



September/October 2006

LIPA BUSINESS NEWS



George E. Pataki
Governor
Richard M. Kessel
Chairman

www.lipower.org

Message from the Chairman

The July and August heat waves caused record demands for electricity and LIPA had the resources to meet them, which is a far cry from the summer of 2001.

Beginning July 17 a three-day heat wave swept across LI. On the 18th new peak-hour demand records of 5,427 Megawatts (MW) and 24-hour requirement of 103,286 Megawatt hours (MWh) were set.

Two weeks later, on July 31, an extreme heat wave approached the region. Over the period of August 1 to 3, new records were set each day. An all time, peak-hour demand record of 5,792 MWs was set on Aug 3, and the 24-hour requirement reached 113,951 MWh.

The '06 record beat last summer's record by an astounding 525 MWs, an increase of 10%. The largest ever on LI and the region. LIPA met these historic peaks because we pushed hard to add some 1,200 MWs of new resources – including the Cross-Sound Cable – between 2001 and 2005, and more will be added.

The Neptune cable – currently under construction – will allow us to import 660 MWs directly from the mid-Atlantic power grid for the first time. It will be ready next year.

By 2009, the Caithness power plant in Brookhaven will produce 350 MWs for Long Island.

The Offshore Wind Project is slated to produce 140 MWs of renewable energy by 2009.

But, rapidly growing demand means we need ever more resources.

While we're adding 1,150 MWs by 2009, we're also starting the planning effort to add an additional 1,000 MWs through a combination of new resources and/or energy efficiency programs to carry us beyond 2011.

LIPA's doing its part to meet demand. You can help too by checking our Web site for smart energy efficiency ideas you can use all year long to help lower your bill and overall demand.

And, if you want to see how solar power can help reduce your LIPA-supplied electricity, and help curb growing demand on LI, participate in this year's Solar Tour, October 7, which is being organized by Renewable Energy Long Island. Go to www.renewableenergylongisland.org for details.

Richard M. Kessel
Chairman



Richard M. Kessel



LIPA is always looking for programs and initiatives for our non-residential customers to enhance and improve the process of “doing business.”

Most non-residential customers receive a bill for every active account (or meter) that they have with LIPA. For some customers, that means receiving 3, 8, 50, 200 or more LIPA bills a month. Each of those bills must be processed and paid. Often, the bills do not have the same due date and a separate check must be sent for each account.

Some non-residential LIPA customers already take advantage of LIPA's “Summary Billing” process, which links individual bills together. To further enhance that, LIPA is introducing “TEMPO,” Total Electronically Managed Payment Online.

TEMPO simplifies bill viewing and the payment process, organizes all company accounts into a Summary Account Report, delivers reports according to a particular business model and allows the customer to make electronic payments.

TEMPO customers enroll in “Summary Billing,” which links their individual bills together. They choose a preferred billing date and receive one bill. They agree to make payments electronically.

TEMPO is designed for ease of use. Electronic bill files are electronically (email) sent to the customer. These files are in CSV format and easily downloaded to Excel, and include standardized reports and graphics. The customer retrieves billing files via a secure Internet site.

LIPA customers interested in enrolling in TEMPO need to fulfill these criteria:

- Account balances must be current
- Accounts must be placed on Summary Billing

LIPA's TEMPO program provides a clear and auditable data trail as well as a solid financial database that can be used to evaluate energy usage. This database can be utilized to perform rate and usage analysis potentially allowing for improved cost efficiency.

LIPA's TEMPO Program represents an opportunity for non-residential customers to save money and improve the billing process, and demonstrates LIPA's commitment to the needs of our customers.

Do You Know....

WHAT HAPPENS WHEN YOUR LIGHTS GO OUT?

LIPA's number one priority is reliability. We are constantly working to strengthen our electric grid, however, thunderstorms can strike at any time, hurricanes are a very real possibility and snow and ice storms can ravage our electric system.

When a storm is approaching, customers should make sure they have batteries and flashlights, and that their Emergency Supply Kit is prepared in case power is interrupted.

What can you expect from a typical outage? LIPA's Customer Average Interruption Duration Index is **the best in New York State for overhead T&D systems**, and your service will probably be on within the hour (64 minutes is the average time.) If not, you can call LIPA's Emergency Number (1-800-490-0075) and report your outage via our state-of-the art automated system. You can also visit us online at www.lipower.org and track outages in the area.

If it is a large scale outage, caused by a hurricane or other natural disaster, our entire work force, specially trained to respond to storm emergencies, work around the clock, seven days a week, to restore service.

The highest repair priorities are given to vital public services, such as hospitals, sewage pumping stations and police stations. Next we schedule repair work to restore power to the largest number of people at one time. A repair which restores power to 1,000 customers is likely to be done before one which repairs one or two customers.

Customers who have life-support equipment should call us now to make us aware of their condition. They should have additional plans in place to relocate to a safer environment in case the power is out for an extended period of time.

LIPA will work day and night till electric power is restored to all Long Islanders.

Do you want to learn more about electric emergencies? Visit us online at www.lipower.org or call 1-800-490-0025 and ask for our brochure, "Ready for Anything."

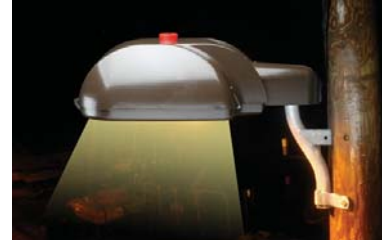
Visit "My Account" at www.lipower.org to:

- ✓ View and pay your bill
- ✓ Enter your meter reading
- ✓ View your payments
- ✓ Open/close or transfer an account

Available when you are; 24/7, at your convenience!

Do You Know....

LIPA HAS THE RESOURCES TO HELP YOU MEET ALL YOUR OUTDOOR LIGHTING NEEDS



"Utility Owned Solutions" - LIPA's Utility Owned Solutions offers you a full-service package which includes: state of

the art lighting equipment, installation on an existing utility pole, energy and maintenance, for one low monthly fee. It also provides businesses with lighting that combines both efficiency and performance with affordability. The biggest new advantage of Utility Owned Solutions is that it provides businesses with environmentally friendly full cut-off lighting fixtures. This helps to minimize the impact of lighting on Long Island's night time environment, which both your customers and area residents will appreciate.

"Customer Owned Solutions" - If your outdoor lighting requirements cannot be satisfied through our Utility Owned Solutions, LIPA's Customer Owned Solutions can be the answer to your lighting needs. LIPA has partnered up with a network of Light Solutions Providers who can assist you in lighting solutions to meet those outdoor lighting requirements.

Some other important benefits of partnering with our Light Solutions Providers would be to ensure the use of energy efficient and environmentally friendly lighting designs and that your lighting adheres to local town and village codes and licensing.

Call LIPA's Energy Infoline at 1-800-692-2626 or visit us online at www.lipower.org and click on "My Business".

Do You Know....

LIPA IS A NON-PROFIT ORGANIZATION?

LIPA is a non-profit municipal electric utility that does not make a profit. LIPA does not have shareholders, like a for-profit investor-owned utility. Therefore, LIPA does not pay dividends to shareholders. You cannot purchase stock in LIPA.