



# Energy Edge

A NEWSLETTER FOR MEMPHIS LIGHT, GAS AND WATER DIVISION KEY ACCOUNT CUSTOMERS

MAY 2014

## Credit ratings, survey reaffirm MLGW's fiscal strength

### No MLGW rate increases planned for 2015

A plethora of good news is reaffirming the fiscal strength of MLGW: two MLGW bond issues received excellent credit ratings; the utility has the lowest combined residential utility rates for electric, gas, water and wastewater services among 26 cities surveyed; MLGW's pension fund is 93% funded; and the first quarter of 2014 exceeded budget expectations. As a result, customers can expect no MLGW rate increases in 2015.

"The outstanding financial position that MLGW finds itself in is a credit to the entire staff and they continue to be focused on providing the best possible service at the lowest possible cost," said MLGW President and CEO Jerry R. Collins Jr.

As part of bond issuances for capital improvements, Standard & Poor's Rating Services rated the Electric Division an excellent AA+ bond rating and the Water Division earned an AAA bond rating, its highest rating. Moody's Rating Services rated the Electric Division as an Aa2 bond rating and the Water Division as an AA1 bond rating. The Gas Division does not have a bond rating because the gas division has no debt.

"There are very few utilities with these high credit ratings," said Rick Masson, chair of the MLGW Board of Commissioners.

Also, very few can combine those credit ratings with "breathtakingly" low rates, Collins added. In the 2014 Utility Bill Comparison, MLGW had the lowest typical winter monthly residential utility bill (electric, gas, water and wastewater combined) among 26 cities surveyed; MLGW's \$278.25 combined bill was 10 percent lower than its closest peer. MLGW rates within the 10 top lowest utilities for commercial and industrial services, including lowest for industrial gas, water and wastewater bills. View the complete rate survey online at [mlgw.com/RateSurvey](http://mlgw.com/RateSurvey).

All three operating divisions of MLGW ended the first quarter of 2014 in excellent financial shape, exceeding expectations. The MLGW Pension and Other Post-Employment Benefits (OPEB) funds are also strong. The Pension Fund is 93% funded based on the market value of pension fund assets; the OPEB fund is at a

### MLGW Rates

MLGW's current and historic electric, natural gas and water rates are published at [www.mlgw.com](http://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	\$0.286	na
G-7	\$0.246	na
G-8 / G-9	\$0.155	\$0.165
G-10 / G-12	\$0.163	na

Monthly adjustment in \$/Ccf to published natural gas rates for meters read on or after 5/2/2014.

### Fuel Cost Adjustment (FCA)

TVA Rate Class	MLGW Rate Code	FCA Amount
GSA, Part 1	E-2	\$0.02836
GSA, Part 2	E-2	\$0.02836
GSA, Part 3	E-2	\$0.02803
Residential	E-1	\$0.02864
Outdoor Lighting	E-3	\$0.02744

Monthly adjustment in \$/kWh to all firm kWh, beginning with meters read on or after 5/2/2014.



### 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](mailto: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](http://www.mlgw.com)

41% funding level, making it one of the best funded OPEB funds in the country.

“It’s a testament to good management and proper due diligence in the operation of the utility—and that benefits the ratepayer,” said Commissioner Darrell Cobbins.

## **Main Street Efficiency pilot offers free lighting upgrades to small businesses and organizations in targeted areas**

Several months ago, MLGW and TVA launched a small energy efficiency pilot, conducting free lighting assessments and funding the installation of lighting upgrades for small businesses and organizations as a means to reduce peak demand and help customers save on electricity costs.



The pilot, called Main Street Efficiency, has delivered big results with approximately 553 businesses receiving more than \$770,000 in free lighting upgrades thus far. These improvements will reduce annual electricity use by more than 3.4 million kWh combined, saving these participants more than \$300,000 each year on electricity costs. As a result, TVA has added another \$1 million to the pilot program’s budget, which must be spent by 9/30/2014.

TVA’s vendor, EnerPath, handles customer calls and also makes visits to sites to recruit participants and perform the free lighting assessments. Interested customers can receive up to \$1,500 in free lighting upgrades. Customers must pay the electrical permit cost (typically about \$50), as TVA funding doesn’t cover that expense.

Eligible accounts must be non-residential, with electric demand of 50 kW or below. MLGW is mailing letters to eligible customers based on ZIP Code, which enables the energy representatives and contractors to work more efficiently in clustered geographic areas. Twelve ZIP Codes have been visited, with 16 more planned through August. Based on current forecasts, EnerPath representatives plan to operate in the following areas during the remainder of the pilot: June (38115, 38116, 38118, 38120, 38127); July (38004, 38053, 38119, 38122, 38128, 38141) and August (38016, 38111, 38117, 38125, 38135). These schedules are subject to change based on how quickly the remaining budget is depleted.

To see if your facility is eligible, visit [www.mlgw.com/mainstreet](http://www.mlgw.com/mainstreet) and follow the link to EnerPath’s webpage to enter your information. If you have questions, call EnerPath at 855-494-8159. The pilot is ending its second year in Knoxville, where business participation, energy savings and customer satisfaction have been strong.

## **MLGW’s Millington Community Office closes temporarily**

MLGW’s Millington Community Office, 5131 Navy Road, closed temporarily for remodeling on 5/12/2014. The project is expected to last for 45 days.

The North Community Office, 2424 Summer Ave., reopened 5/12/2014 after its renovations were completed. In addition to the North office, customers can also visit MLGW’s other Community offices:

- Main Office, 245 South Main Street;
- South Community Office, 2935 Lamar;
- Whitehaven Community Office, 1111 East Shelby Drive

MLGW’s Commercial Resource Center staff is available at 901-528-4270 or [CRC@mlgw.org](mailto:CRC@mlgw.org), Monday through Friday, from 7:30am to 5:00pm Central.

## Local business, MLGW recognized as Green Power Switch leaders

The Tennessee Valley Authority recently recognized local power companies and regional businesses that are driving the success of TVA's Green Power Switch renewable energy program.

"Green Power Switch is about consumers stepping forward to support the generation of cleaner energy in the Tennessee Valley," said Patty West, TVA director of Renewable Energy Solutions. "This program is successful because of the efforts of TVA's local power company partners, and people and businesses who commit to supporting renewable energy generated in the Valley. We are proud to honor those who continue to make our Green Power Switch program a success."

Among the honored were:

- Kele, Inc. of Bartlett was recognized as Business of the Year, for its sustainability commitment, including energy-saving measures, recycling efforts and purchases of Green Power Switch equal to 10% of their annual consumption.
- MLGW was recognized for the second consecutive year as Top Recruiter of the Year, for the most new Green Power Switch customer enrollments in 2013.

TVA, local power companies and members of the environmental community launched Green Power Switch in 2000 as the first program of its kind in the Southeast. It allows consumers to help ensure that renewable energy from wind, solar and landfill gas is added to TVA's power supply.

Interested consumers and businesses can buy blocks of Green Power Switch from MLGW. Each block costs an additional \$4.00 on the monthly utility bill while adding 150 kilowatt-hours (kWh) of renewable generation to TVA's supply. Additional information on TVA's Green Power Switch program is available at [www.greenpowerswitch.com](http://www.greenpowerswitch.com). Businesses and organizations have a minimum purchase threshold, which is calculated upon request based on their electric demand and 12-month consumption. Email us at [greenpowerswitch@mlgw.org](mailto:greenpowerswitch@mlgw.org) to have your minimum threshold calculated to see the flat cost and associated environmental benefits. Please include business/organization name and facility address(es) in your email.

See a list of local business participants at: <http://www.mlgw.com/about/greenpowerswitchparticipatingbusinesses>



*Brett Norman of Kele, Inc. accepts the Green Power Switch "Business of the Year" Award from TVA's Patty West. Kele's commitment to sustainability earned the local business regional recognition.*

**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](mailto:CRC@mlgw.org)