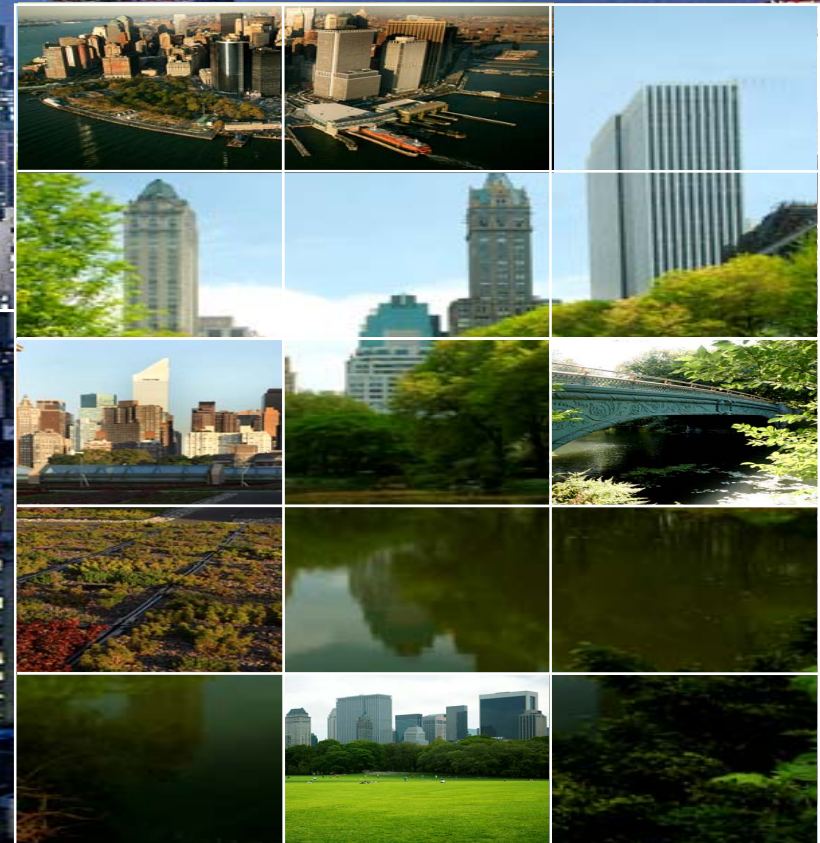


Con Edison, Inc.

November 1-3, 2010

45<sup>th</sup> EEI Financial  
Conference





## Forward-Looking Statements

This presentation contains certain forward-looking statements of future expectations and financial measures not determined in accordance with Generally Accepted Accounting Principles (non-GAAP) financial measures. Actual results might differ materially from those projected in the forward-looking statements because of factors such as those identified in reports the company has filed with the Securities and Exchange Commission.

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For more information, contact:

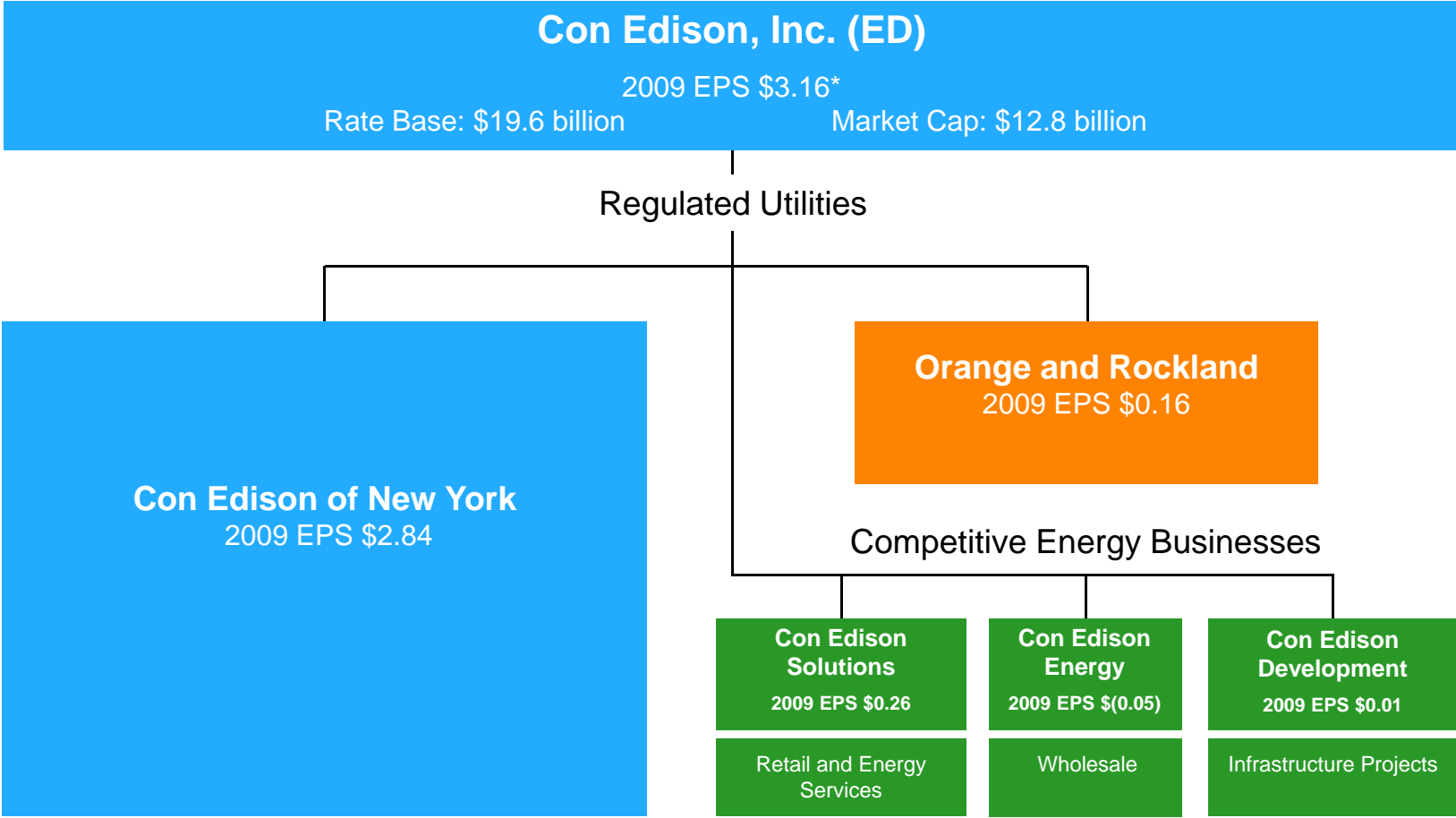
Jan Childress, *Director, Investor Relations* 1-212-460-6611

Ellen Socolow, *Manager, Investor Relations* 1-212-460-4986

[www.conEdison.com](http://www.conEdison.com)



# Regulated Transmission and Distribution Focused



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

## Reconciliation of Con Edison's Q3 2010 vs Q3 2009 Earnings Per Share

<b>2010</b>	<b>CECONY</b>	<b>O&amp;R</b>	<b>Con Edison Development</b>	<b>Con Edison Energy</b>	<b>Con Edison Solutions</b>	<b>Parent</b>	<b>Total</b>
Reported EPS – GAAP basis	\$1.17	\$0.09	\$0.01	\$0.01	\$(0.02)	\$(0.02)	\$1.24
Mark-to-Market losses/(gains)	-	-	-	-	0.08	-	0.08
Ongoing operations	\$1.17	\$0.09	\$0.01	\$0.01	\$0.06	\$(0.02)	\$1.32
<b>2009</b>	<b>CECONY</b>	<b>O&amp;R</b>	<b>Con Edison Development</b>	<b>Con Edison Energy</b>	<b>Con Edison Solutions</b>	<b>Parent</b>	<b>Total</b>
Reported EPS – GAAP basis	\$1.03	\$0.07	\$(0.01)	\$(0.04)	\$0.18	\$(0.01)	\$1.22
Mark-to-Market losses/(gains)	-	-	-	0.04	(0.10)	-	(0.06)
Ongoing operations	\$1.03	\$0.07	\$(0.01)	\$-	\$0.08	\$(0.01)	\$1.16

## Reconciliation of Con Edison's YTD 2010 vs YTD 2009 Earnings Per Share

<b>2010</b>	<b>CECONY</b>	<b>O&amp;R</b>	<b>Con Edison Development</b>	<b>Con Edison Energy</b>	<b>Con Edison Solutions</b>	<b>Parent</b>	<b>Total</b>
Reported EPS – GAAP basis	\$2.51	\$0.15	\$-	\$0.03	\$0.03	\$(0.03)	\$2.69
Mark-to-Market losses/(gains)	-	-	-	(0.04)	0.12	-	0.08
Ongoing operations	\$2.51	\$0.15	\$-	\$(0.01)	\$0.15	\$(0.03)	\$2.77
<b>2009</b>	<b>CECONY</b>	<b>O&amp;R</b>	<b>Con Edison Development</b>	<b>Con Edison Energy</b>	<b>Con Edison Solutions</b>	<b>Parent</b>	<b>Total</b>
Reported EPS – GAAP basis	\$2.24	\$0.12	\$(0.01)	\$(0.02)	\$0.14	\$(0.04)	\$2.43
Mark-to-Market losses/(gains)	-	-	(0.01)	0.02	(0.01)	-	-
Ongoing operations	\$2.24	\$0.12	\$(0.02)	\$-	\$0.13	\$(0.04)	\$2.43



## Competitive Businesses: Overview

### Con Edison Solutions (CES)

- Retail commodity supply
- Energy services: traditional ESCO activity
- Renewable energy: solar (< 2 MW) focus

### Con Edison Energy (CEE)

- Retail supply management for CES
- Energy management for owners of generating plants
- Wholesale commodity supply
- Renewable energy support for CED and others

### Con Edison Development (CED)

- Renewable energy: solar (>2 MW) focus
- Gas storage and pipeline assets
- Passive investments
  - LILOs
  - Low-income housing




# CES Service Territory



### States

- C&I Electric Commodity, Energy Services: CT, DC, DE, IL, MA, MD, NY, NH, NJ, PA, TX, ME
- Residential Electric Commodity: NY, MA, CT, PA
- Energy Services: Nationwide

 Market Not Open to Competitive Supply (Commodity)

 Offices

In regions where energy is not directly supplied by ConEdison Solutions, we will assist in developing and evaluating RFPs to purchase energy.

## Competitive Businesses: YTD Financial Performance

(\$ millions)	CES	CEE	CED	Total
Electric sales (millions of Mwhr)	12.2	2.9	0	15.1
Operating Revenues	\$1,164	\$332	\$1	\$1,497
Net Income	\$8	\$10	\$0	\$18
Capital expenditures	\$3	\$1	\$2	\$6
Assets	\$280	\$138	\$462	\$880

Net income includes \$(21) million of net after-tax mark-to-market gains/(losses) (Con Edison Energy, \$12 million and Con Edison Solutions, \$(33) million).





## Competitive Businesses: Recent Developments

- Ground breaking for 20 MW photovoltaic farm in Pilesgrove, NJ
  - \$90m project
  - One of the largest solar facilities in the US
  - Spring 2011 expected completion
- Acquisition of Honeoye gas storage by CED
  - Purchased from National Grid
  - Ownership: CECONY - 29%, CED - 71%
- Sale of Guatemala facilities by CED
  - Oil-fired generating plant



## Competitive Businesses: Five Year Business Plan

- Con Edison Development (CED)
  - Develop renewable energy (> 2MW) and gas projects with contracted revenue streams
- Con Edison Energy (CEE)
  - Support retail commodity and renewable energy businesses
  - Expand energy management business
  - Maintain wholesale electric supply volumes
- Con Edison Solutions (CES)
  - Increase retail commodity business and energy services businesses by approximately 10% -15% of volumes annually
  - Develop renewable energy projects (< 2 MW) with contracted revenue streams



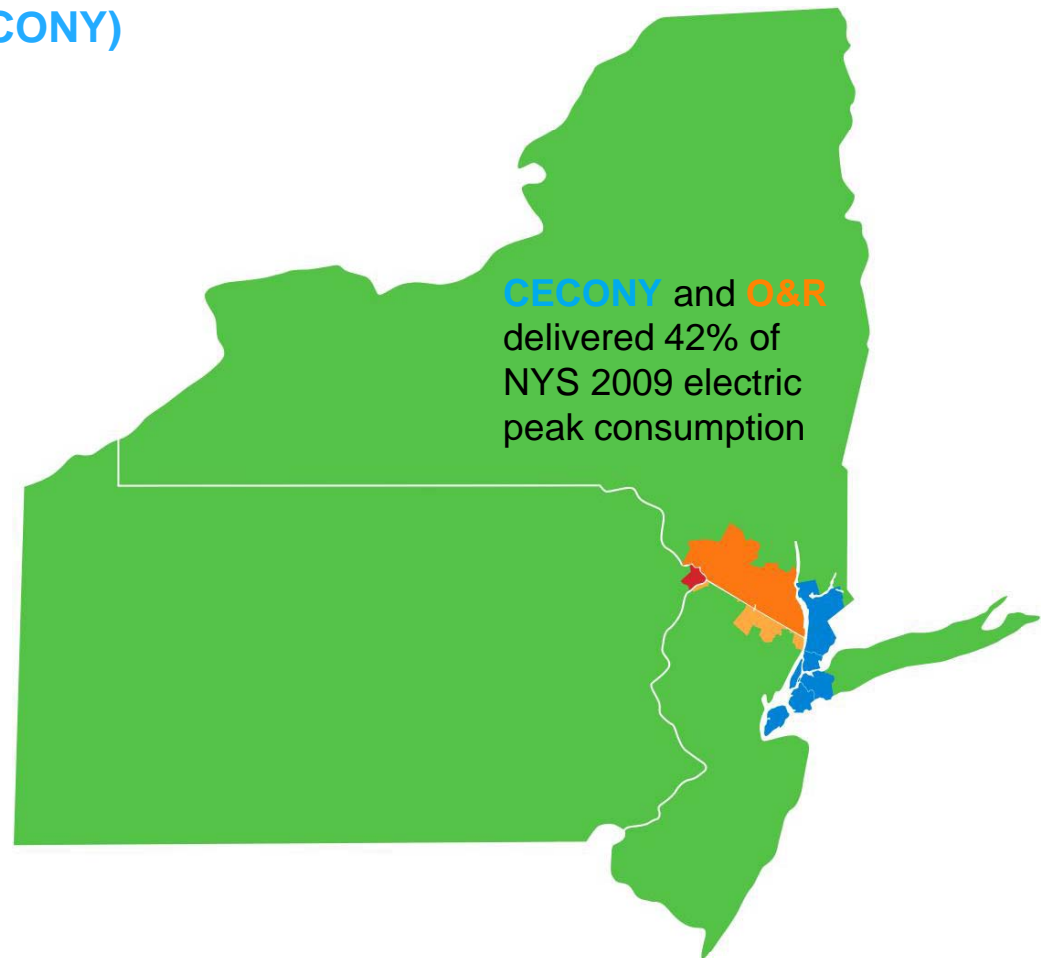
# Regulated Utilities are the Core of Con Edison, Inc.

## Con Edison of New York (CECONY)

- 3.3 million electric customers
- 1.1 million gas customers
- 1,760 steam customers
- 706 MW of regulated generation
- Delivered 38.4% of NYS 2009 electric peak consumption

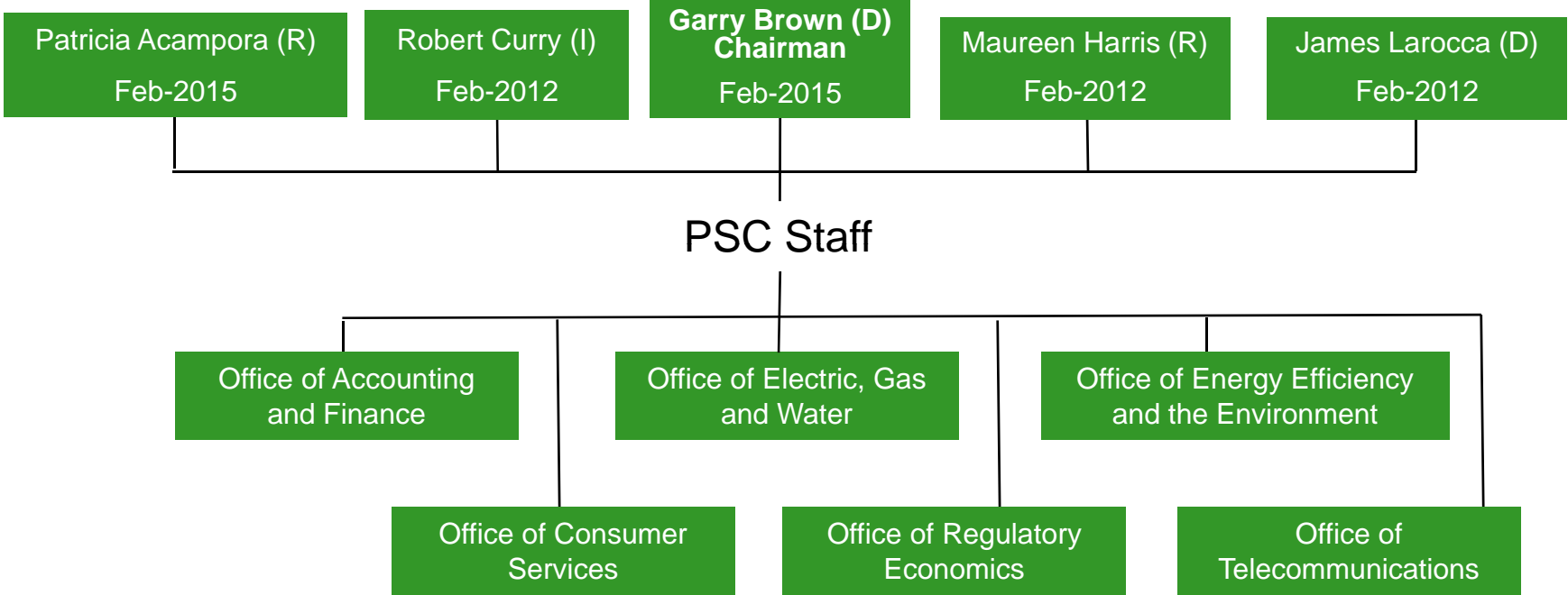
## Orange and Rockland (O&R)

- 300,000 electric customers
- 129,000 gas customers
- Delivered 3.2% of NYS 2009 electric peak consumption



# New York Public Service Commission (NYPSC)

## Commissioners



- Annual budget: \$90 million
- Staffing: 550 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
- Multi-year rate plans

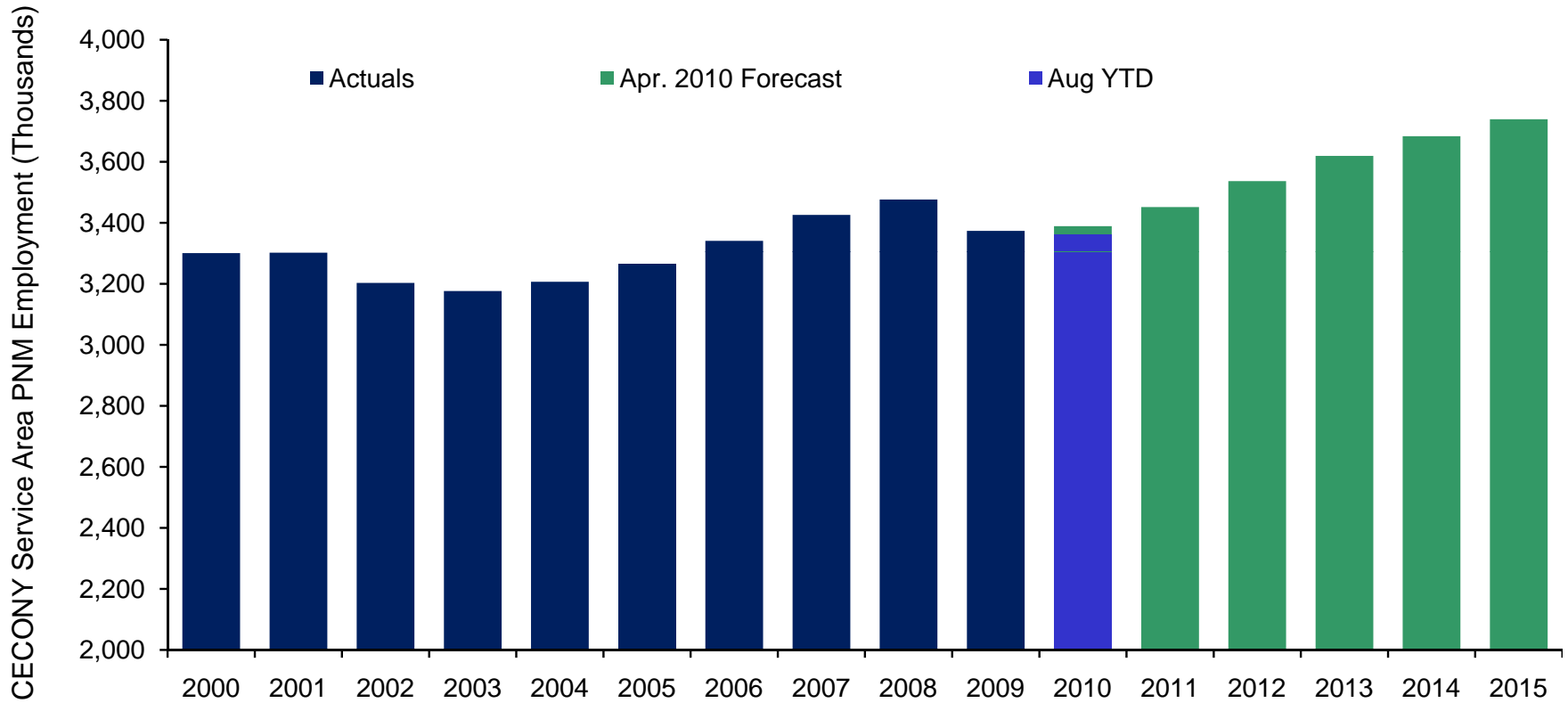


## Rate Plans Offer Investors Clarity

<b>Sub</b>	<b>Service</b>	<b>Terms</b>
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	Filed for new rates effective July 1, 2011
O&R	Gas	3-year plan effective Nov. 1, 2009; 10.4% ROE
RECO	Electric	1-year plan effective May 2010; 10.3% ROE

## Con Edison of New York

# Employment Growth Began In Early 2010

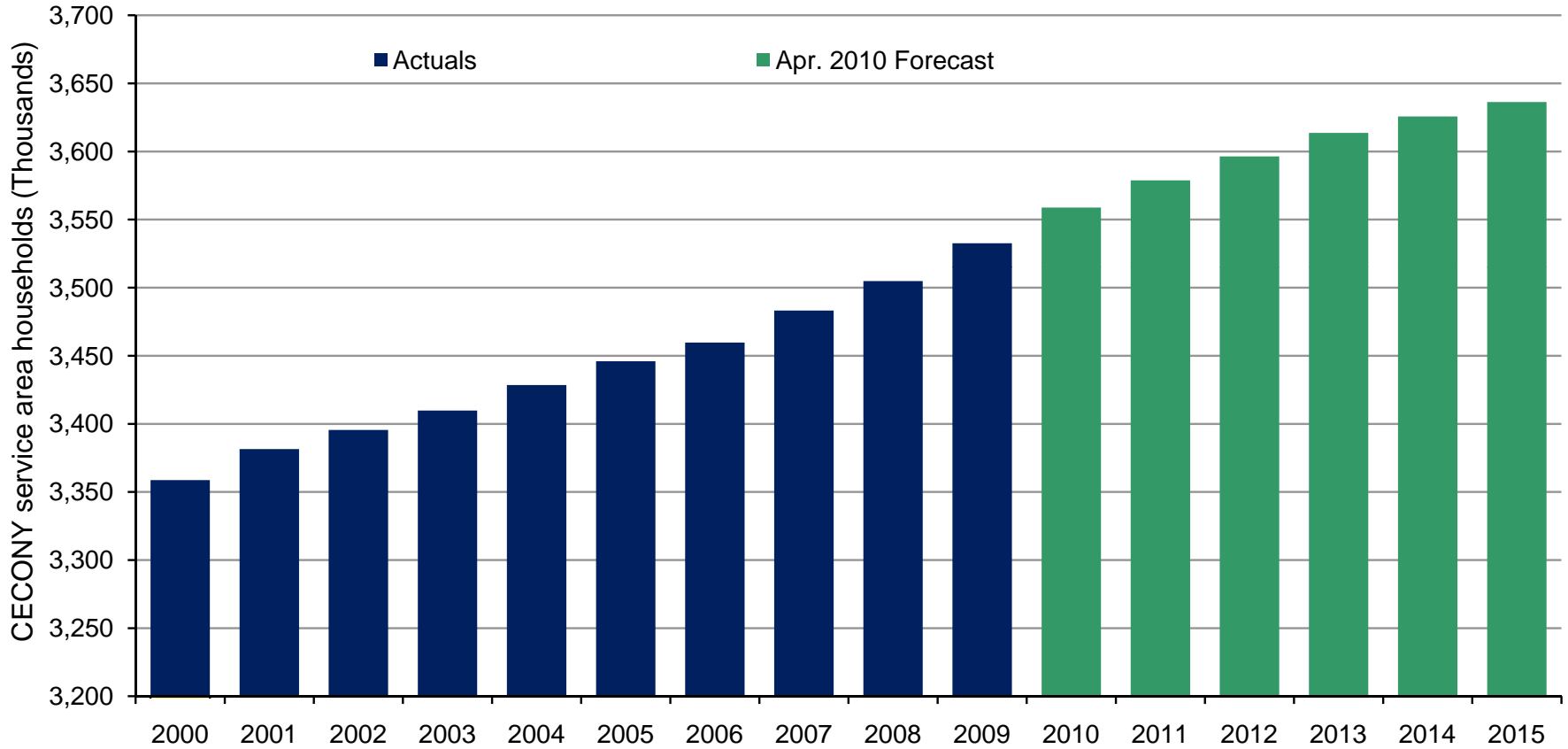


Source: NYS Dept of Labor (Bureau of Labor Statistics) and Moody's Economy.com



## Con Edison of New York

### Household formation remains healthy



Source: US Dept of Census and Moody's Economy.com



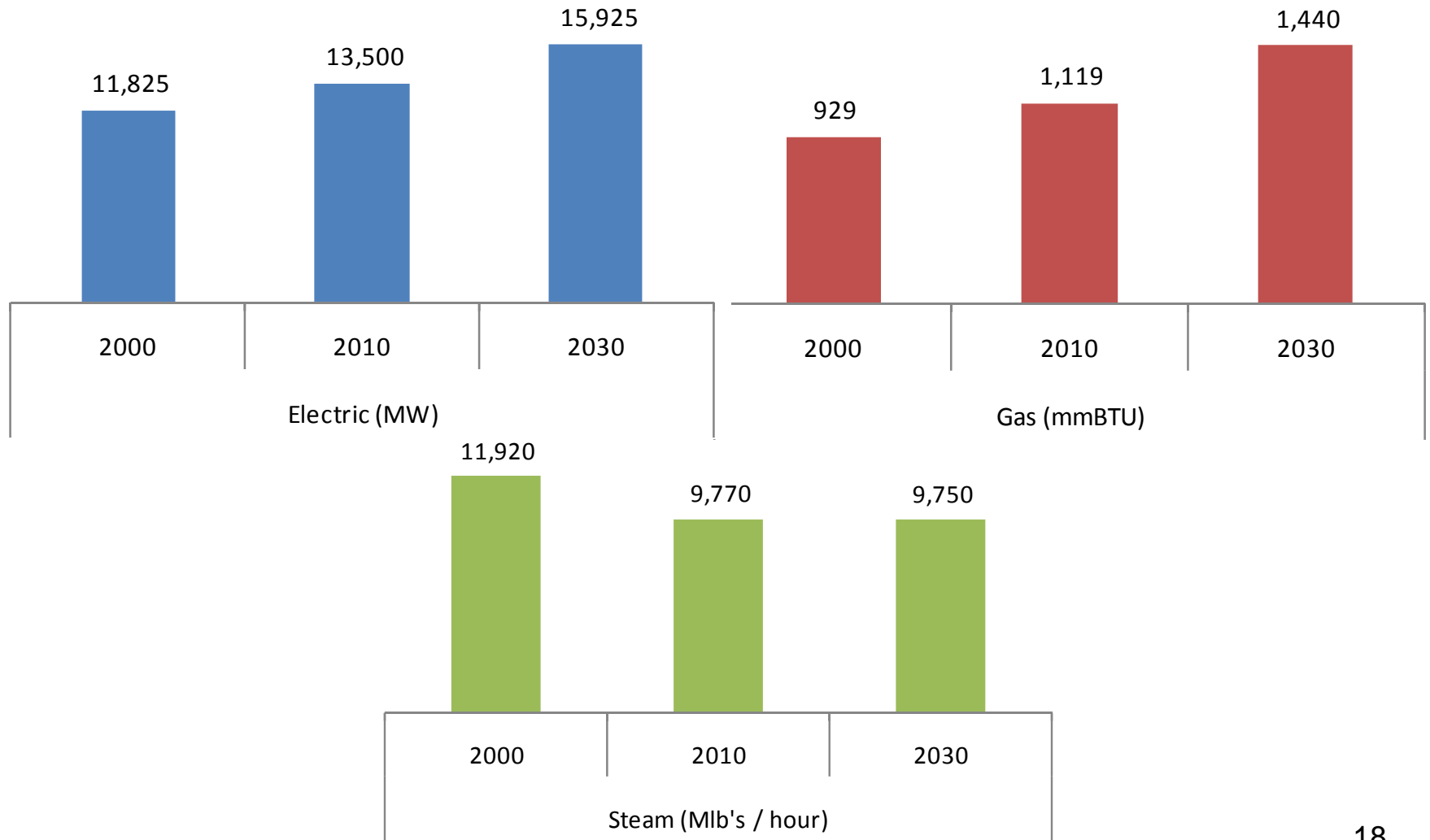


## Con Edison of New York Summer Experience

- New monthly electric delivery record – July 2010
  - 6.9 million MWhrs
- Previous monthly electric delivery record – July 2008
  - 6.7 million MWhrs
- No single-day record for peak electric usage
  - Reflects successful energy conservation efforts

## Con Edison of New York

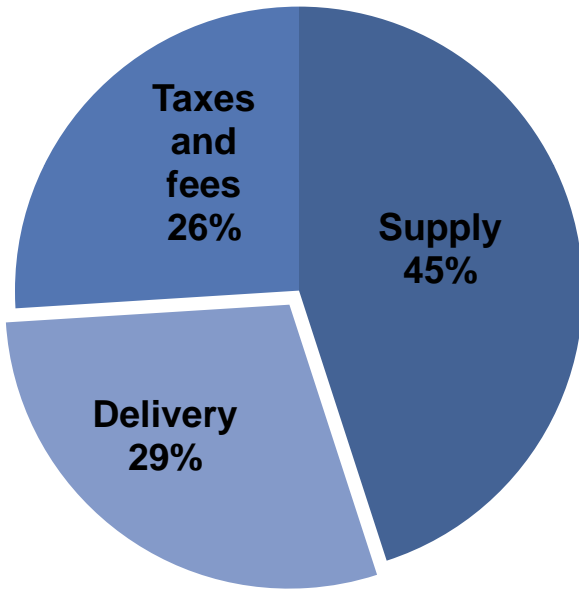
# 30-Year Plan: Meet Growing Electric and Gas Demands



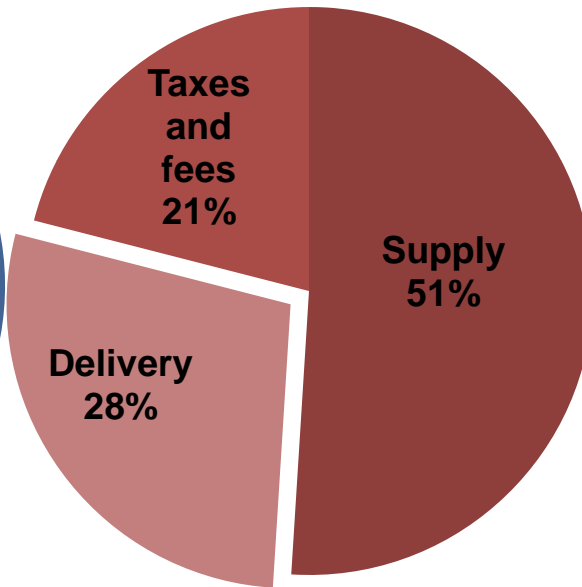
Con Edison of New York

Cost of Delivering Energy

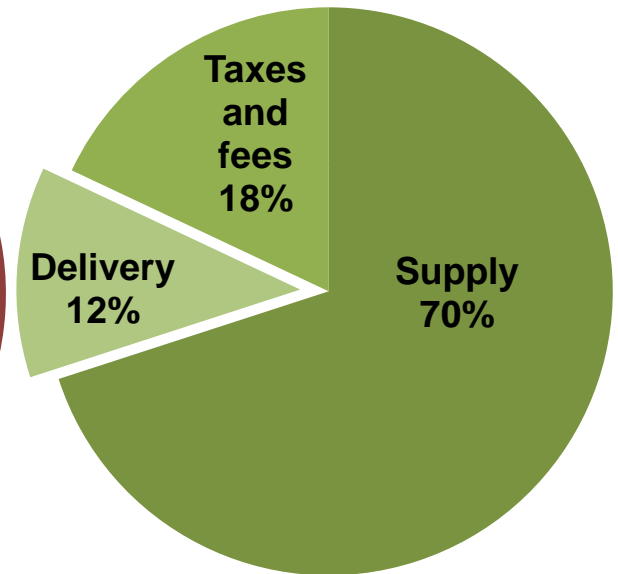
**Electric**



**Gas**

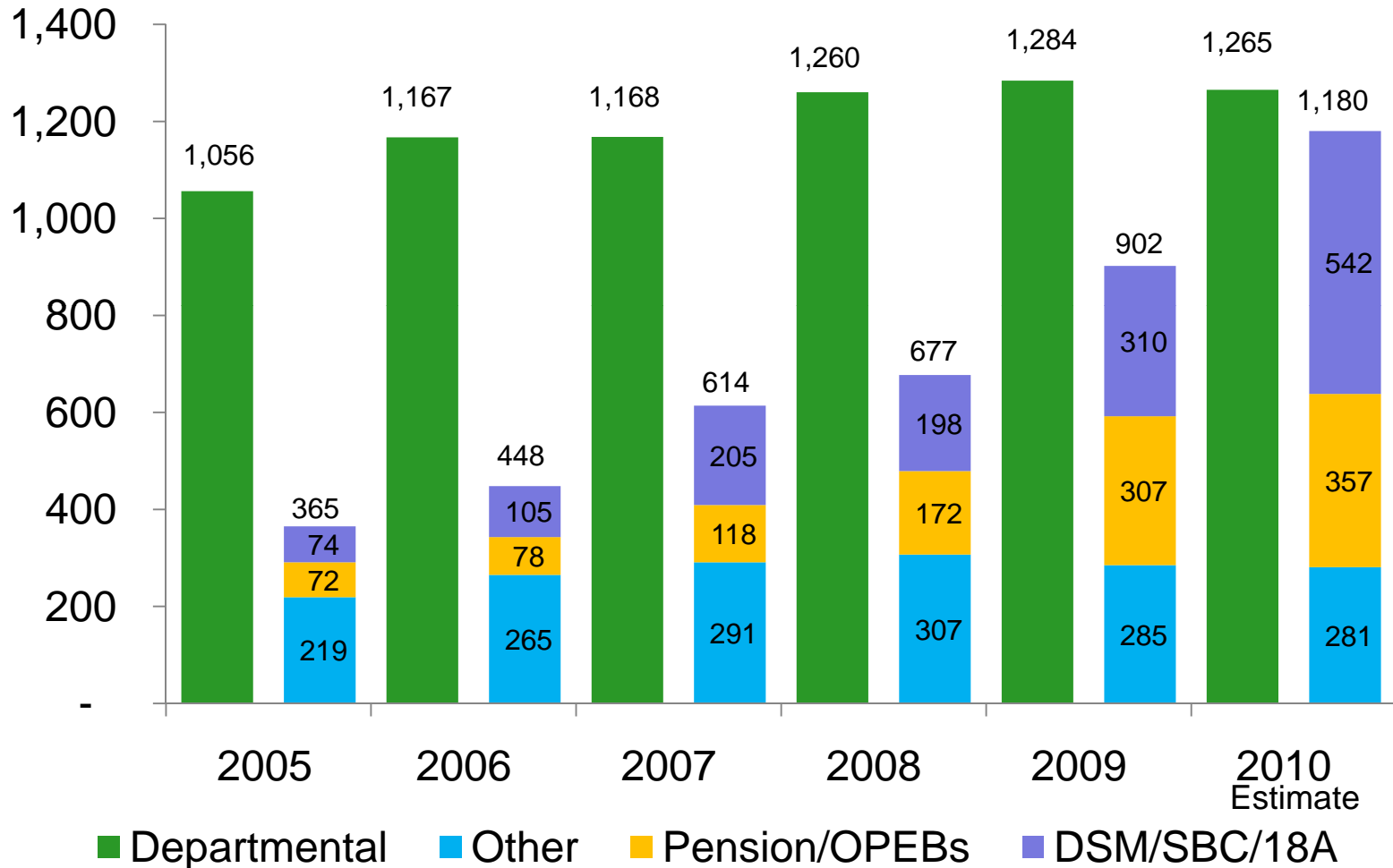


**Steam**



## Con Edison of New York

### Departmental and Other Expenses (\$ millions)







## The Next 20 Years: Change

### Drivers

- Government policies regarding environment and energy
- Technology
- Economy



### Success Factors

- Enhance customer experience
- Maintain world class reliability
- Minimize increases in customers' bills



# Our 20 Year Plan to Meet Customer Energy Needs

Our goal is to minimize the increase to customer bills

## Innovative approaches

- Promote energy efficiency
- Renewable energy and access to supply
- Use technologies

## Customer experience

- Improved communication and services
- Greater control of energy use
- Greener energy choices

## Cost management



## Con Edison of New York

### DSM and Demand Response

- Demand Response programs designed to:
  - Reduce coincident system peaks,
  - Network peaks, and
  - Peaking generator emissions.
  - 550 MW enrolled in NYISO programs system-wide
- Demand Side Management
  - Achieved 93 MW of permanent demand reduction
  - Targeted program deferred nearly \$200 million in capital investments



## Con Edison of New York

### Energy Efficiency Encompasses Electric and Gas

- Achieved savings:
  - 41 million kilowatt hours of electricity
  - 70,000 therms of natural gas
- Programs cover all market segments
  - Residences
  - Small businesses
  - Low-income multi-family buildings
  - Commercial and industrial customers
- Working closely with the City of New York and NYSERDA





## Leader in Sustainability

- Member of the Dow Jones Sustainability North America Index
- Ranked #1 among all S&P 500 companies and top ranked utility in performance in the 2010 worldwide Carbon Disclosure Project
- 2<sup>nd</sup> among utilities and 31<sup>st</sup> overall in *Newsweek* 500 Green Rankings for environmental and social performance



**Dow Jones  
Sustainability Indexes**  
Member 2010/11

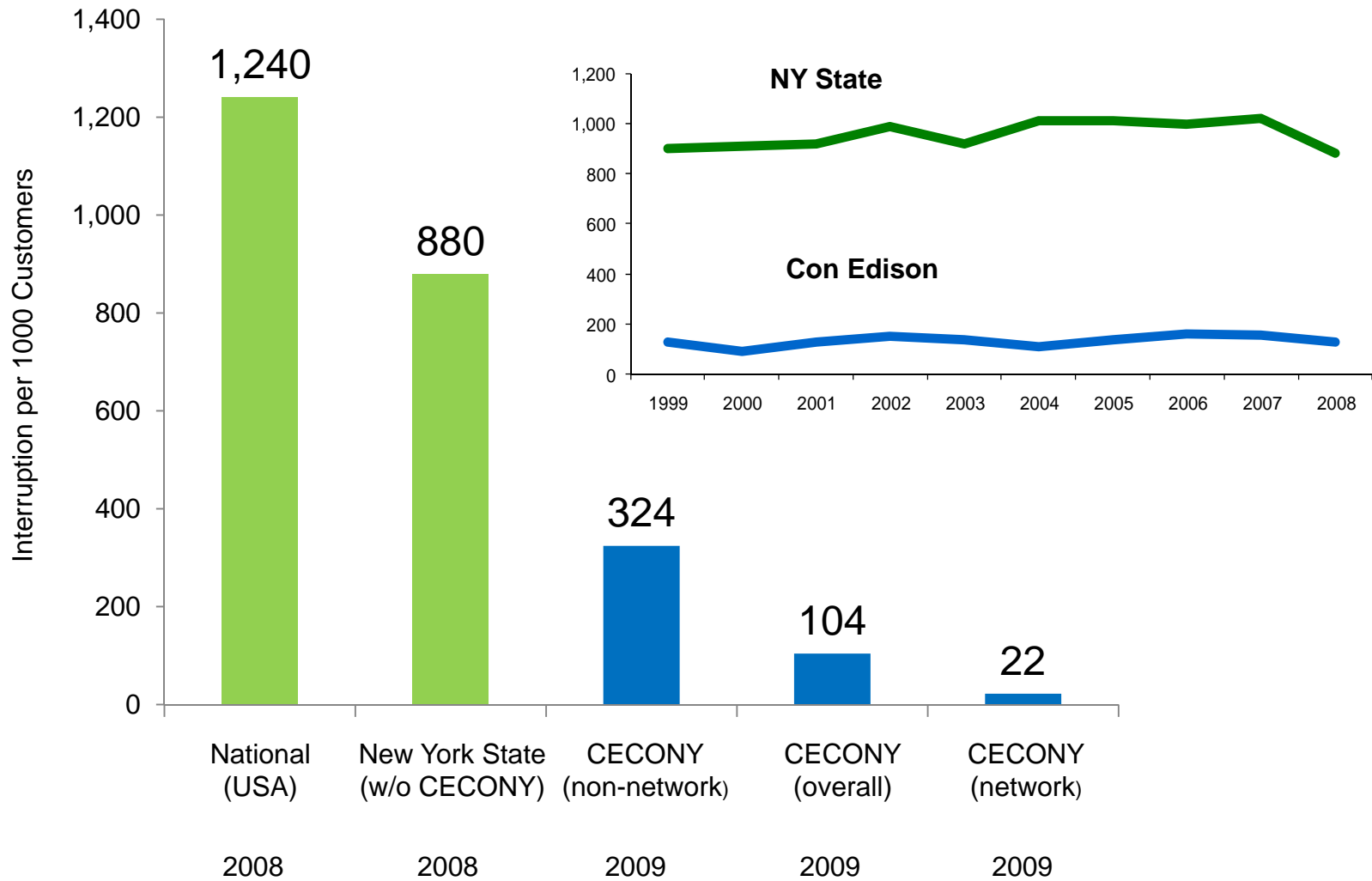


## Smart Grid Projects Stimulus Awards

- Smart Grid Investment Grant
  - \$272 million (half funded by DOE)
    - Remote-controlled switches and remote monitoring to enhance reliability and reduce risk of network outages (83%)
    - Capacitors, controllers and central software to improve efficiency of 4 kV grid; two-way communication to distributed generation to facilitate grid interconnection (10%)
    - Enhance models and visualization of electricity flows to improve distribution-grid planning and reinforcement ( 7%)
  - \$8.4 million grant for transmission projects through NYISO
- Smart Grid Demonstration Grant
  - \$92 million (half funded by DOE)
    - Install software and equipment at control centers
    - Install energy storage equipment and photovoltaic devices in the field
    - Electric vehicle charging stations; building management systems
  - In partnership with The Boeing Company, Columbia University, NYC Economic Development Corp.

## Con Edison of New York

Focused on Reliability and Safety





# Composition of Rate Base (as of September 30, 2010)

Rate Base (\$ millions)

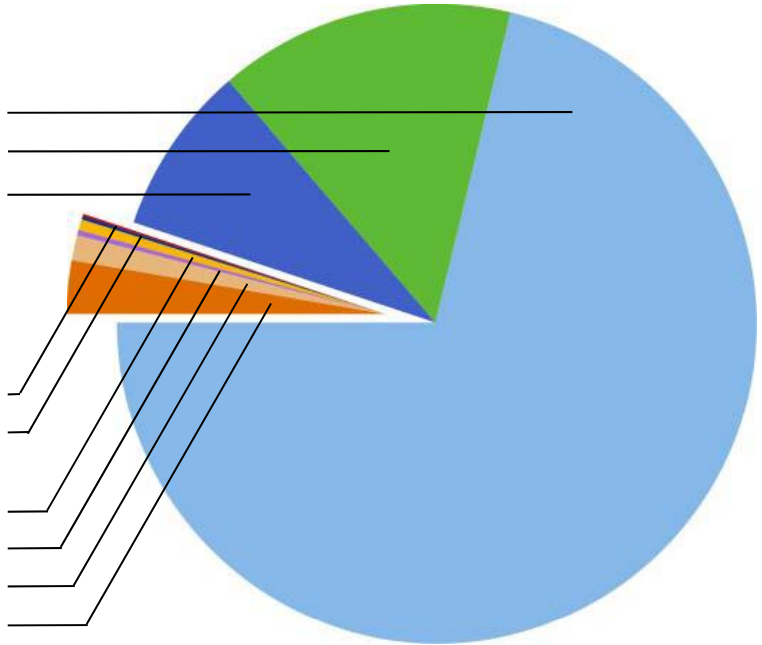
### Con Edison of New York

Electric	\$ 14,777
Gas	\$ 2,940
Steam	\$ 1,525

### Orange and Rockland

Pike Gas	\$ 2
Pike Electric	\$ 10
Rockland Electric (distribution)	\$ 149
(transmission)	\$ 20
O&R Gas	\$ 292
O&R Electric	\$ 585

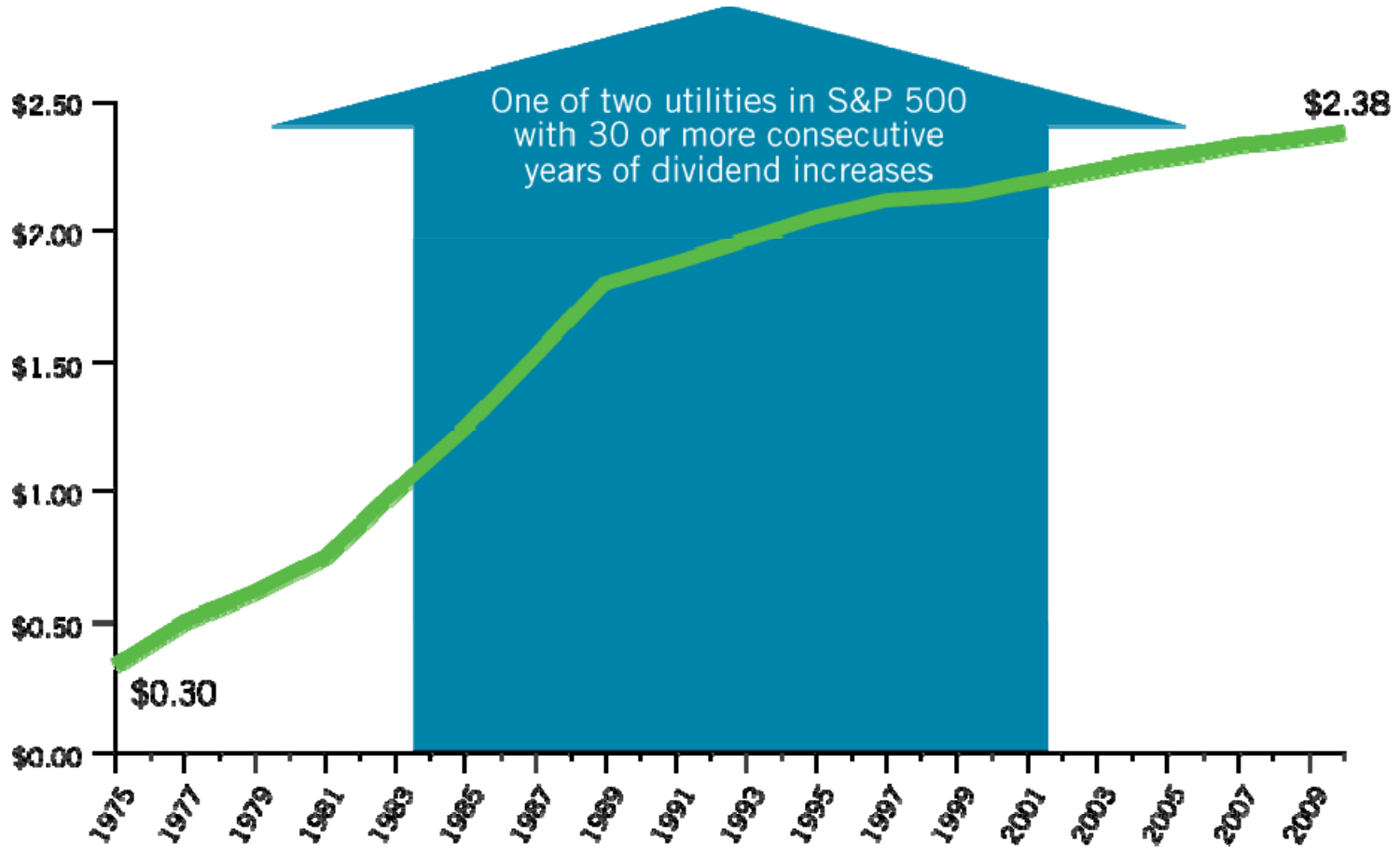
**Total Rate Base \$ 20,300**





# A Compelling Dividend Record: 36 Consecutive Years of Dividend Increases

Annualized Dividend 1975 - 2010







## S&P 500 Dividend Aristocrats Ranked by Dividend Yields (as of August 31, 2010)

Rank	Company	Yield
1	CenturyLink	8.02%
2	Pitney Bowes	7.59%
3	Cincinnati Financial Corp	6.00%
4	Eli Lilly	5.84%
5	Leggett & Platt	5.63%
6	Integrus	5.61%
7	Con Edison	5.01%
8	Kimberly-Clark	4.10%
9	Johnson & Johnson	3.79%
10	Abbott Laboratories	3.57%



## Consolidated Edison, Inc. Investment Thesis

- The largest of the few publicly-traded, T&D-focused utility companies
  - Limited commodity exposure
  - Climate change impacts are indirect (with cost of purchased power paid by customers)
- Earnings visibility
  - Multi-year rate plans in effect or pending approval
  - 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
  - Thirty-six years of dividend increases
  - 7<sup>th</sup> highest yield among S&P 500 Dividend Aristocrats
- Ability to invest for customer benefit
  - Provided a strong and stable balance sheet
  - Liquidity has been managed conservatively
- Highest electric reliability in the country

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