



Energy Edge

A NEWSLETTER FOR MEMPHIS LIGHT, GAS AND WATER DIVISION GENERAL POWER CUSTOMERS
MARCH 2015

Incentive program available for energy efficiency upgrades

Since re-opening in January 2015, the Energy Right Solutions for Business (ERSB) incentive program has attracted more than 400 applications, including about 50 from MLGW customers. TVA earmarked approximately \$11 million for business facilities, with an additional \$5 million for industrial facilities for this fiscal year, which ends 9/30/2015. About \$3.5 million has been committed to project applications in each segment thus far. ERSB provides incentives to help businesses and organizations increase the efficiency level of products used during facility retrofits.

If you are planning a facility upgrade in 2015, we encourage you to explore these incentives—and apply while funds are available. For details, visit www.energryright.com and select either Business or Industry. To access the application, click the How to Get Started tab.

Application period extended for Green Power Providers program

After receiving requests for less than 10 MW of generation capacity, the Green Power Providers program has begun accepting additional applications, on a first-come basis. For calendar year 2015, TVA will execute agreements for 4 MW of residential renewable generation and 7.33 MW of commercial/industrial. Participating customers enter a 20-year agreement to sell 100% of their generation output at the retail rate. The first 10 years, participants also receive a \$0.02 per kWh premium.

Fifteen projects were submitted for MLGW customers, totaling 380 kW of solar generation. This will bring the total in Shelby County to 90 sites with 4.3 MW of generation capacity.

To apply, visit <http://tva.com/greenpowerswitch/providers/index.htm> and click the Apply Now button in the upper right of page. TVA will accept new requests until the allotment has been filled, plus a 30% waitlist for each category.

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 | (\$0.037) | na |
| G-7 | (\$0.042) | na |
| G-8 / G-9 | (\$0.095) | \$0.283 |
| G-10 / G-12 | (\$0.082) | na |

Monthly adjustment in \$/Ccf to published natural gas rates for meters read on or after 3/3/2015.

Fuel Cost Adjustment (FCA)

| TVA Rate Class | MLGW Rate Code | FCA Amount |
|------------------|----------------|------------|
| GSA, Part 1 | E-2 | \$0.02049 |
| GSA, Part 2 | E-2 | \$0.02050 |
| GSA, Part 3 | E-2 | \$0.02026 |
| Residential | E-1 | \$0.02071 |
| Outdoor Lighting | E-3 | \$0.02051 |

Monthly adjustment in \$/kWh to all firm kWh, beginning with meters read on or after 3/3/2015.



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

MARK YOUR CALENDAR

MLGW Future of Fuel Conference scheduled for April

MLGW Energy Resources has scheduled an opportunity to hear from industry leaders about the economic outlook of natural gas and its benefits for your fleet. This year, our focus will be Compressed Natural Gas (CNG) as a cost effective and green fueling option.

Aimed at educating fleet managers, the “Future of Fuel Conference” will discuss what is involved in fleet conversions and share success stories. Featured speakers include representatives from Gibson County Utilities, Inland Waste Solutions and Cummins Westport.

The conference will be held on 4/30/2015 from 8:00am to noon at the MLGW Training Center, located at 4949 Raleigh-LaGrange Road. Space is limited. Please RSVP to afoutche@mlgw.org or call 901-528-4143.

Conference Schedule

- | | |
|-------------------------|---|
| 7:30 a.m. – 8:00 a.m. | Registration & Continental Breakfast |
| 8:05 a.m. – 8:45 a.m. | Economic Outlook for the Transportation Sector and Natural Gas <i>Pat Riley, General Manager Gibson County Utilities</i> |
| 8:50 a.m. – 9:30 a.m. | Fleet Success: Inland Waste Solutions <i>Bart Begley, CEO Inland Waste Solutions</i> |
| 9:35 a.m. – 10:15 a.m. | Natural Gas Retrofitting <i>Hugh Donnell, Segment Leader Cummins Westport</i> |
| 10:30 a.m. - 11:00 a.m. | Travel to CNG South Center |
| 11:00 a.m. – 12:00 p.m. | Tour of South CNG Fueling Station 3071 S. Center Rd. (Located off Brooks Rd. at Hwy 61) |

TVA offers incentives for changing to electric forklifts

Companies interested in replacing internal combustion forklifts with electric versions may qualify for a new TVA incentive. The Electric Forklift program offers a \$2,000 incentive for replacing Class 4 or Class 5 internal combustion forklifts with Class 1 or Class 2 electric forklifts. These incentives will be offered for a limited time on a first-come, first-serve basis. The application period begins 3/9/2015.

Highlights

- You must replace your existing Class 4 (cushion tire) or Class 5 (pneumatic tire) forklift with the purchase or lease of a new Class 1 (counterbalance) or Class 2 (narrow aisle) forklift.
- The internal combustion forklift must be discontinued from use at participant site.
- The new electric forklift must remain operational at the site for at least five years.
- In order to receive incentives, you must apply and receive an Incentive Offer Form from TVA before purchasing or installing the new equipment.
- Up to 100 replacements per site are eligible (\$200,000 maximum incentive)
- Electric Forklift Program Vendors are trained to help you complete and submit the incentive application. Find a vendor at www.energyright.com
- Planning to submit the application yourself? Download at http://www.energyright.com/industrial/forklift_program.html.
- Questions? Email electric.forklift@tva.gov or call 1-866-233-0450

The Electric Power Research Institute (EPRI) offers resources to help you decide if electric forklifts are right for your business. Follow the links below to access:

- e-learning tool: http://et.epri.com/forklift-training/flash/course.htm?&m_nBrowserWidth=1010&m_nBrowserHeight=660
- lift truck cost comparison calculator: http://et.epri.com/Calculators_Lift-Truck-Comparison.html

Frigid temperatures trigger new records in electricity use, demand

Old Man Winter has given TVA, MLGW and its 154 other power distributors a work out this year! While the region's electric transmission and distribution systems have largely remained stable (excluding some storm-related damage elsewhere), a trio of new records was set for TVA.

- Arctic temperatures that averaged in single digits across much of the Tennessee Valley on 2/19/2015 resulted in record electricity use of 694 GWh for the 24-hour period. That's the most energy ever required over a one-day period during February in TVA history and the third most overall for a 24-hour period. The all-time, one-day record occurred last winter when demand reached 703 GWh on 1/7/2014.
- TVA broke an all-time February power demand record on the morning of 2/19/2015 with an estimated 32,109 MW at 6:00am Central, when the average temperature across the region hovered at 7 degrees. In its 82-year history, this is TVA's highest ever demand for the month of February. The previous February record was 31,045 MW, set on 2/5/2009 when the Valley-wide temperature was 15 degrees. TVA's all-time Winter record peak demand of 33,352 megawatts was set on 1/24/2014. (TVA's all-time power demand record is 33,482 MW on 8/16/2007.)
- TVA saw the largest five-day demand swing in history between a minimum of 12,343 MW on 1/4/2015 and 32,723 MW on 1/8/2015. That 20,380 MW variation is enough to power three areas the size of New York City—or nearly six times MLGW's service territory. The previous largest five-day swing was 16,692 MW in January 2014.

To meet the demand, TVA relied on its diversified portfolio of electric generating resources, including nuclear, natural gas, coal, hydroelectric and other renewable sources, as well as purchased power from sources both inside and outside the Valley—plus voluntary conservation efforts. MLGW, TVA and other power companies across the region decreased power use in their own facilities, while also asking customers to help during periods of extreme cold to minimize the need for additional generation. Each time the temperature drops one degree, TVA needs another 400 MW of electricity, according to Jacinda Woodward, TVA senior vice president of transmission and power supply. Customers were encouraged to reduce thermostats 2 to 3 degrees, postpone using equipment until later in the day and eliminate non-essential usage, such as excess lighting and overnight office equipment operation.

TVA's Winter system peak occurs during the early morning hours, from 4:00am to 10:00am Central, based on the heavy use of electric heating in other parts of the region. In comparison, MLGW's system peak—regardless of season—typically occurs in the mid-afternoon.