Consolidated Edison, Inc.

2nd Quarter 2018 Earnings Release Presentation

August 2, 2018



conEdison

Available Information

On August 2, 2018, Consolidated Edison, Inc. issued a press release reporting its second quarter 2018 earnings and filed with the Securities and Exchange Commission the company's second quarter 2018 Form 10-Q. This presentation should be read together with, and is qualified in its entirety by reference to, the earnings press release and the Form 10-Q. Copies of the earnings press release and the Form 10-Q are available at: www.conedison.com (select "For Investors" and then select "Press Releases" and "SEC Filings", respectively).

Forward-Looking Statements

This presentation contains forward-looking statements that are intended to qualify for the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements of future expectations and not facts. Words such as "forecasts," "expects," "estimates," "anticipates," "intends," "believes," "plans," "will" and similar expressions identify forward-looking statements. The forward-looking statements reflect information available and assumptions at the time the statements are made, and speak only as of that time. Actual results or developments may differ materially from those included in the forward-looking statements because of various factors such as those identified in reports the company has filed with the Securities and Exchange Commission, including that the company's subsidiaries are extensively regulated and are subject to penalties; its utility subsidiaries' rate plans may not provide a reasonable return; it may be adversely affected by changes to the utility subsidiaries' rate plans; the intentional misconduct of employees or contractors could adversely affect it; the failure of, or damage to, its subsidiaries' facilities could adversely affect it; a cyber-attack could adversely affect it; it is exposed to risks from the environmental consequences of its subsidiaries' operations; a disruption in the wholesale energy markets or failure by an energy supplier could adversely affect it; it has substantial unfunded pension and other postretirement benefit liabilities; its ability to pay dividends or interest depends on dividends from its subsidiaries; it requires access to capital markets to satisfy funding requirements; changes to tax laws could adversely affect it; its strategies may not be effective to address changes in the external business environment; and it also faces other risks that are beyond its control.

Non-GAAP Financial Measure

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

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www.conEdison.com

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Organizational Structure

conEdison

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

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

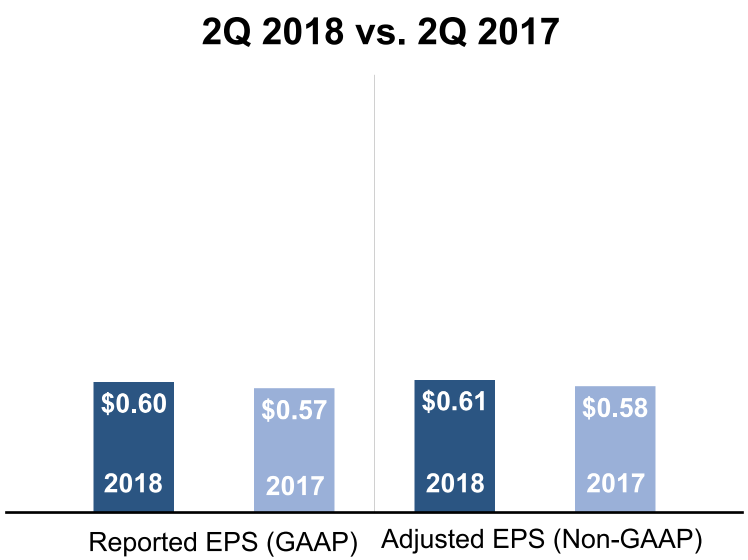
a. As of 6/30/18.
b. Senior unsecured ratings and outlook shown in order of Moody's / S&P / Fitch. Ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

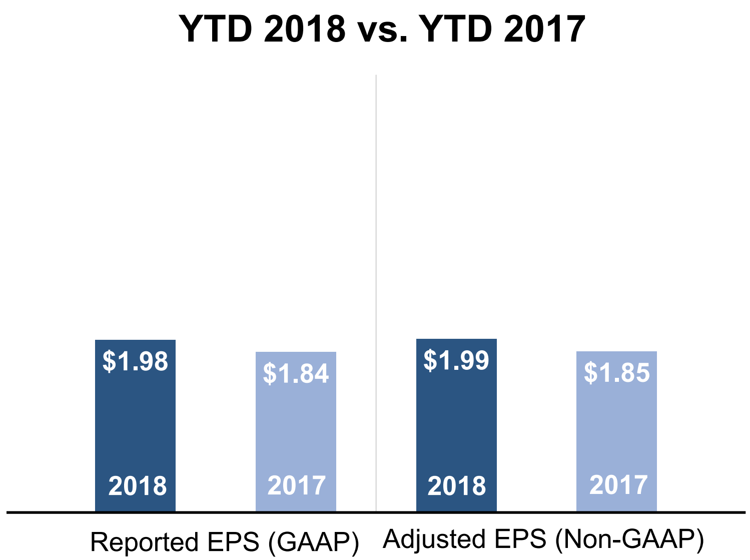
The Con Edison Plan

Customer Focused	Strategic	Value Oriented
Provide safe and reliable service	Strengthen core utility delivery business	Provide steady, predictable earnings
Enhance the customer experience	Pursue additional regulated growth opportunities to add value in the evolving industry	Maintain balance sheet stability
Achieve operational excellence and cost optimization	Grow existing clean energy businesses and pursue additional clean energy growth opportunities consistent with our risk appetite	Pay attractive, growing dividends

Dividend and Earnings Announcements

- On July 19, 2018, the company issued a press release reporting that the company had declared a quarterly dividend of 71.5 cents a share on its common stock.
- On August 2, 2018, the company issued a press release in which it confirmed its previous forecast of adjusted earnings per share for the year 2018 in the range of $4.15 to $4.35 per share.





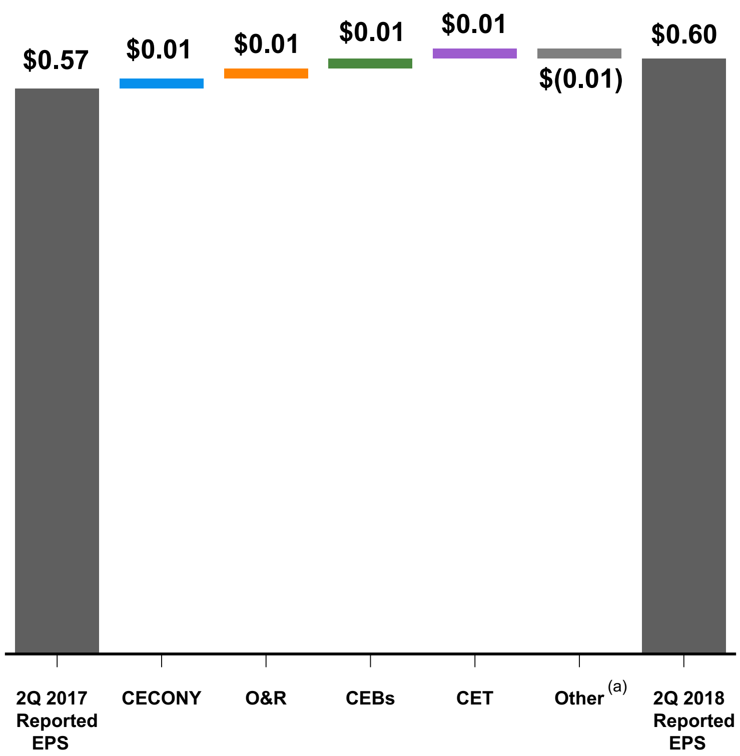
2Q 2018 Earnings

	Net Income ($ in Millions)		Earnings per Share	
	2018	2017	2018	2017
Reported Net Income and EPS – GAAP basis	**$188**	**$175**	**$0.60**	**$0.57**
Gain on sale of solar electric production project (pre-tax)	—	(2)	—	—
Income taxes (a)	—	1	—	—
Gain on sale of solar electric production project (net of tax)	**—**	**(1)**	**—**	**—**
Net mark-to-market effects of the Clean Energy Businesses (pre-tax)	2	7	0.01	0.02
Income taxes (a)	(1)	(3)	—	(0.01)
Net mark-to-market effects of the Clean Energy Businesses (net of tax)	**1**	**4**	**0.01**	**0.01**
Adjusted Earnings and Adjusted EPS – non-GAAP basis	**$189**	**$178**	**$0.61**	**$0.58**

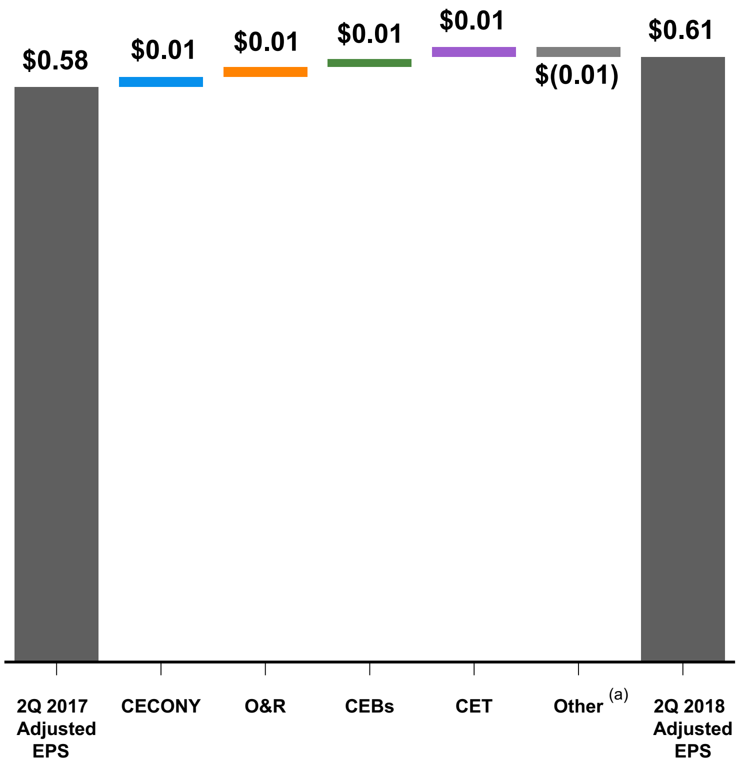
a. The amount of income taxes was calculated using a combined federal and state income tax rate of 28% for the three months ended June 30, 2018 and a combined federal and state income tax rate of 40% for the three months ended June 30, 2017.

Walk from 2Q 2017 EPS to 2Q 2018 EPS

Variance in Reported EPS (GAAP)



Variance in Adjusted EPS (Non-GAAP)



a. Includes parent company and consolidation adjustments.

2Q 2018 vs. 2Q 2017 EPS Variances - Three Months Ended Variation

CECONY[a]		
Changes in rate plans	$0.26	Reflects primarily higher electric and gas net base revenues of $0.17 a share and $0.03 a share, respectively, and growth in the number of gas customers of $0.02 a share. Electric and gas base rates increased in January 2018 in accordance with the company's rate plans.
Weather impact on steam revenues	0.03	Steam revenues were $0.03 a share higher in the 2018 period due to the estimated impact of colder than normal April weather. Weather had an immaterial impact on steam revenues in the 2017 period.
Operations and maintenance expenses	(0.07)	Reflects higher consultant costs of $(0.02) a share, storm-related costs of $(0.01) a share, a higher reserve for uncollectibles of $(0.01) a share, healthcare costs of $(0.01) a share, and higher substation maintenance costs of $(0.01) a share.
Depreciation, property taxes and other tax matters	(0.10)	Reflects higher net property taxes of $(0.07) a share and depreciation and amortization expense of $(0.05) a share, offset in part by a New York State sales and use tax refund of $0.02 a share.
Other	(0.11)	Reflects primarily timing of the deferral for customers of estimated net benefits of the TCJA of $(0.09) a share, higher interest expense on long-term debt of $(0.03) a share, and the dilutive effect of Con Edison's stock issuances of $(0.01) a share.
Total CECONY	**$ 0.01**	
O&R[a]		
Changes in rate plans	0.01	Reflects primarily higher gas net base revenues. Gas base rates increased in November 2017 in accordance with the company's gas rate plan.
Total O&R	**$ 0.01**	
Clean Energy Businesses		
Operating revenues less energy costs	0.01	Reflects primarily higher renewable revenues, including engineering, procurement and construction services and an increase in renewable electric production projects in operation.
Operations and maintenance expenses	0.01	Reflects primarily a decrease of energy services costs.
Net interest expense	(0.01)	
Total CEBs	**$ 0.01**	
Con Edison Transmission		
Total CET	**$ 0.01**	Reflects income from equity investments.
Other		
Parent company and consolidation adjustments	**$(0.01)**	Reflects lower state income tax benefits.
Reported EPS (GAAP)	**$ 0.03**	
Adjusted EPS (non-GAAP)	**$ 0.03**	

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

2Q 2018 vs. 2Q 2017 EPS Reconciliation by Company

Three Months Ended June 30, 2018

	CECONY	O&R	CEBs	CET	Other[a]	Total
Reported EPS – GAAP basis	$0.48	$0.02	$0.08	$0.04	$(0.02)	$0.60
Net mark-to-market losses (pre-tax)	—	—	0.01	—	—	0.01
Income taxes (b)	—	—	—	—	—	—
Net mark-to-market losses (net of tax)	—	—	0.01	—	—	0.01
Adjusted EPS – Non-GAAP basis	**$0.48**	**$0.02**	**$0.09**	**$0.04**	**$(0.02)**	**$0.61**

Three Months Ended June 30, 2017

	CECONY	O&R	CEBs	CET	Other[a]	Total
Reported EPS – GAAP basis	$0.47	$0.01	$0.07	$0.03	$(0.01)	$0.57
Net mark-to-market losses (pre-tax)			0.02			0.02
Income taxes (b)			(0.01)			(0.01)
Net mark-to-market losses (net of tax)	—	—	0.01	—	—	0.01
Adjusted EPS – Non-GAAP basis	**$0.47**	**$0.01**	**$0.08**	**$0.03**	**$(0.01)**	**$0.58**

a. Includes parent company and consolidation adjustments.
b. The amount of income taxes was calculated using a 28% combined federal and state income tax rate for the three months ended June 30, 2018 and a 40% combined federal and state income tax rate for the three months ended June 30, 2017.

2Q 2018 Developments[a]

CECONY & O&R

- In August and November 2017, the NYSPSC issued orders in its proceeding investigating a subway power outage. NYSPSC Case 17-E-0428 – In The Matter of an Investigation into the April 21, 2017 Metropolitan Transportation Authority Subway Power Outage and Consolidated Edison Company of New York, Inc.'s Restoration Efforts.
  - The orders require CECONY to take certain actions relating to the electrical equipment that serves the subway system. The company incurred costs related to this matter through June 30, 2018 of $180 million. Included in this amount is $30 million in capital and operating and maintenance costs reflected in the company's electric rate plan and $150 million deferred as a regulatory asset pursuant to the rate plan.
  - The company, which plans to complete the required actions in 2018, expects to incur costs related to this matter during the remainder of 2018 of $84 million. Included in this amount is $2 million in expected capital and operating and maintenance costs reflected in the rate plan and $82 million expected to be deferred as a regulatory asset pursuant to the rate plan. (page 23)
- In January 2018, the NYSPSC initiated an audit of the income tax accounting of certain utilities, including CECONY and O&R. NYSPSC Case 18-M-0013 - In the Matter of a Focused Operations Audit to Investigate the Income Tax Accounting of Certain New York State Utilities. (page 24)
- In March 2018, Winter Storms Riley and Quinn caused damage to the utilities' electric distribution systems and interrupted service to approximately 209,000 CECONY customers, 93,000 O&R customers and 44,000 RECO customers.
  - Through June 30, 2018, CECONY's costs related to March 2018 storms, including Riley and Quinn, amounted to $126 million, including operation and maintenance expenses reflected in its electric rate plan ($17 million), operation and maintenance expenses charged against a storm reserve pursuant to its electric rate plan ($75 million), capital expenditures ($28 million) and removal costs ($6 million). O&R and RECO had storm-related costs of $48 million and $18 million, respectively, most of which were deferred as regulatory assets pursuant to their electric rate plans.
  - Recovery of CECONY, O&R and RECO storm-related costs is subject to review by the NYSPSC and NJBPU, as applicable. The NYSPSC is investigating the preparation and response to the storms by CECONY, O&R and other New York electric utilities, including all aspects of their emergency response plans, and may penalize them. The NJBPU is investigating RECO's preparation and response to the storms. Con Edison and CECONY are unable to estimate the amount or range of their possible loss in connection with the storms. (page 24)
- In May 2018, in O&R's electric and gas rate proceedings, the NYSPSC staff recommended a $10.6 million increase in O&R's electric rates and a $6.7 million decrease in O&R's gas rates (both reflecting an authorized return on common equity of 8.6 percent). In June 2018, O&R filed an update to its requested rate increases, changing its request to a $30.4 million increase for electric and a $0.5 million decrease for gas (both reflecting an authorized return on common equity of 9.75 percent). (page 23)

a. Page references to 2Q 2018 Form 10-Q.

2Q 2018 Developments *(cont'd)*[a]

CECONY & O&R *(cont'd)*

- In July 2018, a CECONY steam main located on Fifth Avenue and 21st street in Manhattan ruptured. 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. The NYSPSC has commenced an investigation (NYSPSC Case 18-S-0448 - In the Matter of the Investigation of a Rupture at Fifth Avenue and 21st Street on July 19, 2018 in the Service Territory of Consolidated Edison Company of New York, Inc.). The company has notified its insurers of the incident and believes that the policies currently in force 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 to others in connection with the incident. The company is unable to estimate the amount or range of its possible loss related to the incident. At June 30, 2018, the company had not accrued a liability related to the incident. (page 30)

Clean Energy Businesses

- The Clean Energy Businesses have 1,601 MW (AC) of renewable energy production projects in service (1,383 MW) or under construction (218 MW). (page 70)
- 1,335 million of kWh of electricity was generated from solar projects and 530 million of kWh generated from wind projects through the six months ending June 30, 2018. (page 71)

Con Edison Transmission

- In June 2018, the NYISO management committee supported the NYISO Staff recommendation to the NYISO Board of Directors to select two projects that were submitted under the NYISO's FERC-approved public policy planning process by developers other than NY Transco. The NYISO Board is expected to make its final decision after engaging in additional review. CET Electric owns a 45.7 percent interest in NY Transco. (page 71)
- Certain federal and state regulatory approvals for the Mountain Valley Pipeline are being challenged and, as a result, construction has been delayed on portions of the project. In July 2018, Mountain Valley Pipeline LLC indicated that the project has an estimated total cost of $3,500 million to $3,700 million and is targeted to be fully in-service by the end of the first quarter of 2019. CET Gas owns a 12.5 percent interest in the Mountain Valley Pipeline. (page 71)

a. Page references to 2Q 2018 Form 10-Q.

Tax Cuts and Jobs Act of 2017 (TCJA)[a]

CECONY & O&R

- TCJA expected to result in decreased cash flows from operating activities, and require increased cash flows from financing activities, for the utilities as and when customers' rates are adjusted to reflect the reduction in tax rate
- Customer rates expected to be reduced to reflect the reduction in tax rate from 35% to 21%, elimination of bonus depreciation and the amortization of excess deferred federal income taxes the utilities collected from their customers that will not need to be paid to the Internal Revenue Service under the TCJA
- Upon enactment of the TCJA, CECONY, O&R and RECO re-measured their deferred tax assets and liabilities and accrued net regulatory liabilities for future income taxes of $3,513 million, $161 million and $28 million, respectively.
  - Under the rate normalization requirements continued by the TCJA, the portion of their net regulatory liabilities related to certain accelerated tax depreciation benefits ($2,542 million, $126 million and $16 million, respectively) is to be amortized over the remaining lives of the related assets.
  - The remainder ($971 million, $35 million and $12 million, respectively) will be amortized as determined by the NYSPSC or NJBPU, as applicable.
- For the six months ended June 30, 2018, the utilities deferred as regulatory liabilities estimated net benefits of $217 million.

a. See Note B - Regulatory Matters/Other Regulatory Matters on pages 23-24 and Note I - Income Taxes on pages 31-33 in the 2Q 2018 10-Q.

Tax Cuts and Jobs Act of 2017 (TCJA)[a]

CECONY & O&R

- NYSPSC Case 17-M-0815 - Proceeding on Motion of the Commission on Changes in Law that May Affect Rates
  - On March 29, 2018, the NYSPSC staff recommended that the NYSPSC require most utilities to begin on October 1, 2018 to credit their customers' bills with the net benefits of the TCJA as measured based on amounts reflected in their rate plans prior to the enactment of the TCJA.
  - In June 2018, CECONY, O&R and other New York State utilities filed comments on the March 2018 NYSPSC staff recommendation. CECONY proposed to defer providing its electric customers with the net benefits of the TCJA allocable to them until its next electric rate proceeding, unless the NYSPSC determines that CECONY's electric customers should be credited sooner with a portion of the net benefits (for example, 20 percent), and to begin on October 1, 2018 to credit its gas and steam customers' bills with the net benefits allocable to them. CECONY's proposal reflects deferral and amortization over a five-year period of the revenue requirement impact of the company's net reduction in federal income tax expense in 2018 and 2019 due to the TCJA (except that for steam customers the impact after September 30, 2018 would be credited on a current monthly basis) and amortization over the remaining lives of the related assets of CECONY's net regulatory liability for future income taxes (except that, for electric customers, the unprotected portion of the net regulatory liability would be amortized over a five-year period).
  - In its ongoing rate proceedings, O&R has proposed and the NYSPSC staff has recommended that the company amortize over a five-year period the impact of its net reduction in federal income tax expense in 2018 due to the TCJA and amortize its net regulatory liability for future income taxes over the remaining lives of the related assets.
  - NYSPSC decision is expected after the comment period
- NJBPU Docket No. AX1801001 - In the Matter of the Board's Consideration of the 2017 Tax Cuts and Jobs Act
  - In June 2018, the NJBPU made permanent its previously approved $2.9 million interim decrease in Rockland Electric Company's (RECO) electric base rates, effective April 1, 2018, and ordered RECO to pay to its customers in July 2018 its approximately $1 million of net benefits of the TCJA for the three-month period ended March 31, 2018 and to begin in July 2018 to refund to its customers the unprotected portion of its net regulatory liability for future income taxes over a three-year period.
- FERC Docket No. EL18-111-000
  - In March 2018, the Federal Energy Regulatory Commission (FERC) issued an order directing RECO to propose revisions to its transmission revenue requirement to reflect the TCJA.

a. See Note B - Regulatory Matters/Other Regulatory Matters on pages 23-24 and Note I - Income Taxes on pages 31-33 in the 2Q 2018 10-Q.

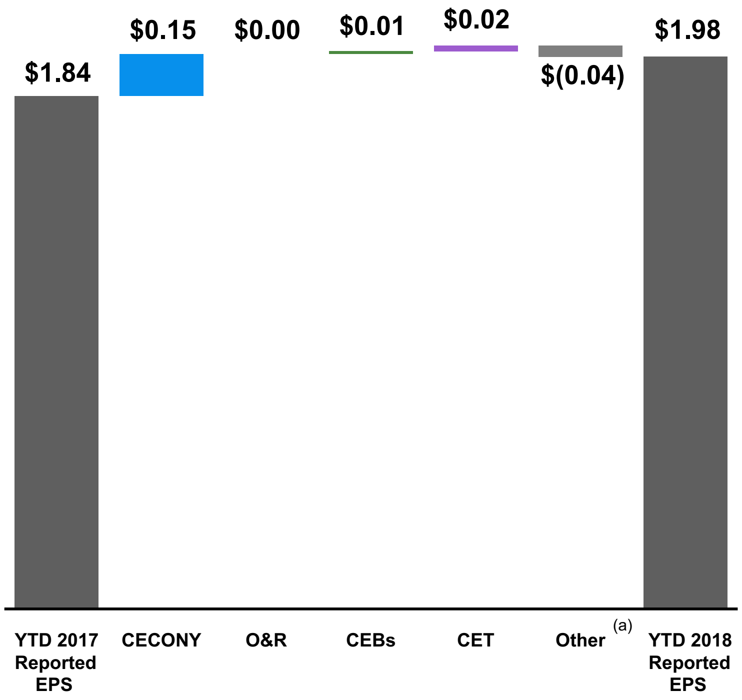
YTD 2018 Earnings

	Net Income ($ in Millions)		Earnings per Share	
	2018	2017	2018	2017
Reported Net Income and EPS – GAAP basis	**$616**	**$563**	**$1.98**	**$1.84**
Gain on sale of solar electric production project (pre-tax)	—	(2)	—	—
Income taxes (a)	—	1	—	—
Gain on sale of solar electric production project (net of tax)	**—**	**(1)**	**—**	**—**
Net mark-to-market effects of the Clean Energy Businesses (pre-tax)	2	5	0.01	0.02
Income taxes (a)	(1)	(2)	—	(0.01)
Net mark-to-market effects of the Clean Energy Businesses (net of tax)	**1**	**3**	**0.01**	**0.01**
Adjusted Earnings and Adjusted EPS – non-GAAP basis	**$617**	**$565**	**$1.99**	**$1.85**

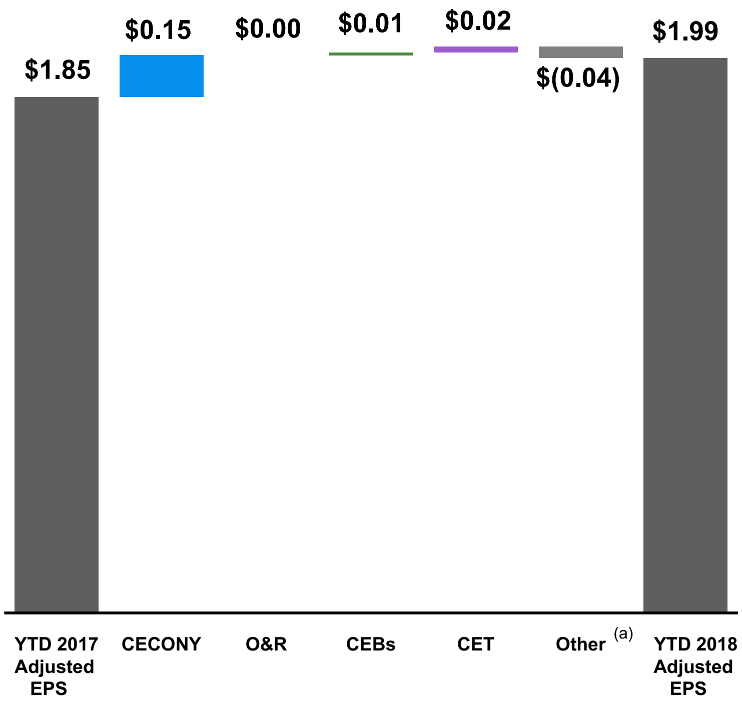
a. The amount of income taxes was calculated using a 28% combined federal and state income tax rate for the six months ended June 30, 2018 and a 40% combined federal and state income tax rate for the six months ended June 30, 2017.

Walk from YTD 2017 EPS to YTD 2018 EPS

Variance in Reported EPS (GAAP)



Variance in Adjusted EPS (Non-GAAP)



a. Includes parent company and consolidation adjustments.

YTD 2018 vs. YTD 2017 EPS Variances - Six Months Ended Variation

CECONY[(a)]		
Changes in rate plans	$ 0.48	Reflects primarily higher electric and gas net base revenues of $0.29 a share and $0.11 a share, respectively, and growth in the number of gas customers of $0.04 a share. Electric and gas base rates increased in January 2018 in accordance with the company's rate plans.
Weather impact on steam revenues	0.07	Steam revenues were $0.02 a share higher in the 2018 period due to the estimated impact of colder than normal April weather. Steam revenues were $(0.05) a share lower in the 2017 period due to the estimated impact of warmer than normal winter weather.
Operations and maintenance expenses	(0.07)	Reflects primarily higher consultant costs of $(0.03) a share and storm-related costs of $(0.03) a share.
Depreciation, property taxes and other tax matters	(0.19)	Reflects higher net property taxes of $(0.14) a share and depreciation and amortization expense of $(0.09) a share, offset in part by two New York State sales and use tax refunds of $0.04 a share.
Other	(0.14)	Reflects primarily timing of the deferral for customers of estimated net benefits of the TCJA of $(0.03) a share, higher interest expense on long-term debt of $(0.07) a share, and the dilutive effect of Con Edison's stock issuances of $(0.04) a share.
Total CECONY	**$ 0.15**	
O&R[(a)]		
Changes in rate plans	0.03	Reflects primarily higher gas net base revenues. Gas base rates increased in November 2017 in accordance with the company's gas rate plan.
Operations and maintenance expenses	(0.02)	Reflects storm-related costs.
Depreciation, property taxes and other tax matters	(0.02)	
Other	0.01	
Total O&R	**$ —**	
Clean Energy Businesses		
Operating revenues less energy costs	0.21	Reflects primarily higher renewable revenues, including engineering, procurement and construction services and an increase in renewable electric production projects in operation.
Operations and maintenance expenses	(0.20)	Reflects primarily higher engineering, procurement and construction costs and energy services costs.
Depreciation	(0.01)	
Net interest expense	(0.01)	
Other	0.02	
Total Clean Energy Businesses	**$ 0.01**	
Con Edison Transmission		
Total CET	**$ 0.02**	Reflects income from equity investments.
Other		
Parent company and consolidation adjustments	**$(0.04)**	Reflects lower state income tax benefits.
Reported EPS (GAAP)	**$ 0.14**	
Adjusted EPS (non-GAAP)	**$ 0.14**	

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

YTD 2018 vs. YTD 2017 EPS Reconciliation by Company

Six Months Ended June 30, 2018

	CECONY	O&R	CEBs	CET[a]	Other[b]	Total
Reported EPS – GAAP basis	$1.73	$0.10	$0.10	$0.07	$(0.02)	$1.98
Net mark-to-market losses (pre-tax)	—	—	0.01	—	—	0.01
Income taxes (c)	—	—	—	—	—	—
Net mark-to-market losses (net of tax)	—	—	0.01	—	—	0.01
Adjusted EPS – Non-GAAP basis	**$1.73**	**$0.10**	**$0.11**	**$0.07**	**$(0.02)**	**$1.99**

Six Months Ended June 30, 2017

	CECONY	O&R	CEBs	CET[a]	Other[b]	Total
Reported EPS – GAAP basis	$1.58	$0.10	$0.09	$0.05	$0.02	$1.84
Net mark-to-market losses (pre-tax)	—	—	0.02	—	—	0.02
Income taxes (c)	—	—	(0.01)	—	—	(0.01)
Net mark-to-market losses (net of tax)	—	—	0.01	—	—	0.01
Adjusted EPS – Non-GAAP basis	**$1.58**	**$0.10**	**$0.10**	**$0.05**	**$0.02**	**$1.85**

a. In 2016, Con Edison Transmission began investing, through CET Electric and CET Gas, in electric transmission and gas pipeline and storage assets.
b. Includes parent company and consolidation adjustments.
c. The amount of income taxes was calculated using a 28% combined federal and state income tax rate for the six months ended June 30, 2018 and a 40% combined federal and state income tax rate for the six months ended June 30, 2017.

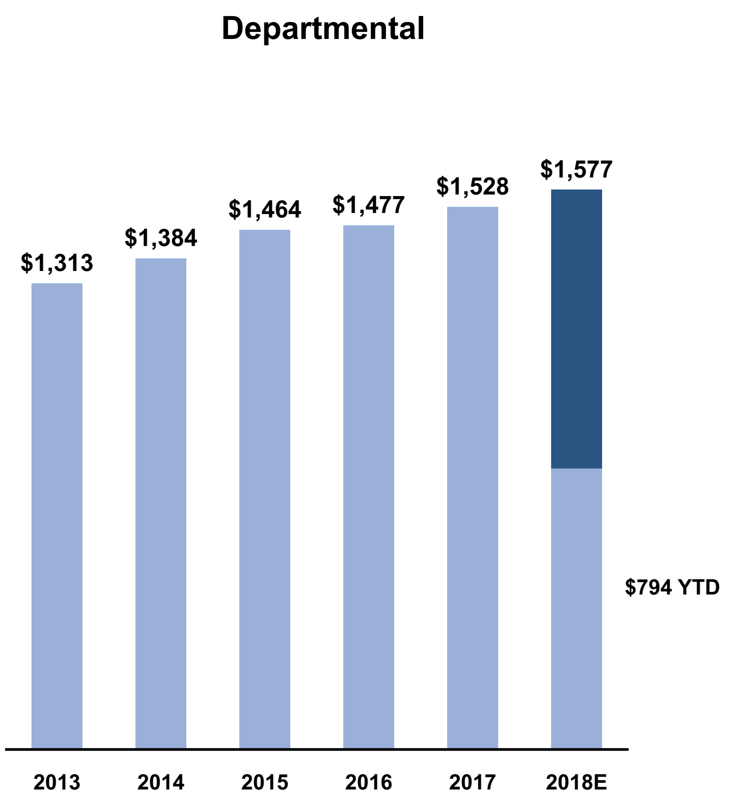
Five-Year Reconciliation of Reported EPS (GAAP) to Adjusted EPS (Non-GAAP)

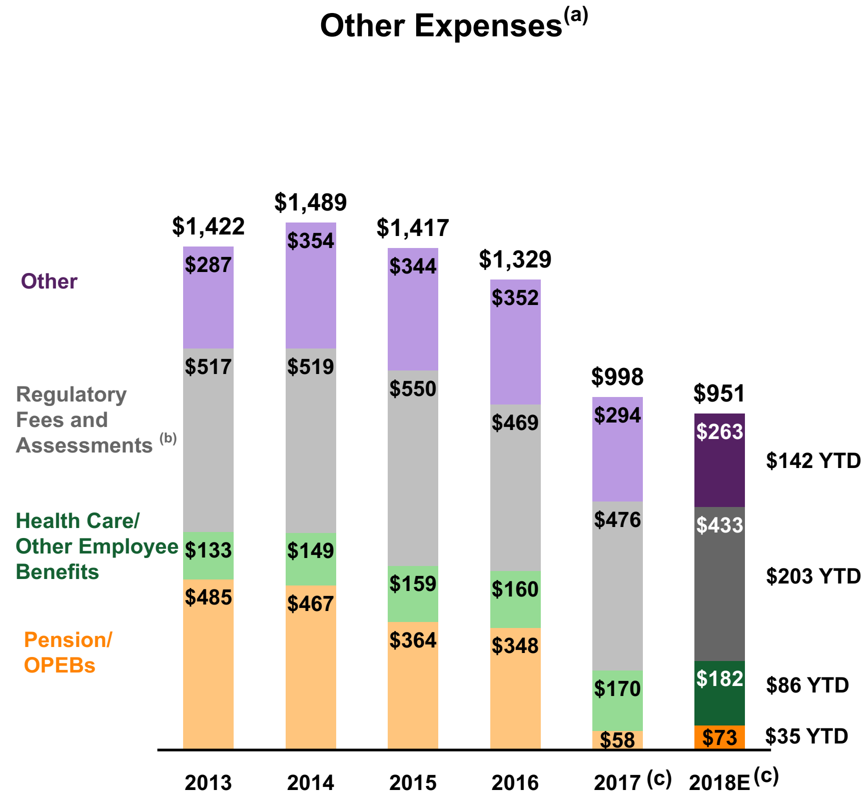
12 Months Ending December 31,

	2014	2015	2016	2017	2018 [(a)]
Reported EPS – GAAP basis	**$3.73**	**$4.07**	**$4.15**	**$4.97**	**$5.11**
Enactment of the TCJA (pre-tax)	—	—	—	(1.42)	(1.43)
Income taxes (c)	—	—	—	0.57	0.57
Enactment of the TCJA (net of tax) [(b)]				**(0.85)**	**(0.86)**
Gain on sale of the CEBs' retail electric supply business (pre-tax)	—	—	(0.32)	—	—
Income taxes (c)	—	—	0.13	—	—
Gain on sale of the CEBs' retail electric supply business (net of tax)			**(0.19)**		**—**
Goodwill impairment related to the CEBs' energy service business (pre-tax)	—	—	0.07	—	—
Income taxes (c)	—	—	(0.03)	—	—
Goodwill impairment related to the CEBs' energy service business (net of tax)			**0.04**		**—**
Impairment of assets held for sale (pre-tax)	—	0.02	—	—	—
Income taxes (c)	—	(0.01)	—	—	—
Impairment of assets held for sale (net of tax)		**0.01**			**—**
Gain on sale of the CEBs' solar electric production projects (pre-tax)	(0.15)	—	—	—	—
Income taxes (c)	0.06	—	—	—	—
Gain on sale of the CEBs' solar electric production projects (net of tax)	**(0.09)**				**—**
Net mark-to-market effects of the CEBs (pre-tax)	0.42	—	(0.02)	—	0.01
Income taxes (c)	(0.17)	—	0.01	—	—
Net mark-to-market effects of the CEBs (net of tax)	**0.25**		**(0.01)**		**0.01**
Adjusted EPS – Non-GAAP basis	**$3.89**	**$4.08**	**$3.99**	**$4.12**	**$4.26**

a. Represents 12-month trailing EPS ending June 30, 2018.
b. Reflects $269 million (or $0.88 a share), $11 million (or $0.04 a share) and $(21) million (or $(0.07) a share) for CEBs, CET, and parent company, respectively, resulting from the enactment of TCJA.
c. The amount of income taxes was calculated using a 28% combined federal and state income tax rate for the periods 1/1/18 - 6/30/18 and a 40% combined federal and state income tax rate for the periods 7/1/17 - 12/31/17 and years ended 2014 to 2017.

CECONY Operations and Maintenance Expenses
($ in millions)





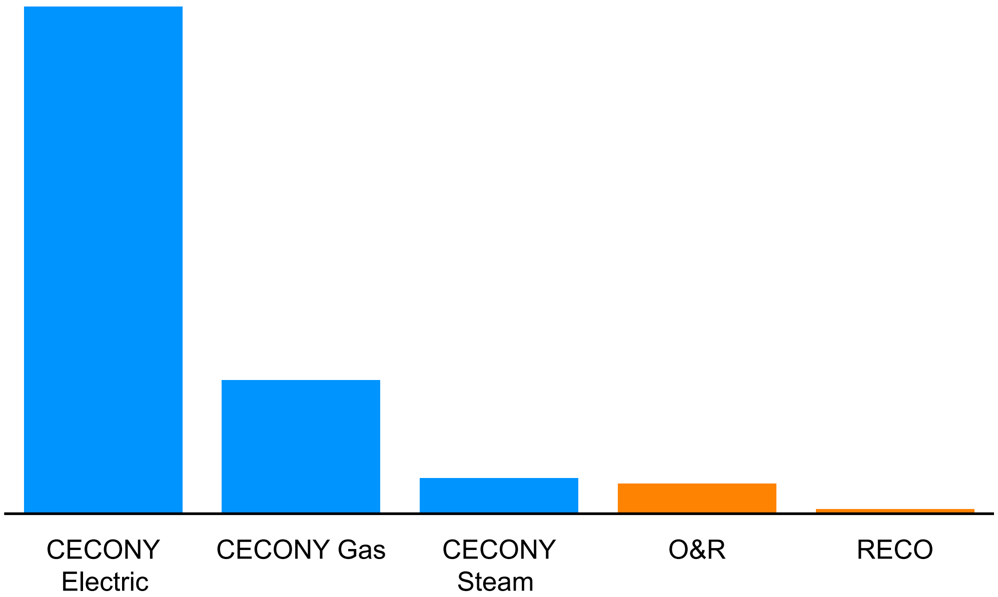
a. Other Expenses generally are either reconciled through amounts reflected in rates, or represent surcharges that are recovered in revenues from customers.
b. Includes Demand Side Management, System Benefit Charges and Public Service Law 18A assessments which are collected in revenues.
c. Excludes non-service components of Pension/OPEBs pursuant to ASU 2017-07. See page 27 2Q 2018 Form 10-Q.

Composition of Regulatory Rate Base[(a)]
(as of June 30, 2018)

CECONY		($ in millions)
Electric	NY	$19,070
Gas	NY	5,062
Steam	NY	1,391
Total CECONY		**$25,523**

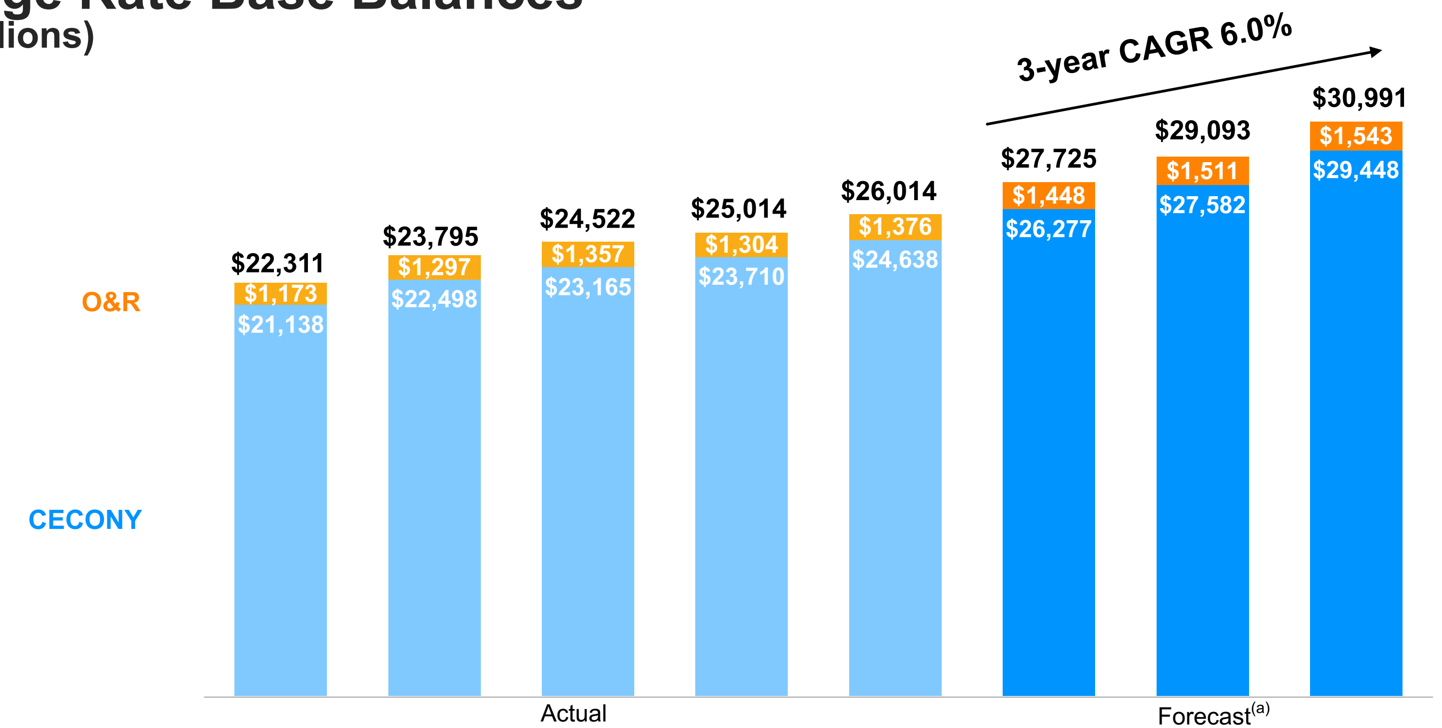
O&R		($ in millions)
O&R Electric	NY	$768
O&R Gas	NY	409
RECO	NJ	218
Total O&R		**$1,395**

Total Rate Base **$26,918**



a. Average rate base for 12 months ended 6/30/2018.

Average Rate Base Balances
($ in millions)



		2013	2014	2015	2016	2017	2018E	2019E	2020E
CECONY	Electric	$ 16,235	$ 17,403	$ 17,599	$ 17,971	$ 18,513	$ 19,530	$ 20,277	$ 21,569
	Gas	3,395	3,593	4,023	4,267	4,723	5,395	6,005	6,629
	Steam	1,508	1,502	1,543	1,472	1,402	1,352	1,300	1,250
O&R	Electric	633	726	769	731	759	792	814	821
	Gas	345	372	386	362	392	422	444	454
RECO	Electric	195	199	202	211	225	234	253	268

a. Reflects changes to rate base resulting from the enactment of the TCJA that will affect the utilities' net income when these changes are reflected in the utilities' next rate plans (assumed to be 2020 for CECONY; 2019 for O&R and RECO). The forecast for 2020 reflects estimated increases in average rate base due to decreased deferred taxes resulting from the end of bonus deprecation for utilities and no changes in rate base from amortization of $3,700 million regulatory liability for future income tax relating to excess deferred income taxes or any regulatory liability for the revenue requirement impact of the reduced tax rate.

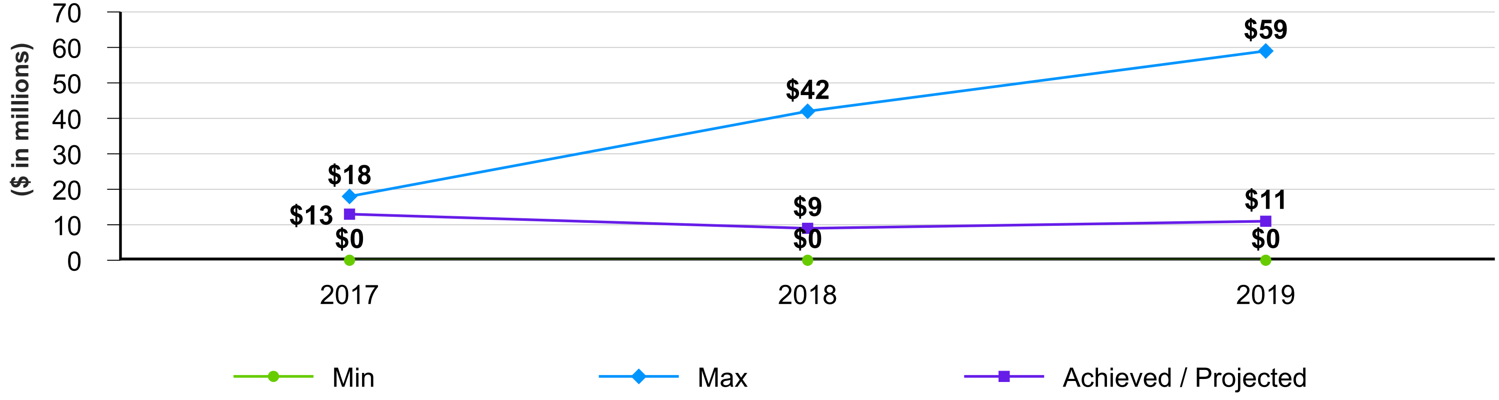
Regulated Utility Rates of Return and Equity Ratio
(12 Months ended June 30, 2018)

	Regulated Basis	
	Allowed	Actual
CECONY		
Electric	9.0%	9.3%
Gas	9.0	10.0
Steam	9.3	12.7
Overall – CECONY	9.0[(a)]	9.6
CECONY Equity Ratio	***48.0%***	***47.9%***
O&R		
Electric	9.0%	8.6%
Gas	9.0	9.4
RECO	9.6	8.0
Overall – O&R	9.1[(a)]	8.8
O&R Equity Ratio	***48.0%***	***49.7%***

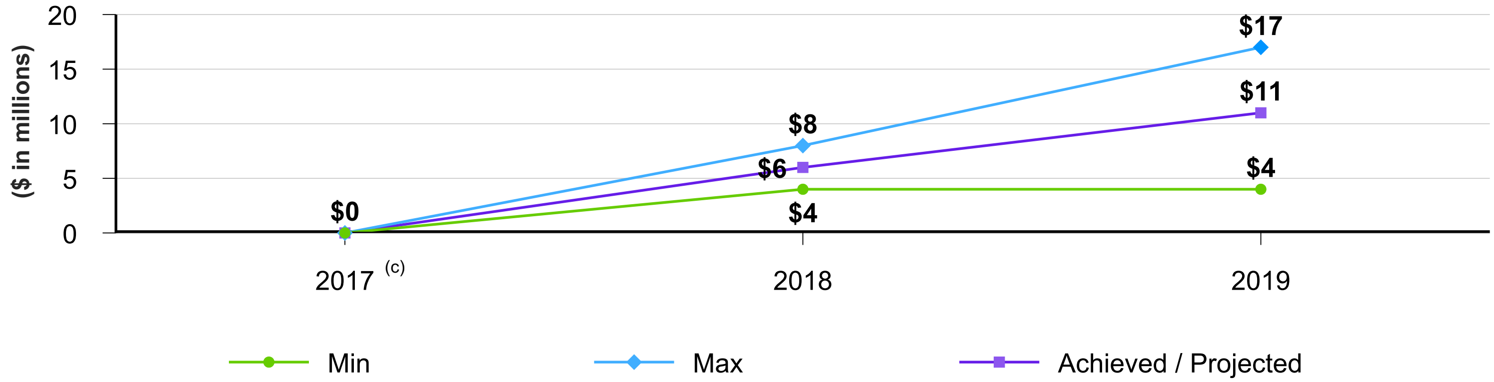
a. Weighted by rate base.

Earnings Adjustment Mechanisms and Positive Incentives

Earnings Adjustment Mechanisms



Positive Incentives[a] [b]

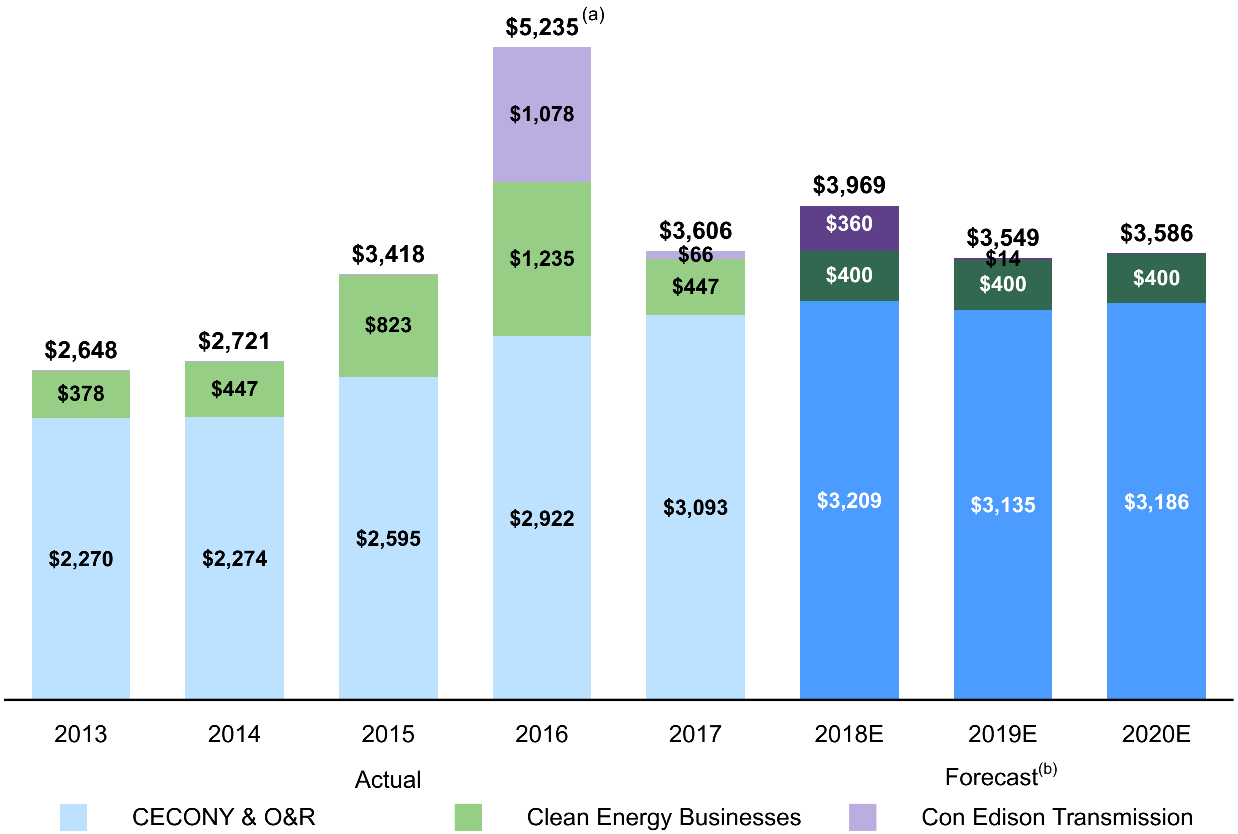


a. In 2017, CECONY achieved positive incentives of $12 million, one third of which, pursuant to the accounting rules for alternative revenue recognition of the collection of such incentives under the rate plans (GAAP), will be recorded ratably from 2018 to 2020 and also reflected in the positive incentives projected, minimum and maximum amounts for the related period.

b. Pursuant to GAAP, one third of the positive incentives achieved in 2018, if any, will be recorded ratably from 2018 to 2020 and also reflected in the positive incentives projected and maximum amounts for the related period. Two thirds and one third of the positive incentives achieved in 2019, if any, will be recorded in 2019 and 2020, respectively, and also reflected in the positive incentives projected and maximum amounts for the related period.

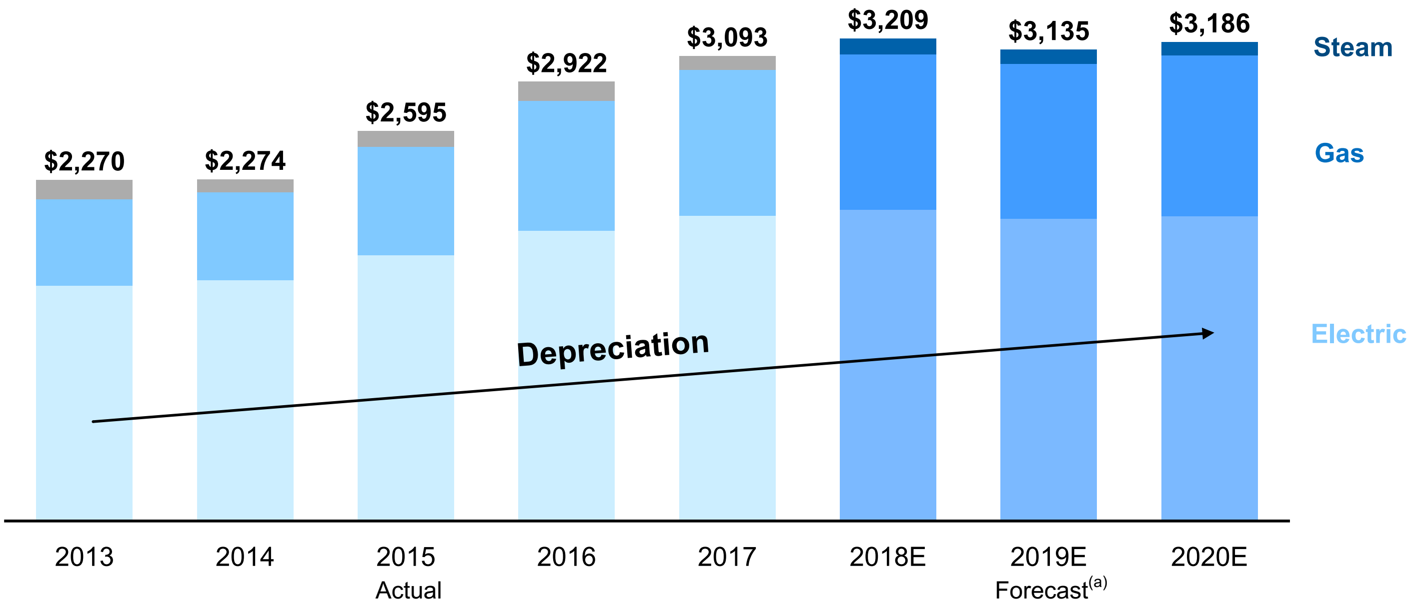
c. Does not reflect negative earnings adjustment of $5 million that CECONY recorded in 2017.

Capital Expenditures
($ in millions)



a. 2016 includes Stagecoach JV investment of $974 million.
b. 2017 Form 10-K, page 31.

Utility Capital Expenditures
($ in millions)



	Annual CECONY Capital Expenditures				Annual O&R Capital Expenditures		
	Electric	Gas	Steam	Depreciation	Electric	Gas	Depreciation
2013	$1,471	$536	$128	$946	$98	$37	$56
2014	1,500	549	83	991	105	37	61
2015	1,658	671	106	1,040	114	46	68
2016	1,819	811	126	1,106	114	52	67
2017	1,905	909	90	1,195	128	61	71
2018E	1,933	970	105	1,254	139	62	78
2019E	1,868	970	95	1,339	146	56	84
2020E	1,894	1,015	87	1,441	137	53	88

a. 2017 Form 10-K, page 31.

2018 Financing Plan and Activity

Debt and Equity Financing Plan

- Capital expenditures of $3,969 million (CECONY: $3,008 million, the CEBs: $400 million, O&R: $201 million, CET: $360 million)
- Issue between $1,300 million and $1,800 million of long-term debt at the utilities
- Issue additional debt secured by the CEBs' renewable electric production projects
- Issue up to $450 million of common equity in 2018 in addition to equity issued through dividend reinvestment, employee stock purchase and long-term incentives plans
- Financing plan does not reflect the provision to the utilities' customers of any TCJA benefits that the NYSPSC and the NJBPU may require to be provided

Activity to date

- In May, CECONY issued $300 million of 3.80% debentures due 2028 and $700 million of 4.50% debentures due 2058
- In June, CECONY issued $640 million of floating rate debenture due 2021, and called for redemption $636 million of auction rate tax-exempt debt (Series 1999A, 2001A, 2004A and 2004B)

Debt Maturities

($ in millions)	2018	2019	2020	2021	2022
Con Edison, Inc. [parent company]	$2	$3	$402	$503	$294
CECONY	1,200[a]	475	350	—	—
O&R	55	62	—	—	—
CEBs	41	38	39	41	41
Total	**$1,298**	**$578**	**$791**	**$544**	**$335**

a. $600 million of 5.85 percent 10-year debentures matured on April 1, 2018.

Capital Structure – June 30, 2018
($ in millions)

Consolidated Edison, Inc.
A3 / BBB+ / BBB+

Debt	$	17,040	52%
Equity		15,655	48
Total	$	32,695	100%

CECONY
A2 / A- / A-

Debt	$	14,293	53%
Equity		12,625	47
Total	$	26,918	100%

O&R
A3 / A- / A-

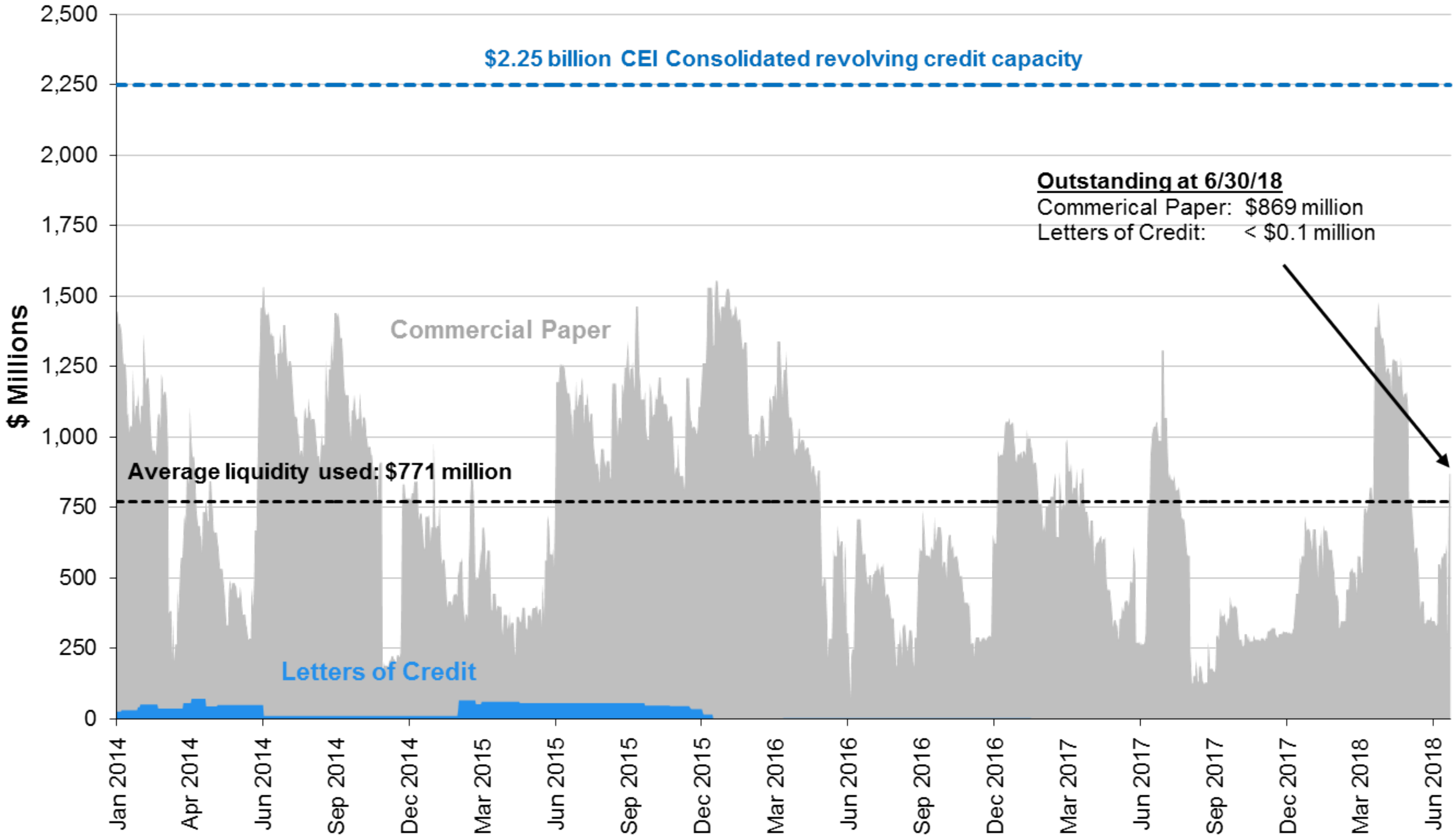
Debt	$	660	49%
Equity		679	51
Total	$	1,339	100%

Parent and Other

Debt		$2,087	47%
Equity		2,351	53
Total	$	4,438	100%

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

Liquidity Profile
($ in millions)



Utility Sales and Revenues – Second Quarter and Year-to-Date

The changes in the energy delivered by the company's utility subsidiaries, both for actual amounts and as adjusted for variations in weather and billing days, for the three and six months ended June 30, 2018 (expressed as a percentage of 2017 amounts):

	Second Quarter Variation 2018 vs. 2017		Year-to-Date Variation 2018 vs. 2017	
	Actual	Adjusted	Actual	Adjusted
CECONY				
Electric	2.9	0.3	2.5	0.5
Firm – Gas	16.7	9.9	14.1	6.2
Steam	14.6	(0.3)	12.5	(0.1)
O&R				
Electric	2.6	3.2	2.5	0.4
Firm – Gas	19.5	4.1	11.8	2.1

Utility Sales and Revenues – Electric Second Quarter
($ in millions)

Electric – 2nd Quarter

	Millions of Kilowatt-hours		Revenues in Millions	
	2018	**2017**	**2018**	**2017**
Con Edison of New York				
Residential and Religious	2,187	2,062	$601	$546
Commercial and Industrial	2,222	2,090	438	429
Retail choice customers	5,966	5,934	563	593
Public Authorities	20	12	3	2
NYPA, Municipal Agency and other sales	2,383	2,318	149	144
Total Sales	**12,778**	**12,416**	**$1,754**	**$1,714**
Orange and Rockland				
Residential and Religious	376	359	$71	$69
Commercial and Industrial	192	177	27	27
Retail choice customers	713	730	47	48
Public Authorities	43	24	3	2
Total Sales	**1,324**	**1,290**	**$148**	**$146**
Regulated Utility Sales & Revenues				
Residential and Religious	2,563	2,421	672	615
Commercial and Industrial	2,414	2,267	465	456
Retail choice customers	6,679	6,664	610	641
Public Authorities	63	36	6	4
NYPA, Municipal Agency and other sales	2,383	2,318	149	144
Total Sales	**14,102**	**13,706**	**1,902**	**1,860**

Utility Sales and Revenues – Electric Year-To-Date
($ in millions)

Electric – Year-to-Date

	Millions of Kilowatt-hours		Revenues in Millions	
	2018	**2017**	**2018**	**2017**
Con Edison of New York				
Residential and Religious	$4,597	$4,339	1,225	1,120
Commercial and Industrial	4,637	4,395	890	859
Retail choice customers	12,241	12,238	1,121	1,225
Public Authorities	37	28	6	5
NYPA, Municipal Agency and other sales	4,952	4,815	276	270
Total Sales	**26,464**	**25,815**	**$3,518**	**$3,479**
Orange and Rockland				
Residential and Religious	753	708	145	137
Commercial and Industrial	390	368	57	54
Retail choice customers	1,410	1,437	91	91
Public Authorities	72	48	6	4
Total Sales	**2,625**	**2,561**	**$299**	**$286**
Regulated Utility Sales & Revenues				
Residential and Religious	5,350	5,047	1,370	1,257
Commercial and Industrial	5,027	4,763	947	913
Retail choice customers	13,651	13,675	1,212	1,316
Public Authorities	109	76	12	9
NYPA, Municipal Agency and other sales	4,952	4,815	276	270
Total Sales	**29,089**	**28,376**	**3,817**	**3,765**

Utility Sales and Revenues – Gas Second Quarter
($ in millions)

Gas – 2nd Quarter	Thousands of Dekatherms		Revenues in Millions	
	2018	2017	2018	2017
Con Edison of New York				
Residential	11,973	10,303	$217	$171
General	7,252	6,503	90	74
Firm Transportation	17,627	14,771	118	102
Total Firm Sales and Transportation	**36,852**	**31,577**	**425**	**347**
Interruptible Sales	1,983	2,109	13	9
Transportation of Customer Owned Gas	29,748	29,042	17	14
Total Sales	**68,583**	**62,728**	**$455**	**$370**
Off-system Sales	26	40	—	—
Orange and Rockland				
Residential	1,435	1,092	$25	$19
General	338	292	4	4
Firm Transportation	1,623	1,457	14	13
Total Firm Sales and Transportation	**3,396**	**2,841**	**43**	**36**
Interruptible Sales	928	959	2	1
Transportation of Customer Owned Gas	147	119	—	1
Total Sales	**4,471**	**3,919**	**$45**	**$38**
Off-system Sales	—	—	—	—
Regulated Utility Sales & Revenues				
Residential	13,408	11,395	$242	$190
General	7,590	6,795	94	78
Firm Transportation	19,250	16,228	132	115
Total Firm Sales and Transportation	**40,248**	**34,418**	**468**	**383**
Interruptible Sales	2,911	3,068	15	10
Transportation of Customer Owned Gas	29,895	29,161	17	15
Total Sales	**73,054**	**66,647**	**$500**	**$408**
Off-system Sales	26	40	—	—

Utility Sales and Revenues – Gas Year-To-Date
($ in millions)

Gas – Year-to-Date

	Thousands of Dekatherms		Revenues in Millions	
	2018	2017	2018	2017
Con Edison of New York				
Residential	39,272	34,910	$610	$509
General	21,693	19,306	244	206
Firm Transportation	52,417	45,186	378	325
Total Firm Sales and Transportation	**113,382**	**99,402**	**1,232**	**1,040**
Interruptible Sales	3,474	4,417	24	22
Transportation of Customer Owned Gas	52,980	57,275	31	30
Total Sales	**169,836**	**161,094**	**$1,287**	**$1,092**
Off-system Sales	115	41	—	—
Orange and Rockland				
Residential	5,898	4,977	$83	$68
General	1,300	1,250	15	14
Firm Transportation	6,072	5,645	49	42
Total Firm Sales and Transportation	**13,270**	**11,872**	**147**	**124**
Interruptible Sales	2,071	2,147	4	4
Transportation of Customer Owned Gas	573	517	1	1
Total Sales	**15,914**	**14,536**	**$152**	**$129**
Off-system Sales	—	—	—	—
Regulated Utility Sales & Revenues				
Residential	45,170	39,887	$693	$577
General	22,993	20,556	259	220
Firm Transportation	58,489	50,831	427	367
Total Firm Sales and Transportation	**126,652**	**111,274**	**1,379**	**1,164**
Interruptible Sales	5,545	6,564	28	26
Transportation of Customer Owned Gas	53,553	57,792	32	31
Total Sales	**185,750**	**175,630**	**$1,439**	**$1,221**
Off-system Sales	115	41	—	—

Utility Sales and Revenues – Steam Second Quarter and Year-To-Date
($ in millions)

Steam – 2nd Quarter

	Millions of Pounds		Revenues in Millions	
	2018	**2017**	**2018**	**2017**
Con Edison of New York				
General	92	58	$5	$4
Apartment House	1,177	1,032	29	26
Annual Power	2,655	2,335	72	61
Total Sales	**3,924**	**3,425**	**$106**	**$91**

Steam – Year-to-Date

	Millions of Pounds		Revenues in Millions	
	2018	**2017**	**2018**	**2017**
Con Edison of New York				
General	430	351	$21	$18
Apartment House	3,889	3,500	113	103
Annual Power	8,602	7,634	288	258
Total Sales	**12,921**	**11,485**	**$422**	**$379**

List of Notes to 2018 Form 10Q Financial Statements