1	\$0.00554
Outdoor Lighting	E-3	\$0.00555

Adjustment in \$/kWh to all firm kWh, beginning with meters read on 7/1/2009 and lasting for three consecutive billing periods.



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

MLGW's triage system seeks first to restore all critical facilities such as water pumping stations, hospitals, sewage treatment plants and other essential operations. Restoration priority is then given to those repairs that will bring back the largest number of customers in the shortest amount of time, with attention given to nursing homes and schools (when in session). This approach enables MLGW to work from its substations outward, to primary trunk circuits, primary tap circuits, secondary lines and transformers, then individual services.

MLGW deployed more than 800 employees and contractors in the field to restore service to customers, while hundreds more provided support services in offices and at service centers. At peak, 92 electric crews and 54 tree trimming crews worked 18-hour shifts around the clock to remove trees, erect poles, string power lines and connect services—with no serious injuries.

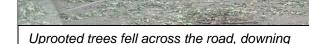
Wonder how the process works? Here are some highlights:

- Friday, 6/12/09, 5:00pm: Storm blows through. 130,000 customers out. 76 substation circuits out. MLGW Electric Crisis Team activated. Out-of-town crews, previously placed on notice, contacted to schedule arrival. Damage assessment begins; expect one-week restoration.
- Friday, 6/12/09, 11:00pm: 119,846 customers out. Priority restoration plan in progress, focusing on critical facilities. Crews working 18-hour shifts, around the clock.



High winds tore off this sheet metal roof and snapped a utility pole in North Memphis.

- Saturday, 6/13/09, 11:00am: 101,000 customers out. 10 crews en route from Nashville; 9 coming from Chattanooga.
- Saturday, 6/13/09, 6:45pm: 75,000 customers out.
- Sunday, 6/14/09, morning: New storm blows in, delaying restoration work for nearly three hours and adding 10,000 to outage tally.
- Sunday, 6/14/09, 9:45am: 63,000 customers out.
- Sunday, 6/14/09, 11:00am: 53,000 customers out. 63 electric crews and 50 tree trimming crews working.
- Sunday, 6/14/09, 3:45pm: 50,000 customers out.
- Sunday, 6/14/09, 6:00pm: 49,000 customers out.
- Sunday, 6/14/09, late evening: 41,000 customers out.
- Monday, 6/15/09, 6:52am: 39,000 customers out. Workforce totals 88 electric crews and 50 tree trimming crews.
- Monday, 6/15/09, 12:30pm: 35,000 customers out.
- Monday, 6/15/09, 6:00pm: 30,000 customers out
- Monday, 6/15/09, night: New storm adds 2,000 to outage tally.



power lines in their descent.

- Tuesday, 6/16/09, 9:30am: 25,000 customers out. All full circuits restored; 12 partial circuits still out, along with 400 fuses and 300 transformers. Most non-residential accounts restored. Outages scattered throughout Shelby County.
- Tuesday, 6/16/09, 4:30pm: 18,000 customers out.
- Tuesday, 6/16/09: 11:00pm: 14,000 customers out, mostly within Interstate 240 loop.
- Wednesday 6/17/09, 9:00am: 12,000 customers out.
- Wednesday, 6/17/09, 5:30pm: 9,200 customers out.
- Thursday, 6/18/09, 9:30am: 5,000 customers out. 92 electric crews and 54 tree trimming crews working. Customers still without power encouraged to report the outage again to synchronize after major repairs are cleared.
- Thursday, 6/18/09, 6:15pm: 3,480 customers out.
- Friday, 6/19/09, 8:30am: 1,500 customers out.
- Friday, 6/19/09, 2:15pm: 687 customers out.
- Friday, 6/19/09, 5:30pm: 250 customers out.
- Friday, 6/19/09, 11:00pm: Service restored to all known customer outages where buildings could accept power.

Automated outage reporting process ensures accuracy

When your facility's power is interrupted due to storm damage, as many of us experienced recently, please make sure that your outage is reported. You may report your outage using our automated outage hotline, 901-544-6500, where you enter your facility's phone number or the last 7 digits of the billing account number for the affected facility. Using your account number is the most reliable method when you have multiple locations.

We recommend that you post the last 7 digits of your account number(s), along with MLGW's outage number, 901-544-6500, near phones for easy access by your staff.

Storm season raises questions about proper generator installation

Last month's storms raised questions from customers—and concerns from utility officials—about ensuring that back-up generators are properly installed. There are two basic types of generators: permanent and portable. Permanent installations include an automatic transfer switch that disconnects the facility's electric load from the grid when the generator begins operation. Portable generators do not typically include this feature, which means proper installation is vital to prevent backfeeding electric current onto the grid, which could injure crews working to restore power in the area.

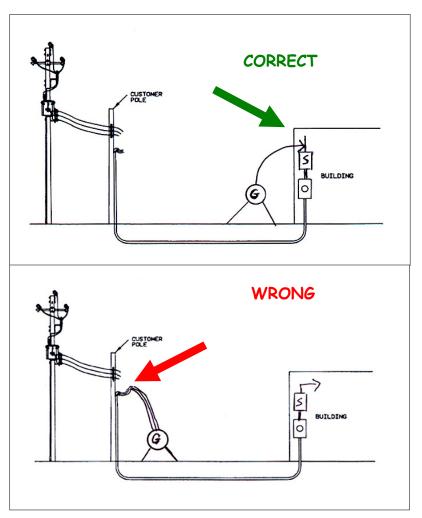
Proper Installation

In a proper installation, a portable generator is installed on the load (customer) side of meter with the breaker open, eliminating risk of backfeeding onto the grid. Electricians also can request to have jacks opened, to further protect from backfeeding, but that step is not required since the generator is on secondary side.

Improper Installation

In an unsafe installation, the generator is installed improperly on line (supply) side of meter, backfeeding onto the grid and putting utility crews at risk. To do this safely, MLGW would need to drop the service line before the generator was installed, then reconnect after the generator was removed—processes that would be delayed during outage restoration.

Remember that generators should only be installed by qualified professionals in outdoor areas with good ventilation. The safety of MLGW crews, your employees and customers—as well as your equipment—depends on your actions.



Phone numbers change for reporting streetlight and Leased Outdoor Lighting maintenance requests

MLGW has launched a new, improved process for customers to report outages of street lights and MLGW Leased Outdoor Lights. These maintenance requests can now be submitted by calling 901-820-7878, where a Customer Service Representative will take your information and initiate the request. Calls to two existing phone numbers (901-320-1497 and 901-320-1498), which frequently resulted in voicemail,



are being rerouted to the new phone number. The old phone numbers will be eliminated later this year, so please update your records to reflect the new number: 901-820-7878.

Educate employees by hosting EnergySmart Memphis workshop

Lunch-and-Learn event shows ways to save at home, fosters good habits at work too

MLGW is taking its residential EnergySmart Memphis workshops to area employers, as a way to educate employees on household energy savings. Research shows that employees who adopt energy efficiency at home are more likely to bring those good behaviors to work, helping businesses lower operating costs.

Condensing the two-hour workshop format into a 75-minute period, EnergySmart Memphis trainers will discuss common household energy problems, demonstrate weatherization and other energy efficiency measures and discuss basic strategies to control energy costs. Each workshop attendee receives a free EnergySmart Memphis kit (valued at \$45.00), containing compact fluorescent bulbs, caulk and caulk gun, plastic window covering, gasket insulators and other products. By supplying basic home weatherization and efficiency products, MLGW ensures that customers can take initial steps immediately. As employees develop their own energy-saving habits—such as turning off lights, shutting down equipment, moderating thermostat settings and closing blinds—those habits carry into the workplace.

To schedule an EnergySmart Memphis workshop, contact Jackie Royston, 528-4188 or jroyston@mlgw.org Sessions are available from 10:00am through 6:00pm, weekdays. Some Saturday sessions are also available. Groups should be no larger than 40-45 attendees. A screen or suitable wall space is needed to project the slides and two 6-foot tables are required to hold props. The EnergySmart Memphis trainers will arrive 30 minutes prior to start of the session to set-up. Whenever feasible, energy kits are delivered the day before the presentation. Please submit your request three to four weeks ahead of your preferred date. EnergySmart Memphis is a partnership with MLGW, TVA, City of Memphis and Shelby County government.

DOE improves benchmark models for building energy simulations

The U.S. Department of Energy (DOE), in conjunction with three of its national laboratories, has developed and made available commercial building benchmark models for building professionals to use when analyzing whole-building energy performance across the commercial building stock. The commercial benchmarks are available for DOE's EnergyPlus simulation software. The models provide a consistent baseline of comparison and improve the value of computer-generated energy simulations.

DOE's Building Technologies Program, working with DOE's Pacific Northwest National Laboratory, Lawrence Berkeley National Laboratory, and National Renewable Energy Laboratory, developed models for 16 commercial building types in 16 locations representing all U.S. climate zones. Building types—which represent 70% of commercial buildings in the U.S.—include small, medium and large office buildings; stand-alone retail and strip malls; warehouses; primary and secondary schools; supermarkets; restaurants and fast food restaurants; hospitals and out-patient health facilities; small and large hotels and mid-rise apartment buildings.

Users can download the benchmarks by building type or location at the Commercial Building Benchmark Models webpage, http://www.eere.energy.gov/buildings/highperformance/benchmark.html . Each benchmark building is comprised of an EnergyPlus input file (.idf), an HTML file showing the results from the EnergyPlus simulation (.html), a scorecard summarizing the inputs and results for each location (.pdfs) and an appropriate weather data file for EnergyPlus (.epw). EnergyPlus is DOE's fully integrated building, HVAC, and renewables simulation program that allows builders and architects to analyze low-energy technologies in commercial and residential building simulations. Currently, new construction benchmarks are available, with plans to add benchmarks for buildings constructed prior to 1980 and 1980 to current.

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