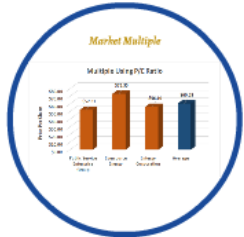


# Running Dead: Consolidated Edison Company

*TheCasesolutions.com*



## Mergers and Acquisitions

- 1998: Purchased Orange and Rockland
- 2008: Acquired Custom Energy Services

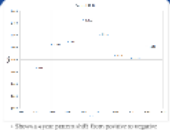
## Conclusion

- Not viable
- Not viable
- Not viable
- Not viable
- Not viable

## Methods Considered

- Gordon Dividend Growth Model
- DCF Income Model
- Market Multiple

## Liquidity



• Shows a sharp decline from positive to negative

Country Roads Valuation LLC



conEdison

Muhammad Alkassidy, Josh Krupp, Jeff Liscim

## conEdison's History

- One of the largest, oldest utility companies in the U.S.



- 1995: The company incorporated as Consolidated Edison, Inc.

## Industry Risks

- Government regulations: environmental and safety laws and regulations
- Plant failure: leaks, shutdown, explosions
- Strikes

## Key Personnel

- Kevin Burke - Chairman of the board
- John Mcavoy - President and CEO
- Robert Hugland - Senior VP and CFO
- Elizabeth Moore - SVP and General Counsel
- Carole Sobin - VP and Corporate Secretary
- Robert Muccillo - VP, Controller, and CAO

## Sensitivity Analysis

Value		Sensitivity		Value		Sensitivity	
WACC	FCF	WACC	FCF	WACC	FCF	WACC	FCF
10%	100	10%	100	10%	100	10%	100
11%	90	11%	90	11%	90	11%	90
12%	80	12%	80	12%	80	12%	80
13%	70	13%	70	13%	70	13%	70
14%	60	14%	60	14%	60	14%	60
15%	50	15%	50	15%	50	15%	50
16%	40	16%	40	16%	40	16%	40
17%	30	17%	30	17%	30	17%	30
18%	20	18%	20	18%	20	18%	20
19%	10	19%	10	19%	10	19%	10
20%	0	20%	0	20%	0	20%	0

## Economic Conditions

- Operate in New Jersey, New York, and Pennsylvania
- Economy stabilizing
- Oil prices



<http://youtu.be/mc6n6rks1s>

**Country Roads Valuation LLC**

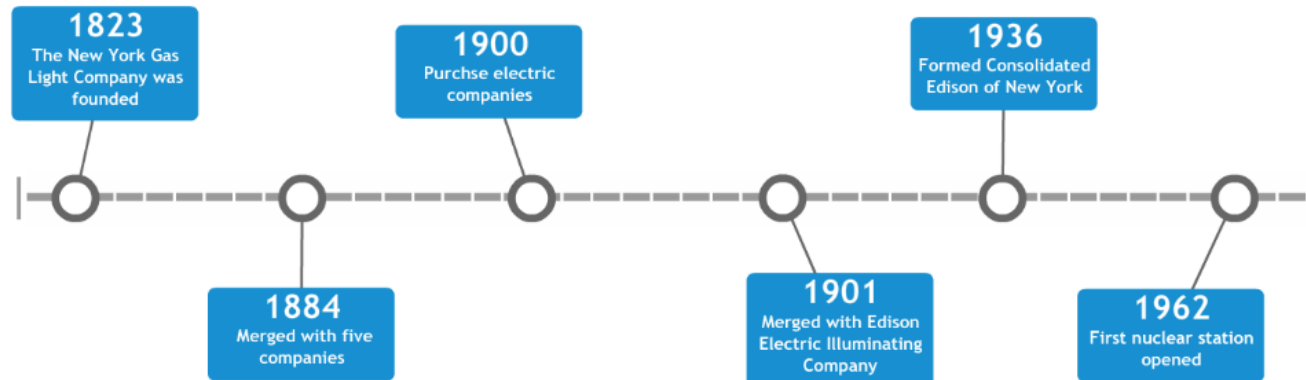


**conEdison**

**Mohammad Alkunaizy, Josh Krupp,  
Jeff Liccione**

## *conEdison's History*

- One of the largest, oldest utility companies in the U.S.



- 1997: The company incorporated as Consolidated Edison, Inc

**1823**

The New York Gas  
Light Company was  
founded

**1900**

Purchase electric  
companies

**1884**

Merged with five  
companies



A horizontal timeline with three circular nodes. The first node is connected to a blue box containing the year 1901 and the text 'Merged with Edison Electric Illuminating Company'. The second node is connected to a blue box containing the year 1936 and the text 'Formed Consolidated Edison of New York'. The third node is connected to a blue box containing the year 1962 and the text 'First nuclear station opened'.

**1936**

Formed Consolidated  
Edison of New York

**1901**

Merged with Edison  
Electric Illuminating  
Company

**1962**

First nuclear station  
opened