



November/December 2008

# LIPA BUSINESS NEWS



[www.lipower.org](http://www.lipower.org)

## Message from LIPA

I've just finished my first year at the helm of LIPA and if I could describe it to you in one word it would be "volatile". We are in the midst of an unprecedented economic crisis whose ripple effects are impacting every family, every business, every entity across the country – including LIPA. As a public utility, LIPA has no shareholders – only ratepayers. We receive no assistance from the state or federal governments. Our only source of revenue is you – our customers; and we do not make a profit, we merely recover our costs.

Over the years, LIPA has tried to provide rate stability to its customers in the face of often significant market pressure related to, among other things, fuel costs. The current volatile energy commodities market has kept us on a rollercoaster ride with the price of oil rising to an unheard of \$147 a barrel at the time of year when LIPA purchases and consumes the bulk of its fuel. LIPA has incurred expenses beyond our budget due to such high fuel costs which must be recovered by year's end. That is why we are currently not in a position to lower that portion of your bill related to fuel costs in the same way that prices at the gas pump are coming down. And now with fuel costs falling, our hedged positions for next year create additional challenges. Not unlike families who locked into capped contracts for home heating oil who will be paying more this heating season despite lower costs available at present day pricing, LIPA has fixed-priced contracts for some of its fuel for next year. Managing the levels of price volatility we have seen this year when you spend more than \$2 billion annually on fuel and power as LIPA does continues to be a challenge as we strive to maintain rate stability for our customers. But we continue to work diligently to do so.

What makes things even more challenging is the impact of the economic crisis on the long and short-term credit markets which has complicated the task of managing the Authority's \$6.6 billion of debt that I inherited – that all of us inherited. Approximately \$1 billion of that debt is variable rate that has had volatile interest rates and has been difficult to refinance in the midst of our country's financial upheaval, and LIPA is working to replace the majority of our variable-rate debt with fixed-rate debt to the extent it is in our customers' interest to do so. That will cost us more, but it will better position us for more predictable debt service costs in the future.

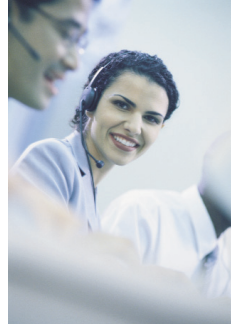
LIPA is currently putting together its operating budget for 2009. Unfortunately, we continue to have tremendous rate pressure because of higher storm restoration costs, higher property taxes, higher environmental regulatory costs to name just a few. LIPA is trying to balance those obligations along with its desire to introduce more wind and solar power into our mix of power supply. LIPA will be holding public meetings on our budget by year's end, and I look forward to your thoughts and input into that process. I promised transparency at LIPA when I arrived here. People may not always like to hear the news I have to share, but I intend to keep telling you what the facts are.

Kevin S. Law  
President & CEO

## Business Call Center

**We Make Your Business Our Business!**

Businesses have specialized needs, and at LIPA, we understand that the concerns of our business customers are important and that your time is money.



That's why we established the Business Call Center where trained and experienced representatives are available to address your needs and provide quick and accurate information with just one phone call.

We're here for your business. If you should have a question or concern, please call our Business Call Center at 1-800-966-4818.

## Light Solutions

Now that we are in Daylight Savings Time, **don't let your business be caught in the dark!** Now is the perfect time to look into LIPA's Light Solutions program.



Whether you are renovating your facility or simply looking to improve the security and performance of your exterior lighting system, LIPA's Light Solutions Program is the answer. LIPA's Light Solutions program provides high-quality, environmentally friendly lighting that improves aesthetics, safety and security.

Call 1-800-692-2626 to make an appointment for a FREE CONSULTATION with a lighting professional.

## LOOKING FOR WAYS TO SAVE ON ENERGY COSTS? BUY ENERGY EFFICIENT OFFICE EQUIPMENT

Office equipment is the fastest growing use of electricity in commercial buildings. Most office equipment manufacturers have joined the ENERGY STAR® program to help decision-makers select equipment based on energy efficiency in addition to product features. The program promotes and labels energy-efficient computers, fax machines, monitors, printers, scanners and multi-function devices for businesses. It's easy to identify energy-efficient equipment by looking for the familiar ENERGY STAR® label.



Here are some things to keep in mind when purchasing new office equipment:

### Copiers:

Copiers are the most energy-intensive type of office equipment. They consume a lot of energy to keep warm so toner can fuse to the paper. Because they waste energy sitting idle for many hours during the day, there is great potential to improve their energy efficiency. All copiers with the ENERGY STAR® logo turn off after a period of inactivity. Also, look for copiers with double-sided or duplex copying features to help reduce paper costs.

### Personal Computers and Monitors:

ENERGY STAR® computers and monitors automatically power down when not in use and are available from many manufacturers. Watch out for screen savers as most of them are a major waste of energy. Their purpose is to extend the useful life of the screen to avoid images being "burned" into the screen. Make sure the screen saver is compatible with the power management features of the computer and that the settings allow the unit to go into the power saver mode to conserve energy.

### Printers:

ENERGY STAR® printers go into low power mode after a period of inactivity. Printers with double-sided printing capability are more energy efficient and can help reduce paper costs. From an energy consumption standpoint, laser printers consume more energy than inkjet printers and color printers use more energy than black and white printers.

### Fax Machines:

Fax machines have a huge potential for power saving since they have to be on 24 hours a day. By purchasing an ENERGY STAR® fax machine, not only will you save energy with the machine utilizing the low power mode during non-use, you will still be able to receive faxes at any time during the day or night.

For more information on energy-efficient products, visit us online at [www.lipower.org/efficiency](http://www.lipower.org/efficiency).

## 10 EASY WINTER ENERGY TIPS FOR BUSINESSES

As a business owner, saving money is a top priority. A number of small measures can add up to huge savings for your business. Cutting back on unnecessary energy use helps lower your energy costs and keeps money in your business. LIPA wants to help you make your business more energy-efficient and environmentally responsible.



Here are some steps to reduce energy and preserve natural resources:

- 1) Take advantage of natural daylight. When possible, turn the lights off or dim them during the day. Also, turn off any signage that is not necessary for security and safety.
- 2) Replace incandescent bulbs with compact fluorescent lightbulbs (CFLs). CFLs provide the same amount of light as standard incandescent bulbs but use up to 75 percent less energy and can last up to ten times longer.
- 3) Replace exit signs that use incandescent lights with (Light Emitting Diode) fixtures. Switching to LEDs can save up to 95 percent of the electricity from the old signs.
- 4) You can keep your employees comfortable and still save money by adjusting the thermostat down in the winter and up in the summer and shutting it off when not in use.
- 5) Install programmable thermostats or time clocks to automatically control temperature settings on heating and air conditioning equipment.
- 6) Set your water heater to 120 degrees F. This is sufficient for many common business uses.
- 7) Invest in energy-efficient equipment. When upgrading or adding new equipment, look for the ENERGY STAR® symbol, which indicates the equipment meets federal standards for energy efficiency.
- 8) Turn off equipment when not in use, especially overnight and on the weekends. Setting computers, monitors or copiers to use sleep mode can also help reduce energy costs by up to 50 percent.
- 9) Consider an energy audit for your business. An energy audit can help you assess how much energy your business uses and evaluate what measures you can take to improve efficiency.
- 10) Find out more about LIPA's energy efficiency programs and incentives. Visit us at [www.lipower.org/commercial](http://www.lipower.org/commercial).