

unit sold in 2001	-	5	-	0.03	-	5	-	0.03
Cumulative effect of changes in accounting principles	-	(3)	-	(0.02)	-	(3)	-	(0.02)
Ongoing operations	\$629	\$649	\$2.67	\$2.95	\$117	\$152	\$0.49	\$0.67

* The earnings per share variations shown above include the dilutive effect of higher weighted average number of common shares outstanding in the three months and the year ended December 31, 2004.

** The 2003 amounts include an after-tax impairment charge of \$84 million, or \$0.38 per share.

The following table represents an analysis of the major factors affecting Con Edison's earnings per share from ongoing operations for the year and fourth quarter of 2004 compared with the 2003 periods:

	Year 2004 vs. 2003	4th quarter 2004 vs. 2003
Con Edison of New York:		
Impact of weather in 2004 on net revenues versus 2003 (estimated)	\$(0.02)	\$(0.01)
Sales growth and other revenue factors (estimated)	0.15	0.08
Increased pension & other post-retirement benefit costs	(0.08)	(0.03)
Regulatory accounting	(0.05)	(0.08)
Higher depreciation and property tax expense	(0.13)	(0.04)
Higher operations and maintenance expense	(0.11)	(0.10)
Lower interest expense, primarily on long-term debt	0.06	0.03
Allowance for funds used during construction and other income	0.09	0.01
Other	(0.07)	(0.03)
Total Con Edison of New York	(0.16)	(0.17)
Orange and Rockland Utilities	(0.02)	-
Con Edison Development	(0.01)	-
Con Edison Energy	-	-
Con Edison Solutions	(0.08)	(0.02)
Other (parent and inter-company accounting)	(0.01)	0.01
Total earnings per share variation from ongoing operations	\$(0.28)	\$(0.18)

The earnings per share from ongoing operations variations shown above include the dilutive effect of higher weighted average number of common shares outstanding in the three months and the year ended December 31, 2004. The weighted average numbers of common shares were 242 million shares and 236 million shares for the three months and year ended December 31, 2004, compared with 226 million shares and 221 million shares in the 2003 periods, respectively. The dilutive effect on earnings per share from ongoing operations for the three months and year ended December 2004 is \$0.03 and \$0.18, respectively. These amounts per share do not reflect the offsetting benefits of avoided interest expense.

The company's earnings for the fourth quarter of 2004 reflect the new gas and steam rate increases, partially offset by warm fall weather. The lower fourth quarter and year-end results also include a reduction in net credits for pensions and other post-retirement benefits and higher operations and maintenance expense, principally related to work we are doing to improve the safety of steam manholes. In addition, higher depreciation and property taxes in 2004 reflect large continuing investments in energy delivery infrastructure.

The results for the unregulated energy businesses in 2004 reflect lower gross margins on wholesale and retail electric sales and higher costs related to generating plants placed in service in mid-2003, offset in part by higher mark-to-market gains on forward transactions.

Amounts of electricity and firm gas delivered by Con Edison of New York, after adjusting for variations in weather and billing days in the period, increased 1.4 percent and 0.6 percent, respectively, in 2004, while steam deliveries decreased 0.4 percent, as compared with the 2003 period. The 2003 amounts were also adjusted for the August 2003 regional power outage.

Construction expenditures are estimated at \$1.6 billion per year for 2005 and 2006 and \$1.7 billion for 2007, compared with \$1.3 billion in 2004. Virtually all of the estimated construction expenditures are for the company's regulated utilities. The company does not expect to issue new equity in 2005, other than an estimated \$95 million to be issued through its dividend reinvestment and employee stock plans.

This press release contains certain forward-looking statements of future expectations and financial measures not determined in accordance with Generally Accepted Accounting Principles (non-GAAP) financial measures. Actual results might differ materially from those projected in the forward

looking statements because of factors such as those identified in reports the company has filed with the Securities and Exchange Commission. "Earnings from ongoing operations" excludes the impact of unusual items. Earnings from ongoing operations should not be considered as an alternative to net income, which is an indicator of operating performance determined in accordance with GAAP. Management uses earnings and earnings per share from ongoing operations to facilitate the analysis of the company's ongoing performance as compared to its internal budgets and previously reported financial results. Management believes that earnings from ongoing operations, although a non-GAAP measure, are also useful and meaningful to investors. Other companies may use different measures to present financial performance.

Refer to the attachments to this press release for the condensed consolidated balance sheets at December 31, 2004 and 2003 and the consolidated income statements for 2004 and 2003. For additional information related to utility sales and revenues go to the Con Edison Web site at <http://www.conedison.com>, select "Investor Information" and then select "Financial Reports."

Consolidated Edison, Inc. is one of the nation's largest investor-owned energy companies, with \$10 billion in annual revenues and approximately \$23 billion in assets. The company provides a wide range of energy-related products and services to its customers through the following subsidiaries: Consolidated Edison Company of New York, Inc., a regulated utility providing electric, gas, and steam service in New York City and Westchester County, New York; Orange and Rockland Utilities, Inc., a regulated utility serving customers in a 1,350 square mile area in southeastern New York state and adjacent sections of northern New Jersey and northeastern Pennsylvania; Con Edison Solutions, a retail energy supply and services company; Con Edison Energy, a wholesale energy supply company; and Con Edison Development, a company that owns and operates generating plants and participates in other infrastructure projects.

Attachment A

CONSOLIDATED EDISON, INC.
CONSOLIDATED BALANCE SHEET (Condensed)
(UNAUDITED)

	December 31, 2004	December 31, 2003
	(Millions of Dollars)	
ASSETS		
PLANT, AT ORIGINAL COST		
Utility plant - net	\$15,168	\$14,284
Non-utility plant - net	873	941
Non-utility plant assets held for sale	65	-
NET PLANT	16,106	15,225
CURRENT ASSETS		
Cash and temporary cash investments	26	49
Accounts receivable - customers, less allowance for uncollectible accounts	760	798
Other receivables, less allowance for uncollectible accounts	179	176
Inventories	311	283
Prepayments	93	98
Current assets held for sale	5	-
Other current assets	339	188
TOTAL CURRENT ASSETS	1,713	1,592
INVESTMENTS	257	248
DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS		
Goodwill	406	406
Intangible assets - net	100	111
Prepaid pension costs	1,442	1,257
Regulatory assets	2,262	1,861
Other deferred charges and noncurrent assets	271	266
TOTAL DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS	4,481	3,901
TOTAL ASSETS	\$22,557	\$20,966
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common shareholders' equity	\$7,054	\$6,423
Preferred stock of subsidiary	213	213
Long-term debt	6,561	6,733
TOTAL CAPITALIZATION	13,828	13,369
NONCURRENT LIABILITIES		
Provision for injuries and damages	180	194

Pensions and retiree benefits	207	205
Superfund and other environmental costs	198	193
Noncurrent liabilities held for sale	5	-
Other noncurrent liabilities including minority interests	134	157
TOTAL NONCURRENT LIABILITIES	724	749
CURRENT LIABILITIES		
Long-term debt due within one year	469	166
Notes payable	156	159
Accounts payable	923	905
Customer deposits	234	228
Current liabilities held for sale	11	-
Other current liabilities	434	453
TOTAL CURRENT LIABILITIES	2,227	1,911
DEFERRED CREDITS AND REGULATORY LIABILITIES		
Deferred income taxes and investment tax credits	3,726	3,172
Regulatory liabilities and other deferred credits	2,052	1,765
TOTAL DEFERRED CREDITS AND REGULATORY LIABILITIES	5,778	4,937
TOTAL CAPITALIZATION AND LIABILITIES	\$22,557	\$20,966

Attachment B

Consolidated Edison, Inc.
CONSOLIDATED INCOME STATEMENT
(Unaudited)

	For the Three Months Ended		For the Years	
	December 31, 2004	2003	Ended December 31, 2004	2003
	(Millions of Dollars/Except Share Data)			
OPERATING REVENUES				
Electric	\$1,414	\$1,559	\$6,652	\$6,863
Gas	396	362	1,507	1,492
Steam	134	107	550	537
Non-utility	237	245	1,049	916
TOTAL OPERATING REVENUES	2,181	2,273	9,758	9,808
OPERATING EXPENSES				
Purchased power	926	895	3,961	3,884
Fuel	130	87	597	504
Gas purchased for resale	209	231	852	889
Other operations and maintenance	373	327	1,494	1,438
Impairment charges - unregulated assets	-	18	-	18
Depreciation and amortization	139	133	551	516
Taxes, other than income taxes	265	267	1,080	1,116
Income taxes	(15)	71	292	399
TOTAL OPERATING EXPENSES	2,027	2,029	8,827	8,764
OPERATING INCOME	154	244	931	1,044
OTHER INCOME (DEDUCTIONS)				
Investment and other income	3	10	42	27
Allowance for equity funds used during construction	7	5	25	15
Preferred stock dividend requirements of subsidiary	(3)	(3)	(11)	(11)
Other deductions	(4)	(3)	(14)	(16)
Income taxes	7	1	20	9
TOTAL OTHER INCOME (DEDUCTIONS)	10	10	62	24
INTEREST EXPENSE				

Interest on long-term debt	106	101	426	401
Other interest	11	20	36	45
Allowance for borrowed funds used during construction	(5)	(4)	(18)	(12)
NET INTEREST EXPENSE	112	117	444	434
INCOME FROM CONTINUING OPERATIONS	52	137	549	634
LOSS FROM DISCONTINUED OPERATIONS (NET OF INCOME TAXES OF \$1 AND \$8 IN 2004 AND \$61 AND \$74 IN 2003	(1)	(90)	(12)	(109)
INCOME BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	51	47	537	525
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES (NET OF INCOME TAX OF \$2 MILLION IN 2003)	-	3	-	3
NET INCOME	\$51	\$50	\$537	\$528
EARNINGS PER COMMON SHARE - BASIC				
Continuing operations	\$0.22	\$0.59	\$2.33	\$2.87
Discontinued operations	\$(0.01)	\$(0.40)	(0.05)	(0.50)
Before cumulative effect of changes in accounting principles	\$0.21	\$0.19	\$2.28	\$2.37
Cumulative effect of changes in accounting principles	\$ -	\$0.02	\$ -	\$0.02
After cumulative effect of changes in accounting principles	\$0.21	\$0.21	\$2.28	\$2.39
EARNINGS PER COMMON SHARE - DILUTED				
Continuing operations	\$0.22	\$0.59	\$2.32	\$2.86
Discontinued operations	\$(0.01)	\$(0.40)	\$(0.05)	\$(0.50)
Before cumulative effect of changes in accounting principles	\$0.21	\$0.19	\$2.27	\$2.36
Cumulative effect of changes in accounting principles	\$ -	\$0.02	\$ -	\$0.02
After cumulative effect of changes in accounting principles	\$0.21	\$0.21	\$2.27	\$2.38
AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC (IN MILLIONS)	242.2	225.5	235.8	220.9
AVERAGE NUMBER OF SHARES OUTSTANDING - DILUTED (IN MILLIONS)	242.9	226.5	236.4	221.8

SOURCE Consolidated Edison, Inc.

Michael Clendenin, Consolidated Edison, Inc., +1-212-460-4111

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