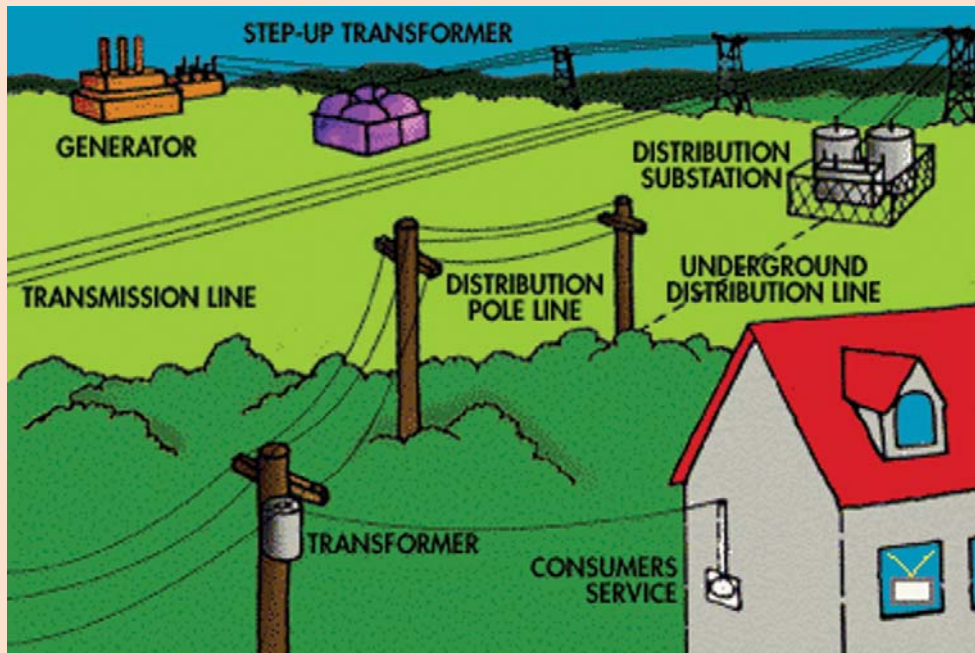


Our Electric System, a complex system that delivers energy to Long Island



Many of you have asked us how does an electric system work, what the components are and what needs to happen for the light to go on, once you turn on the switch.

The process starts at generating plants which produce electric at approximately 33,000 volts, from there it goes to a step-up transformer and transforms into 69,000, 138,000 or 345,000 volts. (69 KV, 138 KV or 345 KV) The voltage is increased to facilitate transmission over the system that travels from substation to substation. Since higher voltage allows smaller and lighter conductors, LIPA is able to transmit this power from one end of Long Island to the other efficiently. The transmission network of towers and poles supply local substations which steps down the voltage to distribution levels of 13,200 volts. (Measured phase to phase) These distribution circuits go from the substations to our neighborhoods. Once the electric gets to your street, another transformer will once more step down the voltage to 120/240 household voltage. LIPA's distribution system includes the poles and transformers that serve your homes and businesses. Electric meters measure the energy consumed in Kilowatts used each hour (KwH) and the Demand in kilowatts (Kw).

LIPA's Commercial Construction Program

LIPA has made several exciting changes to the Commercial Construction Program (CCP) for 2007. Our Contractor incentive now includes both the Prescriptive Component and the Custom Component with a maximum contractor incentive of \$15,000, and we also eliminated the pre-approval requirement for projects with rebates of less than \$10,000.

Below are some of the exciting new categories we have added to the Prescriptive Component of the Program:

- Unitary Split System and Air to Air Heat Pump System rebates from 30 to 300 tons
- Water or evaporator-cooled DX Unitary Air Conditioning Systems
- New VFD qualifying equipment
- Air Compressors
- HVAC Control/ECM Motors
- EMS Systems
- Commercial Kitchen Equipment
- Snack & Vending Machine Controls



There are more choices and incentives offered for your customers in 2007 through the Commercial Construction Program. Incentives that will enable you to help your customers save energy and ultimately improve your business.

Find more information and applications at <http://www.lipower.org/commercial/trade/> and start taking advantage of all the 2007 Commercial Construction Program has to offer.

If you'd like your name to be added to our Trade News mailing list, please call the Energy Infoline at

1-800-692-2626

www.lipower.org

LIPA OWNS AND MAINTAINS

Distribution Substations	140
Distribution Circuits	815
Distribution Transformers	213,902
Customers Served	1,114,470
Distribution Mileage:	8,873 - OH Circuit Miles 4,200 - UG Circuit Miles
Approximately	550,000 utility poles
LIPA's all time peak system demand was	August 3, 2006 with 5,792 KW

Attention All HVAC Contractors

2007 is here and now is the perfect time to become a LIPA Cool Homes participating contractor. Visit the Trade Ally Message Board at <http://www.lipower.org/commercial/trade/> for Cool Homes program information.

LIPA's System Performance is Second to None

The heat wave in August allowed LIPA to again showcase our efforts in reliability and investment in equipment was right on time. After establishing day after day record setting peak demands for energy, LIPA's grid responded with proven reliability. The increased demand was 10 percent higher than the previous highest demand. (An unprecedented growth rate) For the year in a row, the LIPA Transmission & Distribution (T&D) system scored highest in New York State overhead utilities for reliability. LIPA's T&D system experienced the lowest frequency of interruptions, and the shortest duration of outages of all utilities in the state of New York. And just as importantly, LIPA had the quickest time for restoration of service.

LIPA's Trade Ally Program

LIPA's Trade Ally Program is based on partnerships and relationships that lead to success. On December 1, 2006 LIPA formally acknowledged outstanding professional organizations and Clean Energy Program participants at our Annual Trade Ally Recognition Breakfast, held at the Smithtown Sheraton. Over breakfast, our Trade Ally colleagues were able to network with LIPA and their peers, and join in congratulating all the award winners. We hope to see more of you there next year.



Richard Kessel and Ken Ellert of ACCA



Ted Cecchini, Market Planner

Dennis Madonia & Eleonora Regan of DME Electric with Richard Kessel



Richard Kessel and John Ragland of Slomins



Richard Kessel and Bob Gordon of Emmy Building LLC

Trade Ally Partnership Award Category	Recipients
Outstanding Partnership in Customer Loyalty	Suffolk County Electrical Contractors Association (SCECA) Nassau Electric League (NEL) 5 Boro Electric League National Electrical Contractors Association (NECA) Air Conditioning Contractors of America (ACCA)
Outstanding Partnership in Program implementation	Electric Lighting Agencies Acuity Brands Lighting
Providing Customers with Alternative Solutions using Electro-Technologies	Tony Penachio Geoenergy Enterprises, LLC Geo-Thermal Geo- Column
Outstanding Partnership in Providing Training and Development	Electrical Training Center Sal Ferrara Joint Apprenticeship & Training Comm. (JATC) Chris Kelly Check-Me HVAC Training John Conner (CSG) Redbook Training Jim Domozych

Clean Energy Award Category	Recipients
Outstanding Participation in Cool Homes Program	Slomins John Ragland
Outstanding Participation in Commercial Construction	Albanese Organization Hi-Light Energy Systems DME Electric John Paul Electric Pyramid Air Conditioning Sav-More Mechanica
Outstanding Participation in LIPA's NEW YORK ENERGY STAR® Labeled Homes Program	Emmy Building LLC Bob Gordon GreenHomes America Mike Rogers Long Island Builders Institute Robert Wieboldt
Participation in Community Outreach	Habitat For Humanity Dan Walker Empire Electric Bill Feldman KPS Contracting Kevin MacLeod



TRADE NEWS

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