



July/August 2006

# LIPA BUSINESS NEWS



George E. Pataki  
Governor  
Richard M. Kessel  
Chairman

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## Message from the Chairman

With the help of our customers, LIPA successfully conducted its third annual island-wide "I'm Ready" emergency preparedness drill on June 2, 2006. Long Island has not had a major hurricane in 21 years, not since Hurricane Gloria struck

in 1985. It is very important that businesses are prepared for any emergency. Emergency Preparedness should be a part of YOUR business plan.

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The "I'm Ready" drill is believed to be the largest of its kind in the nation. It is designed to encourage LIPA customers to plan and prepare for a major storm and heighten awareness of the overall need for the public to be prepared in advance of any emergency. As usual, Long Islanders did not disappoint...we estimate that voluntary electric use was reduced island-wide by about 60 to 70 megawatts, proving that we are indeed well aware of the need to be "Ready!"

We've also made your LIPA bill more informative. You can now clearly see the difference between "delivery" (maintaining the electric system and delivering power to your business) and "Power Supply Charges" (the cost of fuels - like oil and gas - used to generate electricity and purchased power.)

The charges on your bill have not changed, but we hope that this format will allow you to see that the fuel-related costs can have a huge influence on LIPA's Power Supply Charges.

LIPA is always working to keep the delivery costs in line; but, just like you, we have only limited control over the cost of fuel and purchased power that make up the Power Supply Charges portion of your bill. We'll continue to make sure there is enough electric supply, while doing everything possible to control the cost of electricity.

Have a safe and enjoyable summer!

Richard M. Kessel  
Chairman



Richard M. Kessel

## How to save energy this summer?

The bottom line of running a successful business is to make all your dollars count. Cutting back unnecessary energy use keeps hard-earned money in your pocket. Here are a few ideas, including some you can put to work in minutes at no cost to you

- Set the thermostat in your business to 78 degrees during work hours, and raise the setting to 85 degrees when the space is unoccupied. The energy savings can be as much as 2% of your air conditioning costs for each one degree that you raise the thermostat.
- Use a programmable thermostat and consider a locking cover to avoid changing temperature settings.
- Allow your workers to wear comfortable clothing during hot weather. It makes little sense to keep a room cold enough that workers must wear suits and coats.
- Keep your exterior and freight doors closed as much as possible to conserve energy.
- Keep your cooling and ventilation systems tuned. Maintain a regular filter replacement and cleaning schedule. Don't forget to check ducts and pipe insulation.
- Install window film, solar screens or awnings in south and west facing windows.
- If possible, install ceiling and wall insulation. You will save money on your monthly utility bills and your employees will be more comfortable.
- Turn off your computers and any other office equipment when you're not using them, especially overnight and weekends. This practice costs nothing and can potentially save as much as \$44 per year, per computer.
- For computer protection during an outage invest in "Uninterruptible Power Supplies," (also known as UPS systems) which combine surge protectors and battery packs. These will run a computer for a short time to allow a worker to save files and prevent the loss of information when the power goes out.



# Understanding what's on your bill will help you better understand your cost of electricity.

We're going from this... to this!

ELECTRIC DELIVERY & SUPPLY COSTS		DELIVERY & SYSTEM CHARGES	
Basic Service : 29 day(s) @ \$.7220	\$20.94	Basic Service : 29 day(s) @ \$.7220	\$20.94
3780 KWH @ \$.0779	294.46	3780 KWH @ \$.0387	146.29
25.5 KW	218.89	Demand 25.5 KW	218.89
Fuel Price Adjustment	251.33	<b>Subtotal</b>	<b>386.12</b>
Delivery & Supply Subtotal	785.62		
	7.08	<b>POWER SUPPLY CHARGES</b>	399.50
PILOTS	14.04	3780 KWH @ \$.105689	
Suffolk Property Tax Adjustment	69.58		
Sales Tax @ 8.625 %	90.70	<b>OTHER CHARGES</b>	7.08
Other Costs Subtotal		Revenue-Based PILOTS	14.04
		Suffolk Property Tax Adjustment	69.58
		Sales Tax @ 8.625 %	90.70
<b>Total Electric Delivery &amp; Supply Charges</b>	<b>\$ 876.32</b>	<b>Subtotal</b>	<b>\$876.32</b>
		<b>Total Charges</b>	

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

Help take control of you LIPA bill with LIPA's Business Solutions booklet. Call 1-800-966-4818 or download the booklet online at [www.lipower.org](http://www.lipower.org).

We've made your LIPA bill more informative by separating the cost of fuel and purchased power – the Power Supply Charge – from the cost of maintaining the electric system and delivering power to your home or business... *the total charges on your bill have not changed.*

We're continually working to manage the electric delivery costs; but like you, LIPA has only limited control over the purchased power and fuel costs reflected in the Power Supply Charges.

The volatility of oil and gas prices affects the cost of generating electricity and LIPA's cost of purchasing it. These fuel-related costs in turn impact the Power Supply Charges portion of your LIPA bill.

LIPA will continue to ensure adequate electric supplies while doing whatever we can to control the cost of electricity... *reliable power for your home or business is our priority.*



*More choice... Better service!*

## Why did LIPA change how charges are presented on bills?

Changes were made so you can tell the difference between what you are being charged for the cost of the electricity you use – the Power Supply Charges – and the cost of getting electricity from the power plants that produce it to you – the delivery and system charge.

## What are Power Supply Charges?

The Power Supply Charges are the cost of the electricity LIPA buys from various electric power producers on behalf of its customers. In part, the Power Supply Charges (electricity) include the cost of fuels – petroleum and natural gas – LIPA buys for use at some power plants on Long Island owned by KeySpan to produce electricity as part of Long Island's overall electric supply.

The Power Supply Charges also include the cost of electricity bought by LIPA from Independent Power Producers both on and off Long Island – or “Purchased Power” – to make up the balance of the supply of electricity used by LIPA's customers.

## What are Delivery and System Charges?

Delivery and System Charges are the costs for operating and maintaining LIPA's electric system which includes, among other things, the wires, substations and operations centers – usually called an electric Transmission and Distribution System – needed to carry electricity to customers.

*To learn more visit us online at [www.lipower.org](http://www.lipower.org).*