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Form 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

/x/ Quarterly Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934
For The Quarterly Period Ended March 31, 2001

or

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

Commission File Number	Exact name of registrant as specified in its charter and principal office address and telephone number	State of Incorporation	I.R.S. Employer ID. Number
1-14514	Consolidated Edison, Inc. 4 Irving Place, New York, New York 10003 (212) 460-4600	New York	13-3965100
1-1217	Consolidated Edison Company of New York, Inc. 4 Irving Place, New York, New York 10003 (212) 460-4600	New York	13-5009340
1-4315	Orange and Rockland Utilities, Inc. One Blue Hill Plaza, Pearl River, New York 10965 (914) 352-6000	New York	13-1727729

Indicate by check mark whether each Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes **/x/** No **/ /**

As of the close of business on April 30, 2001, Consolidated Edison, Inc. (Con Edison) had outstanding 212,096,481 Common Shares ($.10 par value). Con Edison owns all of the outstanding common equity of Consolidated Edison Company of New York, Inc. (Con Edison of New York) and Orange and Rockland Utilities, Inc. (O&R).

O&R meets the conditions specified in general instruction H(1)(a) and (b) of form 10-Q and is therefore filing this form with the reduced disclosure format.

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* O&R is omitting this information pursuant to General Instruction H of Form 10-Q.

Filing Format

This Quarterly Report on Form 10-Q is a combined report being filed separately by three different registrants: Consolidated Edison, Inc. (Con Edison), Consolidated Edison Company of New York, Inc. (Con Edison of New York) and Orange and Rockland Utilities, Inc. (O&R). Neither Con Edison of New York nor O&R makes any representation as to the information contained in this report relating to Con Edison or the subsidiaries of Con Edison other than itself.

O&R, a wholly-owned subsidiary of Con Edison, meets the conditions specified in General Instruction H of Form 10-Q and is permitted to use the reduced disclosure format for wholly-owned subsidiaries of companies, such as Con Edison, that are reporting companies under the Securities Exchange Act of 1934. Accordingly, O&R has omitted from this report the information called for by Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations and has included in this report its Management's Narrative Analysis of the Results of Operations. In accordance with general instruction H, O&R has also omitted from this report the information, if any, called for by Part I, Item 3, Quantitative and Qualitative Disclosure About Market Risk; Part II, Item 2, Changes in Securities and Use of Proceeds; Part II, Item 3, Defaults Upon Senior Securities; and Part II, Item 4, Submission of Matters to a Vote of Security Holders.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements, which are statements of future expectation and not facts. Words such as "estimates," "expects," "anticipates," "intends," "plans" and similar expressions identify forward-looking statements. Actual results or developments might differ materially from those included in the forward-looking statements because of factors such as competition and industry restructuring, developments relating to Indian Point 2 (see Note C to the Con Edison financial statements in Part I, Item 1 of this report), developments relating to Northeast Utilities (see Note D to the Con Edison financial statements in Part I, Item 1 of this report), developments in wholesale energy markets, technological developments, changes in economic conditions, changes in historical weather patterns, changes in laws, regulations or regulatory policies, developments in legal or public policy doctrines, and other presently unknown or unforeseen factors.

Consolidated Edison, Inc.

CONSOLIDATED BALANCE SHEET

(Unaudited)

	As at	
	March 31, 2001	*December 31, 2000*
	(Thousands of Dollars)	
ASSETS		
UTILITY PLANT, AT ORIGINAL COST		
Electric	$ 11,752,292	$ 11,808,102
Gas	2,327,139	2,300,055
Steam	742,840	740,189
General	1,393,541	1,388,602
Unregulated generating assets	279,156	279,060
TOTAL	16,494,968	16,516,008
Less: Accumulated depreciation	5,210,338	5,234,701
NET	11,284,630	11,281,307
Construction work in progress	538,022	504,471
Nuclear fuel assemblies and components, less accumulated amortization	104,087	107,641

NET UTILITY PLANT	11,926,739	11,893,419
CURRENT ASSETS		
Cash and temporary cash investments	59,566	94,828
Accounts receivable - customer, less allowance for uncollectible accounts of $32,282 and $33,714	926,503	910,344
Other receivables	118,190	168,415
Fuel, at average cost	16,106	29,148
Gas in storage, at average cost	49,190	82,419
Materials and supplies, at average cost	125,041	131,362
Prepayments	664,539	524,377
Other current assets	87,451	75,094
TOTAL CURRENT ASSETS	2,046,586	2,015,987
INVESTMENTS		
Nuclear decommissioning trust funds	335,355	328,969
Other	256,136	238,871
TOTAL INVESTMENTS	591,491	567,840
DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS		
Goodwill	485,388	488,702
Regulatory assets		
Future federal income tax	668,685	676,527
Recoverable energy costs	184,691	340,495
Real estate sale costs - First Avenue properties	103,348	103,009
Deferred special retirement program costs	86,949	88,633
Divestiture - capacity replacement reconciliation	73,850	73,850
Workers' compensation reserve	54,097	47,097
Accrued unbilled revenues	66,196	72,619
Deferred revenue taxes	32,535	43,879
Deferred environmental remediation costs	54,648	49,056
Other	126,357	112,604
TOTAL REGULATORY ASSETS	1,451,356	1,607,769
Other deferred charges and noncurrent assets	181,880	193,528
TOTAL DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS	2,118,624	2,289,999
TOTAL	$ 16,683,440	$ 16,767,245

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

Consolidated Edison, Inc.

CONSOLIDATED BALANCE SHEET

(Unaudited)

	As at	
	March 31, 2001	***December 31, 2000***
	(Thousands of Dollars)	
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stock, authorized 500,000,000 shares; outstanding 212,070,531 shares and 212,027,131 shares	$ 1,482,341	$ 1,482,341
Retained earnings	5,102,746	5,040,931
Treasury stock, at cost; 23,417,563 shares and 23,460,963 shares	(1,010,947)	(1,012,919)
Capital stock expense	(35,749)	(35,817)
Accumulated other comprehensive income	(17,546)	(2,147)

TOTAL COMMON SHAREHOLDERS' EQUITY		5,520,845		5,472,389
Preferred stock subject to mandatory redemption		37,050		37,050
Other preferred stock		212,563		212,563
Long-term debt		5,135,175		5,415,409
TOTAL CAPITALIZATION		10,905,633		11,137,411
NONCURRENT LIABILITIES				
Obligations under capital leases		30,727		31,504
Accumulated provision for injuries and damages		168,541		160,671
Pension and benefits reserve		197,274		181,346
Other noncurrent liabilities		38,806		40,456
TOTAL NONCURRENT LIABILITIES		435,348		413,977
CURRENT LIABILITIES				
Long-term debt due within one year		459,590		309,590
Notes payable		438,062		255,042
Accounts payable		756,887		1,020,401
Customer deposits		204,710		202,888
Accrued taxes		91,182		64,345
Accrued interest		88,521		85,276
Accrued wages		87,486		70,951
Other current liabilities		302,648		328,686
TOTAL CURRENT LIABILITIES		2,429,086		2,337,179
DEFERRED CREDITS AND REGULATORY LIABILITIES				
Accumulated deferred federal income tax		2,323,842		2,302,764
Accumulated deferred investment tax credits		127,791		131,429
Regulatory liabilities				
Gain on divestiture		88,321		50,000
NY state tax law revisions		56,671		59,523
Deposit from sale of First Avenue properties		50,000		50,000
Accrued electric rate reduction		38,018		38,018
NYPA revenue increase		37,368		35,021
Other		191,007		211,706
TOTAL REGULATORY LIABILITIES		461,385		444,268
Other deferred credits		355		217
TOTAL DEFERRED CREDITS AND REGULATORY LIABILITIES		2,913,373		2,878,678
TOTAL	$	16,683,440	$	16,767,245

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

Consolidated Edison, Inc.

CONSOLIDATED INCOME STATEMENT

For the Three Months Ended March 31, 2001 and 2000 (Unaudited)		*2001*		*2000*
		(Thousands of Dollars)		
OPERATING REVENUES				
Electric	$	1,707,374	$	1,512,249
Gas		701,819		469,473
Steam		258,252		170,258
Non-utility		218,819		166,611
TOTAL OPERATING REVENUES		2,886,264		2,318,591

OPERATING EXPENSES				
Purchased power		1,015,885		730,188
Fuel		170,316		85,238
Gas purchased for resale		463,485		266,298
Other operations		261,604		312,098
Maintenance		128,446		106,832
Depreciation and amortization		134,998		142,722
Taxes, other than income tax		307,750		290,735
Income tax		117,298		101,771
TOTAL OPERATING EXPENSES		2,599,782		2,035,882
OPERATING INCOME		286,482		282,709
OTHER INCOME (DEDUCTIONS)				
Investment income		1,465		4,399
Allowance for equity funds used during construction		243		(577)
Other income less miscellaneous deductions		(3,116)		(262)
Income tax		5,595		(1,200)
TOTAL OTHER INCOME (DEDUCTIONS)		4,187		2,360
INCOME BEFORE INTEREST CHARGES		290,669		285,069
Interest on long-term debt		99,208		83,313
Other interest		10,487		11,978
Allowance for borrowed funds used during construction		(1,538)		(1,755)
NET INTEREST CHARGES		108,157		93,536
PREFERRED STOCK DIVIDEND REQUIREMENTS		3,398		3,398
NET INCOME FOR COMMON STOCK	$	179,114	$	188,135
COMMON SHARES OUTSTANDING - AVERAGE (000)		212,160		212,641
BASIC EARNINGS PER SHARE	$	0.84	$	0.88
DILUTED EARNINGS PER SHARE	$	0.84	$	0.88
DIVIDENDS DECLARED PER SHARE OF COMMON STOCK	$	0.550	$	0.545

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

Consolidated Edison, Inc.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Three Months Ended March 31, 2001 and 2000
(Unaudited)

		2001		2000
		(Thousands of Dollars)		
NET INCOME	$	179,114	$	188,135
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES				
Investment in Marketable Equity Securities, net of $295 taxes		(212)		-
Minimum pension liability adjustments, net of $1,362 taxes		(2,348)		-
Unrealized gains (losses) on derivatives qualified as hedges due to cumulative effect of a change in accounting principle, net of $6,765 taxes		(8,900)		-
Unrealized gains (losses) on derivatives qualified as hedges, net of $406 taxes		(2,013)		-
Less: Reclassification adjustment for losses (gains) included in net income, net of ($1,037) taxes		1,926		-
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES		(15,399)		-

COMPREHENSIVE INCOME	$ 163,715	$ 188,135

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

Consolidated Edison, Inc.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Three Months Ended March 31, 2001 and 2000
(Unaudited)

	2001	*2000*
	(Thousands of Dollars)	
OPERATING ACTIVITIES		
Net income for common stock	$ 179,114	$ 188,135
PRINCIPAL NON-CASH CHARGES (CREDITS) TO INCOME		
Depreciation and amortization	134,998	142,722
Income tax deferred (excluding taxes resulting from divestiture of plant)	5,623	67,211
Common equity component of allowance for funds used during construction	243	(577)
Prepayments - accrued pension credits	(80,635)	(51,021)
Other non-cash charges	17,607	27,701
CHANGES IN ASSETS AND LIABILITIES		
Accounts receivable - customer, less allowance for uncollectibles	(16,159)	(58,508)
Materials and supplies, including fuel and gas in storage	44,940	12,219
Prepayments (other than pensions), other receivables and other current assets	(21,659)	(76,615)
Deferred recoverable energy costs	155,804	(23,303)
Cost of removal less salvage	(21,456)	(18,800)
Accounts payable	(263,514)	(4,994)
Other-net	30,819	(5,003)
NET CASH FLOWS FROM OPERATING ACTIVITIES	165,725	199,167
INVESTING ACTIVITIES INCLUDING CONSTRUCTION		
Utility construction expenditures	(203,096)	(180,226)
Nuclear fuel expenditures	(4,069)	(21,124)
Contributions to nuclear decommissioning trust	(5,325)	(5,325)
Common equity component of allowance for funds used during construction	(243)	577
Divestiture of utility plant (net of federal income tax)	100,041	-
Investments by unregulated subsidiaries	(6,802)	(9,237)
Unregulated subsidiary utility plant	2,179	(734)
NET CASH FLOWS USED IN INVESTING ACTIVITIES INCLUDING CONSTRUCTION	(117,315)	(216,069)
FINANCING ACTIVITIES INCLUDING DIVIDENDS		
Repurchase of common stock	-	(68,524)
Net proceeds from short-term debt	183,020	14,737
Retirement of long-term debt	(150,000)	(225,000)
Issuance and refunding costs	(76)	(49)
Common stock dividends	(116,616)	(115,708)
NET CASH FLOWS USED IN FINANCING ACTIVITIES INCLUDING DIVIDENDS	(83,672)	(394,544)
NET DECREASE IN CASH AND TEMPORARY CASH INVESTMENTS	(35,262)	(411,446)
CASH AND TEMPORARY CASH INVESTMENTS AT JANUARY 1	94,828	485,050
CASH AND TEMPORARY CASH INVESTMENTS AT MARCH 31	$ 59,566	$ 73,604
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	$ 81,284	$ 93,563
Income taxes	42,600	-

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

NOTES TO FINANCIAL STATEMENTS - CON EDISON

Note A - General

These footnotes accompany and form an integral part of the interim consolidated financial statements of Consolidated Edison, Inc. (Con Edison) and its subsidiaries, including the regulated utility Consolidated Edison Company of New York, Inc. (Con Edison of New York), the regulated utility Orange and Rockland Utilities, Inc. (O&R) and several non-utility subsidiaries. These financial statements are unaudited but, in the opinion of Con Edison's management, reflect all adjustments (which include only normally recurring adjustments) necessary for a fair statement of the results for the interim periods presented. These financial statements should be read together with the audited Con Edison financial statements (including the notes thereto) included in the combined Con Edison, Con Edison of New York and O&R Annual Reports on Form 10-K for the year ended December 31, 2000 (the Form 10-K).

Note B - Environmental Matters

Hazardous substances, such as asbestos, polychlorinated biphenyls (PCBs) and coal tar, have been used or generated in the course of operations of Con Edison's utility subsidiaries and may be present in their facilities and equipment.

The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund) and similar state statutes impose joint and several strict liability, regardless of fault, upon generators of hazardous substances for resulting removal and remedial costs and environmental damages. Liabilities under these laws can be material and in some instances may be imposed without regard to fault, or may be imposed for past acts, even though such past acts may have been lawful at the time they occurred.

At March 31, 2001, Con Edison had accrued $121.3 million as its best estimate of the utility subsidiaries' liability for sites as to which they have received process or notice alleging that hazardous substances generated by them (and, in most instances, other potentially responsible parties) were deposited. There will be additional liability at these sites and other sites, the amount of which is not presently determinable but may be material to Con Edison's financial position, results of operations or liquidity.

Con Edison's utility subsidiaries are permitted under current rate agreements to defer for subsequent recovery through rates certain site investigation and remediation costs with respect to hazardous waste. At March 31, 2001, $54.6 million of such costs had been deferred as regulatory assets.

Suits have been brought in New York State and federal courts against Con Edison's utility subsidiaries and many other defendants, wherein a large number of plaintiffs sought large amounts of compensatory and punitive damages for deaths and injuries allegedly caused by exposure to asbestos at various premises of the utility subsidiaries. Many of these suits have been disposed of without any payment by the utility subsidiaries, or for immaterial amounts. The amounts specified in all the remaining suits total billions of dollars but Con Edison believes that these amounts are greatly exaggerated, as were the claims already

disposed of. Based on the information and relevant circumstances known to Con Edison at this time, it does not believe that these suits will have a material adverse effect on its financial position, results of operations or liquidity.

Note C - Nuclear Generation

The Indian Point 2 nuclear generating unit, which Con Edison of New York owns and has agreed to sell, was out of service from February 2000 to January 2001. The New York State Public Service Commission (PSC) is investigating the Indian Point 2 outage and its causes and the prudence of the company's actions regarding the operation and maintenance of Indian Point 2. An appeal is pending in the United States Court of Appeals for the Second Circuit of the October 2000 decision by the United States District Court for the Northern District of New York, in an action entitled Consolidated Edison Company of New York, Inc. v. Pataki, et al., in which the court determined that the law that directed the PSC to prohibit the company from recovering Indian Point 2 replacement power costs from customers was unconstitutional and granted the company's motion for a permanent injunction to prevent its implementation. The staff of the Nuclear Regulatory Commission is monitoring Indian Point 2 with heightened oversight. The company is unable to predict whether or not any Indian Point 2-related proceedings, lawsuits, legislation or other actions will have a material adverse effect on its financial position, results of operations or liquidity. For additional information about Indian Point 2, its pending sale and the outage, see Note G to Con Edison's financial statements included in Item 8 of the Form 10-K.

Note D - Northeast Utilities

On March 6, 2001, Con Edison commenced an action in the United States District Court for the Southern District of New York, entitled Consolidated Edison, Inc. v. Northeast Utilities, seeking a declaratory judgment that Northeast Utilities has failed to meet certain conditions precedent to Con Edison's obligation to complete its acquisition of Northeast Utilities pursuant to their agreement and plan of merger, dated as of October 13, 1999, as amended and restated as of January 11, 2000 (the merger agreement). The action also seeks the court's declaration that under the merger agreement Con Edison has no further or continuing obligations to Northeast Utilities, and that Northeast Utilities has no further or continuing rights as against Con Edison.

On March 12, 2001, Northeast Utilities commenced an action in the same court claiming that Con Edison materially breached the merger agreement by repudiating its obligations under the merger agreement and refusing to proceed with the transaction on the terms set forth in the merger agreement. The action also claims that, as a result of Con Edison's breach of the merger agreement, Northeast Utilities and its shareholders have suffered substantial damages, including the difference between the consideration to be paid to Northeast Utilities shareholders pursuant to the merger agreement and the current market value of Northeast Utilities common stock, expenditures in connection with regulatory approvals and lost business opportunities. Pursuant to the merger agreement, Con Edison agreed to acquire Northeast Utilities for $26.00 per share (an estimated aggregate of not more than $3.9 billion) plus $0.0034 per share for each day after August 5, 2000 through the day prior to the completion of the transaction, payable 50 percent in cash and 50 percent in stock.

Con Edison believes that it is not obligated to acquire Northeast Utilities because Northeast Utilities does not meet the merger agreement's conditions that Northeast Utilities perform all of its obligations under the merger agreement, including the obligation that it carry on its businesses in the ordinary course consistent with past practice; that the representations and warranties made by it in the merger agreement were true and correct when made and remain true and correct; and that there be no material adverse change with respect to Northeast Utilities. Con Edison believes that it has not materially breached the merger agreement. Con Edison is unable to predict whether or not any Northeast Utilities-related lawsuits or other actions will have a material adverse effect on Con Edison's financial position, results of operations or liquidity.

Note E - Derivative Instruments and Hedging Activities

As of January 2001, Con Edison adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137, "Deferral of the Effective Date of FASB Statement No. 133," and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133" (SFAS No. 133).

Neither Con Edison nor any of its subsidiaries, other than Consolidated Edison Energy, Inc., enters into derivative transactions that will not qualify for deferred accounting treatment. At March 31, 2001, deferred gains or losses were not material. Con Edison Energy, as discussed below, is an "energy trading organization."

Energy Trading

Con Edison's subsidiaries use derivative instruments to hedge purchases or sales of electricity and gas against adverse market price fluctuations.

Con Edison's utility subsidiaries, pursuant to Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation" (SFAS No. 71), defer recognition in income of hedging gains and losses until the electricity or gas is purchased or sold. Pursuant to rate provisions that permit the recovery of the cost of purchased power and gas, Con Edison's utility subsidiaries credit or charge to their customers hedging gains or losses and related transaction costs. See "Recoverable Energy Costs" in Note A to the company's financial statements included in Item 8 of the Form 10-K. Where SFAS No. 71 does not allow deferred recognition in income, Con Edison's utility subsidiaries have elected special hedge accounting pursuant to SFAS No. 133 to defer recognition of unrealized hedging gains and losses. Upon adoption of SFAS No. 133, Con Edison's utility subsidiaries had no transition adjustments to recognize in other comprehensive income. At March 31, 2001, the utility subsidiaries had $1.4 million of net hedging losses deferred as regulatory assets.

Consolidated Edison Solutions, Inc., a wholly-owned subsidiary of Con Edison (which provides competitive gas and electric supply and energy-related products and services), defers recognition in income of hedging gains and losses until the related electricity or gas is purchased or sold. Pursuant to SFAS No. 133, Con Edison Solutions has elected cash flow hedging for most such transactions and defers any changes in fair value of the transactions in other comprehensive income until the hedging transactions are

terminated. Any hedge ineffectiveness is recognized in income in the period in which it occurs. Upon adoption of SFAS No. 133, Con Edison Solutions recognized transition adjustments of $1.9 million in other comprehensive income and $0.4 million in income. In the quarter ended March 31, 2001, the company reclassified $1.9 million of accumulated other comprehensive income to income and recognized in income a pre-tax loss of $1.0 million relating to hedge ineffectiveness. At March 31, 2001, the company had deferred net hedging losses of $0.2 million in other comprehensive income.

Consolidated Edison Energy, Inc., a wholly-owned subsidiary of Con Edison (which markets specialized energy supply services to wholesale customers), enters into over-the-counter and exchange traded contracts for the purchase and sale of electricity or gas (which may provide for either physical or financial settlement) and is considered an "energy trading organization" required to account for such trading activities in accordance with FASB Emerging Issues Task Force Issue No. 98-10, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities" (98-10). Con Edison Energy recognized in income a pre-tax gain of $0.5 million in the quarter ended March 31, 2001, reflecting mark to market gains relating to its outstanding contracts at March 31, 2001. During the quarter ended March 31, 2001, Con Edison Energy entered into transactions for another subsidiary of Con Edison, as to which the company recognized in income a pre-tax mark to market gain of $7.4 million pursuant to 98-10.

Interest Rate Hedging

In connection with its $55 million promissory note issued to the New York State Energy Research and Development Authority for the net proceeds of the Authority's variable rate Pollution Control Refunding Revenue Bonds (O&R Projects), 1994 Series A (the 1994 Bonds), O&R has a swap agreement pursuant to which it pays interest at a fixed rate of 6.09 percent and is paid interest at the same variable rate as is paid on the 1994 Bonds. Upon adoption of SFAS No. 133, O&R recognized transition adjustments of $13.9 million in other comprehensive income. In the quarter ended March 31, 2001, the company did not reclassify any comprehensive income to income. If the swap agreement had been terminated on March 31, 2001, O&R would have been required to pay approximately $14.5 million. In connection with $95 million of variable rate loans undertaken relating to the Lakewood electric generating plant, Consolidated Edison Development, Inc., a wholly-owned subsidiary of Con Edison (which invests in and manages energy infrastructure projects), has swap agreements pursuant to which it pays interest at a fixed rate of 6.68 percent and is paid interest at a variable rate equal to the three-month London Interbank Offered Rate. Upon adoption of SFAS No. 133, Con Edison Development recognized transition adjustments of $2.6 million in other comprehensive income. In the quarter ended March 31, 2001, the company did not reclassify any comprehensive income to income. If these swap agreements had been terminated on March 31, 2001, Con Edison Development would have been required to pay approximately $4.7 million. Pursuant to SFAS No. 133, the O&R and Con Edison Development swap agreements are accounted for as cash flow hedges and changes in their fair value are recorded in other comprehensive income. The fair value of these swap agreements is calculated based upon current market conditions.

Note F - Financial Information by Business Segment

Consolidated Edison, Inc.

SEGMENT FINANCIAL INFORMATION

$000's

For the Three Months Ended March 31, 2001 and 2000 (Unaudited)	**Electric**		**Gas**	
	2001	***2000***	***2001***	***2000***
Operating revenues	$ 1,707,374	$ 1,512,249	$ 701,819	$ 469,473
Intersegment revenues	3,529	18,743	719	2,331
Depreciation and amortization	106,098	117,179	17,741	16,884
Operating income	149,126	153,455	97,930	100,614
	Steam		**Other**	
	2001	***2000***	***2001***	***2000***
Operating revenues	$ 258,252	$ 170,258	$ 218,819	$ 166,611
Intersegment revenues	467	417	2,336	369
Depreciation and amortization	4,405	4,592	6,754	4,067
Operating income	39,880	30,425	(454)	(1,785)
	Total			
	2001	***2000***		
Operating revenues	$ 2,886,264	$ 2,318,591		
Intersegment revenues	7,051	21,860		
Depreciation and amortization	134,998	142,722		
Operating income	286,482	282,709		

Consolidated Edison Company of New York, Inc.

CONSOLIDATED BALANCE SHEET

(Unaudited)

	As at	
	March 31, 2001	***December 31, 2000***
	(Thousands of Dollars)	
ASSETS		
UTILITY PLANT, AT ORIGINAL COST		
Electric	$ 11,077,066	$ 11,135,764
Gas	2,044,476	2,020,395
Steam	742,840	740,189
General	1,283,884	1,282,254
TOTAL	15,148,266	15,178,602
Less: Accumulated depreciation	4,785,401	4,819,626
NET	10,362,865	10,358,976
Construction work in progress	511,659	476,379
Nuclear fuel assemblies and components, less accumulated amortization	104,087	107,641
NET UTILITY PLANT	10,978,611	10,942,996
CURRENT ASSETS		
Cash and temporary cash investments	35,780	70,273
Accounts receivable - customer, less allowance for uncollectible accounts of $25,019 and $25,800	777,662	743,883
Other receivables	129,385	155,656
Fuel, at average cost	16,106	28,455
Gas in storage, at average cost	39,406	64,144
Materials and supplies, at average cost	112,781	118,344
Prepayments	631,792	497,884
Other current assets	53,760	50,977
TOTAL CURRENT ASSETS	1,796,672	1,729,616
INVESTMENTS		

Nuclear decommissioning trust funds		335,355		328,969
Other		18,724		19,155
TOTAL INVESTMENTS		354,079		348,124
DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS				
Regulatory assets				
Future federal income tax		634,851		642,868
Recoverable energy costs		124,751		274,288
Real estate sale costs - First Avenue properties		103,348		103,009
Divestiture - capacity replacement reconciliation		73,850		73,850
Workers' compensation reserve		54,097		47,097
Deferred special retirement program costs		45,605		46,743
Accrued unbilled gas revenue		43,594		43,594
Deferred revenue taxes		23,640		36,542
Other		120,670		100,843
TOTAL REGULATORY ASSETS		1,224,406		1,368,834
Other deferred charges and noncurrent assets		161,997		158,371
TOTAL DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS		1,386,403		1,527,205
TOTAL	$	14,515,765	$	14,547,941

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

Consolidated Edison Company of New York, Inc.

CONSOLIDATED BALANCE SHEET

(Unaudited)

		As at		
		March 31, 2001		December 31, 2000
		(Thousands of Dollars)		
CAPITALIZATION AND LIABILITIES				
CAPITALIZATION				
Common stock	$	1,482,341	$	1,482,341
Repurchased Consolidated Edison, Inc. common stock		(962,092)		(962,092)
Retained earnings		4,051,034		3,995,825
Capital stock expense		(35,749)		(35,817)
Accumulated other comprehensive income		(3,085)		(673)
TOTAL COMMON SHAREHOLDER'S EQUITY		4,532,449		4,479,584
Preferred stock				
Subject to mandatory redemption				
6-1/8% Series J		37,050		37,050
TOTAL SUBJECT TO MANDATORY REDEMPTION		37,050		37,050
Other preferred stock				
$5 Cumulative Preferred		175,000		175,000
4.65% Series C		15,330		15,330
4.65% Series D		22,233		22,233
TOTAL OTHER PREFERRED STOCK		212,563		212,563
TOTAL PREFERRED STOCK		249,613		249,613
Long-term debt		4,615,666		4,915,108

TOTAL CAPITALIZATION		9,397,728		9,644,305
NONCURRENT LIABILITIES				
Obligations under capital leases		30,672		31,432
Accumulated provision for injuries and damages		155,657		148,047
Pension and benefits reserve		116,834		105,124
Other noncurrent liabilities		14,822		14,822
TOTAL NONCURRENT LIABILITIES		317,985		299,425
CURRENT LIABILITIES				
Long-term debt due within one year		450,000		300,000
Notes payable		337,944		139,969
Accounts payable		633,830		879,602
Customer deposits		197,618		195,762
Accrued taxes		81,824		49,509
Accrued interest		80,564		78,230
Accrued wages		82,436		70,951
Other current liabilities		246,939		237,634
TOTAL CURRENT LIABILITIES		2,111,155		1,951,657
DEFERRED CREDITS AND REGULATORY LIABILITIES				
Accumulated deferred federal income tax		2,153,639		2,134,973
Accumulated deferred investment tax credits		120,949		124,532
Regulatory liabilities				
Gain on divestiture		88,321		50,000
NY state tax law revisions		56,671		59,523
Deposit from sale of First Avenue properties		50,000		50,000
Accrued electric rate reduction		38,018		38,018
NYPA revenue increase		37,368		35,021
Other		143,931		160,487
TOTAL REGULATORY LIABILITIES		414,309		393,049
TOTAL DEFERRED CREDITS AND REGULATORY LIABILITIES		2,688,897		2,652,554
TOTAL	$	14,515,765	$	14,547,941

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

Consolidated Edison Company of New York, Inc.

CONSOLIDATED INCOME STATEMENT

For the Three Months Ended March 31, 2001 and 2000
(Unaudited)

		2001		2000
		(Thousands of Dollars)		
OPERATING REVENUES				
Electric	$	1,583,199	$	1,423,160
Gas		597,441		393,643
Steam		258,252		170,258
TOTAL OPERATING REVENUES		2,438,892		1,987,061
OPERATING EXPENSES				
Purchased power		781,987		618,243
Fuel		170,316		85,198
Gas purchased for resale		365,027		159,552
Other operations		215,297		257,099
Maintenance		121,214		100,684

Depreciation and amortization		120,001		131,540
Taxes, other than income tax		288,195		270,303
Income tax		109,234		95,957
TOTAL OPERATING EXPENSES		2,171,271		1,718,576
OPERATING INCOME		267,621		268,485
OTHER INCOME (DEDUCTIONS)				
Investment income		155		732
Allowance for equity funds used during construction		243		(626)
Other income less miscellaneous deductions		(1,172)		18
Income tax		4,635		(390)
TOTAL OTHER INCOME (DEDUCTIONS)		3,861		(266)
INCOME BEFORE INTEREST CHARGES		271,482		268,219
Interest on long-term debt		89,677		76,749
Other interest		7,894		11,470
Allowance for borrowed funds used during construction		(1,307)		(1,680)
NET INTEREST CHARGES		96,264		86,539
NET INCOME		175,218		181,680
PREFERRED STOCK DIVIDEND REQUIREMENTS		3,398		3,398
NET INCOME FOR COMMON STOCK	$	171,820	$	178,282
CON EDISON OF NEW YORK SALES				
Electric (thousands of kilowatthours)				
Con Edison of New York customers		7,747,989		7,616,450
Delivery service for Retail Choice		2,439,562		2,254,849
Delivery service to NYPA and others		2,557,351		2,474,889
Total sales in service territory		12,744,902		12,346,188
Off-system and ESCO sales		392,908		1,566,554
Gas (dekatherms)				
Firm sales and transportation		45,456,863		41,698,003
Off-peak firm/interruptible		5,827,063		4,855,049
Total sales to Con Edison of New York customers		51,283,926		46,553,052
Transportation of customer-owned gas				
NYPA		29,969		3,224,517
Other		6,609,906		20,321,571
Off-system sales		1,644,926		8,898,564
Total sales and transportation		59,568,727		78,997,704
Steam (thousands of pounds)		10,482,696		10,225,610

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

Consolidated Edison Company of New York, Inc.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Three Months Ended March 31, 2001 and 2000
(Unaudited)

		2001		*2000*
		(Thousands of Dollars)		
NET INCOME	$	171,820	$	178,282
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES				

Minimum pension liability adjustments, net of $1,299 taxes	(2,412)	-
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES	(2,412)	-
COMPREHENSIVE INCOME	$ 169,408	$ 178,282

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

Consolidated Edison Company of New York, Inc.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Three Months Ended March 31, 2001 and 2000
(Unaudited)

	2001	*2000*
	(Thousands of Dollars)	
OPERATING ACTIVITIES		
Net income	$ 175,218	$ 181,680
PRINCIPAL NON-CASH CHARGES (CREDITS) TO INCOME		
Depreciation and amortization	120,001	131,540
Income tax deferred (excluding taxes resulting from divestiture of plant)	(2,923)	70,582
Common equity component of allowance for funds used during construction	243	(626)
Prepayments - accrued pension credits	(80,635)	(51,021)
Other non-cash charges	11,055	3,520
CHANGES IN ASSETS AND LIABILITIES		
Accounts receivable - customer, less allowance for uncollectibles	(33,779)	(47,804)
Materials and supplies, including fuel and gas in storage	34,998	11,405
Prepayments (other than pensions), other receivables and other current assets	(29,785)	(106,860)
Deferred recoverable energy costs	149,537	(27,947)
Cost of removal less salvage	(21,242)	(18,800)
Accounts payable	(245,772)	858
Other-net	64,827	2,874
NET CASH FLOWS FROM OPERATING ACTIVITIES	141,743	149,401
INVESTING ACTIVITIES INCLUDING CONSTRUCTION		
Construction expenditures	(194,525)	(169,386)
Nuclear fuel expenditures	(4,069)	(21,124)
Contributions to nuclear decommissioning trust	(5,325)	(5,325)
Divestiture of utility plant (net of federal income tax)	100,041	-
Common equity component of allowance for funds used during construction	(243)	626
NET CASH FLOWS USED IN INVESTING ACTIVITIES INCLUDING CONSTRUCTION	(104,121)	(195,209)
FINANCING ACTIVITIES INCLUDING DIVIDENDS		
Repurchase of common stock	-	(29,447)
Net proceeds from short-term debt	197,975	(14,743)
Retirement of long-term debt	(150,000)	(125,000)
Issuance and refunding costs	(76)	(49)
Common stock dividends	(116,616)	(115,708)
Preferred stock dividends	(3,398)	(3,398)
NET CASH FLOWS USED IN FINANCING ACTIVITIES INCLUDING DIVIDENDS	(72,115)	(288,345)
NET DECREASE IN CASH AND TEMPORARY CASH INVESTMENTS	(34,493)	(334,153)
CASH AND TEMPORARY CASH INVESTMENTS AT JANUARY 1	70,273	349,033
CASH AND TEMPORARY CASH INVESTMENTS AT MARCH 31	$ 35,780	$ 14,880
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	$ 79,745	$ 83,651
Income taxes	34,701	-

NOTES TO FINANCIAL STATEMENTS - CON EDISON OF NEW YORK

Note A - General

These footnotes accompany and form an integral part of the interim consolidated financial statements of Consolidated Edison Company of New York, Inc. (Con Edison of New York) and its subsidiaries. Consolidated Edison, Inc. (Con Edison) owns all of the outstanding common stock of Con Edison of New York. These financial statements are unaudited but, in the opinion of Con Edison of New York's management, reflect all adjustments (which include only normally recurring adjustments) necessary for a fair statement of the results for the interim periods presented. These financial statements should be read together with the audited Con Edison of New York financial statements (including the notes thereto) included in the combined Con Edison, Con Edison of New York and Orange and Rockland Utilities, Inc. Annual Reports on Form 10-K for the year ended December 31, 2000 (the Form 10-K).

Note B - Environmental Matters

Hazardous substances, such as asbestos, polychlorinated biphenyls (PCBs) and coal tar, have been used or generated in the course of operations of Con Edison of New York and may be present in its facilities and equipment.

The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund) and similar state statutes impose joint and several strict liability, regardless of fault, upon generators of hazardous substances for resulting removal and remedial costs and environmental damages. Liabilities under these laws can be material and in some instances may be imposed without regard to fault, or may be imposed for past acts, even though such past acts may have been lawful at the time they occurred.

At March 31, 2001, Con Edison of New York had accrued $89.6 million as its best estimate of its liability for sites as to which it has received process or notice alleging that hazardous substances generated by the company and, in most instances, other potentially responsible parties) were deposited. There will be additional liability at these sites and other sites, the amount of which is not presently determinable but may be material to the company's financial position, results of operations or liquidity.

Under Con Edison of New York's current electric, gas and steam rate agreements, site investigation and remediation costs in excess of $5 million annually incurred with respect to hazardous waste for which it is responsible are to be deferred and subsequently reflected in rates. At March 31, 2001, $20.5 million of such costs had been deferred as regulatory assets.

Suits have been brought in New York State and federal courts against Con Edison of New York and many other defendants, wherein a large number of plaintiffs sought large amounts of compensatory and punitive damages for deaths and injuries allegedly caused by exposure to asbestos at various premises of the company. Many of these suits have been disposed of without any payment by the company, or for immaterial amounts. The amounts specified in all the remaining suits total billions of dollars but the company believes that these amounts are greatly exaggerated, as were the claims already disposed of.

Based on the information and relevant circumstances known to the company at this time, it does not believe that these suits will have a material adverse effect on its financial position, results of operations or liquidity.

Note C - Nuclear Generation

The Indian Point 2 nuclear generating unit, which Con Edison of New York owns and has agreed to sell, was out of service from February 2000 to January 2001. The New York State Public Service Commission (PSC) is investigating the Indian Point 2 outage and its causes and the prudence of the company's actions regarding the operation and maintenance of Indian Point 2. An appeal is pending in the United States Court of Appeals for the Second Circuit of the October 2000 decision by the United States District Court for the Northern District of New York, in an action entitled Consolidated Edison Company of New York, Inc. v. Pataki, et al., in which the court determined that the law that directed the PSC to prohibit the company from recovering Indian Point 2 replacement power costs from customers was unconstitutional and granted the company's motion for a permanent injunction to prevent its implementation. The staff of the Nuclear Regulatory Commission is monitoring Indian Point 2 with heightened oversight. The company is unable to predict whether or not any Indian Point 2-related proceedings, lawsuits, legislation or other actions will have a material adverse effect on its financial position, results of operations or liquidity. For additional information about Indian Point 2, its pending sale and the outage, see Note G to Con Edison's financial statements included in Item 8 of the Form 10-K.

Note D - Derivative Instruments and Hedging Activities

As of January 2001, Con Edison of New York adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137, "Deferral of the Effective Date of FASB Statement No. 133," and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities — an amendment of FASB Statement No. 133" (SFAS No. 133).

Con Edison of New York does not enter into derivative transactions that will not qualify for deferred accounting treatment. At March 31, 2001, deferred gains or losses were not material.

Con Edison of New York uses derivative instruments to hedge purchases or sales of electricity and gas against adverse market price fluctuations.

Pursuant to Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation" (SFAS No. 71), the company defers recognition in income of hedging gains and losses until the electricity or gas is purchased or sold. Pursuant to rate provisions that permit the recovery of the cost of purchased power and gas, the company credits or charges its customers hedging gains or losses and related transaction costs. See "Recoverable Energy Costs" in Note A to the company's financial statements included in Item 8 of the Form 10-K. Where SFAS No. 71 does not allow deferred recognition in income, the company has elected special hedge accounting pursuant to SFAS No. 133 to defer recognition of unrealized hedging gains and losses. Upon adoption of SFAS

No. 133, the company had no transition adjustments to recognize in other comprehensive income. At March 31, 2001, the company had $1.4 million of net hedging losses deferred as regulatory assets.

Note E - Financial Information by Business Segment

Consolidated Edison Company of New York, Inc.

SEGMENT FINANCIAL INFORMATION

$000's

For the Three Months Ended March 31, 2001 and 2000 (Unaudited)	**Electric**		**Gas**	
	2001	***2000***	***2001***	***2000***
Operating revenues	$ 1,583,199	$ 1,423,160	$ 597,441	$ 393,643
Intersegment revenues	2,663	3,185	719	703
Depreciation and amortization	99,915	112,217	15,681	14,731
Operating income	140,243	146,737	87,498	91,323

	Steam		**Total**	
	2001	***2000***	***2001***	***2000***
Operating revenues	$ 258,252	$ 170,258	$ 2,438,892	$ 1,987,061
Intersegment revenues	467	417	3,849	4,305
Depreciation and amortization	4,405	4,592	120,001	131,540
Operating income	39,880	30,425	267,621	268,485

Orange and Rockland Utilities, Inc.

CONSOLIDATED BALANCE SHEET

(Unaudited)

	As At	
	March 31, 2001	***December 31, 2000***
	(Thousands of Dollars)	
ASSETS		
UTILITY PLANT, AT ORIGINAL COST		
Electric	$ 675,226	$ 672,338
Gas	282,663	279,661
Common	109,657	106,348
TOTAL	1,067,546	1,058,347
Less: Accumulated depreciation	374,018	366,432
NET	693,528	691,915
Construction work in progress	26,362	28,091
NET UTILITY PLANT	719,890	720,006
CURRENT ASSETS:		
Cash and cash equivalents	3,740	8,483
Customer accounts receivable, less allowance for uncollectable accounts of $2,950 and $3,845	98,133	82,183
Other accounts receivable, less allowance for uncollectable accounts of $963 and $818	7,845	7,551
Accrued utility revenue	22,602	29,025
Gas in storage, at average cost	9,680	16,567
Materials and supplies, at average cost	4,999	4,815
Prepayments	22,949	23,854
Other current assets	18,929	20,735

TOTAL CURRENT ASSETS		188,877		193,213
INVESTMENTS				
Non-utility property - net of accumulated depreciation and amortization		3,251		3,249
Other		6		6
TOTAL INVESTMENTS		3,257		3,255
DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS				
Regulatory assets				
Deferred pension and other postretirement benefits		41,344		41,890
Recoverable fuel costs		59,940		66,207
Deferred environmental remediation costs		34,128		34,056
Future federal income tax		33,833		33,659
Other regulatory assets		26,297		26,761
Deferred revenue taxes		8,895		7,337
TOTAL REGULATORY ASSETS		204,437		209,910
Other deferred charges and noncurrent assets		11,699		12,273
TOTAL DEFERRED CHARGES, REGULATORY ASSET AND NONCURRENT ASSETS		216,136		222,183
TOTAL	$	1,128,160	$	1,138,657

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

Orange And Rockland Utilities, Inc.

CONSOLIDATED BALANCE SHEET

(Unaudited)

	As At			
	March 31, 2001		*December 31, 2000*	
	(Thousands of Dollars)			
CAPITALIZATION AND LIABILITIES				
CAPITALIZATION:				
Common stock	$	5	$	5
Additional paid in capital		194,499		194,498
Retained earnings		145,785		139,610
Accumulated comprehensive income		(10,114)		(1,473)
TOTAL COMMON SHAREHOLDERS' EQUITY		330,175		332,640
Long term debt		350,199		335,656
TOTAL CAPITALIZATION		680,374		668,296
NON-CURRENT LIABILITIES:				
Pension and benefit reserve		80,439		76,222
Other noncurrent liabilities		25,542		26,974
TOTAL NON-CURRENT LIABILITIES		105,981		103,196
CURRENT LIABILITIES:				
Notes payable		30,750		40,820
Accounts payable		42,907		58,664
Accounts payable to affiliated companies		16,286		9,169
Accrued federal income and other taxes		10,761		4,863
Customer deposits		7,092		7,126
Accrued interest		7,997		7,087
Accrued environmental costs		32,944		32,852

Other current liabilities		25,415		27,756
TOTAL CURRENT LIABILITIES		174,152		188,337
DEFERRED CREDITS AND REGULATORY LIABILITIES				
Accumulated deferred federal income tax		113,602		120,497
Deferred investment tax credits		6,842		6,897
Regulatory liabilities				
Pension and other benefits		12,899		15,587
Gas recoveries and pipeline refunds		12,138		15,076
Industry restructuring collections		15,108		14,198
Other current liabilities		6,712		6,358
TOTAL REGULATORY LIABILITIES		46,857		51,219
Other deferred credits		352		215
TOTAL DEFERRED CREDITS AND REGULATORY LIABILITIES		167,653		178,828
TOTAL	$	1,128,160	$	1,138,657

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

Orange and Rockland Utilities, Inc.

CONSOLIDATED INCOME STATEMENT

For the Three Months Ended March 31, 2001 and 2000 (Unaudited)		*2001*		*2000*
		(Thousands of Dollars)		
OPERATING REVENUES				
Electric	$	125,036	$	104,643
Gas		104,378		77,458
Non-utility		34		95
TOTAL OPERATING REVENUES		229,448		182,196
OPERATING EXPENSES				
Purchased power		69,662		54,557
Fuel		-		39
Gas purchased for resale		73,619		48,326
Other operations		27,803		28,911
Maintenance		7,233		6,149
Depreciation and amortization		8,165		7,116
Taxes, other than income tax		14,923		16,116
Income tax		8,889		5,212
TOTAL OPERATING EXPENSES		210,294		166,426
OPERATING INCOME		19,154		15,770
OTHER INCOME (DEDUCTIONS)				
Investment income		934		3,105
Allowance for equity funds used during construction		-		50
Other income and deductions		(322)		(348)
Income tax		(175)		(875)
TOTAL OTHER INCOME (DEDUCTIONS)		437		1,932
INCOME BEFORE INTEREST CHARGES		19,591		17,702
Interest on long-term debt		5,493		6,563
Other interest		1,154		504
Allowance for borrowed funds used during construction		(231)		(75)

TOTAL INTEREST CHARGES	6,416	6,992
NET INCOME FOR COMMON STOCK	13,175	10,710
ORANGE AND ROCKLAND SALES & DELIVERIES		
Electric - (thousands of killowatthours)		
Orange And Rockland customers	1,093,054	1,022,124
Delivery service for Retail Choice	136,548	171,917
Total sales in service territory	1,229,602	1,194,041
Off-system sales	45	-
Gas - (dekatherms)		
Firm sales and transportation	9,851,039	10,137,658
Off-peak firm/interruptible	2,218,347	2,176,324
Total sales to Orange And Rockland customers	12,069,386	12,313,982
Transportation of Customer Owned Gas	1,010,554	2,800,259
Off-system sales	847,693	2,320,107
Total sales and transportation	13,927,663	17,434,348

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

Orange and Rockland Utilities, Inc.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Three Months Ended March 31, 2001 and 2000	*2001*	*2000*
(Unaudited)	*(Thousands of Dollars)*	
NET INCOME	$ 13,175	$ 10,170
OTHER COMPREHENSIVE INCOME (LOSS)		
Investment in Marketable Equity Securities, net of $295 taxes	(212)	-
Minimum pension liability adjustments, net of $63 taxes	63	-
Unrealized gains (losses) on derivatives qualified as hedges due to cumulative effect of a change in accounting principle, net of $5,751 taxes	(8,107)	-
Unrealized gains (losses) on derivatives qualified as hedges, net of $272 taxes	(384)	-
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES	(8,640)	-
COMPREHENSIVE INCOME	$ 4,535	$ 10,170

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

Orange and Rockland Utilities, Inc.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Three Months Ended March 31, 2001 and 2000 *(Unaudited)*	*2001*	*2000*
	(Thousands of Dollars)	
OPERATING ACTIVITIES		
Net income	$ 13,175	$ 10,710
PRINCIPAL NON-CASH CHARGES (CREDITS) TO INCOME		
Depreciation and amortization	8,165	7,116

Amortization of investment tax credit	(56)	(114)
Federal and state income tax deferred	(689)	(11,186)
Common equity component of allowance for funds used during construction	-	(50)
Other non-cash changes	(787)	(1,914)
CHANGES IN ASSETS AND LIABILITIES		
Accounts receivable - net, and accrued utility revenue	(9,528)	(5,235)
Materials and supplies, including fuel and gas in storage	6,704	9,913
Prepayments, other receivables and other current assets	2,417	11,203
Deferred recoverable fuel costs	4,494	20,822
Accounts payable	(8,641)	(8,640)
Refunds to customers	(1,693)	118
Other - net	7,337	(5,077)
NET CASH FLOWS FROM OPERATING ACTIVITIES	20,898	27,666
INVESTING ACTIVITIES INCLUDING CONSTRUCTION		
Construction expenditures	(8,571)	(10,840)
Common equity component of allowance for funds used during construction	-	50
NET CASH FLOWS USED IN INVESTING ACTIVITIES INCLUDING CONSTRUCTION	(8,571)	(10,790)
FINANCING ACTIVITIES		
Retirement of long-term debt	-	(100,020)
Short-term debt arrangements	(10,070)	29,500
Dividend to parent	(7,000)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES INCLUDING DIVIDENDS	(17,070)	(70,520)
NET DECREASE IN CASH AND TEMPORARY CASH INVESTMENTS	(4,743)	(53,644)
CASH AND TEMPORARY CASH INVESTMENTS AT JANUARY 1	8,483	78,927
CASH AND TEMPORARY CASH INVESTMENTS AT MARCH 31	$ 3,740	$ 25,283
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	$ 1,539	$ 9,911
Income Taxes	$ -	$ 4,487

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

NOTES TO FINANCIAL STATEMENTS - O&R

Note A - General

These footnotes accompany and form an integral part of the interim consolidated financial statements of Orange and Rockland Utilities, Inc. (O&R), a wholly-owned subsidiary of Consolidated Edison, Inc. (Con Edison). These financial statements are unaudited but, in the opinion of O&R's management, reflect all adjustments (which include only normally recurring adjustments) necessary for a fair statement of the results for the interim periods presented. These financial statements should be read together with the audited O&R financial statements (including the notes thereto) included in the combined Con Edison, Consolidated Edison Company of New York, Inc. and O&R Annual Reports on Form 10-K for the year ended December 31, 2000.

Note B - Environmental Matters

Hazardous substances, such as asbestos, polychlorinated biphenyls (PCBs) and coal tar, have been used or generated in the course of operations of O&R and may be present in its facilities and equipment.

The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund) and similar state statutes impose joint and several strict liability, regardless of fault, upon generators of hazardous substances for resulting removal and remedial costs and environmental damages. Liabilities under these laws can be material and in some instances may be imposed without regard to fault, or may be imposed for past acts, even though such past acts may have been lawful at the time they occurred.

At March 31, 2001, O&R had accrued $31.7 million as its best estimate of its liability for sites as to which it has received process or notice alleging that hazardous substances generated by the company (and, in most instances, other potentially responsible parties) were deposited. There will be additional liability at these sites and other sites, including the costs of investigating and remediating sites where the company or its predecessors manufactured gas. The total amount of liability is not presently determinable but may be material to the company's financial position, results of operations or liquidity.

Under O&R's current gas rate agreement, O&R may defer for subsequent recovery through rates the cost of investigating and remediating manufactured gas sites. At March 31, 2001, $34.1 million of such costs had been deferred as a regulatory asset.

Suits have been brought in New York State and federal courts against O&R and many other defendants, wherein a large number of plaintiffs sought large amounts of compensatory and punitive damages for deaths and injuries allegedly caused by exposure to asbestos at various premises of the company. Many of these suits have been disposed of without any payment by O&R, or for immaterial amounts. The amounts specified in all the remaining suits totals billions of dollars but the company believes that these amounts are greatly exaggerated, as were the claims already disposed of. Based on the information and relevant circumstances known to the company at this time, it does not believe that these suits will have a material adverse effect on its financial position, results of operation or liquidity.

In May 2000, the New York State Department of Environmental Conservation (DEC) issued notices of violation to O&R and four other companies that have operated coal-fired electric generating facilities in New York State. The notices allege violations of the federal Clean Air Act and the New York State Environmental Conservation law resulting from the alleged failure of the companies to obtain DEC permits for physical modifications to their generating facilities and to install pollution control equipment that would have reduced harmful emissions. The notice of violation received by O&R relates to the Lovett Generating Station that it sold in June 1999. O&R is unable to predict whether or not the alleged violations will have a material adverse effect on its financial position, results of operations or liquidity.

Note C - Related Party Transactions

Each month O&R is invoiced by Con Edison and its affiliates for the cost of any services they render to O&R. These services, provided primarily by Con Edison of New York, include substantially all administrative support operations such as corporate directorship and associated ministerial duties, accounting, treasury, investor relations, information resources, legal, human resources, fuel supply and energy management services. The cost of these services totaled $3.3 million during the first three months of 2001. In addition, O&R purchased $71.7 million of gas from Con Edison of New York during this period.

O&R provides certain recurring services to Con Edison of New York on a monthly basis, including cash receipts processing and certain other services. The cost of these services totaled $3.0 million during the first three months of 2001.

Note D - Derivative Instruments and Hedging Activities

As of January 2001, O&R adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137, "Deferral of the Effective Date of FASB Statement No. 133," and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities — an amendment of FASB Statement No. 133" (SFAS No. 133).

In connection with its $55 million promissory note issued to the New York State Energy Research and Development Authority for the net proceeds of the Authority's variable rate Pollution Control Refunding Revenue Bonds (O&R Projects), 1994 Series A (the 1994 Bonds), O&R has a swap agreement pursuant to which it pays interest at a fixed rate of 6.09 percent and is paid interest at the same variable rate as is paid on the 1994 Bonds. Upon adoption of SFAS No. 133, O&R recognized transition adjustments of $13.9 million in other comprehensive income. In the quarter ended March 31, 2001, the company did not reclassify any comprehensive income to income. If the swap agreement had been terminated on March 31, 2001, O&R would have been required to pay approximately $14.5 million. Pursuant to SFAS No. 133, the swap agreement is accounted for as a cash flow hedge and changes in its fair value are recorded in other comprehensive income. The fair value of the swap agreement is calculated based upon current market conditions.

Note E - Financial Information by Business Segment

ORANGE AND ROCKLAND UTILITIES, INC.

SEGMENT FINANCIAL INFORMATION

$000's

For The Three Months Ended March 31, 2001 and 2000	**Electric** ***2001***	**Electric** ***2000***	**Gas** ***2001***	**Gas** ***2000***
Sales Revenues	$ 125,031	$ 104,639	$ 104,378	$ 77,458
Intersegment Revenues	5	4	-	-
Depreciation and amortization	6,104	4,962	2,060	2,153
Operating Income	8,882	6,701	10,432	9,291

	Other ***2001***	**Other** ***2000***	**Total** ***2001***	**Total** ***2000***
Sales Revenues	$ 34	$ 95	$ 229,443	$ 182,192
Intersegment Revenues	-	-	5	4
Depreciation and amortization	1	1	8,165	7,116
Operating Income	(160)	(222)	19,154	15,770

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CON EDISON

Consolidated Edison, Inc. (Con Edison) is a holding company that operates only through its subsidiaries and has no material assets other than the stock of its subsidiaries. Con Edison's principal subsidiaries are regulated utilities: Consolidated Edison Company of New York, Inc. (Con Edison of New York) and Orange and Rockland Utilities, Inc. (O&R). Con Edison also has several unregulated subsidiaries.

The following discussion and analysis, which relates to the interim consolidated financial statements of Con Edison and its subsidiaries (including Con Edison of New York and O&R) included in Part I, Item 1 of this report, should be read in conjunction with Con Edison's Management's Discussion and Analysis of Financial Condition and Results of Operations (Con Edison's Form 10-K MD&A) in Item 7 of the combined Con Edison, Con Edison of New York and O&R Annual Reports on Form 10-K for the year ended December 31, 2000 (File Nos. 1-14514, 1-1217 and 1-4315, the Form 10-K). Reference is also made to the notes to the Con Edison financial statements in Part I, Item 1 of this report, which notes are incorporated herein by reference.

Liquidity and Capital Resources

Cash and temporary cash investments and outstanding notes payable (principally commercial paper) at March 31, 2001 and December 31, 2000 were (amounts shown in millions):

	March 31, 2001	*December 31, 2000*
Cash and temporary cash investments	$ 59.6	$ 94.8
Notes payable	$ 438.1	$ 255.0

The decrease in cash and temporary cash investments at March 31, 2001 compared with December 31, 2000 reflects net cash flows from operating activities and net cash flows used in investing and financing activities.

Cash Flows from Operating Activities

Net cash flows from operating activities during the first quarter of 2001 decreased $33.4 million compared with the first quarter of 2000, reflecting principally lower net income (including increased non-cash pension credits), decreased accounts payable and increased accounts receivable, offset in part by decreased deferred recoverable energy costs.

Accounts receivable - customer, less allowance for uncollectible accounts increased $16.2 million at March 31, 2001 compared with year-end 2000 due primarily to increased customer billings by Con Edison's utility subsidiaries, reflecting higher energy sales and energy costs, and the timing of customer payments. Con Edison of New York's equivalent number of days of revenue outstanding (ENDRO) of customer accounts receivable was 30.2 days at March 31, 2001 compared with 29.7 days at December 31, 2000. For O&R, the ENDRO was 43.6 days at March 31, 2001 and 35.4 days at December 31, 2000. The changes in ENDRO reflect increased use by customers of level billing and alternative payment arrangements and the timing of customer payments.

Prepayments include cumulative credits to pension expense for Con Edison of New York amounting to $447.4 million at March 31, 2001 compared with $366.7 million at December 31, 2000. Pension credits, which result primarily from favorable performance by the company's pension fund in past years, increase net income but do not provide cash for the company's operations. See Note D to the Con Edison financial statements included in Item 8 of the Form 10-K.

Prepayments at March 31, 2001 also include prepaid property tax for Con Edison of New York of $137.2 million compared with $11.6 million at December 31, 2000. Property taxes are generally prepaid on January 1 and July 1 of each year.

Deferred recoverable energy costs decreased $155.8 million at March 31, 2001 compared with year-end 2000, due primarily to the ongoing recovery of previously deferred amounts, offset in part by the deferral for future recovery of additional purchased power and gas costs. See "Recoverable Energy Costs" in Note A to the Con Edison financial statements included in Item 8 of the Form 10-K.

Unfunded pension and other post-employment benefit (OPEB) obligations (shown as pension and benefit reserve on the balance sheet) increased $15.9 million at March 31, 2001 compared with year-end 2000. Con Edison of New York's policy is to fund its pension and OPEB costs to the extent deductible under current tax regulations. O&R's policy is to fund its pension and OPEB costs to the extent of its rate recovery. The reserve also includes a minimum liability for supplemental executive retirement programs, a portion of which liability has been included in other comprehensive income. See Note E to the Con Edison financial statements included in Item 8 of the Form 10-K.

The accumulated provision for injuries and damages increased $7.9 million at March 31, 2001 compared with year-end 2000, due primarily to increased workers' compensation claims.

Accounts payable decreased $263.5 million at March 31, 2001 compared with year-end 2000, due primarily to lower energy purchases in March 2001 as compared to December 2000.

Accrued taxes increased $26.8 million at March 31, 2001 compared with year-end 2000, due principally to timing differences and the gain on the sale of Con Edison of New York's interest in the Roseton generating station. See Note I to the Con Edison financial statements in Item 8 of the Form 10-K.

Other regulatory liabilities decreased $20.7 million at March 31, 2001 compared with year-end 2000, reflecting an $18 million refund to gas customers of previously deferred credits pursuant to the Con Edison of New York gas rate agreement approved by the PSC in November 2000. See "Rate and Restructuring Agreements" in Note A to the Con Edison financial statements in Item 8 of the Form 10-K.

Cash Flows Used in Investing and Financing Activities

Cash flows used in investing activities during the first quarter of 2001 decreased $98.8 million compared with the first quarter of 2000, reflecting the completion of the sale of Con Edison of New York's 480 MW interest in the Roseton generating station (proceeds of $100.0 million, net of federal income tax) and decreased nuclear fuel expenditures ($17.1 million), offset in part by increased utility construction expenditures ($22.9 million). Nuclear fuel expenditures decreased because refueling was conducted in the 2000 period but not in the 2001 period. Construction expenditures increased principally to meet load growth on Con Edison of New York's electric distribution system.

Cash flows used in financing activities during the first quarter of 2001 decreased $310.9 million compared with the first quarter of 2000, reflecting principally increased net proceeds from commercial paper ($168.2 million), the repurchase of common stock in the 2000 period ($68.5 million) and the retirement of long-term debt ($150 million in the 2001 period compared with $225 million in the 2000 period).

Capital Resources

Con Edison's ratio of earnings to fixed charges (for the 12 months ended on the date indicated) and common equity ratio (as of the date indicated) were:

	March 31, 2001	***December 31, 2000***
Earnings to fixed charges (SEC basis)	3.03	3.10
Common equity ratio*	50.6	49.1

* Common shareholders' equity as a percentage of total capitalization

Con Edison's ratio of earnings to fixed charges decreased for the 12-month period ending March 31, 2001 compared to the 12-month period ending December 31, 2000 as a result of decreased earnings and increased interest expense. Excluding the $130 million charge for replacement power costs incurred in connection with an outage at the Indian Point nuclear plant and the $33.6 million charge for merger-related expenses (see Notes G and P, respectively, to the Con Edison financial statements included in Item 8 of the Form 10-K), Con Edison's ratio of earnings to fixed charges would have been 3.39 and 3.47 for the 12-month periods ended March 31, 2001 and December 31, 2000, respectively. The change in the equity ratio reflects decreased long-term debt.

Financial Market Risks

Reference is made to "Financial Market Risks" in Con Edison's Form 10-K MD&A and to Note E to the Con Edison financial statements included in Part I, Item 1 of this report. At March 31, 2001 neither the fair value of derivatives outstanding nor potential derivative losses from reasonably possible near-term changes in market prices were material to the financial position, results of operations or liquidity of the company.

Environmental Matters

For information concerning potential liabilities of the company arising from laws and regulations protecting the environment, including the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund), see the notes to Con Edison's financial statements included in Part I, Item 1 of this report and also see Part II, Item 3 of this report.

Results of Operations

First Quarter of 2001 Compared with First Quarter of 2000

Con Edison's net income for common stock for the first quarter of 2001 was $179.1 million or $.84 a share (based upon an average of 212.2 million common shares outstanding) compared with $188.1 million or $.88 a share (based upon an average of 212.6 million common shares outstanding) for the first quarter of 2000. The decrease in the company's net income reflects rate reductions and higher maintenance expenses, offset in part by higher sales volumes and decreased other operations expenses.

Earnings for the quarters ended March 31, 2001 and 2000 were as follows:

(Millions of dollars)	***2001***	***2000***
Con Edison of New York	$ 171.8	$ 178.3
O&R	13.2	10.7
Nonregulated subsidiaries	(0.3)	2.3
Other*	(5.6)	(3.2)
Con Edison	$ 179.1	$ 188.1

* Includes parent company expenses, goodwill amortization and inter-company eliminations.

A comparison of the results of operations of Con Edison for the first quarter of 2001 compared to the first quarter of 2000 follows.

Three Months Ended March 31, 2001 Compared With Three Months Ended March 31, 2000

(Millions of dollars)	***Increases (Decreases) Amount***	***Increases (Decreases) Percent***
Operating revenues	$ 567.7	24.5%
Purchased power - electric and steam	285.7	39.1
Fuel - electric and steam	85.1	99.8
Gas purchased for resale	197.2	74.0
Operating revenues less purchased power, fuel and gas purchased for resale (net	(0.3)	-

revenues)			
Other operations and maintenance		(28.9)	(6.9)
Depreciation and amortization		(7.7)	(5.4)
Taxes, other than income tax		17.0	5.9
Income tax		15.5	15.3
Operating income		3.8	1.3
Other income less deductions and related federal income tax		1.8	77.4
Net interest charges		14.6	15.6
Net income for common stock	$	(9.0)	(4.8)%

A discussion of Con Edison's operating revenues and operating income by business segment follows. Con Edison's principal business segments are its electric, gas and steam utility businesses. For additional information about the segments, see the notes to the Con Edison financial statements included in Part I, Item 1 of this report.

Electric

Con Edison's electric operating revenues in the first quarter of 2001 increased $195.1 million compared with the first quarter of 2000, reflecting increased purchased power costs and electric sales, offset by the

effects of electric rate reductions of approximately $44.6 million. See "Recoverable Energy Costs" and "Rate and Restructuring Agreements" in Note A to the Con Edison financial statements included in Item 8 of the Form 10-K.

Electricity sales volumes for Con Edison's utility subsidiaries increased 3.2 percent in the first quarter of 2001 compared with the first quarter of 2000. Con Edison of New York and O&R electric sales volumes for these periods are shown at the bottom of their consolidated income statements included in Part I, Item 1 of this report. After adjusting for variations, principally weather and billing days, in each period, electricity sales volumes for Con Edison of New York and O&R increased 2.7 percent and 1.6 percent, respectively, in the 2001 period. Weather-adjusted sales represent an estimate of the sales that would have been made if historical average weather conditions had prevailed.

Purchased power costs increased $266.0 million in the first quarter of 2001 compared with the first quarter of 2000, due primarily to an increase in the price of purchased power, offset in part by decreased purchased volumes. Fuel costs increased $40.4 million as a result of an increase in the unit cost of fuel. In general, Con Edison's utility subsidiaries recover prudently incurred purchased power costs pursuant to rate provisions approved by the relevant state public utility commission. See "Recoverable Energy Costs" in Note A to the Con Edison financial statements included in Item 8 of the Form 10-K.

Con Edison's electric operating income decreased $4.3 million for the first quarter of 2001 compared with the first quarter of 2000. The principal components of this variation were a decrease in net revenues (operating revenues less fuel and purchased power) of $34.3 million, increased maintenance expenses ($18.9 million) and increased property taxes ($14.4 million), offset in part by reduced other operations expenses ($37.1 million) and lower Federal income tax ($12.5 million). Other operations and maintenance expenses in the 2001 period reflect increased transmission and distribution expenses resulting from the 2000-2001 winter weather conditions, relocation of company facilities to avoid interference with municipal infrastructure projects and preparations for summer 2001 ($18.7 million), increased pension credits ($24.8 million) and lower insurance premiums, net of policy distributions ($6.3 million).

Gas

Con Edison's gas operating revenues increased $232.3 million and gas operating income decreased $2.7 million in the first quarter of 2001 compared with the first quarter of 2000. The higher revenues reflect an increased cost of purchased gas, offset in part by a reduction in customer bills of $14.3 million, reflecting a refund of previously deferred credits, and other provisions of the Con Edison of New York gas rate agreement approved by the PSC in November 2000. See "Rate and Restructuring Agreements" and "Recoverable Energy Costs" in Note A to the Con Edison financial statements included in Item 8 of the Form 10-K. The decrease in operating income of $2.7 million reflects primarily increased transmission and distribution expenses ($1.0 million) and increased customer service expenses ($1.1 million).

Firm gas sales and transportation volumes for Con Edison's utility subsidiaries increased 6.5 percent in the first quarter of 2001 compared with the first quarter of 2000. Con Edison of New York and O&R gas sales and transportation volumes for these periods are shown at the bottom of their consolidated income statements included in Part I, Item 1 of this report. After adjusting for variations, principally weather and

billing days, in each period, firm gas sales and transportation volumes in the 2001 period increased 2.6 percent for Con Edison of New York and decreased 9.8 percent for O&R. Weather-adjusted sales represent an estimate of the sales that would have been made if historical average weather conditions had prevailed.

A weather-normalization provision that applies to the gas business of Con Edison's utility subsidiaries operating in New York moderates, but does not eliminate, the effect of weather-related changes on gas operating income.

Steam

Con Edison's steam operating revenues increased $88.0 million and steam operating income increased $9.5 million for the first quarter of 2001 compared with the first quarter of 2000, reflecting an October 2000 rate increase and increased sales volumes. The higher revenues also reflect increased fuel and purchased power costs. See "Rate and Restructuring Agreements" and "Recoverable Energy Costs" in Note A to the company's financial statements included in Item 8 of the Form 10-K.

Steam sales volume (see bottom of Con Edison of New York's consolidated income statement included in Part I, Item 1 of this report) increased 2.5 percent in the 2001 period compared with the 2000 period. After adjusting for variations, principally weather and billing days, in each period, steam sales volume decreased 1.0 percent.

Other Income

Income tax decreased $6.8 million in the 2001 period compared with the 2000 period, due primarily to the recognition of deferred federal income tax credits relating to the Roseton generating station sale. Investment income decreased $2.9 million, due principally to O&R's use of proceeds from their 1999 divestiture to retire long-term debt in March 2000.

Net Interest Charges

Net interest charges increased $14.6 million in the 2001 period compared with the 2000 period, reflecting $15.9 million of interest on increased long-term debt and a decrease of $0.8 million of interest related to short-term borrowings.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CON EDISON OF NEW YORK

Consolidated Edison Company of New York, Inc. (Con Edison of New York) is a regulated utility that provides electric service to over three million customers and gas service to over one million customers in New York City and Westchester County. It also provides steam service in parts of Manhattan. All of the common stock of Con Edison of New York is owned by Consolidated Edison, Inc. (Con Edison).

This discussion and analysis should be read in conjunction with Con Edison of New York's Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) in Item 7 of the combined Con Edison, Con Edison of New York and Orange and Rockland Utilities, Inc. (O&R) Annual Reports on Form 10-K for the year ended December 31, 2000 (File Nos. 1-14514, 1-1217 and 1-4315, the Form 10-K). Reference is also made to the notes to the financial statements in Part I, Item 1 of this report, which notes are incorporated herein by reference.

Liquidity and Capital Resources

Cash and temporary cash investments and outstanding commercial paper (shown as notes payable on the balance sheet) at March 31, 2001 and December 31, 2000 were (amounts shown in millions):

	March 31, 2001	*December 31, 2000*
Cash and temporary cash investments	$ 35.8	$ 70.3
Commercial paper	$ 337.9	$ 140.0

The decrease in cash and temporary cash investments at March 31, 2001 compared with December 31, 2000 reflects net cash flows from operating activities and net cash flows used in investing and financing activities.

Cash Flows from Operating Activities

Net cash flows from operating activities during the first quarter of 2001 decreased $7.7 million compared with the first quarter of 2000, reflecting principally lower net income (including increased non-cash pension credits), decreased accounts payable and increased accounts receivable, offset in part by decreased deferred recoverable energy costs.

Con Edison of New York's accounts receivable - customer, less allowance for uncollectible accounts increased $33.8 million at March 31, 2001 compared with year-end 2000 due primarily to increased customer billings, reflecting higher energy sales and energy costs, and the timing of customer payments. The company's equivalent number of days of revenue outstanding (ENDRO) of customer accounts receivable was 30.2 days at March 31, 2001 compared with 29.7 days at December 31, 2000. The changes in ENDRO reflect increased use by customers of level billing and alternative payment arrangements and the timing of customer payments.

Prepayments include cumulative credits to pension expense amounting to $447.4 million at March 31, 2001 compared with $366.7 million at December 31, 2000. Pension credits, which result primarily from

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favorable performance by the company's pension fund in past years, increase net income but do not provide cash for the company's operations. See Note D to the Con Edison of New York financial statements included in Item 8 of the Form 10-K.

Prepayments at March 31, 2001 also include prepaid property taxes of $137.2 million compared with $11.6 million at December 31, 2000. Property taxes are generally prepaid on January 1 and July 1 of each year.

Deferred recoverable energy costs decreased $149.5 million at March 31, 2001 compared with year-end 2000, due primarily to the recovery of previously deferred amounts, offset in part by the deferral for future recovery of additional purchased power and gas costs. See "Recoverable Energy Costs" in Note A to the Con Edison of New York financial statements included in Item 8 of the Form 10-K.

Unfunded pension and other post-employment benefit (OPEB) obligations (shown as pension and benefit reserve on the balance sheet) increased $11.7 million at March 31, 2001 compared with year-end 2000. The company's policy is to fund its pension and OPEB costs to the extent deductible under current tax regulations. The reserve also includes a minimum liability for the company's supplemental executive retirement program, a portion of which liability has been included in other comprehensive income. See Note E to the Con Edison of New York financial statements included in Item 8 of the Form 10-K.

The accumulated provision for injuries and damages increased $7.6 million at March 31, 2001 compared with year-end 2000, due primarily to increased workers' compensation claims.

Accounts payable decreased $245.8 million at March 31, 2001 compared with year-end 2000, due primarily to lower energy purchases in March 2001 as compared to December 2000.

Accrued taxes increased $32.3 million at March 31, 2001 compared with year-end 2000, due principally to timing differences and the gain on the sale of the company's interest in the Roseton generating station. See Note I to the Con Edison of New York financial statements in Item 8 of the Form 10-K.

Other regulatory liabilities decreased $16.6 million at March 31, 2001 compared with year-end 2000, reflecting an $18 million refund to gas customers of previously deferred credits pursuant to the gas rate agreement approved by the PSC in November 2000. See "Rate and Restructuring Agreements" in Note A to the Con Edison of New York financial statements in Item 8 of the Form 10-K.

Cash Flows Used in Investing and Financing Activities

Cash flows used in investing activities during the first quarter of 2001 decreased $91.1 million compared with the first quarter of 2000, reflecting the completion of the sale of the company's 480 MW interest in the Roseton generating station (proceeds of $100.0 million, net of federal income tax) and decreased nuclear fuel expenditures ($17.1 million), offset in part by increased construction expenditures ($25.1 million). Nuclear fuel expenditures decreased because refueling was conducted in the 2000 period but not in the 2001 period. Construction expenditures increased principally to meet load growth on the company's electric distribution system.

Cash flows used in financing activities during the first quarter of 2001 decreased $216.2 million compared with the first quarter of 2000, reflecting principally increased net proceeds from commercial

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paper ($212.7 million), the repurchase of common stock in the 2000 period ($29.4 million) and the retirement of long-term debt ($150 million in the 2001 period compared with $125 million in the 2000 period).

Capital Resources

Con Edison of New York's ratio of earnings to fixed charges (for the 12 months ended on the date indicated) and common equity ratio (as of the date indicated) were:

	March 31, 2001	*December 31, 2000*
Earnings to fixed charges (SEC basis)	3.18	3.23
Common equity ratio*	48.2	46.4

* Common shareholder's equity as a percentage of total capitalization

Con Edison of New York's ratio of earnings to fixed charges decreased for the 12-month period ending March 31, 2001 compared to the 12-month period ending December 31, 2000 as a result of decreased earnings and increased interest expense. Excluding the $130 million charge for replacement power costs incurred in connection with an outage at the Indian Point nuclear plant (see Note G to the Con Edison of New York financial statements included in Item 8 of the Form 10-K), Con Edison of New York's ratio of earnings to fixed charges would have been 3.50 and 3.56 for the 12-month periods ended March 31, 2001 and December 31, 2000, respectively. The change in the equity ratio reflects decreased long-term debt.

Financial Market Risks

Reference is made to "Financial Market Risks" in Con Edison of New York's Form 10-K MD&A and to Note D to the Con Edison of New York financial statements included in Part I, Item 1 of this report. At March 31, 2001 neither the fair value of derivatives outstanding nor potential derivative losses from reasonably possible near-term changes in market prices were material to the financial position, results of operations or liquidity of the company.

Environmental Matters

For information concerning potential liabilities of Con Edison of New York arising from laws and regulations protecting the environment, including the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund), see the notes to the Con Edison of New York financial statements included in Part I, Item 1 of this report and also see Part II, Item 3 of this report.

Results of Operations

First Quarter of 2001 Compared with First Quarter of 2000

Con Edison of New York's net income for common stock for the first quarter of 2001 was $171.8 million compared with $178.3 million for the first quarter of 2000. The decrease in the company's net income reflects rate reductions and higher maintenance expenses, offset in part by higher sales volumes and decreased other operations expenses.

A comparison of the results of operations of Con Edison of New York for the first quarter of 2001 compared with the first quarter of 2000 follows.

Three Months Ended March 31, 2001 Compared With Three Months Ended March 31, 2000

(Millions of dollars)		*Increases (Decreases) Amount*	*Increases (Decreases) Percent*
Operating revenues	$	451.8	22.7%
Purchased power - electric and steam		163.7	26.5
Fuel - electric and steam		85.1	99.9
Gas purchased for resale		205.5	(A)
Operating revenues less purchased power, fuel and gas purchased for resale (net revenues)		(2.5)	(0.2)
Other operations and maintenance		(21.3)	(5.9)
Depreciation and amortization		(11.5)	(8.8)
Taxes, other than income tax		17.9	6.6
Income tax		13.3	13.8
Operating income		(0.9)	(0.3)
Other income less deductions and related federal income tax		4.1	(A)
Net interest charges		9.7	11.2
Net income for common stock	$	(6.5)	(3.6)%

(A)
Amounts in excess of 100 percent

A discussion of Con Edison of New York's operating revenues and operating income by business segment follows. Con Edison of New York's principal business segments are its electric, gas and steam utility businesses. For additional information about the segments, see the notes to the Con Edison of New York financial statements included in Part I, Item 1 of this report.

Electric

Con Edison of New York's electric operating revenues in the first quarter of 2001 increased $160.0 million compared with the first quarter of 2000. The increase reflects increased purchased power costs and electric sales, offset by the effects of electric rate reductions of approximately $43.9 million. See "Recoverable Energy Costs" and "Rate and Restructuring Agreements" in Note A to the Con Edison of New York financial statements included in Item 8 of the Form 10-K.

Con Edison of New York's electric sales, excluding off-system sales, for the first quarter of 2001 compared with the first quarter of 2000 were:

Millions of kwhrs.

Description	*Three Months Ended March 31, 2001*	*Three Months Ended March 31, 2000*	*Variation*	*Percent Variation*
Residential/Religious	2,850	2,798	52	1.9%
Commercial/Industrial	4,860	4,682	178	3.8
Other	38	136	(98)	(72.1)
TOTAL FULL SERVICE CUSTOMERS	**7,748**	**7,616**	**132**	**1.7**
Retail Choice Customers	2,348	2,255	93	4.1
SUB-TOTAL	**10,096**	**9,871**	**225**	**2.3**
NYPA, Municipal Agency and Other Sales	2,649	2,477	172	6.9
TOTAL SERVICE AREA	**12,745**	**12,348**	**397**	**3.2%**

Electricity sales volume in Con Edison of New York's service territory increased 3.2 percent in the first quarter of 2001 compared with the first quarter of 2000. The increase in sales volume reflects the continued strength of the New York City economy. After adjusting for variations, principally weather and billing days, in each period, electricity sales volume in the service territory increased 2.7 percent in the 2001 period. Weather-adjusted sales represent an estimate of the sales that would have been made if historical average weather conditions had prevailed.

Con Edison of New York's purchased power costs increased $144.0 million in the first quarter of 2001 compared with the first quarter of 2000, due primarily to an increase in the price of purchased power, offset in part by decreased purchased volumes. Fuel costs increased $40.4 million as a result of an increase in the unit cost of fuel. In general, Con Edison of New York recovers prudently incurred purchased power costs pursuant to rate provisions approved by the PSC. See "Recoverable Energy Costs" in Note A to the Con Edison of New York financial statements included in Item 8 of the Form 10-K.

Con Edison of New York's electric operating income decreased $6.5 million in the first quarter of 2001 compared with the first quarter of 2000. The principal components of the decrease were a reduction in net revenues (operating revenues less fuel and purchased power) of $24.3 million, increased maintenance expenses ($18.3 million) and increased property taxes ($14.3 million), offset in part by reduced other operations expenses ($36.8 million) and lower Federal income tax ($11.8 million). Other operations and maintenance expenses in the 2001 period reflect increased transmission and distribution expenses resulting from the 2000-2001 winter weather conditions, relocation of company facilities to avoid interference with municipal infrastructure projects and preparations for summer 2001 ($18.3 million), increased pension credits ($24.8 million) and lower insurance premiums, net of policy distributions ($6.3 million).

Gas

Con Edison of New York's gas operating revenues increased $203.8 million and gas operating income decreased $3.8 million in the first quarter of 2001 compared with the first quarter of 2000. The higher revenues reflect an increased cost of purchased gas, offset in part by a reduction in customer bills of $14.3 million, reflecting a refund of previously deferred credits, and other provisions of the gas rate agreement approved by the PSC in November 2000. See "Rate and Restructuring Agreements" and "Recoverable Energy Costs" in Note A to the Con Edison of New York financial statements included in Item 8 of the Form 10-K. The decrease in operating income of $3.8 million reflects primarily increased transmission and distribution expenses ($0.9 million) and increased customer service expenses ($1.1 million).

Con Edison of New York's gas sales and transportation volumes for firm customers (see bottom of the company's consolidated income statement included in Part I, Item 1 of this report) increased 9.0 percent in the first quarter of 2001 compared with the 2000 period. After adjusting for variations, principally weather and billing days, in each period, firm gas sales and transportation volumes in the company's service territory increased 2.6 percent in the 2001 period. Weather-adjusted sales represent an estimate of the sales that would have been made if historical average weather conditions had prevailed.

A weather-normalization provision that applies to Con Edison of New York's gas business moderates, but does not eliminate, the effect of weather-related changes on gas operating income.

Steam

Con Edison of New York's steam operating revenues increased $88.0 million and steam operating income increased $9.5 million for the first quarter of 2001 compared with the first quarter of 2000, reflecting an October 2000 rate increase and increased sales volumes. The higher revenues also reflect increased fuel and purchased power costs. See "Rate and Restructuring Agreements" and "Recoverable Energy Costs" in Note A to the company's financial statements included in Item 8 of the Form 10-K.

Con Edison of New York's steam sales volume (see bottom of the company's consolidated income statement included in Part I, Item 1 of this report) increased 2.5 percent in the 2001 period compared with the 2000 period. After adjusting for variations, principally weather and billing days, in each period, steam sales volume decreased 1.0 percent.

Net Interest Charges

Net interest charges increased $9.7 million in the first quarter of 2001 compared to the 2000 period, principally reflecting $13.0 million of interest on increased long-term debt, offset by a $3.0 million decrease in interest related to short-term borrowings.

O&R MANAGEMENT'S NARRATIVE ANALYSIS OF THE RESULTS OF OPERATIONS

Orange and Rockland Utilities, Inc. (O&R), a wholly-owned subsidiary of Consolidated Edison, Inc. (Con Edison), meets the conditions specified in General Instruction H to Form 10-Q and is permitted to use the reduced disclosure format for wholly-owned subsidiaries of companies, such as Con Edison, that are reporting companies under the Securities Exchange Act of 1934. Accordingly, this O&R Management's Narrative Analysis of the Results of Operations is included in this report, and O&R has omitted from this report the information called for by Part I, Item 2 (Management's Discussion and Analysis of Financial Condition and Results of Operations).

O&R's net income for common stock for the three-month period ended March 31, 2001 was $13.2 million, $2.5 million higher than the corresponding 2000 period. This increase was due primarily to a 3.0 percent increase in electric sales and the recognition in income in the 2001 period of $2.9 million of previously deferred credits pursuant to its New York gas rate agreement, offset in part by $0.7 million of electric rate reductions in the 2001 period pursuant to its New Jersey utility subsidiary's electric restructuring plan and $0.2 million of purchased power costs of its Pennsylvania subsidiary that are not recoverable from customers. See "Rate Regulation" in Note A to the O&R financial statements in Item 8 of the combined O&R, Con Edison and Consolidated Edison Company of New York, Inc. Annual Reports on Form 10-K for the year ended December 31, 2000 (File Nos. 1- 4315, 1-14514 and 1-1217, the Form 10-K).

A comparison of the results of operations of O&R for the three months ended March 31, 2001 to the three months ended March 31, 2000, follows.

(Millions of dollars)	***Increases (Decreases) Amount***	***Increases (Decreases) Percent***
Operating revenues	$ 47.3	25.9%
Purchased power - electric	15.1	27.7
Gas purchased for resale	25.3	52.3
Operating revenues less purchased power, fuel and gas purchased for resale (net revenues)	6.9	8.7
Depreciation and amortization	1.0	14.7
Taxes, other than income tax	(1.2)	(7.4)
Income tax	3.7	70.5
Operating income	3.4	21.5
Other income less deductions and related income tax	(1.5)	(77.3)
Net interest charges	(0.6)	(8.2)
Net income for common stock	$ 2.5	23.0%

A discussion of O&R's operating revenues by business segment follows. O&R's principal business segments are its electric and gas utility businesses. For additional information about O&R's business segments, see the notes to the O&R financial statements included in Part I, Item 1 of this report.

Electric operating revenues increased $20.4 million in the first quarter of 2001 compared to the 2000 period. This increase was attributable primarily to an increase in sales volume and the billing to customers of higher purchased power costs in the 2001 period.

Electric sales volumes for the 2001 and 2000 periods are shown at the bottom of its consolidated income statement for those periods included in Part I, Item 1 of this report. Electric sales volumes in the three months ended March 31, 2001 increased 3.0 percent compared to the 2000 period. After adjusting for variations, principally weather and billing days, electricity sales volumes were 1.6 percent higher in the 2001 period, reflecting the continued strength of the economy in the company's service area. (Weather-adjusted sales represent an estimate of the sales that would have been made if historical average weather conditions had prevailed).

Purchased power costs increased $15.1 million during the first quarter of 2001 compared to the 2000 period. This increase is attributable primarily to increases in the cost of purchased power and higher customer sales. O&R and its New Jersey utility subsidiary recover all of their prudently incurred purchased power in accordance with rate provisions approved by their state public utility commissions. For O&R, the difference between the actual purchased power costs for a given month and the amounts billed to customers for that month is deferred for recovery from or refund to customers during the next billing cycle (normally within one or two months). For O&R's New Jersey utility subsidiary, differences between actual and billed electricity costs (which amounted to a cumulative excess of actual over billed costs of $35.9 million at March 31, 2001) are deferred for future charge or refund to customers, as the case may be. For O&R's Pennsylvania utility subsidiary, recovery of purchased power costs is limited to a predetermined fixed price and, as a result, in the first quarter of 2001 it incurred $0.2 million of purchased power costs that are not subject to recovery from customers. See "Rate Regulation" in Note A to the O&R financial statements in Item 8 of the Form 10-K.

Gas operating revenues increased $26.9 million in the 2001 period, compared to the 2000 period. The increase was due primarily to recovery from customers of higher gas costs and increases in firm transportation volumes in the 2001 period.

Gas sales volumes for the 2001 and 2000 periods are shown at the bottom of O&R's consolidated income statement for those periods included in Part I, Item 1 of this report. O&R's revenues from gas sales in New York are subject to a weather normalization clause that moderates, but does not eliminate, the effect of weather-related changes on gas operating income. After adjusting for variations, principally weather and billing days, in each period, gas sales and transportation volumes to firm customers were 9.8 percent lower for the 2001 period, compared to the 2000 period.

Gas purchased for resale increased $25.3 million in the first quarter of 2001 compared to the 2000 period, due primarily to higher gas costs.

Taxes other than income tax decreased by $1.2 million in the first quarter of 2001 compared to the 2000 period and state income taxes increased by a like amount, reflecting a change in New York law that effectively transferred the tax liability from a revenue based tax to a net income tax.

Income tax increased $3.7 million in the 2001 period compared to the 2000 period due primarily to the change in New York law and to higher income from operations.

Other income decreased $1.5 million in the first quarter of 2001 compared to the 2000 period. The 2000 period included a market gain of $1.9 million in relation to O&R's supplemental employee retirement plan. Excluding the impact of the gain, investment income increased $0.4 million, due primarily to more interest income earned on short-term investments, offset by an increase in income tax.

Interest charges decreased $0.6 million in the 2001 period compared to the 2000 period, due primarily to lower debt outstanding.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Con Edison

For information about Con Edison's primary market risks associated with activities in derivative financial instruments, other financial instruments and derivative commodity instruments, see "Financial Market Risks" in Con Edison's Management's Discussion and Analysis of Financial Condition and Results of Operations in Part I, Item 2 of this report and Item 7A of the combined Con Edison, Con Edison of New York and O&R Annual Reports on Form 10-K for the year ended December 31, 2000 (the Form 10-K), which information is incorporated herein by reference.

Con Edison of New York

For information about Con Edison of New York's primary market risks associated with activities in derivative financial instruments, other financial instruments and derivative commodity instruments, see "Financial Market Risks" in Con Edison of New York's Management's Discussion and Analysis of Financial Condition and Results of Operations in Part I, Item 2 of this report and Item 7A of the Form 10-K, which information is incorporated herein by reference.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Con Edison

Northeast Utilities Litigation

For information about legal proceedings relating to Con Edison's October 1999 agreement to acquire Northeast Utilities, see Note D to the Con Edison financial statements included in Part I, Item 1 of this report (which information is incorporated herein by reference).

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Con Edison

Exhibit 12.1	Statement of computation of Con Edison's ratio of earnings to fixed charges for the twelve-month periods ended March 31, 2001 and 2000.

Con Edison of New York

Exhibit 10.2.1	Con Edison of New York Executive Incentive Plan, as amended and restated as of August 1, 2000.
Exhibit 10.2.2	Amendment No. 1 to the Con Edison of New York Deferred Income Plan, effective as of September 1, 2000.
Exhibit 12.2	Statement of computation of Con Edison of New York's ratio of earnings to fixed charges for the twelve-month periods ended March 31, 2001 and 2000.

O&R

Exhibit 12.3	Statement of computation of O&R's ratio of earnings to fixed charges for the twelve-month periods ended March 31, 2001 and 2000.

(b)

Reports on Form 8-K

Con Edison

Con Edison filed no Current Reports on Form 8-K during the quarter ended March 31, 2001.

Con Edison of New York

Con Edison of New York filed no Current Reports on Form 8-K during the quarter ended March 31, 2001.

O&R

O&R filed no Current Reports on Form 8-K during the quarter ended March 31, 2001.

Signatures

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

Consolidated Edison, Inc.
Consolidated Edison Company of New York, Inc.

Date: May 14, 2001

By /s/ JOAN S. FREILICH
Joan S. Freilich
Executive Vice President, Chief Financial Officer and
Duly Authorized Officer

Orange and Rockland Utilities, Inc.

Date: May 14, 2001

By /s/ EDWARD J. RASMUSSEN
Edward J. Rasmussen
Vice President, Chief Financial Officer and Duly
Authorized Officer

Exhibit 10.2.1

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
EXECUTIVE INCENTIVE PLAN

AS AMENDED AND RESTATED
EFFECTIVE AS OF AUGUST 1, 2000

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
EXECUTIVE INCENTIVE PLAN

PURPOSE

In its original form, the Consolidated Edison Company of New York, Inc. Executive Incentive Plan (the "Plan") was effective as of March 23, 1982. This document reflects the revisions to the Plan which were effective as of April 1, 1999. As to a Participant who was in the employ of the Company or its Affiliated Companies on April 1, 1999, the Mandatory Deferral Portions and Optional Deferral Portions of Incentive Awards credited on the Participant's behalf prior to April 1, 1999 and deferred to a date beyond April 1, 1999 were transferred to and are administered under the Deferred Income Plan. This document also reflects the changes to the Plan that are effective as of August 1, 2000.

The purpose of the Plan is to provide executives designated by the Company's Board of Trustees as eligible to participate in the Plan with incentives to achieve goals which are important to shareholders and customers of the Company, to supplement the Company's salary and benefit programs so as to provide overall compensation for such executives which is more competitive with corporations with which the Company must compete for the best executive talent, and to assist the Company in attracting and retaining executives who are important to the continued success of the Company.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
EXECUTIVE INCENTIVE PLAN

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CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
EXECUTIVE INCENTIVE PLAN

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CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
EXECUTIVE INCENTIVE PLAN

ARTICLE I. DEFINITIONS

The following terms when capitalized herein shall have the meanings set forth below.

1.01 ADJUSTED TARGET INCENTIVE FUND shall have the meaning set forth in Section 4.03(c).

1.02 AFFILIATED COMPANY shall mean any company other than the Company which is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) which also includes as a member the Company; any trade or business under common control (as defined in Section 414(c) of the Code) with the Company; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Section 414(m) of the Code) which includes the Company; and any other entity required to be aggregated with the Company pursuant to regulations under Section 414(o) of the Code.

1.03 AWARD DATE shall mean, with respect to any Incentive Award, January 1 of the year following the year to which such Incentive Award relates.

1.04 BOARD OR BOARD OF TRUSTEES shall mean the Board of Trustees of the Company.

1.05 CHANGE IN CONTROL shall mean an event which shall occur if:

(a) any person, as defined in Section 3(a)(9) of the Securities Exchange Act of 1934 ("Exchange Act"), as such term is modified in Sections 13(d) and 14(d) of the Exchange Act (other than (i) any employee plan established by any "Corporation" (which for these purposes shall be deemed to be the Company and any corporation, association, joint venture, proprietorship or partnership which is connected with the Company either through stock ownership or through common control, within the meaning of Sections 414(b) and (c) and 1563 of the Code), (ii) the Company or any of its affiliates (as defined in Rule 12b-2 promulgated under the Exchange Act), (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company) (a "Person"), is or becomes the beneficial owner (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company (excluding from the securities beneficially owned by such Person any securities directly acquired from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20 percent or more of either the then outstanding shares of Common Stock of the Company or the combined voting power of the Company's then outstanding voting securities;

(b) during any period of up to two consecutive years (not including any period prior to April 1, 1999) individuals who, at the beginning of such period, constitute the Board cease for any reason to constitute a majority of the directors then serving on the Board, provided that any person who becomes a director subsequent to the beginning of such period and whose appointment or election by the Board or nomination for election by the Company's shareholders was approved by at least two-thirds of the directors then still in office who either were directors at the beginning of such period or whose appointment, election or nomination for election was previously so approved (other than a director (i) whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act, or (ii) who was designated by a person who has entered into an agreement with the Company to effect a transaction described in paragraph (a), (c) or (d) of this Section 1.05) shall be deemed a director as of the beginning of such period;

(c) consummation of a merger or consolidation of the Company with any other corporation or approval of the issuance of voting securities of the Company in connection with a merger or consolidation of the Company occurs (other than (i) a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of any Corporation, at least 51 percent of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner (as defined in paragraph (a) above), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or the affiliates of a business) representing 20 percent or more of either the then outstanding shares of Common Stock of the Company or the combined voting power of the Company's then outstanding voting securities); or

(d) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 65 percent of the combined voting power of the voting securities of which are owned by persons in substantially the same proportions as their ownership of the Company immediately prior to the sale.

Notwithstanding the foregoing, no "Change in Control" shall be deemed to have occurred if there is consummated any transaction, or series of integrated transactions, immediately following which the record holders of the Common Stock immediately prior to such transaction, or series of integrated transactions, continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of integrated transactions.

1.06 COMPANY shall mean Consolidated Edison Company of New York, Inc. or any successor by merger, purchase or otherwise; provided, however, that for purposes of Section 1.05, Section 1.22, the second paragraph of Section 5.01(b), Section 6.02 (with the exception of the next to last sentence thereof), Section 6.03, and Section 7.06, "Company" shall mean the highest level holding company of Consolidated Edison Company of New York, Inc. (or any successor thereto which continues this Plan) which has publicly traded common stock.

1.07 DEFERRED INCOME PLAN shall mean the Consolidated Edison Company of New York, Inc. Deferred Income Plan, as amended from time to time.

1.08 DISABILITY shall mean circumstances under which a Participant would be entitled to receive a pension by reason of disability (or would be so entitled but for failure to satisfy vesting, age, or length-of-service requirements) under the Management Retirement Plan.

1.09 EQUIVALENT STOCK ACCOUNT shall mean an account established for a Participant pursuant to Section 6.02.

1.10 EQUIVALENT STOCK UNIT shall have the meaning set forth in Section 6.02.

1.11 INCENTIVE AWARD shall have the meaning set forth in Section 4.04.

1.12 INCENTIVE PERCENTAGE shall have the meaning set forth in Section 4.01.

1.13 MANAGEMENT RETIREMENT PLAN shall mean The Consolidated Edison Retirement Plan, as amended from time to time.

1.14 MANDATORY DEFERRAL PORTION shall mean the one-third of each Incentive Award that is required to be deferred pursuant to Section 5.01.

1.15 TARGET INCENTIVE FUND shall have the meaning set forth in Section 4.02(a).

1.16 NORMAL RETIREMENT AGE shall mean the later of the Participant's 65th birthday or the fifth anniversary of the Participant's participation in the Management Retirement Plan.

1.17 OPTIONAL DEFERRAL PORTION shall mean the two-thirds of each Incentive Award that is permitted to be deferred pursuant to Section 5.02.

1.18 PARTICIPANT shall mean any executive who at any time shall be eligible to participate in the Plan.

1.19 PLAN shall mean the Consolidated Edison Company of New York, Inc. Executive Incentive Plan, as in effect from time to time.

1.20 PLAN ADMINISTRATOR shall mean the individual appointed by the Company's Chief Executive Officer to administer the Plan as provided in Article III.

1.21 POTENTIAL AWARD shall have the meaning set forth in Section 4.02(c).

1.22 POTENTIAL CHANGE IN CONTROL shall mean an event which shall occur if:

(a) the Company enters into a definitive written agreement, the consummation of which would result in the occurrence of a Change in Control;

(b) the Company or any Person (as defined in Section 1.05(a)) publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; or

(c) any Person becomes the beneficial owner (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 15 percent or more of the then outstanding shares of Common Stock of the Company or the combined voting power of the Company's then outstanding securities.

1.23 VALUATION DATE shall have the meaning set forth in Section 6.01 or 6.02, whichever is applicable.

ARTICLE II. ELIGIBILITY

The Board, in its discretion, from time to time, may designate and change the designation of the executives or executive position levels eligible to participate in the Plan. To be eligible to receive an award under the Plan for a particular year, an executive must (a) have been employed by the Company during any portion of such year and (b) achieve an eligible position level or be designated by the Board as eligible not later than September 30 of such year.

ARTICLE III. ADMINISTRATION

Except as otherwise provided in the Plan, all determinations in connection with the Plan shall be made by the Plan Administrator, whose decisions shall be final and conclusive upon all Participants and any persons asserting any claim derived from a Participant. The Plan Administrator shall make such determinations after receiving the recommendations of the Company's Chief Executive Officer (except as to matters relating to the participation of the Company's Chief Executive Officer in the Plan). The Plan

Administrator shall abstain from any determination under the Plan in which he or she has a personal interest, in which case such determination shall be made by the Company's Chief Executive Officer. The Plan Administrator shall be responsible for the administration of the Plan under the direction of the Company's Chief Executive Officer.

ARTICLE IV. DETERMINATION OF AWARDS

4.01 INCENTIVE PERCENTAGES

The Board shall determine a percentage of annual salary deemed to constitute an appropriate incentive for each executive or executive position level eligible to participate in the Plan. Each such percentage is herein called an "Incentive Percentage". The Board may, from time to time, increase or decrease any Incentive Percentage, as the Board may deem appropriate.

4.02 TARGET INCENTIVE FUND

(a) At the end of each year, the annual rate of salary of each executive eligible to participate in the Plan for such year, as such salary is in effect at the end of such year, shall be multiplied by the Incentive Percentage applicable to such person at such time. The sum of such products for all executives eligible to participate in the Plan for such year is herein called the "Target Incentive Fund" for such year.

(b) For purposes of calculating the Target Incentive Fund for any year:

(i) In the case of an executive whose employment with the Company has terminated during the year, the annual salary rate of such executive in effect at the time of such termination shall be deemed to be the annual salary rate of such executive at the end of such year.

(ii) Deferred compensation, at the annual rate in effect at the end of the year pursuant to an agreement between the Company and an executive, shall be considered part of such executive's annual rate of salary at the end of such year.

(iii) An executive's annual rate of salary shall be determined without any deduction for pre-tax contributions or after-tax contributions made pursuant to the Con Edison Thrift Savings Plan for Management Employees, the Con Edison Flexible Reimbursement Account Plan for Management Employees, the Con Edison OPTIONS Program for Management Employees, or the Deferred Income Plan.

(c) The amount included in the Target Incentive Fund for any year with respect to each executive is called such executive's "Potential Award".

4.03 ADJUSTED TARGET INCENTIVE FUND

(a) In January of each year the Board shall determine whether award of the Target Incentive Fund for the preceding year is appropriate or whether and to what extent such Target Incentive Fund shall be reduced, eliminated entirely, or increased. The Board may increase the Target Incentive Fund by an amount not to exceed 50 percent of the Target Incentive Fund. In making such determination, the Board shall consider the Company's performance during the preceding year, taking into account such factors as the Board deems relevant.

(b) The Target Incentive Fund for any year in which the Company omits a dividend on its common stock shall be reduced to zero.

(c) The Target Incentive Fund for a year, as adjusted pursuant to this Section 4.03, is herein called the "Adjusted Target Incentive Fund". Notwithstanding any other provision of the Plan, the Adjusted Target Incentive Fund for any year may not exceed three-quarters of 1 percent of the Company's net income for common stock for such year.

4.04 INCENTIVE AWARDS

After the Adjusted Target Incentive Fund for a year has been determined as provided in Section 4.03, the Executive Personnel and Pension Committee of the Board, upon the recommendations of the Company's Chief Executive Officer (except with respect to his own award), shall make, subject to confirmation by the Board, awards to individual Participants who are eligible to participate in the Plan for such year. Such awards are herein called "Incentive Awards". Incentive Awards shall be determined in the following manner:

(a) Each Incentive Award shall be determined in the light of the contribution of the Participant's group to the overall performance of the Company, the Participant's contribution to the performance of the Participant's group, and the Participant's individual performance.

(b) An Incentive Award may range from zero to 150 percent of the Participant's Potential Award for the year in question.

(c) The aggregate of all Incentive Awards for a year may not exceed the Adjusted Target Incentive Fund for such year.

ARTICLE V. DEFERRAL OF AWARDS

5.01 MANDATORY DEFERRAL PORTION

(a) One-third of each Incentive Award shall be allocated to the Participant's Equivalent Stock Account and shall be deferred until the earlier of (i) the fifth anniversary of the Award Date or (ii) the date of the Participant's termination of employment with the Company and Affiliated Companies, except as otherwise provided in Section 7.06.

(b) Notwithstanding the provisions of paragraph (a) above, the Participant may elect to defer all or any part of such one-third for a further period ending on the earlier of (i) the sixth or any later anniversary of the Award Date or (ii) the date of the Participant's termination of employment with the Company and Affiliated Companies; provided however, that if the Participant makes a deferral election with respect to any portion of the Mandatory Deferral Portion of an Incentive Award pursuant to this paragraph (b), on the fifth anniversary of the Award Date of such Incentive Award, the value of the portion of the Mandatory Deferral Portion of an Incentive Award so deferred shall be administered and accounted for under the Deferred Income Plan.

The value of such Mandatory Deferral Portion or part thereof to be administered and accounted for under the Deferred Income Plan shall be the value on the fifth anniversary of the Award Date of such Mandatory Deferral Portion of a number of shares of common stock of the Company equal to the number of Equivalent Stock Units in the respective subaccount for the Mandatory Deferral Portion or part thereof to be administered and accounted for under the Deferral Income Plan.

5.02 OPTIONAL DEFERRAL PORTION

Up to two-thirds of each Incentive Award may, at the Participant's election, be deferred to the earlier of (a) the third or later anniversary of the Award Date of such Incentive Award, or (b) the date of the Participant's termination of employment with the Company and Affiliated Companies; provided however, that if the Participant makes a deferral election with respect to any portion of the Optional Deferral Portion of an Incentive Award pursuant to this Section 5.02, on the Award Date of such Incentive Award the value of the portion of the Optional Deferral Portion so deferred shall be administered and accounted for under the Deferred Income Plan.

5.03 TRANSFER TO DEFERRED INCOME PLAN

The portion of a Participant's accounts deferred hereunder prior to April 1, 1999, which are no longer subject to potential forfeiture pursuant to Section 7.04 as of such date, shall be transferred to the Deferred Income Plan and thereafter be administered and accounted for thereunder. As of the date that other amounts deferred hereunder prior to April 1, 1999 are no longer subject to potential forfeiture pursuant to Section 7.04, such amounts shall be transferred to the Deferred Income Plan and thereafter be administered and accounted for thereunder.

ARTICLE VI. VALUATION OF AWARD

6.01 NON-DEFERRED AWARDS

The Valuation Date of any portion of the Optional Deferral Portion of an Incentive Award that is not deferred pursuant to Section 5.02 shall be the Award Date, and the value on the Valuation Date shall be equal to the amount of such portion.

6.02 EQUIVALENT STOCK ACCOUNT

An Equivalent Stock Account shall be established for each Participant. A separate subaccount within such Equivalent Stock Account shall be established for each Mandatory Deferral Portion allocated to such Equivalent Stock Account. Each Mandatory Deferral Portion so allocated shall be converted to a number of Equivalent Stock Units calculated (to the nearest thousandth) by dividing (x) such portion by (y) the value of one share of the Company's common stock on the Award Date, and the number of Equivalent Stock Units so calculated shall be credited to the respective subaccount within the Participant's Equivalent Stock Account. On each dividend payment date for the Company's common stock occurring between the Award Date and the Valuation Date of such Mandatory Deferral Portion, there shall be credited to such subaccount the number of additional Equivalent Stock Units calculated (to the nearest thousandth) by dividing (x) the amount of the total dividend which would have been paid on a number of shares (including fractional shares) of the Company's common stock equal to the closing balance (in Equivalent Stock Units) in such subaccount on the record date for such dividend payment date, by (y) the value of one share of the Company's common stock on the dividend payment date. In the event of a dividend payable in shares of the Company's common stock, a like number of Equivalent Stock Units shall be added to the subaccount. The Valuation Date of such Mandatory Deferral Portion of an Incentive Award shall be the date on which occurs the earliest of:

(a) the Participant's termination of employment with the Company and Affiliated Companies on or after the Participant's Normal Retirement Age;

(b) the Participant's death;

(c) the Participant's Disability; or

(d) the fifth anniversary of the Award Date of such Incentive Award if the Participant has not terminated employment with the Company and Affiliated Companies on or prior to such date;

provided, however, that if the Participant's date of termination of employment with the Company and Affiliated Companies occurs prior to the earliest of the dates specified in (a) through (d) above but the Chief Executive Officer of the Company makes a determination pursuant to Section 7.04 that no forfeiture shall occur, the Valuation Date shall be such date of termination. The value of such Mandatory Deferral Portion on the Valuation Date shall be the value, on the Valuation Date, of a number of shares of the Company's common stock equal to the number of Equivalent Stock Units in the respective subaccount on the Valuation Date.

6.03 COMMON STOCK VALUE

For all purposes of the Plan, the value of a share of the Company's common stock, as of any date, shall be deemed to be the mean of the high and low sale price for such a share reported on the New York Stock Exchange for trading on such date (or, if there was no reported trade for such date, on the first day of trading thereafter). Appropriate adjustments shall be made in the event of a stock split, reclassification or reorganization.

ARTICLE VII. PAYMENT OF AWARDS

7.01 TIME OF PAYMENT

(a) Each portion of a Mandatory Deferral Portion of an Incentive Award (i) for which the deferral election in Section 5.01(b) has not been made or (ii) for which such deferral election has been made and the Participant (A) does not terminate employment with the Company and Affiliated Companies until on or after the earliest of the dates specified in (a) through (d) of Section 6.02 or (B) terminates employment with the Company and Affiliated Companies prior to the earliest of the dates specified in (a) through (d) of Section 6.02 but the Chief Executive Officer of the Company makes a determination pursuant to Section 7.04 that no forfeiture shall be made, shall become payable as soon as administratively practicable after its respective Valuation Date, as provided in this Article VII.

(b) Each portion of an Optional Deferral Portion for which a deferral election under Section 5.02 has not been made shall become payable as soon as administratively practicable after its respective Valuation Date, as provided in this Article VII.

7.02 AMOUNT OF PAYMENT

Each portion of (a) the Mandatory Deferral Portion of an Incentive Award (i) for which the deferral election in Section 5.01(b) has not been made or (ii) for which such deferral election has been made and the Participant (A) does not terminate employment with the Company and Affiliated Companies until on or after the earliest of the dates specified in (a) through (d) of Section 6.02 or (B) terminates employment with the Company and Affiliated Companies prior to the earliest of the dates specified in (a) through (d) of Section 6.02 but the Chief Executive Officer of the Company makes a determination pursuant to Section 7.04 that no forfeiture shall be made, and (b) an Optional Deferral Portion for which a deferral election under Section 5.02 has not been made, shall be paid at its value on the Valuation Date, as determined pursuant to Article VI.

7.03 MANNER OF PAYMENT

(a) Any portion of the Mandatory Deferral Portion of an Incentive Award which becomes payable on or prior to the fifth anniversary of the Award Date of such Incentive Award shall be paid to the Participant in a single lump sum.

(b) Any portion of the Optional Deferral Portion of an Incentive Award for which a deferral election under Section 5.02 has not been made shall be paid to the Participant in a single lump sum.

7.04 FORFEITURE

Unless the Chief Executive Officer of the Company shall otherwise determine, the Mandatory Deferral Portion of an Incentive Award shall be forfeited, and no amount shall be payable to the Participant in respect of such portion, if the employment of the Participant with the Company and Affiliated Companies shall be terminated, other than on or after the Participant's Normal Retirement Age or by reason of death or Disability, prior to the fifth anniversary of the Award Date of such Incentive Award. Notwithstanding the prior sentence, no forfeiture shall occur after the date a Change in Control occurs.

7.05 POSTHUMOUS PAYMENTS

Subject to Section 7.04 and Section 9.05, if a Participant shall die before all payments to be made to the Participant under this Plan have been made, the remaining payment or payments shall be made to the Participant's estate or personal representative in a single lump sum, with such posthumous payment to be made as soon as administratively practicable after the Participant's death.

7.06 PAYMENT UPON THE OCCURRENCE OF A CHANGE IN CONTROL

(a) Unless a Participant elects otherwise prior to the date a Change in Control occurs, upon the occurrence of a Change in Control the Participant shall automatically receive the value, as of the date the Change in Control occurs, of a number of shares of common stock of the Company equal to the number of Equivalent Stock Units in the respective subaccount as of the date the Change in Control occurs. Such payment will be made in a single lump sum as soon as administratively practicable after the date the Change in Control occurs.

(b) If, due to an election pursuant to paragraph (a) above, a Participant is not to receive a single lump sum upon a Change in Control, the Participant may elect, within 30 days after the date the Change in Control occurs, to receive, in a single lump sum, the value, on the date the Change in Control occurs, of a number of shares of common stock of the Company equal to the number of Equivalent Stock Units in the respective subaccount on the date the Change in Control occurs, reduced by the prime rate as published in the Wall Street Journal on the date the Change in Control occurs plus 100 basis points. Such payment will be made as soon as administratively practicable after the Participant's election is received by the Plan Administrator.

(c) The elections permitted to Participants by paragraphs (a) and (b) above shall be made by a writing signed by the Participant and delivered to the Plan Administrator.

ARTICLE VIII. ELECTIONS

8.01 MANNER

The elections permitted to Participants by Section 5.01 and Section 5.02 shall be made by a writing signed by the Participant and delivered to the Plan Administrator. A separate election may be made with respect to each Incentive Award. An election made for any Incentive Award shall govern all subsequent Incentive Awards, unless a new election is timely made as to subsequent Incentive Awards.

8.02 TIMING

The elections pursuant to Section 5.01 and Section 5.02 with respect to any Incentive Award must be made prior to the Award Date. An election may be changed at any time up to the deadline for making such election, but not thereafter.

8.03 PRESUMPTIONS

In the absence of a valid election to the contrary by the Participant, the following presumptions shall apply:

(a) The Participant elects not to defer any portion of the Mandatory Deferral Portion of an Incentive Award pursuant to Section 5.01 beyond the minimum mandatory deferral.

(b) The Participant elects not to defer any portion of the Optional Deferral Portion of an Incentive Award pursuant to Section 5.02.

ARTICLE IX. MISCELLANEOUS

9.01 AMENDMENT AND TERMINATION

The Company reserves the right, by action of the Board of Trustees, to terminate the Plan entirely, or to temporarily or permanently discontinue the making of awards under the Plan; and further reserves the right, by action of the Board of Trustees or the Plan Administrator, to otherwise modify the Plan from time to time; provided that no such modification, termination, or discontinuance shall adversely affect the rights of Participants with respect to Incentive Awards previously determined; and provided further, that no modification by action of the Plan Administrator shall have a material effect on the benefits payable under the Plan. Upon termination of the Plan, the Board of Trustees may elect to continue the Plan with respect to deferred portions of Incentive Awards, or may elect to distribute immediately such deferred portions in single lump sum payments, with appropriate adjustments in valuation, as determined by the Board.

9.02 EFFECT OF PLAN

The establishment and continuance of the Plan shall not constitute a contract of employment between the Company and any employee. No person shall have any claim to be granted an award under the Plan and there is no obligation for uniformity of treatment of employees or Participants under the Plan. Neither the Plan nor any action taken under the Plan shall be construed as giving to any employees the right to be retained in the employ of the Company, nor any right to examine the books of the Company, or to require an accounting.

9.03 WITHHOLDING

The Company shall deduct from any payment under the Plan any federal, state, or local taxes required by law to be withheld with respect to such payment.

9.04 FUNDING

(a) All amounts payable in accordance with this Plan shall constitute a general unsecured obligation of the Company. Such amounts, as well as any administrative costs relating to the Plan, shall be paid out of the general assets of the Company, to the extent not paid from the assets of any trust established pursuant to paragraph (b) below.

(b) The Company may, for administrative reasons, establish a grantor trust for the benefit of Participants in the Plan. Notwithstanding the foregoing sentence, the Company shall, upon a Potential Change in Control, establish a grantor trust for the benefit of the Participants in the Plan and shall fund such trust at a level at least equal to the liabilities of the Plan as of the day before the Potential Change in Control occurred. The assets placed in such trust shall be held separate and apart from other Company funds and shall be used exclusively for the purposes set forth in the Plan and the applicable trust agreement, subject to the following conditions:

(i) the creation of such trust shall not cause the Plan to be other than "unfunded" for purposes of Title I of ERISA;

(ii) the Company shall be treated as "grantor" of such trust for purposes of Section 677 of the Code; and

(iii) the agreement of such trust shall provide that its assets may be used upon the insolvency or bankruptcy of the Company to satisfy claims of the Company's general creditors and that the rights of such general creditors are enforceable by them under federal and state law.

9.05 FACILITY OF PAYMENT

In the event that the Plan Administrator shall find that a Participant is unable to care for such Participant's affairs because of illness or accident or because he or she is a minor or has died, the Plan Administrator may, unless claim shall have been made therefor by a duly appointed legal representative, direct that any benefit payment due the Participant, to the extent not payable from a grantor trust, be paid on the Participant's behalf to the Participant's spouse, a child, a parent or other blood relative, or to a person with whom the Participant resides or a legal guardian, and any such payment so made shall be a complete discharge of the liabilities of the Company and the Plan therefor.

9.06 NONALIENATION

Subject to any applicable law, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to do so shall be void, nor shall any such benefit be in any manner liable for or subject to garnishment, attachment, execution or levy, or liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to such benefits.

IN WITNESS WHEREOF, Consolidated Edison Company of New York, Inc. has caused this instrument to be executed by its officer thereunto duly authorized as of the 19th day of January, 2001.

By:________________________________

Richard P. Cowie
Vice President-Human Resources
Consolidated Edison Company of
New York, Inc.

Exhibit 10.2.2

AMENDMENT NO. 1 TO THE CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. DEFERRED INCOME PLAN, EFFECTIVE AS OF SEPTEMBER 1, 2000

Pursuant to resolutions adopted at a meeting of the Board of Trustees of Consolidated Edison Company of New York, Inc. duly called and held on January 27, 1997 and to Section 6.02 of the Consolidated Edison Company of New York, Inc. Deferred Income Plan (the "Plan"), the Vice President-Human Resources and Plan Administrator hereby amends the Plan as follows, effective as of September 1, 2000 unless otherwise stated:

1. Section 1.01 is amended by adding the following sentence at the end thereof:

   "Accounts shall also include any other Accounts that may be established by the Plan Administrator from time to time on behalf of a Participant."

2. Section 1.15 is amended by adding the following sentence at the end thereof:

   "Deferred Compensation Agreement shall also include any agreement between the Company and a Participant that provides for deferral of the receipt of compensation by the Participant, contribution of such deferred compensation to the Plan by the Company, and designation by the Participant of his or her preferences with respect to allocation of such deferred compensation among the available Deemed Investment Options."

3. Section 1.29 is amended by changing the designation of paragraph "(e)" to "(f)" and adding a new paragraph (e) to read as follows:

   "(e) such other Eligible Employee who has made a deferral election in a Deferred Compensation Agreement and has had Other Deferral Contributions made to an Other Deferrals Account;".

4. A new Section 1.43 is added to read as follows:

   "OTHER DEFERRAL CONTRIBUTIONS" shall mean the amount of contributions credited on a Participant's behalf under Section 3.01(i)."

5. Section 2.01 is amended by deleting the word, "or" at the end of paragraph (c), and adding the following before the period at the end of paragraph (d):

"; or (e) the date the Eligible Employee first has Other Deferral Contributions credited on such individual's behalf under the Plan pursuant to Section 3.01(i)."

6. Section 3.01 is amended by changing the words "paragraphs (a), (b), (c), (d), (e) and (f) below" in the first sentence to read "paragraphs (a), (b), (c), (d), (e), (f) and (i) below" and by inserting a new paragraph (i) after paragraph (h) to read as follows:

   "(i) OTHER DEFERRAL CONTRIBUTIONS

   The amount of Other Deferral Contributions for a Plan Year shall be equal to the amount of Other Deferral Contributions that are contributed by the Company to an Other Deferrals Account established by the Plan Administrator on behalf of a Participant pursuant to a Deferred Compensation Agreement."

7. Paragraph (a) of Section 3.03 is hereby amended to read as follows:

   "(a) A Participant shall at all times be fully vested in the Participant's Basic Salary Deferral Account, Supplemental Salary Deferral Account, Mandatory Bonus Deferral Account, Optional Bonus Deferral Account (including amounts transferred from the Executive Incentive Plan) and Other Deferrals Account."

8. Paragraph (a)(i) of Section 4.01 is hereby amended by adding at the end thereof immediately preceding the semi-colon the following:

   ", and in accordance with the Participant's election in the applicable Deferred Compensation Agreement, with respect to payment of a Participant's Other Deferrals Account attributable to Other Deferral Contributions made on the Participant's behalf and earnings thereon".

9. Paragraph (b) of Section 4.01 is hereby amended to read as follows in its entirety:

   "(b)(i) Notwithstanding the provisions of paragraph (a) above, a Participant who has not terminated employment with the Company and Affiliated Companies may make an irrevocable election at any time to accelerate payment of all of his or her Supplemental Salary Deferral Account, Mandatory Bonus Deferral Account, Optional Bonus Deferral Account and Other Deferrals Account to a date prior to the date such Accounts would otherwise have been payable pursuant to paragraph (a) above or paragraph (b)(iii) below. Such payment shall be made in a single lump sum, as soon as administratively practicable after such election, and shall equal the entire value of his or her Supplemental Salary Deferral Account, Mandatory Bonus Deferral Account, Optional Bonus Deferral Account and Other Deferrals Account as of the date of such distribution, reduced by the prime rate as published in the Wall Street Journal as of the date of distribution plus 100 basis points.

(ii) Except as provided in Section 4.02(c) or Section 4.03, payment of a Participant's Basic Salary Deferral Account and Company Contributions Account shall not be made before the Participant's termination of employment.

(iii) Notwithstanding the provisions of paragraph (a) above, a Participant who has not terminated employment with the Company and Affiliated Companies may make a new election to defer payment of his or her Supplemental Salary Deferral Account, Mandatory Bonus Deferral Account, Optional Bonus Deferral Account or Other Deferrals Account to a date later than the date any such Account would otherwise have been payable pursuant to an existing election; provided, that for any such new election to be effective, a full calendar year must pass between the calendar year in which the new election is made and the calendar year in which the payment under the election being changed was to have been made."

10. Effective January 1, 2001, Paragraph (c) of Section 4.01 is hereby amended to read as follows in its entirety:

"(c) Except as provided in Section 4.02(c) or Section 4.03, payment of a Participant's Accounts payable on account of the Participant's termination of employment with the Company and Affiliated Companies shall commence as follows:

(i) if payment of a Participant's Accounts is to be made in the form of a lump sum, such payment shall be made as soon as administratively practicable after the Participant's termination of employment with the Company and Affiliated Companies or after the first day of the month not later than the tenth calendar year following the Participant's termination of employment specified by the Participant in a form designated by the Plan Administrator for such purpose; or

(ii) if payment of a Participant's Accounts is to be made in the form of installments pursuant to the Participant's election in accordance with Section 4.02(b), such payments shall commence as soon as administratively practicable after the January 1 not later than the tenth January 1 following the Participant's termination of employment with the Company and Affiliated Companies specified by the Participant in a form designated for such purpose by the Plan Administrator."

11. Effective January 1, 2001, Section 4.02(b)(iii) is amended to read as follows in its entirety:

"(iii) If a Participant's total Accounts balance exceeds $25,000, a Participant may elect that payment of the Participant's Accounts payable on account of such Participant's termination of employment with the Company or an Affiliated Company, including Executive Incentive Plan transfers, be made in the form of annual cash installments for a period of years, not to exceed fifteen, in lieu of a single lump sum. A Participant may revoke such election, or may designate a different installment period, not to exceed fifteen years, by duly completing, executing and filing such election, revocation, or change of installment period with the Plan Administrator. Such election, or the revocation of such election, or the designation of a different installment period, shall be made by the Participant on a form designated by the Plan Administrator for such purpose; provided, however, for any such election, revocation or change of installment period to be effective, a full calendar year must pass between the calendar year during which the Participant duly makes such election, revocation or change of period and the calendar year in which the payment under the election being changed was to have been made. If a full calendar year does not pass between the calendar year in which the Participant makes the new election and the calendar year in which the payment under the initial election was to have been made because of the Participant's termination of employment as a result of a transaction initiated by the Company, such as a sale of corporate assets, the Participant's new election shall nevertheless be given effect.

(iv) During an installment payment period, the Participant's Accounts shall continue to be credited with earnings, gains and losses as provided in Section 3.02. The first installment shall be made as soon as administratively practicable following the January 1 coincident with or next following the Participant's termination of employment with the Company or an Affiliated Company. Subsequent installments, if any, shall be paid as soon as practicable following the beginning of the following calendar year and each subsequent year of the installment period. The amount of each installment shall equal the sum of the balance in the Participant's Accounts as of the Valuation Date coincident with or immediately preceding the date of such installment's distribution divided by the number of remaining installments (including the installment being determined)."

12. Paragraph (b) of Section 6.03 is hereby amended by inserting the words, "Other Deferral Contributions," after the words, "Optional Bonus Deferral Contributions,".

13. A new Section 6.11 is added to read as follows:

"ADOPTION BY AFFILIATED COMPANIES

(a) Any Affiliated Company may adopt this Plan with the consent of the Company. Upon the effective date of the Plan with respect to an Affiliated Company that adopts the Plan, such adopting Affiliated Company delegates all fiduciary and administrative responsibilities (including the appointment and removal of fiduciaries) under the Plan to the Company, the Chief Executive Officer of the Company and the Plan Administrator of the Plan.

(b) Any Affiliated Company that has adopted the Plan may withdraw its adoption of the Plan at any time without affecting other Participants in the Plan by delivering to the Plan Administrator a certified copy of resolutions of the board of directors of the Affiliated Company to that effect. The Company may, in its absolute discretion, terminate the participation in the Plan of any Affiliated Company at any time such Affiliated Company fails to discharge its obligations under the Plan.

(c) Any grantor trust established pursuant to Section 6.01(b) of the Plan may provide that separate sub-trusts shall be created to fund the benefits of the Participants of each Affiliated Company that has adopted the Plan, that assets held in a sub-trust with respect to the obligations of an Affiliated Company shall be available only to satisfy the liabilities of such Affiliated Company under the Plan and that any assets held in a sub-trust with respect to the obligations of an Affiliated Company under the Plan will be subject to the claims of only that Affiliated Company's general creditors under federal and state law in the event of such Affiliated Company's insolvency."

IN WITNESS WHEREOF, Consolidated Edison Company of New York, Inc. has caused this instrument to be executed by its duly authorized officer this 27th day of December, 2000.

By /s/ Richard P. Cowie

Richard P. Cowie
Vice President-Human Resources and Plan Administrator

Exhibit 12.1

CONSOLIDATED EDISON, INC.

RATIO OF EARNINGS TO FIXED CHARGES
TWELVE MONTHS ENDED
(Thousands of Dollars)

	MARCH 2001	DECEMBER 2000
EARNINGS		
Net Income for Common Stock	$ 573,815	$ 582,835
Preferred Dividends	13,593	13,593
Income Tax	315,899	307,168
Total Earnings Before Federal Income Tax	903,307	903,596
FIXED CHARGES*	445,542	431,217
Total Earnings Before Federal Income Tax and Fixed Charges	$1,348,849	$1,334,813

	MARCH 2001	DECEMBER 2000
* Fixed Charges		
Interest on Long-Term Debt	$ 367,415	$ 351,410
Amortization of Debt Discount, Premium and Expense	12,474	12,584
Interest on Component of Rentals	17,609	17,697
Other Interest	48,044	49,526
Total Fixed Charges	$ 445,542	$ 431,217
Ratio of Earnings to Fixed Charges	3.03	3.10

Exhibit 12.2

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

RATIO OF EARNINGS TO FIXED CHARGES
TWELVE MONTHS ENDED
(Thousands of Dollars)

	MARCH 2001	DECEMBER 2000
EARNINGS		
Net Income	$ 577,253	$ 583,715
Income Tax	298,179	289,926
Total Earnings Before Income Tax	875,432	873,641
FIXED CHARGES*	401,609	392,347
Total Earnings Before Income Tax and Fixed Charges	$1,277,041	$1,265,988

* Fixed Charges

	MARCH 2001	DECEMBER 2000
Interest on Long-Term Debt	$ 331,879	$ 318,842
Amortization of Debt Discount, Premium and Expense	12,474	12,584
Interest on Component of Rentals	17,609	17,697
Other Interest	39,648	43,224
Total Fixed Charges	$ 401,609	$ 392,347
Ratio of Earnings to Fixed Charges	3.18	3.23

Exhibit 12.3

ORANGE AND ROCKLAND UTILITIES, INC.

RATIO OF EARNINGS TO FIXED CHARGES
TWELVE MONTHS ENDED
(Thousands of Dollars)

	MARCH 2001
EARNINGS	
Net Income	$41,534
Federal Income & State Tax	27,632
Total Earnings Before Federal and State Income Tax	69,166
FIXED CHARGES*	26,750
Total Earnings Before Federal and State Income Tax and Fixed Charges	$95,916

* Fixed Charges

Interest on Long-Term Debt	$21,863
Interest Component on lease Payment	1,286
Other Interest	3,601
Total Fixed Charges	$26,750

Ratio of Earnings to Fixed Charges	3.59