MLGW

Energy Edge

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

MAY/JUNE/JULY 2012

Extreme temperatures set new electric demand records for TVA

June 2012 blasted to the finish line with scorching temperatures across the region, exacerbating already high electricity demand with non-stop need for cooling and setting new TVA power system records.

- TVA's system reached its highest June peak ever on Friday 6/29/2012, at 1700 hours with a temperature of 104 degrees.
- The highest Saturday demand in TVA's entire history occurred at 1700 hours the following date, 6/30/2012, with a temperature again at 104 degrees.
- The second highest Sunday peak in TVA history occurred on 7/1/2012 at 1700 hours, with a temperature of 101 degrees.
- Preliminary MLGW data indicates 6/29/2012 produced the four highest peaks in June between 1500 and 1800 hours. The highest peak occurred at 1700 hours, with 3,215 MW of system load and a temperature of 102 degrees.

TVA activated the EnerNOC Demand Response program, calling a four-hour event beginning at 3:00pm on 6/29/2012. Participants across the region, including more than 140 in Shelby County, enacted their demand response plans and earned incentives for the amount of electric load they were able to reduce to help minimize peak demand.

All customers are urged to consider energy conservation methods during extreme weather.

Here's a quick list of activities taken at MLGW facilities last week:

- Reduce lighting in hallways, meeting rooms, restrooms, parking garages and office spaces. Use natural lighting or lower-wattage task lighting to compensate until close of business, then minimize further as employees and customers leave the property.
- Post signs to remind employees to take the stairs, instead of the elevator, if they are able.

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	($0.588)	na
G-7	($0.703)	na
G-8 / G-9	($0.787)	$0.105
G-10 / G-12	($0.737)	na

Monthly adjustment in $/Ccf to published natural gas rates for meters read on or after 7/2/2012.

Fuel Cost Adjustment (FCA)

TVA Rate Class	MLGW Rate Code	FCA Amount
GSA, Part 1	E-2	$0.02596
GSA, Part 2	E-2	$0.02596
GSA, Part 3	E-2	$0.02565
Residential	E-1	$0.02623
Outdoor Lighting	E-3	$0.02628

Monthly adjustment in $/kWh to all firm kWh, beginning with meters read on or after 7/2/2012.

MLGW

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

Maintenance, Trouble and Gas Pilot Safety: 901-820-7878

VIEW YOUR BILL ONLINE AT www.mlgw.com

- Increase the thermostat setting for cooling systems and close window coverings to minimize heat gain, especially on the west in the afternoon.
- Use personal fans to provide low-cost supplemental cooling in key areas to offset some of the thermostat change.
- Increase the thermostat setting further after employees and customers leave the property.
- Instruct employees to turn off office equipment (and any supplemental task lighting, plus personal fans, radios and other electronics) before leaving for the day.

Residential customers can also play an important role in controlling those late afternoon and early evening peaks, which are triggered by the combination of commercial facilities not yet in "overnight mode" and the activation of programmable thermostats to restore homes to comfortable temperatures before occupant return from work.

- Use a programmable thermostat to control the hours your cooling system operates. If someone is home during the day, consider pre-cooling, which means lowering the thermostat to cool the house in the hours before the forecasted peak, then raising the thermostat to minimize operation during the peak period. Resume normal operation after the peak period ends.
- Ceiling fans and portable fans provide great, low-cost supplemental cooling which enables the thermostat to be set at 78 degrees, while still making the room feel 5 degrees cooler due to the breeze.
- Delay use of energy-intensive appliances, such as the dishwasher, clothes dryer and swimming pool pumps, during forecasted peak hours.
- Use less energy-intensive kitchen appliances for food preparation, such as the microwave and toaster instead of your stove and oven.
- Delay use of energy-intensive personal care devices, such as blow dryers and clothes steamers, during forecasted peak hours.
- Minimize use of electronics and turn off the ancillary devices not in active use, including game consoles, printers and speakers.

MLGW's average monthly residential bill third lowest in the nation

Memphis Light, Gas and Water customers pay the third lowest combined bill for electricity, natural gas, water and wastewater, according to a survey of 60 utilities in cities across the nation. MLGW had the lowest water rates of any utility in the survey. The survey is based on average usage and on rates effective January 1, 2012. The typical winter monthly residential utility bill for MLGW customers was $274.68, closely trailing Omaha, NE ($268.53) and Springfield, MO ($268.53) in this year's survey. The annual survey is conducted by MLGW and is based on 1000 kilowatts of electricity, 200 hundred cubic feet (CCF) of natural gas, 10 CCF or water and 10 CCF of wastewater. The full survey can be found at www.mlgw.com/ratesurvey

MLGW residential customers pay less on average than customers in Nashville, Knoxville, St. Louis, Jackson, and Olive Branch, MS.

Even with MLGW's comparatively low rates, customers can take measures to lower their bills even further. Combining a few steps such as adding insulation, caulking windows and installing a programmable thermostat can add up to big savings. To find out more on how you can save on your bill, go to www.mlgw.com .

MLGW publishes 2011 Annual Green Initiatives Report

At the 4/19/2012 meeting of the MLGW Board of Commissioners, MLGW released its third annual Green Initiatives Report, outlining customer programs and internal activities designed to increase energy efficiency and environmental awareness, reduce energy waste and improve air quality through lower power generation emissions. The report covers conservation, energy efficiency, demand response, renewable power, education and

alternative fuel vehicles. Whether your definition of "green" is saving money, protecting the environment or improving operational performance of your home or business, MLGW has at least one program or service that can assist. Download the 2011 Green Initiatives Annual Report, as well as past reports, at: http://www.mlgw.com/community/greeninitiativesreportcommunitysection

Get answers to your questions faster with new communication options

The Interactive Voice Response (IVR) system upgrade in the Commercial Resource Center enables businesses and organizations to perform account/billing/payment inquiries, determine eligibility and make payment arrangements, hear payment methods and locations, and request duplicate billing statements through our automated phone system.

We encourage customers to listen carefully to each spoken option and then select the option that most closely represents your need. By pressing 9, the system will repeat the menu options.

For times when you need to speak to a representative, helpful CRC employees are available 7:30am to 5:00pm, Monday through Friday, at 901-528-4270.

Calls requiring assistance from a Commercial Resource Center representative have fallen 30% since the Interactive Voice Response system was introduced in January 2012, indicating that many customers prefer the convenience of automation for specific needs.

Remember that you also can submit account inquiries by emailing CRC@mlgw.org or by using the web chat channel, https://webchat.mlgw.org/hppc/html/WCMain.htm , which is staffed from 9:00am to 5:00pm weekdays. Other popular transaction options include using My Account at www.mlgw.com to access bills, account status and make electronic payments; and submitting requests to stop, start or transfer service using webforms at: http://www.mlgw.com/SubView.php?key=comm_reqservice

MLGW strengthens electric system against outages

Coming off a 2011 that brought a number of significantly damaging weather events to the South, the 2012 storm season has been much kinder to utility customers in the Mid-South. Nonetheless, MLGW continues to strengthen its system against the possibility of electric outages.

Automated Switches: The Smart Grid initiative isn't just about smart meters. MLGW is also implementing a project to install about 50 automated switches that will help to reduce the number of customers affected by a particular outage. The switches will also allow power to be automatically redirected in order to minimize an outage's effect. MLGW is targeting those circuits that have had the longest average restoration times for these automated switches.

Network Smart Grid Project: Through a cost-sharing grant from the Department of Energy under the American Recovery and Reinvestment Act, MLGW is implementing communication and equipment upgrades to its electric distribution system beneath the streets of Downtown Memphis and the Medical Center. Crews are now installing conduit, wiring, and the devices that will give greater intelligence to our power distribution equipment on the network, with information being reported back to our control system. When the 500 transformers of the network are connected together, MLGW will have one of the most advanced and efficient systems in the world.

Strengthening Electric Service to Critical Facilities: MLGW routinely analyzes its services to critical facilities (such as hospitals) and implements changes to lessen the possibility of outages and shorten possible outage durations. MLGW recently made system and equipment improvements to Methodist South Hospital, Methodist North Hospital, Sheahan Water Pumping Station, and the city's wastewater treatment plants.

Line Inspections: MLGW has a dedicated line inspector, who is in the field every day working to identify possible issues with the utility's electric lines. Any time there is a circuit outage in MLGW's system, a report is run. For those circuits that have experienced the most frequent outages, the MLGW line inspector performs a pole-by-pole inspection in order to identify potential repairs.

"MLGW's electric system held up extremely well during a difficult year of storms in 2011," said MLGW President and CEO Jerry Collins Jr. "However, we are continually working to reduce the frequency and duration of outages, and these efforts will help to do just that."

Tree Trimming: Tree-related damage is the top cause of outages for MLGW. As a result, MLGW has an ongoing tree trimming program in order to lessen this possibility. Tree trimming is the second largest expenditure in the electric division. More information can be found online at http://www.mlgw.com/treetrimming.

Utility Pole Inspection: MLGW utilizes a contractor, Osmose, to inspect wooden poles throughout the city and report those that are showing signs of rot or significant damage. MLGW crews can quickly respond to these reports in order to replace damaged poles. Between 30,000-40,000 poles are inspected each year. MLGW has approximately 150,000 wooden poles in its distribution system.

Increased Spending on Cable Replacement: MLGW has increased its budget for cable retrofitting, which involves replacing older underground cable with newer, more reliable cable.

Put roof top unit AC maintenance on your to-do list

Information was provided by ESource Companies LLC, an energy industry research, benchmarking and best practices organization that counts utilities—including MLGW—and major corporations among its members. ESource hosts the Business Energy Advisor content at www.mlgw.com/businessenergyadvisor

If you haven't already inspected and serviced your packaged rooftop units (RTUs), now is the time to tackle that task. RTUs are the workhorses of space cooling in today's commercial buildings, which means proper, regular maintenance is essential to ensuring continued occupant comfort and energy-efficient operation. RTU inspections allow you to identify problems, make repairs and perform maintenance to keep systems up and running smoothly.

Here are three simple steps to get started:

Step 1: Select a contractor. There are plenty of companies offering maintenance services for commercial air-conditioning units, and it's not always easy to differentiate one from another. Look for contractors that offer a service warranty or some other written agreement that guarantees the quality and consistency of their work. Ask candidate contractors whether and how strictly they adhere to Standard 180, the industry standard for RTU maintenance developed by ASHRAE. Standard 180 offers a comprehensive and properly sequenced approach to RTU maintenance, helping to ensure a consistently high level of service from those contractors that follow it closely. (Need a place to start your contractor search? TVA's Trade Ally Network includes dozens of local and area contractors. Query the database at http://energyrightpartners.com/tradeally/jspx/Home.jspx?BrandKey=MEMPHIS

Step 2: Establish a maintenance agreement. After you've identified a contractor you trust, it's time to establish a working agreement for maintenance service. With the exception of quarterly filter replacements, RTU maintenance is an annual endeavor that costs, on national average, about $1,100 for a 10-ton unit. In some

cases, you may be able to enter into multi-year agreements to lower the price. Annual RTU inspection and maintenance visits should include, at a minimum:

- Replacing the air filters
- Cleaning the condenser coils
- Cleaning the evaporator coils
- Fixing any broken cabinet hardware
- Inspecting and lubricating the dampers
- Inspecting and lubricating all fans and motors
- Recharging refrigerant and testing refrigeration controls

Step 3: Compare for yourself. To help ensure that your RTUs are being maintained properly, consider comparing the unit's performance before and after the maintenance visit. Though not a perfect indicator, a review of your utility bills from month-to-month or year-over-year can show whether your air-conditioning units are running properly and not wasting energy. Weather data are also useful in making this assessment because temperature and relative humidity have a significant effect on RTU performance and energy consumption. Qualitatively, you should notice an improvement in RTU performance after the maintenance visit; specifically, cooler air should be delivered more quickly and quietly than before the unit was serviced. You can easily check this by inserting a thermometer into the louvers of ceiling diffusers in selected rooms, and then recording the temperatures before and after the maintenance visit. If actual RTU performance deviates noticeably from your expectations, document your observations and be sure to call your contractor and schedule a follow-up visit to address the problem.

If you determine that your RTU needs replacement, remember that TVA's Energy Right Solutions for Business program offers financial incentives for qualified projects. Recent program changes eliminated the project pre-approval step for HVAC projects. Now, HVAC standard rebate applications can be submitted as long as 30 days after installation, based on the date of the project invoice. Incentive payment is based on application approval. Find details at www.mlgw.com/businessenergyincentives and http://www.energyright.com/business/how_to.html

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