

**Con Edison, Inc.**

***Solid, Steady,  
Straightforward***

**2005 EEI Financial Conference**  
*Hollywood, FL – November 7-8, 2005*



# 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

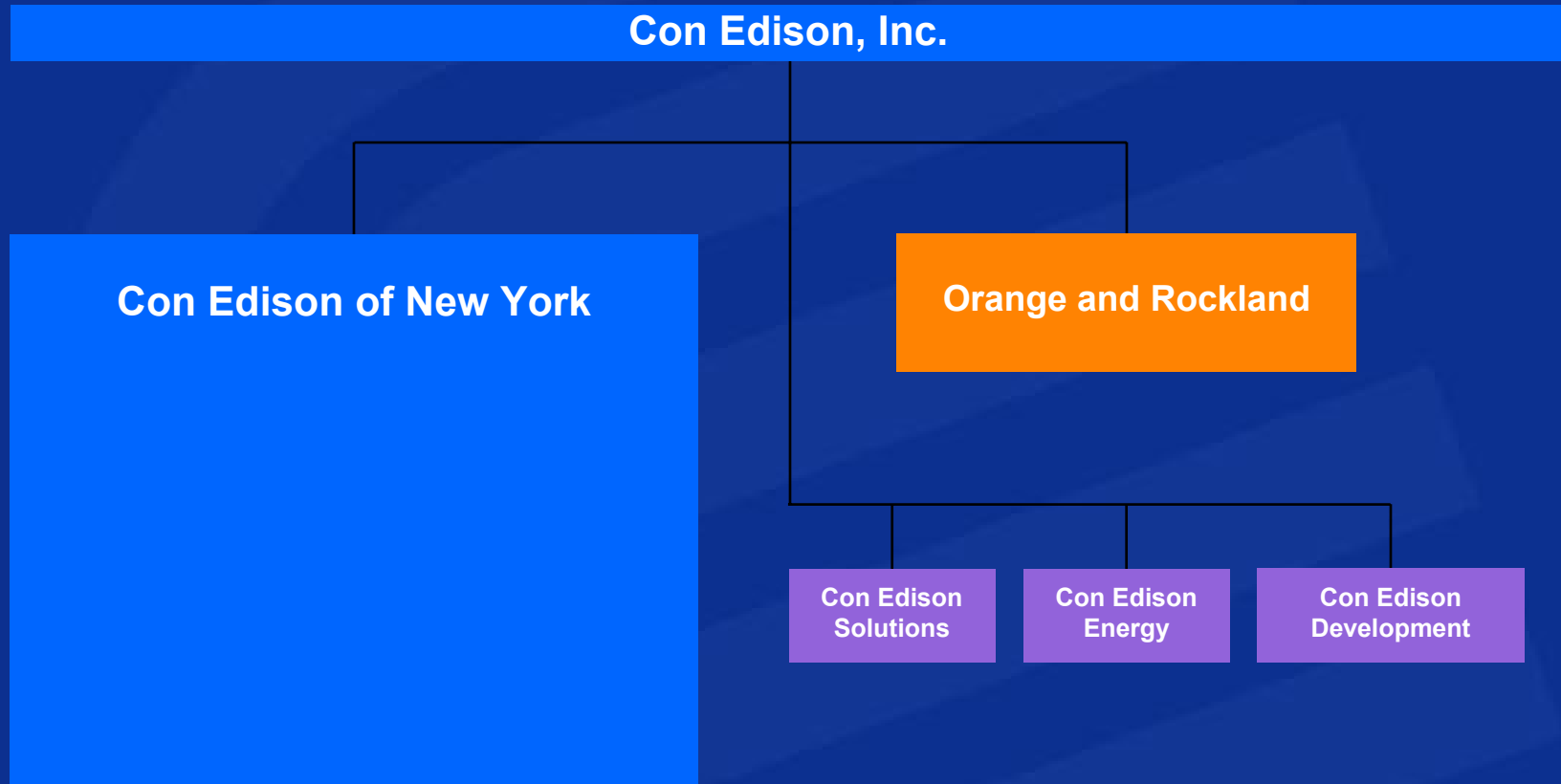
---

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
- 35,900 miles of overhead transmission and distribution lines
- 93,000 miles of underground transmission and distribution lines
- 4,300 miles of gas mains
- 87 miles of steam mains



Con Edison of New York

# New York Metropolitan Area Continues to Show Economic Growth



**White Plains, NY**



**The New York Times Building** Times Square

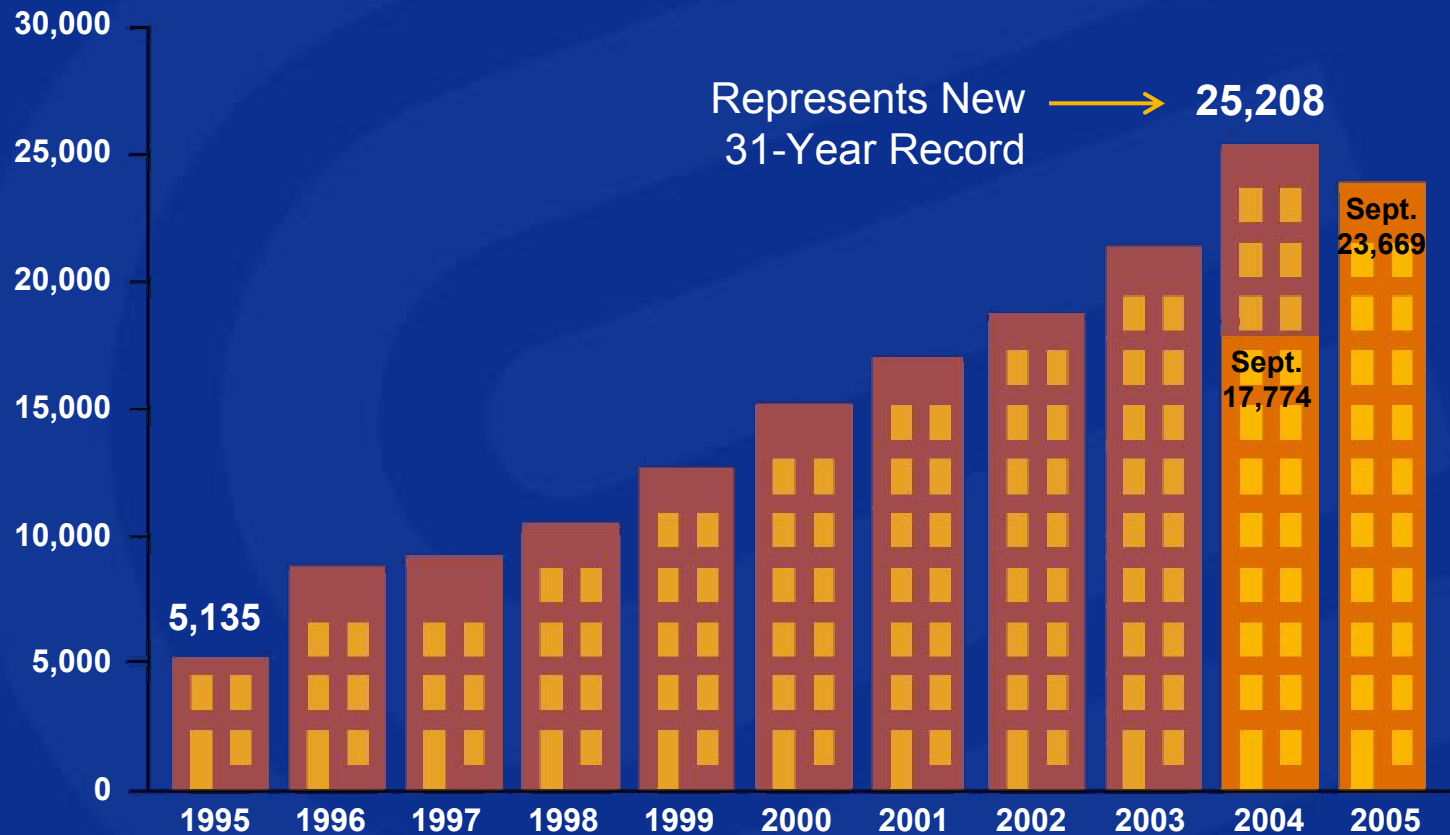


**Atlantic Terminal**  
Brooklyn

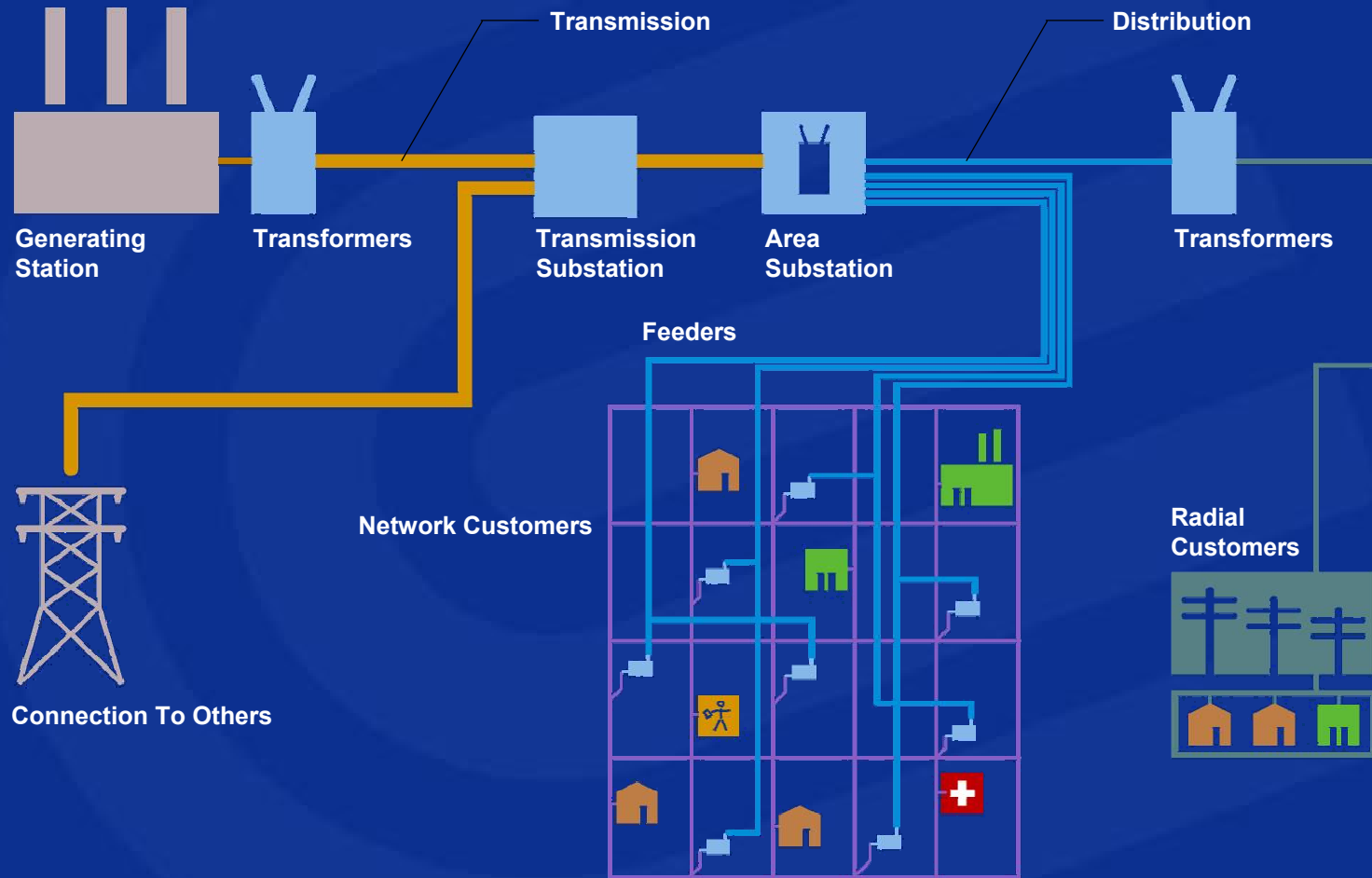
Con Edison of New York

# New York City Housing Permits

Number of New Dwelling Units



# Con Edison of New York The Electrical System

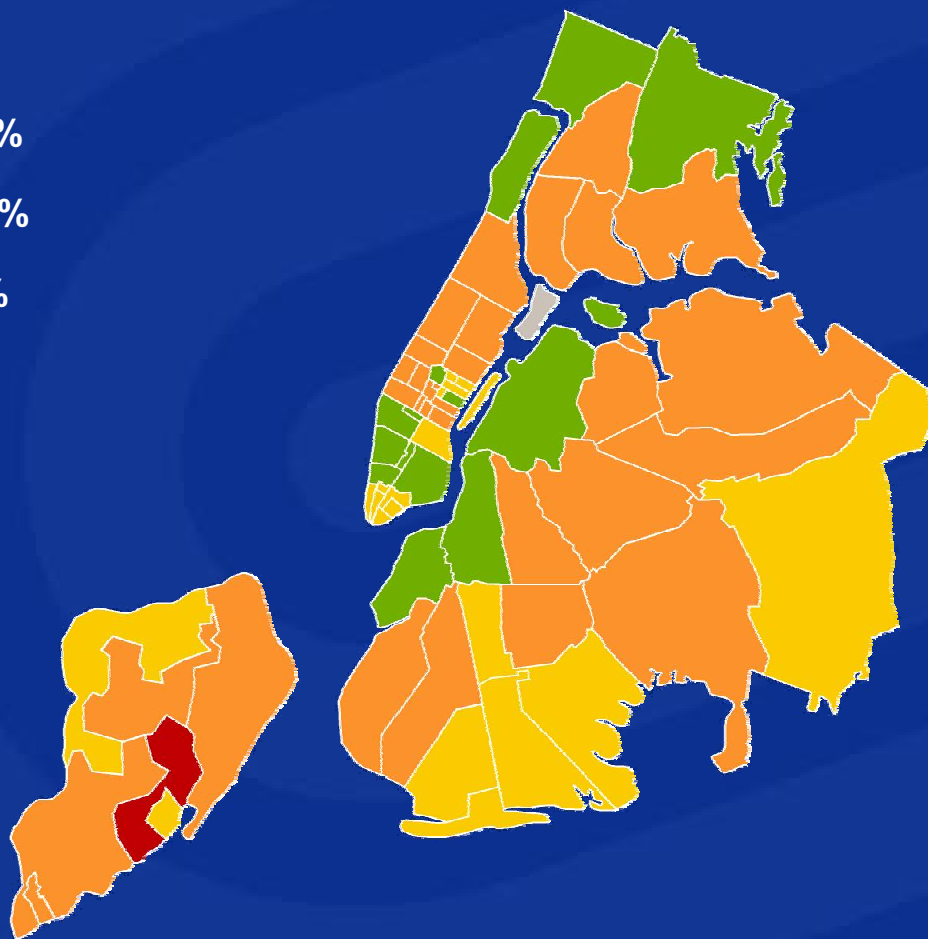


Con Edison of New York

# Meeting Customers' Needs

## New York City Area Substation Capacity – 2005

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



Con Edison of New York

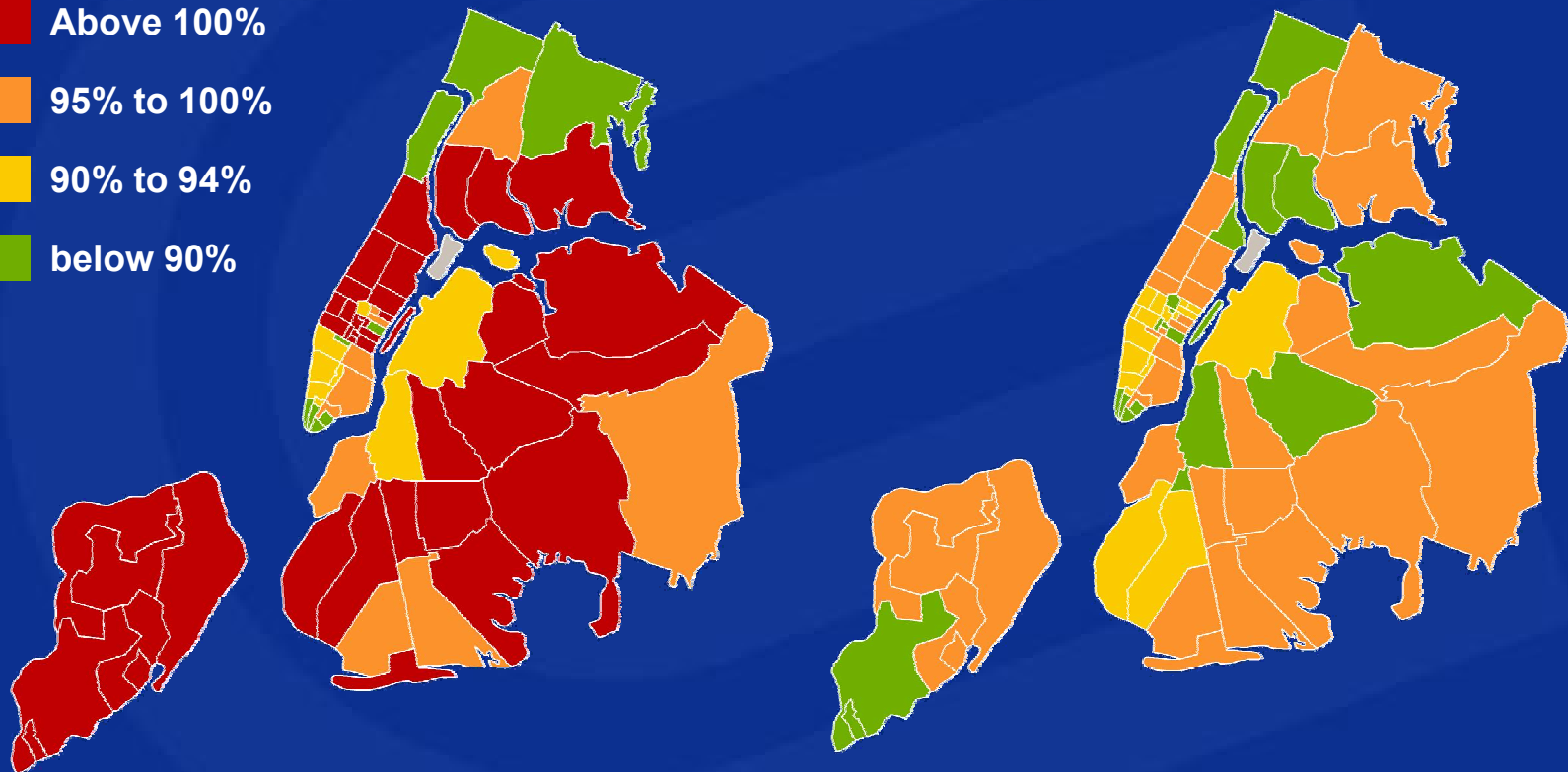
# Meeting Customers' Needs

## New York City Area Substation Capacity – 2010

Without Capital Projects

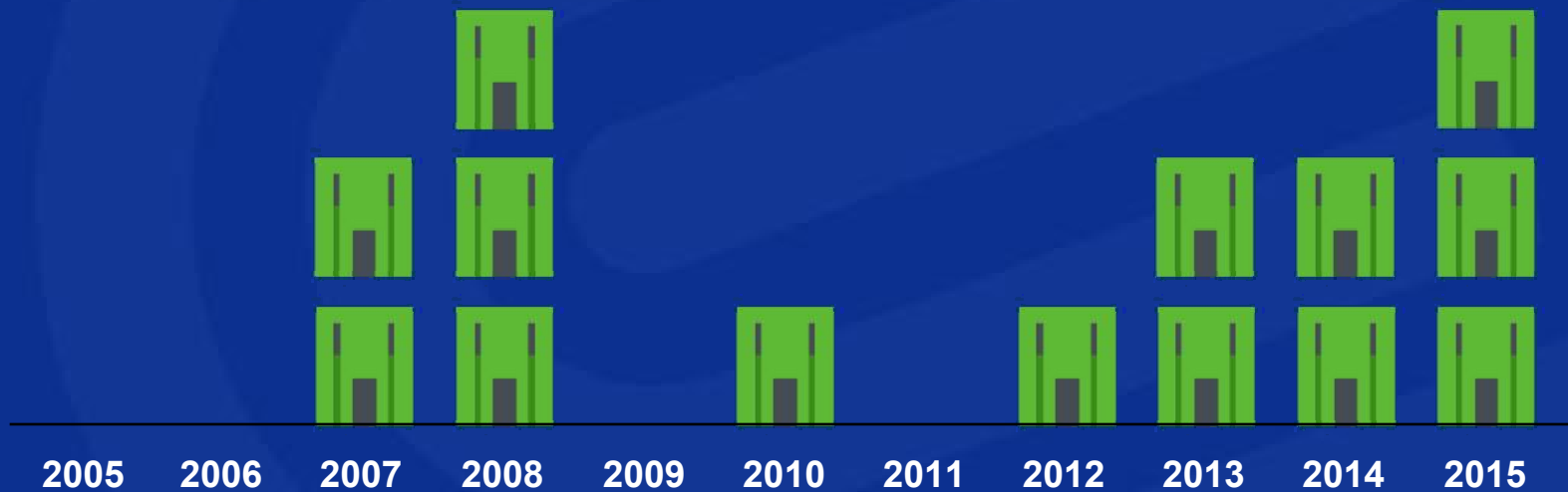
With Capital Projects

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



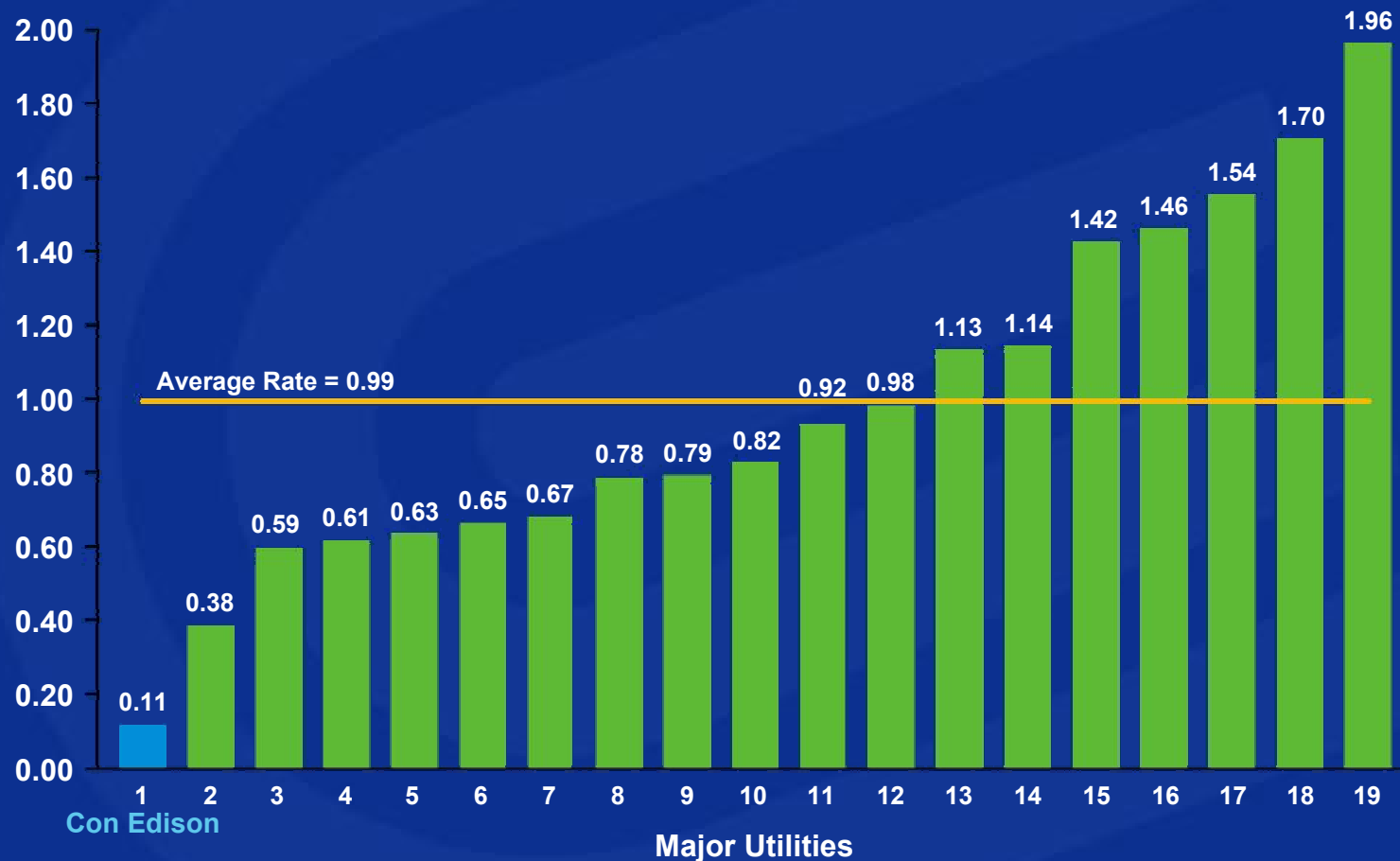
Con Edison of New York

# Major Substation Construction Program 2005 – 2015



# Con Edison of New York System Reliability

## 2004 Customer Interruption Rate



Source: Salt River Project – Large City Survey

# Firm Gas Delivery Volumes Forecast

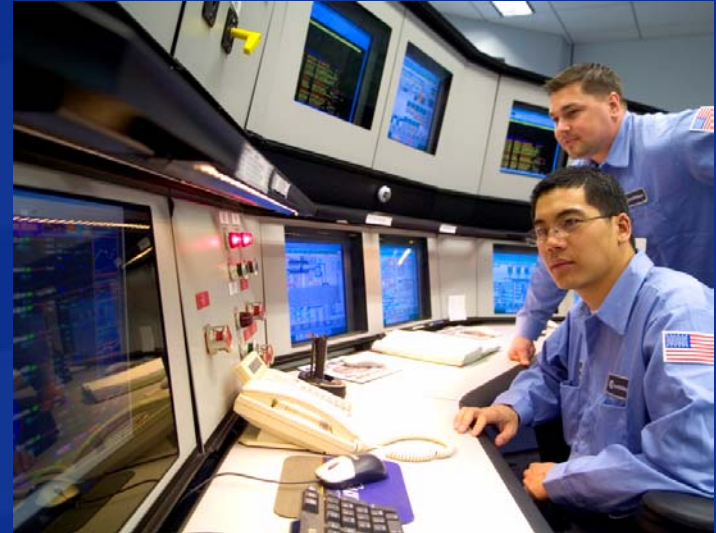


2002 – 2004 volumes are weather normalized

## **Our Steam Business**

- **Started in 1882**
- **Largest steam system in the U.S.**
- **Delivers 25 billion pounds of steam annually**
- **All customers are south of 96<sup>th</sup> Street in Manhattan**
- **2005 accomplishments**
  - **April – East River Repowering plant placed in service**
  - **April – Waterside plant retired**
  - **March/May – closed sale of 1<sup>st</sup> Avenue properties**
    - **Net proceeds of \$530 million**
  - **November – filed \$67.6 million, or 9.6%, rate increase**

Con Edison of New York  
**East River Repowering**



**Placed in service in April 2005**  
Rate base addition of \$685 million

## Orange and Rockland Regulated Business Service Area

- 290,000 electric customers
- 124,000 gas customers
- 4,600 miles of overhead transmission and distribution lines
- 2,700 miles of underground distribution lines
- 1,800 miles of gas mains



Orange and Rockland

# Building Substations to Meet Growing Demand



**Darlington Substation**



**Matamoras Substation**



**Chester Substation**

# Forecast of Peak Electric Usage by Customers



Figures for 2002–2005 are weather adjusted peak loads.

# Service Area Historic Record – Peak Usage

## Con Edison of New York

- Eight of top ten peaks in customer usage occurred in 2005
- August set monthly electricity sendout record of 6,648,182 MW hours
- Six of top ten winter peaks in customer usage occurred during 2004/2005 winter season

## Orange and Rockland

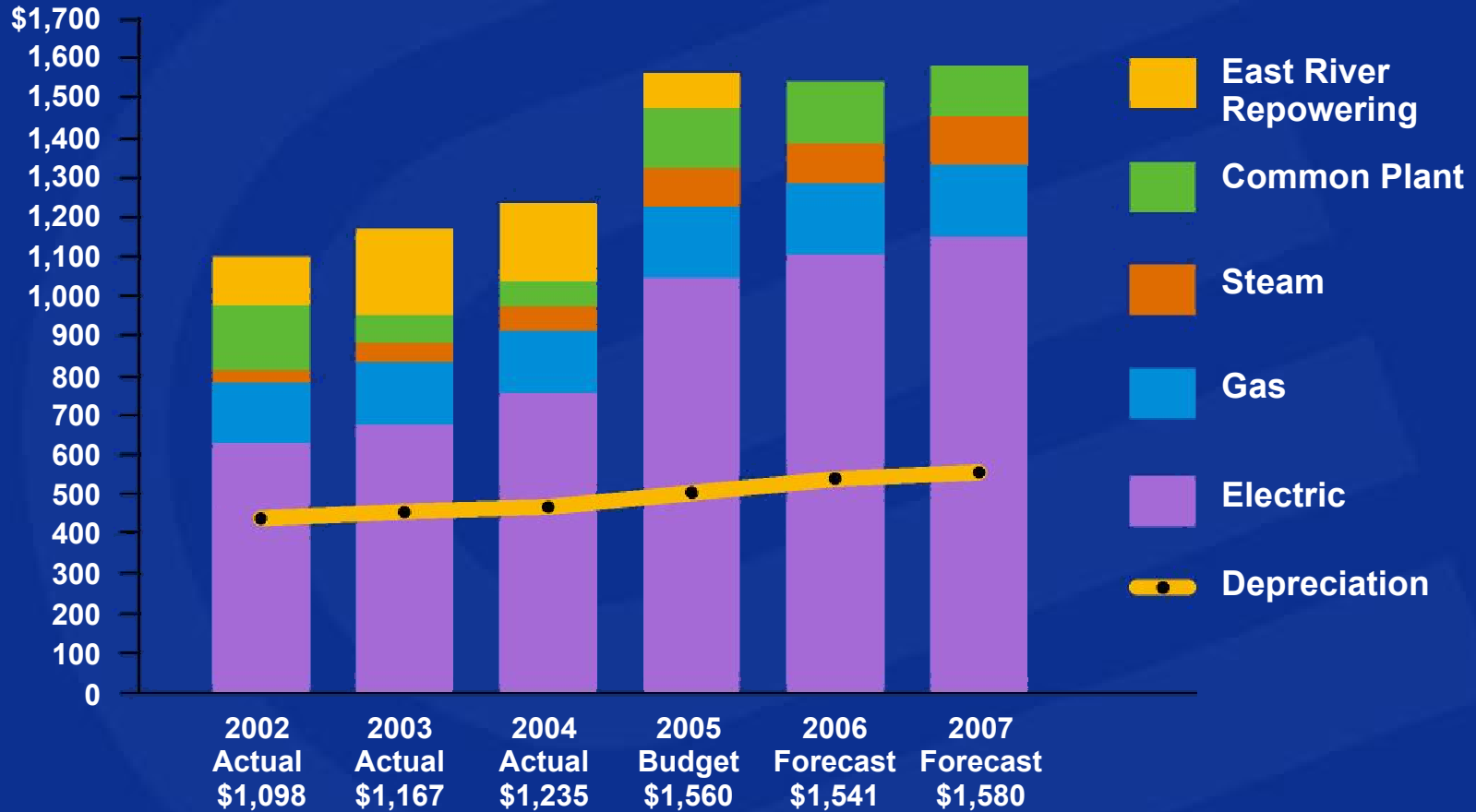
- Top ten peaks in customer usage occurred in 2005
- August set monthly electricity sendout record of 687,340 MW hours
- Seven of top ten winter peaks in customer usage occurred during 2004/2005 winter season

# 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**
- **Modest growth consistent with conservative, low-risk business model**
- **Solid total return**

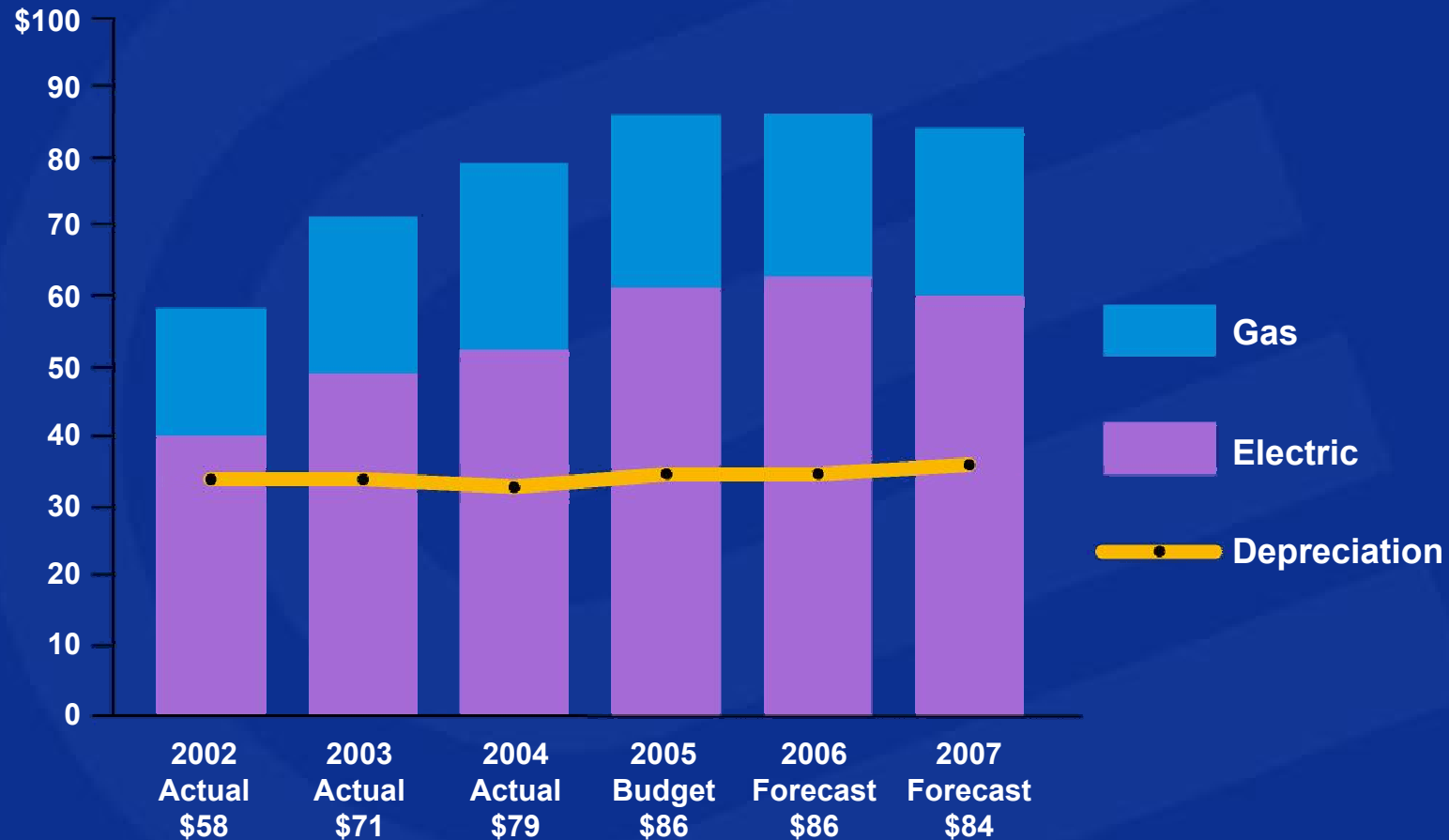
# Con Edison of New York Infrastructure Investment

Millions



# Orange and Rockland Infrastructure Investment

Millions



# Growing Rate Base and Solid Balance Sheet

(as of September 30, 2005)

## Rate Base (\$ millions)

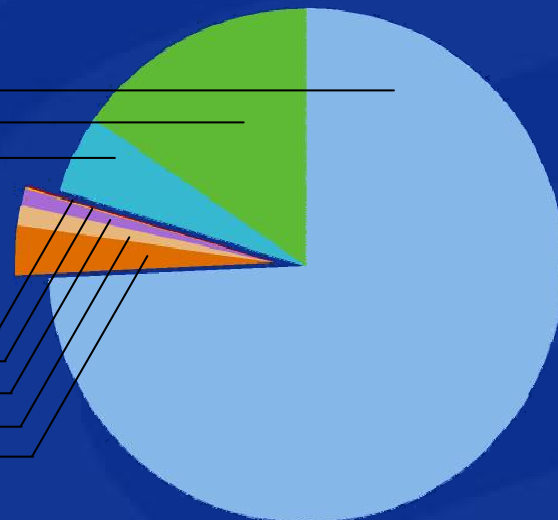
### Con Edison of New York

Electric	\$ 9,440
Gas	\$ 2,051
Steam	\$ 878

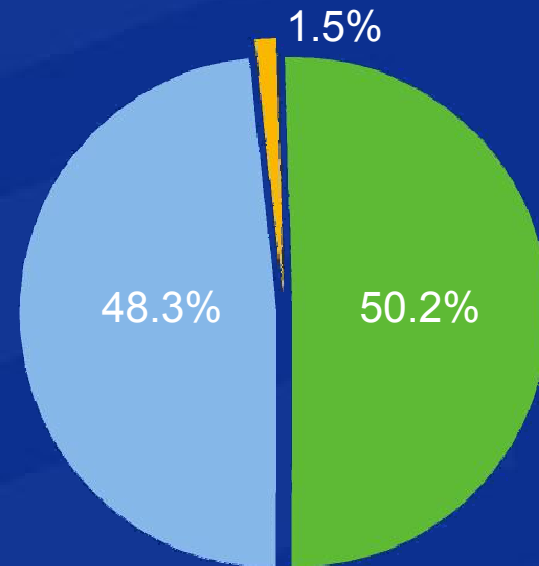
### Orange and Rockland

Pike Gas	\$ 1
Pike Electric	\$ 9
Rockland Electric	\$ 127
O&R Gas	\$ 200
O&R Electric	\$ 369

Total Rate Base \$13,075



## Cap Structure



# Earnings per share from ongoing operations of \$2.41 for 9 months ended September 30, 2005

## Major Factors Affecting Earnings Per Share

2005 Compared with 2004	EPS Variation (\$)
Con Edison of New York:	
Sales growth (estimated)	\$0.11
Impact of weather in 2005 vs. 2004 (est.)	0.12
Electric rate changes (estimated)	0.53
Gas rate changes (estimated)	0.13
Steam rate changes (estimated)	0.16
Increased pensions and other post-retirement benefits costs	(0.14)
Higher operation and maintenance expense	(0.14)
Higher depreciation, property tax and other taxes	(0.33)
Allowance for funds used during construction	(0.07)
<u>Other</u>	<u>(0.11)</u>
<b>Total Con Edison of NY</b>	<b>0.26</b>
<b>Orange and Rockland Utilities</b>	<b>0.03</b>
<b>Unregulated energy subsidiaries (including parent)</b>	<b>(0.07)</b>
<b>Total earnings per share variation from continuing operations</b>	<b>\$0.22</b>

The earnings per share variations shown above include the dilutive effect of a higher weighted average number of common shares outstanding in the 2005 period (244 million shares) than in the 2004 period (234 million shares). The company forecast 2005 earnings in the range of \$2.85 to \$2.95 per share in an October 20, 2005 press release.

# Reconciliation of Reported Net Income and Earnings from Ongoing Operations

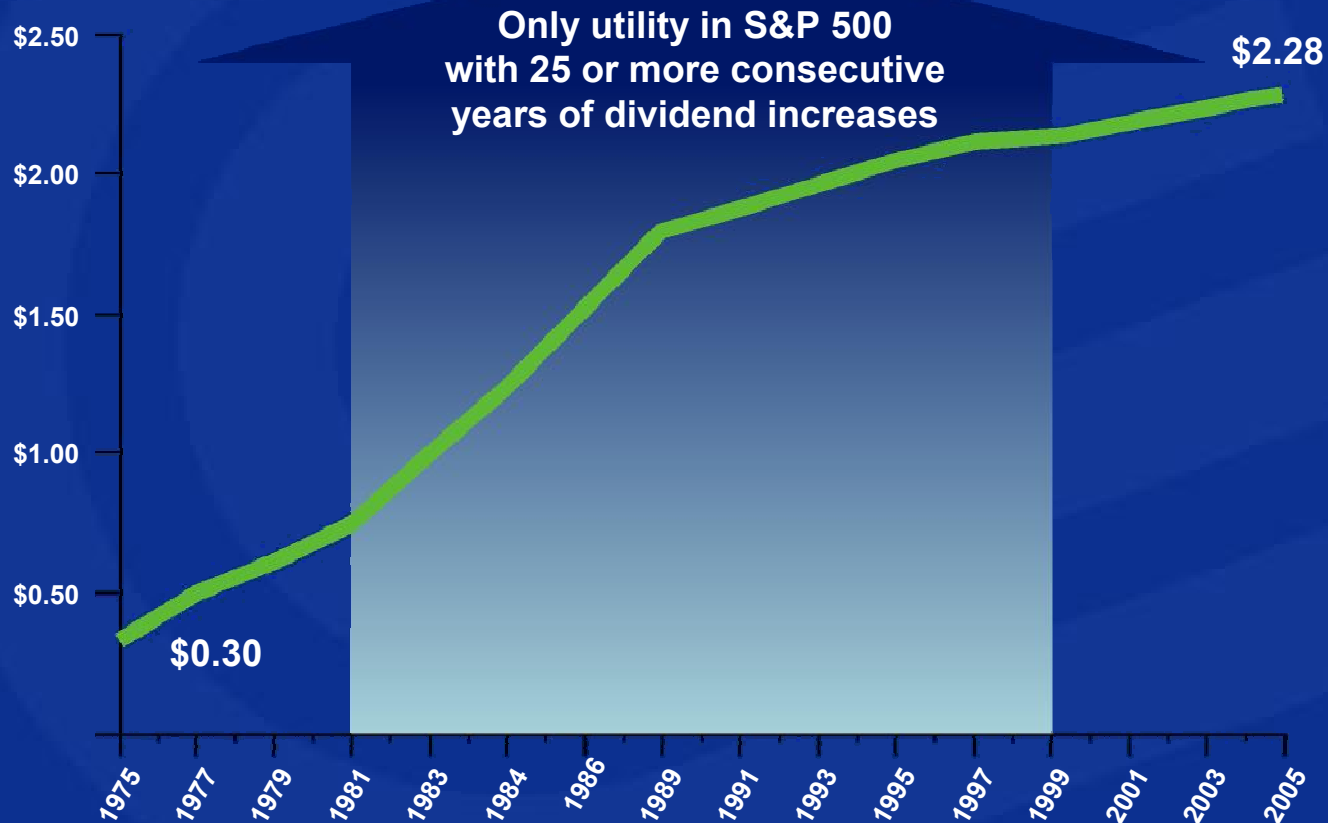
For the 9 months ended September 30

	Earnings		EPS	
	2005	2004	2005	2004
(\$ millions, except earnings per share)				
Reported net income for common stock and earnings per share – GAAP Basis	\$ 581	\$ 487	\$ 2.39	\$ 2.08
Con Edison of New York gas and steam rate plan one-time charges	–	15	–	0.07
Discontinued operations of Con Edison Communications	5	10	0.02	0.04
<b>Ongoing Operations</b>	<b>\$ 586</b>	<b>\$ 512</b>	<b>\$ 2.41</b>	<b>\$ 2.19</b>

"Earnings from ongoing operations" excludes the impact of unusual items. Earnings from ongoing operations should not be considered as an alternative to net income, which is an indicator of operating performance determined in accordance with GAAP. Management uses earnings and earnings per share from ongoing operations to facilitate the analysis of the company's ongoing performance as compared to its internal budgets and previously reported financial results. Management believes that earnings from ongoing operations, although a non-GAAP measure, are also useful and meaningful to investors. Other companies may use different measures to present financial performance.

# A Compelling Dividend Record: 31 Consecutive Years of Dividend Increases

Annualized Dividend 1975 - 2005



# Total Average Annual Return to Shareholders

Period Ended September 30, 2005 (%)



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.**