



January/February 2008

LIPA NEWS



www.lipower.org

Message from LIPA

The Long Island Power Authority's Board of Trustees has just approved LIPA's budget for 2009. And, as you know, this budget comes with an increase on your electric bill.

The bill adjustment was due to many factors such as increased purchased power costs and new environmental regulatory compliance costs. The Authority also faces rate pressures from increases in state and local property and revenue taxes, and increased interest expense on its \$6.6 billion in debt, half of which is attributable to the mothballing of the Shoreham nuclear power plant.

I presided over two public meetings on the proposed budget, and, after having had the chance to speak with many of you, I understood your anger and frustration with higher rates in a declining economy.

Aided by revised forecasts for fuel and sales not available at the time of the original proposal and some additional cuts I made to the budget, we successfully trimmed the proposed increase. As part of this revised budget, LIPA decided to end the postage-paid bill envelope program for residential and business customers, a gimmicky program that cost LIPA nearly \$3 million annually. Elimination of the program is a cost savings to LIPA and will also encourage customers to use the free on-line payment features on our Web site.

Nothing pains me more than to appear to be "piling it on" Long Islanders at a time when we are least able to absorb another blow. But there are some harsh realities with which we as energy consumers must come to grips. The unfortunate truth is that generating and delivering electricity in the 21st Century has become a dauntingly-expensive enterprise. LIPA is a not-for-profit entity that must recover its costs. Unfortunately, we only have our customers to go to as we do not receive any financial help from the state or federal government. Rather, LIPA has become a tax collection agency for municipalities. We collect over \$500 million a year -- more than 10% of our budget. In fact, 27¢ of every dollar you send to LIPA goes to debt and taxes.

Earlier this month, I announced the creation of a new Advisory Panel consisting of elected officials, energy experts and business and financial leaders from Long Island. The Advisory Panel will look closely at LIPA's business model exploring if the current public/private business model LIPA now has with National Grid is the best one for delivering electricity for our customers. Everything should be on the table. My only interest in this process is to do whatever makes the most sense for our customers. The first meeting will be in January.

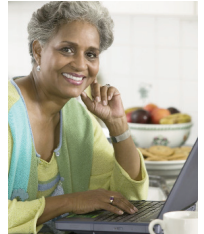
I just finished my first year at LIPA and I cannot solve all of the issues we all inherited overnight. But rest assured I wake up every day committed to exploring ways to control costs while preparing for our energy future. I wish you all a happy and healthy 2009.

Kevin S. Law
President & CEO

MAKE A NEW YEAR'S RESOLUTION TO SAVE A TREE

Go paperless with LIPA's online services.

The start of each new year brings the hope and promise of the difference we can all make.



Imagine . . . if every LIPA customer went paperless with LIPA's online services, we could save approximately 150 trees every month!

LIPA's online services are designed to help manage your account and make paying your electric bill convenient and easy. By going paperless, you'll also be helping to protect our planet.

By signing up for LIPA's online services, you'll be able to:

- Enjoy the convenience of managing your account online – 24 hours per day, 7 days a week!
- View your LIPA bill.
- Enroll in LIPA's automatic bill payment program, or make a payment directly through LIPA's "My Account" Web site.
- Sign-up for e-News, LIPA's online newsletter.
- Enter a meter reading.
- Review your billing and electric use history.
- Manage your household accounts by avoiding the seasonal fluctuations in your electric bill. Enroll in LIPA's convenient Balanced Billing program.
- Help save a tree and cut down on household clutter by signing-up for LIPA electronic billing service.

So make a New Year's Resolution that's easy to keep! With all of LIPA's online options, adding more convenience to your life is just another benefit you'll enjoy in the New Year. Visit us online at www.lipower.org and click on "My Account" to get started.

HOMELAND SECURITY MESSAGE:

The Long Island Power Authority is an active partner in the effort to keep our communities safe. As an owner and operator of critical energy infrastructure in New York, we work closely with local, state and federal authorities to protect our facilities. However, the entire community can be partners in this effort to keep us safe.

You can provide another set of eyes and ears to assist the New York State Office of Homeland Security and Law Enforcement across the State. To report suspicious behavior, call the toll free Terrorism Tips line: 1-866-SAFE-NYS (1-866-723-3697). In New York City, call the NYC Police Department's hotline: 1-888-NYC-SAFE (1-888-692-7233).

"Be Observant...Be Alert...Be Aware...If you see something, say something."

SOLAR ENERGY FOR YOUR HOME



You may have heard the term "solar electricity" before but never understood how it can help you with your energy costs. Solar-electricity, or photovoltaics (PV), converts sunlight directly into electricity. You may be more familiar with PV applications such as solar-powered watches and calculators, however, PV can do much more. Photovoltaic systems can provide enough electricity to help run residential homes and commercial buildings. Investing in a PV system allows you to generate clean electricity for your home, reduce the amount of electricity you need to purchase and provide the potential to sell power back to LIPA.

In 2008, New York Governor David Paterson signed a legislative package that will encourage homeowners and businesses throughout the state to install grid-connected solar and wind power systems. The most important aspect of the legislation relates to net metering, which allows homeowners and businesses to earn credit for any excess power that they feed back into the electric grid.

The net metering bill has been expanded to include non-residential solar power systems up to 2 megawatts (MW) in capacity, or equal in size to the customer's peak load, whichever is less, and increases the maximum solar power system size for residential customers to 25 kilowatts (kW), up from 10 kW.

For more information on net metering, visit us online at www.lipower.org/efficiency/solar.metering.html

With LIPA's rebate and federal and New York State's Solar Tax Credits, homeowners can significantly reduce the costs of purchasing a PV system. To learn more about LIPA's Solar Pioneer program or to find a PV installer or solar contractor, please visit LIPA's Web site at www.lipower.org/efficiency/solar.html.

FINANCIAL ASSISTANCE PROGRAMS

During these challenging economic times, circumstances may make it difficult for you to pay your LIPA bill on time. We understand, and check with us if you need help making payments. You may be eligible for benefits from one or more of these following programs:



REAP (Residential Energy Affordability Partnership) is a LIPA program for income-eligible customers designed to help save energy and lower electric bills. Participation in REAP can make your home healthier and safer. In addition, participants are referred to other non-LIPA services that can help them with any special needs. Call 1-800-263-6786 for more information.

HEAP (Home Energy Assistance Program) is a federally-funded financial assistance program designed to help income-eligible households pay energy bills. It is not a loan, and you do not have to repay any assistance received through this program. There are two types of HEAP grants available, Regular and Emergency Grants. Depending upon your financial situation, you may qualify for one or both. For more information, call the following HEAP information line in your area:

Rockaway Peninsula - 800-692-0557

Nassau County - 516-565-4327

Suffolk County - 631-853-8825

Project Warmth is an emergency assistance program to help families and individuals with energy emergencies. Project Warmth provides a one-time grant for fuel, plus an additional amount for fuel-related electricity. The heating grant may be used to pay for any fuel source such as oil, gas, electric, propane, etc. Project Warmth will open on or about December 1, 2008 and is available until funds are exhausted. Contact Project Warmth at **631-940-3757**.

LIPA's **Consumer Advocates** can provide guidance and assistance in applying for various social services programs for customers experiencing financial problems. Call 1-800-266-1923 for more information or visit us online at www.lipower.org.

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 seniors (age 62 or older). The **Low-Income Senior Energy Assistance Program** will offer a one-time credit of up to \$200 toward LIPA bills for those who qualify.

Further details on this program will be announced shortly. In the meantime, you are encouraged to visit our Web site at www.lipower.org for more information on this and other programs.