Con Edison Reports 2011 First Quarter Earnings

May 5, 2011

1st Quarter 2011 Sales and Revenue Report

NEW YORK, NY, May 05, 2011 (MARKETWIRE via COMTEX) -- Consolidated Edison, Inc. (Con Edison) (NYSE: ED) today reported first quarter earnings of $311 million or $1.07 a share compared with $226 million or $0.80 a share in 2010. Earnings from ongoing operations, which exclude the net mark-to-market effects of the competitive energy businesses, were $289 million or $0.99 a share compared with $264 million or $0.93 a share in 2010.

"First quarter results were in line with expectations," said Kevin Burke, the company's Chairman, President and Chief Executive Officer. "The company is continuing deployment of Smart Grid technologies that have attracted the attention of utilities around the country. Our energy efficiency programs also are helping customers lower their bills while improving the region's air quality and environment. These innovative programs have the added benefit of deferring the need for additional capital investment."

The following table is a reconciliation of Con Edison's reported earnings per share to earnings per share from ongoing operations and reported net income to earnings from ongoing operations for the three months ended March 31, 2011 and 2010.

	Earnings per Share		Net Income for Common Stock (Millions of Dollars)	
	2011	2010	2011	2010
Reported earnings per share and net income for common stock - GAAP basis (basic)	$ 1.07	$ 0.80	$ 311	$ 226
Less: Net mark-to-market effects of competitive energy businesses	0.08	(0.13)	22	(38)
Ongoing operations	$ 0.99	$ 0.93	$ 289	$ 264

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

The results of operations for the three months ended March 31, 2011, as compared with the 2010 period, reflect changes in the rate plans of Con Edison's utility subsidiaries. The rate plans provide for additional revenues to cover expected increases in certain operations and maintenance expenses, and depreciation and property taxes. The results of operations include the operating results of the competitive energy businesses, including net mark-to-market effects.

Operations and maintenance expenses were lower reflecting lower costs for employee health insurance, demand side management programs and savings from cost control efforts, offset in part by winter storm related emergency response costs and higher regulatory assessments in the 2011 period. Depreciation and property taxes were higher in the 2011 period reflecting primarily the impact from higher utility plant balances.

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

	Earnings per Share Variation	Net Income for Common Stock Variation (Millions of Dollars)
Consolidated Edison Company of New York, Inc. (CECONY) (a)		
Rate plans, primarily to recover increases in certain costs	$ 0.18	$ 51
Operations and maintenance expense	0.02	7
Depreciation, property taxes and other tax matters	(0.10)	(29)

Net interest expense	0.01	4
Other (includes dilutive effect of new stock issuances)	(0.05)	(8)
Total CECONY	0.06	25
Orange and Rockland Utilities (O&R)	0.02	6
Competitive energy businesses		
Earnings excluding net mark-to-market effects	(0.02)	(5)
Net mark-to-market effects (b)	0.21	60
Total competitive energy businesses	0.19	55
Other, including parent company expenses	-	(1)
Total variation	$ 0.27	$ 85

(a) Under the revenue decoupling mechanisms in CECONY's electric and gas rate plans and the weather-normalization clause applicable to the gas business, revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. Under CECONY's rate plans, pension and other postretirement costs and certain other costs are reconciled to amounts reflected in rates for such costs.

(b) These variations reflect after-tax net mark-to-market gains of $22 million or $0.08 a share in the first quarter of 2011 and after-tax losses of $38 million or $(0.13) a share in the first quarter of 2010.

The earnings per share variations shown above include the dilutive effect ($0.03 per share, exclusive of offsetting benefits of avoided interest expense) of a higher weighted average number of common shares outstanding in the three months ended March 31, 2011 period. The weighted average number of common shares was 292 million shares and 281 million shares for the three months ended March 31, 2011 and 2010, respectively.

The changes in the energy delivered by the company's utility subsidiaries, both for actual amounts and as adjusted for variations in weather and billing days, for the period ended March 31, 2011, as compared with the 2010 period were as follows (expressed as a percentage of 2010 amounts):

	2011 vs. 2010	
	Actual	Adjusted
CECONY		
Electric	(0.7)	(1.3)
Firm - Gas	4.4	1.2
Steam	2.7	(2.4)
O&R		
Electric	2.2	1.0
Firm - Gas	10.0	(0.4)

Refer to the company's First Quarter Form 10-Q, which is being filed today with the Securities and Exchange Commission, for the consolidated balance sheets at March 31, 2011 and December 31, 2010 and the consolidated income statements for the three months ended March 31, 2011 and 2010. Additional information related to utility sales and revenues is available at www.conedison.com (select "Shareholder Services" and then select "Press Releases").

This press release contains forward-looking statements that reflect expectations and not facts. Actual results may differ materially from those expectations because of factors such as those identified in reports the company has filed with the Securities and Exchange Commission.

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

Consolidated Edison, Inc. is one of the nation's largest investor-owned energy companies, with approximately $13 billion in annual revenues and $36 billion in assets. The company provides a wide range of energy-related products and services to its customers through the following subsidiaries: Consolidated Edison Company of New York, Inc., a regulated utility providing electric, gas, and steam service in New York City and Westchester County, New York; Orange and Rockland Utilities, Inc., a regulated utility serving customers in a 1,350 square mile area in southeastern New York state and adjacent sections of northern New Jersey and northeastern Pennsylvania; Consolidated Edison Solutions, Inc., a retail energy supply and services company; Consolidated Edison Energy, Inc., a wholesale energy supply company; and Consolidated Edison Development, Inc., a company that participates in infrastructure projects.

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