



July/August 2008

# LIPA BUSINESS NEWS



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

## Message from LIPA

The end of May marked the tenth anniversary of the Long Island Power Authority's takeover of LILCO. While it may be hard to believe, a barrel of oil in May 1998 cost just \$14.85. When I assumed the role of President and CEO of LIPA in October 2007, oil was trading at \$87.50 a barrel. And when you woke up the morning after the New York Giants won Super Bowl XLII back in February, the price for a barrel of oil topped out at \$90. At the time of this writing, oil is hovering at more than \$140 a barrel – a more than 800% increase in one short decade. Natural gas has increased nearly 500% over the same time span.

Oil and natural gas, the fuel necessary to generate the bulk of electricity consumed on Long Island, are continuing to climb in price on an almost daily basis. While no one can be certain if prices will continue to climb, stabilize or even drop in this volatile market, it is imperative that we, as energy consumers, do our part by becoming more energy efficient.

With more than one million customers in LIPA's service territory it is key that we continue to explore new and alternative ways to satisfy Long Island's electrical needs. But as our appetite for energy continues to grow, the message is clear; it is incumbent upon all of us to make energy efficiency a priority right now. Please take advantage of our energy savings tips at [www.lipower.org](http://www.lipower.org). And stay tuned for more information on Efficiency Long Island, our new 10-year program to help you lower your bills by becoming more energy efficient.

Kevin S. Law  
President CEO

## Section 179 - Another Small Business Deduction



If you are a small business owner looking for another tax deduction for next year, look no further.

Section 179 allows a sole proprietor, partnership or corporation to fully expense tangible property in the year it is purchased. As a small business owner, you are able to deduct the first \$125,000 of equipment purchased in 2007 from your taxable income. The following is a list of property that may be written off in the tax year of purchase, rather than depreciated over the assets' useful life:

- ✓ Equipment
- ✓ Furniture and fixtures
- ✓ Most storage facilities
- ✓ Single-purpose agricultural or horticultural structures

The section 179 election is on an item-by-item basis for eligible property. The election has to be made in the tax year the property is first placed in service. Keep in mind that this deduction is not automatic. Taxpayers who want to take the election must remember to do so. The form to use to take this deduction is *IRS Form 4562*, Depreciation and Amortization.

For more information, please consult with your tax preparer or visit the Internal Revenue Service Web site at [www.irs.gov](http://www.irs.gov).

## Go Green to Save Green

As the cost of gasoline continues to skyrocket, it may be a prudent business decision when you are replacing your business vehicles to look into energy-efficient ones.

The Alternative Motor Vehicle Credit, under the Energy Policy Act of 2005, provides for credits for different types of energy-efficient ones. Heavy hybrid vehicles are new vehicles with a gross vehicle weight of more than 8,500 pounds, and Qualified Alternative Fuel Motor Vehicles (QAFMV) are either new, original equipment vehicles or pre-used vehicles, which have been re-powered to use an alternative fuel. The amount of the credit depends on the type of vehicle and which credit applies. Visit [www.irs.gov](http://www.irs.gov) for a list of manufacturers and vehicles that have been approved by the IRS as eligible for the QAFMV credit and the amount of the qualifying credit.

# ENERGY TIPS FOR SMALL BUSINESSES

Operating a small business is no easy task. You have to worry about expenses, employees, profits and your overall bottom line. We, at LIPA want to provide our small business customers with tips that can help you reduce your energy bills and, at the same time, improve the environment.

- In hot weather, the use of window coverings can prevent some unnecessary heat gain. By doing this, you can reduce artificial light levels, ventilating and air conditioning loads.

- It may be possible to replace your present lamps with similar ones that use less energy. For example, replacing "T-12" fluorescent lamps with high performance T-8 or T-5 lamps can produce substantial energy savings.

## FILL IN THE GAP:

Gaps which leak air and energy dollars can be found where doors meet, parts of windows meet and where doors meet the walls. While this does not look or sound like much, it could add up to the equivalent of a 20 square-inch opening (approximately the size of this circle)!

By filling in these gaps, you can save a great amount of energy dollars.

- During your business hours, you may be using more energy than necessary. During the summer, it is best to keep your thermostat setting between 76-78 degrees and between 66-68 degrees during the winter.
- For some small businesses, the only use for hot water is in the lavatories. You can adjust the temperature by adjusting the thermostat on the side of the water heater towards a more moderate temperature-i.e., 105 degrees. If you are unable to locate the thermostat, contact a professional heating/hot water contractor.

- Regardless of age, any tank-type water heater will lose efficiency if sediment collects on the bottom. The sediment acts as an internal insulator and inhibits transfer of heat from the heating elements to the water. To make sure this does not occur, flushing the tank every six months should get rid of the sediment deposits.
- Making sure your HVAC is working properly is vital to lowering energy costs. Make sure you have a licensed HVAC professional tune-up your system. They may point out some energy-saving areas that you may have overlooked.

With these tips and more, you and your small business will be able to save a significant amount on energy dollars and concentrate on what is important to you....the success of your business!



## *We Make Your Business Our Business!*

*The needs of our business customers are important and time is money.*

*If there comes a time you need to speak to us, call our Business Call Center at 1-800-966-4818.*

*At the Business Call Center, we attend to the needs of our commercial customers, ONLY commercial customers, quickly and accurately, with just one phone call.*