CONSOLIDATED EDISON INC Form 10-Q August 01, 2013 Table of Contents

# **UNITED STATES**

# SECURITIES AND EXCHANGE COMMISSION

# WASHINGTON, D.C. 20549

# **FORM 10-Q**

#### x Quarterly Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934 FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2013

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from \_\_\_\_\_\_ to \_\_\_\_\_

	Exact name of registrant as specified in its charter		
Commission File Number 1-14514	<ul> <li>and principal office address and telephone number</li> <li>Consolidated Edison, Inc.</li> <li>4 Irving Place, New York, New York 10003</li> <li>(212) 460-4600</li> </ul>	State of Incorporation New York	I.R.S. Employer ID. Number 13-3965100
1-1217	<b>Consolidated Edison Company of New York, Inc.</b> 4 Irving Place, New York, New York 10003 (212) 460-4600	New York	13-5009340

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Consolidated Edison, Inc. (Con Edison)	Yes x	No "
Consolidated Edison of New York, Inc. (CECONY)	Yes x	No "

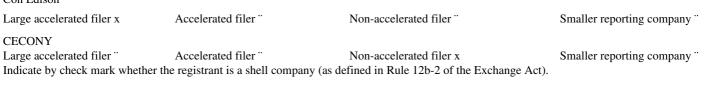
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Con Edison	Yes x	No "
CECONY	Yes x	No "

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, a ccelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Con Edison



Con EdisonYes "No xCECONYYes "No xAs of July 26, 2013, Con Edison had outstanding 292,872,896 Common Shares (\$.10 par value). All of the outstanding common equity ofCECONY is held by Con Edison.

#### **Filing Format**

This Quarterly Report on Form 10-Q is a combined report being filed separately by two different registrants: Consolidated Edison, Inc. (Con Edison) and Consolidated Edison Company of New York, Inc. (CECONY). CECONY is a subsidiary of Con Edison and, as such, the information in this report about CECONY also applies to Con Edison. As used in this report, the term the Companies refers to Con Edison and CECONY. However, CECONY makes no representation as to the information contained in this report relating to Con Edison or the subsidiaries of Con Edison other than itself.

# **Glossary of Terms**

The following is a glossary of frequently used abbreviations or acronyms that are used in the Companies SEC reports:

Con Edison Companies	
Con Edison	Consolidated Edison, Inc.
CECONY	Consolidated Edison Company of New York, Inc.
Con Edison Development	Consolidated Edison Development, Inc.
Con Edison Energy	Consolidated Edison Energy, Inc.
Con Edison Solutions	Consolidated Edison Solutions, Inc.
O&R	Orange and Rockland Utilities, Inc.
Pike	Pike County Light & Power Company
RECO	Rockland Electric Company
The Companies	Con Edison and CECONY
The Utilities	CECONY and O&R
Regulatory Agencies, Government	t Agencies, and Quasi-governmental Not-for-Profits
EPA	U. S. Environmental Protection Agency
FERC	Federal Energy Regulatory Commission
IRS	Internal Revenue Service
ISO-NE	ISO New England Inc.
NJBPU	New Jersey Board of Public Utilities
NJDEP	New Jersey Department of Environmental Protection
NYISO	New York Independent System Operator
NYPA	New York Power Authority
NYSAG	New York State Attorney General
NYSDEC	New York State Department of Environmental Conservation
NYSERDA	New York State Energy Research and Development Authority
NYSPSC	New York State Public Service Commission
NYSRC	New York State Reliability Council, LLC
PAPUC	Pennsylvania Public Utility Commission
РЈМ	PJM Interconnection LLC
SEC	U.S. Securities and Exchange Commission
Accounting	
ABO	Accumulated Benefit Obligation
ASU	Accounting Standards Update
FASB	Financial Accounting Standards Board
LILO	Lease In/Lease Out
OCI	Other Comprehensive Income
SFAS	Statement of Financial Accounting Standards
VIE	Variable interest entity
Environmental	
CO <sub>2</sub>	Carbon dioxide
GHG	Greenhouse gases
MGP Sites	Manufactured gas plant sites
PCBs	Polychlorinated biphenyls
PRP	Potentially responsible party
SO <sub>2</sub>	Sulfur dioxide
SUperfund	Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 and similar state
Superiona	statutes

Units of Measure	
AC	Alternating current
dths	Dekatherms
kV	Kilovolt
kWh	Kilowatt-hour
mdths	Thousand dekatherms
MMlbs	Million pounds
MVA	Megavolt ampere
MW	Megawatt or thousand kilowatts
MWH	Megawatt hour
Other	
AFDC	Allowance for funds used during construction
COSO	Committee of Sponsoring Organizations of the Treadway Commission
EMF	Electric and magnetic fields
ERRP	East River Repowering Project
Fitch	Fitch Ratings
First Quarter Form 10-Q	The Companies combined Quarterly Report on Form 10-Q for the quarterly period ended March 31 of the current year
Form 10-K	The Companies combined Annual Report on Form 10-K for the year ended December 31, 2012
LTIP	Long Term Incentive Plan
Moody s	Moody s Investors Service
S&P	Standard & Poor s Financial Services LLC
Second Quarter Form 10-Q	The Companies combined Quarterly Report on Form 10-Q for the quarterly period ended June 30 of the current
	year
VaR	Value-at-Risk

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### FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements intended to qualify for the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements of future expectation and not facts. Words such as expects, estimates, anticipates, intends, believes, plans, will and similar expressions identify forward-looking statements. Forward-looking statements are based on information available at the time the statements are made, and accordingly speak only as of that time. Actual results or developments might differ materially from those included in the forward-looking statements because of various risks, including:

the failure to operate energy facilities safely and reliably could adversely affect the Companies;

the failure to properly complete construction projects could adversely affect the Companies;

the failure of processes and systems and the performance of employees and contractors could adversely affect the Companies;

the Companies are extensively regulated and are subject to penalties;

the Utilities rate plans may not provide a reasonable return;

the Companies may be adversely affected by changes to the Utilities rate plans;

the Companies are exposed to risks from the environmental consequences of their operations;

a disruption in the wholesale energy markets or failure by an energy supplier could adversely affect the Companies;

the Companies have substantial unfunded pension and other postretirement benefit liabilities;

Con Edison s ability to pay dividends or interest depends on dividends from its subsidiaries;

the Companies require access to capital markets to satisfy funding requirements;

the Internal Revenue Service has disallowed substantial tax deductions taken by the company;

a cyber attack could adversely affect the Companies; and

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the Companies also face other risks that are beyond their control.

**Consolidated Edison, Inc.** 

# CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Mon	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2013	2012	2013	2012	
	(Million	s of Dollars	Except Share	e Data)	
OPERATING REVENUES					
Electric	\$2,018	\$2,090	\$3,977	\$3,952	
Gas	366	300	1,108	945	
Steam	118	83	450	346	
Non-utility	316	298	468	606	
TOTAL OPERATING REVENUES	2,818	2,771	6,003	5,849	
OPERATING EXPENSES					
Purchased power	768	729	1,475	1,510	
Fuel	58	46	205	153	
Gas purchased for resale	118	62	368	258	
Other operations and maintenance	776	790	1,606	1,539	
Depreciation and amortization	255	236	506	469	
Taxes, other than income taxes	457	433	931	884	
TOTAL OPERATING EXPENSES	2,432	2,296	5,091	4,813	
OPERATING INCOME	386	475	912	1,036	
OTHER INCOME (DEDUCTIONS)					
Investment and other income	7	2	10	10	
Allowance for equity funds used during construction	1	2	1	2	
Other deductions	(6)	(6)	(8)	(10)	
TOTAL OTHER INCOME (DEDUCTIONS)	2	(2)	3	2	
INCOME BEFORE INTEREST AND INCOME TAX EXPENSE	388	473	915	1,038	
INTEREST EXPENSE					
Interest on long-term debt	145	149	288	295	
Other interest	6	5	142	10	
Allowance for borrowed funds used during construction		(1)	(1)	(1)	
NET INTEREST EXPENSE	151	153	429	304	
INCOME BEFORE INCOME TAX EXPENSE	237	320	486	734	
INCOME TAX EXPENSE	65	106	122	240	
NET INCOME	172	214	364	494	
Preferred stock dividend requirements of subsidiary				(3)	
NET INCOME FOR COMMON STOCK	\$172	\$214	\$364	\$491	
Net income for common stock per common share basic	\$0.59	\$0.73	\$1.24	\$1.68	
Net income for common stock per common share diluted	\$0.59	\$0.73	\$1.24	\$1.67	
DIVIDENDS DECLARED PER SHARE OF COMMON STOCK	\$0.615	\$0.605	\$1.230	\$1.210	
AVERAGE NUMBER OF SHARES OUTSTANDING BASIC (IN MILLIONS)	292.9	292.9	292.9	292.9	
AVERAGE NUMBER OF SHARES OUTSTANDING DILUTED (IN MILLIONS)	294.3	294.4	294.3	294.4	

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

**Consolidated Edison, Inc.** 

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

		For the Three Months Ended June 30,		x Months une 30,
	2013	2012 (Millions o	2013 of Dollars)	2012
NET INCOME	\$172	\$214	\$364	\$494
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAXES				
Pension plan liability adjustments, net of \$1 and \$3 in 2013 and \$(1) and \$4 taxes in 2012, respectively	2	(1)	5	6
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAXES	2	(1)	5	6
COMPREHENSIVE INCOME	174	213	369	500
Preferred stock dividend requirements of subsidiary				(3)
COMPREHENSIVE INCOME FOR COMMON STOCK	\$174	\$213	\$369	\$497
The accompanying notes are an integral part of these financial st	temente			

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

**Consolidated Edison, Inc.** 

# CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

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Prepayments         40         (6)           Accounts payable         (121)         (89)           Pensions and retiree benefits obligations         (361)         (450)           Superfund and environmental remediation costs (net)         (6)         11           Accrued taxes         160         (34)           Accrued interest         160         (34)           Deferred charges, noncurrent assets and other regulatory assets         79         73           Other liabilities         (17)         (4)           NET CASH FLOWS FROM OPERATING ACTIVITIES         (117)         (4)           Other liabilities         (111)         (110)           Other liabilities         (111)         (110)           Other liabilities         (111)         (113)           Other liabilities         (111)         (110)           NOTESTING ACTIVITIES         (121)         (4)           Utily construction expenditures         (121)         (4)           Increase in restricted cash         (21)         (21)           Proceeds from the termination of a LLO transaction         18         25           Net mosting and table or newable energy investments         (121)         (1,105)           Proceeds from the termination of a LLO transaction </td <td></td> <td></td> <td></td>			
Accounts payable         (121)         (89)           Pensions and retirce benefits contributions         (361)         (450)           Superfund and environmental remediation costs (net)         (6)         11           Accrued taxes         160         (34)           Accrued taxes         160         (34)           Accrued taxes         (34)         116           Deferred charges, noncurrent assets and other regulatory liabilities         79         73           Other assets         66         0           Other liabilities         (77)         (4)           NET CASH FLOWS FROM OPERATING ACTIVITIES         973         1,247           IVENTING ACTIVITIES         (11)         (1,030)           Cost of removal less salvage         (93)         (85)           Non-utility construction expenditures         (12)         (43)           Increase in restricted cash         (2)         (1,105)           Proceeds from the termination of a LLO transaction         18         25		=	
Pensions and retiree benefits obligations       467       483         Pensions and retiree benefits obligations       (361)       (450)         Superfund and environmental remediation costs (net)       (6)       1         Accrued taxes       160       (34)         Accrued interest       124       19         Deferred charges, noncurrent assets and other regulatory assets       (34)       116         Deferred credits and other regulatory liabilities       79       73         Other assets       66       0         Other assets       66       0         Other assets       66       0         Other assets       66       0         Oct of removal less slavage       093       1,247         INVESTING ACTIVITIES       11,114       (1,030)         Oct of removal less slavage       093       (85)         Non-utility construction expenditures       (12)       (43)         Increase in restricted cash       (2)       79         Proceeds from grants related to renewable energy investments       18       25         Net investment in Pilesgrove solar project and other       28       28         Proceeds from from the termination of a LLD ot masaction       108       108         Net			
Pensions and retiree benefits contributions         (361)         (450)           Superfund and environmental remediation costs (net)         (6)         1           Accrued taxes         (60)         (34)           Accrued interest         124         19           Deferred charges, noncurrent assets and other regulatory assets         (79)         73           Other assets         66         (17)         (4)           NET CASH FLOWS FROM OPERATING ACTIVITIES         973         1,247           INVESTING ACTIVITIES         973         1,247           INVESTING ACTIVITIES         973         1,247           INVESTING ACTIVITIES         973         1,247           INVESTING ACTIVITIES         973         1,247           NOn-utility construction expenditures         (1,114)         (1,030)           Increase in restricted cash         (12)         (43)           Increase in restricted cash         (2)         100           Proceeds from grants related to renewable energy investments         (2)         100           NET CASH FLOWS USED IN INVESTING ACTIVITIES         (28)         100           NET CASH FLOWS USED IN INVESTING ACTIVITIES         (29)         400           NET proceeds of short-term debt         753         800		(121)	(89)
Superfund and environmental remediation costs (net)         (6)         1           Accrued taxes         160         (34)           Accrued interest         124         19           Deferred charges, noncurrent assets and other regulatory assets         79         73           Other assets         66         79         73           Other assets         66         79         73           INET CASH FLOWS REMOM OPERATING ACTIVITIES         973         1,247         1NVESTING ACTIVITIES         973         1,247           Utility construction expenditures         (1,114)         (1,030)         (2)         70         738           Cost of removal less salvage         93         (855)         80         (1,114)         (1,030)           Cost of removal less salvage         93         (855)         80         (1,114)         (1,030)           Cost of removal less salvage         93         (855)         80         (1,212)         (1,105)           Increase in restricted cash         (2)         70         728         753         800           Proceeds from grants related to renewable energy investments         18         25         80         124         919         400           Net proceeds of short-term debt	Pensions and retiree benefits obligations	467	483
Accrued taxes         160         (34)           Accrued interest         124         19           Deferred credits and other regulatory assets         79         73           Other assets         66         0           Other liabilities         (17)         (4)           NET CASH FLOWS FROM OPERATING ACTIVITIES         973         1,247           INVESTING ACTIVITIES         (1,114)         (1,030)           Cost of removal less salvage         (93)         (85)           Non-utility construction expenditures         (12)         (4)           Increase in restricted cash         (2)         (2)           Proceeds from grants related to renewable energy investments         18         25           NET CASH FLOWS USED IN INVESTING ACTIVITIES         (1,212)         (1,105)           INANCING ACTIVITIES         (1,212)         (1,015)           Vest investment in Pilesgrove solar project and other         28         28           Proceeds for the termination of a LILO transaction         108         21           NET CASH FLOWS USED IN INVESTING ACTIVITIES         (2)         (2)           INANCING CACTIVITIES         (2)         (2)           Subarce of long-term debt         753         800           Prefered stock	Pensions and retiree benefits contributions	(361)	(450)
Accrued interest       124       19         Deferred charges, noncurrent assets and other regulatory assets       (34)       116         Deferred charges, noncurrent assets and other regulatory liabilities       73       73         Other assets       66       66         Other liabilities       (17)       (4)         NET CASH FLOWS FROM OPERATING ACTIVITIES       973       1,247         INVESTING ACTIVITIES       (11)       (10)         Other assets       (11)       (10)         Oct of removal less salvage       (93)       (85)         Non-utility construction expenditures       (12)       (43)         Increase in restricted cash       (12)       (43)         Proceeds from grants related to renewable energy investments       18       25         Net investment in Pilesgrove solar project and other       28       28         Proceeds from the termination of a LILO transaction       108       25         FinANCING ACTIVITIES       (1,21)       (1,10)         Freferred stock redemption       (23)       239         Issuance of long-term debt       (706)       (2)         Increase for stock plans, net of repurchases       (2)       (1)         Issuance of long-term debt       (3)       (3)	Superfund and environmental remediation costs (net)	(6)	1
Deferred charges, noncurrent assets and other regulatory assets         (34)         116           Deferred credits and other regulatory liabilities         79         73           Other assets         66         66           Other liabilities         (17)         (4)           NET CASH FLOWS FROM OPERATING ACTIVITIES         973         1,247           Utility construction expenditures         (1,114)         (1,030)           Cost of removal less salvage         (93)         (85)           Non-utility construction expenditures         (129)         (43)           Increase in restricted cash         (2)         (2)           Proceeds from grants related to renewable energy investments         18         25           Net T CASH FLOWS USED IN INVESTING ACTIVITIES         (1,212)         (1,115)           FINANCING ACTIVITIES         (1,212)         (1,115)           Proceeds from the termination of a LLO transaction         108         28           Proceeds of short-term debt         753         800           Preferred stock redemption         (239)         239           Issuance of long-term debt         (706)         (2)           Dest acce dividends         (30)         (349)           Orunon stock dividends         (30)         (340)<	Accrued taxes	160	(34)
Deferred credits and other regulatory liabilities         79         73           Other assets         66           Other liabilities         (17)         (4)           NET CASH FLOWS FROM OPERATING ACTIVITIES         973         1,247           INVESTING ACTIVITIES         973         1,247           Utility construction expenditures         (1,114)         (1,030)           Cost of removal less salvage         (93)         (85)           Non-utility construction expenditures         (12)         (43)           Increase in restricted cash         (2)         Proceeds from grants related to renewable energy investments         18         25           Net investment in Pilesgrove solar project and other         28         28         28           Proceeds from the termination of a LLO transaction         108         108         108           NET CASH FLOWS USED IN INVESTING ACTIVITIES         (1,212)         (1,105)         114         400           FinAncend debt	Accrued interest	124	19
Other assets         66           Other liabilities         (17)         (4)           NET CASH FLOWS FROM OPERATING ACTIVITIES         973         1,247           INVESTING ACTIVITIES         (1,14)         (1,030)           Cost of removal less salvage         (93)         (85)           Non-utility construction expenditures         (129)         (43)           Increase in restricted cash         (2)         (2)           Proceeds from grants related to renewable energy investments         18         25           Net investment in Pilesgrove solar project and other         28         28           Proceeds from the termination of a LILO transaction         108         21           NET CASH FLOWS USED IN INVESTING ACTIVITIES         (1,212)         (1,105)           FINANCING ACTIVITIES         (239)         3800           Net proceeds of short-term debt         753         8000           Prefered stock redemption         (20)         (212)           Net proceeds of short-term debt         (706)         (2)           Issuance of common shares for stock plans, net of repurchases         (2)         (12)           Subauce of common shares for stock plans, net of repurchases         (30)         (349)           NET CASH FLOWS FROM FINANCING ACTIVITIES <t< td=""><td>Deferred charges, noncurrent assets and other regulatory assets</td><td>(34)</td><td>116</td></t<>	Deferred charges, noncurrent assets and other regulatory assets	(34)	116
Other assets         66           Other liabilities         (17)         (4)           NET CASH FLOWS FROM OPERATING ACTIVITIES         973         1,247           INVESTING ACTIVITIES         (1,14)         (1,030)           Cost of removal less salvage         (93)         (85)           Non-utility construction expenditures         (129)         (43)           Increase in restricted cash         (2)         (2)           Proceeds from grants related to renewable energy investments         18         25           Net investment in Pilesgrove solar project and other         28         28           Proceeds from the termination of a LILO transaction         108         21           NET CASH FLOWS USED IN INVESTING ACTIVITIES         (1,212)         (1,105)           FINANCING ACTIVITIES         (239)         3800           Net proceeds of short-term debt         753         8000           Prefered stock redemption         (20)         (212)           Net proceeds of short-term debt         (706)         (2)           Issuance of common shares for stock plans, net of repurchases         (2)         (12)           Subauce of common shares for stock plans, net of repurchases         (30)         (349)           NET CASH FLOWS FROM FINANCING ACTIVITIES <t< td=""><td>Deferred credits and other regulatory liabilities</td><td>79</td><td>73</td></t<>	Deferred credits and other regulatory liabilities	79	73
NET CASH FLOWS FROM OPERATING ACTIVITIES         973         1,247           INVESTING ACTIVITIES         1,000           Utility construction expenditures         (1,000)           Cost of removal less salvage         (93)         (85)           Non-utility construction expenditures         (129)         (43)           Increase in restricted cash         (2)         (2)           Proceeds from grants related to renewable energy investments         18         25           Net investment in Pilesgrove solar project and other         28         28           Proceeds from the termination of a LILO transaction         108         11(1,105)           NET CASH FLOWS USED IN INVESTING ACTIVITIES         (1,212)         (1,105)           FINANCING ACTIVITIES         (1,212)         (1,105)           Net proceeds of short-term debt         753         800           Preferred stock redemption         (239)         [330]         (239)           Issuance of long-term debt         (106)         (2)         [12]         (4)           Retirement of long-term debt         (706)         (2)         [12]         (4)           Common shares for stock plans, net of repurchases         (3)         [3]         [3]         [3]         [3]         [3]         [3]		66	
INVESTING ACTIVITIES         (1,114)         (1,030)           Utility construction expenditures         (1,114)         (1,030)           Cost of removal less salvage         (93)         (85)           Non-utility construction expenditures         (129)         (43)           Increase in restricted cash         (2)         (2)           Proceeds from grants related to renewable energy investments         18         25           Net investment in Pilesgrove solar project and other         28           Proceeds from the termination of a LLLO transaction         108           NET CASH FLOWS USED IN INVESTING ACTIVITIES         (1,212)         (1,105)           FINANCING ACTIVITIES         (239)         s00         (239)           Issuance of long-term debt         919         400           Preferred stock redemption         (2)         (12)         (4)           Common shares flor stock plans, net of repurchases         (2)         (12)         (4)           Common stock dividends         (30)         (349)         (360)         (349)           Preferred stock dividends         (30)         (349)         (30)         (349)         (30)         (349)         (31)           Preferred stock dividends         (30)         (349)         (32)	Other liabilities	(17)	(4)
Utility construction expenditures         (1,114)         (1,030)           Cost of removal less salvage         (93)         (85)           Non-utility construction expenditures         (129)         (43)           Increase in restricted cash         (2)         (2)           Proceeds from grants related to renewable energy investments         18         25           Net investment in Pilesgrove solar project and other         28           Proceeds from the termination of a LILO transaction         108           NET CASH FLOWS USED IN INVESTING ACTIVITIES         (1,212)         (1,105)           FINANCING ACTIVITIES         (1,212)         (1,105)           Prefered stock redemption         (23)         (23)           Issuance of long-term debt         919         400           Retirement of long-term debt         (706)         (2)           Issuance of common shares for stock plans, net of repurchases         (2)         (12)           Ording-term debt         (12)         (4)           Common stock dividends         (360)         (349)           Prefered stock dividends         (360)         (349)           Prefered stock dividends         (30)         (349)           Common stock dividends         (30)         (349) <t< td=""><td>NET CASH FLOWS FROM OPERATING ACTIVITIES</td><td>973</td><td>1,247</td></t<>	NET CASH FLOWS FROM OPERATING ACTIVITIES	973	1,247
Cost of removal less salvage         (93)         (85)           Non-utility construction expenditures         (129)         (43)           Increase in restricted cash         (2)         (2)           Proceeds from grants related to renewable energy investments         18         25           Net investment in Pilesgrove solar project and other         28         28           Proceeds from the termination of a LILO transaction         108         28           NET CASH FLOWS USED IN INVESTING ACTIVITIES         (1,212)         (1,105)           FINANCING ACTIVITIES         753         800           Preferred stock redemption         (239)         (239)           Issuance of long-term debt         706         (2)           Issuance of cong-term debt         (706)         (2)           Issuance of common shares for stock plans, net of repurchases         (2)         (112)           Debt issuance costs         (12)         (4)           Common stock dividends         (360)         (349)           Preferred stock dividends         (360)         (349)           Preferred stock dividends         (30)         (349)           Preferred stock dividends         (32)         (511)           NET CASH FLOWS FROM FINANCING ACTIVITIES         (32)	INVESTING ACTIVITIES		
Non-utility construction expenditures(129)(43)Increase in restricted cash(2)Proceeds from grants related to renewable energy investments1825Net investment in Pilesgrove solar project and other28Proceeds from the termination of a LILO transaction108NET CASH FLOWS USED IN INVESTING ACTIVITIES(1,212)(1,105)FINANCING ACTIVITIES(1,212)(1,105)Preferred stock redemption239(239)Issuance of long-term debt919400Retirement of long-term debt(706)(2)Issuance of common shares for stock plans, net of repurchases(2)(12)Ortinom stock dividends(360)(349)NET CASH FLOWS FROM FINANCING ACTIVITIES(3)(3)NET CASH FLOWS FROM FINANCING ACTIVITIES(3)(3)Retirement of long-term debt(706)(2)Issuance of stock plans, net of repurchases(2)(12)(4)(360)(349)(360)NET CASH FLOWS FROM FINANCING ACTIVITIES(3)(3)NET CASH FLOWS FROM FINANCING ACTIVITIES </td <td>Utility construction expenditures</td> <td>(1,114)</td> <td>(1,030)</td>	Utility construction expenditures	(1,114)	(1,030)
Non-utility construction expenditures(129)(43)Increase in restricted cash(2)Proceeds from grants related to renewable energy investments1825Net investment in Pilesgrove solar project and other28Proceeds from the termination of a LILO transaction108NET CASH FLOWS USED IN INVESTING ACTIVITIES(1,212)(1,105)FINANCING ACTIVITIES(1,212)(1,105)Preferred stock redemption239(239)Issuance of long-term debt919400Retirement of long-term debt(706)(2)Issuance of common shares for stock plans, net of repurchases(2)(12)Ortinom stock dividends(360)(349)NET CASH FLOWS FROM FINANCING ACTIVITIES(3)(3)NET CASH FLOWS FROM FINANCING ACTIVITIES(3)(3)Retirement of long-term debt(706)(2)Issuance of stock plans, net of repurchases(2)(12)(4)(360)(349)(360)NET CASH FLOWS FROM FINANCING ACTIVITIES(3)(3)NET CASH FLOWS FROM FINANCING ACTIVITIES </td <td>Cost of removal less salvage</td> <td>(93)</td> <td>(85)</td>	Cost of removal less salvage	(93)	(85)
Proceeds from grants related to renewable energy investments1825Net investment in Pilesgrove solar project and other28Proceeds from the termination of a LILO transaction108NET CASH FLOWS USED IN INVESTING ACTIVITIES(1,212)FINANCING ACTIVITIES(1,212)Net proceeds of short-term debt753Preferred stock redemption(239)Issuance of long-term debt919Adou(706)Retirement of long-term debt(706)Debt issuance of common shares for stock plans, net of repurchases(2)Common stock dividends(360)NET CASH FLOWS FROM FINANCING ACTIVITIES(360)NET CASH FLOWS FROM FINANCING ACTIVITIES(360)NET CASH FLOWS FROM FINANCING ACTIVITIES(352)Solar CASH AND TEMPORARY CASH INVESTMENTS:(353)NET CHANGE FOR THE PERIOD353BALANCE AT BEGINNING OF PERIOD394BALANCE AT BEGINNING OF PERIOD\$ 747\$ 1,381SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		(129)	(43)
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NET CASH FLOWS USED IN INVESTING ACTIVITIES       (1,212)       (1,105)         FINANCING ACTIVITIES       753       800         Preferred stock redemption       (239)         Issuance of long-term debt       919       400         Retirement of long-term debt       (706)       (2)         Issuance of common shares for stock plans, net of repurchases       (2)       (12)         Debt issuance costs       (2)       (12)       (4)         Common stock dividends       (30)       (349)       (360)       (349)         Preferred stock dividends       592       591       (3)         NET CASH FLOWS FROM FINANCING ACTIVITIES       592       591         CASH AND TEMPORARY CASH INVESTMENTS:       (3)       (3)         NET CHANGE FOR THE PERIOD       353       733         BALANCE AT BEGINNING OF PERIOD       394       648         BALANCE AT END OF PERIOD       \$92       \$1381         SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION       \$1381		108	
FINANCING ACTIVITIESNet proceeds of short-term debt753800Preferred stock redemption(239)Issuance of long-term debt919400Retirement of long-term debt(706)(2)Issuance of common shares for stock plans, net of repurchases(2)(12)Debt issuance costs(12)(4)Common stock dividends(30)(349)Preferred stock dividends(30)S191NET CASH FLOWS FROM FINANCING ACTIVITIES592591CASH AND TEMPORARY CASH INVESTMENTS:353733NET CHANGE FOR THE PERIOD353733BALANCE AT BEGINNING OF PERIOD394648BALANCE AT END OF PERIOD\$ 747\$ 1,381SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION502502		(1,212)	(1,105)
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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
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The accompanying notes are an integral part of these financial statements.		ψ 21	ψτυ

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

**Consolidated Edison, Inc.** 

# CONSOLIDATED BALANCE SHEET (UNAUDITED)

	June 30, 2013 (Million	December 31, 2012 ns of Dollars)
ASSETS	(	., ,
CURRENT ASSETS		
Cash and temporary cash investments	\$ 747	\$ 394
Special deposits	405	70
Accounts receivable customers, less allowance for uncollectible accounts of \$93 and \$94 in 2013 and 2012, respectively	1,211	1,222
Accrued unbilled revenue	487	516
Other receivables, less allowance for uncollectible accounts of \$8 and \$10 in 2013 and 2012, respectively	310	228
Fuel oil, gas in storage, materials and supplies, at average cost	321	330
Prepayments	119	159
Deferred tax assets current	283	296
Regulatory assets	56	74
Other current assets	164	162
TOTAL CURRENT ASSETS	4,103	3,451
INVESTMENTS	313	467
UTILITY PLANT, AT ORIGINAL COST		
Electric	22,823	22,376
Gas	5,288	5,120
Steam	2,106	2,049
General	2,295	2,302
TOTAL	32,512	31,847
Less: Accumulated depreciation	6,837	6,573
Net	25,675	25,274
Construction work in progress	1,279	1,027
NET UTILITY PLANT	26,954	26,301
NON-UTILITY PLANT		
Non-utility property, less accumulated depreciation of \$78 and \$68 in 2013 and 2012, respectively	486	555
Construction work in progress	102	83
NET PLANT	27,542	26,939
OTHER NONCURRENT ASSETS		
Goodwill	429	429
Intangible assets, less accumulated amortization of \$4 in 2013 and 2012	4	2
Regulatory assets	9,304	9,705
Other deferred charges and noncurrent assets	227	216
TOTAL OTHER NONCURRENT ASSETS	9,964	10,352
TOTAL ASSETS	\$41,922	\$41,209
The accompanying notes are an integral part of these financial statements		

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**Consolidated Edison, Inc.** 

# CONSOLIDATED BALANCE SHEET (UNAUDITED)

	June 30, 2013 (Million	December 31, 2012 as of Dollars)
LIABILITIES AND SHAREHOLDERS EQUITY		
CURRENT LIABILITIES		
Long-term debt due within one year	\$ 483	\$ 706
Notes payable	1,400	539
Accounts payable	997	1,215
Customer deposits	310	304
Accrued taxes	322	162
Accrued interest	277	153
Accrued wages	93	94
Fair value of derivative liabilities	31	47
Regulatory liabilities	88	183
Uncertain income tax liabilities	13	44
Other current liabilities	490	498
TOTAL CURRENT LIABILITIES	4,504	3,945
NONCURRENT LIABILITIES		
Obligations under capital leases	2	2
Provision for injuries and damages	144	149
Pensions and retiree benefits	4,333	4,678
Superfund and other environmental costs	522	545
Asset retirement obligations	162	159
Fair value of derivative liabilities	32	31
Uncertain income tax liabilities	3	
Other noncurrent liabilities	117	125
TOTAL NONCURRENT LIABILITIES	5,315	5,689
DEFERRED CREDITS AND REGULATORY LIABILITIES		
Deferred income taxes and investment tax credits	8,280	8,372
Regulatory liabilities	1,393	1,202
Other deferred credits		