

## SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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Form 8-K

## Current Report

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

Date of Report: January 16, 2003

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

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## INFORMATION TO BE INCLUDED IN THE REPORT

## ITEM 5. OTHER EVENTS

Unaudited net income for common stock for Consolidated Edison, Inc. ("Con Edison") for the year ended December 31, 2002 was \$ 646.0 million compared with \$682.2 million for the year ended December 31, 2001. Con Edison's unaudited net income for common stock for the quarter ended December 31, 2002 was \$118.3 million compared with \$125.1 million for the quarter ended December 31, 2001. Excluding the cumulative effect of changes in accounting principles, Con Edison's unaudited net income for common stock for the year and quarter ended December 31, 2002 was \$ 668.1 million and \$120.2 million, respectively. The changes in accounting principles were the adoption of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," and the ceasing to apply Emerging Issues Task Force Issue No. 98-10, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities" (which was rescinded). See Note I to the Con Edison financial statements in Part I, Item 1 of the combined Con Edison, Consolidated Edison Company of New York, Inc, and Orange and Rockland Utilities, Inc. Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2002 (the "Form 10-Q")

Reference is made to "Application of Critical Accounting Policies - Accounting for Pensions and Other Postretirement Benefits" in Con Edison's Management's Discussion and Analysis of Financial Condition and Results of Operation in Part I, Item 2 of the Form 10-Q. Con Edison expects a decrease of \$54 million in after-tax net credits to net income for pensions and other postretirement benefits in 2003, as compared to 2002, reflecting a decline of 8.6 percent in the market value of Con Edison's pension plan assets for 2002 and a decrease in the expected annual return on plan assets from the 2002 assumption of 9.2 percent to 8.8 percent. At December 31, 2002, the fair value of the company's pension plan assets exceeded the plan's accumulated benefit obligation. The company did not make a cash contribution to its pension plan in 2002, and is not required to do so in 2003.

The preceding paragraph includes forward-looking statements of future expectation. Actual results might differ materially from those expected because of factors such as those identified in "Forward-Looking Statements" in Part I of

the Form 10-Q.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) See Exhibit Index.

ITEM 9. REGULATION FD DISCLOSURE

The material attached hereto as Exhibits 99.1 and 99.2 which is incorporated in this Item 9 by reference thereto, is furnished pursuant to Regulation FD.

SIGNATURE

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

CONSOLIDATED EDISON, INC.

By: /s/ Joan S. Freilich  
Joan S. Freilich  
Executive Vice President and  
Chief Financial Officer

DATE: January 16, 2003

Index to Exhibits

Exhibit	Description	Sequential Page Number at which Exhibit Begins
99.1	Press release, dated January 16, 2003	
99.2	Major Factors Affecting Earnings	

## Major Factors Affecting Earnings For 4th Quarter 2002 Compared With 2001

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(Before Cumulative Effect of Changes in Accounting Principles)

4th Quarter 2002 Compared With 2001	Earnings Per Share (\$)
Impact of colder weather in 2002 (estimated)	0.09
Weakness in the economy (estimated)	(0.02)
Reduction in gas base rates	(0.02)
Lower non-firm gas sales	(0.02)
Excess earnings for electric operations *	(0.06)
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TOTAL	(0.03)

\* for rate year ending 3/31/2003

## Major Factors Affecting Earnings for Year 2002 Compared With 2001

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(Before Cumulative Effect of Changes in Accounting Principles)

Year 2002 Compared With Year 2001	Earnings Per Share (\$)
Impact of weather in 2002 (estimated)	0.09
Weakness in the economy (estimated)	(0.04)
Reduction in gas base rates	(0.04)
Lower non-firm gas sales	(0.05)
Lower O&M expenses for T&D	0.10
Excess earnings for electric operations *	(0.12)
Amortization of divestiture gain in 2001	(0.12)
Cessation of goodwill amortization	0.05
Unregulated operations	0.05
Orange and Rockland	0.02
All other	(0.02)
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TOTAL	(0.08)

\* for rate year ending 3/31/2003

FOR IMMEDIATE RELEASE

Con Edison Reports Solid Results for 2002; Increases Dividend for the 29th Consecutive Year

Consolidated Edison, Inc. (NYSE: ED) today (THURSDAY, JANUARY 16, 2003) reported year 2002 net income for common stock of \$668.1 million or \$3.14 a share, before the cumulative effect of two changes in accounting principles, compared with earnings of \$682.2 million or \$3.22 a share in 2001.

The company also declared a quarterly dividend of 56 cents a share on its common stock, payable March 15, 2003 to shareholders of record as of February 12, 2003, an annualized increase of 2 cents over the previous annual dividend of \$2.22 a share. This represents the company's 29th consecutive annual increase in its dividend to shareholders.

The total effect of the two changes in accounting principles is a non-cash, after-tax charge of \$22.1 million, related to previously reported goodwill impairment on certain unregulated generating assets (\$20.2 million), and the reversal of mark-to-market gains on certain energy contracts to reflect the rescinding of Emerging Issues Task Force (EITF) Issue No. 98-10, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities" (\$1.9 million). Including these one-time charges, net income for 2002 was \$646.0 million or \$3.03 per share.

"Con Edison had another solid year in 2002, despite continued recovery from September 11 and the relatively weak economy. Our electric, gas and steam systems continue to perform reliably as we remain focused on the basics of our business," said Eugene R. McGrath, Chairman and Chief Executive Officer. "We are proud of our company's operational performance as reflected in Con Edison of New York recently being named the "Most Reliable Utility in North America" and "Energy Company of the Year." These awards are a tribute to the dedication and resourcefulness of the thousands of men and women who work for our company. Our financial condition remains strong, with a solid balance sheet, good liquidity and above average debt ratings."

"Our shareholders benefited from an 11.9 percent total return in 2002, which is especially notable in a year of turmoil in the industry and the financial markets," said Joan S. Freilich, Executive Vice President and Chief Financial Officer. "Today's increase in the dividend reflects our confidence in Con Edison's future."

For the fourth quarter of 2002, the company's net income for common stock was \$118.3 million or \$0.55 a share, compared with \$125.1 million or \$0.59 a share for the fourth quarter of 2001. Excluding the cumulative effect of a change in accounting principle of \$1.9 million after-tax from the early adoption of the rescission of EITF 98-10, fourth quarter 2002 earnings would have been \$120.2 million or \$0.56 per share, \$4.9 million or \$0.03 per share lower than the 2001 period.

Electric delivery volumes by Con Edison of New York, after adjusting for variations in weather and billing days in each period, increased by 0.5 percent, while adjusted firm gas and steam delivery volumes decreased 1.5 percent and 1.4 percent, respectively, for 2002 when compared to the prior year.

Earnings for the year 2002 reflect the impact of the mild winter weather in the first quarter of 2002 and the soft economy, offset in part by the hot summer weather and productivity improvements. The company's earnings are generated substantially from its core regulated transmission and distribution business.

Con Edison expects its earnings for the year 2003 to be in the range of \$2.90 to \$3.05 a share. This forecast reflects the company's expectations for the timing of recovery from the current economic downturn. It also reflects an anticipated decrease of \$54 million in after-tax net credits for pensions and other post-retirement benefits in 2003, or \$0.25 per share, from 2002 levels. This decrease reflects, among other factors, a decline of 8.6 percent in the market value of Con Edison's pension plan assets for the year 2002, attributable to the overall stock market decline, and a decrease in the assumed future annual return on plan assets from the 2002 assumption of 9.2 percent to 8.8 percent.

At December 31, 2002, the fair value of pension plan assets exceeded the accumulated benefit obligation. Con Edison did not make a cash contribution to

its pension plan in 2002 and is not required to do so in 2003.

Capital expenditures for 2003 are budgeted at \$1.313 billion, compared with \$1.447 billion for 2002.

This press release contains forward-looking statements of future expectations. Actual results might differ materially from those projected because of factors such as those identified in reports the company has filed with the Securities and Exchange Commission.

Consolidated Edison, Inc. is one of the nation's largest investor-owned energy companies, with more than \$8 billion in annual revenues and approximately \$19 billion in assets. The company provides a wide range of energy-related products and services to its customers through its six subsidiaries: Consolidated Edison Company of New York, Inc., a regulated utility providing electric, gas and steam service in New York City and Westchester County, New York; Orange and Rockland Utilities, Inc., a regulated utility serving customers in a 1,350 square mile area in southeastern New York State and adjacent sections of northern New Jersey and northeastern Pennsylvania; Con Edison Solutions, a retail energy services company; Con Edison Energy, a wholesale energy supply company; Con Edison Development, an infrastructure development company; and Con Edison Communications, a telecommunications infrastructure company and service provider.

For additional financial, operations and customer service information, visit the Consolidated Edison, Inc. web site at [www.conedison.com](http://www.conedison.com).

CONSOLIDATED EDISON, INC.  
CONSOLIDATED INCOME STATEMENT  
FOR THE THREE MONTHS ENDED DECEMBER 31, 2002 AND 2001  
(Unaudited)

	2002 ----	2001 ----
	(Thousands of Dollars)	
Operating revenues		
Electric	\$1,424,026	\$1,401,205
Gas	331,785	292,143
Steam	115,429	77,115
Non-utility	185,788	116,658
Total operating revenues	----- 2,057,028	----- 1,887,121
Operating expenses		
Purchased power	767,340	645,733
Fuel	93,987	52,698
Gas purchased for resale	170,770	135,970
Other operations	270,000	262,603
Maintenance	89,960	84,377
Depreciation and amortization	125,822	121,244
Taxes, other than income tax	276,532	260,952
Income tax	46,424	84,712
Total operating expenses	----- 1,840,835	----- 1,648,289
Operating income	216,193	238,832
Other income (deductions)		
Investment income	899	3,169
Allowance for equity funds used during construction	1,866	494
Other income	30,943	(3,788)
Other Income deductions	(854)	(10,858)
Income tax	(4,091)	9,293
Total other income (deductions)	----- 28,763	----- (1,690)
Income before interest charges	244,956	237,142
Interest on long-term debt	89,514	98,799
Other interest	33,732	12,569
Allowance for borrowed funds used during construction	(1,321)	(2,734)
Net interest charges	----- 121,925	----- 108,634
Preferred stock dividend requirements	2,831	3,398
Net income before cumulative effect of changes in accounting principles	120,200	125,110
Cumulative effect of changes in accounting principles (net of income tax of \$1.298 million)	1,879	-
Net income for common stock	----- 118,321	----- 125,110
Earnings per common share - Basic		
Before cumulative effect of changes in accounting principles	\$0.56	\$0.59
Cumulative effect of changes in accounting principles	\$0.01	\$ -
After cumulative effect of changes in accounting principles	\$0.55	\$0.59
Earnings per common share - Diluted		
Before cumulative effect of changes in accounting principles	\$0.56	\$0.59
Cumulative effect of changes in accounting principles	\$0.01	\$ -
After cumulative effect of changes in accounting principles	\$0.55	\$0.59



Average number of shares outstanding - Basic	213,673,583	212,231,107
Average number of shares outstanding - Diluted	214,754,694	213,145,137

Consolidated Edison, Inc. utility sales		
Electric (thousands of kilowatthours)		
Total energy delivered in service areas	14,396,365	13,840,626
Off-system and ESCO sales	0	103,837
Gas (dekatherms)		
Firm sales and transportation	32,084,814	25,144,117
Off-system sales	412,786	3,851,909
Steam (thousands of pounds)	6,301,118	4,291,536

CONSOLIDATED EDISON, INC.  
CONSOLIDATED INCOME STATEMENT  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND 2001  
(Unaudited)

	2002 ----	2001 ----
	(Thousands of Dollars)	
Operating revenues		
Electric	6,250,896	6,887,863
Gas	1,204,033	1,465,956
Steam	404,044	503,736
Non-utility	622,887	531,244
	-----	-----
Total operating revenues	8,481,860	9,388,799
	-----	-----
Operating expenses		
Purchased power	3,180,394	3,385,295
Fuel	288,741	393,831
Gas purchased for resale	596,606	859,961
Other operations	961,865	1,062,186
Maintenance	387,287	430,291
Depreciation and amortization	494,553	526,121
Taxes, other than income tax	1,114,180	1,139,004
Income tax	398,097	464,552
	-----	-----
Total operating expenses	7,421,723	8,261,241
	-----	-----
Operating income	1,060,137	1,127,558
Other income (deductions)		
Investment income	2,447	7,702
Allowance for equity funds used during construction	9,969	1,281
Other income	48,010	(2,389)
Other income deductions	(20,106)	(29,358)
Income tax	21,680	21,921
	-----	-----
Total other income (deductions)	62,000	(843)
	-----	-----
Income before interest charges	1,122,137	1,126,715
Interest on long-term debt	385,323	396,948
Other interest	60,984	41,823
Allowance for borrowed funds used during construction	(4,725)	(7,891)
	-----	-----
Net interest charges	441,582	430,880
	-----	-----
Preferred stock dividend requirements	12,458	13,593
Net Income before cumulative effect of changes in accounting principles	----- 668,097	----- 682,242
Cumulative effect of changes in accounting principles (net of incometax of \$15.259 million)	22,061	-
	-----	-----
Net income for common stock	646,036	682,242
	=====	=====
Earnings per common share - Basic		
Before cumulative effect of changes in accounting principles	\$3.14	\$3.22
Cumulative effect of changes in accounting principles	\$0.11	\$ -
After cumulative effect of changes in accounting principles	\$3.03	\$3.22
Earnings per common share - Diluted		
Before cumulative effect of changes in accounting principles	\$3.13	\$3.21
Cumulative effect of changes in accounting principles	\$0.11	\$ -
After cumulative effect of changes in accounting principles	\$3.02	\$3.21

Average number of shares outstanding - Basic	212,989,784	212,146,750
Average number of shares outstanding - Diluted	214,049,653	212,919,524

Consolidated Edison, Inc. utility sales

Electric (thousands of kilowatthours)

Total energy delivered in service areas	59,457,048	58,277,115
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Off-system and ESCO sales	17,557	496,925
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Gas (dekatherms)

Firm sales and transportation	112,406,267	116,103,410
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Off-system sales	11,238,853	8,733,351
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Steam (thousands of pounds)	24,519,476	25,327,694
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