



Energy Edge

A NEWSLETTER FOR MEMPHIS LIGHT, GAS AND WATER DIVISION GENERAL POWER CUSTOMERS
OCTOBER 2016

MLGW presents budget to City Council; no operational rate increases in 2017

After Board approval in September, MLGW has submitted its 2017 operating and capital budgets to the Memphis City Council's MLGW committee. The full Council is scheduled to vote on the budget in coming weeks.

Highlights of the \$1.91 billion budget include:

- The largest item is \$1.13 billion for purchased power and gas distributed to MLGW customers. The budget also includes more than \$78 million for payments in lieu of taxes and \$227 million for capital projects to renew and replace assets.
- There are no proposed rate increases for electricity, gas or water. MLGW's rates have remained flat: no electric increase since 2004 and no gas increase since 2008. Note that any TVA wholesale electric rate increase must be passed through to customers as it occurs.
- There is a proposed electric rate change which will shift more of MLGW's fixed costs into the monthly customer charge. Although that charge will increase, the cost per kilowatt of electricity will decrease, resulting in a revenue-neutral impact. New rates will be posted online after Council approval.

Temporary shutdown of MLGW pumping station enables 7-month maintenance

MLGW began a planned, temporary shutdown of its Mallory Water Pumping Station on 10/3/2016. Expected to last until 4/30/2017, the interval is required to perform necessary maintenance and will ultimately result in a more reliable water system.

Mallory Pumping Station serves customers in the downtown and midtown areas as well as north of downtown. The approximate north/south boundaries for this service area are Delano Avenue/James Road and MLK Jr. Avenue/Lamar Avenue, respectively. Approximate east/west boundaries are Hollywood Street and the Mississippi River.

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 | \$0.016 | na |
| G-7 | (\$0.034) | na |
| G-8 / G-9 | (\$0.055) | \$0.078 |
| G-10 / G-12 | (\$0.045) | na |

Monthly adjustment in \$/Ccf to published natural gas rates for meters read on or after 9/30/2016.

Fuel Cost Adjustment (FCA)

| TVA Rate Class | MLGW Rate Code | FCA Amount |
|------------------|----------------|------------|
| GSA, Part 1 | E-2 | \$0.02069 |
| GSA, Part 2 | E-2 | \$0.02065 |
| GSA, Part 3 | E-2 | \$0.02044 |
| Residential | E-1 | \$0.02095 |
| Outdoor Lighting | E-3 | \$0.02286 |

Monthly adjustment in \$/kWh to all firm kWh, beginning with meters read on or after 9/30/2016.



Important Contact Information

Business Solutions Center:

Monday-Friday

8:00am-4:30pm Central

Phone: 901-528-4270

Fax: 901-528-4547

E-mail: mlqwbcs@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

Customers in and around the Mallory Water Pumping Station service area may experience some slight discoloration in their water during this time. This temporary issue is expected as the surrounding water treatment plants in the city begin to serve these customers water.

Customers who notice water discoloration should flush their pipes by opening the faucet farthest from their water meter until the water becomes clear. Discoloration is caused by sediment in the service lines; water remains safe to use and consume.

This planned shutdown was intentionally timed during MLGW's off-peak water demand season in order to minimize disruptions to customers. However, customers could experience some low water pressure issues, particularly in the spring of 2017.

Businesses and organizations experiencing prolonged discoloration of their water or low pressure issues are advised to contact MLGW's Business Solutions Center at 901-528-4270, from 8:00am to 4:30pm, Monday through Friday. Residential customers should contact the MLGW Customer Care Center at 901-820-7878 to report these issues. MLGW's Customer Care Center is open 7 a.m. to 7 p.m., Monday through Friday.

MLGW IN THE COMMUNITY



Green Initiatives & Community Engagement Report highlights MLGW's commitment to enhancing quality of life in Shelby County

Energy efficiency advocates, solar generation advisors, alternative fuels educators, volunteers and fundraisers were roles that MLGW employees actively filled in 2015, based on the recently published 2015 Green Initiatives and Community Engagement Report. To view the report, visit <http://www.mlgw.com/images/content/files/pdf/GreenCommunityReport2015.pdf>



Students demonstrate technology skills during robotics exhibit

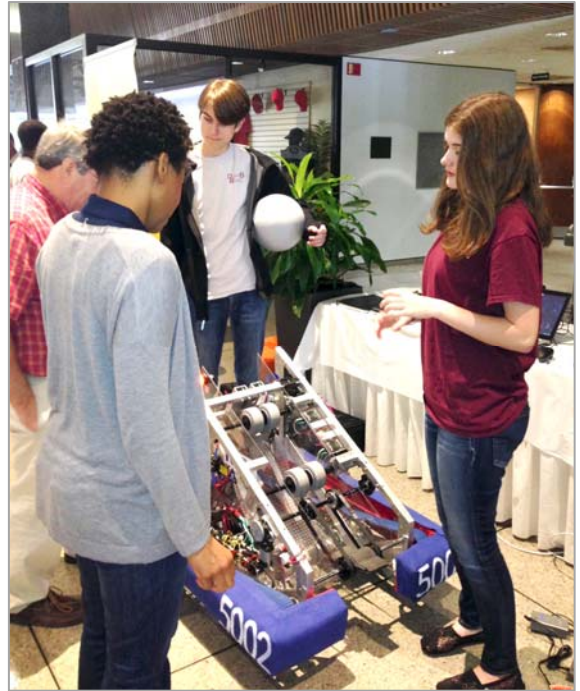
Kids from seven local schools visited MLGW on 10/4/2016 to show off their skills as part of the For Inspiration and Recognition of Science and Technology (FIRST) robotics program. Student teams demonstrated their robot and computer-controlled creations, which picked up and threw basketballs, moved over obstacles, transported objects and navigated paths.

FIRST participation encourages students to pursue education and careers in science, technology, engineering and mathematics (STEM)-related fields and inspires them to become leaders and innovators.

“It is amazing to see first-hand what the students have accomplished through the FIRST and VEX programs,” stated Kerry Roy, Environmental Engineer and president of MLGW's Junior Engineer/Professional Engineer program. “The programs rely upon community involvement, as many of the local teams need mentors and sponsors. MLGW wanted to showcase these talented children because by supporting our students, we are growing our next generation of employees.”

Program partners included MLGW's Junior Engineer/Professional Engineer program, TVA, local schools, VEX Robotics and the FIRST program. The event was part of MLGW's Public Power Week celebration. Each year

during the first week of October, public power utilities such as MLGW celebrate electricity that comes from a community-owned utility which provides reliable, safe and not-for-profit electricity at a reasonable price while protecting the environment. There are more than 2,000 public power utilities across the nation powering 48 million people.



Above left: Students from Whitehaven Elementary Optional School's STEM program demonstrate their robot as it navigates an obstacle course.

Above right: Students from Collierville High School describe their experience designing, building and programming the robot.

Left: MLGW President Jerry Collins gets a quick lesson in robotics from the White Station High School team before their robot launches a ball.