

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 21, 2019

**Consolidated Edison, Inc.**

(Exact name of registrant as specified in its charter)

New York  
(State or Other Jurisdiction  
of Incorporation)

1-14514  
(Commission  
File Number)

13-3965100  
(IRS Employer  
Identification No.)

4 Irving Place, New York, New York  
(Address of principal executive offices)

10003  
(Zip Code)

Registrant's telephone number, including area code: (212) 460-4600

**Consolidated Edison Company of New York, Inc.**

(Exact name of registrant as specified in its charter)

New York  
(State or Other Jurisdiction  
of Incorporation)

1-1217  
(Commission  
File Number)

13-5009340  
(IRS Employer  
Identification No.)

4 Irving Place, New York, New York  
(Address of principal executive offices)

10003  
(Zip Code)

Registrant's telephone number, including area code: (212) 460-4600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On February 21, 2019, Consolidated Edison, Inc. is issuing a press release and an earnings release presentation regarding, among other things, its results of operations for the three months and year ended December 31, 2018. The press release and earnings release presentation are "furnished" as exhibits to this report pursuant to Item 2.02 of Form 8-K.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits**

[Exhibit 99.1](#)

Press release, dated February 21, 2019, furnished pursuant to Item 2.02 of Form 8-K.

[Exhibit 99.2](#)

Earnings release presentation, dated February 21, 2019, furnished pursuant to Item 2.02 of Form 8-K.





conEdison, inc.

## Media Relations

212 460 4111 (24 hours)

Consolidated Edison, Inc.

4 Irving Place

New York, NY 10003

www.conEdison.com

**FOR IMMEDIATE RELEASE**

February 21, 2019

Contact: Robert McGee

212-460-4111

**CON EDISON REPORTS 2018 EARNINGS**

NEW YORK - Consolidated Edison, Inc. (Con Edison) (NYSE: ED) today reported 2018 net income of \$1,382 million or \$4.43 a share compared with \$1,525 million or \$4.97 a share in 2017. Adjusted earnings were \$1,349 million or \$4.33 a share in 2018 compared with \$1,264 million or \$4.12 a share in 2017. Adjusted earnings for 2018 exclude the income tax expense resulting from a re-measurement of the company's deferred tax assets and liabilities following the issuance of proposed regulations relating to the Tax Cuts and Jobs Act of 2017 (TCJA), the effects of the net gain on the acquisition of Sempra Solar Holdings, LLC and the net mark-to-market of Con Edison Clean Energy Businesses, Inc. (the Clean Energy Businesses). Adjusted earnings for 2017 exclude the reduction in income tax expense resulting from the re-measurement of the company's deferred tax assets and liabilities upon enactment of the TCJA, the effects of the gain on the sale of a solar electric production project and the net mark-to-market of the Clean Energy Businesses.

For the fourth quarter of 2018, net income was \$331 million or \$1.06 a share compared with \$505 million or \$1.63 a share in the 2017 period. Adjusted earnings were \$243 million or \$0.77 a share in the 2018 period compared with \$247 million or \$0.80 a share in the 2017 period. Adjusted earnings for the fourth quarter of 2018 exclude the effects of the net gain on the acquisition of Sempra Solar Holdings, LLC and the net mark-to-market of the Clean Energy Businesses. Adjusted earnings for the fourth quarter of 2017 exclude the reduction in income tax expense resulting from the re-measurement of the company's deferred tax assets and liabilities upon enactment of the TCJA and the net mark-to-market effects of the Clean Energy Businesses.

"We had a strong year financially, have embraced innovation, and have incorporated cost-saving operating efficiencies," said John McAvoy, chairman and CEO of Con Edison. "We continue to emphasize safety and operational excellence, and moved quickly to address operational challenges. We remain focused on improving the customer experience, and are leading the way to a clean, renewable energy future."

The company expects its adjusted earnings for the year 2019 to be in the range of \$4.25 to \$4.45 a share. Adjusted earnings per share exclude the negative effects of hypothetical liquidation at book value 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. The forecast reflects capital investments of \$3,627 million and operations and maintenance expenses of \$3,222 million.

Con Edison plans to meet its 2019 capital requirements, including for maturing securities, through internally-generated funds and the issuance of long-term debt and common equity. The company's plans include the issuance of between \$1,600 million and \$2,200 million of long-term debt, mostly at the utilities, and the issuance of additional debt secured by its renewable electric production projects. The company's plans also include the issuance of up to \$500 million of common equity in addition to equity under its dividend reinvestment, employee stock purchase and long term incentive plans and the physical settlement of the estimated \$425 million remaining portion of its November 2018 equity forward transaction.

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See Attachment A to this press release for a reconciliation of Con Edison's reported earnings per share to adjusted earnings per share and reported net income to adjusted earnings for the three months and years ended December 31, 2018 and 2017. See Attachment B for the company's consolidated income statements for 2018 and 2017. See Attachments C and D for the estimated effect of major factors resulting in variations in earnings per share and net income for the three months and year ended December 31, 2018 compared to the 2017 periods.

The company's 2018 Annual Report on Form 10-K is being filed with the Securities and Exchange Commission. A 2018 earnings release presentation will be available at [www.conedison.com](http://www.conedison.com). (Select "For Investors" and then select "Press Releases.")

This press release 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.

This press release also contains a financial measure, adjusted earnings, that is not determined in accordance with generally accepted accounting principles in the United States of America (GAAP). This non-GAAP financial measure should not be considered as an alternative to net income, which is an indicator of financial performance determined in accordance with GAAP. Adjusted earnings excludes from net income 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.

Consolidated Edison, Inc. is one of the nation's largest investor-owned energy-delivery companies, with approximately \$12 billion in annual revenues and \$54 billion in assets. The company provides a wide range of energy-related products and services to its customers through the following subsidiaries: Consolidated Edison Company of New York, Inc. (CECONY), a regulated utility providing electric, gas and steam service in New York City and Westchester County, New York; Orange and Rockland Utilities, Inc. (O&R), a regulated utility serving customers in a 1,300-square-mile-area in southeastern New York State and northern New Jersey; Con Edison Clean Energy Businesses, Inc., which through its subsidiaries develops, owns and operates renewable and energy infrastructure projects and provides energy-related products and services to wholesale and retail customers; and Con Edison Transmission, Inc., which through its subsidiaries invests in electric and natural gas transmission projects.

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	For the Three Months Ended				For the Years Ended			
	December 31,		December 31,		December 31,		December 31,	
	Earnings per Share		Net Income (Millions of Dollars)		Earnings per Share		Net Income (Millions of Dollars)	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Reported earnings per share (basic) and net income (GAAP basis)</b>	<b>\$1.06</b>	<b>\$1.63</b>	<b>\$331</b>	<b>\$505</b>	<b>\$4.43</b>	<b>\$4.97</b>	<b>\$1,382</b>	<b>\$1,525</b>
TCJA re-measurement	—	(0.84)	—	(259)	0.14	(0.85)	42	(259)
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (pre-tax)	(0.42)	—	(126)	—	(0.36)	—	(114)	—
Income taxes (a)	0.12	—	35	—	0.10	—	33	—
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (net of tax)	(0.30)	—	(91)	—	(0.26)	—	(81)	—
Gain on sale of solar electric production project (pre-tax)	—	—	—	—	—	—	—	(2)
Income taxes (a)	—	—	—	—	—	—	—	1
Gain on sale of solar electric production project (net of tax)	—	—	—	—	—	—	—	(1)
Net mark-to-market effects of the Clean Energy Businesses (pre-tax)	0.01	0.02	2	2	0.03	—	8	(1)
Income taxes (a)	—	(0.01)	1	(1)	(0.01)	—	(2)	—
Net mark-to-market effects of the Clean Energy Businesses (net of tax)	0.01	0.01	3	1	0.02	—	6	(1)
<b>Adjusted earnings per share and adjusted earnings (non-GAAP basis)</b>	<b>\$0.77</b>	<b>\$0.80</b>	<b>\$243</b>	<b>\$247</b>	<b>\$4.33</b>	<b>\$4.12</b>	<b>\$1,349</b>	<b>\$1,264</b>

(a) The amount of income taxes was calculated using a combined federal and state income tax rate of 28% for the three months and year ended December 31, 2018 and a combined federal and state income tax rate of 40% for the three months and year ended December 31, 2017.

	For the Three Months Ended		For the Years Ended	
	December 31,		December 31,	
	2018	2017	2018	2017
<b>OPERATING REVENUES</b>				
Electric	\$2,001	\$2,039	\$8,612	\$8,612
Gas	601	540	2,327	2,133
Steam	157	147	631	595
Non-utility	190	235	767	693
<b>TOTAL OPERATING REVENUES</b>	<b>2,949</b>	<b>2,961</b>	<b>12,337</b>	<b>12,033</b>
<b>OPERATING EXPENSES</b>				
Purchased power	357	348	1,644	1,601
Fuel	62	47	263	216
Gas purchased for resale	306	224	1,041	808
Other operations and maintenance	762	857	3,152	3,139
Depreciation and amortization	377	342	1,438	1,341
Taxes, other than income taxes	559	558	2,266	2,155
<b>TOTAL OPERATING EXPENSES</b>	<b>2,423</b>	<b>2,376</b>	<b>9,804</b>	<b>9,260</b>
Gain on sale of solar electric production project	—	—	—	1
Gain on acquisition of Sempra Solar Holdings, LLC	131	—	131	—
<b>OPERATING INCOME</b>	<b>657</b>	<b>585</b>	<b>2,664</b>	<b>2,774</b>
<b>OTHER INCOME (DEDUCTIONS)</b>				
Investment income	23	20	119	111
Other income	(1)	4	17	15
Allowance for equity funds used during construction	1	4	12	11
Other deductions	(56)	(51)	(210)	(185)
<b>TOTAL OTHER INCOME</b>	<b>(33)</b>	<b>(23)</b>	<b>(62)</b>	<b>(48)</b>
<b>INCOME BEFORE INTEREST AND INCOME TAX EXPENSE</b>	<b>624</b>	<b>562</b>	<b>2,602</b>	<b>2,726</b>
<b>INTEREST EXPENSE</b>				
Interest on long-term debt	204	187	780	726
Other interest	21	—	49	11
Allowance for borrowed funds used during construction	(3)	(2)	(10)	(8)
<b>NET INTEREST EXPENSE</b>	<b>222</b>	<b>185</b>	<b>819</b>	<b>729</b>
<b>INCOME BEFORE INCOME TAX EXPENSE</b>	<b>402</b>	<b>377</b>	<b>1,783</b>	<b>1,997</b>
<b>INCOME TAX EXPENSE</b>	<b>71</b>	<b>(128)</b>	<b>401</b>	<b>472</b>
<b>NET INCOME</b>	<b>\$331</b>	<b>\$505</b>	<b>\$1,382</b>	<b>\$1,525</b>
Net income per common share — basic	\$1.06	\$1.63	\$4.43	\$4.97
Net income per common share — diluted	\$1.05	\$1.62	\$4.42	\$4.94
<b>AVERAGE NUMBER OF SHARES OUTSTANDING — BASIC (IN MILLIONS)</b>	<b>313.8</b>	<b>310.1</b>	<b>311.7</b>	<b>307.1</b>
<b>AVERAGE NUMBER OF SHARES OUTSTANDING — DILUTED (IN MILLIONS)</b>	<b>315.0</b>	<b>311.8</b>	<b>312.9</b>	<b>308.8</b>



## Variation for the Three Months Ended December 31, 2018 vs. 2017

	Earnings per Share	Net Income (Millions of Dollars)
<b>CECONY (a)</b>		
Changes in rate plans	\$0.15	\$46
Weather impact on steam revenues	0.03	8
Operations and maintenance expenses	0.02	7
Depreciation, property taxes and other tax matters	(0.09)	(28)
Other	(0.10)	(27)
<b>Total CECONY</b>	<b>0.01</b>	<b>6</b>
<b>O&amp;R (a)</b>		
Changes in rate plans	(0.01)	(4)
Operations and maintenance expenses	0.01	3
Depreciation, property taxes and other tax matters	—	(1)
Other	(0.01)	(1)
<b>Total O&amp;R</b>	<b>(0.01)</b>	<b>(3)</b>
<b>Clean Energy Businesses</b>		
Operating revenues less energy costs	(0.17)	(54)
Operations and maintenance expenses	0.19	58
Depreciation	(0.02)	(8)
Net interest expense	(0.04)	(11)
Other	(0.58)	(176)
<b>Total Clean Energy Businesses</b>	<b>(0.62)</b>	<b>(191)</b>
<b>Con Edison Transmission</b>	<b>(0.02)</b>	<b>(7)</b>
Other, including parent company expenses	0.07	21
<b>Total Reported (GAAP basis)</b>	<b>\$(0.57)</b>	<b>\$(174)</b>
Income tax effect of the TCJA	0.84	259
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs	(0.30)	(91)
Net mark-to-market effects of the Clean Energy Businesses	—	2
<b>Total Adjusted (non-GAAP basis)</b>	<b>\$(0.03)</b>	<b>\$(4)</b>

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.

## Variation for the Year Ended December 31, 2018 vs. 2017

	Earnings per Share	Net Income (Millions of Dollars)	
<b>CECONY (a)</b>			
Changes in rate plans	\$0.84	\$258	Reflects primarily higher electric and gas net base revenues of \$0.59 a share and \$0.16 a share, respectively, and growth in the number of gas customers of \$0.06 a share. Electric and gas base rates increased in January 2018 in accordance with the company's rate plans.
Weather impact on steam revenues	0.10	31	Steam revenues were \$0.06 a share higher in 2018 due to the estimated impact of colder than normal winter weather. Steam revenues were \$(0.05) a share lower in 2017 due to the estimated impact of warmer than normal winter weather.
Operations and maintenance expenses	(0.08)	(25)	Reflects primarily higher consultant costs of \$(0.05) a share and storm-related costs of \$(0.04) a share.
Depreciation, property taxes and other tax matters	(0.37)	(115)	Reflects higher net property taxes of \$(0.25) a share and depreciation and amortization expense of \$(0.19) a share, offset, in part, by New York State sales and use tax refunds of \$0.07 a share.
Other	(0.24)	(57)	Reflects primarily higher interest expense on long-term debt of \$(0.16) a share, regulatory reserve related to steam earnings sharing of \$(0.05) a share, and the dilutive effect of Con Edison's stock issuances of \$(0.06) a share.
<b>Total CECONY</b>	<b>0.25</b>	<b>92</b>	
<b>O&amp;R (a)</b>			
Changes in rate plans	0.02	6	Reflects primarily higher gas net base revenues. Gas base rates increased in November 2017 in accordance with the company's gas rate plan.
Operations and maintenance expenses	(0.02)	(6)	Reflects primarily reduction of a regulatory asset associated with certain site investigation and environmental remediation costs.
Depreciation, property taxes and other tax matters	(0.01)	(4)	Reflects higher depreciation and amortization expense.
Other	(0.01)	(1)	
<b>Total O&amp;R</b>	<b>(0.02)</b>	<b>(5)</b>	
<b>Clean Energy Businesses</b>			
Operating revenues less energy costs	(0.05)	(16)	Reflects primarily lower renewable revenues, including engineering, procurement and construction services, offset, in part, by an increase in renewable electric production projects in operation and an increase in energy services revenue.
Operations and maintenance expenses	0.06	19	Reflects primarily lower engineering, procurement and construction costs.
Depreciation	(0.03)	(9)	
Net interest expense	(0.05)	(15)	
Other	(0.55)	(166)	Includes \$0.28 a share of after-tax gain recognized with respect to jointly-owned renewable electric production projects on completion of the acquisition of Sempra Solar Holdings, LLC. Also includes the effect of the TCJA of \$0.88 a share in December 2017.
<b>Total Clean Energy Businesses</b>	<b>(0.62)</b>	<b>(187)</b>	
<b>Con Edison Transmission</b>	<b>—</b>	<b>3</b>	Includes the effect of the TCJA of \$0.04 a share in December 2017. Reflects income from equity investments.
Other, including parent company expenses	(0.15)	(46)	Includes TCJA re-measurement of \$(0.14) a share, New York State capital tax of \$(0.03) a share and transaction costs related to acquisition of Sempra Solar Holdings, LLC of \$(0.02) a share. Also includes the effect of the TCJA of \$(0.07) a share in December 2017.
<b>Total Reported (GAAP basis)</b>	<b>\$(0.54)</b>	<b>\$(143)</b>	
Gain on sale of solar electric production project	—	1	
Income tax effect of the TCJA	0.99	301	
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs	(0.26)	(81)	
<b>Net mark-to-market effects of the Clean Energy Businesses</b>	<b>0.02</b>	<b>7</b>	
<b>Total Adjusted (non-GAAP basis)</b>	<b>\$0.21</b>	<b>\$85</b>	

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.

# Consolidated Edison, Inc.

## 2018 Earnings Release Presentation

February 21, 2019



## Available Information

On February 21, 2019, Consolidated Edison, Inc. issued a press release reporting its 2018 earnings and filed with the Securities and Exchange Commission the company's 2018 Form 10-K. This presentation should be read together with, and is qualified in its entirety by reference to, the earnings press release and the Form 10-K. Copies of the earnings press release and the Form 10-K 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

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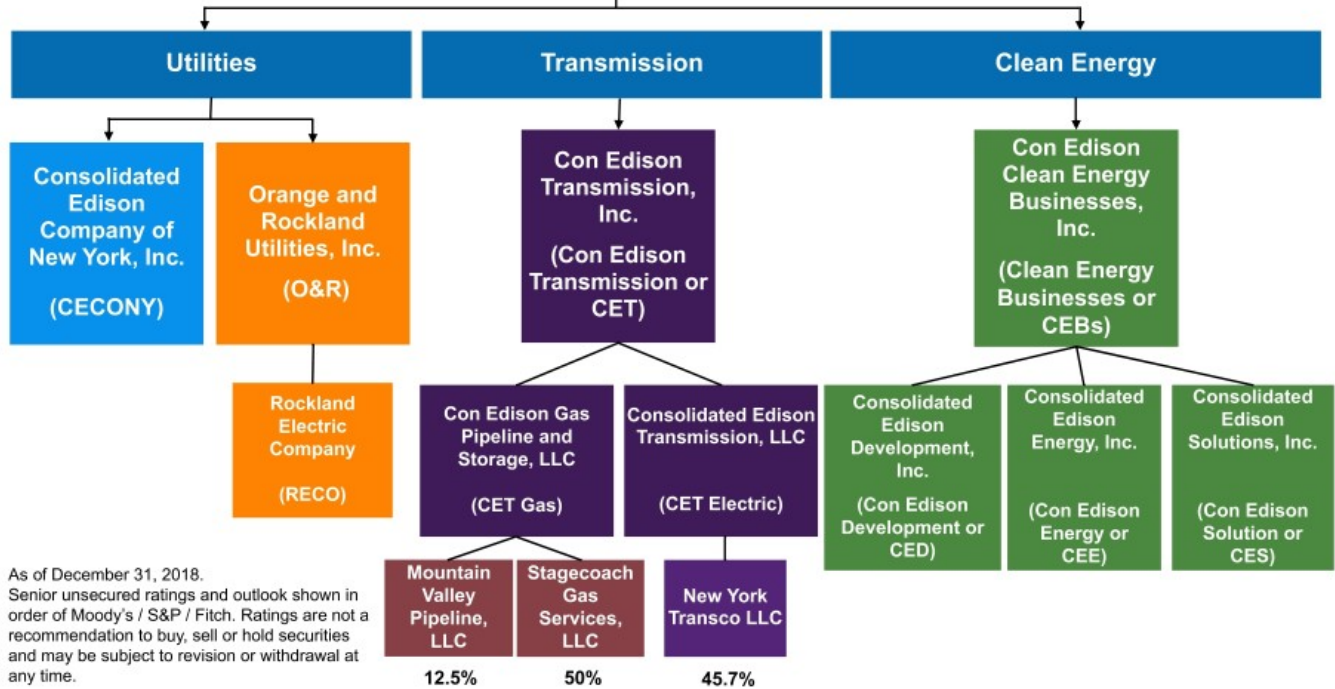
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# Organizational Structure



Market Cap<sup>(a)</sup>: \$24.5 billion  
 Ratings<sup>(b)</sup>: Baa1 / BBB+ / BBB+  
 Outlook<sup>(b)</sup>: Stable / Stable / Stable



a. As of December 31, 2018.  
 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

Provide safe and reliable service

Enhance the customer experience

Achieve operational excellence and cost optimization

## Strategic

Strengthen core utility delivery business

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

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

## Value Oriented

Provide steady, predictable earnings

Maintain balance sheet stability

Pay attractive, growing dividends

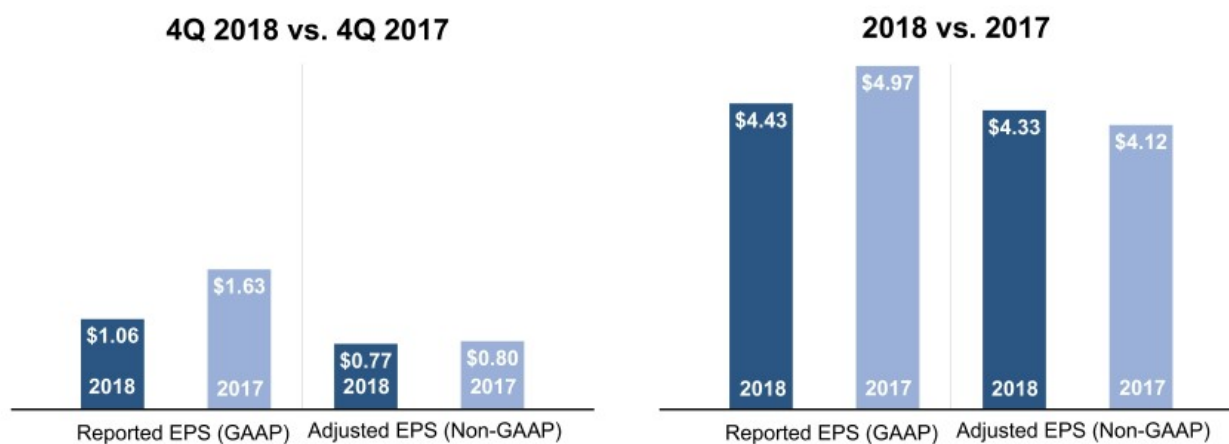
CECONY has long-range plans to achieve its strategic priorities of public and employee safety, operational excellence, and an enhanced customer experience. The company's 20-year plans for its electric and gas business are designed to help the company navigate today's challenges while preparing for changes 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 January 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 -- an annualized increase of 10 cents over the previous annualized dividend of \$2.86 a share and its 45<sup>th</sup> consecutive annual increase.
- On February 21, 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 \$4.45 a share<sup>(a)</sup>.



- a. Adjusted earnings per share exclude the negative effects of hypothetical liquidation at book value 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.



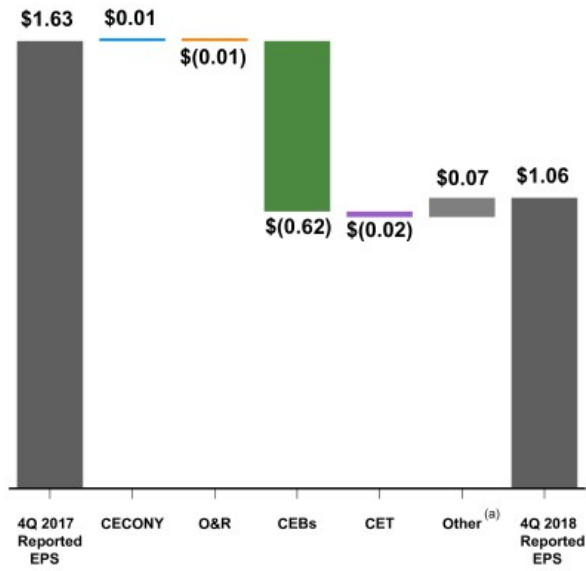
## 4Q 2018 Earnings

	Net Income (\$ in Millions)		Earnings per Share	
	2018	2017	2018	2017
<b>Reported Net Income and EPS – GAAP basis</b>	<b>\$331</b>	<b>\$505</b>	<b>\$1.06</b>	<b>\$1.63</b>
<b>TCJA re-measurement</b>	<b>—</b>	<b>(259)</b>	<b>—</b>	<b>(0.84)</b>
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (pre-tax) (a)	(126)	—	(0.42)	—
Income taxes (b)	35	—	0.12	—
<b>Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (net of tax)</b>	<b>(91)</b>	<b>—</b>	<b>(0.30)</b>	<b>—</b>
Net mark-to-market effects of the Clean Energy Businesses (pre-tax)	2	2	0.01	0.02
Income taxes (b)	1	(1)	—	(0.01)
<b>Net mark-to-market effects of the Clean Energy Businesses (net of tax)</b>	<b>3</b>	<b>1</b>	<b>0.01</b>	<b>0.01</b>
<b>Adjusted Earnings and Adjusted EPS – non-GAAP basis</b>	<b>\$243</b>	<b>\$247</b>	<b>\$0.77</b>	<b>\$0.80</b>

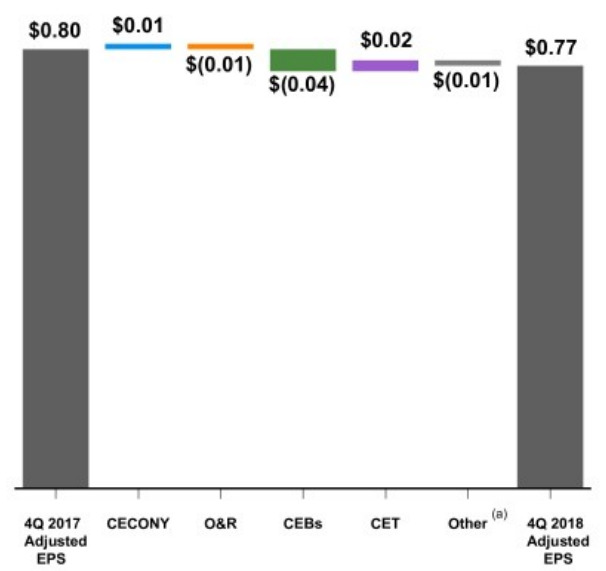
- a. Gain recognized with respect to jointly owned renewable electric production projects on completion of the acquisition.
- b. The amount of income taxes was calculated using a combined federal and state income tax rate of 28% for the three months ended December 31, 2018 and a combined federal and state income tax rate of 40% for the three months ended December 31, 2017.

# Walk from 4Q 2017 EPS to 4Q 2018 EPS

## Variance in Reported EPS (GAAP)



## Variance in Adjusted EPS (Non-GAAP)



a. Includes parent company and consolidation adjustments.

## 4Q 2018 vs. 4Q 2017 EPS Variances - Three Months Ended Variation

CECONY <sup>(a)</sup>		
Changes in rate plans	\$0.15	Reflects primarily higher electric and gas net base revenues of \$0.11 a share and \$0.04 a share, respectively, and growth in the number of gas customers of \$0.01 a share. Electric and gas base rates increased in January 2018 in accordance with the company's rate plans.
Weather impact on steam revenues	0.03	Steam revenues were \$0.03 a share higher in the 2018 period due to the estimated impact of colder than normal winter weather.
Operations and maintenance expenses	0.02	Reflects lower stock-based compensation expense of \$0.04 a share, offset, in part, by higher consultant costs of \$(0.01) a share.
Depreciation, property taxes and other tax matters	(0.09)	Reflects higher net property taxes of \$(0.06) a share and depreciation and amortization expense of \$(0.05) a share, offset, in part, by New York State sales and use tax refunds of \$0.03 a share.
Other	(0.10)	Reflects primarily timing of the deferral for customers of estimated net benefits of the TCJA of \$(0.04) a share, higher interest expense on long-term debt of \$(0.05) a share and the dilutive effect of Con Edison's stock issuances of \$(0.01) a share.
<b>Total CECONY</b>	<b>\$ 0.01</b>	
O&R <sup>(a)</sup>		
Changes in rate plans	(0.01)	Reflects primarily a November 2017 Rockland Electric Company transmission rate increase adjustment, effective retroactively to April 2017.
Operations and maintenance expenses	0.01	Reflects primarily lower stock-based compensation expense.
Depreciation, property taxes and other tax matters	—	Reflects higher depreciation and amortization expense.
Other	(0.01)	
<b>Total O&amp;R</b>	<b>\$(0.01)</b>	
Clean Energy Businesses		
Operating revenues less energy costs	(0.17)	Reflects primarily lower engineering, procurement and construction services revenues.
Operations and maintenance expenses	0.19	Reflects primarily lower engineering, procurement and construction costs and energy service costs.
Depreciation	(0.02)	
Net interest expense	(0.04)	
Other	(0.58)	Includes \$0.29 a share of after-tax gain recognized with respect to jointly-owned renewable electric production projects on completion of the acquisition of Sempra Solar Holdings, LLC. Also includes the effect of the TCJA of \$0.87 a share in December 2017.
<b>Total CEBs</b>	<b>\$(0.62)</b>	
Con Edison Transmission		
<b>Total CET</b>	<b>\$(0.02)</b>	Includes the effect of the TCJA of \$0.04 a share in December 2017. Reflects income from equity investments.
Other		
<b>Parent company and consolidation adjustments</b>	<b>\$ 0.07</b>	Includes adjustment to estimated transaction costs related to the acquisition of Sempra Solar Holdings, LLC of \$0.01 a share. Also includes the effect of the TCJA of \$(0.07) a share in December 2017.
<b>Reported EPS (GAAP)</b>	<b>\$(0.57)</b>	
Income tax effect of the TCJA	0.84	
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs	(0.30)	
<b>Adjusted EPS (non-GAAP)</b>	<b>\$(0.03)</b>	
<p>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.</p>		

## 4Q 2018 vs. 4Q 2017 EPS Reconciliation by Company

Three Months Ended December 31, 2018

	CECONY	O&R	CEBs	CET	Other <sup>(c)</sup>	Total
Reported EPS – GAAP basis	\$0.72	\$0.02	\$0.28	\$0.04	\$—	\$1.06
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (pre-tax) (a)	—	—	(0.41)	—	(0.01)	(0.42)
Income taxes (b)	—	—	0.12	—	—	0.12
<b>Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (net of tax)</b>	<b>—</b>	<b>—</b>	<b>(0.29)</b>	<b>—</b>	<b>(0.01)</b>	<b>(0.30)</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>\$0.72</b>	<b>\$0.02</b>	<b>\$—</b>	<b>\$0.04</b>	<b>\$(0.01)</b>	<b>\$0.77</b>

Three Months Ended December 31, 2017

	CECONY	O&R	CEBs	CET	Other <sup>(c)</sup>	Total
Reported EPS – GAAP basis	\$0.71	\$0.03	\$0.90	\$0.06	\$(0.07)	\$1.63
<b>TCJA re-measurement</b>	<b>—</b>	<b>—</b>	<b>(0.87)</b>	<b>(0.04)</b>	<b>0.07</b>	<b>(0.84)</b>
Net mark-to-market losses (pre-tax)	—	—	0.02	—	—	0.02
Income taxes (b)	—	—	(0.01)	—	—	(0.01)
<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>\$0.71</b>	<b>\$0.03</b>	<b>\$0.04</b>	<b>\$0.02</b>	<b>\$—</b>	<b>\$0.80</b>

- a. Gain recognized with respect to jointly owned renewable electric production projects on completion of the acquisition.  
b. The amount of income taxes was calculated using a 28% combined federal and state income tax rate for the three months ended December 31, 2018 and a 40% combined federal and state income tax rate for the three months ended December 31, 2017.  
c. Includes parent company and consolidation adjustments.

## 4Q 2018 Developments<sup>(a)</sup>

### CECONY & O&R

- In August and November 2017, the NYSPSC issued orders in its proceeding investigating a subway power outage. NYSPSC Case 17-E-0428 – In The Matter of an Investigation into the April 21, 2017 Metropolitan Transportation Authority Subway Power Outage and Consolidated Edison Company of New York, Inc.'s Restoration Efforts. The orders required CECONY to take certain actions relating to the electrical equipment that serves the subway system. The company incurred costs related to this matter through December 31, 2018 of \$260 million. Included in this amount is \$31 million in capital and operating and maintenance costs reflected in the company's electric rate plan and \$229 million deferred as a regulatory asset pursuant to the rate plan. (page 129)
- In 2018, CECONY and O&R deferred as regulatory liabilities estimated net benefits of the Tax Cuts and Jobs Act of 2017 of \$434 million. (page 130)
- In December 2018, the NYSPSC issued an order establishing an energy storage goal of up to 3,000 MW of energy storage by 2030 with an interim objective of 1,500 MW by 2025. Under the order, CECONY is required to file an implementation plan for a competitive procurement process to deploy 300 MW of energy storage while O&R must plan to deploy 10 MW. (page 18)
- In December 2018, the NYSPSC issued an energy efficiency order intended to double utility energy efficiency programs between 2019 and 2025 to achieve a statewide reduction of 185 TBtu (trillion British thermal units) of energy by 2025 with utilities to achieve a statewide energy reduction of 31 TBtu by 2025. The NYSPSC also required a separate target of at least five TBtu reduction through development of a targeted heat pump program to be developed by the utilities. (page 18)
- Through the CECONY and O&R energy-efficiency programs, customers reduced their annual energy use by approximately 1,983,000 MWh of electricity and 2,743,000 Dt of gas from the programs' inception in 2009 through 2018, resulting in their avoiding the release of approximately 1,706,000 short tons of GHG into the atmosphere in 2018. In addition, CECONY's other demand-side management programs assisted customers in reducing their annual energy use by approximately 348,000 MWh of electricity from the programs' inception in 2004 through 2018, resulting in their avoiding the release of approximately 271,000 short tons of GHG into the atmosphere in 2018. The annual budgets of the existing and new energy efficiency programs are approximately \$234 million in 2019. (page 37)

a. Page references to 2018 Form 10-K.

## 4Q 2018 Developments (cont'd)<sup>(a)</sup>

### CECONY & O&R

- CECONY and O&R's current five-year forecasts for 2019-2023 of average annual growth of the peak demand in their service areas at design conditions: (pages 9, 22-23, 25, 26, 27, 28)

	Electric	Gas	Steam
CECONY	0.1 percent	1.0 percent	(0.5) percent
O&R	(0.3) percent	0.6 percent	

- The aggregate capacities of the distributed generation projects connected to the CECONY and O&R distribution systems at December 31, 2018 were 420 MW and 121 MW, respectively. The 2019 electric peak forecasts for CECONY and O&R are 13,270 MW and 1,585 MW, respectively. (pages 21, 22-23, 27)
- In September 2018, CECONY requested NYSPSC approval of a six-year \$305 million budget for a portfolio of proposed non-pipeline gas projects including targeted energy efficiency and heating electrification measures, three renewable gas production plants and two to five gas storage facilities in Westchester County. In February 2019, the NYSPSC issued an order that approves the CECONY's budget for non-pipeline gas projects related to energy efficiency and heating electrification (\$222.6 million) and stated the company should pursue or seek cost recovery for the other solutions through existing mechanisms. (page 25)
- In January 2019, due to gas supply constraints, the company filed notice with the NYSPSC to establish a temporary moratorium beginning in March 2019 on new applications for firm gas service in most of Westchester County. Also, in January 2019, the NYSPSC Chair announced that its staff will lead a review of the changing market conditions that gave rise to CECONY's decision to establish the temporary moratorium and to issue a report by July 2019 considering, among other things, economic development and the state's transition to clean energy sources. In February 2019, the NYSPSC staff commenced the moratorium investigation. (page 25)

a. Page references to 2018 Form 10-K.

## 4Q 2018 Developments (cont'd)<sup>(a)</sup>

### Con Edison Transmission

- In December 2018, the NYISO board of directors in its competitive proceeding to select AC transmission projects that would relieve transmission congestion between upstate and downstate concluded that the most efficient or cost effective transmission project for one segment of the transmission system is a project that was jointly proposed by National Grid and NY Transco (\$600 million estimated cost) that would increase transmission capacity by 2,100 MW when combined with the selected project to be developed by another developer for the other segment. The NYISO board indicated that following its consideration of comments from the NYISO's management committee it will make its final determination on the selection of the transmission projects. (page 32)
- In February 2019, the Mountain Valley Pipeline's operator indicated that: as currently designed, the pipeline is estimated to cost a total of approximately \$4,600 million; the pipeline is targeted to be placed in service during the fourth quarter of 2019, subject to litigation and regulatory-related delay; MVP is currently defending certain agency actions and judicial challenges that must be resolved favorably before the pipeline can be completed; and there are other proceedings that may affect MVP, including an investigation of potential criminal and/or civil violations of the Clean Water Act and other federal statutes as they relate to the construction of the pipeline. (page 32-33)

### Clean Energy Businesses

- The Clean Energy Businesses' has 2,608 MW (AC) of renewable energy production projects in service (2,588 MW) or under construction (20 MW). (page 30)
- 2,680 million of kWh of electricity was generated from solar projects and 1,074 million of kWh generated from wind projects for the year ending December 31, 2018. (page 31)
- In January 2019, Pacific Gas and Electric Company (PG&E) filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. The output of Con Edison Development renewable electric production projects with an aggregate of 680 MW (AC) of generating capacity (PG&E Projects) is sold to PG&E under long-term power purchase agreements (PG&E PPAs). At December 31, 2018, Con Edison's consolidated balance sheet included \$885 million of net non-utility plant relating to the PG&E Projects, of \$1,125 million of intangible assets relating to the PG&E PPAs, \$292 million of net non-utility plant of additional projects that secure the related project debt and \$1,050 million of 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. (page 9)

a. Page references to 2018 Form 10-K.

# CECONY Electric & Gas Rate Filings – January 31, 2019<sup>(a)</sup>

Electric case number 19-E-0065

Gas case number 19-G-0066

(\$ millions)	Electric			Gas		
	Rate Change	Rate Base <sup>(b)</sup>	Capital Expenditure	Rate Change	Rate Base <sup>(b)</sup>	Capital Expenditure
2020	\$485	\$22,203	\$2,330	\$210	\$7,096	\$1,109
2021	352	23,478	2,487	138	7,833	1,098
2022	263	24,758	2,366	155	8,588	1,061

#### Proposed Rate of Return and Equity Ratio

Return on equity.....9.75%

Equity ratio.....50%

#### Test Year

Historic test year: Twelve months ended September 30, 2018

Rate year: January 1, 2020 – December 31, 2020

New rates proposed to be effective January 1, 2020

a. 2020 amounts were proposed. CECONY provided 2021 and 2022 amounts in rate filing for illustration and to facilitate settlement discussions.

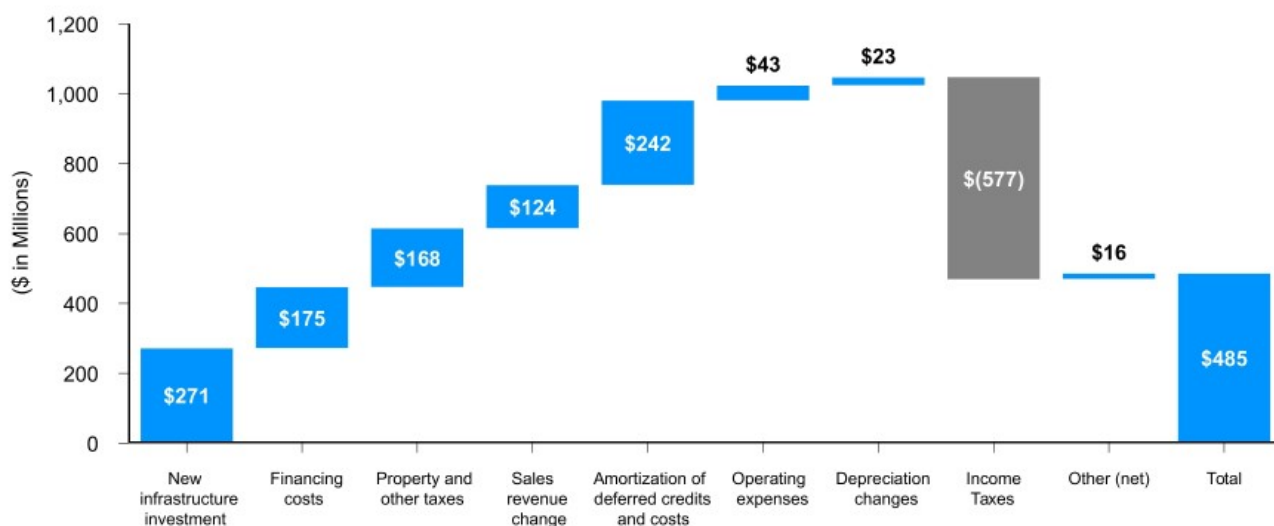
b. Average rate base.



# CECONY Electric & Gas Rate Filings – January 31, 2019 (cont'd)

## Key Drivers of Proposed 2020 Electric Rate Increase

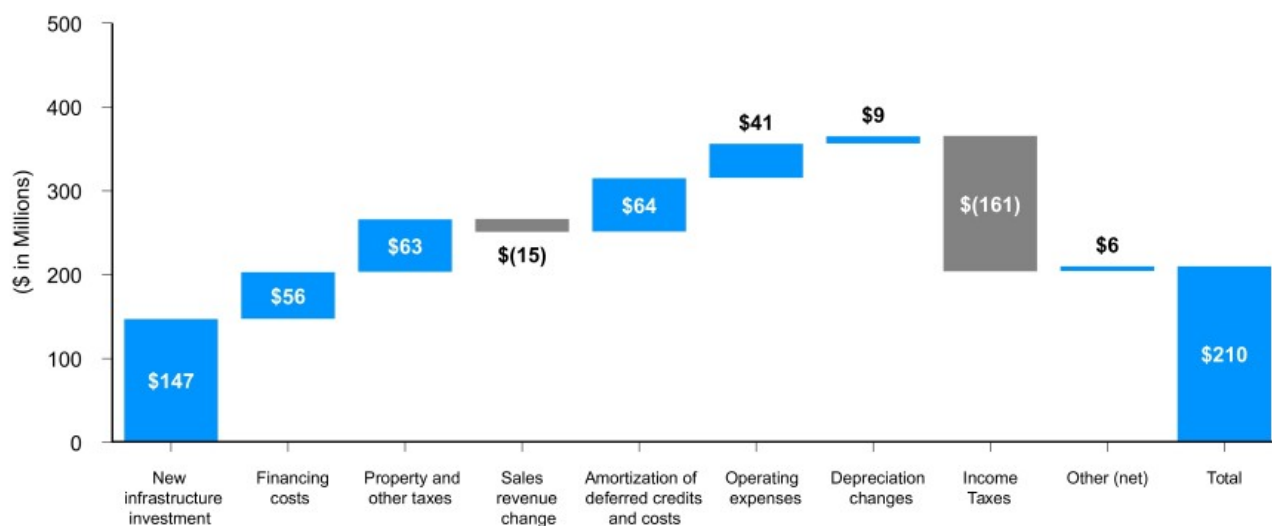
Rate increase of \$485M represents a 4.9% increase in total bill and 8.6% increase in delivery. The average monthly electric bill for a New York City residential customer using 300 kilowatt hours would increase \$4.45 to \$81.78, an increase of 5.8% (8.4% increase for delivery).



# CECONY Electric & Gas Rate Filings – January 31, 2019 (cont'd)

## Key Drivers of Proposed 2020 Gas Rate Increase

Rate increase of \$210M represents a 9.1% increase in total bill and 14.5% increase in delivery. The average monthly gas bill for a residential customer using 100 therms would increase \$17.28 to \$176.34, an increase of 10.9% (15.8% increase for delivery).



# CECONY Electric & Gas Rate Filings – January 31, 2019 (cont'd)

Electric case number 19-E-0065

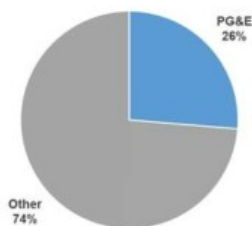
Gas case number 19-G-0066

## Other Major Provisions Proposed

- Deferral as a regulatory liability of the revenue requirement impact of the amount, if any, by which actual average net plant balances for categories of plant are less than amounts reflected in rates for the respective category. Proposed modifications to this true-up include the full reconciliation of capital interference costs.
- True up of costs of pension and OPEBs, variable rate debt, environmental remediation, and storms (electric).
- Requesting full reconciliation of property taxes and municipal infrastructure support costs.
- Continuing the revenue decoupling mechanism for electric and gas service, except proposing to change the gas RDM from a revenue per customer methodology to a revenue per class methodology.
- Continuing provision for recovery of cost of purchased power, gas, and fuel.
- Continuation of earnings opportunities from Earnings Adjustment Mechanisms (EAM) for meeting energy efficiency goals. The proposed EAM earnings opportunities are at 100 and 70 basis points of common equity annually for electric and gas, respectively.
- Requested rate increase was mitigated, in part, by the TCJA, including reduced tax rate, and amortization of excess deferred income taxes and 2018 tax savings.

# Clean Energy Businesses – PG&E Related Projects

PPA Counterparties (MW)



Total Generating Capacity: 2,588 MW

- 2019 forecast of adjusted earnings (Non-GAAP) of \$25-35 million from PG&E-related projects <sup>(5)</sup>
- Average annual O&M for PG&E-related projects: \$40-\$60/kW <sup>(6)</sup>
- Average annual capacity factor for PG&E-related projects: 30-35%

Portfolio / Project	MW	Offtaker	State	Power Purchase Agreement (PPA) Term		PPA Commercial Operation Date (COD)	\$/MWh 2018 <sup>(2)</sup>	\$/MWh Vintage Proxy <sup>(3)</sup>	Project Debt 12/31/2018 (\$ millions)	Interest Rate (%)	Debt Maturity <sup>(4)</sup>
				PPA Term	PPA Term						
<b>California Solar</b>	<b>110</b>										
Alpaugh 50	50	PG&E	CA	25	25	2013	\$166	-			
Alpaugh North	20	PG&E	CA	25	25	2013	159	-			
CED White River Solar	20	PG&E	CA	25	25	2013	153	-			
CED Corcoran Solar	20	PG&E	CA	25	25	2013	-	\$150-165			
<b>California Solar 2</b>	<b>80</b>										
CED White River Solar 2	20	PG&E	CA	20	20	2014	97	-	103	3.94	2036
CED Corcoran Solar 3	20	PG&E	CA	20	20	2016	-	54			
Non-PG&E Offtaker <sup>(1)</sup>	40	SCE	CA	20	20	2015	-	70-90			
<b>California Solar 3</b>	<b>110</b>										
CED Arenal Solar	15	PG&E	CA	20	20	2017	-	57	89	4.07	2036
CED Oro Loma Solar	20	PG&E	CA	20	20	2017	-	57			
Non-PG&E Offtaker <sup>(1)</sup>	75	SCE	CA	20	20	2016	54	-			
<b>Copper Mountain Solar 1</b>	<b>58</b>	PG&E	NV	20	20	2008 / 2010	164	-	70	Variable	2028
<b>Copper Mountain Solar 2</b>	<b>150</b>	PG&E	NV	25	25	2015	105	-	230	Variable	2023
<b>Coram Wind</b>	<b>102</b>	PG&E	CA	20	20	2012	117	-	160	Variable - 4.52	2024-2032
<b>Great Valley Solar</b>	<b>200</b>										
Great Valley Solar 4	20	PG&E	CA	17	17	2017	-	70			
Great Valley Solar 1	100	MCE	CA	15	15	2018	35	-			
Great Valley Solar 2	60	SMUD	CA	20	20	2017	44	-			
Great Valley Solar 3	20	SCE	CA	20	20	2017	70	-			
<b>Mesquite Solar 1</b>	<b>165</b>	PG&E	AZ	20	20	2012	143	-	208	2.24 - 3.03	2031
<b>Total PG&amp;E Related MW</b>	<b>680</b>										
<b>Total Project Debt</b>									<b>\$1,050</b>		
<b>PG&amp;E Related Project</b>											

- (1) California Solar 2 non-PG&E offtaker projects include Atwell Island West and Corcoran 2. California Solar 3 non-PG&E offtaker projects include Ducor 1-4.
- (2) Based on FERC Electric Quarterly Reports (EQR) for Q1-Q4 2018, inclusive of energy imbalance sales. For California Solar 3 non-PG&E offtaker projects, price represents Ducor 1-3, as Ducor 4 does not file EQRs.
- (3) For projects that do not file FERC EQRs, estimated \$/MWh power purchase price based on Con Edison projects with similar COD, offtaker characteristics and size.
- (4) Project debt amortizes over the life of the PPA.
- (5) Adjusted earnings from PG&E-related projects exclude approximately \$3 million reduction in net income (GAAP) allocable to Great Valley Solar 4 resulting from hypothetical liquidation at book value accounting for tax equity investments.
- (6) Average annual O&M includes land leases, insurance, property tax, and all other fixed costs to operate projects.

# Utility 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

- Customer credit started on **January 1, 2019** and will include:
  - annual ongoing tax savings of \$259 million
- 2018 tax savings (\$307 million) and protected and unprotected portions of net regulatory liability for excess deferred income taxes (\$1,703 million and \$813 million, respectively) will be addressed in the rate case the company initiated in January 2019 (Case 19-E-0065)

## CECONY Gas

- Customer credit of \$113 million started on **January 1, 2019** and includes:
  - annual ongoing tax savings of \$74 million
  - pass back of 2018 tax savings (\$90 million) over a three-year period - \$30 million annually
  - pass back of protected and unprotected portions of net regulatory liability for excess deferred income taxes (\$733 million and \$108 million, respectively) over the life of the assets - \$9 million annually (amortization period for unprotected deferred tax balance will be reviewed in the rate case the company initiated in January 2019) (Case 19-G-0066)

## 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 (\$175 million and \$18 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 129 - 131 and Note L - Income Taxes on pages 150 - 154 in the 2018 10-K.

# Utility 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 (which is subject to NYSPSC approval) (Case 18-E-0067; 18-G-0068), intends to reflect 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 129 - 131 and Note L - Income Taxes on pages 150 - 154 in the 2018 10-K.

## 2018 Earnings

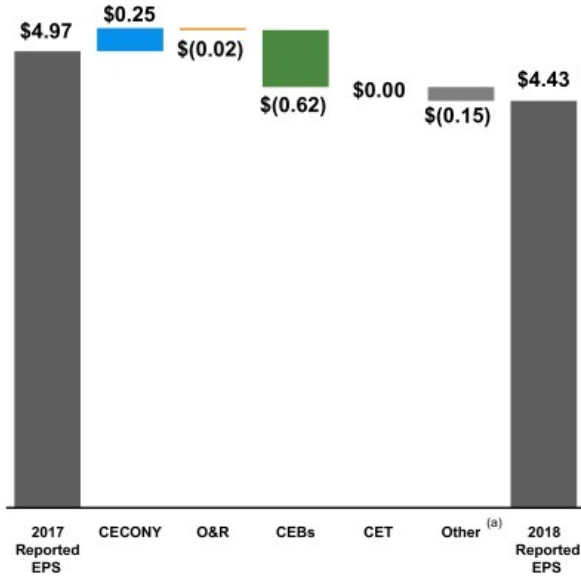
	Net Income (\$ in Millions)		Earnings per Share	
	2018	2017	2018	2017
<b>Reported Net Income and EPS – GAAP basis</b>	<b>\$1,382</b>	<b>\$1,525</b>	<b>\$4.43</b>	<b>\$4.97</b>
<b>Income tax effect of the TCJA</b>	<b>42</b>	<b>(259)</b>	<b>0.14</b>	<b>(0.85)</b>
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (pre-tax) (a)	(114)	—	(0.36)	—
Income taxes (b)	33	—	0.10	—
<b>Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (net of tax)</b>	<b>(81)</b>	<b>—</b>	<b>(0.26)</b>	<b>—</b>
Gain on sale of solar electric production project (pre-tax)	—	(2)	—	—
Income taxes (b)	—	1	—	—
<b>Gain on sale of solar electric production project (net of tax)</b>	<b>—</b>	<b>(1)</b>	<b>—</b>	<b>—</b>
Net mark-to-market effects of the Clean Energy Businesses (pre-tax)	8	(1)	0.03	—
Income taxes (b)	(2)	—	(0.01)	—
<b>Net mark-to-market effects of the Clean Energy Businesses (net of tax)</b>	<b>6</b>	<b>(1)</b>	<b>0.02</b>	<b>—</b>
<b>Adjusted Earnings and Adjusted EPS – non-GAAP basis</b>	<b>\$1,349</b>	<b>\$1,264</b>	<b>\$4.33</b>	<b>\$4.12</b>

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

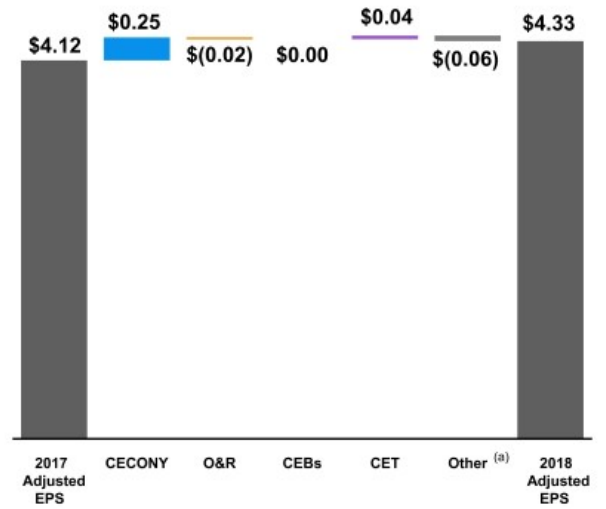
b. The amount of income taxes was calculated using a 28% combined federal and state income tax rate for the year ended December 31, 2018 and a 40% combined federal and state income tax rate for the year ended December 31, 2017.

# Walk from 2017 EPS to 2018 EPS

## Variance in Reported EPS (GAAP)



## Variance in Adjusted EPS (Non-GAAP)



a. Includes parent company and consolidation adjustments.



## 2018 vs. 2017 EPS Variances - Year Ended Variation

<b>CECONY<sup>(a)</sup></b>		
Changes in rate plans	\$ 0.84	Reflects primarily higher electric and gas net base revenues of \$0.59 a share and \$0.16 a share, respectively, and growth in the number of gas customers of \$0.06 a share. Electric and gas base rates increased in January 2018 in accordance with the company's rate plans.
Weather impact on steam revenues	0.10	Steam revenues were \$0.06 a share higher in 2018 due to the estimated impact of colder than normal winter weather. Steam revenues were \$(0.05) a share lower in 2017 due to the estimated impact of warmer than normal winter weather.
Operations and maintenance expenses	(0.08)	Reflects primarily higher consultant costs of \$(0.05) a share and storm-related costs of \$(0.04) a share.
Depreciation, property taxes and other tax matters	(0.37)	Reflects higher net property taxes of \$(0.25) a share and depreciation and amortization expense of \$(0.19) a share, offset, in part, by New York State sales and use tax refunds of \$0.07 a share.
Other	(0.24)	Reflects primarily higher interest expense on long-term debt of \$(0.16) a share, regulatory reserve related to steam earnings sharing of \$(0.05) a share, and the dilutive effect of Con Edison's stock issuances of \$(0.06) a share.
<b>Total CECONY</b>	<b>\$ 0.25</b>	
<b>O&amp;R<sup>(a)</sup></b>		
Changes in rate plans	0.02	Reflects primarily higher gas net base revenues. Gas base rates increased in November 2017 in accordance with the company's gas rate plan.
Operations and maintenance expenses	(0.02)	Reflects primarily reduction of a regulatory asset associated with certain site investigation and environmental remediation costs.
Depreciation, property taxes and other	(0.01)	Reflects higher depreciation and amortization expense.
Other	(0.01)	
<b>Total O&amp;R</b>	<b>\$ (0.02)</b>	
<b>Clean Energy Businesses</b>		
Operating revenues less energy costs	(0.05)	Reflects primarily lower renewable revenues, including engineering, procurement and construction services, offset, in part, by an increase in renewable electric production projects in operation and an increase in energy services revenue.
Operations and maintenance expenses	0.06	Reflects primarily lower engineering, procurement and construction costs.
Depreciation	(0.03)	
Net interest expense	(0.05)	
Other	(0.55)	Includes \$0.28 a share of after-tax gain recognized with respect to jointly-owned renewable electric production projects on completion of the acquisition of Sempra Solar Holdings, LLC. Also includes the effect of the TCJA of \$0.88 a share in December 2017.
<b>Total Clean Energy Businesses</b>	<b>\$ (0.62)</b>	
<b>Con Edison Transmission</b>		
<b>Total CET</b>	<b>\$ —</b>	Includes the effect of the TCJA of \$0.04 a share in December 2017. Reflects income from equity investments.
<b>Other</b>		
<b>Parent company and consolidation adjustments</b>	<b>\$ (0.15)</b>	Includes TCJA re-measurement of \$(0.14) a share, New York State capital tax of \$(0.03) a share and transaction costs related to acquisition of Sempra Solar Holdings, LLC of \$(0.02) a share. Also includes the effect of the TCJA of \$(0.07) a share in December 2017.
<b>Reported EPS (GAAP)</b>	<b>\$ (0.54)</b>	
Income tax effect of the TCJA	0.99	
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs	(0.26)	
Net mark-to-market effects of the Clean Energy Businesses	0.02	
<b>Adjusted EPS (non-GAAP)</b>	<b>\$ 0.21</b>	
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.	

## 2018 vs. 2017 EPS Reconciliation by Company

### Year Ended December 31, 2018

	CECONY	O&R	CEBs	CET	Other <sup>(c)</sup>	Total
Reported EPS – GAAP basis	\$3.84	\$0.19	\$0.46	\$0.15	\$(0.21)	\$4.43
<b>Income tax effect of the TCJA</b>	—	—	—	—	<b>0.14</b>	<b>0.14</b>
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (pre-tax) (a)	—	—	(0.39)	—	0.03	(0.36)
Income taxes (b)	—	—	0.11	—	(0.01)	0.10
<b>Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (net of tax)</b>	—	—	<b>(0.28)</b>	—	<b>0.02</b>	<b>(0.26)</b>
Net mark-to-market losses (pre-tax)	—	—	0.03	—	—	0.03
Income taxes (b)	—	—	(0.01)	—	—	(0.01)
<b>Net mark-to-market losses (net of tax)</b>	—	—	<b>0.02</b>	—	—	<b>0.02</b>
<b>Adjusted EPS – Non-GAAP basis</b>	<b>\$3.84</b>	<b>\$0.19</b>	<b>\$0.20</b>	<b>\$0.15</b>	<b>\$(0.05)</b>	<b>\$4.33</b>

### Year Ended December 31, 2017

	CECONY	O&R	CEBs	CET	Other <sup>(c)</sup>	Total
Reported EPS – GAAP basis	\$3.59	\$0.21	\$1.08	\$0.15	\$(0.06)	\$4.97
<b>TCJA re-measurement</b>	—	—	<b>(0.88)</b>	<b>(0.04)</b>	<b>0.07</b>	<b>(0.85)</b>
<b>Adjusted EPS – Non-GAAP basis</b>	<b>\$3.59</b>	<b>\$0.21</b>	<b>\$0.20</b>	<b>\$0.11</b>	<b>\$0.01</b>	<b>\$4.12</b>

- a. Gain recognized with respect to jointly owned renewable electric production projects on completion of the acquisition.  
b. The amount of income taxes was calculated using a 28% combined federal and state income tax rate for the year ended December 31, 2018 and a 40% combined federal and state income tax rate for the year ended December 31, 2017.  
c. Includes parent company and consolidation adjustments.

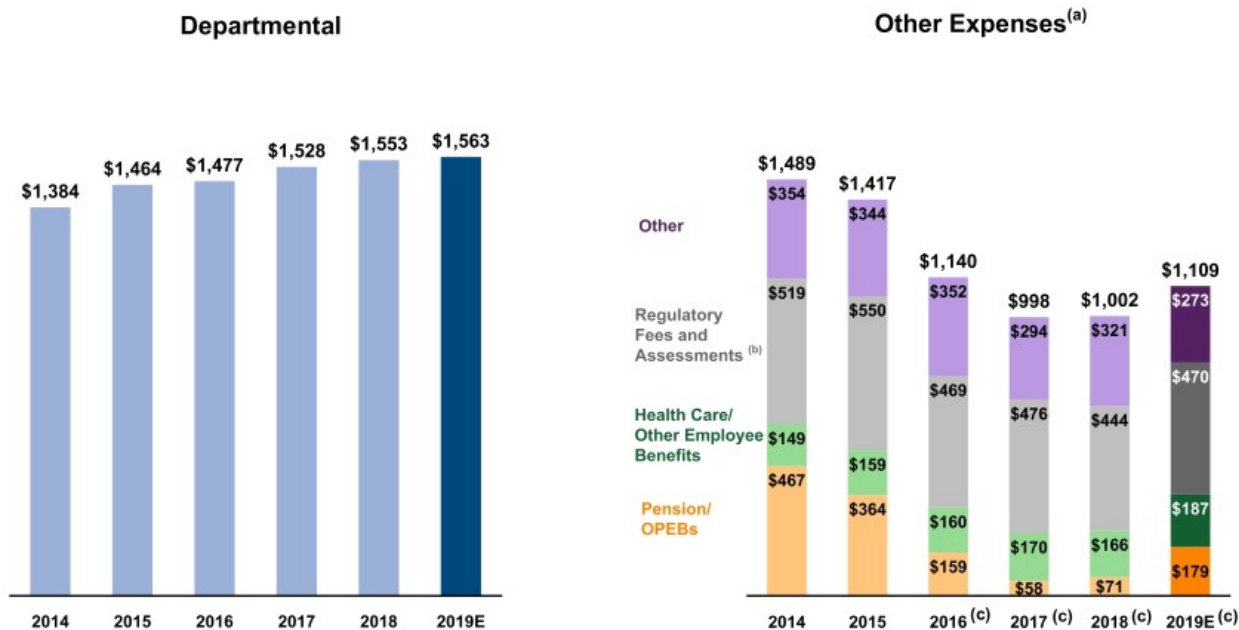
# Five-Year Reconciliation of Reported EPS (GAAP) to Adjusted EPS (Non-GAAP)

12 Months Ending December 31,

	2014	2015	2016	2017	2018
<b>Reported EPS – GAAP basis</b>	<b>\$3.73</b>	<b>\$4.07</b>	<b>\$4.15</b>	<b>\$4.97</b>	<b>\$4.43</b>
<b>Income tax effect of the TCJA</b>	—	—	—	(0.85)	0.14
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (pre-tax) (a)	—	—	—	—	(0.36)
Income taxes (b)	—	—	—	—	0.10
<b>Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (net of tax)</b>	—	—	—	—	<b>(0.26)</b>
Gain on sale of the CEBs' retail electric supply business (pre-tax)	—	—	(0.32)	—	—
Income taxes (b)	—	—	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 service business (pre-tax)	—	—	0.07	—	—
Income taxes (b)	—	—	(0.03)	—	—
<b>Goodwill impairment related to the CEBs' energy service business (net of tax)</b>	—	—	<b>0.04</b>	—	—
Impairment of assets held for sale (pre-tax)	—	0.02	—	—	—
Income taxes (b)	—	(0.01)	—	—	—
<b>Impairment of assets held for sale (net of tax)</b>	—	<b>0.01</b>	—	—	—
Gain on sale of the CEBs' solar electric production projects (pre-tax)	(0.15)	—	—	—	—
Income taxes (b)	0.06	—	—	—	—
<b>Gain on sale of the CEBs' solar electric production projects (net of tax)</b>	<b>(0.09)</b>	—	—	—	—
Net mark-to-market effects of the CEBs (pre-tax)	0.42	—	(0.02)	—	0.03
Income taxes (b)	(0.17)	—	0.01	—	(0.01)
<b>Net mark-to-market effects of the CEBs (net of tax)</b>	<b>0.25</b>	—	<b>(0.01)</b>	—	<b>0.02</b>
<b>Adjusted EPS – Non-GAAP basis</b>	<b>\$3.89</b>	<b>\$4.08</b>	<b>\$3.99</b>	<b>\$4.12</b>	<b>\$4.33</b>

- a. Gain recognized with respect to jointly owned renewable electric production projects on completion of the acquisition.  
b. The amount of income taxes was calculated using a 28% combined federal and state income tax rate for the year ended 2018 and a 40% combined federal and state income tax rate for the years ended 2014 to 2017.

# CECONY Operations and Maintenance Expenses (\$ in millions)



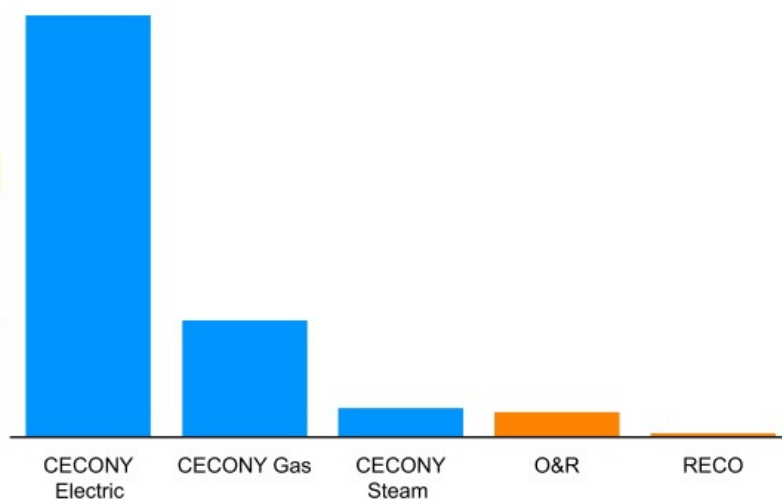
- a. Other Expenses generally are either reconciled through amounts reflected in rates, or represent surcharges that are recovered in revenues from customers.
- b. Includes Demand Side Management, System Benefit Charges and Public Service Law 18A assessments which are collected in revenues.
- c. Excludes non-service components of Pension/OPEBs pursuant to Accounting Standards Update 2017-07. See page 136 of the 2018 Form 10-K.

## Composition of Regulatory Rate Base<sup>(a)</sup> (as of December 31, 2018)

CECONY		(\$ in millions)
Electric	NY	\$20,057
Gas	NY	5,581
Steam	NY	1,419
<b>Total CECONY</b>		<b>\$27,057</b>

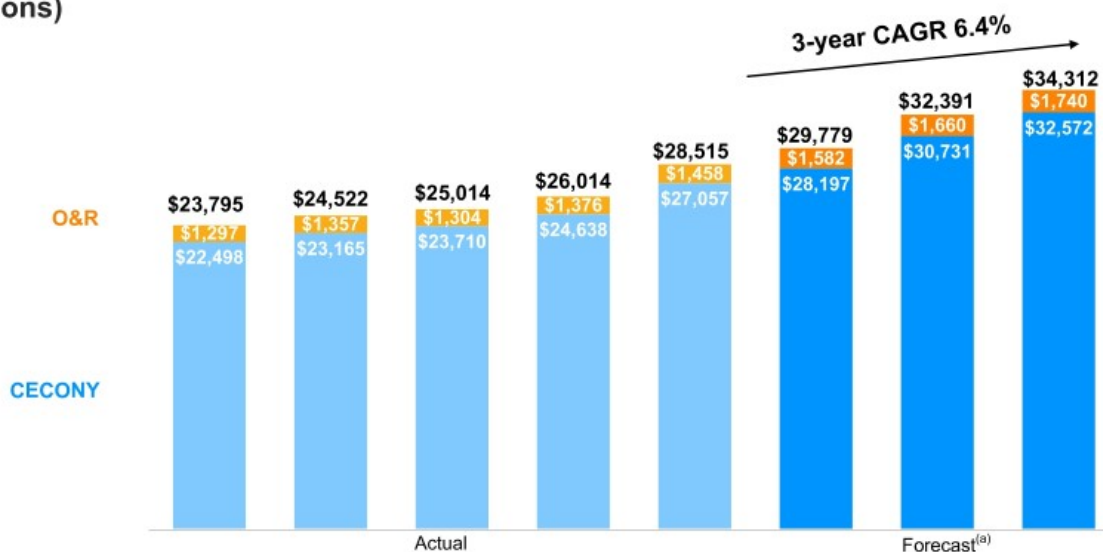
O&R		(\$ in millions)
O&R Electric	NY	\$806
O&R Gas	NY	426
RECO	NJ	226
<b>Total O&amp;R</b>		<b>\$1,458</b>

**Total Rate Base**                    **\$28,515**



a. Average rate base for 12 months ended December 31, 2018.

## Average Rate Base Balances (\$ in millions)



		Actual				Forecast <sup>(a)</sup>			
		2014	2015	2016	2017	2018	2019E	2020E	2021E
CECONY	Electric	\$ 17,403	\$ 17,599	\$ 17,971	\$ 18,513	\$ 20,057	\$ 20,546	\$ 22,365	\$ 23,478
	Gas	3,593	4,023	4,267	4,723	5,581	6,239	6,954	7,682
	Steam	1,502	1,543	1,472	1,402	1,419	1,412	1,412	1,412
O&R	Electric	726	769	731	759	806	878	906	948
	Gas	372	386	362	392	426	454	476	498
RECO	Electric	199	202	211	225	226	250	278	294

a. Reflects changes to rate base resulting from the enactment of the TCJA that will affect the utilities' net income when these changes are reflected in the utilities' next rate plans (assumed to be 2020 for CECONY; 2019 for O&R and RECO). The forecast for 2020 and 2021 reflects estimated increases in average rate base due to decreased deferred taxes resulting from the end of bonus depreciation for utilities and no changes in rate base from amortization of \$3,754 million regulatory liability for future income tax relating to excess deferred income taxes or any regulatory liability for the revenue requirement impact of the reduced tax rate.

## Regulated Utility Rates of Return and Equity Ratio (12 Months ended December 31, 2018)

	Regulated Basis	
	Allowed	Actual
<b>CECONY</b>		
Electric	9.0%	9.4%
Gas	9.0	9.0
Steam	9.3	11.6
Overall – CECONY	9.0 <sup>(a)</sup>	9.5
<b>CECONY Equity Ratio</b>	<b>48.0%</b>	<b>47.2%</b>
<b>O&amp;R</b>		
Electric	9.0%	7.6%
Gas	9.0	7.9
RECO	9.6	7.4
Overall – O&R	9.1 <sup>(a)</sup>	7.7
<b>O&amp;R Equity Ratio</b>	<b>48.0%</b>	<b>48.85%</b>

a. Weighted by rate base.

# Earnings Adjustment Mechanisms and Positive Incentives

## Earnings Adjustment Mechanisms



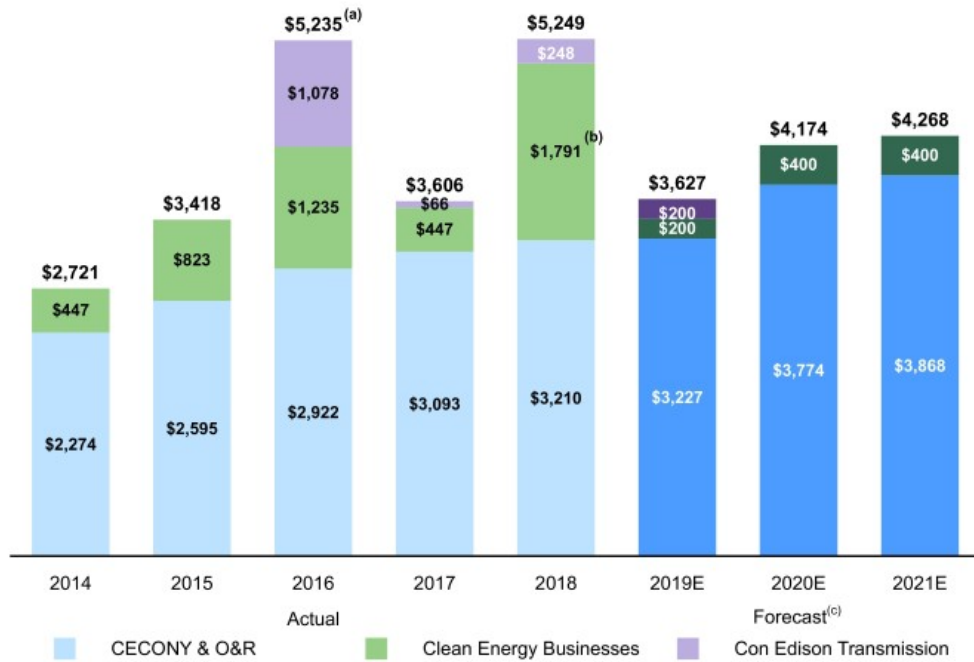
## Positive Incentives<sup>(a) (b)</sup>



- 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.
- 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 earnings adjustments of \$5 million and \$4 million that CECONY recorded in 2017 and 2018, respectively.
- CECONY's current electric and gas rate plans will expire as of December 31, 2019.

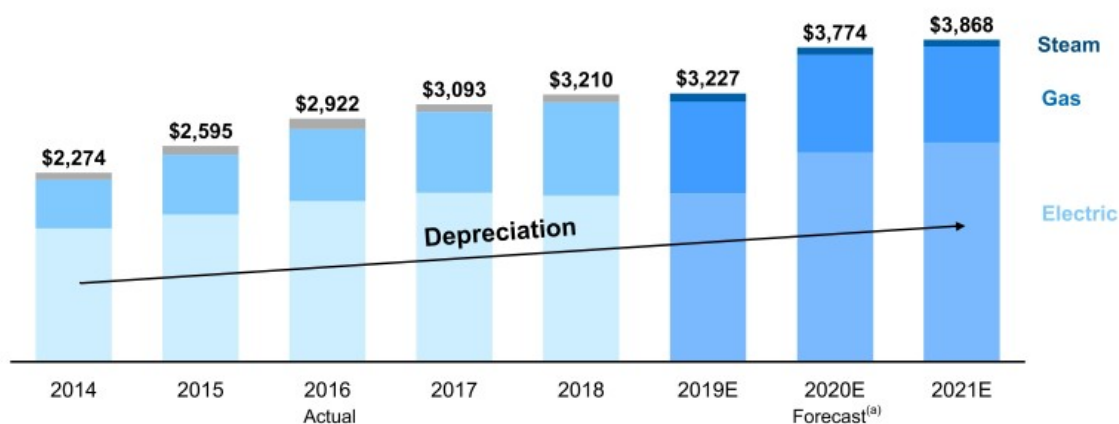


# Capital Expenditures (\$ in millions)



- a. 2016 includes Stagecoach JV investment of \$974 million.
- b. 2018 includes Con Edison Development subsidiary's purchase of Sempra Solar Holdings, LLC.
- c. 2018 Form 10-K, page 33.

## Utility 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	1,871	1,049	96	1,380	155	56	84
2020E	2,347	1,113	89	1,500	169	56	89
2021E	2,489	1,100	82	1,604	145	52	91

a. 2018 Form 10-K, page 33.

# 2018 Financing Activity

## Equity Financing Activity

- In November 2018, Con Edison priced 14,973,492 of its common shares at \$77.00 per share under equity forward sale agreements<sup>(a)</sup>
- In December 2018, upon the closing of the Sempra Solar Holdings, LLC acquisition, Con Edison issued 9,324,123 common shares for \$705 million pursuant to the equity forward sale agreements.

## Debt Financing Activity

- In May, CECONY issued \$300 million of 3.80% debentures due 2028 and \$700 million of 4.50% debentures due 2058
- In June, CECONY issued \$640 million of floating rate debentures due 2021, and redeemed \$636 million of auction rate tax-exempt debt (Series 1999A, 2001A, 2004A and 2004B) in July and August
- In August, O&R issued \$125 million and in December issued \$25 million of 4.35% debentures due 2048
- In September, CED Wind Holdings, a subsidiary of CED, issued \$140 million of 4.41% senior secured notes due 2028
- In November, CECONY issued \$500 million of 4.00% debentures due 2028 and \$600 million of \$4.65% debentures due 2048
- In December, upon the closing of the Sempra Solar Holdings, LLC acquisition, CEI borrowed \$825 million under a variable rate term loan (which was repaid in February 2019 with the proceeds of a two-year term loan)

## Debt Maturities in 2018:

- CECONY \$600 million matured in April, 5.85%
- O&R \$50 million matured in September, 6.15%
- CECONY \$600 million matured in December, 7.125%
- Amortizing debt principal payments

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

## 2019 Financing Plan and Activity

- Capital expenditures of \$3,627 million (CECONY: \$3,016 million, O&R: \$211 million, the CEBs: \$200 million, CET: \$200 million)
- Issue between \$1.6 billion and \$2.2 billion of long-term debt, mostly at the utilities
- Issue additional debt secured by the CEBs' renewable electric production projects
- Issue up to \$500 million of common equity in addition to equity issued through dividend reinvestment, employee stock purchase and long-term incentive plans
- Settle the estimated \$425 million remaining portion of the November 2018 equity forward transaction

### Financing Activity to Date

- In February 2019, Con Edison borrowed \$825 million pursuant to a two-year, variable-rate term loan, and used the proceeds to repay an \$825 million variable-rate term loan.

### Debt Maturities

(\$ in millions)	2019	2020	2021	2022	2023
Con Edison, Inc. [parent company]	\$3	\$403	\$503	\$293	\$—
CECONY	475	350	640	—	—
O&R	62	—	—	—	—
CEBs	110	113	117	120	293
<b>Total</b>	<b>\$650</b>	<b>\$866</b>	<b>\$1,260</b>	<b>\$413</b>	<b>\$293</b>

## Capital Structure – December 31, 2018

(\$ in millions)

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

Debt	18,145	52%
Equity	16,839	48
<b>Total</b>	<b>\$ 34,984</b>	<b>100%</b>

### CECONY A3 / A- / A-

Debt	\$ 14,151	52%
Equity	12,910	48
<b>Total</b>	<b>\$ 27,061</b>	<b>100%</b>

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

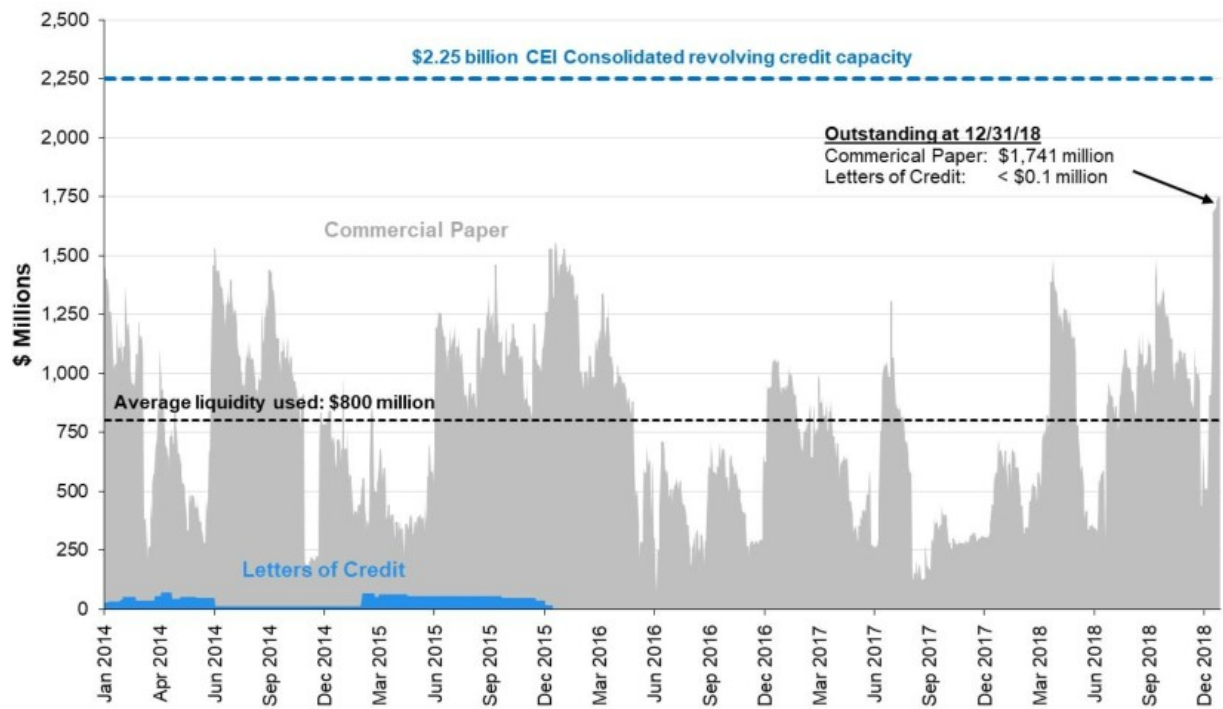
Debt	\$ 756	51%
Equity	712	49
<b>Total</b>	<b>\$ 1,468</b>	<b>100%</b>

### Parent and Other

Debt	\$3,238	50%
Equity	3,217	50
<b>Total</b>	<b>\$ 6,455</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)



## Utility Sales and Revenues – Fourth Quarter and Full Year

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 months and year ended December 31, 2018 (expressed as a percentage of 2017 amounts):

	Fourth Quarter Variation 2018 vs. 2017		Full Year Variation 2018 vs. 2017	
	Actual	Adjusted	Actual	Adjusted
<b>CECONY</b>				
Electric	(0.8)	(0.6)	2.7	—
Firm – Gas	17.1	4.0	13.2	5.1
Steam	13.0	1.8	12.1	0.6
<b>O&amp;R</b>				
Electric	(1.1)	(1.6)	3.8	0.3
Firm – Gas	4.7	4.9	8.1	2.4

## Utility Sales and Revenues – Electric Fourth Quarter

(\$ in millions)

<u>Electric – 4th Quarter</u>	<u>Millions of Kilowatt-hours</u>		<u>Revenues in Millions</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Con Edison of New York</b>				
Residential and Religious	2,423	2,348	\$635	\$590
Commercial and Industrial	2,244	2,280	417	429
Retail choice customers	6,270	6,389	595	621
Public Authorities	16	12	3	2
NYP&A, Municipal Agency and other sales	2,422	2,452	150	148
<b>Total Sales</b>	<b>13,375</b>	<b>13,481</b>	<b>\$1,800</b>	<b>\$1,790</b>
<b>Orange and Rockland</b>				
Residential and Religious	365	359	\$67	\$69
Commercial and Industrial	190	189	24	25
Retail choice customers	700	721	43	46
Public Authorities	27	26	2	2
<b>Total Sales</b>	<b>1,282</b>	<b>1,295</b>	<b>\$136</b>	<b>\$142</b>
<b>Regulated Utility Sales &amp; Revenues</b>				
Residential and Religious	2,788	2,707	\$702	\$659
Commercial and Industrial	2,434	2,469	441	454
Retail choice customers	6,970	7,110	638	667
Public Authorities	43	38	5	4
NYP&A, Municipal Agency and other sales	2,422	2,452	150	148
<b>Total Sales</b>	<b>14,657</b>	<b>14,776</b>	<b>\$1,936</b>	<b>\$1,932</b>



## Utility Sales and Revenues – Electric Full Year (\$ in millions)

<u>Electric – Full Year</u>	<u>Millions of Kilowatt-hours</u>		<u>Revenues in Millions</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Con Edison of New York</b>				
Residential and Religious	10,797	9,924	\$2,846	\$2,515
Commercial and Industrial	9,588	9,246	1,850	1,823
Retail choice customers	26,266	26,136	2,624	2,712
Public Authorities	66	56	12	11
NYP&A, Municipal Agency and other sales	10,120	9,956	650	622
<b>Total Sales</b>	<b>56,837</b>	<b>55,318</b>	<b>\$7,982</b>	<b>\$7,683</b>
<b>Orange and Rockland</b>				
Residential and Religious	1,713	1,567	\$327	\$311
Commercial and Industrial	799	763	115	113
Retail choice customers	2,974	2,976	201	201
Public Authorities	131	105	12	9
<b>Total Sales</b>	<b>5,617</b>	<b>5,411</b>	<b>\$655</b>	<b>\$634</b>
<b>Regulated Utility Sales &amp; Revenues</b>				
Residential and Religious	12,510	11,491	\$3,173	\$2,826
Commercial and Industrial	10,387	10,009	1,965	1,936
Retail choice customers	29,240	29,112	2,825	2,913
Public Authorities	197	161	24	20
NYP&A, Municipal Agency and other sales	10,120	9,956	650	622
<b>Total Sales</b>	<b>62,454</b>	<b>60,729</b>	<b>\$8,637</b>	<b>\$8,317</b>

## Utility Sales and Revenues – Gas Fourth Quarter

(\$ in millions)

Gas – 4th Quarter	Thousands of Dekatherms		Revenues in Millions	
	2018	2017	2018	2017
<b>Con Edison of New York</b>				
Residential	14,259	12,356	\$238	\$189
General	8,421	7,408	92	79
Firm Transportation	20,846	17,401	143	134
<b>Total Firm Sales and Transportation</b>	<b>43,526</b>	<b>37,165</b>	<b>473</b>	<b>402</b>
Interruptible Sales	2,394	1,027	10	5
Transportation of Customer Owned Gas	28,549	24,172	15	14
<b>Total Sales</b>	<b>74,469</b>	<b>62,364</b>	<b>\$498</b>	<b>\$421</b>
Off-system Sales	—	8	—	—
<b>Orange and Rockland</b>				
Residential	3,357	2,739	\$44	\$36
General	688	737	8	8
Firm Transportation	3,083	3,330	21	24
<b>Total Firm Sales and Transportation</b>	<b>7,128</b>	<b>6,806</b>	<b>73</b>	<b>68</b>
Interruptible Sales	904	805	1	2
Transportation of Customer Owned Gas	323	309	—	—
<b>Total Sales</b>	<b>8,355</b>	<b>7,920</b>	<b>\$74</b>	<b>\$70</b>
Off-system Sales	1	1	—	—
<b>Regulated Utility Sales &amp; Revenues</b>				
Residential	17,616	15,095	\$282	\$225
General	9,109	8,145	100	87
Firm Transportation	23,929	20,731	164	158
<b>Total Firm Sales and Transportation</b>	<b>50,654</b>	<b>43,971</b>	<b>546</b>	<b>470</b>
Interruptible Sales	3,298	1,832	11	7
Transportation of Customer Owned Gas	28,872	24,481	15	14
<b>Total Sales</b>	<b>82,824</b>	<b>70,284</b>	<b>\$572</b>	<b>\$491</b>
Off-system Sales	1	9	—	—

## Utility Sales and Revenues – Gas Full Year (\$ in millions)

Gas – Full Year	Thousands of Dekatherms		Revenues in Millions	
	2018	2017	2018	2017
<b>Con Edison of New York</b>				
Residential	57,815	52,244	\$966	\$802
General	34,490	30,761	390	334
Firm Transportation	82,472	71,353	595	524
<b>Total Firm Sales and Transportation</b>	<b>174,777</b>	<b>154,358</b>	<b>1,951</b>	<b>1,660</b>
Interruptible Sales	7,351	7,553	40	35
Transportation of Customer Owned Gas	127,425	120,150	59	58
<b>Total Sales</b>	<b>309,553</b>	<b>282,061</b>	<b>\$2,050</b>	<b>\$1,753</b>
Off-system Sales	195	55	1	—
<b>Orange and Rockland</b>				
Residential	9,860	8,296	\$140	\$115
General	2,190	2,184	26	24
Firm Transportation	9,950	9,873	78	74
<b>Total Firm Sales and Transportation</b>	<b>22,000</b>	<b>20,353</b>	<b>244</b>	<b>213</b>
Interruptible Sales	3,746	3,771	6	7
Transportation of Customer Owned Gas	960	905	1	1
<b>Total Sales</b>	<b>26,706</b>	<b>25,029</b>	<b>\$251</b>	<b>\$221</b>
Off-system Sales	15	6	—	—
<b>Regulated Utility Sales &amp; Revenues</b>				
Residential	67,675	60,540	\$1,106	\$917
General	36,680	32,945	416	358
Firm Transportation	92,422	81,226	673	598
<b>Total Firm Sales and Transportation</b>	<b>196,777</b>	<b>174,711</b>	<b>2,195</b>	<b>1,873</b>
Interruptible Sales	11,097	11,324	46	42
Transportation of Customer Owned Gas	128,385	121,055	60	59
<b>Total Sales</b>	<b>336,259</b>	<b>307,090</b>	<b>\$2,301</b>	<b>\$1,974</b>
Off-system Sales	210	61	1	—

## Utility Sales and Revenues – Steam Fourth Quarter and Full Year (\$ in millions)

<b>Steam – 4th Quarter</b>				
	<b>Millions of Pounds</b>		<b>Revenues in Millions</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Con Edison of New York</b>				
General	151	126	\$7	\$6
Apartment House	1,688	1,505	45	39
Annual Power	3,498	3,093	108	93
<b>Total Sales</b>	<b>5,337</b>	<b>4,724</b>	<b>\$160</b>	<b>\$138</b>
<b>Steam – Full Year</b>				
	<b>Millions of Pounds</b>		<b>Revenues in Millions</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Con Edison of New York</b>				
General	593	490	\$30	\$26
Apartment House	6,358	5,754	174	158
Annual Power	14,811	13,166	441	392
<b>Total Sales</b>	<b>21,762</b>	<b>19,410</b>	<b>\$645</b>	<b>\$576</b>

## Income Statement - 2018 Fourth Quarter

(\$ in millions)

	CECONY	O&R	CEBs	CET	Other <sup>(a)</sup>	Total
Total operating revenues	\$2,558	\$201	\$190	\$1	\$(1)	\$2,949
Depreciation and amortization	327	20	30	—	—	377
Other operating expenses	1,727	158	156	3	2	2,046
Total operating expenses	2,054	178	186	3	2	2,423
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs	—	—	131	—	—	131
Operating income	504	23	135	(2)	(3)	657
Other income (deductions)	(45)	(5)	(2)	24	(5)	(33)
Interest expense	180	10	24	5	3	222
Income before income tax expense	279	8	109	17	(11)	402
Income tax expense	52	1	22	5	(9)	71
Net income	\$227	\$7	\$87	\$12	\$(2)	\$331

a. Includes parent company and consolidation adjustments.

Con Edison's consolidated financial statements and the notes thereto are in Item 8 of the 2018 Form 10-K.

## Income Statement - 2018 Full Year (\$ in millions)

	CECONY	O&R	CEBs	CET	Other <sup>(a)</sup>	Total
Total operating revenues	\$10,680	\$891	\$763	\$4	(\$1)	\$12,337
Depreciation and amortization	1,276	77	85	1	(1)	1,438
Other operating expenses	7,050	682	615	10	9	8,366
Total operating expenses	8,326	759	700	11	8	9,804
Gain on acquisition of Sempra Solar Holdings, LLC	—	—	131	—	—	131
Operating income	2,354	132	194	(7)	(9)	2,664
Other income (deductions)	(143)	(19)	33	91	(24)	(62)
Interest expense	689	39	63	20	8	819
Income before income tax expense	1,522	74	164	64	(41)	1,783
Income tax expense	326	15	19	17	24	401
Net income	\$1,196	\$59	\$145	\$47	\$(65)	\$1,382

a. Includes parent company and consolidation adjustments.

Con Edison's consolidated financial statements and the notes thereto are in Item 8 of the 2018 Form 10-K.

## Balance Sheet - As of December 31, 2018

(\$ in millions)

	CECONY	O&R	CEBs	CET	Other <sup>(a)</sup>	Total
<b>ASSETS</b>						
Current assets	\$3,357	\$263	\$(63)	\$32	\$275	\$3,864
Investments	385	25	—	1,362	(6)	1,766
Net plant	35,374	2,210	4,148	17	—	41,749
Other noncurrent assets	3,992	394	1,736	14	405	6,541
<b>Total assets</b>	<b>\$43,108</b>	<b>\$2,892</b>	<b>\$5,821</b>	<b>\$1,425</b>	<b>\$674</b>	<b>\$53,920</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
Current liabilities	\$4,200	\$392	\$1,173	\$5	\$437	\$6,207
Noncurrent liabilities	12,322	1,094	(32)	66	(71)	13,379
Long-term debt	13,676	694	2,330	500	295	17,495
Equity	12,910	712	2,350	854	13	16,839
<b>Total liabilities and equity</b>	<b>\$43,108</b>	<b>\$2,892</b>	<b>\$5,821</b>	<b>\$1,425</b>	<b>\$674</b>	<b>\$53,920</b>

a. Includes parent company and consolidation adjustments.

Con Edison's consolidated financial statements and the notes thereto are in Item 8 of the 2018 Form 10-K.

## Statement of Cash Flows - Year Ended December 31, 2018

(\$ in millions)

	CECONY	O&R	CEBs	CET	Other <sup>(a)</sup>	Total
Net cash flows from/(used in) operating activities	\$2,204	\$172	\$220	\$87	\$12	\$2,695
Net cash flows from/(used in) investing activities	(3,306)	(198)	(1,740)	(227)	—	(5,471)
Net cash flows from/(used in) financing activities	1,190	31	1,590	140	(13)	2,938
Net change for the period	88	5	70	—	(1)	162
Balance at beginning of period	730	47	56	2	9	844
Balance at end of period (b)	\$818	\$52	\$126	\$2	\$8	\$1,006

a. Includes parent company and consolidation adjustments.

b. See "Reconciliation of Cash, Temporary Cash Investments and Restricted Cash" in Note A in Item 8 of the 2018 Form 10-K.

Con Edison's consolidated financial statements and the notes thereto are in Item 8 of the 2018 Form 10-K.



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