

Con Edison, Inc.

March 5-6, 2013

UBS Natural Gas, Electric
Power and MLP
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.

For more information, contact: Jan Childress, Director, Investor Relations

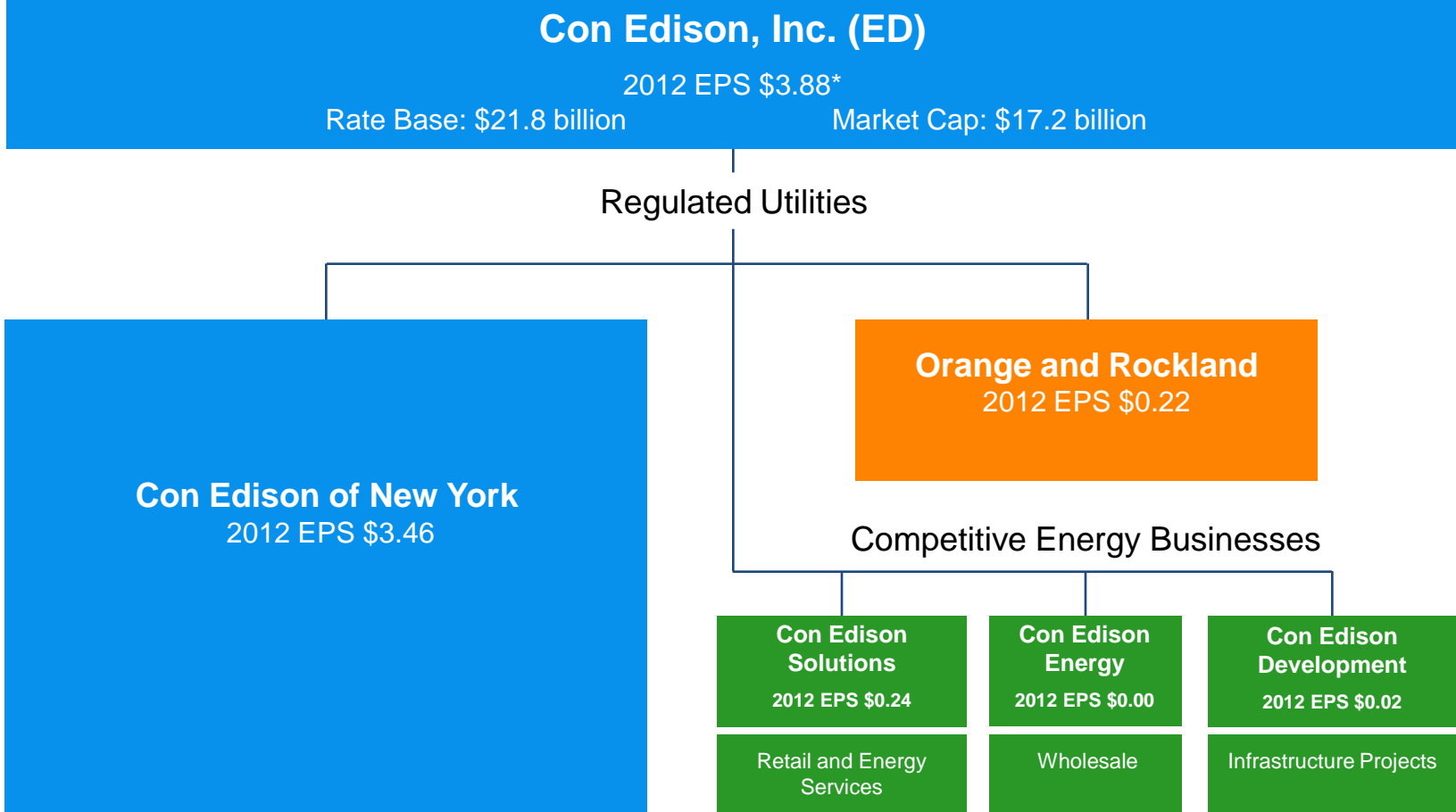
Tel.: 212-460-6611 Email: childressj@coned.com

Ivana Ergovic, Manager, Investor Relations

Tel.: 212-460-3431 Email: ergovici@coned.com

www.conEdison.com

Regulated Transmission and Distribution Focused



*Total reflects parent company expenses and consolidation adjustments amounting to \$(0.06) per share.

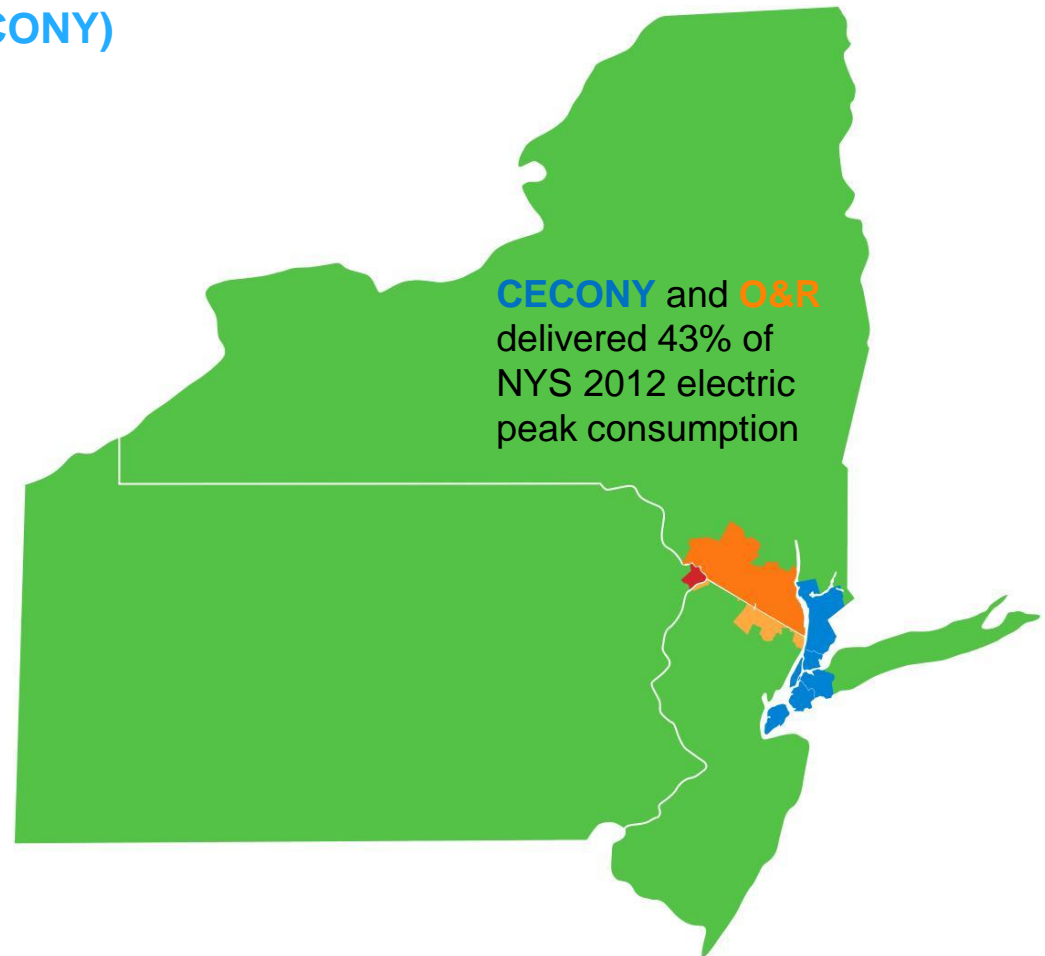
Regulated Utilities are the Core of Con Edison, Inc.

Con Edison of New York (CECONY)

- 3.3 million electric customers
- 1.1 million gas customers
- 1,717 steam customers
- 706 MW of regulated generation
- Delivered 40% of NYS 2012 electric peak consumption

Orange and Rockland (O&R)

- 303,000 electric customers
- 131,000 gas customers
- Delivered 3.4% of NYS 2012 electric peak consumption



Composition of Rate Base

(as of December 31, 2012)

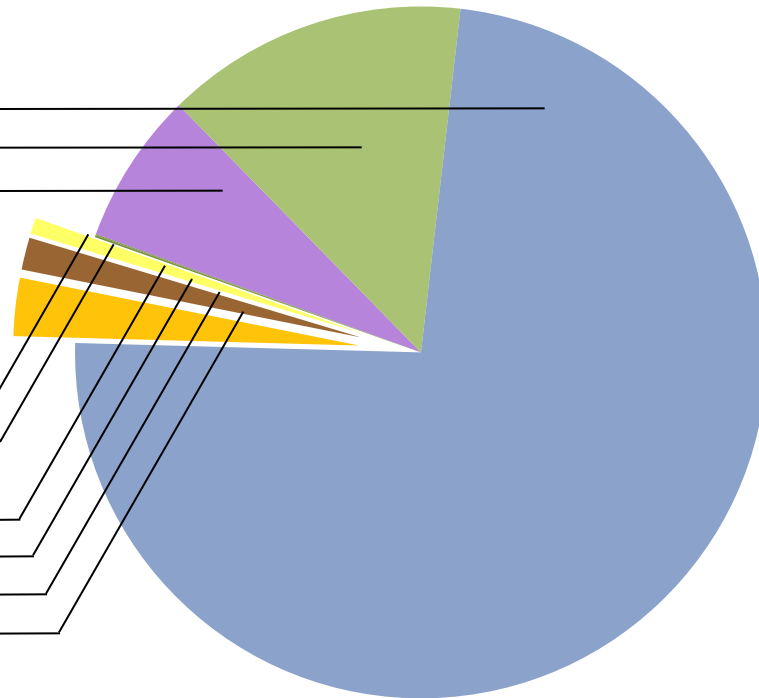
Rate Base* (\$ millions)

Con Edison of New York

Electric	(NY)	\$ 15,978
Gas	(NY)	\$ 3,150
Steam	(NY)	\$ 1,496
Total CECONY		\$ 20,624

Orange and Rockland

Pike Gas	(PA)	\$ 2
Pike Electric	(PA)	\$ 12
Rockland Electric	(NJ)	
(distribution)		\$ 154
(transmission)		\$ 20
O&R Gas	(NY)	\$ 339
O&R Electric	(NY)	\$ 609
Total O&R		\$ 1,136

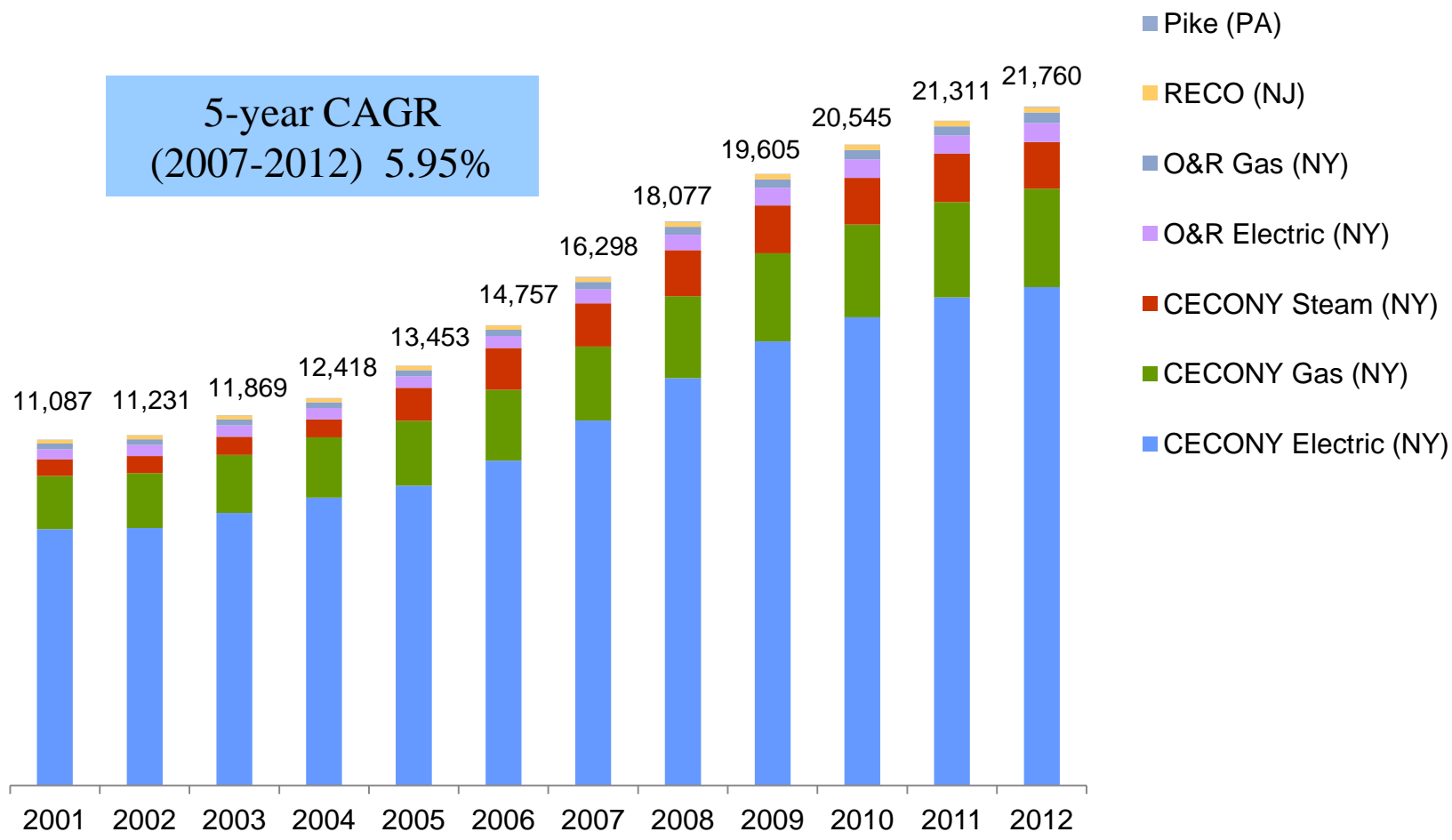


Total Rate Base \$21,760

* Average rate base for 12 months ending 12/31/2012

Consolidated Edison, Inc. Rate Base Growth

(\$ millions)



Rates of Return

(for twelve months ended December 31, 2012)

	Regulated Basis		SEC Basis (excludes MTM impact)
	Allowed	Actual	
CECONY			
Electric	10.15%	10.32%	
Gas	9.6%	10.86%	
Steam	9.6%	7.24%	
Overall - CECONY	10.0%*	10.18%	9.81%
O&R			
Electric	9.3%	10.5%	
Gas	10.4%	12.0%	
RECO	10.3%	11.5%	
Overall – O&R	9.7%*	11.0%	11.54%
Competitive Energy Businesses			7.82%
CEI			9.47%

* Weighted by rate base

2013 Guidance and LILO Developments

- **LILO Developments**

- In January 2013, the US Court of Appeals for the Federal Circuit ruling reversed an 2009 court order and disallowed company-claimed tax deductions relating to a 1997 LILO transaction
- The company, in January 2013, made a \$447 million deposit with federal and state agencies related to the potential tax liability from all LILO transactions and interest thereon
- \$150-\$170 million of after-tax charge related to the LILO transactions to be recorded in 1Q13
- No earnings contribution in either 2012 or 2011
- If the management were to negotiate the termination of transactions, the estimated cash proceeds would be approximately \$210 million (pre-tax)

- **2013 Guidance issued on January 31, 2013**

- Earnings from ongoing operations to be **in the range of \$3.65 to \$3.85 per share**
- Excludes any mark-to-market effects from competitive businesses and a \$0.50-\$0.60 per share estimated charge relating to the disallowance of tax deductions associated with the LILO transactions
- Capital expenditure of \$2,425 million (\$2,030 million at CECONY, \$142 million at O&R, and \$253 million at Competitive Energy Businesses)

Financing Needs – 2013 Debt and Equity Guidance

- Plan for 2013: Issue up to \$1.0 to \$1.5 billion of long-term debt including maturing securities, primarily at CECONY
- Activity so far: In February CECONY issued \$700 million of 30-year debentures with a 3.95% coupon
- No equity issuance
- Potential project finance for solar projects

Schedule of Debt Maturities

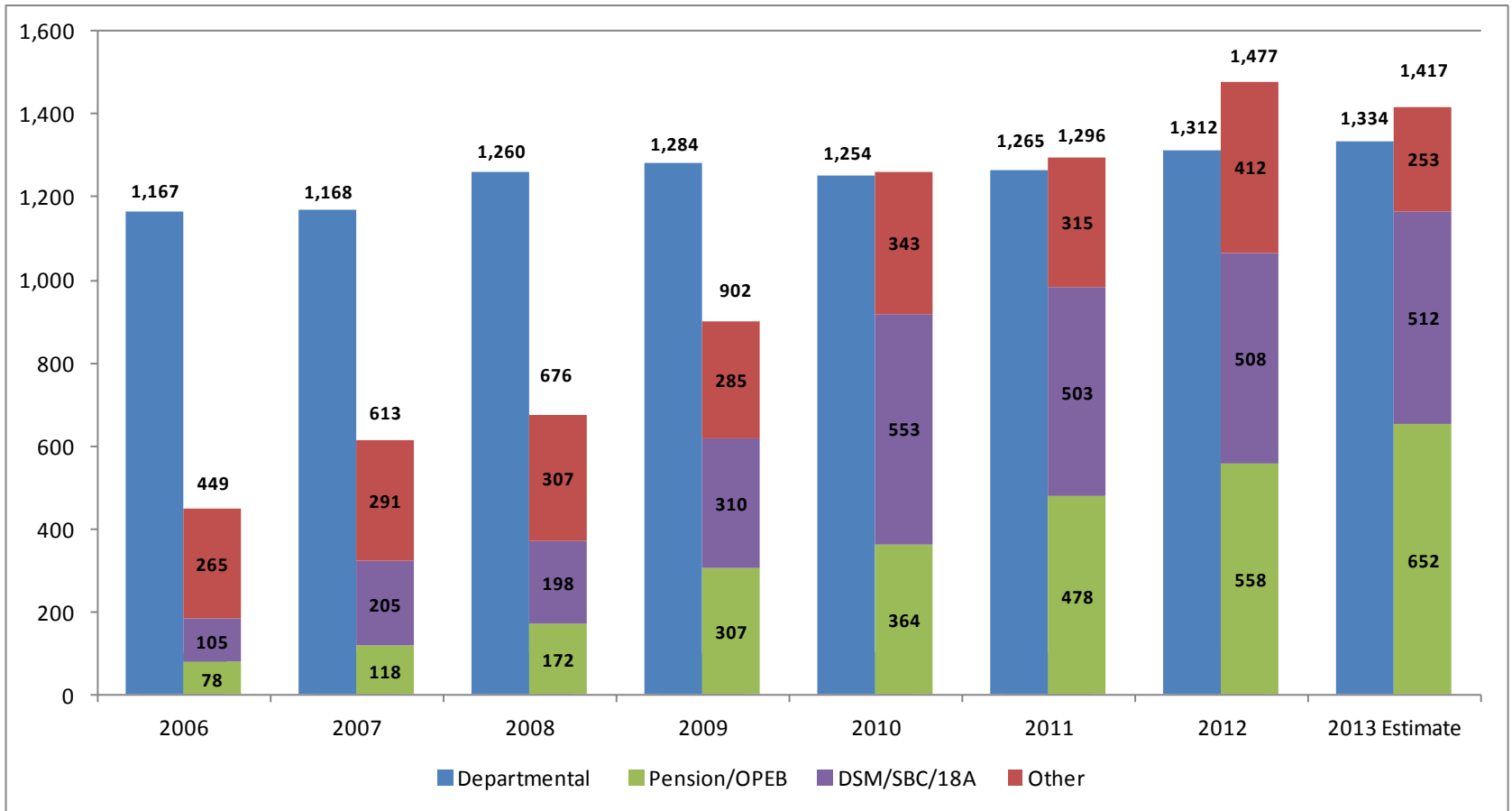
(\$ millions)	2013	2014	2015	2016	2017
Con Edison, Inc. – parent company	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
Con Edison of New York	700	475	350	650	-
Orange and Rockland	3	4	143	79	4
Competitive energy businesses	1	-	-	-	1
Total	\$ 706	\$ 481	\$ 495	\$ 731	\$ 7

2013

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

Departmental and Other Expenses

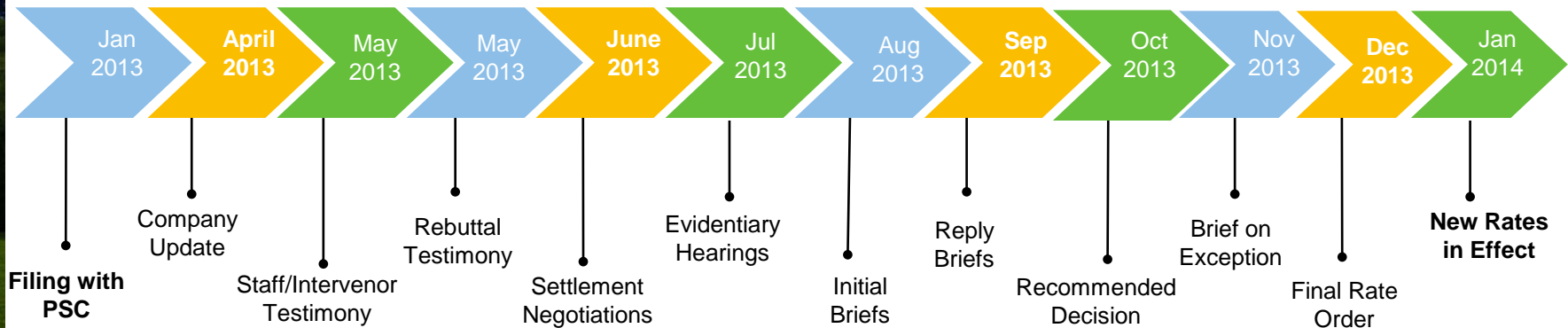
(\$ millions)



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

2013 Electric, Gas and Steam Rate Filings (13-E-0030, 13-G-0031, 13-S-0032)

- Filed on January 25, 2013
- Procedural and technical conference on March 11, 2013
- Historic test year: Twelve months ended June 30, 2012
- Forward test year: January 1, 2014 – December 31, 2014
- New rates in effect January 1, 2014
- Timeline for rate setting process:



Key Provisions of 2013 Electric, Steam and Gas Rate Filing

- Proposing programs intended to reduce service outages from major storms, as well as improve the storm recovery process
 - plans for \$1 billion of storm hardening capital expenditures through 2016 (electric: \$800 million; gas: \$100 million; steam \$100 million)
 - surcharge mechanism for future hardening programs.
- Proposing additional operating and capital programs, including programs to address new cyber security standards
- Proposing to recover deferred storm charges over three years (including \$243 million of response and restoration O&M costs for Sandy)
- Requesting the implementation of a storm reserve for the gas and steam systems
- Continuing the current provisions for true up of costs of pension and OPEBs, long-term debt, storms (electric), the impact of new laws, and environmental site investigation and remediation.
- Continuing the revenue decoupling mechanism for electric and gas services
- Proposing implementation of weather normalization of revenues for steam
- Continuing provisions for recovery of cost of purchased power, gas, steam and fuel
- Requesting full reconciliation of property taxes and municipal infrastructure support costs

System Hardening and Other Improvements

Strategies identified based on recent experience, as well as our understanding of preliminary recommendations made by new commissions established by NY Governor Cuomo following Superstorm Sandy. Our plans include:

- Strategic undergrounding and flood protection projects, including flood walls for certain electric and steam equipment
- Raising critical equipment in light of higher potential flood levels
- Upgrading gas system equipment
- Accelerating installation of submersible equipment, where appropriate
- Smart grid technology to improve flexibility of the electric distribution system, and
- Adoption of new cyber security standards

Summary of Electric/Gas/Steam Rate Filing

Proposed Rate plan details	Electric	Gas	Steam
One Year Rate Proposal:			
Rate Increase	\$375 million	\$25 million	(\$5) million
ROE	10.35%	10.35%	10.35%
Equity Ratio	50%	50%	50%
Supplemental Information: Illustrated			
Rate Change Year 2	\$195 million	\$55 million	\$22 million
Rate Change Year 3	\$270 million	\$63 million	\$18 million
Return on Equity	10.85%	10.85%	10.85%
Equity ratio	50%	50%	50%

Major Factors Driving Revenue Increases – RY1

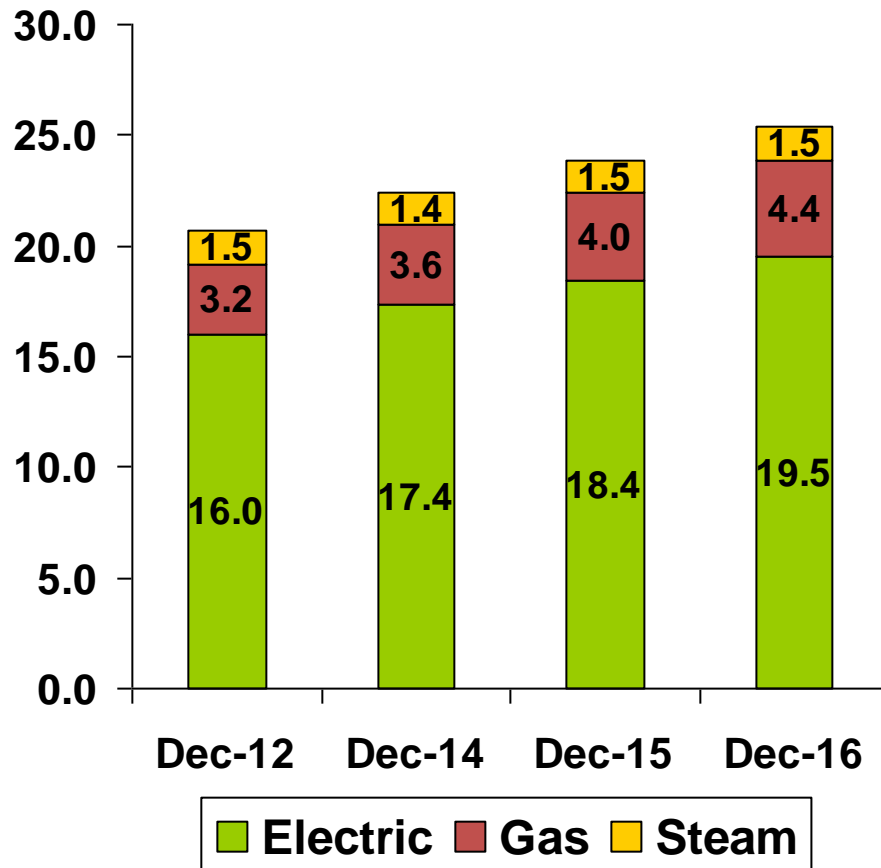
(\$ millions)

Cost Elements	Electric	Gas	Steam
Carrying cost of new infrastructure	\$156	\$55	\$(13)
Pension, OPEB and employee benefits	84	25	11
Depreciation charges	75	(5)	12
Other operating expenses	72	17	(9)
Higher ROE	29	23	9
Property and other taxes	19	13	(2)
Amortization of net deferred credits	(19)	(21)	(17)
Sales revenue growth (net of energy costs)	(46)	(66)	4
All other (net)	<u>5</u>	<u>16</u>	<u>0</u>
Base rate increase/(decrease)	\$375	\$25	\$(5)
Overall bill impact (a)	3.3%	1.3%	-10.1%

(a) The overall decrease for Steam includes fuel saving from converting two plant to natural gas. Total reductions in customer bills would be 13.8% after factoring the current temporary surcharge of \$32 million that expires in October 2013.

Rate Base Actual and Proposed

For 12 months ending (\$ billions)



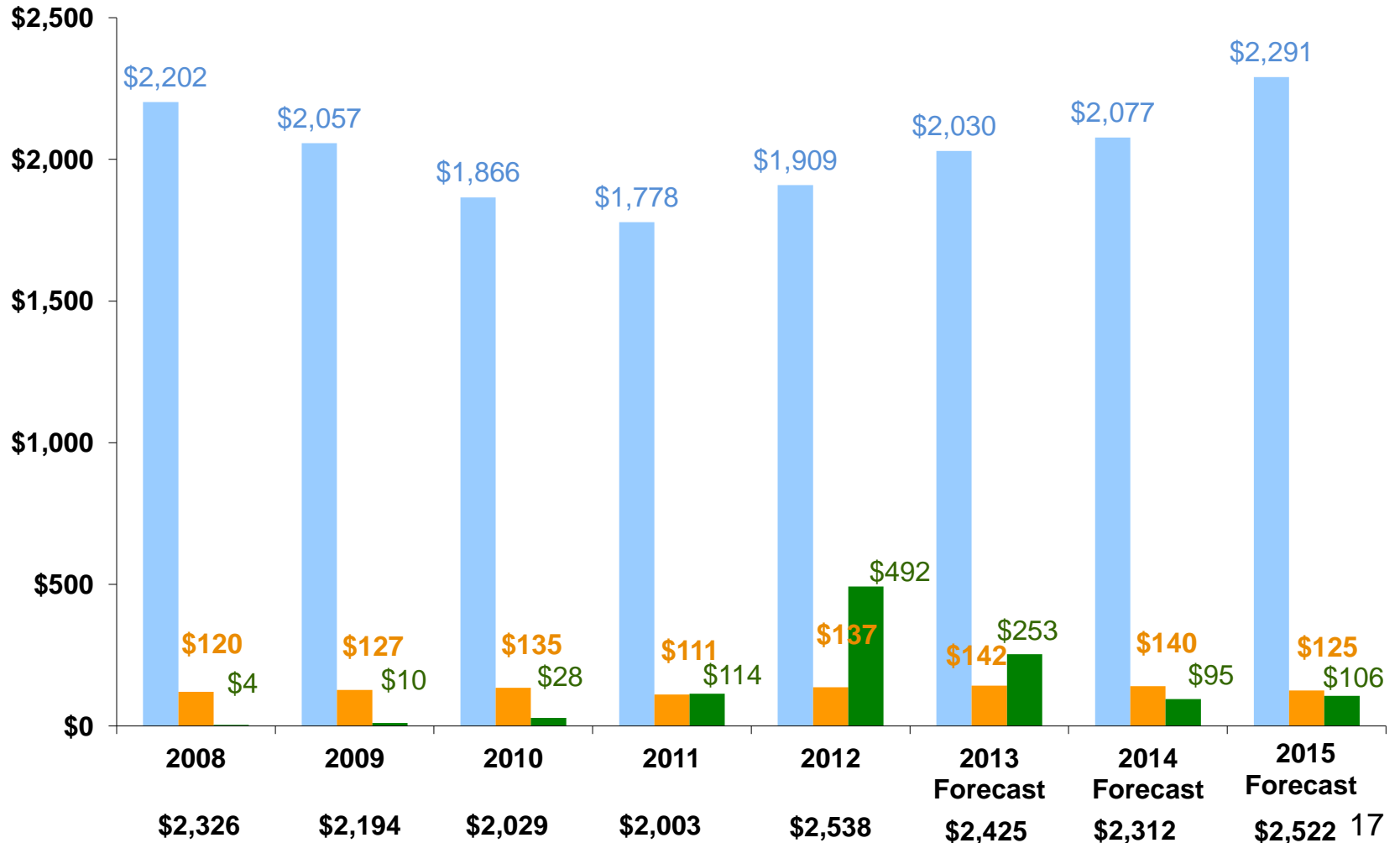
Proposed Capital Expenditure

(millions)	Electric	Gas	Steam	Total
2014	\$1,496	\$497	\$84	\$2,077
2015	1,650	545	96	2,291
2016	1,576	549	99	2,224

Capital Expenditures

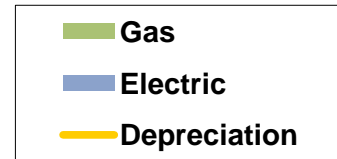
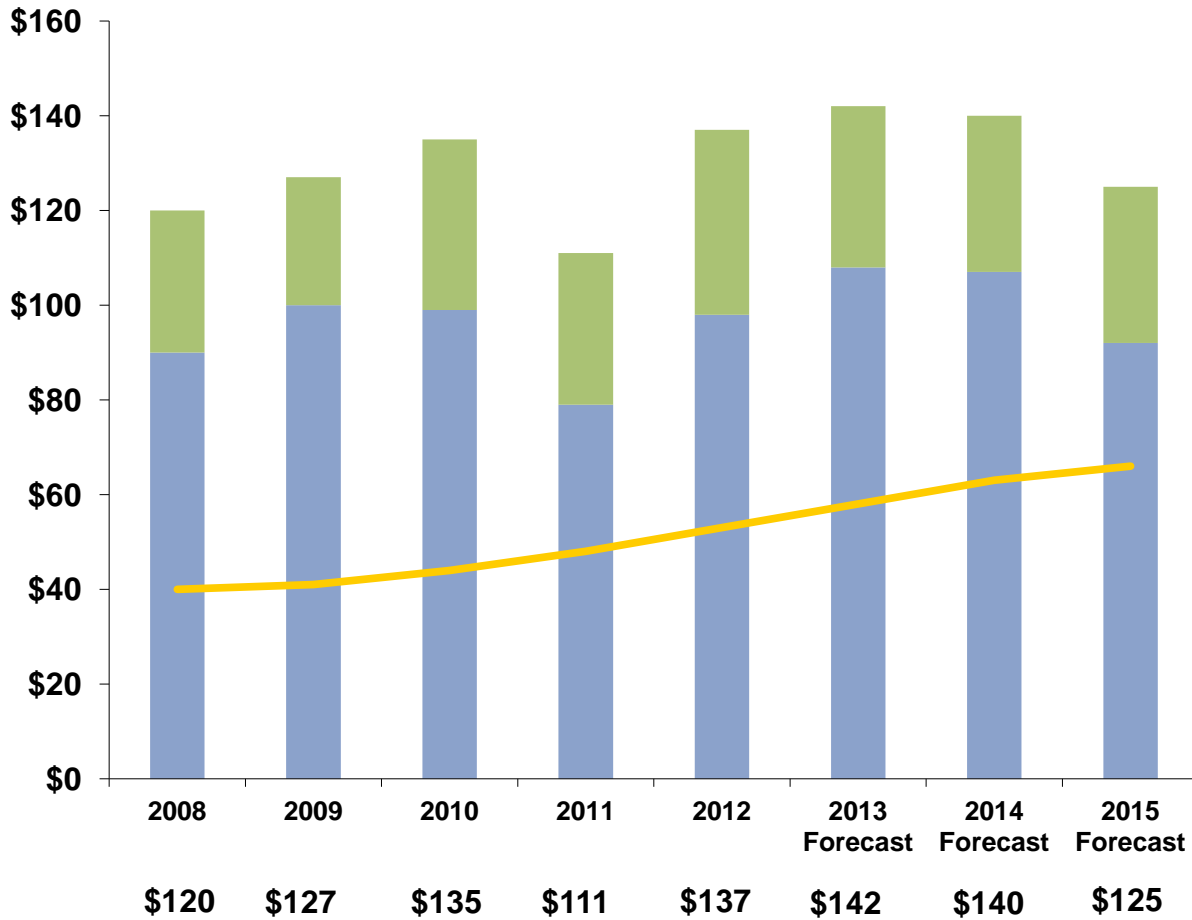
(\$ millions)

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



Orange and Rockland Infrastructure Investment (\$ millions)

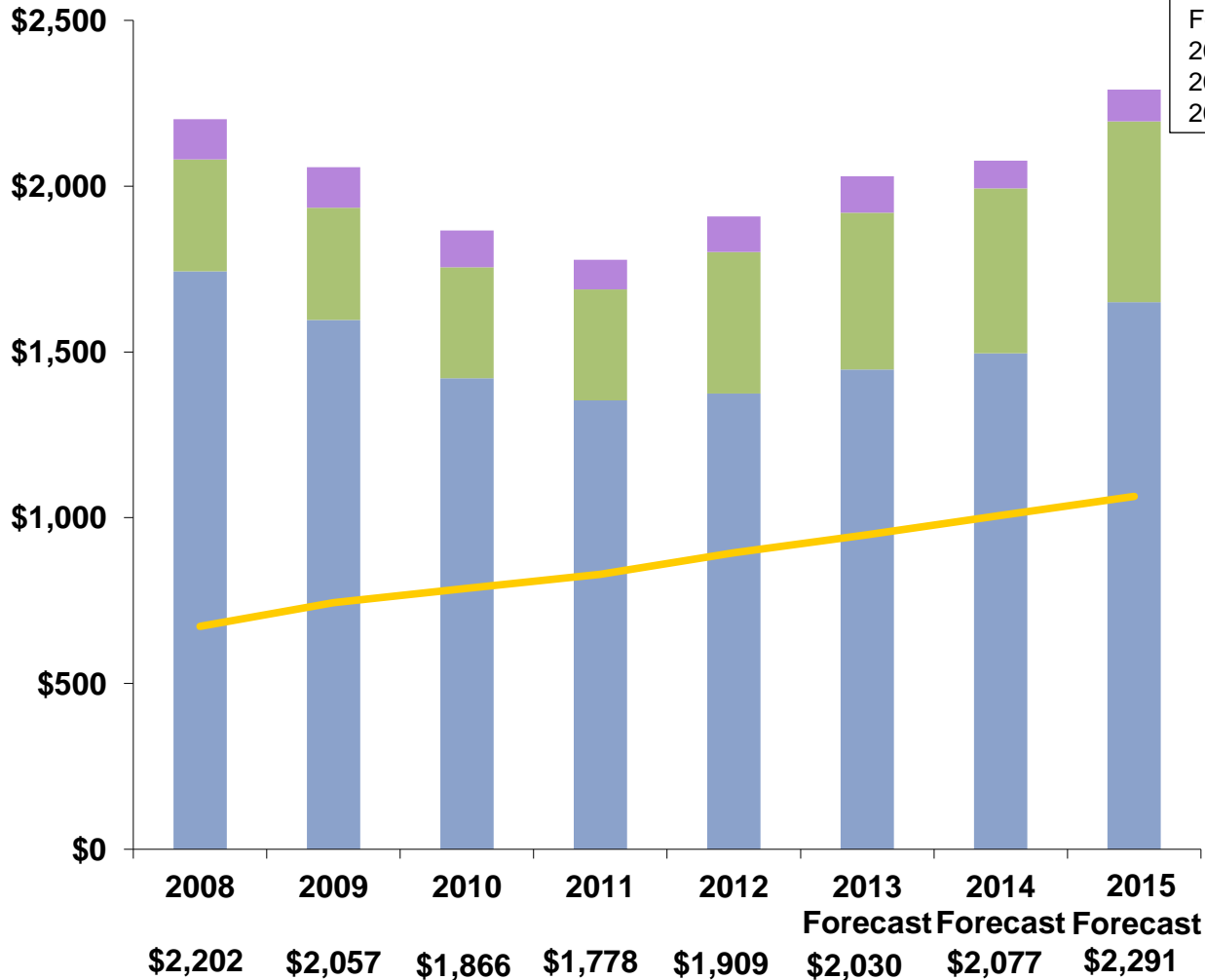
	Electric	Gas	Depreciation
Actual			
2008	88	32	40
2009	85	42	42
2010	99	36	44
2011	79	32	48
2012	98	39	53
Forecast			
2013	108	34	58
2014	107	33	63
2015	92	33	66



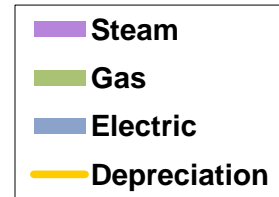
Con Edison of New York

Infrastructure Investment

(\$ millions)



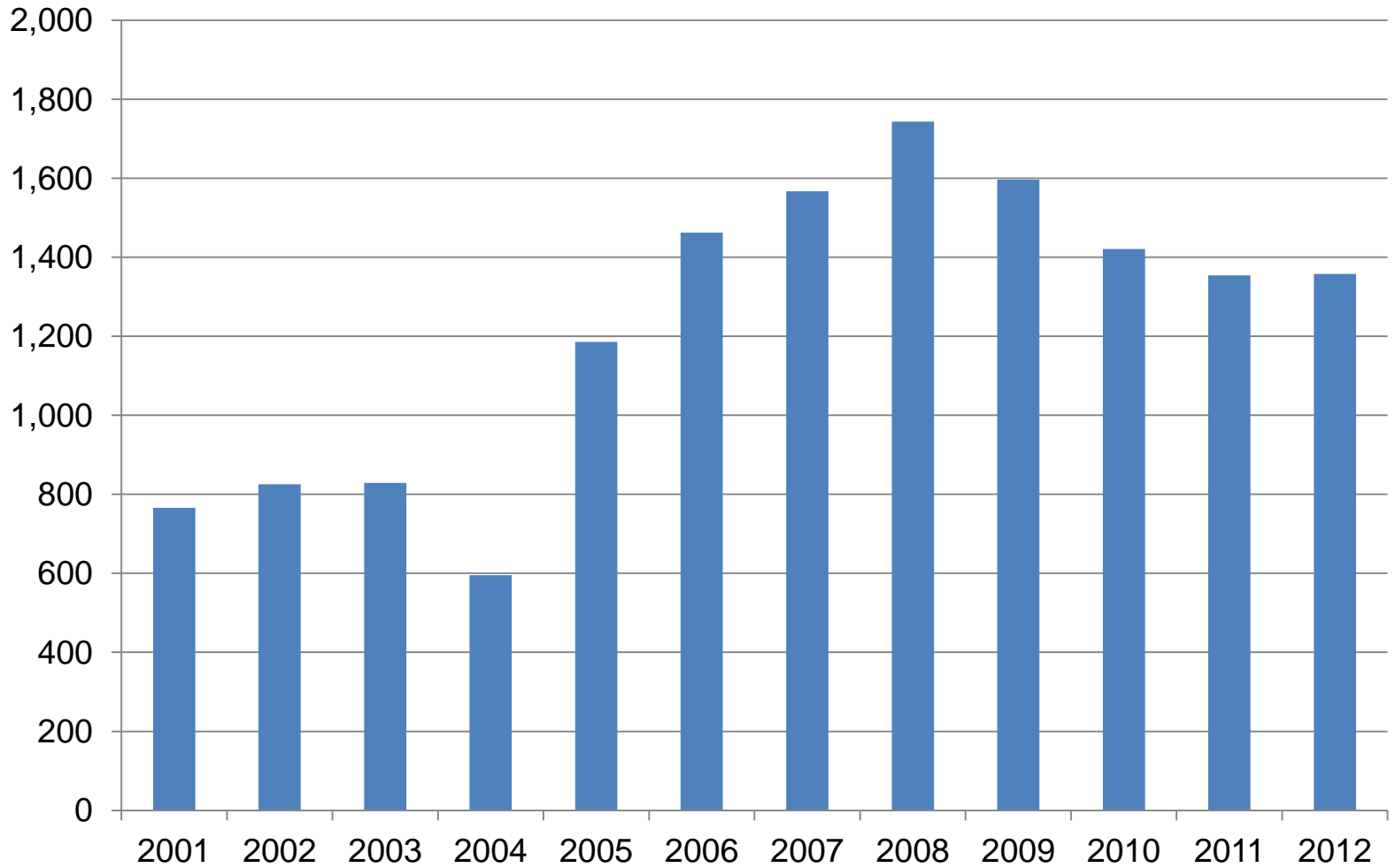
	Electric	Gas	Steam	Depreciation
Actual				
2008	1,743	338	121	672
2009	1,596	339	122	744
2010	1,421	334	111	787
2011	1,354	335	89	829
2012	1,375	426	108	894
Forecast				
2013	1,447	473	110	949
2014	1,496	497	84	1,007
2015	1,650	545	96	1,064



Con Edison of New York

Electric Delivery Infrastructure Annual Capital Investment

(\$ millions)

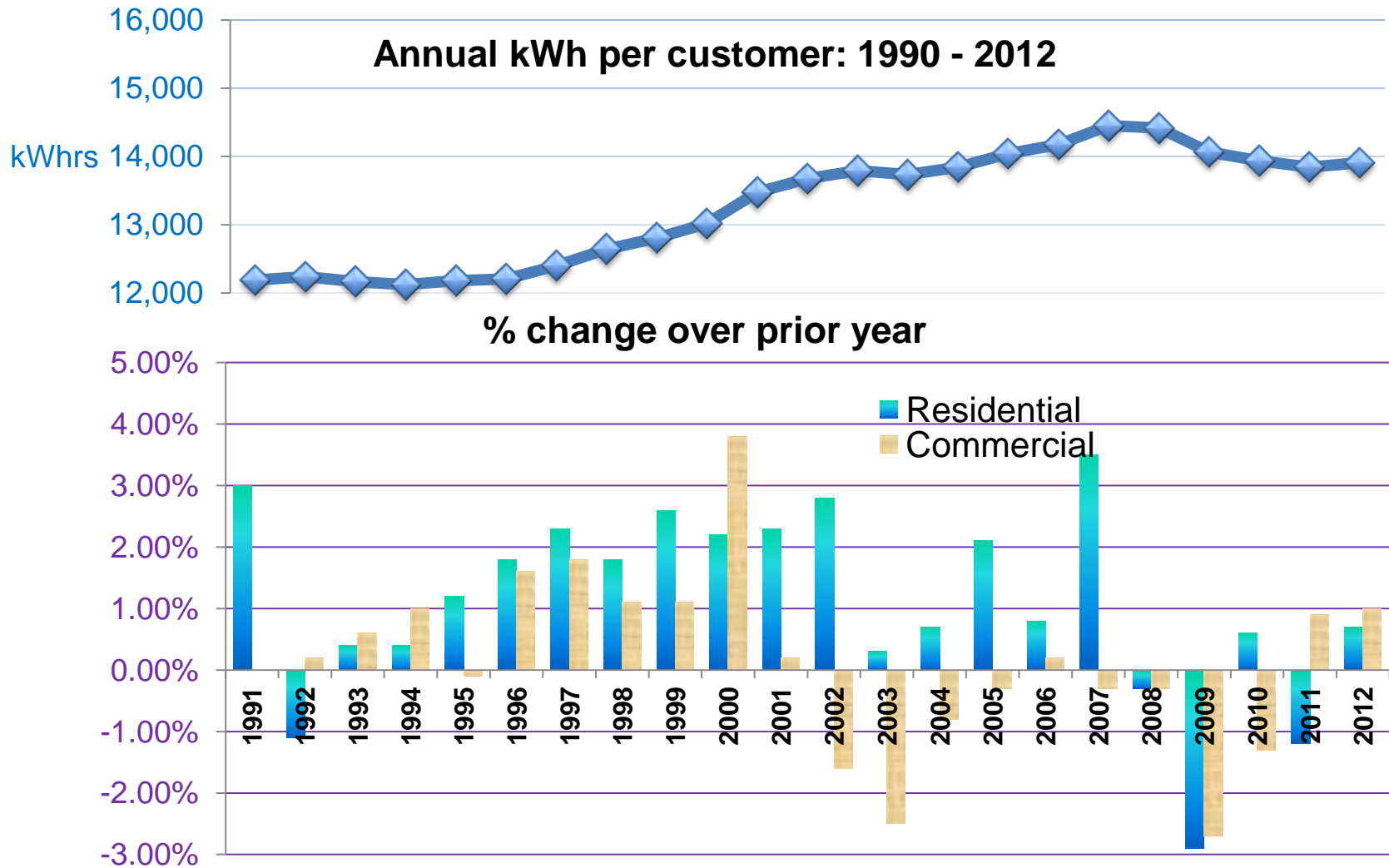


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5-Year Annualized Growth Rates in Peak Usage

	5-Year Historical 2002-2007 (Pre-Recession)	Current 5-Year Forecast
CECONY		
Electric	1.8%	1.3%
Gas	1.0%	4.3%
Steam	(0.8)%	(0.5)%
O&R		
Electric	2.6%	0.9%
Gas	(0.8)%	0.8%

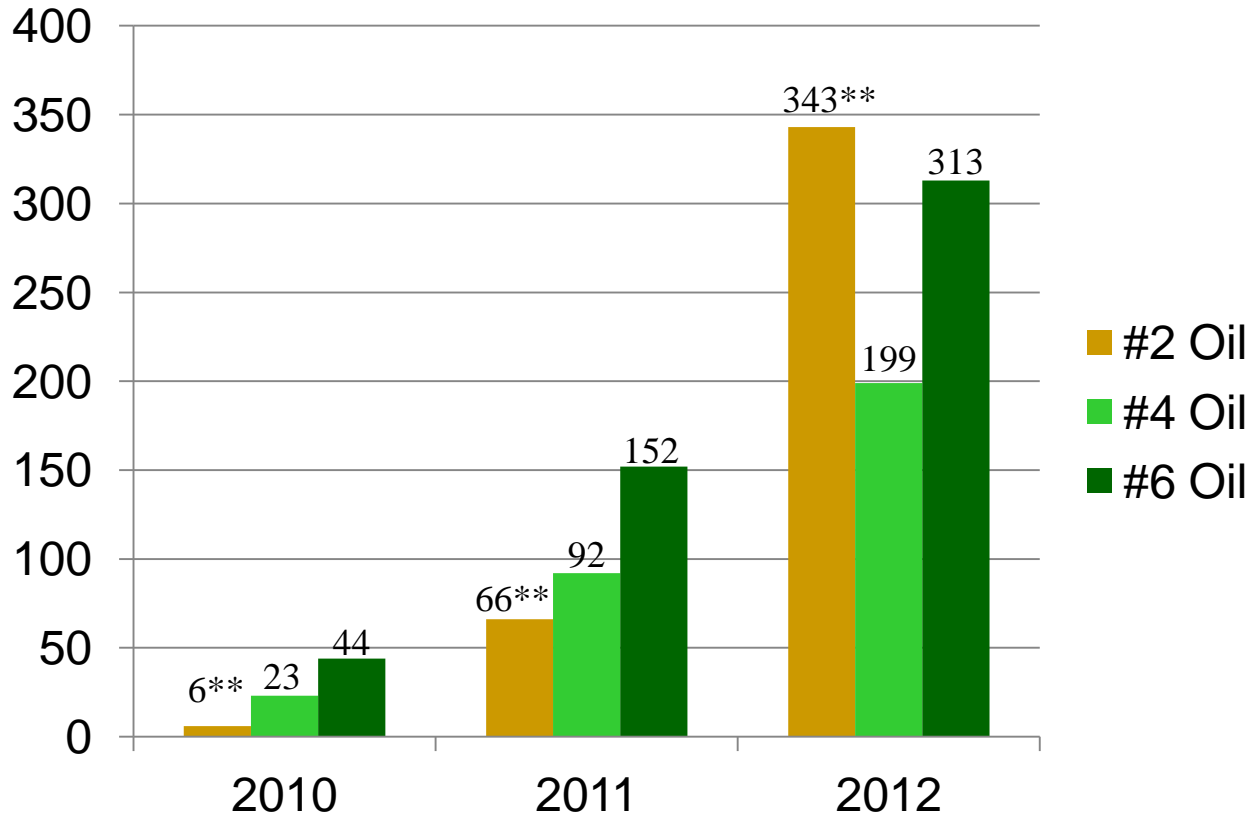
Average Normalized Electricity Use per Customer



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

2012 figures through December 31

Number of gas service installations

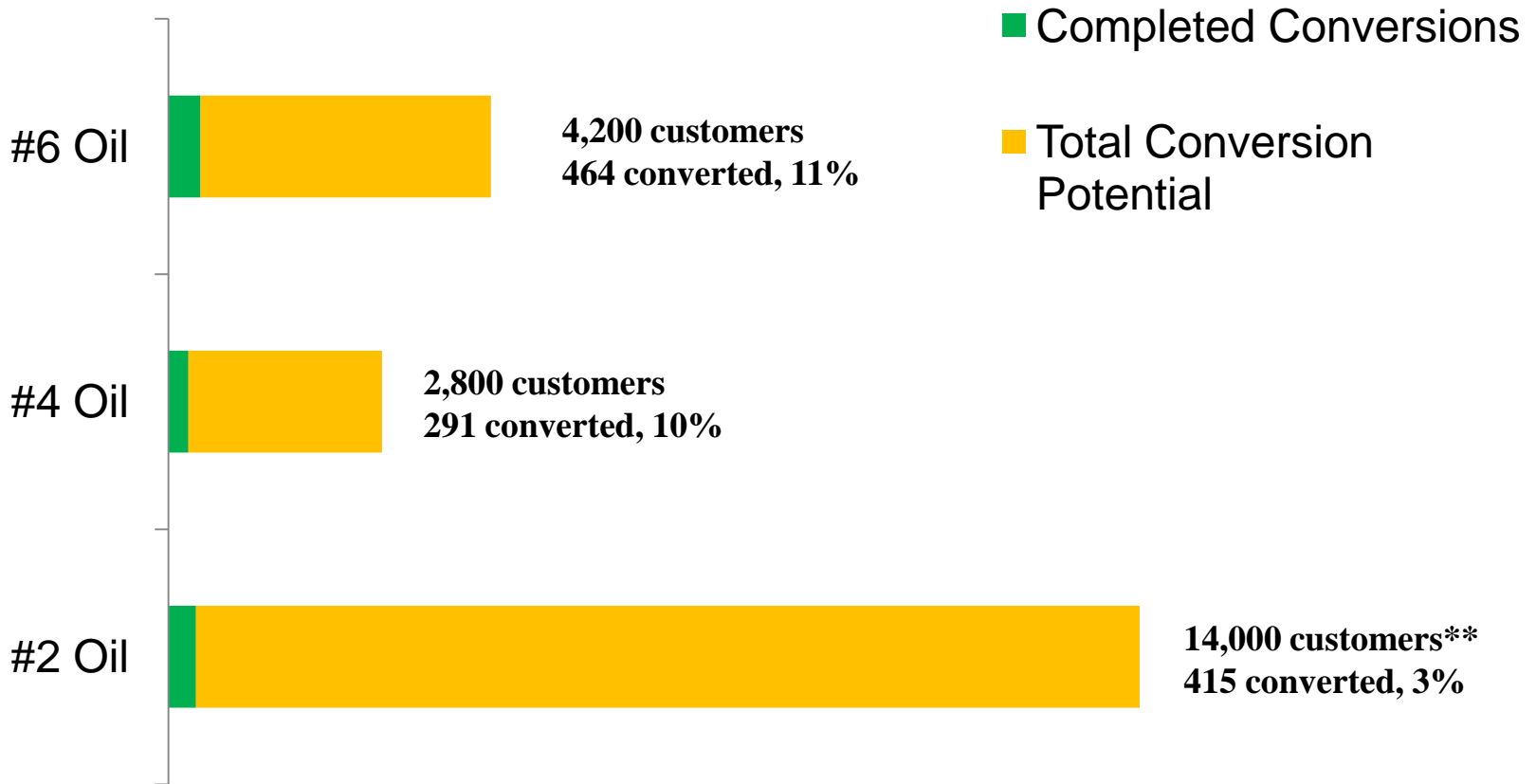


* Multi-family buildings include 5 or more families.

** Includes conversions of #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 December 2012



* Multi-family buildings include 5 or more families.

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

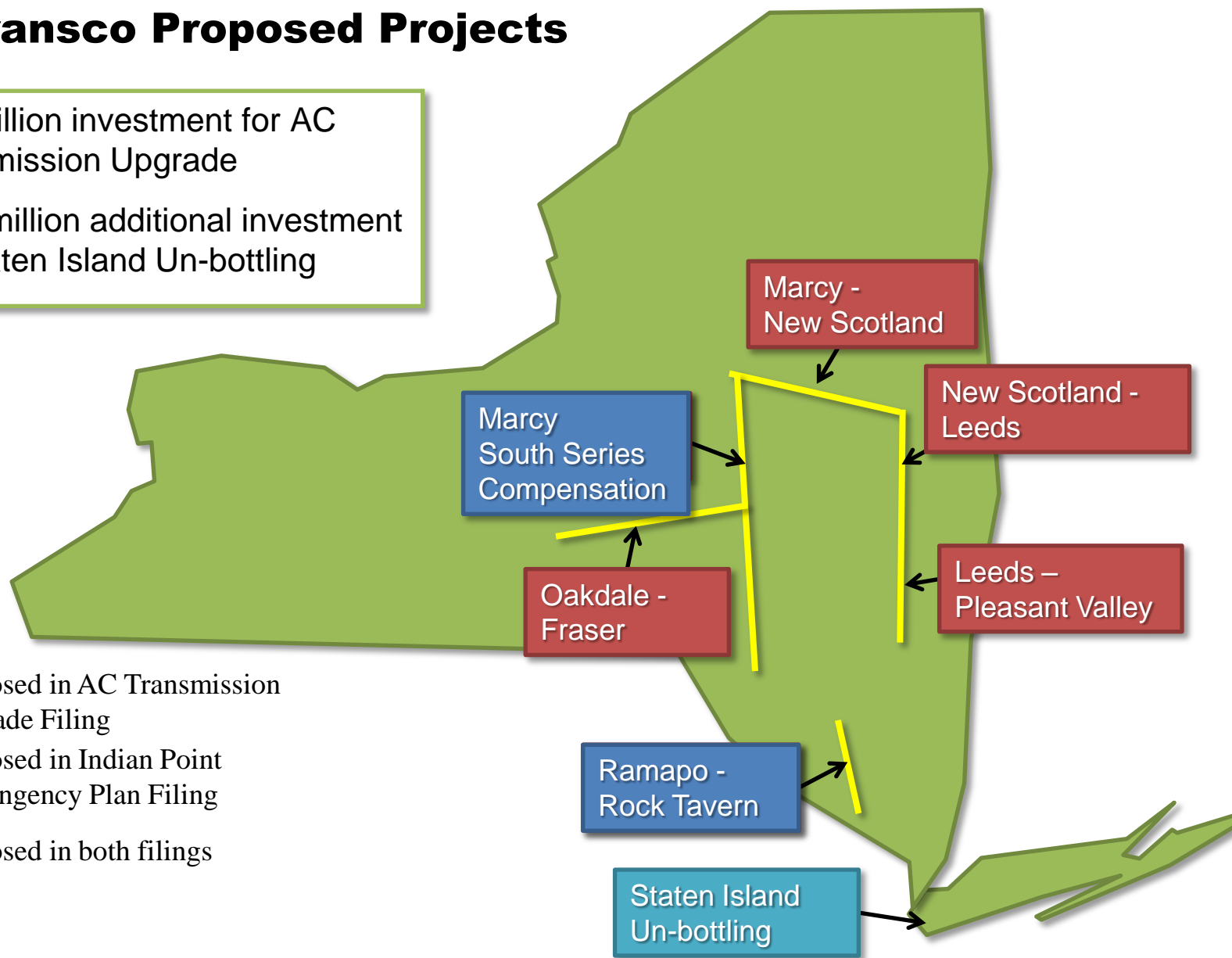
NY Energy Highway: Blueprint issued in October 2012

NY Public Service Commission response to Blueprint:

1. Proceeding to examine proposals for transmission upgrades and new transmission lines to address congestion on the transmission system between Utica and NYC **(12-T-0502)**
 - Six statements of intent filed by both utilities and private developers
 - NY Transco filed a statement of intent proposing to build five projects valued at \$1.3 billion. Expected in-service time is between 2016 and 2019. For more information visit <http://www.nytransco.com/>
2. Proceeding soliciting Indian Point Contingency Plan **(12-E-0503)** – filed by ConEd and NYPA on February 1st
 - The plan contemplates two parallel solution paths: a) three transmission projects (NY Transco projects) and b) an RFP process initiated by NYPA to consider generation and/or transmission alternatives proposed by private firms
 - NY PSC to lead RFP assessment, with definitive plans to be presented to PSC for approval by September 2013
3. Proceeding to examine barriers and solutions to expanding natural gas infrastructure, comments are due March 12th **(12-G-0297)**

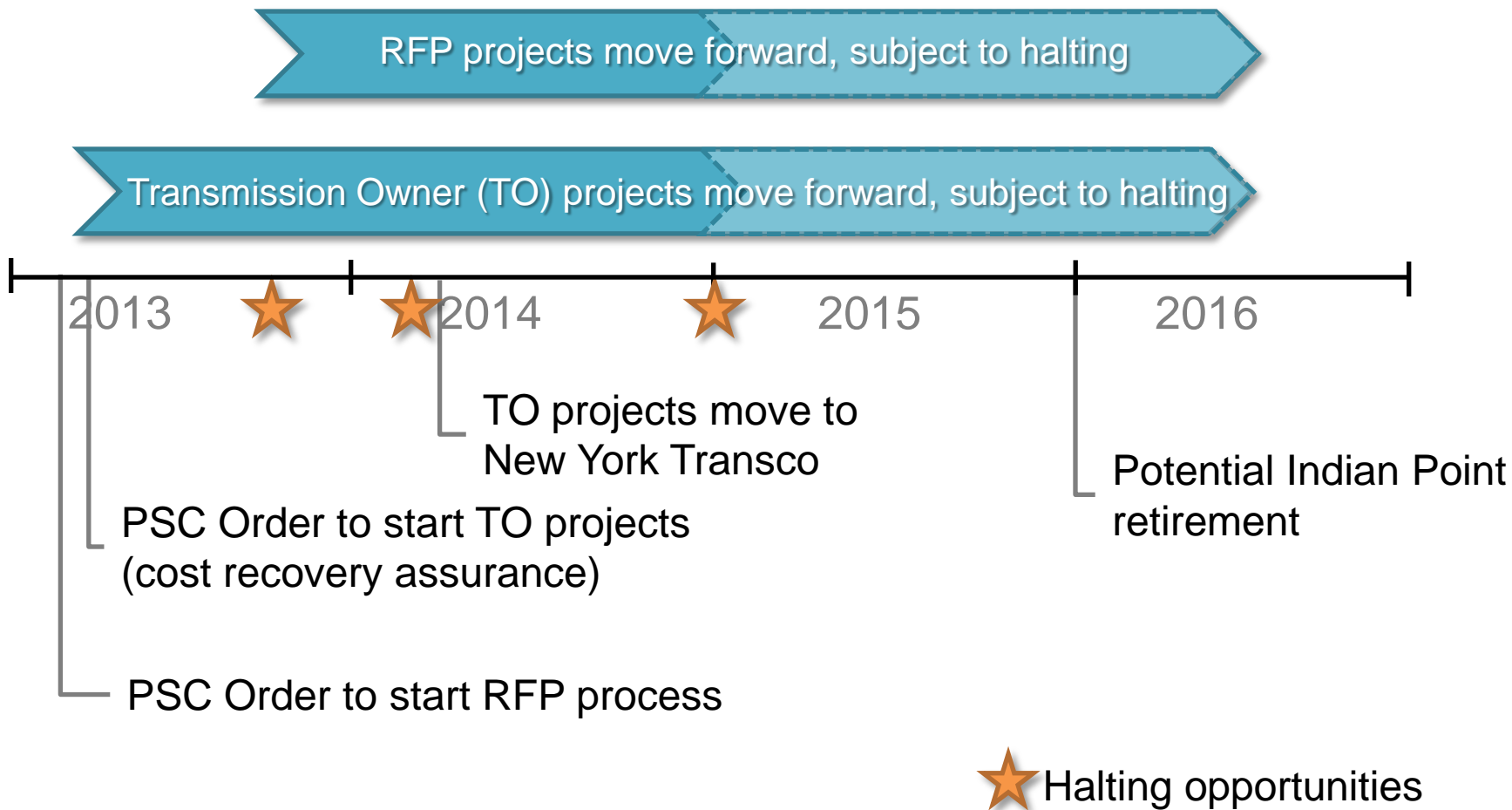
NY Transco Proposed Projects

- \$1.3 billion investment for AC Transmission Upgrade
- \$300 million additional investment for Staten Island Un-bottling



- Proposed in AC Transmission Upgrade Filing
- Proposed in Indian Point Contingency Plan Filing
- Proposed in both filings

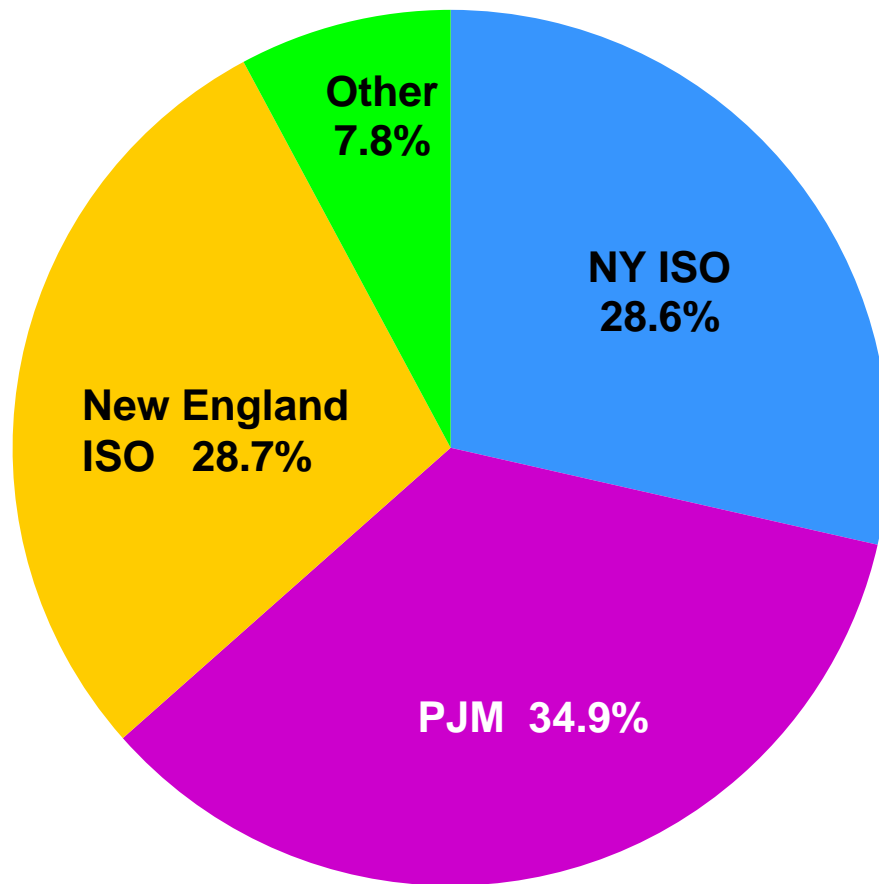
Proposed Timeline for Indian Point Contingency Plan



Con Edison Development Solar Investment Portfolio

Project	Location	MW (AC)	PPA Offtaker	PPA Term	SREC Term	Actual / Expected In-service Date
Operating - Projects > 3MW						
Shrewsbury	MA	3	Customer	20 years	1 year	4Q12
Pilesgrove	NJ	9	N/A	N/A	3 years	3Q11
Flemington	NJ	8	N/A	N/A	3 years	4Q11
Frenchtown II	NJ	3	N/A	N/A	3 years	4Q11
Frenchtown I	NJ	3	N/A	N/A	3 years	1Q12
PA Solar	PA	10	N/A	N/A	5 years	4Q12
Groveland	MA	3	Customer	20 years	1 year	4Q12
Alpaugh 50	CA	50	PG&E	25 years	part of PPA	4Q12
Alpaugh North	CA	20	PG&E	25 years	part of PPA	4Q12
Total MW Operating		109				
Construction/Development - Projects > 3MW						
White River	CA	20	PG&E	25 years	part of PPA	3Q13
Corcoran	CA	20	PG&E	25 years	part of PPA	4Q13
Little Quittacas	MA	4	Customer	20 years	Market based	1Q13
Total MW Construction/Development		44				
Projects of Less Than 3 MW		17				
Total MW		170				

Con Edison Solutions: Retail Electric Commodity Sales Volumes by Region



2012 Sales Volumes
13,840 million kWhrs

2012 breakdown of volumes by customer class: 91% Commercial & Industrial; 9% Mass Market

Summary of Rate Plans

	Effective Period	Rate Base	Rate Increases	Amortization of Credits/Debits	Other Significant Revenue Sources	Authorized ROE	Earnings Sharing Terms (a) (Shareholders/Customers)
Con Edison of New York							
Electric (b)	Apr. 2010 – Mar. 2013	Yr. 1 - \$14.9 b Yr. 2 - \$16.0 b Yr. 3 - \$16.8 b	Yr. 1 - \$420.4 m Yr. 2 - \$420.4 m Yr. 3 - \$286.9 m (c)	\$(75.3) over 3 yrs	\$120 m of annual TCC revenues	10.15%	Yr. 1: 11.15% -12.149%: 50/50 12.5% - 13.149%: 25/75 >13.15% :10/90 (d)
Gas (b)	Oct. 2010 – Sept. 2013	Yr. 1 - \$3.0 b Yr. 2 - \$3.2 b Yr. 3 - \$3.4 b	Yr. 1 - \$47.1 m Yr. 2 - \$47.9 m Yr. 3 - \$46.7 m	\$(53.1) over 3 yrs	\$58 m non-firm revenues – 100% > \$58 m: 25%	9.60%	>10.35% - 11.59%: 40/60 11.60% -12.59% : 25/75 >12.60 :10/90 (e)
Steam (b)	Oct. 2010 – Sept. 2013	Yr. 1 - \$1.3 b Yr. 2 - \$1.4 b	Yr. 1 - \$49.5 m Yr. 2 - \$49.5 m Yr. 3 - \$17.8 m (f)	\$(20.1) over 3 yrs	---	9.60%	>10.35% - 11.59%: 40/60 11.60% -12.59% : 25/75 >12.60 :10/90 (e)
Orange and Rockland							
Electric	Jul. 2012 – Jun. 2015	Yr. 1 - \$671 m Yr. 2 - \$708 m Yr. 3 - \$759 m	Yr. 1 - \$19.4 m Yr. 2 - \$8.8 m Yr. 3 - \$15.2 m	\$32 over 3yr	---	9.40% 9.50% 9.60%	10.2% - 11.2%:50/50 11.2% - 12.2%: 75/25 >12.2%: 90/10
Gas	Nov. 2009 – Oct. 2012	Yr. 1 - \$280 m Yr. 2 - \$296 m Yr. 3 - \$309 m	Yr. 1 - \$9.0 m Yr. 2 - \$9.0 m Yr. 3 - \$4.6 m (g)	\$2.1 over 3 yrs	---	10.40%	11.4% – 12.4%: 50/50 12.4% – 14%: 35/65 >14%: 10/90
RECO	May 2010– Apr. 2011	Yr. 1 - \$149 m	Yr. 1 - \$9.8 m	\$1.3	---	10.30%	none

(continued)

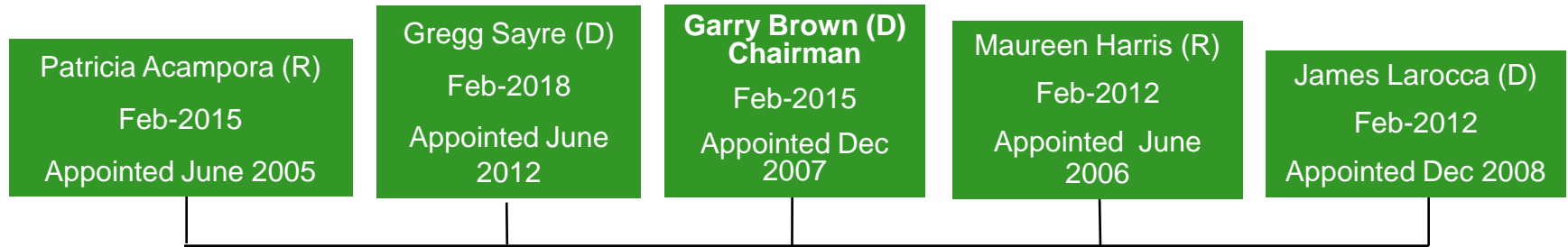
Summary of Rate Plans — Footnotes

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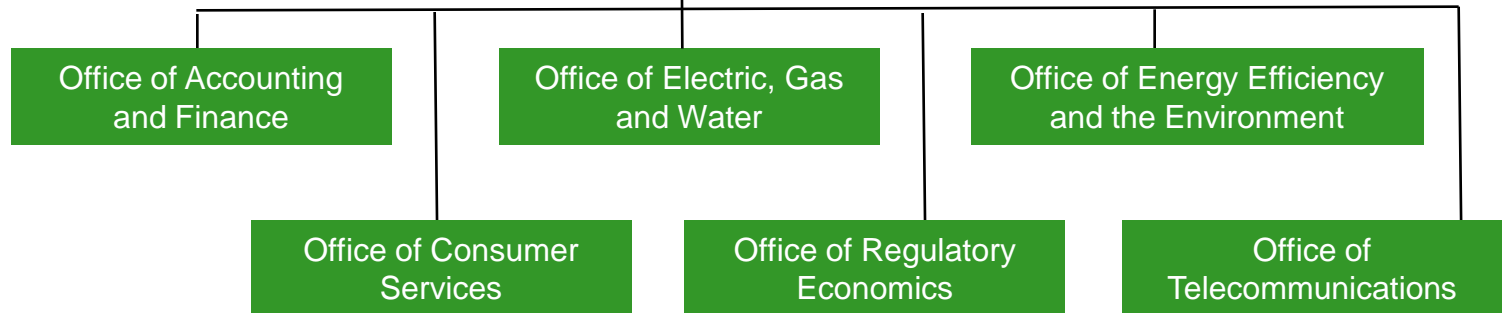
- (a) Subject to limitation for cost reconciliation described in Note B to the financial statements in Item 8.
- (b) Pursuant to NYSPSC orders, a portion of the company's revenues is being collected subject to refund. See "Other Regulatory Matters" in note B to the financial statements in item 8.
- (c) Temporary increase of \$133.5 million scheduled to go into effect April 1, 2012 was eliminated by the application of available credits of \$133.5 million (see Case 12-E-0008).
- (d) In Yr. 2 and 3, 10.65% - 12.149%: 40/60, 12.15% - 13.149%: 25/75, and >13.15%: 10/90
- (e) In Yr. 2 and 3, 10.10% - 11.59%: 40/60, 11.60% - 12.59%: 25/75, and >12.6%: 10/90
- (f) The rate plan provides for a one-time surcharge of \$31.7 million in Year 3
- (g) The rate plan provides for a one-time surcharge of \$4.3 million in Year 3

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)

NY PSC's Formulaic Approach to ROE

Recent Rate Decisions in New York

Date	Company	ROE	Term	Date	Company	ROE	Term
07/06	Central Hudson	9.60%	3 years	06/10	Central Hudson	10.00%	3 years
08/06	NYSEG	9.55%	1 year	09/10	CECONY Gas	9.60%	3 years
09/06	CECONY Steam	9.80%	2 years	09/10	CECONY Steam	9.60%	3 years
10/06	O&R Gas	9.80%	3 years	09/10	Energy East (RGE/NYSEG)	10.00%	40 months
08/07	Keyspan Gas	9.80%	5 years	06/11	Niagara Mohawk Electric	9.30%	2 years
09/07	CECONY Gas	9.70%	3 years	06/11	O&R Electric	9.20%	1 year
10/07	O&R Electric	9.10%	1 year	04/12	Corning Gas	9.50%	3 years
12/07	National Fuel Gas	9.10%	1 year	06/12	O&R Electric	9.40%	1 st year
03/08	CECONY Electric	9.10%	1 year			9.50%	2 nd year
06/08	O&R Electric	9.40%	3 years			9.60%	3 rd year
09/08	CECONY Steam	9.30%	2 years	10/12	Niagara Mohawk Electric and Gas Settlement Proposal	9.30%	3 years
04/09	CECONY Electric	10.00%	1 year	01/13	Keyspan Gas Settlement Proposal	9.40%	2 years
05/09	Niagara Mohawk Gas	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				
3/10	CECONY Electric	10.15%	3 years				

Rate of return on equity



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

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

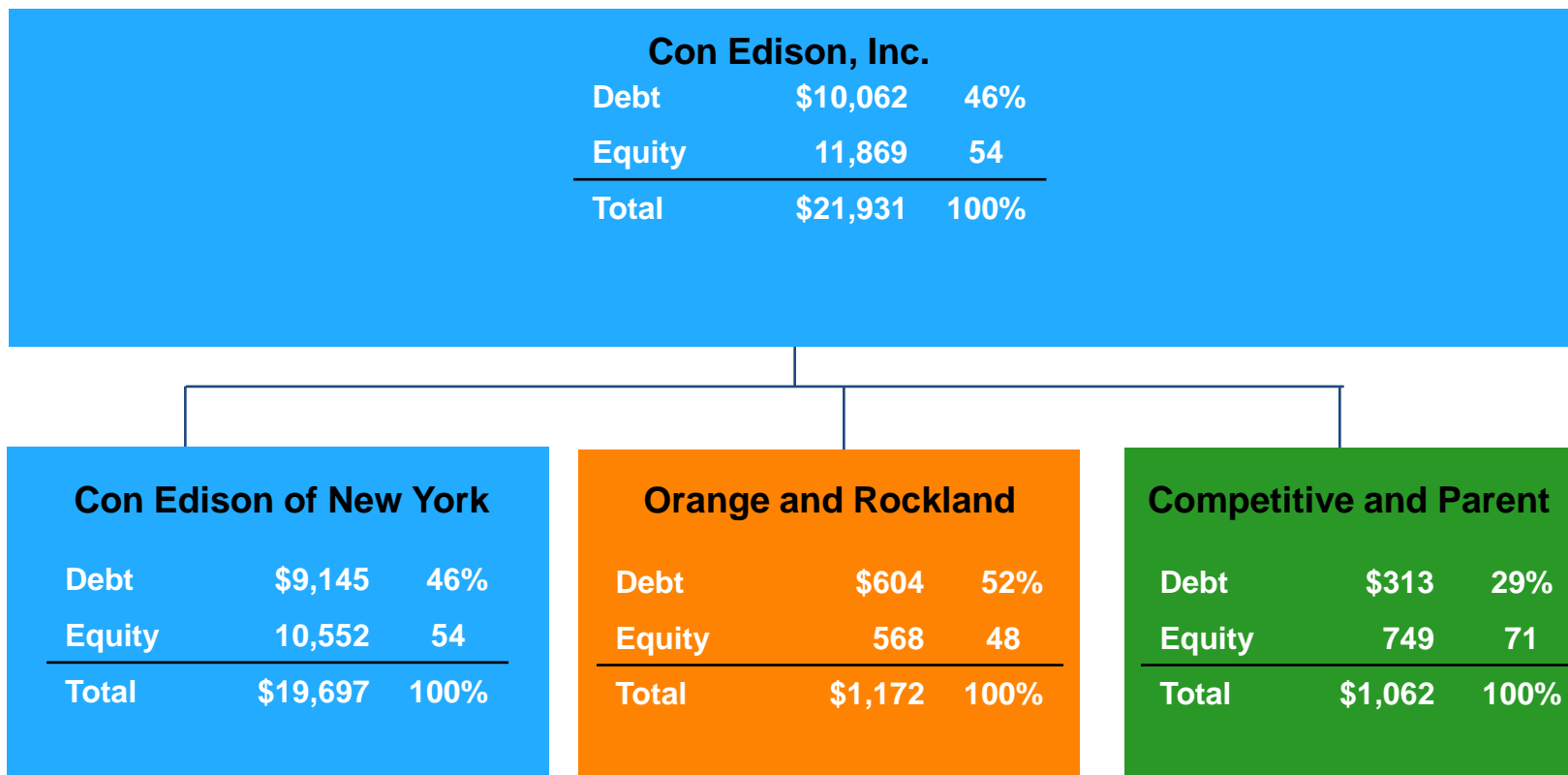
- Where:
 - R_{UST} is the risk-free return: average of prior three monthly yields for 10-year and 30-year Treasuries
 - R_{MKT} is the market rate of return: BOfA Merrill Lynch's monthly *Quantitative Profiles* report (three month average)
 - β is the risk of the individual share relative to that of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

Reconciliation of 2012 and 2011 Earnings Per Share

2012	CECONY	O&R	Con Edison Development	Con Edison Energy	Con Edison Solutions	Parent	Total
Reported EPS – GAAP basis	\$3.46	\$0.22	\$0.02	-	\$0.24	\$(0.06)	\$3.88
Mark-to-Market losses/(gains)	-	-	-	0.01	(0.14)	-	(0.13)
Ongoing operations	\$3.46	\$0.22	\$0.02	\$0.01	\$0.10	\$(0.06)	\$3.75
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

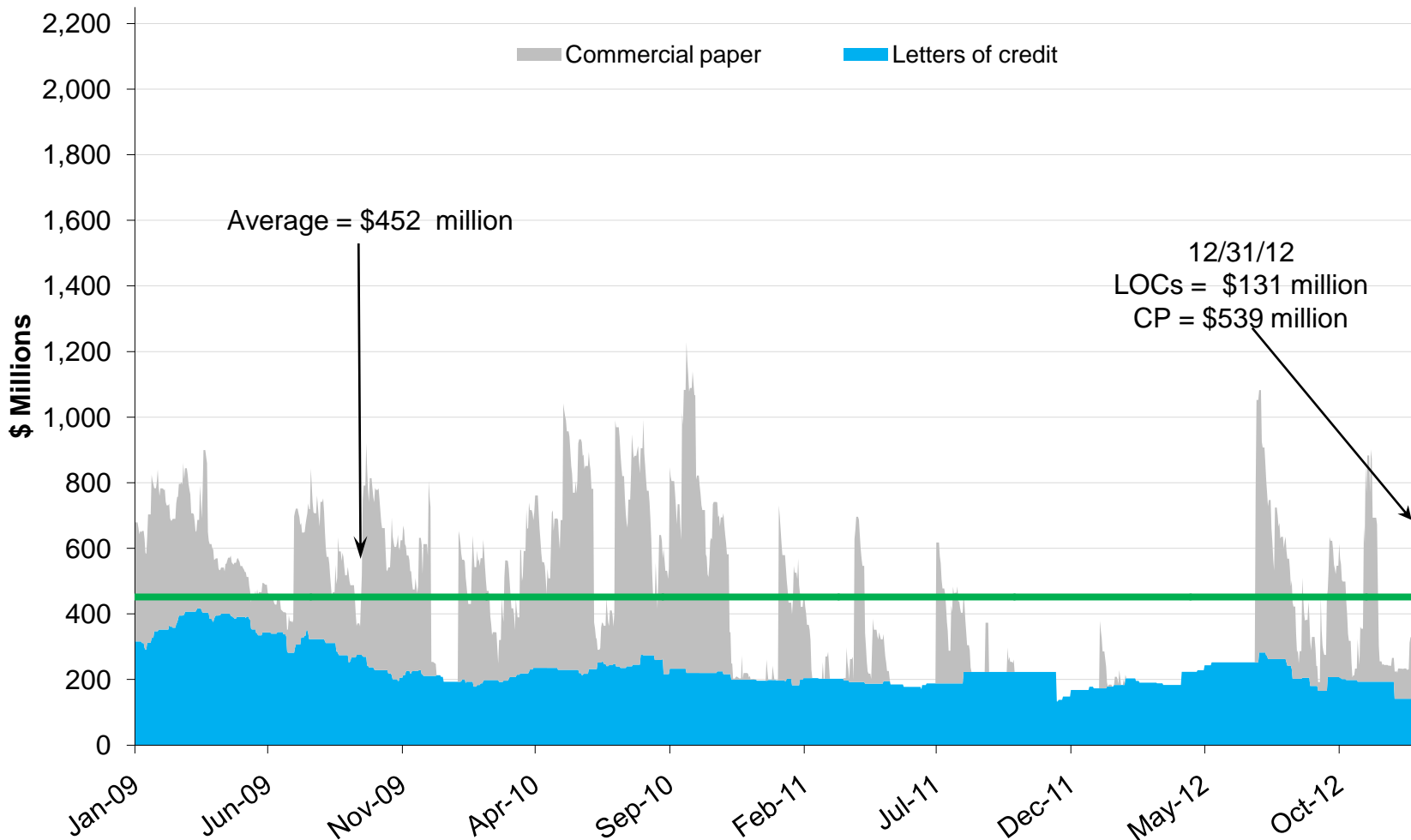
Capital Structure — December 31, 2012

(\$ millions)



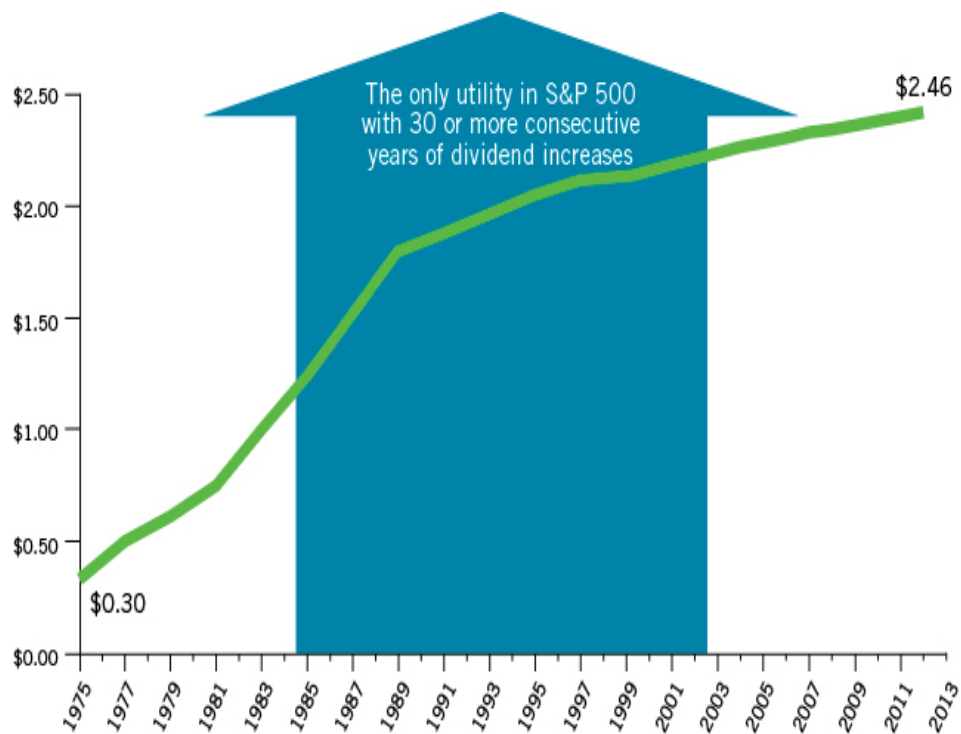
Liquidity Adequacy

\$2,250 million CEI Consolidated revolving credit facility

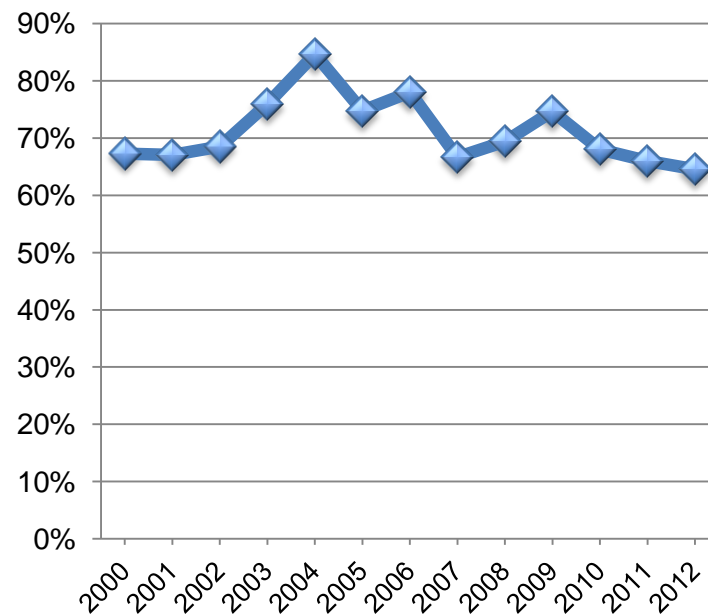


A Compelling Dividend Record: 39 Consecutive Years of Dividend Increases

Annualized Dividend 1975 - 2013



Dividend Payout Ratio





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 fuel and commodity cost recovery
 - Revenue decoupling mechanism in NY (electric and gas)
 - Adjustment mechanisms for several major uncontrollable expenses (e.g. pension)
- Significant dividend record
 - 39 consecutive years of dividend increases; 3rd longest in electric utility industry
 - 4.2% yield is 3rd highest among S&P 500 Dividend Aristocrats
- Ability to invest for customer benefit
 - Majority of investment is replacement and upgrade of existing assets
 - Growth opportunity through increased natural-gas conversions
 - Targeted energy efficiency and demand side management
 - Strong and stable balance sheet and conservatively managed liquidity