

**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: May 28, 2004**

<b>Commission File Number</b>	<b>Exact name of registrant as specified in its charter and principal office address and telephone number</b>	<b>State of Incorporation</b>	<b>I.R.S. Employer ID. Number</b>
<b>1-14514</b>	<b>Consolidated Edison, Inc. 4 Irving Place, New York, New York 10003 (212) 460-4600</b>	<b>New York</b>	<b>13-3965100</b>
<b>1-1217</b>	<b>Consolidated Edison Company of New York, Inc. 4 Irving Place, New York, New York 10003 (212) 460-4600</b>	<b>New York</b>	<b>13-5009340</b>

**ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE**

On May 28, 2004, Consolidated Edison Company of New York, Inc. (Con Edison of New York), a regulated utility subsidiary of Consolidated Edison, Inc., entered into a Joint Proposal with the staff of the New York State Public Service Commission (PSC) and other parties with respect to the rates the company can charge its customers for gas and steam services. The Joint Proposal is subject to PSC approval.

The Joint Proposal, as it relates to the company's gas business, covers the three-year period from October 1, 2004 through September 30, 2007, and provides that the PSC may select one of two alternatives for increases in gas base rates (which from the company's perspective are economically equivalent): (A) increases of \$28.7 million, \$18.4 million and \$18.3 million, effective October 1, 2004, 2005 and 2006, respectively, or (B) an increase of \$46.8 million, effective October 1, 2004, with deferral accounting to be used to allocate the income statement effect of the increase over the term of the agreement. The gas rate increases shown above are net of \$17.5 million (pre-tax) the company agreed to apply for customer benefit to resolve various issues, for which the company will recognize a charge in 2004. In addition to these rate increases, the company will retain the first \$35 million of net revenues from non-firm customer transactions for each year of the rate plan.

The Joint Proposal, as it relates to the company's steam business, covers the two-year period from October 1, 2004 through September 30, 2006, and provides for increases in steam base rates of \$49.6 million, effective October 1, 2004, and \$27.4 million effective, October 1, 2005. The steam rate increases shown above are net of \$6.2 million (pre-tax) the company agreed to apply for customer benefit to resolve various issues, for which the company will recognize a charge in 2004.

Additional provisions of the Joint Proposal include:

- earnings in excess of an 11.75 percent return on equity (based upon the actual average equity ratio, subject to a maximum equity ratio of 50 percent of capitalization) would be shared equally with customers;
- pension and other post-employment benefit costs allocable to gas and steam businesses are to be reconciled to the amounts for such costs reflected in rates, with the difference deferred as a regulatory asset or liability, as the case may be, for future recovery or refund to customers;
- opportunities to retain for shareholders a percentage of annual gas net revenues from non-firm customer transactions (20 percent of revenues between \$35 million and \$50 million, 25 percent between \$50 million and \$70 million and 10 percent over \$70 million), and to earn an incentive of up to \$8.5 million depending upon the number of customers that migrate to retail access;
- continuation of provisions for the recovery from customers on a current basis of the cost of purchased gas, steam and fuel and for the recovery of environmental remediation expenses;
- continuation of provisions pursuant to which the effects of weather on gas income are moderated; and
- deferral as a regulatory asset or liability, subject to certain limitations, of differences between actual costs and amounts reflected in rates for property taxes and the cost of moving facilities to avoid interfering with governmental projects (interference costs).

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ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

99. Fact Sheet for Gas And Steam Rate Case Joint Proposal

ITEM 9. REGULATION FD DISCLOSURE

The material attached hereto as Exhibit 99, which is incorporated in this Item 9 by reference thereto, is furnished pursuant to Regulation FD.

**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/ Edward J. Rasmussen

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Edward J. Rasmussen  
Vice President and Controller

DATE: May 28, 2004

**Fact Sheet for Gas and Steam Rate Case Joint Proposal**  
**May 2004**

**JOINT PROPOSAL****1. Rate plans**

- Gas— Three years, October 1, 2004 – September 30, 2007
- Steam— Two years, October 1, 2004 – September 30, 2006

**2. Rate increases**

- **Gas**—two options, which from the Company's perspective are economically equivalent, to be presented to the PSC:
  - Option A
    - First year rate increase is \$28.7 million, and
    - Second and third rate increases are \$18.4 million and \$18.3 million, respectively, to reflect plant additions, property taxes and pensions
  - Option B
    - First year rate increase is \$46.8 million,
    - Rates are frozen for years 2 and 3, and
    - Deferral accounting will be used to appropriately spread the first year increase over the three years of the rate plan.
- In addition to these base rate changes, the Company will retain the first \$35 million of net revenues from non-firm customer transactions for each year of the rate plan.
- These rate increases are net of certain charges agreed to by the Company in order to resolve various issues raised in the proceeding, which the Company will record for accounting purposes (in 2004) as a one-time pre-tax charge to earnings of \$17.5 million.
- The gas weather normalization clause, which moderates the effects of weather on gas net income, continues.
- As an incentive for non-firm customer transactions, the Company will retain for shareholders 20% of annual non-firm revenues between \$35 million and \$50 million; 25% of revenues between \$50 million and \$70 million; and 10% of revenues in excess of \$70 million.
- A gas retail access migration incentive will provide the Company with \$40 per account for the first 10,000 gas accounts to move to retail access, and \$50 per account above 10,000. The incentive is capped at \$8.5 million and is excluded from earnings sharing calculations.

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- **Steam**

- Rate increase phased in over two years
- First rate year increase is \$49.6 million (absent the phase-in, the rate increase in year one would be \$62.6 million)
- Second rate year increase is \$27.4 million, which reflects increases for plant additions, property taxes and pensions.
- These rate increases are net of certain charges agreed to by the Company in order to resolve various issues raised in the proceeding, which the Company will record for accounting purposes (in 2004) as a one-time pre-tax charge to earnings of \$6.2 million.
- Carrying charges for the East River Repowering Project allocated to steam, along with the offsetting fuel savings, will be flowed through the steam fuel adjustment clause (FAC).

### **3. Earnings threshold and capital structure**

- Earnings above 11.75% ROE are shared 50/50 with customers.
- The equity ratio used in this calculation will be the actual equity ratio, with a cap of 50%

### **4. Recovery of fuel costs**

- The purchased gas clause and the steam fuel adjustment clause will continue to provide for full recovery of incurred costs.

### **5. Reconciliations**

- The Company will reconcile pension and OPEB costs for gas and steam from October 1, 2004, forward.
- Reconciliation of environmental remediation costs will continue.
- The Company will reconcile property taxes and interference costs to amounts included in rates, with resulting differences above or below a deadband of 2.5% deferred for future disposition by the PSC.
- The cost of new gas and steam capital projects greater than 5% of projected capital expenditures may be deferred upon PSC approval.
- Limitations on reconciliations:
  - If earnings exceed an 11.75% ROE but fall below a 15% ROE, only 50% of the above reconcilable items can be deferred;
  - If earnings exceed a 15% ROE, none of the above reconcilable items can be deferred; except that
  - Other normal deferrals (deferred fuel, deferred taxes, WTC expenditures) are not subject to these limitations.