

ENERGY EAST CORPORATION
COMPENSATION AND MANAGEMENT SUCCESSION COMMITTEE CHARTER

Purpose

The primary purpose of the Compensation and Management Succession Committee is to evaluate the performance of the executive officers of the Corporation and to make recommendations to the Board of Directors of the Corporation regarding executive officer compensation. The Committee also makes recommendations to the Board of Directors of the Corporation regarding the selection of executive officers.

Authority

The Compensation and Management Succession Committee shall, upon its own initiative or otherwise, take the appropriate actions it deems necessary to fulfill its responsibilities. The Committee shall have and may exercise such other powers, authority and responsibilities as may be determined by the Board of Directors.

Membership

The Compensation and Management Succession Committee shall be comprised of at least three members of the Board of Directors, one of whom shall be designated Committee Chairperson. The Committee members and the Chairperson shall be appointed by the Board of Directors. The members of the Committee shall meet the independence requirements of the New York Stock Exchange.

Meetings

The Compensation and Management Succession Committee shall meet at least twice a year. Additional meetings shall be called by the Chairperson of the Committee upon the request of the Board of Directors. Attendance at Committee meetings by officers, employees of the Corporation and others is at the discretion of the Chairperson of the Committee.

Responsibilities

The responsibilities of the Compensation and Management Succession Committee include, but are not limited to:

1. Reviewing and approving corporate goals and objectives relevant to the chief executive officer's and other executive officers' compensation. Evaluating the chief executive officers' and other executive officers' performance in light of those goals and objectives.

2. Recommending to the other independent members of the Board of Directors, and determining and approving together with such other directors, the chief executive officer's compensation (including, but not limited to, annual salary, bonus, compensation under the Corporation's incentive compensation plans and equity-based plans, and other direct or indirect benefits) based on the Committee's evaluation; provided that the Committee may, on its sole authority, make awards under any of the Corporation's equity-based plans to the extent authorized therein.
3. Making recommendations to the Board of Directors regarding compensation (including, but not limited to, annual salary, bonus, compensation under the Corporation's incentive compensation plans and equity-based plans, and other direct or indirect benefits) for the executive officers of the Corporation other than the chief executive officer based on the Committee's evaluations; provided that the Committee may, on its sole authority, make awards under any of the Corporation's equity-based plans to the extent authorized therein.
4. Making recommendations to the Board of Directors regarding the establishment of incentive-compensation plans and equity-based plans and, subject to paragraphs 2 and 3 above, the awards to be issued thereunder.
5. Preparing a report on executive compensation in accordance with Securities and Exchange Commission requirements for inclusion in the Corporation's annual proxy statement.
6. Reviewing any new salary in excess of \$150,000 for any officer of any subsidiary of the Corporation and recommending that salary to the Board of Directors of the subsidiary prior to it going into effect.
7. Reviewing and recommending to the Board of Directors compensation of directors.
8. Having sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, chief executive officer or other executive officer compensation and sole authority to approve the consultant's fees and other retention terms.
9. Addressing, at least twice a year, plans for senior management succession and periodically reporting to the Board of Directors on succession planning.
10. Making recommendations to the Board of Directors regarding the selection and retention of executive officers of the Corporation.

11. Reviewing and making recommendations with respect to other matters that may be referred by the Board of Directors or the chief executive officer.
12. Annually evaluating its own performance.
13. Reviewing and assessing the adequacy of this Charter on an annual basis and recommending any proposed changes to the Board of Directors for approval.
14. Reporting its activities to the Board of Directors.