

Con Edison, Inc.

September 6, 2012

Barclays CEO Power/Energy
Conference





Forward-Looking Statements

This presentation includes certain forward-looking statements intended to qualify for safe-harbor provisions of the Federal securities laws. Forward-looking statements are statements of future expectation and not facts. Words such as "expects," "estimates," "anticipates," "intends," "believes," "plans," "will" and similar expressions identify forward-looking statements. Forward-looking statements are based on information available at the time the statements are made, and accordingly speak only as of that time. Actual results might differ materially from those included in the forward-looking statements because of various factors including, but not limited to, those discussed in reports the company has filed with the Securities and Exchange Commission.

Non-GAAP Financial Measure

This presentation contains a financial measure, earnings from ongoing operations, not determined in accordance with Generally Accepted Accounting Principles (GAAP). Earnings from ongoing operations should not be considered as an alternative to net income. Management uses this non-GAAP measure to facilitate the analysis of the company's ongoing performance and believes that this non-GAAP measure also is useful and meaningful to investors. A reconciliation of this non-GAAP measure to earnings determined in accordance with GAAP is included in the appendix of this presentation .

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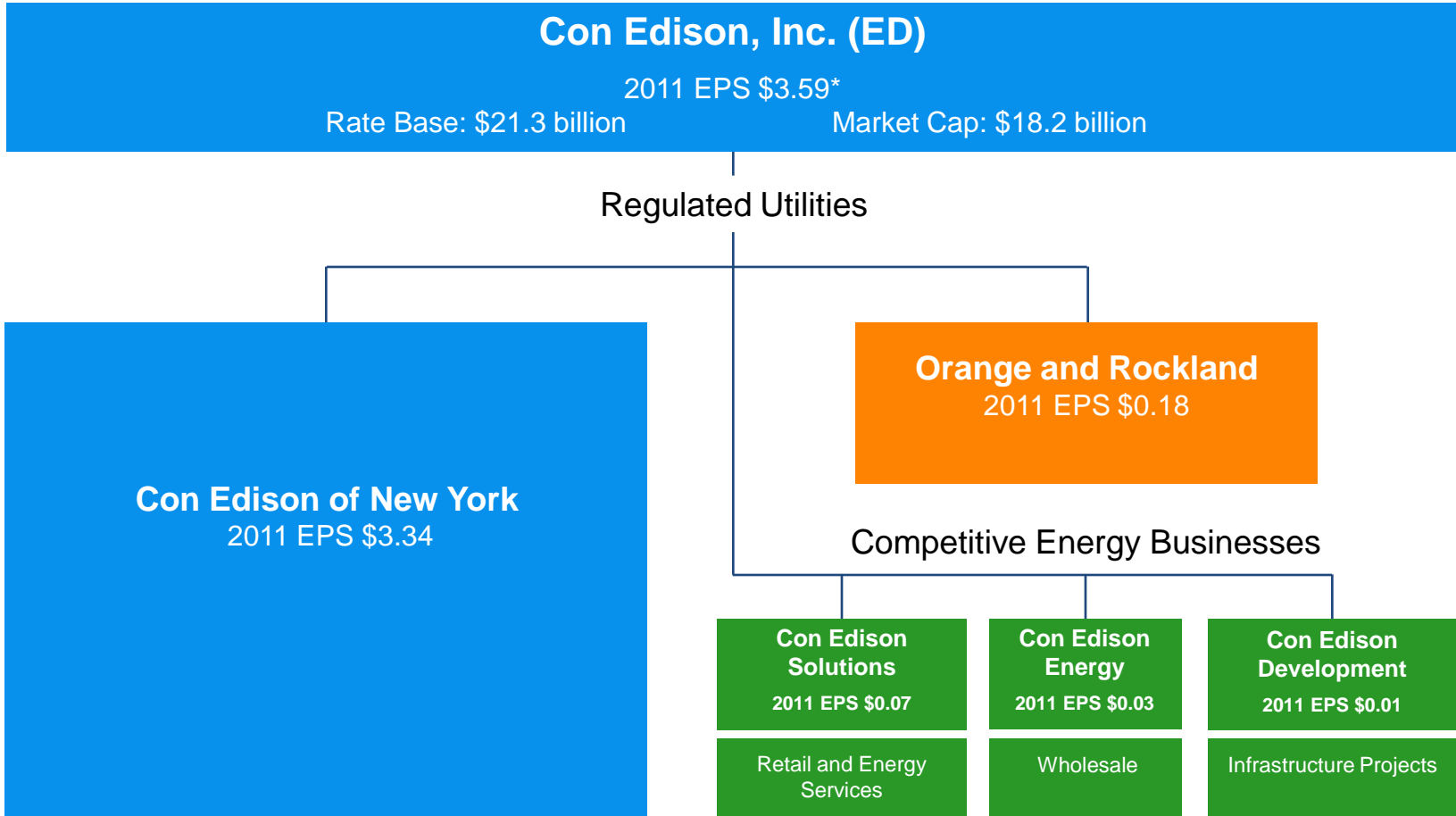
www.conEdison.com



Consolidated Edison, Inc. Investment Thesis

- The largest of the few publicly-traded, T&D-focused utility companies
 - Limited commodity exposure
- Reduced regulatory lag
 - Forward-looking test years
 - Timely commodity recovery
 - Revenue decoupling mechanism in NY
 - Adjustment mechanisms for several major uncontrollable expenses
- Significant dividend record
 - 38 consecutive years of dividend increases; 3rd longest in electric utility industry
 - 6th highest yield among S&P 500 Dividend Aristocrats
- Ability to invest for customer benefit
 - Growth opportunity through increased natural-gas conversions
 - Strong and stable balance sheet
 - Conservatively managed liquidity

Regulated Transmission and Distribution Focused



*Total reflects parent company expenses and consolidation adjustments amounting to (0.04) per share.

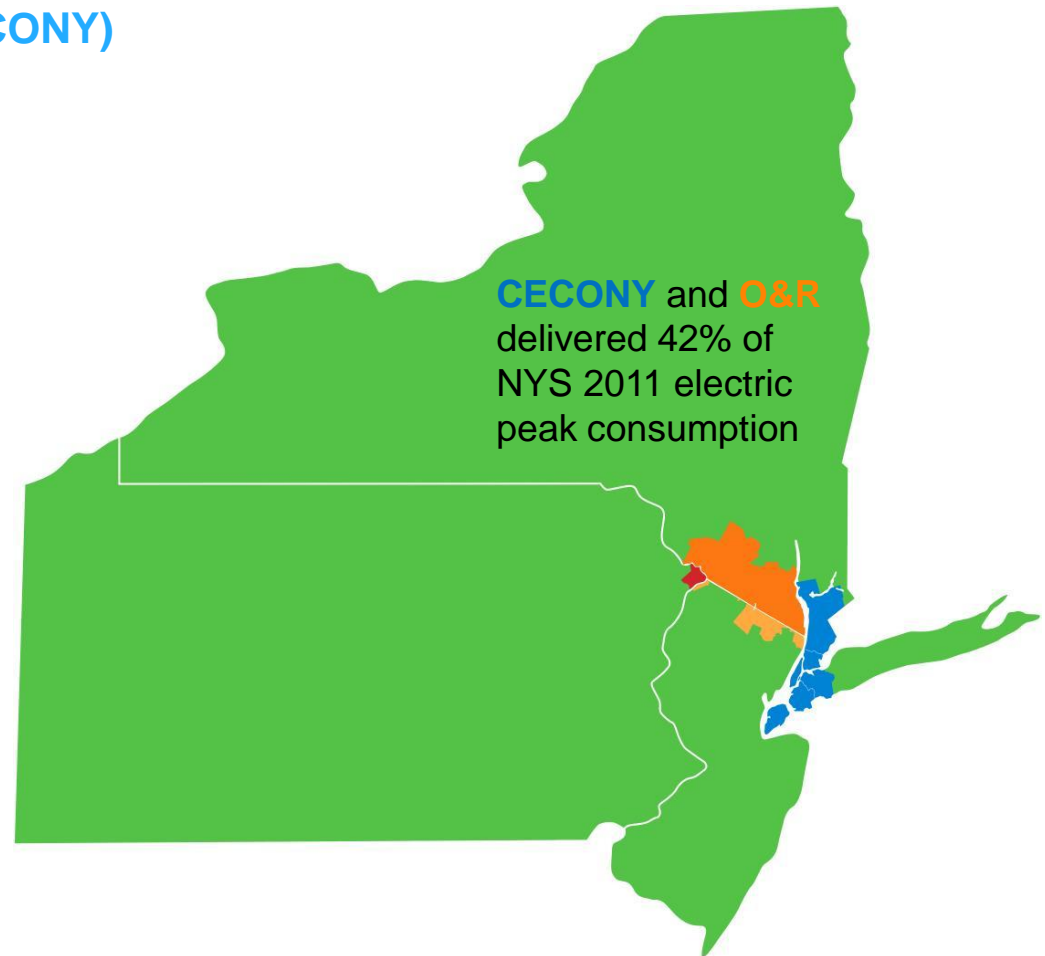
Regulated Utilities are the Core of Con Edison, Inc.

Con Edison of New York (CECONY)

- 3.3 million electric customers
- 1.1 million gas customers
- 1,735 steam customers
- 709 MW of regulated generation
- Delivered 39% of NYS 2011 electric peak consumption

Orange and Rockland (O&R)

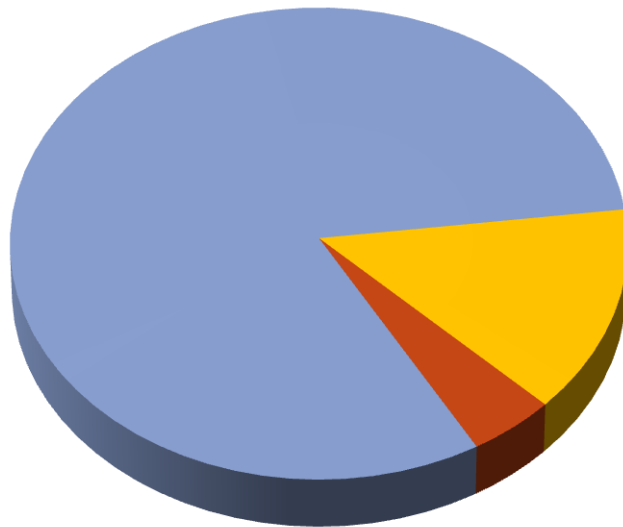
- 300,000 electric customers
- 129,000 gas customers
- Delivered 3.4% of NYS 2011 electric peak consumption



Breakdown of Utility Operating Income by Service

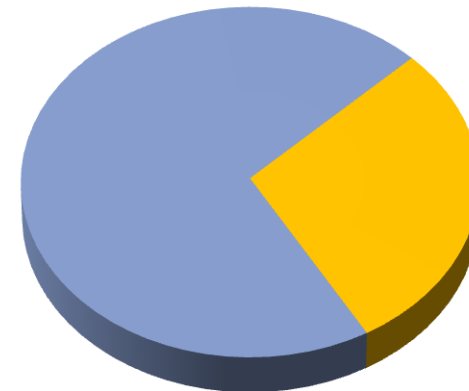
(for the twelve months ended December 31, 2011)

Con Edison of New York



- Electric 81%
- Gas 14%
- Steam 5%

Orange and Rockland



- Electric 71%
- Gas 29%

Composition of Rate Base

(as of June 30, 2012)

Rate Base (\$ millions)

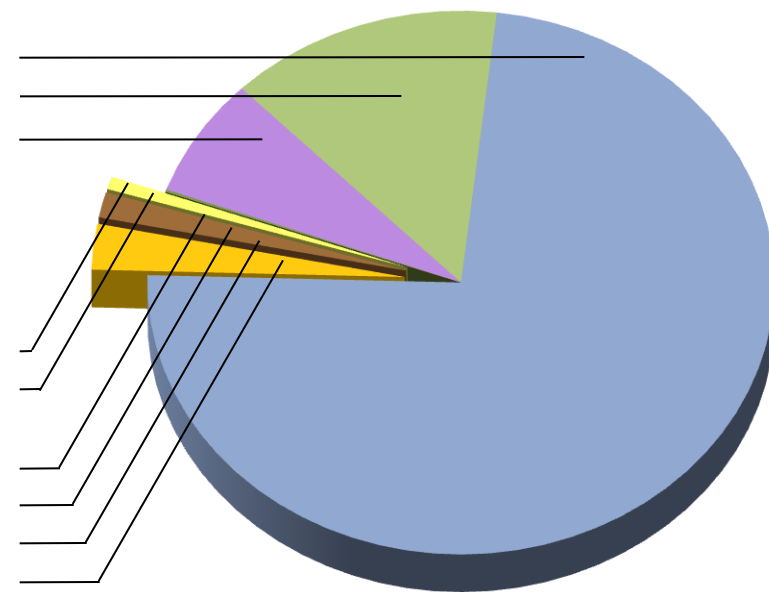
Con Edison of New York

Electric	(NY)	\$ 15,965
Gas	(NY)	\$ 3,105
Steam	(NY)	\$ 1,515

Orange and Rockland

Pike Gas	(PA)	\$ 1
Pike Electric	(PA)	\$ 11
Rockland Electric	(NJ)	
(distribution)		\$ 153
(transmission)		\$ 20
O&R Gas	(NY)	\$ 333
O&R Electric	(NY)	\$ 593

Total Rate Base **\$ 21,696**



Symbols of the Vitality and Diversity of the Local Economy



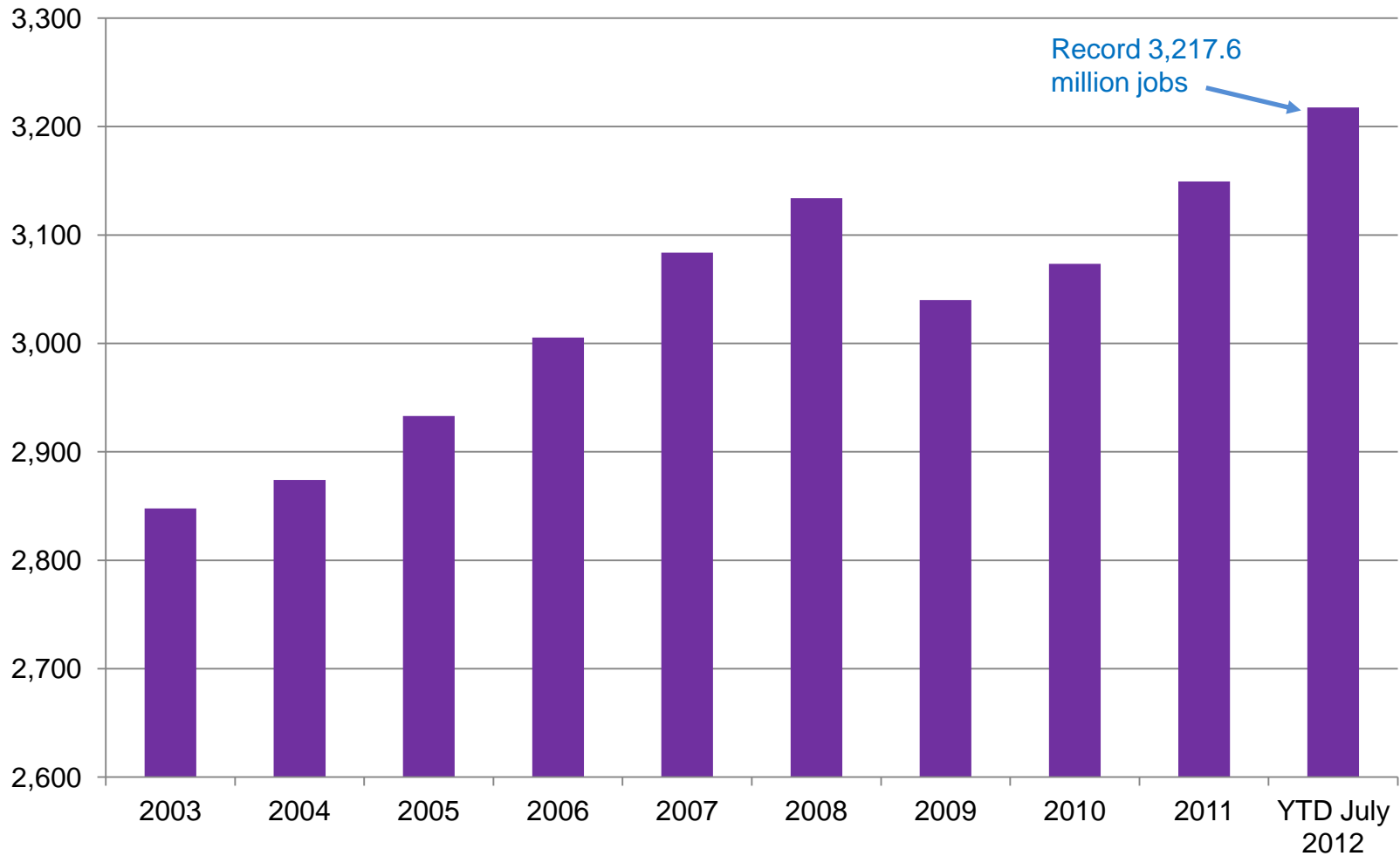
World Trade Center in Downtown Manhattan due to be completed in 2013.



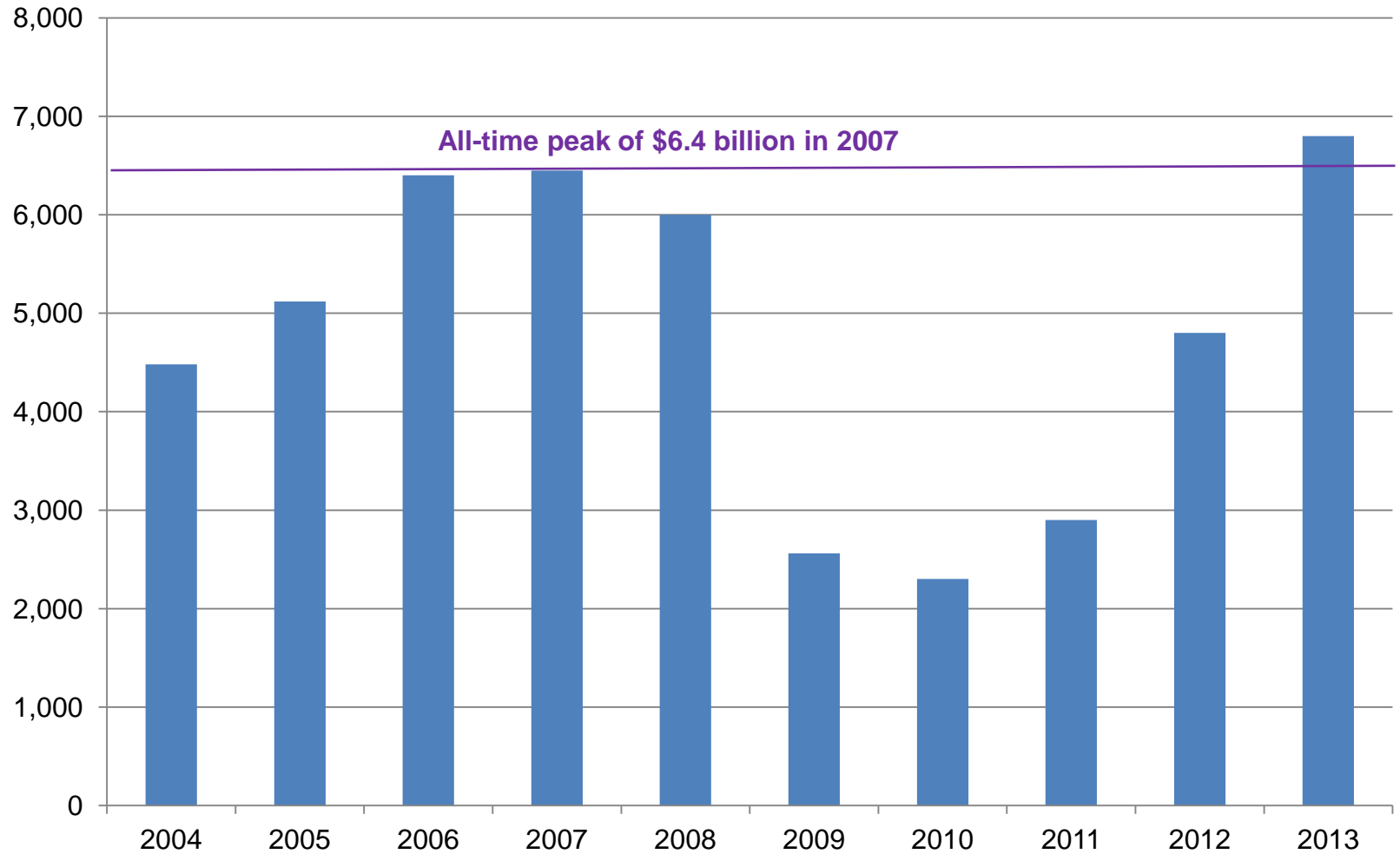
The Barclays Center sports and entertainment complex in Downtown Brooklyn is scheduled to be completed in September 2012.

Con Edison of New York

New York City Private Non-Manufacturing Employment (millions)



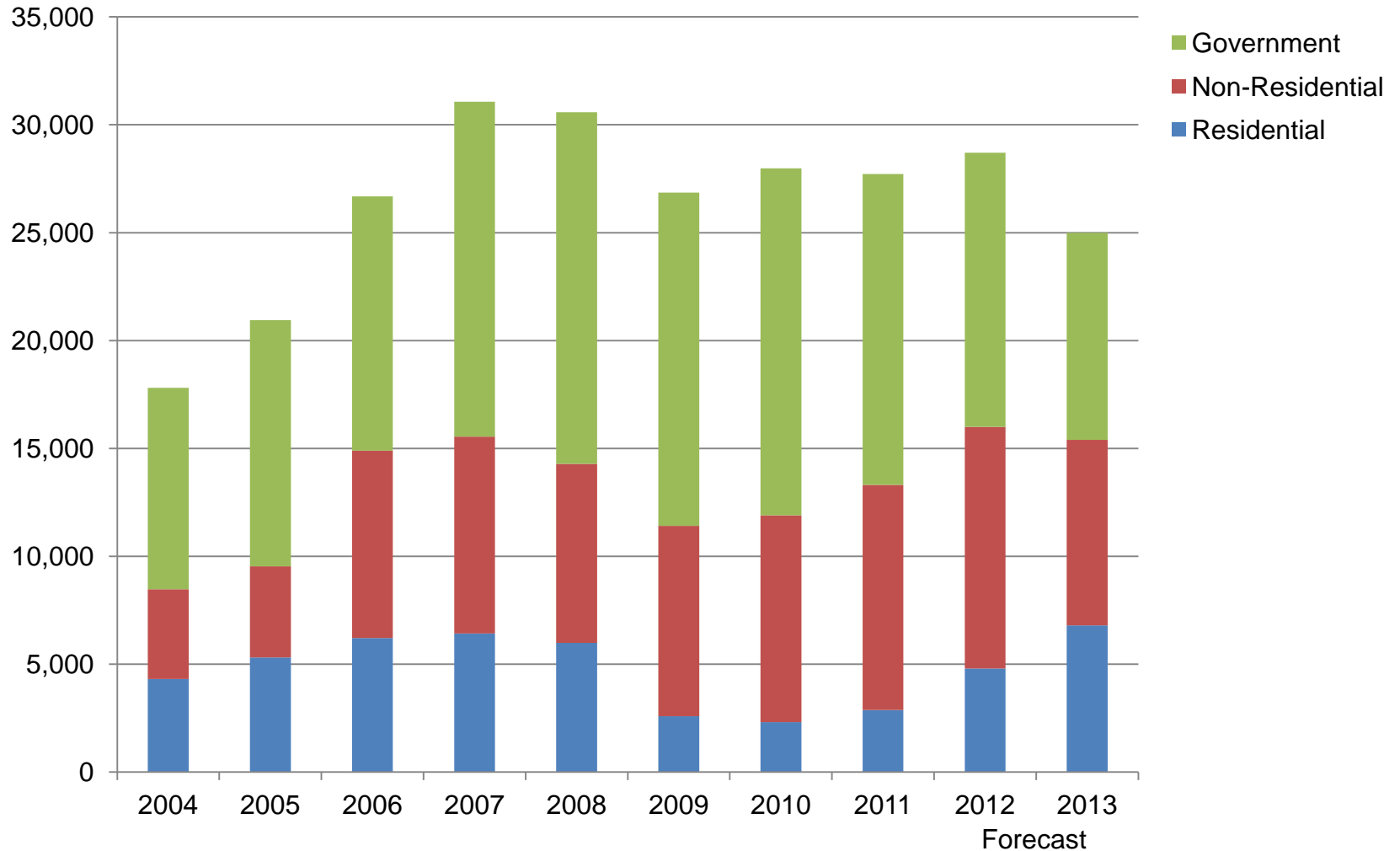
New York City Annual Residential Construction Spending (\$ millions)



Source: New York Building Congress

New York City Annual Construction Spending

(\$ millions)



Source: New York Building Congress

5-Year Annualized Growth Rates in Peak Usage

5-Year Historical
2003-2007
(Pre-Recession)

Current
5-Year
Forecast

CECONY

Electric	1.8%	1.2%
Gas	1.0%	4.3%
Steam	(0.6)%	0.03%

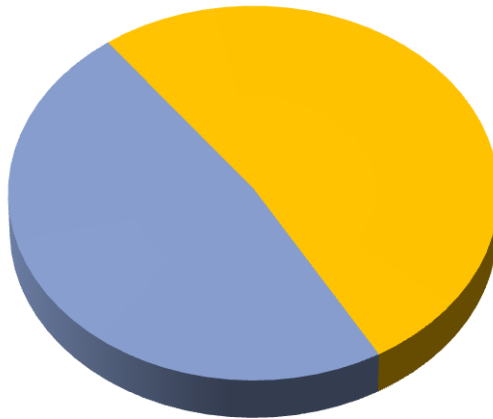
O&R

Electric	2.3%	1.1%
Gas	(0.8)%	1.0%

Natural Gas Market Penetration by Number of Buildings

(as of December 31, 2011)

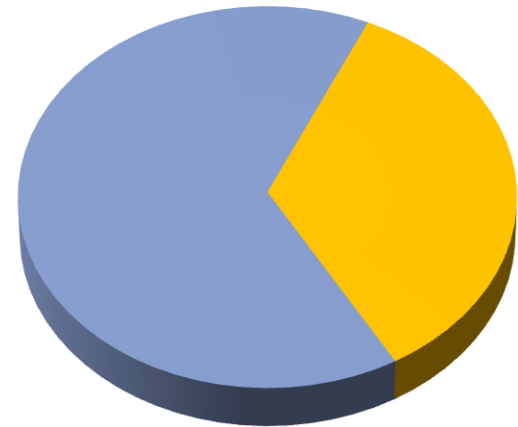
Multi-Family, Commercial & Industrial



■ Natural Gas 48%

■ Oil/Other 52%

Residential: 1-4 Family



■ Natural Gas 65%

■ Oil/Other 35%

Clean Air Goals and Low Gas Prices Influence Oil-to-Gas Conversions

New York City Clean Air Imperatives

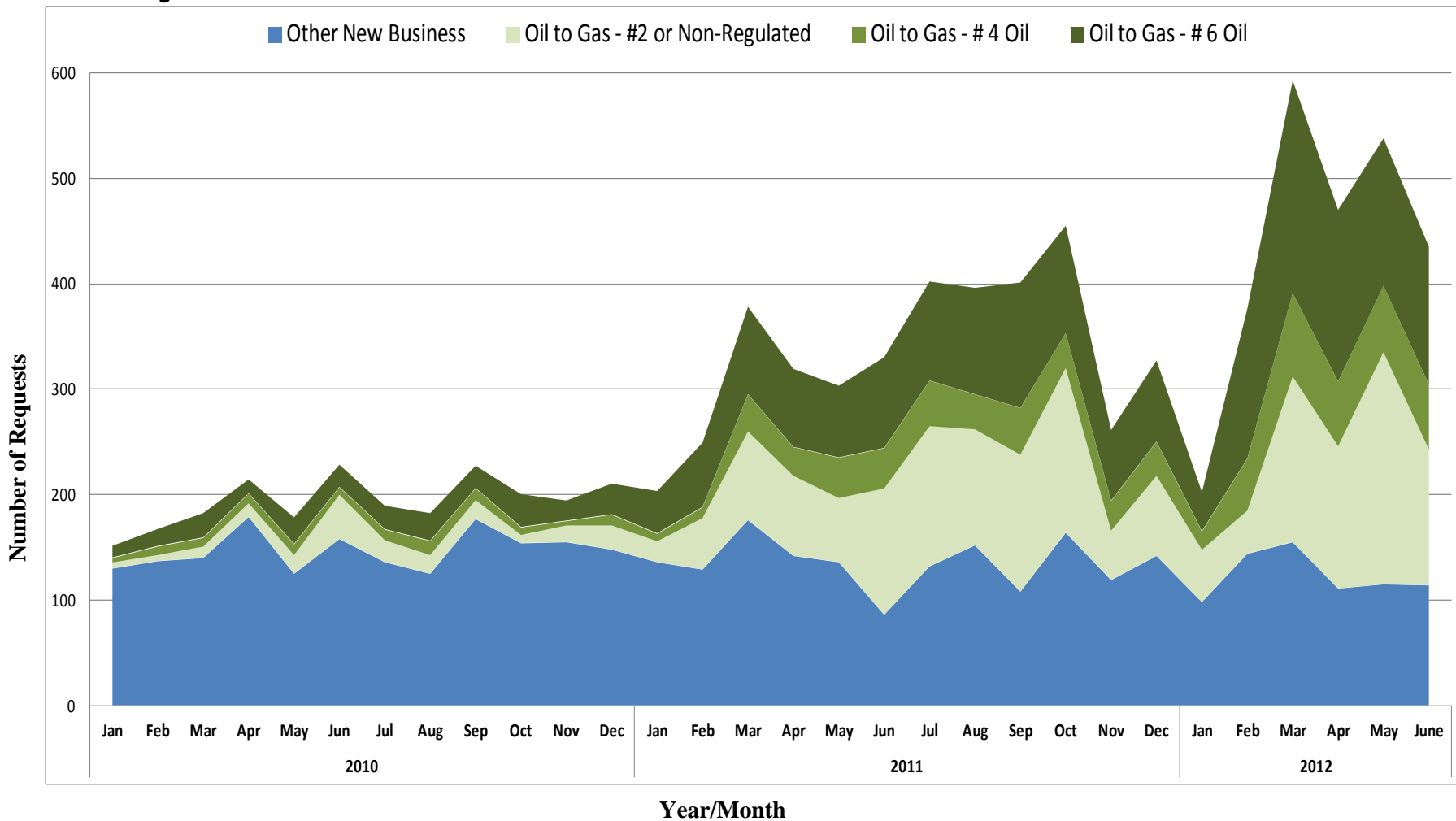
- Reduce greenhouse gas emissions by 30% below 2005 levels by 2030
- Focused on building codes
- Phase out of #6 heating oil by 2015 and #4 heating oil by 2030

Price Advantage of Delivered Natural Gas Versus Oil*

- 50-55% discount to #2 oil
- 45-55% discount to #4 oil
- 40-50% discount to #6 oil

*Forecasted range of 2013 burner-tip fuel cost differential for residential and commercial customers.

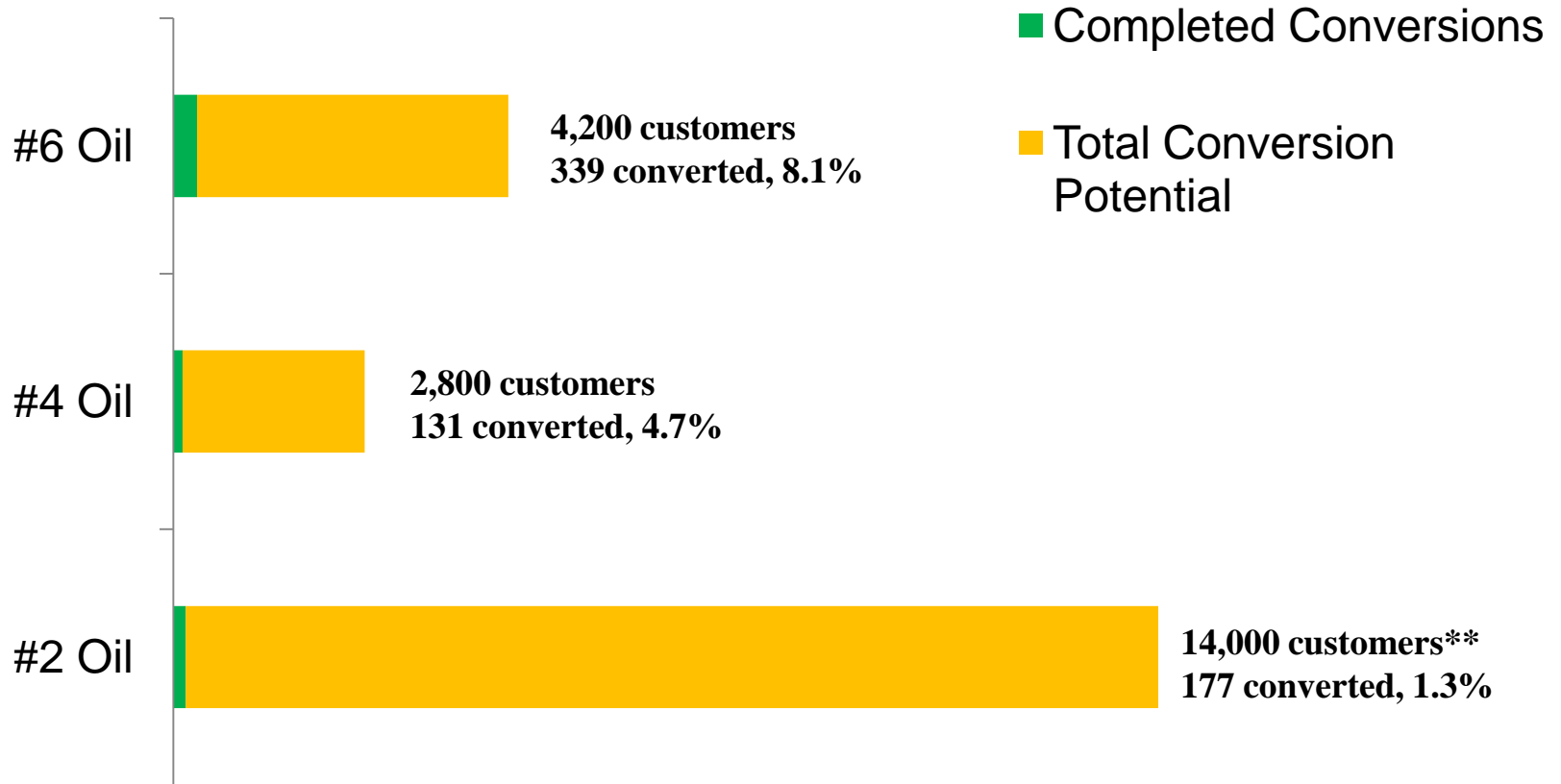
Rising Monthly New Gas Business Service Requests* January 2010 to June 2012



* For #2 oil, includes requests from buildings with #2 oil burners rated 350,000 BTUs or higher.

Market for Multi-Family* and Commercial Oil-to-Gas Conversions by Oil Type

January 2011 to June 2012

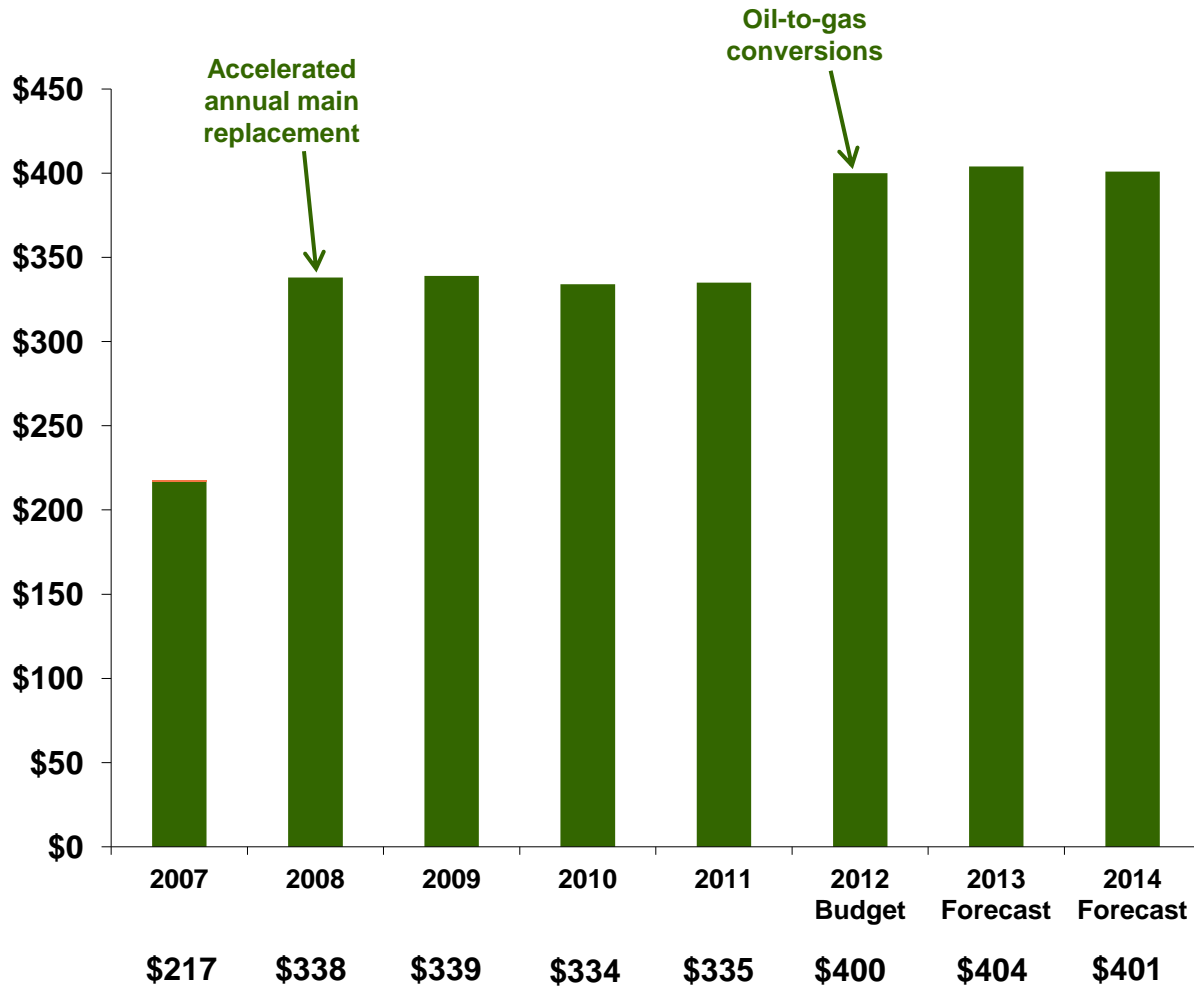


* Multi-family buildings include 5 or more families.

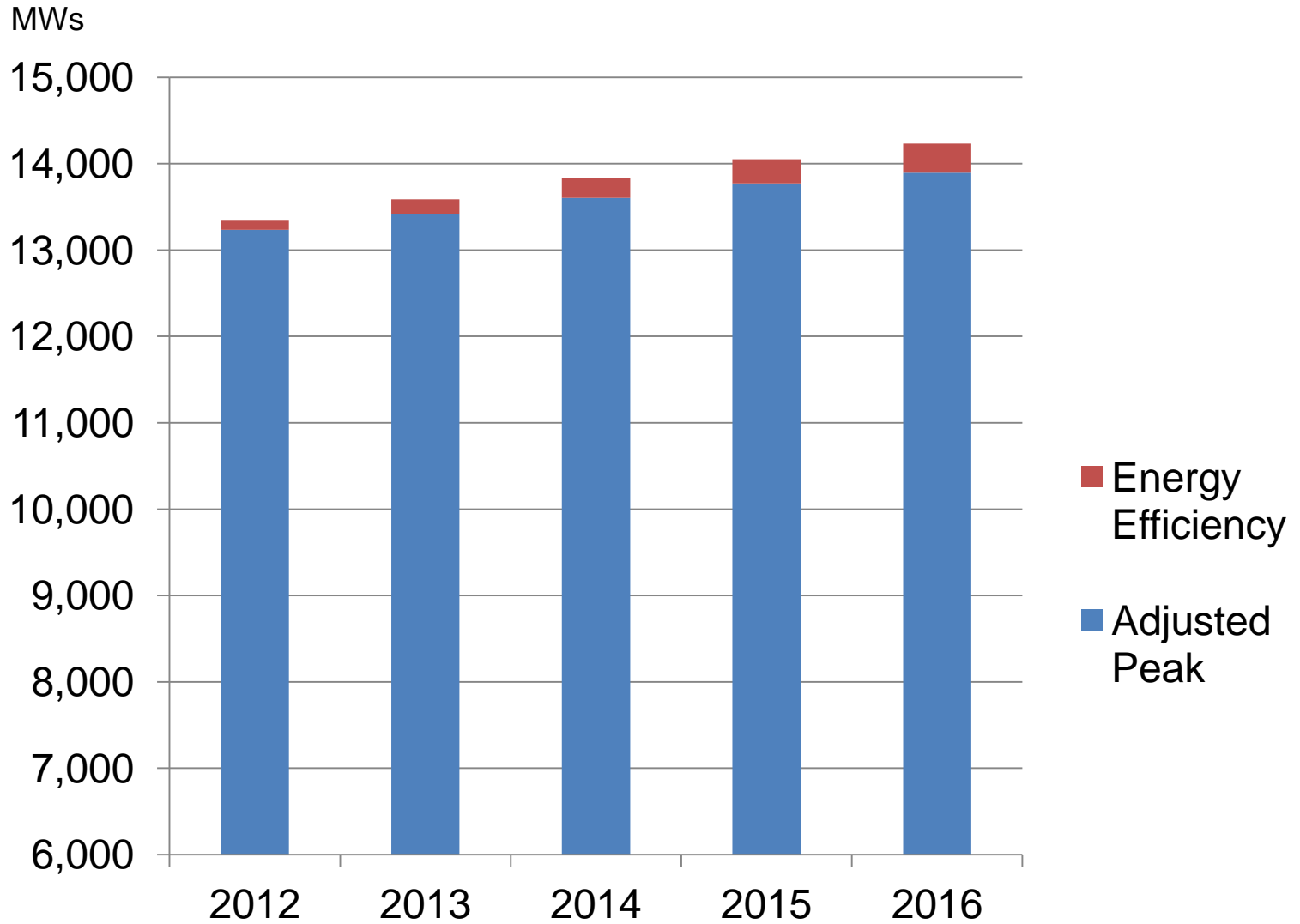
** Conversions of #2 oil burners rated 350,000 BTUs or higher

Gas Distribution Infrastructure Investment

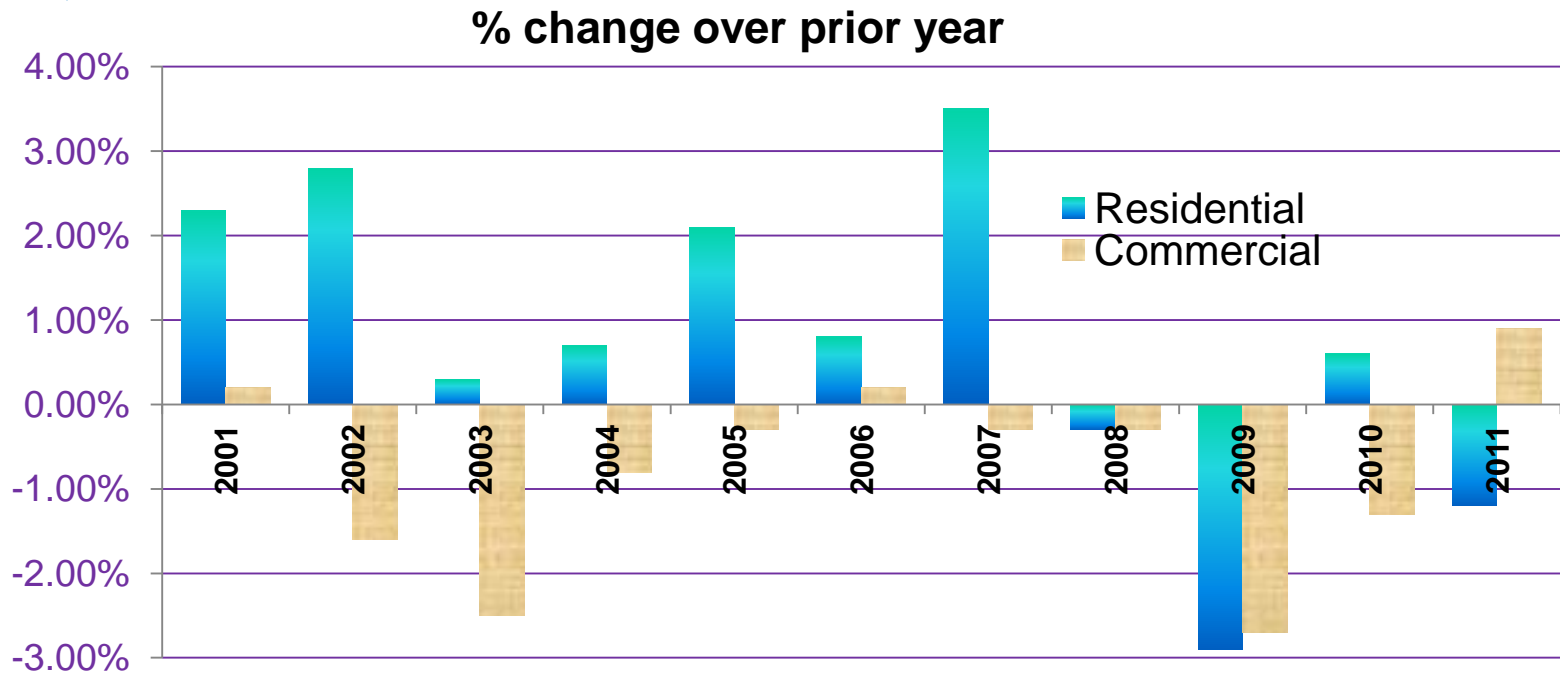
(\$ millions)



Forecast of Weather-Normalized Electricity Peak Use

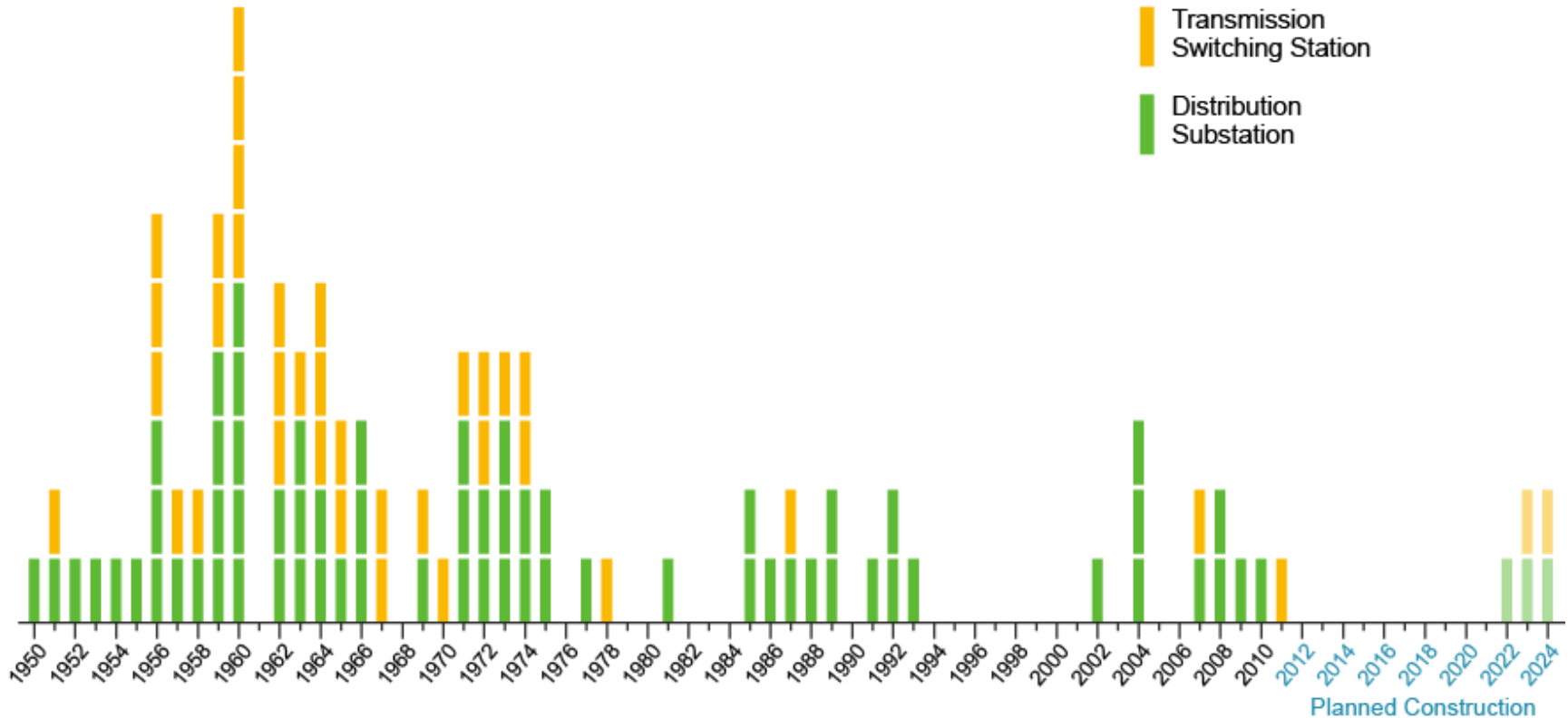


Average Normalized Electricity Use per Customer



Major Substation Construction Program (1950 – 2024)

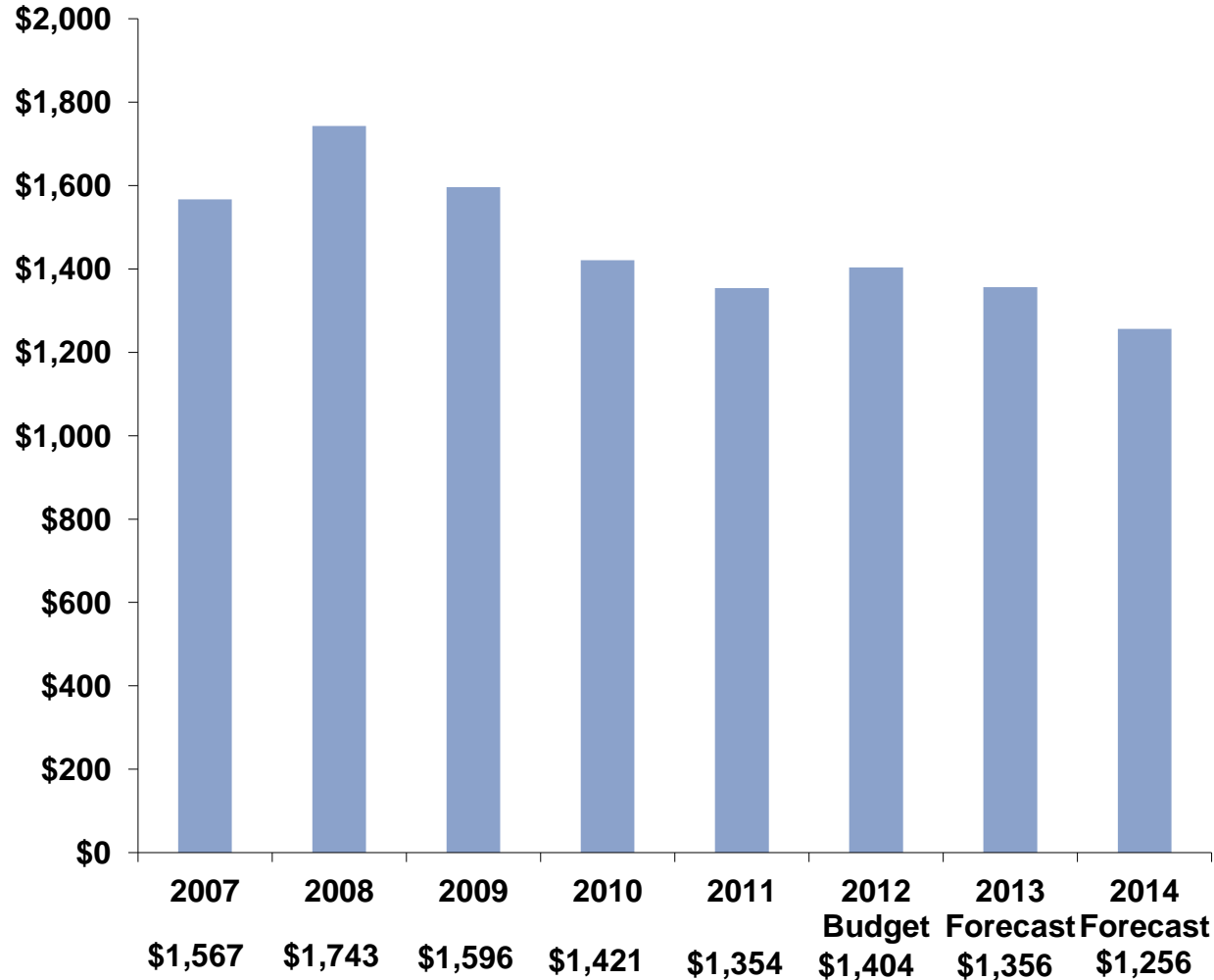
Based on November 2011 Forecast



Con Edison of New York

Electric Infrastructure Investment

(\$ millions)





New York State Energy Highway Task Force

Goals

- Reduce constraints and expand supply options
- Provide long-term reliability
- Encourage renewables
- Promote economic development

Task Force members

- NY Power Authority
- NY Department of Environmental Conservation
- NY Economic Development Council
- NY Public Service Commission
- NYS Energy Research & Development Authority



New York Transco Proposed

Response to NY Energy Highway Task Force Request for Information

- 18 projects proposed to upgrade and modernize NY's transmission grid
- \$1.9 billion financed through NY Transco
- \$1.0 billion financed by host transmission owners

NY transmission-owner partners

- Con Edison/ Orange & Rockland
- National Grid
- NY State Electric & Gas/ Rochester Gas & Electric (Iberdrola)
- Central Hudson (CH Energy)
- Long Island Power Authority
- NY Power Authority

For more information: <http://www.nytransco.com/>



NYS Energy Highway Timetable

- January 2012: Gov. Cuomo State of the State Address announced Energy Highway initiative
- April 4, 2012: Energy Highway Summit
- April 11, 2012: Request for Information (RFI) issued
- April 30, 2012: STARS* Phase II Study Report released
- May 30, 2012: RFI responses submitted
- June 29, 2012: RFI response summaries posted on website
- July 31, 2012: Public comments on RFI responses submitted
- Fall 2012: Task Force action plan expected to be issued

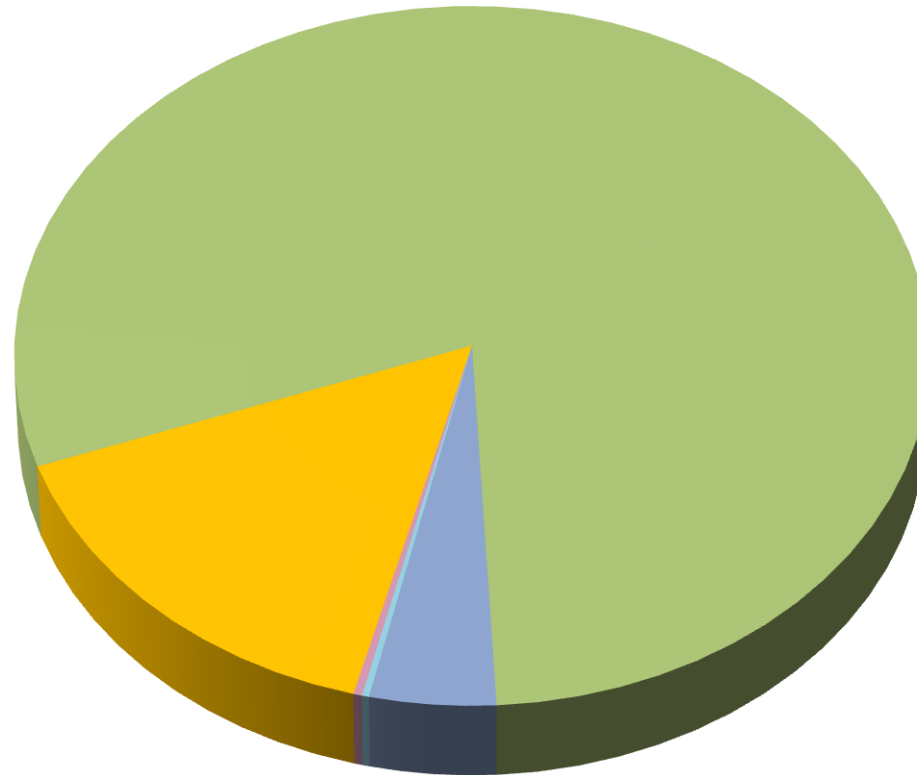
For more information: <http://www.nyenergyhighway.com/>

* NY Statewide Transmission Assessment and Reliability Study – a joint effort of the NY transmission owners.

Competitive Business Mix

(for the twelve months ended December 31, 2011)

Revenues



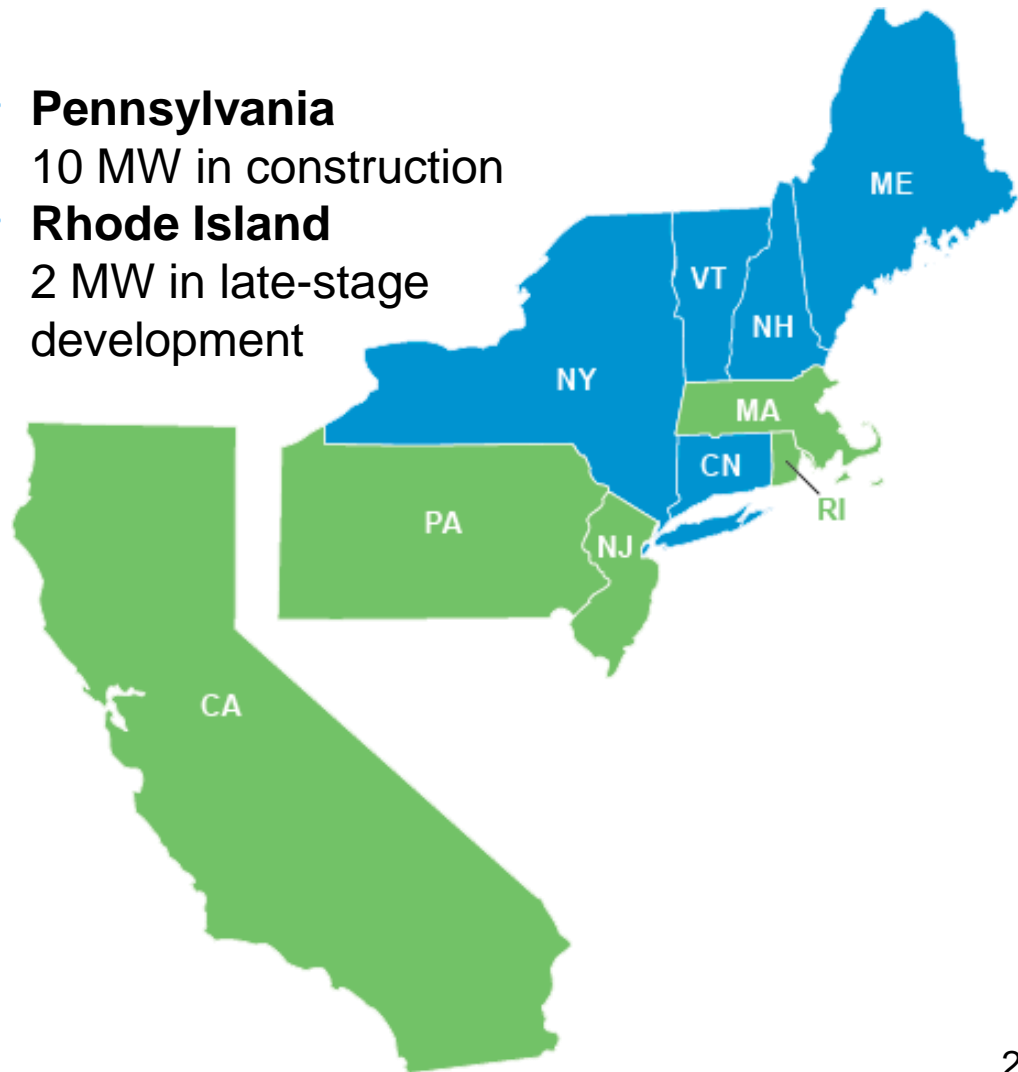
- Retail electric commodity
- Energy services
- Solar
- Gas storage
- Wholesale commodity
- Leases

Con Edison Development

Competitive Businesses: Solar Initiatives

(through July 31, 2012)

- **California**
70 MW in construction
- **New Jersey**
26 MW in service
- **Massachusetts**
4 MW in service
5 MW in construction
- **Pennsylvania**
10 MW in construction
- **Rhode Island**
2 MW in late-stage development



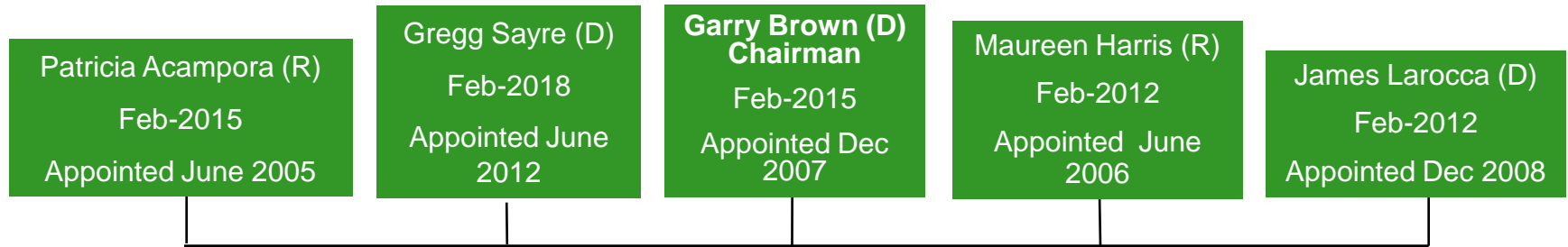
All MW are listed as Alternating Current (AC)

Solar Development: Schedule of Completion

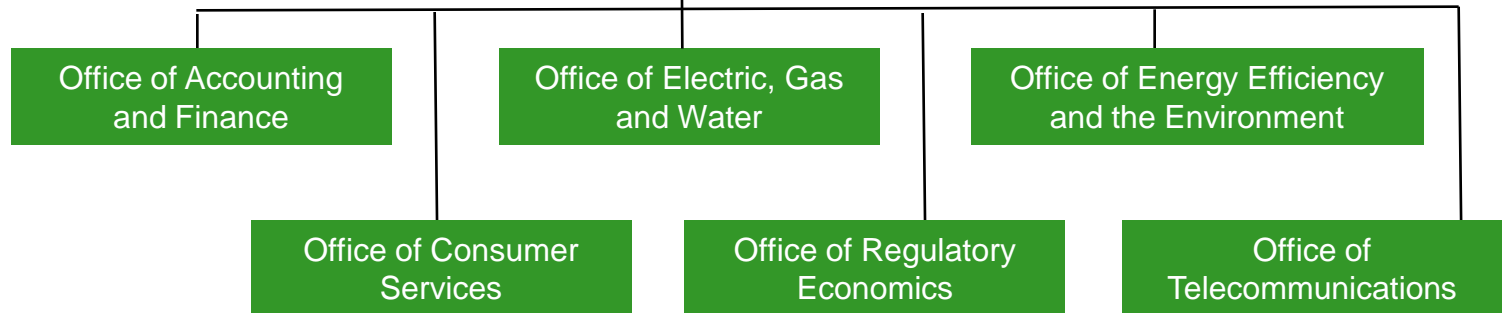
State	Capacity (AC)	Expected completion
CA	70 MW	4 th quarter 2012
PA	10 MW	3 rd quarter 2012
MA	5 MW	4 th quarter 2012
RI	2 MW	4 th quarter 2012

New York Public Service Commission (NY PSC)

Commissioners



PSC Staff



- Annual budget: \$80 million
- Staffing: 460 employees
- Regulates: Electric (7 companies), Gas (10), Water (300), Telecom (5), Cable (30)



Features of New York Regulation

- Forward-looking test year for expenses and rate base
- True-ups for major expenses:
 - Fuel and power cost recovery
 - Pensions and Other Post-employment Benefits
 - Property taxes (partial)
 - Environmental clean-up costs
- Revenue decoupling
- Performance penalties
- Formulaic approach to setting ROE's

Recent Rate Decisions in New York

Date	Company	ROE	Term	Date	Company	ROE	Term
07/06	Central Hudson	9.60%	3 years	03/10	CECONY Electric	10.15%	3 years
08/06	NYSEG	9.55%	1 year	06/10	Central Hudson	10.00%	3 years
09/06	CECONY Steam	9.80%	2 years	09/10	CECONY Gas	9.60%	3 years
10/06	O&R Gas	9.80%	3 years	09/10	CECONY Steam	9.60%	3 years
09/07	CECONY Gas	9.70%	3 years	09/10	Energy East (RGE/NYSEG)	10.00%	40 months
10/07	O&R Electric	9.10%	1 year	06/11	Niagara Mohawk	9.30%	2 years
12/07	National Fuel Gas	9.10%	1 year	06/11	O&R Electric	9.20%	1 year
03/08	CECONY Electric	9.10%	1 year	04/12	Corning Gas	9.50%	3 years
06/08	O&R Electric	9.40%	3 years	06/12	O&R Electric	9.40%	1 st year
09/08	CECONY Steam	9.30%	2 years			9.50%	2 nd year
04/09	CECONY Electric	10.00%	1 year			9.60%	3 rd year
05/09	Niagara Mohawk	10.20%	2 years				
06/09	Central Hudson	10.00%	1 year				
09/09	Corning Gas	10.70%	2 years				
10/09	O&R Gas	10.40%	3 years				

Summary of Rate Plans and Filings

Company	Service	Term	Authorized ROE*
CECONY	Electric	3-year plan effective Apr. 1, 2010	10.15% ROE
CECONY	Gas	3-year plan effective Oct. 1, 2010	9.6% ROE
CECONY	Steam	3-year plan effective Oct. 1, 2010	9.6% ROE
O&R	Electric	3-year plan effective July 1, 2012	9.4%, 9.5%, 9.6% ROEs over 3 years
O&R	Gas	3-year plan effective Nov. 1, 2009	10.4% ROE
RECO	Electric	1-year plan effective May 2010	10.3% ROE

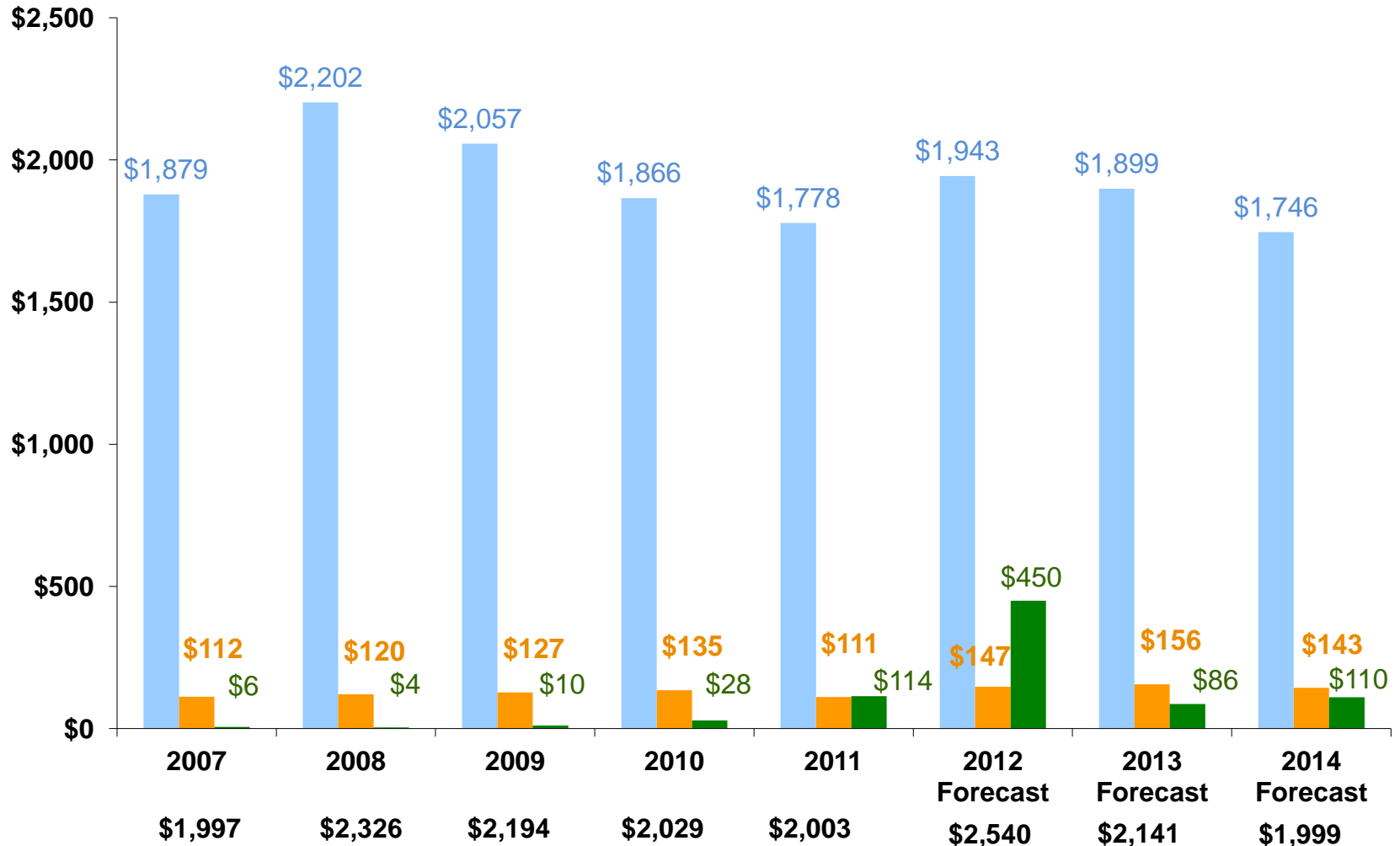
Company	Service	Anticipated Filings
CECONY	Electric	Nov. 2012 for new rates effective Oct. 1, 2013
CECONY	Gas	Nov. 2012 for new rates effective Oct. 1, 2013
CECONY	Steam	Nov. 2012 for new rates effective Oct. 1, 2013

* See Appendix for trailing 12-month earned returns on equity.

Capital Expenditures

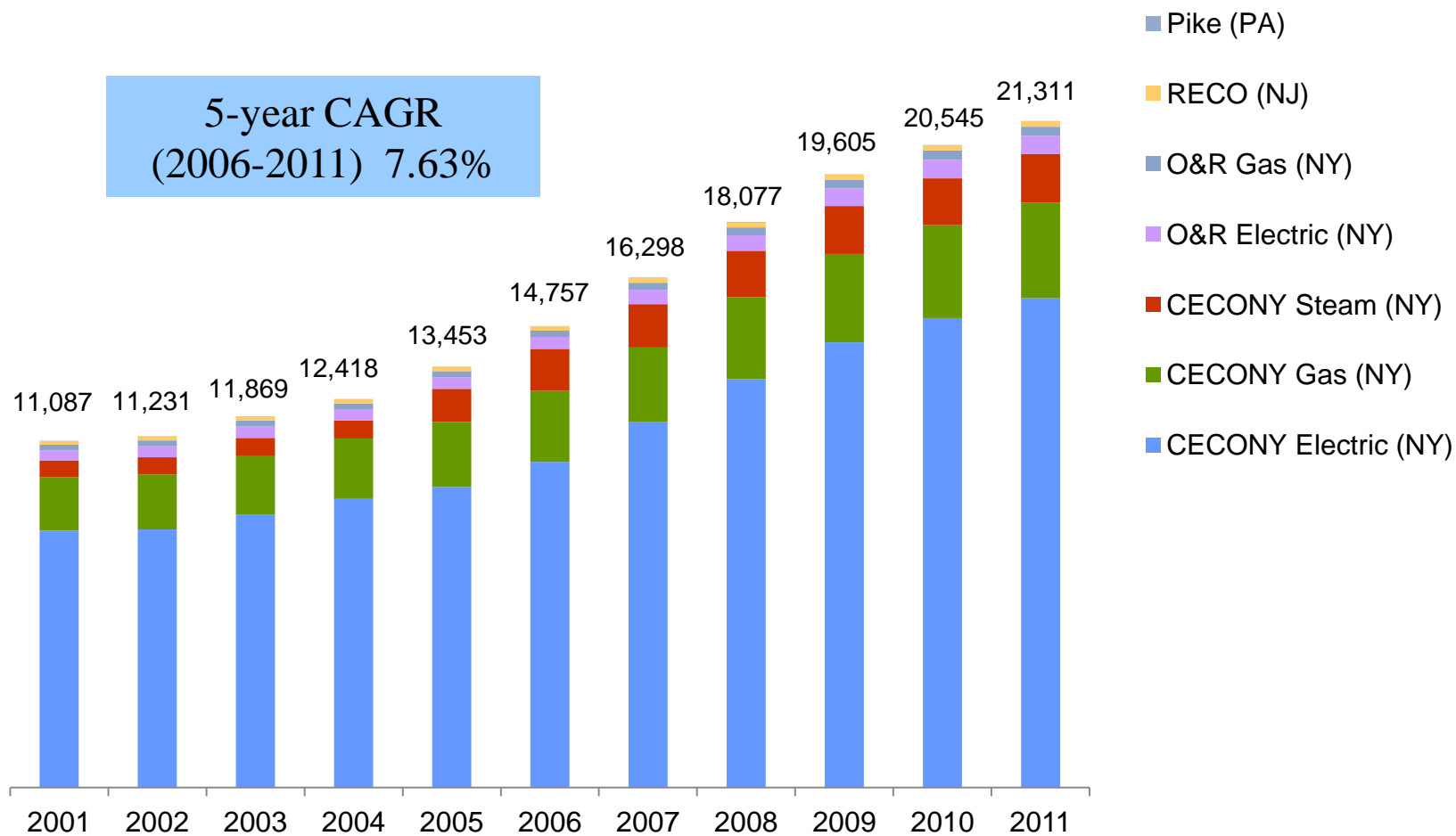
(\$ millions)

■ Con Edison of New York
 ■ Orange and Rockland
 ■ Competitive Energy Businesses



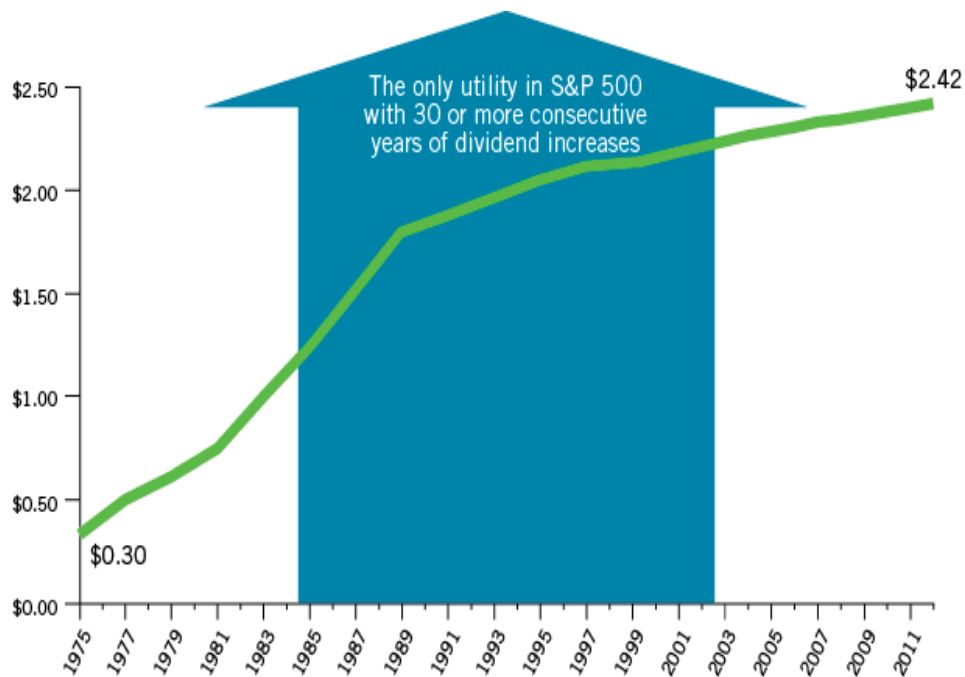
Consolidated Edison, Inc. Rate Base Growth

(\$ millions)

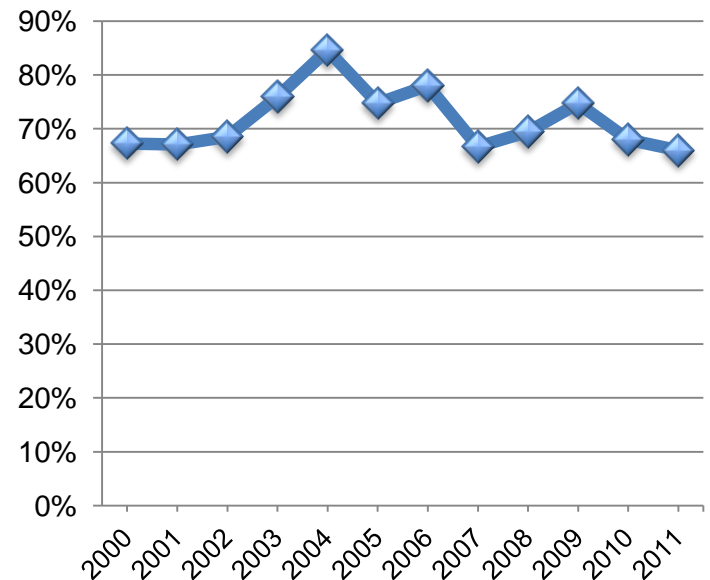


A Compelling Dividend Record: 38 Consecutive Years of Dividend Increases

Annualized Dividend 1975 - 2012



Dividend Payout Ratio



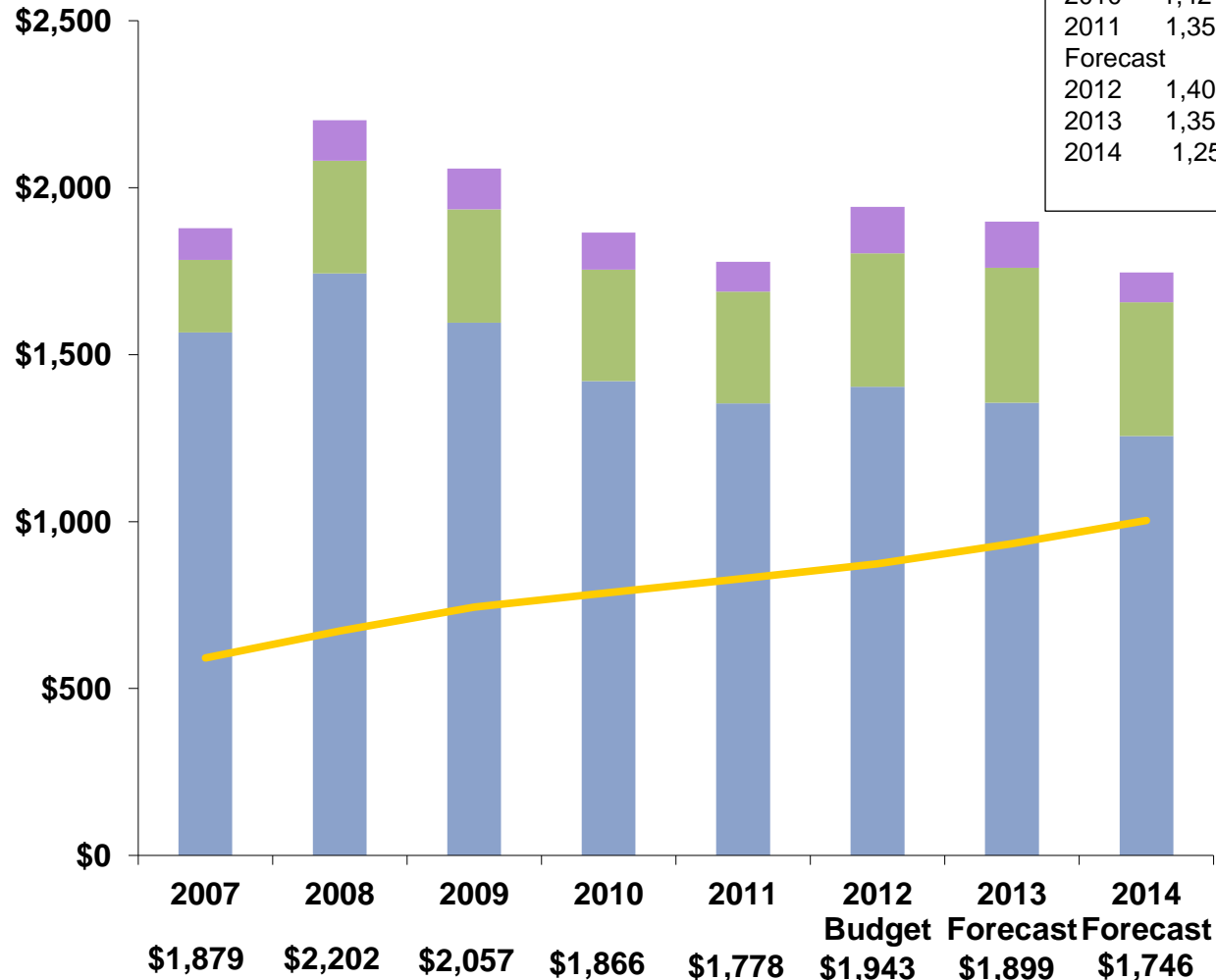


Appendix

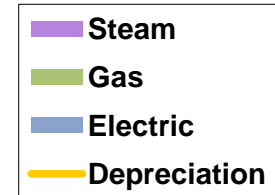
Con Edison of New York

Infrastructure Investment

(\$ millions)

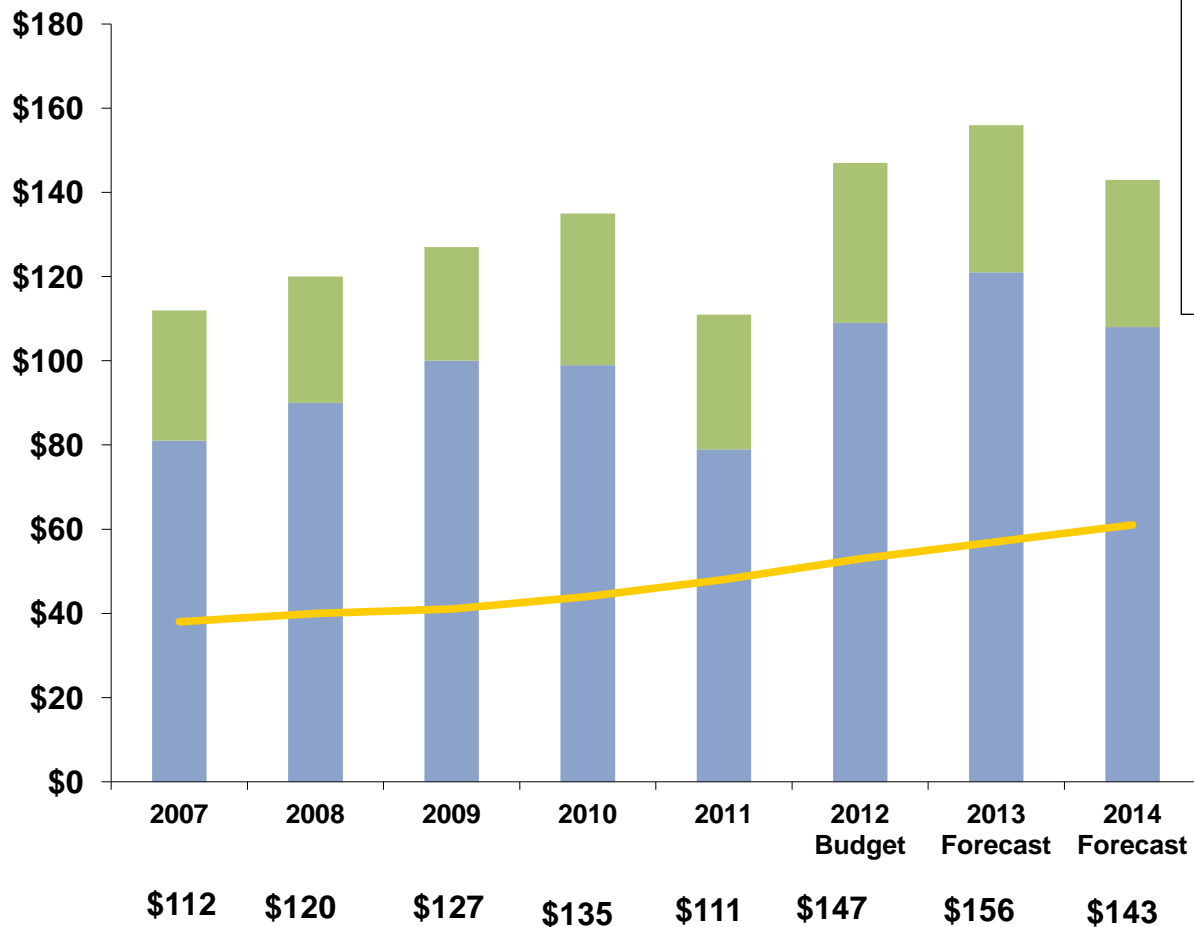


	Electric	Gas	Steam	Depreciation
Actual				
2007	1,567	217	95	593
2008	1,743	338	121	672
2009	1,596	339	122	744
2010	1,421	334	111	787
2011	1,354	335	89	829
Forecast				
2012	1,404	400	139	874
2013	1,356	404	139	934
2014	1,256	401	89	1,003

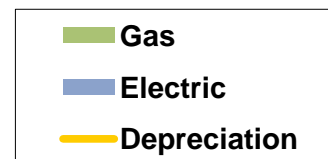


Orange and Rockland Infrastructure Investment

(\$ millions)



	Electric	Gas	Depreciation
Actual			
2007	80	32	38
2008	88	32	40
2009	85	42	42
2010	99	36	44
2011	79	32	48
Forecast			
2012	109	38	53
2013	121	35	57
2014	108	35	61



New York PSC Methodology for Setting Equity Returns

Historic book investment
("Rate Base")



Earnings base x Rate of return x Equity ratio = \$ of Income



2/3 Discounted Cash Flow model
+
1/3 Capital Asset Pricing model

NY PSC Staff's Discounted Cash Flow Model

- The Staff employs a dividend discount model.

$$\text{Value} = \frac{D_1}{(1+R)} + \frac{D_2}{(1+R)^2} + \frac{D_3}{(1+R)^3} + \dots$$

- Solving for an equity return, R, where:
 - D_1 through D_4 = Value Line estimates
 - D_5 through D_∞ = Value Line estimates based on future earnings retention and share growth
 - Value = average of prior three monthly high and low proxy group stock prices



NY PSC Staff's Capital Asset Pricing Model

- Staff solves for an equity return, R

$$R = R_{UST} + (R_{MKT} - R_{UST}) * \beta$$

- Where:
 - R_{UST} is the risk-free return: average of prior three monthly yields for 10-year and 30-year Treasuries
 - R_{MKT} is the market rate of return: BOfA Merrill Lynch's monthly *Quantitative Profiles* report (three month average)
 - β is the risk of the individual share relative to that of the market: Value Line estimate for peer group



NY PSC Staff's Proxy Group for 2011-2012 O&R Electric Proceeding

ALLETE
Alliant Energy
Ameren
American Electric Power
Avista
Black Hills
Center Point
CH Energy
Cleco
Consolidated Edison
DTE Energy
Edison International
Empire District Electric
Energy
FirstEnergy
Great Plains Energy

Hawaiian Electric Industries
IDACORP
MGE Energy
Pepco
PG&E
Pinnacle West Capital
Portland General Electric
SCANA
Sempra Energy
Southern Co.
TECO Energy
UIL Holdings
Vectren
Westar Energy
Wisconsin Energy
Xcel Energy

Reconciliation of 1st Half 2012 and 1st Half 2011 Earnings Per Share

6 months ending June 30, 2012	CECONY	O&R	Con Edison Development	Con Edison Energy	Con Edison Solutions	Parent	Total
Reported EPS – GAAP basis	\$1.49	\$0.10	\$0.01	\$-	\$0.11	\$(0.03)	\$1.68
Mark-to-Market losses/(gains)	-	-	-	0.01	(0.07)	-	0.06
Ongoing operations	\$1.49	\$0.10	\$0.01	\$0.01	\$0.04	\$(0.03)	\$1.62
6 months ending June 30, 2011	CECONY	O&R	Con Edison Development	Con Edison Energy	Con Edison Solutions	Parent	Total
Reported EPS – GAAP basis	\$1.46	\$0.08	\$-	\$-	\$0.12	\$(0.03)	\$1.63
Mark-to-Market losses/(gains)	-	-	-	(0.02)	(0.05)	-	(0.07)
Ongoing operations	\$1.46	\$0.08	\$-	\$(0.02)	\$0.07	\$(0.03)	\$1.56

Reconciliation of 2011 and 2010 Earnings Per Share

2011	CECONY	O&R	Con Edison Development	Con Edison Energy	Con Edison Solutions	Parent	Total
Reported EPS – GAAP basis	\$3.34	\$0.18	\$0.01	\$0.03	\$0.07	\$(0.04)	\$3.59
Mark-to-Market losses/(gains)	-	-	-	(0.03)	0.08	-	0.05
Ongoing operations	\$3.34	\$0.18	\$0.01	\$-	\$0.15	\$(0.04)	\$3.64
2010	CECONY	O&R	Con Edison Development	Con Edison Energy	Con Edison Solutions	Parent	Total
Reported EPS – GAAP basis	\$3.14	\$0.17	\$-	\$0.02	\$0.22	\$(0.06)	\$3.49
Mark-to-Market losses/(gains)	-	-	-	(0.04)	-	-	(0.04)
Ongoing operations	\$3.14	\$0.17	\$-	\$(0.02)	\$0.22	\$(0.06)	\$3.45

Rates of Return

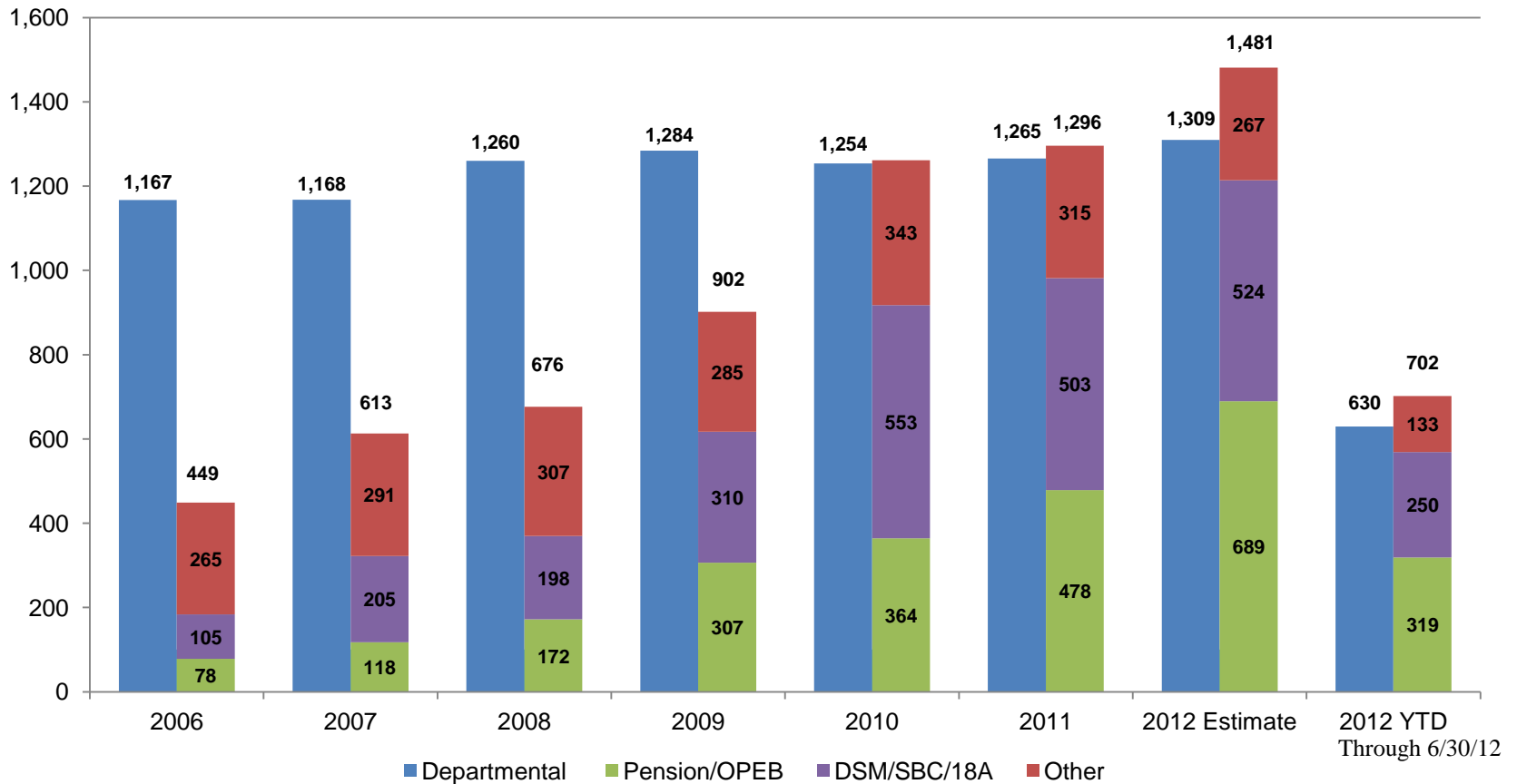
(for twelve months ended June 30, 2012)

	Regulated Basis		SEC Basis (excludes MTM impact)
	Allowed	Earned	
CECONY			
Electric	10.15%	10.0%	
Gas	9.6%	10.1%	
Steam	9.6%	7.0%	
Overall - CECONY	10.0%*	9.8%	9.7%
O&R - NY			
Electric	9.2%	9.0%	
Gas	10.4%	10.0%	
RECO	10.3%	13.1%	
Overall – O&R	9.7%*	9.9%	11.1%
Competitive Energy Businesses			11.6%
CEI			9.4%

* Weighted by rate base

Departmental and Other Expenses

(\$ millions)



* Includes Demand Side Management, System Benefit Charges and 18A assessment

Long-term Debt Maturities

(\$ millions)

	2012	2013	2014	2015	2016
Con Edison, Inc. – parent company	\$ 1	\$ 1	\$ 2	\$ 2	\$ 2
Con Edison of New York	525	700	475	350	650
Orange and Rockland	3	3	4	142	79
Competitive energy businesses	1	1	-	1	-
Total	\$ 530	\$ 705	\$ 481	\$ 495	\$ 731

2012

- CECONY \$300 million debenture maturing in July, 5.625%
- CECONY \$225 million tax-exempt debt, mandatory tender by bondholders in November

2013

- CECONY \$500 million debenture maturing in February, 4.875%
- CECONY \$200 million debenture maturing in June, 3.85%

2014

- CECONY \$200 million debenture maturing in February, 4.7%
- CECONY \$275 million debenture maturing in April, 5.55%

2015

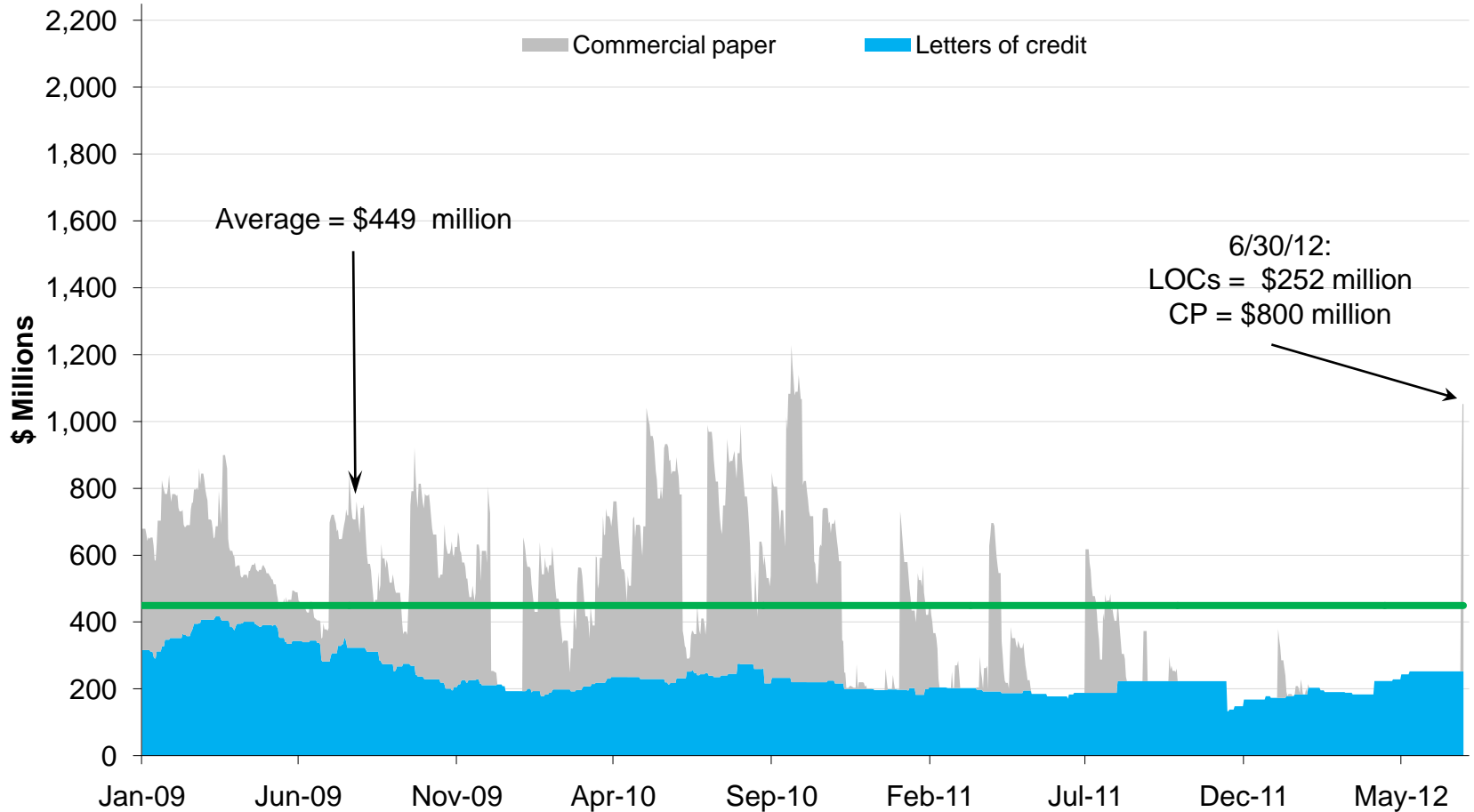
- CECONY \$350 million debenture maturing in December, 5.375%
- O&R \$40 million debenture maturing in April, 5.3%
- O&R \$55 million debenture maturing in August, 2.5%
- O&R \$44 million tax-exempt debt maturing in August, variable rate

2016

- CECONY \$400 million debenture maturing in September, 5.5%
- CECONY \$250 million debenture maturing in December, 5.3%
- O&R \$75 million debenture maturing in October, 5.45%

Liquidity Adequacy

\$2,250 million CEI Consolidated revolving credit facility



Capital Structure

June 30, 2012

(\$ millions)

<u>Con Edison, Inc.</u>		
Debt	\$9,840	46%
Preferred *	-	-
Equity	11,579	54
Total	\$21,419	100%

<u>Con Edison of New York</u>		
Debt	\$8,919	46%
Equity	10,314	54
Total	\$19,233	100%

<u>Orange and Rockland</u>		
Debt	\$606	52%
Equity	553	48
Total	\$1,159	100%

<u>Competitive and Parent</u>		
Debt	\$315	31%
Equity	712	69
Total	\$1,027	100%

* In March 2012, CECONY issued \$400 million of 4.20 percent 30-year debentures, \$239 million of the net proceeds from the sale of which were used to redeem on May 1, 2012 all outstanding shares of its \$5 Cumulative Preferred Stock and Cumulative Preferred Stock (\$100 par value).

Leader in Sustainability

- 1st among S&P 500 utilities in the 2011 worldwide Carbon Disclosure Project
- 1st among utilities in the 2011 *Newsweek* 500 Green Rankings for environmental and social performance
- Member of *Corporate Responsibility Magazine's* “Best 100 Corporate Citizens” for 2012
- Member of the Dow Jones Sustainability North America Index

