



## **Con Edison Announces Landmark Agreement to Significantly Lower Delivery Rates, Protect Customers and Spur Economic Development**

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NEW YORK, Oct. 3 /PRNewswire/ -- Consolidated Edison Company of New York, Inc. (Con Edison) (NYSE: ED) announced today that it has signed a wide-ranging agreement with the staff of the New York Public Service Commission (PSC) and a number of other interested parties that will reduce rates and lower customers' bills, increase protections for low-income customers and continue its strong reliability and customer service programs.

Under this agreement, the company would extend by three years the Electric Restructuring Agreement approved by the PSC in 1997, and provide about \$1.5 billion of rate benefits to customers in addition to the more than \$1.1 billion provided for in the 1997 agreement. The typical New York City residential customer will save approximately \$50 annually, while the typical small commercial customer will save about \$100 annually and the somewhat larger commercial customer will save about \$1,000 a year.

This newest round of rate reductions is scheduled to become effective in two stages. Rates for distribution service will be reduced by \$170 million, effective October 1, 2000, and will be reduced by an additional \$209 million on April 1, 2001. The 1997 restructuring agreement had provided for a 10 percent reduction in total retail rates. The proposed rate reductions in this agreement equate to a decrease in retail distribution rates of 16.8 percent.

The agreement will continue the company's programs to facilitate and encourage conservation and end-use energy efficiency and spur economic development through an expansion of the business incentive rate program. The agreement is being forwarded today to the PSC for review and approval.

"This proposal, especially significant at this time of transition in the utility industry, supports our longstanding objective of providing superior service at the lowest achievable cost," said Eugene R. McGrath, Con Edison's chairman and chief executive officer. "We are committing to a long-term reduction in our electric delivery rates and continuing to ensure that customers benefit from profits from our power plant sales."

"Customers are also benefiting from the operating efficiencies we have achieved in recent years," he said. "We will continue to invest in the infrastructure programs necessary to provide our customers with the nation's most reliable electric service in this period of growing customer demand for energy."

"The special benefits provided to our low-income customers during this period of rapid change to a fully competitive marketplace for electricity are also very important to us." McGrath noted that the expanded business incentive rate program will contribute to the current robust economic climate throughout the company's service territory by helping to attract new businesses and retain existing ones. Effective April 1, 2001, approximately 200 megawatts of additional capacity will become eligible for business incentive rate discounts.

The parties to the agreement are also recommending to the PSC that it approve the proposed merger with Northeast Utilities as being in the public interest and that \$18.5 million, representing about one-half of the anticipated savings from the merger applicable to Con Edison's electric customers, be returned to electric customers annually starting April 1, 2001, assuming that the merger is consummated by that date.

Con Edison is a subsidiary of Consolidated Edison, Inc., one of the nation's largest investor-owned energy companies, with more than \$8 billion in annual revenues and \$16 billion in assets. The utility provides electric, gas and steam service to more than three 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 <http://www.coned.com>. SOURCE Consolidated Edison Company of New York, Inc.

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