



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

July 18, 2002

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NEW YORK, Jul 18, 2002 /PRNewswire-FirstCall via COMTEX/ -- 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 55-1/2 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 4.4 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 <http://www.conedison.com>.

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

	2002	2001
	(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	1,900,239	2,112,215

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	1,700,221	1,896,393
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)	6,522	(5,541)
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	105,562	106,207
Net income	100,978	104,074
Preferred stock dividend requirements	3,398	3,398
Net income for common stock	\$97,580	\$100,676
Common shares outstanding		
- average basic (000)	212,757	212,115
Common shares outstanding		
- average diluted (000)	213,931	212,555
Basic earnings per share	\$0.46	\$0.48
Diluted earnings per share	\$0.46	\$0.48
Dividends declared per share of common stock	\$0.550	\$0.545
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

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

	2002	2001
	(Thousands of Dollars)	
Operating revenues		
Electric	\$2,700,892	\$ 3,239,323
Gas	716,219	1,007,213
Steam	211,954	347,918

Non-utility	370,313	404,024
Total operating revenues	3,999,378	4,998,478
Operating expenses		
Purchased power	1,466,083	1,775,284
Fuel	111,292	241,288
Gas purchased for resale	349,374	655,168
Other operations	467,095	539,531
Maintenance	198,571	244,786
Depreciation and amortization	242,569	271,866
Taxes, other than income tax	536,484	564,469
Income tax	170,471	203,772
Total operating expenses	3,541,939	4,496,164
Operating income	457,439	502,314
Other income (deductions)		
Investment income	1,105	4,623
Allowance for equity funds used during construction	6,121	501
Other income less miscellaneous deductions	501	(13,626)
Income tax	16,067	7,138
Total other income (deductions)	23,794	(1,364)
Income before interest charges	481,233	500,950
Interest on long-term debt	193,190	197,562
Other interest	18,768	20,023
Allowance for borrowed funds used during construction	(1,707)	(3,221)
Net interest charges	210,251	214,364
Net income	270,982	286,586
Preferred stock dividend requirements	6,796	6,796
Net income for common stock	\$264,186	\$279,790
Common shares outstanding		
- average basic (000)	212,546	212,078
Common shares outstanding		
- average diluted (000)	213,677	212,440
Basic earnings per share	\$1.24	\$1.32
Diluted earnings per share	\$1.24	\$1.32
Dividends declared per share of common stock	\$0.550	\$0.545
Consolidated Edison, Inc. utility sales		
Electric (thousands of kilowatthours)		
Total energy delivered in service areas	27,270,029	27,472,944
Off-system and ESCO sales	18,332	392,924
Gas (dekatherms)		
Firm sales and transportation	68,389,809	79,010,519
Off-system sales	9,001,338	2,821,056
Steam (thousands of pounds)	12,417,347	15,189,852

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

	2002	2001
	(Thousands of Dollars)	
Operating revenues		
Electric	\$6,349,433	\$7,147,502

Gas	1,174,963	1,552,693
Steam	367,771	555,195
Non-utility	742,694	840,383
Total operating revenues	8,634,861	10,095,773
Operating expenses		
Purchased power	3,304,749	3,977,364
Fuel	263,834	410,469
Gas purchased for resale	572,212	1,009,812
Other operations	988,087	1,088,890
Maintenance	384,075	467,860
Depreciation and amortization	496,825	569,933
Taxes, other than income tax	1,111,245	1,120,417
Income tax	431,237	386,633
Total operating expenses	7,552,264	9,031,378
Operating income	1,082,597	1,064,395
Other income (deductions)		
Investment income	7,845	4,423
Allowance for equity funds used during construction	6,901	1,890
Other income less miscellaneous deductions	(21,196)	(40,289)
Income tax	30,851	18,015
Total other income (deductions)	24,401	(15,961)
Income before interest charges	1,106,998	1,048,434
Interest on long-term debt	392,577	390,586
Other interest	40,567	45,022
Allowance for borrowed funds used during construction	(6,376)	(6,511)
Net interest charges	426,768	429,097
Net income	680,230	619,337
Preferred stock dividend requirements	13,593	13,593
Net income for common stock	\$666,637	\$605,744
Common shares outstanding		
- average basic (000)	212,393	212,034
Common shares outstanding		
- average diluted (000)	213,461	212,307
Basic earnings per share	\$3.14	\$2.86
Diluted earnings per share	\$3.13	\$2.85
Dividends declared per share of common stock	\$0.550	\$ 0.545
Consolidated Edison, Inc. utility sales		
Electric (thousands of kilowatthours)		
Total energy delivered in service areas	58,095,364	57,364,765
Off-system and ESCO sales	122,333	2,108,506
Gas (dekatherms)		
Firm sales and transportation	105,804,230	123,442,694
Off-system sales	14,913,634	11,829,682
Steam (thousands of pounds)	22,555,189	27,031,058

SOURCE Consolidated Edison, Inc.

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