

Con Edison, Inc.

***Solid, Steady,
Straightforward***

AGA Financial Forum
Scottsdale, AZ
May 8-9, 2006



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.

The Con Edison Story

Transmission
and distribution

Productive
regulatory
relationships

Understand
what customers
and shareholders
want

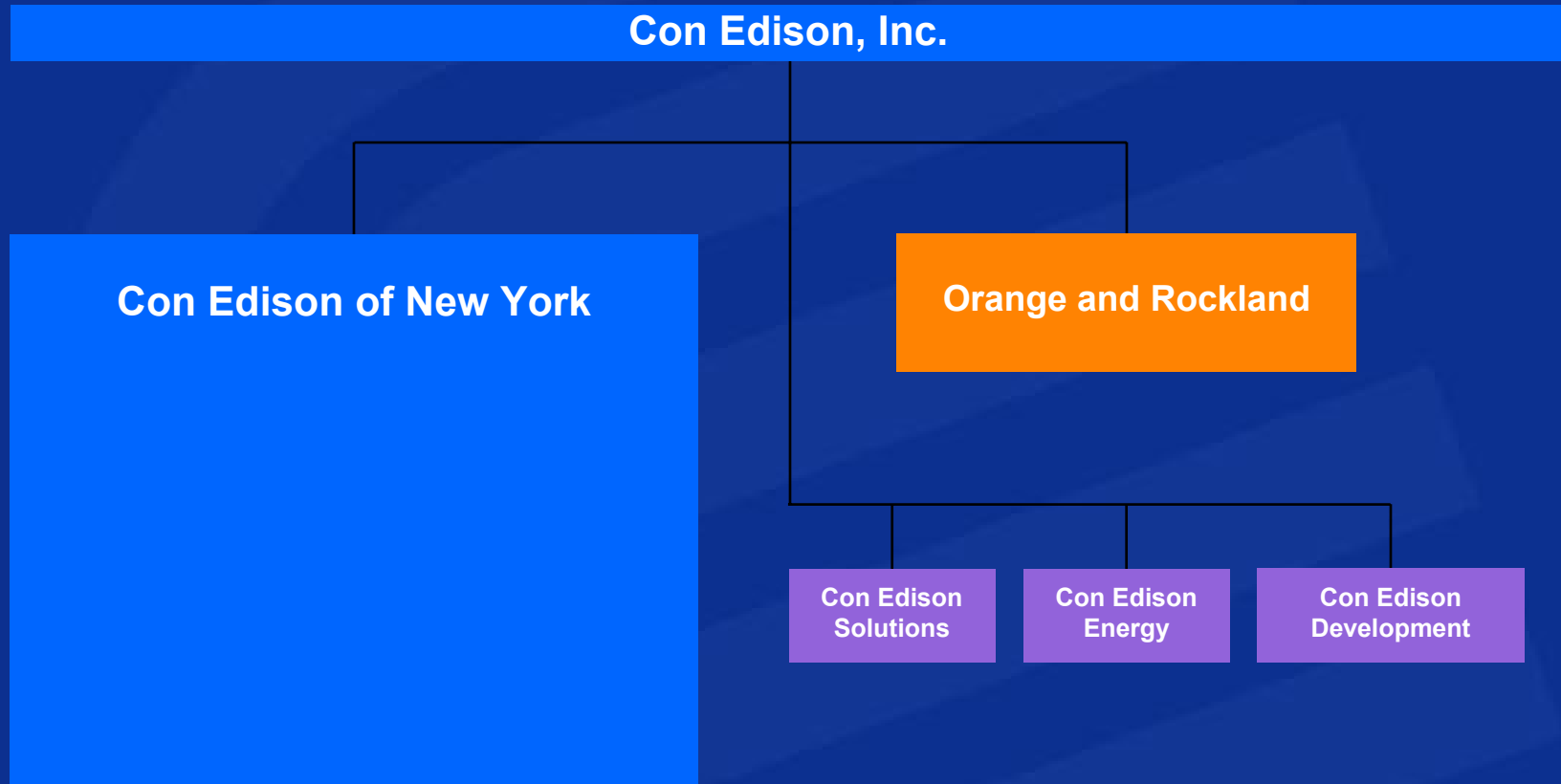
Technology

Strong
underlying
economy

Steady,
predictable
earnings

Balance sheet
stability

Solid, Steady, Straightforward



Con Edison of New York

Regulated Business Service Area

- 3.2 million electric customers
- 1.1 million gas customers
- 1,800 steam customers
- 690 MW of regulated generation
- 36,000 miles of overhead transmission and distribution lines
- 94,000 miles of underground transmission and distribution lines
- 4,300 miles of gas mains
- 105 miles of steam mains and lines



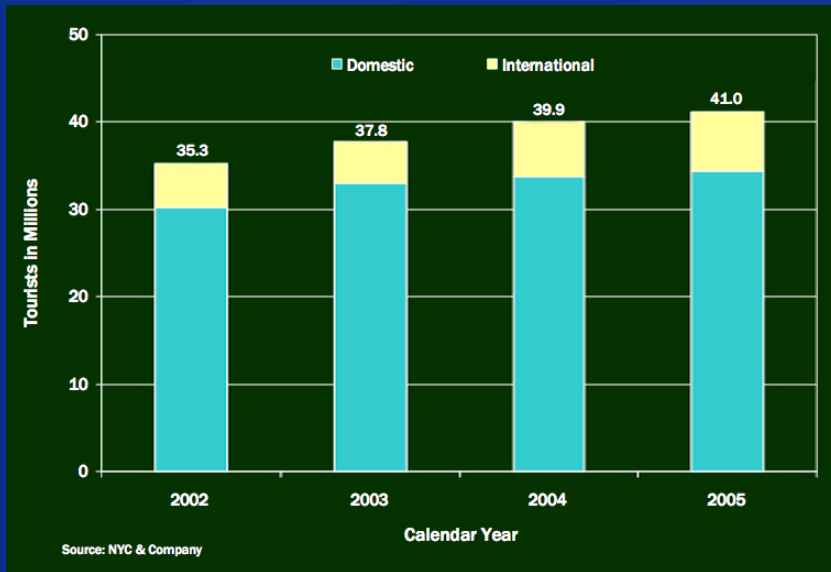
New York City Job Growth By Sector – 2005

Education and health services	13,300
Professional and business services	12,700
Financial services	10,300
Leisure and hospitality	6,700
Trade, transportation and utility	5,900
Other services	2,800
Information	2,700
Construction	1,100

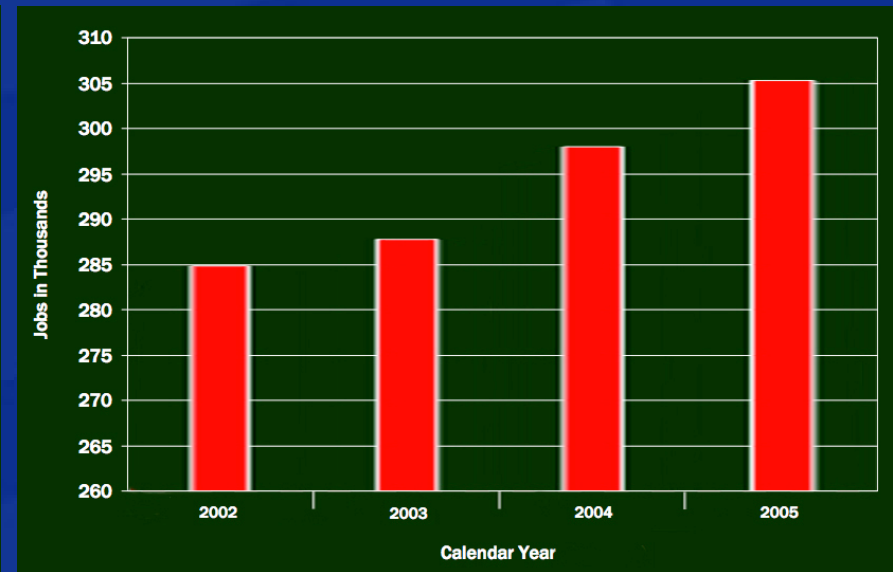
Con Edison of New York

New York City's Resilient Economy: Record Tourism

Tourists Are Visiting the City In Record Numbers



In 2005 Employment in the Tourism Market Reached Historic Heights

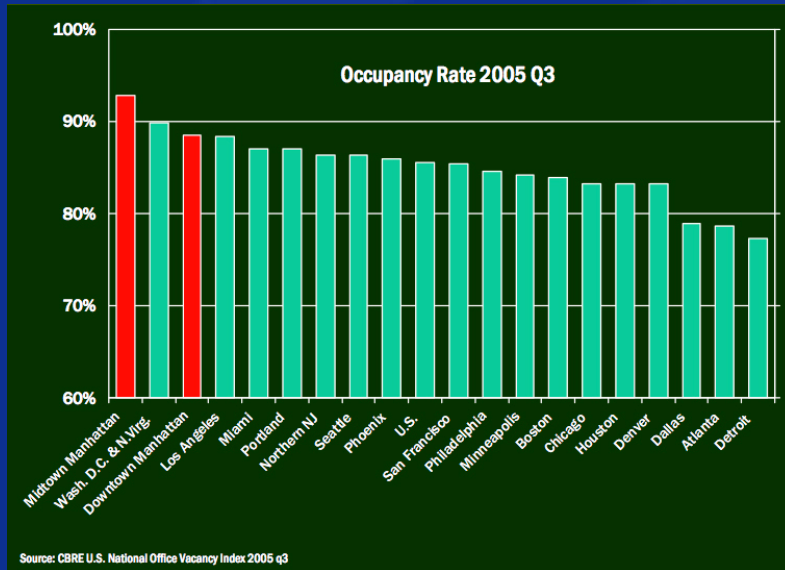


Source: The City of New York Financial Plan Summary for Fiscal Years 2006 – 2010
Office of Management and Budget

Con Edison of New York

New York City's Resilient Economy: Occupancy Rates

The Midtown Market Is the Most Sought-After in the Nation



Hotel Occupancy Rates and Average Room Rates Are at Record Levels

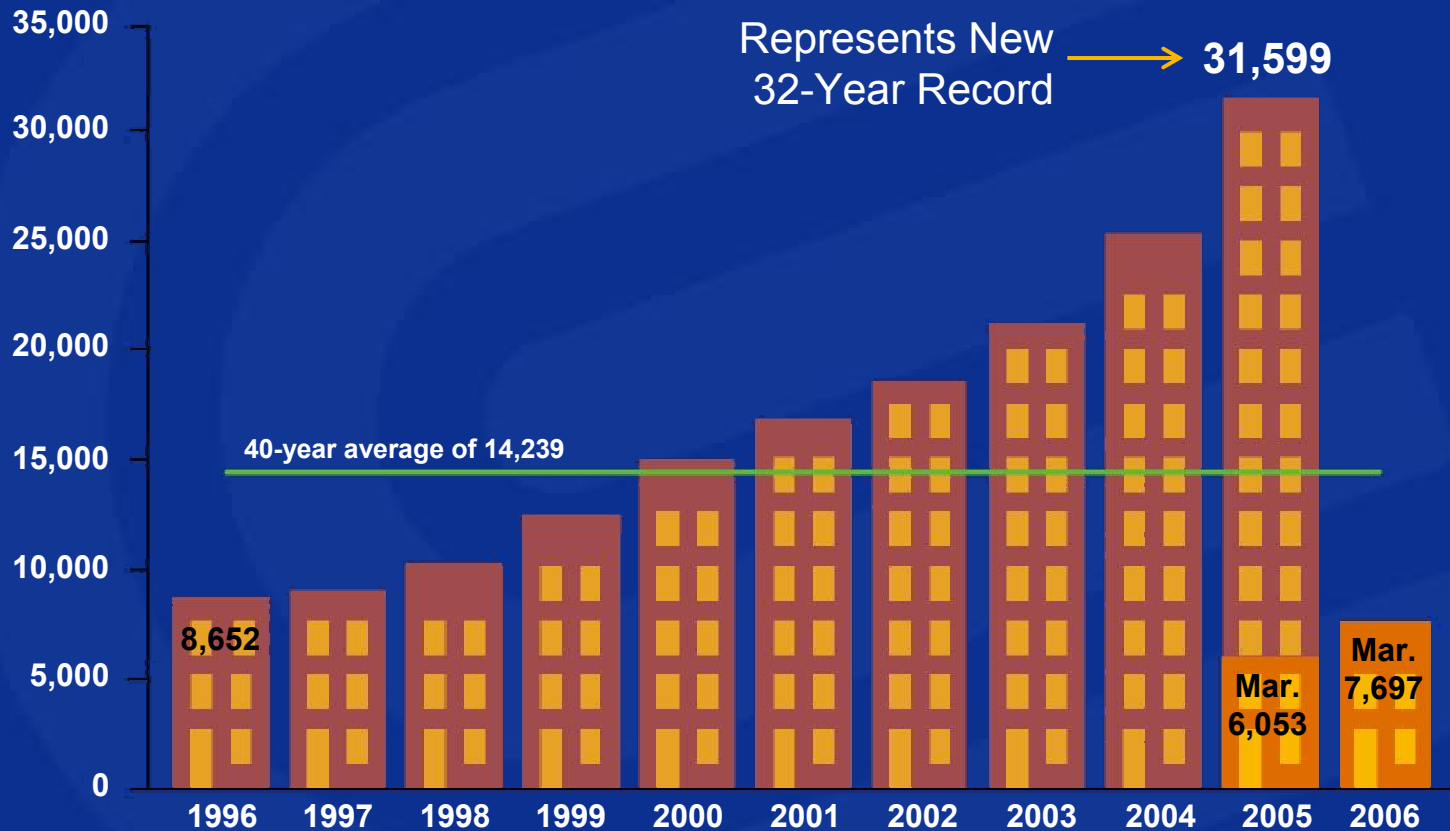


Source: The City of New York Financial Plan Summary for Fiscal Years 2006 – 2010
Office of Management and Budget

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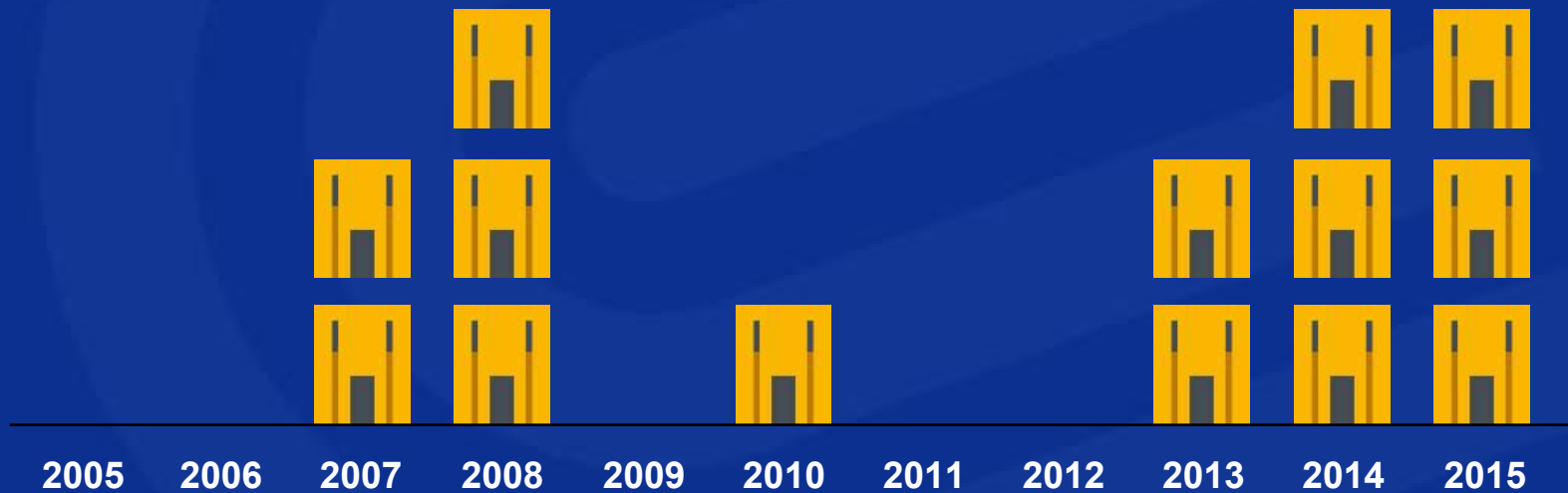
New York City Housing Permits

Number of New Dwelling Units



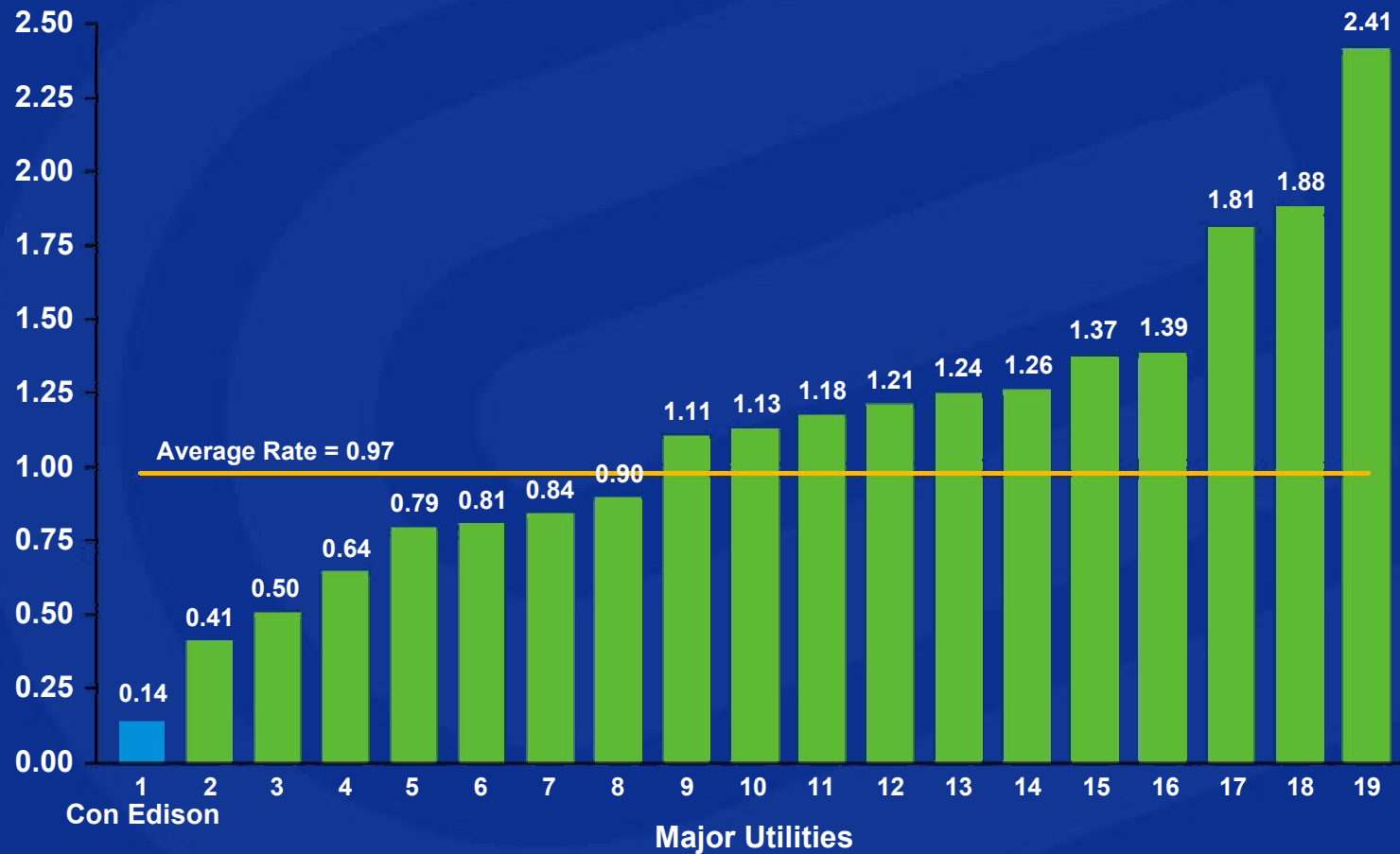
Con Edison of New York

Major Substation Construction Program 2005 – 2015



Con Edison of New York System Reliability

2005 Customer Interruption Rate



Source: Salt River Project – Large City Survey

Firm Gas Delivery Volumes Forecast

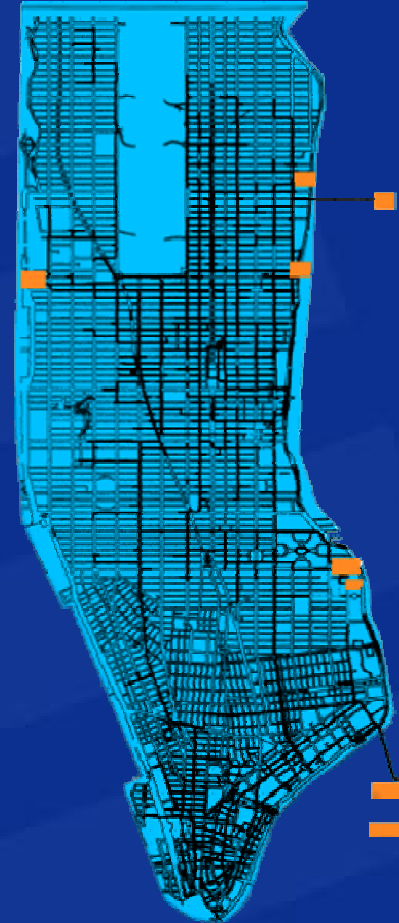


2002 – 2005 volumes are weather normalized

Con Edison of New York

Our Steam Business

- Started in 1882
- Largest district steam system in the world
- Delivers 27 billion pounds of steam annually
- 1,800 customers are south of 96th Street in Manhattan
- 105 miles of mains and lines



Con Edison of New York Steam Customers



Guggenheim Museum



SONY Building



**Empire State and
Chrysler Buildings**



The Corinthian

Con Edison of New York Steam Customers



NY Stock Exchange



Rockefeller Center



Time Warner Building



Grand Central Terminal

Con Edison of New York

East River Repowering Project

- Electric capacity – 601 MW capacity
- Steam capacity – 5.4 million lbs/hr
- Gas/oil fired



East River Repowering Project Interconnections

- **First Avenue Steam Tunnel**
 - 12.5 ft. drilled diameter, 10 ft. finished diameter
 - 4,019 ft. length
 - 36” steam main- 3.1 million lbs/hr
- Gas line – 20/24 inch main with 30,000 linear ft. of piping
- The city water main was 10,000 linear ft. of piping



Steam Business 2005 Accomplishments

- April – East River Repowering plant placed in service
- April – Waterside plant retired
- March/May – closed sale of First Avenue properties
 - Net proceeds of \$530 million
- November – filed a three-year rate plan effective October 2006
 - Proposed rate increase of \$59.2 million, or 8.4%
 - Smaller increases in years 2 and 3
 - ROE requested – 11.0%
 - Equity ratio requested – 49.08%
 - Proposed reconciliations
 - Pension and OPEB costs
 - Property taxes
 - Interference costs
 - Environmental remediation



Orange and Rockland Regulated Business Service Area

- 293,000 electric customers
- 125,000 gas customers
- 5,700 miles of transmission and distribution lines
- 1,820 miles of gas mains



Orange and Rockland

Summary of Gas Rate Plan Filing

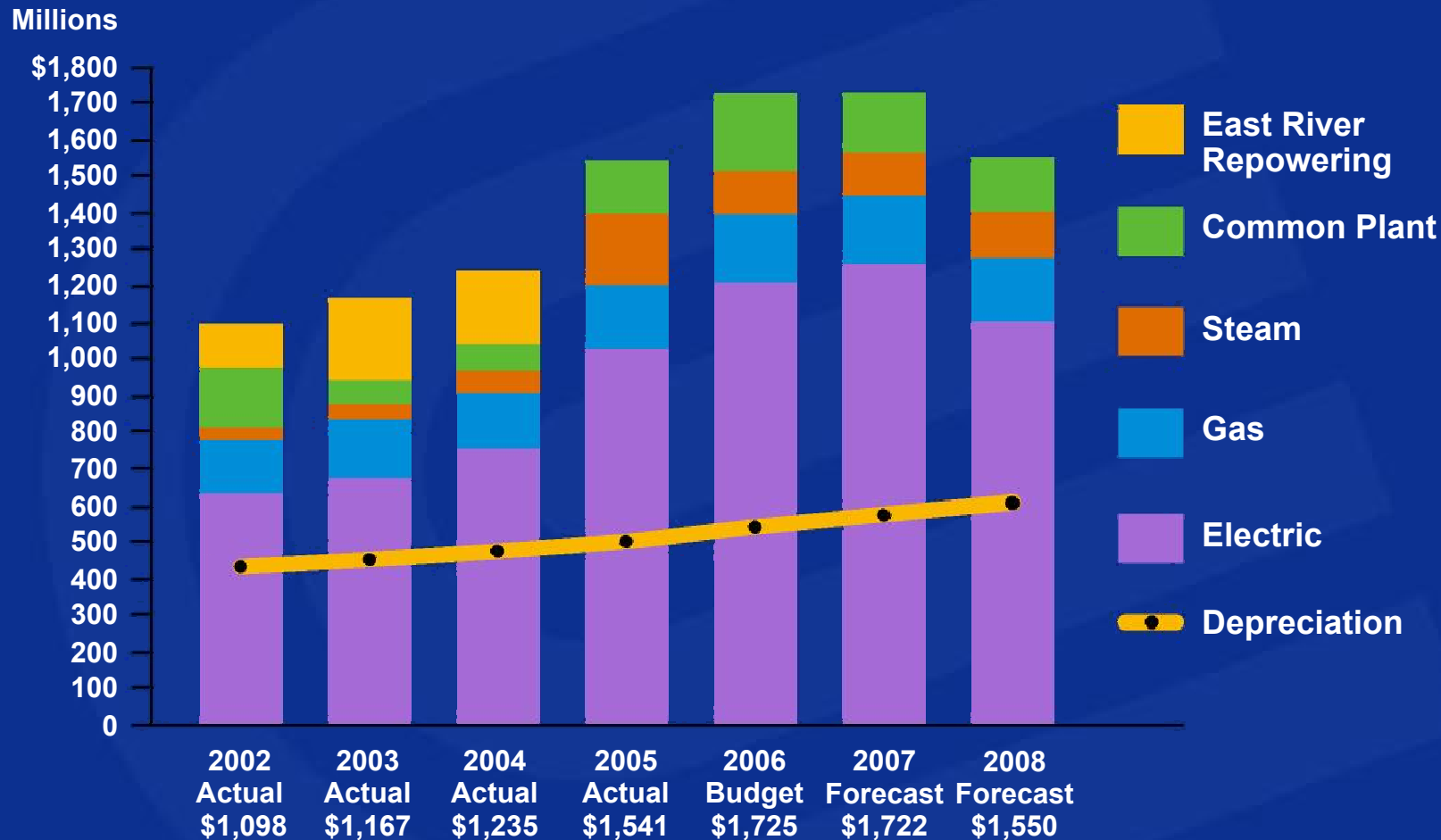
- Filed on November 28, 2005
- Three-year rate plan: November 2006 through October 2009
- Proposed rate increase of \$20.1 million, or 4.7%
- Smaller increases in years 2 and 3
- ROE requested – 11.0%
- Equity ratio requested – 48.9%
- Proposed reconciliations
 - Pension and OPEB costs
 - Property taxes
 - Interference costs
 - Environmental remediation



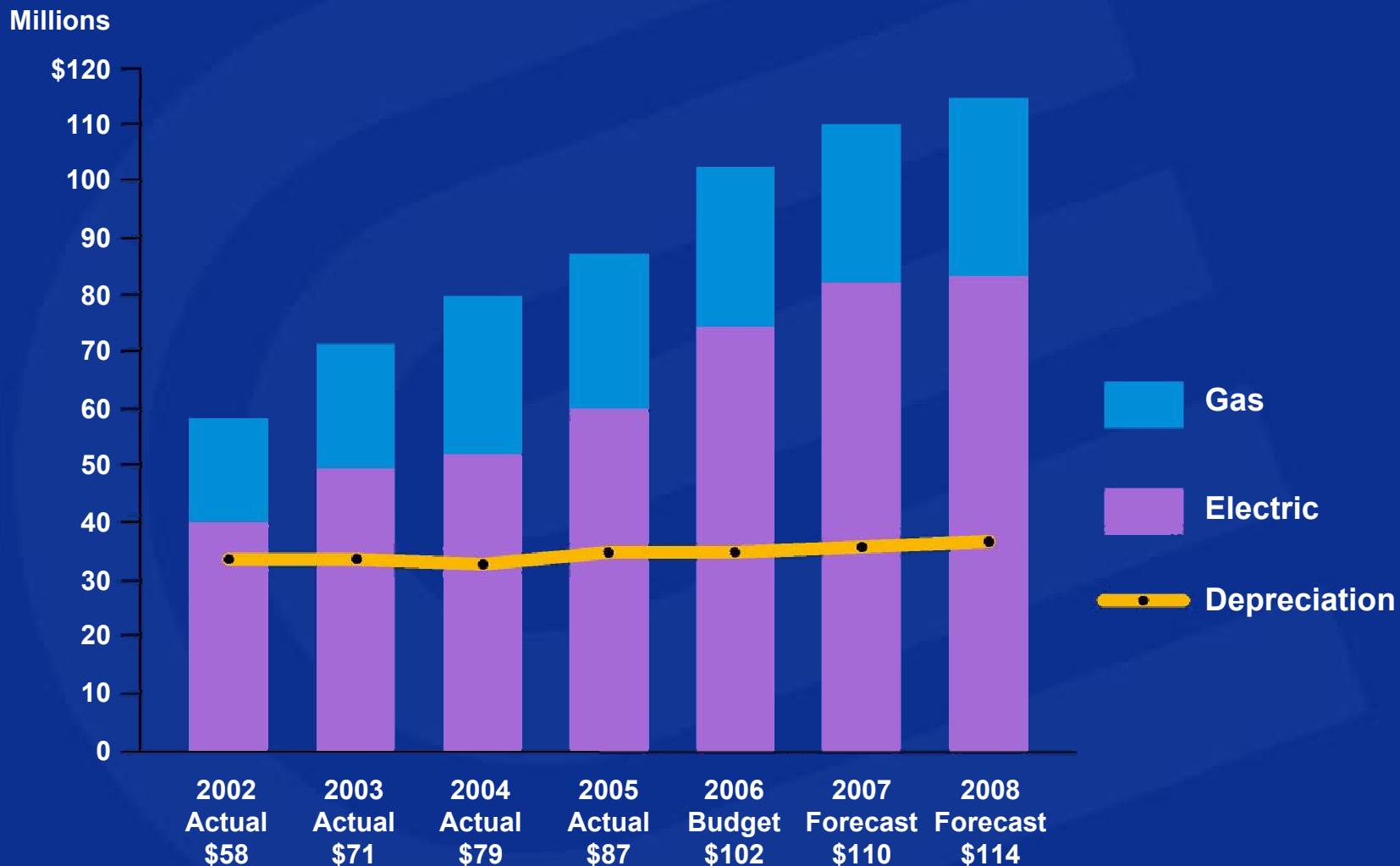
The Con Edison Financial Story

- **Solid track record in regulatory relations**
 - Recently concluded rate plans
 - Current recovery of all energy costs
 - Reconciliation of major uncontrollable costs
 - Gas weather normalization
- **Balance sheet stability**
- **Steady, predictable earnings**
- **Income growth consistent with conservative, low-risk business model**
- **Solid total return**

Con Edison of New York Infrastructure Investment



Orange and Rockland Infrastructure Investment



Growing Rate Base and Solid Balance Sheet

(as of March 31, 2006)

Rate Base (\$ millions)

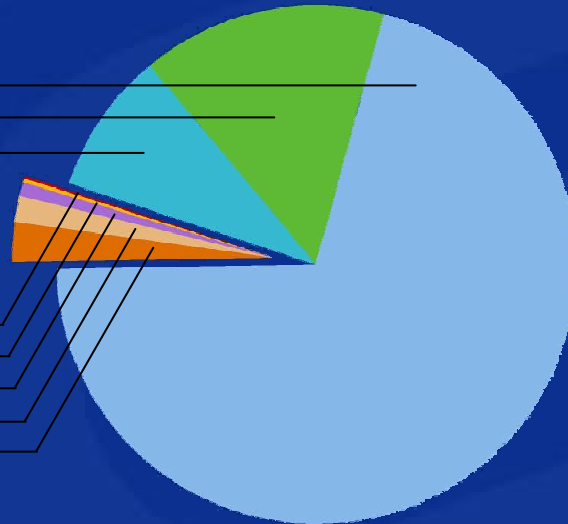
Con Edison of New York

Electric	\$ 9,700
Gas	\$ 2,120
Steam	\$ 1,238

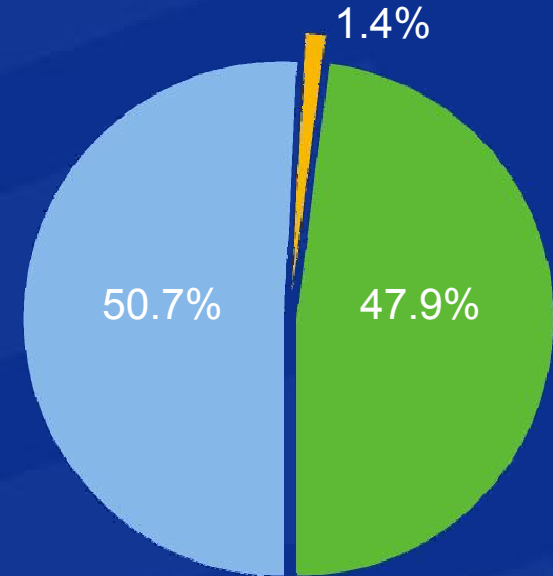
Orange and Rockland

Pike Gas	\$ 1
Pike Electric	\$ 9
Rockland Electric	\$ 130
O&R Gas	\$ 205
O&R Electric	\$ 366

Total Rate Base \$13,769



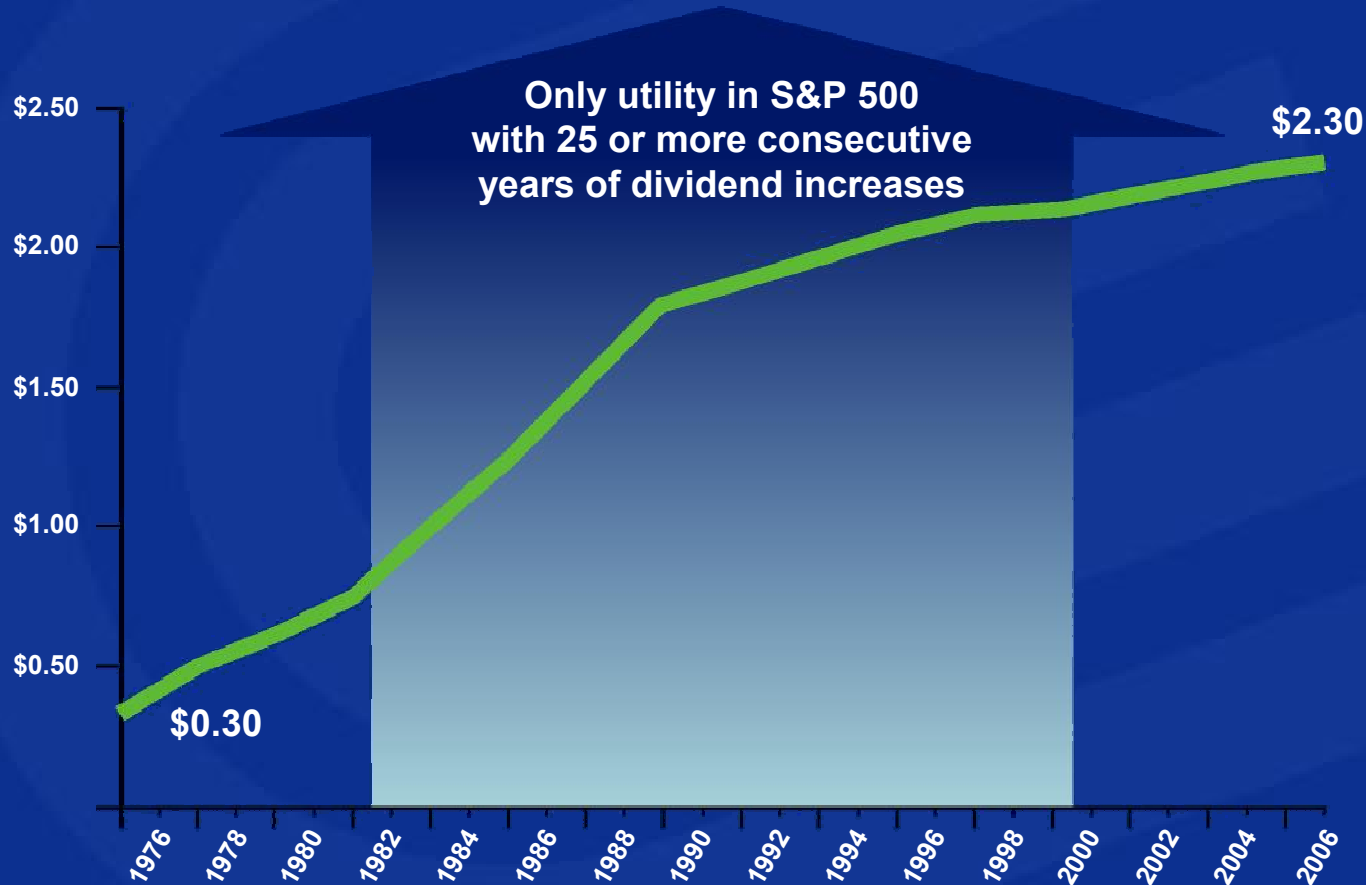
Cap Structure



- Long-Term Debt
- Preferred Stock
- Common Equity

A Compelling Dividend Record: 32 Consecutive Years of Dividend Increases

Annualized Dividend 1975 - 2006



Total Average Annual Return to Shareholders

Period Ended March 31, 2006 (%)



Source: Bloomberg

Con Edison's Investment Thesis

- Low-risk T&D model
- Strong balance sheet
- Solid credit rating
- Deep management
- Superior dividend track record



conEdison, inc.

Appendix

Summary of Rate Plans

	Effective Period	Rate Base *	Rate Increases	Amortization of Credits	Other Increases	ROE Sharing Threshold	Earnings Sharing Terms (Shareholders/Customers)
Con Edison of New York							
Electric	Apr. 2005 – Mar. 2008	Yr. 1 – \$9.3 b Yr. 2 – \$9.6 b Yr. 3 – \$10.3 b	Yr. 1 – \$104.6 m Yr. 2 – None Yr. 3 – \$220.4 m	Yr. 1 – \$128 m Yr. 2 – \$173 m Yr. 3 – \$249 m	\$60 m of annual TCC revenues	11.40%	11.4% – 13% – 50/50 >13% – 25/75
Gas	Oct. 2004 – Sept. 2007	Yr. 1 – \$2.0 b Yr. 2 – \$2.1 b Yr. 3 – \$2.2 b	Yr. 1 – \$46.8 m Yr. 2 – None Yr. 3 – None	\$41 m over 3 yrs	\$35 m of annual non-firm revenues	11.75%	50/50
Steam	Oct. 2004 – Sept. 2006	Yr. 1 – \$600 m Yr. 2 – \$623 m	Yr. 1 – \$49.6 m Yr. 2 – \$27.4 m	(\$3 m) over 2 yrs	ERRP carrying costs	11.75%	50/50
Orange and Rockland							
Electric	Jul. 2003 – Oct. 2006	Yr. 1 – \$387 m Yr. 2 – \$406 m	None	(\$11 m) over 3 yrs		12.75%	50/50
Gas	Nov. 2003 – Oct. 2006	Yr. 1 – \$200 m Yr. 2 – \$200 m	Yr. 1 – \$9.3 m Yr. 2 – \$9.3 m Yr. 3 – \$5.0 m	\$2 m over 3 yrs		11.00%	50/50

* Under Con Edison of New York's electric rate plan, the company will be allowed to accrue a full return on increases in net electric T&D plant above the levels reflected in rates. It is anticipated that rate base additions will be approximately \$200 million annually, \$600 million cumulatively.

Growing Earnings Through Infrastructure Investment – An Illustration

- **We spend \$1.8 billion each year in cap ex**
- **One-third, or nearly \$600 million, is funded through depreciation**
- **The balance of \$1.2 billion is funded 50/50 with debt/equity**
- **About one-third of the equity funding requirement is met with retained earnings**
- **Earnings on the total equity investment at 10% would be approximately \$60 million**