



Con Edison Seeks Review of Flaws in Wholesale Electric Market Action Requested to Protect Customers This Summer

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NEW YORK, June 18 /PRNewswire/ -- Consolidated Edison Company of New York, Inc. (Con Edison) announced today that it is seeking review of a Federal Energy Regulatory Commission (FERC) order on the company's proposal to correct flaws in the New York wholesale electric marketplace that allow power generators to exercise market power. Market power is the ability of a generator to establish a price on its own, without needing to compete with other suppliers.

FERC issued an order on May 16, 2001, declining to act on the company's proposal to protect its more than three million electric customers from price spikes this summer if the wholesale electric marketplace becomes uncompetitive.

"Con Edison's filing contained specific recommendations aimed at correcting these flaws and providing customers greater protection against unjustifiable higher electricity prices at times when the marketplace is not competitive," said Kevin Burke, president of Con Edison. "FERC told the company that we should have pursued these proposals through the New York Independent System Operator's committee process. We disagree."

"FERC has a duty to ensure that prices are just and reasonable. We want the federal regulators either to take appropriate action to protect consumers or to direct the NYISO to take such action," Burke added.

"The revisions we proposed will prevent New York's energy consumers from paying what could amount to millions of dollars in excessive costs. They also will increase consumer confidence in the energy markets, and will allow the original mitigation measures initially authorized by FERC to work as intended

- to keep our customers' energy costs as low as possible," said Burke. 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.

These substantial delivery-cost savings are helping to moderate electric bill increases attributable to the dramatic increases in the wholesale cost of electric energy in deregulated markets. The company's filing with FERC is an effort to address the wholesale cost of energy.

Con Edison is a subsidiary of Consolidated Edison, Inc. (NYSE: ED), one of the nation's largest investor-owned energy companies, with approximately \$10 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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