

Con Edison, Inc.

*Long tradition
Solid performance*

Argus Vision 2007 Conference
New York, NY
November 13, 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.

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www.conEdison.com

The Con Edison Story

**Transmission
and distribution**

**Constructive
regulatory
relationships**

**Understand
what customers
and shareholders
want**

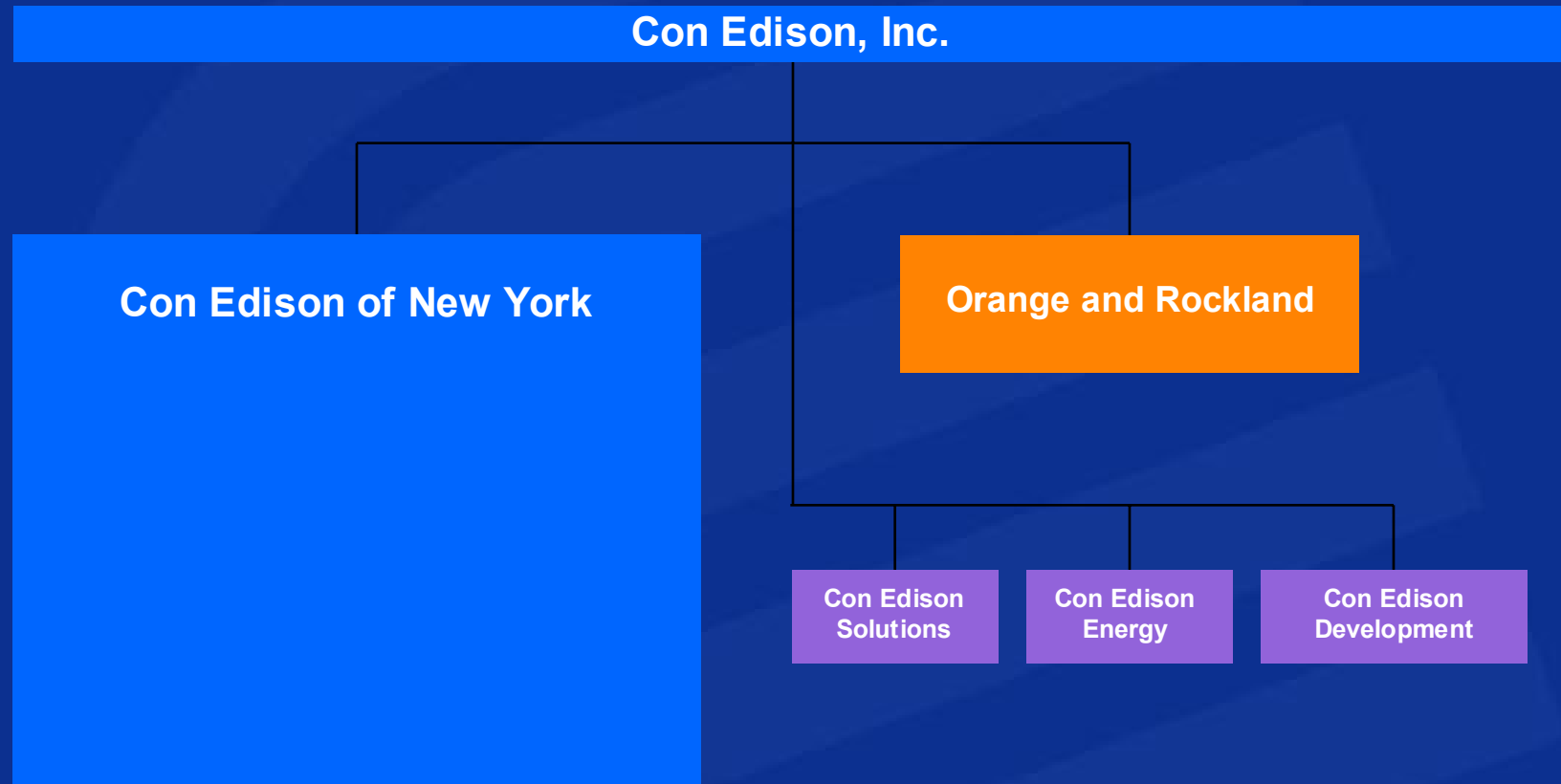
Technology

**Strong
underlying
economy**

**Steady,
predictable
earnings**

**Balance sheet
stability**

Long Tradition, Solid Performance

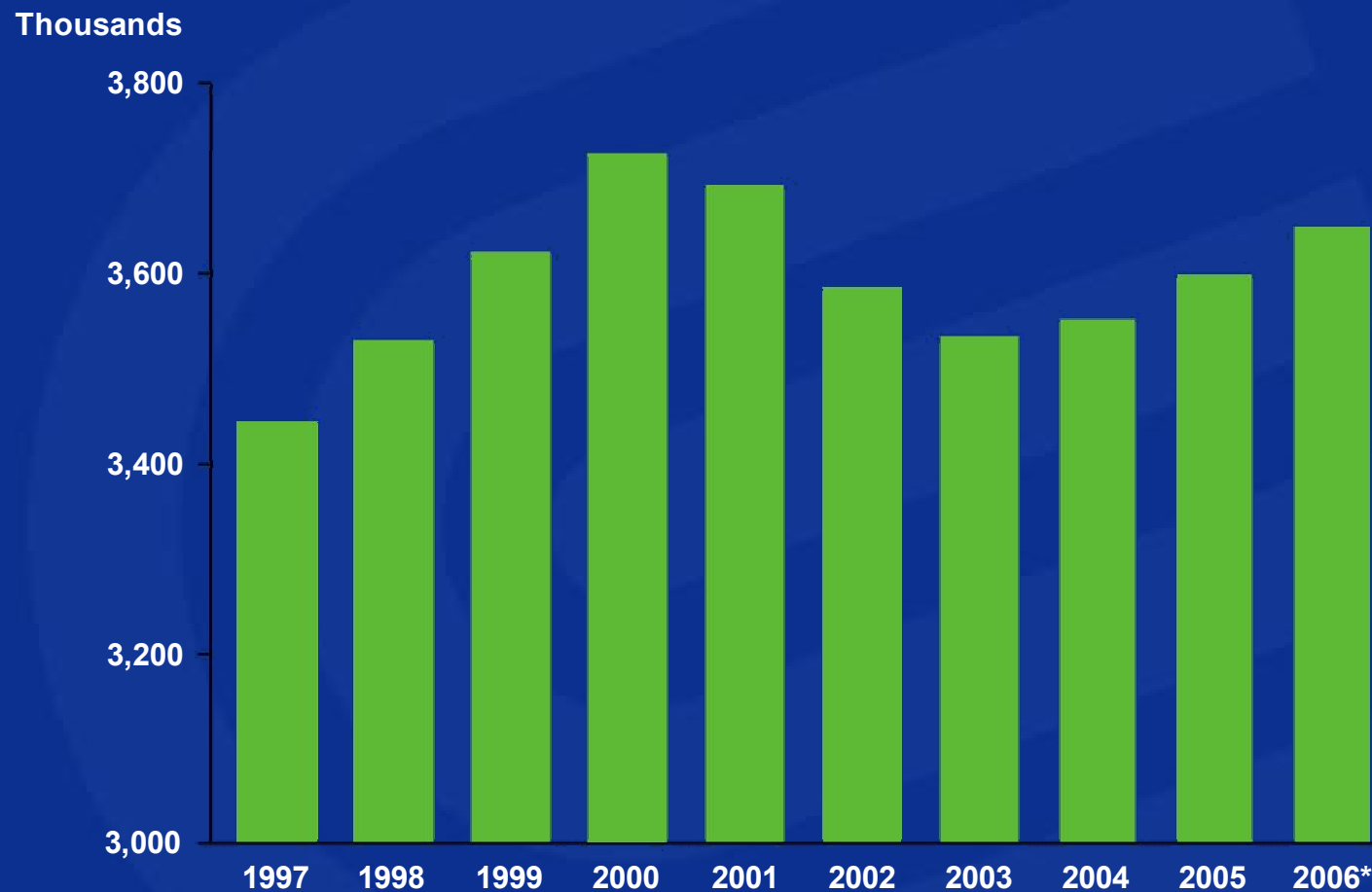


Con Edison of New York Regulated Business Service Area

- 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



Con Edison of New York New York City Employment



Source: New York Labor Department

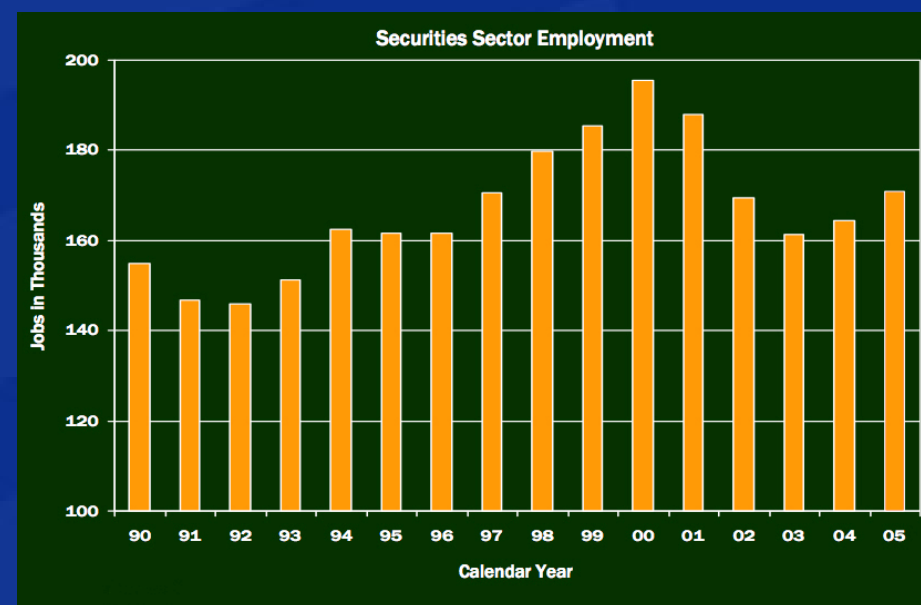
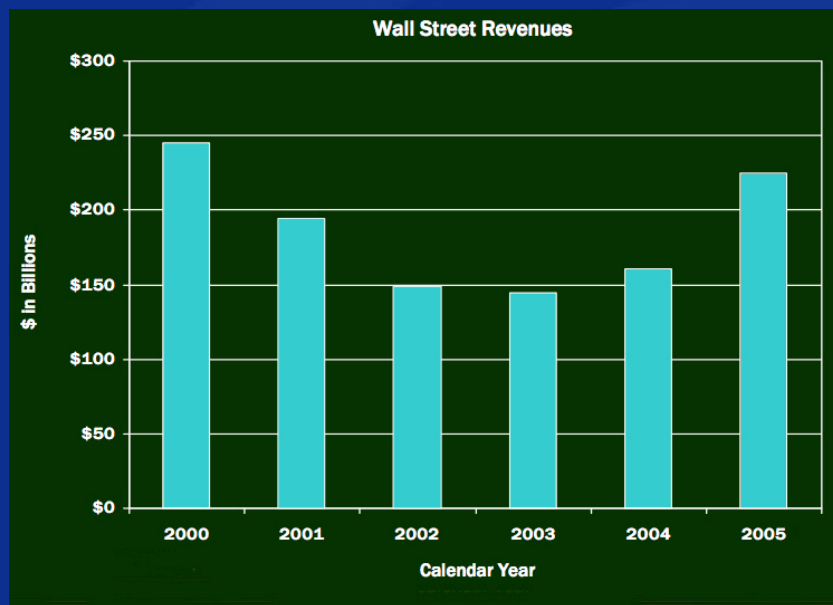
* Estimate

Con Edison of New York

New York City's Resilient Economy: Wall Street

Wall Street Revenues Have
Rebounded to Pre-9/11 Levels...

...Lifting Employment

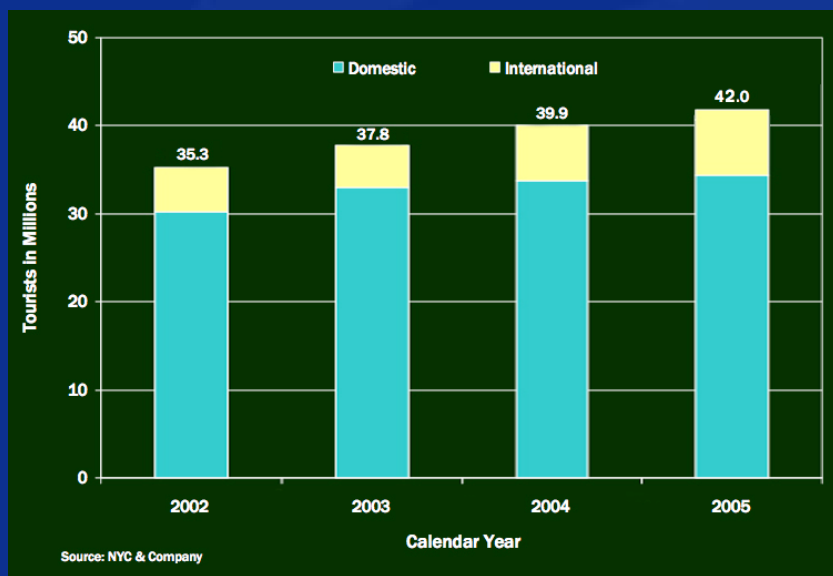


Source: The City of New York Financial Plan Summary for Fiscal Years 2006 – 2010
Office of Management and Budget

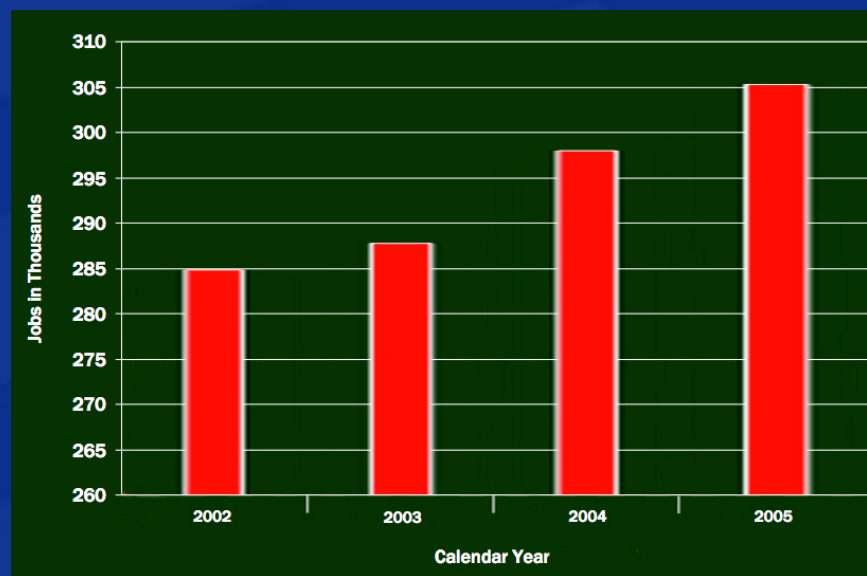
Con Edison of New York

New York City's Resilient Economy: Record Tourism

Tourists Are Visiting the City In Record Numbers



In 2005 Employment in the Tourism Market Reached Historic Heights

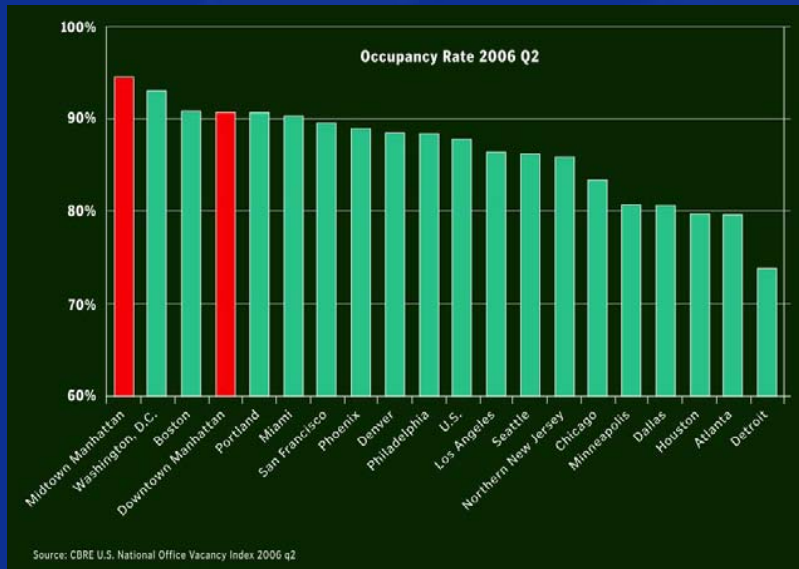


Source: The City of New York Financial Plan Summary for Fiscal Years 2006 – 2010
Office of Management and Budget

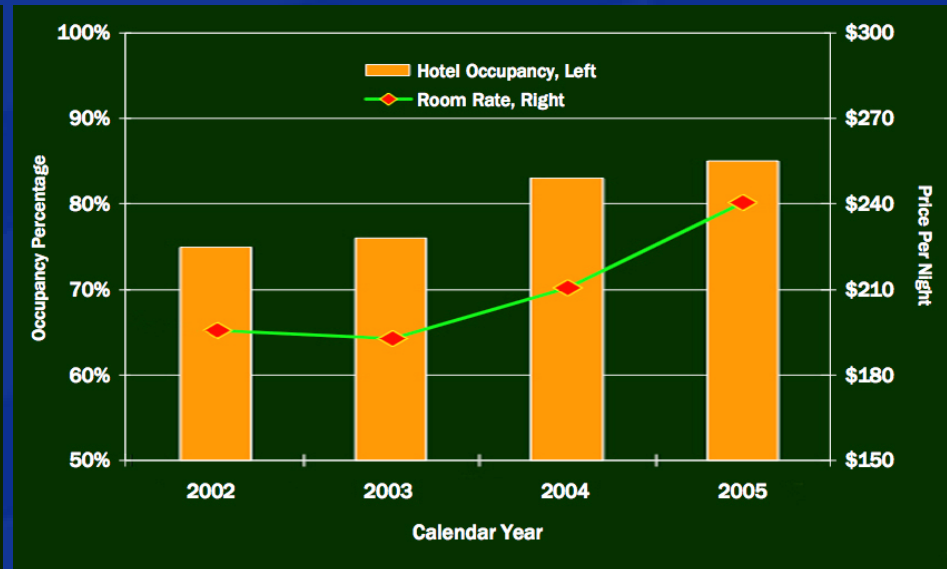
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New York City's Resilient Economy: Occupancy Rates

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



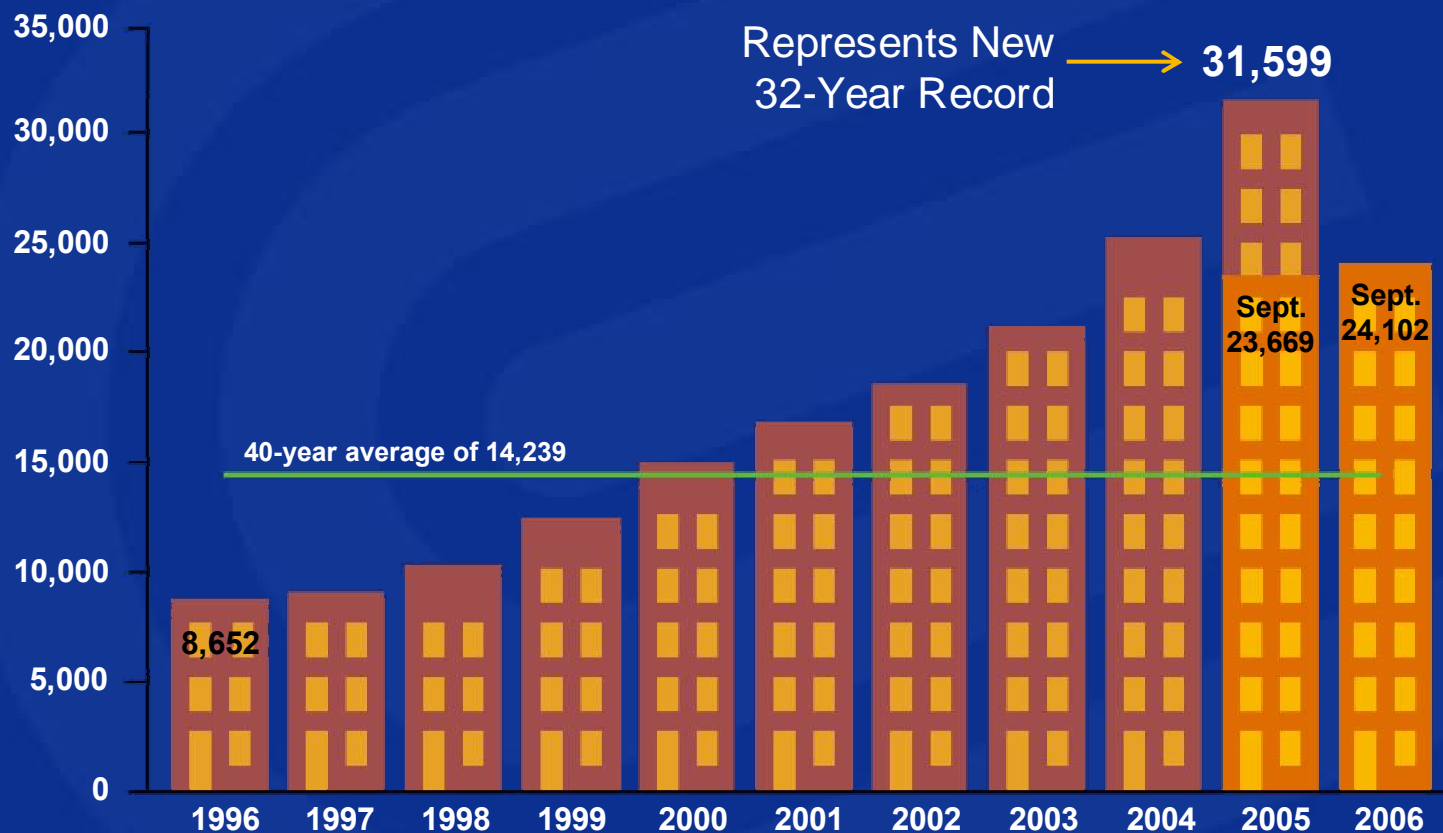
Hotel Occupancy Rates and Average Room Rates Are at Record Levels



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

Con Edison of New York New York City Housing Permits

Number of New Dwelling Units



Con Edison of New York

Growth in Electric Peak Usage 2005 – 2010

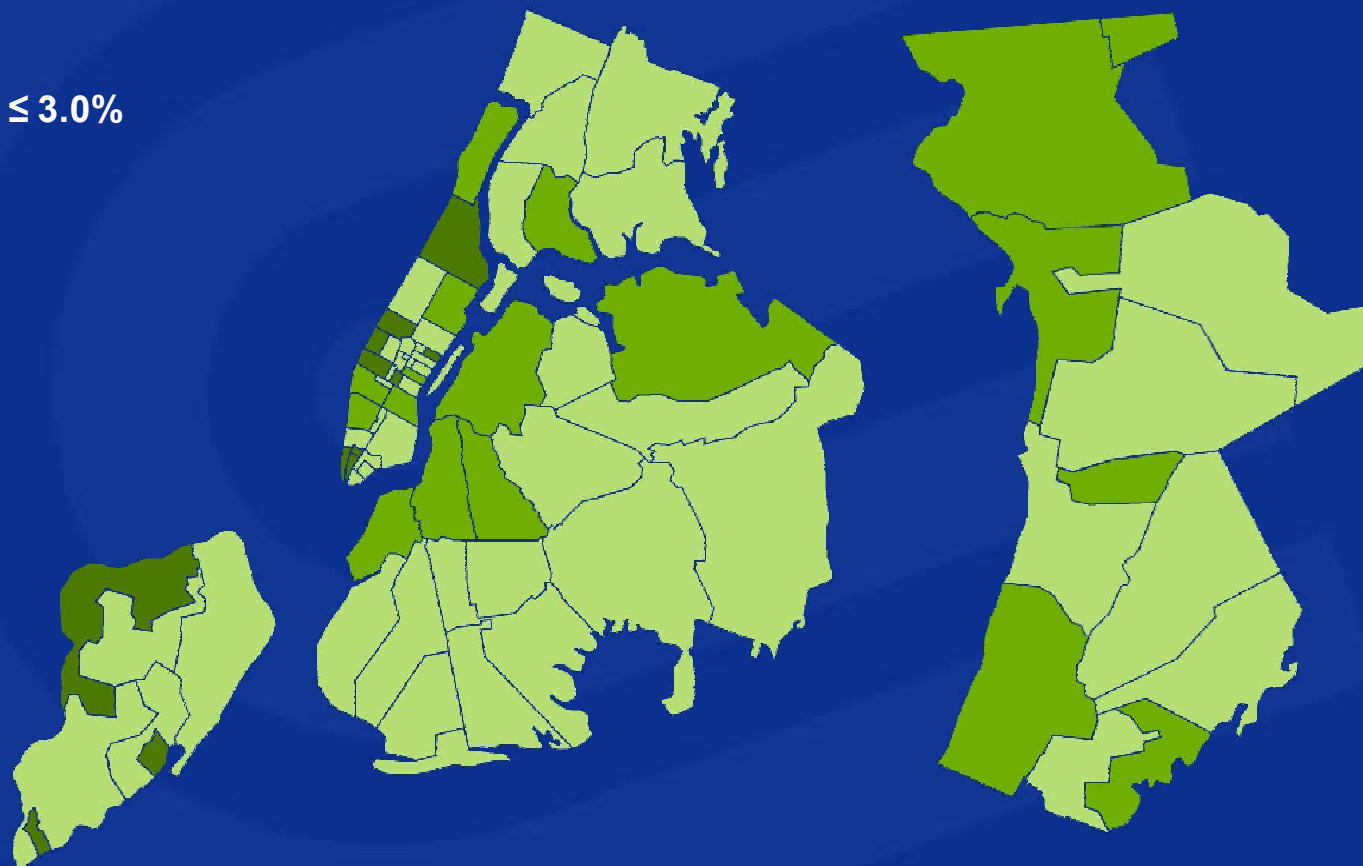
Five-Year Compounded Annual Growth

Compounded Growth Rate

- > 3.0%
- > 1.5% and ≤ 3.0%
- ≤ 1.5%

New York City

Westchester



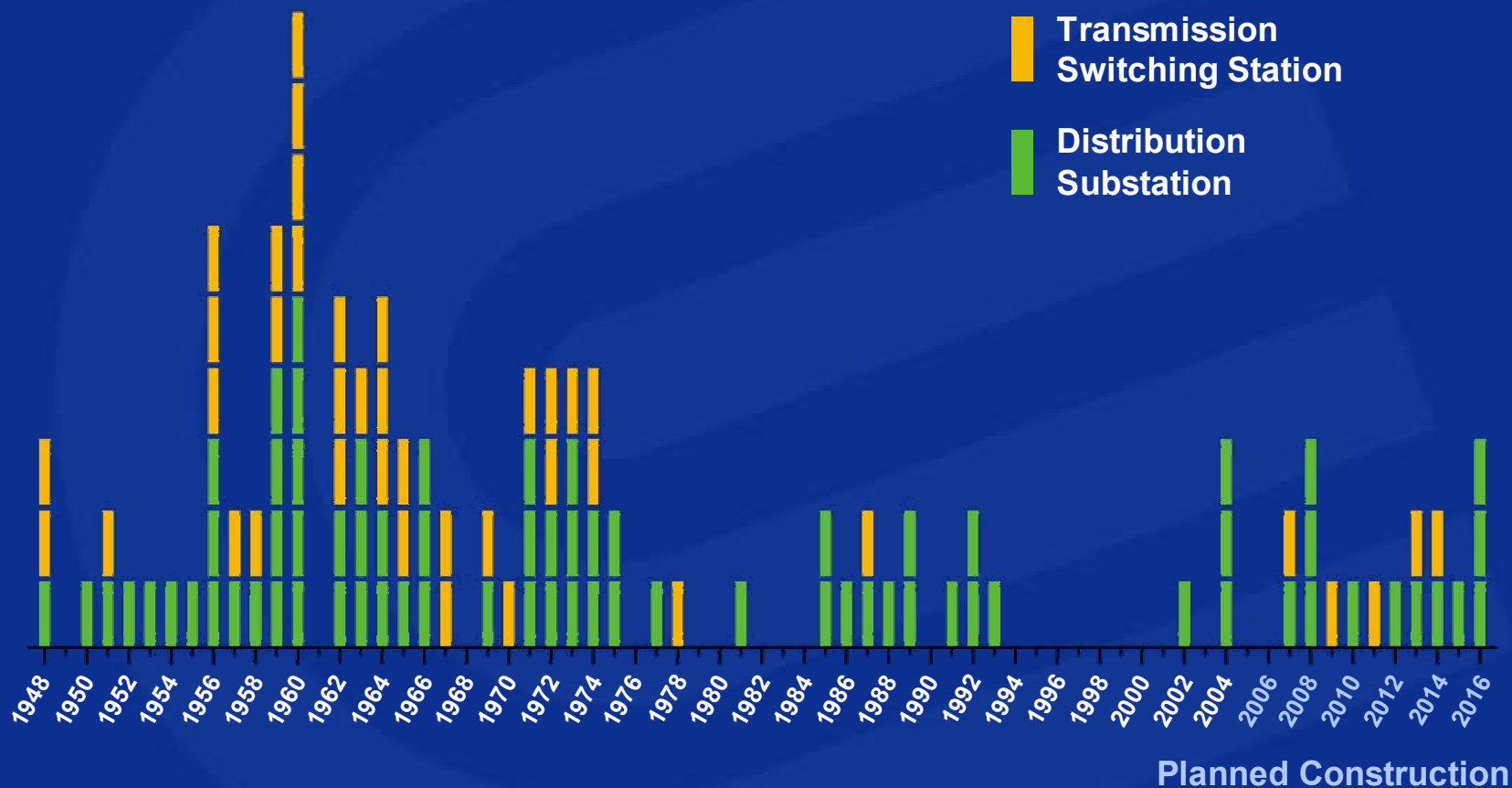
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New Development is Helping to Spur 1.5% Annual Growth in Electric Peak Usage



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Major Substation Construction Program 1948 – 2016

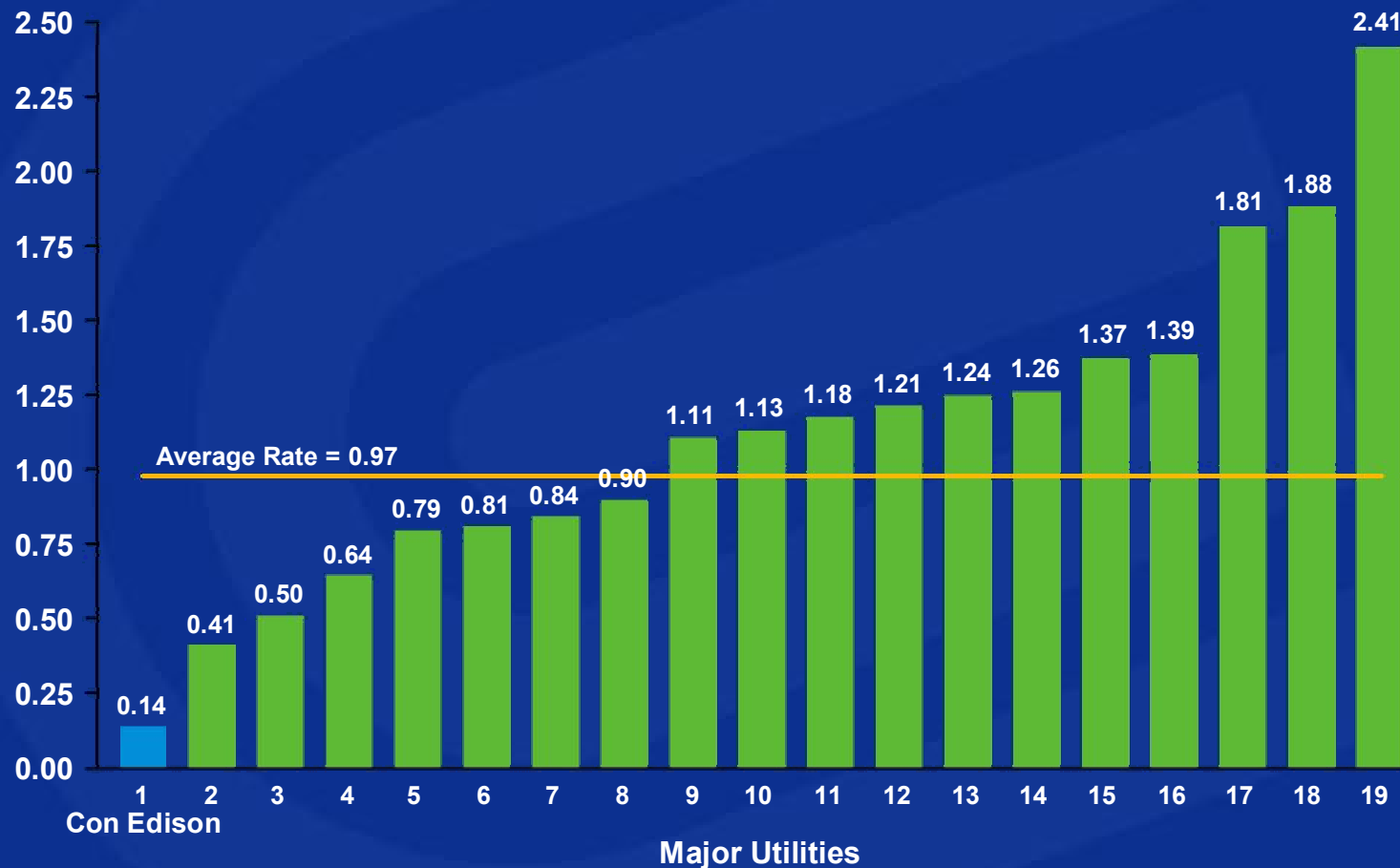


M29 Transmission Line Project

- 9.5-mile, 345 kV line connecting Westchester with upper Manhattan
- Will add 300 MW to New York City's import capability
 - Improve the system's reliability
 - Allow increased delivery of lower-cost power to customers
- Will serve portions of Bronx and upper Manhattan
- Expect to begin construction in 2007 and go in service by 2009
- The project is pending regulatory approvals

Con Edison of New York Unparalleled Reliability

2005 Customer Interruption Rate



Source: Salt River Project – Large City Survey

Con Edison of New York

Firm Gas Delivery Volumes Forecast



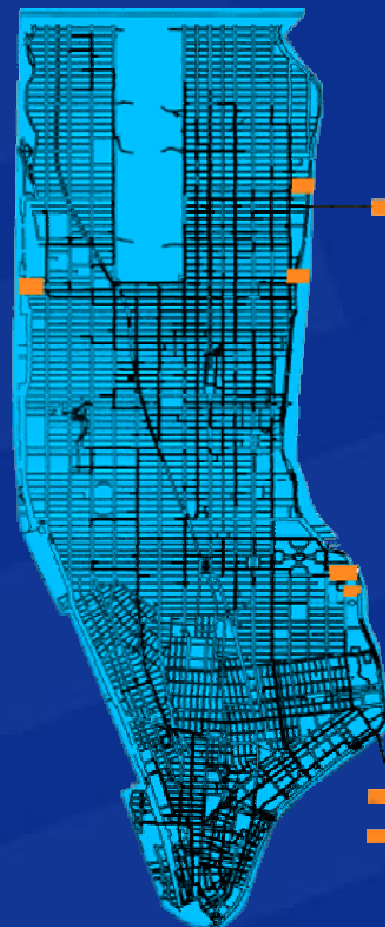
2002 – 2005 volumes are weather normalized

Summary of Gas Rate Case Filing — filed 11/2/2006

- Three year rate plan: October 1, 2007 – September 30, 2010
- Proposed rate increase
 - RY1 - \$196.7 million
 - RY2 - \$ 39.0 million
 - RY3 - \$ 49.1 million
- ROE requested – 11.6%
- Equity ratio requested – 48.33%
- Full recovery of fuel costs
- Continue existing reconciliations
 - Pension and OPEB costs
 - Property taxes, environmental, WTC and interference
- Projected average rate base at RY1 - \$2.5 Billion

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



Millennium Broadway Hotel

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

New Development is Helping to Spur 2.7% Annual Growth in Electric Peak Usage



Brigadoon housing development in Highland Mills, Orange County

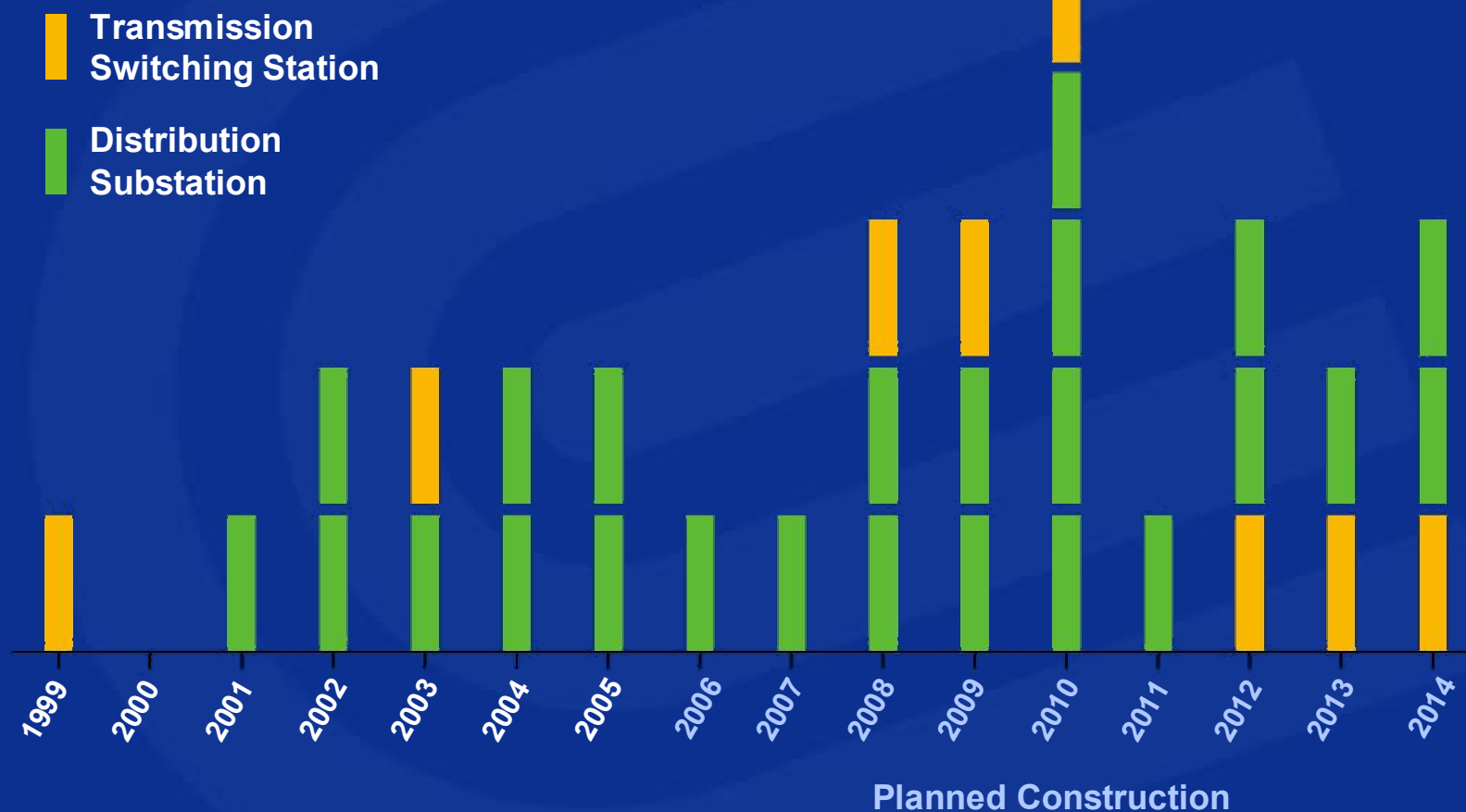


Harbors at Haverstraw
development in
Rockland County



Orange and Rockland

Major Substation Construction Program 1999 – 2014



Orange and Rockland

Building Substations to Meet Growing Demand



Chester Substation, Chester, NY



Orangeburg Substation, Orangeburg, NY



Darlington Substation, Ramsey, NJ

Orange and Rockland

Summary of Rockland Electric Rate Case Filing

- Filed on June 30, 2006 with New Jersey BPU
- One-year rate plan: April 2007 through March 2008
- Proposed rate increase of \$13.2 million, or 7.5%
- ROE requested – 11.0%
- Equity ratio requested – 49.7%
- Proposed reconciliations
 - Pension and OPEB costs
- Projected T&D rate base at June 2007 – \$153.2 million

The Con Edison Financial Story

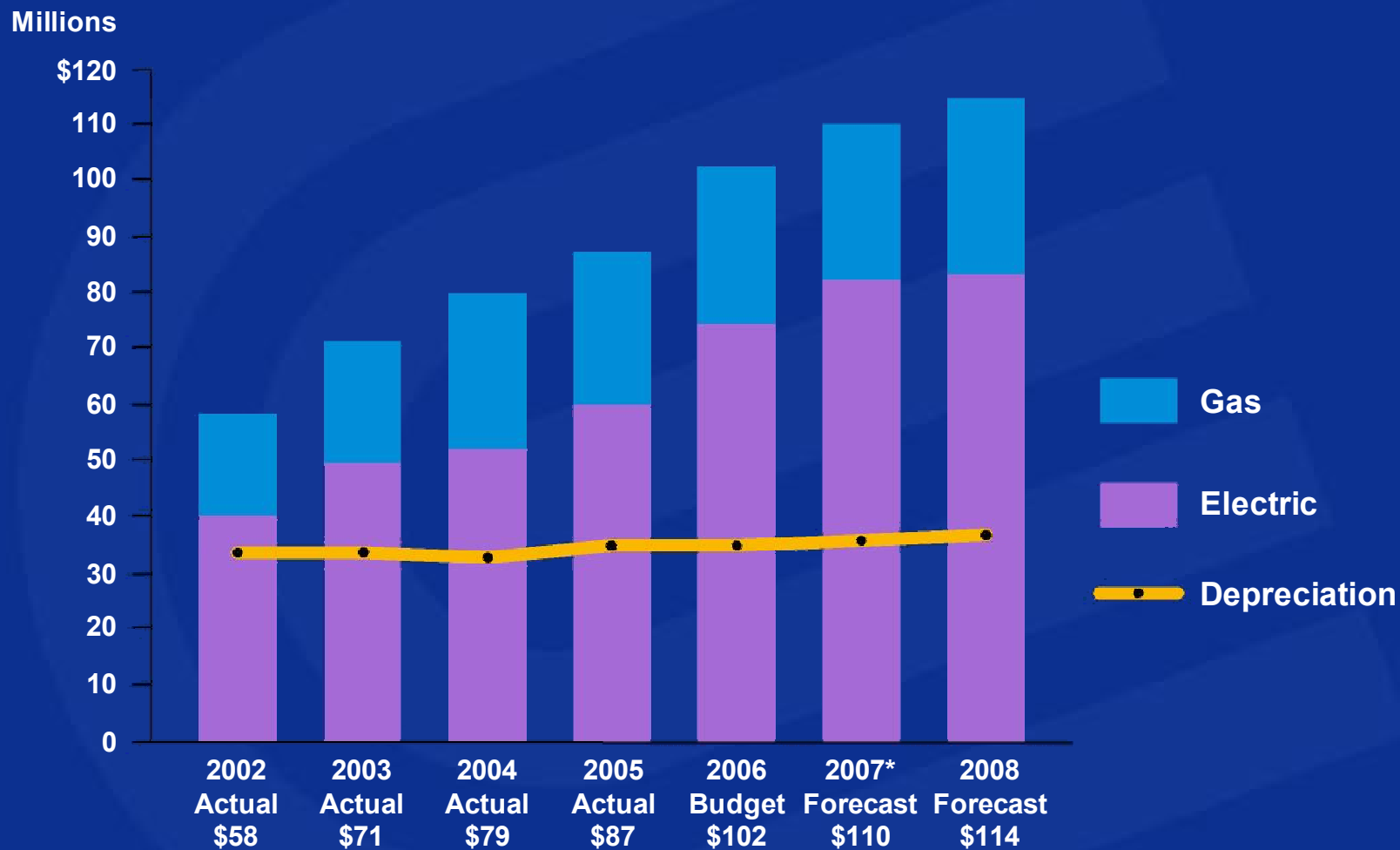
- Solid track record in regulatory relations
 - Current recovery of all energy costs
 - Reconciliation of major uncontrollable costs
 - Gas weather normalization
- Balance sheet stability
- Steady, predictable earnings
- Income growth consistent with conservative, low-risk business model
- Solid total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

Con Edison of New York Infrastructure Investment



* 2007 expenditures may increase by five to ten percent above the amounts estimated.

Orange and Rockland Infrastructure Investment



* 2007 expenditures may increase by five to ten percent above the amounts estimated.

Growing Rate Base and Solid Balance Sheet (as of September 30, 2006)

Rate Base (\$ millions)

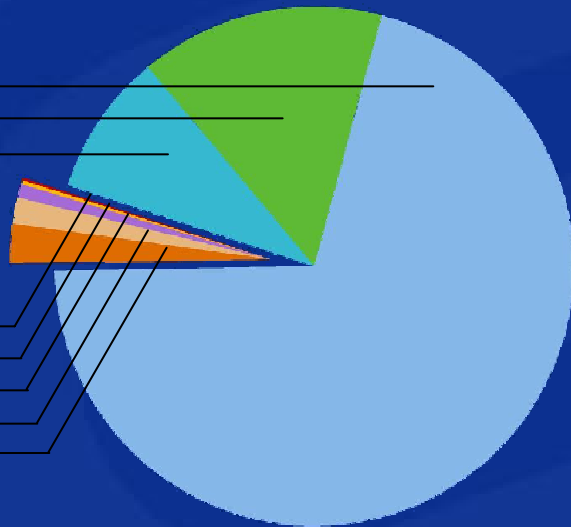
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Electric	\$	10,226
Gas	\$	2,231
Steam	\$	1,301

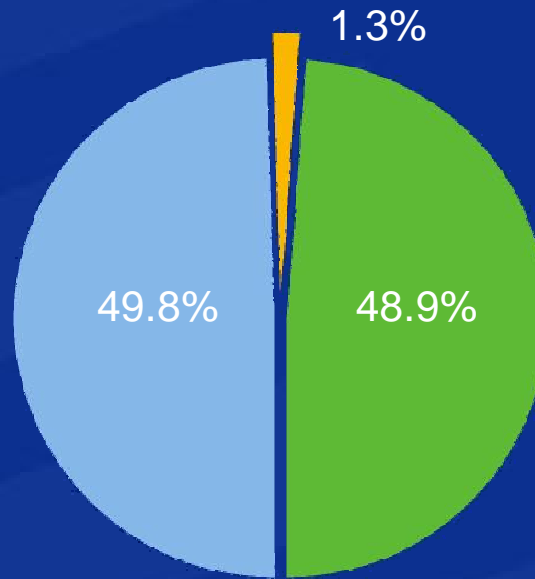
Orange and Rockland

Pike Gas	\$	1
Pike Electric	\$	9
Rockland Electric	\$	133
O&R Gas	\$	209
O&R Electric	\$	370

Total Rate Base \$ 14,480



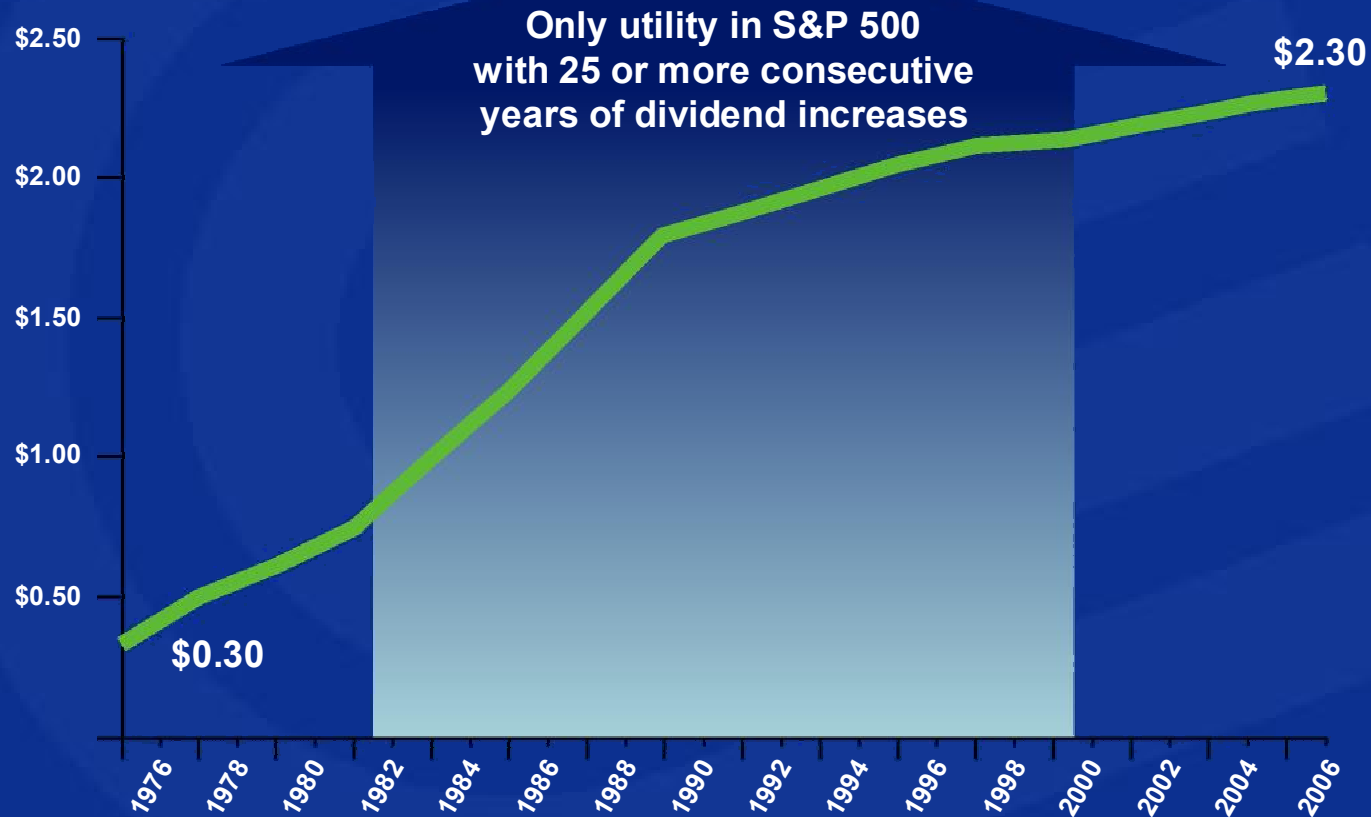
Capital Structure (\$ millions)



	Long-Term Debt	\$ 8,066
	Preferred Stock	\$ 213
	Common Equity	\$ 7,928

A Compelling Dividend Record: 32 Consecutive Years of Dividend Increases

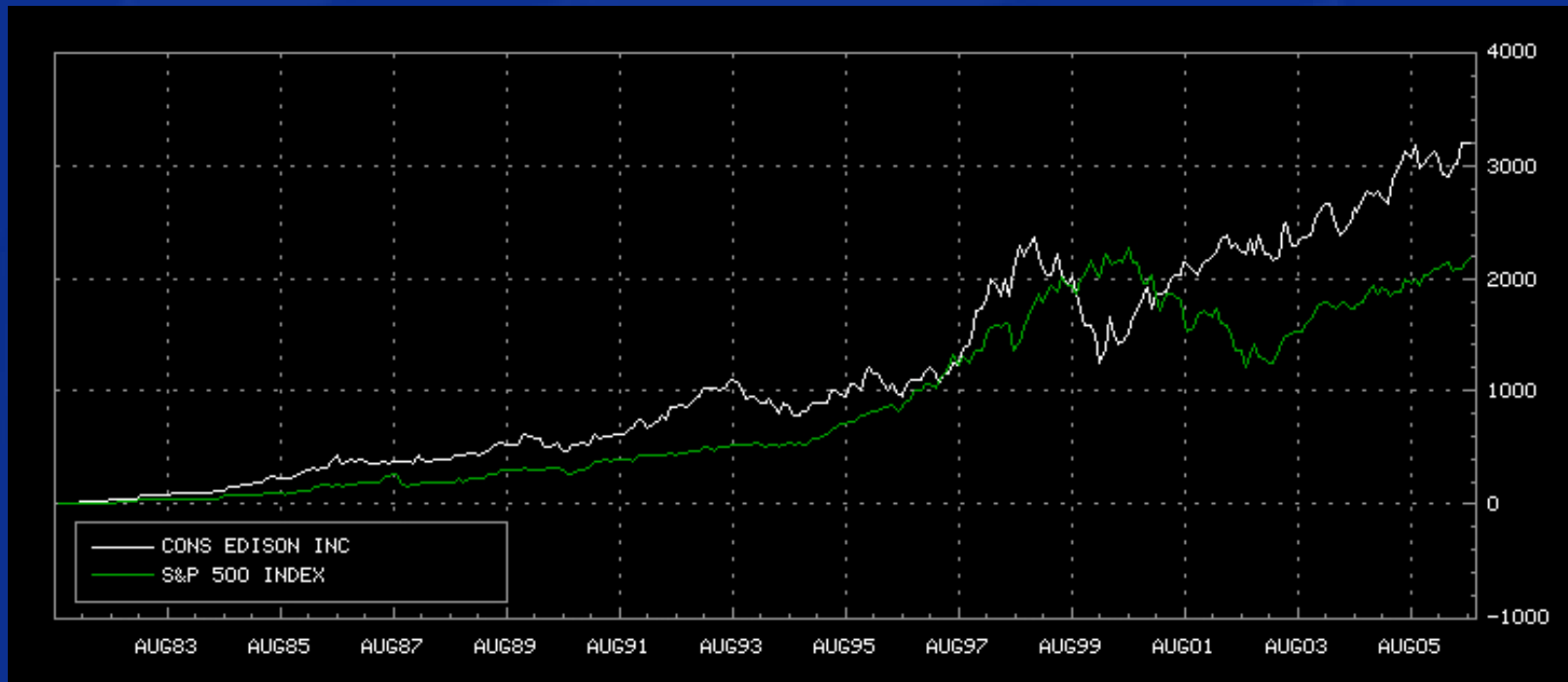
Annualized Dividend 1975 - 2006



Total Return to Shareholders – 25 Years

Average Annual Total Return for Period Ended September 30, 2006

Con Edison	15.0%
S&P 500	13.4%



Source: Bloomberg

Con Edison's Investment Thesis

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

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. 2006 – Sept. 2008	Yr. 1 – \$1.3 b Yr. 2 – \$1.3 b	None	\$53 m over 2 yrs	—	11.00%	11% – 12% – 50/50 >12% – 25/75
Orange and Rockland							
Gas	Nov. 2006 – Oct. 2009	Yr. 1 – \$235 m Yr. 2 – \$242 m Yr. 3 – \$251 m	Yr. 1 – \$6.5 m Yr. 2 – \$6.5 m Yr. 3 – \$6.3 m	\$(3) m over 3 yrs	—	11.00%	11% – 12% – 50/50 12% – 14% – 35/65 >14% – 0/100

* 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 transmission and distribution plant above the levels reflected in rates. It is anticipated that rate base additions will exceed the levels reflected in rates by approximately \$200 million annually, \$600 million cumulatively.

** The Orange and Rockland gas rate plan provides for rate increases in base rates of \$12 million in the first year, \$0.7 million in the second year and \$1.1 million in the third year. To phase in the effect of the increase for customers, the rate plan provides for O&R to accrue revenues for, but defer billing to customers of, \$5.5 million of the first rate year increase by establishing a regulatory asset which, together with interest, will be billed to customers in the second and third years. This chart reflects the phase-in of those rate increases.

*** Subject to limitation for cost reconciliations.

Orange and Rockland

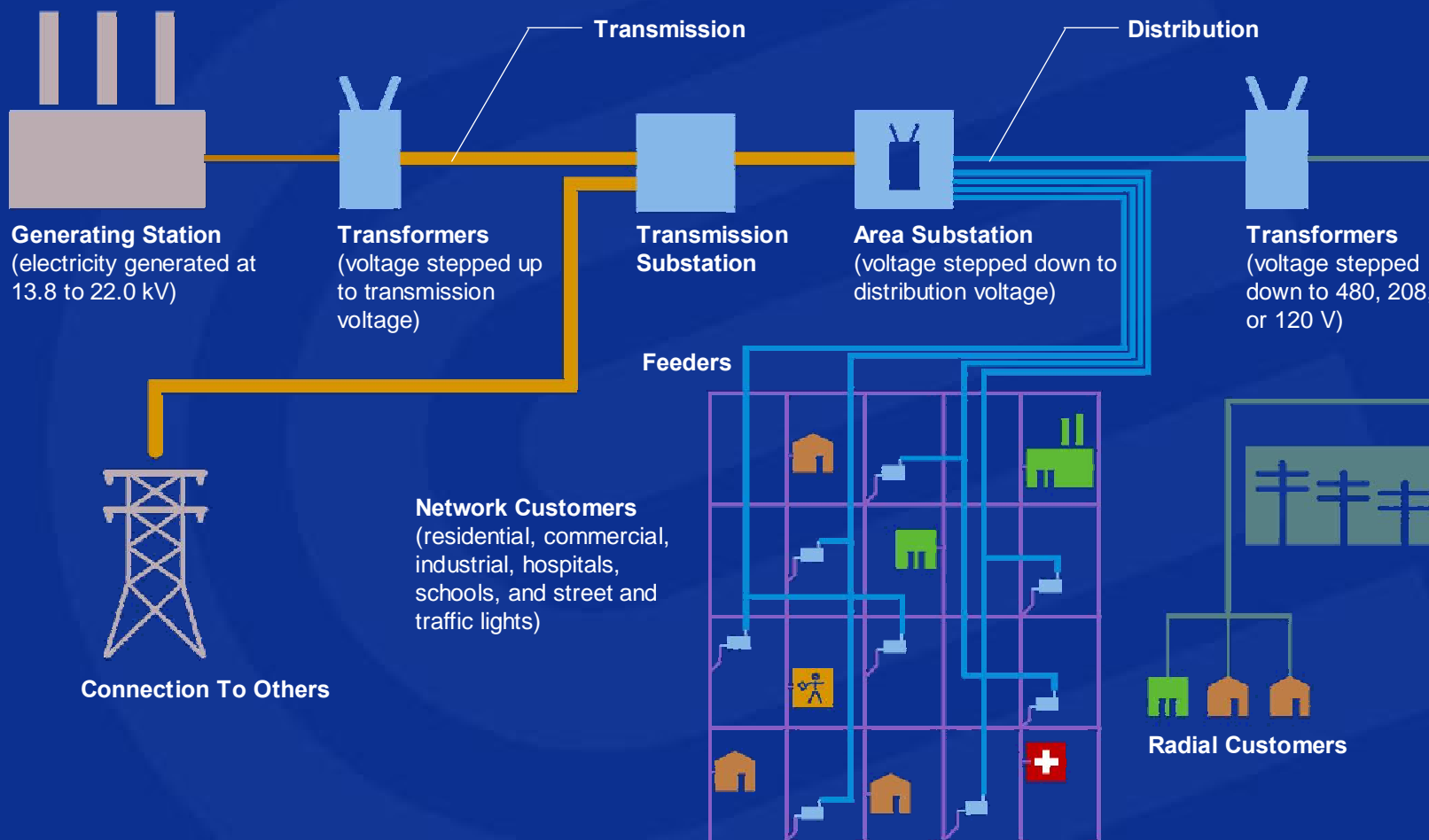
Summary of Gas Rate Plan

- Three year rate plan: November 1, 2006 – October 31, 2009
- Rate increases to be phased-in over three years
 - RY1 – \$6.5 million
 - RY2 – \$6.5 million
 - RY3 – \$6.3 million
- Continued full recovery of fuel costs
- Reconciliation of pension and OPEB costs, property taxes, and environmental costs
- 9.8% authorized ROE with earnings sharing threshold of 11%
 - Based on actual equity ratio – up to 50%
 - Deferral limitation for earnings above 11%
- Potential penalties of \$1.2 million geared toward gas safety performance and customer service

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

Con Edison of New York The Electric System

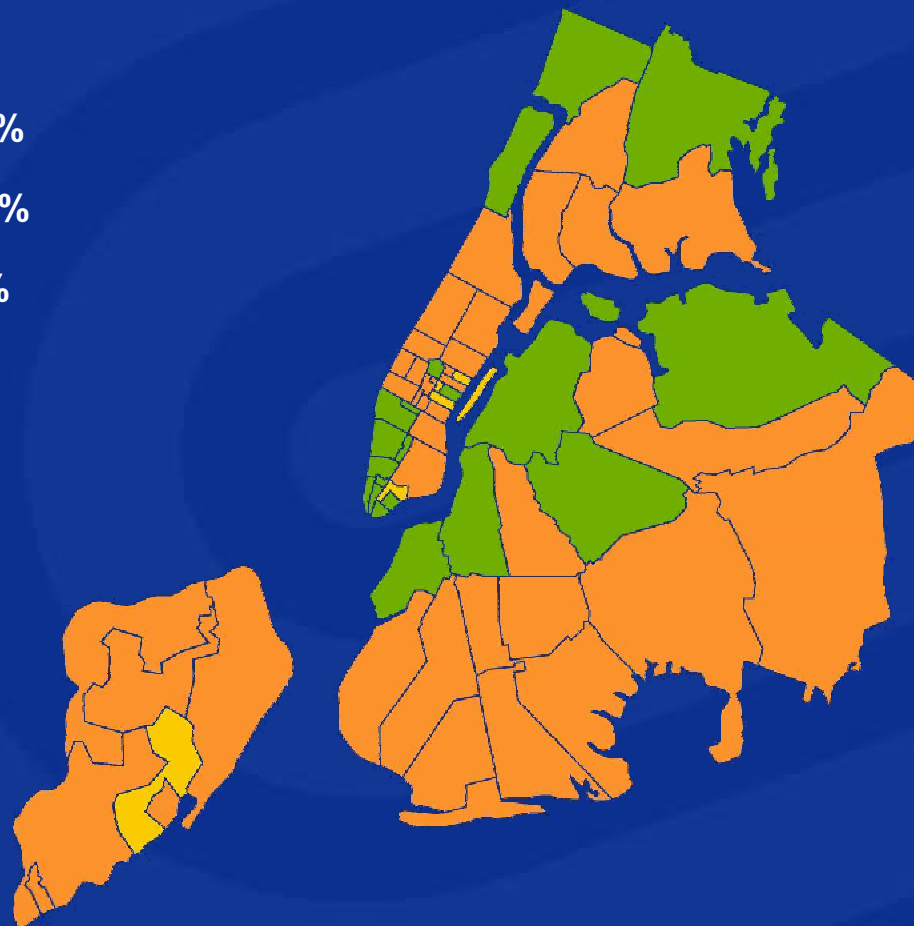


Con Edison of New York

Meeting Customers' Needs

New York City Area Substation Capacity - 2006

- Above 100%
- 95% to 100%
- 90% to 94%
- below 90%



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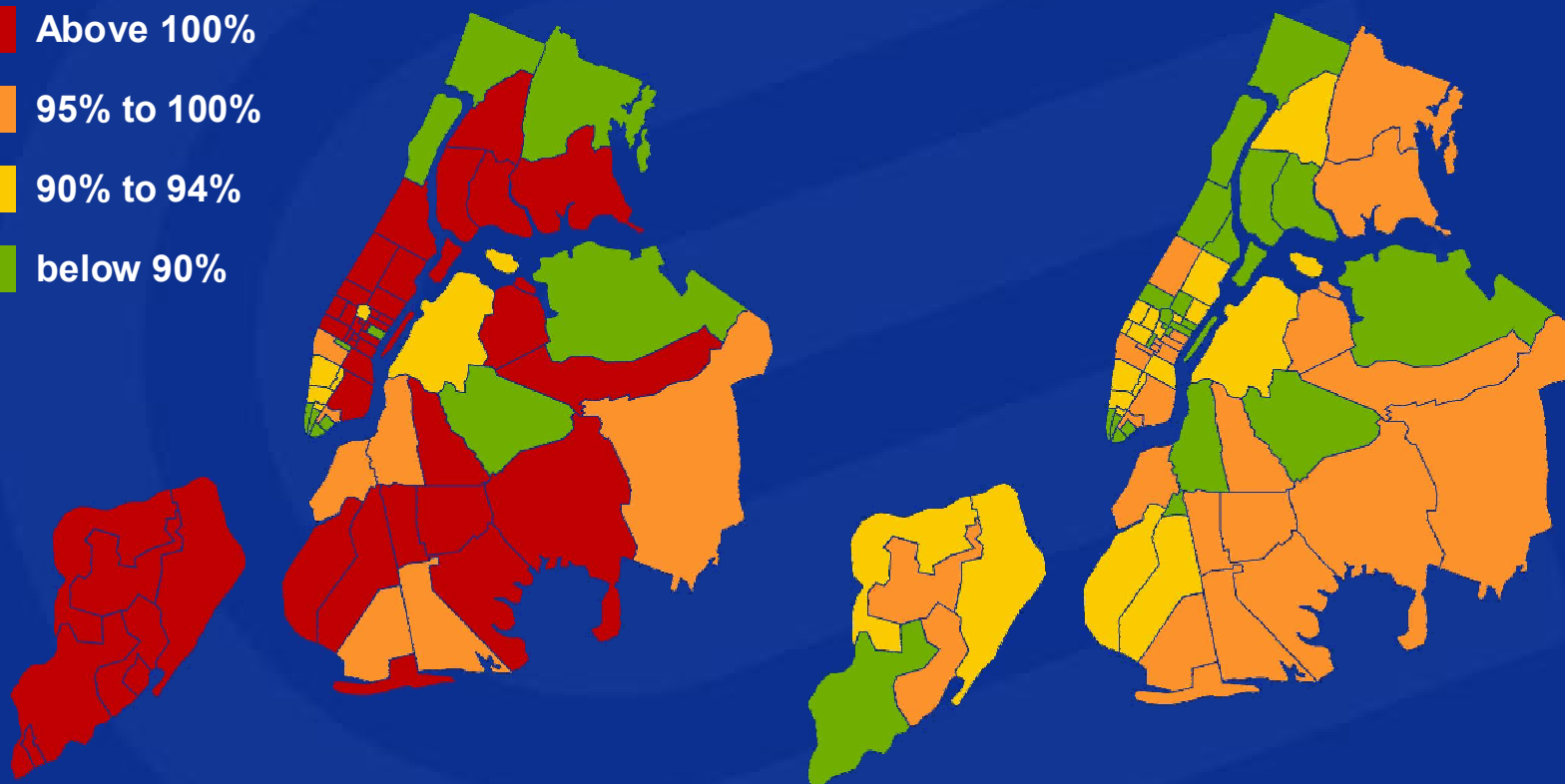
Meeting Customers' Needs

New York City Area Substation Capacity - 2011

Without Capital Projects

With Capital Projects

- Above 100%
- 95% to 100%
- 90% to 94%
- below 90%



Con Edison of New York

New York City Job Growth By Sector — September 2005 – September 2006

Education and health services	13,500
Leisure and hospitality	9,800
Professional and business services	9,200
Financial services	8,300
Trade, transportation and utility	7,300
Other services	2,900
Construction	2,100
Information	400



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