

Con Edison, Inc.

May 23 , 2011

Barclays Capital Americas  
Select Conference





Consolidated Edison, Inc.

New York Stock Exchange Ticker: ED

Market cap (as of 5/18/11): \$15.7 billion

Dividend yield (as of 5/18/11): 4.5%



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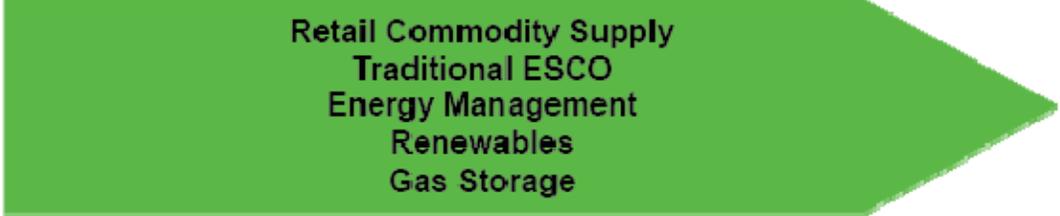
[www.conEdison.com](http://www.conEdison.com)

# Con Edison's Business Model

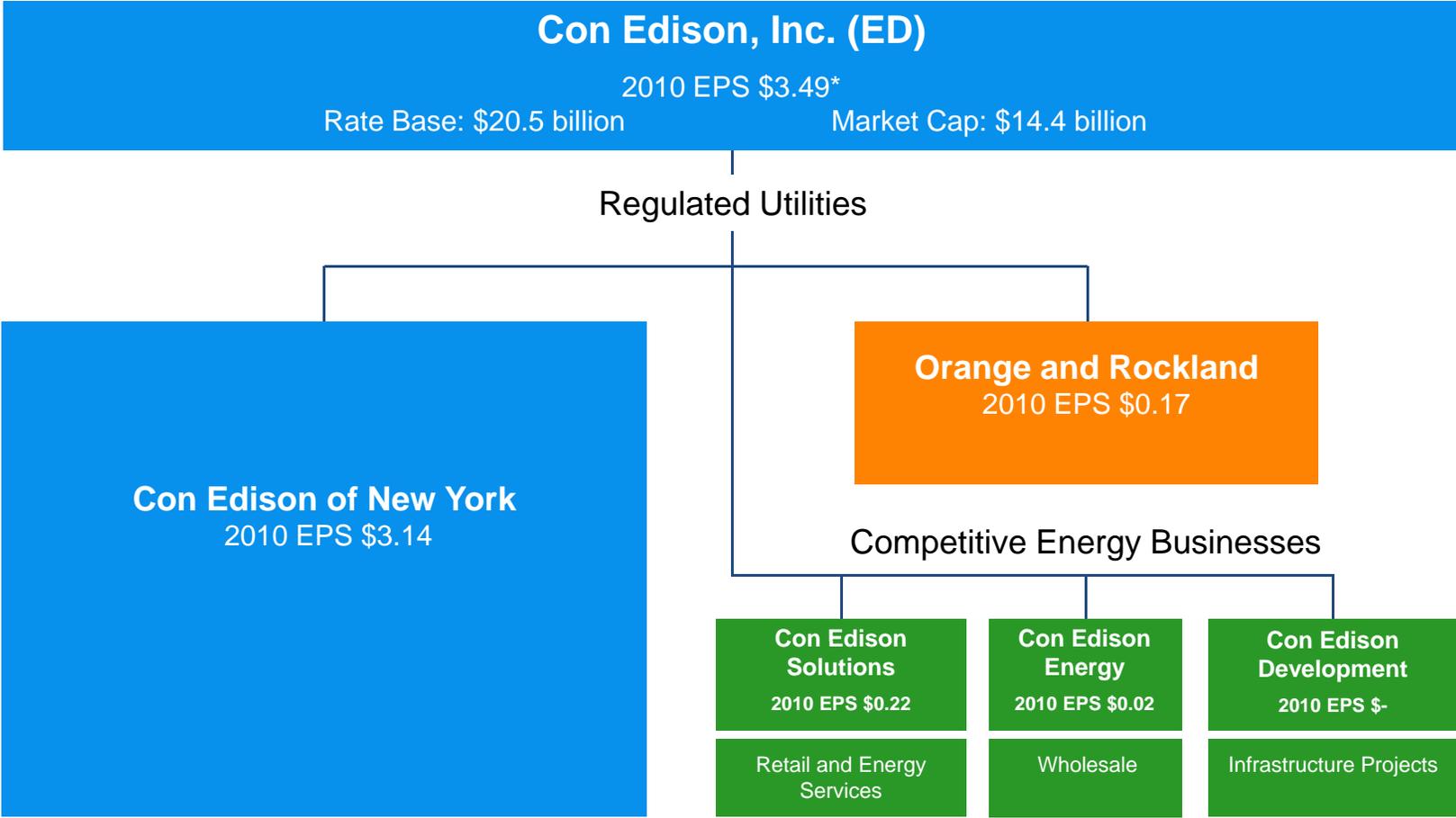
Regulated



Competitive



# Regulated Transmission and Distribution Focused

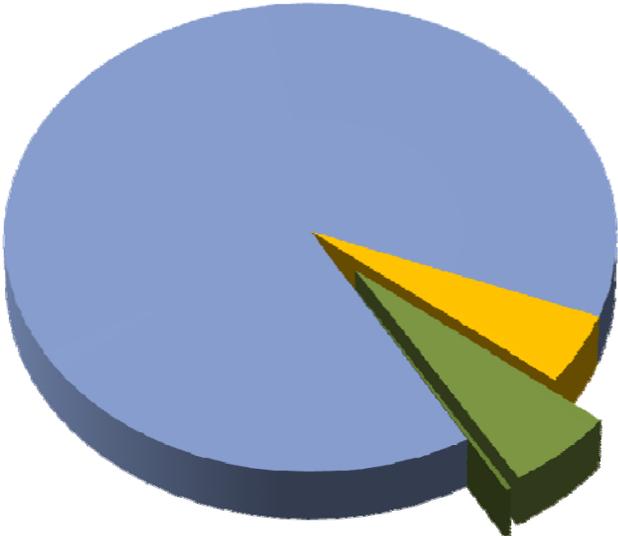


\*Total reflects parent company expenses and consolidation adjustments amounting to (0.06) per share.



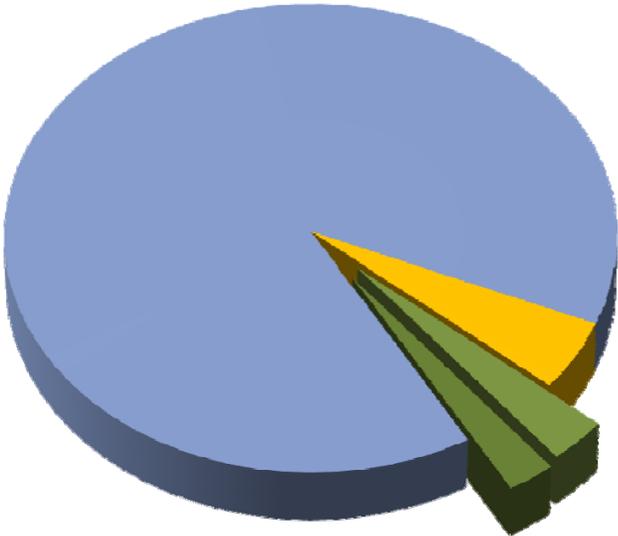
# Con Edison's Focus is Energy Delivery (for the twelve months ended December 31, 2010)

### Ongoing Earnings



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

### Equity

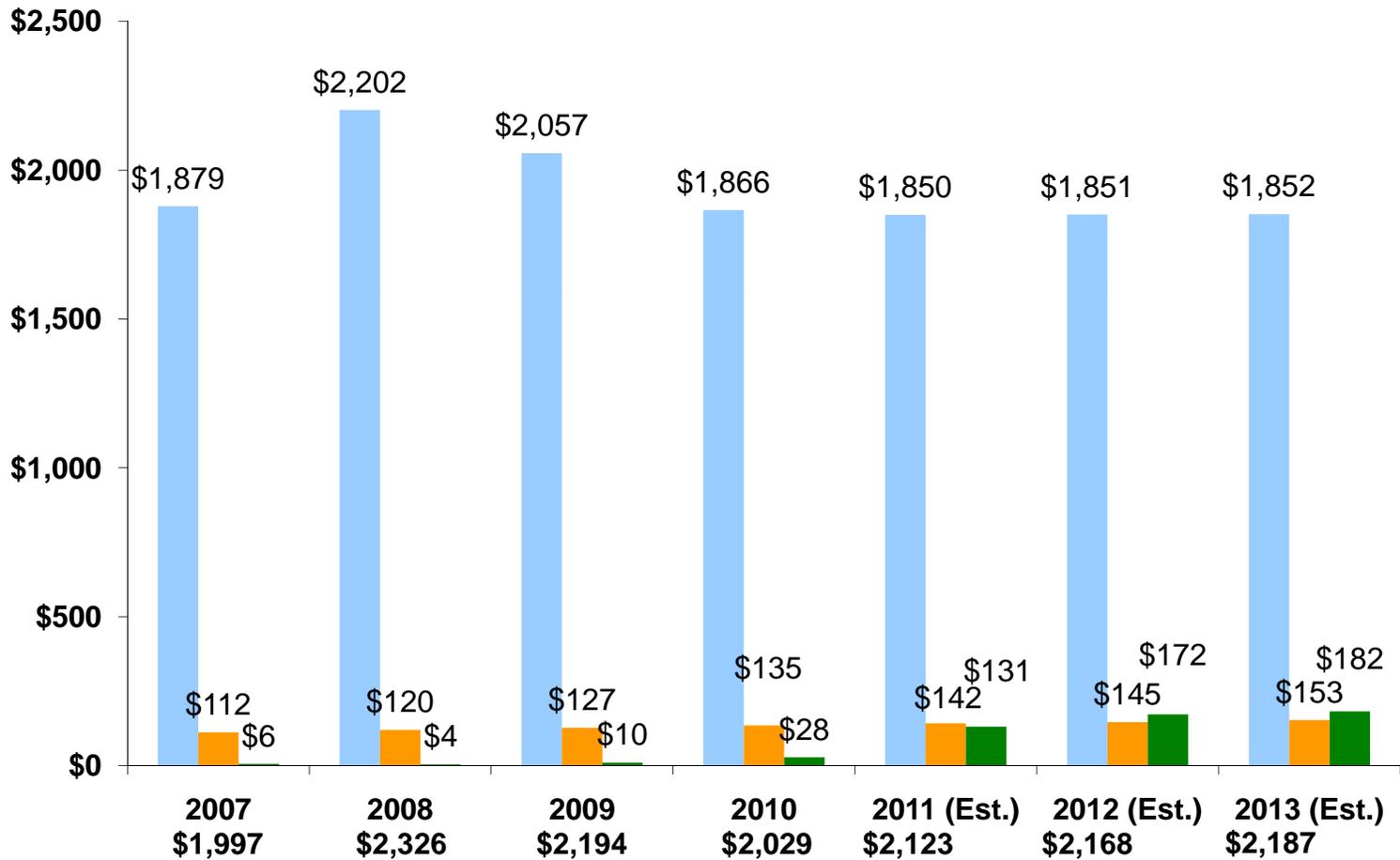


- CECONY 90%
- O&R 5%
- Competitive Businesses 3%
- Parent 2%



# Capital Expenditures (\$ millions)

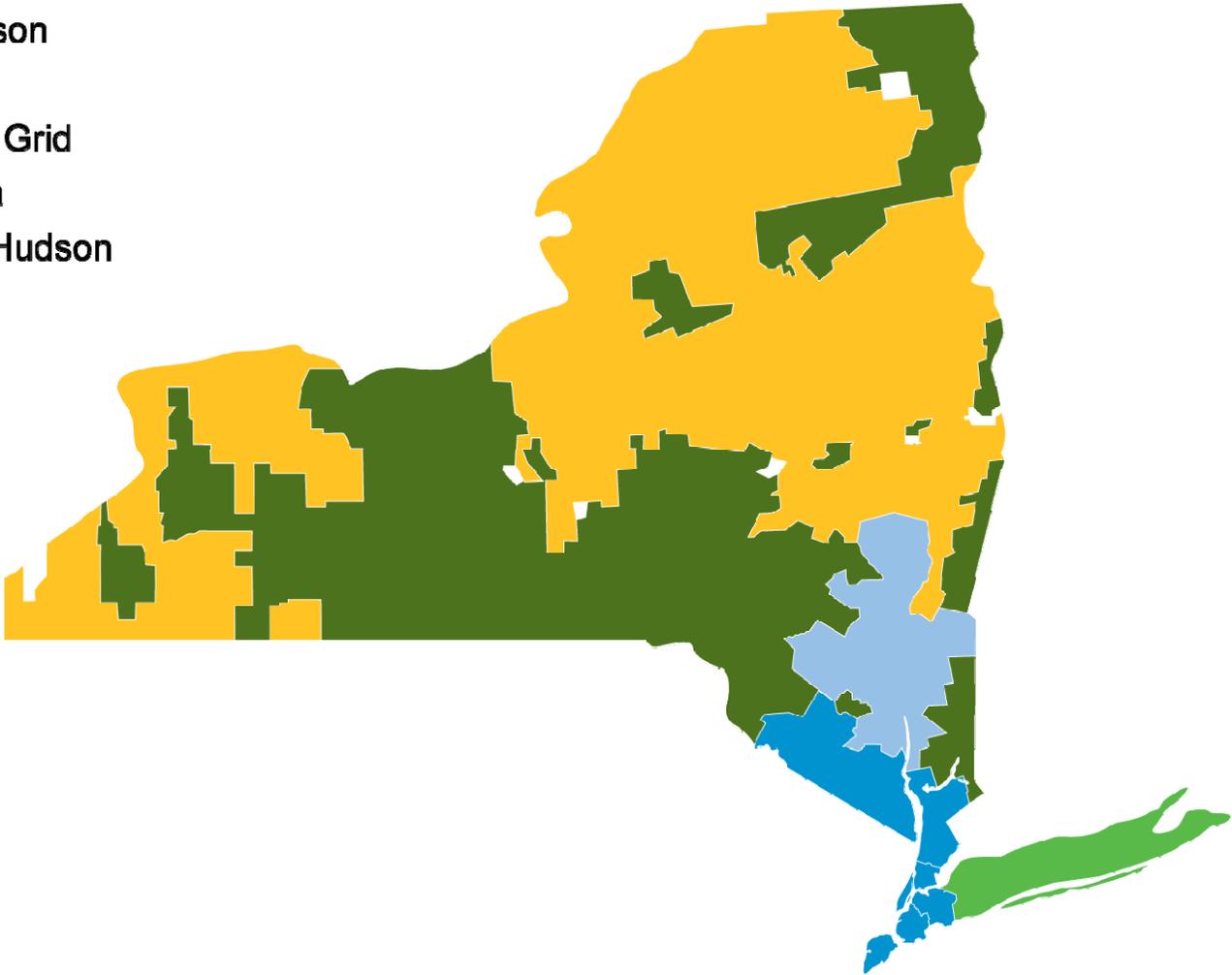
■ Con Edison Of New York   
 ■ Orange and Rockland   
 ■ Competitive Energy Businesses





# Delivering Electricity in New York

-  Con Edison
-  LIPA
-  National Grid
-  Iberdrola
-  Central Hudson





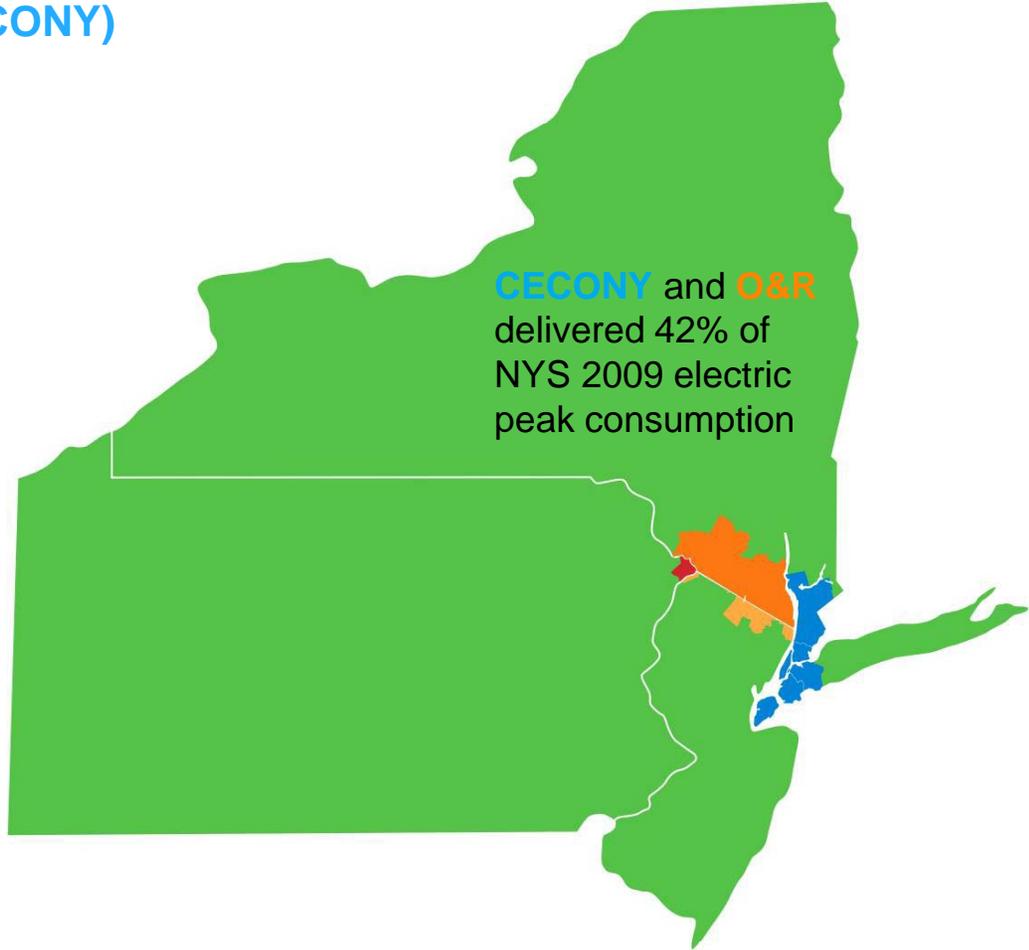
# Regulated Utilities are the Core of Con Edison, Inc.

## 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





# Composition of Rate Base (as of March 31, 2011)

Rate Base (\$ millions)

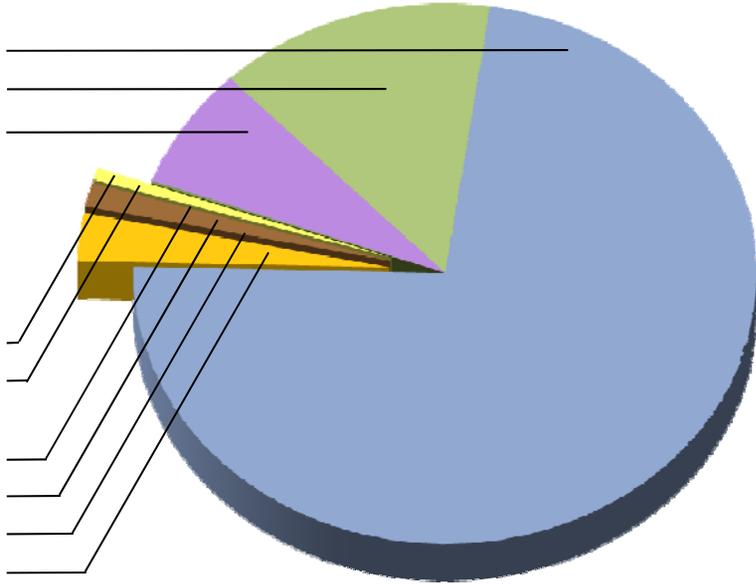
### Con Edison of New York

Electric	(NY)	\$ 15,017	
Gas	(NY)	\$ 2,970	
Steam	(NY)	\$ 1,510	

### Orange and Rockland

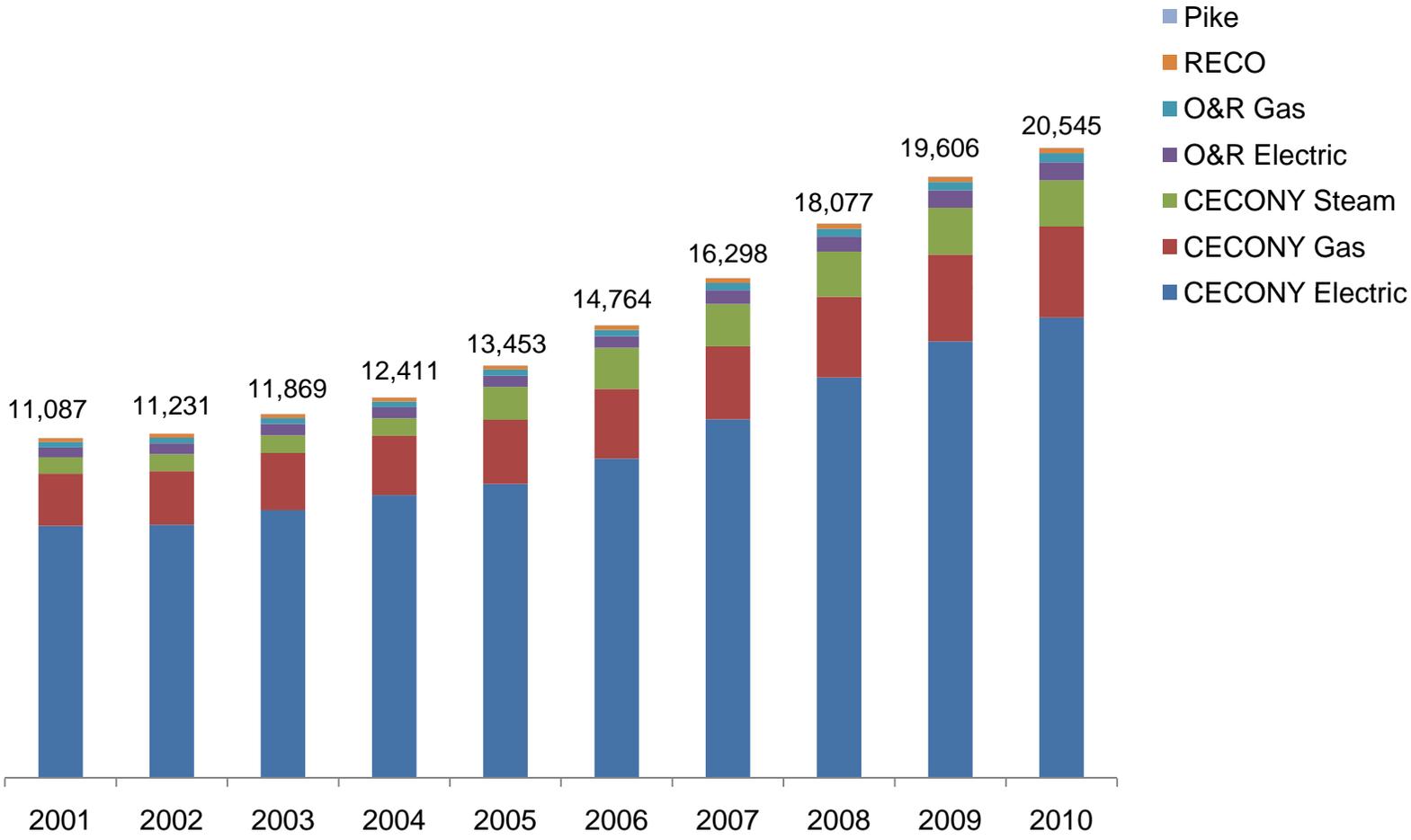
Pike Gas	(PA)	\$ 1	
Pike Electric	(PA)	\$ 9	
Rockland Electric	(NJ)		
(distribution)		\$ 150	
(transmission)		\$ 20	
O&R Gas	(NY)	\$ 300	
O&R Electric	(NY)	\$ 580	

**Total Rate Base \$ 20,710**



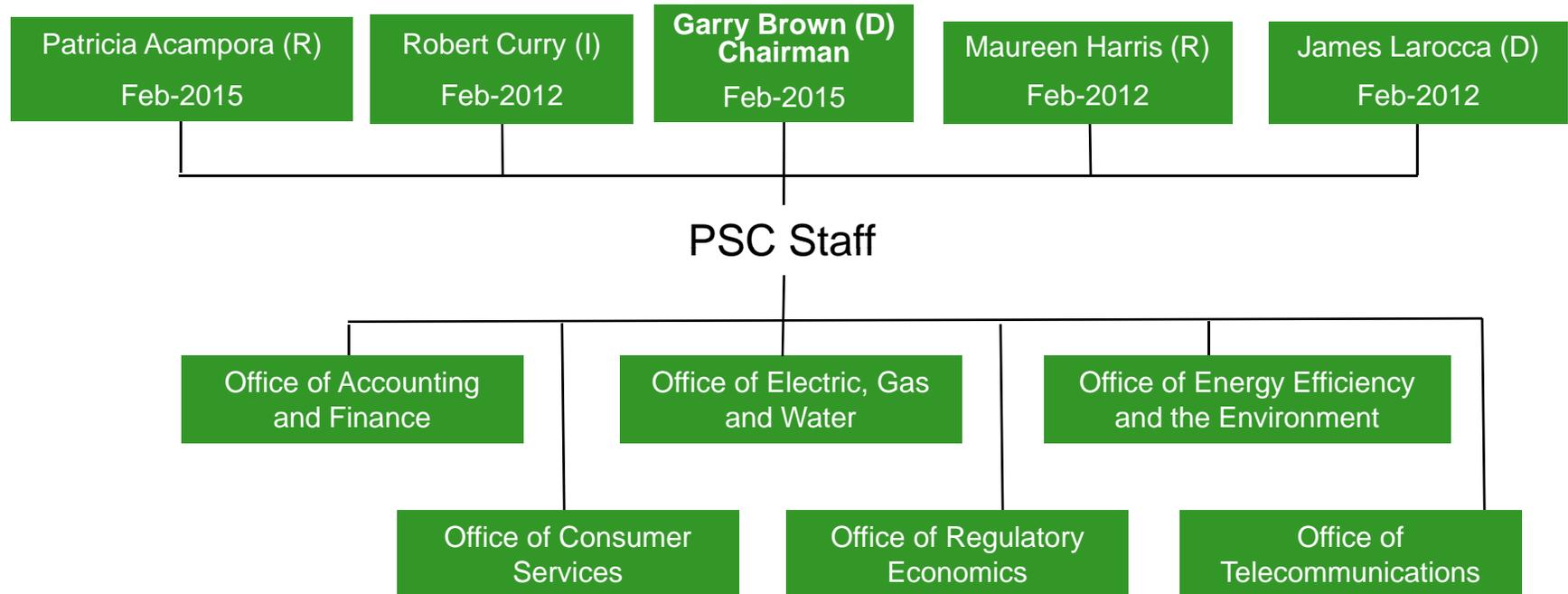


# Consolidated Edison, Inc. 10-Year Rate Base Growth (\$ millions)



# 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

## New York PSC's Formulaic Approach to Calculating ROE

Rate of return on equity



2/3 Discounted Cash Flow model  
(dividend discount model)

+

1/3 Capital Asset Pricing model

## 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				



## 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

### Rates of Return

(for twelve months ended March 31, 2011)

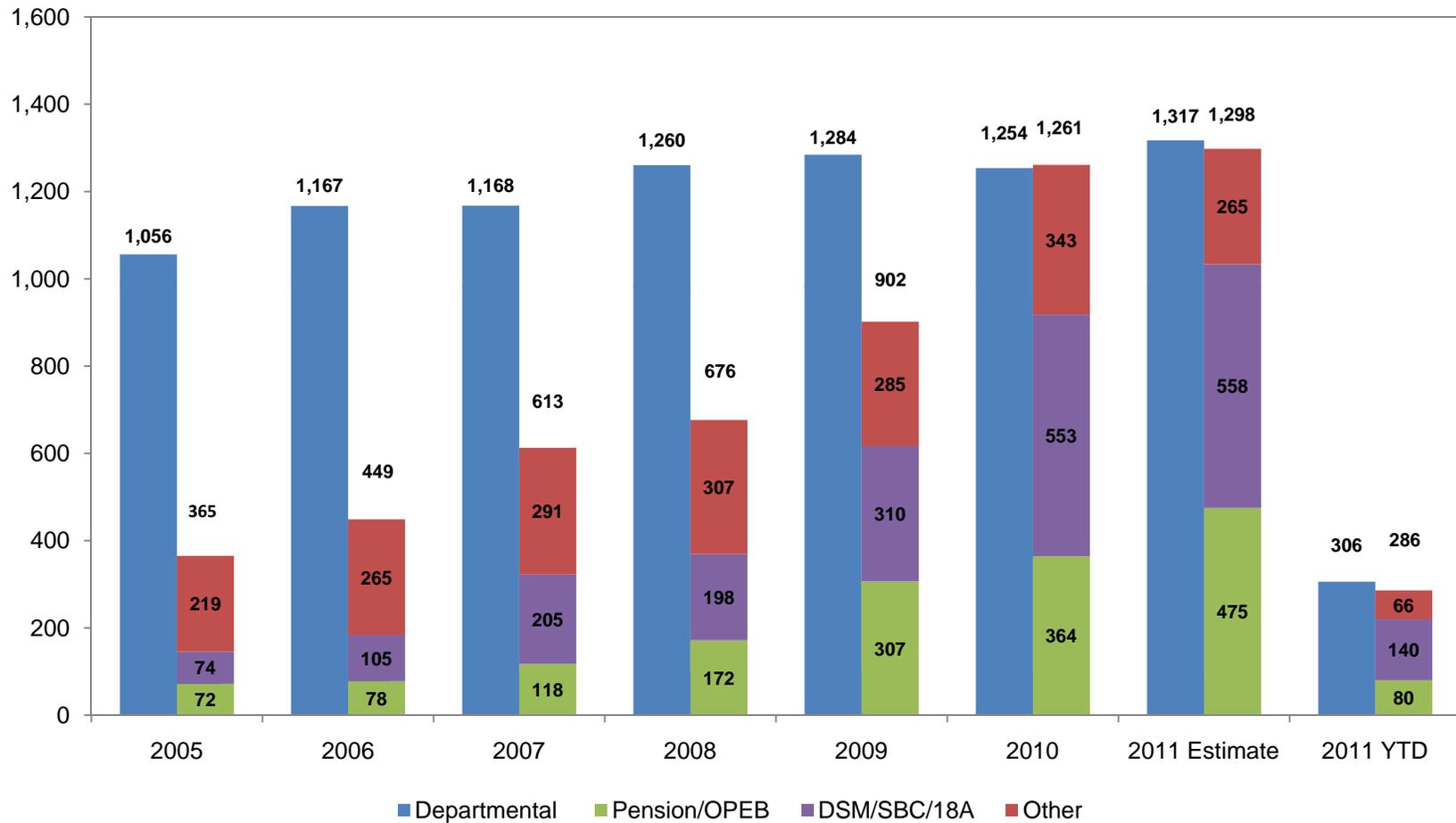
	<u>Allowed</u>	<u>Earned</u>
Electric	10.15%*	9.6%
Gas	9.7%*	9.6%
Steam	9.5%*	9.1%
Overall - CECONY	10.0%**	9.5%

\*Pro rated with equal-weight to each quarter

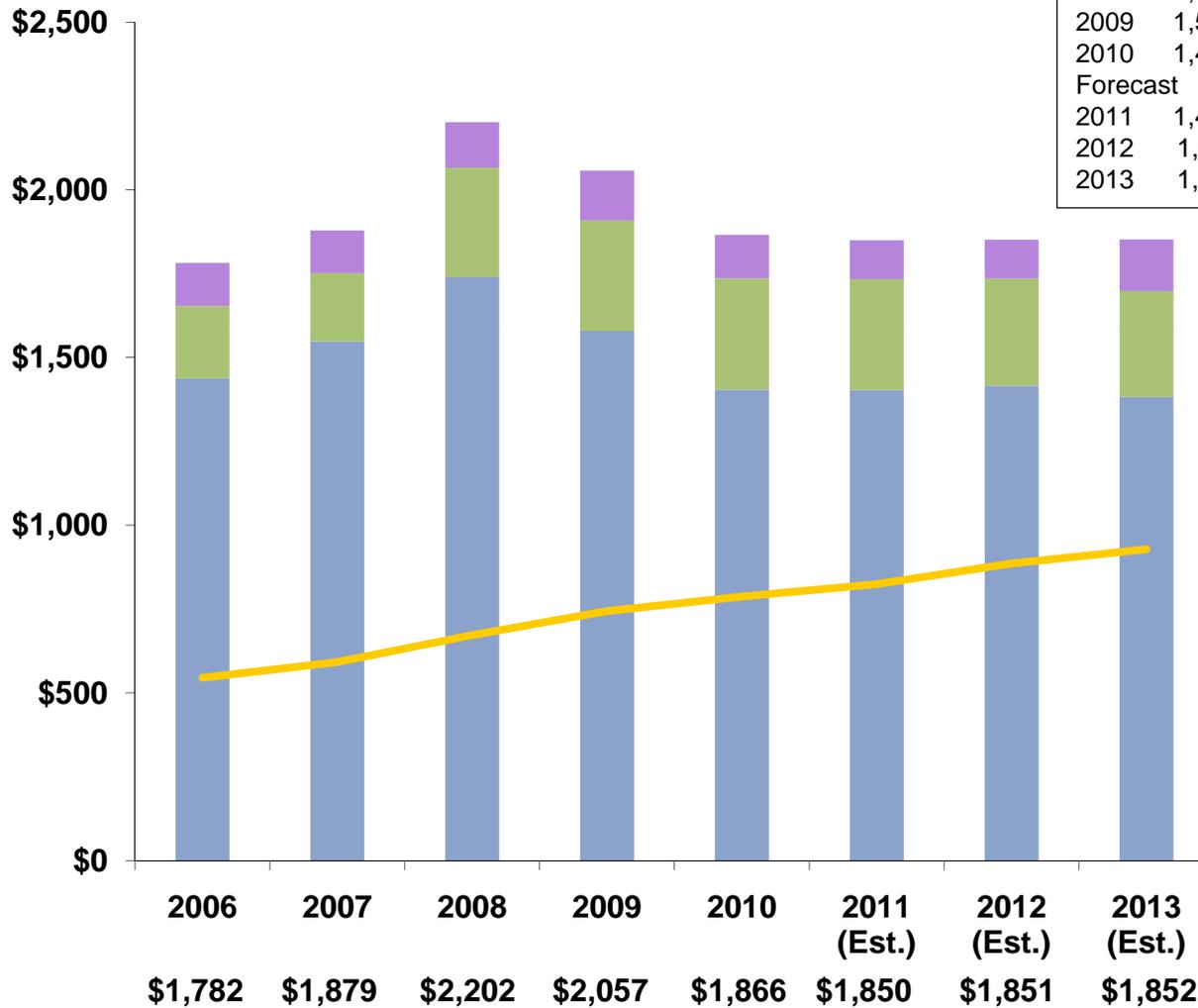
\*\* Weighted by rate base

## Con Edison of New York

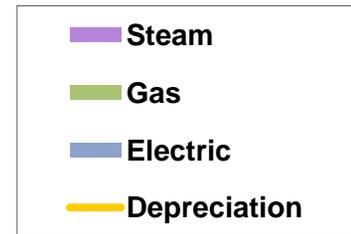
# Departmental and Other Expenses (\$ millions)



# 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





## Orange and Rockland

### Rates of Return

(for twelve months ended March 31, 2011)

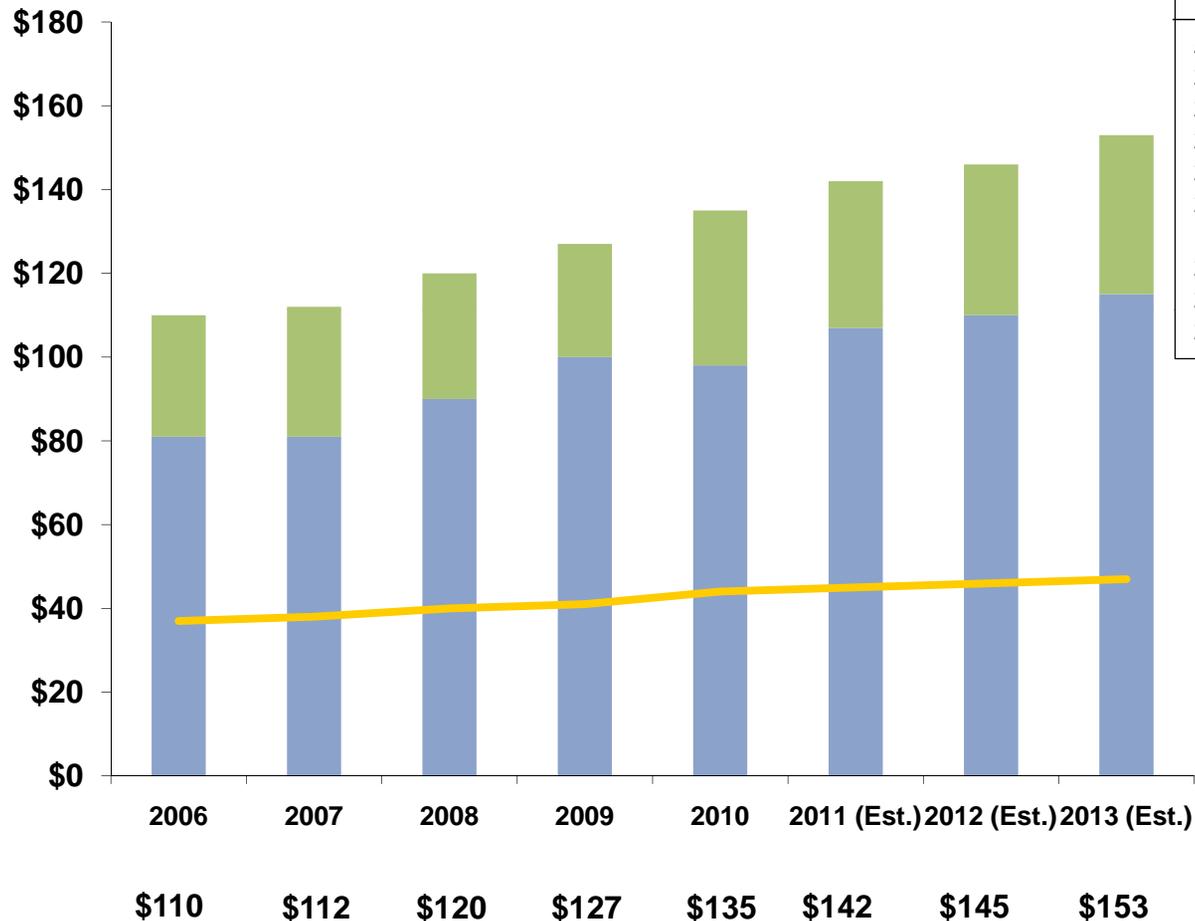
	<u>Allowed</u>	<u>Earned</u>
O&R - NY		
Electric	9.4%	7.9%
Gas	10.4%	12.4%
RECO	10.1%*	13.8%
Overall - O&R	9.8%**	10.2%

\*Pro rated with equal-weight to each quarter

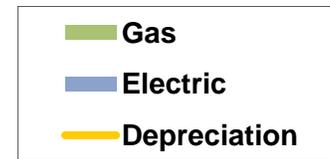
\*\* Weighted by rate base



## 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



# Capital Structure

March 31, 2011  
(\$ millions)

## Con Edison, Inc.

Debt	\$10,670	48%
Preferred	213	1
Equity	11,231	51
<b>Total</b>	<b>\$22,114</b>	<b>100%</b>

## Con Edison of New York

Debt	\$9,743	49%
Preferred	213	1
Equity	10,021	50
<b>Total</b>	<b>\$19,977</b>	<b>100%</b>

## Orange and Rockland

Debt	\$609	53%
Preferred	-	-
Equity	541	47
<b>Total</b>	<b>\$1,150</b>	<b>100%</b>

## Competitive and Parent

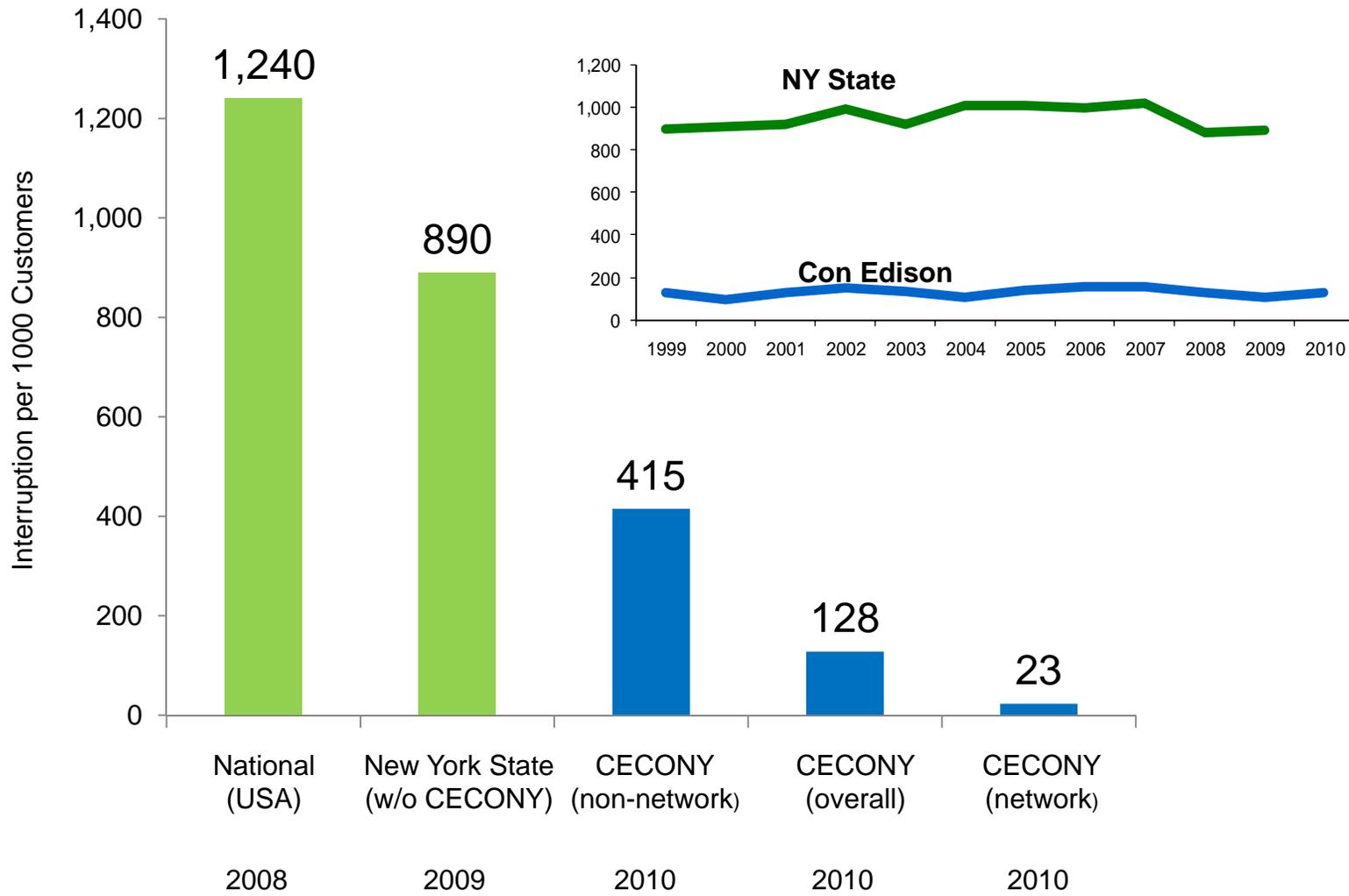
Debt	\$318	32%
Preferred	-	-
Equity	669	68
<b>Total</b>	<b>\$987</b>	<b>100%</b>

# Credit Ratings Summary

	Standard & Poor's	Moody's	Fitch
<b>Consolidated Edison, Inc.</b>			
Long-term credit rating	BBB+	Baa1	BBB+
Commercial paper	A-2	P-2	F2
<b>Consolidated Edison Co. of New York</b>			
Senior unsecured debt	A-	A 3	A-
Commercial paper	A-2	P-2	F2
<b>Orange and Rockland Utilities, Inc.</b>			
Senior unsecured debt	A-	Baa1	A-
Commercial paper	A-2	P-2	F2

All ratings carry a Stable Outlook.

# Con Edison of New York Focused on Reliability





## 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

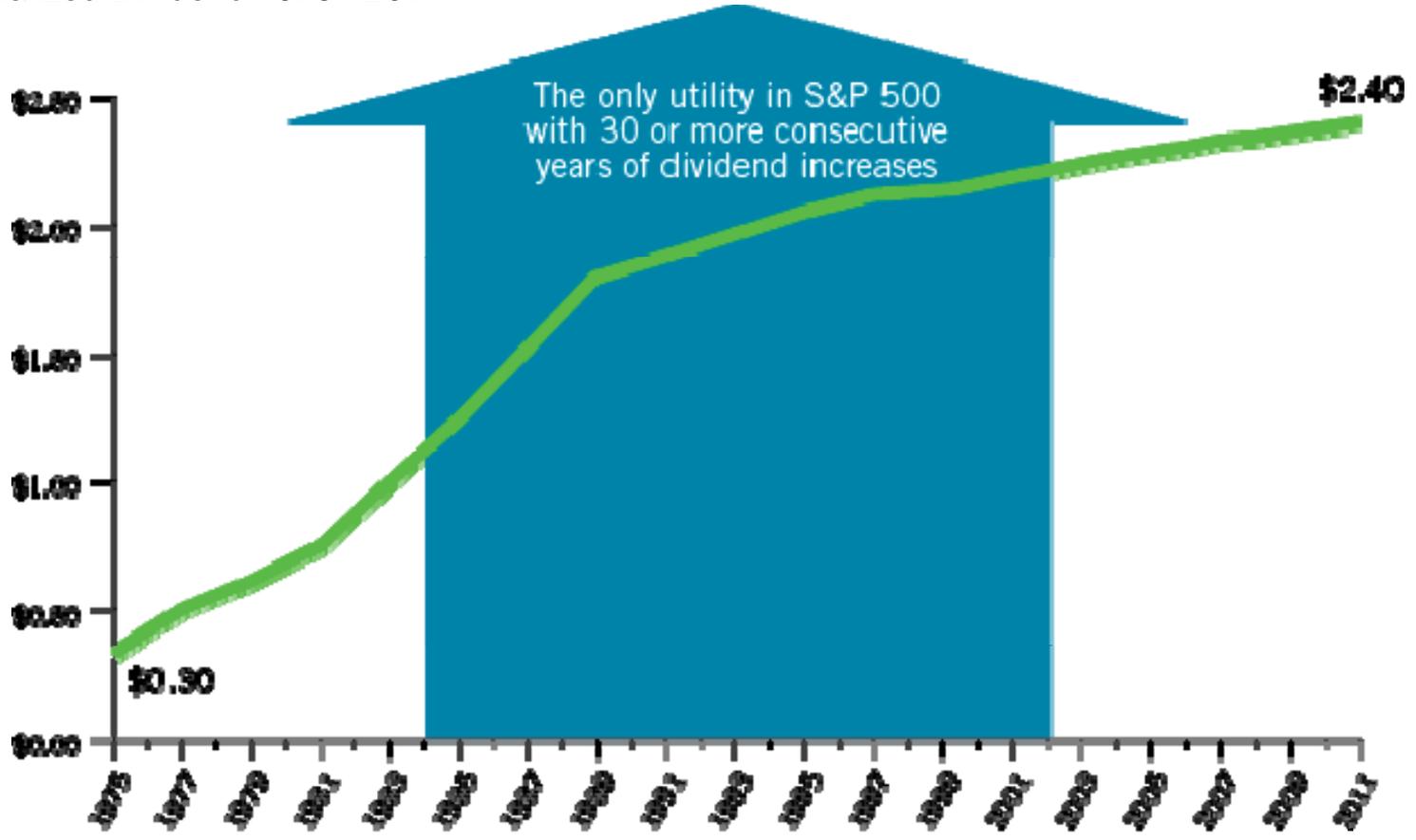


**Dow Jones  
Sustainability Indexes**  
Member 2010/11



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

Annualized Dividend 1975 - 2011





## Consolidated Edison, Inc. Investment Thesis

- The largest of the few U.S. 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



# Appendix

## Reconciliation of Con Edison's 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	\$(0.05)	\$0.26	\$(0.06)	\$3.16
Mark-to-Market losses/(gains)	-	-	(0.01)	0.03	(0.09)	-	(0.07)
Ongoing operations	\$2.84	\$0.16	\$-	\$(0.02)	\$0.17	\$(0.06)	\$3.09

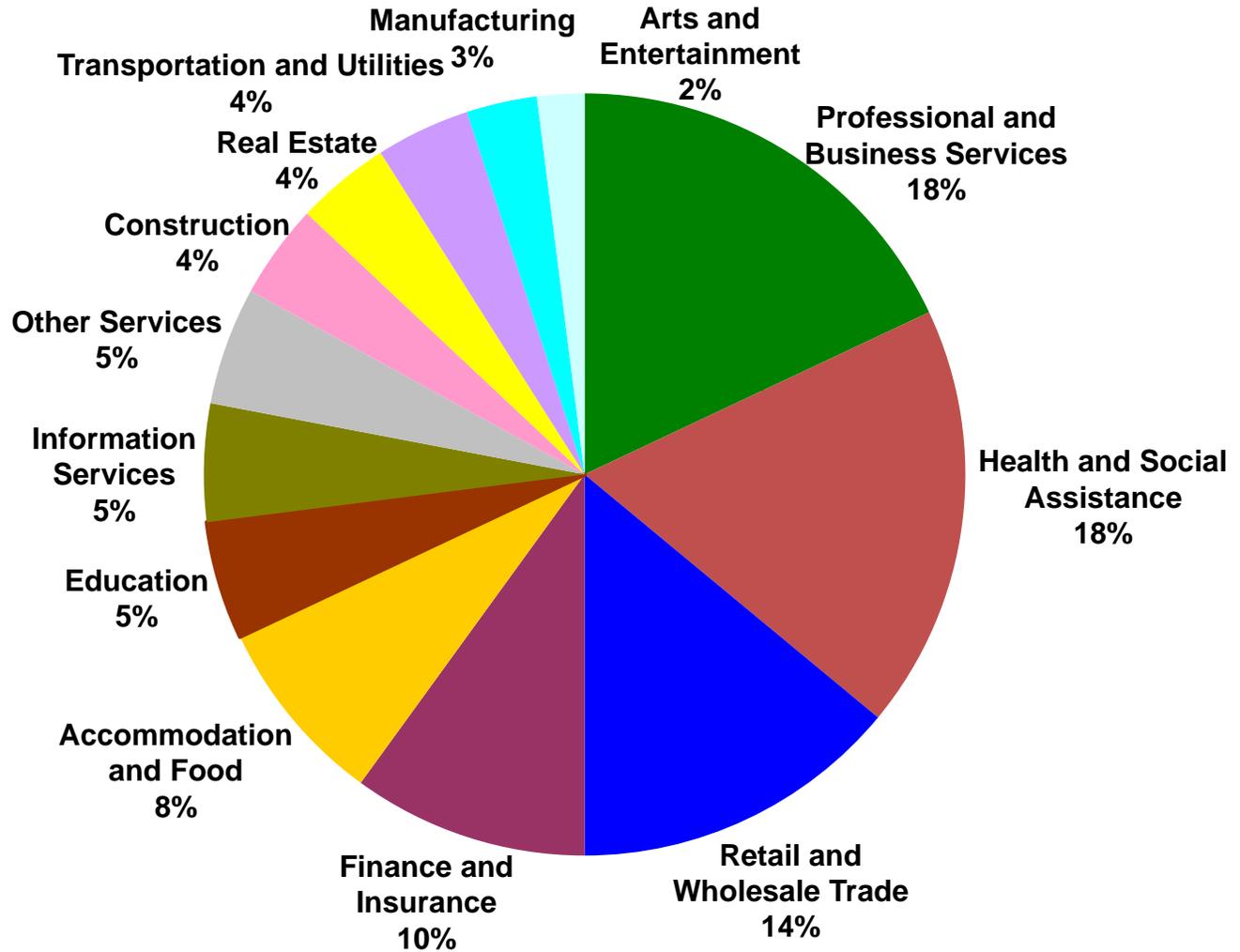
## Reconciliation of Con Edison's 1<sup>st</sup> Quarter 2011 and 1<sup>st</sup> 2010 Earnings Per Share

<b>3 months ending March 31, 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	\$0.92	\$0.07	\$-	\$-	\$0.09	\$(0.01)	\$1.07
Mark-to-Market losses/(gains)	-	-	-	(0.01)	(0.07)	-	(0.08)
Ongoing operations	\$0.92	\$0.07	\$-	\$(0.01)	\$0.02	\$(0.01)	\$0.99

<b>3 months ending March 31, 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	\$0.86	\$0.05	\$-	\$0.03	\$(0.13)	\$(0.01)	\$0.80
Mark-to-Market losses/(gains)	-	-	-	(0.04)	0.17	-	0.13
Ongoing operations	\$0.86	\$0.05	\$-	\$(0.01)	\$0.04	\$(0.01)	\$0.93

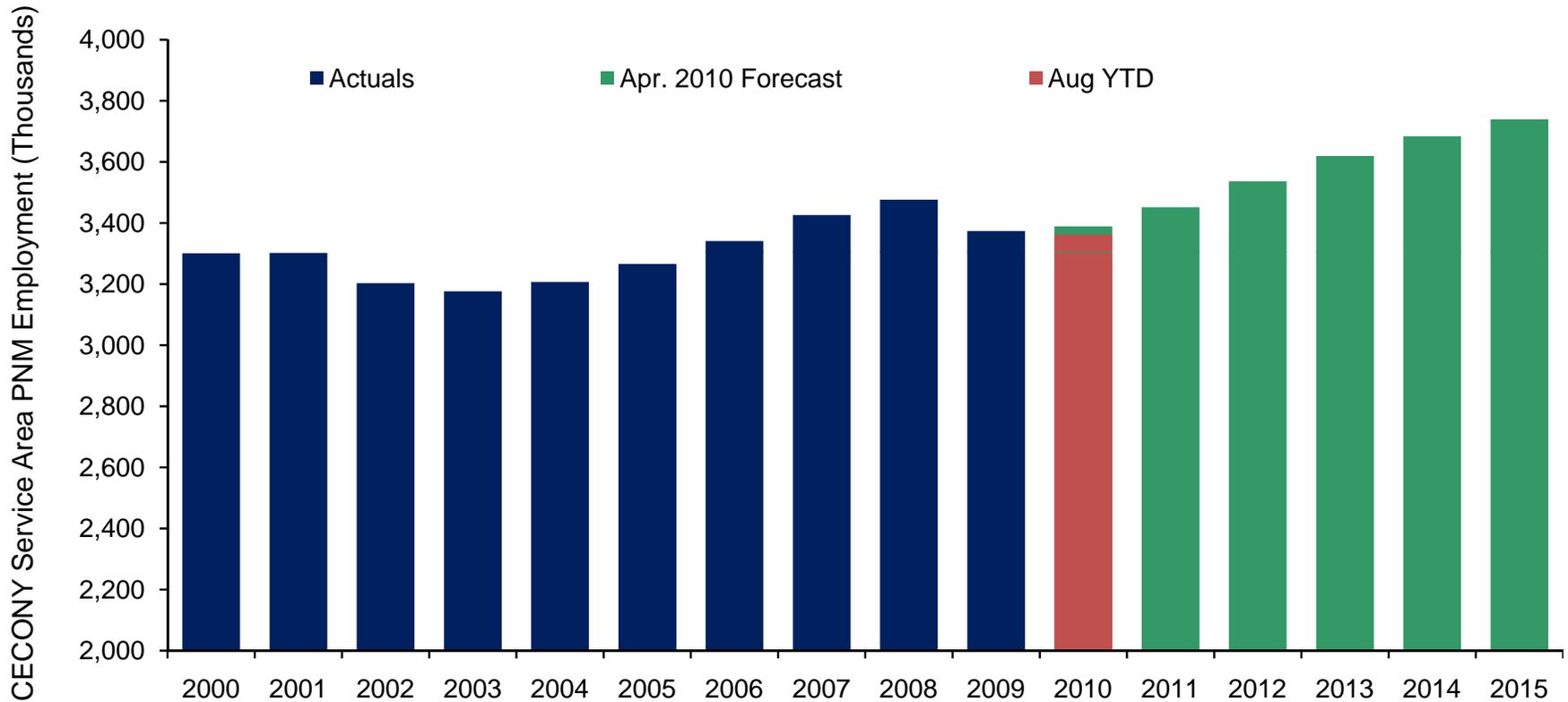
# Con Edison of New York NYC Employment by Sector



Source: New York State Department of Labor

## Con Edison of New York

# Employment Growth Began In Early 2010

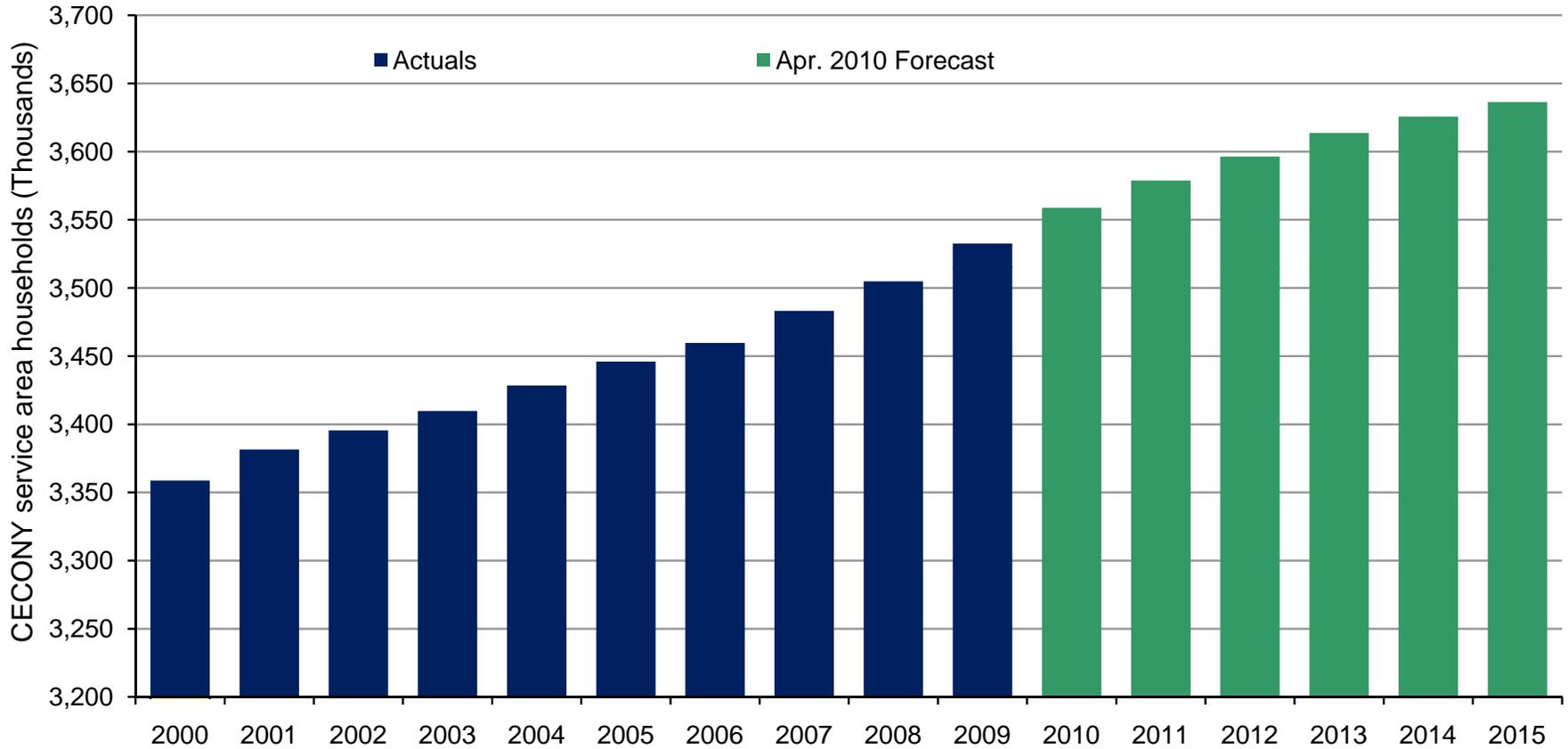


Source: NYS Dept of Labor (Bureau of Labor Statistics) and Moody's Economy.com



## Con Edison of New York

### Household formation remains healthy



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



## New York's Climate Change Initiatives

### New York City Goals

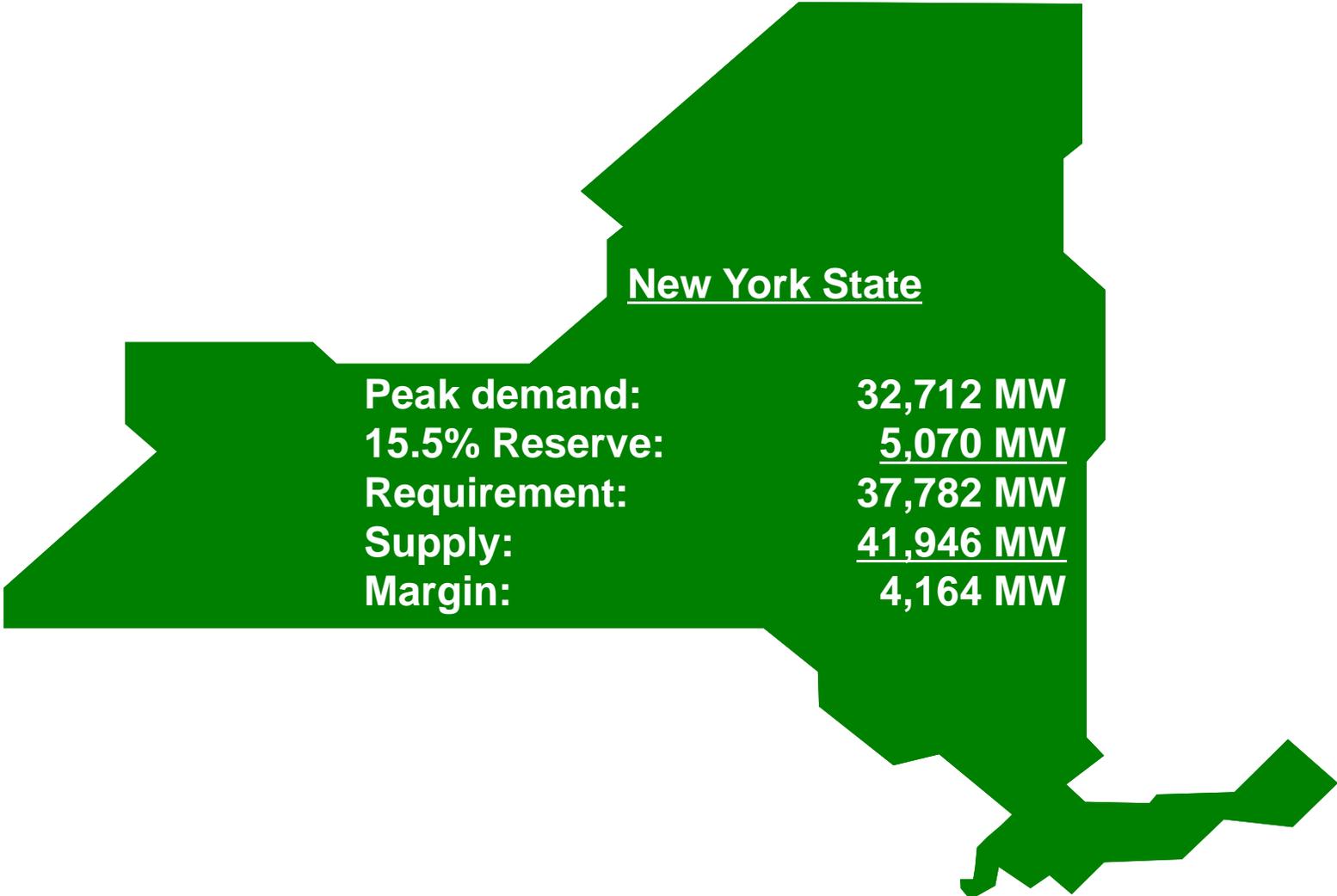
- Reduce greenhouse gas emissions by 30% below 2005 levels by 2030
- Focused on building codes
- Phase out of #6 heating oil by 2015 and #4 heating oil by 2030

### 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



# Electric Supply and Demand New York State - Summer 2011

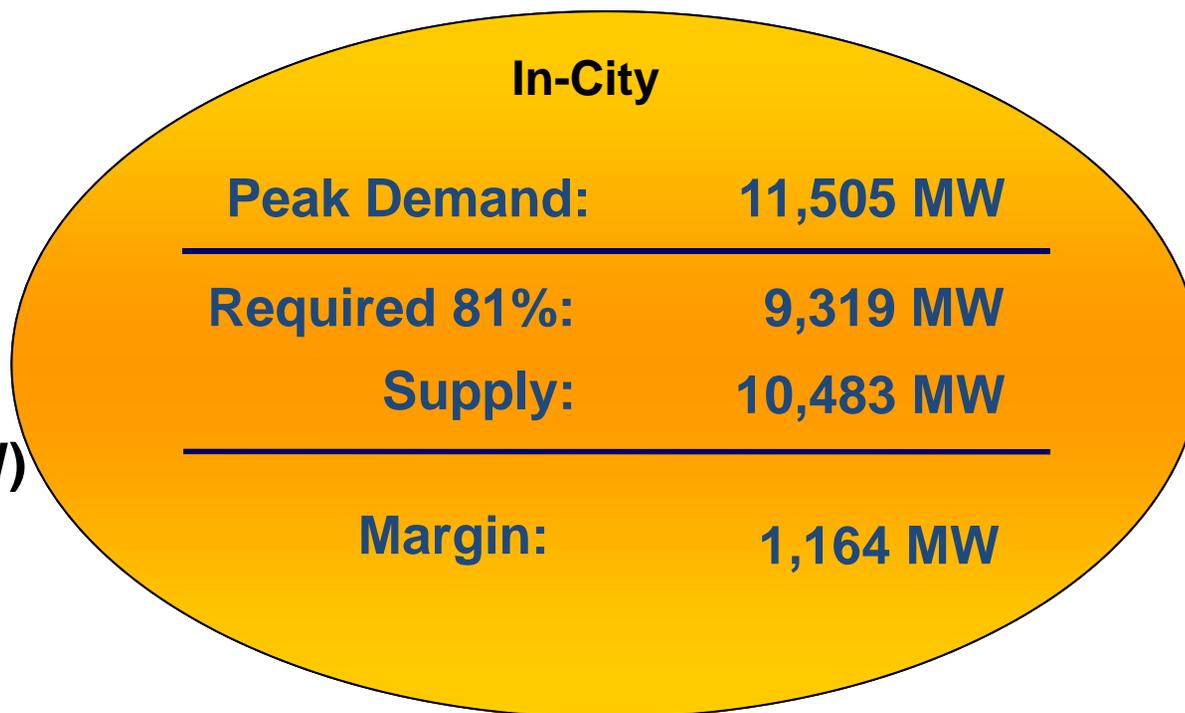


# Electric Supply and Demand Con Edison - Summer 2011

System Peak Demand  
**13,275 MW**

 **From Westchester  
(4,050 MW)**

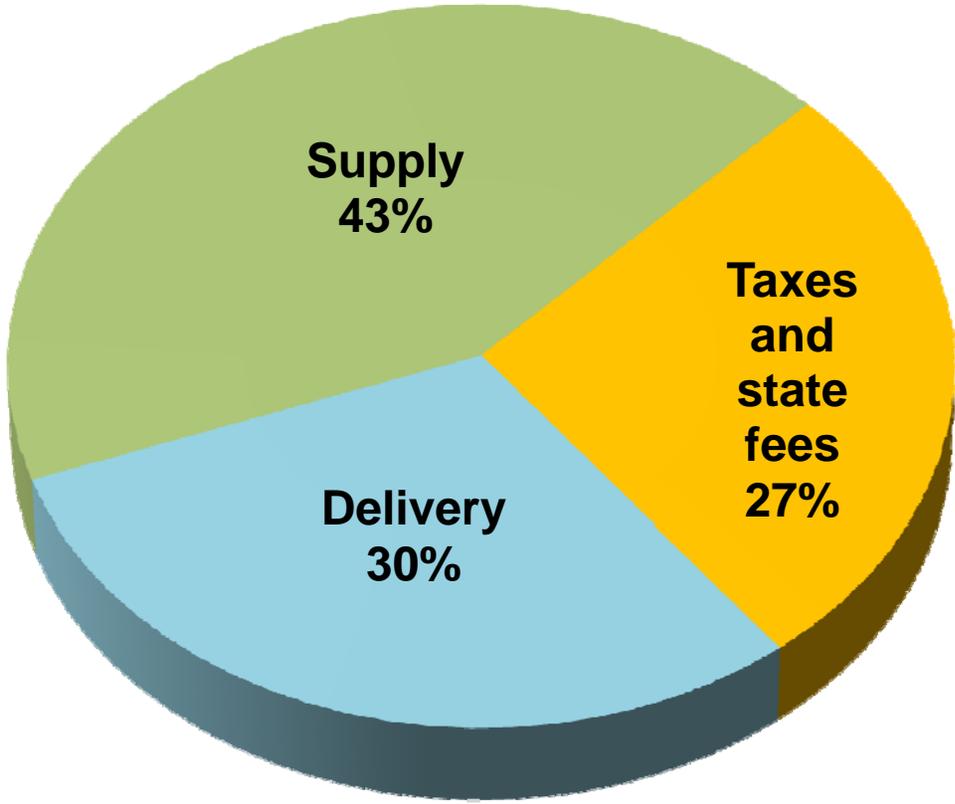
 **From NJ  
(1,000 MW)**



 **From LI  
(300 MW)**



**Con Edison of New York**  
Cost of Delivering Electricity





## 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)

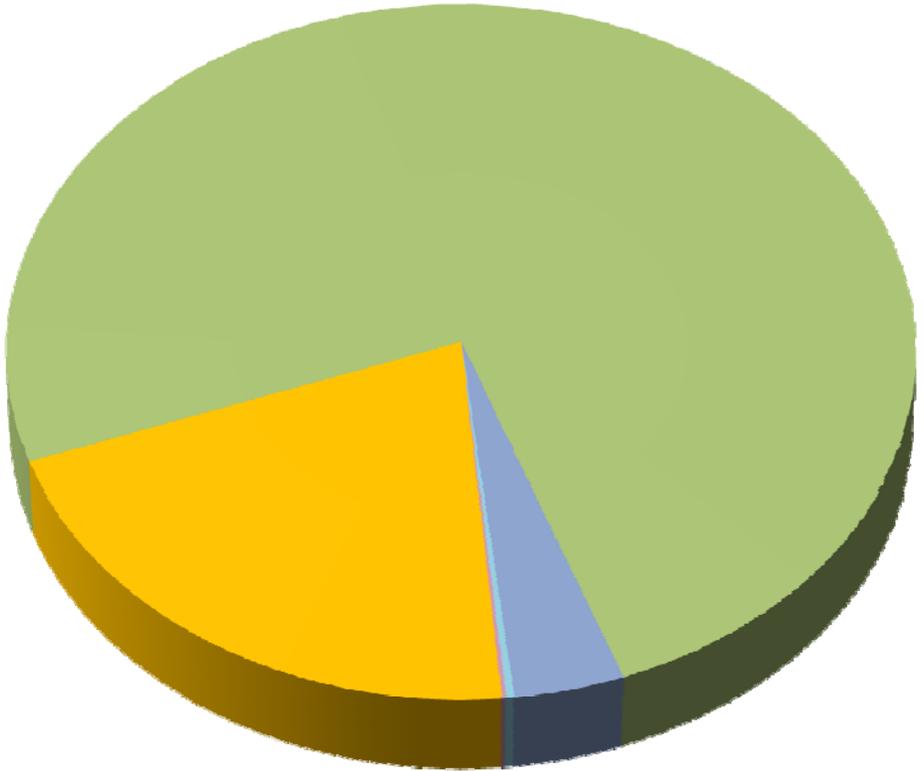
- Renewable energy: solar (>2 MW) focus
- Gas storage and pipeline assets
- Passive investments
  - LILOs
  - Low-income housing



# Competitive Business Mix

(for the twelve months ended December 31, 2010)

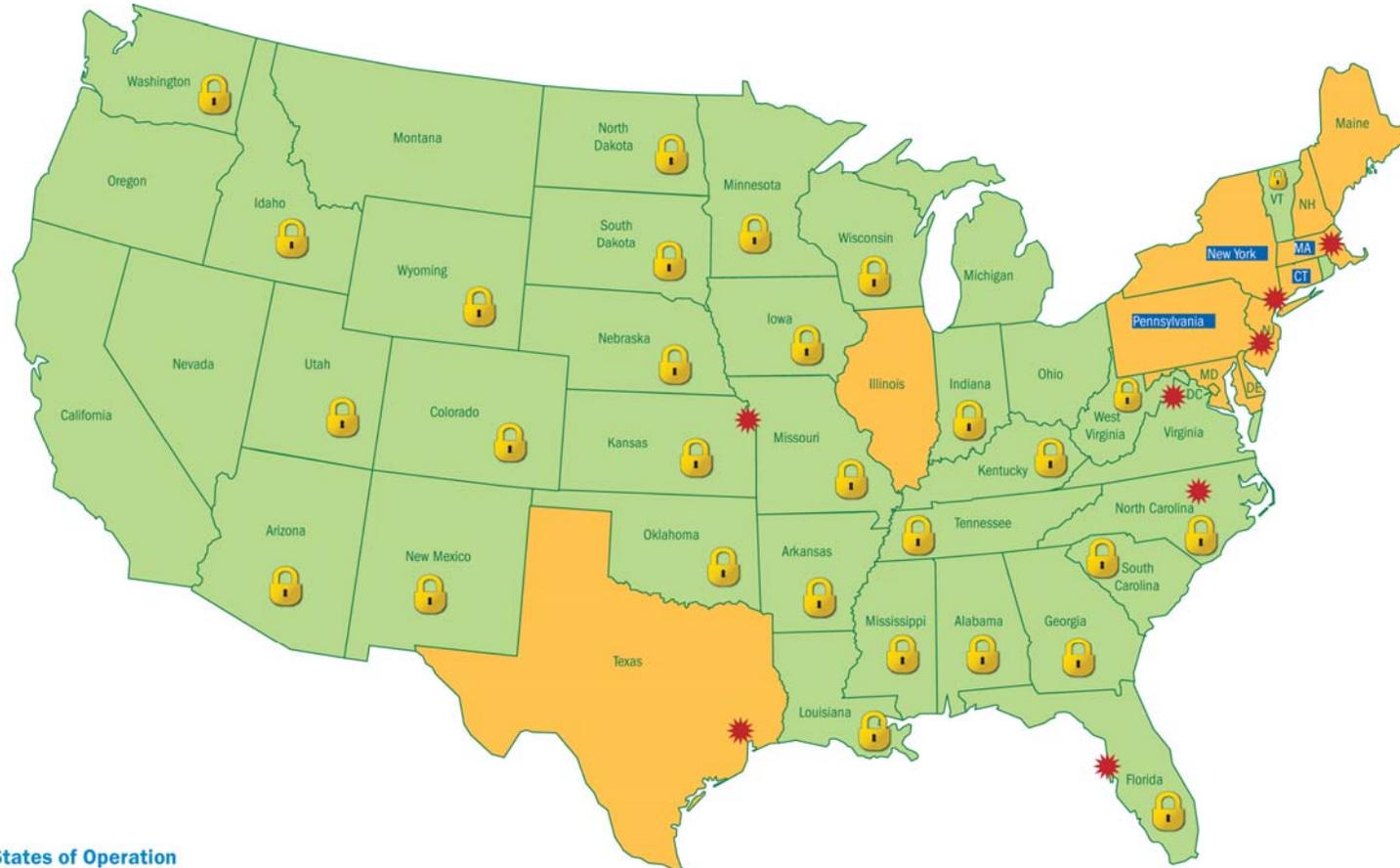
## Revenues



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



# Con Edison Solutions' Service Territory



### States of Operation

- C&I Electric Commodity:**  
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**

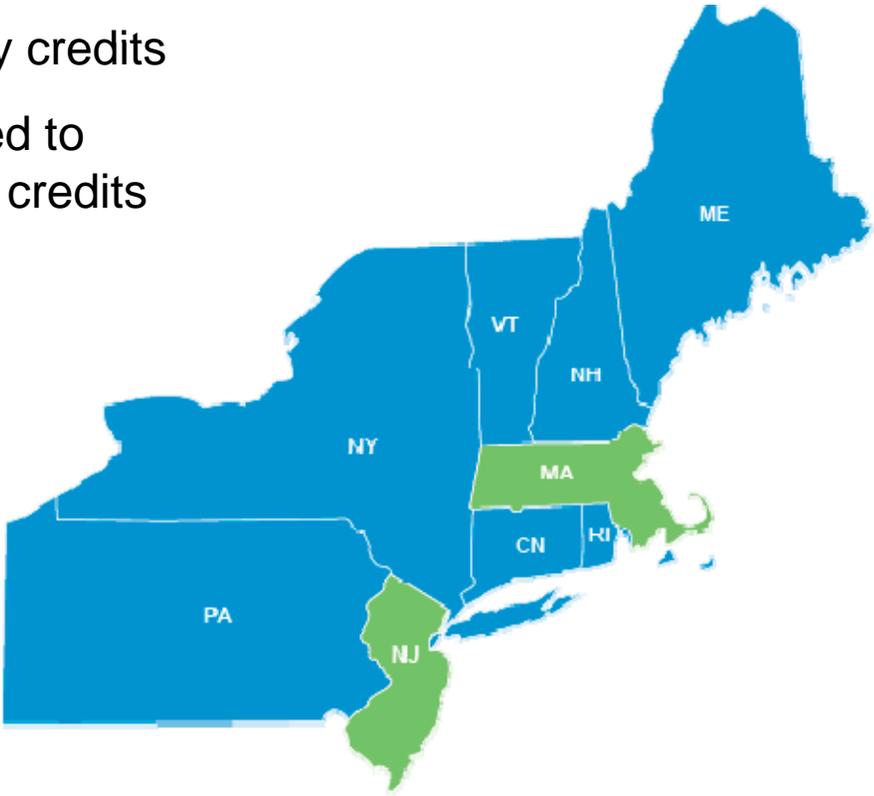
CES sold 15,993 million kWhs of electricity in 2010. At 12/31/10, it served 115,000 customers, not including approximately 165,000 served under two aggregation contracts.



# Competitive Businesses: Solar Initiatives

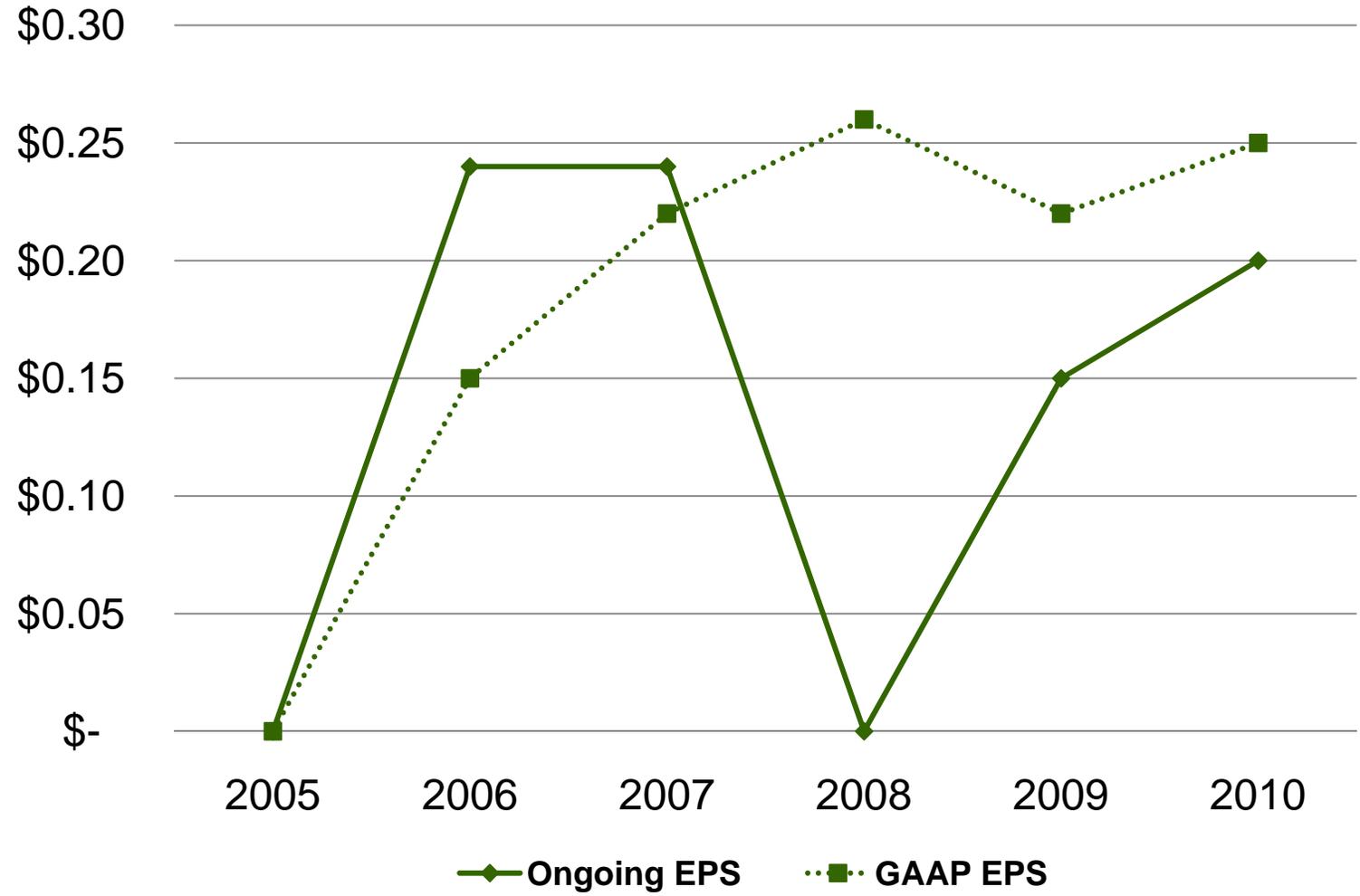
Focused on Northeast states with market for Renewable Energy Credits

- **New Jersey**
  - Market for renewable energy credits
  - Load serving entities required to purchase renewable energy credits
- **Massachusetts**
  - Less liquid than NJ
  - Sets floor on renewable energy credits





# Competitive Business Historical Financial Performance



Ongoing EPS excludes \$0.48 gain on the sale of CED's generating assets in 2008 and the MTM effects of \$0, \$(0.09), \$(0.02), \$(0.22), \$0.07, \$0.04 in 2005, 2006, 2007, 2008, 2009 and 2010, respectively.