Central Vermont Public Service Corporation

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CVPS Announces Third Quarter Earnings and Affirmation of Its Corporate Credit Rating with a Stable Outlook

RUTLAND, VT – Central Vermont Public Service (CV-NYSE) today reported net income of $5.9 million, or $.47 per basic and $.46 per diluted share of common stock, for the third quarter of 2002 compared to net income of $3.6 million, or $.27 per basic and diluted share of common stock, for the third quarter of 2001. In addition, on October 21, 2002, Standard and Poor's affirmed CV's "BBB-" corporate credit rating with a stable outlook.

For the nine months ended September 30, 2002, CV had net income of $14.6 million, or $1.15 per basic and $1.13 per diluted share of common stock, compared to net income of $7.8 million, or $.56 per basic and $.55 per diluted share of common stock, for the nine months ended September 30, 2001.

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

- higher retail sales revenue and other operating revenue of $1.8 million after-tax, or $.15 per share of common stock, primarily resulting from a 2.2 percent increase in retail mWh sales and the sale of non-firm transmission under the Company's open access transmission tariff;

- higher net power costs of $1.0 million after-tax, or $.09 per share of common stock, mainly due to higher retail sales and higher capacity requirements;

- favorable impact of $2.5 million after-tax, or $.22 per share of common stock, resulting from the Vermont Yankee sale, primarily due to state tax benefits now available to Vermont Yankee which were passed on to the owners; although the sale closed on July 31, 2002, the Company's distribution of the sale proceeds and final accounting for the sale are pending certain regulatory approvals and the resolution of certain closing items between the seller and purchaser;

- higher operating and other costs of $0.7 million after-tax, or $.06 per share of common stock, primarily due to a $0.6 million, or $.05 per share of common stock, one-time payment related to closing the Vermont Yankee sale, higher property tax expense of $0.2 million, or $.02 per share of common stock, and lower interest and dividend income of $0.1 million, or $.01 per share of common stock, offset by lower administrative and general expenses of $0.2 million, or $.02 per share of common stock;

- net losses at Catamount Energy Corporation of $1.7 million, or $.15 per share of common stock, compared to nominal earnings in 2001, primarily resulting from third quarter 2002 after-tax asset impairment charges of $2.1 million, or $.18 per share of common stock, related to the pending sale of certain of its equity investments, primarily offset by higher equity earnings from one of its investments;

- lower losses at Eversant Corporation of $1.3 million, or $.11 per share of common stock, primarily related to a third quarter 2001 write-down of its investment in Home Service Store, Inc; and

- a third quarter 2001 extraordinary charge of $0.2 million, or $.02 per share of common stock, resulting from the Company's New Hampshire subsidiary, Connecticut Valley, again being subject to SFAS No. 71, Accounting for the Effects of Certain Types of Regulation.

Higher nine months ended September 30, 2002 earnings compared to the same period last year resulted from the following factors:

- higher retail sales revenue and other operating revenue of $3.7 million after-tax, or $.32 per share of common stock, resulting from higher average retail rates due to the June 26, 2001 rate order, which allowed for a 3.95 percent increase in retail rates beginning July 1, 2001, a small increase in retail mWh sales and the sale of non-firm transmission under the Company's open access transmission tariff;

- higher net power costs of $2.7 million after-tax, or $.23 per share of common stock, related to a 2001 reversal of a December 2000 accrual for estimated costs for installed capacity deficiency charges in ISO-New England with no similar reversal in 2002 and lower ISO-New England market prices for resale sales, offset by installed capacity deficiency credits;

- favorable impact of $2.5 million after-tax, or $.22 per share of common stock, resulting from the Vermont Yankee sale, primarily due to state tax benefits now available to Vermont Yankee which were passed on to the owners; although the sale closed on July 31, 2002, the Company's distribution of the sale proceeds and final accounting for the sale are pending certain regulatory approvals and the resolution of certain closing items between the seller and purchaser;

- higher operating and other costs of $0.2 million, or $.02 per share of common stock, primarily related to the following after-tax items: 1) a $0.6 million, or $.05 per share of common stock, one-time payment related to closing the Vermont Yankee sale, 2) higher transmission costs of $0.6 million, or $.05 per share of common stock, 3) higher property tax expense of $0.6 million, or $.05 per share of common stock, 4) an increase in bad debt reserves due to several announced bankruptcies of $0.4 million, or $.04 per share of common stock, 5) a $1.0 million, or $.09 per share of common stock, reversal of certain environmental reserves, 6) lower storm restoration costs of $0.5 million, or $.04 per share of common stock, and 7) lower other operating expenses of $.04 million, or $.04 per share of common stock;

- net losses at Catamount Energy Corporation of $0.8 million, or $.07 per share of common stock, compared to earnings of $0.5 million, or $.05 per share of common stock, in 2001, mainly due to third quarter 2002 after-tax asset impairment charges of $2.1 million, or $.18 per share of common stock, related to the pending sale of certain of its equity investments and higher project development costs, offset by higher equity earnings from one of its investments and lower equity losses on certain other equity investments;
- lower losses at Eversant Corporation of $1.1 million, or $.09 per share of common stock, primarily related to a third quarter 2001 write-down of its investment in Home Service Store, Inc., the 2002 settlement of an IRS audit resulting in a reversal of an IRS interest expense accrual previously recorded in the fourth quarter of 2001, offset by costs related to the Company's decision to discontinue Eversant's efforts to pursue non-regulated business

opportunities;

- a third quarter 2001 extraordinary charge of $0.2 million, or $.02 per share of common stock, resulting from the Company's New Hampshire subsidiary, Connecticut Valley, again being subject to SFAS No. 71, Accounting for the Effects of Certain Types of Regulation; and

- the Company's June 26, 2001 rate order, which resulted in a net after-tax charge of $3.6 million, or $.31 per share of common stock, due to a one-time write-off of $5.3 million after-tax, or $.46 per share of common stock, of certain regulatory assets, partially offset by the elimination of charges for the under-recovery of costs related to the Hydro-Quebec power contract, which resulted in a favorable $1.7 million after-tax impact, or $.15 per share of common stock, with no similar items in 2002.

For the twelve months ended September 30, 2002, CV had net income of $9.2 million, or $.65 per basic and $.64 per diluted share of common stock, compared to net income of $12.8 million, or $.96 per basic and $.95 per diluted share of common stock, for the twelve months ended September 30, 2001.

Lower earnings for the twelve months ended September 30, 2002 compared to the same period ended September 30, 2001 was mostly due to third quarter 2002 and fourth quarter 2001 asset impairment charges of $11.8 million, or $1.03 per share of common stock, related to several of Catamount Energy Corporation's investments, partially offset by second quarter 2001 nonrecurring charges of $3.6 million, or $.31 per share of common stock, related to the Company's June 26, 2001 rate order. 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.

For the twelve months ended September 30, 2002, consolidated return on average common equity was 4.0 percent. The return on average common equity for the Vermont utility business was 11.8 percent, reflecting the favorable third quarter impact of state tax benefits now available to Vermont Yankee which were passed on to the owners as a result of the Vermont Yankee sale transaction. Net cash flow provided by operating activities for the nine months ended September 30, 2002 was $29.5 million versus $22.8 million for the comparable 2001 period.

CV is Vermont's largest electric utility, serving over 145,000 customers statewide. Through its subsidiary, Connecticut Valley, 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.

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 September 30			
	2002		2001	
Central Vermont Public Service Corporation - Consolidated:				
Retail MWH Sales	585,013		572,590	
Operating Revenues	$75,733		$75,135	
Net Income before extraordinary charge	$5,855	(a)	$3,747	
Extraordinary charge	$0		$(182)	(b)
Net Income	$5,855	(a)	$3,565	(b)
Preferred Stock Dividend Requirements	$380		$424	
Earnings available for common stock	$5,475	(a)	$3,141	(b)
Average shares of common stock outstanding - basic	11,697,336		11,554,588	
Average shares of common stock outstanding - diluted	11,938,694		11,554,588	
Earnings per share of common stock - basic:				
Before extraordinary charge	$.47	(a)	$.29	
Extraordinary charge	$.00		$.02	(b)
Earnings per share of common stock - basic	$.47	(a)	$.27	(b)
Earnings per share of common stock - diluted:				
Before extraordinary charge	$.46	(a)	$.29	
Extraordinary charge	$.00		$.02	(b)
Earnings per share of common stock - diluted	$.46	(a)	$.27	(b)
Net cash provided by operating activities	$12,729		$14,709	
Catamount Energy Corporation:				
(Losses) earnings per basic and diluted share of common stock	$(.15)	(a)	$.00	
Eversant Corporation:				
Earnings (losses) per basic and diluted share of common stock	$.00		$(.11)	

(a) Includes $2.1 million after-tax, or $.18 per share, asset impairment charges related to Catamount's equity investments in Gauley River Power Partners LP and Heartlands Power Limited.
(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.

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

Nine Months Ended

	September 30			
	2002		2001	
Central Vermont Public Service Corporation - Consolidated:				
Retail MWH Sales	1,736,981		1,733,453	
Operating Revenues	$224,111		$227,049	
Net Income before extraordinary charge	$14,615	(a)	$7,971	(b,c)
Extraordinary charge	$0		$(182)	(d)
Net Income	$14,615	(a)	$7,789	(b,c,d)
Preferred Stock Dividend Requirements	$1,187		$1,272	
Earnings available for common stock	$13,428	(a)	$6,517	(b,c,d)
Average shares of common stock outstanding - basic	11,660,792		11,544,227	
Average shares of common stock outstanding - diluted	11,909,428		11,786,776	
Earnings per share of common stock - basic:				
Before extraordinary charge	$1.15	(a)	$.58	(b,c)
Extraordinary charge	$.00		$.02	(d)
Earnings per share of common stock - basic	$1.15	(a)	$.56	(b,c,d)
Earnings per share of common stock - diluted:				
Before extraordinary charge	$1.13	(a)	$.57	(b,c)
Extraordinary charge	$.00		$.02	(d)
Earnings per share of common stock - diluted	$1.13	(a)	$.55	(b,c,d)
Net cash provided by operating activities	$29,537		$22,785	
Catamount Energy Corporation:				
(Losses) earnings per basic and diluted share of common stock	$(.07)	(a)	$.05	
Eversant Corporation:				
Losses per basic and diluted share of common stock	$(.04)		$(.13)	

(a) Includes $2.1 million after-tax, or $.18 per share, asset impairment charges related to Catamount's equity investments in Gauley River Power Partners LP and Heartlands Power Limited.
(b) 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 Hydro-Quebec 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.
(c) 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.
(d) 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.

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

Twelve Months Ended
September 30

	2002		2001	
Central Vermont Public Service Corporation - Consolidated:				
Retail MWH Sales	2,327,627		2,353,575	
Operating Revenues	$299,537		$313,213	
Net Income before extraordinary charge	$9,233	(a,b)	$12,979	(c,d)
Extraordinary charge	$0		$(182)	(e)
Net Income	$9,233	(a,b)	$12,797	(c,d,e)
Preferred Stock Dividend Requirements	$1,611		$1,717	
Earnings available for common stock	$7,622	(a,b)	$11,080	(c,d,e)
Average shares of common stock outstanding - basic	11,638,226		11,499,808	
Average shares of common stock outstanding - diluted	11,886,174		11,714,217	
Earnings per share of common stock - basic:				
Before extraordinary charge	$.65	(a,b)	$.98	(c,d)
Extraordinary charge	$.00		$.02	(e)
Earnings per share of common stock - basic	$.65	(a,b)	$.96	(c,d,e)
Earnings per share of common stock - diluted:				
Before extraordinary charge	$.64	(a,b)	$.97	(c,d)
Extraordinary charge	$.00		.02	(e)
Earnings per share of common stock - diluted	$.64	(a,b)	$.95	(c,d,e)
Net cash provided by operating activities	$36,968		$35,409	
Catamount Energy Corporation:				
(Losses) earnings per basic and diluted share of common stock	$(.86)	(a,b)	$.04	
Eversant Corporation:				
Losses per basic and diluted share of common stock	$(.09)		$(.13)	

(a) Includes $2.1 million after-tax, or $.18 per share, asset impairment charges related to Catamount's equity investments in Gauley River Power Partners LP and Heartlands Power Limited.

(b) Includes $9.8 million after-tax, or $.85 per share, asset impairment charges related to four of Catamount's 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 and equity losses from Fibrothetford.

(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 Hydro-Quebec 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 reversal of accruals for Connecticut Valley power costs previously booked in the 4th quarter of 1999, totaling $0.2 million after-tax, or $.02 per share.

(e) 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.

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For Release: Immediate