



CON EDISON, INC.
**2nd Quarter 2016 Earnings
Release Supplement**
August 4, 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.

For more information, contact:

Jan Childress, Director, Investor Relations
Tel.: 212-460-6611, Email: childressj@coned.com

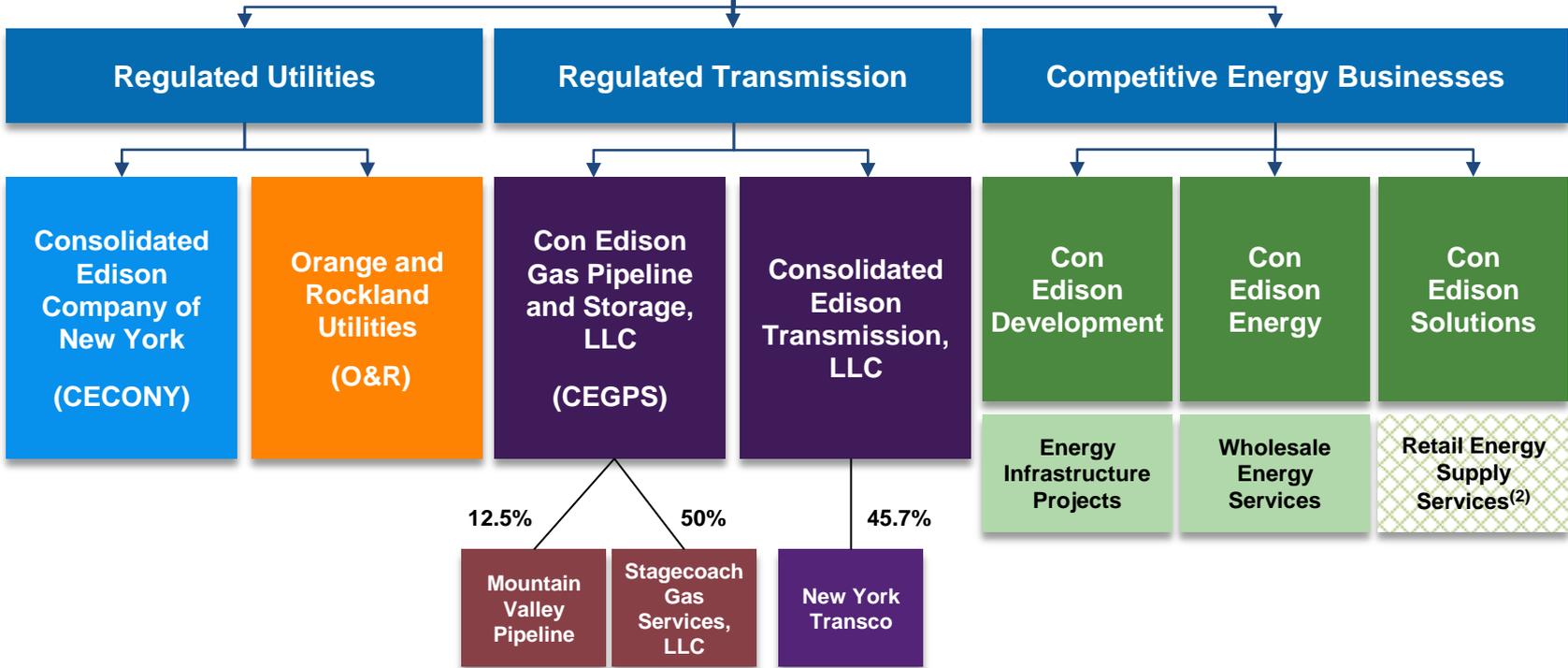
Katie-May Gordon, Manager, Investor Relations
Tel.: 212-460-3431, Email: gordonka@coned.com

www.conEdison.com

Organizational Structure



Market Cap⁽¹⁾: **\$24.4 billion**
 Issuer Ratings: A3 / A- / BBB+
 Outlook: Stable / Negative / Stable



1. As of 7/29/2016. Issuer ratings and outlook are shown in order of Moody's / S&P / Fitch.
 2. On 7/27/16, Con Edison Solutions reached a definitive agreement to sell its retail electric supply business.

Consolidated Edison, Inc. 2Q 2016 Earnings

	Earnings per Share		Net Income (\$ Millions)	
	2016	2015	2016	2015
Reported EPS and Net Income – GAAP basis	\$0.78	\$0.75	\$232	\$219
Impairment of Pilesgrove solar electric production investment	0.02	—	5	—
Net mark-to-market – effects of the CEBs	(0.20)	0.03	(58)	9
Adjusted EPS and Adjusted Earnings – non-GAAP basis	\$0.60	\$0.78	\$179	\$228

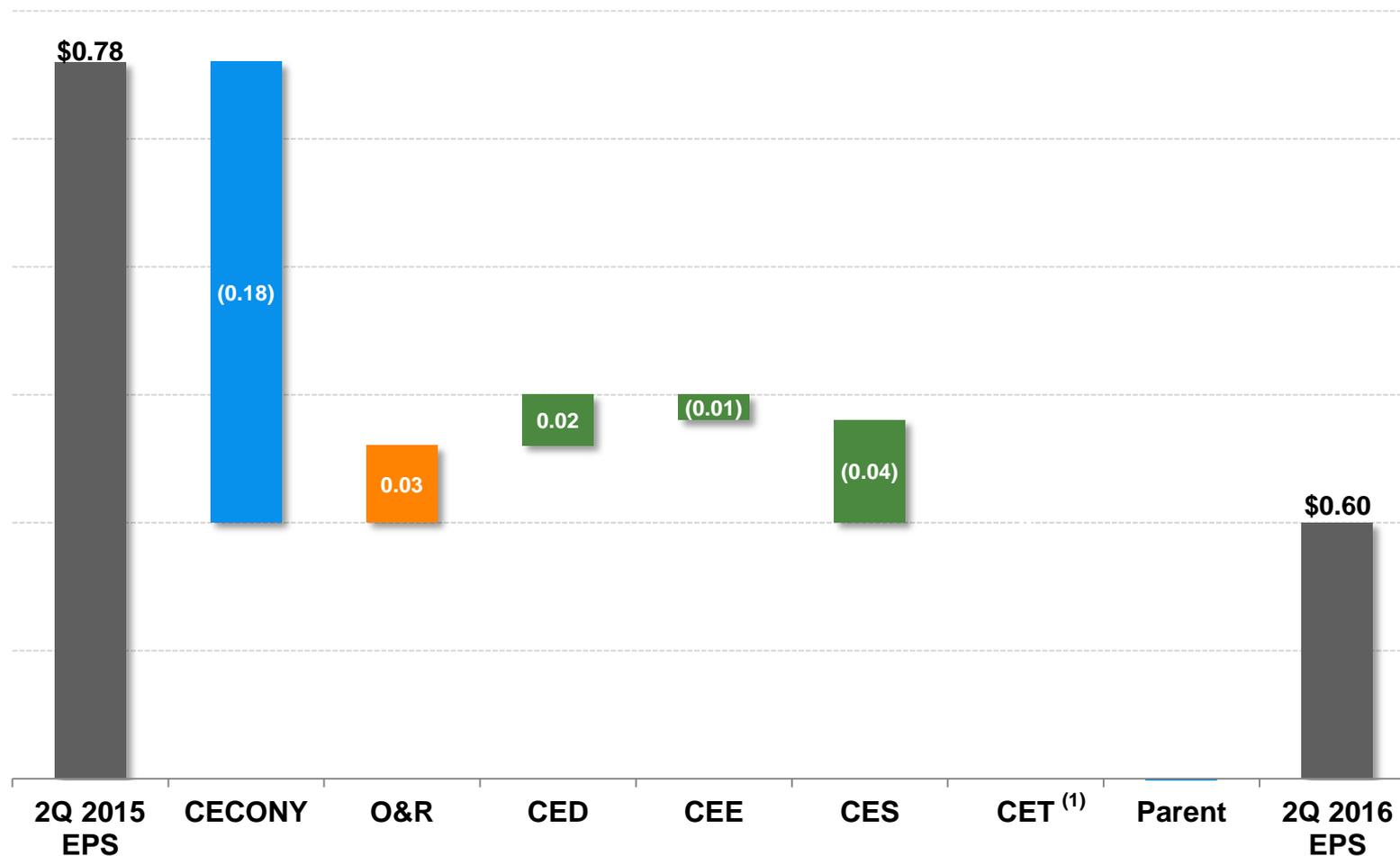
Consolidated Edison, Inc. 1H 2016 Earnings

	Earnings per Share		Net Income (\$ Millions)	
	2016	2015	2016	2015
Reported EPS and Net Income – GAAP basis	\$1.83	\$2.01	\$542	\$589
Impairment of Pilesgrove solar electric production investment	0.02	—	5	—
Net mark-to-market – effects of the CEBs	(0.07)	0.02	(20)	5
Adjusted EPS and Adjusted Earnings – non-GAAP basis	\$1.78	\$2.03	\$527	\$594

FY 2016

- Company reaffirmed adjusted EPS of \$3.85 to \$4.05
- Adjusted EPS excludes the impairment of the Pilesgrove solar electric production investment, the impact of the sale of the CEBs' retail electric supply business and the net mark-to-market effects of the CEBs

Walk from Q2 2015 EPS to Q2 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. As a result of these investments, Con Edison has changed its business segments to add Con Edison Transmission as a separate reportable segment based on management's reporting and decision-making.

Q2 2015 to Q2 2016 Adjusted EPS Variance Explanation

	<u>Variance</u>	<u>Explanation</u>
	EPS	
CECONY		
Regulatory Reserves	\$(0.06)	Changes in regulatory charges
Higher O&M	(0.06)	Increased emergency response, municipal infrastructure support and stock-based compensation
Lower ROE at CECONY	(0.02)	CECONY electric allowed ROE dropped from 9.2% to 9.0%
Other	(0.04)	Software amortization benefit in 2015 and dilutive effect of stock issuances
Total CECONY	\$(0.18)	
O&R		
Total O&R	\$0.03	Charge-off of regulatory assets in June 2015
Competitive Energy Businesses		
CES	\$(0.04)	Lower retail gross profit
CEE	(0.01)	
CED	0.02	
Total CEBs	\$(0.03)	Total (excluding the impairment of the Pilesgrove solar electric production investment and mark-to-market)
CET		
Total CET	\$-	
Parent		
Parent Co.	\$-	
Total Consolidated CEI	\$(0.18)	

Q2 2016 vs. Q2 2015 Adjusted Earning Per Share

3 months ending June 30, 2016

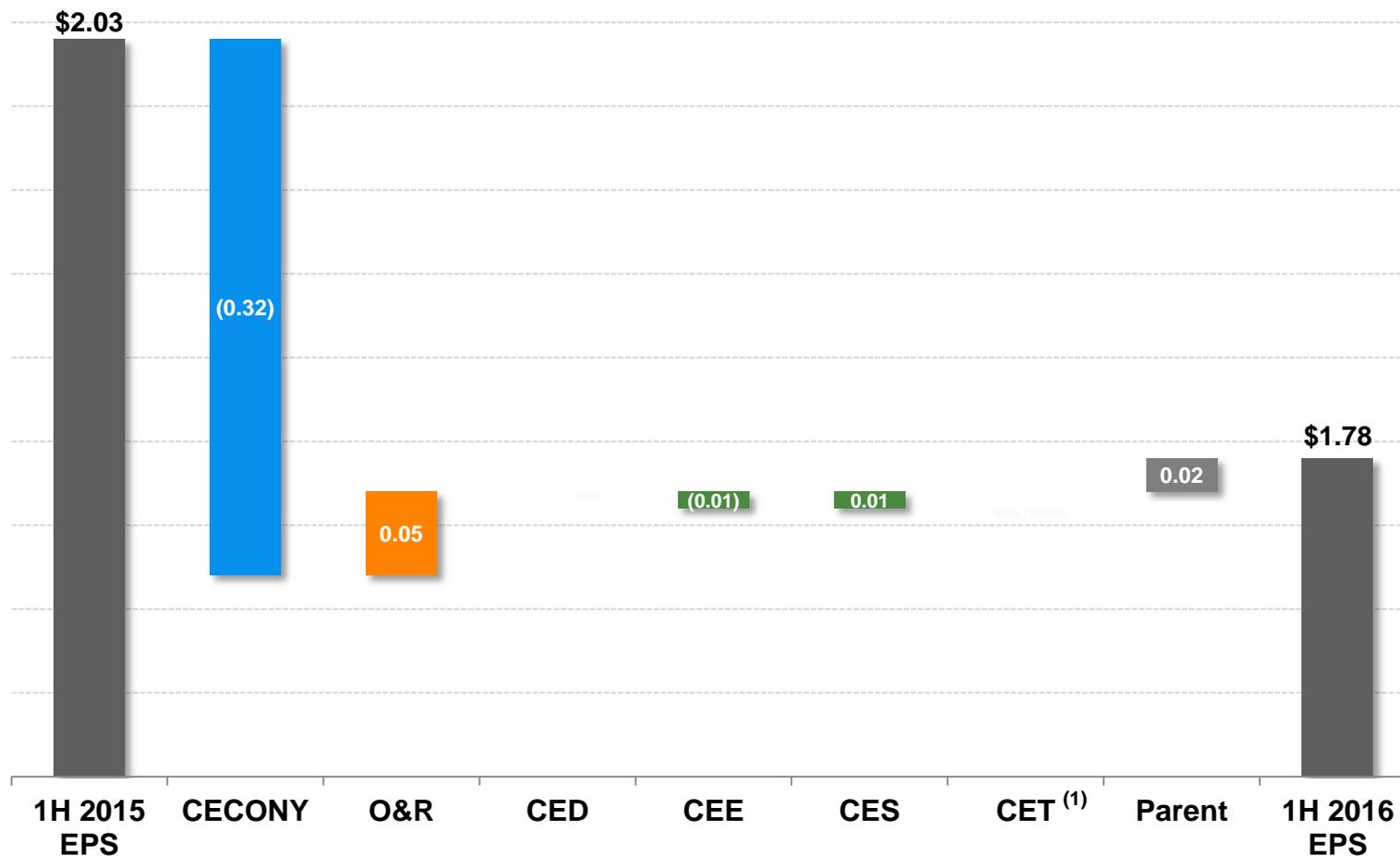
	CECONY	O&R	CED	CEE	CES	CET ⁽¹⁾	Parent	Total
Reported EPS – GAAP basis	\$0.54	\$0.01	\$0.03	\$-	\$0.21	\$-	\$(0.01)	\$0.78
Impairment of Pilesgrove solar electric production investment	-	-	0.02	-	-	-	-	0.02
Mark-to-market losses/(gains)	-	-	-	-	(0.20)	-	-	(0.20)
Adjusted EPS – Non-GAAP basis	\$0.54	\$0.01	\$0.05	\$-	\$0.01	\$-	\$(0.01)	\$0.60

3 months ending June 30, 2015

	CECONY	O&R	CED	CEE	CES	Parent	Total
Reported EPS – GAAP basis	\$0.72	\$(0.02)	\$0.03	\$0.01	\$0.02	\$(0.01)	\$0.75
Mark-to-market losses/(gains)	-	-	-	-	0.03	-	0.03
Adjusted EPS – Non-GAAP basis	\$0.72	\$(0.02)	\$0.03	\$0.01	\$0.05	\$(0.01)	\$0.78

1. In 2016, Con Edison Transmission began investing, through CET Electric and CET Gas, in electric transmission and gas pipeline and storage assets. As a result of these investments, Con Edison has changed its business segments to add Con Edison Transmission as a separate reportable segment based on management's reporting and decision-making.

Walk from 1H 2015 EPS to 1H 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. As a result of these investments, Con Edison has changed its business segments to add Con Edison Transmission as a separate reportable segment based on management's reporting and decision-making.

1H 2015 to 1H 2016 Adjusted EPS Variance Explanation

	<u>Variance</u>	<u>Explanation</u>
	EPS	
CECONY		
Gas Net Revenues	\$0.02	Retention of revenues, oil-to-gas customer growth
Weather	(0.12)	Weather impact on steam revenues (warmer than avg. winter)
Higher O&M	(0.10)	Increased emergency response, municipal infrastructure support and stock-based compensation
Regulatory Reserves	(0.06)	Changes in regulatory charges
Lower ROE at CECONY	(0.04)	CECONY electric allowed ROE dropped from 9.2% to 9.0%
Other	(0.02)	Software amortization benefit in 2015 and dilutive effect of stock issuances
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	\$0.01	
CEE	(0.01)	
CED	-	
Total CEBs	\$-	Total (excluding the impairment of the Pilesgrove solar electric production investment and mark-to-market)
CET		
Total CET	\$-	
Parent		
Parent Co.	\$0.02	Lower state income taxes
Total Consolidated CEI	\$(0.25)	

1H 2016 vs. 1H 2015 Adjusted Earning Per Share

6 months ending June 30, 2016

	CECONY	O&R	CED	CEE	CES	CET ⁽¹⁾	Parent	Total
Reported EPS – GAAP basis	\$1.59	\$0.10	\$0.03	\$0.01	\$0.10	\$-	\$-	\$1.83
Impairment of Pilesgrove solar electric production investment	-	-	0.02	-	-	-	-	0.02
Mark-to-market losses/(gains)	-	-	-	-	(0.07)	-	-	(0.07)
Adjusted EPS – Non-GAAP basis	\$1.59	\$0.10	\$0.05	\$0.01	\$0.03	\$-	\$-	\$1.78

6 months ending June 30, 2015

	CECONY	O&R	CED	CEE	CES	Parent	Total
Reported EPS – GAAP basis	\$1.91	\$0.05	\$0.05	\$0.02	\$-	\$(0.02)	\$2.01
Mark-to-market losses/(gains)	-	-	-	-	0.02	-	0.02
Adjusted EPS – Non-GAAP basis	\$1.91	\$0.05	\$0.05	\$0.02	\$0.02	\$(0.02)	\$2.03

1. In 2016, Con Edison Transmission began investing, through CET Electric and CET Gas, in electric transmission and gas pipeline and storage assets. As a result of these investments, Con Edison has changed its business segments to add Con Edison Transmission as a separate reportable segment based on management's reporting and decision-making.

Historical Adjusted Earnings Reconciliation

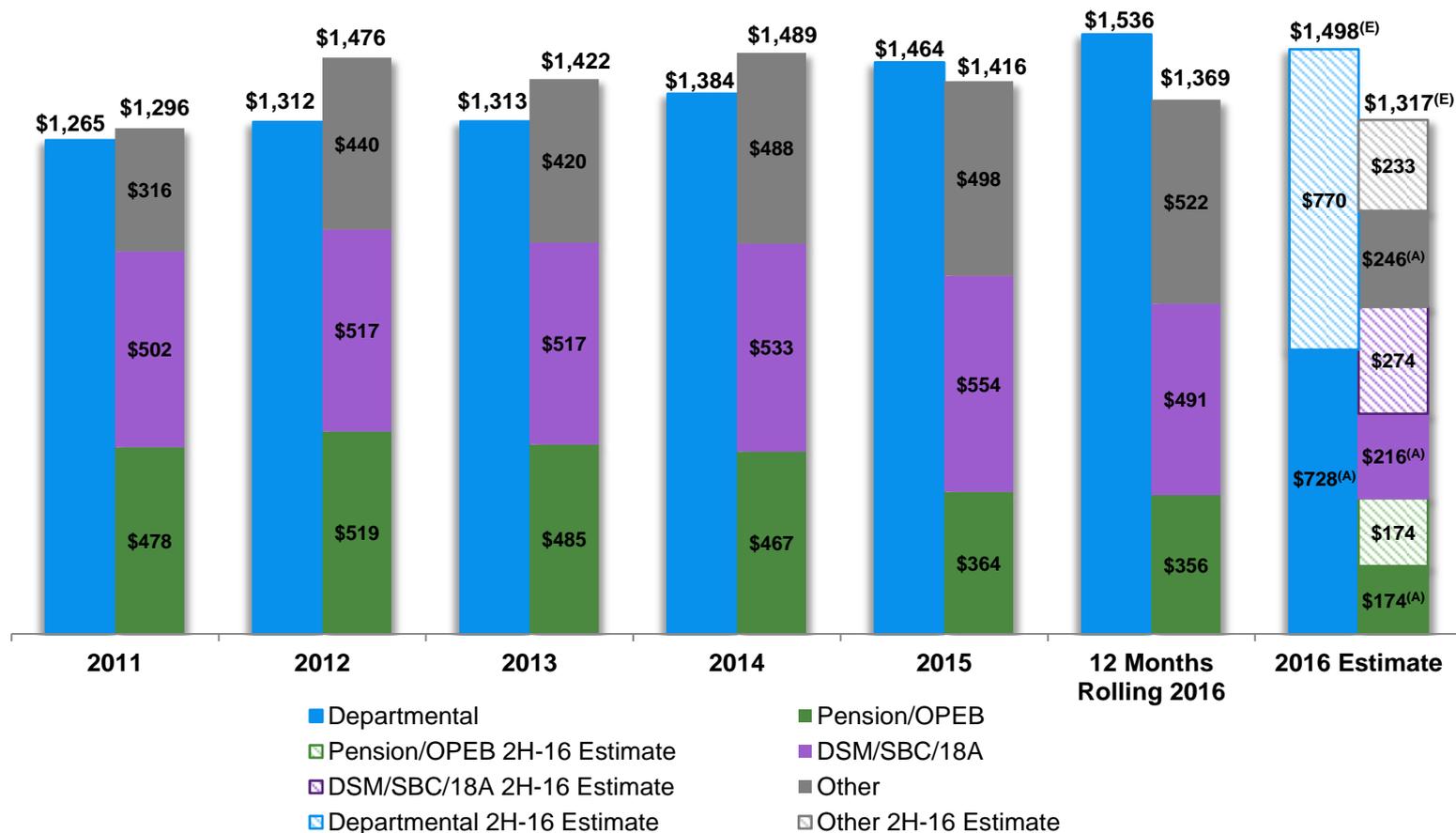
12 Months Ending December 31,

	2011	2012	2013	2014	2015	2016 ⁽¹⁾
Reported EPS – GAAP Basis	\$3.59	\$3.88	\$3.62	\$3.72	\$4.07	\$3.88
Impairment of Assets Held for Sale	-	-	-	-	0.01	0.01
Impairment of Pilesgrove Solar Electric Production Investment	-	-	-	-	-	0.02
Gain on Sale – Solar Projects	-	-	-	(0.09)	-	-
Loss from LILO Transactions	-	-	0.32	-	-	-
Net MTM Effects of CEBs	0.05	(0.13)	(0.14)	0.25	-	(0.08)
Adjusted EPS – Non-GAAP basis	\$3.64	\$3.75	\$3.80	\$3.89	\$4.08	\$3.83

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

CECONY Departmental and Other Expenses

June 30, 2016 (\$ millions)



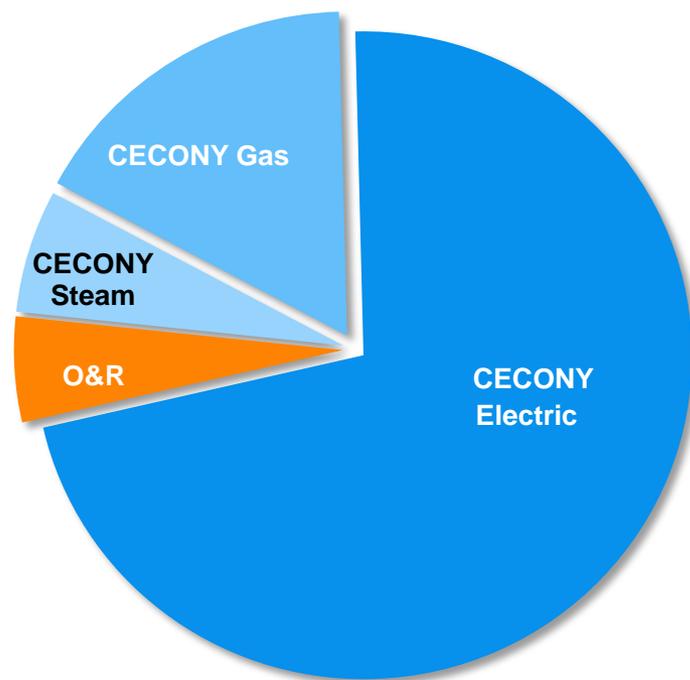
(A) Represents actual 1H 2016 CECONY departmental and other expenses.

Composition of Rate Base⁽¹⁾ (as of June 30, 2016)

CECONY		(\$ millions)
Electric	NY	\$17,757
Gas	NY	4,156
Steam	NY	1,516
Total CECONY		\$23,429

O&R		(\$ millions)
O&R Electric	NY	\$727
O&R Gas	NY	358
Rockland	NJ	197
Pike ⁽²⁾	PA	17
Total O&R		\$1,299

Total Rate Base \$24,728



1. Average rate base for 12 months ending 6/30/2016.
2. In October 2015, upon evaluating strategic alternatives, the Company entered into an agreement to sell Pike to Corning Natural Gas Holding Corporation for \$16 million, including estimated working capital adjustments. The closing of the sale, which the Company expects to occur in 2016, is subject to certain regulatory approvals by the Federal Energy Regulatory Commission and Pennsylvania Public Utility Commission.

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

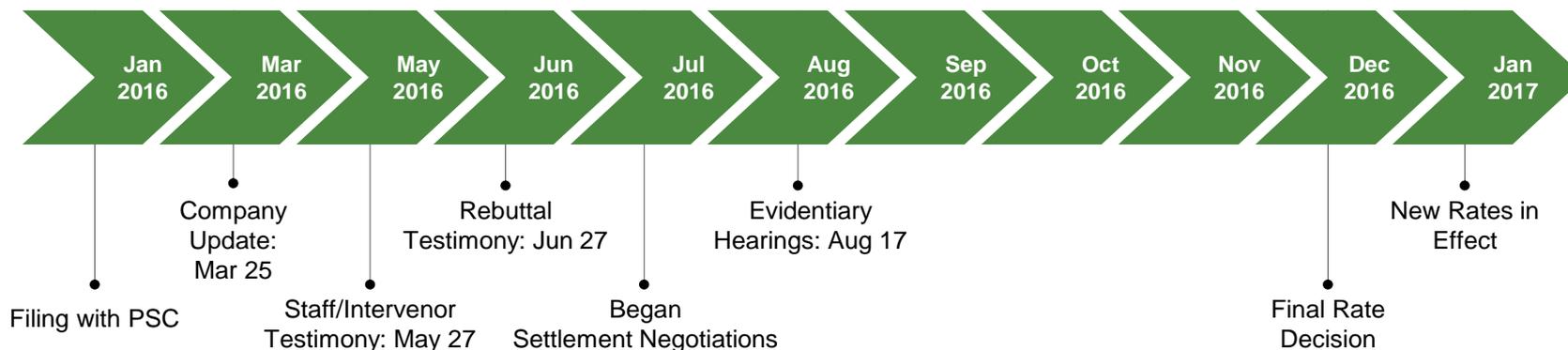
	Regulated Basis	
	Allowed	Actual
CECONY		
Electric	9.0%	9.1%
Gas	9.3%	8.2%
Steam	9.3%	5.5%
Overall – CECONY	9.1% ⁽¹⁾	8.7%
CECONY Equity Ratio⁽²⁾	48.0%	48.8%
O&R		
Electric	9.0%	10.8%
Gas	9.0%	12.0%
RECO	9.8%	8.1%
Overall – O&R	9.2% ⁽¹⁾	10.7%
O&R Equity Ratio⁽²⁾	48.0%	48.7%

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

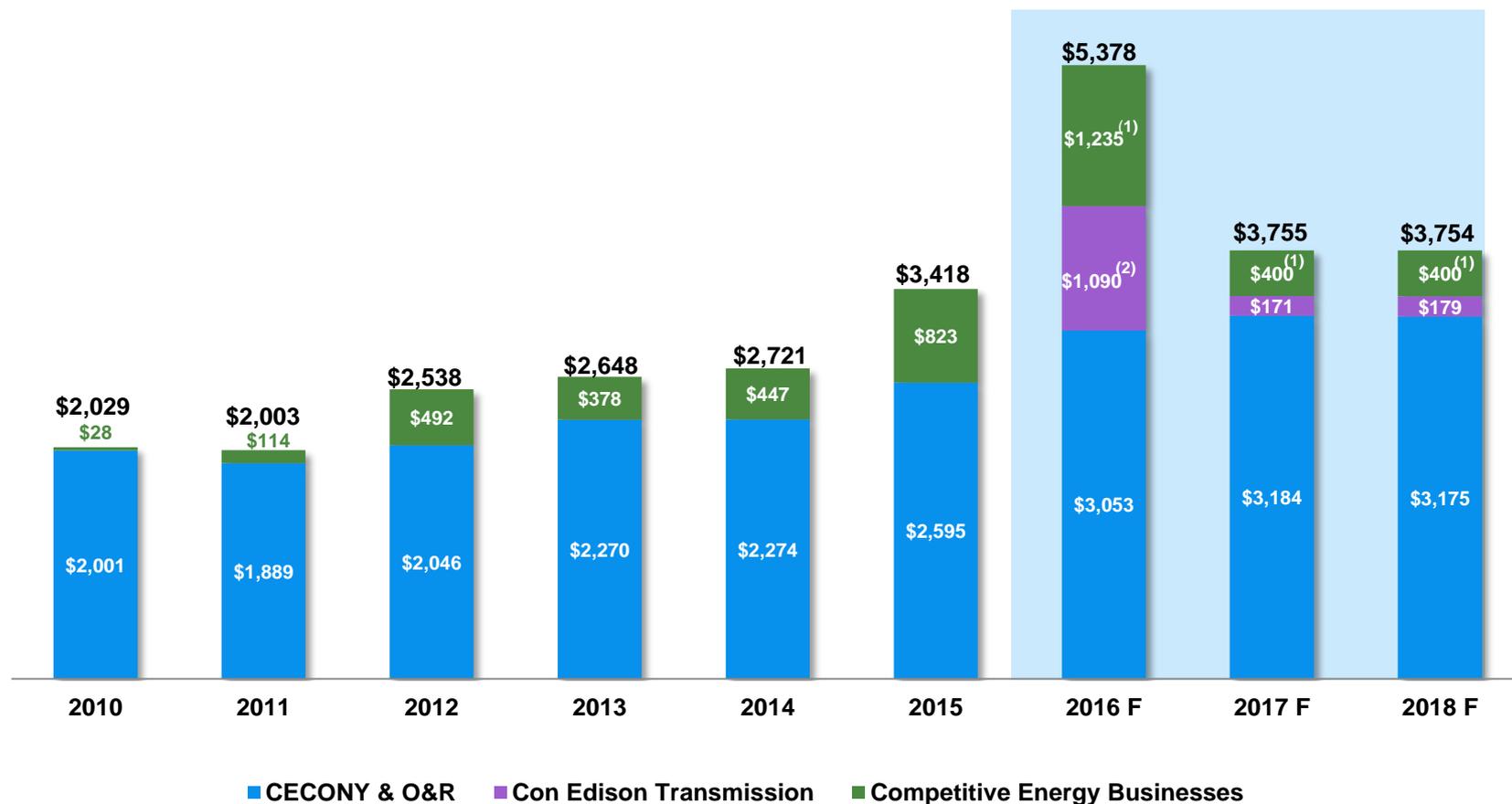
2016 CECONY Electric and Gas Rate Filings

Proposed Rate plan details	Electric	Gas
Rate Proposal filed on January 29, 2016 and updated in March and June for new rates effective January 1, 2017:		
Rate Increase Year 1	\$498 million	\$125 million
ROE	9.75%	9.75%
Equity Ratio	48%	48%
Supplemental Information: Illustrated		
Rate Change Year 2	\$169 million	\$110 million
Rate Change Year 3	\$186 million	\$100 million

Timeline for rate setting process:



Over \$12 Billion in 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 JV initial investment of \$975 million.

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)
- Issue between \$1.0 billion and \$1.8 billion of long-term debt, most of which would be at the utilities
- 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 issued \$724 million of common equity in May⁽¹⁾
 - CEI entered into a \$400 million term loan facility in June
 - CECONY issued \$550 million 3.85% debentures due 2046 in June

2016 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 maturing in September, 5.5%
- CECONY \$250 million maturing in December, 5.3%
- O&R \$75 million maturing 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 – June 30, 2016

(\$ millions)

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

Debt	\$14,493	51%
Equity	13,958	49
Total	\$28,451	100%

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

Debt	\$11,983	51%
Equity	11,566	49
Total	\$23,549	100%

Orange and Rockland A3 / A- / A-

Debt	\$667	51%
Equity	633	49
Total	\$1,300	100%

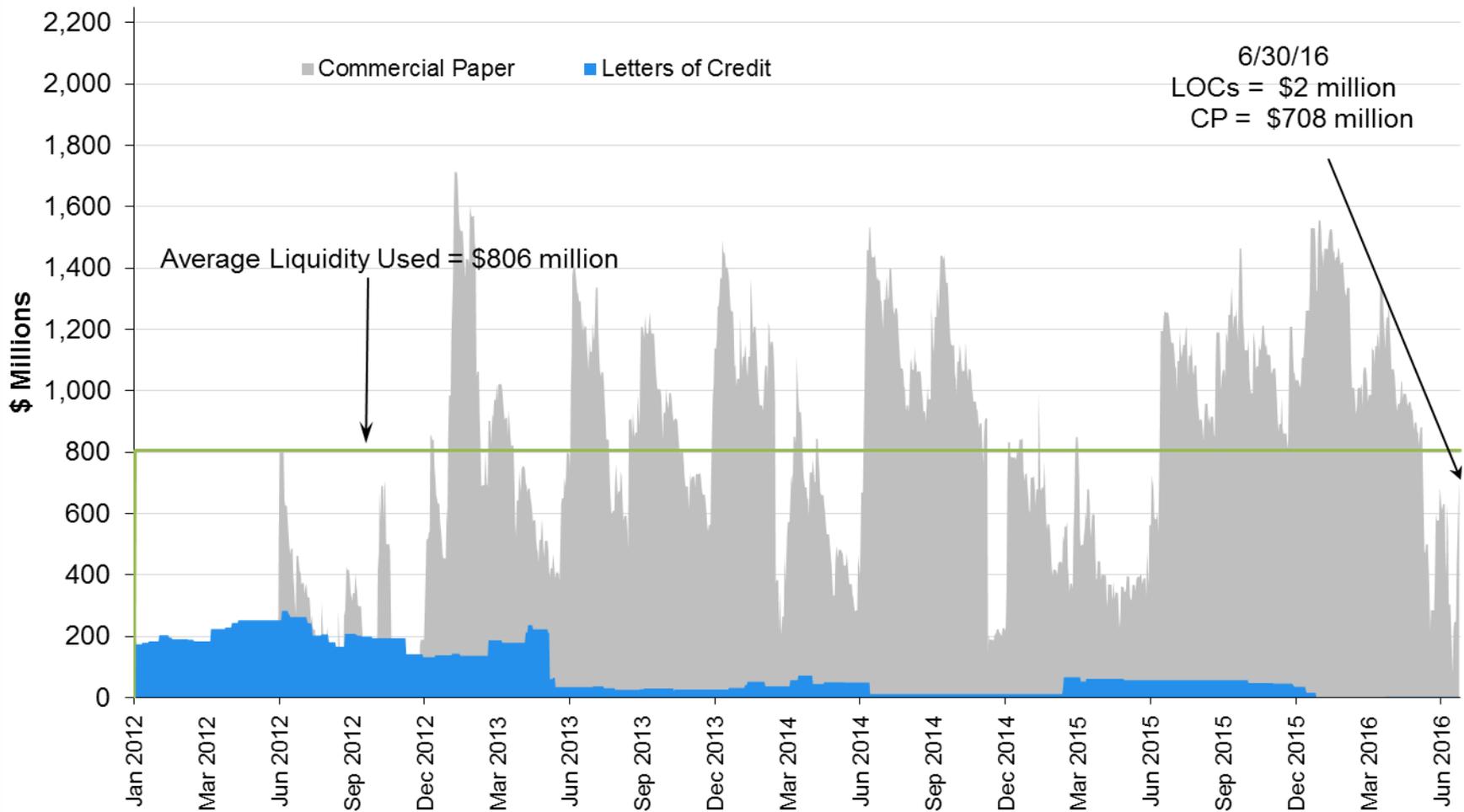
Competitive and Parent

Debt	\$1,843	51%
Equity	1,759	49
Total	\$3,602	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



Other 2Q-16 Developments and Form 10-Q Page References

- Note B: Regulatory Matters (pages 19-20)
 - Updated CECONY rate filings for electric and gas
 - RECO filed request for electric rate increase
 - CECONY regulatory liability for plastic fusion proceeding and order to show cause
- Note P: Assets Held for Sale (page 39)
 - Agreement reached to sell retail supply business
- Note Q: Acquisitions, Investments and Dispositions (page 40)
 - Con Edison Transmission substantially completed its purchase of 50% stake in Stagecoach Gas Services
 - CECONY transferred certain electric transmission assets to the NY Transco
- Management's Discussion and Analysis: Results of Operations
 - Collective Bargaining Agreement: Four-year collective bargaining agreement reached with CECONY's largest union (page 43)
 - Capital Requirements and Resources: capital expenditure estimates for competitive energy businesses increased for years 2016, 2017 and 2018 to reflect additional renewable energy projects (page 65)

The Con Edison Story

Customer Focused

Safety and
reliability

Customer
experience

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

Steady, predictable
earnings

Balance sheet
stability

Attractive,
growing dividend