

Analytical Framework – Peer Group

Mercer's review used the current peer group

- Con Ed's FY 2011 revenue approximates the median of its peer group, which now consists of 19 peers after Constellation Energy was purchased by Exelon

All \$ values in millions

Company	Ticker	2011 Revenue	2010 Revenue	2009 Revenue	2011 Net Income	2011 Assets	Market Capitalization - April 2012	1-Yr TSR - Dec. 2011 (%)	3-Yr TSR Dec. 2011 (%)
Exelon Corp	EXC	\$18,924	\$18,644	\$17,318	\$2,495	\$55,092	\$33,213	9.4%	-3.4%
Southern Co	SO	\$17,657	\$17,456	\$15,743	\$2,268	\$59,267	\$39,932	26.8%	13.4%
FirstEnergy Corp	FE	\$16,346	\$13,275	\$12,718	\$885	\$47,326	\$19,581	25.9%	2.4%
NextEra Energy Inc	NEE	\$15,341	\$15,317	\$15,643	\$1,923	\$57,188	\$26,839	21.8%	10.7%
American Electric Power Co	AEP	\$15,116	\$14,427	\$13,489	\$1,573	\$52,223	\$18,811	20.5%	13.1%
PG&E Corp	PCG	\$14,956	\$13,841	\$13,399	\$844	\$49,750	\$18,350	-10.1%	6.5%
Duke Energy Corp	DUK	\$14,529	\$14,272	\$12,731	\$1,705	\$62,526	\$28,673	30.1%	20.3%
Dominion Resources Inc	D	\$14,379	\$15,197	\$14,798	\$1,408	\$45,614	\$29,827	29.4%	19.4%
Edison International	EIX	\$12,760	\$12,409	\$12,361	\$25	\$48,039	\$14,339	10.9%	12.8%
PPL Corp	PPL	\$12,737	\$8,521	\$7,449	\$1,493	\$42,648	\$15,850	17.5%	3.6%
Entergy Corp	ETR	\$11,229	\$11,488	\$10,746	\$1,367	\$40,702	\$11,625	8.2%	0.1%
Xcel Energy Inc	XEL	\$10,655	\$10,311	\$9,644	\$841	\$29,497	\$13,177	22.3%	19.5%
Sempra Energy	SRE	\$10,036	\$9,003	\$8,106	\$1,365	\$33,356	\$15,576	8.6%	12.5%
Progress Energy	PGN	\$8,907	\$10,190	\$9,885	\$580	\$35,059	\$15,751	36.3%	19.0%
DTE Energy Co	DTE	\$8,897	\$8,557	\$8,014	\$711	\$26,009	\$9,591	25.8%	21.3%
CenterPoint Energy	CNP	\$8,450	\$8,785	\$8,281	\$770	\$21,703	\$8,616	33.3%	23.3%
Ameren Corp	AEE	\$7,531	\$7,638	\$7,135	\$519	\$23,645	\$7,956	23.8%	5.7%
NiSource Inc	NI	\$6,019	\$6,415	\$6,652	\$304	\$20,708	\$6,995	41.5%	37.6%
Pepco Holdings Inc	POM	\$5,920	\$7,039	\$7,402	\$260	\$14,910	\$4,311	17.6%	11.5%

n=19

Summary Statistics

75th Percentile	\$15,036	\$14,350	\$13,444	\$1,533	\$50,987	\$23,210	28.1%	19.5%
Median	\$12,737	\$11,488	\$10,746	\$885	\$42,648	\$15,751	22.3%	12.8%
25th Percentile	\$8,902	\$8,671	\$8,060	\$646	\$27,753	\$10,608	14.2%	6.1%
Average	\$12,126	\$11,725	\$11,132	\$1,123	\$40,277	\$17,843	21.0%	13.1%

Consolidated Edison	ED	\$12,938	\$13,325	\$13,032	\$1,062	\$39,214	\$17,412	30.7%	23.1%
Percentile Rank		56th	62nd	69th	52nd	43rd	59th	84th	94th

MERCER

Market Assessment – Top Executives Base Salary (\$000)

For Con Ed's NEOs, overall base salary levels are generally positioned at the market median for both proxy and survey data

USD '000s	Current Base Salary	Proxy Peer Group						Survey Data					
		25th %ile		50th %ile		75th %ile		25th %ile		50th %ile		75th %ile	
		Data	Ratio	Data	Ratio	Data	Ratio	Data	Ratio	Data	Ratio	Data	Ratio
Chairman of the Board/CEO	\$1,217	\$1,030	<i>118%</i>	\$1,133	<i>107%</i>	\$1,326	<i>92%</i>	\$1,001	<i>122%</i>	\$1,248	<i>98%</i>	\$1,411	<i>86%</i>
President CECONY	\$690	\$638	<i>108%</i>	\$706	<i>98%</i>	\$854	<i>81%</i>	\$609	<i>113%</i>	\$746	<i>92%</i>	\$815	<i>85%</i>
SVP & CFO - Finance	\$640	\$535	<i>120%</i>	\$573	<i>112%</i>	\$628	<i>102%</i>	\$482	<i>133%</i>	\$569	<i>113%</i>	\$663	<i>97%</i>
General Counsel - Law	\$541	\$479	<i>113%</i>	\$520	<i>104%</i>	\$577	<i>94%</i>	\$422	<i>128%</i>	\$515	<i>105%</i>	\$586	<i>92%</i>
SVP - Enterprise Shared Services	\$423	--	--	--	--	--	--	\$330	<i>128%</i>	\$416	<i>102%</i>	\$518	<i>82%</i>
Overall:			<i>115%</i>		<i>105%</i>		<i>92%</i>		<i>125%</i>		<i>102%</i>		<i>88%</i>

The figures in *italics* represent Con Ed's ratio from the market.

Market Assessment – Other Executives Base Salary (\$000)

Overall, base salary levels are positioned at median, with significant variation by individual, primarily driven by the Company's philosophy to rotate executives within the company

Position	Current Base Salary	Survey Data					
		25th %ile		50th %ile		75th %ile	
		Data	Ratio	Data	Ratio	Data	Ratio
SVP - Public Affairs	\$425	\$281	151%	\$365	116%	\$420	101%
SVP - Customer Operations	\$368	\$213	173%	\$244	151%	\$266	138%
SVP - Electric Operations	\$348	\$229	152%	\$266	131%	\$301	115%
SVP - Gas Operations	\$334	\$316	106%	\$365	91%	\$452	74%
VP - Legal Services	\$363	\$259	140%	\$278	131%	\$318	114%
SVP - Business Shared Services	\$320	\$330	97%	\$416	77%	\$518	62%
SVP - Central Operations	\$320	\$332	96%	\$377	85%	\$480	67%
VP - Government Relations	\$328	\$252	130%	\$280	117%	\$332	99%
VP - Environment, Health & Safety	\$307	\$210	146%	\$226	136%	\$251	122%
VP - Regulatory Services	\$299	\$214	140%	\$274	109%	\$323	93%
Secretary - Office of the Secretary	\$295	\$261	113%	\$278	106%	\$318	93%
VP - Strategic Planning	\$293	\$256	115%	\$340	86%	\$381	77%
VP/Treasurer - Treasury	\$278	\$243	114%	\$294	94%	\$324	86%
VP - Information Resources	\$276	\$268	103%	\$307	90%	\$345	80%
VP - Gas Operations	\$275	\$234	118%	\$249	111%	\$299	92%

The figures in ***italics*** represent Con Ed's ratio from the market..

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Market Assessment – Other Executives Base Salary (\$000) - continued

Position	Current Base Salary	Survey Data					
		25th %ile		50th %ile		75th %ile	
		Data	Ratio	Data	Ratio	Data	Ratio
VP - Facilities	\$274	\$152	180%	\$182	150%	\$209	131%
VP - Manhattan	\$272	\$293	93%	\$346	78%	\$506	54%
VP/Controller Corporate Accounting	\$262	\$264	99%	\$303	86%	\$349	75%
VP - Tax	\$255	\$240	106%	\$283	90%	\$352	72%
VP - Human Resources	\$254	\$270	94%	\$335	76%	\$403	63%
VP - Gas Engineering	\$253	\$221	114%	\$257	98%	\$303	83%
VP - Central Field Services	\$250	\$182	137%	\$224	111%	\$255	98%
VP Chief Ethics & Compliance Officer	\$250	\$180	139%	\$215	116%	\$271	92%
VP - Substation Operations	\$249	\$237	105%	\$276	90%	\$316	79%
VP - Bronx/Westchester	\$245	\$261	94%	\$322	76%	\$490	50%
VP - Energy Policy & Regulatory Affairs	\$244	\$214	114%	\$274	89%	\$323	76%
VP - Staten Island & Electric Services	\$241	\$208	116%	\$259	93%	\$397	61%
VP - Construction	\$241	\$206	117%	\$237	102%	\$323	74%
VP - Energy Management	\$238	\$211	113%	\$255	93%	\$326	73%
VP - Steam Operations	\$235	\$211	112%	\$255	92%	\$326	72%
VP & General Auditor - Auditing	\$234	\$212	110%	\$237	99%	\$277	84%
VP - Central Engineering	\$232	\$234	99%	\$260	89%	\$315	74%
VP - Engineering & Planning	\$224	\$223	100%	\$247	91%	\$292	77%
VP - Brooklyn/Queens	\$224	\$293	76%	\$346	65%	\$506	44%
VP - Emergency Management	\$223	Non-Benchmark					
VP - Purchasing	\$223	\$182	122%	\$224	99%	\$255	87%
VP - System & Transmission Operations	\$207	\$237	87%	\$276	75%	\$316	66%
Overall (All Execs)			118%		100%		84%

The figures in *italics* represent Con Ed's ratio from the market.

Market Assessment – Top Executives Target TCC (\$000)

Overall, target TCC for Con Ed's NEOs is competitive with the market median for proxy and survey data

USD '000s Position	Current Target TCC	Proxy Peer Group						Survey Data					
		25th %ile		50th %ile		75th %ile		25th %ile		50th %ile		75th %ile	
		Data	Ratio	Data	Ratio	Data	Ratio	Data	Ratio	Data	Ratio	Data	Ratio
Chairman of the Board/CEO	\$2,434	\$2,034	120%	\$2,328	105%	\$2,804	87%	\$2,051	119%	\$2,559	95%	\$2,893	84%
President CECONY	\$1,242	\$1,125	110%	\$1,270	98%	\$1,548	80%	\$1,082	115%	\$1,325	94%	\$1,447	86%
SVP & CFO - Finance	\$960	\$879	109%	\$985	97%	\$1,116	86%	\$823	117%	\$971	99%	\$1,131	85%
General Counsel - Law	\$811	\$766	106%	\$902	90%	\$963	84%	\$706	115%	\$863	94%	\$982	83%
SVP - Enterprise Shared Services	\$634	--	--	--	--	--	--	\$538	118%	\$678	94%	\$844	75%
Overall:		111%		97%		84%		117%		95%		82%	

The figures in ***italics*** represent Con Ed's ratio from the market.

Market Assessment – Other Executives Target TCC (\$000)

Target TCC is aligned with median, with significant variation by individual

Position	Target TCC	Survey Data					
		25th %ile		50th %ile		75th %ile	
		Data	Ratio	Data	Ratio	Data	Ratio
SVP - Public Affairs	\$638	\$422	151%	\$547	116%	\$630	101%
SVP - Customer Operations	\$552	\$285	194%	\$326	169%	\$356	155%
SVP - Electric Operations	\$522	\$315	165%	\$367	142%	\$416	126%
SVP - Gas Operations	\$501	\$484	103%	\$558	90%	\$691	72%
VP - Legal Services	\$490	\$369	133%	\$395	124%	\$453	108%
SVP - Business Shared Services	\$481	\$538	89%	\$678	71%	\$844	57%
SVP - Central Operations	\$480	\$500	96%	\$568	84%	\$723	66%
VP - Government Relations	\$443	\$363	122%	\$403	110%	\$477	93%
VP - Environment, Health & Safety	\$414	\$284	146%	\$305	136%	\$339	122%
VP - Regulatory Services	\$404	\$300	135%	\$384	105%	\$452	89%
Secretary - Office of the Secretary	\$399	\$372	107%	\$395	101%	\$453	88%
VP - Strategic Planning	\$395	\$365	108%	\$485	81%	\$544	73%
VP/Treasurer - Treasury	\$375	\$352	106%	\$427	88%	\$470	80%
VP - Information Resources	\$372	\$385	97%	\$441	84%	\$495	75%
VP - Gas Operations	\$372	\$328	113%	\$348	107%	\$419	89%

The figures in ***italics*** represent Con Ed's ratio from the market.

Continued on Next Page

Exhibit _ (C/BP-7)
Page 2 of 3

Market Assessment – Other Executives Target TCC (\$000) - continued

Position	Target TCC	Survey Data					
		25th %ile		50th %ile		75th %ile	
		Data	Ratio	Data	Ratio	Data	Ratio
VP - Facilities	\$369	\$196	188%	\$234	158%	\$269	137%
VP - Manhattan	\$367	\$439	83%	\$519	71%	\$759	48%
VP/Controller Corporate Accounting	\$353	\$379	93%	\$435	81%	\$501	71%
VP - Tax	\$345	\$333	103%	\$392	88%	\$488	71%
VP - Human Resources	\$343	\$407	84%	\$505	68%	\$608	56%
VP - Gas Engineering	\$341	\$299	114%	\$346	98%	\$409	83%
VP - Central Field Services	\$338	\$246	137%	\$303	112%	\$344	98%
VP Chief Ethics & Compliance Officer	\$338	\$228	148%	\$272	124%	\$343	98%
VP - Substation Operations	\$336	\$332	101%	\$387	87%	\$442	76%
VP - Bronx/Westchester	\$331	\$387	86%	\$478	69%	\$727	46%
VP - Energy Policy & Regulatory Affairs	\$330	\$300	110%	\$384	86%	\$452	73%
VP - Staten Island & Electric Services	\$326	\$310	105%	\$386	84%	\$592	55%
VP - Construction	\$325	\$289	113%	\$331	98%	\$452	72%
VP - Energy Management	\$321	\$285	113%	\$344	93%	\$440	73%
VP - Steam Operations	\$318	\$285	112%	\$344	92%	\$440	72%
VP & General Auditor - Auditing	\$315	\$294	107%	\$328	96%	\$384	82%
VP - Central Engineering	\$313	\$322	97%	\$359	87%	\$434	72%
VP - Engineering & Planning	\$302	\$307	99%	\$339	89%	\$401	75%
VP - Brooklyn/Queens	\$302	\$439	69%	\$519	58%	\$759	40%
VP - Emergency Management	\$301	Non-Benchmark					
VP - Purchasing	\$301	\$246	122%	\$303	99%	\$344	87%
VP - System & Transmission Operations	\$279	\$332	84%	\$387	72%	\$442	63%
Overall (All Execs)			115%		97%		82%

The figures in **italics** represent Con Ed's ratio from the market.

Market Assessment – Top Executives Target TDC (\$000)

Overall, target TDC of Con Ed's NEOs is aligned with the median of the proxy data and the survey data, with individual variation by position

USD '000s Position	Current Target TDC	Proxy Peer Group						Survey Data					
		25th %ile		50th %ile		75th %ile		25th %ile		50th %ile		75th %ile	
		Data	Ratio	Data	Ratio	Data	Ratio	Data	Ratio	Data	Ratio	Data	Ratio
Chairman of the Board/CEO	\$6,998	\$5,036	139%	\$6,366	110%	\$9,123	77%	\$6,621	106%	\$8,261	85%	\$9,340	75%
President CECONY	\$2,966	\$2,506	118%	\$3,402	87%	\$4,136	72%	\$2,215	134%	\$2,713	109%	\$2,964	100%
SVP & CFO - Finance	\$2,240	\$1,624	138%	\$2,080	108%	\$2,644	85%	\$1,662	135%	\$1,959	114%	\$2,283	98%
General Counsel - Law	\$1,622	\$1,555	104%	\$1,834	88%	\$2,348	69%	\$1,388	117%	\$1,696	96%	\$1,929	84%
SVP - Enterprise Shared Services	\$1,057	--	--	--	--	--	--	\$957	110%	\$1,207	88%	\$1,502	70%
Overall:		125%		98%		76%		120%		98%		86%	

The figures in ***italics*** represent Con Ed's ratio from the market.

Market Assessment – Other Executives Target TDC (\$000)

Target TDC is aligned with median, although significant variation exists between individuals

Position	Target TDC	Survey Data					
		25th %ile		50th %ile		75th %ile	
		Data	Ratio	Data	Ratio	Data	Ratio
SVP - Public Affairs	\$1,063	\$734	145%	\$953	111%	\$1,097	97%
SVP - Customer Operations	\$920	\$405	227%	\$464	198%	\$506	182%
SVP - Electric Operations	\$870	\$461	189%	\$536	162%	\$607	143%
SVP - Gas Operations	\$835	\$836	100%	\$964	87%	\$1,193	70%
VP - Legal Services	\$708	\$547	129%	\$587	121%	\$673	105%
SVP - Business Shared Services	\$801	\$957	84%	\$1,207	66%	\$1,502	53%
SVP - Central Operations	\$800	\$885	90%	\$1,005	80%	\$1,279	63%
VP - Government Relations	\$640	\$540	119%	\$600	107%	\$711	90%
VP - Environment, Health & Safety	\$598	\$391	153%	\$420	142%	\$467	128%
VP - Regulatory Services	\$584	\$444	131%	\$568	103%	\$670	87%
Secretary - Office of the Secretary	\$576	\$552	104%	\$587	98%	\$673	86%
VP - Strategic Planning	\$571	\$618	92%	\$821	70%	\$921	62%
VP/Treasurer - Treasury	\$542	\$539	100%	\$654	83%	\$720	75%
VP - Information Resources	\$538	\$608	88%	\$697	77%	\$782	69%
VP - Gas Operations	\$537	\$464	116%	\$493	109%	\$593	91%

The figures in *italics* represent Con Ed's ratio from the market..

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Market Assessment – Other Executives Target TDC (\$000) - continued

Position	Target TDC	Survey Data					
		25th %ile		50th %ile		75th %ile	
		Data	Ratio	Data	Ratio	Data	Ratio
VP - Facilities	\$534	\$248	215%	\$296	180%	\$340	157%
VP - Manhattan	\$529	\$739	72%	\$873	61%	\$1,276	41%
VP/Controller Corporate Accounting	\$510	\$593	86%	\$681	75%	\$784	65%
VP - Tax	\$498	\$505	99%	\$594	84%	\$740	67%
VP - Human Resources	\$495	\$668	74%	\$830	60%	\$998	50%
VP - Gas Engineering	\$493	\$433	114%	\$502	98%	\$593	83%
VP - Central Field Services	\$488	\$338	144%	\$415	117%	\$473	103%
VP Chief Ethics & Compliance Officer	\$488	\$313	156%	\$373	131%	\$471	103%
VP - Substation Operations	\$485	\$494	98%	\$575	84%	\$657	74%
VP - Bronx/Westchester	\$478	\$623	77%	\$770	62%	\$1,171	41%
VP - Energy Policy & Regulatory Affairs	\$476	\$444	107%	\$568	84%	\$670	71%
VP - Staten Island & Electric Services	\$470	\$437	108%	\$544	86%	\$835	56%
VP - Construction	\$469	\$401	117%	\$460	102%	\$628	75%
VP - Energy Management	\$464	\$412	113%	\$498	93%	\$637	73%
VP - Steam Operations	\$459	\$412	111%	\$498	92%	\$637	72%
VP & General Auditor - Auditing	\$456	\$409	111%	\$457	100%	\$535	85%
VP - Central Engineering	\$452	\$467	97%	\$520	87%	\$629	72%
VP - Engineering & Planning	\$437	\$435	100%	\$482	91%	\$569	77%
VP - Brooklyn/Queens	\$436	\$739	59%	\$873	50%	\$1,276	34%
VP - Emergency Management	\$435	Non-Benchmark					
VP - Purchasing	\$435	\$338	129%	\$415	105%	\$473	92%
VP - System & Transmission Operations	\$403	\$494	82%	\$575	70%	\$657	61%
Overall (All Execs)			116%		98%		82%

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