



Sustainability Report Overview 2009

Our long-term outlook keeps us steadfastly focused on sustainability — of our customers, communities, and business.

Company Profile

Consolidated Edison, Inc., is one of the nation's largest investor-owned energy companies, with approximately \$13 billion in annual revenues and \$34 billion in assets. The company provides a wide range of energy-related products and services to its customers through the following subsidiaries: Consolidated Edison Company of New York, Inc., a regulated utility providing electric, gas, and steam service in New York City and Westchester County, New York; Orange and Rockland Utilities, Inc., a regulated utility serving customers in a 1,350-square-mile area in southeastern New York State and adjacent sections of northern New Jersey and northeastern Pennsylvania; Con Edison Solutions, a retail energy supply and services company; Con Edison Energy, a wholesale energy supply company; and Con Edison Development, a company that participates in infrastructure projects.

Con Edison Web Sites

Con Edison, Inc.	www.conEdison.com
Con Edison of New York	www.conEd.com
Orange & Rockland	www.oru.com
Con Edison Solutions	www.conEdsolutions.com
Con Edison Energy	www.conEdenergy.com
Con Edison Development	www.conEddev.com

This overview report was prepared to reduce the resources required to print the full report. The full 2009 Sustainability Report is available at conEdison.com and all other company Web Sites listed above.

Executive Message

To Our Stakeholders:

Con Edison is dedicated to protecting the environment, promoting the cultural and economic vitality of the communities we serve, keeping the public and our employees safe, and preserving the financial well-being of our company. Our consistent focus on these goals is driven by our broader commitment to sustainability.

Our sustainability strategy is a comprehensive plan that drives everything we do. Sustainability is the common thread that binds our effort to provide customers with efficient and clean energy, slash emissions of greenhouse gases and other pollutants, prevent safety hazards, maintain a top-notch workforce, and invest in our diverse and dynamic neighborhoods and communities.

This report details our ongoing sustainability efforts. We describe how we are positioning ourselves on the cutting edge of environmental stewardship by embracing new technologies and encouraging the development and use of renewable energy. We are modeling green behavior in our business, and greening our infrastructure, vehicle fleet, and equipment.

In this report, we quantify our environmental performance and explain where we go beyond compliance with environmental laws and regulations, as well as where we've fallen short in meeting our own expectations. We also highlight our unsurpassed service reliability and our concentrated efforts to prevent accidents. Lastly, the report presents our ethical business practices and financial performance, and the challenges we face.

In 2009, the economic slowdown created difficulties for our customers and our business, and we are expecting more of the same in 2010. Despite these challenges, our long-term outlook keeps us steadfastly focused on sustainability — of our customers, communities, and business.



Kevin Burke
Chairman, President,
and Chief Executive Officer



Randolph Price
Vice President
Environment, Health and Safety

Building a Sustainable Future

In 2009, Con Edison sharpened its focus on three important factors that impact our company — our stakeholders, the environment, and the economy. We built a sustainability strategy that will guide us as we provide efficient, clean, and sustainable energy to our customers, and achieve continued profitable growth. The strategy includes

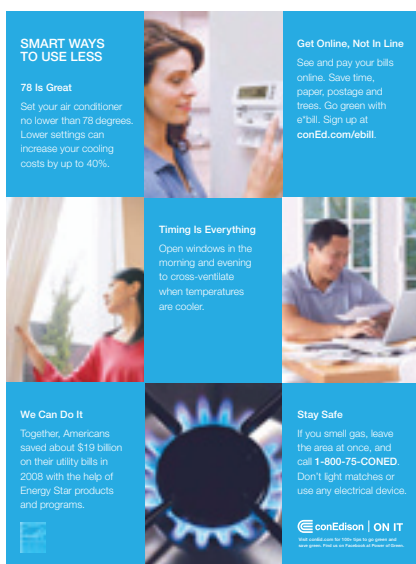
examining ways to reduce our own environmental impact, engaging our stakeholders in our efforts, and encouraging energy efficiency and renewable generation. We are laying a solid foundation for a lasting culture of sustainability at Con Edison.

Coverage of some specific initiatives implemented in 2009 is provided in this overview report. A detailed description of our sustainability strategy can be found in our full 2009 Sustainability Report at conEdison.com.

Our sustainability strategy is guided by six principles:

The strategy will evolve as fresh challenges and opportunities arise.

- Model green behavior internally
- Promote green behavior to external stakeholders
- Innovate to meet customer preferences for a greener lifestyle
- Partner with governments to shape policies and standards consistent with our sustainability vision
- Develop infrastructure to advance the use and delivery of clean energy alternatives
- Incorporate environmental and societal value into decision making.



(left) Subway poster campaign informs customers about ways to save energy.
(right) Con Edison funds community and family arts programs at Socrates Sculpture Park in Queens.





Promoting Green Behavior

Con Edison has a long and proven commitment to helping customers use energy wisely. Customers are benefitting by spending less on energy. Altogether, we expect our portfolio of energy-efficiency offerings to save 1.7 million megawatt hours of electricity annually by 2015.

We are offering homeowners cash rebates for upgrading to high-efficiency air conditioners, heating systems, boilers, and water heaters. Small businesses can take advantage of free energy audits and get substantial rebates for making major upgrades. During the audits, we install free compact-fluorescent lights and water-heater thermostats.

(left) Energy-efficient lighting installations at ABC Carpet and Home, made possible by Con Edison, reduce energy use by about 2.5 million kilowatt-hours a year.

(right) Con Edison employees share energy-saving tips in new Power of Green web videos.

Con Edison Solutions is making great strides in its renewable-energy offerings to customers. In the last two years, Solutions has increased its number of green-energy accounts by almost 60 percent. Among the newly signed customers are Saint Peter's College in Jersey City, and Chelsea Piers in Manhattan, now the city's largest commercial customer completely powered by wind.

The company's Power of Green campaign continues to inform people about conserving

energy. Our Power of Green Web pages are among our most popular Web destinations, educating nearly 100,000 visitors last year. Con Edison has a newly launched Power of Green Facebook page, offering information about green partnerships, energy-saving tips, and our new energy-efficiency offerings. Education campaigns present energy-efficiency tips that run on local radio and appear in subways, brochures, and customer newsletters.



Greening Our Business

Piloting a smart grid was a significant chapter in the company's history in 2009. A smart grid allows for the distribution of energy and exchange of information between customers and utilities, giving real-time information about energy use. The smart grid will give customers the tools to be smarter consumers of energy and will allow the utility to more quickly identify and isolate problems. The smart grid can also integrate renewable energy and electric-vehicle charging stations into the system.

More than 40 percent of our vehicles are now using alternative-energy technology. The company's substantial fleet got greener when we acquired more than 150 hybrid vehicles. We continue to test

new plug-in-hybrid and all-electric models. Two hybrid mobile laboratories that detect fluid leaks in the electric-transmission system were added to the fleet in 2009. Con Edison of New York was ranked 11th in the Top 50 Corporate Green Fleets in 2009 by *Automotive Fleet* magazine.

We have reduced greenhouse gas emissions by 36 percent since 2005. Greenhouse-gas emissions generated by the company include carbon dioxide, sulfur hexafluoride (SF₆), and methane. In 2009, we spent approximately \$20 million for circuit-breaker replacements to reduce SF₆ emissions. More than 65 miles of gas mains and 4,800 gas services were replaced in 2009 to minimize methane emissions.

New environmentally friendly white roofs are now in place at our corporate headquarters and more than 20 other facilities, and others are under way. A white roof reflects sunlight, lowering indoor temperatures on hot days. This reduces the need to cool the building, resulting in fewer carbon dioxide emissions.

The Greening House campaign informs employees about the company's green efforts.





Solar-panel installations are paving the way for the integration of renewable energy into the smart grid.

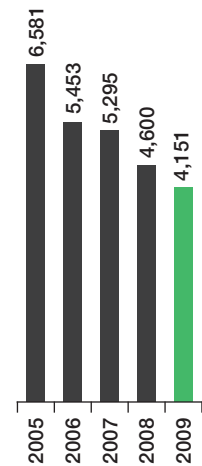
We recycle clean non-hazardous waste materials in more than a dozen categories, and are working to improve awareness about our recycling program by introducing consistent signage for waste typically found at facilities, and by distributing recycling manuals. The company recycled more than 59,000 tons of waste in 2009 — or more than 90 percent of all non-hazardous waste generated.

We engage our employees in our sustainability efforts. Our Greening House campaign uses an intranet-based site and mixed media to deliver messages about what the company is doing to reduce its impact on the environment. Con Edison of New York's Greening House Ideas and Orange

& Rockland's GoGLOBAL campaigns encourage employees to contribute their own ideas to help the company reduce waste and energy use, and preserve resources.

For the first time, we examined our energy and water use with a view to establishing a baseline to drive performance. Con Edison of New York's electric consumption at facilities in New York City and Westchester County was 124,330 megawatt hours. Gas consumption at company facilities was 130,649 decatherms. Basic water (excluding water used to make steam) and sewage consumption at facilities in the five boroughs was approximately 130 million gallons.

Con Edison Total Greenhouse Gas Emissions (thousands of tons CO₂e)





A Safe, Healthy Workplace

Protecting the health and safety of our employees, contractors, and the public is a commitment we take very seriously. The delivery of energy, however, comes with potential risks. In 2009, a Queens woman lost her life in a gas explosion in her home and a pedestrian who entered an active work area was struck and killed by a contractor's backhoe. An investigation into the Queens gas incident prompted the company to work with the New York Fire Department to develop new emergency-response procedures, including enhanced evacuation protocols, when responding to serious gas leaks. We are also reinforcing protocols for work areas with all of our contractors to ensure work sites are properly secured to protect the public.

In 2009, Con Edison of New York achieved an Occupational Health and Safety Administration (OSHA) Injury/ Illness Incidence Rate of 3.24, a federally

standardized measure for quantifying work-related injuries and illnesses. Con Edison of New York met the year-end target of 3.29, but the rate rose slightly compared to 2008.

Con Edison of New York has established an ambitious five-year goal to reduce its OSHA Incidence Rate to lower than or equal to the first quartile of our industry, which is currently at 1.5. We will focus on improving procedural compliance, and identifying risks and hazards during job planning and briefings. Significant safety progress has been made over the years, but there are still instances where procedures are not always followed. As a result, we established the "Rules We Live By" to highlight critical safety rules that have the highest potential for severe injury to our employees or the public if not followed.

Orange and Rockland exceeded its 2009 OSHA Injury/ Illness Incidence Rate target, ending

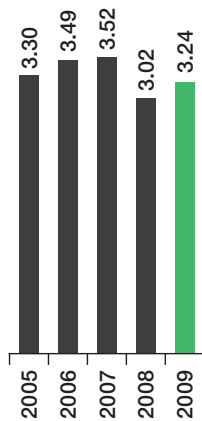
the year with a rate of 5.97. Orange and Rockland is committed to reducing this number to 2.5 or less by 2015. Orange and Rockland is providing their employees with tools and resources to maximize compliance with safety rules, performing comprehensive job planning and briefings, and documenting site-safety observations. In addition, "Cardinal Rules," an initiative similar to the Rules We Live By, will be introduced in 2010.

Con Edison of New York's stray-voltage testing program has greatly reduced the risk of electric shock on New York City's streets and in Westchester County. Every day, a fleet of stray-voltage-detector vehicles uses sensors to find stray voltage as low as one volt on Con Edison manhole covers, gratings, service boxes, and on public property that includes light poles. In total, we identified and corrected more than 6,000 cases of stray voltage in 2009.

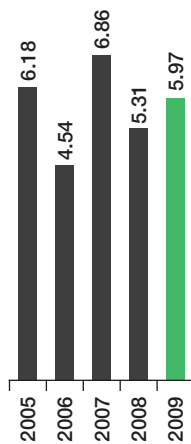


Gas workers in the Bronx fuse new pipe.

**Con Edison of New York
OSHA Injury/Illness
Incidence Rate**



**O&R OSHA Injury/Illness
Incidence Rate**



Committing to Diversity

With more than 14,000 employees, Con Edison is one of the largest employers in our region. Our workforce reflects the communities we serve and, in 2009, we again successfully recruited, retained, and developed talented and diverse employees at all levels. Minorities comprise 45 percent of the company's workforce. More than 59 percent of those hired by Con Edison of New York in 2009 were minorities, and 40 percent were women.

"Women in Field" seminars gave women a forum to discuss issues about working in a nontraditional field. These seminars addressed specific safety concerns voiced by our female employees. Personal-protective-equipment updates and product information were provided, and ergonomic initiatives were discussed.

Con Edison works to cultivate relationships with minority- and women-owned businesses.

The company spent more than \$278 million for services and goods provided by companies in our Supplier Diversity program in 2009.

Look for Con Edison's full 2009 Diversity Report on conEd.com/diversity.



The 2009 Diversity Annual Report summarizes company achievements in diversity, inclusion, and equal employment opportunity.

Embracing our Communities

We continue our long-established tradition of contributing to the diverse social, cultural, and economic vitality of our service area.

Our focus is shifting to organizations that work on sustainability-related issues. We support Solar One's Green Collar Jobs program, which provides vocational education for students interested in the emerging green industry. Another organization we support, the Teatown Lake Reservation, offers educational programs that instill respect for the environment. In Orange County, we worked with residents to restock Ridgebury Lake with native fish, bringing the lake back to life.

Volunteerism plays a big part in our role in the communities we serve. Hundreds of Con Edison



of New York and Orange and Rockland employees give their time and energy to educational, health, senior citizen, sports, mentoring, and civic programs and organizations.

Students at P.S. 394 in Brooklyn participate in a Con Edison-sponsored planting project.



Meeting Challenges

Economic outlook

We are operating in challenging economic times. While the Federal Reserve has declared the recession technically over, unemployment in New York City is at a 17-year high, commercial vacancy rates are the steepest in a decade, and construction is at a standstill. Many of our customers struggled last year, and more of the same is expected in 2010. We will continue to offer our customers level-payment plans, agreements, and extensions.

The weakened economy and a mild summer impacted energy demand in 2009: for the first time in 30 years, our customers' demand for electricity declined. Over the next five years, we are expecting a slower rate of increase in our customers' need for energy, and have

lowered our forecast growth for electricity demand to less than one percent annually. Despite the economic crisis, we are confident that the region will again return to prosperity.

Addressing climate change

Addressing climate change today will impact the health of the environment for future generations. Con Edison is working to further reduce its environmental impact and to encourage other groups to develop effective climate change policies and strategies. As a result of our sustainability efforts, by 2020 we will produce 4.9 million fewer tons of greenhouse gases than we did in 2005.

Improving safety

As an energy provider, Con Edison is unrivaled when it comes to reliability. However, we are only in the middle of the pack in employee safety performance compared with other utility companies nationwide. We are committed to reducing our injuries and achieving excellence in safety. Our employees are our greatest asset and we are committed to protecting them. We are taking an aggressive approach by focusing on personal accountability, job briefings, job planning, ergonomics, and job observations.

LED streetlight being installed in Cresskill, New Jersey, by Orange and Rockland line technician.





Con Edison energizes the lives of the nine million people in New York City and Westchester County

Water compliance

Managing stormwater runoff, water infiltration, and wastewater from company facilities has emerged as one of our most pressing compliance challenges. Recent alleged violations have resulted in a proposed consent order from the New York State Department of Environmental Conservation. To address this, we have established a company-wide water vulnerability assessment to identify, assess, and prioritize all potential water-discharge-related risk issues and improve our controls.

An aging workforce

Con Edison has a talented, well-trained workforce that accomplishes great things by working together. However, within the next five years, about 40 percent of our employees will be eligible for retirement. We will rely on a strong recruitment program that works to support diversity and draws qualified candidates to replenish our talent base, then provide them with the training and tools to maintain our standing as one of the most reliable utilities in the country.



Financial Performance

2009 Highlights

(in millions, except per-share information and statistical data)

	2009	2008
Operating revenues	\$13,032	\$13,583
Reported net income (GAAP)	\$868	\$1,196
Income from ongoing operations	\$849	\$820
Reported earnings per share (GAAP)	\$3.16	\$4.38
Earnings per share from ongoing operations	\$3.09	\$3.00
Dividends per share	\$2.36	\$2.34
Dividend payout ratio	76%	78%
Average common shares outstanding	275.2	272.9
Total assets	\$33,873	\$33,498
Capital expenditures	\$2,194	\$2,326
Common equity ratio	50.4%	50.7%
Market capitalization	\$12,748	\$10,652
Stock price per share – year end	\$45.43	\$38.93
Return on equity	8.9%	12.7%
Total shareholder return	24.0%	-15.6%
Dividend yield – year end	5.2%	6.0%





2009 Recognition of Accomplishments

- Con Edison was ranked the number-one utility globally by the Carbon Disclosure Project in a first-time measurement of companies' climate-change performance. Con Edison also has received dual seventh-place rankings in the Carbon Disclosure Leadership Index S&P 500 utility and global utility categories.
- Con Edison was named to the Dow Jones Sustainability Index for North America, a list that analyzes corporate performance in order to highlight leading companies from an economic, environmental, and social perspective.
- *Newsweek* magazine named Con Edison to its Green Rankings 2009 list as one of the country's most environmentally friendly utility companies for its efforts to control electricity demand and its innovations with the electrical grid.
- The United States Environmental Protection Agency recognized Con Edison of New York for its actions to reduce SF₆ emissions by an equivalent of the emissions from 1.5 million cars.
- Con Edison won one of the federal Environmental Protection Agency's highest honors, a WasteWise Gold Achievement award, for recycling almost 50,000 tons of industrial materials.
- Con Edison of New York continues to maintain corporate-wide certification for its environmental management system under the ISO 14001 Standard from the International Organization for Standardization. Ongoing assessments by independent auditors confirm that the company has comprehensive environmental management protocols in place and that they are being properly implemented and enhanced.
- The National Arbor Day Foundation named Orange and Rockland a Tree Line USA Utility for the eighth consecutive year, and Con Edison of New York for the first time, for leadership in tree maintenance along company rights-of-way.
- Con Edison was recognized by PA Consulting Group as the recipient of the 2009 ReliabilityOne award in the Northeast Region. The award is given to utilities for excellence in delivering reliable electric service to their customers.
- *Hispanic Business* magazine named Con Edison to its Top 60 Diversity Elite 2009: Best Companies, Best Practices listing from among leading Fortune 500 firms, American subsidiaries of Global 500 companies, and large public and private organizations.



Steam workers perform maintenance work.

For many years, the EH&S annual report, averaging 70 pages, was published on paper. This year, only this brief overview was printed, and the full report is Web-based. By reducing the number of printed pages, the following resources were saved:



86,168 gallons of wastewater flow avoided



9,882 pounds of solid waste not generated



180 million BTUs of energy saved, the amount consumed by 2 homes in one year



28,432 pounds of greenhouse gases (CO₂e) not produced, equivalent to taking 3 cars off the road for one year

The environmental impact estimates above were made using the Environmental Defense Fund Paper Calculator. For more information, visit www.papercalculator.org.

A limited quantity of this report overview was printed. The summary report is also available at conEdison.com.





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