Consolidated Edison, Inc.

2018 American Gas Association Financial Forum

May 20-21, 2018



conEdison

Available Information

On May 3, 2018, Consolidated Edison, Inc. issued a press release reporting its first quarter 2018 earnings and filed with the Securities and Exchange Commission the company's first quarter 2018 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 (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 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.

Non-GAAP Financial Measure

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

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Con Edison: Poised for a Strong Future

- **One of the nation's largest investor-owned energy-delivery companies**
  - $12 billion in annual revenues
  - $49 billion asset base
- **Steady earnings, growing dividend**
  - 44 consecutive years of dividend growth
- **Attractive capex opportunities**
  - $11.1 billion three-year infrastructure investment plan
- **Strong balance sheet and liquidity profile**
  - 49% equity ratio and over $1 billion of liquidity
- **Safety, sustainability and service**
  - Focused on serving our customers and community while reducing carbon footprint, promoting workplace safety and optimizing costs.

Organizational Structure

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Market Cap[(a)]:	**$24.0 billion**
Ratings[(b)]:	A3 / BBB+ / BBB+
Outlook[(b)]:	Negative / Stable / Stable

- **Utilities**
  - Consolidated Edison Company of New York, Inc. (CECONY)
  - Orange and Rockland Utilities, Inc. (O&R)
    - Rockland Electric Company (RECO)
- **Transmission**
  - Con Edison Transmission, Inc. (Con Edison Transmission or CET)
    - Con Edison Gas Pipeline and Storage, LLC (CET Gas)
      - Mountain Valley Pipeline, LLC — 12.5%
      - Stagecoach Gas Services, LLC — 50%
    - Consolidated Edison Transmission, LLC (CET Electric)
      - New York Transco LLC — 45.7%
- **Clean Energy**
  - Con Edison Clean Energy Businesses, Inc. (Clean Energy Businesses or CEBs)
    - Consolidated Edison Development, Inc. (Con Edison Development or CED)
    - Consolidated Edison Energy, Inc. (Con Edison Energy or CEE)
    - Consolidated Edison Solutions, Inc. (Con Edison Solution or CES)

a. As of 3/31/18.
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

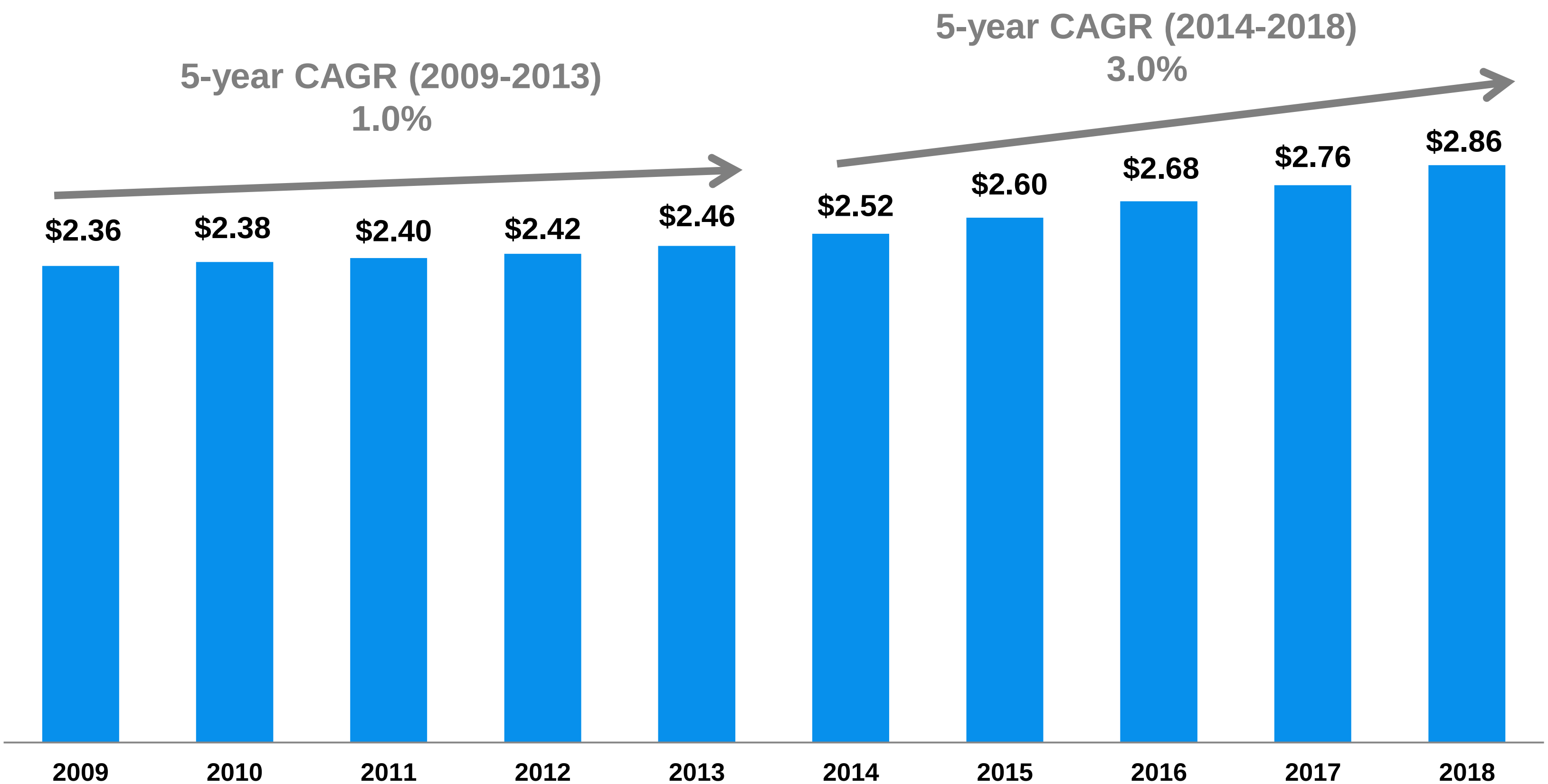
Provide steady, predictable earnings

Maintain balance sheet stability

Pay attractive, growing dividends

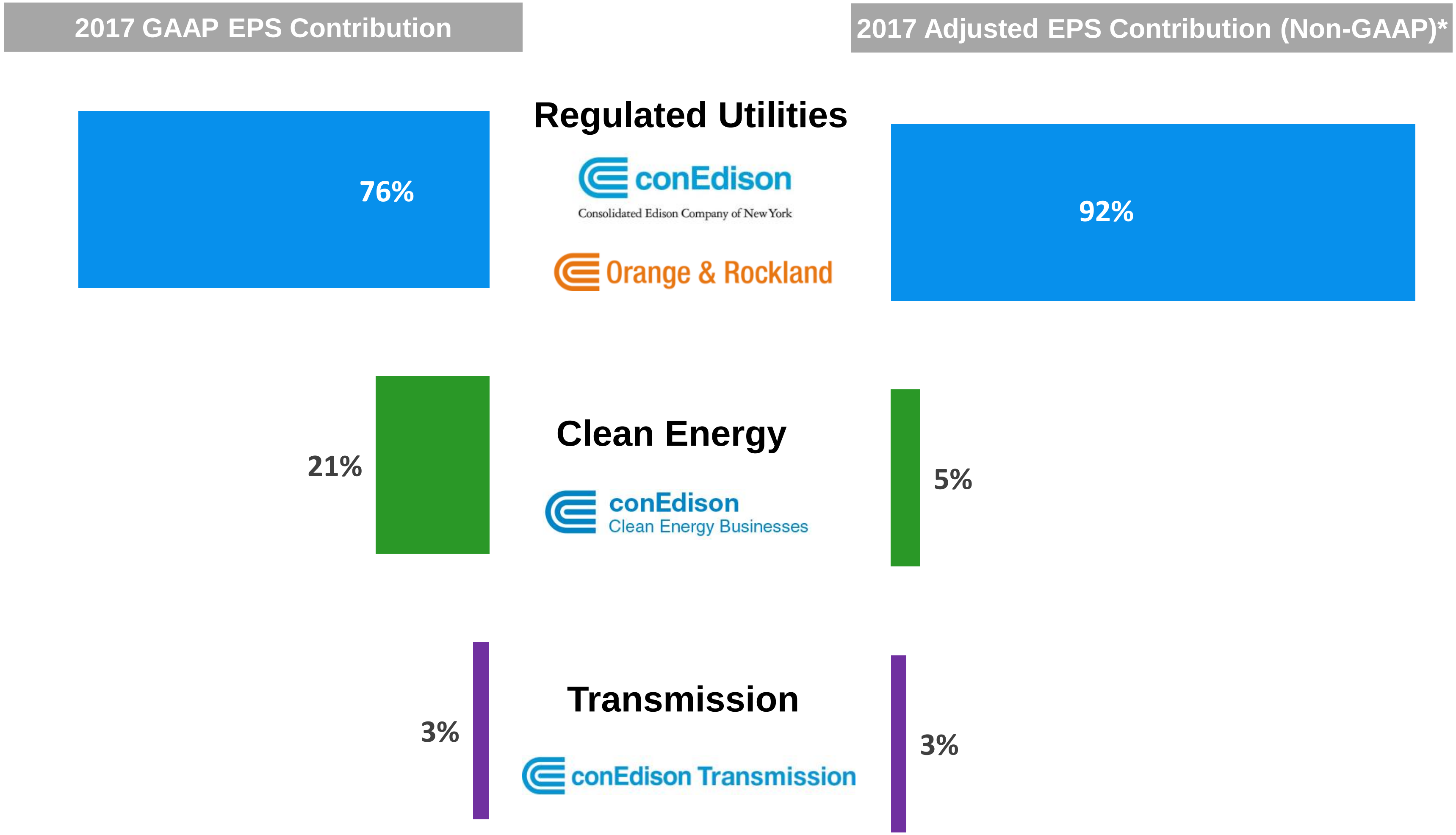
Dividend Growth for Shareholders

- 44 consecutive years of dividend increases
- Accelerated growth over past five years
- Target dividend payout range: 60 – 70% of adjusted earnings



*In January 2018, the Board declared a quarterly dividend of 71.5 cents a share on its common stock -- an annualized increase of 10 cents over the previous annualized dividend of $2.76 a share

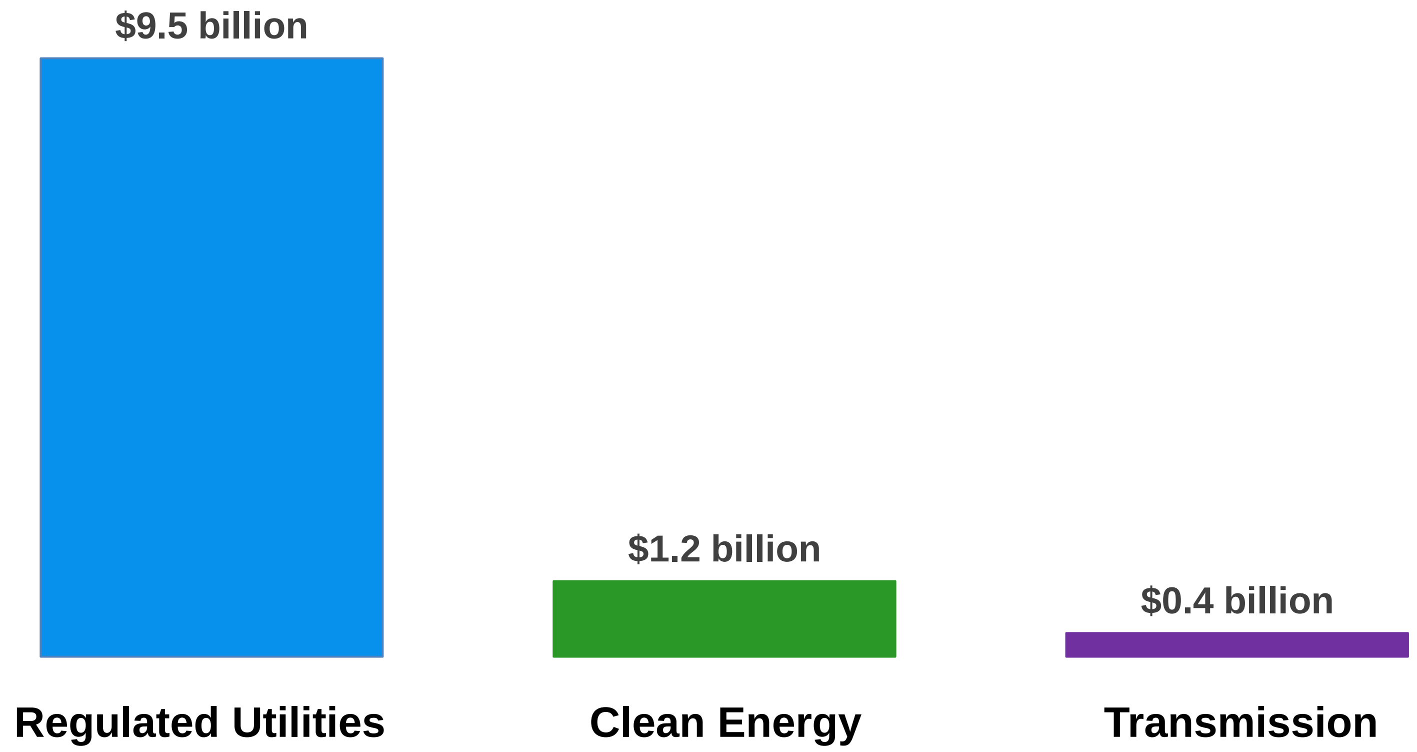
Complementary Business Mix with Utilities



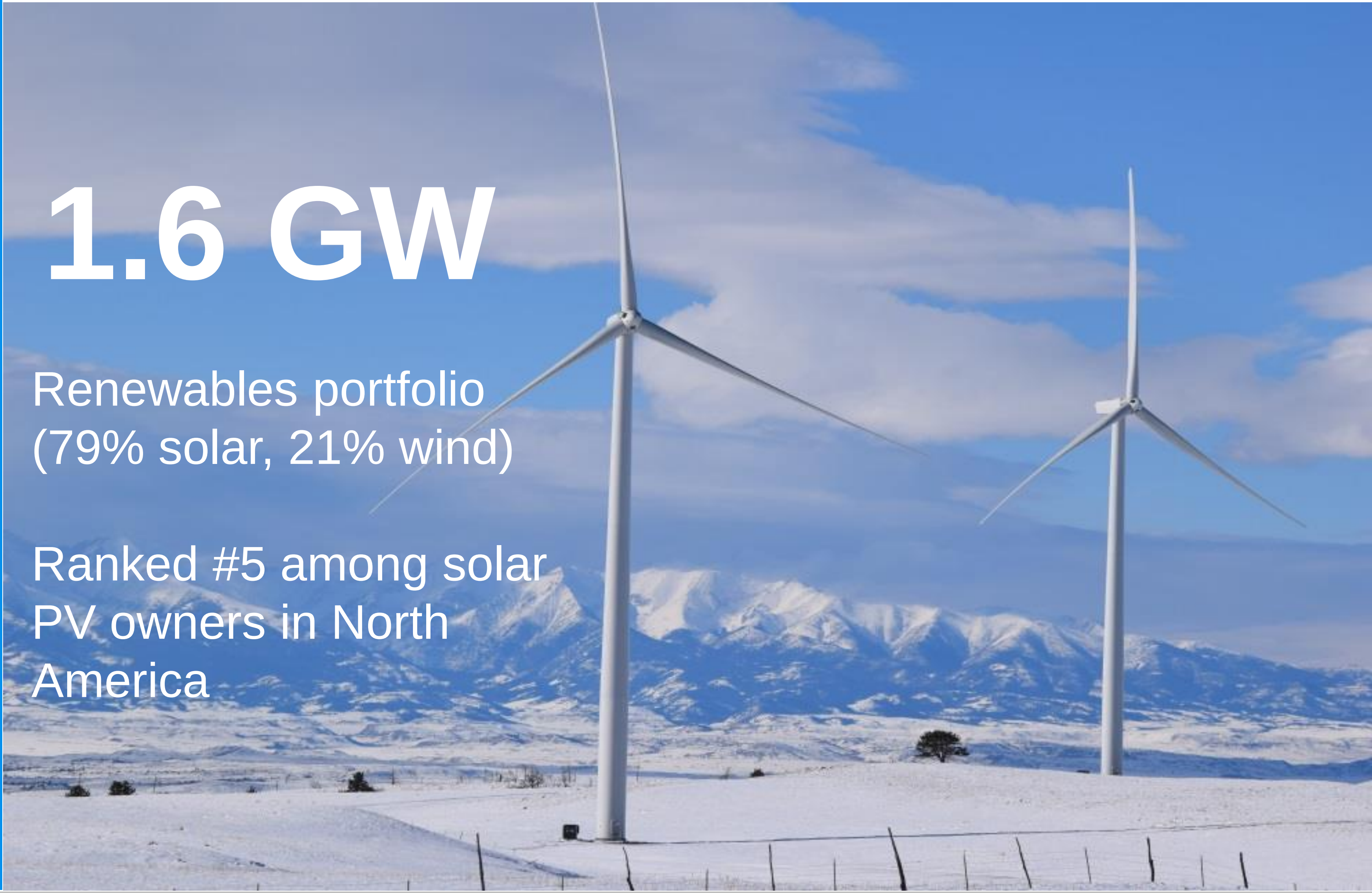
*Represents Adjusted Earnings per Share. Please see Appendix for reconciliation to GAAP.

Opportunities for Growth Across Our Businesses

2018 – 2020 Forecasted Capital Investment



Clean Energy Businesses



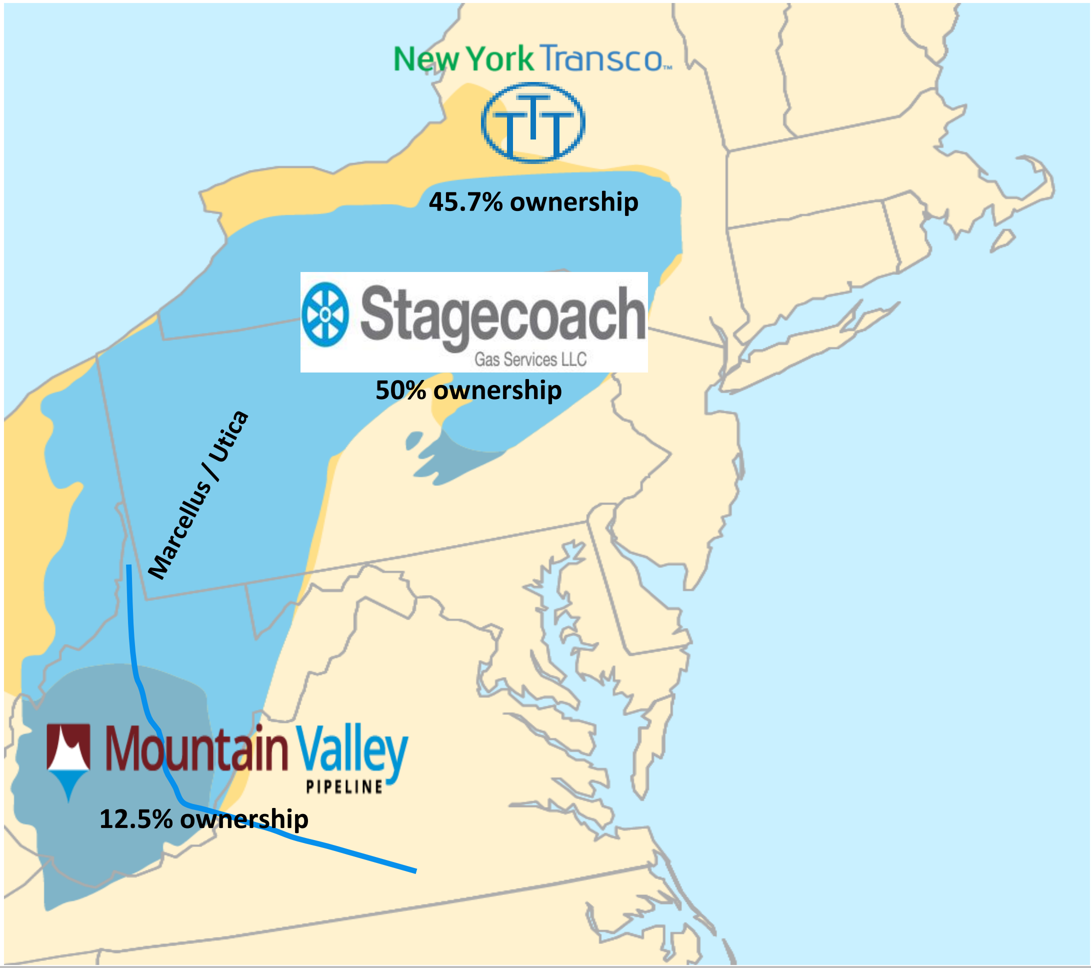
1.6 GW

Renewables portfolio (79% solar, 21% wind)

Ranked #5 among solar PV owners in North America

Con Edison Transmission: Regional Transmission Opportunities Include Gas and Electric

Executing on existing projects and pursuing additional strategic growth opportunities across the region



Stagecoach

- 2.9 Bcf/day of delivery capacity
- 41 Bcf of storage capacity

Mountain Valley Pipeline

- Final FERC certificate issued in October 2017
- Preliminary work has begun
- 4Q 2018 expected in-service date
- 70-mile Southgate project proposed (CET has 6.375% interest)

Regulatory Framework in NY Supports Energy Efficiency and Distributed Resources

- **Reduced regulatory lag**
  - Forward-looking test years
  - Timely recovery of most fuel and commodity costs
  - Revenue decoupling mechanism in NY (electric and gas)
  - Adjustment mechanisms for several major uncontrollable expenses (e.g. pension)
- **Ability to capture value in evolving industry** for customer & shareholder benefit
  - Majority of investment is replacement and upgrade of existing assets
  - Smart meter installation underway
  - Accelerated gas main replacement
  - Growth from natural-gas conversions
- **Reforming the Energy Vision** (REV) proceeding is at the **forefront of the evolving industry**

Reforming the Energy Vision (REV) Presents Opportunities as Industry Evolves

Track 1

Utilities play central role in integration of distributed energy resources into system while customers and third parties own customer-sited resources

Track 2

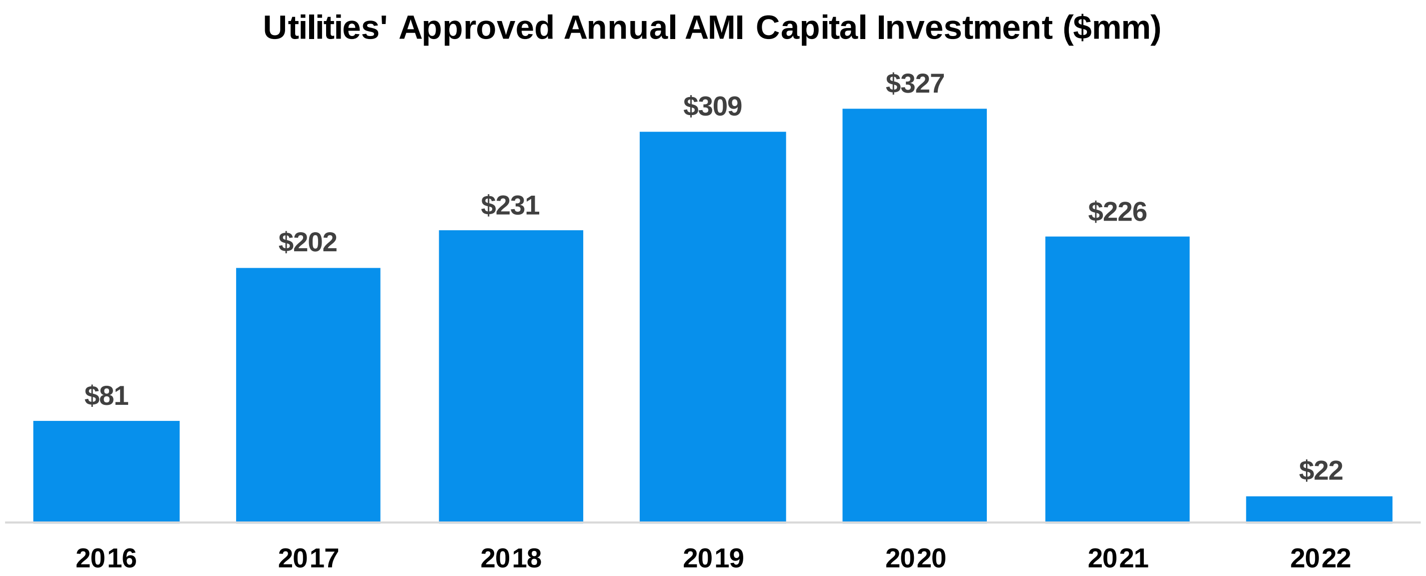
Incentives and new earnings opportunities added to ratemaking design

Track 3

State promoting zero-carbon and 50%-renewables-by-2030 energy goals

Smart Meter Initiative: Building an Advanced, Smarter Grid

- **5.4 million smart meters** to be installed by 2022
- **$1.4 billion investment**
- Expected to **improve operations** and **reduce expenses**
- **Empowers customers** to manage their bills and energy usage in new ways



Actual investment of $65 million and $165 million in 2016 and 2017, respectively.

Emphasis on Energy Efficiency and Demand Response

Technology is providing customers with new ways to reduce energy use

1.6 million

MWh of cumulative utility customer energy savings since 2009

Environmental Benefits of Steam

Steam cogeneration production has a significantly lower carbon footprint relative to comparative heating technologies

- On average, **60% of CECONY's steam** production is cogenerated
- The **carbon footprint of our steam system** per million BTUs is **significantly less than alternative technologies** such as CHP heating, on-site boilers, or electric heating
- Since 2014, CECONY has **avoided about one million tons of CO2 emissions annually** by utilizing cogenerated steam
- Emissions reduction is **equivalent to 204,000 passenger vehicles** being taken off the road

The World Trade Center is one of CECONY's largest steam customers.

Orange & Rockland’s Efforts to Curb Emissions

- In 2017, O&R replaced 24 miles of leak prone pipe; **on pace to eliminate all cast iron pipes in the O&R system by 2020**
- Over the course of the past 20 years, the O&R team has **replaced more than 370 miles of leak prone pipe**
- O&R spends **$25 million annually on gas main replacement**
- O&R **tracks workable and total gas leak backlogs daily** and is on target to meet the year-end goal of less than 40 per month on average

Additional information about the utilities' reduction of its methane emissions is accessible at:
http://investor.conedison.com/phoenix.zhtml?c=61493&p=irol-presentations

Marc Huestis, Senior Vice President, CECONY Gas

- Gas System Overview
- Infrastructure Investment
- Methane/GHG Emission Reduction
- Smart Solutions for Natural Gas Customers



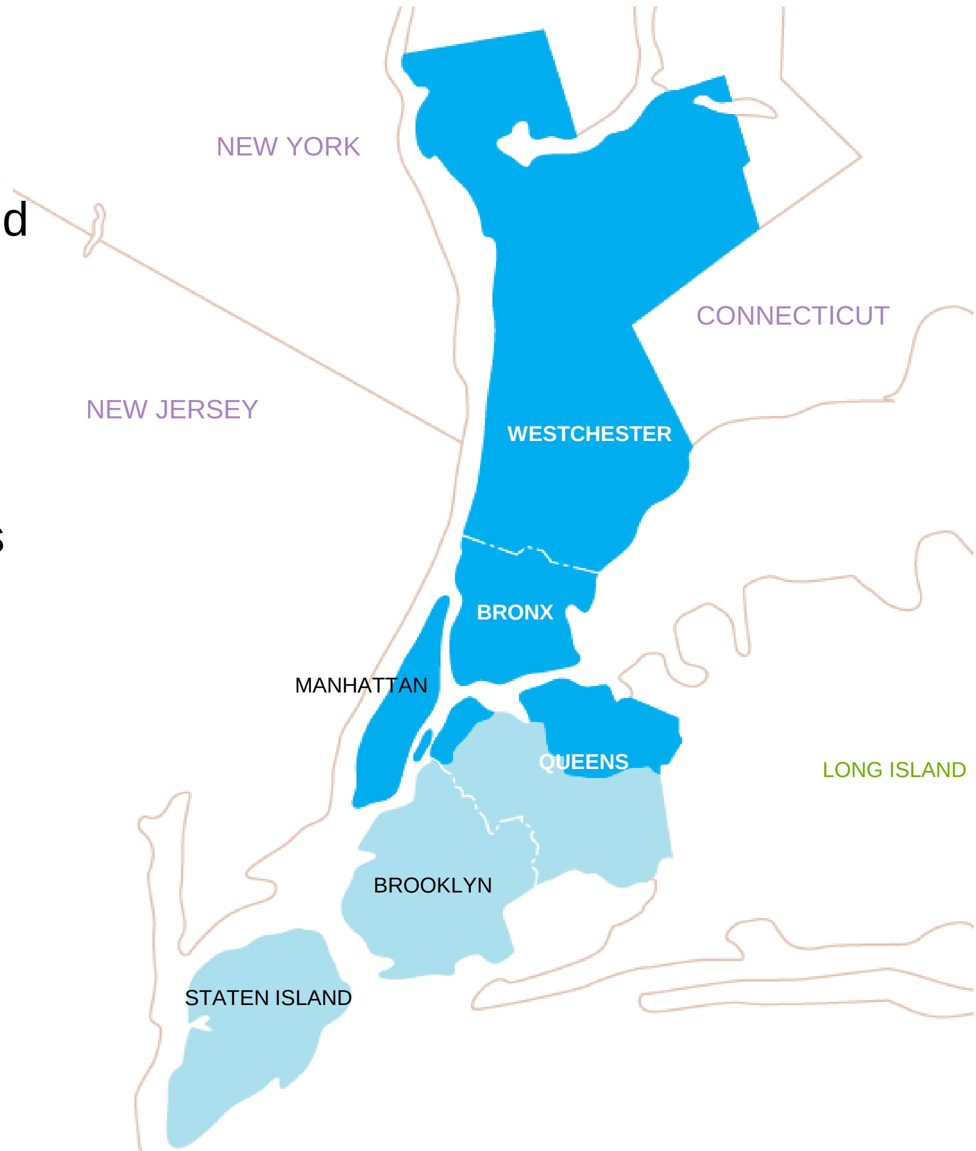

CECONY Gas Service Area

- Service territory includes Manhattan, Queens, Bronx, and Westchester County
- 1.1 million customers
- 379,000 services
- 94 miles of transmission mains
- 4,300 miles of distribution mains

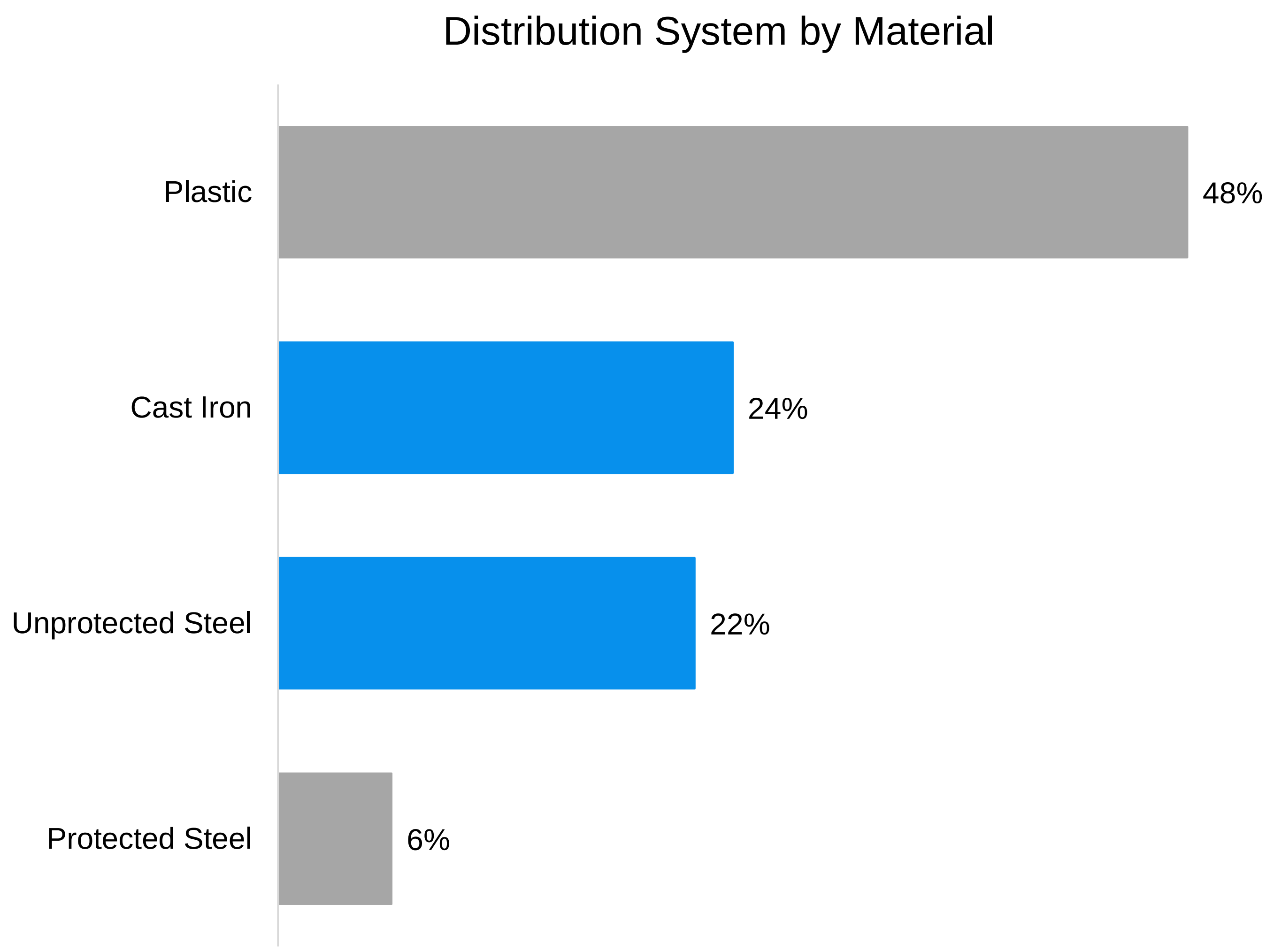
Con Edison Service Area

Gas and Electric Service Areas

Electric Service Areas



CECONY Gas Distribution System



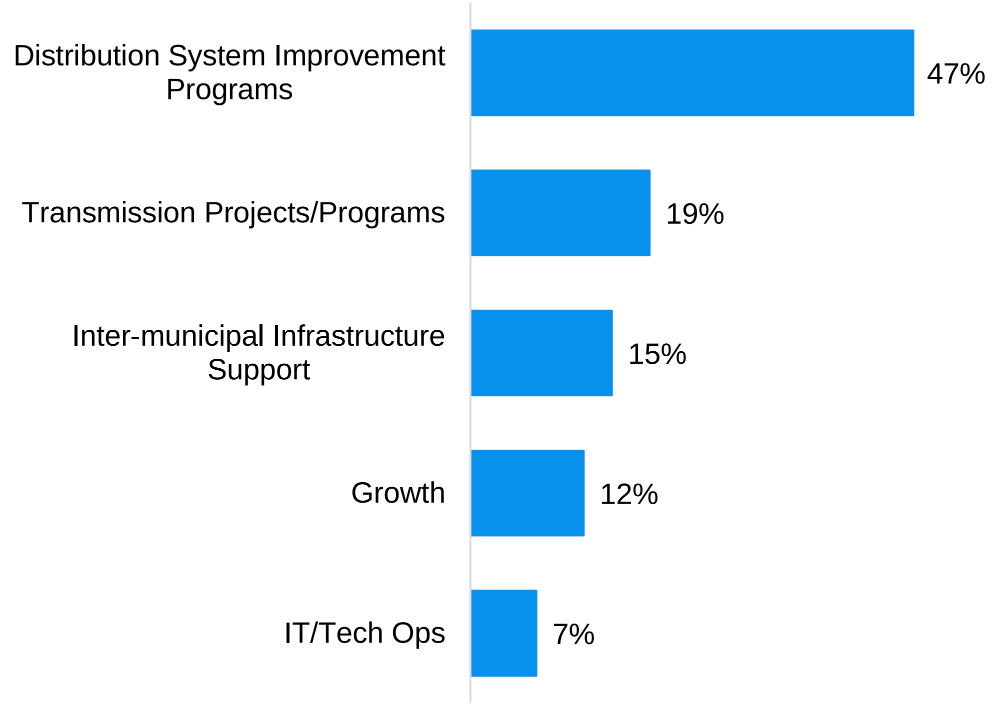
CECONY Gas Capital Investment

40% increase in capital programs over previous rate case, driven by 20 year accelerated main replacement plan

Gas Infrastructure Investments

- Cast iron and unprotected steel pipe replacement
- System reinforcement
- Gas transmission and pipeline upgrades
- Work and asset management system

2018 Capital Investment: $970 million



CECONY Gas Accelerated Main Replacement Program

- Reducing 30+ year plan to a 20 year plan
- Targeting 91 miles in 2018 (100 miles annually by 2021)
- Incentives in current rate plan:
  - Complete six additional replacement miles above annual target
    Maximum Annual Incentive: $4 million
- Risk-based replacement approach
- Greater productivity through geographical bundling
- Mitigates community impact

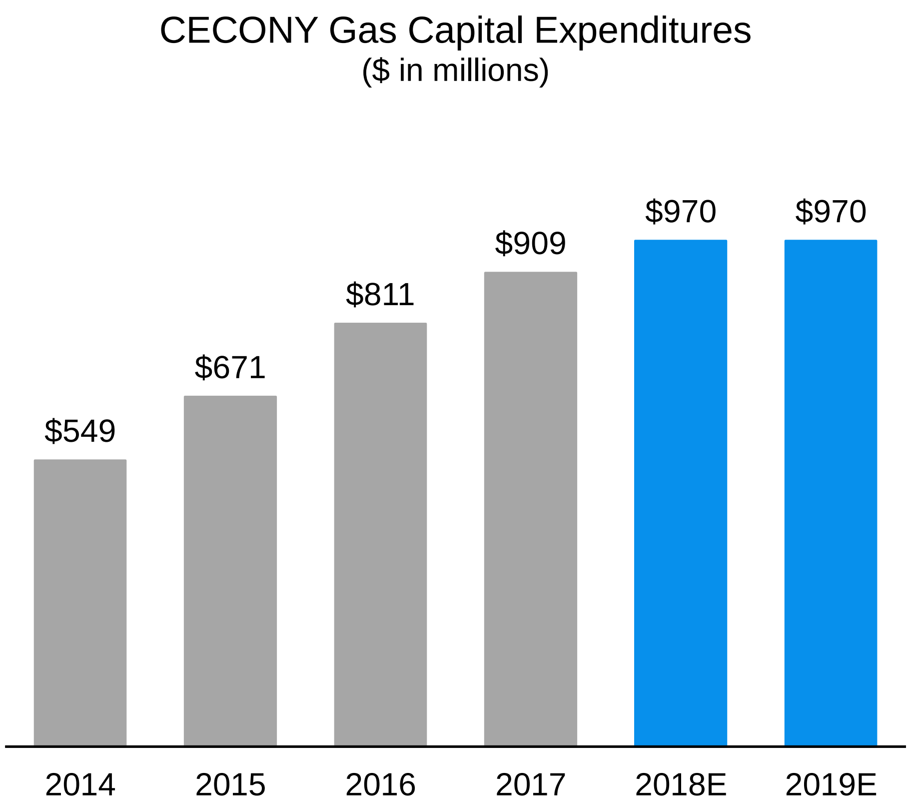
CECONY Gas Transmission System Upgrades

- Over 20 miles of transmission main upgrades
- $280 million in investment for replacement of infrastructure in 2018-2019
- All new piping will operate at less than 20% specified minimum yield strength (SMYS)

CECONY Gas Capital Expenditures

2018 capital program budget includes:

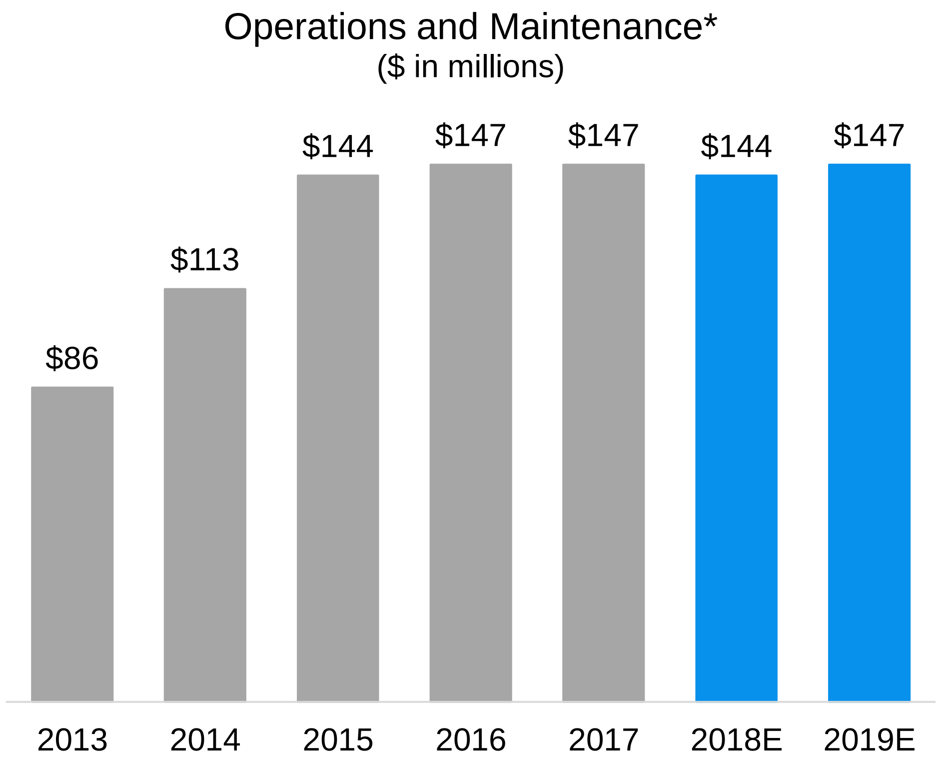
- Main replacement program: $300 million
- Transmission upgrades: $180 million
- Gas work & asset management system: $30 million



CECONY Gas Operations and Maintenance Expenses

Increase in operations and maintenance expenses includes:

- Leak management
- Capital-related maintenance due to the main replacement program

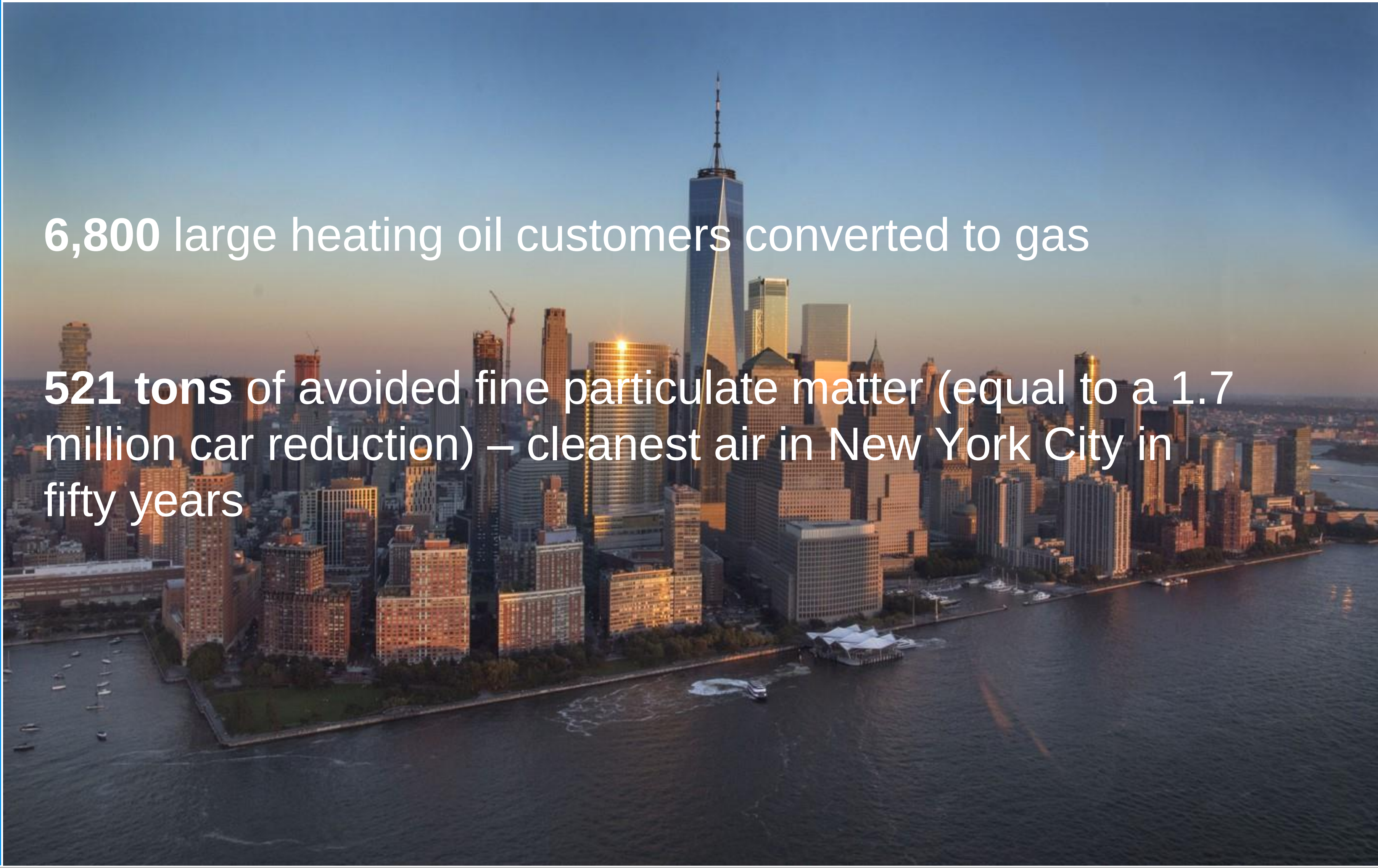


* Excludes "Other Expenses" such as pensions, employees benefits and regulatory fees and assessments.

Environmental Stewardship: GHG Reductions

- Con Edison has been a leader in emissions reduction for over a generation; **we converted all of our plants from coal to cleaner fuels in 1972**
- Essentially all of CECONY's heavy-duty fleet is **fueled by biodiesel and we have enrolled more than 1,000 vehicles in our SmartCharge program**
- The reduction of our carbon footprint since 2005 is the **equivalent of taking 500,000 cars off the road**
- In 2016, Con Edison released **96% less SF_6** than 1996
- We have avoided an aggregate of **24.5 million metric tons** of CO_2e emissions from 2006 to 2016
- Founding partner in the EPA's Methane Challenge, **a program to voluntarily reduce methane emissions beyond regulatory requirements**

Environmental Stewardship: Oil-to-Gas Conversions



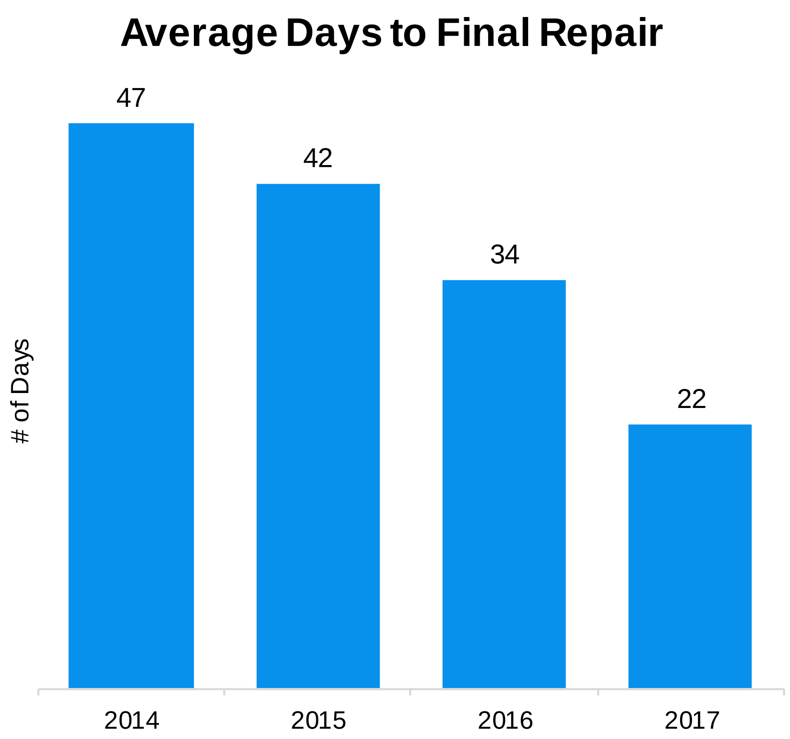
6,800 large heating oil customers converted to gas

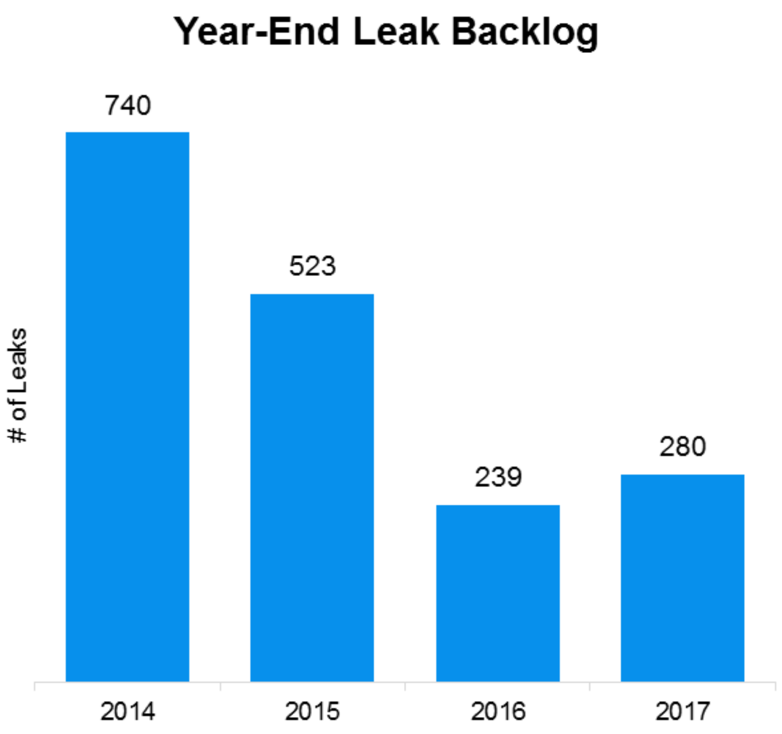
521 tons of avoided fine particulate matter (equal to a 1.7 million car reduction) – cleanest air in New York City in fifty years

Environmental Stewardship: Reducing Leak Repair Time

We are committed to reducing emissions associated with gas leaks by improving our average repair time and backlog

- Since 2014, CECONY has **reduced the average time** to repair leaks **by more than 50%**
- CECONY's **year-end leak backlog dropped to historically low levels** in 2016 - 2017





Smart Solutions for Natural Gas Customers Proposals

Programs designed to put New York on a path toward a cleaner energy future

1. **Enhanced Gas Energy Efficiency**
   - Aim to double gas efficiency gains with additional funding to existing programs
   - Annual cost: incremental ~$14.5 million per year in 2018 and 2019
   - Peak day demand reduction: up to 1.6% by Winter 2023 – 2024

2. **Gas Demand Response**
   - Developing new gas demand response programs for peak winter days
   - Annual cost: ~$3 million (administration), customer incentive costs to be determined
   - Peak day demand reduction: up to 1% by Winter 2023 – 2024

3. **Gas Innovation Program**
   - Developing program for renewable alternatives to natural gas heating
   - Total Cost: $10 million
   - Peak day demand reduction: initially nominal, potential for substantial long-term savings

4. **Non-Pipeline Requests for Information**
   - Market solicitation seeking innovative demand and alternative supply-side solutions
   - Annual cost and demand reduction to be determined

Appendix

Reconciliation of Reported EPS (GAAP) to Adjusted EPS (Non-GAAP) by Company

For the year ended December 31, 2017

	CECONY	O&R	CEBs	CET	Other[a]	Total
Reported EPS – GAAP basis	$3.59	$0.21	$1.08	$0.15	$(0.06)	$4.97
Enactment of the Tax Cuts and Jobs Act	—	—	(0.88)	(0.04)	0.07	(0.85)
Net mark-to-market gains	—	—	—	—	—	—
Adjusted EPS – Non-GAAP basis	**$3.59**	**$0.21**	**$0.20**	**$0.11**	**$0.01**	**$4.12**

a. Includes parent company and consolidation adjustments.