



Con Edison Recommendations To Protect Consumers Accepted By FERC

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New York - Consolidated Edison Company of New York, Inc. (Con Edison) announced today that the Federal Energy Regulatory Commission (FERC) issued an order on Friday that will help protect the company's three million customers from price spikes in their electric bills this summer.

The FERC's action - based on a request by Con Edison - will improve the efficient operation of the wholesale electric energy market by mitigating price spikes during periods when the energy market is not competitive. The order, which closes loopholes in the existing mitigation measures, extends mitigation measures to the real-time energy market and also corrects other flaws in the New York wholesale electric marketplace that allow power generators to exercise market power. Market power is the ability of an electric generator to establish a price on its own, without needing to compete with other suppliers.

In its ruling, the FERC wrote: "The Commission has already agreed with Con Ed's assertion that in-City sellers (of power) may have market power." The FERC agreed with the company that this concern applies to all in-City generators, not just those Con Edison sold several years ago as part of New York's electricity industry restructuring process.

Kevin Burke, president of Con Edison, said that this action by the FERC signals an important change in the federal government's regulation of wholesale electric prices.

"Rapid implementation of these measures this summer will ensure that New York consumers will get the full benefit of a competitive wholesale electricity market," Burke said.

"FERC's decision provides customers greater protection against unjustifiable higher electricity prices at times when the marketplace is not competitive," Burke added. "We believe these limited revisions will prevent New York's energy consumers from bearing excessive costs and will increase consumer confidence in the energy markets."

The FERC had previously approved the use of several measures to ensure that wholesale electricity prices are just and reasonable in New York. These measures include a market monitoring unit within the New York Independent System Operator (NYISO) to monitor and police the market for anti-competitive behavior, a state-wide \$1000/MWh energy bid cap and the automated mitigation procedure that mitigates anti-competitive behavior in the NYISO's energy markets.

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 \$17 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 www.coned.com