

Con Edison, Inc. Reports Second Quarter Earnings and Declares Dividend

NEW YORK - Consolidated Edison, Inc. [NYSE: ED] today (THURSDAY, JULY 18, 2002) reported net income for common stock for the second quarter of 2002 of \$97.6 million or \$.46 a share, compared with earnings of \$100.7 million or \$.48 a share for the second quarter of 2001. The company also declared a quarterly dividend of 55 ½ cents a share on its common stock payable September 15, 2002 to stockholders of record as of August 14, 2002. Con Edison has raised its annual dividend level each year for the past 28 years, most recently in January 2002.

“Our energy delivery systems are performing very well, the outlook for the regional economy is good, and we continue to make the investments in our system that will keep the system robust and ready to meet the growing energy needs of New York with the highest level of reliability,” said Eugene R. McGrath, Chairman and Chief Executive Officer. “Thanks to the dedication and skill of our operating forces, we have completed the rebuilding of one of the substations we lost on September 11, as well as the related lower Manhattan energy distribution networks, and have begun rebuilding the remaining facilities.”

The company’s net income for common stock for the first six months of 2002 was \$264.2 million or \$1.24 a share, compared with \$279.8 million or \$1.32 a share for the first six months of 2001. The company’s earnings are generated substantially from its core regulated transmission and distribution business.

The company’s net income for common stock for the 12 months ended June 30, 2002 was \$666.6 million or \$3.14 a share, compared with \$605.7 million or \$2.86 a share for the 12 months ended June 30, 2001. Absent the effect of previously reported non-recurring charges in 2000 for nuclear replacement power and merger-related costs, earnings for the 12 months ended June 30, 2001 would have been \$691.5 million or \$3.26 a share.

The company’s earnings for the second quarter and first six months of 2002 reflect the impact of the unusually mild winter and spring weather and softness in the economy, partially offset by lower operating expenses. After adjusting for variations in weather and billing days in each period, electric, firm gas, and steam delivered by Con Edison of New York decreased by 0.1 percent, 0.1 percent, and 0.4 percent respectively, for the first six months of 2002 when compared to the prior year. The impact on earnings of the late June and early July heat waves will be reflected in third quarter earnings.

The Financial Accounting Standards Board has changed the accounting for goodwill, and the company has modified its accounting to meet this new standard. Based on reviews conducted in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets," the company expects to record in 2002 a non-cash impairment charge of approximately \$20 million after tax in relation to certain generating assets owned by Con Edison Development.

The company is currently forecasting its earnings range for 2002 to be \$3.10 to \$3.20 per share, excluding the goodwill adjustment. The primary cause of the modest reduction in earnings expectations from prior forecasts is the impact of the extremely mild weather during the first half of the year, particularly on steam sales.

This 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 \$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.

CONSOLIDATED EDISON, INC.
CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
	(Thousands of Dollars)	
Operating revenues		
Electric	\$ 1,400,045	\$ 1,531,949
Gas	242,355	305,394
Steam	70,488	89,666
Non-utility	187,351	185,206
Total operating revenues	<u>1,900,239</u>	<u>2,112,215</u>
Operating expenses		
Purchased power	752,587	766,678
Fuel	46,749	57,230
Gas purchased for resale	119,220	197,979
Other operations	230,496	278,123
Maintenance	98,863	116,340
Depreciation and amortization	122,126	136,782
Taxes, other than income tax	269,253	256,661
Income tax	60,927	86,600
Total operating expenses	<u>1,700,221</u>	<u>1,896,393</u>
Operating income	200,018	215,822
Other income (deductions)		
Investment income	403	1,840
Allowance for equity funds used during construction	1,915	258
Other income less miscellaneous deductions	2,229	(9,191)
Income tax	1,975	1,552
Total other income (deductions)	<u>6,522</u>	<u>(5,541)</u>
Income before interest charges	206,540	210,281
Interest on long-term debt	98,994	98,355
Other interest	8,205	9,536
Allowance for borrowed funds used during construction	(1,637)	(1,684)
Net interest charges	<u>105,562</u>	<u>106,207</u>
Net income	100,978	104,074
Preferred stock dividend requirements	3,398	3,398
Net income for common stock	<u>\$ 97,580</u>	<u>\$ 100,676</u>
Common shares outstanding - average basic (000)	212,757	212,115
Common shares outstanding - average diluted (000)	213,931	212,555
Basic earnings per share	<u>\$ 0.46</u>	<u>\$ 0.48</u>
Diluted earnings per share	<u>\$ 0.46</u>	<u>\$ 0.48</u>
Consolidated Edison, Inc. utility sales		
Electric (thousands of kilowatthours)		
Total energy delivered in service areas	13,728,762	13,463,083
Off-system and ESCO sales	-	16
Gas (dekatherms)		
Firm sales and transportation	22,182,909	23,011,021
Off-system sales	2,695,480	328,437
Steam (thousands of pounds)	4,481,538	4,707,156