

STATE OF NEW YORK

Public Service Commission

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FOR RELEASE: IMMEDIATELY

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PSC Approves RFP to Conduct an Independent Audit of Con Edison -RFP Seeks Consultant to Conduct Audit of Utility's Emergency Planning, Response to Outages, and Restoration of Service-

Albany, NY—10/19/06—The New York State Public Service Commission (Commission) has approved a Request for Proposals (RFP) to conduct an independent audit of Consolidated Edison Company of New York, Inc.'s (Con Edison or the company) system-wide operations, practices, and procedures as they relate to emergency planning, response to outages, and restoration of service. The RFP provides an overview of the scope of the work for the audit to be performed by an independent third-party consultant, along with the significant target dates to be achieved during the course of the audit.

Key issues that will be examined during the course of the independent audit will include, but not necessarily be limited to, an overall assessment of Con Edison's emergency response organization, procedures and facilities; adequacy of resources to deal with large-scale power outages; preparedness and deployment of field crews; procedures for obtaining mutual aid from other utilities; internal and external communications; procedures for determining the magnitude of an outage and the number of customers affected; and actions that should be taken to improve overall response and restoration performance.

In January, July and September 2006, Con Edison's networks experienced prolonged outages. As a result of these network outages, the company received numerous complaints about its practices and preparations for responding to outages, slow restoration of service, and poor communications. On September 8, 2006, the Commission initiated a proceeding and determined

to engage a consultant to perform an independent audit on the adequacy of the Con Edison's management of its emergency outage responses and preparedness. The audit will be managed by Department of Public Service Staff and conducted at its direction.

A copy of the RFP is available from the Commission's Web site at <http://www.dps.state.ny.us/ConEdInvestigations.htm>. Many libraries offer free Internet access. Commission orders in Cases 06-M-1078 and 06-E-0894 can be obtained from the Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).