





Energy
conservation
saves money
and is good for
the environment.



Con Edison volunteers helped to plant more than 5,000 trees for the New York Restoration Project, made possible by donations we make when customers sign up for e*bill.

Full report at conEdison.com



Executive Message

At the heart of everything we do are three critical interests: our stakeholders, the environment, and the long-term health of our company. Our sustainability strategy is grounded in a balanced consideration of all three interests.

Our stakeholders are not just our customers, but each of the nine million people living in our region, our 15,000 employees, and our shareholders. To meet the demands of our dynamic, densely populated service area, we are committed to providing efficient, clean, and sustainable energy. New rebates and incentives are helping customers invest in more energy-efficient heating, cooling, and lighting systems. To strengthen our communities and improve lives, we support more than 1,200 local nonprofit organizations and, in 2010, we achieved our best employee safety performance ever.

We are steadfast in our commitment to the environment. We work hard to reduce our greenhouse gas emissions: we've succeeded in shrinking our carbon footprint by 35 percent since 2005. In 2010, we broke ground on the largest solar farm in the Northeast and expanded our energy-efficiency services business, which now includes \$70 million in new public-sector projects across the nation. We have also been successful in recycling more than 90 percent of the nonhazardous waste we generated. The Carbon Disclosure Project named Con Edison the leader in the S&P 500 for managing climate-change issues.

We focus on the company's long-term health by preparing for and responding to changes in the energy industry, emerging environmental requirements, meeting the reliability needs of our customers, and managing our costs. Our competitive energy businesses are investing in renewable energy development. We receive international recognition for our sustainability efforts. As investment markets are paying more attention to corporate sustainability, our position on the Dow Jones Sustainability Index is attracting new investors.

Our energy-efficiency programs embody our sustainability efforts. The programs offer incentives and rebates to help customers invest in energy-saving upgrades to homes and businesses. Our customers benefit by saving energy and money, and the environment benefits from fewer power-plant emissions. We, in turn, are able to defer expensive infrastructure investments, which keep our expenses down for customers and shareholders.

This report overview describes our efforts to ensure our continued progress for decades to come, and details the many initiatives we've already undertaken to fulfill our commitment to a sustainable, greener future for our customers, our neighborhoods, and our company. We encourage you to read our complete online report at conEd.com/sustainability.

Kevin Burke

Chairman, President,
and Chief Executive Officer

Randolph Price

Vice President
Environment, Health and Safety



Embracing our Customers and Communities

Our company draws its strength from the communities we serve, from the millions of people who live and work in our service area, and from our 15,000 talented employees.

We're doing more to listen to our customers and meet their needs. Our customers asked for more clean-energy choices, and we delivered. Low- and no-cost energy audits identify ways to enhance heating, cooling, and lighting systems, while rebates and incentives encourage investment in equipment upgrades. We pay customers to turn in old, inefficient refrigerators and air conditioners, and then we see that they are properly recycled at no cost to the customer.

Our customers are also turning toward on-site generation of

clean and renewable energy, and connecting to our grid. More than 200 new solar projects were completed last year, doubling our customers' use of solar power in 2010.

And we're doing our part to give back through Con Edison's Power of Giving program. The company supports more than 1,200 nonprofit organizations that help strengthen neighborhoods, sustain communities, and improve lives. Our community partnerships support the arts, environmental stewardship, civic awareness, and educational initiatives in science, technology, engineering, and mathematics. Con Edison employees and retirees also volunteer their time and talent through company-supported events.

We are proud of our work with the New York Botanical Garden, The Public Theater, the Prospect Park Alliance, the Lower East Side Ecology

Center, the Westchester Green Business Challenge, and the Hackensack Riverkeeper Challenge in 2010. Through a partnership with the New York Restoration Project and NYC Parks, company volunteers helped plant more than 5,000 trees with money we donated as our customers switched to electronic billing.

The safety of our employees and the public is a top priority and, in 2010, we achieved the safest year in company history. Con Edison of New York ended the year with an OSHA Incidence Rate of 2.48, and Orange and Rockland Utilities achieved a rate of 4.09.

Our improvement can be attributed to a heightened focus on safety and a commitment to achieve best-in-class performance. We also kicked off our (Think)(Ask)(Plan) campaign to stress the importance of situational awareness in preventing accidents.

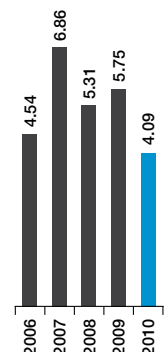


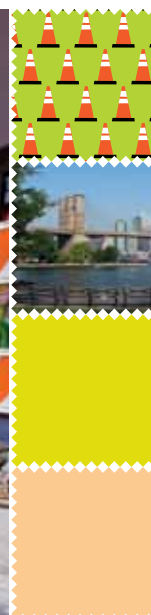
Our (Think)(Ask)(Plan) campaign helps keep our employees safe on the job.

**Con Edison of New York
OSHA Injury/Illness
Incidence Rate**



**O&R OSHA
Injury/Illness
Incidence Rate**





We upgraded infrastructure and installed 1,300 miles of underground cable in 2010 to keep systems reliable.

To educate the public about energy safety, we produce videos and brochures, and send mass e-mails about the dangers of downed power lines and gas leaks. We also mailed a gas "scratch and sniff" card to 3.3 million customers to remind them what gas smells like, and what to do if they smell gas.

Promoting and Modeling Green Behavior

Our company's vitality is directly linked to the health of our environment and the well-being of the people we serve.

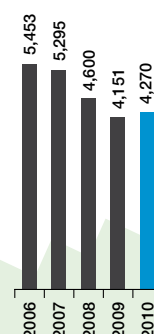
In addition to helping our customers bring cleaner and greener energy into their homes and businesses, we, too, have worked to reduce the impact our business has on the environment. Since 2005, Con Edison has lowered its carbon

footprint by 35 percent. Our footprint will continue to shrink as we move forward with plans to convert two steam-generation facilities from fuel oil to natural gas. This conversion will help to further reduce company emissions of greenhouse gases and other pollutants.

Sulfur hexafluoride (SF₆) is a potent greenhouse gas contained within elements of our electric system. By upgrading equipment in our substations, and improving leak detection and repair of SF₆-containing equipment, we've reduced our SF₆ emissions by 85 percent of 2005 levels. Also, over the last three years we have replaced more than 120 miles of old gas pipes with new high-density plastic pipes. Pipe replacement has not only improved our natural gas system, but has also reduced the emissions of methane, another greenhouse gas, from old and leaking equipment.

We recycled more than 90 percent of the nonhazardous waste material generated in 2010, including refurbished computer equipment the company donated for use in schools. We are also continually greening the interior of our own buildings, including a comprehensive energy-efficiency overhaul at

**Con Edison, Inc.
Total Greenhouse
Gas Emissions
(carbon dioxide equivalents,
thousands of tons)**





Our employees replaced more than 70 miles of gas mains in 2010.

our facility in Spring Valley, New York, and are reviewing the recommendations of an energy audit conducted at our Manhattan corporate headquarters.

We also take great care to preserve delicate ecosystems. In 2010, we used helicopters instead of trucks to remove utility poles from parks and wetland areas to limit the disruption of sensitive habitats and reduce operational costs. In Rockland County, we worked with state officials to protect the nesting area and habitat of the native timber rattler, a threatened species.

Our environmental efforts have been acknowledged by organizations across the globe including the Carbon Disclosure Project, the Dow Jones Sustainability Index, and *Newsweek* magazine.

A Sustainable Business

Con Edison prides itself on its long history of energizing our vibrant region. We will invest in new technology and continue to improve our systems to ensure our sustainability going forward.

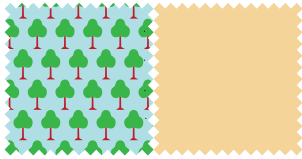
Our smart-grid investments will make our electric systems more flexible and resilient, and give customers tools to measure energy use. Smart grid will pave the way for integrating local generation of renewable energy sources into the electric grid, and charging electric vehicles.

In addition, our competitive-energy businesses have established themselves at the forefront of green business. Con Edison Solutions, a national leader in energy-efficiency services, expanded its reach in federal, state, and local government markets, with

\$70 million in new projects in 2010. At the same time, Solutions grew its green energy business by selling 25 percent more renewable energy, and completing seven new solar installations in Cape Cod, Massachusetts.

Con Edison Development transitioned its business to renewable-energy development, breaking ground in 2010 on what will be the largest solar farm in the Northeast. Located in southern New Jersey, the project will include more than 75,000 panels, and will supply 21 MW of green power. The completion of this project evolves Con Edison Development's power generation portfolio from fossil-fuel assets to 100-percent renewable power in three years.

We are proud of our environmental accomplishments and will remain steadfast in our commitment to a better future.



Financial Performance

2010 Highlights

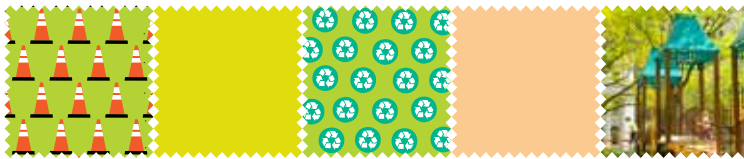
(in millions, except per-share information and statistical data)

	2010	2009
Operating revenues	\$13,325	\$13,032
Income from ongoing operations	\$981	\$849
Earnings per share from ongoing operations	\$3.45	\$3.09
Dividends per share	\$2.38	\$2.36
Dividend payout ratio	69%	76%
Average common shares outstanding	284.3	275.2
Total assets	\$36,146	\$33,844
Capital expenditures	\$2,029	\$2,194
Common equity ratio	50.4%	50.4%
Market capitalization	\$14,400	\$12,748
Stock price per share – year end	\$49.57	\$45.43
Return on equity	9.5%	8.9%
Total shareholder return	15.0%	24.0%
Dividend yield – year end	4.8%	5.2%



The Green Team campaign spreads the word about Con Edison's energy-efficiency programs.





Meeting Challenges

Addressing Clean-Energy Goals

We are committed to reducing our carbon emissions and conserving resources. We are working to reduce or displace 4.9 million tons of greenhouse gas emissions by 2020. Approximately half of this goal will be achieved through the energy our customers save from our efficiency rebates and incentives, providing cleaner fuels, and increasing consumption of carbon-free electricity. In addition, New York State has aggressive energy-efficiency and renewable-energy goals that would result in a 15-percent reduction in

electricity use, with 30 percent of the state's energy use coming from renewable sources by 2015. Con Edison supports the renewable-power goal, and is contributing to energy-efficiency goals. As New York's largest energy provider, our participation is critical to the state realizing those goals.

Cost Management

Driven by our desire to work more efficiently and provide reasonable rates to our customers, the company's focus on cost management seeks to get the most out of every dollar we spend. To this end, we will be enhancing our financial processes and systems to improve performance throughout the company.

Water Compliance

Managing our stormwater runoff and wastewater discharges from our facilities is one of our biggest challenges and, in 2010, the company entered into three consent orders for exceeding environmental standards. To address the challenges posed by an aged infrastructure and, at times, inadequate management of change, a comprehensive assessment of our wastewater discharges was completed. We are aggressively implementing those recommendations to strengthen our programs and to reduce similar risks throughout the company.

Our e-mail blasts gave our customers tips to help them save money and energy.

conEdison
the power of green

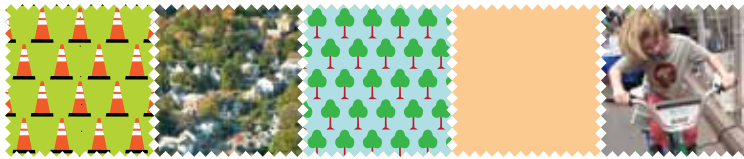
Survey to Save Energy

Jessica explains how our low cost audit can save you energy and money [»watch now](#)

- 1 Schedule an **in-home energy audit** and get instant energy-saving upgrades, for free [»click here](#)
- 2 Pocket up to **\$1,000** in **rebates** for heating and cooling upgrades [»click here](#)
- 3 Get a **\$30 rebate** for recycling your second refrigerator [»click here](#)

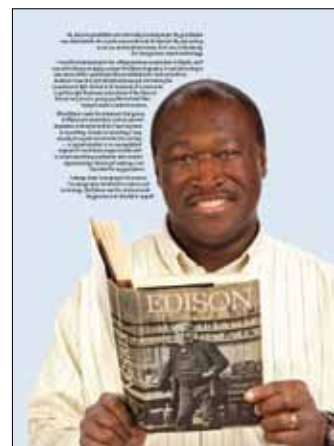
Act now and jump-start your energy savings

the power OF GREEN



2010 Recognition of Accomplishments

- Ranked first among all S&P 500 companies by the Carbon Disclosure Project in its Carbon Disclosure Leadership Index, as well as first among utilities in the new Carbon Performance Leadership Index.
- One of 12 utilities named to the Dow Jones Sustainability Index for North America for the second consecutive year.
- Ranked as the #2 utility in *Newsweek* magazine's green rankings.
- Winner of the 2010 Outstanding System-wide Reliability Award by PA Consulting Group.
- Received Honorable Mention in the EPA WasteWise Partner of the Year Award for recycling over 60,000 tons of materials in 2010.
- Named one of the 10 Best Companies Supporting the Arts in America by the Business Committee for the Arts.
- Listed at the top of *DiversityInc* magazine's ranking of utility companies for promoting and encouraging diversity.
- Earned perfect score on the Human Rights Campaign's Corporate Equality Index, which rates company practices and policies related to lesbian, gay, bisexual, and transgender employees.
- Received the LATINA Style 50 award as one of the 50 best U.S. companies for Latina employees.



Our annual *Diversity* report highlights the company's efforts and achievements in pursuit of diversity, inclusion, and equal employment opportunity.

Full report at conEdison.com



Company Profile

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

This overview report was prepared to reduce printing resources. The full 2010 *Sustainability Report* is available at conEdison.com and all other company websites listed below.

Con Edison Websites

Con Edison, Inc.	conEdison.com
Con Edison of New York	conEd.com
Orange & Rockland Utilities	oru.com
Con Edison Solutions	conEdsolutions.com
Con Edison Energy	conEdenergy.com
Con Edison Development	conEddev.com



Printed with soy inks on paper
containing 80% post-consumer waste



Con Edison volunteers joined NYC CoolRoofs to coat the roof of the Bedford-Stuyvesant YMCA.

© 2010 Steve Mack for the YMCA

Our customers more than doubled their use of solar power in 2010.

Full report at conEdison.com

