

# Striving for Excellence

Environment, Health and Safety Annual Report for 2006



conEdison, inc.

“Conducting our business in an environmentally sound manner is part of Con Edison’s corporate mission and values. We strive for environmental excellence and continue to build an EH&S culture that helps employees put that commitment to work every day.”

Kevin Burke  
Chairman, President, and Chief Executive Officer







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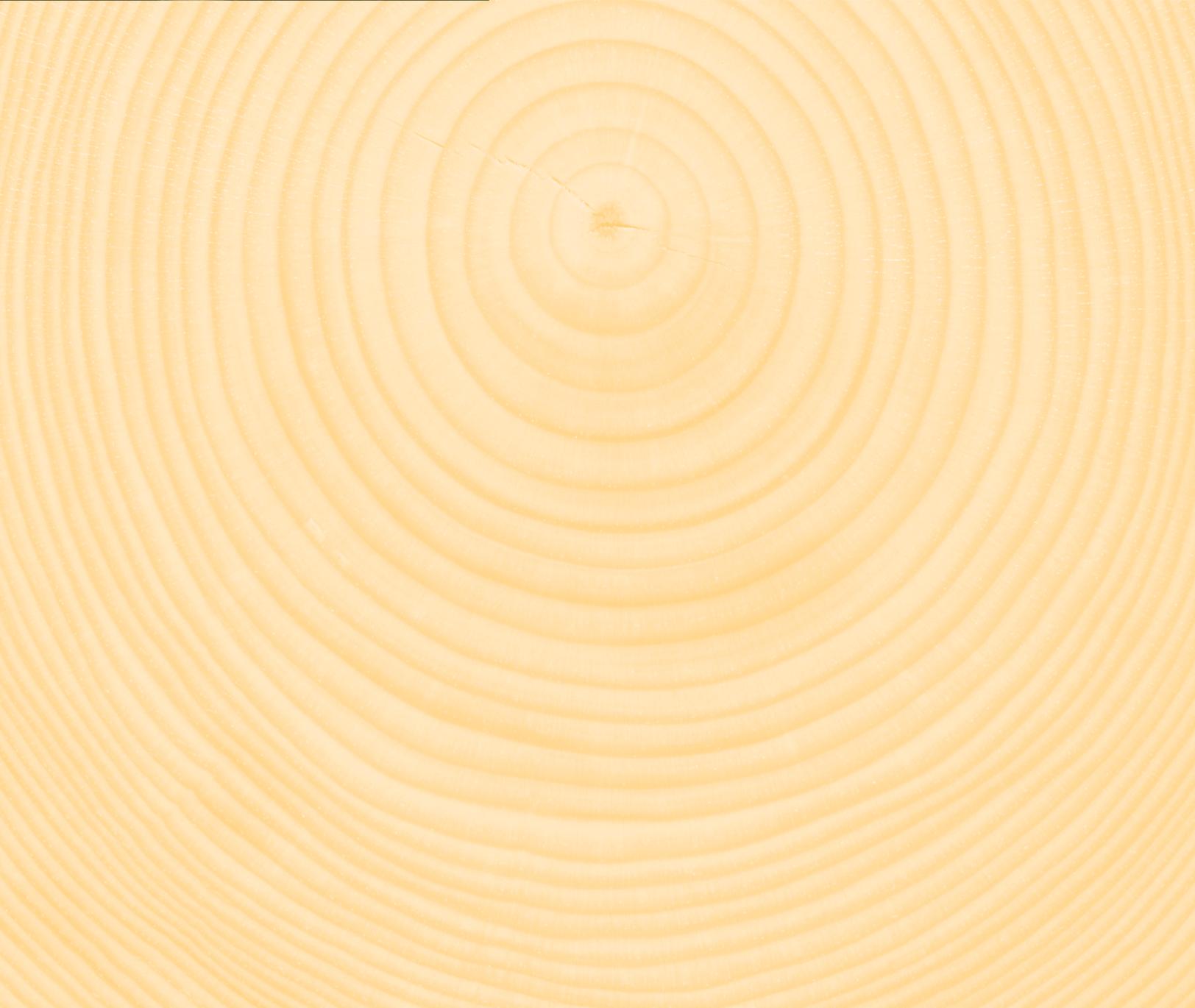
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## Introductory Letter

Consolidated Edison, Inc. provides a wide range of energy services through its regulated utilities, Consolidated Edison Company of New York, Inc., and Orange and Rockland Utilities, Inc and its competitive energy businesses. Reliable energy delivery is a vital component in sustaining economic prosperity in the nation's most important commercial hub, and some of its most densely populated residential areas.

This annual report addresses how Con Edison conducted business in 2006, in particular its commitment to environmental, health, and safety excellence. We also report on the company's continued and steadfast efforts to reduce greenhouse gas emissions to address concerns about climate change.

The principal sections of the report are aligned with the five key objectives that frame Con Edison's environmental, health, and safety initiatives. They are: improve safety performance; ensure EH&S compliance; enhance relationships with stakeholders; identify and reduce significant EH&S risk potential; and promote the wise and effective use of natural resources.

This annual report describes progress made, notes opportunities for improvement, and measures successes. The Global Reporting Initiative (GRI) guidelines, an internationally accepted blueprint for corporate responsibility reports, provided the basis for the content of this document.

We are proud to present our stakeholders with the company's 2006 accomplishments, which reflect our on-going commitment to protecting the environment and promoting safety.



Kevin Burke  
Chairman, President,  
and Chief Executive Officer



Randolph S. Price  
Vice President,  
Environment, Health and Safety



Con Edison employees are on the job around the clock to provide safe, reliable energy services.

## Con Edison's Corporate Environment, Health, and Safety Policy Statement

Consolidated Edison, Inc. is committed to striving for excellence in its environmental, health, and safety performance while complying with all laws and regulations that apply to company operations. Business and operational decisions throughout the company incorporate environmental, health, and safety aspects into the decision-making process. All employees are held accountable for knowing the corporate environmental, health, and safety requirements that apply to their assigned responsibilities, and for using the information in planning and completing their work.

In support of this policy, Consolidated Edison, Inc.:

- Maintains procedures and provides training to meet the corporation's environmental, health, and safety standards
- Openly communicates about environmental, health, and safety issues with employees, customers, and stakeholders
- Promotes effective environmental, health, and safety program management through auditing, monitoring, reviewing, and corrective action efforts
- Advances the identification, analysis, and management of environmental, health, and safety risks to foster prediction and prevention efforts
- Recognizes and encourages outstanding environmental, health, and safety performance
- Strives to reduce waste and prevent pollution through recycling and effective work-planning programs, and to promote strategies for energy conservation
- Maintains systems, procedures, and personnel to prevent incidents and, when necessary, respond to emergencies
- Promotes research to develop new and better technologies for environmental, health, and safety management
- Establishes metrics to track progress and identify opportunities for improvement

## **A Profile of Con Edison**

### **Consolidated Edison, Inc.**

Consolidated Edison, Inc. [NYSE: ED], is one of the nation's largest investor-owned energy companies, with approximately \$12 billion in annual revenues and \$27 billion in assets. The company provides a wide range of energy-related products and services to its customers through its 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 and adjacent sections of northern New Jersey and northeastern Pennsylvania; Con Edison Solutions, a retail energy services company; Con Edison Energy, a wholesale energy supply company; and Con Edison Development, a company that owns and operates generating plants and participates in other infrastructure projects. For more information, visit the Consolidated Edison, Inc. Web site at [www.conEdison.com](http://www.conEdison.com).

## **Regulated Utilities**

### **Consolidated Edison Company of New York, Inc. (CECONY)**

Consolidated Edison Company of New York, Inc. delivers energy to the five boroughs of New York City and a large part of Westchester County. It operates one of the most complex electric power systems in the world, with extensive transmission and distribution facilities throughout its service territory. The company also supplies natural gas to more than one million New Yorkers. It operates the largest steam district system in the world serving customers in Manhattan from 96th Street south to Battery Park. For more information about Consolidated Edison Company of New York, Inc., visit [www.conEd.com](http://www.conEd.com).

### **Orange and Rockland Utilities, Inc. (O&R)**

Orange and Rockland Utilities, Inc. is an electric and gas utility headquartered in Pearl River, New York. O&R and its two utility subsidiaries, Rockland Electric Company and Pike County Light & Power Co., serve a population of more than 700,000 in seven counties in New York, northern New Jersey, and northeastern Pennsylvania. For more information about O&R, visit [www.oru.com](http://www.oru.com).

## **Competitive Energy Businesses**

### **Consolidated Edison Solutions, Inc. (CES)**

Con Edison Solutions, Inc. provides a wide range of energy procurement and management services to companies, helping customers to successfully navigate the new competitive energy landscape. The company supplies attractively-priced electricity and services to residential and small business customers. Con Edison Solutions also provides customers with several Green Power options, including electricity supplied from 100 percent wind power. For more information about Con Edison Solutions, visit [www.conedsolutions.com](http://www.conedsolutions.com).



The shrubland areas below Con Edison transmission lines make an excellent habitat for migrating birds and other species.

### **Consolidated Edison Energy, Inc. (CEE)**

Con Edison Energy, Inc. sources energy and capacity for Con Edison Solutions and others, and markets the output of plants owned or operated by Con Edison Development. The company also provides risk management services to Con Edison Solutions, Con Edison Development, and others. For more information about Con Edison Energy, visit [www.conedenergy.com](http://www.conedenergy.com).

### **Consolidated Edison Development, Inc. (CED)**

Con Edison Development, Inc. is an independent power producer that develops, builds, and operates electric generation plants primarily in the Northeast and Mid-Atlantic states. It provides wholesale energy to be marketed by Con Edison Energy, Inc. in regional wholesale markets and supports the energy requirements of Con Edison Solutions, Inc. Con Edison Development oversees a portfolio of approximately 1,700 megawatts of natural gas, oil, and hydro projects focused on assets located in the NEPOOL, NYPP, and PJM power pools. For more information about Con Edison Development, visit [www.conedison.com/coned-development.htm](http://www.conedison.com/coned-development.htm).

## Executive Summary

Energy is vital to the New York metropolitan area, which is the financial, corporate, and communications capital of the United States, as well as a leading world destination for tourism. Con Edison of New York provides electric, gas, and steam service to 660-square-miles of New York City and Westchester County, an area with a population of more than nine million. We make significant investments in our infrastructure to maintain our strong reliability record and build for future energy demand. During 2006, CECONY maintained its ISO14001 Certification through third-party validation of its Environmental Management System. Company-wide water discharge permit exceedances amounted to two for the year, and according to Environmental Protection Agency (EPA) criteria, this performance is considered outstanding. CECONY was in 100 percent compliance with nitrogen oxides (NOx) emission limits and continues to make progress in curbing greenhouse gas emissions.

CECONY improved its safety and health performance in 2006. The company's OSHA illness/injury rate was the lowest ever, indicating progress toward the ultimate goal of an injury-free workplace. In a joint company — union effort, CECONY benchmarked its safety program with other utilities and contracted with an independent consulting firm for a third-party assessment of its Safety Management System. CECONY also strengthened public safety programs. Mitigation programs, including underground inspections, installation of vented manhole covers, stray-voltage testing, and gas-in-oil testing of

The new CECONY Mott Haven substation is part of ongoing system enhancements to meet growing energy demand.





CECONY's electrical delivery system includes more than 36,000 miles of overhead lines.

transformers, continue to mature. At O&R there has been a consistent trend to improved safety performance over the past three years.

Con Edison is focused on continuing to improve environmental, health, and safety performance while delivering energy reliably to a region where consumption is expected to grow. To meet these challenges, Con Edison will continue to invest for growth while ensuring that business planning fully integrates environmental, health, safety, and community considerations.

In August of 2006, CECONY set a record for peak electricity demand, reaching 13,141 megawatts. In CECONY's service area, overall electric consumption has increased by approximately 20 percent over the past ten years. O&R also set a record for peak demand in the same month, reaching 1,617 megawatts.

In 2006, CECONY was named most reliable electric utility for the northeast region of the United States by PA Consulting Group, an international consultant that presents its signature "Reliability One" awards annually to electric utilities. J.D. Power also ranked Con Edison's gas service as highest in customer satisfaction in the eastern United States, by comparison with a group of 37 of the largest gas-utility providers.

Con Edison will invest approximately \$6 billion in its electric, gas, and steam systems over the next three years. This level of investment is necessary to enable the company to keep pace with the economic growth of the region while maintaining CECONY's unparalleled level of reliability.

CECONY completed three new substations in 2004, opened two new substations in 2005, and has five under construction. By 2015, the company plans to add about a dozen new substations. It is also constructing a new transmission line from Yonkers to Manhattan, that will allow the company to bring 350 megawatts of electricity to upper Manhattan and parts of the Bronx, and southern Westchester. This is CECONY's most substantial infrastructure expansion in thirty years. In addition to major construction projects, the company is spending more than \$1 billion a year maintaining and upgrading its energy delivery systems.

In 2006, CECONY invested over \$185 million in its gas system, and will invest nearly three-quarters of a billion dollars over the next three years. During 2006, the company began the construction of a number of new projects that will reinforce the transmission system and enhance its ability to deliver gas to new power generating stations being built in the region. To prepare for winter 2006-2007, the company installed more than 30,000 feet of gas system reinforcements and supply-main replacements. In 2006, CECONY installed 3,000 new gas services and 42,000 feet of gas mains.

CECONY's steam system, the largest in the world, helps supply the energy its customers need while providing significant environmental benefits. The

625,000 tons of steam air conditioning produced each summer offsets 375 megawatts on the electric system — the amount of electricity produced by a medium-sized power plant. By implementing control technologies at existing steam generating facilities and making significant modifications to its East River complex, CECONY reduced system-wide nitrogen oxide emission rates by about half over the last four years.

O&R is also fortifying its infrastructure to accommodate increasing demand for energy in its territory. The company initiated a \$10.5 million project that will expand electric system capacity in its eastern Bergen County service territory by completely rebuilding one area substation, refurbishing a second substation and upgrading the existing high voltage feeders that run between the two.

A new and innovative Smart Grid project is in the planning stage for an O&R substation in the Borough of Ramsey. The Smart Grid pilot project would be implemented over a three-year period at a total cost of approximately \$5 million. This advanced system would be capable of providing a premium level of electric service reliability by restoring customers' electric service automatically when disturbances occur and minimizing the extent of outages through expanded distribution automation.

O&R's Recycling/Investment Recovery Program is an award-winning partnership that employs workers from Rockland ARC (formerly known as the Association for Retarded Citizens) to break down retired O&R equipment into component parts for re-sale. The Rockland ARC workers separate waste paper, bale used cardboard, and dismantle and sort old cable, streetlights, reflectors, and meters. These parts are then sold to recyclers.

Since its inception in 1992, the program has saved tens of thousands of yards of landfill space by not abandoning recyclable goods to the waste stream. The program's successful environmental efforts have been frequently recognized with the Certificate of Environmental Achievement from "Renew America," a national environmental enhancement organization.

In 2006, The National Arbor Day Foundation once again named Orange and Rockland a "Tree Line USA Utility" in recognition of its "national leadership in caring for trees while meeting service objectives."

CECONY and O&R together represent more than 90 percent of Consolidated Edison Inc.'s business, so this report to stakeholders concentrates chiefly on CECONY's performance.



CECONY'S gas system supplies homes and businesses in Manhattan, the Bronx, parts of Queens, and most of Westchester County through more than 4,000 miles of mains.



## The Safety Management System

The cornerstone of Con Edison's health and safety program continues to be its comprehensive Safety Management System, or SMS. The SMS comprises not only policies and procedures, but frames the structure of committees and working groups, training programs and tools, communications methods, and performance monitoring. The influence of Con Edison's SMS extends to company employees and contractors.

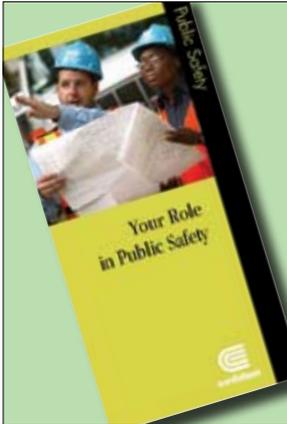
The SMS is made up of 13 major categories, each explicitly addressing a different aspect of working safely.

- Standards
- Procedures
- Communications
- Training
- Performance Monitoring
- Risk Management
- Auditing
- Performance Improvement
- Rewards and Discipline
- Reporting Without Retaliation
- System Oversight
- Emergency Preparedness and Response
- Job Site Protection

### Independent Assessment of CECONY's Safety Program

In 2006, CECONY contracted an internationally recognized risk-assessment firm, Det Norske Veritas U.S.A., Inc. (DNV) to evaluate its Safety Management System and its overall safety program. Data for the assessment was gathered over six months, and DNV auditors had access to all operating groups within the company. During the audit, DNV spoke with more than 600 individuals, including managers, front-line supervisors, union employees, and independent contractors.

DNV concluded that CECONY's approach to safety management could be classified as "very good," as compared with more than 1,800 other DNV audits over 15 years. The company's performance placed it within the top 30 percent of companies surveyed. DNV found the company had the fundamentals of good safety management systems in place. DNV commented favorably on our SMS, procedures, commitment to continuous improvement, the structure of our safety organization, and our ongoing practice of conducting audits and reviews. DNV made a number of recommendations for improvement. The audit findings will be used to develop CECONY's multi-year safety performance improvement strategy to further enhance its Safety Management System.



All CECONY employees have received the company's public safety brochure and training on public safety initiatives.

### Joint Efforts to Strengthen the Safety Culture

During 2006, safety administrators from all CECONY operating divisions exchanged safety information and shared best practices at monthly meetings. This forum encouraged open discussion of safety topics that affect the groups represented, and the company as a whole, and allowed for the identification of trends. Participants then communicate relevant information to all operating groups. These meetings help direct and implement safety action plans throughout the company.

CECONY remains committed to continually improving safety performance. Important safety communications are delivered to employees throughout the company through our "The Way We Work Is Safely" campaign. Professional development, reinforced safety ownership within line organizations, business-specific program improvements, and enhanced analysis of accident and incident trends contribute to improved safety performance and make progress toward the goal of an injury-free workplace.

CECONY held its sixth annual safety conference in October of 2006. More than 300 union and management employees participated in the event, themed "Our workplace: Making it injury-free." The conference helped employees internalize a commitment to safety. Presentations also focused on how a multi-generational workforce can affect safety on the job.

### Public Safety

CECONY considers public safety from the earliest stages of design for electric, gas, and steam systems. As the company plans and builds new substations and modernizes and upgrades equipment, it carefully tests and checks the work to protect public safety.

Formal inspections, testing, and maintenance of the electric, gas, and steam transmission and distribution infrastructure are conducted to ensure safe and reliable service. Operating groups follow detailed procedures and specifications in carrying out their responsibilities. When field work is performed, extensive requirements for work-area protection are implemented to make certain that employees and the public are protected from potential hazards.

The company regularly communicates useful safety information to customers in its bill insert, *Customer News*. This newsletter offers seasonal safety tips. In addition, the *Customer Central* feature of the company's Web site provides safety information about residential electric and gas use, as well as safety messages about carbon monoxide, and generator safety.

CECONY consistently communicates with all employees to emphasize the public safety aspects of company infrastructure management, design, maintenance, and operations. Employees are on alert around the clock, keeping their eyes out for safety hazards, including emergencies unrelated to our operations.



CECONY conducts an annual safety conference for union and management employees to work together to achieve an injury-free workplace.

Sensitive vehicle-mounted detectors help carry out an ongoing program to check for stray voltage.

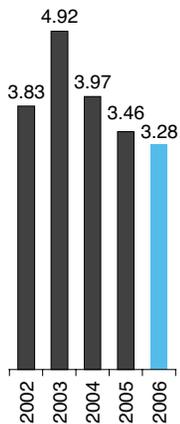


An extensive stray-voltage testing program is in place for checking electrical transmission and distribution facilities. Stray voltage can be caused by compromised cable insulation, cable arcing, discontinuity in cable systems, road-salt runoff in cold weather months, and other factors. To mitigate stray voltage, the company has stringent specifications for both materials and operating procedures, and system design. In addition, there is a comprehensive regimen of inspection, repair, and maintenance protocols to reduce the risk of stray voltage.

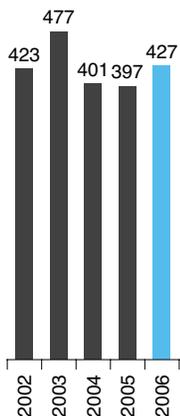
To measure the effectiveness of efforts to minimize stray voltage, CECONY administers an annual cycle of testing thousands of miles of cable, more than 250,000 manholes and service boxes, and 34,000 underground transformers. The overhead electrical system is tested as well. We also test municipal lampposts throughout the service territory. The full cycle of stray voltage testing was successfully completed during 2006.

O&R conducts comparable stray voltage testing, on approximately 136,000 poles used to distribute electricity and more than 16,000 underground facilities. O&R also tests for stray voltage at more than 1,600 street lights and traffic signals, 400 of which are owned by O&R.

**CECONY OSHA Injury/  
Illness Incidence Rate**



**CECONY Recordable  
Injuries\***



\* Recordable injuries are those where medical attention beyond first aid is required.

**Safety and Health Performance for 2006**

**2006 Safety Performance Gains**

The Occupational Health and Safety Administration (OSHA) Injury/Illness Incidence Rate is a federally standardized measure for quantifying work-related injuries and illnesses. During 2006, the CECONY 3.28 rate was the company's lowest ever, surpassing the previous best, which occurred in 2005. While the number of recordable injuries was higher for 2006 than 2005, the number of employees and employee-hours worked during 2006 was substantially greater than 2005. At O&R, 2006 represents the third year of steadily improving safety performance, and the best result over the past five years.

Tragically, there was one CECONY fatality during the year. This took place when an automobile driven by a member of the public crashed through work-area protection barriers at a job site. The employee was struck by the vehicle and later died of injuries. Although a subsequent investigation confirmed that the work area was properly set up, news of the event was communicated to CECONY employees to emphasize the importance of job-site protection and reinforce awareness of the hazards of working on the street.

According to safety data provided by the Edison Electric Institute, CECONY's safety performance during 2006 places the company at the better end of the middle range when set against other comparable domestic utility companies. CECONY is set on a long-term structured campaign of continuing to strengthen its safety culture and better its safety performance. Elements of this effort are described next.

Employees work using proper personal protection equipment (PPE) like fire-retardant clothing to defend against potential injury.



**Comprehensive Training Devoted to Working Safety** — CECONY and O&R provide health and safety training to employees in a number of ways. CECONY instructors train employees on safety procedures, as well as safe methods for conducting operations activities. Much of this training takes place at a company facility, The Learning Center, which offers sophisticated teaching laboratories to facilitate task-related safety training such as splicing, meter repair, pole climbing, and other work.

Every year, employees receive eight hours of OSHA Millennium training. All CECONY and O&R employees receive Hazard Communication Program (HAZCOM) training as well as training on the Time Out program which empowers individuals to stop work if environmental, health, or safety concerns are unresolved.

Training coordinators work with management to determine exactly which training courses each employee should have. To facilitate employee training, selected courses – especially certain annual refresher training courses – are offered through CECONY’s intranet Web site.

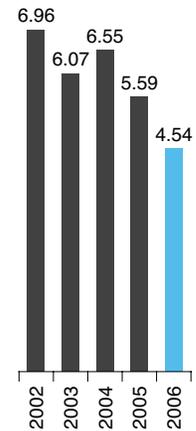
At O&R, the Environmental Health, Safety and Compliance group provides safety training concerning regulatory standards, in cooperation with local management. The Safety and Compliance group also coordinates safety seminars for public organizations, police academies, fire departments and rescue teams on safe practices when responding to emergencies at electric and gas facilities.

CECONY uses many contractors to support field operations throughout the service territory. To help maintain EH&S compliance, the company provides contractors with training in health and safety planning, and holds them responsible for observing environmental, health and safety requirements. For most work, contractors must prepare project-specific or task-specific environmental, health and safety plans (eHASPs), which are reviewed by EH&S professionals. CECONY contract administrators and inspectors monitor contractors during the course of the work, and environmental, health and safety factors are an important part of these evaluations. A poor evaluation could preclude the contractor from future business with the company. Likewise, contractors who work for O&R are held to the same safety standards. In 2006, O&R’s EH&S sponsored awareness and training programs for its contractors. The sessions covered specific requirements for eHASP development and regulatory compliance.

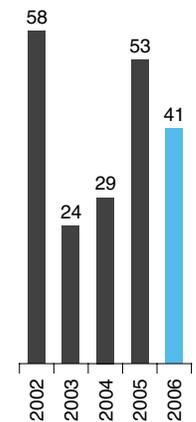
**Corporate Safety Procedures and General Safety Instructions** —

At CECONY, applicable regulations and industry standards are determined and interpreted by the corporate EH&S and Law departments. These standards are the basis for our Corporate Safety Procedures (CSPs). In addition, documents called General Safety Instructions (GSIs) are developed

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



**O&R Recordable Injuries\***



\* Recordable injuries are those where medical attention beyond first aid is required.



In addition to formal classroom instruction, employees also receive on-the-job training.

for operating personnel. The GSIs outline specific safety information regarding job performance in the field in compliance with CSPs and applicable regulations.

O&R also maintains comprehensive health and safety programs and procedures. The Environmental Health, Safety and Training Division is responsible for the Employee Safety Manual and Safety Guidelines for all O&R employees.

**The Time Out Program** — CECONY and O&R provide all employees with the resources they need to exercise personal initiative in managing contingencies on the spot. Every CECONY and O&R employee is encouraged to discuss concerns with a supervisor if environmental, health, or safety issues arise. If necessary, a “Time Out” can be called to stop the job. Work does not resume until a subject-matter expert assesses the situation and confirms that proper procedures are followed. Every employee is made aware of the Time Out program provisions. Top management regularly encourages employees to utilize the program when appropriate. This way, every individual can accept responsibility for getting work done without risks to themselves, fellow workers, or the public.

**The Close Call Program** — Sometimes an incident may very nearly cause personal injury. The employees involved, or those who witnessed the event, know what happened, and they also generally know why. In the past, employees were hesitant to talk about the event out of fear they would be blamed for what went wrong. This silence deprived others of the safety lessons that could be learned. To address this, union and management collaborated to create CECONY’s Close Call program. This open communication lets employees pinpoint what went wrong, minimizes the chance of a repeat occurrence, and help others by sharing their experience. During 2006, CECONY employees reported 498 close calls.

O&R has a similar program called the No Injury/No Incident report that documents and tracks close calls. EH&S tracks these reports and ensures the issues raised are resolved and communicated to employees.

**Open Communication** — The very best safety program is only effective when it is backed by a common purpose, respect for teamwork, and a free exchange of ideas. Con Edison's culture encourages frank and unobstructed dialogue and gives employees access to a wealth of environmental, health, and safety information. The EH&S intranet InfoLine features a *Who We Are* page that describes corporate EH&S and offers contact information. This content-rich site has all Corporate Safety Procedures, General Safety Instructions, monthly updates of environmental, health, and safety performance, a reporting mechanism for close calls, and much more. *The Excellence Files*, an award-winning monthly video magazine that highlights safety and environmental stories from the field, presents topical segments about EH&S developments, and provides employees with performance updates of selected metrics.



Employees are given extensive training to keep them safe while working on complex energy-delivery systems.



## Corporate Commitment

CECONY and O&R maintain strong environmental, health and safety programs to implement Con Edison's policy. Con Edison Solutions, Con Edison Development, and Con Edison Energy all maintain programs commensurate with their size and aspects, and are also subject to Con Edison's EH&S policy.

Con Edison's EH&S policy, as well as related programs and procedures, are periodically reviewed and updated to reflect corporate values and provide high-quality, easy-to-use information. An Environment & Safety Committee, consisting of CECONY's president, its general counsel, the senior officers of major departments, and outside environmental consultants, establishes and reviews the corporate EH&S policy. This committee meets monthly and is chaired by CECONY's corporate EH&S vice president, who reports, in this capacity, to Con Edison's chief executive officer.

At O&R, EH&S programs, procedures, and performance are reviewed and updated by members of the company's Corporate Environmental Health and Safety Committee. This committee, chaired by the department director, meets three times a year. Other members include the company president, vice presidents, and senior management. In addition, the EH&S staff periodically review EH&S procedures to confirm they reflect changing standards, technology, and emerging concerns. In addition, O&R has a Corporate Safety Committee (CSC) chaired by the president and includes senior managers and union representatives. The committee meets bi-monthly to review safety performance metrics and programs.

### Maintaining Accountability for EH&S Performance

Con Edison has an Environmental Quality Review Board (EQRB), comprising two outside environmental attorneys as well as a retired Sloan Business School professor whose specialty is organizational dynamics. The EQRB reports directly to the CEO, advises the EH&S Committee of our Board of Directors, and also participates on Con Edison's Environment and Safety Committee.

The CECONY corporate vice president of EH&S is responsible for developing CECONY's EH&S programs to ensure compliance and work toward EH&S excellence. In addition, corporate EH&S supports operating departments in maintaining day-to-day compliance with applicable standards. The corporate EH&S vice president reports directly to CECONY's president and chief operating officer.



Environmental, health, and safety considerations are an integral part of planning and performing every job.

CECONY’s corporate EH&S vice president also heads an EH&S Leadership Team that consists of EH&S managers from operating groups, as well as representatives from corporate departments. This team develops key objectives, and strategic and annual goals to achieve EH&S excellence. The corporate EH&S vice president and appropriate EH&S leaders regularly meet with executive leadership to discuss major EH&S projects and performance issues.

O&R’s EH&S program is implemented by the Environmental, Health, and Safety department. At O&R, EH&S compliance and operational decisions are centralized. The EH&S department has direct responsibility for managing programs and procedures so that operations comply with all regulations. At times O&R consults with CECONY on EH&S issues.

Con Edison Development has established comprehensive environmental programs for each of its operating facilities. Where CED facilities are joint ventures, the other company is responsible for operation. Formal environmental management systems exist for the facilities under Con Edison Development’s operational control.

## A Dynamic Management Framework

CECONY’s Environmental Management System (EMS) frames the process for developing, implementing, and documenting the company environmental mission.

The EMS specifies how we maintain procedures and train employees. The EMS defines the auditing, monitoring, and review processes that drive continuing gains in performance. It is a blueprint for advancing the identification, analysis, and management of environmental aspects to facilitate planning and improvement efforts. The EMS optimizes management of natural resources through improved waste management, recycling, and energy conservation.

The company has been refining its EMS on a continuing basis. Ongoing situation analysis and improvements are achieved through departmental self-assessments, along with formal EH&S audits. Building and applying the EMS is everyone’s responsibility. There are more than 300 employees throughout the company assigned full time to environment, health, and safety.



### Dynamics of an Environmental Management System

The CECONY environmental management system provides the framework for planning, organizing, implementing, and monitoring our environmental program.

CECONY received corporate-wide certification for the EMS under the ISO 14001 Standard from the International Organization for Standardization in 2001, and was recertified in 2006. Ongoing assessments by independent auditors confirm that Con Edison has comprehensive environmental management protocols in place, and that they are being properly implemented and continuously improved.

The company instituted a Validation and Improvement Process (VIP) to conduct a structured series of organizational self-assessments and evaluations of EMS element implementation. Participants in the process include EH&S managers, line managers, supervisors, and field employees. The most recent VIP survey was carried out in 2005. The findings of these self-assessments are used to develop specific enhancements for planning, methods, and procedures that improve the EMS. As a result, the EMS remains dynamic, and serves as the foundation for our commitment to excellence in environmental stewardship.

## Performance Indicators

In this section, a selection of indicators in certain key environmental areas during 2006 is coupled with data from recent years, for a snapshot of five-year trends in CECONY's performance. When applicable, data is also provided to chart the performance of O&R as well as CED.

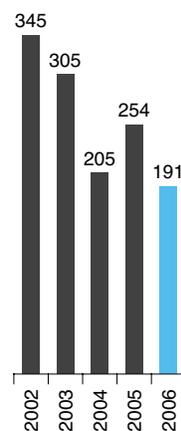
### CECONY New York City DEP-Regulated Opacity Exceedances

The New York City Department of Environmental Protection (NYCDEP) has requirements for reporting opacity (or smoke) events at facilities with boilers and other combustion equipment. During 2006, CECONY experienced 191 opacity exceedances.

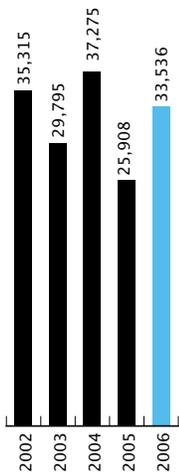
In 2006, the company continued its operation of five steam generating plants, some of which provide limited electrical output, to supply its district steam system. To keep a close watch on opacity, CECONY maintains a Continuous Emission Monitoring System (CEMS) on plant stacks, which provides plant operators with real-time analysis of stack emissions. Quarterly reports on opacity events are given to the New York State Department of Environmental Conservation (NYSDEC).

As part of the company's opacity reduction effort, all incidents are documented in the Environmental Management Information System (EMIS). Incidents are singled out for review and discussion by operations, technical, maintenance, and station managers. Opacity events are investigated in detail to determine root causes and develop corrective measures. Since equipment problems are the most common cause of opacity incidents, CECONY conducts a regular cycle of preventive maintenance.

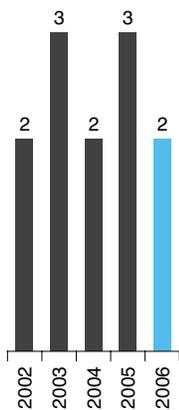
**CECONY New York City DEP - Regulated Opacity Exceedances**



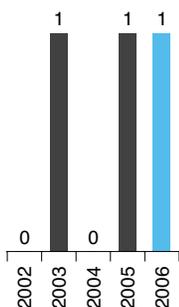
### CECONY Toxic Release Inventory (lbs.)



### CECONY SPDES Exceedances



### CED SPDES Exceedances



### CECONY Toxic Release Inventory

The Toxic Release Inventory (TRI) is a regulatory program administered by the United States Environmental Protection Agency (USEPA). Toxic chemical release inventory data are reported to the USEPA annually for specifically listed substances that are manufactured, processed, or otherwise related to a facility's operation.

Beginning in 1998, utilities became subject to federal requirements for TRI reporting. The substances covered by these reporting requirements are generally associated with the combustion of fuel, so weather can influence the totals. These reports are due on July 1 of each year for the previous year. The data presented here shows the amounts CECONY reported in the interval from 2001 through 2005. In accordance with USEPA requirements, quantities for the year 2006 will be reported on July 1, 2007. The increase in TRI for 2005 is the result of ammonia injected into the flue gas at CECONY's East River station to lower NOx emissions.

### SPDES Exceedances

In accordance with the federal Clean Water Act and State Environmental Conservation Law, New York State issues permits to facilities that discharge waste water or storm water to rivers or other bodies of water, including groundwater. These State Pollutant Discharge Elimination System (SPDES) permits specify discharge limitations and require routine monitoring of discharges to confirm compliance. Depending on the permit and the nature of the facility covered by the permit, levels are established for suspended solids, oil content of the water, discharge temperature, pH levels for acidity or alkalinity, levels of chemical substances contained, and other parameters. Monitoring results are then reported on a monthly or quarterly basis, as required, to the NYSDEC.

During 2006, CECONY experienced two wastewater discharge permit exceedances from the 2,624 samples taken. At CED there was one exceedance from the 600 samples taken. Although only three of the samples failed to meet permit discharge limits, we continue to strive for zero. We conduct thorough root-cause analysis of any discharges that exceed permit limits. Steps to improve performance include administrative changes to enhance operational efficiency, upgrades to maintenance practices, and investment in new engineering controls.

### CECONY Dielectric Fluid Released to the Environment

Dielectric fluid is a non-conductive oil, similar to mineral oil, used in pipe casings that enclose a majority of electrical transmission feeder cables. The oil transfers heat away from the conductors and insulates and protects them against arcing. Overall, CECONY's pipe-type feeder system consists of more than 600 miles of conductors and contains approximately 8,700,000 gallons of dielectric fluid.

In 2006, dielectric fluid releases resulted from a total of 23 events. More than half of the fluid volume released was due to a water-main break and damage caused by third-party contractors. To help curtail dielectric fluid releases, detection and warning installations such as on-line monitoring systems can provide alerts of fluid loss of as little as one gallon an hour.

In addition, the company uses an advanced detection methodology to help minimize the amount of fluid releases. A small quantity of tracer compound is added as a marker to the dielectric fluid in the casing of pipe-type feeders. If a potential leak is suspected along the feeder, highly-sensitive sampling and monitoring equipment is mounted in laboratory vans that drive along the feeders. This equipment can detect minute quantities of the tracer compound from air samples drawn at ground level. If elevated levels are detected, technicians can quickly pinpoint the location of the leak and make prompt repairs.

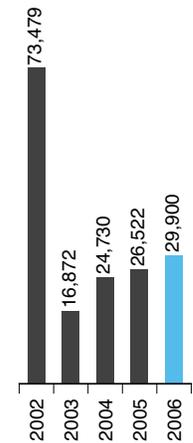
The company also conducts engineering analyses to identify potential trouble spots, which has proven valuable in correctly predicting the feeders most likely to release fluid. The company excavates these pipe-type feeders, removes the old coating, repairs piping as necessary, and restores their coating.

CECONY's Cable and Splice Center for Excellence is the company's cable research facility. The center has an ongoing program to evaluate new conductor designs. As a result of this work, it was determined that solid dielectric cables containing no oil can function safely and reliably in many applications. Pipe-type feeders are being replaced with solid dielectric conductors where appropriate.

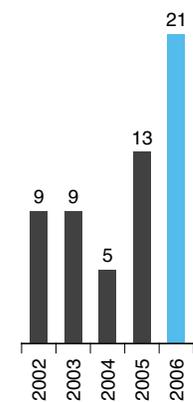
### Chemical Releases Above Reportable Quantities

During 2006, there were 21 CECONY chemical releases exceeding federally established reportable quantities. Fifteen were releases of antifreeze, five were refrigerant, and one was fire suppression foam containing ethylene glycol. O&R and CED had no chemical releases above reportable quantities during 2006. The company has taken steps to reduce the likelihood of equipment failures that can result in chemical releases and to improve operator performance. Furthermore, root-cause analysis is used to investigate causative factors in releases and identify safer handling methods and procedures.

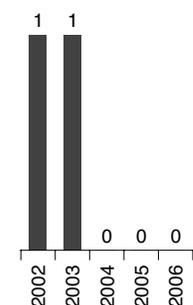
### CECONY Dielectric Fluid Release to the Environment (gal.)



### CECONY Chemical Releases Above Reportable Quantities



### O&R Chemical Releases Above Reportable Quantities







## Striving for Excellence Enhancing Relationships with Stakeholders

As the operator of an extensive energy-distribution infrastructure in one of the world's most densely populated corridors, Con Edison has an extended group of stakeholders that includes customers, employees, the public, shareholders, and communities where we do business. The company actively engages with its stakeholders to keep them informed, exchange information, find common ground on issues of mutual concern, and partner in the cultural and civic vitality of the region.

### **Our Customers**

Providing safe and reliable energy service is the most important thing Con Edison does for its customers. A New York City Department of Planning report published in December 2006 estimated that the city's population will experience significant growth by 2030. In addition to population growth, power use is rising because customers are using more computers, printers, scanners, cell phones, and other equipment for personal or business use. The company's infrastructure investments and improvements reflect Con Edison's commitment to continue providing the most reliable electric delivery system in the country.

In addition to delivering electricity, the CECONY distributes natural gas to more than a million customers in Manhattan, the Bronx, parts of Queens, and most of Westchester County. More than 4,200 miles of gas mains and service pipes transport more than 200 million dekatherms of natural gas a year. A dekatherm is 10 therms. The average New York City customer cooking with gas uses approximately 8 therms a month.

CECONY sells steam service for heating and cooling to approximately 1,800 commercial and residential customers in Manhattan. The steam is distributed through about 105 miles of mains and service lines, making it the largest district steam system in the world. The steam system displaces the emissions from hundreds of individual boiler plants that require oil-delivery trucks. The steam system also supplies the equivalent of 375 megawatts of air-conditioning load, which otherwise would require another power plant and associated electricity distribution equipment.

Con Edison continually strives to be an active and responsive member of the communities we serve. In New York City, CECONY works with community boards to formally address public issues and concerns about major new construction, expansions, and shutdowns. State and city regulations, where applicable, mandate the use of a standard process for environmental quality review to ensure that community concerns and questions are appropriately addressed.



O&R crews maintain energy delivery systems supplying more than 700,000 people in an area spanning seven counties across three states.

O&R also engages with community stakeholders when enhancing its facilities. O&R employs a Citizens Participation plan format for major projects. Citizen Participation plans facilitate two-way communication with individuals, groups, and organizations that have expressed an interest in a project or are affected by the project activities. These plans detail the citizen participation activities and resulting actions for each project. Project fact sheets may be prepared describing the planned activities, schedule and neighborhood impact. The fact sheets are distributed to interested parties and translated depending on the community's needs.

Service to customers extends beyond energy delivery. The company offers new ways for customers to manage bills, and communicate with the company. Both CECONY and O&R have successfully implemented direct payment plans that allow paperless bill paying, and online payment options are also available. CECONY also has a *PowerYourWay* program to educate customers about purchasing energy from other providers. At O&R, a program called *PowerSwitch* offers the same option.

### Service Interruption in Northwest Queens

Con Edison is committed to providing reliable energy services to its customers. However in July of 2006, a sustained heat wave, high customer demand, and an extraordinary series of events led to outages in Northwest Queens. CECONY had hundreds of crews working around the clock to assess the damage and repair its systems. CECONY workers were joined by crews from other utility companies who lent their assistance.

Our performance during the event did not meet our customers' high expectations, or the high expectations we set for ourselves. After restoring power in the Long Island City network, we devoted significant time and resources to identify precisely what happened and find solutions to help reduce the likelihood of a recurrence. In 2006, CECONY invested approximately \$35 million in the area to replace network transformers and service boxes, and install cable and new conduit systems. Most importantly, we are applying what we learned to improved reliability throughout the system.

## Shareholders

Consolidated Edison, Inc. has a long history of providing solid and consistent returns for investors. Con Edison's earnings in 2006 were \$737 million, or \$2.96 per share, compared with \$719 million, or \$2.95 per share, in 2005. Earnings from continuing operations were \$738 million, or \$2.96 per share, compared with \$732 million, or \$3 per share in 2005.

Including reinvested dividends, total return to shareholders in 2006 was 9.1 percent. Over the past five years, Con Edison's average annual total return was 9.1 percent, compared with 9.2 percent for the S&P utilities index, and 6.2 percent for the S&P 500. Con Edison is the only one of two utilities in the S&P 500 with 25 or more consecutive years of dividends increases. In January of 2007, for the 33rd straight year, the dividend was increased to an annualized \$2.32 per share, a tangible measure of commitment to shareholder value.

Innovest Strategic Value Advisors ranked Consolidated Edison, Inc. second of 27 international utilities in environmental and social performance in a new 2007 Multi-Utilities & Unregulated Power Index created by the investment advisory firm. The 27 multi-utility companies (17 in the United States, and 10 in Canada, Europe, and Australia) primarily deal in the commodities of electricity, gas, and water. Of North American companies, Consolidated Edison Inc. was ranked first.



## Employees and Diversity

The large majority of Con Edison employees live within our service area, and they reflect the rich mix of ethnic and racial backgrounds that characterize the region as a whole. The company is one of the largest employers in the region and employed about 14,500 people in 2006.

*Latina Style* magazine, a national publication for contemporary Hispanic women, named Con Edison one of the 50 best companies for Latinas to work in the United States. According to the magazine's *Latina Style 50 Report*, which evaluates corporate America's career development for Latinas, Con Edison is shown to excel in many workplace categories deemed important to its readers. It provides educational opportunities, employee benefits, job retraining, affinity groups, and various forums on women's issues. This is the fifth year that Con Edison has been recognized by *Latina Style* magazine. This recognition confirms the company's ongoing commitment to fostering diversity in the workplace.

*Black Enterprise* magazine named Con Edison Company of New York to its "40 Best Companies for Diversity" list in the magazine's July issue. The 2006 list is *Black Enterprise's* second annual diversity rating, which ranks companies deemed top performers in minority supplier utilization, and workforce, management, and board representation. In making the top selections, *Black Enterprise* evaluated diversity programs, consulted with diversity experts and corporate officers, surveyed more than 1,000 of the country's largest publicly traded companies, and more than 50 leading global companies with significant U.S. operations.



Con Edison's workforce reflects the region's diverse population.

Con Edison ranked second in *DiversityInc* magazine's 2006 "Top 50 Companies for Diversity." This is the second time Con Edison has been recognized by *DiversityInc*. Now in its sixth year, *DiversityInc* surveys 256 corporations to assess diversity success in four categories: human capital; CEO commitment; corporate communications; and supplier diversity. In addition to placing number two overall, Con Edison made an excellent showing in several top-10 specialty lists, ranking fifth for recruitment and retention, fifth for African Americans, third for Latinos, and second for supplier diversity.

### Employee Recognition Celebrates Success

Con Edison recognizes the outstanding employee contributions to excellence in environmental, health and safety performance. Celebrating success is a key incentive to driving performance gains. This is one of the six principles of CECONY's "Way We Work" principles. The others are:

- Plan the work and work the plan;
- Work in teams;
- Seek and accept responsibility;
- Improve continuously.
- Communicate openly;

To celebrate success, field organizations run employee recognition programs, offering plaques, prizes, or small cash awards. Employees who exceed expectations in protecting the environment or promoting gains in health and safety are recognized in a variety of ways. Their accomplishments are featured in articles posted on the company's intranet site, acknowledged in environmental newsletters, or covered in the monthly EH&S video production, *The Excellence Files*.

Once a year, Con Edison presents its EH&S Excellence Awards, which are the highest honor the company bestows for exceptional environmental, health, and safety achievement. The EH&S Excellence awards are presented at a special employee ceremony in categories that correspond to the company's five key EH&S objectives. In addition, the company also gives special recognition to employees who have earned three or more EH&S Excellence Awards by designating them Circle of Excellence honorees.

For 2006, 81 employees were presented with EH&S Excellence Awards and five were admitted to the Circle of Excellence.

## EH&S Awards 2006

### Improving Safety Performance

**Joseph Simon** – chief line constructor HV  
**Frank Mangiamele** – project specialist  
**Richard Catero** – senior specialist  
**Scott Crissey** – senior specialist  
**Gregory Eiband** – senior specialist  
**Francis Donohue** – senior specialist  
**Bharat Mukhi** – project specialist  
**Thomas O'Connell** – project specialist  
**Brian Bellows** – project specialist  
**Gregory Rucco** – section manager  
**Scott Olszewski** – specialist  
**Kevin Greene** – section manager  
**Michael Gentile** – department manager  
**Gerard Derosa** – senior specialist  
**Richard Slote** – project specialist  
**Peter O'Brien** – field operations planner  
**Peter Arroyo** – field operations planner  
**Daniel Simon** – manager  
**Peter Mulholland** – senior specialist  
**John Sitecchia** – engineer  
**Keith Barouch** – section manager  
**Ann Ip** – project specialist  
**Leon Bukhman** – engineering supervisor  
**Mikhail Kaplinskiy** – analyst aide  
**Ronald Cosentino** – project specialist

### Ensuring Environment, Health, and Safety Compliance

**Edmund Nowowiejski, Jr.** – chief line constructor HV  
**Aaron Whipple** – procurement specialist  
**Leonard Singh** – section manager  
**David Roche** – senior scientist  
**Joseph Moyik** – department manager  
**Barry Cohen** – section manager  
**Victoria Scicutella** – operating supervisor  
**George Vazquez** – project auditor  
**Greg Ludwig** – senior engineer

### Enhancing Relationships with Stakeholders

**Anthony Natale** – senior specialist  
**Mujahid Mian** – section manager  
**Patrick Dilillo** – technical specialist  
**Richard Lund** – production technician

### Identifying and Reducing EH&S Risk Potential

**Thomas White** – lead mechanic  
**Joseph Dyson** – outside plant mechanic A  
**John Dimicelli** – operating supervisor

**Robert O'Brien** – senior electrical technician  
**Michael Murray** – senior instructor  
**Alfred Morin** – instructor  
**George Schellenberg** – instructor  
**Dominic Mussillo** – senior instructor  
**Bahi Elmiry** – project specialist  
**Robert Ciullo** – section manager  
**Christina Ho** – engineer  
**Denis Kerr** – senior specialist  
**Yucan Chui** – technical supervisor  
**Joseph Moawad** – management associate  
**Amin Shabazz** – supervisor  
**Kevin Rice** – supervisor  
**Laurence Holden** – shift supervisor  
**John Ouder Kirk** – shift supervisor  
**James Rispoli** – operating supervisor  
**Anthony Mitchell** – meter tester A  
**Robbie Mitchell, Jr.** – meter tester A  
**Rabindranath Lall** – senior meter technician  
**Andres Manteiga** – field operations planner  
**Angel Mateo** – meter tester A  
**Aaron Williams** – senior engineer  
**Juan Toribio** – maintenance manager  
**Kan Yam** – senior engineer  
**Renato Derech** – section manager  
**Ignatius Palmeri** – instructor  
**Richard Kruzynski** – senior production technician  
**Maribeth McCormick** – environmental manager, O&R  
**Alan Douglass** – EH&S manager, CED  
**Kim Marsili** – station manager, CED

### Making Wise and Effective Use of Natural Resources

**Peter Blom** – manager, Markets and Business Development, CES  
**Peter Muzsi** – manager, Mass Markets, CES  
**Ronald Cardio** – auto mechanic A  
**David Roche** – senior scientist  
**David Perez** – senior specialist  
**Craig Susalis** – operating supervisor  
**Dennis Teehan** – field operations planner  
**Scott Koehler** – mechanic A  
**Masood Hashmi** – section manager  
**Frank Florio** – operating supervisor  
**Felix Navarro** – mechanic A  
**Lawrence Clark** – senior specialist

### Circle of Excellence Honorees

**Robert Ciullo**  
**Gerard Derosa**  
**Kevin Greene**  
**Richard Lund**  
**David Roche**

“If there’s one thing that taking the long view shows, it’s that Con Edison is solidly set on a course of making consistent gains in our EH&S performance. Today’s award winners have set an example for planning the work and working the plan. They’ve demonstrated by their actions how they seek and accept responsibility. They’ve communicated openly throughout their organizations. They’ve worked in teams and have definitely shown a strong commitment to improving continuously.”

Kevin Burke  
Chairman, President, and Chief Executive Officer  
EH&S Excellence Awards 2006



# EH&S 2006 Excellence Awards



Con Edison hosts an annual Environmental Excellence Forum that invites participants from leading companies to exchange ideas on corporate environmental stewardship.

## Environmental Stewardship

### Engaging in Environmental Exchanges with Industry

In October of 2006, CECONY hosted its fifth Annual Environmental Forum at its corporate headquarters in New York City. Top environmental executives from more than 20 Fortune 500 companies in the northeast corridor attended, including representatives from manufacturing, chemicals, pharmaceuticals, aerospace, communications, and utility industries.

The forum's theme was *Sustainability: The Framework for Corporate Responsibility*. Participants explored the challenges of sustainable development. The peer-to-peer setting made for informed, relevant exchanges.

Earlier forums explored the challenges of integrating EH&S requirements with operating priorities, managing environmental risk, the influence of human factors on environmental programs, and practical approaches to environmental leadership. Con Edison hosts these forums as a way of bringing multiple industry perspectives to bear on shared environmental concerns. In particular, the gatherings help environmental industry leaders explore sustainable business practices that not only benefit the environment, but help build the bottom line.

### Mercury Removal

In 2006, Con Edison Company of New York's Steam Business Unit concluded a program to remove mercury-containing steam meters from its system. The effort involved employees from operating groups throughout the company.

The mercury content in older steam meters represented a potential environmental risk, as well as a potential health and safety risk for employees and the public. Removal efforts required developing a plan to address scheduling, staffing, and working methods that would protect employees and the environment as well as maintain steam service during the removals. In addition, new meters had to be designed and installed.

This successful project culminated with the removal of the last mercury-containing meter from the steam service supplying a large hotel and part of Grand Central Terminal. All told, more than 3,000 pounds of mercury was recovered and disposed of properly.

### Endorsing Ceres Principles

Since 2001, Con Edison has been an endorser of the Ceres principles. Ceres is a network of environmental, public interest, and community groups along with investors, advisors, and analysts. As a leading coalition of environmental, investor, and advocacy groups, Ceres provides a framework for corporations, environmental activists, and socially responsible investors to work toward

sustainable development. Companies that have committed to continuous environmental improvement are invited to endorse the Ceres principles, a ten-point code of environmental conduct.

- Protection of the biosphere
- Sustainable use of natural resources
- Reduction and disposal of wastes
- Energy conservation
- Risk reduction
- Safe products and services
- Environmental restoration
- Informing the public
- Management commitment
- Audits and reports

Firms that endorse the Ceres principles publish an annual sustainability report. To see an archive of Con Edison's Ceres reports dating back to 2001, visit [www.conEdison.com](http://www.conEdison.com).

### Community Involvement

CECONY and O&R are active in community-oriented environmental activities. In addition to giving corporate support to more than 50 environmental organizations, large and small, CECONY actively participates in environmental activities through community-based programs and sponsorship of events. CECONY partners with a number of environmental organizations to provide curricula and materials for use in schools for science projects, nature projects, and energy conservation. These organizations include the National Audubon Society, The Council on the Environment, the Horticultural Society of New York, the New York Botanical Garden, and the Nature Conservancy of New York.

Our support of Queens College's Project GLOBE has been long lasting. This international program is based on the premise that students learn science best by doing science. Global Learning and Observations to Benefit the Environment (GLOBE) was founded by federal agencies, such as NASA and the National Science Foundation, to bolster U.S. students' science education. Queens College is the only GLOBE learning center in southern New York. CECONY's continued support has helped train teachers throughout New York City.

CECONY maintains a strong relationship with the Wildlife Conservation Society an organization known for managing the Bronx Zoo, the Central Park Zoo, and the New York Aquarium. CECONY maintains a corporate membership in the Society so all employees and their families may enjoy the various wildlife exhibits without charge on designated corporate weekends. CECONY volunteers work with the Wildlife Conservation Society to build holiday light displays each winter.



Con Edison employees serve as active volunteers with a wide variety of charities, organizations, and community groups.

## A sampling of O&R community grants:

### Rockland

Alzheimer's Association  
Association for the Visually Impaired  
EPIC, for the Foster Grand Parents program  
Girl Scout Council of Rockland  
Help From People to People  
Jawonio, Inc.  
JCC-Y of Rockland  
Jewish Family Services of Rockland  
Jewish War Veterans  
Keep Rockland Beautiful  
Rockland County Jazz and Blues Society 22nd Annual Summerfest  
Rockland Negro Scholarship Fund  
Science Inventions and Technology Fair  
Summer Theater Festival of Clarkstown  
Transplants Save Lives  
United Hospice of Rockland, Inc.

### Orange

Catskill Mountain Group – Civil Patrol  
Community 2000 Inc. Warwick Arts Festival  
Historical Society of Warwick  
Humane Society of Blooming Grove  
Humane Society of Port Jervis  
Mustard Seed Migrant Ministry  
Neversink Valley Museum  
OCCC Educational Foundation  
Orange County Citizens' Foundation  
Orange County Land Trust  
Port Jervis Council for the Arts  
Sugarloaf Music Series Inc.  
Town of Wallkill Volunteer Ambulance Corps

A special classroom at the Prospect Park Audubon Center is known as the "Con Edison Discover Nature Theater." CECONY supports this learning center, a comprehensive environmental education hub with special focus on children.

For the 11th consecutive year, CECONY sponsored the Green Horizons conference. The conference teaches middle school students about natural resources and environmental science career opportunities. Students from 45 New York City schools visited 22 stations offering activities in soil science, entomology, field ecology, horticulture, woodland restoration, animal ecology, and conservation planning. CECONY also sponsored the New York City Envirothon, an event organized by the New York City Soil and Water District. New York City high school students participate in scientific experiments in Brooklyn's Prospect Park. CECONY also supports the solar classroom at Stuyvesant Cove Park in Manhattan, where students receive environmental education programs in a natural setting.

CECONY co-sponsors the annual New York City Department of Environmental Protection (NYCDEP) Art and Poetry Contest. The contest offers fifth and sixth grade students from public and private schools the opportunity to enter original works of art and poetry relating to conservation, air and water quality, and environmental preservation.

O&R supported more than 100 civic efforts to make the communities it serves better places to live. The company helped sustain educational, cultural, and environmental projects through O&R volunteers or by matching the financial contributions of O&R employees to worthy, eligible endeavors. The lion's share of these employee contributions came from O&R's United Way campaign that combined a dynamic fund-raising partnership between the company and IBEW Local 503, with a dollar-for-dollar match from Consolidated Edison, Inc.

Additional O&R contributions went to a wide variety of organizations that take a leadership role in community enhancement. Grants were provided to Dominican College, Ramapo College Foundation, the Arts Council of Rockland, the Rockland County Fire Training Center, and the Orange County Community College Foundation.

O&R's Community Investment Committee (CIC) also contributed through community and O&R employee grants. The CIC is composed of eight employees and four shareholder customers who meet monthly to review how most of O&R's annual corporate charitable contributions are spent.

## Environmental Organizations Supported by CECONY

Alley Pond Environmental Center, Inc.  
American Littoral Society  
Battery Conservancy  
Bay Improvement Group, Inc.  
Beczak Environmental Education Center, Inc.  
Bloomfield Conservancy  
Broadway Mall Association  
Bronx Council for Environmental Quality  
Bronx River Alliance  
Brooklyn Botanic Garden  
Brooklyn Bridge Park Coalition  
Brooklyn Greenway Initiative  
Brooklyn Center for the Urban Environment, Inc.  
Brooklyn Children's Museum Corporation  
Brooklyn Greenway Initiative  
CEC Stuyvesant Cove, Inc.  
Central Park Conservancy  
City Parks Foundation  
College of Staten Island Foundation  
Council on the Environment of New York City  
Earth Celebrations, Inc.  
Earth Day New York  
Earth Pledge  
Earthwatch Institute  
El Carnaval del Boulevard  
Fort Tryon Park and the Heather Garden Committee  
Fresh Air Fund  
Friends of Alice Austen House  
Friends of Brook Park  
Friends of Cunningham Park  
Friends of Hudson River Park  
Friends of Palisades Interstate Park Commission  
Friends of the High Line

Friends of the High School for Environmental Studies  
Friends of Van Cortlandt Park, Inc.  
Gowanus Canal Community Development Corporation  
Green Guerillas  
Greenbelt Conservancy, Inc.  
Historic House Trust of New York City  
Historic Hudson Valley  
Horticultural Society of New York, Inc.  
Hostos Center for the Arts & Culture  
Hudson Guild  
Hudson River Museum of Westchester  
Hudson River Park Trust  
I-MA-Green-Nation  
Inform, Inc.  
Isamu Noguchi Garden Museum  
Jay Heritage Center  
Lower East Side Ecology Center  
Madison Square Park Conservancy  
Magnolia Tree Earth Center of Bedford-Stuyvesant, Inc.  
Metropolitan Waterfront Alliance  
National Audubon Society  
The Nature Conservancy of New York  
Neighborhood Open Space Coalition  
New York Aquarium  
New York Botanical Garden  
New York City Department of Environmental Protection  
New York City Soil and Water Conservation District  
New York Landmarks Conservancy  
New York League of Conservation Voters  
New York Restoration Project  
New Yorkers for Parks  
NYS Urban and Community Forestry Council  
Parks & Trails New York

Phipps Community Development Corporation  
Poppenhusen Institute  
Reach the World  
Resources for the Future  
Rev. Linnette C. Williamson Memorial Park Association, Inc.  
The River Project, Inc.  
Rocking the Boat  
Salt Marsh Alliance  
Shorewalkers, Inc.  
South Queens Park Association  
Staten Island Botanical Gardens, Inc.  
Staten Island Zoological Society  
Sustainable South Bronx  
Teatown Lake Reservation, Inc.  
Teen Challenge  
The Point Community Development Corporation  
Trees New York  
The Trust for Public Land  
Tug Pegasus  
Union Square Partnership  
Urban Divers Estuary Conservancy  
Wave Hill, Inc.  
West Harlem Environmental Action  
West Side Community Garden, Inc.  
Westchester County Department of Parks & Recreation  
Wildlife Conservation Society/New York Zoological Society  
Yonkers Downtown Waterfront Development Corporation



## Risk Management

Risk management is a key component of CECONY's Environmental and Safety Management Systems and the company's EH&S policy. Identifying and reducing EH&S risk potential is also one of the five EH&S key objectives. CECONY's approach to risk management is focused on analyzing, managing, and, to the greatest possible degree, eliminating potential risks to the environment, and the health and safety of employees and the public.

Through fieldwork, teams assess equipment, processes, and procedures to identify potential environmental, safety, or health risks. The tool used is called a Failure Modes and Effects Analysis. Each potential risk is evaluated to determine its likelihood of occurring, its defining features, the potential severity of possible consequences, and our ability to detect or control it. The teams then compare these considerations and assign a priority factor for each of the identified risks. Using this information, control and design mechanisms are evaluated to determine ways to minimize these potential risks. A complete risk management reference resource is available on the company intranet.

## Proactive Initiatives

CECONY has a tradition of pursuing independent environmental initiatives instituted strictly by the company itself in addition to measures mandated by regulation and environmental laws. These programs go beyond legal requirements, and are carried out by Con Edison with the goal of helping mitigate risks to the environment or to the health and safety of our employees and the public.

### Improved Firefighting Techniques for Electrical Equipment

In the past, the Fire Department of New York City (FDNY) would only fight fires involving larger pieces of electrical equipment if the equipment was de-energized, isolated, and grounded. This often resulted in interrupting power to adjacent equipment not affected by the fire. The procedures to interrupt power can take time, and that lost time could allow the fire to cause more damage, and make restoration and repair even more extensive. De-energizing equipment could also lead to unnecessary service interruptions for customers.

A team of CECONY employees collaborated with the FDNY Research and Development group to devise techniques that allow firefighters to apply water to live electrical equipment. Demonstrations were carried out at CECONY's Fresh Kills substation in Staten Island. Fire Department representatives were shown ways to safely douse live electrical equipment in a water stream. As

CECONY employees worked with the Fire Department of New York City to develop new techniques for firefighting on live electrical equipment.



as a result of the collaboration, the FDNY agreed to change its policy and now allows firefighting on live electrical equipment. When the new techniques are used, the potential for large quantities of smoke and other combustion by-products are minimized. It also helps our employees minimize their exposure to risks associated with de-energizing equipment.

### Ongoing MGP Program

From the early nineteenth century through the 1940s, the gas used for street lighting, cooking, heating, and powering equipment was a manufactured product, not the natural gas used today. Nationwide, thousands of manufactured gas plants (MGPs) heated coal, and sometimes petroleum products, to produce gas that was then piped to customers or stored in gas holder facilities. By the 1950s, virtually all MGPs had ceased operation as plentiful supplies of clean-burning natural gas became available. Many of the sites formerly housing manufactured gas plants and gasholders were sold. Residual deposits of coal tar and other chemicals may remain in the soil at these sites. There are 50 locations where CECONY or its predecessor companies operated MGPs in our service territory. In 2002, the company

signed a voluntary agreement with the New York State Department of Environmental Conservation (NYSDEC) to investigate 45 of these locations. The other five locations were already being addressed under other NYSDEC programs. The company continues its work investigating these sites to determine the presence of any residual material and, with NYSDEC and the New York State Department of Health (NYSDOH), determine if clean up is required.

O&R has completed remedial investigations at five of its seven MGP Sites and will complete investigation of the remaining two sites in 2007. O&R has completed the remediation at one of its sites, is currently implementing remediation at its Nyack site, and has received DEC's decision regarding the remedial work to be done at another site. Since the latter site is company-owned and has no off-site impacts, remediation of this site has been deferred, with DEC's concurrence, until approximately 2010.



Extensive monitoring of energy systems presents operators with real-time information on system status and performance.



## Resource Conservation

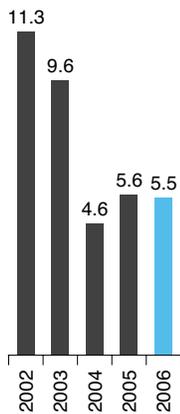
CECONY pursues pollution prevention, waste minimization, and recycling efforts in every aspect of the operation. A centralized Resource Conservation committee coordinates these activities. EH&S specialists participate on the committee to execute conservation efforts to help the company achieve environmental excellence. To date, the committee has identified 90 different waste streams originating within the company. At the conclusion of 2006, 57 of these sources are being managed with resource conservation programs to minimize or recycle this waste.

CECONY works to incorporate waste minimization into the principles guiding our work. When a new sandblasting chamber was needed, a unit that recycles more than 80 percent of its grit material was selected. This new equipment has the dual benefit of reducing the waste generated from sandblasting operations, and limiting the amount of grit material escaping into the atmosphere. At another location, a state-of-the-art water treatment device purifies the drip water found in gas distribution lines so that it meets standards for release into local sewers. Opened late in 2006, this installation processed only 115 gallons of water last year, but has the potential to purify as much as 20,000 gallons annually.

CECONY and O&R maintain an active facility recycling program. For many years the companies collected recyclable materials, but as recycling technologies and awareness have broadened, they now recycle paper, cardboard, toner cartridges, aluminum, copper, and steel scrap, antifreeze, aerosol cans, batteries, cell phones, blackberries, computers, brake shoes, wood pallets, cable reels, scrap lumber, gas cylinders, and much more.

A team of employees developed a new method for conducting transformer failure analysis. By modifying an unused cable-coiling machine, they were able to adapt the mechanism to hold transformer coils on its spool. With the coil in place, the machine simply unwinds the transformer core and reels its metal windings onto a cable spool. As the metal is unwound, it allows inspectors to quickly and easily spot the point of failure. Also, during this process, metal is freed from its paper insulation. As a result, the clean metal can be sold for recycling. Now transformer failure analysis can be accomplished more safely and efficiently. Furthermore, approximately 28 tons of metal formerly added to the waste stream can now be recycled, which conserves resources and generates revenue.

**Hazardous Non-Remediation Waste Manifested Off-site**  
(thousands of tons)



Recycling goes beyond day-to-day operations. In 2006, a vintage brick and mortar building owned by CECONY was decommissioned and demolished. Rather than placing the debris in a landfill, construction engineers found local vendors who were able to use the roughly 8800 cubic yards of salvaged timber, scrap metal, and brick for vintage material supplies.

The company also encourages employees to use materials that have high recycled content. Through the company's centrally-operated company store, CECONY employees and departments can order anything from 30 percent post-consumer recycled paper to barricades and traffic cones made with more than 70 percent recycled plastic. The stock for this EH&S Annual Report is made from recycled paper, and the ink used in its production is environmentally benign. To conserve further, this report will continue to be printed in smaller quantities in the coming years, as the Internet allows broad access to the information it contains.

**Hazardous Waste Manifested Off-Site**

During 2006, CECONY shipped 5,450 tons of hazardous non-remediation waste to licensed commercial waste-handling facilities. Lead-contaminated sediment that accumulates over time in underground structures, such as manholes, is a major part of this hazardous waste. In 2003, the NYSDEC approved the limited use of a lead stabilization process that renders the sediment non-hazardous before it is removed from the structures. This measure has significantly reduced the amount of hazardous waste.

CECONY continues working with the NYSDEC to implement the lead stabilization process throughout its service territory to further reduce the company's largest component of hazardous waste generation. Other initiatives to reduce the amount of hazardous waste from various company operations include developing a method of draining unused liquid contents of damaged aerosol spray cans. The contents and propellant are filtered and stored for proper disposal, and the empty cans can be recycled.

**Climate Change and Air Emissions**

Con Edison is committed to reducing its air emissions including greenhouse gas emissions (GHG), which have been associated with Global Climate Change. Con Edison has participated for several years in voluntary initiatives with EPA to reduce its GHG emissions as well as installing control equipment and making operational changes that reduce the emissions of nitrogen oxides (NO<sub>x</sub>) and sulfur dioxide (SO<sub>2</sub>).

Con Edison generates nitrogen oxides (NO<sub>x</sub>), sulfur dioxide (SO<sub>2</sub>), and greenhouse gas emissions principally as a result of the distribution of natural gas, substation operations, the activities of CED, and the combustion of fossil fuel to supply the CECONY steam system.

### Nitrogen Oxide (NO<sub>x</sub>) and Sulfur Dioxide (SO<sub>2</sub>)

Nitrogen oxides are released by the combustion of fuel. The operation of CECONY's steam business unit, along with the generating assets of CED, account for virtually all the nitrogen oxides released by Con Edison. To minimize the resulting quantity of NO<sub>x</sub>, Con Edison uses efficient and well maintained combustion equipment along with specific operating techniques. These include low-NO<sub>x</sub> burners in combustion equipment, over-fire air, and induced flue-gas recirculation. Operations are carried out according to rigorous procedural guidelines, and sensors constantly monitor nitrogen oxide levels so that personnel can adjust combustion to curb NO<sub>x</sub> emissions.

Sulfur dioxide is another substance resulting from combustion of fuel, and the principal sources for Con Edison's SO<sub>2</sub> releases are the same as for nitrogen oxides. Sulfur dioxide reacts with water, oxidants, and other substances in the atmosphere to create acid rain. The quantity of sulfur dioxide produced depends on the levels of sulfur in the fuel being used. Con Edison has taken measures to use clean-burning natural gas for its combustion operations whenever possible. When oil is used, the company specifies a maximum of 0.3 percent sulfur content, by weight, making it one of the cleanest fuels available in terms of sulfur dioxide emissions. During 2006, SO<sub>2</sub> levels were considerably lower because of increased use of natural gas as fuel.

### Greenhouse Gases

Con Edison's greenhouse gas emissions include three substances: carbon dioxide (CO<sub>2</sub>), methane, and sulfur hexafluoride (SF<sub>6</sub>).

### CO<sub>2</sub> Emissions

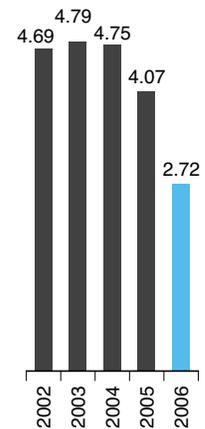
Fuel used to generate steam and power the generating assets of CED are the principal source of the company's carbon dioxide emissions. The CECONY steam system is the largest steam system in the world. CED oversees a portfolio of approximately 1,700 megawatts in generating capacity located in the markets served by ISO New England, the New York ISO; and the PJM power pool that coordinates the movement of electricity through all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. To help lower emissions, the company uses only low-sulfur fuel oil and clean-burning natural gas in its utility boilers, and refined kerosene in its combustion turbines. However, weather conditions influence steam production and electrical generation, so the actual CO<sub>2</sub> emissions volumes are also somewhat weather dependent.

### Methane Emissions

Methane is a greenhouse gas that has 21 times the heat-trapping potential of CO<sub>2</sub>. This potential is represented as (CO<sub>2</sub>,e) and is used to compare greenhouse gases. Methane emissions result chiefly from CECONY's natural

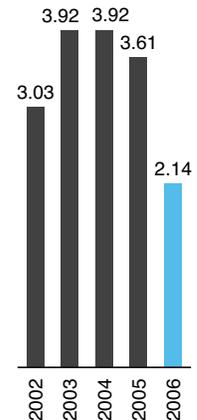
### Combined CECONY and CED NO<sub>x</sub> Emissions

(thousands of tons)



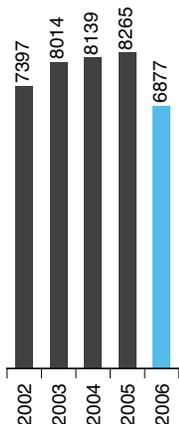
### Combined CECONY and CED SO<sub>2</sub> Emissions

(thousands of tons)

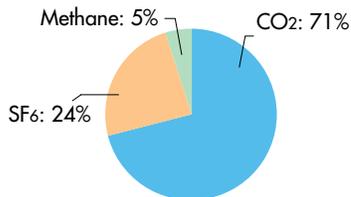


**Con Edison, Inc. Total Greenhouse Gas Emissions (CO<sub>2</sub>e Carbon Dioxide Equivalent)**

(thousands of tons)



**Proportion of Substances in Con Edison Total 2006 Greenhouse Gas Emissions (CO<sub>2</sub>e, Carbon Dioxide Equivalence)**



gas distribution systems. The sources of these emissions include leaks from supply stations, surface facilities, and releases from pipes. To reduce these emissions, the company has enhanced inspections and maintenance at gas facilities, and continues to implement equipment upgrades. Furthermore, CECONY has developed a new technology to detect methane leaks efficiently and accurately. The new equipment detects the presence of methane using correlation interference polarization spectroscopy (CIPS). It can be mounted in vehicles, or hand-carried for walking surveys of gas leaks. The new CIPS equipment was subjected to rigorous functional testing, and in February 2006, the New York State Public Service Commission approved its use after reviewing our field and laboratory tests.

In 1993, CECONY became one of the first companies to join the United States Environmental Protection Agency's (EPA) Gas STAR program. As a STAR partner in the program's transmission and distribution sector, the company evaluates the program's best management practices for reducing natural gas emissions and works to implement those applicable to our operations.

**Sulfur Hexafluoride Emissions**

In 1999, CECONY entered into a memorandum of understanding with the EPA, to voluntarily enlist in the Sulfur Hexafluoride (SF<sub>6</sub>) Emissions Reduction Partnership for electric power systems. SF<sub>6</sub> is an insulating material for high-voltage switching contacts and buswork used chiefly in CECONY substations. It has 23,900 times the heat trapping potential of carbon dioxide. This potential is represented as (CO<sub>2</sub>e) and is used to compare greenhouse gases. To date, no suitable alternative has been found for SF<sub>6</sub> in this application.

To better manage the SF<sub>6</sub> in our electric infrastructure, CECONY developed a special monitoring device that quickly spots equipment releasing even small quantities of SF<sub>6</sub>. The company works to minimize SF<sub>6</sub> releases by promptly repairing any leaks that develop and it continues replacing older equipment as it upgrades infrastructure. CECONY also applies rigorous technical and procedural controls for managing SF<sub>6</sub>. CECONY's SF<sub>6</sub> emissions in 2006 were approximately 30 percent below the quantity released in 2005, and well beyond the five percent annual reduction specified in its commitment to the USEPA.

**Low-Impact Energy Sources**

Most electrical energy in the United States is generated through combustion of fossil fuels. Use of fossil fuels consumes finite energy resources and contributes to air emissions. But now there is an alternative available from CES, an energy services company (ESCO) that offers its customers green power. CES is working with a leading wind-energy marketer and developer to provide an environmentally-friendly energy alternative. Green power creates absolutely no emissions and does not deplete fossil fuel reserves. It's an infinitely renewable resource that relies on hydroelectric generation and wind turbines to produce electricity.

A new offering from CES is wind power. Wind power gives customers electricity that is 100 percent wind-turbine generated. Residential, commercial, and industrial customers who choose CES green power are directly supporting pollution-free renewable electricity and a more sustainable energy future. green power is also Green-e certified. The Green-e program certifies renewable electricity products that meet the environmental and consumer protection standards they establish. As part of this certification, electricity providers are asked to disclose information about their product to their customers in a standardized format. This allows consumers to make informed purchasing decisions and builds wider acceptance of renewable electricity. For more information about green power, visit the CES Web site at [www.conedsolutions.com](http://www.conedsolutions.com).



Con Edison Solutions offers customers the clean-energy option of electricity generated by wind turbines.



CECONY and O&R offer customers programs to conserve energy.



CECONY offers free programmable thermostats that can help qualified residential customers curb energy use and lower costs.

## Energy Efficiency Programs

The implementation of energy efficiency programs is a critical element of our plans to meet the growing demand for energy. Our demand side management (DSM) programs, including load management, demand response, and direct load control programs, provide energy efficiency opportunities to electric, gas, and steam customers. DSM programs help reduce the number of new energy infrastructure projects that would otherwise be needed to meet customer demand. We have created a new Energy Efficiency Programs department to oversee these programs and affirm our commitment to DSM initiatives.

In some of these programs, known as targeted DSM, contractors help customers install energy-efficient lighting, air conditioning, refrigeration and motors that lead to permanently reduced electricity demand. In other DSM programs, customers agree to temporarily reduce the amount they use during times of peak demand.

CECONY, in cooperation with the New York Independent System Operator, administers electric load-reduction programs to manage energy usage during times of peak demand and throughout the year. Participating customers in these programs are rewarded with financial incentives and other benefits.

- Installed capacity program – Incentives are available for customers who reduce electric load by using generators or other means of curtailment.
- Emergency demand response – During power shortages or other emergencies declared by the New York Independent System Operator (NYISO), CECONY contacts program participants to voluntarily curtail power use.
- Distribution load relief – Local network participants are requested to voluntarily curtail power during times of heavy demand.
- Steam air conditioning – To help reduce peak summer electric load, CECONY offers reduced steam rates to offset the costs of installing new steam air-conditioning systems.
- Day-ahead demand reduction – Customers may request market-based monetary compensation for an agreement to curtail energy use.
- Day-ahead hourly pricing – A rate class that is available to full-service customers of CECONY who can benefit from hourly changes in wholesale energy rates.
- The Power Savings Partner Program – A collaborative effort between New York State Energy Research and Development Authority (NYSERDA) and CECONY provides additional funds for electric load management, energy efficiency, and distributed generation programs to manage energy use during peak demands.

## Promoting Wise Energy Choices

Con Edison encourages all customers to use energy wisely. Through a variety of channels, Con Edison offers conservation programs and other resources for business and residential customers.

### Incentives for Business

Sound energy management is crucial to conserving resources, and it is equally important to businesses and the bottom line. To encourage wise use of energy, Con Edison offers load-reduction programs to help commercial customers manage energy use during times of excessive demand year round while rewarding them with financial incentives.

Real-time pricing is a rate class available to large full service CECONY and O&R electricity customers. Under this program, customers pay hourly retail electric energy rates that reflect the hourly changes in wholesale energy rates. Customers garner substantial savings over time by installing an energy management system or by using various load-curtailement strategies.

Special case resources are for customers who can replace at least 100 kW of power from the supply grid by using an emergency generator, shedding load, or any combination of the two when the New York Independent System Operator (ISO) declares a power emergency. Participants receive a capacity payment rate for each month they pledge load reductions.

Clean energy programs are available to customers of O&R's New Jersey subsidiary, Rockland Electric Company. These programs provide rebates to business customers for purchasing high-efficiency equipment such as lighting, motors, and variable speed drives. In addition, Rockland Electric offers design assistance for new buildings to improve energy efficiency.

CECONY offers commercial gas customers an efficiency program. Under this NYSERDA-administered program, small businesses are eligible for energy audits to help them make informed energy decisions and implement strategies to boost energy efficiency. Larger businesses are offered cost sharing or loans for energy audits and gas-efficient equipment.

Local partnerships with organizations such as the Times Square Business Improvement District and the Brooklyn Chamber of Commerce allow CECONY to implement demand response initiatives during system emergencies. CECONY has reached out to more than 23,000 businesses under this collaborative program.

All these programs are keyed to customer needs. CECONY works with businesses to tailor packages that give customers the means and incentives to conserve energy.



Compact fluorescent lights use at least two thirds less electricity and last 10 times longer than standard bulbs.



CECONY provides pamphlets and other literature to help customers conserve and make wise energy choices.



### Conservation Outreach for Residential Customers

CECONY offers residential customer incentive programs backed by an extensive communications effort to promote the wise use of energy.

**Voluntary time-of-use** is a program where customers are charged for electricity at rates that vary with the time of day. Participating customers save money by using electricity during off-peak periods when costs are lower.

**Direct load control** is a program for customers with central air conditioning who agree to install free programmable thermostats that CECONY can control during peak demand to reduce the energy used by central air conditioning.

**Clean energy programs** have been implemented by O&R's New Jersey subsidiary, Rockland Electric Company, to provide rebates to residential customers for high-efficiency air conditioners, lighting systems, washing machines, and other appliances. Customers who install renewable resources such as solar panels also are eligible for rebates. Rockland Electric offers free information on cost-effective energy reduction measures to low-income customers.

**Con Edison and O&R "Energy Savings"** Web site feature provides energy-saving tips that customers can apply in their homes.

**"Con Edison Kids"** Web site is a fun-filled, educational trip through the underground maze of wires, pipes, gauges, and meters that make up the CECONY system. Animated characters demonstrate gas and electric safety, and offer interesting information about energy, the environment, and how kids can help save energy.

**EnergyLine 1-(800)-609-4488** is a toll-free information line that gives energy-efficiency advice to customers and offers booklets and a video.

**Customer News** is a utility bill newsletter that communicates general conservation messages and other energy-related news. CECONY customers receive six issues each year. The newsletter is also available online.

**Energy Education Campaign** features seasonal conservation and energy efficiency messages prepared by CECONY and O&R through radio, major dailies, and local print ads.

**Appliance Guide** informs customers how to get the most efficiency out of existing appliances and helps them make energy-wise choices when purchasing new ones. This publication is distributed at various events and by mail. It is also available on the CECONY Web site.

CECONY and O&R offer programs to help conserve energy in virtually any setting from homes to major commercial buildings.



Con Edison customers have the option of selecting green power.

**Energy Savers** is an O&R pamphlet that informs customers about energy conservation through weatherization, landscaping, and better-informed appliance use.

**Home Energy Guide** is an O&R brochure that offers a comprehensive listing of programs and services including *PowerSwitch*, storm preparedness, electrical safety, and community involvement.



The Con Edison Kids Web site is a fun, interactive place for kids to learn about energy, safety, and conservation.

### Exchanging Information with Stakeholders

Con Edison's commitment to environmental and safety excellence in all its endeavors is critical to our sustainable business goals. We are determined to do our part to protect the environment, make prudent, sustainable use of natural resources and safeguard the well being of our employees, the public, and the customers we serve. We prepared this report to offer a close look at how Con Edison carries out this commitment. Please let us know your comments by contacting:

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Re: EH&S Annual Report, 806-S  
4 Irving Place  
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### **About Con Edison**

Consolidated Edison, Inc. is one of the nation's largest investor-owned energy companies, with approximately \$12 billion in annual revenues and \$27 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 owns and operates generating plants and participates in other infrastructure projects. For additional financial, operations and customer service information, visit Consolidated Edison, Inc.'s Web site at [www.conedison.com](http://www.conedison.com).