Con Edison ANNUAL REPORT 1965

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Trustees

Henry C. Alexander *(1964) Chairman of the Executive Committee, Morgan Guaranty Trust Company of New York*
John V. Cleary *(1965) Senior Vice President***
Fredrick M. Eaton *(1962) Partner, Shearman & Sterling*
Charles E. Eble *(1957) President**
Gilbert W. Fitzhugh *(1963) President, Metropolitan Life Insurance Company*
Thomas C. Fogarty *(1964) Chairman of the Board, Continental Can Company, Inc.*
Harland C. Forbes *(1948) Chairman of the Board*
Devereux C. Josephs *(1947) Director, New York Life Insurance Company*
Grayson L. Kirk *(1961) President, Columbia University*
Milton C. Mumford *(1964) Chairman of the Board, Lever Brothers Company*
J. Wilson Newman *(1962) Chairman of the Board, Dun & Bradstreet, Inc.*
Richard S. Perkins *(1965) Chairman of the Executive Committee, First National City Bank*
LeRoy A. Petersen *(1953) Chairman of the Board, Otis Elevator Company*
Edmund F. Wagner *(1955) Chairman of the Board, The Seamen's Bank for Savings*
Lawrence A. Wien *(1963) Senior Member, Wien, Lane & Klein*
James DeCamp Wise *(1952) Director, Bigelow-Sanford, Inc.*

Senior Officers

Harland C. Forbes *(1924) Chairman of the Board*
Charles E. Eble *(1916) President**
Otto W. Manz, Jr. *(1925) Executive Vice President*

Senior Vice Presidents:
John V. Cleary *(1925)***
Earl L. Griffith *(1923)*
Mowton L. Waring *(1933)*

Vice Presidents:

Arthur N. Anderson *(1933)*	Gerald R. Hadden *(1931)*
John W. Balet *(1933)*	Winthrop E. Mange *(1922)*
William C. Beattie *(1927)*	J. Eliot McCormack *(1926)*
W. Donham Crawford *(1963)*	C. Wesley Meytrott *(1933)*
Charles B. Delafield *(1946)*	Ralph F. Norris *(1919)*
Thomas C. Duncan *(1927)*	Emanuel Toder *(1938)*
Bernard E. Gallagher *(1930)*	Max M. Ulrich *(1958)*
Edward T. Roche *(1916) Secretary*	John D. Gray *(1939) Treasurer*

Dates after trustees' names indicate year first elected; after officers' names, the year first employed.
**Elected Chairman of the Board, effective March 1, 1966.*
***Elected President, effective March 1, 1966.*

To illustrate the dynamic growth of New York City, the cover photo was taken within the rising steelwork of the 47-story office building at 245 Park Avenue, constructed and owned by Uris Buildings Corporation.

Net income for Common Stock of $93.1 million was $2.6 million or 2.7% lower than the corresponding figure for 1968; earnings per share for 1969 amounted to $2.47 based on the weighted average number of shares outstanding during the year. Earnings the previous year were $2.57 per share on the same basis.

Increased Costs and Rate Filing

The decline in earnings resulted principally from increases in operating taxes, higher interest costs and higher wage rates following a new 27-month labor contract in December 1968. In order to overcome these and other increased costs, in August 1969 we filed with the New York State Public Service Commission an application for an average 15.3% increase in electric rates and, in December 1969, an average 13.0% increase in steam rates. New electric and steam rates, if approved, will produce additional revenues of approximately $120 million per year.

Dividends

Subject to audit by the Internal Revenue Service, 100% of the 1969 dividends paid on Common Stock and 6% Preference Stock, and 2% of the 1969 dividends paid on the Cumulative Preferred Stock, represent return of capital, not subject to taxation as ordinary income.

Financing

In 1969 we again renewed our one-year credit facility with a group of commercial banks for loans up to $100 million, against 90-day notes at prime rates, and in December we borrowed $65 million under this arrangement. Throughout the year we issued varying amounts of short-term commercial paper notes within the $50 million authorized by the Board of Trustees in 1968, of which $2.5 million was outstanding at year's end.

In addition to these short-term borrowings, we sold $80 million of 7.90% First Mortgage Bonds (Series GG) in April 1969 and, in September, 1,864,750 additional shares of Common Stock were offered at $25 per share to stockholders on a one-for-twenty basis. Gross proceeds to the Company amounted to $46.6 million.

During 1970 we will have to raise from outside sources about $345 million for construction purposes. As a first step in the necessary financing program, an issue of $125 million First Mortgage Bonds was sold in January 1970, carrying an interest rate of 8.90%, the highest we have ever had to pay. Some $67.5 million of this $125 million went to discharge short-term obligations incurred in 1969, leaving about $285 million to be raised from external sources during the remainder of 1970. The form and timing of additional financing will depend on money market developments.

Source and Application of Funds—(000 omitted)

Source of funds	**1969**	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959
Net income	**$127,189**	$128,519	$122,917	$110,307	$111,777	$100,957	$ 94,017	$ 90,636	$ 76,352	$ 71,836	$ 68,764
Depreciation	**95,915**	92,459	89,792	88,259	83,561	76,835	75,033	68,832	67,771	58,327	52,421
Amortization of gas conversion costs	**—**	—	—	261	1,346	2,265	2,265	2,265	2,420	2,943	2,943
	223,104	220,978	212,709	198,827	196,684	180,057	171,315	161,733	146,543	133,106	124,128
Common stock	**46,618**	—	—	—	—	—	107,449	—	—	—	—
Preferred stock	**—**	102,543	41,420	39,180	75,000	59,871	—	94,645	84,000	51,000	—
Reacquired stock	**(199)**	—	—	—	—	—	—	—	—	—	—
Bonds—net	**82,400**	63,748	77,734	46,785	100,000	125,000	47,173	160,000	115,697	129,060	211,615
Short-term loans—net	**67,500**	(37,000)	22,000	5,000	(47,000)	52,000	(15,000)	—	8,000	7,000	(54,000)
	419,423	350,269	353,863	289,792	324,684	416,928	310,937	416,378	354,240	320,166	281,743
Application of funds											
Additions to plant	**304,953**	246,257	255,890	197,764	235,493	333,792	236,287	328,578	303,565	262,730	222,372
Common dividends	**67,967**	67,102	67,063	67,063	67,063	58,707	55,340	48,274	47,850	45,898	42,081
Preferred dividends	**34,098**	33,359	26,987	24,364	21,924	20,567	20,748	20,044	15,909	11,901	9,577
Other—net	**12,405**	3,551	3,923	601	204	3,862	(1,438)	19,482	(13,084)	(363)	7,713
	$419,423	$350,269	$353,863	$289,792	$324,684	$416,928	$310,937	$416,378	$354,240	$320,166	$281,743

Consolidated Edison Company of New York, Inc.

Income Statement

	1969	1968
Operating revenues		
Electric	$ 862,122,694	$823,487,895
Gas	110,065,238	105,263,509
Steam	52,037,739	49,617,372
Other	4,028,560	3,890,259
	1,028,254,231	982,259,035
Operating revenue deductions		
Operations	403,480,556	378,593,926
Maintenance	90,396,101	84,674,560
Depreciation (Note A)	95,915,222	92,459,332
Taxes, other than Federal income	226,465,692	211,314,203
Federal income tax (Note B)	15,100,000	22,200,000
Federal income tax deferred in prior years for accelerated amortization	(900,000)	(900,000)
	830,457,571	788,342,021
Operating income	197,796,660	193,917,014
Income deductions		
Interest on long term debt	84,282,713	77,002,278
Other interest and miscellaneous deductions, net	1,007,750	839,941
Interest charged to construction	(14,682,617)	(12,444,560)
	70,607,846	65,397,659
Net income	127,188,814	128,519,355
Preferred stock dividend requirements	34,099,760	32,850,555
Net income for common stock	$ 93,089,054	$ 95,668,800
Net income per common share, based on weighted average number of shares outstanding during each year	$2.47	$2.57
Net income per common share assuming full conversion of outstanding preference stock	$2.44	$2.55

Retained Earnings Statement

	1969	1968
Balance, January 1		
As previously reported		$367,860,988
Settlement of federal income taxes for the years 1962 through 1965		5,014,715
As restated	$ 400,934,045	372,875,703
Net income for the year	127,188,814	128,519,355
	528,122,859	501,395,058
Deduct:		
Dividends on capital stock:		
Cumulative preferred		
$5 per share	9,576,595	9,576,595
Series A, 5¾%	3,450,000	3,450,000
Series B, 5¼%	3,937,500	3,937,500
Series C, 4.65%	2,790,002	2,790,002
Series D, 4.65%	3,487,502	3,487,502
Series E, 5¾%	2,875,004	2,875,004
Series F, 6.20%	2,480,000	2,480,000
Cumulative preference, Convertible Series B, 6%	5,500,937	4,762,425
Common, $1.80 per share	67,967,537	67,101,985
	102,065,077	100,461,013
Balance, December 31 (Note D)	$ 426,057,782	$400,934,045

Consolidated Edison Company of New York, Inc.

Balance Sheet

Assets	Dec. 31, 1969	Dec. 31, 1968
Utility plant, at original cost		
Electric	$4,190,630,508	$3,947,936,039
Gas	263,949,908	250,457,524
Steam	115,617,618	112,800,392
General	131,540,872	126,451,295
Total utility plant	4,701,738,906	4,437,645,250
Less—Accumulated depreciation	908,439,530	854,076,195
	3,793,299,376	3,583,569,055
Investments, special deposits and other physical property, at cost or less	10,051,584	4,813,619
Current assets		
Cash	19,094,453	24,172,038
Accounts receivable, less allowance of $2,308,000 and $1,760,000 for uncollectible accounts	145,751,829	132,706,086
Subscriptions to long term debt	—	2,400,000
Materials and supplies, including construction materials, at average cost	75,098,236	70,574,940
Prepayments and other current assets	6,998,632	6,731,292
	246,943,150	236,584,356
Deferred charges		
Nuclear research and development costs being amortized through 1977	5,564,888	6,282,938
Net unrecovered costs relating to gas plant retirements	—	1,093,956
Unamortized debt expense	7,352,969	6,340,611
Other deferred charges	6,340,605	6,724,822
	19,258,462	20,442,327
	$4,069,552,572	$3,845,409,357

Liabilities	Dec. 31, 1969	Dec. 31, 1968
Capitalization		
Long term debt (Note E)	$1,981,639,500	$1,901,639,500
Capital stock and retained earnings (Note D)		
Capital stock		
Preferred stock	626,537,210	626,981,127
Common stock	798,494,799	751,631,455
Capital stock expense	(14,361,621)	(13,591,904)
Retained earnings	426,057,782	400,934,045
	1,836,728,170	1,765,954,723
Total capitalization	3,818,367,670	3,667,594,223
Federal income tax deferred in prior years for accelerated amortization	13,703,627	14,603,627
Current liabilities		
Notes payable	67,500,000	—
Accounts payable	59,141,348	45,848,639
Accrued taxes	11,986,221	18,488,735
Accrued interest, wages and other current liabilities	46,211,710	48,681,787
Customers deposits	30,890,590	30,639,411
Dividends payable	8,522,208	8,528,867
	224,252,077	152,187,439
Deferred credits		
Unamortized debt premium	3,230,982	3,453,746
Other deferred credits	7,117,858	4,606,433
	10,348,840	8,060,179
Reserve for injuries and damages	2,880,358	2,963,889
	$4,069,552,572	$3,845,409,357

Notes to Financial Statements

Note A—Depreciation:

Provisions for depreciation of utility plant are made in accordance with annual rates for depreciation consistent with the average service lives and net salvage approved by the New York Public Service Commission. For the years 1969 and 1968 such provisions were equivalent to approximately 2.3 per cent of related depreciable utility plant. Depreciation charges included a provision for amortization of net unrecovered costs of extraordinary retirements of certain gas plant facilities, principally manufacturing, of $1,094,000 for each of the years 1969 and 1968.

Note B—Federal income tax:

Depreciation deductions for Federal income tax purposes were estimated at $164,000,000 for 1969 and $166,200,000 for 1968 and include deductions for rapid depreciation and other deductions for depreciation as permitted under the Internal Revenue Code.

Investment tax credits on property additions which qualify for credit under provisions of the Internal Revenue Code amounted to $6,100,000 for 1969 and $4,130,000 for 1968.

Tax reductions resulting from rapid depreciation deductions and investment tax credits, other than tax benefits under accelerated amortization necessity certificates deferred in prior years, are accounted for as current reductions in Federal income tax provisions. Similarly, no provisions for deferred Federal income taxes have been made for other differences (principally interest, pensions and taxes charged to construction) between income for financial statement and income for Federal income tax purposes.

This method of accounting for Federal income taxes is in accordance with the general policy adopted by the New York Public Service Commission for accounting and rate-making purposes.

Note C—Pension plans:

The pension plan for retirement for age was amended in 1969 to provide that contributions shall be determined on an annual basis as a percentage of straight time payroll, but not less than the minimum amount necessary to maintain the continued qualified status of the plan under the applicable requirements of the Internal Revenue Code. The Company's contribution to the pension plan trust funds for 1968 was made under the provisions of the original plan established in 1953 which specified that the Company would make current payments for employes retired for age and also payments of not less than $4,000,000 nor more than $6,000,000 annually into trust funds. In 1968 the Company paid $20,148,786 into the plan representing benefits paid to employes retired and the addition of $4,000,000 to the pension plan trust.

The Company's contributions for 1969, based upon a percentage of straight time payroll which provides for current costs and amortization of unfunded past service credits over 40 years from December 31, 1966, amounted to $23,053,511. This amount covered benefits paid in 1969 to employes retired for age plus an additional $4,111,373.

At December 31, 1969 the pension plan trust net assets, consisting principally of investments stated at estimated market value, amounted to $147,000,000 ($145,000,000 at December 31, 1968), an amount in excess of cost.

The employes security plan is an unfunded plan under which the Company makes payments to employes retired for disability or reasons other than age and in certain cases to widows of former employes. The amounts paid totaled $7,081,805 and $6,563,107 for the years 1969 and 1968, respectively.

The Company reserves the right to amend or terminate the pension plan for retirement for age and the employes security plan as provided therein.

Costs of the plans as disbursed are reflected in the financial statements in accordance with the policy of the New York Public Service Commission for accounting and rate-making purposes.

In accordance with the provisions of Opinion No. 8 of the Accounting Principles Board, the actuarial value of benefits accruing to participants under the amended pension plan for retirement for age who have attained the minimum age and service requirements as of December 31, 1968, the latest date available, exceeded the market value of the net assets of the pension fund as of that date by approximately $170,000,000. The actuarial value of benefits accruing to current recipients under the unfunded security plan as of the same date was approximately $48,000,000.

Note D—Capital stock:

	Shares Authorized	*Shares Outstanding*		*Capital Stock*	
Preferred Stock	**Dec. 31, 1969**	**Dec. 31, 1969**	**Dec. 31, 1968**	**Dec. 31, 1969**	**Dec. 31, 1968**
$5 Cumulative Preferred Stock without par value[1] (a)	1,915,319	1,915,319	1,915,319	$174,999,927	$174,999,927
Cumulative Preferred Stock ($100 par value)	5,000,000				
5¾% Series A[2]		600,000	600,000	60,000,000	60,000,000
5¼% Series B[2]		750,000	750,000	75,000,000	75,000,000
4.65% Series C[1]		600,000	600,000	60,000,000	60,000,000
4.65% Series D[2]		750,000	750,000	75,000,000	75,000,000
5¾% Series E[2]		500,000	500,000	50,000,000	50,000,000
6.20% Series F[2]		400,000	400,000	40,000,000	40,000,000
Total				534,999,927	534,999,927
Cumulative Preference Stock ($100 par value)					
6% Convertible Series B[1] (b)	2,250,000	915,373 (c)	919,812	91,537,283	91,981,200
Total Preferred Stock				$626,537,210	$626,981,127
Common Stock ($10 par value)[3] (b) (e)	50,000,000	39,161,774 (c)	37,290,409	$798,494,799	$751,631,455
Capital Stock Expense (d)				($ 14,361,621)	($ 13,591,904)

(a) The Board of Trustees of the Company has by resolution determined that an amount equal to the excess of the $100 per share involuntary liquidating value over the stated value of the outstanding $5 Cumulative Preferred Stock will not be applied to the payment of dividends. The amount of such excess is $16,531,973.

(b) Each share of the Preference Stock is convertible into 2.85 shares of Common Stock. Of the shares of Common Stock authorized but unissued, 2,608,868 shares were reserved at December 31, 1969 for conversion of Preference Stock 6% Convertible Series B. During 1969 4,420 shares of Preference Stock were converted into 12,597 shares of Common Stock.

(c) After deduction of 19 shares ($1,917) of Cumulative Preference Stock and 5,982 shares ($197,406) of Common Stock acquired by the Company in 1969 and held in treasury at December 31, 1969.

(d) The increase in Capital Stock Expense of $769,717 in 1969 is attributable principally to expenses incurred in connection with the authorization, issuance and sale of 1,864,750 shares of Common Stock in 1969.

(e) The weighted average number of common shares outstanding during 1969 and 1968 were 37,733,913 shares and 37,277,413 shares respectively.

[1] Listed on the New York Stock Exchange. [2] Not listed. [3] Listed on the New York, Midwest, Pacific Coast and the Amsterdam, Holland, Stock Exchanges; unlisted trading on the Boston, Detroit and Philadelphia-Baltimore-Washington Stock Exchanges.

Note E—Long term debt:

Consolidated Edison Company of New York, Inc.
(including merged former subsidiary companies):

First and Refunding Mortgage Bonds:	Dec. 31, 1969	Dec. 31, 1968
2¾ % Series A, due March 1, 1982	$ 100,000,000	$ 100,000,000
2⅝ % Series B, due April 1, 1977	100,000,000	100,000,000
2¾ % Series C, due June 1, 1972	60,000,000	60,000,000
3 % Series D, due November 1, 1972	30,000,000	30,000,000
3 % Series E, due January 1, 1979	50,000,000	50,000,000
3 % Series F, due February 1, 1981	60,000,000	60,000,000
3¼ % Series G, due May 1, 1981	40,000,000	40,000,000
3⅜ % Series H, due March 1, 1982	50,000,000	50,000,000
3½ % Series I, due February 1, 1983	40,000,000	40,000,000
3⅜ % Series J, due January 1, 1984	35,000,000	35,000,000
3⅜ % Series K, due December 1, 1985	70,000,000	70,000,000
3⅝ % Series L, due May 1, 1986	30,000,000	30,000,000
4¼ % Series M, due October 1, 1986	40,000,000	40,000,000
5 % Series N, due October 1, 1987	60,000,000	60,000,000
4 % Series O, due June 1, 1988	50,000,000	50,000,000
4¾ % Series R, due June 1, 1990	50,000,000	50,000,000
5 % Series S, due December 1, 1990	75,000,000	75,000,000
4¾ % Series T, due June 1, 1991	50,000,000	50,000,000
4⅝ % Series U, due November 1, 1991	60,000,000	60,000,000
4⅜ % Series V, due June 1, 1992	100,000,000	100,000,000
4⅜ % Series W, due October 1, 1992	75,000,000	75,000,000
4⅜ % Series X, due December 1, 1992 (not listed)	60,000,000	60,000,000
4.40% Series Y, due June 1, 1993 (not listed)	75,000,000	75,000,000
4⅝ % Series AA, due December 1, 1993	75,000,000	75,000,000
4.60% Series BB, due October 15, 1994 (not listed)	125,000,000	125,000,000
5 % Series CC, due January 1, 1996 (not listed)	100,000,000	100,000,000
5.90% Series DD, due December 15, 1996 (not listed)	75,000,000	75,000,000
6¼ % Series EE, due August 1, 1997 (not listed)	80,000,000	80,000,000
6.85% Series FF, due October 1, 1998 (not listed)	60,000,000	60,000,000
7.90% Series GG, due April 1, 1999 (not listed)	80,000,000	—
	1,955,000,000	1,875,000,000
The Edison Electric Illuminating Company of New York, First Consolidated Mortgage Gold Bonds, 5%, due July 1, 1995 (non-callable)	1,437,000	1,437,000
Kings County Electric Light and Power Company, Purchase Money, 6%, 99 Years Gold Bonds, due October 1, 1997 (non-callable)	1,452,500	1,452,500
Staten Island Edison Corporation, First Mortgage Bonds, 2⅞% Series, due May 1, 1979 (not listed)	2,750,000	2,750,000
Westchester Lighting Company, General Mortgage Bonds, 3% Series, due May 1, 1979	12,000,000	12,000,000
The Yonkers Electric Light and Power Company, 2⅝% Debentures due July 1, 1976	9,000,000	9,000,000
Total	$1,981,639,500	$1,901,639,500

On January 29, 1970 the Company sold $125,000,000 of First and Refunding Mortgage Bonds, 8.90% Series HH, due January 15, 2000.

The above issues are listed on the New York Stock Exchange unless otherwise indicated.

PRICE WATERHOUSE & CO.

60 Broad Street
New York 10004

To the Board of Trustees and Stockholders of
Consolidated Edison Company of New York, Inc.

In our opinion, the accompanying balance sheet and the related statements of income and retained earnings present fairly the financial position of Consolidated Edison Company of New York, Inc. at December 31, 1969 and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

February 20, 1970

Price Waterhouse & Co.

Statistics

Sales and revenues—1969

Electric	Kilowatthours	% Increase or (Decrease) from 1968	Revenues	% Increase or (Decrease) from 1968
Residential	7,372,248,991	7.6	$284,738,440	4.7
Commercial-industrial	16,920,239,106	6.3	461,752,896	4.7
Railroads and railways	2,748,136,565	1.7	42,085,659	5.4
Public authorities	3,034,733,469	8.9	71,829,638	7.6
Other electric utilities	220,303,380	(55.0)	1,716,061	(56.8)
Total	30,295,661,511	5.4	$862,122,694	4.7

Residential—Sales directly to residential customers and to religious institutions.

Commercial-industrial—Sales directly to all types of general customers, also to customers who include residential or commercial tenant-use in the rent and to customers who resell energy to commercial and industrial tenants.

Railroads and railways—Sales to the three electrified railroads running into New York, the New York City Transit Authority, the Staten Island Rapid Transit and Port Authority Trans-Hudson Corporation.

Public authorities—Sales to municipal and other governmental authorities, including public street and highway lighting.

Other electric utilities—Principally delivery over tie lines inter-connecting with other New York State utilities.

Gas	Cubic Feet	% Increase from 1968	Revenues	% Increase from 1968
Residential	37,064,848,700	6.5	$ 68,920,301	4.3
General	22,702,603,700	5.9	38,678,565	4.4
Public authorities	1,820,864,500	19.6	2,466,372	15.2
Total	61,588,316,900	6.7	$110,065,238	4.6

Residential—Sales directly to residential customers and to religious institutions, including sales for heating.

General—Sales to all general-use customers for use in their operations including heating.

Public authorities—Sales to municipal and other governmental authorities.

Steam	Thousands of Pounds	% Increase or (Decrease) from 1968	Revenues	% Increase or (Decrease) from 1968
General	1,682,968	(1.6)	$ 4,070,771	(1.2)
Annual power	25,376,186	7.0	36,508,985	5.8
Apartment house	5,900,905	4.7	9,167,600	4.5
Public authorities	1,701,480	3.3	2,290,383	2.7
Total	34,661,539	6.0	$52,037,739	4.9

General—Sales to all customers with low load-factor use.

Annual power—Sales for power, or power and heat use.

Apartment house—Sales to apartment houses and hotels.

Public authorities—Sales to municipal and other governmental authorities.

Operating Revenues (000 omitted)

	Electric	Gas	Steam	Other	Total
1969	**$862,123**	**$110,065**	**$52,038**	**$4,028**	**$1,028,254**
1968	823,488	105,264	49,617	3,890	982,259
1967	778,006	104,392	44,596	3,762	930,756
1966	721,695	105,271	39,245	3,481	869,692
1965	693,591	104,291	38,425	3,933	840,240
1964	645,045	103,550	36,934	3,762	789,291
1963	605,189	104,982	35,259	3,525	748,955
1962	583,667	103,618	34,178	3,690	725,153
1961	561,922	100,313	33,464	3,378	699,077
1960	526,506	95,268	30,740	3,299	655,813
1959	489,969	92,556	29,545	2,838	614,908

Sales (000 omitted)

	Electric	Gas	Steam
	Kilowatthours	Cubic Feet	Thousands of Pounds
1969	**30,295,662**	**61,588,317**	**34,662**
1968	28,747,929	57,742,868	32,703
1967	27,539,517	56,742,468	30,276
1966	26,657,594	53,300,573	27,601
1965	25,258,255	51,894,458	26,642
1964	23,847,676	50,281,888	25,710
1963	22,185,558	49,234,821	23,964
1962	20,833,861	47,810,171	22,141
1961	20,204,268	46,049,037	21,690
1960	18,899,691	43,140,040	19,712
1959	17,653,913	42,285,632	18,775

Meters

	Electric	Gas	Steam
	Number at December 31		
1969	**3,052,875**	**1,296,589**	**4,559**
1968	3,050,396	1,301,552	4,535
1967	3,047,579	1,306,964	4,490
1966	3,055,141	1,319,132	4,485
1965	3,042,138	1,320,427	4,455
1964	3,025,282	1,322,937	4,431
1963	2,994,773	1,322,574	4,334
1962	2,949,389	1,321,169	4,190
1961	2,922,732	1,325,140	4,086
1960	2,904,624	1,333,007	4,100
1959	2,886,299	1,343,634	4,148

Population served, 1969—8,900,000 Service area—660 square miles

Employes

	Payroll (000 omitted)			Employes	
	Operating	Construction (and other accounts)	Total	Average Pay of Weekly Employes	Number at December 31
1969	**$172,413**	**$64,315**	**$236,728**	**$178.90**	**23,428**
1968	166,385	53,305	219,690	157.31	24,272
1967	162,742	49,612	212,354	153.09	25,056
1966	155,213	45,454	200,667	149.64	24,203
1965	149,651	50,598	200,249	146.95	23,863
1964	147,025	46,885	193,910	139.72	24,417
1963	143,302	45,736	189,038	134.92	24,621
1962	141,410	44,561	185,971	133.81	24,962
1961	137,620	43,321	180,941	131.15	24,545
1960	136,725	42,015	178,740	126.60	24,866
1959	129,827	35,254	165,081	116.35	25,792

Payroll figures include overtime and premium payments but do not include pension payments.

Statistics

Taxes (000 omitted)	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959
Taxes, other than Federal income											
Local	**$189,892**	$177,405	$167,655	$152,957	$133,999	$128,394	$116,020	$106,799	$102,498	$ 98,077	$ 86,841
State	**38,296**	34,587	26,498	25,367	23,841	21,505	20,798	20,173	20,337	17,658	16,378
Federal	**8,841**	8,132	7,281	6,784	4,772	4,832	5,011	4,580	4,057	4,036	3,411
	237,029	220,124	201,434	185,108	165,612	154,731	141,829	131,552	126,892	119,771	106,630
Charged to:											
Operating taxes	**226,465**	211,314	193,591	178,712	160,102	151,676	139,187	129,292	123,364	117,748	104,581
Operations—principally production expenses	**3,615**	3,414	2,911	2,701	2,961	3,055	2,642	2,260	2,280	2,023	2,049
Other accounts—principally construction	**6,949**	5,396	4,932	3,695	2,549	—	—	—	1,248	—	—
	$237,029	$220,124	$201,434	$185,108	$165,612	$154,731	$141,829	$131,552	$126,892	$119,771	$106,630
Federal Income Tax Charged to:											
Operations	**$ 15,100**	$22,200	$16,300	$14,100	$17,700	$20,200	$23,400	$29,800	$36,600	$39,400	$42,800
Other accounts	**—**	(1,230)	(5,640)	340	1,850	(2,810)	(2,940)	(1,055)	880	—	—
	$ 15,100	$20,970	$10,660	$14,440	$19,550	$17,390	$20,460	$28,745	$37,480	$39,400	$42,800

Electric System

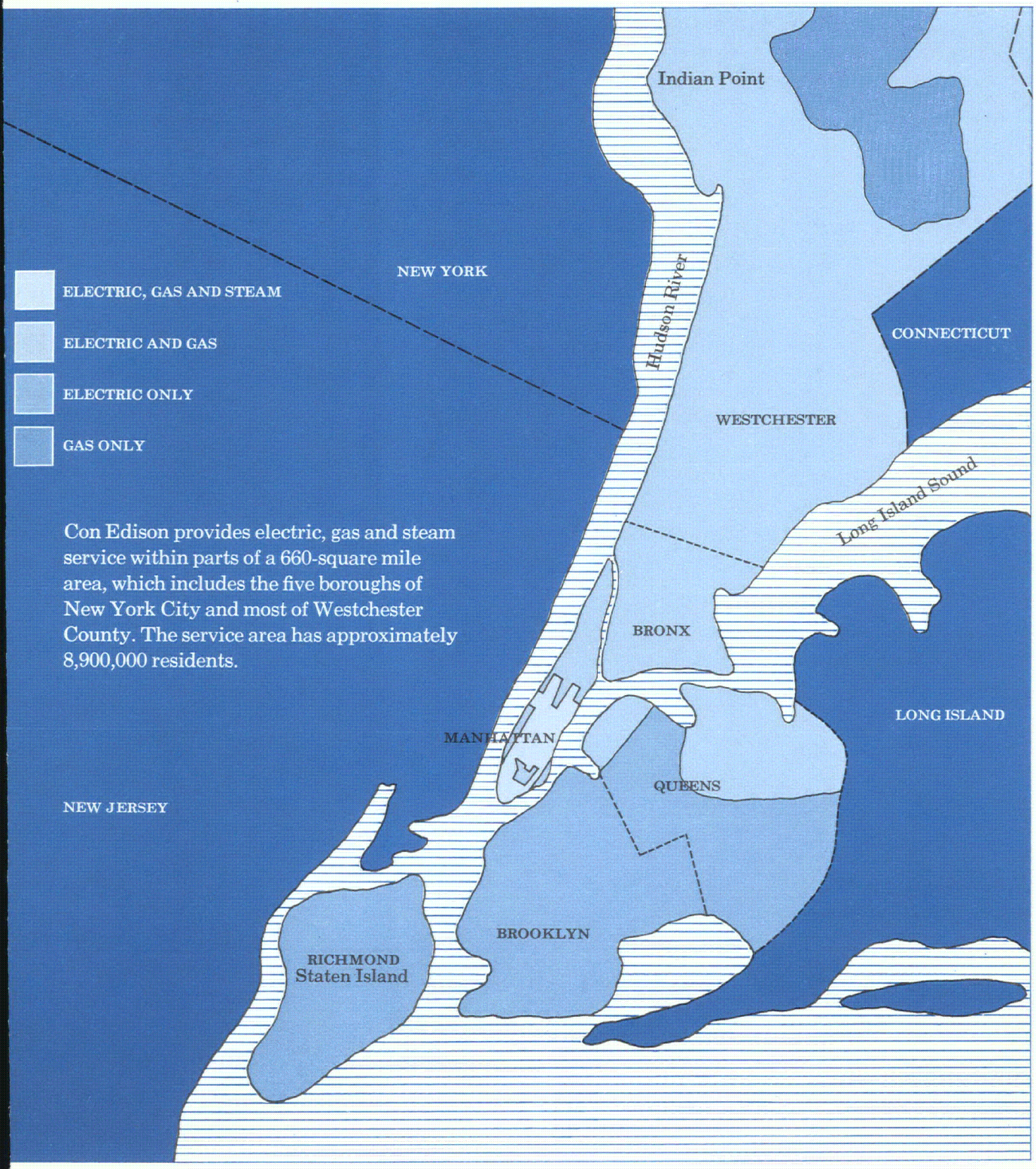
	Generating Capacity December 31	System Peak*		Heat Rate	Residential	
	Kilowatts	Date	Kilowatts	Btu per Kwhr	Kwhr per Customer	Revenue per Kwhr
1969	**8,296,000**	**July 17**	**7,266,000**	**11,757**	**2,950**	**3.9¢**
1968	7,722,000	July 17	6,960,000	11,570	2,736	4.0
1967	7,588,000	July 24	6,147,000	11,535	2,522	4.0
1966	7,567,000	July 13	6,154,000	11,560	2,439	3.8
1965	7,595,000	June 23	5,710,000	11,751	2,277	3.9
1964	6,607,000	July 1	5,505,000	11,505	2,161	3.8
1963	6,663,000	July 29	5,105,000	11,372	2,050	3.9
1962	5,885,000	June 19	4,852,000	12,149	1,939	4.0
1961	5,301,000	Sept. 13	4,744,000	12,378	1,937	4.0
1960	4,883,000	Aug. 30	4,352,000	12,461	1,780	4.1
1959	4,894,000	Sept. 9	4,245,000	12,746	1,787	4.0

*One hour net maximum load distributed locally.

Stockholder Statistics

	Number of Stockholders December 31			Shares December 31		Common Stock Record	
	Preferred Stock	Common Stock	Total	Preferred	Common***	Earnings per Share***	Dividends per Share***
1969	**64,458**	**234,689**	**299,147**	**6,430,692**	**39,161,774**	**$2.47**	**$1.80**
1968	65,929	227,889	293,818	6,435,131	37,290,409	2.57	1.80
1967	25,413	229,156	254,569	5,515,319*	37,257,292	2.58	1.80
1966	25,389	225,572	250,961	5,115,319*	37,257,292	2.31	1.80
1965	24,313	199,635	223,948	4,615,319	37,257,292	2.42	1.80
1964	24,115	178,458	202,573	3,865,319	37,257,292	2.21	1.65
1963	61,642**	173,435	235,077	4,178,349**	34,977,952	2.09	1.6125
1962	67,993**	170,032	238,025	4,209,833**	32,188,088	2.20	1.50
1961	24,991	169,497	194,488	3,265,319	32,178,038	1.89	1.50
1960	25,014	166,023	191,037	2,515,319*	31,035,446	1.94	1.50
1959	23,935	161,594	185,529	1,915,319	30,182,726	1.96	1.40

*Including Capital Stock Subscribed. **Including Preference Stock called Sept. 11, 1964.
***Restated to reflect two-for-one stock split effective Feb. 5, 1965.



Con Edison provides electric, gas and steam service within parts of a 660-square mile area, which includes the five boroughs of New York City and most of Westchester County. The service area has approximately 8,900,000 residents.

Trustees

John V. Cleary*
Former President

John Doar
President, Bedford Stuyvesant Development & Services Corp.

Fredrick M. Eaton
Partner
Shearman & Sterling

Grayson L. Kirk
President Emeritus
Columbia University

Charles F. Luce
Chairman of the Board

Milton C. Mumford
Chairman of the Board
Lever Brothers Company

J. Wilson Newman
Chairman of the Finance Committee
Dun & Bradstreet, Inc.

Richard K. Paynter, Jr.
Director
New York Life Insurance Company

Richard S. Perkins
Chairman of the Executive Committee
First National City Bank

William S. Renchard
Chairman of the Board
Chemical Bank

Louis H. Roddis, Jr.
President

Edmund F. Wagner
Chairman of the Executive Committee
The Seamen's Bank for Savings

Lawrence A. Wien
Senior Partner
Wien, Lane & Malkin

James D. Wise
Former Chairman of the Board
Bigelow-Sanford, Inc.

*Retired from Board of Trustees October 31, 1969.

Management

(As of January 1, 1970)

Chairman of the Board
Charles F. Luce

President
Louis H. Roddis, Jr.

Executive Assistant to the Chairman
John T. Conway

Special Assistant to the Chairman
Russell W. Holt

Executive Vice Presidents
Thomas C. Duncan
Bernard E. Gallagher
Walter R. Grant

Senior Vice President
Harry G. Woodbury

Vice President, General Counsel
Myles V. Whalen, Jr.

Vice Presidents
Arthur N. Anderson
William J. Cahill, Jr.
Edward J. Doyle, Jr.
Walter B. Fisk
Thomas A. Griffin, Jr.
Arthur Hauspurg
Alexander C. Husband
William W. Lapsley
Robert J. Marcus
C. Wesley Meytrott
Emanuel Toder
William E. Wall

Vice President, Treasurer
James G. Stark

Division Vice Presidents
Arthur J. Bazeley
William E. Caldwell, Jr.
John V. Cleary, Jr.
Joseph T. Hydok
Robert B. Stevens
Max M. Ulrich

Controller
Parker C. Peterman

General Auditor
Warren B. Coburn

Secretary
Walter A. Morris, Jr.

The following served as senior officers in 1969 prior to the dates of their retirement:

John W. Balet
Vice President, December 1, 1969

William C. Beattie
Vice President, January 1, 1970

John V. Cleary
President, October 31, 1969

Charles B. Delafield
Vice President, February 1, 1969

Francis A. Going
Auditor, May 1, 1969

John D. Gray
Secretary, April 1, 1969

J. Eliot McCormack
Senior Vice President, November 1, 1969

Ralph S. Norris
Vice President, May 1, 1969

Annual Meeting:
The Annual Meeting of Stockholders will be held on Monday May 18, 1970, at 2:30 P.M. in the Company's auditorium on the 19th floor at 4 Irving Place, New York, N.Y. Proxies for this meeting will be requested from stockholders entitled to vote at the meeting when notice of this meeting, proxy statement, and form of proxy are mailed on or about April 10th.

Common Stock:
Listed on the New York, Midwest, Pacific Coast, and the Amsterdam, Holland Stock Exchanges; unlisted trading on the Boston, Detroit, and Philadelphia - Baltimore - Washington Stock Exchanges.

Transfer Agent—*Office of the Company, 4 Irving Place, New York, N.Y. 10003; Continental Illinois National Bank and Trust Company of Chicago, 231 South LaSalle Street, Chicago, Illinois 60604; Bank of America National Trust and Savings Association, 300 Montgomery Street, San Francisco, California 94120.*
Registrars—*First National City Bank, 111 Wall Street, New York, N.Y. 10015; The First National Bank of Chicago, 38 South Dearborn Street, Chicago, Illinois 60603; Crocker-Citizens National Bank, 1 Montgomery Street, San Francisco, California 94104.*

Luce

Roddis

Cleary

Wien

Renchard

Wagner

Newman

Mumford

Eaton

Perkins

Paynter

Kirk

Wise

Doar

Con Edison Consolidated Edison Company of New York, Inc.
4 Irving Place, New York, N.Y. 10003

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Annual report 1965

(suppl) submitted w/ Amend. #3 L, L & L 6-20-66 ltr.

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Consolidated Edison Company of New York, Inc.
4 Irving Place, New York, N.Y. 10003

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Annual Meeting:

The Annual Meeting of Stockholders will be held on May 16, 1966 at 2:30 P.M. Proxies for this meeting will be requested from stockholders when notice of meeting, proxy statement and form of proxy are mailed on or about April 8, 1966.

Highlights of the year

Volume of Sales Increased

Sales of electricity increased 5.9 per cent;
sales of gas increased 3.2 per cent;
steam sales increased 3.6 per cent.

Revenues Increased 6.5 Per Cent

Electric increased 7.5 per cent;
steam increased 4.0 per cent;
gas increased 0.7 per cent.

Common Stock Earnings Increased

Earnings per share were $2.42 in 1965
on 37,257,292 shares compared with $2.21
in 1964 on the same number of shares
adjusted for the two-for-one split
on February 5, 1965.

Construction Expenditures

Were $235 million in 1965; estimated at
$220 million for 1966 and
at $1.1 billion for 1966-70.

1 Million Kilowatt Unit in Operation

Ravenswood electric generating Unit No. 3,
world's largest, went into operation in June.

Two New Generating Units Planned

500,000-kilowatt coal-fired unit scheduled
at Arthur Kill in 1968;
873,000-kilowatt nuclear unit scheduled
at Indian Point in 1969.

Preferred Stock Sold

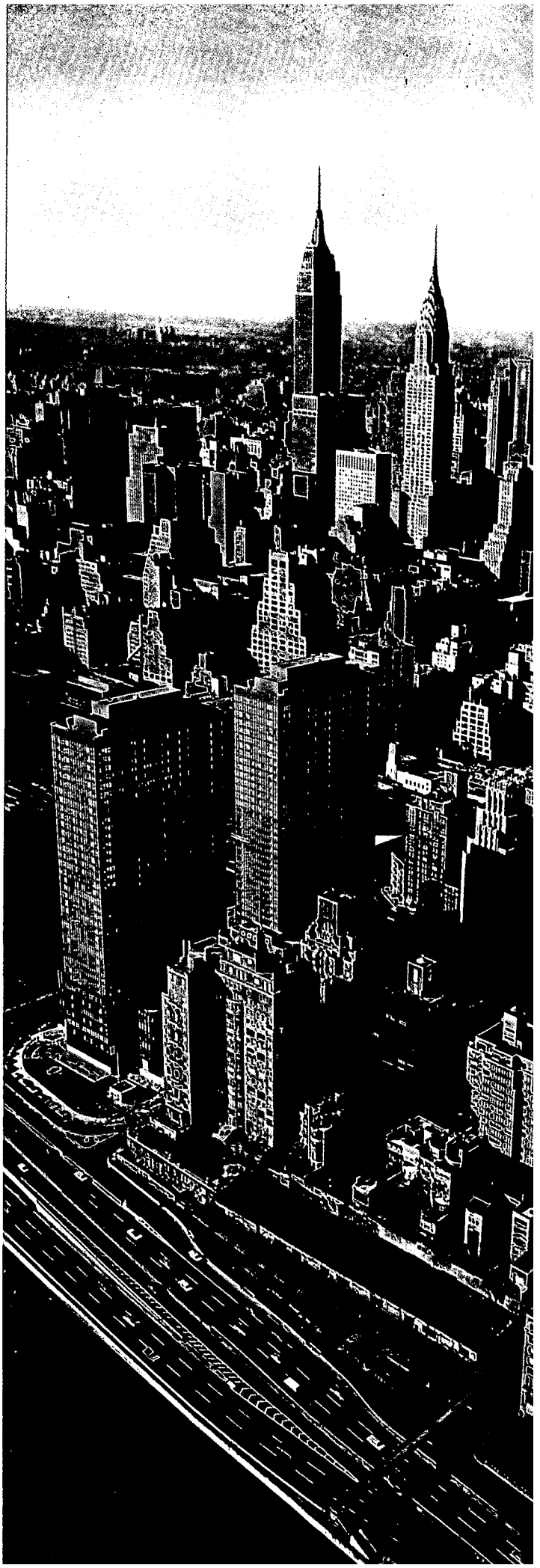
$75 million raised by sale of 750,000 shares
of cumulative preferred.

$100 Million Mortgage Bonds Sold

Series CC first and refunding mortgage bonds
sold at competitive bidding on
December 15, and issued in January 1966.

Common Stock Listed On Two More Exchanges

In September, Con Edison common stock
was listed on Pacific Coast
and Midwest Stock Exchanges.



To our stockholders

For 1965 our earnings per share were $2.42 on shares outstanding at year end as compared with $2.21 per share for the previous year after adjusting for the two-for-one stock split on February 5, 1965.

The volumes of electricity, gas and steam sold reached new highs. Revenues increased $50.9 million over the previous year of which approximately $18 million net is attributable to adjustments in electric and gas rates.

The over-all rate of return on the Company's investment showed some improvement during the year but it is still considerably below the 6.2 to 6.3 per cent determined to be fair by the Public Service Commission in its decision in the electric rate case in mid 1964. The necessity of earning an adequate rate of return cannot be overemphasized. The Company must obtain the funds for the expansion of its facilities by the sale of its securities in the competitive market. Interest rates have been rising. The management is fully aware that the Company must be able to pay a competitive price for its capital funds, and to do this the rate of return we are earning must be further increased.

Improved efficiencies in electric generation resulting from a greater portion of our output being produced by modern generating units is expected to contribute toward this objective. The continuing growth of our business will result in greater utilization of facilities already installed, and this too should be helpful.

On November 9 at 5:28 P.M., electric service to over 90 per cent of the Company's customers was interrupted. A severe electrical disturbance on the Ontario Hydro-Electric Power Commission system near Niagara Falls caused the shutdown of large amounts of generating capacity in upstate New York and Ontario. As a result of this, a sudden huge load was thrown on the Company's system. While there was sufficient reserve capacity available on our system to handle the load, the reserve steam generating units could not pick it up quickly enough and almost all of our electric system collapsed and shut down.

The Company's electrical supply is provided entirely by steam generating units, which, by their nature, are relatively slow in picking up added loads. To guard against the type of disturbance that occurred on November 9, and to provide increased reliability of our electric service, the Company in late 1962 announced plans for the Cornwall pumped storage hydroelectric plant. Hydroelectric facilities can pick up sudden loads quickly. Such generating capacity is needed to provide our territory with the added reliability of electric service it should have.

The Federal Power Commission issued a license for the Cornwall project to the Company in March 1965. Opposition, however, resulted in court action which has returned the case to the Commission for further consideration. The Company knows of no practical alternative means that can provide the added reliability of service that the Cornwall project would, and its importance to the electric power supply of nearly nine million people in our service territory is immeasurable.

The Cornwall plant will be located in an area of natural beauty, and the Company is taking this fully into account in its planning. Development of the area in connection with the project will improve the over-all scenic values in the vicinity, which over the years have become badly deteriorated.

During 1965, the Company spent $235 million for construction of new facilities. Construction expenditures for 1966 are estimated at $220 million and for the five years 1966 through 1970 construction expenditures are estimated at $1.1 billion. The new 1,000,000-kilowatt generating unit at Ravenswood began operation in June. Also completed in 1965 was the new 345,000-volt underground backbone transmission system that provides the basic transmission facilities to meet the growing loads in the densely populated metropolitan area.

The delay in the construction of the Cornwall project has resulted in the scheduling of two new generating units to meet projected demands for 1968 and 1969. A 500,000-kilowatt coal-fired unit is scheduled for 1968 completion at the Arthur Kill station on Staten Island. An 873,000-kilowatt nuclear powered unit is scheduled for 1969 completion at the Indian Point site in Buchanan, New York. Preliminary work is under way on both projects.

The year 1965 was the 81st of the operation of this Company and dividends have been paid consecutively throughout this period. It also marks the 143rd year of the existence of the Company and its predecessors.

This Annual Report is submitted,

By the order of the Board of Trustees,

H. C. Forbes — CHAIRMAN

E. E. Ale — PRESIDENT

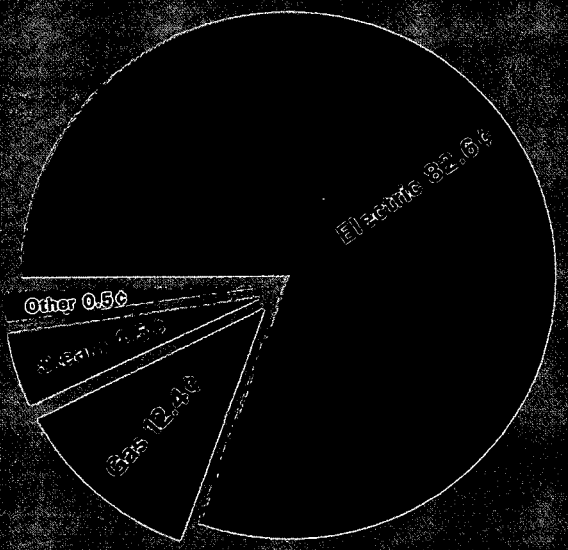
February 23, 1966

The revenue dollar–1965

We received from		Per Cent
Sales to our customers:		
Electricity	$694,000,000	82.6
Gas	104,000,000	12.4
Steam	38,000,000	4.5
Other—principally rentals	4,000,000	0.5
Total	$840,000,000	100.0

Our costs were		
Taxes—Federal, state and local	$181,000,000	21.6
Wages—operating payrolls and pensions	171,000,000	20.4
Fuel—coal, oil, natural gas and nuclear materials	118,000,000	14.0
Materials—supplies, outside services and other charges	78,000,000	9.3
Depreciation—provision for depreciation of plant and equipment	84,000,000	10.0
Purchased energy—electric power and natural gas purchased for resale to customers	36,000,000	4.3
Interest—interest on indebtedness and other charges (net)	60,000,000	7.1
Total	728,000,000	
Net income	112,000,000	
Dividends—preferred and common	89,000,000	10.6
Retained in the business	$ 23,000,000	2.7
		100.0

Income



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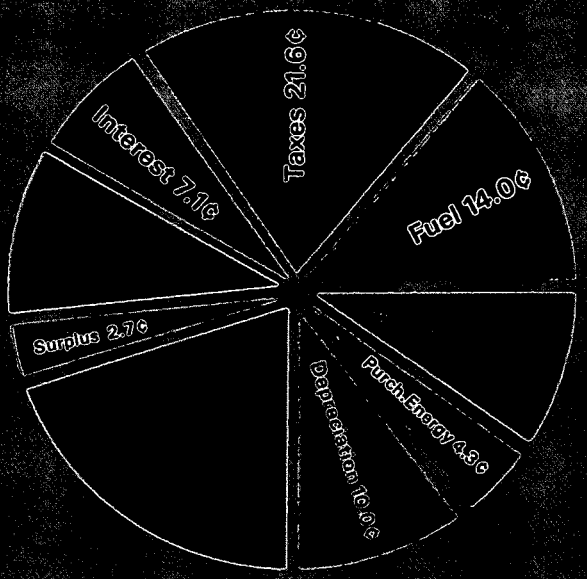


See financial statements starting page 23.

Growth of our business

During 1965 the Company's sales of electricity, gas and steam increased over the previous year and reached new highs in all categories.

Revenues from electric and steam sales increased over the previous year and also reached record levels. Revenues from gas sales increased over 1964 and approached the previous high reached in 1963 prior to the 1964 reduction in gas rates.

Electric Sales

Kilowatthour sales of electricity increased 5.9 per cent over 1964. Revenues from electric sales, which reflected in full the increase in rates made effective on July 29, 1964, were up 7.5 per cent.

The average residential use of electricity rose from 2,161 kilowatthours in 1964 to 2,277 kilowatthours in 1965, an increase of 5.4 per cent over the previous year. In Westchester County, where most customers live in individual homes, average residential use reached 3,658 kilowatthours in 1965. The average residential use in Staten Island reached 3,005 kilowatthours, up 7.0 per cent from 1964.

Gas Sales

The total volume of gas sold in 1965 increased 3.2 per cent over the previous year. Revenues from gas sales, which reflected in full the reduction in rates made effective on February 15, 1964, increased 0.7 per cent. Sales volume for residential heating, the largest single classification in terms of gas consumed, was up 5.1 per cent over 1964.

Steam Sales

The volume of steam sold during 1965 increased 3.6 per cent over the previous year, and corresponding revenues were up 4.0 per cent. The major part of steam sales growth continues to stem from the use of steam for heating and air conditioning new large commercial and apartment buildings in Manhattan.

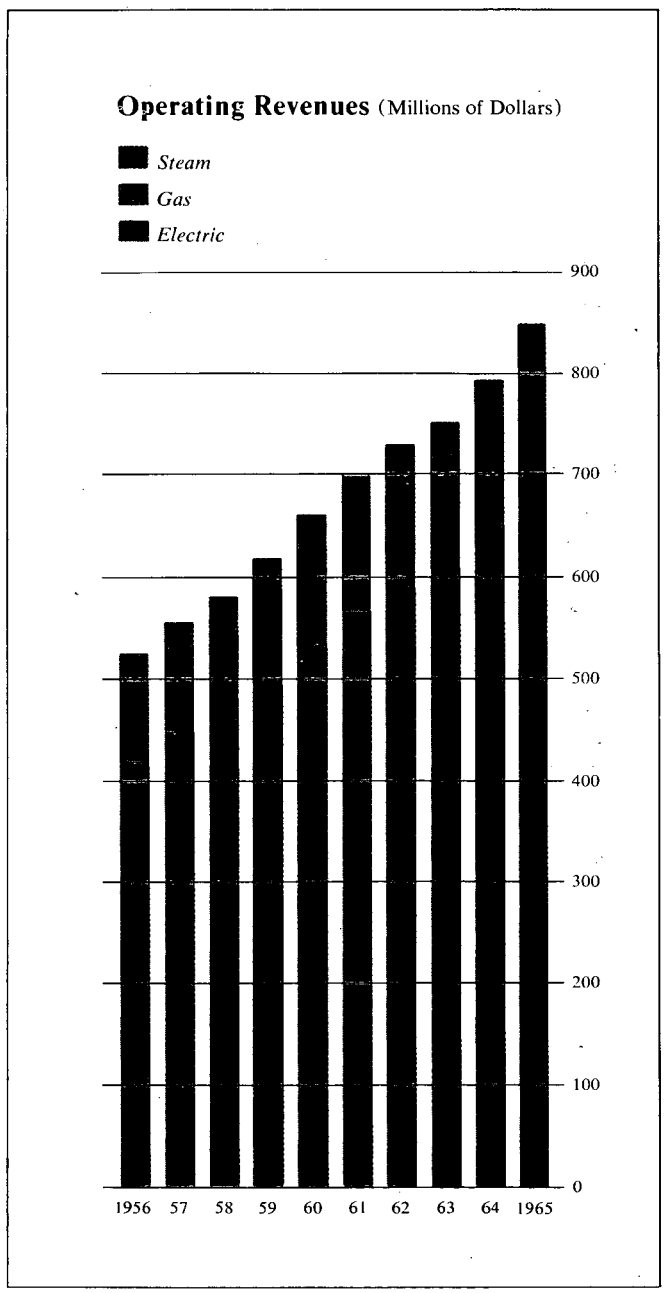
New Electric Peak in June

Our electric system demand peaked for the year at 5,710,000 kilowatts on June 23 between 3 and 4 P.M. This new record is about 4 per cent higher than the previous annual hourly peak established on July 1, 1964.

A new 24-hour electric sendout record of 101.1 million kilowatthours also was established on June 23. This was about 250,000 kilowatthours higher than the previous record on July 1, 1964.

Summer Steam Peak Reaches New High

The summer demand for steam reached a new high of 5,744,000 pounds per hour between 3 and 4 P.M. on August 9. The summer peak has been increasing rapidly in recent years and is now three times what it was ten years ago, due to the successful efforts of the Company to sell steam for air conditioning large buildings.



Growth in our service area

The continuing development and redevelopment of New York City and Westchester are major factors in the steadily rising requirements for electricity, gas and steam.

New York is a city of superlatives, a vast international market, huge, diverse and ever-growing. Long the nation's chief manufacturing city, it leads in both wholesale and retail trade. Its location has made it a center for passenger and freight traffic by sea, air, rail and highway.

In addition to these major attributes, New York is also the country's corporate and financial capital, the center of business management and headquarters for manufacturing companies. It provides the nation's biggest concentration of communications, advertising and other business services. New York is one of the world's great cultural and educational centers, with an outstanding variety of colleges, museums, libraries, concert halls and theaters.

Construction Activity Continues

The continuing vitality of this great metropolitan center is reflected in the high level of construction activity throughout the area.

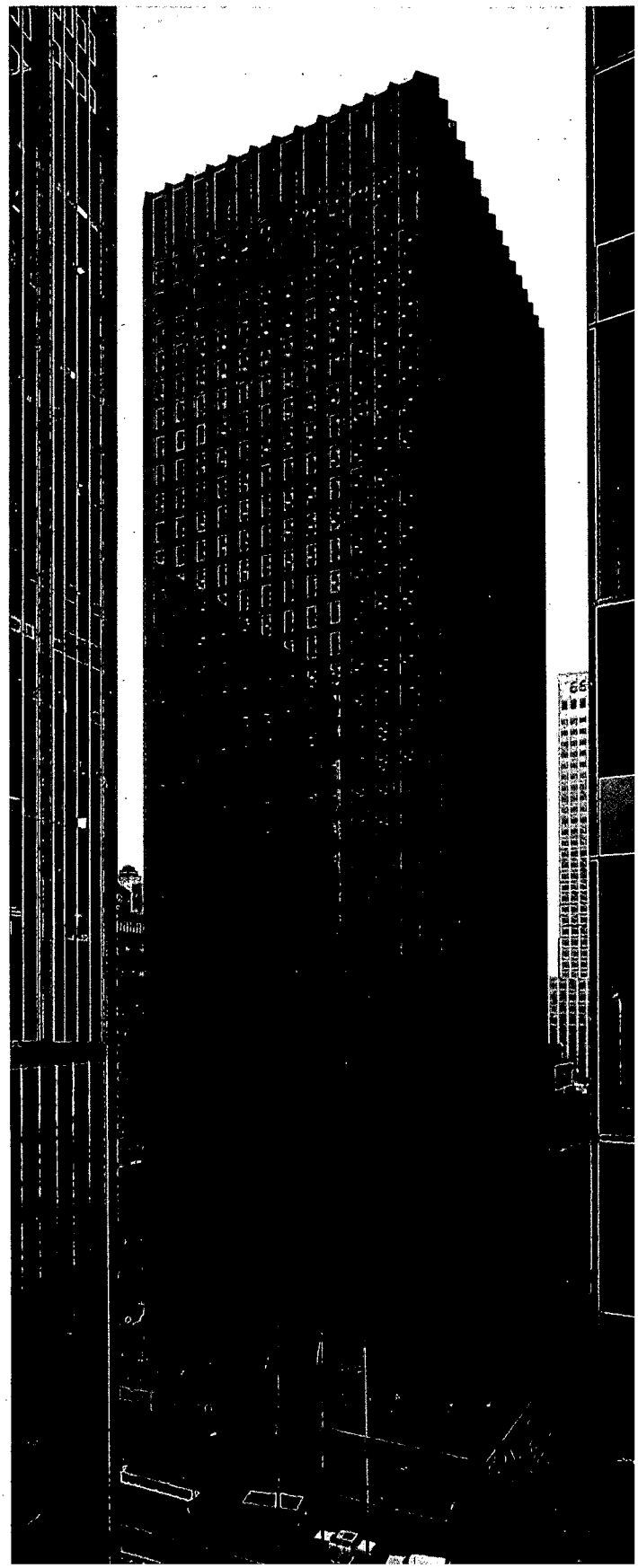
New office buildings continue to alter the city's skyline. Nearly half of all the office space built in the United States since 1947 is in New York City, and the demand for more such space continues to be high. Seventeen office buildings and two additions completed during 1965 added more than four million square feet of rentable space. At the end of the year, another 11 million square feet of office space were under construction. Being planned are 28 buildings that will add about 28 million square feet of office space.

Twenty new industrial buildings were completed in 1965, along with additions to three existing buildings. This added more than 1.1 million square feet of industrial space. Now under construction or in the planning stages are 41 more buildings and five building additions which will add 2.27 million square feet of floor space.

During the year, 313 apartment buildings with over 40,000 dwelling units were completed; another 293 with 32,000 dwelling units were under construction at year end. The trend to central air conditioning in high-rise apartment buildings continues. Central systems were installed in 41 buildings completed in 1965, and will be included in 59 now under construction. Among the new projects planned is Co-op City, the largest and one of the most outstanding residential developments in the United States. It will occupy nearly 300 acres in northeast Bronx, and will include 15,500 dwelling units in thirty-nine 24 to 35-story buildings, along with shopping centers, schools, public buildings and several groups of town houses.

During 1965 four shopping centers were completed

CBS headquarters, 51 West 52nd Street



Allied Chemical Tower, the former Times Tower rebuilt

Home Insurance Company, 59 Maiden Lane

with a total of 332,000 square feet of floor space. Under construction at year end were five new centers and two additions which will add 730,000 square feet. Nine more are planned, totaling over 2.5 million square feet.

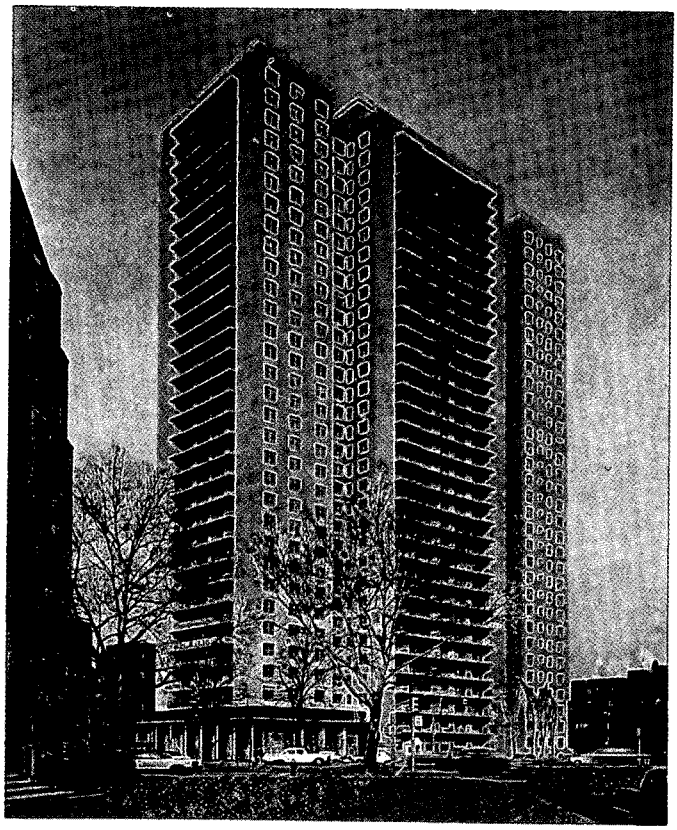
Public school construction in New York City resulted in 28 new school buildings and in additions to and modernization of seven existing schools. In Westchester, four new buildings and two additions were finished. Under construction are four more buildings and three additions.

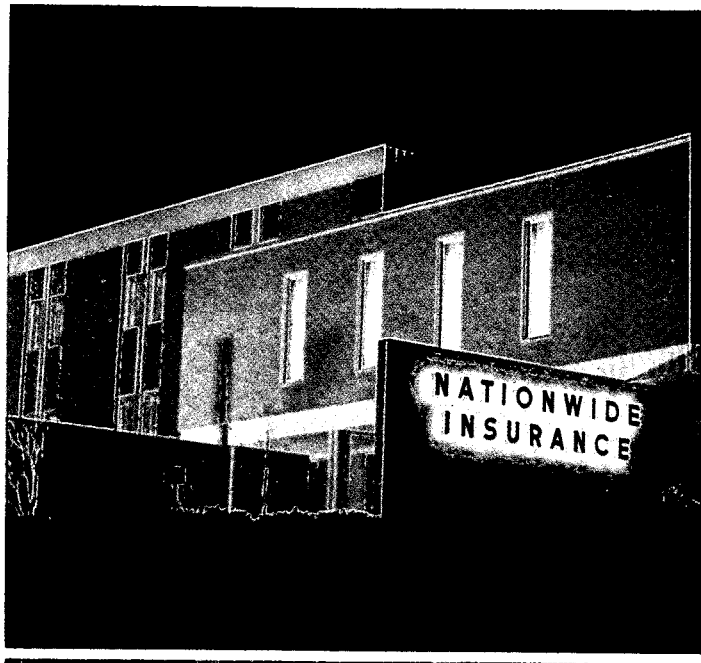
Two motels with 155 rooms were completed during the year, and two more with 240 rooms, and one 218-room hotel, are now being built. In the planning stage are 18 more projects with over 2,200 rooms.

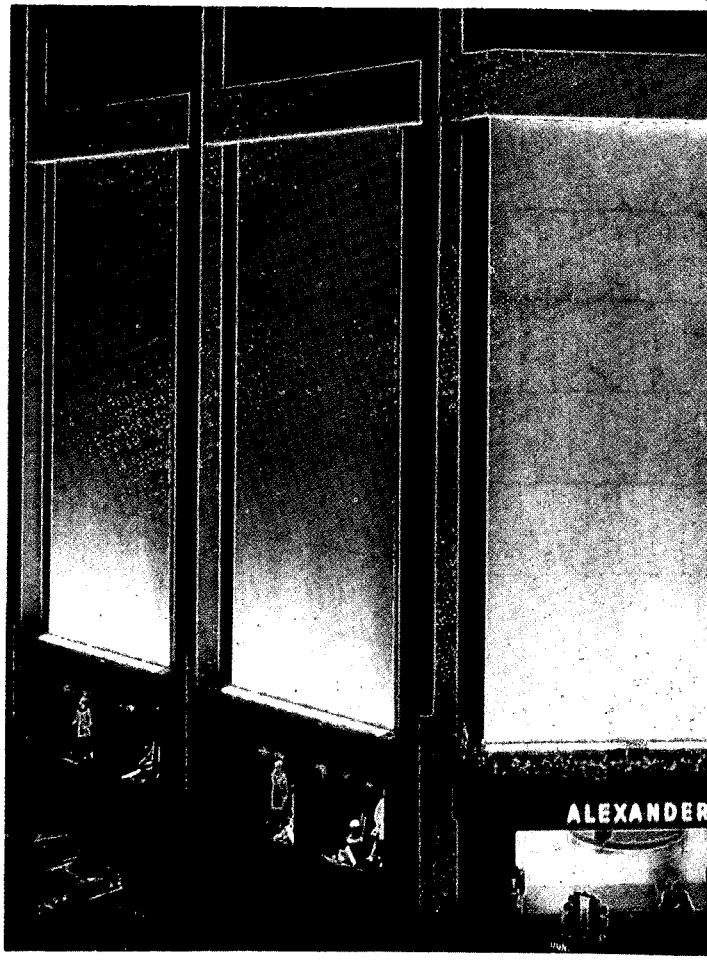
During the year, four hospital buildings with 1,070 beds were completed; at year end ten buildings and one addition totaling 1,987 beds were in construction; another ten buildings and one addition are in advanced planning stages.

Three nursing homes with 424 beds were completed in 1965. One of these was an all-electric installation. Also under construction at year end were four other nursing homes with 394 beds. Planned are 12 more homes with over 2,000 beds.

Kennedy House, a striking new apartment building in Queens.







Nationwide Insurance Company, White Plains (top).
Alexander's Manhattan department store, which opened in 1965 (below).

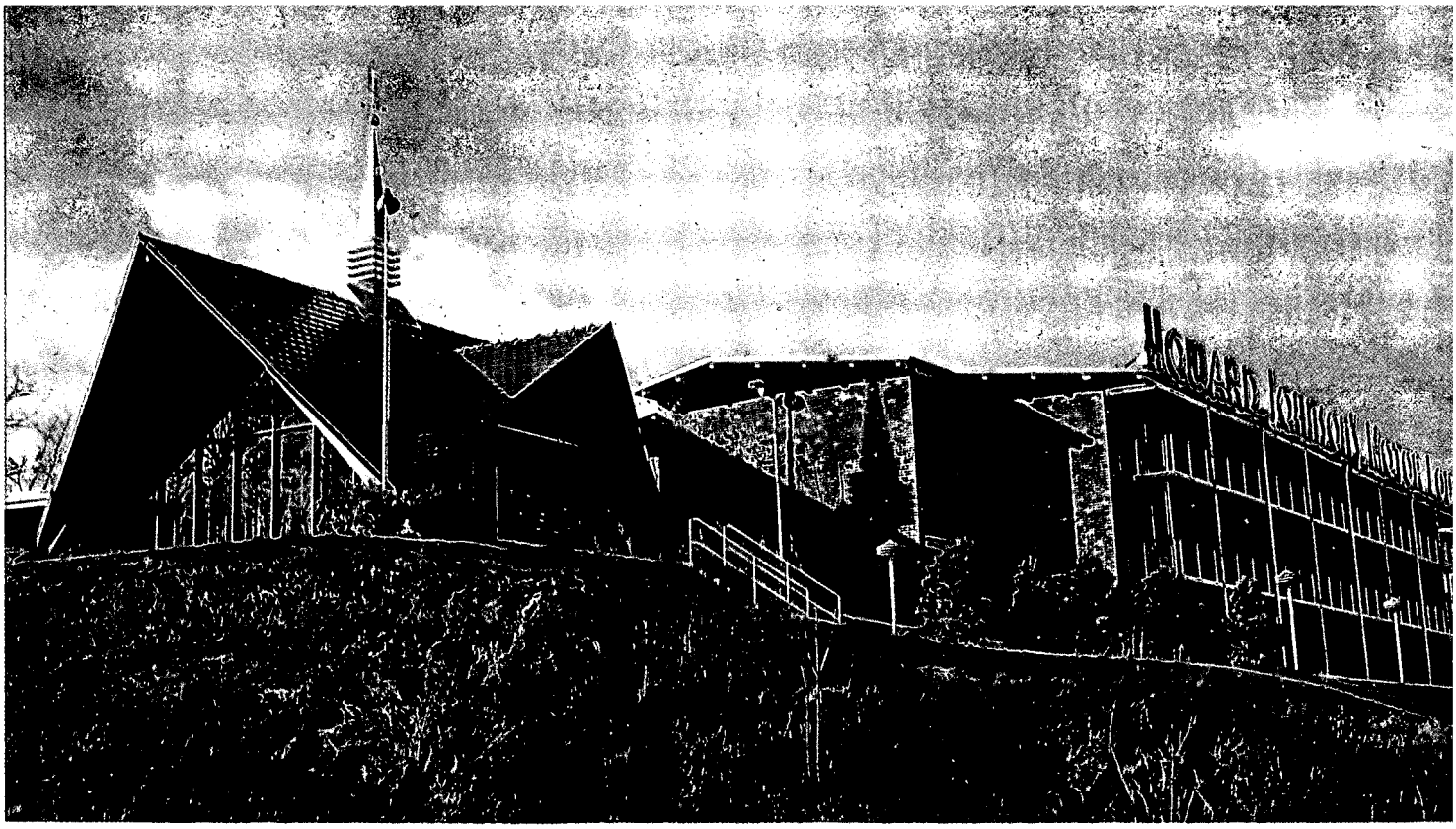
Promoting the area we serve

The continuing economic growth of New York City and Westchester is of major importance to the entire area, and naturally is of great significance to the Company.

To help promote economic and business development, the Company has established an area development group to coordinate our activities in this field.

As part of this effort, a long-range national advertising program designed to promote New York City and Westchester was launched last year. This program, which emphasizes the location factors that long have enabled so many different enterprises to prosper here, also identifies Con Edison as a source to which businesses can turn for help and information.

The Company works closely with responsible groups concerned with community improvement and strengthening the economy of the area. These include city and state agencies, business and real estate groups, and civic organizations. The Company participated in the establishment of the Economic Development Council for New York City which was formed last year by leaders of the city's business community to seek solutions to specific problems and to help promote the economic growth of New York City.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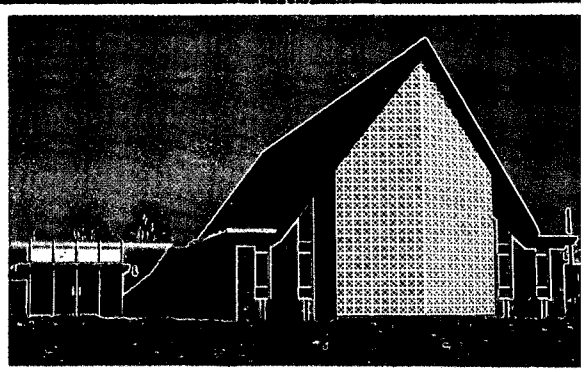


Promoting electric heat

Electric heat will be of increasing importance to the Company in the future, both in terms of increasing our business and of providing more efficient and economic use of our facilities. Not only does it permit us to sell a heating service in those parts of our territory where gas and steam are not available, it helps develop our winter load at a faster rate and reduce the spread between summer and winter electric peaks which has been widening principally because of the growth of the summer air-conditioning load.

In the residential market, the installation of electric heat results, in nearly every instance, in a total electric home. With it goes electric cooking and water heating, better lighting, adequate wiring and more major electrical appliances. The average total electric home uses seven to ten times as much electricity as the household heated by other fuels.

To promote this use of electricity, the Company is carrying out an aggressive sales program. Electrically heated homes and apartments are being constructed in our area at an increasing rate. In 1965, 12 all-electric (Gold Medallion) apartment buildings with a total of 200 dwelling units were completed and at year end 33 more with 892 dwelling units were under construction or planned. Outstanding among these are two high-rise apartment buildings being erected as additions to the Electchester project in Queens. Each 24-story building will contain 92 apartments. Construction is also underway on Sutton East, a new 14-story electrically heated apartment building with 73 dwelling units in Manhattan.

During the year, electric space and water heating was installed in 295 one and two-family homes having 354 dwelling units. At year end, premises designed for all-electric living, either planned or under construction, included 535 one and two-family homes with 602 dwelling units.

In addition, a number of churches, schools, nursing homes and motels are now electrically heated. Industrial and commercial electric heating installations, too, are on the rise. During the year 3,380 kilowatts of electric heating equipment were installed in 166 non-residential premises, and at the beginning of 1966, another 48 were planned or under construction which will use 4,367 kilowatts of electric heating load.

The all-electric Howard Johnson Motor Lodge, Elmsford (top). All-electric living in Westchester...Carriage Hill, White Plains (center left). All Saints Episcopal Church, Staten Island, is electrically heated (center right).

Promoting our services

A strong program of promotional activities carried out during the year helped increase sales of all services.

Emphasis again was placed on promotion of major appliances in cooperation with manufacturers, distributors and local dealers. During the Company's three-month summer promotion of frost-free refrigerator-freezers, over half the 40,000 refrigerator-freezers sold in the area were such frost-free models. Earlier in the year, a two-month dishwasher campaign contributed to a 46 per cent increase in dishwasher sales in the area over the previous year.

Our continuing promotion of electricity for commercial cooking resulted in an additional installed load of 20,500 kilowatts in 1965.

Promotion of adequate wiring continues to increase customer electrical consumption. During 1965 wiring was modernized in almost 16,000 one and two-family houses and 1,500 apartment buildings with a total of some 56,000 dwelling units. Over 16,000 air-conditioning circuits were installed in apartment houses that were rewired.

Promotion of gas for space, water heating, commercial and industrial purposes helped result in 13,300 new installations, of which some 11,500 were for gas space and water heating. Continuing emphasis was placed on converting residential heating equipment from other fuels to gas. Gas heating equipment was installed in 95 per cent of all new homes built in the Company's gas territory during 1965.

Our continuing efforts to promote steam service in large Manhattan buildings produced 79 new contracts signed during 1965. Most of this new business will come on the lines in 1966 and 1967, including the new Bellevue Hospital complex and the new Madison Square Garden Center. A total of 64 new steam customers were connected to our lines in 1965.

At year end, steam operated air-conditioning equipment with a total cooling capacity of over 445,000 tons of refrigeration was in service or being installed in customers' premises, an increase of 25,000 tons over last year.

Con Edison gas is used to fire ovens at A&P's Jane Parker Bakery in Flushing, Queens (left).

Construction review

To keep ahead of steadily growing demands for our services, the Company spent $235 million for construction in 1965, distributed as follows:

Electric transmission and distribution	$162
Electric production	51
Gas	11
Steam	4
General	7
Total	$235

It is estimated that $220 million will be spent during 1966 for new facilities. Construction expenditures for the five-year period 1966-70 are forecast at $1.1 billion.

Ravenswood One Million Kilowatt Unit

In June, a new one million kilowatt electric generating unit, the world's largest, began supplying electric power to the system at our Ravenswood station in Queens. With a total capacity of 1.8 million kilowatts, Ravenswood is now the largest generating station on our system.

Cornwall Pumped Storage Hydroelectric Plant

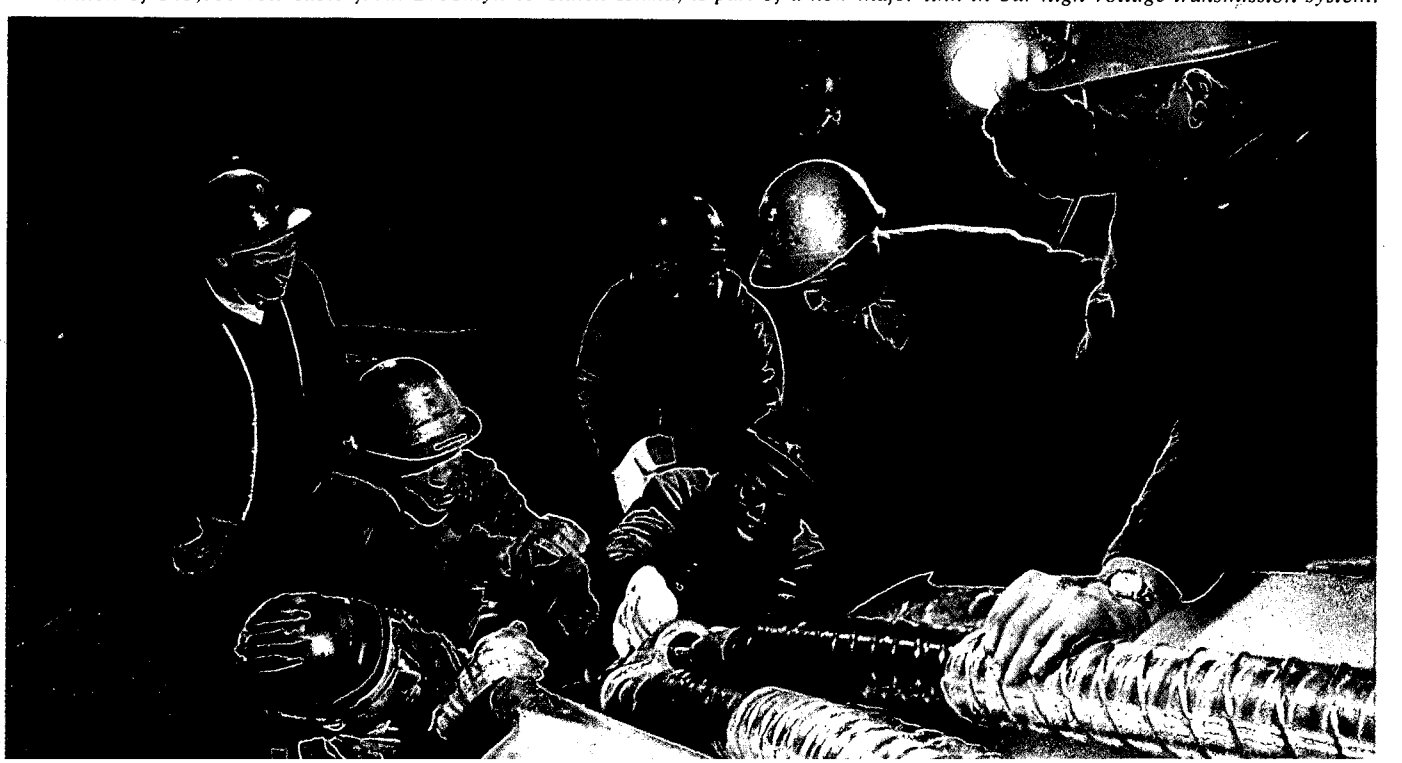
As noted in previous reports, the Company applied to the Federal Power Commission in January 1963 for a license to build and operate a 2,000,000-kilowatt pumped storage hydroelectric plant at Cornwall, New York. On March 9, 1965, the Commission issued a license to the Company for the project. In July 1965, a petition for a review of the Federal Power Commission's order granting the license was filed by intervenors in the United States Court of Appeals for the Second Circuit, and oral argument was heard on October 8. On December 29, the Court set aside the order and returned the case to the Federal Power Commission for re-examination of questions on which the Court held that the record of hearings was insufficient. On January 26, 1966, the Commission ordered new hearings and scheduled a prehearing conference for March 22, 1966.

Delay in construction of the Cornwall project is unfortunate because it will postpone the time when this added reliability to New York City's power supply can be provided. No city in the world is more dependent on electricity than New York and it needs the utmost in reliability of service. One of the basic reasons for proposing this project was to provide protection against the type of disturbance that resulted in the November 9 power interruption. Hydroelectric generating equipment such as that proposed for Cornwall, represents the ultimate in reliability and in ability to pick up load quickly in an emergency.

Furthermore, the Cornwall project will enable the Company to cut down air pollution in the city by reducing the amount of fuels burned there and by eliminating much of the daily starting up and shutting down of steam units, an operation that often causes undesirable stack emissions. It will also permit retirement of several hundred thousand kilowatts of older capacity and this too should help to reduce air pollution further.

Great care has been taken in the design of the Cornwall plant to blend it in with its surroundings and to improve the shoreline of the Hudson. Plans for the project include clearing out abandoned unsightly buildings, sunken barges,

Installation of 345,000-volt cable from Brooklyn to Staten Island, is part of a new major link in our high-voltage transmission system.



a burned out pier and other blighted waterfront structures on the Hudson River shoreline, and constructing a mile-long 55-acre waterfront recreational park in their place. The great majority of those who live in the area favor the project as one that offers economic, scenic and recreational benefits, as well as an improved local water supply.

While the further delay of this project is regrettable, the Company welcomes the renewed opportunity to give authorities and the public the fullest possible information of the Company's desire to serve the public interest by improving the scenic beauty and recreational aspects of the area while making best possible use of one of the great natural resources available to our country.

The benefits the Cornwall project promises for millions of people should be realized and the Company will make every effort to see the project through to completion.

New Generating Units Planned

The delay in the construction of the Cornwall project has made it necessary to adopt an accelerated program for the installation of additional generating equipment. In order to meet projected load requirements for the system for 1968 and 1969, the Company will install two new electric generating units with a combined capacity of nearly 1.4 million kilowatts. One of these will be a conventional generating unit, the other a nuclear unit.

Arthur Kill No. 3 Unit

Early in January 1966, plans were announced to add a 500,000-kilowatt coal-fired generating unit to our Arthur Kill station on Staten Island. The new unit, to be known as Arthur Kill No. 3, is scheduled for completion by the early summer of 1968 and is estimated to cost $65 million.

With the new 500,000-kilowatt unit and the existing 400,000-kilowatt unit, the Arthur Kill station will serve as the southern anchor for the Company's extra-high-voltage 345,000-volt underground transmission system.

Indian Point No. 2 Unit

In November the Company announced plans to expand the Indian Point nuclear generating station at Buchanan, in Westchester, by adding an 873,000-kilowatt nuclear unit. It is scheduled for completion in the spring of 1969 and will cost an estimated $108 million. To be known as Indian Point No. 2, the new unit will be entirely nuclear powered by a pressurized water reactor, the same type as the present Indian Point reactor. Indian Point No. 2 will be built by Westinghouse Electric Corporation on a turnkey contract basis. An application to construct the unit was filed with the Atomic Energy Commission in December.

Hydroelectric Power from Canada

During the year negotiations continued with the Quebec Hydro-Electric Commission for hydroelectric power from Canada. However, it is not feasible to proceed with this project until the Company is assured that the Cornwall plant can be constructed. Power from this source would have to be taken around-the-clock and only a limited portion of it could be used during the low load nighttime hours other than for the pumping operation at Cornwall.

Transmission Interconnections

The Company is interconnected with six companies, four in New York—Niagara Mohawk Power Corporation, Long Island Lighting Company, Central Hudson Gas & Electric Corporation and Orange and Rockland Utilities, Inc.; one in New England—The Connecticut Light and Power Company; and one in New Jersey—the Public Service Electric and Gas Company.

The Company is also planning an interconnection with the 500,000-volt system to be built in the late 1960's by the Pennsylvania–New Jersey–Maryland interconnected companies and the Allegheny Power System.

Transmission and Distribution Facilities

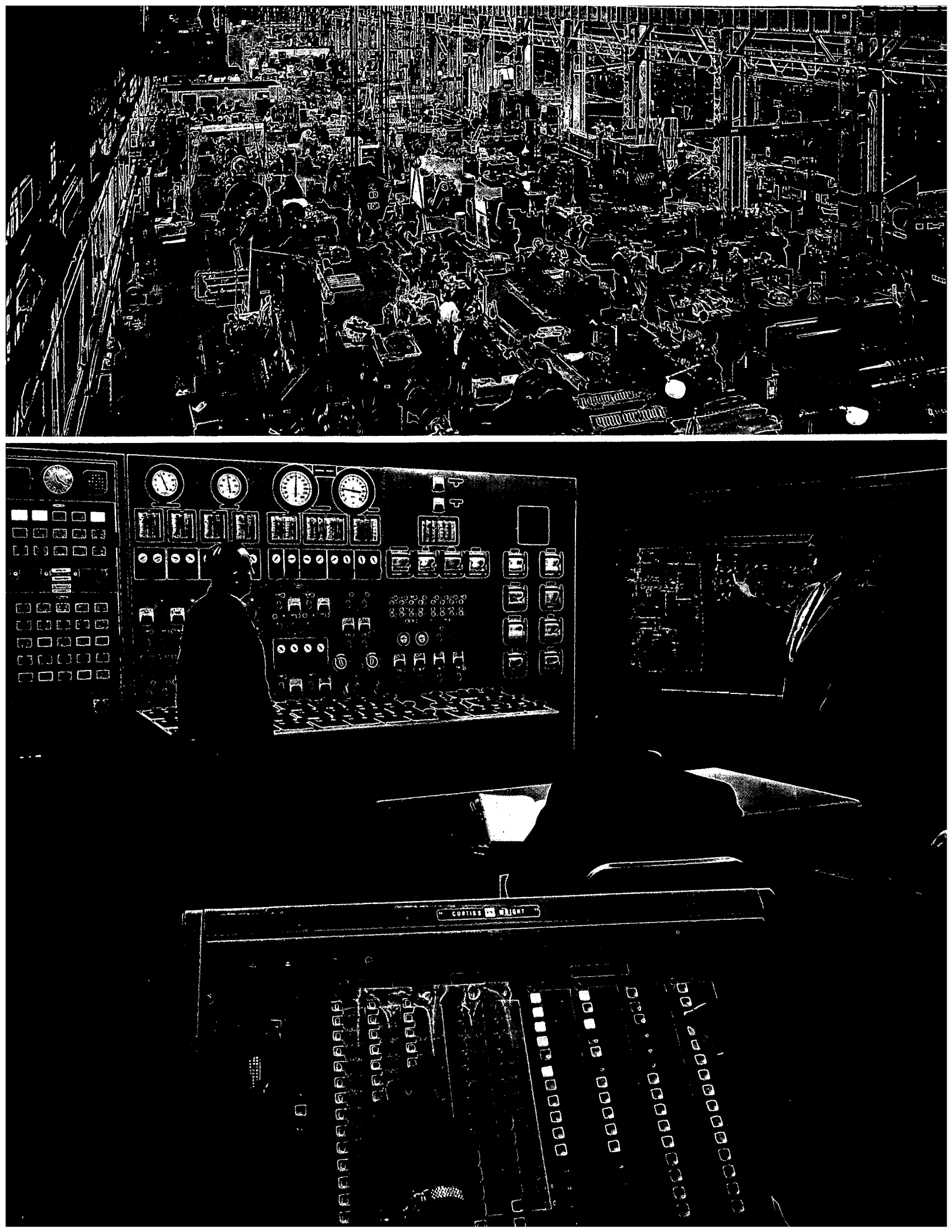
Continuing load growth required extensive additions to our electric transmission and distribution systems which accounted for a major part of total construction expenditures in 1965.

The Company recently completed a major expansion of its underground transmission system at 345,000 volts. These extra-high-voltage lines and related facilities comprise the Company's new backbone transmission system in our densely populated metropolitan area. This system enables the Company to make maximum use of its new large efficient generating facilities and provides added transmission capacity for future growth. In conjunction with transmission system interconnections, the new backbone system provides increased ability to interchange reserve capacity and economy energy with neighboring utilities.

An extension of the backbone transmission system from the Farragut substation in Brooklyn to the new Goethals substation, now being built on Staten Island, is under construction and scheduled for completion in 1967.

Gas and Steam Systems

In 1965, $11 million was spent on gas construction, principally for expansion of the distribution system to take care of load growth and new customers. Expenditures for new steam facilities in Manhattan to improve and expand the distribution system amounted to $4 million.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Review of operations

November 9 Power Interruption

As reported to stockholders in a special letter dated November 23, 1965, the widespread power interruption in the Northeast on November 9 affected an area of some 80,000 square miles which included New York State, most of New England, parts of Canada and small areas in Pennsylvania and New Jersey. The disturbance originated at 5:16 P.M. on the Ontario Hydro-Electric Power Commission system just north of Niagara Falls. This initiated a cascading loss of generating capacity in upstate New York that threw a sudden huge load on New England and downstate utilities, including Con Edison. The unprecedented magnitude and nature of this load was such that the generating facilities in New England and downstate New York could not pick it up. By 5:28 P.M. the balance of the interconnected system, including nearly all of Con Edison's, had shut down.

The enormously complicated process of restoring electric service to our customers began immediately and continued through the night. By 1 A.M., service had been restored to 25 per cent of our customers; by 3:30 A.M., 50 per cent; and by 7 A.M., 99 per cent. By evening of November 10 service was essentially normal.

It took longer for service to be restored in New York City than in other areas because of the nature of the system. There is no other electric system as immense, complex and concentrated as that serving New York City. Furthermore, the Company had no quick starting hydroelectric capacity to assist in the process as did most other utilities in the affected area. This is a handicap that the Cornwall plant would remedy.

As a result of the shutdown, generating units on our system with a combined capacity of 1.5 million kilowatts sustained mechanical damage. These units have all been returned to service.

Since the November 9 outage, the Company has taken steps to guard against future interruptions and to facilitate restoration of service in event of any future emergency. Some decisions reached as a result of our studies have been implemented; others are under active consideration.

The Company has also been participating in investigations and studies of the power interruption by the Federal Power Commission and the New York Public Service Commission.

Company repair and maintenance work in the Van Nest shops (top).

This boiler procedures trainer is a teaching aid which simulates the control board operations of our large modern boilers (bottom).

Con Edison and the other New York and New England utilities serving the affected areas retained the engineering consulting firm of Stone & Webster to make an exhaustive analysis of the entire interconnected system. These studies are aimed at determining what changes may be needed to protect the interconnected system against a recurrence of a failure such as occurred on November 9.

As a result of the power interruption, questions have been raised as to the desirability of interconnection with neighboring utilities. The Company has continually placed maximum dependability foremost in its system planning, and interconnections play an important role in this. They have demonstrated their great value in protecting utility systems from interruptions time and time again, and are fundamental to reliability of electric service. A return to the operation of numerous, relatively small, completely isolated systems would certainly be a step backward that would result in more, rather than less, trouble.

Northeast Power Coordinating Council

Formation of a Northeast Power Coordinating Council was announced on January 19, 1966 by 22 utility systems, including Con Edison, that operate in the area affected by the power interruption on November 9, 1965.

These power systems, including the Power Authority of the State of New York and the Hydro-Electric Power Commission of Ontario, represent a combined electrical generating capacity of some 33 million kilowatts, about 98 per cent of the generating capacity in the area.

The purpose of the Council is to promote maximum reliability and efficiency of electric service in the Northeast. The member utilities have for many years coordinated their engineering design and operating procedures through working committees. The Council will provide a permanent organization for greater administrative direction and continuity of these activities. It will secure independent, professional consulting services as required. All studies and reports undertaken by member organizations relating to the November 9 power interruption will be made available to the Council.

Research and Development

The Company has, for many years, been prominent in research and development work aimed at reducing costs and improving efficiency and reliability of energy service. We have worked closely with manufacturers, industry associations and other utilities to achieve advances in engineering and business techniques. The engineering and operating experience of the Company's skilled manpower has been put to maximum use in all these efforts.

The Company's involvement in research and development spans the entire range of technology associated with utility system operation and modern business practices. Included are such broad areas as system planning, general engineering, high-voltage direct current transmission, gas and electric system maintenance and electronic computer applications to engineering, accounting, marketing and other business procedures.

Among the projects being carried forward is the development of the use of aluminum to replace copper for underground low tension network conductors. Our engineers have also been investigating the application of a shrink type plastic tubing for use as insulation for underground cable joints, which would have considerable advantage over the present method of building up the insulation by hand taping.

The Company also is playing a leading role in working with manufacturers and the Edison Electric Institute to develop oil-less transformers which would be more advantageous for installation in urban areas than the conventional oil-filled types.

Last year a revolutionary new horizontal boring tool, developed by the Company for special underground boring jobs, was used for the first time to cut a 52-inch diameter tunnel 105 feet through solid rock in Manhattan without motorists or pedestrians above being aware of the operation. Working at an average depth of 20 feet, the tool known as "Termite I" passed under all existing utility installations, leaving behind a 48-inch diameter steel pipe housing for a new 30-inch steam main. This new tool represents the most significant development in horizontal earth boring since the Company began pioneering in this field in 1945.

Nuclear Research Program Continued

The Company continued for the fifth year its participation in a cooperative nuclear research program with six other investor-owned New York electric utilities through its membership in Empire State Atomic Development Associates, Inc. (ESADA).

To date the ESADA program has consisted principally of sponsorship of research and development work on advanced high temperature reactor systems, and continuing study and periodic evaluation of the economic and development status of United States nuclear power technology in general.

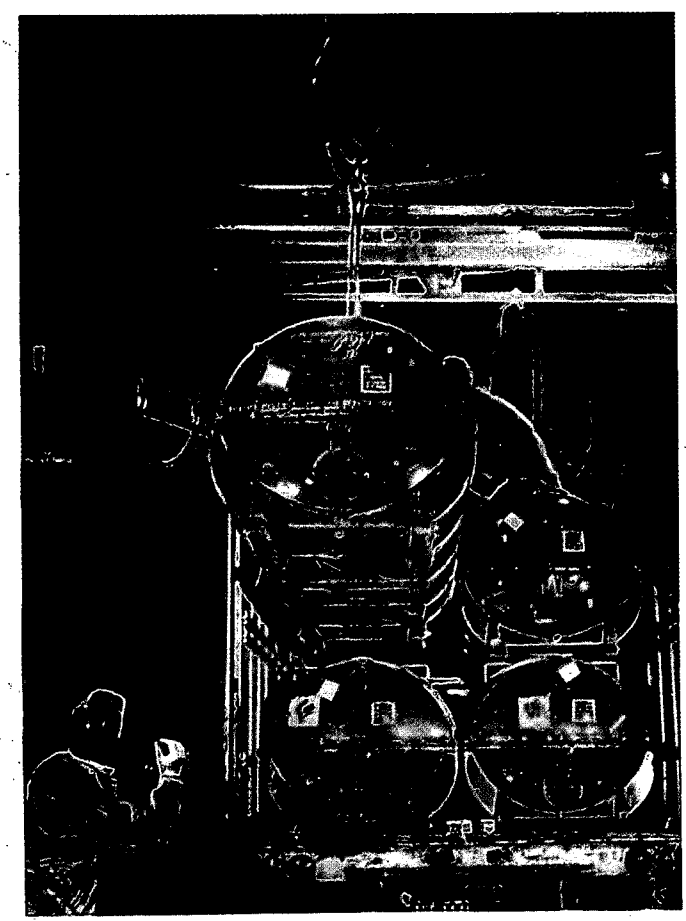
During the past year considerable work has been done in evaluating ESADA's future course in power reactor development in view of the remarkably rapid progress in the use of nuclear power systems in New York State. The results of this evaluation will provide the basis for ESADA's continuing research work.

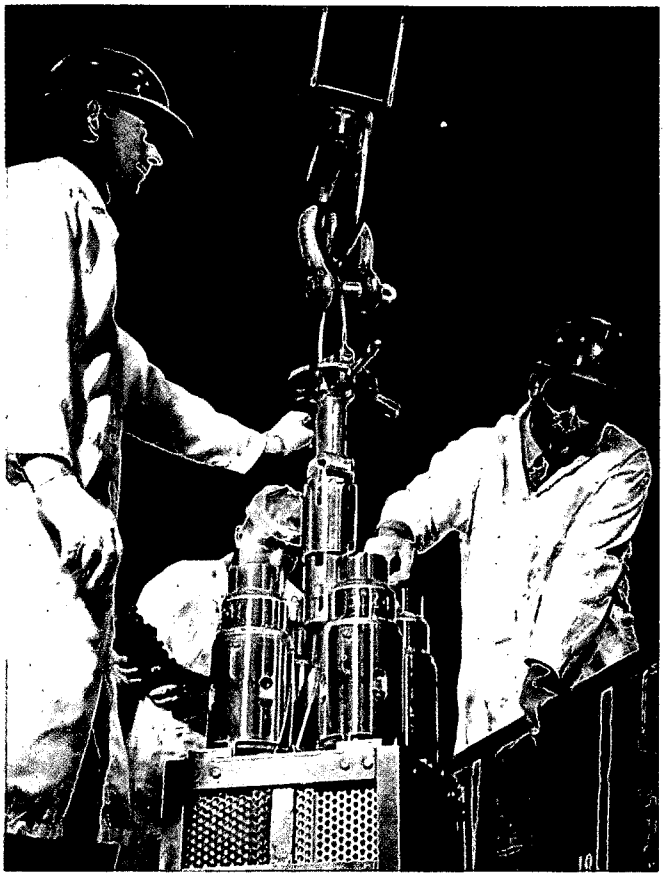
The country's first commercial plant for the reprocessing of spent fuel from atomic power plants, located near Buffalo, New York, began commercial service in January 1966. This is an undertaking of Nuclear Fuel Services, Inc., in cooperation with the New York Atomic and Space Development Authority. The ESADA member companies have contributed funds for research and development in support of this important project. The first fuel core that has been removed from the Indian Point No. 1 plant will be reprocessed here.

Indian Point Refueling

Our 275,000-kilowatt Indian Point nuclear generating station was taken out of service in late October for installation of a new reactor core and refueling. This is the first time the station has been refueled since it went into operation in September 1962. The Company has been highly

Nuclear fuel for new core arrives at Indian Point.





Reactor fuel examined and placed in storage well.

pleased with the operation of the Indian Point station, and both the reactor and its associated equipment have performed well. During the five months prior to the shutdown of the unit for refueling, it was in operation over 95 per cent of the time. The gross electrical output of the plant through the life of the first core was 2.8 billion kilowatt-hours, equivalent to the power that could be obtained from burning 780,000 tons of coal. It would require about 13,000 railroad coal cars to deliver that quantity of fuel.

The original nuclear fuel core, consisting of highly enriched uranium oxide and thorium oxide, is being replaced by a core of slightly enriched uranium oxide fuel. The new core is expected to produce electric power at a fuel cost comparable to, or even lower than, that of a modern coal-fired generating station. With the new core, the unit will have a capacity of some 290,000 kilowatts. The station is scheduled to go back into operation in April 1966.

Air Pollution Control

The control of air pollution resulting from the burning of fossil fuels in electric and steam generating plants has been a matter of prime concern to the Company for several decades. Since the mid-1930's some $118 million has been expended in this effort.

The principal fuels used by the Company for electric and steam generation are coal and oil, which together provide nearly 80 per cent of requirements. Natural gas furnishes most of the remainder. Nuclear fuel supplies a small percentage, and this is expected to increase importantly in the future.

Of the fossil fuels used, only coal may be secured without governmental authorization. We have had difficulty, from time to time, in securing adequate amounts of oil because of restrictions on imports. We have not been able to obtain gas specifically for boiler fuel. The gas we do burn is that which is incidental to our gas distribution operations. The Federal Power Commission ruled against the Company's attempt to secure gas solely for use as boiler fuel and this ruling was upheld by the Supreme Court. The limitation of gas for boiler fuel handicaps us in our efforts to reduce atmospheric pollution, but we are continuing to seek additional supplies.

The two principal problems of controlling air pollution have to do with removing solid particles from the combustion products resulting from burning coal, and with minimizing the effects of the gaseous combustion products, principally the sulfur compounds, resulting from the burning of both coal and oil. Natural gas has neither of the problems associated with burning coal or oil.

Collection of fly ash by electrostatic precipitators was pioneered by this Company and all recently installed coal-fired units have been equipped with the most modern equipment available. The precipitators now being provided can collect over 99 per cent of all solids from stack gases. Older units with less efficient precipitators are being modified in various ways as rapidly as possible. Some of these have been, or are currently being, converted to oil or gas firing. Others are scheduled for retirement once the Cornwall project is completed and can assume the peaking and emergency reserve function which these older units now provide.

To minimize the effects of the sulfur oxides, the Company purchases low sulfur content coal and oil, well below the level now specified in city codes. High stacks, combined with the speed with which hot gases leave the stacks, result in a wide dispersion of the combustion products in the atmosphere.

Major strides in air pollution control in the future depend importantly on new facilities. The Cornwall plant will result in improvements, as will the Indian Point No. 2

atomic plant. Atomic energy offers a comprehensive solution to the problem of air pollution insofar as power generation is concerned, and this is one of the principal reasons the Company has been in the forefront of nuclear development from the start.

Additional Natural Gas Sought

The Company is seeking additional natural gas supplies that would be used mainly for fuel in its electric generating stations. It is supporting the application of one of its suppliers, Transcontinental Gas Pipe Line Corporation, to the Federal Power Commission, seeking authorization to sell Con Edison an additional 20 billion cubic feet of natural gas annually. This application is one part of a comprehensive gas case now before the Commission.

On January 18, 1966 the Company filed a memorandum with the Commission urging that Transcontinental's request of the same date for temporary authority to deliver the additional gas be granted without waiting for a decision at the completion of the entire proceedings.

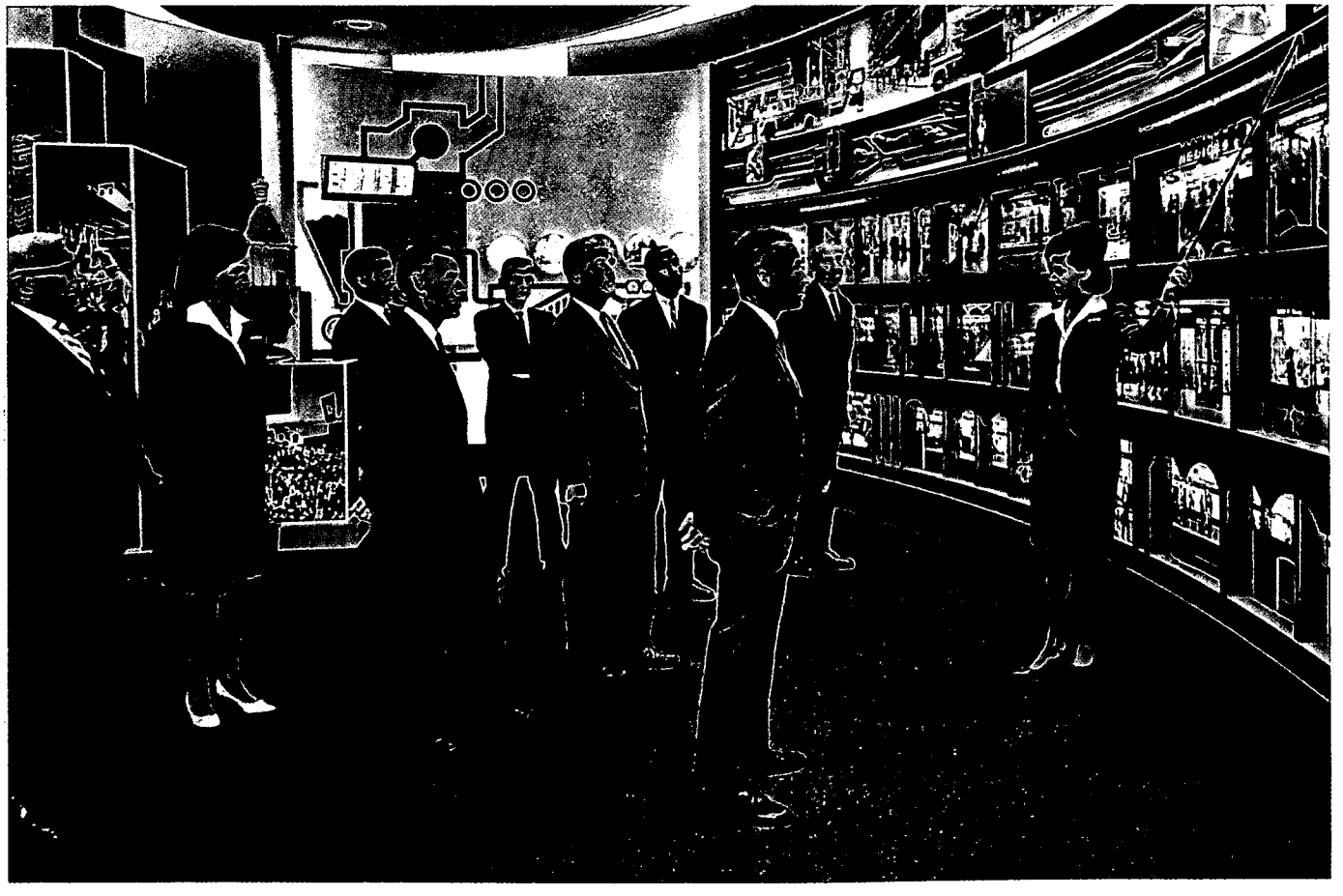
Safety Program

In 1965, the Company's lost-time accident rate was reduced approximately 37 per cent from the previous year. Lost time injuries reached an all-time low of 91, which resulted in a frequency rate of 1.89 per million manhours worked. No other electric and gas utility of comparable size has ever equalled this safety performance.

Fourteen Edison Electric Institute million manhour awards were received by various Company groups during 1965 for safe working over one, two and four million manhour periods.

"Safety Comes First at Con Edison" has been more than a slogan throughout the Company for many years. The emphasis on safety, which protects both Company employes and the public, starts at the top of the organization and is put into action by safety committees and individual initiative all the way down the line.

Energy Control Center exhibits dramatically illustrate the Company's complex operations to visitors.



Employes

At the end of the year there were 23,863 employes on the active payroll, 554 less than a year ago.

Recruitment and Training

Recruitment of college graduates, particularly in the engineering, accounting and general business fields, is part of a continuing program to develop people for future responsibilities. The Company also encourages employes to further their education by providing a matching grant tuition aid program for studies on their own time, mostly leading toward college degrees.

Three-Year Collective Bargaining Contracts

The collective bargaining contracts with the unions, signed early in January 1966, cover the period December 1, 1965 to November 30, 1968. There are no provisions for reopening during the three-year period. The contracts provide for general wage increases in each of the three years on a progressive basis. General wage increases, together with certain increases to non-union employes, are estimated at $7 million for the year 1966. Improvements in fringe benefits such as medical coverage, retirement, vacation and insurance are included in the settlement.

Organization changes

New Chairman and President Elected

Charles E. Eble, president since 1957, was elected chairman and chief executive officer, effective March 1, 1966, by the Board of Trustees to succeed Harland C. Forbes who reached the mandatory retirement age for officers in February 1966.

John V. Cleary, previously a senior vice president, succeeds Mr. Eble as president. He was elected a trustee of the Company on December 21, 1965.

Mr. Forbes continues to serve as a trustee. He joined New York Edison Company, a predecessor, in 1924 as assistant to the chief electrical engineer. After serving in various engineering assignments, he was elected assistant vice president of the Company in 1940. In 1945 he was elected vice president and in 1948 a trustee. He took over the duties of executive vice president in 1949 and became president in 1955. He had been chairman of the board and chief executive officer since 1957.

Filing operations in the Messenger, Mail and File Bureau involved processing more than three and a half million items in 1965.

Financial review

Operating revenues amounted to over $840.2 million, up $50.9 million or 6.5 per cent over the previous year. The 1965 revenues reflected the full impact of the increase in electric rates and the decrease in gas rates which went into effect during the year 1964. The $50.9 million increase in revenues included approximately $18 million net increase in revenues related to rate adjustments.

Net income applicable to common stock increased to $90.1 million, up $7.6 million. This is equivalent to $2.42 per share on common shares outstanding at the year end. Comparable earnings per share for 1964, adjusting for the two-for-one stock split on February 5, 1965, were $2.21.

Our cost of doing business also rose in 1965. More fuel and materials were needed to provide for the increased volume of electric, gas and steam sales. Maintenance, depreciation charges and local taxes also were higher as the result of the greater volume of business and our increased investment in plant facilities required to meet growing demands for service.

Taxes

Taxes other than Federal income charged to operations in 1965 amounted to $160.1 million, up $8.4 million from 1964, and reflect higher property taxes resulting from additional Company property on assessment rolls and higher property tax rates.

Federal income taxes charged to operations in 1965 were $17.7 million, a decrease of $2.5 million reflecting reduction in corporate income tax rate from 50 to 48 per cent, and increases in rapid depreciation tax reductions and investment tax credits. (See also Note C, page 28.)

Wage and Pension Payments

Salary, wage and pension payments totaled $222 million in 1965, up $8 million from 1964. Our active employe payroll was $200 million, up about 3.3 per cent from the previous year. Of this, $150 million was charged to operations, the balance to construction and other accounts. Pension payments were $21.6 million in 1965, compared to $20 million in 1964.

In addition to direct payments to active employes and pension payments to retired employes, the Company shares with employes the costs of a comprehensive medical plan, including family protection for hospitalization and major medical insurance, and a liberal group insurance coverage. The Company also pays Federal social security and Federal and New York State unemployment taxes.

Fuel Costs

The purchase of fuel for electric and steam production is one of the Company's major costs, exceeded only by those for taxes and wages. Total fuel costs in 1965 were $118 million, compared with $109 million in 1964.

Income Deductions Increase

Total income deductions in 1965 were up $7.3 million from the previous year. Long term debt interest was up $4.8 million. Bank loan and other interest was up $0.7 million. Income deductions for the year also reflect a decrease of $1.8 million in the credit for interest charged to construction.

Electric Rates

As reported previously, the New York Public Service Commission permitted increased electric rates to go into effect on July 29, 1964. After the Appellate Division unanimously affirmed the Commission's determination, the New York Court of Appeals granted intervenors' applications for further appeal which were heard by the Court on January 5, 1966.

Gas Rates

The Public Service Commission on December 1, 1964 rendered its final determination in the Company's gas rate proceeding. Reduced gas rates were made effective on February 15, 1964 under a temporary order and revised rates continuing this reduction became effective on December 26, 1964. After intervenors' petitions for rehearing were denied, the City of New York instituted a proceeding in the Supreme Court of the State of New York to review the Commission's gas rate determination. Proceedings on the petition have been adjourned without date.

New Financing

Major long term financing undertaken during 1965 was accomplished in two steps to produce a total of $175 million additional capital. Proceeds of both issues were used for expenditures incurred in connection with the Company's continuing expansion and construction program.

$75 Million Preferred Stock Sold

On June 10, 1965 the Company sold at par, through a nationwide underwriting syndicate, 750,000 shares of Cumulative Preferred Stock, 4.65% Series D ($100 par).

$100 Million Bonds Sold

In January 1966 the Company issued $100 million first and refunding mortgage bonds, 5% Series CC, due January 1, 1996. These bonds were sold at competitive bidding on December 15, 1965 to a nationwide underwriting

group on a bid of 100.1899, at a cost to the Company of 4.9877 per cent, and reoffered to the public at 100.777 to yield 4.95 per cent.

Bank Credit Agreement Continued

To finance current construction needs, over and above funds generated internally, the Company continued for the 20th successive year its policy of arranging for short-term bank loans to be paid off from time to time with proceeds from the issuance of securities of a permanent type. This bank loan financing is advantageous in that it permits flexibility in borrowing and repayment. Our current agreement with 12 local banks allows borrowing up to $125 million, with interest at the prime commercial rate, and runs from September 30, 1965 to September 29, 1966.

Part of Common Dividends Nontaxable

As in 1963 and 1964, a portion of the common stock dividends paid during the year represents a return of capital for Federal income tax purposes and therefore is not includable as taxable income. Subject to audit by the U.S. Treasury Department, it is estimated that 63 per cent of the total amount of dividends received by common shareholders in 1965 represents a return of capital which reduces the tax basis of the shares on which dividends were paid. Dividends paid during 1965 on the Company's pre-

Detailed Tax Comparisons (000 Omitted)

Local Taxes	1965	1964	1956
Property taxes—real estate and special franchise	$113,952	$104,989	$ 57,528
Public utilities excise	14,955	13,966	4,800
Sales and compensating use and other	8,092	9,439	6,281
Total local taxes	136,999	128,394	68,609
State Taxes			
Public utilities gross income	16,041	15,027	9,802
Franchise	5,435	4,989	3,271
Unemployment insurance	1,418	1,132	391
Sales and compensating use and other	947	357	216
Total state taxes	23,841	21,505	13,680
Federal Taxes			
Income	19,550	17,390	38,900
Social security	4,212	4,247	2,136
Unemployment	299	302	234
Other	261	283	405
Total Federal taxes	24,322	22,222	41,675
Total taxes	$185,162	$172,121	$123,964
Charged to:			
Operating taxes including Federal income	$177,802	$171,876	$121,958
Operations—principally production expenses	2,961	3,055	2,006
Other accounts	4,399	(2,810)	—
Total taxes	$185,162	$172,121	$123,964

Sources of Funds for Utility Plant Expenditures (000 Omitted)

	1965	1964
Utility plant expenditures	**$235,493**	**$333,792**
Funds provided by operations:		
Net income	$111,777	$100,957
Less Dividends—Preferred and common	88,987	79,274
	22,790	21,683
Depreciation	83,561	76,835
Amortization of gas conversion costs	1,346	2,265
	107,697	100,783
Funds provided by financing:		
Sales of securities		
Preferred stock	75,000	60,000
Bonds	100,000*	125,000
Increase or (decrease) in short term loans	(47,000)*	52,000
	128,000	237,000
Decrease in funds resulting from other assets and liabilities—net	(204)	(3,991)
Total	**$235,493**	**$333,792**

**The proceeds of First and Refunding Mortgage Bonds, 5% Series CC, due January 1, 1996 issued January 4, 1966, were used to repay $100 million of notes payable to banks.*

ferred stocks, however, are fully taxable as income as in the past.

Common Stock on More Exchanges

In mid-September the Company's common stock was listed for the first time on both the Pacific Coast and Midwest Stock Exchanges in addition to the New York Stock Exchange where it has been listed since 1885.

In recent years an increasing proportion of our common stock ownership has shifted westward to the point where, as of last fall, over 34,000 common shareholders were distributed across the combined Midwest-Pacific areas. Their holdings represent nearly seven million shares, or almost 19 per cent of the total outstanding. Listing of Con Edison stock on the Pacific Coast and Midwest Stock Exchanges and the appointment of local transfer agents and registrars will benefit shareholders in these areas and should increase the interest of regional member firms in the Company's activities and securities.

Antitrust Suits

On January 30, 1962 the Company instituted 11 actions in the United States District Court for the Southern District of New York against 19 manufacturers of electrical equipment for recovery of damages under the Federal antitrust laws on purchases by the Company of electrical equipment. To date the Company has reached agreements with the 12 defendants whose sales constituted substantially all of the Company's purchases covered in this litigation. The District Court has approved and entered orders dismissing, without prejudice, the Company's actions against all but one defendant, and that dismissal is anticipated in the near future. Under the terms of these agreements the Company will have received approximately $12,000,000 in price adjustments and an additional amount as reimbursement for certain litigation expenses.

Five-Year Comparison (000 Omitted)

	1965	1964	1963	1962	1961
Operating revenues	$840,240	$789,291	$748,955	$725,153	$699,077
Operating income	171,600	153,457	145,316	134,434	116,218
Net income before provision for dividends on preferred stock	111,777	100,957	94,017	90,636	76,352
Provision for dividends on preferred stock	21,633	18,463	20,759	19,720	15,538
Net income for common stock	90,144	82,494	73,258	70,916	60,814
Number of shares of common stock outstanding at December 31†	37,257	37,257	34,978	32,188	32,178
Earnings per common share†	$2.42	$2.21	$2.09	$2.20	$1.89
Dividends per common share†	1.80	1.65	1.6125	1.50	1.50
Capitalization ratios at December 31:					
Long term debt††	53%	53%	53%	54%	54%
Preferred stock	14	12	14	15	13
Common stock and surplus	33	35	33	31	33

†Restated to reflect two-for-one stock split effective February 5, 1965.
††Includes in 1965 the $100 million mortgage bonds issued in January 1966.

Transfer Agents—*Office of the Company, 4 Irving Place, New York, N.Y. 10003; Continental Illinois National Bank and Trust Company of Chicago, 231 South LaSalle Street, Chicago, Illinois 60604; Bank of America National Trust and Savings Association, 300 Montgomery Street, San Francisco, California 94120.*
Registrars—*First National City Bank, 55 Wall Street, New York, N.Y. 10015; The First National Bank of Chicago, 38 South Dearborn Street, Chicago, Illinois 60603; Crocker-Citizens National Bank, 1 Montgomery Street, San Francisco, California 94104.*

Financial statements

Audit by Independent Accountants: *The firm of Price Waterhouse & Co., independent accountants, was appointed by the Board of Trustees, upon the recommendation of its audit committee, to audit the books, records and accounts of the Company for the year 1965. This appointment was approved by the stockholders at the annual meeting on May 17, 1965.*

PRICE WATERHOUSE & CO.

60 BROAD STREET

NEW YORK 10004

To the Board of Trustees and Stockholders of
Consolidated Edison Company of New York, Inc.

In our opinion, the accompanying balance sheet and the related statements of income and earned surplus present fairly the financial position of Consolidated Edison Company of New York, Inc. at December 31, 1965 and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the accounting change, which we approve, described in Note B to the financial statements. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

February 15, 1966

Price Waterhouse & Co.

Consolidated Edison Company of New York, Inc.

Income statement

	1965	1964
Operating revenues		
Electric	$693,591,000	$645,044,847
Gas	104,291,577	103,550,074
Steam	38,424,671	36,934,445
Other	3,933,026	3,761,849
	840,240,274	789,291,215
Operating revenue deductions		
Operations	328,411,568	310,548,865
Maintenance	78,866,385	76,573,395
Depreciation *(Note A)*	83,560,592	76,835,338
Taxes, other than Federal income *(Note B)*	160,102,186	151,676,243
Federal income tax *(Note C)*	17,700,000	20,200,000
	668,640,731	635,833,841
Operating income	171,599,543	153,457,374
Income deductions		
Interest on long term debt	62,704,768	57,929,136
Other interest and miscellaneous deductions, net	4,113,409	3,360,196
Amount equivalent to increase in Federal income tax resulting from prior amortization under necessity certificates	(900,000)	(900,000)
Interest charged to construction	(6,096,129)	(7,889,279)
	59,822,048	52,500,053
Net income	$111,777,495	$100,957,321

Consolidated Edison Company of New York, Inc.

Earned surplus statement

	1965	1964
Balance, January 1	$298,871,936	$277,188,708
Net income for the year	111,777,495	100,957,321
	410,649,431	378,146,029
Deduct		
Dividends on capital stock:		
Cumulative preferred, $5 per share	9,576,595	9,576,595
Cumulative preferred, Series A, 5¾ %	3,450,000	3,450,000
Cumulative preferred, Series B, 5¼ %	3,937,500	3,937,500
Cumulative preferred, Series C, 4.65%	2,790,001	1,728,250
Cumulative preferred, Series D, 4.65%	2,170,000	—
Cumulative preference, 4.12% Convertible Series A	—	1,874,221
Common, $1.80 per share *(1964—$1.65 after giving effect to stock split, see page 29)*	67,063,126	58,707,527
	88,987,222	79,274,093
Balance, December 31	$321,662,209	$298,871,936

Consolidated Edison Company of New York, Inc.

Balance sheet

ASSETS	Dec. 31, 1965	Dec. 31, 1964
Utility plant, at original cost		
Electric	$3,425,451,709	$3,243,142,627
Gas	227,250,546	219,800,412
Steam	109,020,577	105,527,260
General	113,871,211	109,815,576
Total utility plant	3,875,594,043	3,678,285,875
Less—Reserve for depreciation	706,056,472	655,843,634
	3,169,537,571	3,022,442,241
Investments, special deposits and other physical property, at cost or less	6,297,226	7,768,307
Current assets		
Cash	23,601,613	27,235,646
Accounts receivable, less allowance for uncollectible accounts	85,754,560	77,074,056
Materials and supplies, including construction materials, at average cost	62,583,444	60,752,460
Prepayments and other current assets	6,489,631	9,348,536
	178,429,248	174,410,698
Deferred charges		
Net unrecovered costs relating to gas plant retirements and natural gas conversion costs, being amortized through 1967 *(Note A)*	6,643,536	11,090,625
Nuclear research and development costs, being amortized through 1977	8,437,088	9,155,138
Unamortized debt discount and expense	3,250,500	3,382,640
Other deferred charges	4,382,214	5,121,783
	22,713,338	28,750,186
Capital stock expense	10,029,117	8,730,114
	$3,387,006,500	$3,242,101,546

LIABILITIES	Dec. 31, 1965	Dec. 31, 1964
Capitalization		
Long term debt *(See page 29)*	$1,610,972,500	$1,610,972,500
Notes payable to banks *(See page 29)*	100,000,000	—
Capital stock and surplus:		
Capital stock *(See page 29)*		
Preferred stock	444,999,927	369,999,927
Common stock	750,469,455	750,469,455
Earned surplus	321,662,209	298,871,936
	1,517,131,591	1,419,341,318
Total capitalization	3,228,104,091	3,030,313,818
Credit equivalent to reduction in Federal income tax resulting from amortization under necessity certificates	17,303,627	18,203,627
Current liabilities		
Notes payable to banks	10,000,000	57,000,000
Accounts payable	38,418,801	49,888,433
Accrued taxes	27,377,139	28,428,097
Accrued interest, wages and other current liabilities	19,987,028	18,861,923
Customers deposits	28,454,849	25,769,316
Dividends payable	5,810,399	4,938,524
	130,048,216	184,886,293
Deferred credits		
Unamortized debt premium	4,122,038	4,344,801
Other deferred credits	4,452,116	1,386,449
	8,574,154	5,731,250
Reserve for injuries and damages	2,976,412	2,966,558
	$3,387,006,500	$3,242,101,546

Notes to financial statements

Note A—Depreciation:

Provisions for depreciation of utility plant are made in accordance with annual rates for depreciation consistent with the average service lives and net salvage approved by the New York Public Service Commission. For the years 1965 and 1964, such provisions were equivalent to approximately 2.3 per cent of related depreciable utility plant. Depreciation charges for each of the years 1965 and 1964 include a provision of $3,100,000 for amortization of net unrecovered costs of extraordinary retirements of certain gas plant facilities, principally manufacturing.

The reserve for depreciation also was credited with approximately $5,800,000 representing Federal income tax refunds for prior years resulting principally from adjustments of tax depreciation.

Note B—Taxes other than Federal income tax:

In view of changes in the tax laws relating to sales and use taxes and the continuing high level of construction expenditures, the Company has elected, beginning with the year 1965, to include in construction costs the portion of sales and use taxes directly related to construction which heretofore had been included in operating revenue deductions. The amount of such taxes included in construction costs for 1965 was approximately $2,440,000.

Note C—Federal income tax:

Federal income taxes charged to operations exclude amounts applied to other than income accounts, of $1,850,000 additional tax for 1965 and $2,810,000 tax reduction for 1964 relating to interest on prior years tax settlements, dispositions of plant and gas refunds.

Depreciation deductions for Federal income tax purposes were estimated at $142,700,000 for 1965 and $130,100,000 for 1964 and include deductions for rapid depreciation and other deductions for depreciation as permitted under the Internal Revenue Code.

Investment tax credits for property placed in service and qualifying for credit under provisions of the Internal Revenue Code amounted to $9,500,000 for 1965 (including $2,200,000 representing the remaining amount available for carryback) and $6,670,000 for 1964.

Tax reductions resulting from rapid tax depreciation deductions and investment tax credits are accounted for as current reductions in Federal income tax provisions. This method of accounting is in accordance with the general policy adopted by the New York Public Service Commission for accounting and rate-making purposes.

Note D—Pension plans:

The pension plan for retirement for age, established in 1953, provides in substance that the Company will make current payments for employes retired for age and also payments of not less than $4,000,000 nor more than $6,000,000 annually into trust funds until the plan is fully funded. Accordingly, the Company paid $16,159,117 and $14,764,368 into the plan in 1965 and 1964 respectively, representing $10,159,117 (1965) and $8,764,368 (1964) for benefits paid to employes retired and the addition of $6,000,000 in each year to the pension plan trust. The last actuarial valuation indicated that continuation of this present funding program of current payments for employes retired for age together with the additional $6,000,000 and all investment income accumulations will fully fund past service credits over a period of 35 to 40 years from inception of the plan. At December 31, 1965 the pension plan trust net assets, consisting principally of investments stated at cost, amounted to $88,472,126 ($78,382,513 at December 31, 1964) and the aggregate market value of the investments was in excess of cost.

The employes security plan is an unfunded plan under which the Company makes payments to employes retired for disability or reasons other than age and in certain cases to widows of former employes. The amounts paid totaled $5,487,023 and $5,209,499 for the years 1965 and 1964, respectively.

The Company reserves the right to amend or terminate the pension plan for retirement for age and the employes security plan as provided therein.

Long term debt

Consolidated Edison Company of New York, Inc. (including merged former subsidiary companies):	**Dec. 31, 1965**	**Dec. 31, 1964**
First and Refunding Mortgage Bonds:		
2¾% Series A, due March 1, 1982	$ 100,000,000	$ 100,000,000
2⅝% Series B, due April 1, 1977	100,000,000	100,000,000
2¾% Series C, due June 1, 1972	60,000,000	60,000,000
3% Series D, due November 1, 1972	30,000,000	30,000,000
3% Series E, due January 1, 1979	50,000,000	50,000,000
3% Series F, due February 1, 1981	60,000,000	60,000,000
3¼% Series G, due May 1, 1981	40,000,000	40,000,000
3⅜% Series H, due March 1, 1982	50,000,000	50,000,000
3½% Series I, due February 1, 1983	40,000,000	40,000,000
3⅜% Series J, due January 1, 1984	35,000,000	35,000,000
3⅜% Series K, due December 1, 1985	70,000,000	70,000,000
3⅝% Series L, due May 1, 1986	30,000,000	30,000,000
4¼% Series M, due October 1, 1986	40,000,000	40,000,000
5% Series N, due October 1, 1987	60,000,000	60,000,000
4% Series O, due June 1, 1988	50,000,000	50,000,000
4¾% Series R, due June 1, 1990	50,000,000	50,000,000
5% Series S, due December 1, 1990	75,000,000	75,000,000
4¾% Series T, due June 1, 1991	50,000,000	50,000,000
4⅝% Series U, due November 1, 1991	60,000,000	60,000,000
4⅜% Series V, due June 1, 1992	100,000,000	100,000,000
4⅜% Series W, due October 1, 1992	75,000,000	75,000,000
4⅜% Series X, due December 1, 1992 (not listed)	60,000,000	60,000,000
4.40% Series Y, due June 1, 1993 (not listed)	75,000,000	75,000,000
4⅝% Series AA, due December 1, 1993	75,000,000	75,000,000
4.60% Series BB, due October 15, 1994 (not listed)	125,000,000	125,000,000
	1,560,000,000	1,560,000,000
The Edison Electric Illuminating Company of New York, First Consolidated Mortgage Gold Bonds, 5%, due July 1, 1995 (non-callable)	1,437,000	1,437,000
Kings County Electric Light and Power Company, Purchase Money, 6%, 99 Years Gold Bonds, due October 1, 1997 (non-callable)	1,454,500	1,454,500
Staten Island Edison Corporation, First Mortgage Bonds, 2⅞% Series, due May 1, 1979 (not listed)	2,750,000	2,750,000
Westchester Lighting Company, General Mortgage Bonds:		
3½% Series, due July 1, 1967	24,331,000	24,331,000
3% Series, due May 1, 1979	12,000,000	12,000,000
The Yonkers Electric Light and Power Company, 2⅝% Debentures due July 1, 1976	9,000,000	9,000,000
Total	$1,610,972,500	$1,610,972,500

The proceeds of First and Refunding Mortgage Bonds, 5% Series CC, due January 1, 1996 (not listed) issued January 4, 1966, were used to repay $100,000,000 of notes payable to banks.

The above issues are listed on the New York Stock Exchange unless otherwise indicated.

Capital stock

	Shares Authorized	*Shares Outstanding*		*Capital Stock Outstanding*	
Preferred Stock:	**Dec. 31, 1965**	**Dec. 31, 1965**	**Dec. 31, 1964**	**Dec. 31, 1965**	**Dec. 31, 1964**
$5 Cumulative Preferred Stock without par value[1] (a)	1,915,319	1,915,319	1,915,319	$174,999,927	$174,999,927
Cumulative Preferred Stock $100 Par Value (a)	2,950,000				
5¾% Series A[2]		600,000	600,000	60,000,000	60,000,000
5¼% Series B[2]		750,000	750,000	75,000,000	75,000,000
4.65% Series C[1]		600,000	600,000	60,000,000	60,000,000
4.65% Series D[2]		750,000	None	75,000,000	—
Cumulative Preference Stock $100 Par Value	2,250,000	None	None	—	—
Total Preferred Stock				$444,999,927	$369,999,927
Common Stock, $10 par value[3] (b)	43,543,662	37,257,292	37,257,292	$750,469,455	$750,469,455

(a) In case of involuntary liquidation, the holders of Cumulative Preferred Stock are entitled to receive $100 a share.

(b) At a special meeting on January 25, 1965, the stockholders approved an amendment to the Company's Certificate of Incorporation increasing the authorized number of shares of Common Stock, without par value, from 18,771,831 shares to 43,543,662 shares with a par value of $10 a share and in connection therewith, changing each authorized share without par value into two shares with a par value of $10 each, thereby effecting a two-for-one split of each share of Common Stock and providing 6,000,000 additional authorized $10 par value shares. The split became effective February 5, 1965, and the number of shares of Common Stock outstanding at December 31, 1964, has been restated to reflect this change.

[1]Listed on the New York Stock Exchange. [2]Not listed. [3]Listed on the New York, Midwest, Pacific Coast and the Amsterdam, Holland, Stock Exchanges; unlisted trading on the Boston, Detroit and Philadelphia-Baltimore-Washington Stock Exchanges.

Statistics

SALES AND REVENUES—1965

Electric

	Kilowatthours	% Increase or (Decrease) from 1964	Revenues	% Increase from 1964
Residential	5,620,920,793	5.7	$219,767,904	7.6
Commercial-industrial	13,747,161,910	4.7	374,893,947	7.5
Railroads and railways	2,627,152,141	(0.6)	37,793,710	0.9
Public authorities	2,312,140,251	4.9	54,220,610	8.0
Other electric utilities	950,879,820	73.0	6,914,829	55.2
Total sales	25,258,254,915	5.9	$693,591,000	7.5

Residential—Sales directly to residential customers and to religious institutions.
Commercial-industrial—Sales directly to all types of general customers, also to customers who include residential or commercial tenant-use in the rent and to customers who resell energy to commercial and industrial tenants.

Railroads and railways—Sales to the four electrified railroads running into New York, the New York City Transit Authority, the Staten Island Rapid Transit and Port Authority Trans-Hudson Corporation.
Public authorities—Sales to municipal and other governmental authorities, including public street and highway lighting.
Other electric utilities—Principally delivery over tie lines interconnecting with other New York State utilities.

Gas

	Cubic Feet	% Increase or (Decrease) from 1964	Revenues	% Increase or (Decrease) from 1964
Residential	7,651,233,000	(2.8)	$ 29,750,057	0.9
Residential heating	23,154,098,300	5.1	35,572,750	(0.1)
General	19,839,613,600	3.2	37,101,111	1.4
Public authorities	1,249,513,100	9.1	1,867,659	(0.3)
Total sales	51,894,458,000	3.2	$104,291,577	0.7

Residential—Sales directly to residential customers and to religious institutions except those customers using gas for space heating.
Residential heating—Sales for heating residences and religious institutions, including gas consumed for other purposes by these customers, and for heating multiple dwellings.

General—Sales to all general-use customers for use in their operations including heating.
Public authorities—Sales to municipal and other governmental authorities.

Steam

	Thousands of Pounds	% Increase from 1964	Revenues	% Increase from 1964
General	1,614,519	1.5	$ 3,772,252	1.1
Annual power	18,965,935	3.6	25,889,976	4.5
Apartment house	5,222,808	3.3	7,595,210	2.9
Public authorities	839,009	11.4	1,167,233	10.5
Total sales	26,642,271	3.6	$ 38,424,671	4.0

General—Sales to all customers with low load-factor use.
Annual power—Sales for power, or power and heat use.

Apartment house—Sales to apartment houses and hotels.
Public authorities—Sales to the City of New York.

Operating Revenues

	Electric	Gas	Steam	Other	Total
1965	$693,591,000	$104,291,577	$38,424,671	$3,933,026	$840,240,274
1964	645,044,847	103,550,074	36,934,445	3,761,849	789,291,215
1963	605,188,849	104,981,908	35,259,303	3,524,565	748,954,625
1962	583,667,363	103,618,248	34,177,953	3,689,756	725,153,320
1961	561,922,704	100,312,810	33,464,037	3,377,908	699,077,459
1960	526,505,748	95,267,523	30,740,328	3,299,227	655,812,826
1959	489,968,753	92,556,050	29,545,718	2,837,745	614,908,266
1958	454,537,559	89,530,000	30,164,721	2,867,189	577,099,469
1957	441,849,718	81,521,654	26,356,641	2,940,949	552,668,962
1956	414,421,477	79,578,513	25,584,741	2,946,040	522,530,771

Sales

	Electric	Gas	Steam
	Kilowatthours	*Cubic Feet*	*Thousands of Pounds*
1965	25,258,254,915	51,894,458,000	26,642,271
1964	23,847,676,404	50,281,888,200	25,709,663
1963	22,185,557,993	49,234,821,000	23,963,739
1962	20,833,860,879	47,810,171,200	22,140,657
1961	20,204,268,412	46,049,037,300	21,689,834
1960	18,899,690,544	43,140,040,000	19,712,184
1959	17,653,913,344	42,285,632,200	18,775,282
1958	15,961,464,897	40,775,963,800	18,333,839
1957	15,395,350,690	38,000,101,500	16,773,249
1956	14,505,654,475	37,171,032,800	16,901,594

Meters

	Electric	Gas	Steam
	Number at December 31		
1965	3,042,138	1,320,427	4,455
1964	3,025,282	1,322,937	4,431
1963	2,994,773	1,322,574	4,334
1962	2,949,389	1,321,169	4,190
1961	2,922,732	1,325,140	4,086
1960	2,904,624	1,333,007	4,100
1959	2,886,299	1,343,634	4,148
1958	2,872,695	1,353,448	4,114
1957	2,861,341	1,361,935	4,123
1956	2,853,805	1,367,728	4,117

Population served, 1965—8,800,000. *Service area—660 square miles.*

Employes

	Payroll			Employes	
	Operating	*Construction (and other accounts)*	*Total*	*Average Pay of Weekly Employes*	*Number at December 31*
1965	$149,651,520	$50,597,950	$200,249,470	$146.95	23,863
1964	147,025,189	46,884,802	193,909,991	139.72	24,417
1963	143,301,719	45,735,988	189,037,707	134.92	24,621
1962	141,410,164	44,561,264	185,971,428	133.81	24,962
1961	137,620,638	43,320,769	180,941,407	131.15	24,545
1960	136,725,188	42,014,611	178,739,799	126.60	24,866
1959	129,826,611	35,254,254	165,080,865	116.35	25,792
1958	121,666,945	34,342,702	156,009,647	110.45	25,153
1957	117,948,934	29,159,339	147,108,273	103.34	25,342
1956	114,000,645	36,262,520	150,263,165	104.19	25,725

Payroll figures include overtime and premium payments but exclude pension payments.

Statistics

Taxes

	Local	State	Federal	Total
1965	$136,998,774	$23,841,324	$24,322,098	$185,162,196
1964	128,393,498	21,505,268	22,222,073	172,120,839
1963	116,019,841	20,798,204	25,470,563	162,288,608
1962	106,799,254	20,172,902	33,324,952	160,297,108
1961	102,498,101	20,336,804	41,537,147	164,372,052
1960	98,076,636	17,658,275	43,436,559	159,171,470
1959	86,841,002	16,377,769	46,211,619	149,430,390
1958	77,043,110	15,176,509	45,264,063	137,483,682
1957	72,362,794	14,556,217	42,350,657	129,269,668
1956	68,609,304	13,680,406	41,674,790	123,964,500

Electric System

	Generating Capacity December 31	System Peak*		Heat Rate	Residential	
	Kilowatts	*Date*	*Kilowatts*	*Btu per Kwhr*	*Kwhr per Customer*	*Revenue per Kwhr*
1965	7,595,000	June 23	5,710,000	11,751	2,277	3.9¢
1964	6,607,000	July 1	5,505,000	11,505	2,161	3.8
1963	6,663,000	July 29	5,105,000	11,372	2,050	3.9
1962	5,885,000	June 19	4,852,000	12,149	1,939	4.0
1961	5,301,000	Sept. 13	4,744,000	12,378	1,937	4.0
1960	4,883,000	Aug. 30	4,352,000	12,461	1,780	4.1
1959	4,894,000	Sept. 9	4,245,000	12,746	1,787	4.0
1958	4,076,000	Dec. 11	3,517,000	12,846	1,676	4.0
1957	3,717,000	June 26	3,460,000	12,993	1,621	4.0
1956	3,696,000	Dec. 14	3,241,000	12,828	1,536	4.0

**One hour net maximum load distributed locally.*

Stockholder Statistics

	Number of Stockholders December 31			Shares Outstanding December 31		Common Stock Record	
	Preferred Stock	*Common Stock*	*Total*	*Preferred*	*Common†*	*Earnings† per Share*	*Dividends† per Share*
1965	24,313	199,635	223,948	4,615,319	37,257,292	$2.42	$1.80
1964	24,115	178,458	202,573	3,865,319	37,257,292	2.21	1.65
1963	61,642*	173,435	235,077	4,178,349*	34,977,952	2.09	1.6125
1962	67,993*	170,032	238,025	4,209,833*	32,188,088	2.20	1.50
1961	24,991	169,497	194,488	3,265,319	32,178,038	1.89	1.50
1960	25,014	166,023	191,037	2,425,319	31,035,446	1.94	1.50
1959	23,935	161,594	185,529	1,915,319	30,182,726	1.96	1.40
1958	23,350	156,474	179,824	1,915,319	29,802,246	1.87	1.35
1957	23,848	148,146	171,994	1,915,319	27,433,376	1.72	1.20
1956	23,849	142,623	166,472	1,915,319	27,409,294	1.60	1.20

**Including Preference Stock called Sept. 11, 1964. †Restated to reflect two-for-one stock split effective Feb. 5, 1965.*

Service area

Con Edison

4 IRVING PLACE, NEW YORK, N.Y. 10003

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