

Con Edison, Inc.

May 12, 2011

Deutsche Bank Alternative  
Energy, Utilities and Power  
Conference





## Forward-Looking Statements

This presentation contains certain forward-looking statements of future expectations and a financial measure, earnings from ongoing operations, not determined in accordance with Generally Accepted Accounting Principles (GAAP). 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. 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 presentation.

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

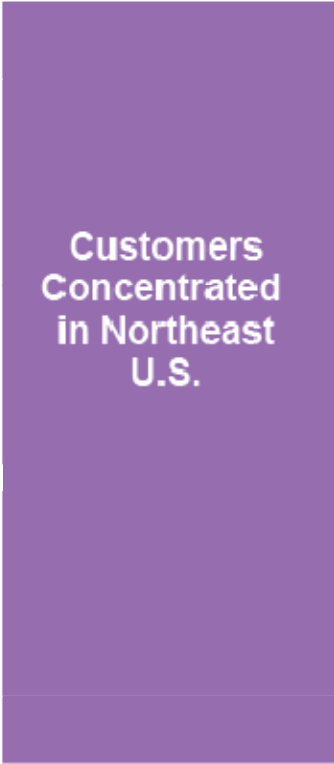


## Consolidated Edison, Inc. Investment Thesis

- The largest of the few publicly-traded, T&D-focused utility companies
  - Limited commodity exposure
- Earnings visibility
  - Multi-year rate plans in effect
  - Reduced regulatory lag:
    - forward-looking test years
    - timely fuel and power cost recovery
    - revenue decoupling mechanism in NY
    - adjustment mechanisms for several major uncontrollable expenses
- Significant dividend record
  - Thirty-seven years of dividend increases
  - 5<sup>th</sup> highest yield among S&P 500 Dividend Aristocrats
- Ability to invest for customer benefit
  - Provides a strong and stable balance sheet
  - Liquidity has been managed conservatively
- Highest electric reliability in the country

# Con Edison's Business Model

Regulated

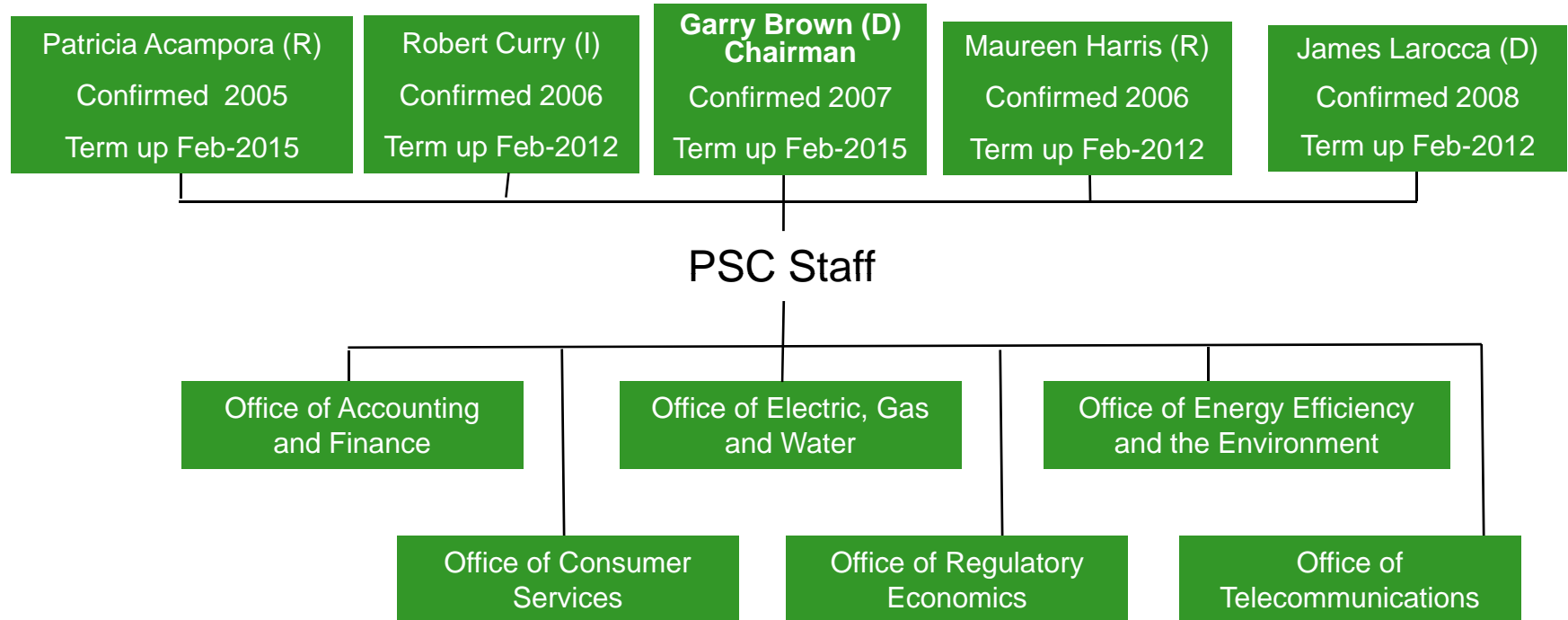


Competitive



# New York Public Service Commission (NYPSC)

## Commissioners



- Annual budget: \$80 million
- Staffing: 515 employees
- Regulates: Electric (7 companies), Gas (10), Water (300), Telecom (5), Cable (30)



## Features of New York Regulation

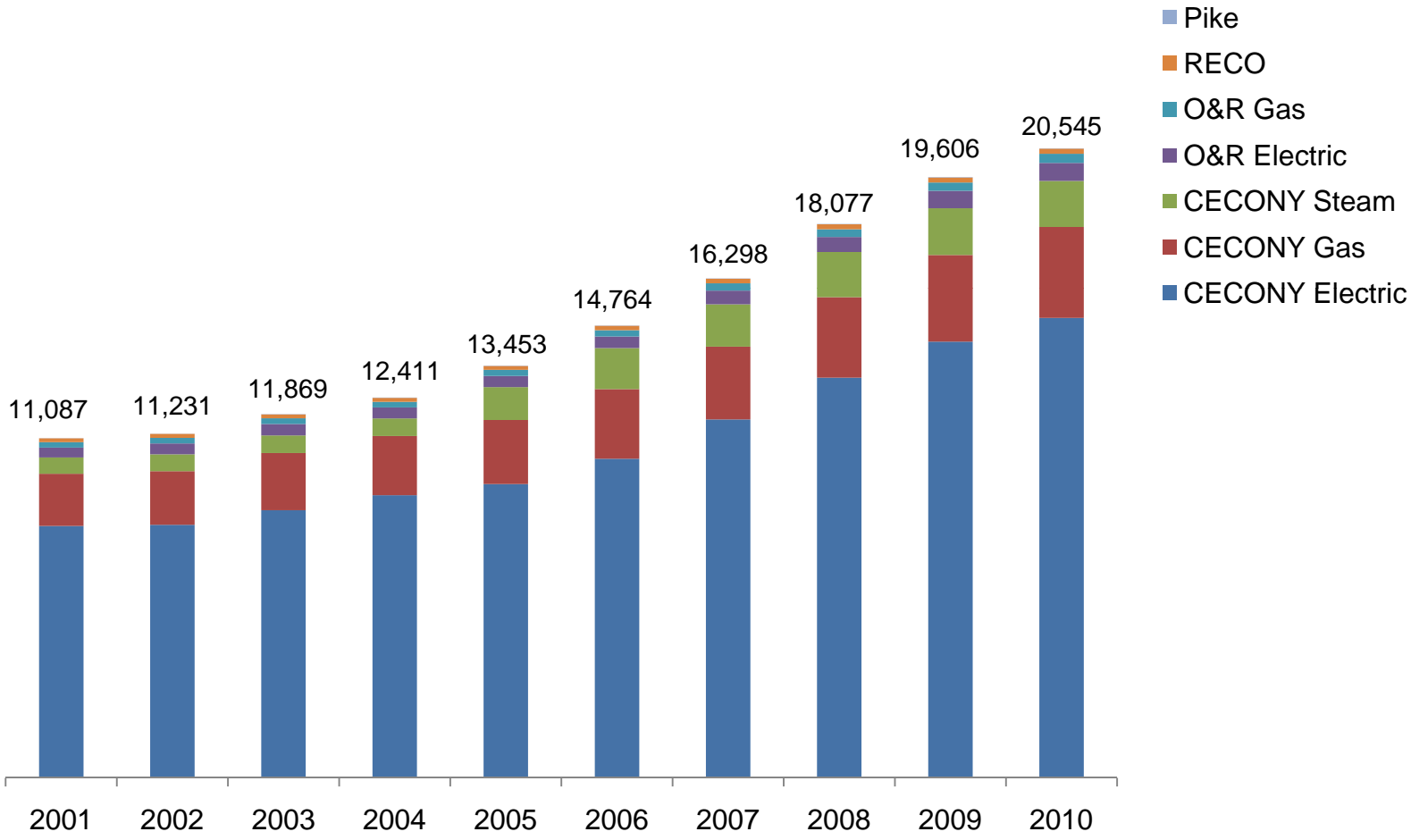
- Forward-looking test year for expenses and rate base
- True-ups for major expenses:
  - Fuel and power cost recovery
  - Pensions and Other Post-employment Benefits
  - Property taxes (partial)
  - Environmental clean-up costs
- Revenue decoupling
- Performance penalties
- Formulaic approach to setting 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	12/10	O&R Electric (Staff's recommendation)	9.00%	1 year
10/07	O&R Electric	9.10%	1 year	01/11	Niagara Mohawk	9.30%	2 years
12/07	National Fuel Gas	9.10%	1 year				
03/08	CECONY Electric	9.10%	1 year				
06/08	O&R Electric	9.40%	3 years				
09/08	CECONY Steam	9.30%	2 years				
04/09	CECONY Electric	10.00%	1 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				



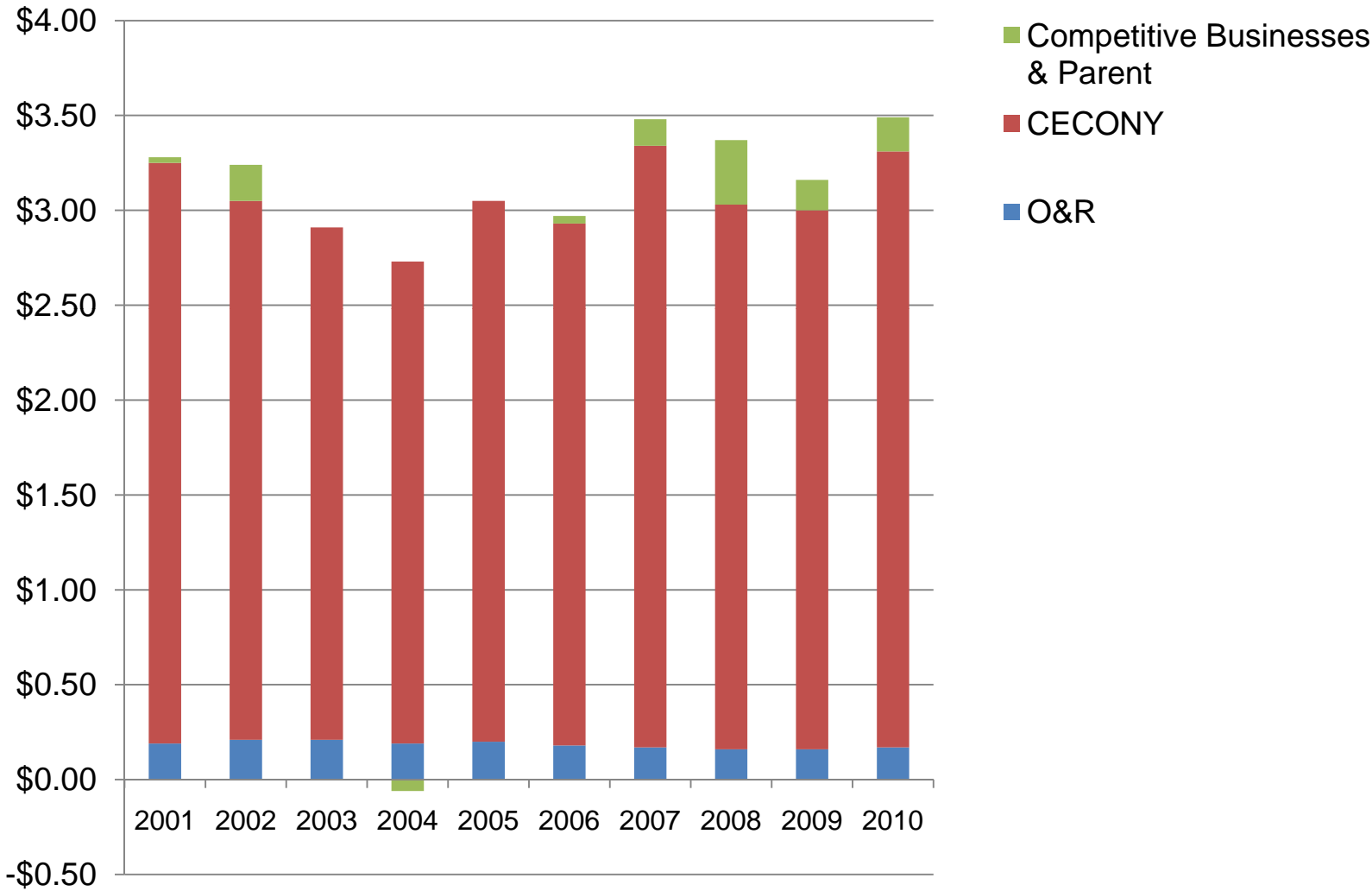
# Consolidated Edison, Inc. 10-Year Rate Base Growth (\$ millions)





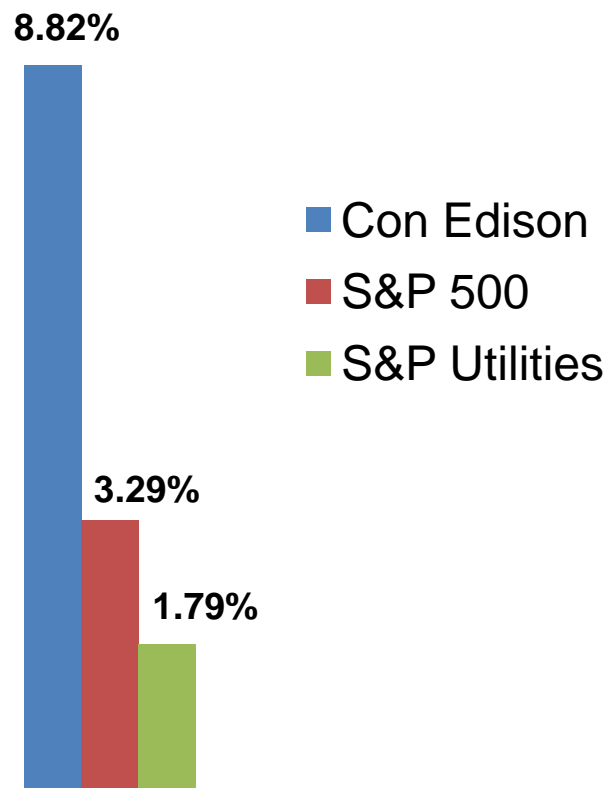


# Consolidated Edison, Inc. 10-Year Earnings Per Share (\$ per share of common stock)



# 10-year Annualized Total Shareholder Returns

For the 10-years ended March 31, 2011



Con Edison's beta during the decade has been low at 0.56.

72% of Con Edison's total return to shareholders for the decade came from dividends.