



Central Vermont Public Service Corporation

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(BW) (Central Vermont Public Service) (CV) Announces First Quarter Earnings

Central Vermont Public Service (CV-NYSE) today reported net income of \$4.8 million, or \$.38 per basic and \$.37 per diluted share of common stock, for the first quarter of 2002 compared to net income of \$3.9 million, or \$.30 per basic and diluted share of common stock, for the first quarter of 2001.

Higher first quarter 2002 earnings compared to the same period in 2001 resulted from the following factors:

- higher retail sales revenue of \$0.6 million after-tax, or \$.05 per share of common stock, primarily resulting from higher average retail rates due to the June 26, 2001 rate order which allowed for a 3.95% increase in retail rates beginning July 1, 2001, offset by a 1.3% (8,029 mWh) decrease in retail mWh sales related to milder weather in 2002;
- higher net power costs of \$0.1 million after-tax, or \$.01 per share of common stock, resulting from lower short-term market prices in ISO-New England for resale sales;
- lower operating and other costs of \$0.9 million after-tax, or \$.08 per share of common stock, related to lower storm restoration costs compared to the first quarter of 2001 and lower costs associated with CV's share of Millstone Unit 3; and
- higher losses at Eversant Corporation of \$0.4 million after-tax, or \$.04 per share of common stock, primarily related to the Company's decision to discontinue Eversant's efforts to pursue non-regulated business opportunities.

For the twelve months ended March 31, 2002, CV had net income of \$3.3 million, or \$.14 per basic and diluted share of common stock, compared to net income of \$14.0 million, or \$1.06 per basic and diluted share of common stock, for the twelve months ended March 31, 2001. Lower earnings for the twelve months ended March 31, 2002 compared to the same period ended March 31, 2001 was mainly due to a \$9.8 million after-tax, or \$.85 per share of common stock, asset impairment charge in the fourth quarter of 2001, related to four of Catamount Energy Corporation's investments. In 2001, Catamount, CV's non-regulated subsidiary, repositioned its asset portfolio in order to focus its efforts on developing, owning and operating wind energy projects in the United States and Western Europe. A listing of items affecting the twelve months ended is outlined in the enclosed table.

For the twelve months ended March 31, 2002, return on average common equity for the Vermont

utility business was 8.0 percent, while consolidated return on average common equity was 0.9 percent. Net cash flow provided by operating activities was \$14.9 million for the first quarter of 2002 versus \$10.1 million for the comparable 2001 period.

CV is Vermont's largest electric utility, serving over 143,000 customers statewide. Through its subsidiary, Connecticut Valley Electric Company, CV also serves over 10,000 customers in New Hampshire. Catamount Energy Corporation, CV's non-regulated subsidiary, invests primarily in wind energy projects in the United States and Western Europe.

Statements contained in this report that are not historical fact are forward looking statements intended to qualify for the safe-harbors from the liability established by the Private Securities Reform Act of 1995. Statements made that are not historical facts are forward looking and, accordingly, involve estimates, assumptions, risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in the forward looking statements. Actual results will depend, among other things, upon the actions of regulators, the outcome of litigation at the FERC involving Central Vermont and Connecticut Valley, the performance of the Vermont Yankee nuclear power plant, weather conditions, and the performance of the Company's non-regulated businesses. The Company cannot predict the outcome of any of these matters.

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The financial information for the related periods is shown below:

Central Vermont Public Service Corporation – Consolidated
Earnings Release (Unaudited)
(Dollars in thousands, except per share amounts)

	Quarter Ended March 31	
	<u>2002</u>	<u>2001</u>
Central Vermont Public Service Corporation – Consolidated:		
Retail MWH Sales	613,509	621,538
Operating Revenues	\$76,475	\$78,032
Net Income	\$4,784	\$3,897
Preferred Stock Dividend Requirements	\$403	\$424
Earnings available for common stock	\$4,381	\$3,473
Average shares of common stock outstanding – basic	11,622,118	11,530,896
Average shares of common stock outstanding – diluted	11,838,093	11,530,896
Earnings per share of common stock – basic	\$.38	\$.30
Earnings per share of common stock – diluted	\$.37	\$.30
Net cash provided by operating activities	\$14,916	\$10,075
Catamount Energy Corporation:		
Earnings per basic and diluted share of common stock	\$.04	\$.03
Eversant Corporation:		
Losses per basic and diluted share of common stock	\$(.05)	\$(.01)

Central Vermont Public Service Corporation – Consolidated
Earnings Release (Unaudited)
(Dollars in thousands, except per share amounts)

	Twelve Months Ended March 31			
	<u>2002</u>		<u>2001</u>	
Central Vermont Public Service Corporation – Consolidated:				
Retail MWH Sales	2,316,069		2,355,541	
Operating Revenues	\$300,919		\$312,010	
Net Income before extraordinary charge	\$3,476	(a,c,d)	\$13,981	(e,f,g)
Extraordinary charge	182		--	
Net Income	\$3,294	(a,b,c,d)	\$13,981	(e,f,g)
Preferred Stock Dividend Requirements	\$1,675		\$1,758	
Earnings available for common stock	\$1,619	(a,b,c,d)	\$12,223	(e,f,g)
Average shares of common stock outstanding	11,573,535		11,504,213	
Earnings per basic and diluted share of common stock:				
Before extraordinary charge	\$.16	(a,c,d)	\$1.06	(e,f,g)
Extraordinary charge	\$.02		--	
Earnings per basic and diluted share of common stock	\$.14	(a,b,c,d)	\$1.06	(e,f,g)
Net cash provided by operating activities	\$35,057		\$38,557	
Catamount Energy Corporation:				
(Losses) earnings per basic and diluted share of common stock	\$(.74)	(a)	\$.07	
Eversant Corporation:				
(Losses) earnings per basic and diluted share of common stock	\$(.22)		\$.03	

- (a) Includes \$9.8 million after-tax, or \$.85 per share, asset impairment charges related to four of Catamounts investments as a result of writing down two assets held for sale to estimated sales value and issues concerning the future viability of two other operating projects.
- (b) Includes an extraordinary charge of \$0.2 million, or \$.02 per share, resulting from the application of Statement of Accounting Standards No. 71, Accounting for the Effects of Certain Types of Regulation, at Connecticut Valley.
- (c) Includes a \$3.6 million after-tax loss related to CV's June 2001 approved rate order which required, in part, a \$5.3 million after-tax, or \$.46 per share, write off of regulatory assets, and also ended the HQ power cost disallowances resulting in a \$1.7 million after-tax, or \$.15 per share, reversal of accrual for under recovery of power costs in the 2nd quarter of 2001.
- (d) Includes a \$1.5 million after-tax, or \$.13 per share, reversal of a December 2000 accrual for estimated power costs for installed capacity deficiency charges in ISO-New England.
- (e) Includes nonrecurring gains of \$3.2 million after-tax, or \$.28 per share, from the Millstone Unit #3 settlement and \$1.7 million after-tax, or \$.14 per share from reversal of Connecticut Valley provision for rate refund.
- (f) Includes reversal of accruals for Connecticut Valley power costs previously booked in the 4th quarter of 1999, totaling \$0.6 million after-tax, or \$.06 per share.
- (g) Includes a \$1.5 million after-tax, or \$.13 per share, accrual for estimated power costs for installed capacity deficiency charges in ISO-New England.

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