



Con Edison, Inc. Reports 2006 Third Quarter Earnings

November 3, 2006

[3rd Quarter 2006 Sales and Revenue Report](#)

NEW YORK, Nov 02, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Consolidated Edison, Inc. (Con Edison) (NYSE: ED) today reported 2006 third quarter earnings of \$231 million or \$0.93 a share, compared with earnings of \$285 million or \$1.17 cents a share for the third quarter of 2005.

"Third quarter results reflect costs associated with the summer power outages and milder weather than last year," said Kevin Burke, Chairman, President and Chief Executive Officer. "We continue to make significant investments throughout our system to meet the growing needs of our customers," he said.

The company's net income for common stock for the first nine months of 2006 was \$536 million or \$2.17 a share compared with \$581 million or \$2.39 a share for the first nine months of 2005.

For the year 2006, the company confirms its previous forecast of earnings in the range of \$2.75 to \$3.00 per share.

The results of operations for the three and nine months ended September 30, 2006, as compared with the 2005 periods, reflect milder weather in 2006, the utilities' rate plans, expenditures related to the 2006 power outages, increased interest expense and the results of the competitive energy businesses including net mark-to-market losses. The following table presents the estimated effect on earnings per share and net income for the third quarter and first nine months of 2006, as compared with the 2005 periods, resulting from these and other major factors:

	Third Quarter Variation		Nine Months Ended Variation	
	Earnings per Share	Net Income (Millions of Dollars)	Earnings per Share	Net Income (Millions of Dollars)
Con Edison of New York				
Sales growth	\$0.05	\$13	\$0.11	\$27
Impact of weather in 2006 versus 2005	(0.12)	(31)	(0.24)	(60)
Electric rate plan	0.10	26	0.52	128
Gas rate plan	0.01	3	0.06	14
Steam rate plan	-	-	0.05	11
Queens power outage	(0.16)	(39)	(0.16)	(39)
Operations and maintenance expense - other	(0.11)	(28)	(0.20)	(49)
Stock-based compensation expense	-	(1)	(0.03)	(7)
Depreciation and property taxes	(0.04)	(11)	(0.21)	(52)
Interest charges - timing of deductions of construction-related costs	(0.06)	(14)	(0.06)	(14)
Interest charges - other	(0.04)	(11)	(0.10)	(26)
Other (includes dilutive effect of new stock issuances)	0.01	10	-	11
Total Con Edison of New York	(0.36)	(83)	(0.26)	(56)
Orange and Rockland Utilities	-	(1)	(0.04)	(9)
Competitive energy businesses				
Earnings excluding net mark-to-market losses	0.09	21	0.21	53
Net mark-to-market losses	0.04	8	(0.10)	(26)
Other, including parent company expenses	(0.01)	(1)	(0.05)	(11)

Discontinued operations	-	2	0.02	4
Total variation	(\$0.24)	(\$54)	(\$0.22)	(\$45)

The earnings per share variations shown above reflect the dilutive effect of a higher weighted average number of common shares outstanding in the 2006 three-month and nine-month periods (249 million and 247 million shares, respectively) than in the 2005 three-month and nine-month periods (244 million shares in each period).

For the three months ended September 30, 2006, amounts of electricity and gas delivered by Con Edison of New York, after adjusting for variations in weather and billing days in the period, increased by 3.9 percent and 0.9 percent compared with the 2005 period, respectively. Steam deliveries, after adjusting for variations in weather and billing days in the period, decreased 0.1 percent compared with the prior period.

For the first nine months of 2006, amounts of electricity and gas delivered by Con Edison of New York, after adjusting for variations in weather and billing days in the period, increased 2.3 percent and 0.3 percent compared with the 2005 period, respectively. Steam deliveries, after adjusting for variations in weather and billing days in the period, decreased 0.8 percent compared with the 2005 period.

Refer to the attachments to this press release for the consolidated balance sheets at September 30, 2006 and December 31, 2005 and the consolidated income statements for the three and nine months ended September 30, 2006 and 2005. For additional information related to utility sales and revenues go to the Con Edison Web site at www.conedison.com, select "Investor Information" and then select "Financial Reports."

This press release contains forward-looking statements that reflect expectations and not facts. Actual results may differ materially from those expectations because of factors such as those identified in reports the company has filed with the Securities and Exchange Commission.

Consolidated Edison, Inc. is one of the nation's largest investor-owned energy companies, with approximately \$12 billion in annual revenues and \$26 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; Consolidated Edison Solutions, Inc., a retail energy supply and services company; Consolidated Edison Energy, Inc., a wholesale energy supply company; and Consolidated Edison Development, Inc., a company that owns and operates generating plants and participates in other infrastructure projects.

Consolidated Edison, Inc.
CONSOLIDATED BALANCE SHEET
(Unaudited)

	September 30, 2006	December 31, 2005
	(Millions of Dollars)	
ASSETS		
UTILITY PLANT, AT ORIGINAL COST		
Electric	\$14,270	\$13,586
Gas	3,182	3,044
Steam	1,676	1,624
General	1,580	1,541
TOTAL	20,708	19,795
Less: Accumulated depreciation	4,560	4,355
Net	16,148	15,440
Construction work in progress	1,047	771
NET UTILITY PLANT	17,195	16,211
NON-UTILITY PLANT		
Unregulated generating assets, less accumulated depreciation of \$121 and \$102 in 2006 and 2005, respectively	791	810
Non-utility property, less accumulated depreciation of \$35 and \$31 in 2006 and 2005, respectively	34	38
Non-utility property held for sale	-	52
Construction work in progress	1	1
NET PLANT	18,021	17,112
CURRENT ASSETS		
Cash and temporary cash investments	234	81
Restricted cash	19	15
Accounts receivable - customers, less allowance for uncollectible accounts of \$43 and \$39 in 2006 and 2005, respectively	809	1,025

Accrued unbilled revenue	112	116
Other receivables, less allowance for uncollectible accounts of \$4 and \$6 in 2006 and 2005, respectively	463	348
Fuel oil, at average cost	55	47
Gas in storage, at average cost	260	248
Materials and supplies, at average cost	143	130
Prepayments	507	434
Fair value of derivative assets	143	331
Recoverable energy costs	155	221
Current assets held for sale	-	8
Deferred derivative losses	196	9
Other current assets	312	147
TOTAL CURRENT ASSETS	3,408	3,160
INVESTMENTS	272	265
DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS		
Goodwill	406	406
Intangible assets, less accumulated amortization of \$32 and \$24 in 2006 and 2005, respectively	82	90
Prepaid pension costs	1,482	1,474
Regulatory assets	2,193	2,017
Other deferred charges and noncurrent assets	277	324
TOTAL DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS	4,440	4,311
TOTAL ASSETS	\$26,141	\$24,848

Consolidated Edison, Inc.
CONSOLIDATED BALANCE SHEET
(Unaudited)

September 30, 2006 December 31, 2005
(Millions of Dollars)

CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common shareholders' equity	\$7,928	\$7,310
Preferred stock of subsidiary	213	213
Long-term debt	8,066	7,398
TOTAL CAPITALIZATION	16,207	14,921
MINORITY INTERESTS	41	42
NONCURRENT LIABILITIES		
Obligations under capital leases	27	30
Provision for injuries and damages	169	167
Pensions and retiree benefits	258	223
Superfund and other environmental costs	266	238
Asset retirement obligations	98	94
Noncurrent liabilities held for sale	-	9
Fair value of derivative liabilities	125	24
Other noncurrent liabilities	42	40
TOTAL NONCURRENT LIABILITIES	985	825
CURRENT LIABILITIES		
Long-term debt due within one year	444	22
Notes payable	431	755
Accounts payable	934	1,234
Customer deposits	225	229
Accrued taxes	50	94
Accrued interest	142	102
Accrued wages	85	77
Fair value of derivative liabilities	442	133

Deferred derivative gains	3	224
Deferred income taxes - recoverable energy costs	63	90
Current liabilities held for sale	-	12
Other current liabilities	295	349
TOTAL CURRENT LIABILITIES	3,114	3,321
DEFERRED CREDITS AND REGULATORY LIABILITIES		
Deferred income taxes and investment tax credits	4,016	3,644
Regulatory liabilities	1,753	2,062
Other deferred credits	25	33
TOTAL DEFERRED CREDITS AND REGULATORY LIABILITIES	5,794	5,739
TOTAL CAPITALIZATION AND LIABILITIES	\$26,141	\$24,848

Consolidated Edison, Inc.
CONSOLIDATED INCOME STATEMENT
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2006	2005	2006	2005
	(Millions of Dollars/Except Share Data)			
OPERATING REVENUES				
Electric	\$2,478	\$2,502	\$5,903	\$5,646
Gas	211	232	1,404	1,314
Steam	104	111	485	474
Non-utility	648	492	1,522	1,089
TOTAL OPERATING REVENUES	3,441	3,337	9,314	8,523
OPERATING EXPENSES				
Purchased power	1,587	1,522	3,790	3,411
Fuel	200	222	600	553
Gas purchased for resale	100	133	845	786
Other operations and maintenance	556	420	1,433	1,239
Depreciation and amortization	155	147	460	434
Taxes, other than income taxes	328	323	945	874
Income taxes	140	173	310	322
TOTAL OPERATING EXPENSES	3,066	2,940	8,383	7,619
OPERATING INCOME	375	397	931	904
OTHER INCOME (DEDUCTIONS)				
Investment and other income	10	11	30	29
Allowance for equity funds used during construction	2	-	3	8
Preferred stock dividend requirements of subsidiary	(3)	(3)	(8)	(8)
Other deductions	(3)	(3)	(12)	(14)
Income taxes	11	5	10	10
TOTAL OTHER INCOME (DEDUCTIONS)	17	10	23	25
INTEREST EXPENSE				
Interest on long-term debt	123	111	356	330
Other interest	40	9	65	19
Allowance for borrowed funds used during construction	(2)	-	(4)	(6)
NET INTEREST EXPENSE	161	120	417	343
INCOME FROM CONTINUING OPERATIONS	231	287	537	586
LOSS FROM DISCONTINUED OPERATIONS (NET OF INCOME TAXES)	-	(2)	(1)	(5)
NET INCOME	\$231	\$285	\$536	\$581
EARNINGS PER COMMON SHARE - BASIC				
Continuing operations	\$0.93	\$1.17	\$2.17	\$2.41
Discontinued operations	-	-	-	(0.02)

Net income	\$0.93	\$1.17	\$2.17	\$2.39
EARNINGS PER COMMON SHARE - DILUTED				
Continuing operations	\$0.92	\$1.17	\$2.16	\$2.40
Discontinued operations	-	(0.01)	-	(0.02)
Net income	\$0.92	\$1.16	\$2.16	\$2.38
DIVIDENDS DECLARED PER SHARE OF				
COMMON STOCK	\$0.575	\$0.570	\$1.725	\$1.710
AVERAGE NUMBER OF SHARES OUTSTANDING				
- BASIC (IN MILLIONS)	249.0	244.4	247.0	243.5
AVERAGE NUMBER OF SHARES OUTSTANDING				
- DILUTED (IN MILLIONS)	250.0	245.4	248.0	244.2

SOURCE Consolidated Edison, Inc.

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