UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

☒ Annual Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

OR

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from __________ to __________

Commission File Number 1-14514

Consolidated Edison, Inc.

Exact name of registrant as specified in its charter
and principal office address and telephone number

New York	13-3965100
State of Incorporation	I.R.S. Employer ID. Number

4 Irving Place,
New York, New York 10003

(212) 460-4600

Commission File Number 1-1217

Consolidated Edison Company of New York, Inc.

Exact name of registrant as specified in its charter
and principal office address and telephone number

New York	13-5009340
State of Incorporation	I.R.S. Employer ID. Number

4 Irving Place,
New York, New York 10003

(212) 460-4600

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Consolidated Edison, Inc., Common Shares ($.10 par value)	**ED**	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Consolidated Edison, Inc. (Con Edison)	Yes ☐	No x
Consolidated Edison Company of New York, Inc. (CECONY)	Yes x	No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Con Edison	Yes ☐	No x
CECONY	Yes ☐	No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Con Edison	Yes x	No ☐
CECONY	Yes x	No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Con Edison	Yes x	No ☐
CECONY	Yes x	No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Con Edison			
Large accelerated filer	x	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐
CECONY			
Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	x	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Con Edison	Yes ☐	No x
CECONY	Yes ☐	No x

The aggregate market value of the common equity of Con Edison held by non-affiliates of Con Edison, as of June 30, 2021, was approximately $25.3 billion.

As of January 31, 2022, Con Edison had outstanding 354,090,402 Common Shares ($.10 par value).

All of the outstanding common equity of CECONY is held by Con Edison.

Documents Incorporated By Reference

Portions of Con Edison's definitive proxy statement for its Annual Meeting of Stockholders to be held on May 16, 2022, to be filed with the Commission pursuant to Regulation 14A, not later than 120 days after December 31, 2021, is incorporated in Part III of this report.

Filing Format

This Annual Report on Form 10-K is a combined report being filed separately by two different registrants: Consolidated Edison, Inc. (Con Edison) and Consolidated Edison Company of New York, Inc. (CECONY). CECONY is a wholly-owned subsidiary of Con Edison and, as such, the information in this report about CECONY also applies to Con Edison. CECONY meets the conditions set forth in General Instruction (I)(1)(a) and (b) of Form 10-K and is therefore filing this Form 10-K with the reduced disclosure format.

As used in this report, the term the "Companies" refers to Con Edison and CECONY. However, CECONY makes no representation as to the information contained in this report relating to Con Edison or the subsidiaries of Con Edison other than itself.

Glossary of Terms

The following is a glossary of abbreviations or acronyms that are used in the Companies' SEC reports:

Con Edison Companies

Con Edison	Consolidated Edison, Inc.
CECONY	Consolidated Edison Company of New York, Inc.
Clean Energy Businesses	Con Edison Clean Energy Businesses, Inc., together with its subsidiaries, including Consolidated Edison Development, Inc., Consolidated Edison Energy, Inc. and Consolidated Edison Solutions, Inc.
Con Edison Transmission	Con Edison Transmission, Inc., together with its subsidiaries
CET Electric	Consolidated Edison Transmission, LLC
CET Gas	Con Edison Gas Pipeline and Storage, LLC
O&R	Orange and Rockland Utilities, Inc.
RECO	Rockland Electric Company
The Companies	Con Edison and CECONY
The Utilities	CECONY and O&R

Regulatory Agencies, Government Agencies and Other Organizations

EPA	U.S. Environmental Protection Agency
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
IASB	International Accounting Standards Board
IRS	Internal Revenue Service
NJBPU	New Jersey Board of Public Utilities
NJDEP	New Jersey Department of Environmental Protection
NYISO	New York Independent System Operator
NYPA	New York Power Authority
NYSDEC	New York State Department of Environmental Conservation
NYSDPS	New York State Department of Public Service
NYSERDA	New York State Energy Research and Development Authority
NYSPSC	New York State Public Service Commission
NYSRC	New York State Reliability Council, LLC
PJM	PJM Interconnection LLC
SEC	U.S. Securities and Exchange Commission

Accounting

AFUDC	Allowance for funds used during construction
ASU	Accounting Standards Update
GAAP	Generally Accepted Accounting Principles in the United States of America
HLBV	Hypothetical Liquidation at Book Value
NOL	Net Operating Loss
OCI	Other Comprehensive Income
VIE	Variable Interest Entity

Environmental

CO2	Carbon dioxide
GHG	Greenhouse gases
MGP Sites	Manufactured gas plant sites
PCBs	Polychlorinated biphenyls
PRP	Potentially responsible party
RGGI	Regional Greenhouse Gas Initiative
Superfund	Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 and similar state statutes

Units of Measure

AC	Alternating current
Bcf	Billion cubic feet
Dt	Dekatherms
kV	Kilovolt
kWh	Kilowatt-hour
MDt	Thousand dekatherms
Mlb	Thousands of pounds
MMlb	Million pounds
MVA	Megavolt ampere
MW	Megawatt or thousand kilowatts
MWh	Megawatt hour

Other

AMI	Advanced Metering Infrastructure
CARES Act	Coronavirus Aid, Relief, and Economic Security Act, as enacted on March 27, 2020
CLCPA	Climate Leadership and Community Protection Act
COSO	Committee of Sponsoring Organizations of the Treadway Commission
COVID-19	Coronavirus Disease 2019
DER	Distributed energy resources
Fitch	Fitch Ratings
LTIP	Long Term Incentive Plan
Moody's	Moody's Investors Service
REV	Reforming the Energy Vision
S&P	S&P Global Ratings
TCJA	The federal Tax Cuts and Jobs Act of 2017, as enacted on December 22, 2017
VaR	Value-at-Risk

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Introduction

This introduction contains certain information about Con Edison and its subsidiaries, including CECONY. This introduction is not a summary and should be read together with, and is qualified in its entirety by reference to, the more detailed information appearing elsewhere or incorporated by reference in this report.

Con Edison's mission is to provide energy services to our customers safely, reliably, efficiently and in keeping with our vision for a clean energy future; to provide a workplace that embraces diversity and inclusion and allows employees to realize their full potential; to provide a fair return to our investors; and to improve the quality of life in the communities we serve. The company has ongoing programs designed to support each component of its mission, including initiatives focused on safety, operational excellence and the customer experience.

Con Edison is a holding company that owns:

- Consolidated Edison Company of New York, Inc. (CECONY), which provides electric service and gas service in New York City and Westchester County and steam service in parts of Manhattan;
- Orange & Rockland Utilities, Inc., which along with its utility subsidiary, Rockland Electric Company (together referred to herein as O&R), provides electric service in southeastern NY and northern NJ and gas service in southeastern NY (O&R, together with CECONY referred to as the Utilities);
- Con Edison Clean Energy Businesses, Inc., which through its subsidiaries, develops, owns and operates renewable and sustainable energy infrastructure projects and provides energy-related products and services to wholesale and retail customers (Con Edison Clean Energy Businesses, Inc., together with its subsidiaries referred to as the Clean Energy Businesses); and
- Con Edison Transmission, Inc., which through its subsidiaries, invests in electric transmission projects supporting Con Edison's effort to transition to clean, renewable energy and manages, through joint ventures, both electric and gas assets while seeking to develop electric transmission projects (Con Edison Transmission, Inc., together with its subsidiaries referred to as Con Edison Transmission).

Con Edison anticipates that the Utilities, which are subject to extensive regulation, will continue to provide substantially all of its earnings over the next few years. The Utilities have approved rate plans that are generally designed to cover each company's cost of service, including capital and other costs of each company's energy delivery systems. The Utilities recover from their full-service customers (who purchase energy from them), generally on a current basis, the cost the Utilities pay for energy and charge all of their customers the cost of delivery service. See "Utility Regulation" in Item 1, "Risk Factors" in Item 1A and "Rate Plans" in Note B to the financial statements in Item 8.

Significant Developments and Outlook

- Con Edison reported 2021 net income of $1,346 million or $3.86 a share compared with $1,101 million or $3.29 a share in 2020. Adjusted earnings were $1,528 million or $4.39 a share in 2021 compared with $1,399 million or $4.18 a share in 2020. See "Results of Operations" in Item 7 and "Non-GAAP Financial Measures" below.

- In 2021, the Utilities invested $3,635 million to upgrade and reinforce their energy delivery systems, the Clean Energy Businesses invested $298 million in renewable electric projects and Con Edison Transmission invested $31 million primarily in the electric transmission business. For 2022, 2023 and 2024 the Utilities expect to invest $4,134 million, $5,015 million and $5,203 million, respectively, for their energy delivery systems, the Clean Energy Businesses expect to invest $400 million, $400 million and $400 million, respectively, in renewable electric projects and Con Edison Transmission expects to invest $73 million, $42 million and $10 million, respectively, primarily in the electric transmission business. See "Capital Requirements and Resources - Capital Requirements" in Item 1.

- Con Edison is considering strategic alternatives with respect to the Clean Energy Businesses, which through its subsidiaries, develops, owns and operates renewable and sustainable energy infrastructure projects and provides energy-related products and services to wholesale and retail customers. See "Clean Energy Businesses" in Item 1.

- Con Edison plans to meet its capital requirements for 2022 through 2024, through internally-generated funds and the issuance of long-term debt and common equity. See "Capital Requirements and Resources - Capital Requirements" in Item 1. The company's plans include the issuance of between $800 million and $1,400 million of long-term debt, primarily at the Utilities, in 2022 and approximately $2,500 million in aggregate of long-term debt, including for maturing securities, primarily at the Utilities, during 2023 and 2024. The planned debt

issuance is in addition to the issuance of long-term debt secured by the Clean Energy Businesses' renewable electric projects. The company's plans also include the issuance of up to $850 million of common equity in 2022 and approximately $750 million in aggregate of common equity during 2023 and 2024, in addition to common equity under its dividend reinvestment, employee stock purchase and long-term incentive plans. Con Edison's financing plans do not include the impact, if any, that may result from its evaluation of strategic alternatives with respect to the Clean Energy Businesses. See "Clean Energy Businesses" in Item 1.

- CECONY forecasts average annual growth in peak demand in its service area at design conditions over the next five years for electricity, gas and steam to be approximately 0.4 percent, 1.3 percent and 0.1 percent, respectively. O&R forecasts an average annual decrease in electric peak demand in its service area at design conditions over the next five years to be approximately 0.3 percent and average annual growth in gas peak demand in its service area over the next five years at design conditions to be approximately 0.1 percent. See "The Utilities" in Item 1.
- In July 2021, the NYSPSC approved a settlement agreement among CECONY, O&R and the New York State Department of Public Service (NYSDPS) that fully resolves all issues and allegations that have been raised or could have been raised by the NYSPSC against CECONY and O&R with respect to: (1) the July 2018 rupture of a CECONY steam main located on Fifth Avenue and 21st Street in Manhattan; (2) the July 2019 electric service interruptions to approximately 72,000 CECONY customers on the west side of Manhattan and to approximately 30,000 CECONY customers primarily in the Flatbush area of Brooklyn; (3) the August 2020 electric service interruptions to approximately 330,000 CECONY customers and approximately 200,000 O&R customers following Tropical Storm Isaias; and (4) the August 2020 electric service interruptions to approximately 190,000 customers resulting from faults at CECONY's Rainey substation following Tropical Storm Isaias. See "Other Regulatory Matters" in Note B to the financial statements in Item 8.
- In October 2021, O&R, the NYSDPS and other parties entered into a joint proposal for new electric and gas rate plans for the three-year period January 2022 through December 2024. The joint proposal is subject to NYSPSC approval and provides for electric rate increases of $4.9 million, $16.2 million and $23.1 million, effective January 1, 2022, 2023, and 2024, respectively. The joint proposal provides for gas rate increases of $0.7 million, $7.4 million and $9.9 million, effective January 1, 2022, 2023, and 2024, respectively. The joint proposal includes certain COVID-19 provisions, such as: recovery of 2020 late payment charges over three years ($2.8 million); reconciliation of late payment charges to amounts reflected in rates for years 2021 through 2024; and reconciliation of write-offs of customer accounts receivable balances to amounts reflected in rates from January 1, 2020 through December 31, 2024. See "Rate Plans" in Note B to the financial statements in Item 8.
- In November 2021, the NYSPSC issued an order establishing a surcharge recovery mechanism for CECONY to collect $43 million and $7 million for electric and gas, respectively, of late payment charges and fees that were not billed for the year ended December 31, 2020. The company recorded such amounts as revenue for the year ended December 31, 2021, as permitted under the accounting rules for regulated utilities, and also accrued such amounts as a current asset at December 31, 2021. Pursuant to the November 2021 order, the company also established a recovery mechanism for CECONY to collect $19 million and $4 million for electric and gas, respectively, of late payment charges and fees that were not billed for the year ended December 31, 2021 and the company recorded such amounts as revenue for the year ended December 31, 2021, as permitted under the accounting rules for regulated utilities, and also accrued such amounts as a current asset at December 31, 2021. In addition, pursuant to the November 2021 order CECONY established a reserve of $7 million toward addressing customer arrearages for the year ended December 31, 2021. The order also established a surcharge recovery or surcredit mechanism for any fee deferrals for 2022. CECONY resumed late payment charges for commercial and residential customers who have not experienced a change in financial circumstances due to the COVID-19 pandemic on September 3, 2021 and October 1, 2021, respectively. O&R resumed late payment charges for commercial and residential customers who have not experienced a change in financial circumstances due to the COVID-19 pandemic on October 1, 2021. See "COVID-19 Regulatory Matters" in Note B to the financial statements in Item 8.
- Pursuant to their current electric and gas rate plans, CECONY and O&R recorded $92 million and $2 million of earnings for the year ended December 31, 2021, respectively, of earnings adjustment mechanisms and positive incentives, primarily reflecting the achievement of certain energy efficiency measures, as compared with $50 million and $3 million for CECONY and O&R, respectively, for the year ended December 31, 2020. See "Rate Plans" in Note B to the financial statements in Item 8.

- The NYSPSC continued its focused operations audit of the Utilities related to income tax accounting. The audit is investigating the Utilities' inadvertent understatement of a portion, the amount of which may be material, of their calculation of total federal income tax expense for ratemaking purposes. The understatement was related to the calculation of plant retirement-related cost of removal. See "Other Regulatory Matters" in Note B to the financial statements in Item 8.

- In January 2022, CECONY filed a request with the NYSPSC for electric and gas rate increases of $1,199 million and $503 million, respectively, effective January 2023. See "Rate Plans" in Note B to the financial statements in Item 8.

- The Clean Energy Businesses installed 446 MW AC of new renewable energy projects in 2021, resulting in a year-end total installed capacity of 3,061 MW AC, bringing the annual renewable energy production for 2021 to more than 7.5 terawatt hours. See "Clean Energy Businesses" in Item 1.

- During 2021, a subsidiary of Con Edison Gas Pipeline and Storage, LLC (CET Gas) completed the sale of its 50 percent interest in Stagecoach Gas Services LLC for $629 million and recorded a pre-tax impairment loss on its 50 percent interest of $212 million ($147 million after-tax). See "Con Edison Transmission," in Item 1 and "Investments" in Note A and Note W to the financial statements in Item 8.

- CET Gas recorded a pre-tax impairment loss of $231 million ($162 million after-tax) for the year ended December 31, 2021 that reduced the carrying value of its investment in Mountain Valley Pipeline LLC (MVP), a joint venture developing a proposed 300-mile gas transmission project in West Virginia and Virginia, from $342 million to $111 million. A goodwill impairment loss of $7 million was recorded related to CET Gas' and CECONY's investment in Honeoye Storage Corporation for the year ended December 31, 2021, of which $5 million was attributed to CET Gas. See "Investments" in Note A and Note K to the financial statements in Item 8.

Available Information

Con Edison and CECONY file annual, quarterly and current reports and other information, and Con Edison files proxy statements, with the Securities and Exchange Commission (SEC). The SEC maintains an Internet site at www.sec.gov that contains reports, proxy statements, and other information regarding issuers (including Con Edison and CECONY) that file electronically with the SEC.

This information the Companies file with the SEC is also available free of charge on or through the investor information section of their websites as soon as reasonably practicable after the reports are electronically filed with, or furnished to, the SEC. Con Edison's internet website is at: www.conedison.com; and CECONY's is at: www.coned.com.

The "About Us - Corporate Governance" section of Con Edison's website includes the company's Standards of Business Conduct (its code of ethics) and amendments or waivers of the standards for executive officers or directors, corporate governance guidelines and the charters of the following committees of the company's Board of Directors: Audit Committee, Corporate Governance and Nominating Committee, Management Development and Compensation Committee, and Safety, Environment, Operations, and Sustainability Committee. This information is available in print to any shareholder who requests it. Requests should be directed to: Corporate Secretary, Consolidated Edison, Inc., 4 Irving Place, New York, NY 10003.

The "About Us - Sustainability Report" section of Con Edison's website includes "Our Sustainable Future," the company's 2019 sustainability report.

Information on the Companies' websites is not incorporated herein.

Forward-Looking Statements

This report 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 expectation and not facts. Words such as "forecasts," "expects," "estimates," "anticipates," "intends," "believes," "plans," "will," "target," "guidance," "potential," "consider" and similar expressions identify forward-looking statements. The forward-looking statements reflect information available and assumptions at the time the statements are made, and accordingly speak only as of that time. Actual results or developments might differ materially from those included in the forward-looking statements because of various factors including, but not limited to, those discussed under "Risk Factors," in Item 1A.

Non-GAAP Financial Measures

Adjusted earnings and adjusted earnings per share are financial measures that are not determined in accordance with generally accepted accounting principles in the United States of America (GAAP). These non-GAAP financial measures should not be considered as an alternative to net income for common stock or net income per share, respectively, each of which is an indicator of financial performance determined in accordance with GAAP. Adjusted earnings and adjusted earnings per share exclude from net income and net income per share, respectively, certain other items that the company does not consider indicative of its ongoing financial performance. Management uses these non-GAAP financial measures to facilitate the analysis of the company's financial performance as compared to its internal budgets and previous financial results and to communicate to investors and others the company's expectations regarding its future earnings and dividends on its common stock. Management believes that these non-GAAP financial measures are also useful and meaningful to investors to facilitate their analysis of the company's financial performance. The following table is a reconciliation of Con Edison's reported net income for common stock to adjusted earnings and reported earnings per share to adjusted earnings per share.

(Millions of Dollars, except per share amounts)	2019	2020	2021
Reported net income for common stock – GAAP basis	$1,343	$1,101	**$1,346**
Impairment loss related to investment in Mountain Valley Pipeline, LLC (pre-tax) (a)	—	320	**231**
Income taxes (b)	—	(97)	**(69)**
Impairment loss related to investment in Mountain Valley Pipeline, LLC (net of tax) (a)	—	223	**162**
Loss from sale of a renewable electric project (pre-tax)	—	—	**4**
Income taxes (b)	—	—	**(1)**
Loss from sale of a renewable electric project (net of tax)	—	—	**3**
Impairment loss related to investment in Stagecoach Gas Services LLC (pre-tax) (c)	—	—	**212**
Income taxes (b)	—	—	**(65)**
Impairment loss related to investment in Stagecoach Gas Services LLC (net of tax) (c)	—	—	**147**
Impairment loss related to investment in Honeoye Storage Corporation (pre-tax) (d)	—	—	**5**
Income taxes	—	—	**—**
Impairment loss related to investment in Honeoye Storage Corporation (net of tax) (d)	—	—	**5**
HLBV effects (pre-tax) (e)	98	44	**(142)**
Income taxes (f)	(24)	(12)	**44**
HLBV effects (net of tax) (e)	74	32	**(98)**
Net mark-to-market effects (pre-tax)	27	57	**(53)**
Income taxes (g)	(6)	(14)	**16**
Net mark-to-market effects (net of tax)	21	43	**(37)**
Adjusted earnings (Non-GAAP)	$1,438	$1,399	**$1,528**
Reported earnings per share – GAAP basis (basic)	$4.09	$3.29	**$3.86**
Impairment loss related to investment in Mountain Valley Pipeline, LLC (pre-tax) (a)	—	0.95	**0.66**
Income taxes (b)	—	(0.29)	**(0.19)**
Impairment loss related to investment in Mountain Valley Pipeline, LLC (net of tax) (a)	—	0.66	**0.47**
Loss from sale of a renewable electric project (pre-tax)	—	—	**0.01**
Income taxes (b)	—	—	**—**
Loss from sale of a renewable electric project (net of tax)	—	—	**0.01**
Impairment loss related to investment in Stagecoach Gas Services LLC (pre-tax) (c)	—	—	**0.61**
Income taxes (b)	—	—	**(0.19)**
Impairment loss related to investment in Stagecoach Gas Services LLC (net of tax) (c)	—	—	**0.42**
Impairment loss related to investment in Honeoye Storage Corporation (pre-tax) (d)	—	—	**0.02**
Income taxes	—	—	—
Impairment loss related to investment in Honeoye Storage Corporation (net of tax) (d)	—	—	**0.02**
HLBV effects (pre-tax) (e)	0.31	0.14	**(0.41)**
Income taxes (f)	(0.09)	(0.04)	**0.12**
HLBV effects (net of tax) (e)	0.22	0.10	**(0.29)**
Net mark-to-market effects (pre-tax)	0.10	0.18	**(0.15)**
Income taxes (g)	(0.03)	(0.05)	**0.05**
Net mark-to-market effects	0.07	0.13	**(0.10)**
Adjusted earnings per share (Non-GAAP)	$4.38	$4.18	**$4.39**

(a) Losses recognized with respect to the partial impairments of CET Gas' investment in Mountain Valley Pipeline, LLC. See "Investments - 2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP)" in Note A to the financial statements in Item 8.

(b) The amount of income taxes was calculated using a combined federal and state income tax rate between 26-30% for the year ended December 31, 2021 and a combined federal and state income tax rate of 30% for the year ended December 31, 2020.

(c) Loss recognized with respect to the partial impairment of CET Gas' investment in Stagecoach Gas Services LLC. See "Investments - Partial Impairment of Investment in Stagecoach Gas Services" in Note A and Note W.

(d) Loss recognized with respect to the goodwill impairment of CET Gas' investment in Honeoye Storage Corporation. See Note K.

(e) Income attributable to the non-controlling interest of a tax-equity investor in renewable electric projects accounted for under the hypothetical liquidation at book value (HLBV) method of accounting. See Note S to the financial statements in Item 8.

(f) The amount of income taxes was calculated using a combined federal and state income tax rate of 31%, 27%, and 24% for the year ended December 31, 2021, 2020 and 2019, respectively. Adjusted earnings and adjusted earnings per share for 2021 exclude the tax impact on the parent company of HLBV accounting ($9 million and $0.02 for the year ended December 31, 2021) of the Clean Energy Businesses. Adjusted earnings and adjusted earnings per share for 2020 and 2019 do not exclude the tax impact on the parent company of HLBV accounting (($3) million and ($0.01) and ($6) million and ($0.02) for the year ended December 31, 2020 and 2019, respectively) of the Clean Energy Businesses.

(g) The amount of income taxes was calculated using a combined federal and state income tax rate of 32%, 25% and 22% for the year ended December 31, 2021, 2020 and 2019, respectively. Adjusted earnings and adjusted earnings per share for 2021 exclude the tax impact on

the parent company of the mark-to-market effects ($3 million and $0.01 for the year ended December 31, 2021) of the Clean Energy Businesses. Adjusted earnings and adjusted earnings per share for 2020 and 2019 do not exclude the tax impact on the parent company of the mark-to-market effects (($4) million and ($0.01) and ($2) million and $0.00 for the year ended December 31, 2020 and 2019, respectively) of the Clean Energy Businesses.

Item 1: Business

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Incorporation By Reference

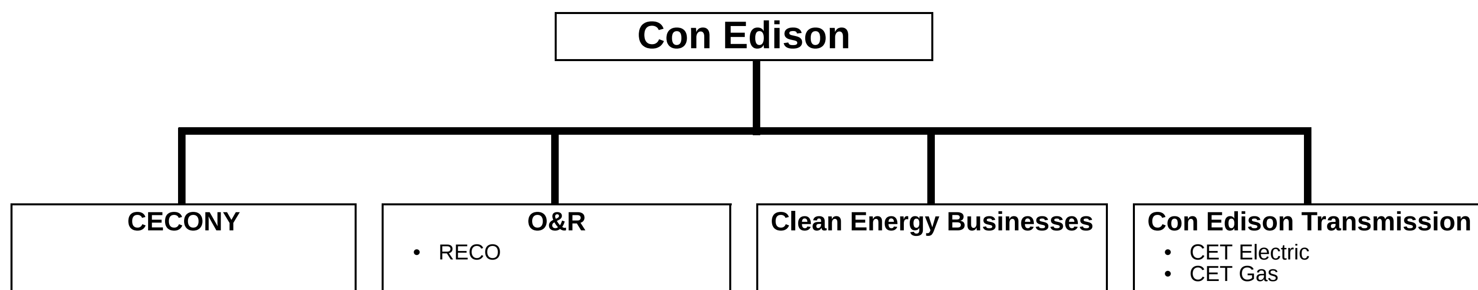
Information in any item of this report as to which reference is made in this Item 1 is hereby incorporated by reference in this Item 1. The use of terms such as "see" or "refer to" shall be deemed to incorporate into Item 1 at the place such term is used the information to which such reference is made.

PART I

Item 1: Business

Overview

Consolidated Edison, Inc. (Con Edison), incorporated in New York State in 1997, is a holding company that owns all of the outstanding common stock of Consolidated Edison Company of New York, Inc. (CECONY), Orange and Rockland Utilities, Inc. (O&R), Con Edison Clean Energy Businesses, Inc. and Con Edison Transmission, Inc. As used in this report, the term the “Companies” refers to Con Edison and CECONY.



Con Edison’s principal business operations are those of CECONY, O&R, the Clean Energy Businesses and Con Edison Transmission. CECONY’s principal business operations are its regulated electric, gas and steam delivery businesses. O&R’s principal business operations are its regulated electric and gas delivery businesses. The Clean Energy Businesses develop, own and operate renewable and sustainable energy infrastructure projects and provide energy-related products and services to wholesale and retail customers. Con Edison is considering strategic alternatives with respect to the Clean Energy Businesses. Con Edison Transmission invests in electric transmission projects and manages both electric and gas assets while seeking to develop electric transmission projects. During 2021, Con Edison Transmission completed the sale of its 50 percent interest in Stagecoach Gas Services LLC (Stagecoach). For the year ended December 31, 2021, Con Edison Transmission recorded pre-tax impairment losses on its investments in Stagecoach, Mountain Valley Pipeline, LLC and Honeoye Storage Corporation. See "Investments" in Note A, Note K and Note W to the financial statements in Item 8.

Con Edison seeks to provide shareholder value through continued dividend growth, supported by earnings growth in regulated utilities and contracted electric and gas assets. The company invests to provide reliable, resilient, safe and clean energy critical for its NY customers. The company is an industry leading owner and operator of contracted, large-scale solar generation in the United States. Con Edison is a responsible neighbor, helping the communities it serves become more sustainable.

CECONY

Electric

CECONY provides electric service to approximately 3.5 million customers in all of New York City (except a part of Queens) and most of Westchester County, an approximately 660 square mile service area with a population of more than nine million.

Gas

CECONY delivers gas to approximately 1.1 million customers in Manhattan, the Bronx, parts of Queens and most of Westchester County.

Steam

CECONY operates the largest steam distribution system in the United States by producing and delivering approximately 16,884 MMlb of steam annually to approximately 1,555 customers in parts of Manhattan.

O&R

Electric

O&R and its utility subsidiary, Rockland Electric Company (RECO) (together referred to herein as O&R) provide electric service to approximately 0.3 million customers in southeastern NY and northern NJ, an approximately 1,300 square mile service area.

Gas

O&R delivers gas to over 0.1 million customers in southeastern NY.

Clean Energy Businesses

Con Edison Clean Energy Businesses, Inc., together with its subsidiaries, are referred to in this report as the Clean Energy Businesses. The Clean Energy Businesses develop, own and operate renewable and sustainable energy infrastructure projects and provide energy-related products and services to wholesale and retail customers. The Clean Energy Businesses have approximately 3,000 megawatts (AC) of renewable energy projects in the U.S. Con Edison is considering strategic alternatives with respect to the Clean Energy Businesses.

Con Edison Transmission

Con Edison Transmission, Inc. invests in electric transmission projects and manages both electric and gas assets through its wholly-owned subsidiaries, Consolidated Edison Transmission, LLC (CET Electric) and Con Edison Gas Pipeline and Storage, LLC (CET Gas). CET Electric owns a 45.7 percent interest in New York Transco LLC, which owns and has been selected to build additional electric transmission assets in NY. CET Gas and CECONY own 71.2 percent and 28.8 percent interests, respectively, in Honeoye Storage Corporation (Honeoye), which operates a gas storage facility in upstate NY. In addition, CET Gas owns a 10.2 percent interest (that is expected to be reduced to 8.5 percent based on the current project cost estimate and CET Gas' previous capping of its cash contributions to the joint venture) in Mountain Valley Pipeline LLC (MVP), a joint venture developing a proposed 300-mile gas transmission project in WV and VA. During 2021, CET Gas sold its 50 percent interest in Stagecoach Gas Services LLC (Stagecoach), a gas pipeline and storage business located in northern PA and southern NY. See Note A and Note W to the financial statements in Item 8. For the year ended December 31, 2021, CET Gas recorded impairment losses on its investments in Stagecoach, Honeoye and MVP. See "Investments in Note A, Note K and Note W to the financial statements in Item 8 and “Con Edison Transmission,” below. Con Edison Transmission, Inc., together with CET Electric and CET Gas, are referred to in this report as Con Edison Transmission.

Utility Regulation

State Utility Regulation

Regulators

The Utilities are subject to regulation by the NYSPSC, that under the New York Public Service Law, is authorized to set the terms of service and the rates the Utilities charge for providing service in NY. See “Rate Plans,” below and in Note B to the financial statements in Item 8. The NYSPSC also approves the issuance of the Utilities' securities and transactions between the Utilities and Con Edison and its other subsidiaries. See “Capital Resources,” below and Note U to the financial statements in Item 8. The NYSPSC exercises jurisdiction over the siting of electric transmission lines in NY State (see “Con Edison Transmission,” below) and approves mergers or other business combinations involving NY utilities.

In addition, under the New York Public Service Law, the NYSPSC has the authority to (i) impose penalties on NY utilities, which could be material, for violating state utility laws and regulations and its orders; (ii) review, at least every five years, an electric utility's capability to provide safe, adequate and reliable service, order the utility to comply with additional and more stringent terms of service than existed prior to the review, assess the continued operation of the utility as the provider of electric service in its service territory and propose, and act upon, such measures as are necessary to ensure safe and adequate service; and (iii) based on findings of repeated violations of the New York Public Service Law or rules or regulations adopted thereto that demonstrate a failure of a combination gas and electric utility to continue to provide safe and adequate service, revoke or modify an operating certificate issued to the utility by the NYSPSC (following consideration of certain factors, including public interest and standards deemed necessary by the NYSPSC to ensure continuity of service, and due process). See "Risk Factors" in Item 1A and “Other Regulatory Matters” and "COVID-19 Regulatory Matters" in Note B to the financial statements in Item 8. O&R's NJ subsidiary, RECO, is subject to regulation by the New Jersey Board of Public Utilities (NJBPU). The NYSPSC, together with the NJBPU, are referred to herein as state utility regulators.

New York Utility Industry

Restructuring in the 1990s

In the 1990s, the NYSPSC restructured the electric utility industry in the state. In accordance with NYSPSC orders, the Utilities sold all of their electric generating facilities other than those that also produce steam for CECONY's steam business (see "Electric Operations – Electric Facilities," below) and provided all of their customers the choice to buy electricity or gas from the Utilities or other suppliers (see "Electric Operations – Electric Sales and Deliveries" and "Gas Operations – Gas Sales and Deliveries," below). In 2021, 60 percent of the electricity and 35 percent of the gas CECONY delivered to its customers, and 54 percent of the electricity and 29 percent of the gas O&R delivered to its customers, was purchased by the customers from other suppliers. In addition, the Utilities no longer control and operate their bulk power electric transmission facilities. See "New York Independent System Operator (NYISO)," below.

Following industry restructuring, there were several utility mergers as a result of which substantially all of the electric and gas delivery service in NY State is now provided by one of five investor-owned utility companies – Con Edison, National Grid plc, Avangrid, Inc. (an affiliate of Iberdrola, S.A.), National Fuel Gas Company or CH Energy Group, Inc. (a subsidiary of Fortis Inc.) – or one of two state authorities – New York Power Authority (NYPA) or Long Island Power Authority.

Rate Plans

Investor-owned utilities in the United States provide delivery service to customers according to the terms of tariffs approved by the appropriate state utility regulator. The tariffs include schedules of rates for service that limit the rates charged by the utilities to amounts that the utilities recover from their customers costs approved by the regulator, including capital costs, of providing service to customers as defined by the tariff. The tariffs implement rate plans adopted by state utility regulators in rate orders issued at the conclusion of rate proceedings. The utilities' earnings depend on the limits on rates authorized in, and the other provisions of, their rate plans and their ability to operate their businesses in a manner consistent with such rate plans.

The utilities' rate plans cover specified periods, but rates determined pursuant to a plan generally continue in effect until a new rate plan is approved by the state utility regulator. In NY, either the utility or the NYSPSC can commence a proceeding for a new rate plan, and a new rate plan filed by the utility will generally take effect automatically in approximately 11 months unless prior to such time the NYSPSC approves a rate plan.

In each rate proceeding, rates are determined by the state utility regulator following the submission by the utility of testimony and supporting information, which are subject to review by the staff of the regulator. Other parties with an interest in the proceeding can also review the utility's proposal and become involved in the rate proceeding. In NY State, the review process is overseen by an administrative law judge who is employed by the NYSPSC. After an administrative law judge issues a recommended decision that generally considers the interests of the utility, the regulatory staff, other parties and legal requisites, the regulator will issue a rate order. The utility and the regulator's staff and interested parties may enter jointly into a proposed settlement agreement prior to the completion of this administrative process, in which case the agreement could be approved by the regulator with or without modification.

For each rate plan, the revenues needed to provide the utility a return on invested capital is determined by multiplying the utilities' rate base by the pre-tax weighted average cost of capital determined in the rate plan. In general, rate base, as reflected in a utility's rate plans, is the sum of the utility's net plant, working capital and certain regulatory assets less deferred taxes and certain regulatory liabilities. The NYSPSC uses a forecast of the average rate base for the year that new rates would be in effect (rate year). The NJBPU uses the rate base balances that exist at the end of the historical 12-month period on which base rates are set. The capital structure used in the weighted average cost of capital is determined using actual and forecast data for the same time periods as rate base. The costs of long-term debt, customer deposits and the allowed return on common equity represent a combination of actual and forecast financing information. The allowed return on common equity is determined by each state's respective utility regulator. The NYSPSC's current methodology for determining the allowed return on common equity assigns a one-third weight to an estimate determined from a capital asset pricing model applied to a peer group of utility companies and a two-thirds weight to an estimate determined from a dividend discount model using stock prices and dividend forecasts for a peer group of utility companies. Both methodologies employ market measurements of equity capital to estimate returns rather than the accounting measurements to which such estimates are applied in setting rates.

Pursuant to the Utilities' rate plans, there generally can be no change to the rates charged to customers during the respective terms of the rate plans other than specified adjustments provided for in the rate plans.

For information about the Utilities' rate plans, see Note B to the financial statements in Item 8.

Liability for Service Interruptions

The tariff provisions under which CECONY provides electric, gas and steam service, and O&R provides electric and gas service, limit each company's liability to pay for damages resulting from service interruptions to circumstances resulting from its gross negligence or willful misconduct. Under RECO's tariff provisions for electric service, the company is not liable for interruptions that are due to causes beyond its control.

CECONY's tariff for electric service also provides for reimbursement to electric customers for spoilage losses resulting from service interruptions in certain circumstances. In general, the company is obligated to reimburse affected residential and commercial customers for food spoilage of up to approximately $500 and $10,000, respectively, and reimburse affected residential customers for prescription medicine spoilage losses without limitation on amount per claim. The company's maximum aggregate liability for such reimbursement for an incident is $15 million. The company is not required to provide reimbursement to electric customers for outages attributable to generation or transmission system facilities or events beyond its control, such as storms, provided the company makes reasonable efforts to restore service as soon as practicable.

NY electric and steam utilities are required to provide credits to customers who are without service for more than three days. The credit to a customer would equal the portion of the monthly customer charge attributable to the period the customer was without service. If an extraordinary event occurs, the NYSPSC may direct NY gas utilities to implement the same policies.

The NYSPSC has approved a scorecard for use as a guide to assess electric utility performance in restoring electric service during outages that result from a major storm. The scorecard could also be applied by the NYSPSC for other outages or actions. The scorecard includes performance metrics in categories for preparation, operations response, and communications.

Each NY electric utility is required to submit to the NYSPSC annually an emergency response plan for the reasonably prompt restoration of service in the case of widespread outages in the utility's service territory due to storms or other events beyond the control of the utility. If, after evidentiary hearings or other investigatory proceedings, the NYSPSC finds that the utility failed to reasonably implement its plan during an event, the NYSPSC may impose penalties or deny recovery of any part of the service restoration costs caused by such failure. In July 2021, the NYSPSC approved emergency response plans for CECONY and O&R. In December 2021, CECONY and O&R each submitted updated plans for 2022.

In December 2021, the New York State legislature amended the New York State Public Service Law, effective April 2022, to require NY electric utilities, including CECONY and O&R, to provide compensation to residential and small business customers that experience widespread prolonged outages lasting more than seventy-two consecutive hours, subject to certain exceptions, including: a bill credit of $25 for each twenty-four hour period beyond the seventy-two consecutive hour outage; reimbursement of customers for food spoilage up to $500; and reimbursement of affected residential customers for prescription medicine spoilage losses without limitation. Any such costs incurred by CECONY and O&R are not recoverable from customers unless the utility files a petition with the NYSPSC requesting recovery and such petition is granted by the NYSPSC. The NYSPSC is required to develop rules for the law's implementation.

Generic Proceedings

The NYSPSC from time to time conducts "generic" proceedings to consider issues relating to all electric and gas utilities operating in NY State. Proceedings include clean energy and related implementation proceedings, and proceedings relating to energy affordability, data access, retail access, gas planning, energy efficiency and renewable energy programs and climate change risk disclosure. The Utilities are typically active participants in such proceedings.

Federal Utility Regulation

The Federal Energy Regulatory Commission (FERC), among other things, regulates the transmission and wholesale sales of electricity in interstate commerce and the transmission and sale of natural gas for resale in interstate commerce. In addition, the FERC has the authority to impose penalties, which could be substantial, including penalties for the violation of reliability and cyber security rules. Certain activities of the Utilities, the Clean Energy Businesses and Con Edison Transmission are subject to the jurisdiction of the FERC. The Utilities are subject to regulation by the FERC with respect to electric transmission rates and to regulation by the NYSPSC with respect to electric and gas retail commodity sales and local delivery service. As a matter of practice, the NYSPSC has approved delivery service rates for the Utilities that include both transmission and distribution costs. Wholesale energy and capacity products sold by the Clean Energy Businesses to the regional electric markets are subject to FERC jurisdiction as defined by the independent system operator tariffs. The electric and gas transmission projects in which CET Electric and CET Gas invest are also subject to regulation by the FERC. See “Con Edison Transmission,” below.

New York Independent System Operator (NYISO)

The NYISO is a not-for-profit organization that controls and directs the operation of most of the electric transmission facilities in NY State, including those of the Utilities, as an integrated system. It also administers wholesale markets for electricity in NY State and facilitates the construction of new transmission it considers necessary to meet identified reliability, economic or public policy needs. The New York State Reliability Council (NYSRC) promulgates reliability standards subject to FERC oversight, and the NYISO has agreed to comply with those standards. Pursuant to a requirement that is set annually by the NYSRC, the NYISO requires that entities supplying electricity to customers in NY State have generating capacity (owned, procured through the NYISO capacity markets or contracted for) in an amount equal to the peak demand of their customers plus the applicable reserve margin. In addition, the NYISO has determined that entities that serve customers in New York City must procure sufficient capacity from resources that are electrically located in New York City to cover a substantial percentage of the peak demands of their New York City customers. The NYISO also requires entities that serve customers in the Lower Hudson Valley and New York City customers that are served through the Lower Hudson Valley to procure sufficient capacity from resources electrically located in the Lower Hudson Valley. These requirements apply both to regulated utilities such as CECONY and O&R for the customers they supply under regulated tariffs and to other load serving entities that supply customers on market terms. RECO, O&R’s NJ subsidiary, provides electric service in a portion of its service territory that has a different independent system operator – PJM Interconnection LLC (PJM). See “CECONY – Electric Operations – Electric Supply” and “O&R – Electric Operations – Electric Supply,” below.

Competition

The subset of distributed energy resources (DER) that produce electricity are collectively referred to as distributed generation (DG). DG includes solar energy production facilities, fuel cells, gas turbines, reciprocating engines and micro-turbines, and provides an alternative source of electricity for the Utilities’ electric delivery customers. Energy storage, though not a form of DG, is also a source of electricity for the Utilities’ electric delivery customers. Typically, customers with DG remain connected to the utility’s delivery system and pay a different rate. Gas delivery customers have electricity, oil and propane as alternatives, and steam customers have electricity, oil and natural gas as alternative sources for heating and cooling their buildings. Micro-grids and community-based micro-grids enable DG to serve multiple locations and multiple customers. Demand reduction and energy efficiency investments provide ways for energy consumers within the Utilities’ service areas to lower their energy usage. The Companies expect DERs and electric alternatives to gas and steam, to increase, and for gas and steam usage to decrease, as the Climate Leadership and Community Protection Act enacted by New York State and the Climate Mobilization Act enacted by New York City in 2019 continue to be implemented. In December 2021, New York City enacted a law that will phase-out the use of natural gas in certain new construction buildings, including major renovations, in New York City. See “Environmental Matters – Clean Energy Future,” below. CECONY’s smart solutions for gas customers include energy efficiency and heating electrification programs. See “CECONY- Gas Operations - Gas Peak Demand,” below. The following table shows the aggregate capacities of the DG projects connected to the Utilities’ distribution systems at the end of the last five years:

Technology	CECONY					O&R				
Total MW, except project number	**2017**	**2018**	**2019**	**2020**	**2021**	**2017**	**2018**	**2019**	**2020**	**2021**
Internal-combustion engines	108	110	114	129	155	2	2	3	3	3
Photovoltaic solar	178	226	276	323	398	75	96	121	154	183
Battery energy storage	—	—	8	13	18	—	—	1	6	11
Gas turbines	48	48	48	53	61	20	20	20	20	20
Micro turbines	14	17	18	21	23	1	1	1	1	1
Fuel cells	12	13	20	30	30	—	—	—	—	—
Steam turbines	6	6	6	6	6	—	—	—	—	—
Landfill	—	—	—	—	—	2	2	2	2	2
Total distribution-level DG	366	420	490	575	691	100	121	148	186	220
Number of DG projects	18,090	23,942	30,539	36,194	43,702	6,537	7,566	8,687	9,643	10,913

The Clean Energy Businesses participate in competitive renewable and sustainable energy infrastructure projects and provide energy-related products and services that are subject to different risks than those found in the businesses of the Utilities. See "Clean Energy Businesses," below. Con Edison Transmission invests in electric transmission projects and manages both electric and gas assets, the current and prospective customers of which may have competitive alternatives. See "Con Edison Transmission," below.

The Utilities do not consider it reasonably likely that another company would be authorized to provide utility delivery service of electricity, gas or steam where the company already provides service. Any such other company would need to obtain NYSPSC consent, satisfy applicable local requirements, install facilities to provide the service, meet applicable services standards and charge customers comparable taxes and other fees and costs imposed on the service. A new delivery company would also be subject to extensive ongoing regulation by the NYSPSC. See “Utility Regulation – State Utility Regulation – Regulators,” above, "The Companies Are Extensively Regulated And Are Subject To Substantial Penalties" in Item 1A and “Other Regulatory Matters” in Note B to the financial statements in Item 8.

The Utilities

CECONY

CECONY, incorporated in New York State in 1884, is a subsidiary of Con Edison and has no significant subsidiaries of its own. Its principal business segments are its regulated electric, gas and steam businesses.

For a discussion of the company’s operating revenues and operating income for each segment, see “Results of Operations” in Item 7. For additional information about the segments, see Note P to the financial statements in Item 8.

Electric Operations

Electric Facilities

CECONY’s capitalized costs for utility plant, net of accumulated depreciation, for distribution facilities were $21,240 million and $20,366 million at December 31, 2021 and 2020, respectively. For its transmission facilities, the costs for utility plant, net of accumulated depreciation, were $3,658 million and $3,496 million at December 31, 2021 and 2020, respectively, and for its portion of the steam-electric generation facilities, the costs for utility plant, net of accumulated depreciation, were $559 million and $572 million, at December 31, 2021 and 2020, respectively. See "CECONY – Steam Operations – Steam Facilities," below.

Distribution Facilities

CECONY owns 62 area distribution substations and various distribution facilities located throughout New York City and Westchester County. At December 31, 2021, the company’s distribution system had a transformer capacity of 33,413 MVA, with 37,477 miles of overhead distribution lines and 98,806 miles of underground distribution lines. The underground distribution lines represent the single longest underground electric delivery system in the United States.

Transmission Facilities
CECONY’s transmission facilities are located in New York City and Westchester, Orange, Rockland, Putnam and Dutchess counties in New York State. At December 31, 2021, the company owned or jointly owned 569 miles of overhead circuits operating at 138, 230, 345 and 500 kV and 755 miles of underground circuits operating at 69, 138 and 345 kV. The company’s 40 transmission substations and 62 area stations are supplied by circuits operated at 69 kV and above. CECONY’s transmission facilities interconnect with those of National Grid, Central Hudson Gas & Electric Corporation, O&R, New York State Electric & Gas, Connecticut Light & Power Company, Long Island Power Authority, NYPA and Public Service Electric and Gas Company.

Generating Facilities
CECONY’s electric generating facilities consist of plants located in Manhattan whose primary purpose is to produce steam for the company's steam business. The facilities have an aggregate capacity of 718 MW. The company expects to have sufficient amounts of gas and fuel oil available in 2022 for use in these facilities.

Electric Sales and Deliveries
CECONY delivers electricity to its full-service customers who purchase electricity from the company. The company also delivers electricity to its customers who choose to purchase electricity from other suppliers (retail choice program). In addition, the company delivers electricity to state and municipal customers of NYPA.

The company charges all customers in its service area for the delivery of electricity. The company generally recovers, on a current basis, the cost of the electricity that it buys and then sells to its full-service customers. It does not make any margin or profit on the electricity it sells. CECONY’s electric revenues are subject to a revenue decoupling mechanism. As a result, its electric delivery revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. CECONY’s electric sales and deliveries for the last five years were:

	Year Ended December 31,				
	2017	**2018**	**2019**	**2020**	**2021**
Electric Energy Delivered *(millions of kWh)*					
CECONY full service customers	19,227	20,452	20,579	20,544	**20,710**
Delivery service for retail choice customers	26,136	26,266	24,754	22,000	**21,549**
Delivery service to NYPA customers and others	9,955	10,119	9,821	9,027	**9,069**
Total Deliveries in Franchise Area	55,318	56,837	55,154	51,571	**51,328**
Electric Energy Delivered *($ in millions)*					
CECONY full service customers	$4,348	$4,706	$4,535	$4,804	**$5,299**
Delivery service for retail choice customers	2,712	2,624	2,470	2,391	**2,613**
Delivery service to NYPA customers and others	623	652	644	638	**683**
Other operating revenues	289	(11)	413	270	**211**
Total Deliveries in Franchise Area	$7,972	$7,971	$8,062	$8,103	**$8,806**
Average Revenue per kWh Sold *(Cents)*					
Residential	25.3	26.4	25.3	26.1	**27.3**
Commercial and industrial	19.7	19.3	18.6	20.2	**23.5**

For further discussion of the company’s electric operating revenues and its electric results, see “Results of Operations” in Item 7. For additional segment information, see Note P to the financial statements in Item 8.

Electric Peak Demand
The electric peak demand in CECONY’s service area occurs during the summer air conditioning season. CECONY’s 2021 service area actual hourly peak demand was 11,997 MW, which occurred on June 30, 2021. “Design Weather Conditions” for the electric system is a standard to which the actual hourly peak demand is adjusted for evaluation and planning purposes. Since NYISO-invoked demand reduction programs can only be called upon under specific circumstances, Design Weather Conditions do not include these programs’ potential impact. However, the CECONY forecasted hourly peak demand at design conditions does include the impact of certain demand reduction programs. The company estimates that, under Design Weather Conditions, the 2022 service area hourly peak demand will be 12,570 MW. As of January 2022, the company forecasts an average annual increase in hourly electric peak demand in its service area at Design Weather Conditions over the next five years to be approximately 0.4 percent per year, including the effect of certain electric energy efficiency programs and the anticipated phase-out of natural gas in certain new construction buildings, including major renovations, in

New York City. See “Environmental Matters – Clean Energy Future,” below. The five-year forecast in peak demand is used by the company for electric supply planning purposes.

Electric Supply

Most of the electricity sold by CECONY to its full-service customers in 2021 was purchased under firm power contracts or through the wholesale electricity market administered by the NYISO. The company expects that these resources will again be adequate to meet the requirements of its customers in 2022. The company plans to meet its continuing obligation to supply electricity to its full-service customers through a combination of electricity purchased under contracts, purchased through the NYISO’s wholesale electricity market, or generated from its electricity generating facilities. For information about the company’s contracts for electric generating capacity, see Notes I and Q to the financial statements in Item 8. To reduce the volatility of its full-service customers’ electric energy costs, the company has contracts to purchase electric energy and enters into derivative transactions to hedge the costs of a portion of its expected purchases under these contracts and through the NYISO’s wholesale electricity market.

CECONY owns generating stations in New York City associated primarily with its steam system. The generating stations have a combined electric capacity of approximately 725 MW, based on 2021 summer test ratings. For information about electric generating capacity owned by the company, see “Electric Operations – Electric Facilities – Generating Facilities,” above.

In general, the Utilities recover their costs of purchasing power for full-service customers, including the cost of hedging purchase prices, pursuant to rate provisions approved by the state public utility regulatory authority having jurisdiction. See “Financial and Commodity Market Risks – Commodity Price Risk” in Item 7 and “Recoverable Energy Costs” in Note A to the financial statements in Item 8.

CECONY monitors the adequacy of the electric capacity resources and related developments in its service area, and works with other parties on long-term resource adequacy within the framework of the NYISO reliability planning process. The NYISO process includes obligations on transmission owners (such as CECONY) to construct facilities that may be needed for system reliability if the market does not solve a reliability need identified by the NYISO. See “New York Independent System Operator,” above. In a July 1998 order, the NYSPSC indicated that it “agree(s) generally that CECONY need not plan on constructing new generation as the competitive market develops,” but considers “overly broad” and did not adopt CECONY’s request for a declaration that, solely with respect to providing generating capacity, it will no longer be required to engage in long-range planning to meet potential demand and, in particular, that it will no longer have the obligation to construct new generating facilities, regardless of the market price of capacity.

In 2019, the New York State Department of Environmental Conservation issued regulations that may require the retirement or seasonal unavailability of fossil-fueled electric generating units owned by CECONY and others in New York City. Compliance with the rule will impact approximately 1,400 MW of generating units in CECONY's service territory, of which 86 MW is owned by CECONY. In January 2021, CECONY updated its Local Transmission Plan (LTP) to address identified reliability needs on its local system as a result of the regulation through the construction of three transmission projects, the Reliable Clean City (RCC) projects. In addition, CECONY continues to monitor forecasted system voltage performance and will propose solutions in a future LTP update if a need for support persists in the forecast. In April 2021, the NYSPSC approved CECONY’s December 2020 petition to recover $780 million of costs to construct the RCC projects to solve the local reliability needs.

Gas Operations

Gas Facilities

CECONY’s capitalized costs for utility plant, net of accumulated depreciation, for gas facilities, which are primarily distribution facilities, were $9,748 million and $8,522 million at December 31, 2021 and 2020, respectively.

Natural gas is delivered by pipeline to CECONY at various points in or near its service territory and is distributed to customers by the company through an estimated 4,350 miles of mains and 377,971 service lines. The company owns a natural gas liquefaction facility and storage tank at its Astoria property in Queens, NY. The plant can store 1,062 MDt of which a maximum of about 240 MDt can be withdrawn per day. The company has approximately 1,226 MDt of additional natural gas storage capacity available to it at a field in upstate NY, owned and operated by Honeoye Storage Corporation, a corporation 71.2 percent owned by CET Gas and 28.8 percent owned by CECONY.

Gas Sales and Deliveries

CECONY delivers gas to its full-service customers who purchase gas from the company. The company generally recovers the cost of the gas that it buys and then sells to its full-service customers. It does not make any margin or profit on the gas it sells. The company also delivers gas to its customers who choose to purchase gas from other suppliers (retail choice program). CECONY's gas delivery revenues are subject to a weather normalization clause and a revenue decoupling mechanism. As a result, its gas delivery revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. CECONY's gas sales and deliveries for the last five years were:

	Year Ended December 31,				
	2017	2018	2019	2020	2021
Gas Delivered *(MDt)*					
Firm sales					
Full service	83,005	92,305	87,637	78,515	**81,637**
Firm transportation of customer-owned gas	71,353	82,472	81,710	76,614	**76,765**
Total Firm Sales	154,358	174,777	169,347	155,129	**158,402**
Interruptible sales (a)	7,553	7,351	9,903	8,482	**5,927**
Total Gas Delivered to CECONY Customers	161,911	182,128	179,250	163,611	**164,329**
Transportation of customer-owned gas					
NYPA	37,033	34,079	39,643	41,577	**43,094**
Other (mainly generating plants and interruptible transportation)	83,117	93,346	72,712	70,537	**67,871**
Off-system sales	55	195	12	12	**12**
Total Sales	282,116	309,748	291,617	275,737	**275,306**
Gas Delivered *($ in millions)*					
Firm sales					
Full service	$1,136	$1,356	$1,327	$1,229	**$1,473**
Firm transportation of customer-owned gas	524	595	593	649	**704**
Total Firm Sales	1,660	1,951	1,920	1,878	**2,177**
Interruptible sales	35	40	42	27	**29**
Total Gas Delivered to CECONY Customers	1,695	1,991	1,962	1,905	**2,206**
Transportation of customer-owned gas					
NYPA	2	2	2	2	**2**
Other (mainly generating plants and interruptible transportation)	56	57	54	55	**59**
Off-system sales	—	—	—	—	**—**
Other operating revenues (mainly regulatory amortizations)	148	28	114	74	**111**
Total Sales	$1,901	$2,078	$2,132	$2,036	**$2,378**
Average Revenue per Dt Sold					
Residential	$15.35	$16.71	$17.33	$18.59	**$20.71**
General	$10.86	$11.31	$11.55	$10.77	**$13.67**

(a) Includes 3,816, 3,326, 5,484, 3,510 and 1,920 MDt for 2017, 2018, 2019, 2020 and 2021, respectively, which are also reflected in firm transportation and other.

For further discussion of the company's gas operating revenues and its gas results, see "Results of Operations" in Item 7. For additional segment information, see Note P to the financial statements in Item 8.

Gas Peak Demand

The gas actual peak day demand for firm gas customers in CECONY's service area occurs during the winter heating season and during the winter of 2021/2022 (through January 31, 2022) occurred on January 29, 2022 when the firm gas customers' demand reached approximately 1,268 MDt. "Design Weather Conditions" for the gas system is a standard to which the actual peak demand is adjusted for evaluation and planning purposes. The company estimates that, under Design Weather Conditions, the 2022/2023 service area peak day demand for firm gas customers will be 1,701 MDt. The forecasted peak day demand for firm gas customers at design conditions does not include gas used by interruptible gas customers including electric and steam generating stations. As of January 2022, the company forecasts an average annual growth of the gas peak day demand for firm gas customers over the next five years at design conditions to be approximately 1.3 percent in its service area, including the effect of certain gas energy efficiency programs and the anticipated phase-out of natural gas in certain new construction buildings, including major renovations, in New York City. See "Environmental Matters – Clean Energy Future," below. The five-year forecast in peak demand is used by the company for gas supply planning purposes.

In March 2019, due to gas supply constraints, CECONY established a temporary moratorium on new applications for firm gas service in most of Westchester County. In July 2020, CECONY filed a gas planning analysis with the NYSPSC that stated the moratorium could be lifted when increased pipeline capacity is achieved upon completion of the Tennessee Gas Pipeline's East 300 Update Project or peak demand is reduced through efficiency and other demand side reductions to a level that would enable the company to lift the moratorium. Assuming timely regulatory approvals, the Tennessee Gas Pipeline project is expected to be completed by November 2023. CECONY's gas planning analysis also stated that the company is monitoring gas supply constraint in the New York City portion of its service territory.

Gas Supply

CECONY and O&R have combined their gas requirements, and contracts to meet those requirements, into a single portfolio. The combined portfolio is administered by, and related management services are provided by, CECONY (for itself and as agent for O&R) and costs are allocated between the Utilities in accordance with provisions approved by the NYSPSC. See Note U to the financial statements in Item 8.

Charges from suppliers for the firm purchase of gas, which are based on formulas or indexes or are subject to negotiation, are generally designed to approximate market prices. The Utilities have contracts with interstate pipeline companies for the purchase of firm transportation from upstream points where gas has been purchased to the Utilities' distribution systems, and for upstream storage services. Charges under these transportation and storage contracts are approved by the FERC. The Utilities are required to pay certain fixed charges under the supply, transportation and storage contracts whether or not the contracted capacity is actually used. These fixed charges amounted to approximately $392.8 million in 2021, including $346.7 million for CECONY. See "Contractual Obligations," below. At December 31, 2021, the contracts were for various terms extending to 2025 for supply and 2043 for transportation and storage. During 2021, CECONY entered into one new transportation and storage contract. In addition, the Utilities purchase gas on the spot market and contract for interruptible gas transportation. See "Recoverable Energy Costs" in Note A, Note Q and Note U to the financial statements in Item 8.

Steam Operations

Steam Facilities

CECONY's capitalized costs for utility plant, net of accumulated depreciation, for steam facilities, including steam's portion of the steam-electric generation facilities, were $1,924 million and $1,854 million at December 31, 2021 and 2020, respectively. See "CECONY – Electric Operations – Electric Facilities," above.

CECONY generates steam at one steam-electric generating station and four steam-only generating stations and distributes steam to its customers through approximately 105 miles of transmission, distribution and service piping.

Steam Sales and Deliveries

CECONY's steam sales and deliveries for the last five years were:

	Year Ended December 31,				
	2017	**2018**	**2019**	**2020**	**2021**
Steam Sold *(MMlb)*					
General	490	593	536	445	**504**
Apartment house	5,754	6,358	5,919	5,131	**5,013**
Annual power	13,166	14,811	13,340	10,977	**11,367**
Total Steam Delivered to CECONY Customers	19,410	21,762	19,795	16,553	**16,884**
Steam Sold *($ in millions)*					
General	$26	$30	$27	$23	**$25**
Apartment house	158	174	160	136	**137**
Annual power	392	441	395	321	**340**
Other operating revenues	19	(14)	45	28	**30**
Total Steam Delivered to CECONY Customers	$595	$631	$627	$508	**$532**
Average Revenue per Mlb Sold	$29.68	$29.64	$29.40	$29.00	**$29.73**

For further discussion of the company's steam operating revenues and its steam results, see "Results of Operations" in Item 7. For additional segment information, see Note P to the financial statements in Item 8.

Steam Peak Demand and Capacity

The steam actual hourly peak demand in CECONY's service area occurs during the winter heating season and during the winter of 2021/2022 (through January 31, 2022) occurred on January 21, 2022 when the actual hourly demand reached approximately 6.9 MMlb per hour. "Design Weather Conditions" for the steam system is a standard

to which the actual hourly peak demand is adjusted for evaluation and planning purposes. The company's estimate for the winter of 2022/2023 hourly peak demand of its steam customers is about 8.3 MMlb per hour under Design Weather Conditions. The company forecasts an average annual increase in steam hourly peak demand in its service area at Design Weather Conditions over the next five years to be approximately 0.1 percent.

On December 31, 2021, the steam system was capable of delivering approximately 11.4 MMlb of steam per hour, and CECONY estimates that the system will have the same capability in the 2022/2023 winter.

Steam Supply

30 percent of the steam produced by CECONY in 2021 was supplied by the company's steam-only generating assets; 50 percent was produced by the company's steam-electric generating assets, where steam and electricity are primarily cogenerated; and 20 percent was purchased under an agreement with Brooklyn Navy Yard Cogeneration Partners L.P.

O&R

Electric Operations

Electric Facilities

O&R's capitalized costs for utility plant, net of accumulated depreciation, for distribution facilities were $1,178 million and $1,115 million at December 31, 2021 and 2020, respectively. For its transmission facilities, the costs for utility plant, net of accumulated depreciation, were $297 million and $290 million at December 31, 2021 and 2020, respectively.

O&R and RECO own, in whole or in part, transmission and distribution facilities which include 533 circuit miles of transmission lines, 15 transmission substations, 64 distribution substations, 87,564 in-service line transformers, 3,924 pole miles of overhead distribution lines and 2,291 miles of underground distribution lines. O&R's transmission system is part of the NYISO system except that portions of RECO's system are located within the transmission area controlled by PJM.

Electric Sales and Deliveries

O&R delivers electricity to its full-service customers who purchase electricity from the company. The company also delivers electricity to its customers who purchase electricity from other suppliers through the company's retail choice program.

The company charges all customers in its service area for the delivery of electricity. O&R generally recovers, on a current basis, the cost of the electricity that it buys and then sells to its full-service customers. It does not make any margin or profit on the electricity it sells. O&R's NY electric revenues (which accounted for 76 percent of O&R's electric revenues in 2021) are subject to a revenue decoupling mechanism. As a result, O&R's NY electric delivery revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. O&R's electric sales in NJ are not subject to a revenue decoupling mechanism. O&R's electric sales and deliveries for the last five years were:

	Year Ended December 31,				
	2017	**2018**	**2019**	**2020**	**2021**
Electric Energy Delivered *(millions of kWh)*					
Total deliveries to O&R full service customers	2,435	2,643	2,617	2,712	2,702
Delivery service for retail choice customers	2,976	2,974	2,885	2,622	2,839
Total Deliveries in Franchise Area	5,411	5,617	5,502	5,334	5,541
Electric Energy Delivered *($ in millions)*					
Total deliveries to O&R full service customers	$433	$453	$429	$442	$453
Delivery service for retail choice customers	201	201	191	186	223
Other operating revenues	8	(12)	14	1	5
Total Deliveries in Franchise Area	$642	$642	$634	$629	$681
Average Revenue Per kWh Sold *(Cents)*					
Residential	19.8	19.1	18.2	17.8	19.0
Commercial and Industrial	15.0	14.4	13.9	14.2	13.0

For further discussion of the company's electric operating revenues and its electric results, see "Results of Operations" in Item 7. For additional segment information, see Note P to the financial statements in Item 8.

Electric Peak Demand

The electric peak demand in O&R's service area occurs during the summer air conditioning season. The weather during the summer of 2021 was cooler than design conditions. O&R's 2021 service area actual hourly peak demand was 1,520 MW, which occurred on June 30, 2021. "Design Weather Conditions" for the electric system is a standard to which the actual hourly peak demand is adjusted for evaluation and planning purposes. Since NYISO-invoked demand reduction programs can only be called upon under specific circumstances, Design Weather Conditions do not include these programs' potential impact. However, the O&R forecasted hourly peak demand at design conditions does include the impact of certain demand reduction programs. The company estimates that, under Design Weather Conditions, the 2022 service area peak demand will be 1,570 MW. The company forecasts an average annual decrease in hourly electric peak demand in its service area at design conditions over the next five years to be approximately 0.3 percent, including the effect of certain electric energy efficiency programs. The five-year forecast in peak demand is used by the company for electric supply planning purposes.

Electric Supply

The electricity O&R sold to its full-service customers in 2021 was purchased under firm power contracts or through the wholesale electricity market. The company expects that these resources will again be adequate to meet the requirements of its customers in 2022. O&R does not own any electric generating capacity. The company plans to meet its continuing obligation to supply electricity to its customers through a combination of electricity purchased under contracts or purchased through the wholesale electricity market. To reduce the volatility of its customers' electric energy costs, the company has contracts to purchase electric energy and enters into derivative transactions to hedge the costs of a portion of its expected purchases. For information about the company's contracts, see Note Q to the financial statements in Item 8.

In general, the Utilities recover their costs of purchasing power for full service customers, including the cost of hedging purchase prices, pursuant to rate provisions approved by the state public utility regulatory authority having jurisdiction. See "Financial and Commodity Market Risks – Commodity Price Risk," in Item 7 and "Recoverable Energy Costs" in Note A to the financial statements in Item 8. From time to time, certain parties have petitioned the NYSPSC to review these provisions, the elimination of which could have a material adverse effect on the Companies' financial position, results of operations or liquidity.

Gas Operations

Gas Facilities

O&R's capitalized costs for utility plant, net of accumulated depreciation for gas facilities, which are primarily distribution facilities, were $725 million and $684 million at December 31, 2021 and 2020, respectively. Natural gas is delivered by pipeline to O&R at various points in or near its service territory and is distributed to customers by the company through an estimated 1,882 miles of mains and 106,574 service lines.

Gas Sales and Deliveries

O&R delivers gas to its full-service customers who purchase gas from the company. O&R generally recovers the cost of the gas that it buys and then sells to its full-service customers. It does not make any margin or profit on the gas it sells. The company also delivers gas to its customers who choose to purchase gas from other suppliers (retail choice program). O&R's gas delivery revenues are subject to a weather normalization clause and to a revenue decoupling mechanism. As a result, its gas delivery revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. O&R's gas sales and deliveries for the last five years were:

	Year Ended December 31,				
	2017	2018	2019	2020	2021
Gas Delivered *(MDt)*					
Firm sales					
Full service	10,480	12,050	12,537	11,877	**13,998**
Firm transportation	9,873	9,950	9,459	8,271	**7,584**
Total Firm Sales	20,353	22,000	21,996	20,148	**21,582**
Interruptible sales	3,771	3,746	3,668	3,633	**3,821**
Total Gas Delivered to O&R Customers	24,124	25,746	25,664	23,781	**25,403**
Transportation of customer-owned gas					
Sales for resale	896	959	914	658	**468**
Sales to electric generating stations	9	1	4	59	**26**
Off-system sales	6	15	1	19	**81**
Total Sales	25,035	26,721	26,583	24,517	**25,978**

	Year Ended December 31,				
	2017	2018	2019	2020	2021
Gas Delivered *($ in millions)*					
Firm sales					
Full service	$139	$166	$161	$141	**$190**
Firm transportation	74	78	63	62	**55**
Total Firm Sales	213	244	224	203	**245**
Interruptible Sales	7	6	6	6	**6**
Total Gas Delivered to O&R Customers	220	250	230	209	**251**
Transportation of customer-owned gas					
Sales to electric generating stations	—	—	—	—	**—**
Other operating revenues	12	(1)	29	24	**9**
Total Sales	$232	$249	$259	$233	**$260**
Average Revenue Per Dt Sold					
Residential	$13.86	$14.22	$13.32	$12.40	**$14.09**
General	$11.08	$11.80	$10.68	$9.51	**$11.24**

For further discussion of the company's gas operating revenues and its gas results, see "Results of Operations" in Item 7. For additional segment information, see Note P to the financial statements in Item 8.

Gas Peak Demand

The gas actual peak day demand for firm sales customers in O&R's service area occurs during the winter heating season and during the winter of 2021/2022 (through January 31, 2022) occurred on January 15, 2022 when the firm sales customers' demand reached approximately 192 MDt. "Design Weather Conditions" for the gas system is a standard to which the actual peak demand is adjusted for evaluation and planning purposes. The company estimates that, under Design Weather Conditions, the 2022/2023 service area peak day demand for firm sales customers will be 234 MDt. The forecasted peak day demand at design conditions does not include gas used by interruptible gas customers including electric generating stations. The company forecasts an average annual growth of the gas peak day demand for firm sales customers over the next five years at design conditions to be approximately 0.1 percent in its service area, including the effect of certain gas energy efficiency programs. The five-year forecast in peak demand is used by the company for gas supply planning purposes.

Gas Supply

O&R and CECONY have combined their gas requirements and purchase contracts to meet those requirements into a single portfolio. See "CECONY – Gas Operations – Gas Supply" above.

Clean Energy Businesses

The following table provides information about the Clean Energy Businesses' renewable electric projects that are in operation and/or in construction at December 31, 2021. Unless otherwise noted, the projects listed in the table below or the Clean Energy Businesses' equity interest in these projects have been pledged as security for project debt financing.

Project Name	Generating Capacity (MW AC)	Power Purchase Agreement (PPA) Term (In Years) (a)	Actual In-Service/Acquisition Date	State	PPA Counterparty
Utility Scale					
Solar					
PJM assets (c)	73	(b)	2011/2013	NJ/PA	Various
New England assets (c)	24	Various	2011/2017	MA/RI	Various
California Solar	110	25	2012/2013	CA	PG&E
Mesquite Solar 1	165	20	2013	AZ	PG&E
Copper Mountain Solar 2	150	25	2013/2015	NV	PG&E
Copper Mountain Solar 3	255	20	2014/2015	NV	SCPPA
California Solar 2	80	20	2014/2016	CA	SCE/PG&E
Texas Solar 4	40	25	2014	TX	City of San Antonio
Texas Solar 5	100	25	2015	TX	City of San Antonio
Texas Solar 7	112	25	2016	TX	City of San Antonio
California Solar 3	110	20	2016/2017	CA	SCE/PG&E
Upton Solar	158	25	2017	TX	City of Austin
California Solar 4	240	20	2017/2018	CA	SCE
Copper Mountain Solar 1	58	12	2018	NV	PG&E
Copper Mountain Solar 4 (d)	94	20	2018	NV	SCE
Mesquite Solar 2 (d)	100	18	2018	AZ	SCE
Mesquite Solar 3 (d)	150	23	2018	AZ	WAPA (U.S. Navy)
Great Valley Solar (d)	200	17	2018	CA	MCE/SMUD/PG&E/SCE
Water Strider Solar (d)	80	20	2021	VA	VEPCO
Battle Mountain Solar/Battery Energy Storage System (d)	101	25	2021	NV	SPP
Copper Mountain Solar 5 (d)	250	25	2021	NV	NPC
Other (c)	26	Various	Various	Various	Various
Total Solar	**2,676**				
Wind					
Broken Bow II	75	25	2014	NE	NPPD
Wind Holdings	180	Various	Various	SD/MT	NWE/Basin Electric
Adams Rose Wind	23	7	2016	MN	Dairyland
Other (c)	42	Various	Various	Various	Various
Total Wind	**320**				
Total MW (AC) in Operation	**2,996**				
Total MW (AC) in Construction (c)	**8**				
Total MW (AC) Utility Scale	**3,004**				
Behind the Meter					
Total MW (AC) in Operation (c)	**65**				
Total MW (AC) in Construction (c)	**4**				
Total MW Behind the Meter	**69**				

(a) Represents PPA contractual term or remaining term from the date of acquisition.
(b) Solar renewable energy credit hedges are in place, in lieu of PPAs, through 2025.
(c) Projects have generally not been pledged as security for project debt financing.
(d) Projects are financed with tax equity. See Note S to the financial statements in Item 8.

Renewable Electric Generation

The Clean Energy Businesses develop, own and operate renewable and sustainable energy infrastructure projects. In December 2018, the Clean Energy Businesses acquired Sempra Solar Holdings, LLC to expand the company's renewable energy asset portfolio. The Clean Energy Businesses focus their efforts on utility scale renewable electric projects. The output of most of the projects is sold under long-term power purchase agreements (PPA) with utilities and municipalities. The following table shows the generating capacity (MW AC) of the Clean Energy Businesses' utility scale renewable electric projects in operation at the end of the last five years:

Generating Capacity (MW AC)	2017	2018	2019	2020	2021
Renewable electric projects	1,358	2,588	2,628	2,809	3,061

Renewable electric volumes produced by utility scale assets at the end of the last five years were:

	Millions of kWh Produced				
	For the Years Ended December 31,				
Description	**2017**	**2018**	**2019**	**2020**	**2021**
Renewable electric projects					
Solar	2,158	2,680	5,506	5,699	6,219
Wind	988	1,074	1,333	1,425	1,300
Total	3,146	3,754	6,839	7,124	7,519

Energy-Related Products and Services

The Clean Energy Businesses provide services to manage the dispatch, fuel requirements and risk management activities for 11,127 MW of generating plants and merchant transmission in the northeastern United States owned by unrelated parties, manage energy supply assets leased from others and provide wholesale hedging and risk management services to renewable electric projects owned by their subsidiaries.

The Clean Energy Businesses also provide energy-efficiency services to government and commercial customers. The services include the design and installation of lighting retrofits, high-efficiency heating, ventilating and air conditioning equipment and other energy saving technologies.

For information about the Clean Energy Businesses' results, see "Results of Operations" in Item 7 and Note P to the financial statements in Item 8.

Con Edison Transmission

CET Electric

CET Electric owns a 45.7 percent interest in New York Transco LLC (NY Transco). Affiliates of certain other New York transmission owners own the remaining interests.

NY Transco's Transmission Owner Transmission Solutions (TOTS) projects were approved by the NYSPSC in October 2013. In April 2015, the FERC issued an order granting certain transmission incentives for the NY Transco TOTS projects. In March 2016, the FERC approved a November 2015 settlement agreement that provides, in relation to the TOTS projects described above, a 10 percent return on common equity (which is comprised of 9.5 percent base return on equity plus an additional 50 basis points) and a maximum actual common equity ratio of 53 percent. The revenues for these TOTS projects costs are collected by the NYISO and allocated across NYISO transmission customers in NY State, with 63 percent allocated to load serving entities in the CECONY and O&R service areas.

In December 2015, the NYSPSC issued an order in its competitive proceeding to select AC transmission projects that would relieve transmission congestion between upstate and downstate. The NYSPSC determined that there was a public policy need for new transmission to address congestion and directed the NYISO, under its FERC-approved public policy planning process, to request developers to submit transmission project proposals for two segments of the transmission system. In April 2019, the New York Independent System Operator (NYISO) selected a project that was jointly proposed by National Grid and NY Transco ($600 million estimated cost, excluding certain interconnection costs that are not yet determined) that would increase transmission capacity by 1,850 MW between upstate and downstate when combined with another developer’s project that was also selected by the NYISO. The siting, construction and operation of the projects will require approvals and permits from appropriate governmental agencies and authorities, including the NYSPSC. The NYISO and National Grid/NY Transco entered into an agreement for the development and operation of the project, referred to as the New York Energy Solution (NYES) project, that is scheduled for entry into service by December 2023. In November 2017, FERC approved a settlement agreement with respect to the National Grid/NY Transco project that provides for a 10.65 percent return on common equity (which is comprised of a 9.65 percent base ROE, with 100 basis points added for congestion reduction and a cost containment mechanism applicable to certain capital costs) and a maximum actual common equity ratio of 53 percent. Revenues for the NYES project are collected by the NYISO including 100 percent of construction work-in-progress, and are allocated across NYISO transmission customers in NY State with 84 percent allocated to load serving entities in the CECONY and O&R service areas.

CET Gas

CET Gas, through its subsidiaries, owns a 71.2 percent interest in Honeoye Storage Corporation (Honeoye), a company that operates a gas storage facility in upstate NY and in which CECONY owns the remaining interest. A goodwill impairment loss of $7 million was recorded related to CET Gas’ and CECONY’s investment in Honeoye Storage Corporation for the year ended December 31, 2021, of which $5 million was attributed to CET Gas. See Note K to the financial statements in Item 8.

In addition, CET Gas owns a 10.2 percent interest (that is expected to be reduced to 8.5 percent based on the current project cost estimate and CET Gas’ previous capping of its cash contributions to the joint venture) in Mountain Valley Pipeline, LLC (MVP). MVP is a joint venture with four other partners to construct and operate a proposed 300-mile gas transmission project in WV and VA. CET Gas recorded pre-tax impairment losses on its interest in MVP of $231 million ($162 million after-tax) and $320 million ($223 million after-tax) for the years ended December 31, 2021 and December 31, 2020, respectively. In May 2021, the operator of the Mountain Valley Pipeline indicated that, subject to receipt of certain authorizations and resolution of certain challenges, it is targeting an in-service date for the project of summer 2022 at an overall project cost of approximately $6,200 million excluding allowance for funds used during construction. See "Investments - 2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP)" in Note A to the financial statements in Item 8.

During 2021, CET Gas sold its 50 percent interest in Stagecoach Gas Services LLC (Stagecoach), a gas pipeline and storage business located in northern PA and southern NY for $629 million. CET Gas recorded pre-tax impairment losses of $212 million ($147 million after-tax). See "Investments - Partial Impairment of Investment in Stagecoach Gas Services" in Note A and Note W to the financial statements in Item 8.

For information about Con Edison Transmission's results, see "Results of Operations" in Item 7 and Note P to the financial statements in Item 8.

Capital Requirements and Resources

Capital Requirements

The following table contains the Companies' capital requirements for the years 2019 through 2021 and their current estimate of amounts for 2022 through 2024:

	Actual			Estimate		
(Millions of Dollars)	2019	2020	2021	2022	2023	2024
CECONY (a)(b)						
Electric	$1,851	$2,080	$2,189	$2,585	$3,473	$3,669
Gas	1,078	1,044	1,126	1,192	1,173	1,187
Steam	91	122	103	116	116	101
Sub-total	3,020	3,246	3,418	3,893	4,762	4,957
O&R						
Electric	142	159	147	164	177	172
Gas	61	61	70	77	76	74
Sub-total	203	220	217	241	253	246
Con Edison Transmission						
CET Electric	8	2	30	72	42	10
CET Gas	197	1	1	1	—	—
Sub-total	205	3	31	73	42	10
Clean Energy Businesses (c)	248	616	298	400	400	400
Total capital investments	3,676	4,085	3,964	4,607	5,457	5,613
Retirement of long-term securities						
Con Edison – parent company	553	3	1,178	293	650	—
CECONY	475	350	640	—	—	250
O&R	62	—	—	—	—	—
Clean Energy Businesses	105	165	141	147	319	143
Total retirement of long-term securities	1,195	518	1,959	440	969	393
Total capital requirements	$4,871	$4,603	$5,923	$5,047	$6,426	$6,006

(a) CECONY's capital investments for environmental protection facilities and related studies were $507 million, $491 million and $731 million in 2019, 2020 and 2021, respectively, and are estimated to be $670 million in 2022.
(b) Amounts shown do not include amounts for the energy efficiency, demand reduction and combined heat and power programs.
(c) Estimates shown for 2022, 2023 and 2024 do not include the impact, if any, that may result from Con Edison's evaluation of strategic alternatives with respect to the Clean Energy Businesses. See "Clean Energy Businesses" in Item 1.

The Utilities have an ongoing need to make substantial capital investments primarily to maintain the safety, reliability and resilience of their electric, gas and steam delivery systems. Their estimated construction expenditures also reflect programs that will give customers greater control over their energy usage and bills, help integrate customers' new clean energy technologies into the Utilities' electric delivery systems, and invest in efforts that will mitigate and adapt to the impact of climate change.

Estimated capital investments for Con Edison Transmission primarily reflect planned investments in electric transmission projects. Estimated capital investments for the Clean Energy Businesses primarily reflect planned investments in renewable electric projects. Actual capital investments for Con Edison Transmission and the Clean Energy Businesses could increase or decrease significantly from the amounts estimated depending on opportunities.

Contractual Obligations

The following table summarizes the Companies' material obligations at December 31, 2021 to make payments pursuant to contracts. Long-term debt, capital lease obligations and other noncurrent liabilities are included on their balance sheets. Operating leases and electricity purchase agreements (for which undiscounted future annual payments are shown) are described in the notes to the financial statements.

(Millions of Dollars)	Total	Payments Due by Period 1 year or less	Years 2 & 3	Years 4 & 5	After 5 years
Long-term debt (Statement of Capitalization)					
CECONY	$18,575	—	$250	$250	$18,075
O&R	975	—	—	—	975
Clean Energy Businesses	2,777	147	462	457	1,711
Parent	943	293	650	—	—
Interest on long-term debt (a)	19,017	936	1,818	1,773	14,490
Total long-term debt, including interest	42,287	1,376	3,180	2,480	35,251
Finance lease obligations (Note J)					
CECONY	1	—	1	—	—
O&R	1	—	—	—	1
Total capital lease obligations	2	—	1	—	1
Operating leases (Note J)					
CECONY	691	60	118	119	394
O&R	1	1	—	—	—
Clean Energy Businesses	574	20	36	35	483
Total operating leases	1,266	81	154	154	877
Purchase obligations					
Electricity power purchase agreements – Utilities (Note I)					
CECONY					
Energy	1,718	116	217	213	1,172
Capacity (b)	802	124	133	111	434
Total CECONY	2,520	240	350	324	1,606
O&R					
Energy and Capacity (b)	94	61	33	—	—
Total electricity and power purchase agreements – Utilities	2,614	301	383	324	1,606
Natural gas supply, transportation, and storage contracts – Utilities (c)					
CECONY					
Natural gas supply	322	270	52	—	—
Transportation and storage	4,308	385	755	566	2,602
Total CECONY	4,630	655	807	566	2,602
O&R					
Natural gas supply	38	30	8	—	—
Transportation and storage	648	57	112	84	395
Total O&R	686	87	120	84	395
Total natural gas supply, transportation and storage contracts	5,316	742	927	650	2,997
Other purchase obligations					
CECONY (d)	3,909	1,077	685	1,673	474
O&R (d)	146	82	13	6	45
Clean Energy Businesses (e)	228	176	34	10	8
Total other purchase obligations	4,283	1,335	732	1,689	527
Total	$55,768	$3,835	$5,377	$5,297	$41,259

(a) Includes interest on variable rate debt calculated at rates in effect at December 31, 2021.
(b) Included in these amounts is the cost of minimum quantities of energy that the Utilities are obligated to purchase at both fixed and variable prices.
(c) Included in these amounts is the cost of minimum quantities of natural gas supply, transportation and storage that the Utilities are obligated to purchase at both fixed and variable prices.
(d) Amounts shown for other purchase obligations, which reflect capital and operations and maintenance costs incurred by the Utilities in running their day-to-day operations, were derived from the Utilities' purchasing system as the difference between the amounts authorized and the amounts paid (or vouchered to be paid) for each obligation. For many of these obligations, the Utilities are committed to purchase less than the amount authorized. Payments for the "Other Purchase Obligations" are generally assumed to be made ratably over the term of the obligations. Long-term Purchase Obligations, which comprises $3,379 million of "Other Purchase Obligations," were derived from the Utilities' purchasing system by using a method that identifies the remaining purchase obligations. The Utilities believe that unreasonable effort and expense would be involved to enable them to report their "Other Purchase Obligations" in a different manner.
(e) Amounts represent commitments by the Clean Energy Businesses to purchase minimum quantities of electric energy and capacity, renewable energy certificates, natural gas, natural gas pipeline capacity, energy efficiency services and construction services. The Clean Energy Businesses have also entered into power purchase agreements for the sale of power from their renewable electric projects, provisions of which provide for penalties to be paid by the Clean Energy Businesses in the event certain minimum production quantities are

not met. The future minimum production quantities and the amount of the penalties, if any, are not estimable and are not included in the amounts shown on the table.

The Companies' commitments to make payments in addition to these contractual commitments include their other liabilities reflected on their balance sheets, any funding obligations for their pension and other postretirement benefit plans, financial hedging activities, their collective bargaining agreements and Con Edison's and the Clean Energy Business' guarantees of certain obligations. See Notes E, F, Q and "Guarantees" in Note H to the financial statements in Item 8.

Capital Resources

Con Edison is a holding company that operates only through its subsidiaries and has no material assets other than its interests in its subsidiaries. Con Edison finances its capital requirements primarily through internally-generated funds, the sale of its common shares or external borrowings. Con Edison's ability to make payments on external borrowings and dividends on its common shares depends on receipt of dividends from its subsidiaries, proceeds from the sale of additional common shares or its interests in its subsidiaries or additional external borrowings. See "Con Edison's Ability To Pay Dividends Or Interest Depends On Dividends From Its Subsidiaries" in Item 1A and Note U to the financial statements in Item 8.

For information about restrictions on the payment of dividends by the Utilities and significant debt covenants, see Note C to the financial statements in Item 8.

For information on the Companies' commercial paper program and revolving credit agreements with banks, see Note D to the financial statements in Item 8.

The Companies require access to the capital markets to fund capital requirements that are substantially in excess of available internally-generated funds. See "Capital Requirements," above and "The Companies Require Access To Capital Markets to Satisfy Funding Requirements" in Item 1A. Each of the Companies believes that it will continue to be able to access capital, although capital market conditions may affect the timing and cost of the Companies' financing activities. The Companies monitor the availability and costs of various forms of capital, and will seek to issue Con Edison common shares and other securities when it is necessary or advantageous to do so. See "Coronavirus Disease 2019 (COVID-19) Impacts – Liquidity and Financing" in Item 7. For information about the Companies' long-term debt and short-term borrowing, see Notes C and D to the financial statements in Item 8.

The Utilities finance their operations, capital requirements and payment of dividends to Con Edison from internally-generated funds, contributions of equity capital from Con Edison, if any, and external borrowings. See "Liquidity and Capital Resources" in Item 7.

Con Edison plans to meet its capital requirements for 2022 through 2024, through internally-generated funds and the issuance of long-term debt and common equity. See "Capital Requirements and Resources - Capital Requirements," in Item 1. The company's plans include the issuance of between $800 million and $1,400 million of long-term debt, primarily at the Utilities, in 2022 and approximately $2,500 million in aggregate of long-term debt, including for maturing securities, primarily at the Utilities, during 2023 and 2024. The planned debt issuance is in addition to the issuance of long-term debt secured by the Clean Energy Businesses' renewable electric projects. The company's plans also include the issuance of up to $850 million of common equity in 2022 and approximately $750 million in aggregate of common equity during 2023 and 2024, in addition to common equity under its dividend reinvestment, employee stock purchase and long-term incentive plans. Con Edison's financing plans do not include the impact, if any, that may result from its evaluation of strategic alternatives with respect to the Clean Energy Businesses. See "Clean Energy Businesses" in Item 1.

In 2021, the NYSPSC authorized CECONY, through 2025, to issue up to $4,025 million of debt securities ($750 million of which the company had issued as of December 31, 2021). In 2020, the NYSPSC authorized O&R, through 2023, to issue up to $165 million of debt securities ($150 million of which the company had issued as of December 31, 2021). The NYSPSC also authorized CECONY and O&R for such periods to issue debt securities to refund existing debt securities of up to $2,500 million and $125 million, respectively. As of December 31, 2021, the Utilities had not refunded any securities pursuant to these authorizations. In January 2022, O&R filed a petition with the NYSPSC for authorization to issue up to $285 million of debt securities prior to December 31, 2025.

The Clean Energy Businesses have financed their operations and capital requirements primarily with capital contributions and borrowings from Con Edison, internally-generated funds and external borrowings. See Con Edison's Consolidated Statement of Capitalization in Item 8 and Note Q to the financial statements in Item 8.

Con Edison Transmission has financed its operations and capital requirements primarily with capital contributions and borrowings from Con Edison and internally-generated funds. See "Liquidity and Capital Resources" in Item 7.

For each of the Companies, the common equity ratio for the last five years was:

	Common Equity Ratio (Percent of total capitalization)				
	2017	2018	2019	2020	2021
Con Edison	51.1	49.0	49.6	48.3	47.4
CECONY	50.8	48.6	49.2	47.9	47.0

The credit ratings assigned by Moody's, S&P and Fitch to the senior unsecured debt and commercial paper of Con Edison, CECONY and O&R are as follows:

	Moody's	S&P	Fitch
Con Edison			
Senior Unsecured Debt	Baa2	BBB+	BBB+
Commercial Paper	P-2	A-2	F2
CECONY			
Senior Unsecured Debt	Baa1	A-	A-
Commercial Paper	P-2	A-2	F2
O&R			
Senior Unsecured Debt	Baa2	A-	A-
Commercial Paper	P-2	A-2	F2

Credit ratings assigned by rating organizations are expressions of opinion and are not recommendations to buy, sell or hold securities. A credit rating is subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating. See "The Companies Require Access To Capital Markets To Satisfy Funding Requirements" and "Changes To Tax Laws Could Adversely Affect the Companies" in Item 1A.

In 2017, the United Kingdom's Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit London Interbank Offered Rates (LIBOR). LIBOR's administrator ceased publishing one-week and two-month U.S. Dollar LIBOR immediately after the LIBOR publication on December 31, 2021, and is scheduled to cease publication of the remaining U.S. Dollar LIBOR tenors immediately after the publication on June 30, 2023.The Companies have been and are continuing to monitor LIBOR-related market, regulatory and accounting developments. The Companies' material contracts that reference LIBOR and currently extend beyond 2021 include their $2,250 million credit agreement (see Note D to the financial statements in Item 8). Pursuant to the credit agreement, the Companies may borrow at interest rates determined with reference to a prime rate, the federal funds rate or LIBOR. The credit agreement may be amended by the Companies and the administrative agent to provide for a LIBOR successor rate unless a majority of the lenders do not accept the amendment. In addition, the Clean Energy Businesses have $1,153 million of variable rate project debt that reference LIBOR and currently extends beyond 2021 and that allows for an alternate reference rate and associated interest rate swaps with a notional amount of $1,031 million (see Note Q to the financial statements in Item 8). Con Edison expects that the Clean Energy Businesses will be able to agree with project lenders and swap counterparties on the use of an alternate reference rate as needed. The Companies do not expect that a discontinuation of LIBOR would have a material impact on their financial position, results of operations or liquidity.

Environmental Matters

Clean Energy Future

Clean Energy Goals

In 2019, New York State enacted the Climate Leadership and Community Protection Act (CLCPA) that established a goal of 70 percent of the electricity procured by load serving entities regulated by the NYSPSC to be produced by renewable energy systems by 2030 and requires the statewide electrical demand system to have zero emissions by 2040. The law also codified state targets for energy efficiency (end-use energy savings of 185 trillion British thermal units below 2025 energy-use forecast), offshore wind (9,000 megawatts (MW) by 2035), solar (6,000 MW by 2025) and energy storage (3,000 MW by 2030). In addition, the law established a climate action council to recommend measures to attain the law's greenhouse gases (GHG) limits, including measures to reduce emissions by displacing fossil-fuel fired electricity with renewable electricity or by implementing energy efficiency measures. The climate action council released draft recommendations in December 2021 for public comment due in May 2022. The law also requires the consideration of electric transportation and electric heating to achieve its goals. As required by the law, the NYSDEC adopted regulations establishing statewide GHG emissions limits that are 60 percent of 1990 emissions levels by 2030 and 15 percent of 1990 emissions by 2050. The Utilities are unable to predict the impact on them of the implementation of this law.

In October 2020, the NYSPSC, in response to the CLCPA, modified its clean energy standard to establish a new renewable energy credits (RECs) program to support increased renewable energy availability in New York City for which the costs would be borne by load serving entities across New York State on a volumetric basis. CECONY and O&R have been required to obtain RECs and zero-emissions credits (ZECs) for their full service customers since 2017. Load serving entities may satisfy their REC obligation by either purchasing RECs acquired through central procurement by the New York State Energy Research and Development Authority (NYSERDA), by self-supply through direct purchase of tradable RECs, or by making alternative compliance payments. Load serving entities purchase ZECs which are only available from NYSERDA at prices determined by the NYSPSC.

Prior to enactment of the CLCPA and its expansion of offshore wind goals, in July 2018, the NYSPSC established a goal of 2,400 MW of new offshore wind facilities by 2030. As a result of this goal, load-serving entities, such as CECONY and O&R, will be required to purchase offshore wind renewable energy credits (ORECs) from NYSERDA beginning in 2025 when projects are expected to begin operation. In October 2019, NYSERDA entered into a 25-year power purchase agreement (PPA) with Equinor Wind US LLC for its 816 MW Empire Wind Project, and a 25-year PPA with Sunrise Wind LLC for its 880 MW Sunrise Wind Project. In January 2022, NYSERDA expanded its contract with Empire Wind Project to 1,260 MW and awarded another contract to Equinor Wind US LLC for its 1,230 MW Beacon Wind Project.

In August 2019, following the enactment of the CLCPA, the NYSPSC initiated a proceeding to "reconcile resource adequacy programs with New York State's renewable energy and environmental emission reduction goals." See "New York Independent System Operator (NYISO)," above and "Climate Change," below. In May 2020, the NYSPSC initiated a proceeding implementing the Accelerated Renewable Energy Growth and Community Benefit Act to align New York State's electric system with CLCPA goals. In November 2020, NY's investor-owned utilities (including the Utilities) and LIPA filed a comprehensive report in this proceeding, identifying proactive local transmission and distribution investments in their systems to facilitate achieving the goals of the CLCPA and setting out policy recommendations for how they will identify, prioritize and allocate costs of these and future such projects going forward. CECONY and O&R have identified approximately $4,500 million and $400 million, respectively, in local transmission investment. In January 2022, the NYSPSC issued its order on power grid study recommendations that authorizes CECONY to file a comprehensive petition addressing a proposed "Con Edison Hub" in Brooklyn, NY that could accommodate at least 3,000 MW of offshore wind generation.

Federal and local municipal laws and agencies also regulate emissions levels and impact the CLCPA's decarbonization pathways. In 2015, the United States Environmental Protection Agency (EPA) issued its Clean Power Plan, which was repealed by the EPA in June 2019 before it could go into effect when the EPA issued its Affordable Clean Energy (ACE) rule. The ACE rule established guidelines for states to use when developing plans to limit carbon dioxide emissions at coal-fired power plants and included implementing regulations for future existing-source rules under a restrictive interpretation of the Clean Air Act. In September 2019, Con Edison, as part of a coalition of public and private electric utilities, filed a petition in the United States Court of Appeals for the District of Columbia Circuit to challenge the ACE rule and the repeal of the Clean Power Plan. The ACE rule could have had potential cost implications for utilities because it would have had the effect of limiting utilities' flexibility to use measures that would have been permitted under the Clean Power Plan, such as emissions trading and averaging to cost-effectively meet emissions limits. The ACE rule could have also adversely impacted initiatives to develop renewable energy sources and promote the use of electric vehicles. In January 2021, the Court of Appeals vacated and remanded the ACE rule to the EPA on the grounds that the ACE Rule was based on a critically mistaken reading of the Clean Air Act. In its ruling, the court adopted the argument advanced by the utilities'

coalition that the Clean Air Act did not foreclose EPA flexibility to consider other measures, such as emissions trading, to reduce carbon dioxide emissions. In January 2022, Con Edison, as part of a coalition of public and private electric utilities, filed a brief with the U.S. Supreme Court asking it not to adopt the restrictive statutory reading of the Clean Air Act that was rejected by the Court of Appeals and had been the legal underpinning of the ACE rule.

In 2014, New York City announced a goal to reduce GHG emissions 80 percent below 2005 levels by 2050. In May 2019, New York City enacted a package of legislation known as the Climate Mobilization Act, that includes provisions intended to reduce GHG emissions from large buildings by 40 percent from 2005 levels by 2030. Building owners may achieve compliance through operational changes, building retrofits, the purchase of greenhouse gas offsets, the purchase of renewable energy credits and the use of clean distributed energy resources. CECONY is unable to predict the impact on it of the implementation of this law.

In December 2021, New York City enacted Local Law 154. The law prohibits submitting permits for certain new construction buildings, including major renovations, for buildings that use oil, natural gas and some low carbon fuels beginning in 2024 for affected buildings with less than seven stories and beginning in 2027 for all other affected buildings. The law includes exceptions for buildings used for electric or steam generation, commercial kitchens, manufacturing, laundromats, and hospitals and the Department of Buildings may create additional exceptions.

Energy Efficiency, Electric Vehicles and Energy Storage

In January 2020, the NYSPSC issued an order directing energy efficiency targets and budgets for NY utilities. The order approved $2,000 million statewide for electric and gas energy efficiency programs and heat pump budgets, and associated targets, for the years 2021 through 2025 to meet the NYSPSC's goal of reducing electric use by 3 percent annually and gas use by 1.3 percent annually by 2025. The order authorized budgets for the years 2021 through 2025 for: electric energy efficiency programs of $593 million and $13 million for CECONY and O&R, respectively; gas energy efficiency programs of $235 million and $12 million for CECONY and O&R, respectively; and heat pump programs of $227 million and $15 million for CECONY and O&R, respectively. CECONY's current electric and gas rate plans allow it to recover the costs of energy efficiency expenditures, including a full rate of return, in rates from customers. Previously, CECONY recovered the costs of its energy efficiency programs from its customers primarily through energy efficiency tracker surcharge mechanisms approved by the NYSPSC. CECONY billed customers approximately $100 million annually between 2016 and 2019, through these mechanisms. Pursuant to CECONY's previous electric rate plan, the company supplemented its energy efficiency transition implementation plan with new energy efficiency, electric vehicle and system peak reduction programs, at a total cost of $177 million from 2017 through 2019, that has been reflected in base rates. See Note B to the financial statements in Item 8.

In May 2018, the NYSPSC initiated a proceeding on the role of electric utilities in providing needed infrastructure and rate options to advance adoption of electric vehicles. In July 2020, the NYSPSC established a light-duty electric vehicle make-ready program that includes budgets of $290 million and $24 million for CECONY and O&R, respectively, through 2025 for electric vehicle infrastructure and related program costs. CECONY's current electric rate plan also includes funding to offer up to $22 million in incentives for off-peak charging and electric vehicle infrastructure. The NYSPSC authorized both CECONY and O&R to recover these costs, including a full rate of return, in rates from customers.

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. The order also required CECONY to file an implementation plan for a competitive procurement process to deploy 300 MW of energy storage while O&R and the other NY electric utilities must plan to deploy 10 MW each. CECONY and O&R filed their implementation plans in February 2019. In December 2020, CECONY entered into a contract with a storage developer for energy storage services to provide power capacity of up to 100 MW. The Utilities expect to recover the cost of energy storage services, including a full rate of return, in rates from customers.

Reforming the Energy Vision

In April 2014, the NYSPSC began a multi-year process --Reforming the Energy Vision (REV)-- to improve electric system efficiency and reliability, encourage renewable energy resources, support distributed energy resources (DER), and enable more customer choice. DER includes distributed generation (such as solar electric production facilities, fuel cells and micro-turbines), energy storage, demand reduction and energy efficiency programs. Following a broad assortment of early REV proceedings, implementation of REV has shifted to focus on integrating distributed generation and modifying ratemaking designs.

The NYSPSC is directing development by NY electric utilities of a distributed system platform to manage and coordinate DER in their service areas under NYSPSC regulation and to provide customers, together with third parties, with data and tools to better manage their energy use. Regarding the latter, CECONY and O&R are working with other NY electric utilities and NYSERDA to respond to the NYSPSC's order to implement a data access framework and Integrated Energy Data Resources to share energy-related information. The Utilities are also working with the other utilities to enhance the NYSPSC's Utility Energy Registry hosted by NYSERDA that provides public access to aggregated community energy usage data from the utilities. The NYSPSC has required the Utilities to file distributed system implementation plans and ordered the Utilities to develop demonstration projects to inform distributed system platform business models. Through December 31, 2021, the NYSPSC staff has approved one joint CECONY-O&R, seven CECONY and three O&R demonstration projects.

The NYSPSC approved CECONY's advanced metering infrastructure (AMI) installation plan for its electric and gas delivery businesses, subject to a cap on capital expenditures of $1,285 million. AMI components such as smart meters, a communication network, information technology systems and business applications, will facilitate REV initiatives. The plan provides for full deployment of AMI to CECONY's customers by 2022. The NYSPSC also authorized O&R to expend $98.5 million to install AMI for its NY customers, which work was complete as of December 31, 2020.

The NYSPSC began to change compensation for DER and phase out net energy metering (NEM) in 2015. In NY, NEM compensates kilowatt-hours exported to the electric distribution system at the full-service rate for production, delivery, taxes and fees. NYSPSC's policy is to phase in changes to limit annual bill increases to two percent, reducing the impact of this policy on non-participating residential customers that would have occurred under NEM, but the NYSPSC have permitted exceptions to this policy.

Climate Change

As indicated by the Intergovernmental Panel on Climate Change, emissions of greenhouse gases (GHG), including carbon dioxide, are very likely changing the world's climate.

Climate change could affect customer demand for the Companies' energy services. It might also cause physical damage to the Companies' facilities and disruption of their operations due to more frequent and more extreme weather. In August 2020, Tropical Storm Isaias caused significant damage to the Utilities' electric distribution systems and interrupted service to approximately 530,000 of the Utilities' customers and caused the second-largest power outage in the Utilities' history (Superstorm Sandy interrupted service to 1.4 million of the Utilities' customers' in October 2012) and resulted in the Utilities incurring substantial response and restoration costs. After Superstorm Sandy, CECONY invested $1,000 million in its infrastructure in order to improve its resilience against storms. In December 2019, CECONY completed a study of climate change vulnerability. The study evaluated present-day infrastructure, design specifications and procedures under a range of potential climate futures. The study identified sea level rise, coastal storm surge, inland flooding from intense rainfall, hurricane-strength winds and extreme heat to be CECONY's most significant climate-driven risks to its electric, gas and steam systems. The study estimated that CECONY might need to invest between $1,800 million and $5,200 million by 2050 on targeted programs in order to adapt to potential impacts from climate change. During 2020, CECONY further evaluated its future climate change adaptation strategies and developed a climate change implementation plan that it filed with the NYSPSC in December 2020. The climate change implementation plan explains how CECONY will incorporate climate change projections for heat, precipitation, and sea level rise from the 2019 Climate Change Vulnerability Study into its operations to mitigate climate change risks to its assets and operations and establishes an ongoing process to reflect the latest science in the company's planning. With respect to governance, CECONY adopted a climate change planning and design guideline, created an executive committee to oversee implementation of the plan, and established a climate risk and resilience team to execute the day-to-day activities required by the plan.

Based on the most recent data (2019) published by the U.S. Environmental Protection Agency (EPA), Con Edison estimates that its direct GHG emissions constitute less than 0.1 percent of the nation's GHG emissions. Transportation is the largest source of GHG emissions in NY State. Con Edison's estimated emissions of GHG during the past five years were:

(Metric tons, *in millions* (a))	**2017**	**2018**	**2019**	**2020**	**2021**
CO2 equivalent emissions	3.0	3.1	2.9	2.7	2.8

(a) Estimated emissions for 2021 are based on preliminary data and are subject to third-party verification.

Con Edison's more than 50 percent decrease in direct GHG emissions (carbon dioxide, methane and sulfur hexafluoride) from the 2005 baseline (6.0 million metric tons) reflects the emission reductions resulting from equipment and repair projects, reduced steam demand, the increased use of natural gas in lieu of fuel oil at

CECONY's steam production facilities as well as projects to reduce sulfur hexafluoride emissions and to replace leak-prone gas distribution pipes.

CECONY has participated for several years in voluntary initiatives with the EPA to reduce its methane and sulfur hexafluoride emissions. The Utilities reduce methane emissions from the operation of their gas distribution systems through pipe maintenance and replacement programs and by introducing new technologies to reduce fugitive emissions from leaks or when work is performed on operating assets. The Utilities reduce emissions of sulfur hexafluoride, which is used for arc suppression in substation circuit breakers and switches, by using improved technologies to locate and repair leaks and by replacing older equipment. The Utilities also actively promote energy efficiency and the use of renewable generation to help their customers reduce their GHG emissions.

Emissions are also avoided by renewable electric production facilities replacing fossil-fueled electric production facilities and the continued operation of upstate nuclear power plants. See – "Clean Energy Future," above. NYSERDA has been responsible for implementing the renewable portfolio standard (RPS) and Clean Energy Standard (CES) established by the NYSPSC. NYSERDA has entered into agreements with developers of large renewable electric production facilities and the owners of upstate nuclear power plants and pays them premiums based on the facilities' electric output. These facilities sell their energy output in the wholesale energy and capacity markets administered by the NYISO. As a result of the Utilities' participation in the NYISO wholesale markets, a portion of the Utilities' NYISO energy purchases are sourced from renewable electric production facilities. NYSERDA also has provided rebates to customers who installed eligible renewable electric production technologies. The electricity produced by such customer-sited renewables generation offsets the energy that the Utilities would otherwise have procured, thereby reducing the amount of electricity produced by non-renewable production facilities.

In 2021, NYSERDA and the New York State Department of Environmental Conservation (NYSDEC) published the 2021 Statewide GHG Emissions Report, which reported that emissions from electricity generated in-state decreased 65 percent between 1990 and 2019 due, in part, to the decrease in the burning of coal and petroleum products in the electricity generation sector in NY and the increase in renewables generation in NY.

In January 2016, the NYSPSC approved a 10-year $5,300 million clean energy fund to be managed by NYSERDA under the NYSPSC's supervision. The clean energy fund has four portfolios: market development; innovation and research; NY Green Bank and NY Sun. The Utilities collect all clean energy fund surcharges through the system benefit charge (including previously authorized RPS, EEPS, Technology and Market Development collections and incremental clean energy fund collections to be collected from electric customers only). The Utilities billed customers clean energy fund surcharges of $224 million, $212 million and $305 million in 2021, 2020, and 2019 respectively. For information about NYSPSC proceedings considering renewable generation see "Clean Energy Future," above.

CECONY is subject to carbon dioxide emissions regulations established by NY State under the Regional Greenhouse Gas Initiative (RGGI) due to its ownership of electric generation assets. The initiative, a cooperative effort by Northeastern and Mid-Atlantic states, established a decreasing cap on carbon dioxide emissions resulting from the generation of electricity. Under RGGI, affected electric generators are required to obtain emission allowances to cover their carbon dioxide emissions, available primarily through auctions administered by participating states or a secondary market. Due to changes in the New York State CO2 Budget Trading Program, for the fifth RGGI control period (2021 - 2023) two additional CECONY generation units were added to the RGGI program. However, since the affected units are used only for peaking generation and when needed to restore power to the electric grid, the incremental allowances that will need to be purchased are not expected to materially impact the company's RGGI obligations. CECONY will purchase RGGI allowances for the fifth control period based on anticipated emissions, which are expected to be similar to past compliance periods.

The cost to the Companies to comply with legislation, regulations or initiatives limiting GHG emissions could be substantial.

Environmental Sustainability

Con Edison's sustainability strategy, as it relates to the environment, provides that the company is dedicated to making a transformational impact on the environment, our region, and the lives of the people we serve. As part of its strategy, the company seeks, among other things, to reduce direct and indirect emissions; enhance the efficiency of its water use; minimize its impact to natural ecosystems; focus on reducing, reusing and recycling to minimize consumption; and design its work in consideration of climate forecasts.

Con Edison has adopted a clean energy commitment to further implement its sustainability strategy. The company's clean energy commitment seeks to:

- Build a resilient, 22nd century electric grid that delivers 100% clean energy by 2040;
- Empower the Companies' customers to meet their climate goals by accelerating energy efficiency with deep retrofits, aiming to electrify most building heating systems in the service territories by 2050, and providing all-in support for electric vehicles across the service territories;
- Reimagine the Utilities' gas systems by aiming to decarbonize and reduce the use of fossil natural gas, and exploring new ways to use the Utilities' existing, resilient gas infrastructure to serve customers' future needs;
- Lead in reducing the Companies' carbon footprint by aiming for net-zero direct emissions from sources owned or controlled by the Companies (Scope 1) by 2040 and focusing on decarbonizing CECONY's steam system and other operations of the Utilities: and
- Partner with the Companies' stakeholders to improve the quality of life of the neighborhoods the Companies serve and live in, focusing on disadvantaged communities.

CECONY

Superfund

The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 and similar state statutes (Superfund) impose joint and several liability, regardless of fault, upon generators of hazardous substances for investigation costs, remediation costs and environmental damages. The sites as to which CECONY has been asserted to have liability under Superfund include its and its predecessor companies' former manufactured gas sites, its multi-purpose Astoria site, the Gowanus Canal site, the Newtown Creek site and other Superfund sites discussed below. There may be additional sites as to which assertions will be made that the company has liability. For a further discussion of claims and possible claims against the company under Superfund, estimated liability accrued for Superfund claims and recovery from customers of site investigation and remediation costs, see Note G to the financial statements in Item 8.

Manufactured Gas Sites

CECONY and its predecessors formerly owned and operated manufactured gas plants at 51 sites (MGP Sites) in New York City and Westchester County. Many of these sites have been subdivided and are now owned by parties other than CECONY and have been redeveloped for other uses, including schools, residential and commercial developments and hospitals. The NYSDEC is requiring CECONY to investigate, and if necessary, develop and implement remediation programs for the sites, including any neighboring areas to which contamination may have migrated.

CECONY has started remedial investigations at all 51 MGP Sites. After investigations, no MGP impacts have been detected at all or portions of 15 sites, and the NYSDEC has issued No Further Action (NFA) letters for these sites.

Coal tar or other MGP-related contaminants have been detected at the remaining 36 sites. Remedial actions have been completed at all or portions of 14 sites and the NYSDEC has issued NFA letters for these sites. In addition, remedial actions have been completed by property owners at all or portions of four sites under the NYS Brownfield Cleanup Program and Certificates of Completion have been issued by the NYSDEC for these sites. Remedial design, planning or action is ongoing for the remaining sites or portions of sites; however, the information as to the extent of contamination and scope of the remediation likely to be required for many of these sites is incomplete. The company estimates that its undiscounted potential liability for the completion of the site investigation and cleanup of the known contamination on MGP sites (other than the Astoria site, which is discussed below) could range from $630 million to $2,390 million.

Astoria Site

CECONY is permitted by the NYSDEC to operate a hazardous waste storage facility on property owned by it in the Astoria section of Queens, NY. Portions of the property were formerly the location of a manufactured gas plant and also have been used or are being used for, among other things, electric generation operations, electric substation operations, the storage of fuel oil, the manufacture and storage of liquefied natural gas and the maintenance and storage of electric equipment. As a condition of its NYSDEC permit, the company is required to investigate the property and, where environmental contamination is found and action is necessary, to remediate the contamination. The company's investigations are ongoing. The company has submitted reports to the NYSDEC and the New York State Department of Health and in the future will be submitting additional reports identifying the known areas of contamination. The company estimates that its undiscounted potential liability for the completion of the site investigation and cleanup of the known contamination on the property could range from $175 million to $582 million.

Gowanus Canal

In August 2009, CECONY received a notice of potential liability and request for information from the EPA about the operations of the company and its predecessors at sites adjacent to or near the 1.8 mile Gowanus Canal in

Brooklyn, NY. In March 2010, the EPA added the Gowanus Canal to its National Priorities List of Superfund sites. The canal's adjacent waterfront is primarily commercial and industrial, currently consisting of concrete plants, warehouses and parking lots. The canal is near several residential neighborhoods. In September 2013, the EPA issued its record of decision for the site. The EPA concluded that there was significant contamination at the site, including polycyclic aromatic hydrocarbons, polychlorinated biphenyls (PCBs), pesticides, metals and volatile organic compounds. The EPA selected a remedy for the site that includes dredging and disposal of some contaminated sediments and stabilization and capping of contamination that will not be removed. The EPA estimated the cost of the selected remedy to be $506 million (and has indicated the actual cost could be significantly higher). The EPA has identified 39 potentially responsible parties (PRPs) with respect to the site, including CECONY (which the EPA indicated has facilities that may be a source of PCBs at the site). The EPA ordered the PRPs, including CECONY, to coordinate and cooperate with each other to perform and/or fund the remedial design for the selected remedy, which current estimates indicate could cost approximately $112 million. CECONY is funding its allocated share of the remedial design costs along with the other PRPs. In April 2019, the EPA issued an order that requires the PRPs, including CECONY, to: (1) design and perform bulkhead structural support work, including associated access dredging, along certain portions of the upper reaches of the canal, and (2) complete the design work for bulkhead structural support along certain portions of the middle part of the canal. The PRPs and CECONY are coordinating the implementation of this order. In January 2020, the EPA issued an order that requires six PRPs, including CECONY, to initiate the remedial action work in the upper reaches of the canal following the completion of the bulkhead upgrades. The EPA estimated that this work would cost approximately $125 million, although actual costs may be significantly higher, and require about 30 months to complete. In November 2020, the PRPs began implementation of the work required under this order. Cleanup in other areas of the canal is not addressed by this order. In addition, other Federal agencies and the NYSDEC have previously notified the PRPs of their intent to perform a natural resource damage assessment for the site. CECONY is unable to estimate its exposure to liability for the Gowanus Canal site.

Newtown Creek

In June 2017, CECONY received a notice of potential liability from the EPA with respect to the Newtown Creek site that was listed in 2010 on the EPA's National Priorities List of Superfund sites. The EPA has identified 20 potentially responsible parties (PRPs) with respect to the site, including CECONY, and has indicated that it will notify the company as additional PRPs are identified and notified by the EPA. Newtown Creek and its tributaries (collectively, Newtown Creek) form a 3.8 mile border between Brooklyn and Queens, NY. Currently, the predominant land use around Newtown Creek includes industrial, petroleum, recycling, manufacturing and distribution facilities and warehouses. Other uses include trucking, concrete manufacture, transportation infrastructure and a wastewater treatment plant. Newtown Creek is near several residential neighborhoods. Six PRPs, not including CECONY, pursuant to an administrative settlement agreement and order on consent the EPA issued to them in 2011, have been performing a remedial investigation of the site. The EPA indicated that sampling events have shown the sediments in Newtown Creek to be contaminated with a wide variety of hazardous substances including PCBs, metals, pesticides, polycyclic aromatic hydrocarbons and volatile organic compounds. The EPA also indicated that it has reason to believe that hazardous substances have come to be released from CECONY facilities into Newtown Creek. The current schedule anticipates completion of a feasibility study for the site during 2023 and 2024 and issuance of the EPA's record of decision selecting a remedy for the site thereafter. CECONY is unable to estimate its exposure to liability for the Newtown Creek site.

Other Superfund Sites

CECONY is a PRP at additional Superfund sites involving other PRPs and participates in PRP groups at those sites. The company generally is not managing the site investigation and remediation at these multiparty sites. Work at these sites is in various stages, and investigation, remediation and monitoring activities at some of these sites can be expected to continue over extended periods of time. The company believes that it is unlikely that monetary sanctions, such as penalties, will be imposed by any governmental authority with respect to these sites.

The following table lists each of the additional Superfund sites for which the company anticipates it may have liability. The table also shows for each such site its location, the year in which the company was designated or alleged to be a PRP or to otherwise have responsibilities for the site (shown in the table under "Start"), the name of the court or agency in which proceedings for the site are pending and CECONY's estimated percentage of the total liability for each site. The company currently estimates that its potential liability for investigation, remediation, monitoring and environmental damages in aggregate for the sites below is less than $2 million. Superfund liability is joint and several. The company's estimate of its liability for each site was determined pursuant to consent decrees, settlement agreements or otherwise and in light of the financial condition of other PRPs. The company's actual liability could differ substantially from amounts estimated.

Site	Location	Start	Court or Agency	% of Total Liability
Cortese Landfill	Narrowsburg, NY	1987	EPA	6.0%
Curcio Scrap Metal	Saddle Brook, NJ	1987	EPA	100.0%
Metal Bank of America	Philadelphia, PA	1987	EPA	1.0%
Global Landfill	Old Bridge, NJ	1988	EPA	0.4%
Borne Chemical	Elizabeth, NJ	1997	NJDEP	0.7%
Pure Earth	Vineland, NJ	2018	EPA	to be determined

Other Environmental Matters

In July 2021, a CECONY feeder failure led to the discharge of thousands of gallons of dielectric fluid from a street manhole in New Rochelle, NY. Dielectric fluid reached nearby streets, properties and the New Rochelle Harbor. CECONY, the U.S. Coast Guard, the NYSDEC and other agencies responded to the incident. The company stopped the feeder leak on the same day that the discharge occurred and has completed the spill recovery operations. In coordination with federal and state regulators, CECONY is evaluating certain shoreline areas for the potential presence of residual dielectric fluid and the extent to which additional cleaning in such areas may be necessary. In addition, the company has received third-party damage claims. The costs associated with this matter are not expected to have a material adverse effect on the company's financial condition, results of operations or liquidity. In connection with the incident, the company may incur monetary sanctions of more than $0.3 million for violations of certain provisions regulating the discharge of materials into, and for the protection of, the environment.

In 2016, CECONY and another utility responded to a reported dielectric fluid leak at a NJ marina on the Hudson River associated with one or two underwater transmission lines, the NJ portion of which is owned and operated by the other utility and the NY portion of which is owned and operated by CECONY. In 2017, after the marina owner had cleared substantial debris from its collapsed pier and rip rap material that it had previously placed over and in the vicinity of the underwater transmission lines in an attempt to shore up its failing pier, a dielectric fluid leak was found and repaired on one of the underwater transmission lines. In August 2018, the EPA declared the leak response complete. CECONY, the other utility and the marina owner are involved in litigation in federal court regarding response and repair costs, related damages, and the future of the lines. In August 2020, CECONY and the other utility entered into a settlement with the United States, under which the utilities settled the federal government's claims for outstanding response costs, without admitting fault and while preserving the utilities' rights to pursue recovery from the marina owner. CECONY expects that, consistent with the cost allocation provisions of its prior arrangements with the other utility for the transmission lines, the response and repair costs incurred by CECONY, the other utility and government agencies, net of any recovery from the marina owner, will be shared by CECONY and the other utility and that CECONY's share is not reasonably likely to have a material adverse effect on its financial position, results of operations or liquidity

O&R

Superfund

The sites at which O&R has been asserted to have liability under Superfund include its manufactured gas sites and the Superfund sites discussed below. There may be additional sites as to which assertions will be made that O&R has liability. For a further discussion of claims and possible claims against O&R under Superfund, see Note G to the financial statements in Item 8.

Manufactured Gas Sites

O&R and its predecessors formerly owned and operated manufactured gas plants at seven sites (O&R MGP Sites) in Orange County and Rockland County, NY. Three of these sites are now owned by parties other than O&R, and have been redeveloped by them for residential, commercial or industrial uses. The NYSDEC is requiring O&R to develop and implement remediation programs for the O&R MGP Sites including any neighboring areas to which contamination may have migrated.

O&R has completed remedial investigations and has received the NYSDEC's decision regarding the remedial work to be performed at all seven of its MGP sites. Of the seven sites, O&R has completed remediation at four sites. Remedial construction was conducted on a portion of one of the remaining sites in 2019 and remedial design is ongoing for the other remaining sites. The company estimates that its undiscounted potential liability for the completion of the site investigation and cleanup of the known contamination on MGP sites could range from $90 million to $141 million.

Superfund Sites

O&R is a PRP at Superfund sites involving other PRPs and participates in PRP groups at those sites. The company is not managing the site investigation and remediation at these multiparty Superfund sites. Work at these sites is in various stages, and investigation, remediation and monitoring activities at some of these sites is expected to continue over extended periods of time. The company believes that it is unlikely that monetary sanctions, such as penalties, will be imposed by any governmental authority with respect to these sites.

The following table lists each of the Superfund sites for which the company anticipates it may have liability. The table also shows for each such site its location, the year in which the company was designated or alleged to be a PRP or to otherwise have responsibilities for the site (shown in the table under "Start"), the name of the court or agency in which proceedings for the site are pending and O&R's estimated percentage of the total liability for each site. The company currently estimates that its potential liability for investigation, remediation, monitoring and environmental damages in aggregate for the sites below is less than $1 million. Superfund liability is joint and several. The company's estimate of its liability for each site was determined pursuant to consent decrees, settlement agreements or otherwise and in light of the financial condition of other PRPs. The company's actual liability could differ substantially from amounts estimated.

Site	Location	Start	Court or Agency	% of Total Liability
Metal Bank of America	Philadelphia, PA	1993	EPA	4.6%
Borne Chemical	Elizabeth, NJ	1997	NJDEP	2.3%
Ellis Road	Jacksonville, FL	2011	EPA	0.2%

Other Federal, State and Local Environmental Provisions

Toxic Substances Control Act

Virtually all electric utilities, including CECONY and O&R, own equipment containing PCBs. PCBs are regulated under the Federal Toxic Substances Control Act of 1976. The Utilities have procedures in place to manage and dispose of oil and equipment containing PCBs properly when they are removed from service.

Water Quality

Under NYSDEC regulations, the operation of CECONY's generating facilities requires permits for water discharges and water withdrawals. Conditions to the renewal of such permits may include limitations on the operations of the permitted facility or requirements to install certain equipment, the cost of which could be substantial. For information about the company's generating facilities, see "CECONY – Electric Operations – Electric Facilities" and "Steam Operations – Steam Facilities" above in this Item 1.

Certain governmental authorities are investigating contamination in the Hudson River and the New York Harbor. These waters run through portions of CECONY's service area. Governmental authorities could require entities that released hazardous substances that contaminated these waters to bear the cost of investigation and remediation, which could be substantial.

Air Quality

Under new source review regulations, an owner of a large generating facility, including CECONY's steam and steam-electric generating facilities, is required to obtain a permit before making modifications to the facility, other than routine maintenance, repair, or replacement, that increase emissions of pollutants from the facility above specified thresholds. To obtain a permit, the facility owner could be required to install additional pollution controls or otherwise limit emissions from the facility. The company reviews on an on-going basis its planned modifications to its facilities to determine the potential applicability of new source review and similar regulations.

The EPA's Transport Rule (also referred to as the Cross-State Air Pollution Rule), which was implemented in January 2015, established a new cap-and-trade program requiring further reductions in air emissions than the Clean Air Intrastate Rule (CAIR) that it replaced. Under the Transport Rule, utilities are to be allocated emissions allowances and may sell the allowances or buy additional allowances. CECONY requested and received NYSPSC approval to change the provisions under which the company recovers its purchased power costs to provide for costs incurred to purchase emissions allowances and revenues received from the sale of allowances. In 2021, the EPA finalized changes to the Transport Rule in response to a court decision. The revised Transport Rule reduced the number of allowances allocated to CECONY and required the company to purchase allowances to offset the decreased allocation. CECONY complied with the Transport Rule in 2021 and expects to comply with the rule in 2022.

The NYSDEC issued regulations in 2019 that limit nitrous oxides (NOx) emissions during the ozone season from May through September and affect older peaking units that are generally located downstate and needed during

periods of high electric demand or for local reliability purposes. See “CECONY – Electric Operations – Electric Supply,” above.

Environmental Matters

For information concerning climate change, environmental sustainability, potential liabilities arising from laws and regulations protecting the environment and other environmental matters, see “Environmental Matters” in Item 1, "Air Quality," above and Note G to the financial statements in Item 8.

State Anti-Takeover Law

New York State law provides that a “domestic corporation,” such as Con Edison, may not consummate a merger, consolidation or similar transaction with the beneficial owner of a 20 percent or greater voting stock interest in the corporation, or with an affiliate of the owner, for five years after the acquisition of the voting stock interest, unless the transaction or the acquisition of the voting stock interest was approved by the corporation’s board of directors prior to the acquisition of the voting stock interest. After the expiration of the five-year period, the transaction may be consummated only pursuant to a stringent “fair price” formula or with the approval of a majority of the disinterested stockholders.

Human Capital

Con Edison is committed to attracting, developing, and retaining a talented, diverse workforce. It values and supports a wide range of employee needs and interests. The company’s skilled and experienced workforce enables the company to maintain best-in-class reliability and progress towards achieving a clean energy future. Human capital measures focus on employee safety, hiring the right talent, employee development and retention, diversity and inclusion and protecting employees during the COVID-19 pandemic.

On December 31, 2021, Con Edison and its subsidiaries had 13,871 employees, based entirely in the United States including 12,325 at CECONY; 1,085 at O&R, 453 at the Clean Energy Businesses and 8 at Con Edison Transmission. Of the total CECONY and O&R employees, 7,030 and 554 employees, respectively, were represented by a collective bargaining unit. The collective bargaining agreement covering most of the CECONY employees expires in June 2024. Agreements covering other CECONY employees and O&R employees expire in June 2025 and May 2023, respectively.

Con Edison measures the voluntary attrition rate of its employees in assessing the company’s overall human capital. The company has a low annual turnover rate of approximately 6.4 percent, 42 percent of which is attributed to retirements. The average length of service is 14.9 years. Con Edison strives to have a diverse and inclusive workforce. A comprehensive diversity and inclusion strategy underlies the corporate culture; informing how its employees engage with one another, and setting the foundation for a respectful and inclusive environment. On December 31, 2021, women represented 21.9 percent of the total workforce and people of color represented 49.7 percent of the workforce, with ethnicity breaking down as follows: 50.3 percent White, 20.8 percent Black, 18.4 percent Hispanic, 9.1 percent Asian and 1.4 percent other.

In managing the business, the company emphasizes a strong safety culture. Continuous focus on safety while performing work is paramount, and leaders and managers are committed to implementing programs and practices that promote the right knowledge, skills, and attitudes to undertake the responsibilities of safety, including required training for both field and office employees. To that end, the company has a dedicated facility, the Learning Center, that offers classes to employees covering technical courses, skills enhancement, safety, and leadership development. During 2021, employees spent over 500,000 hours in instructor-led, leadership and skill-based training. Further, the company maintains a career development and succession planning program that is committed to helping employees grow their careers, talents, skills and abilities. In addition to their daily job functions, employees of the Utilities are assigned to and trained for a position for emergency response that is mobilized in the event of a weather event or emergency.

As a result of the COVID-19 pandemic, 52 percent of the total workforce was working remotely as of December 31, 2021. The viability of a mobile workforce was made possible by digital software and smart device capabilities that helped employees to collaborate with each other and remain productive while complying with health requirements. Even as the company continues to respond to the pandemic, the entire CECONY and O&R workforce is available in the event of an emergency that requires on-site presence. During 2021, Con Edison and its subsidiaries managed their operations and resources while avoiding lay-offs and furloughs and continued to recruit, interview, and hire internal and external applicants to fill open positions.

Available Information

For the sources of information about the Companies, see “Available Information” in the “Introduction” appearing before this Item 1.

Item 1A: Risk Factors

Information in any item of this report as to which reference is made in this Item 1A is incorporated by reference herein. The use of such terms as “see” or “refer to” shall be deemed to incorporate at the place such term is used the information to which such reference is made.

The Companies’ businesses are influenced by many factors that are difficult to predict, and that involve uncertainties that may materially affect actual operating results, cash flows and financial condition.

The Companies have established an enterprise risk management program to identify, assess, manage and monitor its major business risks based on established criteria for the severity of an event, the likelihood of its occurrence, and the programs in place to control the event or reduce the impact. The Companies’ major risks include:

Regulatory/Compliance Risks:

The Companies Are Extensively Regulated And Are Subject To Substantial Penalties. The Companies’ operations require numerous permits, approvals and certificates from various federal, state and local governmental agencies. State utility regulators may seek to impose substantial penalties on the Utilities for violations of state utility laws, regulations or orders. The Utilities are also subject to recurring, independent, third-party audits with respect to these regulations and standards. In addition, the Utilities' rate plans usually include negative revenue adjustments for failing to meet certain operating and customer satisfaction standards. FERC has the authority to impose penalties on the Utilities, the Clean Energy Businesses and the projects that Con Edison Transmission invests in, which could be substantial, for violations of the Federal Power Act, the Natural Gas Act or related rules, including reliability and cyber security rules. Environmental agencies may seek penalties for failure to comply with laws, regulations or permits. The Companies may also be subject to penalties from other regulatory agencies. The Companies may be subject to new laws, regulations or other requirements or the revision or reinterpretation of such requirements, which could adversely affect them. See “Utility Regulation", "Competition" and “Environmental Matters – Climate Change" and "Environmental Matters - Other Federal, State and Local Environmental Provisions” in Item 1, “Critical Accounting Estimates” in Item 7 and “COVID-19 Regulatory Matters” and “Other Regulatory Matters” in Note B to the financial statements in Item 8.

The Utilities’ Rate Plans May Not Provide A Reasonable Return. The Utilities have rate plans approved by state utility regulators that limit the rates they can charge their customers. The rates are generally designed for, but do not guarantee, the recovery of the Utilities’ cost of service (including a return on equity). See “Utility Regulation – State Utility Regulation – Rate Plans” in Item 1 and “Rate Plans” in Note B to the financial statements in Item 8. Rates usually may not be changed during the specified terms of the rate plans other than to recover energy costs and limited other exceptions. The Utilities’ actual costs may exceed levels provided for such costs in the rate plans (see “COVID-19 Regulatory Matters” in Note B to the financial statements in Item 8). State utility regulators can initiate proceedings to prohibit the Utilities from recovering from their customers the cost of service (including energy costs and storm restoration costs) that the regulators determine to have been imprudently incurred (see "Other Regulatory Matters" in Note B to the financial statements in Item 8). The Utilities have from time to time entered into settlement agreements to resolve various prudence proceedings.

The Companies May Be Adversely Affected By Changes To The Utilities’ Rate Plans. The Utilities’ rate plans typically require action by regulators at their expiration dates, which may include approval of new plans with different provisions. The need to recover from customers increasing costs, taxes or state-mandated assessments or surcharges could adversely affect the Utilities’ opportunity to obtain new rate plans that provide a reasonable rate of return and continue important provisions of current rate plans. The Utilities’ current NY electric and gas rate plans include revenue decoupling mechanisms and their NY electric, gas and steam rate plans include provisions for the recovery of energy costs and reconciliation of the actual amount of pension and other postretirement, environmental and certain other costs to amounts reflected in rates. See “Rate Plans” in Note B to the financial statements in Item 8.

Operations Risks:

The Failure Of, Or Damage To, The Companies' Facilities Could Adversely Affect The Companies. The Utilities provide electricity, gas and steam service using energy facilities, many of which are located either in, or close to, densely populated public places. See the description of the Utilities' facilities in Item 1. A failure of, or damage to, these facilities, or an error in the operation or maintenance of these facilities, could result in bodily injury or death, property damage, the release of hazardous substances or extended service interruptions. Impacts of climate change, such as sea level rise, coastal storm surge, inland flooding from intense rainfall, hurricane-strength winds and extreme heat could damage facilities and the Utilities may experience more severe consequences from attempting to operate during and after such events. The Utilities' response to such events may be perceived to be below customer expectations. The Utilities' successful implementation of their maintenance programs reduces, but does not fully protect against, damage to their facilities for which they will be held responsible and which may hinder their restoration efforts. The Utilities could be required to pay substantial amounts that may not be covered by the Utilities' insurance policies to repair or replace their facilities, compensate others for injury or death or other damage and settle any proceedings initiated by state utility regulators or other regulatory agencies. The occurrence of such events could also adversely affect the cost and availability of insurance. See "Other Regulatory Matters" in Note B and "Manhattan Explosion and Fire" in Note H to the financial statements in Item 8. Changes to laws, regulations or judicial doctrines could further expand the Utilities' liability for service interruptions. See "Utility Regulation – State Utility Regulation" and "Environmental Matters – Climate Change" in Item 1.

A Cyber Attack Could Adversely Affect The Companies. The Companies and other operators of critical energy infrastructure and energy market participants face a heightened risk of cyber attack and the Companies' businesses require the continued operation of information systems and network infrastructure. See Item 1 for a description of the businesses of the Utilities, the Clean Energy Businesses and Con Edison Transmission. Cyber attacks may include hacking, viruses, malware, denial of service attacks, ransomware, exploited vulnerabilities or other security breaches, including loss of data and communications. Cyber threats to the electric and gas systems are increasing in sophistication, magnitude and frequency. Interconnectivity with customers, independent system operators, energy traders and other energy market participants, suppliers, contractors and others also exposes the Companies' information systems and network infrastructure to an increased risk of cyber incidents, including attacks. Such interconnectivity increases the risk that a cyber incident or attack on the Companies could affect others and that a cyber incident or attack on others could affect the Companies. In the event of a cyber incident or attack that the Companies were unable to defend against or mitigate, the Companies could have their operations and the operations of their customers and others disrupted. The Companies could also have their financial and other information systems and network infrastructure impaired, property damaged, and customer and employee information stolen; experience substantial loss of revenues, response costs and other financial loss; and be subject to increased regulation, litigation, penalties and damage to their reputation. The Companies address vulnerabilities as they are identified, including the Log4j vulnerability common to web applications that was announced in December 2021. The Companies have experienced cyber incidents and attacks, although none of the incidents or attacks had a material impact.

The Failure Of Processes and Systems And The Performance Of Employees And Contractors Could Adversely Affect The Companies. The Companies have developed business processes and use information and communication systems and enterprise platforms for operations, customer service, legal compliance, personnel, accounting, planning and other matters. The Companies have completed a multi-year, phased transition of certain information technology services, including application maintenance and support and infrastructure and operations services, to a contractor. The failure of the Companies' or its contractors' business processes or information and communication systems or the failure by the Companies' employees or contractors to follow procedures, their unsafe actions, errors or intentional misconduct, cyber incidents or attacks, or work stoppages could adversely affect the Companies' operations and liquidity and result in substantial liability, higher costs and increased regulatory requirements. The violation of laws or regulations by employees or contractors for personal gain may result from contract and procurement fraud, extortion, bribe acceptance, fraudulent related-party transactions and serious breaches of corporate policy or standards of business conduct. See "Human Capital" in Item 1.

Environmental Risks:

The Companies Are Exposed To Risks From The Environmental Consequences Of Their Operations. The Companies are exposed to risks relating to climate change and related matters. In 2019, CECONY completed a climate change vulnerability study and during 2020, CECONY further evaluated its future climate change adaptation strategies and developed a climate change implementation plan. NY State enacted the Climate Leadership and Community Protection Act and New York City enacted the Climate Mobilization Act. See "Environmental Matters – Clean Energy Future" in Item 1. CECONY may also be impacted by regulations requiring reductions in air emissions. See "Environmental Matters – Other Federal, State and Local Environmental Provisions – Air Quality" in Item 1. In addition, the Utilities are responsible for hazardous substances, such as asbestos, PCBs and coal tar, that have been used or produced in the course of the Utilities' operations and are present on properties or in facilities

and equipment currently or previously owned by them. See “Environmental Matters” in Item 1 and Note G to the financial statements in Item 8. The Companies could be adversely affected if a causal relationship between electric and magnetic fields and adverse health effects were to be established.

Financial and Market Risks:

Con Edison’s Ability To Pay Dividends Or Interest Depends On Dividends From Its Subsidiaries. Con Edison’s ability to pay dividends on its common shares or interest on its external borrowings depends primarily on the dividends and other distributions it receives from its subsidiaries. The dividends that the Utilities may pay to Con Edison are limited by the NYSPSC to not more than 100 percent of their respective income available for dividends calculated on a two-year rolling average basis, with certain exceptions. See “Dividends” in Note C and Note U to the financial statements in Item 8.

Changes To Tax Laws Could Adversely Affect the Companies. Changes to tax laws, regulations or interpretations thereof could have a material adverse impact on the Companies. Depending on the extent of these changes, the changes could also adversely impact the Companies’ credit ratings and liquidity. The reduction in the federal corporate income tax rate to 21 percent under the TCJA resulted in decreased cash flows from operating activities, and requires increased cash flows from financing activities, for the Utilities. See “Capital Requirements and Resources – Capital Resources” in Item 1, “Liquidity and Capital Resources – Cash Flows from Operating Activities” in Item 7, "Rate Plans" and "Other Regulatory Matters" in Note B and Note L to the financial statements in Item 8.

The Companies Require Access To Capital Markets To Satisfy Funding Requirements. The Utilities estimate that their construction expenditures will exceed $14,300 million over the next three years. The Utilities use internally-generated funds, equity contributions from Con Edison, if any, and external borrowings to fund the construction expenditures. The Clean Energy Businesses are investing in renewable generation and sustainable energy infrastructure projects that require funds in excess of those produced in the businesses. Con Edison expects to finance its capital requirements primarily through internally generated funds, the sale of its common shares or external borrowings. Changes in financial market conditions or in the Companies’ credit ratings could adversely affect their ability to raise new capital and the cost thereof. See “Capital Requirements and Resources” in Item 1.

A Disruption In The Wholesale Energy Markets Or Failure By An Energy Supplier or Customer Could Adversely Affect The Companies. Almost all the electricity and gas the Utilities sell to their full-service customers is purchased through the wholesale energy markets or pursuant to contracts with energy suppliers. See the description of the Utilities’ energy supply in Item 1. A disruption in the wholesale energy markets or a failure on the part of the Utilities’ energy suppliers or operators of energy delivery systems that connect to the Utilities’ energy facilities could adversely affect their ability to meet their customers’ energy needs and adversely affect the Companies. The Utilities' ability to gain access to additional energy supplies, if needed, depends on effective markets and siting approvals for developer projects, which the Utilities do not control. See “CECONY - Gas Peak Demand” in Item 1. The Clean Energy Businesses sell the output of their renewable electric projects under long-term power purchase agreements with utilities and municipalities, and a failure of the production projects could adversely affect Con Edison.

The Companies Have Substantial Unfunded Pension And Other Postretirement Benefit Liabilities. The Utilities have substantial unfunded pension and other postretirement benefit liabilities. The Utilities expect to make significant contributions to their pension and other postretirement benefit plans. Significant declines in the market values of the investments held to fund pension and other postretirement benefits could trigger substantial funding requirements under governmental regulations. See “Critical Accounting Estimates – Accounting for Pensions and Other Postretirement Benefits” and “Financial and Commodity Market Risks” in Item 7 and Notes E and F to the financial statements in Item 8.

Other Risks:

The Companies Face Risks Related To Health Epidemics And Other Outbreaks, Including The COVID-19 Pandemic. The COVID-19 pandemic has impacted, and continues to impact, countries, communities, supply chains and markets. During 2020, the Companies' service territories included some of the most severely impacted counties in the United States. As a result of the COVID-19 pandemic, there has been an economic slowdown in the Companies' service territories, decreased demand for the services that they provide and changes in governmental and regulatory policy. The decline in business activity in the Companies' service territories has resulted in a slower recovery of cash from outstanding customer accounts receivable balances, material increases in customer accounts receivable balances, increases to the allowance for uncollectible accounts, and may result in increases to write-offs of customer accounts. Although the Utilities' NY electric and gas businesses have largely effective revenue decoupling mechanisms in place, higher unpaid accounts have impacted and could continue to impact the Companies' liquidity. As a result of the COVID-19 pandemic, the Utilities have been impacted, and may continue to be impacted by, global and U.S. supply chain disruptions causing shortages of, and increased pricing pressure on, among other things, certain raw materials, labor, microprocessors and microchips. Such disruptions have resulted in increased prices and lead times for certain orders of materials and equipment needed by the Utilities in their operations. The Companies will continue to monitor developments relating to the COVID-19 pandemic; however, the Companies cannot predict the extent to which, COVID-19 may have a material impact on liquidity, financial condition, and results of operations. The situation is changing rapidly and future impacts may materialize that are not yet known. Accordingly, the extent to which COVID-19 may impact these matters will depend on future developments that are highly uncertain and cannot be predicted, including the success of vaccination efforts, the emergence of new variants and the severity thereof, actions that federal, state and local governmental or regulatory agencies may continue to take in response to the COVID-19 pandemic, and other actions taken to contain it or treat its impact, among others. See "Coronavirus Disease 2019 (COVID-19) Impacts" in Item 7 and "COVID-19 Regulatory Matters" in Note B.

The Companies' Strategies May Not Be Effective To Address Changes In The External Business Environment. The failure to identify, plan and execute strategies to address changes in the external business environment could have a material adverse impact on the Companies. Con Edison seeks to provide shareholder value through continued dividend growth, supported by earnings growth in regulated utilities and contracted electric and gas assets. Changes to public policy, laws or regulations (or interpretations thereof), customer behavior or technology could significantly impact the value of the Utilities' energy delivery facilities, the Clean Energy Businesses' renewable and sustainable energy infrastructure projects and Con Edison Transmission's investment in electric and gas transmission projects. Such changes could also affect the Companies' opportunities to make additional investments in such assets and the potential return on the investments. The Utilities' gas delivery customers and CECONY's steam delivery customers have alternatives, such as electricity and oil. Distributed energy resources, and demand reduction and energy efficiency investments, provide ways for the energy consumers within the Utilities' service areas to manage their energy usage. The Companies expect distributed energy resources and electric alternatives to gas and steam to increase, and for gas and steam usage to decrease, as the CLCPA and the Climate Mobilization Act continue to be implemented. CECONY established a gas moratorium in March 2019 on new gas service in most of Westchester County. CECONY filed a gas planning analysis with the NYSPSC in July 2020 stating the moratorium could be lifted when increased pipeline capacity is achieved or peak demand is reduced to a level that would enable the company to lift the moratorium and that it is monitoring gas supply constraint in the New York City portion of its service territory. See "Clean Energy Businesses," "Con Edison Transmission," "Environmental Matters - Clean Energy Future" and "Environmental Matters - Climate Change," "Competition" and "CECONY - Gas Peak Demand" in Item 1.

The Companies Also Face Other Risks That Are Beyond Their Control. The Companies' results of operations can be affected by circumstances or events that are beyond their control. Weather and energy efficiency efforts directly influence the demand for electricity, gas and steam service, and can affect the price of energy commodities. Terrorist or other physical attacks or acts of war could damage the Companies' facilities. Economic conditions can affect customers' demand and ability to pay for service, which could adversely affect the Companies. An inflationary economy could increase certain operating and capital costs and employee and retiree benefit costs in excess of the costs reflected in the Utilities' rate plans and could also increase the amount of capital that needs to be raised by the Companies and the costs of such capital. Supply chain disruptions can cause shortages of materials needed by the Companies in their business activities and can result in increased prices and lead times.

Item 1B: Unresolved Staff Comments

Con Edison

Con Edison has no unresolved comments from the SEC staff.

CECONY

CECONY has no unresolved comments from the SEC staff.

Item 2: Properties

Con Edison

Con Edison has no significant properties other than those of the Utilities and the Clean Energy Businesses.

For information about the capitalized cost of the Companies' utility plant, net of accumulated depreciation, see "Plant and Depreciation" in Note A to the financial statements in Item 8 (which information is incorporated herein by reference).

CECONY

For a discussion of CECONY's electric, gas and steam facilities, see "CECONY – Electric Operations – Electric Facilities," "CECONY – Gas Operations – Gas Facilities" and "CECONY – Steam Operations – Steam Facilities" in Item 1 (which information is incorporated herein by reference).

O&R

For a discussion of O&R's electric and gas facilities, see "O&R – Electric Operations – Electric Facilities" and "O&R – Gas Operations – Gas Facilities" in Item 1 (which information is incorporated herein by reference).

Clean Energy Businesses

For a discussion of the Clean Energy Businesses' facilities, see "Clean Energy Businesses" in Item 1 (which information is incorporated herein by reference).

Con Edison Transmission

Con Edison Transmission has no properties. Con Edison Transmission has ownership interests in electric and gas transmission companies. For information about these companies, see "Con Edison Transmission" in Item 1 (which information is incorporated herein by reference).

Item 3: Legal Proceedings

For information about certain legal proceedings affecting the Companies, see "Other Regulatory Matters" in Note B and "Superfund Sites" and "Asbestos Proceedings" in Note G and "Manhattan Explosion and Fire" in Note H to the financial statements in Item 8 and "Environmental Matters – CECONY" and "Environmental Matters – O&R" in Item 1 of this report, which information is incorporated herein by reference.

Item 4: Mine Safety Disclosures

Not applicable.

Information about our Executive Officers

The following table sets forth certain information about the executive officers of Con Edison as of February 17, 2022. The term of office of each officer, is until the next election of directors (trustees) of their company and until his or her successor is chosen and qualifies. Officers are subject to removal at any time by the board of directors (trustees) of their company.

Name	Age	Offices and Positions During Past Five Years
Timothy P. Cawley	57	1/22 to present - Chairman of the Board, President and Chief Executive Officer and Director of Con Edison, Chairman of the Board, Chief Executive Officer and Trustee of CECONY
		12/20 to 12/21 – President and Chief Executive Officer and Director of Con Edison and Chief Executive Officer and Trustee of CECONY
		1/18 to 12/20 – President of CECONY
		12/13 to 12/17 – President and Chief Executive Officer of O&R
Robert Hoglund	60	9/05 to present – Senior Vice President and Chief Financial Officer of Con Edison and CECONY
Matthew Ketschke	50	1/21 to present – President of CECONY
		11/17 to 12/20 – Senior Vice President – Customer Energy Solutions
		7/15 to 10/17 – Vice President – Distributed Resource Integration
Robert Sanchez	56	12/17 to present – President and Chief Executive Officer of O&R
		11/17 – Senior Vice President of CECONY
		9/16 to 10/17 – Senior Vice President – Corporate Shared Services of CECONY
		9/14 to 8/16 – Vice President – Brooklyn & Queens Electric Operations of CECONY
Mark Noyes	57	12/16 to present – President and Chief Executive Officer of Con Edison Clean Energy Businesses, Inc.
Stuart Nachmias	57	1/20 to present – President and Chief Executive Officer of Con Edison Transmission, Inc.
		05/08 to 12/19 – Vice President of Energy Policy and Regulatory Affairs of CECONY
Deneen L. Donnley	57	1/20 to present – Senior Vice President and General Counsel of Con Edison and CECONY
		10/19 to 12/19 – Senior Vice President of Con Edison and CECONY
		9/15 to 10/19 – Executive Vice President, Chief Legal Officer and Corporate Secretary – USAA
Frances A. Resheske	61	2/02 to present – Senior Vice President – Corporate Affairs of CECONY
Mary E. Kelly	53	11/17 to present – Senior Vice President – Corporate Shared Services of CECONY
Lore de la Bastide	60	7/19 to present – Senior Vice President – Utility Shared Services of CECONY
		6/19 – Senior Vice President of CECONY
		11/14 to 5/19 – Vice President and General Auditor of CECONY
Joseph Miller	59	1/21 to present – Vice President and Controller of Con Edison and CECONY
		1/21 to present – Chief Financial Officer and Controller of O&R
		8/06 to 12/20 – Assistant Controller of Corporate Accounting of CECONY
Yukari Saegusa	54	9/16 to present – Treasurer of Con Edison and CECONY
		8/16 to present – Vice President of Con Edison and CECONY
		8/13 to present – Treasurer of O&R
Gurudatta Nadkarni	56	1/08 to present – Vice President of Strategic Planning of CECONY

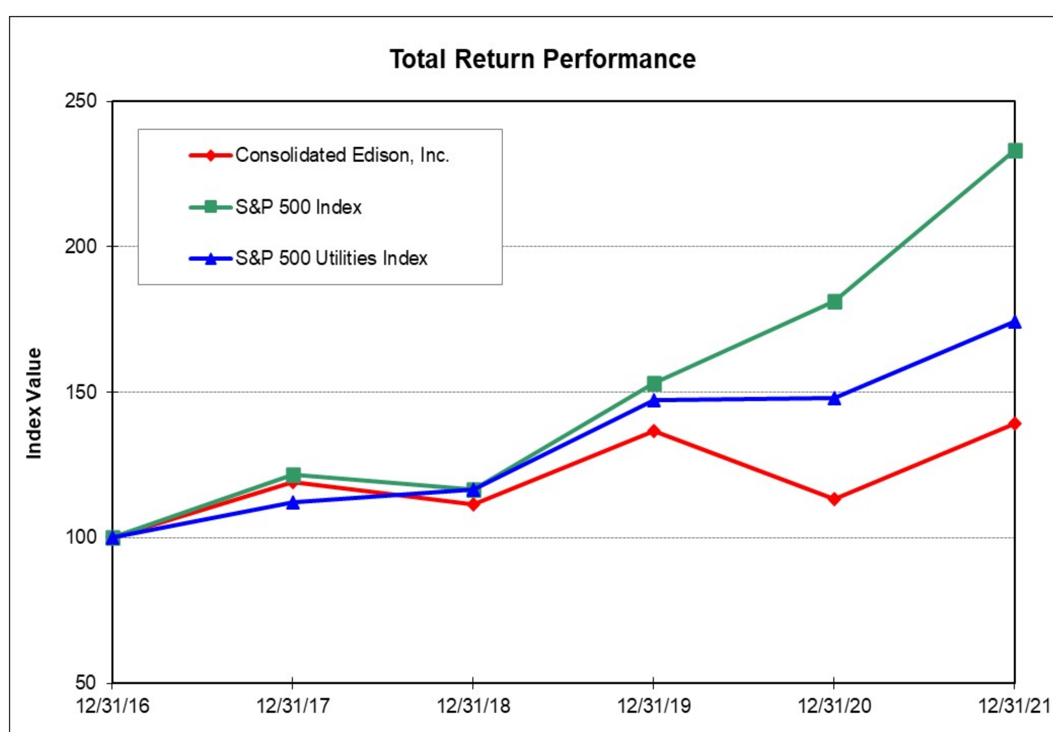
Part II

Item 5: Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Con Edison

Con Edison's Common Shares ($.10 par value), the only class of common equity of Con Edison, are traded on the New York Stock Exchange under the trading symbol "ED." As of January 31, 2022, there were 38,756 holders of record of Con Edison's Common Shares. Con Edison paid quarterly dividends of 76.5 cents per Common Share in 2020 and quarterly dividends of 77.5 cents per Common Share in 2021. On January 20, 2022, Con Edison declared a quarterly dividend of 79 cents per Common Share that is payable on March 15, 2022. Con Edison expects to pay dividends to its shareholders primarily from dividends and other distributions it receives from its subsidiaries. The payment of future dividends is subject to approval and declaration by Con Edison's Board of Directors and will depend on a variety of factors including business, financial and regulatory considerations. For additional information about the payment of dividends by the Utilities to Con Edison, and restrictions thereon, see "Dividends" in Note C to the financial statements in Item 8 (which information is incorporated herein by reference).

During 2021, the market price of Con Edison's Common Shares increased by 18.1 percent (from $72.27 at year-end 2020 to $85.32 at year-end 2021). By comparison, the S&P 500 Index increased 26.9 percent and the S&P 500 Utilities Index increased 14 percent. The total return to Con Edison's common shareholders during 2021, including both price depreciation and investment of dividends, was 23 percent. By comparison, the total returns for the S&P 500 Index and the S&P 500 Utilities Index were 28.7 percent and 17.7 percent, respectively. For the five-year period 2017 through 2021 inclusive, Con Edison's shareholders' total return was 39.3 percent, compared with total returns for the S&P 500 Index and the S&P 500 Utilities Index of 133.4 percent and 74.4 percent, respectively.



	Years Ended December 31,					
Company / Index	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Consolidated Edison, Inc.	100.00	119.30	111.40	136.52	113.32	139.34
S&P 500 Index	100.00	121.83	116.49	153.17	181.35	233.41
S&P Utilities	100.00	112.11	116.71	147.46	148.18	174.36

Based on $100 invested at December 31, 2016, reinvestment of all dividends in equivalent shares of stock and market price changes on all such shares.

CECONY

The outstanding shares of CECONY's Common Stock ($2.50 par value) are the only class of common equity of CECONY. They are held by Con Edison and are not traded.

The dividends declared by CECONY in 2020 and 2021 are shown in its Consolidated Statement of Shareholder's Equity included in Item 8 (which information is incorporated herein by reference). For additional information about the payment of dividends by CECONY, and restrictions thereon, see "Dividends" in Note C to the financial statements in Item 8 (which information is incorporated herein by reference).

Item 6: [Reserved]

Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations

This combined management's discussion and analysis of financial condition and results of operations relates to the consolidated financial statements included in this report of two separate registrants: Con Edison and CECONY, and should be read in conjunction with the financial statements and the notes thereto. As used in this report, the term the "Companies" refers to Con Edison and CECONY. CECONY is a subsidiary of Con Edison and, as such, information in this management's discussion and analysis about CECONY applies to Con Edison.

Information in any item of this report referred to in this discussion and analysis is incorporated by reference herein. The use of terms such as "see" or "refer to" shall be deemed to incorporate by reference into this discussion and analysis the information to which reference is made.

Corporate Overview

Con Edison's principal business operations are those of the Utilities, the Clean Energy Businesses and Con Edison Transmission. CECONY is a regulated utility that provides electric service in New York City and New York's Westchester County, gas service in Manhattan, the Bronx, parts of Queens and parts of Westchester, and steam service in Manhattan. O&R is a regulated utility serving customers in a 1,300-square-mile-area in southeastern NY State and northern NJ. Con Edison Clean Energy Businesses, through its subsidiaries, develops, owns and operates renewable and sustainable energy infrastructure projects and provides energy-related products and services to wholesale and retail customers. Con Edison Transmission, through its subsidiaries, invests in electric transmission projects supporting Con Edison's effort to transition to clean, renewable energy and manages, through joint ventures, both electric and gas assets while seeking to develop electric transmission projects that will bring clean, renewable electricity to customers, focusing on NY, New England, the Mid-Atlantic states and the Midwest.

In addition to the risks and uncertainties described in Item 1A and the Companies' material contingencies described in Notes B, G and H to the financial statements in Item 8, the Companies' management considers the following events, trends, and uncertainties to be important to understanding the Companies' current and future financial condition.

CECONY Electric and Gas Rate Plans

In January 2022, CECONY filed a request with the NYSPSC for electric and gas rate increases of $1,199 million and $503 million, respectively, effective January 2023. CECONY's future earnings will depend on the rates authorized in, and the other provisions of, its January 2023 rate plans and CECONY's ability to operate its businesses in a manner consistent with such rate plans. Therefore, the outcome of CECONY's rate request, which requires approval by the NYSPSC, will impact the Companies' future financial condition, results of operations and liquidity. See "Utility Regulation – State Utility Regulation – Rate Plans" in Item 1 and "Rate Plans" in Note B to the financial statements in Item 8.

Pursuant to its current electric and gas rate plans, CECONY recorded $92 million of earnings for the year ended December 31, 2021 of earnings adjustment mechanisms and positive incentives, primarily reflecting the achievement of certain energy efficiency measures, as compared to $50 million, $59 million and $33 million for the years ended December 31, 2020, 2019 and 2018, respectively. The amount of earnings or losses CECONY records pursuant to the earnings adjustment mechanisms and positive incentives will also impact the Companies' future financial condition, results of operations and liquidity. See "Rate Plans" in Note B to the financial statements in Item 8.

In November 2021, the NYSPSC issued an order establishing a surcharge recovery mechanism for CECONY to collect $43 million and $7 million for electric and gas, respectively, of late payment charges and fees that were not billed for the year ended December 31, 2020. The company recorded such amounts as revenue for the year ended December 31, 2021, as permitted under the accounting rules for regulated utilities, and also accrued such amounts as a current asset at December 31, 2021. See "COVID-19 Regulatory Matters" in Note B to the financial statements in Item 8.

Clean Energy Goals

The success of the Companies' efforts to meet federal, state and city clean energy policy goals and the impact of such goals on CECONY's electric, gas and steam businesses and O&R's electric and gas businesses may impact the Companies' future financial condition. The Utilities expect electric demand to increase and gas and steam usage to decrease in their service territories as federal, state and local laws and policies are enacted and implemented. In particular, the long-term future of the Utilities' gas businesses depends upon the role that natural gas will play in facilitating NY State's and New York City's climate goals. In addition, the impact and costs of climate change on the Utilities' systems and the success of the Utilities' efforts to increase system reliability and manage service

interruptions resulting from severe weather may impact the Companies' future financial condition, results of operations and liquidity.

Clean Energy Businesses

The Clean Energy Businesses develop, own and operate renewable and sustainable energy infrastructure projects. The success of the Clean Energy Businesses' strategy to increase earnings is dependent upon the expansion of their renewable energy portfolio and successful execution of develop/transfer opportunities. Con Edison is considering strategic alternatives with respect to the Clean Energy Businesses. The outcome of such evaluation may impact Con Edison's future financial condition, results of operations and liquidity. See "Clean Energy Businesses" in Item 1.

Con Edison Transmission

Con Edison Transmission has taken steps to realign its portfolio to focus on electric transmission rather than gas by completing the sale of its 50 percent interest in Stagecoach in 2021. During 2020 and 2021, Con Edison Transmission recorded impairments on its investment in Mountain Valley Pipeline, LLC and during 2021, Con Edison Transmission recorded impairments on its previously held interest in Stagecoach and its interest in Honeoye. Any future impairments of Con Edison Transmission's investments may impact Con Edison's future financial condition and results of operations. Con Edison Transmission is pursuing opportunities to deliver offshore wind energy to high voltage electric grids through its participation in competitive solicitations in NY through its NY Transco partnership and in NJ. The success of Con Edison Transmission's efforts to be awarded projects that will grow its electric transmission portfolio may impact Con Edison's future capital requirements. See "Con Edison Transmission" in Item 1 and "Investments" in Note A and Note K and Note W to the financial statements in Item 8.

COVID-19

The COVID-19 pandemic has impacted, and continues to impact, countries, communities, supply chains and markets. As a result of the COVID-19 pandemic, there has been an economic slowdown in the Companies' service territories and changes in governmental and regulatory policy. The decline in business activity in the Companies' service territories has resulted in a slower recovery of cash from outstanding customer accounts receivable balances, material increases in customer accounts receivable balances, increases to the allowance for uncollectible accounts, and may result in increases to write-offs and recoveries of customer accounts. The extent to which COVID-19 will continue to impact the Companies, in particular, the Companies' ability to recover cash from outstanding customer accounts receivable balances and the amount of write-offs of customer accounts, may impact Con Edison's future financial condition, results of operations and liquidity. See "Coronavirus Disease 2019 (COVID-19) Impacts" in Item 7 and "COVID-19 Regulatory Matters" in Note B.

Also, see "Significant Developments and Outlook" in the Introduction to this report, "The Utilities," "Clean Energy Businesses" and "Con Edison Transmission" in Item 1, and segment financial information in Note P to the financial statements in Item 8.

Certain financial data of Con Edison's businesses are presented below:

	For the Year Ended December 31, 2021				At December 31, 2021	
(Millions of Dollars, except percentages)	Operating Revenues		Net Income for Common Stock		Assets	
CECONY	$11,716	86 %	$1,344	100 %	$52,655	83 %
O&R	941	7 %	75	6 %	3,292	5 %
Total Utilities	12,657	93 %	1,419	106 %	55,947	88 %
Clean Energy Businesses (a)	1,022	7 %	266	19 %	6,554	10 %
Con Edison Transmission (b)	4	— %	(316)	(23)%	249	1 %
Other (c)	(7)	— %	(23)	(2)%	366	1 %
Total Con Edison	**$13,676**	**100 %**	**$1,346**	**100 %**	**$63,116**	**100 %**

(a) Net income for common stock from the Clean Energy Businesses for the year ended December 31, 2021 reflects $107 million (after-tax) of the effects of HLBV accounting for tax equity investments in certain renewable and sustainable electric projects and $40 million of net after-tax mark-to-market effects. Net income for common stock from the Clean Energy Businesses for the year ended December 31, 2021 includes $(3) million (after-tax) of loss from the sale of a renewable electric project. See Note S to the financial statements in Item 8.

(b) Net loss for common stock from Con Edison Transmission for the year ended December 31, 2021 includes $(153) million of a net after-tax impairment loss related to its investment in Stagecoach, $(168) million of a net after-tax impairment loss related to its investment in Mountain Valley Pipeline, LLC and $(5) million of goodwill impairment loss on its investment in Honeoye. See "Critical Accounting Estimates - Investments" in Item 7, "Investments - Partial Impairment of Investment in Stagecoach Gas Services LLC (Stagecoach)" and "Investments - 2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP)" in Note A, Note K and Note W to the financial statements in Item 8.

(c) Other includes parent company and consolidation adjustments. Net income for common stock for the year ended December 31, 2021 includes $(9) million (after-tax) of income tax impact on the effects of HLBV accounting for tax equity investments in certain renewable and sustainable projects and $(3) million of income tax impact on the net after-tax mark-to-market effects. Net income for common stock for the year ended December 31, 2021 includes $6 million of income tax impact for the impairment loss related to Con Edison's investment in

Stagecoach. Net income for common stock for the year ended December 31, 2021 includes $6 million of income tax impact for the impairment loss related to Con Edison's investment in Mountain Valley Pipeline, LLC.

Coronavirus Disease 2019 (COVID-19) Impacts

The Companies continue to respond to the Coronavirus Disease 2019 (COVID-19) global pandemic by working to reduce the potential risks posed by its spread to employees, customers and other stakeholders. The Companies continue to employ an incident command structure led by a pandemic planning team. The Companies support employee health and facility hygiene through regular cleaning and disinfecting of all work and common areas, promoting social distancing, allowing employees to work remotely and directing employees to stay at home if they are experiencing COVID or flu-like symptoms. Employees who test positive for COVID-19 are directed to quarantine at home and are evaluated for close, prolonged contact with other employees that would require those employees to quarantine at home. Following the Centers for Disease Control and Prevention guidelines, sick or quarantined employees return to work when they can safely do so. The Utilities continue to provide critical electric, gas and steam service to customers during the pandemic. Additional safety protocols have been implemented to protect employees, customers and the public, when work at customer premises is required.

In October 2021, in response to President Biden's Executive Order 14042, the Companies announced that they are committed to complying with the mandate for employees of federal contractors and subcontractors to be fully vaccinated against COVID-19 by the federally-required deadline, unless employees are legally entitled to an accommodation. In December 2021, an injunction was issued in the United States District Court for the Southern District of Georgia which currently prevents the U.S. government from enforcing this federal contractor vaccine mandate nationwide. The U.S. Supreme Court is expected to hear oral arguments in April 2022.

In December 2021, New York City instituted a vaccination mandate that requires employees of private businesses located in New York City who perform in-person work or interact with the public to be vaccinated against COVID-19. In furtherance of the mandate, in December 2021, the New York City Commissioner of Health and Mental Hygiene issued an order that requires workers entering workplaces within New York City to provide proof of COVID-19 vaccination, except in cases of a medical or religious exemption. This order is applicable to the Companies' employees and contractors who report in-person to a company workplace located in New York City and the Companies are complying with its requirements.

The Companies are continuing to monitor the vaccination mandates closely and are implementing appropriate measures to mitigate any workforce and cost impacts that may occur.

Below is additional information related to the effects of the COVID-19 pandemic and the Companies' actions. Also, see "COVID-19 Regulatory Matters" in Note B to the financial statements in Item 8.

Impact of CARES Act and 2021 Appropriations Act on Accounting for Income Taxes

In response to the economic impacts of the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act became law on March 27, 2020. The CARES Act has several key business tax relief measures that may present potential cash benefits and/or refund opportunities for Con Edison and its subsidiaries, including permitting a five-year carryback of a net operating loss (NOL) for tax years 2018, 2019 and 2020, temporary removal of the 80 percent limitation of NOL carryforwards against taxable income for tax years before 2021, temporary relaxation of the limitations on interest deductions, Employee Retention Tax Credit and deferral of payments of employer payroll taxes.

Con Edison carried back a NOL of $29 million from tax year 2018 to tax year 2013. This allowed Con Edison, mostly at the Clean Energy Businesses, to receive a $2.5 million net tax refund and to recognize a discrete income tax benefit of $4 million in 2020, due to the higher federal statutory tax rate in 2013. See "Income Tax" in Note L. Con Edison and its subsidiaries did not have a federal NOL in tax years 2019 or 2020.

Con Edison and its subsidiaries benefited by the increase in the percentage for calculating the limitation on the interest expense deduction from 30 percent of Adjusted Taxable Income (ATI) to 50 percent of ATI in 2019 and 2020, which allowed the Companies to deduct 100 percent of their interest expense. For 2021, the limitation on interest expense for computing ATI reverted back to 30 percent.

The Companies qualify for an employee retention tax credit created under the CARES Act for "eligible employers" related to governmental authorities imposing restrictions that partially suspended their operations for a portion of their workforce due to the COVID-19 pandemic and the Companies continued to pay them. For the year ended December 31, 2020, Con Edison and CECONY recognized a tax benefit to Taxes, other than income taxes of $10 million and $7 million, respectively.

The CARES Act also allows employers to defer payments of the employer share of Social Security payroll taxes that would have otherwise been owed from March 27, 2020 through December 31, 2020. The Companies deferred the payment of employer payroll taxes for the period April 1, 2020 through December 31, 2020 of approximately $71 million ($63 million of which is for CECONY). The Companies paid half of this liability by December 31, 2021 and will repay the other half by December 31, 2022.

In December 2020, the Consolidated Appropriations Act, 2021 (the 2021 Appropriations Act) was signed into law. The 2021 Appropriations Act, among other things, extends the expiring employee retention tax credit to include qualified wages paid in the first two quarters of 2021, increases the qualified wages paid to an employee from 50 percent up to $10,000 annually in 2020 to 70 percent up to $10,000 per quarter in 2021 and increases the maximum employee retention tax credit amount an employer can take per employee from $5,000 in 2020 to $14,000 in the first two quarters of 2021. In March 2021, the American Rescue Plan Act was signed into law that expanded the 2021 Appropriations Act to extend the period for eligible employers to receive the employer retention credit from June 30, 2021 to December 31, 2021. In November 2021, the Infrastructure and Investment and Jobs Act was signed into law and accelerated the end of the employee retention tax credit retroactive to October 1, 2021, rather than December 31, 2021. This effectively reduced the maximum credit available from $28,000 to $21,000 per employee.

For the year ended December 31, 2021, Con Edison and CECONY recognized a tax benefit to Taxes, other than income taxes of $9 million and $4 million, respectively.

Accounting Considerations

Due to the COVID-19 pandemic and subsequent New York State on PAUSE and related executive orders (that have since been lifted), decline in business, bankruptcies, layoffs and furloughs, among other factors, both commercial and residential customers have had and may continue to have increased difficulty paying their utility bills. In June 2020, the state of NY enacted a law prohibiting NY utilities, including CECONY and O&R, from disconnecting residential customers, and starting in May 2021 small business customers, during the COVID-19 state of emergency, which ended in June 2021. In addition, such prohibitions applied for an additional 180 days after the state of emergency ended (December 21, 2021) for residential and small business customers who experienced a change in financial circumstances due to the COVID-19 pandemic. CECONY and O&R have existing allowances for uncollectible accounts established against their customer accounts receivable balances that are reevaluated each quarter and updated accordingly. Changes to the Utilities' reserve balances that result in write-offs of customer accounts receivable balances are not reflected in rates during the term of the current rate plans. During 2021, the potential economic impact of the COVID-19 pandemic was also considered in forward-looking projections related to write-off and recovery rates, resulting in increases to the customer allowance for uncollectible accounts as detailed herein. CECONY's and O&R's allowances for uncollectible customer accounts reserve increased from $138 million and $8.7 million at December 31, 2020 to $304 million and $12.3 million at December 31, 2021, respectively. See "COVID-19 Regulatory Matters" in Note B and Note N to the financial statements in Item 8.

The Companies test goodwill for impairment at least annually or whenever there is a triggering event, and test long-lived and intangible assets for recoverability when events or changes in circumstances indicate that the carrying value of long-lived or intangible assets may not be recoverable. The Companies identified no triggering events or changes in circumstances related to the COVID-19 pandemic that would indicate that the carrying value of goodwill, long-lived or intangible assets may not be recoverable at December 31, 2020 and 2021. See Note K to the financial statements in Item 8.

New York State Legislation

In April 2021, New York State passed a law that increases the corporate franchise tax rate on business income from 6.5% to 7.25%, retroactive to January 1, 2021, for taxpayers with taxable income greater than $5 million. The law also reinstates the business capital tax at 0.1875%, not to exceed a maximum tax liability of $5 million per taxpayer. NY State requires a corporate franchise taxpayer to calculate and pay the highest amount of tax under the three alternative methods: a tax on business income; a tax on business capital; or a fixed dollar minimum. The provisions to increase the corporate franchise tax rate and reinstate a capital tax are scheduled to expire after 2023 and are not expected to have a material impact on the Companies' financial position, results of operations or liquidity. In addition, the new law created a program that allows eligible residential renters in NY State who require assistance with rent and utility bills to have up to twelve months of electric and gas utility bill arrears forgiven, provided that such arrears were accrued on or after March 13, 2020. The program will be administered by the State Office of Temporary and Disability Assistance in coordination with the New York State Department of Public Service and the NYSPSC. Under the program, CECONY and O&R would qualify for a refundable tax credit for NY State gross-receipts tax equal to the amount of arrears waived by the Utilities in the year that the arrears are waived and certified by the NYSPSC. See "COVID-19 Regulatory Matters" in Note B to the financial statements in Item 8.

Liquidity and Financing

The Companies continue to monitor the impacts of the COVID-19 pandemic on the financial markets closely, including borrowing rates and daily cash collections. The Companies have been able to access the capital markets as needed since the start of the COVID-19 pandemic in March 2020. See Notes C and D to the financial statements in Item 8. However, a continued economic downturn as a result of the COVID-19 pandemic has increased the amount of capital needed by the Utilities and could impact the costs of such capital.

The decline in business activity in the Utilities’ service territory as a result of the COVID-19 pandemic and subsequent New York State on PAUSE and related executive orders (that have since been lifted), resulted in a slower recovery in cash of outstanding customer accounts receivable balances in 2020 and 2021.

The Utilities’ rate plans have revenue decoupling mechanisms in their NY electric and gas businesses that largely reconcile actual energy delivery revenues to the authorized delivery revenues approved by the NYSPSC per month and reconcile the deferred balances semi-annually under CECONY's electric rate plan (January through June and July through December, respectively) and annually under CECONY's gas rate plan and O&R NY's electric and gas rate plans (January through December). Differences are accrued with interest each month for CECONY's and O&R NY’s electric customers and after the annual deferral period ends for CECONY's and O&R NY’s gas customers for refund to, or recovery from customers, as applicable. Generally, the refund to or recovery from customers begins August and February of each year over an ensuing six-month period for CECONY's electric customers and February of each year over an ensuing twelve-month period for CECONY's gas and O&R NY's electric and gas customers. Although these revenue decoupling mechanisms are in place, lower billed sales revenues and higher unpaid accounts have reduced and are expected to continue to reduce liquidity at the Utilities.

In March 2020, the Utilities began suspending service disconnections, certain collection notices, final bill collection agency activity, new late payment charges and certain other fees for all customers. In November 2021, the NYSPSC issued an order establishing a surcharge recovery mechanism for CECONY to collect, commencing December 1, 2021 through December 31, 2022, $43 million and $7 million for electric and gas, respectively, of late payment charges and fees that were not billed for the year ended December 31, 2020. The company recorded such amounts as revenue for the year ended December 31, 2021, as permitted under the accounting rules for regulated utilities, and also accrued such amounts as a current asset at December 31, 2021. Pursuant to the November 2021 order, the company also established a recovery mechanism for CECONY to collect, commencing January 2023 through December 2023, $19 million and $4 million for electric and gas, respectively, of late payment charges and fees that were not billed for the year ended December 31, 2021 and the company recorded such amounts as revenue for the year ended December 31, 2021, as permitted under the accounting rules for regulated utilities, and also accrued such amounts as a current asset at December 31, 2021. In addition, pursuant to the November 2021 order, CECONY established a reserve of $7 million toward addressing customer arrearages for the year ended December 31, 2021. The order also established a surcharge recovery or surcredit mechanism for any late payment charges and fee deferrals, subject to offsetting related savings resulting from the COVID-19 pandemic, for 2022 starting in January of 2024 over a twelve-month period.

In October 2021, O&R, the New York State Department of Public Service (NYSDPS) and other parties entered into a Joint Proposal for new electric and gas rate plans for the three-year period January 2022 through December 2024 (the Joint Proposal) that includes certain COVID-19 provisions, such as: recovery of 2020 late payment charges over three years; reconciliation of late payment charges to amounts reflected in rates for years 2021 through 2024; and reconciliation of write-offs of customer accounts receivable balances to amounts reflected in rates from January 1, 2020 through December 31, 2024. The Joint Proposal is subject to NYSPSC approval. CECONY resumed late payment charges for commercial and residential customers who have not experienced a change in financial circumstances due to the COVID-19 pandemic on September 3, 2021 and October 1, 2021, respectively. O&R resumed late payment charges for commercial and residential customers who have not experienced a change in financial circumstances due to the COVID-19 pandemic on October 1, 2021.

Con Edison and the Utilities have a $2,250 million credit agreement (Credit Agreement) in place under which banks are committed to provide loans on a revolving credit basis until December 2023 ($2,200 million of commitments from December 2022). Con Edison and the Utilities have not entered into any loans under the Credit Agreement. See Note D to the financial statements in Item 8. In February 2022, CECONY filed a request with FERC to increase its authorization to issue short-term debt from $2,250 million to $3,000 million.

Results of Operations

Net income for common stock and earnings per share for the years ended December 31, 2021, 2020 and 2019 were as follows:

(Millions of Dollars, except per share amounts)	Net Income for Common Stock			Earnings per Share		
	2021	2020	2019	2021	2020	2019
CECONY	$1,344	$1,185	$1,250	$3.86	$3.54	$3.80
O&R	75	71	70	0.22	0.21	0.21
Clean Energy Businesses (a)	266	24	(18)	0.76	0.07	(0.06)
Con Edison Transmission (b)	(316)	(175)	52	(0.91)	(0.52)	0.16
Other (c)	(23)	(4)	(11)	(0.07)	(0.01)	(0.02)
Con Edison (d)	**$1,346**	**$1,101**	**$1,343**	**$3.86**	**$3.29**	**$4.09**

(a) Net income for common stock and earnings per share from the Clean Energy Businesses for the year ended December 31, 2021, 2020 and 2019 reflects $107 million or $0.31 a share (after-tax), $(32) million or $(0.10) a share (after-tax) and $(74) million or $(0.22) a share (after-tax) of the effects of HLBV accounting for tax equity investments in certain renewable and sustainable electric projects. Net income for common stock and earnings per share from the Clean Energy Businesses also includes $40 million or $0.11 a share, $(43) million or $(0.13) a share and $(21) million or $(0.07) a share of net after-tax mark-to-market effects in 2021, 2020 and 2019, respectively. Net income for common stock and earnings per share from the Clean Energy Businesses for the year ended December 31, 2021 includes $(3) million (after-tax) or $(0.01) a share (after-tax) for the loss from the sale of a renewable electric project. See Note S to the financial statements in Item 8.

(b) Net loss for common stock and earnings per share from Con Edison Transmission for the year ended December 31, 2021 includes $(153) million or $(0.44) a share of net after-tax impairment loss related to its investment in Stagecoach, $(168) million or $(0.48) a share of net after-tax impairment loss related to its investment in Mountain Valley Pipeline, LLC and $(5) million or $(0.02) a share of loss related to a goodwill impairment loss related to its investment in Honeoye. See "Critical Accounting Estimates - Investments" in Item 7, “Investments - Partial Impairment of Investment in Stagecoach Gas Services LLC (Stagecoach)” and "Investments - 2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP)" in Note A, Note K and Note W to the financial statements in Item 8. Net income for common stock and earnings per share from Con Edison Transmission for the year ended December 31, 2020 includes $(232) million or $(0.69) a share of net after-tax impairment loss related to its investment in Mountain Valley Pipeline, LLC. See "Critical Accounting Estimates - Investments" in Item 7 and “Investments - Partial Impairment of Investment in Mountain Valley Pipeline, LLC (MVP)” in Note A to the financial statements in Item 8.

(c) Other includes parent company and consolidation adjustments. Net income for common stock and earnings per share for the year ended December 31, 2021 includes $(9) million (after-tax) or $(0.02) a share (after-tax) of income tax impact on the effects of HLBV accounting for tax equity investments in certain renewable and sustainable electric projects and $(3) million or $(0.01) a share of income tax impact on the net after-tax mark-to-market effects. Net income for common stock and earnings per share for the year ended December 31, 2021 includes $6 million or $0.02 a share of income tax impact for the impairment loss related to Con Edison Transmission’s investment in Stagecoach. Net income for common stock and earnings per share for the year ended December 31, 2021 includes $6 million or $0.01 a share of income tax impact for the impairment loss related to Con Edison Transmission’s investment in Mountain Valley Pipeline, LLC. See “Investments - Partial Impairment of Investment in Stagecoach Gas Services LLC (Stagecoach)” and "Investments - 2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP)" in Note A to the financial statements in Item 8.

Net income for common stock and earnings per share for the year ended December 31, 2020 includes $3 million or $0.01 a share (after-tax), respectively, of income tax impact on the effects of HLBV accounting for tax equity investments in certain renewable and sustainable electric projects. Net income for common stock and earnings per share from the Clean Energy Businesses for the year ended December 31, 2020 includes $4 million or $0.01 a share of income tax impact on the net after-tax mark-to-market effects. Net income for common stock and earnings per share for the year ended December 31, 2020 includes $9 million or $0.03 a share of income tax impact for the impairment loss related to Con Edison Transmission’s investment in Mountain Valley Pipeline, LLC. See “Investments - 2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP)” in Note A to the financial statements in Item 8.

Net income for common stock and earnings per share for the year ended December 31, 2019 includes $6 million or $0.02 a share (after-tax), respectively, of income tax impact on the effects of HLBV accounting for tax equity investments in certain renewable and sustainable electric projects. Net income for common stock and earnings per share from the Clean Energy Businesses for the year ended December 31, 2019 includes $2 million or $0.00 of income tax impact on the net after-tax mark-to-market effects.

(d) Earnings per share on a diluted basis were $3.85 a share, $3.28 a share and $4.08 a share in 2021, 2020 and 2019, respectively. See "Earnings Per Common Share" in Note A to the financial statements in Item 8.

The following tables present the estimated effect of major factors on earnings per share and net income for common stock for the years ended December 31, 2021 as compared with 2020, and 2020 as compared with 2019.

Variation for the Year Ended December 31, 2021 vs. 2020

	Net Income for Common Stock (Millions of Dollars)	Earnings per Share
CECONY (a)		
Recognition of late payment charges for the year ended 2020 that are being recovered through a surcharge mechanism established by the New York Public Service Commission in its November 2021 order	$32	$0.09
Recognition of late payment charges for the year ended 2021 that are being recovered through a surcharge mechanism established by the New York Public Service Commission in its November 2021 order, and resuming the billing of late payment charges and no access fees	41	0.13
Higher electric rate base	64	0.19
Higher gas rate base	38	0.11
Higher incentives earned under the electric and gas earnings adjustment mechanisms (EAMs) and positive incentives	30	0.09
Weather impact on steam revenues	16	0.05
Higher costs related to heat, storm and emergency response	(37)	(0.11)
Higher healthcare costs	(16)	(0.05)
Higher stock-based compensation costs	(11)	(0.03)
Dilutive effect of stock issuances	—	(0.15)
Other	2	—
Total CECONY	159	0.32
O&R (a)		
Electric base rate increase	9	0.03
Higher storm-related costs	(5)	(0.02)
Total O&R	4	0.01
Clean Energy Businesses		
Higher revenues	209	0.62
HLBV effects	139	0.41
Net mark-to-market effects	83	0.24
Higher operations and maintenance expenses	(180)	(0.54)
Loss from sale of a renewable electric project	(3)	(0.01)
Dilutive effect of stock issuances	—	(0.03)
Other	(6)	—
Total Clean Energy Businesses	242	0.69
Con Edison Transmission		
Impairment loss related to investment in Mountain Valley Pipeline, LLC	64	0.21
Impairment losses related to investment in Stagecoach	(153)	(0.44)
Foregoing Allowance for Funds Used During Construction income starting in January 2021 until significant construction resumes on the Mountain Valley Pipeline	(44)	(0.13)
Impairment loss related to investment in Honeoye	(5)	(0.02)
Other	(3)	(0.01)
Total Con Edison Transmission	(141)	(0.39)
Other, including parent company expenses		
Impairment tax benefits related to investment in Mountain Valley Pipeline, LLC	(3)	(0.02)
Tax impact of HLBV effects	(9)	(0.02)
Tax impact of net mark-to-market effects	(3)	(0.01)
Lower consolidated state income tax benefit	(9)	(0.03)
Impairment tax benefits related to investment in Stagecoach	6	0.02
Other	(1)	—
Total Other, including parent company expenses	(19)	(0.06)
Total Reported (GAAP basis)	$245	$0.57

a. Under the revenue decoupling mechanisms in the Utilities' NY 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, 2020 vs. 2019

	Net Income for Common Stock (Millions of Dollars)	Earnings per Share
CECONY (a)		
Lower net O&M costs for pension and other postretirement benefits resulting from the reconciliation mechanism under the rate plans	$175	$0.53
Lower regulatory assessments and fees that are collected in revenues from customers	99	0.30
Higher gas net base revenues due to the base rate increase in January 2020 under the company's gas rate plan	67	0.20
Higher depreciation and amortization expense, which is reflected in the cost of service under the rate plans	(166)	(0.51)
Higher property taxes, which is reflected in the cost of service and reconciled under the rate plans	(118)	(0.37)
Foregone revenues from the suspension of customers' late payment charges and certain other fees associated with the COVID-19 pandemic	(45)	(0.14)
Weather impact on steam revenues	(32)	(0.10)
Lower steam net revenues due to the impact of the Coronavirus Disease 2019 (COVID-19) pandemic	(14)	(0.04)
Incremental costs associated with the COVID-19 pandemic	(10)	(0.03)
Food and medicine spoilage claims related to electric outages caused by Tropical Storm Isaias	(6)	(0.02)
Dilutive effect of stock issuances	—	(0.07)
Other	(15)	(0.01)
Total CECONY	(65)	(0.26)
O&R (a)		
Electric base rate increase	12	0.04
Gas base rate increase	2	0.01
Higher depreciation and amortization expense and higher property taxes, offset in part, by the employee retention tax credit under the CARES Act	(8)	(0.03)
Higher costs associated with components of pension and other postretirement benefits other than service cost	(4)	(0.02)
Food and medicine spoilage claims related to electric outages caused by Tropical Storm Isaias	(1)	—
Total O&R	1	—
Clean Energy Businesses		
HLBV effects	42	0.12
Higher revenues from renewable electric projects, offset in part by lower energy services revenues due to timing of executed contracts	16	0.06
Higher net interest expense due to higher unrealized losses on interest rate swaps in the 2020 period	(8)	(0.02)
Higher operations and maintenance expenses	(3)	(0.01)
Higher depreciation and amortization due to an increase in renewable electric projects in operation during 2020	(3)	(0.01)
Absence of a prior period adjustment related to research and development credits recorded in 2019	(2)	(0.01)
Total Clean Energy Businesses	42	0.13
Con Edison Transmission		
Impairment loss related to the investment in Mountain Valley Pipeline, LLC	(232)	(0.69)
Other	5	0.01
Total Con Edison Transmission	(227)	(0.68)
Other, including parent company expenses		
Impairment loss related to the investment in Mountain Valley Pipeline, LLC	9	0.03
Other	(2)	(0.02)
Total Other, including parent company expenses	7	0.01
Total Reported (GAAP basis)	($242)	$(0.80)

a. Under the revenue decoupling mechanisms in the Utilities' NY 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.

The Companies' other operations and maintenance expenses for the years ended December 31, 2021, 2020 and 2019 were as follows:

(Millions of Dollars)	2021	2020	2019
CECONY			
Operations	$1,691	$1,606	$1,563
Pensions and other postretirement benefits	(42)	(103)	134
Health care and other benefits	173	151	170
Regulatory fees and assessments (a)	332	330	464
Other	298	285	304
Total CECONY	2,452	2,269	2,635
O&R	313	310	308
Clean Energy Businesses	475	228	223
Con Edison Transmission	19	11	9
Other (b)	(5)	(4)	—
Total other operations and maintenance expenses	**$3,254**	**$2,814**	**$3,175**

(a) Includes Demand Side Management, System Benefit Charges and Public Service Law 18A assessments which are collected in revenues.
(b) Includes parent company and consolidation adjustments.

Con Edison's principal business segments are CECONY's regulated utility activities, O&R's regulated utility activities, the Clean Energy Businesses and Con Edison Transmission. CECONY's principal business segments are its regulated electric, gas and steam utility activities. A discussion of the results of operations by principal business segment for the years ended December 31, 2021, 2020 and 2019 follows. For additional business segment financial information, see Note P to the financial statements in Item 8.

The Companies' results of operations for the years ended December 31, 2021, 2020 and 2019 were:

	CECONY			O&R			Clean Energy Businesses			Con Edison Transmission			Other (a)			Con Edison (b)		
(Millions of Dollars)	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Operating revenues	$11,716	$10,647	$10,821	$941	$862	$893	$1,022	$736	$857	$4	$4	$4	$(7)	$(3)	$(1)	$13,676	$12,246	$12,574
Purchased power	1,633	1,432	1,357	206	169	188	—	—	—	—	—	—	(4)	(1)	1	1,835	1,600	1,546
Fuel	229	156	207	—	—	—	—	—	—	—	—	—	—	—	—	229	156	207
Gas purchased for resale	541	426	606	88	61	90	62	41	185	—	—	—	(1)	(1)	(1)	690	527	880
Other operations and maintenance (c)	2,452	2,269	2,635	313	310	308	475	228	223	19	11	9	(5)	(4)	—	3,254	2,814	3,175
Depreciation and amortization	1,705	1,598	1,373	95	90	84	231	231	226	1	1	1	—	—	—	2,032	1,920	1,684
Taxes, other than income taxes	2,696	2,456	2,295	89	85	84	18	21	21	—	—	—	7	13	6	2,810	2,575	2,406
Operating income	2,460	2,310	2,348	150	147	139	236	215	202	(16)	(8)	(6)	(4)	(10)	(7)	2,826	2,654	2,676
Other income (deductions) (d)	(108)	(171)	(35)	(12)	(14)	(11)	(10)	4	5	(407)	(215)	104	(1)	(5)	(12)	(538)	(401)	51
Net interest expense	762	739	728	42	41	41	68	196	186	9	18	25	24	25	11	905	1,019	991
Income before income tax expense	1,590	1,400	1,585	96	92	87	158	23	21	(432)	(241)	73	(29)	(40)	(30)	1,383	1,234	1,736
Income tax expense	246	215	335	21	21	17	44	(44)	(58)	(114)	(66)	21	(7)	(36)	(19)	190	90	296
Net income	**$1,344**	**$1,185**	**$1,250**	**$75**	**$71**	**$70**	**$114**	**$67**	**$79**	**$(318)**	**$(175)**	**$52**	**$(22)**	**$(4)**	**$(11)**	**$1,193**	**$1,144**	**$1,440**
Income (loss) attributable to non-controlling interest	—	—	—	—	—	—	(152)	43	97	(2)	—	—	1	—	—	(153)	43	97
Net income from common stock	**$1,344**	**$1,185**	**$1,250**	**$75**	**$71**	**$70**	**$266**	**$24**	**$(18)**	**$(316)**	**$(175)**	**$52**	**$(23)**	**$(4)**	**$(11)**	**$1,346**	**$1,101**	**$1,343**

(a) Includes parent company and consolidation adjustments.
(b) Represents the consolidated results of operations of Con Edison and its businesses.
(c) For the year ended December 31, 2021, Con Edison Transmission recorded a $5 million loss related to a goodwill impairment on its investment in Honeoye. See Note K to the financial statements in Item 8.
(d) For the year ended December 31, 2021, Con Edison Transmission recorded pre-tax impairment losses of $212 million ($147 million, after-tax) on its investment in Stagecoach and during 2021 completed the sale of its interest in Stagecoach. For the year ended December 31, 2021, Con Edison Transmission recorded a pre-tax impairment loss of $231 million ($162 million, after-tax), to reduce the carrying value of its investment in MVP from $342 million to $111 million. See "Investments - Partial Impairment of Investment in Stagecoach Gas Services LLC (Stagecoach)" and "Investments - 2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP)" in Note A and Note W to the financial statements in Item 8. For the year ended December 31, 2020, Con Edison Transmission recorded a pre-tax impairment loss of $320 million ($223 million, after-tax), to reduce the carrying value of its investment in MVP from $662 million to $342 million. See "Investments - 2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP)" in Note A to the financial statements in Item 8.

Year Ended December 31, 2021 Compared with Year Ended December 31, 2020

CECONY

	For the Year Ended December 31, 2021				For the Year Ended December 31, 2020				
(Millions of Dollars)	Electric	Gas	Steam	2021 Total	Electric	Gas	Steam	2020 Total	2021-2020 Variation
Operating revenues	$8,806	$2,378	$532	$11,716	$8,103	$2,036	$508	$10,647	$1,069
Purchased power	1,588	—	45	1,633	1,405	—	27	1,432	201
Fuel	156	—	73	229	75	—	81	156	73
Gas purchased for resale	—	541	—	541	—	426	—	426	115
Other operations and maintenance	1,919	368	165	2,452	1,753	355	161	2,269	183
Depreciation and amortization	1,286	326	93	1,705	1,214	294	90	1,598	107
Taxes, other than income taxes	2,055	497	144	2,696	1,925	387	144	2,456	240
Operating income	**$1,802**	**$646**	**$12**	**$2,460**	**$1,731**	**$574**	**$5**	**$2,310**	**$150**

Electric

CECONY's results of electric operations for the year ended December 31, 2021 compared with the year ended December 31, 2020 were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	Variation
Operating revenues	$8,806	$8,103	$703
Purchased power	1,588	1,405	183
Fuel	156	75	81
Other operations and maintenance	1,919	1,753	166
Depreciation and amortization	1,286	1,214	72
Taxes, other than income taxes	2,055	1,925	130
Electric operating income	**$1,802**	**$1,731**	**$71**

CECONY's electric sales and deliveries in 2021 compared with 2020 were:

	Millions of kWh Delivered				Revenues in Millions (a)			
	For the Years Ended				For the Years Ended			
Description	December 31, 2021	December 31, 2020	Variation	Percent Variation	December 31, 2021	December 31, 2020	Variation	Percent Variation
Residential/Religious (b)	$11,344	$11,107	237	2.1 %	$3,100	$2,901	$199	6.9 %
Commercial/Industrial	9,250	9,280	(30)	(0.3)	2,174	1,876	298	15.9
Retail choice customers	21,549	22,000	(451)	(2.1)	2,613	2,391	222	9.3
NYPA, Municipal Agency and other sales	9,185	9,184	1	—	708	665	43	6.5
Other operating revenues (c)	—	—	—	—	211	270	(59)	(21.9)
Total	**$51,328**	**$51,571**	**(243)**	**(0.5)% (d)**	**$8,806**	**$8,103**	**$703**	**8.7 %**

(a) Revenues from electric sales are subject to a revenue decoupling mechanism, as a result of which, delivery revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved.
(b) "Residential/Religious" generally includes single-family dwellings, individual apartments in multi-family dwellings, religious organizations and certain other not-for-profit organizations.
(c) Other electric operating revenues generally reflect changes in the revenue decoupling mechanism current asset or regulatory liability and changes in regulatory assets and liabilities in accordance with other provisions of the company's rate plan.
(d) After adjusting for variations, primarily weather and billing days, electric delivery volumes in the company's service area decreased 0.2 percent in 2021 compared with 2020. See "Coronavirus Disease 2019 (COVID-19) Impacts," above.

Operating revenues increased $703 million in 2021 compared with 2020 primarily due to higher revenues from the electric rate plan ($243 million), higher purchased power expenses ($183 million), higher fuel expenses ($81 million), higher late payment charges ($90 million), including charges that are being recovered pursuant to a surcharge mechanism established as a result of the order issued by the NYSPSC in November 2021 and resuming billing of late payment charges, and higher incentives earned under the earnings adjustment mechanisms and positive incentives ($30 million). See "COVID-19 Regulatory Matters" in Note B to the financial statements in Item 8.

Purchased power expenses increased $183 million in 2021 compared with 2020 due to higher unit costs ($112 million) and purchased volumes ($72 million).

Fuel expenses increased $81 million in 2021 compared with 2020 due to higher unit costs ($79 million) and higher purchased volumes from the company's electric generating facilities ($3 million).

Other operations and maintenance expenses increased $166 million in 2021 compared with 2020 primarily due to higher costs for pension and other postretirement benefits ($47 million), higher costs related to heat, storm and emergency response ($50 million), higher stock-based compensation ($24 million), higher healthcare costs ($16 million) and higher municipal infrastructure support costs ($12 million).

Depreciation and amortization increased $72 million in 2021 compared with 2020 primarily due to higher electric utility plant balances.

Taxes, other than income taxes increased $130 million in 2021 compared with 2020 primarily due to lower deferral of under-collected property taxes ($53 million), higher property taxes ($52 million) and higher state and local taxes ($23 million).

CECONY's results of gas operations for the year ended December 31, 2021 compared with the year ended December 31, 2020 were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	Variation
Operating revenues	$2,378	$2,036	$342
Gas purchased for resale	541	426	115
Other operations and maintenance	368	355	13
Depreciation and amortization	326	294	32
Taxes, other than income taxes	497	387	110
Gas operating income	**$646**	**$574**	**$72**

CECONY's gas sales and deliveries, excluding off-system sales, in 2021 compared with 2020 were:

	Thousands of Dt Delivered				Revenues in Millions (a)			
	For the Years Ended				For the Years Ended			
Description	December 31, 2021	December 31, 2020	Variation	Percent Variation	December 31, 2021	December 31, 2020	Variation	Percent Variation
Residential	50,690	48,999	1,691	3.5 %	$1,050	$911	$139	15.3 %
General	30,947	29,516	1,431	4.8	423	318	105	33.0
Firm transportation	76,765	76,614	151	0.2	704	649	55	8.5
Total firm sales and transportation	**158,402**	**155,129**	**3,273**	**2.1 (b)**	**2,177**	**1,878**	**299**	**15.9**
Interruptible sales (c)	5,927	8,482	(2,555)	(30.1)	29	27	2	7.4
NYPA	43,094	41,577	1,517	3.6	2	2	—	—
Generation plants	47,620	49,723	(2,103)	(4.2)	25	22	3	13.6
Other	20,251	20,814	(563)	(2.7)	34	33	1	3.0
Other operating revenues (d)	—	—	—	—	111	74	37	50.0
Total	**275,294**	**275,725**	**(431)**	**(0.2)%**	**$2,378**	**$2,036**	**$342**	**16.8 %**

(a) Revenues from gas sales are subject to a weather normalization clause and a revenue decoupling mechanism, as a result of which, delivery revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved.
(b) After adjusting for variations, primarily billing days, firm gas sales and transportation volumes in the company's service area decreased 0.4 percent in 2021 compared with 2020. See "Coronavirus Disease 2019 (COVID-19) Impacts," above.
(c) Includes 1,921 thousands and 3,510 thousands of Dt for 2021 and 2020, respectively, which are also reflected in firm transportation and other.
(d) Other gas operating revenues generally reflect changes in the revenue decoupling mechanism and weather normalization clause current asset or regulatory liability and changes in regulatory assets and liabilities in accordance with other provisions of the company's rate plans. See Note B to the financial statements in Item 8.

Operating revenues increased $342 million in 2021 compared with 2020 primarily due to higher gas revenues under the company's gas rate plan ($200 million), higher gas purchased for resale expense ($115 million), higher

late payment charges ($16 million), including charges that are being recovered pursuant to a surcharge mechanism established as a result of the order issued by the NYSPSC in November 2021 and resuming billing of late payment charges, and higher incentives earned under gas adjustment mechanisms (EAMs) ($11 million). See "COVID-19 Regulatory Matters" in Note B to the financial statements in Item 8.

Gas purchased for resale increased $115 million in 2021 compared with 2020 due to higher unit costs ($106 million) and higher purchased volumes ($8 million).

Other operations and maintenance expenses increased $13 million in 2021 compared with 2020 primarily due to higher costs for pension and other postretirement benefits ($10 million), higher total surcharges for assessments and fees that are collected in revenues from customers ($7 million) and higher stock-based compensation ($5 million), offset in part by lower municipal infrastructure support costs ($9 million).

Depreciation and amortization increased $32 million in 2021 compared with 2020 primarily due to higher gas utility plant balances.

Taxes, other than income taxes increased $110 million in 2021 compared with 2020 primarily due to lower deferral of under-collected property taxes ($68 million), higher property taxes ($30 million) and higher state and local taxes ($12 million).

Steam

CECONY's results of steam operations for the year ended December 31, 2021 compared with the year ended December 31, 2020 were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	Variation
Operating revenues	$532	$508	$24
Purchased power	45	27	18
Fuel	73	81	(8)
Other operations and maintenance	165	161	4
Depreciation and amortization	93	90	3
Taxes, other than income taxes	144	144	—
Steam operating income	**$12**	**$5**	**$7**

CECONY's steam sales and deliveries in 2021 compared with 2020 were:

	Millions of Pounds Delivered				Revenues in Millions			
	For the Years Ended				For the Years Ended			
Description	December 31, 2021	December 31, 2020	Variation	Percent Variation	December 31, 2021	December 31, 2020	Variation	Percent Variation
General	504	445	59	13.3 %	$ 25	$ 23	$2	8.7 %
Apartment house	5,013	5,131	(118)	(2.3)	137	136	1	0.7
Annual power	11,367	10,977	390	3.6	340	321	19	5.9
Other operating revenues (a)	—	—	—	—	30	28	2	7.1
Total	**16,884**	**16,553**	**331**	**2.0 % (b)**	**$532**	**$508**	**$24**	**4.7 %**

(a) Other steam operating revenues generally reflect changes in regulatory assets and liabilities in accordance with the company's rate plan. See Note B to the financial statements in Item 8.
(b) After adjusting for variations, primarily weather and billing days, steam sales and deliveries in the company's service area decreased 3.4 percent in 2021 compared with 2020. See "Coronavirus Disease 2019 (COVID-19) Impacts," above.

Operating revenues increased $24 million in 2021 compared with 2020 primarily due to the impact of colder winter weather ($21 million) and higher purchased power expenses ($18 million), offset in part by lower fuel expenses ($8 million) and tax law surcharge ($3 million).

Purchased power expenses increased $18 million in 2021 compared with 2020 due to higher unit costs ($13 million) and purchased volumes ($5 million).

Fuel expenses decreased $8 million in 2021 compared with 2020 due to lower unit costs ($11 million), offset in part by higher purchased volumes from the company's steam generating facilities ($3 million).

Other operations and maintenance expenses increased $4 million in 2021 compared with 2020 primarily due to higher costs for pension and other postretirement benefits ($4 million) and higher stock-based compensation ($2 million), offset in part by lower municipal infrastructure support costs ($1 million).

Depreciation and amortization increased $3 million in 2021 compared with 2020 primarily due to higher steam utility plant balances.

Taxes, Other Than Income Taxes

At $2,696 million, taxes other than income taxes remain one of CECONY's largest operating expenses. The principal components of, and variations in, taxes other than income taxes were:

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	Variation
Property taxes	$2,215	$2,129	$86
State and local taxes related to revenue receipts	373	338	35
Payroll taxes	65	64	1
Other taxes	43	(75)	118
Total	**$2,696 (a)**	**$2,456 (a)**	**$240**

(a) Including sales tax on customers' bills, total taxes other than income taxes in 2021 and 2020 were $3,296 million and $2,989 million, respectively.

Other Income (Deductions)

Other deductions decreased $63 million in 2021 compared with 2020 primarily due to lower costs associated with components of pension and other postretirement benefits other than service cost ($61 million).

Net Interest Expense

Net interest expense increased $23 million in 2021 compared with 2020 primarily due to higher interest on long-term debt ($42 million), offset in part by lower interest accrued on the system benefit charge liability ($7 million), lower interest expense for short-term debt ($4 million), lower interest on deposits ($3 million) and lower interest accrued on deferred storm costs ($2 million).

Income Tax Expense

Income taxes increased $31 million in 2021 compared with 2020 primarily due to higher income before income tax expense ($40 million) and higher state income taxes ($9 million), offset in part by a higher favorable tax adjustment in 2021 for the prior year tax return primarily due to an increase in the general business tax credit ($6 million), higher tax benefits in 2021 from research credits ($5 million) and the absence of the amortization of deficit deferred state income taxes in 2020 ($6 million).

O&R

	For the Year Ended December 31, 2021			For the Year Ended December 31, 2020			
(Millions of Dollars)	Electric	Gas	2021 Total	Electric	Gas	2020 Total	2021-2020 Variation
Operating revenues	$681	$260	$941	$629	$233	$862	$79
Purchased power	206	—	206	169	—	169	37
Gas purchased for resale	—	88	88	—	61	61	27
Other operations and maintenance	249	64	313	242	68	310	3
Depreciation and amortization	69	26	95	65	25	90	5
Taxes, other than income taxes	57	32	89	54	31	85	4
Operating income	**$100**	**$50**	**$150**	**$99**	**$48**	**$147**	**$3**

Electric

O&R's results of electric operations for the year ended December 31, 2021 compared with the year ended December 31, 2020 were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	Variation
Operating revenues	$681	$629	$52
Purchased power	206	169	37
Other operations and maintenance	249	242	7
Depreciation and amortization	69	65	4
Taxes, other than income taxes	57	54	3
Electric operating income	**$100**	**$99**	**$1**

O&R's electric sales and deliveries in 2021 compared with 2020 were:

	Millions of kWh Delivered				Revenues in Millions (a)			
	For the Years Ended				For the Years Ended			
Description	December 31, 2021	December 31, 2020	Variation	Percent Variation	December 31, 2021	December 31, 2020	Variation	Percent Variation
Residential/Religious (b)	1,742	1,786	(44)	(2.5 %)	$331	$318	$13	4.1 %
Commercial/Industrial	850	820	30	3.7	111	117	(6)	(5.1)
Retail choice customers	2,839	2,621	218	8.3	223	186	37	19.9
Public authorities	110	107	3	2.8	11	7	4	57.1
Other operating revenues (c)	—	—	—	—	5	1	4	Large
Total	**5,541**	**5,334**	**207**	**3.9 % (d)**	**$681**	**$629**	**$52**	**8.3 %**

(a) Revenues from NY electric delivery sales are subject to a revenue decoupling mechanism, as a result of which, delivery revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. O&R's electric sales in NJ are not subject to a decoupling mechanism, and as a result, changes in such volumes do impact revenues.

(b) "Residential/Religious" generally includes single-family dwellings, individual apartments in multi-family dwellings, religious organizations and certain other not-for-profit organizations.

(c) Other electric operating revenues generally reflect changes in the revenue decoupling mechanism current asset or regulatory liability in accordance with the company's NY electric rate plan and changes in regulatory assets and liabilities in accordance with the company's electric rate plans. See Note B to the financial statements in Item 8.

(d) After adjusting for weather and other variations, electric delivery volumes in company's service area increased 1.1 percent in 2021 compared with 2020. See "Coronavirus Disease 2019 (COVID-19) Impacts," above.

Operating revenues increased $52 million in 2021 compared with 2020 primarily due to higher purchased power expenses ($37 million) and higher revenues from the NY electric rate plan ($13 million).

Purchased power expenses increased $37 million in 2021 compared with 2020 due to higher unit costs ($35 million) and purchased volumes ($2 million).

Other operations and maintenance expenses increased $7 million in 2021 compared with 2020 primarily due to higher storm-related costs.

Depreciation and amortization increased $4 million in 2021 compared with 2020 primarily due to higher electric utility plant balances.

Taxes, other than income taxes increased $3 million in 2021 compared with 2020 primarily due to higher property taxes ($2 million).

Gas

O&R's results of gas operations for the year ended December 31, 2021 compared with the year ended December 31, 2020 were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	Variation
Operating revenues	$260	$233	$27
Gas purchased for resale	88	61	27
Other operations and maintenance	64	68	(4)
Depreciation and amortization	26	25	1
Taxes, other than income taxes	32	31	1
Gas operating income	**$50**	**$48**	**$2**

O&R's gas sales and deliveries, excluding off-system sales, in 2021 compared with 2020 were:

	Thousands of Dt Delivered				Revenues in Millions (a)			
	For the Years Ended				For the Years Ended			
Description	December 31, 2021	December 31, 2020	Variation	Percent Variation	December 31, 2021	December 31, 2020	Variation	Percent Variation
Residential	11,500	9,736	1,764	18.1 %	$162	121	$41	33.9 %
General	2,498	2,142	356	16.6	28	20	8	40.0
Firm transportation	7,584	8,271	(687)	(8.3)	55	62	(7)	(11.3)
Total firm sales and transportation	**21,582**	**20,149**	**1,433**	**7.1 (b)**	**245**	**203**	**42**	**20.7**
Interruptible sales	3,820	3,632	188	5.2	6	6	—	—
Generation plants	26	59	(33)	(55.9)	—	—	—	—
Other	468	658	(190)	(28.9)	1	1	—	—
Other gas revenues	—	—	—	—	8	23	(15)	(65.2)
Total	**25,896**	**24,498**	**1,398**	**5.7 %**	**$260**	**233**	**$27**	**11.6 %**

(a) Revenues from NY gas sales are subject to a weather normalization clause and a revenue decoupling mechanism, as a result of which, delivery revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved.
(b) After adjusting for weather and other variations, firm sales and transportation volumes in the company's service area increased 0.2 percent in 2021 compared with 2020. See "Coronavirus Disease 2019 (COVID-19) Impacts," above.

Operating revenues increased $27 million in 2021 compared with 2020 primarily due to higher gas purchased for resale expense.

Gas purchased for resale increased $27 million in 2021 compared with 2020 due to higher unit costs ($15 million) and purchased volumes ($12 million).

Other operations and maintenance expenses decreased $4 million in 2021 compared with 2020 primarily due to lower pension costs ($2 million) and lower spending on gas programs ($2 million).

Depreciation and amortization increased $1 million in 2021 compared with 2020 primarily due to higher gas utility plant balances.

Taxes, other than income taxes increased $1 million in 2021 compared with 2020 primarily due to higher property taxes.

Taxes, Other Than Income Taxes

Taxes, other than income taxes, increased $4 million in 2021 compared with 2020. The principal components of taxes, other than income taxes, were:

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	Variation
Property taxes	$71	$69	$2
State and local taxes related to revenue receipts	11	10	1
Payroll taxes	7	6	1
Total	**$89 (a)**	**$85 (a)**	**$4**

(a) Including sales tax on customers' bills, total taxes other than income taxes in 2021 and 2020 were $129 million and $121 million, respectively.

Income Tax Expense

Income taxes remained unchanged in 2021 compared with 2020 primarily due to higher income before income tax expense ($1 million) entirely offset by lower state income taxes, primarily due to a decrease in the amortization of New York's metropolitan transportation business tax surcharge in 2021 ($1 million).

Clean Energy Businesses

The Clean Energy Businesses' results of operations for the year ended December 31, 2021 compared with the year ended December 31, 2020 were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	Variation
Operating revenues	$1,022	$736	$286
Gas purchased for resale	62	41	21
Other operations and maintenance	475	228	247
Depreciation and amortization	231	231	—
Taxes, other than income taxes	18	21	(3)
Operating income	**$236**	**$215**	**$21**

Operating *revenues* increased $286 million in 2021 compared with 2020 primarily due to higher revenue from renewable electric projects ($211 million), higher wholesale revenues ($35 million) and higher energy services revenues ($47 million), offset in part by lower net mark-to-market values ($7 million).

Gas purchased for resale increased $21 million in 2021 compared with 2020 primarily due to higher purchased volumes.

Other operations and maintenance expenses increased $247 million in 2021 compared with 2020 primarily due to higher costs from engineering, procurement and construction of renewable electric projects for customers.

Other Income (Deductions)

Other income (deductions) decreased $14 million in 2021 compared with 2020 primarily due to lower income in the 2021 period from an equity method investment in renewable electric projects accounted for under the HLBV method of accounting.

Net Interest Expense

Net interest expense decreased $128 million in 2021 compared with 2020 primarily due to lower unrealized losses on interest rate swaps in the 2021 period.

Income Tax Expense
Income taxes increased $88 million in 2021 compared with 2020 primarily due to higher income before income tax expense ($30 million), lower income attributable to non-controlling interest ($47 million), higher state income taxes ($7 million) and the absence of a tax benefit due to the change in the federal corporate income tax rate recognized for a loss carryback from the 2018 tax year to the 2013 tax year as allowed under the CARES Act signed into law during the first quarter of 2020 ($4 million). See Note L to the financial statements in Item 8.

Income (Loss) Attributable to Non-Controlling Interest
Income attributable to non-controlling interest decreased $195 million in 2021 compared with 2020 primarily due to lower income in the 2021 period attributable to a tax equity investor in renewable electric projects accounted for under the HLBV method of accounting. See Note S to the financial statements in Item 8.

Con Edison Transmission

Other operations and maintenance increased $8 million in 2021 compared with 2020 primarily due to a goodwill impairment loss on its investment in Honeoye in 2021. See Note K to the financial statements in Item 8.

Other Income (Deductions)
Other deductions decreased $192 million in 2021 compared with 2020 primarily due to lower losses in 2021 from CET Gas' pre-tax impairment loss of $212 million on its investment in Stagecoach, pre-tax impairment loss of $231 million on its investment in MVP in 2021, lower investment income in 2021 due to the sale of Stagecoach during 2021 ($19 million) and foregoing AFUDC income from MVP starting January 2021 until significant construction resumes ($60 million), compared to the pre-tax impairment loss of $320 million on its investment in MVP in 2020. See "Critical Accounting Estimates - Investments" in Item 7 and "Investments" in Note A and Note W to the financial statement in Item 8.

Net Interest Expense
Net interest expense decreased $9 million in 2021 compared with 2020 primarily due to the repayment of an intercompany loan from the parent company from a portion of the proceeds from the sale of Stagecoach.

Income Tax Expense
Income taxes decreased $48 million in 2021 compared with 2020 primarily due to lower income before income tax expense ($40 million), lower state income taxes ($12 million), offset in part by higher amortization of excess deferred federal income taxes in 2021 ($2 million).

Other

Taxes, Other Than Income Taxes
Taxes, other than income taxes decreased $6 million in 2021 compared with 2020 primarily due to adjustments made to the New York City capital tax for prior periods in the 2020 period.

Other Income (Deductions)
Other income (deductions) increased $4 million in 2021 compared with 2020 primarily due to the elimination of CECONY's goodwill impairment related to Con Edison Transmission's investment in Honeoye.

Income Tax Expense
Income taxes increased $29 million in 2021 compared with 2020 primarily due to higher income before income tax expense ($2 million), lower consolidated state income tax benefits in 2021 ($16 million) and the absence of a change to the New York City valuation allowance in 2021 ($10 million).

During the fourth quarter of 2020, Con Edison reversed a portion of its valuation allowance that was recorded against the deferred tax asset established for the New York City NOL. Management has reassessed its ability to realize a portion of the deferred tax benefits generated primarily by its renewable energy projects due to the future reversal of temporary differences associated with the accelerated tax depreciation and by implementing its strategy to secure tax equity financing from third parties for which certain tax deductions and amortization will be specifically allocated to members outside of the consolidated group.

Year Ended December 31, 2020 Compared with Year Ended December 31, 2019

CECONY

	For the Year Ended December 31, 2020				For the Year Ended December 31, 2019				
(Millions of Dollars)	**Electric**	**Gas**	**Steam**	**2020 Total**	**Electric**	**Gas**	**Steam**	**2019 Total**	**2020-2019 Variation**
Operating revenues	$8,103	$2,036	$508	$10,647	$8,062	$2,132	$627	$10,821	$(174)
Purchased power	1,405	—	27	1,432	1,324	—	33	1,357	75
Fuel	75	—	81	156	99	—	108	207	(51)
Gas purchased for resale	—	426	—	426	—	606	—	606	(180)
Other operations and maintenance	1,753	355	161	2,269	2,059	399	177	2,635	(366)
Depreciation and amortization	1,214	294	90	1,598	1,053	231	89	1,373	225
Taxes, other than income taxes	1,925	387	144	2,456	1,769	368	158	2,295	161
Operating income	**$1,731**	**$574**	**$5**	**$2,310**	**$1,758**	**$528**	**$62**	**$2,348**	**$(38)**

Electric

CECONY's results of electric operations for the year ended December 31, 2020 compared with the year ended December 31, 2019 were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	**2020**	**2019**	**Variation**
Operating revenues	$8,103	$8,062	$41
Purchased power	1,405	1,324	81
Fuel	75	99	(24)
Other operations and maintenance	1,753	2,059	(306)
Depreciation and amortization	1,214	1,053	161
Taxes, other than income taxes	1,925	1,769	156
Electric operating income	**$1,731**	**$1,758**	**$(27)**

CECONY's electric sales and deliveries in 2020 compared with 2019 were:

	Millions of kWh Delivered				Revenues in Millions (a)			
	For the Years Ended				For the Years Ended			
Description	**December 31, 2020**	**December 31, 2019**	**Variation**	**Percent Variation**	**December 31, 2020**	**December 31, 2019**	**Variation**	**Percent Variation**
Residential/Religious (b)	11,107	10,560	547	5.2 %	$2,901	$2,671	$230	8.6 %
Commercial/Industrial	9,280	9,908	(628)	(6.3)	1,876	1,845	31	1.7
Retail choice customers	22,000	24,754	(2,754)	(11.1)	2,391	2,470	(79)	(3.2)
NYPA, Municipal Agency and other sales	9,184	9,932	(748)	(7.5)	665	663	2	0.3
Other operating revenues (c)	—	—	—	—	270	413	(143)	(34.6)
Total	**51,571**	**55,154**	**(3,583)**	**(6.5)% (d)**	**$8,103**	**$8,062**	**$41**	**0.5 %**

(a) Revenues from electric sales are subject to a revenue decoupling mechanism, as a result of which, delivery revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved.
(b) "Residential/Religious" generally includes single-family dwellings, individual apartments in multi-family dwellings, religious organizations and certain other not-for-profit organizations.
(c) Other electric operating revenues generally reflect changes in the revenue decoupling mechanism current asset or regulatory liability and changes in regulatory assets and liabilities in accordance with other provisions of the company's rate plan.
(d) After adjusting for variations, primarily weather and billing days, electric delivery volumes in the company's service area decreased 6.1 percent in 2020 compared with 2019. See "Coronavirus Disease 2019 (COVID-19) Impacts," above.

Operating revenues increased $41 million in 2020 compared with 2019 primarily due to higher purchased power expenses ($81 million), offset in part by lower fuel expenses ($24 million) and lower revenues from the electric rate plan ($16 million).

Purchased power expenses increased $81 million in 2020 compared with 2019 due to higher unit costs ($158 million), offset in part by lower purchased volumes ($77 million).

Fuel expenses decreased $24 million in 2020 compared with 2019 due to lower unit costs ($31 million), offset in part by higher purchased volumes from the company's electric generating facilities ($7 million).

Other operations and maintenance expenses decreased $306 million in 2020 compared with 2019 primarily due to lower costs for pension and other postretirement benefits ($195 million), lower surcharges for assessments and fees that are collected in revenues from customers ($110 million), lower stock-based compensation ($25 million) and lower healthcare costs ($16 million), offset in part by incremental costs associated with the COVID-19 pandemic ($14 million), higher municipal infrastructure support costs ($9 million) and food and medicine spoilage claims related to outages caused by Tropical Storm Isaias ($7 million).

Depreciation and amortization increased $161 million in 2020 compared with 2019 primarily due to higher electric utility plant balances and higher depreciation rates.

Taxes, other than income taxes increased $156 million in 2020 compared with 2019 primarily due to higher property taxes ($105 million), lower deferral of under-collected property taxes ($38 million), higher state and local taxes ($11 million) and the absence in 2020 of a reduction in the sales and use tax reserve upon conclusion of the audit assessment ($5 million), offset in part by lower payroll taxes ($3 million) due to the Employee Retention Tax Credit created under the CARES Act. See "Coronavirus Disease 2019 (COVID-19) Impacts - Impact of CARES Act and 2021 Appropriations Act on Accounting for Income Taxes," above.

Gas

CECONY's results of gas operations for the year ended December 31, 2020 compared with the year ended December 31, 2019 were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	**2020**	**2019**	**Variation**
Operating revenues	$2,036	$2,132	$(96)
Gas purchased for resale	426	606	(180)
Other operations and maintenance	355	399	(44)
Depreciation and amortization	294	231	63
Taxes, other than income taxes	387	368	19
Gas operating income	**$574**	**$528**	**$46**

CECONY's gas sales and deliveries, excluding off-system sales, in 2020 compared with 2019 were:

	Thousands of Dt Delivered				Revenues in Millions (a)			
	For the Years Ended				For the Years Ended			
Description	**December 31, 2020**	**December 31, 2019**	**Variation**	**Percent Variation**	**December 31, 2020**	**December 31, 2019**	**Variation**	**Percent Variation**
Residential	48,999	54,402	(5,403)	(9.9)%	$911	$943	$(32)	(3.4) %
General	29,516	33,235	(3,719)	(11.2)	318	384	(66)	(17.2)
Firm transportation	76,614	81,710	(5,096)	(6.2)	649	593	56	9.4
Total firm sales and transportation	**155,129**	**169,347**	**(14,218)**	**(8.4) (b)**	**1,878**	**1,920**	**(42)**	**(2.2)**
Interruptible sales (c)	8,482	9,903	(1,421)	(14.3)	27	42	(15)	(35.7)
NYPA	41,577	39,643	1,934	4.9	2	2	—	—
Generation plants	49,723	52,011	(2,288)	(4.4)	22	23	(1)	(4.3)
Other	20,814	20,701	113	0.5	33	31	2	6.5
Other operating revenues (d)	—	—	—	—	74	114	(40)	**(35.1)**
Total	**275,725**	**291,605**	**(15,880)**	**(5.4)%**	**$2,036**	**$2,132**	**$(96)**	**(4.5 %)**

(a) Revenues from gas sales are subject to a weather normalization clause and a revenue decoupling mechanism, as a result of which, delivery revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved.
(b) After adjusting for variations, primarily billing days, firm gas sales and transportation volumes in the company's service area decreased 0.7 percent in 2020 compared with 2019. See "Coronavirus Disease 2019 (COVID-19) Impacts," above.
(c) Includes 3,510 thousands and 5,484 thousands of Dt for 2020 and 2019, respectively, which are also reflected in firm transportation and other.

(d) Other gas operating revenues generally reflect changes in the revenue decoupling mechanism and weather normalization clause current asset or regulatory liability and changes in regulatory assets and liabilities in accordance with other provisions of the company's rate plans. See Note B to the financial statements in Item 8.

Operating revenues decreased $96 million in 2020 compared with 2019 primarily due to lower gas purchased for resale expense ($180 million) and certain rate plan reconciliations ($6 million), offset in part by higher gas revenues due to the gas base rates increase in January 2020 under the company's gas rate plan ($91 million).

Gas purchased for resale decreased $180 million in 2020 compared with 2019 due to lower unit costs ($110 million) and lower purchased volumes ($70 million).

Other operations and maintenance expenses decreased $44 million in 2020 compared with 2019 primarily due to lower costs for pension and other postretirement benefits ($31 million), lower stock-based compensation ($5 million), lower municipal infrastructure support costs ($5 million) and lower reserve for injuries and damages ($4 million).

Depreciation and amortization increased $63 million in 2020 compared with 2019 primarily due to higher gas utility plant balances and higher depreciation rates.

Taxes, other than income taxes increased $19 million in 2020 compared with 2019 primarily due to higher property taxes ($37 million), higher state and local taxes ($1 million) and the absence in 2020 of a reduction in the sales and use tax reserve upon conclusion of the audit assessment ($1 million), offset in part by higher deferral of under-collected property taxes ($19 million) and lower payroll taxes ($1 million) due to the Employee Retention Tax Credit created under the CARES Act. See "Coronavirus Disease 2019 (COVID-19) Impacts - Impact of CARES Act and 2021 Appropriations Act on Accounting for Income Taxes," above.

Steam

CECONY's results of steam operations for the year ended December 31, 2020 compared with the year ended December 31, 2019 were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	**2020**	**2019**	**Variation**
Operating revenues	$508	$627	$(119)
Purchased power	27	33	(6)
Fuel	81	108	(27)
Other operations and maintenance	161	177	(16)
Depreciation and amortization	90	89	1
Taxes, other than income taxes	144	158	(14)
Steam operating income	**$5**	**$62**	**$(57)**

CECONY's steam sales and deliveries in 2020 compared with 2019 were:

	Millions of Pounds Delivered				Revenues in Millions			
	For the Years Ended				For the Years Ended			
Description	**December 31, 2020**	**December 31, 2019**	**Variation**	**Percent Variation**	**December 31, 2020**	**December 31, 2019**	**Variation**	**Percent Variation**
General	445	536	(91)	(17.0)%	$23	$27	$(4)	(14.8)%
Apartment house	5,131	5,919	(788)	(13.3)	136	160	(24)	(15.0)
Annual power	10,977	13,340	(2,363)	(17.7)	321	395	(74)	(18.7)
Other operating revenues (a)	—	—	—	—	28	45	(17)	(37.8)
Total	**16,553**	**19,795**	**(3,242)**	**(16.4)% (b)**	**$508**	**$627**	**$(119)**	**(19.0)%**

(a) Other steam operating revenues generally reflect changes in regulatory assets and liabilities in accordance with the company's rate plan. See Note B to the financial statements in Item 8.
(b) After adjusting for variations, primarily weather and billing days, steam sales and deliveries in the company's service area decreased 6.7 percent in 2020 compared with 2019. See "Coronavirus Disease 2019 (COVID-19) Impacts," above.

Operating revenues decreased $119 million in 2020 compared with 2019 primarily due to the impact of warmer winter weather ($43 million), lower fuel expenses ($27 million), lower usage by customers due to the impact of the COVID-19 pandemic ($19 million), certain rate plan reconciliations ($15 million) and lower purchased power expenses ($6 million).

Purchased power expenses decreased $6 million in 2020 compared with 2019 due to lower unit costs ($3 million) and purchased volumes ($3 million).

Fuel expenses decreased $27 million in 2020 compared with 2019 due to lower unit costs ($14 million) and lower purchased volumes from the company's steam generating facilities ($13 million).

Other operations and maintenance expenses decreased $16 million in 2020 compared with 2019 primarily due to lower costs for pension and other postretirement benefits ($7 million) and lower municipal infrastructure support costs ($7 million).

Depreciation and amortization increased $1 million in 2020 compared with 2019 primarily due to higher steam utility plant balances.

Taxes, other than income taxes decreased $14 million in 2020 compared with 2019 primarily due to higher deferral of under-collected property taxes ($20 million) and lower state and local taxes ($2 million), offset in part by higher property taxes ($8 million).

Taxes, Other Than Income Taxes

At $2,456 million, taxes other than income taxes remain one of CECONY's largest operating expenses. The principal components of, and variations in, taxes other than income taxes were:

	For the Years Ended December 31,		
(Millions of Dollars)	**2020**	**2019**	**Variation**
Property taxes	$2,129	$1,979	$150
State and local taxes related to revenue receipts	338	328	10
Payroll taxes	64	69	(5)
Other taxes	(75)	(81)	6
Total	**$2,456 (a)**	**$2,295 (a)**	**$161**

(a) Including sales tax on customers' bills, total taxes other than income taxes in 2020 and 2019 were $2,989 and $2,807 million, respectively.

Other Income (Deductions)

Other income (deductions) decreased $136 million in 2020 compared with 2019 primarily due to higher costs associated with components of pension and other postretirement benefits other than service cost ($117 million) and the absence of the company's share of gain on sale of properties in 2019 ($14 million).

Net Interest Expense

Net interest expense increased $11 million in 2020 compared with 2019 primarily due to higher interest on long-term debt ($46 million), offset in part by a decrease in interest accrued on the TCJA related regulatory liability ($13 million), lower interest expense for short-term debt ($12 million) and lower interest accrued on the system benefit charge liability ($8 million).

Income Tax Expense

Income taxes decreased $120 million in 2020 compared with 2019 primarily due to lower income before income tax expense ($39 million), an increase in the amortization of excess deferred federal income taxes due to CECONY's electric and gas rate plans that went into effect in January 2020 ($103 million) and lower state income taxes ($13 million), offset in part by the absence of the amortization of excess deferred state income taxes in 2020 ($24 million), lower research and development credits in 2020 ($5 million) and lower flow-through tax benefits in 2020 for plant-related items ($4 million).

O&R

	For the Year Ended December 31, 2020			For the Year Ended December 31, 2019			
(Millions of Dollars)	Electric	Gas	2020 Total	Electric	Gas	2019 Total	2020-2019 Variation
Operating revenues	$629	$233	$862	$634	$259	$893	$(31)
Purchased power	169	—	169	188	—	188	(19)
Gas purchased for resale	—	61	61	—	90	90	(29)
Other operations and maintenance	242	68	310	235	73	308	2
Depreciation and amortization	65	25	90	60	24	84	6
Taxes, other than income taxes	54	31	85	53	31	84	1
Operating income	**$99**	**$48**	**$147**	**$98**	**$41**	**$139**	**$8**

Electric

O&R's results of electric operations for the year ended December 31, 2020 compared with the year ended December 31, 2019 were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	2020	2019	Variation
Operating revenues	$629	$634	$(5)
Purchased power	169	188	(19)
Other operations and maintenance	242	235	7
Depreciation and amortization	65	60	5
Taxes, other than income taxes	54	53	1
Electric operating income	**$99**	**$98**	**$1**

O&R's electric sales and deliveries in 2020 compared with 2019 were:

	Millions of kWh Delivered				Revenues in Millions (a)			
	For the Years Ended				For the Years Ended			
Description	December 31, 2020	December 31, 2019	Variation	Percent Variation	December 31, 2020	December 31, 2019	Variation	Percent Variation
Residential/Religious (b)	1,786	1,703	83	4.9 %	$318	$309	$9	2.9 %
Commercial/Industrial	820	808	12	1.5	117	112	5	4.5
Retail choice customers	2,621	2,885	(264)	(9.2)	186	191	(5)	(2.6)
Public authorities	107	106	1	0.9	7	8	(1)	(12.5)
Other operating revenues (c)	—	—	—	—	1	14	(13)	(92.9)
Total	**5,334**	**5,502**	**(168)**	**(3.1)% (d)**	**$629**	**$634**	**$(5)**	**(0.8)%**

(a) Revenues from NY electric delivery sales are subject to a revenue decoupling mechanism, as a result of which, delivery revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. O&R's electric sales in NJ are not subject to a decoupling mechanism, and as a result, changes in such volumes do impact revenues.
(b) "Residential/Religious" generally includes single-family dwellings, individual apartments in multi-family dwellings, religious organizations and certain other not-for-profit organizations.
(c) Other electric operating revenues generally reflect changes in the revenue decoupling mechanism current asset or regulatory liability in accordance with the company's NY electric rate plan and changes in regulatory assets and liabilities in accordance with the company's electric rate plans. See Note B to the financial statements in Item 8.
(d) After adjusting for weather and other variations, electric delivery volumes in company's service area decreased 0.7 percent in 2020 compared with 2019. See "Coronavirus Disease 2019 (COVID-19) Impacts," above.

Operating revenues decreased $5 million in 2020 compared with 2019 primarily due to lower purchased power expenses ($19 million), offset in part by higher revenues from the NY electric rate plan ($16 million).

Purchased power expenses decreased $19 million in 2020 compared with 2019 due to lower unit costs.

Other operations and maintenance expenses increased $7 million in 2020 compared with 2019 primarily due to the amortization of prior deferred storm costs ($3 million) and food and medicine spoilage claims related to outages caused by Tropical Storm Isaias ($3 million).

Depreciation and amortization increased $5 million in 2020 compared with 2019 primarily due to higher electric utility plant balances.

Taxes, other than income taxes increased $1 million in 2020 compared with 2019 primarily due to higher property taxes ($2 million), offset in part by lower payroll taxes ($1 million).

Gas

O&R's results of gas operations for the year ended December 31, 2020 compared with the year ended December 31, 2019 were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	2020	2019	Variation
Operating revenues	$233	$259	$(26)
Gas purchased for resale	61	90	(29)
Other operations and maintenance	68	73	(5)
Depreciation and amortization	25	24	1
Taxes, other than income taxes	31	31	—
Gas operating income	**$48**	**$41**	**$7**

O&R's gas sales and deliveries, excluding off-system sales, in 2020 compared with 2019 were:

	Thousands of Dt Delivered				Revenues in Millions (a)			
	For the Years Ended				For the Years Ended			
Description	December 31, 2020	December 31, 2019	Variation	Percent Variation	December 31, 2020	December 31, 2019	Variation	Percent Variation
Residential	9,736	10,209	(473)	(4.6)%	$121	$136	$(15)	(11.0)%
General	2,142	2,328	(186)	(8.0)	20	25	(5)	(20.0)
Firm transportation	8,271	9,459	(1,188)	(12.6)	62	63	(1)	(1.6)
Total firm sales and transportation	**20,149**	**21,996**	**(1,847)**	**(8.4) (b)**	**203**	**224**	**(21)**	**(9.4)**
Interruptible sales	3,632	3,668	(36)	(1.0)	6	6	—	—
Generation plants	59	4	55	Large	—	—	—	—
Other	658	914	(256)	(28.0)	1	1	—	—
Other gas revenues	—	—	—	—	23	28	(5)	(17.9)
Total	**24,498**	**26,582**	**(2,084)**	**(7.8)%**	**$233**	**$259**	**$(26)**	**(10.0)%**

(a) Revenues from NY gas sales are subject to a weather normalization clause and a revenue decoupling mechanism, as a result of which, delivery revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved.
(b) After adjusting for weather and other variations, firm sales and transportation volumes in the company's service area increased 0.6 percent in 2020 compared with 2019. See "Coronavirus Disease 2019 (COVID-19) Impacts," above.

Operating revenues decreased $26 million in 2020 compared with 2019 primarily due to lower gas purchased for resale expense.

Gas purchased for resale decreased $29 million in 2020 compared with 2019 due to lower unit costs ($24 million) and purchased volumes ($5 million).

Other operations and maintenance expenses decreased $5 million in 2020 compared with 2019 primarily due to lower pension costs.

Depreciation and amortization increased $1 million in 2020 compared with 2019 primarily due to higher gas utility plant balances.

Taxes, Other Than Income Taxes

Taxes, other than income taxes, increased $1 million in 2020 compared with 2019. The principal components of taxes, other than income taxes, were:

	For the Years Ended December 31,		
(Millions of Dollars)	2020	2019	Variation
Property taxes	$69	$66	$3
State and local taxes related to revenue receipts	10	10	—
Payroll taxes	6	8	(2)
Total	**$85 (a)**	**$84 (a)**	**$1**

(a) Including sales tax on customers' bills, total taxes other than income taxes in 2020 and 2019 were $121 million and $116 million, respectively.

Income Tax Expense

Income taxes increased $4 million in 2020 compared with 2019 primarily due to higher income before income tax expense ($1 million), higher state income taxes ($1 million), lower flow-through tax benefits on plant-related items in 2020 ($1 million), and an increase in flow-through income tax expense on higher bad debt reserves in 2020 as compared with 2019 ($1 million).

Clean Energy Businesses

The Clean Energy Businesses' results of operations for the year ended December 31, 2020 compared with the year ended December 31, 2019 were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	2020	2019	Variation
Operating revenues	$736	$857	$(121)
Gas purchased for resale	41	185	(144)
Other operations and maintenance	228	223	5
Depreciation and amortization	231	226	5
Taxes, other than income taxes	21	21	—
Operating income	**$215**	**$202**	**$13**

Operating revenues decreased $121 million in 2020 compared with 2019 primarily due to lower wholesale revenues ($136 million) and lower energy services revenues ($19 million), offset in part by higher renewable electric production revenues ($34 million).

Gas purchased for resale decreased $144 million in 2020 compared with 2019 primarily due to lower purchased volumes.

Other operations and maintenance expenses increased $5 million in 2020 compared with 2019 primarily due to an increase in general operating expenses.

Depreciation and amortization increased $5 million in 2020 compared with 2019 primarily due to an increase in renewable electric projects in operation during 2020.

Net Interest Expense

Net interest expense increased $10 million in 2020 compared with 2019 primarily due to higher unrealized losses on interest rate swaps in the 2020 period.

Income Tax Expense

Income taxes increased $14 million in 2020 compared with 2019 primarily due to higher income before income tax expense ($1 million), lower income attributable to non-controlling interest ($13 million), and the absence of the adjustment for prior period federal income tax returns primarily due to higher research and development credits in 2019 ($13 million), offset in part by a tax benefit due to the change in the federal corporate income tax rate recognized for a loss carryback from the 2018 tax year to the 2013 tax year as allowed under the CARES Act ($4 million), a lower increase in uncertain tax position ($7 million) and higher renewable energy credits ($2 million).

Income Attributable to Non-Controlling Interest

Income attributable to non-controlling interest increased $54 million in 2020 compared with 2019 primarily due to lower losses attributable in the 2020 period to a tax equity investor in renewable electric projects accounted for under the HLBV method of accounting. See Note S to the financial statements in Item 8.

Con Edison Transmission

Net Interest Expense

Net interest expense decreased $7 million in 2020 compared with 2019 primarily due to a reduction to short-term borrowings and rates charged under an intercompany capital funding facility.

Other Income (Deductions)

Other income (deductions) decreased $319 million in 2020 compared with 2019 primarily due to an impairment loss related to Con Edison Transmission's investment in Mountain Valley Pipeline, LLC. See "Critical Accounting Estimates - Investments" in Item 7 and "Investments" in Note A to the financial statement in Item 8.

Income Tax Expense

Income taxes decreased $87 million in 2020 compared with 2019 primarily due to the MVP impairment loss recorded in 2020 ($88 million).

Other

Taxes, Other Than Income Taxes

Taxes, other than income taxes increased $7 million in 2020 compared with 2019 primarily due to adjustments made to the New York City capital tax for prior periods in the 2020 period.

Other Income (Deductions)

Other income (deductions) increased $7 million in 2020 compared with 2019 primarily due to the absence in 2020 of an elimination related to interest income under the intercompany capital funding facility.

Income Tax Expense

Income taxes decreased $17 million in 2020 compared with 2019 primarily due to lower income before income tax expense ($3 million), the reversal of a portion of a New York City valuation allowance ($9 million), and the MVP impairment loss recorded in 2020 ($9 million), offset in part by lower consolidated state income tax benefits ($4 million).

During the fourth quarter of 2020, Con Edison reversed a portion of its valuation allowance that was recorded against the deferred tax asset established for the New York City NOL. Management has reassessed its ability to realize a portion of the deferred tax benefits generated primarily by its renewable energy projects due to the future reversal of temporary differences associated with the accelerated tax depreciation and by implementing its strategy to secure tax equity financing from third parties for which certain tax deductions and amortization will be specifically allocated to members outside of the consolidated group.

Liquidity and Capital Resources

The Companies’ liquidity reflects cash flows from operating, investing and financing activities, as shown on their respective consolidated statements of cash flows and as discussed below.

The principal factors affecting Con Edison’s liquidity are its investments in the Utilities, the Clean Energy Businesses and Con Edison Transmission, the dividends it pays to its shareholders and the dividends it receives from its subsidiaries and cash flows from financing activities discussed below.

The principal factors affecting CECONY’s liquidity are its cash flows from operating activities, cash used in investing activities (including construction expenditures), the dividends it pays to Con Edison and cash flows from financing activities discussed below.

The Companies generally maintain minimal cash balances and use short-term borrowings to meet their working capital needs and other cash requirements. The Companies repay their short-term borrowings using funds from long-term financings and operating activities. The Utilities’ cost of capital, including working capital, is reflected in the rates they charge to their customers.

Each of the Companies believes that it will be able to meet its reasonably likely short-term and long-term cash requirements. See “The Companies Require Access To Capital Markets To Satisfy Funding Requirements,” "Changes To Tax Laws Could Adversely Affect the Companies," “The Companies Face Risks Related to Health Epidemics And Other Outbreaks, Including The COVID-19 Pandemic,” and “The Companies Also Face Other Risks That Are Beyond Their Control” in Item 1A, and “Capital Requirements and Resources” in Item 1.

The Companies’ cash, temporary cash investments and restricted cash resulting from operating, investing and financing activities for the years ended December 31, 2021, 2020 and 2019 are summarized as follows:

	CECONY			O&R			Clean Energy Businesses			Con Edison Transmission			Other (a)			Con Edison (b)		
(Millions of Dollars)	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Operating activities	$2,186	$1,693	$2,502	$127	$146	$190	$175	$887	$199	$44	$(7)	$194	$201	$(521)	$49	$2,733	$2,198	$3,134
Investing activities	(3,729)	(3,416)	(3,124)	(224)	(220)	(218)	(139)	(606)	(258)	608	18	(184)	—	—	2	(3,484)	(4,224)	(3,782)
Financing activities	1,396	1,857	737	89	79	8	(45)	(345)	184	(652)	(11)	(12)	(327)	665	(58)	461	2,245	859
Net change for the period	(147)	134	115	(8)	5	(20)	(9)	(64)	125	—	—	(2)	(126)	144	(7)	(290)	219	211
Balance at beginning of period	1,067	933	818	37	32	52	187	251	126	—	—	2	145	1	8	1,436	1,217	1,006
Balance at end of period (c)	$920	$1,067	$933	$29	$37	$32	$178	$187	$251	$—	$—	$—	$19	$145	$1	$1,146	$1,436	$1,217

(a) Includes parent company and consolidation adjustments.
(b) Represents the consolidated results of operations of Con Edison and its businesses.
(c) See "Reconciliation of Cash, Temporary Cash Investments and Restricted Cash" in Note A to the financial statements in Item 8.

Cash Flows from Operating Activities
The Utilities' cash flows from operating activities primarily reflect their energy sales and deliveries and cost of operations. The volume of energy sales and deliveries is primarily affected by factors external to the Utilities, such as growth of customer demand, weather, market prices for energy and economic conditions. Measures that promote distributed energy resources, such as distributed generation, demand reduction and energy efficiency, also affect the volume of energy sales and deliveries. See "Competition" and "Environmental Matters – Clean Energy Future – Reforming the Energy Vision" and "Environmental Matters – Climate Change" in Item 1.

During 2020 and 2021, the decline in business activity in the Utilities' service territory due to the COVID-19 pandemic resulted in a slower recovery of cash from outstanding customer accounts receivable balances, material increases in customer accounts receivable balances, increases to the allowance for uncollectible accounts, and may result in increases to write-offs of customer accounts, as compared to prior to the COVID-19 pandemic. These trends may continue through 2022. Under the revenue decoupling mechanisms in the Utilities' NY electric and gas rate plans, changes in delivery volumes from levels assumed when rates were approved may affect the timing of cash flows, but largely not net income. The prices at which the Utilities provide energy to their customers are determined in accordance with their rate plans. However, increases in electric and gas commodity prices, coupled with the decline in business activity due to the COVID-19 pandemic, may further contribute to a slower recovery of cash from outstanding customer accounts receivable balances, increases to the allowance for uncollectible accounts, and increases to write-offs of customer accounts receivable balances. In general, changes in the Utilities' cost of purchased power, fuel and gas may affect the timing of cash flows, but not net income, because the costs are recovered in accordance with rate plans. See "Recoverable Energy Costs" in Note A to the financial statements in Item 8.

The Utilities' NY rate plans allow them to defer costs resulting from a change in legislation, regulation and related actions that have taken effect during the term of the rate plans once the costs exceed a specified threshold. Increases to the allowance for uncollectible accounts related to the COVID-19 pandemic have been deferred pursuant to the legislative, regulatory and related actions provisions of their rate plans. In November 2021, the NYSPSC issued an order establishing a surcharge recovery mechanism for CECONY to collect late payment charges and fees that were not billed for the year ended December 31, 2020 due to the COVID-19 pandemic. The order also established a surcharge recovery or surcredit mechanism for any fee deferrals for 2021 and 2022. In October 2021, O&R, the New York State Department of Public Service (NYSDPS) and other parties entered into a Joint Proposal for new electric and gas rate plans for the three-year period January 2022 through December 2024 (the Joint Proposal) that includes certain COVID-19 provisions, such as: recovery of 2020 late payment charges over three years; reconciliation of late payment charges to amounts reflected in rates for years 2021 through 2024; and reconciliation of write-offs of customer accounts receivable balances to amounts reflected in rates from January 1, 2020 through December 31, 2024. The Joint Proposal is subject to NYSPSC approval. See "The Companies Face Risks Related To Health Epidemics And Other Outbreaks, Including The COVID-19 Pandemic," in Item 1A, "Rate Plans," "COVID-19 Regulatory Matters" and "Other Regulatory Matters" in Note B to the financial statements in Item 8 and "Coronavirus Disease 2019 (COVID-19) Impacts - Liquidity and Financing," above.

Pursuant to their rate plans, the Utilities have recovered from customers a portion of the tax liability they will pay in the future as a result of temporary differences between the book and tax basis of assets and liabilities. These temporary differences affect the timing of cash flows, but not net income, as the Companies are required to record deferred tax assets and liabilities at the current corporate tax rate for the temporary differences. For the Utilities, credits to their customers of the net benefits of the TCJA, including the reduction of the corporate tax rate to 21 percent, decrease cash flows from operating activities. Pursuant to their rate plans, the Utilities also recover from customers the amount of property taxes they will pay. The payment of property taxes by the Utilities affects the timing of cash flows and increases the amount of short-term borrowings issued by the Utilities when property taxes are due and as property taxes increase, but generally does not impact net income. See "Changes To Tax Laws Could Adversely Affect the Companies," in Item 1A, "Federal Income Tax" in Note A, "Rate Plans" in Note B, "COVID-19 Regulatory Matters" in Note B, "Other Regulatory Matters" in Note B and Note L to the financial statements in Item 8 and "Coronavirus Disease 2019 (COVID-19) Impacts - Liquidity and Financing," above.

Net income is the result of cash and non-cash (or accrual) transactions. Only cash transactions affect the Companies' cash flows from operating activities. Principal non-cash charges or credits include depreciation, deferred income tax expense, amortizations of certain regulatory assets and liabilities and accrued unbilled revenue. Non-cash charges or credits may also be accrued under the revenue decoupling and cost reconciliation mechanisms in the Utilities' NY electric and gas rate plans. See "Rate Plans – CECONY– Electric and Gas" and "Rate Plans – O&R New York – Electric and Gas" in Note B to the financial statements in Item 8. For Con Edison, 2021 net income also included non-cash losses recognized with respect to impairments of Con Edison Transmission's investments in MVP, Stagecoach and Honeoye. For Con Edison, 2020 net income included a non-cash loss recognized with respect to a partial impairment of Con Edison Transmission's investment in MVP. See "Investments" in Note A and Note K to the financial statements in Item 8.

Net cash flows from operating activities in 2021 for Con Edison and CECONY were $535 million and $493 million higher, respectively, than in 2020. The changes in net cash flows for Con Edison and CECONY primarily reflect a lower increase of accounts receivable balances from customers, net of allowance for uncollectible accounts ($223 million and $196 million, respectively) (see "COVID-19 Regulatory Matters" in Note B to the financial statements in Item 8 and "Coronavirus Disease 2019 (COVID-19) Impacts - Accounting Considerations" and "Liquidity and Financing," above), higher recoveries of depreciation expense ($112 million and $107 million, respectively), lower system benefit charge ($85 million and $80 million, respectively), lower superfund and environmental remediation costs ($12 million and $12 million, respectively) and lower pension and retiree benefit contributions ($6 million and $5 million, respectively). For Con Edison, changes in net cash flows reflects lower other receivables and other current assets ($31 million), lower taxes receivable ($19 million), lower revenue decoupling receivable ($8 million), offset in part by a change in pension and retiree benefit obligations, net ($19 million) and for CECONY, a change in pension and retiree benefit obligations, net ($30 million).

Net cash flows from operating activities in 2020 for Con Edison and CECONY were $936 million and $809 million lower, respectively, than in 2019. The changes in net cash flows for Con Edison and CECONY primarily reflects higher accounts receivable balances from customers ($566 million and $519 million, respectively) (see "COVID-19 Regulatory Matters" in Note B to the financial statements in Item 8 and "Coronavirus Disease 2019 (COVID-19) Impacts - Accounting Considerations" and "Liquidity and Financing," above) and higher other receivables and other current assets ($188 million and $103 million, respectively) primarily due to lower reimbursement received for restoration costs related to the restoration of power in Puerto Rico in the aftermath of the September 2017 hurricanes in the 2020 period ($94 million and $88 million, respectively), higher system benefit charge ($139 million and $130 million, respectively), higher pension and retiree benefit contributions ($121 million and $113 million, respectively), deferrals for increased costs related to the COVID-19 pandemic ($115 million and $113 million, respectively), and a change in pension and retiree benefit obligations ($72 million and $77 million, respectively), offset in part by lower TCJA net benefits provided to customers in the 2020 period ($263 million and $263 million, respectively).

The change in net cash flows also reflects the timing of payments for and recovery of energy costs. This timing is reflected within changes to accounts receivable – customers, recoverable and refundable energy costs within other regulatory assets and liabilities and accounts payable balances.

Cash Flows Used in Investing Activities

Net cash flows used in investing activities for Con Edison and CECONY were $740 million lower and $313 million higher, respectively, in 2021 than in 2020. The change for Con Edison primarily reflects proceeds from the completion of the sale of Stagecoach ($629 million), a decrease in non-utility construction expenditures at the Clean Energy Businesses ($261 million) and proceeds from the divestiture of renewable electric projects at the Clean Energy Businesses ($183 million), offset in part by an increase in utility construction expenditures at CECONY ($301 million) and O&R ($3 million). Pursuant to their rate plans, the Utilities recover the cost of utility construction expenditures from customers, including an approved rate of return (before and after being placed in service and or AFUDC before being placed in service). Increases in the amount of utility construction expenditures may temporarily increase the amount of short-term debt issued by the Utilities prior to the long-term financing of such amounts.

Net cash flows used in investing activities for Con Edison and CECONY were $442 million and $292 million higher, respectively, in 2020 than in 2019. The change for Con Edison primarily reflects an increase in non-utility construction expenditures at the Clean Energy Businesses ($335 million), the absence in 2020 of proceeds from the sale of properties formerly used by CECONY in its operations ($192 million), an increase in utility construction expenditures at CECONY ($84 million) and O&R ($4 million) and higher cost of removal less salvage at CECONY ($16 million), offset in part by lower investments in electric and gas transmission projects at Con Edison Transmission in the 2020 period ($202 million).

Cash Flows From Financing Activities

Net cash flows from financing activities in 2021 for Con Edison and CECONY were $1,784 million and $461 million lower, respectively, than in 2020. Net cash flows from financing activities in 2020 for Con Edison and CECONY were $1,386 million and $1,120 million higher, respectively, than in 2019.

Net cash flows from financing activities during the years ended December 31, 2021, 2020 and 2019 reflect the following Con Edison transactions:

2021

- Issued 10,100,000 shares of its common stock resulting in net proceeds of approximately $775 million, after issuance expenses. The net proceeds from the sale of the common shares were invested by Con Edison in CECONY, for funding of its construction expenditures and for its other general corporate purposes. See Note C to the financial statements in Item 8;
- Redeemed at maturity $500 million of 2.00 percent 5-year debentures with proceeds from a $500 million borrowing under an April 2021 Credit Agreement, which Con Edison prepaid in full in July 2021; and
- Optionally prepaid the remaining $675 million outstanding under a February 2019 term loan prior to its maturity in June 2021.

2020

- Issued 1,050,000 shares of its common shares for $88 million upon physical settlement of the remaining shares subject to its May 2019 forward sale agreement. Con Edison used the proceeds to invest in CECONY for funding of its capital requirements and other general corporate purposes;
- Borrowed $820 million pursuant to a credit agreement that was converted to a term loan (the "July 2020 Term Loan"). Con Edison used the proceeds from the borrowing for general corporate purposes, including repayment of short-term debt bearing interest at variable rates. The July 2020 Term Loan was prepaid in full in December 2020;
- Issued 7,200,000 common shares resulting in net proceeds of $553 million, after issuance expenses. The net proceeds from the sale of the common shares, together with the net proceeds from the sale of $650 million aggregate principal amount of 0.65 percent debentures due 2023, were used to prepay in full the July 2020 Term Loan. The remaining net proceeds from the sale of the common shares were invested by Con Edison in its subsidiaries, principally CECONY and O&R, and for other general corporate purposes; and
- Issued $650 million aggregate principal amount of 0.65 percent debentures, due 2023, with an option to redeem at par, in whole or in part, on or after December 1, 2021. The proceeds from the $650 million refinancing, together with a portion of the proceeds from the sale of common shares, were used to prepay in full the July 2020 Term Loan.

2019

- Redeemed in advance of maturity $400 million of 2.00 percent 3-year debentures;
- Entered into a forward sale agreement relating to 5,800,000 shares of its common stock. In June 2019, the company issued 4,750,000 shares for $400 million upon physical settlement of shares subject to the forward sale agreement. Con Edison used the proceeds to invest in CECONY for funding of its capital requirements and other general corporate purposes;
- Issued 5,649,369 common shares for $425 million upon physical settlement of the remaining shares subject to its November 2018 forward sale agreements. Con Edison used the proceeds to invest in its subsidiaries for funding of their capital requirements and to repay short-term debt incurred for that purpose; and
- Borrowed $825 million under a variable-rate term loan that matured in June 2021 to fund the repayment of a six-month variable-rate term loan. In June 2019 and during the first quarter of 2021, Con Edison optionally pre-paid $150 million and $675 million, respectively, of the amount borrowed.

Con Edison's cash flows from financing activities in 2021, 2020 and 2019 also reflect the proceeds, and reduction in cash used for reinvested dividends, resulting from the issuance of common shares under the company's dividend reinvestment, stock purchase and long-term incentive plans of $109 million, $106 million and $101 million, respectively.

Net cash flows from financing activities during the years ended December 31, 2021, 2020 and 2019 reflect the following CECONY transactions:

2021

- Issued $600 million aggregate principal amount of 3.20 percent debentures, due 2051, the net proceeds from the sale of which were used to repay short-term borrowings and for other general corporate purposes;
- Issued $900 million aggregate principal amount of 2.40 percent debentures, due 2031, the aggregate net proceeds from the sales of which were used to redeem at maturity its $640 million floating rate 3-year debentures and for other general corporate purposes, including repayment of short-term debt; and
- Issued $750 million aggregate principal amount of 3.60 percent debentures, due 2061, the net proceeds from the sale of which will be used to pay or reimburse the payment of, in whole or in part, existing and new qualifying eligible green expenditures, such as energy efficiency and clean transportation expenditures, that include those funded on or after January 1, 2021 until the maturity date of the debentures. Pending the allocation of the net proceeds to finance or refinance eligible green expenditures, CECONY used the net

proceeds for repayment of short-term debt and temporarily placed the remaining net proceeds in short-term interest-bearing instruments.

2020

- Issued $600 million aggregate principal amount of 3.00 percent debentures, due 2060, the net proceeds from the sale of which were used to repay short-term borrowings and for other general corporate purposes;
- Redeemed at maturity $350 million of 4.45 percent 10-year debentures; and
- Issued $600 million aggregate principal amount of 3.35 percent debentures, due 2030 and $1,000 million aggregate principal amount of 3.95 percent debentures, due 2050, the net proceeds from the sale of which will be used to pay or reimburse the payment of, in whole or in part, existing and new qualifying eligible green expenditures, such as energy efficiency and clean transportation expenditures, that include those funded on or after January 1, 2018 until the maturity date of each series of the debentures. Pending the allocation of the net proceeds to finance or refinance eligible green expenditures, CECONY used a portion of the net proceeds for repayment of short-term debt and temporarily placed the remaining net proceeds in short-term interest-bearing instruments.

2019

- Issued $600 million aggregate principal amount of 3.70 percent debentures, due 2059, and $700 million aggregate principal amount of 4.125 percent debentures, due 2049, the net proceeds from the sale of which were used to repay short-term borrowings and for other general corporate purposes; and
- Redeemed at maturity $475 million of 6.65 percent 10-year debentures.

Net cash flows from financing activities during the years ended December 31, 2021, 2020 and 2019 also reflect the following O&R transactions:

2021

- Issued $45 million aggregate principal amount of 2.31 percent debentures, due 2031 and $30 million aggregate principal amount of 3.17 percent debentures, due 2051, the net proceeds from the sales of which were used to repay short-term borrowings and for other general corporate purposes.

2020

- Issued $35 million aggregate principal amount of 2.02 percent debentures, due 2030, and $40 million aggregate principal amount of 3.24 percent debentures, due 2050, the net proceeds from the sales of which were used to repay short-term borrowings and for other general corporate purposes.

2019

- Issued $43 million aggregate principal amount of 3.73 percent debentures, due 2049, $44 million aggregate principal amount of 2.94 percent debentures, due 2029, and $38 million aggregate principal amount of 3.46 percent debentures, due 2039, the net proceeds from the sales of which were used to repay short-term borrowings and for other general corporate purposes; and
- Redeemed at maturity $60 million of 4.96 percent 10-year debentures.

Net cash flows from financing activities during the years ended December 31, 2021, 2020 and 2019 also reflect the following Clean Energy Businesses transactions:

2021

- Borrowed $250 million at a variable rate, due 2028, secured by equity interests in four of the company's solar electric production projects, the interest rate for which was swapped to a fixed rate of 3.39 percent;
- Entered into an agreement with a tax equity investor for the financing of a portfolio of three of the Clean Energy Businesses' solar electric production projects (CED Nevada Virginia). Under the financing, the tax equity investor acquired a noncontrolling interest in the portfolio and will receive a percentage of earnings, tax attributes and cash flows. As of December 31, 2021, the tax equity investor fully funded its $263 million financing obligation. The Clean Energy Businesses will continue to consolidate this entity and will report the noncontrolling tax equity investor's interest in the tax equity arrangement. See Note Q to the financial statements in Item 8;
- Prepaid in full $249 million of borrowings outstanding under, and terminated, a $613 million variable-rate construction loan facility that was secured by and used to fund construction costs for CED Nevada Virginia; and
- Issued $229 million aggregate principal amount of 3.77 percent senior notes, due 2046, secured by equity interests in CED Nevada Virginia.

2020

- Borrowed $165 million under a $613 million variable-rate construction loan facility that was terminated in 2021 that was secured by and used to fund construction costs for CED Nevada Virginia.

2019

- Issued $303 million aggregate principal amount of 3.82 percent senior notes, due 2038, secured by the company's California Solar 4 renewable electric projects; and
- Borrowed $464 million at a variable-rate, due 2026, secured by equity interests in solar electric production projects, the net proceeds from the sale of which were used to repay borrowings from Con Edison and for other general corporate purposes. Con Edison used a portion of the repayment to pre-pay $150 million of an $825 million variable-rate term loan that matured in June 2021 and the remainder to repay short-term borrowings and for other general corporate purposes. The company has entered into fixed-rate interest rate swaps in connection with this borrowing. See Note Q to the financial statements in Item 8.

Cash flows from financing activities of the Companies also reflect commercial paper issuance. The commercial paper amounts outstanding at December 31, 2021, 2020 and 2019 and the average daily balances for 2021, 2020 and 2019 for Con Edison and CECONY were as follows:

	2021		2020		2019	
(Millions of Dollars, except Weighted Average Yield)	Outstanding at December 31	Daily average	Outstanding at December 31	Daily average	Outstanding at December 31	Daily average
Con Edison	$1,488	$1,189	$1,705	$980	$1,692	$1,074
CECONY	$1,361	$1,082	$1,660	$678	$1,137	$734
Weighted average yield	0.3 %	0.2 %	0.3 %	1.0 %	2.0 %	2.5 %

Common stock issuances and external borrowings are sources of liquidity that could be affected by changes in credit ratings, financial performance and capital market conditions. For information about the Companies' credit ratings and certain financial ratios, see "Capital Requirements and Resources" in Item 1.

Capital Requirements and Resources

For information about capital requirements, contractual obligations and capital resources, see "Capital Requirements and Resources" in Item 1.

Assets, Liabilities and Equity

The Companies' assets, liabilities and equity at December 31, 2021 and 2020 are summarized as follows:

	CECONY		O&R		Clean Energy Businesses		Con Edison Transmission		Other (a)		Con Edison (b)	
(Millions of Dollars)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
ASSETS												
Current assets	$4,703	$4,407	$290	$277	$542	$485	$2	$42	$14	$90	$5,551	$5,301
Investments	608	541	26	26	—	—	223	1,256	(4)	(7)	853	1,816
Net plant	41,613	39,554	2,599	2,469	4,367	4,515	17	17	—	—	48,596	46,555
Other noncurrent assets	5,731	6,465	377	475	1,645	1,848	7	33	356	402	8,116	9,223
Total Assets	$52,655	$50,967	$3,292	$3,247	$6,554	$6,848	$249	$1,348	$366	$485	$63,116	$62,895
LIABILITIES AND SHAREHOLDERS' EQUITY												
Current liabilities	$4,321	$5,247	$372	$356	$1,011	$1,330	$100	$111	$(377)	$310	$5,427	$7,354
Noncurrent liabilities	13,640	14,722	1,064	1,191	121	211	(90)	28	14	(58)	14,749	16,094
Long-term debt	18,382	16,149	968	893	2,607	2,776	—	500	647	64	22,604	20,382
Equity	16,312	14,849	888	807	2,815	2,531	239	709	82	169	20,336	19,065
Total Liabilities and Equity	$52,655	$50,967	$3,292	$3,247	$6,554	$6,848	$249	$1,348	$366	$485	$63,116	$62,895

(a) Includes parent company and consolidation adjustments.
(b) Represents the consolidated results of operations of Con Edison and its businesses.

CECONY

Current assets at December 31, 2021 were $296 million higher than at December 31, 2020. The change in current assets primarily reflects increases in accounts receivables, net of allowance for uncollectible accounts ($246 million) (see "COVID-19 Regulatory Matters" in Note B to the financial statements in Item 8 and "Coronavirus Disease 2019 (COVID-19) Impacts - Accounting Considerations" and "Liquidity and Financing," above) and revenue decoupling mechanism receivable ($62 million).

Investments at December 31, 2021 were $67 million higher than at December 31, 2020. The change in investments primarily reflects increases in supplemental retirement income plan assets ($60 million) and deferred income plan assets ($10 million). See "Investments" in Note A and Note E to the financial statements in Item 8.

Net plant at December 31, 2021 was $2,059 million higher than at December 31, 2020. The change in net plant primarily reflects an increase in electric ($1,519 million), gas ($1,400 million), steam ($132 million) and general ($269 million) plant balances, offset in part by an increase in accumulated depreciation ($926 million) and a decrease in construction work in progress ($335 million).

Other noncurrent assets at December 31, 2021 were $734 million lower than at December 31, 2020. The change in other noncurrent assets primarily reflects a decrease in the regulatory asset for unrecognized pension and other postretirement costs to reflect the final actuarial valuation, as measured at December 31, 2021, of the pension and other retiree benefit plans in accordance with the accounting rules for retirement benefits ($2,955 million). This decrease is offset in part by increases in the deferrals for increased costs related to the COVID-19 pandemic ($164 million), regulatory assets for deferred pension and other postretirement benefits ($163 million), deferred storm costs ($75 million), environmental remediation costs ($69 million). See Notes B, E, F and G to the financial statements in Item 8. This decrease is also offset in part by an increase in the pension funded status non-current asset due to an increase in the funded status of the pension plan resulting in an asset balance ($1,677 million) and an increase in the fair value of long-term derivative assets ($48 million).

Current liabilities at December 31, 2021 were $926 million lower than at December 31, 2020. The change in current liabilities primarily reflects decreases in debt due within one year as of December 31, 2020 ($640 million) and notes payable ($299 million).

Noncurrent liabilities at December 31, 2021 were $1,082 million lower than at December 31, 2020. The change in noncurrent liabilities primarily reflects a decrease in the liability for pension and retiree benefits ($1,274 million) as a result of the final actuarial valuation of the pension and other retiree benefit plans, as measured at December 31, 2021, in accordance with the accounting rules for retirement benefits. The change also reflects a decrease in the regulatory liability for future income tax ($222 million). These decreases are offset in part by an increase in deferred income taxes and unamortized investment tax credits ($385 million), primarily due to accelerated tax depreciation and repair deductions and increases in deferred regulatory costs. See Notes E, F, and L to the financial statements in Item 8.

Long-term debt at December 31, 2021 was $2,233 million higher than at December 31, 2020. The change in long-term debt primarily reflects the June and December 2021 issuance of $2,250 million of debentures. See "Liquidity and Capital Resources - Cash Flows From Financing Activities" above and Note C to the financial statements in Item 8.

Equity at December 31, 2021 was $1,463 million higher than at December 31, 2020. The change in equity reflects net income for the year ($1,344 million), capital contributions from parent ($1,100 million) in 2021 and an increase in other comprehensive income ($7 million), offset in part by common stock dividends to parent ($988 million) in 2021.

O&R

Current assets at December 31, 2021 were $13 million higher than at December 31, 2020. The change in current assets primarily reflects increases in accrued unbilled revenue ($18 million), accounts receivables, net of allowance for uncollectible accounts ($5 million), offset in part by a decrease in cash and temporary cash investments ($8 million).

Net plant at December 31, 2021 was $130 million higher than at December 31, 2020. The change in net plant primarily reflects an increase in electric ($104 million), gas ($56 million), and general ($21 million) plant balances and an increase in construction work in progress ($12 million), offset in part by an increase in accumulated depreciation ($63 million).

Other noncurrent assets at December 31, 2021 were $98 million lower than at December 31, 2020. The change in other noncurrent assets primarily reflects a decrease in the regulatory asset for unrecognized pension and other postretirement costs as a result of the final actuarial valuation, as measured at December 31, 2021, of the pension and other retiree benefit plans in accordance with the accounting rules for retirement benefits ($157 million). See Notes B, E and F to the financial statements in Item 8. This decrease is offset in part by an increase in pension and retiree benefits ($24 million), an increase in the regulatory asset for deferred pension and other postretirement benefits ($18 million), an increase in deferred storm costs ($7 million), an increase in deferred environmental remediation costs ($4 million) and an increase in deferred revenue taxes ($3 million).

Current liabilities at December 31, 2021 were $16 million higher than at December 31, 2020. The change in current liabilities primarily reflects higher notes payable ($32 million), an increase in the regulatory liabilities ($27 million) and higher accounts payables to affiliates ($8 million), offset in part by lower accounts payables ($56 million).

Noncurrent liabilities at December 31, 2021 were $127 million lower than at December 31, 2020. The change in noncurrent liabilities primarily reflects a decrease in the liability for pension and retiree benefits ($198 million), as a result of the final actuarial valuation of the pension and other retiree benefit plans, as measured at December 31, 2021 in accordance with the accounting rules for retirement benefits, offset in part by an increase in the regulatory liability for other employee benefits ($22 million), long-term deferred derivative gains ($6 million) and deferred other retiree benefit plans rate ($6 million). It also reflects an increase in deferred income taxes and unamortized investment tax credits ($22 million), primarily due to accelerated tax depreciation and repair deductions and increases in deferred regulatory costs. It also reflects an increase in superfund and other environmental costs ($13 million). See Notes E, F, G and L to the financial statements in Item 8.

Long-term debt at December 31, 2021 was $75 million higher than at December 31, 2020. The change in long-term debt reflects the December 2021 issuance of $75 million of debentures. See "Liquidity and Capital Resources - Cash Flows From Financing Activities" above.

Equity at December 31, 2021 was $81 million higher than at December 31, 2020. The change in equity reflects net income for the year ($75 million), an increase in other comprehensive income ($23 million) and capital contributions from parent ($35 million) in 2021, offset in part by common stock dividends to parent ($52 million).

Clean Energy Businesses

Current assets at December 31, 2021 were $57 million higher than at December 31, 2020. The change in current assets primarily reflects an increase in other receivables ($72 million), accrued unbilled revenue ($19 million), offset in part by a decrease in restricted cash ($11 million) and a decrease in other currents assets ($26 million).

Net plant at December 31, 2021 was $148 million lower than at December 31, 2020. The change in net plant primarily reflects the divestiture of renewable electric projects.

Other noncurrent assets at December 31, 2021 were $203 million lower than at December 31, 2020. The change in other noncurrent assets primarily reflects the divestiture of renewable electric projects.

Current liabilities at December 31, 2021 were $319 million lower than at December 31, 2020. The change in current liabilities primarily reflects new borrowing offset in part by a decrease in borrowings under a term loan.

Noncurrent liabilities at December 31, 2021 were $90 million lower than at December 31, 2020. The change in noncurrent liabilities primarily reflects the change in the fair value of derivative liabilities.

Long-term debt at December 31, 2021 was $169 million lower than at December 31, 2020. The change in long-term debt primarily reflects the repayment of an intercompany loan from the parent company ($375 million), offset in part by a net increase in project debt ($206 million).

Equity at December 31, 2021 was $284 million higher than at December 31, 2020. The change in equity primarily reflects an increase in net income for common stock for the year ($266 million) and in noncontrolling tax equity interest ($81 million) in 2021, offset in part by common stock dividends to parent ($64 million) in 2021.

Con Edison Transmission

Current assets at December 31, 2021 were $40 million lower than at December 31, 2020. The change in current assets primarily reflects the agreement between Crestwood and a subsidiary of CET Gas that provided for payments from Crestwood to the subsidiary of CET Gas for shortfalls in meeting certain earnings growth performance targets. Payments totaled $57 million ($38 million of which was recorded as a current receivable by CET Gas on December 2020, and payments in full from Crestwood plus interest were received in 2021). See "Con Edison Transmission - CET Gas" in Item 1.

Investments at December 31, 2021 were $1,033 million lower than at December 31, 2020. The decrease in investments primarily reflects the completion of the sale of Stagecoach ($828 million), the impairment loss related to Con Edison Transmission's investment in Mountain Valley Pipeline, LLC ($231 million), offset in part by additional investment in and income from NY Transco ($44 million). See "Investments - Partial Impairment of Investment in Stagecoach Gas Services LLC (Stagecoach)" and "Investments - 2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP)" in Note A and Note W to the financial statements in Item 8.

Other noncurrent assets at December 31, 2021 were $26 million lower than at December 31, 2020. The change in noncurrent assets primarily reflects a reduction in accounts receivable due to the noncurrent portion of the $57 million payment from Crestwood described above.

Current liabilities at December 31, 2021 were $11 million lower than at December 31, 2020. The change in current liabilities primarily reflects the repayment of short-term borrowings under an intercompany capital funding facility
with a portion of the proceeds from the completion of the sale of Stagecoach. See Note A and Note W to the financial statements in Item 8.

Noncurrent liabilities at December 31, 2021 were $118 million lower than at December 31, 2020. The change in noncurrent liabilities reflects primarily a decrease in deferred income taxes and unamortized investment tax credits that reflects primarily timing differences associated with investments in partnerships and the tax loss on the completion of the sale of Stagecoach. See "Investments - Partial Impairment of Investment in Stagecoach" and "Investments - 2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP)" in Note A and Note W to the financial statements in Item 8.

Long-term debt at December 31, 2021 was $500 million lower than at December 31, 2020. The change in long-term debt reflects the repayment of a $500 million intercompany loan from the parent company.

Equity at December 31, 2021 was $470 million lower than at December 31, 2020. The change in equity reflects net loss for the year ($318 million) and common stock dividends to parent ($152 million) in 2021.

Regulatory Matters

For information about the Utilities' rate plans and other regulatory matters affecting the Companies, see "Utility Regulation" in Item 1 and Note B to the financial statements in Item 8.

Risk Factors

The Companies' businesses are influenced by many factors that are difficult to predict, and that involve uncertainties that may materially affect actual operating results, cash flows and financial condition. See "Risk Factors" in Item 1A.

Critical Accounting Estimates

The Companies' financial statements reflect the application of certain critical accounting estimates, which conform to accounting principles generally accepted in the United States of America. The Companies' critical accounting estimates include assumptions applied to accounting for: pensions and other postretirement benefits, contingencies, derivative instruments, investments, allowance for uncollectible accounts receivable, asset retirement obligations, and for Con Edison, the use of the hypothetical liquidation at book value method. Also, see "Summary of Significant Accounting Policies and Other Matters" in Note A to the financial statements in Item 8.

Accounting for Pensions and Other Postretirement Benefits

The Utilities provide pensions and other postretirement benefits to substantially all of their employees and retirees. The Clean Energy Businesses and Con Edison Transmission also provide such benefits to transferred employees who previously worked for the Utilities. The Companies account for these benefits in accordance with the accounting rules for retirement benefits. In addition, the Utilities apply the accounting rules for regulated operations to account for the regulatory treatment of these obligations (which, as described in Note B to the financial statements in Item 8, reconciles the amounts reflected in rates for the costs of the benefit to the costs actually incurred). In applying these accounting policies, the Companies have made critical estimates related to actuarial assumptions, including assumptions of expected returns on plan assets, discount rates, health care cost trends and future compensation. See Notes A, E and F to the financial statements in Item 8 for information about the Companies' pension and other postretirement benefits, the actuarial assumptions, actual performance, amortization of investment and other actuarial gains and losses and calculated plan costs for 2021, 2020 and 2019.

The discount rate for determining the present value of future period benefit payments is determined using a model to match the durations of Aa rated (by either Moody's or S&P) corporate bonds with the projected stream of benefit payments.

In determining the health care cost trend rate, the Companies review actual recent cost trends and projected future trends.

The cost of pension and other postretirement benefits in future periods will depend on actual returns on plan assets, assumptions for future periods, contributions and benefit experience. Con Edison's and CECONY's current estimates for 2022 are decreases, compared with 2021, in their pension and other postretirement benefits costs of $523 million and $487 million, respectively, largely driven by increases in the discount rates used to determine plan liabilities and stronger than anticipated returns on plan assets. See Notes E and F to the financial statements in Item 8.

The following table illustrates the effect on 2022 pension and other postretirement costs of changing the critical actuarial assumptions, while holding all other actuarial assumptions constant:

Actuarial Assumption	Change in Assumption	Pension	Other Postretirement Benefits	Total
		(Millions of Dollars)		
Increase in accounting cost:				
Discount rate				
Con Edison	(0.25)%	$64	$3	$67
CECONY	(0.25)%	$62	$2	$64
Expected return on plan assets				
Con Edison	(0.25)%	$42	$3	$45
CECONY	(0.25)%	$40	$2	$42
Health care trend rate				
Con Edison	1.00 %	$—	$25	$25
CECONY	1.00 %	$—	$20	$20
Increase in projected benefit obligation:				
Discount rate				
Con Edison	(0.25)%	$688	$41	$729
CECONY	(0.25)%	$656	$32	$688
Health care trend rate				
Con Edison	1.00 %	$—	$163	$163
CECONY	1.00 %	$—	$132	$132

A 5.0 percentage point variation in the actual annual return in 2022, as compared with the expected annual asset return of 7.00 percent, would change pension and other postretirement benefit costs for Con Edison and CECONY by approximately $33 million and $31 million, respectively, in 2023.

Pension benefits are provided through a pension plan maintained by Con Edison to which CECONY, O&R, the Clean Energy Businesses and Con Edison Transmission make contributions for their participating employees. Pension accounting by the Utilities includes an allocation of plan assets.

The Companies' policy is to fund their pension and other postretirement benefit accounting costs to the extent tax deductible, and for the Utilities, to the extent these costs are recovered under their rate plans. The Companies were not required to make cash contributions to the pension plan in 2021 under funding regulations and tax laws. However, CECONY and O&R made discretionary contributions to the pension plan in 2021 of $432 million and $37 million, respectively. In 2022, CECONY and O&R expect to make contributions to the pension plan of $20 million and $9 million, respectively. See "Expected Contributions" in Notes E and F to the financial statements in Item 8.

Accounting for Contingencies

The accounting rules for contingencies apply to an existing condition, situation or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. Known material contingencies, which are described in the notes to the financial statements, include certain regulatory matters (Note B), the Utilities' responsibility for hazardous substances, such as asbestos, PCBs and coal tar that have been used or generated in the course of operations (Note G) and other contingencies (Note H). Inputs to the estimation of the liability for such environmental remediation include the possible selected remedy for each site where investigation is ongoing, the inflation rate related to the cost of inputs to the remediation process, and for those sites where there are other potentially responsible parties, the allocation of costs to the Companies. Inputs to the estimation of the liability for certain regulatory matters include facts specific to each item and the status and progress of discussions with the applicable state regulator. Inputs to the estimation of the liability for other contingencies may include liabilities incurred for similar circumstances and the outcome of legal proceedings. In accordance with the accounting rules, the Companies have accrued estimates of losses relating to the contingencies as to which loss is probable and can be reasonably estimated, and no liability has been accrued for contingencies as to which loss is not probable or cannot be reasonably estimated.

The Utilities recover costs for asbestos lawsuits, workers' compensation and environmental remediation pursuant to their current rate plans. Generally, changes during the terms of the rate plans to the amounts accrued for these contingencies would not impact earnings.

Accounting for Derivative Instruments

The Companies apply the accounting rules for derivatives and hedging to their derivative financial instruments. The Companies use derivative financial instruments to hedge market price fluctuations in related underlying transactions for the physical purchase and sale of electricity and gas. The Utilities are permitted by their respective regulators to reflect in rates all reasonably incurred gains and losses on these instruments. The Clean Energy Businesses have also hedged interest rate risk on certain debt securities. See "Financial and Commodity Market Risks," below and Note P to the financial statements in Item 8.

Where the Companies are required to make mark-to-market estimates pursuant to the accounting rules, the estimates of gains and losses at a particular period end do not reflect the end results of particular transactions, and will most likely not reflect the actual gain or loss at the conclusion of a transaction. Substantially all of the estimated gains or losses are based on prices supplied by external sources such as the fair value of exchange-traded futures and options and the fair value of positions for which price quotations are available through or derived from brokers or other market sources. See Note Q to the financial statements in Item 8.

Investments

The accounting rules require Con Edison to periodically evaluate its equity method investments, to determine whether they are impaired. The standard for determining whether an impairment exists and must be recorded is whether an other-than-temporary decline in carrying value has occurred. The evaluation and measurement of impairments involve uncertainties. The estimates that Con Edison makes with respect to its equity method investments are based on assumptions that management believes are reasonable, and variations in these estimates or the underlying assumptions could have a material impact on whether a triggering event is determined to exist or the amount of any such impairment. Additionally, if the projects in which Con Edison holds these investments recognize an impairment, Con Edison may record its proportionate share of that impairment loss and would evaluate its investment for an other-than-temporary decline in value.

Con Edison evaluated its equity method investments and concluded that as of December 31, 2020 and 2021 that the fair value of its investment in Mountain Valley Pipeline, LLC (MVP) declined below its carrying value and the decline is other-than-temporary. Accordingly, Con Edison recorded pre-tax impairment losses of $320 million ($223 million after tax) and $231 million ($162 million after tax) for the years ended December 31, 2020 and 2021, respectively, that reduced the carrying value of its investment in MVP from $662 million to $342 million with an associated deferred tax asset of $53 million for the year ended December 31, 2020 and from $342 million to $111 million with an additional $77 million associated deferred tax asset for the year ended December 31, 2021, totaling a deferred tax asset of $130 million at period end. See "Investments - 2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP)" in Note A to the financial statements in Item 8.

There is risk that the fair value of Con Edison's investment in MVP may be further or fully impaired in the future. There are ongoing legal and regulatory matters that must be resolved favorably before the project can be completed. Assumptions and estimates used to test Con Edison's investment in MVP for impairment, including the likelihood of project completion, may change if adverse or delayed resolutions to the Project's pending legal and regulatory challenges were to occur, which could have a material adverse effect on the fair value of Con Edison's investment in MVP.

In May 2021, a subsidiary of Con Edison Gas Pipeline and Storage, LLC (CET Gas) entered into a purchase and sale agreement pursuant to which the subsidiary and its joint venture partner agreed to sell their combined interests in Stagecoach Gas Services LLC (Stagecoach) for a total of $1,225 million, of which $629 million was attributed to CET Gas for its 50 percent interest, subject to closing adjustments. The purchase and sale agreement contemplated a two-stage closing, the first of which was completed in July 2021 and the second of which was completed in November 2021.

As a result of information made available to Stagecoach as part of the sale process, Stagecoach performed impairment tests that resulted in Stagecoach recording impairment charges of $414 million for the year ended December 31, 2021. Accordingly, Con Edison recorded pre-tax impairment losses on its 50 percent interest in Stagecoach of $212 million ($147 million after-tax), including working capital and transaction cost adjustments, within "Investment income/(loss)" on Con Edison's consolidated income statement for the year ended December 31, 2021.

Stagecoach's impairment charges and information obtained from the sales process constituted triggering events for Con Edison's investment in Stagecoach as of March 31, 2021 and June 30, 2021. Con Edison evaluated the carrying value of its investment in Stagecoach for other-than-temporary declines in value using income and market-based approaches. Con Edison determined that the carrying value of its investment in Stagecoach of $667 million

and $630 million as of March 31, 2021 and June 30, 2021, respectively, was not impaired. The carrying value of $630 million at June 30, 2021 reflected the final sales price received in July 2021 and the remaining amount received in November 2021, including closing adjustments.

At December 31, 2021 and 2020, Con Edison's consolidated balance sheet included investments of $853 million and $1,086 million, respectively. See "Investments" in Note A and Note W to the financial statements in Item 8.

Allowance for Uncollectible Accounts

The Companies develop expected loss estimates using past events data and consider current conditions and future reasonable and supportable forecasts. For the Utilities' customer accounts receivable allowance for uncollectible accounts, past events considered include write-offs relative to customer accounts receivable; current conditions include macro-and micro-economic conditions related to trends in the local economy, bankruptcy rates and aged customer accounts receivable balances, among other factors; and forecasts about the future include assumptions related to the level of write-offs and recoveries. During the COVID-19 pandemic, the historical write-off rate was determined based on an historical weather event with a significant impact to the Companies' service territory. During the COVID-19 pandemic, Con Edison's and CECONY's allowances for uncollectible accounts increased from $70 million and $65 million to $317 million and $304 million, respectively. See "COVID-19 Regulatory Matters" in Note B and "Allowance for Uncollectible Accounts" in Note N to the financial statements in Item 8.

Asset Retirement Obligations (AROs)

AROs are computed as the present value of the estimated costs for an asset's future retirement and are recorded in the period in which the liability is incurred. The estimated costs are capitalized as part of the related long-lived asset and depreciated over the asset's useful life. CECONY and O&R, as rate-regulated entities, recognize Regulatory Assets or Liabilities as a result of timing differences between the recording of costs and costs recovered through the ratemaking process. Because quoted market prices are not available for AROs, the Companies estimate the fair value of AROs by calculating discounted cash flows that are dependent upon various assumptions including estimated retirement dates, discount rates, inflation rates, the timing and amount of future cash outlays, and currently available technologies.

The Companies recorded asset retirement obligations associated with the removal of asbestos and asbestos-containing material in their buildings (other than the structures enclosing generating stations and substations), electric equipment and steam and gas distribution systems. The Companies also recorded asset retirement obligations relating to gas and oil pipelines abandoned in place and municipal infrastructure support. See Note T to the financial statements in Item 8.

A 1% increase in the assumed inflation rate used to value the ARO liability as of December 31, 2021 would increase the liability by $42 million and $41 million for Con Edison and CECONY, respectively.

Hypothetical Liquidation at Book Value (HLBV)

For certain investments of the Clean Energy Businesses, Con Edison has determined that the use of HLBV accounting is reasonable and appropriate to attribute income and loss to the tax equity investors. Using the HLBV method, the company's earnings from the projects are adjusted to reflect the income or loss allocable to the tax equity investors calculated based on how the project would allocate and distribute its cash if it were to sell all of its assets for their carrying amounts and liquidate at a particular point in time. Under the HLBV method, the company calculates the liquidation value allocable to the tax equity investors at the beginning and end of each period based on contractual liquidation waterfall calculations and adjusts its income for the period to reflect the change in the liquidation value allocable to the tax equity investors based on the terms of the partnerships' operating agreements. See Note S to the financial statements in Item 8.

Financial and Commodity Market Risks

The Companies are subject to various risks and uncertainties associated with financial and commodity markets. The most significant market risks include interest rate risk, commodity price risk and investment risk.

Interest Rate Risk

The Companies' interest rate risk primarily relates to new debt financing needed to fund capital requirements, including the construction expenditures of the Utilities and maturing debt securities, and variable-rate debt. Con Edison and its subsidiaries manage interest rate risk through the issuance of mostly fixed-rate debt with varying maturities and through opportunistic refinancing of debt. The Clean Energy Businesses use interest rate swaps to exchange variable-rate project financed debt for a fixed interest rate. See Note Q to the financial statements in Item 8. Con Edison and CECONY estimate that at December 31, 2021, a 10 percent increase in interest rates applicable to its variable rate debt would result in an increase in annual interest expense of $1 million and an immaterial amount, respectively. Under CECONY's current electric, gas and steam rate plans, variations in actual variable rate tax-exempt debt interest expense, including costs associated with the refinancing of the variable rate tax-exempt debt, are reconciled to levels reflected in rates.

Commodity Price Risk

Con Edison's commodity price risk primarily relates to the purchase and sale of electricity, gas and related derivative instruments. The Utilities and the Clean Energy Businesses apply risk management strategies to mitigate their related exposures. See Note P to the financial statements in Item 8.

Con Edison estimates that, as of December 31, 2021, a 10 percent decline in market prices would result in a decline in fair value of $117 million for the derivative instruments used by the Utilities to hedge purchases of electricity and gas, of which $106 million is for CECONY and $11 million is for O&R. Con Edison expects that any such change in fair value would be largely offset by directionally opposite changes in the cost of the electricity and gas purchased. The Utilities do not make any margin or profit on the electricity or gas they sell. In accordance with provisions approved by state regulators, the Utilities generally recover from customers the costs they incur for energy purchased for their customers, including gains and losses on certain derivative instruments used to hedge energy purchased and related costs. See "Recoverable Energy Costs" in Note A to the financial statements in Item 8. However, increases in electric and gas commodity prices may contribute to a slower recovery of cash from outstanding customer accounts receivable balances and increases to the allowance for uncollectible accounts, and may result in increases to write-offs of customer accounts receivable balances. In February 2022, the NYSPSC, in response to higher customer bills, requested that CECONY enhance its efforts to mitigate customer bill volatility due to commodity price increases by reassessing its power supply billing practices and improve communications to customers regarding forecasted significant bill increases resulting from commodity price increases.

The Clean Energy Businesses use a value-at-risk (VaR) model to assess the market price risk of their portfolio of electricity and gas commodity fixed-price purchase and sales commitments, physical forward contracts, generating assets and commodity derivative instruments. VaR represents the potential change in fair value of the portfolio due to changes in market prices for a specified time period and confidence level. These businesses estimate VaR across their portfolio using a delta-normal variance/covariance model with a 95 percent confidence level, compare the measured VaR results against performance due to actual prices and stress test the portfolio each quarter using an assumed 30 percent price change from forecast. Since the VaR calculation involves complex methodologies and estimates and assumptions that are based on past experience, it is not necessarily indicative of future results. VaR for the portfolio, assuming a one-day holding period, for the years ended December 31, 2021 and 2020, respectively, was as follows:

95% Confidence Level, One-Day Holding Period	2021	2020
	(Millions of Dollars)	
Average for the period	$1	$—
High	3	—
Low	—	—

Investment Risk

The Companies' investment risk relates to the investment of plan assets for their pension and other postretirement benefit plans. Con Edison's investment risk also relates to the investments of Con Edison Transmission that are accounted for under the equity method. See "Critical Accounting Estimates – Accounting for Pensions and Other Postretirement Benefits," above and "Investments" in Note A and Notes E and F to the financial statements in Item 8.

The Companies' current investment policy for pension plan assets includes investment targets of 45 to 55 percent equity securities, 33 to 43 percent debt securities and 10 to 14 percent real estate. At December 31, 2021, the pension plan investments consisted of 50 percent equity securities, 38 percent debt securities and 12 percent real estate.

For the Utilities' pension and other postretirement benefit plans, regulatory accounting treatment is generally applied in accordance with the accounting rules for regulated operations. In accordance with the Statement of Policy issued by the NYSPSC and its current electric, gas and steam rate plans, CECONY defers for payment to or recovery from customers the difference between the pension and other postretirement benefit expenses and the amounts for such expenses reflected in rates. O&R also defers such difference pursuant to its NY rate plans.

Environmental Matters

For information concerning climate change, environmental sustainability, potential liabilities arising from laws and regulations protecting the environment and other environmental matters, see "Environmental Matters" in Item 1 and Note G to the financial statements in Item 8.

Material Contingencies

For information concerning potential liabilities arising from the Companies' material contingencies, see "Critical Accounting Estimates – Accounting for Contingencies," above, and Notes B, G and H to the financial statements in Item 8.

Item 7A: Quantitative and Qualitative Disclosures about Market Risk

Con Edison

For information about Con Edison's primary market risks associated with activities in derivative financial instruments, other financial instruments and derivative commodity instruments, see "Financial and Commodity Market Risks," in Item 7 (which information is incorporated herein by reference). See also "The Companies Require Access To Capital Markets To Satisfy Funding Requirements," in Item 1A.

CECONY

For information about CECONY's primary market risks associated with activities in derivative financial instruments, other financial instruments and derivative commodity instruments, see "Financial and Commodity Market Risks" in Item 7 (which information is incorporated herein by reference). See also "The Companies Require Access To Capital Markets To Satisfy Funding Requirements," in Item 1A.

Item 8: Financial Statements and Supplementary Data

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All other schedules are omitted because they are not applicable or the required information is shown in financial statements or notes thereto.

Supplementary Financial Information

Selected Quarterly Financial Data for the years ended December 31, 2021 and 2020 (Unaudited)

	2021			
Con Edison	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
	(Millions of Dollars, except per share amounts)			
Operating revenues	$3,677	$2,971	$3,613	$3,415
Operating income	860	418	850	697
Net income	419	165	538	224
Basic earnings per share	$1.23	$0.48	$1.52	$0.63
Diluted earnings per share	$1.22	$0.48	$1.52	$0.63

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	2020			
Con Edison	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
	(Millions of Dollars, except per share amounts)			
Operating revenues	$3,234	$2,719	$3,333	$2,960
Operating income	808	479	860	507
Net income	375	190	493	43
Basic earnings per share	$1.13	$0.57	$1.47	$0.13
Diluted earnings per share	$1.12	$0.57	$1.47	$0.13

In the opinion of Con Edison, these quarterly amounts include all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation. The sum of the quarterly financial information may vary from the annual data due to rounding.

	2021			
CECONY	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
	(Millions of Dollars)			
Operating revenues	$3,205	$2,486	$3,092	$2,932
Operating income	786	321	728	624
Net income	465	128	418	333

	2020			
CECONY	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
	(Millions of Dollars)			
Operating revenues	$2,854	$2,345	$2,872	$2,576
Operating income	742	389	722	457
Net income	406	152	405	222

In the opinion of CECONY, these quarterly amounts include all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation. The sum of the quarterly financial information may vary from the annual data due to rounding.

Report of Management on Internal Control Over Financial Reporting

Management of Consolidated Edison, Inc. and its subsidiaries (the Company) is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of the effectiveness of controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management of the Company assessed the effectiveness of internal control over financial reporting as of December 31, 2021, using the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control — Integrated Framework* (2013). Based on that assessment, management has concluded that the Company had effective internal control over financial reporting as of December 31, 2021.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2021, has been audited by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, as stated in their report which appears on the following page of this Annual Report on Form 10-K.

/s/ Timothy P. Cawley
Timothy P. Cawley
Chairman, President and Chief Executive Officer

/s/ Robert Hoglund
Robert Hoglund
Senior Vice President and Chief Financial Officer

February 17, 2022

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Consolidated Edison, Inc.:

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the consolidated financial statements, including the related notes and financial statement schedules, of Consolidated Edison, Inc. and its subsidiaries (the "Company") as listed in the accompanying index (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Accounting for the Effects of Regulatory Matters

As described in Notes A and B to the consolidated financial statements, the Company applies the accounting rules for regulated operations, which specifies the economic effects that result from the causal relationship of costs and revenues in the rate-regulated environment and how these effects are to be accounted for by a regulated enterprise. As of December 31, 2021, there were $3,845 million of deferred costs included in regulatory assets and $4,566 million of regulatory liabilities awaiting potential refund or future rate reductions. Under regulatory accounting rules, if it is probable that incurred costs will be recovered in the future, those costs would be recorded as deferred charges or “regulatory assets.” Similarly, if revenues are recorded for costs expected to be incurred in the future, these revenues would be recorded as deferred credits or “regulatory liabilities.” The Company’s regulatory assets and liabilities will be recovered from customers, or applied for customer benefit, in accordance with rate provisions approved by the applicable state regulators.

The principal considerations for our determination that performing procedures relating to the accounting for the effects of regulatory matters is a critical audit matter are the significant judgment by management in determining the recoverability of certain regulatory assets and the significant auditor judgment and subjectivity in performing procedures and evaluating audit evidence relating to the recognition of regulatory assets and regulatory liabilities, including evaluating management’s judgments relating to the recoverability of certain regulatory assets. Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management’s assessment of regulatory proceedings and the implementation of new regulatory orders or changes to existing regulatory balances. These procedures also included, among others, evaluating the reasonableness of management’s assessment of impacts arising from correspondence with regulators and changes in laws and regulations; evaluating management’s judgments related to the recoverability of regulatory assets and the establishment of regulatory liabilities; and recalculating regulatory assets and liabilities based on provisions and formulas outlined in rate orders and other correspondence with regulators.

Hypothetical Liquidation at Book Value (HLBV) Calculation of Income or Loss Attributable to Noncontrolling Tax Equity Investor in the CED Nevada Virginia Project

As described in Notes A and S to the consolidated financial statements, in February 2021, the Company entered into an agreement relating to the CED Nevada Virginia project with a noncontrolling tax equity investor to which a percentage of earnings, tax attributes and cash flows will be allocated. CED Nevada Virginia is a consolidated entity in which the Company has less than a 100 percent membership interest. Management used the HLBV method of accounting to determine the income or loss attributable to its noncontrolling tax equity investor based on the terms of the partnership operating agreement. For the year ended December 31, 2021, the HLBV method of accounting for the CED Nevada Virginia project resulted in $155 million of income for the Company and $158 million of loss attributable to the noncontrolling tax equity investor.

The principal considerations for our determination that performing procedures relating to the HLBV calculation of income or loss attributable to noncontrolling tax equity investor in the CED Nevada Virginia project is a critical audit matter are the significant complexity in applying the HLBV method to determine the income or loss the noncontrolling tax equity investor would hypothetically receive at each balance sheet reporting date under the liquidation provisions of the partnership operating agreement and the significant auditor subjectivity and effort in

performing procedures and evaluating audit evidence related to the HLBV method based on the terms of the partnership operating agreement in the initial year. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management’s preparation and review of the HLBV method for the CED Nevada Virginia project to allocate income or loss to the noncontrolling tax equity investor. These procedures also included, among others (i) the involvement of professionals with specialized skill and knowledge to assist in developing an independent calculation of the income or loss attributable to the noncontrolling tax equity investor based on the terms of the partnership operating agreement, (ii) comparing the independent calculation of the income or loss attributable to the noncontrolling tax equity investor to management’s HLBV calculation, and (iii) testing the completeness and accuracy of data used as inputs into the independent calculation.

Partial Impairment of the Equity Method Investment in Mountain Valley Pipeline LLC ("MVP")

As described in Note A to the consolidated financial statements, the balance of the Company’s equity method investment in MVP, a company developing a proposed gas transmission project (“Project”), was $111 million as of December 31, 2021. Management periodically evaluates its equity method investments to determine whether an other-than-temporary decline in carrying value has occurred and an impairment exists. Management determined that actions taken by the U.S. Court of Appeals for the Fourth Circuit, along with the potential outcome of other matters pending before that Court, may lead to further delays and increased project costs, constituting a triggering event which required management to test its investment in MVP for an other-than-temporary impairment as of December 31, 2021. In response to the triggering event, management assessed the value of its equity investment in the Project to determine whether the fair value of its investment in MVP had declined below its carrying value on an other-than-temporary basis as of December 31, 2021. The estimated fair value of the investment was determined using a discounted cash flow analysis. The analysis discounted probability-weighted future cash flows, including revenues based on long-term firm transportation contracts, that are secured for the first 20 years following completion of the Project. Based on the discounted cash flow analysis, management concluded as of December 31, 2021 that the fair value of its investment in MVP declined below its carrying value and the declines were other-than-temporary. Accordingly, management recorded a pre-tax impairment loss of $231 million ($162 million, after tax), for the year ended December 31, 2021 to reduce the carrying value of its investment in MVP from $342 million to $111 million. Management determined that the likelihood that the Project will be completed is the most significant and sensitive assumption. The principal considerations for our determination that performing procedures relating to the partial impairment of the equity method investment in MVP is a critical audit matter are (i) the significant judgment by management when developing the model for the discounted cash flow analysis and determining the significant assumption of the likelihood that the Project will be completed, used to estimate the fair value of the investment, and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to management’s model and significant assumption related to the likelihood that the Project will be completed.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management’s impairment assessment for the equity method investment in MVP, including controls over the model for the discounted cash flow analysis and determination of the significant assumption related to the likelihood that the Project will be completed. These procedures also included, among others, (i) testing management’s process for estimating the fair value of the investment in MVP; (ii) evaluating the appropriateness of the model for the discounted cash flow analysis used by management to estimate the fair value of the investment in MVP; (iii) testing the completeness and accuracy of the underlying data used in the model for the discounted cash flow analysis; and (iv) evaluating the reasonableness of the significant assumption used by management related to the likelihood that the Project will be completed. Evaluating management’s assumption related to the likelihood that the Project will be completed involved evaluating whether the assumption used by management was reasonable considering (i) the status of matters pending with the relevant authorities and (ii) external market and industry data.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 17, 2022
We have served as the Company’s or its predecessors' auditor since 1938.

Consolidated Edison, Inc.
Consolidated Income Statement

	For the Years Ended December 31,		
(Millions of Dollars/Except Share Data)	2021	2020	2019
OPERATING REVENUES			
Electric	$9,485	$8,730	$8,694
Gas	2,638	2,269	2,391
Steam	532	508	627
Non-utility	1,021	739	862
TOTAL OPERATING REVENUES	13,676	12,246	12,574
OPERATING EXPENSES			
Purchased power	1,835	1,600	1,546
Fuel	229	156	207
Gas purchased for resale	690	527	880
Other operations and maintenance	3,254	2,814	3,175
Depreciation and amortization	2,032	1,920	1,684
Taxes, other than income taxes	2,810	2,575	2,406
TOTAL OPERATING EXPENSES	10,850	9,592	9,898
OPERATING INCOME	2,826	2,654	2,676
OTHER INCOME (DEDUCTIONS)			
Investment income (loss)	(420)	(214)	96
Other income	22	23	45
Allowance for equity funds used during construction	21	17	14
Other deductions	(161)	(227)	(104)
TOTAL OTHER INCOME (DEDUCTIONS)	(538)	(401)	51
INCOME BEFORE INTEREST AND INCOME TAX EXPENSE	2,288	2,253	2,727
INTEREST EXPENSE			
Interest on long-term debt	930	915	888
Other interest	(14)	118	116
Allowance for borrowed funds used during construction	(11)	(14)	(13)
NET INTEREST EXPENSE	905	1,019	991
INCOME BEFORE INCOME TAX EXPENSE	1,383	1,234	1,736
INCOME TAX EXPENSE	190	90	296
NET INCOME	$1,193	$1,144	$1,440
(Loss) Income attributable to non-controlling interest	$(153)	$43	$97
NET INCOME FOR COMMON STOCK	$1,346	$1,101	$1,343
Net income per common share — basic	$3.86	$3.29	$4.09
Net income per common share — diluted	$3.85	$3.28	$4.08
AVERAGE NUMBER OF SHARES OUTSTANDING — BASIC (IN MILLIONS)	348.4	334.8	328.5
AVERAGE NUMBER OF SHARES OUTSTANDING — DILUTED (IN MILLIONS)	349.4	335.7	329.5

The accompanying notes are an integral part of these financial statements.

Consolidated Edison, Inc.
Consolidated Statement of Comprehensive Income

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	2019
NET INCOME	$1,193	$1,144	$1,440
LOSS (INCOME) ATTRIBUTABLE TO NON-CONTROLLING INTEREST	153	(43)	(97)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES			
Pension and other postretirement benefit plan liability adjustments, net of taxes	30	(6)	(5)
Other income, net of taxes	—	—	2
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES	30	(6)	(3)
COMPREHENSIVE INCOME	$1,376	$1,095	$1,340

The accompanying notes are an integral part of these financial statements.

Consolidated Edison, Inc.
Consolidated Statement of Cash Flows

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	2019
OPERATING ACTIVITIES			
Net Income	$1,193	$1,144	$1,440
PRINCIPAL NON-CASH CHARGES/(CREDITS) TO INCOME			
Depreciation and amortization	2,032	1,920	1,684
Impairment of assets	443	320	—
Deferred income taxes	133	85	308
Rate case amortization and accruals	(16)	(40)	(116)
Common equity component of allowance for funds used during construction	(21)	(17)	(14)
Net derivative (gains)/losses	(53)	57	27
Gain on Sale of Assets	—	—	(14)
Unbilled revenue and net unbilled revenue deferrals	(53)	(1)	(3)
Other non-cash items, net	148	49	(26)
CHANGES IN ASSETS AND LIABILITIES			
Accounts receivable - customers	(411)	(543)	23
Allowance for uncollectible accounts – customers	169	78	8
Materials and supplies, including fuel oil and gas in storage	(82)	(4)	6
Revenue decoupling mechanism receivable	(53)	(61)	(76)
Other receivables and other current assets	(103)	(134)	54
Taxes receivable	13	(6)	29
Prepayments	(24)	(11)	(73)
Accounts payable	44	170	10
Pensions and retiree benefits obligations, net	266	285	357
Pensions and retiree benefits contributions	(472)	(478)	(357)
Accrued taxes	(46)	74	10
Accrued interest	4	(4)	24
Superfund and environmental remediation costs	(10)	(22)	(9)
Distributions from equity investments	18	39	57
System benefit charge	(34)	(119)	20
Deferred charges, noncurrent assets and other regulatory assets	(563)	(653)	(492)
Deferred credits and other regulatory liabilities	175	10	278
Other current and noncurrent liabilities	36	60	(21)
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,733	2,198	3,134
INVESTING ACTIVITIES			
Utility construction expenditures	(3,630)	(3,326)	(3,238)
Cost of removal less salvage	(323)	(310)	(295)
Non-utility construction expenditures	(323)	(583)	(248)
Investments in electric and gas transmission projects	(30)	(3)	(205)
Investments in/acquisitions of renewable electric projects	—	(24)	(10)
Proceeds from sale of assets	629	—	192
Divestiture of renewable electric projects	183	—	—
Other investing activities	10	22	22
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(3,484)	(4,224)	(3,782)
FINANCING ACTIVITIES			
Net (payment)/issuance of short-term debt	(382)	178	(874)
Issuance of long-term debt	2,804	2,925	3,017
Retirement of long-term debt	(1,960)	(518)	(1,195)
Debt issuance costs	(40)	(47)	(32)
Common stock dividends	(1,030)	(975)	(924)
Issuance of common shares - public offering	775	640	825
Issuance of common shares for stock plans	60	58	54
Distribution to noncontrolling interest	(23)	(16)	(12)
Sale of equity interest	257	—	—
NET CASH FLOWS FROM FINANCING ACTIVITIES	461	2,245	859
CASH, TEMPORARY CASH INVESTMENTS AND RESTRICTED CASH:			
NET CHANGE FOR THE PERIOD	(290)	219	211
BALANCE AT BEGINNING OF PERIOD	1,436	1,217	1,006
BALANCE AT END OF PERIOD	$1,146	$1,436	$1,217
SUPPLEMENTAL DISCLOSURE OF CASH INFORMATION			
Cash paid/(received) during the period for:			
Interest	$924	$920	$876
Income taxes	$9	$38	($26)
SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION			
Construction expenditures in accounts payable	$457	$478	$336
Issuance of common shares for dividend reinvestment	$49	$48	$47
Software licenses acquired but unpaid as of end of period	$23	$51	$80
Equipment acquired but unpaid as of end of period	$22	$28	$33

The accompanying notes are an integral part of these financial statements.

Consolidated Edison, Inc.
Consolidated Balance Sheet

(Millions of Dollars)	December 31, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS		
Cash and temporary cash investments	$992	$1,272
Accounts receivable — customers, net allowance for uncollectible accounts of $317 and $148 in 2021 and 2020, respectively	1,943	1,701
Other receivables, net allowance for uncollectible accounts of $22 and $7 in 2021 and 2020, respectively	298	278
Taxes receivable	13	26
Accrued unbilled revenue	662	599
Fuel oil, gas in storage, materials and supplies, at average cost	437	356
Prepayments	295	271
Regulatory assets	206	266
Restricted cash	154	164
Revenue decoupling mechanism receivable	190	137
Other current assets	361	231
TOTAL CURRENT ASSETS	5,551	5,301
INVESTMENTS	853	1,816
UTILITY PLANT, AT ORIGINAL COST		
Electric	34,938	33,315
Gas	12,303	10,847
Steam	2,828	2,696
General	4,170	3,880
TOTAL	54,239	50,738
Less: Accumulated depreciation	12,177	11,188
Net	42,062	39,550
Construction work in progress	2,152	2,474
NET UTILITY PLANT	44,214	42,024
NON-UTILITY PLANT		
Non-utility property, net accumulated depreciation of $626 and $522 in 2021 and 2020, respectively	4,194	3,893
Construction work in progress	188	638
NET PLANT	48,596	46,555
OTHER NONCURRENT ASSETS		
Goodwill	439	446
Intangible assets, net accumulated amortization of $297 and $228 in 2021 and 2020, respectively	1,293	1,460
Operating lease right-of-use-asset	809	837
Regulatory assets	3,639	6,195
Pension and Retiree Benefits	1,654	—
Other deferred charges and noncurrent assets	282	285
TOTAL OTHER NONCURRENT ASSETS	8,116	9,223
TOTAL ASSETS	$63,116	$62,895

The accompanying notes are an integral part of these financial statements.

Consolidated Edison, Inc.
Consolidated Balance Sheet

(Millions of Dollars)	**December 31, 2021**	**December 31, 2020**
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Long-term debt due within one year	$440	$1,967
Term Loan	—	165
Notes payable	1,488	1,705
Accounts payable	1,497	1,475
Customer deposits	300	311
Accrued taxes	104	150
Accrued interest	151	149
Accrued wages	113	108
Fair value of derivative liabilities	152	238
Regulatory liabilities	185	36
System benefit charge	423	528
Operating lease liabilities	113	96
Other current liabilities	461	426
TOTAL CURRENT LIABILITIES	5,427	7,354
NONCURRENT LIABILITIES		
Provision for injuries and damages	183	178
Pensions and retiree benefits	737	2,257
Superfund and other environmental costs	940	857
Asset retirement obligations	577	576
Fair value of derivative liabilities	84	240
Deferred income taxes and unamortized investment tax credits	6,873	6,475
Operating lease liabilities	717	764
Regulatory liabilities	4,381	4,513
Other deferred credits and noncurrent liabilities	257	234
TOTAL NONCURRENT LIABILITIES	14,749	16,094
LONG-TERM DEBT	22,604	20,382
COMMITMENTS, CONTINGENCIES, AND GUARANTEES (Note B, Note G, and Note H)		
EQUITY		
Common shareholders' equity	20,037	18,847
Noncontrolling interest	299	218
TOTAL EQUITY (See Statement of Equity)	20,336	19,065
TOTAL LIABILITIES AND EQUITY	$63,116	$62,895

The accompanying notes are an integral part of these financial statements.

Consolidated Edison, Inc.
Consolidated Statement of Equity

(In Millions, except for dividends per share)	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock		Capital Stock Expense	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interest	Total
	Shares	Amount			Shares	Amount				
BALANCE AS OF DECEMBER 31, 2018	321	$34	$7,117	$10,728	23	$(1,038)	$(99)	$(16)	$113	$16,839
Net income				1,343					97	1,440
Common stock dividends ($2.96 per share)				(971)						(971)
Issuance of common shares - public offering	12	1	835				(11)			825
Issuance of common shares for stock plans			102							102
Other comprehensive income								(3)		(3)
Noncontrolling interest									(19)	(19)
BALANCE AS OF DECEMBER 31, 2019	333	$35	$8,054	$11,100	23	$(1,038)	$(110)	$(19)	$191	$18,213
Net income				1,101					43	1,144
Common stock dividends ($3.06 per share)				(1,023)						(1,023)
Issuance of common shares - public offering	9	1	641				(2)			640
Issuance of common shares for stock plans			113							113
Other comprehensive income								(6)		(6)
Noncontrolling interest									(16)	(16)
BALANCE AS OF DECEMBER 31, 2020	342	$36	$8,808	$11,178	23	$(1,038)	$(112)	$(25)	$218	$19,065
Net income (loss)				1,346					(153)	1,193
Common stock dividends ($3.10 per share)				(1,079)						(1,079)
Issuance of common shares - public offering	10	1	775				(10)			766
Issuance of common shares for stock plans	2		127							127
Other comprehensive income								30		30
Distributions to noncontrolling interests									(23)	(23)
Net proceeds from sale of equity interest									257	257
BALANCE AS OF DECEMBER 31, 2021	354	$37	$9,710	$11,445	23	$(1,038)	$(122)	$5	$299	$20,336

The accompanying notes are an integral part of these financial statements.

Consolidated Edison, Inc.
Consolidated Statement of Capitalization

	Shares outstanding December 31,		At December 31,	
(In Millions)	**2021**	**2020**	**2021**	**2020**
TOTAL EQUITY BEFORE ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	354	342	$20,032	$18,872
Pension plan liability adjustments, net of taxes			7	(23)
Unrealized gains/(losses) on derivatives qualified as cash flow hedges, less reclassification adjustment for gains/(losses) included in net income and reclassification adjustment for unrealized losses included in regulatory assets, net of taxes			(2)	(2)
TOTAL ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES			5	(25)
Equity			20,037	18,847
Noncontrolling interest			299	218
TOTAL EQUITY (See Statement of Equity)			$20,336	$19,065

The accompanying notes are an integral part of these financial statements.

Consolidated Edison, Inc.
Consolidated Statement of Capitalization

LONG-TERM DEBT *(Millions of Dollars)*			At December 31,	
Maturity	**Interest Rate**	**Series**	**2021**	**2020**
DEBENTURES:				
2021	2.00	2016A	$—	$500
2021	0.60	2018C	—	640
2023	0.65	2020A	650	650
2024	3.30	2014B	250	250
2026	2.90	2016B	250	250
2027	6.50	1997F	80	80
2027	3.125	2017B	350	350
2028	3.80	2018A	300	300
2028	4.00	2018D	500	500
2029	2.94	2019B	44	44
2030	3.35	2020A	600	600
2030	2.02	2020A	35	35
2031	2.40	2021A	900	—
2031	2.31	2021A	45	—
2033	5.875	2003A	175	175
2033	5.10	2003C	200	200
2034	5.70	2004B	200	200
2035	5.30	2005A	350	350
2035	5.25	2005B	125	125
2036	5.85	2006A	400	400
2036	6.20	2006B	400	400
2036	5.70	2006E	250	250
2037	6.30	2007A	525	525
2038	6.75	2008B	600	600
2039	6.00	2009B	60	60
2039	5.50	2009C	600	600
2039	3.46	2019C	38	38
2040	5.70	2010B	350	350
2040	5.50	2010B	115	115
2042	4.20	2012A	400	400
2043	3.95	2013A	700	700
2044	4.45	2014A	850	850
2045	4.50	2015A	650	650
2045	4.95	2015A	120	120
2045	4.69	2015B	100	100
2046	3.85	2016A	550	550
2046	3.88	2016A	75	75
2047	3.875	2017A	500	500
2048	4.65	2018E	600	600
2048	4.35	2018A	125	125
2048	4.35	2018B	25	25
2049	4.125	2019A	700	700
2049	3.73	2019A	43	43
2050	3.95	2020B	1,000	1,000
2050	3.24	2020B	40	40
2051	3.17	2021B	30	—
2051	3.20	2021C	600	—
2054	4.625	2014C	750	750
2056	4.30	2016C	500	500
2057	4.00	2017C	350	350
2058	4.50	2018B	700	700

2059	3.70	2019B	600	600
2060	3.00	2020C	600	600
2061	3.60	2021B	750	—
TOTAL DEBENTURES			19,750	18,565

Consolidated Edison, Inc.

Consolidated Statement of Capitalization

LONG-TERM DEBT ***(Millions of Dollars)***				**At December 31,**	
Maturity	**Interest Rate**		**Series**	**2021**	**2020**
TAX-EXEMPT DEBT - Notes issued to New York State Energy Research and Development Authority for Facilities Revenue Bonds:					
2036	0.10	(a)	2010A	225	225
2039	0.10	(a)	2004C	99	99
2039	0.09	(a)	2005A	126	126
TOTAL TAX-EXEMPT DEBT				450	450
PROJECT DEBT:					
2023	4.07	(b)	Copper Mountain Solar 2	192	204
2024-2032	3.77 - 4.52		Coram	—	141
2025	4.12	(b)	Copper Mountain Solar 3	247	264
2026	3.72	(b)	CED Southwest	418	437
2028	4.41		Wind Holdings	95	109
2028	3.42	(b)	Copper Mountain Solar 1	49	56
2028	3.39	(b)	CED California Texas	248	—
2031	2.24 - 3.03		Mesquite Solar 1	165	180
2031-2038	5.25 - 4.95		Texas Solar 4	52	54
2036	3.94		California Solar 2	88	93
2036	4.07		California Solar 3	79	82
2037	4.78		California Solar	171	178
2038	3.82		California Solar 4	271	284
2039	4.82		Broken Bow II	65	67
2040	4.53		Texas Solar 5	135	140
2041	4.21		Texas Solar 7	184	192
2042	4.45		Upton County Solar	83	87
2046	3.77		CED Nevada Virginia	228	—
Other project debt				7	10
TOTAL PROJECT DEBT				2,777	2,578
Other long-term debt				293	971
Unamortized debt expense				(177)	(168)
Unamortized debt discount				(49)	(47)
TOTAL				23,044	22,349
Less: Long-term debt due within one year				440	1,967
TOTAL LONG-TERM DEBT				22,604	20,382
TOTAL CAPITALIZATION				$42,641	$39,229

(a) Rates reset weekly; December 31, 2021 rates shown.
(b) December 31, 2021 effective rates shown, reflecting variable interest rates on the debt that are reset quarterly or semi-annually and the effect of applicable interest rate swaps, if any.

The accompanying notes are an integral part of these financial statements.

Report of Management on Internal Control Over Financial Reporting

Management of Consolidated Edison Company of New York, Inc. and its subsidiaries (the Company) is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of the effectiveness of controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management of the Company assessed the effectiveness of internal control over financial reporting as of December 31, 2021, using the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control – Integrated Framework* (2013). Based on that assessment, management has concluded that the Company had effective internal control over financial reporting as of December 31, 2021.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2021, has been audited by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, as stated in their report which appears on the following page of this Annual Report on Form 10-K.

/s/ Timothy P. Cawley

Timothy P. Cawley
Chairman and Chief Executive Officer

/s/ Robert Hoglund

Robert Hoglund
Senior Vice President and Chief Financial Officer

February 17, 2022

Report of Independent Registered Public Accounting Firm
To the Board of Trustees and Shareholder of Consolidated Edison Company of New York, Inc.:

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the consolidated financial statements, including the related notes and financial statement schedule, of Consolidated Edison Company of New York, Inc. and its subsidiaries (the "Company") as listed in the accompanying index (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.
We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.
Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.
Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Accounting for the Effects of Regulatory Matters

As described in Notes A and B to the consolidated financial statements, the Company applies the accounting rules for regulated operations, which specifies the economic effects that result from the causal relationship of costs and revenues in the rate-regulated environment and how these effects are to be accounted for by a regulated enterprise. As of December 31, 2021, there were $3,504 million of deferred costs included in regulatory assets and $4,055 million of regulatory liabilities awaiting potential refund or future rate reductions. Under regulatory accounting rules, if it is probable that incurred costs will be recovered in the future, those costs would be recorded as deferred charges or “regulatory assets.” Similarly, if revenues are recorded for costs expected to be incurred in the future, these revenues would be recorded as deferred credits or “regulatory liabilities.” The Company’s regulatory assets and liabilities will be recovered from customers, or applied for customer benefit, in accordance with rate provisions approved by the applicable state regulators.

The principal considerations for our determination that performing procedures relating to the accounting for the effects of regulatory matters is a critical audit matter are the significant judgment by management in determining the recoverability of certain regulatory assets and the significant auditor judgment and subjectivity in performing procedures and evaluating audit evidence relating to the recognition of regulatory assets and regulatory liabilities, including evaluating management’s judgments relating to the recoverability of certain regulatory assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management’s assessment of regulatory proceedings and the implementation of new regulatory orders or changes to existing regulatory balances. These procedures also included, among others, evaluating the reasonableness of management’s assessment of impacts arising from correspondence with regulators and changes in laws and regulations; evaluating management’s judgments related to the recoverability of regulatory assets and the establishment of regulatory liabilities; and recalculating regulatory assets and liabilities based on provisions and formulas outlined in rate orders and other correspondence with regulators.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 17, 2022
We have served as the Company’s auditor since 1938.

Consolidated Edison Company of New York, Inc.
Consolidated Income Statement

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	2019
OPERATING REVENUES			
Electric	$8,806	$8,103	$8,062
Gas	2,378	2,036	2,132
Steam	532	508	627
TOTAL OPERATING REVENUES	11,716	10,647	10,821
OPERATING EXPENSES			
Purchased power	1,633	1,432	1,357
Fuel	229	156	207
Gas purchased for resale	541	426	606
Other operations and maintenance	2,452	2,269	2,635
Depreciation and amortization	1,705	1,598	1,373
Taxes, other than income taxes	2,696	2,456	2,295
TOTAL OPERATING EXPENSES	9,256	8,337	8,473
OPERATING INCOME	2,460	2,310	2,348
OTHER INCOME (DEDUCTIONS)			
Investment and other income	16	19	40
Allowance for equity funds used during construction	19	14	12
Other deductions	(143)	(204)	(87)
TOTAL OTHER INCOME (DEDUCTIONS)	(108)	(171)	(35)
INCOME BEFORE INTEREST AND INCOME TAX EXPENSE	2,352	2,139	2,313
INTEREST EXPENSE			
Interest on long-term debt	759	718	672
Other interest	13	33	67
Allowance for borrowed funds used during construction	(10)	(12)	(11)
NET INTEREST EXPENSE	762	739	728
INCOME BEFORE INCOME TAX EXPENSE	1,590	1,400	1,585
INCOME TAX EXPENSE	246	215	335
NET INCOME	$1,344	$1,185	$1,250

The accompanying notes are an integral part of these financial statements.

Consolidated Edison Company of New York, Inc.
Consolidated Statement of Comprehensive Income

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	2019
NET INCOME	$1,344	$1,185	$1,250
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES			
Pension and other postretirement benefit plan liability adjustments, net of taxes	7	(1)	(3)
Other income, net of taxes	—	—	2
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES	7	(1)	(1)
COMPREHENSIVE INCOME	$1,351	$1,184	$1,249

The accompanying notes are an integral part of these financial statements.

Consolidated Edison Company of New York, Inc.
Consolidated Statement of Cash Flows

	For the Years Ended December 31,		
(Millions of Dollars)	**2021**	**2020**	**2019**
OPERATING ACTIVITIES			
Net income	$1,344	$1,185	$1,250
PRINCIPAL NON-CASH CHARGES/(CREDITS) TO INCOME			
Depreciation and amortization	1,705	1,598	1,373
Deferred income taxes	124	168	128
Rate case amortization and accruals	(16)	(40)	(117)
Common equity component of allowance for funds used during construction	(19)	(14)	(12)
Gain on Sale of Assets	—	—	(14)
Unbilled revenue and net unbilled revenue deferrals	(16)	(47)	(3)
Other non-cash items, net	33	(8)	—
CHANGES IN ASSETS AND LIABILITIES			
Accounts receivable - customers	(412)	(516)	3
Allowance for uncollectible accounts - customers	166	74	7
Materials and supplies, including fuel oil and gas in storage	(78)	2	11
Revenue decoupling mechanism receivable	(62)	(53)	(76)
Other receivables and other current assets	(85)	(49)	54
Accounts receivables from affiliated companies	96	(61)	141
Prepayments	(53)	19	(61)
Accounts payable	65	145	(7)
Accounts payable to affiliated companies	(4)	9	(4)
Pensions and retiree benefits obligations, net	283	253	330
Pensions and retiree benefits contributions	(433)	(438)	(325)
Superfund and environmental remediation costs	(18)	(30)	(12)
Accrued taxes	(54)	61	11
Accrued taxes to affiliated companies	9	1	—
Accrued interest	1	13	1
System benefit charge	(32)	(112)	18
Deferred charges, noncurrent assets and other regulatory assets	(544)	(603)	(486)
Deferred credits and other regulatory liabilities	128	92	306
Other current and noncurrent liabilities	58	44	(14)
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,186	1,693	2,502
INVESTING ACTIVITIES			
Utility construction expenditures	(3,413)	(3,112)	(3,028)
Cost of removal less salvage	(316)	(304)	(288)
Proceeds from sale of assets	—	—	192
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(3,729)	(3,416)	(3,124)
FINANCING ACTIVITIES			
Net (payment)/issuance of short-term debt	(299)	523	(55)
Issuance of long-term debt	2,250	2,200	1,300
Retirement of long-term debt	(640)	(350)	(475)
Debt issuance costs	(27)	(34)	(21)
Capital contribution by parent	1,100	500	900
Dividend to parent	(988)	(982)	(912)
NET CASH FLOWS FROM FINANCING ACTIVITIES	1,396	1,857	737
CASH, TEMPORARY CASH INVESTMENTS AND RESTRICTED CASH:			
NET CHANGE FOR THE PERIOD	(147)	134	115
BALANCE AT BEGINNING OF PERIOD	1,067	933	818
BALANCE AT END OF PERIOD	$920	$1,067	$933
SUPPLEMENTAL DISCLOSURE OF CASH INFORMATION			
Cash paid during the period for:			
Interest	$739	$693	$676
Income taxes	$5	$102	$73
SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION			
Construction expenditures in accounts payable	$406	$417	$285
Software licenses acquired but unpaid as of end of period	$22	$48	$76
Equipment acquired but unpaid as of end of period	$22	$28	$33

The accompanying notes are an integral part of these financial statements.

Consolidated Edison Company of New York, Inc.
Consolidated Balance Sheet

(Millions of Dollars)	December 31, 2021	December 31, 2020
ASSETS		
CURRENT ASSETS		
Cash and temporary cash investments	$920	$1,067
Accounts receivable – customers, net allowance for uncollectible accounts of $304 and $138 in 2021 and 2020, respectively	1,841	1,595
Other receivables, net allowance for uncollectible accounts of $19 and $4 in 2021 and 2020, respectively	121	134
Taxes receivable	5	8
Accrued unbilled revenue	549	523
Accounts receivable from affiliated companies	38	134
Fuel oil, gas in storage, materials and supplies, at average cost	369	291
Prepayments	212	159
Regulatory assets	188	244
Revenue decoupling mechanism receivable	191	129
Other current assets	269	123
TOTAL CURRENT ASSETS	4,703	4,407
INVESTMENTS	608	541
UTILITY PLANT AT ORIGINAL COST		
Electric	32,846	31,327
Gas	11,321	9,921
Steam	2,828	2,696
General	3,854	3,585
TOTAL	50,849	47,529
Less: Accumulated depreciation	11,223	10,297
Net	39,626	37,232
Construction work in progress	1,985	2,320
NET UTILITY PLANT	41,611	39,552
NON-UTILITY PROPERTY		
Non-utility property, net accumulated depreciation of $25 in 2021 and 2020	2	2
NET PLANT	41,613	39,554
OTHER NONCURRENT ASSETS		
Regulatory assets	3,316	5,745
Operating lease right-of-use asset	545	578
Pension and Retiree Benefits	1,677	—
Other deferred charges and noncurrent assets	193	142
TOTAL OTHER NONCURRENT ASSETS	5,731	6,465
TOTAL ASSETS	$52,655	$50,967

The accompanying notes are an integral part of these financial statements.

Consolidated Edison Company of New York, Inc.
Consolidated Balance Sheet

(Millions of Dollars)	December 31, 2021	December 31, 2020
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES		
Long-term debt due within one year	$—	$640
Notes payable	1,361	1,660
Accounts payable	1,285	1,232
Accounts payable to affiliated companies	18	22
Customer deposits	285	296
Accrued taxes	78	132
Accrued taxes to affiliated companies	10	1
Accrued interest	127	126
Accrued wages	103	97
Fair value of derivative liabilities	88	163
Regulatory liabilities	134	11
System benefit charge	372	475
Operating lease liabilities	90	73
Other current liabilities	370	319
TOTAL CURRENT LIABILITIES	4,321	5,247
NONCURRENT LIABILITIES		
Provision for injuries and damages	178	172
Pensions and retiree benefits	669	1,943
Superfund and other environmental costs	850	780
Asset retirement obligations	504	508
Fair value of derivative liabilities	40	105
Deferred income taxes and unamortized investment tax credits	6,796	6,411
Operating lease liabilities	462	512
Regulatory liabilities	3,921	4,094
Other deferred credits and noncurrent liabilities	220	197
TOTAL NONCURRENT LIABILITIES	13,640	14,722
LONG-TERM DEBT	18,382	16,149
COMMITMENTS AND CONTINGENCIES (Note B and Note G)		
COMMON SHAREHOLDER'S EQUITY (See Statement of Shareholder's Equity)	16,312	14,849
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$52,655	$50,967

The accompanying notes are an integral part of these financial statements.

Consolidated Edison Company of New York, Inc.
Consolidated Statement of Shareholder's Equity

(In Millions)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Repurchased Con Edison Stock	Capital Stock Expense	Accumulated Other Comprehensive Income/(Loss)	Total
BALANCE AS OF DECEMBER 31, 2018	235	$589	$4,769	$8,581	$(962)	$(62)	$(5)	$12,910
Net income				1,250				1,250
Common stock dividend to parent				(912)				(912)
Capital contribution by parent			900					900
Other comprehensive income							(1)	(1)
BALANCE AS OF DECEMBER 31, 2019	235	$589	$5,669	$8,919	$(962)	$(62)	$(6)	$14,147
Net income				1,185				1,185
Common stock dividend to parent				(982)				(982)
Capital contribution by parent			500					500
Other comprehensive income							(1)	(1)
BALANCE AS OF DECEMBER 31, 2020	235	$589	$6,169	$9,122	$(962)	$(62)	$(7)	$14,849
Net income				1,344				1,344
Common stock dividend to parent				(988)				(988)
Capital contribution by parent			1,100					1,100
Other comprehensive income							7	7
BALANCE AS OF DECEMBER 31, 2021	235	$589	$7,269	$9,478	$(962)	$(62)	$—	$16,312

The accompanying notes are an integral part of these financial statements.

Consolidated Edison Company of New York, Inc.
Consolidated Statement of Capitalization

	Shares outstanding December 31,		At December 31,	
(In Millions)	2021	2020	2021	2020
TOTAL SHAREHOLDER'S EQUITY BEFORE ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	235	235	$16,312	$14,856
Pension plan liability adjustments, net of taxes			1	(5)
Unrealized gains/(losses) on derivatives qualified as cash flow hedges, less reclassification adjustment for gains/(losses) included in net income and reclassification adjustment for unrealized losses included in regulatory assets, net of taxes			(1)	(2)
TOTAL ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES			—	(7)
TOTAL SHAREHOLDER'S EQUITY (See Statement of Shareholder's Equity)			$16,312	$14,849

The accompanying notes are an integral part of these financial statements.

Consolidated Edison Company of New York, Inc.
Consolidated Statement of Capitalization

LONG-TERM DEBT *(Millions of Dollars)*				At December 31,	
Maturity	**Interest Rate**		**Series**	**2021**	**2020**
DEBENTURES:					
2021	0.60		2018C	$—	$640
2024	3.30		2014B	250	250
2026	2.90		2016B	250	250
2027	3.125		2017B	350	350
2028	3.80		2018A	300	300
2028	4.00		2018D	500	500
2030	3.35		2020A	600	600
2031	2.40		2021A	900	—
2033	5.875		2003A	175	175
2033	5.10		2003C	200	200
2034	5.70		2004B	200	200
2035	5.30		2005A	350	350
2035	5.25		2005B	125	125
2036	5.85		2006A	400	400
2036	6.20		2006B	400	400
2036	5.70		2006E	250	250
2037	6.30		2007A	525	525
2038	6.75		2008B	600	600
2039	5.50		2009C	600	600
2040	5.70		2010B	350	350
2042	4.20		2012A	400	400
2043	3.95		2013A	700	700
2044	4.45		2014A	850	850
2045	4.50		2015A	650	650
2046	3.85		2016A	550	550
2047	3.875		2017A	500	500
2048	4.65		2018E	600	600
2049	4.125		2019A	700	700
2050	3.95		2020B	1,000	1,000
2051	3.20		2021C	600	—
2054	4.625		2014C	750	750
2056	4.30		2016C	500	500
2057	4.00		2017C	350	350
2058	4.50		2018B	700	700
2059	3.70		2019B	600	600
2060	3.00		2020C	600	600
2061	3.60		2021B	750	—
TOTAL DEBENTURES				18,125	16,515
TAX-EXEMPT DEBT – Notes issued to New York State Energy Research and Development Authority for Facilities Revenue Bonds:					
2036	0.10	(a)	2010A	225	225
2039	0.10	(a)	2004C	99	99
2039	0.09	(a)	2005A	126	126
TOTAL TAX-EXEMPT DEBT				450	450
Unamortized debt expense				(145)	(130)
Unamortized debt discount				(48)	(46)
TOTAL				18,382	16,789
Less: Long-term debt due within one year				—	640
TOTAL LONG-TERM DEBT				18,382	16,149
TOTAL CAPITALIZATION				$34,694	$30,998

(a) Rates reset weekly; December 31, 2021 rates shown.

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

General

These combined notes accompany and form an integral part of the separate consolidated financial statements of each of the two separate registrants: Consolidated Edison, Inc. and its subsidiaries (Con Edison) and Consolidated Edison Company of New York, Inc. and its subsidiaries (CECONY). CECONY is a subsidiary of Con Edison and as such its financial condition and results of operations and cash flows, which are presented separately in the CECONY consolidated financial statements, are also consolidated, along with those of Orange and Rockland Utilities, Inc. (O&R), Con Edison Clean Energy Businesses, Inc. (together with its subsidiaries, the Clean Energy Businesses) and Con Edison Transmission, Inc. (together with its subsidiaries, Con Edison Transmission) in Con Edison's consolidated financial statements. The term "Utilities" is used in these notes to refer to CECONY and O&R.

As used in these notes, the term "Companies" refers to Con Edison and CECONY and, except as otherwise noted, the information in these combined notes relates to each of the Companies. However, CECONY makes no representation as to information relating to Con Edison or the subsidiaries of Con Edison other than itself.

Con Edison has two regulated utility subsidiaries: CECONY and O&R. CECONY provides electric service and gas service in New York City and Westchester County. The company also provides steam service in parts of Manhattan. O&R, along with its regulated utility subsidiary, provides electric service in southeastern NY and northern NJ and gas service in southeastern NY. Con Edison Clean Energy Businesses, Inc., through its subsidiaries, develops, owns and operates renewable and sustainable energy infrastructure projects and provides energy-related products and services to wholesale and retail customers. Con Edison Transmission, Inc. invests in and seeks to develop electric transmission projects through its subsidiary, Consolidated Edison Transmission, LLC (CET Electric), and manages, through joint ventures, investments in gas pipeline and storage facilities through its subsidiary Con Edison Gas Pipeline and Storage, LLC (CET Gas). See "Investments" in Note A and Note W.

Note A – Summary of Significant Accounting Policies and Other Matters

Principles of Consolidation

The Companies' consolidated financial statements include the accounts of their respective majority-owned subsidiaries, and variable interest entities (see Note S), as required. All intercompany balances and intercompany transactions have been eliminated.

Accounting Policies

The accounting policies of Con Edison and its subsidiaries conform to generally accepted accounting principles in the United States of America (GAAP). For the Utilities, these accounting principles include the accounting rules for regulated operations and the accounting requirements of the Federal Energy Regulatory Commission (FERC) and the state regulators having jurisdiction.

The accounting rules for regulated operations specify the economic effects that result from the causal relationship of costs and revenues in the rate-regulated environment and how these effects are to be accounted for by a regulated enterprise. Revenues intended to cover some costs may be recorded either before or after the costs are incurred. If regulation provides assurance that incurred costs will be recovered in the future, these costs would be recorded as deferred charges or "regulatory assets" under the accounting rules for regulated operations. If revenues are recorded for costs that are expected to be incurred in the future, these revenues would be recorded as deferred credits or "regulatory liabilities" under the accounting rules for regulated operations.

The Utilities' principal regulatory assets and liabilities are detailed in Note B. In general, the Utilities are receiving or being credited with a return on their regulatory assets for which a cash outflow has been made, and are paying or being charged with a return on their regulatory liabilities for which a cash inflow has been received. The Utilities' regulatory assets and liabilities at December 31, 2021 are recoverable from customers, or to be applied for customer benefit, in accordance with rate provisions that have been approved by state regulators.

Other significant accounting policies of the Companies are referenced below in this Note A and in the notes that follow.

Revenues

CECONY's electric and gas rate plans and O&R's NY electric and gas rate plans each contain a revenue decoupling mechanism, that covers all residential and most commercial customers, under which the company's actual energy delivery revenues are compared with the authorized delivery revenues and the difference accrued, with interest, for refund to, or recovery from, customers, as applicable. See "Rate Plans" in Note B.

The NYSPSC requires utilities to record gross receipts tax revenues and expenses on a gross income statement presentation basis (i.e., included in both revenue and expense). The recovery of these taxes is generally provided for in the revenue requirement within each of the respective NYSPSC-approved rate plans. Total excise taxes (inclusive of gross receipts taxes) recorded in operating revenues were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	**2021**	**2020**	**2019**
Con Edison	$358	$335	$323
CECONY	346	323	312

For information about the Companies' revenue recognition policies, see Note M.

Plant and Depreciation

Utility Plant

Utility plant is stated at original cost. The cost of repairs and maintenance is charged to expense and the cost of betterments is capitalized. The capitalized cost of additions to utility plant includes indirect costs such as engineering, supervision, payroll taxes, pensions, other benefits and an allowance for funds used during construction (AFUDC). The original cost of property is charged to expense over the estimated useful lives of the assets. Upon retirement, the original cost of property is charged to accumulated depreciation. See Note T.

Rates used for AFUDC include the cost of borrowed funds and a reasonable rate of return on the Utilities' own funds when so used, determined in accordance with regulations of the FERC or the state public utility regulatory authority

having jurisdiction. The rate is compounded semiannually, and the amounts applicable to borrowed funds are treated as a reduction of interest charges, while the amounts applicable to the Utilities' own funds are credited to other income (deductions). The AFUDC rates for CECONY were 4.5 percent, 5.2 percent and 5.1 percent for 2021, 2020 and 2019, respectively. The AFUDC rates for O&R were 4.8 percent, 5.3 percent and 5.3 percent for 2021, 2020 and 2019, respectively.

The Utilities generally compute annual charges for depreciation using the straight-line method for financial statement purposes, with rates based on average service lives and net salvage factors. The average depreciation rates for CECONY were 3.5 percent for 2021 and 3.5 percent for 2020 and 3.2 percent for 2019. The average depreciation rates for O&R were 3.1 percent for 2021, 3.2 percent for 2020 and 3.0 percent for 2019.

The estimated lives for utility plant for CECONY range from 5 to 85 years for electric, 5 to 90 years for gas, 5 to 80 years for steam and 5 to 55 years for general plant. For O&R, the estimated lives for utility plant range from 5 to 75 years for electric and gas and 5 to 50 years for general plant.

At December 31, 2021 and 2020, the capitalized cost of the Companies' utility plant, net of accumulated depreciation, was as follows:

	Con Edison		CECONY	
(Millions of Dollars)	**2021**	**2020**	**2021**	**2020**
Electric				
Generation	$559	$572	$559	$572
Transmission	3,955	3,786	3,658	3,496
Distribution	22,418	21,481	21,240	20,366
General	87	52	87	52
Gas (a)	10,473	9,206	9,748	8,522
Steam	1,924	1,854	1,924	1,854
General	2,566	2,507	2,338	2,286
Held for future use	80	92	72	84
Construction work in progress	2,152	2,474	1,985	2,320
Net Utility Plant	$44,214	$42,024	$41,611	$39,552

(a) Primarily distribution.

General utility plant of Con Edison and CECONY included $79 million and $74 million, respectively, at December 31, 2021, and $86 million and $81 million, respectively, at December 31, 2020, related to a May 2018 acquisition of software licenses. The estimated aggregate annual amortization expense related to the software licenses for Con Edison and CECONY is $7 million. The accumulated amortization for Con Edison and CECONY was $24 million at December 31, 2021 and $17 million at December 31, 2020.

Under the Utilities' rate plans, the aggregate annual depreciation allowance for the period ended December 31, 2021 was $1,802 million, including $1,710 million under CECONY's electric, gas and steam rate plans that have been approved by the NYSPSC.

Non–Utility Plant

Non-utility plant is stated at original cost. For Con Edison, non-utility plant consists primarily of the Clean Energy Businesses' renewable electric projects. Property, plant and equipment are stated at cost, less accumulated depreciation and include capitalized interest during construction. Depreciation is computed under the straight-line method over the useful lives of the assets. Solar power generating assets and wind power generating assets have useful lives of 35 years and 30, respectively. For the Utilities, non-utility plant consists of land and conduit for telecommunication use. Depreciation on non-utility plant, other than land, is computed using the straight-line method for financial statement purposes over their estimated useful lives, which is 10 years.

Other Deferred Charges and Noncurrent Assets and Prepayments

Other deferred charges and noncurrent assets and prepayments, net of accumulated depreciation, included the following related to implementation costs incurred in cloud computing arrangements:

(Millions of Dollars)	Con Edison 2021	Con Edison 2020	CECONY 2021	CECONY 2020
Prepayments (a)(b)	$16	$12	$15	$11
Other Deferred Charges and Noncurrent Assets (a)(b)	$81	$54	$78	$51

(a) Depreciation on these assets is computed using the straight-line method for financial statement purposes over their estimated useful lives.
(b) Depreciation expense related to these assets incurred during the year ended December 31, 2021 for Con Edison and CECONY was $12 million and $11 million, respectively, and for the year ended December 31, 2020 for Con Edison and CECONY was $7 million and $6 million, respectively. Accumulated depreciation related to these assets for Con Edison and CECONY was $22 million and $19 million, respectively at December 31, 2021 and was $10 million and $8 million, respectively at December 31, 2020.

Long–Lived and Intangible Assets

The Companies test long-lived and intangible assets for recoverability when events or changes in circumstances indicate that the carrying value of long-lived or intangible assets may not be recoverable. The carrying amount of a long-lived asset or intangible asset with a definite life is deemed not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the assets. In the event a test indicates that such cash flows cannot be expected to be sufficient to fully recover the assets, the assets are considered impaired and written down to their estimated fair value.

Con Edison's intangible assets with definite lives consist primarily of power purchase agreements, which were identified as part of purchase price allocations associated with acquisitions made by the Clean Energy Businesses in 2016 and 2018. At December 31, 2021 and 2020, intangible assets arising from power purchase agreements were $1,290 million and $1,457 million, net of accumulated amortization of $288 million and $220 million, respectively, and are being amortized over the life of each agreement. Excluding power purchase agreements, Con Edison’s other intangible assets were $3 million, net of accumulated amortization of $9 million and $8 million, at December 31, 2021 and 2020, respectively. CECONY’s other intangible assets were immaterial at December 31, 2021 and 2020. Con Edison recorded amortization expense related to its intangible assets of $95 million in 2021, $102 million in 2020, and $99 million in 2019. Con Edison expects amortization expense to be $95 million per year over the next five years. No impairment charges were recorded on Con Edison's long-lived assets or intangible assets with definite lives in 2021 or 2020.

Recoverable Energy Costs

The Utilities generally recover all of their prudently incurred fuel, purchased power and gas costs, including hedging gains and losses, in accordance with rate provisions approved by the applicable state public utility regulators. If the actual energy supply costs for a given month are more or less than the amounts billed to customers for that month, the difference in most cases is recoverable from or refundable to customers. Differences between actual and billed electric and steam supply costs and costs of its electric demand management programs are generally deferred for charge or refund to customers during the next billing cycle (normally within one or two months). For the Utilities’ gas costs, differences between actual and billed gas costs during the 12-month period ending each August are charged or refunded to customers during a subsequent 12-month period.

New York Independent System Operator (NYISO)

The Utilities purchase electricity through the wholesale electricity market administered by the NYISO. The difference between purchased power and related costs initially billed to the Utilities by the NYISO and the actual cost of power subsequently calculated by the NYISO is refunded by the NYISO to the Utilities, or paid to the NYISO by the Utilities. The reconciliation payments or receipts are recoverable from or refundable to the Utilities’ customers.

Certain other payments to or receipts from the NYISO are also subject to reconciliation, with shortfalls or amounts in excess of specified rate allowances recoverable from or refundable to customers. These include proceeds from the sale through the NYISO of transmission rights on CECONY’s transmission system (transmission congestion contracts or TCCs).

Temporary Cash Investments

Temporary cash investments are short-term, highly-liquid investments that generally have maturities of three months or less at the date of purchase. They are stated at cost, which approximates market. The Companies consider temporary cash investments to be cash equivalents.

Investments

Accounting for Investments

Con Edison’s investments consist primarily of the investments of Con Edison Transmission that are accounted for under the equity method and the fair value of the Utilities’ supplemental retirement income plan and deferred income plan assets.

The accounting rules require Con Edison to evaluate its investments periodically to determine whether they are impaired. The standard for determining whether an impairment exists and must be recorded is whether an other-than-temporary decline in carrying value has occurred. Changes in economic conditions, forecasted cash flows and the regulatory environment, among other factors, could require equity method investments to recognize a decrease in carrying value for an other-than-temporary decline. When management believes such a decline may have occurred, the fair value of the investment is estimated using market inputs, when observable, or a market valuation model such as a discounted cash flow analysis. The fair value is compared to the carrying value of the investment in order to determine the amount of impairment to record, if any.

The evaluation and measurement of impairments involve uncertainties. The judgments that Con Edison makes to estimate the fair value of its equity method investments are based on assumptions that management believes are reasonable, and variations in these estimates or the underlying assumptions, or the receipt of additional market information, could have a material impact on whether a triggering event is determined to exist or the amount of any such impairment. Additionally, if the projects in which Con Edison holds these investments recognize an impairment, Con Edison may record a share of that impairment loss and would evaluate its investment for an other-than-temporary decline in carrying value as described above.

Partial Impairment of Investment in Stagecoach Gas Services LLC (Stagecoach)

In 2021, a subsidiary of Con Edison Gas Pipeline and Storage, LLC (CET Gas) and its joint venture partner agreed to sell their combined interests in Stagecoach Gas Services LLC (Stagecoach) for a total of $1,225 million, of which $629 million, including closing adjustments, was attributed to CET Gas for its 50 percent interest. The purchase and sale agreement provided for a two-stage closing, the first of which was completed in July 2021 and the second of which was completed in November 2021.

As a result of information made available to Stagecoach as part of the sale process, Stagecoach performed impairment tests that resulted in Stagecoach recording impairment charges of $414 million for the year ended December 31, 2021. Accordingly, Con Edison recorded pre-tax impairment losses on its 50 percent interest in Stagecoach of $212 million ($147 million after-tax), including working capital and transaction cost adjustments, within "Investment income/(loss)" on Con Edison's consolidated income statement for the year ended December 31, 2021.

Stagecoach’s impairment charges and information obtained from the sales process constituted triggering events for Con Edison's investment in Stagecoach as of March 31, 2021 and June 30, 2021. Con Edison evaluated the carrying value of its investment in Stagecoach for other-than-temporary declines in value using income and market-based approaches. Con Edison determined that the carrying value of its investment in Stagecoach of $667 million and $630 million as of March 31, 2021 and June 30, 2021, respectively, was not impaired. The carrying value of $630 million at June 30, 2021 reflected the final sales price received in July 2021 and the remaining amount received in November 2021, including closing adjustments.

2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP)

In January 2016, Con Edison Gas Pipeline and Storage, LLC (CET Gas), an indirect subsidiary of Con Edison, acquired a 12.5 percent equity interest in MVP, a company developing a proposed 300-mile gas transmission project (the Project) in West Virginia and Virginia. During 2019, Con Edison exercised its right to limit, and did limit, its cash contributions to the joint venture to approximately $530 million, which reduced CET Gas' interest in MVP to 11.3 percent and 10.2 percent as of December 31, 2020 and 2021, respectively. CET Gas' interest in MVP is expected to be reduced to 8.5 percent based on the Project's current cost estimate and CET Gas' previous capping of its cash contributions. As of December 31, 2020 and 2021, the Project was approximately 92 percent and 94 percent complete, respectively.

During 2020, progress was made on the construction of the Project, and the U.S. Supreme Court issued favorable decisions in cases unrelated to MVP regarding the permitting process for pipeline construction and water crossings. In November 2020, the U.S. Court of Appeals for the Fourth Circuit issued a stay on the Nationwide Permit 12,

effectively blocking the Project's ability to pursue water crossings under that permit. As a result, in November 2020 the Project applied to the FERC for a certificate amendment to bore under water bodies in a portion of the Project in West Virginia, allowing this portion of the pipe to be completed and placed in-service while a plan for the remaining water crossings was pursued. If approved, this certificate amendment would have led to additional Project costs and would have extended the anticipated in-service date. In January 2021, the FERC did not approve the requested certificate amendment. Later in January 2021, the Project indicated its plans to apply for U.S. Army Corps of Engineers individual permits for certain water crossings and a new certificate amendment application to the FERC to bore under other water crossings that, in total, would cover the entire Project length.

The uncertainty related to obtaining necessary water crossing permits, the resulting Project costs and the likelihood of the Project not reaching eventual completion increased as a result of actions taken by the U.S. Court of Appeals for the Fourth Circuit. This action and associated delays constituted a triggering event (the "2020 triggering event") that required Con Edison to test its investment in MVP for an other-than-temporary impairment as of December 31, 2020.

In December 2021, the Virginia Department of Environmental Quality and the West Virginia Department of Environmental Protection both issued water quality certification permits which are required in order for the U.S. Army Corps of Engineers to proceed with the permitting process for construction of certain Project water crossings. In January 2022, the U.S. Court of Appeals for the Fourth Circuit rejected permits for crossings through the Jefferson National Forest issued by the U.S. Forest Service and Bureau of Land Management. In February 2022, the U.S. Court of Appeals for the Fourth Circuit vacated a biological opinion from the U.S. Fish and Wildlife Service, applicable to all remaining construction. The biological opinion had been issued and was the subject of litigation prior to December 31, 2021. Con Edison believes that the February 2022 action by the U.S. Court of Appeals for the Fourth Circuit, along with the potential outcome of other matters pending before that Court, may lead to further delays and increased Project costs, which constituted a triggering event (the "2021 triggering event") that required Con Edison to test its investment in MVP for an other-than-temporary impairment as of December 31, 2021.

In response to the 2020 triggering event and 2021 triggering event, Con Edison assessed the value of its equity investment in the Project to determine whether the fair value of its investment in MVP had declined below its carrying value on an other-than-temporary basis as of December 31, 2020 and 2021, respectively. The estimated fair value of the investment was determined using a discounted cash flow analysis, which is a level 3 fair value measurement. The analysis discounted probability-weighted future cash flows, including revenues based on long-term firm transportation contracts, that are secured for the first 20 years following completion of the Project. See Note U. Con Edison has also assumed cash flows extending beyond this period. All cash flows were discounted at a pre-tax discount rate of 8.3 percent and then weighted based on Con Edison's estimate of the likelihood that the Project will be completed. For the 2020 triggering event, Con Edison estimated that the likelihood of Project completion was in the upper end of a reasonably possible range. For the 2021 triggering event, Con Edison anticipated that the Project faces legal and regulatory challenges that make construction completion increasingly remote. The Project faces additional delays and increased costs that could further reduce CET Gas' interest in MVP to below 8 percent based on CET Gas' previous capping of its cash contributions. The likelihood that the Project will be completed and, for 2020, the discount rate, are the most significant and sensitive assumptions; changes in these assumptions may materially change the results of the impairment calculation.

Based on the discounted cash flow analyses, Con Edison concluded as of December 31, 2020 and 2021 that the fair value of its investment in MVP declined below its carrying value and the declines were other-than-temporary. Accordingly, Con Edison recorded a pre-tax impairment loss of $320 million ($223 million, after tax) for the year ended December 31, 2020 that reduced the carrying value of its investment in MVP from $662 million to $342 million, with an associated deferred tax asset of $53 million. Additionally, Con Edison recorded a pre-tax impairment loss of $231 million ($162 million, after tax) for the year ended December 31, 2021 that reduced the carrying value of its investment in MVP from $342 million to $111 million, with an additional $77 million associated deferred tax asset, totaling a deferred tax asset of $130 million at December 31, 2021. The impairments were recorded within "Investment income (loss)" on Con Edison's Consolidated Income Statement. In addition, Con Edison did not record non-cash equity in earnings from allowance for funds used during construction from MVP beginning in January 2021 and will continue to refrain from recording such amounts until such time as substantial construction activities resume, which would be indicative of probable Project completion.

There is risk that the fair value of Con Edison's investment in MVP may be further or fully impaired in the future. There are ongoing legal and regulatory matters that must be resolved favorably before the Project can be completed. Assumptions and estimates used to test Con Edison's investment in MVP for impairment may change if adverse or delayed resolutions to the Project's pending legal and regulatory challenges were to occur, which could have a material adverse effect on the fair value of Con Edison's investment in MVP.

Summary of Investment Balances

The following investment assets are included in the Companies' consolidated balance sheets at December 31, 2021 and 2020:

	Con Edison		CECONY	
(Millions of Dollars)	2021	2020	2021	2020
CET Gas investment in Stagecoach Gas Services LLC	$—	$845	$—	$—
CET Gas investment in Mountain Valley Pipeline, LLC (a)	111	342	—	—
Supplemental retirement income plan assets (b)	525	465	499	439
Deferred income plan assets	102	92	102	92
CET Electric investment in New York Transco, LLC (c)	112	69	—	—
Other	3	3	7	10
Total investments	$853	$1,816	$608	$541

(a) At December 31, 2021 and 2020, CET Gas' cash investment in MVP was $530 million. In May 2021, the operator of the Mountain Valley Pipeline indicated that, subject to receipt of certain authorizations and resolution of certain challenges, it is targeting an in-service date for the project of summer 2022 at an overall project cost of approximately $6,200 million excluding allowance for funds used during construction. See "2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP)" above.
(b) See Note E.
(c) CET Electric owns a 45.7 percent interest in New York Transco, LLC.

Pension and Other Postretirement Benefits

The accounting rules for retirement benefits require an employer to recognize an asset or liability for the overfunded or underfunded status of its pension and other postretirement benefit plans. For a pension plan, the asset or liability is the difference between the fair value of the plan’s assets and the projected benefit obligation. For any other postretirement benefit plan, the asset or liability is the difference between the fair value of the plan’s assets and the accumulated postretirement benefit obligation. The accounting rules generally require employers to recognize all unrecognized prior service costs and credits and unrecognized actuarial gains and losses in accumulated other comprehensive income/(loss) (OCI), net of tax. Such amounts will be adjusted as they are subsequently recognized as components of total periodic benefit cost or income pursuant to the current recognition and amortization provisions.

For the Utilities’ pension and other postretirement benefit plans, regulatory accounting treatment is generally applied in accordance with the accounting rules for regulated operations. Unrecognized prior service costs or credits and unrecognized actuarial gains and losses are recorded to regulatory assets or liabilities, rather than OCI. See Notes E and F.

The total periodic benefit costs are recognized in accordance with the accounting rules for retirement benefits. Investment gains and losses are recognized in expense over a 15-year period and other actuarial gains and losses are recognized in expense over a 10-year period, subject to the deferral provisions in the rate plans.

In accordance with the Statement of Policy issued by the NYSPSC and its current electric, gas and steam rate plans, CECONY defers for payment to or recovery from customers the difference between such expenses and the amounts for such expenses reflected in rates. O&R also defers such difference pursuant to its NY rate plans. See Note B.

The Companies calculate the expected return on pension and other postretirement benefit plan assets by multiplying the expected rate of return on plan assets by the market-related value (MRV) of plan assets at the beginning of the year, taking into consideration anticipated contributions and benefit payments that are to be made during the year. The accounting rules allow the MRV of plan assets to be either fair value or a calculated value that recognizes changes in fair value in a systematic and rational manner over not more than five years. The Companies use a calculated value when determining the MRV of the plan assets that adjusts for 20 percent of the difference between fair value and expected MRV of plan assets. This calculated value has the effect of stabilizing variability in assets to which the Companies apply the expected return.

Federal Income Tax

In accordance with accounting rules for income taxes, the Companies have recorded an accumulated deferred federal income tax liability at current tax rates for temporary differences between the book and tax basis of assets and liabilities. In accordance with rate plans, the Utilities have recovered amounts from customers for a portion of the tax liability they will pay in the future as a result of the reversal or "turn-around" of these temporary differences. As to the remaining deferred tax liability, the Utilities had established regulatory assets for the net revenue requirements to be recovered from customers for the related future tax expense pursuant to the NYSPSC's 1993 Policy Statement approving accounting procedures consistent with accounting rules for income taxes and providing assurances that these future increases in taxes will be recoverable in rates.

Accumulated deferred investment tax credits are amortized ratably over the lives of the related properties and applied as a reduction to future federal income tax expense.

Con Edison and its subsidiaries file a consolidated federal income tax return. The consolidated income tax liability is allocated to each member of the consolidated group using the separate return method. Each member pays or receives an amount based on its own taxable income or loss in accordance with a consolidated tax allocation agreement. Tax loss and tax credit carryforwards are allocated among members in accordance with consolidated tax return regulations.

State Income Tax

Con Edison and its subsidiaries file a combined New York State Corporation Business Franchise Tax Return. Similar to a federal consolidated income tax return, the income of all entities in the combined group is subject to New York State taxation, after adjustments for differences between federal and New York law and apportionment of income among the states in which the company does business. Each member's share of the New York State tax is based on its own New York State taxable income or loss.

Research and Development Costs

Research and development costs are charged to operating expenses as incurred. Research and development costs were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	**2021**	**2020**	**2019**
Con Edison	$25	$24	$24
CECONY	24	23	23

Reclassification

Certain prior year amounts have been reclassified to conform with current year presentation.

Earnings Per Common Share

Con Edison presents basic and diluted earnings per share (EPS) on the face of its consolidated income statement. Basic EPS is calculated by dividing earnings available to common shareholders ("Net income for common stock" on Con Edison's consolidated income statement) by the weighted average number of Con Edison common shares outstanding during the period. In the calculation of diluted EPS, weighted average shares outstanding are increased for additional shares that would be outstanding if potentially dilutive securities were converted to common stock.

Potentially dilutive securities for Con Edison consist of restricted stock units and deferred stock units for which the average market price of the common shares for the period was greater than the exercise price (see Note O) and its common shares that are subject to forward sale agreements (see Note C). Before the issuance of common shares upon settlement of the forward sale agreements, the shares will be reflected in the company's diluted earnings per share calculations using the treasury stock method. Under this method, the number of common shares used in calculating diluted earnings per share is deemed to be increased by the excess, if any, of the number of shares that would be issued upon physical settlement of the forward sale agreements over the number of shares that could be purchased by the company in the market (based on the average market price during the period) using the proceeds due upon physical settlement (based on the adjusted forward sale price at the end of the reporting period).

Basic and diluted EPS for Con Edison are calculated as follows:

	For the Years Ended December 31,		
(Millions of Dollars, except per share amounts/Shares in Millions)	2021	2020	2019
Net income for common stock	$1,346	$1,101	$1,343
Weighted average common shares outstanding – basic	348.4	334.8	328.5
Add: Incremental shares attributable to effect of potentially dilutive securities	1.0	0.9	1.0
Adjusted weighted average common shares outstanding – diluted	349.4	335.7	329.5
Net Income per common share – basic	$3.86	$3.29	$4.09
Net Income per common share – diluted	$3.85	$3.28	$4.08

The computation of diluted EPS for the years ended December 31, 2021, 2020 and 2019 excludes immaterial amounts of performance share awards that were not included because of their anti-dilutive effect.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Changes in Accumulated Other Comprehensive Income/(Loss) by Component

Changes to accumulated other comprehensive income/(loss) (OCI) for Con Edison and CECONY are as follows:

(Millions of Dollars)	Con Edison	CECONY
Accumulated OCI, net of taxes, at December 31, 2018 (a)	$(16)	$(5)
OCI before reclassifications, net of tax of $(6) and $(1) for Con Edison and CECONY, respectively	(10)	(3)
Amounts reclassified from accumulated OCI related to pension plan liabilities, net of tax of $(2) for Con Edison (a)(b)	7	2
Total OCI, net of taxes, at December 31, 2019	(3)	(1)
Accumulated OCI, net of taxes, at December 31, 2019 (a)	$(19)	$(6)
OCI before reclassifications, net of tax of $4 and $1 for Con Edison and CECONY, respectively	(11)	(3)
Amounts reclassified from accumulated OCI related to pension plan liabilities, net of tax of $(2) for Con Edison (a)(b)	5	2
Total OCI, net of taxes, at December 31, 2020	(6)	(1)
Accumulated OCI, net of taxes, at December 31, 2020 (a)	$(25)	$(7)
OCI before reclassifications, net of tax of $(8) and $(2) for Con Edison and CECONY, respectively	22	5
Amounts reclassified from accumulated OCI related to pension plan liabilities, net of tax of $(3) and $(1) for Con Edison and CECONY, respectively (a)(b)	8	2
Total OCI, net of taxes, at December 31, 2021	30	7
Accumulated OCI, net of taxes, at December 31, 2021 (a)	$5	$—

(a) Tax reclassified from accumulated OCI is reported in the income tax expense line item of the consolidated income statement.
(b) For the portion of unrecognized pension and other postretirement benefit costs relating to the Utilities, costs are recorded into, and amortized out of, regulatory assets and liabilities instead of OCI. The net actuarial losses and prior service costs recognized during the period are included in the computation of total periodic pension and other postretirement benefit cost. See Notes E and F.

Reconciliation of Cash, Temporary Cash Investments and Restricted Cash

Cash, temporary cash investments and restricted cash are presented on a combined basis in the Companies' consolidated statements of cash flows. At December 31, 2021 and 2020, cash, temporary cash investments and restricted cash for Con Edison and CECONY were as follows:

	At December 31,			
	Con Edison		CECONY	
(Millions of Dollars)	2021	2020	2021	2020
Cash and temporary cash investments	$992	$1,272	$920	$1,067
Restricted cash (a)	154	164	—	—
Total cash, temporary cash investments and restricted cash	$1,146	$1,436	$920	$1,067

(a) Restricted cash included cash of the Clean Energy Businesses' renewable electric project subsidiaries ($154 million and $164 million at December 31, 2021 and 2020, respectively) that, under the related project debt agreements, is restricted to being used for normal operating expenditures, debt service, and required reserves until the various maturity dates of the project debt.

Use of Hypothetical Liquidation at Book Value

For certain investments of the Clean Energy Businesses, Con Edison has determined that the use of HLBV accounting is reasonable and appropriate to attribute income and loss to the tax equity investors. Using the HLBV method, the company's earnings from the projects are adjusted to reflect the income or loss allocable to the tax equity investors calculated based on how the project would allocate and distribute its cash if it were to sell all of its assets for their carrying amounts and liquidate at a particular point in time. Under the HLBV method, the company calculates the liquidation value allocable to the tax equity investors at the beginning and end of each period based on the contractual liquidation waterfall and adjusts its income for the period to reflect the change in the liquidation value allocable to the tax equity investors based on the terms of the partnerships' operating agreements. See Note S.

Note B – Regulatory Matters

Rate Plans

The Utilities provide service to NY customers according to the terms of tariffs approved by the NYSPSC. Tariffs for service to customers of Rockland Electric Company (RECO), O&R's NJ regulated utility subsidiary, are approved by the NJBPU. The tariffs include schedules of rates for service that limit the rates charged by the Utilities to amounts that the Utilities recover from their customers costs approved by the regulator, including capital costs, of providing service to customers as defined by the tariff. The tariffs implement rate plans adopted by state utility regulators in rate orders issued at the conclusion of rate proceedings. Pursuant to the Utilities' rate plans, there generally can be no change to the charges to customers during the respective terms of the rate plans other than specified adjustments provided for in the rate plans. The Utilities' rate plans each cover specified periods, but rates determined pursuant to a plan generally continue in effect until a new rate plan is approved by the state utility regulator.

Common provisions of the Utilities' NY rate plans include:

Recoverable energy costs that allow the Utilities to recover on a current basis the costs for the energy they supply with no mark-up to their full-service customers.

Cost reconciliations that reconcile pension and other postretirement benefit costs, environmental remediation costs, property taxes, variable-rate tax-exempt debt and certain other costs to amounts reflected in delivery rates for such costs. In addition, changes in the Utilities' costs not reflected in rates, in excess of certain amounts, resulting from changes in tax or changes in legislation, regulation or related actions, are deferred as a regulatory asset or regulatory liability to be reflected in the Utilities' next rate plan or in a manner to be determined by the NYSPSC. Also, the Utilities generally retain the right to petition for recovery or accounting deferral of extraordinary and material cost increases and provision is sometimes made for the utility to retain a share of cost reductions, for example, property tax refunds.

Revenue decoupling mechanisms that reconcile actual energy delivery revenues to the authorized delivery revenues approved by the NYSPSC. The difference is accrued with interest for refund to, or recovery from customers, as applicable.

Earnings sharing that require the Utilities to defer for customer benefit a portion of earnings over specified rates of return on common equity. There is no symmetric mechanism for earnings below specified rates of return on common equity.

Negative revenue adjustments for failure to meet certain performance standards relating to service, reliability, safety and other matters.

Other revenue adjustments represent positive revenue adjustments, positive incentives, and earnings adjustments mechanisms for achievement of performance standards related to achievement of clean energy goals, safety and other matters.

Net utility plant reconciliations that require deferral as a regulatory liability of the revenue requirement impact of the amount, if any, by which actual average net utility plant balances are less than amounts reflected in rates. There is generally no symmetric mechanism if actual average net utility plant balances are more than amounts reflected in rates.

Rate base, as reflected in the rate plans, is, in general, the sum of the Utilities' net plant, working capital and certain regulatory assets less deferred taxes and certain regulatory liabilities. For each rate plan, the NYSPSC uses a forecast of the average rate base for each year that new rates would be in effect ("rate year").

Weighted average cost of capital is determined based on the authorized common equity ratio, return on common equity, cost of long-term debt and cost of customer deposits reflected in each rate plan. For each rate plan, the revenues designed to provide the utility a return on invested capital for each rate year are determined by multiplying each utility rate base by its pre-tax weighted average cost of capital. The Utilities' actual return on common equity will reflect their actual operations for each rate year, and may be more or less than the authorized return on equity reflected in their rate plans (and if more, may be subject to earnings sharing).

The following tables contain a summary of the Utilities' rate plans:

CECONY – Electric

Effective period	January 2017 – December 2019	January 2020 – December 2022 (a)
Base rate changes	Yr. 1 – $195 million (b) Yr. 2 – $155 million (b) Yr. 3 – $155 million (b)	Yr. 1 – $113 million (c) Yr. 2 – $370 million (c) Yr. 3 – $326 million (c)
Amortizations to income of net regulatory (assets) and liabilities	Yr. 1 – $84 million Yr. 2 – $83 million Yr. 3 – $69 million	Yr. 1 – $267 million (d) Yr. 2 – $269 million (d) Yr. 3 – $272 million (d)
Other revenue sources	Retention of $75 million of annual transmission congestion revenues. Potential earnings adjustment mechanism incentives for energy efficiency and other potential incentives of up to: Yr. 1 – $28 million Yr. 2 – $47 million Yr. 3 – $64 million In 2017, 2018 and 2019, the company recorded $13 million, $25 million and $43 million of earnings adjustment mechanism incentives for energy efficiency, respectively. The company also achieved $5 million of incentives for service terminations in 2017, 2018 and 2019 that, pursuant to the rate plan, is being recorded ratably in earnings from 2018 to 2020. In 2018 and 2019, the company recorded $3 million and $7 million of incentives for service terminations, respectively.	Retention of $75 million of annual transmission congestion revenues. Potential earnings adjustment mechanism incentives for energy efficiency and other potential incentives of up to: Yr. 1 - $69 million Yr. 2 - $74 million Yr. 3 - $79 million In 2020 and 2021, the company recorded $34 million and $64 million primarily related to earnings adjustment mechanism incentives for energy efficiency, respectively.
Revenue decoupling mechanisms	Continuation of reconciliation of actual to authorized electric delivery revenues. In 2017, 2018 and 2019, the company deferred for customer benefit $45 million, $(6) million and $169 million of revenues, respectively.	Continuation of reconciliation of actual to authorized electric delivery revenues. In 2020 and 2021, the company deferred for recovery from customers $242 million and $226 million of revenues, respectively.
Recoverable energy costs	Continuation of current rate recovery of purchased power and fuel costs.	Continuation of current rate recovery of purchased power and fuel costs.
Negative revenue adjustments	Potential charges if certain performance targets relating to service, reliability, safety and other matters are not met: Yr. 1 – $376 million Yr. 2 – $341 million Yr. 3 – $352 million In 2017 and 2018, the company did not record any negative revenue adjustments. In 2019, the company recorded negative revenue adjustments of $15 million.	Potential charges if certain performance targets relating to service, reliability, safety and other matters are not met: Yr. 1 - $450 million Yr. 2 - $461 million Yr. 3 - $476 million In 2020, the company recorded negative revenue adjustments of $5 million. In 2021, the company did not record any negative revenue adjustments.
Cost reconciliations	Continuation of reconciliation of expenses for pension and other postretirement benefits, variable-rate tax-exempt debt, major storms, property taxes (e), municipal infrastructure support costs (f), the impact of new laws and environmental site investigation and remediation to amounts reflected in rates (g). In 2017, 2018 and 2019, the company deferred $35 million, $189 million and $10 million of net regulatory assets, respectively.	Continuation of reconciliation of expenses for pension and other postretirement benefits, variable-rate debt, major storms, property taxes (e), municipal infrastructure support costs (f), the impact of new laws and environmental site investigation and remediation to amounts reflected in rates (g). In 2020 and 2021, the company deferred $288 million and $191 million of net regulatory assets, respectively.
Net utility plant reconciliations	Target levels reflected in rates: Electric average net plant target excluding advanced metering infrastructure (AMI): Yr. 1 – $21,689 million Yr. 2 – $22,338 million Yr. 3 – $23,002 million AMI: Yr. 1 – $126 million Yr. 2 – $257 million Yr. 3 – $415 million The company deferred $0.4 million as a regulatory asset in 2017. In 2018 and 2019, $0.4 and $11.8 million was deferred as a regulatory liability, respectively.	Target levels reflected in rates: Electric average net plant target excluding advanced metering infrastructure (AMI): Yr. 1 - $24,491 million Yr. 2 - $25,092 million Yr. 3 - $25,708 million AMI: Yr. 1 - $572 million Yr. 2 - $740 million Yr. 3 - $806 million (h) The company deferred $4.1 million as a regulatory asset in 2020 and $3.2 million as a regulatory liability in 2021.
Average rate base	Yr. 1 – $18,902 million Yr. 2 – $19,530 million Yr. 3 – $20,277 million	Yr. 1 - $21,660 million Yr. 2 - $22,783 million Yr. 3 - $23,926 million
Weighted average cost of capital (after-tax)	Yr. 1 – 6.82 percent Yr. 2 – 6.80 percent Yr. 3 – 6.73 percent	Yr. 1 to Yr. 3 – 6.61 percent
Authorized return on common equity	9.0 percent	8.80 percent

Actual return on common equity (i) (j)	Yr. 1 – 9.30 percent Yr. 2 – 9.36 percent Yr. 3 – 8.82 percent	Yr. 1 – 8.50 percent Yr. 2 – 8.03 percent
Earnings sharing	Most earnings above an annual earnings threshold of 9.5 percent are to be applied to reduce regulatory assets for environmental remediation and other costs accumulated in the rate year. In 2017, the company had no earnings above the threshold but recorded a positive adjustment related to 2016 of $5.7 million in earnings. In 2018 and 2019, the company had no earnings sharing above the threshold.	Most earnings above an annual earnings threshold of 9.3 percent are to be applied to reduce regulatory assets for environmental remediation and other costs accumulated in the rate year. In 2020 and 2021, the company had no earnings sharing above the threshold. A reserve of $4.3 million was recorded in 2021 related to a potential adjustment to the excess earnings sharing amount for 2016.
Cost of long-term debt	Yr. 1 – 4.93 percent Yr. 2 – 4.88 percent Yr. 3 – 4.74 percent	Yr. 1 to Yr. 3 – 4.63 percent
Common equity ratio	48 percent	48 percent

(a) In January 2020, the NYSPSC approved the October 2019 Joint Proposal for CECONY's electric rate plan for January 2020 through December 2022. If at the end of any semi-annual period ending June 30 and December 31, Con Edison's investments in its non-utility businesses exceed 15 percent of its total consolidated revenues, assets or cash flow, or if the ratio of holding company debt to total consolidated debt rises above 20 percent, CECONY is required to notify the NYSPSC and submit a ring-fencing plan or a demonstration why additional ring-fencing measures (see Note U) are not necessary.
(b) The electric base rate increases were in addition to a $48 million increase resulting from the December 2016 expiration of a temporary credit under the prior rate plan. At the NYSPSC's option, these increases were implemented with increases of $199 million in each rate year. Base rates reflect recovery by the company of certain costs of its energy efficiency, system peak reduction and electric vehicle programs (Yr. 1 - $20.5 million; Yr. 2 - $49 million; and Yr. 3 - $107.5 million) over a 10-year period, including the overall pre-tax rate of return on such costs.
(c) Base rates reflect recovery by the company of certain costs of its energy efficiency, Reforming the Energy Vision demonstration projects, non-wire alternative projects (including the Brooklyn Queens demand management program), and off-peak electric vehicle charging programs (Yr. 1 - $206 million; Yr. 2 - $245 million; and Yr. 3 - $251 million) over a ten-year period, including the overall pre-tax rate of return on such costs.
(d) Amounts reflect amortization of the 2018 tax savings under the federal Tax Cuts and Jobs Act of 2017 (TCJA) allocable to CECONY's electric customers ($377 million) over a three-year period ($126 million annually), the protected portion of the regulatory liability for excess deferred income taxes allocable to CECONY's electric customers ($1,663 million) over the remaining lives of the related assets ($49 million in Yr. 1, $50 million in Yr. 2, and $53 million in Yr. 3) and the unprotected portion of the net regulatory liability ($784 million) over five years ($157 million annually). Amounts also reflect amortization of the regulatory asset for deferred MTA power reliability costs ($238 million) over a five-year period ($48 million annually).
(e) Deferrals for property taxes are limited to 90 percent of the difference from amounts reflected in rates, subject to an annual maximum for the remaining difference of not more than a maximum number of basis points impact on return on common equity: Yr 1 - 10.0 basis points; Yr 2 - 7.5 basis points; and Yr 3 - 5.0 basis points.
(f) In general, if actual expenses for municipal infrastructure support (other than company labor) are below the amounts reflected in rates the company will defer the difference for credit to customers, and if the actual expenses are above the amount reflected in rates the company will defer for recovery from customers 80 percent of the difference subject to a maximum deferral, subject to certain conditions, of 30 percent of the amount reflected in the January 2017-December 2019 rate plan and 15 percent of the amount reflected in the January 2020-December 2022 rate plan.
(g) In addition, the NYSPSC staff has commenced a focused operations audit to investigate CECONY's income tax accounting. Any NYSPSC ordered adjustment to CECONY's income tax accounting is expected to be refunded to or collected from customers, as determined by the NYSPSC. See "Other Regulatory Matters," below.
(h) Reconciliation of net utility plant for AMI will be done on a combined basis for electric and gas.
(i) Calculated in accordance with the earnings calculation method prescribed in the rate order.
(j) In November 2021, the NYSPSC issued an order that allowed CECONY to recover $43 million of late payment charges and fees that were not billed for the year ended December 31, 2020. The recalculated return on equity for 2020 which reflects the recovery of these fees is 8.81 percent.

In January 2022, CECONY filed a request with the NYSPSC for an electric rate increase of $1,199 million, effective January 2023. The filing reflects a return on common equity of 10.0 percent and a common equity ratio of 50 percent.

The company is requesting provisions pursuant to which expenses for pension and other post-retirement benefits, long-term debt, storm restoration, property taxes, municipal infrastructure support, the impact of new laws, late payment charges, and environmental site investigation and remediation are reconciled to amounts reflected in rates. In addition, the company is proposing a reconciliation and current recovery or surcharge mechanism of uncollectible write-offs to the level in rates and a reconciliation of the impacts of inflation on operation and maintenance expenses under certain circumstances. The company is proposing the continuation of earnings opportunities from Earnings Adjustment Mechanisms for meeting energy efficiency goals. The filing also reflects continuation of the revenue decoupling mechanism and the provisions pursuant to which the company recovers its purchased power and fuel costs from customers.

The filing includes supplemental information regarding electric rate plans for 2024 and 2025, which the company is not requesting, but would consider through settlement discussions. For purposes of illustration, rate increases of $853 million and $608 million effective January 2024 and 2025, respectively, were calculated based upon an assumed return on common equity of 10.0 percent and a common equity ratio of 50 percent.

CECONY – Gas

Effective period	January 2017 - December 2019	January 2020 – December 2022 (a)
Base rate changes	Yr. 1 – $(5) million (b) Yr. 2 – $92 million Yr. 3 – $90 million	Yr. 1 – $84 million (c) Yr. 2 – $122 million (c) Yr. 3 – $167 million (c)
Amortizations to income of net regulatory (assets) and liabilities	Yr. 1 – $39 million Yr. 2 – $37 million Yr. 3 – $36 million	Yr. 1 – $45 million (d) Yr. 2 – $43 million (d) Yr. 3 – $10 million (d)
Other revenue sources	Retention of annual revenues from non-firm customers of up to $65 million and 15 percent of any such revenues above $65 million. Potential incentives if performance targets related to gas leak backlog, leak prone pipe and service terminations are met: Yr. 1 – $7 million Yr. 2 – $8 million Yr. 3 – $8 million In 2017, 2018 and 2019, the company achieved incentives of $7 million, $6 million and $7 million, respectively, that, pursuant to the rate plan, was recorded ratably in earnings from 2018 to 2020. In 2018 and 2019, the company recorded incentives of $5 million and $9 million, respectively, for gas leak backlog, leak prone pipe and service terminations.	Retention of annual revenues from non-firm customers of up to $65 million and 15 percent of any such revenues above $65 million. Potential earnings adjusted mechanism incentives for energy efficiency and other potential incentives of up to: Yr. 1 - $20 million Yr. 2 - $22 million Yr. 3 - $25 million In 2020 and 2021, the company recorded $3 million and $26 million of earnings adjustment mechanism incentives for energy efficiency, respectively. In 2020 and 2021, the company recorded positive incentives of $13 million and $7 million, respectively. In 2021, the company reversed $6 million of positive incentives recorded in 2020 pursuant to an order issued by the NYSPSC in December 2021.
Revenue decoupling mechanisms	Continuation of reconciliation of actual to authorized gas delivery revenues. In 2017, 2018 and 2019, the company deferred $3 million, $12 million and $10 million of regulatory liabilities, respectively.	Continuation of reconciliation of actual to authorized gas delivery revenues, modified to be calculated based upon revenue per customer class instead of revenue per customer. In 2020 and 2021, the company deferred for recovery from customers $27 million and $100 million of revenues, respectively.
Recoverable energy costs	Continuation of current rate recovery of purchased gas costs.	Continuation of current rate recovery of purchased gas costs.
Negative revenue adjustments	Potential charges if performance targets relating to service, safety and other matters are not met: Yr. 1 – $68 million Yr. 2 – $63 million Yr. 3 – $70 million In 2017 and 2018, the company recorded negative revenue adjustments of $5 million and $4 million, respectively. In 2019, the company did not record any negative revenue adjustments.	Potential charges if performance targets relating to service, safety and other matters are not met: Yr. 1 - $81 million Yr. 2 - $88 million Yr. 3 - $96 million In 2020 and 2021, the company did not record any negative revenue adjustments.
Cost reconciliations	Continuation of reconciliation of expenses for pension and other postretirement benefits, variable-rate tax-exempt debt, major storms, property taxes (e), municipal infrastructure support costs (f), the impact of new laws and environmental site investigation and remediation to amounts reflected in rates (g). In 2017, 2018 and 2019, the company deferred $2 million of net regulatory liabilities, $44 million of net regulatory assets and $18 million of net regulatory assets, respectively.	Continuation of reconciliation of expenses for pension and other postretirement benefits, variable-rate tax-exempt debt, major storms, property taxes (e), municipal infrastructure support costs (f), the impact of new laws and environmental site investigation and remediation to amounts reflected in rates (g). In 2020 and 2021, the company deferred $91 million and $14 million of net regulatory assets, respectively.
Net utility plant reconciliations	Target levels reflected in rates: Gas average net plant target excluding AMI: Yr. 1 – $5,844 million Yr. 2 – $6,512 million Yr. 3 – $7,177 million AMI: Yr. 1 – $27 million Yr. 2 – $57 million Yr. 3 – $100 million In 2017 and 2018 the company deferred $2.2 million as regulatory liabilities. In 2019, the company deferred $1.7 million as a regulatory liability.	Target levels reflected in rates: Gas average net plant target excluding AMI: Yr. 1 - $8,108 million Yr. 2 - $8,808 million Yr. 3 - $9,510 million AMI: Yr. 1 - $142 million Yr. 2 - $183 million Yr. 3 - $211 million (h) In 2020 and 2021, the company deferred $24.7 million and $26 million as a regulatory liability, respectively.

Average rate base	Yr. 1 – $4,841 million Yr. 2 – $5,395 million Yr. 3 – $6,005 million	Yr. 1 - $7,171 million Yr. 2 - $7,911 million Yr. 3 - $8,622 million
Weighted average cost of capital (after-tax)	Yr. 1 – 6.82 percent Yr. 2 – 6.80 percent Yr. 3 – 6.73 percent	Yr. 1 to Yr. 3 – 6.61 percent
Authorized return on common equity	9.0 percent	8.8 percent
Actual return on common equity (i) (j)	Yr. 1 – 9.22 percent Yr. 2 – 9.04 percent Yr. 3 – 8.72 percent	Yr. 1 – 8.40 percent Yr. 2 – 8.48 percent
Earnings sharing	Most earnings above an annual earnings threshold of 9.5 percent are to be applied to reduce regulatory assets for environmental remediation and other costs accumulated in the rate year. In 2017, 2018 and 2019, the company had no earnings above the threshold.	Most earnings above an annual earnings threshold of 9.3 percent are to be applied to reduce regulatory assets for environmental remediation and other costs accumulated in the rate year. In 2020 and 2021, the company had no earnings above the threshold.
Cost of long-term debt	Yr. 1 – 4.93 percent Yr. 2 – 4.88 percent Yr. 3 – 4.74 percent	Yr. 1 to Yr. 3 – 4.63 percent
Common equity ratio	48 percent	48 percent

(a) In January 2020, the NYSPSC approved the October 2019 Joint Proposal for CECONY's gas rate plan for January 2020 through December 2022. If at the end of any semi-annual period ending June 30 and December 31, Con Edison's investments in its non-utility businesses exceed 15 percent of its total consolidated revenues, assets or cash flow, or if the ratio of holding company debt to total consolidated debt rises above 20 percent, CECONY is required to notify the NYSPSC and submit a ring-fencing plan or a demonstration why additional ring-fencing measures (see Note U) are not necessary.
(b) The gas base rate decrease was offset by a $41 million increase resulting from the December 2016 expiration of a temporary credit under the prior rate plan.
(c) The gas base rate increases shown above will be implemented with increases of $47 million in Yr. 1; $176 million in Yr. 2; and $170 million in Yr. 3 in order to levelize customer bill impacts. Base rates reflect recovery by the company of certain costs of its energy efficiency program (Yr. 1 - $30 million; Yr. 2 - $37 million; and Yr. 3 - $40 million) over a ten-year period, including the overall pre-tax rate of return on such costs.
(d) Amounts reflect amortization of the remaining 2018 TCJA tax savings allocable to CECONY's gas customers ($63 million) over a two year period ($32 million annually), the protected portion of the regulatory liability for excess deferred income taxes allocable to CECONY's gas customers ($725 million) over the remaining lives of the related assets ($14 million in Yr. 1, $14 million in Yr. 2, and $12 million in Yr. 3) and the unprotected portion of the net regulatory liability ($107 million) over five years ($21 million annually)
(e)-(i) See footnotes (e) - (i) to the table under "CECONY Electric," above.
(j) In November 2021, the NYSPSC issued an order that allowed CECONY to recover $7 million of late payment charges and fees that were not billed for the year ended December 31, 2020. The recalculated return on equity for 2020 which reflects the recovery of these fees is 8.56 percent.

In January 2022, CECONY filed a request with the NYSPSC for a gas rate increase of $503 million, effective January 2023. The filing reflects a return on common equity of 10.0 percent and a common equity ratio of 50 percent.

The company is requesting provisions pursuant to which expenses for pension and other post-retirement benefits, long-term debt, storm restoration, property taxes, municipal infrastructure support, the impact of new laws, late payment charges, and environmental site investigation and remediation are reconciled to amounts reflected in rates. In addition, the company is proposing a reconciliation and current recovery or surcharge mechanism of uncollectible write-offs to the level in rates and a reconciliation of the impacts of inflation on operation and maintenance expenses under certain circumstances. The company is proposing the continuation of earnings opportunities from Earnings Adjustment Mechanisms for meeting energy efficiency goals. The filing also reflects continuation of the revenue decoupling mechanism and the provisions pursuant to which the company recovers its purchased power and fuel costs from customers. The filed gas revenue requirement includes additional depreciation expense of $48 million. Included in this increase is the impact of the company's proposal to decrease the service lives for the longer-lived gas accounts by five years.

The filing includes supplemental information regarding gas rate plans for 2024 and 2025, which the company is not requesting, but would consider through settlement discussions. For purposes of illustration, rate increases of $234 million and $218 million effective January 2024 and 2025, respectively, were calculated based upon an assumed return on common equity of 10.0 percent and a common equity ratio of 50 percent.

CECONY – Steam

Effective period	January 2014 – December 2016 (a)
Base rate changes	Yr. 1 – $(22.4) million (b) Yr. 2 – $19.8 million (b) Yr. 3 – $20.3 million (b) Yr. 4 – None Yr. 5 – None Yr. 6 – None Yr. 7 – None Yr. 8 – None
Amortizations to income of net regulatory (assets) and liabilities	$37 million over three years
Recoverable energy costs	Current rate recovery of purchased power and fuel costs.
Negative revenue adjustments	Potential charges (up to $1 million annually) if certain steam performance targets are not met. In years 2014 through 2021, the company did not record any negative revenue adjustments.
Cost reconciliations (c)(d)	In 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021, the company deferred $42 million of net regulatory liabilities, $17 million of net regulatory assets, $8 million and $14 million of net regulatory liabilities, $1 million of net regulatory assets, $8 million of net regulatory liabilities, $35 million of net regulatory assets and $32 million of net regulatory assets, respectively.
Net utility plant reconciliations	Target levels reflected in rates were: Production: Yr. 1 – $1,752 million Yr. 2 – $1,732 million Yr. 3 – $1,720 million Distribution: Yr. 1 – $6 million Yr. 2 – $11 million Yr. 3 – $25 million The company reduced its regulatory liability by $0.1 million in 2014 and immaterial amounts in 2015 and 2016 and no deferrals were recorded in 2017, 2018, 2019. The company reduced its regulatory liability by $1.6 million in 2020 and by $0.6 million in 2021.
Average rate base	Yr. 1 – $1,511 million Yr. 2 – $1,547 million Yr. 3 – $1,604 million
Weighted average cost of capital (after-tax)	Yr. 1 – 7.10 percent Yr. 2 – 7.13 percent Yr. 3 – 7.21 percent
Authorized return on common equity	9.3 percent
Actual return on common equity (e)	Yr. 1 – 9.82 percent Yr. 2 – 10.88 percent Yr. 3 – 10.54 percent Yr. 4 – 9.51 percent Yr. 5 – 11.73 percent Yr. 6 – 10.45 percent Yr. 7 – 7.91 percent Yr. 8 – 5.99 percent
Earnings sharing	Weather normalized earnings above an annual earnings threshold of 9.9 percent are to be applied to reduce regulatory assets for environmental remediation and other costs. In 2014, the company had no earnings above the threshold. Actual earnings were $11.5 million and $7.8 million above the threshold in 2015 and 2016, respectively. In 2017, actual earnings were $8.5 million above the threshold, offset in part by a positive adjustment related to 2016 of $4 million. In 2018, actual earnings were $16.5 million above the threshold, and an additional $1.1 million related to 2017 was recorded. In 2019 actual earnings were $5 million above the threshold, offset in part by an adjustment related to 2018 of $2.3 million. In 2020 and 2021, the company had no earnings sharing above the threshold. Reserve adjustments of $0.4 million and $0.2 million were recorded in 2021 related to potential adjustment to the excess earnings sharing amounts for 2016 and 2018, respectively.

Cost of long-term debt	Yr. 1 – 5.17 percent Yr. 2 – 5.23 percent Yr. 3 – 5.39 percent
Common equity ratio	48 percent

(a) Rates determined pursuant to this rate plan continue in effect until a new rate plan is approved by the NYSPSC.
(b) The impact of these base rate changes was deferred which resulted in an $8 million regulatory liability at December 31, 2016.
(c) Deferrals for property taxes are limited to 90 percent of the difference from amounts reflected in rates, subject to an annual maximum for the remaining difference of not more than a 10 basis point impact on return on common equity.
(d) In addition, the NYSPSC staff has commenced a focused operations audit to investigate CECONY's income tax accounting. Any NYSPSC ordered adjustment to CECONY's income tax accounting is expected to be refunded to or collected from customers, as determined by the NYSPSC. CECONY's historical inadvertent understatement of its calculation of total federal income tax expense for ratemaking purposes has not been addressed in the current steam rate plan. See "Other Regulatory Matters," below.
(e) Calculated in accordance with the earnings calculation method prescribed in the rate order.

In October 2021, O&R, the New York State Department of Public Service (NYSDPS) and other parties entered into a Joint Proposal for new electric and gas rate plans for the three-year period January 2022 through December 2024 (the Joint Proposal). The Joint Proposal is subject to NYSPSC approval. The Joint Proposal includes certain COVID-19 provisions, such as: recovery of 2020 late payment charges over three years ($2.8 million); reconciliation of late payment charges to amounts reflected in rates for years 2021 through 2024, with full recovery/refund via surcharge/sur-credit once the annual variance equals or exceeds 5 basis points of return on equity; and reconciliation of write-offs of customer accounts receivable balances to amounts reflected in rates from January 1, 2020 through December 31, 2024, with full recovery/refund via surcharge/sur-credit once the annual variance equals or exceeds 5 basis points of return on equity. The following tables contain a summary of the current and proposed rate plans.

O&R New York – Electric

Effective period (a)	January 2019 – December 2021	January 2022 – December 2024
Base rate changes	Yr. 1 – $13.4 million (b) Yr. 2 – $8.0 million (b) Yr. 3 – $5.8 million (b)	Yr. 1 – $4.9 million (i) Yr. 2 – $16.2 million (i) Yr. 3 – $23.1 million (i)
Amortizations to income of net regulatory (assets) and liabilities	Yr. 1 – $(1.5) million (c) Yr. 2 – $(1.5) million (c) Yr. 3 – $(1.5) million (c)	Yr. 1 – $11.8 million (j) Yr. 2 – $13.5 million (j) Yr. 3 – $15.2 million (j)
Other revenue sources	Potential earnings adjustment mechanism incentives for peak reduction, energy efficiency, Distributed Energy Resources utilization and other potential incentives of up to: Yr. 1 - $3.6 million Yr. 2 - $4.0 million Yr. 3 - $4.2 million Potential incentive if performance target related to customer service is met: $0.5 million annually. In 2019, 2020 and 2021, the company recorded $2.6 million, $1.9 million and $1.8 million of earnings adjustment mechanism incentives for energy efficiency, respectively. In 2019 and 2020, the company recorded $0.2 million and $0.5 million of incentives for customer service, respectively. In 2021, the company did not record incentives for customer service. In 2021, the company reversed the $0.5 million of incentives recorded in 2020 pursuant to the October 2021 Joint Proposal.	Potential earnings adjustment mechanism incentives for energy efficiency and other potential incentives of up to: Yr. 1 – $3.3 million Yr. 2 – $2.3 million Yr. 3 – $4.0 million
Revenue decoupling mechanisms	Continuation of reconciliation of actual to authorized electric delivery revenues. In 2019 and 2020, the company deferred $0.1 million and $6 million regulatory assets, respectively. In 2021, $10 million was deferred as regulatory liabilities.	Continuation of reconciliation of actual to authorized electric delivery revenues.
Recoverable energy costs	Continuation of current rate recovery of purchased power costs.	Continuation of current rate recovery of purchased power and fuel costs.
Negative revenue adjustments	Potential charges if certain performance targets relating to service, reliability and other matters are not met: Yr. 1 - $4.4 million Yr. 2 - $4.4 million Yr. 3 - $4.5 million In 2019,2020 and 2021, the company did not record any negative revenue adjustments.	Potential charges if certain performance targets relating to service, reliability, safety and other matters are not met: Yr. 1 – $4.3 million Yr. 2 – $4.4 million Yr. 3 – $5.1 million
Cost reconciliations	Reconciliation of expenses for pension and other postretirement benefits, environmental remediation costs, property taxes (d), energy efficiency program (e), major storms, the impact of new laws and certain other costs to amounts reflected in rates (f). In 2019, 2020 and 2021, the company deferred $4.3 million, $30.3 million and $24 million as net regulatory assets, respectively.	Reconciliation of expenses for pension and other postretirement benefits, environmental remediation costs, property taxes (d), energy efficiency program (k), major storms, and certain other costs to amounts reflected in rates.

Net utility plant reconciliations	Target levels reflected in rates were: Electric average net plant target excluding advanced metering infrastructure (AMI): Yr. 1 - $1,008 million Yr. 2 - $1,032 million Yr. 3 - $1,083 million AMI (g): Yr. 1 - $48 million Yr. 2 - $58 million Yr. 3 - $61 million The company increased regulatory asset by an immaterial amount in 2019, $0.4 million as a regulatory liability in 2020 and an immaterial amount as a regulatory liability in 2021.	Target levels reflected in rates: Electric average net plant target Yr. 1 – $1,175 million Yr. 2 – $1,198 million Yr. 3 – $1,304 million
Average rate base	Yr. 1 – $878 million Yr. 2 – $906 million Yr. 3 – $948 million	Yr. 1 – $1,021 million Yr. 2 – $1,044 million Yr. 3 – $1,144 million
Weighted average cost of capital (after-tax)	Yr. 1 – 6.97 percent Yr. 2 – 6.96 percent Yr. 3 – 6.96 percent	Yr. 1 – 6.77 percent Yr. 2 – 6.73 percent Yr. 3 – 6.72 percent
Authorized return on common equity	9.0 percent	9.2 percent
Actual return on common equity (h)	Yr. 1 – 9.6 percent Yr. 2 – 8.76 percent Yr. 3 – 9.16 percent	
Earnings sharing	Most earnings above an annual earnings threshold of 9.6 percent are to be applied to reduce regulatory assets for environmental remediation and other costs accumulated in the rate year. In 2019, 2020 and 2021, earnings did not exceed the earnings threshold.	Most earnings above an annual earnings threshold of 9.7 percent are to be applied to reduce regulatory assets for environmental remediation and other costs accumulated in the rate year.
Cost of long-term debt	Yr. 1 – 5.17 percent Yr. 2 – 5.14 percent Yr. 3 – 5.14 percent	Yr. 1 – 4.58 percent Yr. 2 – 4.51 percent Yr. 3 – 4.49 percent
Common equity ratio	48 percent	48 percent

(a) If at the end of any year, Con Edison's investments in its non-utility businesses exceed 15 percent of Con Edison's total consolidated revenues, assets or cash flow, or if the ratio of holding company debt to total consolidated debt rises above 20 percent, O&R is required to notify the NYSPSC and submit a ring-fencing plan or a demonstration why additional ring-fencing measures (see Note U) are not necessary.
(b) The electric base rate increases were implemented with increases of: Yr. 1 - $8.6 million; Yr. 2 - $12.1 million; and Yr. 3 - $12.2 million.
(c) Reflects amortization of, among other things, the company's net benefits under the TCJA prior to January 1, 2019, amortization of net regulatory liability for future income taxes and reduction of previously incurred regulatory assets for environmental remediation costs. Also, for electric, reflects amortization over a six year period of previously incurred incremental major storm costs. See "Other Regulatory Matters," below.
(d) Deferrals for property taxes are limited to 90 percent of the difference from amounts reflected in rates, subject to an annual maximum for the remaining difference of not more than a maximum number of basis points impact on return on common equity: Yr. 1 - 10.0 basis points; Yr. 2 - 7.5 basis points; and Yr. 3 - 5.0 basis points.
(e) Energy efficiency costs are expensed as incurred. Such costs are subject to a downward-only reconciliation over the terms of the electric and gas rate plans. The company will defer for the benefit of customers any cumulative shortfall over the terms of the electric and gas rate plans between actual expenditures and the levels provided in rates.
(f) In addition, the NYSPSC staff has commenced a focused operations audit to investigate O&R's income tax accounting. Any NYSPSC ordered adjustment to O&R's income tax accounting is expected to be refunded to or collected from customers, as determined by the NYSPSC. See "Other Regulatory Matters," below.
(g) Net plant reconciliation for AMI expenditures will be implemented for a single category of AMI capital expenditures that includes amounts allocated to both electric and gas customers.
(h) Calculated in accordance with the earnings calculation method prescribed in the rate order.
(i) The Joint Proposal recommends that these base rate changes may be implemented with increases of: Yr. 1 - $11.7 million; Yr. 2 - $11.7 million; and Yr. 3 - $11.7 million.
(j) Reflects amortization of, among other things, previously incurred incremental deferred storm costs over a five-year period. See "Other Regulatory Matters," below
(k) Energy efficiency costs are expensed as incurred. Such costs are subject to a cumulative reconciliation that is evenly distributed over the term of the rate plan subject to the caps set forth in the January 2020 NYSPSC New Efficiency New York ("NENY") order. If the NYSPSC modifies O&R's NENY budgets during the rate term, such modifications will be reflected at the time of the cumulative reconciliations.

O&R New York – Gas

Effective period (a)	January 2019 – December 2021	January 2022 – December 2024
Base rate changes	Yr. 1 – $(7.5) million (b) Yr. 2 – $3.6 million (b) Yr. 3 – $0.7 million (b)	Yr. 1 – $0.7 million (i) Yr. 2 – $7.4 million (i) Yr. 3 – $9.9 million (i)
Amortization to income of net regulatory (assets) and liabilities	Yr. 1 – $1.8 million (c) Yr. 2 – $1.8 million (c) Yr. 3 – $1.8 million (c)	Yr. 1 – $0.8 million Yr. 2 – $0.7 million Yr. 3 – $0.3 million
Other revenue sources	Continuation of retention of annual revenues from non-firm customers of up to $4.0 million, with variances to be shared 80 percent by customers and 20 percent by company. Potential earnings adjustment mechanism incentives of up to $0.3 million annually. Potential incentives if performance targets related to gas leak backlog, leak prone pipe, emergency response, damage prevention and customer service are met: Yr. 1 - $1.2 million; Yr. 2 - $1.3 million; and Yr. 3 - $1.3 million. In 2019, 2020 and 2021, the company recorded $0.5 million of earnings adjustment mechanism incentives for energy efficiency. In 2019, 2020 and 2021, the company recorded $0.7 million, $0.3 million and $0.2 million of positive incentives, respectively. In 2021, the company reversed $0.3 million of positive incentives recorded in 2020 pursuant to the October 2021 Joint Proposal.	Potential earnings adjustment mechanism incentives for energy efficiency and other potential incentives of up to: Yr. 1 - $0.2 million Yr. 2 - $0.2 million Yr. 3 - $0.4 million Potential positive rate adjustment for gas safety and performance of up to: Yr. 1 – $1.2 million Yr. 2 – $1.3 million Yr. 3 – $1.4 million
Revenue decoupling mechanisms	Continuation of reconciliation of actual to authorized gas delivery revenues. In 2019 and 2020, the company deferred $0.8 million and $0.5 million as regulatory assets, respectively. In 2021, $4 million was deferred as a regulatory liability.	Continuation of reconciliation of actual to authorized gas delivery revenues.
Recoverable energy costs	Continuation of current rate recovery of purchased gas costs.	Continuation of current rate recovery of purchased gas costs.
Negative revenue adjustments	Potential charges if performance targets relating to service, safety and other matters are not met: Yr. 1 - $5.5 million; Yr. 2 - $5.7 million; and Yr. 3 - $6.0 million. In 2019, the company recorded a $0.2 million. In 2020 and 2021, the company recorded an immaterial amount of negative revenue adjustments.	Potential charges if performance targets relating to service, safety and other matters are not met: Yr. 1 – $6.3 million Yr. 2 – $6.7 million Yr. 3 – $7.3 million
Cost reconciliations	Reconciliation of expenses for pension and other postretirement benefits, environmental remediation costs, property taxes (d), energy efficiency program (e), the impact of new laws and certain other costs to amounts reflected in rates (f). In 2019 and 2020, the company deferred $6 million as net regulatory liabilities, $1.8 million as net regulatory assets, respectively. In 2021 $8 million were deferred as regulatory assets.	Reconciliation of expenses for pension and other postretirement benefits, environmental remediation costs, property taxes (j), energy efficiency program (k), major storms and certain other costs to amounts reflected in rates.
Net utility plant reconciliations	Target levels reflected in rates were: Gas average net plant target excluding AMI: Yr. 1 - $593 million Yr. 2 - $611 million Yr. 3 - $632 million AMI (g): Yr. 1 - $20 million Yr. 2 - $24 million Yr. 3 - $25 million In 2019, 2020 and 2021, the company deferred immaterial amounts as regulatory assets.	Target levels reflected in rates: Gas average net plant target Yr. 1 – $720 million Yr. 2 – $761 million Yr. 3 – $803 million
Average rate base	Yr. 1 – $454 million Yr. 2 – $476 million Yr. 3 – $498 million	Yr. 1 – $566 million Yr. 2 – $607 million Yr. 3 – $649 million

Weighted average cost of capital (after-tax)	Yr. 1 – 6.97 percent Yr. 2 – 6.96 percent Yr. 3 – 6.96 percent	Yr. 1 – 6.77 percent Yr. 2 – 6.73 percent Yr. 3 – 6.72 percent
Authorized return on common equity	9.0 percent	9.2 percent
Actual return on common equity (h)	Yr. 1 – 8.90 percent Yr. 2 – 9.58 percent Yr. 3 – 10.11 percent	
Earnings sharing	Most earnings above an annual earnings threshold of 9.6 percent are to be applied to reduce regulatory assets for environmental remediation and other costs accumulated in the rate year. In 2019 and 2020, earnings did not exceed the earnings threshold. In 2021, actual earnings were $1.7 million above the threshold.	Most earnings above an annual earnings threshold of 9.7 percent are to be applied to reduce regulatory assets for environmental remediation and other costs accumulated in the rate year.
Cost of long-term debt	Yr. 1 – 5.17 percent Yr. 2 – 5.14 percent Yr. 3 – 5.14 percent	Yr. 1 – 4.58 percent Yr. 2 – 4.51 percent Yr. 3 – 4.49 percent
Common equity ratio	0.48	48 percent

(a) If at the end of any year, Con Edison’s investments in its non-utility businesses exceed 15 percent of Con Edison’s total consolidated revenues, assets or cash flow, or if the ratio of holding company debt to total consolidated debt rises above 20 percent, O&R is required to notify the NYSPSC and submit a ring-fencing plan or a demonstration why additional ring-fencing measures (see Note U) are not necessary.
(b) The gas base rate changes were implemented with changes of: Yr. 1 - $(5.9) million; Yr. 2 - $1.0 million; and Yr. 3 - $1.0 million.
(c)-(h) See footnotes (c) - (h) to the table under “O&R New York - Electric,” above.
(i) The Joint Proposal recommends that these base rate changes may be implemented with increases of: Yr. 1 – $4.4 million; Yr. 2 - $4.4 million; and Yr. 3 - $4.4 million.
(j) Deferrals for property taxes are limited to 90 percent of the difference from amounts reflected in rates, subject to an annual maximum for the remaining difference of not more than a maximum number of basis points impact on return on common equity: Yr. 1 - 10.0 basis points; Yr. 2 - 7.5 basis points; and Yr. 3 - 5.0 basis points.
(k) See footnote (l) to the table under "O&R New York - Electric," above.

Rockland Electric Company (RECO)
In December 2021, the NJBPU approved an electric rate increase, effective January 1, 2022, of $9.65 million for RECO. The following table contains a summary of the terms of the distribution rate plans.

RECO			
Effective period	March 2017 – January 2020	February 2020 – December 2021	January 2022
Base rate changes	$1.7 million	$12 million	$9.65 million
Amortization to income of net regulatory (assets) and liabilities	$0.2 million over three years and continuation of $(25.6) million of deferred storm costs over four years which expired on July 31, 2018 (a)	$4.8 million over four years.	$0.2 million over three years and $9.2 million of deferred storm costs over a three-year period (excluding $2.4 million of costs for Tropical Storm Henri which will be deferred over a three year period in base rates) and continuation of $10 million over 3 years
COVID-19 costs			Recovery of RECO's COVID-19 related expenditures will be addressed in a separate petition
Recoverable energy costs	Current rate recovery of purchased power costs.	Current rate recovery of purchased power costs.	Current rate recovery of purchased power costs.
Cost reconciliations	None	None	Reconciliation of uncollectible accounts, Demand Side Management and Clean Energy Program.
Average rate base	$178.7 million	$229.9 million	$262.8 million
Weighted average cost of capital (after-tax)	7.47 percent	7.11 percent	7.08 percent
Authorized return on common equity	9.6 percent	9.5 percent	9.6 percent
Actual return on common equity	Yr. 1 – 7.5 percent Yr. 2 – 5.7 percent	Yr. 1 – 5.4 percent Yr. 2 – 2.3 percent	
Cost of long-term debt	5.37 percent	4.88 percent	4.74 percent
Common equity ratio	49.7 percent	48.32 percent	48.51 percent

(a) In January 2016, the NJBPU approved RECO's plan to spend $15.7 million in capital over three years to harden its electric system against storms, the costs of which RECO, beginning in 2017, is collecting through a customer surcharge.

In January 2022, RECO filed a request with FERC for an increase to its annual transmission revenue requirement from $16.9 million to $20.4 million, effective March 30, 2022. The filing reflects a return on common equity of 11.04 percent and a common equity ratio of 47 percent.

COVID - 19 Regulatory Matters
Governors, public utility commissions and other regulatory agencies in the states in which the Utilities operate have issued orders related to the COVID-19 pandemic that impact the Utilities as described below.

New York State Regulation
In March 2020, former New York State Governor Cuomo declared a State Disaster Emergency for the State of New York due to the COVID-19 pandemic and signed the "New York State on PAUSE" executive order that temporarily closed all non-essential businesses statewide. The former Governor then lifted these closures over time and ended the emergency declaration in June 2021. As a result of the emergency declaration, and due to economic conditions, the NYSPSC and the Utilities have worked to mitigate the potential impact of the COVID-19 pandemic on the Utilities, their customers and other stakeholders.

In March 2020, the Utilities began suspending service disconnections, certain collection notices, final bill collection agency activity, new late payment charges and certain other fees for all customers. The Utilities also began providing payment extensions for all customers that were scheduled to be disconnected prior to the start of the COVID-19 pandemic. In June 2020, the state of NY enacted a law prohibiting NY utilities, including CECONY and O&R, from disconnecting residential customers, and starting in May 2021 small business customers, during the COVID-19 state of emergency, which ended in June 2021. In addition, such prohibitions applied for an additional 180 days after the state of emergency ended (December 21, 2021) for residential and small business customers who experienced a change in financial circumstances due to the COVID-19 pandemic. In November 2021, the NYSPSC issued an order establishing a surcharge recovery mechanism for CECONY to collect, commencing December 1, 2021 through December 31, 2022, $43 million and $7 million for electric and gas, respectively, of late payment charges and fees that were not billed for the year ended December 31, 2020. The company recorded such amounts as revenue for the year ended December 31, 2021, as permitted under the accounting rules for regulated utilities, and also accrued such amounts as a current asset at December 31, 2021. Pursuant to the November 2021 order, the company also established a recovery mechanism for CECONY to collect, commencing January 2023 through December 2023, $19 million and $4 million for electric and gas, respectively, of late payment charges and fees that were not billed for the year ended December 31, 2021 and the company recorded such amounts as revenue for the year ended December 31, 2021, as permitted under the accounting rules for regulated utilities, and also accrued such amounts as a current asset at December 31, 2021. In addition, pursuant to the November 2021 order, CECONY established a reserve of $7 million toward addressing customer arrearages for the year ended December 31, 2021. The order also established a surcharge recovery or surcredit mechanism for any late payment charges and fee deferrals, subject to offsetting related savings resulting from the COVID-19 pandemic, for 2022 starting in January of 2024 over a twelve-month period. CECONY resumed late payment charges for commercial and residential customers who have not experienced a change in financial circumstances due to the COVID-19 pandemic on September 3, 2021 and October 1, 2021, respectively. O&R resumed late payment charges for commercial and residential customers who have not experienced a change in financial circumstances due to the COVID-19 pandemic on October 1, 2021.

The Utilities' New York rate plans allow them to defer costs resulting from a change in legislation, regulation and related actions that have taken effect during the term of the rate plans once the costs exceed a specified threshold. The total reserve increases to the allowance for uncollectible accounts from January 1, 2020 through December 31, 2021 reflecting the impact of the COVID-19 pandemic for CECONY electric and gas operations and O&R electric and gas operations were $239 million and $7 million, respectively, and were deferred pursuant to the legislative, regulatory and related actions provisions of the rate plans as a result of the New York State on PAUSE and related executive orders, that have since been lifted, as described above. The Utilities' NY rate plans also provide for an allowance for write-offs of customer accounts receivable balances. The above amounts deferred pursuant to the legislative, regulatory and related actions provisions were reduced by the amount that the actual write-offs of customer accounts receivable balances were below the allowance reflected in rates which differences were $8 million and $3 million for CECONY and O&R, respectively, from March 1, 2020 through December 31, 2021.

In June 2020, the NYSPSC directed CECONY to implement a summer cooling credit program to help mitigate the cost of staying home and operating air conditioning for health-vulnerable low-income customers due to the limited availability of public cooling facilities as a result of the COVID-19 social distancing measures. The $63.4 million cost of the program is being recovered over a five-year period that began January 2021.

As of December 31, 2020, CECONY deferred, for New York City residential customers, $54.9 million of higher summer generation capacity supply costs. CECONY recovered such costs from customers as of October 31, 2021.

In April 2021, New York State passed a law that creates a program that allows eligible residential renters in New York State who require assistance with rent and utility bills to have up to twelve months of electric and gas utility bill arrears forgiven, provided that such arrears were accrued on or after March 13, 2020. The program will be administered by the State Office of Temporary Disability Assistance in coordination with the NYSDPS. Under the program, CECONY and O&R would qualify for a refundable tax credit for New York State gross-receipts tax equal to the amount of arrears waived by the Utilities in the year that the arrears are waived and certified by the NYSPSC.
In May 2021, CECONY and O&R, along with other large NY utilities, submitted joint comments to the NYSDPS' February 2021 report on New York State's Energy Affordability Policy. The report recommends, among other things, that residential and commercial customers' late payment fees and interest on deferred payment agreements be waived until two years after the expiration of the NY State moratorium on utility terminations (the moratorium expired on December 21, 2021) and each utility develop an arrears management program to mitigate the financial burdens of the COVID-19 pandemic on NY households and that program costs be shared, perhaps equally, between shareholders and customers. The May 2021 joint comments stated that it is not necessary for the NYSPSC to adopt

the report's COVID-19 related recommendations because NY State already passed laws that address the issues in the report, as described above.

The Utilities' rate plans have revenue decoupling mechanisms in their NY electric and gas businesses that largely reconcile actual energy delivery revenues to the authorized delivery revenues approved by the NYSPSC per month and reconcile the deferred balances semi-annually under CECONY's electric rate plan (January through June and July through December, respectively) and annually under CECONY's gas rate plan and O&R's NY electric and gas rate plans (January through December). Differences are accrued with interest each month for CECONY's and O&R's NY electric customers and after the annual deferral period ends for CECONY's and O&R's NY gas customers for refund to, or recovery from customers, as applicable. Generally, the refund to or recovery from customers begins August and February of each year over an ensuing six-month period for CECONY's electric customers and February of each year over an ensuing twelve-month period for CECONY's gas and O&R's NY electric and gas customers.

New Jersey State Regulation
In March 2020, New Jersey Governor Murphy declared a Public Health Emergency and State of Emergency for the State of NJ. In June 2021, the Governor ended the emergency declaration. As a result of the emergency declaration, and due to economic conditions, the NJBPU and RECO have worked to mitigate the potential impact of the COVID-19 pandemic on RECO, its customers and other stakeholders. In March 2020, RECO began suspending late payment charges, terminations for non-payment, and no access fees during the COVID-19 pandemic. The suspension of these fees continued through July 31, 2021 and are not material.

In July 2020, the NJBPU authorized RECO and other NJ utilities to create a COVID-19-related regulatory asset by deferring prudently incurred incremental costs related to the COVID-19 pandemic beginning on March 9, 2020, and has extended such deferrals through December 31, 2022. RECO deferred net incremental COVID-19 related costs of $0.9 million through December 31, 2021.

Other Regulatory Matters
In August 2018, the NYSPSC ordered CECONY to begin on January 1, 2019 to credit the company's electric and gas customers, and to begin on October 1, 2018 to credit its steam customers, with the net benefits of the federal Tax Cuts and Jobs Act of 2017 (TCJA) as measured based on amounts reflected in its rate plans prior to the enactment of the TCJA in December 2017. The net benefits include the revenue requirement impact of the reduction in the corporate federal income tax rate to 21 percent, the elimination for utilities of bonus depreciation and the amortization of excess deferred federal income taxes.

CECONY, under its electric rate plan that was approved in January 2020, is amortizing its TCJA net benefits prior to January 1, 2019 allocable to its electric customers ($377 million) over a three-year period, the IRS "protected" portion of its net regulatory liability for future income taxes related to certain accelerated tax depreciation benefits allocable to its electric customers ($1,663 million) over the remaining lives of the related assets and the remainder, or "unprotected" portion of the net regulatory liability allocable to its electric customers ($784 million) over a five-year period. CECONY, under its gas rate plan that was approved in January 2020, amortized TCJA net benefits prior to January 1, 2019 allocable to its gas customers ($63 million) over a two-year period. The protected portion of its net regulatory liability for future income taxes allocable to its gas customers ($725 million) is being amortized over the remaining lives of the related assets and the unprotected portion of the net regulatory liability allocable to its gas customers ($107 million) over a five-year period.

CECONY's net regulatory liability for future income taxes, including both the protected and unprotected portions, allocable to the company's steam customers ($185 million) is being amortized over the remaining lives of the related assets (with the amortization period for the unprotected portion subject to review in its next steam rate proceeding).

O&R, under its current electric and gas rate plans, has reflected its TCJA net benefits in its electric and gas rates beginning as of January 1, 2019. Under the rate plans, O&R amortized its net benefits prior to January 1, 2019 ($22 million) over a three-year period. The protected portion of its net regulatory liability for future income taxes ($123 million) is being amortized over the remaining lives of the related assets. See "Rate Plans" above. Pursuant to the October 2021 Joint Proposal, O&R will amortize the remaining unprotected portion of its net regulatory liability for future income taxes ($34 million) over a six-year period beginning January 1, 2022.

In January 2018, the NYSPSC issued an order initiating a focused operations audit of the Utilities' financial accounting for income taxes. The audit is investigating the Utilities' inadvertent understatement of a portion, the amount of which may be material, of their calculation of total federal income tax expense for ratemaking purposes. The understatement was related to the calculation of plant retirement-related cost of removal. As a result of such

understatement, the Utilities accumulated significant income tax regulatory assets that were not reflected in O&R's rate plans prior to 2014, CECONY's electric and gas rate plans prior to 2015 and 2016, respectively, and is currently not reflected in CECONY's steam rate plan. This understatement of historical income tax expense materially reduced the amount of revenue collected from the Utilities' customers in the past. As part of the audit, the Utilities plan to pursue a private letter ruling from the Internal Revenue Service (IRS) that is expected to confirm, among other things, that in order to comply with IRS normalization rules, such understatement may not be corrected through a write-down of a portion of the regulatory asset and must be corrected through an increase in future years' revenue requirements. The regulatory asset ($1,176 million and $26 million for CECONY and O&R, respectively, as of December 31, 2021 and $1,200 million and $29 million for CECONY and O&R, respectively, as of December 31, 2020) is netted against the future income tax regulatory liability on the Companies' consolidated balance sheet. The Utilities are unable to estimate the amount or range of their possible loss, if any, related to this matter. At December 31, 2021, the Utilities have not accrued a liability related to this matter.

In October 2020, the NYSPSC issued an order instituting a proceeding to consider requiring NY's large, investor-owned utilities, including CECONY and O&R, to annually disclose what risks climate change poses to their companies, investors and customers going forward. The order notes that some holding companies, including Con Edison, already disclose climate change risks at the holding company level, but states that the NYSPSC believes that climate-related risk disclosures should be issued specific to the operating companies in NY, such as CECONY and O&R, and that such climate-related risk disclosures should be included annually with the utilities' financial reports. In December 2020, CECONY and O&R, along with other large NY utilities, filed comments supporting climate change risk disclosures in annual reports filed with the NYSPSC and recommended the use of an industry-specific template.

In May 2020, the president of the United States issued the "Securing the United States Bulk-Power System" executive order, which has since expired. The executive order declared threats to the bulk-power system by foreign adversaries constitute a national emergency and prohibits the acquisition, importation, transfer or installation of certain bulk-power system electric equipment that is sourced from foreign adversaries. In April 2021 and November 2021, the Department of Energy (DOE) issued requests for information to: (1) assist the DOE in developing additional orders and/or regulations to secure the United States' critical electric infrastructure and (2) enable the DOE to perform an energy sector supply chain review. In September 2021, the Cybersecurity and Infrastructure Security Agency and the National Institute of Standards and Technology issued preliminary cybersecurity goals for critical infrastructure control systems, with final goals to be issued by September 2022. The Companies are unable to predict the impact on them of any orders or regulations that may be adopted regarding critical infrastructure.

In July 2021, the NYSPSC approved a settlement agreement among CECONY, O&R and the NYSDPS that fully resolves all issues and allegations that have been raised or could have been raised by the NYSPSC against CECONY and O&R with respect to: (1) the July 2018 rupture of a CECONY steam main located on Fifth Avenue and 21st Street in Manhattan (the "2018 Steam Incident"); (2) the July 2019 electric service interruptions to approximately 72,000 CECONY customers on the west side of Manhattan and to approximately 30,000 CECONY customers primarily in the Flatbush area of Brooklyn (the "2019 Manhattan and Brooklyn Outages"); (3) the August 2020 electric service interruptions to approximately 330,000 CECONY customers and approximately 200,000 O&R customers following Tropical Storm Isaias (the "Tropical Storm Isaias Outages") and (4) the August 2020 electric service interruptions to approximately 190,000 customers resulting from faults at CECONY's Rainey substation following Tropical Storm Isaias (the "Rainey Outages"). Pursuant to the settlement agreement, CECONY and O&R agreed to a total settlement amount of $75.1 million and $7.0 million, respectively. CECONY and O&R agreed to forgo recovery from customers of $25 million and $2.5 million, respectively, associated with the return on existing storm hardening assets beginning with the next rate plan for each utility (over a period of 35 years). CECONY and O&R also agreed to incur ongoing operations and maintenance costs of up to $15.8 million and $2.9 million, respectively, for, among other things, costs to maintain a certain level of contractor and vehicle storm emergency support and storm preparation audits. For CECONY, the settlement agreement includes previously incurred or accrued costs of $34.3 million, including negative revenue adjustments of $5 million for the Rainey Outages and $15 million for the 2019 Manhattan and Brooklyn Outages and $14.3 million in costs to reimburse customers for food and medicine spoilage and other previously incurred expenses related to Tropical Storm Isaias and the 2018 Steam Incident. For O&R, the settlement agreement includes previously incurred costs of $1.6 million to reimburse customers for food and medicine spoilage and other expenses related to the Tropical Storm Isaias Outages.

Additional information relating to the 2018 Steam Incident, 2019 Manhattan and Brooklyn Outages and Tropical Storm Isaias Outages follow.

2018 Steam Incident: In July 2018, the NYSPSC commenced an investigation into the rupture of a CECONY steam main located on Fifth Avenue and 21st Street in Manhattan. Debris from the incident included dirt and mud containing asbestos. The response to the incident required the closing of buildings and streets for various periods.

As of June 30, 2021, with respect to the incident, the company incurred operating costs of $17 million for property damage, clean-up and other response costs and invested $9 million in capital and retirement costs. During the second quarter of 2020, the company accrued a $3 million liability related to this matter. As described above, in July 2021, CECONY entered into a settlement agreement that fully resolves all issues and allegations with respect to this matter.

2019 Manhattan and Brooklyn Outages: In July 2019, electric service was interrupted to approximately 72,000 CECONY customers on the west side of Manhattan. Also in July 2019, electric service was interrupted to approximately 30,000 CECONY customers primarily in the Flatbush area of Brooklyn. In November 2020, the NYSPSC issued an order in its proceedings investigating these July 2019 power outages ordering CECONY to show cause why the NYSPSC should not commence a review of the prudency of CECONY's actions and/or omissions prior to, during, and after the July 2019 outages in Manhattan and Brooklyn, and pursue civil or administrative penalties in the amount of up to $24.8 million for CECONY's alleged failure to comply with certain requirements. The order further indicated that should the NYSPSC confirm some or all of the apparent violations identified in the order or other orders issued by the NYSPSC in the future in connection with this proceeding, and should such confirmed violations be classified as findings of repeated violations of the Public Service Law or rules or regulations adopted pursuant thereto that demonstrate a failure of CECONY to continue to provide safe and adequate service, the NYSPSC would be authorized to commence a proceeding under Public Service Law Section 68(2) to revoke or modify CECONY's certificate as it relates to its service territory or any portion thereof.

In December 2020, CECONY filed a response to the NYSPSC order demonstrating why the NYSPSC should not commence a penalty or prudence action against CECONY. CECONY stated that the NYSPSC order misapplied Section 25-a of the Public Service Law by ignoring the reasonable compliance standard under the statute and instead, was imposing a strict liability standard. For both outages, CECONY presented evidence that it either had complied or reasonably complied with NYSPSC requirements. With respect to the Manhattan outage, CECONY stated that a prudency proceeding was not justified because CECONY's actions with respect to the Manhattan outage were reasonable based on the information the company had at the time. With respect to the Brooklyn outage, the company stated that the order failed to allege that improper company actions caused the outage. During 2019, CECONY recorded negative revenue adjustments associated with reliability performance provisions of $15 million in aggregate primarily related to these outages. As described above, in July 2021, CECONY entered into a settlement agreement that fully resolves all issues and allegations with respect to this matter.

Tropical Storm Isaias Outages: In August 2020, Tropical Storm Isaias caused significant damage to the Utilities' electric distribution systems and interrupted service to approximately 330,000 CECONY electric customers and approximately 200,000 O&R electric customers. As of December 31, 2021, CECONY incurred costs for Tropical Storm Isaias of $174 million (including $84 million of operation and maintenance expenses charged against a storm reserve pursuant to its electric rate plan, $64 million of capital investments and $26 million (including $7.5 million for food and medicine spoilage claims) of operation and maintenance expenses). As of December 31, 2021, O&R incurred costs for Tropical Storm Isaias of $26.5 million (including $19.2 million of operation and maintenance expenses charged against a storm reserve pursuant to its NY electric rate plan, $5.7 million of capital investments and $1.6 million for food and medicine spoilage claims). As of December 31, 2021, RECO incurred costs for Tropical Storm Isaias of $11.4 million (including $7.6 million of operation and maintenance expenses charged against a storm reserve pursuant to its rate plan, $2.5 million of capital investments and $1.3 million for food and medicine spoilage claims). The Utilities' electric rate plans provide for recovery of operating costs and capital investments under different provisions. The Utilities' incremental operating costs attributable to storms are to be deferred for recovery as a regulatory asset under their electric rate plans, while capital investments, up to specified levels, are reflected in rates under their electric rate plans. The provisions of the Utilities' NY electric rate plans that impose negative revenue adjustments for operating performance provide for exceptions for major storms and catastrophic events beyond the control of the companies, including natural disasters such as hurricanes and floods.

In November 2020, the NYSPSC issued an order in its proceedings investigating the NY utilities' preparation for and response to Tropical Storm Isaias that ordered the Utilities to show cause why (i) civil penalties or appropriate injunctive relief should not be imposed against CECONY (in the amount of up to $102.3 million relating to 33 alleged violations) and against O&R (in the amount of up to $19 million relating to 38 alleged violations) to remedy such noncompliance, and (ii) a prudence proceeding should not be commenced against the Utilities for potentially imprudent expenditures of ratepayer funds related to the matter. The order stated that given the continuing nature of the investigation of this matter by the NYSDPS, the NYSPSC may amend the order to include any subsequently determined apparent violations identified by the NYSDPS. In addition, the order indicated that should the NYSPSC confirm some or all of the apparent violations identified in the order or other orders issued by the NYSPSC in the future in connection with this proceeding, and should such respective confirmed violations be classified as findings of repeated violations of the Public Service Law or rules or regulations adopted pursuant thereto that demonstrate a failure of CECONY and/or O&R to continue to provide safe and adequate service, the NYSPSC would be

authorized to commence a proceeding under Public Service Law Section 68(2) to revoke or modify CECONY's and/or O&R's certificate as it relates to its service territory or any portion thereof.

In December 2020, CECONY and O&R filed responses to the NYSPSC order demonstrating why the NYSPSC should not commence penalty or prudence actions against them. The Utilities stated that the NYSPSC orders misapplied Section 25-a of the Public Service Law by ignoring the reasonable compliance standard under the statute and instead, was imposing a strict liability standard. CECONY and O&R also presented evidence that the order either misrepresented the applicable requirements or ignored that the Utilities were acting pursuant to practices approved by the NYSPSC. Finally, CECONY and O&R stated that there was no basis to commence a prudence proceeding because the Utilities acted reasonably based on the information available and the circumstances at the time. As described above, in July 2021, CECONY and O&R entered into a settlement agreement that fully resolves all issues and allegations with respect to this matter.

Regulatory Assets and Liabilities

Regulatory assets and liabilities at December 31, 2021 and 2020 were comprised of the following items:

	Con Edison		CECONY	
(Millions of Dollars)	2021	2020	2021	2020
Regulatory assets				
Unrecognized pension and other postretirement costs	$128	$3,241	$110	$3,065
Environmental remediation costs	938	865	860	791
Pension and other postretirement benefits deferrals	496	315	435	272
Revenue taxes	395	356	378	342
System peak reduction and energy efficiency programs	285	124	284	124
COVID - 19 Deferrals	282	115	277	113
Deferred storm costs	276	195	158	83
Property tax reconciliation	202	241	202	239
MTA power reliability deferral	140	188	140	188
Deferred derivative losses	51	120	45	111
Municipal infrastructure support costs	44	62	44	62
Brooklyn Queens demand management program	36	36	36	36
Meadowlands heater odorization project	29	32	29	32
Non-wire alternative projects	23	18	23	18
Preferred stock redemption	20	21	20	21
Unamortized loss on reacquired debt	16	21	14	19
Recoverable REV demonstration project costs	16	20	15	18
Gate station upgrade project	14	25	14	25
Other	248	200	232	186
Regulatory assets – noncurrent	3,639	6,195	3,316	5,745
Deferred derivative losses	141	190	133	177
Recoverable energy costs	65	76	55	67
Regulatory assets – current	206	266	188	244
Total Regulatory Assets	$3,845	$6,461	$3,504	$5,989
Regulatory liabilities				
Future income tax*	$1,984	$2,207	$1,840	$2,062
Allowance for cost of removal less salvage	1,199	1,090	1,033	932
Net unbilled revenue deferrals	209	198	209	198
TCJA net benefits	125	295	123	286
Net proceeds from sale of property	103	137	103	137
Pension and other postretirement benefit deferrals	102	85	55	46
System benefit charge carrying charge	70	64	63	57
Deferred derivative gains - long term	61	5	55	4
Property tax refunds	35	36	35	35
Unrecognized other postretirement costs	32	11	—	—
BQDM and REV Demo reconciliations	25	27	22	25
Sales and use tax refunds	17	16	16	16
Energy efficiency portfolio standard unencumbered funds	15	1	19	—
Earnings sharing - electric, gas and steam	13	15	10	10
Settlement of gas proceedings	12	21	12	21
Workers' compensation	8	3	8	3
Settlement of prudence proceeding	6	5	6	5
Other	365	297	312	257
Regulatory liabilities – noncurrent	4,381	4,513	3,921	4,094
Refundable energy costs	32	28	2	4
Deferred derivative gains	142	8	132	7
Revenue decoupling mechanism	11	—	—	—
Regulatory liabilities—current	185	36	134	11
Total Regulatory Liabilities	$4,566	$4,549	$4,055	$4,105

* See "Federal Income Tax" in Note A, "Other Regulatory Matters," above, and Note L.

Unrecognized pension and other postretirement costs represent the net regulatory asset associated with the accounting rules for retirement benefits. See Note A.

MTA power reliability deferral represents CECONY's costs in excess of those reflected in its prior electric rate plan to take certain actions relating to the electrical equipment that serves the Metropolitan Transportation Authority (MTA) subway system. The company is recovering this regulatory asset pursuant to its current electric rate plan. See footnote (d) to the CECONY - Electric table under "Rate Plans," above.

Deferred storm costs represent response and restoration costs, other than capital investments, in connection with Tropical Storm Isaias and other major storms that were deferred by the Utilities.

Settlement of prudence proceeding represents the remaining amount to be credited to customers pursuant to a Joint Proposal, approved by the NYSPSC in April 2016, with respect to the prudence of certain CECONY expenditures and related matters.

Settlement of gas proceedings represents the amount to be credited to customers pursuant to a settlement agreement approved by the NYSPSC in February 2017 related to CECONY's practices of qualifying persons to perform plastic fusions on gas facilities and alleged violations of gas safety violations identified by the NYSPSC staff in its investigation of a March 2014 Manhattan explosion and fire (see Note H).

COVID - 19 Deferrals represents both the amount to be collected from customers related to the Emergency Summer Cooling Credits program for CECONY and amounts related to the increase in the allowance for uncollectible accounts resulting from the COVID-19 pandemic and New York on PAUSE and related executive orders, for electric and gas operations for CECONY and electric operations for O&R.

Property tax reconciliation represents the amount deferred between actual property taxes incurred and the level included in rates subject to the provisions of the respective rate plans.

System Peak Reduction and Energy Efficiency Programs represent programs designed to increase energy efficiency achievements through a combination of responding to locational needs, bundling offerings, leveraging market-based approaches through market solicitations, time-variant pricing and other market transformation efforts.

Allowance for cost of removal less salvage represents cash previously collected from customers to fund future anticipated removal expenditures

The NYSPSC has authorized CECONY to accrue unbilled electric, gas and steam revenues. CECONY has deferred the net margin on the unbilled revenues for the future benefit of customers by recording a regulatory liability of $209 million and $198 million at December 31, 2021 and 2020, respectively, for the difference between the unbilled revenues and energy cost liabilities.

In general, the Utilities receive or are being credited with a return at the Other Customer-Provided Capital rate for regulatory assets that have not been included in rate base, and receive or are being credited with a return at the pre-tax weighted average cost of capital once the asset is included in rate base. Similarly, the Utilities pay to or credit customers with a return at the Other Customer-Provided Capital rate for regulatory liabilities that have not been included in rate base, and pay to or credit customers with a return at the pre-tax weighted average cost of capital once the liability is included in rate base. The Other Customer-Provided Capital rate for the years ended December 31, 2021 and 2020 was 1.80 percent and 2.65 percent, respectively.

In general, the Utilities are receiving or being credited with a return on their regulatory assets for which a cash outflow has been made ($1,962 million and $1,639 million for Con Edison, and $1,751 million and $1,454 million for CECONY at December 31, 2021 and 2020, respectively). Regulatory assets of RECO for which a cash outflow has been made ($25 million and $31 million at December 31, 2021 and 2020, respectively) are not receiving or being credited with a return. RECO recovers regulatory assets over a period of up to four years or until they are addressed in its next base rate case in accordance with the rate provisions approved by the New Jersey Board of Public Utilities. Regulatory liabilities are treated in a consistent manner.

Regulatory assets that represent future financial obligations and were deferred in accordance with the Utilities' rate plans or orders issued by state regulators do not earn a return until such time as a cash outlay has been made. Regulatory liabilities are treated in a consistent manner. At December 31, 2021 and 2020, regulatory assets for Con Edison and CECONY that did not earn a return consisted of the following items:

Regulatory Assets Not Earning a Return*

	Con Edison		CECONY	
(Millions of Dollars)	2021	2020	2021	2020
Unrecognized pension and other postretirement costs	$128	$3,241	$110	$3,065
Environmental remediation costs	928	855	850	781
Revenue taxes	375	336	359	323
Deferred derivative losses - long term	51	120	45	111
COVID-19 Deferral for Uncollectible Accounts Receivable	236	57	231	55
Other	24	24	24	24
Deferred derivative losses - current	141	190	134	177
Total	$1,883	$4,823	$1,753	$4,536

*This table presents regulatory assets not earning a return for which no cash outlay has been made.

The recovery periods for regulatory assets for which a cash outflow has not been made and that do not earn a return have not yet been determined, except as noted below, and are expected to be determined pursuant to the Utilities' future rate plans to be filed or orders issued by the state regulators in connection therewith.

The Utilities recover unrecognized pension and other postretirement costs over 10 years, and the portion of investment gains or losses recognized in expense over 15 years, pursuant to NYSPSC policy.

The deferral for revenue taxes represents the New York State metropolitan transportation business tax surcharge on the cumulative temporary differences between the book and tax basis of assets and liabilities of the Utilities, as well as the difference between taxes collected and paid by the Utilities to fund mass transportation. The Utilities recover the majority of the revenue taxes over the remaining book lives of the electric and gas plant assets, as well as the steam plant assets for CECONY.

The Utilities recover deferred derivative losses – current within one year, and noncurrent generally within three years.

Note C – Capitalization

Common Stock

Con Edison is authorized to issue 500,000,000 shares of its common stock and CECONY is authorized to issue 340,000,000 of its common stock. At December 31, 2021 and 2020, 353,983,712 and 342,297,534 shares, respectively, of Con Edison common stock were outstanding. At December 31, 2021 and 2020, 235,488,094 million shares of CECONY common stock were outstanding, all of which were owned by Con Edison. At December 31, 2021 and 2020, Con Edison had 23,210,700 treasury shares, including 21,976,200 shares of Con Edison stock that CECONY purchased prior to 2001 in connection with Con Edison's stock repurchase plan. CECONY presents in the financial statements the cost of the Con Edison stock it owns as a reduction of common shareholder's equity.

In June 2021, Con Edison issued 10,100,000 shares of its common stock resulting in net proceeds of approximately $775 million, after issuance expenses.

Capitalization of Con Edison

Con Edison's capitalization shown on its Consolidated Statement of Capitalization includes its outstanding common stock and long-term debt and the outstanding long-term debt of the Utilities and the Clean Energy Businesses.

Dividends

In accordance with NYSPSC requirements, the dividends that the Utilities generally pay are limited to not more than 100 percent of their respective income available for dividends calculated on a two–year rolling average basis. See Note U. Excluded from the calculation of "income available for dividends" are non-cash charges to income resulting from accounting changes or charges to income resulting from significant unanticipated events. The restriction also does not apply to dividends paid in order to transfer to Con Edison proceeds from major transactions, such as asset sales, or to dividends reducing each utility subsidiary's equity ratio to a level appropriate to its business risk.

Long-term Debt

Long-term debt maturing in the period 2022-2026 is as follows:

(Millions of Dollars)	Con Edison	CECONY
2022	$440	$—
2023	969	—
2024	393	250
2025	319	—
2026	385	250

CECONY has issued $450 million of tax-exempt debt through the New York State Energy Research and Development Authority (NYSERDA) that currently bears interest at a rate determined weekly and is subject to tender by bondholders for purchase by the company.

The carrying amounts and fair values of long-term debt at December 31, 2021 and 2020 are:

(Millions of Dollars)	2021		2020	
Long-Term Debt (including current portion) (a)	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Con Edison	$23,044	$26,287	$22,349	$26,808
CECONY	$18,382	$21,382	$16,789	$20,974

(a) Amounts shown are net of unamortized debt expense and unamortized debt discount of $226 million and $193 million for Con Edison and CECONY, respectively, as of December 31, 2021 and $215 million and $176 million for Con Edison and CECONY, respectively, as of December 31, 2020.

The fair values of the Companies' long-term debt have been estimated primarily using available market information and at December 31, 2021 are classified as Level 2 (see Note R).

Significant Debt Covenants

The significant debt covenants under the financing arrangements for the Companies' debentures and Con Edison's notes include obligations to pay principal and interest when due and covenants not to consolidate with or merge into any other entity unless certain conditions are met. In addition, Con Edison's notes include covenants that the company shall continue its utility business in New York City and shall not permit its ratio of consolidated debt to consolidated total capital to exceed 0.675 to 1 and include cross default provisions with respect to the failure by the company or any material subsidiary to make one or more payments in respect of material financial obligations (in excess of an aggregate $100 million of debt, excluding non-recourse debt, of the company or any of its material subsidiaries and the occurrence of an event or condition which results in the acceleration of the maturity of any material debt in excess of an aggregate $100 million, not including non-recourse debt, of the company or any of its material subsidiaries or enables the holders of such debt to accelerate the maturity thereof. The Companies' debentures have no cross default provisions. The tax–exempt financing arrangements of CECONY are subject to covenants for the debentures discussed above and the covenants discussed below. The Companies were in compliance with their significant debt covenants at December 31, 2021.

The tax-exempt financing arrangements involved the issuance of uncollateralized promissory notes of CECONY to NYSERDA in exchange for the net proceeds of a like amount of tax–exempt bonds with substantially the same terms sold to the public by NYSERDA. The tax-exempt financing arrangements include covenants with respect to the tax–exempt status of the financing, including covenants with respect to the use of the facilities financed. The arrangements include provisions for the maintenance of liquidity and credit facilities, the failure to comply with which would, except as otherwise provided, constitute an event of default for the debt to which such provisions applied.
The failure to comply with debt covenants would, except as otherwise provided, constitute an event of default for the debt to which such provisions applied. If an event of default were to occur, the principal and accrued interest on the debt to which such event of default applied and, in the case of the Con Edison notes, a make-whole premium might and, in the case of certain events of default would, become due and payable immediately.

The liquidity and credit facilities currently in effect for the tax–exempt financing include covenants that the ratio of debt to total capital of CECONY will not at any time exceed 0.65 to 1 and that, subject to certain exceptions, CECONY will not mortgage, lien, pledge or otherwise encumber its assets. Certain of the facilities also include as events of default, defaults in payments of other debt obligations in excess of specified levels ($150 million or $100 million, depending on the facility).

Note D – Short-Term Borrowing

In December 2016, Con Edison and the Utilities entered into a credit agreement (Credit Agreement), under which banks are committed to provide loans and letters of credit on a revolving credit basis. The Credit Agreement, as amended in 2019, expires in December 2023. There is a maximum of $2,250 million of credit available through December 2022 and $2,200 million of credit available from then through December 2023. The full amount is available to CECONY and $1,000 million (subject to increase up to $1,500 million) is available to Con Edison, including up to $1,200 million of letters of credit. The Credit Agreement supports the Companies' commercial paper programs. The Companies have not borrowed under the Credit Agreement. At December 31, 2021, Con Edison had $1,488 million of commercial paper outstanding, of which $1,361 million was outstanding under CECONY's program. The weighted average interest rate at December 31, 2021 was 0.3 percent for both Con Edison and CECONY. At December 31, 2020, Con Edison had $1,705 million of commercial paper outstanding of which $1,660 million was outstanding under CECONY's program. The weighted average interest rate at December 31, 2020 was 0.3 percent for both Con Edison and CECONY.

At December 31, 2021 and 2020, no loans were outstanding under the Credit Agreement. An immaterial amount of letters of credit were outstanding under the Credit Agreement as of December 31, 2021 and 2020.

The banks' commitments under the Credit Agreement are subject to certain conditions, including that there be no event of default. The commitments are not subject to maintenance of credit rating levels or the absence of a material adverse change. Upon a change of control of, or upon an event of default by one of the Companies, the banks may terminate their commitments with respect to that company, declare any amounts owed by that company under the Credit Agreement immediately due and payable and require that company to provide cash collateral relating to the letters of credit issued for it under the Credit Agreement. Events of default for a company include that company exceeding at any time of a ratio of consolidated debt to consolidated total capital of 0.65 to 1 (at December 31, 2021 this ratio was 0.52 to 1 for Con Edison and 0.55 to 1 for CECONY); that company having liens on its assets in an aggregate amount exceeding five percent of its consolidated total capital, subject to certain

exceptions; that company or any of its material subsidiaries failing to make one or more payments in respect of material financial obligations (in excess of an aggregate $150 million of debt or derivative obligations other than non-recourse debt) of that company; the occurrence of an event or condition which results in the acceleration of the maturity of any material debt (in excess of an aggregate $150 million of debt other than non-recourse debt) of that company or enables the holders of such debt to accelerate the maturity thereof; and other customary events of default. Interest and fees charged for the revolving credit facilities and any loans made or letters of credit issued under the Credit Agreement reflect the Companies' respective credit ratings. The Companies were in compliance with their significant debt covenants at December 31, 2021.

See Note U for information about short-term borrowing between related parties.

Note E – Pension Benefits

Con Edison maintains a tax-qualified, non-contributory pension plan that covers substantially all employees of CECONY, O&R and Con Edison Transmission and certain employees of the Clean Energy Businesses. The plan is designed to comply with the Internal Revenue Code and the Employee Retirement Income Security Act of 1974. Con Edison also maintains additional non-qualified supplemental pension plans.

Total Periodic Benefit Cost

The components of the Companies' total periodic benefit costs for 2021, 2020 and 2019 were as follows:

	Con Edison			CECONY		
(Millions of Dollars)	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
Service cost – including administrative expenses	$343	$293	$250	$321	$274	$232
Interest cost on projected benefit obligation	471	549	601	443	515	564
Expected return on plan assets	(1,096)	(1,034)	(988)	(1,040)	(980)	(936)
Recognition of net actuarial loss	787	699	518	746	661	492
Recognition of prior service credit	(17)	(16)	(17)	(19)	(19)	(19)
TOTAL PERIODIC BENEFIT COST	$488	$491	$364	$451	$451	$333
Cost capitalized	(154)	(130)	(108)	(146)	(123)	(102)
Reconciliation to rate level	(226)	(250)	(15)	(216)	(239)	(12)
Total expense recognized	$108	$111	$241	$89	$89	$219

In March 2017, the FASB issued amendments to the guidance for retirement benefits through ASU 2017-07, "Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." The Companies adopted ASU 2017-07 beginning on January 1, 2018. The guidance requires that components of net periodic benefit cost other than service cost be presented outside of operating income on consolidated income statements, and that only the service cost component is eligible for capitalization. Accordingly, the service cost components are included in the line "Other operations and maintenance" and the non-service cost components are included in the line "Other deductions" in the Companies' consolidated income statements. In August 2018, the FASB issued amendments to the guidance for retirement benefits through ASU 2018-14, "Compensation-Retirement Benefits (Subtopic 715-20): Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans." The guidance requires disclosure of the weighted-average interest crediting rate used for cash balance plans for all periods presented, and a narrative description of significant changes in the benefit obligation. The Companies adopted ASU 2018-14 for fiscal years ending after December 15, 2020 and the required disclosures are included below and, as applicable, in Note F.

Funded Status

The funded status at December 31, 2021, 2020 and 2019 was as follows:

(Millions of Dollars)	Con Edison 2021	2020	2019	CECONY 2021	2020	2019
CHANGE IN PROJECTED BENEFIT OBLIGATION						
Projected benefit obligation at beginning of year	$18,965	$16,792	$14,449	$17,821	$15,750	$13,542
Service cost – excluding administrative expenses	337	288	245	317	269	228
Interest cost on projected benefit obligation	471	549	601	443	515	564
Net actuarial loss/(gain)	(1,547)	2,281	2,191	(1,441)	2,154	2,076
Plan amendments	—	—	15	—	—	—
Benefits paid	(869)	(945)	(709)	(799)	(867)	(660)
PROJECTED BENEFIT OBLIGATION AT END OF YEAR	$17,357	$18,965	$16,792	$16,341	$17,821	$15,750
CHANGE IN PLAN ASSETS						
Fair value of plan assets at beginning of year	$17,022	$15,608	$13,450	$16,147	$14,790	$12,744
Actual return on plan assets	1,935	1,927	2,556	1,838	1,830	2,425
Employer contributions	469	475	350	432	435	318
Benefits paid	(869)	(945)	(709)	(799)	(867)	(660)
Administrative expenses	(53)	(43)	(39)	(52)	(41)	(37)
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	$18,504	$17,022	$15,608	$17,566	$16,147	$14,790
FUNDED STATUS	$1,147	$(1,943)	$(1,184)	$1,225	$(1,674)	$(960)
Unrecognized net loss	$205	$3,330	$2,604	$207	$3,145	$2,466
Unrecognized prior service costs/(credits)	(140)	(156)	(173)	(163)	(183)	(202)
Accumulated benefit obligation	15,469	16,768	15,015	14,504	15,676	14,010

The increase in the pension funded status at December 31, 2021 for Con Edison and CECONY of $3,090 million and $2,899 million, respectively, compared with December 31, 2020, was primarily due to a decrease in the plan's projected benefit obligation as a result of an increase in the discount rate and actuarial gains on plan assets exceeding the expected rate of return. The increase in the pension funded status liability at December 31, 2020 for Con Edison and CECONY of $759 million and $714 million, respectively, compared with December 31, 2019, was primarily due to an increase in the plan's projected benefit obligation as a result of a decrease in the discount rate, partially offset by an increase in plan assets as a result of the actual return on plan assets. See below for further information on the change in the discount rate and determination of the discount rate assumption. For Con Edison, the 2021 change in pension funded status from a liability to an asset corresponds with a decrease to regulatory assets of $3,067 million for unrecognized net losses and unrecognized prior service costs associated with the Utilities consistent with the accounting rules for regulated operations, a credit to OCI of $30 million (net of taxes) for the unrecognized net losses, and an immaterial change to OCI (net of taxes) for the unrecognized prior service costs associated with certain employees of the Clean Energy Businesses, Con Edison Transmission, and RECO who previously worked for the Utilities. For 2021, included within the funded status are noncurrent liabilities of $459 million and $381 million for Con Edison and CECONY, respectively.

For CECONY, the change in pension funded status from a liability to an asset at December 31, 2021 corresponds with a decrease to regulatory assets of $2,910 million for unrecognized net losses and unrecognized prior service costs consistent with the accounting rules for regulated operations, and also a credit to OCI of $6 million (net of taxes) for unrecognized net losses, and an immaterial change to OCI (net of taxes) for the unrecognized prior service costs associated with certain employees of the Clean Energy Businesses and Con Edison Transmission who previously worked for CECONY.

At December 31, 2021 and 2020, Con Edison's investments included $525 million and $465 million, respectively, held in external trust accounts for benefit payments pursuant to the supplemental retirement plans. Included in these amounts for CECONY were $499 million and $439 million, respectively. See Note R. The accumulated benefit obligations for the supplemental retirement plans for Con Edison and CECONY were $386 million and $352 million as of December 31, 2021, respectively, and $414 million and $377 million as of December 31, 2020, respectively.

Assumptions

The actuarial assumptions were as follows:

	2021	2020	2019
Weighted-average assumptions used to determine benefit obligations at December 31:			
Discount rate	3.00 %	2.55 %	3.35 %
Interest crediting rate for cash balance plan	3.50 %	3.00 %	3.30 %
Rate of compensation increase			
CECONY	3.80 %	3.80 %	3.80 %
O&R	3.20 %	3.20 %	3.20 %
Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31:			
Discount rate	2.55 %	3.35 %	4.25 %
Interest crediting rate for cash balance plan	3.00 %	3.30 %	4.00 %
Expected return on plan assets	7.00 %	7.00 %	7.00 %
Rate of compensation increase			
CECONY	3.80 %	3.80 %	4.25 %
O&R	3.20 %	3.20 %	4.00 %

The expected return assumption reflects anticipated returns on the plan's current and future assets. The Companies' expected return was based on an evaluation of the current environment, market and economic outlook, relationships between the economy and asset class performance patterns, and recent and long-term trends in asset class performance. The projections were based on the plan's target asset allocation.

Discount Rate Assumption

To determine the assumed discount rate, the Companies use a model that produces a yield curve based on discounting plan specific cash flows with corresponding spot rates on a yield curve. Term structures of interest rates are based on AA rated corporate bonds. Bonds with questionable pricing information and bonds that are not representative of the overall market are excluded from consideration. For example, the bonds used in the model cannot be callable (with the exception of "make whole" callable bonds). The spot rates defined by the yield curve and the plan's projected benefit payments are used to develop a weighted average discount rate.

Expected Benefit Payments

Based on current assumptions, the Companies expect to make the following benefit payments over the next ten years:

(Millions of Dollars)	2022	2023	2024	2025	2026	2027-2031
Con Edison	$765	$782	$791	$841	$818	$4,219
CECONY	704	721	730	780	756	3,924

Expected Contributions

Based on estimates as of December 31, 2021, the Companies expect to make contributions to the pension plans during 2022 of $29 million (of which $20 million is to be made by CECONY). The Companies' policy is to fund the total periodic benefit cost of the qualified plan to the extent tax deductible and to also contribute to the non-qualified supplemental plans.

Plan Assets

The asset allocations for the pension plan at the end of 2021, 2020 and 2019, and the target allocation for 2022 are as follows:

	Target Allocation Range	Plan Assets at December 31,		
Asset Category	**2022**	**2021**	**2020**	**2019**
Equity Securities	45% - 55%	50 %	51 %	51 %
Debt Securities	33% - 43%	38 %	38 %	38 %
Real Estate	10% - 14%	12 %	11 %	11 %
Total	100%	100 %	100 %	100 %

Con Edison has established a pension trust for the investment of assets to be used for the exclusive purpose of providing retirement benefits to participants and beneficiaries and payment of plan expenses.

Pursuant to resolutions adopted by Con Edison's Board of Directors, the Management Development and Compensation Committee of the Board of Directors (the Committee) has general oversight responsibility for Con Edison's pension and other employee benefit plans. The pension plan's named fiduciaries have been granted the authority to control and manage the operation and administration of the plans, including overall responsibility for the investment of assets in the trust and the power to appoint and terminate investment managers.

The investment objectives of the Con Edison pension plan are to maintain a level and form of assets adequate to meet benefit obligations to participants, to achieve the expected long-term total return on the trust assets within a prudent level of risk and maintain a level of volatility that is not expected to have a material impact on the company's expected contribution and expense or the company's ability to meet plan obligations. The assets of the plan have no significant concentration of risk in one country (other than the United States), industry or entity.

The strategic asset allocation is intended to meet the objectives of the pension plan by diversifying its funds across asset classes, investment styles and fund managers. An asset/liability study typically is conducted every few years to determine whether the current strategic asset allocation continues to represent the appropriate balance of expected risk and reward for the plan to meet expected liabilities. Each study considers the investment risk of the asset allocation and determines the optimal asset allocation for the plan. The target asset allocation for 2022 reflects the results of such a study conducted in 2018.

Individual fund managers operate under written guidelines provided by Con Edison, which cover such areas as investment objectives, performance measurement, permissible investments, investment restrictions, trading and execution, and communication and reporting requirements. Con Edison management regularly monitors, and the named fiduciaries review and report to the Committee regarding, asset class performance, total fund performance, and compliance with asset allocation guidelines. Management changes fund managers and rebalances the portfolio as appropriate. At the direction of the named fiduciaries, such changes are reported to the Committee.

Assets measured at fair value on a recurring basis are summarized below as defined by the accounting rules for fair value measurements (see Note R).

The fair values of the pension plan assets at December 31, 2021 by asset category are as follows:

(Millions of Dollars)	Level 1	Level 2	Total
Investments within the fair value hierarchy			
U.S. Equity (a)	$4,381	$—	$4,381
International Equity (b)	3,536	—	3,536
U.S. Government Issued Debt (c)		1,500	1,500
Corporate Bonds Debt (d)	—	3,936	3,936
Structured Assets Debt (e)	—	262	262
Other Fixed Income Debt (f)	—	1,186	1,186
Cash and Cash Equivalents (g)	80	425	505
Futures (h)	2	—	2
Total investments within the fair value hierarchy	$7,999	$7,309	$15,308
Investments measured at NAV per share (n)			
Private Equity (i)			913
Real Estate (j)			2,306
Hedge Funds (k)			315
Total investments valued using NAV per share			$3,534
Funds for retiree health benefits (l)	(110)	(100)	(210)
Funds for retiree health benefits measured at NAV per share (l) (n)			(48)
Total funds for retiree health benefits			$(258)
Investments (excluding funds for retiree health benefits)	$7,889	$7,209	$18,584
Pending activities (m)			(80)
Total fair value of plan net assets			$18,504

(a) U.S. Equity includes both actively- and passively-managed assets with investments in domestic equity index funds and actively-managed small-capitalization equities.
(b) International Equity includes international equity index funds and actively-managed international equities.
(c) U.S. Government Issued Debt includes agency and treasury securities.
(d) Corporate Bonds Debt consists of debt issued by various corporations.
(e) Structured Assets Debt includes commercial-mortgage-backed securities and collateralized mortgage obligations.
(f) Other Fixed Income Debt includes municipal bonds, sovereign debt and regional governments.
(g) Cash and Cash Equivalents include short term investments, money markets, foreign currency and cash collateral.
(h) Futures consist of exchange-traded financial contracts encompassing U.S. Equity, International Equity and U.S. Government indices.
(i) Private Equity consists of global equity funds that are not exchange-traded.
(j) Real Estate investments include real estate funds based on appraised values that are broadly diversified by geography and property type.
(k) Hedge Funds are within a commingled structure which invests in various hedge fund managers who can invest in all financial instruments.
(l) The Companies set aside funds for retiree health benefits through a separate account within the pension trust, as permitted under Section 401(h) of the Internal Revenue Code of 1986, as amended. In accordance with the Code, the plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees. The net assets held in the 401(h) account are calculated based on a pro-rata percentage allocation of the net assets in the pension plan. The related obligations for health benefits are not included in the pension plan's obligations and are included in the Companies' other postretirement benefit obligation. See Note F.
(m) Pending activities include security purchases and sales that have not settled, interest and dividends that have not been received and reflects adjustments for available estimates at year end.
(n) In accordance with ASU 2015-07, Fair Value Measurements (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its equivalent), certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

The fair values of the pension plan assets at December 31, 2020 by asset category are as follows:

(Millions of Dollars)	Level 1	Level 2	Total
Investments within the fair value hierarchy			
U.S. Equity (a)	$4,202	$—	$4,202
International Equity (b)	3,693	—	3,693
U.S. Government Issued Debt (c)	—	1,424	1,424
Corporate Bonds Debt (d)	—	3,535	3,535
Structured Assets Debt (e)	—	188	188
Other Fixed Income Debt (f)	—	1,067	1,067
Cash and Cash Equivalents (g)	51	408	459
Total investments within the fair value hierarchy	$7,946	$6,622	$14,568
Investments measured at NAV per share (m)			
Private Equity (h)			635
Real Estate (i)			1,880
Hedge Funds (j)			292
Total investments valued using NAV per share			$2,807
Funds for retiree health benefits (k)	(116)	(97)	(213)
Funds for retiree health benefits measured at NAV per share (k)(m)			(41)
Total funds for retiree health benefits			$(254)
Investments (excluding funds for retiree health benefits)	$7,830	$6,525	$17,121
Pending activities (l)			(99)
Total fair value of plan net assets			$17,022

(a) - (n) Reference is made to footnotes (a) through (n) in the above table of pension plan assets at December 31, 2021 by asset category.

The Companies also offer a defined contribution savings plan that covers substantially all employees and made contributions to the plan as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	2019
Con Edison	$55	$52	$49
CECONY	46	43	42

Note F – Other Postretirement Benefits

The Utilities and Con Edison Transmission currently have contributory comprehensive hospital, medical and prescription drug programs for eligible retirees, their dependents and surviving spouses.

CECONY also has a contributory life insurance program for bargaining unit employees and provides basic life insurance benefits up to a specified maximum at no cost to certain retired management employees. O&R has a non-contributory life insurance program for retirees. Certain employees of the Clean Energy Businesses and Con Edison Transmission are eligible to receive benefits under these programs.

Total Periodic Benefit Cost

The components of the Companies’ total periodic postretirement benefit costs for 2021, 2020 and 2019 were as follows:

(Millions of Dollars)	Con Edison 2021	2020	2019	CECONY 2021	2020	2019
Service cost	$22	$21	$18	$16	$16	$13
Interest cost on accumulated other postretirement benefit obligation	33	37	44	28	31	36
Expected return on plan assets	(68)	(66)	(66)	(56)	(54)	(54)
Recognition of net actuarial loss/(gain)	31	37	(9)	27	36	(10)
Recognition of prior service credit	(3)	(3)	(2)	(1)	(2)	(2)
TOTAL PERIODIC POSTRETIREMENT BENEFIT COST/(CREDIT)	$15	$26	$(15)	$14	$27	$(17)
Cost capitalized	(9)	(9)	(7)	(7)	(7)	(5)
Reconciliation to rate level	(7)	(17)	12	(12)	(25)	7
Total credit recognized	$(1)	$—	$(10)	$(5)	$(5)	$(15)

For information about the adoption of ASU 2017-07, “Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost,” and ASU 2018-14, “Compensation-Retirement Benefits (Subtopic 715-20): Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans," see Note E.

Funded Status

The funded status of the programs at December 31, 2021, 2020 and 2019 were as follows:

(Millions of Dollars)	Con Edison 2021	2020	2019	CECONY 2021	2020	2019
CHANGE IN BENEFIT OBLIGATION						
Benefit obligation at beginning of year	$1,425	$1,357	$1,114	$1,209	$1,154	$913
Service cost	22	21	18	16	16	13
Interest cost on accumulated postretirement benefit obligation	33	37	44	28	31	36
Amendments	—	—	(14)	—	—	—
Net actuarial loss/(gain)	(13)	74	264	(3)	63	252
Benefits paid and administrative expenses, net of subsidies	(117)	(117)	(110)	(107)	(107)	(100)
Participant contributions	48	53	41	46	52	40
BENEFIT OBLIGATION AT END OF YEAR	$1,398	$1,425	$1,357	$1,189	$1,209	$1,154
CHANGE IN PLAN ASSETS						
Fair value of plan assets at beginning of year	$1,115	$1,026	$885	$940	$872	$759
Actual return on plan assets	92	142	198	67	117	165
Employer contributions	6	7	7	3	4	6
Employer group waiver plan subsidies	21	20	23	19	19	22
Participant contributions	48	53	40	46	51	40
Benefits paid	(132)	(133)	(127)	(120)	(123)	(120)
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	$1,150	$1,115	$1,026	$955	$940	$872
FUNDED STATUS	$(248)	$(310)	$(331)	$(234)	$(269)	$(282)
Unrecognized net loss/(gain)	$41	$115	$155	$67	$114	$149
Unrecognized prior service costs	(13)	(16)	(19)	—	(1)	(3)

The decrease in the other postretirement benefits funded status liability at December 31, 2021 for Con Edison and CECONY of $62 million and $35 million, respectively, compared with December 31, 2020, was primarily due to an increase in the fair value of plan assets as a result of the actual return on plan assets, along with a decrease in the plans' projected benefit obligation as a result of an increase in the discount rate. See below for further information on the change in the discount rate and see Note E for determination of the discount rate assumption. The decrease

in the other postretirement benefits funded status liability at December 31, 2020 for Con Edison and CECONY of $21 million and $13 million, respectively, compared with December 31, 2019, was primarily due to an increase in the fair value of plan assets as a result of the actual return on plan assets, partially offset by an increase in the plans' projected benefit obligation as a result of a decrease in the discount rate. For 2021, included within the funded status are noncurrent assets of $79 million and $55 million for Con Edison and CECONY, respectively.

For Con Edison, the decrease in funded status liability at December 31, 2021 corresponds with a net decrease to regulatory assets of $67 million for unrecognized net losses and unrecognized prior service costs associated with the Utilities consistent with the accounting rules for regulated operations, and immaterial changes to OCI for the unrecognized net losses and the unrecognized prior service costs associated with the Clean Energy Businesses, Con Edison Transmission, and RECO.

For CECONY, the decrease in funded status liability at December 31, 2021 corresponds with a decrease to regulatory assets of $46 million for unrecognized net losses and the unrecognized prior service costs associated with the company consistent with the accounting rules for regulated operations, and immaterial changes to OCI for the unrecognized net losses and the unrecognized prior service costs associated with eligible employees of the Clean Energy Businesses and Con Edison Transmission who previously worked for CECONY.

Assumptions

The actuarial assumptions were as follows:

	2021	2020	2019
Weighted-average assumptions used to determine benefit obligations at December 31:			
Discount Rate			
CECONY	2.75 %	2.25 %	3.10 %
O&R	3.00 %	2.55 %	3.35 %
Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31:			
Discount Rate			
CECONY	2.25 %	3.10 %	4.15 %
O&R	2.55 %	3.35 %	4.30 %
Expected Return on Plan Assets	6.80 %	6.80 %	6.80 %

Refer to Note E for descriptions of the basis for determining the expected return on assets, investment policies and strategies and the assumed discount rate.

The health care cost trend rates for covered medical and prescription medication expenses used to determine the accumulated other postretirement benefit obligations (APBO) at December 31, 2021 were assumed to increase each year, with the initial rate gradually decreasing to the ultimate rate as follows:

	Initial Cost Trend Rate	Ultimate Cost Trend Rate	Year That Ultimate Rate is Reached
Pre-65 Medical	6.80%	4.50%	2034
Post-65 Medical	4.50%	4.50%	—
Prescription Medications	7.25%	4.50%	2033

Expected Benefit Payments

Based on current assumptions, the Companies expect to make the following benefit payments over the next ten years, net of receipt of governmental subsidies and participant contributions:

(Millions of Dollars)	2022	2023	2024	2025	2026	2027-2031
Con Edison	$75	$77	$77	$78	$78	$385
CECONY	84	86	86	87	88	435

Expected Contributions

Based on estimates as of December 31, 2021, Con Edison and CECONY expect to make a contribution of $8 million (all of which is expected to be made by CECONY) to the other postretirement benefit plans in 2022. The Companies' policy is to fund the total periodic benefit cost of the plans to the extent tax deductible.

Plan Assets

The asset allocations for CECONY's other postretirement benefit plans at the end of 2021, 2020 and 2019, and the target allocation for 2022 are as follows:

	Target Allocation Range	Plan Assets at December 31,		
Asset Category	**2022**	**2021**	**2020**	**2019**
Equity Securities	42%-80%	55 %	54 %	54 %
Debt Securities	20%-58%	45 %	46 %	46 %
Total	100%	100 %	100 %	100 %

Con Edison has established postretirement health and life insurance benefit plan trusts for the investment of assets to be used for the exclusive purpose of providing other postretirement benefits to participants and beneficiaries.

Refer to Note E for a discussion of Con Edison's investment policy for its benefit plans.

The fair values of the plans' assets at December 31, 2021 by asset category as defined by the accounting rules for fair value measurements (see Note R) are as follows:

(Millions of Dollars)	Level 1	Level 2	Total
Equity (a)	$—	$474	$474
Other Fixed Income Debt (b)	—	379	379
Cash and Cash Equivalents (c)	—	22	22
Total investments	$—	$875	$875
Funds for retiree health benefits (d)	110	100	210
Investments (including funds for retiree health benefits)	$110	$975	$1,085
Funds for retiree health benefits measured at net asset value (d)(e)			48
Pending activities (f)			17
Total fair value of plan net assets			$1,150

(a) Equity includes a passively managed commingled index fund benchmarked to the MSCI All Country World Index.
(b) Other Fixed Income Debt includes a passively managed commingled index fund benchmarked to the Bloomberg Barclays U.S. Long Credit Index and an active separately managed fund indexed to the Bloomberg Barclays U.S. Long Credit Index.
(c) Cash and Cash Equivalents include short-term investments and money markets.
(d) The Companies set aside funds for retiree health benefits through a separate account within the pension trust, as permitted under Section 401(h) of the Internal Revenue Code of 1986, as amended. In accordance with the Code, the plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees. The net assets held in the 401(h) account are calculated based on a pro-rata percentage allocation of the net assets in the pension plan. The related obligations for health benefits are not included in the pension plan's obligations and are included in the Companies' other postretirement benefit obligation. See Note E.
(e) In accordance with ASU 2015-07, Fair Value Measurements (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its equivalent), certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.
(f) Pending activities include security purchases and sales that have not settled, interest and dividends that have not been received, and reflects adjustments for available estimates at year-end.

The fair values of the plans' assets at December 31, 2020 by asset category (see Note R) are as follows:

(Millions of Dollars)	Level 1	Level 2	Total
Equity (a)	$—	$448	$448
Other Fixed Income Debt (b)	—	367	367
Cash and Cash Equivalents (c)	—	27	27
Total investments	$—	$842	$842
Funds for retiree health benefits (d)	116	97	213
Investments (including funds for retiree health benefits)	$116	$939	$1,055
Funds for retiree health benefits measured at net asset value (d)(e)			41
Pending activities (f)			19
Total fair value of plan net assets			$1,115

(a) - (f) Reference is made to footnotes (a) through (f) in the above table of other postretirement benefit plan assets at December 31, 2021 by asset category.

Note G – Environmental Matters

Superfund Sites

Hazardous substances, such as asbestos, polychlorinated biphenyls (PCBs) and coal tar, have been used or generated in the course of operations of the Utilities and their predecessors and are present at sites and in facilities and equipment they currently or previously owned, including sites at which gas was manufactured or stored.

The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 and similar state statutes (Superfund) impose joint and several liability, regardless of fault, upon generators of hazardous substances for investigation and remediation costs (which include costs of demolition, removal, disposal, storage, replacement, containment and monitoring) and natural resource damages. Liability under these laws can be material and may be imposed for contamination from past acts, even though such past acts may have been lawful at the time they occurred. The sites at which the Utilities have been asserted to have liability under these laws, including their manufactured gas plant sites and any neighboring areas to which contamination may have migrated, are referred to herein as “Superfund Sites.”

For Superfund Sites where there are other potentially responsible parties and the Utilities are not managing the site investigation and remediation, the accrued liability represents an estimate of the amount the Utilities will need to pay to investigate and, where determinable, discharge their related obligations. For Superfund Sites (including the manufactured gas plant sites) for which one of the Utilities is managing the investigation and remediation, the accrued liability represents an estimate of the company’s share of the undiscounted cost to investigate the sites and, for sites that have been investigated in whole or in part, the cost to remediate the sites, if remediation is necessary and if a reasonable estimate of such cost can be made. Remediation costs are estimated in light of the information available, applicable remediation standards and experience with similar sites.

The accrued liabilities and regulatory assets related to Superfund Sites at December 31, 2021 and 2020 were as follows:

	Con Edison		CECONY	
(Millions of Dollars)	2021	2020	2021	2020
Accrued Liabilities:				
Manufactured gas plant sites	$845	$752	$755	$676
Other Superfund Sites	95	105	95	104
Total	$940	$857	$850	$780
Regulatory assets	$938	$865	$860	$791

Most of the accrued Superfund Site liability relates to sites that have been investigated, in whole or in part. However, for some of the sites, the extent and associated cost of the required remediation has not yet been determined. As investigations progress and information pertaining to the required remediation becomes available, the Utilities expect that additional liability may be accrued, the amount of which is not presently determinable but

may be material. The Utilities are permitted to recover or defer as regulatory assets (for subsequent recovery through rates) prudently incurred site investigation and remediation costs.

Environmental remediation costs incurred related to Superfund Sites at December 31, 2021 and 2020 were as follows:

	Con Edison		CECONY	
(Millions of Dollars)	**2021**	**2020**	**2021**	**2020**
Remediation costs incurred	$25	$33	$24	$32

Insurance and other third party recoveries received by Con Edison or CECONY were immaterial in 2021 and 2020.

Con Edison and CECONY estimate that in 2022 they will incur costs for remediation of approximately $40 million and $38 million, respectively. The Companies are unable to estimate the time period over which the remaining accrued liability will be incurred because, among other things, the required remediation has not been determined for some of the sites.

In 2021, Con Edison and CECONY estimated that for their manufactured gas plant sites (including CECONY's Astoria site), the aggregate undiscounted potential liability for the investigation and remediation of coal tar and/or other environmental contaminants could range up to $2,980 million and $2,840 million, respectively. These estimates were based on the assumption that there is contamination at all sites, including those that have not yet been fully investigated and additional assumptions about the extent of the contamination and the type and extent of the remediation that may be required. Actual experience may be materially different.

Asbestos Proceedings

Suits have been brought in NY State and federal courts against the Utilities and many other defendants, wherein a large number of plaintiffs sought large amounts of compensatory and punitive damages for deaths and injuries allegedly caused by exposure to asbestos at various premises of the Utilities. The suits that have been resolved, which are many, have been resolved without any payment by the Utilities, or for amounts that were not, in the aggregate, material to them. The amounts specified in all the remaining thousands of suits total billions of dollars; however, the Utilities believe that these amounts are greatly exaggerated, based on the disposition of previous claims. At December 31, 2021, Con Edison and CECONY have accrued their estimated aggregate undiscounted potential liabilities for these suits and additional suits that may be brought over the next 15 years as shown in the following table. These estimates were based upon a combination of modeling, historical data analysis and risk factor assessment. Courts have begun, and unless otherwise determined on appeal may continue, to apply different standards for determining liability in asbestos suits than the standard that applied historically. As a result, the Companies currently believe that there is a reasonable possibility of an exposure to loss in excess of the liability accrued for the suits. The Companies are unable to estimate the amount or range of such loss. In addition, certain current and former employees have claimed or are claiming workers' compensation benefits based on alleged disability from exposure to asbestos. CECONY is permitted to defer as regulatory assets (for subsequent recovery through rates) costs incurred for its asbestos lawsuits and workers' compensation claims.

The accrued liability for asbestos suits and workers' compensation proceedings (including those related to asbestos exposure) and the amounts deferred as regulatory assets or liabilities for the Companies at December 31, 2021 and 2020 were as follows:

	Con Edison		CECONY	
(Millions of Dollars)	**2021**	**2020**	**2021**	**2020**
Accrued liability – asbestos suits	$8	$8	$7	$7
Regulatory assets – asbestos suits	$8	$8	$7	$7
Accrued liability – workers' compensation	$65	$72	$62	$68
Regulatory liabilities – workers' compensation	$8	$3	$8	$3

Note H – Material Contingencies

Manhattan Explosion and Fire

On March 12, 2014, two multi-use five-story tall buildings located on Park Avenue between 116th and 117th Streets in Manhattan were destroyed by an explosion and fire. CECONY had delivered gas to the buildings through service lines from a distribution main located below ground on Park Avenue. Eight people died and more than 50 people were injured. Additional buildings were also damaged. The National Transportation Safety Board (NTSB) investigated. The parties to the investigation included the company, the City of New York, the Pipeline and Hazardous Materials Safety Administration and the NYSPSC. In June 2015, the NTSB issued a final report concerning the incident, its probable cause and safety recommendations. The NTSB determined that the probable cause of the incident was (1) the failure of a defective fusion joint at a service tee (which joined a plastic service line to a plastic distribution main) installed by the company that allowed gas to leak from the distribution main and migrate into a building where it ignited and (2) a breach in a City sewer line that allowed groundwater and soil to flow into the sewer, resulting in a loss of support for the distribution main, which caused it to sag and overstressed the defective fusion joint. The NTSB also made safety recommendations, including recommendations to the company that addressed its procedures for the preparation and examination of plastic fusions, training of its staff on conditions for notifications to the City's Fire Department and extension of its gas main isolation valve installation program. In February 2017, the NYSPSC approved a settlement agreement with the company related to the NYSPSC's investigations of the incident and the practices of qualifying persons to perform plastic fusions. Pursuant to the agreement, the company is providing $27 million of future benefits to customers (for which it has accrued a regulatory liability) and will not recover from customers $126 million of costs for gas emergency response activities that it had previously incurred and expensed. Approximately eighty suits are pending against the company seeking generally unspecified damages and, in some cases, punitive damages, for wrongful death, personal injury, property damage and business interruption. The company notified its insurers of the incident and believes that the policies in force at the time of the incident will cover the company's costs, in excess of a required retention (the amount of which is not material), to satisfy any liability it may have for damages in connection with the incident. During 2020, the company accrued its estimated liability for the suits of $40 million and an insurance receivable in the same amount, which estimated liability did not change in 2021.

Other Contingencies

For additional contingencies, see “Other Regulatory Matters” in Note B, Note G and "Uncertain Tax Positions" in Note L.

Guarantees

Con Edison and its subsidiaries have entered into various agreements providing financial or performance assurance primarily to third parties on behalf of their subsidiaries. Maximum amounts guaranteed by Con Edison and its subsidiaries under these agreements totaled $2,157 million and $2,042 million at December 31, 2021 and 2020, respectively.

A summary, by type and term, of Con Edison's total guarantees under these other agreements at December 31, 2021 is as follows:

Guarantee Type	0 – 3 years	4 – 10 years	> 10 years	Total
		(Millions of Dollars)		
Con Edison Transmission	$490	$—	$—	$490
Energy transactions	469	37	325	831
Renewable electric projects	319	51	396	766
Other	70	—	—	70
Total	$1,348	$88	$721	$2,157

Con Edison Transmission – Con Edison has guaranteed payment by CET Electric of the contributions CET Electric agreed to make to New York Transco LLC (NY Transco). CET Electric owns a 45.7 percent interest in NY Transco. In April 2019, the New York Independent System Operator (NYISO) selected a transmission project that was jointly proposed by National Grid and NY Transco. The siting, construction and operation of the project will require approvals and permits from appropriate governmental agencies and authorities, including the NYSPSC. The NYISO indicated it will work with the developers to enter into agreements for the development and operation of the projects, including a schedule for entry into service by December 2023. Guarantee amount shown includes the

maximum possible required amount of CET Electric's contributions for this project as calculated based on the assumptions that the project is completed at 175 percent of its estimated costs and NY Transco does not use any debt financing for the project.

Energy Transactions — Con Edison and the Clean Energy Businesses guarantee payments on behalf of their subsidiaries in order to facilitate physical and financial transactions in electricity, gas, pipeline capacity, transportation, oil, renewable energy credits and energy services. To the extent that liabilities exist under the contracts subject to these guarantees, such liabilities are included in Con Edison's consolidated balance sheet.

Renewable Electric Projects – Con Edison and the Clean Energy Businesses guarantee payments on behalf of their wholly-owned subsidiaries associated with their investment in, or development for others of, solar and wind energy facilities.

Other – Other guarantees consist of a $70 million guarantee provided by Con Edison to Travelers Insurance Company for indemnity agreements for surety bonds in connection with the operation of solar energy facilities and energy service projects of the Clean Energy Businesses.

Note I – Electricity Purchase Agreements

The Utilities have electricity purchase agreements with non-utility generators and others for generating capacity. The Utilities recover their purchased power costs in accordance with provisions approved by the applicable state public utility regulators. See "Recoverable Energy Costs" in Note A. The Utilities also conducted auctions and have entered into various other electricity purchase agreements. Assuming performance by the parties to the electricity purchase agreements, the Utilities are obligated over the terms of the agreements to make capacity and other fixed payments.

The future capacity and other fixed payments under the electricity purchase agreements are estimated to be as follows:

(Millions of Dollars)	2022	2023	2024	2025	2026	All Years Thereafter
Con Edison	$126	$78	$55	$55	$56	$434
CECONY	124	78	55	55	56	434

For energy delivered under most of the electricity purchase agreements, CECONY is obligated to pay variable prices. The company's payments under the significant terms of the agreements for capacity, energy and other fixed payments in 2021, 2020 and 2019 were as follows:

	For the Years Ended December 31,		
(Millions of Dollars)	2021	2020	2019
Astoria Generating Company (a)	$20	$26	$116
Brooklyn Navy Yard (b)	139	113	115
Total	$159	$139	$231

(a) Capacity purchase agreements with terms ending in 2021 through 2023.
(b) Contract for plant output, which started in 1996 and ends in 2036.

Note J – Leases

The Companies lease land, office buildings, equipment and access rights to support electric transmission facilities. The Companies recognize lease right-of-use assets and lease liabilities on their consolidated balance sheets for virtually all of their leases (other than leases that meet the definition of a short-term lease, the expense for which was immaterial). A lease right-of-use asset represents a right to use an identifiable underlying asset and obtain substantially all of the economic benefits from the use of that asset for the lease term. A lease liability represents an obligation to make lease payments arising from the lease. Leases are classified as either operating leases or finance leases. Operating leases are included in operating lease right-of-use asset and operating lease liabilities on the Companies' consolidated balance sheets. Finance leases are included in other noncurrent assets, other current liabilities and other noncurrent liabilities. The Utilities, as regulated entities, are permitted to continue to recognize expense for operating leases using the timing that conforms to the regulatory rate treatment as rental payments are recovered from our customers and to account the same way for finance leases.

For new operating leases, the Companies recognize operating lease right-of-use assets and operating lease liabilities based on the present value of the future minimum lease payments over the lease term at commencement date. As most of the Companies' leases do not provide an implicit rate, the Companies used their collateralized incremental borrowing rate based on the information available at the commencement date to determine the present value of future payments. Most of the Companies' leases have remaining lease terms of one year to 40 years and may include options to renew or extend the leases for up to five years at the fair rental value. The Companies' lease terms include options to renew, extend or terminate the lease when it is reasonably certain that the Companies will exercise that option. There were no leases with material variable lease payments or residual value guarantees. The Companies account for lease and non-lease components as a single lease component.

Operating lease cost and cash paid for amounts included in the measurement of lease liabilities for the twelve months ended December 31, 2021 and 2020 were as follows:

	Con Edison		CECONY	
(Millions of Dollars)	**2021**	**2020**	**2021**	**2020**
Operating lease cost	$86	$85	$66	$65
Operating lease cash flows	$80	$79	$63	$61

As of December 31, 2021, assets recorded as finance leases for Con Edison and CECONY were $2 million and $1 million, respectively, and the accumulated amortization associated with finance leases for Con Edison and CECONY were $4 million and $2 million, respectively. As of December 31, 2020, assets recorded as finance leases were $3 million for Con Edison and $2 million for CECONY, and the accumulated amortization associated with finance leases for Con Edison and CECONY were $3 million and $1 million, respectively.

For the twelve months ended December 31, 2021 and 2020, finance lease costs and cash flows for Con Edison and CECONY were immaterial.

Right-of-use assets obtained in exchange for lease obligations for Con Edison and CECONY were $58 million and $12 million, respectively, for the twelve months ended December 31, 2021 and $23 million and $11 million, respectively, for the twelve months ended December 31, 2020.

Other information related to leases for Con Edison and CECONY at December 31, 2021 and 2020 was as follows:

	Con Edison		CECONY	
	2021	**2020**	**2021**	**2020**
Weighted Average Remaining Lease Term:				
Operating leases	18.5 years	19.1 years	12.1 years	13.0 years
Finance leases	7.1 years	7.3 years	3.1 years	4.0 years
Weighted Average Discount Rate:				
Operating leases	4.3%	4.3%	3.5%	3.6%
Finance leases	1.8%	1.8%	1.1%	1.3%

Future minimum lease payments under non-cancellable leases at December 31, 2021 were as follows:

(Millions of Dollars)	Con Edison		CECONY	
Year Ending December 31,	Operating Leases	Finance Leases	Operating Leases	Finance Leases
2022	$81	$—	$60	$—
2023	77	—	59	—
2024	77	1	59	1
2025	78	—	60	—
2026	76	—	59	—
All years thereafter	877	1	394	—
Total future minimum lease payments	$1,266	$2	$691	$1
Less: imputed interest	(436)	—	(139)	—
Total	$830	$2	$552	$1
Reported as of December 31, 2021				
Operating lease liabilities (current)	$113	$—	$90	$—
Operating lease liabilities (noncurrent)	717	—	462	—
Other current liabilities	—	—	—	—
Other noncurrent liabilities	—	2	—	1
Total	$830	$2	$552	$1

At December 31, 2021, the Companies had an additional operating lease agreement that had not yet commenced, for an asset under construction at the Clean Energy Businesses, for which the present value of lease payments is $6 million. This lease is expected to commence within one year, with a lease term of approximately 45 years.

The Companies are lessors under certain leases whereby the Companies own real estate and distribution poles and lease portions of them to others. Revenue under such leases was immaterial for Con Edison and CECONY for the twelve months ended December 31, 2021 and 2020.

Note K – Goodwill

The Companies test goodwill for impairment at least annually or whenever there is a triggering event. There is an option to first make a qualitative assessment of whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount before applying a quantitative goodwill impairment test. The quantitative goodwill impairment test compares the estimated fair value of a reporting unit with its carrying value, including goodwill. If the estimated fair value of a reporting unit exceeds its carrying value, goodwill of the reporting unit is considered not impaired. If the carrying value exceeds the estimated fair value of the reporting unit, an impairment loss shall be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

Con Edison has recorded goodwill related to the O&R merger, the acquisition of a portion of Honeoye, and the acquisitions of a residential solar company and a battery storage company by the Clean Energy Businesses. In 2021 and 2020, Con Edison completed impairment tests for its goodwill of $406 million related to the O&R merger and determined that it was not impaired. For the impairment test, $245 million and $161 million of goodwill were allocated to CECONY and O&R, respectively. In 2021, the Companies performed the qualitative assessment for goodwill related to the O&R merger. In 2021 and 2020, Con Edison completed impairment tests for goodwill of $8 million related to Honeoye, $14 million related to the residential solar company acquired by the Clean Energy Businesses and $18 million related to the battery storage company acquired by the Clean Energy Businesses. In 2021, Con Edison determined, based on a discounted cash flow analysis, that $7 million of goodwill was impaired related to Honeoye, $5 million of which was attributed to CET Gas and $2 million of which was attributed to CECONY.

Estimates of future cash flows, projected growth rates, and discount rates inherent in the cash flow estimates for Con Edison subsidiaries other than the Utilities may vary significantly from actual results, which could result in a future impairment of goodwill. The Companies identified no triggering events or changes in circumstances related to the COVID-19 pandemic that would indicate that the carrying value of goodwill may not be recoverable at December 31, 2021 and 2020.

Note L – Income Tax

In response to the economic impacts of the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law on March 27, 2020. The CARES Act provided relief to corporate taxpayers by permitting a five-year carryback of net operating losses (NOLs) for tax years 2018, 2019 and 2020, temporarily removing the 80 percent limitation when applying the NOLs to carryback years, increased the 30 percent limitation on interest deductibility to 50 percent of adjusted taxable income for tax years 2019 and 2020, and provided for certain employee retention tax credits and refunds for eligible employers.

Under the CARES Act, Con Edison carried back its $29 million NOL from tax year 2018 to tax year 2013 generating a $2.5 million net tax refund for which a tax receivable was established in 2020. In addition, Con Edison recognized a discrete income tax benefit of $4 million in 2020, due to the higher federal statutory tax rate in 2013. The 2018 federal NOL was recorded at 21 percent and was carried back to tax year 2013, which had a 35 percent federal statutory tax rate. This income tax benefit was primarily recognized at the Clean Energy Businesses.

The components of income tax are as follows:

	Con Edison			CECONY		
(Millions of Dollars)	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
State						
Current	$14	$7	$(12)	$1	$6	$22
Deferred	79	50	96	106	97	68
Federal						
Current	43	(2)	—	121	41	185
Deferred	61	42	219	21	73	63
Amortization of investment tax credits	(7)	(7)	(7)	(3)	(2)	(3)
Total income tax expense	$190	$90	$296	$246	$215	$335

The tax effects of temporary differences, which gave rise to deferred tax assets and liabilities, are as follows:

	Con Edison		CECONY	
(Millions of Dollars)	2021	2020	2021	2020
Deferred tax liabilities:				
Property basis differences	$8,298	$7,985	$7,213	$6,901
Regulatory assets:				
Unrecognized pension and other postretirement costs	36	910	31	861
Environmental remediation costs	264	243	241	222
Deferred storm costs	33	31	—	—
Other regulatory assets	640	536	609	508
Operating lease right-of-use asset	204	220	155	165
Pension Asset Reserve	478	—	471	—
Equity investments	—	46	—	—
Other	30	—	—	—
Total deferred tax liabilities	$9,983	$9,971	$8,720	$8,657
Deferred tax assets:				
Accrued pension and other postretirement costs	$218	$504	$188	$427
Regulatory liabilities:				
Future income tax	554	617	517	579
Other regulatory liabilities	727	656	620	570
Superfund and other environmental costs	264	241	238	219
Asset retirement obligations	177	178	141	143
Operating lease liabilities	195	211	155	165
Loss carryforwards	144	164	38	34
Tax credits carryforward	946	1,022	—	—
Valuation allowance	(22)	(22)	—	—
Equity investments	34	—	—	—
Other	—	59	42	127
Total deferred tax assets	3,237	3,630	1,939	2,264
Net deferred tax liabilities	$6,746	$6,341	$6,781	$6,393
Unamortized investment tax credits	127	134	15	18
Net deferred tax liabilities and unamortized investment tax credits	$6,873	$6,475	$6,796	$6,411

Reconciliation of the difference between income tax expense and the amount computed by applying the prevailing statutory income tax rate to income before income taxes is as follows:

	Con Edison			CECONY		
(% of Pre-tax income)	2021	2020	2019	2021	2020	2019
STATUTORY TAX RATE						
Federal	21 %	21 %	21 %	21 %	21 %	21 %
Changes in computed taxes resulting from:						
State income taxes, net of federal income tax benefit	4	4	4	5	5	5
Taxes attributable to noncontrolling interests	3	(1)	(1)	—	—	—
Cost of removal	2	2	1	1	1	1
Other plant-related items	(1)	(1)	(1)	(1)	(1)	(1)
Amortization of excess deferred federal income taxes	(12)	(14)	(4)	(11)	(12)	(4)
Renewable energy credits	(2)	(3)	(2)	—	—	—
Research and development credits	(1)	—	(1)	—	—	(1)
Other	—	(1)	—	—	1	—
Effective tax rate	14 %	7 %	17 %	15 %	15 %	21 %

At December 31, 2021, Con Edison had $946 million in general business tax credit carryovers (primarily renewable energy tax credits). If unused, these general business tax credit carryovers will begin to expire in 2034. A deferred tax asset for these tax attribute carryforwards was recorded, and no valuation allowance was provided, as it is more likely than not that the deferred tax asset will be realized.

At December 31, 2021, Con Edison had a New York State NOL of approximately $1.13 billion, primarily as a result of higher accelerated state tax depreciation. A deferred tax asset has been recognized for these New York State NOL carryforwards that will begin to expire, if unused, in 2038 and no valuation allowance was provided; as it is more likely than not that the deferred tax asset will be realized. In addition, Con Edison has a $5 million valuation allowance against the New York City NOL deferred tax asset of approximately $17 million. Con Edison also has a $21.5 million valuation allowance for other state NOL carryforwards; as it is not more likely than not that the deferred tax asset will be realized.

In December 2019, the Federal government issued final regulations providing guidance on provisions in the TCJA allowing for full expensing of qualified plant additions. These provisions, which Con Edison adopted under the proposed regulations of August 2018, allowed the Utilities a full expense tax deduction for plant additions in the fourth quarter of 2017, and the Utilities continue additional first year depreciation transition rules for plant additions placed in service in tax years beginning in 2018, under long-term construction contracts entered into before September 28, 2017. The impact on the Utilities of these regulations is discussed above.

In November 2018, the Federal government issued, and Con Edison adopted, proposed regulations providing guidance on the tax deductibility of interest expense under the TCJA. The TCJA generally provides for the continued deductibility of interest expense by regulated public utilities and may limit the deduction for interest expense by most non-utility businesses to 30 percent of adjusted taxable income (which resembles earnings before interest, taxes, depreciation and amortization).The regulations provide an annual safe harbor test that if at least 90 percent of consolidated plant assets consist of utility property, the entire consolidated group will be treated as a regulated public utility, and all of the consolidated group's interest expense will be currently tax deductible. For 2018, Con Edison met the 90 percent safe harbor test and its deduction for interest expense was not limited. For 2019, Con Edison did not meet the 90 percent safe harbor test, however, its deduction for interest expense was not limited as a percentage of adjusted taxable income. In 2020, the federal government issued final regulations under the TCJA. Under the CARES Act, the limit of the deductible interest expense as a percentage of adjusted taxable income increased from 30 percent to 50 percent and accordingly, all of Con Edison's interest expense in 2020 will be tax deductible. In 2021, the limit of the deductible interest expense as a percentage of adjustable taxable income returned to 30 percent; however, Con Edison's deduction for interest expense was not limited. Qualifying consolidated groups would not be entitled to the full expensing provisions in the TCJA noted above. The safe harbor rules do not apply to partnerships in which Con Edison and its subsidiaries are a partner.

In April 2021, NY State passed a law that increased the corporate franchise tax rate on business income from 6.5% to 7.25%, retroactive to January 1, 2021, for taxpayers with taxable income greater than $5 million. The law also reinstated the business capital tax at 0.1875%, not to exceed an annual maximum tax liability of $5 million per taxpayer. NY State requires a corporate franchise taxpayer to calculate and pay the highest amount of tax under the three alternative methods: a tax on business income; a tax on business capital; or a fixed dollar minimum. The provisions to increase the corporate franchise tax rate and reinstate a business capital tax are scheduled to expire after 2023 and are not expected to have a material impact on the Companies' financial position, results of operations or liquidity.

Uncertain Tax Positions

Under the accounting rules for income taxes, the Companies are not permitted to recognize the tax benefit attributable to a tax position unless such position is more likely than not to be sustained upon examination by taxing authorities, including resolution of any related appeals and litigation processes, based solely on the technical merits of the position.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits for Con Edison and CECONY follows:

	Con Edison			CECONY		
(Millions of Dollars)	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
Balance at January 1,	$14	$13	$6	$3	$2	$4
Additions based on tax positions related to the current year	3	—	1	2	—	1
Additions based on tax positions of prior years	2	1	10	1	1	—
Reductions for tax positions of prior years	(2)	—	(2)	(1)	—	(1)
Reductions from expiration of statute of limitations	—	—	—	—	—	—
Settlements	—	—	(2)	—	—	(2)
Balance at December 31,	$17	$14	$13	$5	$3	$2

At December 31, 2021, the estimated liability for uncertain tax positions for Con Edison was $17 million ($5 million for CECONY). Con Edison reasonably expects to resolve within the next twelve months approximately $12 million of various federal and state uncertainties due to the expected completion of ongoing tax examinations, of which the entire amount, if recognized, would reduce Con Edison's effective tax rate. The amount related to CECONY is $3 million, which, if recognized, would reduce CECONY's effective tax rate. The total amount of unrecognized tax benefits, if recognized, that would reduce Con Edison's effective tax rate is $17 million ($16 million, net of federal taxes) with $5 million attributable to CECONY.

The Companies recognize interest on liabilities for uncertain tax positions in interest expense and would recognize penalties, if any, in operating expenses in the Companies' consolidated income statements. For the year ended December 31, 2021, the Companies recognized an immaterial amount of interest expense and no penalties for uncertain tax positions in their consolidated income statements. At December 31, 2021 and 2020, the Companies recognized an immaterial amount of accrued interest on their consolidated balance sheets.

Con Edison's federal tax return for 2020 remains under examination. State and local income tax returns remain open for examination in NY State for tax years 2010 through 2020, in NJ for tax years 2017 through 2020 and in New York City for tax years 2017 through 2020.

Note M – Revenue Recognition

The following table presents, for the years ended December 31, 2021, 2020 and 2019, revenue from contracts with customers as defined in Accounting Standards Codification (ASC) Topic 606, "Revenue from Contracts with Customers," as well as additional revenue from sources other than contracts with customers, disaggregated by major source.

	2021			2020			2019		
(Millions of Dollars)	Revenues from contracts with customers	Other revenues (a)	Total operating revenues	Revenues from contracts with customers	Other revenues (a)	Total operating revenues	Revenues from contracts with customers	Other revenues (a)	Total operating revenues
CECONY									
Electric	$8,736	$70	$8,806	$8,026	$77	$8,103	$7,913	$149	$8,062
Gas	2,324	54	2,378	1,998	38	2,036	2,097	35	2,132
Steam	519	13	532	494	14	508	610	17	627
Total CECONY	$11,579	$137	$11,716	$10,518	$129	$10,647	$10,620	$201	$10,821
O&R									
Electric	691	(10)	681	619	10	629	627	7	634
Gas	265	(5)	260	224	9	233	247	12	259
Total O&R	$956	$(15)	$941	$843	$19	$862	$874	$19	$893
Clean Energy Businesses									
Renewables	683	—	683	609	—	609	575	—	575
Energy services	234	—	234	52	—	52	71	—	71
Other	—	105	105	—	75	75	—	211	211
Total Clean Energy Businesses	$917	$105	$1,022	$661	$75	$736	$646	$211	$857
Con Edison Transmission	4	—	4	4	—	4	4	—	4
Other (b)	—	(7)	(7)	—	(3)	(3)	—	(1)	(1)
Total Con Edison	$13,456	$220	$13,676	$12,026	$220	$12,246	$12,144	$430	$12,574

(a) For the Utilities, this includes revenue from alternative revenue programs, such as the revenue decoupling mechanisms under their NY electric and gas rate plans, as well as net earnings adjustment mechanisms (EAMs) and positive incentives primarily for achieving energy efficiency goals (see "Rate Plans" in Note B), and for 2021 recognition of late payment charges and fees that were not billed (LPCs) for the years ended December 31, 2020 and 2021 and for which recovery was granted by the NYSPSC. See "COVID-19 Regulatory Matters" in Note B and "Utilities' Assessment of Late Payment Charges" below. The amount of revenue recognized under such alternative revenue programs for 2021 includes $48 million, $34 million and $74 million for CECONY's revenue decoupling mechanisms, net EAMs, and LPCs, respectively, and $(18) million, $2 million and $4 million for O&R's revenue decoupling mechanisms, net EAMs, and LPCs, respectively. For the Clean Energy Businesses, this includes revenue from wholesale services.

(b) Parent company and consolidation adjustments.

Revenues are recorded as energy is delivered, generated or services are provided and billed to customers, except for services under percentage-of-completion contracts. Amounts billed are recorded in accounts receivable - customers, with payment generally due the following month. Con Edison’s and the Utilities’ accounts receivable - customers balance also reflects the Utilities’ purchase of receivables from energy service companies to support retail choice programs. Accrued revenues not yet billed to customers are recorded as accrued unbilled revenues.

The Utilities have the obligation to deliver electricity, gas and steam energy to their customers. As the energy is immediately available for use upon delivery to the customer, the energy and its delivery are identifiable as a single performance obligation. The Utilities recognize revenues as this performance obligation is satisfied over time as the Utilities deliver, and the customers simultaneously receive and consume, the energy. The amount of revenues recognized reflects the consideration the Utilities expect to receive in exchange for delivering the energy. Under their tariffs, the transaction price for full-service customers includes the Utilities’ energy cost and for all customers includes delivery charges determined based on customer class and in accordance with established tariffs and guidelines of the NYSPSC or the NJBPU, as applicable. Accordingly, there is no unsatisfied performance obligation associated with these customers. The transaction price is applied to the Utilities’ revenue generating activities through the customer billing process. Because energy is delivered over time, the Utilities use output methods that recognize revenue based on direct measurement of the value transferred, such as units delivered, which provides an accurate measure of value for the energy delivered. The Utilities accrue revenues at the end of each month for estimated energy delivered but not yet billed to customers. The Utilities defer over a 12-month period net

interruptible gas revenues, other than those authorized by the NYSPSC to be retained by the Utilities, for refund to firm gas sales and transportation customers.

The Clean Energy Businesses recognize revenue for the sale of energy from renewable electric projects as energy is generated and billed to counterparties; accrue revenues at the end of each month for energy generated but not yet billed to counterparties; and recognize revenue as energy is delivered and services are provided for managing energy supply assets leased from others and managing the dispatch, fuel requirements and risk management activities for generating plants and merchant transmission in the northeastern United States. The Clean Energy Businesses also recognize revenue for providing energy-efficiency services to government and commercial customers, and recognize revenue for engineering, procurement and construction services, under the percentage-of-completion method of revenue recognition.

Clean Energy Businesses' Use of the Percentage-of-Completion Method

Sales and profits on each percentage-of-completion contract are recorded each month based on the ratio of actual cumulative costs incurred to the total estimated costs at completion of the contract, multiplied by the total estimated contract revenue, less cumulative revenues recognized in prior periods (the "cost-to-cost" method). The impact of revisions of contract estimates, which may result from contract modifications, performance or other reasons, are recognized on a cumulative catch-up basis in the period in which the revisions are made.

	2021		2020		2019	
(Millions of Dollars)	Unbilled contract revenue (a)	Unearned revenue (b)	Unbilled contract revenue (a)	Unearned revenue (b)	Unbilled contract revenue (a)	Unearned revenue (b)
Beginning balance as of January 1,	$11	$41	$29	$17	$29	$20
Additions (c)	242	—	88	31	86	1
Subtractions (c)	218	34 (d)	106	7 (d)	86	4 (d)
Ending balance as of December 31,	$35	$7	$11	$41	$29	$17

(a) Unbilled contract revenue represents accumulated incurred costs and earned profits on contracts (revenue arrangements), which have been recorded as revenue, but have not yet been billed to customers, and which represent contract assets as defined in Topic 606. Substantially all accrued unbilled contract revenue is expected to be collected within one year. Unbilled contract revenue arises from the cost-to-cost method of revenue recognition. Unbilled contract revenue from fixed-price type contracts is converted to billed receivables when amounts are invoiced to customers according to contractual billing terms, which generally occur when deliveries or other performance milestones are completed.

(b) Unearned revenue represents a liability for billings to customers in excess of earned revenue, which are contract liabilities as defined in Topic 606.

(c) Additions for unbilled contract revenue and subtractions for unearned revenue represent additional revenue earned. Additions for unearned revenue and subtractions for unbilled contract revenue represent billings. Activity also includes appropriate balance sheet classification for the period.

(d) Of the subtractions from unearned revenue, $34 million, $7 million and $4 million were included in the balances as of January 1, 2021, 2020, and 2019, respectively.

As of December 31, 2021, the aggregate amount of the remaining fixed performance obligations of the Clean Energy Businesses under contracts with customers for energy services is $120 million, of which $81 million will be recognized within the next two years, and the remaining $39 million will be recognized pursuant to long-term service and maintenance agreements.

Utilities' Assessment of Late Payment Charges

In March 2020, the Utilities began suspending new late payment charges and certain other fees for all customers. The Utilities also began providing payment extensions for all customers that were scheduled to be disconnected prior to the start of the COVID-19 pandemic. In November 2021, the NYSPSC issued an order establishing a surcharge recovery mechanism for CECONY to collect, commencing December 1, 2021 through December 31, 2022, $43 million and $7 million for electric and gas, respectively, of late payment charges and fees that were not billed for the year ended December 31, 2020. The company recorded such amounts as revenue for the year ended December 31, 2021, as permitted under the accounting rules for regulated utilities, and also accrued such amounts as a current asset at December 31, 2021. Pursuant to the November 2021 order, the company also established a recovery mechanism for CECONY to collect, commencing January 2023 through December 2023, $19 million and $4 million for electric and gas, respectively, of late payment charges and fees that were not billed for the year ended December 31, 2021 and the company recorded such amounts as revenue for the year ended December 31, 2021, as permitted under the accounting rules for regulated utilities, and also accrued such amounts as a current asset at

December 31, 2021. In October 2021, O&R, the New York State Department of Public Service (NYSDPS) and other parties entered into a Joint Proposal for new electric and gas rate plans for the three-year period January 2022 through December 2024 (the Joint Proposal) that includes certain COVID-19 provisions, such as: recovery of 2020 late payment charges over three years; reconciliation of late payment charges to amounts reflected in rates for years 2021 through 2024; and reconciliation of write-offs of customer accounts receivable balances to amounts reflected in rates from January 1, 2020 through December 31, 2024. The Joint Proposal is subject to NYSPSC approval. CECONY resumed late payment charges for commercial and residential customers who have not experienced a change in financial circumstances due to the COVID-19 pandemic on September 3, 2021 and October 1, 2021, respectively. O&R resumed late payment charges for commercial and residential customers who have not experienced a change in financial circumstances due to the COVID-19 pandemic on October 1, 2021. See "COVID-19 Regulatory Matters" in Note B.

Note N – Current Expected Credit Losses

In January 2020, the Companies adopted Accounting Standards Update (ASU) 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments".

Allowance for Uncollectible Accounts

The Utilities' "Account receivable – customers" balance consists of utility bills due (bills are generally due the month following billing) from customers who have energy delivered, generated, or services provided by the Utilities. The balance also reflects the Utilities' purchase of receivables from energy service companies to support the retail choice programs.

"Other receivables" balance generally reflects costs billed by the Utilities for goods and services provided to external parties, such as accommodation work for private parties and certain governmental entities, real estate rental and pole attachments. The Clean Energy Businesses' other receivables balance includes bills related to the sale of energy from renewable electric projects.

The Clean Energy Businesses' customer accounts receivable balance generally reflects the management of energy supply assets, energy-efficiency services to government and commercial customers, and the engineering, procurement, and construction services of renewable energy projects. The Clean Energy Businesses calculate an allowance for uncollectible accounts related to their energy services customers based on an aging and customer-specific analysis. The amount of such reserves was not material at December 31, 2021 and December 31, 2020.

The Companies develop expected loss estimates using past events data and consider current conditions and future reasonable and supportable forecasts. Changes to the Utilities' reserve balances that result in write-offs of customer accounts receivable balances above existing rate allowances are not reflected in rates during the term of the current rate plans. For the Utilities' customer accounts receivable allowance for uncollectible accounts, past events considered include write-offs relative to customer accounts receivable; current conditions include macro-and micro-economic conditions related to trends in the local economy, bankruptcy rates and aged customer accounts receivable balances, among other factors; and forecasts about the future include assumptions related to the level of write-offs and recoveries. Generally, the Utilities write off customer accounts receivable as uncollectible 90 days after the account is turned off for non-payment, or the account is closed during the collection process. See "COVID-19 Regulatory Matters" in Note B.

Other receivables allowance for uncollectible accounts is calculated based on a historical average of collections relative to total other receivables, including current receivables. Current macro- and micro-economic conditions are also considered when calculating the current reserve. Probable outcomes of pending litigation, whether favorable or unfavorable to the Companies, are also included in the consideration.

During the years ended December 31, 2021 and 2020, the potential economic impact of the COVID-19 pandemic was also considered in forward-looking projections related to write-off and recovery rates and resulted in increases to the allowance for uncollectible accounts. The increases to the allowance for customer uncollectible accounts for Con Edison and CECONY were $169 million and $166 million, respectively, for the year ended December 31, 2021. The increases to the allowance for uncollectible accounts for Con Edison and CECONY were $78 million and $73 million for the year ended December 31, 2020.

Customer accounts receivable and the associated allowance for uncollectible accounts are included in the line "Accounts receivable – customers" on the Companies' consolidated balance sheets. Other receivables and the associated allowance for uncollectible accounts are included in "Other receivables" on the consolidated balance sheets.

The table below presents a rollforward by major portfolio segment type for the years ended December 31, 2021 and 2020:

	For the Year Ended December 31,							
	Con Edison				CECONY			
	Accounts receivable - customers		Other receivables		Accounts receivable - customers		Other receivables	
(Millions of Dollars)	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Allowance for credit losses								
Beginning Balance at January 1,	$148	$70	$7	$4	$138	$65	$4	$3
Recoveries	14	8	1	—	12	6	1	—
Write-offs	(91)	(54)	(2)	(2)	(86)	(50)	(1)	(1)
Reserve adjustments	246	124	16	5	240	117	15	2
Ending Balance December 31,	$317	$148	$22	$7	$304	$138	$19	$4

Note O – Stock-Based Compensation

The Companies may compensate employees and directors with, among other things, stock options, stock units, restricted stock units and contributions to the stock purchase plan. The Long Term Incentive Plan, which was approved by Con Edison's shareholders in 2003 (2003 LTIP), and the Long Term Incentive Plan, which was approved by Con Edison's shareholders in 2013 (2013 LTIP), are collectively referred to herein as the LTIP. The LTIP provides for, among other things, awards to employees of restricted stock units and stock options and, to Con Edison's non-employee directors, stock units. Existing awards under the 2003 LTIP continue in effect, however no new awards may be issued under the 2003 LTIP. The 2013 LTIP provides for awards for up to five million shares of common stock.

During the years ended December 31, 2021, 2020, and 2019, equity awards were granted under the 2013 LTIP. Shares of Con Edison common stock used to satisfy the Companies' obligations with respect to stock-based compensation may be new shares (authorized, but unissued) or treasury shares (existing treasury shares or shares purchased in the open market). The shares used during the year ended December 31, 2021 were new shares. The Companies intend to use new shares to fulfill their stock-based compensation obligations for 2022.

The Companies recognized stock-based compensation expense using a fair value measurement method. The following table summarizes stock-based compensation expense recognized by the Companies in the years ended December 31, 2021, 2020 and 2019:

	Con Edison			CECONY		
(Millions of Dollars)	2021	2020	2019	2021	2020	2019
Performance-based restricted stock	$23	$7	$36	$19	$6	$30
Time-based restricted stock	2	1	2	2	1	2
Non-employee director deferred stock compensation	3	2	2	3	2	2
Stock purchase plan	7	7	7	7	7	6
Total	$35	$17	$47	$31	$16	$40
Income tax benefit	$10	$5	$13	$9	$4	$11

Restricted Stock and Stock Units

Restricted stock and stock unit awards under the LTIP have been made as follows: (i) awards that provide for adjustment of the number of units (performance-restricted stock units or Performance RSUs) to certain officers and employees; (ii) time-based awards to certain employees; and (iii) awards to non-employee directors. Restricted stock and stock units awarded represent the right to receive, upon vesting, shares of Con Edison common stock, or, except for units awarded under the directors' plan, the cash value of shares or a combination thereof.

The number of units in each annual Performance RSU award is subject to adjustment as follows: (i) 50 percent of the units awarded will be multiplied by a factor that may range from 0 to 200 percent, based on Con Edison's total shareholder return relative to a specified peer group during a specified performance period (the TSR portion); and (ii) 50 percent of the units awarded will be multiplied by factors that may range from 0 to 200 percent, based on determinations made in connection with the Companies' annual incentive plans or, with respect to certain executive officers, actual performance as compared to certain performance measures during a specified performance period (the non-TSR portion). Performance RSU awards generally vest upon completion of the performance period.

Performance against the established targets is recomputed each reporting period as of the earlier of the reporting date and the vesting date. The TSR portion applies a Monte Carlo simulation model, and the non-TSR portion is the product of the market price at the end of the period and the average non-TSR determination over the vesting period. Performance RSUs are "liability awards" because each Performance RSU represents the right to receive, upon vesting, one share of Con Edison common stock, the cash value of a share or a combination thereof. As such, changes in the fair value of the Performance RSUs are reflected in net income. The assumptions used to calculate the fair value of the awards were as follows:

	2021	2020	2019
Risk-free interest rate (a)	0.39% - 0.73%	0.10% - 0.13%	1.58% -1.59%
Expected term (b)	3 years	3 years	3 years
Expected share price volatility (c)	17.25% - 31.42%	30.16% - 40.95%	12.89% - 15.51%

(a) The risk-free rate is based on the U.S. Treasury zero-coupon yield curve.
(b) The expected term of the Performance RSUs equals the vesting period. The Companies do not expect significant forfeitures to occur.
(c) Based on historical experience. The Companies would reevaluate this assumption if market conditions or business developments would reasonably indicate that future volatility might differ materially from historical experience.

A summary of changes in the status of the Performance RSUs' TSR and non-TSR portions during the year ended December 31, 2021 is as follows:

	Con Edison			CECONY		
		Weighted Average Grant Date Fair Value (a)			Weighted Average Grant Date Fair Value (a)	
	Units	TSR Portion (b)	Non-TSR Portion (c)	Units	TSR Portion (b)	Non-TSR Portion (c)
Non-vested at December 31, 2020	901,524	$70.11	$81.83	686,471	$70.15	$81.80
Granted	401,100	74.46	71.04	301,087	74.23	71.25
Vested	(301,600)	67.27	76.37	(227,411)	66.82	76.48
Forfeited	(16,296)	75.23	79.78	(15,869)	75.21	79.84
Non-vested at December 31, 2021	984,728	$72.67	$79.14	744,278	$72.71	$79.20

(a) The TSR and non-TSR Portions each account for 50 percent of the awards' value.
(b) Fair value is determined using the Monte Carlo simulation described above. Weighted average grant date fair value does not reflect any accrual or payment of dividends prior to vesting.
(c) Fair value is determined using the market price of one share of Con Edison common stock on the grant date. The market price has not been discounted to reflect that dividends do not accrue and are not payable on Performance RSUs until vesting.

The total expense to be recognized by Con Edison in future periods for unvested Performance RSUs outstanding at December 31, 2021 is $33 million, including $27 million for CECONY, and is expected to be recognized over a weighted average period of one year for both Con Edison and CECONY. Con Edison and CECONY paid cash of $8 million and $7 million in 2021, $21 million and $18 million in 2020, and $24 million and $22 million in 2019, respectively, to settle vested Performance RSUs.

In accordance with the accounting rules for stock compensation, for time-based awards, the Companies are accruing a liability and recognizing compensation expense based on the market value of a common share throughout the vesting period. The vesting period for awards is three years and is based on the employee's continuous service to Con Edison. Prior to vesting, the awards are subject to forfeiture in whole or in part under certain circumstances. The awards are "liability awards" because each restricted stock unit represents the right to receive, upon vesting, one share of Con Edison common stock, the cash value of a share or a combination thereof. As such, prior to vesting, changes in the fair value of the units are reflected in net income.

A summary of changes in the status of time-based awards during the year ended December 31, 2021 is as follows:

	Con Edison		CECONY	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Non-vested at December 31, 2020	67,438	$80.40	62,838	$80.42
Granted	17,150	74.80	16,200	74.80
Vested	(21,121)	77.96	(19,588)	77.95
Forfeited	(1,847)	80.23	(1,580)	79.89
Non-vested at December 31, 2021	61,620	$79.68	57,870	$79.70

The total expense to be recognized by Con Edison in future periods for unvested time-based awards outstanding at December 31, 2021 for Con Edison and CECONY is $2 million, and is expected to be recognized over a weighted

average period of one year. Con Edison and CECONY paid cash of $1 million in 2021, 2020 and 2019, to settle vested time-based awards.

Under the LTIP, each non-employee director receives stock units, which are deferred until the director's separation from service or another date specified by the director. Each director may also elect to defer all or a portion of their cash compensation into additional stock units, which are deferred until the director's termination of service or another date specified by the director. Non-employee directors' stock units issued under the LTIP are considered "equity awards," because they may only be settled in shares. Directors immediately vest in units issued to them. The fair value of the units is determined using the closing price of Con Edison's common stock on the business day immediately preceding the date of issue. In the year ended December 31, 2021, approximately 36,000 units were issued at a weighted average grant date price of $77.53.

Stock Purchase Plan

The Stock Purchase Plan, which was approved by shareholders in 2004 and 2014, provides for the Companies to contribute up to $1 for each $9 invested by their directors, officers or employees to purchase Con Edison common stock under the plan. Eligible participants may invest up to $25,000 during any calendar year (subject to an additional limitation for officers and employees of not more than 20 percent of their pay). Dividends paid on shares held under the plan are reinvested in additional shares unless otherwise directed by the participant.

Participants in the plan immediately vest in shares purchased by them under the plan. Prior to September 1, 2020, the fair value of the shares of Con Edison common stock purchased under the plan was calculated using the average of the high and low composite sale prices at which shares were traded at the New York Stock Exchange on the trading day immediately preceding such purchase dates. During 2020, the plan was amended and as a result of the amendment, the fair value of the shares of Con Edison common stock purchased after September 1, 2020 under the plan was calculated using the closing price at which shares were traded on the New York Stock Exchange on the last business day of the month for all shares purchased during the month. During 2021, 2020 and 2019, 957,866, 836,984 and 747,899 shares were purchased under the Stock Purchase Plan at a weighted average price of $73.38, $79.82 and $85.45 per share, respectively.

Note P – Financial Information by Business Segment

The business segments of each of the Companies, which are its operating segments, were determined based on management's reporting and decision-making requirements in accordance with the accounting rules for segment reporting.

Con Edison's principal business segments are CECONY's regulated utility activities, O&R's regulated utility activities, the Clean Energy Businesses and Con Edison Transmission. CECONY's principal business segments are its regulated electric, gas and steam utility activities.

All revenues of these business segments are from customers located in the United States of America. Also, all assets of the business segments are located in the United States of America. The accounting policies of the segments are the same as those described in Note A.

Common services shared by the business segments are assigned directly or allocated based on various cost factors, depending on the nature of the service provided.

The financial data for the business segments are as follows:

As of and for the Year Ended December 31, 2021 *(Millions of Dollars)*	Operating revenues	Inter-segment revenues	Depreciation and amortization	Operating income	Other Income (deductions)	Interest charges	Income taxes on operating income (a)	Total assets	Capital expenditures
CECONY									
Electric	$8,806	$18	$1,286	$1,802	$(84)	$542	$151	$36,260	$2,189
Gas	2,378	8	326	646	(16)	179	110	13,748	1,126
Steam	532	74	93	12	(8)	41	(9)	2,647	103
Consolidation adjustments	—	(100)	—	—	—	—	—	—	—
Total CECONY	$11,716	$—	$1,705	$2,460	($108)	$762	$252	$52,655	$3,418
O&R									
Electric	$681	$—	$69	$100	$(8)	$27	$13	$2,123	$147
Gas	260	—	26	50	(4)	15	8	1,169	70
Other	—	—	—	—	—	—	—	—	—
Total O&R	$941	$—	$95	$150	$(12)	$42	$21	$3,292	$217
Clean Energy Businesses	$1,022	$—	$231	$236	$(10)	$68	$44	$6,554	$298
Con Edison Transmission	4	—	1	(16)	(407)	9	3	249	31
Other (b)	(7)	—	—	(4)	(1)	24	20	366	—
Total Con Edison	$13,676	$—	$2,032	$2,826	$(538)	$905	$340	$63,116	$3,964

As of and for the Year Ended December 31, 2020 *(Millions of Dollars)*	Operating revenues	Inter-segment revenues	Depreciation and amortization	Operating income	Other Income (deductions)	Interest charges	Income taxes on operating income (a)	Total assets	Capital expenditures
CECONY									
Electric	$8,103	$18	$1,214	$1,731	$(134)	$535	$130	$35,673	$2,080
Gas	2,036	7	294	574	(25)	164	102	12,678	1,044
Steam	508	74	90	5	(12)	40	(14)	2,616	122
Consolidation adjustments	—	(99)	—	—	—	—	—	—	—
Total CECONY	$10,647	$—	$1,598	$2,310	$(171)	$739	$218	$50,967	$3,246
O&R									
Electric	$629	$—	$65	$99	$(10)	$26	$13	$2,097	$159
Gas	233	—	25	48	(4)	15	8	1,150	61
Other	—	—	—	—	—	—	—	—	—
Total O&R	$862	$—	$90	$147	$(14)	$41	$21	$3,247	$220
Clean Energy Businesses	$736	$—	$231	$215	$4	$196	$(43)	$6,848	$616
Con Edison Transmission	4	—	1	(8)	(215)	18	—	1,348	3
Other (b)	(3)	—	—	(10)	(5)	25	(3)	485	—
Total Con Edison	$12,246	$—	$1,920	$2,654	$(401)	$1,019	$193	$62,895	$4,085

As of and for the Year Ended December 31, 2019 *(Millions of Dollars)*	Operating revenues	Inter-segment revenues	Depreciation and amortization	Operating income	Other Income (deductions)	Interest charges	Income taxes on operating income (a)	Total assets	Capital expenditures
CECONY									
Electric	$8,062	$17	$1,053	$1,758	$(28)	$539	$239	$32,988	$1,851
Gas	2,132	7	231	528	(4)	147	99	11,090	1,078
Steam	627	70	89	62	(3)	42	4	2,479	91
Consolidation adjustments	—	(94)	—	—	—	—	—	—	—
Total CECONY	$10,821	$—	$1,373	$2,348	$(35)	$728	$342	$46,557	$3,020
O&R									
Electric	$634	$—	$60	$98	$(7)	$27	$15	$2,130	$142
Gas	259	—	24	41	(4)	14	6	876	61
Other	—	—	—	—	—	—	—	—	—
Total O&R	$893	$—	$84	$139	$(11)	$41	$21	$3,006	$203
Clean Energy Businesses	$857	$—	$226	$202	$5	$186	$(58)	$6,528	$248
Con Edison Transmission	4	—	1	(6)	104	25	1	1,618	205
Other (b)	(1)	—	—	(7)	(12)	11	(6)	370	—
Total Con Edison	$12,574	$—	$1,684	$2,676	$51	$991	$300	$58,079	$3,676

(a) For Con Edison, the income tax expense/(benefit) on non-operating income was $(150) million, $(103) million and $(4) million in 2021, 2020 and 2019, respectively. For CECONY, the income tax expense/(benefit) on non-operating income was $(6) million, $(3) million and $(7) million in 2021, 2020 and 2019, respectively.
(b) Parent company and consolidation adjustments. Other does not represent a business segment.

Note Q – Derivative Instruments and Hedging Activities

Con Edison's subsidiaries hedge market price fluctuations associated with physical purchases and sales of electricity, natural gas, steam and, to a lesser extent, refined fuels by using derivative instruments including futures, forwards, basis swaps, options, transmission congestion contracts and financial transmission rights contracts. These are economic hedges, for which the Utilities and the Clean Energy Business do not elect hedge accounting. The Clean Energy Businesses use interest rate swaps to manage the risks associated with interest rates related to outstanding and expected future debt issuances and borrowings. Derivatives are recognized on the consolidated balance sheet at fair value (see Note R), unless an exception is available under the accounting rules for derivatives and hedging. Qualifying derivative contracts that have been designated as normal purchases or normal sales contracts are not reported at fair value under the accounting rules.

The fair values of the Companies' derivatives, including the offsetting of assets and liabilities, on the consolidated balance sheet at December 31, 2021 and 2020 were:

(Millions of Dollars)	2021			2020		
Balance Sheet Location	**Gross Amounts of Recognized Assets/ (Liabilities)**	**Gross Amounts Offset**	**Net Amounts of Assets/(Liabilities) (a)**	**Gross Amounts of Recognized Assets/ (Liabilities)**	**Gross Amounts Offset**	**Net Amounts of Assets/(Liabilities) (a)**
Con Edison						
Fair value of derivative assets						
Current	$285	$(158)	$127 (b)	$44	$14	$58 (b)
Noncurrent	90	(13)	77	22	35	57 (d)
Total fair value of derivative assets	$375	$(171)	$204	$66	$49	$115
Fair value of derivative liabilities						
Current	$(289)	$137	$(152) (c)	$(225)	$(13)	$(238) (d)
Noncurrent	(94)	10	(84) (c)	(207)	(33)	(240) (d)
Total fair value of derivative liabilities	$(383)	$147	$(236)	$(432)	$(46)	$(478)
Net fair value derivative assets/(liabilities)	$(8)	$(24)	$(32)	$(366)	$3	$(363)
CECONY						
Fair value of derivative assets						
Current	$135	$(64)	$71 (b)	$20	$(12)	$8 (b)
Noncurrent	71	(15)	56	16	(8)	8
Total fair value of derivative assets	$206	$(79)	$127	$36	$(20)	$16
Fair value of derivative liabilities						
Current	$(131)	$43	$(88)	$(174)	$11	$(163)
Noncurrent	(50)	10	(40)	(114)	9	(105)
Total fair value of derivative liabilities	$(181)	$53	$(128)	$(288)	$20	$(268)
Net fair value derivative assets/(liabilities)	$25	($26)	$(1)	$(252)	$—	$(252)

(a) Derivative instruments and collateral were offset on the consolidated balance sheet as applicable under the accounting rules. The Companies enter into master agreements for their commodity derivatives. These agreements typically provide offset in the event of contract termination. In such case, generally the non-defaulting party's payable will be offset by the defaulting party's payable. The non-defaulting party will customarily notify the defaulting party within a specific time period and come to an agreement on the early termination amount.

(b) At December 31, 2021 and 2020, margin deposits for Con Edison ($1 million and $3 million, respectively) and CECONY (an immaterial amount and $3 million, respectively) were classified as derivative assets on the consolidated balance sheet, but not included in the table. Margin is collateral, typically cash, that the holder of a derivative instrument is required to deposit in order to transact on an exchange and to cover its potential losses with its broker or the exchange.

(c) Includes amounts for interest rate swaps of $4 million in noncurrent assets, $(20) million in current liabilities and $(38) million in noncurrent liabilities. At December 31, 2021, the Clean Energy Businesses had interest rate swaps with notional amounts of $1,031 million. The expiration dates of the swaps range from 2025-2041. In June 2021, as part of the Clean Energy Businesses' sale of a renewable electric project, interest rate swaps terminating in 2024 were assumed by the buyer.

(d) Includes amounts for interest rate swaps of $(24) million in current liabilities and $(82) million in noncurrent liabilities. At December 31, 2020, the Clean Energy Businesses had interest rate swaps with notional amounts of $863 million. The expiration dates of the swaps ranged from 2024-2041.

The Utilities generally recover their prudently incurred fuel, purchased power and gas costs, including hedging gains and losses, in accordance with rate provisions approved by the applicable state utility regulators. See "Recoverable Energy Costs" in Note A. In accordance with the accounting rules for regulated operations, the Utilities record a

regulatory asset or regulatory liability to defer recognition of unrealized gains and losses on their electric and gas derivatives. As gains and losses are realized in future periods, they will be recognized as purchased power, gas and fuel costs in the Companies' consolidated income statements.

The Clean Energy Businesses record realized and unrealized gains and losses on their derivative contracts in gas purchased for resale and non-utility revenue in the reporting period in which they occur. The Clean Energy Businesses record changes in the fair value of their interest rate swaps in other interest expense at the end of each reporting period. Management believes that these derivative instruments represent economic hedges that mitigate exposure to fluctuations in commodity prices and interest rates.

The following table presents the realized and unrealized gains or losses on derivatives that have been deferred or recognized in earnings for the years ended December 31, 2021 and 2020:

		Con Edison		CECONY	
(Millions of Dollars)	**Balance Sheet Location**	**2021**	**2020**	**2021**	**2020**
Pre-tax gains/(losses) deferred in accordance with accounting rules for regulated operations:					
Current	Deferred derivative gains	$134	$(26)	$124	$(27)
Noncurrent	Deferred derivative gains	57	—	51	—
Total deferred gains/(losses)		$191	$(26)	$175	$(27)
Current	Deferred derivative losses	$49	$(63)	$43	$(64)
Current	Recoverable energy costs	3	(201)	—	(177)
Noncurrent	Deferred derivative losses	70	(37)	66	(36)
Total deferred gains/(losses)		$122	$(301)	$109	$(277)
Net deferred gains/(losses)		$313	$(327)	$284	$(304)
	Income Statement Location				
Pre-tax gain/(loss) recognized in income					
	Gas purchased for resale	$18	$(2)	$—	$—
	Non-utility revenue	3	7	—	—
	Other operations and maintenance expense	5	(3)	5	(3)
	Other interest expense	52	(65)	—	—
Total pre-tax gain/(loss) recognized in income		$78	$(63)	$5	$(3)

The following table presents the hedged volume of Con Edison's and CECONY's commodity derivative transactions at December 31, 2021:

	Electric Energy (MWh) (a)(b)	Capacity (MW) (a)	Natural Gas (Dt) (a)(b)	Refined Fuels (gallons)
Con Edison	26,982,370	42,333	253,195,063	3,696,000
CECONY	24,646,000	28,800	235,570,000	3,696,000

(a) Volumes are reported net of long and short positions, except natural gas collars where the volumes of long positions are reported.
(b) Excludes electric congestion and gas basis swap contracts which are associated with electric and gas contracts and hedged volumes.

The Companies are exposed to credit risk related to transactions entered into primarily for the various energy supply and hedging activities by the Utilities and the Clean Energy Businesses. Credit risk relates to the loss that may result from a counterparty's nonperformance. The Companies use credit policies to manage this risk, including an established credit approval process, monitoring of counterparty limits, netting provisions within agreements, collateral or prepayment arrangements, credit insurance and credit default swaps. The Companies measure credit risk exposure as the replacement cost for open energy commodity and derivative positions plus amounts owed from counterparties for settled transactions. The replacement cost of open positions represents unrealized gains, net of any unrealized losses where the Companies have a legally enforceable right to offset.

At December 31, 2021, Con Edison and CECONY had $406 million and $145 million of credit exposure in connection with open energy supply net receivables and hedging activities, net of collateral, respectively. Con Edison's net credit exposure consisted of $91 million with independent system operators, $127 million with investment-grade counterparties, $53 million with non-investment grade/non-rated counterparties, and $135 million

with commodity exchange brokers. CECONY's net credit exposure consisted of $66 million with commodity exchange brokers and $79 million with investment-grade counterparties.

The collateral requirements associated with, and settlement of, derivative transactions are included in net cash flows from operating activities in the Companies' consolidated statement of cash flows. Most derivative instrument contracts contain provisions that may require a party to provide collateral on its derivative instruments that are in a net liability position. The amount of collateral to be provided will depend on the fair value of the derivative instruments and the party's credit ratings.

The following table presents the aggregate fair value of the Companies' derivative instruments with credit-risk-related contingent features that are in a net liability position, the collateral posted for such positions and the additional collateral that would have been required to be posted had the lowest applicable credit rating been reduced one level and to below investment grade at December 31, 2021:

(Millions of Dollars)	Con Edison (a)	CECONY (a)
Aggregate fair value – net liabilities	$158	$121
Collateral posted	170	170
Additional collateral (b) (downgrade one level from current ratings)	43	1
Additional collateral (b)(c) (downgrade to below investment grade from current ratings)	94	37

(a) Non-derivative transactions for the purchase and sale of electricity and gas and qualifying derivative instruments, which have been designated as normal purchases or normal sales, are excluded from the table. These transactions primarily include purchases of electricity from independent system operators. In the event the Utilities and the Clean Energy Businesses were no longer extended unsecured credit for such purchases, the Companies would be required to post additional collateral of $5 million at December 31, 2021. For certain other such non-derivative transactions, the Companies could be required to post collateral under certain circumstances, including in the event counterparties had reasonable grounds for insecurity.
(b) The Companies measure the collateral requirements by taking into consideration the fair value amounts of derivative instruments that contain credit-risk-related contingent features that are in a net liability position plus amounts owed to counterparties for settled transactions and amounts required by counterparties for minimum financial security. The fair value amounts represent unrealized losses, net of any unrealized gains where the Companies have a legally enforceable right to offset.
(c) Derivative instruments that are net assets have been excluded from the table. At December 31, 2021, if Con Edison had been downgraded to below investment grade, it would have been required to post additional collateral for such derivative instruments of $66 million.

Note R – Fair Value Measurements

The accounting rules for fair value measurements and disclosures define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities. These inputs can be readily observable, market corroborated, or generally unobservable firm inputs. The Companies often make certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, and the risks inherent in the inputs to valuation techniques. The Companies use valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

The accounting rules for fair value measurements and disclosures established a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The rules require that assets and liabilities be classified in their entirety based on the level of input that is significant to the fair value measurement. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability, and may affect the valuation of the asset or liability and their placement within the fair value hierarchy. The Companies classify fair value balances based on the fair value hierarchy defined by the accounting rules for fair value measurements and disclosures as follows:

- Level 1 – Consists of assets or liabilities whose value is based on unadjusted quoted prices in active markets at the measurement date. An active market is one in which transactions for assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. This category includes contracts traded on active exchange markets valued using unadjusted prices quoted directly from the exchange.
- Level 2 – Consists of assets or liabilities valued using industry standard models and based on prices, other than quoted prices within Level 1, that are either directly or indirectly observable as of the measurement

date. The industry standard models consider observable assumptions including time value, volatility factors and current market and contractual prices for the underlying commodities, in addition to other economic measures. This category includes contracts traded on active exchanges or in over-the-counter markets priced with industry standard models.

- Level 3 – Consists of assets or liabilities whose fair value is estimated based on internally developed models or methodologies using inputs that are generally less readily observable and supported by little, if any, market activity at the measurement date. Unobservable inputs are developed based on the best available information and subject to cost benefit constraints. This category includes contracts priced using models that are internally developed and contracts placed in illiquid markets. It also includes contracts that expire after the period of time for which quoted prices are available and internal models are used to determine a significant portion of the value.

For information on the measurement of Con Edison's investment in MVP, which was measured at fair value on a non-recurring basis, see Note A. Assets and liabilities measured at fair value on a recurring basis for the years ended December 31, 2021 and 2020 are summarized below.

	2021					2020				
(Millions of Dollars)	Level 1	Level 2	Level 3	Netting Adjustment (e)	Total	Level 1	Level 2	Level 3	Netting Adjustment (e)	Total
Con Edison										
Derivative assets:										
Commodity (a)(b)(c)	$95	$260	$17	$(171)	$201	$19	$42	$4	$53	$118
Interest rate swaps (a)(b)(c)(f)	—	4	—	—	4	—	—	—	—	—
Other (a)(b)(d)	492	135	—	—	627	431	126	—	—	557
Total assets	$587	$399	$17	$(171)	$832	$450	$168	$4	$53	$675
Derivative liabilities:										
Commodity (a)(b)(c)	$33	$266	$28	$(148)	$179	$7	$296	$23	$46	$372
Interest rate swaps (a)(b)(c)(f)	—	57	—	—	57	—	106	—	—	106
Total liabilities	$33	$323	$28	$(148)	$236	$7	$402	$23	$46	$478
CECONY										
Derivative assets:										
Commodity (a)(b)(c)	$67	$138	$1	$(79)	$127	$15	$20	$—	$(16)	$19
Other (a)(b)(d)	474	127	—	—	601	411	120	—	—	531
Total assets	$541	$265	$1	$(79)	$728	$426	$140	$—	$(16)	$550
Derivative liabilities:										
Commodity (a)(b)(c)	$1	$172	$8	$(53)	$128	$3	$274	$10	$(19)	$268

(a) The Companies' policy is to review the fair value hierarchy and recognize transfers into and transfers out of the levels at the end of each reporting period. Con Edison and CECONY had $1 million of commodity derivative assets and $4 million and $3 million of commodity derivative liabilities, respectively, transferred from level 3 to level 2 during the year ended December 31, 2021 because of availability of observable market data due to the decrease in the terms of certain contracts from beyond three years as of September 30, 2021 to less than three years as of December 31, 2021. Con Edison and CECONY had $1 million of commodity derivative liabilities transferred from level 3 to level 2 during the year ended December 31, 2020 because of availability of observable market data due to the decrease in the terms of certain contracts from beyond three years as of September 30, 2020 to less than three years as of December 31, 2020.

(b) Level 2 assets and liabilities include investments held in the deferred compensation plan and/or non-qualified retirement plans, exchange-traded contracts where there is insufficient market liquidity to warrant inclusion in Level 1, and certain over-the-counter derivative instruments for electricity, refined products and natural gas. Derivative instruments classified as Level 2 are valued using industry standard models that incorporate corroborated observable inputs, such as pricing services or prices from similar instruments that trade in liquid markets, time value and volatility factors.

(c) The accounting rules for fair value measurements and disclosures require consideration of the impact of nonperformance risk (including credit risk) from a market participant perspective in the measurement of the fair value of assets and liabilities. At December 31, 2021 and 2020, the Companies determined that nonperformance risk would have no material impact on their financial position or results of operations.

(d) Other assets are comprised of assets such as life insurance contracts within the deferred compensation plan and non-qualified retirement plans.

(e) Amounts represent the impact of legally-enforceable master netting agreements that allow the Companies to net gain and loss positions and cash collateral held or placed with the same counterparties.

(f) See Note Q.

The employees in the Companies' risk management group develop and maintain the Companies' valuation policies and procedures for, and verify pricing and fair value valuation of, commodity derivatives and interest rate swaps. Under the Companies' policies and procedures, multiple independent sources of information are obtained for forward price curves used to value commodity derivatives and interest rate swaps. Fair value and changes in fair value of commodity derivatives and interest rate swaps are reported monthly to the Companies' risk committees, comprised of officers and employees of the Companies that oversee energy hedging at the Utilities and the Clean Energy Businesses. The risk management group reports to the Companies' Vice President and Treasurer.

	Fair Value of Level 3 at December 31, 2021 *(Millions of Dollars)*	Valuation Techniques	Unobservable Inputs	Range
Con Edison — Commodity				
Electricity	$(6)	Discounted Cash Flow	Forward energy prices (a)	$18.75-$82.40 per MWh
	(10)	Discounted Cash Flow	Forward capacity prices (a)	$0.31-$12.93 per kW-month
Transmission Congestion Contracts/Financial Transmission Rights	5	Discounted Cash Flow	Inter-zonal forward price curves adjusted for historical zonal losses (b)	$(20.27)-$83.04 per MWh
Total Con Edison — Commodity	$(11)			
CECONY — Commodity				
Electricity	$(8)	Discounted Cash Flow	Forward capacity prices (a)	$1.35-$12.93 per kW-month
Transmission Congestion Contracts	1	Discounted Cash Flow	Inter-zonal forward price curves adjusted for historical zonal losses (b)	$0.52-$3.63 per MWh
Total CECONY — Commodity	$(7)			

(a) Generally, increases/(decreases) in this input in isolation would result in a higher/(lower) fair value measurement.
(b) Generally, increases/(decreases) in this input in isolation would result in a lower/(higher) fair value measurement.

The table listed below provides a reconciliation of the beginning and ending net balances for assets and liabilities measured at fair value for the years ended December 31, 2021 and 2020 and classified as Level 3 in the fair value hierarchy:

	Con Edison		CECONY	
(Millions of Dollars)	2021	2020	2021	2020
Beginning balance as of January 1,	$(19)	$(16)	$(10)	$(6)
Included in earnings	(9)	(10)	(3)	(5)
Included in regulatory assets and liabilities	3	(7)	1	(4)
Purchases	6	—	—	—
Settlements	5	15	3	6
Transfer out of level 3	3	(1)	2	(1)
Ending balance as of December 31,	$(11)	$(19)	$(7)	$(10)

For the Utilities, realized gains and losses on Level 3 commodity derivative assets and liabilities are reported as part of purchased power, gas and fuel costs. The Utilities generally recover these costs in accordance with rate provisions approved by the applicable state public utilities regulators. See Note A. Unrealized gains and losses for commodity derivatives are generally deferred on the consolidated balance sheet in accordance with the accounting rules for regulated operations.

For the Clean Energy Businesses, realized and unrealized gains and losses on Level 3 commodity derivative assets and liabilities are reported in non-utility revenues ($2 million loss and $3 million gain) on the consolidated income statement for the years ended December 31, 2021 and 2020, respectively.

Note S – Variable Interest Entities

The accounting rules for consolidation address the consolidation of a variable interest entity (VIE) by a business enterprise that is the primary beneficiary. A VIE is an entity that does not have a sufficient equity investment at risk to permit it to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristics of a controlling financial interest. The primary beneficiary is the business enterprise that has the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and either absorbs a significant amount of the VIE's losses or has the right to receive benefits that could be significant to the VIE.

The Companies enter into arrangements including leases, partnerships and electricity purchase agreements, with various entities. As a result of these arrangements, the Companies retain or may retain a variable interest in these entities.

CECONY
CECONY has an ongoing long-term electricity purchase agreement with Brooklyn Navy Yard Cogeneration Partners, LP, a potential VIE. In 2021, a request was made of this counterparty for information necessary to determine whether the entity was a VIE and whether CECONY is the primary beneficiary; however, the information was not made available. See Note I for information on these electricity purchase agreements, the payments for this contract constitute CECONY's maximum exposure to loss with respect to the potential VIE.

Clean Energy Businesses
In June 2021, a subsidiary of the Clean Energy Businesses sold substantially all of its membership interest in a renewable electric project, and retained an equity interest of $11 million in the project, which is accounted for as an equity method investment. See Note W. The earnings of the project are determined using the hypothetical liquidation at book value (HLBV) method of accounting which resulted in a loss of $11 million pre-tax ($8 million after-tax) for the year ended December 31, 2021. Con Edison is not the primary beneficiary since the power to direct the activities that most significantly impact the economics of the renewable electric project is not held by the Clean Energy Businesses.

In February 2021, a subsidiary of the Clean Energy Businesses entered into an agreement relating to certain projects (CED Nevada Virginia) with a noncontrolling tax equity investor to which a percentage of earnings, tax attributes and cash flows will be allocated. CED Nevada Virginia is a consolidated entity in which Con Edison has less than a 100 percent membership interest. Con Edison is the primary beneficiary since the power to direct the activities that most significantly impact the economics of CED Nevada Virginia during construction of the projects, and upon commercial operation, is held by the Clean Energy Businesses.

For the year ended December 31, 2021, the HLBV method of accounting for CED Nevada Virginia resulted in a $158 million loss ($119 million, after tax) for the tax equity investor and $155 million of income ($117 million, after tax) for Con Edison.

In 2018, the Clean Energy Businesses completed its acquisition of Sempra Solar Holdings, LLC. Included in the acquisition were certain operating projects (Tax Equity Projects) with a noncontrolling tax equity investor to which a percentage of earnings, tax attributes and cash flows are allocated. The Tax Equity Projects are consolidated entities in which Con Edison has less than a 100 percent membership interest. Con Edison is the primary beneficiary since the power to direct the activities that most significantly impact the economics of the Tax Equity Projects is held by the Clean Energy Businesses. Electricity generated by the Tax Equity Projects is sold to utilities and municipalities pursuant to long-term power purchase agreements.

For the year ended December 31, 2021, the HLBV method of accounting for the Tax Equity Projects resulted in $6 million of income ($4 million, after tax) for the tax equity investor and $30 million of income ($24 million, after tax) for Con Edison. For the year ended December 31, 2020, the HLBV method of accounting for the Tax Equity Projects resulted in $43 million of income ($32 million, after tax) for the tax equity investor and a $6 million loss ($4 million, after tax) for Con Edison.

Con Edison has determined that the use of HLBV accounting is reasonable and appropriate to attribute income and loss to the tax equity investors. Refer to Use of Hypothetical Liquidation at Book Value in Note A.

At December 31, 2021 and 2020, Con Edison's consolidated balance sheet included the following amounts associated with its VIEs:

	Tax Equity Projects				
	Great Valley Solar (c)(d)		Copper Mountain - Mesquite Solar (c)(e)		CED Nevada Virginia (c)(h)
(Millions of Dollars)	2021	2020	2021	2020	2021
Non-utility property, less accumulated depreciation (f)(g)	$275	$284	$431	$446	$643
Other assets	37	39	167	176	55
Total assets (a)	$312	$323	$598	$622	$698
Other liabilities	14	13	74	71	315
Total liabilities (b)	$14	$13	$74	$71	$315

(a) The assets of the Tax Equity Projects and CED Nevada Virginia represent assets of a consolidated VIE that can be used only to settle obligations of the consolidated VIE.
(b) The liabilities of the Tax Equity Projects and CED Nevada Virginia represent liabilities of a consolidated VIE for which creditors do not have recourse to the general credit of the primary beneficiary.
(c) Con Edison did not provide any financial or other support during the year that was not previously contractually required.
(d) Great Valley Solar consists of the Great Valley Solar 1, Great Valley Solar 2, Great Valley Solar 3 and Great Valley Solar 4 projects, for which the noncontrolling interest of the tax equity investor was $84 million and $82 million at December 31, 2021 and 2020, respectively.
(e) Copper Mountain - Mesquite Solar consists of the Copper Mountain Solar 4, Mesquite Solar 2 and Mesquite Solar 3 projects for which the noncontrolling interest of the tax equity investor was $118 million and $134 million at December 31, 2021 and 2020, respectively.
(f) Non-utility property is reduced by accumulated depreciation of $26 million for Great Valley Solar, $44 million for Copper Mountain - Mesquite Solar and $10 million for CED Nevada Virginia at December 31, 2021.
(g) Non-utility property is reduced by accumulated depreciation of $18 million for Great Valley Solar and $30 million for Copper Mountain - Mesquite Solar at December 31, 2020.
(h) CED Nevada Virginia consists of the Copper Mountain Solar 5, Battle Mountain Solar and Water Strider Solar projects for which the noncontrolling interest of the tax equity investor was $95 million at December 31, 2021.

The following table summarizes the VIEs into which the Clean Energy Businesses have entered as of December 31, 2021:

Project Name	Generating Capacity (a) (MW AC)	Power Purchase Agreement Term in Years	Year of Investment	Location	Maximum Exposure to Loss (*Millions of Dollars*) (b)
Great Valley Solar (c)	200	15-20	2018	CA	$214
Copper Mountain - Mesquite Solar (c)	344	20-25	2018	NV and AZ	406
CED Nevada Virginia (c)	431	20-25	2021	NV and VA	288

(a) Represents ownership interest in the project.
(b) Maximum exposure is equal to the net assets of the project on the consolidated balance sheet less any applicable noncontrolling interest. Con Edison did not provide any financial or other support during the year that was not previously contractually required.
(c) For the projects comprising Great Valley Solar, Copper Mountain Mesquite Solar and CED Nevada Virginia, refer to (d), (e) and (h) in the table above.

Note T – Asset Retirement Obligations

The Companies recognize a liability at fair value for legal obligations associated with the retirement of long-lived assets in the period in which they are incurred, or when sufficient information becomes available to reasonably estimate the fair value of such legal obligations. When the liability is initially recorded, asset retirement costs are capitalized by increasing the carrying amount of the related asset. The liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. The fair value of the asset retirement obligation liability is measured using expected future cash flows discounted at credit-adjusted risk-free rates, historical information, and where available, quoted prices from outside contractors. The Companies evaluate these assumptions underlying the asset retirement obligation liability on an annual basis or as frequently as needed.

The Companies recorded asset retirement obligations associated with the removal of asbestos and asbestos-containing material in their buildings (other than the structures enclosing generating stations and substations), electric equipment and steam and gas distribution systems. The Companies also recorded asset retirement obligations relating to gas and oil pipelines abandoned in place and municipal infrastructure support.

The Companies did not record an asset retirement obligation for the removal of asbestos associated with the structures enclosing generating stations and substations. For these building structures, the Companies were unable to reasonably estimate their asset retirement obligations because the Companies were unable to estimate the undiscounted retirement costs or the retirement dates and settlement dates. The amount of the undiscounted retirement costs could vary considerably depending on the disposition method for the building structures, and the method has not been determined. The Companies anticipate continuing to use these building structures in their businesses for an indefinite period, and so the retirement dates and settlement dates are not determinable.

Con Edison recorded asset retirement obligations for the removal of the Clean Energy Businesses' solar and wind equipment related to projects located on property that is not owned by them and the term of the arrangement is finite including any renewal options. Con Edison did not record asset retirement obligations for the Clean Energy Businesses' projects that are located on property that is owned by them because they expect that the equipment will continue to generate electricity at these facilities long past the manufacturer's warranty at minimal operating expense. Therefore, Con Edison was unable to reasonably estimate the retirement date of this equipment.

The Utilities include in depreciation rates the estimated removal costs, less salvage, for utility plant assets. The amounts related to removal costs that are associated with asset retirement obligations are classified as an asset retirement liability. Pursuant to accounting rules for regulated operations, future removal costs that do not represent legal asset retirement obligations are recorded as regulatory liabilities. Accretion and depreciation expenses related to removal costs that represent legal asset retirement obligations are applied against the Companies' regulatory liabilities. Asset retirement costs that are recoverable from customers are recorded as regulatory liabilities to reflect the timing difference between costs recovered through the rate-making process and recognition of costs.

At December 31, 2021, the liabilities for asset retirement obligations of Con Edison and CECONY were $577 million and $504 million, respectively. At December 31, 2020, the liabilities for asset retirement obligations of Con Edison and CECONY were $576 million and $508 million, respectively. The change in liabilities at December 31, 2021 was due to changes in estimated cash flows of $58 million and $55 million for Con Edison and CECONY, respectively, and accretion expense of $18 million and $15 million for Con Edison and CECONY, respectively. The changes were offset by liabilities settled of $75 million and $74 million for Con Edison and CECONY, respectively. The change in liabilities at December 31, 2020 was due to changes in estimated cash flows of $191 million and $186 million for Con Edison and CECONY, respectively, and accretion expense of $16 million and $13 million for Con Edison and CECONY, respectively. The changes were offset by liabilities settled of $56 million and $53 million for Con Edison and CECONY, respectively. At December 31, 2021, Con Edison and CECONY recorded reductions of $87 million and $85 million, respectively, to the regulatory liability associated with cost of removal to reflect depreciation and interest expense. At December 31, 2020, Con Edison and CECONY recorded reductions of $49 million to the regulatory liability associated with cost of removal to reflect depreciation and interest expense.

Note U – Related Party Transactions

The NYSPSC generally requires that the Utilities and Con Edison's other subsidiaries be operated as separate entities. The Utilities and the other subsidiaries are required to have separate operating employees and operating officers of the Utilities may not be operating officers of the other subsidiaries. The Utilities may provide administrative and other services to, and receive such services from, Con Edison and its other subsidiaries only pursuant to cost allocation procedures approved by the NYSPSC. Transfers of assets between the Utilities and Con Edison or its other subsidiaries may be made only as approved by the NYSPSC. The debt of the Utilities is to be raised directly by the Utilities and not derived from Con Edison. Without the prior permission of the NYSPSC, the Utilities may not make loans to, guarantee the obligations of, or pledge assets as security for the indebtedness of Con Edison or its other subsidiaries. The NYSPSC limits the dividends that the Utilities may pay Con Edison. See "Dividends" in Note C. As a result, substantially all of the net assets of CECONY and O&R ($16,312 million and $888 million, respectively), at December 31, 2021, are considered restricted net assets. The NYSPSC may impose additional measures to separate, or "ring fence," the Utilities from Con Edison and its other subsidiaries. See "Rate Plans" in Note B.

The costs of administrative and other services provided by CECONY to, and received by it from, Con Edison and its other subsidiaries for the years ended December 31, 2021, 2020 and 2019 were as follows:

	CECONY		
(Millions of Dollars)	2021	2020	2019
Cost of services provided	$137	$128	$121
Cost of services received	68	66	64

In addition, CECONY and O&R have joint gas supply arrangements in connection with which CECONY sold to O&R $90 million, $59 million and $71 million of natural gas for the years ended December 31, 2021, 2020 and 2019, respectively. These amounts are net of the effect of related hedging transactions.

The Utilities perform work and incur expenses on behalf of NY Transco, a company in which CET Electric has a 45.7 percent equity interest. The Utilities bill NY Transco for such work and expenses in accordance with established policies. For the years ended December 31, 2021 and 2020, the amounts billed by the Utilities to NY Transco were $5.9 million and immaterial, respectively. In May 2016, CECONY transferred certain electric transmission projects to NY Transco.

CECONY has storage and wheeling service contracts with Stagecoach Gas Services LLC (Stagecoach), a joint venture formerly owned by a subsidiary of CET Gas and a subsidiary of Crestwood Equity Partners LP (Crestwood). In addition, CECONY is the replacement shipper on one of Crestwood's firm transportation agreements with Tennessee Gas Pipeline Company LLC. CECONY incurred costs for storage and wheeling services from Stagecoach of $31 million, $34 million and $33 million for the years ended December 31, 2021, 2020 and 2019, respectively. During 2021, a subsidiary of CET Gas completed the sale of its 50 percent interest in Stagecoach. See Note W.

CECONY has a 20-year transportation contract with Mountain Valley Pipeline, LLC (MVP) for 250,000 dekatherms per day of capacity. CET Gas owns a 10.2 percent equity interest in MVP (that is expected to be reduced to 8.5 percent). See "Investments - 2020 and 2021 Partial Impairments of Investment in Mountain Valley Pipeline, LLC (MVP) " in Note A. In October 2017, the Environmental Defense Fund and the Natural Resource Defense Council requested the NYSPSC to prohibit CECONY from recovering costs under its MVP contract unless CECONY can demonstrate that the contract is in the public interest. CECONY advised the NYSPSC that it would respond to the request if the NYSPSC opened a proceeding to consider this request. For the years ended December 31, 2021 and 2020, CECONY incurred no costs under the contract.

FERC has authorized CECONY to lend funds to O&R for a period of not more than 12 months, in an amount not to exceed $250 million, at prevailing market rates. At December 31, 2021 and 2020 there were no outstanding loans to O&R.

The Clean Energy Businesses had financial electric capacity contracts with CECONY and O&R during 2021 and 2020. For the years ended December 31, 2021 and 2020, the Clean Energy Businesses realized a $4 million loss and an immaterial loss, respectively, under these contracts.

Note V – New Financial Accounting Standards

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting (ASU 2020-04). In 2017, the United Kingdom's Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit the London Interbank Offered Rate (LIBOR), a benchmark interest rate referenced in a variety of agreements, after 2021. In March 2021, the United Kingdom's Financial Conduct Authority confirmed that U.S. Dollar LIBOR will no longer be published after December 31, 2021 for one-week and two-month U.S. Dollar LIBOR tenors, and after June 30, 2023 for all other U.S. Dollar LIBOR tenors. ASU 2020-04 provides entities with optional expedients and exceptions for applying generally accepted accounting principles to contract modifications and hedging relationships, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued. In January 2021, the FASB issued amendments to the guidance through ASU 2021-01 to include all contract modifications and hedging relationships affected by reference rate reform, including those that do not directly reference LIBOR or another reference rate expected to be discontinued, and clarify which optional expedients may be applied to them. The guidance can be applied prospectively. The optional relief is temporary and generally cannot be applied to contract modifications and hedging relationships entered into or evaluated after December 31, 2022. The Companies do not expect the new guidance to have a material impact on their financial position, results of operations or liquidity.

In December 2021, the FASB issued amendments to the guidance on accounting for government assistance through ASU 2021-10, Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance. The amendments require that business entities disclose 1) the types of assistance, 2) an entity's
accounting for the assistance, and 3) the effect of the assistance on an entity's financial statements. For public entities, the amendments are effective for reporting periods beginning after December 15, 2021. Early adoption is permitted. The Companies are in the process of evaluating the potential impact of the new guidance on the Companies' financial position, results of operations and liquidity.

Note W – Dispositions

Crane and Coram

In April 2021, a subsidiary of the Clean Energy Businesses entered into an agreement to sell substantially all of its membership interests in a renewable electric project that it developed and also all of its membership interests in a renewable electric project that it acquired in 2016. The sales were completed in June 2021. The combined carrying value of both projects was approximately $192 million in June 2021. The net pre-tax gain on the sales was $3 million ($2 million after-tax) and was included within "Other operations and maintenance" on Con Edison's consolidated income statement for the year ended December 31, 2021. The retained portion of the membership interest in the renewable electric project, of $11 million, was calculated based on a discounted cash flow of future projected earnings, and the retained portion is accounted for as an equity method investment. The portion of the gain attributable to the retained portion of the membership interest was not material for the year ended December 31, 2021. See Note S.

Stagecoach Gas Services

In 2021, a subsidiary of Con Edison Gas Pipeline and Storage, LLC (CET Gas) and its joint venture partner agreed to sell their combined interests in Stagecoach Gas Services LLC (Stagecoach) for a total of $1,225 million, of which $629 million, including closing adjustments, was attributed to CET Gas for its 50 percent interest. The purchase and sale agreement provided for a two-stage closing, the first of which was completed in July 2021 and the second of which was completed in November 2021. See "Investments - Partial Impairment of Investment in Stagecoach Gas Services LLC (Stagecoach)" in Note A.

Condensed Financial Information of Consolidated Edison, Inc. (a)

Condensed Statement of Income and Comprehensive Income (Parent Company Only)

	For the Years Ended December 31,		
(Millions of Dollars, except per share amounts)	**2021**	**2020**	**2019**
Equity in earnings of subsidiaries	$1,369	$1,105	$1,354
Other income (deductions), net of taxes	14	56	76
Interest expense	(37)	(60)	(87)
Net Income	$1,346	$1,101	$1,343
Comprehensive Income	$1,376	$1,095	$1,340
Net Income Per Share – Basic	$3.86	$3.29	$4.09
Net Income Per Share – Diluted	$3.85	$3.28	$4.08
Dividends Declared Per Share	$3.10	$3.06	$2.96
Average Number Of Shares Outstanding—Basic (In Millions)	348.4	334.8	328.5
Average Number Of Shares Outstanding—Diluted (In Millions)	349.4	335.7	329.5

(a) These financial statements, in which Con Edison's subsidiaries have been included using the equity method, should be read together with its consolidated financial statements and the notes thereto appearing above.

Condensed Financial Information of Consolidated Edison, Inc. (a)

Condensed Statement of Cash Flows
(Parent Company Only)

	For the Years Ended December 31,		
(Millions of Dollars)	**2021**	**2020**	**2019**
Net Income	$1,346	$1,101	$1,343
Equity in earnings of subsidiaries	(1,369)	(1,105)	(1,354)
Dividends received from:			
CECONY	988	982	912
O&R	52	49	47
Clean Energy Businesses	64	21	3
Con Edison Transmission	152	11	12
Change in Assets:			
Special deposits	—	—	(3)
Income taxes receivable	15	—	25
Other – net [(b)]	211	(521)	44
Net Cash Flows from Operating Activities[(b)]	1,459	538	1,029
Investing Activities			
Contributions to subsidiaries	(1,135)	(626)	(930)
Debt receivable from affiliated companies	875	400	450
Net Cash Flows Used in Investing Activities	(260)	(226)	(480)
Financing Activities			
Net proceeds of short-term debt	50	(537)	(783)
Issuance of long-term debt	—	650	825
Retirement of long-term debt[(b)]	(1,178)	(3)	(553)
Debt issuance costs	(1)	(3)	—
Issuance of common shares for stock plans, net of repurchases	60	58	54
Issuance of common shares - public offering	775	640	825
Common stock dividends	(1,030)	(975)	(924)
Net Cash Flows Used in Financing Activities[(b)]	(1,324)	(170)	(556)
Net Change for the Period	(125)	142	(7)
Balance at Beginning of Period	144	2	9
Balance at End of Period	$19	$144	$2

(a) These financial statements, in which Con Edison's subsidiaries have been included using the equity method, should be read together with its consolidated financial statements and the notes thereto appearing above.

(b) During 2021, Con Edison identified that the reclassification of debt from long-term to current for the year ended December 31, 2020 had been erroneously presented within the operating cash flow section as a cash inflow and in the financing section as a cash outflow in the Condensed Statement of Cash Flows (Parent Company Only). The amounts for the year ended December 31, 2020 have been revised to correct the error in the classification of $1,175 million from Other - net within Net Cash Flows from Operating Activities to Retirement of long-term debt within Net Cash Flows Used in Financing Activities. Con Edison has evaluated the effect of these misstatements, both qualitatively and quantitatively, and concluded that they are not material to the financial statements issued for the year ended December 31, 2020. These amounts were correctly presented on the Consolidated Statement of Cash Flows for the year ended December 31, 2020.

Condensed Financial Information of Consolidated Edison, Inc. (a)

Condensed Balance Sheet
(Parent Company Only)

	December 31,	
(Millions of Dollars)	**2021**	**2020**
Assets		
Current Assets		
Cash and temporary cash investments	$19	$144
Accounts receivable - other	—	1
Income taxes receivable	3	18
Accounts receivable from affiliated companies	1,199	1,256
Prepayments	28	62
Other current assets	14	12
Total Current Assets	1,263	1,493
Investments in subsidiaries and others	19,951	18,670
Goodwill	406	406
Deferred income tax	—	55
Long-term debt receivable from affiliated companies	—	875
Total Assets	$21,620	$21,499
Liabilities and Shareholders' Equity		
Current Liabilities		
Long-term debt due within one year	$293	$1,178
Notes payable	50	—
Accounts payable	1	—
Accounts payable to affiliated companies	517	517
Accrued taxes	2	6
Other current liabilities	9	12
Total Current Liabilities	872	1,713
Deferred income tax	64	—
Total Liabilities	936	1,713
Long-term debt	647	939
Shareholders' Equity		
Common stock, including additional paid-in capital	9,748	8,844
Retained earnings	10,289	10,003
Total Shareholders' Equity	20,037	18,847
Total Liabilities and Shareholders' Equity	$21,620	$21,499

(a) These financial statements, in which Con Edison's subsidiaries have been included using the equity method, should be read together with its consolidated financial statements and the notes thereto appearing above.

Valuation and Qualifying Accounts
For the Years Ended December 31, 2021, 2020 and 2019

Company *(Millions of Dollars)*	COLUMN A Description		COLUMN B Balance at Beginning of Period	COLUMN C Additions (1) Charged To Costs And Expenses	COLUMN C Additions (2) Charged To Other Accounts	COLUMN D Deductions (b)	COLUMN E Balance At End of Period
Con Edison	Allowance for uncollectible accounts (a):						
		2021	$154	$83	$—	$102	$339
		2020	$74	$72	$—	$8	$154
		2019	$68	$77	$—	$(71)	$74
CECONY	Allowance for uncollectible accounts (a):						
		2021	$143	$78	$—	$102	$323
		2020	$68	$65	$—	$10	$143
		2019	$61	$72	$—	$(65)	$68

(a) This is a valuation account deducted in the balance sheet from the assets (Accounts receivable - customers and Other receivables) to which they apply.
(b) Accounts written off less cash collections, miscellaneous adjustments and amounts reinstated as receivables previously written off.

Item 9: Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Con Edison

None.

CECONY

None.

Item 9A: Controls and Procedures

The Companies maintain disclosure controls and procedures designed to provide reasonable assurance that the information required to be disclosed in the reports that they submit to the Securities and Exchange Commission (SEC) is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. For each of the Companies, its management, with the participation of its principal executive officer and principal financial officer, has evaluated its disclosure controls and procedures as of the end of the period covered by this report and, based on such evaluation, has concluded that the controls and procedures are effective to provide such reasonable assurance. Reasonable assurance is not absolute assurance, however, and there can be no assurance that any design of controls or procedures would be effective under all potential future conditions, regardless of how remote.

For the Companies’ Reports of Management On Internal Control Over Financial Reporting and the related opinions of PricewaterhouseCoopers LLP (presented in the Reports of Independent Registered Public Accounting Firm), see Item 8 of this report (which information is incorporated herein by reference).

There was no change in the Companies’ internal control over financial reporting that occurred during the Companies’ most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Companies’ internal control over financial reporting.

Item 9B: Other Information

Con Edison

None.

CECONY

None.

Item 9C: Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

Part III

Item 10: Directors, Executive Officers and Corporate Governance

Item 11: Executive Compensation

Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Item 13: Certain Relationships and Related Transactions, and Director Independence

Item 14: Principal Accounting Fees and Services

Con Edison

Information required by Part III as to Con Edison, other than the information required in Item 12 of this report by Item 201(d) of Regulation S-K, is incorporated by reference from Con Edison's definitive proxy statement for its Annual Meeting of Stockholders to be held on May 16, 2022. The proxy statement is to be filed pursuant to Regulation 14A not later than 120 days after December 31, 2021, the close of the fiscal year covered by this report.

The information required pursuant to Item 201(d) of Regulation S-K as at December 31, 2021 is as follows:

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (1))
	(1)	(2)	(3)
Equity compensation plans approved by security holders			
2003 LTIP (a)	104,954	—	—
2013 LTIP (b)	1,379,899	—	3,013,906
Stock Purchase Plan (c)	—	—	4,017,812
Total equity compensation plans approved by security holders	1,484,853	—	7,031,718
Total equity compensation plans not approved by security holders	1,000 (d)	—	—
Total	1,485,853	—	7,031,718

(a) The number of shares of Con Edison common stock that may be issued pursuant to outstanding awards under the Long Term Incentive Plan approved by the company's shareholders in 2003 (the "2003 LTIP") include 104,954 shares for stock unit awards made prior to 2013 that have vested and for which the receipt of shares was deferred. Amounts do not include shares that may be issued pursuant to any dividend reinvestment in the future on the deferred stock units. There is no dividend reinvestment on the other outstanding awards. Outstanding awards had no exercise price. No new awards may be made under the 2003 LTIP.

(b) The number of shares of Con Edison common stock that may be issued pursuant to outstanding awards under the Long Term Incentive Plan approved by the company's shareholders in 2013 (the "2013 LTIP") include: (A) outstanding awards made in 2014 and subsequent years (1,022,520 shares for performance restricted stock units and 61,620 shares for time-based restricted stock units); (B) 295,759 shares covered by outstanding directors' deferred stock unit awards (which vested upon grant). Amounts do not include shares that may be issued pursuant to any dividend reinvestment in the future on the deferred stock units. There is no dividend reinvestment on the other outstanding awards. The outstanding awards had no exercise price. No new awards may be made under the 2013 LTIP after May 20, 2023.

(c) Shares of Con Edison common stock may be issued under the Stock Purchase Plan until May 19, 2024 (which is 10 years after the date of the annual meeting at which Con Edison's shareholders approved the plan).

(d) This amount represents shares to be issued to an officer who had elected to defer receipt of these shares until separation from service or later. These shares are issuable pursuant to awards of restricted stock units made in 2000, which vested in 2004.

For additional information about Con Edison's stock-based compensation, see Note O to the financial statements in Item 8 of this report (which information is incorporated herein by reference).

In accordance with General Instruction G(3) to Form 10-K, other information regarding Con Edison's Executive Officers may be found in Part I of this report under the caption "Information about our Executive Officers."

CECONY

Information required by Items 10, 11, 12 and 13 of Part III as to CECONY is omitted pursuant to Instruction (I)(2) to Form 10-K (Omission of Information by Certain Wholly-Owned Subsidiaries).

Fees paid or payable by CECONY to its principal accountant, PricewaterhouseCoopers LLP, for services related to 2021 and 2020 are as follows:

	2021	2020
Audit fees	$3,648,191	$3,551,252
Audit-related fees (a)	488,806	1,145,994
Total fees	$4,136,997	$4,697,246

(a) Relates to assurance and related service fees that are reasonably related to the performance of the annual audit or quarterly reviews of the company's financial statements that are not specifically deemed “Audit Services.” The major items included in audit-related fees in 2020 and 2021 are fees related to reviews of system implementations and associated internal controls.

Con Edison’s Audit Committee or, as delegated by the Audit Committee, the Chair of the Committee, approves in advance each auditing service and non-audit service permitted by applicable laws and regulations, including tax services, to be provided to CECONY by its independent accountants.

Part IV

Item 15: Exhibits and Financial Statement Schedules

(a) Documents filed as part of this report:

1. List of Financial Statements – See financial statements listed in Item 8.

2. List of Financial Statement Schedules – See schedules listed in Item 8.

3. List of Exhibits

Exhibits listed below which have been filed previously with the Securities and Exchange Commission pursuant to the Securities Act of 1933 and the Securities Exchange Act of 1934, and which were designated as noted below, are hereby incorporated by reference and made a part of this report with the same effect as if filed with the report. Exhibits listed below that were not previously filed are filed herewith.

Con Edison

3.1.1	Restated Certificate of Incorporation of Consolidated Edison, Inc. (Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 1-14514) as Exhibit 3.1.1)
3.1.2	By-laws of Con Edison, effective as of February 18, 2021. (Designated in Con Edison's Current Report on Form 8-K, dated February 18, 2021 (File No. 1-14514) as Exhibit 3)
4.1.1	Description of Con Edison's Common Shares ($.10 par value). (Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 1-14514) as Exhibit 4.1.1)
4.1.2.1	Indenture, dated as of April 1, 2002, between Con Edison and JP Morgan Chase Bank (formerly known as The Chase Manhattan Bank), as Trustee. (Designated in Con Edison's Registration Statement on Form S-3 of Con Edison (No. 333-102005) as Exhibit 4.1)
4.1.2.2	First Supplemental Indenture, dated as of August 1, 2009, between Con Edison and The Bank of New York Mellon (formerly known as The Bank of New York (successor as trustee to JPMorgan Chase Bank, N.A. (formerly known as JPMorgan Chase Bank))), as Trustee. (Designated in Con Edison's Registration Statement (No. 333-161018) as Exhibit 4.2)
4.1.2.3	Form of Con Edison's 0.65% Debentures, Series 2020 A. (Designated in Con Edison's Current Report on Form 8-K, dated November 30, 2020 (File No. 1-14514) as Exhibit 4)
4.1.3	Note Assumption and Exchange Agreement, dated as of June 20, 2008, between Con Edison and the institutional investors listed in Schedule I thereto. (Designated in Con Edison's Current Report on Form 8-K, dated June 20, 2008 (File No. 1-14514) as Exhibit 4)
10.1.1.1	Credit Agreement, dated as of December 7, 2016, among CECONY, Con Edison, O&R, the lenders party thereto and Bank of America, N.A., as Administrative Agent. (Designated in Con Edison's Current Report on Form 8-K dated December 7, 2016 (File No. 1-14514) as Exhibit 10)
10.1.1.2	Extension Agreement, dated as of January 8, 2018, among CECONY, Con Edison, O&R, the lenders party thereto and Bank of America, N.A., as Administrative Agent. (Designated in Con Edison's Current Report on Form 8-K dated January 8, 2018 (File No. 1-14514) as Exhibit 10)
10.1.1.3	Extension Agreement and First Amendment to Credit Agreement, effective April 1, 2019, among CECONY, Con Edison, O&R, the lenders party thereto and Bank of America, N.A., as Administrative Agent. (Designated in Con Edison's Current Report on Form 8-K dated April 1, 2019 (File No. 1-14514) as Exhibit 10)
10.1.2	Severance Program for Officers of Consolidated Edison, Inc. and its Subsidiaries, as amended and restated effective as of December 1, 2021.
10.1.3.1	The Consolidated Edison, Inc. Stock Purchase Plan, as amended and restated as of May 19, 2014. (Designated in Con Edison's Current Report on Form 8-K dated May 19, 2014 (File No. 1-14514) as Exhibit 10)
10.1.3.2	Amendment One to The Consolidated Edison, Inc. Stock Purchase Plan. (Designated in Con Edison's Current Report on Form 10-K for the year ended December 31, 2016 (File No. 1-14514) as Exhibit 10.1.3.2)
10.1.3.3	Amendment Two to The Consolidated Edison, Inc. Stock Purchase Plan. (Designated in Con Edison's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020 (File No. 1-14514) as Exhibit 10)
10.1.3.4	Amendment Three to The Consolidated Edison, Inc. Stock Purchase Plan. (Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 1-14514) as Exhibit 10.1.3.4)
10.1.4.1	The Consolidated Edison Retirement Plan. (Designated in Con Edison's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 (File No. 1-14514) as Exhibit 10.1.1)
10.1.4.2	Amendment to the Consolidated Edison Retirement Plan. (Designated in Con Edison's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017 (File No. 1-14514) as Exhibit 10.1.1)
10.1.4.3	Amendment to the Consolidated Edison Retirement Plan. (Designated in Con Edison's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017 (File No. 1-14514) as Exhibit 10.1.2)
10.1.4.4	Amendment, dated December 18, 2017, to the Consolidated Edison Retirement Plan .(Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 1-14514) as Exhibit 10.1.4.2)
10.1.4.5	Amendment to the Consolidated Edison Retirement Plan, effective January 1, 2019. (Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 1-14514) as Exhibit 10.1.4.5)
10.1.4.6	Amendment to the Consolidated Edison Retirement Plan, effective August 1, 2019. (Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 1-14514) as Exhibit 10.1.4.6)
10.1.4.7	Amendment to the Consolidated Edison Retirement Plan, effective August 1, 2019. (Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 1-14514) as Exhibit 10.1.4.7)
10.1.4.8	Amendment to the Consolidated Edison Retirement Plan, effective March 27, 2020. (Designated in Con Edison's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020 (File No. 1-14514) as Exhibit 10.2)
10.1.4.9	Amendment to the Consolidated Edison Retirement Plan, effective January 31, 2020. (Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 1-14514) as Exhibit 10.1.4.9)
10.1.4.10	Amendment to the Consolidated Edison Retirement Plan, effective January 1, 2022
10.1.5.1	The Consolidated Edison Thrift Savings Plan. (Designated in Con Edison's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 (File No. 1-14514) as Exhibit 10.1.2)
10.1.5.2	Amendment, dated December 18, 2017, to the Consolidated Edison Thrift Savings Plan. (Designated in Con Edison's Annual Report on 10-K for the year ended December 31, 2017 (File No. 1-14514) as Exhibit 10.1.5.3
10.1.5.3	Amendment to the Consolidated Edison Thrift Savings Plan, effective January 1, 2019. (Designated in Con Edison's Annual Report on 10-K for the year ended December 31, 2019 (File No. 1-14514) as Exhibit 10.1.5.3)

10.1.5.4	Amendment to the Consolidated Edison Thrift Savings Plan, effective August 1, 2019. (Designated in Con Edison's Annual Report on 10-K for the year ended December 31, 2019 (File No. 1-14514) as Exhibit 10.1.5.4)
10.1.5.5	Amendment to the Consolidated Edison Thrift Savings Plan, effective August 1, 2019. (Designated in Con Edison's Annual Report on 10-K for the year ended December 31, 2019 (File No. 1-14514) as Exhibit 10.1.5.5)
10.1.5.6	Amendment to the Consolidated Edison Thrift Savings Plan, effective January 1, 2020. (Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 1-14514) as Exhibit 10.1.5.6)
10.1.5.7	Amendment to the Consolidated Edison Thrift Savings Plan, effective January 1, 2022
10.1.6	Consolidated Edison, Inc. Supplemental Defined Contribution Pension Plan. (Designated in Con Edison's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019 (File No. 1-14514) as Exhibit 10.1)
10.1.7.1	Consolidated Edison, Inc. Long Term Incentive Plan (2003), as amended and restated effective as of December 26, 2012. (Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 1-14514) as Exhibit 10.1.8.1)
10.1.7.2	Amendment Number 1, effective July 1, 2010, to the Consolidated Edison, Inc. Long Term Incentive Plan, as amended and restated effective as of January 1, 2008. (Designated in Con Edison's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010 as Exhibit 10.1)
10.1.7.3	Amendment Number 2, effective January 1, 2011, to the Consolidated Edison, Inc. Long Term Incentive Plan, as amended and restated effective as of January 1, 2008. (Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2010 (File No. 1-14514) as Exhibit 10.1.7.5)
10.1.8.1	Consolidated Edison, Inc. Long Term Incentive Plan. (Designated in Con Edison's Current Report on Form 8-K, dated May 20, 2013 (File No. 1-14514) as Exhibit 10)
10.1.8.2	Amendment No. 1 to the Consolidated Edison, Inc. Long Term Incentive Plan. (Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2016 (File No. 1-14514) as Exhibit 10.1.7.4)
10.1.8.3	Amendment No. 2 to the Consolidated Edison, Inc. Long Term Incentive Plan. (Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2016 (File No. 1-14514) as Exhibit 10.1.7.5)
10.1.8.4	Form of Performance Unit Award for Officers under the Consolidated Edison, Inc. Long Term Incentive Plan.
10.1.8.5	Form of Time-Based Unit Award under the Consolidated Edison, Inc. Long Term Incentive Plan.
10.1.9	The Consolidated Edison, Inc. Executive Incentive Plan, as amended and restated effective January 1, 2020.
10.1.10	Description of Directors' Compensation, effective as of December 31,2021.
10.1.11	Letter, dated February 23, 2004, to Robert Hoglund. (Designated in Con Edison's Current Report on Form 8-K, dated July 21, 2005, (File No. 1-14514) as Exhibit 10.5)
10.1.12	Employment offer letter between Con Edison and Timothy P. Cawley, dated November 19, 2020. (Designated in Con Edison's Current Report on Form 8-K, dated November 19, 2020 (File No. 1-14514) as Exhibit 10)
10.1.13	Purchase and Sale Agreement, dated as of September 20, 2018, by and between Sempra Solar Portfolio Holdings, LLC and CED Southwest Holdings, Inc. (Designated in Con Edison's Current Report on Form 8-K, dated September 20, 2018) (File No.1-14514) as Exhibit 2)
21.1	Subsidiaries of Con Edison (Designated in Con Edison's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 1-14514) as Exhibit 21.1)
23.1	Consent of PricewaterhouseCoopers LLP
31.1.1	Rule 13a-14(a)/15d-14(a) Certifications – Chief Executive Officer
31.1.2	Rule 13a-14(a)/15d-14(a) Certifications – Chief Financial Officer
32.1.1	Section 1350 Certifications – Chief Executive Officer
32.1.2	Section 1350 Certifications – Chief Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File - The cover page iXBRL tags are embedded within the inline XBRL document

Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, instruments defining the rights of holders of long-term debt of Con Edison's subsidiaries other than CECONY, the total amount of which does not exceed ten percent of the total assets of Con Edison and its subsidiaries on a consolidated basis, are not filed as exhibits to Con Edison's Form 10-K or Form 10-Q. Con Edison agrees to furnish to the SEC upon request a copy of any such instrument.

CECONY

3.2.1.1 Restated Certificate of Incorporation of CECONY filed with the Department of State of the State of New York on December 31, 1984. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 1-1217) as Exhibit 3.2.1.1)

3.2.1.2 The certificates of amendment of Restated Certificate of Incorporation of CECONY filed with the Department of State of the State of New York on the following dates: May 16, 1988; June 2, 1989; April 28, 1992; August 21, 1992 and February 18, 1998. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 1-1217) as Exhibit 3.2.1.2)

3.2.2 By-laws of CECONY, effective May 17, 2021. (Designated in CECONY's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 (File No. 1-14514) as Exhibit 3.2)

4.2.1 Participation Agreement, dated as of November 1, 2010, between NYSERDA and CECONY. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2010 (File No. 1-1217) as Exhibit 4.2.2)

4.2.2 Participation Agreement, dated as of November 1, 2004, between NYSERDA and CECONY. (Designated in CECONY's Current Report on Form 8-K, dated November 9, 2004 (File No. 1-1217) as Exhibit 4.1)

4.2.3 Participation Agreement, dated as of May 1, 2005, between NYSERDA and CECONY. (Designated in CECONY's Current Report on Form 8-K, dated May 25, 2005 (File No. 1-1217) as Exhibit 4.1)

4.2.4.1 Trust Indenture, dated as of November 1, 2010 between NYSERDA and The Bank of New York Mellon, as trustee. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2010 (File No. 1-1217) as Exhibit 4.2.9)

4.2.4.2 First Supplemental Indenture dated November 2, 2012 to the Trust Indenture dated as of November 1, 2010. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 1-1217) as Exhibit 4.2.9.2)

4.2.5 Indenture of Trust, dated as of November 1, 2004, between NYSERDA and The Bank of New York. (Designated in CECONY's Current Report on Form 8-K, dated November 9, 2004 (File No. 1-1217) as Exhibit 4.2)

4.2.6.1 Indenture of Trust, dated as of May 1, 2005, between NYSERDA and The Bank of New York. (Designated in CECONY's Current Report on Form 8-K, dated May 25, 2005 (File No. 1-1217) as Exhibit 4.2)

4.2.6.2 Supplemental Indenture of Trust, dated as of June 30, 2010, to Indenture of Trust, dated May 1, 2005 between NYSERDA and The Bank of New York Mellon (formerly known as The Bank of New York), as trustee. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2010 (File No. 1-1217) as Exhibit 4.2.14.2)

4.2.7.1 Indenture, dated as of December 1, 1990, between CECONY and The Chase Manhattan Bank (National Association), as Trustee (the "Debenture Indenture"). (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 1-1217) as Exhibit 4.2.15.1)

4.2.7.2 First Supplemental Indenture (to the Debenture Indenture), dated as of March 6, 1996, between CECONY and The Chase Manhattan Bank (National Association), as Trustee. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 1-1217) as Exhibit 4.2.15.2)

4.2.7.3 Second Supplemental Indenture (to the Debenture Indenture), dated as of June 23, 2005, between CECONY and JPMorgan Chase Bank, N.A. (successor to The Chase Manhattan Bank (National Association)), as Trustee. (Designated in CECONY's Current Report on Form 8-K, dated November 16, 2005 (File No. 1-1217) as Exhibit 4.1)

4.2.8 The following forms of CECONY's Debentures, which are designated as follows:

	Securities Exchange Act File No. 1-1217		
Debenture Series	Form	Date	Exhibit
5.875% Series 2003 A	8-K	4/7/2003	4
5.10% Series 2003 C	8-K	6/10/2003	4.2
5.70% Series 2004 B	8-K	2/11/2004	4.2
5.30% Series 2005 A	8-K	3/7/2005	4
5.25% Series 2005 B	8-K	6/20/2005	4
5.85% Series 2006 A	8-K	3/9/2006	4
6.20% Series 2006 B	8-K	6/15/2006	4
5.70% Series 2006 E	8-K	12/1/2006	4.2
6.30% Series 2007 A	8-K	8/28/2007	4
6.75% Series 2008 B	8-K	4/4/2008	4.2
5.50% Series 2009 C	8-K	12/4/2009	4
4.45% Series 2010 A	8-K	6/2/2010	4.1
5.70% Series 2010 B	8-K	6/2/2010	4.2
4.20% Series 2012 A	8-K	3/8/2012	4
3.95% Series 2013 A	8-K	2/25/2013	4
4.45% Series 2014 A	8-K	3/3/2014	4
3.30% Series 2014 B	8-K	11/19/2014	4.1
4.625% Series 2014 C	8-K	11/19/2014	4.2
4.50% Series 2015 A	8-K	11/12/2015	4
3.85% Series 2016 A	8-K	6/14/2016	4
2.90% Series 2016 B	8-K	11/10/2016	4.1
4.30% Series 2016 C	8-K	11/10/2016	4.2
3.875% Series 2017 A	8-K	6/5/2017	4
3.125% Series 2017 B	8-K	11/13/2017	4.1
4.00% Series 2017 C	8-K	11/13/2017	4.2
3.80% Series 2018 A	8-K	5/7/2018	4.1
4.50% Series 2018 B	8-K	5/7/2018	4.2
Floating Rate Series 2018 C	8-K	6/21/2018	4.0
4.00% Series 2018 D	8-K	11/27/2018	4.1
4.65% Series 2018 E	8-K	11/27/2018	4.2
4.125% Series 2019 A	8-K	5/6/2019	4
3.70% Series 2019 B	8-K	11/5/2019	4
3.35% Series 2020 A	8-K	3/26/2020	4.1
3.95% Series 2020 B	8-K	3/26/2020	4.2
3.00% Series 2020 C	8-K	11/9/2020	4
2.40% Series 2021 A	8-K	6/3/2021	4.1
2.40% Series 2021 A	8-K	11/29/2021	4.1
3.60% Series 2021 B	8-K	6/3/2021	4.2
3.20% Series 2021 C	8-K	11/29/2021	4.2

10.2.1	Settlement Agreement, dated October 2, 2000, by and among CECONY, the Staff of the New York State Public Service Commission and certain other parties. (Designated in CECONY's Current Report on Form 8-K, dated September 22, 2000 (File No. 1-1217) as Exhibit 10)
10.2.2	The Consolidated Edison Company of New York, Inc. Executive Incentive Plan, as amended and restated as of January 1, 2008. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 1-1217) as Exhibit 10.2.5)
10.2.3.1	Consolidated Edison Company of New York, Inc. Supplemental Retirement Income Plan, as amended and restated as of January 1, 2009. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2009 (File No. 1-1217) as Exhibit 10.2.6)
10.2.3.2	Amendment, dated December 24, 2015, to the Consolidated Edison Company of New York, Inc. Supplemental Retirement Income Plan (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2015 (File No. 1-1217) as Exhibit 10.2.6.2)
10.2.3.3	Amendment One to the Consolidated Edison Company of New York, Inc. Supplemental Retirement Income Plan. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2016 (File No. 1-1217) as Exhibit 10.2.6.3)
10.2.3.4	Amendment to the Consolidated Edison Company of New York, Inc. Supplemental Retirement Income Plan. (Designated in CECONY's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 (File No. 1-1217) as Exhibit 10.2.1.1)
10.2.3.5	Amendment to the Consolidated Edison Company of New York, Inc. Supplemental Retirement Income Plan. (Designated in CECONY's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 (File No. 1-1217) as Exhibit 10.2.1.2)
10.2.3.6	Amendment to the Consolidated Edison Company of New York, Inc. Supplemental Retirement Income Plan. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 1-1217) as Exhibit 10.2.3.6)
10.2.3.7	Amendment to the Consolidated Edison Company of New York, Inc. Supplemental Retirement Income Plan.
10.2.4.1	Deferred Compensation Plan for the Benefit of Trustees of CECONY, as amended effective January 1, 2008. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 1-1217) as Exhibit 10.2.7)
10.2.4.2	Amendment #1, dated December 26, 2012, to the Deferred Compensation Plan for the Benefit of Trustees of CECONY. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 1-1217) as Exhibit 10.2.7.2)
10.2.5	CECONY Supplemental Medical Benefits. (Designated in CECONY's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017 (File No. 1-1217) as Exhibit 10.2.1)
10.2.6	The Severance Pay Plan for Management Employees of Consolidated Edison Company of New York, Inc. and its Participating Employers, as amended and restated effective as of December 1, 2021.
10.2.7	The Consolidated Edison Company of New York, Inc. Deferred Income Plan, as amended and restated as of January 1, 2019. (Designated in CECONY's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 1-1217) as Exhibit 10.2.7)
10.2.8	The Consolidated Edison Company of New York, Inc. 2005 Executive Incentive Plan, as amended and restated effective as of January 1, 2018. (Designated in CECONY's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 (File No. 1-1217) as Exhibit 10.2)
10.2.9.1	Trust Agreement, dated as of March 31, 1999, between CECONY and Mellon Bank, N.A., as Trustee. (Designated in CECONY's Annual Report on Form 10-K, for the year ended December 31, 2005 (File No. 1-1217) as Exhibit 10.2.13.1)
10.2.9.2	Amendment Number 1 to the CECONY Rabbi Trust, executed October 24, 2003, between CECONY and Mellon Bank, N.A., as Trustee. (Designated in CECONY's Annual Report on Form 10-K, for the year ended December 31, 2005 (File No. 1-1217) as Exhibit 10.2.13.2)
23.2	Consent of PricewaterhouseCoopers LLP
31.2.1	Rule 13a-14(a)/15d-14(a) Certifications – Chief Executive Officer
31.2.2	Rule 13a-14(a)/15d-14(a) Certifications – Chief Financial Officer
32.2.1	Section 1350 Certifications – Chief Executive Officer
32.2.2	Section 1350 Certifications – Chief Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File - The cover page iXBRL tags are embedded within the inline XBRL document

Item 16: Form 10-K Summary

None.

Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Securities Exchange Act of 1934 by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Securities Exchange Act of 1934.

No annual report to security holders covering CECONY's last fiscal year has been sent to its security holders. No proxy statement, form of proxy or other proxy soliciting material has been sent to CECONY's security holders during such period.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, each Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 17, 2022.

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

By /s/ Robert Hoglund
Robert Hoglund
Senior Vice President and
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant, and in the capacities indicated, on February 17, 2022.

Signature	Registrant	Title
	Con Edison	Chairman of the Board, President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Timothy P. Cawley Timothy P. Cawley	CECONY	Chairman of the Board, Chief Executive Officer and Trustee (Principal Executive Officer)
/s/ Robert Hoglund Robert Hoglund	Con Edison CECONY	Senior Vice President and Chief Financial Officer (Principal Financial Officer) Senior Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Joseph Miller Joseph Miller	Con Edison CECONY	Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer) Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)
/s/ Ellen V. Futter Ellen V. Futter	Con Edison CECONY	Director Trustee
/s/ John F. Killian John F. Killian	Con Edison CECONY	Director Trustee
/s/ Karol V. Mason Karol V. Mason	/s/ John F. Killian Con Edison CECONY	Director Trustee
/s/ John McAvoy John McAvoy	Con Edison CECONY	Director Trustee
/s/ Dwight A. McBride Dwight A. McBride	Con Edison CECONY	Director Trustee
/s/ William J. Mulrow William J. Mulrow	Con Edison CECONY	Director Trustee
/s/ Armando J. Olivera Armando J. Olivera	Con Edison CECONY	Director Trustee
/s/ Michael W. Ranger Michael W. Ranger	Con Edison CECONY	Director Trustee
/s/ Linda S. Sanford Linda S. Sanford	Con Edison CECONY	Director Trustee
/s/ Deirdre Stanley Deirdre Stanley	Con Edison CECONY	Director Trustee
/s/ L. Frederick Sutherland L. Frederick Sutherland	Con Edison CECONY	Director Trustee

SEVERANCE PROGRAM FOR OFFICERS

OF CONSOLIDATED EDISON, INC. AND ITS SUBSIDIARIES

Amended and Restated as of December 1, 2021

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SEVERANCE PROGRAM FOR OFFICERS OF CONSOLIDATED EDISON, INC.
AND ITS SUBSIDIARIES

I. Purpose.

The purpose of this Severance Program for Officers of Consolidated Edison, Inc. and its Subsidiaries (the "Program") is to provide certain Participants with severance payments and benefits in the event of a Termination of Employment, as set forth herein, including additional severance payments and benefits in the event of a "Termination upon a Change of Control," each as hereinafter defined. The Program is intended to be a "top-hat" welfare plan established for a select group of management or highly compensated employees. The Program is not intended to affect eligibility for or payment of any other compensation or benefits in accordance with the terms of any applicable plans or programs of the Company. The Program is amended and restated effective as of December 1, 2021 in accordance with the terms and conditions set forth herein.

II. Definitions.

When used herein with initial capital letters, each of the following terms shall have the corresponding meaning set forth below unless a different meaning is specified or is plainly required by the context in which the term is used:

"Affiliate" means any corporation, entity or organization that is included in a controlled group of corporations (within the meaning of Section 414(b) of the Code) that includes CEI and any group of trades or businesses (whether or not incorporated) that are under common control with CEI (within the meaning of Section 414(c) of the Code).

"Administrator" shall mean the Vice President, Human Resources of CECONY or such other person designated by the Committee.

"Base Compensation" for any Participant shall mean the Participant's annualized base rate of salary received by the Participant in all capacities with the Company (before any and all salary reduction authorized amounts under any of the Company's benefit plans or programs) as in effect immediately prior to the Effective Date as the same may be increased from time to time. "Base Compensation" shall not include the value of any bonuses or other short or long term incentive compensation, stock options, stock appreciation rights, restricted stock, restricted stock units or other equity based awards granted to a Participant by the Company.

"Board" shall mean the Board of Directors of CEI.

“Cause“ shall mean a Participant’s: (i) commission of, conviction of, or the entering of a plea of *nolo contendere* to, a felony, or a misdemeanor involving moral turpitude, if such felony or misdemeanor is work-related, materially impairs the Participant’s ability to reasonably perform services for the Employer, or results or could reasonably be expected to result in harm to the property, reputation or business of the Employer; (ii) willful and continued failure to substantially perform his or her duties in the course of employment with the Employer (other
than any such failure resulting from the Participant’s physical or mental incapacity) after a written demand for substantial performance is delivered to the Participant by the Board, the CEO or the Company that employs the Participant; (iii) conduct that results or could reasonably be expected to result in harm to the property, reputation or business of the Employer, including a violation or material
failure to comply with the Employer’s written policies or standards of conduct, including those

relating to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct; (iv) refusal to follow the lawful directions of the Board, the CEO, or the Company that employs the Participant; (v) breach of any fiduciary duty owed to the Employer; (vi) violation of applicable federal, state or local law or regulation governing the business of the Employer; (vii) violation of the drug and alcohol testing policies of the Employer or reporting to work under the influence of alcohol or any controlled substance (other than a controlled substance that the Participant is properly taking under a current prescription); (viii) misappropriation (or attempted misappropriation) of any assets or property of the Employer; (ix) material breach of any written agreement between the Participant and the Employer; (x) resigning employment in lieu of being discharged for misconduct or (xi) any conduct that the Administrator determines to be detrimental to the Employer. Review of any determination that a termination is for Cause shall be by the Administrator, in its sole and exclusive judgment and discretion. The Employer expressly acknowledges that Cause will not exist merely because of a failure of the Employer to meet budgeted results.

"CECONY" shall mean Consolidated Edison Company of New York, Inc., a New York corporation.

"CEI" shall mean Consolidated Edison, Inc., a New York corporation. "CEO" shall mean the Chief

Executive Officer of CEI.

“CET” shall mean Con Edison Transmission, Inc.

"Change of Control" shall mean and shall be deemed to have occurred as of the date of the first to occur of the following events:

(a) any Person or Group acquires stock of CEI that, together with stock held by such Person or Group, constitutes more than 50% of the total fair market value or total voting power of the stock of CEI. However, if any Person or Group is considered to own more than 50% of the total fair market value or total voting power of the stock of CEI, the acquisition of additional stock by the same Person or Group is not considered to cause a Change of Control of CEI. An increase in the percentage of stock owned by any Person or Group as a result of a transaction in which CEI acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this subsection. This subsection applies only when there is a transfer of stock of CEI (or issuance of stock of CEI) and stock in CEI remains outstanding after the transaction;

(b) any Person or Group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Group) ownership of stock of CEI possessing 30% or more of the total voting power of the stock of CEI;

(c) a majority of members of the Board is replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or

(d) any Person or Group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Group) assets from CEI that have a total gross fair market value equal to or more than 40% of the total gross fair market value

of all of the assets of CEI immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of CEI, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. However, no Change in Control shall be deemed to occur under this subsection (d) as a result of a transfer to:

(i) A shareholder of CEI (immediately before the asset transfer) in exchange for or with respect to its stock;

(ii) An entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by CEI;

(iii) A Person or Group that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of CEI; or

(iv) An entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in clause (iii) above.

For these purposes, the term "Person" shall mean an individual, corporation, association, joint stock company, business trust or other similar organization, partnership, limited liability company, joint venture, trust, unincorporated organization or government or agency, instrumentality or political subdivision thereof (but shall not include the Employer, any underwriter temporarily holding securities pursuant to an offering of such securities, any trustee or other fiduciary holding securities under an employee benefit plan of the Employer, or any company owned, directly or indirectly, by the stockholders of CEI in substantially the same proportions as their ownership of voting stock of CEI. The term "Group" shall have the meaning set forth in Rule 13d-5 of Exchange Act. If any one Person, or Persons acting as a Group, is considered to effectively control CEI as described in subsections (b) or (c) above, the acquisition of additional control by the same Person or Persons is not considered to cause a Change of Control.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, or any successors thereto, and any regulations or rulings issued thereunder.

"Committee" shall mean the Management Development and Compensation Committee that has been established by the Board, or any subsequent committee of the Board that has primary responsibility for compensation policies. In the absence of such a committee, "Committee" shall mean the Board or any committee of the Board designated by the Board to perform the functions of the Committee under the Program.

"Company" includes, individually and/or collectively as the context requires, CEI, CECONY, O&R, CET and such other subsidiaries of the Company that have approved and adopted this Program pursuant to Article VIII, whether or not such entity directly compensates the Participant or the Participant appears on the payroll of such entity.

"Disability" shall mean (i) the inability of a Participant to engage in any substantial gainful activity by reason of medically determinable physical or mental impairment that can be expected to result in death or can be expected to last of a continuous period of not less than a period of twelve calendar months or (ii) the receipt of income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Employer by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

"Effective Date" shall mean November 18, 2021. "Employer" shall mean CEI and

each Affiliate.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successors thereto, and any regulations or rulings issued thereunder.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time, or any successors thereto, and any regulations or rulings issued thereunder.

"Good Reason" shall mean any of the following events that occur without the Participant's consent on or following a Change of Control:

(i) any material decrease in the Participant's Base Compensation, except for across-the- board decreases uniformly affecting similarly situated employees of the Company or the business unit in which the Participant is then employed;

(ii) any failure by the Company to comply with any of the material provisions of this Program, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith;

(iii) the Company's requiring the Participant to be based at any office or location more than 50 miles from the location at which the Participant is employed immediately prior to the Change of Control;

(iv) any failure by the Company to comply with and satisfy Section IX.F of this Program; or

(v) the assignment to the Participant of any duties materially inconsistent in any respect with the Participant's position (including offices, titles and reporting requirements), authority, duties or responsibilities of the Participant as in effect immediately prior to the Change of Control, or any other action by the Company which results in a material diminution in such position, authority, duties or responsibilities, excluding, for this purpose, an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Participant.

For purposes of this "Good Reason" definition, the Participant must give notice to the Company of the existence of any event described in clauses (i) through (v) above, within 90 days of the initial existence of the event, and upon such notice the Company shall have a period of 30 days to remedy the condition and not be required to pay any severance amount or benefit. If the Company fails to remedy the condition within 30 days, the Participant’s employment shall terminate immediately on the expiration of the 30-day period.

"Notice of Termination" means a written notice given in accordance with Section IX E which (i) indicates the specific termination provision in this Program relied upon, (ii) briefly summarizes the facts and circumstances deemed to provide a basis for the Participant's Termination of Employment or a Termination upon a Change of Control (as applicable) and the applicable provision hereof, and (iii) if the Termination Date is other than the date of receipt of such notice, specifies the Termination Date (which date shall not be more than 15 days after the giving of such notice or, if applicable, the expiration of any cure period by the Company).

"O&R" shall mean Orange and Rockland Utilities, Inc.

"Participant" at any time shall mean each person who (i) is an officer of CECONY, O&R, CET or the CEO and President of CEB or is then holding the office of president or higher level of CEI provided, however, that any individual who would otherwise be a participant shall not be eligible to receive any severance payments or benefits hereunder (x) unless such individual has timely signed (and not revoked) a general waiver and release of any and all claims in such form as has been approved by the Administrator prior to a Change of Control, or (y) if such individual is a party to a then effective separate written agreement with the Company which has been authorized or adopted by the Board or the Committee which expressly provides for severance payments or benefits (unless such agreement expressly provides for participation in this Program).

"Section 409A" shall mean Section 409A of the Code as amended from time to time, or any successors thereto and the rulings and regulations promulgated thereunder

"Separation from Service" shall mean a "separation from service" from the Employer as determined under the default provisions in Treasury Regulation Section 1.409A-1(h).

"Termination of Employment" means a Participant's Separation from Service other than (i) a termination of employment for Cause, (ii) a voluntary resignation by the Participant (other than a resignation with Good Reason in connection with a Termination upon a Change of Control), (iii) a termination of employment due to a Participant's Disability or death, (iv) a termination of the Participant's employment due to a sale, merger, acquisition or other transaction in which the Participant (1) is offered the opportunity to become employed by another employer in a position with the same or similar duties to the Participant's duties with the Employer immediately prior to the termination of employment and without any decrease in the Participant's Base Compensation or Target Bonus, or (2) accepts employment in any position with the new employer (whether or not such employment is comparable), or (v) a termination of employment due to a Participant's retirement (voluntary at any time or mandatory at or after attainment of age 65). The Administrator in its sole discretion shall determine whether a Participant's termination of employment is within the meaning of clauses (i), (ii), (iii), (iv) or (v).

"Target Bonus" shall mean the target bonus opportunity (if any) in effect for a Participant in respect of the calendar year in which the Participant's Separation from Service occurs or, if no such target bonus opportunity has been established by the Company, the average of the two annual bonuses, if any, paid or awarded to the Participant in respect of the most recent two (2) calendar years immediately preceding the calendar year in which occurs the Participant's Termination Date or preceding the Change of Control, if higher.

"Termination Date" with respect to any Participant shall mean the date of a Participant's Termination of Employment or Termination upon a Change of Control (as applicable).

"Termination upon a Change of Control" of any Participant shall mean a Termination of Employment without Cause or a Separation from Service by any Participant for Good Reason upon or within 24 months following a Change of Control.

III. Benefits.

A. Benefits Following a Termination of Employment.

1. Before a Change of Control. If, prior to a Change of Control, a Participant incurs a Termination of Employment, then, subject to the Participant timely executing and delivering (without revocation) to the Company a written general waiver and

release of any and all claims in such form as has been approved by the Administrator, as further detailed in clause h. below:

a. the Company shall pay to the Participant in a lump sum in cash, within 60 days following the Participant's Termination Date, the aggregate of the following amounts:

(1) the sum of (a) the Participant's accrued Base Compensation through the Termination Date to the extent not theretofore paid,(b) the product of (i) the sum of the Participant's Target Bonus, and (ii) a fraction, the numerator of which is the number of days in the calendar year in which the Termination Date occurs through the Termination Date, and the denominator of which is 365 and (c) any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (a), (b), and (c) shall be hereinafter referred to as the "Accrued Obligations"); and

(2) (a) a lump sum that is the actuarial equivalent of the excess of the sum of

(i)- the pension benefit payable to the Participant under the Company's applicable qualified defined benefit retirement plan or defined contribution pension formula in the Consolidated Edison Thrift Savings Plan in which the Participant is participating immediately prior to his Termination Date (the "Retirement Plan"), plus (ii) any excess or supplemental nonqualified defined benefit retirement plan in which the Participant participates (together, the "SERP"), plus (iii), to the extent applicable, any benefit payable to the Participant under any other defined benefit or defined contribution retirement arrangement between the Participant and the Company ("Other Pension Benefits") with each element of such sum determined as if the Participant's employment continued for one additional year beyond the Termination Date, assuming for this purpose that all accrued benefits are fully vested and further assuming that the Participant's compensation for such deemed additional period was the Participant's Base Compensation as in effect immediately prior to the Termination Date, assuming a bonus in each year during such deemed additional period equal to the Target Bonus, assuming that any benefits attributable to such deemed additional period were treated, under all such plans and arrangements, as being fully accrued on the Termination Date, and assuming that the Participant commenced to receive such benefits in the form of an annuity for their life commencing at later of the Termination Date or the Participant's attainment of age 65 less, (b) the sum of the benefits actually payable to the Participant, if any, under the Retirement Plan, the SERP and Other Pension Benefits, determined as of the Termination Date, assuming that the Participant commenced to receive such benefits in the form of an annuity for his life commencing at later of the Termination Date or the Participant's attainment of age 65.

b. the Company shall pay to the Participant in a lump sum in cash, within 60 days following the Participant's Termination Date, an amount equal to one times the sum of the Participant's Base Compensation and Target Bonus;

c. for a period of one year following the Termination Date, the Company shall continue to provide medical, dental and Company-provided life insurance benefits to the Participant and/or the Participant's eligible dependents (to the extent they are participating in the benefits as of the Termination Date) at least equal to those which would have been provided to them in accordance with the Company's plans, programs, practices and policies if the Participant had not incurred a Termination of Employment (at the same contribution rate between the Participant and the Company as is applicable for the Participant while actively employed immediately prior to the Termination Date); provided, however, that if the Participant becomes employed by another employer and is eligible to receive medical or dental benefits under another employer provided plan, the medical and dental benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. Notwithstanding any provision in this Program to the contrary, if at any time the Company determines that it cannot continue the medical, dental and Company-provided life insurance benefits without substantial risk of incurring a fine or penalty under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then Company shall be completely and fully relieved of any obligation to provide such benefits, and such relief shall have no effect on the release. Such period shall be counted as part of the Participant's right to continued eligibility under the Company's medical and dental plans under Section 4980B of the Code. For purposes of determining eligibility (but not the time of commencement of benefits) of the Participant for retiree benefits pursuant to such plans, practices, programs and policies, the Participant shall be considered to have remained employed until one year following the Termination Date and to have incurred a Termination of Employment on the last day of such period;

d. the Company shall, at its sole expense as incurred, provide the Participant with outplacement services suitable to the Participant's position for a period not to exceed one year from the Participant's Termination Date with a nationally recognized outplacement firm;

e. any compensation previously deferred (other than pursuant to a tax- qualified plan) by or on behalf of the Participant (together with any accrued interest or earnings thereon), whether or not then vested, shall become vested on the Termination Date and shall be paid in accordance with the terms of the plan, policy or practice and elections under which it was deferred;

f. to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Participant any other amounts or benefits required to be paid or provided or which the Participant is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies, including earned but unpaid stock and similar compensation (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits") in accordance with the terms of the plan, policy or practice and elections thereunder; and

g. for purposes of the Company's equity incentive plans and the benefits and rights granted to the Participant thereunder, the Participant shall be deemed to have incurred a Termination of Employment with the consent of the Company.

h. Notwithstanding any provision of this Plan to the contrary, the obligation of the Company to pay any severance benefits to a Participant is expressly conditioned upon the Participant's timely execution and delivery (and non- revocation) of an agreement to be bound by a general waiver and release of any and all claims in such form as has been approved by the Administrator, and agreement by the Participant to the terms and conditions of Section IV below, that becomes irrevocable not later than the 60th calendar day following the Participant's Termination Date. The Company shall have no obligation to pay any severance benefits to a Participant who fails to execute a general waiver and release that becomes irrevocable after the 60th calendar day following the Participant's Termination Date. Subject to Section III.B below, any payments, including any provision or continued benefits, made under this Program (whether such payments or benefits are paid or provided, in whole or in part, pursuant to this Program or in conjunction with any other agreement, arrangement, program or policy) which the Company determines to be a "deferral of compensation" subject to Section 409A shall be delayed and shall not be paid, or commence to be paid, until the sixtieth (60th) day following a Participant's Separation from Service at which time any payments so delayed shall be paid in a single sum payment.

For purposes of clause a (2) above, the term "actuarial equivalent" shall mean a benefit of equal value, computed on the basis of the IRS Mortality Table and the IRS Interest Rate, as applicable to the Stability Period that includes the Participant's Termination Date, and to the extent that any benefit payable to the Participant would be subject to adjustment, subsequent to the commencement of such benefit, based on changes in any Consumer Price Index, then the annual change in such index for all future years shall be assumed to be the quotient of (x) the IRS Interest Rate divided by (y) the excess of the quotient determined by dividing
0.75 by the factor first specified in item "(B)" of clause (c) of the determination of Adjusted IRS Interest Rate, over 1.00. The terms IRS Mortality Table, IRS Interest Rate, Stability Period, and Adjusted IRS Interest Rate shall each have the meaning set forth in the Retirement Plan as in effect on the Participant's Termination Date.

2. Following a Change of Control. Upon a Termination upon a Change of Control, the provisions of Section III.A.1. shall apply, except that:

a. references to "one" in clauses a.(2), b. and c., respectively, of Section 111.A.I. shall be increased to "two"; and

b. to the extent reimbursements of medical and dental care expenses made pursuant to Section III.A.I.c. are deemed to be a "deferral of compensation" subject to Section 409A of the Code, the Company shall reimburse medical and dental care expenses no later than the last day of

the calendar year next following the calendar year in which such expenses were incurred.

B. Six-Month Payment Delay for Specified Employees.

Notwithstanding anything herein to the contrary, if a Participant is a "Specified Employee" for purposes of Section 409A, determined under the Company's established methodology for determining specified employees, on the date on which such Participant incurs a Separation from Service, to the extent that any payment hereunder (including any provision or continued benefits) is deemed to be a "deferral of compensation" within the meaning of Section 409A, such payment shall not be paid or commence to be paid on any date prior to the fifteenth business day after the date that is six months following the Participant's Separation from Service, provided, however, that a payment delayed pursuant to this clause shall commence earlier in the event of a Participant's death prior to the end of the six-month period.

C. Certain Reduction of Payments.

1. Anything in this Program to the contrary notwithstanding, in the event that it shall be determined that any payment or distribution by the Company to or for the benefit of a Participant, whether paid or payable or distributed or distributable pursuant to the terms of this Program or otherwise (the "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, and that such Participant would receive a greater net after-tax amount if the Payment to Participant were reduced to avoid the taxation of excess parachute payments under Section 4999 of the Code, the aggregate present value of amounts payable or distributable to or for the benefit of Participant pursuant to this Program (such payments or distributions pursuant to this Program are hereinafter referred to as "Program Payments") shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of Program Payments without causing any Payment to be subject to the taxation under Section 4999 of the Code. For purposes of this Section III.C, present value shall be determined in accordance with Section 280G (d)(4) of the Code. Any reduction will be made from the payments described in Section III.A.1.a and Section III.A.1.b.

2. All determinations to be made under this Section III.2 shall be made by the Company's independent public accountant immediately prior to the Change of Control (the "Accounting Firm"), which firm shall provide its determinations and any supporting calculations both to the Company and the affected Participant within 10 days of the Termination Date of such Participant.

3. As a result of the uncertainty in the application of Section 280G of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Program Payments will have been made by the Company which should not have been made ("Overpayment") or that additional Program Payments which have not been made by the Company could have been made ("Underpayment"), in each case, consistent with the calculations required to be made hereunder. Within one year after the Termination of Employment of any Participant, the Accounting Firm shall review the determination made by it pursuant to subsection III C.2. above. In the event that the Accounting Firm determines that an

overpayment has been made, any such Overpayment shall be promptly repaid by the Participant to the Company within 20 days of such determination; provided, however, that no amount shall be payable by the Participant to the Company if and to the extent such payment would not increase the net amount which is payable to the Participant after taking into account the provisions of Section 4999 of the Code. In the event that the Accounting Firm determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Participant together with interest at the Federal Rate within 20 days of such determination.

I. All of the fees and expenses of the Accounting Firm and any other consultant or expert retained in performing the determinations referred to in subsections III.C.2. and III.C.3. above shall be borne solely by the Company. The Company agrees to indemnify and hold harmless the Accounting Firm and such other consultants and experts of and from any and all claims, damages and expenses resulting from or relating to its determinations pursuant to subsections III.C.2. and III.C.3. above, except for claims, damages or expenses resulting from the gross negligence or willful misconduct of the Accounting Finn and such other consultants and experts.Vesting. Except as provided in Article V hereof, a Participant shall be vested and shall have a nonforfeitable right with respect to the payments and benefits to be provided under the Program from and after the Termination Date. The respective rights and obligations of the Company and the Participant under this Program shall survive any termination of Participant's employment to the extent necessary to the intended preservation of such rights and obligations.

II. Non-Exclusivity of Rights. Nothing in this Program shall prevent or limit any Participant's continuing or future participation in or rights under any benefit, bonus, incentive or other plan or program provided by the Company and for which such Participant may qualify; provided, however, that if such Participant becomes entitled to and receives all of the payments provided for in this Program, the Participant hereby waives his or her right to receive payments under any other plan, program, agreement or arrangement of the Company providing severance benefits.

III. Notice of Termination. No Termination upon a Change of Control shall be effective unless accompanied or preceded by a Notice of Termination.

IV. Termination and Repayment of Severance Benefits. A Participant’s right to any payments and benefits under the Program is subject to and is expressly conditioned upon the Participant’s continued compliance with any confidentiality agreement or restrictive covenant provisions. If the Participant violates the terms of any confidentiality agreement or restrictive covenant provisions, he or she will be required to return any payments and benefits received under the Program within ten (10) business days of any written demand for repayment by the Company or the Administrator. Any payments and benefits received under the Program that have not been paid or provided to the Participant shall be forfeited.

IV. Confidential Information.

A. Each Participant shall hold in a fiduciary capacity for the benefit of the Company all confidential information, knowledge or data (defined below) relating to the Company or any of its affiliates or subsidiaries, and their respective businesses, which shall have been obtained by the Participant during the Participant's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than

by acts by the Participant or representatives of the Participant in violation of this Agreement). Upon termination of the Participant's employment, he or she shall return to the Company all Company information. After termination of the Participant's employment with the Company, the Participant shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it, except (a) otherwise publicly available information, or (b) as may be necessary to enforce his rights under this Agreement or necessary to defend himself against a claim asserted directly or indirectly by the Company or its affiliates.

B. As used herein, the term "confidential information, knowledge or data" means all trade secrets, proprietary and confidential business information belonging to, used by, or in the possession of the Company or any of its affiliates and subsidiaries, including but not limited to information, knowledge or data related to business strategies, plans and financial information, mergers, acquisitions or consolidations, purchase or sale of property, leasing, pricing, sales programs or tactics, actual or past sellers, purchasers, lessees, lessors or customers, those with whom the Company or its affiliates and subsidiaries has begun negotiations for new business, costs, employee compensation, marketing and development plans, inventions and technology, whether such confidential information, knowledge or data is oral, written or electronically recorded or stored, except information in the public domain, information known by a Participant prior to employment with the Company, and information received by the Participant from sources other than the Company or its affiliates and subsidiaries, without obligation of confidentiality.

V. Funding.

Benefits payable under this Program shall be unfunded, as that term is used in Sections 201(2), 301(a)(3), 401(a)(1) and 4021(a)(6) of ERISA, with respect to unfunded plans maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees, and the Administrator shall administer this Program in a manner that will ensure that benefits are unfunded and that Participants will not be considered to have received a taxable economic benefit prior to the time at which benefits are actually payable hereunder. Accordingly, the Company shall not be required to segregate or earmark any of its assets for the benefit of Participants or their spouses or other beneficiaries, and each such person shall have only a contractual right against the Company for benefits hereunder. The Company may from time to time establish a trust and deposit with the trustee thereof funds to be held in trust for the payment of benefits hereunder; provided, that the use of such funds for such purpose shall be subject to the claims of the Company's general creditors as set forth in the agreement establishing any such trust. The rights and interests of a Participant under this Program shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge or encumbrance by a Participant or any person claiming under or through a Participant, nor shall they be subject to the debts, contracts, liabilities or torts of a Participant or anyone else prior to payment. The Administrator may from time to time appoint an investment manager or managers for the funds held in any such trust.

VI. Administration.

The Program shall be operated under the direction of the Committee and administered by the Administrator. The calculation of all benefits payable under the Program shall be performed by the Administrator, subject to the review of the Committee. The Committee and the Administrator, as applicable, shall have sole and complete discretionary authority and control to manage the operation and administration of the Program, including but not limited to, the determination of all questions relating to eligibility for participation and benefits, interpretation of all Program provisions, determination of the amount of benefits payable to any Participant, spouse, heirs or estate, all legal and factual determinations, and construction of disputed or ambiguous term. The Committee and the Administrator, as applicable, shall determine conclusively any and all questions arising from the administration of the Program, and such determinations shall be binding on all parties. The Committee shall have the sole discretion to make any determinations, including with respect to the interpretation of the Program and any factual determinations, in deciding any appeal of a claim under the Program as set forth in Section VII below. The Committee and the Administrator may delegate responsibilities under the Program. In any instance where the Program is administered relative to the Administrator, the President of the Company shall act as Administrator.

VII. Claims Procedure.

(a) Procedure for Granting or Denying Claims. A Participant, or any person duly authorized by such a Participant, may file a written claim for benefits under this Program. Such claim may only relate to a benefit under the Program and not any matter under any other policy, practice or guideline of the Company, and must be made in writing and be delivered to the Administrator, in person or by mail, postage paid. The written claim shall be submitted in accordance with the notice provisions of Section IX.E below. Such claim must be received within 60 days of the event which gave rise to the claim.

Within 90 days after receipt of such claim, the Administrator shall notify the claimant of the granting or denying, in whole or in part, of such claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension exceed 90 days from the end of the initial 90-day period. If such extension is necessary, the claimant will be given a written notice to this effect prior to the expiration of the initial 90-day period. The Administrator shall have full discretion to deny or grant a claim in whole or in part. If the claim is denied the claimant will receive written notice of the decision, including the specific reason for the decision, within 90 days of the date the claim was received.

In some cases, more than 90 days may be needed to make a decision. In such cases the claimant will be notified in writing, within the initial 90-day period, of the reason more time is needed. An additional 90 days may be taken to make the decision if the claimant is sent such a notice. The extension notice will show the date by which the decision will be sent.

(b) Requirement for Notice of Claim Denial. The Administrator shall provide to every claimant who is denied a claim for benefits a written or electronic notice setting forth in a manner calculated to be understood by the claimant:

(i) The specific reason or reasons for the denial;

(ii) Specific reference to pertinent Program provisions on which the denial is based;

(iii) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material is necessary; and

(iv) An explanation of the Program's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse determination on review.

(c) Right to Appeal to Committee and Request Hearing on Claim Denial. If the claim for benefits or review of any matter under the Program is denied or no reply at all is received by the claimant within the 90-day period (or 180-day period if an extension was required) after filing the claim, the claimant, or other duly authorized person, may appeal to the Committee this denial in writing within 60 days after it is received (or within 60 days of the expiration of the 90- or 180-day period described above, as applicable). Written request for review of any denied claim should be sent in accordance with the notice provisions of Section IX.E below.

The claimant or his or her duly authorized representative may submit written comments, documents, records, and other information relating to the claim for benefits. Moreover, the claimant or his or her duly authorized representative shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits. The request for a review may include a request for a hearing; provided, only the claimant and the Committee may be present at any hearing granted by the Committee.

(d) Disposition of Disputed Claims. Upon receipt of a request for review, the Committee shall make a decision on the claim. The review shall take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The decision on review shall be made not later than 60 days after the Committee's receipt of a request for a review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered not later than 120 days after receipt of the request for review. If an extension is necessary, the claimant shall be given written notice of the extension prior to the expiration of the initial 60-day period.

The Committee shall provide the claimant with written or electronic notification of the Committee's determination on review. In the case of an adverse determination, the notification shall set forth, in a manner calculated to be understood by the claimant, the specific reason or reasons for the decision as well as specific references to the Program provisions on which the decision was based. The decision shall also include a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits. Moreover, the decision shall contain a statement of the claimant's right to bring an action under Section 502(a) of ERISA.

(e) Bar to Legal Action. No legal action may be commenced or maintained against the Program prior to the claimant's exhaustion of the claims procedures set forth in this Section. In addition, no legal action may be commenced against the Program more than 90 days after the Committee's decision on review.

(f) Arbitration. In the event that any dispute under the provisions of this Program is not resolved to the satisfaction of the affected Participant through this Program's claims procedures described above, other than a dispute in which the primary relief sought is an equitable remedy such as an injunction, the Participant may elect to have the dispute, controversy or claim settled by arbitration in New York City, New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Any award entered by the arbitrator shall be final, binding and nonappealable and judgment may be entered thereon by either party in accordance with applicable law in any court of competent jurisdiction. This arbitration provision shall be specifically enforceable. The arbitrator shall have no authority to modify any provision of this Program or to award a remedy for a dispute involving this Program other than a benefit

specifically provided under or by virtue of the Program. If a Participant prevails on any material issue which is the subject of any such arbitration or lawsuit, the Company shall be responsible for all of the fees of the American Arbitration Association and the arbitrator and any expenses relating to the conduct of the arbitration (including the Company's and the Participant's reasonable attorneys' fees and expenses). Otherwise, each party shall be responsible for its own expenses relating to the conduct of the arbitration (including reasonable attorneys' fees and expenses) and shall share the fees of the American Arbitration Association. If applicable, payment or reimbursement of the Participant's reasonable attorneys' fees and expenses shall be made not later than December 31st of the calendar year following the year in which they are incurred.

VIII. Adoption by Company; Obligations of Company.

A. At the earliest feasible time or times, CEI shall cause each entity in which it now or hereafter holds, directly or indirectly, more than a 50 percent voting interest to approve and adopt this Program and, by such approval and adoption, to be bound by the terms hereof.

B. Benefits under this Program shall, in the first instance, be paid and satisfied by the Company. If the Company shall be dissolved or for any other reason shall fail to pay and satisfy such benefits, each individual entity referred to in (a) above shall pay and satisfy its share of such benefits, such share to be the ratio of the Participant's Base Compensation charged to such entity during the three calendar years immediately preceding the Participant's Termination Upon a Change of Control to the total of the Participant's Base Compensation charged to all such entities during the same period.

IX. Miscellaneous.

A. Amendment or Termination. Prior to the occurrence of a Change of Control, the Board may amend or discontinue this Program at any time. Prior to the occurrence of a Change in Control, the Administrator may amend the Program to facilitate the administration of the Program. Upon and following a Change of Control, this Program may not be amended or terminated in any way that would adversely affect the rights of Participants under the Program.

B. Headings. Headings are included in the Program for convenience only and are not substantive provisions of the Program.

C. Applicable Law. The interpretation of the provisions and the administration of the Program shall be governed by the laws of the State of New York without giving effect to any conflict of laws provisions, and to the extent applicable, the United States of America.

D. Mitigation. No Participant shall be required to mitigate the amount of any payment or benefit provided for in this Program by seeking other employment or otherwise and there shall be no offset against amounts due any Participant under this Program on account of any remuneration attributable to any subsequent employment that may be obtained.

E. Notices. All notices and other communications required or permitted under this Program or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when hand delivered or mailed by registered or certified mail to the last known address of the Company or the Participant, as the case may be, reflected upon Company records. Notices to the Company shall be addressed to:

Consolidated Edison, Inc. 4 Irving Place
New York, NY 10003 Attention: General Counsel

F. Binding Effect; Successors and Assigns. All of the terms and provisions of this Program shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, except that the duties and responsibilities of the Participants under this Program are of a personal nature and shall not be assignable or delegable in whole or in part by the Participants. CEI shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to the Participants, expressly to assume and agree to perform this Program in the same manner and to the extent CEI would be required to perform if no such succession had taken place.

G. Recovery of Excess Payments. If any benefit under this Program is erroneously paid to a Participant, the Participant is required refund any the full amount of the overpayment within thirty (30) days of a written notice of overpayment from the Administrator or his or her designee.

H. Severability. If any provision of this Program or application thereof to anyone or under any circumstances is adjudicated to be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect any other provision or application of this Program which can be given effect without the invalid or unenforceable provision or application and shall not invalidate or render unenforceable such provision or application in any other jurisdiction. If any provision is held void, invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

I. Remedies Cumulative; No Waiver. No remedy conferred upon a party by this Program is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under this Program or now or hereafter existing at law or in equity. No delay or omission by a party in exercising any right, remedy or power under this Program or existing at law or in equity shall be construed as a waiver thereof, and any such right, remedy or power may be exercised by such party from time to time and as often as may be deemed expedient or necessary by such party in its sole discretion.

J. Beneficiaries/References. Each Participant shall be entitled, to the extent permitted under any applicable law, to select and change a beneficiary or beneficiaries to receive any compensation or benefit payable under this Program following his or her death by giving the Company written notice thereof. In the event of a Participant's death or a judicial determination of a Participant's incompetence, reference in this Program to "Participant" shall be deemed, where appropriate, to refer to such Participant's beneficiary, estate or other legal representative.

K. Withholding. The Company may withhold from any payments under this Program all federal, state and local employment and income taxes as the Company is required to withhold pursuant to any law or governmental rule or regulation. Each Participant shall bear all expense of, and be solely responsible for, all federal, state and local taxes due with

respect to any payment received under this Program. All payments will be reported to the IRS.

L. Section 409A. This Program is intended to satisfy the applicable requirements of Section 409A and shall be performed and interpreted consistent with such intent. If the Administrator determines in good faith that any provision of this Program does not satisfy such requirements or could otherwise cause any party to recognize additional taxes, penalties or interest under Section 409A, the Administrator will modify such provision, to the maximum extent practicable, consistent with the original intent and without violation of the requirements of Section 409A ("Section 409A Compliance"), and, notwithstanding any provision herein to the contrary, the Administrator shall have broad authority to amend or to modify the Program, without advance notice to or consent by any person, to the extent necessary or desirable to ensure Section 409A Compliance. Any determination by the Administrator shall be final and binding on all parties.

Statement of ERISA Rights

A. Plan Identification Numbers

This Program is identified by the following numbers under the Internal Revenue Service (IRS) Rules.

- Employer Identification Number: [__] assigned by the IRS.
- Plan Number: [ ] assigned by CEI.

B. Program Continuance

CEI may amend or terminate this Program at any time. Any amendments or the termination of the Program shall not result in the forfeiture of the benefits previously awarded under the Program.

C. Program Documents

This document is both the Program and a Summary Plan Description as such terms are defined in ERISA.

D. Rights of a Program Participant

As a Participant in this Program, you are entitled to certain rights and protections under ERISA, which provides that all Program Participants shall be entitled to:

Receive information about the Program and benefits.

Examine, without charge, at the Administrator's office and at other specified locations, all Program documents and a copy of the latest annual report (Form 5500 series) filed with the U.S. Department of Labor, and available at the Public Disclosure Room of the Employee Benefits Security Administration;

Obtain upon written request to the Administrator, copies of all documents governing the operation of the Program, and copies of the latest annual report (Form 5500 series) and updated summary plan description. The Administrator may make a reasonable charge for the copies.

Prudent actions by the Program fiduciaries.

In addition to creating rights for Program Participants, ERISA imposes duties upon those who are responsible for the operation of employee benefit plans. The people who operate the Program, called "Fiduciaries," have a duty to do so prudently and in the interest of you and other Program Participants. No one, including your employer, or any other person, may terminate your employment or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your right under ERISA.

Enforce your rights.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain periods.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Administrator and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court after exhausting the Program's claims procedures. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. The court will decide who will pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

Assistance with your questions.

If you have any questions about the Program, you should contact the Administrator. If you have any questions about this statement of your rights, or about your rights under ERISA, you should contact your nearest office of the Employee Benefits Security Administration, U. S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

E. Statement of Employer's Rights

A Participant's eligibility for benefits under this Program shall not be considered a guarantee of continued or lifetime employment with the Company and shall not change the fact that a Participant shall be considered an employee at will. A Participant's employment by the Company may be terminated by the Company whenever the Company in its sole discretion considers that to be in its best interest, subject to applicable law.

DESCRIPTION OF DIRECTORS' COMPENSATION

The following tables show, effective as of December 31, 2021, the annual retainer amounts and committee meeting fees payable, in quarterly installments, to the members of the Board of Directors of Consolidated Edison, Inc. (the "Company") who were not employees of the Company or its subsidiaries:

	Amount
Annual Retainer	$ 115,000
Non-executive Chairman Retainer	$ 160,000
Lead Director Retainer	$ 35,000
Chair of Audit Committee Retainer	$ 30,000
Member of Audit Committee Retainer (excluding the Audit Committee Chair)	$ 15,000
Chair of the Corporate Governance and Nominating Committee Retainer	$ 15,000
Chair of the Finance Committee Retainer	$ 15,000
Chair of the Management Development and Compensation Committee Retainer	$ 20,000
Chair of the Safety, Environment, Operations and Sustainability Committee Retainer	$ 15,000
Acting Committee Chair Fee (where the regular Chair is absent)	$ 200
Annual equity award (deferred stock units)[(1)]	$ 150,000

Footnotes:

(1) Effective April 1, 2022, the value of the annual equity award granted to non-employee Directors was increased from $150,000 to $160,000.

Non-employee Directors participate in the Company's Long Term Incentive Plan (the "LTIP"). Pursuant to the LTIP, each non-employee Director then serving is allocated an annual equity award of $150,000 of deferred stock units on the first business day following the Annual Meeting. If a non-employee Director is first appointed to the Board after an annual meeting, his or her first annual equity award is prorated.

Settlement of the annual equity awards of stock units are automatically deferred until the Director's termination of service from the Board of Directors. Each non-employee Director may elect to receive some or all of his or her annual equity awards of stock units on another date or to further defer any other prior annual equity award of stock units, including any related dividend equivalents earned on such prior annual equity awards of stock units.

Each non-employee Director may also elect to defer all or a portion of his or her retainers into additional deferred stock units, which are deferred until the Director's termination of service.

Dividend equivalents are payable on deferred stock units in the amount and at the time that dividends are paid on Company Common Stock and are credited in the form of additional deferred stock units which are fully vested as of the date the dividends would have been paid to the Director or, at the Director's option, are paid in cash.

All payments on account of deferred stock units are made in shares of Company Common Stock. The LTIP provides that cash compensation deferred into stock units, annual equity awards, and dividend equivalents granted to non-employee Directors that are credited in the form of additional deferred stock units, are fully vested, and payable in a single one-time payment of whole shares (rounded to the nearest whole share) within sixty days following separation from Board service unless the Director elected to defer distribution to another date.

The Company reimburses non-employee Directors for reasonable expenses incurred in attending in person Board and Committee meetings. No person who serves on both the Company's Board and on the Board of its subsidiary, Consolidated Edison Company of New York, Inc., and corresponding Committees, is paid additional compensation for concurrent service. Directors who are

employees of the Company or its subsidiaries do not receive retainers or annual equity awards of deferred stock units for their service on the Board.

Members of the Board are also eligible to participate in the Company's Stock Purchase Plan ("Stock Purchase Plan").

Copies of the LTIP and the Company's Stock Purchase Plan, and amendments thereto, have been (or, as to amendments that may be adopted after the date of this description, will be) included as exhibits to the Company's Annual Report on Form 10-K or Quarterly Reports on Form 10-Q.

CONSOLIDATED EDISON, INC.
EXECUTIVE INCENTIVE PLAN

Amended & Restated effective January 1, 2020

CONSOLIDATED EDISON, INC.
EXECUTIVE INCENTIVE PLAN

PURPOSE

The purpose of the Plan is to provide executives designated by the Management Development and Compensation Committee of the Board of Directors of Consolidated Edison, Inc. (“CEI” or the “Company”) as eligible to participate in the Plan with incentives to achieve goals which are important to shareholders and customers of the Company, to supplement the Company’s salary and benefit programs so as to provide overall compensation for such executives which is competitive with those corporations with which the Company competes for the best executive talent, and to assist the Company in attracting, retaining and motivating executives who are important to the continued success of the Company.

CONSOLIDATED EDISON, INC.
EXECUTIVE INCENTIVE PLAN

Article I. DEFINITIONS

The following terms when capitalized herein shall have the meanings set forth below.

Section 1.01 Adjusted Net Income - shall mean net income from ongoing operations, which includes income from operations after subtracting all expenses incurred, including federal and state income taxes. Adjusted net income excludes certain items that the Company does not consider indicative of its ongoing financial performance. Adjusted net income shall be net of the reserve that is established for the Target Incentive Fund and/or the Annual Incentive Awards during the year-end closing and shall not be weather normalized.

Section 1.02 Adjusted Target Incentive Fund - shall have the meaning set forth in Section 4.03(d).

Section 1.03 Annual Base Salary – shall mean the annual rate of base salary before deduction of any pre- or post-tax deductions.

Section 1.04 Annual Incentive Awards - shall mean annual awards made under the terms of this Plan.

Section 1.05 Applicable Board - shall mean the board of directors, or the board of trustees, of an applicable Subsidiary.

Section 1.06 Board of Directors – The Board of Directors of CEI.

Section 1.07 Board of Trustees – The Board of Trustees of CECONY.
Section 1.08 Capital Budget - shall mean the portion of the CECONY Capital Budget approved by the Board of Trustees that is comprised of capital expenditures, including electric, gas, steam, and common.

Section 1.09 CEBs - shall mean the Clean Energy Businesses, Inc. or any successor by merger, purchase or otherwise.

Section 1.10 CECONY - shall mean Consolidated Edison Company of New York, Inc. or any successor by merger, purchase or otherwise.

Section 1.11 CECONY Officer - shall mean an officer of CECONY who is not an Executive Officer.

Section 1.12 CEI or Company - shall mean Consolidated Edison, Inc. or any successor by merger, purchase or otherwise.

Section 1.13 CET - shall mean Con Edison Transmission, Inc. or any successor by merger, purchase or otherwise.

Section 1.14 Committee - shall mean the Management Development and Compensation Committee of the Board of Directors

Section 1.15 Company Group - shall mean the Company together with the Subsidiaries.

Section 1.16 Company Group Member - shall have the meaning set forth in Section 7.04.

Section 1.17 Deferred Income Plan or DIP - shall mean the Consolidated Edison Company of New York, Inc. Deferred Income Plan, as it may be amended from time to time.

Section 1.18 Effective Date - shall mean January 1, 2020.

Section 1.19 Executive Officer - shall mean the Chairman and Chief Executive Officer of CEI, President of CECONY, President and Chief Executive Officer of O & R, President and Chief Executive Officer of CET, President and Chief Executive Officer of CEBs, Senior Vice President and Chief Financial Officer, Senior Vice President and General Counsel, Senior Vice President – Corporate Affairs, Senior Vice President – Corporate Shared Services, Senior Vice President – Utility Shared Services, Vice President and General Auditor, and Vice Presidents of O&R.

Section 1.20 Incentive Award - shall have the meaning set forth in Section 4.04 or Section 5.02, as applicable.

Section 1.21 Incentive Percentage - shall have the meaning set forth in Section 4.01 and Section 5.01, as applicable.

Section 1.22 Operating Budget - shall mean the portion of the Operations & Maintenance Budget approved by the Applicable Board (and recommended to the Committee for purposes of calculating an award under the EIP) which is comprised of departmental expenses, including Interference and Uncollectible expenses. Operating Budget shall not include corporate expenses such as employee benefits, damages and lawsuits, rental fees (transformer vault rental) and external audit fees.

Section 1.23 Other Financial Measures - shall mean a financial measure, other than the Operating Budget, that is used for purposes of calculating an award under the EIP. Other Financial Measures used for purposes of the EIP have been approved by the Applicable Board and recommended to the Committee.

Section 1.24 O&R - shall mean Orange and Rockland Utilities, Inc. or any successor by merger, purchase or otherwise.

Section 1.25 Participant - shall mean any individual who participates in this Plan in accordance with Article II.

Section 1.26 Performance Goals - shall have the meaning set forth in Sections 4.03(a) and 5.02(a), as applicable.

Section 1.27 Performance Indicators - shall mean health and safety, operational considerations, customer satisfaction, reliability, environmental considerations, employee development considerations or any other performance measures that the Applicable Board may, from time to time, deem appropriate in its sole discretion.

Section 1.28 Plan - shall mean this Consolidated Edison, Inc. Executive Incentive Plan, as it may be amended from time to time.

Section 1.29 Plan Administrator - shall mean the Vice President of Human Resources of CECONY or such individual appointed by the Company's Chief Executive Officer to administer this Plan, as provided in Article III.

Section 1.30 Subsidiary or Subsidiaries - shall mean any corporation, limited liability company, or other entity of which CEI owns or controls, directly or indirectly, not less than 50% of the total combined voting power of all classes of stock or other equity interests.

Section 1.31 Target Incentive Fund - shall have the meaning set forth in Section 4.02.

Article II. ELIGIBILITY

Section 1.01 The Committee, in its sole discretion, from time to time, may designate and change the designation of the CECONY Officers or Executive Officers who are eligible to participate in this Plan. An eligible individual who is selected to participate in the Plan shall be a Participant.

Section 1.02 To be eligible to receive an award under this Plan for a particular calendar year, a CECONY Officer or Executive Officer must (a) have been employed by a member of the Company Group during any portion of such year and (b) not later than September 30 of such year become a CECONY Officer or an Executive Officer, or otherwise be designated by the Committee as eligible to participate in the Plan.

Section 1.03 If a Participant retires or resigns after June 30 of any calendar year after attaining at least age 55 and with at least five years of service, he or she may, in the sole discretion of the Plan Administrator, receive a prorated Incentive Award based on the number of full calendar months worked during the calendar year to which such Incentive Award relates.

Article III. ADMINISTRATION

Section 1.01 The Committee shall have full power and authority to interpret, construe, administer and make all other decisions in connection with the Plan, including making all factual and legal determinations; correcting any defect, supplying any omission, or reconciling any inconsistency; and taking any and all actions it deems necessary or advisable for the proper administration of the Plan.

Section 1.02 To the extent determined by the Committee, administration of the Plan, may be delegated to the Plan Administrator; provided, however, that the Committee shall not delegate to the Plan Administrator the approval of Performance Goals and the certification of results based on the attainment of such Performance Goals.

Section 1.03 The Plan Administrator shall make such determinations after receiving the recommendations of the Company's Chief Executive Officer. The Plan Administrator shall abstain from any determination under the Plan in which he or she has a personal interest, in which case such determination shall be made by the Company's Chief Executive Officer. All determinations of the Committee and the Plan Administrator shall be final and conclusive upon all Participants and any persons asserting any claim derived from a Participant.

Article IV. DETERMINATION OF AWARDS (CECONY OFFICERS)

Section 1.01 Incentive Percentages

The Committee shall determine a percentage of Annual Base Salary deemed to constitute an appropriate incentive for each CECONY Officer eligible to participate in the Plan. Each such percentage is herein called an "Incentive Percentage". The Committee may, from time to time, increase or decrease any Incentive Percentage, as the Committee may deem appropriate in its sole discretion.

Applicable Incentive Percentages for CECONY Officers

Title	Incentive Percentage
Senior Vice President - CECONY	50%
Vice President – CECONY	40%

Section 1.02 Target Incentive Fund

At the end of each calendar year, the Annual Base Salary of each CECONY Officer who participates in the Plan for such calendar year, as such salary is in effect at the end of such year, shall be multiplied by the Incentive Percentage applicable to the position held by the CECONY Officer on September 30. The sum of such products for all CECONY Officers eligible to participate in the Plan for each calendar year is herein called the "Target Incentive Fund" for such year.

Section 1.03 Adjusted Target Incentive Fund

(a) Each calendar year the Committee shall approve specific criteria and weightings to measure performance during the current calendar year ("Performance Goals") that reflect recommended operational and financial measures (including Capital Budget, Operating Budget and Other Financial Measures) previously approved by the Applicable Board.

(b) The Committee shall also determine the Target Incentive Fund for the preceding calendar year based on the results of the established Performance Goals achieved during the preceding calendar year, and any other factors the Committee may consider.

(c) Notwithstanding any other provision, the Target Incentive Fund for any calendar year in which the Company omits a dividend on its common stock, or in which the

CECONY Adjusted Net Income is less than ninety percent (90%) of its target, shall be reduced to zero.

(d) The Target Incentive Fund for a calendar year, as adjusted pursuant to this Section 4.03, is herein called the "Adjusted Target Incentive Fund".

Section 1.04 Incentive Awards

(a) After the Adjusted Target Incentive Fund for a calendar year has been determined as provided in Section 4.03, the Committee, upon the recommendations of the Company's Chief Executive Officer, shall make, awards to individual CECONY Officers who participate in the Plan based on the achievement of CECONY performance goals, organizational performance, and the CECONY Officer's individual performance for such year. Such awards are herein called "Incentive Awards."

Incentive Awards shall be determined based on the following criteria and weighting:

Criteria	**Sr. Vice President**	**Vice President**	**Scaling**
Adjusted Net Income (CECONY)	15%	12.5%	0% - 100%
Operating Budget	20%	17.5%	0% – 100%
Performance Indicators	25%	30.0%	0% - 100%
Individual Performance	40%	40.0%	0% - 150%

(b) If, however, a CECONY Officer has entered into an employment agreement with a member of the Company Group providing for a different basis for the determination of his or her Incentive Award under this Plan, the determination of the amount of his or her Incentive Award will be subject to the terms and conditions set forth in his or her employment agreement.

(c) The aggregate of all Incentive Awards for a calendar year may not exceed the Adjusted Target Incentive Fund for such calendar year.

Article V. ANNUAL INCENTIVE AWARDS TO EXECUTIVE OFFICERS

Section 1.01 Incentive Percentages

Each calendar year, the Committee shall determine a percentage of Annual Base Salary deemed to constitute an appropriate incentive for each Executive Officer who participates in the Plan. Each such percentage is herein called an "Incentive Percentage." The Committee may, from time to time, increase or decrease any Incentive Percentage, as the Committee may deem appropriate. The Incentive Percentage for the President and Chief Executive Officer of CEI will be determined annually as approved by the Committee in its sole discretion.

Applicable Incentive Percentages for Executive Officers

Title	Incentive Percentage
President – CECONY	80%
President & CEO – O&R	80%
President & CEO – CEBs	80%
President & CEO - CET	50%
Sr. Vice President & CFO	75%
Sr. Vice President & General Counsel	70%
Sr. Vice President – Corporate Shared Services	50%
Sr. Vice President – Corporate Affairs	50%
Sr. Vice President – Utility Shared Services	50%
Vice President & General Auditor	40%
Vice Presidents – O&R	40%

Section 1.02 Incentive Awards

At the end of each calendar year, the Annual Base Salary of each Executive Officer who participates in the Plan for such calendar year, as such salary is in effect at the end of such year, shall be multiplied by the Incentive Percentage applicable to the position held by the Executive Officer on September 30 (the "Incentive Award"). The Incentive Award will then be multiplied by the results of the Performance Goals.

(a) Each calendar year the Committee shall approve specific criteria and weightings to measure performance during the current calendar year ("Performance Goals"). The recommended Performance Goals will be based on operational and financial measures and targets (including Capital Budget, Operating Budget and Other Financial Measures) as previously approved by the Applicable Boards and recommended to the Committee.

(b) Each Executive Officer's Incentive Award payout will be determined based upon the satisfaction of the applicable Performance Goals (for the Senior VP of Utility Shared Services, the applicable goals will be the regulated utility(ies) goals). The Committee, however, has the sole discretion to adjust an Executive Officer's Incentive Award based on a review of the performance of the Company, CEI, O&R, CET, CEB or a combination thereof, including operating, financial, and other factors. Any adjustment will be based upon the recommendation of the Chairman of the Committee and Chief Executive Officer (except with respect to his or her own Incentive Award) and will be consistent with the provisions of Section 7.04, below relating to the source of payment for Incentive Awards. The Committee shall determine the Incentive Award for each individual Executive Officer.

(c) If, however, the Executive Officer has entered into an employment agreement with a member of the Company Group providing for a different basis for the determination of his or her Incentive Award under this Plan, the determination of the amount of his or her Incentive Award will be subject to the terms and conditions set forth in his or her employment agreement.

Article VI. PAYMENT OF AWARDS

Section 1.01 Time of Payment

ı Incentive Award shall be paid between January 1 and March 15 of the calendar year following the calendar year to which such Incentive Award relates. Unless otherwise determined by the Plan Administrator, a Participant may defer up to 100 percent of his or her Incentive Award into the DIP upon the terms and conditions as set forth in the DIP, less any applicable taxes required to be withheld pursuant to Section 7.03.

Section 1.02 Base Salary

In the case of an Officer whose employment has terminated during the calendar year, the Annual Base Salary of such Officer in effect at the time of such termination shall be deemed to be the Annual Base Salary of such Officer at the end of such calendar year.

Section 1.03 Manner of Payment

ıy portion of the Incentive Award that is not deferred under the terms of the DIP shall be paid to the Participant in a single lump sum.

Section 1.04 Posthumous Payments

If a Participant shall die before any payment to be made to the Participant under this Plan has been made, the payment shall be made to the Participant's estate in a single lump sum in accordance with Section 6.01.

Section 1.05 Recoupment of Awards

A Participant's Incentive Award, is subject to the CEI's Recoupment Policy, as amended from time to time.

(a) Under this Recoupment Policy, appropriate actions, as determined by the Committee, will be undertaken by CEI to recoup the Excess Award Amount, as defined below, received by any Participant when:

(1) The Audit Committee of the Board of Directors determines that CEI is required to prepare an accounting restatement due to its material noncompliance with any financial reporting requirement under the securities laws (a "Restatement");

(2) The Participant received an Incentive Award during the three-year period preceding the date on which CEI is required to prepare a Restatement; and

(3) The amount of the Incentive Award received by the Participant, based on the erroneous data, was in excess of what would have been paid to the Participant under the Restatement (the "Excess Award Amount").

Article VII. MISCELLANEOUS

Section 1.01 Amendment and Termination

The Company reserves the right, by action of the Board of Directors, to terminate this Plan entirely, or to discontinue temporarily or permanently the making of awards under this Plan; and further reserves the right, by action of the Committee or the Plan Administrator, to otherwise modify this Plan from time to time; provided that no such modification, termination, or discontinuance shall adversely affect the rights of Participants with respect to Incentive Awards previously determined; and provided further, that no modification by action of the Plan Administrator shall have a material effect on the benefits payable under this Plan.

Section 1.02 Effect of Plan

The establishment and continuance of this Plan shall not constitute a contract of employment between any member of the Company Group and any employee. No person shall have any claim to be granted an award under this Plan and there is no obligation for uniformity of treatment of employees or Participants under this Plan. Neither this Plan nor any action taken under this Plan shall be construed as giving to any employees the right to be retained in the employ of the Company, nor any right to examine the books of the Company, or to require an accounting.

Section 1.03 Withholding

The relevant Company Group Member that employs the Participant shall deduct from any payment under this Plan any federal, state, or local income or employment taxes that the Company, in its sole discretion, determines is required by law or governmental rule or regulation to be withheld with respect to such payment. Each Participant shall bear all expenses of, and be solely responsible for, all federal, state and local taxes due with respect to any payment received under this Plan. All payments will be reported to the IRS.

Section 1.04 Funding

e Plan is unfunded. All amounts payable in accordance with this Plan shall constitute a general unsecured obligation of the relevant member of the Company Group that employed the Participant on the last day of the calendar year to which the Incentive Award relates (a “Company Group Member”). Such amounts, as well as any administrative costs relating to the Plan, shall be paid out of the general assets of the Company Group Member. Neither the Participant nor any other person shall have any interest in any fund or in any specific asset of the Company Group of any kind, nor shall the Participant or any other person have any right to receive any payment or distribution under the Plan, except as, and to the extent, expressly provided in the Plan. The Company Group shall not segregate any funds or assets to provide for the payment of Incentive Awards. Any reserve that a relevant Company Group Member may establish or acquire to assure itself of the funds to provide payments under the Plan shall not serve in any way as security to any Participant or any other person for the performance of the relevant Company Group Member under the Plan.

Section 1.05 Non-alienation

Subject to any applicable law, no benefit under this Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge,

and any attempt to do so shall be void, nor shall any such benefit be in any manner liable for or subject to garnishment, attachment, execution or levy, or liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to such benefits.

Section 1.06 Section 409A of the Code

All amounts payable under this Plan are intended to comply with the “short term deferral” exception from Section 409A of the Internal Revenue Code of 1986, as amended from time to time (the “Code”) specified in Treas. Reg. § 1.409A-1(b)(4) (or any successor provision), and shall be interpreted in a manner consistent with the applicable exceptions. If payment of any amount subject to Section 409A is triggered by a separation from service that occurs while the Participant is a “specified employee” (as defined by Section 409A) and if such amount is scheduled to be paid within six months after such separation from service, the amount shall accrue without interest and shall be paid the first business day after the end of such six-month period, or, if earlier, within 15 days after the Participant’s death. Notwithstanding the foregoing, to the extent that any amounts payable in accordance with this Plan are subject to Section 409A of the Code, this Plan shall be interpreted and administered in such a way as to comply with Section 409A of the Code to the maximum extent possible.

Section 1.07 Savings Clause

This Plan and all Incentive Awards granted hereunder are intended to comply with, or otherwise be exempt from, the Corporate Codes of Conduct applicable to subsidiaries regulated by the New York State Public Service Commission (“Codes of Conduct”) and any other applicable regulatory affiliate conduct rules. Should any provision of this Plan, any Incentive Award, or any other agreement or arrangement contemplated by this Plan be found not to comply with, or otherwise be exempt from, the provisions of the Codes of Conduct such provision shall be modified and given effect (retroactively if necessary), in the sole discretion of the Plan Administrator, and without the consent of the holder of the Incentive Award, in such manner as the Plan Administrator determines to be necessary or appropriate to comply with, or to effectuate an exemption from, the Codes of Conduct.

THE SEVERANCE PAY PLAN FOR MANAGEMENT EMPLOYEES

OF

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. AND ITS PARTICIPATING EMPLOYERS

(Amended and Restated Effective December 1, 2021)

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THE SEVERANCE PAY PLAN

FOR MANAGEMENT EMPLOYEES

OF

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

AND

ITS PARTICIPATING EMPLOYERS

1. Purpose: Effective Date

A. The Severance Pay Plan for Management Employees of Consolidated Edison Company of New York Inc. and its Participating Employers is intended to provide specified post-employment payments to eligible management employees of CECONY and its Participating Employers.

B. This Severance Pay Plan was effective as of January 1, 2008 (the "Prior Plan") and is amended and restated effective as of December 1,2021. The amended and restated Plan replaces and supersedes the Prior Plan and any other management severance or separation pay plan or program currently in effect for eligible management employees of CECONY and its Participating Employers.

2. Definitions

When used herein, each of the following terms shall have the corresponding meaning set forth below unless a different meaning is specified or is plainly required by the context in which the term is used:

"Affiliate" shall mean any corporation, entity or organization which is a member of a controlled group (as determined under Section 414(b) of the Code) or a group of trades or businesses (whether or not incorporated) which are under common control (as determined under Section 414(c) of the Code) with the Company.

"Board" shall mean the Board of Directors of CECONY.

"Cause" shall mean a Participant's: (i) commission of, conviction of, or the entering of a plea of *nolo contendere* to, a felony, or a misdemeanor involving moral turpitude, if such felony or misdemeanor is work-related, materially impairs the Participant's ability to reasonably perform services for the Company or its Affiliates, or results or could reasonably be expected to result in harm to the property, reputation or business of the Company or its Affiliates; (ii) willful and continued failure to substantially perform his or her duties in the course of employment with the

Company or its Affiliates (other than any such failure resulting from the Participant's physical or mental incapacity) after a written demand for substantial performance is delivered to the Participant; (iii) conduct that results or could reasonably be expected to result in harm to the property, reputation or business of the Company or its Affiliates, including a violation or material failure to comply with the written policies or standards of conduct of the Company or its Affiliates, including those relating to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct; (iv) refusal to follow the lawful directions of the Company or the Participating Employer that employs the Participant; (v) breach of any fiduciary duty owed to the Company or its Affiliates; (vi) violation of applicable federal, state or local law or regulation governing the business of the Company or its Affiliates; (vii) violation of the drug and alcohol testing policies of the Company or its Affiliates or reporting to work under the influence of alcohol or any controlled substance (other than a controlled substance that the Participant is properly taking under a current prescription); (viii) misappropriation (or attempted misappropriation) of any assets or property of the Company or its Affiliates; (ix) material breach of any written agreement between the Participant and the Company or its Affiliates; (x) resigning employment in lieu of being discharged for misconduct; or (xi) any conduct that the Plan Administrator determines to be detrimental to the Company or its Affiliates. Review of any determination that a termination is for Cause shall be by the Plan Administrator, in its sole and exclusive judgment and discretion.

"CECONY" shall mean Consolidated Edison Company of New York, Inc. "CET" shall mean Con

Edison Transmission, Inc.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, or any successors thereto, and any regulations or rulings issued thereunder.

"Company" shall mean, individually and/or collectively as the context requires, CECONY, O&R, CET and such other Participating Employers that have approved and adopted this Plan, whether or not such entity directly compensates the Participant or the Participant appears on the payroll of such entity.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successors thereto, and any regulations or rulings issued thereunder.

"O&R" shall mean Orange and Rockland Utilities, Inc.

"Participating Employers" shall mean the Company, O&R, CET and any other Affiliate which, with the prior written approval of the Board and subject to such terms and conditions as may be imposed by the Board, shall adopt this Plan. The list of Participating Employers is set forth on Schedule 1 to the Plan.

"Section 409A" means Section 409A of the Code.

"Separation from Service" means a "separation from service" from either CECONY or a Participating Employer as determined under the default provisions in Treasury Regulation Section 1.409A-1(h) of the Code.

“Severance Pay Plan” or “Plan” shall mean The Severance Pay Plan for Management Employees of Consolidated Edison Company of New York Inc. and its Participating Employers, as may be amended from time to time.

“Termination Date” means the date of a Participant’s Separation from Service for any reason.

3. Type of Plan

The Severance Pay Plan is intended to constitute an “employee welfare benefit plan” within the meaning of the provisions of ERISA. It is intended to be a severance pay plan as defined in Federal Regulations 29 CFR 2510.3-2(b) for eligible management employees of CECONY and the Participating Employers.

4. Participation

A “Participant“ means a regular non-bargaining unit employee working as a full time or part time management employee of the Company, whose regularly scheduled hours of annual service are 1,000 hours or more in a 12-month period, of either CECONY or a Participating Employers who is on the active payroll or on a leave of absence with a right to reemployment. The term “Participant” excludes employees classified by the Company as (i) officers of CECONY or a Participating Employer, (ii) occasional or temporary workers (agency or independent), (iii) independent contractors, (iv) cooperative or student employees, (v) employees with an individual arrangement or written agreement providing for severance benefits, (vi) leased employees, (vii) any employee who has been employed by the Company for less than six months, or (viii) employees covered by a collective bargaining agreement that does not provide for participation in the Severance Pay Plan, even if such employees are later determined by a court of law or otherwise to constitute management employees of CECONY or a Participating Subsidiary. For purposes of the Severance Pay Plan, the Plan Administrator in his or her sole discretion shall determine who is a Participant.

5. Eligibility

In order to be eligible to receive benefits under the Severance Pay Plan, a Participant must incur an involuntary Separation from Service because of a reduction in staffing levels or any other reason which the Plan Administrator in his or her sole discretion may deem appropriate.

6. Exclusions

Benefits under this Severance Pay Plan shall not be payable to a Participant who incurs a Separation from Service for any of the following reasons, in each case, as determined by the Plan Administrator in his or her sole discretion:

a. a Participant whose employment terminates due to death or retirement prior to the Participant’s Termination Date;

b. a Participant who resigns his or her employment for any reason or abandons his or her position prior to the Participant's Termination Date;

c. a Participant who is discharged for Cause, or who is discharged or who resigns in lieu of being discharged for any other reason except as described in Section 4 above;

d. a Participant who transfers or is offered the opportunity to transfer employment from either CECONY or a Participating Employer to a company or entity affiliated (directly or indirectly) with CECONY or a Participating Employer, whether or not such employment is comparable;

e. a Participant who transfers or is offered the opportunity to transfer employment from CECONY or a Participating Employer to another employer as a result of a sale, merger, acquisition or other transaction, provided the Participant is offered comparable employment, as determined by the Plan Administrator in his or her sole discretion and may take into consideration any factor it deems appropriate, including the geographic location in which the position is offered and the compensation offered to the Participant; or

f. a Participant who is on, or whose employment is terminated as a result of or in connection with the expiration of, a sick or other authorized leave of absence.

7. Plan Benefits.

A. For purposes of determining Plan Benefits, the following shall apply:

(1) "Salary" means a Participant's base annual salary as of the Participant's Termination Date, including shift differential and salary reduction contributions under Sections 125 and 401(k) of the Code, to an employee benefit plan of the Company, but excluding bonuses, cash or equity-based incentive compensation, overtime pay and other pay or allowances.

(2) "Equivalent Week's Salary" means Salary divided by 52.

(3) "Years of Service" means a Participant's completed years of service with either CECONY and/or a Participating Employer, ending on the Termination Date computed under the Company's adjusted service credit rules for computing continuous service. If a Participant has previously been paid a benefit under this Severance Pay Plan, the Participant's Years of Service will be computed from the date of the Participant's reemployment by either CECONY or a Participating Employer, and not from the Participant's original continuous service date.

B. Payment.

(1) A payment will be made in one lump sum within 60 days following the Participant's Termination Date based upon the guidelines indicated below. CECONY or a Participating Employer may pay amounts over a period of time and may pay amounts other than the indicated guidelines taking all pertinent facts and circumstances into

consideration. In no event, however, shall payments be made after March 15 of the year following the year in which the Participant’s Termination Date occurs.

Years of Service	**Guide A – Without a Release Number of Equivalent Week’s Salary**	**Guide B – With a Release Number of Equivalent Week’s Salary**
Less than 1	0	0
1 but less than 10	2	The sum of 4 and one times the number of Years of Service up to a maximum sum of 13 Equivalent Week’s Salary.
10 and over	4	The sum of 4 and one times the number of Years of Service up to a maximum sum of 30 Equivalent Week’s Salary.

Participants who timely execute and deliver a general waiver and release to the Company of all known and unknown claims against the Company and its affiliates, officers, directors, employees and agents, in such form as the Company in its sole discretion shall determine, may receive a payment based upon Guideline B in subdivision (1) above, provided that the release becomes irrevocable within the 60-day period following the Participant’s Termination Date. Participants who elect not to sign a release (or revoke a release) may receive a payment based upon Guideline A in subdivision (1) above. As additional benefits to Participants who sign (and do not revoke) a release, the Company shall offer to continue the Participant’s group health and employee group life insurance coverage (to the extent that the Participant was participating in such plans on the Termination Date) with the Participant contributing the same amount as if he or she were an active employee for a period equal to the Participant’s number of Equivalent Week’s Salary. The Plan Administrator may deduct the Participant’s contributions for such continued insurance coverage from

(2) any payment made to the Participant under subdivision (1) above. Any such extended period of group health insurance coverage shall be considered part of the Participant’s COBRA continuation period of coverage. As additional benefits to Participants who sign and do not revoke, a release the Company may provide outplacement services to such extent and level as the Company in its sole discretion shall determine, but in no event shall the outplacement service extend beyond six (6) months after the Participant’s Termination Date. Notwithstanding any provision in this Plan to the contrary, if at any time the Company determines that it cannot continue the Participant’s group health and employee group life insurance coverage without substantial risk of incurring a fine or penalty under applicable law (including, without

limitation, Section 2716 of the Public Health Service Act), then Company shall be completely and fully relieved of any obligation to provide such benefits, and such relief shall have no effect on the release.

(3) If a Participant who receives a payment under this Severance Pay Plan is re-employed in a comparable position by the Company or an affiliate of the Company, the Participant shall repay to the Company the gross amount of the severance payment attributable to the number of Equivalent Weeks in excess of the number of weeks from the Participant's Termination Date to the re-employment date. The Plan Administrator shall have the sole discretion to determine whether a position is "comparable" and may take into consideration any factor it deems desirable, including the geographic location in which the position is offered and the compensation offered to the Participant.

(4) Notwithstanding anything herein to the contrary, if a Participant is a "Specified Employee" for purposes of Section 409A, as determined under Consolidated Edison, Inc.'s established methodology for determining Specified. Employees, on the date on which such Participant incurs a Separation from Service, to the extent that any payment hereunder (including any provision or continued benefits) is deemed to be a "deferral of compensation" within the meaning of Section 409A, such payment shall not be paid or commence to be paid on any date prior to the fifteenth business day after the date that is six months following the Participant's Separation from Service; provided, however, that a payment delayed pursuant to this clause shall commence earlier in the event of a Participant's death prior to the end of the six-month period.

C.- Termination and Repayment of Severance Benefits.

A Participant's right to any Plan Benefits is subject to and is expressly conditioned upon the Participant's continued compliance with any confidentiality agreement or restrictive covenant provisions applicable to the Participant. If the Participant violates the terms of any confidentiality agreement or restrictive covenant provisions, he or she will be required to return any Plan Benefits received under this Plan within ten (10) business days of any written demand for repayment by the Company or the Plan Administrator. Any Plan Benefits that have not been paid or provided to the Participant shall be forfeited.

8. Effect of Plan Benefits on Other Benefits

Payment under this Severance Pay Plan will not be considered in determining a Participant's benefits under any retirement plan, incentive plan or any other employee benefit plan, program, arrangement or policy of the Company.

9. Tax Withholding

Payments made pursuant to this Severance Pay Plan are subject to the withholding of federal, state and local employment and income taxes at the time of payment and will be reported to the IRS.

10. Payment Upon Death; No Payment Upon Leave of Absence

If a Participant dies prior to the specified Termination Date, but after receiving written notification of his or her Termination Date, no payments will be made under this Severance Pay Plan to the Participant or the Participant’s heirs or estate. If a Participant dies after his or her Termination Date but before payment is made, payment will be made to the Participant’s spouse or, if the Participant leaves no surviving spouse, the Participant’s estate in single lump sum within 60 days following the Participant’s death.

If a Participant is on sick leave or other leave of absence at the time of receiving written notification of his or her Termination Date, or if a Participant goes on sick leave or other leave of absence after receiving official notification of his or her Termination Date, the Participant’s employment and sick pay will be terminated as of the Participant’s Termination Date and payment under the Severance Pay Plan will be made within 60 days following the Termination Date.

11. Financing of Benefits Plan

Benefits for CECONY Participants shall be payable out of the CECONY’s general assets and Plan Benefits for Participants employed by a Participating Employer shall be payable out of the general assets of the Participating Employer employing the Participant immediately prior to the Termination Date.

12. Administration

A. CECONY’s Vice President-Human Resources is the named fiduciary and Plan Administrator under the Severance Pay Plan who shall determine conclusively any and all questions arising from the administration of the Severance Pay Plan and shall have sole and complete discretionary authority and control to manage the operation and administration of the Severance Pay Plan, including but not limited to, the determination of all questions relating to eligibility for participation and benefits, interpretation of all Plan provisions, determination of the amount of benefits payable to any Participant, spouse, heirs or estate, all legal and factual determinations, and construction of disputed or ambiguous terms, and such determinations shall be binding on all parties.

The named fiduciary and Plan Administrator may delegate responsibilities under the Severance Pay Plan.

B. Section 409A. This Severance Pay Plan is intended to satisfy the applicable requirements of Section 409A and shall be performed and interpreted consistent with such intent. If the Plan Administrator determines in good faith that any provision of this Severance Pay Plan does not satisfy such requirements or could otherwise cause any party to recognize additional

-taxes, penalties or interest under Section 409A, the Plan Administrator will modify such provision, to the maximum extent practicable, consistent with the original intent and without violation of the requirements of Section 409A ("Section 409A Compliance"), and, notwithstanding any provision herein to the contrary, the Plan Administrator shall have broad authority to amend or to modify the Plan, without advance notice to or consent by any person, to the extent necessary or desirable to ensure Section 409A Compliance. Any determination by the Plan Administrator shall be final and binding on all parties.

13. Claims Procedure

A. Procedure for Granting or Denying Claims. A Participant, or any person duly authorized by such a Participant, may file a written claim for benefits under this Severance Pay Plan. Such claim may only relate to a benefit under the Severance Pay Plan and not any matter under any other policy, practice or guideline of either CECONY or O&R, and must be made in writing and be delivered to the Plan Administrator. The written claim shall be sent to the Plan Administrator-Severance Pay Plan, c/o Employee Benefits, Con Edison, Room 1100, 4 Irving Place, New York, New York 10003. Such claim must be received within 60 days of the event which gave rise to the claim.

Within 90 days after receipt of such claim, the Plan Administrator shall notify the claimant of the granting or denying, in whole or in part, of such claim, unless special circumstances require an extension of time for processing the claim. In no event may the extension exceed 90 days from the end of the initial 90-day period. If such extension is necessary, the claimant will be given a written notice to this effect prior to the expiration of the initial 90-day period. The Plan Administrator shall have full discretion to deny or grant a claim in whole or in part.

B. Requirement for Notice of Claim Denial. The Plan Administrator shall provide to every claimant who is denied a claim for benefits a written or electronic notice setting forth in a manner calculated to be understood by the claimant:

(1) The specific reason or reasons for the denial;

(2) Specific reference to pertinent Severance Pay Plan provisions on which the denial is based;

(3) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material is necessary; and

(4) An explanation of the Severance Pay Plan's claim review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse determination on review.

14. Procedure to Appeal Claim Denial

A. Right to Appeal and Request Hearing on Claim Denial. If the claim for benefits or review of any matter under the Severance Pay Plan is denied or no reply at all is received by the claimant within the 90-day period (or 180-day period if an extension was required) after filing the claim, the Participant, or other duly authorized person, may appeal this denial in writing within 60 days after it is received (or within 60 days of the expiration of the 90- or 180- day period described above, as applicable). Written request for review of any denied claim should be sent directly to the Plan Administrator-Severance Pay Plan, c/o Employee Benefits, Con Edison, Room 1100, 4 Irving Place, New York, New York 10003.

The claimant or his or her duly authorized representative may submit written comments, documents, records, and other information relating to the claim for benefits. Moreover, the claimant or his or her duly authorized representative shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits. The request for a review may include a request for a hearing; provided, only the claimant and the Plan Administrator may be present at any hearing granted by the Plan Administrator.

B. Disposition of Disputed Claims. Upon receipt of a request for review, the Plan Administrator shall make a decision on the claim. The review shall take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The decision on review shall be made not later than 60 days after the Plan Administrator's receipt of a request for a review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered not later than 120 days after receipt of the request for review. If an extension is necessary, the claimant shall be given written notice of the extension prior to the expiration of the initial 60-day period.

The Plan Administrator shall provide the claimant with written or electronic notification of the Plan Administrator's determination on review. In the case of an adverse determination, the notification shall set forth, in a manner calculated to be understood by the claimant, the specific reason or reasons for the decision as well as specific references to the Severance Pay Plan provisions on which the decision was based. The decision shall also include a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits. Moreover, the decision shall contain a statement of the claimant's right to bring an action under Section 502(a) of ERISA.

The Plan Administrator serves as the final review committee under the Severance Pay Plan for all Participants.

A Participant in the Severance Pay Plan may have further rights under ERISA, described in "Rights of a Plan Participant."

C. Bar to Legal Action. No legal action may be commenced or maintained against the Severance Pay Plan prior to the claimant's exhaustion of the claims procedures set forth in

Sections 13 and 14 of the Severance Pay Plan. In addition, no legal action may be commenced against the Severance Pay Plan more than 90 days after the Plan Administrator’s decision on review pursuant to this Section 14.

15. Legal Service

Process can be served on the Severance Pay Plan Administrator by directing such service to Vice President-Human Resources, Con Edison, 4 Irving Place, New York, New York 10003.

16. Benefits Not Assigned or Alienated

Assignment or alienation of any benefits provided by the Severance Pay Plan will not be permitted or recognized except as otherwise authorized by applicable law. This means that, except as required by applicable law, benefits provided under the Severance Pay Plan may not be sold, assigned, or otherwise transferred by or on behalf of a Participant.

17. Plan Records

The Severance Pay Plan and all of its records are kept on a calendar year basis beginning January 1 and ending December 31 of each year.

18. Effect on Invalidity of Any Part of the Severance Pay Plan

The invalidity or enforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

19. Recovery of Excess Payments.

If any Plan Benefit is erroneously paid to a Participant, the Participant is required refund any the full amount of the overpayment within thirty (30) days of a written notice of overpayment from the Plan Administrator or his or her designee.

20. Choice of Law and Forum

The validity, interpretation, construction, and performance of the obligations created under this Severance Pay Plan shall be controlled by ERISA, and to the extent not preempted by federal law, the laws of the State of New York without giving effect to the State’s principles of conflicts of laws. The Participants further consents to the selection of New York State and the United States courts situated within the borough of Manhattan, New York, as the exclusive forums for any legal proceeding arising from or relating to this Plan.

Statement of ERISA Rights

A. Plan Identification Numbers

This Severance Pay Plan is identified by the following numbers under the Internal Revenue Service (IRS) Rules.

- Employer Identification Number 13-5009340 assigned by the IRS.
- Plan Number 557 assigned by CECONY.

B. Plan Continuance

CECONY may amend or terminate this Severance Pay Plan at any time. Any amendments or the termination of the Severance Pay Plan shall not result in the forfeiture of the benefits previously awarded under the Severance Pay Plan.

C. Plan Documents

This document is both the Severance Pay Plan and a Summary Plan Description as such terms are defined in ERISA.

D. Rights of a Plan Participant

As a Participant in this Severance Pay Plan, you are entitled to certain rights and protections under ERISA, which provides that all Severance Pay Plan Participants shall be entitled to:

Receive information about the Severance Pay Plan and benefits.

Examine, without charge, at the Plan Administrator's office and at other specified locations, all Severance Pay Plan documents and a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor, and available at the Public Disclosure Room of the Employee Benefits Security Administration;

Obtain upon written request to the Plan Administrator, copies of all documents governing the operation of the Plan, and copies of the latest annual report (Form 5500 series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Prudent actions by the Severance Pay Plan fiduciaries.

In addition to creating rights for Severance Pay Plan Participants, ERISA imposes duties upon those who are responsible for the operation of employee benefit plans. The people who operate your Severance Pay Plan, called "Fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Severance Pay Plan Participants. No one, including your employer,

or any other person, may terminate your employment or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your right under ERISA.

Enforce your rights.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain periods.

> Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the Plan Administrator and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court after exhausting the Severance Pay Plan's claims procedures. If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. The court will decide who will pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

Assistance with your questions.

If you have any questions about the Severance Pay Plan, you should contact the Plan Administrator. If you have any questions about this statement of your rights, or about your rights under ERISA, you should contact your nearest office of the Employee Benefits Security Administration, U. S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

E. <u>Statement of Employer's Rights</u>

A Participant's eligibility for benefits under this Severance Pay Plan shall not be considered a guarantee of continued or lifetime employment with the Company and shall not change the fact that a Participant shall be considered an employee at will. A Participant's employment by the Company may be terminated by the Company whenever the Company in its sole discretion considers that to be in its best interest, subject to applicable law.

SCHEDULE 1 [PARTICIPATING EMPLOYERS]

Con Edison Transmission, Inc.

Orange and Rockland Utilities, Inc

AMENDMENT TO THE CONSOLIDATED EDISON RETIREMENT PLAN

1

WHEREAS, pursuant to Article X, Amendment, Merger and Termination, Section 10.01, Amendment of the Plan, the Plan Administrator has the authority to amend certain provisions of the Consolidated Edison Retirement Plan (the "Retirement Plan"); and

WHEREAS, the Vice President – Human Resources, as Plan Administrator, is authorized to execute the specified amendments to the Retirement Plan, her execution to be evidence conclusively of her approval thereof;

NOW, therefore, the Retirement Plan is amended as set forth below:

Amendment Number 12

The Title Page of the Retirement Plan is amended effective January 1, 2022, by adding the following new amendments at the end:

33. Amended, effective January 1, 2022, to take into account changes made by the 2021-2025 Collective Bargaining Agreement between CECONY and Local Union 3 of the International Brotherhood of Electrical Workers, AFL-CIO.

34. Amended, effective January 1, 2022, to eliminate the limit on the amount of an Annual Variable Pay Award that will be taken into account when calculating a Participant's benefit.

35. Amended to reflect that Surviving Spouses are eligible for a lump sum distribution.

36. Amended to reflect that a CECONY Weekly Participant and O&R Hourly Participant who transfers to a management position will have their pension allowance computed using the formula that was approved for Total Rewards.

Amendment Number 13

The Introduction is amended effective January 1, 2022, to add at the end of that Section:

As a result of the Board of Directors and Board of Trustees approval of the 2021-2025 Collective Bargaining Agreement between CECONY and Local Union 3 of the International Brotherhood of Electrical Workers, AFL-CIO and Consolidated Edison Company of New York, Inc., the Retirement Plan is amended effective January 1, 2022, to provide that Local 3 Participants covered under the Final Average Pay

formula with greater than 75 points will be eligible to receive a cash out.

The Retirement Plan was also amended effective January 1, 2022, to remove the limit on the amount of an annual variable pay award that will be counted when calculating a Participant's benefit.

The Retirement Plan was also clarified to reflect that Surviving Spouses are eligible to elect their benefit in the form of a lump sum.

The Retirement Plan was also clarified to reflect that a CECONY Weekly Participant and O&R Hourly Participant who transfers to a management position will have their pension allowance computed using the formula that was approved for Total Rewards.

Amendment Number 14

Article I, Definitions, Section 1.11, Annual Variable Pay Award, is amended effective January 1, 2022, by adding at the end of the Section, the following sentence:

> Effective January 1, 2022, the percentage limitations on the amount of any Annual Variable Pay Award to be counted for any Participant will no longer apply.

Amendment Number 15

Article IV, Eligibility for and Amount of Benefits, Section 4.08, Spouse's Pension, Subsection (b)(1) is clarified by adding the following phrase to end of the second to last sentence:

> , unless, to the extent the Rule of 75 CECONY Participant was eligible for a lump sum, the Surviving Spouse has elected to receive his or her Pension Allowance in the form of a Lump Sum instead of an annuity.

Amendment Number 16

Article IV, Eligibility for and Amount of Benefits, Section 4.08, Spouse's Pension, Subsection (c)(3), is clarified by adding the following phrase to the end of the second to last sentence:

> , unless the Surviving Spouse elected to receive his or her O&R Spouse's Death Benefit in the form of a Lump Sum.

Amendment Number 17

Article IV, Eligibility for and Amount of Benefits, Section 4.10, Transfers and Employment With an Affiliate, is amended by adding a new Subsection (e) as follows:

> Transferred On or After January 1, 2009 – Beginning January 1, 2009, a CECONY Weekly Participant covered under the Final Average Pay formula and an O&R Hourly Participant covered under the Career Average Pay formula, who transfers to the management payroll of CECONY or O&R, respectively, shall (i) continue to be covered under such respective formulas, and (ii) have the portion of his or her Pension Allowance attributable to service after the transfer date computed using the benefit formula applicable to management participants in the Final Average Pay formula of CECONY or the Career Average Pay formula of O&R, as the case may be.

Amendment Number 18

Article V, Automatic Form of Payment, Section 5.02, Optional Forms of Payment, subsection (b)(7), Cash Out Option, is amended effective January 1, 2022 by adding a new subsection (vi) to the end thereof as follows:

Effective on and after January 1, 2022, a CECONY Participant who is a CECONY Weekly Employee who is a member of Local 3 or a CECONY Local 3 Employee-1 and who is a Rule of 75 Participant may elect to receive his or her Pension Allowance otherwise payable to him or her in the form of a Cash Out which will be calculated taking into account an early retirement subsidy. If the CECONY Weekly Employee or the CECONY Local 3 Employee-1 who is a Rule of 75 Participant is married both at the time of making the election and the Annuity Starting Date, he or she must have spousal consent.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed on this 28 day of December, 2021.

/s/Nancy Shannon

Nancy Shannon

Vice President of Human Resources of Consolidated Edison Company of New York, Inc. And the Plan Administrator of the Retirement Plan

AMENDMENT TO THE CONSOLIDATED EDISON THRIFT SAVINGS PLAN

Whereas, the Board of Directors and the Board of Trustees have the authority to amend in whole or in part any or all of the provisions of the Consolidated Edison Thrift Savings Plan (the “Thrift Savings Plan”); and

Whereas, pursuant Section 10.02 Authority of the Plan Administrator, the Vice President – Human Resources (an “Authorized Officer”) is authorized to execute the specified amendments to the Thrift Savings Plan in such form as the Authorized Officer may approve, her execution to be evidence conclusively of her approval thereof.

Now, therefore, the Thrift Savings Plan is amended as set forth below:

Amendment Number 20

The Title Page to the Thrift Savings Plan is amended by adding at the end of the Amendment List the following:

- Amended, effective January 1, 2022, to eliminate the option to invest Employer Matching Contributions in the Company Stock Fund.
- Amended, effective January 1, 2022, to take into account changes made by the 2021-2025 Collective Bargaining Agreement between CECONY and Local Union 3 of the International Brotherhood of Electrical Workers, AFL-CIO.
- Amended, effective January 1, 2022, to eliminate the limit on the amount of an Annual Variable Pay Award that will be taken into account when calculating a Participant's benefit or Compensation Credits.

Amendment Number 21

The Introduction is amended, to add to the end of that Section:

The Thrift Savings Plan, in accordance with the 2021-2025 Collective Bargaining Agreement between CECONY and Local Union 3 of the International Brotherhood of Electrical Workers, AFL-CIO and Consolidated Edison Company of New York, Inc., is amended for each CECONY Weekly Employee who is a member of Local 3 as follows:

i. effective January 1, 2022, to reflect new Weekly and Annual Maximum Employer Matching Contributions for employees covered under the Final Average Pay Formula in the Retirement Plan

ii. effective January 1, 2022, to reflect new Weekly and Annual Maximum Employer Matching Contribution for employees covered Under the Cash Balance Pension Formula in the Retirement Plan or the Defined Contribution Pension Formula in this Plan

iii. effective July 1, 2022, to reflect an increase in the contribution rate for each employee automatically enrolled to three (3) percent of straight-time pay
iv. effective January 1, 2022, to reflect that the contribution rate for all new hires will be three (3) percent of straight-time pay
v. effective July 1, 2022, to reflect an increase in the automatic escalation feature to fifteen (15) percent

Amendment Number 22

Article III, Contributions, Section 3.05, Employer Matching Contributions - Participating Contributions Eligible for Employer Matching Contributions, subsection (h), New Rule for Local 3 – January 1, 2018, is amended effective January 1, 2022, by adding a new subsection (iv) to reflect new Weekly and Annual Maximum Employer Matching Contributions for Local 3 Employees Covered Under the Final Average Pay Formula in the Retirement Plan as follows:

(iv) Effective January 1, 2022, and each January 1st thereafter, the Weekly and Annual Maximum Employer Matching Contributions will be as follows:

Calendar Year Beginning	Weekly Maximum Employer Matching Contribution	Annual Maximum Employer Matching Contribution
January 1, 2022	$31.73	$1,650
January 1, 2023	$32.69	$1,700
January 1, 2024	$33.65	$1,750
January 1, 2025	$34.62	$1,800

Amendment Number 23

Article III, Contributions, Section 3.05, Employer Matching Contributions - Participating Contributions Eligible for Employer Matching Contributions, subsection (i)(i), shall be amended by adding the following sentence:

Effective January 1, 2022, for each Local 3 Employee covered under the Cash Balance Pension Formula in the Retirement Plan, the Employer Matching Contribution for each week will be eighty-five
(85) percent of the first six (6) percent of his or her Compensation contributed for the payroll period.

Amendment Number 24

Article III, Contributions, Section 3.05, Employer Matching Contributions - Participating Contributions Eligible for Employer Matching Contributions, subsection (j), is amended effective January 1, 2022, by adding a new subsection (j)(i) to reflect new Weekly and Annual Maximum Employer Matching Contributions for Local 3 Employees Covered Under the Cash Balance Pension Formula in the Retirement Plan as follows:

(i) Effective January 1, 2022, and each January 1st thereafter, the Weekly and Annual Maximum Employer Matching Contributions will be as follows:

Calendar Year Beginning	Weekly Maximum Employer Matching Contribution	Annual Maximum Employer Matching Contribution
January 1, 2022	$55.77	$2,900
January 1, 2023	$59.62	$3,100
January 1, 2024	$62.50	$3,250
January 1, 2025	$64.42	$3,350

Amendment Number 25

Article III, Contributions, Section 3.05, Employer Matching Contributions - Participating Contributions Eligible for Employer Matching Contributions, subsection (l), is amended effective January 1, 2022, by adding a new subsection (l)(i) to reflect new Weekly and Annual Maximum Employer Matching Contributions for Local 3 Employees Covered Under the Defined Contribution Pension Formula as follows:

(i) Effective January 1, 2022, and each January 1st thereafter, the Weekly and Annual Maximum Employer Matching Contributions will be as follows:

Calendar Year Beginning	Weekly Maximum Employer Matching Contribution	Annual Maximum Employer Matching Contribution
January 1, 2022	$67.31	$3,500
January 1, 2023	$70.19	$3,650
January 1, 2024	$73.08	$3,800
January 1, 2025	$75.96	$3,950

Amendment Number 26

Article III, Contributions, Section 3.11, Employer Matching Contributions to ESOP, is amended effective January 1, 2022, to be renamed Employer Matching Contributions and to add the following to the end thereof:

Effective January 1, 2022, Employer Matching Contributions made on behalf of an ESOP Participant will no longer be
contributed to the ESOP. Effective January 1, 2022, all Employer Matching Contributions will be contributed to the Plan and will be allocated to each Participant's Employer Matching Contributions Subaccount.

Amendment Number 27

Article III, Contributions, Section 3.16, Auto Enrollment Feature – For Local 3, subsection (a)(iii), Auto Enrollment Feature For a Local 3 Employee hired on or after January 1, 2018, is amended effective January 1, 2022, by adding at the end of that Subsection, the following sentence:

Effective July 1, 2022, the contribution rate for such Local 3 Employee will be set to equal three (3) percent of his or her straight- time pay.

Amendment Number 28

Article III, Contributions, Section 3.16, Auto Enrollment Feature – For Local 3, subsection (a), Auto Enrollment Feature For a Local 3 Employee hired on or after January 1, 2018, is amended effective July 1, 2022, by adding the following new subsection (v) to the end:

> (v) The contribution rate for each Local 3 Employee automatically enrolled after January 1, 2022 in accordance with Section 3.16(a)(i) above will be set to equal three (3) percent of his or her straight-time pay.

Amendment Number 29

Article III, Contributions, Section 3.17, Auto Escalation Feature – For Local 3, subsection (b), Auto Escalation Feature, Effective July 2019, for Each Local 3 Employee Contributing Less Than 10%, is amended effective July 1, 2020,
by adding the following new subsection (iv) to the end:

> (iv) Effective July 1, 2022, the automatic escalation feature for Local 3 Employees will increase to fifteen (15) percent. Effective with the first payroll period in July of 2022, and in each July thereafter, the contribution rate for each Local 3 Employee who has not opted out of the Auto Escalation Feature and is contributing less than fifteen (15) percent to the Thrift Savings Plan will be automatically increased by one (1) percentage point, until the Local 3 Employee's rate reaches fifteen (15) percent.

Amendment Number 30

Article IV, Investment Elections – Timing and Frequency, Section 4.01, Employer Matching Contributions Elections, is amended by adding, as the second to last sentence of the first paragraph, and by restating the last sentence of that paragraph as follows :

> Effective January 1, 2022, Employer Matching Contributions shall no longer be permitted to be invested in the Company Stock Fund. Any Participant investment election shall be made in such manner and on

such conditions as may be prescribed by the Plan Administrator. After January 1, 2022, any future contributions that would have been invested in the Company Stock Fund shall be invested instead in the QDIA, unless otherwise directed by the Participant, in accordance
with the Participant’s investment elections.

Amendment Number 31

Article V, The Trust Fund – Investments, Section 5.04, Company Stock Fund, is amended, effective January 1, 2022, by adding a new subsection (b) as follows:

Effective January 1, 2022, a Participant will no longer be permitted to invest some, all, or any part of his or her Employer Matching Contributions in the Company Stock Fund.

Amendment Number 32

Article XIV, Employee Stock Ownership Plan, Section 14.01, Purpose – Separate Entity, shall be amended by adding at the end of the Subsection, the following sentence:

Effective January 1, 2022, a Participant will no longer be permitted to transfer assets from any other Investment Fund in their Thrift Savings Accounts within the Trust Fund, into their ESOP Subaccounts.

Amendment Number 33

Article XIV, Employee Stock Ownership Plan, Section 14.01, Purpose – Separate Entity, shall be amended by adding a new subsection (d) as follows:

Effective January 1, 2022, a Participant will no longer be permitted to invest some, all, or any part of his or her Employer Matching Contributions in the Company Stock Fund.

Amendment Number 34

Article XV, Defined Contribution Pension Formula, Section 15.01, Definitions Applicable to the Defined Contribution Pension Formula,

Subsection 15.01(a) Annual Variable Pay Award, is amended, by adding at the end of the Subsection, the following sentence:

> Effective January 1, 2022, the percentage limitations on the amount of any Annual Variable Pay Award to be counted for a Management DCPF Participant and a CEB Officer who is a Management DCPF Participant will no longer apply.

Amendment Number 35

Article XV, Defined Contribution Pension Formula, Section 15.13, Defined Contribution Pension Formula, subsection 15.13(a), is clarified by replacing “3% of Basic Straight Time Compensation earned in the quarter” with “3% of Basic Straight Time Compensation earned each payroll period”.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed on this 28 day of December 2021.

/s/Nancy Shannon

Nancy Shannon

Vice President of Human Resources of Consolidated Edison Company of New York, Inc.
And the Plan Administrator of the Thrift Savings Plan

CONSOLIDATED EDISON, INC.
[YEAR] Performance Unit Long Term Incentive Plan Award for Officers

Consolidated Edison, Inc. ("CEI" or "Company") hereby grants an Award of Performance Units (the "Units" or "Performance Units") to **«FirstName» «LastName»** (the "Employee") under the Consolidated Edison, Inc. Long Term Incentive Plan, effective as of May 20, 2013, as may be amended from time to time (the "Plan") as follows:

Date of Grant	Performance Period	Vesting Date	Performance Units
[DATE]	[START DATE]–[END DATE]	[DATE]	[###]

This Award is subject to the terms and conditions set forth herein and in the Plan. The terms of this Award are subject in all respects to the provisions of the Plan, which are incorporated herein by reference. All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Plan.

Each Performance Unit shall represent the right upon vesting to receive one share of Common Stock ("Share"), the cash value of one Share, or a combination thereof. The cash value of a Performance Unit shall equal the closing price of a Share on the NYSE in the Consolidated Reporting System for the trading day immediately prior to the date the Management Development and Compensation Committee (the "Committee") determines whether the Performance Targets for the Performance Period have been met in accordance with the terms of the Plan and this Agreement. If no trading of Shares occurred on such trading date, CEI will use the closing price of a Share in the Consolidated Reporting System as reported for the last preceding day on which sales of Shares traded shall be used.

1. **Performance Targets**:

   a. ***Total Shareholder Return ("TSR").*** [##] percent of the Performance Units will be earned based on the Company's achievement of TSR compared to the Compensation Peer Group[1] over the Performance Period. The maximum payout of the Performance Units that may be earned upon attainment of the TSR portion is set forth in Schedule A. In the event that the companies that make up the Compensation Peer Group change during the Performance Period, the Committee will use the Compensation Peer Group as constituted on the Date of Grant. If a company ceases to be publicly traded before the end of the Performance Period, that company's total shareholder return will not be used to calculate the TSR payout portion of the Performance Units. The maximum payout of the Performance Units that may be earned upon attainment of the TSR portion is set forth in Schedule A.

   b. ***Adjusted Earnings Per Share***. [##] percent of the Performance Units will be earned based on the Company's achievement of cumulative

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[1] The companies that comprise the Compensation Peer Group will be determined by the Committee at the Date of Grant.

Adjusted Earnings per Share (“EPS”) over the Performance Period. The maximum payout of the Performance Units that may be earned upon attainment of the Adjusted EPS portion is set forth in Schedule B.

c. ***Operating Objectives.*** The remaining [##] percent of the Performance Units will be earned based on the achievement of operating objectives over the Performance Period. The maximum payout of the Performance Units that may be earned upon attainment of the Operating Objectives portion is set forth in Schedule C.

d. ***Determination of Award Amount***. The actual number of Performance Units to be paid to the Employee will be determined based on performance relative to targets set forth in Schedule A, Schedule B, and Schedule C. Subject to Section 2 below, after the close of the Performance Period, the Committee will determine whether the Performance Targets have been met in accordance with the terms of the Plan and this Agreement. The Committee also has the authority in accordance with Section 17 below, to recover Shares or amounts paid with respect to the Performance Units after they have been paid.

2. **Consequences of Separation from Service and Death**.

In the event of the Employee’s separation from service with the Company and its affiliates as determined under the default provisions of Code Section 409A (“Separation from Service”) or upon his/her death during the Performance Period, the Employee’s rights will be as set forth below:

a. If the Employee incurs a Separation from Service other than by reason of Retirement,[2] Disability or death, or a Separation from Service while on an approved leave of absence (a “Leave Separation”) during the Performance Period, his/her Performance Units will be cancelled and completely forfeited without payment.

b. If the Employee dies during the Performance Period, payment (if any) of his/her Performance Units will be prorated based on his or her actual period of Service from the beginning of the Performance Period to the Employee’s date of death. The Employee’s estate shall receive payment of the Performance Units within 90 days following receipt of appropriate documentation. The determination of the attainment of the performance factors set forth in Section 2 above will be made by the Vice President of Human Resources of Consolidated Edison Company of New York, Inc. (the “Vice President”) using the indicators as of the end of the month in which the date of death occurs for the TSR and as if target performance levels had been attained for Adjusted EPS and the Operating Objectives as of the Employee’s date of death.

c. If the Employee incurs a Separation from Service by reason of Retirement or Disability during the Performance Period, then payment (if any) of his/her Performance Units will be prorated based on the actual period of Service from the beginning of the Performance Period to the date of the Employee’s Disability or Retirement, and shall be based on actual performance achieved under the performance factors set forth in

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[2] For purposes of Section 2, Retirement means any Officer who retires on or after attaining age 55 with at least 5 years of Service.

Section 2 above through the end of the Performance Period. The Employee, or if the Employee is legally incapacitated, the Employee's legal representative, shall receive payment of the Performance Units as soon as practicable following the end of the Performance Period; provided that payment will be made no later than [PAYMENT DATE].

d. If the Employee incurs a Separation from Service by reason of a Leave Separation during the Performance Period, then payment (if any) of his/her Performance Units will be prorated based on the actual period of Service during the Performance Period to the date of the Employee's Separation from Service, and shall be based on actual performance achieved under the performance factors set forth in Section 2 above through the end of the Performance Period; provided, however, that if the Employee returns to employment with the Company or its affiliates during the Performance Period, his/her Performance Units will be recalculated based on his/her actual period of Service including the period during which the Employee is on an approved leave of absence. The Employee, or if the Employee is legally incapacitated, the Employee's legal representative, shall receive payment of the Performance Units as soon as practicable following the end of the Performance Period; provided that payment will be made no later than [PAYMENT DATE].

3. **Form of Payout**. Subject to Section 5 below, the Performance Units will be paid in a lump sum, either in Shares, in cash, or a combination, pursuant to an election made by the Employee on a form prescribed by Human Resources. The Employee's election will be effective only when filed with Human Resources prior to December 31 of the year before the Date of Grant, and shall be subject to the Committee's discretion. If no election is made, the Performance Units will be paid in Shares.

4. **Unfunded Promise to Pay**. Units represent general, unsecured liabilities of the Company and shall not confer any right, title or interest in any assets of the Company or its affiliates and does not require a segregation of any assets of the Company or its affiliates.

5. **Deferrals**. Subject to the Committee's discretion, the Employee will have a one-time election to defer the receipt of the cash value of the Performance Units into the Consolidated Edison Company of New York, Inc. Deferred Income Plan (the "DIP") or to defer the right to convert the Performance Units into Shares and to receive them, or a combination thereof pursuant to an election made by the Employee on a form prescribed by Human Resources. The Employee's deferral election will be subject to, and made in accordance with, the terms and conditions of the DIP and the Plan.

6. **Voting and Dividend or Dividend Equivalent Rights**.

a. The Employee shall not be entitled to any voting rights or Dividends with respect to the Performance Units awarded.

b. If, on the payment date, the Employee receives a cash payment, he or she will not receive Dividend Equivalent payments.

c. Dividend Equivalent payments can be received as additional Shares or cash.

d. The Employee shall not be entitled to any Dividend Equivalent payments until the first record date after the Committee has determined the amount of the Award based upon whether the Performance Targets for the Performance Period have been met in accordance with the Plan and this Agreement.

e. Dividend Equivalent payments are made on the Dividend Payment Date, which is the date CEI pays any dividend on outstanding Shares.

7. **Deferral Election for Dividend Equivalent Payments**. A deferral of Dividend Equivalent payments in connection with a deferral of the Performance Units must be made at the same time as the deferral of the receipt of the Performance Units and is subject to the same requirements and conditions as set forth in Section 5 above.

8. **No Right to Continued Employment**. Nothing contained herein shall constitute a contract of employment between the Company or its affiliates and the Employee and this Agreement shall not be deemed to be consideration for, or a condition of, continued employment of the Employee or affect any right of the Company or its affiliates to terminate the Employee's employment.

9. **Leave of Absence**. If the Employee is officially granted a leave of absence for illness, military or governmental service or other reasons by the Company or its affiliates, for purposes of this Award, such leave of absence shall not be treated as a Separation from Service except to the extent required pursuant to Section 409A.

10. **Payment**. Subject to any deferral election and except as provided in Section 2 herein, the Company shall pay the Employee (a) the cash value of the Shares represented by the Performance Units, (b) the Shares, or (c) a combination of cash and Shares as soon as practicable following the end of the Performance Period; provided that payment will be made no later than [PAYMENT DATE]. Prior to vesting, the Performance Units represent an unfunded and unsecured promise to pay the Employee the cash value of Shares, Shares or a combination thereof upon vesting.

11. **Transferability**. Except as may otherwise be authorized by the Committee in accordance with the Plan, the Performance Units shall not be subject to alienation, sale, transfer, assignment, pledge, encumbrances, attachment, execution, levy, garnishment or other legal process by creditors of the Employee, the Employee's estate or by the Employee. Any attempted transfers shall be null and void and of no effect.

12. **Tax Withholding**. Pursuant to such methodology as determined by the Committee, the Company or its affiliates shall have the authority to make such provision and take such steps as it deems necessary or appropriate for the withholding of any taxes that the Company or its affiliates is required by law or regulation of any governmental authority, whether federal, state or local, domestic or foreign, to withhold in connection with the Performance Units including allowing the Employee who is receiving a payout in Shares to cancel sufficient Shares to cover his or her tax liability.

13. **Administration**. Except as otherwise expressly provided in the Plan, the Plan Administrator shall have full and final power and authority with respect to

this Agreement as it has with respect to the Plan. Any interpretation of this Agreement by the Plan Administrator and any decision made by the Plan Administrator with respect to this Agreement shall be final and binding on all parties. References to the Plan Administrator in this Agreement shall be read to include a reference to any delegate of the Plan Administrator.

14. **Electronic Delivery**. The Company may, in its sole discretion, deliver any documents related to Performance Units by electronic means or request the Employee's consent to participate in the Plan by electronic means. The Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

15. **Amendment**. The Committee may at any time and from time to time alter, amend, suspend or terminate the Plan, this Agreement or the Performance Units, in whole or in part, as it may deem advisable, except no such action (i) that would require the consent of the Board and/or the stockholders of CEI pursuant to any Applicable Laws, the listing requirement of any national securities exchange or national market system on which are listed any of CEI's equity securities shall be effective without such consent; and (ii) may be taken without the written consent of the Employee, which materially adversely affects his or her rights concerning the Performance Units, except as such termination, suspension or amendment of this Agreement is required by Applicable Laws.

16. **Code Section 409A**.

a. The Plan and this Agreement are intended to satisfy the applicable requirements of Section 409A or an applicable exemption to Section 409A and shall be administered and interpreted consistent with such intent. If the Committee determines in good faith that any provision contained in the Plan or herein does not satisfy such requirements or could otherwise cause any person to recognize additional taxes, penalties or interest under Section 409A, or could otherwise contravene the applicable provisions of Section 409A, the Committee will modify, to the maximum extent practicable, the original intent of the applicable provision without violation of the requirements of Section 409A ("Section 409A Compliance"), and, notwithstanding any provision herein to the contrary, the Committee shall have broad authority to amend or to modify this Agreement, without advance notice to or consent by any person, to the extent necessary or desirable to ensure Section 409A Compliance. Any determination by the Committee shall be final and binding on all parties.

b. Notwithstanding anything in the Plan or herein to the contrary, if the Employee is a "specified employee" for purposes of Section 409A, as determined under the Company's established methodology for determining specified employees, on the date on which the Employee incurs a Separation from Service, any payment hereunder that is deemed to be a "deferral of compensation" subject to Section 409A and is payable on the Employee's Separation from Service shall be paid or commence to be paid during the month immediately following the expiration of the six month period measured from the Employee's Separation from Service, provided, however, that a payment delayed

pursuant to this clause (b) shall commence earlier in the event of the Employee's death prior to the end of the six-month period.

17. **Recoupment of Awards**. The Employee's Performance Units are subject to the Company's Recoupment Policy, as amended from time to time or any Company recoupment policies or procedures that may be required under Applicable Laws.

a. Under this Recoupment Policy, appropriate actions, as determined by the Committee, will be undertaken by the Company to recoup the Excess Award Amount, as defined below, received by the Employee when:

1. The Audit Committee of CEI determines that CEI is required to prepare an accounting restatement due to its material noncompliance with any financial reporting requirement under the securities laws (a "Restatement");

2. The Employee received the Performance Unit during the three-year period preceding the date on which CEI is required to prepare a Restatement; and

3. The amount of the Performance Units received by the Employee, based on the erroneous data, was in excess of what would have been paid to the Employee under the Restatement (the "Excess Award Amount").

b. As consideration for the receipt of the Performance Units, the Employee agrees that any prior Award granted under the terms of the Plan or any prior long-term incentive plan of the Company is subject to this Recoupment Policy.

18. **Miscellaneous**. In the event of a conflict between this document and the Plan, the terms and conditions of the Plan shall control. The Employee may request a copy of the Plan from the Vice President at any time.

By accepting this Award in accordance with the procedures established by the Company, the Employee has indicated that he/she has received, read, understood and accepted the terms, conditions and restrictions of this Agreement and the Plan and he/she consents to, the terms of this Award and any actions taken under the Plan by CEI, the Board, the Committee or the Plan Administrator.

____

«FirstName» «LastName»

Schedule A

"Total Shareholder Return" percentage is the [##]% weighting earned based on the cumulative change in the Company's Total Shareholder Returns over the Performance Period beginning [DATE], and ending on [DATE], compared with the Company's Compensation Peer Group as constituted on the Date of Grant. In the event that the companies that make up the Compensation Peer Group change during the Performance Period, the Committee will use the Compensation Peer Group as constituted on the Date of Grant. If a company ceases to be publicly traded before the end of the Performance Period, that company's total shareholder returns will not be used to calculate the payout of the Performance Units.

The levels of Performance Units will be earned as follows:

Company Percentile Rating	**Percentage Payout of Shares Awarded[1]**
[1] Interpolate payouts for actual performance between Company Percentile Ratings	

<u>Schedule B</u>

"<u>Adjusted EPS</u>" percentage is the [##]% weighting earned based on the Company's three-year cumulative Adjusted EPS over the Performance Period beginning [DATE], and ending on [DATE].

The levels of Performance Units will be earned as follows:

Three-Year Cumulative Adjusted EPS		
Performance Relative to Target	**Performance Goals**	**Payout Relative to Target[1]**
[1] Interpolate payouts for actual performance between Performance Relative to Target and Performance Goals		

Schedule C

“Operating Objectives” percentage is the [##]% weighting earned based on the Company’s attainment of the operating objectives set forth below over the Performance Period beginning [DATE], and ending on [DATE]. In the event circumstances prevent the measurement for the full 3-year performance period, the target will be adjusted to represent the pro-rated performance period (as appropriate) and the results as of the last measurable date shall be used to determine the payout relative to the adjusted target.

The levels of Performance Units will be earned as follows:

<table>
<tr><td colspan="3">[OPERATING OBJECTIVE]
[DATE], through [DATE]
Weighting [##] percent</td></tr>
<tr><td></td><td>Performance Goals</td><td>Payout Relative to Target (1)</td></tr>
<tr><td colspan="3">[1] Interpolate payouts for actual performance between Performance Goals</td></tr>
</table>

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CONSOLIDATED EDISON, INC.
[YEAR] Time-Based Long Term Incentive Plan Award for Officers

Consolidated Edison, Inc. ("CEI" or the "Company") hereby grants an Award of Time-based Restricted Stock Units (the "Units") to «FirstName» «LastName» (the "Employee") under the CEI Long Term Incentive Plan, effective as of May 20, 2013, as may be amended from time to time (the "Plan") as follows:

Date of Grant	Units Granted	Vesting Date
[DATE]	[###]	[DATE]

This Award is subject to the terms and conditions set forth herein and in the Plan. The terms of this Award are subject in all respects to the provisions of the Plan, which are incorporated herein by reference. All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Plan.

Each Unit shall represent the right, upon vesting, to receive one Share of Common Stock ("Share").

1. **Consequences of Separation from Service and Death**.

In the event of the Employee's separation from service with the Company and its affiliates as determined under the default provisions of Code Section 409A ("Separation from Service") or upon his/her death during the Vesting Period, the Employee's rights will be as set forth below:

a. If the Employee incurs a Separation from Service other than by reason of Retirement,[1] Disability or death, or a Separation from Service while on an approved leave of absence (a "Leave Separation") during the Vesting Period, his/her Units will be cancelled and completely forfeited without payment.

b. If the Employee dies during the Vesting Period, payment (if any) of his/her Units will be prorated based on his or her actual period of Service from the beginning of the Vesting Period to the Employee's date of death. The Employee's estate shall receive payment of the Units within 90 days following receipt of appropriate documentation.

c. If the Employee incurs a Separation from Service by reason of Retirement or Disability during the Vesting Period, then payment (if any) of his/her Units will be prorated based on the actual period of Service from the beginning of the Vesting Period to the date of the Employee's Disability or Retirement. The Employee, or if the Employee is legally incapacitated, the Employee's legal representative, shall receive payment of the Units as soon as practicable following the end of the Vesting Period; provided that payment will be made no later than [PAYMENT DATE].

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[1] For purposes of Section 1, Retirement means any Officer who retires on or after attaining age 55 with at least 5 years of Service.

d. If the Employee incurs a Separation from Service by reason of a Leave Separation during the Vesting Period, then payment (if any) of his/her Units will be prorated based on the actual period of Service during the Vesting Period to the date of the Employee's Separation from Service; provided, however, that if the Employee returns to employment with the Company or its affiliates during the Vesting Period, his/her Units will be recalculated based on his/her actual period of Service including the period during which the Employee is on an approved leave of absence. The Employee, or if the Employee is legally incapacitated, the Employee's legal representative, shall receive payment of the Units as soon as practicable following the end of the Vesting Period; provided that payment will be made no later than [PAYMENT DATE].

2. **Form of Payout**. The Units will be paid in a lump sum, in Shares, pursuant to an election made by the Employee on a form prescribed by Vice President of Human Resources of Consolidated Edison Company of New York, Inc. (the "Vice President"). Employees may defer the right to convert the Units into Shares. The Employee's election will be effective only when filed with Human Resources prior to December 31 of the year before the Date of Grant, and shall be subject to the Committee's discretion.

3. ***Unfunded Promise to Pay***. Units represent general, unsecured liabilities of the Company and shall not confer any right, title or interest in any assets of the Company or its affiliates and does not require a segregation of any assets of the Company or its affiliates.

4. **Voting and Dividend or Dividend Equivalent Rights**.

   a. The Employee shall not be entitled to any voting rights or Dividends with respect to the Units awarded.

   b. The Employee shall not be entitled to any Dividend Equivalent payments on any deferred Units until the first record date after the Committee has approved the payment of the Award.

   c. Dividend Equivalent payments on all deferred Units will be re-invested on the Dividend Payment Date, which is the date CEI pays any dividend on outstanding Shares.

5. **No Right to Continued Employment**. Nothing contained herein shall constitute a contract of employment between the Company or its affiliates and the Employee, and this Agreement shall not be deemed to be consideration for, or a condition of, continued employment of the Employee or affect any right of the Company or its affiliates to terminate the Employee's employment.

6. **Leave of Absence**. If the Employee is officially granted a leave of absence for illness, military or governmental service or other reasons by the Company or its affiliates, for purposes of this Award, such leave of absence shall not be treated as a Separation from Service except to the extent required pursuant to Section 409A.

7. **Payment**. Subject to any deferral election and except as provided in Section 2 herein, the Company shall pay the Employee the Shares as soon as practicable following the end of the Performance Period; provided that payment will be made no later than [PAYMENT DATE].

8. **Transferability**. Except as may otherwise be authorized by the Committee in accordance with the Plan, the Units shall not be subject to alienation, sale, transfer, assignment, pledge, encumbrances, attachment execution, levy garnishment or other legal process by creditors of the Employee, the Employee's estate or by the Employee. Any attempted transfers shall be null and void and of no effect.

9. **Tax Withholding**. Pursuant to such methodology as determined by the Committee, the Company or its affiliates shall have the authority to make such provision and take such steps as it deems necessary or appropriate for the withholding of any taxes that the Company or its affiliates is required by law or regulation of any governmental authority, whether federal, state or local, domestic or foreign, to withhold in connection with the Units, including allowing the Employee who is receiving a payout in Shares to cancel sufficient Shares to cover his or her tax liability.

10. **Administration**. Except as otherwise expressly provided in the Plan, the Plan Administrator shall have full and final power and authority with respect to this Agreement as it has with respect to the Plan. Any interpretation of this Agreement by the Plan Administrator and any decision made by the Plan Administrator with respect to this Agreement shall be final and binding on all parties. References to the Plan Administrator in this Agreement shall be read to include a reference to any delegate of the Plan Administrator.

11. **Electronic Delivery.** The Company may, in its sole discretion, deliver any documents related to Units by electronic means or request the Employee's consent to participate in the Plan by electronic means. The Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

12. **Amendment**. The Committee may at any time and from time to time alter, amend, suspend or terminate the Plan, this Agreement or the Units, in whole or in part, as it may deem advisable, except no such action (i) that would require the consent of the Board and/or the stockholders of CEI pursuant to any Applicable Laws, the listing requirement of any national securities exchange or national market system on which are listed any of CEI's equity securities shall be effective without such consent; and (ii) may be taken without the written consent of the Employee, which materially adversely affects his or her rights concerning the Units, except as such termination, suspension or amendment of this Agreement is required by Applicable Laws.

13. **Code Section 409A.**

a. The Plan and this Agreement are intended to satisfy the applicable requirements of Section 409A or an applicable exemption to Section 409A and shall be administered and interpreted consistent with such intent. If the

Committee determines in good faith that any provision contained in the Plan or herein does not satisfy such requirements or could cause any person to recognize additional taxes, penalties or interest under Section 409A, or could otherwise contravene the applicable provisions of Section 409A, the Committee will modify, to the maximum extent practicable, the original intent of the applicable provision without violation of the requirements of Section 409A ("Section 409A Compliance"), and, notwithstanding any provision herein to the contrary, the Committee shall have broad authority to amend or to modify this Agreement, without advance notice to or consent by any person, to the extent necessary or desirable to ensure Section 409A Compliance. Any determination by the Committee shall be final and binding on all parties.

b. Notwithstanding anything in the Plan or herein to the contrary, if the Employee is a "specified employee" for purposes of Section 409A, as determined under the Company's established methodology for determining specified employees, on the date on which the Employee incurs a Separation from Service, any payment hereunder that is deemed to be a "deferral of compensation" subject to Section 409A and is payable on the Employee's Separation from Service shall be paid or commence to be paid during the month immediately following the expiration of the six month period measured from the Employee's Separation from Service, provided, however, that a payment delayed pursuant to this clause (b) shall commence earlier in the event of the Employee's death prior to the end of the six-month period.

14. **Recoupment of Awards**. The Employee's Units are subject to the Company's Recoupment Policy, as amended from time to time or any Company recoupment policies or procedures that may be required under Applicable Laws.

a. Under this Recoupment Policy, appropriate actions, as determined by the Committee, will be undertaken by the Company to recoup the Excess Award Amount, as defined below, received by the Employee when:

1. The Audit Committee of CEI determines that CEI is required to prepare an accounting restatement due to its material noncompliance with any financial reporting requirement under the securities laws (a "Restatement");

2. The Employee received the Units during the three-year period preceding the date on which CEI is required to prepare a Restatement; and

3. The amount of the Units received by the Employee, based on the erroneous data, was in excess of what would have been paid to the Employee under the Restatement (the "Excess Award Amount").

b. As consideration for the receipt of the Units, the Employee agrees that any prior Award granted under the terms of the Plan or any prior long-term incentive plan of the Company is subject to this Recoupment Policy.

15. **Miscellaneous**. In the event of a conflict between this document and the Plan, the terms and conditions of the Plan shall control. The Employee may request a copy of the Plan from the Vice President at any time.

By accepting this Award in accordance with the procedures established by the Company, the Employee has indicated that he/she has received, read, understood and accepted the terms, conditions and restrictions of this Agreement and the Plan and he/she consents to, the terms of this Award and any actions taken under the Plan by CEI, the Board, the Committee or the Plan Administrator.

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«FirstName» «LastName»

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AMENDMENT

TO THE CONSOLIDATED EDISON COMPANY OF NEW

YORK, INC.
SUPPLEMENTAL RETIREMENT INCOME PLAN

As Amended and Restated Effective January 1, 2009

Pursuant to resolutions adopted by the Board of Directors of Consolidated Edison Inc. and the Board of Trustees of Consolidated Edison Company of New York, Inc., at a meeting duly held on November 17, 2021, the undersigned hereby approves the following amendments to the Consolidated Edison Company of New York, Inc. Supplemental Retirement Income Plan, (the "Plan") effective January 1, 2022.

1. Section 2.02(a)(iii) is amended in its entirety to read as follows:

   (iii) as if the definition of "compensation" (or term of similar import) used for purposes of determining an Eligible Employee's pension benefit under the Retirement Plan included (1) any Basic Salary Deferrals or Supplemental Salary Deferrals under the Defined Income Plan and (2) any Incentive Award credited on the Participant's behalf under the Executive Incentive Plan or the 2018 EIP (as applicable).

Except as hereby amended, all of the terms and conditions set forth in the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 2_8__day of December, 2021.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

/s/Nancy Shannon

Nancy Shannon
Vice President of Human Resources of Consolidated Edison Company of New York, Inc.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-241717) and Form S-8 (No. 333-197947, 333-108903, 333-190320) of Consolidated Edison, Inc. of our report dated February 17, 2022 relating to the financial statements, financial statement schedules and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 17, 2022

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-258512) of Consolidated Edison Company of New York, Inc. of our report dated February 17, 2022 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 17, 2022

Exhibit 31.1.1

CERTIFICATIONS

I, Timothy P. Cawley, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2021 of Consolidated Edison, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 17, 2022

/s/ Timothy P. Cawley

Timothy P. Cawley
Chairman, President and Chief Executive Officer

CERTIFICATIONS

I, Robert Hoglund, certify that:

1.I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2021 of Consolidated Edison, Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 17, 2022

/s/ Robert Hoglund

Robert Hoglund
Senior Vice President and Chief Financial Officer

Exhibit 31.2.1

CERTIFICATIONS

I, Timothy P. Cawley, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2021 of Consolidated Edison Company of New York, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 17, 2022

/s/ Timothy P. Cawley

Timothy P. Cawley
Chairman and Chief Executive Officer

Exhibit 31.2.2

CERTIFICATIONS

I, Robert Hoglund, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2021 of Consolidated Edison Company of New York, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 17, 2022

/s/ Robert Hoglund

Robert Hoglund
Senior Vice President and Chief Financial Officer

Exhibit 32.1.1

Certification Required Under Section 906 of the Sarbanes-Oxley Act of 2002

I, Timothy P. Cawley, the Chief Executive Officer of Consolidated Edison, Inc. (the “Company”) certify that the Company’s Annual Report on Form 10-K for the year ended December 31, 2021, which this statement accompanies, (the “Form 10-K”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Timothy P. Cawley

Timothy P. Cawley

Dated: February 17, 2022

Exhibit 32.1.2

Certification Required Under Section 906 of the Sarbanes-Oxley Act of 2002

I, Robert Hoglund, the Chief Financial Officer of Consolidated Edison, Inc. (the “Company”) certify that the Company’s Annual Report on Form 10-K for the year ended December 31, 2021, which this statement accompanies, (the “Form 10-K”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert Hoglund

Robert Hoglund

Dated: February 17, 2022

Exhibit 32.2.1

Certification Required Under Section 906 of the Sarbanes-Oxley Act of 2002

I, Timothy P. Cawley, the Chief Executive Officer of Consolidated Edison Company of New York, Inc. (the “Company”) certify that the Company’s Annual Report on Form 10-K for the year ended December 31, 2021, which this statement accompanies, (the “Form 10-K”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Timothy P. Cawley
Timothy P. Cawley

Dated: February 17, 2022

Exhibit 32.2.2

Certification Required Under Section 906 of the Sarbanes-Oxley Act of 2002

I, Robert Hoglund, the Chief Financial Officer of Consolidated Edison Company of New York, Inc. (the “Company”) certify that the Company’s Annual Report on Form 10-K for the year ended December 31, 2021, which this statement accompanies, (the “Form 10-K”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert Hoglund
Robert Hoglund

Dated: February 17, 2022