



SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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SCHEDULE 13E-4  
ISSUER TENDER OFFER STATEMENT  
(PURSUANT TO SECTION 13(E)(1) OF THE SECURITIES  
EXCHANGE ACT OF 1934)  
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CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
(NAME OF ISSUER AND PERSON FILING STATEMENT)

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TITLE CUSIP  
\$5 Cumulative Preferred Stock (no par value) 209111 70 7  
Cumulative Preferred Stock (\$100 par value)  
- 5 3/4% Series A 209111 2\* 3  
- 5 1/4% Series B 209111 88 9  
- 4.65 % Series C 209111 30 1  
- 4.65 % Series D 209111 40 0  
- 7.20 % Series I 209111 87 1  
- 6 1/8% Series J 209111 86 3  
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(TITLE OF EACH CLASS OF SECURITIES)  
(CUSIP NUMBER OF EACH CLASS OF SECURITIES)

RAYMOND J. MCCANN  
EXECUTIVE VICE PRESIDENT AND  
CHIEF FINANCIAL OFFICER  
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
4 IRVING PLACE  
NEW YORK, NEW YORK 10003  
(212) 460-4407

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO  
RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF THE PERSON FILING  
STATEMENT)

JANUARY 29, 1996  
(DATE TENDER OFFER FIRST PUBLISHED, SENT OR GIVEN TO SECURITY  
HOLDERS)



CALCULATION OF FILING FEE

Transaction Valuation	Amount of Filing Fee
\$478,285,488	\$95,657.10

\* Solely for purposes of calculating the filing fee and computed pursuant to Section 13(e)(3) of the Securities Exchange Act of 1934, as amended, and Rule 0-11(b)(1) thereunder, the transaction value equals the total amount of funds, excluding fees and other expenses, required to purchase all outstanding shares of each class of securities listed above pursuant to the Offer described in the Offer to Purchase filed as an Exhibit hereto.

/\_\_\_/ CHECK BOX IF ANY PART OF THE FEE IS OFFSET AS PROVIDED BY RULE 0-11(a)(2) AND IDENTIFY THE FILING WITH WHICH THE OFFSETTING FEE WAS PREVIOUSLY PAID. IDENTIFY THE PREVIOUS FILING BY REGISTRATION STATEMENT NUMBER, OR THE FORM OR SCHEDULE AND THE DATE OF ITS FILING.

Amount Previously Paid: \_\_\_\_\_  
Form or Registration No.: \_\_\_\_\_  
Filing Party: \_\_\_\_\_  
Date Filed: \_\_\_\_\_



ITEM 1. SECURITY AND ISSUER.

(a) Incorporated herein by reference to the information appearing under the caption "Certain Information Concerning Con Edison" in the Offer to Purchase, dated January 29, 1996, filed as Exhibit 99.(a)(1) to this Issuer Tender Offer Statement on Schedule 13E-4 (the "Offer to Purchase").

(b) Incorporated herein by reference to the information appearing on the front cover of the Offer to Purchase, and to the information appearing under the captions "Introduction," "Terms of the Offer--Number of Shares, Purchase Price, Expiration Date; Receipt of Dividend" and "Transactions and Agreements Concerning the Shares" in the Offer to Purchase.

(c) Incorporated herein by reference to the information appearing under the caption "Price Range of Shares; Dividends" in the Offer to Purchase.

(d) Not applicable.

ITEM 2. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a) Incorporated herein by reference to the information appearing under the caption "Source and Amount of Funds" in the Offer to Purchase.

(b) Incorporated herein by reference to the information appearing under the caption "Source and Amount of Funds" in the Offer to Purchase.

ITEM 3. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE ISSUER OR AFFILIATE.

Incorporated herein by reference to the information appearing under the caption "Purpose of the Offer; Certain Effects of the Offer" in the Offer to Purchase.

ITEM 4. INTEREST IN SECURITIES OF THE ISSUER.

Incorporated herein by reference to the information appearing under the caption "Transactions and Agreements Concerning the Shares" in the Offer to Purchase.

ITEM 5. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE ISSUER'S SECURITIES.

Incorporated herein by reference to the information appearing under the captions "Transactions and Agreements Concerning the Shares" and "Fees and Expenses" in the Offer to Purchase.



ITEM 6. PERSONS RETAINED, EMPLOYED OR TO BE COMPENSATED.

Incorporated herein by reference to the information appearing under the caption "Fees and Expenses" in the Offer to Purchase.

ITEM 7. FINANCIAL INFORMATION.

(a) Incorporated herein by reference to the financial statements included in the Annual Report on Form 10-K for the year ended December 31, 1994 of Consolidated Edison Company of New York, Inc. ("Con Edison") and the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1995 of Con Edison, and to the information appearing under the caption "Summary -- Selected Financial Information" in the Offer to Purchase.

(b) Incorporated herein by reference to the information appearing under the caption "Summary -- Capitalization" in the Offer to Purchase.

ITEM 8. ADDITIONAL INFORMATION.

(a) Not applicable.

(b) Incorporated herein by reference to the information appearing under the caption "Source and Amount of Funds" in the Offer to Purchase.

(c) Not applicable.

(d) Not applicable.

(e) See Exhibits 99.(a)(1) and 99.(a)(2).



ITEM 9. MATERIAL TO BE FILED AS EXHIBITS.

EXHIBIT NO. DESCRIPTION

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- 99.(a)(1) Offer to Purchase, dated January 29, 1996.
- 99.(a)(2) Letters of Transmittal for each series of securities.
- 99.(a)(3) Notice of Guaranteed Delivery of Shares.
- 99.(a)(4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees.
- 99.(a)(5) Form of Letter to Clients of Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees.
- 99.(a)(6) Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9.
- 99.(a)(7) Summary Advertisement of Con Edison.
- 99.(a)(8) Letter to Shareholders, dated January 29, 1996.
- 99.(a)(9) Press Release, dated January 26, 1996.
- 99.(b)(1) Indenture between Con Edison and The Chase Manhattan Bank (National Association) ("Chase"), as Trustee, (the "Indenture"). (Incorporated by reference to Exhibit 4(h) to Con Edison's Annual Report on Form 10-K for the year ended December 31, 1990-- Commission File No. 1-1217.)
- 99.(b)(2) Form of First Supplemental Indenture to the Indenture. (Incorporated by reference to Exhibit 4.2 to Registration Statement on Form S-3 (No. 33-64657).)
- 99.(c) Not applicable.
- 99.(d) Tax Opinion of Dewey Ballantine.
- 99.(e) Not applicable.
- 99.(f) Not applicable.



SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: January 26, 1996

Consolidated Edison Company of  
New York, Inc.

By: RAYMOND J. MCCANN  
Raymond J. McCann  
Executive Vice President and  
Chief Financial Officer

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

OFFER TO PURCHASE FOR CASH  
 ANY AND ALL OUTSTANDING SHARES OF  
 THE FOLLOWING SERIES OF ITS PREFERRED STOCK

TITLE OF SERIES OF PREFERRED	OUTSTANDING SHARES	PURCHASE PRICE (per share)
\$5 Cumulative Preferred Stock (no par value)	1,915,319	\$77.55
Cumulative Preferred Stock (\$100 par value)		
- 5 3/4% Series A	600,000	\$91.30
- 5 1/4% Series B	750,000	\$83.60
- 4.65 % Series C	600,000	\$80.65
- 4.65 % Series D	750,000	\$80.65
- 7.20 % Series I	500,000	\$105.04
- 6 1/8% Series J	500,000	\$101.75

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON TUESDAY, FEBRUARY 27, 1996, UNLESS THE OFFER IS EXTENDED.

Consolidated Edison Company of New York, Inc., a New York corporation ("Con Edison"), invites the holders of each series of Con Edison preferred stock listed above (each a "Series of Preferred") to tender any and all of their shares of a Series of Preferred ("Shares") for purchase at the purchase price per share listed above for the Shares tendered, net to the seller in cash, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the Letter of Transmittal for the Series of Preferred tendered. As to each Series of Preferred, this Offer to Purchase, together with the applicable Letter of Transmittal, constitutes the "Offer." Con Edison will purchase all Shares validly tendered and not withdrawn, upon the terms and subject to the conditions of the Offer. See "Terms of the Offer - - Extension; Termination; Amendments, and - - Certain Conditions of the Offer."

THE OFFER FOR A SERIES OF PREFERRED IS INDEPENDENT OF THE OFFER FOR ANY OTHER SERIES OF PREFERRED.

IMPORTANT

Any shareholder desiring to tender all or any portion of his or her Shares should either (1) complete and sign the applicable Letter of Transmittal or a facsimile thereof in accordance with the instructions in the Letter of Transmittal, mail or deliver it and any other required documents to the Depositary, and either deliver the certificates for Shares to the Depositary along with the Letter of Transmittal or deliver such Shares pursuant to the procedure for book-entry transfer set forth in "Terms of the Offer--Procedure for Tendering Shares" herein or (2) request his or her broker, dealer, commercial bank, trust company or nominee to effect the transaction for him or her. A shareholder whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or nominee must contact such broker, dealer, commercial bank, trust company or nominee if he or she desires to tender such Shares. Any shareholder who desires to tender Shares and whose certificates for such Shares are not immediately available, or who cannot comply in a timely manner with the procedure for book-entry transfer, should tender such Shares by following the procedures for guaranteed delivery set forth in "Terms of the Offer--Procedure for Tendering Shares" herein.

EACH SERIES OF PREFERRED HAS ITS OWN LETTER OF TRANSMITTAL, AND ONLY THE APPLICABLE LETTER OF TRANSMITTAL FOR A PARTICULAR SERIES OR A NOTICE OF GUARANTEED DELIVERY MAY BE USED TO TENDER SHARES OF SUCH SERIES.

Con Edison will, as provided in Instruction 10 of the Letter of Transmittal, pay to any Soliciting Dealer a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer.

NEITHER CON EDISON, ITS BOARD OF TRUSTEES NOR ANY OF ITS OFFICERS MAKES ANY RECOMMENDATION TO ANY SHAREHOLDER AS TO WHETHER TO TENDER ALL OR ANY SHARES. EACH SHAREHOLDER MUST MAKE HIS OR HER OWN DECISION AS TO WHETHER TO TENDER SHARES AND, IF SO, HOW MANY SHARES TO TENDER.

Con Edison's \$5 Cumulative Preferred Stock (no par value) (the "\$5 Preferred") and Cumulative Preferred Stock (\$100 par value), 4.65 % Series C (the "Series C Preferred") are listed and traded on the New York Stock Exchange. There is no established trading market for any of the other Series of Preferred. As of the close of business on January 26, 1996, (the last trading day prior to the commencement of the Offer), the last reported sale price on the New York Stock Exchange was \$71 1/8 for the \$5 Preferred (on January 26, 1996) and \$67 for the Series C Preferred (on January 22, 1996). Shareholders are urged to obtain a current market quotation, if available, for their Shares.

Questions or requests for assistance or for additional copies of this Offer to Purchase, the Letter of Transmittal for a Series of Preferred or other tender offer materials may be directed to the Information Agent or the Dealer Managers at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase.

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The Dealer Managers for the Offer are:

LEHMAN BROTHERS

SMITH BARNEY INC.

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The date of this Offer to Purchase is January 29, 1996.



NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF CON EDISON AS TO WHETHER SHAREHOLDERS SHOULD TENDER SHARES PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFER OTHER THAN THOSE CONTAINED HEREIN OR IN THE RELATED LETTER OF TRANSMITTAL. IF GIVEN OR MADE, SUCH RECOMMENDATION AND SUCH INFORMATION AND REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY CON EDISON.

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## SUMMARY

This general summary is provided solely for the convenience of holders of Shares and is qualified in its entirety by reference to the full text and more specific details contained in this Offer to Purchase and the applicable Letter of Transmittal and any amendments hereto and thereto.

Con Edison.....	Consolidated Edison Company of New York, Inc.
The Shares.....	Shares of the Series of Preferred listed on the front cover of this Offer to Purchase.
Number of Shares Sought..	Any and all of each Series of Preferred.
Purchase Price.....	The purchase price per share listed on the front cover of this Offer to Purchase which is applicable to the Shares tendered, net to the seller in cash. See "Price Range of Shares; Dividends."
Expiration Date.....	Tuesday, February 27, 1996 at 5:00 P.M., New York City time, unless extended.
How to Tender Shares.....	See "Terms of the Offer -- Procedure for Tendering Shares." For further information, call the Information Agent or the Dealer Managers or consult your broker for assistance.
Withdrawal Rights.....	Tendered Shares of any Series of Preferred may be withdrawn at any time until the Expiration Date of the Offer with respect to such Series of Preferred and, unless accepted for payment prior thereto, may be withdrawn after Monday, March 25, 1996. See "Terms of the Offer -- Withdrawal Rights."
Purpose of Offer.....	Con Edison is making the Offer because it believes that it would be economically attractive to Con Edison to purchase the Shares. In addition, the Offer provides shareholders an opportunity to sell their Shares without the usual transaction costs associated with a market sale. See "Purpose of the Offer; Certain Effects of the Offer."
Market Price of Shares...	The last reported sale price on the New York Stock Exchange for each of the \$5 Preferred and the Series C Preferred is shown on the front cover of this Offer to Purchase. There is no established trading market for the other Series of Preferred. See "Price Range of Shares; Dividends."
Dividends.....	Con Edison has declared the regular quarterly dividend for each Series of Preferred to be paid on February 1, 1996 to holders of record as of the close of business on January 10, 1996 (the "February 1996 Dividend"). A tender of Shares pursuant to the Offer will not deprive a shareholder of his or her right to receive the February 1996 Dividend regardless of when such tender is made. Holders of Shares tendered into and purchased

pursuant to the Offer will not be entitled to any dividends in respect of any later dividend periods (or any portion thereof). The Company expects to pay the next regular quarterly dividend for each Series of Preferred on May 1, 1996 to holders of record as of the close of business on a date determined by Con Edison's Board of Trustees. See "Price Range of Shares; Dividends."



Brokerage Commissions.... Not payable by shareholders.  
Con Edison will pay the solicitation  
fee described on the front cover of  
this Offer to Purchase to the broker,  
dealer, commercial bank or trust  
company, if any, designated by the  
holder tendering Shares.

Stock Transfer Tax..... None, except as provided in  
Instruction 6 of the Letter of  
Transmittal.

Payment Date..... As soon as practicable after the  
Expiration Date of the Offer. See  
"Terms of the Offer -- Extension;  
Termination; Amendments, and --  
Certain Conditions of the Offer".

Further Information..... Additional copies of this Offer to  
Purchase and the Letters of  
Transmittal may be obtained from  
D.F. King & Co., Inc., 77 Water  
Street, New York, New York 10005,  
telephone 800-549-6650 (toll free)  
or 212-269-5550 (collect). Questions  
about the Offer should be directed  
to Lehman Brothers at 800-438-3242  
or to Smith Barney Inc. at  
800-655-4811.



SELECTED FINANCIAL INFORMATION

(Dollars in Millions)	Twelve Months Ended		Year Ended December 31,			
	September 30, 1995	1994	1993	1992	1991	1990
Operating revenues	\$ 6,469.8	\$ 6,373.1	\$ 6,265.4	\$ 5,932.9	\$ 5,873.1	\$ 5,738.9
Fuel	500.0	567.8	605.2	710.3	879.4	997.6
Purchased power	1,050.9	787.5	812.6	606.8	561.2	437.4
Gas purchased for resale	246.6	341.2	289.7	245.2	223.4	254.2
Operating income	1,043.5	1,036.2	951.1	880.4	813.1	800.8
Net income for common stock	693.0	698.7	622.9	567.7	530.1	534.4
Total assets	14,030.2	13,728.4	13,257.4	11,596.1	11,107.9	10,685.6
Long-term obligations						
Long-term debt	4,020.3	4,030.5	3,643.9	3,493.6	3,364.8	3,312.7
Capitalized leases	45.9	47.8	50.4	52.9	55.5	58.0
Preferred stock subject to mandatory redemption	100.0	100.0	100.0	100.0	41.3	43.5
Common shareholders' equity	5,538.2	5,313.0	5,068.5	4,886.9	4,608.3	4,502.1
Earnings per common share	\$2.95	\$2.98	\$2.66	\$2.46	\$2.32	\$2.34
Average common shares outstanding (millions)	234.9	234.8	234.0	231.1	228.3	228.2
Ratio of earnings to fixed charges	4.32	4.58	4.19	3.93	3.73	4.07

CAPITALIZATION

	As of September 30, 1995 (Unaudited)			
	Actual	Ratio	Adjusted(a)	Ratio
	(Dollars in Millions)			
Long-term Debt	\$ 4,020.2	39.4%	\$4,255.2	41.9%
Preferred Stock	640.0	6.3	365.0	3.6
Common Equity	5,538.2	54.3	5,538.2	54.5
Total Capitalization	\$10,198.4	100.0%	\$10,158.4	100.0%

(a) Adjusted to reflect the assumed purchase pursuant to the Offer of \$275 million of Con Edison preferred stock and the assumed issuance of \$235 million aggregate principal amount of subordinated debentures to fund the purchase. See "Source and Amount of Funds." The State of New York Public Service Commission has conditioned its approval of this refunding transaction on Con Edison taking certain actions to offset the increase to common equity that would otherwise result from the refunding. See "Terms of the Offer -- Certain Conditions of the Offer."

## RECENT DEVELOPMENTS

On January 23, 1996, Con Edison announced unaudited net income for common stock in 1995 of \$688.3 million compared with \$698.7 million in 1994. For the quarter ended December 31, 1995, unaudited net income for common stock was \$104.2 million compared with \$109.0 million in the corresponding 1994 period.



## INTRODUCTION

Con Edison invites the holders of the Series of Preferred listed on the front cover of this Offer to Purchase to tender any and all of their Shares for purchase at the purchase price per share listed on the front cover of this Offer to Purchase which is applicable to the Shares tendered, net to the seller in cash, upon the terms and subject to the conditions set forth herein and in the Letter of Transmittal for the Series of Preferred tendered. As to each Series of Preferred, this Offer to Purchase, together with the applicable Letter of Transmittal, constitutes the "Offer." See "Terms of the Offer -- Extension; Termination; Amendments, and -- Certain Conditions of the Offer."

THE OFFER FOR SHARES OF A SERIES OF PREFERRED IS INDEPENDENT OF THE OFFER FOR SHARES OF ANY OTHER SERIES OF PREFERRED.

NEITHER CON EDISON, ITS BOARD OF TRUSTEES NOR ANY OF ITS OFFICERS MAKES ANY RECOMMENDATION TO ANY SHAREHOLDER AS TO WHETHER TO TENDER ALL OR ANY SHARES. EACH SHAREHOLDER MUST MAKE HIS OR HER OWN DECISION AS TO WHETHER TO TENDER SHARES AND, IF SO, HOW MANY SHARES TO TENDER.

EACH SERIES OF PREFERRED HAS ITS OWN LETTER OF TRANSMITTAL, AND ONLY THE APPLICABLE LETTER OF TRANSMITTAL FOR A PARTICULAR SERIES OR A NOTICE OF GUARANTEED DELIVERY MAY BE USED TO TENDER SHARES OF SUCH SERIES.

The \$5 Preferred and the Series C Preferred are listed and traded on the New York Stock Exchange under the symbols "EDPrA" and "EDPrC," respectively. There is no established trading market for any of the other Series of Preferred. The last reported sale price on the New York Stock Exchange, as of the close of business on January 26, 1996, for each of the \$5 Preferred and the Series C Preferred is shown on the front cover of this Offer to Purchase. Shareholders are urged to obtain a current market quotation, if available, for their Shares.

The February 1996 Dividend for each Series of Preferred has been declared and is to be paid on February 1, 1996 to holders of record as of the close of business on January 10, 1996. A tender of Shares pursuant to the Offer will not deprive any shareholder of his or her right to receive the February 1996 Dividend, regardless of when such tender is made. Holders of Shares tendered into and purchased pursuant to the Offer will not be entitled to any dividends in respect of any later dividend periods (or any portion thereof). See "Price Range of Shares; Dividends."

Tendering shareholders will not be obligated to pay brokerage commissions, solicitation fees or, subject to the Instructions to the Letter of Transmittal, stock transfer taxes on the purchase of Shares by Con Edison. Con Edison will pay all charges and expenses of Lehman Brothers and Smith Barney Inc. (the "Dealer Managers"), The Chase Manhattan Bank, N.A. (the "Depository") and D.F. King & Co., Inc. (the "Information Agent") incurred in connection with the Offer. In addition, Con Edison will pay to the Soliciting Dealer, if any, designated by the holder tendering Shares, the solicitation fee described on the front cover of this Offer to Purchase. See "Fees and Expenses." ANY TENDERING SHAREHOLDER OR OTHER PAYEE WHO FAILS TO COMPLETE AND SIGN THE SUBSTITUTE FORM W-9 THAT IS INCLUDED IN THE LETTER OF TRANSMITTAL MAY BE SUBJECT TO A REQUIRED FEDERAL INCOME TAX BACKUP WITHHOLDING OF 31% OF THE GROSS PROCEEDS PAYABLE TO SUCH SHAREHOLDER OR OTHER PAYEE PURSUANT TO THE OFFER. See "Terms of the Offer--Procedure for Tendering Shares" and "Certain Federal Income Tax Consequences."

Shareholders are not under any obligation to tender Shares pursuant to the Offer. The Offer does not constitute notice of redemption of any Series of Preferred pursuant to Con Edison's Restated Certificate of Incorporation, nor does Con Edison intend to effect any such redemption by making the Offer. The Offer does not constitute a waiver by Con Edison of any option it has to redeem Shares. See "Purpose of the Offer; Certain Effects of the Offer."



Copies of this Offer to Purchase and an applicable Letter of Transmittal are being mailed to record holders of Shares and will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on Con Edison's shareholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of the Shares.

#### TERMS OF THE OFFER

NUMBER OF SHARES; PURCHASE PRICE; EXPIRATION DATE; RECEIPT OF DIVIDEND

Upon the terms and subject to the conditions described herein and in the applicable Letter of Transmittal, Con Edison will purchase any and all Shares that are validly tendered on or prior to the applicable Expiration Date (and not properly withdrawn in accordance with "Terms of the Offer--Withdrawal Rights") at the purchase price per share listed on the front cover of this Offer to Purchase which is applicable to the Shares tendered, net to the seller in cash. See "Terms of the Offer -- Extension; Termination; Amendments, and -- Certain Conditions of the Offer."

The later of 5:00 P.M., New York City time, on February 27, 1996, or the latest time and date to which the Offer is extended with respect to any Series of Preferred, is referred to herein as the "Expiration Date." There can be no assurance that Con Edison will exercise its right to extend the Offer with respect to any Series of Preferred.

The Offer for a Series of Preferred is independent of the Offer for any other Series of Preferred.

The February 1996 Dividend for each Series of Preferred has been declared and is to be paid on February 1, 1996 to holders of record as of the close of business on January 10, 1996. A tender of Shares pursuant to the Offer will not deprive any shareholder of his or her right to receive the February 1996 Dividend, regardless of when such tender is made. Holders of Shares tendered into and purchased pursuant to the Offer will not be entitled to any dividends in respect of any later dividend periods (or any portion thereof).

No alternative, conditional or contingent tenders will be accepted.

#### PROCEDURE FOR TENDERING SHARES

To tender Shares validly pursuant to the Offer, the tendering holder of Shares must either:

(a) send to the Depository (at one of its addresses set forth on the back cover of this Offer to Purchase) a properly completed and duly executed Letter of Transmittal for the Series of Preferred tendered or facsimile thereof, together with any required signature guarantees and any other documents required by the Letter of Transmittal, and either (i) cause certificates for the Shares to be tendered to be received by the Depository, at one of such addresses or (ii) cause such Shares to be delivered pursuant to the procedures for book-entry transfer described below (and a confirmation of such delivery received by the Depository), in each case on or prior to the applicable Expiration Date; or

(b) comply with the guaranteed delivery procedure described under "Guaranteed Delivery Procedure" below.

The Depository will establish an account with respect to each Series of Preferred at The Depository Trust Company, Midwest Securities Trust Company and Philadelphia Depository Trust Company (collectively referred to as the "Book-Entry Transfer Facilities") for purposes of the Offer within two business days after the date of this Offer to Purchase, and any financial institution that is a participant in the system of any Book-Entry Transfer Facility may make delivery of Shares by causing such Book-Entry Transfer Facility to transfer such Shares into the Depository's account in accordance with the procedures of such

Book-Entry Transfer Facility. Although delivery of Shares may be effected through book-entry transfer, a properly completed and duly executed Letter of Transmittal for the Series of Preferred tendered or facsimile thereof, together with any required signature guarantees and any other required documents, must, in any case, be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase on or prior to the applicable Expiration Date, or the tendering holder of Shares must comply with the guaranteed delivery procedure described below.



DELIVERY OF THE APPLICABLE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS TO ONE OF THE BOOK-ENTRY TRANSFER FACILITIES DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

Except as otherwise provided below, all signatures on a Letter of Transmittal must be guaranteed by a firm that is a member of a registered national securities exchange or the National Association of Securities Dealers, Inc., or by a commercial bank or trust company having an office or correspondent in the United States which is a participant in an approved Signature Guarantee Medallion Program (each of the foregoing being referred to as an "Eligible Institution"). Signatures on a Letter of Transmittal need not be guaranteed if (a) the Letter of Transmittal is signed by the registered holder of the Shares tendered therewith and such holder has not completed the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on the Letter of Transmittal or (b) such Shares are tendered for the account of an Eligible Institution. See Instructions 1 and 5 of the Letter of Transmittal.

Guaranteed Delivery Procedure. If a shareholder desires to tender Shares pursuant to the Offer and cannot deliver certificates for such Shares and all other required documents to the Depositary on or prior to the applicable Expiration Date, or the procedure for book-entry transfer cannot be complied with in a timely manner, such Shares may nevertheless be tendered if all of the following conditions are met:

- (i) such tender is made by or through an Eligible Institution;
- (ii) a properly completed and duly executed Notice of Guaranteed Delivery in the form provided by Con Edison (with any required signature guarantees) is received by the Depositary as provided below on or prior to the applicable Expiration Date; and
- (iii) the certificates for such Shares (or a confirmation of a book-entry transfer of such Shares into the Depositary's account at one of the Book-Entry Transfer Facilities), together with a properly completed and duly executed Letter of Transmittal for the Series of Preferred to be tendered (or facsimile thereof) and any other documents required by the Letter of Transmittal, are received by the Depositary no later than 5:00 p.m., New York City time, on the third New York Stock Exchange trading day after the date of execution of the Notice of Guaranteed Delivery.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile transmittal or mail to the Depositary and must include a guarantee by an Eligible Institution in the form set forth in such Notice.

THE METHOD OF DELIVERY OF SHARES AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE TENDERING SHAREHOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE TIMELY DELIVERY.

TO AVOID FEDERAL INCOME TAX BACKUP WITHHOLDING EQUAL TO 31% OF THE GROSS PAYMENTS MADE PURSUANT TO THE OFFER, EACH SHAREHOLDER MUST NOTIFY THE DEPOSITARY OF SUCH SHAREHOLDER'S CORRECT TAXPAYER IDENTIFICATION NUMBER AND PROVIDE CERTAIN OTHER INFORMATION BY PROPERLY COMPLETING THE SUBSTITUTE FORM W-9 INCLUDED IN THE LETTER OF TRANSMITTAL. FOREIGN SHAREHOLDERS MUST SUBMIT A PROPERLY COMPLETED FORM W-8 IN ORDER TO AVOID THE APPLICABLE BACKUP WITHHOLDING; PROVIDED, HOWEVER, THAT BACKUP WITHHOLDING WILL NOT APPLY TO FOREIGN SHAREHOLDERS SUBJECT TO 30% (OR LOWER TREATY RATE) WITHHOLDING ON GROSS PAYMENTS RECEIVED PURSUANT TO THE OFFER (AS DISCUSSED UNDER "CERTAIN FEDERAL INCOME TAX CONSEQUENCES").

EACH SHAREHOLDER IS URGED TO CONSULT HIS OR HER OWN TAX ADVISOR.



All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by Con Edison, in its sole discretion, and its determination shall be final and binding. Con Edison reserves the absolute right to reject any or all tenders of Shares that (i) it determines are not in proper form or (ii) the acceptance for payment of or payment for which may, in the opinion of Con Edison's counsel, be unlawful. Con Edison also reserves the absolute right to waive any defect or irregularity in any tender of Shares. None of Con Edison, the Dealer Managers, the Depository, the Information Agent or any other person will be under any duty to give notice of any defect or irregularity in tenders, nor shall any of them incur any liability for failure to give any such notice.

Con Edison will, as provided in Instruction 10 of the Letter of Transmittal, pay the solicitation fee described on the front cover of this Offer to Purchase for any Shares tendered and accepted for payment and paid for pursuant to the Offer, covered by a Letter of Transmittal which designates, as having solicited and obtained the tender, the name of (i) any broker or dealer in securities, including the Dealer Managers in their capacity as a broker or dealer, who is a member of any national securities exchange or of the National Association of Securities Dealers, Inc. (the "NASD"), (ii) any foreign broker or dealer not eligible for membership in the NASD which agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as though it were an NASD member, or (iii) any bank or trust company (each of which is referred to herein as a "Soliciting Dealer"). No such fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a depositing holder (other than itself). No such fee shall be paid to a Soliciting Dealer with respect to Shares tendered for such Soliciting Dealer's own account. No broker, dealer, bank, trust company or fiduciary shall be deemed to be an agent of Con Edison, the Depository, the Information Agent or the Dealer Managers for the purposes of the Offer.

#### WITHDRAWAL RIGHTS

Tenders of Shares of a Series of Preferred made pursuant to the Offer may be withdrawn at any time prior to the Expiration Date with respect to such Series of Preferred. Thereafter, such tenders are irrevocable, except that they may be withdrawn after Monday, March 25, 1996 unless theretofore accepted for payment as provided in this Offer to Purchase. If, with respect to any Series of Preferred, Con Edison extends the period of time during which the Offer is open, is delayed in accepting for payment or paying for Shares of that Series of Preferred or is unable to accept for payment or pay for Shares of that Series of Preferred pursuant to the Offer for any reason, then, without prejudice to Con Edison's rights under the Offer, the Depository may, on behalf of Con Edison, retain all Shares of that Series of Preferred tendered, and such Shares may not be withdrawn except as otherwise provided in this "Terms of the Offer--Withdrawal Rights," subject to Rule 13e-4(f)(5) under the Securities Exchange Act of 1934 (the "Exchange Act"), which provides that the issuer "making the tender offer shall either pay the consideration offered, or return the tendered securities, promptly after the termination or withdrawal of the tender offer".

To be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depository at one of its addresses or facsimile numbers set forth on the back cover of this Offer to Purchase and must specify the name of the person who tendered the Shares to be withdrawn and the number of Shares of each Series of Preferred to be withdrawn. If the Shares to be withdrawn have been delivered to the Depository, a signed notice of withdrawal with signatures guaranteed by an Eligible Institution (except in the case of Shares tendered by an Eligible Institution) must be submitted prior to the release of such Shares. In addition, such notice must specify, in the case of Shares tendered by delivery of certificates, the name of the registered holder (if different from that of the tendering shareholder) and the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn or, in the case of Shares tendered by book-entry transfer, the name and

number of the account at one of the Book-Entry Transfer Facilities to be credited with the withdrawn Shares and the name of the registered holder (if different from the name of such account). Withdrawals may not be rescinded, and Shares withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by again following one of the procedures described in "Terms of the Offer-  
- Procedure for Tendering Shares" at any time prior to the applicable Expiration Date.



All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by Con Edison in its sole discretion, and its determination shall be final and binding. None of Con Edison, the Dealer Managers, the Depository, the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification.

#### ACCEPTANCE FOR PAYMENT OF SHARES AND PAYMENT OF PURCHASE PRICE

Upon the terms and subject to the conditions of the Offer and as promptly as practicable after the Expiration Date with respect to a Series of Preferred, Con Edison will accept for payment and pay for Shares of that Series of Preferred validly tendered. See "Terms of the Offer--Number of Shares; Purchase Price; Expiration Date; Receipt of Dividends, -- Extension; Termination; Amendments, and -- Certain Conditions of the Offer" and "Source and Amount of Funds." Thereafter, payment for all Shares of that Series of Preferred validly tendered on or prior to the applicable Expiration Date and accepted for payment pursuant to the Offer will be made by the Depository by check as promptly as practicable. In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of certificates for Shares (or of a confirmation of a book-entry transfer of such Shares into the Depository's account at one of the Book-Entry Transfer Facilities), a properly completed and duly executed Letter of Transmittal for the Series of Preferred tendered or facsimile thereof, and any other required documents.

For purposes of the Offer, Con Edison will be deemed to have accepted for payment (and thereby purchased) Shares that are validly tendered prior to the applicable Expiration Date and not withdrawn as, if and when it gives oral or written notice to the Depository of its acceptance for payment of such Shares. Con Edison will pay for Shares that it has purchased pursuant to the Offer by depositing the purchase price therefor with the Depository. The Depository will act as agent for tendering shareholders for the purpose of receiving payment from Con Edison and transmitting payment to tendering shareholders. Under no circumstances will interest be paid on amounts to be paid to tendering shareholders, regardless of any delay in making such payment.

Certificates for all Shares not purchased will be returned (or, in the case of Shares tendered by book-entry transfer, such Shares will be credited to an account maintained with a Book-Entry Transfer Facility) as promptly as practicable, without expense to the tendering shareholder.

Payment for Shares may be delayed in the event of difficulty in determining the number of Shares properly tendered. In addition, if certain events occur, Con Edison may not be obligated to purchase Shares pursuant to the Offer. See "Terms of the Offer--Certain Conditions of the Offer."

Con Edison will pay or cause to be paid any stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder, or if tendered Shares are registered in the name of any person other than the person signing the Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder, such other person or otherwise) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted. See Instruction 6 to the Letter of Transmittal.

#### CERTAIN CONDITIONS OF THE OFFER

Notwithstanding any other provision of the Offer, Con Edison will not be required to accept for payment or pay for any Shares of a Series of Preferred tendered, and may terminate or amend the Offer with respect thereto, and may postpone (subject to the requirements of the Exchange Act for prompt payment for or return of Shares) the acceptance for payment of or payment for Shares of a Series of Preferred tendered, if any of the following shall have occurred at any time after the date of this Offer to Purchase and before payment for any Shares of a



Series of Preferred (whether or not such occurrence shall be continuing at the time of such termination, amendment or postponement):

(a) any action or proceeding shall have been threatened, instituted, pending or taken, or approval shall have been withheld, withdrawn or abrogated, or any statute, rule, regulation, judgment, order or injunction shall have been threatened, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to the Offer or Con Edison, by any legislative body, court, authority, agency or tribunal or any other person, including the Securities and Exchange Commission or the State of New York Public Service Commission (see "Source and Amount of Funds"), which, in Con Edison's sole judgment, would or might directly or indirectly (i) make the acceptance for payment of, or payment for, some or all of the Shares of that Series of Preferred illegal or challenges the acquisition of such Shares or otherwise or in any manner relates to or affects the Offer, (ii) materially impair the contemplated benefits of the Offer to Con Edison or (iii) materially affect the business, condition (financial or other), income, operations or prospects of Con Edison, or otherwise materially impair in any way the contemplated future conduct of the business of Con Edison;

(b) the State of New York Public Service Commission shall have abrogated its authorization of the issuance by Con Edison of debt securities, the proceeds from the sale of which were to be used to fund the purchase of Shares pursuant to the Offer (see "Source and Amount of Funds");

(c) it shall have been publicly disclosed or Con Edison shall have learned that any person or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) has acquired or proposes to acquire beneficial ownership of more than 5% of the outstanding common stock of Con Edison whether through the acquisition of stock, the formation of a group, the grant of any option or right or otherwise;

(d) there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market, (ii) any significant decline in the market price of the Shares of that Series of Preferred, (iii) any change in the general political, market, economic or financial condition in the United States or abroad that could have a material adverse effect on Con Edison's business, operations, prospects or ability to obtain financing generally or the trading in the Shares of that Series of Preferred or other equity securities of Con Edison, (iv) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or any limitation on, or any event which, in Con Edison's sole judgment, might affect, the extension of credit by lending institutions in the United States, (v) the commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States or (vi) in the case of any of the foregoing existing at the time of the commencement of the Offer, in Con Edison's sole judgment, a material acceleration or worsening thereof;

(e) a tender or exchange offer with respect to some or all of the Shares of that Series of Preferred or other equity securities of Con Edison, or a merger, acquisition or other business combination proposal for Con Edison, shall have been proposed, announced or made by another person;

(f) there shall have occurred any event or events that have resulted, or may in the sole judgment of Con Edison result, in an actual or threatened change in the business, condition (financial or other), income, operations, stock ownership or prospects of Con Edison and its subsidiaries;

(g) Moody's Investors Service Inc., Standard & Poor's Corporation or Duff and Phelps Inc. shall have downgraded or withdrawn the rating accorded any securities of Con Edison, or (ii) Moody's Investors Service Inc., Standard & Poor's Corporation or Duff and Phelps Inc. shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any securities of Con Edison; or

(h) there shall have occurred any decline in the Standard & Poor's Composite 500 Stock Index by an amount in excess of 15% measured from the close of business on January 26, 1996;

and, in the sole judgment of Con Edison, such event or events make it undesirable or inadvisable to proceed with the Offer with respect to such Series of Preferred or with such acceptance for payment or payment. The



Offer for a Series of Preferred is independent of the Offer for any other Series of Preferred. The consummation of the Offer for any Series of Preferred is not conditioned on the consummation of the Offer for all Series of Preferred or for any other Series of Preferred.

The foregoing conditions are for the sole benefit of Con Edison and may be asserted by Con Edison regardless of the circumstances (including any action or inaction by Con Edison) giving rise to any such condition, and any such condition may be waived by Con Edison, in whole or in part, at any time and from time to time in its sole discretion. The failure by Con Edison at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by Con Edison concerning the events described above will be final and binding on all parties.

#### EXTENSION; TERMINATION; AMENDMENTS

Prior to the Expiration Date, Con Edison may, with respect to each Series of Preferred, extend the period of time during which the Offer is open or otherwise amend or modify the Offer and may terminate the Offer for any reason. There can be no assurance, however, that Con Edison will extend the Offer. During any such extension, all Shares of that Series of Preferred previously tendered will remain subject to the Offer, except to the extent that such Shares may be withdrawn as set forth in "Terms of the Offer--Withdrawal Rights.

After the Expiration Date, Con Edison may, with respect to each Series of Preferred, upon the occurrence of any of the conditions specified in "Terms of the Offer--Certain Conditions of the Offer" terminate the Offer and not accept for payment or pay for any Shares tendered or, subject to Rule 13e-4(f)(5) under the Exchange Act (which provides that the issuer "making the tender offer shall either pay the consideration offered, or return the tendered securities, promptly after the termination or withdrawal of the tender offer"), postpone acceptance for payment of or payment for Shares.

To effect any such extension, amendment, modification, termination or postponement, Con Edison shall give oral or written notice to the Depositary and make a public announcement thereof. Without limiting the manner in which Con Edison may choose to make such a public announcement, Con Edison shall have no obligation (except as otherwise required by applicable law) to publish, advertise or otherwise communicate any such public announcement, other than by making a release to the Dow Jones News Service, except in the case of an announcement of an extension of the Offer with respect to any Series of Preferred, in which case Con Edison shall have no obligation to publish, advertise or otherwise communicate such announcement other than by issuing a notice of such extension by press release or other public announcement, which notice shall be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date with respect to that Series of Preferred.

If Con Edison materially changes the terms of the Offer or the information concerning the Offer, or if it waives a material condition of the Offer, Con Edison will extend the Offer to the extent required by Rules 13e-4(d)(2) and 13e-4(e)(2) under the Exchange Act. Under these rules, the minimum period during which an offer must remain open following material changes in the terms of the offer or information concerning the offer (other than a change in price, change in dealer's soliciting fee or change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information. In a published release, the Commission has stated that, in its view, an offer should remain open for a minimum of five business days from the date that a notice of such a material change is first published, sent or given. The Offer with respect to any Series of Preferred will be extended for at least ten business days from the time Con Edison publishes, sends or gives to holders of Shares of that Series of Preferred a notice that it will (a) increase or decrease the price it will pay for Shares of that Series of Preferred or the amount of the dealer's soliciting

fee or (b) increase or decrease the percentage of Shares in that Series of Preferred it seeks (except that the acceptance for payment of additional Shares of a Series of Preferred not to exceed 2% of the outstanding Shares in that Series of Preferred shall not be deemed to be an increase).



PRICE RANGE OF SHARES; DIVIDENDS

The \$5 Preferred and the Series C Preferred are listed and traded on the New York Stock Exchange under the symbols "EDPrA" and "EDPrC," respectively. There is no established trading market for any of the other Series of Preferred. The last reported sale price on the New York Stock Exchange, as of the close of business on January 26, 1996, for each of the \$5 Preferred and the Series C Preferred is shown on the front cover of this Offer to Purchase.

SHAREHOLDERS ARE URGED TO OBTAIN CURRENT MARKET QUOTATIONS, IF AVAILABLE, FOR THEIR SHARES.

The following table sets forth the high and low sales prices of the \$5 Preferred and the Series C Preferred on the New York Stock Exchange and the cash dividends paid thereon for the fiscal quarters indicated.

	\$5 PREFERRED			SERIES C PREFERRED		
	HIGH	LOW	CASH DIVIDENDS PER SHARE	HIGH	LOW	CASH DIVIDENDS PER SHARE
1994: 1st Quarter	75	68 1/2	\$1.25	71 3/4	64	\$1.1625
2nd Quarter	70	62	1.25	64 1/2	57 1/2	1.1625
3rd Quarter	66 1/2	62 1/4	1.25	60	55 1/2	1.1625
4th Quarter	64 1/4	57 1/4	1.25	57 1/2	53	1.1625
1995: 1st Quarter	64 1/4	57 1/2	1.25	60	53 1/2	1.1625
2nd Quarter	66 3/8	61 5/8	1.25	65 1/2	57	1.1625
3rd Quarter	69 1/8	66	1.25	68	59 1/4	1.1625
4th Quarter	72	67 3/4	1.25	73 5/8	64 3/4	1.1625

Dividends for a Series of Preferred are payable when, as and if declared by Con Edison's Board of Trustees at the rate per annum included in the title of the Series of Preferred listed on the front cover of this Offer to Purchase. The February 1996 Dividend (which is a regular quarterly dividend) for each Series of Preferred has been declared and is to be paid on February 1, 1996 to holders of record as of the close of business on January 10, 1996. A tender of Shares pursuant to the Offer will not deprive any shareholder of his or her right to receive the February 1996 Dividend, regardless of when such tender is made. Holders of Shares tendered into and purchased pursuant to the Offer will not be entitled to any dividends in respect of any later dividend periods (or any portion thereof).

## PURPOSE OF THE OFFER; CERTAIN EFFECTS OF THE OFFER

Con Edison is making the Offer because it believes that it would be economically attractive to Con Edison to purchase the Shares with funds from the issuance of its subordinated debentures, interest payments on which, unlike dividends paid on preferred stock, are deductible by Con Edison for federal income tax purposes. As described under "Source and Amount of Funds," \$600 million of Con Edison debt securities, including subordinated debentures, are registered under the Securities Act of 1933 for sale by Con Edison from time to time.

The Offer provides shareholders an opportunity to sell their Shares without the usual transaction costs associated with a market sale.

After the consummation of the Offer, Con Edison may determine to purchase additional Shares on the open market, in privately negotiated transactions, through one or more tender offers or otherwise. Any such purchases may be on the same terms as, or on terms which are more or less favorable to holders of Shares than, the terms of the Offer. However, Rule 13e-4(f)(6) under the Exchange Act prohibits Con Edison and its affiliates from



purchasing any Shares of a Series of Preferred, other than pursuant to the Offer, until at least ten business days after the Expiration Date with respect to that Series of Preferred. Any future purchases of Shares by Con Edison would depend on many factors, including the market price of the Shares, Con Edison's business and financial position, restrictions on Con Edison's ability to purchase Shares imposed by law or by New York Stock Exchange listing requirements and general economic and market conditions.

Shareholders are not under any obligation to tender Shares pursuant to the Offer. The Offer does not constitute notice of redemption of any Series of Preferred pursuant to Con Edison's Restated Certificate of Incorporation, nor does Con Edison intend to effect any such redemption by making the Offer. The Offer does not constitute a waiver by Con Edison of any option it has to redeem Shares. In accordance with Con Edison's Restated Certificate of Incorporation, Con Edison is required to redeem its Cumulative Preferred Stock (\$100 par value), 6 1/8% Series J (the "Series J Preferred") on August 1, 2002, and to redeem 25,000 Shares of its Cumulative Preferred Stock (\$100 par value), 7.20% Series I (the "Series I Preferred") on May 1 of each year in the five-year period commencing with the year 2002 and to redeem the remaining Series I Shares on May 1, 2007, in each case, at a redemption price of \$100 per share plus accrued dividends. In addition, each Series of Preferred, other than the Series J Preferred, is redeemable at the option of Con Edison at the following redemption prices: the \$5 Preferred at \$105 per share; the Series I Preferred at \$105.04 per share if redeemed prior to May 1, 1996, and thereafter at prices declining annually to \$100 per share after April 30, 2002 (but prior to May 1, 1997, Series I Preferred may not be redeemed with borrowed funds or proceeds from certain securities issuances having a cost to Con Edison of less than 7.20% per annum); and the other Series of Preferred at redemption prices ranging from \$101 to \$102 per share, in each case, plus accrued dividends.

Each Series of Preferred ranks equally with respect to priority in payment of dividends and (to the extent of \$100 per share plus accrued but unpaid dividends) in distribution of capital assets upon dissolution, liquidation or winding up of Con Edison ("Liquidation"). Before any distribution may be made to the holders of Con Edison's Cumulative Preference Stock (\$100 par value) and Common Stock upon any Liquidation, the holders of the \$5 Preferred will be entitled to receive, upon any Liquidation, \$100 per share, and the holders of the other Series of Preferred will be entitled to receive, in case of voluntary Liquidation, an amount equal to the redemption price per share applicable on the date of the voluntary Liquidation and, in case of involuntary Liquidation, \$100 per share, plus, in each case, accrued dividends. Con Edison's Certificate of Incorporation provides that the sale, conveyance, exchange or transfer of all or substantially all of Con Edison's property, or the consolidation of Con Edison with, or merger of Con Edison into, any other corporation shall not be deemed a Liquidation.

Shares that Con Edison purchases pursuant to the Offer will be retired and cancelled, which will reduce the number of Shares that might otherwise trade publicly and will reduce the number of holders of Shares. This could adversely affect the liquidity and market value of the Shares not purchased in the Offer. However, Con Edison does not believe that there is a reasonable likelihood, and it is not a purpose of this Offer, that the Offer or purchases of Shares by Con Edison will either: (i) under the current published guidelines of the New York Stock Exchange, cause the \$5 Preferred or the Series C Preferred to be delisted from the New York Stock Exchange, or (ii) cause any other Series of Preferred to become eligible for deregistration under the Exchange Act.

Con Edison has no plans or proposals which relate to or would result in: (a) the acquisition by any person of additional securities of Con Edison or the disposition of securities of Con Edison (other than as discussed under "Source and Amount of Funds"); (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving Con Edison or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of Con Edison or any of its subsidiaries; (d) any change in the present Board of Trustees or management of Con

Edison; (e) any material change in the present dividend rate or policy, or indebtedness or capitalization of Con Edison; (f) any other material change in Con Edison's corporate structure or business; (g) any change in Con Edison's Certificate of Incorporation or By-Laws or any actions which may impede the acquisition of control of Con Edison by any person; (h) a class of equity securities of Con Edison being delisted



from a national securities exchange; (i) a class of equity securities of Con Edison becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or (j) the suspension of Con Edison's obligation to file reports pursuant to Section 15(d) of the Exchange Act.

NEITHER CON EDISON, ITS BOARD OF TRUSTEES NOR ANY OF ITS OFFICERS MAKES ANY RECOMMENDATION TO ANY SHAREHOLDER AS TO WHETHER TO TENDER ALL OR ANY SHARES. EACH SHAREHOLDER MUST MAKE HIS OR HER OWN DECISION WHETHER TO TENDER SHARES AND, IF SO, HOW MANY SHARES TO TENDER.

#### SOURCE AND AMOUNT OF FUNDS

Assuming that Con Edison purchases all outstanding Shares pursuant to the Offer, the total amount of funds required by Con Edison to purchase the Shares would be approximately \$478.3 million, excluding fees and other expenses. See "Fees and Expenses." Con Edison intends to use the proceeds from the sale, promptly after the Expiration Date, of its subordinated debentures to fund the purchase of Shares pursuant to the Offer.

\$600 million of Con Edison debt securities, including subordinated debentures, are registered under the Securities Act of 1933 for sale by Con Edison from time to time. The New York State Public Service Commission has authorized the issuance of Con Edison debt securities, including subordinated debentures, to refund the Shares, subject to the Commission's right to abrogate such authorization within twenty-four hours after submission by Con Edison to it of the underwriting agreement pursuant to which such securities are to be sold and certain information relating to the terms of the securities. See "Terms of the Offer -- Certain Conditions of the Offer."

#### TRANSACTIONS AND AGREEMENTS CONCERNING THE SHARES

Based upon Con Edison's records and upon information provided to Con Edison by its Trustees and officers, neither Con Edison nor, to Con Edison's knowledge (but without Con Edison having made specific inquiry in connection with the Offer), any of its associates, subsidiaries, Trustees, officers or any associate of any such Trustee or officer owns any Shares or has engaged in any transactions involving Shares during the 40 business days preceding the date hereof. Neither Con Edison nor, to Con Edison's knowledge (but without Con Edison having made specific inquiry in connection with the Offer), any of its Trustees or officers is a party to any contract, arrangement, understanding or relationship relating directly or indirectly to the Offer with any other person with respect to any securities of Con Edison other than as disclosed in this Offer to Purchase. See "Fees and Expenses."

## CERTAIN FEDERAL INCOME TAX CONSEQUENCES

In General. The following summary describes certain United States federal income tax consequences relating to the Offer. The summary deals only with Shares held as capital assets within the meaning of the Internal Revenue Code of 1986, as amended (the "Code") and does not address tax consequences that may be important to investors in special tax situations, such as certain financial institutions, tax-exempt organizations, life insurance companies, dealers in securities or currencies, or shareholders holding the Shares as part of a conversion transaction, as part of a hedging transaction, or as a position in a straddle for tax purposes. Each shareholder should consult a tax advisor with regard to the Offer and the application of United States federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdiction.

Characterization of the Sale. A sale of Shares pursuant to the Offer will be a taxable transaction for United States federal income tax purposes and will be treated as a "sale or exchange", rather than as a distribution by Con Edison with respect to the Shares, if under Section 302 of the Code the sale (i) results in a "complete redemption" of all the stock in Con Edison owned by the shareholder or (ii) is "not essentially equivalent to a



dividend" with respect to the shareholder. The receipt of cash by a shareholder will constitute a "complete redemption" if all of the Con Edison stock actually owned by the shareholder and constructively owned by the shareholder under the attribution rules described below is sold pursuant to the Offer. The receipt of cash will be "not essentially equivalent to a dividend" if the sale of Shares results in a "meaningful reduction" in the shareholder's interest in Con Edison stock. A sale of Shares by a shareholder that does not own, actually or constructively, any Con Edison common stock should qualify as "not essentially equivalent to a dividend." In the case of a shareholder who owns \$5 Preferred and does not actually or constructively own any Con Edison common stock, "sale or exchange" treatment will be assured if at least 21% of the shares of \$5 Preferred actually and constructively owned by the shareholder, rounded upwards to the nearest whole number of shares, are sold pursuant to the Offer. Contemporaneous dispositions or acquisitions of Con Edison stock may be deemed to be part of an integrated transaction which will be taken into account in this connection.

In applying the foregoing rules, there will be taken into account not only stock actually owned by the shareholder, but also stock constructively owned under the attribution rules of Section 318 of the Code. Under Section 318, a shareholder may constructively own stock actually owned, and in some cases constructively owned, by certain related individuals or entities and stock which the shareholder has the right to acquire by exercise of an option or conversion right.

If under Section 302 a sale of the Shares is treated as a "sale or exchange," the tendering shareholder will recognize gain or loss equal to the difference between the amount of cash received and the shareholder's tax basis in the Shares sold. Any such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the Shares have been held for more than one year. If the sale is not so treated as a "sale or exchange", the tendering shareholder will be deemed to have received a dividend in the amount of the cash received to the extent of the shareholder's allocable portion of Con Edison's earnings and profits as determined for federal income tax purposes. Any such dividend would be includible in the gross income of the shareholder as ordinary income in its entirety without reduction for the tax basis of the Shares sold pursuant to the Offer. The shareholder's basis in the Shares sold would be added to such shareholder's basis in any retained Con Edison stock. To the extent that the amount of cash received exceeds the shareholder's allocable portion of Con Edison's earnings and profits, the shareholder's basis will be reduced by the amount of such excess. Any amount received in excess of the shareholder's tax basis will be treated as received in exchange for the shareholder's Con Edison stock.

Corporate Shareholders. If a sale of Shares is treated as a dividend, a corporate shareholder may be entitled to claim a dividends-received deduction for a portion of the dividend, subject to applicable limitations. Corporate shareholders should consider the effect of Section 246(c) of the Code which disallows the dividends-received deduction with respect to stock that is held for 45 days or less. For this purpose, the length of time a shareholder is deemed to have held stock may be reduced by periods during which the shareholder's risk of loss with respect to the stock is diminished by reason of the existence of certain options or other transactions. Also, if a corporate shareholder has incurred indebtedness directly attributable to an investment in stock, the dividends-received deduction may be reduced. Under tax legislation proposed by the Department of the Treasury on December 7, 1995, the deduction for dividends received, where the corporate shareholder owns less than 20% of the stock of the corporation, would be reduced from 70% of the amount of the dividend to 50%. The proposal would also alter the calculation of the 45-day holding period under Section 246(c). As proposed, these provisions would be effective for dividends received or accrued after January 31, 1996. It is not possible to predict at this time whether these proposals will be enacted and whether the proposed effective date would be retained.

Any amount received by a corporate shareholder pursuant to the Offer that is treated as a dividend would be likely to constitute an "extraordinary dividend" under Section 1059 of the

Code. For this purpose, all dividends received by a shareholder within, and having their ex-dividend dates within, an 85-day period (expanded to a 365-day period in the case of dividends received in such period that in the aggregate exceed 20% of the shareholder's adjusted tax basis in the stock) are aggregated and also treated as extraordinary dividends. Under Section 1059 of the Code a corporate shareholder is required to reduce its basis (but not below



zero) in its stock by the non-taxed portion of the dividend (i.e., the portion of the dividend for which a deduction is allowed). If such portion exceeds the shareholder's tax basis in its Shares (and its tax basis in any other stock of Con Edison that it owns), the shareholder would be required to treat the excess as gain from the sale of its remaining Shares or other Con Edison stock. Corporate shareholders should consult their own tax advisors as to the application of Section 1059 of the Code to the Offer. Under a pending legislative proposal, Section 1059 would be amended to provide for immediate recognition of gain in certain circumstances where the non-taxed portion of the dividend exceeds the basis of the shares surrendered.

**Foreign Shareholders.** Con Edison will withhold United States federal income tax at a rate of 30% from gross proceeds paid pursuant to the Offer to foreign shareholders, unless Con Edison determines that a reduced rate of withholding is applicable pursuant to a tax treaty or that an exemption from withholding is applicable because such gross proceeds are effectively connected with the conduct of a trade or business by the foreign shareholder within the United States. In order to claim an exemption from withholding on the ground that gross proceeds paid pursuant to the Offer are effectively connected with the conduct of a trade or business by a foreign shareholder within the United States, the shareholder must deliver to the Depositary a properly executed Internal Revenue Service Form 4224. A foreign shareholder may be eligible to file for a refund of such tax or a portion of such tax if such shareholder (i) meets the "complete redemption" or "not essentially equivalent to a dividend" tests described above, (ii) is entitled to a reduced rate of withholding pursuant to a treaty and Con Edison withheld at a higher rate, or (iii) is otherwise able to establish that no tax or a reduced amount of tax was due.

**Backup Withholding.** See "Terms of the Offer--Procedure for Tendering Shares" with respect to the application of backup withholding tax.

THE TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY. THE TAX CONSEQUENCES OF A SALE PURSUANT TO THE OFFER MAY VARY DEPENDING UPON, AMONG OTHER THINGS, THE PARTICULAR CIRCUMSTANCES OF THE TENDERING SHAREHOLDER. NO INFORMATION IS PROVIDED HEREIN AS TO THE STATE, LOCAL OR FOREIGN TAX CONSEQUENCES OF THE OFFER. SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE PARTICULAR FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF SALES PURSUANT TO THE OFFER.



## FEES AND EXPENSES

Lehman Brothers and Smith Barney Inc. will act as Dealer Managers for Con Edison in connection with the Offer. Con Edison has agreed to pay the Dealer Managers an aggregate fee of \$0.50 per share for Shares purchased pursuant to the Offer. The Dealer Managers will also be reimbursed by Con Edison for their reasonable out-of-pocket expenses, including attorneys' fees, and will be entitled to indemnification against certain liabilities, including liabilities under the federal securities laws, or to contribution for payments the Dealer Managers may be required to make in respect thereof. The Dealer Managers have rendered, are currently rendering and are expected to continue to render various investment banking and other advisory services to Con Edison. The Dealer Managers have received, and will continue to receive, customary compensation from Con Edison for such services.

Con Edison will, as provided in Instruction 10 of the Letter of Transmittal, pay the solicitation fee described on the front cover of this Offer to Purchase for Shares tendered and accepted for payment and paid for pursuant to the Offer, covered by a Letter of Transmittal which designates, as having solicited and obtained the tender, the name of (i) any broker or dealer in securities, including the Dealer Managers in their capacity as a broker or dealer, who is a member of any national securities exchange or of the National Association of Securities Dealers, Inc. (the "NASD"), (ii) any foreign broker or dealer not eligible for membership in the NASD which agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as though it were an NASD member, or (iii) any bank or trust company (each of which is referred to herein as a "Soliciting Dealer"). No such fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a depositing holder (other than itself). No such fee shall be payable to a Soliciting Dealer with respect to Shares tendered for such Soliciting Dealer's own account. No broker, dealer, bank, trust company or fiduciary shall be deemed to be an agent of Con Edison, the Depository, the Information Agent or the Dealer Managers for the purposes of the Offer.

Con Edison has retained The Chase Manhattan Bank, N.A. as Depository and D.F. King & Co., Inc. as Information Agent in connection with the Offer. The Information Agent may contact shareholders by mail, telephone, telex, telegraph and personal interviews, and may request brokers, dealers and other nominee shareholders to forward materials relating to the Offer to beneficial owners. The Depository and the Information Agent will receive reasonable and customary compensation for their services and will also be reimbursed for certain out-of-pocket expenses. Con Edison has agreed to indemnify the Depository and the Information Agent against certain liabilities, including certain liabilities under the federal securities laws, in connection with the Offer. Neither the Information Agent nor the Depository has been retained to make solicitations or recommendations in connection with the Offer.

Other than as described above, Con Edison will not pay any solicitation fees to any broker, dealer, bank, trust company or other person for any Shares purchased in connection with the Offer. Con Edison will reimburse such persons for customary handling and mailing expenses incurred in connection with the Offer.

Con Edison will pay all stock transfer taxes, if any, payable on account of the acquisition of the Shares by Con Edison pursuant to the Offer, except in certain circumstances where special payment or delivery procedures are utilized pursuant to Instruction 6 of the Letter of Transmittal.



#### CERTAIN INFORMATION CONCERNING CON EDISON

Consolidated Edison Company of New York, Inc. ("Con Edison"), incorporated in New York State in 1884, supplies electric service in all of New York City (except part of Queens) and most of Westchester County. It also supplies gas in Manhattan, The Bronx and parts of Queens and Westchester, and steam in part of Manhattan. Most governmental customers within Con Edison's electric service territory receive electric service through Con Edison's facilities from the New York Power Authority. Con Edison's principal office is located at 4 Irving Place, New York, New York 10003 (Telephone No.:212-460-4600).

#### ADDITIONAL INFORMATION

Con Edison is subject to the informational requirements of the Exchange Act and, in accordance therewith, files reports, proxy statements and other information with the Commission. Con Edison has also filed an Issuer Tender Offer Statement on Schedule 13E-4 with the Commission which includes certain additional information relating to the Offer.

Such material can be inspected and copied at the public reference room of the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and the public reference facilities in the Commission's Regional Offices located at Seven World Trade Center, 7th Floor, New York, New York 10048, and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material can be obtained at prescribed rates by writing to the Commission, Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, the Chicago Stock Exchange, 120 South LaSalle Street, Chicago, Illinois 60605 and the Pacific Stock Exchange, 301 Pine Street, San Francisco, California 94104. Con Edison's Schedule 13E-4 will not be available at the Commission's Regional Offices.

#### MISCELLANEOUS

The Offer is not being made to, nor will Con Edison accept tenders from, owners of Shares in any jurisdiction in which the Offer or its acceptance would not be in compliance with the laws of such jurisdiction. Con Edison is not aware of any jurisdiction where the making of the Offer or the tender of Shares would not be in compliance with applicable law. If Con Edison becomes aware of any jurisdiction where the making of the Offer or the tender of Shares is not in compliance with any applicable law, Con Edison will make a good faith effort to comply with such law. If, after such good faith effort, Con Edison cannot comply with such law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares residing in such jurisdiction. In any jurisdiction in which the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on Con Edison's behalf by one or more registered brokers or dealers licensed under the laws of such jurisdiction.



Facsimile copies of the applicable Letter of Transmittal for the Series of Preferred to be tendered will be accepted. The Letter of Transmittal and certificates for Shares should be sent or delivered by each tendering shareholder of Con Edison or his or her broker, dealer, bank or trust company to the Depository at one of its addresses set forth below.

The Depository:

THE CHASE MANHATTAN BANK, N.A.

By Mail:

Box 3032  
4 Chase MetroTech Ctr.  
Brooklyn, NY 11245

By Overnight Delivery:

c/o Chase Securities  
Processing Corp  
Ft. Lee Executive Park  
1 Executive Dr. - 6th floor  
Ft. Lee, NJ 07024

By Hand:

(9:00 a.m. - 5:00 p.m.  
New York City Time)  
1 Chase Manhattan Plaza  
Floor 1-B  
Nassau and Liberty Streets  
New York, NY 10081

By Facsimile Transmission:

(201) 592-4372

Information and Confirm by Telephone:

(201) 592-4370

Any questions or requests for assistance may be directed to the Information Agent or the Dealer Managers at the respective telephone numbers and addresses listed below. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal or other tender offer materials may be directed to the Information Agent or the Dealer Managers, and such copies will be furnished promptly at Con Edison's expense. Shareholders may also contact their local broker, dealer, commercial bank or trust company for assistance concerning the Offer.

The Dealer Managers:

LEHMAN BROTHERS  
3 World Financial Center  
New York, New York 10285  
(800) 438-3242  
Attention: Roy D. Henriksson

SMITH BARNEY INC.  
390 Greenwich Street  
New York, New York 10013  
(800) 655-4811  
Attention: Paul Galant

The Information Agent:

D.F. KING & CO.  
77 Water Street  
New York, New York 10005  
(800) 549-6650 (Toll-Free)



LETTER OF TRANSMITTAL  
To Accompany

Shares of \$5 Cumulative Preferred Stock (No par value) of

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

TENDERED PURSUANT TO THE OFFER TO PURCHASE,  
DATED JANUARY 29, 1996, FOR PURCHASE AT  
PURCHASE PRICE OF \$77.55 PER SHARE

THE OFFER AND WITHDRAWAL RIGHTS WILL  
EXPIRE AT 5:00 P.M., NEW YORK CITY TIME,  
ON TUESDAY, FEBRUARY 27, 1996, UNLESS THE OFFER IS EXTENDED.

To: THE CHASE MANHATTAN BANK, N.A., Depositary

By Mail:

Box 3032  
4 Chase MetroTech Ctr.  
Brooklyn, NY 11245

By Overnight Delivery:

c/o Chase Securities  
Processing Corp  
Ft. Lee Executive Park  
1 Executive Dr. - 6th floor  
Ft. Lee, NJ 07024

By Hand:

(9:00 a.m. - 5:00 p.m.  
New York City Time)  
1 Chase Manhattan Plaza  
Floor 1-B  
Nassau and Liberty Streets  
New York, NY 10081

By Facsimile Transmission:

(201) 592-4372

Information and Confirm by Telephone:

(201) 592-4370

DESCRIPTION OF SHARES TENDERED

(PLEASE FILL IN EXACTLY AS INFORMATION APPEARS ON CERTIFICATE(S))  
(ATTACH ADDITIONAL SIGNED LIST IF NECESSARY)

NAMES(S) AND ADDRESS(ES) OF REGISTERED HOLDERS(S)	CERTIFICATE NUMBER(S)*	TOTAL NUMBER OF SHARES REPRESENTED BY CERTIFICATE(S)*	NUMBER OF SHARES TENDERED**
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\* Need not be completed by shareholders tendering by book-entry transfer.

\*\* Unless otherwise indicated, it will be assumed that all Shares represented by any certificates delivered to the Depositary are being tendered. See Instruction 4.



DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN ONE LISTED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

DO NOT SEND ANY CERTIFICATES TO LEHMAN BROTHERS, TO SMITH BARNEY INC., TO D.F. KING & CO., INC. OR TO CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THE LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be used if certificates are to be forwarded herewith or if delivery of tendered Shares (as defined below) is to be made by book-entry transfer to the Depository's account at The Depository Trust Company ("DTC"), Midwest Securities Trust Company ("MSTC") or Philadelphia Depository Trust Company ("PDTC") (hereinafter collectively referred to as the "Book-Entry Transfer Facilities") pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase (as defined below).

Shareholders who cannot deliver their Shares and all other documents required hereby to the Depository by the Expiration Date (as defined in the Offer to Purchase) must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. See Instruction 2. Delivery of documents to Con Edison or to a Book-Entry Transfer Facility does not constitute a valid delivery.

(BOXES BELOW FOR USE BY ELIGIBLE INSTITUTIONS ONLY)

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT ONE OF THE BOOK-ENTRY TRANSFER FACILITIES AND COMPLETE THE FOLLOWING:

Name of tendering institution \_\_\_\_\_  
Check applicable box:  
// DTC            // MSTC            // PDTC  
Account No. \_\_\_\_\_  
Transaction Code No. \_\_\_\_\_

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of tendering shareholder(s)

Date of execution of Notice of Guaranteed Delivery

Name of institution that guaranteed delivery

If delivery is by book-entry transfer:

Name of tendering institution

Account no. \_\_\_\_\_ at

// DTC // MSTC // PDTC

Transaction Code No.

\_\_\_\_\_



NOTE: SIGNATURES MUST BE PROVIDED BELOW.  
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

The undersigned hereby tenders to Consolidated Edison Company of New York, Inc., a New York corporation ("Con Edison"), the shares listed on the first page hereof under "Description of Shares Tendered" pursuant to Con Edison's offer to purchase any and all of the outstanding shares of the series of Con Edison preferred stock shown on the first page hereof as to which this Letter of Transmittal is applicable (the "Shares") at the purchase price shown on the first page hereof, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 29, 1996 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which as to the Shares, together with the Offer to Purchase, constitutes the "Offer"). See "Terms of the Offer -- Extension; Termination; Amendments, and -- Certain Conditions of the Offer" in the Offer to Purchase.

Subject to, and effective upon, acceptance for payment of and payment for the Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, Con Edison all right, title and interest in and to all the Shares that are being tendered hereby and hereby constitutes and appoints the Depository the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares, with full power of substitution (such power of attorney being an irrevocable power coupled with an interest), to (a) deliver certificates for such Shares, or transfer ownership of such Shares on the account books maintained by any of the Book-Entry Transfer Facilities, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of Con Edison, (b) present such Shares for registration and transfer on the books of Con Edison and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms of the Offer.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby and that, when and to the extent the same are accepted for payment by Con Edison, Con Edison will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances, conditional sales agreements or other obligations relating to the sale or transfer thereof, and the same will not be subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or Con Edison to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby.

All authority herein conferred or agreed to be conferred shall not be affected by, and shall survive the death or incapacity of the undersigned, and any obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer, this tender is irrevocable.

The undersigned understands that tenders of Shares pursuant to any one of the procedures described under "Terms of the Offer - - Procedure for Tendering Shares" in the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer, including the undersigned's representation and warranty that (i) the undersigned has a net long position in the Shares being tendered within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended, and (ii) the tender of such Shares complies with Rule 14e-4. Con Edison's acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the undersigned and Con Edison upon the terms and subject to the conditions of the Offer.

The undersigned recognizes that, under certain circumstances set forth in the Offer to Purchase, Con Edison may terminate or amend the Offer or may not be required to purchase any of the Shares tendered hereby. In either event, the undersigned

understands that certificate(s) for any Shares not tendered or not purchased will be returned to the undersigned.



Unless otherwise indicated under "Special Payment Instructions," please issue the check for the purchase price of any Shares purchased, and/or return any Shares not tendered or not purchased, in the name(s) of the undersigned (and, in the case of Shares tendered by book-entry transfer, by credit to the account at the Book-Entry Transfer Facility designated above). Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price of any Shares purchased and/or any certificates for Shares not tendered or not purchased (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned signature(s). In the event that both "Special Payment Instructions" and "Special Delivery Instructions" are completed, please issue the check for the purchase price of any Shares purchased and/or return any Shares not tendered or not purchased in the name(s) of, and mail said check and/or any certificates to, the person(s) so indicated. The undersigned recognizes that Con Edison has no obligation, pursuant to the "Special Payment Instructions," to transfer any Shares from the name of the registered holder(s) thereof if Con Edison does not accept for payment any of the Shares so tendered.

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 SPECIAL PAYMENT INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned.

Issue / / check and/or  
 / / certificate(s) to:

Name -----  
 (PLEASE PRINT)

Address -----  
 -----  
 (INCLUDE ZIP CODE)

-----  
 SPECIAL DELIVERY INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown below the undersigned's signature(s).

Mail / / check and/or  
 / / certificate(s) to:

Name-----  
 (PLEASE PRINT)

Address -----  
 -----  
 (INCLUDE ZIP CODE)

-----  
 (TAXPAYER IDENTIFICATION OR  
 SOCIAL SECURITY NO.)  
 -----

/ / CHECK HERE IF ANY OF THE CERTIFICATES REPRESENTING SHARES THAT YOU OWN AND WISH TO TENDER HAVE BEEN LOST, DESTROYED OR STOLEN. (SEE INSTRUCTION 12.)

Number of Shares represented by lost, destroyed or stolen certificates: \_\_\_\_\_



SOLICITED TENDERS  
(SEE INSTRUCTION 10)

As provided in Instruction 10, Con Edison will pay to any Soliciting Dealer, as defined in Instruction 10, a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer.

The undersigned represents that the Soliciting Dealer which solicited and obtained this tender is:

Name of Firm: -----  
(PLEASE PRINT)

Name of Individual Broker  
or Financial Consultant: -----

Telephone Number of Broker  
or Financial Consultant: -----

Identification Number (if known): -----

Address: -----  
(INCLUDE ZIP CODE)

The following to be completed ONLY if customer's Shares held in nominee name are tendered.

NAME OF BENEFICIAL OWNER	NUMBER OF SHARES TENDERED
(ATTACH ADDITIONAL LIST IF NECESSARY)	
- -----	- -----
- -----	- -----
- -----	- -----

The acceptance of compensation by such Soliciting Dealer will constitute a representation by it that: (i) it has complied with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder, in connection with such solicitation; (ii) it is entitled to such compensation for such solicitation under the terms and conditions of the Offer to Purchase; (iii) in soliciting tenders of Shares, it has used no soliciting materials other than those furnished by Con Edison; and (iv) if it is a foreign broker or dealer not eligible for membership in the National Association of Securities Dealers, Inc. (the "NASD"), it has agreed to conform to the NASD's Rules of Fair Practice in making solicitations.

The payment of compensation to any Soliciting Dealer is dependent on such Soliciting Dealer's returning a Notice of Solicited Tenders to the Depositary.

(PLEASE COMPLETE SUBSTITUTE FORM W-9 BELOW)



SIGN HERE: .....  
.....

SIGNATURE(S) OF OWNER(S)

Dated ....., 1996  
Name(s).....

(PLEASE PRINT)

Capacity (full title).....  
Address.....

(INCLUDE ZIP CODE)

DAYTIME Area Code and Telephone  
No.....

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on the stock certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5.)

GUARANTEE OF SIGNATURE(S) (SEE INSTRUCTIONS 1 AND 5)

Authorized Signature .....  
Name .....  
Name of Firm .....  
Address of Firm .....  
Area code and Telephone No. ....  
Dated ....., 1996

-----  
NOTE: REMAINDER OF THIS LETTER OF TRANSMITTAL MUST BE COMPLETED BY SIGNING THE SUBSTITUTE FORM W-9 BELOW.



## INSTRUCTIONS

### FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. GUARANTEE OF SIGNATURES. Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a firm that is a member of a registered national securities exchange or the National Association of Securities Dealers, Inc., or by a commercial bank or trust company having an office or correspondent in the United States which is a participant in an approved Signature Guarantee Medallion Program (an "Eligible Institution"). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered holder(s) of the Shares (which term, for purposes of this document, shall include any participant in one of the Book-Entry Transfer Facilities whose name appears on a security position listing as the owner of Shares) tendered herewith and such holder(s) has not completed the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. DELIVERY OF LETTER OF TRANSMITTAL AND SHARES. This Letter of Transmittal is to be used either if certificates are to be forwarded herewith or if delivery of Shares is to be made by book-entry transfer pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the front page of this Letter of Transmittal on or prior to the Expiration Date (as defined in the Offer to Purchase) with respect to a Series of Preferred. Shareholders who cannot deliver their Shares and all other required documents to the Depository on or prior to the applicable Expiration Date must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery in the form provided by Con Edison (with any required signature guarantees) must be received by the Depository on or prior to the applicable Expiration Date and (c) the certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-

Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal must be received by the Depository within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase.

THE METHOD OF DELIVERY OF SHARES AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE TENDERING SHAREHOLDER. IF CERTIFICATES FOR SHARES ARE SENT BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.

No alternative, conditional or contingent tenders will be accepted. See "Terms of the Offer--Number of Shares; Purchase Price; Expiration Date; Receipt of Dividend" in the Offer to Purchase. By executing this Letter of Transmittal (or facsimile thereof), the tendering stockholder waives any right to receive any notice of the acceptance for payment of the Shares.

3. INADEQUATE SPACE. If the space provided herein is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate schedule attached hereto.

4. PARTIAL TENDERS (NOT APPLICABLE TO SHAREHOLDERS WHO TENDER BY BOOK-ENTRY TRANSFER). If fewer than all the Shares represented by any certificate delivered to the Depository are to be tendered, fill in the number of Shares that are to be tendered in the box entitled "Number of Shares Tendered." In such case, a new certificate for the remainder of the Shares represented by the old certificate will



be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the "Special Payment Instructions" or "Special Delivery Instructions" boxes on this Letter of Transmittal, as promptly as practicable following the expiration or termination of the Offer. All Shares represented by certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. SIGNATURES ON LETTER OF TRANSMITTAL; STOCK POWERS AND ENDORSEMENTS. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificates without alteration, enlargement or any change whatsoever.

If any of the Shares tendered hereby is held of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares tendered hereby is registered in different names on different certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, no endorsements of certificates or separate stock powers are required unless payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s). Signatures on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares tendered hereby, certificates must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered holder(s) appear(s) on the certificates for such Shares. Signature(s) on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Con Edison of the authority of such person so to act must be submitted.

6. STOCK TRANSFER TAXES. Con Edison will pay or cause to be paid any stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s), or if tendered Shares are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted. See "Terms of the Offer-- Acceptance for Payment of Shares and Payment of Purchase Price" in the Offer to Purchase. EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY TO AFFIX TRANSFER TAX STAMPS TO THE CERTIFICATES REPRESENTING SHARES TENDERED HEREBY.

7. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS. If the check for the purchase price of any Shares purchased is to be issued in the name of, and/or any Shares not tendered or not purchased are to be returned to, a person other than the person(s) signing this Letter of Transmittal or if the check and/or any certificate for Shares not tendered or not purchased are to be mailed to someone other than the person(s) signing this Letter of Transmittal or to an address other than that shown above in the box captioned "Description of Shares Tendered," then the boxes captioned "Special Payment Instructions" and/or "Special Delivery Instructions" on this Letter of Transmittal should be completed. Stockholders tendering Shares by book-entry transfer will have any Shares not accepted for payment returned by crediting the account maintained by such shareholder at the Book-Entry Transfer Facility from which such transfer was made.



8. SUBSTITUTE FORM W-9 AND FORM W-8. The tendering stockholder is required to provide the Depository with either a correct Taxpayer Identification Number ("TIN") on Substitute Form W-9, which is provided under "Important Tax Information" below, or a properly completed Form W-8. Failure to provide the information on either Substitute Form W-9 or Form W-8 may subject the tendering shareholder to 31% federal income tax backup withholding on the payment of the purchase price. The box in Part 2 of Substitute Form W-9 may be checked if the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future. If the box in Part 2 is checked and the Depository is not provided with a TIN by the time of payment, the Depository will withhold 31% on all payments of the purchase price thereafter until a TIN is provided to the Depository.

9. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Any questions or requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective telephone numbers and addresses listed below. Requests for additional copies of the Offer to Purchase, this Letter of Transmittal or other tender offer materials may be directed to the Information Agent or the Dealer Managers and such copies will be furnished promptly at Con Edison's expense. Shareholders may also contact their local broker, dealer, commercial bank or trust company for assistance concerning the Offer.

10. SOLICITED TENDERS. Con Edison will pay a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer, covered by the Letter of Transmittal which designates, in the box captioned "Solicited Tenders," as having solicited and obtained the tender, the name of (i) any broker or dealer in securities, including a Dealer Manager in its capacity as a dealer or broker, which is a member of any national securities exchange or of the National Association of Securities Dealers, Inc. (the "NASD"), (ii) any foreign broker or dealer not eligible for membership in the NASD which agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as though it were an NASD member, or (iii) any bank or trust company (each of which is referred to herein as a "Soliciting Dealer"). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by a holder unless the Letter of Transmittal accompanying such tender designates such Soliciting Dealer. No such fee shall be payable to a Soliciting Dealer in respect of Shares registered in the name of such Soliciting Dealer unless such Shares are held by such Soliciting Dealer as nominee and such Shares are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal or on the Notice of Solicited Tenders (included in the materials provided to brokers and dealers). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by the holder of record, for the benefit of the beneficial owner, unless the beneficial owner has designated such Soliciting Dealer. If tendered Shares are being delivered by book-entry transfer, the Soliciting Dealer must return a Notice of Solicited Tenders to the Depository within three business days after expiration of the Offer to receive a solicitation fee. No such fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a depositing holder (other than itself). No such fee shall be paid to a Soliciting Dealer with respect to Shares tendered for such Soliciting Dealer's own account. No broker, dealer, bank, trust company or fiduciary shall be deemed to be the agent of Con Edison, the Depository, the Information Agent or the Dealer Managers for purposes of the Offer.

11. IRREGULARITIES. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance of any tender of Shares will be determined by Con Edison, in its sole discretion, and its determination shall be final and binding. Con Edison reserves the absolute right to reject any and all tenders of Shares that it determines are not in proper form or the acceptance for payment of or payment for Shares that may, in the opinion of Con Edison's counsel, be unlawful. Con Edison also reserves the absolute right to waive

any of the conditions to the Offer or any defect or irregularity in any tender of Shares and Con Edison's interpretation of the terms and conditions of the Offer (including these instructions) shall be final and binding. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as Con Edison shall determine. None of Con Edison, the Dealer Managers, the Depositary, the Information Agent or any other person shall be under any duty to give notice of any defect or irregularity in tenders, nor shall any



of them incur any liability for failure to give any such notice. Tenders will not be deemed to have been made until all defects and irregularities have been cured or waived.

12. LOST, DESTROYED OR STOLEN CERTIFICATES. If any certificate representing Shares has been lost, destroyed or stolen, the shareholder should promptly notify the Depositary by checking the box immediately following the special payment/special delivery instructions and indicating the number of Shares lost, destroyed or stolen. The shareholder will then be instructed as to the procedures that must be taken in order to replace the certificate. The tender of Shares pursuant to this Letter of Transmittal will not be valid unless prior to the Expiration Date (as defined in the Offer to Purchase): (i) such procedures have been completed and a replacement certificate for the Shares has been delivered to the Depositary, or (ii) a Notice of Guaranteed Delivery has been delivered to the Depositary. See Instruction 2.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE COPY THEREOF), DULY EXECUTED, TOGETHER WITH CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE DEPOSITARY, OR THE NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY, ON OR PRIOR TO THE APPLICABLE EXPIRATION DATE (AS DEFINED IN THE OFFER TO PURCHASE).

#### IMPORTANT TAX INFORMATION

Under federal income tax law, a shareholder whose tendered Shares are accepted for payment is required to provide the Depositary (as payer) with either such shareholder's correct TIN on Substitute Form W-9 below or a properly completed Form W-8. If such shareholder is an individual, the TIN is his or her social security number. For businesses and other entities, the number is the employer identification number. If the Depositary is not provided with the correct TIN or properly completed Form W-8, the shareholder may be subject to a \$50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such shareholder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding. The Form W-8 can be obtained from the Depositary. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If federal income tax backup withholding applies, the Depositary is required to withhold 31% of any payments made to the shareholder. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of the tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.

#### PURPOSE OF SUBSTITUTE FORM W-9 AND FORM W-8

To avoid backup withholding on payments that are made to a shareholder with respect to Shares purchased pursuant to the Offer, the shareholder is required to notify the Depositary of his or her correct TIN by completing the Substitute Form W-9 attached hereto certifying that the TIN provided on Substitute Form W-9 is correct and that (1) the shareholder has not been notified by the Internal Revenue Service that he or she is subject to federal income tax backup withholding as a result of failure to report all interest or dividends or (2) the Internal Revenue Service has notified the shareholder that he or she is no longer subject to federal income tax backup withholding. Foreign shareholders must submit a properly completed Form W-8 in order to avoid the applicable backup withholding; provided, however, that backup withholding will not apply to foreign shareholders subject to 30% (or lower treaty rate) withholding on gross payments received pursuant to the Offer.

#### WHAT NUMBER TO GIVE THE DEPOSITARY

The shareholder is required to give the Depositary the social security number or employer identification number of the registered owner of the Shares. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which

number to report.



PAYER'S NAME:

SUBSTITUTE  
FORM W-9  
DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE

PAYER'S REQUEST FOR  
TAXPAYER IDENTIFICATION  
NUMBER (TIN) AND  
CERTIFICATION

PART 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY  
BY SIGNING AND DATING BELOW.

Social Security number OR  
Employer Identification Number

TIN -----

-----

Name (Please Print) -----

Address -----

City ----- State ---- Zip Code -----

PART 2

Awaiting TIN / /

-----  
PART 3--CERTIFICATION--UNDER THE PENALTIES OF PERJURY, I CERTIFY  
THAT: (1) the number shown on this form is my correct taxpayer  
identification number (or a TIN has not been issued to me but I  
have mailed or delivered an application to receive a TIN or  
intend to do so in the near future), (2) I am not subject to  
backup withholding either because I have not been notified by the  
Internal Revenue Service (the "IRS") that I am subject to backup  
withholding as a result of a failure to report all interest or  
dividends or the IRS has notified me that I am no longer subject  
to backup withholding, and (3) all other information provided on  
this form is true, correct and complete.  
-----

SIGNATURE: ----- DATE: -----

You must cross out item (2) above if you have been notified by  
the IRS that you are currently subject to backup withholding  
because of underreporting interest or dividends on your tax  
return.  
-----

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN  
BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO  
THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR  
CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE  
FORM W-9 FOR ADDITIONAL DETAILS. YOU MUST COMPLETE THE FOLLOWING  
CERTIFICATE IF YOU CHECKED THE BOX IN PART 2 OF THE SUBSTITUTE  
FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer  
identification number has not been issued to me and either (1) I  
have mailed or delivered an application to receive a taxpayer  
identification number to the appropriate Internal Revenue Service  
Center or Social Security Administration Office or (2) I intend  
to mail or deliver an application in the near future. I  
understand that if I do not provide a taxpayer identification  
number by the time of payment, 31% of all payments of the  
purchase price made to me will be withheld until I provide a  
number.

Signature \_\_\_\_\_ Date \_\_\_\_\_, 1996



THE DEALER MANAGERS:

LEHMAN BROTHERS  
3 World Financial Center  
New York, New York 10285  
(800) 438-3242

Attention: Roy D. Henriksson

SMITH BARNEY INC.  
390 Greenwich Street  
New York, New York 10013  
(800) 655-4811

Attention: Paul Galant

THE INFORMATION AGENT:

D.F. KING & CO., INC.  
77 Water Street  
New York, New York 10005  
(800) 549-6650 (Toll-Free)



LETTER OF TRANSMITTAL  
To Accompany

Shares of 5 3/4% Series A Cumulative Preferred Stock  
(\$100 par value) of

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

TENDERED PURSUANT TO THE OFFER TO PURCHASE,  
DATED JANUARY 29, 1996, FOR PURCHASE AT  
PURCHASE PRICE OF \$91.30 PER SHARE

THE OFFER AND WITHDRAWAL RIGHTS WILL  
EXPIRE AT 5:00 P.M., NEW YORK CITY TIME,  
ON TUESDAY, FEBRUARY 27, 1996, UNLESS THE OFFER IS EXTENDED.

To: THE CHASE MANHATTAN BANK, N.A., Depositary

By Mail:

Box 3032  
4 Chase MetroTech Ctr.  
Brooklyn, NY 11245

By Overnight Delivery:

c/o Chase Securities  
Processing Corp  
Ft. Lee Executive Park  
1 Executive Dr. - 6th floor  
Ft. Lee, NJ 07024

By Hand:

(9:00 a.m. - 5:00 p.m.  
New York City Time)  
1 Chase Manhattan Plaza  
Floor 1-B  
Nassau and Liberty Streets  
New York, NY 10081

By Facsimile Transmission:

(201) 592-4372  
Information and Confirm by Telephone:  
(201) 592-4370

DESCRIPTION OF SHARES TENDERED

(PLEASE FILL IN EXACTLY AS INFORMATION APPEARS ON CERTIFICATE(S))  
(ATTACH ADDITIONAL SIGNED LIST IF NECESSARY)

NAMES(S) AND ADDRESS(ES) OF REGISTERED HOLDERS(S)	CERTIFICATE NUMBER(S)*	TOTAL NUMBER OF SHARES REPRESENTED BY CERTIFICATE(S)*	NUMBER OF SHARES TENDERED**
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\* Need not be completed by shareholders tendering by book-entry transfer.

\*\* Unless otherwise indicated, it will be assumed that all Shares represented by any certificates delivered to the Depositary are being tendered. See Instruction 4.



DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN ONE LISTED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

DO NOT SEND ANY CERTIFICATES TO LEHMAN BROTHERS, TO SMITH BARNEY INC., TO D.F. KING & CO., INC. OR TO CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THE LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be used if certificates are to be forwarded herewith or if delivery of tendered Shares (as defined below) is to be made by book-entry transfer to the Depository's account at The Depository Trust Company ("DTC"), Midwest Securities Trust Company ("MSTC") or Philadelphia Depository Trust Company ("PDTC") (hereinafter collectively referred to as the "Book-Entry Transfer Facilities") pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase (as defined below).

Shareholders who cannot deliver their Shares and all other documents required hereby to the Depository by the Expiration Date (as defined in the Offer to Purchase) must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. See Instruction 2. Delivery of documents to Con Edison or to a Book-Entry Transfer Facility does not constitute a valid delivery.

(BOXES BELOW FOR USE BY ELIGIBLE INSTITUTIONS ONLY)

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT ONE OF THE BOOK-ENTRY TRANSFER FACILITIES AND COMPLETE THE FOLLOWING:

Name of tendering institution \_\_\_\_\_  
Check applicable box:  
// DTC            // MSTC            // PDTC  
Account No. \_\_\_\_\_  
Transaction Code No. \_\_\_\_\_

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO  
A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY  
AND COMPLETE THE FOLLOWING:

Name(s) of tendering shareholder(s)

Date of execution of Notice of Guaranteed Delivery

Name of institution that guaranteed delivery

If delivery is by book-entry transfer:

Name of tendering institution

Account no. \_\_\_\_\_ at

// DTC // MSTC // PDTC

Transaction Code No.

\_\_\_\_\_



NOTE: SIGNATURES MUST BE PROVIDED BELOW.  
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

The undersigned hereby tenders to Consolidated Edison Company of New York, Inc., a New York corporation ("Con Edison"), the shares listed on the first page hereof under "Description of Shares Tendered" pursuant to Con Edison's offer to purchase any and all of the outstanding shares of the series of Con Edison preferred stock shown on the first page hereof as to which this Letter of Transmittal is applicable (the "Shares") at the purchase price shown on the first page hereof, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 29, 1996 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which as to the Shares, together with the Offer to Purchase, constitutes the "Offer"). See "Terms of the Offer -- Extension; Termination; Amendments, and -- Certain Conditions of the Offer" in the Offer to Purchase.

Subject to, and effective upon, acceptance for payment of and payment for the Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, Con Edison all right, title and interest in and to all the Shares that are being tendered hereby and hereby constitutes and appoints the Depository the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares, with full power of substitution (such power of attorney being an irrevocable power coupled with an interest), to (a) deliver certificates for such Shares, or transfer ownership of such Shares on the account books maintained by any of the Book-Entry Transfer Facilities, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of Con Edison, (b) present such Shares for registration and transfer on the books of Con Edison and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms of the Offer.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby and that, when and to the extent the same are accepted for payment by Con Edison, Con Edison will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances, conditional sales agreements or other obligations relating to the sale or transfer thereof, and the same will not be subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or Con Edison to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby.

All authority herein conferred or agreed to be conferred shall not be affected by, and shall survive the death or incapacity of the undersigned, and any obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer, this tender is irrevocable.

The undersigned understands that tenders of Shares pursuant to any one of the procedures described under "Terms of the Offer - - Procedure for Tendering Shares" in the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer, including the undersigned's representation and warranty that (i) the undersigned has a net long position in the Shares being tendered within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended, and (ii) the tender of such Shares complies with Rule 14e-4. Con Edison's acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the undersigned and Con Edison upon the terms and subject to the conditions of the Offer.

The undersigned recognizes that, under certain circumstances set forth in the Offer to Purchase, Con Edison may terminate or amend the Offer or may not be required to purchase any of the Shares tendered hereby. In either event, the undersigned

understands that certificate(s) for any Shares not tendered or not purchased will be returned to the undersigned.



Unless otherwise indicated under "Special Payment Instructions," please issue the check for the purchase price of any Shares purchased, and/or return any Shares not tendered or not purchased, in the name(s) of the undersigned (and, in the case of Shares tendered by book-entry transfer, by credit to the account at the Book-Entry Transfer Facility designated above). Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price of any Shares purchased and/or any certificates for Shares not tendered or not purchased (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned signature(s). In the event that both "Special Payment Instructions" and "Special Delivery Instructions" are completed, please issue the check for the purchase price of any Shares purchased and/or return any Shares not tendered or not purchased in the name(s) of, and mail said check and/or any certificates to, the person(s) so indicated. The undersigned recognizes that Con Edison has no obligation, pursuant to the "Special Payment Instructions," to transfer any Shares from the name of the registered holder(s) thereof if Con Edison does not accept for payment any of the Shares so tendered.

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 SPECIAL PAYMENT INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned.

Issue / / check and/or  
 / / certificate(s) to:

Name -----  
 (PLEASE PRINT)

Address -----  
 (INCLUDE ZIP CODE)

-----  
 SPECIAL DELIVERY INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown below the undersigned's signature(s).

Mail / / check and/or  
 / / certificate(s) to:

Name-----  
 (PLEASE PRINT)

Address -----  
 (INCLUDE ZIP CODE)

-----  
 (TAXPAYER IDENTIFICATION OR  
 SOCIAL SECURITY NO.)  
 -----

/ / CHECK HERE IF ANY OF THE CERTIFICATES REPRESENTING SHARES THAT YOU OWN AND WISH TO TENDER HAVE BEEN LOST, DESTROYED OR STOLEN. (SEE INSTRUCTION 12.)

Number of Shares represented by lost, destroyed or stolen certificates: \_\_\_\_\_



SOLICITED TENDERS  
(SEE INSTRUCTION 10)

As provided in Instruction 10, Con Edison will pay to any Soliciting Dealer, as defined in Instruction 10, a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer.

The undersigned represents that the Soliciting Dealer which solicited and obtained this tender is:

Name of Firm: -----  
(PLEASE PRINT)

Name of Individual Broker  
or Financial Consultant: -----

Telephone Number of Broker  
or Financial Consultant: -----

Identification Number (if known): -----

Address: -----  
(INCLUDE ZIP CODE)

The following to be completed ONLY if customer's Shares held in nominee name are tendered.

NAME OF BENEFICIAL OWNER	NUMBER OF SHARES TENDERED
(ATTACH ADDITIONAL LIST IF NECESSARY)	
- -----	- -----
- -----	- -----
- -----	- -----

The acceptance of compensation by such Soliciting Dealer will constitute a representation by it that: (i) it has complied with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder, in connection with such solicitation; (ii) it is entitled to such compensation for such solicitation under the terms and conditions of the Offer to Purchase; (iii) in soliciting tenders of Shares, it has used no soliciting materials other than those furnished by Con Edison; and (iv) if it is a foreign broker or dealer not eligible for membership in the National Association of Securities Dealers, Inc. (the "NASD"), it has agreed to conform to the NASD's Rules of Fair Practice in making solicitations.

The payment of compensation to any Soliciting Dealer is dependent on such Soliciting Dealer's returning a Notice of Solicited Tenders to the Depositary.

(PLEASE COMPLETE SUBSTITUTE FORM W-9 BELOW)



SIGN HERE: .....  
.....

SIGNATURE(S) OF OWNER(S)

Dated ....., 1996  
Name(s).....

.....  
(PLEASE PRINT)

Capacity (full title).....  
Address.....

.....  
(INCLUDE ZIP CODE)

DAYTIME Area Code and Telephone  
No.....

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on the stock certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5.)

GUARANTEE OF SIGNATURE(S) (SEE INSTRUCTIONS 1 AND 5)

Authorized Signature .....  
Name .....  
Name of Firm .....  
Address of Firm .....  
Area code and Telephone No. ....  
Dated ....., 1996

-----  
NOTE: REMAINDER OF THIS LETTER OF TRANSMITTAL MUST BE COMPLETED BY SIGNING THE SUBSTITUTE FORM W-9 BELOW.



## INSTRUCTIONS

### FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. GUARANTEE OF SIGNATURES. Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a firm that is a member of a registered national securities exchange or the National Association of Securities Dealers, Inc., or by a commercial bank or trust company having an office or correspondent in the United States which is a participant in an approved Signature Guarantee Medallion Program (an "Eligible Institution"). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered holder(s) of the Shares (which term, for purposes of this document, shall include any participant in one of the Book-Entry Transfer Facilities whose name appears on a security position listing as the owner of Shares) tendered herewith and such holder(s) has not completed the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. DELIVERY OF LETTER OF TRANSMITTAL AND SHARES. This Letter of Transmittal is to be used either if certificates are to be forwarded herewith or if delivery of Shares is to be made by book-entry transfer pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the front page of this Letter of Transmittal on or prior to the Expiration Date (as defined in the Offer to Purchase) with respect to a Series of Preferred. Shareholders who cannot deliver their Shares and all other required documents to the Depository on or prior to the applicable Expiration Date must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery in the form provided by Con Edison (with any required signature guarantees) must be received by the Depository on or prior to the applicable Expiration Date and (c) the certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-

Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal must be received by the Depository within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase.

THE METHOD OF DELIVERY OF SHARES AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE TENDERING SHAREHOLDER. IF CERTIFICATES FOR SHARES ARE SENT BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.

No alternative, conditional or contingent tenders will be accepted. See "Terms of the Offer--Number of Shares; Purchase Price; Expiration Date; Receipt of Dividend" in the Offer to Purchase. By executing this Letter of Transmittal (or facsimile thereof), the tendering stockholder waives any right to receive any notice of the acceptance for payment of the Shares.

3. INADEQUATE SPACE. If the space provided herein is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate schedule attached hereto.

4. PARTIAL TENDERS (NOT APPLICABLE TO SHAREHOLDERS WHO TENDER BY BOOK-ENTRY TRANSFER). If fewer than all the Shares represented by any certificate delivered to the Depository are to be tendered, fill in the number of Shares that are to be tendered in the box entitled "Number of Shares Tendered." In such case, a new certificate for the remainder of the Shares represented by the old certificate will



be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the "Special Payment Instructions" or "Special Delivery Instructions" boxes on this Letter of Transmittal, as promptly as practicable following the expiration or termination of the Offer. All Shares represented by certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. SIGNATURES ON LETTER OF TRANSMITTAL; STOCK POWERS AND ENDORSEMENTS. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificates without alteration, enlargement or any change whatsoever.

If any of the Shares tendered hereby is held of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares tendered hereby is registered in different names on different certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, no endorsements of certificates or separate stock powers are required unless payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s). Signatures on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares tendered hereby, certificates must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered holder(s) appear(s) on the certificates for such Shares. Signature(s) on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Con Edison of the authority of such person so to act must be submitted.

6. STOCK TRANSFER TAXES. Con Edison will pay or cause to be paid any stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s), or if tendered Shares are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted. See "Terms of the Offer-- Acceptance for Payment of Shares and Payment of Purchase Price" in the Offer to Purchase. EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY TO AFFIX TRANSFER TAX STAMPS TO THE CERTIFICATES REPRESENTING SHARES TENDERED HEREBY.

7. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS. If the check for the purchase price of any Shares purchased is to be issued in the name of, and/or any Shares not tendered or not purchased are to be returned to, a person other than the person(s) signing this Letter of Transmittal or if the check and/or any certificate for Shares not tendered or not purchased are to be mailed to someone other than the person(s) signing this Letter of Transmittal or to an address other than that shown above in the box captioned "Description of Shares Tendered," then the boxes captioned "Special Payment Instructions" and/or "Special Delivery Instructions" on this Letter of Transmittal should be completed. Stockholders tendering Shares by book-entry transfer will have any Shares not accepted for payment returned by crediting the account maintained by such shareholder at the Book-Entry Transfer Facility from which such transfer was made.



8. SUBSTITUTE FORM W-9 AND FORM W-8. The tendering stockholder is required to provide the Depository with either a correct Taxpayer Identification Number ("TIN") on Substitute Form W-9, which is provided under "Important Tax Information" below, or a properly completed Form W-8. Failure to provide the information on either Substitute Form W-9 or Form W-8 may subject the tendering shareholder to 31% federal income tax backup withholding on the payment of the purchase price. The box in Part 2 of Substitute Form W-9 may be checked if the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future. If the box in Part 2 is checked and the Depository is not provided with a TIN by the time of payment, the Depository will withhold 31% on all payments of the purchase price thereafter until a TIN is provided to the Depository.

9. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Any questions or requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective telephone numbers and addresses listed below. Requests for additional copies of the Offer to Purchase, this Letter of Transmittal or other tender offer materials may be directed to the Information Agent or the Dealer Managers and such copies will be furnished promptly at Con Edison's expense. Shareholders may also contact their local broker, dealer, commercial bank or trust company for assistance concerning the Offer.

10. SOLICITED TENDERS. Con Edison will pay a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer, covered by the Letter of Transmittal which designates, in the box captioned "Solicited Tenders," as having solicited and obtained the tender, the name of (i) any broker or dealer in securities, including a Dealer Manager in its capacity as a dealer or broker, which is a member of any national securities exchange or of the National Association of Securities Dealers, Inc. (the "NASD"), (ii) any foreign broker or dealer not eligible for membership in the NASD which agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as though it were an NASD member, or (iii) any bank or trust company (each of which is referred to herein as a "Soliciting Dealer"). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by a holder unless the Letter of Transmittal accompanying such tender designates such Soliciting Dealer. No such fee shall be payable to a Soliciting Dealer in respect of Shares registered in the name of such Soliciting Dealer unless such Shares are held by such Soliciting Dealer as nominee and such Shares are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal or on the Notice of Solicited Tenders (included in the materials provided to brokers and dealers). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by the holder of record, for the benefit of the beneficial owner, unless the beneficial owner has designated such Soliciting Dealer. If tendered Shares are being delivered by book-entry transfer, the Soliciting Dealer must return a Notice of Solicited Tenders to the Depository within three business days after expiration of the Offer to receive a solicitation fee. No such fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a depositing holder (other than itself). No such fee shall be paid to a Soliciting Dealer with respect to Shares tendered for such Soliciting Dealer's own account. No broker, dealer, bank, trust company or fiduciary shall be deemed to be the agent of Con Edison, the Depository, the Information Agent or the Dealer Managers for purposes of the Offer.

11. IRREGULARITIES. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance of any tender of Shares will be determined by Con Edison, in its sole discretion, and its determination shall be final and binding. Con Edison reserves the absolute right to reject any and all tenders of Shares that it determines are not in proper form or the acceptance for payment of or payment for Shares that may, in the opinion of Con Edison's counsel, be unlawful. Con Edison also reserves the absolute right to waive

any of the conditions to the Offer or any defect or irregularity in any tender of Shares and Con Edison's interpretation of the terms and conditions of the Offer (including these instructions) shall be final and binding. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as Con Edison shall determine. None of Con Edison, the Dealer Managers, the Depositary, the Information Agent or any other person shall be under any duty to give notice of any defect or irregularity in tenders, nor shall any



of them incur any liability for failure to give any such notice. Tenders will not be deemed to have been made until all defects and irregularities have been cured or waived.

12. LOST, DESTROYED OR STOLEN CERTIFICATES. If any certificate representing Shares has been lost, destroyed or stolen, the shareholder should promptly notify the Depositary by checking the box immediately following the special payment/special delivery instructions and indicating the number of Shares lost, destroyed or stolen. The shareholder will then be instructed as to the procedures that must be taken in order to replace the certificate. The tender of Shares pursuant to this Letter of Transmittal will not be valid unless prior to the Expiration Date (as defined in the Offer to Purchase): (i) such procedures have been completed and a replacement certificate for the Shares has been delivered to the Depositary, or (ii) a Notice of Guaranteed Delivery has been delivered to the Depositary. See Instruction 2.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE COPY THEREOF), DULY EXECUTED, TOGETHER WITH CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE DEPOSITARY, OR THE NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY, ON OR PRIOR TO THE APPLICABLE EXPIRATION DATE (AS DEFINED IN THE OFFER TO PURCHASE).

#### IMPORTANT TAX INFORMATION

Under federal income tax law, a shareholder whose tendered Shares are accepted for payment is required to provide the Depositary (as payer) with either such shareholder's correct TIN on Substitute Form W-9 below or a properly completed Form W-8. If such shareholder is an individual, the TIN is his or her social security number. For businesses and other entities, the number is the employer identification number. If the Depositary is not provided with the correct TIN or properly completed Form W-8, the shareholder may be subject to a \$50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such shareholder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding. The Form W-8 can be obtained from the Depositary. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If federal income tax backup withholding applies, the Depositary is required to withhold 31% of any payments made to the shareholder. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of the tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.

#### PURPOSE OF SUBSTITUTE FORM W-9 AND FORM W-8

To avoid backup withholding on payments that are made to a shareholder with respect to Shares purchased pursuant to the Offer, the shareholder is required to notify the Depositary of his or her correct TIN by completing the Substitute Form W-9 attached hereto certifying that the TIN provided on Substitute Form W-9 is correct and that (1) the shareholder has not been notified by the Internal Revenue Service that he or she is subject to federal income tax backup withholding as a result of failure to report all interest or dividends or (2) the Internal Revenue Service has notified the shareholder that he or she is no longer subject to federal income tax backup withholding. Foreign shareholders must submit a properly completed Form W-8 in order to avoid the applicable backup withholding; provided, however, that backup withholding will not apply to foreign shareholders subject to 30% (or lower treaty rate) withholding on gross payments received pursuant to the Offer.

#### WHAT NUMBER TO GIVE THE DEPOSITARY

The shareholder is required to give the Depositary the social security number or employer identification number of the registered owner of the Shares. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which

number to report.



PAYER'S NAME:

SUBSTITUTE  
FORM W-9  
DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE

PAYER'S REQUEST FOR  
TAXPAYER IDENTIFICATION  
NUMBER (TIN) AND  
CERTIFICATION

PART 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY  
BY SIGNING AND DATING BELOW.

Social Security number OR  
Employer Identification Number

TIN -----

-----

Name (Please Print) -----

Address -----

City ----- State ---- Zip Code -----

PART 2

Awaiting TIN / /

-----

PART 3--CERTIFICATION--UNDER THE PENALTIES OF PERJURY, I CERTIFY  
THAT: (1) the number shown on this form is my correct taxpayer  
identification number (or a TIN has not been issued to me but I  
have mailed or delivered an application to receive a TIN or  
intend to do so in the near future), (2) I am not subject to  
backup withholding either because I have not been notified by the  
Internal Revenue Service (the "IRS") that I am subject to backup  
withholding as a result of a failure to report all interest or  
dividends or the IRS has notified me that I am no longer subject  
to backup withholding, and (3) all other information provided on  
this form is true, correct and complete.

-----

SIGNATURE: ----- DATE: -----

You must cross out item (2) above if you have been notified by  
the IRS that you are currently subject to backup withholding  
because of underreporting interest or dividends on your tax  
return.

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NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN  
BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO  
THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR  
CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE  
FORM W-9 FOR ADDITIONAL DETAILS. YOU MUST COMPLETE THE FOLLOWING  
CERTIFICATE IF YOU CHECKED THE BOX IN PART 2 OF THE SUBSTITUTE  
FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer  
identification number has not been issued to me and either (1) I  
have mailed or delivered an application to receive a taxpayer  
identification number to the appropriate Internal Revenue Service  
Center or Social Security Administration Office or (2) I intend  
to mail or deliver an application in the near future. I  
understand that if I do not provide a taxpayer identification  
number by the time of payment, 31% of all payments of the  
purchase price made to me will be withheld until I provide a  
number.

Signature \_\_\_\_\_ Date \_\_\_\_\_, 1996



THE DEALER MANAGERS:

LEHMAN BROTHERS  
3 World Financial Center  
New York, New York 10285  
(800) 438-3242

Attention: Roy D. Henriksson

SMITH BARNEY INC.  
390 Greenwich Street  
New York, New York 10013  
(800) 655-4811

Attention: Paul Galant

THE INFORMATION AGENT:

D.F. KING & CO., INC.  
77 Water Street  
New York, New York 10005  
(800) 549-6650 (Toll-Free)



LETTER OF TRANSMITTAL  
To Accompany

Shares of 5 1/4% Series B Cumulative Preferred Stock  
(\$100 par value) of

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

TENDERED PURSUANT TO THE OFFER TO PURCHASE,  
DATED JANUARY 29, 1996, FOR PURCHASE AT  
PURCHASE PRICE OF \$83.60 PER SHARE

THE OFFER AND WITHDRAWAL RIGHTS WILL  
EXPIRE AT 5:00 P.M., NEW YORK CITY TIME,  
ON TUESDAY, FEBRUARY 27, 1996, UNLESS THE OFFER IS EXTENDED.

To: THE CHASE MANHATTAN BANK, N.A., Depositary

By Mail:

Box 3032  
4 Chase MetroTech Ctr.  
Brooklyn, NY 11245

By Overnight Delivery:

c/o Chase Securities  
Processing Corp  
Ft. Lee Executive Park  
1 Executive Dr. - 6th floor  
Ft. Lee, NJ 07024

By Hand:

(9:00 a.m. - 5:00 p.m.  
New York City Time)  
1 Chase Manhattan Plaza  
Floor 1-B  
Nassau and Liberty Streets  
New York, NY 10081

By Facsimile Transmission:

(201) 592-4372  
Information and Confirm by Telephone:  
(201) 592-4370

DESCRIPTION OF SHARES TENDERED

(PLEASE FILL IN EXACTLY AS INFORMATION APPEARS ON CERTIFICATE(S))  
(ATTACH ADDITIONAL SIGNED LIST IF NECESSARY)

NAMES(S) AND ADDRESS(ES) OF REGISTERED HOLDERS(S)	CERTIFICATE NUMBER(S) *	TOTAL NUMBER OF SHARES REPRESENTED BY CERTIFICATE(S) *	NUMBER OF SHARES TENDERED **
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\* Need not be completed by shareholders tendering by book-entry transfer.

\*\* Unless otherwise indicated, it will be assumed that all Shares represented by any certificates delivered to the Depositary are being tendered. See Instruction 4.



DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN ONE LISTED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

DO NOT SEND ANY CERTIFICATES TO LEHMAN BROTHERS, TO SMITH BARNEY INC., TO D.F. KING & CO., INC. OR TO CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THE LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be used if certificates are to be forwarded herewith or if delivery of tendered Shares (as defined below) is to be made by book-entry transfer to the Depository's account at The Depository Trust Company ("DTC"), Midwest Securities Trust Company ("MSTC") or Philadelphia Depository Trust Company ("PDTC") (hereinafter collectively referred to as the "Book-Entry Transfer Facilities") pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase (as defined below).

Shareholders who cannot deliver their Shares and all other documents required hereby to the Depository by the Expiration Date (as defined in the Offer to Purchase) must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. See Instruction 2. Delivery of documents to Con Edison or to a Book-Entry Transfer Facility does not constitute a valid delivery.

(BOXES BELOW FOR USE BY ELIGIBLE INSTITUTIONS ONLY)

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT ONE OF THE BOOK-ENTRY TRANSFER FACILITIES AND COMPLETE THE FOLLOWING:

Name of tendering institution \_\_\_\_\_  
Check applicable box:  
// DTC            // MSTC            // PDTC  
Account No. \_\_\_\_\_  
Transaction Code No. \_\_\_\_\_

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO  
A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY  
AND COMPLETE THE FOLLOWING:

Name(s) of tendering shareholder(s)  
\_\_\_\_\_

Date of execution of Notice of Guaranteed Delivery  
\_\_\_\_\_

Name of institution that guaranteed delivery  
\_\_\_\_\_

If delivery is by book-entry transfer:

Name of tendering institution  
\_\_\_\_\_

Account no. \_\_\_\_\_ at

// DTC       // MSTC       // PDTC

Transaction Code No.  
\_\_\_\_\_



NOTE: SIGNATURES MUST BE PROVIDED BELOW.  
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

The undersigned hereby tenders to Consolidated Edison Company of New York, Inc., a New York corporation ("Con Edison"), the shares listed on the first page hereof under "Description of Shares Tendered" pursuant to Con Edison's offer to purchase any and all of the outstanding shares of the series of Con Edison preferred stock shown on the first page hereof as to which this Letter of Transmittal is applicable (the "Shares") at the purchase price shown on the first page hereof, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 29, 1996 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which as to the Shares, together with the Offer to Purchase, constitutes the "Offer"). See "Terms of the Offer -- Extension; Termination; Amendments, and -- Certain Conditions of the Offer" in the Offer to Purchase.

Subject to, and effective upon, acceptance for payment of and payment for the Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, Con Edison all right, title and interest in and to all the Shares that are being tendered hereby and hereby constitutes and appoints the Depository the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares, with full power of substitution (such power of attorney being an irrevocable power coupled with an interest), to (a) deliver certificates for such Shares, or transfer ownership of such Shares on the account books maintained by any of the Book-Entry Transfer Facilities, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of Con Edison, (b) present such Shares for registration and transfer on the books of Con Edison and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms of the Offer.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby and that, when and to the extent the same are accepted for payment by Con Edison, Con Edison will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances, conditional sales agreements or other obligations relating to the sale or transfer thereof, and the same will not be subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or Con Edison to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby.

All authority herein conferred or agreed to be conferred shall not be affected by, and shall survive the death or incapacity of the undersigned, and any obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer, this tender is irrevocable.

The undersigned understands that tenders of Shares pursuant to any one of the procedures described under "Terms of the Offer - - Procedure for Tendering Shares" in the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer, including the undersigned's representation and warranty that (i) the undersigned has a net long position in the Shares being tendered within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended, and (ii) the tender of such Shares complies with Rule 14e-4. Con Edison's acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the undersigned and Con Edison upon the terms and subject to the conditions of the Offer.

The undersigned recognizes that, under certain circumstances set forth in the Offer to Purchase, Con Edison may terminate or amend the Offer or may not be required to purchase any of the Shares tendered hereby. In either event, the undersigned

understands that certificate(s) for any Shares not tendered or not purchased will be returned to the undersigned.



Unless otherwise indicated under "Special Payment Instructions," please issue the check for the purchase price of any Shares purchased, and/or return any Shares not tendered or not purchased, in the name(s) of the undersigned (and, in the case of Shares tendered by book-entry transfer, by credit to the account at the Book-Entry Transfer Facility designated above). Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price of any Shares purchased and/or any certificates for Shares not tendered or not purchased (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned signature(s). In the event that both "Special Payment Instructions" and "Special Delivery Instructions" are completed, please issue the check for the purchase price of any Shares purchased and/or return any Shares not tendered or not purchased in the name(s) of, and mail said check and/or any certificates to, the person(s) so indicated. The undersigned recognizes that Con Edison has no obligation, pursuant to the "Special Payment Instructions," to transfer any Shares from the name of the registered holder(s) thereof if Con Edison does not accept for payment any of the Shares so tendered.

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 SPECIAL PAYMENT INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned.

Issue / / check and/or  
 / / certificate(s) to:

Name -----  
 (PLEASE PRINT)

Address -----  
 (INCLUDE ZIP CODE)

-----  
 SPECIAL DELIVERY INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown below the undersigned's signature(s).

Mail / / check and/or  
 / / certificate(s) to:

Name-----  
 (PLEASE PRINT)

Address -----  
 (INCLUDE ZIP CODE)

-----  
 (TAXPAYER IDENTIFICATION OR  
 SOCIAL SECURITY NO.)  
 -----

/ / CHECK HERE IF ANY OF THE CERTIFICATES REPRESENTING SHARES THAT YOU OWN AND WISH TO TENDER HAVE BEEN LOST, DESTROYED OR STOLEN. (SEE INSTRUCTION 12.)

Number of Shares represented by lost, destroyed or stolen certificates: \_\_\_\_\_



SOLICITED TENDERS  
(SEE INSTRUCTION 10)

As provided in Instruction 10, Con Edison will pay to any Soliciting Dealer, as defined in Instruction 10, a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer.

The undersigned represents that the Soliciting Dealer which solicited and obtained this tender is:

Name of Firm: -----  
(PLEASE PRINT)

Name of Individual Broker  
or Financial Consultant: -----

Telephone Number of Broker  
or Financial Consultant: -----

Identification Number (if known): -----

Address: -----  
(INCLUDE ZIP CODE)

The following to be completed ONLY if customer's Shares held in nominee name are tendered.

NAME OF BENEFICIAL OWNER	NUMBER OF SHARES TENDERED
(ATTACH ADDITIONAL LIST IF NECESSARY)	
- -----	- -----
- -----	- -----
- -----	- -----

The acceptance of compensation by such Soliciting Dealer will constitute a representation by it that: (i) it has complied with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder, in connection with such solicitation; (ii) it is entitled to such compensation for such solicitation under the terms and conditions of the Offer to Purchase; (iii) in soliciting tenders of Shares, it has used no soliciting materials other than those furnished by Con Edison; and (iv) if it is a foreign broker or dealer not eligible for membership in the National Association of Securities Dealers, Inc. (the "NASD"), it has agreed to conform to the NASD's Rules of Fair Practice in making solicitations.

The payment of compensation to any Soliciting Dealer is dependent on such Soliciting Dealer's returning a Notice of Solicited Tenders to the Depositary.

(PLEASE COMPLETE SUBSTITUTE FORM W-9 BELOW)



SIGN HERE: .....  
.....

SIGNATURE(S) OF OWNER(S)

Dated ....., 1996  
Name(s).....

(PLEASE PRINT)

Capacity (full title).....  
Address.....

(INCLUDE ZIP CODE)

DAYTIME Area Code and Telephone  
No.....

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on the stock certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5.)

GUARANTEE OF SIGNATURE(S) (SEE INSTRUCTIONS 1 AND 5)

Authorized Signature .....  
Name .....  
Name of Firm .....  
Address of Firm .....  
Area code and Telephone No. ....  
Dated ....., 1996

-----  
NOTE: REMAINDER OF THIS LETTER OF TRANSMITTAL MUST BE COMPLETED BY SIGNING THE SUBSTITUTE FORM W-9 BELOW.



## INSTRUCTIONS

### FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. GUARANTEE OF SIGNATURES. Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a firm that is a member of a registered national securities exchange or the National Association of Securities Dealers, Inc., or by a commercial bank or trust company having an office or correspondent in the United States which is a participant in an approved Signature Guarantee Medallion Program (an "Eligible Institution"). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered holder(s) of the Shares (which term, for purposes of this document, shall include any participant in one of the Book-Entry Transfer Facilities whose name appears on a security position listing as the owner of Shares) tendered herewith and such holder(s) has not completed the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. DELIVERY OF LETTER OF TRANSMITTAL AND SHARES. This Letter of Transmittal is to be used either if certificates are to be forwarded herewith or if delivery of Shares is to be made by book-entry transfer pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the front page of this Letter of Transmittal on or prior to the Expiration Date (as defined in the Offer to Purchase) with respect to a Series of Preferred. Shareholders who cannot deliver their Shares and all other required documents to the Depository on or prior to the applicable Expiration Date must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery in the form provided by Con Edison (with any required signature guarantees) must be received by the Depository on or prior to the applicable Expiration Date and (c) the certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-

Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal must be received by the Depository within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase.

THE METHOD OF DELIVERY OF SHARES AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE TENDERING SHAREHOLDER. IF CERTIFICATES FOR SHARES ARE SENT BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.

No alternative, conditional or contingent tenders will be accepted. See "Terms of the Offer--Number of Shares; Purchase Price; Expiration Date; Receipt of Dividend" in the Offer to Purchase. By executing this Letter of Transmittal (or facsimile thereof), the tendering stockholder waives any right to receive any notice of the acceptance for payment of the Shares.

3. INADEQUATE SPACE. If the space provided herein is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate schedule attached hereto.

4. PARTIAL TENDERS (NOT APPLICABLE TO SHAREHOLDERS WHO TENDER BY BOOK-ENTRY TRANSFER). If fewer than all the Shares represented by any certificate delivered to the Depository are to be tendered, fill in the number of Shares that are to be tendered in the box entitled "Number of Shares Tendered." In such case, a new certificate for the remainder of the Shares represented by the old certificate will



be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the "Special Payment Instructions" or "Special Delivery Instructions" boxes on this Letter of Transmittal, as promptly as practicable following the expiration or termination of the Offer. All Shares represented by certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. SIGNATURES ON LETTER OF TRANSMITTAL; STOCK POWERS AND ENDORSEMENTS. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificates without alteration, enlargement or any change whatsoever.

If any of the Shares tendered hereby is held of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares tendered hereby is registered in different names on different certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, no endorsements of certificates or separate stock powers are required unless payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s). Signatures on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares tendered hereby, certificates must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered holder(s) appear(s) on the certificates for such Shares. Signature(s) on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Con Edison of the authority of such person so to act must be submitted.

6. STOCK TRANSFER TAXES. Con Edison will pay or cause to be paid any stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s), or if tendered Shares are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted. See "Terms of the Offer-- Acceptance for Payment of Shares and Payment of Purchase Price" in the Offer to Purchase. EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY TO AFFIX TRANSFER TAX STAMPS TO THE CERTIFICATES REPRESENTING SHARES TENDERED HEREBY.

7. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS. If the check for the purchase price of any Shares purchased is to be issued in the name of, and/or any Shares not tendered or not purchased are to be returned to, a person other than the person(s) signing this Letter of Transmittal or if the check and/or any certificate for Shares not tendered or not purchased are to be mailed to someone other than the person(s) signing this Letter of Transmittal or to an address other than that shown above in the box captioned "Description of Shares Tendered," then the boxes captioned "Special Payment Instructions" and/or "Special Delivery Instructions" on this Letter of Transmittal should be completed. Stockholders tendering Shares by book-entry transfer will have any Shares not accepted for payment returned by crediting the account maintained by such shareholder at the Book-Entry Transfer Facility from which such transfer was made.



8. SUBSTITUTE FORM W-9 AND FORM W-8. The tendering stockholder is required to provide the Depository with either a correct Taxpayer Identification Number ("TIN") on Substitute Form W-9, which is provided under "Important Tax Information" below, or a properly completed Form W-8. Failure to provide the information on either Substitute Form W-9 or Form W-8 may subject the tendering shareholder to 31% federal income tax backup withholding on the payment of the purchase price. The box in Part 2 of Substitute Form W-9 may be checked if the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future. If the box in Part 2 is checked and the Depository is not provided with a TIN by the time of payment, the Depository will withhold 31% on all payments of the purchase price thereafter until a TIN is provided to the Depository.

9. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Any questions or requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective telephone numbers and addresses listed below. Requests for additional copies of the Offer to Purchase, this Letter of Transmittal or other tender offer materials may be directed to the Information Agent or the Dealer Managers and such copies will be furnished promptly at Con Edison's expense. Shareholders may also contact their local broker, dealer, commercial bank or trust company for assistance concerning the Offer.

10. SOLICITED TENDERS. Con Edison will pay a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer, covered by the Letter of Transmittal which designates, in the box captioned "Solicited Tenders," as having solicited and obtained the tender, the name of (i) any broker or dealer in securities, including a Dealer Manager in its capacity as a dealer or broker, which is a member of any national securities exchange or of the National Association of Securities Dealers, Inc. (the "NASD"), (ii) any foreign broker or dealer not eligible for membership in the NASD which agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as though it were an NASD member, or (iii) any bank or trust company (each of which is referred to herein as a "Soliciting Dealer"). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by a holder unless the Letter of Transmittal accompanying such tender designates such Soliciting Dealer. No such fee shall be payable to a Soliciting Dealer in respect of Shares registered in the name of such Soliciting Dealer unless such Shares are held by such Soliciting Dealer as nominee and such Shares are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal or on the Notice of Solicited Tenders (included in the materials provided to brokers and dealers). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by the holder of record, for the benefit of the beneficial owner, unless the beneficial owner has designated such Soliciting Dealer. If tendered Shares are being delivered by book-entry transfer, the Soliciting Dealer must return a Notice of Solicited Tenders to the Depository within three business days after expiration of the Offer to receive a solicitation fee. No such fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a depositing holder (other than itself). No such fee shall be paid to a Soliciting Dealer with respect to Shares tendered for such Soliciting Dealer's own account. No broker, dealer, bank, trust company or fiduciary shall be deemed to be the agent of Con Edison, the Depository, the Information Agent or the Dealer Managers for purposes of the Offer.

11. IRREGULARITIES. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance of any tender of Shares will be determined by Con Edison, in its sole discretion, and its determination shall be final and binding. Con Edison reserves the absolute right to reject any and all tenders of Shares that it determines are not in proper form or the acceptance for payment of or payment for Shares that may, in the opinion of Con Edison's counsel, be unlawful. Con Edison also reserves the absolute right to waive

any of the conditions to the Offer or any defect or irregularity in any tender of Shares and Con Edison's interpretation of the terms and conditions of the Offer (including these instructions) shall be final and binding. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as Con Edison shall determine. None of Con Edison, the Dealer Managers, the Depositary, the Information Agent or any other person shall be under any duty to give notice of any defect or irregularity in tenders, nor shall any



of them incur any liability for failure to give any such notice. Tenders will not be deemed to have been made until all defects and irregularities have been cured or waived.

12. LOST, DESTROYED OR STOLEN CERTIFICATES. If any certificate representing Shares has been lost, destroyed or stolen, the shareholder should promptly notify the Depositary by checking the box immediately following the special payment/special delivery instructions and indicating the number of Shares lost, destroyed or stolen. The shareholder will then be instructed as to the procedures that must be taken in order to replace the certificate. The tender of Shares pursuant to this Letter of Transmittal will not be valid unless prior to the Expiration Date (as defined in the Offer to Purchase): (i) such procedures have been completed and a replacement certificate for the Shares has been delivered to the Depositary, or (ii) a Notice of Guaranteed Delivery has been delivered to the Depositary. See Instruction 2.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE COPY THEREOF), DULY EXECUTED, TOGETHER WITH CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE DEPOSITARY, OR THE NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY, ON OR PRIOR TO THE APPLICABLE EXPIRATION DATE (AS DEFINED IN THE OFFER TO PURCHASE).

#### IMPORTANT TAX INFORMATION

Under federal income tax law, a shareholder whose tendered Shares are accepted for payment is required to provide the Depositary (as payer) with either such shareholder's correct TIN on Substitute Form W-9 below or a properly completed Form W-8. If such shareholder is an individual, the TIN is his or her social security number. For businesses and other entities, the number is the employer identification number. If the Depositary is not provided with the correct TIN or properly completed Form W-8, the shareholder may be subject to a \$50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such shareholder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding. The Form W-8 can be obtained from the Depositary. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If federal income tax backup withholding applies, the Depositary is required to withhold 31% of any payments made to the shareholder. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of the tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.

#### PURPOSE OF SUBSTITUTE FORM W-9 AND FORM W-8

To avoid backup withholding on payments that are made to a shareholder with respect to Shares purchased pursuant to the Offer, the shareholder is required to notify the Depositary of his or her correct TIN by completing the Substitute Form W-9 attached hereto certifying that the TIN provided on Substitute Form W-9 is correct and that (1) the shareholder has not been notified by the Internal Revenue Service that he or she is subject to federal income tax backup withholding as a result of failure to report all interest or dividends or (2) the Internal Revenue Service has notified the shareholder that he or she is no longer subject to federal income tax backup withholding. Foreign shareholders must submit a properly completed Form W-8 in order to avoid the applicable backup withholding; provided, however, that backup withholding will not apply to foreign shareholders subject to 30% (or lower treaty rate) withholding on gross payments received pursuant to the Offer.

#### WHAT NUMBER TO GIVE THE DEPOSITARY

The shareholder is required to give the Depositary the social security number or employer identification number of the registered owner of the Shares. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which

number to report.



PAYER'S NAME:

SUBSTITUTE  
FORM W-9  
DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE

PAYER'S REQUEST FOR  
TAXPAYER IDENTIFICATION  
NUMBER (TIN) AND  
CERTIFICATION

PART 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY  
BY SIGNING AND DATING BELOW.

Social Security number OR  
Employer Identification Number

TIN -----

Name (Please Print) -----  
Address -----  
City ----- State ---- Zip Code -----

PART 2

Awaiting TIN / /

-----  
PART 3--CERTIFICATION--UNDER THE PENALTIES OF PERJURY, I CERTIFY  
THAT: (1) the number shown on this form is my correct taxpayer  
identification number (or a TIN has not been issued to me but I  
have mailed or delivered an application to receive a TIN or  
intend to do so in the near future), (2) I am not subject to  
backup withholding either because I have not been notified by the  
Internal Revenue Service (the "IRS") that I am subject to backup  
withholding as a result of a failure to report all interest or  
dividends or the IRS has notified me that I am no longer subject  
to backup withholding, and (3) all other information provided on  
this form is true, correct and complete.  
-----

SIGNATURE: ----- DATE: -----

You must cross out item (2) above if you have been notified by  
the IRS that you are currently subject to backup withholding  
because of underreporting interest or dividends on your tax  
return.  
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NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN  
BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO  
THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR  
CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE  
FORM W-9 FOR ADDITIONAL DETAILS. YOU MUST COMPLETE THE FOLLOWING  
CERTIFICATE IF YOU CHECKED THE BOX IN PART 2 OF THE SUBSTITUTE  
FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer  
identification number has not been issued to me and either (1) I  
have mailed or delivered an application to receive a taxpayer  
identification number to the appropriate Internal Revenue Service  
Center or Social Security Administration Office or (2) I intend  
to mail or deliver an application in the near future. I  
understand that if I do not provide a taxpayer identification  
number by the time of payment, 31% of all payments of the  
purchase price made to me will be withheld until I provide a  
number.

Signature \_\_\_\_\_ Date \_\_\_\_\_, 1996



THE DEALER MANAGERS:

LEHMAN BROTHERS  
3 World Financial Center  
New York, New York 10285  
(800) 438-3242

Attention: Roy D. Henriksson

SMITH BARNEY INC.  
390 Greenwich Street  
New York, New York 10013  
(800) 655-4811

Attention: Paul Galant

THE INFORMATION AGENT:

D.F. KING & CO., INC.  
77 Water Street  
New York, New York 10005  
(800) 549-6650 (Toll-Free)



LETTER OF TRANSMITTAL  
To Accompany

Shares of 4.65% Series C Cumulative Preferred Stock  
(\$100 par value) of

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

TENDERED PURSUANT TO THE OFFER TO PURCHASE,  
DATED JANUARY 29, 1996, FOR PURCHASE AT  
PURCHASE PRICE OF \$80.65 PER SHARE

THE OFFER AND WITHDRAWAL RIGHTS WILL  
EXPIRE AT 5:00 P.M., NEW YORK CITY TIME,  
ON TUESDAY, FEBRUARY 27, 1996, UNLESS THE OFFER IS EXTENDED.

To: THE CHASE MANHATTAN BANK, N.A., Depositary

By Mail:

Box 3032  
4 Chase MetroTech Ctr.  
Brooklyn, NY 11245

By Overnight Delivery:

c/o Chase Securities  
Processing Corp  
Ft. Lee Executive Park  
1 Executive Dr. - 6th floor  
Ft. Lee, NJ 07024

By Hand:

(9:00 a.m. - 5:00 p.m.  
New York City Time)  
1 Chase Manhattan Plaza  
Floor 1-B  
Nassau and Liberty Streets  
New York, NY 10081

By Facsimile Transmission:

(201) 592-4372

Information and Confirm by Telephone:

(201) 592-4370

DESCRIPTION OF SHARES TENDERED

(PLEASE FILL IN EXACTLY AS INFORMATION APPEARS ON CERTIFICATE(S))  
(ATTACH ADDITIONAL SIGNED LIST IF NECESSARY)

NAMES(S) AND ADDRESS(ES) OF REGISTERED HOLDERS(S)	CERTIFICATE NUMBER(S)*	TOTAL NUMBER OF SHARES REPRESENTED BY CERTIFICATE(S)*	NUMBER OF SHARES TENDERED**
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\* Need not be completed by shareholders tendering by book-entry transfer.

\*\* Unless otherwise indicated, it will be assumed that all Shares represented by any certificates delivered to the Depositary are being tendered. See Instruction 4.



DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN ONE LISTED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

DO NOT SEND ANY CERTIFICATES TO LEHMAN BROTHERS, TO SMITH BARNEY INC., TO D.F. KING & CO., INC. OR TO CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THE LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be used if certificates are to be forwarded herewith or if delivery of tendered Shares (as defined below) is to be made by book-entry transfer to the Depository's account at The Depository Trust Company ("DTC"), Midwest Securities Trust Company ("MSTC") or Philadelphia Depository Trust Company ("PDTC") (hereinafter collectively referred to as the "Book-Entry Transfer Facilities") pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase (as defined below).

Shareholders who cannot deliver their Shares and all other documents required hereby to the Depository by the Expiration Date (as defined in the Offer to Purchase) must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. See Instruction 2. Delivery of documents to Con Edison or to a Book-Entry Transfer Facility does not constitute a valid delivery.

(BOXES BELOW FOR USE BY ELIGIBLE INSTITUTIONS ONLY)

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT ONE OF THE BOOK-ENTRY TRANSFER FACILITIES AND COMPLETE THE FOLLOWING:

Name of tendering institution \_\_\_\_\_  
Check applicable box:  
// DTC            // MSTC            // PDTC  
Account No. \_\_\_\_\_  
Transaction Code No. \_\_\_\_\_

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO  
A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY  
AND COMPLETE THE FOLLOWING:

Name(s) of tendering shareholder(s)  
\_\_\_\_\_

Date of execution of Notice of Guaranteed Delivery  
\_\_\_\_\_

Name of institution that guaranteed delivery  
\_\_\_\_\_

If delivery is by book-entry transfer:

Name of tendering institution  
\_\_\_\_\_

Account no. \_\_\_\_\_ at

// DTC       // MSTC       // PDTC

Transaction Code No.  
\_\_\_\_\_



NOTE: SIGNATURES MUST BE PROVIDED BELOW.  
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

The undersigned hereby tenders to Consolidated Edison Company of New York, Inc., a New York corporation ("Con Edison"), the shares listed on the first page hereof under "Description of Shares Tendered" pursuant to Con Edison's offer to purchase any and all of the outstanding shares of the series of Con Edison preferred stock shown on the first page hereof as to which this Letter of Transmittal is applicable (the "Shares") at the purchase price shown on the first page hereof, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 29, 1996 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which as to the Shares, together with the Offer to Purchase, constitutes the "Offer"). See "Terms of the Offer -- Extension; Termination; Amendments, and -- Certain Conditions of the Offer" in the Offer to Purchase.

Subject to, and effective upon, acceptance for payment of and payment for the Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, Con Edison all right, title and interest in and to all the Shares that are being tendered hereby and hereby constitutes and appoints the Depository the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares, with full power of substitution (such power of attorney being an irrevocable power coupled with an interest), to (a) deliver certificates for such Shares, or transfer ownership of such Shares on the account books maintained by any of the Book-Entry Transfer Facilities, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of Con Edison, (b) present such Shares for registration and transfer on the books of Con Edison and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms of the Offer.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby and that, when and to the extent the same are accepted for payment by Con Edison, Con Edison will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances, conditional sales agreements or other obligations relating to the sale or transfer thereof, and the same will not be subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or Con Edison to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby.

All authority herein conferred or agreed to be conferred shall not be affected by, and shall survive the death or incapacity of the undersigned, and any obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer, this tender is irrevocable.

The undersigned understands that tenders of Shares pursuant to any one of the procedures described under "Terms of the Offer - - Procedure for Tendering Shares" in the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer, including the undersigned's representation and warranty that (i) the undersigned has a net long position in the Shares being tendered within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended, and (ii) the tender of such Shares complies with Rule 14e-4. Con Edison's acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the undersigned and Con Edison upon the terms and subject to the conditions of the Offer.

The undersigned recognizes that, under certain circumstances set forth in the Offer to Purchase, Con Edison may terminate or amend the Offer or may not be required to purchase any of the Shares tendered hereby. In either event, the undersigned

understands that certificate(s) for any Shares not tendered or not purchased will be returned to the undersigned.



Unless otherwise indicated under "Special Payment Instructions," please issue the check for the purchase price of any Shares purchased, and/or return any Shares not tendered or not purchased, in the name(s) of the undersigned (and, in the case of Shares tendered by book-entry transfer, by credit to the account at the Book-Entry Transfer Facility designated above). Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price of any Shares purchased and/or any certificates for Shares not tendered or not purchased (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned signature(s). In the event that both "Special Payment Instructions" and "Special Delivery Instructions" are completed, please issue the check for the purchase price of any Shares purchased and/or return any Shares not tendered or not purchased in the name(s) of, and mail said check and/or any certificates to, the person(s) so indicated. The undersigned recognizes that Con Edison has no obligation, pursuant to the "Special Payment Instructions," to transfer any Shares from the name of the registered holder(s) thereof if Con Edison does not accept for payment any of the Shares so tendered.

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 SPECIAL PAYMENT INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned.

Issue / / check and/or  
 / / certificate(s) to:

Name -----  
 (PLEASE PRINT)

Address -----  
 -----  
 (INCLUDE ZIP CODE)

-----  
 SPECIAL DELIVERY INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown below the undersigned's signature(s).

Mail / / check and/or  
 / / certificate(s) to:

Name-----  
 (PLEASE PRINT)

Address -----  
 -----  
 (INCLUDE ZIP CODE)

-----  
 (TAXPAYER IDENTIFICATION OR  
 SOCIAL SECURITY NO.)  
 -----

/ / CHECK HERE IF ANY OF THE CERTIFICATES REPRESENTING SHARES THAT YOU OWN AND WISH TO TENDER HAVE BEEN LOST, DESTROYED OR STOLEN. (SEE INSTRUCTION 12.)

Number of Shares represented by lost, destroyed or stolen certificates: \_\_\_\_\_



SOLICITED TENDERS  
(SEE INSTRUCTION 10)

As provided in Instruction 10, Con Edison will pay to any Soliciting Dealer, as defined in Instruction 10, a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer.

The undersigned represents that the Soliciting Dealer which solicited and obtained this tender is:

Name of Firm: -----  
(PLEASE PRINT)

Name of Individual Broker  
or Financial Consultant: -----

Telephone Number of Broker  
or Financial Consultant: -----

Identification Number (if known): -----

Address: -----  
(INCLUDE ZIP CODE)

The following to be completed ONLY if customer's Shares held in nominee name are tendered.

NAME OF BENEFICIAL OWNER	NUMBER OF SHARES TENDERED
(ATTACH ADDITIONAL LIST IF NECESSARY)	
- -----	- -----
- -----	- -----
- -----	- -----

The acceptance of compensation by such Soliciting Dealer will constitute a representation by it that: (i) it has complied with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder, in connection with such solicitation; (ii) it is entitled to such compensation for such solicitation under the terms and conditions of the Offer to Purchase; (iii) in soliciting tenders of Shares, it has used no soliciting materials other than those furnished by Con Edison; and (iv) if it is a foreign broker or dealer not eligible for membership in the National Association of Securities Dealers, Inc. (the "NASD"), it has agreed to conform to the NASD's Rules of Fair Practice in making solicitations.

The payment of compensation to any Soliciting Dealer is dependent on such Soliciting Dealer's returning a Notice of Solicited Tenders to the Depositary.

(PLEASE COMPLETE SUBSTITUTE FORM W-9 BELOW)



SIGN HERE: .....  
.....

SIGNATURE(S) OF OWNER(S)

Dated ....., 1996  
Name(s).....

.....  
(PLEASE PRINT)

Capacity (full title).....  
Address.....

.....  
(INCLUDE ZIP CODE)

DAYTIME Area Code and Telephone  
No.....

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on the stock certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5.)

GUARANTEE OF SIGNATURE(S) (SEE INSTRUCTIONS 1 AND 5)

Authorized Signature .....  
Name .....  
Name of Firm .....  
Address of Firm .....  
Area code and Telephone No. ....  
Dated ....., 1996

-----  
NOTE: REMAINDER OF THIS LETTER OF TRANSMITTAL MUST BE COMPLETED BY SIGNING THE SUBSTITUTE FORM W-9 BELOW.



## INSTRUCTIONS

### FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. GUARANTEE OF SIGNATURES. Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a firm that is a member of a registered national securities exchange or the National Association of Securities Dealers, Inc., or by a commercial bank or trust company having an office or correspondent in the United States which is a participant in an approved Signature Guarantee Medallion Program (an "Eligible Institution"). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered holder(s) of the Shares (which term, for purposes of this document, shall include any participant in one of the Book-Entry Transfer Facilities whose name appears on a security position listing as the owner of Shares) tendered herewith and such holder(s) has not completed the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. DELIVERY OF LETTER OF TRANSMITTAL AND SHARES. This Letter of Transmittal is to be used either if certificates are to be forwarded herewith or if delivery of Shares is to be made by book-entry transfer pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the front page of this Letter of Transmittal on or prior to the Expiration Date (as defined in the Offer to Purchase) with respect to a Series of Preferred. Shareholders who cannot deliver their Shares and all other required documents to the Depository on or prior to the applicable Expiration Date must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery in the form provided by Con Edison (with any required signature guarantees) must be received by the Depository on or prior to the applicable Expiration Date and (c) the certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-

Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal must be received by the Depository within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase.

THE METHOD OF DELIVERY OF SHARES AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE TENDERING SHAREHOLDER. IF CERTIFICATES FOR SHARES ARE SENT BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.

No alternative, conditional or contingent tenders will be accepted. See "Terms of the Offer--Number of Shares; Purchase Price; Expiration Date; Receipt of Dividend" in the Offer to Purchase. By executing this Letter of Transmittal (or facsimile thereof), the tendering stockholder waives any right to receive any notice of the acceptance for payment of the Shares.

3. INADEQUATE SPACE. If the space provided herein is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate schedule attached hereto.

4. PARTIAL TENDERS (NOT APPLICABLE TO SHAREHOLDERS WHO TENDER BY BOOK-ENTRY TRANSFER). If fewer than all the Shares represented by any certificate delivered to the Depository are to be tendered, fill in the number of Shares that are to be tendered in the box entitled "Number of Shares Tendered." In such case, a new certificate for the remainder of the Shares represented by the old certificate will



be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the "Special Payment Instructions" or "Special Delivery Instructions" boxes on this Letter of Transmittal, as promptly as practicable following the expiration or termination of the Offer. All Shares represented by certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. SIGNATURES ON LETTER OF TRANSMITTAL; STOCK POWERS AND ENDORSEMENTS. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificates without alteration, enlargement or any change whatsoever.

If any of the Shares tendered hereby is held of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares tendered hereby is registered in different names on different certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, no endorsements of certificates or separate stock powers are required unless payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s). Signatures on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares tendered hereby, certificates must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered holder(s) appear(s) on the certificates for such Shares. Signature(s) on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Con Edison of the authority of such person so to act must be submitted.

6. STOCK TRANSFER TAXES. Con Edison will pay or cause to be paid any stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s), or if tendered Shares are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted. See "Terms of the Offer-- Acceptance for Payment of Shares and Payment of Purchase Price" in the Offer to Purchase. EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY TO AFFIX TRANSFER TAX STAMPS TO THE CERTIFICATES REPRESENTING SHARES TENDERED HEREBY.

7. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS. If the check for the purchase price of any Shares purchased is to be issued in the name of, and/or any Shares not tendered or not purchased are to be returned to, a person other than the person(s) signing this Letter of Transmittal or if the check and/or any certificate for Shares not tendered or not purchased are to be mailed to someone other than the person(s) signing this Letter of Transmittal or to an address other than that shown above in the box captioned "Description of Shares Tendered," then the boxes captioned "Special Payment Instructions" and/or "Special Delivery Instructions" on this Letter of Transmittal should be completed. Stockholders tendering Shares by book-entry transfer will have any Shares not accepted for payment returned by crediting the account maintained by such shareholder at the Book-Entry Transfer Facility from which such transfer was made.



8. SUBSTITUTE FORM W-9 AND FORM W-8. The tendering stockholder is required to provide the Depository with either a correct Taxpayer Identification Number ("TIN") on Substitute Form W-9, which is provided under "Important Tax Information" below, or a properly completed Form W-8. Failure to provide the information on either Substitute Form W-9 or Form W-8 may subject the tendering shareholder to 31% federal income tax backup withholding on the payment of the purchase price. The box in Part 2 of Substitute Form W-9 may be checked if the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future. If the box in Part 2 is checked and the Depository is not provided with a TIN by the time of payment, the Depository will withhold 31% on all payments of the purchase price thereafter until a TIN is provided to the Depository.

9. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Any questions or requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective telephone numbers and addresses listed below. Requests for additional copies of the Offer to Purchase, this Letter of Transmittal or other tender offer materials may be directed to the Information Agent or the Dealer Managers and such copies will be furnished promptly at Con Edison's expense. Shareholders may also contact their local broker, dealer, commercial bank or trust company for assistance concerning the Offer.

10. SOLICITED TENDERS. Con Edison will pay a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer, covered by the Letter of Transmittal which designates, in the box captioned "Solicited Tenders," as having solicited and obtained the tender, the name of (i) any broker or dealer in securities, including a Dealer Manager in its capacity as a dealer or broker, which is a member of any national securities exchange or of the National Association of Securities Dealers, Inc. (the "NASD"), (ii) any foreign broker or dealer not eligible for membership in the NASD which agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as though it were an NASD member, or (iii) any bank or trust company (each of which is referred to herein as a "Soliciting Dealer"). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by a holder unless the Letter of Transmittal accompanying such tender designates such Soliciting Dealer. No such fee shall be payable to a Soliciting Dealer in respect of Shares registered in the name of such Soliciting Dealer unless such Shares are held by such Soliciting Dealer as nominee and such Shares are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal or on the Notice of Solicited Tenders (included in the materials provided to brokers and dealers). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by the holder of record, for the benefit of the beneficial owner, unless the beneficial owner has designated such Soliciting Dealer. If tendered Shares are being delivered by book-entry transfer, the Soliciting Dealer must return a Notice of Solicited Tenders to the Depository within three business days after expiration of the Offer to receive a solicitation fee. No such fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a depositing holder (other than itself). No such fee shall be paid to a Soliciting Dealer with respect to Shares tendered for such Soliciting Dealer's own account. No broker, dealer, bank, trust company or fiduciary shall be deemed to be the agent of Con Edison, the Depository, the Information Agent or the Dealer Managers for purposes of the Offer.

11. IRREGULARITIES. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance of any tender of Shares will be determined by Con Edison, in its sole discretion, and its determination shall be final and binding. Con Edison reserves the absolute right to reject any and all tenders of Shares that it determines are not in proper form or the acceptance for payment of or payment for Shares that may, in the opinion of Con Edison's counsel, be unlawful. Con Edison also reserves the absolute right to waive

any of the conditions to the Offer or any defect or irregularity in any tender of Shares and Con Edison's interpretation of the terms and conditions of the Offer (including these instructions) shall be final and binding. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as Con Edison shall determine. None of Con Edison, the Dealer Managers, the Depositary, the Information Agent or any other person shall be under any duty to give notice of any defect or irregularity in tenders, nor shall any



of them incur any liability for failure to give any such notice. Tenders will not be deemed to have been made until all defects and irregularities have been cured or waived.

12. LOST, DESTROYED OR STOLEN CERTIFICATES. If any certificate representing Shares has been lost, destroyed or stolen, the shareholder should promptly notify the Depositary by checking the box immediately following the special payment/special delivery instructions and indicating the number of Shares lost, destroyed or stolen. The shareholder will then be instructed as to the procedures that must be taken in order to replace the certificate. The tender of Shares pursuant to this Letter of Transmittal will not be valid unless prior to the Expiration Date (as defined in the Offer to Purchase): (i) such procedures have been completed and a replacement certificate for the Shares has been delivered to the Depositary, or (ii) a Notice of Guaranteed Delivery has been delivered to the Depositary. See Instruction 2.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE COPY THEREOF), DULY EXECUTED, TOGETHER WITH CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE DEPOSITARY, OR THE NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY, ON OR PRIOR TO THE APPLICABLE EXPIRATION DATE (AS DEFINED IN THE OFFER TO PURCHASE).

#### IMPORTANT TAX INFORMATION

Under federal income tax law, a shareholder whose tendered Shares are accepted for payment is required to provide the Depositary (as payer) with either such shareholder's correct TIN on Substitute Form W-9 below or a properly completed Form W-8. If such shareholder is an individual, the TIN is his or her social security number. For businesses and other entities, the number is the employer identification number. If the Depositary is not provided with the correct TIN or properly completed Form W-8, the shareholder may be subject to a \$50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such shareholder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding. The Form W-8 can be obtained from the Depositary. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If federal income tax backup withholding applies, the Depositary is required to withhold 31% of any payments made to the shareholder. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of the tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.

#### PURPOSE OF SUBSTITUTE FORM W-9 AND FORM W-8

To avoid backup withholding on payments that are made to a shareholder with respect to Shares purchased pursuant to the Offer, the shareholder is required to notify the Depositary of his or her correct TIN by completing the Substitute Form W-9 attached hereto certifying that the TIN provided on Substitute Form W-9 is correct and that (1) the shareholder has not been notified by the Internal Revenue Service that he or she is subject to federal income tax backup withholding as a result of failure to report all interest or dividends or (2) the Internal Revenue Service has notified the shareholder that he or she is no longer subject to federal income tax backup withholding. Foreign shareholders must submit a properly completed Form W-8 in order to avoid the applicable backup withholding; provided, however, that backup withholding will not apply to foreign shareholders subject to 30% (or lower treaty rate) withholding on gross payments received pursuant to the Offer.

#### WHAT NUMBER TO GIVE THE DEPOSITARY

The shareholder is required to give the Depositary the social security number or employer identification number of the registered owner of the Shares. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which

number to report.



PAYER'S NAME:

SUBSTITUTE  
FORM W-9  
DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE

PAYER'S REQUEST FOR  
TAXPAYER IDENTIFICATION  
NUMBER (TIN) AND  
CERTIFICATION

PART 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY  
BY SIGNING AND DATING BELOW.

Social Security number OR  
Employer Identification Number

TIN -----

-----

Name (Please Print) -----

Address -----

City ----- State ---- Zip Code -----

PART 2

Awaiting TIN / /

-----

PART 3--CERTIFICATION--UNDER THE PENALTIES OF PERJURY, I CERTIFY  
THAT: (1) the number shown on this form is my correct taxpayer  
identification number (or a TIN has not been issued to me but I  
have mailed or delivered an application to receive a TIN or  
intend to do so in the near future), (2) I am not subject to  
backup withholding either because I have not been notified by the  
Internal Revenue Service (the "IRS") that I am subject to backup  
withholding as a result of a failure to report all interest or  
dividends or the IRS has notified me that I am no longer subject  
to backup withholding, and (3) all other information provided on  
this form is true, correct and complete.

-----

SIGNATURE: ----- DATE: -----

You must cross out item (2) above if you have been notified by  
the IRS that you are currently subject to backup withholding  
because of underreporting interest or dividends on your tax  
return.

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NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN  
BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO  
THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR  
CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE  
FORM W-9 FOR ADDITIONAL DETAILS. YOU MUST COMPLETE THE FOLLOWING  
CERTIFICATE IF YOU CHECKED THE BOX IN PART 2 OF THE SUBSTITUTE  
FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer  
identification number has not been issued to me and either (1) I  
have mailed or delivered an application to receive a taxpayer  
identification number to the appropriate Internal Revenue Service  
Center or Social Security Administration Office or (2) I intend  
to mail or deliver an application in the near future. I  
understand that if I do not provide a taxpayer identification  
number by the time of payment, 31% of all payments of the  
purchase price made to me will be withheld until I provide a  
number.

Signature \_\_\_\_\_ Date \_\_\_\_\_, 1996



THE DEALER MANAGERS:

LEHMAN BROTHERS  
3 World Financial Center  
New York, New York 10285  
(800) 438-3242

Attention: Roy D. Henriksson

SMITH BARNEY INC.  
390 Greenwich Street  
New York, New York 10013  
(800) 655-4811

Attention: Paul Galant

THE INFORMATION AGENT:

D.F. KING & CO., INC.  
77 Water Street  
New York, New York 10005  
(800) 549-6650 (Toll-Free)



LETTER OF TRANSMITTAL  
To Accompany

Shares of 4.65% Series D Cumulative Preferred Stock  
(\$100 par value) of

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

TENDERED PURSUANT TO THE OFFER TO PURCHASE,  
DATED JANUARY 29, 1996, FOR PURCHASE AT  
PURCHASE PRICE OF \$80.65 PER SHARE

THE OFFER AND WITHDRAWAL RIGHTS WILL  
EXPIRE AT 5:00 P.M., NEW YORK CITY TIME,  
ON TUESDAY, FEBRUARY 27, 1996, UNLESS THE OFFER IS EXTENDED.

To: THE CHASE MANHATTAN BANK, N.A., Depositary

By Mail: By Overnight Delivery:

Box 3032  
4 Chase MetroTech Ctr.  
Brooklyn, NY 11245

c/o Chase Securities  
Processing Corp  
Ft. Lee Executive Park  
1 Executive Dr. - 6th floor  
Ft. Lee, NJ 07024

By Hand: By Facsimile Transmission:

(9:00 a.m. - 5:00 p.m.  
New York City Time)  
1 Chase Manhattan Plaza  
Floor 1-B  
Nassau and Liberty Streets  
New York, NY 10081

(201) 592-4372  
Information and Confirm by Telephone:  
(201) 592-4370

DESCRIPTION OF SHARES TENDERED

(PLEASE FILL IN EXACTLY AS INFORMATION APPEARS ON CERTIFICATE(S))  
(ATTACH ADDITIONAL SIGNED LIST IF NECESSARY)

NAMES(S) AND ADDRESS(ES) OF REGISTERED HOLDERS(S)	CERTIFICATE NUMBER(S)*	TOTAL NUMBER OF SHARES REPRESENTED BY CERTIFICATE(S)*	NUMBER OF SHARES TENDERED**
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\* Need not be completed by shareholders tendering by book-entry transfer.

\*\* Unless otherwise indicated, it will be assumed that all Shares represented by any certificates delivered to the Depositary are being tendered. See Instruction 4.



DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN ONE LISTED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

DO NOT SEND ANY CERTIFICATES TO LEHMAN BROTHERS, TO SMITH BARNEY INC., TO D.F. KING & CO., INC. OR TO CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THE LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be used if certificates are to be forwarded herewith or if delivery of tendered Shares (as defined below) is to be made by book-entry transfer to the Depository's account at The Depository Trust Company ("DTC"), Midwest Securities Trust Company ("MSTC") or Philadelphia Depository Trust Company ("PDTC") (hereinafter collectively referred to as the "Book-Entry Transfer Facilities") pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase (as defined below).

Shareholders who cannot deliver their Shares and all other documents required hereby to the Depository by the Expiration Date (as defined in the Offer to Purchase) must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. See Instruction 2. Delivery of documents to Con Edison or to a Book-Entry Transfer Facility does not constitute a valid delivery.

(BOXES BELOW FOR USE BY ELIGIBLE INSTITUTIONS ONLY)

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT ONE OF THE BOOK-ENTRY TRANSFER FACILITIES AND COMPLETE THE FOLLOWING:

Name of tendering institution \_\_\_\_\_

Check applicable box:

/ / DTC       / / MSTC       / / PDTC

Account No. \_\_\_\_\_

Transaction Code No. \_\_\_\_\_

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO  
A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY  
AND COMPLETE THE FOLLOWING:

Name(s) of tendering shareholder(s)  
\_\_\_\_\_

Date of execution of Notice of Guaranteed Delivery  
\_\_\_\_\_

Name of institution that guaranteed delivery  
\_\_\_\_\_

If delivery is by book-entry transfer:

Name of tendering institution  
\_\_\_\_\_

Account no. \_\_\_\_\_ at

// DTC        // MSTC        // PDTC

Transaction Code No.  
\_\_\_\_\_



NOTE: SIGNATURES MUST BE PROVIDED BELOW.  
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

The undersigned hereby tenders to Consolidated Edison Company of New York, Inc., a New York corporation ("Con Edison"), the shares listed on the first page hereof under "Description of Shares Tendered" pursuant to Con Edison's offer to purchase any and all of the outstanding shares of the series of Con Edison preferred stock shown on the first page hereof as to which this Letter of Transmittal is applicable (the "Shares") at the purchase price shown on the first page hereof, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 29, 1996 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which as to the Shares, together with the Offer to Purchase, constitutes the "Offer"). See "Terms of the Offer -- Extension; Termination; Amendments, and -- Certain Conditions of the Offer" in the Offer to Purchase.

Subject to, and effective upon, acceptance for payment of and payment for the Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, Con Edison all right, title and interest in and to all the Shares that are being tendered hereby and hereby constitutes and appoints the Depository the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares, with full power of substitution (such power of attorney being an irrevocable power coupled with an interest), to (a) deliver certificates for such Shares, or transfer ownership of such Shares on the account books maintained by any of the Book-Entry Transfer Facilities, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of Con Edison, (b) present such Shares for registration and transfer on the books of Con Edison and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms of the Offer.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby and that, when and to the extent the same are accepted for payment by Con Edison, Con Edison will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances, conditional sales agreements or other obligations relating to the sale or transfer thereof, and the same will not be subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or Con Edison to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby.

All authority herein conferred or agreed to be conferred shall not be affected by, and shall survive the death or incapacity of the undersigned, and any obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer, this tender is irrevocable.

The undersigned understands that tenders of Shares pursuant to any one of the procedures described under "Terms of the Offer - - Procedure for Tendering Shares" in the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer, including the undersigned's representation and warranty that (i) the undersigned has a net long position in the Shares being tendered within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended, and (ii) the tender of such Shares complies with Rule 14e-4. Con Edison's acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the undersigned and Con Edison upon the terms and subject to the conditions of the Offer.

The undersigned recognizes that, under certain circumstances set forth in the Offer to Purchase, Con Edison may terminate or amend the Offer or may not be required to purchase any of the Shares tendered hereby. In either event, the undersigned

understands that certificate(s) for any Shares not tendered or not purchased will be returned to the undersigned.



Unless otherwise indicated under "Special Payment Instructions," please issue the check for the purchase price of any Shares purchased, and/or return any Shares not tendered or not purchased, in the name(s) of the undersigned (and, in the case of Shares tendered by book-entry transfer, by credit to the account at the Book-Entry Transfer Facility designated above). Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price of any Shares purchased and/or any certificates for Shares not tendered or not purchased (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned signature(s). In the event that both "Special Payment Instructions" and "Special Delivery Instructions" are completed, please issue the check for the purchase price of any Shares purchased and/or return any Shares not tendered or not purchased in the name(s) of, and mail said check and/or any certificates to, the person(s) so indicated. The undersigned recognizes that Con Edison has no obligation, pursuant to the "Special Payment Instructions," to transfer any Shares from the name of the registered holder(s) thereof if Con Edison does not accept for payment any of the Shares so tendered.

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 SPECIAL PAYMENT INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned.

Issue / / check and/or  
 / / certificate(s) to:

Name -----  
 (PLEASE PRINT)

Address -----  
 -----  
 (INCLUDE ZIP CODE)

-----  
 SPECIAL DELIVERY INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown below the undersigned's signature(s).

Mail / / check and/or  
 / / certificate(s) to:

Name-----  
 (PLEASE PRINT)

Address -----  
 -----  
 (INCLUDE ZIP CODE)

-----  
 (TAXPAYER IDENTIFICATION OR  
 SOCIAL SECURITY NO.)  
 -----

/ / CHECK HERE IF ANY OF THE CERTIFICATES REPRESENTING SHARES THAT YOU OWN AND WISH TO TENDER HAVE BEEN LOST, DESTROYED OR STOLEN. (SEE INSTRUCTION 12.)

Number of Shares represented by lost, destroyed or stolen certificates: \_\_\_\_\_



SOLICITED TENDERS  
(SEE INSTRUCTION 10)

As provided in Instruction 10, Con Edison will pay to any Soliciting Dealer, as defined in Instruction 10, a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer.

The undersigned represents that the Soliciting Dealer which solicited and obtained this tender is:

Name of Firm: -----  
(PLEASE PRINT)

Name of Individual Broker  
or Financial Consultant: -----

Telephone Number of Broker  
or Financial Consultant: -----

Identification Number (if known): -----

Address: -----  
(INCLUDE ZIP CODE)

The following to be completed ONLY if customer's Shares held in nominee name are tendered.

NAME OF BENEFICIAL OWNER	NUMBER OF SHARES TENDERED
(ATTACH ADDITIONAL LIST IF NECESSARY)	
-----	-----
-----	-----
-----	-----

The acceptance of compensation by such Soliciting Dealer will constitute a representation by it that: (i) it has complied with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder, in connection with such solicitation; (ii) it is entitled to such compensation for such solicitation under the terms and conditions of the Offer to Purchase; (iii) in soliciting tenders of Shares, it has used no soliciting materials other than those furnished by Con Edison; and (iv) if it is a foreign broker or dealer not eligible for membership in the National Association of Securities Dealers, Inc. (the "NASD"), it has agreed to conform to the NASD's Rules of Fair Practice in making solicitations.

The payment of compensation to any Soliciting Dealer is dependent on such Soliciting Dealer's returning a Notice of Solicited Tenders to the Depositary.

(PLEASE COMPLETE SUBSTITUTE FORM W-9 BELOW)



SIGN HERE: .....  
.....

SIGNATURE(S) OF OWNER(S)

Dated ....., 1996  
Name(s).....

.....  
(PLEASE PRINT)

Capacity (full title).....  
Address.....

.....  
(INCLUDE ZIP CODE)

DAYTIME Area Code and Telephone  
No.....

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on the stock certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5.)

GUARANTEE OF SIGNATURE(S) (SEE INSTRUCTIONS 1 AND 5)

Authorized Signature .....  
Name .....  
Name of Firm .....  
Address of Firm .....  
Area code and Telephone No. ....  
Dated ....., 1996

-----  
NOTE: REMAINDER OF THIS LETTER OF TRANSMITTAL MUST BE COMPLETED BY SIGNING THE SUBSTITUTE FORM W-9 BELOW.



## INSTRUCTIONS

### FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. **GUARANTEE OF SIGNATURES.** Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a firm that is a member of a registered national securities exchange or the National Association of Securities Dealers, Inc., or by a commercial bank or trust company having an office or correspondent in the United States which is a participant in an approved Signature Guarantee Medallion Program (an "Eligible Institution"). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered holder(s) of the Shares (which term, for purposes of this document, shall include any participant in one of the Book-Entry Transfer Facilities whose name appears on a security position listing as the owner of Shares) tendered herewith and such holder(s) has not completed the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. **DELIVERY OF LETTER OF TRANSMITTAL AND SHARES.** This Letter of Transmittal is to be used either if certificates are to be forwarded herewith or if delivery of Shares is to be made by book-entry transfer pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the front page of this Letter of Transmittal on or prior to the Expiration Date (as defined in the Offer to Purchase) with respect to a Series of Preferred. Shareholders who cannot deliver their Shares and all other required documents to the Depository on or prior to the applicable Expiration Date must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery in the form provided by Con Edison (with any required signature guarantees) must be received by the Depository on or prior to the applicable Expiration Date and (c) the certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-

Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal must be received by the Depository within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase.

THE METHOD OF DELIVERY OF SHARES AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE TENDERING SHAREHOLDER. IF CERTIFICATES FOR SHARES ARE SENT BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.

No alternative, conditional or contingent tenders will be accepted. See "Terms of the Offer--Number of Shares; Purchase Price; Expiration Date; Receipt of Dividend" in the Offer to Purchase. By executing this Letter of Transmittal (or facsimile thereof), the tendering stockholder waives any right to receive any notice of the acceptance for payment of the Shares.

3. INADEQUATE SPACE. If the space provided herein is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate schedule attached hereto.

4. PARTIAL TENDERS (NOT APPLICABLE TO SHAREHOLDERS WHO TENDER BY BOOK-ENTRY TRANSFER). If fewer than all the Shares represented by any certificate delivered to the Depository are to be tendered, fill in the number of Shares that are to be tendered in the box entitled "Number of Shares Tendered." In such case, a new certificate for the remainder of the Shares represented by the old certificate will



be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the "Special Payment Instructions" or "Special Delivery Instructions" boxes on this Letter of Transmittal, as promptly as practicable following the expiration or termination of the Offer. All Shares represented by certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. SIGNATURES ON LETTER OF TRANSMITTAL; STOCK POWERS AND ENDORSEMENTS. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificates without alteration, enlargement or any change whatsoever.

If any of the Shares tendered hereby is held of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares tendered hereby is registered in different names on different certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, no endorsements of certificates or separate stock powers are required unless payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s). Signatures on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares tendered hereby, certificates must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered holder(s) appear(s) on the certificates for such Shares. Signature(s) on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Con Edison of the authority of such person so to act must be submitted.

6. STOCK TRANSFER TAXES. Con Edison will pay or cause to be paid any stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s), or if tendered Shares are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted. See "Terms of the Offer-- Acceptance for Payment of Shares and Payment of Purchase Price" in the Offer to Purchase. EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY TO AFFIX TRANSFER TAX STAMPS TO THE CERTIFICATES REPRESENTING SHARES TENDERED HEREBY.

7. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS. If the check for the purchase price of any Shares purchased is to be issued in the name of, and/or any Shares not tendered or not purchased are to be returned to, a person other than the person(s) signing this Letter of Transmittal or if the check and/or any certificate for Shares not tendered or not purchased are to be mailed to someone other than the person(s) signing this Letter of Transmittal or to an address other than that shown above in the box captioned "Description of Shares Tendered," then the boxes captioned "Special Payment Instructions" and/or "Special Delivery Instructions" on this Letter of Transmittal should be completed. Stockholders tendering Shares by book-entry transfer will have any Shares not accepted for payment returned by crediting the account maintained by such shareholder at the Book-Entry Transfer Facility from which such transfer was made.



8. SUBSTITUTE FORM W-9 AND FORM W-8. The tendering stockholder is required to provide the Depository with either a correct Taxpayer Identification Number ("TIN") on Substitute Form W-9, which is provided under "Important Tax Information" below, or a properly completed Form W-8. Failure to provide the information on either Substitute Form W-9 or Form W-8 may subject the tendering shareholder to 31% federal income tax backup withholding on the payment of the purchase price. The box in Part 2 of Substitute Form W-9 may be checked if the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future. If the box in Part 2 is checked and the Depository is not provided with a TIN by the time of payment, the Depository will withhold 31% on all payments of the purchase price thereafter until a TIN is provided to the Depository.

9. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Any questions or requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective telephone numbers and addresses listed below. Requests for additional copies of the Offer to Purchase, this Letter of Transmittal or other tender offer materials may be directed to the Information Agent or the Dealer Managers and such copies will be furnished promptly at Con Edison's expense. Shareholders may also contact their local broker, dealer, commercial bank or trust company for assistance concerning the Offer.

10. SOLICITED TENDERS. Con Edison will pay a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer, covered by the Letter of Transmittal which designates, in the box captioned "Solicited Tenders," as having solicited and obtained the tender, the name of (i) any broker or dealer in securities, including a Dealer Manager in its capacity as a dealer or broker, which is a member of any national securities exchange or of the National Association of Securities Dealers, Inc. (the "NASD"), (ii) any foreign broker or dealer not eligible for membership in the NASD which agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as though it were an NASD member, or (iii) any bank or trust company (each of which is referred to herein as a "Soliciting Dealer"). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by a holder unless the Letter of Transmittal accompanying such tender designates such Soliciting Dealer. No such fee shall be payable to a Soliciting Dealer in respect of Shares registered in the name of such Soliciting Dealer unless such Shares are held by such Soliciting Dealer as nominee and such Shares are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal or on the Notice of Solicited Tenders (included in the materials provided to brokers and dealers). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by the holder of record, for the benefit of the beneficial owner, unless the beneficial owner has designated such Soliciting Dealer. If tendered Shares are being delivered by book-entry transfer, the Soliciting Dealer must return a Notice of Solicited Tenders to the Depository within three business days after expiration of the Offer to receive a solicitation fee. No such fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a depositing holder (other than itself). No such fee shall be paid to a Soliciting Dealer with respect to Shares tendered for such Soliciting Dealer's own account. No broker, dealer, bank, trust company or fiduciary shall be deemed to be the agent of Con Edison, the Depository, the Information Agent or the Dealer Managers for purposes of the Offer.

11. IRREGULARITIES. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance of any tender of Shares will be determined by Con Edison, in its sole discretion, and its determination shall be final and binding. Con Edison reserves the absolute right to reject any and all tenders of Shares that it determines are not in proper form or the acceptance for payment of or payment for Shares that may, in the opinion of Con Edison's counsel, be unlawful. Con Edison also reserves the absolute right to waive

any of the conditions to the Offer or any defect or irregularity in any tender of Shares and Con Edison's interpretation of the terms and conditions of the Offer (including these instructions) shall be final and binding. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as Con Edison shall determine. None of Con Edison, the Dealer Managers, the Depositary, the Information Agent or any other person shall be under any duty to give notice of any defect or irregularity in tenders, nor shall any



of them incur any liability for failure to give any such notice. Tenders will not be deemed to have been made until all defects and irregularities have been cured or waived.

12. LOST, DESTROYED OR STOLEN CERTIFICATES. If any certificate representing Shares has been lost, destroyed or stolen, the shareholder should promptly notify the Depositary by checking the box immediately following the special payment/special delivery instructions and indicating the number of Shares lost, destroyed or stolen. The shareholder will then be instructed as to the procedures that must be taken in order to replace the certificate. The tender of Shares pursuant to this Letter of Transmittal will not be valid unless prior to the Expiration Date (as defined in the Offer to Purchase): (i) such procedures have been completed and a replacement certificate for the Shares has been delivered to the Depositary, or (ii) a Notice of Guaranteed Delivery has been delivered to the Depositary. See Instruction 2.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE COPY THEREOF), DULY EXECUTED, TOGETHER WITH CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE DEPOSITARY, OR THE NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY, ON OR PRIOR TO THE APPLICABLE EXPIRATION DATE (AS DEFINED IN THE OFFER TO PURCHASE).

#### IMPORTANT TAX INFORMATION

Under federal income tax law, a shareholder whose tendered Shares are accepted for payment is required to provide the Depositary (as payer) with either such shareholder's correct TIN on Substitute Form W-9 below or a properly completed Form W-8. If such shareholder is an individual, the TIN is his or her social security number. For businesses and other entities, the number is the employer identification number. If the Depositary is not provided with the correct TIN or properly completed Form W-8, the shareholder may be subject to a \$50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such shareholder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding. The Form W-8 can be obtained from the Depositary. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If federal income tax backup withholding applies, the Depositary is required to withhold 31% of any payments made to the shareholder. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of the tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.

#### PURPOSE OF SUBSTITUTE FORM W-9 AND FORM W-8

To avoid backup withholding on payments that are made to a shareholder with respect to Shares purchased pursuant to the Offer, the shareholder is required to notify the Depositary of his or her correct TIN by completing the Substitute Form W-9 attached hereto certifying that the TIN provided on Substitute Form W-9 is correct and that (1) the shareholder has not been notified by the Internal Revenue Service that he or she is subject to federal income tax backup withholding as a result of failure to report all interest or dividends or (2) the Internal Revenue Service has notified the shareholder that he or she is no longer subject to federal income tax backup withholding. Foreign shareholders must submit a properly completed Form W-8 in order to avoid the applicable backup withholding; provided, however, that backup withholding will not apply to foreign shareholders subject to 30% (or lower treaty rate) withholding on gross payments received pursuant to the Offer.

#### WHAT NUMBER TO GIVE THE DEPOSITARY

The shareholder is required to give the Depositary the social security number or employer identification number of the registered owner of the Shares. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which

number to report.



PAYER'S NAME:

SUBSTITUTE  
FORM W-9  
DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE

PAYER'S REQUEST FOR  
TAXPAYER IDENTIFICATION  
NUMBER (TIN) AND  
CERTIFICATION

PART 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY  
BY SIGNING AND DATING BELOW.

Social Security number OR  
Employer Identification Number

TIN -----

-----

Name (Please Print) -----

Address -----

City ----- State ---- Zip Code -----

PART 2

Awaiting TIN / /

-----

PART 3--CERTIFICATION--UNDER THE PENALTIES OF PERJURY, I CERTIFY  
THAT: (1) the number shown on this form is my correct taxpayer  
identification number (or a TIN has not been issued to me but I  
have mailed or delivered an application to receive a TIN or  
intend to do so in the near future), (2) I am not subject to  
backup withholding either because I have not been notified by the  
Internal Revenue Service (the "IRS") that I am subject to backup  
withholding as a result of a failure to report all interest or  
dividends or the IRS has notified me that I am no longer subject  
to backup withholding, and (3) all other information provided on  
this form is true, correct and complete.

-----

SIGNATURE: ----- DATE: -----

You must cross out item (2) above if you have been notified by  
the IRS that you are currently subject to backup withholding  
because of underreporting interest or dividends on your tax  
return.

-----

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN  
BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO  
THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR  
CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE  
FORM W-9 FOR ADDITIONAL DETAILS. YOU MUST COMPLETE THE FOLLOWING  
CERTIFICATE IF YOU CHECKED THE BOX IN PART 2 OF THE SUBSTITUTE  
FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer  
identification number has not been issued to me and either (1) I  
have mailed or delivered an application to receive a taxpayer  
identification number to the appropriate Internal Revenue Service  
Center or Social Security Administration Office or (2) I intend  
to mail or deliver an application in the near future. I  
understand that if I do not provide a taxpayer identification  
number by the time of payment, 31% of all payments of the  
purchase price made to me will be withheld until I provide a  
number.

Signature \_\_\_\_\_ Date \_\_\_\_\_, 1996



THE DEALER MANAGERS:

LEHMAN BROTHERS  
3 World Financial Center  
New York, New York 10285  
(800) 438-3242

Attention: Roy D. Henriksson

SMITH BARNEY INC.  
390 Greenwich Street  
New York, New York 10013  
(800) 655-4811

Attention: Paul Galant

THE INFORMATION AGENT:

D.F. KING & CO., INC.  
77 Water Street  
New York, New York 10005  
(800) 549-6650 (Toll-Free)



LETTER OF TRANSMITTAL  
To Accompany

Shares of 7.20% Series I Cumulative Preferred Stock  
(\$100 par value) of

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

TENDERED PURSUANT TO THE OFFER TO PURCHASE,  
DATED JANUARY 29, 1996, FOR PURCHASE AT  
PURCHASE PRICE OF \$105.04 PER SHARE

THE OFFER AND WITHDRAWAL RIGHTS WILL  
EXPIRE AT 5:00 P.M., NEW YORK CITY TIME,  
ON TUESDAY, FEBRUARY 27, 1996, UNLESS THE OFFER IS EXTENDED.

To: THE CHASE MANHATTAN BANK, N.A., Depositary

By Mail:

By Overnight Delivery:

Box 3032  
4 Chase MetroTech Ctr.  
Brooklyn, NY 11245

c/o Chase Securities  
Processing Corp  
Ft. Lee Executive Park  
1 Executive Dr. - 6th floor  
Ft. Lee, NJ 07024

By Hand:

By Facsimile Transmission:

(9:00 a.m. - 5:00 p.m.  
New York City Time)  
1 Chase Manhattan Plaza  
Floor 1-B  
Nassau and Liberty Streets  
New York, NY 10081

(201) 592-4372  
Information and Confirm by Telephone:  
(201) 592-4370

DESCRIPTION OF SHARES TENDERED

(PLEASE FILL IN EXACTLY AS INFORMATION APPEARS ON CERTIFICATE(S))  
(ATTACH ADDITIONAL SIGNED LIST IF NECESSARY)

NAMES(S) AND ADDRESS(ES) OF REGISTERED HOLDERS(S)	CERTIFICATE NUMBER(S)*	TOTAL NUMBER OF SHARES REPRESENTED BY CERTIFICATE(S)*	NUMBER OF SHARES TENDERED**
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\* Need not be completed by shareholders tendering by book-entry transfer.

\*\* Unless otherwise indicated, it will be assumed that all Shares represented by any certificates delivered to the Depositary are being tendered. See Instruction 4.



DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN ONE LISTED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

DO NOT SEND ANY CERTIFICATES TO LEHMAN BROTHERS, TO SMITH BARNEY INC., TO D.F. KING & CO., INC. OR TO CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THE LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be used if certificates are to be forwarded herewith or if delivery of tendered Shares (as defined below) is to be made by book-entry transfer to the Depository's account at The Depository Trust Company ("DTC"), Midwest Securities Trust Company ("MSTC") or Philadelphia Depository Trust Company ("PDTC") (hereinafter collectively referred to as the "Book-Entry Transfer Facilities") pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase (as defined below).

Shareholders who cannot deliver their Shares and all other documents required hereby to the Depository by the Expiration Date (as defined in the Offer to Purchase) must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. See Instruction 2. Delivery of documents to Con Edison or to a Book-Entry Transfer Facility does not constitute a valid delivery.

(BOXES BELOW FOR USE BY ELIGIBLE INSTITUTIONS ONLY)

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT ONE OF THE BOOK-ENTRY TRANSFER FACILITIES AND COMPLETE THE FOLLOWING:

Name of tendering institution \_\_\_\_\_  
Check applicable box:  
// DTC            // MSTC            // PDTC  
Account No. \_\_\_\_\_  
Transaction Code No. \_\_\_\_\_

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of tendering shareholder(s)

Date of execution of Notice of Guaranteed Delivery

Name of institution that guaranteed delivery

If delivery is by book-entry transfer:

Name of tendering institution

Account no. \_\_\_\_\_ at

// DTC // MSTC // PDTC

Transaction Code No.

\_\_\_\_\_



NOTE: SIGNATURES MUST BE PROVIDED BELOW.  
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

The undersigned hereby tenders to Consolidated Edison Company of New York, Inc., a New York corporation ("Con Edison"), the shares listed on the first page hereof under "Description of Shares Tendered" pursuant to Con Edison's offer to purchase any and all of the outstanding shares of the series of Con Edison preferred stock shown on the first page hereof as to which this Letter of Transmittal is applicable (the "Shares") at the purchase price shown on the first page hereof, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 29, 1996 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which as to the Shares, together with the Offer to Purchase, constitutes the "Offer"). See "Terms of the Offer -- Extension; Termination; Amendments, and -- Certain Conditions of the Offer" in the Offer to Purchase.

Subject to, and effective upon, acceptance for payment of and payment for the Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, Con Edison all right, title and interest in and to all the Shares that are being tendered hereby and hereby constitutes and appoints the Depository the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares, with full power of substitution (such power of attorney being an irrevocable power coupled with an interest), to (a) deliver certificates for such Shares, or transfer ownership of such Shares on the account books maintained by any of the Book-Entry Transfer Facilities, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of Con Edison, (b) present such Shares for registration and transfer on the books of Con Edison and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms of the Offer.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby and that, when and to the extent the same are accepted for payment by Con Edison, Con Edison will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances, conditional sales agreements or other obligations relating to the sale or transfer thereof, and the same will not be subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or Con Edison to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby.

All authority herein conferred or agreed to be conferred shall not be affected by, and shall survive the death or incapacity of the undersigned, and any obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer, this tender is irrevocable.

The undersigned understands that tenders of Shares pursuant to any one of the procedures described under "Terms of the Offer - - Procedure for Tendering Shares" in the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer, including the undersigned's representation and warranty that (i) the undersigned has a net long position in the Shares being tendered within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended, and (ii) the tender of such Shares complies with Rule 14e-4. Con Edison's acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the undersigned and Con Edison upon the terms and subject to the conditions of the Offer.

The undersigned recognizes that, under certain circumstances set forth in the Offer to Purchase, Con Edison may terminate or amend the Offer or may not be required to purchase any of the Shares tendered hereby. In either event, the undersigned

understands that certificate(s) for any Shares not tendered or not purchased will be returned to the undersigned.



Unless otherwise indicated under "Special Payment Instructions," please issue the check for the purchase price of any Shares purchased, and/or return any Shares not tendered or not purchased, in the name(s) of the undersigned (and, in the case of Shares tendered by book-entry transfer, by credit to the account at the Book-Entry Transfer Facility designated above). Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price of any Shares purchased and/or any certificates for Shares not tendered or not purchased (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned signature(s). In the event that both "Special Payment Instructions" and "Special Delivery Instructions" are completed, please issue the check for the purchase price of any Shares purchased and/or return any Shares not tendered or not purchased in the name(s) of, and mail said check and/or any certificates to, the person(s) so indicated. The undersigned recognizes that Con Edison has no obligation, pursuant to the "Special Payment Instructions," to transfer any Shares from the name of the registered holder(s) thereof if Con Edison does not accept for payment any of the Shares so tendered.

-----  
 SPECIAL PAYMENT INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned.

Issue / / check and/or  
 / / certificate(s) to:

Name -----  
 (PLEASE PRINT)

Address -----  
 (INCLUDE ZIP CODE)

-----  
 SPECIAL DELIVERY INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown below the undersigned's signature(s).

Mail / / check and/or  
 / / certificate(s) to:

Name-----  
 (PLEASE PRINT)

Address -----  
 (INCLUDE ZIP CODE)

-----  
 (TAXPAYER IDENTIFICATION OR  
 SOCIAL SECURITY NO.)  
 -----

/ / CHECK HERE IF ANY OF THE CERTIFICATES REPRESENTING SHARES THAT YOU OWN AND WISH TO TENDER HAVE BEEN LOST, DESTROYED OR STOLEN. (SEE INSTRUCTION 12.)

Number of Shares represented by lost, destroyed or stolen certificates: \_\_\_\_\_



SOLICITED TENDERS  
(SEE INSTRUCTION 10)

As provided in Instruction 10, Con Edison will pay to any Soliciting Dealer, as defined in Instruction 10, a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer.

The undersigned represents that the Soliciting Dealer which solicited and obtained this tender is:

Name of Firm: -----  
(PLEASE PRINT)

Name of Individual Broker  
or Financial Consultant: -----

Telephone Number of Broker  
or Financial Consultant: -----

Identification Number (if known): -----

Address: -----  
(INCLUDE ZIP CODE)

The following to be completed ONLY if customer's Shares held in nominee name are tendered.

NAME OF BENEFICIAL OWNER	NUMBER OF SHARES TENDERED
(ATTACH ADDITIONAL LIST IF NECESSARY)	
- -----	- -----
- -----	- -----
- -----	- -----

The acceptance of compensation by such Soliciting Dealer will constitute a representation by it that: (i) it has complied with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder, in connection with such solicitation; (ii) it is entitled to such compensation for such solicitation under the terms and conditions of the Offer to Purchase; (iii) in soliciting tenders of Shares, it has used no soliciting materials other than those furnished by Con Edison; and (iv) if it is a foreign broker or dealer not eligible for membership in the National Association of Securities Dealers, Inc. (the "NASD"), it has agreed to conform to the NASD's Rules of Fair Practice in making solicitations.

The payment of compensation to any Soliciting Dealer is dependent on such Soliciting Dealer's returning a Notice of Solicited Tenders to the Depositary.

(PLEASE COMPLETE SUBSTITUTE FORM W-9 BELOW)



SIGN HERE: .....  
.....

SIGNATURE(S) OF OWNER(S)

Dated ....., 1996  
Name(s).....

.....  
(PLEASE PRINT)

Capacity (full title).....  
Address.....

.....  
(INCLUDE ZIP CODE)

DAYTIME Area Code and Telephone  
No.....

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on the stock certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5.)

GUARANTEE OF SIGNATURE(S) (SEE INSTRUCTIONS 1 AND 5)

Authorized Signature .....  
Name .....  
Name of Firm .....  
Address of Firm .....  
Area code and Telephone No. ....  
Dated ....., 1996

-----  
NOTE: REMAINDER OF THIS LETTER OF TRANSMITTAL MUST BE COMPLETED BY SIGNING THE SUBSTITUTE FORM W-9 BELOW.



## INSTRUCTIONS

### FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. GUARANTEE OF SIGNATURES. Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a firm that is a member of a registered national securities exchange or the National Association of Securities Dealers, Inc., or by a commercial bank or trust company having an office or correspondent in the United States which is a participant in an approved Signature Guarantee Medallion Program (an "Eligible Institution"). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered holder(s) of the Shares (which term, for purposes of this document, shall include any participant in one of the Book-Entry Transfer Facilities whose name appears on a security position listing as the owner of Shares) tendered herewith and such holder(s) has not completed the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. DELIVERY OF LETTER OF TRANSMITTAL AND SHARES. This Letter of Transmittal is to be used either if certificates are to be forwarded herewith or if delivery of Shares is to be made by book-entry transfer pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the front page of this Letter of Transmittal on or prior to the Expiration Date (as defined in the Offer to Purchase) with respect to a Series of Preferred. Shareholders who cannot deliver their Shares and all other required documents to the Depository on or prior to the applicable Expiration Date must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery in the form provided by Con Edison (with any required signature guarantees) must be received by the Depository on or prior to the applicable Expiration Date and (c) the certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-

Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal must be received by the Depository within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase.

THE METHOD OF DELIVERY OF SHARES AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE TENDERING SHAREHOLDER. IF CERTIFICATES FOR SHARES ARE SENT BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.

No alternative, conditional or contingent tenders will be accepted. See "Terms of the Offer--Number of Shares; Purchase Price; Expiration Date; Receipt of Dividend" in the Offer to Purchase. By executing this Letter of Transmittal (or facsimile thereof), the tendering stockholder waives any right to receive any notice of the acceptance for payment of the Shares.

3. INADEQUATE SPACE. If the space provided herein is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate schedule attached hereto.

4. PARTIAL TENDERS (NOT APPLICABLE TO SHAREHOLDERS WHO TENDER BY BOOK-ENTRY TRANSFER). If fewer than all the Shares represented by any certificate delivered to the Depository are to be tendered, fill in the number of Shares that are to be tendered in the box entitled "Number of Shares Tendered." In such case, a new certificate for the remainder of the Shares represented by the old certificate will



be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the "Special Payment Instructions" or "Special Delivery Instructions" boxes on this Letter of Transmittal, as promptly as practicable following the expiration or termination of the Offer. All Shares represented by certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. SIGNATURES ON LETTER OF TRANSMITTAL; STOCK POWERS AND ENDORSEMENTS. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificates without alteration, enlargement or any change whatsoever.

If any of the Shares tendered hereby is held of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares tendered hereby is registered in different names on different certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, no endorsements of certificates or separate stock powers are required unless payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s). Signatures on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares tendered hereby, certificates must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered holder(s) appear(s) on the certificates for such Shares. Signature(s) on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Con Edison of the authority of such person so to act must be submitted.

6. STOCK TRANSFER TAXES. Con Edison will pay or cause to be paid any stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s), or if tendered Shares are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted. See "Terms of the Offer-- Acceptance for Payment of Shares and Payment of Purchase Price" in the Offer to Purchase. EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY TO AFFIX TRANSFER TAX STAMPS TO THE CERTIFICATES REPRESENTING SHARES TENDERED HEREBY.

7. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS. If the check for the purchase price of any Shares purchased is to be issued in the name of, and/or any Shares not tendered or not purchased are to be returned to, a person other than the person(s) signing this Letter of Transmittal or if the check and/or any certificate for Shares not tendered or not purchased are to be mailed to someone other than the person(s) signing this Letter of Transmittal or to an address other than that shown above in the box captioned "Description of Shares Tendered," then the boxes captioned "Special Payment Instructions" and/or "Special Delivery Instructions" on this Letter of Transmittal should be completed. Stockholders tendering Shares by book-entry transfer will have any Shares not accepted for payment returned by crediting the account maintained by such shareholder at the Book-Entry Transfer Facility from which such transfer was made.



8. SUBSTITUTE FORM W-9 AND FORM W-8. The tendering stockholder is required to provide the Depository with either a correct Taxpayer Identification Number ("TIN") on Substitute Form W-9, which is provided under "Important Tax Information" below, or a properly completed Form W-8. Failure to provide the information on either Substitute Form W-9 or Form W-8 may subject the tendering shareholder to 31% federal income tax backup withholding on the payment of the purchase price. The box in Part 2 of Substitute Form W-9 may be checked if the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future. If the box in Part 2 is checked and the Depository is not provided with a TIN by the time of payment, the Depository will withhold 31% on all payments of the purchase price thereafter until a TIN is provided to the Depository.

9. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Any questions or requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective telephone numbers and addresses listed below. Requests for additional copies of the Offer to Purchase, this Letter of Transmittal or other tender offer materials may be directed to the Information Agent or the Dealer Managers and such copies will be furnished promptly at Con Edison's expense. Shareholders may also contact their local broker, dealer, commercial bank or trust company for assistance concerning the Offer.

10. SOLICITED TENDERS. Con Edison will pay a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer, covered by the Letter of Transmittal which designates, in the box captioned "Solicited Tenders," as having solicited and obtained the tender, the name of (i) any broker or dealer in securities, including a Dealer Manager in its capacity as a dealer or broker, which is a member of any national securities exchange or of the National Association of Securities Dealers, Inc. (the "NASD"), (ii) any foreign broker or dealer not eligible for membership in the NASD which agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as though it were an NASD member, or (iii) any bank or trust company (each of which is referred to herein as a "Soliciting Dealer"). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by a holder unless the Letter of Transmittal accompanying such tender designates such Soliciting Dealer. No such fee shall be payable to a Soliciting Dealer in respect of Shares registered in the name of such Soliciting Dealer unless such Shares are held by such Soliciting Dealer as nominee and such Shares are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal or on the Notice of Solicited Tenders (included in the materials provided to brokers and dealers). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by the holder of record, for the benefit of the beneficial owner, unless the beneficial owner has designated such Soliciting Dealer. If tendered Shares are being delivered by book-entry transfer, the Soliciting Dealer must return a Notice of Solicited Tenders to the Depository within three business days after expiration of the Offer to receive a solicitation fee. No such fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a depositing holder (other than itself). No such fee shall be paid to a Soliciting Dealer with respect to Shares tendered for such Soliciting Dealer's own account. No broker, dealer, bank, trust company or fiduciary shall be deemed to be the agent of Con Edison, the Depository, the Information Agent or the Dealer Managers for purposes of the Offer.

11. IRREGULARITIES. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance of any tender of Shares will be determined by Con Edison, in its sole discretion, and its determination shall be final and binding. Con Edison reserves the absolute right to reject any and all tenders of Shares that it determines are not in proper form or the acceptance for payment of or payment for Shares that may, in the opinion of Con Edison's counsel, be unlawful. Con Edison also reserves the absolute right to waive

any of the conditions to the Offer or any defect or irregularity in any tender of Shares and Con Edison's interpretation of the terms and conditions of the Offer (including these instructions) shall be final and binding. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as Con Edison shall determine. None of Con Edison, the Dealer Managers, the Depositary, the Information Agent or any other person shall be under any duty to give notice of any defect or irregularity in tenders, nor shall any



of them incur any liability for failure to give any such notice. Tenders will not be deemed to have been made until all defects and irregularities have been cured or waived.

12. LOST, DESTROYED OR STOLEN CERTIFICATES. If any certificate representing Shares has been lost, destroyed or stolen, the shareholder should promptly notify the Depositary by checking the box immediately following the special payment/special delivery instructions and indicating the number of Shares lost, destroyed or stolen. The shareholder will then be instructed as to the procedures that must be taken in order to replace the certificate. The tender of Shares pursuant to this Letter of Transmittal will not be valid unless prior to the Expiration Date (as defined in the Offer to Purchase): (i) such procedures have been completed and a replacement certificate for the Shares has been delivered to the Depositary, or (ii) a Notice of Guaranteed Delivery has been delivered to the Depositary. See Instruction 2.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE COPY THEREOF), DULY EXECUTED, TOGETHER WITH CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE DEPOSITARY, OR THE NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY, ON OR PRIOR TO THE APPLICABLE EXPIRATION DATE (AS DEFINED IN THE OFFER TO PURCHASE).

#### IMPORTANT TAX INFORMATION

Under federal income tax law, a shareholder whose tendered Shares are accepted for payment is required to provide the Depositary (as payer) with either such shareholder's correct TIN on Substitute Form W-9 below or a properly completed Form W-8. If such shareholder is an individual, the TIN is his or her social security number. For businesses and other entities, the number is the employer identification number. If the Depositary is not provided with the correct TIN or properly completed Form W-8, the shareholder may be subject to a \$50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such shareholder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding. The Form W-8 can be obtained from the Depositary. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If federal income tax backup withholding applies, the Depositary is required to withhold 31% of any payments made to the shareholder. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of the tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.

#### PURPOSE OF SUBSTITUTE FORM W-9 AND FORM W-8

To avoid backup withholding on payments that are made to a shareholder with respect to Shares purchased pursuant to the Offer, the shareholder is required to notify the Depositary of his or her correct TIN by completing the Substitute Form W-9 attached hereto certifying that the TIN provided on Substitute Form W-9 is correct and that (1) the shareholder has not been notified by the Internal Revenue Service that he or she is subject to federal income tax backup withholding as a result of failure to report all interest or dividends or (2) the Internal Revenue Service has notified the shareholder that he or she is no longer subject to federal income tax backup withholding. Foreign shareholders must submit a properly completed Form W-8 in order to avoid the applicable backup withholding; provided, however, that backup withholding will not apply to foreign shareholders subject to 30% (or lower treaty rate) withholding on gross payments received pursuant to the Offer.

#### WHAT NUMBER TO GIVE THE DEPOSITARY

The shareholder is required to give the Depositary the social security number or employer identification number of the registered owner of the Shares. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which

number to report.



PAYER'S NAME:

SUBSTITUTE  
FORM W-9  
DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE

PAYER'S REQUEST FOR  
TAXPAYER IDENTIFICATION  
NUMBER (TIN) AND  
CERTIFICATION

PART 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY  
BY SIGNING AND DATING BELOW.

Social Security number OR  
Employer Identification Number

TIN -----

-----

Name (Please Print) -----

Address -----

City ----- State ---- Zip Code -----

PART 2

Awaiting TIN / /

-----  
PART 3--CERTIFICATION--UNDER THE PENALTIES OF PERJURY, I CERTIFY  
THAT: (1) the number shown on this form is my correct taxpayer  
identification number (or a TIN has not been issued to me but I  
have mailed or delivered an application to receive a TIN or  
intend to do so in the near future), (2) I am not subject to  
backup withholding either because I have not been notified by the  
Internal Revenue Service (the "IRS") that I am subject to backup  
withholding as a result of a failure to report all interest or  
dividends or the IRS has notified me that I am no longer subject  
to backup withholding, and (3) all other information provided on  
this form is true, correct and complete.  
-----

SIGNATURE: ----- DATE: -----

You must cross out item (2) above if you have been notified by  
the IRS that you are currently subject to backup withholding  
because of underreporting interest or dividends on your tax  
return.  
-----

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN  
BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO  
THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR  
CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE  
FORM W-9 FOR ADDITIONAL DETAILS. YOU MUST COMPLETE THE FOLLOWING  
CERTIFICATE IF YOU CHECKED THE BOX IN PART 2 OF THE SUBSTITUTE  
FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer  
identification number has not been issued to me and either (1) I  
have mailed or delivered an application to receive a taxpayer  
identification number to the appropriate Internal Revenue Service  
Center or Social Security Administration Office or (2) I intend  
to mail or deliver an application in the near future. I  
understand that if I do not provide a taxpayer identification  
number by the time of payment, 31% of all payments of the  
purchase price made to me will be withheld until I provide a  
number.

Signature \_\_\_\_\_ Date \_\_\_\_\_, 1996



THE DEALER MANAGERS:

LEHMAN BROTHERS  
3 World Financial Center  
New York, New York 10285  
(800) 438-3242

Attention: Roy D. Henriksson

SMITH BARNEY INC.  
390 Greenwich Street  
New York, New York 10013  
(800) 655-4811

Attention: Paul Galant

THE INFORMATION AGENT:

D.F. KING & CO., INC.  
77 Water Street  
New York, New York 10005  
(800) 549-6650 (Toll-Free)



LETTER OF TRANSMITTAL  
To Accompany

Shares of 6 1/8% Series J Cumulative Preferred Stock  
(\$100 par value) of

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

TENDERED PURSUANT TO THE OFFER TO PURCHASE,  
DATED JANUARY 29, 1996, FOR PURCHASE AT  
PURCHASE PRICE OF \$101.75 PER SHARE

THE OFFER AND WITHDRAWAL RIGHTS WILL  
EXPIRE AT 5:00 P.M., NEW YORK CITY TIME,  
ON TUESDAY, FEBRUARY 27, 1996, UNLESS THE OFFER IS EXTENDED.

To: THE CHASE MANHATTAN BANK, N.A., Depositary

By Mail:

Box 3032  
4 Chase MetroTech Ctr.  
Brooklyn, NY 11245

By Overnight Delivery:

c/o Chase Securities  
Processing Corp  
Ft. Lee Executive Park  
1 Executive Dr. - 6th floor  
Ft. Lee, NJ 07024

By Hand:

(9:00 a.m. - 5:00 p.m.  
New York City Time)  
1 Chase Manhattan Plaza  
Floor 1-B  
Nassau and Liberty Streets  
New York, NY 10081

By Facsimile Transmission:

(201) 592-4372  
Information and Confirm by Telephone:  
(201) 592-4370

DESCRIPTION OF SHARES TENDERED

(PLEASE FILL IN EXACTLY AS INFORMATION APPEARS ON CERTIFICATE(S))  
(ATTACH ADDITIONAL SIGNED LIST IF NECESSARY)

NAMES(S) AND ADDRESS(ES) OF REGISTERED HOLDERS(S)	CERTIFICATE NUMBER(S)*	TOTAL NUMBER OF SHARES REPRESENTED BY CERTIFICATE(S)*	NUMBER OF SHARES TENDERED**
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\* Need not be completed by shareholders tendering by book-entry transfer.

\*\* Unless otherwise indicated, it will be assumed that all Shares represented by any certificates delivered to the Depositary are being tendered. See Instruction 4.



DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN ONE LISTED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

DO NOT SEND ANY CERTIFICATES TO LEHMAN BROTHERS, TO SMITH BARNEY INC., TO D.F. KING & CO., INC. OR TO CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THE LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be used if certificates are to be forwarded herewith or if delivery of tendered Shares (as defined below) is to be made by book-entry transfer to the Depository's account at The Depository Trust Company ("DTC"), Midwest Securities Trust Company ("MSTC") or Philadelphia Depository Trust Company ("PDTC") (hereinafter collectively referred to as the "Book-Entry Transfer Facilities") pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase (as defined below).

Shareholders who cannot deliver their Shares and all other documents required hereby to the Depository by the Expiration Date (as defined in the Offer to Purchase) must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. See Instruction 2. Delivery of documents to Con Edison or to a Book-Entry Transfer Facility does not constitute a valid delivery.

(BOXES BELOW FOR USE BY ELIGIBLE INSTITUTIONS ONLY)

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT ONE OF THE BOOK-ENTRY TRANSFER FACILITIES AND COMPLETE THE FOLLOWING:

Name of tendering institution \_\_\_\_\_  
Check applicable box:  
// DTC            // MSTC            // PDTC  
Account No. \_\_\_\_\_  
Transaction Code No. \_\_\_\_\_

// CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO  
A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY  
AND COMPLETE THE FOLLOWING:

Name(s) of tendering shareholder(s)

Date of execution of Notice of Guaranteed Delivery

Name of institution that guaranteed delivery

If delivery is by book-entry transfer:

Name of tendering institution

Account no. \_\_\_\_\_ at

// DTC // MSTC // PDTC

Transaction Code No.

\_\_\_\_\_



NOTE: SIGNATURES MUST BE PROVIDED BELOW.  
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

The undersigned hereby tenders to Consolidated Edison Company of New York, Inc., a New York corporation ("Con Edison"), the shares listed on the first page hereof under "Description of Shares Tendered" pursuant to Con Edison's offer to purchase any and all of the outstanding shares of the series of Con Edison preferred stock shown on the first page hereof as to which this Letter of Transmittal is applicable (the "Shares") at the purchase price shown on the first page hereof, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 29, 1996 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which as to the Shares, together with the Offer to Purchase, constitutes the "Offer"). See "Terms of the Offer -- Extension; Termination; Amendments, and -- Certain Conditions of the Offer" in the Offer to Purchase.

Subject to, and effective upon, acceptance for payment of and payment for the Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, Con Edison all right, title and interest in and to all the Shares that are being tendered hereby and hereby constitutes and appoints the Depository the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares, with full power of substitution (such power of attorney being an irrevocable power coupled with an interest), to (a) deliver certificates for such Shares, or transfer ownership of such Shares on the account books maintained by any of the Book-Entry Transfer Facilities, together, in any such case, with all accompanying evidences of transfer and authenticity, to or upon the order of Con Edison, (b) present such Shares for registration and transfer on the books of Con Edison and (c) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms of the Offer.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby and that, when and to the extent the same are accepted for payment by Con Edison, Con Edison will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances, conditional sales agreements or other obligations relating to the sale or transfer thereof, and the same will not be subject to any adverse claims. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or Con Edison to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby.

All authority herein conferred or agreed to be conferred shall not be affected by, and shall survive the death or incapacity of the undersigned, and any obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer, this tender is irrevocable.

The undersigned understands that tenders of Shares pursuant to any one of the procedures described under "Terms of the Offer - - Procedure for Tendering Shares" in the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer, including the undersigned's representation and warranty that (i) the undersigned has a net long position in the Shares being tendered within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended, and (ii) the tender of such Shares complies with Rule 14e-4. Con Edison's acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the undersigned and Con Edison upon the terms and subject to the conditions of the Offer.

The undersigned recognizes that, under certain circumstances set forth in the Offer to Purchase, Con Edison may terminate or amend the Offer or may not be required to purchase any of the Shares tendered hereby. In either event, the undersigned

understands that certificate(s) for any Shares not tendered or not purchased will be returned to the undersigned.



Unless otherwise indicated under "Special Payment Instructions," please issue the check for the purchase price of any Shares purchased, and/or return any Shares not tendered or not purchased, in the name(s) of the undersigned (and, in the case of Shares tendered by book-entry transfer, by credit to the account at the Book-Entry Transfer Facility designated above). Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price of any Shares purchased and/or any certificates for Shares not tendered or not purchased (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned signature(s). In the event that both "Special Payment Instructions" and "Special Delivery Instructions" are completed, please issue the check for the purchase price of any Shares purchased and/or return any Shares not tendered or not purchased in the name(s) of, and mail said check and/or any certificates to, the person(s) so indicated. The undersigned recognizes that Con Edison has no obligation, pursuant to the "Special Payment Instructions," to transfer any Shares from the name of the registered holder(s) thereof if Con Edison does not accept for payment any of the Shares so tendered.

-----  
 SPECIAL PAYMENT INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned.

Issue / / check and/or  
 / / certificate(s) to:

Name -----  
 (PLEASE PRINT)

Address -----  
 -----  
 (INCLUDE ZIP CODE)

-----  
 SPECIAL DELIVERY INSTRUCTIONS  
 (SEE INSTRUCTIONS 4, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and/or certificates for Shares not tendered or not purchased are to be mailed to someone other than the undersigned or to the undersigned at an address other than that shown below the undersigned's signature(s).

Mail / / check and/or  
 / / certificate(s) to:

Name-----  
 (PLEASE PRINT)

Address -----  
 -----  
 (INCLUDE ZIP CODE)

-----  
 (TAXPAYER IDENTIFICATION OR  
 SOCIAL SECURITY NO.)  
 -----

/ / CHECK HERE IF ANY OF THE CERTIFICATES REPRESENTING SHARES THAT YOU OWN AND WISH TO TENDER HAVE BEEN LOST, DESTROYED OR STOLEN. (SEE INSTRUCTION 12.)

Number of Shares represented by lost, destroyed or stolen certificates: \_\_\_\_\_



SOLICITED TENDERS  
(SEE INSTRUCTION 10)

As provided in Instruction 10, Con Edison will pay to any Soliciting Dealer, as defined in Instruction 10, a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer.

The undersigned represents that the Soliciting Dealer which solicited and obtained this tender is:

Name of Firm: -----  
(PLEASE PRINT)

Name of Individual Broker  
or Financial Consultant: -----

Telephone Number of Broker  
or Financial Consultant: -----

Identification Number (if known): -----

Address: -----  
(INCLUDE ZIP CODE)

The following to be completed ONLY if customer's Shares held in nominee name are tendered.

NAME OF BENEFICIAL OWNER	NUMBER OF SHARES TENDERED
(ATTACH ADDITIONAL LIST IF NECESSARY)	
-----	-----
-----	-----
-----	-----

The acceptance of compensation by such Soliciting Dealer will constitute a representation by it that: (i) it has complied with the applicable requirements of the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder, in connection with such solicitation; (ii) it is entitled to such compensation for such solicitation under the terms and conditions of the Offer to Purchase; (iii) in soliciting tenders of Shares, it has used no soliciting materials other than those furnished by Con Edison; and (iv) if it is a foreign broker or dealer not eligible for membership in the National Association of Securities Dealers, Inc. (the "NASD"), it has agreed to conform to the NASD's Rules of Fair Practice in making solicitations.

The payment of compensation to any Soliciting Dealer is dependent on such Soliciting Dealer's returning a Notice of Solicited Tenders to the Depositary.

(PLEASE COMPLETE SUBSTITUTE FORM W-9 BELOW)



SIGN HERE: .....  
.....

SIGNATURE(S) OF OWNER(S)

Dated ....., 1996  
Name(s).....

(PLEASE PRINT)

Capacity (full title).....  
Address.....

(INCLUDE ZIP CODE)

DAYTIME Area Code and Telephone  
No.....

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on the stock certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5.)

GUARANTEE OF SIGNATURE(S) (SEE INSTRUCTIONS 1 AND 5)

Authorized Signature .....  
Name .....  
Name of Firm .....  
Address of Firm .....  
Area code and Telephone No. ....  
Dated ....., 1996

-----  
NOTE: REMAINDER OF THIS LETTER OF TRANSMITTAL MUST BE COMPLETED BY SIGNING THE SUBSTITUTE FORM W-9 BELOW.



## INSTRUCTIONS

### FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. **GUARANTEE OF SIGNATURES.** Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a firm that is a member of a registered national securities exchange or the National Association of Securities Dealers, Inc., or by a commercial bank or trust company having an office or correspondent in the United States which is a participant in an approved Signature Guarantee Medallion Program (an "Eligible Institution"). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered holder(s) of the Shares (which term, for purposes of this document, shall include any participant in one of the Book-Entry Transfer Facilities whose name appears on a security position listing as the owner of Shares) tendered herewith and such holder(s) has not completed the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal or (b) if such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. **DELIVERY OF LETTER OF TRANSMITTAL AND SHARES.** This Letter of Transmittal is to be used either if certificates are to be forwarded herewith or if delivery of Shares is to be made by book-entry transfer pursuant to the procedures set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the front page of this Letter of Transmittal on or prior to the Expiration Date (as defined in the Offer to Purchase) with respect to a Series of Preferred. Shareholders who cannot deliver their Shares and all other required documents to the Depository on or prior to the applicable Expiration Date must tender their Shares pursuant to the guaranteed delivery procedure set forth under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery in the form provided by Con Edison (with any required signature guarantees) must be received by the Depository on or prior to the applicable Expiration Date and (c) the certificates for all physically delivered Shares, or a confirmation of a book-entry transfer into the Depository's account at one of the Book-

Entry Transfer Facilities of all Shares delivered electronically, as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal must be received by the Depository within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided under "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase.

THE METHOD OF DELIVERY OF SHARES AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE TENDERING SHAREHOLDER. IF CERTIFICATES FOR SHARES ARE SENT BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.

No alternative, conditional or contingent tenders will be accepted. See "Terms of the Offer--Number of Shares; Purchase Price; Expiration Date; Receipt of Dividend" in the Offer to Purchase. By executing this Letter of Transmittal (or facsimile thereof), the tendering stockholder waives any right to receive any notice of the acceptance for payment of the Shares.

3. INADEQUATE SPACE. If the space provided herein is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate schedule attached hereto.

4. PARTIAL TENDERS (NOT APPLICABLE TO SHAREHOLDERS WHO TENDER BY BOOK-ENTRY TRANSFER). If fewer than all the Shares represented by any certificate delivered to the Depository are to be tendered, fill in the number of Shares that are to be tendered in the box entitled "Number of Shares Tendered." In such case, a new certificate for the remainder of the Shares represented by the old certificate will



be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the "Special Payment Instructions" or "Special Delivery Instructions" boxes on this Letter of Transmittal, as promptly as practicable following the expiration or termination of the Offer. All Shares represented by certificates delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. SIGNATURES ON LETTER OF TRANSMITTAL; STOCK POWERS AND ENDORSEMENTS. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificates without alteration, enlargement or any change whatsoever.

If any of the Shares tendered hereby is held of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares tendered hereby is registered in different names on different certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, no endorsements of certificates or separate stock powers are required unless payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s). Signatures on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares tendered hereby, certificates must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered holder(s) appear(s) on the certificates for such Shares. Signature(s) on any such certificates or stock powers must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal or any certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Con Edison of the authority of such person so to act must be submitted.

6. STOCK TRANSFER TAXES. Con Edison will pay or cause to be paid any stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s), or if tendered Shares are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted. See "Terms of the Offer-- Acceptance for Payment of Shares and Payment of Purchase Price" in the Offer to Purchase. EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY TO AFFIX TRANSFER TAX STAMPS TO THE CERTIFICATES REPRESENTING SHARES TENDERED HEREBY.

7. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS. If the check for the purchase price of any Shares purchased is to be issued in the name of, and/or any Shares not tendered or not purchased are to be returned to, a person other than the person(s) signing this Letter of Transmittal or if the check and/or any certificate for Shares not tendered or not purchased are to be mailed to someone other than the person(s) signing this Letter of Transmittal or to an address other than that shown above in the box captioned "Description of Shares Tendered," then the boxes captioned "Special Payment Instructions" and/or "Special Delivery Instructions" on this Letter of Transmittal should be completed. Stockholders tendering Shares by book-entry transfer will have any Shares not accepted for payment returned by crediting the account maintained by such shareholder at the Book-Entry Transfer Facility from which such transfer was made.



8. SUBSTITUTE FORM W-9 AND FORM W-8. The tendering stockholder is required to provide the Depository with either a correct Taxpayer Identification Number ("TIN") on Substitute Form W-9, which is provided under "Important Tax Information" below, or a properly completed Form W-8. Failure to provide the information on either Substitute Form W-9 or Form W-8 may subject the tendering shareholder to 31% federal income tax backup withholding on the payment of the purchase price. The box in Part 2 of Substitute Form W-9 may be checked if the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future. If the box in Part 2 is checked and the Depository is not provided with a TIN by the time of payment, the Depository will withhold 31% on all payments of the purchase price thereafter until a TIN is provided to the Depository.

9. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Any questions or requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective telephone numbers and addresses listed below. Requests for additional copies of the Offer to Purchase, this Letter of Transmittal or other tender offer materials may be directed to the Information Agent or the Dealer Managers and such copies will be furnished promptly at Con Edison's expense. Shareholders may also contact their local broker, dealer, commercial bank or trust company for assistance concerning the Offer.

10. SOLICITED TENDERS. Con Edison will pay a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer, covered by the Letter of Transmittal which designates, in the box captioned "Solicited Tenders," as having solicited and obtained the tender, the name of (i) any broker or dealer in securities, including a Dealer Manager in its capacity as a dealer or broker, which is a member of any national securities exchange or of the National Association of Securities Dealers, Inc. (the "NASD"), (ii) any foreign broker or dealer not eligible for membership in the NASD which agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as though it were an NASD member, or (iii) any bank or trust company (each of which is referred to herein as a "Soliciting Dealer"). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by a holder unless the Letter of Transmittal accompanying such tender designates such Soliciting Dealer. No such fee shall be payable to a Soliciting Dealer in respect of Shares registered in the name of such Soliciting Dealer unless such Shares are held by such Soliciting Dealer as nominee and such Shares are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal or on the Notice of Solicited Tenders (included in the materials provided to brokers and dealers). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by the holder of record, for the benefit of the beneficial owner, unless the beneficial owner has designated such Soliciting Dealer. If tendered Shares are being delivered by book-entry transfer, the Soliciting Dealer must return a Notice of Solicited Tenders to the Depository within three business days after expiration of the Offer to receive a solicitation fee. No such fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a depositing holder (other than itself). No such fee shall be paid to a Soliciting Dealer with respect to Shares tendered for such Soliciting Dealer's own account. No broker, dealer, bank, trust company or fiduciary shall be deemed to be the agent of Con Edison, the Depository, the Information Agent or the Dealer Managers for purposes of the Offer.

11. IRREGULARITIES. All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance of any tender of Shares will be determined by Con Edison, in its sole discretion, and its determination shall be final and binding. Con Edison reserves the absolute right to reject any and all tenders of Shares that it determines are not in proper form or the acceptance for payment of or payment for Shares that may, in the opinion of Con Edison's counsel, be unlawful. Con Edison also reserves the absolute right to waive

any of the conditions to the Offer or any defect or irregularity in any tender of Shares and Con Edison's interpretation of the terms and conditions of the Offer (including these instructions) shall be final and binding. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as Con Edison shall determine. None of Con Edison, the Dealer Managers, the Depositary, the Information Agent or any other person shall be under any duty to give notice of any defect or irregularity in tenders, nor shall any



of them incur any liability for failure to give any such notice. Tenders will not be deemed to have been made until all defects and irregularities have been cured or waived.

12. LOST, DESTROYED OR STOLEN CERTIFICATES. If any certificate representing Shares has been lost, destroyed or stolen, the shareholder should promptly notify the Depositary by checking the box immediately following the special payment/special delivery instructions and indicating the number of Shares lost, destroyed or stolen. The shareholder will then be instructed as to the procedures that must be taken in order to replace the certificate. The tender of Shares pursuant to this Letter of Transmittal will not be valid unless prior to the Expiration Date (as defined in the Offer to Purchase): (i) such procedures have been completed and a replacement certificate for the Shares has been delivered to the Depositary, or (ii) a Notice of Guaranteed Delivery has been delivered to the Depositary. See Instruction 2.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE COPY THEREOF), DULY EXECUTED, TOGETHER WITH CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE DEPOSITARY, OR THE NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY, ON OR PRIOR TO THE APPLICABLE EXPIRATION DATE (AS DEFINED IN THE OFFER TO PURCHASE).

#### IMPORTANT TAX INFORMATION

Under federal income tax law, a shareholder whose tendered Shares are accepted for payment is required to provide the Depositary (as payer) with either such shareholder's correct TIN on Substitute Form W-9 below or a properly completed Form W-8. If such shareholder is an individual, the TIN is his or her social security number. For businesses and other entities, the number is the employer identification number. If the Depositary is not provided with the correct TIN or properly completed Form W-8, the shareholder may be subject to a \$50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such shareholder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding. The Form W-8 can be obtained from the Depositary. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If federal income tax backup withholding applies, the Depositary is required to withhold 31% of any payments made to the shareholder. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of the tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.

#### PURPOSE OF SUBSTITUTE FORM W-9 AND FORM W-8

To avoid backup withholding on payments that are made to a shareholder with respect to Shares purchased pursuant to the Offer, the shareholder is required to notify the Depositary of his or her correct TIN by completing the Substitute Form W-9 attached hereto certifying that the TIN provided on Substitute Form W-9 is correct and that (1) the shareholder has not been notified by the Internal Revenue Service that he or she is subject to federal income tax backup withholding as a result of failure to report all interest or dividends or (2) the Internal Revenue Service has notified the shareholder that he or she is no longer subject to federal income tax backup withholding. Foreign shareholders must submit a properly completed Form W-8 in order to avoid the applicable backup withholding; provided, however, that backup withholding will not apply to foreign shareholders subject to 30% (or lower treaty rate) withholding on gross payments received pursuant to the Offer.

#### WHAT NUMBER TO GIVE THE DEPOSITARY

The shareholder is required to give the Depositary the social security number or employer identification number of the registered owner of the Shares. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which

number to report.



PAYER'S NAME:

SUBSTITUTE  
FORM W-9  
DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE

PAYER'S REQUEST FOR  
TAXPAYER IDENTIFICATION  
NUMBER (TIN) AND  
CERTIFICATION

PART 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY  
BY SIGNING AND DATING BELOW.

Social Security number OR  
Employer Identification Number

TIN -----

Name (Please Print) -----  
Address -----  
City ----- State ---- Zip Code -----

PART 2

Awaiting TIN / /

-----  
PART 3--CERTIFICATION--UNDER THE PENALTIES OF PERJURY, I CERTIFY  
THAT: (1) the number shown on this form is my correct taxpayer  
identification number (or a TIN has not been issued to me but I  
have mailed or delivered an application to receive a TIN or  
intend to do so in the near future), (2) I am not subject to  
backup withholding either because I have not been notified by the  
Internal Revenue Service (the "IRS") that I am subject to backup  
withholding as a result of a failure to report all interest or  
dividends or the IRS has notified me that I am no longer subject  
to backup withholding, and (3) all other information provided on  
this form is true, correct and complete.  
-----

SIGNATURE: ----- DATE: -----

You must cross out item (2) above if you have been notified by  
the IRS that you are currently subject to backup withholding  
because of underreporting interest or dividends on your tax  
return.  
-----

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN  
BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO  
THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR  
CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE  
FORM W-9 FOR ADDITIONAL DETAILS. YOU MUST COMPLETE THE FOLLOWING  
CERTIFICATE IF YOU CHECKED THE BOX IN PART 2 OF THE SUBSTITUTE  
FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer  
identification number has not been issued to me and either (1) I  
have mailed or delivered an application to receive a taxpayer  
identification number to the appropriate Internal Revenue Service  
Center or Social Security Administration Office or (2) I intend  
to mail or deliver an application in the near future. I  
understand that if I do not provide a taxpayer identification  
number by the time of payment, 31% of all payments of the  
purchase price made to me will be withheld until I provide a  
number.

Signature \_\_\_\_\_ Date \_\_\_\_\_, 1996



THE DEALER MANAGERS:

LEHMAN BROTHERS  
3 World Financial Center  
New York, New York 10285  
(800) 438-3242

Attention: Roy D. Henriksson

SMITH BARNEY INC.  
390 Greenwich Street  
New York, New York 10013  
(800) 655-4811

Attention: Paul Galant

THE INFORMATION AGENT:

D.F. KING & CO., INC.  
77 Water Street  
New York, New York 10005  
(800) 549-6650 (Toll-Free)



NOTICE OF GUARANTEED DELIVERY  
FOR

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
OFFER TO PURCHASE FOR CASH  
ANY AND ALL OUTSTANDING SHARES OF  
THE FOLLOWING SERIES OF ITS PREFERRED STOCK

-----  
-----

\$5 Cumulative Preferred Stock (no par value)

Cumulative Preferred Stock (\$100 par value):

- 5 3/4% Series A
  - 5 1/4% Series B
  - 4.65 % Series C
  - 4.65 % Series D
  - 7.20 % Series I
  - 6 1/8% Series J
- -----

This form, or a form substantially equivalent to this form, must be used to accept the Offer (as defined below) if certificates for shares of a series of preferred stock of Consolidated Edison Company of New York, Inc. listed above (each a "Series of Preferred") to be tendered pursuant to the Offer (the "Shares") are not immediately available, if the procedure for book-entry transfer cannot be completed on a timely basis, or if time will not permit all other documents required by the Letter of Transmittal to be delivered to the Depositary on or prior to the Expiration Date (as defined in the Offer to Purchase referred to below). Such form may be delivered by hand or transmitted by mail, or by facsimile transmission, to the Depositary. See "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase.

A SEPARATE NOTICE OF GUARANTEED DELIVERY MUST BE USED FOR EACH SERIES OF PREFERRED.

THE ELIGIBLE INSTITUTION WHICH COMPLETES THIS FORM MUST COMMUNICATE THE GUARANTEE TO THE DEPOSITARY AND MUST DELIVER THE LETTER OF TRANSMITTAL AND CERTIFICATES FOR SHARES TO THE DEPOSITARY WITHIN THE TIME SHOWN HEREIN. Failure to do so could result in a financial loss to such Eligible Institution.

To: THE CHASE MANHATTAN BANK, N.A., Depository

By Mail:

Box 3032  
4 Chase MetroTech Ctr.  
Brooklyn, NY 11245

By Overnight Delivery:

c/o Chase Securities  
Processing Corp  
Ft. Lee Executive Park  
1 Executive Dr. - 6th floor  
Ft. Lee, NJ 07024

By Hand:

(9:00 a.m. - 5:00 p.m.  
New York City Time)  
1 Chase Manhattan Plaza  
Floor 1-B  
Nassau and Liberty Streets  
New York, NY 10081

By Facsimile Transmission:

(201) 592-4372

Information and Confirm by Telephone:

(201) 592-4370

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN ONE LISTED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

This form is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an Eligible Institution under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.



The undersigned hereby tenders to Consolidated Edison Company of New York, Inc., a New York corporation ("Con Edison"), upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 29, 1996 (the "Offer to Purchase"), and the related Letter of Transmittal (which together constitute the "Offer"), receipt of which is hereby acknowledged, the number of Shares listed below, pursuant to the guaranteed delivery procedure set forth in "Terms of the Offer--Procedure for Tendering Shares" in the Offer to Purchase.

Series of Preferred (check one):

-----  
/ / \$5 Cumulative Preferred Stock (no par value)  
  
Cumulative Preferred Stock (\$100 par value):  
/ / - 5 3/4% Series A  
/ / - 5 1/4% Series B  
/ / - 4.65 % Series C  
/ / - 4.65 % Series D  
/ / - 7.20 % Series I  
/ / - 6 1/8% Series J  
  
-----  
-----

Number of Shares:

-----

Certificate Nos. (if available):

-----  
-----  
-----  
-----

If shares will be tendered by book-entry transfer,  
Name of Tendering Institution:

-----

Account No. at (check one)

- / / The Depository Trust Company
- / / Midwest Securities Trust Company
- / / Philadelphia Depository Trust Company

-----  
Signature(s)

-----  
Name(s) of Record Holders(s)  
(Please Print)

-----  
Address  
-----

-----  
Area Code and Telephone Number



GUARANTEE (NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm that is a member of a registered national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States, guarantees (a) that the above-named person(s) has a net long position in the Shares being tendered within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended, (b) that such tender of Shares complies with Rule 14e-4 and (c) to deliver to the Depository at one of its addresses set forth above certificate(s) for the Shares tendered hereby, in proper form for transfer, or a confirmation of the book-entry transfer of the Shares tendered hereby into the Depository's account at The Depository Trust Company, Midwest Securities Trust Company or Philadelphia Depository Trust Company, in each case together with (a) properly completed and duly executed Letter(s) of Transmittal (or facsimile(s) thereof), with any required signature guarantee(s) and any other required documents, all within three New York Stock Exchange trading days after the date hereof.

Name of Firm	Authorized Signature
Address	Name
City, State, Zip Code	Title
Area Code and Telephone Number	

Dated: \_\_\_\_\_, 1996

DO NOT SEND STOCK CERTIFICATES WITH THIS FORM. YOUR STOCK CERTIFICATES MUST BE SENT WITH THE LETTER OF TRANSMITTAL.



LEHMAN BROTHERS

SMITH BARNEY INC.

THE DEALER MANAGERS FOR

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  
OFFER TO PURCHASE FOR CASH  
ANY AND ALL OUTSTANDING SHARES OF  
THE FOLLOWING SERIES OF ITS PREFERRED STOCK

TITLE OF SERIES OF PREFERRED	CUSIP NUMBER	PURCHASE PRICE (per share)
\$5 Cumulative Preferred Stock (no par value)	209111 70 7	\$77.55
Cumulative Preferred Stock (\$100 par value)		
- 5 3/4% Series A	209111 2* 3	\$91.30
- 5 1/4% Series B	209111 88 9	\$83.60
- 4.65 % Series C	209111 30 1	\$80.65
- 4.65 % Series D	209111 40 0	\$80.65
- 7.20 % Series I	209111 87 1	\$105.04
- 6 1/8% Series J	209111 86 3	\$101.75

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M.,  
NEW YORK CITY TIME, ON TUESDAY, FEBRUARY 27, 1996, UNLESS THE  
OFFER IS EXTENDED.

January 29, 1996

To Brokers, Dealers, Commercial Banks,  
Trust Companies and Other Nominees:

In our capacity as Dealer Managers, we are enclosing the material listed below relating to the invitation of Consolidated Edison Company of New York, Inc., a New York corporation ("Con Edison") to the holders of each series of Con Edison preferred stock listed above (each a "Series of Preferred") to tender any and all of their shares of a Series of Preferred ("Shares") for purchase at the purchase price per share listed above for the Series of Preferred tendered, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 29, 1996 (the "Offer to Purchase"), and in the Letter of Transmittal for the Shares tendered. As to each Series of Preferred, the Offer to Purchase, together with the applicable Letter of Transmittal, constitutes the "Offer". Con Edison will purchase all Shares validly tendered and not withdrawn, upon the terms and subject to the conditions of the Offer. See "Terms of the Offer -- Extension; Termination; Amendments, and -- Certain Conditions of the Offer" in the Offer to Purchase.

THE OFFER FOR A SERIES OF PREFERRED IS INDEPENDENT OF THE OFFER FOR ANY OTHER SERIES OF PREFERRED.

We are asking you to contact your clients for whom you hold Shares registered in your name (or in the name of your nominee) or who hold Shares registered in their own names. Please bring the Offer to their attention as promptly as possible.



Con Edison will pay a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer covered by a Letter of Transmittal which designates, as having solicited and obtained the tender, the name of (i) any broker or dealer in securities, including the Dealer Managers in their capacity as a broker or dealer, which is a member of any national securities exchange or of the National Association of Securities Dealers, Inc. (the "NASD"), (ii) any foreign broker or dealer not eligible for membership in the NASD which agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as though it were an NASD member, or (iii) any bank or trust company (each of which is referred to herein as a "Soliciting Dealer"). No such fee shall be payable to a Soliciting Dealer with respect to the tender of Shares by a holder unless the Letter of Transmittal accompanying such tender designates such Soliciting Dealer. No such fee shall be payable to a Soliciting Dealer in respect of Shares registered in the name of such Soliciting Dealer unless such Shares are held by such Soliciting Dealer as nominee and such Shares are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal or on the Notice of Solicited Tenders (included below). No such fee shall be payable to a Soliciting Dealer if such Soliciting Dealer is required for any reason to transfer the amount of such fee to a depositing holder (other than itself). No such fee shall be paid to a Soliciting Dealer with respect to Shares tendered for such Soliciting Dealer's own account. No broker, dealer, bank, trust company or fiduciary shall be deemed to be the agent of the Con Edison, the Depositary (as defined below), the Dealer Managers or the Information Agent for purposes of the Offer.

Con Edison will also, upon request, reimburse Soliciting Dealers for reasonable and customary handling and mailing expenses incurred by them in forwarding materials relating to the Offer to their customers. Con Edison will pay all stock transfer taxes applicable to its purchase of Shares pursuant to the Offer, subject to Instruction 6 of the Letter of Transmittal.

In order for a Soliciting Dealer to receive a solicitation fee, The Chase Manhattan Bank, N.A., as Depositary (the "Depositary") must have received from such Soliciting Dealer a properly completed and duly executed Notice of Solicited Tenders in the form attached hereto (or facsimile thereof) within three business days after the expiration of the Offer.

For your information and for forwarding to your clients for whom you hold Shares registered in your name (or in the name of your nominee), we are enclosing the following documents:

1. The Offer to Purchase, dated January 29, 1996.
2. A separate Letter of Transmittal for each Series of Preferred for your use and for the information of your clients.
3. A letter to shareholders of Con Edison from the Executive Vice President and Chief Financial Officer of Con Edison.
4. A Notice of Guaranteed Delivery to be used to accept the Offer if the Shares and all other required documents cannot be delivered to the Depositary by the applicable Expiration Date (as defined in the Offer to Purchase).
5. A form of letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space for obtaining such clients' instructions with regard to the Offer.
6. Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9, providing information relating to backup federal income tax withholding.
7. A return envelope addressed to The Chase Manhattan Bank, N.A., the Depositary.





EACH SERIES OF PREFERRED HAS ITS OWN LETTER OF TRANSMITTAL, AND ONLY THE APPLICABLE LETTER OF TRANSMITTAL FOR A PARTICULAR SERIES OR A NOTICE OF GUARANTEED DELIVERY MAY BE USED TO TENDER SHARES OF SUCH SERIES.

WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON TUESDAY, FEBRUARY 27, 1996, UNLESS THE OFFER IS EXTENDED.

NEITHER CON EDISON, ITS BOARD OF TRUSTEES NOR ANY OF ITS OFFICERS MAKES ANY RECOMMENDATION TO ANY SHAREHOLDER AS TO WHETHER TO TENDER ALL OR ANY SHARES. SHAREHOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER SHARES AND, IF SO, HOW MANY SHARES TO TENDER.

Any questions or requests for assistance or additional copies of the enclosed materials may be directed to D.F. King & Co., Inc., the Information Agent, or to us, as Dealer Managers, at the respective addresses and telephone numbers set forth on the back cover of the enclosed Offer to Purchase.

Very truly yours,

Lehman Brothers  
Smith Barney Inc.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY PERSON AS THE AGENT OF CON EDISON, THE DEALER MANAGERS, THE INFORMATION AGENT OR THE DEPOSITARY, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HERewith AND THE STATEMENTS CONTAINED THEREIN.



NOTICE OF SOLICITED TENDERS

List below the number of Shares tendered by each beneficial owner whose tender you have solicited. All Shares in a Series of Preferred beneficially owned by a beneficial owner, whether in one account or several, and in however many capacities, must be aggregated for purposes of completing the table below. Any questions as to what constitutes beneficial ownership should be directed to the Depositary. If the space below is inadequate, list the Shares in a separate signed schedule and affix the list to this Notice of Solicited Tenders. Please do not complete the sections of the table headed "TO BE COMPLETED ONLY BY DEPOSITARY."

ALL NOTICES OF SOLICITED TENDERS SHOULD BE RETURNED TO, AND ALL QUESTIONS CONCERNING THE NOTICES OF SOLICITED TENDERS SHOULD BE DIRECTED TO, THE DEPOSITARY. ALL NOTICES OF SOLICITED TENDERS MUST BE RECEIVED BY THE DEPOSITARY WITHIN THREE BUSINESS DAYS AFTER THE EXPIRATION DATE.

TO BE COMPLETED BY THE SOLICITING DEALER

TO BE COMPLETED ONLY BY DEPOSITARY

Beneficial Owners	Series of Preferred	Number of Shares Tendered	Number of Shares Accepted	Fee*
No. 1				
No. 2				
No. 3				
No. 4				
No. 5				
No. 6				
No. 7				
No. 8				
No. 9				
No. 10				
Total				

\* \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, fee is \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer.

All questions as to the validity, form and eligibility (including time of receipt) of Notices of Solicited Tenders will be determined by the Depositary, in its sole discretion, which determination will be final and binding. Neither the Depositary nor any other person will be under any duty to give notification of any defects or irregularities in any Notice of Solicited Tenders or incur any liability for failure to give such notification.







CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

OFFER TO PURCHASE FOR CASH  
ANY AND ALL OUTSTANDING SHARES OF  
THE FOLLOWING SERIES OF ITS PREFERRED STOCK

TITLE OF SERIES OF PREFERRED	OUTSTANDING SHARES	PURCHASE PRICE (per share)
\$5 Cumulative Preferred Stock (no par value)	1,915,319	\$77.55
Cumulative Preferred Stock (\$100 par value)		
- 5 3/4% Series A	600,000	\$91.30
- 5 1/4% Series B	750,000	\$83.60
- 4.65 % Series C	600,000	\$80.65
- 4.65 % Series D	750,000	\$80.65
- 7.20 % Series I	500,000	\$105.04
- 6 1/8% Series J	500,000	\$101.75

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M.,  
NEW YORK CITY TIME, ON TUESDAY, FEBRUARY 27, 1996, UNLESS THE  
OFFER IS EXTENDED.

To Our Clients:

Enclosed for your consideration are the Offer to Purchase,  
dated January 29, 1996, (the "Offer to Purchase") and a separate  
Letter of Transmittal for each series of preferred stock listed  
above (each a "Series of Preferred") of which you own shares.  
As to each Series of Preferred, the Offer to Purchase, together  
with the applicable Letter of Transmittal, constitutes the  
"Offer" of Consolidated Edison Company of New York, Inc. ("Con  
Edison") to purchase any and all shares of the Series of  
Preferred ("Shares") at the purchase price per share listed above  
for the Shares tendered, net to the seller in cash, upon the  
terms and subject to the conditions of the Offer. Con Edison  
will purchase all Shares validly tendered and not withdrawn, upon  
the terms and subject to the conditions of the Offer. See "Terms  
of the Offer -- Extension; Termination; Amendments, and --  
Certain Conditions of the Offer" in the Offer to Purchase.

WE ARE THE HOLDER OF RECORD OF SHARES HELD FOR YOUR ACCOUNT  
BUT NOT REGISTERED IN YOUR NAME. A TENDER OF SUCH SHARES CAN BE  
MADE ONLY BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR  
INSTRUCTIONS. ANY LETTER OF TRANSMITTAL FURNISHED TO YOU IS FOR  
YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER SHARES  
HELD BY US FOR YOUR ACCOUNT.

We request instructions as to whether you wish us to tender any or all of the Shares held by us for your account, upon the terms and subject to the conditions set forth in the Offer to Purchase and the applicable Letter of Transmittal.

Your attention is invited to the following:

(1) The Offer is for any and all Shares outstanding as of January 29, 1996. The Offer for a Series of Preferred is independent of the Offer for any other Series of Preferred.

(2) The Offer and withdrawal rights will expire at 5:00 p.m., New York City time, on Tuesday, February 27, 1995, unless the Offer is extended with respect to a Series of Preferred. Your instructions to us should be forwarded to us in ample time to permit us to submit a tender on your behalf by the expiration of the Offer. If you would like to withdraw your Shares that we have tendered, you can withdraw them so long as the Offer remains open or at any time after the expiration of forty business days from the commencement of the Offer if they have not been accepted for payment.



Instructions  
 With Respect to Offer to Purchase for Cash  
 Any and All Outstanding Shares of  
 Certain Series of the Preferred Stock of  
 Consolidated Edison Company of New York, Inc.

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated January 29, 1996, and a separate Letter of Transmittal for each series of preferred stock of Consolidated Edison Company of New York, Inc. (each a "Series of Preferred") in which the undersigned owns shares (as to each Series of Preferred, the Offer to Purchase, together with the applicable Letter of Transmittal, constitutes the "Offer") in connection with the invitation of Consolidated Edison Company of New York, Inc. ("Con Edison") to the holders of each Series of Preferred to tender any and all of their shares of a Series of Preferred ("Shares") for purchase at the purchase price per share listed on the front cover of the Offer to Purchase for the Series of Preferred tendered, net to the seller in cash, upon the terms and subject to the conditions of the Offer.

This will instruct you to tender to Con Edison the number of Shares indicated below (or, if no number is indicated below, all Shares) which are held by you for the account of the undersigned, upon the terms and subject to the conditions of the Offer.

Series of Preferred	Number of Shares to be Tendered*
_____	_____
_____	_____
_____	_____
_____	_____

Dated: \_\_\_\_\_, 1996

SIGN HERE

Signature(s): -----

Name(s): -----

Address: -----

Social Security  
 or Taxpayer ID No.: -----

\* Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.



GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION  
NUMBER ON SUBSTITUTE FORM W-9  
Page 1

SECTION REFERENCES ARE TO THE INTERNAL REVENUE CODE.

**PURPOSE OF FORM.** -- A person who is required to file an information return with the IRS must obtain your correct TIN to report income paid to you, real estate transactions, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an IRA. Use Form W-9 to furnish your correct TIN to the requester (the person asking you to furnish your TIN) and, when applicable, (1) to certify that the TIN you are furnishing is correct (or that you are waiting for a number to be issued), (2) to certify that you are not subject to backup withholding, and (3) to claim exemption from backup withholding if you are an exempt payee. Furnishing your correct TIN and making the appropriate certifications will prevent certain payments from being subject to backup withholding.

Note: If a requester gives you a form other than a W-9 to request your TIN, you must use the requester's form.

**HOW TO OBTAIN A TIN.** -- If you do not have a TIN, apply for one immediately. To apply, get Form SS-5, Application for a Social Security Card (for individuals), from your local office of the Social Security Administration, or Form SS-4, Application for Employer Identification Number (for businesses and all other entities), from your local IRS office.

To complete Form W-9 if you do not have a TIN, write "Applied for" in the space for the TIN in Part I (or check box 2 of Substitute Form W-9), sign and date the form, and give it to the requester. Generally, you must obtain a TIN and furnish it to the requester by the time of payment. If the requester does not receive your TIN by the time of payment, backup withholding, if applicable, will begin and continue until you furnish your TIN to the requester.

Note: Writing "Applied for" (or checking box 2 of the Substitute Form W-9) on the form means that you have already applied for a TIN OR that you intend to apply for one in the near future.

As soon as you receive your TIN, complete another Form W-9, include your TIN, sign and date the form, and give it to the requester.

**WHAT IS BACKUP WITHHOLDING?** -- Persons making certain payments to you after 1992 are required to withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding". Payments that could be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee compensation, and certain payments from fishing boat operators, but do not include real estate transactions.

If you give the requester your correct TIN, make the appropriate certifications, and report all your taxable interest and dividends on your tax return, your payments will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or
2. The IRS notifies the requester that you furnished an incorrect TIN, or
3. You are notified by the IRS that you are subject to backup withholding because you failed to report all your interest and dividends on your tax return (for reportable interest and dividends only), or
4. You do not certify to the requester that you are not subject to backup withholding under 3 above (for reportable interest and dividend accounts opened after 1983 only), or
5. You do not certify your TIN. This applies only to reportable interest, dividend, broker, or barter exchange accounts opened after 1983, or broker accounts considered inactive in 1983.

Except as explained in 5 above, other reportable payments are subject to backup withholding only if 1 or 2 above applies.

Certain payees and payments are exempt from backup withholding and information reporting. See Payees and Payments Exempt From Backup Withholding, below, and Example Payees and Payments under Specific Instructions, below, if you are an exempt payee.

PAYEES AND PAYMENTS EXEMPT FROM BACKUP WITHHOLDING. -- The following is a list of payees exempt from backup withholding and for which no information reporting is required. For interest and dividends, all listed payees are exempt except item (9). For broker transactions, payees listed in (1) through (13) and a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt. Payments subject to reporting under sections 6041 and 6041A are generally exempt from backup withholding only if made to payees described in items (1) through (7), except a corporation that provides medical and health care services or bills and collects payments for such services is not exempt from backup withholding or information reporting. Only payees described in items (2) through (6) are exempt from backup withholding for barter exchange transactions, patronage dividends, and payments by certain fishing boat operations.

(1) A corporation. (2) An organization exempt from tax under section 501(a), or an IRA, or a custodial account under section 403(b)(7). (3) The United States or any of its agencies or instrumentalities. (4) A state, the District of Columbia, a possession of the United States, or any of their political

subdivisions or instrumentalities. (5) A foreign government or any of its political subdivisions, agencies, or instrumentalities. (6) An international organization or any of its agencies or instrumentalities. (7) A foreign central bank of issue. (8) A dealer in securities or commodities required to register in the United States or a possession of the United States. (9) A futures commission merchant registered with the Commodity Futures Trading Commission. (10) A real estate investment trust. (11) An entity registered at all times during the tax year under the Investment Company Act of 1940. (12) A common trust fund operated by a bank under section 584(a). (13) A financial institution. (14) A middleman known in the investment community as a nominee or listed in the most recent publication of the American Society of Corporate Secretaries, Inc., Nominee List. (15) A trust exempt from tax under section 664 or described in section 4947.

Payments of dividend and patronage dividends generally not subject to backup withholding include the following:

. Payments to nonresident aliens subject to withholding under section 1441.



GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION  
NUMBER ON SUBSTITUTE FORM W-9

Page 2

. Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident partner.

- . Payments of patronage dividends not paid in money.
- . Payments made by certain foreign organizations.

Payments of interest generally not subject to backup withholding include the following:

- . Payments of interest on obligations issued by individuals.

Note: You may be subject to backup withholding if this interest is \$600 or more and is paid in the course of the payer's trade or business and you have not provided your correct TIN to the payer.

. Payments of tax-exempt interest (including exempt-interest dividends under section 852).

. Payments described in section 6049(b)(5) to nonresident aliens.

- . Payment on tax-free covenant bonds under section 1451.
- . Payments made by certain foreign organizations.
- . Mortgage interest paid by you.

Payments that are not subject to information reporting are also not subject to backup withholding. For details, see sections 6041, 6041A(a), 6042, 6044, 6045, 6049, 6050A, and 6050N, and their regulations.

#### PENALTIES

**FAILURE TO FURNISH TIN.** -- If you fail to furnish your correct TIN to a requester, you will be subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING.** - -- If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**CRIMINAL PENALTY FOR FALSIFYING INFORMATION.** -- Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**MISUSE OF TINS.** -- If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

**SPECIAL INSTRUCTIONS NAME.** -- If you are an individual, you must generally provide the name shown on your Social Security card. However, if you have changed your last name, for instance, due to marriage, without informing the Social Security Administration of the name change, please enter your first name, the last name shown on your Social Security card, and your new last name.

If you are a sole proprietor, you must furnish your individual name and either the SSN or EIN. You may also enter your business name or "doing business as" name on the business name line. Enter your name(s) as shown on your Social Security card and/or as it was used to apply for your EIN on Form SS-4.

#### SIGNING THE CERTIFICATION.

1. INTEREST, DIVIDEND, BROKER AND BARTER EXCHANGE ACCOUNTS OPENED BEFORE 1984 AND BROKER ACCOUNTS CONSIDERED ACTIVE DURING 1983. You are required to furnish your correct TIN, but you are not required to sign the certification.

2. INTEREST, DIVIDEND, BROKER, AND BARTER EXCHANGE ACCOUNTS OPENED AFTER 1983 AND BROKER ACCOUNTS CONSIDERED INACTIVE DURING 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. REAL ESTATE TRANSACTIONS. You must sign the certification. You may cross out item 2 of the certification.

4. OTHER PAYMENTS. You are required to furnish your correct

TIN, but you are not required to sign the certification unless you have been notified of an incorrect TIN. Other payments include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services, payments to a nonemployee for services (including attorney and accounting fees), and payments to certain fishing boat crew members.

5. MORTGAGE INTEREST PAID BY YOU, ACQUISITION OR ABANDONMENT OF SECURED PROPERTY, OR IRA CONTRIBUTIONS. You are required to furnish your correct TIN, but you are not required to sign the certification.

6. EXEMPT PAYEES AND PAYMENTS. If you are exempt from backup withholding, you should complete this form to avoid possible erroneous backup withholding. Enter your correct TIN in Part 1, write "EXEMPT" in the block in Part II, and sign and date the form. If you are a nonresident alien or foreign entity not subject to backup withholding, give the requester a complete Form W-8, Certificate of Foreign Status.

7. TIN "APPLIED FOR." Follow the instructions under How To Obtain a TIN on page 1, and sign and date this form.

SIGNATURE. -- For a joint account, only the person whose TIN is shown in Part I should sign.



PRIVACY ACT NOTICE. -- Section 6109 requires you to furnish your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an IRA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 31% of taxable interest, dividend, and certain other payments to a payee who does not furnish a TIN to a payer. Certain penalties may also apply.

WHAT NAME AND NUMBER TO GIVE THE REQUESTER

FOR THIS TYPE OF ACCOUNT:	GIVE THE SSN OR IF APPLICABLE, EIN OF:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee(1)
b. So-called trust account that is not a legal or valid trust under state law	The actual owner(1)
5. Sole proprietorship	The owner(3)
6. A valid trust, estate or pension trust	Legal entity(4)
7. Corporate	The corporation
8. Association, club, religious, charitable, educational, or other tax- exempt organization	The organization
9. Partnership	The partnership
10. A broker or registered nominee	The broker or nominee
11. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district or prison) that receives agriculture program payments	The public entity

(1) List first and circle the name of the person whose number you furnish.

(2) Circle the minor's name and furnish the minor's SSN.

(3) Show your individual name. You may also enter your business name. You may use your SSN or EIN.

(4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title).

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares. The Offer is made solely by the Offer to Purchase, dated January 29, 1996, and the Letter of Transmittal which is applicable to the Shares tendered. The Offer is being made to all holders of Shares; provided, that the Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which making or accepting the Offer would violate that jurisdiction's laws. In those jurisdictions whose securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Con Edison by Lehman Brothers or Smith Barney Inc. or one or more registered brokers or dealers licensed under the laws of such jurisdictions.

NOTICE OF OFFER

BY

Consolidated Edison Company of New York, Inc.

TO PURCHASE FOR CASH

ANY AND ALL OF THE OUTSTANDING SHARES OF

THE FOLLOWING SERIES OF ITS PREFERRED STOCK

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TITLE OF SERIES OF PREFERRED	OUTSTANDING SHARES	PURCHASE PRICE (per share)
\$5 Cumulative Preferred Stock (no par value)	1,915,319	\$77.55
Cumulative Preferred Stock (\$100 par value)		
- 5 3/4% Series A	600,000	\$91.30
- 5 1/4% Series B	750,000	\$83.60
- 4.65 % Series C	600,000	\$80.65
- 4.65 % Series D	750,000	\$80.65
- 7.20 % Series I	500,000	\$105.04
- 6 1/8% Series J	500,000	\$101.75

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Consolidated Edison Company of New York, Inc., a New York corporation ("Con Edison"), invites the holders of each series of Con Edison preferred stock listed above (each a "Series of Preferred") to tender any and all of their shares of a Series of Preferred ("Shares") for purchase at the purchase price per share listed above for the Series of Preferred tendered, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 29, 1996 (the "Offer to Purchase"), and in the Letter of Transmittal for the Shares tendered (the "Letter of Transmittal"). As to each Series of Preferred, the Offer to Purchase, together with the applicable Letter of Transmittal, constitutes the "Offer". Con Edison will purchase all Shares validly tendered and not withdrawn, upon the terms and subject to the conditions of the Offer. See "Terms of the Offer -- Extension; Termination; Amendments, and -- Certain Conditions of the Offer " in the Offer to Purchase.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON TUESDAY, FEBRUARY 27, 1996, UNLESS THE OFFER IS EXTENDED. Such time and date, or the latest time and date as to which the Offer is extended with respect to any Series of Preferred, is referred to herein as the "Expiration Date." Con Edison will give oral or written notice of any extension to the Depository and make a public announcement thereof.

THE OFFER FOR A SERIES OF PREFERRED IS INDEPENDENT OF THE OFFER FOR ANY OTHER SERIES OF PREFERRED.

Con Edison is making the Offer because it believes that it would be economically attractive to Con Edison to purchase the Shares. In addition, the Offer gives shareholders the opportunity to sell their Shares without the usual transaction costs associated with a market sale.

Neither Con Edison, its Board of Trustees nor any of its officers makes any recommendation to any holder of Shares as to whether to tender all or any Shares. Each shareholder must make his or her own decision as to whether to tender Shares and, if so, how many Shares to tender.

Con Edison will pay a solicitation fee of \$1.50 per share (except that for transactions for beneficial owners equal to or exceeding 5,000 shares of a particular Series of Preferred, Con Edison will pay a solicitation fee of \$1.25 per share) for any Shares tendered, accepted for payment and paid pursuant to the Offer to the broker, dealer, commercial bank or trust company, if any, designated by the holder tendering such Share, subject to the conditions set forth in the Offer to Purchase and the Letter of Transmittal.

Tenders of Shares of a Series of Preferred made pursuant to the Offer may be withdrawn at any time prior to the applicable Expiration Date with respect to such Series of Preferred. Thereafter, such tenders are irrevocable, except that they may be withdrawn after Monday, March 25, 1996 unless theretofore accepted for payment as provided in the Offer to Purchase. For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of the addresses or facsimile numbers set forth on the back cover of the Offer to Purchase and must specify the name of the person who tendered the Shares to be withdrawn and the number of Shares of each Series of Preferred to be withdrawn. If the Shares to be withdrawn have been delivered to the Depositary, a signed notice of withdrawal with signatures guaranteed by an Eligible Institution (as defined in the Offer to Purchase) (except in the case of Shares tendered by an Eligible Institution) must be submitted prior to the release of such Shares. In addition, such notice must specify, in the case of Shares tendered by delivery of certificates, the name of the registered holder (if different from that of the tendering shareholder) and the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn or, in the case of Shares tendered by book-entry transfer, the name and number of the account at one of the Book-Entry Transfer Facilities (as defined in the Offer to Purchase) to be credited with the withdrawn Shares and the name of the registered holder (if different from the name of such account). Withdrawals may not be rescinded, and Shares withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by again following one of the procedures described under "Terms of the Offer - Procedure for Tendering Shares" in the Offer to Purchase at any time prior to the applicable Expiration Date.

Con Edison will be deemed to have accepted for payment (and thereby purchased) Shares that are validly tendered prior to the applicable Expiration Date and not withdrawn as, if and when it gives oral or written notice to the Depositary of its acceptance for payment of Shares tendered.

The information required to be disclosed by Rule 13e-4(d)(1) under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

Copies of the Offer to Purchase and the applicable Letter of Transmittal are being mailed to record holders of Shares and will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on Con Edison's shareholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

THE OFFER TO PURCHASE AND THE LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION THAT SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

EACH SERIES OF PREFERRED HAS ITS OWN LETTER OF TRANSMITTAL, AND ONLY THE APPLICABLE LETTER OF TRANSMITTAL FOR A PARTICULAR SERIES OR A NOTICE OF GUARANTEED DELIVERY MAY BE USED TO TENDER SHARES OF SUCH SERIES.

Any questions or requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective telephone numbers and addresses listed below. Requests for additional copies of the Offer to Purchase, the applicable Letter of Transmittal or other tender offer materials may be directed to the Information Agent or the Dealer Managers, and such copies will be furnished promptly at Con Edison's expense. Holders of Shares may also contact their broker, dealer, commercial bank or trust company for assistance concerning the Offer.

The Dealer Managers for the Offer are:

LEHMAN BROTHERS	SMITH BARNEY INC.
3 World Financial Center	390 Greenwich Street
New York, New York 10285	New York, New York 10013
(800) 438-3242	(800) 655-4811
Attention: Roy D. Henriksson	Attention: Paul Galant

The Information Agent for the Offer is:

D.F. KING & CO., INC.  
77 Water Street  
New York, New York 10005  
(800) 549-6650 (Toll-Free)

January 29, 1996

January 29, 1996

Dear Shareholder:

Consolidated Edison Company of New York, Inc. is offering to purchase any and all shares of certain series of its preferred stock. The offer gives shareholders the opportunity to sell their shares without the usual transaction costs associated with a market sale. The enclosed Offer to Purchase and the Letter of Transmittal are being provided to help you understand the terms of Con Edison's offer. I encourage you to read carefully these materials before making any decision with respect to the offer.

The front cover of the Offer to Purchase lists the various series of preferred stock that Con Edison is offering to purchase and the applicable purchase prices.

All of the shares that are properly tendered (and are not withdrawn) will, subject to the terms and conditions set forth in the Offer to Purchase and Letter of Transmittal, be purchased at the applicable purchase price (net to the selling shareholder). Shares that have been tendered and not purchased will be returned to the shareholder.

If you do not wish to sell your shares, you do not need to take any action.

If you want to tender your shares, the instructions on how to do so are explained in detail in the enclosed materials.

The February 1996 dividend for each series of preferred stock has been declared and will be paid on February 1, 1996 to holders of record as of the close of business on January 10, 1996. Holders of shares tendered and purchased pursuant to the offer will not be entitled to any future dividends in respect thereto.

Con Edison, its Board of Trustees, and its officers make no recommendation to shareholders whether to tender any or all their shares.

Sincerely,

Raymond J. McCann  
Raymond J. McCann  
Executive Vice President  
and Chief Financial Officer

January 26, 1996

FOR IMMEDIATE RELEASE

CON EDISON ANNOUNCES TENDER OFFER FOR PREFERRED STOCK

Consolidated Edison Company of New York, Inc. (NYSE: ED) announced today its offer to purchase for cash any and all outstanding shares of certain series of its preferred stock. The tender offer will commence on Monday, January 29, 1996 and is scheduled to expire at 5:00 p.m., New York City time, on Tuesday, February 27, 1996, unless extended.

The series of preferred stock that Con Edison is offering to purchase and the applicable purchase prices are as follows:

TITLE OF SERIES OF PREFERRED	PURCHASE PRICE (per share)
\$5 Cumulative Preferred Stock (no par value)	\$77.55
Cumulative Preferred Stock (\$100 par value)	
- 5 3/4% Series A	\$91.30
- 5 1/4% Series B	\$83.60
- 4.65 % Series C	\$80.65
- 4.65 % Series D	\$80.65
- 7.20 % Series I	\$105.04
- 6 1/8% Series J	\$101.75

The February 1996 dividend for each series of preferred stock has been declared and is to be paid on February 1, 1996 to holders of record as of the close of business on January 10, 1996. A tender of Shares pursuant to Con Edison's offer will not deprive any shareholder of his or her right to receive the February 1996 dividend, regardless of when such tender is made. Holders of shares tendered into and purchased pursuant to the offer will not be entitled to any dividends in respect of any later dividend periods (or any portion thereof).

Dealer Managers for the tender offer are Lehman Brothers and Smith Barney Inc., the Information Agent is D.F. King & Co., Inc., and the Depositary is The Chase Manhattan Bank, N.A.

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January 26, 1996

Consolidated Edison Company  
of New York, Inc.  
4 Irving Place  
New York, New York 10003

Dear Sirs:

We have acted as your special tax counsel in connection with the Offer to Purchase dated January 29, 1996, pursuant to which Consolidated Edison Company of New York, Inc. (the "Company") is offering to purchase any and all outstanding shares of (i) the Company's \$5 Cumulative Preferred Stock (without par value) and (ii) the following series of the Company's Cumulative Preferred Stock (\$100 par value): 5 3/4% Series A, 5 1/4% Series B, 4.65% Series C, 4.65% Series D, 7.20% Series I, and 6 1/8% Series J. In that connection, we have reviewed the Offer to Purchase and the Company's Restated Certificate of Incorporation as filed with the Department of State of the State of New York on December 31, 1984, as amended by Certificates of Amendment filed with the Department of State on May 16, 1988, June 2, 1989, April 28, 1992, and August 21, 1992. In addition, you have advised us that all of the outstanding shares of the Company's \$5 Cumulative Preferred Stock (without par value) were issued before 1954 and that all of the outstanding shares of Cumulative Preferred Stock (\$100 par value) of each series listed above were issued for cash.

On the basis of the foregoing, and our consideration of such other matters as we have deemed necessary, it is our opinion that the material Federal income tax consequences to shareholders of sales of the Company's stock pursuant to the offer will be as described under the heading "Certain Federal Income Tax Consequences" in the Offer to Purchase. You have not requested, and we do not express, an opinion concerning any other tax consequences of the offer. This opinion is intended solely for your use and is not to be used, circulated, quoted or otherwise referred to for any purpose or relied upon by any other person without our express written permission.



We hereby consent to the filing of this opinion as an exhibit to the Schedule 13E-4 relating to the offer.

Very truly yours,

DEWEY BALLANTINE

