



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

October 17, 2002

NEW YORK, Oct 17, 2002 /PRNewswire-FirstCall via COMTEX/ -- Consolidated Edison, Inc. (NYSE: ED) today (THURSDAY, OCTOBER 17, 2002) reported net income of \$283.7 million for the third quarter of 2002 or \$1.34 a share, compared with earnings of \$277.3 million or \$1.31 a share for the third quarter of 2001. The company's net income for the first nine months of 2002 before cumulative effect of a change in accounting principle was \$547.9 million or \$2.58 a share, compared with earnings of \$557.1 million or \$2.63 a share for the nine months ended September 30, 2001. In its Statement No. 142 "Goodwill and Other Intangible Assets," the Financial Accounting Standards Board changed the accounting for goodwill. The company has modified its accounting to meet this new standard and as a result has recorded a one-time non-cash impairment charge of \$20.2 million after tax. Including this charge, net income for the nine months ended September 30, 2002 was \$527.7 million or \$2.48 a share. The one-time impairment charge, as required under SFAS No. 142, is retroactive to January 1, 2002 and is attributable to generating assets owned by Con Edison Development.

The company also declared a quarterly dividend of 55 1/2 cents a share on its common stock payable December 15, 2002 to stockholders of record as of November 13, 2002.

"Con Edison is on target for another solid year in 2002. Our utility systems are performing very well and we continue to maintain effective cost controls as we focus on the basics of our business," said Eugene R. McGrath, Chairman and Chief Executive Officer. "In a challenging economic environment, our financial condition remains strong with a solid balance sheet, good liquidity and above average debt ratings," McGrath added.

For the full year 2002, the company is reaffirming its earnings range of \$3.10 to \$3.20 a share, excluding the goodwill impairment charge.

The company's earnings for the third quarter reflect the impact of the summer heat wave offset in part by the soft economy. For the first nine months of 2002 the company's earnings also reflect the impact of the mild winter weather particularly on steam sales, partially offset by reduced operations and maintenance expenses. The company's earnings are generated substantially from its core regulated transmission and distribution business.

"For June, July and August of 2002, the company set a new three-month electric delivery record of more than 17 million megawatt hours," said Kevin Burke, President of Con Edison of New York. "We saw five of our ten highest peak load days this summer. We are continuing our investment in our energy infrastructure to be ready to meet our customers' growing energy needs," he said. After adjusting for variations in weather and billing days in each period, electricity delivered by Con Edison of New York increased by 0.3 percent, while firm gas and steam delivered by Con Edison of New York decreased by 0.4 percent and 4.6 percent respectively, for the first nine months of 2002 when compared to the prior year.

The company's net income before cumulative effect of change in accounting principle for the 12 months ended September 30, 2002 was \$673.0 million or \$3.17 a share. Net income for common stock, after the one-time non-cash impairment charge, for the 12 months ended September 30, 2002 amounted to \$652.8 million or \$3.07 a share. Earnings for the 12 months ended September 30, 2001 were \$603.2 million or \$2.84 a share. Absent the effect of previously reported non-recurring charges of \$67.6 million after tax in 2000, earnings for the 12 months ended September 30, 2001 would have been \$670.8 million or \$3.16 a share.

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 over \$8 billion in annual revenues and \$18 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 <http://www.conedison.com>.

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

	2002	2001
	(Thousands of Dollars)	
Operating revenues		
Electric	\$2,127,517	\$2,247,336
Gas	155,550	166,601
Steam	76,662	78,703
Non-utility*	150,275	134,916

Total operating revenues	2,510,004	2,627,556
Operating expenses		
Purchased power*	1,061,852	1,072,042
Fuel	83,867	99,845
Gas purchased for resale	70,857	86,868
Other operations	200,048	258,599
Maintenance	98,757	101,128
Depreciation and amortization	126,162	133,011
Taxes, other than income tax	301,163	313,583
Income tax	181,203	176,069
Total operating expenses	2,123,909	2,241,145
Operating income	386,095	386,411
Other income (deductions)		
Investment income	572	2,985
Allowance for equity funds used during construction	1,983	286
Other income less miscellaneous deductions	(2,583)	(6,549)
Income tax	9,702	5,490
Total other income (deductions)	9,674	2,212
Income before interest charges	395,769	388,623
Interest on long-term debt	102,619	100,587
Other interest	8,305	9,230
Allowance for borrowed funds used during construction	(1,697)	(1,934)
Net interest charges	109,227	107,883
Preferred stock dividend requirements	2,831	3,398
Net Income before cumulative effect of change in accounting principle	283,711	277,342
Cumulative effect of change in accounting principle	--	--
Net income for common stock	\$283,711	\$277,342
Earnings per common share - Basic		
Before cumulative effect of change in accounting principle	\$1.34	\$1.31
Cumulative effect of change in accounting principle	--	--
After cumulative effect of change in accounting principle	\$1.34	\$1.31
Earnings per common share - Diluted		
Before cumulative effect of change in accounting principle	\$1.33	\$1.30
Cumulative effect of change in accounting principle	--	--
After cumulative effect of change in accounting principle	\$1.33	\$1.30
Average number of shares outstanding - Basic (000)	213,219	212,206
Average number of shares outstanding - Diluted (000)	214,220	212,807

* Non-utility revenues and purchased power expenses were reduced by \$153.7 million in 2002 and \$65.4 million in 2001 in accordance with Financial Accounting Standard Board's Emerging Issues Task Force (EITF) Issue No. 02-03, "Accounting for Contracts Involved In Energy Trading and Risk Management Activities". This change has no impact on net income.

Consolidated Edison, Inc. utility sales		
Electric (thousands of kilowatthours)		
Total energy delivered in service areas	17,814,059	16,963,547
Off-system and ESCO sales	14	164
Gas (dekatherms)		
Firm sales and transportation	11,927,086	12,268,962
Off-system sales	1,824,729	2,060,386
Steam (thousands of pounds)	5,801,011	5,846,306

CONSOLIDATED EDISON, INC.
CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

	2002	2001
	(Thousands of Dollars)	
Operating revenues		
Electric	\$4,827,348	\$5,486,659
Gas	871,770	1,173,813
Steam	288,616	426,621
Non-utility*	417,032	414,584
Total operating revenues	6,404,766	7,501,677
Operating expenses		
Purchased power*	2,430,772	2,739,562
Fuel	195,159	341,133
Gas purchased for resale	415,944	723,990
Other operations	663,566	799,583
Maintenance	297,327	345,914
Depreciation and amortization	368,731	404,877
Taxes, other than income tax	837,648	878,052
Income tax	351,674	379,841
Total operating expenses	5,560,821	6,612,952
Operating income	843,945	888,725
Other income (deductions)		
Investment income	1,548	7,608
Allowance for equity funds used during construction	8,103	787
Other income less miscellaneous deductions	(2,185)	(20,176)
Income tax	25,771	12,629
Total other income (deductions)	33,237	848
Income before interest charges	877,182	889,573
Interest on long-term debt	295,810	298,149
Other interest	27,252	29,254
Allowance for borrowed funds used during construction	(3,404)	(5,156)
Net interest charges	319,658	322,247
Preferred stock dividend requirements	9,627	10,194
Net Income before cumulative effect of change in accounting principle	547,897	557,132
Cumulative effect of change in accounting principle (net of income taxes of \$13.9 million)	20,182	--
Net income for common stock	\$527,715	\$557,132
Earnings per common share - Basic		
Before cumulative effect of change in accounting principle	\$2.58	\$2.63
Cumulative effect of change in accounting principle	0.10	--

After cumulative effect of change in accounting principle	\$2.48	\$2.63
Earnings per common share - Diluted		
Before cumulative effect of change in accounting principle	\$2.57	\$2.62
Cumulative effect of change in accounting principle	0.10	--
After cumulative effect of change in accounting principle	\$2.47	\$2.62
Average number of shares outstanding - Basic (000)	212,766	212,119
Average number of shares outstanding - Diluted (000)	213,850	212,519

* Non-utility revenues and purchased power expenses were reduced by \$257.7 million in 2002 and \$189.8 million in 2001 in accordance with Financial Accounting Standard Board's Emerging Issues Task Force (EITF) Issue No. 02-03, "Accounting for Contracts Involved In Energy Trading and Risk Management Activities". This change has no impact on net income.

Consolidated Edison, Inc. utility sales		
Electric (thousands of kilowatthours)		
Total energy delivered in service areas	45,060,683	44,436,490
Off-system and ESCO sales	18,346	393,088
Gas (dekatherms)		
Firm sales and transportation	80,321,453	90,959,293
Off-system sales	10,826,067	4,881,442
Steam (thousands of pounds)	18,218,358	21,036,158

CONSOLIDATED EDISON, INC.
CONSOLIDATED INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2002 AND 2001

	2002	2001
	(Thousands of Dollars)	
Operating revenues		
Electric	\$6,228,553	\$7,066,607
Gas	1,163,913	1,541,403
Steam	365,730	551,061
Non-utility*	533,691	808,792
Total operating revenues	8,291,887	9,967,863
Operating expenses		
Purchased power*	3,076,505	3,898,932
Fuel	247,857	402,699
Gas purchased for resale	551,914	974,248
Other operations	926,058	1,083,912
Maintenance	381,705	454,017
Depreciation and amortization	489,976	552,272
Taxes, other than income tax	1,098,700	1,105,056
Income tax	436,395	430,960
Total operating expenses	7,209,110	8,902,096
Operating income	1,082,777	1,065,767
Other income (deductions)		
Investment income	5,177	5,983
Allowance for equity funds used during construction	8,598	1,634

Other income less miscellaneous deductions	(17,291)	(53,533)
Income tax	35,063	25,665
Total other income (deductions)	31,547	(20,251)
Income before interest charges	1,114,324	1,045,516
Interest on long-term debt	394,609	395,774
Other interest	39,822	40,232
Allowance for borrowed funds used during construction	(6,139)	(7,297)
Net interest charges	428,292	428,709
Preferred stock dividend requirements	13,025	13,592
Net Income before cumulative effect of change in accounting principle	673,007	603,215
Cumulative effect of change in accounting principle (net of income taxes of \$13.9 million)	20,182	--
Net income for common stock	\$652,825	\$603,215
Earnings per common share - Basic		
Before cumulative effect of change in accounting principle	\$3.17	\$2.84
Cumulative effect of change in accounting principle	0.10	--
After cumulative effect of change in accounting principle	\$3.07	\$2.84
Earnings per common share - Diluted		
Before cumulative effect of change in accounting principle	\$3.16	\$2.84
Cumulative effect of change in accounting principle	0.10	--
After cumulative effect of change in accounting principle	\$3.06	\$2.84
* Non-utility revenues and purchased power expenses were reduced by \$313.2 million in 2002 and \$223.4 million in 2001 in accordance with Financial Accounting Standard Board's Emerging Issues Task Force (EITF) Issue No. 02-03, "Accounting for Contracts Involved In Energy Trading and Risk Management Activities". This change has no impact on net income.		
Average number of shares outstanding - Basic (000)	212,640	212,091
Average number of shares outstanding - Diluted (000)	213,694	212,450
Consolidated Edison, Inc. utility sales		
Electric (thousands of kilowatthours)		
Total energy delivered in service areas	58,901,309	58,322,603
Off-system and ESCO sales	122,183	890,949
Gas (dekatherms)		
Firm sales and transportation	105,465,570	122,476,263
Off-system sales	14,677,976	8,105,305
Steam (thousands of pounds)	22,509,894	27,376,605

SOURCE Consolidated Edison, Inc.

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