Con Edison Completes Sale of Ravenswood Power Plant in Queens

June 18, 1999

The development of a competitive energy market in New York City reached an important milestone as Consolidated Edison Company of New York Inc. (Con Edison) transferred ownership of the Ravenswood Generating Station and its associated gas turbines, both in Long Island City, Queens, to KeySpan Energy.

"This sale is a major step in the development of a wholesale energy market within New York City. We wish our power plant employees well as they continue to reliably and efficiently operate this important power plant that serves the energy needs of New Yorkers," said Con Edison Chairman and CEO Eugene R. McGrath.

The Ravenswood generating station's new owner has agreed to honor all union contracts.

The Ravenswood Generating Station began operation in 1963 and was the home of Ravenswood Unit 3 -"Big Allis," a generator manufactured by Allis-Chalmers that could produce one million kilowatts of electric power. Big Allis was the world's largest electric generating unit when it was placed into service in 1965. The gas turbine site located adjacent to the plant is used for "quick start" power to meet peak electricity demand periods, 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 to be purchased by a separate buyer.

On January 27, 1999, KeySpan was selected as the winning bidder for the 1,753-megawatt Ravenswood Generating Station and the 415-megawatt Ravenswood Gas Turbines. Today’s action completes the sale of this first bundle at a price of $597 million.

NRG Energy will be purchasing the Arthur Kill bundle, which consists of the 842-megawatt Arthur Kill Generating Station on Staten Island and the 614-megawatt Astoria Gas Turbines in Queens. The price to be paid is $505 million. The New York Public Service Commission cleared the way for the sale of this second bundle on June 3, 1999, when it approved the ownership transfer. Completion of the sale to NRG is expected shortly.

Orion Power Holdings is purchasing the third bundle, the 1,090-megawatt Astoria Generating Station and the 765-megawatt Gowanus and Narrows Gas Turbines for $550 million. The sale is expected to be completed this summer, following review 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.