



Con Edison Reports 2011 Second Quarter Earnings

August 4, 2011

[2nd Quarter 2011 Sales and Revenue Report](#)

NEW YORK, NY, Aug 04, 2011 (MARKETWIRE via COMTEX) -- Consolidated Edison, Inc. (Con Edison) (NYSE: ED) today reported net income for common stock for the second quarter of \$165 million or \$0.57 a share compared with \$183 million or \$0.65 a share in 2010. Earnings from ongoing operations, which exclude the net mark-to-market effects of the competitive energy businesses, were \$166 million or \$0.57 a share in the second quarter of 2011 compared with \$144 million or \$0.51 a share in 2010.

For the first six months of 2011, net income for common stock was \$477 million or \$1.63 a share compared with \$409 million or \$1.45 a share in the first six months of 2010. Earnings from ongoing operations, which exclude the net mark-to-market effects of the competitive energy businesses, were \$456 million or \$1.56 a share in 2011 compared with \$408 million or \$1.45 a share in 2010.

"We continued to meet financial expectations in the second quarter, while our 14,000 employees worked hard to prepare our delivery systems for the summer. Their preparation and dedication responding to scattered outages during record-breaking heat in July kept the power flowing reliably to most of our 3.2 million customers," said Kevin Burke, the company's Chairman, President and Chief Executive Officer. "Con Edison's energy efficiency programs continue to help customers lower their bills, reduce peak demand, defer additional capital investments and improve the environment. Cost management strategies also are working to keep our operations efficient and our company strong and sustainable."

The following table is a reconciliation of Con Edison's reported earnings per share to earnings per share from ongoing operations and reported net income to earnings from ongoing operations for the three and six months ended June 30, 2011 and 2010.

	Three Months Ended				Six Months Ended			
	Earnings per Share		Net Income (Millions of Dollars)		Earnings per Share		Net Income (Millions of Dollars)	
	2011	2010	2011	2010	2011	2010	2011	2010
Reported earnings per share and net income for common stock- GAAP basis (basic)	\$ 0.57	\$ 0.65	\$ 165	\$ 183	\$ 1.63	\$ 1.45	\$ 477	\$ 409
Less: Net mark-to-market effects of competitive energy businesses	-	0.14	(1)	39	0.07	-	21	1
Ongoing operations	\$ 0.57	\$ 0.51	\$ 166	\$ 144	\$ 1.56	\$ 1.45	\$ 456	\$ 408

For the year 2011, the company reaffirms its previous forecast of earnings per share from ongoing operations in the range of \$3.45 to \$3.65 a share. Earnings per share from ongoing operations exclude the net mark-to-market effects of the competitive energy businesses.

The results of operations for the three and six months ended June 30, 2011, as compared with the 2010 period, reflect changes in the rate plans of Con Edison's utility subsidiaries. The rate plans provide for additional revenues to cover expected increases in certain operations and maintenance expenses, and depreciation and property taxes. The results of operations include the operating results of the competitive energy businesses, including net mark-to-market effects.

Operations and maintenance expenses were higher for the periods reflecting higher costs for pension and other postretirement benefits and employee health insurance, offset in part by savings from cost control efforts in the 2011 period. Depreciation and property taxes were higher in the 2011 periods reflecting primarily higher utility plant balances.

The following table presents the estimated effect on earnings per share and net income for common stock for the 2011 period compared with the 2010 period, resulting from these and other major factors:

Three Months Ended Variation 2011 vs. 2010	Six Months Ended Variation 2011 vs. 2010

	Earnings per Share Variation	Net Income for Common Stock Variation (Millions of Dollars)	Earnings per Share Variation	Net Income for Common Stock Variation (Millions of Dollars)

Consolidated Edison Company of New York, Inc. (CECONY) (a)				
Rate plans, primarily to recover increases in certain costs	\$ 0.25	\$ 69	\$ 0.43	\$ 120
Operations and maintenance expense	(0.08)	(24)	(0.06)	(17)
Depreciation, property taxes and other tax matters	(0.09)	(27)	(0.19)	(56)
Interest expense	-	1	0.02	5
Other (includes dilutive effect of new stock issuances)	(0.02)	3	(0.08)	(4)
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Total CECONY	0.06	22	0.12	48
Orange and Rockland Utilities (O&R)	-	-	0.02	5
Competitive energy businesses				
Earnings excluding net mark-to-market effects	-	1	(0.02)	(4)
Net mark-to-market effects (b)	(0.14)	(40)	0.07	20
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Total competitive energy businesses	(0.14)	(39)	0.05	16
Other, including parent company expenses	-	(1)	(0.01)	(1)
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Total variation	\$ (0.08)	\$ (18)	\$ 0.18	\$ 68

- a. Under the revenue decoupling mechanisms in CECONY's electric and gas rate plans and the weather-normalization clause applicable to the gas business, revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. Under CECONY's rate plans, pension and other postretirement costs and certain other costs are reconciled to amounts reflected in rates for such costs.
- b. For the three months ended June 30, these variations reflect after-tax net mark-to-market losses of \$1 million in 2011 and after-tax net mark-to-market gains of \$39 million or \$0.14 a share in 2010. For the six months ended June 30, the variations reflect after-tax net mark-to-market gains of \$21 million or \$0.07 a share in 2011 and after-tax net mark-to-market gains of \$1 million in 2010.

The earnings per share variations shown above include the dilutive effect (\$0.02 per share and \$0.06 per share, respectively, exclusive of offsetting benefits of avoided interest expense) of a higher weighted average number of common shares outstanding in the three and six months ended June 30, 2011 period. The weighted average number of common shares was 293 million shares and 281 million shares for the three months ended June 30, 2011 and 2010, respectively, and 292 million shares and 282 million shares for the six months ended June 30, 2011 and 2010, respectively.

The changes in the energy delivered by the company's utility subsidiaries, both for actual amounts and as adjusted for variations in weather and billing days, for the three and six months ended June 30, 2011, as compared with the 2010 period were as follows (expressed as a percentage of 2010 amounts):

Second Quarter
Variation

Six Months Variation

	2011 vs. 2010		2011 vs. 2010	
	Actual	Adjusted	Actual	Adjusted
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Con Edison of New York				
Electric	(0.4)	(1.4)	(0.5)	(1.3)
Firm - Gas	19.7	3.0	8.5	1.8
Steam	15.4	(0.3)	6.4	(1.7)
O&R				
Electric	(0.4)	1.4	0.9	1.2
Firm - Gas	18.4	1.1	12.0	0.1
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Refer to the company's Second Quarter Form 10-Q, which is being filed with the Securities and Exchange Commission, for the consolidated balance sheets at June 30, 2011 and December 31, 2010 and the consolidated income statements for the three and six months ended June 30, 2011 and 2010. Additional information related to utility sales and revenues is available at www.conedison.com (select "Shareholder Services" and then select "Press Releases").

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.

This press release also contains a financial measure, earnings from ongoing operations. This non-GAAP measure should not be considered as an alternative to net income, which is an indicator of operating performance determined in accordance with GAAP. Management uses this non-GAAP measure to facilitate the analysis of the company's ongoing performance as compared to its internal budgets and previously reported financial results. Management believes that this non-GAAP measure is also useful and meaningful to investors.

Consolidated Edison, Inc. is one of the nation's largest investor-owned energy companies, with approximately \$13 billion in annual revenues and \$36 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 participates in infrastructure projects.

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SOURCE: Con Edison Co. of NY, Inc.