



Energy Edge

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

SEPTEMBER 2013

TVA Board approves 2014 budget with 1.5% electric rate increase

The Tennessee Valley Authority (TVA) board of directors has approved a 1.5% retail rate increase, TVA's first in two years. The rate is effective 10/1/2013, the start of TVA's fiscal year.

Revised retail rate sheets will be available at <http://www.mlgw.com/commercial/commercialrates> in the next two weeks.

"While we never like to raise rates, this small adjustment is necessary to meet our 2014 revenue requirements and operate our system safely and reliably," said TVA President and CEO Bill Johnson. "We will also make critical capital investments to keep reliability high and meet environmental standards and contribute to paying down debt."

TVA's fiscal year 2014 budget totals \$10.5 billion, which is 6% less than the current budget. TVA anticipates a 4.6% drop in electricity sales for fiscal year 2014, a forecast driven by several factors that are expected to linger into the next decade.

"Demand for our product is down and that won't change anytime soon. The weather, the economy, energy efficiency, demand response, and rate design are all factors," Johnson said. "We're working harder than ever to reduce our costs, but they are not declining at the rate of our sales and revenues."

Johnson said TVA's priorities include "living within our means" by bringing operations and maintenance expenses in line with recent trends in declining electricity sales and revenues. TVA's budget requires cutting \$500 million in O&M expenses by 2015, including \$150 million achieved in the current fiscal year.

TVA's Fuel Cost Adjustment (FCA) rate has steadily decreased over the last three months, as generation costs fell due to increased rainfall which enabled greater hydro power generation. FCA for July, August and September 2013 also is below the same period of 2012, providing some relief for higher seasonal energy use.

Additional Board Actions

The board also approved new programs to foster economic growth in the Tennessee Valley. The TVA Valley Commitment

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 | \$0.188 | na |
| G-7 | \$0.101 | na |
| G-8 / G-9 | \$0.018 | \$0.101 |
| G-10 / G-12 | \$0.005 | na |

Monthly adjustment in \$/Ccf to published natural gas rates for meters read on or after 8/30/2013.

Fuel Cost Adjustment (FCA)

| TVA Rate Class | MLGW Rate Code | FCA Amount |
|------------------|----------------|------------|
| GSA, Part 1 | E-2 | \$0.02052 |
| GSA, Part 2 | E-2 | \$0.02052 |
| GSA, Part 3 | E-2 | \$0.02027 |
| Residential | E-1 | \$0.02073 |
| Outdoor Lighting | E-3 | \$0.02077 |

Monthly adjustment in \$/kWh to all firm kWh, beginning with meters read on or after 8/30/2013.



Important Contact Information

Commercial Resource Center:

Monday-Friday

7:30am-5:00pm Central

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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

Program will give credit to manufacturing customers for their ongoing commitment to the Valley. The Small Manufacturing Rate Program will give small industrial customers a rate alternative for operating during off-peak demand periods. These new programs and enhancements are intended to serve as interim measures while TVA works with customers and other stakeholders on a longer-term rate strategy, Johnson said.

TVA is a corporate agency of the United States that provides electricity to utility companies—including MLGW—in seven southeastern states. TVA receives no taxpayer funding, deriving virtually all of its revenues from sales of electricity. In addition to operating and investing its revenues in its electric system, TVA provides flood control, navigation and land management for the Tennessee River system and assists local power companies and state and local governments with economic development and job creation.

MLGW pilots single-stream recycling at its headquarters

Like each of our customers, MLGW faces energy management and operating cost challenges. MLGW Energy Use Engineer Marguerite Epps, PE, CEM, CDSM, EPSC, provides occasional articles discussing MLGW's efforts to reduce operating costs. Here's a recent example.

Recycling at MLGW continues to evolve with expansion opportunities. Improved efficiencies through innovative solutions, such as single-stream recycling, could help increase the recycling rate at the company. In 2012, recycling paper and beverage containers at MLGW produced an avoided 305 metric tons of CO₂e. This is equivalent to the greenhouse gas emitted by 58 passenger vehicles, or the amount of carbon sequestered by 7,095 tree seedlings grown for 10 years.

MLGW contracts with a vendor to recover recyclables. By way of multi-stream recycling, materials are collected in separate containers and hauled by the vendor to its recovery facility. The materials are processed for reuse in goods such as paper products and containers. This reduces the use of virgin (raw) materials; thereby, saving resources.

In single-stream recycling, paper, metals, plastics and other materials are collected in one container instead of separately. Items are commingled from the points of collection and processing until they are separated at the recovery facility for re-purpose. The materials that are recovered can result in a rebate to offset hauling fees.

MLGW's downtown headquarters, the David F. Hansen Administration Building, is currently piloting single-stream recycling. Since Earth Day, single-stream bins have been placed in the facility for employees to recycle paper items (newspaper, office paper, phone books, mail, magazines, etc.), plastic bags and beverage containers. Posted guidelines help ensure that only acceptable items are placed into the bins. Corporate communications about the pilot are made to employees as reminders. Each day, Building Services staff completes quality checks to ensure that bins are not over-filled and there is proper commingling of materials. If the pilot is deemed successful, the program will be implemented at other facilities.

The benefits of switching to single-stream collection include increased recycling rates which, in turn, boost the diversion rates from the local



Single-stream recycling containers are located in the elevator lobby on most floors of MLGW's Administration Building to encourage employees to deposit office paper, magazines, mail, plastic bags, flattened cardboard and rinsed plastic bottles and aluminum cans. The lidded boxes provide convenient, tidy reminders as employees leave their workspaces.

landfill. Many recycling vendors will pay an incentive to recycle paper, aluminum cans, plastic bottles and other materials if the volume opportunity exists. The incentive can offset the cost of collection and hauling costs. Further, under a single-stream recycling program, staff could be freed up to attend to other tasks instead of spending time collecting and handling material in multi-stream bins.

Up-front costs to transition from multi-stream recycling can be minimized by using existing bins or negotiating with the recycling vendor to provide single-stream bins at no or a low cost.

However, a business should research the pros and cons of single-stream recycling to determine if it is a good fit. A successful program is dependent upon the quality of the recovered materials. If paper, also known as fiber, is contaminated by food stuff or other unacceptable items, the recyclables could end up in the landfill. This defeats the purpose of the entire recycling process while reducing a business's potential rebate.

Also, it is important to collaborate with staff and employees about the specific guidelines for properly recycling materials into a single-stream. Awareness efforts can range from a large scale corporate communications campaign to emailing staff about the important do's and don'ts of the program. Graphics on the collection boxes are also convenient reminders. Communicate what is acceptable and what is not, monitor your progress and get feedback from everyone involved.

Within the past several years, single-stream recycling has become an innovative solution for companies to divert their materials away from the landfill while realizing cost savings. For more information on switching to single-stream recycling, contact your company's recycling vendor and discuss the available options. Read about single-stream recycling for businesses at [Commercial Single-stream Recycling](#)

MLGW adds Android to mobile application options

Following success with its iPhone app, MLGW released a new version for Android devices that allows MLGW customers to access a variety of utility related information, including outage status and a new mobile-friendly outage map. The app is available for free at <https://play.google.com/store> or through Android devices. One of the app's most useful features is the ability for customers to be able to check the status of an outage at their address.

Other features:

- Payment arrangements
- Important numbers
- Payment and MLGW office locations
- Bill due date and amount
- Energy tips

Customers will need the phone number associated with their MLGW account and the last four numbers of their social security number or their 16-digit account number.

MLGW's app is also available to iPhone and iPad users via iTunes at www.apple.com or through iPhone, iPod or iPad devices. MLGW is working to add a bill payment component to these apps within the next year.