



Energy Edge

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

SEPTEMBER 2007

Heat wave tests MLGW, TVA systems Power grids withstand record-setting August peaks

August 2007 goes into the record book as setting and breaking records for peak electric demand across the region. MLGW set new electric usage peaks three times during the recent heat wave:

- 8/8/07 at 3,422 megawatts (MW)
- 8/14/07 at 3,442.7 MW
- 8/15/07 at 3,484 MW

Due to drought conditions, MLGW customers also set a new annual peak for water usage on 8/15/07, with maximum daily pumpage of 310.4 million gallons.

During the month of August, TVA set 13 of its highest system peaks ever, including the largest—33,499 MW on 8/16/07. The recent weather emphasizes the importance of energy conservation and load shifting, especially during energy-intensive hours of 2:00pm to 8:00pm, when regional usage is highest.

Drought's impact on TVA's generation cited as main factor in FCA increase

Historic drought conditions across the region this year have cut TVA's least expensive generation source, hydropower, by more than 40 percent. As a result, TVA has forecast a sharp increase in its Fuel Cost Adjustment (FCA) for next quarter.

The retail FCA for each TVA rate class is still being calculated, but expect it to be much higher than current levels. TVA has publicly stated that the FCA will be 4/10th of one cent, or \$0.004, per kWh. The rate goes into effect with meters read on 9/25/07 and lasts for three consecutive billing periods.

The quarterly adjustment allows TVA to recover this spring's higher than anticipated fuel and purchased power costs. It also reflects continued drought impacts that are expected through the fall.

See the July, August and September 2006 issues of *Energy Edge* for information on TVA's Fuel Cost Adjustment.

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	\$0.1418	na
G-7	\$0.1464	na
G-8 / G-9	\$0.1824	(\$0.0341)
G-10 / G-12	\$0.1861	na

Adjustment in \$/Ccf to published natural gas rates for meters read on or after 8/24/07.

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 meters read 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

MLGW begins 2008 budgeting; rate changes unknown at this time

MLGW has begun its budgeting process for the next fiscal year, which begins 1/1/08. MLGW will present the budget to the MLGW Board of Commissioners on 10/4/07; if passed, the budget would be approved with the reading of the minutes at the Board meeting on 10/18/07. After Board approval, the budget will advance to the Memphis City Council for approval. At this time, there are no definite details regarding rate increases.

If the budget presented to the Board includes any rate changes or rate restructuring, a special issue of *Energy Edge* will be distributed with details.

Access code appears on MLGW bill as precursor to new web services

Code will be used for upcoming electronic billing and payment options

MLGW has begun printing a My Account Access Code on all bills, as of 8/27/07. The six-digit code appears in the blue shaded area on the right of the front page. Customers will use the unique access code to create a website user profile when MLGW introduces electronic bill presentment (eBilling) and new electronic payment options in fourth quarter 2007. Until that time, the My Account Access Code is inactive. Watch for more news in the next issue of *Energy Edge*.

Energy Managers' Quarterly shares insight from industry leaders

Contact your designated MLGW Commercial Marketing Representative to request a free copy of *Energy Managers' Quarterly*, a newsletter published for members of the E-Source Energy Managers' Consortium. The organization allows MLGW to distribute this publication to our customers at no cost, giving you access to insights, tips and case studies from energy managers in major U.S. corporations. Recent issues addressed:

Greenhouse Gas Offsets: A Reality Check. Recently, the option to purchase greenhouse gas (GHG) offsets has become an alluring one to many corporate energy managers seeking to reduce their companies' GHG emissions. Many companies are already behind the eight ball when it comes to environmental issues and need to be aware that the market for GHG offsets is in danger of being perceived as pure "greenwashing." This article details how companies can participate in the market for offsets in a way that mitigates their exposure to risk while getting the most out of their public relations efforts.

Post-Occupancy Evaluation for Green Buildings. Despite the recent growth in the use of more-energy-efficient technologies and more-sustainable building practices, post-occupancy evaluations are still often neglected in the construction process. A post-occupancy evaluation can show whether a building is performing up to expectations after occupants move into it. Those evaluations that have been conducted have revealed that some green buildings are performing far worse than the initial design models predicted.

Quality Systems for Energy Management. C&A Floorcoverings saved \$55,000 on annual energy costs just by lowering the temperature settings for thermal oxidizers on a curing range. As well as saving money, such measures will also lengthen equipment life and reduce maintenance costs. In hindsight, these operational changes may seem obvious, but they weren't until C&A implemented one of several tools that are available to help energy managers adopt the concepts of continuous improvement management (CIM). E-Source investigated four assessment tools and guidelines developed specifically for energy managers

that incorporate CIM theory. Any of these tools will lead you to establish your own guiding principles and objectives, integrate energy issues into a variety of corporate decision-making processes, document results, and share best practices internally.

Contact your MLGW representative to request the latest issue (or past issues). *Energy Managers' Quarterly* is published in PDF, making it easy to distribute within your organization.

Johnson Controls publishes Energy Efficiency Indicator study

Results from a first-time survey of North American business leaders indicate they expect energy prices to continue to rise, and plan to invest in energy efficiency measures to help fight rising costs. Despite the trend toward sustainability, executives cite a desire to decrease energy expenditures within their organizations as a greater motivator than environmental responsibility.

Those are some of the findings of the research commissioned by Johnson Controls, Inc., a global leader in creating smart environments. The Johnson Controls Energy Efficiency Indicator research identified individuals from a wide range of facilities and locations who were decision-makers for energy management issues within organizations and asked how they were responding to rising energy costs, defined as electricity and natural gas costs. Members from the International Facility Management Association were included as survey respondents. Johnson Controls plans to repeat the Energy Efficiency Indicator research annually.

Just over half—52 percent—of the executives surveyed say costs savings are either entirely, or somewhat, the driver for their decision to invest in energy efficiency measures. Thirty-five percent say cost savings and environmental responsibility are equal motivators, while only 13 percent cite environmental concern as the greater motivator.

Read the full report at <http://johnsoncontrolseei.web180.com/>

Energy Edge is published by the Economic Development department of Memphis Light, Gas and Water Division. Comments and distribution list changes may be e-mailed to: crc@mlgw.org