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, 1997

OR

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

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 September 30, 1997, the Registrant had outstanding 235,033,168 shares of Common Stock ($2.50 par value).

PART I. - FINANCIAL INFORMATION

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, 1996 (File No. 1-1217).

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 1997, DECEMBER 31, 1996 AND SEPTEMBER 30, 1996

	As At		
	Sept. 30, 1997	Dec. 31, 1996	Sept.30, 1996
	(Thousands of Dollars)		
ASSETS			
Utility plant, at original cost			
Electric	$11,791,029	$11,588,344	$11,541,568
Gas	1,713,438	1,642,231	1,609,520
Steam	566,576	536,672	530,761
General	1,194,314	1,152,001	1,138,055
Total	15,265,357	14,919,248	14,819,904
Less: Accumulated depreciation	4,493,341	4,285,732	4,286,812
Net	10,772,016	10,633,516	10,533,092
Construction work in progress	278,244	332,333	342,496
Nuclear fuel assemblies and components, less accumulated amortization	99,498	101,461	62,725
Net utility plant	11,149,758	11,067,310	10,938,313
Current assets			
Cash and temporary cash investments	269,866	106,882	117,279
Accounts receivable - customers, less allowance for uncollectible accounts of $21,674, $21,600 and $21,500	543,821	544,004	565,713
Other receivables	62,921	42,056	38,713
Regulatory accounts receivable	10,013	45,397	33,501
Fuel, at average cost	41,894	64,709	42,193
Gas in storage, at average cost	49,099	44,979	42,874
Materials and supplies, at average cost	198,667	204,801	213,687
Prepayments	201,729	64,492	193,484
Other current assets	16,021	15,167	14,915
Total current assets	1,394,031	1,132,487	1,262,359
Investments and nonutility property	230,789	177,224	170,025
Deferred charges			
Enlightened Energy program costs	112,164	133,718	127,307
Unamortized debt expense	123,273	130,786	133,348
Recoverable fuel costs	57,399	101,462	31,228
Power contract termination costs	54,330	58,560	70,272
Other deferred charges	268,779	271,356	284,301
Total deferred charges	615,945	695,882	646,456
Regulatory asset-future federal Income taxes	930,681	984,282	1,003,774
Total	$14,321,204	$14,057,185	$14,020,927

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 1997, DECEMBER 31, 1996 AND SEPTEMBER 30, 1996

	As At Sept 30, 1997	Dec. 31, 1996	Sept 30, 1996
	(Thousands of Dollars)		
CAPITALIZATION AND LIABILITIES			
Capitalization			
Common stock, authorized 340,000,000 shares; outstanding 235,033,168 shares, 234,993,596 shares and 234,981,753 shares	$ 1,478,840	$ 1,478,536	$ 1,478,444
Capital stock expense	(36,249)	(34,903)	(34,972)
Retained earnings	4,469,185	4,283,935	4,290,590
Total common shareholders' equity	5,911,776	5,727,568	5,734,062
Preferred stock			
Subject to mandatory redemption			
7.20% Series I	47,500	47,500	47,500
6-1/8% Series J	37,050	37,050	37,050
Total subject to mandatory redemption	84,550	84,550	84,550
Other preferred stock			
$ 5 Cumulative Preferred	175,000	175,000	175,000
5-3/4% Series A	7,061	7,061	7,061
5-1/4% Series B	13,844	13,844	13,844
4.65% Series C	15,330	15,330	15,330
4.65% Series D	22,233	22,233	22,233
6% Convertible Series B	4,326	4,630	4,721
Total other preferred stock	237,794	238,098	238,189
Total preferred stock	322,344	322,648	322,739
Long-term debt	4,288,837	4,238,622	4,090,810
Total capitalization	10,522,957	10,288,838	10,147,611
Noncurrent liabilities			
Obligations under capital leases	40,575	42,661	43,332
Other noncurrent liabilities	83,949	80,499	82,797
Total noncurrent liabilities	124,524	123,160	126,129
Current liabilities			
Long-term debt due within one year	102,630	106,256	179,715
Accounts payable	416,872	431,115	353,918
Customer deposits	161,548	159,616	158,492
Accrued taxes	145,440	27,342	122,882
Accrued interest	67,336	83,090	70,560
Accrued wages	80,345	80,225	78,117
Other current liabilities	132,976	147,968	142,049
Total current liabilities	1,107,147	1,035,612	1,105,733
Provisions related to future federal income taxes and other deferred credits			
Accumulated deferred federal income tax	2,299,834	2,289,092	2,316,138
Accumulated deferred investment tax credits	165,850	172,510	174,580
Other deferred credits	100,892	147,973	150,736
Total deferred credits	2,566,576	2,609,575	2,641,454
Total	$14,321,204	$14,057,185	$14,020,927

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996

	1997	1996
	(Thousands of Dollars)	
Operating revenues		
Electric	$1,786,147	$ 1,708,146
Gas	157,623	141,121
Steam	67,258	71,074
Total operating revenues	2,011,028	1,920,341
Operating expenses		
Purchased power	337,033	334,557
Fuel	188,708	145,942
Gas purchased for resale	46,725	38,595
Other operations	267,704	284,755
Maintenance	106,229	100,530
Depreciation and amortization	126,389	121,273
Taxes, other than federal income tax	312,709	302,990
Federal income tax	187,650	182,280
Total operating expenses	1,573,147	1,510,922
Operating income	437,881	409,419
Other income (deductions)		
Investment income	2,552	1,170
Allowance for equity funds used during construction	756	883
Other income less miscellaneous deductions	(5,173)	(2,435)
Federal income tax	2,250	2,070
Total other income	385	1,688
Income before interest charges	438,266	411,107
Interest on long-term debt	80,330	77,956
Other interest	3,262	5,578
Allowance for borrowed funds used during construction	(371)	(415)
Net interest charges	83,221	83,119
Net income	355,045	327,988
Preferred stock dividend requirements	(4,601)	(4,606)
Net Income for common stock	$ 350,444	$ 323,382
Common shares outstanding - average (000)	235,030	234,981
Earnings per share	$ 1.49	$ 1.38
Dividends declared per share of common stock	$ 0.525	$ 0.52
Sales		
Electric (Thousands of kilowatthours)		
Con Edison customers	11,093,900	10,633,845
Delivery service to NYPA and others	2,311,169	2,281,224
Service for municipal agencies	132,588	159,037
Total sales in service territory	13,537,657	13,074,106
Off-system sales (A)	839,518	1,778,475
Gas (dekatherms)		
Firm	10,142,692	10,416,368
Off-peak firm/interruptible	4,147,786	3,793,915
Total sales to Con Edison customers	14,290,478	14,210,283
Transportation of customer-owned gas		
NYPA	6,982,038	4,741,076
Others	1,954,061	1,767,555
Off-system sales	5,183,513	265,981
Total sales and transportation	28,410,090	20,984,895

Steam (Thousands of pounds)	5,986,582	6,420,558

(A)Includes 413,552 and 926,426 thousands of kWh, respectively, subsequently purchased by the Company for sale to its customers.

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996

	1997	1996
	(Thousands of Dollars)	
Operating revenues		
Electric	$ 4,283,463	$ 4,238,720
Gas	826,019	771,413
Steam	291,708	317,308
Total operating revenues	5,401,190	5,327,441
Operating expenses		
Purchased power	1,003,962	960,144
Fuel	462,488	450,219
Gas purchased for resale	354,845	315,989
Other operations	827,881	848,732
Maintenance	367,251	349,480
Depreciation and amortization	375,073	373,819(A)
Taxes, other than federal income tax	888,473	886,500
Federal income tax	305,780	328,200
Total operating expenses	4,585,753	4,513,083
Operating income	815,437	814,358
Other income (deductions)		
Investment income	6,245	4,891
Allowance for equity funds used during construction	4,076	2,141
Other income less miscellaneous deductions	(12,157)	(15,108)
Federal income tax	2,850	1,140
Total other income	1,014	3,064
Income before interest charges	816,451	817,422
Interest on long-term debt	238,274	230,431
Other interest	10,963	14,059
Allowance for borrowed funds used during construction	(1,998)	(1,006)
Net interest charges	247,239	243,484
Net income	569,212	573,938
Preferred stock dividend requirements	(13,808)	(15,249)
Gain on refunding of preferred stock	-	13,943(A)
Net Income for common stock	$ 555,404	$ 572,632
Common shares outstanding - average (000)	235,016	234,972
Earnings per share	$ 2.36	$ 2.44
Dividends declared per share of common stock	$ 1.575	$ 1.56
Sales		
Electric (Thousands of kilowatthours)		
Con Edison customers	28,307,154	28,269,089
Delivery service to NYPA and others	6,561,475	6,673,889
Service for municipal agencies	643,179	443,264
Total sales in service territory	35,511,808	35,386,242
Off-system sales (B)	1,852,366	3,047,621
Gas (dekatherms)		
Firm	69,070,785	75,549,180
Off-peak firm/interruptible	17,567,539	14,919,496
Total sales to Con Edison customers	86,638,324	90,468,676
Transportation of customer-owned gas		
NYPA	14,350,668	4,935,631

Others	5,501,464	3,649,238
Off-system sales	9,944,074	7,402,439
Total sales and transportation	116,434,530	106,455,984
Steam (Thousands of pounds)	20,924,098	23,743,411

(A)The gain from the preferred stock refunding was offset by an additional provision for depreciation.

(B)Includes 901,575 and 1,463,871 thousands of kWh, respectively, subsequently purchased by the Company for sale to its customers.

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
CONSOLIDATED INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996

	1997	1996
	(Thousands of Dollars)	
Operating revenues		
Electric	$ 5,585,861	$ 5,471,159
Gas	1,069,676	980,061
Steam	377,948	404,605
Total operating revenues	7,033,485	6,855,825
Operating expenses		
Purchased power	1,316,672	1,219,503
Fuel	585,544	568,291
Gas purchased for resale	457,127	387,292
Other operations	1,142,308	1,147,972
Maintenance	476,586	478,367
Depreciation and amortization	497,665	490,773(A)
Taxes, other than federal income tax	1,168,173	1,169,765
Federal income tax	374,740	386,940
Total operating expenses	6,018,815	5,848,903
Operating income	1,014,670	1,006,922
Other income (deductions)		
Investment income	9,678	13,235
Allowance for equity funds used during construction	5,404	2,544
Other income less miscellaneous deductions	(15,796)	(8,134)
Federal income tax	2,680	(360)
Total other income	1,966	7,285
Income before interest charges	1,016,636	1,014,207
Interest on long-term debt	315,663	307,651
Other interest	14,235	20,694
Allowance for borrowed funds used during construction	(2,621)	(1,200)
Net interest charges	327,277	327,145
Net income	689,359	687,062
Preferred stock dividend requirements	(18,418)	(24,138)
Gain on refunding of preferred stock	-	13,943(A)
Net Income for common stock	$ 670,941	$676,867
Common shares outstanding - average (000)	235,009	234,967
Earnings per share	$ 2.85	$ 2.88
Dividends declared per share of common stock	$ 2.095	$ 2.07
Sales		
Electric (Thousands of kilowatthours)		
Con Edison customers	37,242,020	37,146,106
Delivery service to NYPA and others	8,704,459	8,883,298
Service for municipal agencies	817,208	554,768
Total sales in service territory	46,763,687	46,584,172
Off-system sales (B)	2,722,099	3,690,644
Gas (dekatherms)		
Firm	92,301,714	98,861,793
Off-peak firm/interruptible	22,954,481	19,051,789
Total sales to Con Edison customers	115,256,195	117,913,582
Transportation of customer-owned gas		
NYPA	14,382,020	8,742,285
Others	6,863,348	5,164,710
Off-system sales	13,835,060	10,226,915
Total sales and transportation	150,336,623	142,047,492

Steam (Thousands of pounds)	27,176,449	30,822,617

(A)The gain from the preferred stock refunding was offset by an additional provision for depreciation.

(B)Includes 991,468 and 1,848,447 thousands of kWh, respectively, subsequently purchased by the Company for sale to its customers.

The accompanying notes are 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, 1997 AND 1996

	1997	1996
	(Thousands of Dollars)	
Operating activities		
Net income	$ 569,212	$573,938
Principal non-cash charges (credits) to income		
Depreciation and amortization	375,073	373,819
Deferred recoverable fuel costs	44,063	28,226
Federal income tax deferred	56,250	50,760
Common equity component of allowance for funds used during construction	(3,959)	(2,021)
Other non-cash charges	18,968	341
Changes in assets and liabilities		
Accounts receivable - customers, less allowance for uncollectibles	183	(68,498)
Regulatory accounts receivable	35,384	(39,982)
Materials and supplies, including fuel and gas in storage	24,829	(10,770)
Prepayments, other receivables and other current assets	(158,956)	(120,280)
Enlightened Energy program costs	21,554	16,975
Accounts payable	(14,243)	(66,934)
Accrued income taxes	101,516	107,997
Other - net	(108,006)	(31,146)
Net cash flows from operating activities	961,868	812,425
Investing activities including construction		
Construction expenditures	(433,661)	(478,847)
Nuclear fuel expenditures	(10,402)	(1,223)
Contributions to nuclear decommissioning trust	(19,174)	(19,174)
Common equity component of allowance for funds used during construction	3,959	2,021
Net cash flows from investing activities including construction	(459,278)	(497,223)
Financing activities including dividends		
Issuance of long-term debt	150,000	375,000
Retirement of long-term debt	(103,626)	(107,435)
Advance refunding on long-term debt	-	(95,329)
Advance refunding of preferred stock	-	(316,982)
Issuance and refunding costs	(2,013)	(10,805)
Common stock dividends	(370,155)	(366,560)
Preferred stock dividends	(13,812)	(18,104)
Net cash flows from financing activities including dividends	(339,606)	(540,215)
Net increase (decrease) in cash and temporary cash investments	162,984	(225,013)
Cash and temporary cash investments at January 1	106,882	342,292
Cash and temporary cash investments at September 30	$ 269,866	$117,279
Supplemental disclosure of cash flow information Cash paid during the period for:		
Interest	$ 247,138	$253,697
Income taxes	147,387	169,755

The accompanying notes are 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, 1997 AND 1996

	1997	1996
	(Thousands of Dollars)	
Operating activities		
Net income	$ 689,359	$ 687,062
Principal non-cash charges (credits) to income		
Depreciation and amortization	497,665	490,773
Deferred recoverable fuel costs	(26,171)	(29,702)
Federal income tax deferred	46,090	37,000
Common equity component of allowance for funds used during construction	(5,212)	(2,401)
Other non-cash charges	28,229	3,259
Changes in assets and liabilities		
Accounts receivable - customers, less allowance for uncollectibles	21,892	(56,890)
Regulatory accounts receivable	23,488	(44,818)
Materials and supplies, including fuel and gas in storage	9,094	(5,387)
Prepayments, other receivables and other current assets	(33,559)	1,157
Enlightened Energy program costs	15,143	10,561
Accounts payable	62,954	49,170
Accrued income taxes	3,338	(41,409)
Other - net	(75,530)	24,312
Net cash flows from operating activities	1,256,780	1,122,687
Investing activities including construction		
Construction expenditures	(630,047)	(709,412)
Nuclear fuel expenditures	(57,884)	(5,462)
Contributions to nuclear decommissioning trust	(21,301)	(24,499)
Common equity component of allowance for funds used during construction	5,212	2,401
Net cash flows from investing activities including construction	(704,020)	(736,972)
Financing activities including dividends		
Issuance of long-term debt	300,000	503,285
Retirement of long-term debt	(179,715)	(109,205)
Advance refunding of preferred stock	-	(316,982)
Advance refunding on long-term debt	-	(251,028)
Issuance and refunding costs	(9,688)	(11,016)
Common stock dividends	(492,351)	(486,385)
Preferred stock dividends	(18,419)	(26,992)
Net cash flows from financing activities including dividends	(400,173)	(698,323)
Net decrease in cash and temporary cash investments	152,587	(312,608)
Cash and temporary cash investments at beginning of period	117,279	429,887
Cash and temporary cash investments at September 30	$269,866	$ 117,279
Supplemental disclosure of cash flow information Cash paid during the period for:		
Interest	$302,720	$ 317,766
Income taxes	324,387	393,937

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE A - Summary of Significant Accounting Policies

PSC Settlement Agreement. The New York State Public Service Commission ("PSC"), by order issued and effective May 20, 1996 in its "Competitive Opportunities" proceeding, 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 PSC, by order issued and effective September 23, 1997, approved an amended and restated settlement agreement, dated September 19, 1997, between the Company, the PSC staff and certain other parties (the "Settlement Agreement").

The Settlement Agreement provides for a transition to a competitive electric market by instituting "retail access;" a rate plan for the period ending March 31, 2002 (the "Transition"); a reasonable opportunity to recover electric "strandable costs;" the divestiture by the Company to unaffiliated third parties of at least 50 percent of its New York City electric fossil-fueled generating capacity; and, subject to shareholder and other approvals, a corporate reorganization into a holding company structure.

The "retail access" program will eventually permit all of the Company's electric customers to buy electricity from other suppliers which will be delivered through the Company's transmission and distribution systems. The Company's electric fossil-fueled generating capacity not divested to third parties will be transferred by December 31, 2002 to an unregulated affiliate of the Company. The Company's contracts with non-utility generators ("NUGs"), absent renegotiation of these contracts, will remain contractual obligations of the Company and the Company could resell electricity provided by the NUGs under the contracts in the competitive energy supply market. The Settlement Agreement does not contemplate the divestiture or transfer of the Company's Indian Point 2 nuclear generating unit. In August 1997, the PSC solicited comments as to the future treatment of nuclear generating facilities in New York.

The Company's potential electric "strandable costs" are those prior utility investments and commitments that may not be recoverable in a competitive energy supply market, including the unrecovered cost of the Company's electric generating plants, the future cost of decommissioning the Indian Point nuclear generating station and charges under contracts with NUGs. During the Transition, the Company will continue to recover its potential electric strandable costs in the rates it charges all customers, including from those customers purchasing electricity from others. Following the Transition, the Company will be given a reasonable opportunity to recover, through a non-bypassable charge to customers, remaining electric strandable costs, including a reasonable return on investments, as adjusted for net gains or losses relating to the Company's electric fossil generating capacity. For remaining fossil-related strandable costs, the recovery period will be 10 years. For remaining nuclear-related strandable costs, the recovery period will be the then-remaining life of the Company's Indian Point 2 nuclear unit (the operating license for which extends to 2013). With respect to its NUG contracts, the Company will be permitted to recover at least 90 percent of the amount, if any, by which the actual costs of its purchases under the contracts exceed market value after the Transition. Any potential NUG contract disallowance after the Transition will be limited to the lower of (i) 10 percent of the above-market costs or (ii) $300 million (net present value in 2002). The potential disallowance will be offset by the amount of NUG contract mitigation achieved by the Company after April 1, 1997 and 10 percent of the gross proceeds of generating unit sales to third parties. The Company will be permitted a reasonable opportunity to recover any costs subject to disallowance that are not offset by these two factors if it makes good faith efforts in implementing provisions of the Settlement Agreement leading to the development of a competitive electric market in its service territory and the development of an independent system operator (which is expected to administer the wholesale electric market in New York State).

Accounting Policies. As a result of the Settlement Agreement, there have been changes to certain of the accounting policies described in Note A to the Company's audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996 (the "Annual Report Financials ").

The Company's accounting policies conform to generally accepted accounting principles. For regulated public utilities, generally accepted accounting principles include Statement of Financial Accounting Standards ("SFAS") No. 71, "Accounting for the Effects of Certain Types of Regulation" and, in accordance with SFAS No. 71, the accounting requirements and rate making practices of the Federal Energy Regulatory Commission and the PSC.

SFAS No. 71 specifies the economic effects that result from the cause and effect relationship of costs and revenues in the rate-regulated environment and how these effects are to be accounted for by a regulated enterprise. For a number of reasons, revenues intended to cover some costs may be provided either before or after the costs are incurred. If regulation provides assurance that incurred costs will be recovered in the future, these costs would be capitalized as deferred charges under SFAS No. 71. If revenues are provided for costs that are expected to be incurred in the future, these revenues would be accrued as deferred credits under SFAS No. 71. Actions of a regulator may also reduce or eliminate the value of an asset of, or impose a liability (or eliminate a liability it imposed) on, a regulated enterprise. Authoritative accounting pronouncements that apply to enterprises in general also apply to regulated enterprises. However, enterprises subject to SFAS No. 71 are required to apply it instead of any conflicting provisions of standards in other authoritative pronouncements. If some of an enterprise's operations are regulated and meet the criteria specified in SFAS No. 71, it is applied only to that regulated portion of the enterprise's operations.

In September 1997 the Company applied the standards in SFAS No. 101, "Regulated Enterprises - Accounting for the Discontinuation of Application of FASB Statement No. 71" to the non-nuclear electric supply portion of its business that is being deregulated as a result of the Settlement Agreement (the "Deregulated Business"). The Deregulated Business includes all of the Company's fossil electric generating assets, which had a net book value of approximately $1.4 billion at September 30, 1997, including approximately $190 million relating to the Company's share of the Bowline Point and Roseton stations (which are located outside New York City and operated by other utilities). As discussed below, the application of SFAS No. 101 to the Deregulated Business had no material adverse effect on the Company's financial position or results of operations.

SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" requires certain assets to be reviewed for impairment if the carrying amount of the asset may not be recoverable, requires that assets to be disposed of be carried at the lower of net book value or fair value, and amends SFAS No. 71 to require that regulatory assets be charged to earnings if such assets are no longer considered probable of recovery. The Company has not recognized an impairment of its fossil generating assets because the estimated cash flows from the operation and/or sale of the assets together with the cash flows from the strandable cost recovery provisions of the Settlement Agreement will not be less than the net carrying amount of the generating assets.

Certain deferred charges or "regulatory assets," principally relating to future federal income taxes and certain deferred credits or "regulatory liabilities," have resulted from transactions relating or allocated to the Deregulated Business. At September 30, 1997, regulatory assets, net of regulatory liabilities, amounted to approximately $ 1.4 billion of which approximately $275 million is attributable to the Deregulated Business. The Company has not charged against earnings any net regulatory assets because recovery of the assets is probable under the Settlement Agreement.

SFAS No. 5 "Accounting for Contingencies" requires accrual of a loss if it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. The Company has not accrued a loss for its contracts with NUGs because it is not probable that the charges by NUGs under the contracts will exceed the cash flows from the sale by the Company of the electricity provided by the NUGs under the contracts together with the cash flows provided pursuant to the Settlement Agreement.

Additional changes to the accounting policies described in Note A to the Annual Report Financials are as follows:

Revenues - Revenues for electric, gas and steam service are recognized on a monthly billing cycle basis. Effective April 1, 1997, the Settlement Agreement eliminated the Modified ERAM provision of the 1995 electric rate agreement. As a result, the Company is no longer reconciling revenues for the difference between the actual electric net revenues and actual number of customers to the target levels established in the 1995 electric rate agreement. In addition, effective April 1, 1997, the Settlement Agreement eliminated the Enlightened Energy and electric customer service incentives.

Regulatory Accounts Receivable - Regulatory accounts receivable at September 30, 1997 amounted to $10 million, reflecting accruals for the partial pass-through electric fuel adjustment clause and for gas system improvement and gas customer service incentives. Effective April 1, 1997, the Settlement Agreement eliminated the Modified ERAM and the Enlightened Energy and electric customer service incentives and the regulatory accounts receivable recorded for the Modified ERAM and these incentives were, along with certain other debit and credit balances in the Company's financial statements, eliminated. The elimination of these balances had no material adverse effect on the Company's financial position or results of operations.

Note B - Contingencies

Indian Point. Nuclear generating units similar in design to the Company's Indian Point 2 unit have experienced problems that 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. The projected service life of the steam generators is reassessed periodically in the light of the inspections made during scheduled outages of the unit. Based on the latest available data and current Nuclear Regulatory Commission criteria, the Company estimates that steam generator replacement will not be required before 2001. The Company has replacement steam generators, which are stored at the site. Replacement of the steam generators would require estimated additional expenditures of approximately $110 million (1996 dollars, 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, 1997, the highest amount which could be assessed for losses during the current policy year under all of the policies was $28 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, 1997 of approximately $22.9 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 1994 the Company agreed to a consent order settling a civil administrative proceeding instituted by the DEC alleging environmental violations by the Company. Pursuant to the consent order, the Company has conducted an environmental management systems evaluation and 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, 1997, the Company had an accrued liability of $17.1 million for these sites. Expenditures for environmental-related capital projects in the five years 1997-2001, including expenditures to comply with the consent order, are estimated at $147 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 hundred 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, results of operations or liquidity.

EMF. Electric and magnetic fields are found wherever electricity is used. The Company is the defendant in several suits claiming property damage resulting from EMF. The aggregate amount sought in these suits is not material. In the event, however, 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 unaudited interim financial statements appearing in Item 1 of this Form 10-Q report and should be read in conjunction with Management's Discussion and Analysis in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996 (File No. 1-1217). Reference is made to Note B (Contingency Note) to the financial statements in this report, which note is incorporated herein by reference.

This report includes forward-looking statements, which are statements of future expectation and not facts. Words such as "estimates," "expects," "anticipates," "intends, "" plans," and similar expressions identify forward-looking statements. Actual results or developments might differ materially from those included in the forward-looking statements because of factors such as competition and industry restructuring, changes in economic conditions, changes in historical weather patterns, changes in laws, regulations or regulatory policies, developments in legal or public policy doctrines, technological developments and other presently unknown or unforeseen factors.

LIQUIDITY AND CAPITAL RESOURCES

Cash and temporary cash investments were $269.9 million at September 30, 1997 compared with $106.9 million at December 31, 1996 and $117.3 million at September 30, 1996. The Company's cash balances reflect, among other things, the timing and amounts of external financing.

In June 1997 the Company issued $150 million of five-year floating rate debentures, the interest rate on which is reset quarterly. The proceeds of this issue were used for a June 1997 prepayment of New York City property taxes and for working capital purposes. The prepayment balance at September 30, 1997 includes the unamortized portion ($113.5 million) of the June 1997 property tax payment.

The Company intends to issue taxable debentures to refund three series of tax-exempt debt, with an aggregate principal amount of approximately $330 million, which the Company issued through the New York State Energy Research and Development Authority: 7 1/2% 1986 A, 9 1/4% 1987 B and 7 3/4% 1989 A. The Company anticipates that it will secure substantial net present value savings from this transaction.

The Company borrowed from banks at various times during the first nine months of 1997 at prevailing market rates. The highest amount outstanding was $165 million. No such borrowings were outstanding at September 30, 1997. In October 1997 the Company submitted a petition to the New York State Public Service Commission (PSC) for authority to enter into one or more revolving credit agreements, for amounts not to exceed $500 million, in connection with the Company's plans to establish a commercial paper program.
The PSC is expected to consider the petition in December 1997.

Customer accounts receivable, less allowance for uncollectible accounts, amounted to $543.8 million at September 30, 1997 compared with $544.0 million at December 31, 1996 and $565.7 million at September 30, 1996. In terms of equivalent number of days of revenue outstanding, these amounts represented 25.4, 28.6 and 25.9 days, respectively.

The regulatory accounts receivable balance of $10.0 million at September 30, 1997 represents amounts to be recovered from customers pursuant to the partial pass-through fuel adjustment clause (PPFAC), and from the incentive mechanisms of the 1994 gas rate agreement. The regulatory accounts receivable balances of $45.4 million at December 31, 1996 and $33.5 million at September 30, 1996 also represented amounts to be recovered from customers for the PPFAC and gas incentives and, in addition, included amounts relating to the electric revenue adjustment and revenue per customer mechanisms (Modified ERAM) and Enlightened Energy and customer service incentives (which were eliminated effective April 1, 1997). See "PSC Settlement Agreement" below.

Interest coverage under the SEC formula for the 12 months ended September 30, 1997 was 4.05 times compared with 4.18 times for the year 1996 and 4.09 times for the 12 months ended September 30, 1996. The decline in interest coverage reflects a lower level of pre-tax earnings and higher interest charges.

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. See, however, "PSC Settlement Agreement" below. For details of the 1995 electric rate agreement, including the Modified ERAM, see "Liquidity and Capital Resources - 1995 Electric Rate Agreement" in Management's Discussion and Analysis in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

For the second rate year of the 1995 electric rate agreement, the 12 months ended March 31, 1997, the Company's actual rate of return on electric common equity, excluding incentives, exceeded the sharing threshold of 10.81 percent, principally due to increased productivity and earnings under the revenue per customer provision (RPC) of the Modified ERAM. Pursuant to the Settlement Agreement, the balance at March 31, 1997 that was set aside for the future benefit of customers has been eliminated. See "PSC Settlement Agreement" below.

Competition and Industry Restructuring

In recent years federal and New York State initiatives have promoted the development of competition in the sale of electricity and gas. For information about these initiatives, see "Liquidity and Capital Resources - Competition and Industry Restructuring" in Management's Discussion and Analysis in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

PSC Settlement Agreement

The PSC, by order issued and effective May 20, 1996 in its "Competitive Opportunities" proceeding, 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 PSC, by order issued and effective September 23, 1997, approved an amended and restated settlement agreement, dated September 19, 1997, between the Company, the PSC staff and certain other parties (the "Settlement Agreement"). For more information regarding the Settlement Agreement, see the Company's Current Report on Form 8-K, dated September 23, 1997, and Note A (Summary of Significant Accounting Policies) to the financial statements in Item 1 of this Form 10-Q report.

In October 1997, the Company, pursuant to the Settlement Agreement, requested the PSC to defer certain costs related to agreements to terminate contracts with non-utility generators (NUGs) for 42.5 megawatts of capacity. Including these agreements, the Company has since 1993 entered into agreements to terminate NUG contracts for approximately 768 megawatts. The Company currently purchases approximately 2,100 megawatts of capacity under NUG contracts.

Nuclear Generation

In October 1997 the Company submitted its comments objecting to recommendations for the period following 2002 included in a PSC staff white paper on nuclear generation issued in August 1997 in the PSC's Competitive Opportunities proceeding. The PSC staff concluded that nuclear plants should continue to be operated only if the "to go" or running costs (i.e., those costs that could be reduced or avoided if the plant is shut down permanently) could be recovered by the market price of electricity. The staff also expressed its belief that the sale of generating plants to third parties, preferably through an auction process, offers the greatest potential for mitigation of stranded costs and the elimination of anti-competitive subsidies. Where third party sale of nuclear units is not feasible (even where the buyer would not be liable for decommissioning and the cost of spent fuel), the PSC staff proposed an administrative valuation of the units and that recovery of "to go" or running costs be limited to the wholesale market price of power. The Company's objections to the PSC staff's recommendations related to the following issues: possible acceleration of decommissioning funding, the feasibility of decoupling operational and post-retirement responsibilities; the feasibility of selling a nuclear plant through an auction process; the limited provisions for the recovery of nuclear running costs; and the apparent lack of relationship between nuclear plant ownership and market power in New York State.

The Settlement Agreement does not contemplate the divestiture or transfer of the Company's Indian Point 2 nuclear generating unit. The Settlement Agreement provides that after March 31, 2002, the Company will have a reasonable opportunity to recover, through a non-bypassable charge, its nuclear "strandable costs" (i.e., the remaining net book value of the Indian Point 2 unit and the balance of its decommissioning expense for Indian Point units 1 and 2) over a period ending no later than the 2013 expiration of Indian Point 2's operating license.

Gas and Steam Rate Agreements

For details of the Company's gas rate agreements and the Company's 1994 steam rate agreement, see "Liquidity and Capital Resources - Gas and Steam Rate Agreements" in Management's Discussion and Analysis in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

In September 1997 the PSC approved a steam rate agreement between the Company and the PSC staff. The three-year agreement provides for a $16 million base rate increase, effective October 1, 1997. Base rates for the remainder of the term of the agreement will not be increased or decreased except in certain limited circumstances. With respect to $10.8 million eligible for future recovery under the 1994 steam rate agreement, $6.2 million will be recovered over the term of the new agreement, and $4.6 million will continue to be deferred until amortized against earnings in excess of a rate of return on steam common equity of 11.1 percent over the three-year period. Any earnings in excess of a 12.6 percent rate of return over the three-year period will be shared: 50 percent to be retained by shareholders and 50 percent to be set aside for future refund to customers. In its order approving the steam rate agreement, the PSC modified the agreement to require the Company to submit a long-range plan for the steam system in time to be considered contemporaneously with the divestiture plan in the Settlement Agreement in the Competitive Opportunities proceeding.

Year 2000 Exposure

Many information systems have been designed to function based on years that begin with 19. The Company expects that by the year 2000 it will have adapted its systems, to the extent it considers necessary, to process years that begin with 20, and does not expect that the year 2000 issue will have a material adverse effect on its financial condition or results of operations.

New Air Quality Standards

In July 1997 the United States Environmental Protection Agency (EPA) adopted new ambient air quality standards for ozone and particulate matter. The New York State Department of Environmental Conservation will be required to develop an implementation plan acceptable to the EPA to attain and maintain these standards. The Company does not expect that compliance with the new ozone standard will require additional capital expenditures in excess of the approximately $150 million of capital expenditures estimated to be required for compliance with the Clean Air Act amendments of 1990. (See "Liquidity and Capital Resources - Clean Air Act Amendments" in Management's Discussion and Analysis in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996.) Assuming that ambient air quality monitoring identifies New York City as a nonattainment area for the new particulate matter standard, the State will be required to adopt regulations to achieve compliance with the new standard. It is not expected that regulations would be issued before 2005. Depending on the requirements of the regulations, the Company's use of oil to generate electricity and steam could be affected and compliance with the regulations could require a material amount of additional capital expenditures.

Environmental Claims and Other Contingencies

Reference is made to the notes 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.

RESULTS OF OPERATIONS

Net income for common stock for the third quarter of 1997 was higher than in the corresponding 1996 period by $27.1 million ($.11 a share). Net income for common stock for the nine months and 12 months ended September 30, 1997 was lower than in the corresponding 1996 periods by $17.2 million ($.08 a share) and $5.9 million ($.03 a share), respectively. These results reflect weather-related sales variations and the agreements covering the Company's electric rates.

The impact of weather on the Company's earnings depends on the Company's rate agreements. The Modified ERAM under the 1995 electric rate agreement removed from the Company's earnings the impact of variations in forecasted electric sales due to weather. The Modified ERAM was eliminated effective April 1, 1997. See "PSC Settlement Agreement" above. Most weather-related variations in gas sales do not affect earnings, while weather-related variations in steam sales do affect earnings.

	Increases (Decreases)					
	Three Months Ended September 30, 1997 Compared With Three Months Ended September 30, 1996		Nine Months Ended September 30, 1997 Compared With Nine Months Ended September 30, 1996		Twelve Months Ended September 30, 1997 Compared With Twelve Months Ended September 30, 1996	
	Amount	Percent	Amount	Percent	Amount	Percent
	(Amounts in Millions)					
Operating revenues	$ 90.7	4.7 %	$ 73.7	1.4 %	$177.7	2.6 %
Purchased power - electric and steam	2.5	0.7	43.8	4.6	97.2	8.0
Fuel - electric and steam	42.8	29.3	12.3	2.7	17.3	3.0
Gas purchased for resale	8.1	21.1	38.8	12.3	69.8	18.0
Operating revenues less purchased power, fuel and gas purchased for resale (Net revenues)	37.3	2.7	(21.2)	(0.6)	(6.6)	(0.1)
Other operations and maintenance	(11.4)	(2.9)	(3.1)	(0.3)	(7.4)	(0.5)
Depreciation and amortization	5.1	4.2	1.2	0.3	6.9	1.4
Taxes, other than federal income tax	9.7	3.2	2.0	0.2	(1.6)	(0.1)
Federal income tax	5.4	2.9	(22.4)	(6.8)	(12.2)	(3.2)
Operating income	28.5	7.0	1.1	0.1	7.7	0.8
Other income less deductions and related federal income tax	(1.3)	(77.2)	(2.1)	(66.9)	(5.3)	(73.0)
Net interest charges	0.1	0.1	3.7	1.5	0.1	-
Net income	27.1	8.2	(4.7)	(0.8)	2.3	0.3
Preferred stock dividend requirements	-	-	1.4	9.4	5.7	23.7
Gain on refunding of preferred stock	-	-	(13.9)	Large	(13.9)	Large
Net income for common stock	$ 27.1	8.4 %	$ (17.2)	(3.0) %	$ (5.9)	(0.9)%

Third Quarter 1997 Compared with
Third Quarter 1996

Net revenues (operating revenues less purchased power, fuel and gas purchased for resale) increased $37.3 million in the third quarter of 1997 compared with the 1996 period. Electric and gas net revenues increased $30.6 million and $8.4 million, respectively. Steam net revenues decreased $1.7 million.

Electric net revenues in the 1997 period, reflecting the implementation of the Settlement Agreement (including the elimination of the Modified ERAM and Enlightened Energy and customer service incentives), were higher than in the 1996 period primarily because of a short period of warmer than normal weather during the July billing cycle.

In addition, $7.1 million of higher electric net revenues in the 1997 period can be attributed to the recognition of deferred revenues related to the Indian Point 2 refueling and maintenance outage. This increase did not affect net income because, under the accounting provisions of the agreements covering the Company's electric rates (PSC Refueling Accounting), amounts collected from customers for the estimated expenses of such outages are deferred and are recognized when the actual expenses for the outage are incurred. Also, electric net revenues for the third quarter of 1997 were higher than the corresponding period by $13.1 million for non-utility generator (NUG) capacity charge reconciliations. This increase did not affect net income because actual capacity charge expenses were matched against revenues collected from customers.

Gas net revenues in the 1997 period reflect increased retention of net revenues from interruptible sales in accordance with the 1996 gas rate settlement agreement. Steam net revenues in the 1997 period reflect weather-related sales decreases, offset in part by a rate increase effective October 1996.

Electric sales, excluding off-system sales, in the third quarter of 1997 compared with the 1996 period were:

	Millions of Kwhrs.			
Description	3rd Quarter 1997	3rd Quarter 1996	Variation	Percent Variation
Residential/Religious	3,433	3,212	221	6.9 %
Commercial/Industrial	7,485	7,249	236	3.3 %
Other	176	173	3	1.7 %
Total Con Edison Customers	11,094	10,634	460	4.3 %
NYPA, Municipal Agency and Other Sales	2,444	2,440	4	0.2 %
Total Service Area	13,538	13,074	464	3.5 %

For the third quarter of 1997, compared with the 1996 period, firm gas sales volume decreased 2.6 percent, off-peak firm/interruptible sales increased 9.3 percent and transportation of customer-owned gas (other than gas transported for the New York Power Authority) increased 10.6 percent. The annualized volume of small-volume (less than 3,500 dekatherms) firm transportation customers who are buying gas from third party suppliers has increased to 1,823,000 dekatherms, or 2 percent of the Company's firm gas sales, from 17,200 dekatherms at the end of 1996.

For the third quarter of 1997, steam sales volume decreased 6.8 percent compared with the 1996 period.

The increase in electric sales volume for the third quarter of 1997 was due primarily to a short period of warmer than normal summer weather. After adjusting for variations, primarily in weather and billing days in each period, electric sales volume in the Company's service territory increased 3.5 percent in the third quarter of 1997, firm gas sales volume decreased 2.7 percent and steam sales volume decreased 4.5 percent.

Electric fuel costs increased $50.2 million in the 1997 period due to an increase in the unit cost of fuel and higher electric generation by the Company. Electric purchased power costs decreased in the third quarter of 1997 by $2.8 million from the 1996 period due to lower purchased volumes partially offset by higher unit costs. The variations in fuel and purchased power costs also reflect the availability of Indian Point 2, which was out of service for a refueling and maintenance outage for part of the 1997 period but was operating during the 1996 period. Steam fuel costs decreased $7.4 million due to decreased generation of steam by the Company. Steam purchased power costs were $5.3 million in the 1997 period; the Company did not purchase steam in the 1996 period. Gas purchased for resale increased $8.1 million, reflecting higher sendout partially offset by a lower unit cost of purchased gas.

Other operations and maintenance expenses decreased $11.4 million for the third quarter of 1997 compared with the 1996 period, due primarily to lower administrative and general expenses partially offset by expenses related to the Indian Point refueling and maintenance outage (a like amount of deferred revenues was recognized under PSC Refueling Accounting).

Depreciation and amortization increased $5.1 million in the third quarter of 1997 due principally to higher plant balances.

Taxes, other than federal income tax, increased $9.7 million due principally to higher property taxes and revenue taxes.

Federal income tax increased $5.4 million for the quarter reflecting higher pre-tax income.

Other income less miscellaneous deductions for the 1997 period reflects the start-up and business development expenses of the Company's subsidiaries, Consolidated Edison Solutions, Inc. (formerly ProMark Energy, Inc.) and Consolidated Edison Development, Inc. (formerly Gramercy Development, Inc.) (the "Subsidiaries").

Nine Months Ended September 30, 1997 Compared
with Nine Months Ended September 30, 1996

Net revenues decreased $21.2 million in the first nine months of 1997 compared with the first nine months of 1996. Electric and steam net revenues decreased $18.4 million and $18.6 million, respectively, and gas net revenues increased $15.8 million.

Electric net revenues in the 1997 period were lower than in the corresponding 1996 period due primarily to a lower allowed return on common equity and a lower level of incentive opportunities under the 1995 electric rate agreement and the implementation of the Settlement Agreement (including elimination of the Modified ERAM and Enlightened Energy and customer service incentives) for financial statement purposes effective April 1, 1997. Electric net revenues for the first nine months of 1997 were increased by $14.0 million under the revenue per customer provisions of the Modified ERAM that was in effect for the first three months of this period, compared with $42.7 million for the 1996 period. Electric net revenues for the first nine months of 1997 also include $0.9 million to reflect incentives earned under the Company's rate agreements, compared with $41.6 million for the 1996 period.

Electric net revenues for the 1997 period were $34.5 million higher than in the 1996 period because of the recognition of deferred revenues related to the Indian Point 2 refueling and maintenance outage. This increase did not affect net income because of PSC Refueling Accounting. Electric net revenues for the 1997 period were $15.3 million higher than in the 1996 period as a result of NUG capacity charge reconciliations. This increase did not affect net income because actual capacity charge expenses were matched against revenues.

Gas net revenues in the 1997 period reflect increased retention of net revenues from interruptible sales in accordance with the 1996 gas rate settlement agreement. Steam net revenues in the 1997 period reflect weather-related sales decreases offset in part by a rate increase effective October 1996.

Electric sales, excluding off-system sales, in the first nine months of 1997 compared with the 1996 period were:

Description	Millions of Kwhrs. Nine Months Ended Sept. 30, 1997	Nine Months Ended Sept. 30, 1996	Variation	Percent Variation
Residential/Religious	8,382	8,300	82	1.0 %
Commercial/Industrial	19,461	19,501	(40)	(0.2)%
Other	464	468	(4)	(0.9)%
Total Con Edison Customers	28,307	28,269	38	0.1 %
NYPA Municipal Agency and Other Sales	7,205	7,117	88	1.2 %
Total Service Area	35,512	35,386	126	0.4 %

For the first nine months of 1997, compared with the 1996 period, firm gas sales volume decreased 8.6 percent, off-peak firm/interruptible sales increased 17.7 percent and transportation of customer-owned gas (other than gas transported for the New York Power Authority) increased 34.3 percent. For the first nine months of 1997, steam sales volume decreased 11.9 percent from the 1996 period. The decreases in firm gas and steam sales volumes for the 1997 period were due primarily to milder than normal 1997 winter weather, whereas 1996 winter weather was colder than normal.

After adjusting for variations, primarily weather and billing days, in each period, electric sales volume in the Company's service territory in the first nine months of 1997 increased 2.0 percent. Similarly adjusted, firm gas sales volume decreased 0.6 percent and steam sales volume decreased 1.2 percent.

Electric fuel costs increased $42.2 million in the 1997 period due to a higher unit cost of fuel partially offset by decreased generation of electricity by the Company. Electric purchased power costs increased $20.9 million over the 1996 period due to higher unit costs. The variations in fuel and purchased power costs also reflect the availability of Indian Point 2, which was out of service for a refueling and maintenance outage for part of the 1997 period but was operating during most of the 1996 period. Steam fuel costs decreased $29.9 million due to lower sendout. Steam purchased power costs were $22.9 million in the 1997 period; the Company did not purchase steam in the 1996 period. Gas purchased for resale increased $38.8 million reflecting a higher unit cost of purchases.

Other operations and maintenance expenses decreased $3.1 million in the first nine months of 1997 compared with the 1996 period due primarily to lower administrative and general expenses partially offset by expenses related to the Indian Point 2 refueling and maintenance outage (a like amount of deferred revenues was recognized under PSC Refueling Accounting).

Depreciation and amortization increased $1.2 million in the 1997 period due principally to higher plant balances; an additional provision for depreciation expense of $13.9 million was recorded in the 1996 period to offset a gain on refunding of preferred stock.

Taxes, other than federal income tax, increased $2.0 million in the first nine months of 1997 compared with the 1996 period due primarily to increased property taxes partially offset by decreased revenue and sales taxes.

Federal income tax decreased $22.4 million in the 1997 period compared with the 1996 period reflecting lower pre-tax income.

Other income less miscellaneous deductions for the 1997 period reflects the business development expenses of the Subsidiaries.

Interest on long-term debt for the period ended September 30, 1997 increased $7.8 million principally as a result of new debt issues, including the issuance of subordinated debentures to refund preferred stock in March 1996.

Twelve Months Ended September 30, 1997 Compared with
Twelve Months Ended September 30, 1996

Net revenues decreased $6.6 million in the 12 months ended September 30, 1997 compared with the 1996 period. Electric and steam net revenues decreased $6.9 million and $19.5 million, respectively. Gas net revenues increased $19.8 million.

Electric net revenues in the 1997 period were lower compared to the 1996 period due primarily to a lower allowed return on common equity under the 1995 electric rate agreement and the implementation of the Settlement Agreement (including elimination of the Modified ERAM and Enlightened Energy and customer service incentives) for financial statement purposes effective April 1, 1997. Electric net revenues for the 12 months ended September 30, 1997 were increased by $31.0 million under the RPC provision of the Modified ERAM, compared with $50.0 million for the 1996 period. Electric net revenues for the 12 months ended September 30, 1997 include $14.5 million for incentive earnings, compared with $51.8 million for the 1996 period.

Electric net revenues for the 1997 period were $27.8 million higher than the 1996 period because of the recognition of deferred revenues related to the Indian Point 2 refueling and maintenance outage. This increase did not affect net income because of PSC Refueling Accounting. Electric net revenues for the 1997 period were $27.7 million higher than in the 1996 period as a result of NUG capacity charge reconciliations. This increase did not affect net income because actual capacity charge expenses were matched against revenues.

Gas net revenues in the 1997 period reflect the retention of net revenues from interruptible sales in accordance with the 1996 gas rate settlement agreement. Steam net revenues in the 1997 period reflect weather-related sales decreases offset in part by a rate increase in October 1996.

Electric sales, excluding off-system sales, for the 12 months ended September 30, 1997 compared with the 12 months ended September 30, 1996 were:

Description	Millions of Kwhrs. Twelve Months Ended Sept. 30, 1997	Millions of Kwhrs. Twelve Months Ended Sept. 30, 1996	Variation	Percent Variation
Residential/Religious	10,949	10,809	140	1.3 %
Commercial/Industrial	25,686	25,721	(35)	(0.1)%
Other	607	616	(9)	(1.5)%
Total Con Edison Customers	37,242	37,146	96	0.3 %
NYPA Municipal Agency and Other Sales	9,522	9,438	84	0.9 %
Total Service Area	46,764	46,584	180	0.4%

For the 12 months ended September 30, 1997, compared with the 1996 period, firm gas sales volume decreased 6.6 percent, off-peak firm/interruptible sales increased 20.5 percent and transportation of customer-owned gas (other than gas transported for the New York Power Authority) increased 32.9 percent. For the 12 months ended September 30, 1997, steam sales volume decreased 11.8 percent compared with the 1996 period.

The decreases in firm gas and steam sales volumes for the 1997 period were due primarily to milder than normal 1997 winter weather, whereas 1996 winter weather was colder than normal. After adjustment for variations, primarily weather and billing days, in each period, electric sales volume in the Company's service territory in the 12 months ended September 30, 1997 increased 1.8 percent. Similarly adjusted, firm gas sales volume decreased 0.4 percent and steam sales volume decreased 1.3 percent.

Electric fuel costs increased $51.0 million in the 1997 period due to a higher unit cost of fuel partially offset by decreased generation of electricity by the Company. Electric purchased power costs increased in the 1997 period by $70.6 million over the 1996 period, reflecting increased purchased volumes and unit costs. The variations in electric fuel and purchased power costs also reflect the lower availability of Indian Point 2 in the 1997 period as compared with the 1996 period. Steam fuel costs decreased $33.7 million due to decreased generation of steam by the Company, partially offset by a higher unit cost of fuel. Steam purchased power costs were $26.6 million in the 1997 period; the Company did not purchase steam in the 1996 period. Gas purchased for resale increased $69.8 million reflecting a higher unit cost of fuel.

Other operations and maintenance expenses decreased $7.4 million in the 1997 period compared with the 1996 period. This decrease was due primarily to lower administrative and general and customer service expenses partially offset by expenses related to the Indian Point refueling and maintenance outage (a like amount of deferred revenues was recognized under PSC Refueling Accounting).

Depreciation and amortization increased $6.9 million in the 1997 period due principally to higher plant balances.

Taxes, other than federal income tax, decreased $1.6 million in the 12 months ended September 30, 1997 compared with the 1996 period. Decreased revenue taxes reflecting the elimination of the New York State corporate tax surcharge were partially offset by higher property taxes.

Federal income tax decreased $12.2 million in the 1997 period compared with the 1996 period reflecting lower pre-tax income.

Other income less miscellaneous deductions for the 1997 period reflects the start-up and business development expenses of the Subsidiaries.

Interest on long-term debt for the 12-month period ended September 30, 1997 increased $8.0 million principally as a result of new debt issues, including the issuance of subordinated debentures to refund preferred stock in March 1996.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

TOXIC SUBSTANCES CONTROL ACT

Reference is made to the information under the caption "TOXIC SUBSTANCES CONTROL ACT" in Part I, Item 3, Legal Proceedings in the Company's Annual Report on Form 10-K for the year ended December 31, 1996 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, 1997.

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 - Competition and Industry Restructuring, 1992 Electric Rate Agreement, 1995 Electric Rate Agreement, PSC Settlement Agreement, and Gas and Steam Rate Agreements" 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, 1996; (ii) the information under the caption "RATE PROCEEDINGS" in Part II, Item 1, Legal Proceedings in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1997 and (iii) the information under the captions "LIQUIDITY AND CAPITAL RESOURCES - 1995 Electric Rate Agreement, PSC Settlement Agreement, Nuclear Generation and Gas and Steam Rate Agreements" 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, 1997.

In August 1997, the United States District Court for the Southern District of New York dismissed the suit against the Company entitled Brownsville Baptist Church, et. al. v. Consolidated Edison Company of New York, Inc. On August 29,1997, the plaintiffs filed a Notice of Appeal. The appeal is pending in the United States Court of Appeals for the Second Circuit.

SUPERFUND - CURCIO SCRAP METAL SITE

Reference is made to the information under the caption "SUPERFUND - Curcio Scrap Metal Site" in Part I, Item 3, Legal Proceedings in the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

The groundwater studies to determine whether the soil cleanup reduced or eliminated the groundwater contamination that had been detected have been completed. On September 30, 1997, the United States Environmental Protection Agency ("EPA") issued a Record of Decision which concludes that the soil cleanup work had successfully remediated the principal threats associated with the site and requires periodic groundwater monitoring for five years. EPA estimates that the required groundwater monitoring will cost approximately $200,000. Depending on the results of the monitoring, EPA could extend the monitoring program for an additional five years or require remedial measures such as groundwater treatment or cleanup work.

SUPERFUND - METAL BANK OF AMERICA SITES

Reference is made to the information under the caption "SUPERFUND - Metal Bank of America Sites" in Part I, Item 3, Legal Proceedings in the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

The Company does not expect that its share of the cost of the site cleanup program selected by EPA will exceed 1.48 percent.

SUPERFUND - PCB TREATMENT, INC. SITES

Reference is made to the information under the caption "SUPERFUND - PCB Treatment, Inc. Sites" in Part I, Item 3, Legal Proceedings in the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

The EPA has indicated that more than 25 million pounds of PCB-contaminated oil, equipment and materials were shipped to the sites by over 1,500 parties. The Company has informed the EPA that it shipped approximately 2.9 million pounds of PCB-contaminated oil and equipment to the sites.

SUPERFUND - PORT REFINERY SITE

Reference is made to the information under the caption "SUPERFUND - Port Refinery Site" in Part I, Item 3, Legal Proceedings in the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

The consent decree has been approved by the United States District Court for the Southern District of New York.

SUPERFUND - BORNE CHEMICAL SITE

In May 1997, the Company was named as an additional third-party defendant in a private cost recovery action in the New Jersey Superior Court (Union County) under the New Jersey Spill Compensation and Spill Act for the Borne Chemical site in Elizabeth, New Jersey. Borne Chemical used the site for the processing and blending of various types of petroleum, dyes and chemical products from approximately 1917 until 1985 when it became bankrupt and abandoned the site. Between 1971 and 1981, a portion of the site was occupied by a waste transporter and oil spill cleanup contractor that did work for the Company at various times (the "Contractor").

The third-party plaintiffs in the lawsuit were ordered by the New Jersey Department of Environmental Protection and Energy ("DEPE") to conduct emergency removal actions for the oil and chemical drums, tanks and underground piping systems at the site and to complete studies to determine the extent to which the site's soil and groundwater is contaminated. The third-party plaintiffs are seeking contribution for the more than $10 million that they expect to incur to comply with the DEPE order and for the cost of any cleanup program that DEPE may require in the future for the site's soil and groundwater.

The Company is investigating allegations by the third-party plaintiffs that the Company returned over 1,000 empty drums to Borne Chemical containing residue of oil and chemicals that it had purchased from Borne Chemical. The Company is also investigating whether the Contractor used the site for storage or handling of any contaminated materials from work the Contractor did for the Company.

DEC PROCEEDINGS

Reference is made to the information under the caption "DEC Proceedings" in Part I, Item 3, Legal Proceedings in the Company's Annual Report on Form 10-K for the year ended December 31, 1996 and in Note B to the financial statements included in this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1997.

In September 1997, the Company agreed to a consent order settling a civil administrative proceeding instituted by the New York State Department of Environmental Conservation ("DEC") alleging opacity violations by the Company. Pursuant to this consent order, the essential elements of the Company's existing Opacity Reduction Program were established as enforceable conditions of the operating permits that the DEC issues for the Company's facilities. The September 1997 consent order also assessed a civil penalty of $25,000, which was suspended provided that the Company complies with the order.

In October 1997, the Company agreed to a DEC consent order with respect to oil and hazardous waste incidents occurring since November 1994. Under this consent order, the Company will survey a number of its facilities and test the integrity of underground fuel oil pipelines at the Company's major oil storage facilities. The Company also will retire several of its underground fuel oil pipelines that had been operated within New York City, In addition, the Company will pay a $385,000 penalty, $58,000 for damages and $345,000 to programs designed to benefit the environment.

The Company does not expect the September and October 1997 consent orders to have a material adverse effect on the Company's financial position or results of operations.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

Exhibit 10 The Con Edison Severance Pay Plan for Management Employees.

Exhibit 12 Statement of computation of ratio of earnings to fixed charges for the twelve-month periods ended September 30, 1997 and 1996.

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 Current Reports on Form 8-K, dated August 29, 1997 and September 23,1997, reporting (under Item 5) certain information about the PSC Settlement Agreement (discussed in Part I, Item 2 of this report). The Company filed no other Current Reports on Form 8-K during the quarter ended September 30, 1997.

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:	October 30, 1997	By:	JOAN S. FREILICH Joan S. Freilich Senior Vice President, Chief Financial Officer and Duly Authorized Officer
DATE:	October 30, 1997	By:	HYMAN SCHOENBLUM Hyman Schoenblum Vice President, Controller and Chief Accounting Officer

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION	SEQUENTIAL PAGE NUMBER AT WHICH EXHIBIT BEGINS
10.	The Con Edison Severance Pay Plan for Management Employees.	
12.	Statement of computation of ratio of earnings to fixed charges for the twelve-month periods ended September 30, 1997 and 1996.	
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.

THE CON EDISON SEVERANCE PAY PLAN
FOR MANAGEMENT EMPLOYEES

1. Purpose; Effective Date

A. The Con Edison Severance Pay Plan for Management Employees (the "Severance Pay Plan") is designed to provide specified post-employment payments to eligible management employees of Consolidated Edison Company of New York, Inc. (the "Company").

B. This Severance Pay Plan is effective as of June 1, 1997 and replaces and supersedes any other management severance or separation pay plan or program currently in effect in the Company.

2. Type of Plan

The Severance Pay Plan is classified as a welfare plan under the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). It is intended to be a severance pay plan as defined in Federal Regulations 29 CFR 2510.3-2(b) for eligible management employees of the Company.

3. Participation

A "Participant" means a regular non-bargaining unit employee working as a full time employee or a part time employee, whose regularly scheduled hours of annual service are 1,000 hours or more in a 12-month period, of the Company who is on the active payroll or who is on a leave of absence with a right to reemployment. Participant shall exclude officers of the Company, temporary workers (agency or independent), independent contractors, cooperative or student employees, employees with an agreement providing for severance benefits, or employees covered by a collective bargaining agreement that does not provide for participation in the Severance Pay Plan. For purposes of the Severance Pay Plan the Company in its sole discretion shall determine who is a Participant.

4. Eligibility

In order to be eligible to receive benefits under the Severance Pay Plan a Participant must be involuntarily separated from service with the Company because of a reduction in staffing levels or any other reasons which the Company in the exercise of its business judgment may deem appropriate.

5. Exclusions

Benefits under this Severance Pay Plan shall not be payable to Participants:

(1) whose employment terminates due to death prior to the Participant's Termination Date;

(2) who are discharged for misconduct or cause or who resign in lieu of being discharged for misconduct or cause, as determined by the Company in its sole discretion, or who are discharged or who resign in lieu of being discharged for any other reason except those pursuant to Section 4 above, as determined by the Company in its sole discretion;

(3) who transfer or are offered the opportunity to transfer from the Comapny to a company affiliated (directly or indirectly) with the Company;

(4) who transfer or are offered the opportunity to transfer from the Company to another employer as a result of a sale, merger, acquisition or other transaction, provided the Participant continues to perform or is offered the opportunity to continue to perform the same or similar duties immediately following the transfer; whether the Participant is offered the opportunity to transfer and \or continues to perform or is offered the opportunity to continue to perform the same or similar duties immediately following the transfer shall be determined by the Company in its sole discretion;

(5) whose employment is terminated in connection with the expiration of a sick or other authorized leave of absence; or

(6) who voluntarily terminate employment with the Company, except if the Company in its sole discretion decides otherwise.

6. Plan Benefits

A. For purposes of determining Plan Benefits, the following shallapply:

(1) "Salary" means a Participant's base annual salary as of the Participant's Termination Date including shift differential and salary reduction contributions under Sections 125 and 401(k) of the Internal Revenue Code of 1986, as amended, to an employee benefit plan of the Company, but excluding bonuses, incentive compensation, overtime pay and other pay or allowances.

(2) "Equivalent Week's Salary" means Salary divided by 52.

(3) "Termination Date" means the date set by the Company as the date the Participant terminates employment with the Company for any reason consistent with the terms of the Severance Pay Plan. The Company reserves the right to alter the Termination Date at its sole discretion for any reason it deems appropriate.

(4) "Years of Service" means a Participant's completed years of service with the Company ending on the Termination Date computed under the Company's adjusted service credit rules for computing continuous service. If a Participant has previously been paid a benefit under this Severance Pay Plan, the Participant's Years of Service will be computed from the date of the Participant's reemployment by the Company, and not from the Participant's original continuous service date.

. B. (1) A payment will be made in one lump sum as soon as practicable after the Participant's Termination Date based upon the guidelines indicated below. The Company may pay amounts over a period of time and may pay amounts other than the indicated guidelines taking all pertinent facts and circumstances into consideration. The Company may determine, on a case by case basis, whether a Participant is eligible for an additional, a reduced, or no severance payment.

Years of Service	Guideline A- Without a Release Number of Equivalent Week's Salary	Guideline B- With a Release Number of Equivalent Week's Salary
Less than 1	0	0
1 but less than 10	2	The sum of 4 and one times the number of Years of Service up to a maximum sum of 30 Equivalent Week's Salary.
10 and over	4	

(2) Participants who sign a release of all known and unknown claims in such form as the Company in its sole discretion shall determine may receive a payment based upon Guideline B in subdivision (1) above. Other Participants may receive a payment based upon Guideline A in subdivision (1) above. As additional benefits to Participants who sign a release, the Company shall offer to continue the Participant's group health and employee group life insurance coverage with the Participant contributing the same amount as if he or she were an active employee for a period equal to the Participant's number of Equivalent Week's Salary. The Company may deduct the Participant's contributions for such continued insurance coverage from any payment made to the Participant under subdivision (1) above. Any such extended period of group health insurance coverage shall be considered part of the Participant's COBRA continuation period of coverage. As additional benefits to Participants who sign a release the Company may provide outplacement services to such extent and level as the Company in its sole discretion shall determine.

(3) If a Participant who receives a payment under this Severance Pay Plan is re-employed in a comparable position by the Company or an affiliate of the Company, the Participant shall repay to the Company any amount of the severance payment attributable to the number of Equivalent Weeks in excess of the number of weeks from the Participant's Termination Date to the re-employment date.

7. Effect of Plan Benefits on Other Benefits

Payment under this Severance Pay Plan will not be considered in determining a Participant's benefits under the Company's Retirement Plan for Management Employees, Thrift Savings Plan for Management Employees, Group Life Insurance Plan or any other employee benefit plan of the Company.

8. Tax Withholding

Payments made pursuant to this Severance Pay Plan are subject to the withholding of federal, state and local taxes, FICA (Social Security taxes), and FUTA and SUTA (unemployment taxes) at the time of payment and will be reported to the IRS on form W-2.

9. Payment Upon Death, Disability or Leave of Absence

If a Participant dies prior to the specified Termination Date, no payments will be made under this Severance Pay Plan to the Participant or the Participant's heirs or estate. If a Participant dies after terminating service but before payment is made, payment will be made to the Participant's spouse or, if the Participant leaves no surviving spouse, the Participant's estate in a single lump sum as soon as practicable after the Participant's death.

If a Participant is on sick leave or other leave of absence at the time of receiving official notification of his or her Termination Date, or if a Participant goes on sick leave or other leave of absence after receiving official notification of his or her Termination Date, the Participant's employment and sick pay will be terminated as of the Participant's Termination Date and any payment under the Severance Pay Plan to Participant shall be paid as soon as practicable after the Termination Date.

10. Financing of Benefits

Plan Benefits shall be payable out of the Company's general assets.

11. Administration

The Company's Vice President-Employee Relations is the named fiduciary and Plan Administrator under the Severance Pay Plan who shall determine conclusively any and all questions arising from the administration of the Severance Pay Plan and shall have sole and complete discretionary authority and control to manage the operation and administration of the Severance Pay Plan, including but not limited to, the determination of all questions relating to eligibility for participation and benefits, interpretation of all Plan provisions, determination of the amount of benefits payable to any Participant, spouse, heirs or estate, and construction of disputed or ambiguous terms.

The named fiduciary and Plan Administrator may delegate responsibilities under the Severance Pay Plan.

12. Claims Procedure

A Participant, or any person duly authorized by such a Participant, may file a written claim for benefits under this Severance Pay Plan if the Participant believes he/she has been treated unfairly under the Severance Pay Plan. Such claim may only relate to a benefit under the Severance Pay Plan and not any matter under any other policy, practice or guideline of the Company.

The written claim shall be sent to the Plan Administrator-Severance Pay Plan, c/o Employee Benefits, Con Edison, Office E, 4 Irving Place, New York, New York 10003. Such claim must be received within 60 days of the event which gave rise to the claim.

If the claim is denied the claimant will receive written notice of the decision, including the specific reason for the decision, within 90 days of the date the claim was received.

In some cases, more than 90 days may be needed to make a decision. In such cases the claimant will be notified in writing, within the initial 90-day period, of the reason more time is needed. An additional 90 days may be taken to make the decision if the claimant is sent such a notice. The extension notice will show the date by which the decision will be sent.

13. Procedure to Appeal Claim Denial

The "Review Procedure" which follows gives the rules for appealing a denied claim.

(i) A claimant may use this Procedure if:

- no reply at all is received by the claimant within 90 days after filing the claim;
- a notice has extended the time an additional 90 days and no reply is received within 180 days after filing the claim; or
- written denial of the claim for benefits or other matters is received within the proper time limit and the claimant wishes to appeal the written denial.

If the claim for benefits or review of any other matter under the Severance Pay Plan is denied, the Participant, or other duly authorized person, may appeal this denial in writing within 60 days after it is received. Written request for review of any denied claim should be sent directly to the Plan Administrator-Severance Pay Plan, c/o Employee Benefits, Con Edison, Office E, 4 Irving Place, New York, New York 10003.

The Plan Administrator serves as the final review committee under the Severance Pay Plan for all Participants. Unless the Plan Administrator sends notice in writing that the claim is a special case needing more time, the Plan Administrator will conduct a review and decide on the appeal of the denied claim within 60 days after receipt of the written request for review. If more time is required to make a decision, the Plan Administrator will send notice in writing that there will be a delay and give the reasons for the delay. In such cases, the Plan Administrator may have 60 days more, or a total of 120 days, to make a decision.

If the claimant sends a written request for review of a denied claim, the person sending the request has the right to:

(i) review pertinent Severance Pay Plan documents which may be obtained by writing to the to the Plan Administrator and

(ii) send to the Plan Administrator a written statement of the issues and any other documents in support of the claim for benefits or other matters under review.

The Plan Administrator's decision shall be given to the claimant in writing within 60 days or, if extended, 120 days, and shall include specific reasons for the decision. If the Plan Administrator does not give his decision on review within the appropriate time span, the claimant may consider the claim denied. The decision of the Plan Administrator is final and binding on all parties.

A Participant in the Severance Pay Plan may have further rights under ERISA, as described in Section 20 entitled "Rights of a Plan Participant."

14. Legal Service

Process can be served on the Severance Pay Plan Administrator by directing such service to Vice President-Employee Relations, Con Edison, 4 Irving Place, New York, New York 10003.

15. Benefits Not Assigned or Alienated

Assignment or alienation of any benefits provided by the Severance Pay Plan will not be permitted or recognized except as otherwise authorized by applicable law. This means that, except as required by applicable law, benefits provided under the Severance Pay Plan may not be sold, assigned, or otherwise transferred by or on behalf of a Participant.

16. Plan Records

The Severance Pay Plan and all of its records are kept on a calendar year basis beginning January 1 and ending December 31 of each year.

17. Plan Identification Numbers

This Severance Pay Plan is identified by the following numbers under the Internal Revenue Service (IRS) Rules.

Number 13-5009340 assigned by the IRS. Number 557 assigned by the Company.

18. Plan Continuance

The Company may amend or terminate this Severance Pay Plan at any time. Any amendments or the termination of the Severance Pay Plan shall not result in the forfeiture of the benefits previously awarded under the Severance Pay Plan.

19. Plan Documents

This document is both the Severance Pay Plan and a Summary Plan Description as such terms are defined in ERISA.

20. Rights of a Plan Participant

As a Participant in this Severance Pay Plan, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Severance Pay Plan Participants shall be entitled to:

(i) Examine, without charge, all Severance Pay Plan documents and copies of all documents filed by the Severance Pay Plan with the U.S. Department of Labor, if any;

(ii) Obtain copies of all Severance Pay Plan documents and other Plan information upon written request to the Severance Pay Plan Administrator. There may be a reasonable charge for such copies.

In addition to creating rights for Severance Pay Plan Participants, ERISA imposes duties upon these who are responsible for the operation of employee benefit plans. The people who operate your Severance Pay Plan, called "Fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Severance Pay Plan Participants. No one, including your employer, or any other person, may terminate your employment or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your right under ERISA. If your claim for benefits is denied, in whole or in part, you have certain rights of review as described under Claims and Procedure to Appeal Claim Denial Sections 12 and 13, respectively, of this Plan.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan Administrator and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials and pay up to $100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. The court will decide who will pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

If you have any questions about the Severance Pay Plan, you should contact the Severance Pay Plan Fiduciary. If you have any questions about this statement of your rights, or about your rights under ERISA, you should contact your nearest Area Office of the U. S. Labor Management Services Administration, Department of Labor.

21. Statement of Employer's Rights

A Participant's eligibility for benefits under this Severance Pay Plan shall not be considered a guarantee of continued or lifetime employment with the Company and shall not change the fact that a Participant shall be considered an employee at will. A Participant's employment by the Company may be terminated by the Company whenever the Company in its sole discretion considers that to be in its best interest, subject to applicable law.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
Ratio of Earnings to Fixed Charges
Twelve Months Ended
(Thousands of Dollars)

	SEPTEMBER 1997	SEPTEMBER 1996
Earnings		
Net Income	$689,359	$687,062
Federal Income Tax	325,970	350,300
Federal Income Tax Deferred	54,820	46,170
Investment Tax Credits Deferred	(8,730)	(9,170)
Total Earnings Before Federal Income	1,061,419	1,074,362
Fixed Charges*	348,199	347,934
Total Earnings Before Federal Income Tax and Fixed Charges	$1,409,618	$1,422,296

* Fixed Charges		
Interest on Long-Term Debt	$304,299	$293,262
Amortization of Debt Discount, Premium and Ex	11,364	14,389
Interest on Component of Rentals	18,301	19,589
Other Interest	14,235	20,694
Total Fixed Charges	$348,199	$347,934
Ratio of Earnings to Fixed Charges	4.05	4.09

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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.

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Dec-31-1997

Sep-30-1997

9-Mos

Per-Book

11,149,758

230,789

1,394,031

615,945

930,681

14,321,204

587,583

855,008

4,469,185

5,911,776

84,550

237,794

4,288,837

0

0

0

102,630

0

40,575

2,757

3,652,285

14,321,204

5,401,190

305,780

4,279,973

4,585,753

815,437

1,014

816,451

247,239

569,212

13,808

555,404

370,155

315,663

961,868

2.36

2.36