

# Consolidated Edison, Inc.

## 3rd Quarter 2019 Earnings Release Presentation

November 4, 2019



## Available Information

On November 4, 2019, Consolidated Edison, Inc. issued a press release reporting its third quarter 2019 earnings and filed with the Securities and Exchange Commission the company's third quarter 2019 Form 10-Q. This presentation should be read together with, and is qualified in its entirety by reference to, the earnings press release and the Form 10-Q. Copies of the earnings press release and the Form 10-Q are available at: [www.conedison.com](http://www.conedison.com). (Select "For Investors" and then select "Press Releases" and "SEC Filings," respectively.)

## 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 or customer 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; changes to tax laws could adversely affect it; 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. Con Edison assumes no obligation to update forward-looking statements.

## 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 for common stock, which is an indicator of financial performance determined in accordance with GAAP. Adjusted earnings excludes from net income for common stock certain 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 is also useful and meaningful to investors to facilitate their analysis of the company's financial performance.

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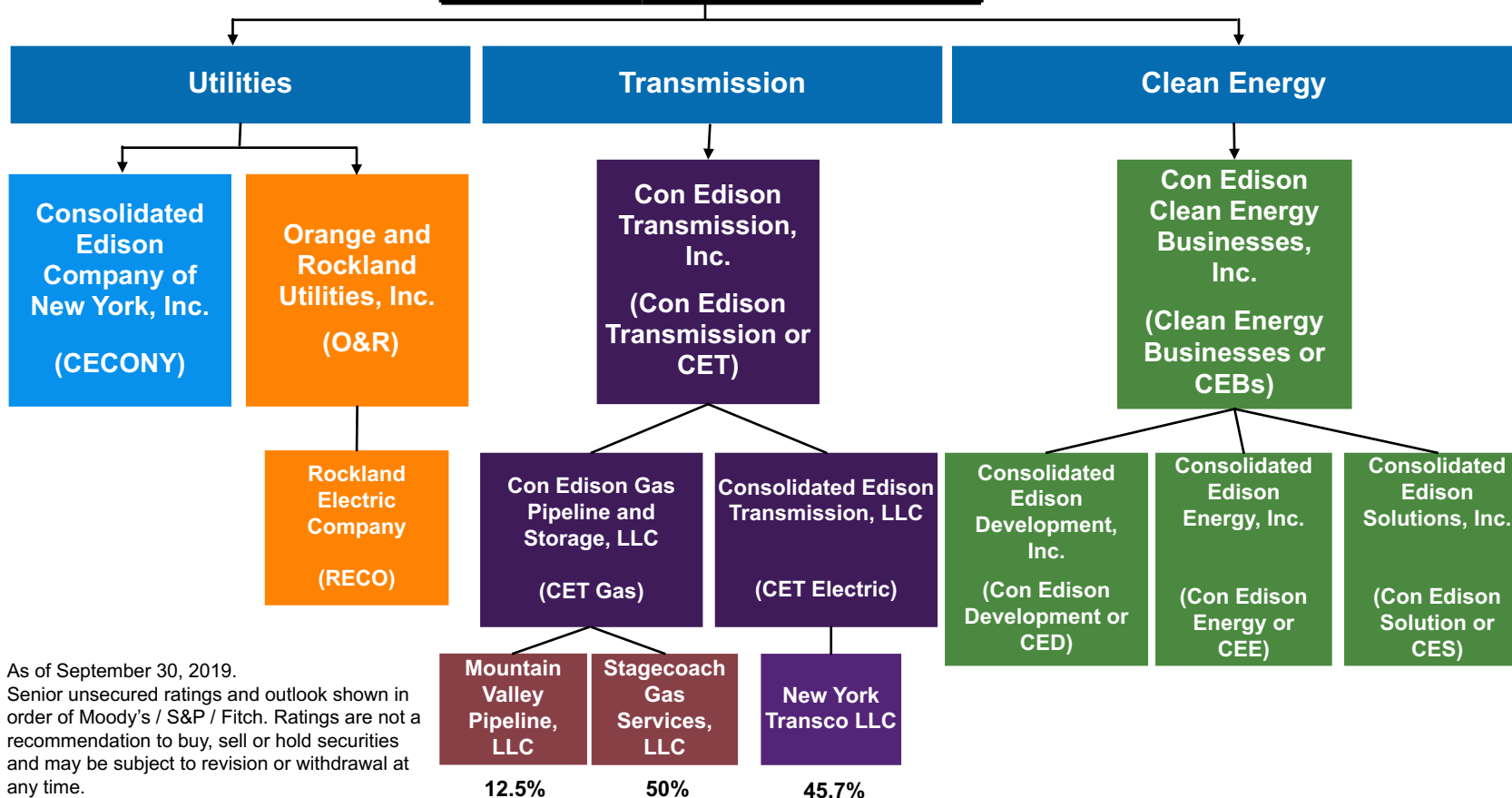
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# Organizational Structure



|                             |                          |
|-----------------------------|--------------------------|
| Market Cap <sup>(a)</sup> : | \$31.4 billion           |
| Ratings <sup>(b)</sup> :    | Baa1 / BBB+ / BBB+       |
| Outlook <sup>(b)</sup> :    | Stable / Stable / Stable |



a. As of September 30, 2019.  
 b. Senior unsecured ratings and outlook shown in order of Moody's / S&P / Fitch. Ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

# The Con Edison Plan

## Customer Focused

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Provide safe and reliable service

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Enhance the customer experience

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Achieve operational excellence and cost optimization

## Strategic

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Strengthen core utility delivery business

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

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Grow existing clean energy businesses and pursue additional clean energy growth opportunities consistent with our risk appetite

## Value Oriented

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Provide steady, predictable earnings

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Maintain balance sheet stability

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Pay attractive, growing dividends

CECONY has long-range plans to achieve its strategic priorities of public and employee safety, operational excellence, and an enhanced customer experience. The company's 20-year plans for its electric and gas business are designed to help the company navigate today's challenges while preparing for changes in the energy landscape. The plans are available on our website at the following links:

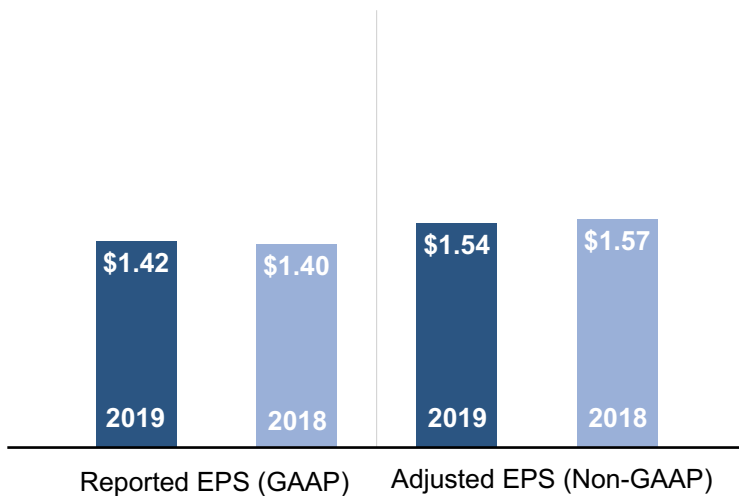
<https://www.coned.com/-/media/files/coned/documents/our-energy-future/our-energy-projects/electric-long-range-plan.pdf>

<https://www.coned.com/-/media/files/coned/documents/our-energy-future/our-energy-projects/gas-long-range-plan.pdf>

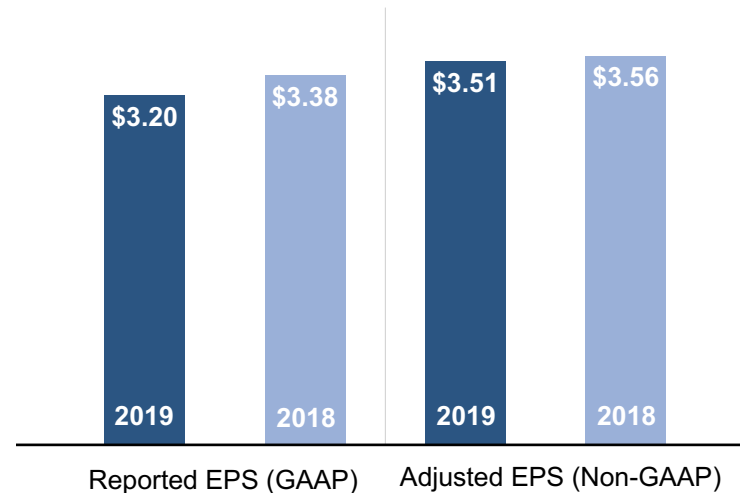
# Dividend and Earnings Announcements

- On October 17, 2019, the company issued a press release reporting that the company had declared a quarterly dividend of 74 cents a share on its common stock.
- On November 4, 2019, the company issued a press release forecasting its adjusted earnings per share for the year 2019 to be in the range of \$4.25 to \$4.35 a share.<sup>(a)</sup> The company's previous forecast was in the range of \$4.25 to \$4.45 per share.<sup>(a)</sup>

### 3Q 2019 vs. 3Q 2018



### YTD 2019 vs. YTD 2018



a. Adjusted earnings per share exclude the effects of hypothetical liquidation at book value (HLBV) accounting for tax equity investments in certain of the Clean Energy Businesses' renewable electric production projects (approximately \$(0.20) a share). Adjusted earnings per share also exclude the Clean Energy Businesses' net mark-to-market effects, the amount of which will not be determinable until year end.

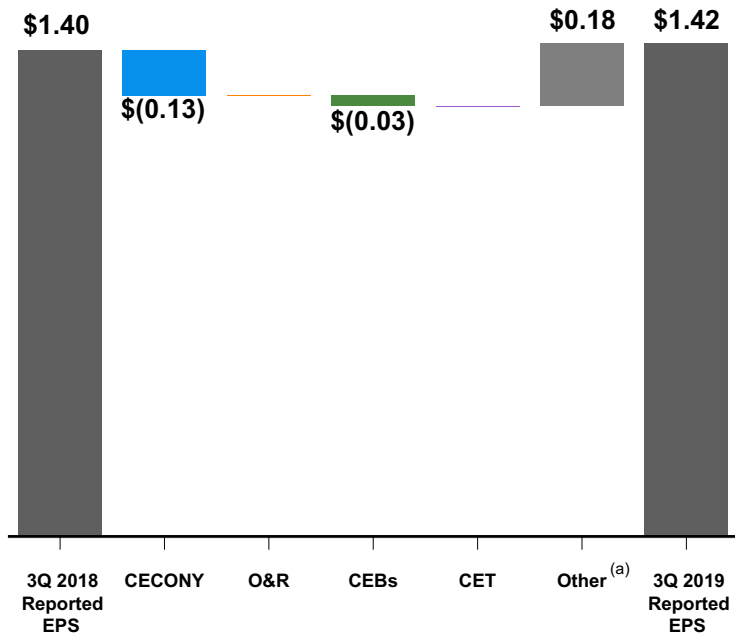
# 3Q 2019 Earnings

|                                                                               | Earnings per Share |               | Net Income for Common Stock (\$ in Millions) |              |
|-------------------------------------------------------------------------------|--------------------|---------------|----------------------------------------------|--------------|
|                                                                               | 2019               | 2018          | 2019                                         | 2018         |
| <b>Reported Net Income for Common Stock and EPS – GAAP basis</b>              | <b>\$1.42</b>      | <b>\$1.40</b> | <b>\$473</b>                                 | <b>\$435</b> |
| HLBV effects of the Clean Energy Businesses (pre-tax)                         | 0.10               | —             | 30                                           | —            |
| Income taxes (a)                                                              | (0.03)             | —             | (7)                                          | —            |
| <b>HLBV effects of the Clean Energy Businesses (net of tax)</b>               | <b>0.07</b>        | <b>—</b>      | <b>23</b>                                    | <b>—</b>     |
| <b>Income tax effect of the TCJA</b>                                          | <b>—</b>           | <b>0.14</b>   | <b>—</b>                                     | <b>42</b>    |
| Sempra Solar Holdings, LLC transaction costs (pre-tax)                        | —                  | 0.04          | —                                            | 14           |
| Income taxes (b)                                                              | —                  | (0.01)        | —                                            | (4)          |
| <b>Sempra Solar Holdings, LLC transaction costs (net of tax)</b>              | <b>—</b>           | <b>0.03</b>   | <b>—</b>                                     | <b>10</b>    |
| Net mark-to-market effects of the Clean Energy Businesses (pre-tax)           | 0.07               | —             | 23                                           | 3            |
| Income taxes (b)                                                              | (0.02)             | —             | (6)                                          | (1)          |
| <b>Net mark-to-market effects of the Clean Energy Businesses (net of tax)</b> | <b>0.05</b>        | <b>—</b>      | <b>17</b>                                    | <b>2</b>     |
| <b>Adjusted Earnings and Adjusted EPS – non-GAAP basis</b>                    | <b>\$1.54</b>      | <b>\$1.57</b> | <b>\$513</b>                                 | <b>\$489</b> |

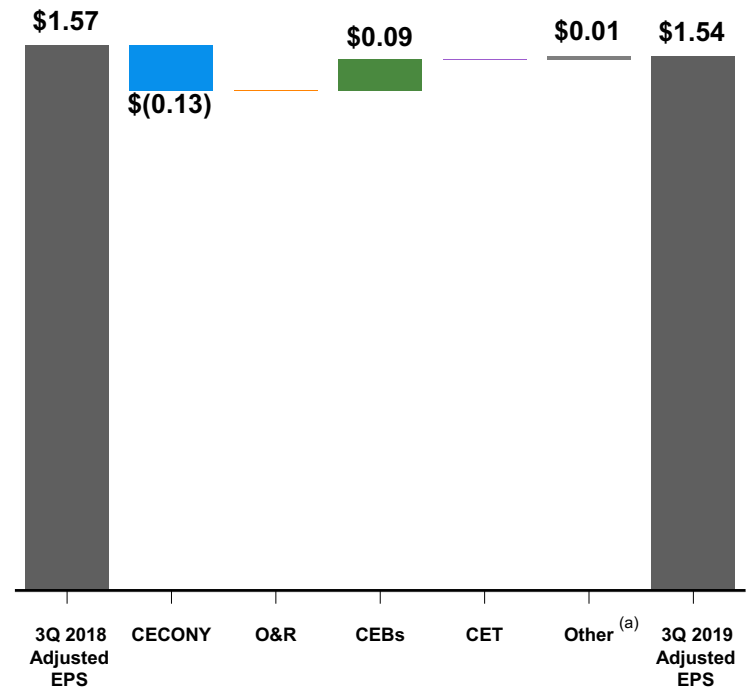
- a. The amount of income taxes was calculated using a combined federal and state income tax rate of 23% for the three months ended September 30, 2019.
- b. The amount of income taxes was calculated using a combined federal and state income tax rate of 26% for the three months ended September 30, 2019 and a combined federal and state income tax rate of 28% for the three months ended September 30, 2018.

# Walk from 3Q 2018 EPS to 3Q 2019 EPS

## Variance in Reported EPS (GAAP)



## Variance in Adjusted EPS (Non-GAAP)



a. Includes parent company and consolidation adjustments.



# 3Q 2019 vs. 3Q 2018 EPS Variances – Three Months Ended Variation

## CECONY<sup>(a)</sup>

|                                                    |         |                                                                                                                                                                                                                                                        |
|----------------------------------------------------|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Changes in rate plans                              | \$ 0.11 | Reflects higher electric and gas net base revenues of \$0.19 a share and \$0.01 a share, respectively, due primarily to electric and gas base rates increases in January 2019 under the company's rate plans.                                          |
| Operations and maintenance expenses                | (0.11)  | Reflects higher costs for pension and other postretirement benefits of \$(0.04) a share, stock-based compensation of \$(0.03) a share and uncollectibles of \$(0.02) a share.                                                                          |
| Depreciation, property taxes and other tax matters | (0.10)  | Reflects higher property taxes of \$(0.06) a share and higher depreciation and amortization expense of \$(0.06) a share, offset, in part, by the reduction in the sales and use tax reserve upon conclusion of the audit assessment of \$0.02 a share. |
| Other                                              | (0.03)  | Reflects primarily the dilutive effect of Con Edison's stock issuances of \$(0.09) a share, offset, in part, by lower costs associated with components of pension and other postretirement benefits other than service cost of \$0.05 a share.         |

**Total CECONY** **\$(0.13)**

## O&R<sup>(a)</sup>

|                                                    |        |                                                                                                                 |
|----------------------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------|
| Changes in rate plans                              | 0.03   | Reflects primarily an electric base rate increase under the company's new rate plan, effective January 1, 2019. |
| Depreciation, property taxes and other tax matters | (0.01) | Reflects higher depreciation and amortization expense.                                                          |
| Other                                              | (0.02) | Reflects primarily the dilutive effect of Con Edison's stock issuances of \$(0.01) a share.                     |

**Total O&R** **\$ —**

## Clean Energy Businesses

|                                      |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operating revenues less energy costs | 0.27   | Reflects primarily higher revenues from renewable electric production projects resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC, including the consolidation of certain jointly-owned projects that were previously accounted for as equity investments of \$0.30 a share, and lower gas purchased for resale due to lower purchased volume of \$0.12 a share, offset, in part, by lower wholesale revenues of \$(0.13) a share. |
| Operations and maintenance expenses  | (0.01) | Reflects higher costs associated with additional renewable electric production projects in operation resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC. of \$(0.03) a share, offset, in part, by lower energy services costs of \$0.02 a share.                                                                                                                                                                                   |
| Depreciation and amortization        | (0.08) | Reflects an increase in renewable electric production projects resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC.                                                                                                                                                                                                                                                                                                                 |
| Net interest expense                 | (0.12) | Reflects primarily an increase in debt resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC.                                                                                                                                                                                                                                                                                                                                         |
| HLBV effects                         | (0.07) |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Other                                | (0.02) | Reflects primarily the absence in 2019 of equity income from certain jointly-owned projects that were accounted for as equity investments in 2018 but consolidated after the December 2018 acquisition of Sempra Solar Holdings, LLC.                                                                                                                                                                                                                      |

**Total CEBs** **\$(0.03)**

## Other

Parent company and consolidation adjustments **\$ 0.18**

**Reported EPS (GAAP)** **\$ 0.02**

HLBV effects of the Clean Energy Businesses 0.07

Net mark-to-market effects of the Clean Energy Businesses 0.05

Income tax effect of the TCJA in 2018 (0.14)

Sempra Solar Holdings, LLC transaction costs in 2018 (0.03)

**Adjusted EPS (non-GAAP)** **\$(0.03)**

a. Under the revenue decoupling mechanisms in the utilities' New York electric and gas rate plans and the weather-normalization clause applicable to their gas businesses, revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. In general, the utilities recover on a current basis the fuel, gas purchased for resale and purchased power costs they incur in supplying energy to their full-service customers. Accordingly, such costs do not generally affect Con Edison's results of operations.

# 3Q 2019 vs. 3Q 2018 EPS Reconciliation by Company

## Three Months Ended September 30, 2019

|                                                                 | CECONY        | O&R           | CEBs          | CET           | Other <sup>(c)</sup> | Total         |
|-----------------------------------------------------------------|---------------|---------------|---------------|---------------|----------------------|---------------|
| <b>Reported EPS – GAAP basis</b>                                | <b>\$1.25</b> | <b>\$0.07</b> | <b>\$0.07</b> | <b>\$0.04</b> | <b>\$(0.01)</b>      | <b>\$1.42</b> |
| HLBV effects of the Clean Energy Businesses (pre-tax)           | —             | —             | 0.10          | —             | —                    | 0.10          |
| Income taxes (a)                                                | —             | —             | (0.03)        | —             | —                    | (0.03)        |
| <b>HLBV effects of the Clean Energy Businesses (net of tax)</b> | <b>—</b>      | <b>—</b>      | <b>0.07</b>   | <b>—</b>      | <b>—</b>             | <b>0.07</b>   |
| Net mark-to-market losses (pre-tax)                             | —             | —             | 0.07          | —             | —                    | 0.07          |
| Income taxes (b)                                                | —             | —             | (0.02)        | —             | —                    | (0.02)        |
| <b>Net mark-to-market losses (net of tax)</b>                   | <b>—</b>      | <b>—</b>      | <b>0.05</b>   | <b>—</b>      | <b>—</b>             | <b>0.05</b>   |
| <b>Adjusted EPS – Non-GAAP basis</b>                            | <b>\$1.25</b> | <b>\$0.07</b> | <b>\$0.19</b> | <b>\$0.04</b> | <b>\$(0.01)</b>      | <b>\$1.54</b> |

## Three Months Ended September 30, 2018

|                                                                  | CECONY        | O&R           | CEBs          | CET           | Other <sup>(c)</sup> | Total         |
|------------------------------------------------------------------|---------------|---------------|---------------|---------------|----------------------|---------------|
| <b>Reported EPS – GAAP basis</b>                                 | <b>\$1.38</b> | <b>\$0.07</b> | <b>\$0.10</b> | <b>\$0.04</b> | <b>\$(0.19)</b>      | <b>\$1.40</b> |
| <b>Income tax effect of the TCJA</b>                             | <b>—</b>      | <b>—</b>      | <b>—</b>      | <b>—</b>      | <b>0.14</b>          | <b>0.14</b>   |
| Sempra Solar Holdings, LLC transaction costs (pre-tax)           | —             | —             | —             | —             | 0.04                 | 0.04          |
| Income taxes (b)                                                 | —             | —             | —             | —             | (0.01)               | (0.01)        |
| <b>Sempra Solar Holdings, LLC transaction costs (net of tax)</b> | <b>—</b>      | <b>—</b>      | <b>—</b>      | <b>—</b>      | <b>0.03</b>          | <b>0.03</b>   |
| <b>Adjusted EPS – Non-GAAP basis</b>                             | <b>\$1.38</b> | <b>\$0.07</b> | <b>\$0.10</b> | <b>\$0.04</b> | <b>\$(0.02)</b>      | <b>\$1.57</b> |

- a. The amount of income taxes was calculated using a combined federal and state income tax rate of 23% for the three months ended September 30, 2019.
- b. The amount of income taxes was calculated using a combined federal and state income tax rate of 26% for the three months ended September 30, 2019 and a combined federal and state income tax rate of 28% for the three months ended September 30, 2018.
- c. Includes parent company and consolidation adjustments.

# 3Q 2019 Developments<sup>(a)</sup>

## CECONY & O&R

- In October 2019, CECONY, the staff of the New York State Public Service Commission (NYSPSC) and other parties entered into a Joint Proposal for CECONY electric and gas rate plans for the three-year period January 2020 through December 2022 reflecting an 8.8 percent return on common equity and a common equity ratio of 48 percent. The Joint Proposal is subject to NYSPSC approval. (pages 24-25)
- In October 2019, the New Jersey Division of Rate Counsel staff submitted testimony in the New Jersey Board of Public Utilities proceeding in which RECO requested an electric rate increase, effective February 2020. The Division of Rate Counsel staff testimony supports an electric rate increase of \$5.8 million reflecting, among other things, an 8.9 percent return on common equity and a common equity ratio of 47.14 percent. In October 2019, RECO filed an update to the request it filed in May 2019. The company increased its requested February 2020 rate increase from \$19.9 million to \$20.3 million. The updated filing reflects an increase to the common equity ratio from 49.93 percent to 50.16 percent and a decrease in the return on common equity from 10.00 percent to 9.60 percent. (page 26)
- On July 13, 2019, electric service was interrupted to approximately 72,000 CECONY customers on the west side of Manhattan. The NYSPSC and the Northeast Power Coordinating Council, a regional reliability entity, are investigating the July 13, 2019 power outage. The NYSPSC is also investigating other CECONY power outages that occurred in July 2019. Pursuant to the reliability performance provisions of its electric rate plan, as a result of the July 13, 2019 power outage, the company is subject to a \$5 million negative revenue adjustment (which it recognized in the third quarter of 2019). The company is unable to estimate the amount or range of its possible additional loss related to the power outages. At September 30, 2019, the company had accrued a \$5 million liability related to the power outages. (page 27)
- The Utilities' current five-year forecasts for 2020-2024 of average annual growth of the peak demand in their service areas at design conditions (pages 49-50):

|        | Electric      | Gas         | Steam         |
|--------|---------------|-------------|---------------|
| CECONY | (0.1) percent | 1.5 percent | (0.4) percent |
| O&R    | (0.2) percent | 0.7 percent |               |

a. Page references to 3Q 2019 Form 10-Q.

# 3Q 2019 Developments (cont'd)<sup>(a)</sup>

## Clean Energy Businesses

- The Clean Energy Businesses have 2,634 MW (AC) of utility-scale renewable energy production projects in service (2,616 MW) or in construction (18 MW) and 54 MW (AC) of behind-the-meter renewable energy production projects in service (46 MW) or in construction (8 MW). (page 81)
- 1,710 million of kWh of electricity was generated from solar projects and 317 million of kWh generated from wind projects for the quarter ending September 30, 2019. (page 82)
- Regarding the Pacific Gas and Electric Company (PG&E) bankruptcy, at September 30, 2019, Con Edison's consolidated balance sheet included \$827 million of net non-utility plant relating to the PG&E Projects, \$1,075 million of intangible assets relating to the PG&E PPAs, \$287 million of net non-utility plant of additional projects that secure the related project debt and \$1,012 million of non-recourse related project debt. The PG&E bankruptcy is an event of default under the PG&E PPAs. Pursuant to the related project debt agreements, distributions from the related projects to Con Edison Development have been suspended. Unless the lenders for the related project debt otherwise agree, the lenders may, upon written notice, declare principal and interest on the related project debt to be due and payable immediately and, if such amounts are not timely paid, foreclose on the related projects. During the first quarter of 2019, Con Edison reclassified on its consolidated balance sheet the PG&E-related project debt that was included in long-term debt to long-term debt due within one year. At September 30, 2019, long-term debt due within one year included \$1,012 million of PG&E-related project debt. (pages 22, 30 and 82)

## Con Edison Transmission

- In October 2019, the operator of the Mountain Valley Pipeline, which is being constructed by a joint venture in which CET Gas has a 12.5 percent ownership interest, indicated that it now expects a late 2020 full in-service date for the project at an overall project cost of \$5,300 million to \$5,500 million, excluding allowance for funds used during construction. CET Gas, as it is permitted to do under the joint venture agreement, plans to limit its cash contributions to the joint venture to approximately \$530 million, in which case its ownership interest in the joint venture would be reduced to approximately 10 percent (based on the current project cost estimate). At September 30, 2019, CET Gas's cash contributions to the joint venture amounted to \$488 million. (page 82)

a. Page references to 3Q 2019 Form 10-Q.

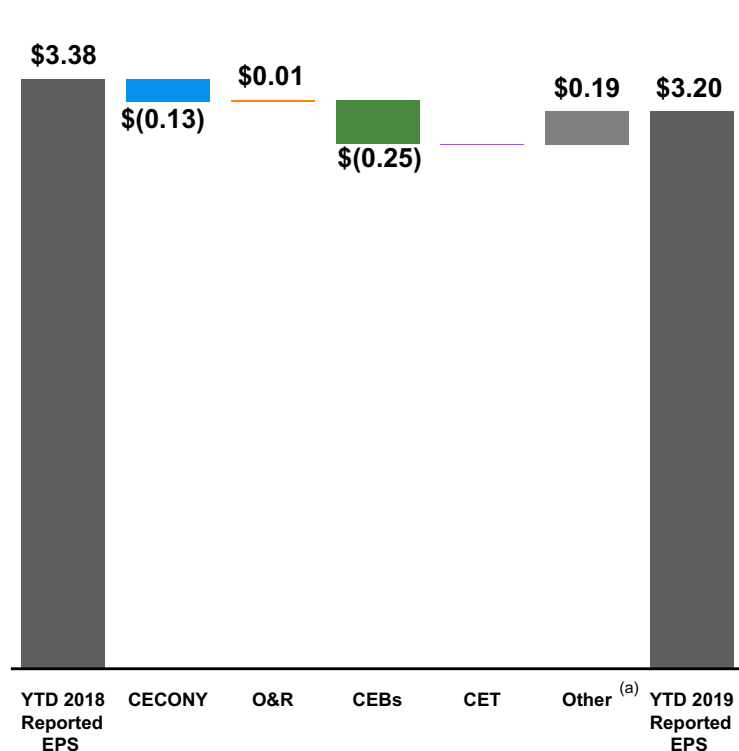
# YTD 2019 Earnings

|                                                                               | Earnings per Share |               | Net Income for Common Stock (\$ in Millions) |                |
|-------------------------------------------------------------------------------|--------------------|---------------|----------------------------------------------|----------------|
|                                                                               | 2019               | 2018          | 2019                                         | 2018           |
| <b>Reported Net Income for Common Stock and EPS – GAAP basis</b>              | <b>\$3.20</b>      | <b>\$3.38</b> | <b>\$1,048</b>                               | <b>\$1,051</b> |
| HLBV effects of the Clean Energy Businesses (pre-tax)                         | 0.25               | —             | 79                                           | —              |
| Income taxes (a)                                                              | (0.07)             | —             | (19)                                         | —              |
| <b>HLBV effects of the Clean Energy Businesses (net of tax)</b>               | <b>0.18</b>        | <b>—</b>      | <b>60</b>                                    | <b>—</b>       |
| <b>Income tax effect of the TCJA</b>                                          | <b>—</b>           | <b>0.14</b>   | <b>—</b>                                     | <b>42</b>      |
| Sempra Solar Holdings, LLC transaction costs (pre-tax)                        | —                  | 0.04          | —                                            | 14             |
| Income taxes (b)                                                              | —                  | (0.01)        | —                                            | (4)            |
| <b>Sempra Solar Holdings, LLC transaction costs (net of tax)</b>              | <b>—</b>           | <b>0.03</b>   | <b>—</b>                                     | <b>10</b>      |
| Net mark-to-market effects of the Clean Energy Businesses (pre-tax)           | 0.18               | 0.01          | 54                                           | 5              |
| Income taxes (b)                                                              | (0.05)             | —             | (13)                                         | (2)            |
| <b>Net mark-to-market effects of the Clean Energy Businesses (net of tax)</b> | <b>0.13</b>        | <b>0.01</b>   | <b>41</b>                                    | <b>3</b>       |
| <b>Adjusted Earnings and Adjusted EPS – non-GAAP basis</b>                    | <b>\$3.51</b>      | <b>\$3.56</b> | <b>\$1,149</b>                               | <b>\$1,106</b> |

- a. The amount of income taxes was calculated using a combined federal and state income tax rate of 24% for the nine months ended September 30, 2019.
- b. The amount of income taxes was calculated using a combined federal and state income tax rate of 24% for the nine months ended September 30, 2019 and a combined federal and state income tax rate of 28% for the nine months ended September 30, 2018.

# Walk from YTD 2018 EPS to YTD 2019 EPS

## Variance in Reported EPS (GAAP)



## Variance in Adjusted EPS (Non-GAAP)



a. Includes parent company and consolidation adjustments.

# YTD 2019 vs. YTD 2018 EPS Variances – Nine Months Ended Variation

## CECONY<sup>(a)</sup>

|                                                    |         |                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Changes in rate plans                              | \$ 0.59 | Reflects higher electric and gas net base revenues of \$0.42 a share and \$0.12 a share, respectively, due primarily to electric and gas base rates increases in January 2019 under the company's rate plans and growth in the number of gas customers of \$0.02 a share.                                                                            |
| Weather impact on steam revenues                   | (0.05)  | Reflects the impact of warmer winter weather in 2019.                                                                                                                                                                                                                                                                                                |
| Operations and maintenance expenses                | (0.23)  | Reflects higher costs for pension and other postretirement benefits of \$(0.11) a share, stock-based compensation of \$(0.07) a share and regulatory assessments and fees that are collected in revenues from customers of \$(0.05) a share.                                                                                                         |
| Depreciation, property taxes and other tax matters | (0.38)  | Reflects higher property taxes of \$(0.19) a share, higher depreciation and amortization expense of \$(0.17) a share and the absence of New York State sales and use tax refunds received in 2018 of \$(0.04) a share; offset, in part, by the reduction in the sales and use tax reserve upon conclusion of the audit assessment of \$0.02 a share. |
| Other                                              | (0.06)  | Reflects primarily the dilutive effect of Con Edison's stock issuances of \$(0.16) a share and higher interest expense on long-term debt of \$(0.09) a share, offset, in part, by lower costs associated with components of pension and other postretirement benefits other than service cost of \$0.14 a share.                                     |

**Total CECONY \$ (0.13)**

## O&R<sup>(a)</sup>

|                                                    |        |                                                                                                                                                                                            |
|----------------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Changes in rate plans                              | 0.03   | Reflects an electric base rate increase of \$0.05 a share, offset, in part, by a gas base rate decrease of \$(0.02) a share under the company's new rate plans, effective January 1, 2019. |
| Operations and maintenance expenses                | 0.02   | Reflects primarily a reduction of a regulatory asset associated with certain site investigation and environmental remediation costs in 2018.                                               |
| Depreciation, property taxes and other tax matters | (0.02) | Reflects higher depreciation and amortization expense.                                                                                                                                     |
| Other                                              | (0.02) | Reflects primarily the dilutive effect of Con Edison's stock issuances of \$(0.01) a share.                                                                                                |

**Total O&R \$ 0.01**

## Clean Energy Businesses

|                                      |        |                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operating revenues less energy costs | 0.44   | Reflects primarily higher revenues from renewable electric production projects resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC, including the consolidation of certain jointly-owned projects that were previously accounted for as equity investments of \$0.68 a share, offset, in part, by lower engineering, procurement and construction services revenues of \$(0.22) a share. |
| Operations and maintenance expenses  | 0.14   | Reflects primarily lower engineering, procurement and construction costs of \$0.20 a share and lower energy services costs of \$0.02 a share, offset, in part, by higher costs associated with additional renewable electric production projects in operation resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC. of \$(0.08) a share.                                                  |
| Depreciation and amortization        | (0.27) | Reflects an increase in renewable electric production projects resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC.                                                                                                                                                                                                                                                                      |
| Net interest expense                 | (0.31) | Reflects primarily an increase in debt resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC.                                                                                                                                                                                                                                                                                              |
| HLBV effects                         | (0.18) |                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Other                                | (0.07) | Reflects primarily the absence in 2019 of equity income from certain jointly-owned projects that were accounted for as equity investments in 2018 but consolidated after the December 2018 acquisition of Sempra Solar Holdings, LLC.                                                                                                                                                                           |

**Total Clean Energy Businesses \$ (0.25)**

## Other

|                                              |         |
|----------------------------------------------|---------|
| Parent company and consolidation adjustments | \$ 0.19 |
|----------------------------------------------|---------|

**Reported EPS (GAAP) \$ (0.18)**

|                                                           |        |
|-----------------------------------------------------------|--------|
| HLBV effects of the Clean Energy Businesses               | 0.18   |
| Net mark-to-market effects of the Clean Energy Businesses | 0.12   |
| Income tax effect of the TCJA in 2018                     | (0.14) |
| Sempra Solar Holdings, LLC, transaction costs in 2018     | (0.03) |

**Adjusted EPS (non-GAAP) \$ (0.05)**

a. Under the revenue decoupling mechanisms in the utilities' New York electric and gas rate plans and the weather-normalization clause applicable to their gas businesses, revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. In general, the utilities recover on a current basis the fuel, gas purchased for resale and purchased power costs they incur in supplying energy to their full-service customers. Accordingly, such costs do not generally affect Con Edison's results of operations.

# YTD 2019 vs. YTD 2018 EPS Reconciliation by Company

Nine months ended September 30, 2019

|                                                                 | CECONY        | O&R           | CEBs            | CET           | Other <sup>(c)</sup> | Total         |
|-----------------------------------------------------------------|---------------|---------------|-----------------|---------------|----------------------|---------------|
| <b>Reported EPS – GAAP basis</b>                                | <b>\$2.99</b> | <b>\$0.18</b> | <b>\$(0.06)</b> | <b>\$0.11</b> | <b>\$(0.02)</b>      | <b>\$3.20</b> |
| HLBV effects of the Clean Energy Businesses (pre-tax)           | —             | —             | 0.25            | —             | —                    | 0.25          |
| Income taxes (a)                                                | —             | —             | (0.07)          | —             | —                    | (0.07)        |
| <b>HLBV effects of the Clean Energy Businesses (net of tax)</b> | <b>—</b>      | <b>—</b>      | <b>0.18</b>     | <b>—</b>      | <b>—</b>             | <b>0.18</b>   |
| Net mark-to-market losses (pre-tax)                             | —             | —             | 0.18            | —             | —                    | 0.18          |
| Income taxes (b)                                                | —             | —             | (0.05)          | —             | —                    | (0.05)        |
| <b>Net mark-to-market losses (net of tax)</b>                   | <b>—</b>      | <b>—</b>      | <b>0.13</b>     | <b>—</b>      | <b>—</b>             | <b>0.13</b>   |
| <b>Adjusted EPS – Non-GAAP basis</b>                            | <b>\$2.99</b> | <b>\$0.18</b> | <b>\$0.25</b>   | <b>\$0.11</b> | <b>\$(0.02)</b>      | <b>\$3.51</b> |

Nine months ended September 30, 2018

|                                                                  | CECONY        | O&R           | CEBs          | CET           | Other <sup>(c)</sup> | Total         |
|------------------------------------------------------------------|---------------|---------------|---------------|---------------|----------------------|---------------|
| <b>Reported EPS – GAAP basis</b>                                 | <b>\$3.12</b> | <b>\$0.17</b> | <b>\$0.19</b> | <b>\$0.11</b> | <b>\$(0.21)</b>      | <b>\$3.38</b> |
| <b>Income tax effect of the TCJA</b>                             | <b>—</b>      | <b>—</b>      | <b>—</b>      | <b>—</b>      | <b>0.14</b>          | <b>0.14</b>   |
| Sempra Solar Holdings, LLC transaction costs (pre-tax)           | —             | —             | —             | —             | 0.04                 | 0.04          |
| Income taxes (b)                                                 | —             | —             | —             | —             | (0.01)               | (0.01)        |
| <b>Sempra Solar Holdings, LLC transaction costs (net of tax)</b> | <b>—</b>      | <b>—</b>      | <b>—</b>      | <b>—</b>      | <b>0.03</b>          | <b>0.03</b>   |
| Net mark-to-market losses (pre-tax)                              | —             | —             | 0.01          | —             | —                    | 0.01          |
| Income taxes (b)                                                 | —             | —             | —             | —             | —                    | —             |
| <b>Net mark-to-market losses (net of tax)</b>                    | <b>—</b>      | <b>—</b>      | <b>0.01</b>   | <b>—</b>      | <b>—</b>             | <b>0.01</b>   |
| <b>Adjusted EPS – Non-GAAP basis</b>                             | <b>\$3.12</b> | <b>\$0.17</b> | <b>\$0.20</b> | <b>\$0.11</b> | <b>\$(0.04)</b>      | <b>\$3.56</b> |

- The amount of income taxes was calculated using a combined federal and state income tax rate of 24% for the nine months ended September 30, 2019.
- The amount of income taxes was calculated using a combined federal and state income tax rate of 24% for the nine months ended September 30, 2019 and a combined federal and state income tax rate of 28% for the nine months ended September 30, 2018.
- Includes parent company and consolidation adjustments.



# Five-Year Reconciliation of Reported EPS (GAAP) to Adjusted EPS (Non-GAAP)

12 Months Ending December 31,

|                                                                                                 | 2015          | 2016          | 2017          | 2018 <sup>(d)</sup> | 2019 <sup>(a)(d)</sup> |
|-------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------------|------------------------|
| <b>Reported EPS – GAAP basis</b>                                                                | <b>\$4.07</b> | <b>\$4.15</b> | <b>\$4.97</b> | <b>\$4.43</b>       | <b>\$4.25</b>          |
| <b>Income tax effect of the TCJA</b>                                                            | —             | —             | <b>(0.85)</b> | <b>0.14</b>         | —                      |
| HLBV effects of the Clean Energy Businesses (pre-tax)                                           | —             | —             | —             | —                   | 0.25                   |
| Income taxes (c)                                                                                | —             | —             | —             | —                   | (0.07)                 |
| <b>HLBV effects of the Clean Energy Businesses (net of tax)</b>                                 | —             | —             | —             | —                   | <b>0.18</b>            |
| Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (pre-tax) (b)       | —             | —             | —             | (0.36)              | (0.36)                 |
| Income taxes (c)                                                                                | —             | —             | —             | 0.10                | 0.10                   |
| <b>Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (net of tax)</b> | —             | —             | —             | <b>(0.26)</b>       | <b>(0.26)</b>          |
| Gain on sale of the CEBs' retail electric supply business (pre-tax)                             | —             | (0.32)        | —             | —                   | —                      |
| Income taxes (c)                                                                                | —             | 0.13          | —             | —                   | —                      |
| <b>Gain on sale of the CEBs' retail electric supply business (net of tax)</b>                   | —             | <b>(0.19)</b> | —             | —                   | —                      |
| Goodwill impairment related to the CEBs' energy services business (pre-tax)                     | —             | 0.07          | —             | —                   | —                      |
| Income taxes (c)                                                                                | —             | (0.03)        | —             | —                   | —                      |
| <b>Goodwill impairment related to the CEBs' energy services business (net of tax)</b>           | —             | <b>0.04</b>   | —             | —                   | —                      |
| Impairment of assets held for sale (pre-tax)                                                    | 0.02          | —             | —             | —                   | —                      |
| Income taxes (c)                                                                                | (0.01)        | —             | —             | —                   | —                      |
| <b>Impairment of assets held for sale (net of tax)</b>                                          | <b>0.01</b>   | —             | —             | —                   | —                      |
| Net mark-to-market effects of the CEBs (pre-tax)                                                | —             | (0.02)        | —             | 0.03                | 0.19                   |
| Income taxes (c)                                                                                | —             | 0.01          | —             | (0.01)              | (0.05)                 |
| <b>Net mark-to-market effects of the CEBs (net of tax)</b>                                      | —             | <b>(0.01)</b> | —             | <b>0.02</b>         | <b>0.14</b>            |
| <b>Adjusted EPS – Non-GAAP basis</b>                                                            | <b>\$4.08</b> | <b>\$3.99</b> | <b>\$4.12</b> | <b>\$4.33</b>       | <b>\$4.31</b>          |

a. Represents 12-month trailing EPS ending September 30, 2019.

b. Gain recognized with respect to jointly owned renewable electric production projects on completion of the acquisition.

c. The amount of income taxes was calculated using applicable combined federal and state income tax rates for the twelve months ended September 30, 2019 and the years 2015 – 2018.

d. Federal income tax rate lowered to 21% from 35% upon enactment of the TCJA on December 22, 2017.

# Summary of CECONY Electric & Gas Joint Proposal

On October 18, 2019, CECONY, NYSPSC staff and other parties entered into a Joint Proposal, which is subject to NYSPSC approval, with respect to the company's rates for electric and gas delivery service.

## Proposed Rate Changes and Capital Expenditures

| (\$ millions)     | Electric<br>Case number 19-E-0065 |                   |                     | Gas<br>Case number 19-G-0066 |                   |                     |
|-------------------|-----------------------------------|-------------------|---------------------|------------------------------|-------------------|---------------------|
|                   | Rate Change                       | Average Rate Base | Capital Expenditure | Rate Change                  | Average Rate Base | Capital Expenditure |
| Rate Year 1: 2020 | \$113                             | \$21,660          | \$2,135             | \$84                         | \$7,171           | \$1,073             |
| Rate Year 2: 2021 | 370                               | 22,783            | 2,137               | 122                          | 7,911             | 1,055               |
| Rate Year 3: 2022 | 326                               | 23,926            | 1,917               | 167                          | 8,622             | 989                 |

## Proposed Return on Equity and Equity Ratio

Return on equity.....8.8%

Equity ratio.....48%

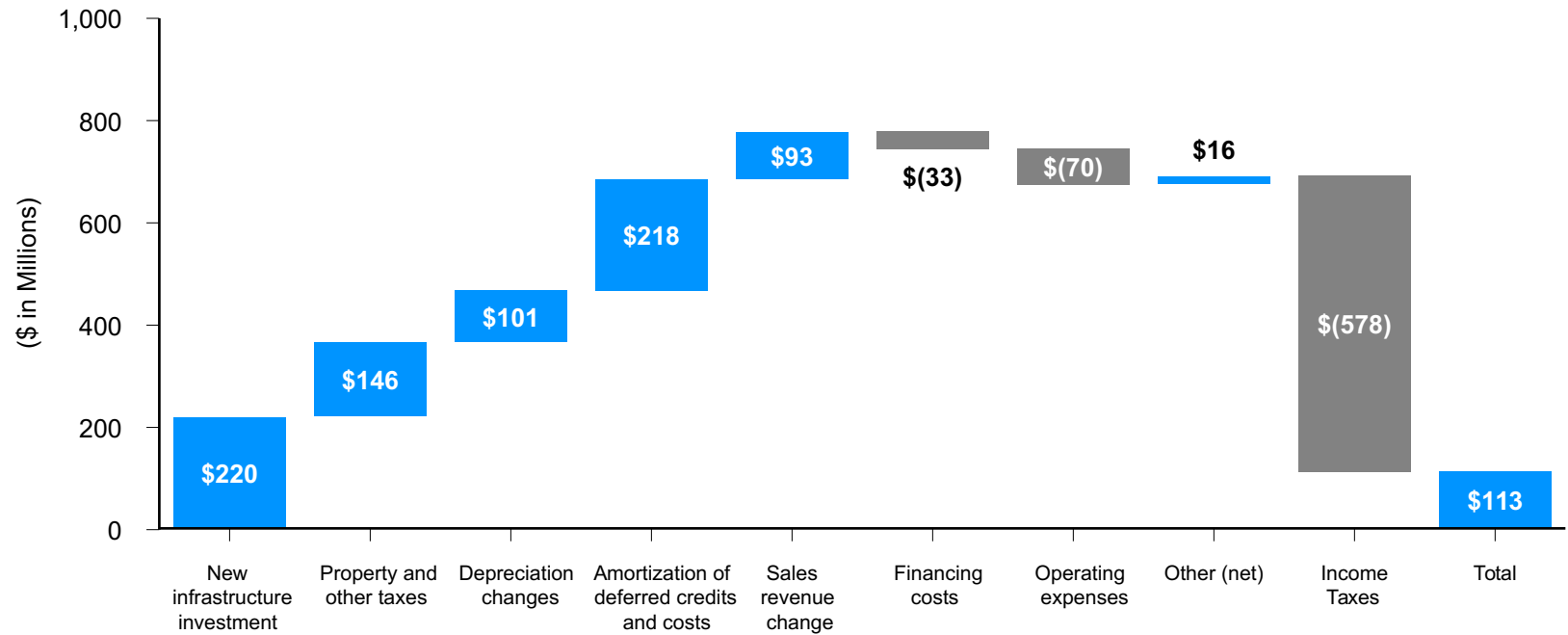
Earnings sharing threshold is 9.3% based on CECONY's actual average common equity ratio up to 50%

## Timeline

- October 18, 2019: Joint Proposal
- November 4, 2019: Initial statements on Joint Proposal (support and opposition)
- November 13, 2019: Reply statements / testimony
- November 19, 2019: Evidentiary hearings
- January /February 2020: Final Rate Order anticipated

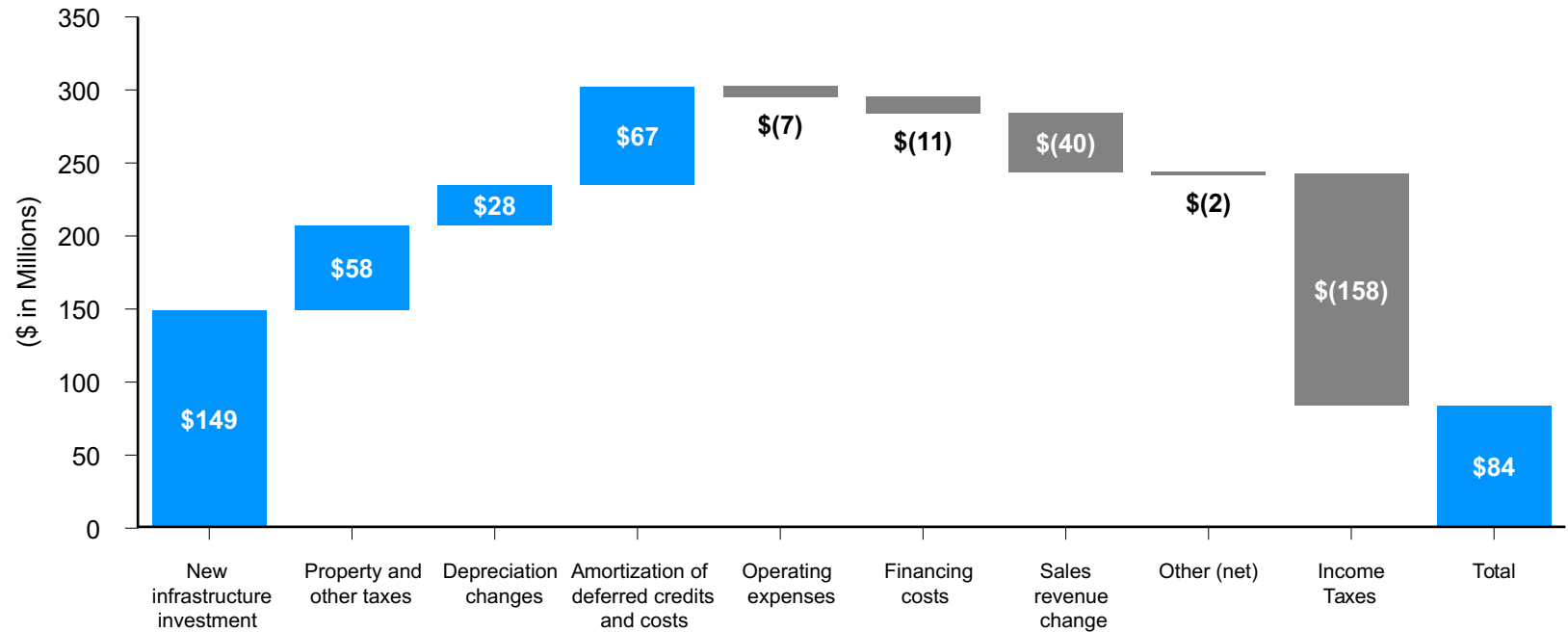
# CECONY Electric & Gas Joint Proposal (cont'd)

## Key Drivers of Proposed 2020 Electric Rate Increase



# CECONY Electric & Gas Joint Proposal (cont'd)

## Key Drivers of Proposed 2020 Gas Rate Increase



# CECONY Electric Rate Case – Comparison of Filings (cont'd)

(\$ millions)

| Electric case number 19-E-0065                              | CECONY          |                   | NYSPSC                | CECONY             | Joint Proposal  |
|-------------------------------------------------------------|-----------------|-------------------|-----------------------|--------------------|-----------------|
|                                                             | Jan 2019 Filing | April 2019 Update | May 2019 Staff Filing | June 2019 Rebuttal | October 2019 JP |
| Rate Year (Jan 2020 – Dec 2020)                             |                 |                   |                       |                    |                 |
| New infrastructure investment                               | \$271           | \$244             | \$225                 | \$235              | \$220           |
| Financing costs -- cost of capital (ROE), capital structure | 175             | 166               | (107)                 | 154                | (33)            |
| Property and other taxes                                    | 168             | 160               | 140                   | 165                | 146             |
| Sales revenue change                                        | 124             | 128               | 68                    | 139                | 93              |
| Amortization of deferred credits and costs                  | 242             | 225               | 198                   | 209                | 218             |
| Operating expenses                                          | 43              | 76                | (27)                  | 103                | (70)            |
| Depreciation changes                                        | 23              | 28                | 107                   | 18                 | 101             |
| Income taxes                                                | (577)           | (570)             | (562)                 | (569)              | (578)           |
| Other (net)                                                 | 16              | 16                | 16                    | 16                 | 16              |
| <b>Total 2020 Rate Increase</b>                             | <b>\$485</b>    | <b>\$473</b>      | <b>\$58</b>           | <b>\$470</b>       | <b>\$113</b>    |
| <b>Rate Base</b>                                            | \$22,203        | \$21,907          | \$21,708              | \$21,836           | \$21,660        |
| <b>ROE</b>                                                  | 9.75%           | 9.75%             | 8.30%                 | 9.75%              | 8.8%            |
| <b>Equity Ratio</b>                                         | 50%             | 50%               | 47.3%                 | 50%                | 48%             |

# CECONY Gas Rate Case – Comparison of Filings (*cont'd*)

(\$ millions)

| Gas case number 19-G-0066                                   | CECONY          |                   | NYSPSC                | CECONY             | Joint Proposal  |
|-------------------------------------------------------------|-----------------|-------------------|-----------------------|--------------------|-----------------|
|                                                             | Jan 2019 Filing | April 2019 Update | May 2019 Staff Filing | June 2019 Rebuttal | October 2019 JP |
| Rate Year (Jan 2020 – Dec 2020)                             |                 |                   |                       |                    |                 |
| New infrastructure investment                               | \$147           | \$149             | \$142                 | \$154              | \$149           |
| Financing costs -- cost of capital (ROE), capital structure | 56              | 53                | (35)                  | 51                 | (11)            |
| Property and other taxes                                    | 63              | 61                | 56                    | 62                 | 58              |
| Sales revenue change                                        | (15)            | (34)              | (34)                  | (35)               | (40)            |
| Amortization of deferred credits and costs                  | 64              | 64                | 61                    | 64                 | 67              |
| Operating expenses                                          | 41              | 56                | 26                    | 59                 | (7)             |
| Depreciation changes                                        | 9               | 6                 | 24                    | 5                  | 28              |
| Income taxes                                                | (161)           | (160)             | (158)                 | (160)              | (158)           |
| Other (net)                                                 | 6               | 6                 | 1                     | 6                  | (2)             |
| <b>Total 2020 Rate Increase</b>                             | <b>\$210</b>    | <b>\$201</b>      | <b>\$83</b>           | <b>\$206</b>       | <b>\$84</b>     |
| <b>Rate Base</b>                                            | <b>\$7,096</b>  | <b>\$7,118</b>    | <b>\$7,049</b>        | <b>\$7,193</b>     | <b>\$7,171</b>  |
| <b>ROE</b>                                                  | <b>9.75%</b>    | <b>9.75%</b>      | <b>8.30%</b>          | <b>9.75%</b>       | <b>8.8%</b>     |
| <b>Equity Ratio</b>                                         | <b>50%</b>      | <b>50%</b>        | <b>47.3%</b>          | <b>50%</b>         | <b>48%</b>      |

## Comparison of Rate Changes (cont'd)

(\$ millions)

| Rate Year (Jan 2020 – Dec 2020)                             | Electric     | Gas         | Total        |
|-------------------------------------------------------------|--------------|-------------|--------------|
| <b>2020 Company Rate Increase (June Rebuttal)</b>           | \$470        | \$206       | \$676        |
| Financing costs -- cost of capital (ROE), capital structure | (187)        | (62)        | (249)        |
| Depreciation                                                | 83           | 23          | 106          |
| O&M adjustments                                             | (173)        | (66)        | (239)        |
| Sales Revenue                                               | (46)         | (5)         | (51)         |
| All other adjustments                                       | (34)         | (12)        | (46)         |
| <b>2020 Joint Proposal Increase</b>                         | <b>\$113</b> | <b>\$84</b> | <b>\$197</b> |

# CECONY Electric and Gas Joint Proposal - Impact of Changes to Proposed Rate Base and ROE

## CECONY Joint Proposal Rate Base vs January 2019 Filing Rate Base

| (\$ millions)     | Jan 2019 Filing Average Rate Base | Oct 2019 Joint Proposal Average Rate Base | Difference | Equity Ratio | ROE  | Net Income Impact |
|-------------------|-----------------------------------|-------------------------------------------|------------|--------------|------|-------------------|
| Rate Year 1: 2020 | \$29,299                          | \$28,831                                  | (\$468)    | 48%          | 8.8% | (\$19.8)          |
| Rate Year 2: 2021 | \$31,311                          | \$30,694                                  | (\$617)    | 48%          | 8.8% | (\$26.1)          |
| Rate Year 3: 2022 | \$33,346                          | \$32,548                                  | (\$798)    | 48%          | 8.8% | (\$33.7)          |

## CECONY Joint Proposal Rate Base vs June 2019 Rebuttal Rate Base

| (\$ millions)     | June 2019 Rebuttal Average Rate Base | Oct 2019 Joint Proposal Average Rate Base | Difference | Equity Ratio | ROE  | Net Income Impact |
|-------------------|--------------------------------------|-------------------------------------------|------------|--------------|------|-------------------|
| Rate Year 1: 2020 | \$29,029                             | \$28,831                                  | (\$198)    | 48%          | 8.8% | (\$8.4)           |
| Rate Year 2: 2021 | \$31,141                             | \$30,694                                  | (\$447)    | 48%          | 8.8% | (\$18.9)          |
| Rate Year 3: 2022 | \$33,300                             | \$32,548                                  | (\$752)    | 48%          | 8.8% | (\$31.8)          |

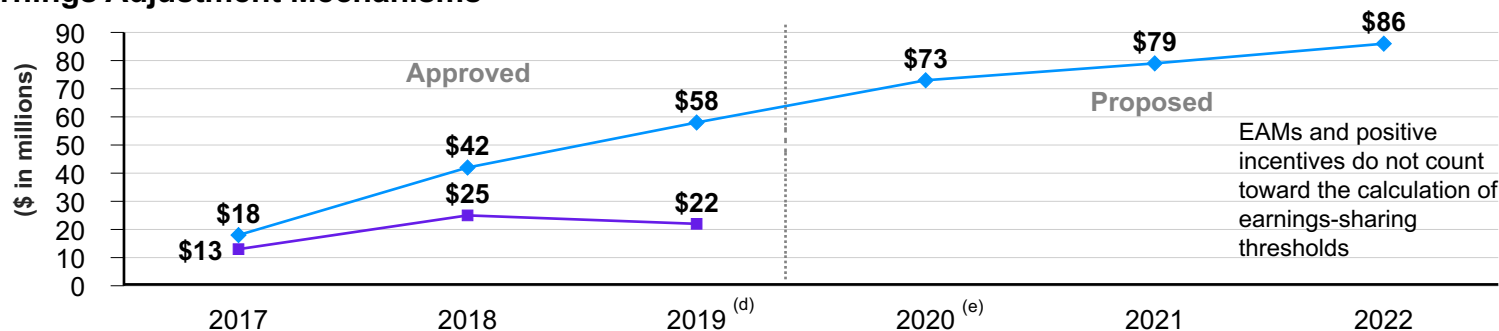
- The Joint Proposal reflects an 8.8% return on equity (ROE) and the current rate plan reflects a 9.0% ROE
- The net income impact of the 20 basis point difference is \$26 million in 2020, \$30 million in 2021, and \$30 million in 2022



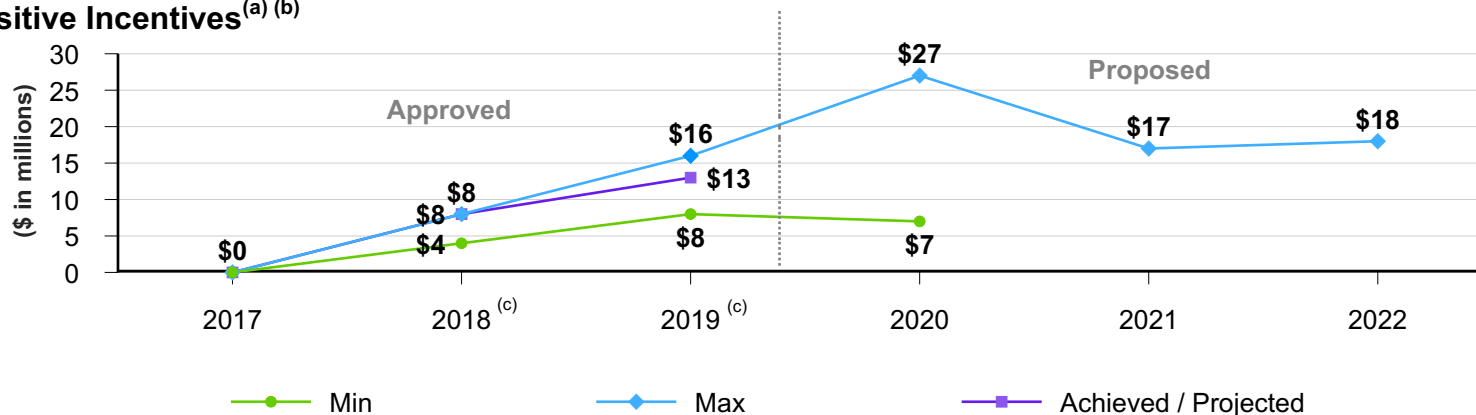
# Earnings Adjustment Mechanisms and Positive Incentives

Joint Proposal includes potential additional return on equity for each rate year of up to 48 basis points for CECONY electric and 42 basis points for CECONY gas based on proposed annual rate base for each service

## Earnings Adjustment Mechanisms



## Positive Incentives<sup>(a) (b)</sup>



- In 2017 and 2018, CECONY achieved positive incentives of \$12 million and \$11 million, respectively, one third of which, pursuant to the accounting rules for alternative revenue recognition of the collection of such incentives under the rate plans (GAAP), will be recorded ratably from 2018 to 2020 and also reflected in the positive incentives projected, minimum and maximum amounts for the related period. For the three and nine months ended September 30, 2019, CECONY recorded positive incentives of \$2 million and \$6 million, respectively, which were achieved in 2017 and 2018.
- Pursuant to GAAP, two thirds and one third of the positive incentives achieved in 2019, if any, will be recorded in 2019 and 2020, respectively, and also reflected in the positive incentives projected and maximum amounts for the related period.
- Does not reflect negative revenue adjustments of \$5 million, related to a July 13, 2019 power outage, and \$4 million that CECONY recorded in 2019 and 2018, respectively.
- For the three and nine months ended September 30, 2019, CECONY recorded earnings adjustment mechanism incentives of \$5 million.
- CECONY's current electric and gas rate plans will expire on December 31, 2019.

# Utilities' Rate Adjustments for Tax Cuts and Jobs Act of 2017 (TCJA)<sup>(a)</sup>

New York State Public Service Commission Order in Case 17-M-0815 – Proceeding on Motion of the Commission on Changes in Law that May Affect Rates (August 9, 2018)

## CECONY Electric

- Pursuant to the October 2019 joint proposal (Case 19-E-0065), is reflecting its TCJA net benefits as follows:
  - the 2019 savings from the Tax Act were passed back to customers in 2019
  - pass back of the 2018 savings (\$377 million) over a three-year period – \$126 million annually
  - pass back of protected portion of net regulatory liability for excess deferred income taxes (\$1,663 million) over remaining lives of the related assets - approximately \$50 million annually - and the unprotected portion (\$784 million) over a five-year period - \$157 million annually, as proposed in the initial filing

## CECONY Gas

- Pursuant to the October 2019 joint proposal (Case 19-G-0066), is reflecting its TCJA net benefits as follows:
  - the 2019 savings from the Tax Act were passed back to customers in 2019
  - pass back of the remaining portion of the 2018 savings (\$63 million) over a two-year period – \$32 million annually
  - pass back of protected portion of net regulatory liability for excess deferred income taxes (\$725 million) over remaining lives of the related assets - approximately \$14 million annually - and the unprotected portion (\$107 million) over a five-year period - \$21 million annually, as proposed in the initial filing

## CECONY Steam

- Customer credit of \$25 million started on **October 1, 2018** and includes:
  - annual ongoing tax savings of \$14 million
  - pass back of January – September 2018 tax savings (\$15 million) over a three-year period – \$5 million annually
  - pass back of protected and unprotected portions of net regulatory liability for excess deferred income taxes (\$169 million and \$16 million, respectively) over the life of the assets – \$6 million annually (amortization period for unprotected balance will be reviewed in the next rate case filing)

a. See Note B – Regulatory Matters/Other Regulatory Matters on pages 24 – 28 and Note J – Income Taxes on pages 37 – 39 in the 3Q 2019 Form 10-Q.

# Utilities' Rate Adjustments for Tax Cuts and Jobs Act of 2017 (TCJA) (cont'd)<sup>(a)</sup>

## O&R Electric and Gas

- O&R, pursuant to the November 2018 joint proposal (Case 18-E-0067; 18-G-0068), is reflecting its TCJA net benefits as follows:
  - annual ongoing savings of \$18 million
  - pass back of 2018 savings (\$22 million) over a three-year period – \$7 million annually
  - pass back of protected portion of net regulatory liability for excess deferred income taxes (\$122 million) over remaining lives of the related assets and the unprotected portion (\$30 million) over a fifteen-year period - \$4 million annually

## Rockland Electric Company (RECO)

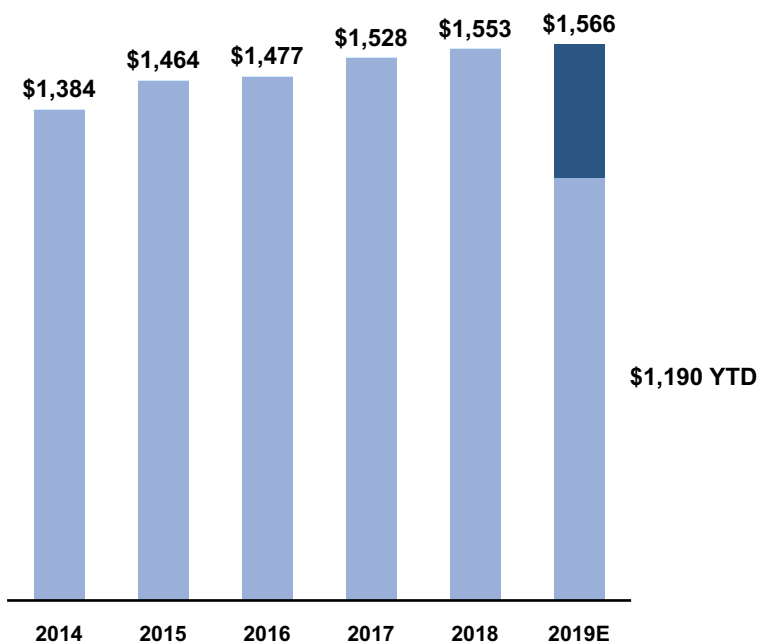
- NJBPU Docket No. AX1801001 – In the Matter of the Board's Consideration of the 2017 Tax Cuts and Jobs Act
  - \$2.9 million rate decrease started on April 1, 2018
  - customers were paid \$1 million in July 2018 for January to March 2018 tax savings
  - pass back of protected portion of net regulatory liability for excess deferred income taxes (\$14 million) over remaining lives of the related assets and the unprotected portion (\$10 million) over a three-year period – \$3 million annually
- FERC Docket No. EL18-111-000
  - In November 2018, the Federal Energy Regulatory Commission (FERC) issued an order directing RECO to refund \$0.6 million to its transmission customers and reducing its annual transmission revenue requirement by an immaterial amount to reflect the TCJA.

a. See Note B – Regulatory Matters/Other Regulatory Matters on pages 24 – 28 and Note J – Income Taxes on pages 37 – 39 in the 3Q 2019 Form 10-Q.

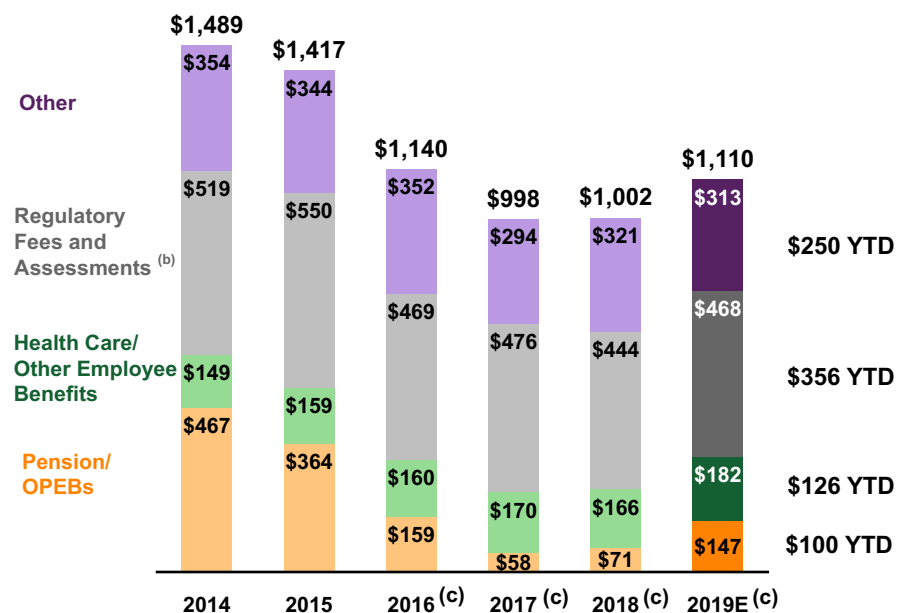
# CECONY Operations and Maintenance Expenses

(\$ in millions)

## Departmental



## Other Expenses<sup>(a)</sup>

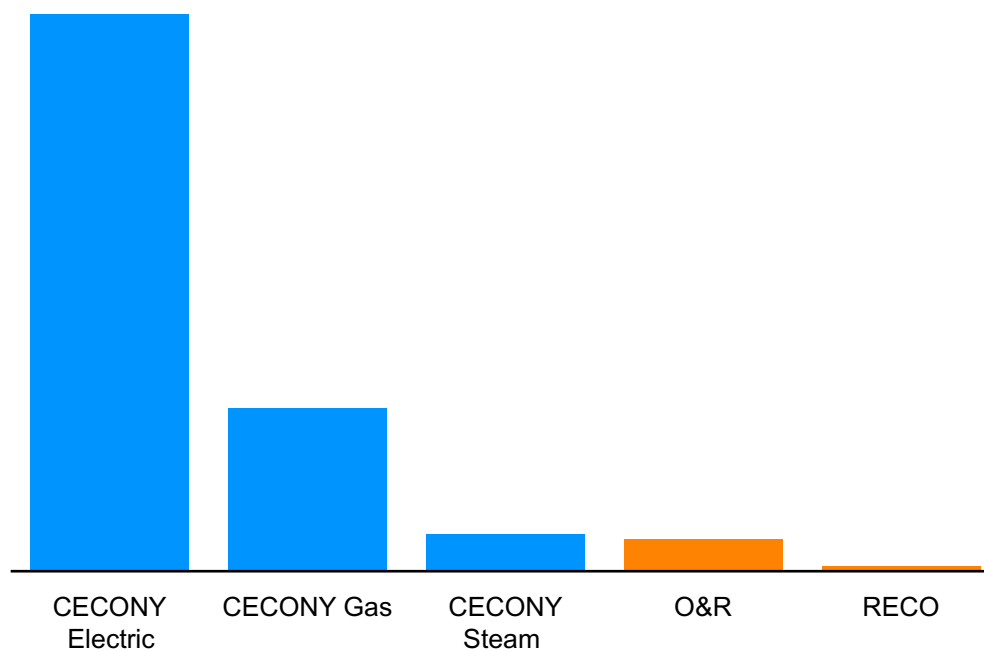


- a. Other Expenses generally are either reconciled through amounts reflected in rates, or represent surcharges that are recovered in revenues from customers.
- b. Includes Demand Side Management, System Benefit Charges and Public Service Law 18A assessments which are collected in revenues.
- c. Excludes non-service components of Pension/OPEBs pursuant to Accounting Standards Update 2017-07. See page 30-31 of the 3Q 2019 Form 10-Q.

# Composition of Regulatory Rate Base<sup>(a)</sup> (as of September 30, 2019)

| CECONY              |    | (\$ in millions) |
|---------------------|----|------------------|
| Electric            | NY | \$20,948         |
| Gas                 | NY | 6,177            |
| Steam               | NY | 1,442            |
| <b>Total CECONY</b> |    | <b>\$28,567</b>  |

| O&R                  |    | (\$ in millions) |
|----------------------|----|------------------|
| O&R Electric         | NY | \$825            |
| O&R Gas              | NY | 442              |
| RECO                 | NJ | 249              |
| <b>Total O&amp;R</b> |    | <b>\$1,516</b>   |

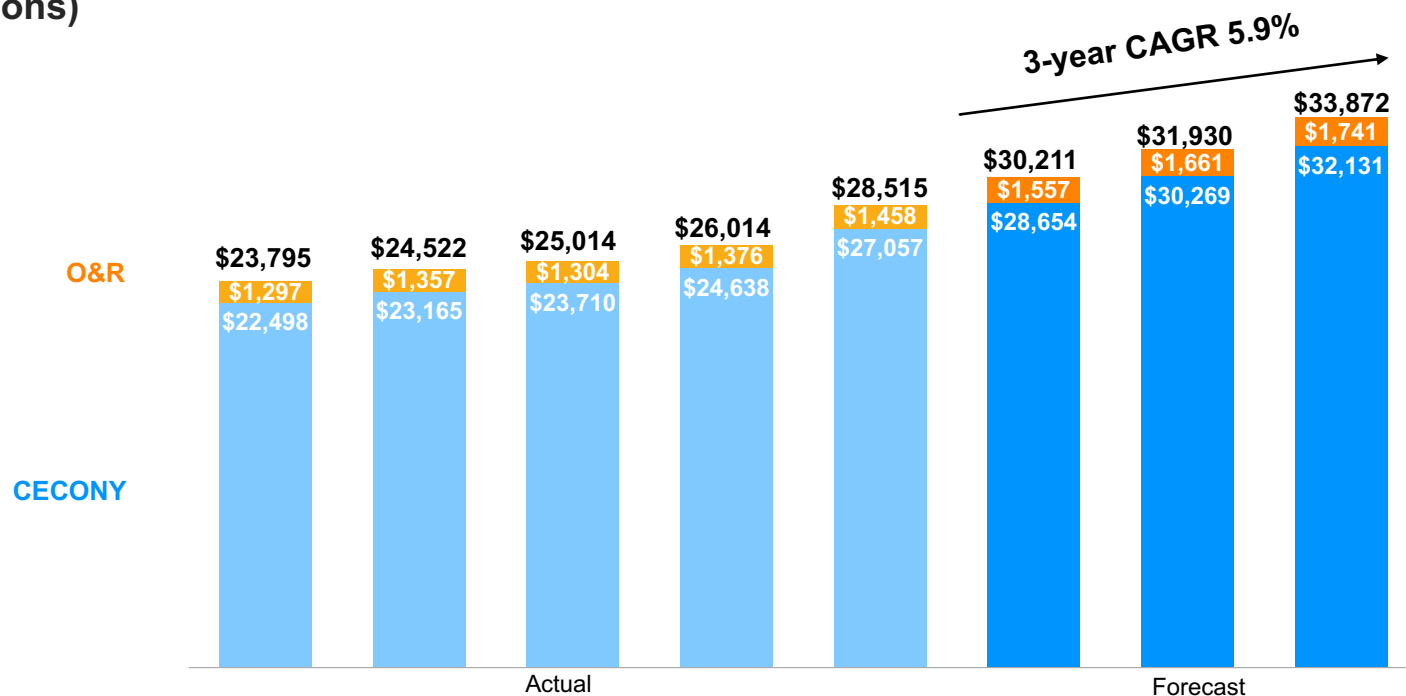


**Total Rate Base \$30,083**

a. Average rate base for 12 months ended September 30, 2019.

# Average Rate Base Balances

(\$ in millions)



|                |          | 2014      | 2015      | 2016      | 2017      | 2018      | 2019E     | 2020E <sup>(a)</sup> | 2021E <sup>(a)</sup> |
|----------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|----------------------|
| <b>CECONY</b>  | Electric | \$ 17,403 | \$ 17,599 | \$ 17,971 | \$ 18,513 | \$ 20,057 | \$ 20,845 | \$ 21,660            | \$ 22,783            |
|                | Gas      | 3,593     | 4,023     | 4,267     | 4,723     | 5,581     | 6,371     | 7,171                | 7,911                |
|                | Steam    | 1,502     | 1,543     | 1,472     | 1,402     | 1,419     | 1,438     | 1,438                | 1,437                |
| <b>O&amp;R</b> | Electric | 726       | 769       | 731       | 759       | 806       | 855       | 906                  | 948                  |
|                | Gas      | 372       | 386       | 362       | 392       | 426       | 452       | 476                  | 498                  |
| <b>RECO</b>    | Electric | 199       | 202       | 211       | 225       | 226       | 250       | 279                  | 295                  |

a. Amounts reflect the CECONY Joint Proposal

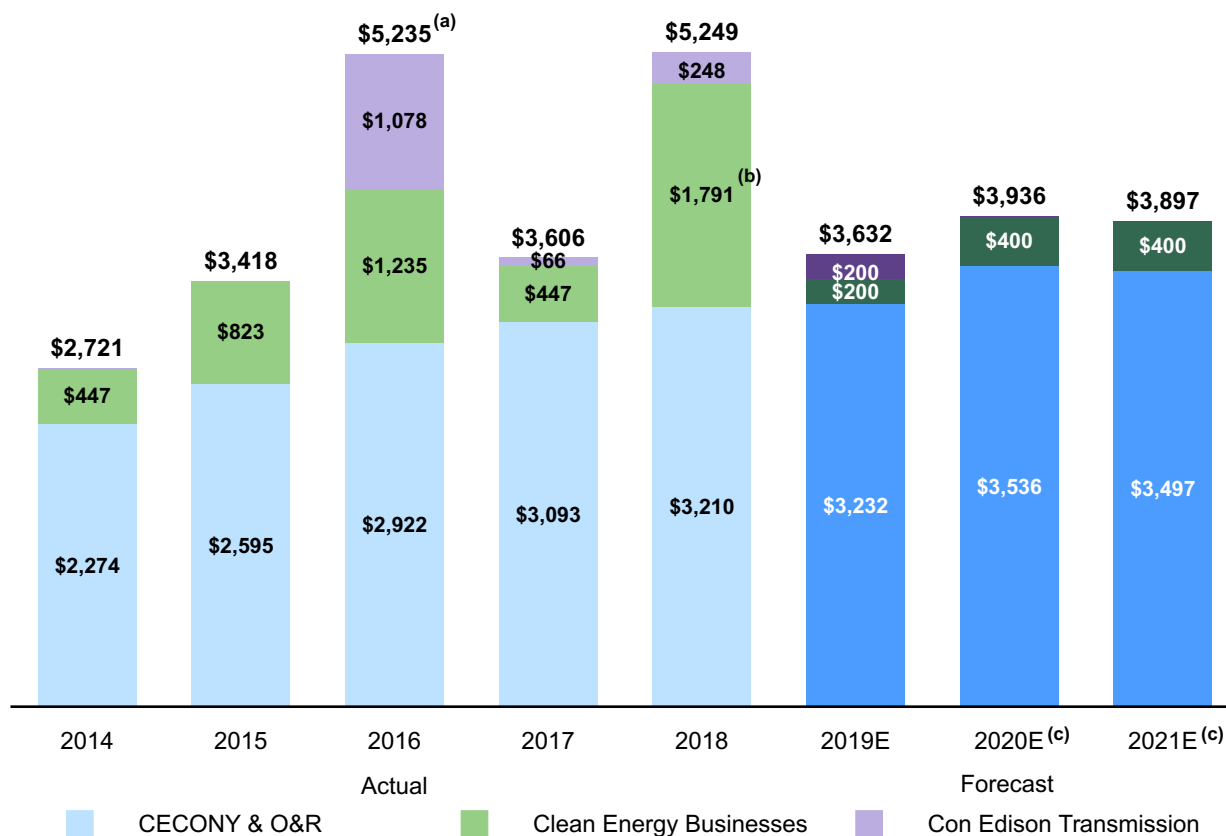
# Regulated Utilities' Rates of Return and Equity Ratios (12 Months ended September 30, 2019)

|                             | Regulated Basis    |              |
|-----------------------------|--------------------|--------------|
|                             | Allowed            | Actual       |
| <b>CECONY</b>               |                    |              |
| Electric                    | 9.0%               | 9.0%         |
| Gas                         | 9.0                | 8.8          |
| Steam                       | 9.3                | 10.5         |
| Overall – CECONY            | 9.0 <sup>(a)</sup> | 9.0          |
| <b>CECONY Equity Ratio</b>  | <b>48.0%</b>       | <b>47.5%</b> |
| <b>O&amp;R</b>              |                    |              |
| Electric                    | 9.0%               | 10.2%        |
| Gas                         | 9.0                | 6.8          |
| RECO                        | 9.6                | 5.0          |
| Overall – O&R               | 9.1 <sup>(a)</sup> | 8.4          |
| <b>O&amp;R Equity Ratio</b> | <b>48.0%</b>       | <b>48.1%</b> |

a. Weighted by rate base.

# Capital Expenditures

(\$ in millions)



a. 2016 includes Stagecoach JV investment of \$974 million.

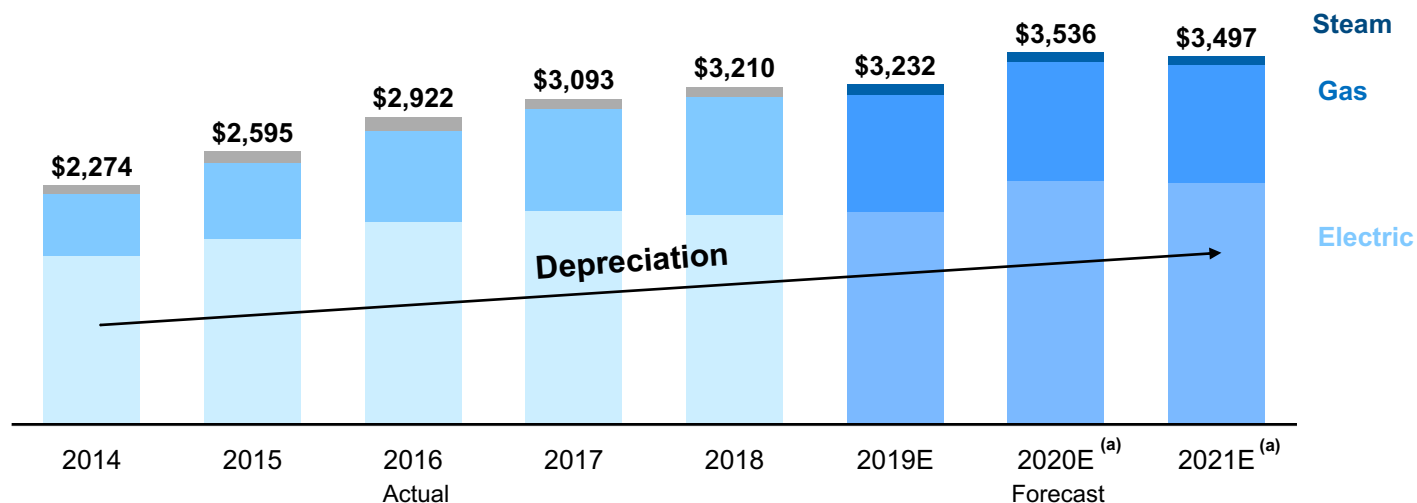
b. 2018 includes Con Edison Development subsidiary's purchase of Sempra Solar Holdings, LLC.

c. Amounts reflect the CECONY Joint Proposal



# Utilities' Capital Expenditures

(\$ in millions)



|                      | Annual CECONY Capital Expenditures |       |       |              | Annual O&R Capital Expenditures |     |              |
|----------------------|------------------------------------|-------|-------|--------------|---------------------------------|-----|--------------|
|                      | Electric                           | Gas   | Steam | Depreciation | Electric                        | Gas | Depreciation |
| 2014                 | 1,500                              | 549   | 83    | 991          | 105                             | 37  | 61           |
| 2015                 | 1,658                              | 671   | 106   | 1,040        | 114                             | 46  | 68           |
| 2016                 | 1,819                              | 811   | 126   | 1,106        | 114                             | 52  | 67           |
| 2017                 | 1,905                              | 909   | 90    | 1,195        | 128                             | 61  | 71           |
| 2018                 | 1,861                              | 1,050 | 94    | 1,276        | 138                             | 67  | 77           |
| 2019E                | 1,874                              | 1,050 | 97    | 1,380        | 155                             | 56  | 84           |
| 2020E <sup>(a)</sup> | 2,151                              | 1,078 | 90    | 1,614        | 170                             | 47  | 89           |
| 2021E <sup>(a)</sup> | 2,154                              | 1,060 | 85    | 1,723        | 146                             | 52  | 91           |

a. Amounts reflect the CECONY Joint Proposal

# Financing Activity to Date and Debt Maturities

## 2019 Financing Activity to Date

- In February, CEI borrowed \$825 million under a new two-year term loan due February 2021 and prepaid in full an \$825 million term loan that was due in June 2019
- In March, CEI issued approximately 5.6 million common shares for \$425 million upon settlement of the remaining portion of the November 2018 equity forward transaction
- In May, CECONY issued \$700 million of 4.125% debentures due 2049 and a Con Edison subsidiary borrowed \$464 million, due 2026, secured by equity interests in solar electric production projects
- In June, CEI issued 4.75 million common shares for \$400 million upon settlement of most of a May 2019 equity forward transaction and CEI prepaid \$150 million of the \$825 million term loan due February 2021
- In September, O&R agreed to issue in November 2019 \$43 million aggregate principal amount of 3.73 percent debentures, due 2049 and to issue in December 2019 \$44 million aggregate principal amount of 2.94 percent debentures, due 2029 and \$38 million aggregate principal amount of 3.46 percent debentures, due 2039
- In October, CED California Holdings 4, a subsidiary of CED, issued \$303 million aggregate principal amount of 3.82 percent senior notes, due 2038

## Debt Maturities

| (\$ in millions)                  | 2019               | 2020         | 2021                   | 2022         | 2023         |
|-----------------------------------|--------------------|--------------|------------------------|--------------|--------------|
| Con Edison, Inc. [parent company] | \$3 <sup>(a)</sup> | \$403        | \$1,178 <sup>(b)</sup> | \$293        | \$—          |
| CECONY                            | 475 <sup>(c)</sup> | 350          | 640                    | —            | —            |
| O&R                               | 62 <sup>(d)</sup>  | —            | —                      | —            | —            |
| CEBs <sup>(e)</sup>               | 111 <sup>(f)</sup> | 130          | 137                    | 136          | 302          |
| <b>Total</b>                      | <b>\$651</b>       | <b>\$883</b> | <b>\$1,955</b>         | <b>\$429</b> | <b>\$302</b> |

a. \$1 million of CEI debt was paid during the nine months ended September 30, 2019.

b. \$150 million of the \$825 million term loan was prepaid on June 13, 2019.

c. \$475 million of 6.65 percent 10-year debentures matured on April 1, 2019.

d. \$2 million of the O&R (RECO) debt was paid on May 15, 2019.

e. Does not include additional principal amounts lenders for PG&E-related project debt may, upon written notice, declare due and payable. See Note C to the financial statements in the 3rd quarter Form 10-Q.

f. \$75 million of CEB debt was paid during the nine months ended September 30, 2019.

# Capital Structure – September 30, 2019

(\$ in millions)

## Consolidated Edison, Inc. Baa1 / BBB+ / BBB+

|              |                  |             |
|--------------|------------------|-------------|
| Debt         | \$ 19,451        | 52%         |
| Equity       | 18,134           | 48          |
| <b>Total</b> | <b>\$ 37,585</b> | <b>100%</b> |

### CECONY A3 / A- / A-

|              |                  |             |
|--------------|------------------|-------------|
| Debt         | \$ 14,374        | 51%         |
| Equity       | 14,079           | 49          |
| <b>Total</b> | <b>\$ 28,453</b> | <b>100%</b> |

### O&R Baa1 / A- / A-

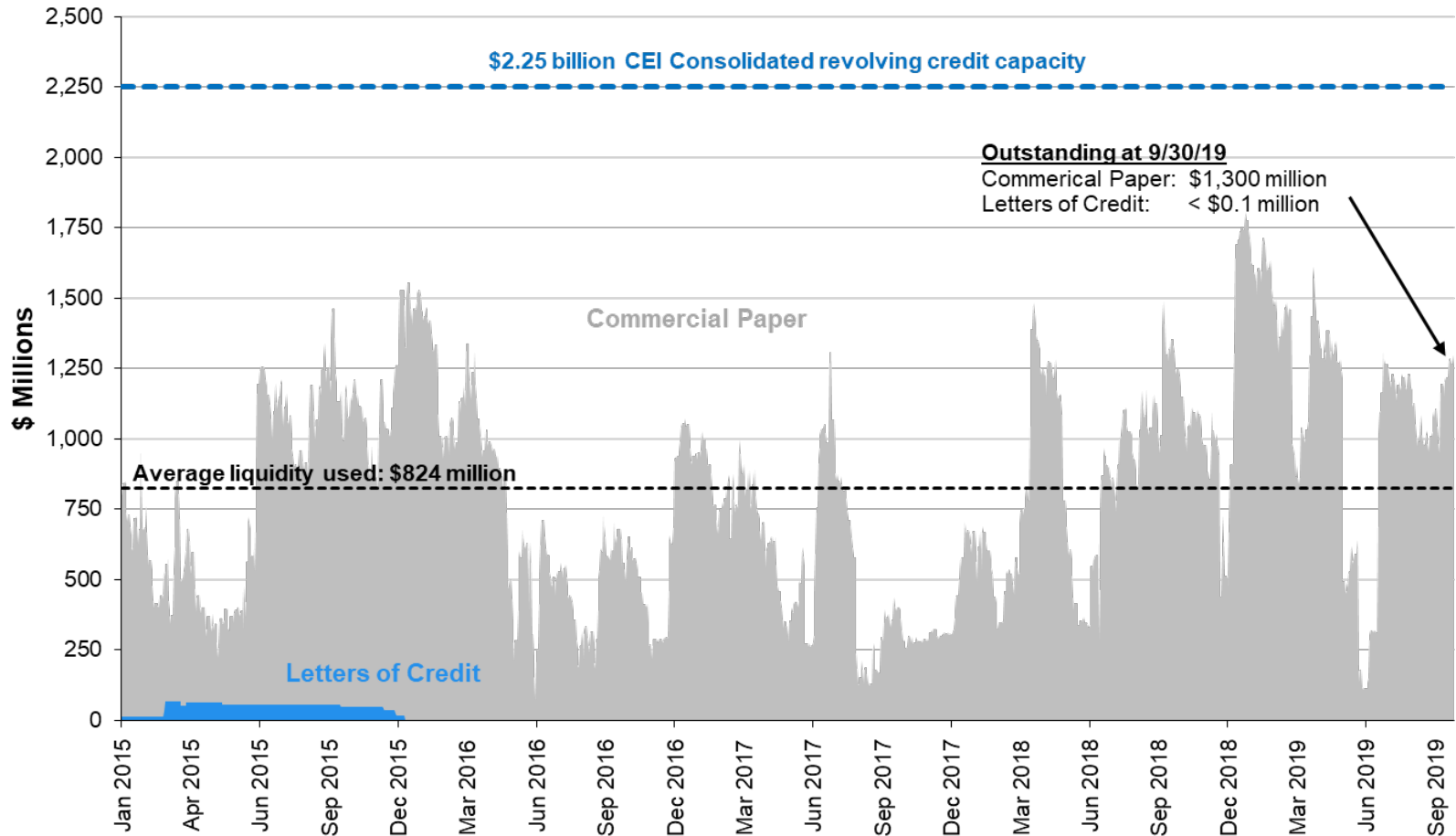
|              |                 |             |
|--------------|-----------------|-------------|
| Debt         | \$ 754          | 49%         |
| Equity       | 771             | 51          |
| <b>Total</b> | <b>\$ 1,525</b> | <b>100%</b> |

### Parent and Other

|              |                 |             |
|--------------|-----------------|-------------|
| Debt         | \$ 4,323        | 57%         |
| Equity       | 3,284           | 43          |
| <b>Total</b> | <b>\$ 7,607</b> | <b>100%</b> |

Amounts shown exclude notes payable and include the current portion of long-term debt. Senior unsecured credit ratings shown in order of Moody's / S&P / Fitch. All ratings have stable outlooks.

# Commercial Paper and Letters of Credit (\$ in millions)



## Utilities' Sales and Revenues – Third Quarter and Year-to-Date

The changes in the energy delivered by the company's utility subsidiaries, both for actual amounts and as adjusted for variations in weather and billing days, for the three and nine months ended September 30, 2019 (expressed as a percentage of 2018 amounts):

|            | Third Quarter Variation<br>2019 vs. 2018 |          | Year-to-Date Variation<br>2019 vs. 2018 |          |
|------------|------------------------------------------|----------|-----------------------------------------|----------|
|            | Actual                                   | Adjusted | Actual                                  | Adjusted |
| CECONY     |                                          |          |                                         |          |
| Electric   | (2.3)                                    | 0.7      | (2.8)                                   | (1.0)    |
| Firm – Gas | (3.8)                                    | 12.1     | (3.5)                                   | 1.9      |
| Steam      | (9.5)                                    | (7.0)    | (8.0)                                   | (3.5)    |
| O&R        |                                          |          |                                         |          |
| Electric   | (3.7)                                    | (0.8)    | (2.3)                                   | (1.7)    |
| Firm – Gas | 1.9                                      | 5.2      | 0.3                                     | 1.8      |

# Utilities' Sales and Revenues – Electric Third Quarter

(\$ in millions)

## Electric – 3rd Quarter

|                                               | Millions of Kilowatt-hours |               | Revenues in Millions |                |
|-----------------------------------------------|----------------------------|---------------|----------------------|----------------|
|                                               | 2019                       | 2018          | 2019                 | 2018           |
| <b>Con Edison of New York</b>                 |                            |               |                      |                |
| Residential and Religious                     | 3,687                      | 3,777         | \$923                | \$988          |
| Commercial and Industrial                     | 2,831                      | 2,706         | 557                  | 542            |
| Retail choice customers                       | 7,339                      | 7,756         | 854                  | 910            |
| Public Authorities                            | 26                         | 13            | 5                    | 3              |
| NYPA, Municipal Agency and other              | 2,730                      | 2,745         | 214                  | 222            |
| <b>Total Sales</b>                            | <b>16,613</b>              | <b>16,997</b> | <b>\$2,553</b>       | <b>\$2,665</b> |
| <b>Orange and Rockland</b>                    |                            |               |                      |                |
| Residential and Religious                     | 586                        | 595           | \$106                | \$115          |
| Commercial and Industrial                     | 235                        | 219           | 36                   | 34             |
| Retail choice customers                       | 796                        | 864           | 62                   | 67             |
| Public Authorities                            | 30                         | 32            | 2                    | 4              |
| <b>Total Sales</b>                            | <b>1,647</b>               | <b>1,710</b>  | <b>\$206</b>         | <b>\$220</b>   |
| <b>Regulated Utility Sales &amp; Revenues</b> |                            |               |                      |                |
| Residential and Religious                     | 4,273                      | 4,372         | \$1,029              | \$1,103        |
| Commercial and Industrial                     | 3,066                      | 2,925         | 593                  | 576            |
| Retail choice customers                       | 8,135                      | 8,620         | 916                  | 977            |
| Public Authorities                            | 56                         | 45            | 7                    | 7              |
| NYPA, Municipal Agency and other              | 2,730                      | 2,745         | 214                  | 222            |
| <b>Total Sales</b>                            | <b>18,260</b>              | <b>18,707</b> | <b>\$2,759</b>       | <b>\$2,885</b> |

# Utilities' Sales and Revenues – Electric Year-to-Date

(\$ in millions)

## Electric – Year-to-Date

|                                               | Millions of Kilowatt-hours |               | Revenues in Millions |                |
|-----------------------------------------------|----------------------------|---------------|----------------------|----------------|
|                                               | 2019                       | 2018          | 2019                 | 2018           |
| <b>Con Edison of New York</b>                 |                            |               |                      |                |
| Residential and Religious                     | 8,203                      | 8,374         | \$2,060              | \$2,211        |
| Commercial and Industrial                     | 7,574                      | 7,343         | 1,405                | 1,433          |
| Retail choice customers                       | 18,968                     | 19,996        | 1,879                | 2,030          |
| Public Authorities                            | 83                         | 50            | 15                   | 9              |
| NYPA, Municipal Agency and other sales        | 7,394                      | 7,697         | 496                  | 500            |
| <b>Total Sales</b>                            | <b>42,222</b>              | <b>43,460</b> | <b>\$5,855</b>       | <b>\$6,183</b> |
| <b>Orange and Rockland</b>                    |                            |               |                      |                |
| Residential and Religious                     | 1,339                      | 1,348         | \$243                | \$260          |
| Commercial and Industrial                     | 621                        | 609           | 87                   | 91             |
| Retail choice customers                       | 2,194                      | 2,274         | 147                  | 158            |
| Public Authorities                            | 80                         | 104           | 7                    | 10             |
| <b>Total Sales</b>                            | <b>4,234</b>               | <b>4,335</b>  | <b>\$484</b>         | <b>\$519</b>   |
| <b>Regulated Utility Sales &amp; Revenues</b> |                            |               |                      |                |
| Residential and Religious                     | 9,542                      | 9,722         | \$2,303              | \$2,471        |
| Commercial and Industrial                     | 8,195                      | 7,952         | 1,492                | 1,524          |
| Retail choice customers                       | 21,162                     | 22,270        | 2,026                | 2,188          |
| Public Authorities                            | 163                        | 154           | 22                   | 19             |
| NYPA, Municipal Agency and other sales        | 7,394                      | 7,697         | 496                  | 500            |
| <b>Total Sales</b>                            | <b>46,456</b>              | <b>47,795</b> | <b>\$6,339</b>       | <b>\$6,702</b> |

# Utilities' Sales and Revenues – Gas Third Quarter

(\$ in millions)

## Gas – 3rd Quarter

|                                               | Thousands of Dekatherms |               | Revenues in Millions |              |
|-----------------------------------------------|-------------------------|---------------|----------------------|--------------|
|                                               | 2019                    | 2018          | 2019                 | 2018         |
| <b>Con Edison of New York</b>                 |                         |               |                      |              |
| Residential                                   | 4,032                   | 4,469         | \$103                | \$118        |
| General                                       | 4,097                   | 4,191         | 45                   | 54           |
| Firm Transportation                           | 9,071                   | 9,211         | 71                   | 71           |
| <b>Total Firm Sales and Transportation</b>    | <b>17,200</b>           | <b>17,871</b> | <b>219</b>           | <b>243</b>   |
| Interruptible Sales                           | 1,974                   | 1,481         | 6                    | 6            |
| Transportation of Customer Owned Gas          | 36,491                  | 45,896        | 14                   | 16           |
| <b>Total Sales</b>                            | <b>55,665</b>           | <b>65,248</b> | <b>\$239</b>         | <b>\$265</b> |
| Off-system Sales                              | —                       | —             | —                    | —            |
| <b>Orange and Rockland</b>                    |                         |               |                      |              |
| Residential                                   | 621                     | 605           | \$11                 | \$13         |
| General                                       | 161                     | 202           | 1                    | 3            |
| Firm Transportation                           | 851                     | 795           | 6                    | 8            |
| <b>Total Firm Sales and Transportation</b>    | <b>1,633</b>            | <b>1,602</b>  | <b>18</b>            | <b>24</b>    |
| Interruptible Sales                           | 798                     | 772           | 1                    | 1            |
| Transportation of Customer Owned Gas          | 80                      | 63            | 1                    | —            |
| <b>Total Sales</b>                            | <b>2,511</b>            | <b>2,437</b>  | <b>\$20</b>          | <b>\$25</b>  |
| Off-system Sales                              | —                       | —             | —                    | —            |
| <b>Regulated Utility Sales &amp; Revenues</b> |                         |               |                      |              |
| Residential                                   | 4,653                   | 5,074         | \$114                | \$131        |
| General                                       | 4,258                   | 4,393         | 46                   | 57           |
| Firm Transportation                           | 9,922                   | 10,006        | 77                   | 79           |
| <b>Total Firm Sales and Transportation</b>    | <b>18,833</b>           | <b>19,473</b> | <b>237</b>           | <b>267</b>   |
| Interruptible Sales                           | 2,772                   | 2,253         | 7                    | 7            |
| Transportation of Customer Owned Gas          | 36,571                  | 45,959        | 15                   | 16           |
| <b>Total Sales</b>                            | <b>58,176</b>           | <b>67,685</b> | <b>\$259</b>         | <b>\$290</b> |
| Off-system Sales                              | —                       | —             | —                    | —            |



# Utilities' Sales and Revenues – Gas Year-to-Date

(\$ in millions)

## Gas – Year-to-Date

|                                               | Thousands of Dekatherms |                | Revenues in Millions |                |
|-----------------------------------------------|-------------------------|----------------|----------------------|----------------|
|                                               | 2019                    | 2018           | 2019                 | 2018           |
| <b>Con Edison of New York</b>                 |                         |                |                      |                |
| Residential                                   | 41,035                  | 43,731         | \$724                | \$728          |
| General                                       | 25,018                  | 25,894         | 299                  | 298            |
| Firm Transportation                           | 60,590                  | 61,628         | 444                  | 448            |
| <b>Total Firm Sales and Transportation</b>    | <b>126,643</b>          | <b>131,253</b> | <b>1,467</b>         | <b>1,474</b>   |
| Interruptible Sales                           | 7,375                   | 4,956          | 34                   | 31             |
| Transportation of Customer Owned Gas          | 87,899                  | 98,876         | 44                   | 46             |
| <b>Total Sales</b>                            | <b>221,917</b>          | <b>235,085</b> | <b>\$1,545</b>       | <b>\$1,551</b> |
| Off-system Sales                              | —                       | —              | —                    | —              |
| <b>Orange and Rockland</b>                    |                         |                |                      |                |
| Residential                                   | 6,875                   | 6,503          | \$98                 | \$96           |
| General                                       | 1,608                   | 1,502          | 18                   | 18             |
| Firm Transportation                           | 6,430                   | 6,867          | 44                   | 57             |
| <b>Total Firm Sales and Transportation</b>    | <b>14,913</b>           | <b>14,872</b>  | <b>160</b>           | <b>171</b>     |
| Interruptible Sales                           | 2,690                   | 2,842          | 4                    | 5              |
| Transportation of Customer Owned Gas          | 643                     | 637            | 1                    | 1              |
| <b>Total Sales</b>                            | <b>18,246</b>           | <b>18,351</b>  | <b>\$165</b>         | <b>\$177</b>   |
| Off-system Sales                              | —                       | —              | —                    | —              |
| <b>Regulated Utility Sales &amp; Revenues</b> |                         |                |                      |                |
| Residential                                   | 47,910                  | 50,234         | \$822                | \$824          |
| General                                       | 26,626                  | 27,396         | 317                  | 316            |
| Firm Transportation                           | 67,020                  | 68,495         | 488                  | 505            |
| <b>Total Firm Sales and Transportation</b>    | <b>141,556</b>          | <b>146,125</b> | <b>1,627</b>         | <b>1,645</b>   |
| Interruptible Sales                           | 10,065                  | 7,798          | 38                   | 36             |
| Transportation of Customer Owned Gas          | 88,542                  | 99,513         | 45                   | 47             |
| <b>Total Sales</b>                            | <b>240,163</b>          | <b>253,436</b> | <b>\$1,710</b>       | <b>\$1,728</b> |
| Off-system Sales                              | —                       | —              | —                    | —              |

# Utilities' Sales and Revenues – Steam Third Quarter and Year-to-Date

(\$ in millions)

## Steam – 3rd Quarter

|                               | Millions of Pounds |              | Revenues in Millions |             |
|-------------------------------|--------------------|--------------|----------------------|-------------|
|                               | 2019               | 2018         | 2019                 | 2018        |
| <b>Con Edison of New York</b> |                    |              |                      |             |
| General                       | 6                  | 12           | \$2                  | \$2         |
| Apartment House               | 722                | 781          | 13                   | 16          |
| Annual Power                  | 2,443              | 2,711        | 36                   | 45          |
| <b>Total Sales</b>            | <b>3,171</b>       | <b>3,504</b> | <b>\$51</b>          | <b>\$63</b> |

## Steam – Year-to-Date

|                               | Millions of Pounds |               | Revenues in Millions |              |
|-------------------------------|--------------------|---------------|----------------------|--------------|
|                               | 2019               | 2018          | 2019                 | 2018         |
| <b>Con Edison of New York</b> |                    |               |                      |              |
| General                       | 394                | 442           | \$20                 | \$23         |
| Apartment House               | 4,331              | 4,670         | 120                  | 129          |
| Annual Power                  | 10,383             | 11,313        | 304                  | 333          |
| <b>Total Sales</b>            | <b>15,108</b>      | <b>16,425</b> | <b>\$444</b>         | <b>\$485</b> |

# Income Statement – 2019 Third Quarter

(\$ in millions)

|                                                 | CECONY  | O&R   | CEBs  | CET  | Other <sup>(a)</sup> | Total   |
|-------------------------------------------------|---------|-------|-------|------|----------------------|---------|
| Total operating revenues                        | \$2,877 | \$241 | \$247 | \$1  | \$(1)                | \$3,365 |
| Depreciation and amortization                   | 346     | 22    | 53    | —    | —                    | 421     |
| Other operating expenses                        | 1,808   | 173   | 94    | 2    | —                    | 2,077   |
| Total operating expenses                        | 2,154   | 195   | 147   | 2    | —                    | 2,498   |
| Operating income                                | 723     | 46    | 100   | (1)  | (1)                  | 867     |
| Other income (deductions)                       | (9)     | (3)   | 1     | 27   | (2)                  | 14      |
| Interest expense                                | 181     | 10    | 61    | 7    | 3                    | 262     |
| Income before income tax expense                | 533     | 33    | 40    | 19   | (6)                  | 619     |
| Income tax expense                              | 119     | 8     | (12)  | 5    | (4)                  | 116     |
| Net income                                      | \$414   | \$25  | \$52  | \$14 | \$(2)                | \$503   |
| Income attributable to non-controlling interest | —       | —     | 30    | —    | —                    | 30      |
| Net income for common stock                     | \$414   | \$25  | \$22  | \$14 | \$(2)                | \$473   |

a. Includes parent company and consolidation adjustments.

Con Edison's consolidated financial statements and the notes thereto are in Item 1 of the third quarter 2019 Form 10-Q.

# Income Statement – 2019 Year-to-Date

(\$ in millions)

|                                                 | CECONY  | O&R   | CEBs   | CET  | Other <sup>(a)</sup> | Total   |
|-------------------------------------------------|---------|-------|--------|------|----------------------|---------|
| Total operating revenues                        | \$8,248 | \$678 | \$696  | \$3  | \$(2)                | \$9,623 |
| Depreciation and amortization                   | 1,020   | 63    | 169    | 1    | —                    | 1,253   |
| Other operating expenses                        | 5,403   | 502   | 344    | 7    | 3                    | 6,259   |
| Total operating expenses                        | 6,423   | 565   | 513    | 8    | 3                    | 7,512   |
| Operating income                                | 1,825   | 113   | 183    | (5)  | (5)                  | 2,111   |
| Other income (deductions)                       | (31)    | (8)   | 3      | 76   | (9)                  | 31      |
| Interest expense                                | 545     | 30    | 170    | 18   | 9                    | 772     |
| Income before income tax expense                | 1,249   | 75    | 16     | 53   | (23)                 | 1,370   |
| Income tax expense                              | 271     | 15    | (44)   | 15   | (14)                 | 243     |
| Net income                                      | \$978   | \$60  | \$60   | \$38 | \$(9)                | \$1,127 |
| Income attributable to non-controlling interest | —       | —     | 79     | —    | —                    | 79      |
| Net income for common stock                     | \$978   | \$60  | \$(19) | \$38 | \$(9)                | \$1,048 |

a. Includes parent company and consolidation adjustments.

Con Edison's consolidated financial statements and the notes thereto are in Item 1 of the third quarter 2019 Form 10-Q.

# Balance Sheet – As of September 30, 2019

(\$ in millions)

|                                             | CECONY          | O&R            | CEBs           | CET            | Other <sup>(a)</sup> | Total           |
|---------------------------------------------|-----------------|----------------|----------------|----------------|----------------------|-----------------|
| <b>ASSETS</b>                               |                 |                |                |                |                      |                 |
| Current assets                              | \$3,005         | \$255          | \$458          | \$—            | \$(137)              | \$3,581         |
| Investments                                 | 436             | 26             | —              | 1,528          | (7)                  | 1,983           |
| Net plant                                   | 36,885          | 2,299          | 4,033          | 17             | —                    | 43,234          |
| Other noncurrent assets                     | 4,482           | 355            | 1,885          | 14             | 406                  | 7,142           |
| <b>Total assets</b>                         | <b>\$44,808</b> | <b>\$2,935</b> | <b>\$6,376</b> | <b>\$1,559</b> | <b>\$262</b>         | <b>\$55,940</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                 |                |                |                |                      |                 |
| Current liabilities                         | \$3,813         | \$410          | \$1,819        | \$94           | \$83                 | \$6,219         |
| Noncurrent liabilities                      | 12,892          | 1,060          | 44             | 82             | (28)                 | 14,050          |
| Long-term debt                              | 14,024          | 694            | 2,124          | 500            | 195                  | 17,537          |
| Equity                                      | 14,079          | 771            | 2,389          | 883            | 12                   | 18,134          |
| <b>Total liabilities and equity</b>         | <b>\$44,808</b> | <b>\$2,935</b> | <b>\$6,376</b> | <b>\$1,559</b> | <b>\$262</b>         | <b>\$55,940</b> |

a. Includes parent company and consolidation adjustments.

Con Edison's consolidated financial statements and the notes thereto are in Item 1 of the third quarter 2019 Form 10-Q.

# Statement of Cash Flows – 2019 Year-to-Date

(\$ in millions)

|                                                    | CECONY  | O&R   | CEBs  | CET   | Other <sup>(a)</sup> | Total   |
|----------------------------------------------------|---------|-------|-------|-------|----------------------|---------|
| Net cash flows from/(used in) operating activities | \$1,490 | \$168 | \$285 | \$150 | \$(133)              | \$1,960 |
| Net cash flows from/(used in) investing activities | (2,437) | (163) | (142) | (143) | 1                    | (2,884) |
| Net cash flows from/(used in) financing activities | 144     | (20)  | (79)  | (9)   | 135                  | 171     |
| Net change for the period                          | (803)   | (15)  | 64    | (2)   | 3                    | (753)   |
| Balance at beginning of period                     | 818     | 52    | 126   | 2     | 8                    | 1,006   |
| Balance at end of period (b)                       | \$15    | \$37  | \$190 | \$—   | \$11                 | \$253   |

a. Includes parent company and consolidation adjustments.

b. See "Reconciliation of Cash, Temporary Cash Investments and Restricted Cash" in Note A in Item 1 of the third quarter 2019 Form 10-Q.

Con Edison's consolidated financial statements and the notes thereto are in Item 1 of the third quarter 2019 Form 10-Q.

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