

CONSOLIDATED EDISON INC
Form 8-K
June 01, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report

(Date of earliest event reported)

May 25, 2005

Consolidated Edison, Inc.

(Exact name of registrant as specified in its charter)

**New York
(State or Other Jurisdiction
of Incorporation)**

**1-14514
(Commission File Number)**

**13-3965100
(IRS Employer
Identification No.)**

4 Irving Place, New York, New York
(Address of principal executive offices)

10003
(Zip Code)

Registrant's telephone number, including area code

(212) 460-4600

Consolidated Edison Company of New York, Inc.

(Exact name of registrant as specified in its charter)

New York
(State or Other Jurisdiction
of Incorporation)

1-1217
(Commission File Number)

13-5009340
(IRS Employer
Identification No.)

4 Irving Place, New York, New York
(Address of principal executive offices)

10003
(Zip Code)

Registrant's telephone number, including area code

(212) 460-4600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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INFORMATION TO BE INCLUDED IN THE REPORT

ITEM 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On May 25, 2005, Con Edison of New York entered into a Bond Purchase Agreement with New York State Energy Research and Development Authority (NYSERDA) and certain underwriters (Citigroup Global Markets Inc., J.P. Morgan Securities Inc. and Morgan Stanley & Co. Incorporated) with respect to \$126,300,000 aggregate principal amount of NYSERDA's Facilities Revenue Bonds, Series 2005A (Consolidated Edison Company of New York, Inc. Project) (the Refunding Bonds). The Refunding Bonds were issued on May 26, 2005 under and secured by a Trust Indenture dated as of May 1, 2005 (the Indenture) between NYSERDA and The Bank of New York, as trustee (the Trustee). The description in this report of the Indenture and the Refunding Bonds is subject to, and qualified in its entirety by, reference to the Indenture, a copy of which (including the form of the Refunding Bonds) is included as an exhibit to this report.

The Refunding Bonds mature on May 1, 2039 and are subject to optional redemption upon the request of Con Edison of New York at a redemption price equal to 100% of the aggregate principal amount thereof plus accrued and unpaid interest. The Refunding Bonds are subject to mandatory redemption on or after May 26, 2025 if the State of New York, upon furnishing sufficient funds therefore, requires NYSERDA to do so.

The proceeds from the sale of the Refunding Bonds are being used, together with other funds provided by Con Edison of New York to pay the redemption price of the \$128,285,000 aggregate principal amount of NYSERDA's 6.10% Facilities Refunding Revenue Bonds, Series 1995 A (Consolidated Edison Company of New York, Inc. Project) (the Prior Bonds), which have been called for redemption on July 1, 2005. Upon the redemption of the Prior Bonds, Con Edison of New York's obligation under the promissory note it issued in connection with the Prior Bonds will be terminated.

Pursuant to a Participation Agreement, dated as of May 1, 2005 (the Participation Agreement), between NYSERDA and Con Edison of New York, the company issued a promissory note (the Company Note) under which the company is obligated to pay to the Trustee amounts sufficient for, together with other amounts held by the Trustee and available under the Indenture for application to, the payment of principal of and premium, if any, and interest on the Refunding Bonds as the same become due and payable. The description in this report of the Participation Agreement and the Company Note is subject to, and qualified in its entirety by, reference to the Participation Agreement, a copy of which (including the form of the Company Note) is included as an exhibit to this report.

The Refunding Bonds initially bear interest at rates that will be determined weekly by designated remarketing agents. The initial weekly rate for the Refunding Bonds was 3.00% per annum. While the Refunding Bonds bear interest at a weekly rate, they may be tendered for purchase by the registered owners thereof. The Refunding Bonds are subject to mandatory tender for purchase in certain cases, including a change in interest rate mode or the replacement of, or failure to timely extend the term of, the irrevocable letter of credit (the Support Facility) that has been delivered to the Trustee and will be drawn upon to pay the purchase price of tendered Refunding Bonds in the event that moneys sufficient for such purpose are not available from the proceeds of the remarketing of such bonds. The Support Facility will also be drawn upon to pay the principal or redemption price of, or interest on, the Refunding Bonds when due. The Support Facility expires on May 26, 2010, unless extended in accordance with its terms. Con Edison of New York entered into an agreement pursuant to which it agreed to reimburse the issuer of the Support Facility for amounts it pays under the Support Facility (the Reimbursement Agreement).

In connection with the Refunding Bonds, Con Edison of New York agreed to certain covenants with respect to the tax-exempt status of the financing, including covenants with respect to the use of the facilities financed with the proceeds of the Prior Bonds. The company also agreed to provisions for the maintenance of liquidity and credit facilities. The failure to comply with these covenants and other provisions would, except as otherwise provided, constitute an event of default. In the Reimbursement Agreement, the company agreed to certain covenants (including that its ratio of debt to total capital will not at any time exceed 0.65 to 1), the breach of which would constitute an event of default and the company also agreed to include as an event of default, a default in payment of other debt obligations exceeding in the aggregate \$100 million. If an event of default were to occur under the Indenture, the Participation Agreement or the Reimbursement Agreement, the principal and accrued interest on the Refunding Bonds might and, in certain circumstances would, become due and payable immediately.

ITEM 9.01 Financial Statements and Exhibits

(c) Exhibits

- 4.1 Participation Agreement, dated as of May 1, 2005, between NYSEKDA and the Company.
- 4.2 Trust Indenture, dated as of May 1, 2005 between NYSEKDA and The Bank of New York, as Trustee.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONSOLIDATED EDISON, INC.

CONSOLIDATED EDISON COMPANY
OF NEW YORK, INC.

By: /s/ Edward J. Rasmussen
Edward J. Rasmussen
Vice President and Controller

DATE: June 1, 2005