



Con Edison Files Proposal for Electric Rate Increase

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Proposal Supports Demand-Reduction Measures, Energy Efficiency and Continued Infrastructure Investment

NEW YORK, NY, May 04, 2007 (MARKET WIRE via COMTEX News Network) -- Consolidated Edison Company of New York, Inc. (Con Edison) (NYSE: ED) today filed a rate proposal with the New York State Public Service Commission (PSC) seeking support for continued significant investments in its electric-delivery infrastructure, as well as demand-reduction and energy-efficiency initiatives. The company's proposal contains programs that substantially increase energy conservation and reduce carbon dioxide emissions through a combination of new energy efficiency programs and demand-reduction measures. The company expects these measures to reduce energy use by at least 500 megawatts by 2016 -- enough electricity to offset the need to build a large power plant.

As New York begins to face the challenges of the future -- increased population, continued growth, tight energy supplies, rising demand for power, and an overcrowded infrastructure -- Con Edison will play an integral role in helping to meet these challenges. The company's rate proposal seeks the necessary revenue critical not only for addressing short-term conditions, but also for providing long-term solutions that support the broad energy strategies put forth by both the governor and the mayor.

Significant infrastructure investments, along with equipment modernization such as upgraded remote-monitoring systems on underground transformers, substation modifications to accommodate the delivery of less-expensive power into New York City, and advanced metering infrastructure including "smart" meters, are needed to maintain Con Edison's high level of service reliability and to meet the growing energy needs of the company's 3.2 million electric customers in New York City and Westchester County.

Today's filing calls for an additional \$1.2 billion in electric delivery revenues for the company, representing an 11.6 percent average increase in customer bills, which would take effect April 1, 2008. Under the proposal, a typical residential customer paying \$70 per month would see an increase of \$12, or about a 17 percent rise. A typical business paying \$2,200 per month would see an increase of \$235, or 10.7 percent. The proposal also recommends rate increases of \$335 million (or 3.2 percent) in 2009, and \$390 million (or 3.7 percent) in 2010.

The filing begins a nearly year-long public review process with the PSC and interested parties, including consumer groups, environmental organizations, and local municipalities.

"Energy issues have recently been in the headlines with the governor and mayor releasing their energy plans for the future. Con Edison supports their efforts and our proposal reflects that support," said Kevin Burke, chairman and chief executive officer of Con Edison. "Electricity use has increased more than 20 percent over the past 10 years, and we are responding with a two-fold approach. The energy efficiency measures we propose will help slow the rising demand for power. At the same time, we need to increase our investments if we are to maintain a reliable, resilient, and robust infrastructure necessary to meet the needs of a growing population and an increasing demand for electricity."

New York City and Westchester County are booming. Among the many new projects are the development of Lower Manhattan and Manhattan's West Side, and new construction in the South Bronx. New developments are also planned for the New Rochelle waterfront in Westchester and Long Island City in Queens. Over the last two years, more permits for housing construction in Con Edison's service area have been issued than at any time since the early 1960s. Employment and tourism are at record highs.

"This growth is good news for the people of New York as well as for those who continue to come here to improve the quality of their lives, but it means our present infrastructure must grow, too. These projects will place further demands on the transmission and delivery infrastructure," Burke added. "Many of our substations are already operating near 100 percent of their capacity."

Planned capital projects include the addition of new substations to meet the growing demand. Con Edison built three new substations in 2004, two more will come online this year, and four more are under construction. By 2016, the company plans on adding about a dozen more, which represents the busiest period of building in 30 years -- an increase of nearly 16 percent over the current number of substations. Today, the cost of constructing one substation is approximately \$100 million.

Over the term of the three-year rate proposal, the company's investments would include:

- \$942 million to construct new substations and to upgrade and replace existing substations;
- \$467 million to install new underground primary cable;
- \$432 million to install secondary cable;
- \$899 million to upgrade and replace transformers and related equipment;
- \$340 million to install advanced-metering infrastructure and automated meters; and
- \$154 million to improve storm response and coastal storm mitigation efforts.

"The planned investments will place significant financial requirements on Con Edison, and the company will need an average of nearly \$2 billion of new investor capital each year to pay for this level of service to customers," said Robert Heglund, chief financial officer of Con Edison. "The capital should be available on reasonable terms if the proposal is approved."

The New York Independent System Operator has identified a 1,000 megawatt gap between electricity supply and demand for New York City by 2016. The company plans to meet that need with a mix of demand reduction and new efficient energy supply. The company seeks to spend \$122 million for demand-reduction and efficient-energy programs through the monthly adjustment clause, in addition to the \$335 million that will be paid for statewide programs to encourage energy efficiency and renewables.

Over the next 10 years, Con Edison plans to develop at least 500 megawatts of new demand reduction, in addition to the several hundred megawatts of demand reduction that will be installed during that period under previous initiatives. This 500 MW initiative is an ambitious goal, especially given the demand-reduction initiatives that have already been conducted and have contributed to making Con Edison's service territory one of the most energy-efficient areas in the nation.

Today's filing expands the energy-efficiency incentive programs available to both residents and business owners. Con Edison will continue working with customers to install energy-efficient lighting, refrigeration, motors, programmable thermostats for air conditioners, and clean distributed generation. The company is also continuing demand-response programs that pay businesses to reduce electric use during peak summer days.

Among the other initiatives that Con Edison has requested in the new rate proposal are:

- the continued development and demonstration of new fault-current limiters to facilitate the connection of renewable and distributed generation;
- installation of advanced sensors and communications technologies to better monitor and control the secondary system;
- exploration of plug-in hybrid vehicles to help improve air quality and reduce carbon-dioxide;
- installation of advanced metering that will enable greater customer choice and more efficient use of energy; and
- further development of Con Edison's "3G System of the Future," a new design for the city's underground infrastructure that would reduce congestion under the streets and maintain reliability through asset-sharing technologies.

The company remains committed to educating the public about the environmental and economic benefits of energy efficiency and conservation and will continue to promote increased energy-conservation awareness among consumers. For more information on Con Edison's infrastructure investments and to learn energy-saving tips, payment options, and receive other assistance, customers may contact the company at 1-800-75-CONED or check the Web site at www.coned.com.

More details of Con Edison's electric filing can be viewed at <http://phx.corporate-ir.net/phoenix.zhtml?c=61493&p=irol-factSheet>.

Con Edison is a subsidiary of Consolidated Edison, Inc. (NYSE: ED), one of the nation's largest investor-owned energy companies, with \$12 billion in annual revenues and \$27 billion in assets. The utility provides electric, gas, and steam service to more than 3 million customers in New York City and Westchester County, New York. For additional financial, operations, and customer service information, visit Con Edison's Web site at www.coned.com.

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