



CONSOLIDATED EDISON, INC.

3rd Quarter 2016 Earnings Release Supplement

November 3, 2016



Forward-Looking Statements

This presentation contains forward-looking statements that are intended to qualify for the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements of future expectations and not facts. Words such as "forecasts," "expects," "estimates," "anticipates," "intends," "believes," "plans," "will" and similar expressions identify forward-looking statements. The forward-looking statements reflect information available and assumptions at the time the statements are made, and speak only as of that time. Actual results or developments may differ materially from those included in the forward-looking statements because of various factors such as those identified in reports the company has filed with the Securities and Exchange Commission, including that the company's subsidiaries are extensively regulated and are subject to penalties; its utility subsidiaries' rate plans may not provide a reasonable return; it may be adversely affected by changes to the utility subsidiaries' rate plans; the intentional misconduct of employees or contractors could adversely affect it; the failure of, or damage to, its subsidiaries' facilities could adversely affect it; a cyber-attack could adversely affect it; it is exposed to risks from the environmental consequences of its subsidiaries' operations; a disruption in the wholesale energy markets or failure by an energy supplier could adversely affect it; it has substantial unfunded pension and other postretirement benefit liabilities; its ability to pay dividends or interest depends on dividends from its subsidiaries; it requires access to capital markets to satisfy funding requirements; its strategies may not be effective to address changes in the external business environment; and it also faces other risks that are beyond its control.

Non-GAAP Financial Measure

This presentation also contains a financial measure, adjusted earnings, that is not determined in accordance with generally accepted accounting principles in the United States of America (GAAP). This non-GAAP financial measure should not be considered as an alternative to net income, which is an indicator of financial performance determined in accordance with GAAP. Adjusted earnings excludes from net income the net mark-to-market changes in the fair value of the derivative instruments the competitive energy businesses use to economically hedge market price fluctuations in related underlying physical transactions for the purchase or sale of electricity and gas. Adjusted earnings may also exclude from net income certain other items that the company does not consider indicative of its ongoing financial performance. Management uses this non-GAAP financial measure to facilitate the analysis of the company's financial performance as compared to its internal budgets and previous financial results. Management also uses this non-GAAP financial measure to communicate to investors and others the company's expectations regarding its future earnings and dividends on its common stock. Management believes that this non-GAAP financial measure also is useful and meaningful to investors to facilitate their analysis of the company's financial performance.

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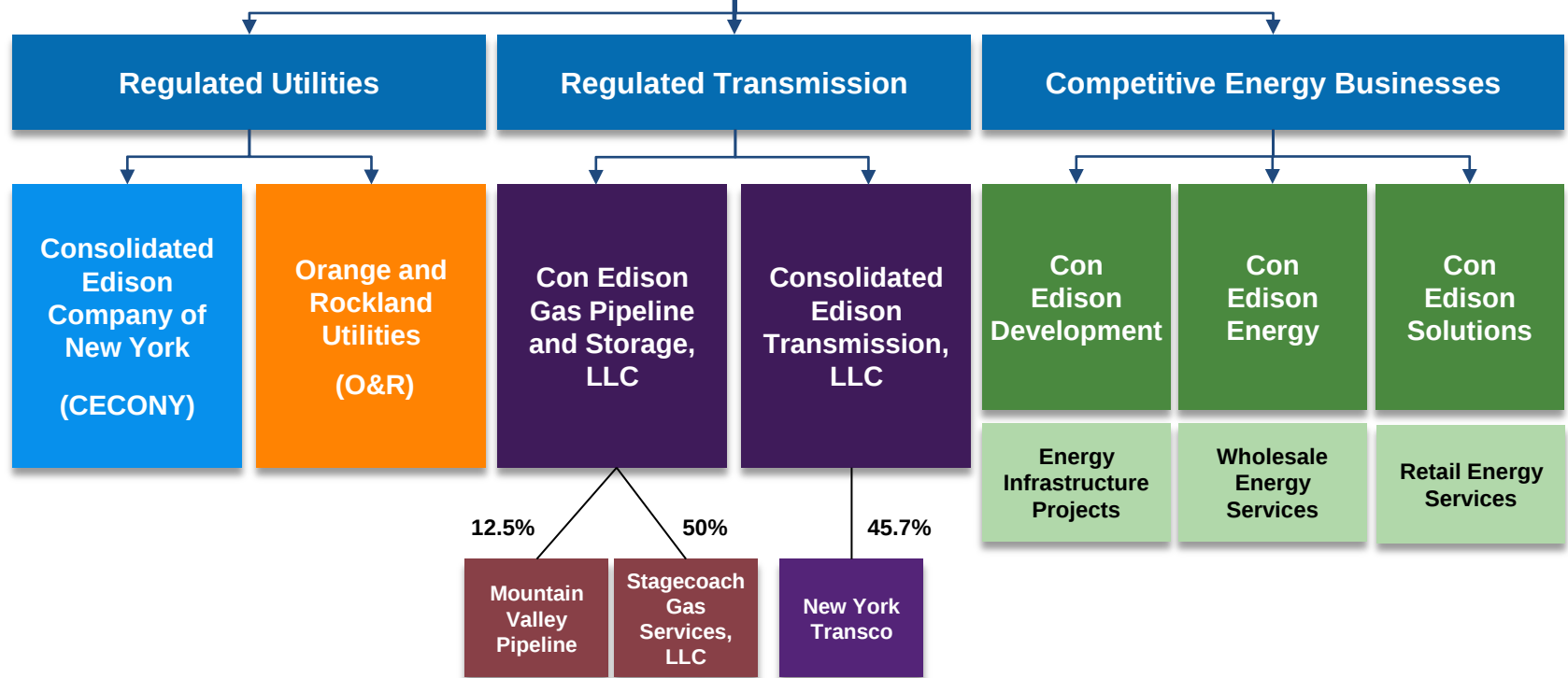
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Organizational Structure



Market Cap⁽¹⁾: \$22.9 billion
Issuer Ratings: A3 / A- / BBB+
Outlook: Stable / Negative / Stable



1. As of 9/30/16. Issuer ratings and outlook are shown in order of Moody's / S&P / Fitch.

The Con Edison Strategy

Customer Focused

Ensure safety and reliability

Enhance the customer experience

Achieve operations excellence

Strategic

Strengthen core utility delivery business

Pursue additional regulated growth opportunities to add value in the evolving industry

Grow existing competitive energy businesses

Pursue additional competitive growth opportunities consistent with our risk appetite

Value Oriented

Provide steady, predictable earnings

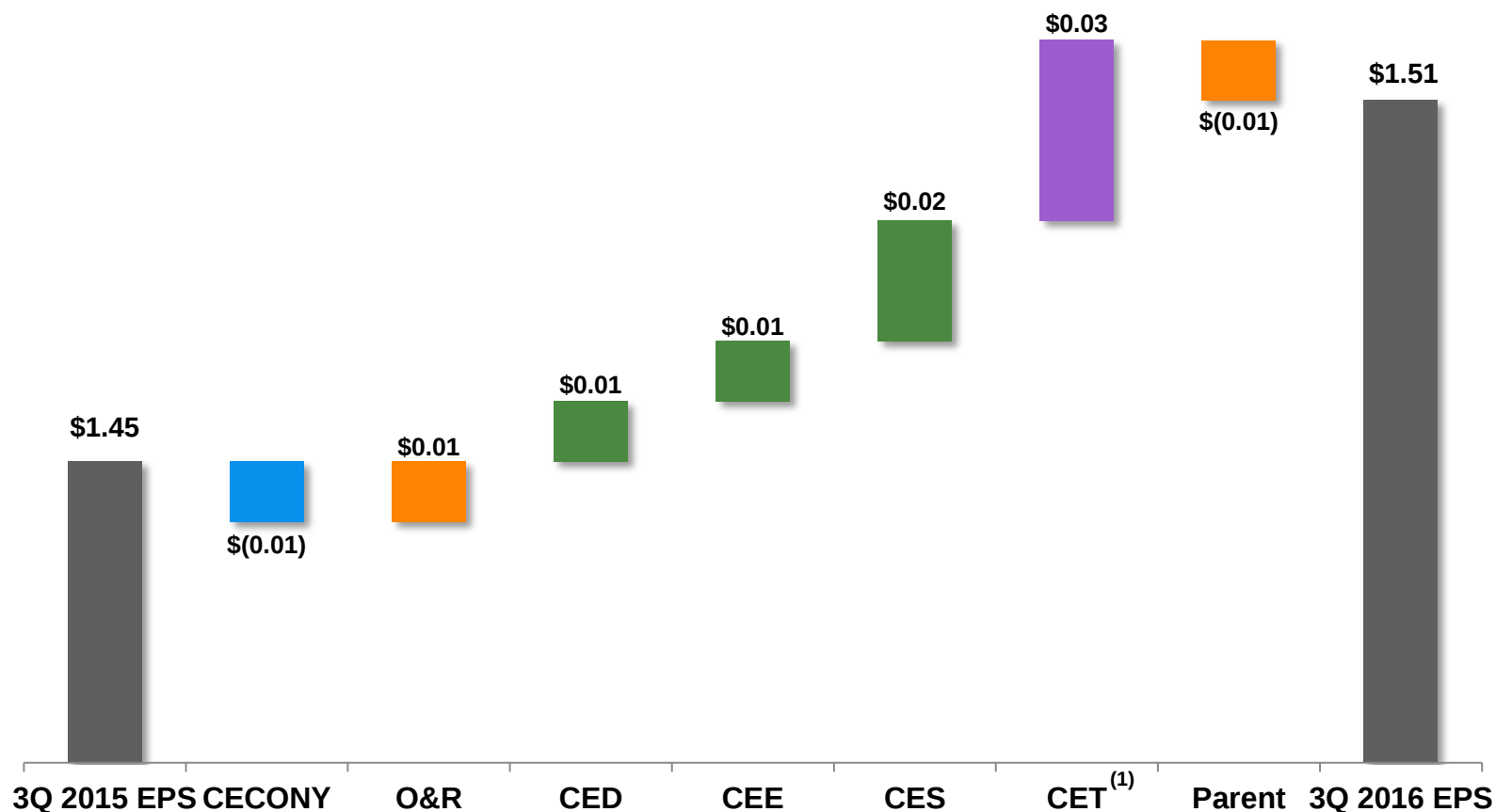
Maintain balance sheet stability

Pay attractive, growing dividends

Consolidated Edison, Inc. 3Q 2016 Earnings

	Net Income (\$ Millions)		Earnings per Share	
	2016	2015	2016	2015
Reported EPS and Net Income – GAAP basis	\$497	\$428	\$1.63	\$1.46
Gain on sale of retail electric supply business	(47)	-	(0.15)	-
Gain on acquisition of Piles Grove solar investment	(5)	-	(0.02)	-
Impairment on assets held for sale – Pike	-	3	-	0.01
Net mark-to-market – effects of the CEBs	15	(7)	0.05	(0.02)
Adjusted EPS and Adjusted Earnings – non-GAAP basis	\$460	\$424	\$1.51	\$1.45

Walk from 3Q 2015 EPS to 3Q 2016 EPS – Non-GAAP Basis



1. In 2016, Con Edison Transmission began investing, through CET Electric and CET Gas, in electric transmission and gas pipeline and storage assets.

3Q 2015 to 3Q 2016 Adjusted EPS Variances

	<u>Variance</u>	<u>Explanation</u>
	EPS	
CECONY		
Regulatory Reserves	\$0.01	Changes in regulatory charges
Lower ROE at CECONY	(0.01)	Changes in rate plans (allowed ROE dropped from 9.2% to 9.0%)
Lower O&M - Operations	0.04	Lower stock-based compensation and uncollectibles
Other	(0.05)	Dilutive effect of stock issuances
Total CECONY	\$(0.01)	
O&R		
Total O&R	\$0.01	Lower O&M expenses
Competitive Energy Businesses		
CES	\$0.02	Higher retail gross profit
CEE	0.01	-
CED	0.01	Higher income from renewable investments
Total CEBs	\$0.04	
CET		
Total CET	\$0.03	New income from equity investments
Parent		
Parent Co.	\$(0.01)	
Total Consolidated CEI	\$0.06	

3Q 2016 vs. 3Q 2015 Adjusted EPS by Company

3 months ending September 30, 2016

	CECONY	O&R	CED	CEE	CES	CET ⁽¹⁾	Parent	Total
Reported EPS – GAAP basis	\$1.27	\$0.09	\$0.01	\$0.01	\$0.24	\$0.03	\$(0.02)	\$1.63
Gain on sale of retail electric supply business	-	-	0.07	-	(0.22)	-	-	(0.15)
Gain on acquisition of Pilesgrove solar investment	-	-	(0.02)	-	-	-	-	(0.02)
Mark-to-market losses/(gains)	-	-	-	-	0.05	-	-	0.05
Adjusted EPS – Non-GAAP basis	\$1.27	\$0.09	\$0.06	\$0.01	\$0.07	\$0.03	\$(0.02)	\$1.51

3 months ending September 30, 2015

	CECONY	O&R	CED	CEE	CES		Parent	Total
Reported EPS – GAAP basis	\$1.28	\$0.07	\$0.05	\$-	\$0.07		\$(0.01)	\$1.46
Impairment on assets held for sale - Pike	-	0.01	-	-	-		-	0.01
Mark-to-market losses/(gains)	-	-	-	-	(0.02)		-	(0.02)
Adjusted EPS – Non-GAAP basis	\$1.28	\$0.08	\$0.05	\$-	\$0.05		\$(0.01)	\$1.45

1. In 2016, Con Edison Transmission began investing, through CET Electric and CET Gas, in electric transmission and gas pipeline and storage assets.

3Q 2016 Developments

- Note B: Regulatory Matters (see pages 19-22 of 3Q 2016 Form 10-Q)
 - Joint Proposal for CECONY electric and gas rate plans filed in September 2016 (pages 19-21)
 - At September 30, 2016, CECONY had regulatory liability of \$28 million for June 2014 plastic fusion proceeding and November 2015 order to show cause (page 22)
 - CECONY has incurred costs for gas emergency response activities in 2014, 2015 and 2016 in excess of amounts reflected in the company's gas rate plan. The company has requested NYSPSC authorization to defer as a regulatory asset \$29 million and \$35 million of such incremental costs incurred in 2014 and 2015, respectively. The company estimates that it will incur \$37 million of such incremental costs in 2016. At September 30, 2016, the company had not deferred any such incremental costs. (page 22)
- Note C: Capitalization (page 24)
 - CECONY redemption of \$400 million, 5.5% debenture in September 2016.
 - O&R redemption of \$75 million, 5.45% debenture in October 2016; September 2016 agreement to issue and sell for delivery in December 2016 \$75 million, 3.88% debenture.
- Note I: Income Tax (page 30)
 - Company received refund of \$35 million in October 2016 from 2015 federal income tax return.

3Q 2016 Developments

- Note P: Acquisitions, Investments and Dispositions (see pages 41-42 of 3Q 2016 Form 10-Q)
 - 106 MW Texas Solar 7 electric production project reached commercial operation in 3Q-16 (page 41)
 - In June 2016, Con Edison Development recorded an \$8 million (\$5 million, net of taxes) impairment charge on its 50 percent interest in Pilesgrove Solar, LLC (Pilesgrove). In August 2016, Con Edison Development acquired the remaining 50 percent interest in Pilesgrove for a purchase price of \$15 million and recorded a gain of \$8 million (\$5 million, net of taxes). The impairment charge and gain are included in Investment and other income on Con Edison's consolidated income statement. (page 42)
 - In October 2016, Con Edison Development acquired the remaining 50% ownership interest in Panoche Holdings, LLC, which is developing a 240 MW (AC) solar electric production project in CA, for cash consideration of \$37 million, net of applicable purchase price adjustments. (page 42)
 - Sale of Pike County Light & Power completed in August 2016 for cash consideration of \$15 million. (page 42)
 - Sale of Con Edison Solutions' retail electric supply business completed in September 2016 for cash consideration of \$235 million, subject to working capital adjustments. The sale resulted in a gain of \$104 million (\$47 million, net of taxes, inclusive of a \$65 million (\$42 million, net of taxes) gain on derivative instruments. The tax effect of the sale includes \$29 million (\$19 million, net of federal tax) of state taxes related to a change in the apportionment of state income taxes. (page 42)

3Q 2016 Developments

- Management's Discussion and Analysis: Results of Operations (see pages 44-73 of 3Q 2016 Form 10-Q)
 - CECONY: Summer 2016 electric peak demand of 12,652 MW occurred on August 11, 2016. At design conditions, electric peak demand in the company's service area would have been about 13,450 MW in 2016 compared to the company's forecast of 13,650 MW. The company's five-year forecast of average annual growth of the electric peak demand in its service area at design conditions is approximately 0.2 percent for 2017 to 2021 (the same as its forecast for 2016 to 2020). (page 45).
 - O&R: Summer 2016 electric peak demand of 1,435 MW occurred on July 22, 2016. At design conditions, electric peak demand in the company's service area would have been about 1,615 MW in 2016 compared to the company's forecast of 1,632 MW. O&R decreased its five-year forecast of average annual growth of the electric peak demand from approximately 0.3 percent (for 2016 to 2020) to (0.1) percent (2017 to 2021) due to a forecasted increase in distributed generation as well as lower growth in demand from residential customers. (page 45).
 - Capital Requirements and Resources: CECONY plans to issue up to \$750 million of long-term debt later in 2016. (page 69)
 - Regulatory Matters: In August 2016, the NYSPSC issued an order adopting the New York State Energy Plan's 50x30 renewable energy goal and adopted a Clean Energy Standard that includes renewable energy credit and zero-emissions credit requirements. (pages 70-71)
 - Con Edison Development: 1,263 MW (AC) of renewable energy production projects in service (883 MW) or under construction (380 MW). (page 71)

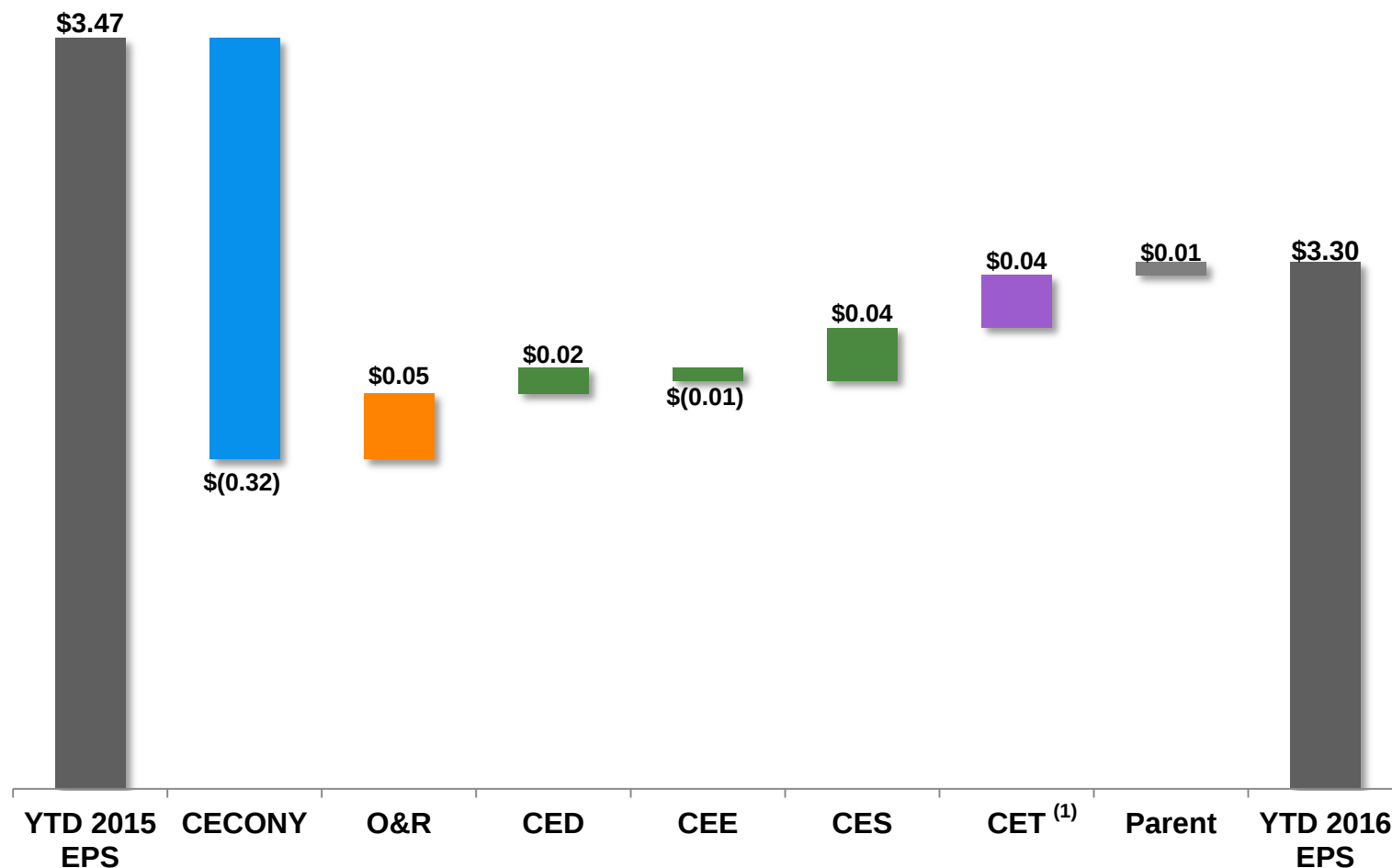
Consolidated Edison, Inc. YTD 2016 Earnings

	Net Income (\$ Millions)		Earnings per Share	
	2016	2015	2016	2015
Reported EPS and Net Income – GAAP basis	\$1,039	\$1,017	\$3.47	\$3.47
Gain on sale of retail electric supply business	(47)	-	(0.15)	-
Impairment on assets held for sale – Pike	-	3	-	0.01
Net mark-to-market – effects of the CEBs	(5)	(2)	(0.02)	(0.01)
Adjusted EPS and Adjusted Earnings – non-GAAP basis	\$987	\$1,018	\$3.30	\$3.47

FY 2016

- On November 3, 2016, the Company revised adjusted EPS guidance to \$3.90 to \$4.00 a share from previous guidance of \$3.85 to \$4.05 a share.

Walk from YTD 2015 EPS to YTD 2016 EPS – Non-GAAP Basis



1. In 2016, Con Edison Transmission began investing, through CET Electric and CET Gas, in electric transmission and gas pipeline and storage assets.

YTD 2015 to YTD 2016 Adjusted EPS Variances

	<u>Variance</u>	<u>Explanation</u>
	EPS	
CECONY		
Retention of Gas Revenues	\$0.02	Changes in rate plans (oil-to-gas conversions)
Regulatory Reserves	(0.05)	Changes in regulatory charges
Lower ROE at CECONY	(0.05)	Change in rate plans (allowed ROE dropped from 9.2% to 9.0%)
Higher O&M - Operations	(0.04)	Increased emergency response, municipal infrastructure support, and stock-based compensation
Weather	(0.12)	Weather impact on steam revenues
Other	(0.08)	Software amortization benefit in 2015 and dilutive effect of stock issuance
Total CECONY	\$(0.32)	
O&R		
Total O&R	\$0.05	Charge-off of regulatory assets in June 2015 and lower O&M
Competitive Energy Businesses		
CES	\$0.04	Higher retail gross profit
CEE	(0.01)	-
CED	0.02	Higher income from renewable investments
Total CEBs	\$0.05	
CET		
Total CET	\$0.04	New income from equity investments
Parent		
Parent Co.	\$0.01	
Total Consolidated CEI	\$(0.17)	

YTD 2016 vs. YTD 2015 Adjusted EPS by Company

9 months ending September 30, 2016

	CECONY	O&R	CED	CEE	CES	CET ⁽¹⁾	Parent	Total
Reported EPS – GAAP basis	\$2.87	\$0.18	\$0.04	\$0.02	\$0.34	\$0.04	\$(0.02)	\$3.47
Gain on sale of retail electric business	-	-	0.07	-	(0.22)	-	-	(0.15)
Mark-to-market losses/(gains)	-	-	-	-	(0.02)	-	-	(0.02)
Adjusted EPS – Non-GAAP basis	\$2.87	\$0.18	\$0.11	\$0.02	\$0.10	\$0.04	\$(0.02)	\$3.30

9 months ending September 30, 2015

	CECONY	O&R	CED	CEE	CES		Parent	Total
Reported EPS – GAAP basis	\$3.19	\$0.12	\$0.09	\$0.03	\$0.07		\$(0.03)	\$3.47
Impairment on assets held for sale - Pike	-	0.01	-	-	-		-	0.01
Mark-to-market losses/(gains)	-	-	-	-	(0.01)		-	(0.01)
Adjusted EPS – Non-GAAP basis	\$3.19	\$0.13	\$0.09	\$0.03	\$0.06		\$(0.03)	\$3.47

1. In 2016, Con Edison Transmission began investing, through CET Electric and CET Gas, in electric transmission and gas pipeline and storage assets.

Historical Adjusted Earnings Reconciliation

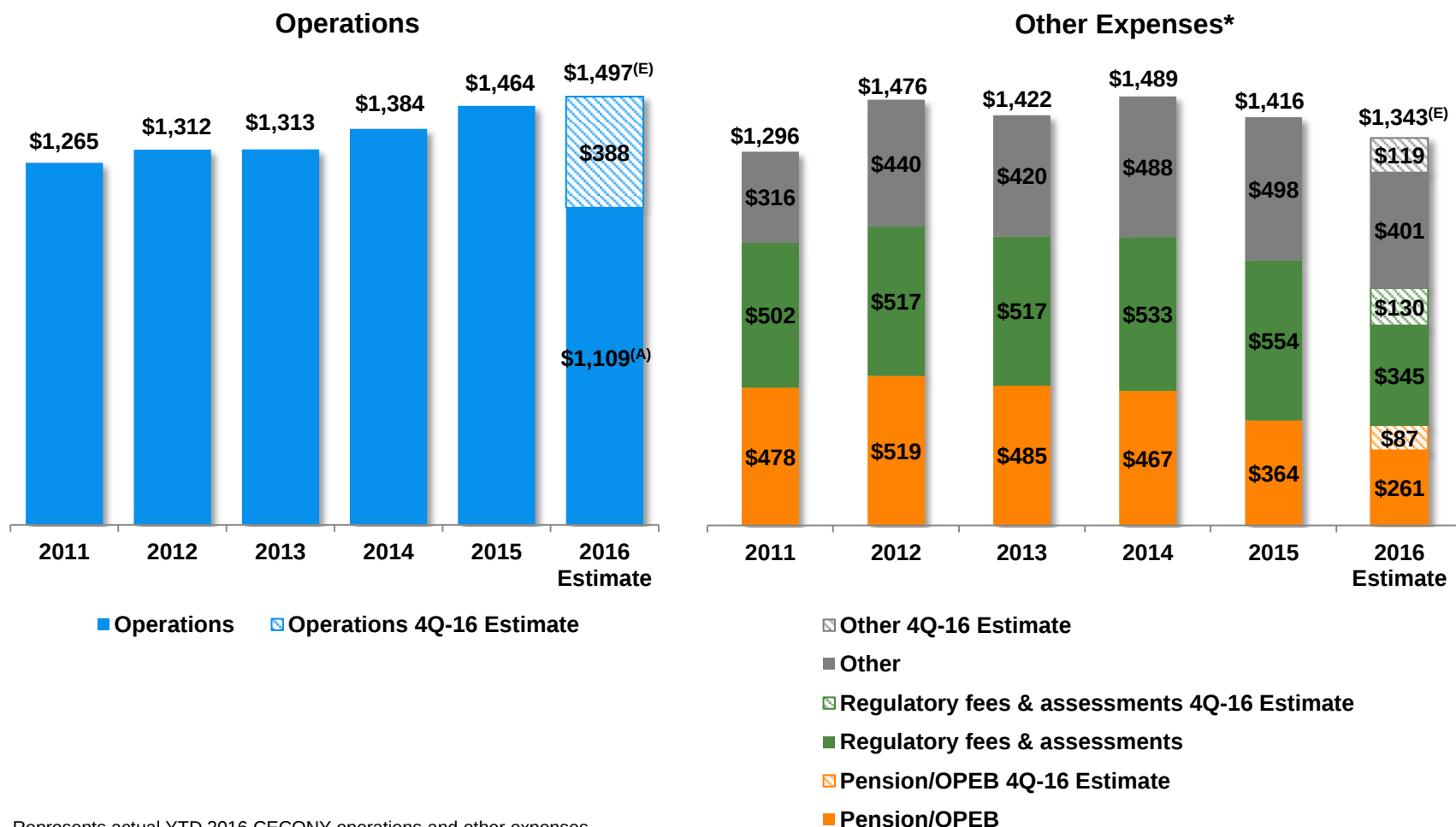
12 Months Ending December 31,

	2011	2012	2013	2014	2015	2016 ⁽¹⁾
Reported EPS – GAAP Basis	\$3.59	\$3.88	\$3.62	\$3.73	\$4.07	\$4.08
Impairment of assets held for sale	-	-	-	-	0.01	-
Gain on sale – solar projects	-	-	-	(0.09)	-	-
Gain on sale of retail electric business	-	-	-	-	-	(0.15)
Loss from LILO transactions	-	-	0.32	-	-	-
Net MTM effects of CEBs	0.05	(0.13)	(0.14)	0.25	-	0.01
Adjusted EPS – Non-GAAP basis	\$3.64	\$3.75	\$3.80	\$3.89	\$4.08	\$3.94

1. Represents 12-month trailing EPS ending September 30, 2016.

CECONY Operations and Maintenance Expenses

September 30, 2016 (\$ millions)



(A) Represents actual YTD 2016 CECONY operations and other expenses.

(E) Represents full-year 2016 estimate.

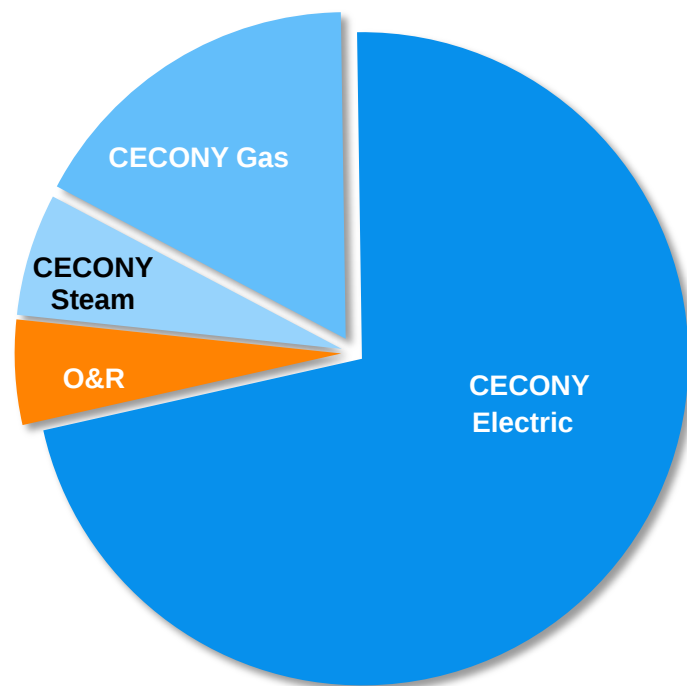
* Other Expenses are either reconciled to amounts reflected in delivery rates, or represent surcharges that are recovered in revenues from customers.

Composition of Regulatory Rate Base⁽¹⁾ (as of September 30, 2016)

CECONY		(\$ millions)
Electric	NY	\$17,805
Gas	NY	4,229
Steam	NY	1,504
Total CECONY		\$23,538

O&R		(\$ millions)
O&R Electric	NY	\$720
O&R Gas	NY	355
Rockland	NJ	212
Total O&R		\$1,287

Total Rate Base \$24,825



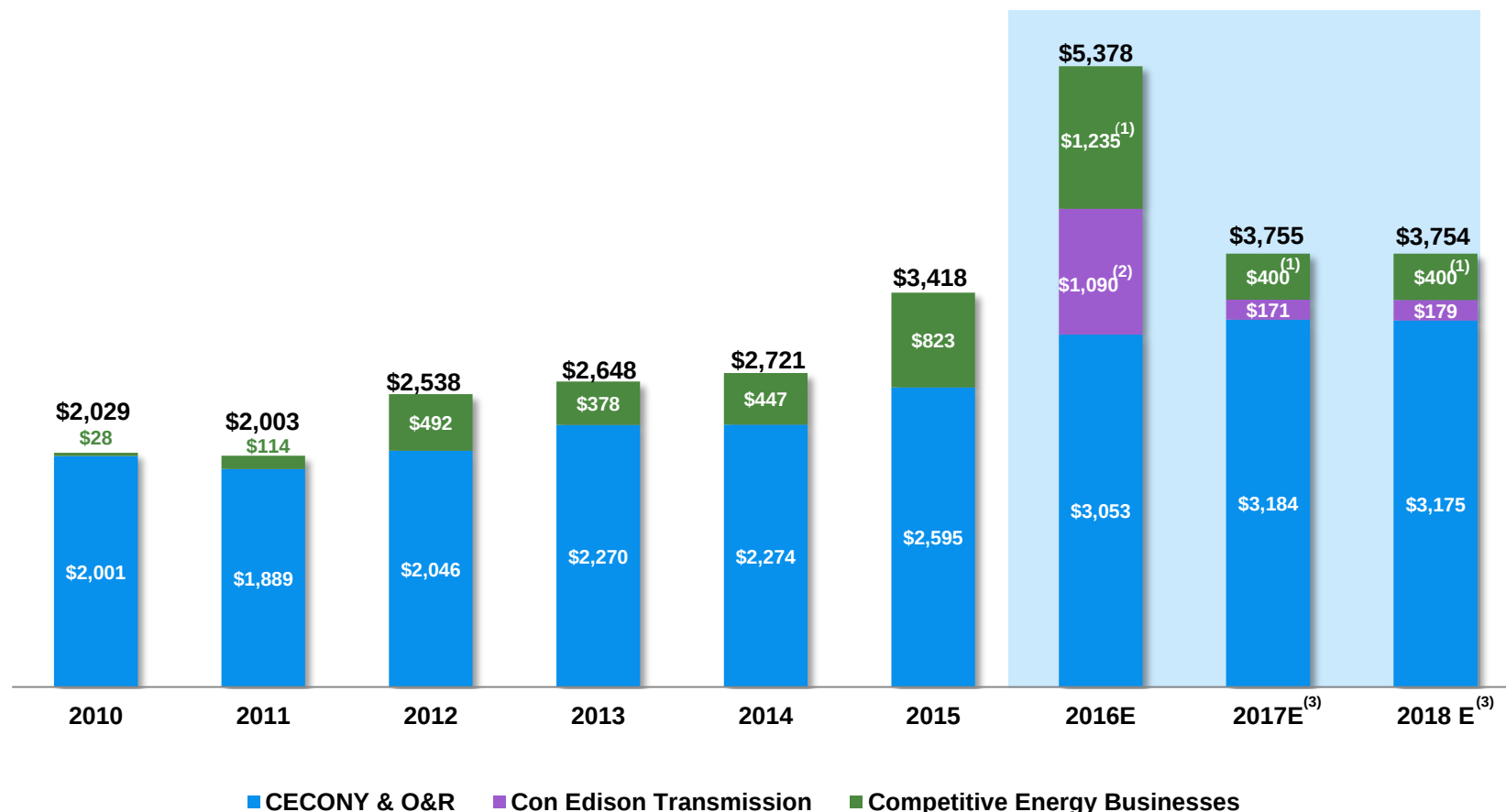
1. Average rate base for 12 months ending 9/30/2016.

Regulated Utility Rates of Return and Equity Ratio (Trailing 12 Months ending September 30, 2016)

	Allowed	Actual
CECONY		
Electric	9.0%	9.2%
Gas	9.3%	7.8%
Steam	9.3%	5.8%
Overall – CECONY	9.1% ⁽¹⁾	8.7%
CECONY Equity Ratio⁽²⁾	48.0%	48.9%
O&R		
Electric	9.0%	11.0%
Gas	9.0%	12.6%
RECO	9.8%	7.8%
Overall – O&R	9.2% ⁽¹⁾	10.9%
O&R Equity Ratio⁽²⁾	48.0%	48.6%

1. Weighted by rate base
2. Average for trailing twelve months

Con Edison's Capital Investment Over the Next Three Years (\$ millions)



1. In the second quarter of 2016, the Competitive Energy Businesses increased its estimates of capital expenditures from \$985 million to \$1,235 million for 2016 and \$360 million to \$400 million for both 2017 and 2018 to reflect additional renewable energy project development.
2. 2016 Forecast includes recent Stagecoach JV initial investment of \$975 million.
3. For more details, please review Con Edison's 2015 Form10-K.

2016 Financing Plan and Activity

- Capital expenditures of \$5.38 billion (CECONY: \$2.86 billion, CEBs: \$1.24 billion, CET: \$1.09 billion, O&R: \$0.19 billion)
- CEI issued \$724 million of common equity in May⁽¹⁾
- Issue between \$1.0 billion and \$1.8 billion of long-term debt, most of which would be at the utilities
 - Debt financing activity so far:
 - CEB issued \$218 million 4.21% senior secured notes due 2041 in February
 - CEB issued \$95 million 4.07% senior secured notes due 2036 in May
 - CEI issued \$500 million 2.00% senior notes due 2021 in May
 - CEI entered into a \$400 million term loan facility in June
 - CECONY issued \$550 million 3.85% debentures due 2046 in June
 - O&R in September agreed to issue and sell for delivery in December 2016 \$75 million 3.88% debenture due 2046

Debt Maturities

(\$ millions)	2016	2017	2018	2019
Con Edison, Inc. [Parent Co.]	\$2	\$2	\$402	\$3
Con Edison of New York	650	-	1,200	475
Orange and Rockland	79	4	54	62
Competitive Energy Businesses	8	10	10	12
Total	\$739	\$16	\$1,266	\$552

- CECONY \$400 million matured in September, 5.5%
- CECONY \$250 million maturing in December, 5.3%
- O&R \$75 million matured in October, 5.45%

1. This is in addition to the equity issued through dividend reinvestment, employee stock purchase and long-term incentive plans.

Capital Structure – September 30, 2016

(\$ millions)

Con Edison, Inc. A3 / A- / BBB+

Debt	\$14,093	50%
Equity	14,275	50
Total	\$28,368	100%

Con Edison of New York A2 / A- / A-

Debt	\$11,584	50%
Equity	11,793	50
Total	\$23,377	100%

Orange and Rockland A3 / A- / A-

Debt	\$666	51%
Equity	650	49
Total	\$1,316	100%

Parent and Other

Debt	\$1,843	50%
Equity	1,832	50
Total	\$3,675	100%

Amounts shown exclude notes payable and include the current portion of long-term debt; issuer credit ratings shown in order of Moody's / S&P / Fitch; Moody's and Fitch's ratings have a stable outlooks, S&P's rating has a negative outlook.

Liquidity Adequacy

\$2.25 billion CEI Consolidated Revolving Credit Facility

