

1) Company Name:

Long Island Power Authority (LIPA)

2) Contact Name, Address, phone number, and e-mail address:

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3) Program Name:

Residential Voluntary Load Reduction (“Watts Going Down”)

4) Program Target Segment:

Primarily Residential customers, but some commercial participation as well.

5) Program Description:

As a means to help meet its summer peak demand requirements, the Long Island Power Authority (LIPA) developed *Watts Going Down (WGD)*, a voluntary load reduction program where customers pledge to voluntarily reduce energy use on “critical days”¹ between 2:00 p.m. and 6:00 p.m. WGD is an educational campaign that provides solutions to help remedy the potential for power outages resulting from a high demand for electricity that is expected to exceed the available supply. Consumer education provides customers with an understanding of the power issues on “critical days”, explaining the electric power situation and challenges to meeting the load, and defines ways for customers to efficiently use energy during these times so as to alleviate the strain on LIPA’s electric system.

The WGD Program is one of many initiatives undertaken by LIPA that aim to reduce electric demand on critical days. LIPA’s Peak Reduction Program offers large businesses the opportunity to earn substantial financial incentives in response to reducing load at the request of LIPA. Additionally, the LIPAedge Program helps reduce both residential and small business electric loads through the use of remotely controlled devices that cycle central air conditioning systems and shut off pool pumps during times of high demand.

¹ Critical Days are defined as days when customer demand for electricity is projected to approach or exceed the available supply of electricity to serve that load.

Recognizing the ability to draw on the willingness of customers to rally to a local cause, the WGD campaign encourages participation by promoting a sense of community and spirit of volunteerism to help LIPA and Long Island on “critical days”. WGD participation is open to residential and small business customers and offers positive benefits for enrollment without risk, providing customers an opportunity to “feel good” about participating with all of Long Island to keep the lights on during conditions of extreme heat and tight supply. In addition, a special effort was made to encourage young children to have their parents participate. This was accomplished through programs aimed at 3rd, 4th and 5th grade classes by asking the students to bring the WGD materials home to their parents, and as a family, agree to participate in the Program.

In an effort to solidify customer commitment, LIPA asked WGD enrollees to reflect their strategies to help reduce electric load by selecting specific actions they intended to take when called to do so on “critical days”. On the program enrollment forms, customers were asked to pledge to shut off specific equipment and shift usage of certain appliances to off peak hours. Specific energy savings estimates were assigned to each measure, which was then used to calculate the MW savings attributable to the commitments received.

Initially all WGD enrolled customers were entered into a prize drawing that included energy efficient appliances and home electronics. Additionally, as an incentive for participation, LIPA provided enrolled customers with a LIPA *PowerPerks Fun Card*. The promotional card provided discounts for many national and local retailers, parks, museums, and entertainment venues. Eventually LIPA improved the Power Perks card by increasing the number of vendors that accepted the card. Customers were also entered into a drawing to win a \$25.00 gift certificate for energy saving appliances from LIPA’s on-line EnergyWise catalog. In order to cut cost, the Power Perks promotion was not offered in 2006. As the program has achieved an outstanding level of electric load reduction, as well as having very cool summers the past two years, LIPA decided that the WGD program wasn’t going to enroll any additional customers and will maintain its existing customer level.

On “critical days”, notifying WGD participants to reduce power use is accomplished utilizing many channels: press releases, radio, local television news announcements. Also, LIPA large business and government customers agreed to inform their staff of “critical days”.

LIPA’s WGD program has demonstrated the ability to provide a recognizable awareness mechanism that successfully prompts customers to take action on “critical days”. The program has increased the awareness level of customers of the urgency to conserve energy when a public appeal is issued to do so. Initially, the Program had an aggressive goal of 12,000 participants and associated demand reduction pledges of 29.2 MW. The Program was marketed using a variety of channels, leading up to enrollment of over 20,000 customers with demand reduction pledges of over 54 MW. The following year the program continued with this aggressive path and enrolled an additional 7,000 customers, increasing the total to over 27,000 customers enrolled. In addition, LIPA used the success of the program to cross-market other LIPA programs and services. This allowed LIPA to leverage the program’s success, and further promote education about energy conservation and energy efficiency. To date over 25,000 residential customers have been enrolled in the program, with 82.25 MW of electricity pledged

for reduction during critical days (18.85 MW of electricity has been pledged by commercial customers). Every summer all WGD customers are sent a Thank You letter encouraging them to continue their participation (see attachment #1).

The Program marketing promotions included:

Willy Watts – LIPA designed and developed a mascot for the WGD program to help with brand recognition. The mascot created was “Willy Watts”, which is found on all program literature and advertising. Willy has become a recognizable character on Long Island, who is known to adults and children to represent LIPA’s energy conservation programs.

General Brochure – A brochure with a postage-paid enrollment card was issued to the general public. The brochure described the need for the program, while encouraging participation with a volunteerism and community spirit theme to help Long Island on “critical days”. The brochure was displayed in LIPA customer offices, at shows/events, and distributed to the public through local government and at many of the key and national Major Account customers. It was also inserted in mailed material (like the LIPA Newsletter) and was promoted on the Energy Wise Infoline.

Bill Insert – A 60-day bill insert cycle was used to promote WGD to all LIPA customers. The insert had a postage-paid reply card allowing customers to complete an enrollment form and return it to LIPA in a simple and easy manner.

LIPA Web site – WGD was prominent on the LIPA Web site with placement on the Home Page, with links to the enrollment area placed at strategic points throughout the entire Web site. Use of the Web site as a means to enroll were included on all marketing materials, as this reduces costs to LIPA.

School Promotion – Initially all elementary school superintendents received a mailing asking them to agree to distribute LIPA WGD materials to their 3rd, 4th and 5th grade students to take home to their parents. The materials were customized for schools, with a special brochure for the parents to read, complete and return to their child’s teacher for collection and return to LIPA. Schools that participated were entered into a drawing to receive free computers, with six winners selected across Long Island. Pizza parties were awarded to the top six schools submitting the most completed WGD enrollment cards. Plus, all schools received a Certificate of Appreciation from LIPA. To further enhance this effort, WGD partnered with the In-Concert program to facilitate direct access to many of the Long Island school districts. While the school related promotional efforts have been reduced due to a variety of reasons, LIPA still considers the education of Long Islands youths a critical component in the continued success of the WGD program. (See attachments #2 and #3 and #4)

Government Promotion – Local counties, towns and incorporated villages, in addition to having personal contact with their Major Account Executive, received letters encouraging their assistance to distribute materials to their staff, as well as to display program materials to the public. They were asked to voluntarily reduce energy use on “critical days” and were placed on a “critical day” contact list. All government agencies that agreed to participate in WGD received

a Certificate of Appreciation from LIPA, as well as special recognition in Newsday; Long Island's major daily newspaper. (See attachment #5)

Major Accounts Promotion – Major Account executives were asked to discuss WGD with contacts that elect not to participate in Peak Reduction. Those Major Account executives were asked to distribute materials to their employees on behalf of LIPA, and if they would be interested in having a LIPA representative speak to groups of employees about WGD and energy efficiency programs. If interested, the Major Account executive coordinated all aspects of this effort. All Major Account customers that agreed to participate in WGD received a Certificate of Appreciation from LIPA.

Former Peak Reduction Program (PRP) Promotion – Business customers that participated in the PRP in prior years, but had not met their stated commitments, were targeted with a mailing asking for a commitment to voluntarily reduce their load on “critical days”. Additionally, these customers were asked if they would distribute WGD materials to their employees. All former PRP customers that agree to participate in WGD would receive a Certificate of Appreciation from LIPA.

McDonalds Tray Liner and Sundae Coupon – LIPA partnered with 88 McDonald's restaurants on Long Island to promote energy conservation through its WGD volunteer program. Over 450,000 McDonald's customers received a tray liner with their meals promoting LIPA's Watts Going Down energy conservation program. The information on the McDonald's tray liner directs customers to sign up for the WGD program by accessing LIPA's Web site at <http://www.lipower.org/mcd>. The attractive multi-color tray liner featured an informative crossword puzzle that required answers related to interesting facts about LIPA and McDonald's. Since the trayliner was a big success, McDonald's went to the next level and offered to sponsor a free sundae coupon that was included in the re-enrollment mailing sent to over 25,000 participants. This coupon was a way of saying thank you for the previous year's efforts, as well as future effort. McDonald's has been a major advocate for the LIPA programs, and their support for the WGD program in particular has been incredible. Based on the success of these cross-promotional efforts, McDonald's agreed to continue sponsoring the sundae coupon in future years. (See attachments #6 and #7)

Atlantis Marine World Coupon – LIPA and Atlantis Marine World, Long Island's award winning aquarium, agreed to partner together to provide WGD participants a coupon for 30% admission to the park. This coupon was another way for LIPA to thank it's participants for their continued support of the WGD program. (See attachment #8)

To summarize LIPA's WGD continues to play an important role helping meet LIPA's summer demand requirements. It demonstrates the ability to successfully appeal to a customer's sense of community and volunteerism, urging them to rally to a cause that ultimately benefited all of Long Island. The Program utilized a variety of channels to reach the many facets of the LI population, had high visibility across the Island and successfully met its objectives in a cost-effective and efficient manner.

Attachment #1



Date

Willie Watts
123 Main Street
Anytown, NY 11716

Dear Mr. Watts:

You are a valued and very important participant in LIPA's Watts Going Down Program and we want you to know that your commitment to energy conservation is both appreciated and important. We want to recognize your involvement!

Although the past two summers have been cool and LIPA continues to make significant improvements to the electric system and increase the amount of generation available to support Long Island's electric needs, the need for energy conservation still exists.

As you know, Watts Going Down is part of a campaign encouraging customers to conserve energy during the hottest days of summer. Participation in Watts Going Down is completely voluntary, with members simply agreeing to curtail electric power use during the hours of 2 p.m. and 6 p.m. when Long Island experiences an especially hot, humid day.

LIPA has teamed up with two exciting organizations to thank you for being a part of Watts Going Down and help Long Island meet it's growing energy needs: McDonald's and Atlantis Marine World!

Bring the enclosed McDonald's coupon to any participating Long Island restaurant between the hours of 2 p.m. and 6 p.m., Monday through Friday, and redeem it for a free McDonald's Sundae. You can also use the enclosed Atlantis Marine World coupon for 30% off each admission. Be sure to check out their latest addition.... Penguins!

Participation in LIPA's Watts Going Down Program is completely voluntary; to continue your enrollment, you need not do a thing! But if you no longer want to be included in this program (and we certainly hope this is not the case), please call us at 1-800-692-2626.

Thank you again for being an involved environmentally-concerned member of the Long Island Community.

Sincerely,

Richard M. Kessel
Chairman & CEO

Attachment #2

HEY KIDS! IS YOUR FAMILY A PART OF "WATTS GOING DOWN?"

Do you believe it is important to save energy?
You can make a difference!



This time, your voice can be heard! You CAN help!

A few days each summer, when it is really hot and humid, all your friends, neighbors and businesses use lots of electricity to run their air conditioners, pools, refrigerators and other appliances. When everyone turns on their electric appliances at the same time, it could cause a strain on the system that LIPA uses to generate and deliver electricity. If your family signs up for Watts Going Down, they just agree to turn off lights and appliances that are not really needed between 2 PM and 6 PM, when LIPA announces a "Critical Day" on the radio or tv. And that will help everyone!

Sign Up Your Family Today!

It is easy to sign up for Watts Going Down. Just have a responsible adult fill out the attached card and drop it in the mail. That's it!

You've always known that kids CAN make a difference, and now you can prove it! Three classes in Nassau, and three in Suffolk, that sign up the most participants for Watts Going Down will get a FREE "Pizza Party" from LIPA! So bring this card home and make sure your family signs up for Watts Going Down.

I'd like to be part of WATTS GOING DOWN!

Please complete and return this card

Name: _____
Address: _____ Town: _____ State: _____ Zip: _____
LIPA Acct #: _____ Email address: _____
Daytime Phone: _____ I'd like to receive energy-related emails from LIPA.
School: _____ Teacher: _____ Grade: _____

When I hear about a "Critical Day" I pledge: (Check)

- Between 2 PM and 6 PM I will raise the thermostat on my central air conditioner 4 degrees or to 78 degrees, whichever is greater, or turn it off. (Not applicable to LIPAedge customers)
- Between 2 PM and 6 PM I will raise the thermostat on my window air conditioner(s) 4 degrees or to 78 degrees, whichever is greater, or turn it/them off.
- Refrain from cooking with electric appliances between 2 PM and 6 PM.
- Turn off unnecessary lighting and take advantage of the sun's natural light between 2 PM and 6 PM.
- Use fans instead of, or in conjunction with, my air conditioner.

Between 2 PM and 6 PM I will not operate the following appliances: (Circle which appliances)

Pool Pump	Computers	Dehumidifier	Coffee Maker	Vacuum
Clothes Washer	Clothes Dyer	Stereo	Dishwasher	

Attachment #3



Dear Educator:

Summer is almost here and with it comes the welcome warmth of the sun. But with that sunshine, Long Island sometimes experiences temperatures and humidity levels that strain the supply of electric power available to Long Islanders. We hope that you participated in 2003 in our Watts Going Down program for Schools. If not, here's another opportunity.

We recently visited your school and presented our *In Concert with the Environment Program*. We hope you found that information educational as well as entertaining. We're asking for your help to ensure all of Long Island will have a sufficient supply of electric energy to meet our needs this summer by agreeing to distribute materials about our Watts Going Down Program.

The Long Island Power Authority (LIPA) launched Watts Going Down, a very successful summer energy conservation program, in 2001. Watts Going Down is part of a campaign urging customers to conserve energy during the hottest days of summer. While participation in Watts Going Down is completely voluntary, customers will have the satisfaction of knowing they have helped protect Long Island from heat-related power outages.

We realize that students can have a profound effect in convincing their parents to take action, if the student believes that the action is both reasonable and beneficial. By bringing home the Watts Going Down materials and convincing their parents to sign up, students are helping assure that Long Island has a reliable and adequate supply of electricity for Summer 2004. As an added incentive, the top three classes in Nassau County and the Far Rockaways and the top three in Suffolk County, which record the highest number of parent enrollments of new Watts Going Down participants, will receive a Pizza Party courtesy of LIPA.

Your role would be: 1) to distribute the enclosed Watts Going Down materials to the teachers who took part in the In Concert With the Environment Program, as well as any others interested in participating; 2) briefly explain the program and contest; 3) ask the students to take these materials home to their parents; and 4) remind them to have their parents mail in their enrollment card as soon as possible.

Thank you for doing your part to spread the word about Watts Going Down. Together, we can help ensure a bright energy picture for all of Long Island this summer.

Thank you,

A handwritten signature in black ink, appearing to read "Richard M. Kessel".

Richard M. Kessel
Chairman

Attachment #4



Superintendents name _____ date _____
School district _____
Address _____
Town, st, zip _____

Summer is almost here and with it comes the welcome warmth of the sun. But with that sunshine, Long Island sometimes experiences temperature and humidity levels that strain the supply of electric power available to Long Islanders. We hope that you participated in 2003 in our Watts Going Down program for Schools. If not, here's another opportunity.

The Long Island Power Authority (LIPA) launched Watts Going Down, a very successful summer energy conservation program in 2001. Watts Going Down is part of a campaign urging customers to conserve energy during the hottest days of summer. While participation in Watts Going Down is completely voluntary, customers have the satisfaction of knowing they helped protect Long Island from heat-related power outages.

We realize that students can have a profound effect in convincing their parents to take action, if students truly believe that the requested action is both reasonable and beneficial. By bringing home the Watts Going Down materials and convincing their parents to sign up, students are helping assure that Long Island has a reliable and adequate supply of electricity for the Summer of 2004. As an added incentive, the top three classes in Nassau County and the Far Rockaways and the top three in Suffolk County, which record the highest number of parent enrollments of new Watts Going Down participants, will receive a Pizza Party courtesy of LIPA.

Families who agree to sign up for Watts Going Down will:

- Be entered into a drawing in which ten customers will win a \$25.00 gift certificate for merchandise in LIPA's Online EnergyWise Catalog.
- Receive a PowerPerks Card compliments of LIPA. The PowerPerks Card provides valuable savings at more than 15,000 local and national vendors, including hundreds of Long Island recreational, retail and entertainment venues. From movie tickets to video rentals, restaurants, health care items, toys and car repairs, the PowerPerks Card can save the family money every day. Plus they get discounts on special occasion purchases including travel, cultural events and entertainment. In fact, many of the Long Island venues offer instant discounts.

You and your district can help by distributing Watts Going Down materials to students in grades 3, 4 and 5. Please call us at 1-800-892-2626 before May 28, 2004 and let us know. We'll make sure the information is promptly delivered to you.

With summer fast approaching, LIPA is working to ensure that all Long Islanders enjoy a safe, comfortable season with a reliable and dependable supply of electricity. Watts Going Down will help us do that. Through your district's participation, you'll be helping to spread the word about energy conservation and ensuring a bright energy picture for all of Long Island this summer.

Thank you,

Richard M. Kessel
Chairman

Attachment #5



May 27, 2004

«Sal» «First» «Last»
«Department_or_Title»
«Town_OF»
«Address»
«Town», «NY» «ZIP»

Dear «Sal» «Last»:

In the spring of 2002, the Long Island Power Authority (LIPA) launched a very successful energy conservation campaign – **Watts Going Down** – and many government offices on Long Island participated in this critical effort. We're again asking for your participation to ensure that Long Islanders have the electric energy they need this summer.

Watts Going Down is part of a campaign urging customers to conserve energy during the hottest days of summer. Participation in **Watts Going Down** is *completely voluntary*. **Watts Going Down** will ask customers to reduce electric use on "Critical Days" when demand for electricity comes close to exceeding LIPA's ability to supply sufficient electric power.

By participating in **Watts Going Down**, customers will have the satisfaction of knowing they have helped maintain Long Island's quality of life, precious natural resources, saved energy and, in the process, saved money on their summer electric bills.

We are asking you to:

- Distribute our **Watts Going Down** brochure – sample included – to all employees, and encourage them to enroll their family in **Watts Going Down** and to conserve energy at home in many of the same ways their office conserves energy during power emergencies – i.e., by limiting their use of air conditioning, turning off unnecessary lights and limiting the use of electric appliances;
- agree to voluntarily reduce energy use at your facilities on "critical days" when high temperature and humidity increase the demand for electricity.

Please call LIPA's Energy Information Line at 1-800-692-2626 if you can participate. We will then send you the appropriate number of brochures. I would be happy to discuss with you, in more detail, ways you can help. We truly value your participation and look forward to receiving your positive response.

Thank you,

Alex Nylas
Account Executive
Long Island Power Authority
631-436-5747

Attachment #6

LIPA and Ronald McDonald® Would Like You to Become a
WATTS GOING DOWN Volunteer



- Becoming a Volunteer will:
- Help the Environment
 - Help Save Power and Money During the Summer and All Year Long



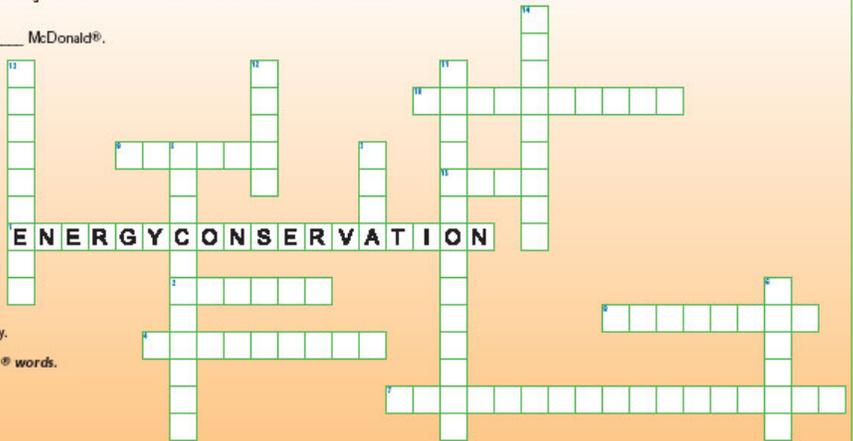
To become a Watts Going Down volunteer, simply pledge to turn off or reduce the use of non-essential electric appliances and lights when LIPA announces a Critical Day, between the hours of 2 PM and 6 PM.

All customers who sign up for Watts Going Down will receive a PowerPerks FunCard that entitles all family members to valuable savings at participating Long Island parks and entertainment venues as well as many national retailers.

For more information, and to sign up visit us at
www.lipower.org/mcd

Help Ronald McDonald® and His Friend Complete This Fun Crossword Puzzle!!!

- _____ is the best way to save our natural resources.
- I am McDonald's® favorite character, and I live in McDonaldland®. My name is _____ McDonald®.
- What is the shorter name for the Long Island Power Authority?
- The home of the Quarter Pounder® with cheese.
- The power we use to turn on our lights.
- This sandwich has two whole beef patties, special sauce, lettuce, cheese, pickles, and onions on a sesame seed bun.
- What will your family receive if they sign up for Watts Going Down?
- This delicious "All American" dessert is baked here at McDonald's®.
- I _____ allegiance to the flag.
- Watch out for this character or he may steal your burger.
- What is the name of LIPA's voluntary energy conservation program?
- Hot golden brown snack served with each meal.
- The smartest customers _____ to conserve energy with Watts Going Down.
- Kids of all ages love Chicken _____.
- When you sign up for Watts Going Down you will be helping to _____ energy.



* All answers can be found within the attached text, or are popular McDonald's® words.



Answers: 1. Energy Conservation 2. Ronald McDonald 3. LIPA 4. Quarter Pounder 5. Electricity 6. Big Mac 7. PowerPerks FunCard 8. All American 9. Pledge 10. Hamburglar 11. Watts Going Down 12. Hot Golden Brown Snack 13. Pledge 14. Chicken McNuggets 15. Save

Attachment #7

LIPA and Ronald McDonald® want to Thank YOU



LIPA's *Watts Going Down* Program is a huge success because of volunteers like you.

Your participation in *Watts Going Down*:

- Helps the environment
- Saves power
- Saves YOU money ALL YEAR LONG!!



Bring this coupon to a McDonald's® near you and get one
FREE McDonald's® Sundae

– No Purchase Necessary, Monday through Friday, from 2 pm - 6 pm
At participating Long Island McDonald's

Learn about more energy savings programs. Visit LIPA's Web site at www.lipower.org, or call us at 1-800-692-2626. Share a smile with McDonald's® and LIPA!

Thanks again for joining Watts Going Down!

Coupon valid until January 1, 2016



Attachment #8

LIPA and Atlantis Marine World want to Thank YOU



LIPA's **Watts Going Down** Program is a huge success because of volunteers like you.
Your participation in Watts Going Down: **Helps the environment, Saves power and Saves YOU money ALL YEAR LONG!!**

IT'S TUX SEASON!

There's always something new at
Atlantis Marine World
Come visit us this summer and greet the
latest addition...Penguins!!!
30% Off Each Admission with this coupon
For further details visit
www.atlantismarineworld.com
or call **631-208-9200** today!



Coupon valid until January 1, 2006