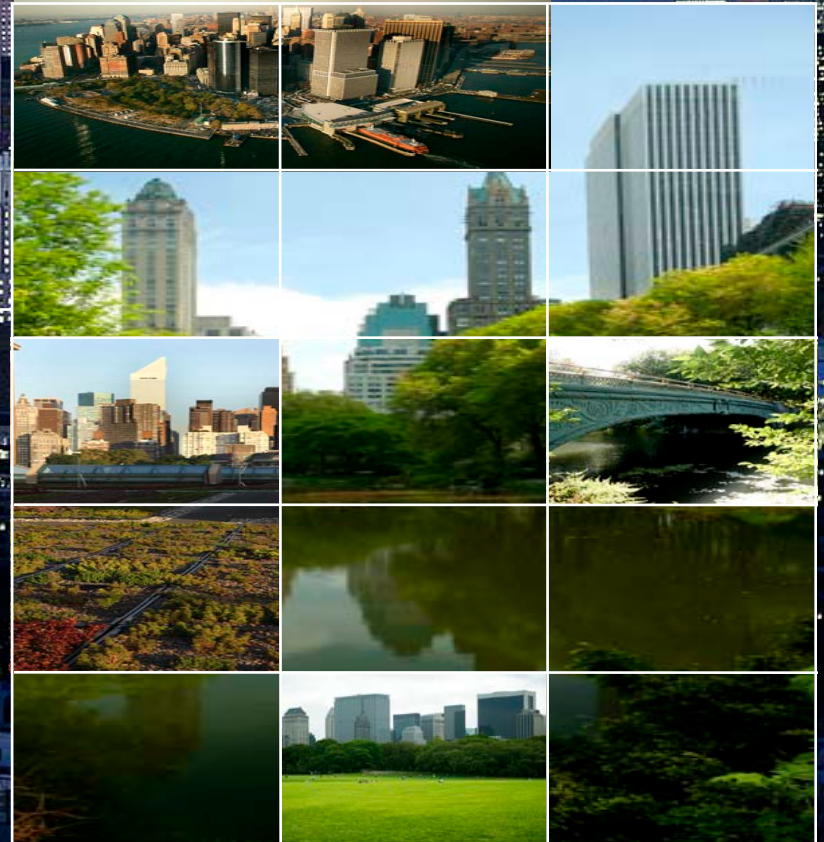


**Con Edison, Inc.**

*September 20, 2011*

Bank of America Merrill  
Lynch 2011 Power and Gas  
Leaders 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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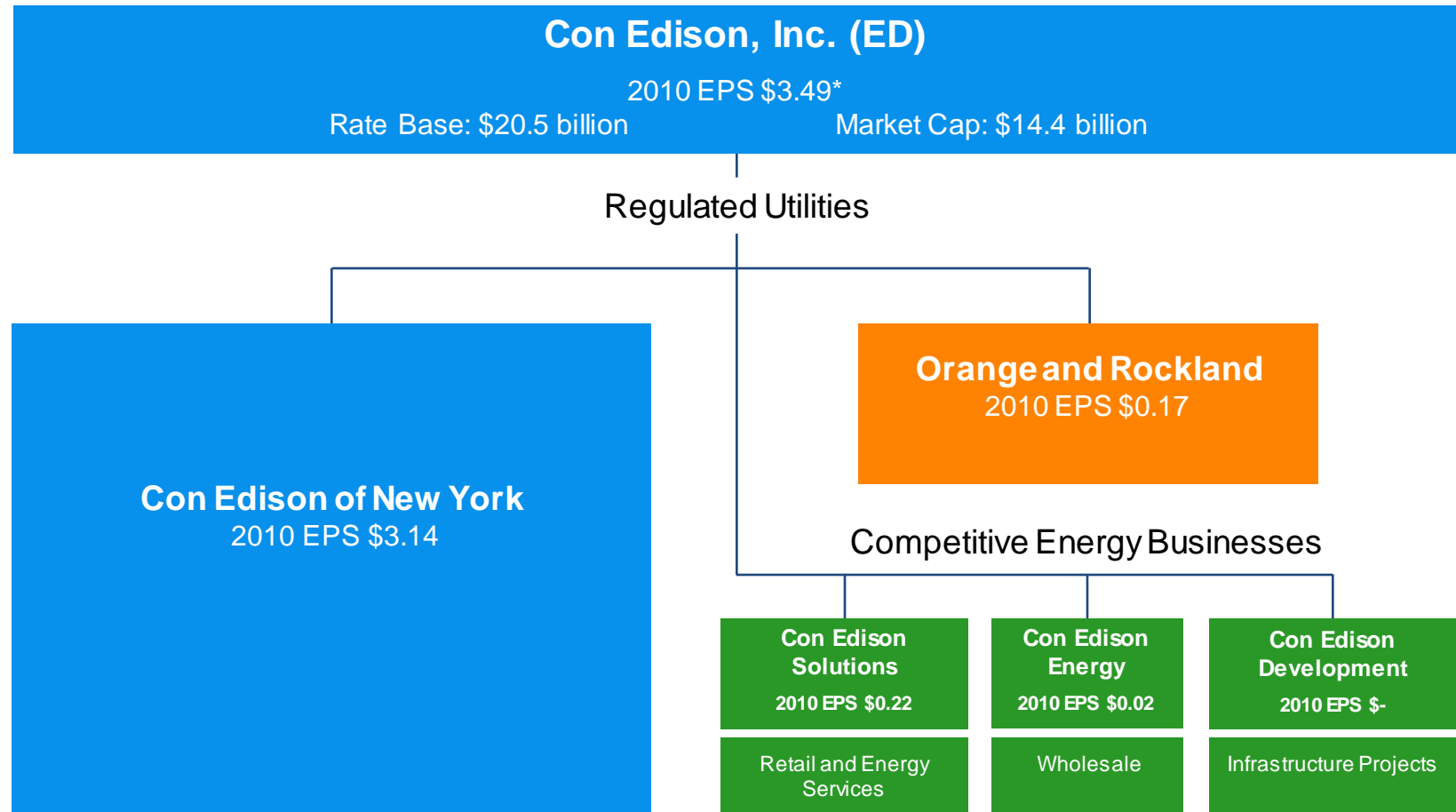
[www.conEdison.com](http://www.conEdison.com)



# Consolidated Edison, Inc. Investment Thesis

- The largest of the few U.S. publicly-traded, T&D-focused utility companies
- Earnings visibility
  - Multi-year rate plans in effect
  - Reduced regulatory lag
- Dividend track record of 37 consecutive annual increases
- Ability to invest for customer benefit
- Highest electric reliability in the country

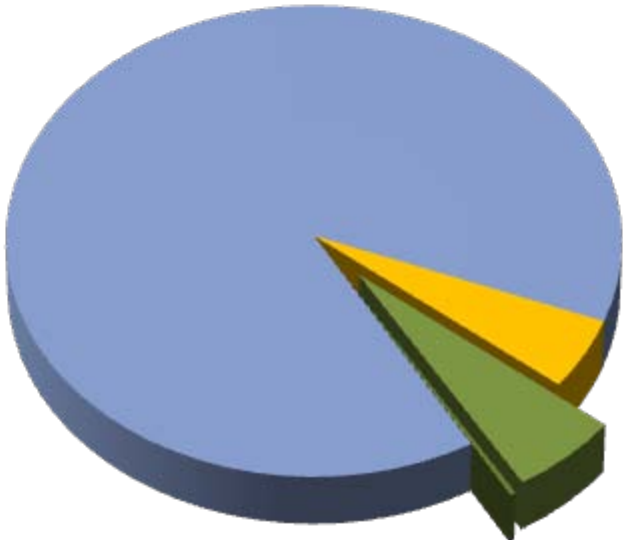
# Regulated Transmission and Distribution Focused



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

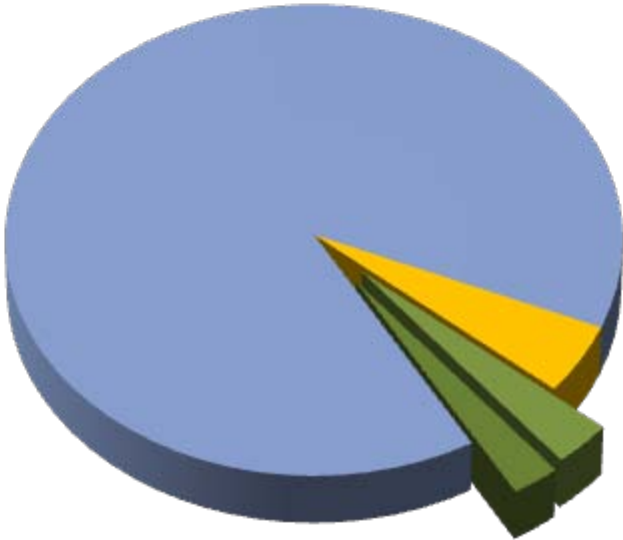
# Con Edison's Focus is Energy Delivery

## 2010 Ongoing Earnings



- CECONY 91%
- O&R 5%
- Competitive Businesses 6%
- Parent (2)%

## Equity at 12/31/10



- CECONY 90%
- O&R 5%
- Competitive Businesses 3%
- Parent 2%

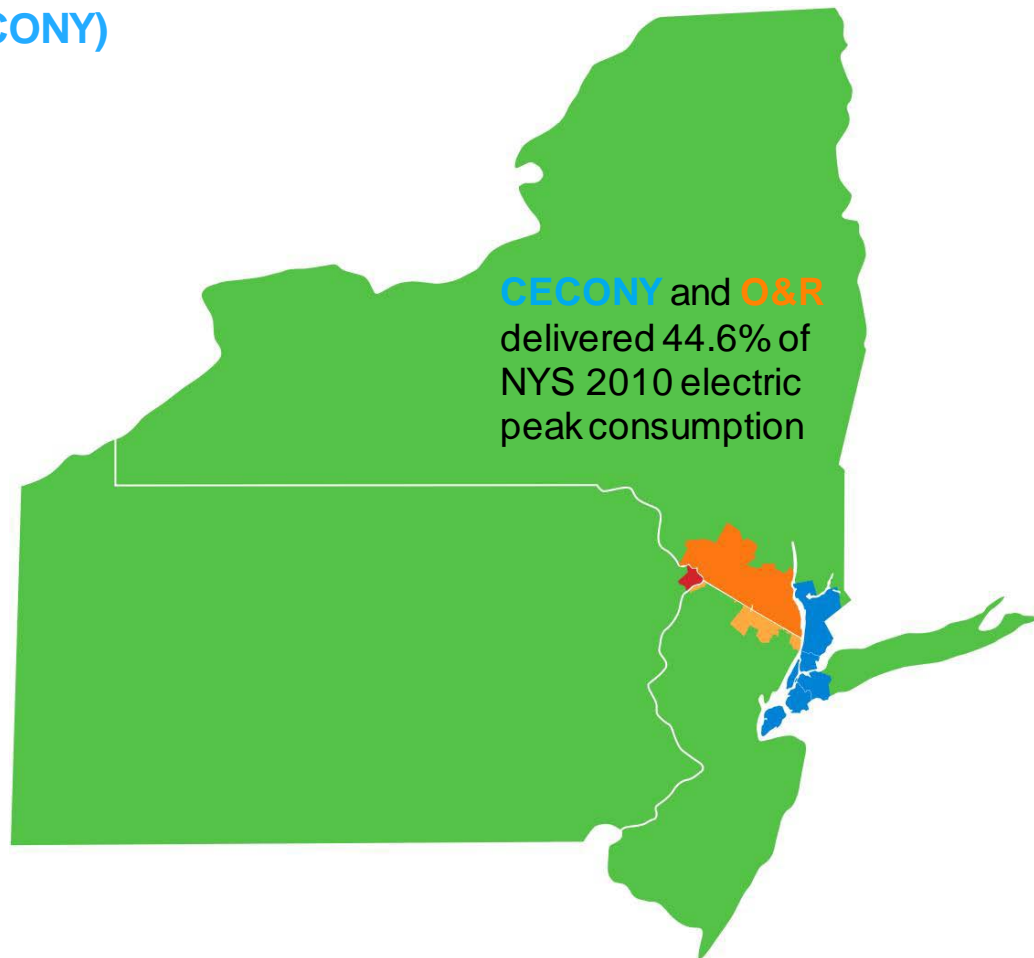
# Regulated Utilities are the Core of Con Edison, Inc.

## Con Edison of New York (CECONY)

- 3.3 million electric customers
- 1.1 million gas customers
- 1,750 steam customers
- 698 MW of regulated generation
- Delivered 41% of NYS 2010 electric peak consumption

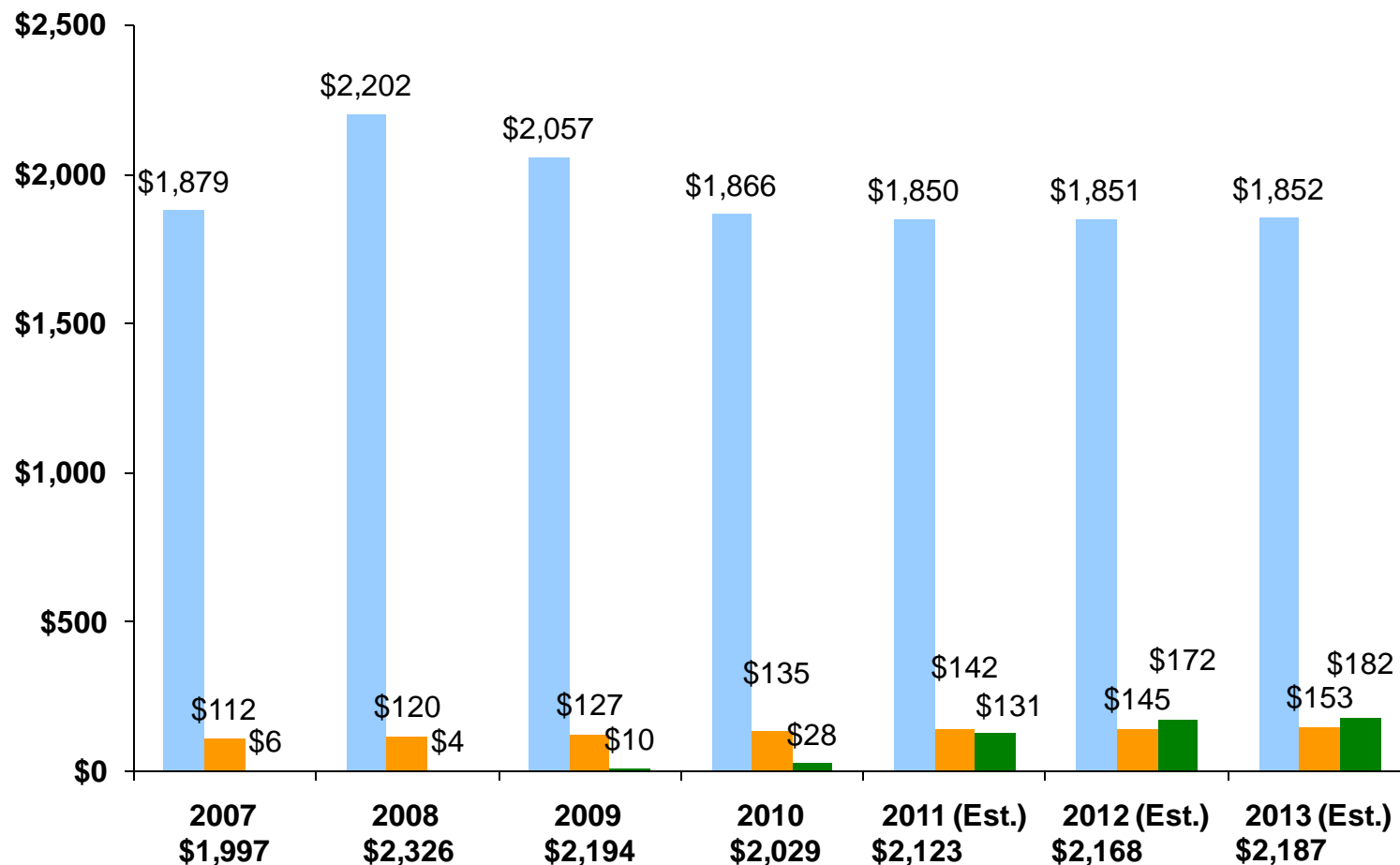
## Orange and Rockland (O&R)

- 300,000 electric customers
- 129,000 gas customers
- Delivered 3.6% of NYS 2010 electric peak consumption



# Capital Expenditures (\$ millions)

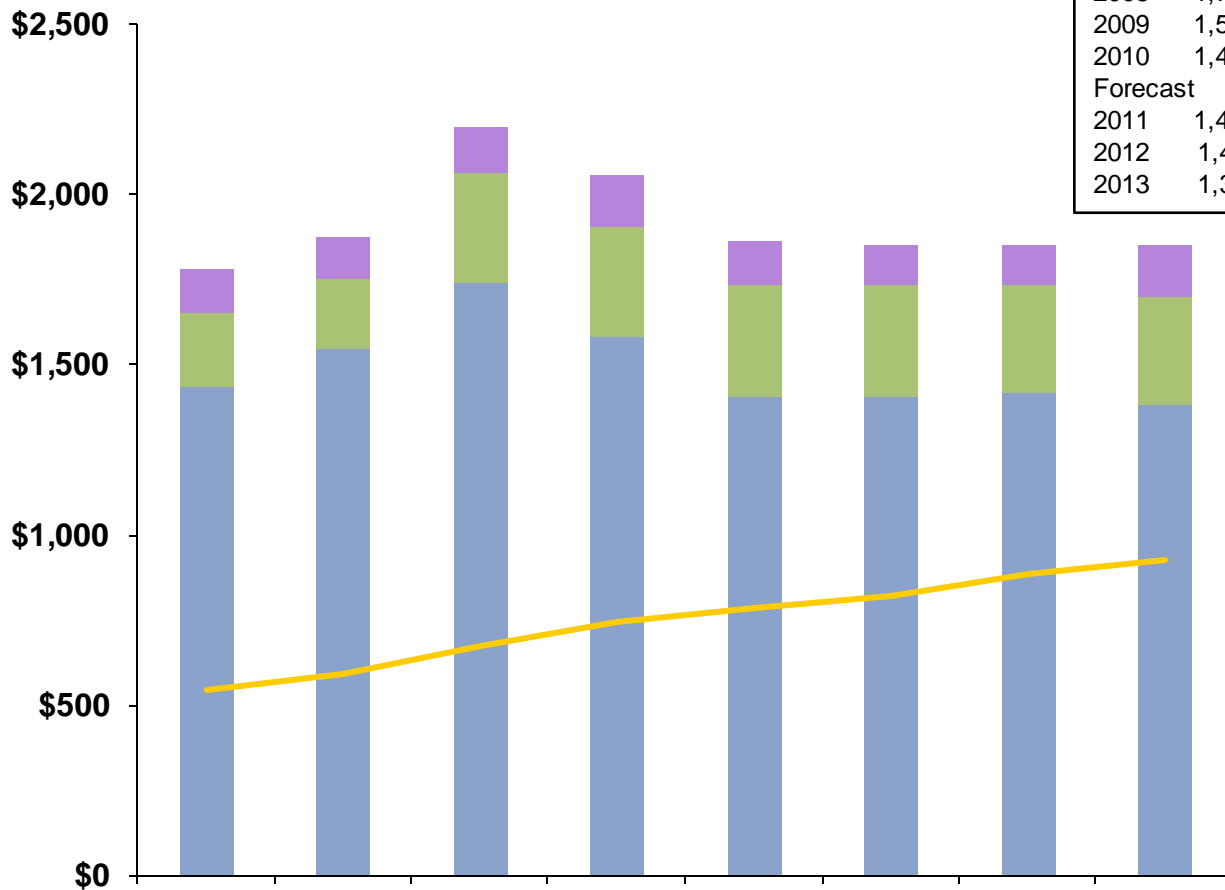
■ Con Edison Of New York    
 ■ Orange and Rockland    
 ■ Competitive Energy Businesses



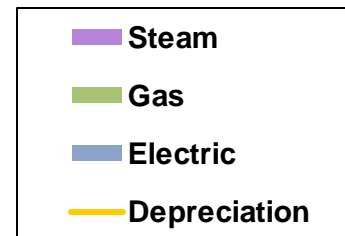
# Con Edison of New York

## Infrastructure Investment

(\$ millions)



	Electric	Gas	Steam	Depreciation
<b>Actual</b>				
2006	1,438	216	128	545
2007	1,548	204	127	592
2008	1,740	326	136	672
2009	1,580	328	149	742
2010	1,404	332	130	787
<b>Forecast</b>				
2011	1,411	335	104	824
2012	1,422	324	105	886
2013	1,388	320	144	928

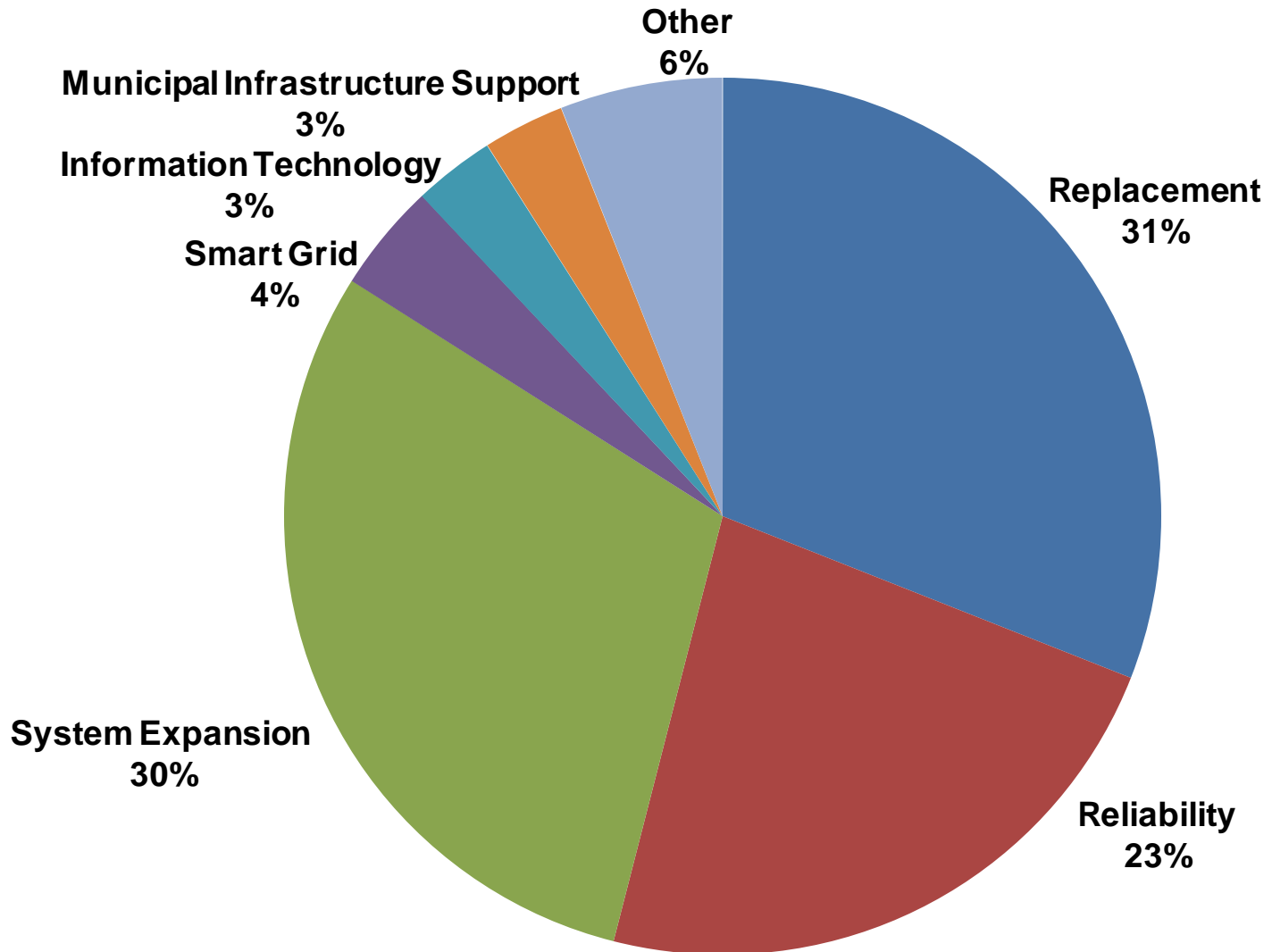


2006 2007 2008 2009 2010 2011 (Est.) 2012 (Est.) 2013 (Est.)

\$1,782 \$1,879 \$2,202 \$2,057 \$1,866 \$1,850 \$1,851 \$1,852



# Breakdown of 2011 Electric Delivery Capital Investment



## 2011 Electric Capital Program Highlights

- \$814 million investment in distribution system
  - Cables
  - Transformers
  - Network Protectors
- \$63 million investment on transmission upgrades and system reliability
- \$212 million investment in new substation
  - Completes M-29 transmission line

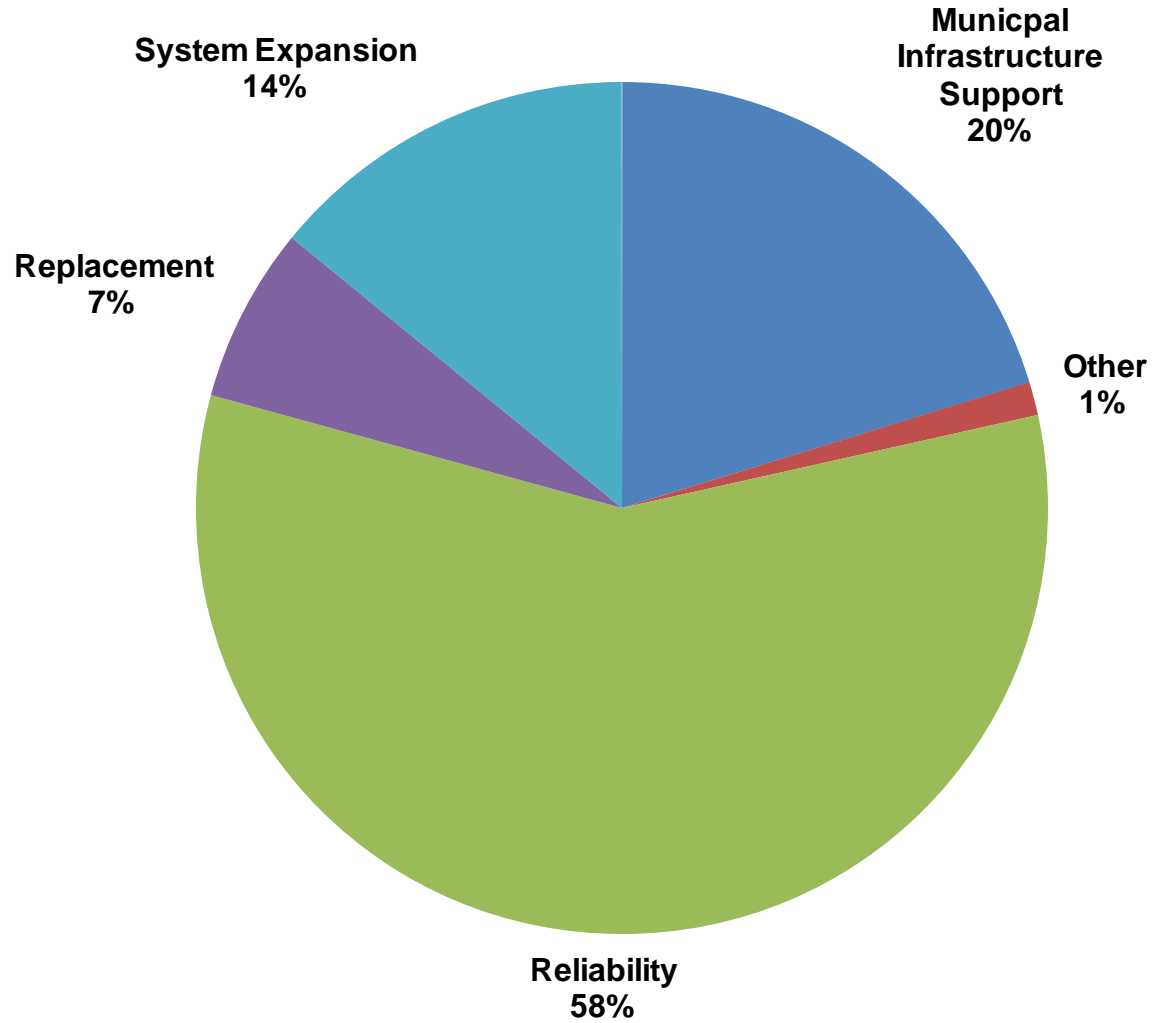


## Con Edison of New York

### 2011 Summer Preparation

- 1,200 miles of cable installed and replaced
- 26 new high-voltage distribution cables established
- 97 high-voltage distribution cables relieved
- 63 underground transformers installed

# Breakdown of 2011 Gas Capital Investment



## 2011 Gas Capital Program Highlights

- \$79 million investment to replace 50 miles of cast iron and unprotected steel mains
- \$63 million investment on public improvement related gas infrastructure relocations
- \$44 million investment in new customer growth

# Climate Change Imperatives

## New York City Goals

- 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

## New York State Plan

- 30% renewables by 2015
- 15% reduction in retail energy consumption from 2007 levels by 2015
- Member of Regional Greenhouse Gas Initiative
  - Cap and reduce CO2 emissions from power plants by 10% by 2018
- New York State Energy Research and Development Agency (NYSERDA) funded by utility customers to achieve renewable portfolio standards

## Con Edison of New York

# Statistics & Breakdown of Potential Conversions

- There are 9,147 boilers burning #4 or #6 heating oil in NYC
- 7,039, or 77%, are located in the CECONY service area

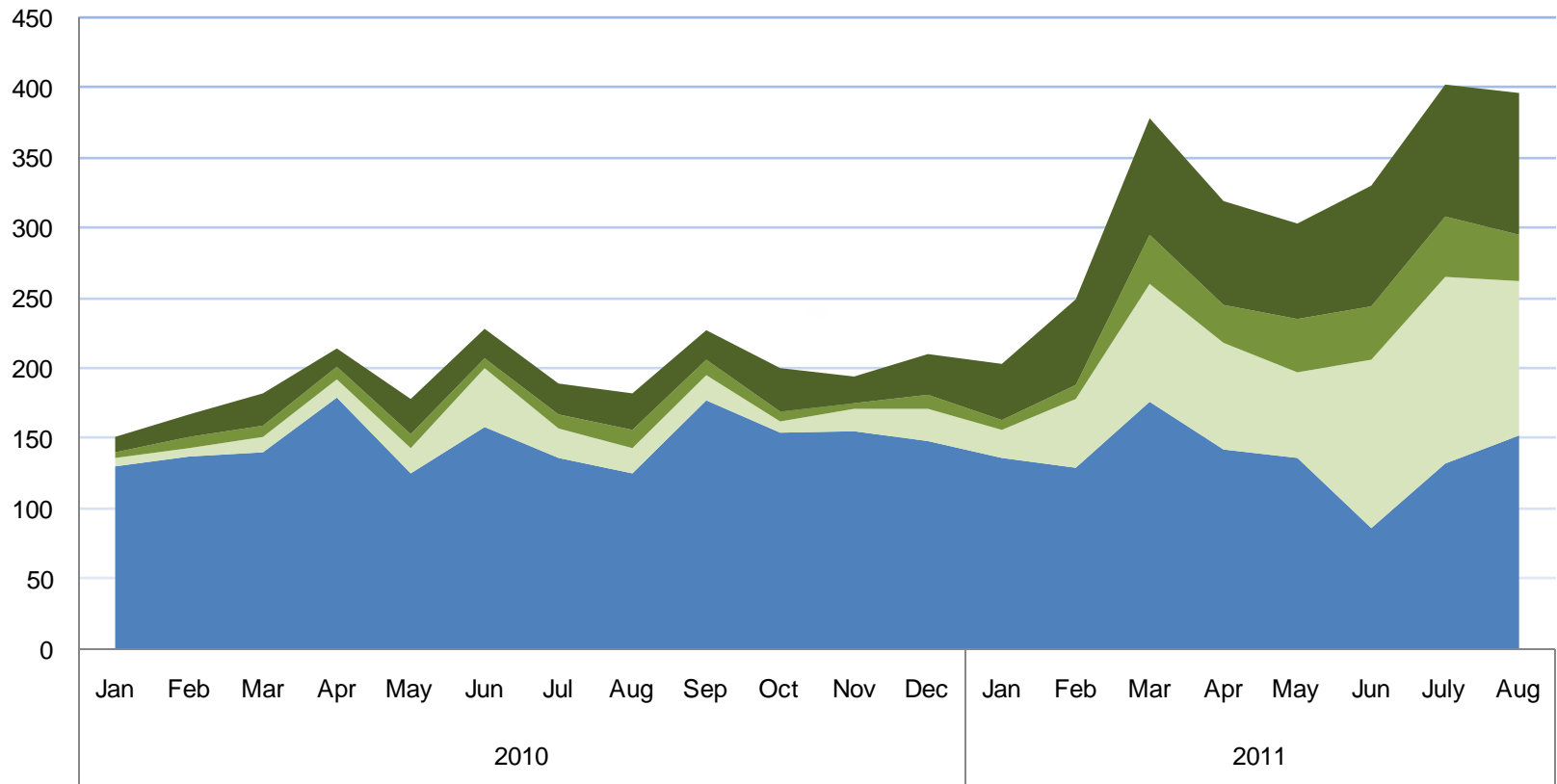
Borough	Buildings
Manhattan	3,945
Bronx	2,373
Queens	721
<b>Grand Total</b>	<b>7,039</b>

## Con Edison of New York

# Monthly New Gas Business Service Requests

January 2010 to August 2011

- Other New Business
- Oil to Gas - #2 or Non-Regulated
- Oil to Gas - # 4 OIL
- Oil to Gas - # 6 OIL



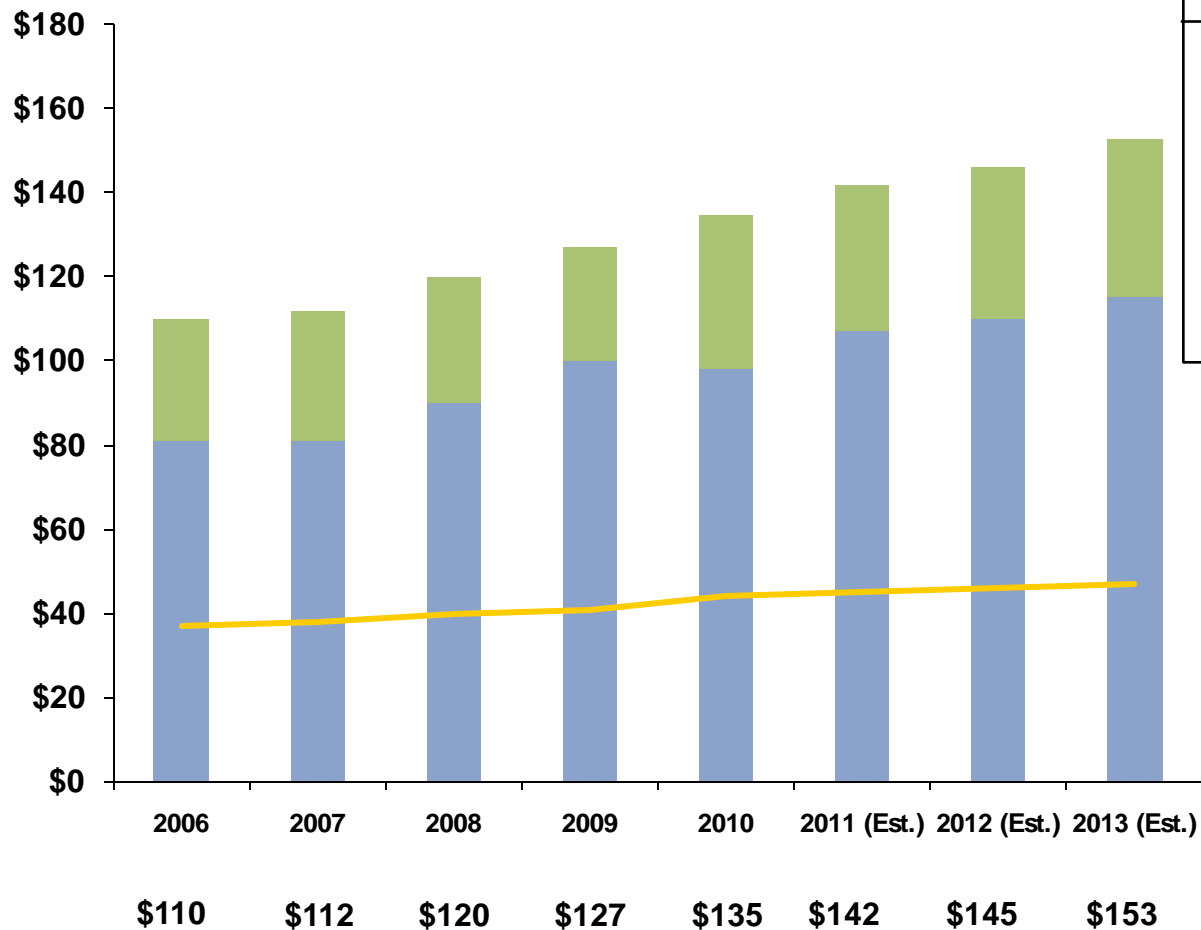


## Steam Capital Program Highlights

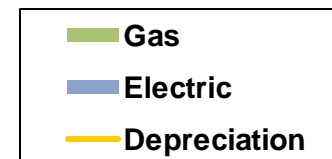
- 59<sup>th</sup> Street and 74<sup>th</sup> Street Stations Gas-burning Capability
  - Significantly reduce emissions and meet New York State environmental mandates
  - Fuel savings to customers estimated at \$64 million beginning in 2014
- Retiring boilers at Hudson Avenue Station
  - 3% savings in steam customer bills

## Orange and Rockland

# Infrastructure Investment (\$ millions)

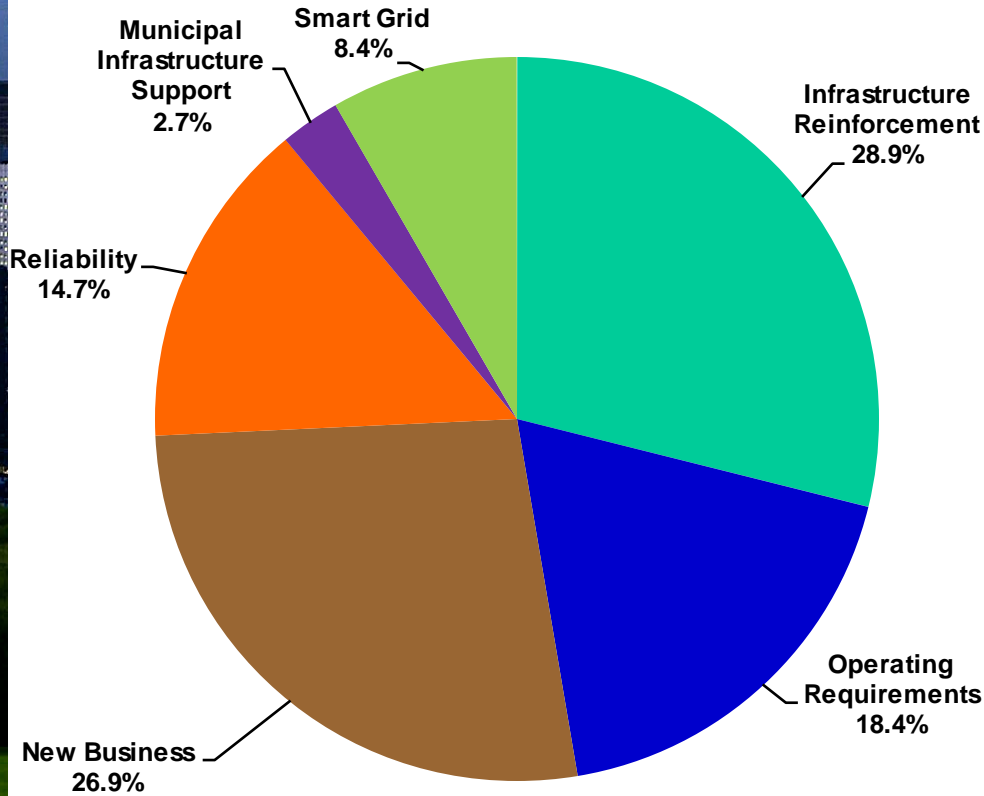


	Electric	Gas	Depreciation
Actual			
2006	81	29	37
2007	81	31	38
2008	90	30	40
2009	100	27	41
2010	98	37	44
Forecast			
2011	107	35	45
2012	107	38	46
2013	118	35	47

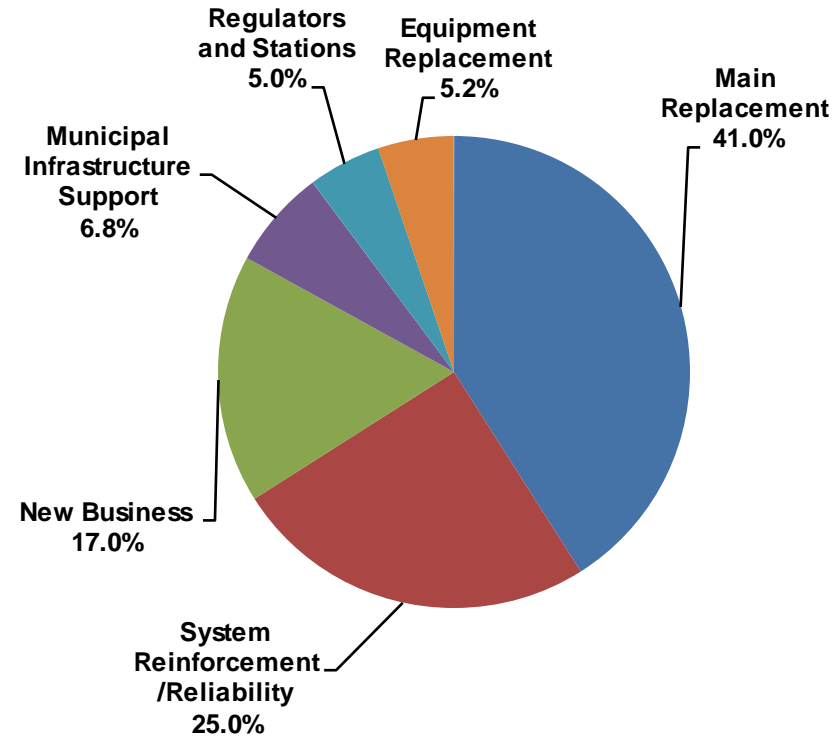


# Orange and Rockland

## Breakdown of 2011 Electric and Gas Capital Investment



**Electric**



**Gas**



## Orange and Rockland

# 2011 Electric Capital Program Highlights

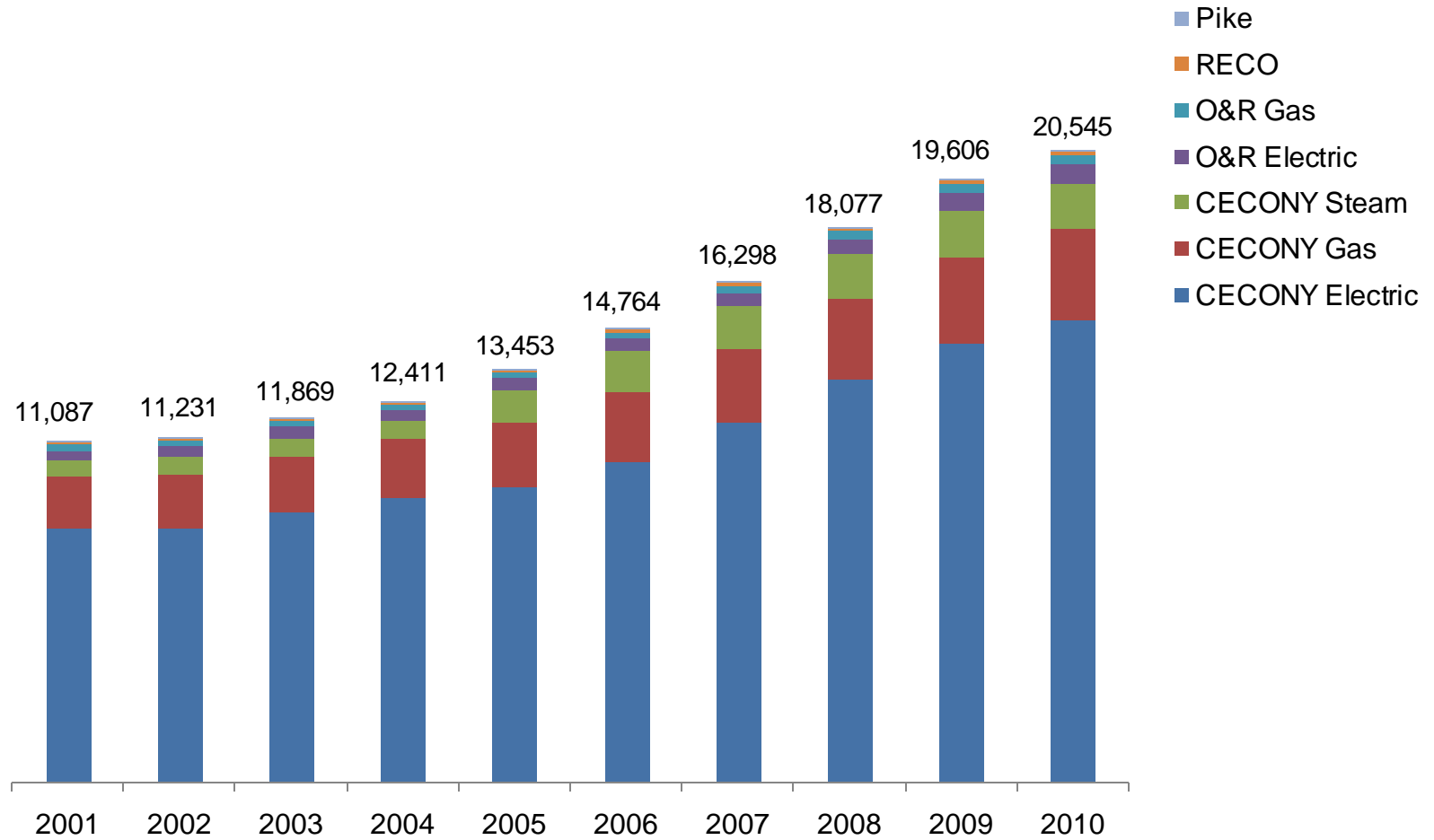
- \$40 million investment in distribution system
  - Overhead distribution infrastructure reinforcement
  - Smart grid
  - Transformers
  - Underground subdivision reliability improvements
- \$20 million investment on transmission upgrades and system reliability
- \$32 million investment on new Corporate Drive substation.
- \$15 million investment on new Sugarloaf transmission switching station to improve reliability to O&R's Northern Division

# Smart Grid Demonstration Project

- Install of software and equipment at control centers
- Install energy storage equipment and photovoltaic devices at CECONY and O&R
- Command and control for demand response
- Electric vehicle charging stations
- Building management system
- Decision support system



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



# Competitive Businesses: Solar Initiatives

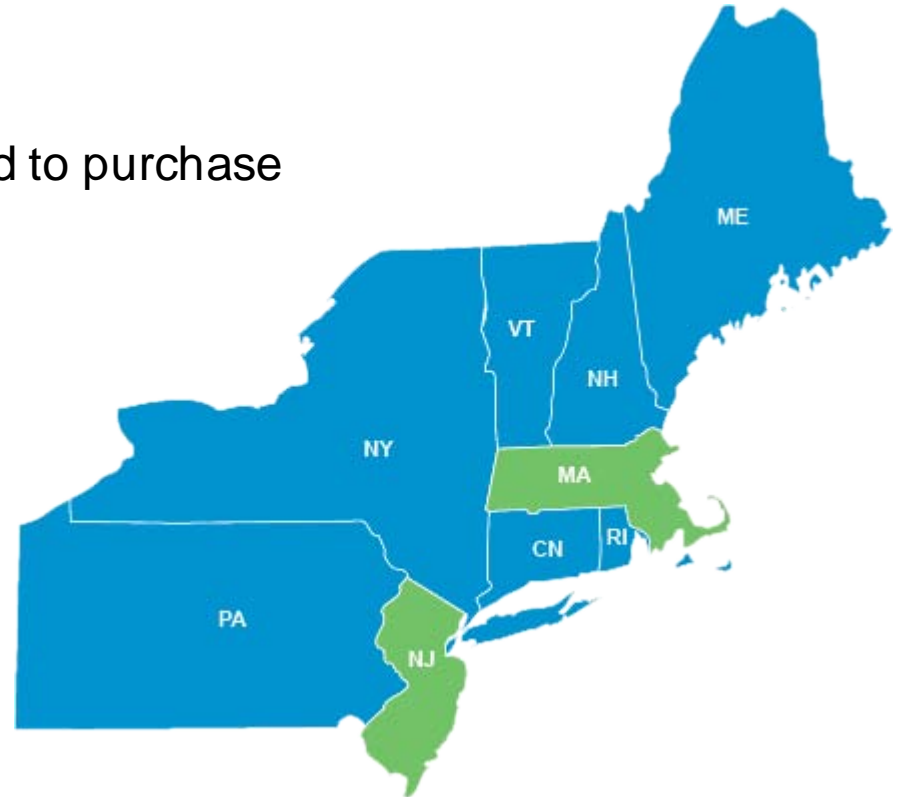
Focused on Northeast states with market for Renewable Energy Credits

- **New Jersey**

- Load serving entities required to purchase renewable energy credits

- **Massachusetts**

- Similar market as NJ
- Sets floor on renewable energy credits



14 MW owned and in-service - \$72 million investment

18 MW under construction - \$56 million investment

## Leader in Sustainability

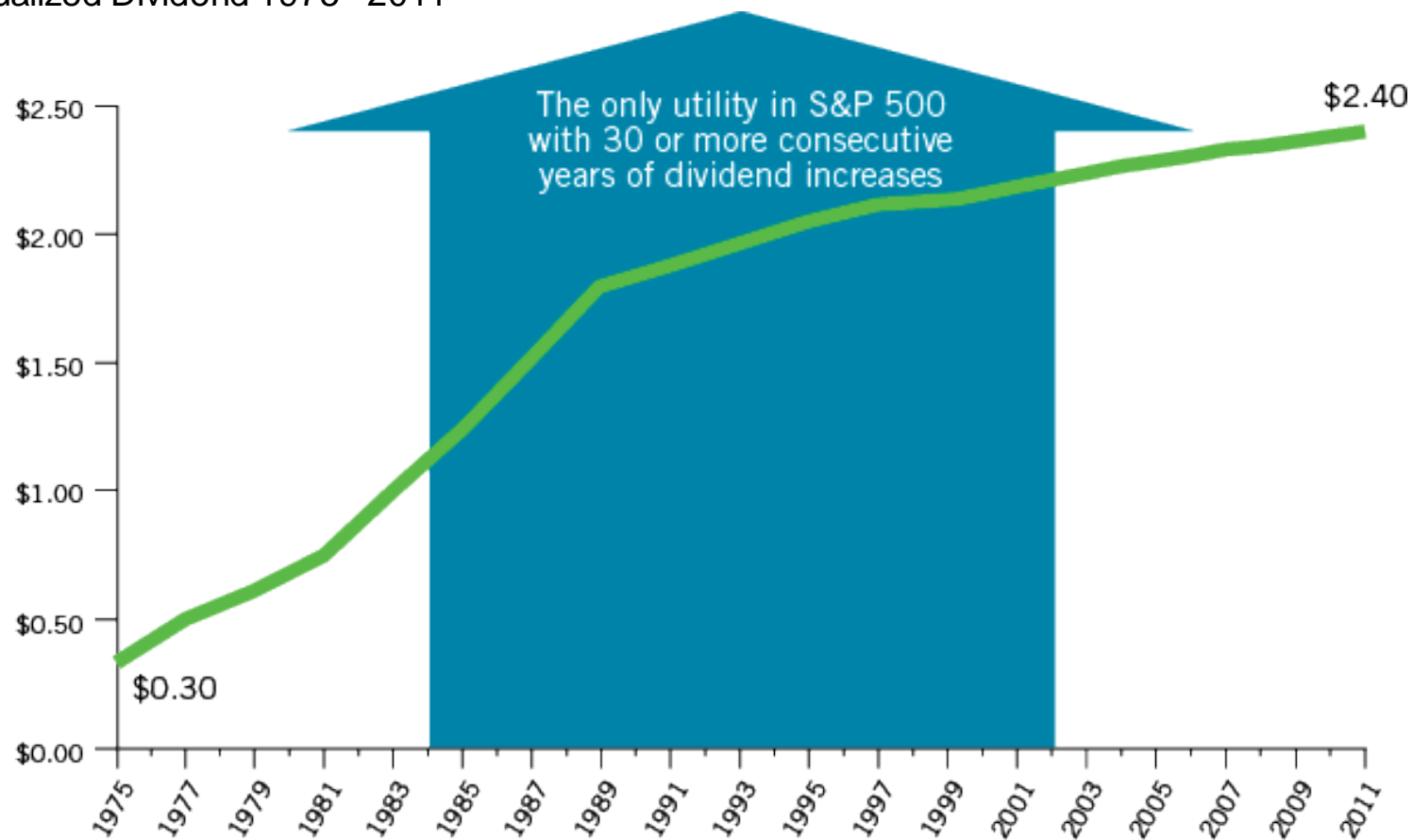
- Member of the Dow Jones Sustainability North America Index
- Ranked #1 among all S&P 500 companies and top ranked utility in performance in the 2010 worldwide Carbon Disclosure Project
- 2<sup>nd</sup> among utilities and 31<sup>st</sup> overall in *Newsweek* 500 Green Rankings for environmental and social performance
- 17<sup>th</sup> among Corporate Responsibility Magazine's "Best 100 Corporate Citizens" for 2011





# A Compelling Dividend Record: 37 Consecutive Years of Dividend Increases

Annualized Dividend 1975 - 2011





**conEdison, inc.**

# Reconciliation of 2<sup>nd</sup> Quarter 2011 and 2010 Earnings Per Share

<b>3 months ending June 30, 2011</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	\$0.54	\$0.01	\$-	\$0.01	\$0.02	\$(0.01)	\$0.57
Mark-to-Market losses/(gains)	-	-	-	(0.02)	0.02	-	-
Ongoing operations	\$0.54	\$0.01	\$-	\$(0.01)	\$0.04	\$(0.01)	\$0.57
<b>3 months ending June 30, 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	\$0.48	\$0.01	\$(0.01)	\$(0.01)	\$0.19	\$(0.01)	\$0.65
Mark-to-Market losses/(gains)	-	-	-	-	(0.14)	-	(0.14)
Ongoing operations	\$0.48	\$0.01	\$(0.01)	\$(0.01)	\$0.05	\$(0.01)	\$0.51

# Reconciliation of 2011 and 2010 Earnings Per Share (6-months ending June 30)

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

6 months ending June 30, 2010	CECONY	O&R	Con Edison Development	Con Edison Energy	Con Edison Solutions	Parent	Total
Reported EPS – GAAP basis	\$1.34	\$0.06	-	\$0.02	\$0.05	\$(0.02)	\$1.45
Mark-to-Market losses/(gains)	-	-	(0.01)	(0.03)	0.04	-	-
Ongoing operations	\$1.34	\$0.06	\$(0.01)	\$(0.01)	\$0.09	\$(0.02)	\$1.45

# Reconciliation of 2010 and 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	\$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
<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	\$2.84	\$0.16	\$0.01	\$(0.06)	\$0.27	\$(0.06)	\$3.16
Mark-to-Market losses/(gains)	-	-	(0.01)	0.04	(0.10)	-	(0.07)
Ongoing operations	\$2.84	\$0.16	\$-	\$(0.02)	\$0.17	\$(0.06)	\$3.09