

**CON EDISON REPORTS SOLID RESULTS FOR 2001;
INCREASES DIVIDEND FOR 28TH CONSECUTIVE YEAR**

NEW YORK - Consolidated Edison, Inc. [NYSE: ED] today (THURSDAY, JANUARY 17, 2002) reported year 2001 net income for common stock of \$682.2 million or \$3.22 a share, compared with earnings of \$582.8 million or \$2.75 a share for 2000. Earnings for 2000 included non-recurring charges of approximately \$162 million, or \$0.49 a share, for nuclear replacement power and merger-related costs. Excluding these charges, year 2000 earnings would have been \$3.24 a share.

The company also declared a quarterly dividend of 55 1/2 cents a share on its common stock, payable March 15, 2002 to stockholders of record as of February 13, 2002, an annualized increase of 2 cents over the previous annual dividend of \$2.20 a share.

"Con Edison's earnings reflect the company's financial strength and the growth of our core business," said Chairman and Chief Executive Officer Eugene R. McGrath. "During a year when turmoil in the utility industry and devastating terrorist attacks caused concern and uncertainty among investors, the discipline of our financial policies and the skill and dedication of our workforce helped provide our investors with solid earnings and a very good return on their investments. The strength and resilience of Con Edison's energy delivery infrastructure, which we continue to reinforce and expand, will ensure that as the economy recovers, our customers will be able to count on the most reliable energy delivery system in the world to meet their energy needs."

"Our shareholders benefited from a solid 11 percent total return in 2001. Today's increase in the dividend, the 28th consecutive annual increase, reflects our confidence in the company's future," said Joan S. Freilich, Executive Vice President and Chief Financial Officer.

For the fourth quarter of 2001, the company's net income for common stock was \$125.1 million or \$0.59 a share, compared with \$46.1 million or \$0.22 a share for the fourth quarter of 2000. Excluding the non-recurring charges, earnings per share for the 2000 period would have been \$0.53 a share.

Electric sales for Con Edison of New York, after excluding the effects of weather, increased by 2.4 percent for the year 2001 when compared to the prior year, and firm gas sales increased by 2.8 percent.

Earnings for the year 2001 reflect electric rate reductions for Con Edison of New York effective October 1, 2000 and April 1, 2001 in accordance with the company's 1997 and 2000 regulatory agreements. These reductions were largely offset by the impact of warmer than normal summer weather, increased pension credits and lower operating costs, reflecting continued emphasis on cost control and technology-driven productivity improvements.

The company's unregulated businesses contributed \$0.05 a share to earnings in 2001, compared with \$0.04 cents in 2000.

The company estimates that it will incur approximately \$400 million of costs for emergency response to the September 11, 2001 attack on the World Trade Center, and for resulting temporary and, subsequently, permanent restoration of electric, gas and steam transmission and distribution facilities damaged in the attack. Most of the costs are expected to be capital in nature. The company estimates that its insurers will cover approximately \$65 million of the costs. The company is seeking Federal reimbursement of the remaining costs. At December 31, 2001, the company had capitalized \$54.9 million of such costs as utility plant and deferred \$31.9 million of expense as a regulatory asset.

The company expects that its earnings for the year 2002 will be in the range of \$3.15 to \$3.25 a share. This forecast reflects the current economic downturn and expectations for the timing of recovery.

This press release contains forward-looking statements of future expectations. Actual results might differ materially from those projected because of factors such as those identified in reports the company has filed with the Securities and Exchange Commission.

Consolidated Edison, Inc. is one of the nation's largest investor-owned energy companies, with approximately \$10 billion in annual revenues and approximately \$17 billion in assets. The company provides a wide range of energy-related products and services to its customers through its six subsidiaries: Consolidated Edison Company of New York, Inc., a regulated utility providing electric, gas and steam service to New York City and Westchester County, New York; Orange and Rockland Utilities, Inc., a regulated utility serving customers in a 1,350 square mile area in southeastern New York State, as well as adjacent sections of northern New Jersey and northeastern Pennsylvania; Con Edison Solutions, a retail energy services company; Con Edison Energy, a wholesale energy supply company; Con Edison Development, an infrastructure development company; and Con Edison Communications, a telecommunications infrastructure company.

For additional financial, operations and customer service information, visit the Consolidated Edison, Inc. web site at www.conedison.com.

(Income Statements Attached)

CONSOLIDATED EDISON, INC.
CONSOLIDATED INCOME STATEMENT
THREE MONTHS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
	(Thousands of Dollars)	
Operating revenues		
Electric	\$ 1,401,204	\$ 1,566,397
Gas	292,143	367,589
Steam	77,115	124,440
Non-utility	<u>172,141</u>	<u>191,700</u>
Total operating revenues	<u>1,942,603</u>	<u>2,250,126</u>
Operating expenses		
Purchased power	701,230	920,149
Fuel	52,698	111,626
Gas purchased for resale	135,970	226,547
Other operations	262,478	281,172
Maintenance	84,377	108,103
Depreciation and amortization	121,244	147,282
Taxes, other than income tax	261,077	227,000
Income tax	<u>84,712</u>	<u>51,022</u>
Total operating expenses	<u>1,703,786</u>	<u>2,072,901</u>
Operating income	238,817	177,225
Other income (deductions)		
Investment income	3,584	15
Allowance for equity funds used during construction	494	848
Other income less miscellaneous deductions	(15,045)	(34,970)
Income tax	<u>9,292</u>	<u>12,937</u>
Total other income (deductions)	<u>(1,675)</u>	<u>(21,170)</u>
Income before interest charges	237,142	156,055
Interest on long-term debt	98,799	97,624
Other interest	12,569	11,091
Allowance for borrowed funds used during construction	<u>(2,734)</u>	<u>(2,141)</u>
Net interest charges	<u>108,634</u>	<u>106,574</u>
Net income	128,508	49,481
Preferred stock dividend requirements	<u>3,398</u>	<u>3,398</u>
Net income for common stock	<u>\$ 125,110</u>	<u>\$ 46,083</u>
Common shares outstanding - average basic (000)	212,231	212,004
Common shares outstanding - average diluted (000)	213,145	212,642
Basic earnings per share	<u>\$ 0.59</u>	<u>\$ 0.22</u>
Diluted earnings per share	<u>\$ 0.59</u>	<u>\$ 0.21</u>
Consolidated Edison, Inc. Utility Sales		
Electric (thousands of kilowatthours)		
Total sales in service territory	13,826,475	13,861,234
Gas (dekatherms)		
Firm sales and transportation	27,209,611	33,629,019
Steam (thousands of pounds)	4,291,536	6,340,447

CONSOLIDATED EDISON, INC.
CONSOLIDATED INCOME STATEMENT
TWELVE MONTHS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
	(Thousands of Dollars)	
Operating revenues		
Electric	\$ 6,887,863	\$ 6,938,128
Gas	1,465,957	1,261,970
Steam	503,736	452,135
Non-utility	776,406	779,158
Total operating revenues	<u>9,633,962</u>	<u>9,431,391</u>
Operating expenses		
Purchased power	3,630,542	3,644,675
Fuel	393,830	350,816
Gas purchased for resale	859,961	789,080
Other operations	1,061,950	1,146,598
Maintenance	430,291	458,046
Depreciation and amortization	526,235	586,407
Taxes, other than income tax	1,139,127	1,121,843
Income tax	464,553	317,790
Total operating expenses	<u>8,506,489</u>	<u>8,415,255</u>
Operating income	1,127,473	1,016,136
Other income (deductions)		
Investment income	9,435	8,476
Allowance for equity funds used during construction	1,281	1,299
Other income less miscellaneous deductions	(33,396)	(32,660)
Income tax	21,922	10,622
Total other income (deductions)	<u>(758)</u>	<u>(12,263)</u>
Income before interest charges	1,126,715	1,003,873
Interest on long-term debt	396,948	363,994
Other interest	41,823	49,527
Allowance for borrowed funds used during construction	(7,891)	(6,076)
Net interest charges	<u>430,880</u>	<u>407,445</u>
Net income	695,835	596,428
Preferred stock dividend requirements	13,593	13,593
Net income for common stock	<u>\$ 682,242</u>	<u>\$ 582,835</u>
Common shares outstanding - average basic (000)	212,147	212,186
Common shares outstanding - average diluted (000)	212,920	212,418
Basic earnings per share	<u>\$ 3.22</u>	<u>\$ 2.75</u>
Diluted earnings per share	<u>\$ 3.21</u>	<u>\$ 2.74</u>
Consolidated Edison, Inc. Utility Sales		
Electric (thousands of kilowatthours)		
Total sales in service territory	58,185,910	56,457,137
Gas (dekatherms)		
Firm sales and transportation	123,367,711	125,939,689
Steam (thousands of pounds)	25,327,694	26,733,260