



## Con Edison Urges Price Protections For Customers This Summer

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(New York) - Consolidated Edison Company, Inc. [NYSE: ED] (Con Edison) today urged the Federal Energy Regulatory Commission (FERC) to take immediate action to protect the company's more than three million electric customers this summer by instituting mechanisms to reduce price spikes in the wholesale electric marketplace. Con Edison also called on the FERC to correct market flaws that allow power generators to exercise market power, and penalize those generators that are shown to be gaming the market to their own advantage.

At the opening of a two-day FERC hearing in Washington, D.C., Con Edison representatives called for changes in the way the New York Independent System Operator (NYISO) administers the electric wholesale marketplace. Those changes include a new "circuit breaker" mechanism to hold prices down when the wholesale electric market is not competitive, which could occur when usage is high and power supplies are extremely tight. The circuit breaker would help prevent unreasonable price volatility.

"Relative to estimated costs to produce energy, the energy markets frequently do not produce prices that are competitive," Con Edison said in remarks prepared for the FERC hearing.

Customers also should be eligible for retroactive refunds if a power generator abuses the system and charges more than a competitive price, Con Edison told the Commission.

"The NYISO must take corrective action quickly to protect consumers and to assure them that the markets are indeed functioning efficiently and competitively," Con Edison also said in its remarks.

"Our customers must be protected from uncompetitive energy prices this summer," said Kevin Burke, president of Con Edison of New York, Inc. "There must be strong consumer protection tools in place when the marketplace is not truly competitive."

"More generation sources will produce additional competition in the supply of electricity, resulting in lower costs to consumers. But until the new plants get on line, customers need additional protection from uncompetitive, inflated prices," Burke added.

Since 1997, Con Edison has been reducing the portion of the electric bill it controls, the delivery of electrical power. Under an agreement approved by the New York State Public Service Commission last year, Con Edison is providing an additional \$1.5 billion of reductions in delivery rates, which followed \$1.1 billion in rate reductions granted in the 1997 agreement. These new reductions will be in effect at least until 2005. The average Con Edison residential customer will save an additional \$50 in 2001. The average large commercial customer will save about \$1,000. However, the cost to Con Edison of buying electricity from power generators in the wholesale market has risen dramatically, which has in turn driven up customers' total energy costs.

Consolidated Edison, Inc. [NYSE:ED] is one of the nation's largest investor-owned energy companies, with approximately \$9 billion in annual revenues and \$16 billion in assets. The company provides a wide range of energy-related products and services to its customers through two regulated utility subsidiaries and four competitive energy and telecommunications businesses. For additional financial, operations and customer service information, visit the Consolidated Edison Inc. web site at [www.conedison.com](http://www.conedison.com).

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