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Consolidated Edison Inc

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General Information

Address/Contact

Consolidated Edison, Inc.

4 Irving Place
New York, NY 10003
United States
Map

Phone: 1-212-4604600
Fax: 1-212-4750734

<http://www.conedison.com/>

Additional Company Links

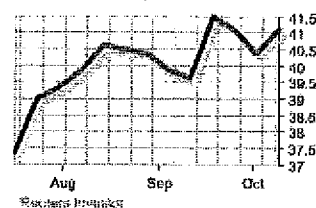
Ownership Type: Listed
DUNS provided by D&B : 002944531
Auditor/Accountant: PWC LLP

Most Recent Stock Split:
2.0 (3 July 1989)

Stock Price Activity

Quote | Add to Quote List

3 Months Weekly



Ticker RIC
ED ED.N

Price

41.49

Change

0.40

Volume

370,500

Exchange

New York Stock Exchange

52-Week High

44.85

52-Week Low

32.56

Currency

USD

Market Index

DJ Utility Average,

Fortune 500,

S&P 500,

SP 500

Discovery Pane

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Keywords

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consolidated edison
con edison
fed news
total assets

Business Description

Consolidated Edison, Inc. (Con Edison) is the holding company of Consolidated Edison Company of New York, Inc. (Con Edison of New York), and Orange and Rockland Utilities, Inc. (O&R), both of which are regulated utilities. Con Edison's principal business segments are Con Edison of New York's regulated electric, gas and steam utility segments, O&R's regulated electric and gas utility segments and Con Edison's competitive energy businesses. Con Edison of New York provides electric service in all of New York City (except part of Queens) and Westchester County, an approximately 660 square mile service area with a population of more than nine million. O&R, along with its wholly owned utility subsidiaries, Rockland Electric Company (RECO) and Pike County Light & Power Company (Pike), provide electric service in southeastern New York and in adjacent areas of northern New Jersey and eastern Pennsylvania, an approximately 1,350 square mile service area.

Reuters Extended Business Description

Datamonitor Products and Services

Datamonitor Company Statement

Datamonitor Business Description

Datamonitor Overview and History

Datamonitor SWOT Analysis

Primary Industry Classification

Dow Jones Industry

SIC

NACE

NAICS

Electricity/Gas Utilities

4939 Combination Utilities, NEC

N/A

221122 Electric Power Distribution

Secondary Industry Classification

Source: Reuters

Key Facts

Key Executives

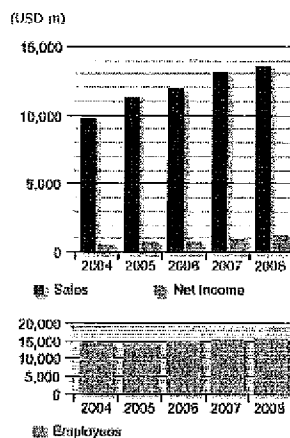
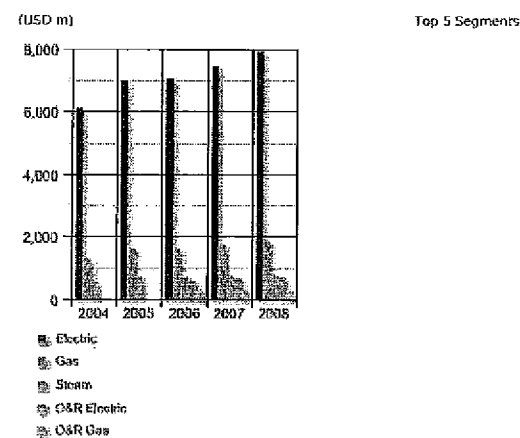
Chairman of the Board, President, Chief Executive Officer:
Kevin Burke
Chief Financial Officer, Senior Vice President: Robert Haglund
President of Con Edison of New York: Louis Rana
President and Chief Executive Officer of O&G: William Longhi
Executive Vice President: John McMahon

Key Financials

Currency: USD
Sales: 13,583.00 m
Sales Growth (1 year): 3.53%
Last Reported Employees (Date): 15,628
(23 February 2009)
Employees Growth (1 year): 2.72%
Last Reported Auditor (Date): PWC LLP
(23 February 2009)
Market Cap (USD): 11,299.14 m
(9 October 2009)
Net Income: 1,207.00 m
Net Profit Margin: 6.87%
EPS: 3.37
Audit Fees (Including Non-Audit Fees): 6,000,000.00
Non-Audit Fees: 0.00
Fiscal Year-End Date: 31 December 2008

News

Source: Reuters

Performance/Segment Information**Financial Performance****Business Segment**

Source: Reuters

Latest News **Web News** **Multimedia**

Suggested Categories: All | Performance | Bankruptcy | Management Moves | Contracts/Orders | New Products/Services | Legal/Judicial | Ownership Changes | Press Releases | Trade Articles | Capacities/Facilities | Earnings

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- NYSE Short Interest: 1st Mercury Finl - Ambac Fin'l 5.875%**
Dow Jones News Service, 09:12, 12 October 2009, 40457 words, (English)
- RothmanResearch.com Stock Review for BHI, ED, HNZ, CCL, NYX and HTZ**
Market Wire, 12 October 2009, 414 words, (English)
- Albany Times Union, N.Y., James M. Odate column: Feds call indictees to testify**
Times Union (MCT), 12 October 2009, 610 words, (English)
- CONSOLIDATED EDISON REPORTS ACQUISITION BY DIRECTOR HERNANDEZ (New York)**
US Fed News, 9 October 2009, 107 words, (English)
- Climate Change And Energy Efficiency Challenge**
Targeted News Service, 8 October 2009, 374 words, (English)

Peer Group
Nearest 10 by Sales

Dow Jones Industry: Electricity/Gas Utilities
Total Number of Companies: 1,073

Rank	Company Name	Sales USD m	Employees	Market Cap USD m	Net Income USD m	Net Profit Margin
33	American Electric Power Company, Inc.	14,440.00	21,912	14,642.25	1,380.00	9.48%

34	Edison International	14,112.00	18,291	10,784.35	1,266.00	9.55%
35	Integrus Energy Group, Inc.	14,047.80	5,191	2,773.37	129.50	0.09%
36	OSAKA GAS CO., LTD.	13,897.40	19,009	7,436.06	377.52	2.96%
37	FirstEnergy Corp.	13,627.00	14,698	13,964.51	1,342.00	9.85%
38	Consolidated Edison, Inc.	13,583.00	15,628	11,299.14	1,207.00	6.87%
39	Public Service Enterprise Group Inc.	13,322.00	6,069	15,862.53	1,186.00	7.38%
40	Duke Energy Corporation	13,207.00	18,250	20,228.89	1,362.00	9.68%
41	Entergy Corporation	13,093.76	14,700	15,610.51	1,240.54	9.47%
42	MidAmerican Energy Holding Company	12,668.00	16,800	0.00	1,850.00	0.00%

Competition List from Reuters Research

Source: Reuters

Note: Based on publicly traded company data.

UI 33.13.0 - Friday, September 04, 2009 10:27:32 AM

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TAB 3

We will continue to recognize the importance of work related to conservancy, recycling, and reducing pollution. We're pleased to report considerable recognition for our environmental efforts.

In May, the U.S. Environmental Protection Agency recognized Con Edison of New York for replacing oil-filled lead cable with state-of-the-art nonleaded cable. Removing lead cable is a good business practice that also benefits the environment.

The company was cited in two recent rankings for addressing climate change. In a 2008 survey by Innovest Strategic Value Advisors, Consolidated Edison, Inc., placed second in North America and fourth internationally among 26 utilities. We were also ranked third among S&P 500 utilities in the worldwide Carbon Disclosure Project's yearly rankings. O&R received the Tree Line USA Award from the National Arbor Day Foundation for the seventh consecutive year.

We are expanding our presence in national energy-efficiency markets through Con Edison Solutions. Solutions increased its green-customer portfolio by more than 45 percent in 2008. Solutions acquired Custom Energy Services in Kansas, and won approval from the U.S. departments of Energy and Defense to provide energy-efficiency services at federally owned facilities across the nation.

We are continuing to explore the promise of renewable energy. In a joint effort with the Long Island Power Authority, we are studying the feasibility of constructing a wind-turbine farm several miles off the Rockaway Peninsula in Queens.

We take our environmental responsibilities seriously and will continue to pursue more opportunities to green the way we do business for a more sustainable future.

(Right) Balvinder Blah, station supervisor, conducts an inspection at the Dunwoodie substation.

COMPETITIVE ENERGY BUSINESSES

Con Edison Solutions

- Provided more than 160,000 megawatt-hours of green power to almost 19,000 customers.
- Entered three new markets, supplying electricity in 39 utility territories in 11 states and the District of Columbia.
- Designated supplier of energy-efficiency services by the New York Power Authority, and the states of Florida, North Carolina, Virginia, Wyoming, Colorado, and Arizona.
- Served more than 160,000 customers of the Cape Light Compact aggregation for the fourth consecutive year.
- Selected by Miami-Dade County, Florida, to upgrade its district cooling plant.
- Designed biofuel-fed system that turns locally produced wood chips into gas that heats two Rhode Island schools.

Con Edison Energy and Con Edison Development

- Successfully closed on the sale of 1,700 megawatts of generation projects, realizing an approximate \$400 million profit.
- Selected by Long Island Power Authority for a long-term contract to help manage their generation and supply assets to efficiently meet Long Island's power requirements.
- Continued to expand the generation services business — Con Edison Energy now provides logistical merchant services to 12 third-party generation facilities in the Northeast.
- Expanded the wholesale energy-supply business through awards for 2,100 megawatts of supply to 13 utilities in six states and the District of Columbia.



THE POWER OF GIVING

The Trust for Public Land, New York City

We are proud of our sponsorship with this nonprofit, land-conservation organization that has helped create more than 220 community gardens throughout New York City.

New York Hall of Science

With our support, the New York Hall of Science expanded its Science Playground, the largest such playground in the Western Hemisphere. Through hands-on activities and active exploration, children develop a better understanding of science.

The Jay Heritage Center

Con Edison was named the 2008 Preservation Honoree by the Jay Heritage Center in Rye, New York, in recognition of our support for conservation-education initiatives, including the Stewardship Through Smart Choices community energy program.

Science, Inventions, and Technology Exhibition

For more than 20 years, O&R has supported this county-wide science fair for elementary through high school students in Rockland County. The exhibition encourages young people to apply what they learn in the classroom to real-world situations.

World Science Festival

Con Edison was a principal sponsor of the first annual World Science Festival, an unprecedented celebration that brought together Nobel laureates, leading researchers, educators, and artists. One program was inspired by physicist Brian Greene, author and proponent of string theory — the attempt to unify the disciplines of quantum mechanics, theoretical physics, and general relativity.

EnergyNY The 21st Century Challenge

We have successfully met the energy needs of our customers for more than 180 years. The strength of last year's performance allowed us to increase the dividend paid on common shares for the 35th consecutive year, bringing it to \$2.36 per share.

We are definitely facing difficult times. But we are meeting the challenges head on. One of our strongest assets is our highly skilled workforce of more than 15,000 employees, who meet strict training, ethics, and performance standards.

As the 21st century unfolds, EnergyNY is our commitment to continuing to deliver clean and safe energy. The people who live and work in the New York metropolitan area deserve no less.

Through extensive planning and management, our company has weathered all types of economic conditions and industry shifts. Our shareholders can be confident that we are prepared to face the challenges of today and tomorrow. We believe that competition will continue to play a major role in the energy marketplace, but we, along with other industry participants, are increasing our focus on long-term planning to address future supply needs in a responsible manner.

We will continue to deliver unparalleled service for our customers, and value for our shareholders. We thank you for your trust and support.

KEVIN BURKE

Chairman, President, and Chief Executive Officer

(Left) The World Science Festival engaged New Yorkers of all ages in discovering how scientific innovations shape modern life.



Glossary of Terms

The following is a glossary of frequently used abbreviations or acronyms that are found in the Companies' SEC reports:

Con Edison Companies

Con Edison	Consolidated Edison, Inc.
Con Edison Communications	Con Edison Communications, LLC
Con Edison Development	Consolidated Edison Development, Inc.
Con Edison Energy	Consolidated Edison Energy, Inc.
Con Edison of New York	Consolidated Edison Company of New York, Inc.
Con Edison Solutions	Consolidated Edison Solutions, Inc.
O&R	Orange and Rockland Utilities, Inc.
Pike	Pike County Light & Power Company
RECO	Rockland Electric Company
The Companies	Con Edison and Con Edison of New York
The Utilities	Con Edison of New York and O&R

Regulatory and State Agencies

ALJs	Administrative Law Judges
DEC	New York State Department of Environmental Conservation
EPA	Environmental Protection Agency
FERC	Federal Energy Regulatory Commission
IRS	Internal Revenue Service
ISO-NE	ISO New England
NJBPU	New Jersey Board of Public Utilities
NJDEP	New Jersey Department of Environmental Protection
NYAG	New York Attorney General
NYISO	New York Independent System Operator
NYP&A	New York Power Authority
NYSERDA	New York State Energy Research and Development Authority
NYSRC	New York State Reliability Council
PJM	PJM Interconnection
PSC	New York State Public Service Commission
PPUC	Pennsylvania Public Utility Commission
SEC	Securities and Exchange Commission

Other

ABO	Accumulated Benefit Obligation
APB	Accounting Principles Board
AFDC	Allowance for funds used during construction
CO₂	Carbon dioxide
COSO	Committee of Sponsoring Organizations Treadway Commission
DIG	Derivatives Implementation Group
District Court	The United States District Court for the Southern District of New York
dths	Dekatherms
EITF	Emerging Issues Task Force
EMF	Electric and magnetic fields
ERRP	East River Repowering Project
FASB	Financial Accounting Standards Board
FIN	FASB Interpretation No.
Fitch	Fitch Ratings
FSP	FASB Staff Position
GHG	Greenhouse gases
kV	Kilovolts

Con Edison Development has investments in two "Lease In/ Lease Out" (LILO) transactions—see Note J to the financial statements in Item 8. These leases involve gas distribution and electric generating facilities in the Netherlands. Additionally, Con Edison Development has invested in tax-advantaged leases under Section 42 of the Internal Revenue Code. See "Affordable Housing Program" in Note H to the financial statements in Item 8.

Con Edison Energy supplies electricity to wholesale customers, procures electricity for Con Edison Solutions, and offers plant optimization services to generation facilities in the northeastern United States.

Con Edison Solutions was reported by KEMA consulting in August 2008, as the 10th largest non-residential retail electricity provider in the United States. The company primarily sells electricity to industrial and large commercial customers and also to residential customers in the northeastern United States. At December 31, 2008, it served approximately 54,000 customers, not including approximately 173,000 served under two aggregation agreements in Massachusetts. Con Edison Solutions sold 10.7 million MWhs of electricity in 2008, a 12 percent decrease from 2007 volumes.

Con Edison Solutions seeks to serve customers in utility service territories that encourage retail competition through transparent pricing, purchase of receivables or utility-sponsored customer acquisition programs. The company currently sells electricity in the service territories of 34 utilities in the states of New York, Massachusetts, Connecticut, New Hampshire, Maine, New Jersey, Delaware, Maryland, Illinois, Pennsylvania and Texas, as well as the District of Columbia.

Total peak load at the end of 2008 was 3,700 MWs. Approximately one-half of the sales volumes were contracted by customers in New York, with essentially all of the remainder in New England and the Mid-Atlantic States. Con Edison Solutions entered the retail electricity supply market in Texas in 2006 and Illinois in 2007 but volumes remain small.

Con Edison Solutions offers the choice of green power to customers. In 2008 it sold approximately 160,000 MWhs of green power, ending the year with almost 19,000 customers. Green power is a term used by electricity suppliers to describe electricity produced from renewable energy sources, including wind, hydro and solar.

Con Edison Solutions also provides energy-efficiency services to government and commercial customers. The services include the design and installation of lighting retrofits, high-efficiency heating, ventilating and air conditioning equipment and other energy saving technologies. The company is compensated based primarily on the increased energy efficiency of installed equipment over a multi-year period. Con Edison Solutions has

won competitive solicitations for energy savings contracts with the Department of Energy, the Department of Defense and a shared energy savings contract with the United States Postal Service.

The competitive energy businesses' generating capacity owned or leased, sales and customers were as follows:

	2008	2007	2006	2005	2004
Generating capacity (MW)	21	1,739	1,668	1,668	1,668
Generation sold (MWh)	1,422,491	3,558,302	3,154,968	3,602,727	3,397,007
Wholesale electricity sales (MWh)	7,798,463	8,046,474	6,548,658	1,288,696	1,907,302
Retail electric volumes sold (MWh)	10,749,361	12,209,233	10,633,151	9,970,252	6,943,299
Number of retail customers accounts:					
Industrial and large commercial	14,491*	14,335*	10,957*	5,775*	3,913
Mass market	39,976	33,979	31,725	24,989	24,242

* Excludes aggregation agreement customers

Regulation

The Utilities are subject to extensive federal and state regulation, including by state utility commissions and the FERC. Con Edison, itself, is not subject to such regulation except to the extent that the rules or orders of these agencies impose restrictions on relationships between Con Edison and the Utilities. The North American Electric Reliability Corporation has been granted authority by the FERC to set bulk system reliability standards and impose penalties upon utilities for violations of those standards. See "Regulation" in the discussion below of Con Edison of New York's business in this Item 1.

Con Edison has been and is expected to continue to be impacted by legislative and regulatory developments. The Utilities are subject to extensive regulation in New York, New Jersey and Pennsylvania. Changes in regulation or legislation applicable to Con Edison's subsidiaries could have a material adverse effect on the Companies. See "Regulatory Matters" in Item 7.

Competition

See "Competition," below in the discussion of the businesses of Con Edison of New York in this Item 1. The competitive energy businesses participate in competitive energy supply and services businesses that are subject to different risks than those found in the businesses of the Utilities.

Capital Requirements and Financing

For information about Con Edison's capital requirements, financing and securities ratings, see "Liquidity and Capital

accordance with provisions approved by the PSC. See Note S to the financial statements in Item 8.

Charges from suppliers for the firm purchase of gas, which are based on formulas or indexes or are subject to negotiation, are generally designed to approximate market prices. The contracts are for various terms extending to 2012. The Utilities have contracts with interstate pipeline companies for the purchase of firm transportation and storage services. Charges under these contracts are approved by the FERC. The contracts are for various terms extending to 2023. The Utilities are required to pay certain charges under the supply, transportation and storage contracts whether or not the contracted capacity is actually used. These fixed charges amounted to approximately \$260 million in 2008, including \$216 million for Con Edison of New York. See "Liquidity and Capital Resources—Contractual Obligations" in Item 7. In addition, the Utilities purchase gas on the spot market and have interruptible gas transportation contracts. See "Recoverable Energy Costs" in Note A to the financial statements in Item 8.

Steam Operations

Steam Sales. Con Edison of New York sells steam in Manhattan south of 96th Street, mostly to large office buildings, apartment houses and hospitals. In 2008, steam operating revenues were \$707 million or 7 percent of the company's operating revenues. The percentages were 7 percent in the two preceding years.

For additional information about Con Edison of New York's steam operations, see "Regulatory Matters" and "Results of Operations" in Item 7, the discussion of Con Edison of New York's steam facilities in Item 2 and "Con Edison of New York Operating Statistics," below.

Steam Peak Demand and Capacity. Demand for steam in Con Edison of New York's service area peaks during the winter heating season. The one-hour peak demand during the winter of 2008/2009 (through January 31, 2009) occurred on January 16, 2009 when the demand reached 8.6 million pounds (mmlbs) per hour. The company's estimate for the winter of 2009/2010 peak demand of its steam customers is 10.3 mmlbs per hour under design criteria, which assume severe weather.

On December 31, 2008, the steam system had the capability of delivering approximately 13.2 mmlbs of steam per hour and Con Edison of New York estimates that the system will have the capability to deliver this capacity in the 2009/2010 winter.

Steam Supply. Forty-eight percent of the steam production by Con Edison of New York in 2008 was supplied by the company's steam-only generating assets; 37 percent was produced by the

company's steam-electric generating assets, where steam and electricity are primarily cogenerated; and 15 percent was purchased from others. See Item 2 for a discussion of Con Edison of New York's steam facilities.

Regulation

The PSC regulates, among other things, Con Edison of New York's electric, gas and steam rates, the siting of its transmission lines and the issuance of its securities. Certain activities of the company are subject to the jurisdiction of the FERC. The state regulatory authorities in New Jersey and Pennsylvania regulate Con Edison's utility subsidiaries in those states. In addition, various matters relating to the construction and operation of the company's facilities are subject to regulation by other governmental agencies. Changes in regulation or legislation applicable to the company could have a material adverse effect on the company. For additional information, including information about the company's electric, gas and steam rates, see "Regulatory Matters" in Item 7.

The PSC from time to time conducts "generic" proceedings to consider issues relating to all electric and gas utilities operating in New York State. Pending proceedings include those relating to utilities exiting the business of selling electric energy and gas at retail (including an examination of utilities' provider of last resort responsibility, the implementation of energy efficiency programs and consumer protections) and addressing any rate disincentives to the promotion of energy efficiency and distributed generation. The company typically is an active participant in such proceedings. The company does not expect that the pending generic proceedings will have a material adverse effect on its financial position, results of operation or liquidity.

Competition

Con Edison of New York is primarily a "wires and pipes" energy delivery company that:

- has sold most of its electric generating capacity;
- provides its customers the opportunity to buy electricity and gas from other suppliers;
- purchases substantially all of the electricity and all of the gas it sells to its full-service customers (the cost of which is recovered pursuant to provisions approved by the PSC); and
- provides energy delivery services to customers pursuant to rate provisions approved by the PSC.

See "Rate Agreements" in Note B and "Recoverable Energy Costs" in Note A to the financial statements in Item 8.

Competition from suppliers of oil and other sources of energy, including distributed generation (such as fuel cells and micro-turbines) may provide alternatives for Con Edison of New York delivery customers. The company does not consider it reasonably likely that another company would be authorized to provide utility delivery service where the company already provides service. Any such other company would need to obtain

Con Edison of New York
Operating Statistics

	Year Ended December 31,				
	2008	2007	2006	2005	2004
ELECTRIC ENERGY (MWH)					
Generated	2,857,711	2,888,371	2,785,602	2,261,680	1,441,498
Purchased from others	23,864,812	24,719,391	25,282,216	29,055,402	30,221,137
Total Generated and Purchased	26,722,523	27,607,762	28,067,818	31,317,082	31,662,635
Less: Used by company	165,802	174,077	162,449	178,406	168,533
Distribution losses and other variances	1,180,742	1,294,268	1,028,512	1,794,724	1,623,682
Net Generated and Purchased	25,375,979	26,139,417	26,876,857	29,343,952	29,870,420
Electric Energy Sold					
Residential	11,719,705	12,312,007	12,589,961	13,689,870	12,672,847
Commercial and industrial	12,852,121	12,918,203	13,409,474	15,402,396	16,966,448
Railroads and railways	10,893	13,430	13,217	16,847	19,308
Public authorities	57,115	71,008	88,061	234,839	209,699
Con Edison of New York full service customers	24,639,834	25,314,648	26,100,713	29,343,952	29,868,302
Off-System Sales	736,145	824,769	776,144	-	2,118
Total Electric Energy Sold	25,375,979	26,139,417	26,876,857	29,343,952	29,870,420
Electric Energy Delivered					
Con Edison of New York full service Customers	24,639,833	25,314,648	26,100,713	29,343,952	29,868,302
Delivery service for retail access Customers	22,047,255	21,531,885	19,256,268	16,847,745	14,143,045
Delivery service to NYPA customers and others	10,918,267	10,691,701	10,227,204	10,457,619	10,067,633
Delivery service for municipal agencies	717,692	723,201	723,905	720,757	696,041
Total Deliveries in Franchise Area	58,323,047	58,261,435	56,308,090	57,370,073	54,775,021
Average Annual KWH Use per Residential Customer(a)	4,232	4,480	4,613	5,052	4,700
Average Revenue per KWH Sold (Cents)					
Residential(a)	24.2	21.6	20.9	21.1	18.9
Commercial and Industrial(a)	21.2	19.2	18.3	18.6	16.0

(a) Includes Municipal Agency sales.

Competitive Energy Businesses

Con Edison Development, a subsidiary of Con Edison, owns a 49 percent interest in a 42 MW electric generating facility, located in Guatemala, at December 31, 2008. This interest is accounted for as an equity interest. In 2008, Con Edison Development and its subsidiary, CED/SCS Newington, LLC, completed the sale of their ownership interests in power generating projects with an aggregate capacity of approximately 1,706 megawatts. See Note V to the financial statements in Item 8 (which information is incorporated herein by reference).

Con Edison Development has also leased gas distribution and electric generating facilities in the Netherlands in two separate transactions. See Note J to the financial statements in Item 8 (which information is incorporated herein by reference).

ITEM 3. LEGAL PROCEEDINGS

Con Edison

Lease In/Lease Out Transactions

For information about Con Edison's competitive energy businesses' appeal of a disallowance by the Internal Revenue Service of certain tax losses recognized in connection with the company's lease in/lease out transactions, as to which a trial was held in October 2007, see Note J to the financial statements in Item 8 (which information is incorporated herein by reference).

Con Edison of New York

Manhattan Steam Main Rupture

For information about proceedings relating to the July 2007 rupture of a steam main located in midtown Manhattan, see "Manhattan Steam Main Rupture" in Note H to the financial statements in Item 8 (which information is incorporated herein by reference).

Investigation of Contractor Payments

For information about alleged unlawful conduct in connection with contractor payments, see "Investigation of Contractor Payments" in Note H to the financial statements in Item 8 (which is incorporated herein by reference).

Asbestos

For information about legal proceedings relating to exposure to asbestos, see Note G to the financial statements in Item 8 (which information is incorporated herein by reference).

Superfund

The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 and similar state statutes (Superfund) impose joint and several liability, regardless of fault, upon generators of hazardous substances for investigation costs, remediation costs and environmental damages. The sites at which Con Edison of New York has been asserted to have liability under Superfund include its and its predecessor companies' former manufactured gas sites, its Astoria Site, its former Arthur

Kill Site, its former Flushing Service Center Site and other Superfund Sites discussed below. There may be additional sites as to which assertions will be made that the company has liability. For a further discussion of claims and possible claims against the company under Superfund, including with respect to its manufactured gas sites, estimated liability accrued for Superfund claims and recovery from customers of site investigation and remediation costs, see Note G to the financial statements in Item 8 (which information is incorporated herein by reference).

Manufactured Gas Sites. Con Edison of New York and its predecessors formerly manufactured gas and maintained storage holders for manufactured gas at sites in New York City and Westchester County (MGP Sites). Many of these sites are now owned by parties other than Con Edison of New York and have been redeveloped by them for other uses, including schools, residential and commercial developments and hospitals. The New York State Department of Environmental Conservation (DEC) is requiring the company to investigate, and if necessary, develop and implement remediation programs for the sites, which include 34 manufactured gas plant sites and 17 storage holder sites and any neighboring areas to which contamination may have migrated.

The information available to Con Edison of New York for many of the MGP Sites is incomplete as to the extent of contamination and scope of the remediation likely to be required. Through the end of 2008, investigations have been started for all or portions of 42 MGP Sites, and have been completed at 14 of the sites. Coal tar and/or other manufactured gas production/storage-related environmental contaminants have been detected at 31 MGP Sites, including locations within Manhattan and other parts of New York City and in Westchester County. Remediation has been completed at three sites and portions of seven other sites.

Astoria Site. Con Edison of New York is permitted by the DEC to operate a hazardous waste storage facility on property the company owns in the Astoria section of Queens, New York. Portions of the property were formerly the location of a manufactured gas plant and also have been used or are being used for, among other things, electric generation operations, electric substation operations, the storage of fuel oil and liquefied natural gas, and the maintenance and storage of electric equipment. As a condition of its DEC permit, the company is required to investigate the property and, where environmental contamination is found and action is necessary, to conduct corrective action to remediate the contamination. The company has investigated various sections of the property and is performing additional investigations. The company has submitted to the DEC and the New York State Department of Health a report identifying the known areas of contamination. The company estimates that its undiscounted potential liability for the completion of the site investigation and cleanup of the known contamination on the property will be at least \$17 million.