



October 2008

# LIPA BUSINESS NEWS



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

## Message from LIPA

LIPA, in partnership with Governor David A Paterson, is implementing a new program this winter to take some of the sting out of electricity bills for income-eligible senior citizens. LIPA has established a \$10 million fund to assist qualifying low-income seniors (age 62 or older) to pay their energy bills. The program will offer a one-time credit of up to \$200 toward LIPA bills for those who qualify. We are currently in the process of choosing a firm to administer the program and we hope to have it up and running early in 2009. I am confident this program will make a positive difference for many of our customers struggling to meet their monthly energy bills in what can best be described as very difficult economic times.

Further details on this program will be announced shortly; in the meantime, I encourage you to visit our Web site frequently at [www.lipower.org](http://www.lipower.org) for more information on this and other programs that can help you control your energy costs.

More than half way through Hurricane Season, I can not stress enough the importance of being prepared. It's not too late to survey your home or business for the purpose of making your property more resistant to storms.

LIPA conducts drills to simulate our response to major storms and catastrophic events, and while we have taken many measures to reduce the outages that may occur and improve restoration times, make no mistake, outages will occur should a major storm hit our shores.

Having a hurricane plan in place is crucial. For information on how to be better prepared, including tips for creating your own disaster supply kit, visit the Storm Center on LIPA's Web site at [www.lipower.org/stormcenter](http://www.lipower.org/stormcenter).

Kevin S. Law  
President CEO

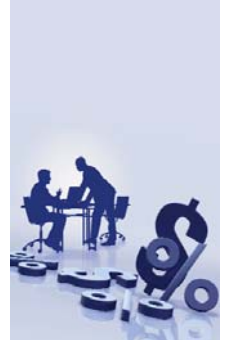
## Managing Your Business During an Economic Downturn

Managing a business is hard enough, let alone during an economic downturn. Conditions such as increased interest rates, recessions, inflation and stock prices can have an impact on your profitability and overall business.

Here are some recommendations for business owners to follow during economic downturns:

- 1) Watch your inventory carefully:** Typically, during an economic downturn, there is an imbalance between declining retail sales and inflated inventory. Don't be left with the burden of having leftover merchandise that will affect your cash flow.
- 2) Reduce debt to build up your capital reserves:** During this time, it is important to watch the credit-worthiness of your clients. Remaining in contact with your existing customers becomes important in keeping their business with your company. Encourage your staff to request face-to-face meetings with your clients and make an effort to seal long-term contracts by offering incentives and/or discounts.
- 3) Strengthen your relationship with your banks:** It is important to let lenders know of your company's financial situation. Banks are looking for business but also looking to minimize risk, so they are careful about which loans to take on.
- 4) Don't neglect service and quality:** Consider hiring consultants or freelancers. Hiring tends to be easier during an economic downturn because there are more candidates to choose from.
- 5) Don't underestimate the importance of good customer service:** A friendly attitude by employees and managers is key to a happy workplace with emphasis on the role all employees play in meeting customers' needs. When a customer feels they are not receiving good customer service from your employees or your company, they are likely to turn to your competitors.
- 6) Consider training courses/classes:** Seek out low-cost, on-the-job instruction for your employees. Local community colleges offer free classes to upgrade management, business, and trade skills.

Economic downturns create obstacles for businesses of any size and are difficult to manage. However, it doesn't mean you have to reduce staff or cut market share in order to survive during this time. Most companies that come out of a downturn often are stronger since the managers had to look at all ways to become more efficient and profitable. Business owners who survive must be able to look beyond the present and see the business from a new perspective.



## How Can I Finance Energy Efficiency Projects?

As the costs of doing business continue to rise, it's important for Long Island companies to continue to strive for greater efficiencies in both



the way they do business and how they use energy. Your utility bills represent one of the few overhead items for which there could be an opportunity for you to reduce the cost of, without impacting your delivery of goods or service. Perhaps most importantly, investing in energy efficiency could put dollars back in your pocket by increasing your bottom line. With this knowledge, many businesses are looking into energy efficiency projects to help manage costs by examining opportunities to correct such as older cooling systems, improper lighting, inadequate insulation and leaks through doors and windows. While energy efficiency projects may save you thousands of energy dollars in the long run, the upfront costs can sometimes be viewed as a deterrent. So check out these various types of financing options available to the business owner interested in starting an energy efficiency project:

**Borrowing:** Debt financing through a commercial lender is a common approach for commercial and non-profit organizations. The goal of the borrower is to retrieve the financing costs through savings from the energy efficiency investments.

**Lease Purchase Agreements:** Lease purchase agreements are offered by commercial leasing corporations, banks, investment brokers or equipment manufacturers. Similar to debt financing, the lease is structured so that energy savings are enough to cover finance charges. The time period of the lease is usually between five to ten years.

**Energy Performance Contracts:** Energy Performance contracts are financing packages from Energy Service Companies (ESCOs) that include energy savings guarantees and associated installation services. Under an energy performance contract, the ESCO will provide financing for a specific set of energy efficiency measures, engineering and installation services.

If you're thinking of starting an energy efficiency project for your business, look into these financing options. Your monthly savings will quickly make up for the initial costs, and you'll be helping to preserve your business's energy resources.

For additional information visit LIPA's Web site [www.lipower.org](http://www.lipower.org) or call our Energy Infoline at 1-800-692-2626.

## LIPA'S CUSTOMER TESTIMONIAL: Joseph Kent Salon Stony Brook, New York Owner – Joseph Iovine

Joseph Iovine, owner of Joseph Kent Salon in Stony Brook has been in business for over 20 years. Until recently, Joseph spent a lot of time managing the company's finances.



Joseph wanted to find a simple yet secure way to pay his LIPA bill and still maintain his relationship with his customers and grow his business. For the past few years, Joseph has participated in LIPA's online bill payment services. *"Paying my bill online saves me a great deal of time. No more writing checks and mailing my payment. In just a few simple clicks my bill is paid! It's easy, convenient and secure and allows me to spend more time with my customers, which to me, are the most important part of my business."*

Join Joseph and thousands of other Long Island small business owners who participate in LIPA's online services and get back to spending time with the most important part of your business – *your customers.*

## We know electrical interruptions impact your business.

Sometimes the weather, a car accident, a tree branch falling on a wire or animal contacts can interrupt the electric service at your business. As a business owner, we know your main concern is, "when will my service be back on?" For every outage that occurs, there is a process that takes place so that we can safely restore your electricity.

When reporting that your service is off, please be sure to provide us with the telephone number of the location of the outage. After outage is reported to LIPA, the information is relayed to our field personnel to diagnose and repair the problem. If you would like an update regarding estimated restoration times, let us know and provide us with a contact telephone number for the update. The contact number does not need to be the same as the phone number of the location of the outage. Once a serviceperson makes a determination of the cause of the outage, our computer system can contact you with an update and an estimate for restoration of service.

We'll do our best to restore service as soon as possible. To learn more about electric outages visit us online at the "LIPA Storm Center" at [www.lipower.org](http://www.lipower.org).