



March/April 2006

# LIPA NEWS



George E. Pataki  
Governor  
Richard M. Kessel  
Chairman

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

## Message from the Chairman

The new Management Services Agreement (MSA) between LIPA and KeySpan, which contains significant short- and long-term benefits for LIPA's electric customers, was approved by the Board of Trustees in January. It's now before the State Comptroller and Attorney General for review. When implemented it will:

- Freeze electric rates and fuel price adjustments for two years;
- Provide a \$35 cash rebate to all customers;
- Maintain reliable service and improve efficiencies;
- Lower LIPA's costs and debt service; and
- Promote cleaner power plants and technologies.

LIPA will own the Island's electric Transmission & Distribution system and remain responsible for delivering electricity. Although our agreement calls for our MSA with KeySpan to be extended to 2013, a new wrinkle has developed.

On February 27th, it was announced that London-based National Grid will acquire KeySpan. LIPA must now assess National Grid's ability to operate and maintain our electric Transmission & Distribution system to the high standard of reliability we require to properly serve you, our customers.

While we achieved significant savings under the new MSA with KeySpan, we must also ensure that LIPA's customers benefit to the greatest extent possible from the National Grid purchase, should that purchase be approved by the State's Public Service Commission and the Federal Energy Regulatory Commission (FERC). LIPA's three top concerns are:

- No decrease in the quality of the service for LIPA customers;
- Additional cost decreases to LIPA that would allow further bill reductions;
- And to the greatest extent possible, job protection for KeySpan's Electric Business Unit employees who provide excellent service to LIPA

Over the last seven years, we've invested nearly \$1.75 billion in our T&D system, which has helped us become the most reliable overhead electric system in the state. We can not allow that reliability standard to be diminished due to a change of ownership of KeySpan. Visit [www.lipower.org](http://www.lipower.org) for updates on this and other issues.

Richard M. Kessel  
Chairman



Richard M. Kessel

## LIPA...Your Environmental Partner

Concern about the environment is on everyone's mind these days. Schools, cities and corporations are making serious efforts to recycle. Legislation has been passed to help handle waste and prevent future pollution.

At LIPA, we are doing our part with LIPA's Clean Energy Initiative (CEI), one of the most ambitious programs in the Nation to promote clean, new,



electric generation technologies. Our Solar Pioneer program provides incentives for Long Islanders to purchase equipment to generate solar power for their homes and businesses, and our Wind program will produce zero-emissions energy for approximately 44,000 Long Island homes. LIPA's Green Choice program supports "green power" generation from sources like wind, hydropower and bio-energy.

In addition to helping preserve Long Island's natural environment, these programs will help customers save money on their electric bills, as they use less energy, and ensure a sufficient supply of electricity for generations to come.

## Energy Saving Tip

**Cut back on the use of your clothes dryer. Dryers use a lot of electricity and can draw heated air out of your house. Hang clothes on a clothes rack or outdoors on sunny days for big savings!**

*Customers can receive the messages on their LIPA bill in Spanish. Call us at 1-800-490-0025 to choose this option. You may also speak with a Spanish-speaking representative or use our automated phone services.*

*Los clientes pueden recibir los mensajes en su cuenta de LIPA en español. Llámenos en 1-800-490-0025 para elegir esta opción. Usted puede también hablar con un representante de habla hispana o utilizar nuestros servicios telefónicos automatizados.*

## Boot Camp for Starting and Growing a Business

Are you interested in becoming an Entrepreneur? This conference is a "must attend" learning and networking event for anyone starting or operating a small business.



- When:** Saturday, May 6, 2006  
**Where:** Farmingdale State University  
**Time:** Full Day conference begins at 8:30 a.m.  
**Sponsored by:** Farmingdale State University of New York School of Business and New York State Small Business Development Center (SBDC)  
**Workshops:** "Developing an Online Business Using E-Bay and Others" and more!  
**Keynote Speaker:** Mark Burford, Brewmaster, Blue Point Brewing  
**Fee:** \$25.00

Farmingdale State students and alumni - \$15.00

To register and for a complete list of workshops, visit [www.farmingdaleconference.com](http://www.farmingdaleconference.com), or call Dorothy, SBDC, at 631-420-2765.

## Not Only for Beauty...Trees Can Increase Energy Efficiency

Long Islanders are doing everything possible to manage energy costs. A plan to take advantage of tree planting could help make your home more energy efficient. If you are planning to plant trees this spring, pay special attention to placement to help keep your home warmer in winter and cooler in summer.



Evergreen trees planted on the west or north sides of your home provide shelter from the cold winter winds. Deciduous (leaf dropping) trees, planted on the south and/or the west side provide shade in the summer, but allow the sun's warmth to enter the house in the winter. Visit your local nursery and bring a sketch of your property. Let them know your goal is to increase energy efficiency while enhancing the appearance of your home.

To learn more, visit our Web site at [www.lipower.org](http://www.lipower.org), or call us at 1-800-490-0025, and ask for our booklet, "Let's Talk About Trees."

## Say Hello to CAIDI, MAIFI & SAIFI!!!

No, CAIDI, MAIFI AND SAIFI are not the names of three girls....they are the acronyms that stand for:

- **C**ustomers **A**verage **I**nterruption **D**uration **I**ndex
- **M**omentary **A**verage **I**nterruption **F**requency **I**ndex
- **S**ystem **A**verage **I**nterruption **F**requency **I**ndex

These terms are important measurements of LIPA's performance, and for the last three years we have been tops! LIPA is compared to other overhead utilities in New York State. For the past three years, we have significantly outperformed the other New York State utilities.



**CAIDI** measures the average restoration time, or how long it takes LIPA to get your service back on if there is an outage. In 2005, the CAIDI was 64 minutes.

**MAIFI** measures "momentary" interruptions. How long is a momentary interruption? Usually less than five minutes. Last year, LIPA's MAIFI remained at 4.9; the best since 1996, when we began to keep statistics.

**SAIFI** measures the length of time between service interruptions. In 2005, LIPA's average SAIFI was 14.1 months between interruptions. This means that a large portion of our customers have not lost power in over a year!

We are proud of our record of reliability and we will continue to work to improve electric dependability for our customers. So if anyone should ask, you DO know SAIFI, CAIDI & MAIFI!

## Instant Energy Savings

ENERGY STAR®-rated lighting and appliances reduce electric use, save money and preserve our environment. We encourage you to buy ENERGY STAR-rated items when purchasing new, or replacing existing electric products.

LIPA is offering INSTANT COUPONS of \$1.50 towards the purchase of ENERGY STAR-rated light bulb packages, \$10.00 off ENERGY STAR-rated lighting fixtures and \$15.00 off ENERGY STAR-rated ceiling fans with light kits.

In the market for a new washing machine? Depending upon the efficiency level, you could receive a rebate of \$15.00, \$35.00 or \$50.00 towards the purchase of an ENERGY STAR-rated clothes washer.

There are more than one hundred and fifty ENERGY STAR retail partner stores on Long Island. Visit [www.lipower.org/cei/lighting.html](http://www.lipower.org/cei/lighting.html) to learn more.