CONSOLIDATED EDISON INC
Form DEF 14A
April 08, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Under §240.14a-12

CONSOLIDATED EDISON, INC.

(Name of Registrant as Specified In Its Charter)

NOT APPLICABLE

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Letter to

Stockholders

Notice of 2011

Annual Meeting and Proxy Statement

May 16, 2011

Con Edison Headquarters

4 Irving Place

New York, N.Y. 10003

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Consolidated Edison, Inc.

4 Irving Place

New York, NY 10003

Kevin Burke

Chairman of the Board

April 8, 2011

Dear Stockholders:

You are cordially invited to attend the Annual Meeting of Consolidated Edison, Inc. I hope that you will join the Board of Directors and the Company s management at the Company s Headquarters at 4 Irving Place, New York, New York, on Monday, May 16, 2011, at 10:00 a.m.

The accompanying Proxy Statement contains information about matters to be considered at the Annual Meeting. At the Annual Meeting, stockholders will be asked to vote on the election of Directors, the ratification of the appointment of independent accountants for 2011, an advisory vote on executive compensation, and an advisory vote on the frequency of such votes going forward. In addition to the matters described above, stockholders will be asked to vote on a proposal submitted by an individual stockholder described in the attached Proxy Statement. For the reasons stated in the Proxy Statement, the Board of Directors and the management recommend that stockholders vote against the stockholder proposal.

Whether or not you plan to attend the Annual Meeting, please date, sign and return the enclosed proxy card in the envelope provided. It is very important that as many shares as possible be represented at the meeting. Stockholders of record may also vote their shares by telephone or by the Internet. Instructions for using the telephone and the Internet service are set forth on the enclosed proxy card.

As a stockholder of record, if after voting your proxy you come to the meeting, you may vote in person even though you have previously voted your proxy.

Sincerely,

Kevin Burke

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Consolidated Edison, Inc.

4 Irving Place

New York, NY 10003

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Dear Stockholders:

The Annual Meeting of Stockholders of Consolidated Edison, Inc. will be held at the Company s Headquarters, 4 Irving Place, New York, New York, on Monday, May 16, 2011, at 10:00 a.m. for the following purposes:

a. To elect as the members of the Board of Directors the twelve nominees named in the Proxy Statement (attached hereto and incorporated herein by reference);

b. To ratify the appointment of PricewaterhouseCoopers LLP as independent accountants for the year 2011;

c. To provide an advisory vote on executive compensation;

d. To provide an advisory vote on the frequency of the vote on executive compensation;

e. To act on a stockholder proposal as set forth in the Proxy Statement; and

f. To transact such other business as may properly come before the meeting, or any adjournment of the meeting.

You are cordially invited to attend the meeting. **If you hold your shares directly in your name as a stockholder of record, an admission ticket is attached to your proxy card.** If you plan to attend the Annual Meeting, please vote your proxy but keep the admission ticket and bring it with you to the meeting. If your shares are held in the name of a bank, broker or other holder of record, you must present proof of your ownership, such as a bank or brokerage account statement, to be admitted to the meeting.

Whether or not you plan to attend the meeting in person, we urge you to vote, sign and date the enclosed proxy card and return it promptly in the enclosed postage-paid envelope, or vote your proxy by telephone or by the Internet in accordance with the instructions accompanying the proxy card.

By Order of the Board of Directors,

Carole Sobin

Corporate Secretary

Dated: April 8, 2011

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IMPORTANT VOTING INFORMATION

Stockholder Voting of Shares Held Through Brokers, Banks or Other Financial Institutions

If you hold your shares through a broker, bank or other financial institution (broker), the Securities and Exchange Commission has approved a New York Stock Exchange rule that changes the manner in which your broker may vote your shares. Your broker may not vote on your behalf for the election of directors or compensation-related matters unless you provide specific instructions by completing and returning the proxy card or following the instructions provided to you to vote your shares. For your vote to be counted, you need to communicate your voting decisions to your broker before the date of the Annual Meeting of Stockholders.

More Information is Available

If you have any questions about this rule or the proxy voting process in general, please contact the broker where you hold your shares. The Securities and Exchange Commission also has a website (*www.sec.gov/spotlight/proxymatters.shtml*) with more information about your rights as a stockholder.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON MONDAY, MAY 16, 2011

The Company s Proxy Statement and Annual Report are available on our web site at ***http://www.conedison.com/investor/corporate_governance.asp*** under Financial Reports.

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PROXY STATEMENT

Introduction

This Proxy Statement is provided to stockholders of Consolidated Edison, Inc. (Con Edison or the Company) in connection with the 2011 Annual Meeting of Stockholders (the Annual Meeting) and any adjournments or postponements of the Annual Meeting. The Annual Meeting will be held at the Company s principal executive offices at 4 Irving Place, New York, New York 10003, on Monday, May 16, 2011, at 10:00 a.m.

Solicitation of Proxies

The Proxy Statement and the accompanying proxy card are furnished in connection with the solicitation of proxies by the Board of Directors of Con Edison for use at the Annual Meeting. The Proxy Statement and the form of proxy are being mailed to stockholders on or about April 8, 2011.

The Company s Annual Report to Stockholders, which includes the consolidated financial statements and accompanying notes for the year ended December 31, 2010, and other information relating to the Company s financial condition and results of operations, also accompanies the mailing of this Proxy Statement.

This solicitation of proxies for the Annual Meeting is being made by management on behalf of the Board of Directors and will be made by mail, telephone, the Internet, facsimile and electronic transmission or overnight delivery. The Company will pay the expenses associated with the solicitation of proxies. The expenses will include reimbursement for postage and clerical expenses to brokerage houses and other custodians, nominees or fiduciaries for forwarding proxy material and other documents to beneficial owners of stock held in their names. In addition, Morrow & Co., LLC has been retained to assist in the solicitation of proxies by the means described above. The estimated cost of Morrow s services is $21,000 plus out-of-pocket expenses.

Record Date, Outstanding Voting Securities and Voting Rights

The Board of Directors has established March 28, 2011 as the record date for the determination of Con Edison s stockholders entitled to receive notice of and to vote at the meeting. On the record date, there were 292,243,633 shares of Common Stock outstanding, which are entitled to one vote per share upon each of the proposals presented at the Annual Meeting. The holders will vote on the election of Directors, the ratification of the appointment of independent accountants, an advisory vote on executive compensation, an advisory vote on the frequency of such votes going forward, and a stockholder proposal.

The enclosed proxy card is for the number of shares registered in your name with Con Edison, together with any additional full shares held in your name in Con Edison s Automatic Dividend Reinvestment and Cash Payment Plan. The instructions on the proxy card provide that any shares registered in your name and any full shares held for your account in the plan will be voted in the same manner.

The twelve nominees for Director named in this Proxy Statement receiving a majority of the votes cast at the meeting in person or by proxy shall be elected (meaning the number of shares voted for a Director nominee must exceed the number of shares voted against that Director nominee), subject to the Board s policy regarding resignations by Directors who do not receive a majority of for votes. In all other matters, the affirmative vote of a majority of the shares present in person or represented by proxy at the Annual Meeting, entitled to vote and voting on the subject matter, will be the act of the stockholders.

Abstentions and broker non-votes are voted neither for nor against, and have no effect on the vote, but are counted in the determination of the quorum.

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Voting and Revocation of Proxies

All shares represented by properly executed proxies received in time for the Annual Meeting will be voted at the Annual Meeting in the manner specified by the persons giving those proxies. If the proxy is signed but no voting instructions are made, the shares represented by the proxy will be voted for the election of the Director nominees named herein and in accordance with the recommendations of the Board on other proposals.

Instead of submitting a signed proxy card, if you are a stockholder of record you may vote your proxy by telephone or by the Internet using the instructions set forth on the proxy card. Voting by telephone or by the Internet eliminates the need to return the proxy card. Telephone voting is not available to stockholders of record outside the United States.

If your shares are held through a broker, you must vote your shares in the manner prescribed by your broker. **If you hold your shares through a broker, your broker may not vote on your behalf in the election of Directors and compensation-related matters without your voting instructions. Please communicate your voting instructions to your broker before the stockholders meeting so that your vote will be counted.** The telephone and Internet voting procedure may or may not be available to stockholders who hold their shares through a broker.

Voting by use of a proxy on the enclosed proxy card, by telephone or by the Internet does not preclude a stockholder of record from voting in person at the Annual Meeting. A stockholder of record may revoke a proxy at any time prior to its exercise by mailing to the Corporate Secretary of the Company a duly executed revocation or by submitting a duly executed proxy, telephone or Internet vote to the Company with a later date or by appearing at the Annual Meeting and voting in person. A stockholder of record may revoke a proxy by any of these methods, regardless of the method used to cast his or her previous vote. Attendance at the Annual Meeting without voting will not by itself revoke a proxy.

Attendance and Procedures at the Annual Meeting

Attendance at the Annual Meeting will be limited to stockholders of record, beneficial owners of Common Stock entitled to vote at the meeting having evidence of ownership, the authorized representative (one only) of an absent stockholder, and invited guests of management. **If you plan to attend the Annual Meeting and you hold your shares directly in your name, please vote your proxy but keep the admission ticket attached to your proxy card and bring it with you to the meeting.** Stockholders who hold their shares through a broker, bank, nominee, or other custodian will need to bring a copy of a brokerage or other statement reflecting their stock ownership as of the record date. You may be asked to present valid picture identification. Any person claiming to be an authorized representative of a stockholder must, upon request, produce written evidence of the authorization. In order to assure the holding of a fair and orderly meeting and to accommodate as many stockholders as possible who may wish to speak at the Annual Meeting, management will limit the general discussion portion of the meeting and permit only stockholders or their authorized representatives to address the meeting. In addition, management will require that all signs, banners, placards, handouts and similar materials be left outside the meeting room. Directions to the Annual Meeting are available on our website at ***http://www.conedison.com/investor/governance_documents.asp*** under shareholder services.

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MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

ELECTION OF DIRECTORS

(Proposal 1 on Proxy Card)

Twelve Directors are to be elected at the Annual Meeting to hold office until the next Annual Meeting and until their respective successors are elected and qualified. Directors are permitted to stand for election until they reach the mandatory retirement age of 72. Of the Board members standing for election, one (Kevin Burke) is a current officer of the Company. All of the nominees were elected Directors at the last Annual Meeting.

The Company s management believes that all of the nominees will be able and willing to serve as Directors of the Company. All of the Directors also serve as Trustees of Con Edison s subsidiary, Consolidated Edison Company of New York, Inc. (Con Edison of New York). Mr. Burke also serves on the Board of Con Edison s subsidiary, Orange and Rockland Utilities, Inc. (Orange & Rockland).

The Board of Directors held twelve meetings in 2010. At its meetings the Board considers a wide variety of matters involving such things as the Company s strategic planning, its financial condition and results of operations, its capital and operating budgets, personnel matters, succession planning, risk management, industry issues, accounting practices and disclosure, and corporate governance practices.

In accordance with the Company s Corporate Governance Guidelines, the Chair of the Corporate Governance and Nominating Committee (currently Mr. Del Giudice) serves as Lead Director and, as such, chairs the executive sessions of the non-management Directors and the independent Directors. The Company s independent Directors met once in executive session and the non-management Directors met nine times in executive session during 2010.

Shares represented by every properly signed proxy will be voted at the Annual Meeting for or against the election of the Director nominees as specified by the stockholder giving the proxy. If one or more of the nominees is unable or unwilling to serve, the shares represented by the proxies will be voted for any substitute nominee or nominees as may be designated by the Board.

Information About the Nominees

The Board and the Corporate Governance and Nominating Committee consider the qualifications of Directors and Director candidates individually and in the broader context of the Board s overall composition and the Company s current and future needs. The Board believes that the Board, as a whole, should possess a combination of skills, professional experience, and diversity of backgrounds necessary to oversee the Company s business. The Board has adopted Corporate Governance Guidelines to assist it in exercising its responsibilities to the Company and its stockholders. In evaluating Director candidates and considering incumbent Directors for renomination to the Board, the Board and the Corporate Governance and Nominating Committee consider various factors. Pursuant to the Guidelines, the Committee reviews with the Board the skills and characteristics of Director nominees, including independence, integrity, judgment, business experience, areas of expertise, availability for service, factors relating to the composition of the Board (including its size and structure) and the Company s principles of diversity. For incumbent Directors, the Committee also considers past performance of the Director on the Board.

The current nominees bring to the Company the benefit of their qualifications, leadership, skills, and the diversity of their experience and backgrounds, as set forth below, which provide the Board, as a whole, with the skills and expertise that reflect the needs of the Company s regulated and unregulated businesses.

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Name, Age, Length of Service as a Director and Trustee

and Principal Occupation and Business Experience

Eugene R. McGrath, 69

Mr. McGrath has leadership, engineering, and operations experience, and knowledge of the utility industry and the Company s business. Mr. McGrath s experience from his leadership positions at the Company and his service on other boards support the Board in its oversight of the Company s management, operations, engineering and strategic planning activities. Mr. McGrath was Chairman of the Board of Con Edison from October 1997 through February 2006, Chairman of Con Edison of New York from September 1990 through February 2006, President and Chief Executive Officer of Con Edison from October 1997 until September 2005, and Chief Executive Officer of Con Edison of New York from September 1990 to September 2005. Mr. McGrath has been a Trustee of Con Edison of New York since 1987, a Director of Con Edison since October 1997, and Chairman of the Board of Orange & Rockland from July 1999 until September 2005. During the past five years, Mr. McGrath served as a Director or Trustee of Associated Electric & Gas Insurance Services Limited, GAMCO Investors, Inc., Sensus (Bermuda 2) Ltd. and Sensus USA Inc., and certain of their affiliates, and Schering-Plough Corporation through November 2009.

Gordon J. Davis, 69

Mr. Davis has experience as an attorney in real estate, environmental, utilities and financial matters, and experience in government service. Mr. Davis legal experience and government service support the Board in its oversight of the Company s environmental, real estate, and financial activities. Mr. Davis is a partner at Dewey & LeBoeuf LLP, Attorneys at Law, New York, NY, the firm resulting from the merger in October 2007 of LeBoeuf, Lamb, Greene & MacRae, LLP (LeBoeuf) and Dewey Ballantine LLP. Mr. Davis was a Partner at LeBoeuf from October 1994 to October 2007 (except during 2001 when he served as President of Lincoln Center Inc.). Previously, Mr. Davis served as the Commissioner of Parks and Recreation for the City of New York. Mr. Davis has been a Trustee of Con Edison of New York since 1989 and a Director of Con Edison since December 1997. During the past five years, Mr. Davis served as a Director or Trustee of the Dreyfus Funds, Groups III and IX, Phoenix Companies, Inc., Central Park Conservatory, Jazz at Lincoln Center, Inc. (Founding Chairman Emeritus), John F. Kennedy Center for the Performing Arts, The Municipal Art Society of New York, New York Public Library, New York Public Theater and the Studio Museum in Harlem.

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Name, Age, Length of Service as a Director and Trustee

and Principal Occupation and Business Experience

Ellen V. Futter, 61

Ms. Futter has management and operations experience leading major New York not-for-profit entities that provide services to the public. Ms. Futter also has legal and financial experience. Ms. Futter s experience from her leadership positions at the American Museum of Natural History and Barnard College, her legal experience, and her service on other boards support the Board in its oversight of the Company s operations and planning activities and the Company s relationships with stakeholders. Ms. Futter has been the President of the American Museum of Natural History, New York, NY, since November 1993. Previously, Ms. Futter served as the President of Barnard College, New York, NY and as the Chairman of the Federal Reserve Bank of New York, and was a corporate attorney at the law firm of Milbank, Tweed, Hadley & McCloy. Ms. Futter has been a Trustee of Con Edison of New York since 1989 and a Director of Con Edison since December 1997. Ms. Futter also serves as a Director or Trustee of JPMorgan Chase & Co., Inc., and NYC & Company, and during the past five years she also served as a Director of American International Group, Inc. through July 2008, and Viacom, Inc. through April 2007. Ms. Futter is also a manager at the Memorial Sloan-Kettering Cancer Center.

Sally Hernandez, 58

Ms. Hernandez has experience in business development and government service, and also has legal experience. Ms. Hernandez s experience from her positions as an attorney and in government service supports the Board in its oversight of the Company s corporate governance, environmental, and planning activities and the Company s relationships with stakeholders. Ms. Hernandez has been an Attorney at Law, Yonkers, NY, since January 2008. Previously, Ms. Hernandez was President of East Harlem Business Capital Corporation, a non-profit corporation providing business services to promote economic development, from July 2006 to December 2007, and Executive Director of City Harvest, New York, NY, a non-profit corporation that collects and distributes food to community food programs, from August 2005 to July 2006. Previously, Ms. Hernandez served as the Managing Director of Fannie Mae American Communities Fund, Chairwoman of the New York City Housing Authority, Deputy Mayor for Finance and Economic Development, and Chairwoman of the Board of Directors of the Financial Services Corporation of New York City. Ms. Hernandez has been a Trustee of Con Edison of New York since 1994 and a Director of Con Edison since December 1997.

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Name, Age, Length of Service as a Director and Trustee

and Principal Occupation and Business Experience

Michael J. Del Giudice, 68

Mr. Del Giudice has experience in private equity, with a focus on the power and energy infrastructure market, as well as experience in government service. Mr. Del Giudice s experience from his investment activities and his government service support the Board in its oversight of the Company s corporate governance, financial, and strategic planning activities, and the Company s relationships with stakeholders. Mr. Del Giudice has been the Senior Managing Director at Millennium Credit Markets LLC, New York, NY, an investment banking firm, since 1996, and Chairman and Senior Managing Director of Rockland Capital, LLC, New York, NY, a private equity company focusing on power and energy infrastructure markets, since 2003. Previously, Mr. Del Giudice was a General Partner at the investment bank of Lazard Freres & Co. LLC, and served as Secretary to the New York State Governor and Chief of Staff to the New York State Assembly Speaker. Mr. Del Giudice has been a Director of Con Edison since July 1999 and a Trustee of Con Edison of New York since May 2002. Mr. Del Giudice also serves as a Director of Fusion Telecommunications International, Inc., and Reis, Inc, and during the past five years Mr. Del Giudice also served as a Director of Barnes and Noble, Inc. through September 2010. Mr. Del Giudice is also Chairman of the Governor s Committee on Scholastic Achievement and Vice Chairman of the New York Racing Association.

George Campbell Jr., Ph.D., 65

Dr. Campbell has experience leading one of the nation s premiere colleges and a non-profit corporation, with a focus on engineering and science. Dr. Campbell also has experience in management and research and development at a public company. Dr. Campbell s experience from his leadership positions at The Cooper Union for the Advancement of Science and Art, AT&T Bell Laboratories, and NACME, Inc., and his service on other boards support the Board in its oversight of the Company s operations and management activities. Dr. Campbell, a physicist, has been the President of The Cooper Union for the Advancement of Science and Art, New York, NY since July 2000. Previously, Dr. Campbell held various management positions at AT&T Bell Laboratories. Dr. Campbell has also served as President and Chief Executive Officer of NACME, Inc., a non-profit corporation focused on engineering education and science and technology policy. Dr. Campbell has been a Director of Con Edison and a Trustee of Con Edison of New York since February 2000. During the past five years, Dr. Campbell also served as a Director of Barnes and Noble, Inc. and New York State Foundation for Science, Technology and Innovation and the Josiah Macy Foundation, and a Trustee of Rensselaer Polytechnic Institute, Montefiore Medical Center, the Commission on Independent Colleges and Universities and the New York Hall of Science.

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Name, Age, Length of Service as a Director and Trustee

and Principal Occupation and Business Experience

Vincent A. Calarco, 68

Mr. Calarco has experience leading public companies, and has management and executive experience with manufacturing companies. Mr. Calarco s experience from his leadership positions at Newmont Mining Corporation and Crompton Corporation (now known as Chemtura Corporation), and his service on other boards support the Board in its oversight of the Company s management, financial, operations, and strategic planning activities. Mr. Calarco has been the Non-Executive Chairman of Newmont Mining Corporation, Denver, CO, a gold production company, since January 2008. Mr. Calarco was Chairman, President and CEO of Crompton Corporation (specialty chemicals, polymer products and equipment), Middlebury, CT from April 1985 to July 2004. Previously, Mr. Calarco held various management and executive positions at Uniroyal Chemical Company. Mr. Calarco has been a Director of Con Edison and a Trustee of Con Edison of New York since September 2001. During the past five years, Mr. Calarco also served as a Director of CPG International, Inc., and Citadel Plastics Company, and is a Trustee of Saint Raphael Healthcare System.

Kevin Burke, 60

Mr. Burke has leadership, engineering, operations and legal experience, as well as knowledge of the utility industry and the Company s business. Mr. Burke s experience from his leadership positions at the Company, and his service on other boards supports the Board in its oversight of the Company s management, financial, operations, and strategic planning activities and the Company s relationships with stakeholders. Mr. Burke has been Chairman of the Board of Con Edison and Con Edison of New York since February 2006. Mr. Burke was President and Chief Executive Officer of Con Edison and Chief Executive Officer of Con Edison of New York since September 2005. Previously, Mr. Burke was President and Chief Operating Officer of Con Edison of New York from September 2000 until September 2005. Mr. Burke has been a Director of Con Edison, a Trustee of Con Edison of New York and Chairman of the Board of Directors of Orange & Rockland since October 2005. During the past five years, Mr. Burke also served as a Director of Honeywell International Inc., Chairman of the Board of Directors of the Business Council of New York State and YMCA of Greater New York, Inc., and a Director or Trustee of American Gas Association, The Economic Club of New York, Edison Electric Institute, Institute for Electric Efficiency, Mayor s Fund to Advance New York City, New York Botanical Garden, New York State Energy Research and Development Authority, and Partnership for New York City.

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Name, Age, Length of Service as a Director and Trustee

and Principal Occupation and Business Experience

L. Frederick Sutherland, 59

Mr. Sutherland has leadership experience at an international managed services company, including experience with financial reporting, internal auditing, mergers and acquisitions, financing, risk management, corporate compliance and corporate planning. Mr. Sutherland also has corporate banking experience. Mr. Sutherland s experience from his leadership positions at ARAMARK Corporation and Chase Manhattan Bank supports the Board in its oversight of the Company s financial reporting, auditing, and strategic planning activities. Mr. Sutherland has been the Executive Vice President and Chief Financial Officer of ARAMARK Corporation, Philadelphia, Pennsylvania, a provider of services, facilities management and uniform and career apparel, since 1997, and assumed the added responsibilities as Group Executive in 2009. Prior to joining ARAMARK in 1980, Mr. Sutherland was Vice President in the Corporate Banking Department of Chase Manhattan Bank, New York, NY. Mr. Sutherland has been a Director of Con Edison and a Trustee of Con Edison of New York since April 2006. During the past five years, Mr. Sutherland also served as President of the Board of Trustees of People s Light and Theater, and as a Board member of WHYY, a PBS affiliate.

John F. Killian, 56

Mr. Killian has leadership experience at regulated consumer services companies, including experience with financial reporting and internal auditing. Mr. Killian s experience from his leadership positions at Verizon Communications, Inc., Bell Atlantic and NYNEX CableComms Limited supports the Board in its oversight of the Company s auditing, financial, operating, and strategic planning activities, and the Company s relationships with stakeholders. Mr. Killian was the Executive Vice President and Chief Financial Officer of Verizon Communications Inc., a telecommunications company, from March 2009 to December 2010. Previously, Mr. Killian was the President of Verizon Business, Basking Ridge, New Jersey, from October 2005 until February 2009, the Senior Vice President and Chief Financial Officer of Verizon Telecom from June 2003 until October 2005, and the Senior Vice President and Controller of Verizon Telecom from April 2002 until June 2003. Mr. Killian also served in executive positions at Bell Atlantic and was the President and Chief Executive Officer of NYNEX CableComms Limited (a telecommunications, information services and entertainment company in the United Kingdom). Mr. Killian has been a Director of Con Edison and a Trustee of Con Edison of New York since September 2007. During the past five years, Mr. Killian also served as a Trustee of the National Urban League and Providence College.

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Name, Age, Length of Service as a Director and Trustee

and Principal Occupation and Business Experience

Michael W. Ranger, 52

Mr. Ranger has investment experience focusing on the energy and power sector, investment banking experience in the energy and power sector, and experience as a member of a utility banking group. Mr. Ranger s experience from his investment activities in the energy and power sector supports the Board in its oversight of the Company s financial and strategic planning activities. Mr. Ranger has been Senior Managing Director of Diamond Castle Holdings LLC, New York, NY, a private equity investment firm, since 2004 and Chairman of KDC Solar LLC since 2010. Previously, Mr. Ranger was an investment banker in the energy and power sector for twenty years, including at Credit Suisse First Boston, Donaldson, Lufkin and Jenrette, DLJ Global Energy Partners, and Drexel Burnham Lambert. Mr. Ranger was also a member of the Utility Banking Group at Bankers Trust. Mr. Ranger has been a Director of Con Edison and a Trustee of Con Edison of New York since February 2008. During the past five years, Mr. Ranger also served as a Director of TXU Corp. through October 2007, and as a member of the Boards of Beacon Health Holdings, LLC, Managed Health Care Associates, Inc., Morristown-Beard School, Professional Direction Enterprise, Inc, and The Seeing Eye, Inc., and a Trustee Emeritus of St. Lawrence University.

John F. Hennessy III, 55

Mr. Hennessy has leadership experience at project performance consulting firms, and has engineering and construction industry experience. Mr. Hennessy s experience from his leadership positions with a project performance consulting firm supports the Board in its oversight of the Company s operations and financial activities. Mr. Hennessy has been a Partner in the firm of Hennessy & Williamson, a project performance consulting firm, New York, NY, since 2004. Previously, Mr. Hennessy was Chairman of the Board and Chief Executive Officer of the Syska Hennessy Group from 1989 to 2004. Mr. Hennessy has been a Director of Con Edison and a Trustee of Con Edison of New York since November 2008. During the past five years, Mr. Hennessy also served as a member of the Board of Trustees of Atlantic Mutual Insurance Company. Mr. Hennessy is also Chairman Emeritus of the Board of Directors of the New York Building Congress, Chairman Emeritus of the New York Building Foundation, and Chairman Emeritus of the American Council of Engineering Companies.

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BENEFICIAL OWNERSHIP OF SECURITIES

Directors and Executive Officers

The following table includes information, as of February 28, 2011, with respect to the beneficial ownership of shares of the Company by each Director, each executive officer named in the Summary Compensation Table, and by all Directors and executive officers of the Company as a group. Each executive officer and member of the Board held his or her shares with sole voting power and sole investment power, except for the restricted stock units and deferred stock units (the holders of which have no voting rights or investment power) and shares as to which voting power, or investment power, or both, were shared with a spouse or a relative of such person. As of February 28, 2011, such ownership was, in each case, less than one percent of the outstanding 292,089,846 shares.

Beneficial Owner	Amount and Nature of Beneficial Ownership[1]	Other Stock-Based Holdings[2]	Total Number of Shares
Vincent A. Calarco	16,690	0	16,690
George Campbell, Jr.	15,657	9,639	25,296
Gordon J. Davis	22,308	0	22,308
Michael J. Del Giudice	25,638	0	25,638
Ellen V. Futter	13,880	6,000	19,880
John F. Hennessy III	4,101	0	4,101
Sally Hernandez	25,382	1,500	26,882
John F. Killian	1,419	4,750	6,169
Eugene R. McGrath	166,011	0	166,011
Michael W. Ranger	12,416	0	12,416
L. Frederick Sutherland	16,022	0	16,022
Kevin Burke	491,973	25,936	517,909
Robert Hoglund	68,469	15,000	83,469
Craig Ivey	7,140	0	7,140
William Longhi	41,249	0	41,249
John D. McMahon[3]	147,376	22,500	169,876
Directors and Executive Officers as a group, including the above-named persons (23 persons)	1,171,946	90,665	1,262,611

1 Includes for the Directors, stock units that were deferred until the respective Director s separation from the Board of Directors (DSUs): Mr. Calarco 16,290; Dr. Campbell 12,816; Mr. Davis 22,306; Mr. Del Giudice 23,943; Ms. Futter 11,934; Mr. Hennessy 4,101; Ms. Hernandez 21,734; Mr. Killian 1,419; Mr. McGrath 10,935; Mr. Ranger 12,416; and Mr. Sutherland 12,022. Includes for the Named Executive Officers, shares underlying exercisable stock options and vested restricted stock units the receipt of which the officer deferred until the officer s separation from the Company, for: Mr. Burke stock options: 339,000, restricted stock units: 64,326; Mr. Hoglund stock options: 50,000, restricted stock units: 15,000; Mr. Longhi stock options: 26,000, restricted stock units: 7,160; and Mr. McMahon stock options: 132,000, restricted stock units: 12,500. These officers had no other restricted stock units that were to vest, and no unexercisable stock options that were to become exercisable, within 60 days of February 28, 2011.

2 Represents shares, stock units or DSUs that have been deferred more than 60 days after February 28, 2011.

3 Mr. McMahon retired effective January 31, 2011.

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The following table provides, as of December 31, 2010, information with respect to persons who are known to the Company to beneficially own more than five percent of the Company s shares of Common Stock:

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Class
State Street Corporation State Street Financial Center One Lincoln Street Boston, MA 02111	16,303,262[(1)]	5.6%

(1) State Street Corporation has shared voting and dispositive power for 16,303,262 shares of the Company s common stock.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Directors and executive officers of the Company to file reports of ownership and changes in ownership of the equity securities of the Company and its subsidiaries with the Securities and Exchange Commission and to furnish copies of these reports to the Company, within specified time limits. Based upon its review of the reports furnished to the Company for 2010 pursuant to Section 16(a) of the Act, the Company believes that all of the reports were filed on a timely basis, except for one report, which was inadvertently filed late: for Robert Muccilo (Vice President and Controller), relating to the exercise of two option grants and the sale of 4,000 shares underlying such options.

Board Members Attendance

During 2010, each incumbent member of the Board attended more than 75 percent of the combined meetings of the Board of Directors and the Board Committees on which he or she served, except for Mr. Burke who did not attend meetings during one week in April 2010 due to absence for a medical procedure.

Directors are expected to attend the Annual Meeting. All of the current Directors attended the 2010 annual meeting of stockholders.

Corporate Governance

Con Edison s corporate governance documents, including its Corporate Governance Guidelines, the charters of the Audit, Corporate Governance and Nominating, and Management Development and Compensation Committees, and the Code of Ethics are available on the Company s website at *http://www.conedison.com/investor/governance_documents.asp*. The Code of Ethics applies to all Directors, officers and employees. Con Edison intends to post on its website at *http://www.conedison.com/investor/governance_documents.asp* amendments to its Code of Ethics and a description of any waiver from a provision of the Code of Ethics granted by the Board to any Director or executive officer of Con Edison within four business days after such amendment or waiver.

Leadership Structure

The Company s leadership structure combines the roles of the chairman and chief executive officer. The Board believes that this leadership structure is appropriate for the Company due to Mr. Burke s knowledge of the Company and the utility industry, and his extensive engineering, operations and legal experience. The Board consists of a substantial majority of Directors who are independent (see Board Members Independence on page 13, the Board routinely holds executive sessions at which only non-management Directors are present, and the independent Directors meet in executive session at least once a year. Pursuant to the Company s Corporate Governance Guidelines, the Board has oversight responsibility for reviewing the Company s strategic plans, objectives and risks. The Committees of the Board which administer the Board s risk oversight function are chaired by non-management Directors (see Standing Committees of the Board on page 14). In addition, the Board has an independent Lead Director who is the Chair of the Corporate Governance and Nominating Committee. The Lead Director: (i) acts as a liaison between the independent Directors and the Company s management; (ii) chairs the executive sessions of non-management and independent Directors and has the authority to call additional executive sessions as appropriate; (iii) chairs Board meetings in the Chairman s absence; (iv) coordinates with the Chairman on agendas and schedules for Board meetings, information flow to the Board, and other matters pertinent to the Company and the Board; and (v) is available for consultation and communication with major shareholders as appropriate.

Risk Oversight

The Board s primary function is one of oversight. In connection with its oversight function, the Board oversees the Company s policies and procedures for managing risk. The Board administers its risk oversight function primarily through its Committees which report to the Board. Board Committees have assumed oversight of various risks that have been identified through the Company s enterprise risk management program. The Audit Committee reviews the Company s risk assessment and risk management policies and the Audit Committee reports to the Board on the Company s risk management program. Management regularly provides reports to the Board and its Committees concerning risks identified through the Company s enterprise risk management program.

Related Person Transactions and Policy

The Company has adopted a written policy for approval of transactions between the Company and its Directors, Director nominees, executive officers, greater-than-five percent beneficial owners, and their respective immediate family members, where the amount involved in the transaction exceeds or is expected to exceed $100,000 in a single calendar year.

The policy provides that the Corporate Governance and Nominating Committee reviews certain transactions subject to the policy and determines whether or not to approve or ratify those transactions. In doing so, the Committee takes into account, among other factors it deems appropriate, whether the transaction is on terms that are no less favorable to the Company than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the related person s interest in the transaction. In addition, the Board has delegated authority to the Chair of the Committee to pre-approve or ratify transactions where the aggregate amount involved is expected to be less than $1.0 million. A summary of any new transactions pre-approved by the Chair will be provided to the full Committee for its review in connection with a regularly scheduled Committee meeting.

The Committee has considered and adopted standing pre-approvals under the policy for limited transactions with related persons. Pre-approved transactions include:

- business transactions with other companies at which a related person s only relationship is as an employee (other than an executive officer), director or less-than-10 percent beneficial owner if the amount of business falls below the thresholds in the New York Stock Exchange s listing standards and the Company s Director independence standards; and

- contributions to non-profit organizations at which a related person s only relationship is as an employee (other than an executive officer) or director if the aggregate amount involved is less than both $1.0 million and two percent of the organization s consolidated gross annual revenues.

At least annually, a summary of new transactions covered by the standing pre-approvals described above will be provided to the Committee for its review.

In 2010, Ms. Futter s brother received $151,746 for providing legal services to Con Edison of New York and will provide such legal services in 2011. The provision of these services by Ms. Futter s brother was approved by the Committee.

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Board Members Independence

The Board of Directors has affirmatively determined that the following Directors are independent as defined in the New York Stock Exchange s listing standards: Mr. Calarco, Dr. Campbell, Mr. Davis, Mr. Del Giudice, Mr. Hennessy, Ms. Hernandez, Mr. Killian, Mr. Ranger, and Mr. Sutherland.

To assist it in making determinations of Director independence, the Board has adopted independence standards, which are set forth in its Corporate Governance Guidelines, available on the Company s website at *http://www.conedison.com/investor/pdfs/Guidelines.pdf*. Under these standards, the Board has determined that each of the relationships below is categorically immaterial and therefore, by itself, does not preclude a Director from being independent; provided, however, that if a Director has any relationship that would be required to be disclosed as a related person transaction under Securities and Exchange Commission rules, that relationship may not be treated as categorically immaterial and must be specifically considered by the Board in assessing the Director s independence:

(i) (a) the Director has an immediate family member who is a current employee of the Company s internal or external auditor, but the immediate family member does not personally work on the Company s audit; or (b) the Director or an immediate family member was, within the last three years, a partner or employee of such a firm but no longer works at the firm and did not personally work on the Company s audit within that time;

(ii) the Director or an immediate family member is, or has been within the last three years, employed at another company where any of the Company s present executive officers at the same time serves or served on that company s compensation committee, but the Director or the Director s immediate family member is not an executive officer of the other company and his or her compensation is not determined or reviewed by that company s compensation committee;

(iii) the Director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in any of the last three fiscal years, but the total payments in each year were less than $1.0 million, or two percent of such other company s consolidated gross revenues, whichever is greater;

(iv) the Director is a partner or the owner of five percent or more of the voting stock of another company that has made payments to, or received payments from, the Company for property or services in any of the last three fiscal years, but the total payments in each year were less than $1.0 million, or two percent of such other company s consolidated gross revenues, whichever is greater;

(v) the Director is a partner, the owner of five percent or more of the voting stock or an executive officer of another company which is indebted to the Company, or to which the Company is indebted, but the total amount of the indebtedness in each of the last three fiscal years was less than $1.0 million, or two percent of such other company s consolidated gross revenues, whichever is greater; and

(vi) the Director or an immediate family member is a director or an executive officer of a non-profit organization to which the Company has made contributions in any of the last three fiscal years, but the Company s total contributions to the organization in each year were less than $1.0 million, or two percent of such organization s consolidated gross revenues, whichever is greater.

In assessing independence, the Board considered that certain Directors (Dr. Campbell and Messrs. Davis, Del Giudice, Killian, and Sutherland) are affiliated with organizations that do business with Con Edison. Con Edison made payments to, or received payments from, these organizations for property or services in 2010. However, in each case, the payments made by or to Con Edison were less than 1 percent of the recipient organization s consolidated gross revenues and fell significantly below the thresholds in paragraphs (iii) and (iv) of Con Edison s Director independence standards disclosed above. In assessing independence, the Board also considered that Dr. Campbell is an executive officer of a non-profit organization that received contributions from Con Edison in 2010 of no more than $360,000. Con Edison s relationship with such organization predates Dr. Campbell s service on the Board. In addition, the Board considered that Messrs. Davis, Hennessy, and Killian are directors of, or serve in a similar capacity for, non-profit organizations that received contributions from Con Edison in 2010 of no more than $83,000. In each case, the amount of the contributions fell significantly below the threshold in paragraph (vi) of Con Edison s Director independence standards.

Standing Committees of the Board

The Audit Committee, composed of four independent Directors (currently Mr. Calarco, Chair, Mr. Del Giudice, Mr. Killian, and Mr. Sutherland), is responsible for the appointment of the independent accountants for the Company, subject to stockholder ratification at the Annual Meeting. If the selection of PricewaterhouseCoopers LLP is not ratified, the Audit Committee will take this into consideration in the future selection of independent accountants. The Committee meets with the Company s management, including Con Edison of New York s General Auditor and General Counsel, and the Company s independent accountants, several times a year to discuss internal controls and accounting matters, the Company s financial statements, filings with the Securities and Exchange Commission, earnings press releases and the scope and results of the auditing programs of the independent accountants and of Con Edison of New York s internal auditing department. The Committee also oversees the Company s risk assessment and risk management policies, and the Company s management of risks, relating to the Committee s duties and responsibilities that have been identified through the Company s enterprise risk management program. Each member of the Committee is independent as defined in the New York Stock Exchange s listing standards. Con Edison s Board of Directors has determined that each Director on the Audit Committee is an audit committee financial expert as such term is defined in Item 407(d)(5) of Regulation S-K and is independent as such term is defined in Rule 10A-3 under the Securities and Exchange Act of 1934. The Audit Committee held nine meetings in 2010.

The Corporate Governance and Nominating Committee, composed of four independent Directors (currently Mr. Del Giudice, Chair, Mr. Calarco, Dr. Campbell, and Ms. Hernandez), annually evaluates each Director s individual performance when considering whether to nominate the Director for re-election to the Board and is responsible for recommending candidates to fill vacancies on the Board. In addition, the Committee assists with respect to the composition and size of the Board and of all Committees of the Board. The Committee also makes recommendations to the Board as to the compensation of Board members as well as other corporate governance matters, including Board independence criteria and determinations and corporate governance guidelines. Additionally, the Committee oversees the Company s management of risks, relating to the Committee s duties and responsibilities that have been identified through the Company s enterprise risk management program.

All of the members of the Committee are independent as defined in the New York Stock Exchange s listing standards. Con Edison s Corporate Governance Guidelines provide that the Board of Directors consists of a substantial majority of Directors who meet the New York Stock Exchange definition of independence, as determined by the Board in accordance with the standards described in the Guidelines under Board Members Independence beginning on page 13. Among its duties, the Committee reviews the skills and characteristics of Director candidates as well as their integrity, judgment, business experience, areas of expertise and availability for service, factors relating to the composition of the Board (including its size and structure) and the Company s principles of diversity.

The Committee has the authority under its charter to hire advisors to assist it in its decisions. The Committee retains a professional search firm to assist it in identifying director candidates. The search firm assists the Committee in developing criteria for potential Board members to complement the Board s existing strengths. Based on such criteria, the firm also provides the Committee, for its review and consideration, lists of potential candidates with background information. After consulting with the Committee, the firm further screens and interviews candidates as directed by the Committee to determine their qualifications, interest and any potential conflicts of interest and provides its results to the Committee. The Committee also considers candidates recommended by stockholders. There are no differences in the manner in which the Committee will evaluate candidates recommended by stockholders. The Committee will make an initial determination as to whether a particular candidate meets the Company s criteria for Board membership, and will then further consider candidates that do. Stockholder recommendations for candidates, accompanied by biographical material for evaluation, may be sent to the Secretary of the Company. Each recommendation should include information as to

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the qualifications of the candidate and should be accompanied by a written statement (presented to the Secretary of the Company) from the suggested candidate to the effect that the candidate is willing to serve.

The Committee has also retained Mercer (US) Inc. (Mercer) to provide information, analyses, and objective advice regarding director compensation. The Committee directs Mercer to: (i) assist the Committee by providing competitive market information on the design of the director compensation program, (ii) advise the Committee on the design of the director compensation program and also provide advice on the administration of the program, and (iii) brief the Committee on director compensation trends among the Company s compensation peer group and broader industry. The chief executive officer is the Chairman of the Board and together with the other Board members considers the recommendations of the Committee. The decisions may reflect factors and considerations in addition to the information and advice provided by Mercer.

The Corporate Governance and Nominating Committee held five meetings in 2010.

The Environment, Health and Safety Committee, composed of four non-management Directors (currently Ms. Futter, Chair, Mr. Davis, Mr. Hennessy, and Ms. Hernandez), provides advice and counsel to the Company s management on corporate environment, health and safety policies and on such other environment, health and safety matters as from time-to-time the Committee deems appropriate, reviews significant issues relating to the Company s environment, health and safety programs and its compliance with environment, health and safety laws and regulations, and makes such other reviews and recommends to the Board such other actions as it may deem necessary or desirable to help promote sound planning by the Company with due regard to the protection of the environment, health and safety. Additionally, the Committee oversees the Company s management of risks, relating to the Committee s duties and responsibilities that have been identified through the Company s enterprise risk management program. The Environment, Health and Safety Committee held six meetings in 2010.

The Executive Committee, composed of Mr. Burke, the Chairman of the Board and of the Committee, and three non-management Directors (currently Mr. Calarco, Mr. Del Giudice, and Mr. McGrath), may exercise, during intervals between the meetings of the Board, all the powers vested in the Board, except for certain specified matters. No meetings of the Executive Committee were held in 2010.

The Finance Committee, composed of four independent Directors (currently Mr. Sutherland, Chair, Mr. Davis, Mr. Hennessy, and Mr. Ranger), reviews and makes recommendations to the Board with respect to the Company s financial condition and policies, capital and operating budgets, financial forecasts, major contracts and real estate transactions, financings, investments, bank credit arrangements, its dividend policy, strategic business plan and litigation and other financial matters. Additionally, the Committee oversees the Company s management of risks, relating to the Committee s duties and responsibilities that have been identified through the Company s enterprise risk management program. The Finance Committee held ten meetings in 2010.

The Management Development and Compensation Committee, composed of four independent Directors (currently Dr. Campbell, Chair, Mr. Calarco, Mr. Del Giudice, and Mr. Killian), makes recommendations to the Board relating to officer and senior management appointments, and establishes, reviews and administers the Company s executive compensation program. Additionally, the Committee oversees the Company s management of risks, relating to the Committee s duties and responsibilities that have been identified through the Company s enterprise risk management program.

The Committee has the authority under its charter to engage the services of outside advisors, experts and others to assist it. The Committee engages Mercer to provide information, analyses, and objective advice regarding executive compensation. The Committee directs Mercer to: (i) assist the Committee in the development and assessment of the compensation peer group for the purposes of providing competitive market information for the design of the compensation program, (ii) compare the Company s chief executive officer s base salary, annual incentive and long-term incentive compensation to that of the chief executive officers of the identified compensation peer group and broader industry, (iii) advise the Committee on the officers base salaries and target award levels within the annual and long-term incentive plans, (iv) advise the Committee on the design of the Company s annual and long-term incentive plans and also provide advice on the administration of the

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plans, (v) brief the Committee on executive compensation trends among the Company s compensation peer group and broader industry, and (vi) assist with the preparation of the Compensation Discussion and Analysis Report for this Proxy Statement. The Committee held four meetings in 2010, all of which Mercer attended.

For a discussion of the role of the Committee and information about the Company s processes and procedures for the consideration and determination of executive compensation, see the Compensation Discussion and Analysis Report beginning on page 22 of the Proxy Statement.

In addition, the Committee also reviews and makes recommendations as necessary to provide for orderly succession and transition in the executive management of the Company and receives reports and makes recommendations with respect to minority and female recruitment, employment and promotion. It also oversees and makes recommendations to the Board with respect to compliance with the Employee Retirement Income Security Act of 1974 (ERISA), and reviews and makes recommendations with respect to benefit plans and plan amendments, the selection of plan trustees and the funding policy and contributions to the funded plans, and reviews the performance of the funded plans.
Each of the members of the Committee is independent as defined in the New York Stock Exchange s listing standards, meets the outside director criteria of Section 162(m) of the Internal Revenue Code, and the Non-Employee Director criteria of Rule 16b-3 under the Securities Exchange Act of 1934.

The *Operations Oversight Committee*, composed of five non-management Directors (currently Mr. McGrath, Chair, Dr. Campbell, Ms. Futter, Mr. Hennessy, and Mr. Killian), oversees the Company s operation of its electric, gas and steam delivery systems. Additionally, the Committee oversees the Company s management of risks, relating to the Committee s duties and responsibilities that have been identified through the Company s enterprise risk management program. The Operations Oversight Committee held four meetings in 2010.

The *Planning Committee*, composed of five non-management Directors (currently Ms. Hernandez, Chair, Mr. Davis, Ms. Futter, Mr. McGrath, and Mr. Ranger), reviews and makes recommendations to the Board regarding long-range planning for the Company. Additionally, the Committee oversees the Company s management of risks, relating to the Committee s duties and responsibilities that have been identified through the Company s enterprise risk management program. The Planning Committee held three meetings in 2010.

Compensation Consultant Fee Disclosure

The Management Development and Compensation Committee has retained Mercer, a wholly-owned subsidiary of Marsh & McLennan, to assist the Committee with its responsibilities related to the Company s executive and Director compensation programs. Mercer s fees for executive and Director compensation consulting to the Committee in 2010 were approximately $228,000.

During 2010, the Company retained Marsh & McLennan affiliates, other than Mercer, to provide services, unrelated to executive compensation. These services were approved by the Company s management. The aggregate fees paid for these other services, which include litigation and economic consulting, were approximately $462,000.

Compensation Committee Interlocks and Insider Participation

Mr. Calarco, Dr. Campbell (Chair), Mr. Del Giudice and Mr. Killian were on Con Edison s Management Development and Compensation Committee during 2010. The Company believes that there are no interlocks with the members who serve on this Committee.

Communications with the Board of Directors

Interested parties may communicate directly with the members of the Board of Directors, including the non-management Directors as a group, by writing to them, care of the Company s Corporate Secretary, Con

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Edison, 4 Irving Place, New York, New York 10003. The Corporate Secretary will forward all communications to the Director or the Directors indicated.

Report of the Audit Committee

The Company s Audit Committee consisted of four independent Directors in 2010. Each member of the Audit Committee meets the qualifications required by the New York Stock Exchange and Securities and Exchange Commission.

The Audit Committee has reviewed and discussed with management the audited financial statements of the Company for the year ended December 31, 2010. The Audit Committee has also discussed with PricewaterhouseCoopers LLP (PwC), the Company s independent public accountants, the matters required to be discussed under the rules adopted by the Public Company Accounting Oversight Board (PCAOB).

The Audit Committee has received the written disclosures and the letter from PwC required by applicable requirements of the PCAOB regarding PwC s communications with the Audit Committee concerning independence. The Audit Committee has discussed with PwC its independence and qualifications. The Audit Committee also has considered whether the provision of limited non-audit services to the Company is compatible with the independence of PwC and concluded that it was.

Based on the Audit Committee s review and discussions, the Audit Committee recommended to the Board of Directors that the Company s audited financial statements be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2010 for filing with the Securities and Exchange Commission.

Audit Committee:

Vincent A. Calarco (Chair)

Michael J. Del Giudice

John F. Killian

L. Frederick Sutherland

Fees Paid to PricewaterhouseCoopers LLP

Fees paid or payable to PwC for services related to 2010 and 2009 are as follows:

	2010	2009
Audit Fees	$ 4,404,453	$ 4,350,850
Audit-Related Fees[(a)]	$ 71,823	$ 234,489
Tax Fees	$	$
All Other Fees	$	$ 16,000(b)
TOTAL FEES	$ 4,476,276	$ 4,601,339

(a) Relates to assurance and related service fees that are reasonably related to the performance of the annual audit or quarterly reviews of the Company s financial statements that are not specifically deemed Audit Services. The major items included in Audit-Related Fees are fees in 2009 for a review of the Company s energy trading processes, and fees in both years for a review of the Company s enterprise risk management program.

(b) The major items included in All Other Fees are seminar fees.

The Audit Committee, or as delegated by the Audit Committee, the Chair of the Committee, approves in advance each auditing service and non-audit service permitted by applicable laws and regulations, including tax services, to be provided to the Company and its subsidiaries by its independent accountants.

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RATIFICATION OF THE APPOINTMENT OF INDEPENDENT ACCOUNTANTS

(Proposal 2 on Proxy Card)

At the Annual Meeting, as a matter of sound corporate governance, stockholders will be asked to ratify the selection of PwC as independent accountants for the Company for the year 2011. If the selection of PwC is not ratified, the Audit Committee will take this into consideration in the future selection of independent accountants.

PwC has acted as independent accountants for the Company for many years. The Audit Committee s charter provides that at least once every five years, the Audit Committee will evaluate whether it is appropriate to rotate the Company s independent accountants.

The Audit Committee considered the firm s qualifications. This included a review of PwC s performance in prior years, as well as PwC s reputation for integrity and for competence in the fields of accounting and auditing. The Audit Committee also reviewed a report provided by PwC regarding its quality controls, inquiries or investigations by governmental or professional authorities and independence.

Representatives of PwC will be present at the Annual Meeting and will be afforded the opportunity to make a statement if they desire to do so and to respond to appropriate questions.

The Board Recommends a Vote FOR Proposal No. 2.

Ratification of Proposal No. 2 requires the affirmative vote of a majority of the shares of Common Stock voted on the proposal at the Annual Meeting.

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ADVISORY VOTE ON EXECUTIVE COMPENSATION

(Proposal 3 on Proxy Card)

The Company values the opinions of our stockholders, and in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), the stockholders have the opportunity to provide an advisory vote on the executive compensation of the Company s Named Executive Officers. The Board recommends that the stockholders approve, on an advisory basis, the Company s compensation of its Named Executive Officers included in the Summary Compensation Table on page 37.

As discussed in the Compensation Discussion and Analysis on pages 22 to 36, the Company s compensation program is designed to assist in attracting and retaining key executives critical to the Company s long-term success, and to motivate these executives to create value for its stockholders and to provide reliable service for its customers. The Management Development and Compensation Committee (the Compensation Committee), with the assistance of its compensation consultant, seeks to provide base salary, target annual cash incentive compensation, long-term equity-based incentive compensation, and retirement and welfare benefits that are competitive with the level of compensation provided by the Company s compensation peer group (see *Compensation Peer Group* on page 26).

The Compensation Committee believes that variable compensation should represent the most significant portion of each Named Executive Officer s total direct compensation to motivate strong annual and multi-year Company performance. Additionally, the Compensation Committee believes that most of the variable performance-based compensation should be in the form of long-term, rather than annual incentives, to emphasize the importance of sustained Company performance. Each year, the Compensation Committee evaluates the level of compensation and the mix of base and variable compensation of each Named Executive Officer to ensure that it meets the Compensation Committee s objectives and is competitive with levels of compensation of the Compensation Peer Group.

For the reasons discussed above, the Board recommends that the stockholders vote in favor of the following resolution:

RESOLVED, that the Company s stockholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion.

The Board Recommends a Vote FOR Proposal No. 3.

The Board values the opinions of the Company s stockholders as expressed through their vote and other communications. The Board and its Compensation Committee will consider the results of this advisory vote when making future compensation decisions for the Company s executive officers.

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ADVISORY VOTE ON THE FREQUENCY OF THE VOTE ON EXECUTIVE COMPENSATION

(Proposal 4 on Proxy Card)

In addition to the advisory vote on executive compensation, in accordance with the Dodd-Frank Act, the stockholders have the opportunity, at least once every six years, to provide an advisory vote on the frequency of the vote on Named Executive Officer compensation. By voting on this Proposal 4, stockholders may indicate whether they would prefer an advisory vote on Named Executive Officer compensation every one, two, or three years. The Board recommends that the stockholders approve, on an advisory basis, an annual vote on the compensation awarded to the Named Executive Officers. The Board believes that an annual advisory vote is the most appropriate for the Company as it will promote communication with the stockholders on the Company s compensation program in a consistent and timely manner.

The Board Recommends a Vote of 1 YEAR for Proposal No. 4.

The Board values the opinions of the Company s stockholders as expressed through their vote and other communications. The Board and its Compensation Committee will consider the results of this advisory vote when making decisions about the frequency of the vote on executive compensation.

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STOCKHOLDER PROPOSAL

(Proposal 5 on Proxy Card)

Mrs. Evelyn Y. Davis, Watergate Office Building, 2600 Virginia Avenue, N.W., Suite 215, Washington, D.C. 20037, who owns 200 shares of Common Stock, has submitted the following proposal:

RESOLVED: That the stockholders recommend that the Board take the necessary steps that Con Edison specifically identify by name and corporate title in all future proxy statements those executive officers, not otherwise so identified, who are contractually entitled to receive in excess of $500,000 annually as a base salary, together with whatever other additional compensation bonuses and other cash payments were due them.

The statement made in support of this proposal is as follows:

In support of such proposed Resolution it is clear that the stockholders have a right to comprehensively evaluate the management in the manner in which the Corporation is being operated and its resources utilized. At present only a few of the most senior executive officers are so identified, and not the many other senior executive officers who should contribute to the ultimate success of the Corporation. Through such additional identification the stockholders will then be provided an opportunity to better evaluate the soundness and efficacy of the overall management.

Last year the owners of 18,370,776 shares, representing approximately 12.41% of shares voting, voted FOR this proposal.

If you AGREE, please mark your proxy FOR this proposal.

The Board of Directors Recommends That You Vote AGAINST Proposal No. 5 for the Following Reasons:

Disclosure of executive compensation is governed by the Securities and Exchange Commission s proxy solicitation rules. In accordance with those rules, Con Edison currently provides information on pages 22 to 44 and 47 to 52 of the Proxy Statement concerning compensation for its highest paid executive officers.

The Board of Directors Recommends a Vote AGAINST Proposal No. 5.

Adoption of the preceding stockholder proposal (Proposal 5) requires the affirmative vote of a majority of shares of Common Stock voted on the proposal at the Annual Meeting.

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EXECUTIVE COMPENSATION REPORT OF THE MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE

The Management Development and Compensation Committee of the Board of Directors of the Company (the Committee) is composed of four independent Directors. The Committee establishes, reviews and administers the Company s executive compensation program for the Chief Executive Officer and the other members of senior management, including the Named Executive Officers listed on the Summary Compensation Table, and determines the compensation of such officers.

The Committee has reviewed and discussed the Compensation Discussion and Analysis report (the CD&A) for 2010 with management of the Company. Based on this review and discussion, the Committee recommended to the Board of Directors that the CD&A be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2010 and this Proxy Statement.

Management Development and Compensation Committee:

George Campbell, Jr. (Chair)

Vincent A. Calarco

Michael J. Del Giudice

John F. Killian

COMPENSATION DISCUSSION AND ANALYSIS REPORT

Introduction

This section of the proxy statement provides management s discussion and analysis of the Company s 2010 executive compensation program (the compensation program). The compensation program covers the Company s officers, including the Named Executive Officers. The discussion and analysis addresses:

I. Executive summary of the compensation program;

II. Philosophy and objectives of the Company s compensation program;

III. Role of the Committee and others in determining executive compensation;

IV. Committee s actions concerning executive compensation;

V. Retirement and other benefits;

VI. Stock ownership guidelines, and

VII. Tax deductibility pay.

I. Executive Summary

The Company s compensation program is designed to assist in attracting and retaining key executives critical to the Company s long-term success, and to motivate these executives to create value for its stockholders and to provide safe, reliable, and efficient service for its customers. The Committee seeks to provide base salary, and performance-based variable compensation, including target annual cash incentive compensation and long-term equity-based incentive compensation, that is competitive with the median level of compensation provided by the Company s compensation peer group (see Compensation Peer Group on page 26).

The Committee believes that variable compensation should represent the most significant portion of each Named Executive Officer s total direct compensation to motivate strong annual and multi-year Company performance. Additionally, the Committee believes that most of the variable compensation should be in the form of long-term, rather than annual incentives, to emphasize the importance of sustained Company performance.

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Each year, the Committee evaluates the level of compensation and the mix of base and variable compensation of each Named Executive Officer to ensure that it meets the Committee s objectives and is competitive with levels of compensation of the Compensation Peer Group.

Key features of the compensation program include:

Base salary: recognizes individual responsibility and performance.

Variable compensation:

- Annual incentive compensation: recognizes achievement of financial and operating objectives for which the Named Executive Officers have individual and collective responsibility.
- Long-term incentive compensation: recognizes achievement, over a three-year period of financial and operating objectives critical to the performance of the Company s business and its total shareholder return relative to its compensation peer group.

The following governance features assist in aligning the compensation program with the long-term interests of the Company s stockholders:

The Committee retains a compensation consultant to provide information, analyses, and objective advice regarding executive compensation, and to annually evaluate the Company s compensation-related risk management;

The Company s compensation recoupment policy applies to all officers of the Company and its subsidiaries, and is intended to reduce potential risks associated with our compensation program, and align the long-term interests of the officers and stockholders (see Compensation Policies and Practices as They Relate to the Company s Risk Management on page 52); and

Stock ownership guidelines for the Named Executive Officers and certain senior officers encourage a long-term commitment to the Company s sustained performance and align the interests of the senior officers with stockholders (see Stock Ownership Guidelines on page 36).

II. Compensation Program Overview, Philosophy and Objectives

A. Compensation Program Overview

The compensation program consists of the following components:

Base salary;

Annual incentive compensation;

Long-term incentive compensation;

Retirement and welfare benefits; and

Perquisites and personal benefits.

The Company s Named Executive Officers are:

Kevin Burke, Chairman of the Board, President and Chief Executive Officer;

Robert Hoglund, Senior Vice President and Chief Financial Officer;

John D. McMahon, Executive Vice President, Con Edison of New York (who retired January 31, 2011);

Craig Ivey, President of Con Edison of New York; and

William Longhi, President and Chief Executive Officer, Orange & Rockland.

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B. Compensation Philosophy and Objectives

The Committee has established the following philosophy and objectives to govern the development and implementation of the Company s compensation program. There are no material differences in the Company s compensation policies for each Named Executive Officer.

(i) Competitive Positioning Attraction and Retention

The Company s compensation program is designed to assist in attracting and retaining key executives critical to the Company s long-term success. The Committee seeks to provide base salary, target annual incentive awards, and target long-term incentive award values that are competitive with levels of compensation provided by the Company s compensation peer group. The Company also seeks to provide retirement and welfare benefits, perquisites, and personal benefits that are competitive with those provided by the compensation peer group.

In May 2009, the Committee approved reductions in compensation (Compensation Reductions) effective July 1, 2009 through June 30, 2010. These Compensation Reductions included a base salary reduction of 5.0 percent for the chief executive officer, the chief financial officer, the executive vice president, and the former president of Con Edison of New York. The Committee also approved reductions in employee benefits, effective July 1, 2009 through June 30, 2010, including a reduction in Con Edison of New York s match under the Company s savings plan, supplemental plan and stock purchase plan. Employee benefits were also reduced for Orange & Rockland management employees from August 1, 2009 through June 30, 2010.

In 2010, the Named Executive Officers total direct compensation compared to the Company s compensation peer group median was as follows:

	Company Target Compensation as a Percentage of Peer Group Median Target			
Principal Position	**Base Salary**	**Total Cash Compensation (Base Salary + Target Annual Incentive)**	**Target Long-Term Incentive Compensation**	**Target Total Direct Compensation**
Chief Executive Officer	97%	96%	82%	86%
Other Named Executive Officers (Average)[1]	102%	101%	117%	104%

Footnote:

(1) Based on comparisons to compensation for functionally comparable positions at the Company s compensation peer group companies for the positions held by the chief financial officer, the executive vice president, the president of Orange & Rockland, and the president of Con Edison of New York.

(ii) Pay-Performance Alignment and Total Direct Compensation Mix

The Company s compensation program is designed to motivate its officers to create value for its stockholders and provide safe, reliable and efficient service for its customers. The Committee seeks to assure that the total direct compensation of each Named Executive Officer is balanced appropriately between base salary (fixed compensation) and annual incentive and long-term incentive compensation (variable compensation). The Committee believes that fixed compensation should recognize each Named Executive Officer s individual responsibility and performance. The Committee believes that variable compensation should represent the most significant portion of each Named Executive Officer s total direct compensation to motivate strong annual and multi-year performance. The Committee also believes that most of the total variable compensation targeted to each Named Executive Officer should be in the form of long-term, rather than annual, incentives, to emphasize the importance of sustained Company performance. The target annual incentive and target long-term incentive grants made to each Named Executive Officer by the Committee reflect the Committee s desired balance between these elements, relative to the base salary paid to each executive. Awards under the Company s annual incentive plan are based on achieving financial and operating objectives critical to the performance of the

Company s businesses. Awards of performance restricted stock units under the Company s long-term incentive plan are based on achieving financial and operating objectives and the Company s total shareholder return relative to the total shareholder return for the Company s compensation peer group over a three-year period.

As shown below for 2010, the mix of total direct compensation for the Named Executive Officers meets the Committee s objectives: each is weighted heavily towards performance-based variable compensation, with the largest portion delivered in long-term incentives. As each element of compensation for the chief executive officer and the other Named Executive Officers as a group is set at median levels for chief executive officers and other named executive officers of the compensation peer group, we believe the total direct compensation mix of the Named Executive Officers is in line with that of the compensation peer group.

The following charts illustrate the average mix of target total direct compensation for the chief executive officer and for chief executive officers in our compensation peer group for 2010:

The following charts illustrate the average mix of target total direct compensation for the other Named Executive Officers and other named executive officers in our compensation peer group for 2010:

III. Role of the Committee and Others in Determining Executive Compensation

A. Committee s Role

The role of the Committee is to establish and oversee the Company s executive compensation and benefit plans and policies, administer its equity plans and annual incentive plan and review and approve annually all compensation relating to the Named Executive Officers. All of the decisions with respect to determining the amount or form of compensation of the Named Executive Officers under the Company s compensation program are made by the Committee.

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B. Management s Role

The role of the Company s chief executive officer with respect to determining the amount or form of the compensation of the other Named Executive Officers is to provide his recommendations to the Committee. The chief executive officer is not present when the Committee determines his compensation. The chief executive officer considers the following in making his recommendations:

- Individual performance of the other Named Executive Officers;
- The other Named Executive Officer s contribution towards the Company s long-term performance;
- The scope of their individual responsibilities; and
- Compensation peer group proxy data provided by the Committee s compensation consultant.

The Company s Human Resources department also supports the Committee in its work.

C. Compensation Consultant s Role

The Committee has the authority under its charter to hire advisors to assist it in its compensation decisions. It has retained Mercer as its compensation consultant to provide information, analyses, and objective advice regarding executive compensation. The Committee periodically meets with Mercer in executive session to discuss compensation matters. The Committee s decisions reflect factors and considerations in addition to the information and advice provided by Mercer. A discussion of Mercer s role as the Committee s compensation consultant is set forth in the section titled Standing Committees of the Board on pages 15 to 16.

IV. Committee Actions with Respect to Executive Compensation

A. Compensation Peer Group

For 2010, the Committee used a compensation peer group of 20 publicly-traded utility companies of comparable size and scope to that of the Company. The companies in the compensation peer group have revenues that range from approximately 50 percent below to approximately 35 percent above the revenues of the Company. The purpose of the compensation peer group is to provide benchmark information on compensation levels provided to the Company s officers, as well as measuring relative total shareholder returns for the vesting of performance restricted stock unit awards.

The Company s compensation peer group consists of the following companies:

Ameren Corporation	FirstEnergy Corp.
American Electric Power Company, Inc	NextEra Energy, Inc. (formerly FPL Group., Inc.)
CenterPoint Energy, Inc.	NiSource, Inc.
Constellation Energy Group, Inc.	Pepco Holdings, Inc.
Dominion Resources Inc.	PG&E Corporation
DTE Energy Company	PPL Corporation
Duke Energy Corporation	Progress Energy, Inc.
Edison International	Sempra Energy
Entergy Corporation	The Southern Company
Exelon Corporation	Xcel Energy Inc.

B. Base Salary

A portion of each officer s annual cash compensation is paid in the form of base salary. Base salary is reviewed on an annual basis to recognize individual performance, as well as at the time of a promotion or other change in responsibilities.

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In setting base salary for the Company s Named Executive Officers, including the chief executive officer, the Committee considers various factors, including:

Recommendations from the chief executive officer for the other Named Executive Officers;

A general assessment of each Named Executive Officer s performance of his or her responsibilities; and

The level of base salary compared to executives holding equivalent positions in the Company s compensation peer group.

Effective July 1, 2010, base salary merit increases for the Named Executive Officers as a group increased by an average of 1.8 percent to align the Named Executive Officers base salaries with the market median for equivalent positions in the Company s compensation peer group. The 2010 base salary of each Named Executive Officer is set forth in the Salary column of the Summary Compensation Table on page 37.

C. Annual Incentive Compensation

(i) Awards

A significant portion of the annual cash compensation paid to the officers is directly related to the Company s financial and operating performance, factors that the Committee believes influence stockholder value.

Individual performance is taken into consideration in setting annual incentive compensation through the establishment by the Committee of financial and operating objectives for which the Named Executive Officers have individual and collective responsibility.

(ii) Potential Awards

For 2010, the Committee set the range of the award that each Named Executive Officer was eligible to receive under the annual incentive plan after considering various factors, including:

Recommendations from the chief executive officer for the other Named Executive Officers;

A general assessment of each Named Executive Officer s performance of his or her responsibilities; and

The level of annual incentive compensation compared to executives holding equivalent positions in the Company s compensation peer group.

The range of awards included threshold, target and maximum levels reflecting differing levels of achievement of the various financial and operating objectives. Awards are scaled to reflect relative levels of achievement of the objectives between the threshold, target and maximum levels. The range of each Named Executive Officer s potential award is set forth on the Grants of Plan-Based Awards Table on page 38. Awards under the annual incentive plan are designed to provide a competitive level of compensation if the officers achieve the target financial and operating objectives. Over the past three years, the aggregate actual awards to the Named Executive Officers ranged from 100.6 percent to 156.7 percent of aggregate target annual incentive awards. Pursuant to the terms of the annual incentive plan, the Committee has the discretion to adjust (upward or downward) the annual incentive awards to be paid to an officer.

Mercer prepared a study of compensation relative to performance of the Company s compensation peer group and recommended that the Company s annual incentive plan be modified to better align with compensation peer group practices. Based on this recommendation, effective January 1, 2010, the Committee increased (a) the threshold for a payout on the adjusted net income component of the financial objectives from 90 percent of the target to 92.5 percent of the target, and (b) the maximum range of the payout for each of the performance measure targets from 120 percent to 200 percent.

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Awards under the annual incentive plan are calculated as follows:

Base Salary* X *Target Percentage* X *Weighting Earned

Base Salary is the annual base salary of the officer as of the end of the year to which the annual incentive award relates, and is determined as discussed under the caption Base Salary on page 26.

Target Percentage is a percentage of base salary that varies based on an officer s position. The chief executive officer s target is 100 percent; the target for the executive vice president and the president of each of Con Edison of New York and Orange & Rockland is 80 percent; and the target for the chief financial officer is 50 percent.

Weighting Earned is the sum of the weightings earned for the financial and operating objectives. For each officer, target weightings totaling 100 percent are assigned to each of the officer s objectives. Weightings earned reflect achievement of the objectives and may vary from zero to 200 percent. If actual results are between performance targets, weightings earned are interpolated.

(iv) Financial Objectives

The financial objectives under the annual incentive plan were selected as those most indicative of the Company s success during the year. For 2010, the financial objectives consisted of adjusted net income and other financial performance components.

The *adjusted net income* component, reflecting the financial results of the Company s business for which its officers are responsible and accounting for 50 percent of each Named Executive Officer s potential annual incentive award, was: the adjusted Company net income, for the chief executive officer, the chief financial officer and the executive vice president; adjusted regulated net income (the total for Con Edison of New York and Orange & Rockland) for the president of Con Edison of New York; and, 70 percent of Orange & Rockland adjusted net income and 30 percent of Con Edison of New York adjusted net income for the president of Orange & Rockland. Adjusted net income excludes the net mark-to-market effects of the Company s competitive energy businesses and any extraordinary non-recurring items identified by the Company after the performance target had been determined. No non-recurring items were excluded from adjusted net income with respect to the 2010 annual incentive awards.

2010 target adjusted net income and actual adjusted net income were:

	Target	**Actual**	**Performance Relative to Targets**
	(in millions)		
Adjusted Company net income	$ 928.5	$ 981.0	105.7%
Adjusted Con Edison of New York net income	$ 871.7	$ 892.5	102.4%

Adjusted Orange & Rockland net income	$ 42.0	$ 49.0	116.7%
Adjusted Regulated net income	$ 913.7	$ 941.5	103.0%

If actual adjusted net income for 2010 is less than or equal to 90 percent of the target adjusted net income, no annual incentive awards are made.

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The weightings earned for the 50 percent adjusted net income component were determined based upon the following scale:

Performance Relative to Targets	Weighting Earned
³ 110%	100%
107.5%	87.5%
105%	75%
102.5%	62.5%
Target 100%	**50%**
97.5%	37.5%
95%	25%
92.5%	12.5%
£ 92.5%	0%

The *other financial performance* component, reflecting the responsibilities of the Named Executive Officer and accounting for 20 percent of each Named Executive Officer s potential annual incentive award, as shown on the Achievement of 2010 Financial and Operating Objectives table on page 31, was comprised of one or more of the Con Edison of New York and Orange & Rockland operating budgets, or objectives for the competitive energy businesses relating to operations and maintenance expense, capital expenditures, dividend payout and value at risk exposure.

2010 target operating budgets and actual expenditures were:

	Target (in millions)	Actual	Performance Relative to Targets
Con Edison of New York	$ 1,325.0	$ 1,253.6	94.6%
Orange & Rockland	$ 199.3	$ 192.2	96.4%

Weightings earned for the other financial performance component are based on the Company s business for which each Named Executive Officer is responsible. For the chief executive officer, chief financial officer, and executive vice president other financial performance weighting earned is allocated 18 percent for Con Edison of New York s operating budget, 1 percent for Orange & Rockland s operating budget and 1 percent for the competitive energy businesses objectives. For the president of each of Con Edison of New York and Orange & Rockland, other financial performance weighting earned is 20 percent for Con Edison of New York s and Orange & Rockland s operating budget, respectively.

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The weightings earned for Con Edison of New York s and Orange & Rockland s other financial performance component were determined based upon the following scales:

Con Edison of New York Performance Relative to Operating Budget Target ($ millions)	Weighting Earned for the Chairman, the Chief Financial Officer, and the Executive Vice President	Weighting Earned for the President of Con Edison of New York
£93.75%	36.0%	40%
95.00%	32.4%	36%
96.25%	28.8%	32%
97.50%	25.2%	28%
98.75%	21.6%	24%
(Target) 100%	**18.0%**	**20%**
101.25%	14.4%	16%
102.50%	10.8%	12%
103.75%	7.2%	8%
105.00%	3.6%	4%
³106.25%	0%	0%

Orange & Rockland Performance Relative to Operating Budget Target ($ millions)	Weighting Earned for the Chairman, the Chief Financial Officer, the Executive Vice President, and the President of Con Edison	Weighting Earned for the President Orange & Rockland
£ 93.75%	2.0%	40%
95.00%	1.8%	36%
96.25%	1.6%	32%
97.50%	1.4%	28%
98.75%	1.2%	24%
(Target) 100%	**1.0%**	**20%**
101.25%	0.8%	16%
102.50%	0.6%	12%
103.75%	0.4%	8%
105.00%	0.2%	4%
³ 106.25%	0%	0%

(v) Operating Objectives

The operating objectives, reflecting the responsibilities of the Named Executive Officer and accounting for 30 percent of each Named Executive Officer s potential annual incentive award, were designed to encourage sustained or improved performance regarding specific matters that are important to day-to-day operations of the Company s businesses. There were numerous objectives for:

Employee safety;

Electric, gas and steam system performance;

Customer service;

Environmental performance; and

Employee development.

For the competitive energy businesses, there were other objectives including gross margins, retail sales and collections, and financial, regulatory controls, and business development goals.

The operating objectives chosen represent a number of key safety and performance indicators that guide the Company to serve its customers in a safe, effective, and efficient manner. These measures are recognized across the Company s compensation peer group and industry.

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(vi) Achievement of 2010 Financial and Operating Objectives

The following table shows, for each Named Executive Officer, the target weightings assigned to the financial and operating objectives and the weightings earned based on achievement of those objectives. The weightings of the Company s subsidiaries for the chief executive officer, the chief financial officer, the executive vice president and the presidents of Con Edison of New York and Orange & Rockland were based on each subsidiary s relative contribution to the Company s net income.

Objectives	Chief Executive Officer Target	Chief Executive Officer Earned	Chief Financial Officer Target	Chief Financial Officer Earned	Executive Vice President Target	Executive Vice President Earned	President of Con Edison of New York Target	President of Con Edison of New York Earned	President of Orange & Rockland Target	President of Orange & Rockland Earned
Net Income										
Adjusted Company Net Income	50%	78.3%	50%	78.3%	50%	78.3%				
Adjusted Regulated Net Income							50%	65.2%	50%	88.6%
Other Financial										
Con Edison of New York	18%	33.5%	18%	33.5%	18%	33.5%	20%	37.2%		
Orange & Rockland	1%	1.6%	1%	1.6%	1%	1.6%			20%	31.4%
Competitive Energy Businesses	1%	2.0%	1%	2.0%	1%	2.0%				
Operating										
Con Edison of New York	28%	56.0%	28%	56.0%	28%	56.0%	30%	60.0%		
Orange & Rockland	1%	1.0%	1%	1.0%	1%	1.0%			30%	30.0%
Competitive Energy Businesses	1%	0.8%	1%	0.8%	1%	0.8%				
Total	**100%**	**173.2%**	**100%**	**173.2%**	**100%**	**173.2%**	**100%**	**162.4%**	**100%**	**150.0%**

(vii) 2010 Annual Incentive Awards

In February 2011, the Committee evaluated and determined whether the applicable financial and operating objectives were satisfied. In assessing performance against the objectives, the Committee considered actual results achieved against the specific targets associated with each objective. After its assessment, the Committee exercised its discretion to reduce the calculated award for each Named Executive Officer except for the President of Orange & Rockland whose award was increased to reflect his additional responsibilities for regulatory matters.

Principal Position	Base Salary	×	Target Percentage	×	Weighting Earned	=	Calculated 2010 Award	Actual 2010 Award
Chief Executive Officer	$ 1,158,300		100%		173.2%		$ 2,006,200	$ 1,805,600
Chief Financial Officer	$ 609,700		50%		173.2%		$ 528,100	$ 475,300
Executive Vice President	$ 753,900		80%		173.2%		$ 1,044,600	$ 940,100
President of Con Edison of New York	$ 560,000		80%		162.4%		$ 727,600	$ 700,000
President of Orange & Rockland	$ 424,500		80%		150.0%		$ 509,400	$ 550,000

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D. Long-Term Incentive Compensation

(i) Awards

Officers are eligible to receive equity-based awards under the Company s long term incentive plan. The Committee determines the target long-term incentive award value for each Named Executive Officer based on various factors, including:

- Recommendations from the chief executive officer for the other Named Executive Officers;
- A general assessment of each Named Executive Officer s performance of his or her responsibilities; and
- Level of long-term incentive compensation compared to executives holding equivalent positions in the Company s compensation peer group.

(ii) Performance Restricted Stock Unit Awards

It is the Committee s practice in the first quarter of each year to approve its annual awards of performance restricted stock units under the long term incentive plan for the Company s officers and to authorize the chief executive officer to make annual awards under the plan to the Company s employees (other than officers). The number of stock units awarded in 2010 to the Named Executive Officers is shown in the Grants of Plan-Based Awards Table on page 38.

The stock units awarded to officers provide for the right to receive one share of Company common stock and/or a cash payment equal to the fair market value of one share of Company common stock for each stock unit granted, subject to the satisfaction of certain pre-established long-term performance objectives. Officers may elect to defer the receipt of the cash value of the award into the Company s supplemental plan and/or to defer the receipt of the shares. Dividends are not paid and do not accrue on the stock unit awards during the vesting period.

(iii) Calculation of 2010 Performance Restricted Stock Units

Payouts to officers of the stock units, if any, are calculated by a non-discretionary formula as follows:

Award X 50% X Incentive Plan Percentage

plus

Award X 50% X Shareholder Return Percentage

Award is the annual award of performance restricted stock units under the long term incentive plan. The target award of performance restricted stock units is a percentage of base salary that varies based on position. The chief executive officer s target award is 375 percent; the target award for the executive vice president, the president of Con Edison of New York and Orange & Rockland and for the chief financial officer is 200 percent.

Incentive Plan Percentage is the average calculated payout under the Company s annual incentive plan over the performance period beginning on January 1, 2010 and ending on December 31, 2012 (for awards granted in 2010). See Annual Incentive Compensation starting on page 27.

Shareholder Return Percentage is the weighting earned based on the cumulative change in Company total shareholder returns over the performance period beginning on January 1, 2010 and ending on December 31, 2012 (for awards granted in 2010) compared with the Company s compensation peer group as constituted on the date of grant. In the event that the companies that make up the peer group change during the performance period, the Committee will use the compensation peer group as constituted on the date of grant. If a company ceases to be publicly traded before the end of the performance period, that company s total shareholder returns will not be used to calculate awards.

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The levels of awards of performance restricted stock units that will be earned are as follows:

Ratio of Company s Shareholder Returns vs. Compensation Peer Group	Weighting Earned
75th or greater	150%
70th	140%
65th	130%
60th	120%
55th	110%
50th	100%
45th	85%
40th	70%
35th	55%
30th	40%
25th	25%
Below 25th	0%

Actual payout of the stock unit awards to the officers may vary from zero up to a maximum of 175 percent of such award, based on actual performance over the performance period. The maximum payout of the stock unit awards represents the weighted average of: (i) the maximum payout of the stock unit awards that vest based on payouts from the annual incentive plan (200 percent), plus (ii) the maximum payout of the stock unit awards that vest based on the cumulative change in total shareholder returns (150 percent). The Committee has discretion to adjust (upward or downward) the actual stock unit awards to be paid to an officer.

The Committee believes that total shareholder return is the performance measure that most closely helps the Company to achieve its overall compensation philosophy by aligning executive rewards with the creation of stockholder value, as articulated in the Company s compensation philosophy. Total shareholder return is balanced with the annual operating and financial objectives of the annual incentive plan to further align executives rewards with other key Company performance objectives which total shareholder return does not fully capture.

The Committee may adopt different performance measures for the stock unit grants, from time to time, as it deems appropriate at the time of grant.

(iv) Payout of Awards for the 2008-2010 Performance Period

Following the end of the relevant performance period for each outstanding stock unit award, the Company s achievement of the performance measures is reviewed by the Committee. The Committee evaluates and approves the Company s performance relative to the performance measures and pays out the stock units in either cash and/or shares of Company common stock (as elected by the officer) based on the attainment of such performance measures.

The following table shows, for each Named Executive Officer (other than the president of Con Edison of New York who was hired in 2009), the calculation of the payout with respect to the stock units for the 2008 2010 performance period:

Principal Position	Award × 50%	×	Incentive Plan Percentage[1]	+	Award × 50%	×	Shareholder Return Percentage	=	2008-2010 Payout Total
Chief Executive Officer	39,100		126.4%		39,100		150.0%		108,072
Chief Financial Officer	12,000		126.4%		12,000		150.0%		33,168
Executive Vice President	15,000		128.5%		15,000		150.0%		41,775
President of Orange & Rockland	3,650		116.2%		3,650		150.0%		9,716

Footnote:

(1) The calculated Incentive Plan Percentage for each year in the 2008 2010 performance period was as follows:

	2008	2009	2010
Chief Executive Officer and Chief Financial Officer	96.8%	109.3%	173.2%
Executive Vice President	103.0%	109.3%	173.2%
President of Orange & Rockland	110.0%	88.5%	150.0%

V. Retirement and Other Benefits

A. Retirement and Welfare Benefits

The Company provides employees with a range of retirement and welfare benefits that reflects the competitive practices of the industry. These benefits assist the Company in attracting, retaining and motivating employees critical to its long-term success. Officers are eligible for benefits under the following Company plans:

- Tax-qualified retirement plan and its related non-qualified supplemental plan;
- Tax-qualified savings plan and its related non-qualified supplemental plan;
- Stock purchase plan; and
- Health and welfare plans.

(i) Retirement Plans

A tax-qualified retirement plan covers substantially all the Company s employees. All employees whose benefits under the plan are limited by the Internal Revenue Code are eligible to participate in a supplemental retirement income plan. The plans are described in the narrative to the Pension Benefits Table on page 41.

The estimated retirement benefits payable to the Named Executive Officers (determined on a present value basis) are set forth in the Pension Benefits table.

(ii) Savings Plans

A tax-qualified savings plan covers substantially all of the Company s employees. All employees whose benefits under the plan are limited by the Internal Revenue Code, are eligible to participate in a supplemental plan. Officers may defer a portion of their salary into the supplemental plan. The plans are described in the narrative to the Nonqualified Deferred Compensation Table on page 43.

Company matching contributions allocated to the Named Executive Officers under the savings plan and supplemental plan are included in the All Other Compensation column of the Summary Compensation Table on page 37.

(iii) Stock Purchase Plan

The stock purchase plan covers substantially all of the Company s employees and provides the opportunity to purchase shares of Company common stock. The plan is described in Note M to the financial statements in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

(iv) Health and Welfare Plans

Active employee benefits, such as medical, dental, life insurance and disability coverage, are available to all employees through the Company s health and welfare benefits plans. Employees contribute towards the cost of the plans by paying a portion of the premium costs on a pre-tax basis. Under the plans, employees can purchase a higher level of coverage than that provided to employees generally. The Company also provides all employees with paid time-off benefits, such as vacation and sick leave.

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Officers are eligible to participate in a supplemental medical plan. The plan supplements medical and hospital benefits provided to officers under the Company s medical program. Officers contribute towards a portion of the cost of the supplemental plan on an after-tax basis. The supplemental plan provides officers with the option to continue their participation following retirement. The amount that the Company contributes for each Named Executive Officer is included in the All Other Compensation column of the Summary Compensation Table on page 37.

B. Perquisites and Personal Benefits

Pursuant to the compensation program, the Company provides certain officers, including the Named Executive Officers, with limited, specific perquisites that are competitive with industry practices. The Committee reviews the level of perquisites and personal benefits annually. The Company provides the following perquisites, the costs of which, if used by an Executive Officer in 2010 are set forth in the All Other Compensation column of the Summary Compensation Table on page 37:

- Supplemental health insurance and life insurance;
- Reimbursement for reasonable costs of financial and tax planning; and
- A company vehicle and, in the case of the chief executive officer, a company vehicle and driver.

C. Severance and Change of Control Benefits

The Company provides for the payment of severance benefits upon certain types of employment terminations. Providing severance and change of control benefits assists the Company in attracting and retaining executive talent and reduces the personal uncertainty that executives are likely to feel when considering a corporate transaction. These arrangements also provide valuable retention incentives that focus executives on completing such transactions, thus, enhancing long-term shareholder value. The compensation under the various circumstances that trigger payments or provision of benefits upon termination or a change of control was chosen to be broadly consistent with prevailing competitive practices.

Officers of the Company (other than the chief executive officer) are provided benefits under the officers severance program. The severance benefits payable to the chief executive officer are set forth in his employment agreement, which is described in the narrative to the Potential Payments Upon Termination of Employment or Change of Control table beginning on page 47. The severance benefits payable to each of the Named Executive Officers (other than the chief executive officer) are set forth in the severance program which is described in footnote 2 to the Potential Payments Upon Termination of Employment or Change of Control table on page 50. The estimated severance benefits that each Named Executive Officer would be entitled to receive are set forth in the applicable Potential Payments Upon Termination of Employment or Change of Control table beginning on page 47.

As set forth in greater detail in the narrative to the Potential Payments Upon Termination of Employment or Change of Control table, the Company s change of control provisions provide that payments may be made only in the event that the Named Executive Officer s employment is terminated under certain circumstances in connection with a change of control. Upon a change in control, the vesting of long term incentive plan grants will accelerate, whether or not the Named Executive Officer s employment with the Company continues. This practice eliminates the

Named Executive Officer s incentive to terminate employment in the event of a change in control. The Committee believes that such vesting is broadly consistent with prevailing competitive practices.

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VI. Stock Ownership Guidelines

The Company has established the following stock ownership guidelines for the Company s officers:

Chief Executive Officer	3 × base salary
Chief Financial Officer	2 × base salary
President of Con Edison of New York	2 × base salary
Executive Vice President of Con Edison of New York	2 × base salary
President and Chief Executive Officer of Orange & Rockland	2 × base salary
Presidents of Consolidated Edison Development, Inc., Consolidated Edison Energy, Inc. and Consolidated Edison Solutions, Inc.	1 × base salary
Senior Vice Presidents of Con Edison of New York	1 × base salary

The officers covered by the guidelines are expected to retain for at least one year a minimum of 25 percent of the net shares acquired upon exercise of stock options and 25 percent of the net shares acquired pursuant to vested restricted stock and restricted stock unit grants until their holdings of common stock equal or exceed their applicable ownership guidelines.

For these purposes, officers subject to the guidelines have five years from January 1st after their appointment to covered titles to meet the guidelines. In February 2011, it was determined that as of December 31, 2010, all Named Executive Officers have either met their ownership milestones or are making reasonable progress towards their milestones.

For purposes of the guidelines:

Stock ownership includes value of the officers individually-owned shares, vested restricted stock and restricted stock units, and shares held under the Company s benefit plans.

The one-year period is measured from the date the stock options are exercised or the restricted stock or restricted stock units vest, as applicable.

Net shares means the shares remaining after sale of shares necessary to pay the related tax liability and, if applicable, exercise price.

VII. Tax Deductibility of Pay

Section 162(m) of the Internal Revenue Code places a limit of $1,000,000 on the amount of compensation that the Company may deduct in any one year with respect to each of the Named Executive Officers, other than the chief financial officer, employed by the Company on the last day of the fiscal year. There is an exception to the $1,000,000 limitation for performance-based compensation meeting certain requirements. While the Committee considers the tax impact of Section 162(m), the Committee has determined that it is appropriate to maintain flexibility in compensating Named Executive Officers in a manner intended to promote varying corporate goals, recognizing that certain amounts paid to Named Executive Officers in excess of $1,000,000 may not be deductible under Section 162(m). For 2010, $5,357,000 of the compensation paid to the chief executive officer and $703,000 of the compensation paid to the executive vice president, was not deductible for federal income tax purposes.

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SUMMARY COMPENSATION TABLE

The following table sets forth the compensation of the Named Executive Officers, the Company s Chief Executive Officer, Chief Financial Officer, and the other three most highly compensated executive officers who were serving as executive officers as of December 31, 2010. The positions shown in the table are the officers positions with the Company or with the Company s principal subsidiaries, Con Edison of New York or Orange & Rockland as of December 31, 2010.

Summary Compensation Table

Name & Principal Position	Year	Salary[1] ($)	Bonus[2] ($)	Stock Awards[3] ($)	Non-Equity Incentive Plan Compensation[2] ($)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings[4] ($)	All Other Compensation[5] ($)	Total[6] ($)
Kevin Burke	2010	$ 1,118,550		$ 4,063,356	$ 1,805,600	$ 3,189,329	$ 99,559	$ 10,276,394
Chairman of the Board, President and Chief Executive Officer	2009	$ 1,107,200		$ 3,691,980	$ 1,179,100	$ 1,882,192	$ 38,829	$ 7,899,301
	2008	$ 1,102,500		$ 2,776,187	$ 1,066,100	$ 2,734,830	$ 103,256	$ 7,782,873
Robert Hoglund	2010	$ 589,450		$ 1,151,880	$ 475,300	$ 102,449	$ 43,706	$ 2,362,785
Senior Vice President and Chief Financial Officer	2009	$ 584,200		$ 1,010,070	$ 311,100	$ 58,421	$ 37,073	$ 2,000,864
	2008	$ 583,200		$ 852,027	$ 282,000	$ 71,429	$ 43,078	$ 1,831,734
John D. McMahon[7]	2010	$ 731,550		$ 1,390,200	$ 940,100	$ 2,156,829	$ 74,392	$ 5,293,071
Executive Vice President, Con Edison of New York	2009	$ 727,850		$ 1,323,540	$ 620,100	$ 1,123,131	$ 38,650	$ 3,833,271
	2008	$ 722,500		$ 1,065,033	$ 595,300	$ 1,149,172	$ 69,001	$ 3,601,006
Craig Ivey	2010	$ 555,000		$ 1,104,216	$ 700,000	$ 75,543	$ 34,399	$ 2,469,158
President, Con Edison of New York								
William Longhi	2010	$ 419,000	40,600[8]	$ 873,840	$ 509,400	$ 475,729	$ 46,908	$ 2,365,477
President and Chief Executive Officer, Orange & Rockland	2009	$ 409,000		$ 309,987	$ 292,800	$ 697,252	$ 46,275	$ 1,755,314

Footnotes:

(1) Salary for 2010 reflects certain reductions that were effective from July 1, 2009 through June 30, 2010 (see *Competitive Positioning Attraction and Retention* on page 24) and merit increases effective July 1, 2010.

(2) The amounts paid were awarded under the annual incentive plan. Represents amounts earned for 2010 and paid in 2011.

(3) Dividends are not paid and do not accrue on stock awards during the vesting period. Amounts shown do not reflect the payment or accrual of dividends during the vesting period for any portion of the stock awards and otherwise reflect the assumptions used for the Company s financial statements. See Note M

to the financial statements in the Company s Annual Report on Form 10-K. Actual value to be realized, if any, on stock awards by the Named Executive Officers will depend on the performance of the Company s common stock and the Named Executive Officer s continued service. The terms applicable to the stock awards granted for fiscal year 2010 are set forth on the Grants of Plan-Based Awards Table. See page 38 of the Proxy Statement. The amount shown for Mr. McMahon reflects the full amount of his stock awards and is not pro rated to reflect the portion of the performance period for which he was employed. Based on the fair value at grant date, the following are the maximum potential values of the performance restricted stock units for the 2010-2012 performance period granted under the long term incentive plan assuming maximum level of performance is achieved: Mr. Burke $7,109,880; Mr. Hoglund $2,017,776; Mr. McMahon $2,434,836; Mr. Ivey $1,934,364; and Mr. Longhi $1,529,220.

(4) Amounts do not represent actual compensation paid to the Named Executive Officers. Instead the amounts represent the aggregate change in the actuarial present value of the accumulated pension benefit based on the difference between the amounts required to be disclosed under the Pension Benefits Table for the year indicated and the amounts reported or that would have been reported under the Pension Benefits Table for the previous year. For information about the assumptions used, see the Pension Benefits Table on page 42 of the Proxy Statement. There are no above-market or preferential earnings with respect to the non-qualified deferred compensation arrangements.

(5) Value of the items shown below are based on the aggregate incremental cost, which except for the Company provided vehicle and the supplemental health insurance is the actual cost to the Company.

Mr. Burke received the following amounts for 2010: $7,507, representing personal use of company provided vehicle; $4,279, in driver costs; $58,528 in life insurance; $3,780, in supplemental health insurance; and company matching contributions to the Savings Plan of $3,675, and supplemental plan of $21,790.

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Mr. Hoglund received the following amounts for 2010: $1,279, representing personal use of company provided vehicle; $10,000, in financial planning; $13,705, in life insurance; $5,424, in supplemental health insurance; and company matching contributions to the Savings Plan of $3,558, and supplemental plan of $9,740.

Mr. McMahon received the following amounts for 2010: $7,313, representing personal use of company provided vehicle; $10,000, in financial planning; $35,027, in life insurance; $5,424, in supplemental health insurance; and company matching contributions to the Savings Plan of $3,675, and supplemental plan of $12,953.

Mr. Ivey received the following amounts for 2010: $250, representing personal use of company provided vehicle; $9,166, in financial planning; $7,034, in life insurance; $5,424, in supplemental health insurance; and company matching contributions to the Savings Plan of $3,675, and supplemental plan of $8,850.

Mr. Longhi received the following amounts for 2010: $6,556, representing personal use of company provided vehicle; $10,166, in financial planning; $15,293, in life insurance; $5,424, in supplemental health insurance; and company matching contributions to the Savings Plan of $4,249, and supplemental plan of $5,220.

(6) Represents, for each Named Executive Officer, the total of amounts shown for the Named Executive Officer in all other columns of the table.
(7) Mr. McMahon retired effective January 31, 2011.
(8) Mr. Longhi s annual incentive plan award was increased to reflect his additional responsibilities for regulatory matters (see *Annual Incentive Compensation 2010 Annual Incentive Awards* on page 31).

GRANTS OF PLAN-BASED AWARDS TABLE

The following table sets forth certain information with respect to the grant of equity plan awards and non-equity incentive plan awards awarded to the Named Executive Officers for the fiscal year ended December 31, 2010.

Grants of Plan-Based Awards

Name & Principal Position	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1] Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards[2] Threshold (#)	Target (#)	Maximum (#)	Grant Date Fair Value of Stock Awards[3] ($)
Kevin Burke Chairman of the Board, President and Chief Executive Officer	4/1/2010	$ 144,800	$ 1,158,300	$ 2,316,600	25,600	102,300	179,000	$ 4,063,356
Robert Hoglund Senior Vice President and Chief Financial Officer	4/1/2010	$ 38,100	$ 304,900	$ 609,800	7,300	29,000	50,800	$ 1,151,880
John D. McMahon Executive Vice President, Con Edison of New York	4/1/2010	$ 75,400	$ 603,100	$ 1,206,200	8,800	35,000	61,300	$ 1,390,200
Craig Ivey President, Con Edison of New York	4/1/2010	$ 56,000	$ 448,000	$ 896,000	7,000	27,800	48,700	$ 1,104,216
William Longhi President and Chief Executive Officer, Orange & Rockland	4/1/2010	$ 42,500	$ 339,600	$ 679,200	5,500	22,000	38,500	$ 873,840

Footnotes:

(1) Represents annual cash incentive award opportunity awarded under the Company s annual incentive plan. See Annual Incentive Compensation starting on page 27.

(2) Represents awards of performance restricted stock units for the 2010-2012 performance period granted under the Company s long term incentive plan. See Long-Term Incentive Compensation starting on page 32. Based on the fair value at grant date, the following are the maximum potential values of the performance restricted stock units for the 2010-2012 performance period granted under the long term incentive plan assuming maximum level of performance is achieved: Mr. Burke $7,109,880; Mr. Hoglund $2,017,776; Mr. McMahon $2,434,836; Mr. Ivey $1,934,364 and Mr. Longhi $1,529,220.

(3) This column reflects the grant date fair value of the performance restricted stock unit awards for the 2010-2012 performance period. See footnote 3 to the Summary Compensation Table on page 37.

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OUTSTANDING EQUITY AWARDS TABLE

The following table sets forth certain information with respect to all unexercised options and stock awards previously awarded to the Named Executive Officers as of the fiscal year ended December 31, 2010.

Outstanding Equity Awards at Fiscal Year-End

	OPTION AWARDS[1]			STOCK AWARDS[2]	
Name & Principal Position	Number of Securities Underlying Unexercised Options (# Exercisable)	Option Exercise Price ($)	Option Expiration Date	Equity Incentive Plan Awards: Number of unearned shares, units or other rights held that have not vested (#)	Equity Incentive Plan Awards: Market or Payout Value of unearned shares, units or other rights that have not vested ($)
Kevin Burke	59,000	$ 43.63	2/12/2014	106,000[3]	$ 5,254,420
Chairman of the Board, President and Chief Executive Officer	280,000	$ 46.88	1/19/2016	102,300[4]	$ 5,071,011
Robert Hoglund	25,000	$ 43.72	1/20/2015	29,000[3]	$ 1,437,530
	25,000	$ 46.88	1/19/2016	29,000[4]	$ 1,437,530
Senior Vice President and Chief Financial Officer					
John D. McMahon	35,000	$ 43.63	2/12/2014	38,000[3]	$ 1,883,660
Executive Vice President, Con Edison of New York	40,000	$ 43.72	1/20/2015		