



STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

ANDREW M. CUOMO
GOVERNOR

April 29, 2013

Kevin Burke
4 Irving Place
New York, N.Y. 10003
Dear Mr. Burke,

I write to express concern regarding Con Edison's (Con Ed) recent decision to award bonuses to its senior executives. These bonuses come at a particularly sensitive time. Six months ago today, Superstorm Sandy hit New York and in its aftermath, we witnessed a complete failure by many of our state's utilities to provide adequate service to the ratepayers they serve. In impacted areas across our state, many New Yorkers were left without heat or light for weeks.

In November, I established a Moreland Commission to investigate and study the storm preparation and management by our utilities, including Con Ed. That investigation is still ongoing and has yet to determine the adequacy of Con Ed's performance.

In addition, Con Ed's rate plan approved by the Public Service Commission (PSC) does not allow the costs of any bonuses to be passed on to its ratepayers. In this year's budget, I passed legislation significantly strengthening the PSC's oversight authority, including over Con Ed, to ensure the State could hold major utility companies accountable to regulators and customers. This included increasing the PSC's authority to undertake more comprehensive reviews of utility emergency planning and performance as well as creating tougher penalties for violations of state law, regulations or PSC orders.

In order to ensure that the terms of the approved rate plan are upheld and that ratepayers are not wrongly put on the hook for bonuses to Con Ed senior executives, I am directing the PSC to conduct a review of the bonuses. This will include reviewing Con Ed documents associated with the approval of the bonuses, the accounting treatment of these costs, and what steps Con Ed has taken to ensure no costs are passed on to ratepayers.

The trust and confidence of your customers should be paramount in every action Con Ed takes to rebuild after Sandy.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew M. Cuomo".

Governor Andrew M. Cuomo