

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported)
July 21, 2005**

Consolidated Edison, Inc.

(Exact name of registrant as specified in its charter)

New York
(State or Other Jurisdiction
of Incorporation)

1-14514
(Commission File Number)

13-3965100
(IRS Employer
Identification No.)

4 Irving Place, New York, New York
(Address of principal executive offices)

10003
(Zip Code)

**Registrant's telephone number, including area code
(212) 460-4600**

Consolidated Edison Company of New York, Inc.

(Exact name of registrant as specified in its charter)

New York
(State or Other Jurisdiction
of Incorporation)

1-1217
(Commission File Number)

13-5009340
(IRS Employer
Identification No.)

4 Irving Place, New York, New York
(Address of principal executive offices)

10003
(Zip Code)

**Registrant's telephone number, including area code
(212) 460-4600**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 1.01 Entry into a Material Definitive Agreement

Mr. Burke's Employment Agreement

As previously reported on the Current Report on Form 8-K, dated May 16, 2005, of Consolidated Edison, Inc. (Con Edison) and Consolidated Edison of New York, Inc. (Con Edison of New York), Kevin Burke (currently, Con Edison of New York's President and Chief Operating Officer) will, effective September 1, 2005, be Con Edison's President and Chief Executive Officer and Con Edison of New York's Chief Executive Officer.

Con Edison and Mr. Burke entered into a new employment agreement, dated July 22, 2005 (the Agreement), which supersedes the employment agreement, dated September 1, 2000 between Con Edison and Mr. Burke, except for his rights under plans, programs and grants. The Agreement provides for a three-year employment term, with automatic one-year renewal periods unless notice to the contrary is received 180 days prior to the end of the employment term. The Agreement provides that Mr. Burke will receive an initial base salary of \$925,000. His target bonus will be 100% (and his maximum bonus will be 150%) of his base salary. He will also receive an award under Con Edison's Long Term Incentive Plan and benefits provided to other senior executives.

In the event that Con Edison terminates Mr. Burke's employment without "cause" or Mr. Burke resigns for "good reason" (as each term is defined in the Agreement), he will be entitled to the aggregate of the following amounts:

1. the sum of (a) any accrued but unpaid base salary, (b) a pro-rated target bonus for the year of termination, and (c) any accrued but unpaid vacation pay;
2. an amount equal to the excess of (a) the actuarial equivalent of the benefit under Con Edison's applicable qualified defined benefit retirement plan in which Mr. Burke is participating immediately prior to his date of termination (the "Retirement Plan"), any excess or supplemental nonqualified defined benefit retirement plan in which he participates (together, the "SERP"), and to the extent applicable, any other defined benefit retirement arrangement between Con Edison and him ("Other Pension Benefits"), which he would receive if his employment continued for two additional years beyond the date of termination, assuming that all accrued benefits are fully vested, and assuming that his compensation for such deemed additional period was his base compensation as in effect immediately prior to the date of his termination and assuming a bonus in each year during such deemed additional period equal to the target bonus, over (b) the actuarial equivalent of his actual benefit (paid or payable), if any, under the Retirement Plan, the SERP and Other Pension Benefits as of the date of termination;
3. a lump sum amount in cash equal to two times the sum of Mr. Burke's base compensation and target bonus; and
4. for a period of two years following the date of termination, Con Edison will continue to provide Mr. Burke and his eligible dependents with medical, dental and Con Edison-provided life insurance benefits, provided that if he becomes employed by another employer and is eligible to receive medical or dental benefits, these benefits shall be secondary to those provided under such other plan. For purposes of determining Mr. Burke's eligibility (but not for the commencement of such benefits) for retiree benefits pursuant to such plans, he will be considered to have remained employed for two years following the date of termination.

In addition, (a) Con Edison shall, at its sole expense, provide Mr. Burke with outplacement services for a two-year period, and (b) any compensation previously deferred (other than pursuant to a tax-qualified plan) by or on behalf of Mr. Burke (together with any accrued interest or earnings thereon) whether or not then vested, will become vested on the date of termination. Any equity awards will fully vest. Restricted stock and restricted stock units will be paid out within 30 days of termination, with performance based equity grants being paid out at target. In the event of a "termination upon a change in control" (as defined in the Agreement), Mr. Burke will be entitled to the benefits for which he is eligible upon a termination by Con Edison without "cause" or his resignation for "good reason," except that references to the number two shall be increased to three.

In the event that Mr. Burke's employment is terminated in connection with a non-renewal of the Agreement by Con Edison, he will be entitled to the benefits (described above) for which he is eligible upon a termination by Con Edison without "cause" or his resignation for "good reason," except that references to the number two shall be decreased to one and any equity awards will be treated as set forth in the following two sentences. Any performance-based equity awards granted to Mr. Burke will (a) vest pro-rata based on the number of full months that have elapsed from the date of grant of such award to the date of his termination of employment; (b) be payable at the time such award would otherwise have been paid had his employment not terminated; and (c) be based on Con Edison's achievement of applicable performance criteria through the end of the applicable performance period. Any non-performance-based restricted stock or restricted stock unit awards granted to him prior to or during his employment term will vest pro-rata based on the number of full months that have elapsed from the date of grant of such award to the date of his termination of employment and be paid out within 30 days of the date his employment termination.

In the event that Mr. Burke's employment is terminated by Con Edison without "cause," he resigns for "good reason" or in connection with a non-renewal of the Agreement by Con Edison, options granted to him prior to April 19, 2001, will remain exercisable until the third anniversary of the date his employment terminates, and options granted to him after April 19, 2001 will remain exercisable until the tenth anniversary of the grant date, but in no event beyond the expiration of their stated terms.

In the event that any payments made to Mr. Burke under the Agreement constitute "parachute" payments within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, he will be entitled to receive gross-up payments from Con Edison.

The Agreement provides that Mr. Burke, for a specified period after termination of employment, is prohibited from competing with Con Edison of New York or Orange and Rockland Utilities, Inc. or other regulated business of Con Edison, or other than with the consent of Con Edison, any other material business of Con Edison and from recruiting employees from Con Edison or its subsidiaries or affiliates.

Con Edison will indemnify Mr. Burke against all liabilities that he may incur as a result of his being an officer or director of Con Edison, or a trustee or fiduciary of an employee benefit plan of Con Edison.

A copy of the Agreement is attached hereto as Exhibit 10.1 and incorporated herein by reference, and the foregoing description should be read in conjunction with such exhibit.

Amendment of Mr. McGrath's Employment Agreement

Con Edison and Eugene R. McGrath entered into an amendment, dated July 22, 2005, (Mr. McGrath's Amendment) to his employment agreement, dated as of September 1, 2000, and amended effective May 31, 2002, under which, effective September 1, 2005, Mr. McGrath will no longer serve as Chief Executive Officer of Con Edison but will serve as Executive Chairman of Con Edison and Con Edison of New York and Executive Chairman of Con Edison's Board of Directors. Mr. McGrath's employment agreement provides that it will not extend beyond February 28, 2007. Mr. McGrath's Amendment provides that, effective September 1, 2005, Con Edison or Mr. McGrath may terminate his employment agreement on 30 days advance written notice.

Mr. McGrath's Amendment also provides that upon his retirement (a) any performance-based equity awards will fully vest and be paid out within 30 days of the date employment terminates as if targeted performance had been achieved through the applicable performance period and (b) any non-performance based awards granted to him, including restricted stock awards, restricted stock units and options, will fully vest and (i) be paid out within 30 days of the date his employment terminates and (ii)(A) in the case of options granted prior to April 19, 2001, be exercisable until the third anniversary of his date of retirement and (B) in the case of options granted after April 19, 2001 be exercisable until the tenth anniversary of the grant date, but in no event beyond the expiration of their stated terms. Con Edison will indemnify Mr. McGrath against all liabilities that he may incur as a result of his being an officer or director of Con Edison, or a trustee or fiduciary of an employee benefit plan of Con Edison.

A copy of Mr. McGrath's Amendment is attached hereto as Exhibit 10.2 and incorporated herein by reference, and the foregoing description should be read in conjunction with such exhibit.

Amendment of Ms. Freilich's Employment Agreement

Con Edison and Joan S. Freilich entered into an amendment, dated July 22, 2005, (Ms. Freilich's Amendment) to her employment agreement, dated as of September 1, 2000, and amended effective May 31, 2002, under which, effective September 1, 2005, Ms. Freilich will resign as a member Con Edison's Board of Directors and no longer serve as Chief Financial Officer of Con Edison but will serve as Vice Chairman of Con Edison and Con Edison of New York. Ms. Freilich's Amendment provides that her employment agreement will not extend beyond December 1, 2006.

Ms. Freilich's Amendment also provides that upon her retirement (a) any performance-based equity awards will fully vest and be paid out within 30 days of the date employment terminates as if targeted performance had been achieved through the applicable performance period and (b) any non-performance based awards granted to her, including restricted stock awards, restricted stock units and options, will fully vest and (i) be paid out within 30 days of the date her employment terminates and (ii)(A) in the case of options granted prior to April 19, 2001, be exercisable until the third anniversary of her date of retirement and (B) in the case of options granted after April 19, 2001, be exercisable until the tenth anniversary of the grant date, but in no event beyond the expiration of their stated terms. Upon Ms. Freilich's retirement from Con Edison, she will receive credit for eighteen months of additional service with Con Edison under the applicable qualified defined benefit retirement plans and nonqualified defined benefit SERPs of Con Edison. Con Edison will indemnify Ms. Freilich against all liabilities that she may incur as a result of her being an officer or director of Con Edison, or a trustee or fiduciary of an employee benefit plan of Con Edison.

A copy of Ms. Freilich's Amendment is attached hereto as Exhibit 10.3 and incorporated herein by reference, and the foregoing description should be read in conjunction with such exhibit.

Mr. Bram's Pension Arrangements

By letter, dated July 27, 2005, a copy of which is attached as Exhibit 10.4 and incorporated by reference herein, Con Edison confirmed that the service of Stephen B. Bram (Con Edison's Group President – Energy and Communications) as an employee of one of Con Edison's unregulated subsidiaries would, for purposes of the Con Edison Retirement Plan and the Con Edison of New York Supplemental Retirement Income Plan, be considered service with Con Edison of New York.

ITEM 2.02 Results of Operations and Financial Condition

On July 21, 2005, Con Edison issued a press release reporting, among other things, results of operations for the three months ended June 30, 2005. Con Edison's summary consolidated balance sheets at June 30, 2005 and December 31, 2004 and consolidated income statements for the three and six month periods ended June 30, 2005 and 2004 were attached to the press release. The press release (including its attachments) is "furnished" as an exhibit to this report pursuant to Item 2.02 of Form 8-K.

ITEM 5.02 Departure of Directors or Principal Officers; Election Of Directors; Appointment of Principal Officers

Effective September 1, 2005, Mr. Burke will no longer serve as President and Chief Operating Officer of Con Edison of New York and, as described in Item 1.01 of this report, Ms. Freilich will no longer serve as a member of the Board of Directors of Con Edison or the Board of Trustees of Con Edison of New York or as the companies' Chief Financial Officer.

On July 21, 2005, the Board of Directors of Con Edison and the Board of Trustees of Con Edison of New York, effective September 1, 2005, elected Mr. Burke as a member of each of the Boards, Robert Høglund (currently, the companies' Senior Vice President – Finance) as the companies' Senior Vice President and Chief Financial Officer and Louis Rana (currently, Con Edison of New York's Senior Vice President – Electrical Operations) as Con Edison of New York's President and Chief Operating Officer. For certain information about Messrs. Burke, Høglund and Rana, see "Executive Officers of the Registrant" following Part I, Item 4 of the combined Con Edison and Con Edison of New York Annual Report on Form 10-K for the year ended December 31, 2004 (File Nos. 1-14514 and 1-1217), which information is incorporated by reference in this Item 5.02.

The employment agreement between Con Edison and Mr. Burke is described in Item 1.01 of this report, which description is incorporated by reference in this Item 5.02. There are no employment agreements between Con Edison or Con Edison of New York and Mr. Høglund or Mr. Rana. Con Edison has agreed to provide certain benefits to Mr. Høglund, as described in the letter, dated February 23, 2004, a copy of which is attached hereto as Exhibit 10.4 and incorporated by reference in this Item 5.02. Pursuant to a Restricted Stock Unit Award Agreement, dated as of April 1, 2004, a copy of which is attached hereto as Exhibit 10.5 and incorporated by reference in this Item 5.02, Mr. Høglund was awarded 30,000 restricted stock units, which vest 50% on April 1, 2007, and 50% on April 1, 2009.

ITEM 9.01 Financial Statements and Exhibits**(c) Exhibits**

- Exhibit 10.1 Agreement, dated July 22, 2005 between Con Edison and Kevin Burke.
- Exhibit 10.2 Amendment, dated July 22, 2005, to Agreement dated as of September 1, 2000, and amended effective May 31, 2002, between Con Edison and Eugene R. McGrath.
- Exhibit 10.3 Amendment, dated July 22, 2005, to Agreement dated as of September 1, 2000, and amended effective May 31, 2002, between Con Edison and Joan S. Freilich.
- Exhibit 10.4 Letter, dated July 27, 2005, to Stephen B. Bram.
- Exhibit 10.5 Letter, dated February 23, 2004, to Robert N. Hoglund.
- Exhibit 10.6 Restricted Stock Unit Award Agreement, dated as of April 1, 2004, between Con Edison and Robert Hoglund.
- Exhibit 99 Press release, dated July 21, 2005, furnished pursuant to Item 2.02 of Form 8-K.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONSOLIDATED EDISON, INC.

CONSOLIDATED EDISON COMPANY OF NEW YORK,
INC.

By /s/ Robert N. Hoglund

Robert N. Hoglund
Senior Vice President - Finance

Date: July 27, 2005

July 22, 2005

Mr. Kevin Burke
c/o Consolidated Edison, Inc.
4 Irving Place
New York, New York 10003

Dear Kevin:

The Board of Directors (the "*Board*") of Consolidated Edison, Inc. (the "*Company*") has elected you, and is delighted that you will be assuming the position of, Chief Executive Officer ("*CEO*") of the Company, effective as of September 1, 2005. The following outlines certain of the terms and conditions of your continued employment with the Company.

1. During the period commencing on September 1, 2005 and ending December 31, 2008 (the "*Initial Employment Period*"), you will be employed as the CEO of the Company, reporting directly to the Board. The Initial Employment Period shall be automatically extended without further action of either party for additional one year periods, unless you or the Company provides the other with written notice of non-renewal at least 180 days prior to the expiration of the Initial Employment Period or any such one year extension. Collectively, the Initial Employment Period and each such extension (if any) are herein referred to as the "*Term*." In your capacity as CEO, you shall have the authorities and duties commensurate with that position and such other authority and duties commensurate with your position, as determined by the Board. During the Term, the Board shall nominate you for election to the Board. Subject to the next sentence, you agree to devote your full attention, time and efforts during normal business hours to the business and affairs of the Company and to the performance of your duties in accordance with the Company's policies and procedures. You may (a) serve on corporate, civic or charitable boards or committees, (b) deliver lectures or fulfill speaking engagements and (c) manage personal investments, so long as such activities do not interfere with the performance of your responsibilities as CEO and are in compliance with the Company's policies and procedures.

2. Your base salary, annual incentive compensation and long-term incentive compensation shall be determined by the Management Development and Compensation Committee of the Company on an annual basis. Your initial base salary shall be \$925,000.00. Your target annual bonus under the Executive Incentive Plan for the year 2005 as CEO shall be 100% (and your maximum bonus shall be 150%) of your base salary, pro-rated for the period September 1, 2005 through December 31, 2005 (with you receiving a pro-rated bonus for the period January 1, 2005 to August 31, 2005 based on your base salary and bonus percentages in effect prior to September 1, 2005). You shall also receive an award under the Company's Long Term Incentive Plan ("*LTIP*"), the terms and conditions of which shall be governed by the LTIP and an award agreement under the LTIP. You will also be eligible to participate in all of the

Company's plans, practices, policies and programs, and to receive all fringe benefits and perquisites, generally available to senior executives of the Company on terms and conditions that are commensurate with your position as CEO. In the event your employment is terminated by the Company without Cause (as defined below), by you with or without Good Reason (as defined below) or in connection with a non-renewal of this Agreement, and the treatment of any of your benefits or awards upon retirement is more favorable to you than would otherwise be the case based on the grounds for your termination of employment, you shall be entitled to a benefit by benefit basis to such more favorable retirement treatment.

3. The Company agrees that it will amend the Company's Severance Program for Officers (the "*Severance Program*"), effective as of September 1, 2005, to provide you the following benefits during the Term of this Agreement:

(a) In the event that the Company terminates your employment without Cause (as defined in Exhibit A) or you terminate your employment for Good Reason (as defined in Exhibit A), subject to your executing a written release substantially in the form of Annex 1 to the Severance Program (as revised to provide that you are not releasing any rights of indemnification or to directors and officers liability insurance coverage or any amounts due hereunder upon a termination):

(i) Subject to subparagraph (ii) below, the Company shall provide you with the severance benefits set forth in Section III.A.1. of the Severance Program, except that the number two shall be substituted for the number one in Sections III.A.1.a.(2), b., c. and d.

(ii) In the event of a Termination Upon a Change in Control (as defined in the Severance Program), the Company shall provide you with the benefits set forth in Section III.A.2. of the Severance Program, except that references to the number two shall be increased to three and you shall be treated as incurring a Termination Upon a Change in Control if you are terminated without Cause or terminate for Good Reason within six months prior to, and in connection with or in contemplation of, a Change in Control.

(b) In the event your employment is terminated for Cause or you terminate your employment without Good Reason, you shall be entitled to the your Base Compensation (as defined in the Severance Program) and any accrued vacation pay, in each case to the extent not previously paid and the Other Benefits, as defined under the Severance Program, but for purposes of this Agreement also including any unpaid bonus for any completed prior fiscal year (unless the terms of such Other Benefits provide for forfeiture upon termination for Cause or termination for other than Good Reason).

(c) In the event your employment terminates by reason of your death, your estate or beneficiary shall be paid, as applicable, in a lump sum in cash within 30 days of the date of termination, the Accrued Obligations (as defined in the Severance Program) and the Other Benefits.

(d) In the event your employment is terminated by reason of your Disability (as defined in Exhibit A), you shall be entitled to receive all Accrued Obligations in a lump sum in cash within 30 days of the termination of your employment and the Other Benefits in accordance with their terms.

Except to the extent otherwise provided in this Agreement, the terms of the Severance Program as in effect on the date hereof shall govern your rights on termination of your employment during the Term. The Company further agrees that notwithstanding any amendments to the Severance Program, if your employment terminates during the Term, you shall be entitled to the payments and benefits provided under the Severance Program as in effect on the date hereof, and as amended pursuant to the provisions of this Agreement. Notwithstanding anything in the Severance Program to the contrary, the definitions of "Cause", "Good Reason" and "Disability" and the notice and cure provisions set forth in Appendix A shall govern your rights upon termination of your employment during the Term. The Company also agrees that in the event of a termination of your employment other than for Cause by the Company, all amounts mandatorily deferred under the Company's Executive Incentive Plan shall be immediately vested and nonforfeitable and paid to you in accordance with your payment election then in effect.

4. In the event your employment is terminated in connection with a non-renewal of the Term by the Company, you shall be entitled to the benefits provided in Section III.A.1. of the Severance Program as in effect on the date hereof (without regard to the amendments provided for under this Agreement). You shall also be treated as a retiree for purposes of equity awards granted to you under the LTIP and other plans, programs and arrangements of the Company.

5. The Company agrees that upon termination of your employment, the equity-based awards granted to you prior to or during the Term under the LTIP or other equity-based compensation plan of the Company shall be treated as follows (whether such termination occurs during or after the Term):

(a) In the event that the Company terminates your employment without Cause or you terminate your employment for Good Reason (regardless of whether such termination of employment occurs in connection with a Change in Control), (i) any performance-based equity awards granted to you prior to or during the Term shall (A) fully vest and (B) be paid out within 30 days of the date your employment terminates as if targeted performance had been achieved through the applicable performance period; and (ii) any non-performance-based equity awards granted to you prior to or during the Term, including restricted stock awards, restricted stock unit awards, options and stock appreciation rights, shall fully vest and (A) be paid out within 30 days of the date your employment terminates or (B) (x) in the case of options granted to you prior to April 19, 2001 be exercisable until the third anniversary of the date your employment terminates and (y) in the case of options or stock appreciation rights granted to you after April 19, 2001, be exercisable until the tenth anniversary of the grant date, provided, however, that in no event shall such options or stock appreciation rights be exercisable beyond the expiration of their respective terms.

(b) In the event that you terminate your employment without Good Reason, as a result of non-renewal of the Agreement, or as a result of your death or Disability, (i) any performance-based equity awards granted to you shall (A) vest pro-rata based on the number of

full months that have elapsed from the date of grant of such award to the date of your termination of employment; (B) be payable at the time such award would otherwise have been paid had your employment not terminated; and (C) be based on the Company's achievement of applicable performance criteria through the end of the applicable performance period, (ii) any non-performance-based restricted stock or restricted stock unit awards granted to you prior to or during the Term shall vest pro-rata based on the number of full months that have elapsed from the date of grant of such award to the date of termination of your employment and be paid out within 30 days of the date your employment terminates, and (iii)(A) in the case of options granted prior to April 19, 2001, such options shall be exercisable until the third anniversary of the date your employment terminates and (y)(B) in the case of options or stock appreciation rights granted after April 19, 2001, such options or stock appreciation rights shall be exercisable until the tenth anniversary of the grant date, provided, however, that in no event shall such options or stock appreciation rights be exercisable beyond the expiration of their respective terms.

(c) In the event your employment is terminated by the Company for Cause, any equity awards granted to you prior to or during the Term under the LTIP or other equity based compensation plan of the Company shall be forfeited in their entirety (regardless of whether such awards are vested).

6. Notwithstanding anything in the Severance Program to the contrary, if any payments or benefits made to you under this Agreement or otherwise constitute "parachute" payments within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), you shall be entitled to the additional payments and benefits set forth in Appendix B.

7. You understand that you hold in a fiduciary capacity for the benefit of the Company all confidential information, knowledge or data (defined below) relating to the Company or any of its affiliates or subsidiaries, and their respective businesses, which you obtain during your employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by you or your representatives in violation of this Agreement). During the Term, you may disclose such information as (a) you in good faith determine is necessary or appropriate in connection with the furtherance of the business of the Company; provided, however, that you shall not disclose such information if disclosure would violate securities laws, rules or regulations or any agreement with a third party or (b) is in response to legal process or governmental inquiry. Upon termination of your employment, you shall return to the Company, all Company information. After termination of your employment, you will not without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it, except (x) otherwise publicly available information, or (y) as may be necessary to enforce your rights under this Agreement or necessary to defend yourself against a claim asserted directly or indirectly by the Company or its affiliates, or (z) in compliance with legal process or governmental inquiry. As used herein, the term "confidential information, knowledge or data" means all trade secrets, proprietary and confidential business information belonging to, used by, or in the possession of the Company or any of its affiliates and subsidiaries, including but not limited to information, knowledge or data related to business strategies, plans and financial information, mergers, acquisitions or

consolidations, purchase or sale of property, leasing, pricing, sales programs or tactics, actual or past sellers, purchasers, lessees, lessors or customers, those with whom the Company or its affiliates and subsidiaries has begun negotiations for new business, costs, employee compensation, marketing and development plans, inventions and technology, whether such confidential information, knowledge or data is oral, written or electronically recorded or stored, except information in the public domain, information known by you prior to employment with the Company, information received by you from sources other than the Company or its affiliates or subsidiaries, without obligation of confidentiality and your rolodex and similar address books.

8. The confidential knowledge, information and data, as defined in the previous paragraph, gained in the performance of your duties hereunder may be valuable to those who are now, or might become, competitors of the Company or its affiliates and subsidiaries. Accordingly, you agree that you will not, for the period of two years from the date of termination of your employment for any reason, (other than in connection with a non-renewal of the Term in which case the applicable period shall be one year from the date of termination of your employment), directly own, manage, operate, join, control, become employed by, consult to or participate in the ownership, management, or control of any company that competes with Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc. or other regulated business of the Company, or other than with the consent of the Company which shall not be unreasonably withheld, any other material business of the Company, provided that the foregoing shall not prevent you from owning less than two (2%) of the stock of any publicly traded company. Further, you agree that for a period of two years following the date of termination of your employment (other than in connection with a non-renewal of the Term in which case the applicable period shall be one year from the date of termination of your employment), you will not, directly or indirectly, solicit or hire, or encourage the solicitation or hiring of any person who was a managerial or higher level employee of the Company at any time during the term of your employment by the Company by any employer other than the Company for any position as an employee, independent contractor, consultant or otherwise. The foregoing agreement in the immediately preceding sentence shall not apply to any person after six (6) months have elapsed subsequent to the date on which such person's employment by the Company has terminated. You shall also not be prohibited from serving as a reference for an employee with regard to an entity with which you are not affiliated or generally advertising for employees, provided such advertising is not targeted at employees of the Company. In the case of any material violations of any activity prohibited under this paragraph 8, you shall (a) not be entitled to post-employment payments under the Severance Program or this Agreement; (b) forfeit any unvested equity awards granted to you under the LTIP; and (c) return or repay to the Company a portion of any equity awards that vested or paid out during the two-year period immediately preceding such prohibited activity which is equal to the amount of such equity award that vested or paid out within such two year period (valued as of the date such equity award vested or paid out) times a fraction, the numerator of which is the number of months from the commencement of such activity to the date that is twenty-four months after the date of termination of your employment, and the denominator of which is twenty-four.

9. In the event of a breach by you of any of the agreements set forth in paragraphs 7 or 8 above, it is agreed that the Company shall suffer irreparable harm for which money damages are not an adequate remedy, and that, in the event of such breach, the Company shall be entitled to obtain an order of a court of competent jurisdiction for equitable relief from

such breach, including, but not limited to, temporary restraining orders and preliminary and/or permanent injunctions against the breach of such agreements by you. In the event that the Company should initiate any legal action for the breach or enforcement of any of the provisions contained in Sections 7 or 8 and the Company does not prevail in such action, you shall be reimbursed for the full amount of any court costs, filing fees, attorney's fees which you reasonably incur in defending such action, and any loss of income during the period of such litigation.

10. To the fullest extent permitted by applicable law, the Company shall (a) indemnify you as an officer or director of the Company or a trustee or fiduciary of an employee benefit plan of the Company against all liabilities and reasonable expenses that you may incur in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal or administrative, or investigative and whether formal or informal, because you are or were an officer or director of the Company or a trustee or fiduciary of such employee benefit plan, (b) pay for or reimburse your reasonable expenses incurred in the defense of any proceeding to which you are a party because you are or were an officer or director of the Company or a trustee or fiduciary of such employee benefit plan and (c) if the Company maintains directors and officers liability insurance, to cover you under such insurance to the same extent as its other officers and directors. Your rights under this paragraph 10 shall survive the termination of your employment by the Company.

11. Except with respect to equitable relief provided for in paragraph 9, any dispute about the validity, interpretation, effect or alleged violation of this Agreement shall be resolved by confidential binding arbitration to be held in New York, New York, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereover. All costs and expenses incurred by the Company or you or your beneficiaries in connection with any such controversy or dispute, including without limitation reasonable attorney's fees, shall be borne by the Company as incurred, except that you shall be responsible for any such costs and expenses incurred in connection with any claim determined by the arbitrator(s) to have been brought by you without reasonable basis or to have been brought in bad faith. You shall be entitled to interest at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Code, on any delayed payment which the arbitrator(s) determines you are entitled to under this Agreement.

12. This Agreement is personal to you and without the prior written consent of the Company may not be assigned otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be binding upon and enforceable by your legal representatives. This Agreement shall inure to the benefit of and be binding upon and enforceable by the Company and its successors and assigns, provided that the Company may only assign this Agreement to a successor satisfying the requirements of paragraph 13 below.

13. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place in a writing promptly delivered to you upon such assignment.

14. Miscellaneous.

(a) No Mitigation. Except as provided under paragraph 8 and except to the extent that a court under paragraph 9 or an arbitrator appointed under paragraph 11 shall determine to permit an offset in respect of your violation of paragraphs 7 or 8, the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against you or others. In no event shall you be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to you under the provisions of this Agreement, and except as provided in the Severance Program with respect to certain medical, prescription and dental benefits, such amounts shall not be reduced whether or not you obtain other employment.

(b) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements executed and performed entirely therein.

(c) Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Kevin Burke: 4 Irving Place
 New York, NY 10003

If to the Company: 4 Irving Place
 New York, NY 10003
 Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing.

(d) Invalidity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement shall be held invalid or unenforceable in part, the remaining portion of such provision, together with all other provisions of this Agreement, shall remain valid and enforceable and continue in full force and effect to the fullest extent consistent with law.

(e) Tax Withholding. Notwithstanding any other provision of this Agreement, the Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(f) Failure to Assert Rights. The Company's or your failure to insist upon strict compliance with any provisions of, or to assert any right under, this Agreement shall not be deemed to be a waiver of such provision or right or of any other provision or right under this Agreement.

(g) Entire Agreement/Modification. This Agreement supersedes the Agreement dated September 1, 2000 between you and the Company and represents the complete agreement between you and the Company relating to your employment and termination, except for your rights under plans, programs and grants. This Agreement may not be altered or changed except by written agreement executed by the parties hereto or their respective successors or legal representatives.

JOBS Act Compliance. In the event that you are considered a "Specified Employee" as defined in Section 409A of the Internal Revenue Code of 1986, as amended and the regulations thereunder (the "*Jobs Act*"), and any payments to you under this Agreement (including pursuant to the Severance Program) are considered "deferred compensation" under the Jobs Act and of a type requiring payments six months after the date of your separation from service, to the extent required by the Jobs Act such payment shall be delayed until six (6) months after the date of your separation from service (within the meaning of the Jobs Act). If any provision of this Agreement would result in unintended or adverse tax consequences to you or would contravene the regulations anticipated to be promulgated under the JOBS Act or other Department of Treasury guidance, the parties shall reform this Agreement or any provisions hereof to maintain to the maximum extent practicable the original purpose of the provision without violating the provisions of the JOBS Act or creating unintended or adverse tax consequences to you.

Please confirm your acceptance of the foregoing by signing and returning a copy of this letter to the undersigned no later than July 29, 2005. This Agreement shall not be effective until you execute and deliver a copy of it to the Company.

Yours sincerely,

CONSOLIDATED EDISON, INC.

By: /s/ George Campbell, Jr.

George Campbell, Jr.
Chairman, Management Development and
Compensation Committee

Agreed and accepted:

/s/ Kevin Burke

Kevin Burke

Definitions

“Cause” means (i) your willful and continued failure to substantially perform your duties as CEO; or (ii) your conviction of a felony or entering of a plea of nolo contendere to a felony, in either case having a significant adverse effect on the business and affairs of the Company; or (iii) a finding by a regulatory or judicial body that has relevant jurisdiction or the entering into of a consent decree or a plea of nolo contendere to a violation by you of the requirements of the Sarbanes-Oxley Act of 2002, or with regard to the Company, other Federal or state securities law, rule or regulation. No act or failure to act shall be considered “willful” unless it is done, or omitted to be done, by you in bad faith or without reasonable belief that your action or omission was in the best interests of the Company. Any act or failure to act that is based upon authority given pursuant to a resolution duly adopted by the Board, or the advice of counsel for the Company, shall be conclusively presumed to be done, or omitted to be done, by you in good faith and in the best interests of the Company.

A termination of your employment for Cause shall be effected in accordance with the following procedures. The Company shall give you written notice (“*Notice of Termination for Cause*”), of its intention to terminate your employment for Cause, setting forth in reasonable detail the specific conduct that it considers to constitute Cause. Such notice shall be given no later than 60 days after the Company has actual knowledge of the act or failure (or the last in a series of acts or failures) that the Company alleges to constitute Cause. You shall have 30 days after receiving the Notice of Termination for Cause in which to cure such act or failure, to the extent such cure is possible. If you fail to cure such act or failure to the reasonable satisfaction of the Board, the Company shall give you a second written notice stating the date, time and place of a special meeting of the Board called and held specifically for the purpose of considering your termination for Cause, which special meeting shall take place not less than ten and not more than twenty business days after you receive notice thereof. You shall have the opportunity, together with counsel, to be heard at the special meeting of the Board. Your termination for Cause shall be effective when and if a resolution is duly adopted at such special meeting by the affirmative vote of a majority of the Board stating that in the good faith opinion of the Board, you are guilty of the conduct described in the Notice of Termination for Cause and that such conduct constitutes Cause as defined above.

“Disability.” means that (A) you are (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (ii) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company and (B) you have not been able to perform your material duties and responsibilities for the period specified within the definition of “Disability” in the Severance Program.

“**Good Reason**” means (i) any adverse change in your titles, authority, duties, responsibilities and reporting lines (including any failure to nominate you for election to the Board), or the assignment to you of any duties or responsibilities inconsistent in any respect with those customarily associated with the position of CEO; or (ii) the appointment, without your consent, of any person other than you to the position of CEO or any other position or title conferring similar status or authority; or (iii) any reduction in your salary, target annual bonus, target long-term incentive or retirement benefit; or (iv) any requirement by the Company that your services be rendered primarily at an office or location that is more than 50 miles from your office or location as of the date of this Agreement; or (v) any purported termination of your employment for a reason or in a manner not expressly permitted by the Agreement; or (vi) any failure by a successor of the Company to assume the Agreement; or (vii) any other material breach of the Agreement by the Company that either is not taken in good faith or, even if taken in good faith, is not remedied by the Company promptly after receipt of notice thereof from you.

A termination of your employment for Good Reason shall be effectuated by giving the Company written notice (“*Notice of Good Reason*”) of the Good Reason event, setting forth in reasonable detail the specific acts or omissions of the Company that constitute Good Reason and the specific provision(s) of the this Agreement on which you rely. Unless the Board determines otherwise, you must give the Company a Notice of Good Reason within 60 days after you have actual knowledge of the act or omission (or the last in a series of acts or omissions) that you allege constitutes Good Reason, and the Company shall have 30 days from the receipt of such Notice of Good Reason to cure the conduct cited therein, provided that such conduct is not conduct that previously had to be cured by the Company as a result of a Notice of Good Reason. You may terminate your employment for Good Reason upon further written notice given within thirty (30) days after the final day of such 30-day cure period unless prior to the end of the initial 30-day period the Company has cured the specific conduct asserted to constitute Good Reason to your reasonable satisfaction (unless the notice sets forth a later date (which date shall in no event be later than 30 days after the notice is given)).

Tax Gross-Up Provision

(a) In the event it shall be determined that any payment or distribution by the Company to or for your benefit (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Appendix B (a "*Payment*") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by you with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "*Excise Tax*"), then you shall be entitled to receive an additional payment (a "*Gross-Up Payment*") in an amount such that after payment by you of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income and employment taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, you shall retain an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of subsection (c), all determinations required to be made under this Appendix B, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the Company's independent auditors or such other certified public accounting firm as may be jointly designated you and by the Company (the "*Accounting Firm*"), which shall provide detailed supporting calculations both to the Company and to you. All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Appendix B, shall be paid by the Company to you within 15 days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and you. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("*Underpayment*"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Appendix B, and you thereafter are required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to you or for your benefit.

(c) You shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after you are informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. You shall not pay such claim prior to the expiration of the 30-day period following the date on which you give such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies you in writing prior to the expiration of such period that it desires to contest such claim, you shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold you harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Appendix B, the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct you to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and you agree to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided however, that if the Company directs you to pay such claim and sue for a refund, the Company shall advance the amount of such payment to you, on an interest-free basis and shall indemnify and hold you harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for your taxable year with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and you shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by you of an amount advanced by the Company pursuant to Appendix B, you become entitled to receive any refund with respect to such claim, you shall (subject to the Company's complying with the requirements of Appendix B), promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by you of an amount advanced by the Company pursuant to this Appendix B, a determination is made that you shall not be entitled to any refund with respect to such claim and the Company does not notify you in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

**Amendment No. 2 to
Eugene R. McGrath Employment Agreement**

The EMPLOYMENT AGREEMENT by and between Consolidated Edison, Inc., a New York Corporation (“CEI”), and Eugene R. McGrath (the “Executive”), dated as of September 1, 2000 and amended effective May 31, 2002, is amended effective September 1, 2005, as follows:

WHEREAS, the Executive and CEI entered into an Employment Agreement effective September 1, 2000 (the “Agreement”);

WHEREAS, the Executive and CEI amended the Agreement as of May 31, 2002 to provide for an additional grant of restricted stock units;

WHEREAS, the Board of Directors of CEI (the “Board”) has elected a new Chief Executive Officer effective September 1, 2005;

WHEREAS, the parties desire to further amend the Agreement to provide for the change in Executive’s title, duties and responsibilities;

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

1. Section 1(b) of the Agreement is amended to add the following at the end of the paragraph:

“Notwithstanding the foregoing, effective September 1, 2005, the Executive or CEI may terminate the Employment Period on thirty 30 days advance written notice.”

2. Section (2)(a) of the Agreement is amended to add the following at the end of the paragraph:

“Notwithstanding the foregoing, effective September 1, 2005, the Executive shall no longer serve as Chief Executive Officer of CEI or Chief Executive Officer of CECONY but shall serve as Executive Chairman of CEI, Executive Chairman of CECONY, and Chairman of the Board of CEI.”

3. The second sentence of Section 2(b) of the Agreement shall be deleted and replaced with the following:

“As Executive Chairman of CEI and CECONY, effective September 1, 2005, the Executive shall provide transition assistance and advice and guidance to the new Chief Executive Officer of CEI and such other services as may reasonably be determined by the Board.”

4. The first sentence of paragraph 2(e) of the Agreement is amended to provide the following:

“In addition to serving as Executive Chairman of CEI, the Executive shall also serve as Executive Chairman of CECONY.”

5. The reference in the second sentence of paragraph 3 of the Agreement is amended to substitute the phrase “Management Development and Compensation Committee” for the phrase “Executive Personnel and Pension Committee.”

Section 3(b) of the Agreement is amended by adding the following at the end of the paragraph:

“The Executive’s percentage award levels applied against the pool for 2006 will not be less than that for 2005.”

8. Section 3(c) of the Agreement is amended by deleting the third sentence thereof and substituting the following at the end of the paragraph:

“The Board, subject to any required shareholder approval, will determine the Company’s long term incentive compensation program, and the type and amount of equity and any other long-term incentive grants provided under the program will be determined by the Compensation Committee from time to time provided that upon Executive’s retirement (i) any performance-based equity awards shall fully vest and be paid out within 30 days of the date employment terminates as if targeted performance had been achieved through the applicable performance period and (ii) any non-performance based awards granted to Executive, including restricted stock awards, restricted stock units and options, shall fully vest and (A) be paid out within 30 days of the date Executive’s employment terminates and (B)(x) in the case of options granted prior to April 19, 2001, be exercisable until the third anniversary of the Executive’s date of retirement and (y) in the case of options granted after April 19, 2001 be exercisable until the tenth anniversary of the grant date, provided, however, that in no event shall options be exercisable beyond the expiration of their term.” Notwithstanding anything to the contrary in this Agreement, in the event the Executive is

terminated by the Company without Cause or terminates his employment for Good Reason prior to his retirement, his equity awards shall be treated as provided in the preceding sentence.

6. A new Section 3(k) shall be added to provide as follows:

“To the fullest extent permitted by applicable law, the Company shall (a) indemnify the Executive as an officer or director of the Company or a trustee or fiduciary of an employee benefit plan of the Company against all liabilities and reasonable expenses that the Executive may incur in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal or administrative, or investigative and whether formal or informal, because the Executive is or was an officer or director of the Company or a trustee or fiduciary of such employee benefit plan, (b) pay for or reimburse the Executive’s reasonable expenses incurred in the defense of any proceeding to which the Executive is a party because he is or was an officer or director of the Company or a trustee or fiduciary of such employee benefit plan and (c) if the Company maintains directors and officers liability insurance, to cover the Executive under such insurance to the same extent it covers other officers and directors. The Executive’s rights under this Section 3(k) shall survive the termination of the Executive’s employment by the Company.”

7. Section 4(c)(i)(B) of the Agreement shall be deleted and replaced with the following:

“the failure by the Board to elect the Executive to the positions of Executive Chairman of CEI and of CECONY and Chairman of the Board during the Employment Period.”

8. Section 4(c)(i)(D) is deleted in its entirety.

9. The phrase “his executive position with the surviving parent corporation is Chief Executive Officer or Chief Operating Officer” in the second sentence of paragraph 4(c)(i) is replaced with “his executive position with the surviving parent is Executive Chairman.”

10. A new Section 12(h) shall be added to provide as follows:

“**JOBS Act Compliance.** If any provision of this Agreement would result in unintended or adverse tax consequences to the Executive or would contravene the regulations anticipated to be promulgated

under Section 409A of the American Jobs Creation Act of 2004 (the “*JOBS Act*”), or other Department of Treasury guidance, the parties shall reform this Agreement or any provisions hereof to maintain to the maximum extent practicable the original purpose of the provision without violating the provisions of the *JOBS Act* or creating unintended or adverse tax consequences to the Executive.”

11. Executive acknowledges that the provisions of this Amendment No. 2 shall not constitute Good Reason to terminate employment under the Agreement.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed by its duly authorized director and its corporate seal to be affixed hereto, and the Executive has hereto set his hand as of July 22, 2005.

CONSOLIDATED EDISON, INC.

By: /s/ George Campbell, Jr.

George Campbell, Jr.
Chairman, Management
Development and Compensation
Committee

/s/ Eugene R. McGrath

Eugene R. McGrath

**Amendment No. 2 to
Joan S. Freilich Employment Agreement**

The EMPLOYMENT AGREEMENT by and between Consolidated Edison, Inc., a New York Corporation (“CEI”), and Joan S. Freilich (the “Executive”), dated as of September 1, 2000 and amended effective May 31, 2002, is amended effective September 1, 2005, as follows:

WHEREAS, the Executive and CEI entered into an Employment Agreement effective September 1, 2000 (the “Agreement”);

WHEREAS, the Executive and CEI amended the Agreement as of May 31, 2002 to provide for an additional grant of restricted stock units;

WHEREAS, the Board of Directors of the Company (the “Board”) has elected a new Chief Financial Officer of the Company effective as of September 1, 2005;

WHEREAS, the parties desire to further amend the Agreement to provide for the Executive’s change in title, duties and responsibilities.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

1. Section 1(b) of the Agreement is amended to add the following at the end of the paragraph:

“Notwithstanding the foregoing, in no event shall the Employment Period extend beyond December 1, 2006.”

2. Section 2(a) of the Agreement is amended to provide the following at the end of the paragraph:

“Notwithstanding the foregoing, effective September 1, 2005, the Executive shall serve as Vice Chairman of CEI and Vice Chairman of CECONY.”

3. Section 2(b) of the Agreement is deleted in its entirety and replaced with the following:

“Executive shall report to the Executive Chairman of CEI. Executive shall have such duties and responsibilities commensurate with her position as may be assigned to her from time to time by the Executive Chairman of CEI or the Board.”

4. Section 2(c) of the Agreement is amended to delete the second sentence thereof and to substitute the following in its place:

“Effective September 1, 2005, Executive hereby resigns as a member of the Board.”

5. The first sentence of Section 2(e) of the Agreement is deleted and replaced with the following:

“Until December 1, 2005, Executive agrees to devote full attention and time during normal business hours to the business and affairs of the Company and to use her reasonable best efforts to perform such responsibilities in a professional matter. Effective December 1, 2005, Executive shall be permitted at her discretion to work from her home but shall report to the office from time to time as she in her good faith judgment deems desirable or as reasonably requested by the Executive Chairman. Executive shall at times continue to be classified as a full-time employee.”

6. The words “and director” are deleted from the second sentence of Section 2(e) of the Agreement.

7. Section 3(b) of the Agreement is amended by adding the following at the end of the paragraph:

“The Executive’s percentage award levels applied against the pool for 2006 will not be less than that for 2005.”

8. Section 3(c) of the Agreement is amended by deleting the third sentence thereof and substituting the following at the end of the paragraph:

“The Board, subject to any required shareholder approval, will determine the Company’s long term incentive compensation program, and the type and amount of equity and any other long-term incentive grants provided under the program will be determined by the Compensation Committee from time to time provided that upon Executive’s retirement (i) any performance-based equity awards shall fully vest and be paid out within 30 days of the date employment terminates as if targeted performance had been achieved through the applicable performance period and (ii) any non-performance based awards granted to Executive, including restricted stock awards, restricted stock units and options, shall fully vest and (A) be paid out within 30 days of the date Executive’s employment terminates and (B)(x) in the case of options granted prior to

April 19, 2001, be exercisable until the third anniversary of the Executive's date of retirement and (y) in the case of options granted after April 19, 2001 be exercisable until the tenth anniversary of the grant date, provided, however, that in no event shall options be exercisable beyond the expiration of their term." Notwithstanding anything to the contrary in this Agreement, in the event that the Executive is terminated by the Company without Cause prior to December 1, 2006 (or terminates her employment with Good Reason after a Change in Control prior to December 1, 2006) her equity awards shall be treated as provided in the preceding sentence.

9. Section 3(f) of the Agreement is amended to add the following at the end of the paragraph:

"Upon Executive's retirement from the Company, the Executive shall receive credit for eighteen months of additional service with the Company (plus, if the termination is without Cause or for Good Reason, credit as if she worked through December 1, 2006) under the applicable qualified defined benefit retirement plans and nonqualified defined benefit SERPS of the Company."

10. A new Section 3(j) shall be added to provide as follows:

"To the fullest extent permitted by applicable law the Company shall (a) indemnify the Executive as an officer or director of the Company or a trustee or fiduciary of an employee benefit plan of the Company against all liabilities and reasonable expenses that the Executive may incur in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal or administrative, or investigative and whether formal or informal, because the Executive is or was an officer or director of the Company or a trustee or fiduciary of such employee benefit plan, (b) pay for or reimburse the Executive's reasonable expenses incurred in the defense of any proceeding to which the Executive is a party because, she is or was an officer or director of the Company or a trustee or fiduciary of such employee benefit plan and (c) if the Company maintains directors and officers liability insurance to cover the Executive under such insurance to the same extent it covers other officers and directors. The Executive's rights under this Section 3(j) shall survive the termination of the Executive's employment by the Company."

11. Section 4(c)(i)(B) of the Agreement is deleted in its entirety.

12. A new Section 12(h) shall be added to provide as follows:

“JOBS Act Compliance. If any provision of this Agreement would result in unintended or adverse tax consequences to the Executive or would contravene the regulations anticipated to be promulgated under Section 409A of the American Jobs Creation Act of 2004 (the “*JOBS Act*”), or other Department of Treasury guidance, the parties shall reform this Agreement or any provisions hereof to maintain to the maximum extent practicable the original purpose of the provision without violating the provisions of the *JOBS Act* or creating unintended or adverse tax consequences to the Executive.”

13. Executive acknowledges that the provisions of this Amendment No. 2 shall not constitute Good Reason to terminate employment under the Agreement.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed by its duly authorized director and its corporate seal to be affixed hereto, and the Executive has hereto set her hand as of July 22, 2005.

CONSOLIDATED EDISON, INC.

By: /s/ George Campbell, Jr.

George Campbell, Jr.
Chairman, Management
Development and Compensation
Committee

/s/ Joan S. Freilich

Joan S. Freilich



Eugene R. McGrath
Chairman of the Board

July 27, 2005

Mr. Stephen B. Bram
9 Irene Court
Edison, NJ 08820

Dear Mr. Bram:

As Group President, Energy and Communications, you became an employee of Consolidated Edison Solutions (“CES”) effective January 1, 2003. This will confirm that while you are employed by CES, you will continue to accrue pension credit under the Consolidated Edison Retirement Plan (the “*Retirement Plan*”) and the Consolidated Edison Company of New York, Inc. Supplemental Retirement Income Plan (the “*SRIP*”). Your years of service and compensation earned as an employee of CES will be included in determining your pension benefits. When you decide to retire, your pension will be calculated under the formulas and benefit provisions applicable to Officers of Consolidated Edison Company of New York, Inc. Your pension will be paid under the Retirement Plan and the SRIP.

Sincerely,

/s/ Eugene R. McGrath



conEdison, inc.
a conEdison, Inc. company

Claude Trahan
Vice President
Human Resources

February 23, 2004

Mr. Robert N. Hoglund
151 Central Park West
Apartment 2W
New York, NY 10023

Dear Mr. Hoglund:

Con Edison is pleased to present our offer of employment as Senior Vice President of Finance at an annual salary of \$400,000 effective April 1, 2004.

At the recommendation of the Chairman, Con Edison's Board of Trustees (Board) approved your employment at its meeting on February 19, 2004. This offer is contingent upon your passing our pre-employment medical examination and background check.

As a Company officer, you will be eligible to participate in the various Con Edison compensation plans for executives, including the Executive Incentive Plan, which provides for a target bonus award of 50% of annual base salary (maximum of 75%) and the Long Term Incentive Plan, which provides equity based incentive compensation, currently comprised of stock options and performance based restricted stock. In addition, the Board approved an initial restricted stock award of 30,000 Con Edison shares, 15,000 shares vesting after you complete three years of continuous employment and the remaining 15,000 shares vesting after you complete five years of continuous employment. The terms and conditions related to this restricted stock award are contained in a separate agreement that is being provided to you with this letter.

Compensation for this position includes a comprehensive benefits package and credit for an additional ten (10) years of service in the "cash balance" formula under the Company's Supplemental Retirement Income Plan (SRIP). Five of the additional ten years of service will be credited after you complete ten years of continuous employment and the remaining five years will be credited after you complete fifteen (15) actual years of continuous service. You will have use of a Company vehicle and be eligible for a one-time four-week vacation allowance in 2004 in addition to your normal four-week entitlement.

Welcome to the Con Edison team. I look forward to our working together in the future. Please call me if you have any questions.

Sincerely,

/s/ Claude Trahan

Consolidated Edison Company of New York, Inc.
4 Irving Place New York NY 10003 212 460 3999 212 353 2501 fax trahanc@coned.com

RESTRICTED STOCK UNIT AWARD AGREEMENT

AGREEMENT by and between Consolidated Edison, Inc., a New York Corporation (“CEI”), and Robert Hoglund (the “Executive”), dated as of April 1, 2004.

WHEREAS, the Executive will be serving as Senior Vice President of Finance of Consolidated Edison Company of New York, Inc., a New York corporation and subsidiary of CEI, (CEI and its subsidiaries and affiliates hereinafter collectively referred to as the “Company”); and

WHEREAS, the parties desire to enter into this Agreement providing for the granting of restricted stock units (“Units”) pursuant to the terms and conditions set forth below.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises, covenants and agreements set forth below, it is hereby agreed as follows:

1. **Restricted Stock Unit Awards.** In consideration of his continued employment from the date of this Agreement through April 1, 2007, and through April 1, 2009 (“Employment Period”), the Executive shall be granted two awards (the “Restricted Stock Unit Awards” or “Awards”) of restricted stock units (“Units”) each with respect to 15,000 shares of the Common Shares (\$.10 par value) of CEI (“Stock”), effective as of the date of this Agreement, under the Consolidated Edison, Inc. Long Term Incentive Plan (the “Plan”). These Awards are subject to the terms and conditions set forth in the Plan, which are incorporated herein by reference. All capitalized terms not otherwise defined shall have the same meanings as set forth in the Plan. The Awards are also subject to the following terms and conditions:

(a) Each Unit shall represent the right, upon vesting, to receive one Share of Stock or the cash value of one Share of Stock, or a combination thereof. The cash value of a Unit shall equal the closing price of a Share of Stock in the Consolidated Reporting System as reported in the Wall Street Journal or in a similarly readily available public source for the trading day immediately prior to the applicable transaction date. If no trading of Shares of Stock occurred on such date, the closing price of a Share of Stock in such System as reported for the preceding day on which sales of Shares of Stock occurred shall be used.

(b) The Executive’s Units shall vest in accordance with the following schedule, provided that the Executive has remained continuously employed by the Company, or its successor through the dates indicated below:

<u>Vesting Date</u>	<u>Number of Units</u>
4/1/2007	15,000
4/1/2009	15,000

(c) If, during the Employment Period and prior to a Change in Control, the Company terminates the Executive's employment without Cause, the Executive shall fully and immediately vest in twenty percent of the total Units awarded, for each completed year of employment during the Employment Period as of the Date of Termination, reduced by the Units, if any, that have vested in accordance in Section 1. (b) above. If, during the Employment Period and prior to a Change in Control, the Executive terminates his employment, the Executive shall forfeit all right to Units that are not vested as of the Date of Termination. If, during the Employment Period and following a Change in Control, the Company shall terminate the Executive's employment without Cause or the Executive terminates his employment for Good Reason, the Executive's Units shall fully and immediately vest as of the Date of Termination. If, during the Employment Period, the Executive's employment terminates by reason of death or Disability, the Executive's Units shall fully and immediately vest as of the Date of Termination. If, during the Employment Period the Company terminates the Executive's employment for Cause, the Executive shall forfeit all right to Units that are not vested as of the Date of Termination.

(d) Subject to any deferral election made pursuant to Section 1. (g), once Units shall vest, the Company shall promptly: 1) issue to the Executive a certificate for the Shares of Stock represented by the Units without any legend or restriction (other than may be required by law); 2) pay the Executive the cash value of the Shares of Stock represented by the Units; or 3) do a combination of the above. Prior to vesting, the Units shall represent an unfunded and unsecured promise to deliver certificates for Shares of Stock upon vesting thereof or to pay the Executive the cash value of Shares of Stock upon vesting thereof.

(e) (i) Except as otherwise provided herein, the Executive shall have no rights of a stockholder with respect to the Shares of Stock represented by Units, including no right to vote the Shares, to receive dividends and other distributions thereon and to participate in any change in capitalization of the Company.

(ii) In the event of any change in capitalization resulting in the issuance of additional shares to the Company's stockholders, the Shares of Stock represented by his Units shall be equitably adjusted as determined in good faith by the Company's Management Development and Compensation Committee.

(f) Dividend Equivalent Payments prior to Vesting of Units.

(i) Dividend Equivalent payments are made on the Dividend Payment Date, which for purposes of this Agreement is the date the Company pays any dividend on outstanding Shares based on the number of Units owned as of the record date for such dividend. Prior to the delivery of Shares of Stock or the cash value of the Shares of Stock upon vesting of Units, at the time of each distribution of any regular cash dividend

paid by the Company in respect of Stock, the Executive shall be entitled to receive a cash payment from the Company equal to the aggregate regular cash dividend payment that would have been made in respect of the Shares of Stock represented by Units which have not yet vested, as if the Shares represented by such Units had been actually delivered to the Executive, provided, that no such payment in respect of Shares of Stock represented by Units shall be made if, prior to the Dividend Payment Date, the Executive's rights with respect to such Units have previously terminated under this Agreement.

(ii) In the event of a dividend payable in Shares of Stock ("Stock Dividend") instead of cash, the Executive shall be entitled to receive on the Dividend Payment Date additional Units in such number that would equal the Stock Dividend that would have been received in respect of the Shares of Stock represented by Units that have not yet vested, as if the Shares represented by such Units had actually been delivered to the Executive. The Units that are received as a result of a Stock Dividend shall be immediately vested.

(iii) Simultaneously with the signing of this Agreement, the Executive may make an irrevocable election to defer the receipt of any Dividend Equivalent cash payments or Dividend Equivalent payments resulting from Stock Dividends that may become payable to the Executive on the Units granted to the Executive in this Agreement. The Executive may also elect to have the cash payment invested under the Company's Deferred Income Plan as of the date such amounts may become so payable according to the terms and conditions of the Deferred Income Plan. If no such deferral election is made, the Executive will receive the Dividend Equivalent payments in cash.

(g) At least twelve months prior to the date the Award of Units vest, the Executive will have a one-time opportunity to make an irrevocable election:

(i) to receive, upon vesting, all or a portion of his Units in (a) Shares of Stock, (b) cash, or (c) in a combination thereof, and

(ii) to defer the receipt of all or a portion of (a) Shares of Stock for up to 10 years after Termination of Employment, (b) the cash value of the Units into the Company's Deferred Income Plan according to the terms and conditions of the Deferred Income Plan, or (c) any combination of the above listed options.

(iii) If no such deferral election is made, upon vesting the Executive will automatically receive a lump sum distribution of the Shares of Stock represented by the Units.

(h) If upon the vesting of Units the Executive elects to receive Shares of Stock, he will be entitled to receive dividends on the Shares of Stock when dividends are paid. If the Executive elects to defer the receipt of Shares of Stock upon the vesting of his Units, he will be entitled to receive Dividend Equivalent payments on the vested Units. The Dividend Equivalent Payments on the vested Units can be received as cash or as cash deferred into the DIP and are payable on the Dividend Payment Date.

(i) It is agreed that the Restricted Stock Unit Awards (including the grants of Units and any Dividend Equivalents or other distributions in respect of the Units) shall not be included in the Executive's pension calculation.

(j) The Company's Management Development and Compensation Committee may make such provisions and establish such terms and conditions as it may deem necessary or appropriate to implement the terms of this Agreement and the Vice President – Human Resources of Consolidated Edison Company of New York, Inc. may develop such forms and take such other administrative actions as necessary to administer the terms of this Agreement.

2. Change in Control. Upon the occurrence of a Change in Control during the Employment Period, the Restricted Stock Unit Awards shall continue in effect and vest (or be forfeited) in accordance with provisions of this Agreement as though no Change in Control had occurred, except that, as appropriate, the Shares of Stock represented by the Restricted Stock Unit Awards shall be treated the same as all other Shares of Stock of the Company in any transaction constituting a Change in Control. The Executive's rights upon a termination of employment by the Company without Cause, by reason of death or Disability or by the Executive for Good Reason, which termination occurs following a Change in Control, shall be as specified above in Section 1. (c).

3. Termination Definitions and Procedures. For purposes of this Agreement the following definitions and procedures apply:

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" means that (i) the Executive has been unable, for the period, if any, specified in the Company's disability plan for senior executives, but not less than a period of 180 consecutive days, to perform the Executive's duties under this Agreement and (ii) a physician selected by the Company or its insurers, and acceptable to the Executive or the Executive's legal representative, has determined that the Executive is disabled within the meaning of the applicable disability plan for senior executives.

(b) By the Company.

(i) The Company may terminate the Executive's employment during the Employment Period for Cause or without Cause. For purposes of this Agreement, "Cause" shall mean (A) willful and continued failure by the Executive to substantially perform his duties or (B) the conviction of the Executive of a felony or the entering by the Executive of a plea of nolo contendere to a felony, in either case having a significant adverse effect on the business and affairs of the Company. No act or failure to act on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act or failure to act that is based upon authority given pursuant to a resolution duly adopted by the Board, or the advice of counsel for the Company, shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The Company expressly acknowledges that Cause will not exist merely because of a failure of the Company or its affiliates to meet budgeted results.

(ii) A termination of the Executive's employment for Cause shall be effected in accordance with the following procedures. The Company shall give the Executive written notice ("Notice of Termination for Cause") of its intention to terminate the Executive's employment for Cause, setting forth in reasonable detail the specific conduct of the Executive that it considers to constitute Cause. Such notice shall be given no later than 60 days after the act or failure (or the last in a series of acts or failures) that the Company alleges to constitute Cause. The Executive shall have 30 days after receiving the Notice of Termination for Cause in which to cure such act or failure, to the extent such cure is possible. If the Executive fails to cure such act or failure to the reasonable satisfaction of the Board, the Company shall give the Executive a second written notice stating the date, time and place of a special meeting of the Board called and held specifically for the purpose of considering the Executive's termination for Cause, which special meeting shall take place not less than ten and not more than twenty business days after the Executive receives notice thereof. The Executive shall be given an opportunity, together with counsel, to be heard at the special meeting of the Board. The Executive's termination for Cause shall be effective when and if a resolution is duly adopted at such special meeting by the affirmative vote of a majority of the Board stating that in the good faith opinion of the Board, the Executive is guilty of the conduct described in the Notice of Termination for Cause and that such conduct constitutes Cause under this Agreement.

(c) Good Reason.

(i) The Executive may terminate his employment for Good Reason following a Change in Control or without Good Reason. For purpose of this Agreement, "Good Reason" following a Change in Control shall mean:

(A) any adverse change in the Executive's titles, authority, duties, responsibilities and reporting lines as in effect immediately prior to a Change in Control, or the assignment to the Executive of any duties or responsibilities inconsistent in any respect with those customarily associated with the positions held by the Executive immediately prior to a Change in Control;

(B) the appointment of any person other than the Executive to the position held by the Executive immediately prior to a Change in Control or any other position or title conferring similar status or authority;

(C) any reduction in the Executive's salary, target annual bonus, target long-term incentive or Retirement benefit as in effect immediately prior to a Change in Control;

(D) any requirement by the Company that the Executive's services be rendered primarily at an office or location that is more than 50 miles from the Executive's employment office or location immediately prior to a Change in Control;

(E) any purported termination of the Executive's employment by the Company for a reason or in a manner not expressly permitted by this Agreement;

(F) any failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; or

(G) any other material breach of this Agreement by the Company that either is not taken in good faith or, even if taken in good faith, is not remedied by the Company promptly after receipt of notice thereof from the Executive.

Following a Change in Control, the Executive's determination that an act or failure to act constitutes Good Reason shall be conclusively presumed to be valid unless such determination is decided to be unreasonable by the Management Development and Compensation Committee.

(ii) A termination of employment by the Executive for Good Reason shall be effectuated by giving the Company written notice ("Notice of Termination for Good Reason") of the termination, setting forth in reasonable detail the specific acts or omissions of the Company that constitute Good Reason. Unless the Board determines otherwise, a Notice of Termination for Good Reason by the Executive must be made within 60 days after the Executive first has actual knowledge of the act or omission (or the last in a series of acts or omissions) that the Executive alleges to constitute Good Reason, and the Company shall have 30 days from the receipt of such Notice of Termination for Good Reason to cure the conduct cited therein. A termination of employment by the Executive for Good Reason shall be effective on the final day of such 30-day cure period unless prior to such time the Company has cured the specific conduct asserted by the Executive to constitute Good Reason to the reasonable satisfaction of the Executive (unless the notice sets forth a later date (which date shall in no event be earlier than 30 days after the notice is given) as of which such termination shall be effective).

(iii) A termination of the Executive's employment by the Executive without Good Reason shall be effected by giving the Company written notice specifying the effective date of termination.

(d) Date of Termination. The "Date of Termination" means the date of the Executive's death, the Disability Effective Date, the date on which the termination of the Executive's employment by the Company for Cause or without Cause or by the Executive for Good Reason is effective, or the effective date specified in a notice of a termination of employment without Good Reason from the Executive to the Company.

4. No Right to Continued Employment. Nothing contained in this Agreement shall confer on the Executive any right to continue in the employ of the Company or shall limit the Company's rights to terminate the Executive at any time, provided, however, that nothing in this Agreement shall affect any other contractual rights existing between the Executive and the Company.

5. Leave of Absence. If the Executive is officially granted a leave of absence for illness, military or governmental service or other reasons by the Company, for purposes of this Awards, such leave of absence shall not be treated as termination of employment.

6. **Transferability.** Except as may otherwise be authorized by the Committee in accordance with the Plan, these Awards shall not be transferable other than by will or the laws of descent and distribution. Any attempted transfers shall be null and void and of no effect.

7. **Tax Withholding.** The Company's Management Development and Compensation Committee may make such provisions and take such steps as it may deem necessary or appropriate for the withholding of any taxes that the Company is required by law or regulation of any governmental authority, whether federal, state or local, domestic or foreign, to withhold in connection with the Restricted Stock Unit Awards, including, but not limited to: (1) withholding delivery of the certificates for shares of Stock until the Executive reimburses the Company for the amount it is required to withhold with respect to such taxes, (2) the canceling of any number of shares of Stock issuable to the Executive in an amount necessary to reimburse the Company for the amount it is required to so withhold, (3) withholding the amount due from the distribution of the cash value of the Units, (4) withholding the amount due from the Executive's other compensation, or (5) a combination of the above.

8. **Miscellaneous.** The Agreement: (a) shall be binding upon and inure to the benefit of any successor of the Company; (b) shall be governed by the laws of the State of New York, and any applicable laws of the United States of America; (c) may not be amended or modified except in writing, signed by the parties; and (d) shall in no way affect the Executive's participation or benefits under any other plan or benefit program maintained or provided by the Company. In the event of a conflict between this Agreement and the Plan, the terms and conditions of the Plan shall govern.

9. **Notices.** All notices required to be given by this Agreement shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: 4 Irving Place
New York, NY 10003

If to the Company: 4 Irving Place
New York, NY 10003,
Attention: Vice President – Human Resources

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

10. **Acknowledgement.** The Executive acknowledges that he may request a copy of the Plan from the Company's Secretary at any time.

IN WITNESS WHEREOF, the Executive and, pursuant to due authorization from its Board of Directors, the Company have caused this Agreement to be executed as of the day and year first above written.

CONSOLIDATED EDISON, INC.

By: /s/ Eugene R. McGrath

Eugene R. McGrath
Chairman of the Board and Chief Executive Officer

/s/ Robert Hoglund

Robert Hoglund



Media Relations
212 460 4111 (24 hours)

Consolidated Edison, Inc.
4 Irving Place
New York NY 10003
www.conEdison.com

FOR IMMEDIATE RELEASE
July 21, 2005

Contact: Michael Clendenin
212-460-4111

CON EDISON, INC. REPORTS 2005 SECOND QUARTER EARNINGS
Company Reaffirms 2005 Earnings Projection

NEW YORK - Consolidated Edison, Inc. (Con Edison) [NYSE: ED] today reported net income for common stock for the second quarter of 2005 of \$115 million or 47 cents a share, compared with earnings of \$86 million or 37 cents a share for the second quarter of 2004. The company also declared a quarterly dividend of 57 cents a share on its common stock payable September 15, 2005 to stockholders of record as of August 17, 2005.

“Our solid performance in the second quarter benefited from the continued strengthening of the local economy,” said Eugene R. McGrath, Chairman and Chief Executive Officer.

The company’s net income for common stock for the first six months of 2005 was \$297 million or \$1.22 a share compared with \$241 million or \$1.05 a share for the first six months of 2004.

The following table represents an analysis of the major factors affecting Con Edison’s earnings per share for the second quarter and first six months of 2005 compared with the 2004 periods:

	<u>Second Quarter Variation</u>	<u>Six Months Variation</u>
Con Edison of New York:		
Sales growth (estimated)	\$ 0.03	\$ 0.07
Impact of weather in 2005 versus 2004 (estimated)	(0.03)	(0.04)
Electric rate plan (estimated)	0.24	0.24
Gas rate plan (estimated)	0.03	0.11
Steam rate plan (estimated)	0.04	0.13
Increased pension and other postretirement benefit costs	(0.04)	(0.10)
Higher operation and maintenance expense	(0.04)	(0.08)
Higher depreciation and property tax expense	(0.10)	(0.14)
Other	(0.01)	(0.04)
	<u>0.12</u>	<u>0.15</u>
Total Con Edison of New York	0.12	0.15
Orange and Rockland Utilities	—	—
Unregulated energy subsidiaries (including parent company)	(0.02)	—
	<u>0.10</u>	<u>0.15</u>
Total earnings per share variation from continuing operations	\$ 0.10	\$ 0.15
Discontinued operations – Con Edison Communications	—	0.02
	<u>0.10</u>	<u>0.17</u>
Total earnings per share variation	<u>\$ 0.10</u>	<u>\$ 0.17</u>

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The earnings per share variations shown above reflect the dilutive effect of a higher weighted average number of common shares outstanding in the 2005 three-month and six-month periods (243 million shares in each period) than in the 2004 three-month and six-month periods (234 million and 231 million shares, respectively).

For Con Edison of New York, increased revenues under the electric rate plan that took effect in April 2005 and the gas and steam rate plans that took effect in October 2004 address higher expenses for pensions and other postretirement benefits, ongoing operations and maintenance, and depreciation and property taxes, and provide a return on capital invested in the energy infrastructure. The increases in pension and other postretirement benefit costs reflect primarily lower net pension credits from the amortization of previous years' net investment gains and losses. Higher depreciation and property taxes reflect continuing infrastructure investment programs and the commercial start-up of the East River Repowering Project.

For the year 2005, the company confirms its previous forecast of earnings in the range of \$2.75 to \$2.90 per share.

For the three months ended June 30, 2005, amounts of electricity, gas and steam delivered by Con Edison of New York, after adjusting for variations in weather and billing days in the period, increased 1.5 percent, 2.0 percent and 1.0 percent, respectively, as compared with the 2004 period.

For the first six months of 2005, amounts of electricity, gas and steam delivered by Con Edison of New York, after adjusting for variations in weather and billing days in the period, increased 1.9 percent, 3.2 percent and 2.5 percent, respectively, as compared with the 2004 period.

Refer to the attachments to this press release for the condensed consolidated balance sheets at June 30, 2005 and December 31, 2004 and the consolidated income statements for the three and six months ended June 30, 2005 and 2004. Additional information related to utility sales and revenues is available on the Con Edison Web site at www.conedison.com, select "Investor Information" and then select "Financial Reports."

This press release contains forward-looking statements which 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 \$10 billion in annual revenues and \$24 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; Con Edison Development, a company that owns and operates generating plants and participates in other infrastructure projects; and Con Edison Communications, a telecommunications infrastructure company and service provider.

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

	June 30, 2005	December 31, 2004
	(Millions of Dollars)	
ASSETS		
PLANT, AT ORIGINAL COST		
Utility plant - net	\$ 15,511	\$ 15,168
Non-utility plant - net	860	873
Non-utility property held for sale	70	65
NET PLANT	16,441	16,106
CURRENT ASSETS		
Cash and temporary cash investments	818*	26
Accounts receivable - customers, less allowance for uncollectible accounts	735	741
Other receivables, less allowance for uncollectible accounts	179	198
Inventories	267	307
Prepayments	788	93
Current assets held for sale	9	5
Other current assets	660	339
TOTAL CURRENT ASSETS	3,456	1,709
INVESTMENTS	260	257
DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS		
Goodwill	406	406
Intangible assets - net	96	100
Prepaid pension costs	1,458	1,442
Regulatory assets	1,953	2,258
Other deferred charges and noncurrent assets	301	282
TOTAL DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS	4,214	4,488
TOTAL ASSETS	\$ 24,371	\$ 22,560
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common shareholders' equity	\$ 7,146	\$ 7,054
Preferred stock of subsidiary	213	213
Long-term debt	7,190	6,561
TOTAL CAPITALIZATION	14,549	13,828
NONCURRENT LIABILITIES		
Provision for injuries and damages	181	180
Pension and retiree benefits	267	207
Superfund and other environmental costs	246	198
Noncurrent liabilities held for sale	6	5
Other noncurrent liabilities including minority interest	138	134
TOTAL NONCURRENT LIABILITIES	838	724
CURRENT LIABILITIES		
Long-term debt due within one year	471	469
Notes payable	176	156
Accounts payable	1,685*	920
Customer deposits	228	232
Current liabilities held for sale	9	11
Other current liabilities	630	434
TOTAL CURRENT LIABILITIES	3,199	2,222
DEFERRED CREDITS AND REGULATORY LIABILITIES		
Deferred income taxes and investment tax credits	3,703	3,726
Regulatory liabilities and other deferred credits	2,082	2,060
TOTAL DEFERRED CREDITS AND REGULATORY LIABILITIES	5,785	5,786
TOTAL CAPITALIZATION AND LIABILITIES	\$ 24,371	\$ 22,560

* Includes \$734 million related to an outstanding prepayment of New York City property taxes.

Consolidated Edison, Inc.
CONSOLIDATED INCOME STATEMENT
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2005	2004	2005	2004
(Millions of Dollars/Except Share Data)				
OPERATING REVENUES				
Electric	\$ 1,651	\$ 1,531	\$ 3,164	\$ 3,070
Gas	354	283	1,082	928
Steam	96	93	363	328
Non-utility	305	257	598	517
TOTAL OPERATING REVENUES	2,406	2,164	5,207	4,843
OPERATING EXPENSES				
Purchased power	969	890	1,908	1,820
Fuel	139	134	331	319
Gas purchased for resale	201	155	653	557
Other operations and maintenance	405	359	819	737
Depreciation and amortization	146	137	287	273
Taxes, other than income taxes	281	255	551	537
Income taxes	39	46	149	153
TOTAL OPERATING EXPENSES	2,180	1,976	4,698	4,396
OPERATING INCOME	226	188	509	447
OTHER INCOME (DEDUCTIONS)				
Investment and other income	11	4	16	16
Allowance for equity funds used during construction	—	6	8	12
Preferred stock dividend requirements of subsidiary	(3)	(3)	(6)	(6)
Other deductions	(4)	(3)	(10)	(6)
Income taxes	2	5	6	6
TOTAL OTHER INCOME (DEDUCTIONS)	6	9	14	22
INTEREST EXPENSE				
Interest on long-term debt	113	106	219	214
Other interest	1	6	10	16
Allowance for borrowed funds used during construction	—	(4)	(6)	(8)
NET INTEREST EXPENSE	114	108	223	222
INCOME FROM CONTINUING OPERATIONS	118	89	300	247
LOSS FROM DISCONTINUED OPERATIONS (NET OF INCOME TAXES OF \$2, \$2, \$2 and \$4)	(3)	(3)	(3)	(6)
NET INCOME	\$ 115	\$ 86	\$ 297	\$ 241
EARNINGS PER COMMON SHARE - BASIC				
Continuing operations	\$ 0.48	\$ 0.38	\$ 1.23	\$ 1.07
Discontinued operations	(0.01)	(0.01)	(0.01)	(0.02)
Net income	\$ 0.47	\$ 0.37	\$ 1.22	\$ 1.05
EARNINGS PER COMMON SHARE - DILUTED				
Continuing operations	\$ 0.48	\$ 0.38	\$ 1.23	\$ 1.06
Discontinued operations	(0.01)	(0.01)	(0.01)	(0.02)
Net income	\$ 0.47	\$ 0.37	\$ 1.22	\$ 1.04
AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC (IN MILLIONS)	243.4	234.0	243.1	230.6
AVERAGE NUMBER OF SHARES OUTSTANDING - DILUTED (IN MILLIONS)	244.2	234.9	243.8	231.6