FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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[x] Quarterly Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1996

OR

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

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Commission File No. 1-1217

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
(Name of Registrant)

NEW YORK	13-5009340
(State of Incorporation)	(IRS Employer Identification No.)

4 IRVING PLACE, NEW YORK, NEW YORK 10003 - (212) 460-4600
(Address and Telephone Number)

The Registrant has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and has been subject to such filing requirements for the past 90 days.

Yes ___X___ No _______

As of the close of business on October 31, 1996, the Registrant had outstanding 234,989,605 shares of Common Stock ($2.50 par value).

PART I. - FINANCIAL INFORMATION

CONTENTS

The following consolidated financial statements are unaudited but, in the opinion of management, reflect all adjustments (which include only normal recurring adjustments) necessary to a fair statement of the results for the interim periods presented. These condensed unaudited interim financial statements do not contain the detail, or footnote disclosure concerning accounting policies and other matters, which would be included in full-year financial statements and, accordingly, should be read in conjunction with the Company's audited financial statements (including the notes thereto) included in the Company's Annual Report on Form 10-K for the year ended December 31, 1995 (File No. 1-1217).

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 1996, DECEMBER 31, 1995 AND SEPTEMBER 30, 1995

	As At		
	Sept. 30, 1996	Dec. 31, 1995	Sept. 30, 1995
	(Thousands of Dollars)		
ASSETS			
Utility plant, at original cost			
Electric	$ 11,541,568	$ 11,319,622	$ 11,242,271
Gas	1,609,520	1,537,296	1,502,490
Steam	530,761	462,975	452,526
General	1,138,055	1,085,795	1,066,767
Total	14,819,904	14,405,688	14,264,054
Less: Accumulated depreciation	4,286,812	4,036,954	3,987,919
Net	10,533,092	10,368,734	10,276,135
Construction work in progress	342,496	360,457	340,920
Nuclear fuel assemblies and components, less accumulated amortization	62,725	85,212	89,226
Net utility plant	10,938,313	10,814,403	10,706,281
Current assets			
Cash and temporary cash investments	117,279	342,292	429,887
Accounts receivable - customers, less allowance for uncollectible accounts of $21,500, $21,600 and $20,739	565,713	497,215	508,823
Other receivables	38,713	45,558	52,293
Regulatory accounts receivable	33,501	(6,481)	(11,317)
Fuel, at average cost	42,193	40,506	37,623
Gas in storage, at average cost	42,874	26,452	33,059
Materials and supplies, at average cost	213,687	221,026	222,685
Prepayments	193,484	66,148	181,424
Other current assets	14,915	15,126	14,552
Total current assets	1,262,359	1,247,842	1,469,029
Investments and nonutility property	170,025	145,646	135,465
Deferred charges			
Enlightened Energy program costs	127,307	144,282	137,868
Unamortized debt expense	133,348	133,812	136,389
Power contract termination costs	70,272	105,408	117,120
Other deferred charges	315,529	316,237	282,598
Total deferred charges	646,456	699,739	673,975
Regulatory asset-future federal income taxes	1,003,774	1,042,260	1,045,442
Total	$ 14,020,927	$ 13,949,890	$ 14,030,192

The accompanying note is an integral part of these financial statements.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 1996, DECEMBER 31, 1995 AND SEPTEMBER 30, 1995

	As At Sept. 30, 1996	Dec. 31, 1995	Sept. 30, 1995
	(Thousands of Dollars)		
CAPITALIZATION AND LIABILITIES			
Capitalization			
Common stock, authorized 340,000,000 shares; outstanding 234,981,753 shares, 234,956,299 shares and 234,948,707 shares	$ 1,478,444	$ 1,464,305	$ 1,464,247
Capital stock expense	(34,972)	(38,606)	(38,686)
Retained earnings	4,290,590	4,097,035	4,112,624
Total common equity	5,734,062	5,522,734	5,538,185
Preferred stock			
Subject to mandatory redemption			
7.20% Series I	47,500	50,000	50,000
6-1/8% Series J	37,050	50,000	50,000
Total subject to mandatory redemption	84,550	100,000	100,000
Other preferred stock			
$ 5 Cumulative Preferred	175,000	175,000	175,000
5-3/4% Series A	7,061	60,000	60,000
5-1/4% Series B	13,844	75,000	75,000
4.65% Series C	15,330	60,000	60,000
4.65% Series D	22,233	75,000	75,000
5-3/4% Series E	-	50,000	50,000
6.20% Series F	-	40,000	40,000
6% Convertible Series B	4,721	4,917	4,976
Total other preferred stock	238,189	539,917	539,976
Total preferred stock	322,739	639,917	639,976
Long-term debt	4,090,810	3,917,244	4,020,261
Total capitalization	10,147,611	10,079,895	10,198,422
Noncurrent liabilities			
Obligations under capital leases	43,332	45,250	45,890
Other noncurrent liabilities	82,797	75,907	71,614
Total noncurrent liabilities	126,129	121,157	117,504
Current liabilities			
Long-term debt due within one year	179,715	183,524	109,206
Accounts payable	353,918	420,852	304,748
Customer deposits	158,492	158,366	159,861
Accrued taxes	122,882	24,374	179,925
Accrued interest	70,560	89,374	74,829
Accrued wages	78,117	76,459	87,108
Other current liabilities	142,049	168,477	155,877
Total current liabilities	1,105,733	1,121,426	1,071,554
Provisions related to future federal income taxes and other deferred credits			
Accumulated deferred federal income tax	2,316,138	2,296,284	2,309,321
Accumulated deferred investment tax credits	174,580	181,420	183,750
Other deferred credits	150,736	149,708	149,641
Total deferred credits	2,641,454	2,627,412	2,642,712
Total	$ 14,020,927	$ 13,949,890	$ 14,030,192

The accompanying note is an integral part of these financial statements.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995

	1996	1995
	(Thousands of Dollars)	
Operating revenues		
Electric	$ 1,708,146	$ 1,703,089
Gas	141,121	113,678
Steam	71,074	63,109
Total operating revenues	1,920,341	1,879,876
Operating expenses		
Fuel	145,942	158,994
Purchased power	334,557	290,404
Gas purchased for resale	38,595	25,023
Other operations	284,916	274,273
Maintenance	100,369	111,045
Depreciation and amortization	121,273	115,654
Taxes, other than federal income tax	302,990	308,897
Federal income tax	182,280	182,810
Total operating expenses	1,510,922	1,467,100
Operating income	409,419	412,776
Other income (deductions)		
Investment income	1,170	4,324
Allowance for equity funds used during construction	883	485
Other income less miscellaneous deductions	(2,435)	(1,693)
Federal income tax	2,070	750
Total other income	1,688	3,866
Income before interest charges	411,107	416,642
Interest on long-term debt	77,956	75,656
Other interest	5,578	7,922
Allowance for borrowed funds used during construction	(415)	(232)
Net interest charges	83,119	83,346
Net income	327,988	333,296
Preferred stock dividend requirements	4,606	8,891
Net income for common stock	$ 323,382	$ 324,405
Common shares outstanding - average (000)	234,981	234,939
Earnings per share	$ 1.38	$ 1.38
Dividends declared per share of common stock	$ .52	$ .51
Sales		
Electric (Thousands of Kwhrs.)		
Con Edison Customers	10,633,845	11,044,985
Deliveries for NYPA and Other Customers	2,281,224	2,349,578
Service for Municipal Agencies	159,037	135,847
Total Sales in Service Territory	13,074,106	13,530,410
Off-System Sales (A)	1,778,475	2,075,281
Gas (Dekatherms)		
Firm	10,416,368	10,451,202
Off-Peak Firm/Interruptible	3,793,915	2,860,885
Total Sales to Con Edison Customers	14,210,283	13,312,087
Transportation of Customer-Owned Gas	6,508,631	9,820,561
Off-System Sales	265,981	230,063
Total Sales and Transportation	20,984,895	23,362,711
Steam (Thousands of Pounds)	6,420,558	6,877,750

(A) Includes 926,426 and 960,631 thousands of Kwhrs., respectively, subsequently purchased by the Company for sale to its customers.

The accompanying note is an integral part of these financial statements.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995

	1996	1995
	(Thousands of Dollars)	
Operating revenues		
Electric	$ 4,238,720	$ 4,156,969
Gas	771,413	604,708
Steam	317,308	246,836
Total operating revenues	5,327,441	5,008,513
Operating expenses		
Fuel	450,219	386,032
Purchased power	960,144	847,864
Gas purchased for resale	315,989	188,486
Other operations	848,903	857,215
Maintenance	349,309	366,492
Depreciation and amortization (A)	373,819	338,823
Taxes, other than federal income tax	886,500	836,966
Federal income tax	328,200	337,820
Total operating expenses	4,513,083	4,159,698
Operating income	814,358	848,815
Other income (deductions)		
Investment income	4,891	8,622
Allowance for equity funds used during construction	2,141	3,361
Other income less miscellaneous deductions	(5,108)	(5,123)
Federal income tax	1,140	440
Total other income	3,064	7,300
Income before interest charges	817,422	856,115
Interest on long-term debt	230,431	224,696
Other interest	14,059	22,319
Allowance for borrowed funds used during construction	(1,006)	(1,626)
Net interest charges	243,484	245,389
Net income	573,938	610,726
Preferred stock dividend requirements	15,249	26,676
Gain on refunding of preferred stock (A)	13,943	-
Net income for common stock	$ 572,632	$ 584,050
Common shares outstanding - average (000)	234,972	234,924
Earnings per share	$ 2.44	$ 2.49
Dividends declared per share of common stock	$ 1.56	$ 1.53
Sales		
Electric (Thousands of Kwhrs.)		
Con Edison Customers	28,269,089	28,081,351
Deliveries for NYPA and Other Customers	6,673,889	6,646,381
Service for Municipal Agencies	443,264	345,224
Total Sales in Service Territory	35,386,242	35,072,956
Off-System Sales (B)	3,047,621	4,392,449
Gas (Dekatherms)		
Firm	75,549,180	67,411,713
Off-Peak Firm/Interruptible	14,919,496	11,340,519
Total Sales to Con Edison Customers	90,468,676	78,752,232
Transportation of Customer-Owned Gas	8,584,869	25,039,063
Off-System Sales	7,402,439	551,899
Total Sales and Transportation	106,455,984	104,343,194
Steam (Thousands of Pounds)	23,743,411	22,346,574

(A) The gain resulting from the preferred stock refunding in the first quarter of 1996 was applied to reduce net utility plant by an additional provision for depreciation.

(B) Includes 1,463,871 and 2,282,261 thousands of Kwhrs., respectively, subsequently purchased by the Company for sale to its customers.

The accompanying note is an integral part of these financial statements.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CONSOLIDATED INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995

	1996	1995
	(Thousands of Dollars)	
Operating revenues		
Electric	$ 5,471,159	$ 5,361,076
Gas	980,061	796,013
Steam	404,605	312,671
Total operating revenues	6,855,825	6,469,760
Operating expenses		
Fuel	568,291	500,004
Purchased power	1,219,503	1,050,877
Gas purchased for resale	387,292	246,621
Other operations	1,131,420	1,168,531
Maintenance	494,919	487,706
Depreciation and amortization (A)	490,773	446,760
Taxes, other than federal income tax	1,169,765	1,106,924
Federal income tax	386,940	418,880
Total operating expenses	5,848,903	5,426,303
Operating income	1,006,922	1,043,457
Other income (deductions)		
Investment income	13,235	13,608
Allowance for equity funds used during construction	2,544	5,282
Other income less miscellaneous deductions	(8,134)	(10,779)
Federal income tax	(360)	680
Total other income	7,285	8,791
Income before interest charges	1,014,207	1,052,248
Interest on long-term debt	307,651	297,802
Other interest	20,694	28,313
Allowance for borrowed funds used during construction	(1,200)	(2,472)
Net interest charges	327,145	323,643
Net income	687,062	728,605
Preferred stock dividend requirements	24,138	35,571
Gain on refunding of preferred stock (A)	13,943	-
Net income for common stock	$ 676,867	$ 693,034
Common shares outstanding - average (000)	234,967	234,918
Earnings per share	$ 2.88	$ 2.95
Dividends declared per share of common stock	$ 2.07	$ 2.03
Sales		
Electric (Thousands of Kwhrs.)		
Con Edison Customers	37,146,106	36,704,167
Deliveries for NYPA and Other Customers	8,883,298	8,829,530
Service for Municipal Agencies	554,768	454,056
Total Sales in Service Territory	46,584,172	45,987,753
Off-System Sales (B)	3,690,644	5,047,413
Gas (Dekatherms)		
Firm	98,861,793	87,599,512
Off-Peak Firm/Interruptible	19,051,789	15,203,657
Total Sales to Con Edison Customers	117,913,582	102,803,169
Transportation of Customer-Owned Gas	13,906,995	31,579,370
Off-System Sales	10,226,915	551,899
Total Sales and Transportation	142,047,492	134,934,438
Steam (Thousands of Pounds)	30,822,617	27,976,032

(A) The gain resulting from the preferred stock refunding in the first quarter of 1996 was applied to reduce net utility plant by an additional provision for depreciation.

(B) Includes 1,848,447 and 2,282,261 thousands of Kwhrs., respectively, subsequently purchased by the Company for sale to its customers.

The accompanying note is an integral part of these financial statements.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995

	1996	1995
	(Thousands of Dollars)	
Operating activities		
Net income	$ 573,938	$ 610,726
Principal non-cash charges (credits) to income		
Depreciation and amortization	373,819	338,822
Federal income tax deferred	50,760	82,780
Common equity component of allowance for funds used during construction	(2,021)	(3,166)
Other non-cash charges	28,567	7,455
Changes in assets and liabilities		
Accounts receivable - customers, less allowance for uncollectibles	(68,498)	(68,327)
Regulatory accounts receivable	(39,982)	37,663
Materials and supplies, including fuel and gas in storage	(10,770)	37,958
Prepayments, other receivables and other current assets	(120,280)	(116,871)
Enlightened Energy program costs	16,975	32,333
Federal income tax refund	-	(49,510)
Power contract termination costs	19,023	43,675
Accounts payable	(66,934)	(69,721)
Accrued income taxes	107,997	140,856
Other - net	(50,169)	(58,473)
Net cash flows from operating activities	812,425	966,200
Investing activities including construction		
Construction expenditures	(478,847)	(462,238)
Nuclear fuel expenditures	(1,223)	(8,601)
Contributions to nuclear decommissioning trust	(19,174)	(13,568)
Common equity component of allowance for funds used during construction	2,021	3,166
Net cash flows from investing activities including construction	(497,223)	(481,241)
Financing activities including dividends		
Issuance of long-term debt	375,000	100,000
Retirement of long-term debt	(107,435)	(9,119)
Advance refunding of long-term debt	(95,329)	-
Advance refunding of preferred stock	(316,982)	-
Issuance and refunding costs	(10,805)	(5,058)
Common stock dividends	(366,560)	(359,437)
Preferred stock dividends	(18,104)	(26,679)
Net cash flows from financing activities including dividends	(540,215)	(300,293)
Net increase (decrease) in cash and temporary cash investments	(225,013)	184,666
Cash and temporary cash investments at January 1	342,292	245,221
Cash and temporary cash investments at September 30	$ 117,279	$ 429,887
Supplemental disclosure of cash flow information		
Cash paid during the period for:		
Interest	$ 253,697	$ 245,884
Income taxes	169,755	120,572

The accompanying note is an integral part of these financial statements.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995

	1996	1995
	(Thousands of Dollars)	
Operating activities		
Net income	$ 687,062	$ 728,605
Principal non-cash charges (credits) to income		
Depreciation and amortization	490,773	446,760
Federal income tax deferred	37,000	128,950
Common equity component of allowance for funds used during construction	(2,401)	(4,977)
Other non-cash charges (credits)	(26,443)	(1,635)
Changes in assets and liabilities		
Accounts receivable - customers, less allowance for uncollectibles	(56,890)	(16,337)
Regulatory accounts receivable	(44,818)	28,311
Materials and supplies, including fuel and gas in storage	(5,387)	48,899
Prepayments, other receivables and other current assets	1,157	(1,634)
Enlightened Energy program costs	10,561	23,284
Federal income tax refund	(3,427)	(49,510)
Power contract termination costs	30,735	24,490
Accounts payable	49,170	(4,109)
Accrued income taxes	(41,409)	(3,708)
Other - net	(2,996)	(72,879)
Net cash flows from operating activities	1,122,687	1,274,510
Investing activities including construction		
Construction expenditures	(709,412)	(721,535)
Nuclear fuel expenditures	(5,462)	(16,481)
Contributions to nuclear decommissioning trust	(24,499)	(16,485)
Common equity component of allowance for funds used during construction	2,401	4,977
Net cash flows from investing activities including construction	(736,972)	(749,524)
Financing activities including dividends		
Issuance of long-term debt	503,285	328,285
Retirement of long-term debt	(109,205)	(135,743)
Advance refunding of long-term debt	(251,028)	(128,285)
Advance refunding of preferred stock	(316,982)	-
Issuance and refunding costs	(11,016)	(7,623)
Common stock dividends	(486,385)	(476,887)
Preferred stock dividends	(26,992)	(35,583)
Net cash flows from financing activities including dividends	(698,323)	(455,836)
Net increase (decrease) in cash and temporary cash investments	(312,608)	69,150
Cash and temporary cash investments at beginning of period	429,887	360,737
Cash and temporary cash investments at September 30	$ 117,279	$ 429,887
Supplemental disclosure of cash flow information		
Cash paid during the period for:		
Interest	$ 317,766	$ 300,137
Income taxes	393,937	299,741

The accompanying note is an integral part of these financial statements.

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Contingency Note

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Indian Point. Nuclear generating units similar in design to the Company's Indian Point 2 unit have experienced problems of varying severity in their steam generators, which in a number of instances have required steam generator replacement. Inspections of the Indian Point 2 steam generators since 1976 have revealed various problems, some of which appear to have been arrested, but the remaining service life of the steam generators is uncertain and may be shorter than the unit's life. The projected service life of the steam generators is reassessed periodically in light of the inspections made during scheduled outages of the unit. Based on the latest available data, the Company estimates that steam generator replacement will not be required before 1999, and possibly not until some years later. To avoid procurement delays in the event replacement is necessary, the Company purchased replacement steam generators, which are stored at the site. If replacement of the steam generators is required, such replacement is presently estimated (in 1995 dollars) to require additional expenditures of approximately $107 million (exclusive of replacement power costs) and an outage of approximately four months. However, securing necessary permits and approvals or other factors could require a substantially longer outage if steam generator replacement is required on short notice.

Nuclear Insurance. The insurance policies covering the Company's nuclear facilities for property damage, excess property damage, and outage costs permit assessments under certain conditions to cover insurers' losses. As of September 30, 1996 the highest amount which could be assessed for losses during the current policy year under all of the policies was $32.7 million. While assessments may also be made for losses in certain prior years, the Company is not aware of any losses in such years which it believes are likely to result in an assessment.

Under certain circumstances, in the event of nuclear incidents at facilities covered by the federal government's third-party liability indemnification program, the Company could be assessed up to $79.3 million per incident of which not more than $10 million may be assessed in any one year. The per-incident limit is to be adjusted for inflation not later than 1998 and not less than once every five years thereafter.

The Company participates in an insurance program covering liabilities for injuries to certain workers in the nuclear power industry. In the event of such injuries, the Company is subject to assessment up to an estimated maximum of approximately $3.1 million.

Environmental Matters. The normal course of the Company's operations necessarily involves activities and substances that expose the Company to potential liabilities under federal, state and local laws protecting the environment. Such liabilities can be material and in some instances may be imposed without regard to fault, or may be imposed for past acts, even though such past acts may have been lawful at the time they occurred. Sources of such potential liabilities include (but are not limited to) the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund), a 1994 settlement with the New York State Department of Environmental Conservation (DEC), asbestos, and electric and magnetic fields (EMF).

Superfund. By its terms, Superfund imposes joint and several strict liability, regardless of fault, upon generators of hazardous substances for resulting removal and remedial costs and environmental damages. The Company has received process or notice concerning possible claims under Superfund or similar state statutes relating to a number of sites at which it is alleged that hazardous substances generated by the Company (and, in most instances, a large number of other potentially responsible parties) were deposited. Estimates of the investigative, removal, remedial and environmental damage costs (if any) the Company will be obligated to pay with respect to each of these sites range from extremely preliminary to highly refined. Based on these estimates, the Company had accrued a liability at September 30, 1996 of approximately $13.3 million. There will be additional costs with respect to these and possibly other sites, the materiality of which is not presently determinable.

DEC Settlement. In November 1994 the Company agreed to a consent order settling a civil administrative proceeding instituted by the DEC in 1992, alleging environmental violations by the Company. Pursuant to the consent order, the Company has conducted an environmental management systems evaluation and is conducting an environmental compliance audit. The Company also must implement "best management practices" plans for certain facilities and undertake a remediation program at certain sites. At September 30, 1996 the Company had an accrued liability of $17.3 million for these sites. Expenditures for environment-related projects in the five years 1996-2000, including expenditures to comply with the consent order, are currently estimated at $155 million. There will be additional costs, including costs arising out of the compliance audit, the materiality of which is not presently determinable.

Asbestos Claims. Suits have been brought in New York State and federal courts against the Company and many other defendants, wherein several thousand plaintiffs sought large amounts of compensatory and punitive damages for deaths and injuries allegedly caused by exposure to asbestos at various premises of the Company. Many of these suits have been disposed of without any payment by the Company, or for immaterial amounts. The amounts specified in all the remaining suits total billions of dollars but the Company believes that these amounts are greatly exaggerated, as were the claims already disposed of. Based on the information and relevant circumstances known to the Company at this time, it is the opinion of the Company that these suits will not have a material adverse effect on the Company's financial position.

EMF. Electric and magnetic fields are found wherever electricity is used. Several scientific studies have raised concerns that EMF surrounding electric equipment and wires, including power lines, may present health risks. The Company is the defendant in several suits claiming property damage or personal injury allegedly resulting from EMF. In the event that a causal relationship between EMF and adverse health effects is established, or independently of any such causal determination, in the event of adverse developments in related legal or public policy doctrines, there could be a material adverse effect on the electric utility industry, including the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis relates to the interim financial statements appearing in this report and should be read in conjunction with Management's Discussion and Analysis appearing in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995 (File No. 1-1217). Reference is made to the note to the financial statements in Item 1 of this report, which note is incorporated herein by reference.

LIQUIDITY AND CAPITAL RESOURCES

Cash and temporary cash investments were $117.3 million at September 30, 1996 compared with $342.3 million at December 31, 1995 and $429.9 million at September 30, 1995. The Company's cash balances reflect the timing and amounts of external financing and property tax payments.

In January 1996 the Company commenced a tender offer for certain series of its preferred stock. Shareholders tendered approximately $227 million of such preferred stock pursuant to the offer, which expired on February 27, 1996. In addition, the Company called $90 million of its preferred stock for redemption on March 30, 1996. These retirements and related expenses were funded with proceeds from $275 million of 7-3/4 percent subordinated debentures issued on March 6, 1996 and due on March 31, 2031 and cash of $25 million. The present value revenue-equivalent savings of these transactions was approximately $42 million. The net gain on these transactions of $13.9 million (after write-off of capital stock expense on redeemed stock) did not affect earnings per share due to an equivalent amount of provision for depreciation of utility plant recorded in the first quarter of 1996. (The increases in depreciation expense for the nine and 12-month periods ending September 30, 1996 compared with the corresponding 1995 periods reflect this additional depreciation expense.)

On May 1, 1996 the Company issued $100 million of 7-3/4 percent Debentures Series 1996 A, due June 1, 2026, at a price to the public of 98.002 percent and a yield of 7.924 percent. The proceeds were used to redeem, on June 1, 1996, the $95.3 million outstanding balance of the Company's 9-3/8 percent Debentures, Series 1991 A, due June 1, 2026. The other $79.7 million of the original $175 million Series 1991 A Debentures had been retired through a tender offer in 1993.

On July 1, 1996 the Company paid $213.2 million to New York City for property taxes for the first half of the 1996-1997 fiscal year. In order to meet this cash requirement, the Company borrowed $155 million through short-term bank promissory notes. These borrowings were repaid in August 1996.

The Company expects to finance the balance of its capital requirements for the remainder of 1996 and 1997, including $182 million for securities maturing during this period, from internally generated funds and external debt financing of about $150 million.

Customer accounts receivable, less allowance for uncollectible accounts, amounted to $565.7 million at September 30, 1996 compared with $497.2 million at December 31, 1995 and $508.8 million at September 30, 1995. The increase in the customer accounts receivable balance at September 30, 1996 compared with September 30, 1995 reflects primarily increases in sales revenues. In terms of equivalent days of revenue outstanding (ENDRO), these amounts represented 25.9, 27.6 and 25.0 days, respectively.

The regulatory accounts receivable of $33.5 million at September 30, 1996 represent amounts to be recovered from customers. The regulatory accounts receivable negative balance of $6.5 million and $11.3 million at December 31, 1995 and September 30, 1995, respectively, represent amounts to be refunded to customers. These balances include amounts accrued under the electric revenue adjustment mechanism (ERAM), modified ERAM and incentive provisions of the Company's electric and gas rate agreements referred to below.

The changes in regulatory accounts receivable during the first nine months of 1996 were as follows:

(Millions of Dollars)	Balance Dec. 31, 1995*	1996 Accruals*	1996 Recoveries from Customers**	Balance Sept.30, 1996*
ERAM/Modified ERAM	$(37.7)	$ 4.3	$ 18.5	$(14.9)
Electric Incentives				
Enlightened Energy program	19.7	18.2	(9.8)	28.1
Customer service	4.0	3.4	(3.1)	4.3
Fuel and purchased power	1.9	20.0	(15.1)	6.8
Gas Incentives				
System improvement	4.6	6.5	(4.6)	6.5
Customer service	1.0	2.7	(1.0)	2.7
Total	$ (6.5)	$ 55.1	$ (15.1)	$ 33.5

* Negative amounts are refundable; positive amounts are recoverable.
**Negative amounts have been recovered; positive amounts have been refunded.

Enlightened Energy program costs are generally recoverable over a five-year period. Program costs have declined, and are expected to continue to decline in future periods, resulting in lower deferred balances as recoveries exceed new expenditures.

Interest coverage under the SEC formula for the 12 months ended September 30, 1996 was 4.09 times, compared with 4.20 times for the year 1995 and 4.32 times for the 12 months ended September 30, 1995. The decline in interest coverage reflects a lower level of pre-tax earnings.

1995 Electric Rate Agreement

In April 1995 the New York Public Service Commission (PSC) approved a three-year electric rate agreement effective April 1, 1995. The agreement provided for no increase in base electric revenues in the first rate year and possible, but limited, increases in years two and three. For details of the agreement, see the Management's Discussion and Analysis appearing in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995 under the heading "Liquidity and Capital Resources - 1995 Electric Rate Agreement."

The agreement provides that a portion of any earnings above specified levels (excluding incentive earnings) be shared with customers or applied to reduce rate base balances. For the first rate year of the electric rate agreement, the 12 months ended March 31, 1996, the Company's actual rate of return on electric common equity, excluding incentives, exceeded the sharing threshold of 11.6 percent, principally due to increased labor productivity. A provision for excess earnings of $10.2 million has been set aside for the future benefit of customers.

In March 1996 the PSC approved a $19 million reduction to base electric rates for the second year of the rate agreement, effective April 1, 1996. The decrease reflects a lower allowed rate of return on electric common equity (10.31 percent excluding incentives) and a refund to customers under the modified ERAM mechanism, offset in part by increases in pension and retiree health benefit expenses and IPP capacity costs.

For the second rate year of the electric rate agreement, the 12 months ended March 31, 1997, the Company estimates that the actual rate of return on electric common equity, excluding incentives, will exceed the sharing threshold of 10.81 percent, principally due to labor productivity. Therefore, in the third quarter of 1996, a provision for excess earnings of $4 million was set aside for the future benefit of customers.

In October 1996, the Company filed for an increase to its electric rates to become effective April 1, 1997 for the third rate year of the electric rate agreement. Under the terms of the agreement, the estimated increased revenue requirement, which could vary based on data available by early 1997, is $87 million (an increase of approximately 1.6%). The Company is reviewing measures to mitigate this increase.

Gas and Steam Rate Agreements

In October 1994 the PSC approved three-year rate agreements for the Company's gas and steam services. For details of the agreements, see Management's Discussion and Analysis appearing in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995 under the heading "Liquidity and Capital Resources - Gas and Steam Rate Agreements."

For the second rate year, the 12 months ended September 30, 1996, the Company's rates of return on common equity for gas and steam were above the 11.65 percent threshold for earnings sharing with customers. However, no provisions have been made for refund to customers because the excess earnings for the second rate year in each case were offset by earnings below the threshold for the first rate year.

In September 1996 the PSC approved a $12.1 million (3.44 percent) increase to base steam rates for the third rate year under the steam agreement. Pursuant to the agreement, the balance of the calculated increase under the agreement, $10.8 million, is being deferred for future recovery from customers.

In October 1996 the Company entered into a gas rate settlement agreement with the PSC staff. The new agreement is subject to PSC approval. Pursuant to the new agreement, the Company will withdraw its request for an increase to base gas rates for the third rate year under the 1994 gas agreement. The new agreement contains the following major provisions: base rates will, with limited exceptions, remain at September 30, 1996 levels through September 30, 2000; the Company will share in net revenue from interruptible gas sales (previously used only to reduce firm customer gas costs) by retaining in each rate year the first $7 million of net revenue above 8.5 million dekatherms and 50 percent of additional net revenues; 86 percent of any increase in property taxes above levels implicit in rates will be recovered by offsetting amounts, if any, that would otherwise be returned to customers; the incentive (or penalty) mechanisms under the 1994 gas agreement will be discontinued effective October 1997, after which the Company will be subject

to a penalty (maximum, $1.7 million) if it fails to maintain targeted levels of customer satisfaction; and the Company will share with customers 50 percent of earnings above a 13 percent rate of return on gas common equity.

Credit Ratings

The Company's unsecured debentures and tax-exempt debt are rated A1 by Moody's Investors Service, Inc. (Moody's) and A+ by Standard & Poor's Rating Group (S&P). Duff & Phelps Inc., whose rating service the Company discontinued in the second quarter of 1996, also had rated this debt at A+. The Company's subordinated debentures are rated A2 by Moody's and A by S&P. The Company's senior debt (first mortgage bonds) is rated Aa3 and A+ by Moody's and S&P, respectively. The Company has not issued first mortgage bonds since 1974. As of September 30, 1996, one $75 million issue of first mortgage bonds, which will mature in December 1996, remains outstanding.

Competition - New York State Initiative

On October 1, 1996, the Company proposed its plan (the "Company's Plan") in response to the PSC's May 20, 1996 order in its "Competitive Opportunities" proceeding (the "Order"). The Order endorsed a fundamental restructuring of the electric utility industry in New York State, based on competition in the generation and energy services sectors of the industry. The Company's Plan proposes a transition to a competitive electricity market (with increased wholesale competition in 1997, a retail pilot program beginning in 1998, and retail access for the Company's customers by 2003, if feasible), a five-year "rate freeze" to take effect April 1997 (beginning with the last year of the Company's current electric rate agreement), full recovery from customers of all prior utility investments and commitments, including potential "strandable costs," a corporate reorganization into a holding company structure, and tax and regulatory reform. For additional information about the Order, the legal proceeding challenging the Order instituted by the Company and others, and the Company's Plan, see the Company's Current Report on Form 8-K, dated October 1, 1996, and Management's Discussion and Analysis appearing in Part I, Item 2 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1996 under the heading "Liquidity and Capital Resources - Competition - New York State Initiative."

By order issued October 9, 1996 in the Competitive Opportunities proceeding, the PSC established a 90-day period ending on January 7, 1997 for settlement negotiations. The PSC also provided, in the absence of a settlement, for the closing of the record for the proceeding, including any evidentiary hearings "determined to be needed," on or before March 8, 1997. The Company, without prejudice to its rights to challenge the Order or the PSC's October 9, 1996 Order, is engaged in collaborative efforts to reach a negotiated settlement with the PSC staff and other interested parties with respect to the Company's Plan.

The Company's Plan could change materially before it becomes effective. It is not possible to predict the outcome of the Competitive Opportunities proceeding or its impact on the Company. However, the outcome could potentially have a material adverse effect on the Company, its financial condition and results of operations.

Competition - Federal Initiative

On April 24, 1996 the Federal Energy Regulatory Commission (FERC) issued its final order (FERC Order 888) requiring electric utilities to file non-discriminatory open access transmission tariffs that would be available to wholesale sellers and buyers of electric energy and allowing utilities to recover related legitimate and verifiable stranded costs subject to FERC's jurisdiction. The Company has petitioned the FERC to make certain modifications to Order 888. The Company's open access tariff took effect July 9, 1996, subject to refund pending the outcome of a hearing on the tariff set by FERC for August 1997. The Company participates in the wholesale electric market primarily as a buyer, and in this regard could benefit if Order 888 results in lower wholesale prices for its purchases of electricity for its retail customers. (The preceding sentence is a forward-looking statement; it is a statement of expectation as to future economic performance and is not a statement of fact. Actual results might differ materially from those projected in this statement. Important factors that could cause actual results to differ from those projected include adverse interpretations of Order 888 by the FERC or the courts; additional rule-making or legislation that could modify the impact of Order 888; and presently unforeseen interaction between Order 888 and the PSC's Competitive Opportunities proceeding, including future developments in such proceeding.)

1996 Stock Option Plan

In May 1996 the Company's shareholders adopted the Consolidated Edison Company of New York, Inc. 1996 Stock Option Plan covering 10,000,000 shares of the Company's common stock. Also in May, ten-year options covering 704,200 shares were granted under the Plan (at an exercise price of $27-7/8 per share). As permitted by Statement of Financial Accounting Standards No. 123 (SFAS 123), "Accounting for Stock-Based Compensation," the Company will account for the Stock Option Plan in accordance with Accounting Principles Board Opinion No. 25 (APB 25), "Accounting for Stock Issued to Employees," with year-end footnote disclosure of the impact on net income and earnings per share as if the Company had adopted the SFAS 123 fair value method for recognition purposes. Because the exercise price of the stock options under the Plan equals the market price of the underlying stock on the date of grant, under APB 25 no compensation expense is recognized.

Environmental Claims and Other Contingencies

Reference is made to the note to the financial statements included in this report for information concerning potential liabilities of the Company arising from the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund), from claims relating to alleged exposure to asbestos, and from certain other contingencies to which the Company is subject.

Collective Bargaining Agreement

In June 1996, the Company concluded a new collective bargaining agreement with the union representing approximately two-thirds of the Company's employees. The four-year agreement provides for general wage increases of 2.5 percent in each of the first two years and 3.0 percent in each of years three and four, with a potential 0.5 percent merit increase in each year.

RESULTS OF OPERATIONS

Net income for common stock for the third quarter, the nine months and the 12 months ended September 30, 1996 was lower than in the corresponding 1995 periods by $1.0 million, $11.4 million ($.05 a share) and $16.2 million ($.07 a share), respectively. These results reflect the three-year electric rate agreement effective April 1, 1995, which provides for a generally lower level of incentive earnings opportunities and lower allowed returns on common equity.

In reviewing period-to-period comparisons, it should be noted that not all changes in sales volume affected operating revenues. Under the ERAM and the modified ERAM, discussed below, except for the variation attributed to a change in number of customers under the modified ERAM, most increases (or decreases) in electric sales revenues compared with revenues forecast pursuant to the electric rate agreement are deferred for subsequent credit (or billing) to customers. Under the weather normalization clause in the Company's gas tariff, most weather-related variations in gas sales do not affect gas revenues.

	Increases (Decreases)					
	Three Months Ended September 30, 1996 Compared With Three Months Ended September 30, 1995		Nine Months Ended September 30, 1996 Compared With Nine Months Ended September 30, 1995		Twelve Months Ended September 30, 1996 Compared with Twelve Months Ended September 30, 1995	
	Amount	Percent	Amount	Percent	Amount	Percent
	(Amounts in Millions)					
Operating revenues	$ 40.5	2.2 %	$ 318.9	6.4 %	$ 386.1	6.0 %
Fuel - electric and steam	(13.1)	(8.2)	64.2	16.6	68.3	13.7
Purchased power - electric	44.2	15.2	112.3	13.2	168.6	16.0
Gas purchased for resale	13.6	54.2	127.5	67.6	140.7	57.0
Operating revenues less fuel, purchased power and gas purchased for resale (Net revenues)	(4.2)	(0.3)	14.9	0.4	8.5	0.2
Other operations and maintenance	-	-	(25.5)	(2.1)	(29.9)	(1.8)
Depreciation and amortization	5.6	4.9	35.0	10.3	44.0	9.9
Taxes, other than federal income tax	(5.9)	(1.9)	49.5	5.9	62.8	5.7
Federal income tax	(0.5)	(0.3)	(9.6)	(2.8)	(31.9)	(7.6)
Operating income	(3.4)	(0.8)	(34.5)	(4.1)	(36.5)	(3.5)
Other income less deductions and related federal income tax	(2.1)	(56.3)	(4.2)	(58.0)	(1.5)	(17.1)
Interest charges	(0.2)	(0.3)	(1.9)	(0.8)	3.5	1.1
Net income	(5.3)	(1.6)	(36.8)	(6.0)	(41.5)	(5.7)
Preferred stock dividend requirements	(4.3)	(48.2)	(11.5)	(42.8)	(11.4)	(32.1)
Gain on refunding of preferred stock	-	-	13.9	-	13.9	-
Net income for common stock	$ (1.0)	(0.3)%	$ (11.4)	(2.0)%	$ (16.2)	(2.3)%

Third Quarter 1996 Compared with
Third Quarter 1995

Net revenues (operating revenues less fuel, purchased power and gas purchased for resale) decreased $4.2 million in the third quarter of 1996 compared with the 1995 period. Electric and steam net revenues decreased $16.2 million and $1.8 million, respectively. Gas net revenues increased $13.8 million.

Total electric revenues in the 1996 period were higher than in the corresponding 1995 period, largely reflecting recovery of higher purchased power costs, partially offset by the rate reduction, discussed above, for the second year of the current electric rate agreement. The 1995 electric rate agreement added to the ERAM a revenue per customer (RPC) mechanism (modified ERAM) which excludes from adjustment those variances in the Company's electric revenues which result from changes in the number of customers in each electric service classification. Electric net revenues for the third quarter of 1996 have been increased by an accrual of $10.9 million under the modified ERAM, net of $22.4 million earned under the RPC mechanism, reflecting lower net revenues than the forecast level. This compares with a net revenue decrease in the 1995 period for credit due customers of $59.1 million, net of $5.9 million earned under the RPC mechanism, reflecting higher net revenues than the forecast level in that period.

Electric net revenues for the third quarter of 1996 include $16.7 million, compared with $12.6 million for the 1995 period, for incentives earned under the provisions of the electric rate agreements.

The accounting provisions of the 1992 and 1995 electric rate agreements for Indian Point Unit 2 refueling and maintenance outages decreased electric net revenues for the third quarter of 1996 compared with the 1995 period by $7.0 million; related expenses decreased in like amount.

Electric sales, excluding off-system sales, in the third quarter of 1996 compared with the 1995 period were:

	Millions of Kwhrs.			
Description	3rd Quarter 1996	3rd Quarter 1995	Variation	Percent Variation
Residential/Religious	3,212	3,511	(299)	(8.5)%
Commercial/Industrial	7,249	7,352	(103)	(1.4)%
Other	173	182	(9)	(4.9)%
Total Con Edison Customers	10,634	11,045	(411)	(3.7)%
NYPA, Municipal Agency and Other Delivery Service	2,440	2,485	(45)	(1.8)%
Total Service Area	13,074	13,530	(456)	(3.4)%

Gas and steam revenues in the 1996 period reflect rate increases effective October 1995. Gas net revenues for the third quarter of 1996 and 1995 include $9.2 million and $2.7 million, respectively, for incentives earned under the 1994 gas rate agreement relating to system improvement targets for gas leaks and to customer service performance.

For the third quarter of 1996 firm gas sales volume decreased 0.3 percent and steam sales volume decreased 6.6 percent compared with the 1995 period.

The decreases in electric and steam sales volumes for the period are due primarily to milder than normal 1996 summer weather compared to warmer than normal 1995 summer weather. After adjustment for comparability in both periods, primarily for variations in weather, electric sales volume in the Company's service territory increased 0.7 percent in the third quarter of 1996, firm gas sales volume decreased 0.4 percent and steam sales volume decreased 1.4 percent.

Electric fuel costs decreased $22.9 million in the 1996 period due to lower sendout. Purchased power costs increased in the third quarter of 1996 by $44.2 million over the 1995 period due to the relatively high cost that the Company is required to pay under its IPP contracts, the increased cost of short-term power purchases, and increased unit purchases. Steam fuel costs increased $9.8 million due to the higher unit cost of fuel. Gas purchased for resale increased $13.6 million, reflecting the higher unit cost of purchased gas.

Other operations and maintenance expenses were unchanged for the third quarter of 1996 compared with the 1995 period. Higher pension and other postretirement benefit expenses (due to changes in actuarial assumptions) were offset by lower production and distribution expenses.

Depreciation and amortization increased $5.6 million in the third quarter of 1996 due to higher plant balances.

Taxes, other than federal income tax, decreased $5.9 million in the third quarter of 1996 compared with the 1995 period due principally to decreased revenue taxes (reflecting a lower New York State Corporate Tax Surcharge rate).

Nine Months Ended September 30, 1996 Compared
with the Nine Months Ended September 30, 1995

Net revenues (operating revenues less fuel, purchased power and gas purchased for resale) increased $14.9 million in the first nine months of 1996 compared with the first nine months of 1995. Electric net revenues decreased $45.0 million and gas and steam net revenues increased $39.2 million and $20.7 million, respectively.

Total electric revenues in the 1996 period were higher than in the corresponding 1995 period, largely reflecting recovery of higher fuel and purchased power costs, partially offset by the rate reduction, discussed above, for the second rate year of the current electric rate agreement. Electric net revenues for the first nine months of 1996 have been increased by an accrual of $4.3 million, net of $42.7 million earned under the RPC mechanism, reflecting lower net revenues than the forecast level. This compares with a net revenue decrease in the 1995 period for credit due customers of $37.6 million, net of $6.0 million earned under the RPC mechanism, reflecting higher net revenues than the forecast level in that period.

Electric net revenues for the first nine months of 1996 also include $41.6 million, compared with $47.4 million for the 1995 period, for incentives earned under the provisions of the rate agreements.

The accounting provisions of the 1992 and 1995 electric rate agreements for Indian Point Unit 2 refueling and maintenance outages decreased electric net revenues for the nine months ended September 30, 1996 compared with the 1995 period by $33.8 million; related expenses decreased in like amount.

Electric sales, excluding off-system sales, in the first nine months of 1996 compared with the 1995 period were:

	Millions of Kwhrs.			
Description	Nine Months Ended Sept.30, 1996	Nine Months Ended Sept.30, 1995	Variation	Percent Variation
Residential/Religious	8,300	8,340	(40)	(0.5)%
Commercial/Industrial	19,501	19,272	229	1.2 %
Other	468	469	(1)	(0.2)%
Total Con Edison Customers	28,269	28,081	188	0.7 %
NYPA, Municipal Agency and Other Delivery Service	7,117	6,992	125	1.8 %
Total Service Area	35,386	35,073	313	0.9 %

Gas and steam revenues in the first nine months of 1996 were increased by rate increases effective October 1995 and by recovery of higher costs for gas purchased for resale and for steam fuel. Gas net revenues for the 1996 and 1995 periods include $9.2 million and $7.4 million, respectively, for incentives earned under the 1994 gas rate agreement, related to achievement of gas system improvement targets for gas leaks and to customer service performance.

For the first nine months of 1996 firm gas sales volume increased 12.1 percent and steam sales volume increased 6.3 percent over the 1995 period, due primarily to colder than normal 1996 winter weather as compared to warmer than normal 1995 winter weather. Under the weather normalization clause in the Company's gas tariff, most weather-related variations in gas sales do not affect gas revenues.

After adjustment for comparability in both periods, primarily for variations in weather, electric sales volume in the Company's service territory in the first nine months of 1996 increased 1.1 percent. Similarly adjusted, firm gas sales volume increased 2.8 percent and steam sales volume increased 0.2 percent.

Electric fuel and purchased power costs increased in the first nine months of 1996 by $14.4 and $112.3 million, respectively, reflecting the higher unit cost of fuel and the higher costs of the Company's IPP power purchase contracts, offset by lower sendout. The increases in fuel and purchased power costs were mitigated by increased generation from the Company's Indian Point Unit 2 nuclear generating station, which was operating during the 1996 period but was out of service for refueling and maintenance for a large part of the 1995 period. Steam fuel costs increased $49.8 million due to increased sendout and higher unit cost of fuel. Gas purchased for resale increased $127.5 million reflecting higher sendout and higher unit cost.

Other operations and maintenance expenses decreased $25.5 million in the first nine months of 1996 compared with the 1995 period due to decreases in the amortization of previously deferred Enlightened Energy program costs, reflecting lower program cost deferrals, and decreases in production expenses (principally due to the Indian Point Unit 2 refueling and maintenance outage in the 1995 period - there was no such outage in the 1996 period), offset in part by higher pension and other postretirement benefit expenses (due to changes in actuarial assumptions).

Depreciation and amortization increased $35.0 million in the first nine months of 1996 due principally to higher plant balances and an additional provision for depreciation expense of $13.9 million corresponding to the amount of the gain on the refunding of preferred stock discussed above.

Taxes, other than federal income tax, increased $49.5 million in the first nine months of 1996 compared with the 1995 period due primarily to increased property taxes ($38.3 million) and revenue taxes ($11.2 million).

Federal income tax decreased $9.6 million in the first nine months of 1996 compared with the 1995 period, principally due to lower pre-tax income.

Interest on long-term debt for the nine month period increased $5.7 million, principally as a result of the issuance of subordinated debentures to refund preferred stock, as discussed above.

Twelve Months Ended September 30, 1996 Compared with
Twelve Months Ended September 30, 1995

Net revenues (operating revenues less fuel, purchased power and gas purchased for resale) increased $8.5 million in the 12 months ended September 30, 1996 compared with the 1995 period. Electric net revenues decreased $66.1 million and gas and steam net revenues increased $43.4 million and $31.2 million, respectively.

Total electric revenues in the 1996 period were higher than in the corresponding 1995 period, largely reflecting recovery of higher purchased power costs, partially offset by the rate reduction, discussed above, for the second year of the current electric rate agreement. Electric net revenues for the 12 months ended September 30, 1996 were increased by an accrual of $6.6 million, net of $50.0 million earned under the RPC mechanism, reflecting lower net revenues than the forecast level, compared with a decrease in the 1995 period for credit due customers of $30.1 million, net of $6.0 million earned under the RPC mechanism, reflecting higher net revenues than the forecast level in that period.

Electric net revenues for the 12 months ended September 30, 1996 include $51.8 million, compared with $72.3 million for the 1995 period, for incentives earned under the 1995 and 1992 electric rate agreements, respectively.

The accounting provisions of the 1992 and 1995 electric rate agreements for Indian Point Unit 2 refueling and maintenance outages decreased electric net revenues for the 12 months ended September 30, 1996 compared with the 1995 period by $27.9 million; related expenses decreased in like amount.

Electric sales, excluding off-system sales, for the 12 months ended September 30, 1996 compared with the 12 months ended September 30, 1995 were:

Description	Millions of Kwhrs. Twelve Months Ended Sept.30, 1996	Twelve Months Ended Sept.30, 1995	Variation	Percent Variation
Residential/Religious	10,809	10,729	80	0.7%
Commercial/Industrial	25,721	25,359	362	1.4%
Other	616	616	-	- %
Total Con Edison Customers	37,146	36,704	442	1.2%
NYPA, Municipal Agency and Other Delivery Service	9,438	9,284	154	1.7%
Total Service Area	46,584	45,988	596	1.3%

Gas and steam revenues in the 1996 period reflect rate increases in October 1995 and higher fuel-related revenues due to increased sales volumes and higher gas and steam unit costs of fuel. Gas net revenues for the 1996 and 1995 periods include $9.2 million and $7.4 million, respectively, for incentives earned under the 1994 gas rate agreement, related to achievement of gas system improvement targets for gas leaks and to customer service performance.

For the 12 months ended September 30, 1996, firm gas sales volume increased 12.9 percent and steam sales volume increased 10.2 percent, due primarily to colder than normal 1996 winter weather as compared to warmer than normal 1995 winter weather. Under the weather normalization clause in the Company's gas tariff, most weather-related variations in gas sales do not affect gas revenues.

After adjustment for comparability in both periods, primarily for variations in weather, electric sales volume in the Company's service territory in the 12 months ended September 30, 1996 increased 1.3 percent. Similarly adjusted, firm gas sales volume increased 2.4 percent and steam sales volume decreased 0.1 percent.

Electric fuel costs increased $7.6 million in the 1996 period due to the higher unit cost of fuel. Purchased power costs increased in the 1996 period by $168.6 million over the 1995 period reflecting the relatively high cost that the Company is required to pay under its IPP contracts. Steam fuel costs increased $60.7 million due to higher sendout and higher unit cost of fuel. Gas purchased for resale increased $140.7 million, reflecting higher sendout and higher unit cost of fuel.

Other operations and maintenance expenses decreased $29.9 million in the 12 months ended September 30, 1996 compared with the 1995 period due to decreases in the amortization of previously deferred Enlightened Energy program costs, reflecting lower program cost deferrals, and in electric production expenses (principally due to the Indian Point Unit 2 refueling and maintenance outage in the 1995 period - there was no such outage in the 1996 period), offset in part by higher pension and other postretirement benefit expenses (due to changes in actuarial assumptions).

Depreciation and amortization increased $44.0 million in the 1996 period due principally to higher plant balances and an additional provision for depreciation expense of $13.9 million corresponding to the amount of the gain on the refunding of preferred stock.

Taxes, other than federal income tax, increased $62.8 million in the 12 months ended September 30, 1996 compared with the 1995 period due primarily to increased property taxes ($47.7 million) and revenue taxes ($14.7 million).

Federal income tax decreased $31.9 million for the 12 months ended September 30, 1996 compared with the 1995 period due principally to lower pre-tax income.

Interest on long-term debt for the 12-month period increased $9.8 million principally as a result of the issuance of subordinated debentures to refund preferred stock.

PART II. - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

SUPERFUND - PCB Treatment, Inc. Sites

Reference is made to the information under the caption "SUPERFUND - PCB Treatment Sites" in Part I, Item 3, Legal Proceedings in the Company's Annual Report on Form 10-K for the year ended December 31, 1995.

The United States Environmental Protection Agency ("EPA") has issued a preliminary waste-in list indicating that approximately 16.9 million pounds of PCB-contaminated oil, equipment and materials were shipped to the sites. The Company has informed the EPA that it shipped approximately 2.8 million pounds of waste to the sites. The EPA has identified over 700 parties that shipped waste to the sites, including federal agencies which, based on responses to the EPA's information request, appear to be responsible for approximately 7 million pounds of the waste. Several site PRPs, including the Company, have entered into an EPA consent order for additional site studies.

SUPERFUND - Astoria Site

Reference is made to the information under the caption "SUPERFUND - Astoria Site" in Part I, Item 3, Legal Proceedings, in the Company's Annual Report on Form 10-K for the year ended December 31, 1995 and to the information under the caption "ASTORIA SITE" in Part II, Item 1, Legal Proceedings, in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1996.

SUPERFUND - Port Refinery Site

The EPA has notified the Company by letter, dated October 21, 1996, that it is a PRP for the Port Refinery Superfund Site in Rye Brook, NY. According to the EPA, Port Refinery Company used the site for the reprocessing and repackaging of mercury and caused extensive contamination which the EPA has cleaned up at a cost of approximately $4.5 million. In its letter, the EPA demands reimbursement of its costs from the Company and the 58 other site PRPs that the EPA has identified. Based on the documents provided by the EPA, it appears that the Company shipped 660 pounds of mercury to Port Refinery. The Company is currently investigating its dealings with Port Refinery in response to an EPA informational request for the site.

NUCLEAR FUEL DISPOSAL

Reference is made to the information under the caption "NUCLEAR FUEL DISPOSAL" in Part I, Item 3, Legal Proceedings and Part I, Item 7, Management's Discussion and Analysis in the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and in Part II, Item 1, Legal Proceedings, in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1996.

RATE PROCEEDINGS

Reference is made to (i) the information under the captions "REGULATION AND RATES" in Part I, Item 1, Business, "RATE PROCEEDINGS" in Part I, Item 3, Legal Proceedings and "LIQUIDITY AND CAPITAL RESOURCES - 1992 Electric Rate Agreement, 1995 Electric Rate Agreement, Gas and Steam Rate Agreements, and Competition" in Part I, Item 7, Management's Discussion and Analysis in the Company's Annual Report on Form 10-K for the year ended December 31, 1995; (ii) the information under the captions "LIQUIDITY AND CAPITAL RESOURCES - 1995 Electric Rate Agreement, Gas and Steam Rate Agreements, and Competition - New York State Initiative" in Part I, Item 2, Management's Discussion and Analysis in this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1996; and (iii) the Company's Current Report on Form 8-K, dated October 1, 1996.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

Exhibit 4.1	Form of the Company's 7 3/4% Quarterly Income Capital Securities (Series A Subordinated Deferrable Interest Debentures). (Incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8-K, dated February 29, 1996, in Commission File No. 1-1217.)
Exhibit 4.2	Form of the Company's 7 3/4% Debentures, Series 1996 A. (Incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8-K, dated April 24, 1996, in Commission File No. 1-1217.)
Exhibit 10	Consolidated Edison Company of New York, Inc. 1996 Stock Option Plan. (Incorporated by reference to Exhibit 10.47 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, in Commission File No. 1-1217.)

Exhibit 12 Statement of computation of ratio of earnings to fixed charges for the twelve-month periods ended September 30, 1996 and 1995.

Exhibit 27 Financial Data Schedule. (To the extent provided in Rule 402 of Regulation S-T, this exhibit shall not be deemed "filed", or otherwise subject to liabilities, or be deemed part of a registration statement.)

(b) REPORTS ON FORM 8-K

The Company filed a Current Report on Form 8-K, dated October 1, 1996, reporting (under Item 5) the provision to the New York State Public Service Commission of the Company's response to the Commission's May 20, 1996 order in its "Competitive Opportunities" proceeding, and the legal proceeding instituted by the Company and others challenging the order. The Company filed no other Current Reports on Form 8-K during the quarter ended September 30, 1996.

SIGNATURES

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

CONSOLIDATED EDISON COMPANY
OF NEW YORK, INC.

DATE: November 12, 1996

Joan S. Freilich
Joan S. Freilich
Senior Vice President,
Chief Financial Officer and
Duly Authorized Officer

DATE: November 12, 1996

John F. Cioffi
John F. Cioffi
Vice President, Controller,
Acting Treasurer and
Chief Accounting Officer

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION	SEQUENTIAL PAGE NUMBER AT WHICH EXHIBIT BEGINS
4.1	Form of the Company's 7 3/4% Quarterly Income Capital Securities (Series A Subordinated Deferrable Interest Debentures). (Incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8-K, dated February 29, 1996, in Commission File No. 1-1217.)	
4.2	Form of the Company's 7 3/4% Debentures, Series 1996 A. (Incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8-K, dated April 24, 1996, in Commission File No. 1-1217.)	
10	Consolidated Edison Company of New York, Inc. 1996 Stock Option Plan. (Incorporated by reference to Exhibit 10.47 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, in Commission File No. 1-1217.)	
12	Statement of computation of ratio of earnings to fixed charges for the twelve-month periods ended September 30, 1996 and 1995.	
27	Financial Data Schedule. (To the extent provided in Rule 402 of Regulation S-T, this exhibit shall not be deemed "filed", or otherwise subject to liabilities, or be deemed part of a registration statement.)	

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
RATIO OF EARNINGS TO FIXED CHARGES
TWELVE MONTHS ENDED

(Thousands of Dollars)

	SEPTEMBER 1996	SEPTEMBER 1995
Earnings		
Net Income	$ 687,062**	$ 728,605
Federal Income Tax	350,300	289,250
Federal Income Tax Deferred	46,170	138,350
Investment Tax Credits Deferred	(9,170)	(9,400)
Total Earnings Before Federal Income Tax	1,074,362	1,146,805
Fixed Charges*	347,934	345,063
Total Earnings Before Federal Income Tax and Fixed Charges	$1,422,296	$1,491,868

*Fixed Charges

Interest on Long-Term Debt	$ 293,261	$ 286,192
Amortization of Debt Discount, Premium and Expenses	14,390	11,610
Interest Component of Rentals	19,589	18,948
Other Interest	20,694	28,313
Total Fixed Charges	$ 347,934	$ 345,063
Ratio of Earnings to Fixed Charges	4.09	4.32

** Reflects increased depreciation expense resulting from preferred stock refunding. See "Liquidity and Capital Resources" in Management's Discussion and Analysis appearing in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1996.

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THE SCHEDULE CONTAINS
SUMMARY FINANCIAL
INFORMATION EXTRACTED
FROM CONSOLIDATED
BALANCE SHEET, INCOME
STATEMENT AND STATEMENT OF
CASH FLOWS AND IS QUALIFIED
IN ITS ENTIRETY BY REFERENCE
TO SUCH FINANCIAL STATEMENTS
AND THE NOTES THERETO

1,000

DEC-31-1996

SEP-30-1996

9-MOS

PER-BOOK

10,938,313

170,025

1,262,359

646,456

1,003,774

14,020,927

587,454

856,018

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0

0

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4,513,083

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3,064

817,422

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573,938

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366,560

307,651

812,425

2.44

2.44