

Capital Requirements

The following table compares the Companies' capital requirements for the years 2001 through 2003 and estimated amounts for 2004 and 2005.

(Millions of Dollars)	2001	2002	2003	2004	2005
Regulated utility construction expenditures					
Con Edison of New York	\$ 984	\$1,082	\$1,167	\$1,060	\$1,362
O&R	59	58	71	83	81
Total regulated construction expenditures	\$1,043	\$1,140	\$1,238	\$1,143	\$1,443
Unregulated subsidiaries construction expenditures	154	282	105	30	29
Sub-total	1,197	1,422	1,343	1,173	1,472
Retirement of long-term securities at maturity					
Con Edison of New York	628	337	805	150	450
O&R	-	-	35	-	-
Unregulated subsidiaries	10	11	16	16	17
Total retirement of long-term securities at maturity	638	348	856	166	467
Total	\$1,835	\$1,770	\$2,200	\$1,339	\$1,939

Con Edison of New York's utility construction expenditures in 2003 and 2004 reflect programs to meet electric load growth and reliability needs, gas infrastructure expenditures, the East River Repowering Project and expenditures for permanent electric, gas and steam system restoration following the World Trade Center attack (see Note R to the financial statements). The increase for 2005 reflects an anticipated higher level of expenditures for electric substations and ongoing improvements and reinforcements of the electric distribution system.

The unregulated subsidiaries' construction expenditures declined in 2003 and are expected to continue to decline, consistent with there being no major construction or acquisition expected for those businesses. At December 31, 2003 and 2002, Con Edison's investment balance in these subsidiaries, on an unconsolidated basis, was \$703 million and \$790 million, respectively.