

Table 1 C

COMBINATION ELECTRIC AND GAS INDUSTRY
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)

	2003	2002	2001	2000	1999	
UTILITY PLANT						
1	Electric Utility Plant	\$24,498,752	\$23,496,745	\$21,628,697	\$28,322,698	\$27,577,313
2	Less Accum. Prov. For Deprec. & Amort.	\$7,993,923	\$7,887,773	\$7,475,503	\$12,362,280	\$11,655,775
3	Net Electric Utility Plant	16,504,829	15,608,972	14,153,194	15,960,418	15,921,538
4	Gas Utility Plant	5,962,530	5,672,341	5,200,812	4,982,564	4,787,983
5	Less Accum. Prov. For Deprec. & Amort.	1,634,939	1,556,420	1,471,878	1,388,303	1,303,262
6	Net Gas Utility Plant	4,327,591	4,115,921	3,728,934	3,594,261	3,484,722
7	Other Utility Plant	3,396,775	3,214,829	3,054,511	2,997,924	2,906,518
8	Less Accum. Prov. For Deprec. & Amort.	903,493	833,161	905,377	864,087	844,690
9	Net Other Utility Plant	2,493,282	2,381,668	2,149,134	2,133,837	2,061,829
10	Total Utility Plant	33,858,056	32,383,915	29,884,020	36,303,186	35,271,814
11	Less Accum. Prov. For Deprec. & Amort.	10,532,355	10,277,354	9,852,758	14,614,670	13,803,727
12	Net Total Utility Plant	23,325,701	22,106,561	20,031,262	21,688,516	21,468,088
OTHER PROPERTY AND INVESTMENTS						
13	Nonutility Property	40,535	45,774	40,814	16,682	17,046
14	Accum. Prov. For Deprec. & Amort.	-5,513	-2,464	-2,528	-2,481	-2,152
15	Investment in Associated Companies					
16	Investment in Subsidiary Companies	412,211	402,788	388,370	472,125	441,645
17	Other Investments	43,883	48,758	52,453	52,841	43,940
18	Other Special Funds	496,548	451,189	412,157	1,136,507	986,370
19	Total Other Property and Investments	987,664	946,046	891,267	1,675,674	1,486,850
CURRENT AND ACCRUED ASSETS						
20	Cash	2,811	87,823	46,395	59,887	26,693
21	Special Deposits	66,668	348,922	73,744	5,035	13,497
22	Working Funds	9,158	7,188	6,137	8,531	5,928
23	Temporary Cash Investments	29,079	143,206	351,987	55,095	547,764
24	Notes Receivable	109	107	272,139	176	1,444
25	Accounts Receivable	1,808,579	1,534,893	1,126,965	1,451,575	1,056,028
26	Accum. Prov. For Uncollectible Accts.	-201,044	-163,611	-70,557	-72,210	-71,164
27	Notes Receivable from Associated Cos.			144,104	19,900	41,270
28	Accounts Receivable from Assoc. Cos.	54,705	73,099	57,089	57,096	-11,179
29	Materials and Supplies	158,392	147,471	146,835	285,964	312,939
30	Gas Stored Underground - Current	290,259	168,833	232,333	189,846	129,934
31	Liquefied Natural Gas in Storage	9,847	8,359	8,964	5,504	3,695
32	Prepayments	1,445,468	1,196,115	874,565	582,749	283,678
33	Interest and Dividends Receivable	440	730	6,935	493	1,778
34	Rents Receivable	9,946	7,777	11,293	7,379	6,271
35	Accrued Utility Revenue	280,741	308,190	152,509	137,872	103,648
36	Misc. Current and Accrued Assets	78,755	100,372	18,433	40,635	33,759
37	Total Current and Accrued Assets	4,043,914	3,969,474	3,459,870	2,835,528	2,485,983
DEFERRED DEBITS						
38	Unamort. Debt Expense	247,008	236,362	276,649	274,760	307,246
39	Extraordinary Property Losses	76	122	169	18,315	25,392
40	Prelim. Survey and Investigation Charges	184,434	868	386	1,603	1,340
41	Clearing Accounts	154	537	1,840	2,044	16
42	Temporary Facilities	459	21	-34	14	0
43	Miscellaneous Deferred Debits	8,866,606	8,604,357	8,918,520	8,205,845	8,111,323
44	Deferred Losses from Disp. of Utility Plant	28,358				
45	Research and Development	673	204	-599	-7,375	-6,364
46	Accumulated Deferred Income Taxes	2,058,412	2,223,463	1,820,121	2,130,443	2,129,675
47	Total Deferred Debits	11,386,181	11,065,934	11,017,052	10,625,649	10,568,627
48	Total Assets and Other Debits	\$39,743,461	\$38,088,015	\$35,399,451	\$36,825,367	\$36,009,548

Notes:

Data after 1997 does not include LILCO

Table 2 C

COMBINATION ELECTRIC AND GAS INDUSTRY
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)

	2003	2002	2001	2000	1999	
PROPRIETARY CAPITAL						
Common Stock Issued	1,484,886	1,484,886	1,484,886	1,484,886	1,484,886	1
Preferred Stock Issued	382,077	427,073	881,551	889,171	896,791	2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	2,186,691	4,446,705	3,867,851	3,867,851	4,028,150	5
Other Paid-in Capital	3,232,499	298,157	564,015	589,267	589,415	6
Installments Received on Capital Stock	25,760	26,744				7
Capital Stock Expense	-64,617	-61,518	-94,688	-96,640	-98,250	8
Retained Earnings	5,192,996	4,863,025	4,798,972	4,626,501	4,390,381	9
Accumulated Other Comprehensive Income	-5,115					
Unapp Undistributed Subsidiary Earnings	141,015	130,578	124,827	114,055	100,571	10
Reacquired Capital Stock	-1,079,331	-1,079,331	-1,486,523	-1,486,523	-1,180,897	11
Total Proprietary Capital	11,496,861	10,536,320	10,140,891	9,988,567	10,211,049	12
LONG-TERM DEBT						
Bonds	1,692,211	2,257,468	3,124,840	3,519,970	3,801,315	13
Reacquired Bonds						14
Advances from Associated Companies	1,200,000	500,000				15
Other Long-Term Debt	9,187,946	10,014,502	9,694,560	9,810,103	9,157,506	16
Unamortized Premium on Long-Term Debt	10	41	109	238	398	17
Unamortized Discount on Long-Term Debt-Det	-32,462	-37,300	-40,415	-45,093	-44,108	18
Total Long-Term Debt	12,047,704	12,734,710	12,779,094	13,285,218	12,915,111	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	72,374	65,000	20,987	426,789	724,896	20
Accounts Payable	950,372	936,727	800,384	1,259,167	869,567	21
Notes Payable to Associated Companies	823,687	305,285	14,405	17,285	-145	22
Accounts Payable to Associated Companies	315,462	276,926	41,577	27,270	-2,074	23
Customer Deposits	271,647	259,837	245,735	246,560	254,626	24
Taxes Accrued	132,408	133,361	154,671	16,148	31,651	25
Interest Accrued	172,550	183,740	192,675	216,560	157,929	26
Dividends Declared	3,685	4,207	24,108	20,820	28,668	27
Matured Long-Term Debt	1	50	228	313	265	28
Matured Interest	2	2	61	52	403	29
Tax Collections Payable	609	548	-1,064	17,249	6,276	30
Misc. Current and Accrued Liabilities	969,038	1,137,002	995,492	1,161,967	967,850	31
Total Current and Accrued Liabilities	3,711,833	3,302,685	2,489,260	3,410,180	3,039,912	32
DEFERRED CREDITS						
Customer Advances for Construction	9,996	9,926	10,893	10,322	11,638	33
Other Deferred Credits	4,372,627	4,460,551	3,319,821	2,781,446	2,434,350	34
Accumulated Deferred Investment Tax Credits	190,236	201,966	213,408	347,379	367,070	35
Deferred Gains from Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	6,870,687	6,188,414	5,869,400	6,439,625	6,538,861	37
Total Deferred Credits	11,443,546	10,860,857	9,413,522	9,578,772	9,351,919	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	203,985	212,439	182,286	166,720	127,334	40
Pension and Benefits Reserve	265,863	260,824	236,325	223,156	179,249	41
Miscellaneous Operating Reserves	573,668	180,180	158,073	172,753	184,975	42
Total Operating Reserves	1,043,516	653,443	576,684	562,630	491,558	43
Total Liabilities and Other Credits	\$39,743,461	\$38,088,015	\$35,399,451	\$36,825,367	\$36,009,548	44

Table 3 C

COMBINATION ELECTRIC AND GAS INDUSTRY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)

	2003	2002	2001	2000	1999
ELECTRIC OPERATING INCOME					
1 Operating Revenues	12,607,563	12,106,659	13,130,265	13,201,587	12,218,119
Operating Expense:					
2 Operation Expense	7,927,863	7,381,079	8,011,573	8,123,362	6,599,900
3 Maintenance Expense	571,284	568,757	617,468	659,782	651,789
4 Depreciation Expense	729,880	706,590	853,759	977,468	1,470,983
5 Amort. and Depletion of Utility Plant	8,957	13,270	13,248	11,711	10,326
6 Amort. of Utility Plant Acq. Adj.	176,753	3,141	71,803	-9,483	-592,523
7 Amort of Property Losses		133,800	1,672	2,542	5,163
8 Amort of Conversion Expenses	4,372	115	112	78	192
9 Taxes Other than Income Taxes	1,230,279	1,270,794	1,290,283	1,341,552	1,644,983
10 Income Taxes	476,555	523,967	594,505	428,630	665,086
11 Gains from Disposition of Util. Plant	16				
12 Losses from Disposition of Util. Plant	669	803	338		
13 Total Operating Expenses	11,126,594	10,602,316	11,454,762	11,535,643	10,455,899
14 Net Operating Revenues	1,480,968	1,504,344	1,675,503	1,665,944	1,762,220
15 Other Electric Utility Operating Income					
16 Total Electric Utility Operating Income	1,480,968	1,504,344	1,675,503	1,665,944	1,762,220
GAS OPERATING INCOME					
17 Operating Revenues	3,153,277	2,535,006	2,958,880	2,743,104	2,392,707
Operating Expense:					
18 Operation Expense	2,199,852	1,624,516	2,048,789	1,839,411	1,456,775
19 Maintenance Expense	97,484	112,162	121,235	119,233	106,013
20 Depreciation Expense	157,221	150,306	142,746	136,210	139,566
21 Amort. and Depletion of Utility Plant	76	1,307	1,292	1,532	1,321
22 Amort. of Utility Plant Acq. Adj.					
23 Amort of Property Losses					15
24 Amort of Conversion Expenses	1,214				
25 Taxes Other than Income Taxes	255,403	250,782	259,415	251,313	271,259
26 Income Taxes	155,221	90,880	100,066	103,585	119,332
27 Gains from Disposition of Util. Plant					
28 Losses from Disposition of Util. Plant		30			
29 Total Operating Expenses	2,866,471	2,229,983	2,673,543	2,451,285	2,094,282
30 Net Operating Revenues	286,806	305,023	285,338	291,819	298,425
31 Other Gas Utility Operating Income					
32 Total Gas Utility Operating Income	286,806	305,023	285,338	291,819	298,425
33 Other Utility Operating Income	34,546	35,974	27,963	25,173	19,620
34 Total Utility Operating Income	\$1,802,320	\$1,845,341	\$1,988,804	\$1,982,936	\$2,080,265

Notes:

Data after 1997 does not include LILCO

COMBINATION ELECTRIC AND GAS INDUSTRY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)

	2003	2002	2001	2000	1999	
OTHER INCOME						
Income - Merch., Jobbing & Contract Work	\$147	\$273	(\$178)	(\$74)	(\$43)	1
Income from Nonutility Operations	1,845	(8,031)	2,901	53	(3)	2
Nonoperating Rental Income	16	466	(226)	104	383	3
Equity in Earnings of Subsidiary Companies	10,351	13,522	17,190	42,247	(14,691)	4
Interest and Dividend Income	27,268	83,582	54,273	45,679	68,069	5
Allowance for Funds Used During Construction	16,504	13,245	4,948	4,571	9,830	6
Miscellaneous Nonoperating Income	21,527	6,730	(2,623)	10,769	25,598	7
Gain on Disposition of Property	9,941	8,539	89,471	1,548	58,348	8
Total Other Income	87,599	118,326	165,755	104,898	147,492	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property	88	375	142,214	153	131	10
Miscellaneous Amortization	406	625	2,231	3,350	2,765	11
Miscellaneous Income Deductions	20,853	34,052	84,347	61,042	112,509	12
Total Other Income Deductions	21,346	35,051	228,792	64,545	115,405	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	2,389	1,561	1,649	2,202	2,202	14
Income Taxes	(4,929)	(21,387)	(144,511)	(5,915)	(50,827)	15
Total Taxes-Other Income & Deductions	(3,877)	(19,825)	(142,862)	(3,713)	(48,625)	16
Net Other Income and Deductions	70,130	103,100	79,825	44,066	80,713	17
INTEREST CHARGES						
Interest on Long-term Debt	697,337	792,511	887,726	907,657	937,466	18
Amortization of Debt Discount and Expense	39,303	56,564	40,334	45,256	51,835	19
Amortization of Premium on Debt-Credit	117	(2,435)	71	15	5,839	20
Interest on Debt to Associated Company	47,921	8,876	755	1,610	1,254	21
Other Interest Expense	113,777	113,241	94,777	102,945	74,406	22
Total Interest Charges	898,220	973,628	1,023,521	1,057,452	1,059,122	23
Income Before Extraordinary Items	974,230	975,970	1,045,398	969,839	1,092,599	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions				(2,766)	(27,024)	26
Income Taxes, Extraordinary Items				(1,121)	(9,458)	27
Net Extraordinary Items				(1,645)	(17,566)	28
Net Income	\$974,230	\$975,970	\$1,045,398	\$968,194	\$1,075,033	29
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	4,861,413	4,815,039	4,632,383	4,393,600	5,470,966	30
Balance Transferred from Income	963,880	962,448	1,028,209	925,947	1,089,724	31
Appropriations of Retained Earnings			76	2,144	356	32
Dividends Declared-Preferred Stock	21,165	30,509	51,769	52,355	61,305	33
Dividends Declared-Common Stock	617,976	657,886	798,333	846,613	1,760,843	34
Adjustments to Retained Earnings	4,839	(227,679)	4,626	213,948	(344,586)	35
Net Change to Unapp. Retained Earnings	329,577	46,374	182,657	238,782	(1,077,366)	36
Unappropriated Retained Earnings (EOP)	5,190,990	4,861,413	4,815,039	4,632,383	4,393,600	37
Appropriated Retained Earnings (EOP)	2,005	1,612	(16,067)	(5,882)	(3,219)	38
Total Retained Earnings	\$5,192,996	\$4,863,025	\$4,798,972	\$4,626,501	\$4,390,381	39

Notes:

Beginning in 1996, the debt component of AFDUC is included with other interest expense.

Data after 1997 does not include LILCO

Table 5 C

COMBINATION ELECTRIC AND GAS INDUSTRY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)

	2003	2002	2001	2000	1999	
Cash Flows From Operating Activities						
1	Net Income	\$974,230	\$975,970	\$1,045,398	\$968,194	\$1,075,033
	Adjustments to reconcile net income to net cash provided by operating activities:					
2	Depreciation, Depletion & Amortization	1,166,433	804,870	763,865	1,131,652	1,990,330
3	Deferred Taxes & ITCs	728,818	(88,073)	(179,605)	21,541	114,386
4	Receivables and Inventory	(302,504)	(192,706)	(179,628)	(474,032)	66,826
5	Payables and Accrued Expenses	73,027	432,354	(252,797)	494,885	334,998
6	Regulatory Assets (Net)	(165,914)	(154,326)	18,296	(251,309)	269,612
7	Capitalized AFUDC - Equity	(16,655)	(13,539)	(2,626)	(4,571)	(9,830)
8	Undistributed Earnings of Affiliates	(10,321)	(13,370)	(1,024)	(32,737)	14,528
9	Other Adjustments (See company detail for explanations of major items)	(175,046)	(9,043)	(292,576)	(92,799)	(451,976)
10		(133,750)	(402,576)	11,972	34,936	(42,755)
11		(421,413)	182,793	572,692	552,399	(592,523)
12	Net Cash From Operating Activities	<u>1,716,906</u>	<u>1,522,352</u>	<u>1,503,966</u>	<u>2,348,159</u>	<u>2,768,629</u>
Cash Flows From Investing Activities						
13	Cash Outflows For Construction	(1,806,404)	(1,621,856)	(900,682)	(1,610,198)	(92,241)
14	Acquisition Of Other Non-Current Assets	(15,323)	48,210	1,504,492	(17,578)	1,615,440
15	Investments in & Advances to Affiliates	1,077	(190)	84,778	2,753	92,017
16	Contributions & Advances from Affiliates				(221)	
	Net Proceeds - Sale Or Disposition Of:	12,228				
17	Property, Plant & Equipment		17,227			
18	Investments In Affiliated Companies		(853)			(22)
19	Investment Securities		249,799		3,000	
20	Other Current Assets & Liabilities			(29,688)		
21	Other Cash Flows - Investing Activities		(15,185)	(81,951)	(7,134)	(3,790)
22		6,698	(9,974)	1,442	12,376	(24,967)
23						
24	Net Cash From Investing Activities	<u>(1,801,724)</u>	<u>(1,332,821)</u>	<u>578,392</u>	<u>(1,617,000)</u>	<u>1,586,437</u>
Cash Flows From Financing Activities						
	Net Proceeds (Payments) - Issuing & Retiring:					
25	Long-Term Debt	(24,767)	149,271	(413,709)	(55,817)	(1,348,673)
26	Common Stock		(86,086)		(29,454)	(817,399)
27	Preferred Stock	335,674	(129,949)	(7,620)	(7,620)	(177,366)
28	Short-Term Debt	481,951	339,400	(515,802)	167,295	561,811
29	Dividends Paid	(639,984)	(679,063)	(948,589)	(906,743)	(1,825,419)
30	Other Cash Flows - Financing Activities	563,803	(298,665)	84,367	(355,692)	(379,517)
31		(805,000)	348,708	0		
32		(24,027)	550			
33	Net Cash From Financing Activities	<u>(112,350)</u>	<u>(355,834)</u>	<u>(1,801,352)</u>	<u>(1,188,031)</u>	<u>(3,986,563)</u>
34	Net Increase/(Decrease) In Cash & Equivalents	(197,168)	(166,303)	281,006	(456,872)	368,503
35	Cash & Equivalents At Beginning Of Year	238,217	404,519	123,513	580,385	211,882
36	Cash & Cash Equiv. At End Of Year	\$41,049	\$238,217	\$404,519	\$123,513	\$580,385

1998 result impacted by non-recurring charge related to Niagara Mohawk's Master Restructuring Agreement.

**COMBINATION ELECTRIC AND GAS INDUSTRY
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC**

FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
SALES AND CUSTOMER DATA						
ELECTRIC REVENUES (\$000s)						
Residential	\$5,023,845	\$4,635,705	\$4,711,619	\$4,663,393	\$4,495,714	1
Commercial	5,092,755	4,361,554	4,837,863	4,798,151	4,448,326	2
Industrial	788,049	868,028	1,008,536	1,028,886	1,078,417	3
Other Ultimate Customers	284,910	245,556	272,265	290,796	343,157	4
Total Revenues-Ultimate Customers	11,189,561	10,110,843	10,830,282	10,781,226	10,365,614	5
Resales	557,600	463,097	763,503	869,976	737,665	6
Other Operating Revenues	860,402	1,532,719	1,536,480	1,550,385	1,114,841	7
Total Electric Operating Revenues	\$12,607,563	\$12,106,659	\$13,130,265	\$13,201,587	\$12,218,119	8
KWH SALES (THOUSANDS)						
Residential	34,098,940	33,637,036	32,344,609	31,863,935	32,658,778	9
Commercial	33,806,862	35,221,397	36,790,269	36,770,164	39,065,559	10
Industrial	14,318,015	15,757,256	16,948,412	17,308,007	19,172,198	11
Other Ultimate Customers	2,684,194	2,305,460	2,388,273	2,790,199	3,050,227	12
Total Sales-Ultimate Customers	84,908,011	86,921,149	88,471,563	88,732,305	93,946,763	13
Resales	10,261,291	10,439,073	14,918,630	16,904,827	21,112,920	14
Total Kilowatt-Hour Sales	95,169,302	97,360,222	103,390,193	105,637,132	115,059,683	15
AVG CUSTOMERS PER MONTH						
Residential	5,494,914	5,471,311	5,471,865	5,453,144	5,504,003	16
Commercial	770,400	751,798	737,810	726,481	731,216	17
Industrial	6,310	6,285	6,270	6,296	6,934	18
Other Ultimate Customers	28,787	26,190	23,319	24,306	24,807	19
Total Ultimate Customers	6,300,411	6,255,584	6,239,264	6,210,227	6,266,959	20
Resales	47,874	43,387	38,118	38,347	3,621	21
Total Customers	6,348,285	6,298,971	6,277,382	6,248,574	6,270,580	22
ELECTRIC OPERATING REVENUE RELATIONSHIP						
Residential Sales						
Average Annual Bill Per Customer	\$914	\$847	\$861	\$855	\$817	23
Average KWH Consumption Per Customer	6,206	6,148	5,911	5,843	5,934	24
Average Revenue Per KWH Sold (Cents)	14.73	13.78	14.57	14.64	13.77	25
Commercial Sales						
Average Annual Bill Per Customer	\$6,611	\$5,801	\$6,557	\$6,605	\$6,083	26
Average KWH Consumption Per Customer	43,882	46,850	49,864	50,614	53,425	27
Average Revenue Per KWH Sold (Cents)	15.06	12.38	13.15	13.05	11.39	28
Industrial Sales						
Average Annual Bill Per Customer	\$124,889	\$138,111	\$160,851	\$163,427	\$155,537	29
Average KWH Consumption Per Customer	2,269,099	2,507,121	2,703,096	2,749,179	2,765,154	30
Average Revenue Per KWH Sold (Cents)	5.50	5.51	5.95	5.94	5.62	31
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (\$000s)						
Steam Power Expense	\$198,535	\$175,990	\$230,025	\$395,834	\$750,887	32
Nuclear Power Expense	88,461	80,076	406,707	523,615	467,812	33
Hydraulic Power Expense	2,897	3,102	3,703	4,407	13,344	34
Other Power Generation Expense	3,601	3,374	3,515	1,531	42,108	35
Other Power Supply Expense	6,019,675	5,519,958	5,501,865	5,457,948	3,520,736	36
Total Power Production Expense	6,313,170	5,782,500	6,145,815	6,383,335	4,794,886	37
Transmission Expense	245,781	250,740	302,520	279,624	231,646	38
Distribution Expense	672,252	672,528	634,318	605,745	601,820	39
Customer Account Expense	462,677	482,997	455,248	457,114	435,102	40
Sales Expense	3,556	3,544	3,364	5,474	8,000	41
Administrative and General	734,506	760,477	1,087,776	1,051,852	1,180,234	42
Total Operation & Maintenance Expense	\$8,431,943	\$7,952,786	\$8,629,041	\$8,783,144	\$7,251,689	43

Notes:

Data after 1997 does not include LILCO

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Table 7 C

**COMBINATION ELECTRIC AND GAS INDUSTRY
DISTRIBUTION OF ELECTRIC REVENUES
YEARS ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999
1 Total Revenues (\$000)	\$12,607,563	\$12,106,659	\$13,130,265	\$13,201,587	\$12,218,119
2 Sales of Electricity (KWHs-000)	95,169,302	97,360,222	103,390,193	105,637,132	115,059,683
DOLLAR AMOUNTS					
3 Fuel and Purchased Power	\$6,160,510	\$5,631,452	\$5,730,201	\$5,799,040	\$4,173,613
4 Wages and Benefits	1,136,289	1,110,001	1,172,526	1,267,198	1,480,768
5 Other Expenses	1,135,797	1,212,136	1,726,653	1,716,907	1,597,308
6 Depreciation & Amortization Expenses	919,961	883,454	940,595	982,316	894,141
7 Income Taxes-Operating	476,555	523,967	594,505	428,630	665,086
8 Other Taxes-Operating	1,230,279	1,270,794	1,290,283	1,341,552	1,644,983
9 Capital Costs	1,548,172	1,474,857	1,675,503	1,665,944	1,762,220
10 Total	\$12,607,563	\$12,106,659	\$13,130,265	\$13,201,587	\$12,218,119
PERCENT OF REVENUE					
11 Fuel and Purchased Power	48.9	46.5	43.6	43.9	34.2
12 Wages and Benefits	9.0	9.2	8.9	9.6	12.1
13 Other Expenses	9.0	10.0	13.2	13.0	13.1
14 Depreciation & Amortization Expenses	7.3	7.3	7.2	7.4	7.3
15 Income Taxes-Operating	3.8	4.3	4.5	3.2	5.4
16 Other Taxes-Operating	9.8	10.5	9.8	10.2	13.5
17 Capital Costs	12.3	12.2	12.8	12.6	14.4
18 Total	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
19 Fuel and Purchased Power	6.47	5.78	5.54	5.49	3.63
20 Wages and Benefits	1.19	1.14	1.13	1.20	1.29
21 Other Expenses	1.19	1.25	1.67	1.63	1.39
22 Depreciation & Amortization Expenses	0.97	0.91	0.91	0.93	0.78
23 Income Taxes-Operating	0.50	0.54	0.58	0.41	0.58
24 Other Taxes-Operating	1.29	1.31	1.25	1.27	1.43
25 Capital Costs	1.63	1.51	1.62	1.58	1.53
26 Total	13.25	12.43	12.70	12.50	10.62

Notes:

Includes Sales for Resale
1998 Data does not include LILCO

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below

Fuel and Purchased Power

Steam - Fuel	127,867	100,013	159,520	286,596	551,160
Nuclear - Fuel	19,509	21,490	76,629	63,641	115,304
Hydro - Water for Power	468	100	336	304	1,707
Other Power - Fuel	1,281	1,646	1,597	1,265	19,813
Purchased Power	6,011,384	5,508,203	5,492,119	5,447,234	3,485,628
Total Fuel and Purchased Power	6,160,510	5,631,452	5,730,201	5,799,040	4,173,613
-Fuel and PP related to Sales for Resale					
Fuel and PP - Ultimate Customers	6,160,510	5,631,452	5,730,201	5,799,040	4,173,613

Wages and Benefits

Salaries	999,746	1,046,283	1,168,452	1,218,122	1,286,670
Pensions and Benefits	136,543	63,718	4,075	49,075	194,098
Total Wages and Benefits	1,136,289	1,110,001	1,172,526	1,267,198	1,480,768

Other Expenses

Total O&M Expenses	8,431,943	7,952,786	8,629,041	8,783,144	7,251,689
-Total Fuel and PP	6,160,510	5,631,452	5,730,201	5,799,040	4,173,613
-Wages and Benefits	1,136,289	1,110,001	1,172,526	1,267,198	1,480,768
-Other Gains	16				
+Other Losses	669	803	338		
-Other Revenues					
Other Expenses	1,135,797	1,212,136	1,726,653	1,716,907	1,597,308

Depreciation and Amortization

Depreciation Exp	729,880	870,123	853,759	977,468	1,468,985
Amort & Depl of Utility Plant	8,957	8,949	13,248	11,711	10,326
Amort of Other Utility Plant	176,753	3,141	71,803	(9,483)	(592,523)
Amort of Property Losses		1,129	1,672	2,542	5,163
Amort of Conversion Expenses	4,372	113	112		192
Total Depre and Amort	919,961	883,454	940,595	982,238	892,143

Fuel and PP related to Sales for Resale (Not Used)

Total Fuel and PP	6,160,510	5,631,452	5,730,201	5,799,040	4,173,613
divided by Total MWHs	95,169	97,360	103,390	105,637	115,060
Fuel Cost per KWH	0.0647	0.0578	0.0554	0.0549	0.0363
times Sales for Resale MWHs	10,261	10,439	14,919	16,905	21,113
Sales for Resale Fuel	391,941	411,308	590,849	852,797	822,813

Table 8 C

COMBINATION ELECTRIC AND GAS INDUSTRY
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)

	2003	2002	2001	2000	1999	
ELECTRIC UTILITY PLANT						
Intangible Production	\$80,052	\$79,667	\$79,193	\$77,211	\$72,683	1
Steam	585,853	579,855	577,302	1,201,706	1,309,461	2
Nuclear	595,677	578,922	580,945	5,688,968	5,567,366	3
Hydraulic	172,191	171,034	169,895	166,913	175,893	4
Other	28,955	33,154	33,136	43,034	44,494	5
Transmission	4,375,041	4,315,971	4,223,288	4,169,161	4,080,775	6
Distribution	15,655,379	15,009,790	14,449,298	13,888,962	13,410,208	7
General	507,919	479,059	525,733	602,775	643,513	8
Electric - Purchased or Sold	65	65	65	65	42	9
Experimental - Unclassified						10
Nuclear Fuel Assemblies	253,980	237,247	224,494	1,736,805	1,633,422	11
Total Electric Plant In Service	22,255,112	21,484,765	20,863,351	27,575,600	26,937,857	12
Leased To Others	3,404	3,404	3,404	3,401	3,401	13
Held For Future Use	12,985	11,197	13,770	14,168	26,126	14
Construction Work in Progress	1,125,411	976,459	747,155	728,433	610,408	15
Acquisition Adjustments	1,012,016	1,020,920	1,018	1,096	1,175	16
Total Electric Utility Plant	24,408,928	23,496,745	21,628,697	28,322,698	27,578,967	17
Accum. Provision - Depr. & Amort.	7,994,864	7,887,773	7,475,503	12,362,280	11,655,775	18
Net Electric Plant	\$16,414,064	\$15,608,972	\$14,153,194	\$15,960,418	\$15,923,192	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.08	1.20	1.39	0.83	0.82	20
Total Capitalization (\$000s)	\$24,326,481	\$23,355,879	\$22,955,377	\$23,700,574	\$23,851,056	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>						
Long-Term Debt	49.5%	54.5%	55.7%	56.1%	54.1%	22
Preferred Stock	1.6%	1.8%	3.8%	3.8%	3.8%	23
Common Stock & Retained Earnings	45.6%	43.3%	40.3%	38.4%	39.1%	24
Short-Term Debt	3.3%	0.3%	0.2%	1.8%	3.0%	25
Pretax Coverage of Interest Expense	2.77	2.60	2.55	2.42	2.71	26
Com. Stock Dividends as a % of Earnings	43.0%	68.7%	79.3%	92.3%	170.7%	27
Return on Common Equity	25.9%	18.9%	21.7%	20.2%	22.1%	28
Internal Cash Generated as a % of Cash Outflows for Construction *	108.3%	93.9%	167.0%	145.8%	3001.5%	29
Earnings per Share	\$2.64	\$1.76	\$1.85	\$1.69	\$1.90	30
Book Value per Share	\$20.44	\$18.61	\$17.05	\$16.75	\$17.15	31
Dividends per Share	\$1.14	\$1.21	\$1.47	\$1.56	\$3.24	32
Number of Employees	2,913,519,418	18,618	19,287	20,769	18,654	33

Notes:

* 1998 result impacted by non-recurring charge related to Niagara Mohawk's Master Restructuring Agreement.

1998 Data does not include LILCO

Current Assets	3,995,081,498	3,955,824,942	3,459,870,119	2,835,527,770	2,485,982,975
Current Liabilities	3,692,215,933	3,302,684,843	2,489,260,095	3,410,179,851	3,039,911,554
Total Capitalization	24,326,480,603	23,355,879,018	22,955,377,080	23,700,574,371	23,851,055,644
Long-Term Debt	12,047,704,289	12,734,710,295	12,779,093,656	13,285,218,263	12,915,110,502
Preferred Stock	382,076,926	427,073,327	881,551,427	889,171,452	896,791,477
Common Stock and Retained Earnings (Excl. Preferred Stock)	11,099,614,350	10,109,246,848	9,259,339,796	9,099,395,894	9,314,257,383
Short-Term Debt	797,085,038	79,330,688	35,392,201	426,788,762	724,896,282
Pretax Income	2,483,673,431	2,532,164,932	2,609,191,041	2,556,189,406	2,894,569,215
Interest Expense	898,220,052	972,470,675	1,023,230,962	1,057,162,760	1,068,379,080
Dividends Paid	617,975,729	657,886,386	798,333,441	846,612,982	1,760,842,748
Net Income (Excl. Preferred Stock Dividends)	1,436,254,963	956,929,852	1,006,814,975	917,483,814	1,031,293,926
Internal Cash	1,658,259,863	1,522,352,474	1,503,966,431	2,348,159,284	2,768,628,715
Cash Outflows for Construction	1,531,698,262	1,621,855,773	900,681,733	1,610,198,203	92,240,971
Shares Outstanding (Millions)	543,110,334	543,110,334	543,110,334	543,110,334	543,110,334
Number of Employees	2,913,519,418	18,618	19,287	20,769	18,654

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
UTILITY PLANT					
1 Electric Utility Plant	\$700,833,470	\$665,813,167	\$623,594,447	\$1,356,696,459	\$1,320,582,738
2 Less Accum. Prov. For Deprec. & Amort.	283,705,637	273,752,659	263,308,329	619,667,752	588,024,708
3 Net Electric Utility Plant	417,127,833	392,060,508	360,286,118	737,028,707	732,558,030
4 Gas Utility Plant	210,181,676	200,939,108	188,716,334	178,524,019	172,236,904
5 Less Accum. Prov. For Deprec. & Amort.	74,389,231	70,191,142	65,960,111	61,364,625	57,592,409
6 Net Gas Utility Plant	135,792,445	130,747,966	122,756,223	117,159,394	114,644,495
7 Other Utility Plant	105,694,560	105,253,935	103,455,655	104,561,492	105,860,521
8 Less Accum. Prov. For Deprec. & Amort.	30,413,078	26,405,670	24,741,647	27,897,975	31,647,067
9 Net Other Utility Plant	75,281,482	78,848,265	78,714,008	76,663,517	74,213,454
10 Total Utility Plant	1,016,709,706	972,006,210	915,766,436	1,639,781,970	1,598,680,163
11 Less Accum. Prov. For Deprec. & Amort.	388,507,946	370,349,471	354,010,087	708,930,352	677,264,184
12 Net Total Utility Plant	628,201,760	601,656,739	561,756,349	930,851,618	921,415,979
OTHER PROPERTY AND INVESTMENTS					
13 Nonutility Property	978,263	978,853	978,853	978,853	978,853
14 Accum. Prov. For Deprec. & Amort.	(19,680)	(17,237)	(14,794)	(12,351)	(10,315)
15 Investment in Associated Companies					
16 Investment in Subsidiary Companies	92,102	92,338	90,145	88,263	87,508
17 Other Investments	118,490	121,990	128,466	166,616	177,316
18 Other Special Funds	106,582,422	110,306,613	80,506,880	81,422,194	63,472,039
19 Total Other Property and Investments	107,751,597	111,482,557	81,689,550	82,643,575	64,705,401
CURRENT AND ACCRUED ASSETS					
20 Cash	2,164,872	19,022,502	(232,289)	11,608,742	31,856
21 Special Deposits	2,771,843	18,097,018	40,796,118	209,520	1,162,686
22 Working Funds	127,500	240,512	359,932	591,496	642,127
23 Temporary Cash Investments	10,341,761	35,638,068	47,650,749	4,996,361	11,000,000
24 Notes Receivable					
25 Accounts Receivable	49,143,076	39,465,300	47,729,324	76,402,925	52,934,611
26 Accum. Prov. For Uncollectible Accts.	(3,000,000)	(2,700,000)	(2,300,000)	(2,500,000)	(2,900,000)
27 Notes Receivable from Associated Cos.					
28 Accounts Receivable from Assoc. Cos.	402,647	416,869	178,329	126,146	155,241
29 Materials and Supplies	6,356,835	6,481,455	6,146,021	21,558,874	25,611,102
30 Gas Stored Underground - Current	9,801,617	5,977,085	7,721,331	5,901,098	4,673,697
31 Liquefied Natural Gas in Storage					
32 Prepayments	9,535,887	8,561,297	8,013,250	12,281,226	11,719,414
33 Interest and Dividends Receivable	221,225	620	560,328	2,729	3,332
34 Rents Receivable	285,589	441,208	334,886	418,181	413,587
35 Accrued Utility Revenue	7,617,959	7,894,423	11,765,375	19,750,585	16,327,382
36 Misc. Current and Accrued Assets	2,918,552	4,800,731	2,008,894	1,887,979	1,692,352
37 Total Current and Accrued Assets	98,689,363	144,337,088	170,732,248	153,235,862	123,467,387
DEFERRED DEBITS					
38 Unamort. Debt Expense	3,901,095	3,622,927	3,545,062	4,868,602	8,212,412
39 Extraordinary Property Losses					
40 Prelim. Survey and Investigation Charges	183,040,495			543,327	467,486
41 Clearing Accounts		591,753	171,010	399,417	61,786
42 Temporary Facilities	495,909				
43 Miscellaneous Deferred Debits	88,592,507	77,391,400	87,468,348	166,124,815	146,083,425
44 Deferred Losses from Disp. of Utility Plant	28,358,433				
45 Research and Development		178,488	(109,421)	(6,369,901)	(5,024,363)
46 Accumulated Deferred Income Taxes	8,602,657	102,357,339	110,705,809	79,785,026	56,790,800
47 Total Deferred Debits	312,991,096	184,141,907	201,780,808	245,351,286	206,591,546
48 Total Assets and Other Debits	\$1,147,633,816	\$1,041,618,291	\$1,015,958,955	\$1,412,082,341	\$1,316,180,313

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
PROPRIETARY CAPITAL						
Common Stock Issued	\$84,310,435	\$84,310,435	\$84,310,435	\$84,310,435	\$84,310,435	1
Preferred Stock Issued	21,030,000	33,530,000	56,030,000	56,030,000	56,030,000	2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	63,868,166	63,868,166	63,868,166	63,868,166	63,868,166	5
Other Paid-in Capital	111,111,522	111,111,522	111,111,522	209,370,014	209,370,014	6
Installments Received on Capital Stock						7
Capital Stock Expense	(4,960,934)	(5,287,350)	(5,790,614)	(5,864,822)	(5,939,030)	8
Retained Earnings	13,409,394	10,083,355	9,722,909	114,493,926	69,229,459	9
Accumulated Other Comprehensive Income	56,235					
Unapp Undistributed Subsidiary Earnings		56,471	54,278	52,396	51,641	10
Reaquired Capital Stock						11
Total Proprietary Capital	288,824,818	297,672,599	319,306,696	522,260,115	476,920,685	12
LONG-TERM DEBT						
Bonds		15,000,000	35,000,000	120,130,000	155,230,000	13
Reaquired Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	293,950,000	269,950,000	200,950,000	263,450,000	215,950,000	16
Unamortized Premium on Long-Term Debt						17
Unamortized Discount on L-T Debt-Debit	(70,357)	(73,333)	(76,309)	(600,469)	(629,077)	18
Total Long-Term Debt	293,879,643	284,876,667	235,873,691	382,979,531	370,550,923	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	16,000,000			25,000,000	50,000,000	20
Accounts Payable	33,069,061	37,036,852	32,107,291	36,642,375	28,026,391	21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies	14,909	29,401	17,961	76,964		23
Customer Deposits	5,689,654	5,268,001	5,032,288	4,636,859	4,471,099	24
Taxes Accrued	(7,999,166)	(5,187,193)	(9,450,236)	4,991,578	(5,606,431)	25
Interest Accrued	4,273,971	4,273,243	2,538,001	6,315,736	4,405,427	26
Dividends Declared	242,487	451,237	807,487	807,488	7,807,488	27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	(70,756)	212,441	713,212	560,193	225,632	30
Misc. Current and Accrued Liabilities	11,981,543	13,366,583	14,731,621	11,614,306	11,663,257	31
Total Current and Accrued Liabilities	63,201,703	55,450,565	46,497,625	90,645,499	100,992,863	32
DEFERRED CREDITS						
Customer Advances for Construction	151,494	186,502	215,615	252,966	552,086	33
Other Deferred Credits	313,861,121	241,208,068	278,307,886	136,956,645	104,838,098	34
Accumulated Deferred Investment Tax Credits	3,332,200	3,695,200	3,832,200	23,075,900	24,568,900	35
Deferred Gains from Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	179,339,857	153,616,606	127,072,248	251,156,902	231,463,100	37
Total Deferred Credits	496,684,672	398,706,376	409,427,949	411,442,413	361,422,184	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	4,905,480	4,602,112	4,588,394	4,683,374	4,758,420	40
Pension and Benefits Reserve						41
Miscellaneous Operating Reserves	137,500	309,972	264,600	71,409	1,535,238	42
Total Operating Reserves	5,042,980	4,912,084	4,852,994	4,754,783	6,293,658	43
Total Liabilities and Other Credits	\$1,147,633,816	\$1,041,618,291	\$1,015,958,955	\$1,412,082,341	\$1,316,180,313	44

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
ELECTRIC OPERATING INCOME					
1 Operating Revenues	\$457,404,474	\$428,025,589	\$428,416,570	\$531,820,028	\$427,808,497
Operating Expense:					
2 Operation Expense	339,122,922	314,727,821	300,100,351	319,412,308	219,778,544
3 Maintenance Expense	22,159,699	16,369,293	17,452,847	27,150,059	25,923,388
4 Depreciation Expense	21,120,729	19,520,906	21,410,353	42,724,065	41,935,312
5 Amort. and Depletion of Utility Plant	158,987	131,143	129,368	248,672	222,133
6 Amort. of Utility Plant Acq. Adj.					
7 Amort of Property Losses					
8 Amort of Conversion Expenses					
9 Taxes Other than Income Taxes	25,053,730	30,188,958	40,187,713	46,084,135	54,372,476
10 Income Taxes	17,730,150	15,450,400	12,025,400	30,861,600	24,310,100
11 Gains from Disposition of Util. Plant					
12 Losses from Disposition of Util. Plant					
13 Total Operating Expenses	425,346,217	396,388,521	391,306,032	466,480,839	366,541,953
14 Net Operating Revenues	32,058,257	31,637,068	37,110,538	65,339,189	61,266,544
15 Other Electric Utility Operating Income					
16 Total Electric Utility Operating Income	32,058,257	31,637,068	37,110,538	65,339,189	61,266,544
GAS OPERATING INCOME					
17 Operating Revenues	123,652,041	105,832,679	110,716,797	107,038,695	94,131,182
Operating Expense:					
18 Operation Expense	88,523,245	73,321,598	74,911,557	76,050,858	64,284,994
19 Maintenance Expense	2,863,584	2,823,228	2,608,099	2,705,490	2,289,445
20 Depreciation Expense	5,987,843	5,695,803	5,271,244	4,921,052	4,739,697
21 Amort. and Depletion of Utility Plant	7,287	2,374	1,901	19,741	15,986
22 Amort. of Utility Plant Acq. Adj.					
23 Amort of Property Losses					
24 Amort of Conversion Expenses					
25 Taxes Other than Income Taxes	6,671,719	8,207,211	9,982,332	7,909,122	9,613,732
26 Income Taxes	7,747,850	5,605,500	5,717,100	5,512,100	3,542,500
27 Gains from Disposition of Util. Plant					
28 Losses from Disposition of Util. Plant					
29 Total Operating Expenses	111,801,528	95,655,714	98,492,233	97,118,363	84,486,354
30 Net Operating Revenues	11,850,513	10,176,965	12,224,564	9,920,332	9,644,828
31 Other Gas Utility Operating Income					
32 Total Gas Utility Operating Income	11,850,513	10,176,965	12,224,564	9,920,332	9,644,828
33 Other Utility Operating Income					
34 Total Utility Operating Income	\$43,908,770	\$41,814,033	\$49,335,102	\$75,259,521	\$70,911,372

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
OTHER INCOME						
Income - Merch., Jobbing & Contract Work	\$48,324	\$279,791	(\$17,665)	(\$73,635)	(\$42,828)	1
Income from Nonutility Operations						2
Nonoperating Rental Income	2,822	5,607	11,957	(12,746)	6,225	3
Equity in Earnings of Subsidiary Companies	(236)	2,193	1,882	755	1,432,753	4
Interest and Dividend Income	809,514	2,757,378	6,568,704	481,082	2,446,460	5
Allowance for Funds Used During Construction	436,127	591,603	429,084			6
Miscellaneous Nonoperating Income	9,515,284	8,393,981	5,596,851	10,757,092	9,832,528	7
Gain on Disposition of Property	9,887,130	4,793,940	5,392,800			8
Total Other Income	20,698,965	16,824,493	17,983,613	11,152,548	13,675,138	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property	7,940		19,000,495	1,197	21,313	10
Miscellaneous Amortization	83,556	78,338	169,595	1,218,852	1,218,852	11
Miscellaneous Income Deductions	2,043,772	544,455	719,783	854,984	1,447,171	12
Total Other Income Deductions	2,135,268	622,793	19,889,873	2,075,033	2,687,336	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	133,938	129,720	122,671	118,135	113,339	14
Income Taxes	1,503,400	634,100	(25,380,200)	775,600	291,900	15
Total Taxes-Other Income & Deductions	1,637,338	763,820	(25,257,529)	893,735	405,239	16
Net Other Income and Deductions	16,926,359	15,437,880	23,351,269	8,183,780	10,582,563	17
INTEREST CHARGES						
Interest on Long-term Debt	11,268,838	11,955,521	15,657,035	24,206,448	24,151,166	18
Amortization of Debt Discount and Expense	1,158,953	1,248,529	1,350,109	1,170,354	993,389	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company						21
Other Interest Expense	9,323,335	11,524,024	11,501,371	5,471,328	4,469,005	22
Total Interest Charges	21,751,126	24,728,074	28,508,515	30,848,130	29,613,560	23
Income Before Extraordinary Items	39,084,003	32,523,839	44,177,856	52,595,171	51,880,375	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$39,084,003	\$32,523,839	\$44,177,856	\$52,595,171	\$51,880,375	29
<hr/>						
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$10,083,355	\$9,722,909	\$114,493,926	\$69,229,460	\$127,106,998	30
Balance Transferred from Income	39,084,239	32,521,646	44,175,974	52,594,416	50,447,622	31
Appropriations of Retained Earnings			75,533	2,500,000		32
Dividends Declared-Preferred Stock	1,596,200	2,161,200	3,229,950	3,229,950	3,229,950	33
Dividends Declared-Common Stock	34,162,000	30,000,000	145,641,508	27,600,000	34,316,581	34
Adjustments to Retained Earnings				26,000,000	(70,778,630)	35
Net Change to Unapp. Retained Earnings	3,326,039	360,446	(104,771,017)	45,264,466	(57,877,539)	36
Unappropriated Retained Earnings (EOP)	13,409,394	10,083,355	9,722,909	114,493,926	69,229,459	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	\$13,409,394	\$10,083,355	\$9,722,909	\$114,493,926	\$69,229,459	39

Notes:

Beginning in 1996, the debt component of AFDUC is included with other interest expense.

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
Cash Flows From Operating Activities					
1 Net Income	\$39,084,003	\$32,523,839	\$44,177,856	\$52,595,171	\$51,880,375
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	28,860,663	26,807,516	30,315,036	51,757,489	51,185,719
3 Deferred Taxes & ITCs	34,169,400	25,984,000	1,764,702	2,940,300	4,219,500
4 Receivables and Inventory	(12,851,987)	8,006,634	36,946,942	(21,018,380)	(10,741,826)
5 Payables and Accrued Expenses	(3,982,284)	4,941,002	(4,593,335)	8,692,949	7,692,426
6 Regulatory Assets (Net)					
7 Capitalized AFUDC - Equity					
8 Undistributed Earnings of Affiliates			(1,882)	(755)	(1,432,753)
9 Other Adjustments	(5,236,703)	(13,268,358)	(73,527,183)	(12,446,821)	7,599,565
10	4,357,503	3,788,000	17,931,795	10,713,937	
11	(48,843,840)	(55,858,861)	(259,494,166)		
12 Net Cash From Operating Activities	<u>35,556,755</u>	<u>32,923,772</u>	<u>(206,480,235)</u>	<u>93,233,890</u>	<u>110,403,006</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(54,121,412)	(37,821,904)	(43,851,837)	(60,378,690)	(47,951,895)
14 Acquisition Of Other Non-Current Assets			773,058,755		
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					
19 Investment Securities					
20 Other Current Assets & Liabilities			(29,687,558)		
21 Other Cash Flows - Investing Activities					(33,748)
22			(75,333)	23,500,000	(25,999,990)
23					
24 Net Cash From Investing Activities	<u>(54,121,412)</u>	<u>(37,821,904)</u>	<u>699,444,027</u>	<u>(36,878,690)</u>	<u>(73,985,633)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	9,000,000	69,000,000	(186,911,480)	12,400,000	(16,795,000)
26 Common Stock					
27 Preferred Stock	(12,500,000)	(22,500,000)			
28 Short-Term Debt	16,000,000		(25,000,000)	(25,000,000)	32,000,000
29 Dividends Paid	(35,966,950)	(32,517,451)	(247,129,950)	(37,829,950)	(39,652,057)
30 Other Cash Flows - Financing Activities	(235,342)	(1,961,727)	(3,340,570)	(402,634)	(4,530,650)
31					
32					
33 Net Cash From Financing Activities	<u>(23,702,292)</u>	<u>12,020,822</u>	<u>(462,382,000)</u>	<u>(50,832,584)</u>	<u>(28,977,707)</u>
34 Net Increase/(Decrease) In Cash & Equivalents	(42,266,949)	7,122,690	30,581,792	5,522,616	7,439,666
35 Cash & Equivalents At Beginning Of Year	54,901,082	47,778,392	17,196,600	11,673,984	4,234,318
36 Cash & Cash Equiv. At End Of Year	\$12,634,133	\$54,901,082	\$47,778,392	\$17,196,600	\$11,673,984

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
SALES AND CUSTOMER DATA						
ELECTRIC REVENUES						
Residential	\$205,551,395	\$187,535,637	\$179,560,825	\$196,805,658	\$189,353,252	1
Commercial	119,788,963	112,599,235	107,755,444	114,890,932	101,212,107	2
Industrial	36,379,441	50,030,666	68,438,648	76,911,714	66,588,130	3
Other Ultimate Customers	32,606,610	30,075,916	29,801,104	33,797,212	30,682,055	4
Total Revenues-Ultimate Customers	394,326,409	380,241,454	385,556,021	422,405,516	387,835,544	5
Resales	12,742,812	11,670,327	28,591,818	100,374,135	40,740,287	6
Other Operating Revenues	50,335,253	36,113,808	14,268,731	9,040,377	(767,334)	7
Total Electric Operating Revenues	\$457,404,474	\$428,025,589	\$428,416,570	\$531,820,028	\$427,808,497	8
KWH SALES (THOUSANDS)						
Residential	1,978,211	1,882,605	1,805,622	1,712,561	1,714,749	9
Commercial	1,524,463	1,534,091	1,488,291	1,331,580	1,242,471	10
Industrial	552,664	1,000,051	1,305,399	1,289,530	1,235,183	11
Other Ultimate Customers	410,585	404,310	400,253	386,406	369,990	12
Total Sales-Ultimate Customers	4,465,923	4,821,057	4,999,565	4,720,077	4,562,394	13
Resales	260,748	189,978	371,221	1,347,756	1,232,748	14
Total Kilowatt-Hour Sales	4,726,671	5,011,035	5,370,786	6,067,833	5,795,142	15
AVG CUSTOMERS PER MONTH						
Residential	242,001	239,249	237,756	232,064	230,395	16
Commercial	39,152	38,698	38,157	36,880	35,925	17
Industrial	1,034	1,027	918	862	839	18
Other Ultimate Customers	3,774	3,742	3,735	3,706	3,688	19
Total Ultimate Customers	285,961	282,716	280,566	273,512	270,846	20
Resales	5	5	5	8	21	21
Total Customers	285,966	282,721	280,571	273,520	270,867	22
ELECTRIC OPERATING REVENUE RELATIONSHIP						
Residential Sales						
Average Annual Bill Per Customer	\$849	\$784	\$755	\$848	\$822	23
Average KWH Consumption Per Customer	8,174	7,869	7,594	7,380	7,443	24
Average Revenue Per KWH Sold (Cents)	10.39	9.96	9.94	11.49	11.04	25
Commercial Sales						
Average Annual Bill Per Customer	\$3,060	\$2,910	\$2,824	\$3,115	\$2,817	26
Average KWH Consumption Per Customer	38,937	39,643	39,004	36,105	34,585	27
Average Revenue Per KWH Sold (Cents)	7.86	7.34	7.24	8.63	8.15	28
Industrial Sales						
Average Annual Bill Per Customer	\$35,183	\$48,715	\$74,552	\$89,256	\$79,413	29
Average KWH Consumption Per Customer	534,491	973,759	1,422,003	1,496,495	1,473,087	30
Average Revenue Per KWH Sold (Cents)	6.58	5.00	5.24	5.96	5.39	31
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
Steam Power Expense			\$12,806,933	\$114,722,390	\$97,942,788	32
Nuclear Power Expense	68,779	248,596	12,049,461	14,975,236	14,956,220	33
Hydraulic Power Expense	1,328,108	909,370	1,026,802	985,342	1,018,896	34
Other Power Generation Expense	543,111	1,068,215	470,308	423,362	685,877	35
Other Power Supply Expense	267,645,098	251,815,023	208,624,326	122,536,320	45,404,749	36
Total Power Production Expense	269,585,096	254,041,204	234,977,830	253,642,650	160,008,530	37
Transmission Expense	7,786,408	7,538,589	7,932,469	8,429,071	9,138,841	38
Distribution Expense	34,140,523	26,016,345	22,337,849	26,647,225	22,909,181	39
Customer Account Expense	22,479,455	19,790,217	18,057,792	19,077,072	18,773,633	40
Sales Expense	1,439,357	377,887	328,710	330,303	376,675	41
Administrative and General	25,851,782	23,332,872	33,918,548	38,436,046	34,495,072	42
Total Operation & Maintenance Expense	\$361,282,621	\$331,097,114	\$317,553,198	\$346,562,367	\$245,701,932	43

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
DISTRIBUTION OF ELECTRIC REVENUES
YEARS ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
1 Total Revenues	\$457,404,474	\$428,025,589	\$428,416,570	\$531,820,028	\$427,808,497
2 Sales of Electricity (KWHs-000)	4,726,671	5,011,035	5,370,786	6,067,833	5,795,142
DOLLAR AMOUNTS					
3 Fuel and Purchased Power	\$266,577,763	\$249,497,380	\$222,165,192	\$221,242,288	\$128,171,174
4 Wages and Benefits	35,602,802	32,378,694	43,261,683	56,076,972	54,597,693
5 Other Expenses	59,102,056	49,221,040	52,126,323	69,243,107	62,933,065
6 Depreciation & Amortization Expenses	21,279,716	19,652,049	21,539,721	42,972,737	42,157,445
7 Income Taxes-Operating	17,730,150	15,450,400	12,025,400	30,861,600	24,310,100
8 Other Taxes-Operating	25,053,730	30,188,958	40,187,713	46,084,135	54,372,476
9 Capital Costs	32,058,257	31,637,068	37,110,538	65,339,189	61,266,544
10 Total	\$457,404,474	\$428,025,589	\$428,416,570	\$531,820,028	\$427,808,497
PERCENT OF REVENUE					
11 Fuel and Purchased Power	58.3	58.3	51.9	41.6	30.0
12 Wages and Benefits	7.8	7.6	10.1	10.5	12.8
13 Other Expenses	12.9	11.5	12.2	13.0	14.7
14 Depreciation & Amortization Expenses	4.7	4.6	5.0	8.1	9.9
15 Income Taxes-Operating	3.9	3.6	2.8	5.8	5.7
16 Other Taxes-Operating	5.5	7.1	9.4	8.7	12.7
17 Capital Costs	7.0	7.4	8.7	12.3	14.3
18 Total	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
19 Fuel and Purchased Power	5.64	4.98	4.14	3.65	2.21
20 Wages and Benefits	0.75	0.65	0.81	0.92	0.94
21 Other Expenses	1.25	0.98	0.97	1.14	1.09
22 Depreciation & Amortization Expenses	0.45	0.39	0.40	0.71	0.73
23 Income Taxes-Operating	0.38	0.31	0.22	0.51	0.42
24 Other Taxes-Operating	0.53	0.60	0.75	0.76	0.94
25 Capital Costs	0.68	0.63	0.69	1.08	1.06
26 Total	9.68	8.54	7.98	8.76	7.38

Notes:

Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below**Fuel and Purchased Power**

Steam - Fuel			11,418,778	96,854,004	80,297,964
Nuclear - Fuel	68,779	75,492	3,606,847	3,035,956	4,142,363
Hydro - Water for Power	435,509	10,546	74,342	141,560	383,844
Other Power - Fuel	336,751	671,384	306,378	273,855	378,619
Purchased Power	265,736,724	248,739,958	206,758,847	120,936,913	42,968,384
Total Fuel and Purchased Power	266,577,763	249,497,380	222,165,192	221,242,288	128,171,174
-Fuel and PP related to Sales for Resale					
Fuel and PP - Ultimate Customers	266,577,763	249,497,380	222,165,192	221,242,288	128,171,174

Wages and Benefits

Salaries	39,703,284	36,709,075	40,308,186	49,807,901	48,021,198
Pensions and Benefits	(4,100,482)	(4,330,381)	2,953,497	6,269,071	6,576,495
Total Wages and Benefits	35,602,802	32,378,694	43,261,683	56,076,972	54,597,693

Other Expenses

Total O&M Expenses	361,282,621	331,097,114	317,553,198	346,562,367	245,701,932
-Total Fuel and PP	266,577,763	249,497,380	222,165,192	221,242,288	128,171,174
-Wages and Benefits	35,602,802	32,378,694	43,261,683	56,076,972	54,597,693
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	59,102,056	49,221,040	52,126,323	69,243,107	62,933,065

Depreciation and Amortization

Depreciation Exp	21,120,729	19,520,906	21,410,353	42,724,065	41,935,312
Amort & Depl of Utility Plant	158,987	131,143	129,368	248,672	222,133
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	21,279,716	19,652,049	21,539,721	42,972,737	42,157,445

Fuel and PP related to Sales for Resale (Not Used)

Total Fuel and PP	266,577,763	249,497,380	222,165,192	221,242,288	128,171,174
Sales for Resale Fuel	4,726,671	5,011,035	5,370,786	6,067,833	5,795,142
divided by Total MWHs	0.0564	0.0498	0.0414	0.0365	0.0221
times Sales for Resale MWHs	260,748	189,978	371,221	1,347,756	1,232,748
Sales for Resale Fuel	14,705,830	9,458,927	15,355,738	49,141,196	27,264,689

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
ELECTRIC UTILITY PLANT						
Intangible	\$45,519	\$45,519	\$45,519	\$45,519	\$45,519	1
Production						
Steam				396,928,028	396,198,884	2
Nuclear				305,990,088	305,624,167	3
Hydraulic	24,307,781	24,102,315	23,595,514	22,350,506	19,607,206	4
Other	3,090,475	2,957,455	2,939,769	3,014,016	2,946,625	5
Transmission	154,354,738	145,168,684	140,914,618	142,066,371	138,269,194	6
Distribution	473,517,446	432,840,418	416,468,629	398,207,446	378,813,645	7
General	749,535	747,936	739,576	8,887,760	8,823,862	8
Electric - Purchased or Sold						9
Experimental - Unclassified						10
Nuclear Fuel Assemblies				46,688,418	42,847,141	11
Total Electric Plant In Service	656,065,494	605,862,327	584,703,625	1,324,178,152	1,293,176,243	12
Leased To Others						13
Held For Future Use	75,934	75,934	75,934	75,934	75,934	14
Construction Work in Progress	44,692,042	59,874,906	38,814,888	32,442,373	27,330,561	15
Aquisition Adjustments						16
Total Electric Utility Plant	700,833,470	665,813,167	623,594,447	1,356,696,459	1,320,582,738	17
Accum. Provision - Depr. & Amort.	283,705,637	273,752,659	263,308,329	619,667,752	588,024,708	18
Net Electric Plant	\$417,127,833	\$392,060,508	\$360,286,118	\$737,028,707	\$732,558,030	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.56	2.60	3.67	1.69	1.22	20
Total Capitalization	\$598,704,461	\$582,549,266	\$555,180,387	\$930,239,646	\$897,471,608	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>						
Long-Term Debt	49.1%	48.9%	42.5%	41.2%	41.3%	22
Preferred Stock	3.5%	5.8%	10.1%	6.0%	6.2%	23
Common Stock & Retained Earnings	44.7%	45.3%	47.4%	50.1%	46.9%	24
Short-Term Debt	2.7%			2.7%	5.6%	25
Pretax Coverage of Interest Expense	4.04	3.19	2.28	3.91	3.70	26
Com. Stock Dividends as a % of Earnings	91.1%	98.8%	355.7%	55.9%	70.5%	27
Return on Common Equity	14.1%	11.5%	11.2%	11.1%	10.9%	28
Internal Cash Generated as a % of Cash Outflows for Construction	65.7%	87.0%	-470.9%	154.4%	230.2%	29
Earnings per Share	\$2.22	\$1.80	\$2.43	\$2.93	\$2.89	30
Book Value per Share	\$15.88	\$15.66	\$15.61	\$27.65	\$24.96	31
Dividends per Share	\$2.03	\$1.78	\$8.64	\$1.64	\$2.04	32
Number of Employees (Electric)	720	723	761	948	986	33

Current Assets	98,689,363	144,337,088	170,732,248	153,235,862	123,467,387
Current Liabilities	63,201,703	55,450,565	46,497,625	90,645,499	100,992,863
Total Capitalization	598,704,461	582,549,266	555,180,387	930,239,646	897,471,608
Long-Term Debt	293,879,643	284,876,667	235,873,691	382,979,531	370,550,923
Preferred Stock	21,030,000	33,530,000	56,030,000	56,030,000	56,030,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	267,794,818	264,142,599	263,276,696	466,230,115	420,890,685
Short-Term Debt	16,000,000			25,000,000	50,000,000
Pretax Income	87,816,529	78,941,913	65,048,671	120,592,601	109,638,435
Interest Expense	21,751,126	24,728,074	28,508,515	30,848,130	29,613,560
Common Dividends Paid	34,162,000	30,000,000	145,641,508	27,600,000	34,316,581
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	37,487,803	30,362,639	40,947,906	49,365,221	48,650,425
Internal Cash	35,556,755	32,923,772	(206,480,235)	93,233,890	110,403,006
Cash Outflows for Construction	54,121,412	37,821,904	43,851,837	60,378,690	47,951,895
Shares Outstanding (Millions)	16,862,087	16,862,087	16,862,087	16,862,087	16,862,087
Number of Employees (Electric)	720	723	761	948	986
Misc Deferred Debits - Net	(225,268,614)	(138,672,241)	(190,839,538)	29,168,170	41,245,327
<u>Pre-Tax Income</u>					
<u>Total Utility Operating Income</u>	<u>43,908,770</u>	<u>49,335,102</u>	<u>49,335,102</u>	<u>75,259,521</u>	
+Income Taxes - Electric	17,730,150	12,025,400	12,025,400	30,861,600	
+Income Taxes - Gas	7,747,850	5,717,100	5,717,100	5,512,100	
+Other Income	20,698,965	17,983,613	17,983,613	11,152,548	
- Other Income Deductions	2,135,268	19,889,873	19,889,873	2,075,033	
- Other Taxes	133,938	129,720	122,671	118,135	
Pre-Tax Income	87,816,529	65,041,622	65,048,671	120,592,601	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
UTILITY PLANT					
1 Electric Utility Plant	\$12,162,938,257	\$11,478,866,235	\$10,866,923,417	\$12,105,171,868	\$11,512,125,172
2 Less Accum. Prov. For Deprec. & Amort.	3,186,645,295	3,118,062,289	2,893,422,330	4,220,237,152	3,835,302,935
3 Net Electric Utility Plant	8,976,292,962	8,360,803,946	7,973,501,087	7,884,934,716	7,676,822,237
4 Gas Utility Plant	2,474,797,436	2,316,565,268	2,167,416,114	2,049,949,053	1,954,589,338
5 Less Accum. Prov. For Deprec. & Amort.	602,465,905	566,020,911	533,577,035	499,889,227	463,626,065
6 Net Gas Utility Plant	1,872,331,531	1,750,544,357	1,633,839,079	1,550,059,826	1,490,963,273
7 Other Utility Plant	2,476,135,564	2,318,891,551	2,148,285,231	2,133,469,272	2,046,529,175
8 Less Accum. Prov. For Deprec. & Amort.	628,635,578	580,060,548	656,760,693	625,467,614	607,405,449
9 Net Other Utility Plant	1,847,499,986	1,738,831,003	1,491,524,538	1,508,001,658	1,439,123,726
10 Total Utility Plant	17,113,871,257	16,114,323,054	15,182,624,762	16,288,590,192	15,513,243,685
11 Less Accum. Prov. For Deprec. & Amort.	4,417,746,778	4,264,143,749	4,083,760,058	5,345,593,993	4,906,334,449
12 Net Total Utility Plant	12,696,124,479	11,850,179,305	11,098,864,704	10,942,996,199	10,606,909,236
OTHER PROPERTY AND INVESTMENTS					
13 Nonutility Property	28,969,020	34,775,129	29,408,262	4,087,011	4,087,010
14 Accum. Prov. For Deprec. & Amort.	(3,500,096)				
15 Investment in Associated Companies					
16 Investment in Subsidiary Companies	13,533,314	13,354,268	13,164,730	13,084,898	12,864,388
17 Other Investments	2,523,234	2,639,618	4,214,816	14,362,862	11,774,042
18 Other Special Funds	50,575,246	37,025,474	28,109,895	369,426,922	337,491,257
19 Total Other Property and Investments	92,100,718	87,794,489	74,897,703	400,961,693	366,216,697
CURRENT AND ACCRUED ASSETS					
20 Cash	(25,691,872)	17,818,776	6,403,046	6,293,089	4,786,750
21 Special Deposits	2,018,812	277,241,319	2,769,542	2,434,605	2,400,708
22 Working Funds	2,916,733	4,697,159	4,782,040	4,880,603	6,849,545
23 Temporary Cash Investments	5,747,523	21,932,399	208,919,653	7,568,865	337,271,930
24 Notes Receivable					
25 Accounts Receivable	859,411,435	715,467,723	648,798,297	925,324,175	636,308,323
26 Accum. Prov. For Uncollectible Accts.	(34,459,022)	(29,411,000)	(29,400,000)	(25,800,000)	(22,600,000)
27 Notes Receivable from Associated Cos.		25,372,991			
28 Accounts Receivable from Assoc. Cos.					
29 Materials and Supplies	112,170,534	101,443,799	99,020,117	146,799,339	161,941,103
30 Gas Stored Underground - Current	105,525,998	54,705,955	76,569,393	58,639,923	36,585,713
31 Liquefied Natural Gas in Storage	9,846,715	8,359,482	8,964,281	5,504,326	3,694,734
32 Prepayments	1,330,836,759	1,079,916,621	756,434,807	427,874,123	178,693,212
33 Interest and Dividends Receivable			29,874	29,889	19,348
34 Rents Receivable	1,385,974	1,259,546	1,966,873	972,776	373,109
35 Accrued Utility Revenue					
36 Misc. Current and Accrued Assets	4,775,274	13,649,227	370,562	7,081,214	
37 Total Current and Accrued Assets	2,374,484,863	2,292,453,997	1,785,628,485	1,567,602,927	1,346,324,475
DEFERRED DEBITS					
38 Unamort. Debt Expense	148,876,569	139,476,162	144,768,719	131,885,651	139,683,283
39 Extraordinary Property Losses				7,919,051	13,824,831
40 Prelim. Survey and Investigation Charges				172,471	
41 Clearing Accounts					
42 Temporary Facilities					
43 Miscellaneous Deferred Debits	1,802,492,816	1,753,057,376	1,501,016,554	1,523,158,218	1,337,756,748
44 Deferred Losses from Disp. of Utility Plant					
45 Research and Development					
46 Accumulated Deferred Income Taxes	283,002,921	289,607,726	249,513,278	327,374,513	326,890,000
47 Total Deferred Debits	2,234,372,306	2,182,141,264	1,895,298,551	1,990,509,904	1,818,154,862
48 Total Assets and Other Debits	\$17,397,082,367	\$16,412,569,055	\$14,854,689,441	\$14,902,070,723	\$14,137,605,270

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
PROPRIETARY CAPITAL						
Common Stock Issued	\$588,720,234	\$588,720,235	\$588,720,235	\$588,720,235	\$588,720,235	1
Preferred Stock Issued	212,562,526	212,562,527	249,612,527	249,612,527	249,612,527	2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	1,260,348,414	879,678,116	879,678,116	879,678,116	879,678,116	5
Other Paid-in Capital	13,943,328	13,943,328	13,943,328	13,943,328	13,943,328	6
Installments Received on Capital Stock						7
Capital Stock Expense	(38,775,673)	(35,350,128)	(35,546,939)	(35,816,663)	(36,086,388)	8
Retained Earnings	4,625,268,971	4,405,023,399	4,182,492,648	3,994,692,098	3,887,663,867	9
Accumulated Other Comprehensive Income	(5,704,404)					
Unapp Undistributed Subsidiary Earnings	594,770	564,724	490,186	460,192	329,682	10
Reaquired Capital Stock	(962,092,492)	(962,092,492)	(962,092,492)	(962,092,492)	(940,477,367)	11
Total Proprietary Capital	5,694,865,674	5,103,049,709	4,917,297,609	4,729,197,342	4,643,384,000	12
LONG-TERM DEBT						
Bonds						13
Reaquired Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	5,608,224,192	5,844,762,213	5,337,060,000	5,242,610,000	4,542,610,000	16
Unamortized Premium on Long-Term Debt						17
Unamortized Discount on Long-Term Debt-Det	(22,841,441)	(25,741,064)	(25,308,156)	(27,502,034)	(24,530,369)	18
Total Long-Term Debt	5,585,382,751	5,819,021,149	5,311,751,844	5,215,107,966	4,518,079,631	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable				139,968,762	495,371,282	20
Accounts Payable	390,158,357	364,755,079	298,804,635	556,610,909	300,150,281	21
Notes Payable to Associated Companies	98,976,888					22
Accounts Payable to Associated Companies		19,308,896				23
Customer Deposits	214,312,603	208,718,338	204,872,736	195,761,930	208,865,055	24
Taxes Accrued	94,650,926	92,663,038	141,259,390	(20,501,013)	23,271,504	25
Interest Accrued	87,868,164	79,946,008	73,311,112	78,230,022	51,580,820	26
Dividends Declared	2,830,814	2,830,814	6,776,842	3,398,142	3,398,142	27
Matured Long-Term Debt	688	49,688	228,000	290,425	242,588	28
Matured Interest	1,700	1,700	47,562	51,889	81,241	29
Tax Collections Payable	(1,022,679)	(2,346,922)	(3,139,620)	15,562,596	2,498,301	30
Misc. Current and Accrued Liabilities	694,215,087	707,946,013	588,895,892	560,779,103	481,041,747	31
Total Current and Accrued Liabilities	1,581,992,547	1,473,872,652	1,311,056,549	1,530,152,765	1,566,500,961	32
DEFERRED CREDITS						
Customer Advances for Construction	3,888,466	3,858,977	4,566,047	5,293,496	5,302,962	33
Other Deferred Credits	1,010,713,923	876,202,597	568,334,164	482,823,908	537,394,856	34
Accumulated Deferred Investment Tax Credits	99,770,000	105,809,000	111,925,000	124,532,000	132,487,000	35
Deferred Gains from Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	3,038,338,719	2,611,946,021	2,273,468,438	2,462,347,305	2,447,944,000	37
Total Deferred Credits	4,152,711,108	3,597,816,595	2,958,293,648	3,074,996,709	3,123,128,818	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	183,572,144	188,097,144	163,632,142	148,047,144	110,131,144	40
Pension and Benefits Reserve	107,313,723	107,626,695	101,758,688	105,123,966	76,807,000	41
Miscellaneous Operating Reserves	91,244,420	123,085,111	90,898,960	99,444,831	99,573,716	42
Total Operating Reserves	382,130,287	418,808,950	356,289,790	352,615,941	286,511,860	43
Total Liabilities and Other Credits	\$17,397,082,367	\$16,412,569,055	\$14,854,689,441	\$14,902,070,723	\$14,137,605,270	44

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
ELECTRIC OPERATING INCOME					
1 Operating Revenues	\$6,345,060,257	\$5,784,811,204	\$6,362,076,798	\$6,478,615,854	\$5,685,087,692
Operating Expense:					
2 Operation Expense	3,817,464,914	3,251,506,588	3,581,000,880	3,845,306,001	2,832,904,226
3 Maintenance Expense	251,411,533	273,932,075	308,117,220	332,105,591	321,535,004
4 Depreciation Expense	366,715,798	350,777,711	382,045,207	455,309,980	421,893,377
5 Amort. and Depletion of Utility Plant					
6 Amort. of Utility Plant Acq. Adj.					
7 Amort of Property Losses			716,288	1,417,090	1,436,498
8 Amort of Conversion Expenses					
9 Taxes Other than Income Taxes	849,412,857	850,907,533	878,469,752	863,447,152	948,954,243
10 Income Taxes	301,504,194	297,657,460	359,436,377	227,445,885	328,032,000
11 Gains from Disposition of Util. Plant					
12 Losses from Disposition of Util. Plant	451,152	803,162	338,348		
13 Total Operating Expenses	5,586,960,447	5,025,584,529	5,510,124,071	5,725,031,699	4,854,755,348
14 Net Operating Revenues	758,099,810	759,226,675	851,952,727	753,584,155	830,332,344
15 Other Electric Utility Operating Income					
16 Total Electric Utility Operating Income	758,099,810	759,226,675	851,952,727	753,584,155	830,332,344
GAS OPERATING INCOME					
17 Operating Revenues	1,298,192,751	1,047,590,844	1,271,276,033	1,084,647,317	946,451,836
Operating Expense:					
18 Operation Expense	834,788,047	574,827,411	775,445,034	604,039,228	478,703,487
19 Maintenance Expense	43,977,062	56,829,526	66,565,453	67,624,249	61,337,984
20 Depreciation Expense	72,080,624	67,955,062	64,161,517	60,278,977	62,692,007
21 Amort. and Depletion of Utility Plant					
22 Amort. of Utility Plant Acq. Adj.					
23 Amort of Property Losses					
24 Amort of Conversion Expenses					
25 Taxes Other than Income Taxes	132,688,361	127,597,733	128,193,643	123,783,349	128,780,537
26 Income Taxes	65,398,490	61,540,416	70,232,366	55,535,000	63,205,000
27 Gains from Disposition of Util. Plant					
28 Losses from Disposition of Util. Plant		30,434			
29 Total Operating Expenses	1,148,932,583	888,780,582	1,104,598,013	911,260,803	794,719,015
30 Net Operating Revenues	149,260,168	158,810,262	166,678,019	173,386,514	151,732,821
31 Other Gas Utility Operating Income					
32 Total Gas Utility Operating Income	149,260,168	158,810,262	166,678,019	173,386,514	151,732,821
33 Other Utility Operating Income	34,614,147	36,045,610	27,892,946	25,096,899	19,449,828
34 Total Utility Operating Income	\$941,974,125	\$954,082,547	\$1,046,523,692	\$952,067,568	\$1,001,514,993

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
OTHER INCOME						
Income - Merch., Jobbing & Contract Work						1
Income from Nonutility Operations	3,847,809	229,354	2,899,279			2
Nonoperating Rental Income	225,211	190,146	230,818	313,278	288,365	3
Equity in Earnings of Subsidiary Companies	30,046	146,551	29,994	130,510	129,005	4
Interest and Dividend Income	17,242,659	43,966,827	12,139,798	15,961,439	16,601,486	5
Allowance for Funds Used During Construction	14,646,812	9,531,062	1,293,811	1,086,343	3,805,469	6
Miscellaneous Nonoperating Income	5,972,948	(2,214,123)	(10,652,639)	3,557,705	3,503,046	7
Gain on Disposition of Property						8
Total Other Income	41,965,485	51,849,817	5,941,061	21,049,275	24,327,371	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization	321,544	423,623	496,536	496,536	496,536	11
Miscellaneous Income Deductions	9,457,275	8,168,942	11,342,974	14,550,217	19,790,462	12
Total Other Income Deductions	9,778,819	8,592,565	11,839,510	15,046,753	20,286,998	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	1,038,288	325,902	613,084	1,176,293	932,351	14
Income Taxes	(5,112,282)	(12,607,872)	(8,195,891)	4,078,805	(28,066,000)	15
Total Taxes-Other Income & Deductions	(4,073,994)	(12,281,970)	(7,582,807)	5,255,098	(27,133,649)	16
Net Other Income and Deductions	36,260,660	55,539,222	1,684,358	747,424	31,174,022	17
INTEREST CHARGES						
Interest on Long-term Debt	333,073,861	332,585,143	347,260,374	318,841,656	291,746,998	18
Amortization of Debt Discount and Expense	13,110,549	12,263,818	12,526,711	12,583,826	13,513,644	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company						21
Other Interest Expense	30,151,630	46,933,013	25,360,310	37,674,692	15,585,481	22
Total Interest Charges	376,336,040	391,781,974	385,147,395	369,100,174	320,846,123	23
Income Before Extraordinary Items	601,898,744	617,839,795	663,060,655	583,714,818	711,842,892	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$601,898,744	\$617,839,795	\$663,060,655	\$583,714,818	\$711,842,892	29
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RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$4,405,023,398	\$4,182,492,646	\$3,994,692,098	\$3,887,663,867	\$4,517,203,465	30
Balance Transferred from Income	601,868,698	617,693,244	663,030,661	583,584,308	711,713,887	31
Appropriations of Retained Earnings						32
Dividends Declared-Preferred Stock	11,323,257	12,457,914	13,592,570	13,592,569	13,592,570	33
Dividends Declared-Common Stock	375,813,729	379,818,290	459,719,028	462,290,269	1,327,785,823	34
Adjustments to Retained Earnings	5,513,860	(2,886,288)	(1,918,515)	(673,239)	124,908	35
Net Change to Unapp. Retained Earnings	220,245,572	222,530,752	187,800,548	107,028,231	(629,539,598)	36
Unappropriated Retained Earnings (EOP)	4,625,268,971	4,405,023,398	4,182,492,646	3,994,692,098	3,887,663,867	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	\$4,625,268,971	\$4,405,023,398	\$4,182,492,646	\$3,994,692,098	\$3,887,663,867	39

Notes:

The debt component of AFDUC is included with other interest expense.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
Cash Flows from Operating Activities					
1 Net Income	\$601,898,744	\$617,839,795	\$663,060,655	\$583,714,818	\$711,842,892
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	448,291,150	174,789,431	188,373,214	539,596,383	534,691,352
3 Deferred Taxes & ITCs	426,958,505	259,570,000	(8,827,000)	158,743,000	15,434,000
4 Receivables and Inventory	(176,683,140)	(71,249,662)	263,202,644	(271,953,993)	(13,902,117)
5 Payables and Accrued Expenses	6,968,302	160,224,349	(77,668,787)	319,054,324	169,920,386
6 Regulatory Assets (Net)	78,392,537	(103,219,156)	193,931,828	(234,592,605)	442,569,777
7 Capitalized AFUDC - Equity 1	(14,646,812)	(9,531,062)	(1,293,811)	(1,086,343)	(3,805,469)
8 Undistributed Earnings of Affiliates 1				130,510	(129,005)
9 Removal Costs minus Salvage 1	(129,662,157)		(99,106,120)	(130,590,072)	(478,349,601)
10 Prepayments	(18,037,158)	(122,129,576)	(90,888,575)	(249,180,911)	(71,450,666)
11 Other	(187,039,440)	286,035,804	182,528,088	129,794,467	
12 Net Cash From Operating Activities	<u>1,036,440,531</u>	<u>1,192,329,923</u>	<u>1,213,312,135</u>	<u>843,629,578</u>	<u>1,306,821,549</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(1,197,787,601)	(1,154,461,296)	(380,402,326)	(985,854,152)	470,615,271
14 Acquisition Of Other Non-Current Assets	(13,612,435)				
15 Investments in & Advances to Affiliates		(189,538)	(79,832)		(56,945)
16 Contributions & Advances from Affiliates				(220,510)	
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					
19 Investment Securities					
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities			(89,184,644)	(21,301,000)	(21,301,000)
22					
23					
24 Net Cash From Investing Activities	<u>(1,211,400,036)</u>	<u>(1,154,650,834)</u>	<u>(469,666,802)</u>	<u>(1,007,375,662)</u>	<u>449,257,326</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	575,000,000	492,410,508	71,233,339	694,532,200	226,260,478
26 Common Stock				(29,453,695)	(817,399,140)
27 Preferred Stock	380,670,298	(37,050,000)			
28 Short-Term Debt	98,976,888		(139,968,762)		495,371,282
29 Dividends Paid	(387,358,991)	(393,575,466)	(473,547,729)	(476,095,569)	(1,341,378,393)
30 Other Cash Flows - Financing Activities	275,222,507	(275,120,536)		(355,402,520)	
31	(805,000,000)	(361)	361		
32	(24,027,147)				
33 Net Cash From Financing Activities	<u>113,483,555</u>	<u>(213,335,855)</u>	<u>(542,282,791)</u>	<u>(166,419,584)</u>	<u>(1,437,145,773)</u>
34 Net Increase/(Decrease) In Cash & Equivalents	(61,475,950)	(175,656,766)	201,362,542	(330,165,668)	318,933,102
35 Cash & Equivalents At Beginning Of Year	44,448,333	220,105,099	18,742,557	348,908,225	29,975,123
36 Cash & Cash Equiv. At End Of Year	(\$17,027,616)	\$44,448,333	\$220,105,099	\$18,742,557	\$348,908,225

1 Capitalized AFUDC - Equity, Undistributed Earnings of Affiliates, Other, and Removal Costs minus Salvage restated in 1998 to reflect correct numbers.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
SALES AND CUSTOMER DATA						
ELECTRIC REVENUES						
Residential	\$2,461,794,771	\$2,121,994,059	\$2,179,051,215	\$2,149,745,339	\$1,881,812,227	1
Commercial	3,439,997,137	2,676,748,533	3,015,916,832	3,003,779,991	2,469,959,372	2
Industrial	69,604,342	69,779,273	80,623,220	88,013,673	93,549,528	3
Other Ultimate Customers	47,205,315	23,791,047	24,672,668	44,558,385	55,671,085	4
Total Revenues-Ultimate Customers	6,018,601,565	4,892,312,912	5,300,263,935	5,286,097,388	4,500,992,212	5
Resales	18,908,032	9,950,452	45,032,039	199,333,755	294,698,117	6
Other Operating Revenues	307,550,660	882,547,840	1,016,780,824	993,184,711	889,397,363	7
Total Electric Operating Revenues	\$6,345,060,257	\$5,784,811,204	\$6,362,076,798	\$6,478,615,854	\$5,685,087,692	8
KWH SALES (THOUSANDS)						
Residential	12,440,663	12,481,689	12,049,882	11,637,167	11,854,924	9
Commercial	17,451,830	18,454,537	19,222,099	19,261,388	19,316,785	10
Industrial	581,638	635,399	561,693	668,988	922,064	11
Other Ultimate Customers	153,951	180,837	166,072	353,163	536,733	12
Total Sales-Ultimate Customers	30,628,082	31,752,462	31,999,746	31,920,706	32,630,506	13
Resales	97,485	17,557	496,925	4,159,819	9,105,786	14
Total Kilowatt-Hour Sales	30,725,567	31,770,019	32,496,671	36,080,525	41,736,292	15
AVG CUSTOMERS PER MONTH						
Residential	2,691,906	2,683,349	2,676,565	2,661,874	2,642,102	16
Commercial	440,888	429,641	419,568	412,344	407,953	17
Industrial	353	388	360	367	618	18
Other Ultimate Customers	4,153	4,137	4,148	4,056	4,023	19
Total Ultimate Customers	3,137,300	3,117,515	3,100,641	3,078,641	3,054,696	20
Resales	1	1	1	7	17	21
Total Customers	3,137,300	3,117,516	3,100,642	3,078,648	3,054,713	22
ELECTRIC OPERATING REVENUE RELATIONSHIP						
Residential Sales						
Average Annual Bill Per Customer	\$915	\$791	\$814	\$808	\$712	23
Average KWH Consumption Per Customer	4,622	4,652	4,502	4,372	4,487	24
Average Revenue Per KWH Sold (Cents)	19.79	17.00	18.08	18.47	15.87	25
Commercial Sales						
Average Annual Bill Per Customer	\$7,802	\$6,230	\$7,188	\$7,285	\$6,055	26
Average KWH Consumption Per Customer	39,583	42,953	45,814	46,712	47,351	27
Average Revenue Per KWH Sold (Cents)	19.71	14.50	15.69	15.59	12.79	28
Industrial Sales						
Average Annual Bill Per Customer	\$197,179	\$179,843	\$223,953	\$239,819	\$151,375	29
Average KWH Consumption Per Customer	1,647,700	1,637,626	1,560,258	1,822,856	1,492,013	30
Average Revenue Per KWH Sold (Cents)	11.97	10.98	14.35	13.16	10.15	31
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
Steam Power Expense	\$142,364,970	\$122,750,371	\$160,845,216	\$189,863,590	\$368,676,559	32
Nuclear Power Expense	3,119,271	1,650,285	128,604,579	209,981,172	162,503,593	33
Hydraulic Power Expense						34
Other Power Generation Expense	834,302	1,040,909	2,483,548	359,505	39,981,415	35
Other Power Supply Expense	3,070,598,750	2,594,096,713	2,768,765,847	2,948,125,291	1,650,335,689	36
Total Power Production Expense	3,216,917,293	2,719,538,278	3,060,699,190	3,348,329,558	2,221,497,256	37
Transmission Expense	130,138,042	136,422,743	126,987,753	138,216,317	115,300,852	38
Distribution Expense	325,356,626	341,749,247	346,439,276	333,294,604	323,285,132	39
Customer Account Expense	181,047,051	185,720,247	199,342,289	200,853,239	209,274,401	40
Sales Expense						41
Administrative and General	148,213,333	142,008,148	155,649,592	156,717,875	285,081,589	42
Total Operation & Maintenance Expense	\$4,001,672,345	\$3,525,438,663	\$3,889,118,100	\$4,177,411,593	\$3,154,439,230	43

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
DISTRIBUTION OF ELECTRIC REVENUES
YEARS ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999
1 Total Revenues	\$6,345,060,257	\$5,784,811,204	\$6,362,076,798	\$6,478,615,854	\$5,685,087,692
2 Sales of Electricity (KWHs-000)	30,725,567	31,770,019	32,496,671	36,080,525	41,736,292
DOLLAR AMOUNTS					
3 Fuel and Purchased Power	\$3,164,436,247	\$2,661,763,340	\$2,888,644,839	\$3,068,923,097	\$1,948,857,596
4 Wages and Benefits	475,488,515	408,645,249	459,897,481	516,321,391	678,416,416
5 Other Expenses	362,198,735	455,833,236	540,914,128	592,167,105	527,165,218
6 Depreciation & Amortization Expenses	366,715,798	350,777,711	382,761,494	456,727,070	423,329,875
7 Income Taxes-Operating	301,504,194	297,657,460	359,436,377	227,445,885	328,032,000
8 Other Taxes-Operating	849,412,857	850,907,533	878,469,752	863,447,152	948,954,243
9 Capital Costs	825,303,911	759,226,675	851,952,727	753,584,154	830,332,344
10 Total	\$6,345,060,257	\$5,784,811,204	\$6,362,076,798	\$6,478,615,854	\$5,685,087,692
PERCENT OF REVENUE					
11 Fuel and Purchased Power	49.9	46.0	45.4	47.4	34.3
12 Wages and Benefits	7.5	7.1	7.2	8.0	11.9
13 Other Expenses	5.7	7.9	8.5	9.1	9.3
14 Depreciation & Amortization Expenses	5.8	6.1	6.0	7.0	7.4
15 Income Taxes-Operating	4.8	5.1	5.6	3.5	5.8
16 Other Taxes-Operating	13.4	14.7	13.8	13.3	16.7
17 Capital Costs	13.0	13.1	13.4	11.6	14.6
18 Total	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
19 Fuel and Purchased Power	10.30	8.38	8.89	8.51	4.67
20 Wages and Benefits	1.55	1.29	1.42	1.43	1.63
21 Other Expenses	1.18	1.43	1.66	1.64	1.26
22 Depreciation & Amortization Expenses	1.19	1.10	1.18	1.27	1.01
23 Income Taxes-Operating	0.98	0.94	1.11	0.63	0.79
24 Other Taxes-Operating	2.76	2.68	2.70	2.39	2.27
25 Capital Costs	2.69	2.39	2.62	2.09	1.99
26 Total	20.65	18.21	19.58	17.96	13.62

Notes:

Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below**Fuel and Purchased Power**

Steam - Fuel	92,422,155	65,962,800	109,470,981	128,989,228	247,846,880
Nuclear - Fuel	3,118,507	3,060,570	11,473,666	(5,549,985)	41,749,156
Hydro - Water for Power					
Other Power - Fuel	265,624	645,272	1,014,239	602,509	19,018,070
Purchased Power	3,068,629,961	2,592,094,698	2,766,685,953	2,944,881,345	1,640,243,490
Total Fuel and Purchased Power	3,164,436,247	2,661,763,340	2,888,644,839	3,068,923,097	1,948,857,596
-Fuel and PP related to Sales for Resale					
Fuel and PP - Ultimate Customers	3,164,436,247	2,661,763,340	2,888,644,839	3,068,923,097	1,948,857,596

Wages and Benefits

Salaries	488,374,740	495,455,831	542,977,082	563,145,191	597,371,186
Pensions and Benefits	(12,886,225)	(86,810,582)	(83,079,601)	(46,823,800)	81,045,230
Total Wages and Benefits	475,488,515	408,645,249	459,897,481	516,321,391	678,416,416

Other Expenses

Total O&M Expenses	4,001,672,345	3,525,438,663	3,889,118,100	4,177,411,593	3,154,439,230
-Total Fuel and PP	3,164,436,247	2,661,763,340	2,888,644,839	3,068,923,097	1,948,857,596
-Wages and Benefits	475,488,515	408,645,249	459,897,481	516,321,391	678,416,416
-Other Gains					
+Other Losses	451,152	803,162	338,348		
-Other Revenues					
Other Expenses	362,198,735	455,833,236	540,914,128	592,167,105	527,165,218

Depreciation and Amortization

Depreciation Exp	366,715,798	350,777,711	382,045,207	455,309,980	421,893,377
Amort & Depl of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses			716,288	1,417,090	1,436,498
Amort of Conversion Expenses					
Total Depre and Amort	366,715,798	350,777,711	382,761,494	456,727,070	423,329,875

Fuel and PP related to Sales for Resale (Not Used)

Total Fuel and PP	3,164,436,247	2,661,763,340	2,888,644,839	3,068,923,097	1,948,857,596
divided by Total MWHs	30,725,567	31,770,019	32,496,671	36,080,525	41,736,292
Fuel Cost per KWH	0.1030	0.0838	0.0889	0.0851	0.0467
times Sales for Resale MWHs	97,485	17,557	496,925	4,159,819	9,105,786
Sales for Resale Fuel	10,040,012	1,470,965	44,171,904	353,824,248	425,190,628

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
ELECTRIC UTILITY PLANT						
Intangible						1
Production						
Steam	457,538,286	460,368,359	458,416,401	594,261,865	592,633,782	2
Nuclear				898,473,135	800,059,603	3
Hydraulic						4
Other	21,422,342	25,768,934	25,768,964	35,593,761	35,506,300	5
Transmission	1,833,604,662	1,801,185,249	1,761,955,476	1,752,306,265	1,702,871,349	6
Distribution	9,005,497,051	8,543,230,113	8,189,583,538	7,848,879,619	7,533,175,683	7
General						8
Electric - Purchased or Sold						9
Experimental - Unclassified						10
Nuclear Fuel Assemblies				633,609,247	606,251,856	11
Total Electric Plant In Service	11,318,062,341	10,830,552,655	10,435,724,379	11,763,123,892	11,270,498,573	12
Leased To Others						13
Held For Future Use	5,573,700	3,518,757	6,054,506	6,249,229	6,010,699	14
Construction Work in Progress	839,302,215	644,794,822	425,144,562	335,798,746	235,615,900	15
Aquisition Adjustments						16
Total Electric Utility Plant	12,162,938,256	11,478,866,234	10,866,923,447	12,105,171,867	11,512,125,172	17
Accum. Provision - Depr. & Amort.	3,186,645,295	3,118,062,289	2,893,422,330	4,220,237,153	3,835,302,935	18
Net Electric Plant	\$8,976,292,961	\$8,360,803,944	\$7,973,501,117	\$7,884,934,714	\$7,676,822,237	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.50	1.55	1.36	1.02	0.86	20
Total Capitalization	\$11,280,249,113	\$10,927,634,406	\$10,229,049,453	\$10,084,274,070	\$9,656,834,913	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>						
Long-Term Debt	49.5%	53.3%	51.9%	51.7%	46.8%	22
Preferred Stock	1.9%	1.9%	2.4%	2.5%	2.6%	23
Common Stock & Retained Earnings	48.6%	44.8%	45.6%	44.4%	45.5%	24
Short-Term Debt	0.0%	0.0%		1.4%	5.1%	25
Pretax Coverage of Interest Expense	3.56	3.46	3.82	3.37	4.35	26
Com. Stock Dividends as a % of Earnings	63.6%	62.7%	70.8%	81.1%	190.2%	27
Return on Common Equity	11.4%	12.7%	14.2%	12.9%	13.6%	28
Internal Cash Generated as a % of Cash Outflows for Construction	86.5%	103.3%	319.0%	85.6%	-277.7%	29
Earnings per Share	\$2.51	\$2.57	\$2.76	\$2.42	\$2.97	30
Book Value per Share	\$23.28	\$20.77	\$19.82	\$19.02	\$18.66	31
Dividends per Share	\$1.60	\$1.61	\$1.95	\$1.96	\$5.64	32
Number of Employees (Electric)	9,868	10,090	9,825	10,306	10,053	33

Current Assets	2,374,484,863	2,278,804,770	1,785,628,485	1,567,602,927	1,346,324,475
Current Liabilities	1,581,992,547	1,473,872,652	1,311,056,549	1,530,152,765	1,566,500,961
Total Capitalization	11,280,249,113	10,927,634,406	10,229,049,453	10,084,274,070	9,656,834,913
Long term Debt	5,585,382,751	5,819,021,149	5,311,751,844	5,215,107,966	4,518,079,631
Preferred Stock	212,562,526	212,562,527	249,612,527	249,612,527	249,612,527
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,482,303,148	4,890,487,182	4,667,685,082	4,479,584,815	4,393,771,473
Short Term Debt	688	49,688		139,968,762	495,371,282
Pre-Tax Income	1,340,025,187	1,356,211,773	1,469,680,902	1,242,761,495	1,395,860,015
Interest Expense	376,336,040	391,781,974	385,147,395	369,100,174	320,846,123
Common Dividends Declared	375,813,729	379,818,290	459,719,028	462,290,269	1,327,785,823
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	590,575,487	605,381,881	649,468,085	570,122,249	698,250,322
Internal Cash	1,036,440,531	1,192,329,923	1,213,312,135	843,629,578	1,306,821,549
Cash Outflows for Construction	1,197,787,601	1,154,461,296	380,402,326	985,854,152	(470,615,271)
Shares Outstanding (Millions)	235,488,094	235,488,094	235,488,094	235,488,094	235,488,094
Number of Employees (Electric)	9,868	10,090	9,825	10,306	10,053
Miscellaneous Deferred Debits - Net	791,778,893	876,854,779	932,682,390	1,040,334,310	800,361,892
<u>Pre-Tax Income</u>					
Total Utility Operating Income	941,974,125	954,082,547	1,046,523,692	952,067,568	<u>1,001,514,993</u>
+Income Taxes - Electric	301,504,194	297,657,460	359,436,377	227,445,885	328,032,000
+Income Taxes - Gas	65,398,490	61,540,416	70,232,366	55,535,000	63,205,000
+Income Taxes - Steam				2,886,813	
+Other Income	41,965,485	51,849,817	5,941,061	21,049,275	
- Other Income Deductions	9,778,819	8,592,565	11,839,510	15,046,753	
- Other Taxes	1,038,288	325,902	613,084	1,176,293	
Pre-Tax Income	1,340,025,187	1,356,211,773	1,469,680,902	1,242,761,495	1,392,751,993

**LONG ISLAND LIGHTING COMPANY
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,**

UTILITY PLANT

1	Electric Utility Plant
2	Less Accum. Prov. For Deprec. & Amort.
3	Net Electric Utility Plant
4	Gas Utility Plant
5	Less Accum. Prov. For Deprec. & Amort.
6	Net Gas Utility Plant
7	Other Utility Plant
8	Less Accum. Prov. For Deprec. & Amort.
9	Net Other Utility Plant
10	Total Utility Plant
11	Less Accum. Prov. For Deprec. & Amort.
12	Net Total Utility Plant

OTHER PROPERTY AND INVESTMENTS

13	Nonutility Property
14	Accum. Prov. For Deprec. & Amort.
15	Investment in Associated Companies
16	Investment in Subsidiary Companies
17	Other Investments
18	Other Special Funds
19	Total Other Property and Investments

CURRENT AND ACCRUED ASSETS

20	Cash
21	Special Deposits
22	Working Funds
23	Temporary Cash Investments
24	Notes Receivable
25	Accounts Receivable
26	Accum. Prov. For Uncollectible Accts.
27	Notes Receivable from Associated Cos.
28	Accounts Receivable from Assoc. Cos.
29	Materials and Supplies
30	Gas Stored Underground - Current
31	Liquefied Natural Gas in Storage
32	Prepayments
33	Interest and Dividends Receivable
34	Rents Receivable
35	Accrued Utility Revenue
36	Misc. Current and Accrued Assets
37	Total Current and Accrued Assets

DEFERRED DEBITS

38	Unamort. Debt Expense
39	Extraordinary Property Losses
40	Prelim. Survey and Investigation Charges
41	Clearing Accounts
42	Temporary Facilities
43	Miscellaneous Deferred Debits
44	Deferred Losses from Disp. of Utility Plant
45	Research and Development
46	Accumulated Deferred Income Taxes
47	Total Deferred Debits
48	Total Assets and Other Debits

Notes:

The Electric Division of LILCO was acquired by the I

**LONG ISLAND LIGHTING COMPANY
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,**

PROPRIETARY CAPITAL	
Common Stock Issued	1
Preferred Stock Issued	2
Capital Stock Subscribed	3
Stock Liability for Conversion	4
Premium on Capital Stock	5
Other Paid-in Capital	6
Installments Received on Capital Stock	7
Capital Stock Expense	8
Retained Earnings	9
Accumulated Other Comprehensive Income	
Unapp Undistributed Subsidiary Earnings	10
Reaquired Capital Stock	11
Total Proprietary Capital	12
LONG-TERM DEBT	
Bonds	13
Reaquired Bonds	14
Advances from Associated Companies	15
Other Long-Term Debt	16
Unamortized Premium on Long-Term Debt	17
Unamortized Discount on Long-Term Debt-De	18
Total Long-Term Debt	19
CURRENT AND ACCRUED LIABILITIES	
Notes Payable	20
Accounts Payable	21
Notes Payable to Associated Companies	22
Accounts Payable to Associated Companies	23
Customer Deposits	24
Taxes Accrued	25
Interest Accrued	26
Dividends Declared	27
Matured Long-Term Debt	28
Matured Interest	29
Tax Collections Payable	30
Misc. Current and Accrued Liabilities	31
Total Current and Accrued Liabilities	32
DEFERRED CREDITS	
Customer Advances for Construction	33
Other Deferred Credits	34
Accumulated Deferred Investment Tax Credits	35
Deferred Gains from Disposition of Utility Plant	36
Accumulated Deferred Income Taxes	37
Total Deferred Credits	38
OPERATING RESERVES	
Property Insurance Reserve	39
Injuries and Damage Reserve	40
Pension and Benefits Reserve	41
Miscellaneous Operating Reserves	42
Total Operating Reserves	43
Total Liabilities and Other Credits	44

Notes:

The Electric Division of LILCO was acquired by the I

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LONG ISLAND LIGHTING COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

ELECTRIC OPERATING INCOME

1	Operating Revenues
	Operating Expense:
2	Operation Expense
3	Maintenance Expense
4	Depreciation Expense
5	Amort. and Depletion of Utility Plant
6	Amort. of Utility Plant Acq. Adj.
7	Amort of Property Losses
8	Amort of Conversion Expenses
9	Taxes Other than Income Taxes
10	Income Taxes
11	Gains from Disposition of Util. Plant
12	Losses from Disposition of Util. Plant
13	Total Operating Expenses
14	Net Operating Revenues
15	Other Electric Utility Operating Income
16	Total Electric Utility Operating Income

GAS OPERATING INCOME

17	Operating Revenues
	Operating Expense:
18	Operation Expense
19	Maintenance Expense
20	Depreciation Expense
21	Amort. and Depletion of Utility Plant
22	Amort. of Utility Plant Acq. Adj.
23	Amort of Property Losses
24	Amort of Conversion Expenses
25	Taxes Other than Income Taxes
26	Income Taxes
27	Gains from Disposition of Util. Plant
28	Losses from Disposition of Util. Plant
29	Total Operating Expenses
30	Net Operating Revenues
31	Other Gas Utility Operating Income
32	Total Gas Utility Operating Income
33	Other Utility Operating Income
34	Total Utility Operating Income

Notes:

The Electric Division of LILCO was acquired by the I

LONG ISLAND LIGHTING COMPANY
OPERATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1996

OTHER INCOME	
Income - Merch., Jobbing & Contract Work	1
Income from Nonutility Operations	2
Nonoperating Rental Income	3
Equity in Earnings of Subsidiary Companies	4
Interest and Dividend Income	5
Allowance for Funds Used During Construction	6
Miscellaneous Nonoperating Income	7
Gain on Disposition of Property	8
Total Other Income	9

OTHER INCOME DEDUCTIONS	
Loss on Disposition of Property	10
Miscellaneous Amortization	11
Miscellaneous Income Deductions	12
Total Other Income Deductions	13

TAXES-OTHER INCOME AND DEDUCTIONS	
Taxes Other than Income Taxes	14
Income Taxes	15
Total Taxes-Other Income & Deductions	16
Net Other Income and Deductions	17

INTEREST CHARGES	
Interest on Long-term Debt	18
Amortization of Debt Discount and Expense	19
Amortization of Premium on Debt-Credit	20
Interest on Debt to Associated Company	21
Other Interest Expense	22
Total Interest Charges	23
Income Before Extraordinary Items	24

EXTRAORDINARY ITEMS	
Extraordinary Income	25
Extraordinary Deductions	26
Income Taxes, Extraordinary Items	27
Net Extraordinary Items	28

Net Income 29

RETAINED EARNINGS	
Unappropriated Retained Earnings (BOP)	30
Balance Transferred from Income	31
Appropriations of Retained Earnings	32
Dividends Declared-Preferred Stock	33
Dividends Declared-Common Stock	34
Adjustments to Retained Earnings	35
Net Change to Unapp. Retained Earnings	36
Unappropriated Retained Earnings (EOP)	37
Appropriated Retained Earnings (EOP)	38
Total Retained Earnings	39

Notes:

Beginning in 1996, the debt component of AFDUC is

The Electric Division of LILCO was acquired by the I

**LONG ISLAND LIGHTING COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,**

Cash Flows from Operating Activities

1	Net Income
	Adjustments to reconcile net income to net cash provided by operating activities:
2	Depreciation, Depletion & Amortization
3	Deferred Taxes & ITCs
4	Receivables and Inventory
5	Payables and Accrued Expenses
6	Regulatory Assets (Net)
7	Capitalized AFUDC - Equity
8	Undistributed Earnings of Affiliates
9	Other Adjustments
10	
11	
12	Net Cash From Operating Activities

Cash Flows From Investing Activities

13	Cash Outflows For Construction
14	Acquisition Of Other Non-Current Assets
15	Investments in & Advances to Affiliates
16	Contributions & Advances from Affiliates
	Net Proceeds - Sale Or Disposition Of:
17	Property, Plant & Equipment
18	Investments In Affiliated Companies
19	Investment Securities
20	Other Current Assets & Liabilities
21	Other Cash Flows - Investing Activities
22	
23	
24	Net Cash From Investing Activities

Cash Flows From Financing Activities

	Net Proceeds (Payments) - Issuing & Retiring:
25	Long-Term Debt
26	Common Stock
27	Preferred Stock
28	Short-Term Debt
29	Dividends Paid
30	Other Cash Flows - Financing Activities
31	
32	
33	Net Cash From Financing Activities
34	Net Increase/(Decrease) In Cash & Equivalents
35	Cash & Equivalents At Beginning Of Year
36	Cash & Cash Equiv. At End Of Year

Notes:

The Electric Division of LILCO was acquired by the I

LONG ISLAND LIGHTING COMPANY
STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE EXPENSES
FOR THE YEAR ENDED DECEMBER 31,

SALES AND CUSTOMER DATA
ELECTRIC REVENUES

Residential	1
Commercial	2
Industrial	3
Other Ultimate Customers	4
Total Revenues-Ultimate Customers	5
Resales	6
Other Operating Revenues	7
Total Electric Operating Revenues	8

KWH SALES (THOUSANDS)

Residential	9
Commercial	10
Industrial	11
Other Ultimate Customers	12
Total Sales-Ultimate Customers	13
Resales	14
Total Kilowatt-Hour Sales	15

AVG CUSTOMERS PER MONTH

Residential	16
Commercial	17
Industrial	18
Other Ultimate Customers	19
Total Ultimate Customers	20
Resales	21
Total Customers	22

ELECTRIC OPERATING REVENUE RELATIONS

Residential Sales

Average Annual Bill Per Customer	23
Average KWH Consumption Per Customer	24
Average Revenue Per KWH Sold (Cents)	25

Commercial Sales

Average Annual Bill Per Customer	26
Average KWH Consumption Per Customer	27
Average Revenue Per KWH Sold (Cents)	28

Industrial Sales

Average Annual Bill Per Customer	29
Average KWH Consumption Per Customer	30
Average Revenue Per KWH Sold (Cents)	31

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Steam Power Expense	32
Nuclear Power Expense	33
Hydraulic Power Expense	34
Other Power Generation Expense	35
Other Power Supply Expense	36
Total Power Production Expense	37
Transmission Expense	38
Distribution Expense	39
Customer Account Expense	40
Sales Expense	41
Administrative and General	42
Total Operation & Maintenance Expenses	43

Notes:

N/A - Breakdown of Commercial and Industrial not available

The Electric Division of LILCO was acquired by the L

**LONG ISLAND LIGHTING COMPANY
DISTRIBUTION OF ELECTRIC REVENUE
YEARS ENDED DECEMBER 31,**

- 1 Total Revenues
- 2 Sales of Electricity (KWHs-000)

DOLLAR AMOUNTS

- 3 Fuel and Purchased Power
- 4 Wages and Benefits
- 5 Other Expenses
- 6 Depreciation & Amortization Expenses
- 7 Income Taxes-Operating
- 8 Other Taxes-Operating
- 9 Capital Costs
- 10 Total

PERCENT OF REVENUE

- 11 Fuel and Purchased Power
- 12 Wages and Benefits
- 13 Other Expenses
- 14 Depreciation & Amortization Expenses
- 15 Income Taxes-Operating
- 16 Other Taxes-Operating
- 17 Capital Costs
- 18 Total

CENTS PER KWH

- 19 Fuel and Purchased Power
- 20 Wages and Benefits
- 21 Other Expenses
- 22 Depreciation & Amortization Expenses
- 23 Income Taxes-Operating
- 24 Other Taxes-Operating
- 25 Capital Costs
- 26 Total

Notes:

(1) Includes Sales for Resale

(2) Dep & Amort Exp increase from 1990 to 1994 ar Adjustment (1988 settlement).

The Electric Division of LILCO was acquired by the I

Data Field Below

Fuel and Purchased Power

Steam - Fuel
Nuclear - Fuel
Hydro - Water for Power
Other Power - Fuel
Purchased Power
 Total Fuel and Purchased Power
-Fuel and PP related to Sales for Resale
 Fuel and PP - Ultimate Customers

Wages and Benefits

Salaries
Pensions and Benefits
 Total Wages and Benefits

Other Expenses

Total O&M Expenses
-Total Fuel and PP
-Wages and Benefits
-Other Gains
+Other Losses
-Other Revenues
 Other Expenses

Depreciation and Amortization

Depreciation Exp
Amort & Depl of Utility Plant
Amort of Other Utility Plant
Amort of Property Losses
Amort of Conversion Expenses
 Total Depre and Amort

Fuel and PP related to Sales for Resale (Not Use

Total Fuel and PP
divided by Total MWHs
 Fuel Cost per KWH
times Sales for Resale MWHs
 Sales for Resale Fuel

LONG ISLAND LIGHTING COMPANY
FINANCIAL STATEMENT OF UTILITY PLANT AND SELECTED
FOR THE YEAR ENDED DECEMBER 31,

ELECTRIC UTILITY PLANT

Intangible	1
Production	
Steam	2
Nuclear	3
Hydraulic	4
Other	5
Transmission	6
Distribution	7
General	8
Electric - Purchased or Sold	9
Experimental - Unclassified	10
Nuclear Fuel Assemblies	11
Total Electric Plant In Service	12
Leased To Others	13
Held For Future Use	14
Construction Work in Progress	15
Acquisition Adjustments	16
Total Electric Utility Plant	17
Accum. Provision - Depr. & Amort.	18
Net Electric Plant	19

SELECTED RATIOS AND STATISTICS

Current Assets / Current Liabilities	20
Total Capitalization	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>	
Long-Term Debt	22
Preferred Stock	23
Common Stock & Retained Earnings	24
Short-Term Debt	25
Pretax Coverage of Interest Expense	26
Com. Stock Dividends as a % of Earnings	27
Return on Common Equity	28
Internal Cash Generated as a % of Cash Outflows for Construction	29
Earnings per Share	30
Book Value per Share	31
Dividends per Share	32
Number of Employees	33

Notes:

The Electric Division of LILCO was acquired by the I

Current Assets

Current Liabilities

Total Capitalization

Long-Term Debt

Preferred Stock

Common Stock and Retained Earnings
(Excl. Preferred Stock)

Short-Term Debt

Pretax Income

Interest Expense

Dividends Paid

Net Income
(Excl. Preferred Stock Dividends)

Internal Cash

Cash Outflows for Construction

Shares Outstanding (Millions)

Number of Employees (Electric)

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
UTILITY PLANT					
1 Electric Utility Plant	\$2,619,875,601	\$2,576,046,989	\$2,576,392,830	\$3,408,760,353	\$3,395,554,317
2 Less Accum. Prov. For Deprec. & Amort.	1,211,519,430	1,146,934,978	1,126,230,369	1,943,060,851	1,872,655,335
3 Net Electric Utility Plant	1,408,356,171	1,429,112,011	1,450,162,461	1,465,699,502	1,522,898,982
4 Gas Utility Plant	703,832,386	688,099,196	670,290,718	651,667,010	631,127,390
5 Less Accum. Prov. For Deprec. & Amort.	200,771,686	192,854,761	180,580,270	167,933,736	154,693,192
6 Net Gas Utility Plant	503,060,700	495,244,435	489,710,448	483,733,274	476,434,198
7 Other Utility Plant	145,507,522	131,975,652	136,746,524	143,362,994	142,133,820
8 Less Accum. Prov. For Deprec. & Amort.	36,158,255	32,102,612	35,153,189	38,808,066	34,877,466
9 Net Other Utility Plant	109,349,267	99,873,040	101,593,335	104,554,928	107,256,354
10 Total Utility Plant	3,469,215,509	3,396,121,837	3,383,430,072	4,203,790,357	4,168,815,527
11 Less Accum. Prov. For Deprec. & Amort.	1,448,449,371	1,371,892,351	1,341,963,828	2,149,802,653	2,062,225,993
12 Net Total Utility Plant	2,020,766,138	2,024,229,486	2,041,466,244	2,053,987,704	2,106,589,534
OTHER PROPERTY AND INVESTMENTS					
13 Nonutility Property	5,775,537	6,020,795	6,028,546	7,027,486	7,181,791
14 Accum. Prov. For Deprec. & Amort.	(896,114)	(1,372,372)	(1,390,180)	(1,393,858)	(1,291,779)
15 Investment in Associated Companies					
16 Investment in Subsidiary Companies					
17 Other Investments	32,565,119	36,388,681	38,356,449	37,764,762	31,602,330
18 Other Special Funds	442,490	342,490	261,917	33,353,444	29,065,719
19 Total Other Property and Investments	37,887,032	41,379,594	43,256,732	76,751,834	66,558,061
CURRENT AND ACCRUED ASSETS					
20 Cash	10,070,467	8,244,414	9,710,752	10,094,638	
21 Special Deposits	30,353,186	44,204,585	1,431,920	21,439,844	1,232,393
22 Working Funds	1,244,011	274,442	805,343	2,523,198	492,636
23 Temporary Cash Investments	3,143,345	2,971,480	11,100,582	4,999,971	114,001,205
24 Notes Receivable			12,126,100		
25 Accounts Receivable	218,808,883	185,612,976	222,460,319	170,831,522	132,214,137
26 Accum. Prov. For Uncollectible Accts.	(10,288,000)	(10,288,000)	(6,300,000)	(6,300,000)	(6,300,000)
27 Notes Receivable from Associated Cos.					6,970,321
28 Accounts Receivable from Assoc. Cos.	6,283,584	4,865,693			9,150,871
29 Materials and Supplies	5,912,769	5,580,300	7,039,474	7,409,802	8,080,998
30 Gas Stored Underground - Current	43,187,242	28,992,649	32,081,191	28,661,762	16,042,702
31 Liquefied Natural Gas in Storage					
32 Prepayments	28,917,118	26,571,517	26,421,103	27,892,840	32,611,966
33 Interest and Dividends Receivable	10,960	19,466	1,079,957	165,300	643,781
34 Rents Receivable	3,314,841	1,474,375	1,004,727	1,379,984	1,518,877
35 Accrued Utility Revenue	72,035,897	78,504,873	74,442,120	34,769,639	12,724,908
36 Misc. Current and Accrued Assets	48,832,597	54,956,371			
37 Total Current and Accrued Assets	461,826,900	431,985,141	393,403,588	303,868,500	329,384,795
DEFERRED DEBITS					
38 Unamort. Debt Expense	25,516,499	24,224,128	16,045,839	17,016,107	18,310,010
39 Extraordinary Property Losses	75,509	122,456	169,403	216,350	263,296
40 Prelim. Survey and Investigation Charges					
41 Clearing Accounts		(53,396)	1,680,446	1,675,572	8,400
42 Temporary Facilities	(5,223)	(5,177)	(5,224)	34,036	21,507
43 Miscellaneous Deferred Debits	697,211,766	558,463,245	570,649,582	469,987,204	401,673,758
44 Deferred Losses from Disp. of Utility Plant					
45 Research and Development		(503)			(3,771)
46 Accumulated Deferred Income Taxes	181,810,247	162,852,200	153,549,171	127,928,036	137,930,609
47 Total Deferred Debits	904,608,798	745,602,953	742,089,217	616,857,305	558,203,809
48 Total Assets and Other Debits	\$3,425,088,868	\$3,243,197,174	\$3,220,215,781	\$3,051,465,343	\$3,060,736,199

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
PROPRIETARY CAPITAL						
Common Stock Issued	\$430,056,628	\$430,056,628	\$430,056,628	\$430,056,628	\$430,056,628	1
Preferred Stock Issued	10,158,900	10,158,900	10,158,900	10,158,900	10,158,900	2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	148,699,535	148,699,535	148,699,534	148,699,534	148,699,535	5
Other Paid-in Capital	135,178,361	135,013,119	112,316,443	29,878,685	28,553,219	6
Accumulated Other Comprehensive Income	25,759,952	26,744,300				7
Capital Stock Expense	(4,439,125)	(4,439,125)	(4,439,125)	(4,596,713)	(4,596,713)	8
Retained Earnings	227,071,740	204,543,513	162,221,112	33,352,938	24,753,179	9
Accumulated Other Comprehensive Income						10
Unapp Undistributed Subsidiary Earnings						11
Required Capital Stock						12
Total Proprietary Capital	972,485,991	950,776,870	859,013,492	647,549,972	637,624,748	
LONG-TERM DEBT						
Bonds		150,000,000	571,340,000	571,340,000	596,000,000	13
Required Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	1,063,000,000	863,000,000	613,000,000	613,000,000	613,000,000	16
Unamortized Premium on Long-Term Debt						17
Unamortized Discount on Long-Term Debt-De	(4,778,518)	(3,177,494)	(3,727,878)	(4,205,881)	(4,898,157)	18
Total Long-Term Debt	1,058,221,482	1,009,822,506	1,180,612,122	1,180,134,119	1,204,101,843	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	41,400,000	64,000,000		123,000,000	163,240,000	20
Accounts Payable	132,668,655	160,361,808	109,714,241	157,024,161	129,730,809	21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies	15,777,721	8,228,013	110,347	2,656,174		23
Customer Deposits	13,501,370	10,384,980	8,574,558	8,479,714	7,889,228	24
Taxes Accrued	15,367,268	11,091,185	7,499,378	9,005,978	14,732,121	25
Interest Accrued	10,068,058	12,288,711	15,967,288	15,925,105	16,534,747	26
Dividends Declared	99,036			99,035	384,372	27
Matured Long-Term Debt						28
Matured Interest			13,529		322,135	29
Tax Collections Payable	471,203	1,294,400	(348,897)	973,054	583,933	30
Misc. Current and Accrued Liabilities	61,921,522	50,261,765	53,187,432	59,224,160	70,755,841	31
Total Current and Accrued Liabilities	291,274,833	317,910,862	194,717,876	376,387,381	404,173,186	32
DEFERRED CREDITS						
Customer Advances for Construction	2,794,348	3,102,785	3,393,030	3,699,364	4,362,657	33
Other Deferred Credits	461,570,936	417,857,374	492,213,330	350,815,913	331,790,750	34
Accumulated Deferred Investment Tax Credits	23,272,549	23,952,649	24,317,293	25,139,106	26,800,065	35
Deferred Gains from Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	604,861,528	508,222,131	453,060,726	453,829,540	441,636,472	37
Total Deferred Credits	1,092,499,361	953,134,939	972,984,379	833,483,923	804,589,944	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	2,861,976	3,473,007	4,365,068	4,794,956	3,874,850	40
Pension and Benefits Reserve						41
Miscellaneous Operating Reserves	7,745,225	8,078,990	8,522,844	9,114,992	6,371,628	42
Total Operating Reserves	10,607,201	11,551,997	12,887,912	13,909,948	10,246,478	43
Total Liabilities and Other Credits	\$3,425,088,868	\$3,243,197,174	\$3,220,215,781	\$3,051,465,343	\$3,060,736,199	44

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
ELECTRIC OPERATING INCOME					
1 Operating Revenues	\$1,471,320,841	\$1,545,106,740	\$1,689,464,256	\$1,746,138,367	\$1,763,191,049
Operating Expense:					
2 Operation Expense	973,748,261	1,033,523,691	1,000,795,640	1,039,621,045	1,021,699,254
3 Maintenance Expense	89,801,605	77,527,815	77,610,940	79,093,152	67,937,570
4 Depreciation Expense	78,529,934	77,779,685	80,650,352	99,106,398	585,053,525
5 Amort. and Depletion of Utility Plant	1,756,992	1,581,813	1,743,851	1,668,838	1,543,640
6 Amort. of Utility Plant Acq. Adj.		3,140,790	71,803,000	(9,518,389)	(592,522,523)
7 Amort of Property Losses					2,601,733
8 Amort of Conversion Expenses					79,146
9 Taxes Other than Income Taxes	90,050,512	91,436,748	101,254,839	99,366,073	151,056,885
10 Income Taxes	66,904,393	65,611,938	156,580,806	138,453,042	254,816,267
11 Gains from Disposition of Util. Plant					
12 Losses from Disposition of Util. Plant					
13 Total Operating Expenses	1,300,791,697	1,350,602,480	1,490,439,428	1,447,790,159	1,492,265,497
14 Net Operating Revenues	170,529,144	194,504,260	199,024,828	298,348,208	270,925,552
15 Other Electric Utility Operating Income					
16 Total Electric Utility Operating Income	170,529,144	194,504,260	199,024,828	298,348,208	270,925,552
GAS OPERATING INCOME					
17 Operating Revenues	404,848,164	333,472,702	348,409,563	376,885,385	330,848,741
Operating Expense:					
18 Operation Expense	283,709,537	218,355,748	285,750,848	290,640,559	211,571,304
19 Maintenance Expense	7,345,045	7,485,027	8,203,173	8,367,251	6,757,492
20 Depreciation Expense	19,116,884	18,929,417	18,250,087	17,791,807	17,014,989
21 Amort. and Depletion of Utility Plant	69,031	51,260	55,517	52,675	50,426
22 Amort. of Utility Plant Acq. Adj.					
23 Amort of Property Losses					
24 Amort of Conversion Expenses					
25 Taxes Other than Income Taxes	27,941,026	27,266,683	26,930,920	27,479,521	30,913,356
26 Income Taxes	18,727,511	13,933,871	(2,498,039)	6,022,902	16,918,253
27 Gains from Disposition of Util. Plant					
28 Losses from Disposition of Util. Plant					
29 Total Operating Expenses	356,909,034	286,022,006	336,692,506	350,354,715	283,225,820
30 Net Operating Revenues	47,939,130	47,450,696	11,717,057	26,530,670	47,622,921
31 Other Gas Utility Operating Income					
32 Total Gas Utility Operating Income	47,939,130	47,450,696	11,717,057	26,530,670	47,622,921
33 Other Utility Operating Income					
34 Total Utility Operating Income	\$218,468,274	\$241,954,956	\$210,741,885	\$324,878,878	\$318,548,473

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
OTHER INCOME						
Income - Merch., Jobbing & Contract Work	\$98,279	(\$7,048)	(\$160,824)			1
Income from Nonutility Operations	(31,595)	(41,936)	(38,732)			2
Nonoperating Rental Income	160,577	140,567	106,571	111,629	148,469	3
Equity in Earnings of Subsidiary Companies						4
Interest and Dividend Income	1,037,925	4,455,809	5,696,952	3,319,899	8,813,689	5
Allowance for Funds Used During Constructio	87,874	253,962			1,421	6
Miscellaneous Nonoperating Income	7,152,021	4,745,507	3,879,253	3,574,317	1,625,680	7
Gain on Disposition of Property		3,732,145	84,083,128			8
Total Other Income	8,505,081	13,279,006	93,566,348	7,005,845	10,589,259	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization	481	9,519		22,114	669,970	11
Miscellaneous Income Deductions	1,870,816	2,414,110	4,045,741	11,180,654	11,660,080	12
Total Other Income Deductions	1,871,297	2,423,629	4,045,741	11,202,768	12,330,050	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	396,312	356,939	362,774	356,782	396,237	14
Income Taxes	2,387,649	10,846,973	1,613,484	(4,051,454)	(33,228,144)	15
	2,783,961	11,203,912	1,976,258	(3,694,672)	(32,831,907)	16
	3,849,823	(348,535)	87,544,349	(502,251)	31,091,116	17
INTEREST CHARGES						
Interest on Long-term Debt	52,220,421	62,752,270	79,355,274	81,026,659	93,677,765	18
Amortization of Debt Discount and Expense	7,024,696	23,653,670	5,280,356	5,438,732	1,607,347	19
Amortization of Premium on Debt-Credit		(578,472)	(144,777)	(144,777)	4,628,432	20
Interest on Debt to Associated Company			417			21
Other Interest Expense	20,148,606	23,060,405	18,988,148	16,812,951	28,004,169	22
Total Interest Charges	79,393,723	108,887,873	103,479,418	103,133,565	127,917,713	23
Income Before Extraordinary Items	142,924,374	132,718,548	194,806,816	221,243,062	221,721,876	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions				(2,766,424)	(27,024,218)	26
Income Taxes, Extraordinary Items				(1,121,093)	(9,458,477)	27
Net Extraordinary Items				(1,645,331)	(17,565,741)	28
Net Income	\$142,924,374	\$132,718,548	\$194,806,816	\$219,597,731	\$204,156,135	29
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$204,102,458	\$161,780,057	\$32,911,883	\$23,956,347	\$58,435,414	30
Balance Transferred from Income	142,924,374	132,718,548	194,806,816	219,597,731	204,156,135	31
Appropriations of Retained Earnings				(355,777)	355,777	32
Dividends Declared-Preferred Stock	396,147	396,147	396,147	396,147	2,706,185	33
Dividends Declared-Common Stock	120,000,000	90,000,000	65,542,495	210,601,825	206,980,322	34
Adjustments to Retained Earnings					(28,592,918)	35
Net Change to Unapp. Retained Earnings	22,528,227	42,322,401	128,868,174	8,955,536	(34,479,067)	36
Unappropriated Retained Earnings (EOP)	226,630,685	204,102,458	161,780,057	32,911,883	23,956,347	37
Appropriated Retained Earnings (EOP)	441,055	441,055	441,055	441,055	796,832	38
Total Retained Earnings	\$227,071,740	\$204,543,513	\$162,221,112	\$33,352,938	\$24,753,179	39

Notes:

The debt component of AFDUC is included with other interest expense.

NEW YORK STATE ELECTRIC & GAS CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
Cash Flows from Operating Activities					
1 Net Income	\$142,924,374	\$132,718,548	\$194,806,816	\$219,597,731	\$204,156,135
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	99,864,493	76,476,571	16,718,819	53,765,726	528,784,276
3 Deferred Taxes & ITCs	56,329,336	38,052,976	14,932,651	1,257,101	126,083,798
4 Receivables and Inventory	(44,503,841)	37,045,455	(94,889,778)	(62,841,735)	(30,393,811)
5 Payables and Accrued Expenses	(20,966,643)	25,230,246	(58,454,517)	2,854,316	118,403,357
6 Regulatory Assets (Net)	(33,139,636)	(10,419,397)	143,699,938	(6,397,102)	173,133,386
7 Capitalized AFUDC - Equity					(1,421)
8 Undistributed Earnings of Affiliates					
9 Other Adjustments	(13,728,746)	25,751,000	(133,175,284)	51,229,449	(123,987,231)
10		(67,569,269)		1,645,331	17,565,741
11		(30,764,132)		10,094,638	(592,522,523)
12 Net Cash From Operating Activities	<u>186,779,337</u>	<u>226,521,998</u>	<u>83,638,645</u>	<u>271,205,455</u>	<u>421,221,707</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(95,857,331)	(82,733,584)	(79,885,235)	(81,386,159)	(69,250,480)
14 Acquisition Of Other Non-Current Assets		59,441,501	59,441,501		494,146,110
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					
19 Investment Securities				3,000,000	
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities			29,740,600		
22	12,140,627	(4,312,108)	2,000	(13,066,574)	
23					
24 Net Cash From Investing Activities	<u>(83,716,704)</u>	<u>(27,604,191)</u>	<u>9,298,866</u>	<u>(91,452,733)</u>	<u>424,895,630</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	42,901,000	(182,648,000)		(25,390,784)	(213,488,300)
26 Common Stock					
27 Preferred Stock					(116,230,522)
28 Short-Term Debt	(22,600,000)	64,000,000	(123,000,000)	(40,240,000)	84,940,000
29 Dividends Paid	(120,396,146)	(90,396,147)	(65,938,642)	(210,997,972)	(209,993,275)
30 Other Cash Flows - Financing Activities			100,000,000		(289,000,000)
31					
32					
33 Net Cash From Financing Activities	<u>(100,095,146)</u>	<u>(209,044,147)</u>	<u>(88,938,642)</u>	<u>(276,628,756)</u>	<u>(743,772,097)</u>
34 Net Increase/(Decrease) In Cash & Equivalent	2,967,487	(10,126,340)	3,998,869	(96,876,034)	102,345,240
35 Cash & Equivalent At Beginning Of Year	11,490,336	21,616,676	17,617,807	114,493,841	12,148,601
36 Cash & Cash Equiv. At End Of Year	\$14,457,823	\$11,490,336	\$21,616,676	\$17,617,807	\$114,493,841

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
SALES AND CUSTOMER DATA						
ELECTRIC REVENUES						
Residential	\$713,946,764	\$682,849,546	\$734,287,309	\$717,976,247	\$736,368,127	1
Commercial	332,761,205	303,533,656	335,979,784	338,282,584	383,817,727	2
Industrial	181,523,748	187,502,813	204,809,848	199,453,682	222,425,713	3
Other Ultimate Customers	131,139,014	109,560,246	128,786,951	120,819,179	150,269,812	4
Total Revenues-Ultimate Customers	1,359,370,731	1,283,446,261	1,403,863,892	1,376,531,692	1,492,881,379	5
Resales	88,053,064	75,082,623	139,467,287	176,833,814	185,657,165	6
Other Operating Revenues	23,897,045	186,577,856	146,133,077	192,772,861	84,652,505	7
Total Electric Operating Revenues	\$1,471,320,840	\$1,545,106,740	\$1,689,464,256	\$1,746,138,367	\$1,763,191,049	8
KWH SALES (THOUSANDS)						
Residential	5,977,242	5,544,411	5,288,097	5,221,057	5,321,979	9
Commercial	3,793,164	2,918,363	2,882,701	2,924,857	3,366,306	10
Industrial	3,288,941	2,891,026	2,848,457	2,916,103	3,141,485	11
Other Ultimate Customers	1,628,720	1,113,103	1,172,512	1,110,202	1,362,609	12
Total Sales-Ultimate Customers	14,688,067	12,466,903	12,191,767	12,172,219	13,192,379	13
Resales	1,449,079	1,831,970	2,714,900	4,987,334	5,525,137	14
Total Kilowatt-Hour Sales	16,137,146	14,298,873	14,906,667	17,159,553	18,717,516	15
AVG CUSTOMERS PER MONTH						
Residential	740,515	715,299	710,050	705,822	719,833	16
Commercial	94,012	82,376	80,008	79,370	79,432	17
Industrial	2,775	2,376	2,394	2,383	2,441	18
Other Ultimate Customers	13,518	10,729	10,782	10,658	11,430	19
Total Ultimate Customers	850,820	810,780	803,234	798,233	813,136	20
Resales						21
Total Customers	850,820	810,780	803,234	798,233	813,136	22
ELECTRIC OPERATING REVENUE RELATIONSHIP						
Residential Sales						
Average Annual Bill Per Customer	\$964	\$955	\$1,034	\$1,017	\$1,023	23
Average KWH Consumption Per Customer	8,072	7,751	7,447	7,397	7,393	24
Average Revenue Per KWH Sold (Cents)	11.94	12.32	13.89	13.75	13.84	25
Commercial Sales						
Average Annual Bill Per Customer	\$3,540	\$3,685	\$4,199	\$4,262	\$4,832	26
Average KWH Consumption Per Customer	40,348	35,427	36,030	36,851	42,380	27
Average Revenue Per KWH Sold (Cents)	8.77	10.40	11.66	11.57	11.40	28
Industrial Sales						
Average Annual Bill Per Customer	\$65,414	\$78,915	\$85,551	\$83,699	\$91,121	29
Average KWH Consumption Per Customer	1,185,204	1,216,762	1,189,832	1,223,711	1,286,966	30
Average Revenue Per KWH Sold (Cents)	5.52	6.49	7.19	6.84	7.08	31
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
Steam Power Expense		\$455	\$19,099	(\$736,374)	\$1,656,495	32
Nuclear Power Expense	1,683	(498,336)	31,924,770	39,287,106	32,616,961	33
Hydraulic Power Expense	966,675	1,238,536	1,146,736	1,209,457	1,163,147	34
Other Power Generation Expense	783,895	847,995	40,248	43,919	33,061	35
Other Power Supply Expense	801,904,666	841,747,354	797,937,073	827,421,170	812,444,154	36
Total Power Production Expense	803,656,919	843,336,004	831,067,926	867,225,278	847,913,818	37
Transmission Expense	23,577,520	23,695,708	24,989,445	23,766,717	29,554,259	38
Distribution Expense	100,075,178	87,919,642	77,642,598	75,803,513	76,730,162	39
Customer Account Expense	63,265,630	70,827,070	94,283,471	84,072,634	65,812,443	40
Sales Expense	2,004,031	2,871,862	2,628,829	3,136,343	3,929,995	41
Administrative and General	70,970,589	82,401,220	47,794,311	64,709,712	65,696,147	42
Total Operation & Maintenance Expenses	\$1,063,549,867	\$1,111,051,506	\$1,078,406,580	\$1,118,714,197	\$1,089,636,824	43

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

NEW YORK STATE ELECTRIC & GAS CORPORATION
DISTRIBUTION OF ELECTRIC REVENUES
YEARS ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
1 Total Revenues	\$1,471,320,840	\$1,545,106,740	\$1,689,464,256	\$1,746,138,367	\$1,763,191,049
2 Sales of Electricity (KWHs-000)	16,137,146	14,298,873	14,906,667	17,159,553	18,717,516
DOLLAR AMOUNTS					
3 Fuel and Purchased Power	\$799,715,773	\$839,533,556	\$801,877,334	\$830,007,934	\$808,019,297
4 Wages and Benefits	116,622,128	121,322,445	91,640,366	113,889,829	124,559,566
5 Other Expenses	147,211,966	150,195,505	184,888,880	174,816,434	157,057,961
6 Depreciation & Amortization Expenses	80,286,926	82,502,288	154,197,203	91,256,847	(3,244,479)
7 Income Taxes-Operating	66,904,393	65,611,938	156,580,806	138,453,042	254,816,267
8 Other Taxes-Operating	90,050,512	91,436,748	101,254,839	99,366,073	151,056,885
9 Capital Costs	170,529,142	194,504,260	199,024,828	298,348,208	270,925,552
10 Total	\$1,471,320,840	\$1,545,106,740	\$1,689,464,256	\$1,746,138,367	\$1,763,191,049
PERCENT OF REVENUE					
11 Fuel and Purchased Power	54.4	54.3	47.5	47.5	45.8
12 Wages and Benefits	7.9	7.9	5.4	6.5	7.1
13 Other Expenses	10.0	9.7	10.9	10.0	8.9
14 Depreciation & Amortization Expenses	5.5	5.3	9.1	5.2	-0.2
15 Income Taxes-Operating	4.5	4.2	9.3	7.9	14.5
16 Other Taxes-Operating	6.1	5.9	6.0	5.7	8.6
17 Capital Costs	11.6	12.6	11.8	17.1	15.4
18 Total	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
19 Fuel and Purchased Power	4.96	5.87	5.38	4.84	4.32
20 Wages and Benefits	0.72	0.85	0.61	0.66	0.67
21 Other Expenses	0.91	1.05	1.24	1.02	0.84
22 Depreciation & Amortization Expenses	0.50	0.58	1.03	0.53	-0.02
23 Income Taxes-Operating	0.41	0.46	1.05	0.81	1.36
24 Other Taxes-Operating	0.56	0.64	0.68	0.58	0.81
25 Capital Costs	1.06	1.36	1.34	1.74	1.45
26 Total	9.12	10.81	11.33	10.18	9.42

Notes:

Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below**Fuel and Purchased Power**

Steam - Fuel					
Nuclear - Fuel			6,399,845	5,314,209	7,814,246
Hydro - Water for Power					
Other Power - Fuel	66,112	49,204	9,915	8,120	10,077
Purchased Power	799,649,661	839,484,352	795,467,574	824,685,605	800,194,974
Total Fuel and Purchased Power	799,715,773	839,533,556	801,877,334	830,007,934	808,019,297
-Fuel and PP related to Sales for Resale					
Fuel and PP - Ultimate Customers	799,715,773	839,533,556	801,877,334	830,007,934	808,019,297

Wages and Benefits

Salaries	125,396,686	130,527,251	125,995,413	133,411,723	144,949,136
Pensions and Benefits	(8,774,558)	(9,204,806)	(34,355,047)	(19,521,894)	(20,389,570)
Total Wages and Benefits	116,622,128	121,322,445	91,640,366	113,889,829	124,559,566

Other Expenses

Total O&M Expenses	1,063,549,867	1,111,051,506	1,078,406,580	1,118,714,197	1,089,636,824
-Total Fuel and PP	799,715,773	839,533,556	801,877,334	830,007,934	808,019,297
-Wages and Benefits	116,622,128	121,322,445	91,640,366	113,889,829	124,559,566
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses/Income	147,211,966	150,195,505	184,888,880	174,816,434	157,057,961

Depreciation and Amortization

Depreciation Exp	78,529,934	77,779,685	80,650,352	99,106,398	583,055,525
Amort & Depl of Utility Plant	1,756,992	1,581,813	1,743,851	1,668,838	1,543,640
Amort of Other Utility Plant		3,140,790	71,803,000	(9,518,389)	(592,522,523)
Amort of Property Losses					2,601,733
Amort of Conversion Expenses					79,146
Total Depre and Amort	80,286,926	82,502,288	154,197,203	91,256,847	(5,242,479)

Fuel and PP related to Sales for Resale (Not Used)

Total Fuel and PP	799,715,773	839,533,556	801,877,334	830,007,934	808,019,297
divided by Total MWHs	16,137,146	14,298,873	14,906,667	17,159,553	18,717,516
Fuel Cost per KWH	0.0496	0.0587	0.0538	0.0484	0.0432
times Sales for Resale MWHs	1,449,079	1,831,970	2,714,900	4,987,334	5,525,137
Sales for Resale Fuel	71,812,657	107,560,945	146,043,161	241,237,449	238,515,480

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
ELECTRIC UTILITY PLANT						
Intangible	\$1,579,645	\$1,579,645	\$1,564,326	\$1,579,645	\$1,579,645	1
Production						
Steam	658,460	658,460	658,460	658,460	658,460	2
Nuclear			1	753,514,531	753,514,531	3
Hydraulic	116,393,756	116,214,636	115,875,826	115,650,509	115,008,645	4
Other	300,710	286,524	286,524	286,524	286,524	5
Transmission	620,741,968	616,351,072	612,062,628	614,878,750	635,628,548	6
Distribution	1,684,835,201	1,653,070,202	1,628,529,182	1,607,520,414	1,594,422,103	7
General	167,252,057	162,287,211	201,573,349	203,846,488	206,423,008	8
Electric - Purchased or Sold						9
Experimental - Unclassified						10
Nuclear Fuel Assemblies				92,082,082	83,975,887	11
Total Electric Plant In Service	2,591,761,797	2,550,447,750	2,560,550,296	3,390,017,403	3,391,497,351	12
Leased To Others						13
Held For Future Use	1,327,628	1,327,628	1,643,883	1,643,884	1,643,884	14
Construction Work in Progress	26,786,177	24,271,610	14,198,651	17,099,066	2,413,082	15
Aquisition Adjustments						16
Total Electric Utility Plant	2,619,875,602	2,576,046,988	2,576,392,830	3,408,760,353	3,395,554,317	17
Accum. Provision - Depr. & Amort.	1,211,519,430	1,146,934,978	1,126,230,369	1,943,060,851	1,872,655,335	18
Net Electric Plant	\$1,408,356,172	\$1,429,112,010	\$1,450,162,461	\$1,465,699,502	\$1,522,898,982	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.43	1.36	2.02	0.81	0.81	20
Total Capitalization	\$2,046,347,521	\$2,024,599,376	\$2,039,625,614	\$1,950,684,091	\$2,004,966,591	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>						
Long-Term Debt	51.7%	49.9%	57.9%	60.5%	60.1%	22
Preferred Stock	0.5%	0.5%	0.5%	0.5%	0.5%	23
Common Stock & Retained Earnings	45.8%	46.5%	41.6%	32.7%	31.3%	24
Short-Term Debt	2.0%	3.2%		6.3%	8.1%	25
Pretax Coverage of Interest Expense	3.83	3.05	4.39	4.51	4.60	26
Com. Stock Dividends as a % of Earnings	55.0%	68.0%	33.7%	95.4%	94.5%	27
Return on Common Equity	23.2%	14.8%	26.2%	34.9%	28.3%	28
Internal Cash Generated as a % of Cash Outflows for Construction	194.9%	273.8%	104.7%	333.2%	608.3%	29
Earnings per Share	\$3.38	\$2.05	\$3.01	\$3.42	\$3.40	30
Book Value per Share	\$14.52	\$14.58	\$13.16	\$9.88	\$9.73	31
Dividends per Share	\$1.86	\$1.40	\$1.02	\$3.26	\$3.21	32
Number of Employees (Electric)	2,163	2,332	2,393	2,364	2,478	33

Current Assets	412,994,303	431,985,141	393,403,588	303,868,500	329,384,795
Current Liabilities	288,420,214	317,910,862	194,717,876	376,387,381	404,173,186
Total Capitalization	2,046,347,521	2,024,599,376	2,039,625,614	1,950,684,091	2,004,966,591
Long-Term Debt	1,058,221,482	1,009,822,506	1,180,612,122	1,180,134,119	1,204,101,843
Preferred Stock	10,158,900	10,158,900	10,158,900	10,158,900	10,158,900
Common Stock and Retained Earnings (Excl. Preferred Stock)	936,567,139	940,617,970	848,854,592	637,391,072	627,465,848
Short-Term Debt	41,400,000	64,000,000		123,000,000	163,240,000
Pretax Income	304,100,178	331,999,203	453,982,485	464,801,117	588,145,965
Interest Expense	79,393,723	108,887,873	103,479,418	103,133,565	127,917,713
Common Dividends Paid	120,000,000	90,000,000	65,542,495	210,601,825	206,980,322
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	218,072,127	132,322,401	194,410,669	220,846,915	219,015,691
Internal Cash	186,779,337	226,521,998	83,638,645	271,205,455	421,221,707
Cash Outflows for Construction	95,857,331	82,733,584	79,885,235	81,386,159	69,250,480
Shares Outstanding (Millions)	64,508,477	64,508,477	64,508,477	64,508,477	64,508,477
Misc Deferred Debits - Net	(422,707,826)	140,605,871	78,436,252	119,171,291	69,883,008
Number of Employees	2,163	2,332	2,393	2,364	2,478

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
UTILITY PLANT					
1 Electric Utility Plant	\$6,271,854,908	\$6,203,782,634	\$5,077,199,661	\$8,110,723,577	\$8,122,824,337
2 Less Accum. Prov. For Deprec. & Amort.	1,797,176,510	1,762,444,826	1,677,997,704	3,537,074,108	3,435,493,251
3 Net Electric Utility Plant	4,474,678,398	4,441,337,808	3,399,201,957	4,573,649,468	4,687,331,086
4 Gas Utility Plant	1,707,282,553	1,630,178,341	1,370,613,669	1,336,665,861	1,297,275,691
5 Less Accum. Prov. For Deprec. & Amort.	471,909,094	449,133,199	424,196,938	397,588,109	374,370,077
6 Net Gas Utility Plant	1,235,373,459	1,181,045,143	946,416,731	939,077,753	922,905,614
7 Other Utility Plant	341,628,230	352,249,942	364,154,206	354,232,004	372,191,488
8 Less Accum. Prov. For Deprec. & Amort.	89,537,555	93,166,365	92,078,391	84,620,025	94,185,599
9 Net Other Utility Plant	252,090,675	259,083,578	272,075,816	269,611,979	278,005,889
10 Total Utility Plant	8,320,765,691	8,186,210,918	6,811,967,536	9,801,621,442	9,792,291,516
11 Less Accum. Prov. For Deprec. & Amort.	2,358,623,159	2,304,744,389	2,194,273,033	4,019,282,242	3,904,048,927
12 Net Total Utility Plant	5,962,142,532	5,881,466,528	4,617,694,503	5,782,339,200	5,888,242,589
OTHER PROPERTY AND INVESTMENTS					
13 Nonutility Property	4,591,559	3,740,616	4,083,963	4,274,519	4,481,795
14 Accum. Prov. For Deprec. & Amort.	(955,298)	(922,519)	(922,519)	(888,936)	(676,774)
15 Investment in Associated Companies					
16 Investment in Subsidiary Companies	238,310,409	240,080,520	235,376,730	328,302,623	301,114,612
17 Other Investments	7,849,351	8,651,911	8,736,361	133,862	123,688
18 Other Special Funds	52,496,285	64,740,251	81,539,073	407,789,663	335,526,463
19 Total Other Property and Investments	302,292,306	316,290,780	328,813,609	739,611,731	640,569,784
CURRENT AND ACCRUED ASSETS					
20 Cash	7,424,069	38,455,698	23,385,718	23,340,733	16,491,461
21 Special Deposits	31,522,662	9,378,163	28,745,030	(19,050,031)	8,700,092
22 Working Funds	1,148,515	(881,471)	(999,176)	213,359	(2,443,201)
23 Temporary Cash Investments	343,115	342,695	71,226,033	37,298,518	47,014,788
24 Notes Receivable	72,976	72,976	249,882,571	144,076	1,413,593
25 Accounts Receivable	516,293,650	446,296,166	65,068,663	70,994,378	68,750,571
26 Accum. Prov. For Uncollectible Accts.	(122,497,000)	(87,594,900)			
27 Notes Receivable from Associated Cos.			117,700,000	19,900,000	34,300,000
28 Accounts Receivable from Assoc. Cos.	413,108	1,833,929	(27,873,631)	(27,558,447)	(50,517,260)
29 Materials and Supplies	16,803,898	17,814,481	19,500,112	93,451,722	100,034,746
30 Gas Stored Underground - Current	79,015,723	48,040,461	56,110,877	50,947,408	38,252,243
31 Liquefied Natural Gas in Storage					
32 Prepayments	52,654,811	34,253,318	36,677,809	70,494,826	25,582,305
33 Interest and Dividends Receivable	36,724	17,113	4,271,766	292,047	1,113,888
34 Rents Receivable	4,303,334	3,955,359	7,198,705	3,965,805	3,192,843
35 Accrued Utility Revenue	136,548,950	147,019,000			
36 Misc. Current and Accrued Assets	12,085,280	17,793,736	790,642	10,931,421	9,750,212
37 Total Current and Accrued Assets	736,169,815	676,796,724	651,685,119	335,365,815	301,636,281
DEFERRED DEBITS					
38 Unamort. Debt Expense	37,810,773	37,037,696	85,409,370	99,864,316	118,262,802
39 Extraordinary Property Losses				10,179,215	11,303,761
40 Prelim. Survey and Investigation Charges	1,379,668	772,314	327,316	184,177	316,063
41 Clearing Accounts	154,234	1	(11,285)	(31,240)	(54,247)
42 Temporary Facilities	(31,533)	26,664	(29,111)	(20,034)	(21,667)
43 Miscellaneous Deferred Debits	5,318,423,724	5,293,780,183	5,866,807,407	5,409,305,299	5,583,355,749
44 Deferred Losses from Disp. of Utility Plant					
45 Research and Development		(277,917)	(54,243)		21
46 Accumulated Deferred Income Taxes	1,394,478,000	1,493,787,000	1,101,575,135	1,415,901,135	1,447,120,711
47 Total Deferred Debits	6,752,214,866	6,825,125,941	7,054,024,589	6,935,382,868	7,160,283,193
48 Total Assets and Other Debits	\$13,752,819,519	\$13,699,679,974	\$12,652,217,821	\$13,792,699,614	\$13,990,731,847

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
PROPRIETARY CAPITAL						
Common Stock Issued	\$187,364,863	\$187,364,863	\$187,364,863	\$187,364,863	\$187,364,863	1
Preferred Stock Issued	66,325,500	98,821,900	493,750,000	501,370,025	508,990,050	2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock		2,640,684,663	2,061,830,237	2,061,830,237	2,061,830,237	5
Other Paid-in Capital	2,929,500,500		334,494,268	334,494,268	334,494,268	6
Installments Received on Capital Stock						7
Capital Stock Expense			(32,470,134)	(33,920,470)	(35,185,881)	8
Retained Earnings	160,480,078	49,825,453	238,572,833	288,897,963	391,956,506	9
Accumulated Other Comprehensive Income	532,888					
Unapp Undistributed Subsidiary Earnings		550,708	4,398,998	2,748,441	1,877,751	10
Reaquired Capital Stock			(407,192,671)	(407,192,671)	(157,167,462)	11
Total Proprietary Capital	3,344,203,829	2,977,247,586	2,880,748,394	2,935,592,655	3,294,160,332	12
LONG-TERM DEBT						
Bonds	991,711,000	1,466,968,000	1,938,000,000	2,248,000,000	2,439,585,000	13
Reaquired Bonds						14
Advances from Associated Companies	1,200,000,000	500,000,000				15
Other Long-Term Debt	1,816,371,585	2,595,389,298	3,022,079,493	3,161,110,688	3,207,213,273	16
Unamortized Premium on Long-Term Debt		27,256	91,395	216,753	372,300	17
Unamortized Discount on Long-Term Debt-Debit	(2,193,117)	(6,352,864)	(9,146,508)	(10,867,802)	(12,917,118)	18
Total Long-Term Debt	4,005,889,468	4,556,031,690	4,951,024,380	5,398,459,639	5,634,253,455	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable						20
Accounts Payable	261,468,391	253,353,418	230,559,618	344,906,180	265,537,215	21
Notes Payable to Associated Companies	701,600,000	291,000,000				22
Accounts Payable to Associated Companies	260,873,593	224,766,510	(4,463,869)	(10,869,285)	(3,142,100)	23
Customer Deposits	25,665,285	23,456,585	18,883,845	18,806,848	15,254,570	24
Taxes Accrued	5,241,897	30,804,217	8,534,606	10,857,799	6,240,309	25
Interest Accrued	54,131,507	69,466,777	82,272,473	98,407,938	67,593,165	26
Dividends Declared						27
Matured Long-Term Debt				22,291	22,291	28
Matured Interest						29
Tax Collections Payable		1,277,149	837,868	601,448	3,035,520	30
Misc. Current and Accrued Liabilities	114,052,336	104,429,692	139,530,263	462,123,112	356,681,383	31
Total Current and Accrued Liabilities	1,423,033,009	998,554,349	476,154,804	924,856,331	711,222,353	32
DEFERRED CREDITS						
Customer Advances for Construction	2,276,670	1,909,946	1,924,324			33
Other Deferred Credits	2,404,917,632	2,665,659,481	1,769,705,393	1,622,807,129	1,309,470,726	34
Accumulated Deferred Investment Tax Credits	44,494,000	47,108,418	49,890,418	135,924,418	142,034,418	35
Deferred Gains from Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	2,518,182,793	2,439,393,647	2,510,178,728	2,759,477,728	2,880,762,358	37
Total Deferred Credits	4,969,871,095	5,154,071,491	4,331,698,863	4,518,209,275	4,332,267,502	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	4,127,500	7,147,500				40
Pension and Benefits Reserve						41
Miscellaneous Operating Reserves	5,694,618	6,627,358	12,591,380	15,581,714	18,828,205	42
Total Operating Reserves	9,822,118	13,774,858	12,591,380	15,581,714	18,828,205	43
Total Liabilities and Other Credits	\$13,752,819,519	\$13,699,679,974	\$12,652,217,821	\$13,792,699,614	\$13,990,731,847	44

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
ELECTRIC OPERATING INCOME					
1 Operating Revenues	\$3,247,128,695	\$3,286,720,234	\$3,401,819,822	\$3,239,177,324	\$3,247,586,320
Operating Expense:					
2 Operation Expense	2,117,990,976	2,148,001,171	2,373,030,760	2,225,392,334	1,957,533,022
3 Maintenance Expense	133,969,806	134,022,446	153,622,067	153,178,821	160,855,580
4 Depreciation Expense	157,600,968	154,527,831	254,251,298	268,196,811	300,984,279
5 Amort. and Depletion of Utility Plant	7,040,963	7,048,977	7,056,856	6,700,086	5,819,720
6 Amort. of Utility Plant Acq. Adj.	176,752,579			35,566	
7 Amort of Property Losses		133,799,998	955,865	1,124,547	1,124,547
8 Amort of Conversion Expenses	36,913	36,913	33,837		34,219
9 Taxes Other than Income Taxes	179,333,612	204,166,240	179,615,628	231,718,202	354,697,538
10 Income Taxes	68,350,263	77,949,565	14,000	(28,922,963)	1,964,000
11 Gains from Disposition of Util. Plant					
12 Losses from Disposition of Util. Plant					
13 Total Operating Expenses	2,841,076,080	2,859,553,141	2,968,580,310	2,857,423,404	2,783,012,905
14 Net Operating Revenues	406,052,615	427,167,093	433,239,512	381,753,920	464,573,415
15 Other Electric Utility Operating Income					
16 Total Electric Utility Operating Income	406,052,615	427,167,093	433,239,512	381,753,920	464,573,415
GAS OPERATING INCOME					
17 Operating Revenues	778,695,872	599,067,253	\$721,500,586	\$659,116,622	585,000,689
Operating Expense:					
18 Operation Expense	584,879,577	433,066,092	530,131,127	468,001,258	376,041,003
19 Maintenance Expense	31,529,651	32,732,280	32,419,972	29,661,702	25,119,558
20 Depreciation Expense	35,852,898	35,935,529	35,763,843	35,745,507	36,951,961
21 Amort. and Depletion of Utility Plant					
22 Amort. of Utility Plant Acq. Adj.					
23 Amort of Property Losses					15,496
24 Amort of Conversion Expenses					
25 Taxes Other than Income Taxes	50,634,883	48,874,752	54,781,131	51,911,408	57,143,681
26 Income Taxes	39,816,040	10,541,621	12,985,000	25,773,124	26,947,000
27 Gains from Disposition of Util. Plant					
28 Losses from Disposition of Util. Plant					
29 Total Operating Expenses	742,713,049	561,150,274	666,081,072	611,092,999	522,218,699
30 Net Operating Revenues	35,982,823	37,916,979	55,419,514	48,023,623	62,781,990
31 Other Gas Utility Operating Income					
32 Total Gas Utility Operating Income	35,982,823	37,916,979	55,419,514	48,023,623	62,781,990
33 Other Utility Operating Income	(68,089)	(71,740)	70,134	75,891	170,396
34 Total Utility Operating Income	\$441,967,349	\$465,012,332	\$488,729,160	\$429,853,434	\$527,525,801

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
OTHER INCOME						
Income - Merch., Jobbing & Contract Work						1
Income from Nonutility Operations	(2,079,261)	(8,412,693)				2
Nonoperating Rental Income	(371,368)	136,620	(561,245)	(307,213)	(67,673)	3
Equity in Earnings of Subsidiary Companies	(693,153)	3,850,711	8,067,926	29,796,624	(20,667,766)	4
Interest and Dividend Income	2,326,185	17,810,297	15,321,275	12,553,428	27,431,612	5
Allowance for Funds Used During Construction	(228,837)	785,891	2,296,216	2,450,059	5,366,380	6
Miscellaneous Nonoperating Income	1,968,629	(3,978,808)	(1,755,029)	(6,977,613)	10,762,320	7
Gain on Disposition of Property	53,448	12,543	(1,819)	17,288	137,587	8
Total Other Income	975,643	10,204,561	23,367,324	37,532,573	22,962,460	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property	79,863	374,530	123,213,079	151,381	109,600	10
Miscellaneous Amortization		113,617	1,564,753	1,612,304	379,210	11
Miscellaneous Income Deductions	3,745,459	16,487,087	28,230,758	31,385,161	74,849,972	12
Total Other Income Deductions	3,825,322	16,975,234	153,008,590	33,148,846	75,338,782	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	650,297	518,847	395,689	340,917	388,587	14
Income Taxes	(2,614,000)	(2,782,000)	(86,034,000)	(7,368,000)	(22,846,559)	15
Total Taxes-Other Income & Deductions	(1,963,703)	(2,263,153)	(85,638,311)	(7,027,083)	(22,457,972)	16
Net Other Income and Deductions	(885,976)	(4,507,520)	(44,002,954)	11,410,810	(29,918,350)	17
INTEREST CHARGES						
Interest on Long-term Debt	231,654,131	316,966,282	367,290,568	407,287,978	452,351,758	18
Amortization of Debt Discount and Expense	14,757,363	16,266,612	18,262,870	23,637,906	33,130,380	19
Amortization of Premium on Debt-Credit	113,499	150,383	211,601	155,547	155,547	20
Interest on Debt to Associated Company	47,660,886	8,588,839				21
Other Interest Expense	31,904,262	20,908,706	29,863,407	32,806,498	14,340,922	22
Total Interest Charges	325,863,143	362,580,056	415,205,243	463,576,835	499,667,513	23
Income Before Extraordinary Items	115,218,230	97,924,756	29,520,962	(22,312,591)	(2,060,062)	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$115,218,230	\$97,924,756	\$29,520,962	(\$22,312,591)	(\$2,060,062)	29
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RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP) 1	\$48,890,197	\$255,316,831	\$295,456,605	\$396,208,824	\$544,730,622	30
Balance Transferred from Income	115,911,383	94,074,045	21,453,036	(52,109,215)	18,607,704	31
Appropriations of Retained Earnings						32
Dividends Declared-Preferred Stock	4,974,394	11,793,509	30,850,180	31,436,777	36,807,778	33
Dividends Declared-Common Stock		63,913,966	37,160,000	46,132,160	63,718,504	34
Adjustments to Retained Earnings	(675,334)	(224,793,204)	6,417,370	28,925,933	(66,603,221)	35
Net Change to Unapp. Retained Earnings	110,261,655	(206,426,634)	(40,139,774)	(100,752,219)	(148,521,799)	36
Unappropriated Retained Earnings (EOP)	159,151,852	48,890,197	255,316,831	295,456,605	396,208,823	37
Appropriated Retained Earnings (EOP)	1,328,226	935,257	(16,743,995)	(6,558,641)	(4,252,318)	38
Total Retained Earnings	\$160,480,078	\$49,825,454	\$238,572,836	\$288,897,964	\$391,956,505	39

Notes:

Beginning in 1996, the debt component of AFDUC is included with other interest expense.
Retained Earnings is Being Restated. This creates the mismatch between ending 2002 and beginning 2002.

NIAGARA MOHAWK POWER CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
Cash Flows from Operating Activities					
1 Net Income	\$115,218,230	\$97,924,756	\$29,520,962	(\$22,312,592)	(\$2,060,062)
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	377,636,869	331,694,211	358,606,482	341,181,822	759,713,634
3 Deferred Taxes & ITCs	175,483,728	(413,407,946)	(114,750,002)	(96,175,055)	63,951,633
4 Receivables and Inventory	(33,031,564)	(176,785,907)	(437,014,663)	(6,520,992)	94,809,824
5 Payables and Accrued Expenses	46,805,315	228,258,979	(86,291,319)	60,155,246	24,785,958
6 Regulatory Assets (Net)	(157,877,813)	(33,777,470)	(66,252,299)	(54,048,957)	(395,857,948)
7 Capitalized AFUDC - Equity	878,968	(483,430)	(2,296,216)	(2,450,060)	(5,366,380)
8 Undistributed Earnings of Affiliates	693,153	(3,850,711)	8,067,926	(29,796,624)	20,667,766
9 Other Adjustments	(30,975,262)	8,070,416	(5,163,469)	(12,695,165)	140,926,159
10	(106,975,690)	(211,536,681)	(53,070,817)	292,234,716	
11	(223,407,703)		455,388,389	420,018,758	
12 Net Cash From Operating Activities	<u>164,448,231</u>	<u>(173,893,783)</u>	<u>86,744,974</u>	<u>889,591,097</u>	<u>701,570,584</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(293,969,625)	(208,221,985)	(216,138,545)	(271,379,613)	(292,714,852)
14 Acquisition Of Other Non-Current Assets		(9,529,492)	671,657,849	(18,163,387)	877,427,703
15 Investments in & Advances to Affiliates	1,076,958		84,857,967	2,608,613	91,573,833
16 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:	12,228,362				
17 Property, Plant & Equipment		17,226,619			
18 Investments In Affiliated Companies		(853,079)			
19 Investment Securities		249,799,000			
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities		(15,185,044)	(22,506,943)	14,167,451	17,544,404
22					
23					
24 Net Cash From Investing Activities	<u>(280,664,305)</u>	<u>33,236,019</u>	<u>517,870,328</u>	<u>(272,766,936)</u>	<u>693,831,088</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	(574,730,192)	(299,849,225)	(386,225,131)	(641,845,637)	(1,292,580,255)
26 Common Stock		(86,086,034)			
27 Preferred Stock	(32,496,400)	(70,398,599)	(7,620,025)	(7,620,025)	(7,620,025)
28 Short-Term Debt	410,600,000	291,000,000	(110,000,000)	110,000,000	
29 Dividends Paid	(4,974,394)	(75,707,475)	(68,010,180)	(77,568,937)	(100,526,282)
30 Other Cash Flows - Financing Activities	288,815,837	(23,255,025)			(89,635,897)
31		348,708,576			
32		549,893			
33 Net Cash From Financing Activities	<u>87,214,851</u>	<u>84,962,111</u>	<u>(571,855,336)</u>	<u>(617,034,599)</u>	<u>(1,490,362,459)</u>
34 Net Increase/(Decrease) In Cash & Equivalents	(29,001,223)	(55,695,653)	32,759,966	(210,438)	(94,960,787)
35 Cash & Equivalents At Beginning Of Year	37,916,923	93,612,576	60,852,610	61,063,048	156,023,835
36 Cash & Cash Equiv. At End Of Year	\$8,915,700	\$37,916,923	\$93,612,576	\$60,852,610	\$61,063,048

Notes:

1998 result impacted by non-recurring charge related to Niagara Mohawk's Master Restructuring Agreement.

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
SALES AND CUSTOMER DATA						
ELECTRIC REVENUES						
Residential	\$1,254,424,579	\$1,254,199,931	\$1,211,177,621	\$1,186,973,939	\$1,246,845,223	1
Commercial	917,502,633	983,134,974	1,062,047,613	1,033,960,018	1,195,701,428	2
Industrial	393,834,601	445,116,784	513,669,974	516,235,178	550,462,948	3
Other Ultimate Customers	34,817,268	33,806,934	31,188,694	39,765,483	50,018,315	4
Total Revenues-Ultimate Customers	2,600,579,081	2,716,258,623	2,818,083,902	2,776,934,618	3,043,027,914	5
Resales	195,403,502	143,880,122	230,959,866	112,969,674	47,987,908	6
Other Operating Revenues	451,146,112	426,581,489	352,776,057	349,273,031	156,570,498	7
Total Electric Operating Revenues	\$3,247,128,695	\$3,286,720,234	\$3,401,819,825	\$3,239,177,323	\$3,247,586,320	8
KWH SALES (THOUSANDS)						
Residential	10,232,341	10,119,984	9,833,764	9,838,852	10,193,922	9
Commercial	7,933,870	8,984,374	9,897,376	10,051,929	11,871,169	10
Industrial	8,025,107	9,152,225	10,069,048	10,219,250	11,493,402	11
Other Ultimate Customers	141,214	138,986	155,023	167,198	197,613	12
Total Sales-Ultimate Customers	26,332,532	28,395,569	29,955,211	30,277,229	33,756,106	13
Resales	4,113,127	4,297,779	6,068,447	2,016,970	1,666,149	14
Total Kilowatt-Hour Sales	30,445,659	32,693,348	36,023,658	32,294,199	35,422,255	15
AVG CUSTOMERS PER MONTH						
Residential	1,357,582	1,369,959	1,382,740	1,391,591	1,425,094	16
Commercial	141,499	146,566	145,892	145,273	151,165	17
Industrial	1,218	1,469	1,589	1,728	1,869	18
Other Ultimate Customers	4,797	4,899	1,968	3,358	2,831	19
Total Ultimate Customers	1,505,096	1,522,893	1,532,189	1,541,950	1,580,959	20
Resales	162	158	168	181	151	21
Total Customers	1,505,258	1,523,051	1,532,357	1,542,131	1,581,110	22
ELECTRIC OPERATING REVENUE RELATIONSHIP						
Residential Sales						
Average Annual Bill Per Customer	\$924	\$916	\$876	\$853	\$875	23
Average KWH Consumption Per Customer	7,537	7,387	7,112	7,070	7,153	24
Average Revenue Per KWH Sold (Cents)	12.26	12.39	12.32	12.06	12.23	25
Commercial Sales						
Average Annual Bill Per Customer	\$6,484	\$6,708	\$7,280	\$7,117	\$7,910	26
Average KWH Consumption Per Customer	56,070	61,299	67,840	69,193	78,531	27
Average Revenue Per KWH Sold (Cents)	11.56	10.94	10.73	10.29	10.07	28
Industrial Sales						
Average Annual Bill Per Customer	\$323,345	\$303,007	\$323,266	\$298,747	\$294,523	29
Average KWH Consumption Per Customer	6,588,758	6,230,242	6,336,720	5,913,918	6,149,493	30
Average Revenue Per KWH Sold (Cents)	4.91	4.86	5.10	5.05	4.79	31
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
Steam Power Expense	\$10,644	\$14,680	\$5,279,952	\$47,903,875	\$178,679,248	32
Nuclear Power Expense	(853,807)	3,129,527	146,047,502	177,125,873	165,395,885	33
Hydraulic Power Expense	86,891	249,386	405,181	1,272,835	9,333,720	34
Other Power Generation Expense		1,069	211,628	301,312	292,528	35
Other Power Supply Expense	1,583,811,694	1,528,895,100	1,305,154,338	1,176,387,528	806,582,821	36
Total Power Production Expense	1,583,055,422	1,532,289,761	1,457,098,601	1,402,991,423	1,160,284,202	37
Transmission Expense	46,962,795	40,445,751	93,767,486	59,795,807	49,098,268	38
Distribution Expense	152,491,570	149,473,528	130,213,565	113,227,065	125,537,982	39
Customer Account Expense	154,435,202	162,426,454	103,090,419	112,272,035	89,886,031	40
Sales Expense	73,094	234,457	331,295	1,951,209	3,603,090	41
Administrative and General	314,942,699	397,153,667	742,151,461	688,333,616	689,979,029	42
Total Operation & Maintenance Expense	\$2,251,960,782	\$2,282,023,618	\$2,526,652,827	\$2,378,571,155	\$2,118,388,602	43

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

**NIAGARA MOHAWK POWER CORPORATION
DISTRIBUTION OF ELECTRIC REVENUES
YEARS ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999
1 Total Revenues	\$3,247,128,695	\$3,286,720,234	\$3,401,819,825	\$3,239,177,323	\$3,247,586,320
2 Sales of Electricity (KWHs-000)	30,445,659	32,693,348	36,023,658	32,294,199	35,422,255
DOLLAR AMOUNTS					
3 Fuel and Purchased Power	\$1,583,436,003	\$1,528,991,900	\$1,341,513,351	\$1,250,003,132	\$998,276,526
4 Wages and Benefits	353,916,483	399,795,836	441,894,726	450,169,493	457,510,978
5 Other Expenses	314,608,296	353,235,882	743,244,750	678,398,530	662,601,098
6 Depreciation & Amortization Expenses	341,431,423	321,951,543	262,297,856	276,057,010	307,962,765
7 Income Taxes-Operating	68,350,263	77,949,565	14,000	(28,922,963)	1,964,000
8 Other Taxes-Operating	179,333,612	204,166,240	179,615,628	231,718,202	354,697,538
9 Capital Costs	406,052,615	400,629,268	433,239,515	381,753,919	464,573,415
10 Total	\$3,247,128,695	\$3,286,720,234	\$3,401,819,825	\$3,239,177,323	\$3,247,586,320
PERCENT OF REVENUE					
11 Fuel and Purchased Power	48.8	46.5	39.4	38.6	30.7
12 Wages and Benefits	10.9	12.2	13.0	13.9	14.1
13 Other Expenses	9.7	10.7	21.8	20.9	20.4
14 Depreciation & Amortization Expenses	10.5	9.8	7.7	8.5	9.5
15 Income Taxes-Operating	2.1	2.4	0.0	-0.9	0.1
16 Other Taxes-Operating	5.5	6.2	5.3	7.2	10.9
17 Capital Costs	12.5	12.2	12.7	11.8	14.3
18 Total	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
19 Fuel and Purchased Power	5.20	4.68	3.72	3.87	2.82
20 Wages and Benefits	1.16	1.22	1.23	1.39	1.29
21 Other Expenses	1.03	1.08	2.06	2.10	1.87
22 Depreciation & Amortization Expenses	1.12	0.98	0.73	0.85	0.87
23 Income Taxes-Operating	0.22	0.24	0.00	(0.09)	0.01
24 Other Taxes-Operating	0.59	0.62	0.50	0.72	1.00
25 Capital Costs	1.33	1.23	1.20	1.18	1.31
26 Total	10.67	10.05	9.44	10.03	9.17

Notes:

(1) Includes Sales for Resale

(2) Large increase in other expenses in 1996 was due to an increase in uncollectible expense of \$72.3 million.

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below

Fuel and Purchased Power

Steam - Fuel			5,186,866	34,994,616	150,053,747
Nuclear - Fuel		2,248,182	31,952,037	38,989,618	39,930,089
Hydro - Water for Power	32,313	64,830	100,825	55,153	1,205,835
Other Power - Fuel			31,202	41,015	49,084
Purchased Power	1,583,403,690	1,526,678,889	1,304,242,421	1,175,922,730	807,037,771
Total Fuel and Purchased Power	1,583,436,003	1,528,991,900	1,341,513,351	1,250,003,132	998,276,526
-Fuel and PP related to Sales for Resale					
Fuel and PP - Ultimate Customers	1,583,436,003	1,528,991,900	1,341,513,351	1,250,003,132	998,276,526

Wages and Benefits

Salaries	223,347,420	251,026,444	336,993,347	355,560,727	359,603,115
Pensions and Benefits	130,569,063	148,769,392	104,901,379	94,608,766	97,907,863
Total Wages and Benefits	353,916,483	399,795,836	441,894,726	450,169,493	457,510,978

Other Expenses

Total O&M Expenses	2,251,960,782	2,282,023,618	2,526,652,827	2,378,571,155	2,118,388,602
-Total Fuel and PP	1,583,436,003	1,528,991,900	1,341,513,351	1,250,003,132	998,276,526
-Wages and Benefits	353,916,483	399,795,836	441,894,726	450,169,493	457,510,978
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses/Income	314,608,296	353,235,882	743,244,750	678,398,530	662,601,098

Depreciation and Amortization

Depreciation Exp	157,600,968	318,060,406	254,251,298	268,196,811	300,984,279
Amort & Depl of Utility Plant	7,040,963	2,728,186	7,056,856	6,700,086	5,819,720
Amort of Other Utility Plant	176,752,579			35,566	
Amort of Property Losses		1,128,750	955,865	1,124,547	1,124,547
Amort of Conversion Expenses	36,913	34,201	33,837		34,219
Total Depre and Amort	341,431,423	321,951,543	262,297,856	276,057,010	307,962,765

Fuel and PP related to Sales for Resale (Not Used)

Total Fuel and PP	1,583,436,003	1,528,991,900	1,341,513,351	1,250,003,132	998,276,526
divided by Total MWHs	30,445,659	32,693,348	36,023,658	32,294,199	35,422,255
Fuel Cost per KWH	0.0520	0.0468	0.0372	0.0387	0.0282
times Sales for Resale MWHs	4,113,127	4,297,779	6,068,447	2,016,970	1,666,149
Sales for Resale Fuel	213,917,967	200,997,127	225,987,674	78,070,331	46,955,719

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
ELECTRIC UTILITY PLANT						
Intangible	\$77,175,727	\$77,175,727	\$76,717,055	\$74,719,823	\$70,191,724	1
Production						
Steam	3,251	3,251	70,984	93,003,248	219,831,172	2
Nuclear		544	139,385	2,275,385,703	2,253,922,046	3
Hydraulic	2,340,173	2,340,173	2,340,173	2,359,008	15,970,982	4
Other						5
Transmission	1,396,015,936	1,383,151,071	1,357,880,155	1,334,947,697	1,304,245,257	6
Distribution	3,378,643,380	3,300,483,605	3,189,170,270	3,055,090,274	2,969,498,328	7
General	289,351,584	265,910,082	271,448,749	337,834,859	369,908,602	8
Electric - Purchased or Sold						9
Experimental - Unclassified						10
Nuclear Fuel Assemblies				672,258,668	630,321,007	11
Total Electric Plant In Service	5,143,530,051	5,029,064,453	4,897,766,771	7,845,599,280	7,833,889,118	12
Leased To Others	3,403,815	3,403,815	3,403,815	3,400,580	3,400,580	13
Held For Future Use	2,596,713	2,596,713	2,596,713	2,596,713	14,793,583	14
Construction Work in Progress	111,169,807	148,737,092	173,432,362	259,127,003	270,741,056	15
Aquisition Adjustments	1,011,154,522	1,019,980,561				16
Total Electric Utility Plant	6,271,854,908	6,203,782,633	5,077,199,661	8,110,723,575	8,122,824,337	17
Accum. Provision - Depr. & Amort.	1,797,176,510	1,762,444,826	1,677,997,704	3,537,074,108	3,435,493,251	18
Net Electric Plant	\$4,474,678,398	\$4,441,337,807	\$3,399,201,957	\$4,573,649,468	\$4,687,331,086	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.52	0.68	1.37	0.36	0.42	20
Total Capitalization	\$8,051,693,297	\$7,533,279,276	\$7,831,772,774	\$8,334,052,294	\$8,928,413,787	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>						
Long-Term Debt	49.8%	60.5%	63.2%	64.8%	63.1%	22
Preferred Stock	0.8%	1.3%	6.3%	6.0%	5.7%	23
Common Stock & Retained Earnings	40.7%	38.2%	30.5%	29.2%	31.2%	24
Short-Term Debt						25
Pretax Coverage of Interest Expense	1.69	1.51	0.90	0.93	1.01	26
Com. Stock Dividends as a % of Earnings		74.2%	-2795.6%	-85.8%	-163.9%	27
Return on Common Equity	14.2%	3.3%	-0.1%	-2.1%	-1.3%	28
Internal Cash Generated as a % of Cash Outflows for Construction *	691.4%	-83.5%	40.1%	327.8%	239.7%	29
Earnings per Share	\$2.33	\$0.46	(\$0.01)	(\$0.29)	(\$0.21)	30
Book Value per Share	\$17.49	\$15.36	\$12.74	\$12.99	\$14.86	31
Dividends per Share		\$0.34	\$0.20	\$0.25	\$0.34	32
Number of Employees (Electric)	2,913,506,092	4,857	5,717	6,582	6,614	33

Notes:

* 1998 result impacted by non-recurring charge related to Niagara Mohawk's Master Restructuring Agreement.

Current Assets	736,169,815	676,796,724	651,685,119	335,365,815	301,636,281
Current Liabilities	1,423,033,009	998,554,349	476,154,804	924,856,331	711,222,353
Total Capitalization	8,051,693,297	7,533,279,276	7,831,772,774	8,334,052,294	8,928,413,787
Long-Term Debt	4,005,889,468	4,556,031,690	4,951,024,380	5,398,459,639	5,634,253,455
Preferred Stock	66,325,500	98,821,900	493,750,000	501,370,025	508,990,050
Common Stock and Retained Earnings (Excl. Preferred Stock)	3,277,878,329	2,878,425,686	2,386,998,394	2,434,222,630	2,785,170,282
Short-Term Debt	701,600,000				
Pretax Income	550,133,652	546,213,998	371,691,205	430,746,405	503,671,892
Interest Expense	325,863,143	362,580,056	415,205,243	463,576,835	499,667,513
Common Dividends Paid		63,913,966	37,160,000	46,132,160	63,718,504
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	436,992,955	86,131,247	(1,329,218)	(53,749,368)	(38,867,840)
Internal Cash	133,185,766	(173,893,783)	86,744,974	889,591,097	701,570,584
Cash Outflows for Construction	19,263,486	208,221,985	216,138,545	271,379,613	292,714,852
Shares Outstanding (Millions)	187,364,863	187,364,863	187,364,863	187,364,863	187,364,863
Number of Employees (Electric)	2,913,506,092	4,857	5,717	6,582	6,614
Misc Deferred Debits - Net	4,506	2,628,120,702	4,097,102,014	3,786,498,170	4,273,885,023

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
UTILITY PLANT					
1 Electric Utility Plant	\$592,949,406	\$564,096,335	\$543,281,968	\$514,913,616	\$494,037,176
2 Less Accum. Prov. For Deprec. & Amort.	200,305,428	186,422,843	178,144,182	167,274,706	160,524,471
3 Net Electric Utility Plant	392,643,978	377,673,492	365,137,786	347,638,910	333,512,705
4 Gas Utility Plant	318,380,785	302,811,597	293,502,022	282,376,054	268,585,948
5 Less Accum. Prov. For Deprec. & Amort.	103,810,870	98,746,664	97,786,702	93,000,626	90,279,226
6 Net Gas Utility Plant	214,569,915	204,064,933	195,715,320	189,375,428	178,306,722
7 Other Utility Plant	123,376,105	121,940,659	119,053,286	112,646,569	109,636,852
8 Less Accum. Prov. For Deprec. & Amort.	53,883,217	51,477,265	47,688,783	43,728,990	38,150,110
9 Net Other Utility Plant	69,492,888	70,463,394	71,364,503	68,917,579	71,486,742
10 Total Utility Plant	1,034,706,296	988,848,591	955,837,276	909,936,239	872,259,976
11 Less Accum. Prov. For Deprec. & Amort.	357,999,515	336,646,772	323,619,667	304,004,322	288,953,807
12 Net Total Utility Plant	676,706,781	652,201,819	632,217,609	605,931,917	583,306,169
OTHER PROPERTY AND INVESTMENTS					
13 Nonutility Property	113,927	152,316	207,950	207,950	210,096
14 Accum. Prov. For Deprec. & Amort.	(141,824)	(151,500)	(200,571)	(185,674)	(172,923)
15 Investment in Associated Companies					
16 Investment in Subsidiary Companies	160,275,213	149,261,072	139,738,699	130,648,720	127,578,729
17 Other Investments			2,993	2,992	2,992
18 Other Special Funds					
19 Total Other Property and Investments	160,247,316	149,261,888	139,749,071	130,673,988	127,618,894
CURRENT AND ACCRUED ASSETS					
20 Cash	4,747,811	146,941	666,576	4,001,016	1,801,554
21 Special Deposits	1,000	1,000	1,000	1,000	1,000
22 Working Funds	15,700	15,700	19,100	19,850	34,841
23 Temporary Cash Investments	3,233	70,925	89,739	231,070	35,966,474
24 Notes Receivable	35,598	34,458	33,156	32,017	30,877
25 Accounts Receivable	57,007,929	50,589,894	42,885,527	82,054,872	62,847,243
26 Accum. Prov. For Uncollectible Accts.	(3,617,957)	(2,435,000)	(3,075,000)	(4,128,417)	(5,999,491)
27 Notes Receivable from Associated Cos.					
28 Accounts Receivable from Assoc. Cos.	23,081,706	20,279,377	32,389,226	32,970,858	16,150,357
29 Materials and Supplies	4,708,206	4,542,505	4,362,365	4,482,796	4,046,692
30 Gas Stored Underground - Current	28,843,178	15,702,861	21,226,894	15,874,024	14,225,995
31 Liquefied Natural Gas in Storage					
32 Prepayments	10,291,971	11,488,997	12,211,786	20,424,512	11,777,786
33 Interest and Dividends Receivable					
34 Rents Receivable					
35 Accrued Utility Revenue	14,584,364	16,163,017	15,515,422	21,514,106	18,934,754
36 Misc. Current and Accrued Assets	10,143,479	9,171,682	11,532,294	20,734,699	22,316,159
37 Total Current and Accrued Assets	149,846,218	125,772,357	137,858,085	198,212,403	182,134,241
DEFERRED DEBITS					
38 Unamort. Debt Expense	3,716,479	3,973,660	4,259,639	4,524,167	4,641,441
39 Extraordinary Property Losses					
40 Prelim. Survey and Investigation Charges	13,920	95,594	59,150	564,928	444,010
41 Clearing Accounts		(1,323)			
42 Temporary Facilities					
43 Miscellaneous Deferred Debits	140,606,788	153,570,097	151,856,215	150,751,479	107,384,194
44 Deferred Losses from Disp. of Utility Plant					
45 Research and Development	673,469	304,104	(435,467)	(1,005,091)	(1,336,152)
46 Accumulated Deferred Income Taxes	36,892,967	47,034,834	58,304,091	28,206,841	25,136,026
47 Total Deferred Debits	181,903,623	204,976,966	214,043,628	183,042,324	136,269,519
48 Total Assets and Other Debits	\$1,168,703,938	\$1,132,213,030	\$1,123,868,393	\$1,117,860,632	\$1,029,328,823

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
PROPRIETARY CAPITAL						
Common Stock Issued	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	194,498,787	194,498,787	194,498,787	194,498,787	354,798,134	5
Other Paid-in Capital	(10,590,692)	(14,965,622)	(10,904,777)	(1,473,960)		6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	45,733,571	39,282,740	31,908,734	28,816,398	(121,238,680)	9
Accumulated Other Comprehensive Income						
Unapp Undistributed Subsidiary Earnings	140,420,358	129,406,218	119,883,845	110,793,866	98,475,009	10
Required Capital Stock						11
Total Proprietary Capital	370,067,024	348,227,123	335,391,589	332,640,091	332,039,463	12
LONG-TERM DEBT						
Bonds						13
Required Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	279,000,000	314,000,000	314,000,000	314,001,841	359,021,383	16
Unamortized Premium on Long-Term Debt						17
Unamortized Discount on Long-Term Debt-De	(1,180,210)	(1,295,910)	(1,411,611)	(1,527,311)	(678,359)	18
Total Long-Term Debt	277,819,790	312,704,090	312,588,389	312,474,530	358,343,024	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	14,974,350	1,000,000	16,600,000	40,820,000	16,285,000	20
Accounts Payable	63,029,718	53,543,939	51,539,197	57,409,243	54,941,367	21
Notes Payable to Associated Companies	23,110,000	14,285,000	14,405,000	17,285,000		22
Accounts Payable to Associated Companies	31,879,696	17,227,688	19,041,004	29,158,658	328,961	23
Customer Deposits	10,325,823	9,684,426	6,346,027	4,430,011	4,275,294	24
Taxes Accrued	1,017,193	538,664	2,446,980	2,742,364	(7,720,284)	25
Interest Accrued	4,668,252	7,257,186	6,247,972	5,341,859	7,316,145	26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	647,920		237,477		64	30
Misc. Current and Accrued Liabilities	59,889,902	63,789,761	49,792,498	50,480,546	17,038,098	31
Total Current and Accrued Liabilities	209,542,854	167,326,664	166,656,155	207,667,681	92,464,645	32
DEFERRED CREDITS						
Customer Advances for Construction	884,970	867,842	793,672	1,075,768	1,419,858	33
Other Deferred Credits	45,374,817	53,198,686	71,950,445	52,750,393	34,273,747	34
Accumulated Deferred Investment Tax Credits	4,067,077	4,404,937	4,751,862	5,087,992	5,418,814	35
Deferred Gains from Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	162,653,605	139,083,097	135,440,148	120,887,132	122,326,275	37
Total Deferred Credits	212,980,469	197,554,562	212,936,127	179,801,285	163,438,694	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	6,760,268	7,100,000	7,650,000	7,144,619	5,469,607	40
Pension and Benefits Reserve	85,976,950	86,089,779	73,286,275	62,469,102	53,063,941	41
Miscellaneous Operating Reserves	5,556,583	13,210,812	15,359,858	15,663,324	24,509,449	42
Total Operating Reserves	98,293,801	106,400,591	96,296,133	85,277,045	83,042,997	43
Total Liabilities and Other Credits	\$1,168,703,938	\$1,132,213,030	\$1,123,868,393	\$1,117,860,632	\$1,029,328,823	44

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
ELECTRIC OPERATING INCOME					
1 Operating Revenues	\$409,970,601	\$356,013,756	\$520,388,252	\$484,098,899	\$395,701,262
Operating Expense:					
2 Operation Expense	281,903,838	233,745,550	395,513,252	366,713,533	290,232,698
3 Maintenance Expense	21,275,139	16,487,518	15,252,362	17,202,532	22,101,324
4 Depreciation Expense	17,090,281	16,166,702	15,500,745	12,547,076	18,248,328
5 Amort. and Depletion of Utility Plant		4,507,728	4,318,208	3,093,649	2,740,486
6 Amort. of Utility Plant Acq. Adj.					
7 Amort of Property Losses					
8 Amort of Conversion Expenses	4,256,341				
9 Taxes Other than Income Taxes	29,025,293	30,465,629	28,402,017	35,841,049	52,610,625
10 Income Taxes	17,773,042	13,575,980	21,254,417	11,178,594	212,390
11 Gains from Disposition of Util. Plant	15,905				
12 Losses from Disposition of Util. Plant	217,658				
13 Total Operating Expenses	371,525,687	314,949,107	480,241,001	446,576,433	386,145,851
14 Net Operating Revenues	38,444,914	41,064,649	40,147,251	37,522,466	9,555,411
15 Other Electric Utility Operating Income					
16 Total Electric Utility Operating Income	38,444,914	41,064,649	40,147,251	37,522,466	9,555,411
GAS OPERATING INCOME					
17 Operating Revenues	197,406,843	159,418,205	197,706,533	183,301,005	156,739,348
Operating Expense:					
18 Operation Expense	145,741,849	112,787,709	152,487,631	143,746,708	119,476,974
19 Maintenance Expense	5,967,021	5,750,632	6,327,045	5,771,245	5,300,058
20 Depreciation Expense	7,103,841	6,849,178	6,635,534	5,025,059	5,619,830
21 Amort. and Depletion of Utility Plant		1,253,367	1,234,890	1,459,583	1,254,341
22 Amort. of Utility Plant Acq. Adj.					
23 Amort of Property Losses					
24 Amort of Conversion Expenses	1,214,455				
25 Taxes Other than Income Taxes	12,826,053	13,094,412	14,161,794	15,235,546	17,650,317
26 Income Taxes	8,261,817	4,382,846	3,639,195	905,455	138,743
27 Gains from Disposition of Util. Plant					
28 Losses from Disposition of Util. Plant					
29 Total Operating Expenses	181,115,036	144,118,144	184,486,089	172,143,596	149,440,263
30 Net Operating Revenues	16,291,807	15,300,061	13,220,444	11,157,409	7,299,085
31 Other Gas Utility Operating Income					
32 Total Gas Utility Operating Income	16,291,807	15,300,061	13,220,444	11,157,409	7,299,085
33 Other Utility Operating Income					
34 Total Utility Operating Income	\$54,736,721	\$56,364,710	\$53,367,695	\$48,679,875	\$16,854,496

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
OTHER INCOME						
Income - Merch., Jobbing & Contract Work						1
Income from Nonutility Operations						2
Nonoperating Rental Income	(971)	(6,563)	(13,758)	(741)	7,967	3
Equity in Earnings of Subsidiary Companies	11,014,140	9,522,373	9,089,979	12,318,857	4,577,988	4
Interest and Dividend Income	2,022,670	463,629	1,200,765	1,949,477	1,662,202	5
Allowance for Funds Used During Constructio	4,591	388,337	(17,612)	209,387	446	6
Miscellaneous Nonoperating Income	(2,865,318)	(158,362)	(170,477)	(139,652)	(125,648)	7
Gain on Disposition of Property		(25)	1	1,531,119	56,565,466	8
Total Other Income	10,175,112	10,209,389	10,088,898	15,868,447	62,688,421	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	1,300,154	362,419	536,182	604,504	523,206	12
Total Other Income Deductions	1,300,154	362,419	536,182	604,504	523,206	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	151,576	111,233	54,324	110,079	183,499	14
Income Taxes	402,498	(501,216)	(249,410)	428,829	34,044,757	15
Total Taxes-Other Income & Deductions	(782,518)	(389,983)	(195,086)	538,908	34,228,256	16
Net Other Income and Deductions	9,657,476	10,236,953	9,747,802	14,725,035	27,936,959	17
INTEREST CHARGES						
Interest on Long-term Debt	16,762,955	18,605,087	19,209,922	19,621,337	23,474,913	18
Amortization of Debt Discount and Expense	638,432	740,986	778,277	773,785	862,917	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	213,690	267,130	754,113	1,609,741	1,253,960	21
Other Interest Expense	1,314,149	2,092,081	2,190,870	2,330,619	4,474,115	22
Total Interest Charges	18,929,226	21,705,284	22,933,182	24,335,482	30,065,905	23
Income Before Extraordinary Items	45,464,971	44,896,379	40,182,315	39,069,428	14,725,550	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$45,464,971	\$44,896,379	\$40,182,315	\$39,069,428	\$14,725,550	29
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$39,282,740	\$31,908,734	\$28,816,398	(\$121,238,680)	\$92,623,194	30
Balance Transferred from Income	34,450,831	35,374,006	31,092,336	26,750,571	10,147,562	31
Appropriations of Retained Earnings						32
Dividends Declared-Preferred Stock					885,756	33
Dividends Declared-Common Stock	28,000,000	28,000,000	28,000,000	37,000,000	62,447,335	34
Adjustments to Retained Earnings				160,304,507	(160,676,345)	35
Net Change to Unapp. Retained Earnings	6,450,831	7,374,006	3,092,336	150,055,078	(213,861,874)	36
Unappropriated Retained Earnings (EOP)	45,733,571	39,282,740	31,908,734	28,816,398	(121,238,680)	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	\$45,733,571	\$39,282,740	\$31,908,734	\$28,816,398	(\$121,238,680)	39

Notes:

The debt component of AFDUC is included with other interest expense.

ORANGE AND ROCKLAND UTILITIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
Cash Flows from Operating Activities					
1 Net Income	\$45,464,971	\$44,896,379	\$40,182,315	\$39,069,428	\$14,725,550
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	33,190,336	30,269,088	28,467,654	22,899,152	28,725,902
3 Deferred Taxes & ITCs	33,374,515	14,565,281	(15,880,364)	(4,840,780)	(84,628,732)
4 Receivables and Inventory	(19,765,912)	8,460,478	39,462,666	(42,563,829)	23,746,676
5 Payables and Accrued Expenses	20,167,967	15,639,382	(13,911,526)	73,383,036	19,656,154
6 Regulatory Assets (Net)	(6,584,237)	1,231,987	(14,821,133)	(13,810,107)	36,774,005
7 Capitalized AFUDC - Equity	(4,591)	(388,337)	17,612	(209,387)	
8 Undistributed Earnings of Affiliates	(11,014,140)	(9,519,380)	(9,089,979)	(3,069,991)	(4,577,988)
9 Other Adjustments	(9,086,395)	(7,448,568)	18,396,364	11,703,327	(449,140)
10	225,229	3,083,401	17,415,131	(7,065,266)	11,129,945
11	6,329,451	(6,958,654)	17,565,496	(20,361,758)	
12 Net Cash From Operating Activities	<u>92,297,194</u>	<u>93,831,057</u>	<u>107,804,236</u>	<u>55,133,825</u>	<u>45,102,372</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(45,853,114)	(48,951,307)	(56,514,854)	(49,060,289)	(35,713,091)
14 Acquisition Of Other Non-Current Assets	(1,710,253)	(1,701,599)	334,097	585,531	243,866,645
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					
19 Investment Securities					
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities					
22					
23					
24 Net Cash From Investing Activities	<u>(47,563,367)</u>	<u>(50,652,906)</u>	<u>(56,180,757)</u>	<u>(48,474,758)</u>	<u>208,153,554</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	8,825,000	(120,000)	(2,880,000)	(27,745,000)	(112,801,152)
26 Common Stock					
27 Preferred Stock					(43,515,822)
28 Short-Term Debt	(21,025,650)	(15,600,000)	(24,220,000)	24,535,000	
29 Dividends Paid	(28,000,000)	(28,000,000)	(28,000,000)	(37,000,000)	(63,333,091)
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>(40,200,650)</u>	<u>(43,720,000)</u>	<u>(55,100,000)</u>	<u>(40,210,000)</u>	<u>(219,650,065)</u>
34 Net Increase/(Decrease) In Cash & Equivalent	4,533,177	(541,849)	(3,476,521)	(33,550,933)	33,605,861
35 Cash & Equivalents At Beginning Of Year	233,566	775,415	4,251,936	37,802,869	4,197,008
36 Cash & Cash Equiv. At End Of Year	\$4,766,743	\$233,566	\$775,415	\$4,251,936	\$37,802,869

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
SALES AND CUSTOMER DATA						
ELECTRIC REVENUES						
Residential	\$174,102,695	\$160,372,962	\$177,911,748	\$171,355,272	\$158,944,187	1
Commercial	151,351,849	133,319,322	158,269,274	142,196,826	131,365,284	2
Industrial	25,458,483	23,575,059	42,834,286	43,276,774	33,004,954	3
Other Ultimate Customers	12,234,397	10,571,902	11,808,066	10,193,310	8,934,930	4
Total Revenues-Ultimate Customers	363,147,424	327,839,245	390,823,374	367,022,182	332,249,355	5
Resales	21,668,750	20,980,584	119,682,497	107,301,621	77,982,135	6
Other Operating Revenues	25,154,427	7,193,927	9,882,381	9,775,096	(14,530,227)	7
Total Electric Operating Revenues	\$409,970,601	\$356,013,756	\$520,388,252	\$484,098,899	\$395,701,263	8
KWH SALES (THOUSANDS)						
Residential	1,473,586	1,452,311	1,322,643	1,300,731	1,304,199	9
Commercial	1,722,217	1,684,364	1,597,626	1,520,388	1,485,700	10
Industrial	672,691	698,365	692,099	656,658	617,695	11
Other Ultimate Customers	112,815	111,879	110,476	382,402	101,672	12
Total Sales-Ultimate Customers	3,981,309	3,946,919	3,722,844	3,860,179	3,509,266	13
Resales	289,229	480,923	1,665,135	1,622,430	1,708,173	14
Total Kilowatt-Hour Sales	4,270,538	4,427,842	5,387,979	5,482,609	5,217,439	15
AVG CUSTOMERS PER MONTH						
Residential	183,914	181,890	179,856	177,356	175,718	16
Commercial	28,377	27,947	27,546	26,961	26,563	17
Industrial	121	125	127	135	141	18
Other Ultimate Customers	560	550	539	530	525	19
Total Ultimate Customers	212,972	210,512	208,068	204,982	202,947	20
Resales	2	2	2	2	4	21
Total Customers	212,974	210,514	208,068	204,984	202,951	22
ELECTRIC OPERATING REVENUE RELATIONSHIP						
Residential Sales						
Average Annual Bill Per Customer	\$947	\$882	\$989	\$966	\$905	23
Average KWH Consumption Per Customer	8,012	7,985	7,354	7,334	7,422	24
Average Revenue Per KWH Sold (Cents)	11.81	11.04	13.45	13.17	12.19	25
Commercial Sales						
Average Annual Bill Per Customer	\$5,334	\$4,770	\$5,746	\$5,274	\$4,945	26
Average KWH Consumption Per Customer	60,691	60,270	57,998	56,392	55,931	27
Average Revenue Per KWH Sold (Cents)	8.79	7.92	9.91	9.35	8.84	28
Industrial Sales						
Average Annual Bill Per Customer	\$210,401	\$188,600	\$337,278	\$320,569	\$234,078	29
Average KWH Consumption Per Customer	5,559,430	5,586,920	5,449,598	4,864,133	4,380,816	30
Average Revenue Per KWH Sold (Cents)	3.78	3.38	6.19	6.59	5.34	31
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
Steam Power Expense				\$160,845	\$56,664,212	32
Nuclear Power Expense						33
Hydraulic Power Expense				14,319	895,210	34
Other Power Generation Expense				11,045	1,014,175	35
Other Power Supply Expense	\$199,137,081	\$166,697,614	\$329,828,625	306,120,056	149,039,558	36
Total Power Production Expense	199,137,081	166,697,614	329,828,625	306,306,265	207,613,155	37
Transmission Expense	7,613,332	9,386,953	8,081,453	9,279,516	7,895,140	38
Distribution Expense	31,320,446	24,688,749	21,444,527	21,344,089	20,928,470	39
Customer Account Expense	21,564,778	19,047,212	21,550,310	18,344,283	26,989,563	40
Sales Expense	23,551	36,376	23,513	7,760	12,378	41
Administrative and General	43,519,789	30,376,164	29,837,185	28,634,149	48,895,316	42
Total Operation & Maintenance Expense	\$303,178,977	\$250,233,068	\$410,765,613	\$383,916,062	\$312,334,022	43

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

**ORANGE AND ROCKLAND UTILITIES, INC.
DISTRIBUTION OF ELECTRIC REVENUES
YEARS ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999
1 Total Revenues	\$409,970,601	\$356,013,756	\$520,388,252	\$484,098,899	\$395,701,263
2 Sales of Electricity (KWHs-000)	4,270,538	4,427,842	5,387,979	5,482,609	5,217,439
DOLLAR AMOUNTS					
3 Fuel and Purchased Power	\$197,367,977	\$164,635,381	\$327,923,786	\$299,908,462	\$186,621,222
4 Wages and Benefits	59,816,787	43,894,853	41,186,853	39,957,338	70,975,591
5 Other Expenses	46,195,966	41,702,834	41,654,974	44,050,262	54,737,209
6 Depreciation & Amortization Expenses	21,346,622	20,674,430	19,818,953	15,640,725	20,988,814
7 Income Taxes-Operating	17,773,042	13,575,980	21,254,417	11,178,594	212,390
8 Other Taxes-Operating	29,025,293	30,465,629	28,402,017	35,841,049	52,610,625
9 Capital Costs	38,444,914	41,064,649	40,147,252	37,522,469	9,555,412
10 Total	\$409,970,601	\$356,013,756	\$520,388,252	\$484,098,899	\$395,701,263
PERCENT OF REVENUE					
11 Fuel and Purchased Power	48.1	46.2	63.0	62.0	47.2
12 Wages and Benefits	14.6	12.3	7.9	8.3	17.9
13 Other Expenses	11.3	11.7	8.0	9.1	13.8
14 Depreciation & Amortization Expenses	5.2	5.8	3.8	3.2	5.3
15 Income Taxes-Operating	4.3	3.8	4.1	2.3	0.1
16 Other Taxes-Operating	7.1	8.6	5.5	7.4	13.3
17 Capital Costs	9.4	11.5	7.7	7.8	2.4
18 Total	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
19 Fuel and Purchased Power	4.62	3.72	6.09	5.47	3.58
20 Wages and Benefits	1.40	0.99	0.76	0.73	1.36
21 Other Expenses	1.08	0.94	0.77	0.80	1.05
22 Depreciation & Amortization Expenses	0.50	0.47	0.37	0.29	0.40
23 Income Taxes-Operating	0.42	0.31	0.39	0.20	0.00
24 Other Taxes-Operating	0.68	0.69	0.53	0.65	1.01
25 Capital Costs	0.90	0.93	0.75	0.68	0.18
26 Total	9.60	8.04	9.66	8.83	7.58

Notes:

Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below**Fuel and Purchased Power**

Steam - Fuel				39,123	44,160,034
Nuclear - Fuel					12,969
Hydro - Water for Power					277,710
Other Power - Fuel					142,170,509
Purchased Power	197,367,977	164,635,381	327,923,786	299,869,339	186,621,222
Total Fuel and Purchased Power	197,367,977	164,635,381	327,923,786	299,908,462	186,621,222
-Fuel and PP related to Sales for Resale					
Fuel and PP - Ultimate Customers	197,367,977	164,635,381	327,923,786	299,908,462	186,621,222

Wages and Benefits

Salaries	34,726,017	33,373,673	31,061,780	28,963,567	50,306,021
Pensions and Benefits	25,090,770	10,521,180	10,125,073	10,993,771	20,669,570
Total Wages and Benefits	59,816,787	43,894,853	41,186,853	39,957,338	70,975,591

Other Expenses

Total O&M Expenses	303,178,977	250,233,068	410,765,613	383,916,062	312,334,022
-Total Fuel and PP	197,367,977	164,635,381	327,923,786	299,908,462	186,621,222
-Wages and Benefits	59,816,787	43,894,853	41,186,853	39,957,338	70,975,591
-Other Gains	15,905				
+Other Losses	217,658				
-Other Revenues					
Other Expenses/Income	46,195,966	41,702,834	41,654,974	44,050,262	54,737,209

Depreciation and Amortization

Depreciation Exp	17,090,281	16,166,702	15,500,745	12,547,076	18,248,328
Amort & Depl of Utility Plant		4,507,728	4,318,208	3,093,649	2,740,486
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses	4,256,341				
Total Depre and Amort	21,346,622	20,674,430	19,818,953	15,640,725	20,988,814

Fuel and PP related to Sales for Resale (Not Used)

Total Fuel and PP	197,367,977	164,635,381	327,923,786	299,908,462	186,621,222
divided by Total MWHs	4,270,538	4,427,842	5,387,979	5,482,609	5,217,439
Fuel Cost per KWH	0.0462	0.0372	0.0609	0.0547	0.0358
times Sales for Resale MWHs	289,229	480,923	1,665,135	1,622,430	1,708,173
Sales for Resale Fuel	13,367,061	17,881,609	101,343,634	88,749,806	61,099,197

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
ELECTRIC UTILITY PLANT						
Intangible	\$1,250,930	\$866,357	\$866,357	\$866,357	\$866,357	1
Production						
Steam						2
Nuclear						3
Hydraulic						4
Other					1,654,128	5
Transmission	122,361,418	122,920,411	115,930,934	98,482,620	96,624,112	6
Distribution	426,298,727	400,637,563	379,588,080	367,597,389	353,357,164	7
General	27,767,204	27,669,436	28,833,348	29,377,173	29,936,682	8
Electric - Purchased or Sold	65,422	65,422	65,422	65,422	41,621	9
Experimental - Unclassified						10
Nuclear Fuel Assemblies						11
Total Electric Plant In Service	577,743,701	552,159,189	525,284,141	496,388,961	482,480,064	12
Leased To Others						13
Held For Future Use	1,064,970	1,332,146	1,332,146	1,535,240	1,535,240	14
Construction Work in Progress	14,140,743	10,605,008	16,665,682	16,989,415	11,676,001	15
Aquisition Adjustments						16
Total Electric Utility Plant	592,949,414	564,096,343	543,281,969	514,913,616	495,691,305	17
Accum. Provision - Depr. & Amort.	200,263,535	186,422,843	178,144,182	167,274,706	160,524,471	18
Net Electric Plant	\$392,685,879	\$377,673,500	\$365,137,787	\$347,638,910	\$335,166,834	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.78	0.75	0.83	0.95	1.97	20
Total Capitalization	\$696,561,856	\$676,216,213	\$678,984,978	\$685,934,621	\$706,667,487	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>						
Long-Term Debt	39.9%	46.2%	46.0%	45.6%	50.7%	22
Preferred Stock						23
Common Stock & Retained Earnings	54.6%	51.5%	49.4%	48.5%	47.0%	24
Short-Term Debt	5.5%	2.3%	4.6%	6.0%	2.3%	25
Pretax Coverage of Interest Expense	4.27	3.42	3.41	3.12	2.63	26
Com. Stock Dividends as a % of Earnings	51.2%	49.7%	52.5%	94.7%	451.2%	27
Return on Common Equity	15.0%	16.5%	16.0%	11.8%	3.9%	28
Internal Cash Generated as a % of Cash Outflows for Construction	201.3%	191.7%	190.8%	112.4%	126.3%	29
Earnings per Share	\$54,736.72	\$56,364.71	\$53,367.70	\$39,069.43	\$13,839.79	30
Book Value per Share	\$380,657.72	\$348,227.12	\$335,391.59	\$332,640.09	\$332,039.46	31
Dividends per Share	\$28,000.00	\$28,000.00	\$28,000.00	\$37,000.00	\$62,447.34	32
Number of Employees	575	616	591	569	1,001	33

Current Assets	149,846,218	125,772,357	137,858,085	198,212,403	182,134,241
Current Liabilities	192,780,135	167,326,664	166,656,155	207,667,681	92,464,645
Total Capitalization	696,561,856	676,216,213	678,984,978	685,934,621	706,667,487
Long-Term Debt	277,819,790	312,704,090	312,588,389	312,474,530	358,343,024
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	380,657,716	348,227,123	335,391,589	332,640,091	332,039,463
Short-Term Debt	38,084,350	15,281,000	31,005,000	40,820,000	16,285,000
Pretax Income	80,771,580	74,323,536	78,261,307	75,917,788	79,187,345
Interest Expense	18,929,226	21,705,284	22,933,182	24,335,482	30,065,905
Common Dividends Paid	28,000,000	28,000,000	28,000,000	37,000,000	62,447,335
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	54,736,721	56,364,710	53,367,695	39,069,428	13,839,794
Internal Cash	92,297,194	93,831,057	107,804,236	55,133,825	45,102,372
Cash Outflows for Construction	45,853,114	48,951,307	56,514,854	49,060,289	35,713,091
Shares Outstanding (Millions)	1,000	1,000	1,000	1,000	1,000
Number of Employees	575	616	591	569	1,001

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
UTILITY PLANT					
1 Electric Utility Plant	\$2,150,300,196	\$2,008,139,863	\$1,941,304,900	\$2,826,431,939	\$2,732,189,034
2 Less Accum. Prov. For Deprec. & Amort.	1,314,570,650	1,400,155,342	1,336,399,932	1,874,965,424	1,763,774,574
3 Net Electric Utility Plant	835,729,546	607,984,521	604,904,968	951,466,515	968,414,460
4 Gas Utility Plant	548,054,766	533,747,036	510,272,996	483,382,062	464,167,921
5 Less Accum. Prov. For Deprec. & Amort.	181,592,201	179,473,291	169,776,880	168,526,536	162,700,594
6 Net Gas Utility Plant	366,462,565	354,273,745	340,496,116	314,855,526	301,467,327
7 Other Utility Plant	204,432,898	184,517,357	182,816,447	149,651,569	130,166,470
8 Less Accum. Prov. For Deprec. & Amort.	64,865,673	49,948,809	48,954,446	43,564,068	38,424,127
9 Net Other Utility Plant	139,567,225	134,568,548	133,862,001	106,087,501	91,742,343
10 Total Utility Plant	2,902,787,860	2,726,404,256	2,634,394,343	3,459,465,570	3,326,523,425
11 Less Accum. Prov. For Deprec. & Amort.	1,561,028,524	1,629,577,442	1,555,131,258	2,087,056,028	1,964,899,295
12 Net Total Utility Plant	1,341,759,336	1,096,826,814	1,079,263,085	1,372,409,542	1,361,624,130
OTHER PROPERTY AND INVESTMENTS					
13 Nonutility Property	106,499	106,499	106,499	106,499	106,499
14 Accum. Prov. For Deprec. & Amort.					
15 Investment in Associated Companies					
16 Investment in Subsidiary Companies					
17 Other Investments	826,874	955,718	1,013,988	410,095	260,095
18 Other Special Funds	286,451,640	238,774,449	221,739,653	244,514,578	220,814,896
19 Total Other Property and Investments	287,385,013	239,836,666	222,860,140	245,031,172	221,181,490
CURRENT AND ACCRUED ASSETS					
20 Cash	4,095,926	4,134,677	6,461,548	4,548,533	3,580,889
21 Special Deposits					
22 Working Funds	3,705,965	2,841,585	1,169,585	302,808	352,336
23 Temporary Cash Investments	9,500,000	82,250,000	13,000,000		2,510,000
24 Notes Receivable			10,096,826		
25 Accounts Receivable	107,913,963	97,460,845	100,022,671	125,967,245	102,973,063
26 Accum. Prov. For Uncollectible Accts.	(27,181,685)	(31,181,685)	(29,481,685)	(33,481,705)	(33,364,587)
27 Notes Receivable from Associated Cos.			26,403,794		
28 Accounts Receivable from Assoc. Cos.	24,524,090	20,330,106	52,394,709	51,557,782	13,881,790
29 Materials and Supplies	12,439,576	11,608,050	10,767,377	12,261,300	13,224,670
30 Gas Stored Underground - Current	23,885,654	15,413,810	38,623,439	29,821,766	20,153,742
31 Liquefied Natural Gas in Storage					
32 Prepayments	13,231,618	35,323,172	34,806,363	23,781,604	23,293,798
33 Interest and Dividends Receivable	171,043	693,294	993,391	2,656	(2,754)
34 Rents Receivable	656,691	646,074	787,644	642,274	772,338
35 Accrued Utility Revenue	49,954,095	58,608,934	50,786,556	61,838,000	55,660,511
36 Misc. Current and Accrued Assets			3,730,376		
37 Total Current and Accrued Assets	222,896,936	298,128,862	320,562,594	277,242,263	203,035,796
DEFERRED DEBITS					
38 Unamort. Debt Expense	27,186,525	28,027,003	22,620,069	16,601,590	18,135,897
39 Extraordinary Property Losses					
40 Prelim. Survey and Investigation Charges				138,064	111,970
41 Clearing Accounts					
42 Temporary Facilities					
43 Miscellaneous Deferred Debits	819,278,672	768,094,821	740,721,449	486,518,318	535,069,277
44 Deferred Losses from Disp. of Utility Plant					
45 Research and Development					
46 Accumulated Deferred Income Taxes	153,625,587	127,823,568	146,473,245	151,247,008	135,807,186
47 Total Deferred Debits	1,000,090,784	923,945,392	909,814,763	654,504,980	689,124,330
48 Total Assets and Other Debits	\$2,852,132,069	\$2,558,737,734	\$2,532,500,582	\$2,549,187,957	\$2,474,965,746

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
PROPRIETARY CAPITAL						
Common Stock Issued	\$194,429,065	\$194,429,065	\$194,429,065	\$194,429,065	\$194,429,065	1
Preferred Stock Issued	72,000,000	72,000,000	72,000,000	72,000,000	72,000,000	2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	519,275,675	519,275,675	519,275,675	519,275,675	519,275,675	5
Other Paid-in Capital	53,356,328	53,054,482	3,054,481	3,054,481	3,054,481	6
Installments Received on Capital Stock						7
Capital Stock Expense	(16,441,654)	(16,441,654)	(16,441,654)	(16,441,654)	(16,441,654)	8
Retained Earnings	121,031,957	154,266,891	174,054,047	166,247,775	138,016,647	9
Accumulated Other Comprehensive Income						
Unapp Undistributed Subsidiary Earnings					(162,799)	10
Reaquired Capital Stock	(117,238,171)	(117,238,171)	(117,238,171)	(117,238,171)	(83,251,783)	11
Total Proprietary Capital	826,413,200	859,346,288	829,133,443	821,327,171	826,919,632	12
LONG-TERM DEBT						
Bonds	700,500,000	625,500,000	580,500,000	580,500,000	610,500,000	13
Reaquired Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	127,400,000	127,400,000	207,470,060	215,930,286	219,711,633	16
Unamortized Premium on Long-Term Debt	9,628	13,545	17,462	21,378	25,295	17
Unamortized Discount on Long-Term Debt-De	(1,398,473)	(659,352)	(744,292)	(389,186)	(455,302)	18
Total Long-Term Debt	826,511,155	752,254,193	787,243,230	796,062,478	829,781,626	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable			4,387,201	98,000,000		20
Accounts Payable	69,977,442	67,675,921	77,659,214	106,573,881	91,180,606	21
Notes Payable to Associated Companies					(144,865)	22
Accounts Payable to Associated Companies	6,915,588	7,365,253	26,871,432	6,247,960	739,093	23
Customer Deposits	2,151,886	2,325,074	2,025,392	14,444,582	13,870,287	24
Taxes Accrued	24,130,017	3,450,804	4,381,093	9,051,419	734,009	25
Interest Accrued	11,540,084	10,508,531	12,338,383	12,339,299	10,498,261	26
Dividends Declared	512,500	925,000	16,523,594	16,515,481	17,077,666	27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	583,105	111,379	636,098	(448,376)	(67,270)	30
Misc. Current and Accrued Liabilities	26,977,703	197,207,789	149,354,679	17,745,948	30,669,759	31
Total Current and Accrued Liabilities	142,788,325	289,569,751	294,177,086	280,470,194	164,557,546	32
DEFERRED CREDITS						
Customer Advances for Construction						33
Other Deferred Credits	136,188,841	206,424,552	139,309,707	135,291,783	116,582,226	34
Accumulated Deferred Investment Tax Credits	15,300,540	16,996,075	18,691,501	33,619,335	35,760,673	35
Deferred Gains from Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	367,310,349	336,152,769	370,179,660	391,926,859	414,729,099	37
Total Deferred Credits	518,799,730	559,573,396	528,180,868	560,837,977	567,071,998	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	1,757,800	2,019,600	2,050,000	2,050,000	3,100,000	40
Pension and Benefits Reserve	72,572,471	67,107,156	61,280,267	55,563,212	49,377,699	41
Miscellaneous Operating Reserves	463,289,388	28,867,350	30,435,688	32,876,925	34,157,245	42
Total Operating Reserves	537,619,659	97,994,106	93,765,955	90,490,137	86,634,944	43
Total Liabilities and Other Credits	\$2,852,132,069	\$2,558,737,734	\$2,532,500,582	\$2,549,187,957	\$2,474,965,746	44

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
ELECTRIC OPERATING INCOME					
1 Operating Revenues	676,677,706	\$705,981,975	\$728,099,152	\$721,736,451	\$698,744,633
Operating Expense:					
2 Operation Expense	397,631,825	399,574,418	361,132,022	326,916,986	277,751,984
3 Maintenance Expense	52,666,372	50,418,199	45,412,992	51,051,823	53,436,127
4 Depreciation Expense	88,821,915	87,817,222	99,901,006	99,583,643	102,868,096
5 Amort. and Depletion of Utility Plant					
6 Amort. of Utility Plant Acq. Adj.					
7 Amort of Property Losses					
8 Amort of Conversion Expenses	78,303	78,303	78,303	78,303	78,303
9 Taxes Other than Income Taxes	57,403,428	63,628,654	62,353,083	65,095,855	83,291,584
10 Income Taxes	4,292,470	53,721,269	45,193,634	49,613,718	55,751,696
11 Gains from Disposition of Util. Plant					
12 Losses from Disposition of Util. Plant					
13 Total Operating Expenses	600,894,313	655,238,065	614,071,040	592,340,328	573,177,790
14 Net Operating Revenues	75,783,393	50,743,910	114,028,112	129,396,123	125,566,843
15 Other Electric Utility Operating Income					
16 Total Electric Utility Operating Income	75,783,393	50,743,910	114,028,112	129,396,123	125,566,843
GAS OPERATING INCOME					
17 Operating Revenues	350,481,037	289,624,104	309,270,909	332,115,066	279,535,111
Operating Expense:					
18 Operation Expense	262,209,515	212,157,643	230,062,580	256,932,591	206,697,550
19 Maintenance Expense	5,801,352	6,541,026	5,110,847	5,102,887	5,208,849
20 Depreciation Expense	17,078,499	14,940,785	12,663,962	12,447,762	12,547,688
21 Amort. and Depletion of Utility Plant					
22 Amort. of Utility Plant Acq. Adj.					
23 Amort of Property Losses					
24 Amort of Conversion Expenses					
25 Taxes Other than Income Taxes	24,641,229	25,740,936	25,364,686	24,994,054	27,157,057
26 Income Taxes	15,268,965	(5,124,410)	9,990,561	9,836,880	8,580,843
27 Gains from Disposition of Util. Plant					
28 Losses from Disposition of Util. Plant					
29 Total Operating Expenses	324,999,560	254,255,980	283,192,636	309,314,174	260,191,987
30 Net Operating Revenues	25,481,477	35,368,124	26,078,273	22,800,892	19,343,124
31 Other Gas Utility Operating Income					
32 Total Gas Utility Operating Income	25,481,477	35,368,124	26,078,273	22,800,892	19,343,124
33 Other Utility Operating Income					
34 Total Utility Operating Income	\$101,264,870	\$86,112,034	\$140,106,385	\$152,197,015	\$144,909,967

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
OTHER INCOME						
Income - Merch., Jobbing & Contract Work						1
Income from Nonutility Operations	108,541	194,345	40,151	53,173	(3,068)	2
Nonoperating Rental Income						3
Equity in Earnings of Subsidiary Companies					(162,799)	4
Interest and Dividend Income	3,829,318	14,128,397	13,345,485	11,413,991	11,113,923	5
Allowance for Funds Used During Constructio	1,557,699	1,694,448	946,462	825,264	656,525	6
Miscellaneous Nonoperating Income	(216,403)	(58,210)	478,959	(3,316)	64	7
Gain on Disposition of Property			(3,129)		1,644,817	8
Total Other Income	5,279,155	15,958,980	14,807,928	12,289,112	13,249,462	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	2,435,277	6,074,738	39,471,637	2,466,961	4,238,501	12
Total Other Income Deductions	2,435,277	6,074,738	39,471,637	2,466,961	4,238,501	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	18,210	118,626	100,400	99,764	187,904	14
Income Taxes	(1,496,322)	(16,976,738)	(26,264,771)	221,459	(1,023,276)	15
Total Taxes-Other Income & Deductions	(1,478,112)	(16,858,112)	(26,164,371)	321,223	(835,372)	16
Net Other Income and Deductions	4,321,990	26,742,354	1,500,662	9,500,928	9,846,333	17
INTEREST CHARGES						
Interest on Long-term Debt	52,357,245	49,646,398	58,953,105	56,672,870	52,063,597	18
Amortization of Debt Discount and Expense	2,612,658	2,390,684	2,135,626	1,651,037	1,727,216	19
Amortization of Premium on Debt-Credit	3,917	(2,007,176)	3,917	3,917	1,055,312	20
Interest on Debt to Associated Company	45,963	20,050				21
Other Interest Expense	20,934,845	8,723,106	6,872,395	7,848,584	7,532,765	22
Total Interest Charges	75,946,794	62,787,414	67,957,209	66,168,574	60,268,266	23
Income Before Extraordinary Items	29,640,066	50,066,974	73,649,838	95,529,369	94,488,034	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$29,640,066	\$50,066,974	\$73,649,838	\$95,529,369	\$94,488,034	29
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$154,030,902	\$173,818,058	\$166,011,788	\$137,780,660	\$130,866,307	30
Balance Transferred from Income	29,640,066	50,066,974	73,649,838	95,529,369	94,650,832	31
Appropriations of Retained Earnings						32
Dividends Declared-Preferred Stock	2,875,000	3,700,000	3,700,000	3,700,000	4,082,500	33
Dividends Declared-Common Stock	60,000,000	66,154,130	62,270,410	62,988,728	65,594,183	34
Adjustments to Retained Earnings			126,842	(609,513)	(18,059,796)	35
Net Change to Unapp. Retained Earnings	(33,234,934)	(19,787,156)	7,806,270	28,231,128	6,914,353	36
Unappropriated Retained Earnings (EOP)	120,795,968	154,030,902	173,818,058	166,011,788	137,780,660	37
Appropriated Retained Earnings (EOP)	235,987	235,987	235,987	235,987	235,987	38
Total Retained Earnings	\$121,031,955	\$154,266,889	\$174,054,045	\$166,247,775	\$138,016,647	39

Notes:

Beginning in 1996, the debt component of AFDUC is included with other interest expense.

ROCHESTER GAS AND ELECTRIC CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999
Cash Flows from Operating Activities					
1 Net Income	\$29,640,066	\$50,066,974	\$73,649,838	\$95,529,369	\$94,488,033
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	178,589,502	164,832,933	141,383,807	122,451,705	87,228,644
3 Deferred Taxes & ITCs	2,502,568	(12,837,546)	(56,844,848)	(40,383,400)	(10,674,376)
4 Receivables and Inventory	(15,667,380)	1,816,637	12,663,771	(69,133,057)	3,307,426
5 Payables and Accrued Expenses	24,034,348	(1,940,164)	(11,877,964)	30,744,846	(5,460,186)
6 Regulatory Assets (Net)	(46,705,080)	(8,142,350)	(238,262,546)	57,540,239	12,992,726
7 Capitalized AFUDC - Equity	(2,883,027)	(3,136,125)	946,462	(825,264)	(656,525)
8 Undistributed Earnings of Affiliates					
9 Other Adjustments	13,643,419	(22,147,939)			2,283,755
10	(13,319,768)	(8,212,129)	120,583,972	(13,411,617)	
11	31,548,893	(9,660,784)	176,704,184	12,852,618	
12 Net Cash From Operating Activities	<u>201,383,541</u>	<u>150,639,507</u>	<u>218,946,676</u>	<u>195,365,439</u>	<u>183,509,497</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(118,815,318)	(89,665,697)	(123,888,936)	(162,139,300)	(117,225,924)
14 Acquisition Of Other Non-Current Assets					
15 Investments in & Advances to Affiliates				144,865	500,000
16 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					(22,000)
19 Investment Securities					
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities					
22	(5,442,641)	(5,661,726)	1,515,718	1,942,936	1,032,803
23					
24 Net Cash From Investing Activities	<u>(124,257,959)</u>	<u>(95,327,423)</u>	<u>(122,373,218)</u>	<u>(160,051,499)</u>	<u>(115,715,121)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	(85,762,453)	70,477,942	91,073,774	(67,767,735)	60,731,700
26 Common Stock					
27 Preferred Stock					(10,000,000)
28 Short-Term Debt			(93,612,799)	98,000,000	(50,500,000)
29 Dividends Paid	(63,287,500)	(58,866,896)	(65,962,297)	(67,250,913)	(70,535,733)
30 Other Cash Flows - Financing Activities		1,672,001	(12,292,347)	112,825	3,649,585
31					
32					
33 Net Cash From Financing Activities	<u>(149,049,953)</u>	<u>13,283,047</u>	<u>(80,793,669)</u>	<u>(36,905,823)</u>	<u>(66,654,448)</u>
34 Net Increase/(Decrease) In Cash & Equivalent	(71,924,371)	68,595,131	15,779,789	(1,591,883)	1,139,928
35 Cash & Equivalents At Beginning Of Year	89,226,262	20,631,131	4,851,342	6,443,225	5,303,297
36 Cash & Cash Equiv. At End Of Year	\$17,301,891	\$89,226,262	\$20,631,131	\$4,851,342	\$6,443,225

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
SALES AND CUSTOMER DATA						
ELECTRIC REVENUES						
Residential	\$214,025,232	\$228,753,078	\$229,630,149	\$240,536,219	\$282,390,664	1
Commercial	131,353,683	152,218,401	157,894,449	165,040,676	166,270,068	2
Industrial	81,248,741	92,023,202	98,159,627	104,995,292	112,386,145	3
Other Ultimate Customers	26,907,702	37,749,698	46,007,142	41,662,490	47,580,393	4
Total Revenues-Ultimate Customers	453,535,358	510,744,379	531,691,367	552,234,677	608,627,270	5
Resales	220,823,852	201,533,257	199,769,003	173,162,658	90,599,612	6
Other Operating Revenues	2,318,496	(6,295,661)	(3,361,218)	(3,660,884)	(482,249)	7
Total Electric Operating Revenues	\$676,677,706	\$705,981,975	\$728,099,152	\$721,736,451	\$698,744,633	8
KWH SALES (THOUSANDS)						
Residential	1,996,897	2,156,036	2,044,601	2,153,567	2,269,005	9
Commercial	1,381,318	1,645,668	1,702,176	1,680,022	1,783,128	10
Industrial	1,196,974	1,380,190	1,471,716	1,557,478	1,762,369	11
Other Ultimate Customers	236,909	356,345	383,937	390,828	481,610	12
Total Sales-Ultimate Customers	4,812,098	5,538,239	5,602,430	5,781,895	6,296,112	13
Resales	4,051,623	3,620,866	3,602,002	2,770,518	1,874,927	14
Total Kilowatt-Hour Sales	8,863,721	9,159,105	9,204,432	8,552,413	8,171,039	15
AVG CUSTOMERS PER MONTH						
Residential	278,996	281,565	284,898	284,437	310,861	16
Commercial	26,472	26,570	26,639	25,653	30,178	17
Industrial	809	900	882	821	1,026	18
Other Ultimate Customers	1,985	2,133	2,147	1,998	2,310	19
Total Ultimate Customers	308,262	311,168	314,566	312,909	344,375	20
Resales	47,705	43,221	37,944	38,149	3,428	21
Total Customers	355,967	354,389	352,510	351,058	347,803	22
ELECTRIC OPERATING REVENUE RELATIONSHIP						
Residential Sales						
Average Annual Bill Per Customer	\$767	\$812	\$806	\$846	\$908	23
Average KWH Consumption Per Customer	7,157	7,657	7,177	7,571	7,299	24
Average Revenue Per KWH Sold (Cents)	10.72	10.61	11.23	11.17	12.45	25
Commercial Sales						
Average Annual Bill Per Customer	\$4,962	\$5,729	\$5,927	\$6,434	\$5,510	26
Average KWH Consumption Per Customer	52,180	61,937	63,898	65,490	59,087	27
Average Revenue Per KWH Sold (Cents)	9.51	9.25	9.28	9.82	9.32	28
Industrial Sales						
Average Annual Bill Per Customer	\$100,431	\$102,248	\$111,292	\$127,887	\$109,538	29
Average KWH Consumption Per Customer	1,479,572	1,533,544	1,668,612	1,897,050	1,717,709	30
Average Revenue Per KWH Sold (Cents)	6.79	6.67	6.67	6.74	6.38	31
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
Steam Power Expense	\$56,159,575	\$53,224,834	\$51,073,807	\$43,919,647	\$47,267,556	32
Nuclear Power Expense	86,125,457	75,545,586	88,080,916	82,245,951	92,339,003	33
Hydraulic Power Expense	515,803	704,540	1,124,102	924,637	933,360	34
Other Power Generation Expense	1,440,124	415,958	309,078	391,947	100,828	35
Other Power Supply Expense	96,577,622	136,705,911	91,554,964	77,358,034	56,928,548	36
Total Power Production Expense	240,818,581	266,596,829	232,142,867	204,840,216	197,569,295	37
Transmission Expense	29,702,766	33,250,336	40,761,741	40,136,525	20,658,182	38
Distribution Expense	28,867,963	42,680,363	36,240,244	35,428,135	32,429,365	39
Customer Account Expense	19,884,950	25,186,133	18,923,851	22,494,810	24,366,013	40
Sales Expense	15,830	23,346	51,629	48,773	78,119	41
Administrative and General	131,008,107	85,204,838	78,424,682	75,020,350	56,087,137	42
Total Operation & Maintenance Expense	\$450,298,197	\$452,941,845	\$406,545,014	\$377,968,809	\$331,188,111	43

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

**ROCHESTER GAS AND ELECTRIC CORPORATION
DISTRIBUTION OF ELECTRIC REVENUES
YEARS ENDED DECEMBER 31,**

	2003	2002	2001	2000	1999
1 Total Revenues	\$676,677,706	\$705,981,975	\$728,099,152	\$721,736,451	\$698,744,633
2 Sales of Electricity (KWHs-000)	8,863,721	9,159,105	9,204,432	8,552,413	8,171,039
DOLLAR AMOUNTS					
3 Fuel and Purchased Power	\$148,976,069	\$187,030,089	\$148,076,172	\$128,954,589	\$103,667,041
4 Wages and Benefits	94,842,490	103,964,042	94,645,313	90,782,725	94,708,066
5 Other Expenses	206,479,638	161,947,714	163,823,529	158,231,495	132,813,004
6 Depreciation & Amortization Expenses	88,900,218	87,895,525	99,979,309	99,661,946	102,946,399
7 Income Taxes-Operating	4,292,470	53,721,269	45,193,634	49,613,718	55,751,696
8 Other Taxes-Operating	57,403,428	63,628,654	62,353,083	65,095,855	83,291,584
9 Capital Costs	75,783,393	47,794,682	114,028,112	129,396,123	125,566,843
10 Total	\$676,677,706	\$705,981,975	\$728,099,152	\$721,736,451	\$698,744,633
PERCENT OF REVENUE					
11 Fuel and Purchased Power	22.0	26.5	20.3	17.9	14.8
12 Wages and Benefits	14.0	14.7	13.0	12.6	13.6
13 Other Expenses	30.5	22.9	22.5	21.9	19.0
14 Depreciation & Amortization Expenses	13.1	12.5	13.7	13.8	14.7
15 Income Taxes-Operating	0.6	7.6	6.2	6.9	8.0
16 Other Taxes-Operating	8.5	9.0	8.6	9.0	11.9
17 Capital Costs	11.2	6.8	15.7	17.9	18.0
18 Total	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
19 Fuel and Purchased Power	1.68	2.04	1.61	1.51	1.27
20 Wages and Benefits	1.07	1.14	1.03	1.06	1.16
21 Other Expenses	2.33	1.77	1.78	1.85	1.63
22 Depreciation & Amortization Expenses	1.00	0.96	1.09	1.17	1.26
23 Income Taxes-Operating	0.05	0.59	0.49	0.58	0.68
24 Other Taxes-Operating	0.65	0.69	0.68	0.76	1.02
25 Capital Costs	0.85	0.52	1.24	1.51	1.54
26 Total	7.63	7.71	7.91	8.44	8.55

Notes:

Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below**Fuel and Purchased Power**

Steam - Fuel	35,445,001	34,049,984	33,443,798	25,719,162	28,801,470
Nuclear - Fuel	16,321,649	16,105,538	23,196,226	21,851,480	21,668,351
Hydro - Water for Power	545	24,474	161,022	106,981	104,485
Other Power - Fuel	612,788	280,108	235,158	339,101	79,598
Purchased Power	96,596,086	136,569,985	91,039,968	80,937,865	53,013,137
Total Fuel and Purchased Power	148,976,069	187,030,089	148,076,172	128,954,589	103,667,041
-Fuel and PP related to Sales for Resale					
Fuel and PP - Ultimate Customers	148,976,069	187,030,089	148,076,172	128,954,589	103,667,041

Wages and Benefits

Salaries	88,198,322	99,190,449	91,115,751	87,233,161	86,419,810
Pensions and Benefits	6,644,168	4,773,593	3,529,562	3,549,564	8,288,256
Total Wages and Benefits	94,842,490	103,964,042	94,645,313	90,782,725	94,708,066

Other Expenses

Total O&M Expenses	450,298,197	452,941,845	406,545,014	377,968,809	331,188,111
-Total Fuel and PP	148,976,069	187,030,089	148,076,172	128,954,589	103,667,041
-Wages and Benefits	94,842,490	103,964,042	94,645,313	90,782,725	94,708,066
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses/Income	206,479,638	161,947,714	163,823,529	158,231,495	132,813,004

Depreciation and Amortization

Depreciation Exp	88,821,915	87,817,222	99,901,006	99,583,643	102,868,096
Amort & Depl of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses	78,303	78,303	78,303		78,303
Total Depre and Amort	88,900,218	87,895,525	99,979,309	99,583,643	102,946,399

Fuel and PP related to Sales for Resale (Not Used)

Total Fuel and PP	148,976,069	187,030,089	148,076,172	128,954,589	103,667,041
divided by Total MWHs	8,863,721	9,159,105	9,204,432	8,552,413	8,171,039
Fuel Cost per KWH	0.0168	0.0204	0.0161	0.0151	0.0127
times Sales for Resale MWHs	4,051,623	3,620,866	3,602,002	2,770,518	1,874,927
Sales for Resale Fuel	68,097,232	73,938,544	57,947,157	41,774,293	23,787,444

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2003	2002	2001	2000	1999	
ELECTRIC UTILITY PLANT						
Intangible						1
Production						
Steam	127,652,981	118,825,006	118,156,176	116,854,270	100,138,748	2
Nuclear	595,677,440	578,921,217	580,805,899	1,455,604,924	1,454,246,137	3
Hydraulic	29,148,910	28,377,299	28,083,706	26,552,606	25,306,341	4
Other	4,141,151	4,141,151	4,141,151	4,139,764	4,100,639	5
Transmission	247,961,808	247,194,026	234,544,188	226,478,955	203,136,308	6
Distribution	686,586,900	679,528,298	645,957,882	611,666,758	580,940,782	7
General	22,799,025	22,444,793	23,138,349	22,828,561	28,421,207	8
Electric - Purchased or Sold						9
Experimental - Unclassified						10
Nuclear Fuel Assemblies	253,980,346	237,246,878	224,493,956	292,166,847	270,025,644	11
Total Electric Plant In Service	1,967,948,561	1,916,678,667	1,859,321,307	2,756,292,685	2,666,315,806	12
Leased To Others						13
Held For Future Use	2,346,191	2,346,129	2,066,870	2,066,871	2,066,871	14
Construction Work in Progress	89,319,793	88,175,457	78,898,749	66,975,980	62,631,782	15
Aquisition Adjustments	861,363	939,667	1,017,970	1,096,271	1,174,575	16
Total Electric Utility Plant	2,060,475,908	2,008,139,920	1,941,304,896	2,826,431,807	2,732,189,034	17
Accum. Provision - Depr. & Amort.	1,315,553,128	1,400,155,342	1,336,399,932	1,874,965,424	1,763,774,574	18
Net Electric Plant	\$744,922,780	\$607,984,578	\$604,904,964	\$951,466,383	\$968,414,460	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.56	1.03	1.09	0.99	1.23	20
Total Capitalization	\$1,652,924,355	\$1,611,600,481	\$1,620,763,874	\$1,715,389,649	\$1,656,701,258	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>						
Long-Term Debt	50.0%	46.7%	48.6%	46.4%	50.1%	22
Preferred Stock	4.4%	4.5%	4.4%	4.2%	4.3%	23
Common Stock & Retained Earnings	45.6%	48.9%	46.7%	43.7%	45.6%	24
Short-Term Debt			0.3%	5.7%		25
Pretax Coverage of Interest Expense	1.59	2.30	2.51	3.35	3.62	26
Com. Stock Dividends as a % of Earnings	61.0%	142.7%	89.0%	68.6%	72.6%	27
Return on Common Equity	12.8%	6.0%	9.3%	12.2%	11.8%	28
Internal Cash Generated as a % of Cash Outflows for Construction	146.4%	168.0%	176.7%	120.5%	156.5%	29
Earnings per Share	\$2.53	\$1.19	\$1.80	\$2.36	\$2.32	30
Book Value per Share	\$19.40	\$20.25	\$19.47	\$19.27	\$19.41	31
Dividends per Share	\$1.54	\$1.70	\$1.60	\$1.62	\$1.69	32
Number of Employees			1,926	N/A	N/A	33

Current Assets	222,896,936	298,128,862	320,562,594	277,242,263	203,035,796
Current Liabilities	142,788,325	289,569,751	294,177,086	280,470,194	164,557,546
Total Capitalization	1,652,924,355	1,611,600,481	1,620,763,874	1,715,389,649	1,656,701,258
Long-Term Debt	826,511,155	752,254,193	787,243,230	796,062,478	829,781,626
Preferred Stock	72,000,000	72,000,000	72,000,000	72,000,000	72,000,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	754,413,200	787,346,288	757,133,443	749,327,171	754,919,632
Short-Term Debt			4,387,201	98,000,000	
Pretax Income	120,826,305	144,474,509	170,526,471	221,370,000	218,065,563
Interest Expense	75,946,794	62,787,414	67,957,209	66,168,574	60,268,266
Common Dividends Paid	60,000,000	66,154,130	62,270,410	62,988,728	65,594,183
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	98,389,870	46,366,974	69,949,838	91,829,369	90,405,534
Internal Cash	174,000,280	150,639,507	218,946,676	195,365,439	183,509,497
Cash Outflows for Construction	118,815,318	89,665,697	123,888,936	162,139,300	117,225,924
Shares Outstanding (Millions)	38,885,813	38,885,813	38,885,813	38,885,813	38,885,813
Number of Employees (Total)	N/A	N/A	N/A	N/A	N/A
Misc Deferred Debits - Net	683,089,831	561,670,269	601,411,742	351,226,535	418,487,051