



## Consolidated Edison, Inc. Announces Financial Results for 1998

January 26, 1999

Consolidated Edison, Inc. today (TUESDAY, JANUARY 26, 1999) reported a 3.1 percent increase in earnings per share for 1998. The company also declared a dividend of 53 1/2 cents a share on its common stock payable March 15, 1999 to stockholders of record as of February 17, 1999, an increase of 1/2 cent over the previous quarterly dividend of 53 cents.

The company reported net income for common stock of \$712.7 million in 1998 or \$3.04 a share, compared with \$694.5 million or \$2.95 a share for 1997.

Net income for common stock for the fourth quarter of 1998 was \$131.8 million or \$.56 a share, compared with \$139.1 million or \$.59 a share for the fourth quarter of 1997.

The company's strong earnings for 1998 were the result of higher electric revenues from warmer than normal summer weather and the improving New York City economy, continued cost reduction programs and voluntary attrition in Con Edison's labor force. These enhancements to earnings were offset, in part, by expenses resulting from the extended maintenance outage at Indian Point 2 and by the implementation of the rate reductions required under the electric settlement agreement. Indian Point 2 was returned to service in September 1998.

Electric sales volume in 1998 was 3.1 percent higher than in 1997. Firm gas sales and transportation decreased 9.7 percent from the 1997 period and steam sales decreased 8.8 percent due primarily to warmer than normal winter weather. Under the current rate structure, most weather-related variations in firm gas sales do not affect earnings.

"We achieved many significant milestones in 1998," said Eugene R. McGrath, Chairman and Chief Executive Officer. "We formed Consolidated Edison, Inc. as the holding company for our regulated and unregulated subsidiaries, giving the company the flexibility it needs to succeed in the new competitive environment. In addition, we took an important step towards our long-term strategic objective of growing the regulated transmission and distribution business by entering into an agreement to acquire Orange and Rockland Utilities. We also contributed significantly to the development of a competitive energy marketplace by launching a very successful retail access program and by beginning the process of selling at auction our in-city electric generation."

"Our focus on shareholder value is evidenced by the continued growth in earnings and dividends," he continued. "The company's very sound financial position will serve as the foundation for dealing with the ongoing challenges and opportunities of industry restructuring in 1999 and beyond."

Consolidated Edison, Inc. is one of the nation's largest investor-owned energy companies, with more than \$7 billion in annual revenues and \$14 billion in assets. The company provides a wide range of energy-related products and services to its customers through its four subsidiaries: Consolidated Edison Company of New York, Inc. (Con Edison), a regulated utility providing electric, gas and steam service to New York City and Westchester County, New York; Con Edison Solutions, a retail energy services company; Con Edison Energy, a wholesale energy supply company; and Con Edison Development, an infrastructure-development company.

Consolidated Edison, Inc.  
Selected Financial Information  
for the Three Months Ended December 31, 1998 and 1997

	1998	1997
	(Thousands of Dollars)	
Operating revenues	\$1,617,337	\$1,745,171
Purchased power	248,984	345,570
Fuel	117,396	134,336
Gas purchased for resale	99,737	148,682
Operating income	212,310	227,325
Net income for common stock	131,831	139,076
Basic and diluted earnings per share	\$0.56	\$0.59
Dividends declared per common share	\$0.53	\$0.525
Average common shares outstanding (000)	233,098	235,235

Consolidated Edison, Inc.  
Selected Financial Information  
for the Twelve Months Ended December 31, 1998 and 1997

	1998	1997
	(Thousands of Dollars)	
Operating revenues	\$7,093,048	\$7,196,152
Purchased power	1,253,783	1,349,587
Fuel	579,006	596,824
Gas purchased for resale	437,308	552,597
Operating income	1,053,325	1,035,320
Net income for common stock	712,742	694,479
Basic and diluted earnings per share	\$3.04	\$2.95
Dividends declared per common share	\$2.12	\$2.10
Average common shares outstanding (000)	234,308	235,082

Consolidated Edison, Inc.  
Consolidated Income Statement  
for the Three Months Ended December 31, 1998 and 1997

	1998	1997
	(Thousands of Dollars)	
Operating revenues		
Electric	\$1,277,947	\$1,352,112
Gas	223,949	267,861
Steam	66,185	100,091
Non-utility	49,256	25,107
Total operating revenues	1,617,337	1,745,171
Operating expenses		
Purchased power	248,984	345,570
Fuel	117,396	134,336
Gas purchased for resale	99,737	148,682
Other operations	319,475	285,143
Maintenance	111,470	107,537
Depreciation and amortization	130,785	128,207
Taxes, other than federal income tax	289,405	292,623
Federal income tax	87,775	75,748
Total operating expenses	1,405,027	1,517,846
Operating income	212,310	227,325
Other income (deductions)		
Investment income	3,856	5,637
Allowance for equity funds used during construction	697	372
Other income less miscellaneous deductions	(4,465)	(2,859)
Federal income tax	1,455	(1,042)
Total other income	1,543	2,108
Income before interest charges	213,853	229,433
Interest on long-term debt	75,807	79,884
Other interest	3,174	6,120
Allowance for borrowed funds used during construction	(357)	(182)
Net interest charges	78,624	85,822
Preferred stock dividend requirements	3,398	4,535
Net income for common stock	\$ 131,831	\$ 139,076
Common shares outstanding - average (000)	233,098	235,235
Basic and diluted earnings per share	\$ 0.56	\$ 0.59

Con Edison Sales		
Electric (Thousands of kilowatthours)		
Con Edison customers	8,254,338	9,220,825
Delivery service to NYPA and others	3,361,893	2,231,903
Service for municipal agencies	161,815	202,716
Total sales in service territory	11,778,046	11,655,444
Off-system and ESCO sales	1,534,641	647,221
Gas (dekatherms)		
Firm sales and transportation	20,204,423	24,240,455
Off-peak firm/interruptible	3,459,219	6,343,995
Total sales to Con Edison customers	23,663,642	30,584,450
Transportation of customer-owned gas		
NYPA	605,657	2,691,027
Other	3,905,281	2,337,961
Off-system sales	8,368,549	4,014,910
Total sales and transportation	36,543,129	39,628,348
Steam (Thousands of pounds)	5,134,057	6,498,463

Consolidated Edison, Inc.  
Consolidated Income Statement  
for the Twelve Months Ended December 31, 1998 and 1997

	1998	1997
	(Thousands of Dollars)	
Operating revenues		
Electric	\$5,674,446	\$5,635,575
Gas	959,609	1,093,880
Steam	321,932	391,799
Non-utility	137,061	74,898
Total operating revenues	7,093,048	7,196,152
Operating expenses		
Purchased power	1,253,783	1,349,587
Fuel	579,006	596,824
Gas purchased for resale	437,308	552,597
Other operations	1,157,958	1,124,703
Maintenance	477,413	474,788
Depreciation and amortization	518,514	503,455
Taxes, other than federal income tax	1,208,102	1,181,156
Federal income tax	407,639	377,722
Total operating expenses	6,039,723	6,160,832
Operating income	1,053,325	1,035,320
Other income (deductions)		
Investment income	11,801	12,214
Allowance for equity funds used during construction	2,431	4,448
Other income less miscellaneous deductions	(14,212)	(4,100)
Federal income tax	2,229	(1,998)
Total other income	2,249	10,564
Income before interest charges	1,055,574	1,045,884
Interest on long-term debt	308,671	318,158
Other interest	18,400	17,083
Allowance for borrowed funds used during construction	(1,246)	(2,180)
Net interest charges	325,825	333,061
Preferred stock dividend requirements	17,007	18,344
Net income for common stock	\$ 712,742	\$ 694,479
Common shares outstanding - average (000)	234,308	235,082
Basic and diluted earnings per share	\$ 3.04	\$ 2.95

Con Edison Sales

Electric (Thousands of kilowatthours)		
Con Edison customers	36,374,017	37,527,979
Delivery service to NYPA and others	11,456,995	8,793,378
Service for municipal agencies	814,575	845,895
Total sales in service territory	48,645,587	47,167,252
Off-system and ESCO sales	3,955,096	2,499,587
Gas (dekatherms)		
Firm sales and transportation	84,426,238	93,493,791
Off-peak firm/interruptible	17,462,901	23,911,534
Total sales to Con Edison customers	101,889,139	117,405,325
Transportation of customer-owned gas		
NYPA	4,260,908	17,041,695
Other	14,478,269	7,656,874
Off-system sales	25,982,200	13,958,984
Total sales and transportation	146,610,516	156,062,878
Steam (Thousands of pounds)	24,995,694	27,422,561