



March/April 2006

LIPA BUSINESS NEWS



George E. Pataki
Governor
Richard M. Kessel
Chairman

www.lipower.org

Message from the Chairman

The new Management Services Agreement (MSA) between LIPA and KeySpan, which contains significant short- and long-term benefits for LIPA's electric customers, was approved by the Board of Trustees in January. It's now before the State Comptroller and Attorney General for review. When implemented it will:

- Freeze electric rates and fuel price adjustments for two years;
- Provide a \$35 cash rebate to all customers;
- Maintain reliable service and improve efficiencies;
- Lower LIPA's costs and debt service; and
- Promote cleaner power plants and technologies.

LIPA will own the Island's electric Transmission & Distribution system and remain responsible for delivering electricity. Although our agreement calls for our MSA with KeySpan to be extended to 2013, a new wrinkle has developed.

On February 27th, it was announced that London-based National Grid will acquire KeySpan. LIPA must now assess National Grid's ability to operate and maintain our electric Transmission & Distribution system to the high standard of reliability we require to properly serve you, our customers.

While we achieved significant savings under the new MSA with KeySpan, we must also ensure that LIPA's customers benefit to the greatest extent possible from the National Grid purchase, should that purchase be approved by the state's Public Service Commission and the Federal Energy Regulatory Commission (FERC). LIPA's three top concerns are:

- No decrease in the quality of the service for LIPA customers;
- Additional cost decreases to LIPA that would allow further bill reductions;
- And to the greatest extent possible, job protection for KeySpan's Electric Business Unit employees who provide excellent service to LIPA

Over the last seven years, we've invested nearly \$1.75 billion in our T&D system, which has helped us become the most reliable overhead electric system in the state. We can not allow that reliability standard to be diminished due to a change of ownership of KeySpan. Visit www.lipower.org for updates on this and other issues.

Richard M. Kessel
Chairman



Richard M. Kessel

LIPA's RECAP Program

Local business is the backbone of the Long Island economy. In a unique three-way partnership to help our commercial customers achieve success and maintain the bottom



line, LIPA created a program that finds solutions for energy issues and lowers energy use called the Retrofit Energy and Capacity Program; RECAP.

RECAP targets commercial customers, multi-family buildings with more than four apartments, and publicly-owned facilities seeking opportunities for electric equipment retrofit or replacement.

The LIPA RECAP Program offers opportunities such as:

- Lighting upgrades (retrofit and new fixtures)
- Lighting controls including Daylight Dimming Devices
- Upgrading HVAC units
- Refrigeration upgrades
- Motors and Variable Frequency Drives (VFD's)
- Energy Management Systems
- Commissioning and retro-commissioning of HVAC systems

Participation in RECAP will be facilitated by energy service companies, called ESCO's, which LIPA has selected through a competitive process. You can find a list of RECAP ESCO's on the LIPA Web sit, www.lipower.org/cei/recap/html.

Save The Date!

What: Hauppauge Industrial Association's 18th Annual Long Island Business Trade Show

When: May 25, 2006 - 9:00 AM

Where: Suffolk County Community College's Sports & Exhibition Complex

Visit www.hia-li.org or call 631-543-5355 to learn more!

Boot Camp for Starting and Growing a Business

Are you interested in becoming an Entrepreneur? This conference is a "must attend" learning and networking event for anyone starting or operating a small business.



- When:** Saturday, May 6, 2006
Where: Farmingdale State University
Time: Full day conference begins at 8:30 a.m.
Sponsored by: Farmingdale State University of New York School of Business and New York State Small Business Development Center (SBDC)
Workshops: "Developing an Online Business Using E-Bay and Others" and more!
Keynote Speaker: Mark Burford, Brewmaster, Blue Point Brewing
Fee: \$25.00

Farmingdale State students and alumni - \$15.00

To register and for a complete list of workshops, visit www.farmingdaleconference.com, or call Dorothy, SBDC, at 631-420-2765.



Total Electronically Managed Payment Online

TEMPO can address your organization's billing and payment needs and concerns, and provide an efficient and timely process for delivery and payment of LIPA bills:

- Consolidates all LIPA accounts into one electronic file
- Electronic bill files are easily downloaded
- Allows you to pay your bill electronically

Candidates for TEMPO:

- Have accounts that are all paid up to date
- Have their accounts placed on summary billing

If you would like to learn more, or enroll in TEMPO, visit www.lipower.org and click "your business" or call us at 1-800-692-2626.

CAIDI, MAIFI & SAIFI...WHAT DOES THAT MEAN TO MY BUSINESS?

CAIDI, MAIFI AND SAIFI are acronyms that stand for:

- **C**ustomers **A**verage **I**nterruption **D**uration **I**ndex
- **M**omentary **A**verage **I**nterruption **F**requency **I**ndex
- **S**ystem **A**verage **I**nterruption **F**requency **I**ndex

These terms are important measurements or indices of LIPA's performance. For the last three years we have been tops among New York State overhead utilities. For the past three years, we have significantly outperformed the other participants.

CAIDI measures the average restoration time, or how long it takes LIPA to re-establish electric service should there be an outage. In 2005, LIPA's CAIDI was 64 minutes.

MAIFI measures "momentary" interruptions. How long is a momentary interruption? Usually less than five minutes. Last year, LIPA's MAIFI remained at 4.9; the best since 1996, when we began to keep statistics.

SAIFI measures the length of time between service interruptions. In 2005, LIPA's average SAIFI was 14.1 months between interruptions. This means that a large portion of our customers have not lost power in over a year!

We are proud of our record of reliability and we will continue to work to improve electric dependability for our customers.



NEW! LIPA's Business Call Center

LIPA's new Business Call Center, exclusively for small-to mid-size businesses, is now open! Need information on your account; set up a new

account; or ways to cut your electric energy costs? Get all your questions answered fast and accurately with just one phone call: 1-800-966-4818.

