Con Edison Completes Sale of Arthur Kill Power Plant in Staten Island and Astoria Gas Turbines in Queens

June 25, 1999

Consolidated Edison Company of New York Inc. (Con Edison) today transferred ownership of the 842-megawatt Arthur Kill Generating Station in the Travis section of Staten Island, and the 614-megawatt Astoria Gas Turbines in Astoria, Queens, to NRG Energy Inc. The price paid was $505 million.

"Today marks the sale of our second bundle of New York City power generating assets, bringing greater competition to the wholesale energy supply market. The hard work and dedication of our employees, who have operated these facilities efficiently for many years, is critical to serving the energy needs of New York. Their expertise will continue to benefit the plant's new owner in the future," said Con Edison Chairman and CEO Eugene R. McGrath.

On January 27, 1999, NRG Energy was selected as the winning bidder on the Arthur Kill bundle. NRG has offered employment to all Con Edison employees currently working at the plant and will honor all union contracts.

The Arthur Kill Generating Station traces its roots back more than 50 years to 1948 when the 25-megawatt Arthur Kill Unit 1 went into operation. At the time, mostly rural Staten Island had a population of under 190,000 people and the Verrazano-Narrows Bridge was not yet built. By 1952, when Staten Island Edison was merged into Con Edison, planning was underway for the bridge, which would connect Staten Island to Brooklyn and the rest of New York City. The Island saw steady population growth after World War II. Arthur Kill Units 2 and 3 began operation in 1959 and 1969 to meet the energy demands of the growing population.

As part of the Arthur Kill bundle, the Astoria gas turbines in Queens also changed ownership today. The turbine site is capable of supplying large amounts of power on short notice to meet periods of peak electricity demand, especially during the summer.

Con Edison is divesting its electric generating capacity located in New York City as part of a restructuring plan approved by the New York Public Service Commission in 1997. In order to foster a competitive wholesale electricity market in New York City, the company's in-city electric generating facilities were divided into three bundles, each being purchased by a different buyer.

KeySpan was selected as the winning bidder for the 1,753-megawatt Ravenswood Generating Station and the 415-megawatt Ravenswood Gas Turbines, both in Long Island City, Queens. The sale was completed on June 18, 1999, at a price of $597 million.

Orion Power Holdings is purchasing the third bundle, the 1,090-megawatt Astoria Generating Station in Astoria, Queens, and the 765-megawatt Gowanus and Narrows Gas Turbines in Brooklyn for $550 million. The sale is expected to be completed this summer, following approval by the New York Public Service Commission.

Con Edison is one of the nation's largest utility companies, with more than $7 billion in annual revenues and $14 billion in assets. The company, a subsidiary of Consolidated Edison Inc., provides electric, gas and steam service to more than three million customers in New York City and Westchester County, New York.