

Con Edison, Inc.

***Solid, Steady,
Straightforward***

**Lehman Brothers
New York, NY – September 8, 2005**



Solid, Steady, Straightforward

**Lehman Brothers
New York, NY**

September 8, 2005

Robert Hoglund

Senior Vice President and Chief Financial Officer

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
relationship

Understand
what
customers
want

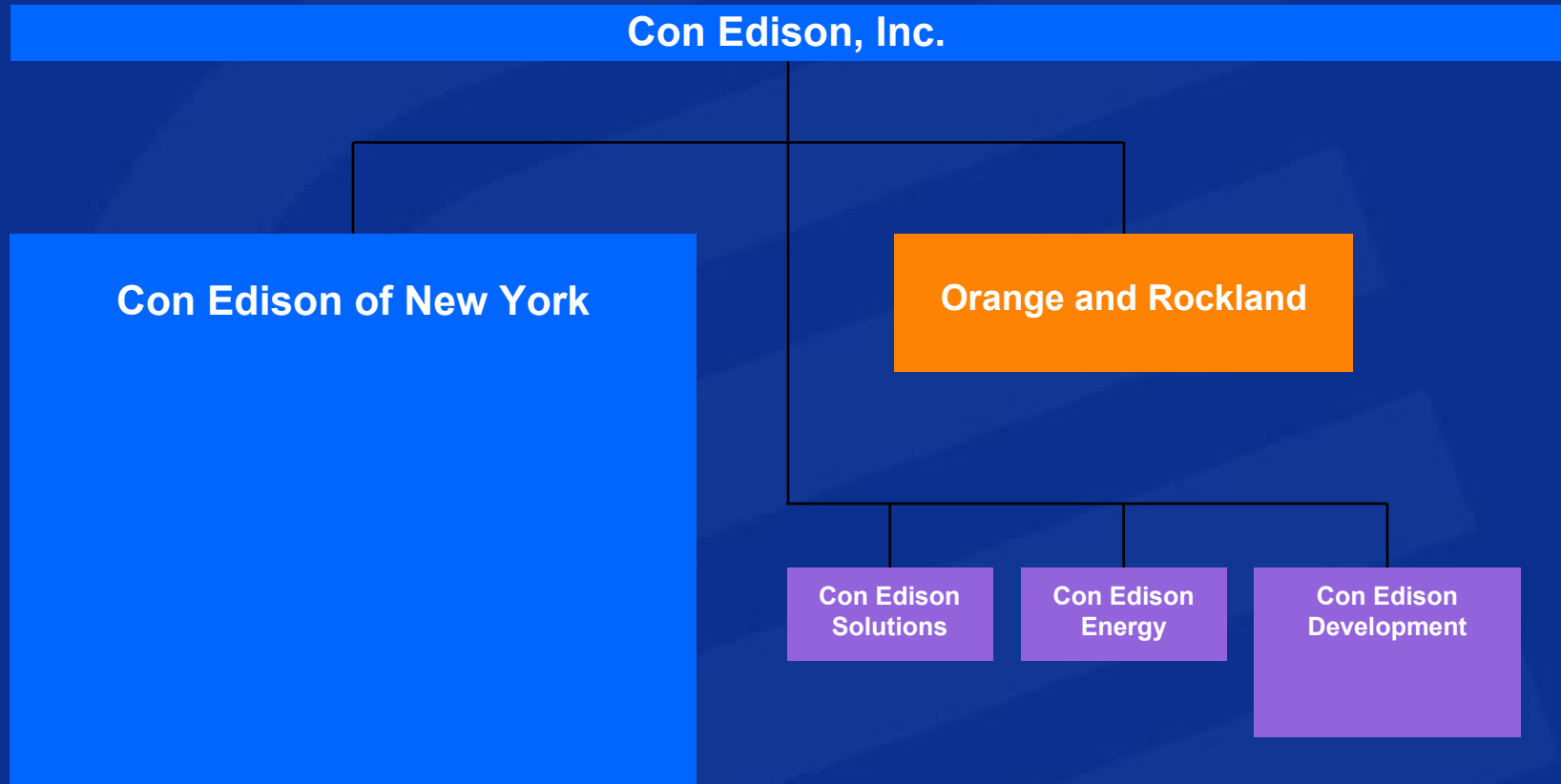
Verifiable
performance

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
- 33,000 miles of overhead distribution lines
- 91,000 miles of underground 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

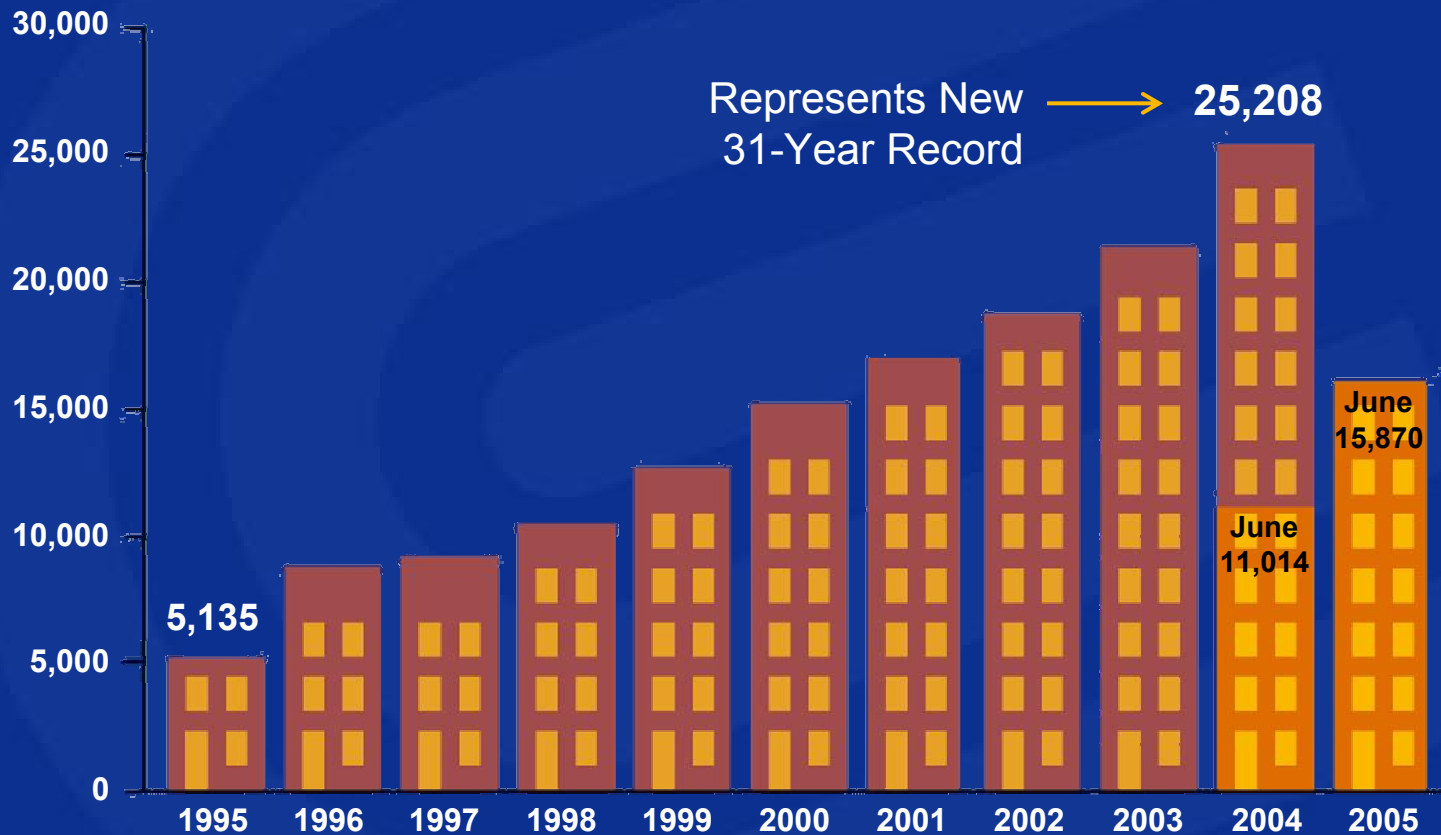


Atlantic Terminal
Brooklyn

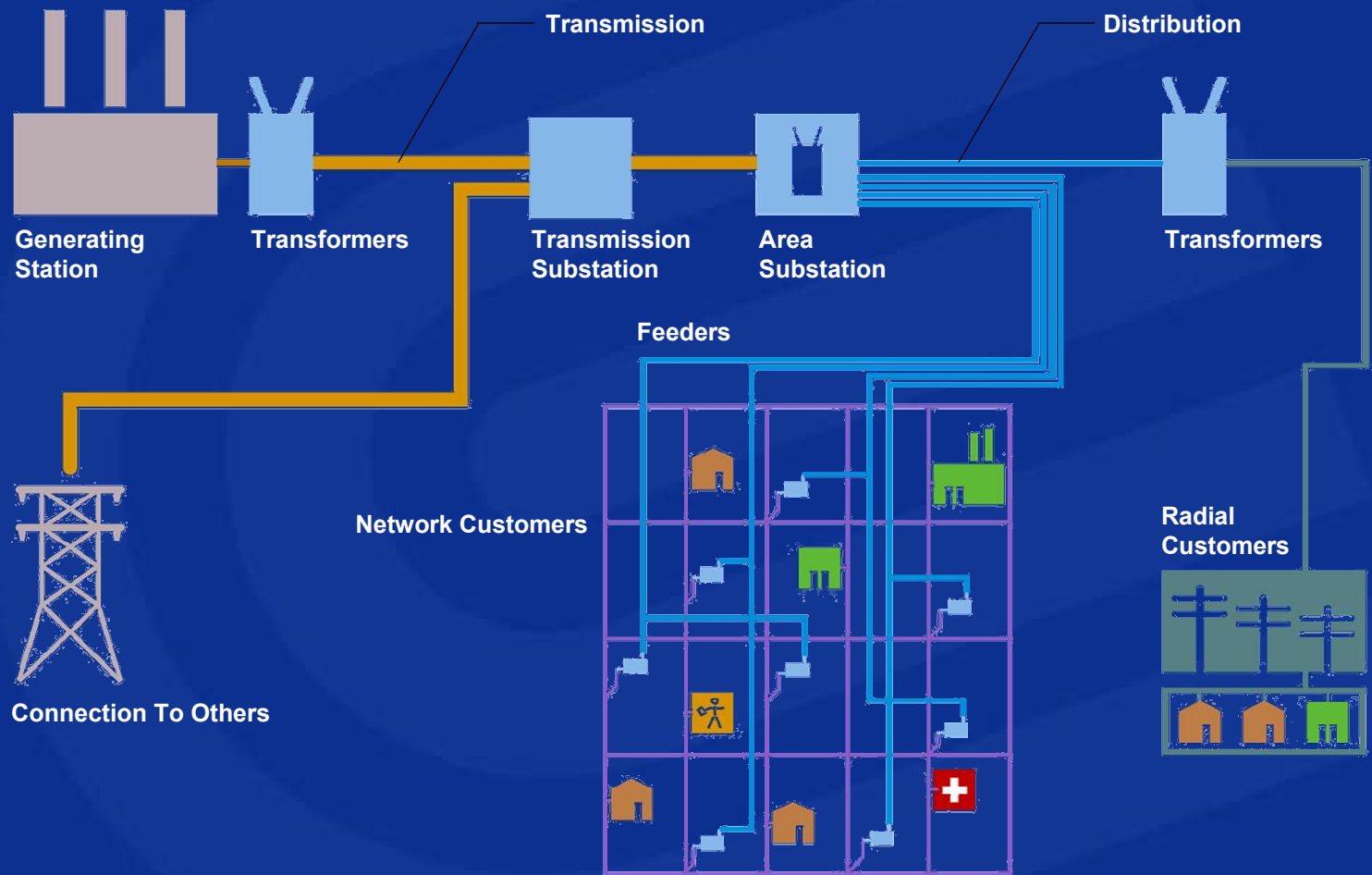
Con Edison of New York

New York City Housing Permits

Number of New Dwelling Units

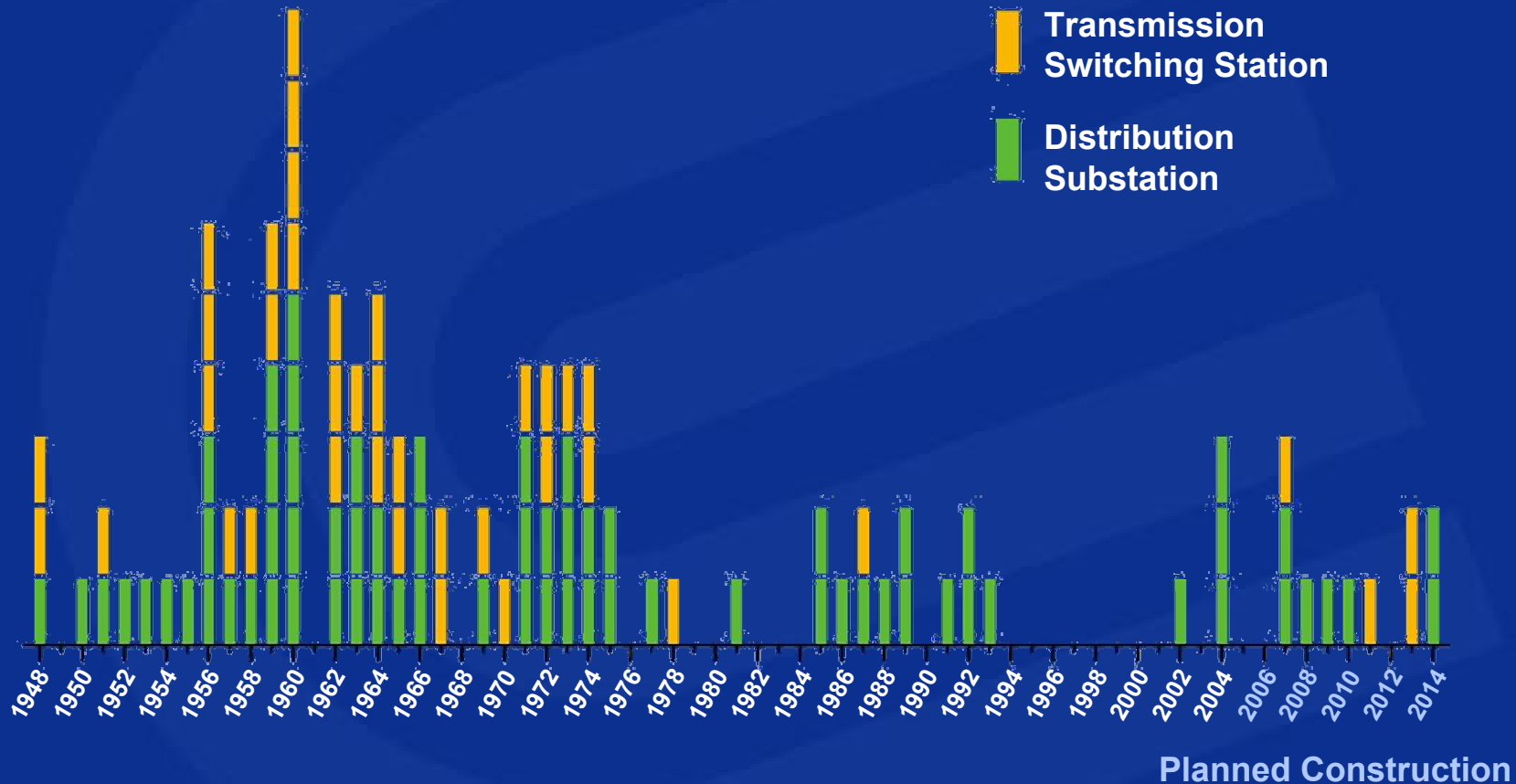


Con Edison of New York The Electrical System



Con Edison of New York

Major Substation Construction Program 1948 – 2014



Con Edison of New York

Unparalleled Reliability

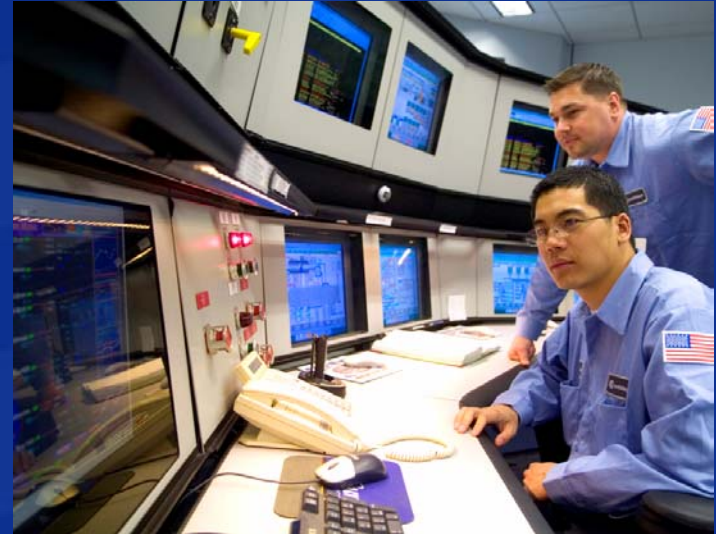
Our availability of
99.9979%

for 2004 makes our electric system
the most reliable in the country.

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 96th Street in Manhattan**
- **2005 accomplishments**
 - **April – East River Repowering plant placed in service**
 - **April – Waterside plant retired**
 - **March/May – closed sale of 1st Avenue properties**
 - **Net proceeds of \$530 million**

Con Edison of New York
East River Repowering



Placed in service in April 2005
Estimated rate base addition of \$685 million

Orange and Rockland Regulated Business Service Area

- 290,000 electric customers
- 124,000 gas customers
- 5,100 miles of overhead 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

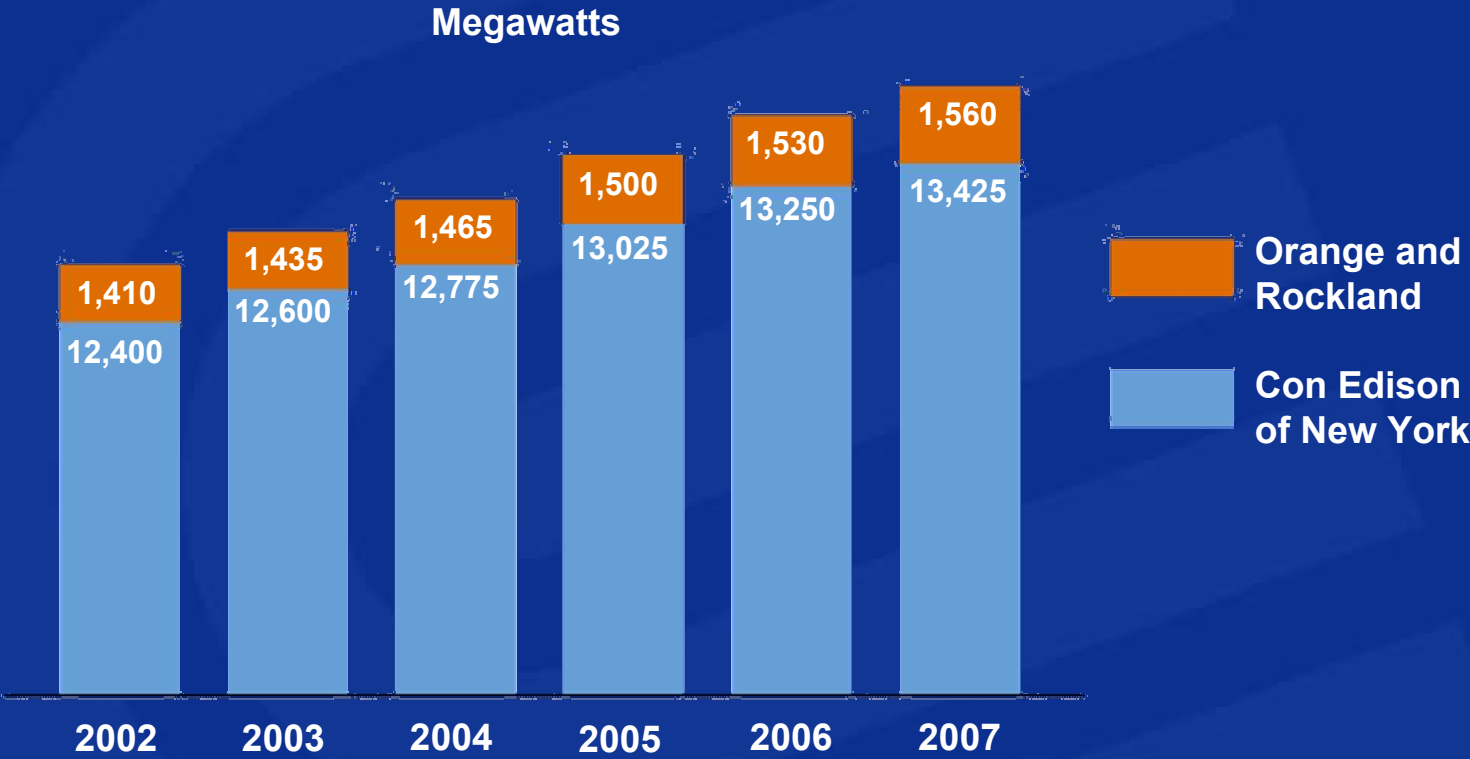


Matamoras Substation



Chester Substation

Electric Peak Load Forecast



Figures for 2002–2004 are weather adjusted peak loads.

Service Area Historic Record – Peak Loads

Con Edison of New York

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

Orange and Rockland

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

CECONY Load		O&R Load	
Date	MW	Date	MW
07/27/05	13,059	07/27/05	1,539
07/26/05	12,551	08/04/05	1,473
07/19/05	12,361	08/03/05	1,468
08/05/05	12,303	07/26/05	1,467
08/04/05	12,226	08/12/05	1,444
08/09/01	12,207	06/14/05	1,433
08/03/05	12,197	07/19/05	1,429
06/14/05	12,139	06/13/05	1,419
08/12/05	12,138	08/11/05	1,412
08/10/01	12,116	08/13/05	1,409

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**

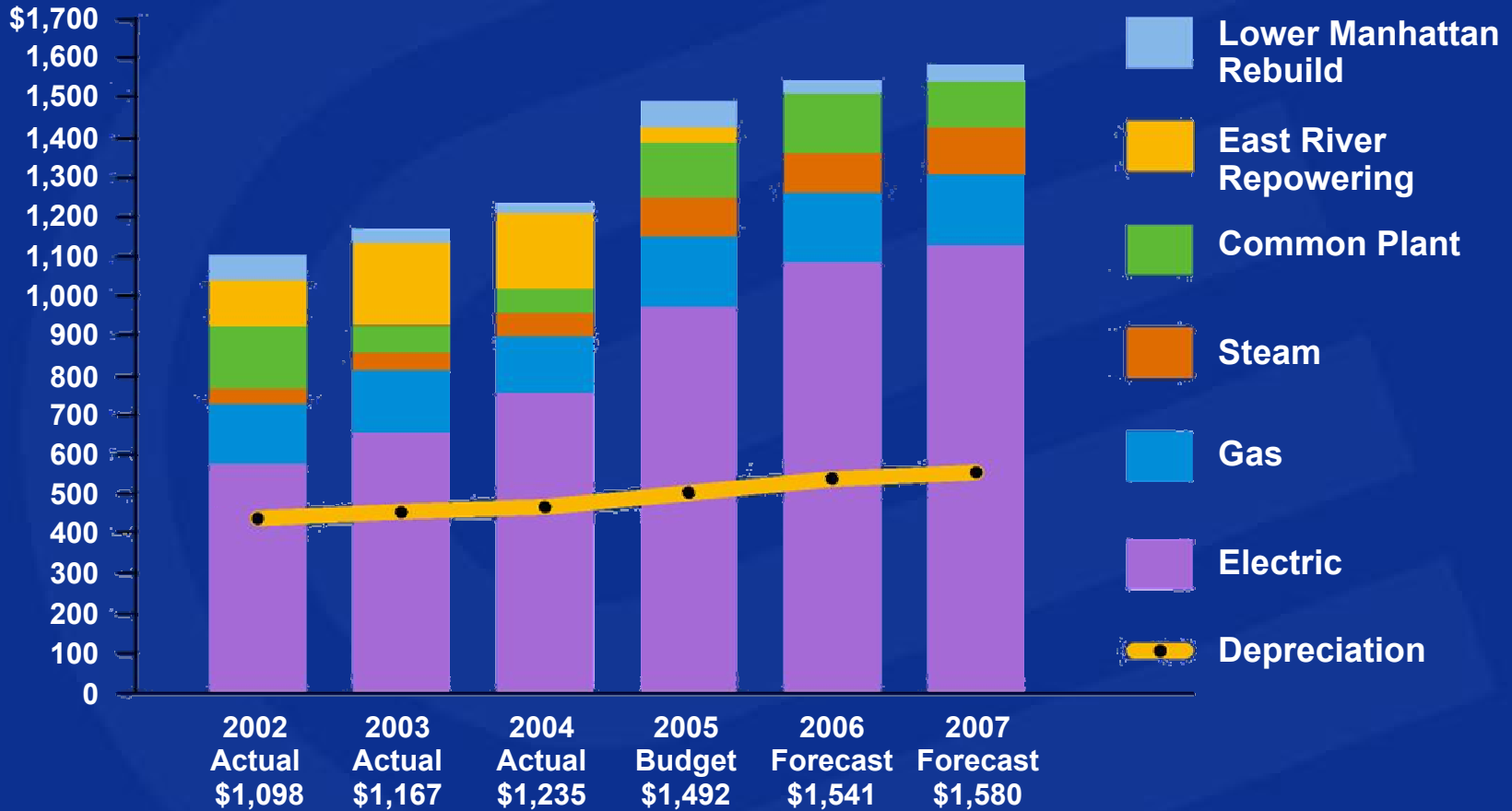
Summary of Rate Plans

	Effective Period	Rate Base *	Rate Increases	Amortization of Credits	Other Increases	ROE Sharing Threshold	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	\$550 m over 3 yrs	\$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		ERRP carrying costs	11.75%	50/50
Orange and Rockland							
Electric	Jul. 2003 – Oct. 2006	Yr. 1 – \$387 m Yr. 2 – \$406 m	None			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.

Con Edison of New York Infrastructure Investment

Millions



Orange and Rockland Infrastructure Investment



Growing Rate Base and Solid Balance Sheet

(as of June 30, 2005)

Rate Base (\$ millions)

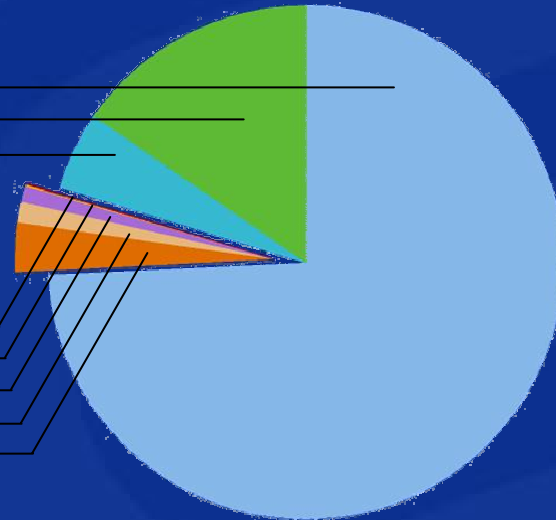
Con Edison of New York

Electric	\$ 9,388
Gas	\$ 1,974
Steam	\$ 745

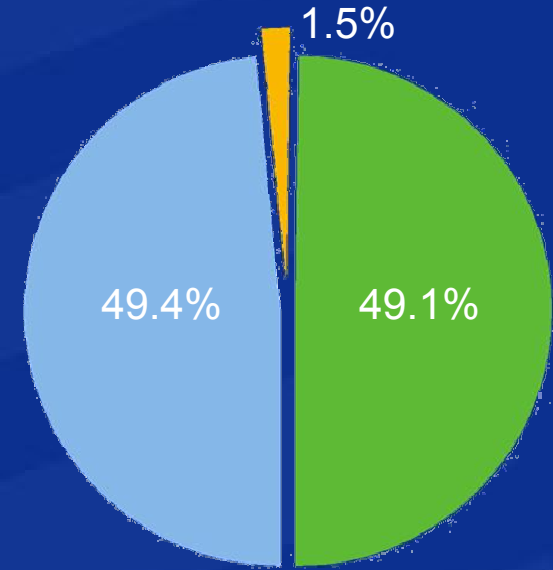
Orange and Rockland

Pike Gas	\$ 1
Pike Electric	\$ 9
Rockland Electric	\$ 127
O&R Gas	\$ 196
O&R Electric	\$ 365

Total Rate Base \$12,805

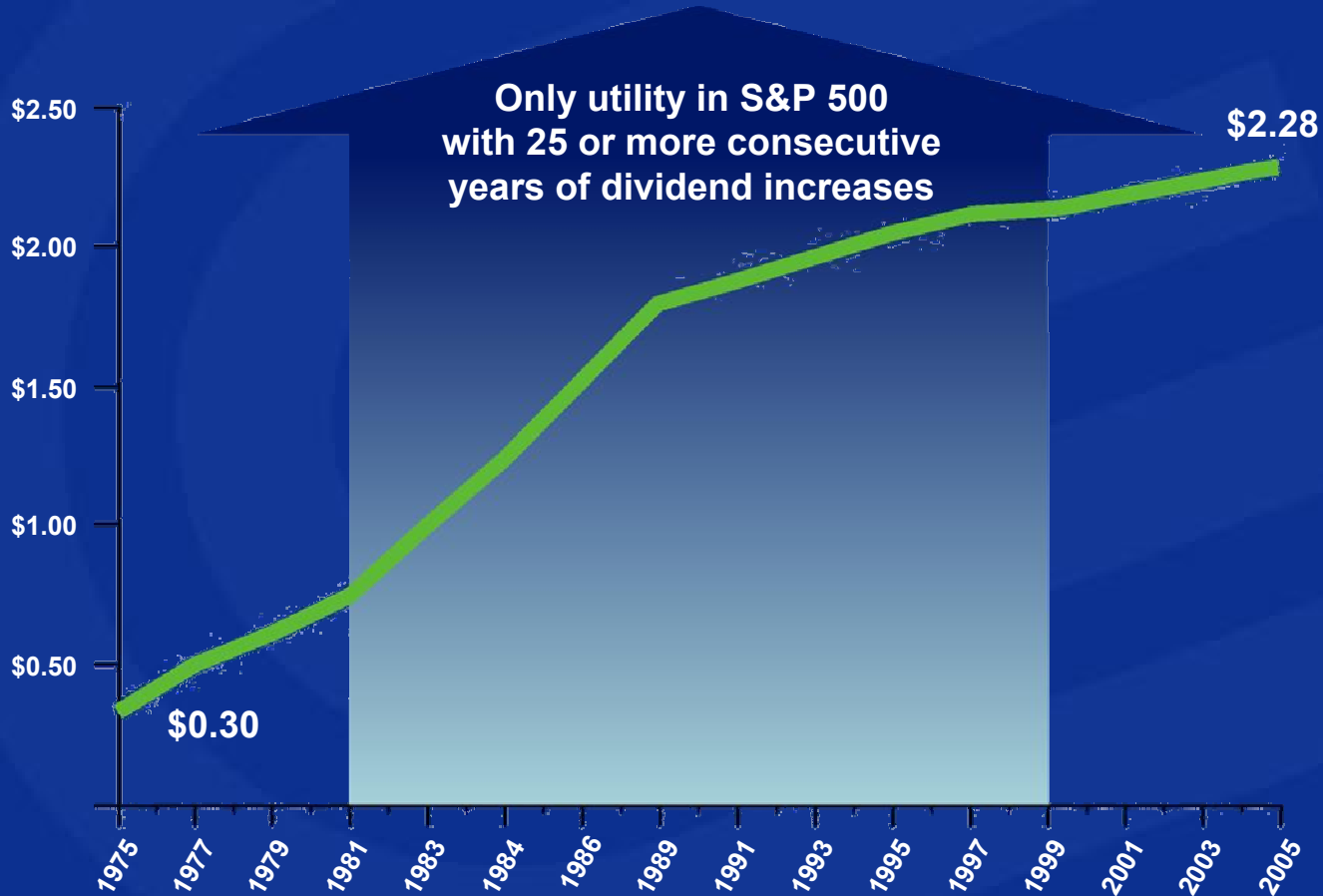


Cap Structure



A Compelling Dividend Record: 31 Consecutive Years of Dividend Increases

Annualized Dividend 1975 - 2005



Total Average Annual Return to Shareholders

Period Ended June 30, 2005 (%)



Source: Bloomberg

Con Edison's Investment Thesis

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



conEdison, inc.