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News

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Con Edison Reports Solid Third Quarter Earnings; Expresses Confidence in Resilience of New York Economy

New York -- Consolidated Edison, Inc. [NYSE: ED] today (THURSDAY, October 18, 2001) reported net income for common stock for the third quarter of 2001 of \$277.3 million or \$1.31 a share, compared with earnings of \$279.9 million or \$1.32 a share for the third quarter of 2000. The company also declared a quarterly dividend of 55 cents a share on its common stock payable December 15, 2001 to stockholders of record as of November 14, 2001.

“The overwhelming response of individuals, businesses, as well as government officials to the September 11th attacks on our city and our nation confirms our belief that the spirit and the economic base of New York are strong and resilient and that the economic effects of the attacks will be limited in scope and duration,” said Chairman and Chief Executive Officer Eugene R. McGrath. “Con Edison and its 14,000 men and women will contribute their individual and corporate strengths to the restoration of our great City, while continuing to work hard for our investors.”

The company’s net income for common stock for the first nine months of 2001 was \$557.1 million or \$2.63 a share, compared with \$536.8 million or \$2.53 a share for the first nine months of 2000.

The company’s net income for common stock for the 12 months ended September 30, 2001 was \$603.2 million or \$2.84 a share, compared with \$658.3 million or \$3.09 a share for the 12 months ended September 30, 2000.

Excluding non-recurring charges for the year 2000, earnings per share for the third quarter, first nine months and 12 months ended September 30, 2000 would have been \$1.40, \$2.71 and \$3.27, respectively, while the earnings per share for the 12 months ended September 30, 2001 would have been \$3.16.

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The company's earnings for the third quarter and first nine months of 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. The impact of these reductions is being offset by higher electric and firm gas sales and increased pension credits.

Electric sales for Con Edison of New York, after excluding the effects of weather, increased by 3.0 percent for the first nine months of 2001 when compared to the prior year, and firm gas sales increased by 2.1 percent. The electric peak exceeded prior records on several days in 2001. On August 9, 2001, Con Edison reported all-time highs for energy demand when the electric peak load reached 12,207 megawatts. The previous record peak of 11,850 megawatts was reached on July 6, 1999.

Also, on July 25, hourly gas throughput on the Con Edison gas distribution system reached a new record of 58,759 dekatherms. On Thursday, August 9, a new summer total gas system daily delivery record of 1,077,858 dekatherms was achieved.

The attacks of September 11th destroyed or severely damaged a number of buildings in lower Manhattan. The electric peak of these buildings totaled approximately 140 MWs, which is about 1.1 percent of Con Edison's peak delivery load this past summer. The annual after-tax impact of the loss of electric, gas and steam services to these buildings is approximately \$15 million.

In addition, two Con Edison electric substations were destroyed, and certain electric, gas and steam facilities were damaged. The estimated cost for the temporary restoration of service and for permanent restoration of the lower Manhattan systems to prior levels of reliability is approximately \$400 million. Through September 30, \$50 million of costs have been incurred, of which \$12 million was charged to capital and \$38 million of expenses were deferred. Almost all of the remaining amount to be spent will be capital investment. Con Edison is seeking Federal reimbursement for its response and recovery costs.

For the full year 2001, the company narrowed its forecast earnings range to \$3.20 to \$3.25 a share, reflecting the short-term economic impact of the September 11th attacks, partially offset by stringent cost controls.

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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.

(Income Statements Attached)

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CONSOLIDATED EDISON, INC.
CONSOLIDATED INCOME STATEMENT
THREE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
	(Thousands of Dollars)	
Operating revenues		
Electric	\$ 2,247,325	\$ 2,328,220
Gas	166,601	177,891
Steam	78,703	82,837
Non-utility	200,241	231,831
Total operating revenues	<u>2,692,870</u>	<u>2,820,779</u>
Operating expenses		
Purchased power	1,160,150	1,218,017
Fuel	88,207	95,977
Gas purchased for resale	75,792	131,921
Other operations	258,485	263,463
Maintenance	101,128	114,971
Depreciation and amortization	133,125	150,785
Taxes, other than income tax	313,586	328,948
Income tax	176,152	131,824
Total operating expenses	<u>2,306,625</u>	<u>2,435,906</u>
Operating income	386,245	384,873
Other income (deductions)		
Investment income	3,080	1,520
Allowance for equity funds used during construction	286	542
Other income less miscellaneous deductions	(6,562)	6,682
Income tax	5,574	(2,076)
Total other income (deductions)	<u>2,378</u>	<u>6,668</u>
Income before interest charges	388,623	391,541
Interest on long-term debt	100,587	95,399
Other interest	9,230	14,021
Allowance for borrowed funds used during construction	(1,934)	(1,148)
Net interest charges	<u>107,883</u>	<u>108,272</u>
Net income	280,740	283,269
Preferred stock dividend requirements	3,398	3,398
Net income for common stock	<u>\$ 277,342</u>	<u>\$ 279,871</u>
Common shares outstanding - average basic (000)	212,206	211,974
Common shares outstanding - average diluted (000)	212,807	212,069
Basic earnings per share	<u>\$ 1.31</u>	<u>\$ 1.32</u>
Diluted earnings per share	<u>\$ 1.30</u>	<u>\$ 1.32</u>
Consolidated Edison, Inc. Utility Sales		
Electric (thousands of kilowatthours)		
Total sales in service territory	16,946,162	15,986,083
Gas (dekatherms)		
Firm sales and transportation	13,943,830	14,432,740
Steam (thousands of pounds)	5,846,306	5,500,759

CONSOLIDATED EDISON, INC.
CONSOLIDATED INCOME STATEMENT
NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
	(Thousands of Dollars)	
Operating revenues		
Electric	\$ 5,486,648	\$ 5,371,732
Gas	1,173,814	894,380
Steam	426,621	327,695
Non-utility	604,265	587,458
Total operating revenues	7,691,348	7,181,265
Operating expenses		
Purchased power	2,976,979	2,739,770
Fuel	304,542	223,945
Gas purchased for resale	712,914	562,533
Other operations	799,472	865,426
Maintenance	345,914	349,943
Depreciation and amortization	404,991	439,125
Taxes, other than income tax	878,056	893,280
Income tax	379,938	268,332
Total operating expenses	6,802,806	6,342,354
Operating income	888,542	838,911
Other income (deductions)		
Investment income	5,968	8,461
Allowance for equity funds used during construction	787	451
Other income less miscellaneous deductions	(18,451)	2,432
Income tax	12,727	(2,315)
Total other income (deductions)	1,031	9,029
Income before interest charges	889,573	847,940
Interest on long-term debt	298,149	266,370
Other interest	29,254	38,558
Allowance for borrowed funds used during construction	(5,156)	(3,935)
Net interest charges	322,247	300,993
Net income	567,326	546,947
Preferred stock dividend requirements	10,194	10,194
Net income for common stock	\$ 557,132	\$ 536,753
Common shares outstanding - average basic (000)	212,119	212,240
Common shares outstanding - average diluted (000)	212,519	212,319
Basic earnings per share	\$ 2.63	\$ 2.53
Diluted earnings per share	\$ 2.62	\$ 2.53
Consolidated Edison, Inc. Utility Sales		
Electric (thousands of kilowatthours)		
Total sales in service territory	44,359,436	42,595,904
Gas (dekatherms)		
Firm sales and transportation	96,158,100	92,310,670
Steam (thousands of pounds)	21,036,158	20,392,813

CONSOLIDATED EDISON, INC.
CONSOLIDATED INCOME STATEMENT
TWELVE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
	(Thousands of Dollars)	
Operating revenues		
Electric	\$ 7,066,607	\$ 6,802,708
Gas	1,541,403	1,168,993
Steam	551,061	407,303
Non-utility	808,792	691,369
Total operating revenues	9,967,863	9,070,373
Operating expenses		
Purchased power	3,916,015	3,347,201
Fuel	402,699	304,627
Gas purchased for resale	957,165	707,927
Other operations	1,083,912	1,172,056
Maintenance	454,017	449,736
Depreciation and amortization	552,272	564,445
Taxes, other than income tax	1,105,056	1,169,890
Income tax	430,960	327,524
Total operating expenses	8,902,096	8,043,406
Operating income	1,065,767	1,026,967
Other income (deductions)		
Investment income	5,983	13,803
Allowance for equity funds used during construction	1,635	1,493
Other income less miscellaneous deductions	(53,533)	(10,764)
Income tax	25,664	29,783
Total other income (deductions)	(20,251)	34,315
Income before interest charges	1,045,516	1,061,282
Interest on long-term debt	395,774	349,602
Other interest	40,231	44,252
Allowance for borrowed funds used during construction	(7,297)	(4,481)
Net interest charges	428,708	389,373
Net income	616,808	671,909
Preferred stock dividend requirements	13,593	13,593
Net income for common stock	\$ 603,215	\$ 658,316
Common shares outstanding - average basic (000)	212,091	213,372
Common shares outstanding - average diluted (000)	212,450	213,505
Basic earnings per share	\$ 2.84	\$ 3.09
Diluted earnings per share	\$ 2.84	\$ 3.08
Consolidated Edison, Inc. Utility Sales		
Electric (thousands of kilowatthours)		
Total sales in service territory	58,219,869	55,939,459
Gas (dekatherms)		
Firm sales and transportation	129,678,073	121,031,540
Steam (thousands of pounds)	27,376,605	25,826,562