



July/August 2006

LIPA NEWS



George E. Pataki
Governor
Richard M. Kessel
Chairman

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Message from the Chairman

With the help of our customers, LIPA successfully conducted its third annual island-wide "I'm Ready" emergency preparedness drill on June 2, 2006. Long Island has not had a major hurricane in 21 years, not since Hurricane Gloria struck in 1995. It is very important that we are prepared in case a major storm hit.

The "I'm Ready" drill is believed to be the largest of its kind in the nation. It is designed to encourage LIPA

customers to plan and prepare for a major storm and heighten awareness of the overall need for the public to be prepared in advance of any emergency. As usual, Long Islanders did not disappoint...we estimate that voluntary electric use was reduced island-wide by about 60 to 70 megawatts, proving that we are indeed well aware of the need to be "Ready!"

We've also been busy making your LIPA bill more informative. You can now clearly see the difference between "delivery" (maintaining the electric system and delivering power to your home) and "Power Supply Charges" (the cost of fuels - like oil and gas - used to generate electricity and purchased power.)

The charges on your bill have not changed, but we hope that this format will allow you to see that the fuel-related costs can have a huge influence on LIPA's Power Supply Charges.

LIPA is always working to keep the delivery costs in line; but, just like you, we have only limited control over the cost of fuel and purchased power that make up the Power Supply Charges portion of your bill.

We'll continue to make sure there is enough electric supply, while doing everything possible to control the cost of electricity.

Have a safe and enjoyable summer!

Richard M. Kessel
Chairman



Richard M. Kessel



WILL THE SUMMER BE A SCORCHER?

What will the summer of 2006 bring? Will we have extended heat waves or just a few hot days? Either way, it pays to be aware of these energy saving ideas for summer!

- Keep your thermostat at a constant, comfortable level (75 - 78 degrees) when you are home. Lowering the thermostat setting will not cool your home faster.
- To reduce heat and moisture in your home, run appliances such as ovens, washing machines, dryers and dishwashers in the early morning or evening hours when it's cooler outside.
- Use a microwave to cook or barbecue outside.
- Keep shades, blinds and curtains closed. About 40 percent of unwanted heat comes through windows.
- Window coatings can reflect as much as 80 percent of the sun's direct rays and keep your home cool.
- Don't place lamps or TVs near your air conditioning thermostat. The heat from these appliances will cause the air conditioner to run longer.
- Turn off all unnecessary lighting and appliances.
- Use fans to circulate cooled air.
- Place window air conditioners on the north or shady side of your house to avoid working the unit too hard in the hot daytime sun.
- Replace the air conditioner filter at the start of the cooling season and check it monthly.
- Install or replace caulking or weather stripping around doors and windows to keep cool air inside.

Looking for more ways to save energy? Visit us online at www.lipower.org or call us at 1-800-490-0025 and ask for our "53 Ways to Save Energy" brochure.

Understanding what's on your bill will help you better understand your cost of electricity.

We're going from this... to this!

7-65-4321-0		87-65-4321-0	
ELECTRIC DELIVERY & SUPPLY COSTS		DELIVERY & SYSTEM CHARGES	
Basic Service : 61 day(s) @ \$.1790	\$ 10.92	Basic Service : 61 day(s) @ \$.1790	\$ 10.92
508 KWH @ \$.1249	63.45	508 KWH @ \$.0857	43.54
854 KWH @ \$.1179	100.69	854 KWH @ \$.0787	67.21
Fuel Price Adjustment	90.56	Subtotal	121.67
Delivery & Supply Subtotal	265.62	POWER SUPPLY CHARGES	143.95
PILOTS	5.28	1362 KWH @ .105689	143.95
Suffolk Property Tax Adjustment	4.75	OTHER CHARGES	5.28
Sales Tax @ 1.5%	4.13	Revenue-Based PILOTS	4.75
Other Costs Subtotal	14.16	Suffolk Property Tax Adjustment	4.13
Total Electric Delivery & Supply Charges	\$ 279.78	Sales Tax @ 1.5%	14.16
		Subtotal	\$ 279.78
		Total Charges	\$ 279.78

www.lipower.org

Help take control of your LIPA bill with LIPA's 53 Ways to Save Energy booklet. Call 1-800-490-0025 or download the booklet online at www.lipower.org.

We've made your LIPA bill more informative by separating the cost of fuel and purchased power – the Power Supply Charges – from the cost of maintaining the electric system and delivering power to your home or business... *the total charges on your bill have not changed.*

We're continually working to manage the electric delivery costs; but like you, LIPA has only limited control over the purchased power and fuel costs reflected in the Power Supply Charges.

The volatility of oil and gas prices affects the cost of generating electricity and LIPA's cost of purchasing it. These fuel-related costs in turn impact the Power Supply Charges portion of your LIPA bill.

LIPA will continue to ensure adequate electric supplies while doing whatever we can to control the cost of electricity... *reliable power for your home or business is our priority.*



More choice...Better service!

Why did LIPA change how charges are presented on bills?

Changes were made so you can tell the difference between what you are being charged for the cost of the electricity you use – the Power Supply Charges – and the cost of getting electricity from the power plants that produce it to you – the delivery and system charge.

What are Power Supply Charges?

The Power Supply Charges are the cost of the electricity LIPA buys from various electric power producers on behalf of its customers. In part, the Power Supply Charges (electricity) include the cost of fuels – petroleum and natural gas – LIPA buys for use at some power plants on Long Island owned by KeySpan to produce electricity as part of Long Island's overall electric supply.

The Power Supply Charges also include the cost of electricity bought by LIPA from Independent Power Producers both on and off Long Island – or “Purchased Power” – to make up the balance of the supply of electricity used by LIPA's customers.

What are Delivery and System Charges?

Delivery and System Charges are the costs for operating and maintaining LIPA's electric system which includes, among other things, the wires, substations and operations centers – usually called an electric Transmission and Distribution System – needed to carry electricity to customers.

To learn more visit us online at www.lipower.org.