

Consumer Power Advocates

September 2, 2010

Public Comment on Amended PAP S-2

Lower Manhattan Development Corporation
1 Liberty Plaza, 20th floor
New York City, NY 10006

Consumer Power Advocates (CPA) is a membership organization of leading hospitals and universities in New York City, all of whom are customers of Consolidated Edison. CPA opposes the diversion of \$212.3 million of Utility Restoration and Infrastructure Rebuilding (URIR) Program funds to other purposes. The Partial Action Plan S-2, allocates URIR funds \$750 million to reimburse utility companies for four category of costs incurred to restore service and repair the damage to facilities caused by the September 11, 2001 terrorist attack on New York City. To date, Category 1 (Emergency and Temporary Service Response), and Category 2 (Permanent Restoration and Infrastructure Improvements) claims have been largely satisfied, leaving remaining balance of \$212.3 million in these two categories. We understand that substantial amount of Category 3 (Service Interference) claims remain unresolved. The Lower Manhattan Development Corporation (LMDC) has proposed amending the Partial Action Plan S-2 to allow the use of undisbursed Categories 1& 2 funds for a variety of as yet unspecified economic and cultural activities. CPA opposes the distribution of any URIR funds to non-utility purposes until the claims for which Congress intended those funds are satisfied.

Congress wisely provided for assistance to restore the utility and communications facilities and services disrupted on September 11. In doing so, it provided significant rate relief to consumers who would otherwise have had to suffer higher rates to fund the restoration of services. The balances putatively available here are artifacts of the process that developed the original allocation. It is not surprising that some categories may have been originally over-estimated, while others were under-estimated. This mis-estimation in no way diminishes the validity of claims by utility companies for reimbursement of their losses. LMDC should honor the intent of Congress, and continue to allow all URIR funds to be used to satisfy valid claims. Failure to do so would thwart the intent of Congress, and cause harm to New York City utility ratepayers. CPA urges LMDC to reject this proposal.

Sincerely,

Catherine M. Luthin

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