

January/February 2011

LIPA BUSINESS NEWS



www.lipower.org

A Message to Our Valued Customers

The independent LIPA Board of Trustees has approved the 2011 Operating and Capital Budgets which provide for an overall bill decrease for commercial customers. The bill decrease reduces LIPA rates to their lowest levels since 2007. The 2011 budget continues to demonstrate fiscal responsibility while maintaining leadership in reliability, efficiency and renewable energy, and smart grid technology.

Components of the Bill

The approved budget lowers the Power Supply Charge for all commercial customers. This is the third reduction in the Power Supply Charge since the beginning of 2010. More efficient sources of power, lower natural gas prices, and decreased purchased power costs coupled with a refund of 2010 over recoveries of fuel and purchased power costs are responsible for the reduction in the Power Supply Charge. The reduction in the Power Supply Charge will take effect January 1, 2011.

While LIPA has held the line on the Delivery Charge for the past 12 years, LIPA is proposing a modest increase on this component of the bill which is driven by nearly \$74 million of increased costs including; taxes and assessments, escalating contract costs, and increased costs associated with LIPA's storm budget to reflect historical storm expenditures. The increase in the Delivery Charge will take effect March 1, 2011.

As we continue to invest in Long Island's greener energy future through the advancement of energy efficiency and renewable programs, LIPA has increased its investments for Efficiency and Renewable programs by \$20 million from the 2010 budgeted level resulting in a small increase for commercial customers. The funds from this charge are used to offer a wide array of incentives, rebates and initiatives to LIPA's residential and commercial customers to assist them in reducing their energy usage and thereby lowering their bills as well as decrease LIPA's peak load growth and Long Island's environmental footprint. This plan will result in the deferral or elimination of the need for a new generating plant and decrease Long Island's dependence on foreign fuels.

LIPA's Commitment

In these challenging economic times, LIPA must continue to strike a balance between maintaining our high level of service reliability, continuing to plan for our energy future and demonstrating leadership in the areas of efficiency and renewable energy while keeping costs down and stabilizing rates. We believe that LIPA's 2011 Operating and Capital Budgets highlight the tough choices we have made, while continuing to remain focused on the important investments necessary for our future.

LIPA wishes you all a happy and a healthy 2011.

A Cleaner Tomorrow With Savings Today

Harnessing the power of renewable resources to produce power makes good business sense and pays benefits beyond your business.

LIPA's renewable energy programs are bringing the future of energy to Long Island. With free sources of energy such as solar and wind, the payoff is now. Visit www.lipower.org/efficiency or call LIPA's Energy Infoline at 1-800-692-2626 for information about any of the programs below.

Solar Entrepreneur Program: Photovoltaic (PV) panels convert the sun's energy to electricity and can reduce the amount of electricity you purchase from LIPA. Contact us for information about the latest rebates available to commercial, municipal and not-for-profit customers.

Backyard Wind: The fastest growing renewable energy resource in the world is plentiful on Long Island; it's wind energy. A land-based wind turbine can allow you to capture this resource to lower your energy expenses. LIPA's rebates make it easier.

Geothermal Energy: The earth itself provides an earth-friendly energy source. A geothermal system provides heating, cooling, and hot water, using energy stored in the earth. The result is a system that uses 25-50% less electricity than conventional heating or cooling systems. Incentives are available from LIPA's custom Commercial Efficiency Program.



Commercial Efficiency Program



LIPA's Commercial Efficiency Program offers incentives and solutions to business customers looking to upgrade or install energy efficient equipment. If you're planning a building renovation or new construction project, let LIPA help you save energy and money.

Start lowering your operating costs and increasing your energy efficiency with qualifying equipment and rebates that you can find at www.lipower.org/commercial/efficiency.

LIPA can provide the assistance needed to be on the cutting edge of energy efficiency with a variety of incentives including:

- Up to \$50,000 per project for technical consultants.
- Up to \$100,000 per project for pre-qualified energy-efficient equipment in buildings under construction or renovation.
- Up to \$200,000 per project for a more customized energy-saving approach.
- Up to \$400,000 per project for a whole building approach; integrated building envelope and operating systems.

Learn more about LIPA's Commercial Efficiency Program by visiting us online at www.lipower.org/commercial/efficiency or calling 800-692-2626.

Launch Your Small Business to New Heights

Knowledge gained from the heavens is helping small businesses right here on earth thanks to the **Space Alliance Technology Outreach Program (SATOP)**. Because of a NASA grant, participation is FREE.

This initiative offers up to 40 hours of free technical assistance from an aerospace industry expert in areas such as manufacturing, mechanical, electrical, structural, but not software or information technology related projects.

Applying to SATOP starts with a trip to cyberspace at www.spacetechnologies.com where you can complete a "Request for Technical Assistance." SATOP will contact you and work to match your request with a technical expert who will provide up to 40 hours of free assistance. Full requirements can be found on SATOP's Web site, but you must have a small business with fewer than 500 employees.

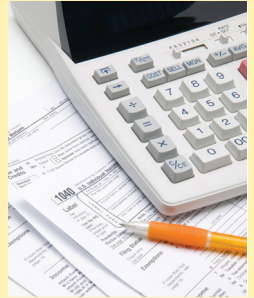


On Call

We're here for your business with



dedicated and experienced representatives available to address your needs. If you should have a question or concern, please call our Business Call Center at **1-800-966-4818**.



An Important Resource for Small Businesses

The IRS Small Businesses and Self-Employed Tax Center at www.irs.gov/smallbiz is packed with useful information on general business taxes, IRS and Social Security Administration customer assistance, retirement plans, and common tax filing dates.

Each month their Small Business Tax Calendar highlights a different tax issue that may be relevant to your business and can help you plan for the year. You'll find it for online viewing or downloading after clicking the "Filing/Paying Taxes" link.

Better Cost Management at No Cost



Extreme weather can have an extreme impact on your electric bill. LIPA has an extremely easy way to virtually eliminate that concern at no extra cost.

With our *Commercial Balanced Billing Program* you avoid seasonal bills by spreading those costs out over the entire year. You'll know in advance what each monthly LIPA payment will be. We project your usage for the year based on your account history and set a level monthly payment. Your Balanced Billing amount will be reviewed regularly and could change if your actual usage varies significantly from our projection.

Commercial Balanced Billing makes budgeting easier, saving time and money. What's the best time to join? Right now, with summer bills here before you know it. For more information visit us at www.lipower.org or call 1-800-966-4818.