



November/December 2008

# LIPA NEWS



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

## Message from LIPA

I've just finished my first year at the helm of LIPA and if I could describe it to you in one word it would be "volatile". We are in the midst of an unprecedented economic crisis whose ripple effects are impacting every family, every business, every entity across the country – including LIPA. As a public utility, LIPA has no shareholders – only ratepayers. We receive no assistance from the state or federal governments. Our only source of revenue is you – our customers; and we do not make a profit, we merely recover our costs.

Over the years, LIPA has tried to provide rate stability to its customers in the face of often significant market pressure related to, among other things, fuel costs. The current volatile energy commodities market has kept us on a rollercoaster ride with the price of oil rising to an unheard of \$147 a barrel at the time of year when LIPA purchases and consumes the bulk of its fuel. LIPA has incurred expenses beyond our budget due to such high fuel costs which must be recovered by year's end. That is why we are currently not in a position to lower that portion of your bill related to fuel costs in the same way that prices at the gas pump are coming down. And now with fuel costs falling, our hedged positions for next year create additional challenges. Not unlike families who locked into capped contracts for home heating oil who will be paying more this heating season despite lower costs available at present day pricing, LIPA has fixed-priced contracts for some of its fuel for next year. Managing the levels of price volatility we have seen this year when you spend more than \$2 billion annually on fuel and power as LIPA does continues to be a challenge as we strive to maintain rate stability for our customers. But we continue to work diligently to do so.

What makes things even more challenging is the impact of the economic crisis on the long and short-term credit markets which has complicated the task of managing the Authority's \$6.6 billion of debt that I inherited – that all of us inherited. Approximately \$1 billion of that debt is variable rate that has had volatile interest rates and has been difficult to refinance in the midst of our country's financial upheaval, and LIPA is working to replace the majority of our variable-rate debt with fixed-rate debt to the extent it is in our customers' interest to do so. That will cost us more, but it will better position us for more predictable debt service costs in the future.

LIPA is currently putting together its operating budget for 2009. Unfortunately, we continue to have tremendous rate pressure because of higher storm restoration costs, higher property taxes, higher environmental regulatory costs to name just a few. LIPA is trying to balance those obligations along with its desire to introduce more wind and solar power into our mix of power supply. LIPA will be holding public meetings on our budget by year's end, and I look forward to your thoughts and input into that process. I promised transparency at LIPA when I arrived here. People may not always like to hear the news I have to share, but I intend to keep telling you what the facts are.

Kevin S. Law  
President & CEO

## TOUGH TIMES CALL FOR EFFICIENT MEASURES

Everyone's talking about the economy. From the recent troubles on Wall Street to Main Street homeowners and businesses, LIPA understands and wants to help you during these tough times. One way to cut costs and save money is to invest in the efficiency of your home.



Did you know that LIPA has several programs and rebates on energy-efficient products used throughout your house? For example, LIPA offers customers a \$50 rebate on select ENERGY STAR® qualified clothes washers that can save you up to \$500 and over 84,000 gallons of water over the life of the washer. Looking for more ways to save? Most folks don't realize that something as simple as changing a light bulb can help lower your bills. Changing out 6 incandescent light bulbs with 6 energy-efficient Compact Fluorescent Lights (CFLs) can lower your annual electric bill by as much as \$125 a year.

LIPA also offers an online Home Energy Analyzer to help you determine other areas of energy savings within your home. It's easy, customized to your home and free.

We are here to help with other ideas on how you can lower your energy use and save money, just visit us at [www.lipower.org/efficiency](http://www.lipower.org/efficiency).

# Deck The Halls With These Holiday Safety Tips!

Tis the season to be jolly and safe! With the hustle and bustle of the holiday season, LIPA wants to remind you of some useful holiday tips to help keep you safe this season:

## Holiday Trees:

- When purchasing an artificial tree, make sure the label reads "Fire Resistant". This indicates that if the tree catches on fire, it will resist burning and should extinguish quickly.
- If you prefer a live tree, make sure it is fresh. Check for a tree's freshness by examining the needles and trunk. The needles should be hard to pull from the branches and the trunk should be sticky with resin. With live trees, make sure to keep the tree stand filled with water because heated rooms can dry out live trees very fast.

## Holiday Lights:

- Make sure the lights you use for outdoor decorating are certified for outdoor use only. Plug all outdoor electric decorations into circuits with ground fault circuit interrupters to avoid potential shock.
- Check all tree lights before hanging them inside or outside. Make sure all the bulbs are working and there aren't any frayed wires, loose connections or broken sockets.

## Holiday Decorations:

- Keep lighted candles away from trees. Always place candles where they will not tilt over and use non-flammable candleholders.
- Use only non-combustible or flame resistant materials to decorate a tree.

With these tips, LIPA hopes that you and your family will have a happy and safe holiday season. For more information on holiday safety, visit us online at [www.lipower.org](http://www.lipower.org).

## A New Twist on Holiday Lights

When we decorate during the holidays with strings of lights, most of us use standard incandescent lights or mini-lights. Did you know that these lights consume a significant amount of energy even for the brief time we use them and the bulbs can be costly when replaced? But there is a newer, smarter choice. More and more LIPA customers have seen the benefits of purchasing LED lighting for their outdoor and indoor holiday decorating needs. LED, or Light Emitting Diode, lighting has been around for many years. They are extremely energy efficient and can operate up to 100,000 hours. LED holiday lights achieve high color brightness with a small fraction of energy usage. There is no waiting for the LED light bulbs to warm up.

LIPA is pleased to offer again this year a rebate on LED holiday lights. Between November 1st and December 31, 2008, LIPA is offering an instant coupon of \$2.00 off per package of LED holiday lights purchased. There is a limit of 5 holiday light package rebates per residential customer. Visit [www.lipower.org](http://www.lipower.org) for more details on this rebate.



# Managing Your Energy Dollars

Did you know that LIPA has several programs to help our customers manage their electric use, and couldn't everyone use a little more help these days?

## Manage Fluctuations

The stock market has seen some pretty wild swings lately. Your LIPA bill can also fluctuate, as your electric use changes with the seasons. LIPA has a plan that makes your electric bill more predictable. It's called Balanced Billing. With LIPA's Balanced Billing payment plan, your energy costs are spread evenly over the year. This program does not reduce your energy costs, but it can help you better manage your household expenses by avoiding the fluctuation between your summer and winter bills.

## Manage Your Use or Consumption

Wondering how you're managing your electric usage this year? That's just one of the questions that "My Account," LIPA's online account service, can help answer. By signing-on to "My Account," you can compare your current electric usage to usage from any period within the last few years. It's smart and it's convenient. While you are there, you can also get online information on energy-savings consumption tips.

## Manage Your Time

LIPA can also help you manage your time. You can save the time and trouble of writing and mailing checks by enrolling in *DirectPay*, LIPA's automatic payment program. *DirectPay* gives you the ability to pay your electric bill directly from your bank account, automatically. You will continue to receive your bills and can review them before a single penny is transferred. Eliminate the cost of writing and purchasing checks. And as an added bonus, *DirectPay* benefits our environment because it's electronic and completely paperless. So pay a bill and help save a tree.

## Manage the Clutter

Too much paper cluttering your home? LIPA can help you clear up the clutter and benefit our environment with *e-LERT*, LIPA's paperless billing program. When your bill is ready, you will receive an email informing you that it can be viewed online. No paper, no clutter – at least when it comes to your LIPA bill. It's that simple.

So choose the management option that's right for you or choose them all. And best of all, LIPA's account management, billing and payment programs are free! Just visit our Web site at [www.lipower.org/account](http://www.lipower.org/account) and sign-up today!



## GIVE SOMEONE SPECIAL A GIFT OF ENERGY!

Do you know someone who is finding it hard to make ends meet? It may be a friend or family member who could use a little something extra to help them pay their LIPA bill.

Give them a gift you know they can use-A Gift of Energy certificate. You can purchase a Gift of Energy at any of our Customer Service Centers.

For service center locations, call us at 1-800-490-0025 or visit us online at [www.lipower.org/custserv](http://www.lipower.org/custserv).