



Con Edison Energy Wins Western Massachusetts Standard Offer Contract; Expands Trading Capabilities

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Con Edison Energy (CEE), a wholly owned subsidiary of Consolidated Edison, Inc., has been awarded a contract to supply 20 percent of the Standard Offer Service requirements for the Western Massachusetts Electric Company (WMECO) through a competitive auction process. Standard Offer Service is a full-requirements electric supply service provided by an electric distribution company to retail customers who do not switch to a competitive supplier. Under the terms of the one-year contract, CEE will also be responsible for supplying the capacity and ancillary services associated with the energy delivery.

"We are excited about the opportunity to use our wholesale trading expertise to meet the needs of WMECO's customers as well as capitalizing on our generation assets located in Western Massachusetts," said Charles Weliky, chief operating officer of Con Edison Energy. "This contract clearly helps to establish Con Edison Energy as a premier wholesale supplier in the Northeast energy marketplace," Weliky added.

Con Edison Energy purchased 290 megawatts of fossil and hydroelectric generating assets auctioned by WMECO in 1999. The assets are located in Western Massachusetts and include the West Springfield Station and an on-site combustion turbine, the Doreen Street and Woodland Road combustion turbine sites and five hydroelectric sites. These facilities established Con Edison Energy's foothold in New England, and will provide a mix of intermediate and peaking capacity as well as "Green Power" energy derived from renewable hydroelectric resources.

To enhance its ability to manage the WMECO Standard Offer load, as well as provide specialized supply management services to others, Con Edison, Inc.'s competitive businesses consolidated all commodity and wholesale energy supply and trading activities into Con Edison Energy, effective January 1, 2000. The combined group will be responsible for optimizing the wholesale energy portfolio of all of Con Edison, Inc.'s competitive businesses, including generation, load and fuel.

"We anticipate that the pooling of these resources and talent will enable us to better identify and seize the opportunities that this constantly changing market presents," said Robert Mennella, vice president of energy supply and trading for Con Edison Energy. "We plan to offer a full spectrum of services to the wholesale energy market, including load following energy, full requirements electric and gas supply, fuel management, power marketing, and load forecasting and scheduling services," Mennella added.

Con Edison Energy, a wholesale energy supply company, markets specialized energy supply services to customers participating in the wholesale electric and gas markets in the Northeast and Mid-Atlantic states. The company capitalizes on its knowledge of the energy markets in these regions and uses its energy trading expertise to help customers lower costs and manage the risks associated with demand, supply and price volatility. Con Edison Energy's offices are located in White Plains, New York.