

**Con Edison, Inc.**

***Solid, Steady,  
Straightforward***

**Merrill Lynch Global Power  
and Gas Leaders Conference**

*New York, NY – September 28, 2005*



# **Solid, Steady, Straightforward**

## **Merrill Lynch Global Power and Gas Leaders Conference**

*New York, NY*

*September 28, 2005*

**Kevin Burke**

*President and Chief Executive 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

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Transmission  
and distribution

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Productive  
regulatory  
relationships

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Understand  
what customers  
and shareholders  
want

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Technology

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Strong  
underlying  
economy

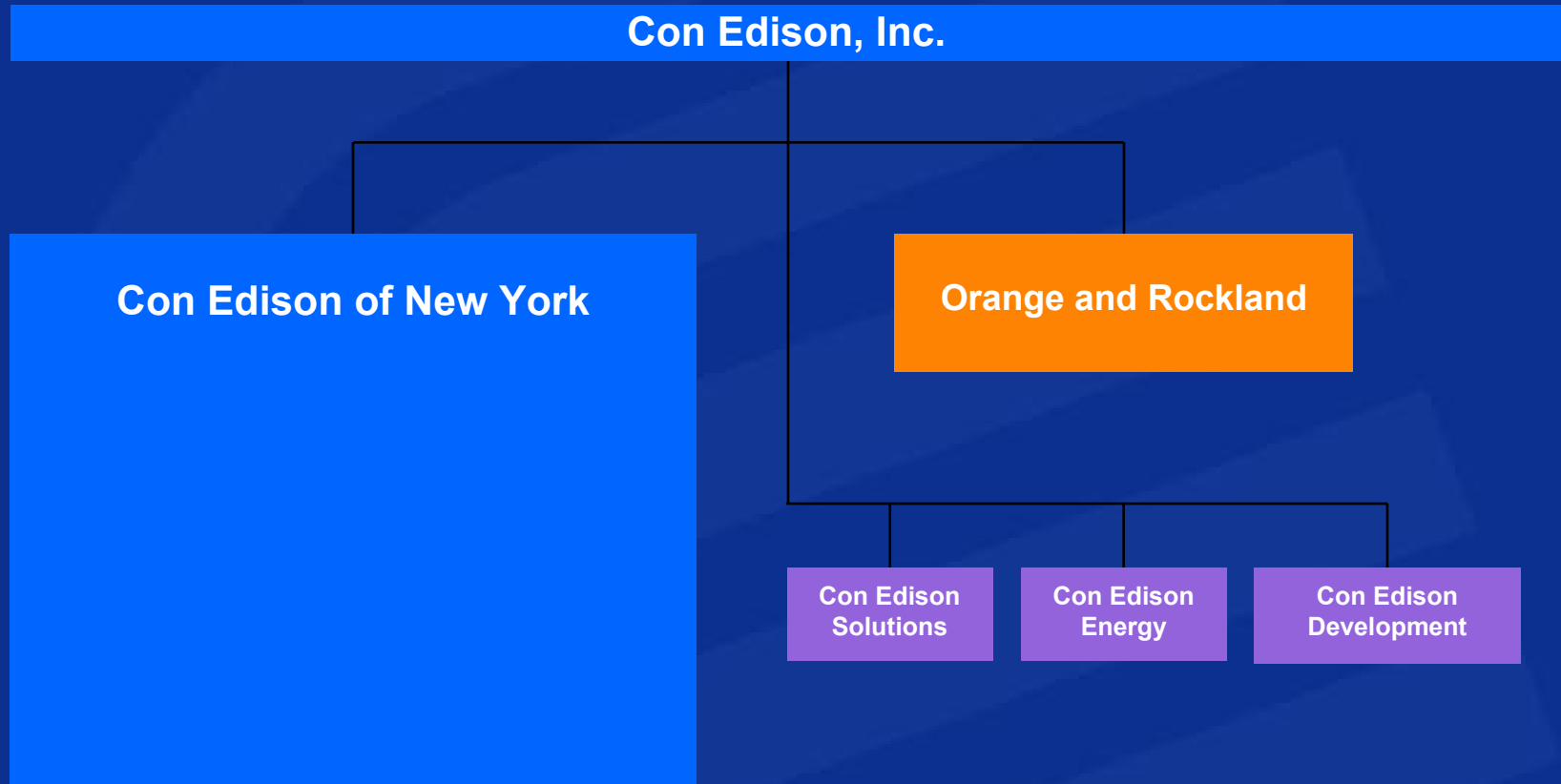
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Steady,  
predictable  
earnings

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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

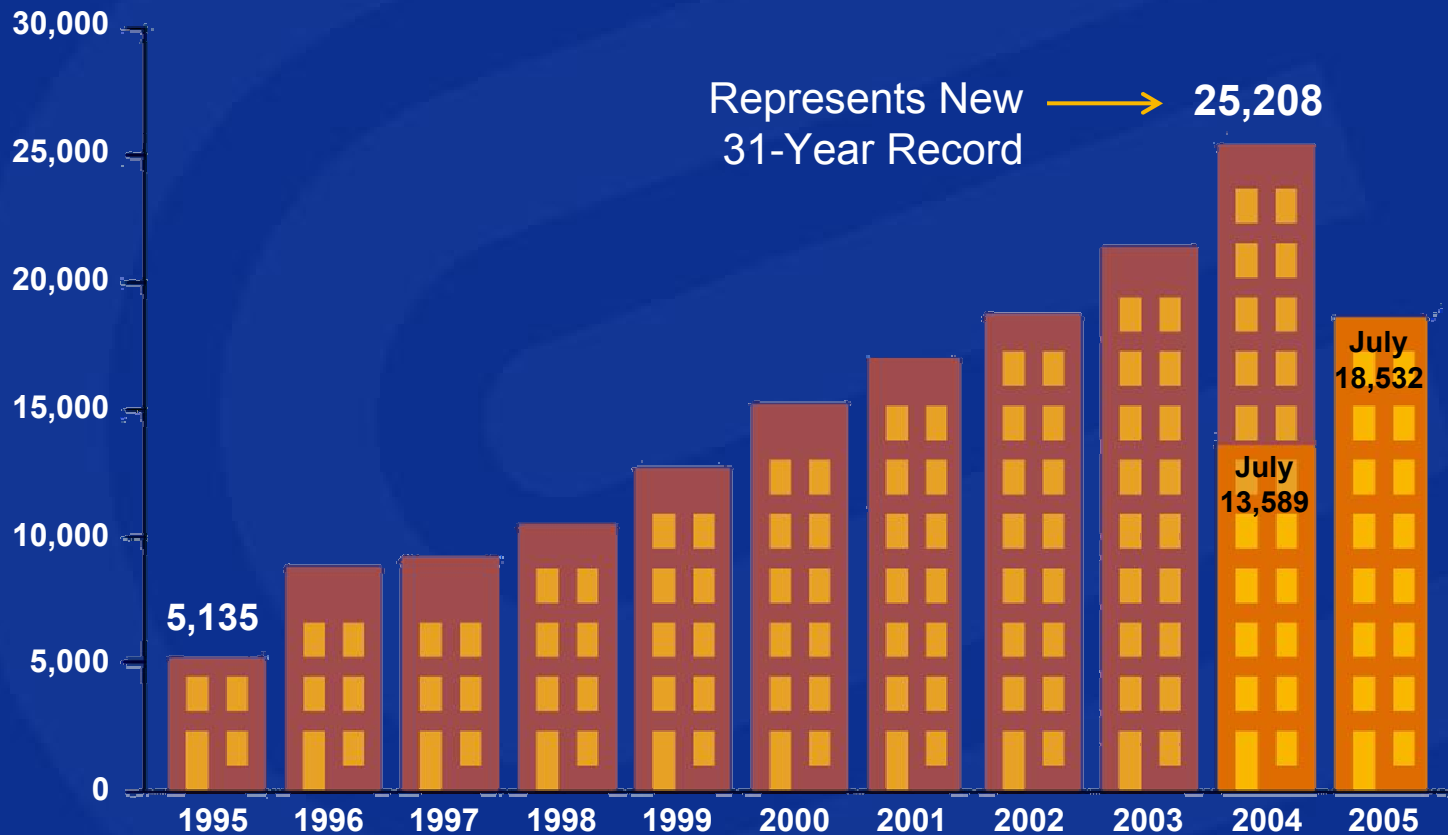


**Atlantic Terminal**  
Brooklyn

Con Edison of New York

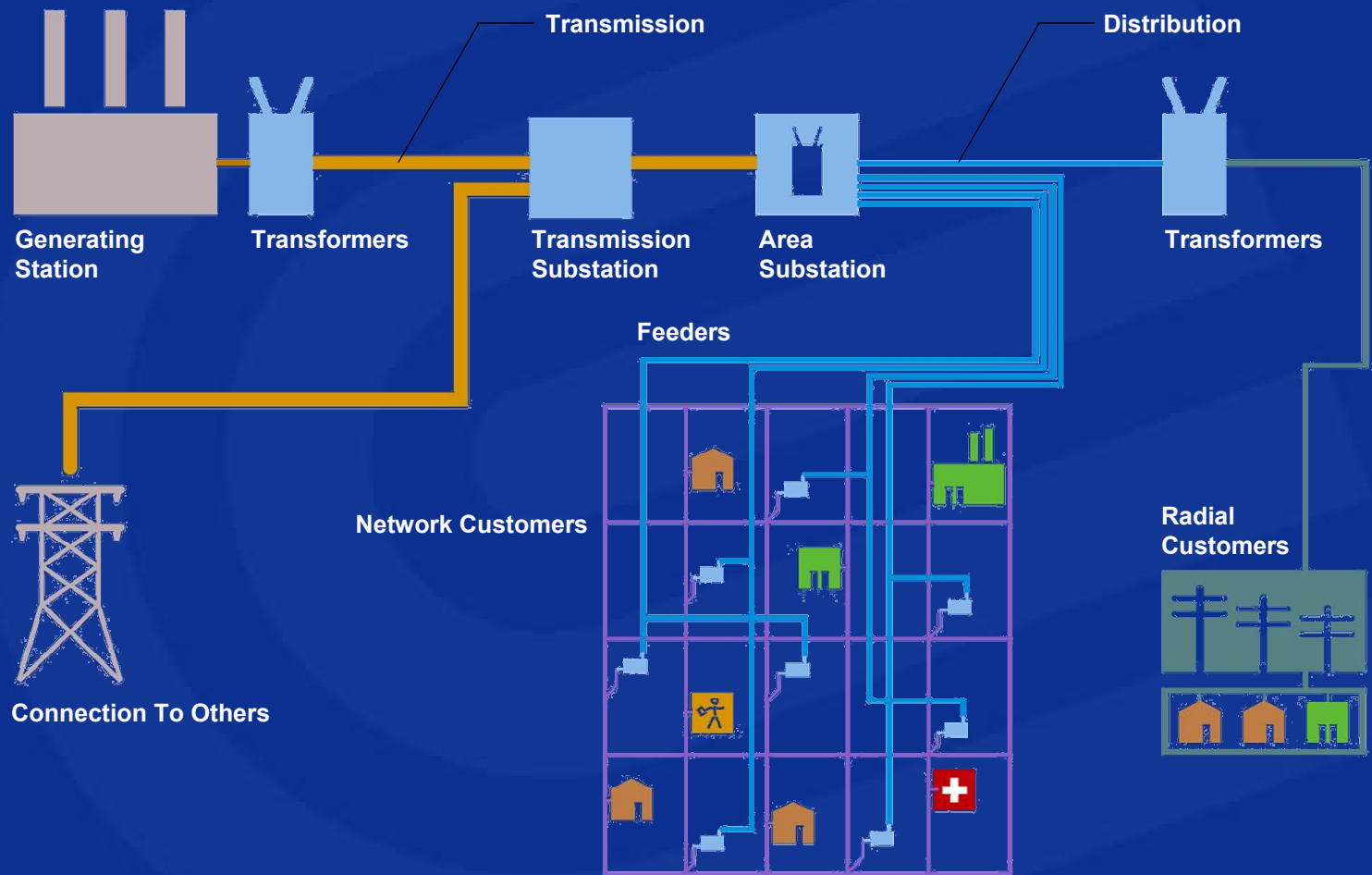
# New York City Housing Permits

Number of New Dwelling Units





# Con Edison of New York The Electrical System

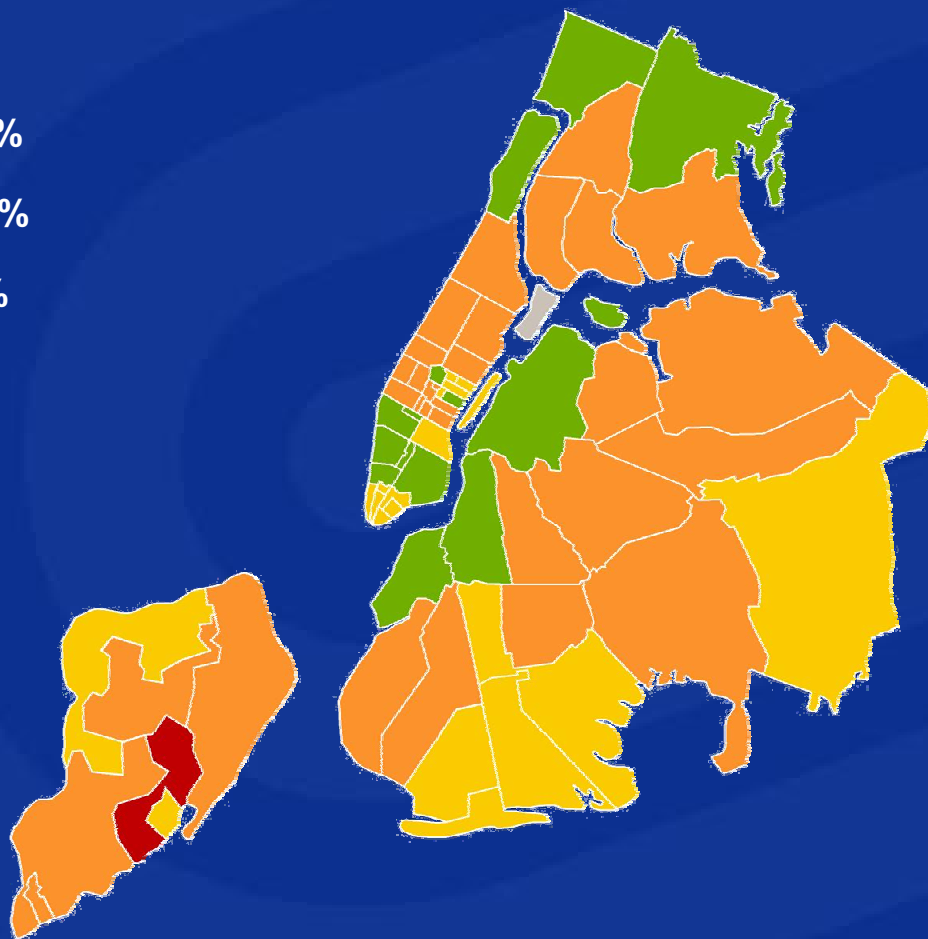


Con Edison of New York

# 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

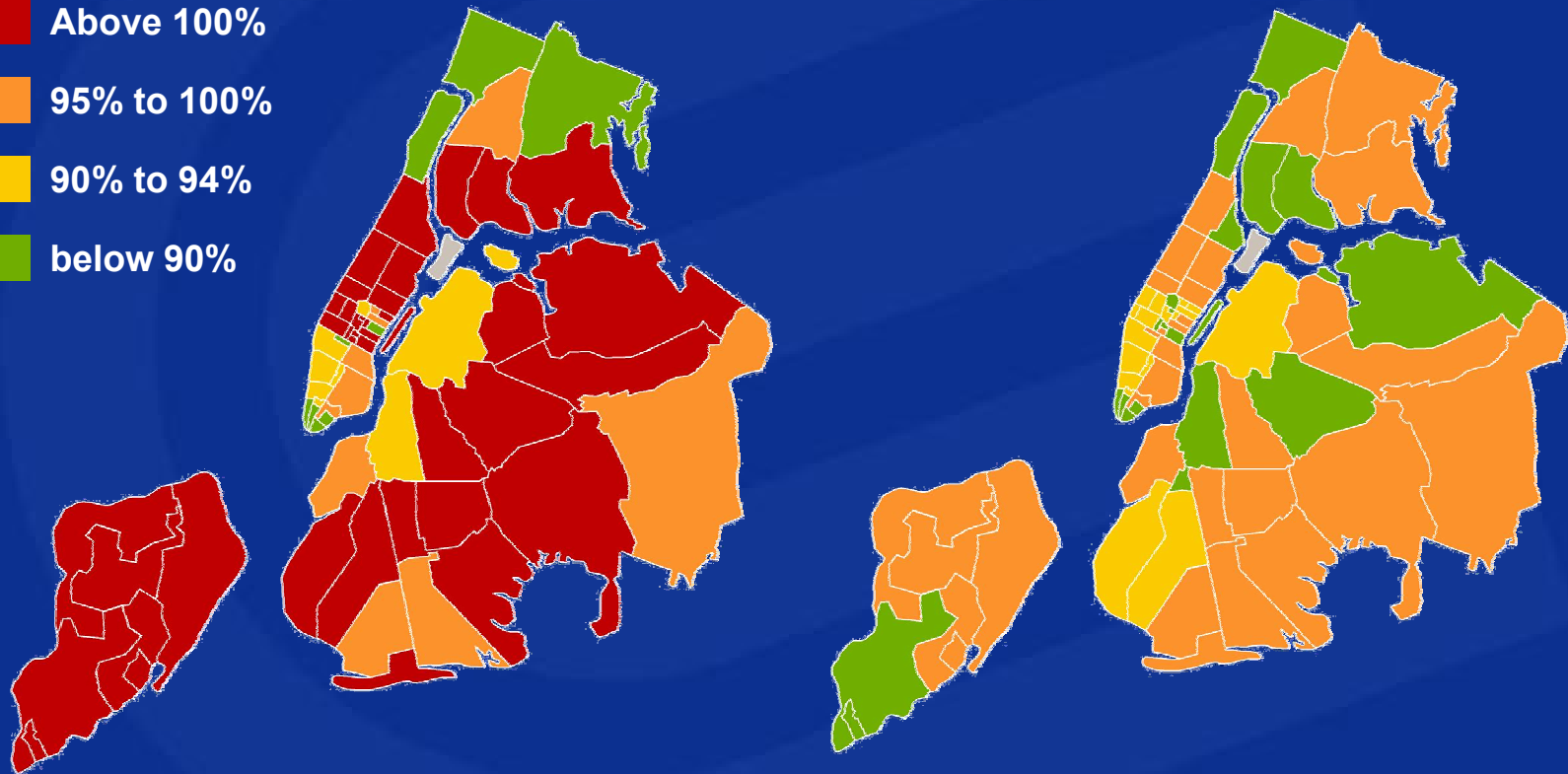
# Meeting Customers' Needs

## New York City Area Substation Capacity – 2010

Without Capital Projects

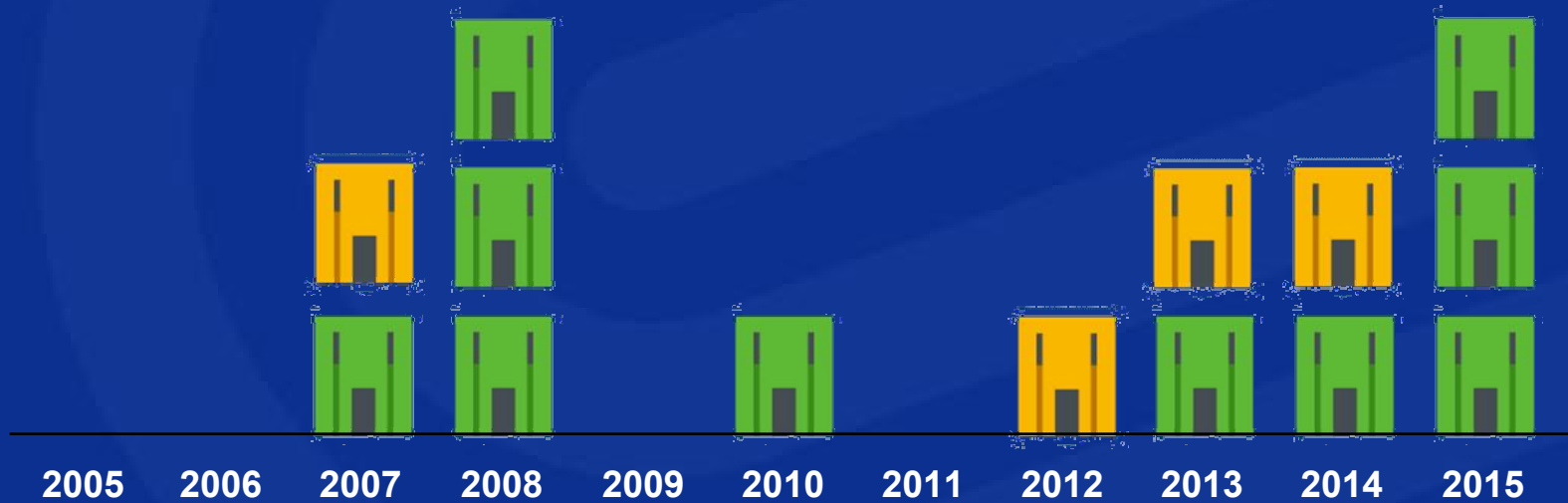
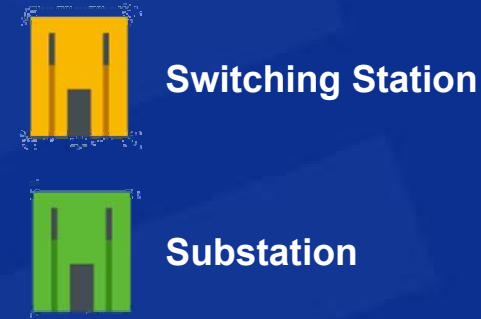
With Capital Projects

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



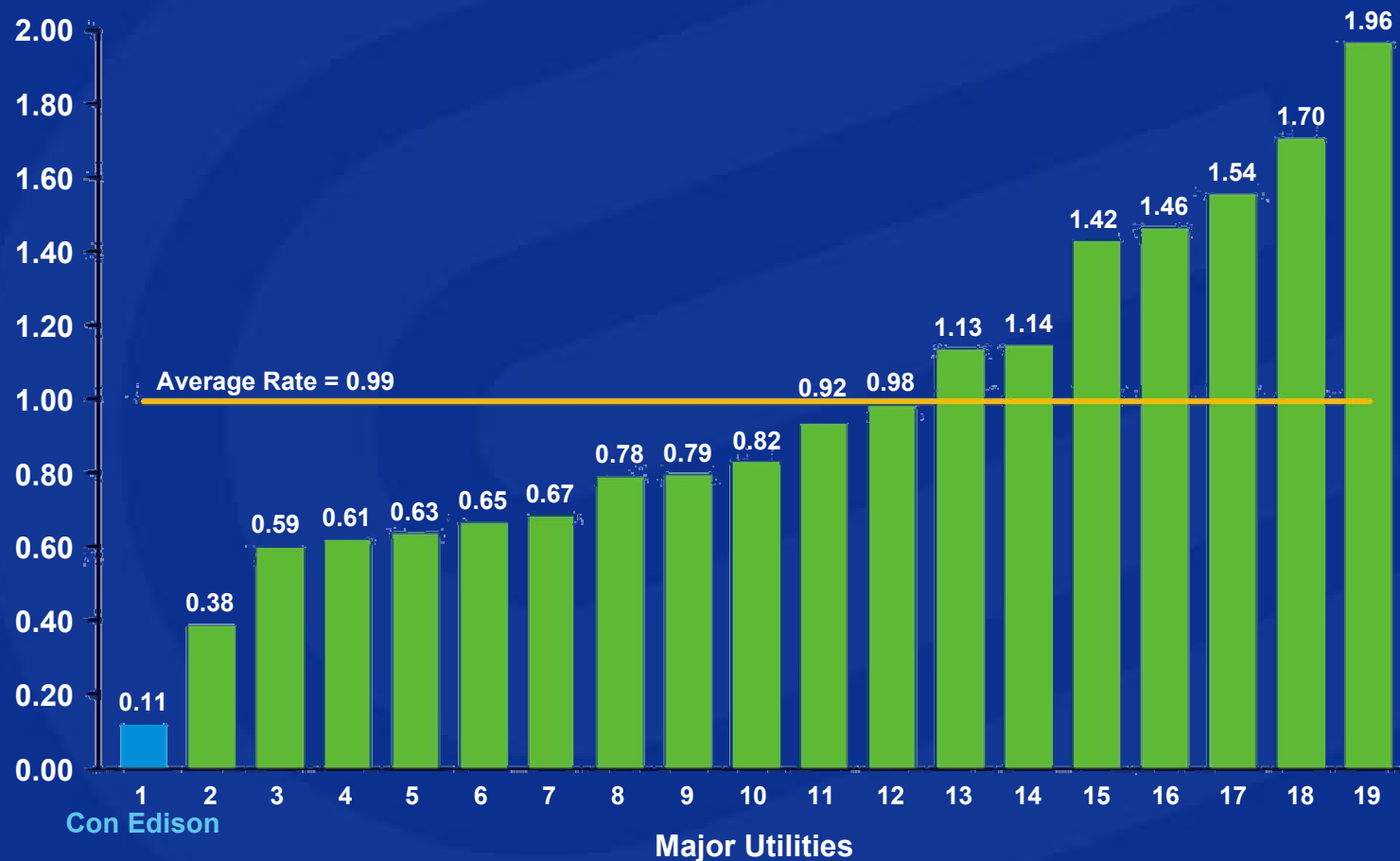
Con Edison of New York

# Major Substation Construction Program 2005 – 2015



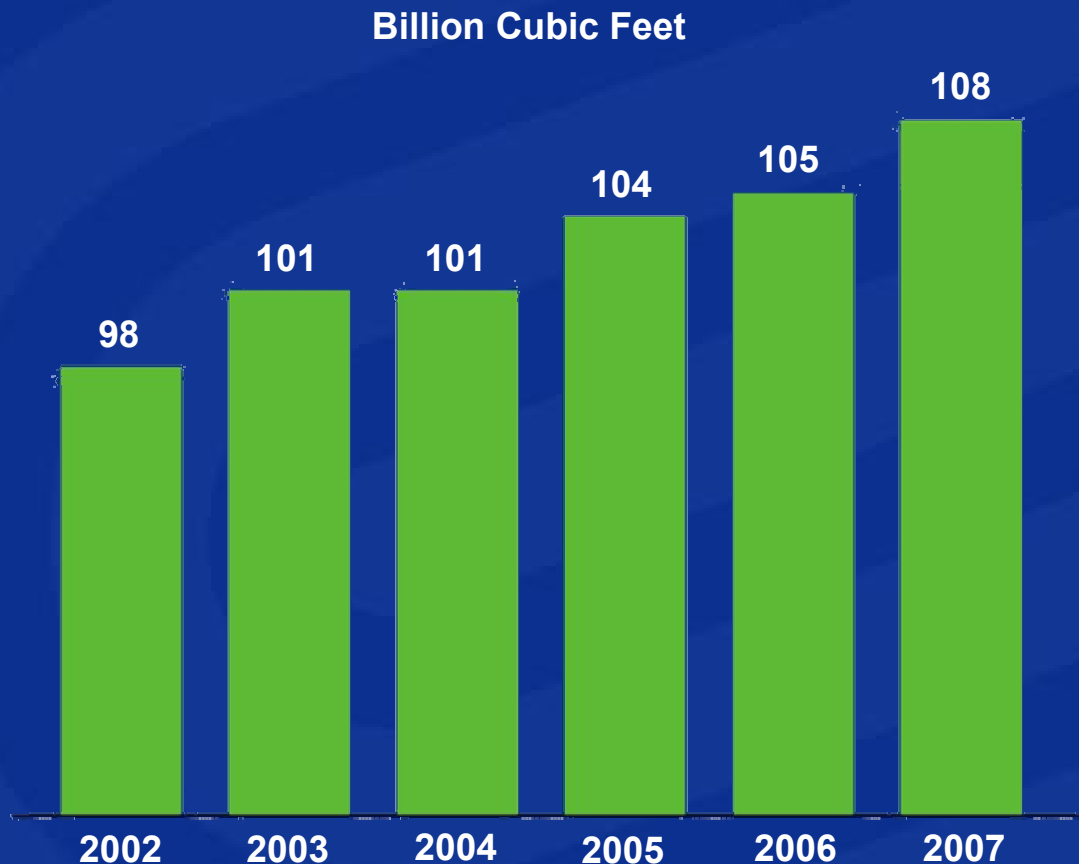
# Con Edison of New York System Reliability

## 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**

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**

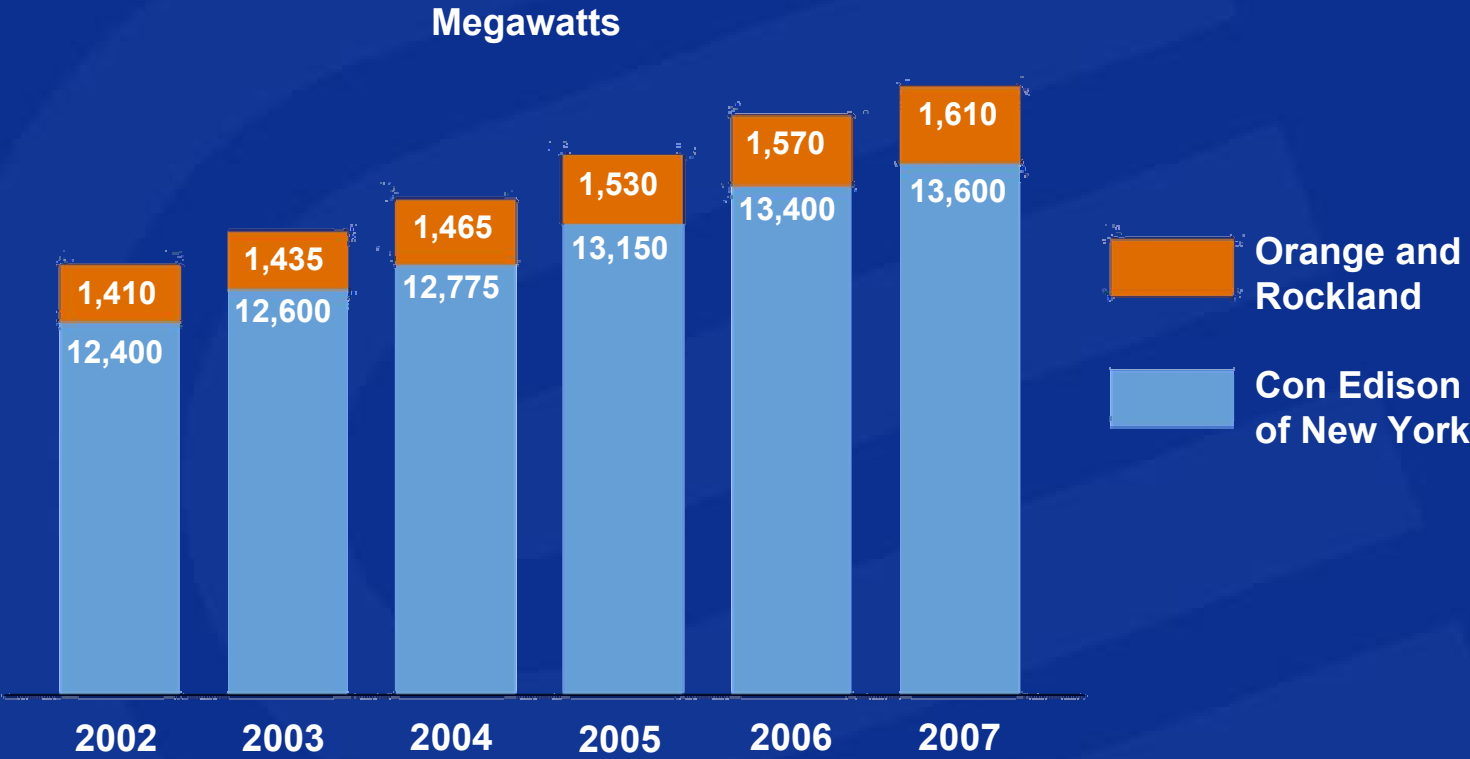


**Matamoras Substation**



**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

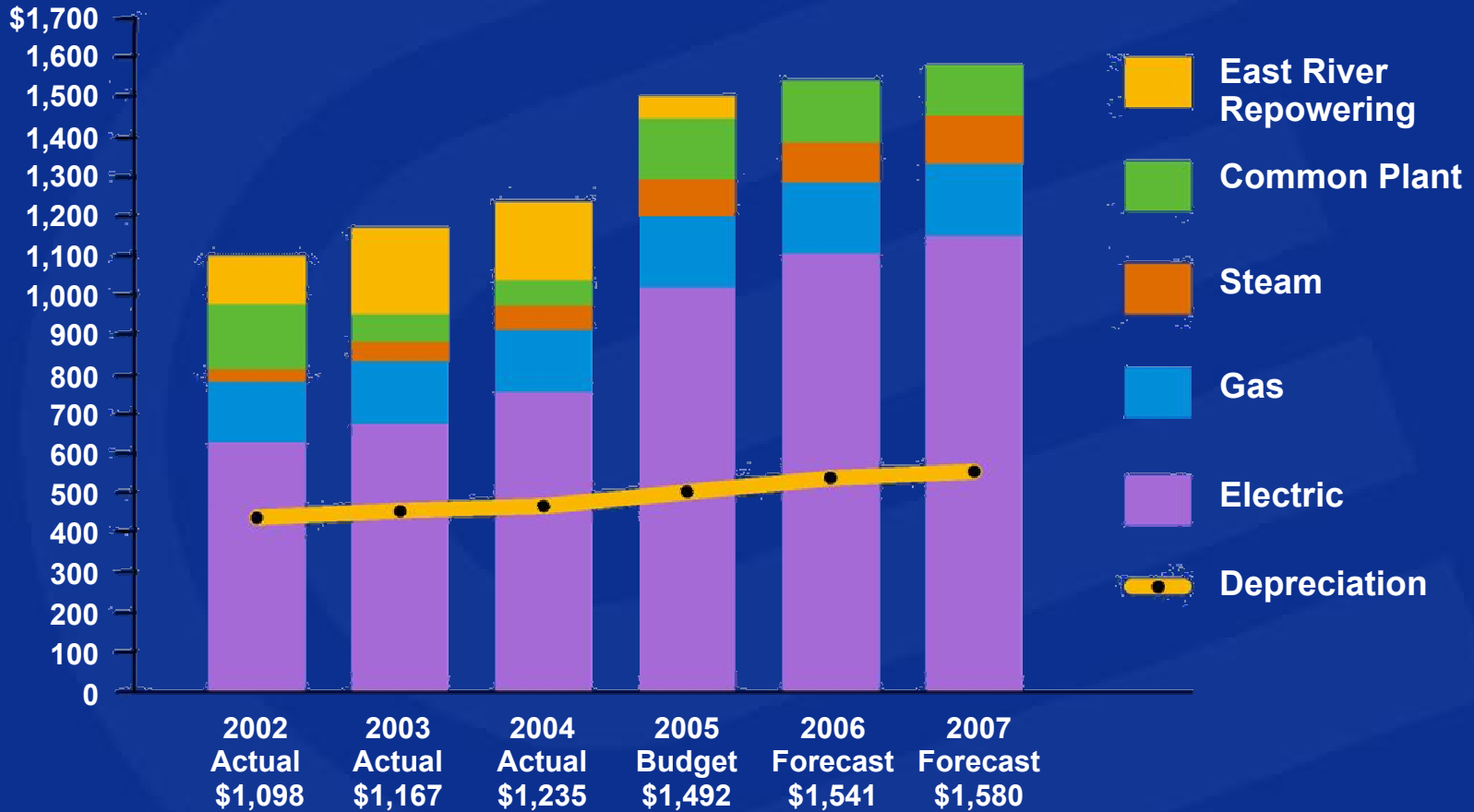
- Top ten peaks in customer usage occurred in 2005
- August set monthly electricity sendout record of 687,340 MW hours
- Seven of top ten winter peaks in customer usage occurred during 2004/2005 winter season

# The Con Edison Financial Story

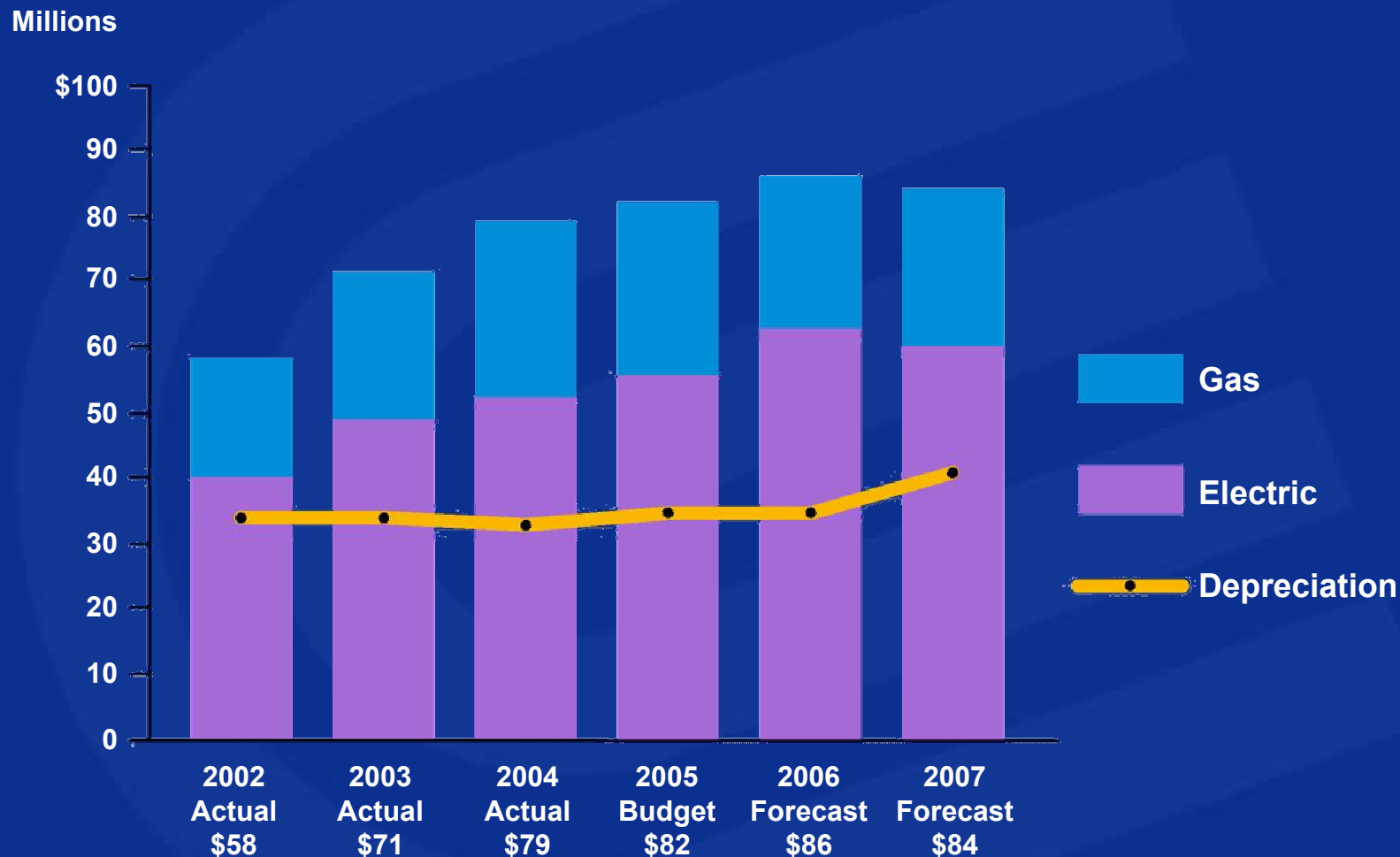
- **Solid track record in regulatory relations**
  - Recently concluded rate plans
  - Current recovery of all energy costs
  - Reconciliation of major uncontrollable costs
  - Gas weather normalization
- **Balance sheet stability**
- **Steady, predictable earnings**
- **Modest growth consistent with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

# Con Edison of New York Infrastructure Investment

Millions



# Orange and Rockland Infrastructure Investment



# Growing Rate Base and Solid Balance Sheet

(as of June 30, 2005)

## Rate Base (\$ millions)

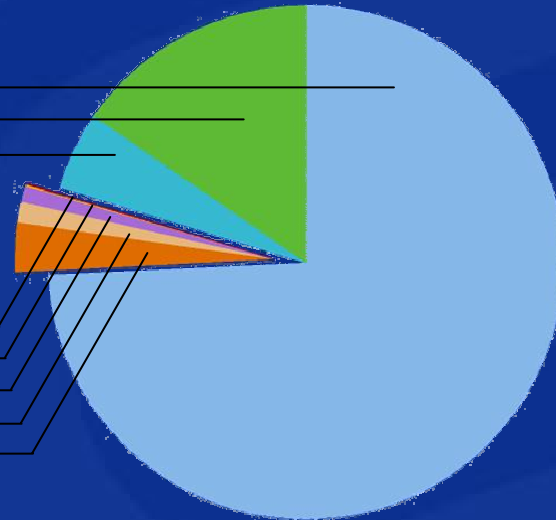
### Con Edison of New York

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

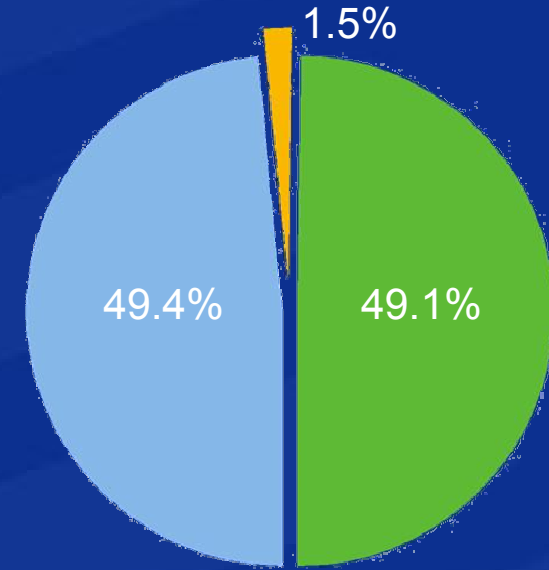
### Orange and Rockland

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

Total Rate Base \$12,805



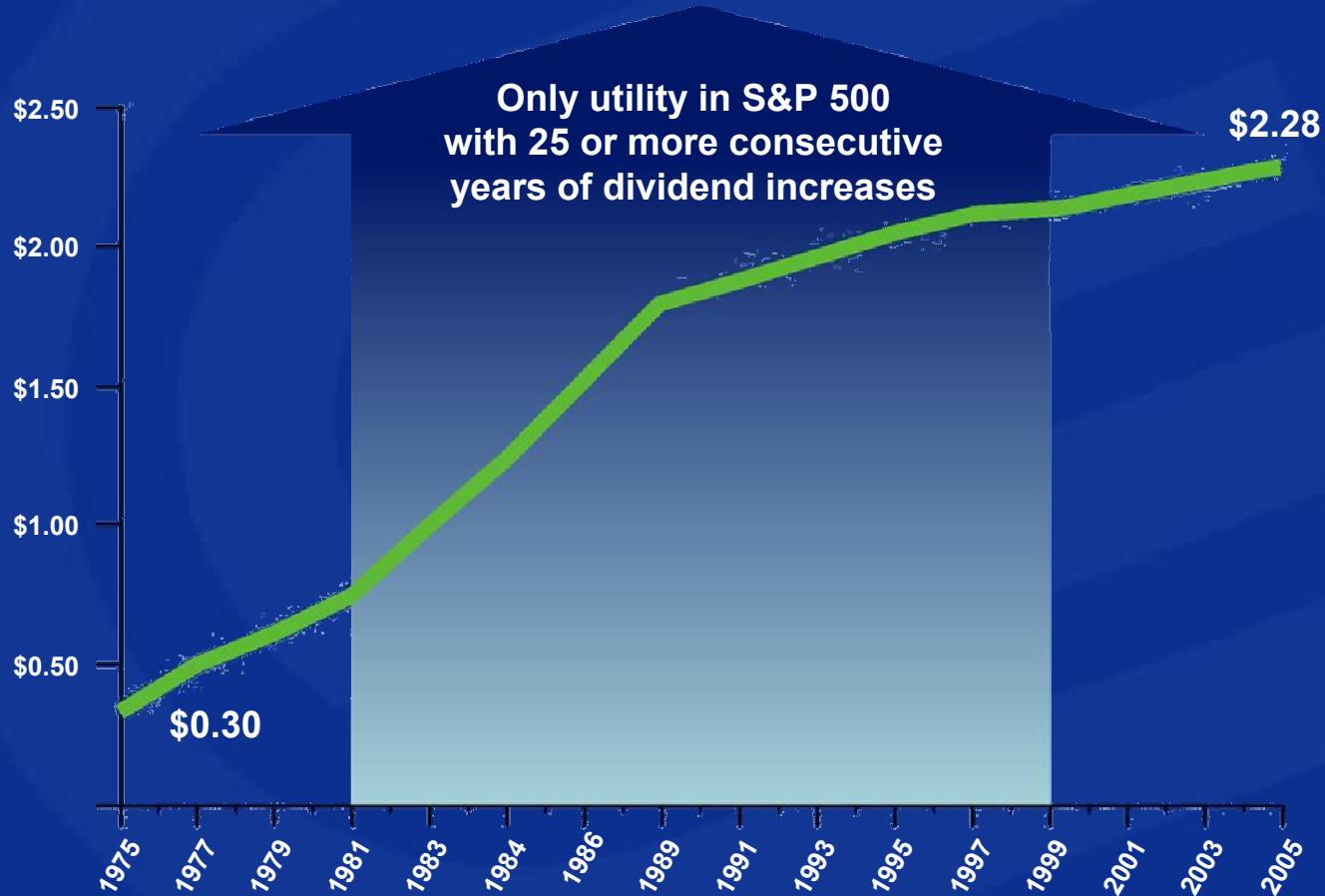
## Cap Structure





# 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 management
- Superior dividend track record



**conEdison, inc.**