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Vice President

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June 24, 1992

Re: Indian Point Unit No. 1 and No. 2
Docket No. 50-03 and No. 50-247

Document Control Desk
US Nuclear Regulatory Commission
Mail Station P1-137
Washington, DC 20555

In accordance with Section 50.71(b) of the Commission's regulations, Consolidated Edison Company of New York, Inc. submits herewith (10) copies of its Annual Report to Stockholders for 1991.

Very truly yours,

enclosure

cc: Mr. Thomas T. Martin
Regional Administrator - Region I
US Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

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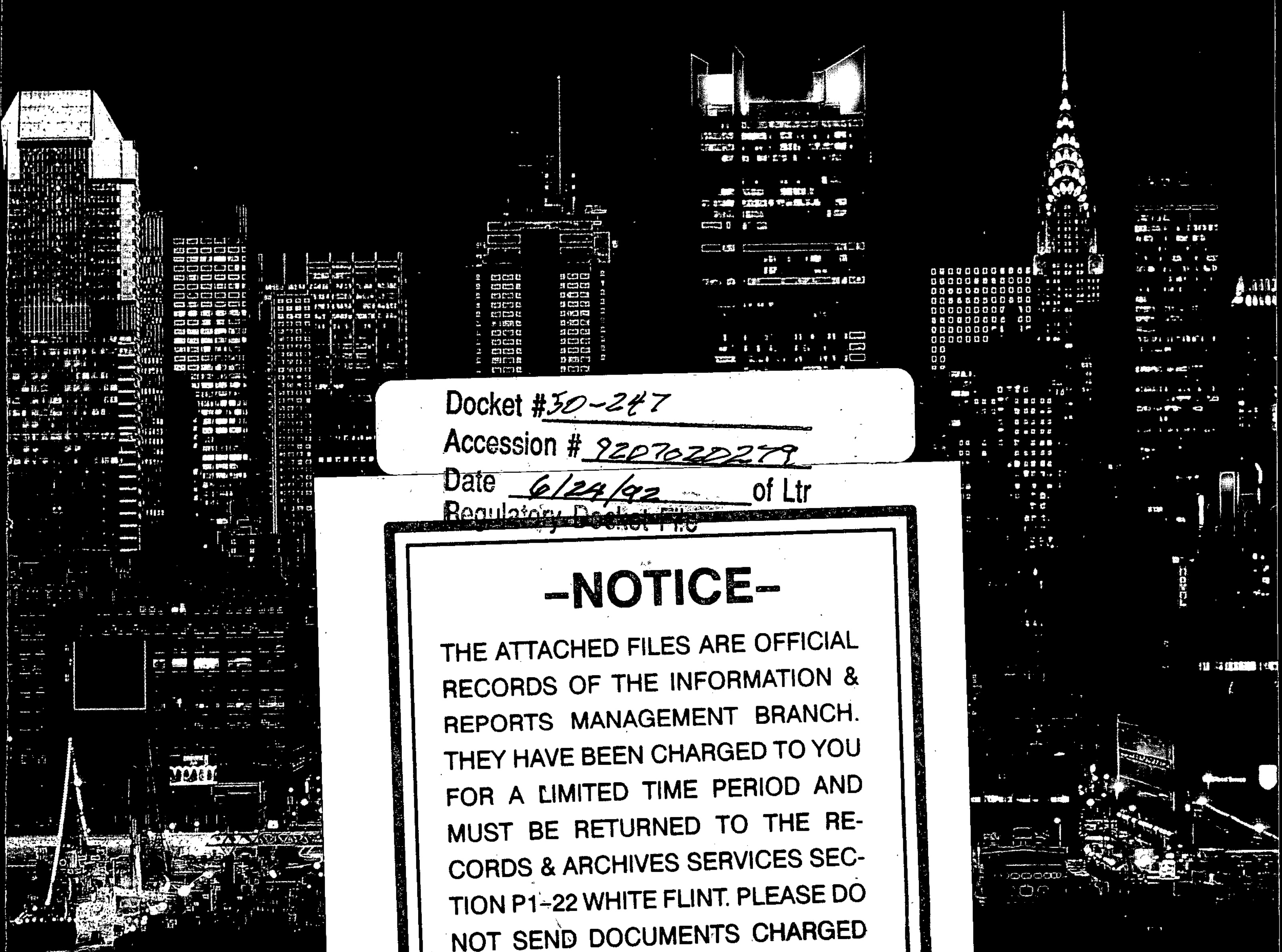
Con Edison Annual Report 1991



Docket # 50-247
Accession # 9207020279
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Regulatory Docket File

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-NOTICE-

Financial Highlights

Year Ended December 31 (Millions of Dollars)	*1991*	*1990*	*Percent Change*
Operating revenues	$ 5,873	$ 5,739	2.3
Fuel and purchased power and gas purchased for resale	1,664	1,689	(1.5)
Operating income	813	801	1.5
Net income for common stock	530	534	(.7)
Earnings per common share	$ 2.32	$ 2.34	(.9)
Dividends per common share	1.86	1.82	2.2
Book value per common share at December 31	20.18	19.73	2.3
Weighted average common shares outstanding (millions)	228.3	228.2	—
Closing common stock price at December 31	$28.625	$23.625	21.2

About the Cover

Midtown Manhattan's west side. In recent years, new office towers have risen alongside landmark structures in the world's most famous skyline. Con Edison vigorously supports our service area's economic development through the programs described in this report.

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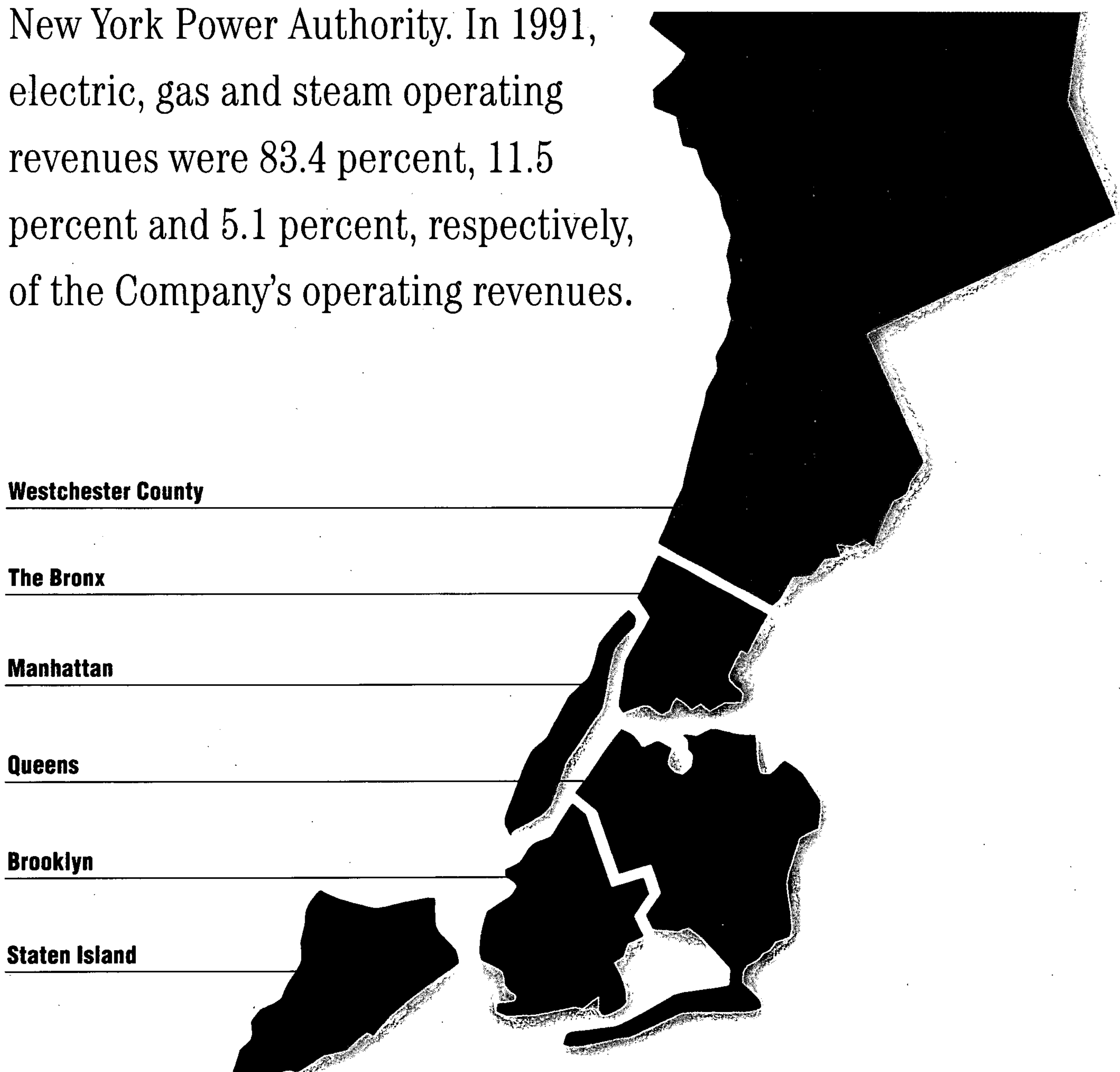
Consolidated Edison Company of New York, Inc. supplies electric service in all of New York City (except part of Queens) and most of Westchester County, a service area with a population of more than 8 million. It also supplies gas in Manhattan, The Bronx and parts of Queens and Westchester, and steam in part of Manhattan. Most governmental customers within the Company's service territory receive electric service through the Company's facilities from the New York Power Authority. In 1991, electric, gas and steam operating revenues were 83.4 percent, 11.5 percent and 5.1 percent, respectively, of the Company's operating revenues.



To Our Stockholders

Con Edison is in good shape, financially and operationally, despite the continuing effects of the recession that stalled economic growth in the nation and the New York City area. Because of our longstanding emphasis on cost control and productivity improvements, we have been able to weather the recession well. We distribute 30 percent more electricity than we did in 1980 with a work force that is about 17 percent smaller. We achieved this increase in productivity through planned attrition.

Our sales outlook remains positive, and we also find grounds for optimism in our area's fundamental strengths. We have a broadly-based economy that has proven its resilience time after time. The communications, financial, legal and other business services assembled here — along with the cultural, educational and research institutions — are unmatched in the world. Our service area is a huge market with a skilled work force and ready access to other large markets in the nation and abroad. Our energy infrastructure also is world-class.

In this annual report, we take a look at just a few of the many bright spots in our service area, and the programs we pursue to improve the economy and quality of life here. These programs serve the public interest and the company's as well. A healthy local economy is important to our own long-term success.

The Year in Review Our electric, gas and steam systems performed well in 1991. Our electric service to customers was more reliable than ever; it continues to be the best in the nation. On five summer days, high use of air conditioners caused peak demand for electricity in our service area to exceed 10,000 megawatts. This level had been reached only once before, on a single day in 1988.

The recession and the weather both affected sales. In the case of electric sales volumes, the recession's negative impact was offset in part by increased use of electricity during the unusually warm summer. Electric sales for the year increased 2.0 percent. On the other hand, warm winter weather with lower heating needs combined with the recession to keep gas and steam sales flat. Steam sales went up 0.1 percent while firm gas sales declined 0.9 percent.

Despite the sales impact of the soft economy, our 1991 earnings per share were $2.32 — almost equal to last year's $2.34 per share. In January 1991, the Board of Trustees increased the quarterly dividend from 45½ to 46½ cents a share; one year later, the Board again raised the quarterly dividend — to 47½ cents a share.

Rate Developments In January 1992, Con Edison and the staff of the New York State Public Service Commission (PSC) reached an agreement to settle the company's pending electric rate case, filed in May 1991. The agreement, which is subject to PSC approval, covers a three-year period extending through March 1995. The rate increase in the first year would be approximately $225 million, or 4.5 percent. The proposed rate settlement is discussed in detail beginning on page 19 of this report. The PSC is expected to act on it by April.

On October 3, 1991, the PSC approved increasing our general gas rates by $21.4 million, or 3.1 percent, and steam rates by $17.6 million, or 5.0 percent. These amounts were less than half of the increases that we had requested. Subsequently, to meet future cost increases, we filed in November 1991 for a gas rate increase of $35.6 million, or 5.5 percent, and for a steam rate increase of $22.2 million, or 6.2 percent, each to take effect in October 1992. We are discussing with the PSC staff possible settlement of these new rate cases.

Financing Activities We aggressively pursue opportunities to hold down costs as we obtain the capital needed for the company's business. Issuing lower-cost tax-exempt bonds when we can is one of the ways we reduce financing costs. We issued $303 million of long-term debt in 1991. Of this, $128 million was tax-exempt debt, issued through the New York State Energy Research and Development Authority (NYSERDA). We issued another $100 million of tax-exempt bonds through NYSERDA in January 1992. The January 1992 issue represents the lowest-cost long-term debt the company has issued in a quarter-century. The more than $1.3 billion of tax-exempt bonds we have issued produce an annual saving in interest costs of about $25 million each year, as compared to what conventional debt financing would have cost.

In February 1992, we took advantage of a decline in the general level of interest rates to refinance the two highest-cost series of Con Edison's outstanding first mortgage bonds. We replaced $300 million of bonds with lower-cost debentures to produce an annual savings in interest costs of more than $5 million.

Looking ahead, the company has no debt maturing from 2004 to 2020. This situation provides us with significant financial flexibility for the future.

State and local taxes — chiefly real estate taxes, gross receipts taxes and sales taxes — continue to be a major burden. Ultimately, these taxes are paid by our customers and add significantly to their energy bills. Last year, for example, state and local taxes added almost $1.5 billion to customers' bills and represented 24.4 cents of every dollar billed. Con Edison is the largest taxpayer in New

York City, Westchester County and New York State. We continue to oppose governmental efforts to solve budget shortfalls by raising taxes on our customers' bills.

Enlightened Energy Results 1991 was a very successful year for Enlightened Energy, our program to help customers improve energy efficiency in their homes and businesses. This program provides benefits for stockholders, the economy and the environment. Under authorizations by the PSC, the company recovers Enlightened Energy costs and can earn an incentive for stockholders if we meet or exceed our energy-saving goals. Last year, we exceeded our initial goals, earning more than $24 million.

In 1991, Enlightened Energy achieved ongoing savings of more than 240 million kilowatt-hours of electricity every year — enough to supply 80,000 typical New York City apartments. About 2,000 business customers earned some $29 million in rebates, along with operating cost savings, by installing high-efficiency lighting, motors and air conditioning under Enlightened Energy. Rebate program commitments and customer applications received by year's end represent additional annual energy savings of almost 700 million kilowatt-hours. The total costs of Enlightened Energy are less than those we would incur if we had to meet growth by building new power plants and related facilities.

On the residential side, more than 170,000 customers took advantage of our offer of energy-efficient compact fluorescent light bulbs at steep discount prices. They ordered more than half a million bulbs, representing energy savings of about 280 million kilowatt-hours over the bulbs' lives.

More than 80,000 people visited our Conservation Center in midtown Manhattan, a 25 percent increase over the previous year.

Committed to Economic Progress We have a deep and abiding commitment to the people, businesses and institutions we serve and to working to improve our area's long-term economic health. For the past decade, our Project Appleseed program has offered reduced rates to businesses that start up, relocate or expand operations in New York City and Westchester County. In 1992, we are placing new emphasis on attracting companies to our service area.

To summarize, Con Edison is in good financial and operating condition. We have a sound, flexible program in place to meet our area's future energy needs. And we work continuously to improve the efficiency of our own operations, to help our customers use energy wisely, to keep the environment healthy and to help the local economy. Most importantly, we have talented, hard-working and dedicated employees. Their efforts, on behalf of shareholders, customers and the communities we serve, have been — and will continue to be — the cornerstone of our success.

Eugene R. McGrath

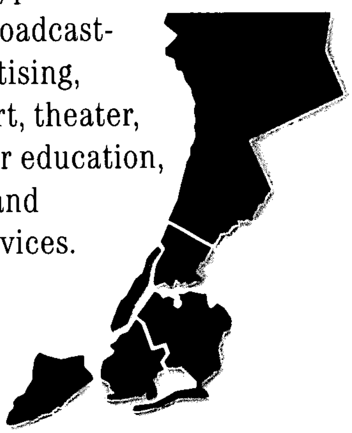
Eugene R. McGrath
Chairman, President and
Chief Executive Officer

February 25, 1992

Manhattan is "the leading metropolis of the world's richest market and the fulcrum of the tri-state region's economy," said a Regional Plan Association official at a meeting last fall at Con Edison headquarters. The meeting brought together public and private sector organizations and businesses involved in economic development.

And in Manhattan, a key sector is financial services. The Wall Street area is the world's financial capital. In the January 1992 celebration launching its bicentennial year, the New York Stock Exchange honored Con Edison as its longest continuously listed company.

Other world-class enterprises in Manhattan include real estate, insurance, publishing, broadcasting, advertising, fashion, art, theater, law, higher education, research and health services.

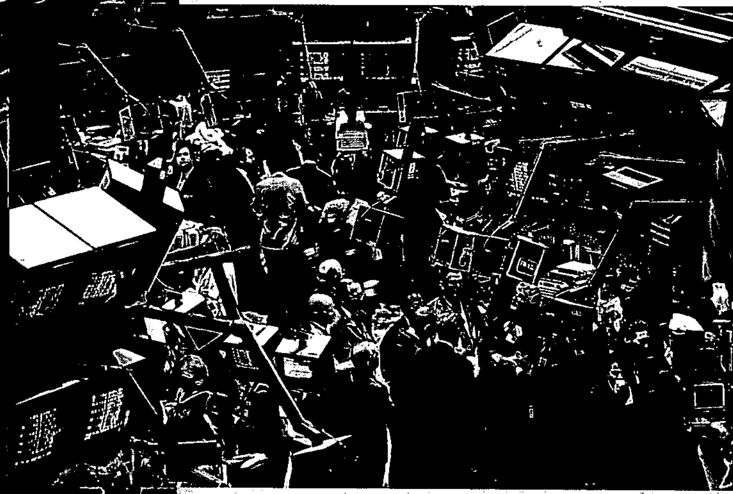


Powering the Economy

While much of Con Edison's work is carried out in the streets, in public view, there's a lot we do that's not so visible. Year after year, in good economic times and bad, we strive to help our service area prosper, recognizing the close link between its well-being and our own.

We maintain a strong energy infrastructure and provide incentives for local businesses to expand and create new jobs. We help customers get more for their money through using energy more efficiently. We help civic-minded developers transform vacant buildings into affordable housing. We support education and the arts, and we work with city and state agencies, business groups, neighborhood associations and others committed to the region's economic vitality and overall well-being.

The Energy Infrastructure Our continuing improvements to our electric, gas and steam systems contribute significantly to economic development. Our investment in our infrastructure is also an investment in our area's ability to compete. Reliable energy service is a vital consideration for businesses. Many firms in our area have a critical need for an uninterrupted supply of electricity, and Con



▲ Shortly after the opening bell, members of the New York Stock Exchange confer with market specialists at posts on the main trading floor.

◀ As her 30-foot-long baby hides behind her, an 80-foot-long *Barosaurus* rears 50 feet high to ward off an *Allosaurus* — to the delight of an elementary school class at the American Museum of Natural History. The museum is heated by Con Edison steam. Its reconstructed Hall of Dinosaurs will be air-conditioned by steam.

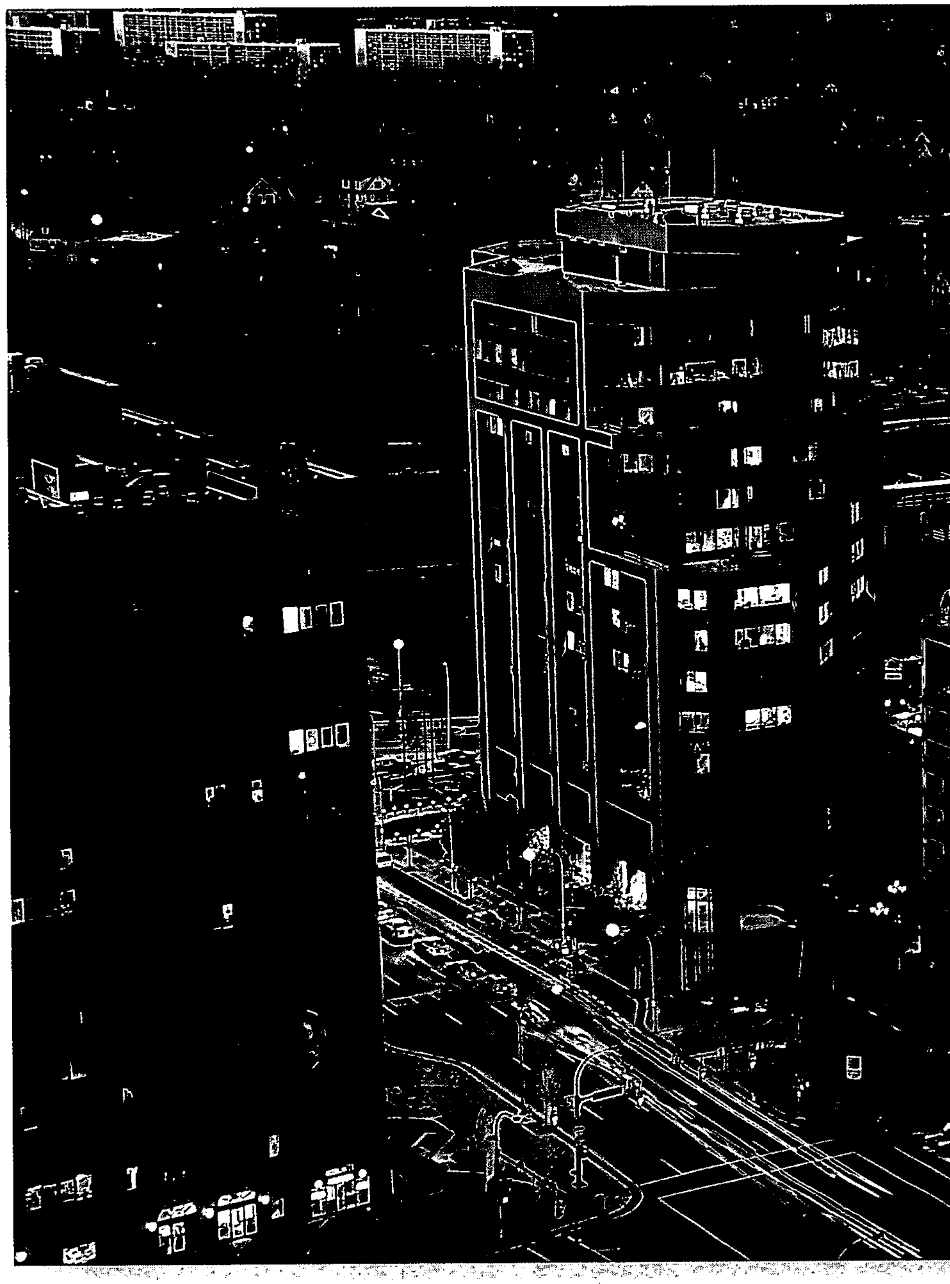
Edison's electric system is the most reliable in the nation. We adhere to a rigorous schedule of inspections and maintenance, system-wide, and continually seek out and implement technological improvements.

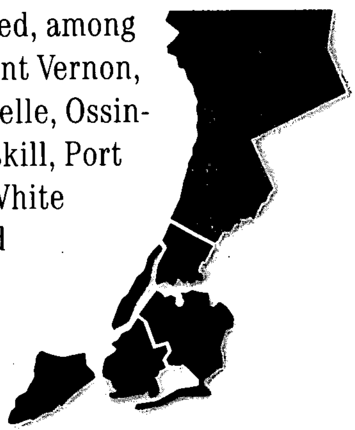
Project Appleseed In 1981, Con Edison became the nation's first utility to develop incentive rates to encourage job creation and business expansion. Since then, Project Appleseed has reduced energy costs for more than 13,000 new, expanded and relocated businesses employing more than 110,000 people. In New York City, companies may qualify for additional electric and gas rate reductions through the city's Energy Cost Savings Program.

Some of the larger projects that benefit from Project Appleseed are the Brooklyn Army Terminal, a 960,000-square-foot former military shipping depot that was renovated for manufacturing and opened in 1987 (2,500 jobs retained; 212 new jobs added from outside New York City); Bathgate Industrial Park, The Bronx (2,007 jobs retained; 190 new jobs added); LaGuardia Corporate

Westchester County's municipalities are active in redevelopment. In the early 1900s, Standard Brands opened its plant at Charles Point in Peekskill, but economic changes led to a 1977 shutdown. Now, the site's amenities — river, rail and highway access — have been put to use once more in the Charles Point Industrial Park. The project is a model of cooperation: Businesses qualify for Project Appleseed rates, a county resource recovery plant provides energy cost savings for Peekskill customers and Con Edison buys electric power the plant produces.

For years, landscaped corporate campuses have distinguished Westchester County's rolling countryside. But recently, downtown areas, too, have been redeveloped, among them Mount Vernon, New Rochelle, Ossining, Peekskill, Port Chester, White Plains and Yonkers.





Center, Queens (2,000 jobs retained); and Robert Martin Corporate Park, Westchester (nearly 1,000 jobs retained).

Enlightened Energy for Business Businesses use the majority of the energy we sell. When businesses use less energy to accomplish the same tasks — when they become more energy-efficient — they save money, lower their operating costs and improve their productivity. This leads to opportunities for expansion, new jobs and economic growth.

At the close of 1990, Con Edison launched Enlightened Energy, an expansion and redirection of our long-standing energy conservation programs. The program seeks to balance the often-conflicting demands of energy, the economy and the environment. By helping customers become more energy-efficient, Enlightened Energy holds down energy costs while promoting economic growth and providing significant environmental benefits through reduction of emissions that can pollute the air.

Enlightened Energy offers cash rebates to help business customers install a wide range of energy-efficient lighting and air conditioning equipment and electric

◀ In downtown White Plains, the Westchester Financial Center is part of a redevelopment effort that has transformed the area into a modern business and shopping hub for the region. Tenants include commercial banks, insurance companies, securities firms and certified public accountants.

▼ At Nan Flower Lingerie — a division of Bliss Manufacturing, Inc. in Peekskill's Charles Point Industrial Park — a veteran cutter uses an electric knife to slice along pattern lines through 80 layers of silk.

motors. In some cases, the rebate covers 100 percent of the cost of the new equipment. Businesses save money in two ways: by reducing initial outlays and by lowering operating costs. And when businesses convert to gas or steam air conditioning under Enlightened Energy, there is a double benefit for Con Edison. Demand on our electric system lessens on peak summer days, while we get new business for the gas and steam systems during their off-peak season.

The program also offers free energy audits for businesses and non-profit organizations, showing them ways to improve efficiency and qualify for rebates.

When a business receives an Enlightened Energy rebate, Con Edison is, in effect, investing in improving the customer's physical plant. This can help make the difference for a business between marginal success and capacity for new growth.

Affordable Housing Since it began in Brooklyn in 1978, Con Edison's Renaissance program has transformed vacant buildings and lots in 18 neighborhoods throughout the borough into more than 1,100 attractive apartment

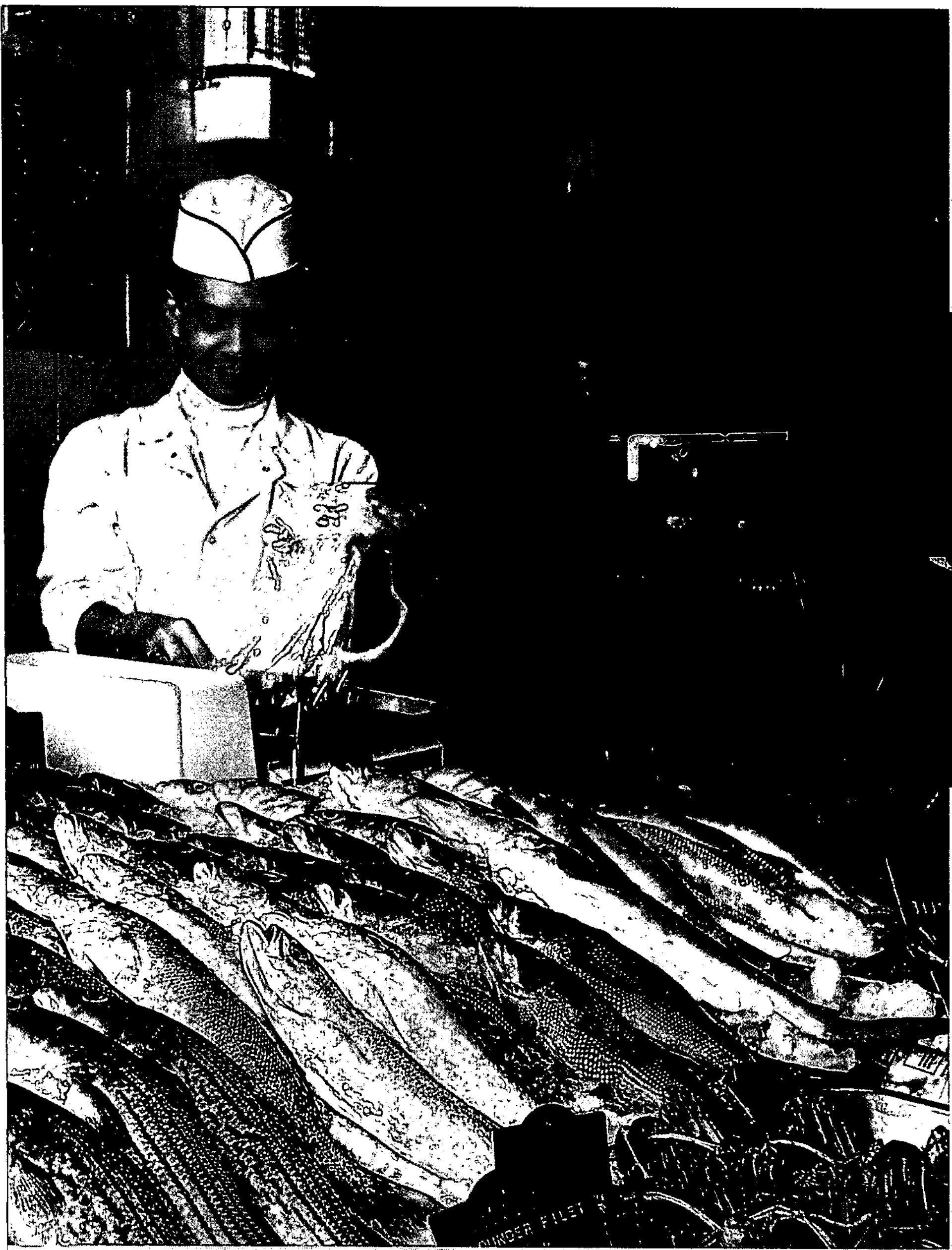
Queens, the largest borough geographically, is home to Kennedy and LaGuardia airports, the New York Mets and the U.S. Open tennis tournament. It is also home to many of the immigrants who have fueled New York City's economic growth. During the past decade, many of the nearly 300,000 Asians who have come to the city have settled in the Flushing neighborhood. They have opened stores, restaurants and banks, making this area increasingly prosperous.

The motion picture business, begun by Thomas Edison in 1888, is alive and well in Long Island City, Queens. Two major full-service film and television production facilities support a flourishing industry. Through Project Appleseed incentive rates and Enlightened Energy rebates, we helped develop both, Silvercup Studios and nearby Kaufman Astoria Studios.

units for families, single people and senior citizens. In the past two years, we have expanded the program to other parts of our service area, and recently completed Renaissance projects in Manhattan and Queens.

Under the program, Con Edison specialists coordinate the efforts of local non-profit housing groups, preservation groups and community-minded banks to provide new apartments for sale at affordable prices. In Brooklyn alone, Renaissance has stimulated more than $60 million in private-sector reinvestment in local communities.

Community Development Con Edison is actively involved in the New York City Partnership, a trade group that represents large businesses working to improve economic and social conditions in the city. We also support various local development corporations. These non-profit organizations help businesses in specific neighborhoods, supplying such services as site-selection advice, marketing support, security surveys and liaison with lenders and government agencies.



▲ The "family" members are professional actors in a set built on a soundstage at Silvercup Studios (formerly a bread bakery) to film a television commercial.

◀ Eastern Food Town, in the heart of Flushing's Asian business district, recently received an Enlightened Energy rebate for installing high-efficiency fluorescent lighting.

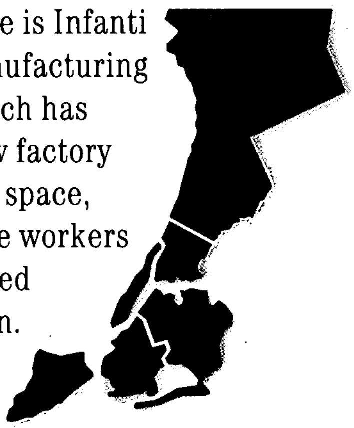
Education and the Arts A qualified work force in the future is vital to us and to our region. Accordingly, Con Edison works to expand educational opportunities for people in our service area. On public television, we sponsor the Learn to Read program for adult non-readers, and an at-home study course for adults seeking to earn their high school graduate equivalency diplomas.

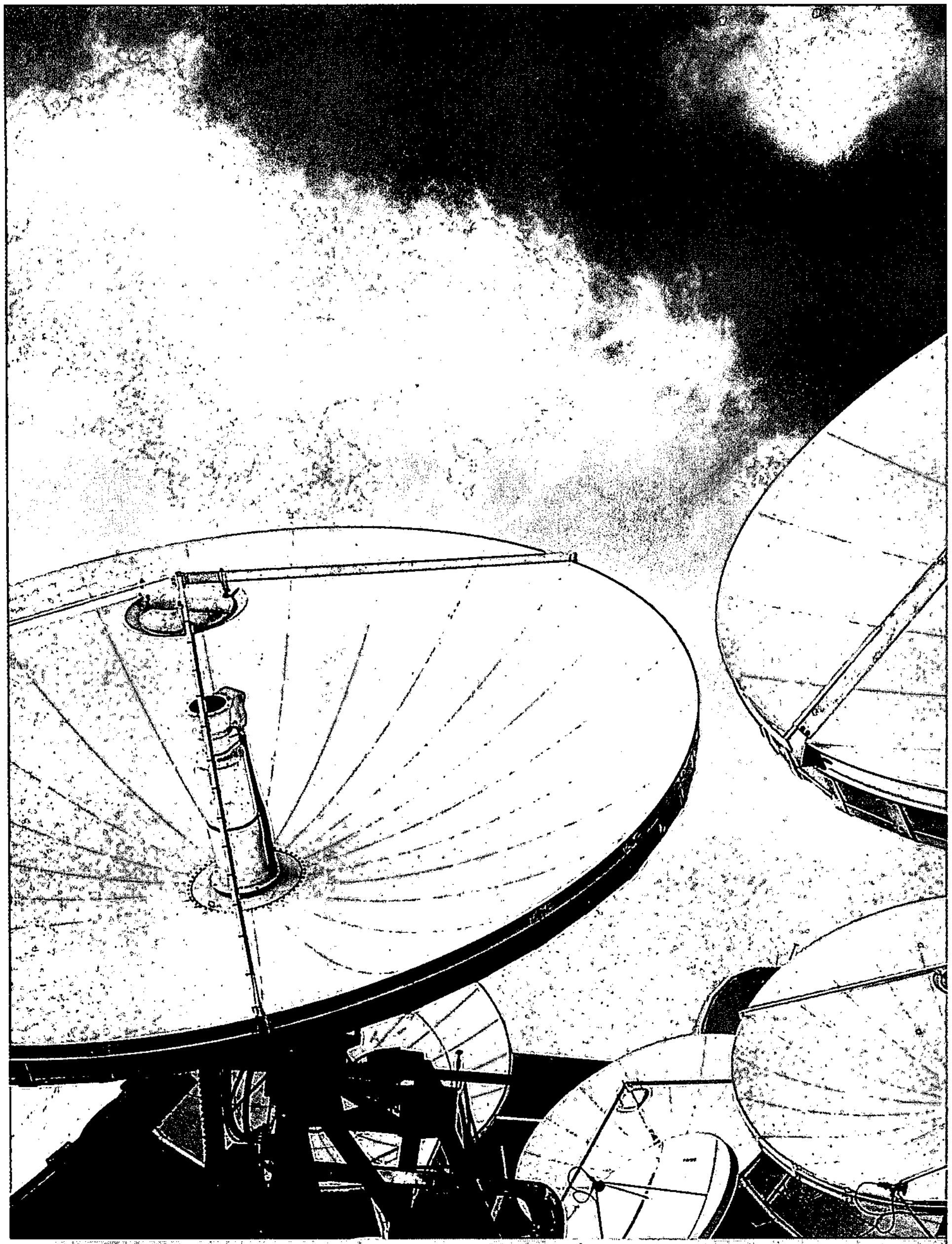
We also provide financial and personnel support for programs that give students early positive learning experiences in math, science and technology. Many of these programs also provide professional development opportunities for teachers. Through volunteer programs, some Con Edison employees become mentors and tutors for students in schools throughout the New York area, often serving as all-important role models for professional achievement. We provide summer jobs for more than 400 high school and college students. These jobs may lead to full-time employment when the students graduate.

Our service area's cultural activities and resources are among its greatest strengths. Recognizing how these resources enhance our area's competitiveness, we support some 500 museums, performing arts groups and

Staten Island has a smaller population and larger stretches of open land than other New York City boroughs. But in one respect, Staten Island resembles Manhattan; each is home to world-class communication industries. When the Teleport at Bloomfield, Staten Island, began operations five years ago, it was the world's first "intelligent" office park, with advanced satellite and fiber-optic cable communications. Today, there are 85 regional Teleports, through which companies stay in touch with business partners and customers around the world every minute of the day.

This borough is known for its residential developments, but it also has thriving businesses that benefit from Con Edison's economic development programs. One is Infanti Chair Manufacturing Corp., which has added new factory and office space, hired more workers and doubled production.

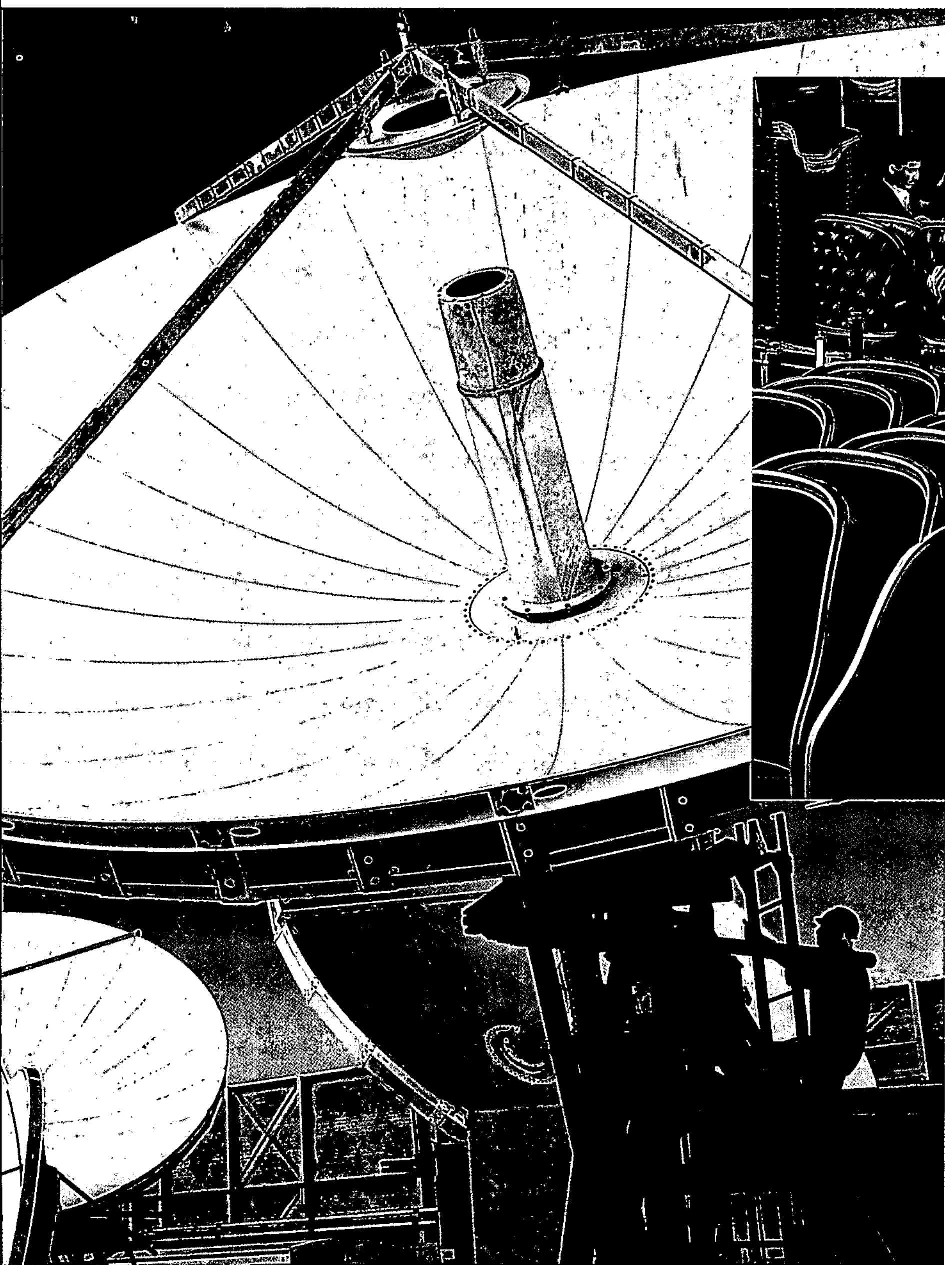


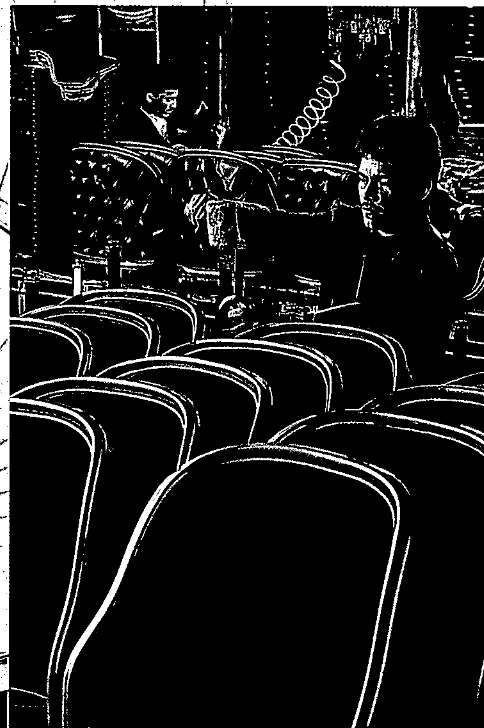


other cultural and neighborhood organizations. Many of these are small, emerging groups that reflect the New York area's creative traditions and ethnic diversity.

Future Developments We will be putting even greater emphasis on economic development activities. To date, we have focused chiefly on business retention. We will continue to pursue this course, but at the same time we are increasing our efforts to attract businesses to our service area. We will visit prospects and offer demographic information about the New York area, site-selection data and special energy studies. We will follow up with tours of our service area, using our detailed knowledge to help companies identify and take advantage of business opportunities in a targeted, efficient manner.

We hope our efforts will stimulate economic development in the best interests of our customers and service area, our company and our stockholders.





▲ **At Infanti Chair Manufacturing Corp., a worker adjusts a leg on a chair that is part of an order bound for one of hundreds of corporate customers around the globe.**

◀ **On a vast field at the Port Authority's Teleport, earthstations managed by IDB Communications are aligned with satellites to transmit news, financial market data and other business information internationally 24 hours a day.**

Operations

Energy Supply Our power plants performed well in 1991, meeting high demands for electricity during the hot summer. Service area peak demand reached 10,752 megawatts on July 23, a new record. One of our generating units at Astoria, Queens set a system-wide record for continuous service, 464 days.

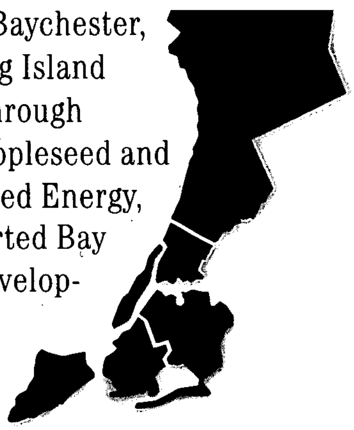
Con Edison has a comprehensive energy strategy that looks ahead 20 years, integrating plans for our electric, gas and steam systems. The strategy is updated every two years to reflect changing conditions.

Over the next 20 years, we plan to meet all of our customers' needs for electricity through the use of our existing power plants, power purchases and demand reductions achieved through the Enlightened Energy program. We expect to meet our steam customers' needs without requiring new generating capacity before 2010. The outlook for gas supply is excellent. In 1991 we restructured several gas contracts to take advantage of new federal regulations that permit a more economical and diverse supply and flexible storage arrangements. This approach achieved significant savings and helped us minimize reliance on any single pipeline for supply.

The Bronx is home to eight of the 94 institutions of higher learning in New York City. Along the South Bronx's Grand Concourse, Hostos Community College — named after a Puerto Rican patriot and educator — is building a new campus. A few miles north, Lehman College is erecting a Sports Complex. Fordham University has submitted applications for Enlightened Energy rebates totaling $600,000.

The South Bronx was one of the first areas where Con Edison offered reduced rates to promote economic development. Several industrial parks and many other businesses have benefited.

When one thinks of New York City shopping, large malls do not come to mind. But The Bronx has one — 70-acre Bay Plaza, in Baychester, along Long Island Sound. Through Project Appleseed and Enlightened Energy, we supported Bay Plaza's development.



Last November, we joined several other utilities in forming Liberty Pipeline Company, a partnership that will build, own and operate a 47-mile pipeline for gas transmission across Lower New York Bay from New Jersey to the vicinity of the John F. Kennedy International Airport. Completion of the Liberty Pipeline is scheduled for the mid-1990s.

Fuel Sources Since its inception, our energy strategy has emphasized diversification of fuel sources for electric power and steam generation. To preserve our region's air quality, we use clean-burning natural gas and very low-sulfur oil to produce electricity and steam. In 1991, we burned 134 billion cubic feet of gas, which reduced sulfur dioxide emissions by 22,000 tons. Burning gas also reduced our reliance on costly low-sulfur oil, saving a total of more than $48 million for our electric and steam customers. We also protect our region's air quality by using nuclear power to produce electricity. Overall, gas produced 28 percent of the electricity used in our service area in 1991. The remainder was produced by nuclear power (29 percent); oil (24 percent); coal (13 percent);

◀ **A roof rises on Lehman College's new Sports Complex. The college is part of the City University of New York.**

▼ **Rickel Home Center is an anchor tenant of the new $65-million Bay Plaza mall, which is fully rented.**

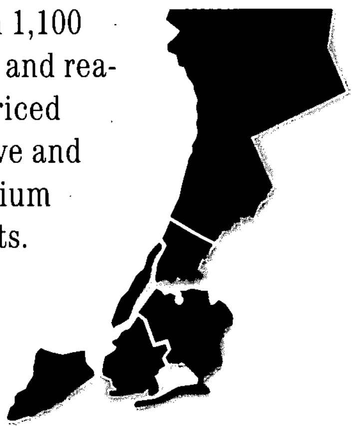
hydroelectric power (5 percent); and refuse (1 percent). All of the coal, hydroelectric and refuse power used by our customers was purchased.

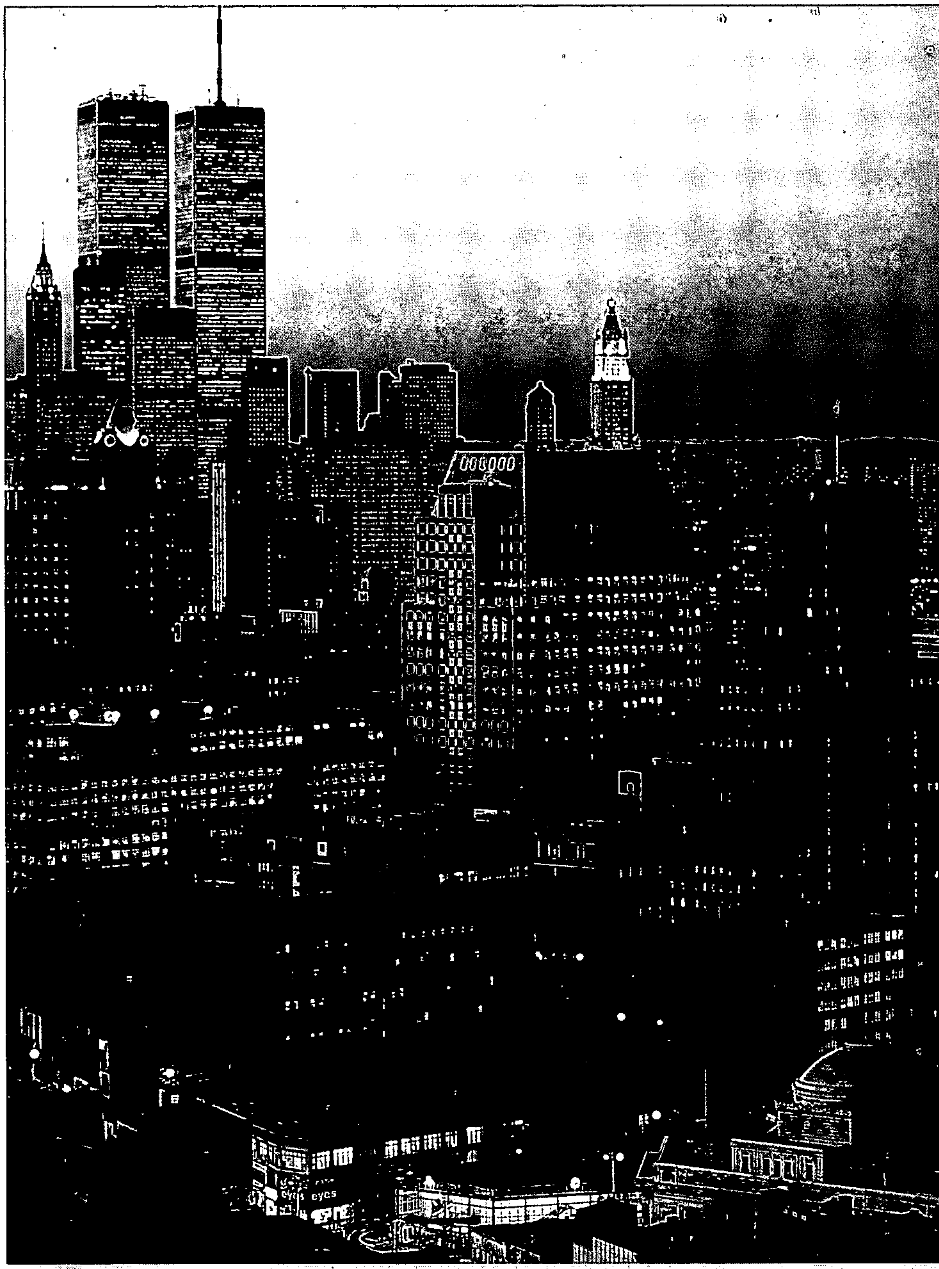
Gas Marketing In 1991, Con Edison expanded marketing efforts for natural gas. About 2,900 residential customers in our gas service territory converted to gas heating, a 6 percent increase over 1990. We will continue to market gas aggressively to the residential sector, and step up marketing of gas heat conversions to businesses and apartment buildings, including condominiums and cooperatives. As part of Enlightened Energy, we encourage our commercial customers to install gas-powered air conditioning. This reduces peak demand on our electric system.

We are helping to reduce air pollution in our region by promoting the use of compressed natural gas as a vehicle fuel. In 1992 we will open two refueling stations for natural gas vehicles operated by Con Edison, New York City and private fleets.

Brooklyn offers prime examples of how Con Edison's economic development programs help the places where people live and work. Here, 18 areas qualify for Project Appleseed's maximum electric rate reductions, mainly along the waterfront and in the northern part of the borough. These reductions have contributed to revitalizing aging industrial districts. In downtown Brooklyn, Project Appleseed and Enlightened Energy are helping foster a $2.5-billion transformation of the central business district. The MetroTech complex represents a blend of renovation and new construction.

Since 1978, Con Edison's Renaissance program has transformed vacant buildings and lots in Brooklyn into more than 1,100 attractive and reasonably priced cooperative and condominium apartments.





Customer Service To improve our response to customers and to reduce labor costs, we installed a new computer-based system for tracking and prioritizing the more than one million requests we receive each year to turn on or turn off service, arrange special appointments, or respond to customer inquiries. The new system pinpoints pending orders by location, required date and other data, and allows us to select and load each day's orders onto hand-held computers that our field employees carry on their routes.

While many other New York State utilities reported significant increases in collection losses in 1991, we were able to hold ours at 1990 levels. We made a record number of payment agreements with customers who had difficulties, and advised many local social service agencies that these arrangements were available to their clients.

Research and Development For the fourth consecutive year, Con Edison received awards from the Electric Power Research Institute for innovative use of research products. One product, a software model for determining a

◀ **If Brooklyn were a city, it would be the nation's fourth largest. MetroTech Center — a 10-square-block complex of commercial, academic and high-technology buildings — is one of the biggest New York City redevelopment projects ever undertaken outside Manhattan.**

▲ **Two residents of the Mohawk Apartments, a Con Edison Renaissance project in Brooklyn's Clinton Hill Historic District, pose with the building's superintendent and porter.**

transformer's capacity to carry power, helps us put more power through some of our transformers, thus avoiding the need to add new ones. Another product — a computer workstation for analyzing electric system performance under abnormal conditions — enables us to improve power system operations. A third project allows electric distribution engineers to apply a new software program that makes projections based on actual up-to-the-minute readings to determine how best to manage complex situations.

We are also working to improve the efficiency of our power plants. At our 74th Street station, we are testing a new type of heat recovery system designed to extract additional energy from the flue gas. This recovered energy is used in the power production cycle, allowing us to produce the same amount of electricity with less fuel.

Selected Financial Data

Year Ended December 31 (Millions of Dollars)	1991	1990	1989	1988	1987
Operating revenues	$5,873.1	$5,738.9	$5,550.6	$5,108.8	$5,094.4
Fuel and purchased power and gas purchased for resale	1,663.9	1,689.2	1,632.5	1,371.0	1,405.6
Operating income	813.1	800.8	783.7	773.2	724.0
Net income for common stock	530.1	534.4	568.7	561.7	512.3
Total assets	11,107.9	10,685.6	10,349.5	9,551.7	9,411.6
Long-term obligations					
Long-term debt	3,364.8	3,312.7	3,072.2	2,806.3	2,769.7
Capitalized leases	55.5	58.0*	77.7	83.1*	137.6
Preferred stock subject to mandatory redemption	41.3	43.5	45.8	48.0	50.3
Common shareholders' equity	4,608.3	4,502.1	4,382.4	4,205.1	4,007.2
Per common share:					
Net income	$2.32	$2.34	$2.49	$2.46	$2.21
Cash dividends	$1.86	$1.82	$1.72	$1.60	$1.48
Weighted average common shares outstanding (millions)	228.3	228.2	228.1	227.9	232.0

**Decreases in 1990 and 1988 reflect purchase of certain leased gas turbine equipment.*

Selected Quarterly Information

1991 (Millions of Dollars)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Operating revenues	$1,479.4	$1,330.7	$1,720.3	$1,342.7
Operating income	160.8	125.6	366.3	160.4
Net income	106.7	64.6	303.4	92.2
Net income for common stock	97.5	55.4	294.2	83.0
Earnings per common share	$ .43	$ .24	$1.29	$ .36
1990 (Millions of Dollars)	*First Quarter*	*Second Quarter*	*Third Quarter*	*Fourth Quarter*
Operating revenues	$1,494.6	$1,263.3	$1,613.8	$1,367.2
Operating income	198.5	98.9	333.6	169.8
Net income	138.1	49.1	263.2	121.1
Net income for common stock	128.8	39.8	254.0	111.8
Earnings per common share	$ .56	$ .18	$1.11	$ .49

In the opinion of the Company these quarterly amounts include all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation.

Market Price Range in Consolidated Reporting System and Dividends Paid on Common Stock

	1991			1990		
	High	Low	Dividends Paid	High	Low	Dividends Paid
1st Quarter	$25 7/8	$22 1/2	$.46 1/2	$29 1/4	$25 1/8	$.45 1/2
2nd Quarter	25 7/8	23	.46 1/2	26 1/2	23 1/4	.45 1/2
3rd Quarter	26 1/4	23	.46 1/2	25 1/4	19 3/4	.45 1/2
4th Quarter	28 3/4	24 3/8	.46 1/2	25 1/8	21	.45 1/2

As of January 31, 1992, there were 171,309 holders of record of common stock.

Liquidity and Capital Resources

Sources of Liquidity Cash and temporary cash investments used in the Company's utility business were $121.6 million at December 31, 1991 compared with $185.4 million at December 31, 1990 and $343.9 million at December 31, 1989. These amounts do not include $196.3 million, $167.9 million and $115.8 million, respectively, held by Gramercy Assets Corporation (Gramercy), the Company's wholly-owned investment subsidiary. The Company's utility cash balances reflect the timing and amounts of external financing. Variations in the Gramercy balances primarily reflect shifts between short- and longer-term investments and dividend distributions to Con Edison.

At December 31, 1991, 1990 and 1989, the Company's investment in Gramercy (before dividend declarations) was $328.7 million, $387.9 million and $371.7 million, respectively. Gramercy's portfolio at year-end 1991 consisted primarily of marketable short- and intermediate-term securities. In December 1991 Gramercy declared a dividend of $128.7 million ($100 million return of capital and 1991 earnings of $28.7 million) which was paid to the Company in January 1992. In December 1990 Gramercy declared a dividend of $87.9 million which was paid to the Company in January 1991. This was the amount of Gramercy's accumulated retained earnings from its formation to December 31, 1990.

In January 1991 the Company issued $128 million of 35-year tax-exempt debt through the New York State Energy Research and Development Authority (NYSERDA) and, in June 1991, $175 million of 35-year taxable debentures. In 1990 the Company issued $150 million of 35-year tax-exempt debt and $200 million of 35-year taxable debentures. In 1989 the Company issued $400 million of 35-year tax-exempt debt.

The Company's cash requirements are subject to substantial fluctuations during the year due to seasonal variations in cash flow and peak in January and July of each year when the semiannual payments of New York City property taxes are due. In 1991 the Company borrowed minimal amounts from banks. In July 1990 the Company borrowed $215 million from banks which was repaid by August 1990 from the proceeds of a long-term debt issue and internally generated funds. For 1992 the Company has arranged for bank credit lines amounting to $150 million. Borrowings thereunder would bear interest at prevailing market rates.

Customer accounts receivable, less allowance for uncollectible accounts, amounted to $390.0 million, $395.3 million and $399.0 million at December 31, 1991, 1990 and 1989, respectively. In terms of equivalent days of revenue outstanding, these amounts represented 26.6, 26.5 and 26.4 days, respectively.

The Company's earnings include an allowance for funds used during construction which, as a percent of net income for common stock, was 2.7 percent in 1991, 1.7 percent in 1990 and 2.3 percent in 1989. Interest coverage on the SEC basis was 3.73, 4.07 and 4.46 times for 1991, 1990 and 1989, respectively. These are high coverages compared with the electric utility industry generally and would permit the Company to avail itself of substantial unused bonding capacity. The Company's mortgage bonds are rated Aa1 by Moody's Investors Service, AA by Standard & Poor's and AA- by Duff and Phelps.

Cash flows from operating activities, before and after dividends, for years 1989 through 1991 were as follows:

(Millions of Dollars)	*1991*	*1990*	*1989*
Net cash flows from operating activities	$938	$835	$878
Less: Dividends on common and preferred stock	461	452	430
Net after dividends	$477	$383	$448

Capital Requirements The following table compares the Company's capital requirements for the years 1989 through 1991 and estimated amounts for 1992 and 1993:

(Millions of Dollars)	*1993*	*1992*	*1991*	*1990*	*1989*
Construction expenditures	$ 795	$ 795	$775	$697	$618
Retirement of long-term debt and preferred stock*	165	249	124	138	11
Enlightened Energy program**	90	99	79	(13)	18
Nuclear decommissioning trust	12	7	7	7	28
Nuclear fuel	8	32	9	34	11
Total	$1,070	$1,182	$994	$863	$686

** Does not include elective refundings in 1992 of outstanding securities. For details of securities maturing after 1993, see Note B to the financial statements included in this report.*

*** See discussion below of electric rate settlement agreements.*

The Company expects to finance its capital requirements for 1992 and 1993 from internally generated funds, reinvestment in utility operations of the remaining balance in Gramercy of $200 million, and external financings of about $500 million a year in 1992 and 1993. The amounts of external financing and the types of securities to be issued depend upon the outcome of the proposed electric rate settlement agreement. It allows for a common equity ratio of up to 52 percent, the attainment of which in 1992 and 1993 would require the issuance of common stock. In January 1992 the Company issued $100 million of 35-year tax-exempt debt.

In February 1992 the Company issued $150 million of 7 3/8%, 8 1/2-year taxable debentures and $150 million of 7 5/8%, 12-year taxable debentures to refund the Series II (9 3/8%) and Series OO (9 1/8%) mortgage bonds. In addition to these refundings, the Company may undertake other refundings if market conditions warrant. In 1992 and 1993 the Company also expects, from time to time, to make short-term borrowings.

In accordance with Nuclear Regulatory Commission regulations, the Company began funding an external trust in the first quarter of 1989 to pay for ultimate decommissioning of the Company's operating Indian Point 2 nuclear unit and its retired Indian Point 1 nuclear unit at a date early in the 21st century. At December 31, 1991, 1990 and 1989 the market value of investments in the fund amounted to $49.9 million, $39.1 million and $29.4 million, respectively. See Note A to the financial statements included in this report for further discussion of nuclear decommissioning costs.

Electric Generating Capacity Over the past decade, Con Edison experienced a 2.6 percent average annual growth in its service area peak demand for electricity. With the ending of the economic boom of the 1980s, this rate of growth has declined and is expected to moderate further. The Company's Enlightened Energy program is designed to further reduce the rate of growth of peak demand so that there will be little growth in the next decade. The Enlightened Energy program will help customers purchase and install energy-efficient equipment and encourage more efficient use of energy resources. The program for 1991 and 1992 was approved by the Public Service Commission (PSC) in November 1990. The Company estimates that the Enlightened Energy program could reduce annual electric energy usage by about 15 percent, and could reduce peak electricity requirements by about 23 percent, below what they otherwise would be by the year 2008. In 1991 peak demand reductions of about 158 megawatts (MW) and annual energy savings of more than 240,000 megawatt-hours (MWh) were achieved, exceeding the initial energy savings goals. In 1992 the Company will be filing with the PSC its Enlightened Energy plans for 1993-1994 and beyond, as well as a long-range integrated resource plan for meeting its future energy needs. The Company will continue to monitor the effectiveness of its programs and maintain a substantial degree of flexibility for a mid-course correction.

In order to diversify the sources of supply for its customers, the Company has contracted to purchase significant amounts of firm power from the New York Power Authority (NYPA) including firm power from Hydro-Quebec. One such agreement involves the purchase of up to 482 MW of firm power starting in 1995. The Company, NYPA and Hydro-Quebec each have the right to cancel this agreement without penalty prior to the end of November 1992. The Company is participating in NYPA's review of the economics and timing of the purchase to assure that it will provide benefits to the Company's customers. At the direction of the Governor of New York State, the State Energy Planning Board is examining the economic and environmental impacts of not having the Hydro-Quebec firm contract. This board is expected to report to the Governor in March 1992.

The Company has contracts with independent power producers (IPPs) for the supply of about 1,700 MW of capacity from facilities scheduled to come into service by the mid-1990s. However, actual receipt of the contracted capacity will depend on the successful completion of these IPP projects; accordingly, the Company's energy strategy currently relies on only about 1,000 MW of this power. Furthermore, the PSC has ordered each investor-owned utility to prepare and implement a bidding system through which additional power resources will be acquired. The Company solicited and obtained bids for capacity and has entered into four contracts for 170 MW of supply-side and eight MW of demand-side projects. Four more contracts totaling 36 MW of capacity to be available in 1994 are being negotiated. The Company also has programs to ensure continued reliable service of its existing generating facilities. The Company and NYPA have agreements under which NYPA will provide for the future electricity requirements of its customers in the Company's service area.

These Enlightened Energy programs and supply resources combine to form the Company's energy strategy which seeks to meet energy needs while balancing economic and environmental concerns. Based on present assumptions the Company does not expect to add any new baseload electric generation to its system in the next 20 years.

1987 and 1990 Electric Rate Settlement Agreements

In 1987 the Company entered into a three-year electric rate reduction and freeze agreement. Under the agreement, earnings of the electric department in excess of a 12.9 percent return on common equity (measured for rate-making purposes by reference to a common equity ratio not exceeding 50 percent) were to be shared equally between customers and stockholders. The Company refunded to its electric customers $26.5 million for the first rate year ending March 31, 1988 and $60.2 million for the second rate year ending March 31, 1989. For the third rate year, the twelve months ending March 31, 1990, the Company made an accounting provision for a refund of approximately $37 million to electric customers, the disposition of which is described below.

In 1990 the Company entered into an agreement continuing the Company's base electric rates at their existing level from April 1, 1990 to March 31, 1992. The agreement allowed the Company to retain the above-mentioned $37 million to offset a like amount of Enlightened Energy program costs deferred from prior periods, but directed the Company to refund to customers $43.3 million, plus interest, relating to property tax savings in prior periods. Provision had been made in prior years to set these amounts aside, so earnings were not affected.

The agreement also provided for $15 million of previously deferred costs for the Enlightened Energy program to be amortized as a charge against income over the first rate year of the settlement, the twelve months ending March 31, 1991. During the second rate year of the settlement, the twelve months ending March 31, 1992, the Company is billing a surcharge of approximately one mill per kilowatt-hour to its electric customers, designed to recover approximately $40 million of the costs of the Enlightened Energy program.

Under the 1990 agreement the revenue equivalent of 65 percent of earnings in the electric department in excess of an average of 11.75 percent return on equity (which computation shall assume a common equity ratio of 50 percent) over the two-year period will be applied to reduce any remaining deferred costs chargeable to customers and any balance of the 65 percent will be deferred for future customer benefit after March 31, 1992. The Company will retain the remaining 35 percent of any such earnings in excess of 11.75 percent. Through December 31, 1991, the Company's electric earnings have not exceeded the sharing threshold.

1992 Electric Rate Settlement Agreement The Company filed with the PSC in May 1991 for a $469.5 million increase in electric rates which was subsequently reduced to $392.5 million due principally to reductions in property taxes.

The Company and the staff of the PSC have agreed on a proposed settlement of the electric rate case. The settlement is subject to approval by the PSC's administrative law judges, and by the PSC. The PSC is expected to render its decision on the settlement by April 1992. The settlement would be effective for a three-year period, April 1, 1992 through March 31, 1995. The principal features of the settlement are as follows:

Rate of Return and Equity Ratio The settlement provides a rate of return on common equity of 11.50 percent for the first rate year and 11.60 percent for the second and third rate years, based on a common equity ratio of 52 percent. In order to settle disputed items, including alleged excess earnings in prior years, the Company's revenue allowance would be reduced in each of the three years by $35 million.

Earnings Sharing Earnings above an 11.75 percent return on common equity in the first year, and above 11.85 percent in the second or third year will be shared with customers. One-half will be retained by the Company for shareholders. The other half will be applied first to make up any shortfall below the sharing threshold in the other rate years and the balance deferred to be applied for future benefit of the customers.

Incentive Provisions The settlement includes provisions which permit the Company to earn additional amounts (not subject to the earnings sharing provision) by attaining certain objectives for (a) the Company's Enlightened Energy program, (b) customer service and (c) fuel costs. There would also be penalties for failing to achieve minimum objectives. For calendar year 1992, the Enlightened Energy incentive could contribute up to 48 basis points to return on common equity (or a penalty of up to 25 basis points). The Enlightened Energy programs and the related goals for calendar years 1993 and 1994 remain to be determined by the PSC. However, the Company estimates that under the incentive formula contained in the settlement, it could earn an Enlightened Energy incentive (or penalty) of up to 30 basis points in each of these years. If the Company exceeds the Enlightened Energy goals for calendar year 1993 or 1994, it could earn an additional incentive for that year. The Company's customer service performance, as measured against agreed-upon objective criteria, can earn an incentive or penalty of up to 10 basis points. In each of the three rate years, the partial pass-through fuel adjustment clause could increase or decrease earnings before federal income tax by up to $30 million or approximately 50 basis points.

Partial Pass-Through Fuel Adjustment Clause A "partial pass-through" fuel adjustment clause will be implemented with monthly targets for fuel and purchased power costs. The Company will collect 30 percent of any savings in actual costs below the target amount, and must bear 30 percent of any excess of actual costs over the target. For each rate year of the settlement there will be a $30 million cap on the maximum increase or decrease in earnings before federal income tax, with a "sub-cap" (within the $30 million cap) of $10 million for costs associated with generation from the Company's Indian Point 2 nuclear unit.

Enlightened Energy Program Cost Recovery The costs for the Enlightened Energy program for each rate year of the settlement will be recovered over a five-year period. Incentives for Enlightened Energy would be recovered in the rate year following the rate year in which they are earned. Unrecovered balances will earn an approved rate of return.

Effective April 1, 1992, lost revenues associated with the Enlightened Energy program will be recovered concurrently through the electric rate adjustment mechanism (ERAM) discussed below. As of April 1, 1992, the Company will have deferred approximately $70 million of Enlightened Energy costs, incentives and lost revenues. As part of the settlement these will be set off against an approximately equal amount of property tax reductions that had been previously deferred for later refund or crediting to customers.

Electric Revenue Adjustment Mechanism (ERAM) The settlement includes a significant new rate-making concept known as the electric revenue adjustment mechanism, or ERAM. The purpose of the ERAM is to reduce the linkage between customers' energy consumption and Company profits. Under the ERAM the Company's rates will be based on annual forecasts of electric sales and sales revenues with return to or recovery from customers of any overages or deficiencies from the forecast for the prior rate year. Introduction of the ERAM will remove from Company earnings the effects of year-to-year weather variations and variations of sales from forecasts due to economic conditions.

The ERAM will also take into account cost increases in the second and third rate years for capacity costs associated with IPPs, amortization of Enlightened Energy costs, property taxes, and labor costs, including postretirement benefits other than pensions. The ERAM will also take into account projected increases in rate base and increased interest expense resulting from new debt issues.

Revenue Increases The settlement provides for an increase in electric revenues in the first rate year, ending March 31, 1993, of approximately $225 million. The Company currently estimates that the revenue increase in the second and third rate years of the settlement, in order to effect the recovery of costs described above, will be $400 million and $300 million, respectively. Roughly one-half of the estimated increases in the second and third rate years is attributable to projected increases in the fixed costs of contractually-required capacity purchases from IPPs. These IPP costs are subject to change, depending on the construction schedules of the IPP projects.

Other Changes The settlement will not permit further changes in the Company's base electric rates during the settlement period. However, as in prior settlements, there are limited exceptions for the protection of both the Company and the customers.

Gas and Steam Rate Increases On October 3, 1991, the PSC granted the Company permission to increase its firm gas and steam base rates, effective October 8, 1991, by $21.4 million (3.1 percent) and $17.6 million (5.0 percent), respectively. The increases are premised upon an allowed equity return of 11.3 percent and a common equity ratio of 50 percent of total capitalization.

On November 26, 1991, the Company filed with the PSC for increases in annual gas and steam revenues of $35.6 million (5.5 percent) and $22.2 million (6.2 percent), respectively. The Company is currently negotiating with the PSC staff for two-year agreements with increases to become effective in October 1992 and October 1993 to cover updated revenue estimates, plant additions and increases in expenses. If such agreements are reached and approved by the PSC, the Company will withdraw its November 1991 filings.

Clean Air Act Amendments The Clean Air Act Amendments of 1990 impose limits on sulfur dioxide emissions from electric generating units. Because of the Company's use of very low sulfur fuel oil and natural gas as boiler fuels, the sulfur dioxide emission limits should not affect the Company's operations. However, the Company may incur increased operating costs and capital expenditures if it is determined that reductions in nitrogen oxide emissions from electric generating units are necessary to attain the national ozone standard required by the Act. The Company cannot predict whether such reductions will be required.

Superfund and Asbestos Claims and Other Contingencies Reference is made to Note F to the financial statements included in this report for information concerning potential liabilities of the Company arising from the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("Superfund"), from claims relating to alleged exposure to asbestos, and from certain other contingencies to which the Company is subject.

Impact of Inflation In an inflationary period the purchasing power of the dollar declines. The historical cost amounts reported in traditional financial statements represent dollars of varying purchasing power because such financial statements combine dollars spent at various times in the past with dollars spent currently.

Although the rate of inflation has eased considerably from its peak levels, the Company is still affected by the decline in the purchasing power of the dollar caused by even modest inflation. The Company cannot readily increase its prices to keep pace with inflation. The regulatory process introduces a time lag during which increased operating expenses are typically not fully recovered. Moreover, regulation permits the Company to recover through depreciation only the historical cost of its plant assets even though in an inflationary economy the cost to replace the assets upon their retirement will substantially exceed historical cost. Thus, the Company experiences losses on its property equivalent to the effect of inflation. These losses are, however, partially offset by the fact that repayment of the Company's long-term debt is made in dollars of lesser value than the dollars originally borrowed.

Results of Operations

Earnings per share were $2.32 in 1991, $2.34 in 1990 and $2.49 in 1989. The weighted average number of common shares outstanding for 1991, 1990 and 1989 was 228.3 million, 228.2 million and 228.1 million, respectively.

For year 1991, earnings were lower than the prior year due to higher operating expenses and interest charges which more than offset increases in operating revenues and higher investment income. For year 1990, operating revenues were also higher than the prior year, but earnings were lower as a result of increases in operating expenses and interest charges and lower investment income. Earnings for 1991, 1990 and 1989 reflect in each case higher electric sales volumes than the preceding year. Investment income variations principally reflect the changing situation in securities markets.

Operating Revenues and Fuel Costs Operating revenues in 1991 and 1990 increased from the prior year by $134.2 million and by $188.3 million, respectively. The principal increases and decreases in revenue were:

(Millions of Dollars)	Increase (Decrease)	
	1991 over 1990	1990 over 1989
Fuel billings	$ 27.5	$211.6
Sales volume changes		
Electric-Con Edison direct customers and delivery service for NYPA and municipal agencies	91.3	48.3
Gas	4.0	(45.5)
Steam	1.2	(32.7)
Gas and steam rate changes	6.8	14.8
Weather normalization-Gas	1.7	27.8
Subtotal	132.5	224.3
Electric rate refund provisions	(3.1)	38.3
Sales to other electric utilities	(23.7)	(92.8)
Enlightened Energy program incentives and lost revenue accruals	29.3	5.6
Other	(0.8)	12.9
Total	$134.2	$188.3

The increase in fuel billings in 1991 is related to recovery through the fuel adjustment clause of prior period costs associated with the Enlightened Energy program. The increase in fuel billings in 1990 reflects increases in the unit prices of oil and purchased power. The cost of gas per therm was 5.9 percent lower in 1991 than in 1990.

Electricity sales volumes in the Company's service territory increased 2.0 percent in 1991 and 1.7 percent in 1990. Gas sales volumes to firm customers decreased 0.9 percent in 1991 and 3.3 percent in 1990. Transportation of customer-owned gas increased 15.9 percent in 1991 and 34.8 percent in 1990, primarily due to an increase in gas transported for NYPA's use as a boiler fuel at its Poletti unit. Steam sales volumes increased 0.1 percent in 1991 and decreased 8.3 percent in 1990.

The Company's electricity, gas and steam sales vary seasonally in response to weather. Electric peak load occurs in the summer, while gas and steam sales peak in the winter. After adjusting for variations, principally weather, in each period, electricity sales volumes increased 0.8 percent in 1991 and 2.4 percent in 1990. Similarly adjusted, gas sales volumes to firm customers increased 1.2 percent in 1991 and 2.4 percent in 1990, and steam sales volumes decreased 2.5 percent in 1991 and 0.4 percent in 1990. Weather-adjusted sales represent the Company's estimate of the sales that would have been made if historical average weather conditions had prevailed.

Declines in various segments of the economy in the Company's service area, particularly financial services and real estate, had a negative impact on 1991 sales of all three utility services, and are expected to adversely affect future sales. The ERAM of the proposed electric rate settlement agreement would remove from earnings the effect of variations from annual forecasts in electric sales, including changes in economic conditions and weather, for the three-year term of that agreement.

Revenues from sales of electricity to other utilities represent recoupment of fuel and certain incremental production costs. The net revenues from these sales are passed on to customers and have no effect on net income. Such sales were lower in 1990 than in 1989 because sales in December 1989 were unusually high due to the effect of severe weather conditions.

Other Operations and Maintenance Expenses Other operations and maintenance expenses increased 4.7 percent and 2.7 percent in 1991 and 1990, respectively. For 1991 the increase reflects the costs of the scheduled refueling and maintenance outage of the Indian Point 2 nuclear unit in 1991 compared with a more limited mid-cycle maintenance outage in 1990. The increase also reflects an expense provision in 1991 of $10 million for the estimated cleanup costs of certain Superfund sites, the amortization of previously deferred costs associated with the Company's Enlightened Energy program in accordance with the 1990 electric rate settlement agreement and higher labor costs. The increase in 1990 reflects higher expenses to maintain the Company's distribution systems, including changes in the Company's street facilities required by government projects, higher labor costs and the amortization of previously deferred costs associated with the Company's Enlightened Energy program in accordance with the 1990 electric rate settlement agreement.

Taxes Other Than Federal Income Tax At $1.2 billion, taxes other than federal income tax remain the Company's largest operating expense after fuel. The principal components and variations in operating taxes were:

(Millions of Dollars)		Increase (Decrease)	
	1991 Amount	1991 Over 1990	1990 Over 1989
Local property taxes	$ 709.9	$32.6	$22.4
State and local taxes on revenues	411.2	34.8	41.2
Payroll taxes	53.5	1.6	2.2
Other taxes	53.3	(.2)	—
Total	$1,227.9*	$68.8	$65.8

* *Including sales taxes on customers' bills, the total taxes other than federal income taxes billed to customers in 1991 was $1,497.4 million.*

New York City property taxes for the fiscal year 1991-1992 will be approximately $63 million less than for the fiscal year ended June 30, 1991. The reduction reflects a decrease in the share of total New York City property taxes borne by utility property. Under the terms of the 1990 electric rate settlement agreement the electric portion of the savings realized are being deferred for application to unrecovered balances of Enlightened Energy program costs. Consequently, operating expenses for 1991 do not reflect this reduction. New electric rates expected to take effect in April 1992 and new gas and steam rates which became effective October 8, 1991 reflect the reduced level of property taxes.

The increase in state and local taxes on revenues in 1991 was due principally to increased revenues and an increase in the New York State public utility gross receipts tax rate from 3.0 percent to 3.5 percent. The increase in state and local taxes on revenues in 1990 was due principally to increased revenues and the imposition of a 15 percent surcharge by the State of New York effective July 1, 1990, retroactive to January 1, 1990. The Company bills its customers for all revenue taxes and remits the amounts collected to the municipalities and the state.

Other Income Other income increased $17.6 million in 1991 and decreased $32.0 million in 1990 due principally to variations in investment income in Gramercy.

Interest Charges Interest on long-term debt increased $35.7 million in 1991 and $19.5 million in 1990 principally as a result of the issuance of new debt, $303 million in 1991 and $350 million in 1990.

Federal Income Tax Federal income tax increased $1.8 million in 1991 and decreased $22.8 million in 1990 reflecting the changes each year in income before tax and in tax deductions. See Note G to the financial statements included in this report.

February 25, 1992

Report of the Company

The accompanying consolidated financial statements have been prepared by Consolidated Edison Company of New York, Inc. In the Company's opinion such statements have been prepared in conformity with generally accepted accounting principles. The statements reflect judgments and estimates made in the application of such principles.

The integrity of the Company's financial records, from which the consolidated financial statements were prepared, is largely dependent upon the Company's system of internal accounting controls. Based upon continuing monitoring of such controls, the Company believes they provide reasonable assurance that transactions are executed in accordance with management's authorization and are properly recorded, and that assets are appropriately safeguarded against loss from unauthorized use.

The Company's Board of Trustees maintains an Audit Committee composed of Trustees who are not employees of the Company. The Audit Committee meets with the Company's management, its internal auditor and its independent accountants several times a year to discuss internal controls and accounting matters, the Company's consolidated financial statements, and the scope and results of the auditing programs of the independent accountants and of the Company's internal auditing department. The independent accountants have direct access to the Audit Committee and periodically meet with it without management representatives present.

The accompanying consolidated financial statements have been examined by Price Waterhouse, the Company's independent accountants, whose report appears below.

February 25, 1992

Report of Independent Accountants

Price Waterhouse

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

In our opinion, the accompanying consolidated balance sheet and statement of capitalization, and the related consolidated statements of income, of retained earnings, and of cash flows, present fairly, in all material respects, the financial position of Consolidated Edison Company of New York, Inc. and its subsidiaries at December 31, 1991 and 1990, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1991 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse

153 East 53rd Street
New York, N.Y. 10022

February 25, 1992

Consolidated Balance Sheet

Consolidated Edison Company of New York, Inc.

Assets

At December 31 (Thousands of Dollars)	*1991*	*1990*
Utility plant, at original cost (Notes A and B)		
Electric	$ 9,748,405	$ 9,350,317
Gas	1,161,133	1,080,613
Steam	345,221	323,433
General	834,908	763,347
Total	12,089,667	11,517,710
Less: Accumulated depreciation	3,257,718	3,106,803
Net	8,831,949	8,410,907
Construction work in progress	356,561	321,047
Nuclear fuel assemblies and components, less accumulated amortization	74,484	83,202
Net utility plant	9,262,994	8,815,156
Current assets		
Cash and temporary cash investments (Note A)	317,862	353,335
Accounts receivable — customers, less allowance for uncollectible accounts of $18,500 in 1991 and 1990	389,982	395,273
Other receivables	65,327	46,020
Fuel, at average cost	79,801	131,025
Gas in storage, at average cost	43,160	39,378
Materials and supplies, at average cost	279,654	272,842
Prepayments and other current assets	71,240	59,240
Total current assets	1,247,026	1,297,113
Investments and nonutility property		
Investments (Note A)	200,305	277,399
Nonutility property	1,520	1,915
Total investments and nonutility property	201,825	279,314
Deferred charges		
Recoverable fuel costs (Note A)	21,012	50,878
Enlightened Energy program (Note A)	100,353	21,462
Unamortized debt expense	31,806	29,618
Other deferred charges	242,926	192,027
Total deferred charges	396,097	293,985
Total	$11,107,942	$10,685,568

The accompanying notes are an integral part of these financial statements.

Capitalization and Liabilities

At December 31 (Thousands of Dollars)	1991	1990
Capitalization (see Consolidated Statement of Capitalization)		
Common shareholders' equity	$ 4,608,294	$ 4,502,112
Preferred stock subject to mandatory redemption	41,250	43,500
Other preferred stock	591,684	592,401
Long-term debt	3,364,765	3,312,734
Total capitalization	8,605,993	8,450,747
Noncurrent liabilities		
Obligations under capital leases	55,469	58,045
Other noncurrent liabilities	31,554	26,800
Total noncurrent liabilities	87,023	84,845
Current liabilities		
Long-term debt due within one year (Note B)	247,218	121,598
Preferred stock to be redeemed within one year (Note B)	2,250	2,250
Accounts payable	210,198	221,316
Customer deposits	149,066	134,816
Accrued income taxes	33,458	43,446
Other accrued taxes	45,717	76,744
Accrued interest	86,185	79,053
Accrued wages	72,377	67,874
Other current liabilities	249,043	212,952
Total current liabilities	1,095,512	960,049
Deferred credits		
Accumulated deferred federal income tax (Note A)	856,824	761,934
Accumulated deferred investment tax credits (Note A)	232,870	246,670
Other deferred credits	229,720	181,323
Total deferred credits	1,319,414	1,189,927
Contingencies (Note F)		
Total	$11,107,942	$10,685,568

The accompanying notes are an integral part of these financial statements.

Consolidated Income Statement

Consolidated Edison Company of New York, Inc.

Year Ended December 31 (Thousands of Dollars)	*1991*	*1990*	*1989*
Operating revenues (Note A)			
Electric	$4,896,818	$4,744,764	$4,576,822
Gas	678,332	697,973	693,022
Steam	297,908	296,151	280,777
Total operating revenues	5,873,058	5,738,888	5,550,621
Operating expenses			
Fuel and purchased power	1,440,575	1,434,986	1,343,843
Gas purchased for resale	223,354	254,246	288,636
Other operations	1,005,137	948,221	936,908
Maintenance	520,901	509,518	483,143
Depreciation and amortization (Note A)	359,826	342,800	324,903
Taxes, other than federal income tax	1,227,878	1,159,107	1,093,333
Federal income tax (Note G)	282,310	289,220	296,200
Total operating expenses	5,059,981	4,938,098	4,766,966
Operating income	813,077	800,790	783,655
Other income (deductions)			
Investment income (Note A)	48,215	27,199	72,845
Allowance for equity funds used during construction (Note A)	10,286	6,547	9,823
Other income less miscellaneous deductions	(6,181)	(7,720)	(8,839)
Federal income tax (Note G)	(8,740)	(40)	(15,860)
Total other income	43,580	25,986	57,969
Income before interest charges	856,657	826,776	841,624
Interest on long-term debt	271,361	235,685	216,218
Other interest	22,522	22,028	22,649
Allowance for borrowed funds used during construction (Note A)	(4,136)	(2,430)	(3,308)
Net interest charges	289,747	255,283	235,559
Net income	566,910	571,493	606,065
Preferred stock dividend requirements	36,850	37,078	37,319
Net income for common stock	$ 530,060	$ 534,415	$ 568,746
Earnings per common share based on weighted average number of shares outstanding during each year (228,282,570; 228,188,824; and 228,065,154)	$2.32	$2.34	$2.49

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

Consolidated Edison Company of New York, Inc.

Year Ended December 31 (Thousands of Dollars)	*1991*	*1990*	*1989*
Operating activities			
Net income	$566,910	$571,493	$606,065
Principal non-cash charges (credits) to income			
Depreciation and amortization	359,826	342,800	324,903
Deferred recoverable fuel costs	29,866	(29,617)	(23,280)
Federal income tax deferred	81,150	63,660	55,560
Common equity component of allowance for funds used during construction	(9,688)	(6,137)	(9,207)
Other non-cash charges (credits)	29,883	34,429	(18,964)
Changes in assets and liabilities			
Accounts receivable — customers, less allowance for uncollectibles	5,291	3,733	(50,372)
Materials and supplies, including fuel and gas in storage	40,630	(96,167)	(29,785)
Prepayments, other receivables and other current assets	(31,307)	52,606	(59,035)
Enlightened Energy program	(78,891)	13,395	(18,317)
Accounts payable	(11,118)	(9,591)	48,694
Other — net	(44,747)	(106,098)	51,440
Net cash flows from operating activities	937,805	834,506	877,702
Investing activities including construction			
Construction expenditures	(774,817)	(696,652)	(618,110)
Purchase of previously leased gas turbines	—	(4,632)	—
Nuclear fuel expenditures	(9,127)	(34,274)	(11,430)
Contributions to external decommissioning trust	(6,973)	(6,973)	(27,892)
Common equity component of allowance for funds used during construction	9,688	6,137	9,207
Investments held by Gramercy Assets Corporation, other than temporary cash investments	90,095	35,647	(94,132)
Net cash flows from investing activities including construction	(691,134)	(700,747)	(742,357)
Financing activities including dividends			
Issuance of debentures	175,000	200,000	—
Issuance of NYSERDA tax-exempt debt	128,150	150,000	400,000
Retirement of long-term debt and preferred stock	(123,848)	(137,739)	(11,026)
Common stock dividends	(424,614)	(415,305)	(392,282)
Preferred stock dividends	(36,832)	(37,059)	(37,297)
Net cash flows from financing activities including dividends	(282,144)	(240,103)	(40,605)
Net increase (decrease) in cash and temporary cash investments	(35,473)	(106,344)	94,740
Cash and temporary cash investments at January 1	353,335	459,679	364,939
Cash and temporary cash investments at December 31	$317,862	$353,335	$459,679
Supplemental disclosure of cash flow information			
Cash paid during the period for:			
Interest	$259,739	$225,467	$201,693
Income taxes	220,567	216,323	248,081
Non-cash investing activities — liens on purchased gas turbines	—	16,774	—

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Capitalization

Consolidated Edison Company of New York, Inc.

At December 31 (Thousands of Dollars)	Shares outstanding December 31, 1991	Shares outstanding December 31, 1990	1991	1990
Common shareholders' equity (Note B)				
Common stock, $2.50 par value, authorized 340,000,000 shares	228,325,463	228,232,162	$1,279,221	$1,278,504
Retained earnings			3,361,305	3,255,851
Capital stock expense			(32,232)	(32,243)
Total common shareholders' equity			4,608,294	4,502,112
Preferred stock (Note B)				
Subject to mandatory redemption				
Cumulative Preferred, $100 par value, 8 1/8% Series H (mandatory redemption amount $43,500 and $45,750)	435,000	457,500	43,500	45,750
Less: Amounts to be redeemed within one year			2,250	2,250
Total subject to mandatory redemption			41,250	43,500
Other preferred stock				
$5 Cumulative Preferred, without par value, authorized 1,915,319 shares	1,915,319	1,915,319	175,000	175,000
Cumulative Preferred, $100 par value, authorized 6,000,000 shares*				
5 3/4% Series A	600,000	600,000	60,000	60,000
5 1/4% Series B	750,000	750,000	75,000	75,000
4.65% Series C	600,000	600,000	60,000	60,000
4.65% Series D	750,000	750,000	75,000	75,000
5 3/4% Series E	500,000	500,000	50,000	50,000
6.20% Series F	400,000	400,000	40,000	40,000
8.30% Series G	500,000	500,000	50,000	50,000
Cumulative Preference, $100 par value, authorized 2,250,000 shares 6% Convertible Series B	66,835	74,012	6,684	7,401
Total other preferred stock			591,684	592,401
Total preferred stock			632,934	635,901

** Represents total authorized shares of cumulative preferred stock, $100 par value, including 8 1/8% Series H.*

The accompanying notes are an integral part of these financial statements.

At December 31 (Thousands of Dollars)			1991	1990
Long-term debt (Note B)				
Maturity	**Interest Rate**	**Series**		
First and Refunding Mortgage Bonds (open-end mortgage):				
1991	4 3/4%	T	—	50,000
1991	4 5/8	U	—	60,000
1992	4 3/8	V	100,000	100,000
1992	4 3/8	W	75,000	75,000
1992	4 3/8	X	60,000	60,000
1993	4.40	Y	75,000	75,000
1993	4 5/8	AA	75,000	75,000
1994	4.60	BB	125,000	125,000
1996	5	CC	100,000	100,000
1996	5.90	DD	75,000	75,000
1997	6 1/4	EE	80,000	80,000
1997	8 1/8	LL	30,000	35,000
1998	6.85	FF	60,000	60,000
1999	7.90	GG	80,000	80,000
2000	8.90	HH	125,000	125,000
2000	9 3/8	II	150,000	150,000
2001	7.90	JJ	150,000	150,000
2002	7.90	KK	150,000	150,000
2003	7 3/4	MM	150,000	150,000
2003	8.40	NN	150,000	150,000
2004	9 1/8	OO	150,000	150,000
Total mortgage bonds			1,960,000	2,075,000
Debentures				
2025	9.70%	1990 A	200,000	200,000
2026	9 3/8	1991 A	175,000	—
Total debentures			375,000	200,000
Tax-exempt debt (issued through New York State Energy Research and Development Authority) — notes issued for Electric Facilities Revenue Bonds:				
2020	9 %	1985 A	256,000	256,000
2021	7 1/2	1986 A	150,000	150,000
2022	7 1/8	1987 A	100,855	100,855
2022	9 1/4	1987 B	49,145	49,145
2024	7 3/4	1989 A	150,000	150,000
2024	7 3/8	1989 B	100,000	100,000
2024	7 1/4	1989 C	150,000	150,000
2025	7 1/2	1990 A	150,000	150,000
2026	7 1/2	1991 A	128,150	—
Total tax-exempt debt			1,234,150	1,106,000
Other long-term debt				
Liens on purchased gas turbines			46,534	53,132
Other long-term debt			7,411	7,815
Unamortized debt discount			(11,112)	(7,615)
Total			3,611,983	3,434,332
Less: Long-term debt due within one year			247,218	121,598
Total long-term debt			3,364,765	3,312,734
Total capitalization			$8,605,993	$8,450,747

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Retained Earnings

Consolidated Edison Company of New York, Inc.

Year Ended December 31 (Thousands of Dollars)	*1991*	*1990*	*1989*
Balance, January 1	$3,255,851	$3,136,732	$2,960,256
Net income for the year	566,910	571,493	606,065
Total	3,822,761	3,708,225	3,566,321
Dividends declared on capital stock			
Cumulative Preferred at required annual rates			
(see Consolidated Statement of Capitalization)	36,419	36,600	36,783
Cumulative Preference, 6% Convertible Series B	413	459	514
Common, $1.86, $1.82 and $1.72 per share	424,614	415,305	392,282
Total dividends declared	461,446	452,364	429,579
Redemption of Cumulative Preferred Stock, 8 1/8% Series H (Note B)	10	10	10
Total deductions	461,456	452,374	429,589
Balance, December 31	$3,361,305	$3,255,851	$3,136,732

The accompanying notes are an integral part of these financial statements.

Note A Summary of Significant Accounting Policies

Regulation The Company is subject to regulation by the New York Public Service Commission (PSC) and the Federal Energy Regulatory Commission (FERC). The Company's accounting policies conform to generally accepted accounting principles, as applied in the case of regulated public utilities, and to the accounting requirements and rate-making practices of these regulatory authorities.

Principles of Consolidation The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned investment subsidiary, Gramercy Assets Corporation. Intercompany transactions have been eliminated.

Utility Plant and Depreciation The capitalized cost of additions to utility plant includes indirect costs such as engineering, supervision, payroll taxes, pensions, other benefits and an allowance for funds used during construction (AFDC). The original cost of property, together with removal cost, less salvage, is charged to accumulated depreciation as property is retired. The cost of repairs and maintenance is charged to expense, and the cost of betterments is capitalized.

Rates used for AFDC include the cost of borrowed funds used for construction purposes and a reasonable rate on the Company's own funds when so used, determined in accordance with PSC and FERC regulations. The AFDC rate was 10.1 percent in 1991, 1990 and 1989. The rate was compounded semiannually, and the amounts applicable to borrowed funds were treated as a reduction of interest charges.

The annual charge for depreciation is computed on the straight-line method for financial statement purposes, using rates based on average lives and net salvage, with the exception of the Indian Point 2 nuclear unit which is depreciated on a remaining life amortization method. Depreciation rates averaged approximately 3.1 percent in 1991 and 3.0 percent in 1990 and 1989. Depreciation expense includes the amortization of certain deferred charges authorized by the PSC.

Depreciation charges include a provision for decommissioning both the Indian Point 2 and the retired Indian Point 1 nuclear units. In 1983 the PSC determined, based on site-specific cost estimates, that the provision would be sufficient to provide for the dismantling and removal of both nuclear units early in the 21st century. In 1989, the PSC permitted the Company to establish an external trust for the costs of decommissioning the nuclear portions of the units pursuant to new Nuclear Regulatory Commission (NRC) regulations. Accordingly, in 1989 the Company made contributions to an external trust based on annual allowances of $7.0 million collected in rates for 1984 through 1986 and 1988, and has made annual contributions of $7.0 million for 1989 and 1990. A $7.0 million contribution for 1991 will be made to the trust in 1992. Trust fund contributions are deductible for federal income tax purposes, subject to compliance with certain investment restrictions. The amount remaining in the internal depreciation reserve at December 31, 1991 for decommissioning of the non-nuclear portions of the units is $45.2 million. The minimum NRC funding requirement for the two units is higher than is provided under the Company's electric rates.

The Company has submitted to the PSC in its current electric rate case a revised site-specific cost estimate of $274 million (in 1990 dollars) to decommission the units early in the 21st century at a projected cost of $977 million. It also requested annual allowances of $11.7 million and $3.1 million, respectively, for the nuclear and non-nuclear portions. The Company's proposal, if approved, would satisfy NRC minimum requirements.

The Company is a joint owner of two 1,200-megawatt electric generating stations: (1) Bowline Point, operated by Orange and Rockland Utilities, Inc. with Con Edison owning a two-thirds interest and (2) Roseton, operated by Central Hudson Gas & Electric Corp. with Con Edison owning a 40 percent interest. Central Hudson has the option to acquire the Company's interest in the Roseton station in 2004. Con Edison's share of the investment in these stations at original cost and as included in its balance sheet at December 31, 1991 and December 31, 1990 was:

(Thousands of Dollars)	*1991*	*1990*
Bowline Point: Plant in service	$191,939	$187,511
Construction work in progress	1,360	3,422
Roseton: Plant in service	138,010	134,572
Construction work in progress	1,555	1,417

The Company's share of accumulated depreciation for the Roseton station at December 31, 1991 and 1990 was $52.4 million and $50.2 million, respectively. A separate depreciation account is not maintained for the Company's share of the Bowline Point station. The Company's share of operating expenses for these stations is included in its income statement.

Nuclear Fuel Nuclear fuel assemblies and components are amortized to operating expenses based on the quantity of heat produced for the generation of electricity. A provision for the future storage of the spent fuel is charged to operating expenses based on the kilowatt-hours of electricity generated. Nuclear fuel costs are recovered in revenues through base rates or through the fuel adjustment clause.

Leases In accordance with SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation," those leases that meet the criteria for capitalization are capitalized for accounting purposes. For rate-making purposes, all leases have been treated as operating leases.

Revenues Revenues for electric and steam service are recognized on a monthly cycle billing basis. In accordance with a PSC rate order the Company began phasing in recognition of unbilled gas revenues over a 4¼-year period effective October 1989. Pursuant to the gas rate decision in October 1991, this recognition of unbilled gas revenues was modified so as to be fully phased in by September 30, 1994. Revenues from the fuel adjustment clause are not recorded until billed.

Recoverable Fuel Costs Fuel costs which are above the levels included in base rates are recoverable under electric, gas and steam fuel adjustment clauses. If costs fall below these levels, the difference is credited to customers. For electric and steam, such costs are deferred until the period in which they are billed or credited to customers (40 days for electric, 30 days for steam). For gas, the excess or deficiency is accumulated for refund or surcharge to customers on an annual basis.

The PSC has allowed the Company to recover in rates certain deferred recoverable fuel costs which were affected by shortening the billing lag period or changing the cost of fuel in base rates. If there were any further such revisions, the Company believes that deferred recoverable fuel costs affected thereby would be recovered.

Enlightened Energy Costs In accordance with PSC directives, the Company defers the costs and accrues incentives earned for its Enlightened Energy program for future recovery from ratepayers. As of December 31, 1991, such deferrals amounted to $100.4 million and related accumulated deferred income taxes amounted to $34.1 million. Pursuant to the 1990 electric rate settlement agreement, the Company is recovering approximately $40 million through the fuel adjustment clause over the twelve-month period ending March 31, 1992.

Temporary Cash Investments Temporary cash investments are short-term, highly liquid investments which generally have maturities of three months or less. They are stated at cost which approximates market. The Company considers temporary cash investments to be cash equivalents.

Investments Investments consist primarily of tax-exempt securities held by Gramercy Assets Corporation that are stated at market value, which approximates cost. Income from the investments held by Gramercy Assets includes unrealized gains and losses. Investments also include an external nuclear decommissioning trust fund which at December 31, 1991 and 1990 amounted to $49.9 million and $39.1 million, respectively.

Federal Income Tax The Company provides for deferred federal income taxes with respect to certain benefits realized from depreciation deductions utilized for tax purposes, deferred fuel accounting, unbilled revenues (electricity, gas and steam) included in taxable income, and certain other specific items, when approved by the PSC.

For rate-making purposes, accumulated deferred federal income taxes are deducted from rate base and amortized or otherwise applied as a reduction (or increase) in federal income tax expense in future years. Accumulated deferred investment tax credits are amortized ratably over the lives of the related properties.

Tax reductions resulting from other differences between income for financial statement purposes and federal income tax purposes are accounted for as current reductions in federal income tax provisions. The cumulative net amounts of such reductions for which deferred taxes have not been provided were $708.9 million at December 31, 1991 and $720.5 million at December 31, 1990. In accordance with SFAS No. 109, "Accounting for Income Taxes," these amounts will be reflected in the consolidated financial statements beginning with the calendar year 1993, but will have a minimal impact on the Company because of PSC rate-making practices. The rate-making treatment currently accorded federal income tax expenses by the PSC permits recovery of these future taxes when they are paid.

The Company and its investment subsidiary file a consolidated federal income tax return. Income taxes are allocated to each company based on its taxable income.

Research and Development Costs Research and development costs relating to specific construction projects are capitalized. All other such costs are charged to operating expenses as incurred. Research and development costs in 1991, 1990 and 1989, amounting to $36.3 million, $36.6 million and $35.4 million, respectively, were charged to operating expenses. No research and development costs were capitalized in these years.

Note B Capitalization

Common Stock and Preferred Stock Not Subject to Mandatory Redemption Each share of Series B preference stock is convertible into 13 shares of common stock at a conversion price of $7.69 per share. During 1991, 1990 and 1989, 7,177 shares, 6,266 shares and 12,126 shares of Series B preference stock were converted into 93,301 shares, 81,458 shares and 157,616 shares of common stock, respectively.

At December 31, 1991, 868,855 shares of unissued common stock were reserved for conversion of preference stock. The preference stock is subordinate to the $5 Cumulative Preferred Stock and Cumulative Preferred Stock with respect to dividends and liquidation rights.

Redemption prices of preferred stock other than Series H at December 31, 1991 (in each case, plus accrued dividends) were as follows:

$5 Cumulative Preferred Stock	$105.00
Cumulative Preferred Stock:	
Series A	102.00
Series B	102.00
Series C	101.00
Series D	101.00
Series E	101.00
Series F	102.50
Series G	101.00
Cumulative Preference Stock:	
6% Convertible Series B	100.00

Preferred Stock Subject to Mandatory Redemption
On November 1 of each year the Company is required to redeem 22,500 of the Series H shares at a price of $100 per share plus dividends accrued to the redemption date.

The Company has the option on November 1 of each year to redeem up to 22,500 additional Series H shares at a price of $100 per share, plus accrued dividends, up to a maximum aggregate of 250,000 shares. The Series H shares are also redeemable at the option of the Company at a redemption price of $103.45 through October 31, 1992 and thereafter at prices declining annually to $100.00 after October 31, 2005 (in each case, plus accrued dividends). An optional redemption does not reduce the mandatory redemption requirement.

Series H shares may not be called for either mandatory or optional redemption while dividends are in arrears on outstanding shares of $5 Cumulative Preferred Stock or Cumulative Preferred Stock. Nevertheless, the annual mandatory redemption obligation of the Company with respect to Series H shares is cumulative and if the mandatory redemption requirement for the Series H shares is in arrears the Company may not purchase or redeem or pay any dividends on the common stock or any other stock ranking junior as to dividends or assets to the Cumulative Preferred Stock, except for payments or distributions in common stock or such junior stock.

Long-Term Debt Total long-term debt maturing in the period 1992-1996 is as follows:

1992	$247,218,000
1993	$162,897,000
1994	$138,639,000
1995	$ 15,889,000
1996	$188,524,000

Substantially all properties and franchises of the Company, other than expressly excepted property, are subject to the liens securing the Company's First and Refunding Mortgage Bonds and the mortgage bonds of acquired companies.

Each November 1, the Company is required to redeem $5 million aggregate principal amount of Series LL Bonds at 100 percent of their principal amount plus accrued interest. These amounts are included in the debt maturing in 1992 through 1996 shown above.

Note C Lines of Credit

The Company has bank lines of credit for 1992 amounting to $150 million. The credit lines require average compensating balances of up to 2.5 percent of the credit lines, with interest on any borrowings to be at prevailing market rates. There are no legal restrictions applicable to the Company's cash balances resulting from its obligation to maintain compensating balances.

Note D Pension Plans

The pension plans for management and union employees cover substantially all employees of the Company and are designed to comply with the Employee Retirement Income Security Act of 1974 (ERISA). Contributions are made solely by the Company based on an actuarial valuation, and are not less than the minimum amount required by ERISA. The Company's policy is to fund the actuarially computed net pension cost as such cost accrues. Benefits for management employees are based on a final five-year average pay plan. Effective July 1, 1989 the determination of benefits for union employees was revised to a final five-year average pay plan. Prior to July 1, 1989 benefits for union employees were based on a modified career average pay plan.

In accordance with SFAS No. 87, "Employers' Accounting For Pensions," the Company uses the projected unit credit method for determining pension cost. Pension costs for 1991, 1990 and 1989 amounted to $65.9 million, $69.0 million and $66.3 million, respectively, of which $52.0 million for 1991, $54.8 million for 1990 and $52.8 million for 1989 was charged to operating expense.

The components of net periodic pension cost for 1991, 1990 and 1989 were as follows:

(Thousands of Dollars)	1991	1990	1989
Service cost-benefits earned during the period	$ 83,400	$ 80,800	$ 76,900
Interest cost on projected benefit obligation	218,800	207,000	190,000
Actual return on plan assets	(598,700)	(71,700)	(430,000)
Unrecognized investment gain (loss) deferred	355,500	(154,000)	223,800
Net amortization	6,900	6,900	5,600
Net periodic pension cost	$ 65,900	$ 69,000	$ 66,300

To determine the present value of the projected benefit obligation in 1991, 1990 and 1989, a discount rate of 7.5 percent and an average rate of increase in future compensation levels of approximately 6.5 percent were assumed. The assumed long-term rate of return on plan assets was 8.5 percent for 1991, 1990 and 1989.

The pension plan assets consist primarily of corporate common stock and bonds, group annuity contracts and debt of the United States government and its agencies.

The funded status of the pension plans as of December 31, 1991, 1990 and 1989 was as follows:

(Thousands of Dollars)	1991	1990	1989
Actuarial present value of benefit obligations:			
Vested	$2,245,000	$2,092,000	$1,948,000
Nonvested	193,000	184,000	169,000
Accumulated to date	2,438,000	2,276,000	2,117,000
Effect of projected future compensation levels	745,000	707,000	705,000
Total projected obligation	3,183,000	2,983,000	2,822,000
Plan assets at fair value	3,551,000	3,002,000	2,972,000
Plan assets less projected benefit obligation	368,000	19,000	150,000
Unrecognized net gain	(446,000)	(104,000)	(242,000)
Unrecognized prior service cost*	49,000	53,000	57,000
Unrecognized net transition liability at January 1, 1987*	29,000	32,000	35,000
Prepaid (accrued) pension cost	$ 0	$ 0	$ 0

** Being amortized over approximately 15 years.*

Note E Postretirement Benefits Other Than Pensions

The Company has a contributory comprehensive hospital, medical and prescription drug program for all retirees, their dependents and surviving spouses. The cost of the program is based on an actuarial valuation and funded to the extent allowed by federal income tax regulations. The cost to the Company for 1991, 1990 and 1989 amounted to $33.5 million, $30.4 million and $24.7 million, respectively, of which $26.5 million for 1991, $24.2 million for 1990 and $19.7 million for 1989 was charged to operating expense. The Company has reserved the right to amend or terminate the program.

The Company provides life insurance benefits for approximately 6,900 retired employees. The cost of the plan, which is based on actual claims experience and is recognized as expense on a current basis, is not readily separable from the cost of providing benefits to active employees. The total cost to the Company for the life insurance plans was approximately $10.2 million in 1991, $9.9 million in 1990 and $7.9 million in 1989.

All of the Company's employees become eligible for these benefits upon retirement except that the amount of life insurance is limited and is available to management employees and only to those union employees who participated in the optional contributory program prior to retirement.

In December 1990, the Financial Accounting Standards Board issued SFAS No. 106, "Accounting for Postretirement Benefits Other Than Pensions." The standard, which will become effective for calendar year 1993, requires accrual of benefit costs over a shorter period than present methods and at higher assumed rates of escalation which would substantially increase such expenses. Based on a preliminary review by actuaries, the unfunded accumulated obligation at January 1, 1993, measured in accordance with the new standard, is estimated to be in the range of $475 million to $600 million. The actuaries estimate postretirement benefits expense for 1993 to be in the range of $70 million to $85 million. The effect of the life insurance portion of postretirement benefits has not been quantified; however, the Company does not believe it will materially affect these estimates. This matter is under review by the PSC. The Company believes that any increase in expense which results from the adoption of SFAS No. 106 in 1993 will be recovered in rates.

Note F Contingencies

Indian Point Nuclear generating units similar in design to the Company's Indian Point 2 unit have experienced problems of varying severity in their steam generators, which in several instances have required steam generator replacement. Inspections of the Indian Point 2 steam generators since 1976 have revealed various problems, which appear to be progressive. The remaining service life of the steam generators is uncertain and may be shorter than the unit's life. The projected service life of the steam generators is reassessed periodically in the light of inspections made during scheduled outages of the unit. Based on data from the latest inspection and other sources, the Company presently estimates that steam generator replacement will not be required before 1995, and possibly not until some years later. To avoid procurement delays in the event replacement is necessary, the Company has purchased, and stored at the site, replacement steam generators. If replacement of the steam generators is required, such replacement is presently estimated (in 1991 dollars) to require additional expenditures of approximately $124 million (exclusive of replacement power costs) and an outage of approximately six months. However, securing necessary permits and approvals or other factors could require a substantially longer outage if steam generator replacement is required on short notice.

Nuclear Insurance The insurance policies covering the Company's nuclear facilities for property damage, excess property damage, and outage costs permit assessments under certain conditions to cover insurers' losses. As of December 31, 1991, the highest amount which could be assessed for losses during the current policy year under all of the policies was $21.4 million. While assessments may also be made for losses in certain prior years, the Company is not aware of any losses in such years which it believes are likely to result in an assessment.

Under certain circumstances, in the event of nuclear incidents at facilities covered by the federal government's third-party liability indemnification program, the Company could be assessed up to $66 million per incident of which not more than $10 million may be assessed in any one year. This limit is subject to adjustment for inflation in future years.

The Company participates in an insurance program covering liabilities for injuries to certain workers in the nuclear power industry. In the event of such injuries, the Company is subject to assessment, up to an estimated maximum of approximately $3.2 million.

Superfund Claims The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("Superfund") by its terms imposes strict liability, regardless of fault, upon generators of hazardous substances for resulting removal and remedial costs and environmental damages. The Company has received process or notice concerning possible claims under Superfund relating to several sites at which it is alleged that hazardous substances generated by the Company (and, in most instances, a large number of other potentially responsible parties) were deposited. The total removal, remedial and environmental damage costs at certain sites may be substantial. The Company has accrued an estimated liability for costs at certain of these sites in the amount of $10 million. Additional costs may be incurred with respect to these and other sites, and the Company is continuing to evaluate its potential Superfund liability. However, based on the information and relevant circumstances known to the Company at this time, it is the opinion of the Company that its share of these costs will not have a material adverse effect on the Company's financial position.

Asbestos Claims Suits were brought in New York State and federal courts against the Company and many other defendants, wherein several hundred plaintiffs sought large amounts of compensatory and punitive damages for deaths and injuries allegedly caused by exposure to asbestos at various premises of the Company. Many of these suits have been disposed of without any payment by the Company, or for immaterial amounts. The amounts specified in the remaining suits total about $7 billion but the Company believes that these amounts are greatly exaggerated, as were the claims already disposed of. Extensive discovery will be required to evaluate the plaintiffs' claims fully. However, based on the information and relevant circumstances known to the Company at this time, it is the opinion of the Company that these suits will not have a material adverse effect on the Company's financial position.

Note G Federal Income Tax

Year Ended December 31 (Thousands of Dollars)	*1991*	*1990*	*1989*
Charged to: Operations	$282,310	$289,220	$296,200
Other income	8,740	40	15,860
Total federal income tax	291,050	289,260	312,060
Reconciliation of reported net income with taxable income			
Federal income tax — current	209,900	225,600	256,500
Federal income tax — deferred	94,950	77,460	68,140
Investment tax credits deferred	(13,800)	(13,800)	(12,580)
Total federal income tax	291,050	289,260	312,060
Net income	566,910	571,493	606,065
Income before federal income tax	857,960	860,753	918,125
Effective federal income tax rate	33.9%	33.6%	34.0%
Adjustments decreasing (increasing) taxable income:			
Tax depreciation in excess of book depreciation:			
Amounts subject to normalization	191,810	188,913	186,153
Other	(75,880)	(71,803)	(64,435)
Deferred recoverable fuel costs	(29,866)	29,617	23,280
Unbilled revenue	26,112	(63,109)	(66,951)
Regulatory amortizations	(1,296)	49,918	41,432
Enlightened Energy program	78,891	(13,395)	18,317
Property tax settlements	(40,273)	51,312	(32,521)
Indian Point outage expenses deferred	21,769	—	—
Other — net	67,642	23,525	48,783
Total	238,909	194,978	154,058
Taxable income	619,051	665,775	764,067
Federal income tax — current			
Amount computed at statutory rates	210,477.	226,364	259,783
Tax credits	(577)	(764)	(3,283)
Total	209,900	225,600	256,500
Charged to: Operations	202,860	220,690	248,240
Other income	7,040	4,910	8,260
Total	209,900	225,600	256,500
Federal income tax — deferred			
Provisions for deferred federal income taxes consist of the following tax effects of timing differences between tax and book income:			
Tax depreciation in excess of book depreciation	62,473	61,075	60,861
Deferred recoverable fuel costs	(10,154)	10,070	7,529
Unbilled revenue	8,878	(21,180)	(22,614)
Regulatory amortizations	(540)	18,389	17,895
Enlightened Energy program	26,823	(4,860)	5,897
Property tax settlements	(13,693)	17,446	(11,057)
Indian Point outage expenses deferred	7,401	—	—
Other — net	13,762	(3,480)	9,629
Total	94,950	77,460	68,140
Charged to: Operations	93,250	82,330	60,540
Other income	1,700	(4,870)	7,600
Total	$ 94,950	$ 77,460	$ 68,140

Note H Financial Information by Business Segments *(Thousands of Dollars)*

	Electric			Steam		
	1991	*1990*	*1989*	*1991*	*1990*	*1989*
Operating revenues*	$4,909,803	$4,756,303	$4,586,492	$ 299,724	$ 297,910	$ 282,486
Operating expenses						
Fuel and purchased power	1,282,872	1,278,372	1,204,267	157,703	156,614	139,576
Other operations and maintenance*	1,276,491	1,209,704	1,186,762	72,315	74,938	64,479
Depreciation and amortization	314,526	300,923	286,596	8,561	8,159	7,873
Taxes, other than federal income	1,069,483	1,003,311	939,246	46,586	47,025	45,359
Federal income tax	251,847	258,667	271,527	1,621	1,030	7,800
Total operating expenses*	4,195,219	4,050,977	3,888,398	286,786	287,766	265,087
Operating income	714,584	705,326	698,094	12,938	10,144	17,399
Construction expenditures	634,562	576,626	513,526	26,539	18,102	11,826
Net utility plant**	7,933,027	7,586,504	7,264,622	273,678	252,395	240,611
Fuel	79,714	130,924	58,669	87	101	105
Other identifiable assets	607,542	491,025	458,660	8,813	5,039	(4,241)
* Intersegment rentals included in segments' income but eliminated for total company						
Operating revenues	$12,985	$11,539	$9,670	$ 1,816	$ 1,759	$ 1,709
Operating expenses	2,924	2,718	2,576	13,702	12,176	10,225

	Gas			Total Company		
	1991	*1990*	*1989*	*1991*	*1990*	*1989*
Operating revenues*	$ 680,175	$ 699,586	$ 694,461	$ 5,873,058	$ 5,738,888	$ 5,550,621
Operating expenses						
Fuel and purchased power	—	—	—	1,440,575	1,434,986	1,343,843
Gas purchased for resale	223,354	254,246	288,636	223,354	254,246	288,636
Other operations and maintenance*	193,876	188,008	181,628	1,526,038	1,457,739	1,420,051
Depreciation and amortization	36,739	33,718	30,434	359,826	342,800	324,903
Taxes, other than federal income	111,809	108,771	108,728	1,227,878	1,159,107	1,093,333
Federal income tax	28,842	29,523	16,873	282,310	289,220	296,200
Total operating expenses*	594,620	614,266	626,299	5,059,981	4,938,098	4,766,966
Operating income	85,555	85,320	68,162	813,077	800,790	783,655
Construction expenditures	113,716	101,924	92,758	774,817	696,652	618,110
Net utility plant**	1,056,289	976,257	906,005	9,262,994	8,815,156	8,411,238
Fuel and gas in storage	43,160	39,378	34,685	122,961	170,403	93,459
Other identifiable assets	84,238	84,449	81,611	700,593	580,513	536,030
Other corporate assets				1,021,394	1,119,496	1,308,797
Total assets				$11,107,942	$10,685,568	$10,349,524
* Intersegment rentals included in segments' income but eliminated for total company						
Operating revenues	$ 1,843	$ 1,613	$1,439	$16,644	$14,911	$12,818
Operating expenses	18	17	17	16,644	14,911	12,818

** *General Utility Plant was allocated to Electric and Gas on the basis of the departmental use of such plant. Pursuant to PSC requirements the Steam department is charged an interdepartmental rent for General Plant used in Steam operations which is credited to the Electric and Gas departments.*

Statistics

	1991	1990	1989	1988	1987
Customers — Average for year					
Electric	2,938,201	2,928,559	2,908,764	2,883,960	2,859,002
Gas	1,027,933	1,028,018	1,026,152	1,024,296	1,021,992
Steam	1,975	1,981	1,994	1,996	1,990
Sales volumes					
Electric (thousands of kilowatt-hours)					
Con Edison customers	35,889,676	35,474,230	34,934,610	33,768,923	31,607,921
Delivery service to NYPA	8,241,174	8,205,452	8,138,268	7,831,495	7,574,894
Service for municipal agencies	681,791	250,913	113,982	606,991	1,292,448
Other electric utilities*	394,058	894,290	2,417,683	2,475,506	2,015,999
Gas (dekatherms)					
Con Edison customers	92,551,954	94,985,356	97,156,727	96,376,152	96,815,284
Transportation of customer-owned gas	26,823,303	23,142,014	17,169,728	10,869,074	13,303,549
Steam (thousands of pounds)	28,531,067	28,492,095	31,081,097	30,613,119	28,984,131
Operating revenues (thousands)					
Electric sales to Con Edison customers	$4,553,271	$4,439,861	$4,194,308	$3,863,666	$3,803,334
Delivery service to NYPA	186,743	184,078	182,524	172,939	171,540
Service for municipal agencies	41,532	11,643	6,937	59,352	116,683
Sales to other electric utilities	30,264	53,923	146,710	97,150	76,867
Other electric revenues	85,008	55,259	46,343	29,456	20,419
Total electric	4,896,818	4,744,764	4,576,822	4,222,563	4,188,843
Gas sales revenues	658,857	679,101	685,305	609,095	620,943
Transportation of customer-owned gas	6,093	4,382	3,002	2,920	5,563
Other gas revenues	13,382	14,490	4,715	2,808	2,714
Total gas	678,332	697,973	693,022	614,823	629,220
Steam sales revenues	298,117	296,015	280,554	271,499	276,414
Other steam revenues	(209)	136	223	(59)	(59)
Total steam	297,908	296,151	280,777	271,440	276,355
Total operating revenues	$5,873,058	$5,738,888	$5,550,621	$5,108,826	$5,094,418
Taxes other than federal income (thousands)					
Property taxes	$ 710,676	$ 677,988	$ 655,568	$ 633,042	$ 618,569
Revenue taxes	430,327	382,967	337,179	298,888	302,730
Other	171,042	151,059	165,219	150,366	140,201
Total	$1,312,045	$1,212,014	$1,157,966	$1,082,296	$1,061,500
Charged to:					
Operating taxes	$1,227,878	$1,159,107	$1,093,333	$1,027,124	$1,015,392
Operations — principally fuel	32,494	19,250	33,713	27,850	26,981
Construction and other accounts	51,673	33,657	30,920	27,322	19,127
Total	$1,312,045	$1,212,014	$1,157,966	$1,082,296	$1,061,500
Operating income (thousands)					
Electric	$ 714,584	$ 705,326	$ 698,094	$ 680,335	$ 632,659
Gas	85,555	85,320	68,162	71,490	66,290
Steam	12,938	10,144	17,399	21,373	25,023
Total	$ 813,077	$ 800,790	$ 783,655	$ 773,198	$ 723,972
* Includes thousands of kwh sold to NYPA and included in delivery service to NYPA	4,982	38,149	539,942	390,734	20,536

	1991	1990	1989	1988	1987
Shareholders at December 31					
Common	170,865	169,112	165,715	167,834	171,650
Preferred	18,465	19,769	20,977	23,218	24,555
Total	189,330	188,881	186,692	191,052	196,205
Shares outstanding at December 31					
Common	228,325,463	228,232,162	228,150,704	227,993,088	227,875,832
Preferred	6,517,154	6,546,831	6,575,597	6,610,223	6,641,744
Employees at December 31	19,087	19,483	19,798	20,108	20,266
Active payroll (thousands)					
Operating	$683,680	$676,100	$669,845	$654,589	$643,105
Construction	245,512	225,152	212,094	189,858	182,519
Total	$929,192	$901,252	$881,939	$844,447	$825,624

Electric System Con Edison Customers Only

	Capability at Time of System Peak Period — Kilowatts			*Con Edison Customer Peak**		*Heat Rate*	*Residential Sales***	
Year	*Net Generating Capacity*	*Net Firm Purchases****	*Total Capacity Resources*	*Date*	*Kilowatts*	*Btu per Kwh*	*Kwh per Customer*	*Revenue Cents per Kwh*
1991	9,294,000	1,593,000	10,887,000	July 23	9,242,000	10,794	4,116	14.7
1990	9,281,000	1,607,000	10,888,000	July 5	8,388,000	10,522	3,928	14.4
1989	9,239,000	1,304,000	10,543,000	Sept. 11	8,585,000	10,546	3,884	13.8
1988	9,196,000	901,000	10,097,000	Aug. 15	8,684,000	10,540	3,892	13.5
1987	9,073,000	851,000	9,924,000	July 24	7,924,000	10,815	3,709	14.0

* *One hour net maximum load distributed to Con Edison customers on day of service area peak.*

** *Includes municipal agency sales.*

*** *Excludes reserve credit from NYPA purchases.*

Electric System Con Edison Service Area

	Capability at Time of System Peak Period – Kilowatts			*Service Area Peak**	
Year	*Net Generating Capacity***	*Net Firm Purchases****	*Total Capacity Resources*	*Date*	*Kilowatts*
1991	11,101,400	1,710,700	12,812,100	July 23	10,752,000
1990	11,073,400	1,740,800	12,814,200	July 5	9,906,000
1989	11,031,400	1,313,800	12,345,200	Sept. 11	9,955,000
1988	10,988,400	929,400	11,917,800	Aug. 15	10,182,000
1987	10,865,400	755,000	11,620,400	July 24	9,386,000

* *One hour net maximum load distributed in service area.*

** *Includes the capacity of NYPA's Poletti and Indian Point units.*

*** *Excludes reserve credit from NYPA purchases.*

1991 Electric Sales and Revenues

	Thousands of Kilowatt-hours	% Change from 1990	Sales Revenues (Thousands of Dollars)	% Change from 1990
Residential	10,380,814	5.3	$1,522,633	7.1
Commercial-industrial	24,930,864	(0.5)	2,977,951	2.3
Railroads and railways	46,726	(0.7)	4,465	2.5
Public authorities	531,272	6.4	54,864	9.1
Total sales to Con Edison customers	35,889,676	1.2	4,559,913	4.0
Other sales revenues	—	—	(6,642)	Large
Delivery service to NYPA customers	8,241,174	0.4	186,743	1.4
Service for municipal agencies	681,791	Large	41,532	Large
Total sales in service territory	44,812,641	2.0	$4,781,546	3.1
Sales to other electric utilities	394,058*	(55.9)	$ 30,264	(43.9)

See footnote on Statistics, page 38.

Residential — Sales directly to residential customers and to religious institutions. **Commercial-industrial** — Sales 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 certain electrified railroads. **Public authorities** — Sales to municipal and other governmental authorities. **Delivery service to NYPA customers** — Electricity supplied by New York Power Authority and distributed by Con Edison. **Service for municipal agencies** — Electricity supplied by the New York City Public Utility Service and the County of Westchester Public Utility Service Agency and distributed by Con Edison.

1991 Gas Sales and Revenues

	Dekatherms	% Change from 1990	Sales Revenues (Thousands of Dollars)	% Change from 1990
Firm sales:				
Residential	46,200,725	(0.6)	$404,778	(0.8)
General	33,539,780	(1.3)	203,689	(4.5)
Total firm sales	79,740,505	(0.9)	608,467	(2.1)
Interruptible sales	12,811,449	(11.9)	50,390	(12.7)
Total sales to Con Edison customers	92,551,954	(2.6)	658,857	(3.0)
Transportation of customer-owned gas	26,823,303	15.9	6,093	39.0
Total sales and transportation	119,375,257	1.1	$664,950	(2.7)

Residential — Sales directly to residential customers and to religious institutions, including sales for heating. **General** — Sales to commercial, industrial and governmental customers who use gas for various purposes in their operations. **Interruptible** — Sales to other general-use customers who use gas on an interruptible basis. **Transportation of customer-owned gas** — Gas which is purchased directly by customers from suppliers and transported by Con Edison for the customers' own use. Note: The Company sells gas to NYPA on an interruptible basis and transports gas owned by NYPA for use as boiler fuel at its Poletti unit.

1991 Steam Sales and Revenues

	Thousands of Pounds	% Change from 1990	Sales Revenues (Thousands of Dollars)	% Change from 1990
General	838,831	(5.3)	$ 12,462	(3.9)
Annual power	20,027,106	0.1	207,026	0.9
Apartment house	7,665,130	0.9	78,629	0.9
Total	28,531,067	0.1	$298,117	0.7

General — Sales to relatively small-use customers. **Annual power** — Sales for power, or power and heat use.
Apartment house — Sales to apartment houses and hotels.

Management

Chairman, President and Chief Executive Officer
Eugene R. McGrath

Executive Vice President and Chief Financial Officer
Raymond J. McCann

Executive Vice Presidents
J. Michael Evans, *Central Operations*
Joseph T. Hydok, *Gas Operations*
Charles F. Soutar, *Division Operations*

Senior Vice Presidents
John E. Deegan, *Central Services*
Thomas J. Galvin, *Administration*
Edward W. Livingston, *Public Affairs*
T. Bowring Woodbury, II *(and General Counsel)*

General Auditor
Edward J. Carey

Secretary
Archie M. Bankston

Treasurer
Alfred R. Wassler

General Tax Counsel
Frederick J. Hunziker, Jr.

Vice Presidents
Robert A. Bell, *Research and Development*
Arthur J. Bennett, *Transportation and Stores*
David G. Bosland, *Staten Island Division*
Stephen B. Bram, *Nuclear Power*
Kevin M. Burke, *Brooklyn Division*
Robert F. Crane, *Gas Supply*
George J. Delaney, *Westchester Division*
Robert W. Donohue, Jr., *Construction*
Charles J. Durkin, Jr., *Engineering*
Jacob Feinstein, *System and Transmission Operations*
Joan S. Freilich, *Corporate Planning*
Carl W. Greene *(and Controller)*
Garrett W. Groscup, *Manhattan Division*
William A. Harkins, *Planning and Inter-Utility Affairs*
Paul H. Kinkel, *Fossil Power*
Laurence V. Kleinman, *Corporate Communications and Public Information*
Mary Jane McCartney, *Queens Division*
Thomas A. McGovern, *Services*
John A. Nutant, *Purchasing*
Raymond P. Priore, *Systems and Information Processing*
Dennis P. Quirk, *Energy Services*
Edwin W. Scott *(and Deputy General Counsel)*
Minto L. Soares, *Bronx Division*
Peter Zarakas, *Project Management*

Trustees

Annual Stockholders' Meeting

The Annual Meeting of Stockholders will be held at 1:30 p.m. on Monday, May 18, 1992, in the Sheraton New York Hotel & Towers, 52nd Street and 7th Avenue, New York, N.Y. Proxies will be requested from stockholders when the notice of meeting and proxy statement are mailed on or about April 6, 1992.

Stock Listing

The Common Stock is listed on the New York, Midwest, Pacific and Amsterdam Stock Exchanges. The Common Stock's ticker symbol is "ED." Its press listing is "ConEd." The $5 Cumulative Preferred Stock, the Cumulative Preferred Stock, 4.65% Series C, and the Cumulative Preference Stock, 6% Convertible Series B, are listed on the New York Stock Exchange.

Transfer Agent

Con Edison Investor Services Center
30 Flatbush Avenue, 7th Floor, Brooklyn, N.Y.
Mail address: P.O. Box 149, Cooper Station,
New York, N.Y. 10003
Toll-free telephone:
1-800-522-5522 in New York State;
1-800-221-6664 outside of New York State

Registrar

Manufacturers Hanover Trust Company
450 W. 33rd Street
New York, N.Y. 10001

Additional Information

A supplement containing additional financial and operating data for the latest 10-year period may be obtained by writing to the Secretary of the Company.

The Company reports details concerning its operations and other matters annually to the Securities and Exchange Commission on Form 10-K, which is available without charge to the Company's security holders on written request to:

Archie M. Bankston
Secretary
Con Edison
4 Irving Place
New York, N.Y. 10003

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