



# CONSOLIDATED EDISON, INC.

Wolfe Utilities & Power Conference

September 27, 2017



## Available Information

On August 3, 2017, Consolidated Edison, Inc. issued a press release reporting its 2Q 2017 earnings and filed with the Securities and Exchange Commission its 2Q 2017 Form 10-Q. This presentation should be read together with, and is qualified in its entirety by reference to, these documents and the 2016 Form 10-K. Copies of the earnings press release and the Forms 10-Q and 10-K are available at: [www.conedison.com](http://www.conedison.com) (select "For Investors" and then select "Press Releases" and "SEC Filings", respectively).

## Forward-Looking Statements

This presentation contains forward-looking statements that are intended to qualify for the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements of future expectations and not facts. Words such as "forecasts," "expects," "estimates," "anticipates," "intends," "believes," "plans," "will" and similar expressions identify forward-looking statements. The forward-looking statements reflect information available and assumptions at the time the statements are made, and speak only as of that time. Actual results or developments may differ materially from those included in the forward-looking statements because of various factors such as those identified in reports the company has filed with the Securities and Exchange Commission, including that the company's subsidiaries are extensively regulated and are subject to penalties; its utility subsidiaries' rate plans may not provide a reasonable return; it may be adversely affected by changes to the utility subsidiaries' rate plans; the intentional misconduct of employees or contractors could adversely affect it; the failure of, or damage to, its subsidiaries' facilities could adversely affect it; a cyber-attack could adversely affect it; it is exposed to risks from the environmental consequences of its subsidiaries' operations; a disruption in the wholesale energy markets or failure by an energy supplier 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 also is useful and meaningful to investors to facilitate their analysis of the company's financial performance.

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# Complementary Business Mix with Utilities at the Core

LTM GAAP EPS Contribution<sup>(1)</sup>

## Regulated Utilities



89%

## Clean Energy



8%

## Transmission

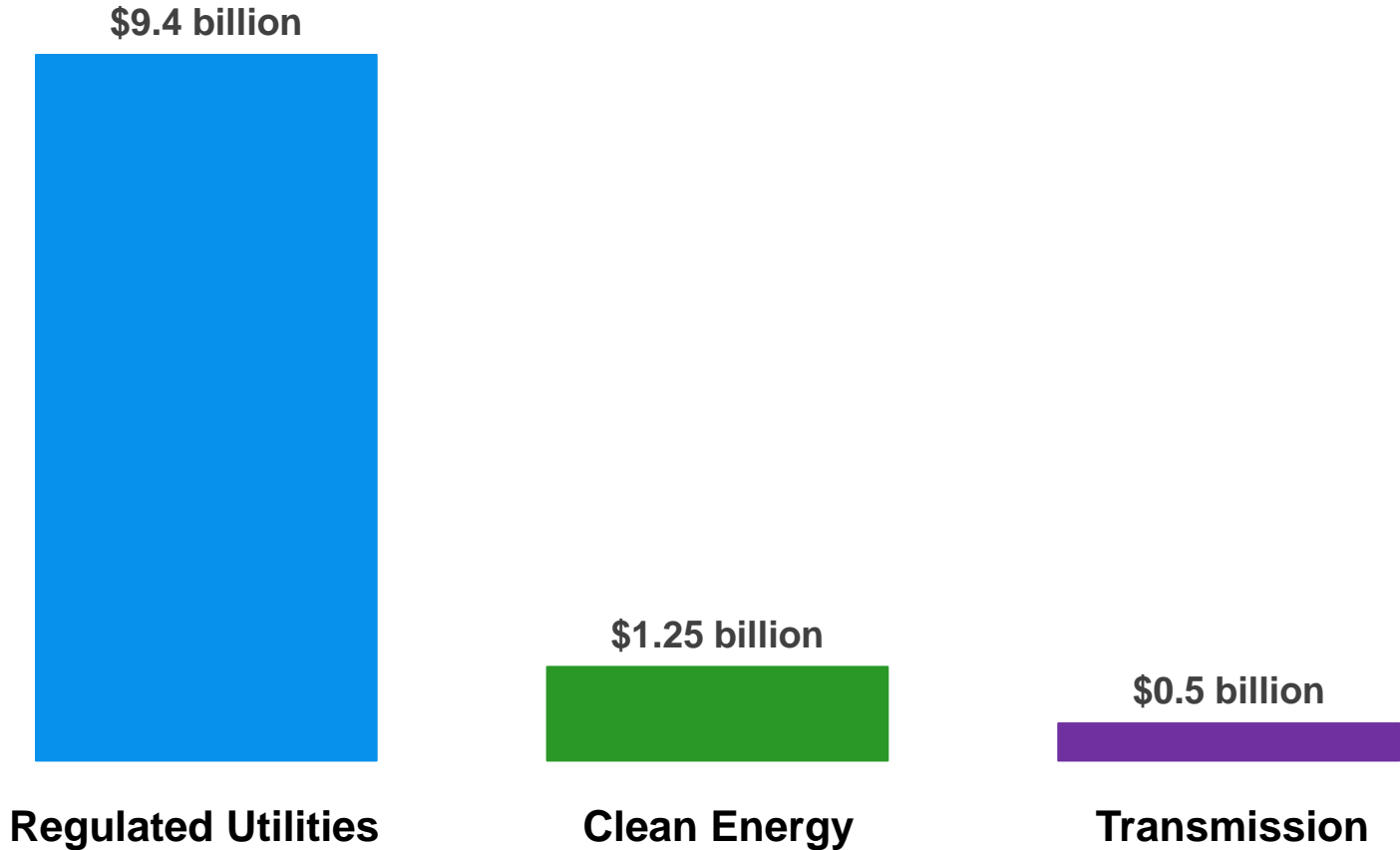


3%

1. Last Twelve Month figures as of 6/30/17.

# Opportunities for Growth Across Our Businesses

2017 – 2019 Capital Investment



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

## Track 1

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

## Track 2

**Incentives and new earnings opportunities added to ratemaking design**

## Track 3

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



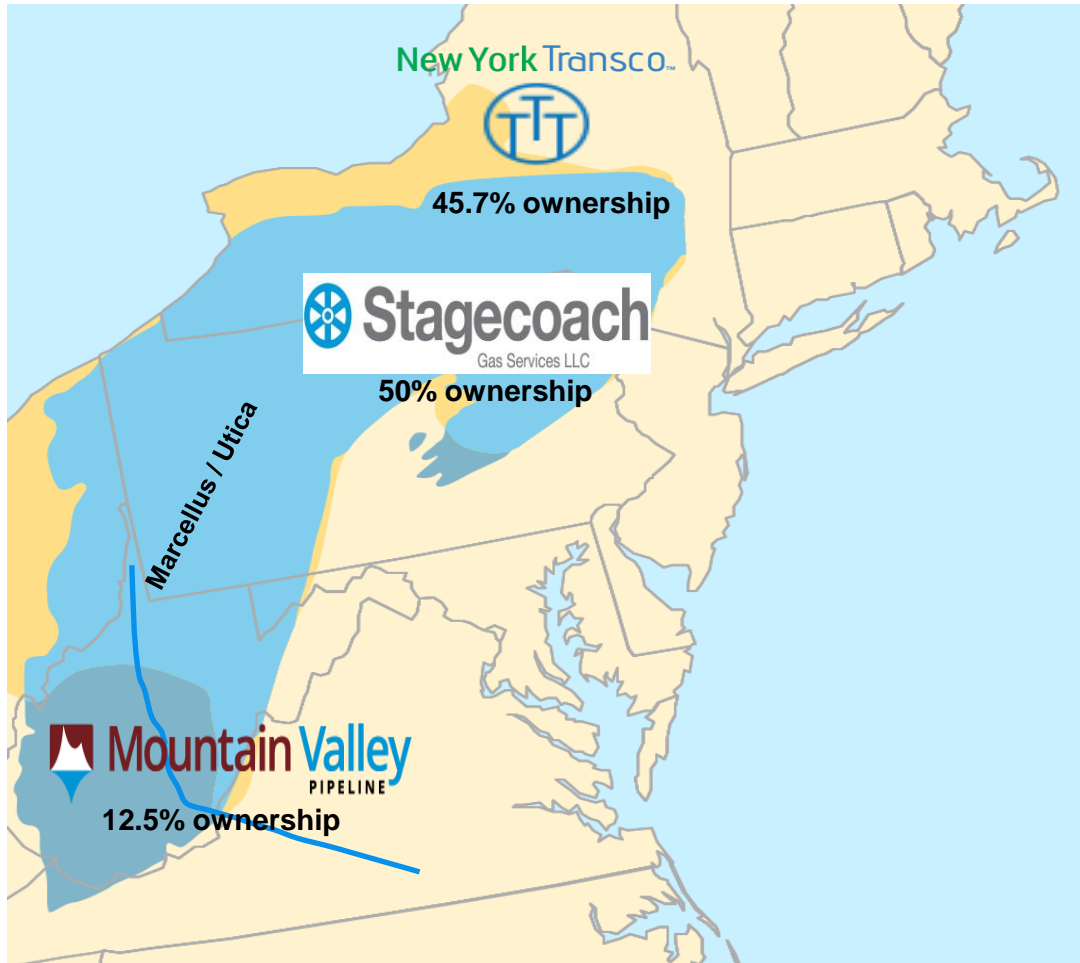
# 1.5+ GW

Renewables portfolio (75% solar)

Ranked #5 among solar PV owners in North America

# Regional Transmission Opportunities Include Gas and Electric

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



## Stagecoach

- 2017 re-contracting season complete
- Performing in-line with expectations

## Mountain Valley Pipeline

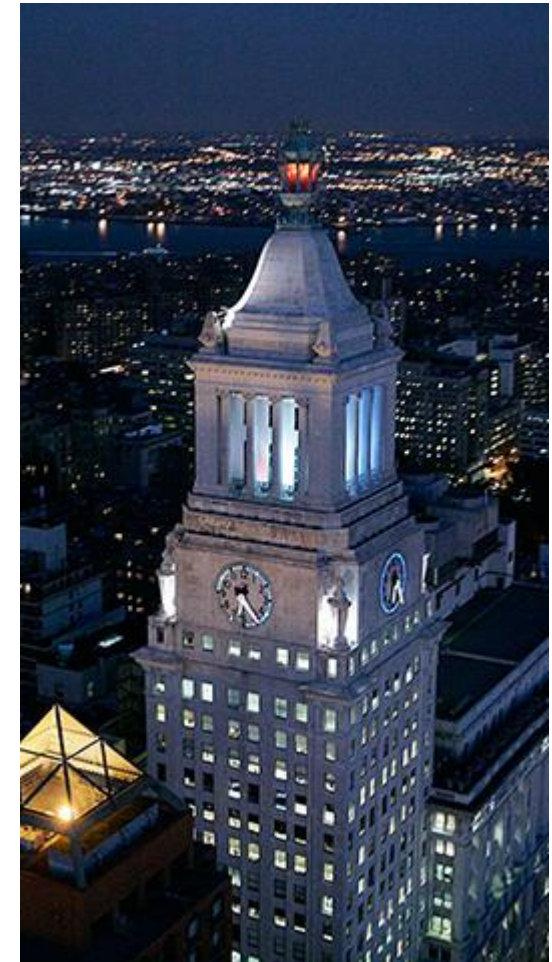
- FERC issued final EIS in June 2017, currently awaiting final federal approvals
- 4Q 2018 expected in-service date

## New York Transco

- Competing for 1,000 MW AC transmission line
- Decision expected in Q1 2018

# Con Edison: Poised for a Powerful Future

- **Regulated utility serving growing customer base**
  - \$49 billion asset base ranks among largest transmission and distribution utilities in the United States
- **Steady earnings, growing dividend**
  - 43 consecutive years of dividend growth
- **Attractive capex opportunities**
  - \$11.1 billion three-year infrastructure investment plan
- **Strong balance sheet and liquidity profile**
  - 49% equity ratio and more than \$1.2 billion of liquidity<sup>(1)</sup>
- **Safety, sustainability and service**
  - Focused on serving our customers and community while reducing carbon footprint and promoting workplace safety



1. As of 6/30/17.



# Appendix

# The Con Edison Plan

## Customer Focused

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Ensure **safety and reliability**

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Enhance the **customer experience**

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Achieve **operational excellence**

## Strategic

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**Strengthen core utility**  
delivery business

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

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

## Value Oriented

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Provide **steady,  
predictable earnings**

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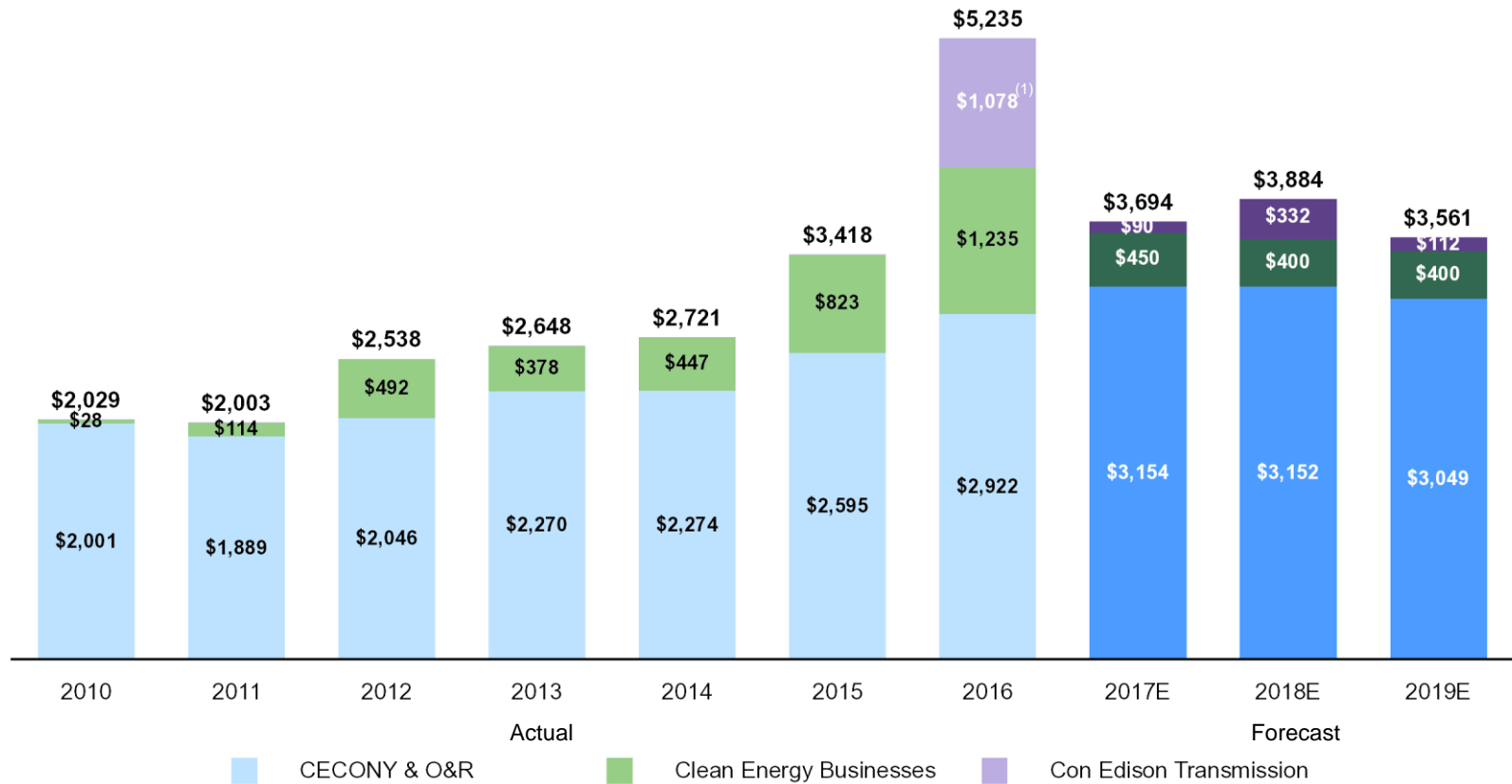
Maintain **balance sheet  
stability**

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Pay **attractive, growing  
dividends**

# Capital Expenditures

(\$ in millions)



1. 2016 includes Stagecoach JV initial investment of \$974 million.

# Utility Capital Expenditures

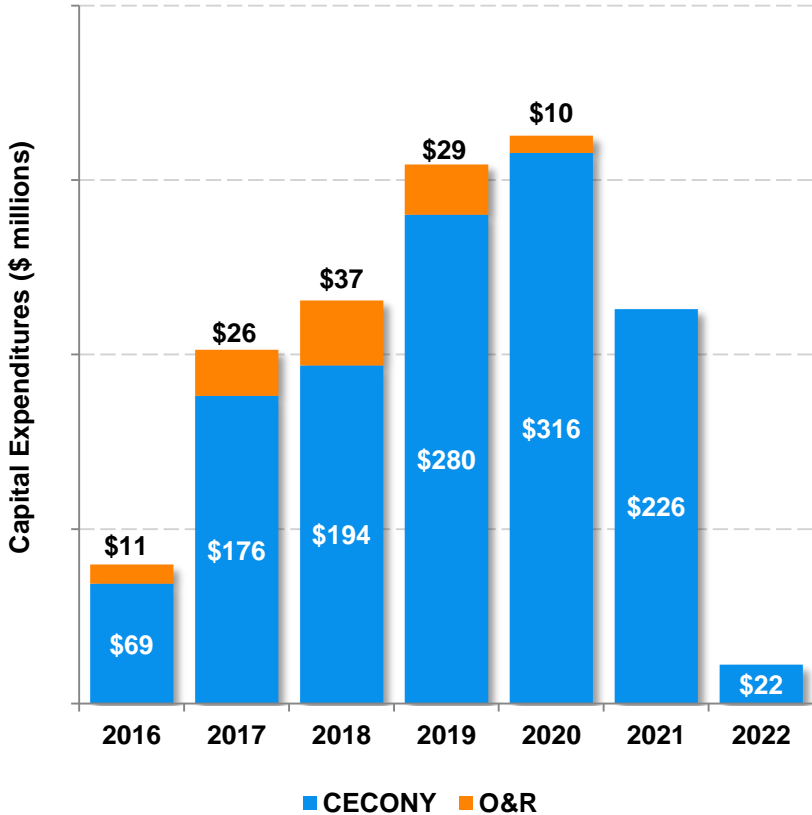
(\$ in millions)



	Annual CECONY Capital Expenditures				Annual O&R Capital Expenditures		
	Electric	Gas	Steam	Depreciation	Electric	Gas	Depreciation
2011	\$1,354	\$335	\$89	\$829	\$79	\$32	\$48
2012	1,375	426	108	894	98	39	53
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	1,103	114	52	68
2017E	1,957	935	70	1,203	136	56	72
2018E	1,919	953	71	1,259	151	58	78
2019E	1,798	983	68	1,341	148	52	83

# Pursuing Non-Traditional Utility Growth Smart Meters

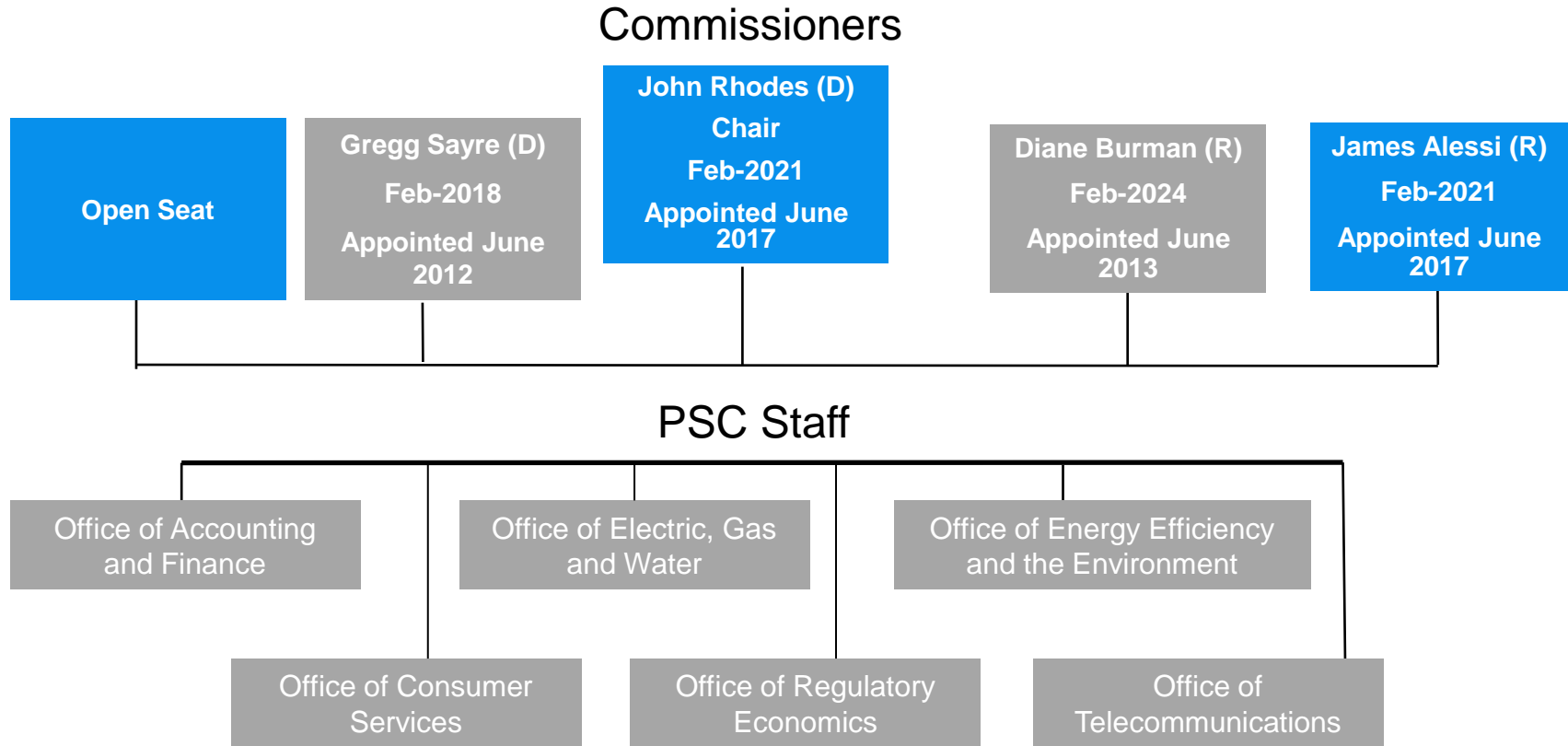
Approved capital investment



- NYSPSC authorized deployment for \$1.4 billion at CECONY and O&R
- First smart meters installed in July 2017
- Customer engagement plan includes AMI awareness, education, and rate design pilot

# New York Public Service Commission (NY PSC) Update

- Two new commissioners confirmed in June 2017, reducing the number of open seats to one



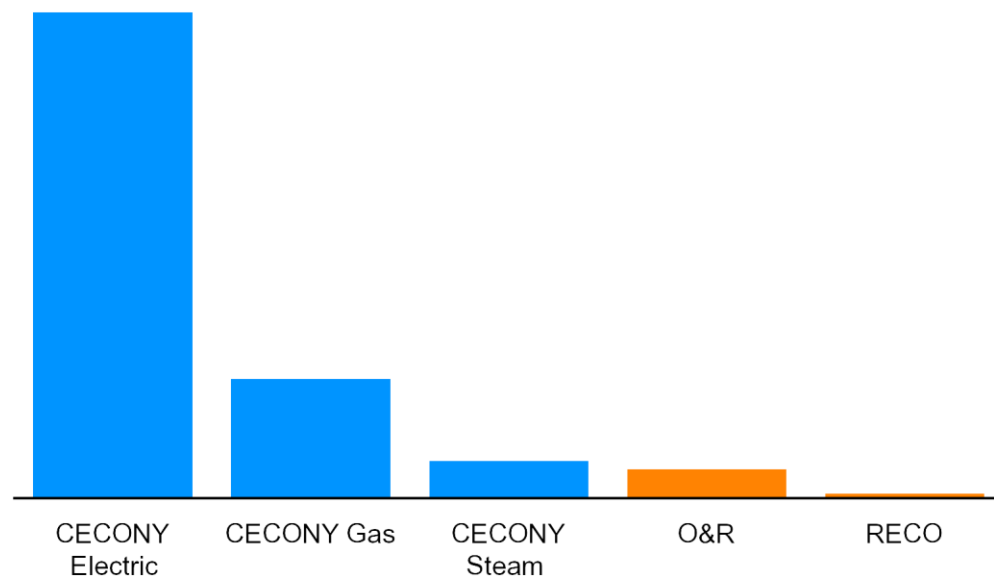
- Annual budget: \$84 million; Staffing: 533 employees
- Regulates: Electric (48 companies), Gas (19), Steam (1), Water (277), Telecom (429), Cable (30)

# Composition of Regulatory Rate Base<sup>(1)</sup> (as of June 30, 2017)

CECONY		(\$ in millions)	
Electric	NY	\$	18,227
Gas	NY		4,497
Steam	NY		1,427
<b>Total CECONY</b>		<b>\$</b>	<b>24,151</b>

O&R		(\$ in millions)	
O&R Electric	NY	\$	747
O&R Gas	NY		376
RECO	NJ		211
<b>Total O&amp;R</b>		<b>\$</b>	<b>1,334</b>

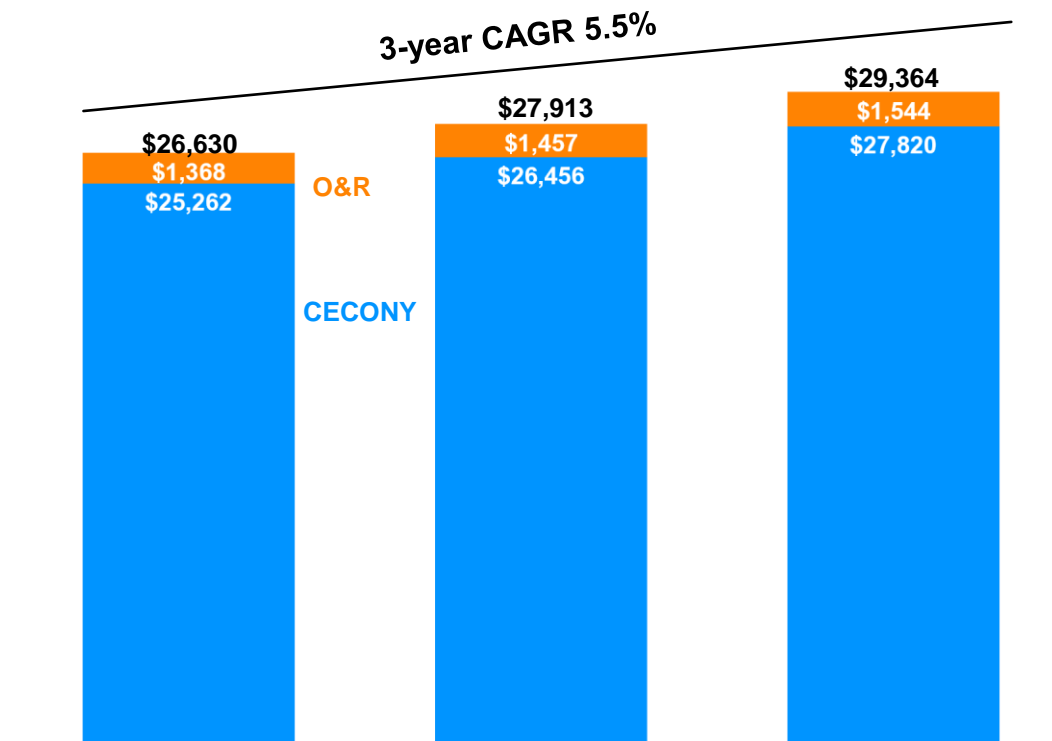
**Total Rate Base     \$     25,485**



1. Average rate base for 12 months ended 6/30/2017.

# Forecasted Average Rate Base Balances

(\$ in millions)



		2017	2018	2019
CECONY	Electric	\$ 18,902	\$ 19,530	\$ 20,277
	Gas	4,841	5,395	6,005
	Steam	1,519	1,531	1,538
O&R	Electric	746	784	832
	Gas	392	423	448
RECO	Electric	230	250	264



# Regulated Utility Rates of Return and Equity Ratio (12 Months ended June 30, 2017)

	Regulated Basis	
	Allowed	Actual
<b>CECONY</b>		
Electric	9.0%	9.2%
Gas	9.0	9.0
Steam	9.3	7.9
Overall – CECONY	9.0 <sup>(1)</sup>	9.1
<b>CECONY Equity Ratio</b>	<b>48.0%</b>	<b>48.7%</b>
<b>O&amp;R</b>		
Electric	9.0%	8.0%
Gas	9.0	11.4
RECO	9.6	7.3
Overall – O&R	9.1 <sup>(1)</sup>	8.8
<b>O&amp;R Equity Ratio</b>	<b>48.0%</b>	<b>49.3%</b>

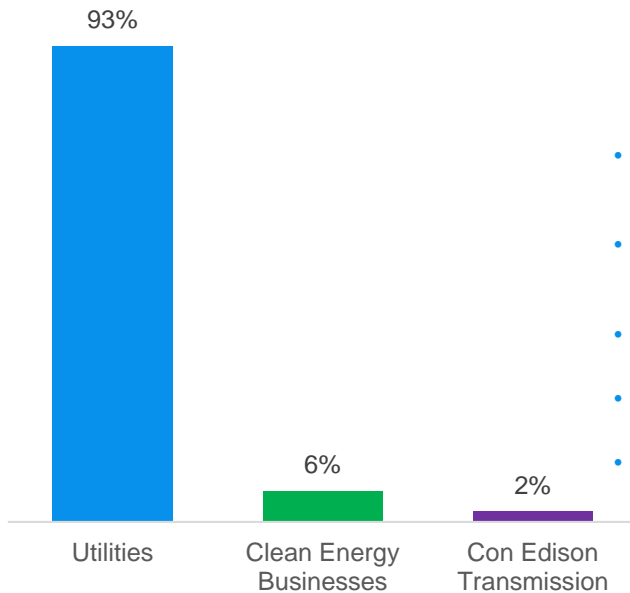
1. Weighted by rate base

# Long-Range Plan Financial Outlook

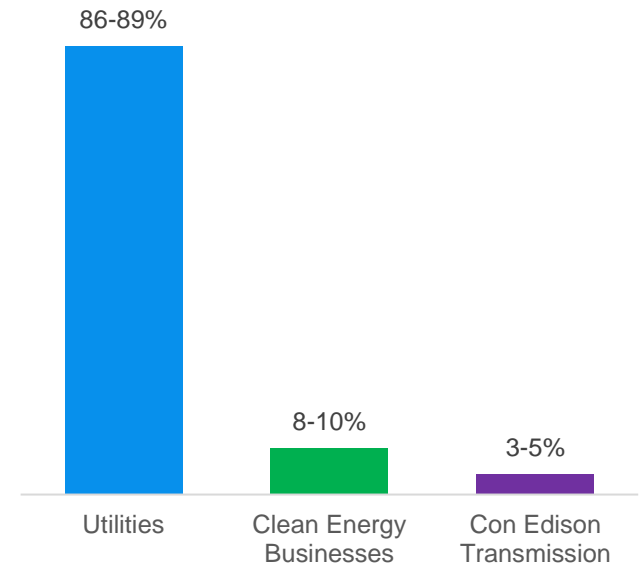
## Utilities continue to be the core of the business mix

- Contracted renewables and new, contracted electric & gas transmission complement utility growth
- Add energy infrastructure and services opportunities as technology and markets develop

2016 Earnings per Share Contribution\*



Long-Range Outlook\*\*



Long-Range Plan Major Assumptions

- Target long-term capital structure of 52% debt / 48% equity
- Beyond current rate plans, earned ROE equal to allowed ROE of 9.0%
- Share price issuance at price/earnings ratio of 17.0x
- Bonus depreciation continues through 2019
- General inflation rate of 2.5%

\*Represents Adjusted Earnings per Share. Please see following page for reconciliation to GAAP.

\*\*Source: Consolidated Edison 20-Year Plan developed in 2016.

# 2016 EPS Reconciliation by Company

For the year ended December 31, 2016

	CECONY	O&R	CED	CEE	CES	CET <sup>(1)</sup>	Parent	Total
Reported EPS – GAAP basis	\$3.52	\$0.20	\$0.08	\$0.01	\$0.30	\$0.07	\$(0.03)	\$4.15
Gain on sale of retail electric supply business	-	-	0.03	-	(0.22)	-	-	(0.19)
Goodwill impairment related to energy service business	-	-	-	-	0.04	-	-	0.04
Net mark-to-market losses/(gains)	-	-	-	0.01	(0.02)	-	-	(0.01)
<b>Adjusted EPS – Non-GAAP basis</b>	<b>\$3.52</b>	<b>\$0.20</b>	<b>\$0.11</b>	<b>\$0.02</b>	<b>\$0.10</b>	<b>\$0.07</b>	<b>\$(0.03)</b>	<b>\$3.99</b>

1. In 2016, Con Edison Transmission began investing, through CET Electric and CET Gas, in electric transmission and gas pipeline and storage assets.