



CON EDISON, INC.

November 2016 Company Update



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; 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 competitive energy businesses 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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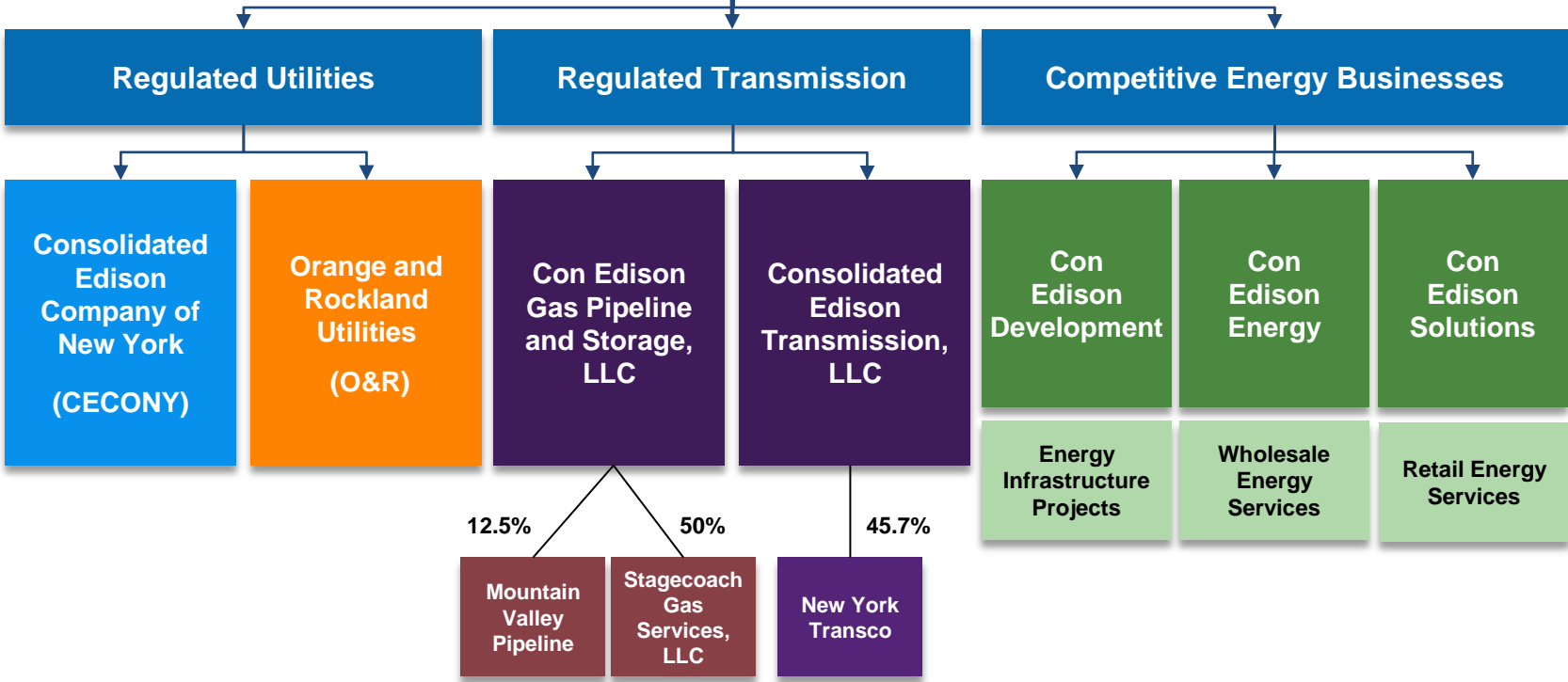
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Organizational Structure



Market Cap⁽¹⁾: \$22.9 billion
 Issuer Ratings: A3 / A- / BBB+
 Outlook: Stable / Negative / Stable



1. As of 9/30/16. Issuer ratings and outlook are shown in order of Moody's / S&P / Fitch.

The Con Edison Strategy

Customer Focused

Ensure safety and reliability

Enhance the customer experience

Achieve operations excellence

Strategic

Strengthen core utility delivery business

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

Grow existing competitive energy businesses

Pursue additional competitive growth opportunities consistent with our risk appetite

Value Oriented

Provide steady, predictable earnings

Maintain balance sheet stability

Pay attractive, growing dividends

Consolidated Edison Investment Thesis

- Core regulated energy delivery business with growing energy infrastructure platform
 - Limited commodity exposure
 - Reduced regulatory lag through forward-looking test years, revenue decoupling and adjustment mechanisms
- Investing in core regulated franchise for customer benefit
 - Majority of investment is replacement and upgrade of existing assets
 - Investments in smart meters and advanced-meter-infrastructure enhance customer service
 - Growth opportunity through increased natural-gas conversions
- Growing portfolio of contracted, regulated transmission and renewable energy investments
 - Utility-scale solar and wind with long-term contracts
 - Electric and gas transmission assets
- Conservative financial profile
 - Strong, stable balance sheet and conservatively managed liquidity
 - 42 consecutive years of dividend increases

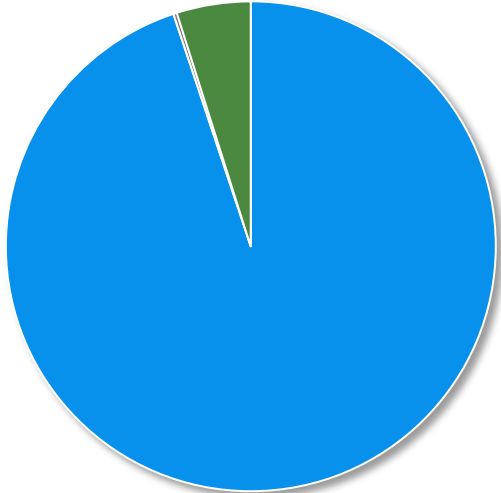
Con Edison's Core Business is Regulated Energy Delivery

Regulated Utility Breakdown

- Con Edison of New York (CECONY)
 - 3.4 million electric customers
 - 1.1 million gas customers
 - 1,700 steam customers
 - 724 MW of regulated generation
 - Delivered 38.5% of NYS 2015 electric peak

- Orange and Rockland (O&R)
 - 0.3 million electric customers
 - 0.1 million gas customers
 - Delivered 3.2% of NYS 2015 electric peak

2015 Earnings per Share Contribution



- CECONY and O&R 95%
- Parent (<1%)
- Competitive Businesses 5%

Reforming the Energy Vision (REV) Puts NY at the Forefront of the Evolving Energy Industry

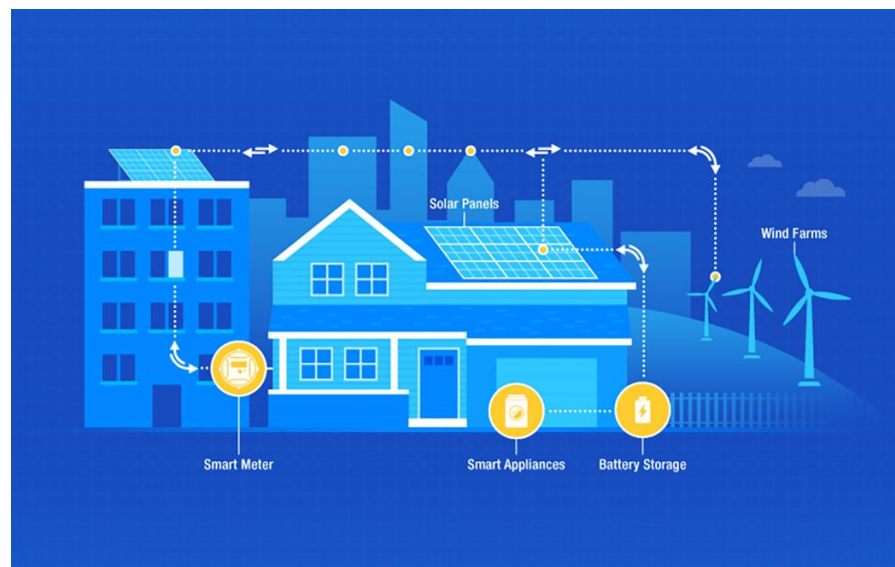
↑ **Generation becomes more flexible**

↑ **Electric usage and flows become more interactive and dynamic**

↑ **Grid becomes smarter all the way up to and including the meter**

↑ **Greater adoption of distributed energy resources**

↑ **Empowered customers become energy producers**



Reforming the Energy Vision (REV)



Track One: Business Framework

- Unlock full value of Distributed Energy Resources (DERs)
- Integrate DERs into system planning, design, procurement, operations
- Achieve environmental benefits and cost reductions
- Order issued February 2015; initial Distributed System Implementation Plan (DSIP) submitted



Track Two: Regulatory & Ratemaking

- Develop new rate mechanisms
- Incentivize utilities to achieve REV goals
- Commission order issued May 2016
- CECONY's Joint Proposal allows for recovery of REV-related expenditures such as DSIP and demonstration projects and earnings adjustment mechanisms for energy efficiency



Track Three: Goals on Emissions

- Promote zero carbon and renewable energy
- Support NY State's 50% by 2030 renewable energy goal (Clean Energy Standard)
- Achieve environmental benefits including 40% carbon emissions reduction by 2030
- Commission order issued August 2016

2016 CECONY Electric Joint Proposal Reflects REV Goals

Expand Energy Efficiency

- From current 0.3% energy efficiency of sales to 0.7% by 2019

Continue System Peak Reduction

- Work with customers and market partners to offer advanced technologies such as battery storage systems and building management systems/controls to reduce peak demand by 94 MWs over three-year rate plan

Create new Electric Vehicles Program

- Incent existing light-duty electric vehicles in the market to charge during off-peak hours, with the goal of reducing system peak demand
- Company will provide equipment, at no cost to the customer, to measure and verify charging times

Earnings Opportunities

- Rate funded program costs earn rate of return
- Earnings adjustment mechanisms performance incentives
 - Two traditional metrics – GWh and MW
 - Three REV “outcome based” metrics

Non-Wires Alternatives

- Separate component of Joint Proposal (funding mechanism for new projects)

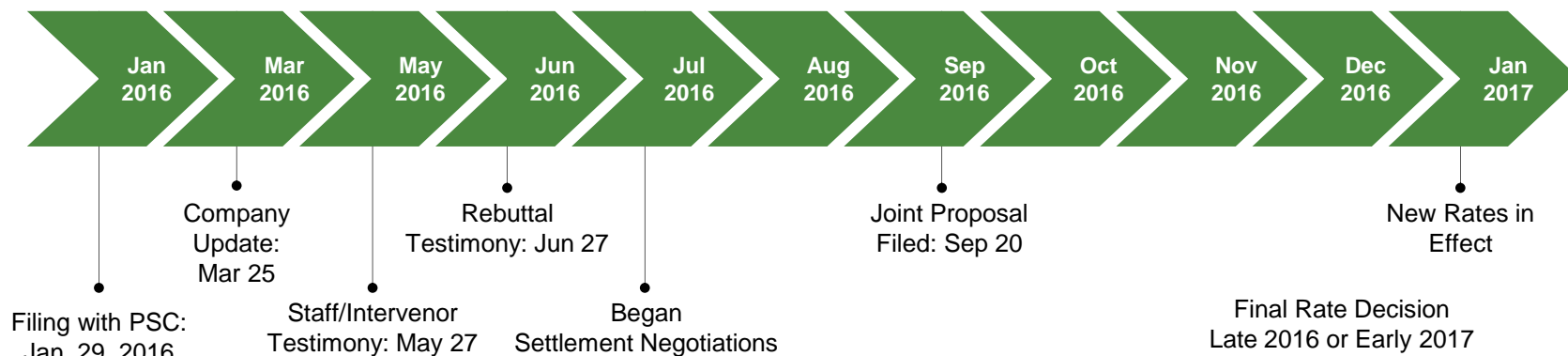
2016 CECONY Electric and Gas Joint Proposal Filed

Joint Proposal Rate Plan Details	Electric Rate Change	Electric Average Rate Base	Electric Capital Expenditures	Gas Rate Change	Gas Average Rate Base	Gas Capital Expenditures
Joint Proposal filed Sept. 20, 2016; new rates effective Jan. 1, 2017 (\$ millions)						
2017*	\$242	\$18,902	\$1,961	\$35	\$4,841	\$916
2018	\$155	\$19,530	\$1,966	\$92	\$5,395	\$939
2019	\$155	\$20,277	\$1,806	\$90	\$6,005	\$966
ROE	9.0%	-	-	9.0%	-	-
Equity Ratio	48%	-	-	48%	-	-

* The electric base rate increases shown above include a \$48 million increase resulting from the December 2016 expiration of a temporary credit under the current rate plan. At the NYS PSC's option, these increases may be implemented with increases of \$199 million in each rate year.

The base rate increase for gas in Year 1 includes a \$41 million increase resulting from the December 2016 expiration of a temporary credit under the current rate plan.

Timeline for rate setting process:



NY PSC Staff's Formulaic Approach to Returns on Equity

2/3 Discounted Cash Flow model
+
1/3 Capital Asset Pricing model



Rate of return on equity

Discounted Cash Flow Model (2/3 weighting)

- The Staff employs a dividend discount model.

$$\text{Value} = \frac{D_1}{(1+R)} + \frac{D_2}{(1+R)^2} + \frac{D_3}{(1+R)^3} + \dots$$

- Solving for an equity return, R, where:
 - D_1 through D_4 = Value Line estimates
 - D_5 through D_∞ = Value Line estimates based on future earnings retention and share growth
 - Value = average of prior three monthly high and low proxy group stock prices

Capital Asset Pricing Model (1/3 weighting)

- Staff solves for an equity return, R

$$R = R_{UST} + (R_{MKT} - R_{UST}) * \beta$$

- Where:
 - R_{UST} is the risk-free return: average of prior three monthly yields for 10-year and 30-year Treasuries
 - R_{MKT} is the market rate of return: BofA Merrill Lynch's monthly *Quantitative Profiles* report (three month average)
 - β is the risk of the individual share relative to that of the market: Value Line estimate for peer group

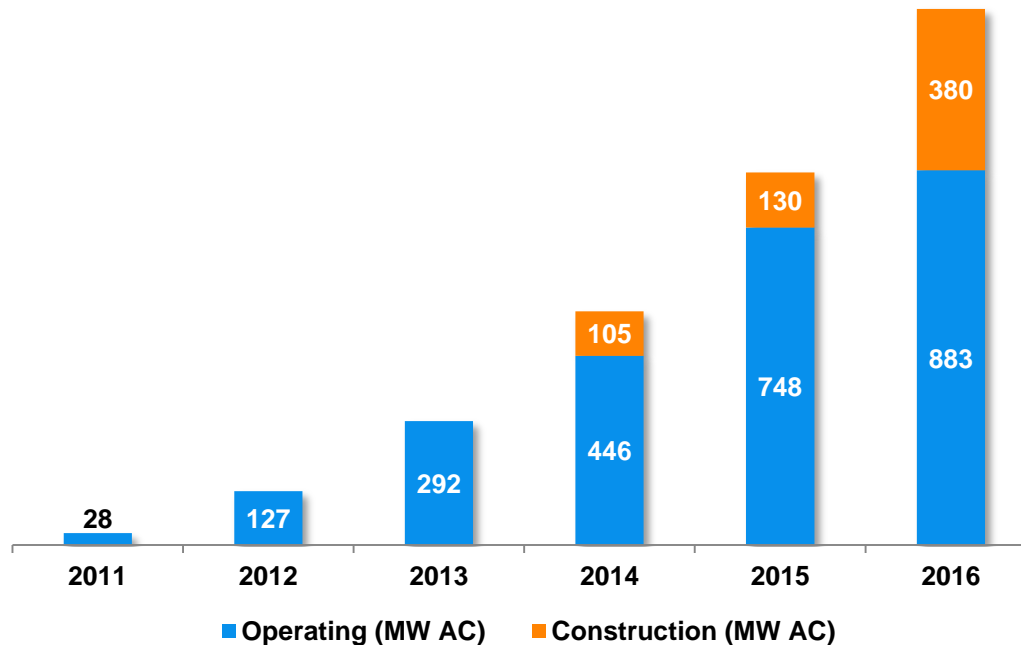
NY PSC's Formulaic ROE Approach: Decisions 2006 – 2016 YTD

Date	Company	ROE	Term	Date	Company	ROE	Term
09/06	CECONY Steam	9.80%	2 years	09/10	Energy East (RGE/NYSEG)	10.00%	40 months
10/06	O&R Gas	9.80%	3 years	06/11	Niagara Mohawk Electric	9.30%	2 years
08/07	Keyspan Gas	9.80%	5 years	06/11	O&R Electric	9.20%	1 year
09/07	CECONY Gas	9.70%	3 years	04/12	Corning Gas	9.50%	3 years
10/07	O&R Electric	9.10%	1 year	06/12	O&R Electric	9.40%	1 st year
12/07	National Fuel Gas	9.10%	1 year			9.50%	2 nd year
03/08	CECONY Electric	9.10%	1 year			9.60%	3 rd year
06/08	O&R Electric	9.40%	3 years	04/13	Niagara Mohawk Electric & Gas	9.30%	3 years
09/08	CECONY Steam	9.30%	2 years	06/13	Keyspan Gas	9.40%	2 years
04/09	CECONY Electric	10.00%	1 year	02/14	CECONY Gas and Steam	9.30%	3 years
05/09	Niagara Mohawk Gas	10.20%	2 years	02/14	CECONY Electric	9.20%	2 years
06/09	Central Hudson	10.00%	1 year	05/14	National Fuel Gas	9.10%	2 years
09/09	Corning Gas	10.70%	2 years	06/15	Central Hudson Gas & Electric	9.00%	3 years
10/09	O&R Gas	10.40%	3 years	06/15	CECONY Electric extension	9.00%	3 rd year
03/10	CECONY Electric	10.15%	3 years	10/15	O&R Electric/Gas	9.00%	2 years/ 3 years
06/10	Central Hudson	10.00%	3 years	6/16	Energy East (RGE/NYSEG)	9.00%	3 years
09/10	CECONY Gas	9.60%	3 years	9/16	Keyspan Gas Joint Proposal	9.00%	3 years
09/10	CECONY Steam	9.60%	3 years	9/16	CECONY Electric and Gas Joint Proposal	9.00%	3 years

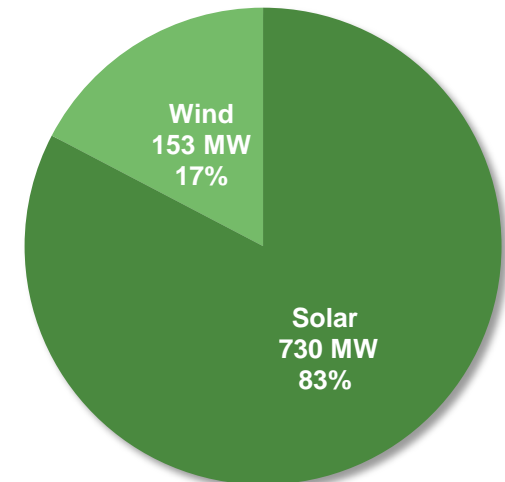
Pursue non-utility growth

Con Edison Development: 5th largest owner of solar in US

Conservative, measured approach aimed at contracted infrastructure development and focused on investment-grade off-takers



2016 Operating Capacity



Over 95% of capacity is under long-term power purchase agreements

Con Edison Development: Renewable Asset Summary

CED has built a renewables portfolio consisting of 883 MW operating projects and 380 MW under construction (expected as of year end 2016)

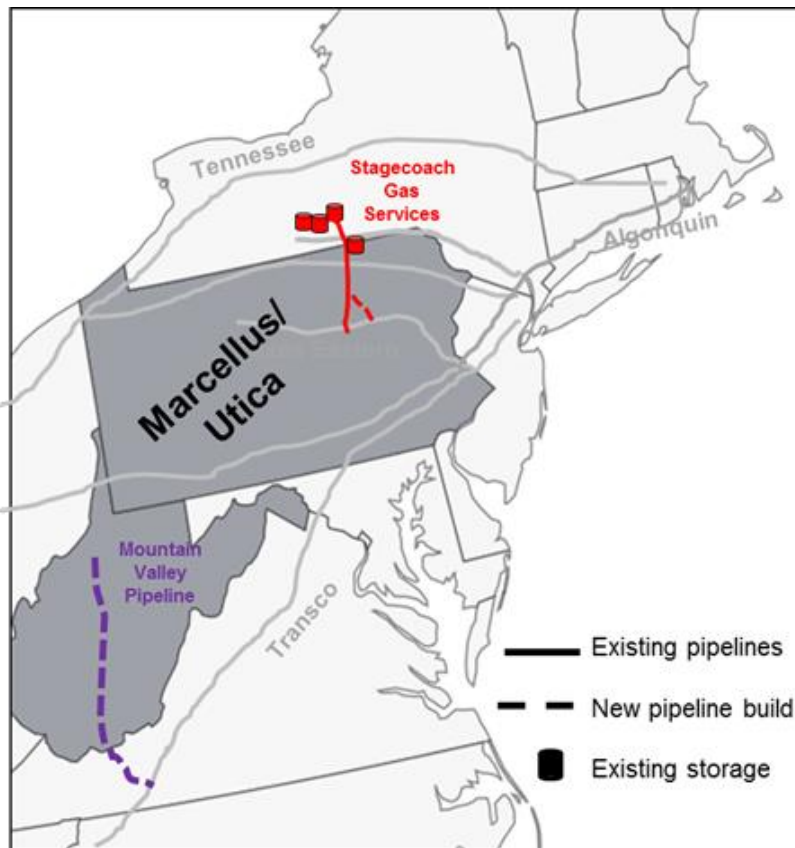
Project Name	Production Technology	MW-DC	MW-AC	Actual / Expected In-Service Date	Location (State)
<i>Wholly owned projects</i>					
Pilesgrove	Solar	20	18		New Jersey
Flemington Solar	Solar	10	8	2011	New Jersey
Frenchtown I, II and III	Solar	17	14	2011-13	New Jersey
PA Solar	Solar	12	10	2012	Pennsylvania
California Solar 2	Solar	112	80	2014-16	California
Oak Tree Wind	Wind	20	20	2014	South Dakota
Texas Solar 3	Solar	7	6	2015	Texas
Texas Solar 5	Solar	118	95	2015	Texas
Campbell County Wind	Wind	95	95	2015	South Dakota
Texas Solar 7	Solar	132	106	2016	Texas
Projects of less than 5 MW	Solar	24	20	Various	Various
<i>Jointly owned projects</i>					
California Solar	Solar	72	55	2012-13	California
Mesquite Solar 1	Solar	115	83	2013	Arizona
Copper Mountain Solar 2	Solar	100	75	2013-15	Nevada
Copper Mountain Solar 3	Solar	173	128	2014-15	Nevada
Broken Bow II	Wind	38	38	2014	Nebraska
Texas Solar 4	Solar	38	32	2014	Texas
Total MW in Operation		1,103	883		
California Solar 3	Solar	145	110	2016	California
Upton County	Solar	200	150	2016	Texas
Panoche Valley	Solar	335	120	2019	California
Total MW in Construction		680	380		
Total MW, All Projects		1,783⁽¹⁾	1,263⁽¹⁾		

(1) Additionally, in October 2015, Con Edison Development purchased Lost Hills, which is developing but has not started constructing, a 20 MW (AC) solar electric production project in California.

Con Edison Transmission: Overview of Natural Gas Services Assets

Provides an opportunity for Con Edison to further expand its Federal Energy Regulatory Commission-regulated-transmission business into growth markets

Natural Gas Pipeline & Storage Footprint



Asset Description

Stagecoach Storage (50% ownership)

- 41 Bcf of natural gas storage; 99% subscribed
- Storage position with top regional utility customers: CECONY, NJNG, PSE&G, NYSEG
- Weighted average contract duration of approximately two years

Stagecoach Pipelines (50% ownership)

- Total pipeline length of 159 miles with interconnections to Millennium, Tennessee, and Transco pipelines
- 3 natural gas pipelines (MARC I, North/South and the East Pipeline) with a combined throughput capacity of 2,960 Mmcf per day
- Favorable long-term supply fundamentals
- Contract duration between four and six years

Mountain Valley Pipeline (12.5% ownership)

- Proposed new 300-mile pipeline (2 million Dt/day) that connects Equitrans (EQT) pipeline in northwestern West Virginia to Columbia Gas Transmission and Transco pipelines
- Fully contracted under 20-year agreements
- 12.5% of firm capacity contracted by CECONY & O&R
- ~\$3 billion project with 4Q 2018 expected in-service date

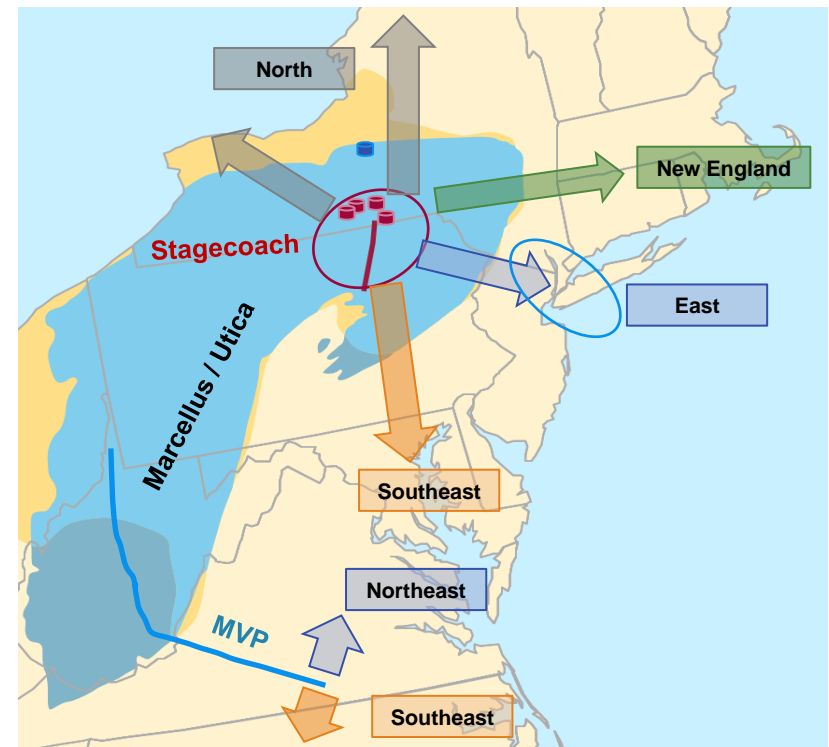
Con Edison Transmission: Portfolio with Growth Opportunities

The strategic position of Stagecoach and Mountain Valley Pipeline (MVP) presents growth opportunities in areas where Con Edison has a long-term operating history

Rationale and Benefits

- Assets are situated within the core of the Northeast Pennsylvania Marcellus/Utica Shale gas supply area
- Gas demand throughout the east coast is forecasted to grow; customers responding to lower gas prices
- Assets benefit from numerous infrastructure projects expected to increase exports out of the region over the next five years
- Stagecoach has identified long-term growth projects

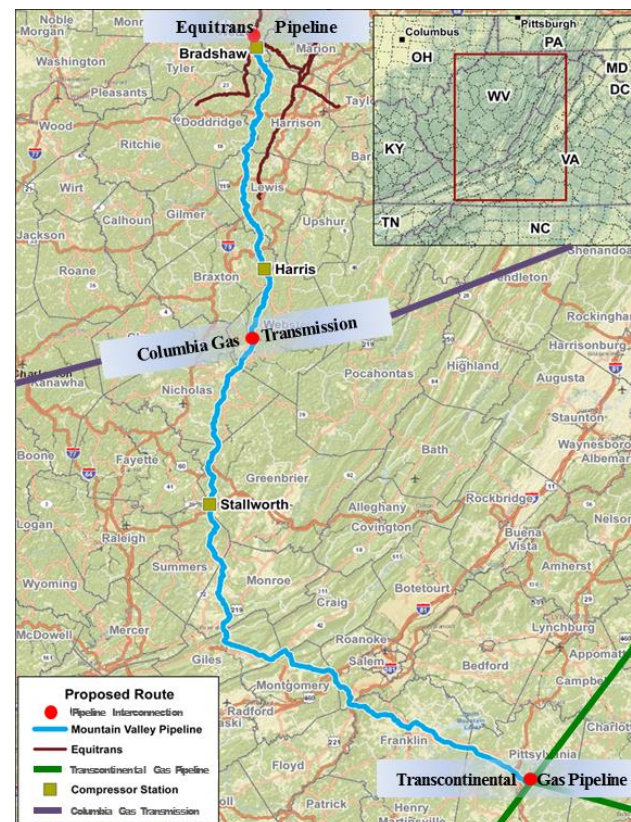
Gas Demand Flows



Con Edison Transmission: Mountain Valley is CET's First Gas Pipeline Investment

Mountain Valley Pipeline

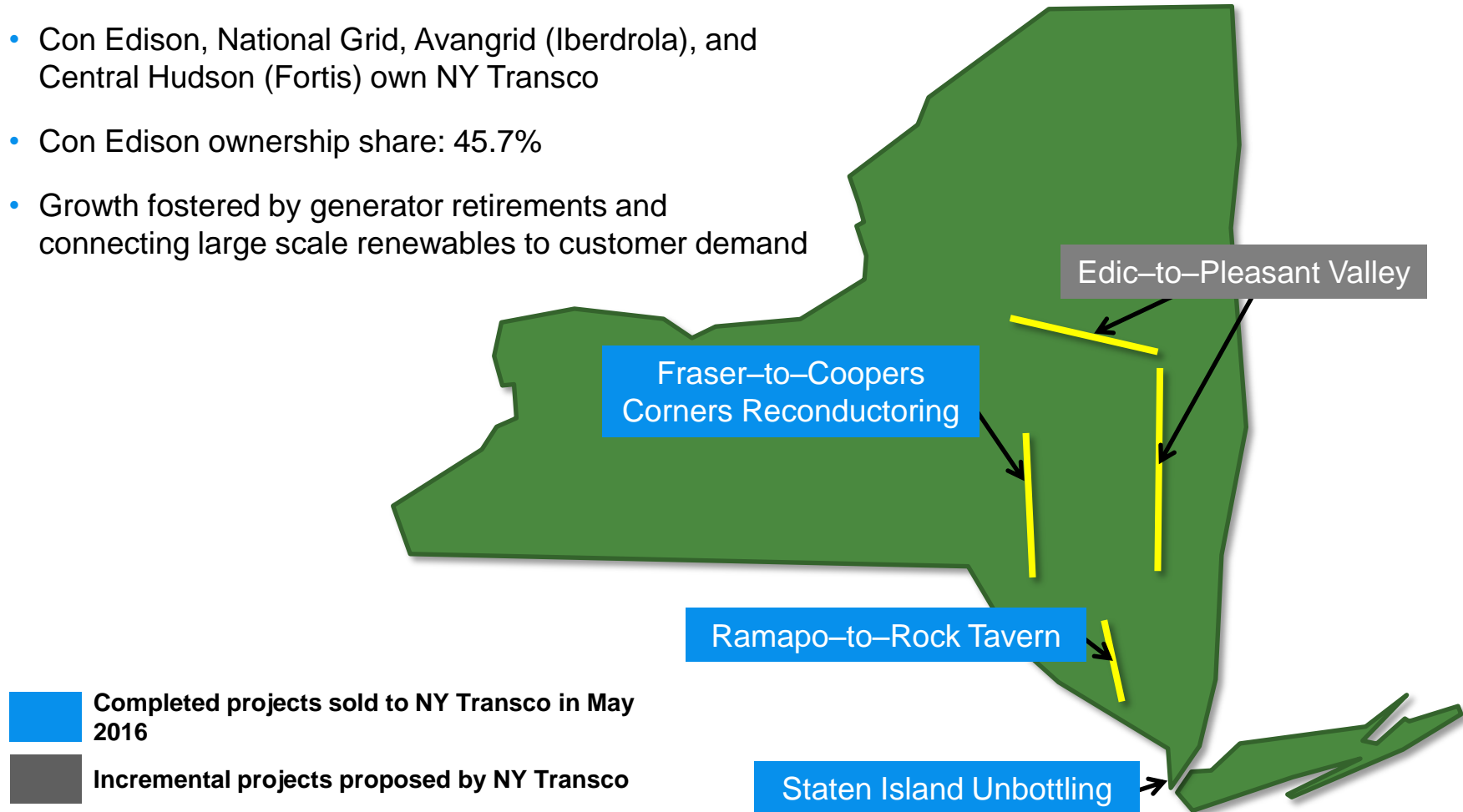
Description	300 mile pipeline (2 million Dt/day) that connects Equitrans (EQT) pipeline in northwestern West Virginia to Columbia Gas Transmission and Transco pipelines
Location	West Virginia and Virginia
Con Edison Interest	12.5% ownership interest 12.5% of firm capacity contracted by CECONY & O&R
Total Cost Estimate	\$3 billion to \$3.5 billion
Shippers	EQT Energy, NextEra Midstream, Con Edison (CECONY/O&R), WGL Midstream, Vega Energy, Roanoke Gas
Financing	Partnership funding and financing to be completed by the partners individually
Engineering & Procurement	EQT Midstream
Permitting	Under FERC and other agency review
Status	Federal Energy Regulatory Commission (FERC) application submitted in Oct. 2015; Sept. 2016, FERC issued Draft Environmental Impact Statement; awaiting approvals
Expected In-Service Date	4Q 2018



Con Edison Transmission: NY Transco Projects

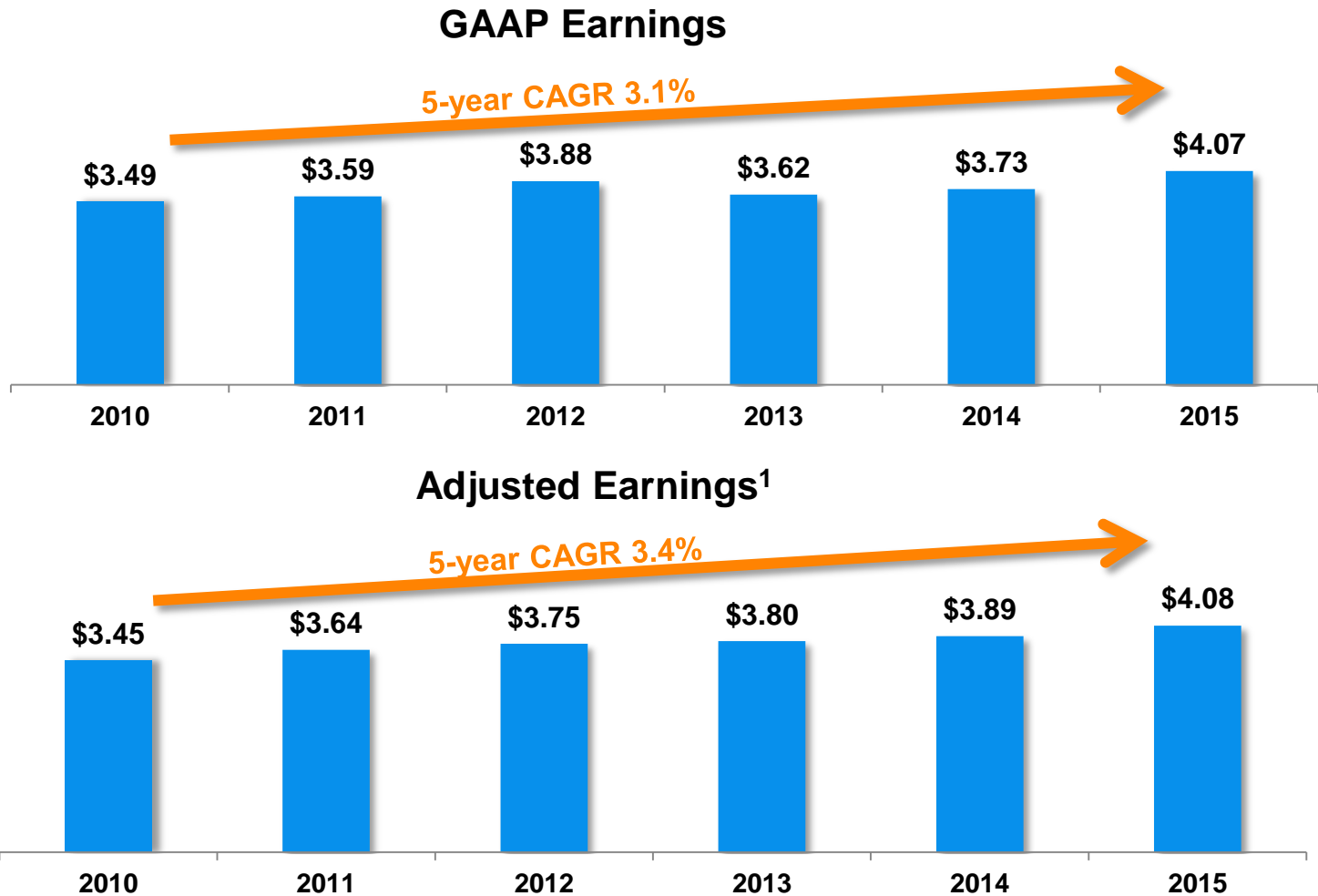
Completed Projects and Proposed Transmission Upgrades

- Con Edison, National Grid, Avangrid (Iberdrola), and Central Hudson (Fortis) own NY Transco
- Con Edison ownership share: 45.7%
- Growth fostered by generator retirements and connecting large scale renewables to customer demand



Con Edison

Steady Growth in Earnings per Share



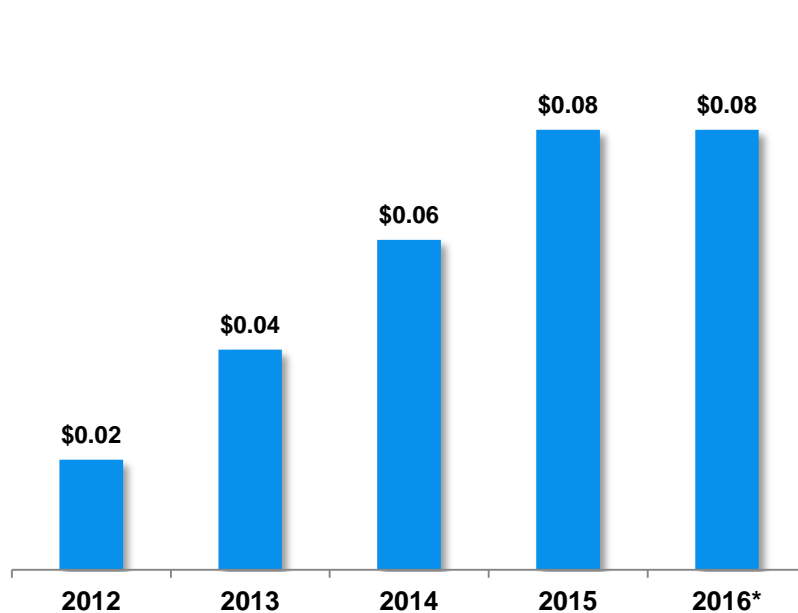
1. Please refer to appendix for GAAP reconciliation.

42 Consecutive Years of Dividend Increases

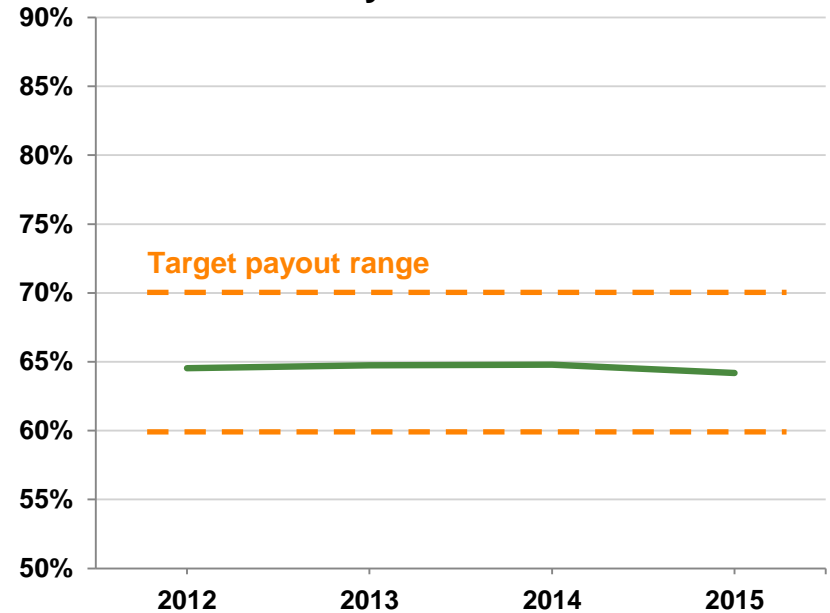
Only Utility in S&P 500 with 30 or More Straight Years of Dividend Increases

2016 Indicated Dividend = \$2.68

Dividend Increases 2012 – 2016



Dividend Payout Ratio 2012 – 2015



*On January 21, 2016 and April, 21 2016 Con Edison declared quarterly dividends of 67 cents a share, for an annualized rate of \$2.68. Future dividend actions are subject to Board of Directors approval among other factors.

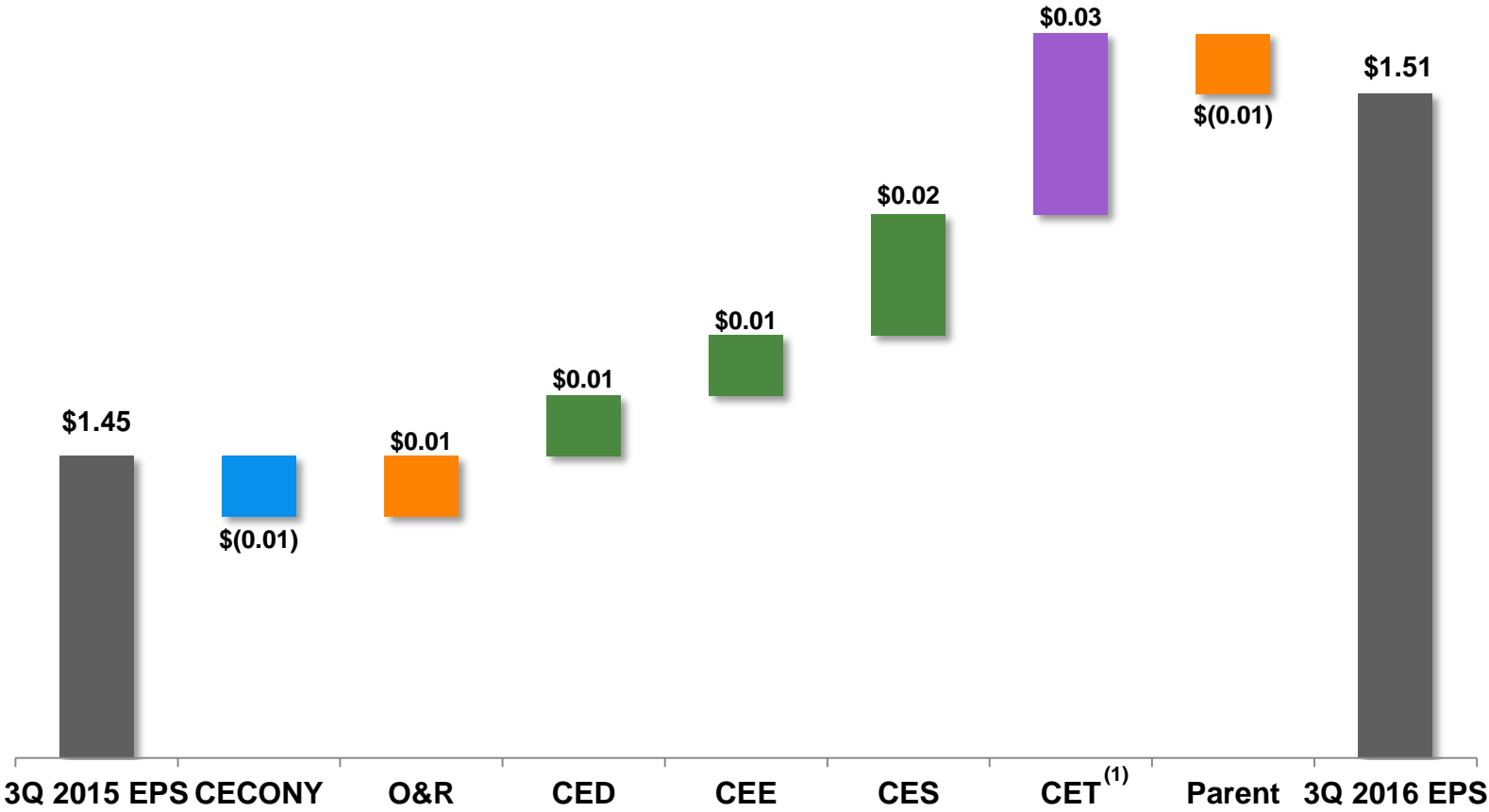
**CONSOLIDATED
EDISON, INC.**

**3rd Quarter 2016
Earnings Release
Supplement**

Consolidated Edison, Inc. 3Q 2016 Earnings

	Net Income (\$ Millions)		Earnings per Share	
	2016	2015	2016	2015
Reported EPS and Net Income – GAAP basis	\$497	\$428	\$1.63	\$1.46
Gain on sale of retail electric supply business	(47)	-	(0.15)	-
Gain on acquisition of Pilesgrove solar investment	(5)	-	(0.02)	-
Impairment on assets held for sale – Pike	-	3	-	0.01
Net mark-to-market – effects of the CEBs	15	(7)	0.05	(0.02)
Adjusted EPS and Adjusted Earnings – non-GAAP basis	\$460	\$424	\$1.51	\$1.45

Walk from 3Q 2015 EPS to 3Q 2016 EPS – Non-GAAP Basis



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

3Q 2015 to 3Q 2016 Adjusted EPS Variances

	<u>Variance</u>	<u>Explanation</u>
	EPS	
CECONY		
Regulatory Reserves	\$0.01	Changes in regulatory charges
Lower ROE at CECONY	(0.01)	Changes in rate plans (allowed ROE dropped from 9.2% to 9.0%)
Lower O&M - Operations	0.04	Lower stock-based compensation and uncollectibles
Other	(0.05)	Dilutive effect of stock issuances
Total CECONY	\$(0.01)	
O&R		
Total O&R	\$0.01	Lower O&M expenses
Competitive Energy Businesses		
CES	\$0.02	Higher retail gross profit
CEE	0.01	-
CED	0.01	Higher income from renewable investments
Total CEBs	\$0.04	
CET		
Total CET	\$0.03	New income from equity investments
Parent		
Parent Co.	\$(0.01)	
Total Consolidated CEI	\$0.06	

3Q 2016 vs. 3Q 2015 Adjusted EPS by Company

3 months ending September 30, 2016

	CECONY	O&R	CED	CEE	CES	CET ⁽¹⁾	Parent	Total
Reported EPS – GAAP basis	\$1.27	\$0.09	\$0.01	\$0.01	\$0.24	\$0.03	\$(0.02)	\$1.63
Gain on sale of retail electric supply business	-	-	0.07	-	(0.22)	-	-	(0.15)
Gain on acquisition of Pilesgrove solar investment	-	-	(0.02)	-	-	-	-	(0.02)
Mark-to-market losses/(gains)	-	-	-	-	0.05	-	-	0.05
Adjusted EPS – Non-GAAP basis	\$1.27	\$0.09	\$0.06	\$0.01	\$0.07	\$0.03	\$(0.02)	\$1.51

3 months ending September 30, 2015

	CECONY	O&R	CED	CEE	CES	Parent	Total
Reported EPS – GAAP basis	\$1.28	\$0.07	\$0.05	\$-	\$0.07	\$(0.01)	\$1.46
Impairment on assets held for sale - Pike	-	0.01	-	-	-	-	0.01
Mark-to-market losses/(gains)	-	-	-	-	(0.02)	-	(0.02)
Adjusted EPS – Non-GAAP basis	\$1.28	\$0.08	\$0.05	\$-	\$0.05	\$(0.01)	\$1.45

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

3Q 2016 Developments

- Note B: Regulatory Matters (see pages 19-22 of 3Q 2016 Form 10-Q)
 - Joint Proposal for CECONY electric and gas rate plans filed in September 2016 (pages 19-21)
 - At September 30, 2016, CECONY had regulatory liability of \$28 million for June 2014 plastic fusion proceeding and November 2015 order to show cause (page 22)
 - CECONY has incurred costs for gas emergency response activities in 2014, 2015 and 2016 in excess of amounts reflected in the company's gas rate plan. The company has requested NYSPSC authorization to defer as a regulatory asset \$29 million and \$35 million of such incremental costs incurred in 2014 and 2015, respectively. The company estimates that it will incur \$37 million of such incremental costs in 2016. At September 30, 2016, the company had not deferred any such incremental costs. (page 22)
- Note C: Capitalization (page 24)
 - CECONY redemption of \$400 million, 5.5% debenture in September 2016.
 - O&R redemption of \$75 million, 5.45% debenture in October 2016; September 2016 agreement to issue and sell for delivery in December 2016 \$75 million, 3.88% debenture.
- Note I: Income Tax (page 30)
 - Company received refund of \$35 million in October 2016 from 2015 federal income tax return

3Q 2016 Developments

- Note P: Acquisitions, Investments and Dispositions (see pages 41-42 of 3Q 2016 Form 10-Q)
 - 106 MW Texas Solar 7 electric production project reached commercial operation in 3Q-16 (page 41)
 - In June 2016, Con Edison Development recorded an \$8 million (\$5 million, net of taxes) impairment charge on its 50 percent interest in Pilesgrove Solar, LLC (Pilesgrove). In August 2016, Con Edison Development acquired the remaining 50 percent interest in Pilesgrove for a purchase price of \$15 million and recorded a gain of \$8 million (\$5 million, net of taxes). The impairment charge and gain are included in Investment and other income on Con Edison's consolidated income statement. (page 42)
 - In October 2016, Con Edison Development acquired the remaining 50% ownership interest in Panoche Holdings, LLC, which is developing a 240 MW (AC) solar electric production project in CA, for cash consideration of \$37 million, net of applicable purchase price adjustments. (page 42)
 - Sale of Pike County Light & Power completed in August 2016 for cash consideration of \$15 million. (page 42)
 - Sale of Con Edison Solutions' retail electric supply business completed in September 2016 for cash consideration of \$235 million, subject to working capital adjustments. The sale resulted in a gain of \$104 million (\$47 million, net of taxes, inclusive of a \$65 million (\$42 million, net of taxes) gain on derivative instruments. The tax effect of the sale includes \$29 million (\$19 million, net of federal tax) of state taxes related to a change in the apportionment of state income taxes. (page 42)

3Q 2016 Developments

- Management's Discussion and Analysis: Results of Operations (see pages 44-73 of 3Q 2016 Form 10-Q)
 - CECONY: Summer 2016 electric peak demand of 12,652 MW occurred on August 11, 2016. At design conditions, electric peak demand in the company's service area would have been about 13,450 MW in 2016 compared to the company's forecast of 13,650 MW. The company's five-year forecast of average annual growth of the electric peak demand in its service area at design conditions is approximately 0.2 percent for 2017 to 2021 (the same as its forecast for 2016 to 2020). (page 45).
 - O&R: Summer 2016 electric peak demand of 1,435 MW occurred on July 22, 2016. At design conditions, electric peak demand in the company's service area would have been about 1,615 MW in 2016 compared to the company's forecast of 1,632 MW. O&R decreased its five-year forecast of average annual growth of the electric peak demand from approximately 0.3 percent (for 2016 to 2020) to (0.1) percent (2017 to 2021) due to a forecasted increase in distributed generation as well as lower growth in demand from residential customers. (page 45).
 - Capital Requirements and Resources: CECONY plans to issue up to \$750 million of long-term debt later in 2016. (page 69)
 - Regulatory Matters: In August 2016, the NYSPSC issued an order adopting the New York State Energy Plan's 50x30 renewable energy goal and adopted a Clean Energy Standard that includes renewable energy credit and zero-emissions credit requirements. (pages 70-71)
 - Con Edison Development: 1,263 MW (AC) of renewable energy production projects in service (883 MW) or under construction (380 MW). (page 71)

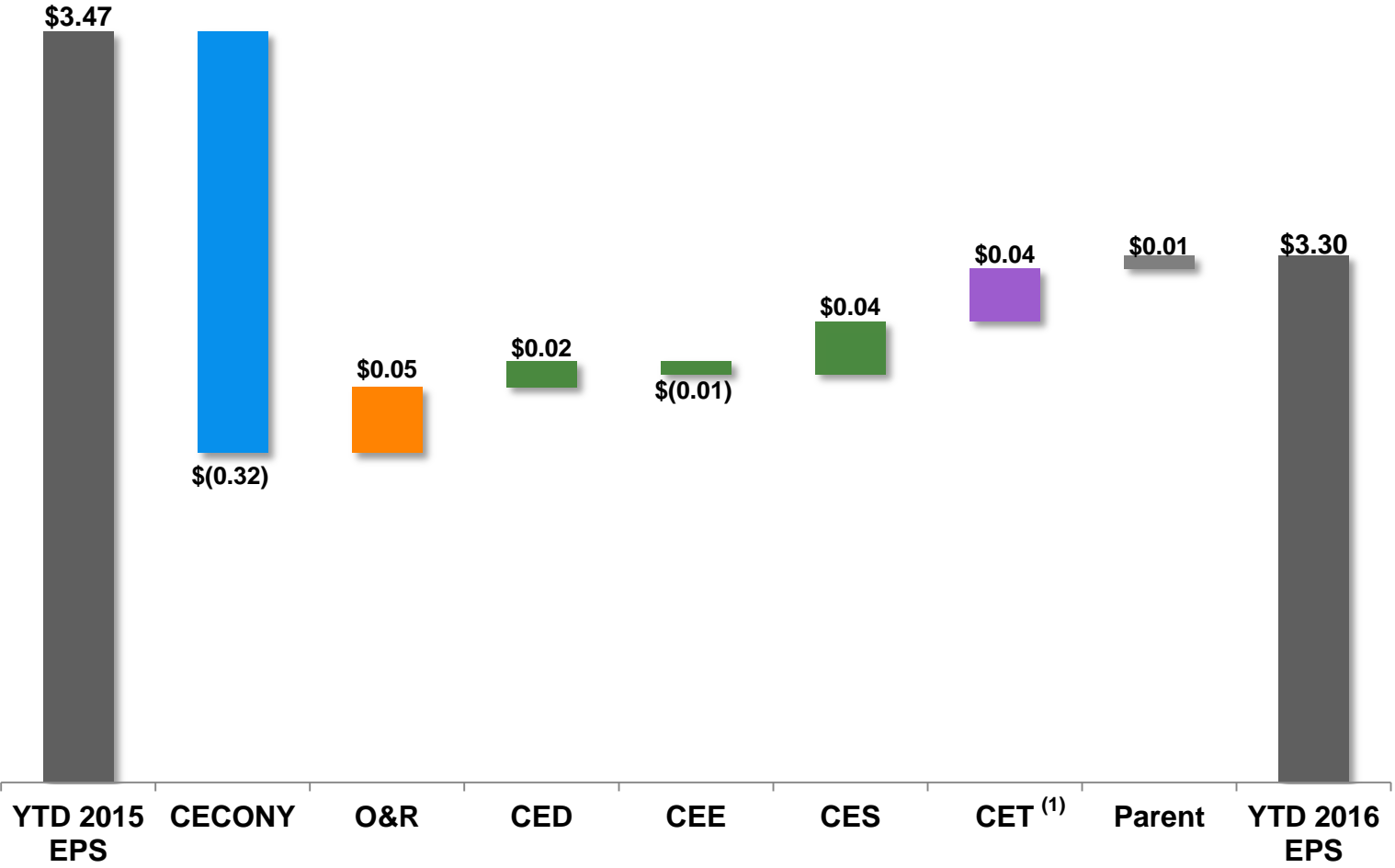
Consolidated Edison, Inc. YTD 2016 Earnings

	Net Income (\$ Millions)		Earnings per Share	
	2016	2015	2016	2015
Reported EPS and Net Income – GAAP basis	\$1,039	\$1,017	\$3.47	\$3.47
Gain on sale of retail electric supply business	(47)	-	(0.15)	-
Impairment on assets held for sale – Pike	-	3	-	0.01
Net mark-to-market – effects of the CEBs	(5)	(2)	(0.02)	(0.01)
Adjusted EPS and Adjusted Earnings – non-GAAP basis	\$987	\$1,018	\$3.30	\$3.47

FY 2016

- On November 3, 2016, the Company revised adjusted EPS guidance to \$3.90 to \$4.00 a share from previous guidance of \$3.85 to \$4.05 a share.

Walk from YTD 2015 EPS to YTD 2016 EPS – Non-GAAP Basis



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

YTD 2015 to YTD 2016 Adjusted EPS Variances

	<u>Variance</u>	<u>Explanation</u>
	EPS	
CECONY		
Retention of Gas Revenues	\$0.02	Changes in rate plans (oil-to-gas conversions)
Regulatory Reserves	(0.05)	Changes in regulatory charges
Lower ROE at CECONY	(0.05)	Change in rate plans (allowed ROE dropped from 9.2% to 9.0%)
Higher O&M - Operations	(0.04)	Increased emergency response, municipal infrastructure support, and stock-based compensation
Weather	(0.12)	Weather impact on steam revenues
Other	(0.08)	Software amortization benefit in 2015 and dilutive effect of stock issuance
Total CECONY	\$(0.32)	
O&R		
Total O&R	\$0.05	Charge-off of regulatory assets in June 2015 and lower O&M
Competitive Energy Businesses		
CES	\$0.04	Higher retail gross profit
CEE	(0.01)	-
CED	0.02	Higher income from renewable investments
Total CEBs	\$0.05	
CET		
Total CET	\$0.04	New income from equity investments
Parent		
Parent Co.	\$0.01	
Total Consolidated CEI	\$(0.17)	

YTD 2016 vs. YTD 2015 Adjusted EPS by Company

9 months ending September 30, 2016

	CECONY	O&R	CED	CEE	CES	CET ⁽¹⁾	Parent	Total
Reported EPS – GAAP basis	\$2.87	\$0.18	\$0.04	\$0.02	\$0.34	\$0.04	\$(0.02)	\$3.47
Gain on sale of retail electric business	-	-	0.07	-	(0.22)	-	-	(0.15)
Mark-to-market losses/(gains)	-	-	-	-	(0.02)	-	-	(0.02)
Adjusted EPS – Non-GAAP basis	\$2.87	\$0.18	\$0.11	\$0.02	\$0.10	\$0.04	\$(0.02)	\$3.30

9 months ending September 30, 2015

	CECONY	O&R	CED	CEE	CES	Parent	Total
Reported EPS – GAAP basis	\$3.19	\$0.12	\$0.09	\$0.03	\$0.07	\$(0.03)	\$3.47
Impairment on assets held for sale - Pike	-	0.01	-	-	-	-	0.01
Mark-to-market losses/(gains)	-	-	-	-	(0.01)	-	(0.01)
Adjusted EPS – Non-GAAP basis	\$3.19	\$0.13	\$0.09	\$0.03	\$0.06	\$(0.03)	\$3.47

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

Historical Adjusted Earnings Reconciliation

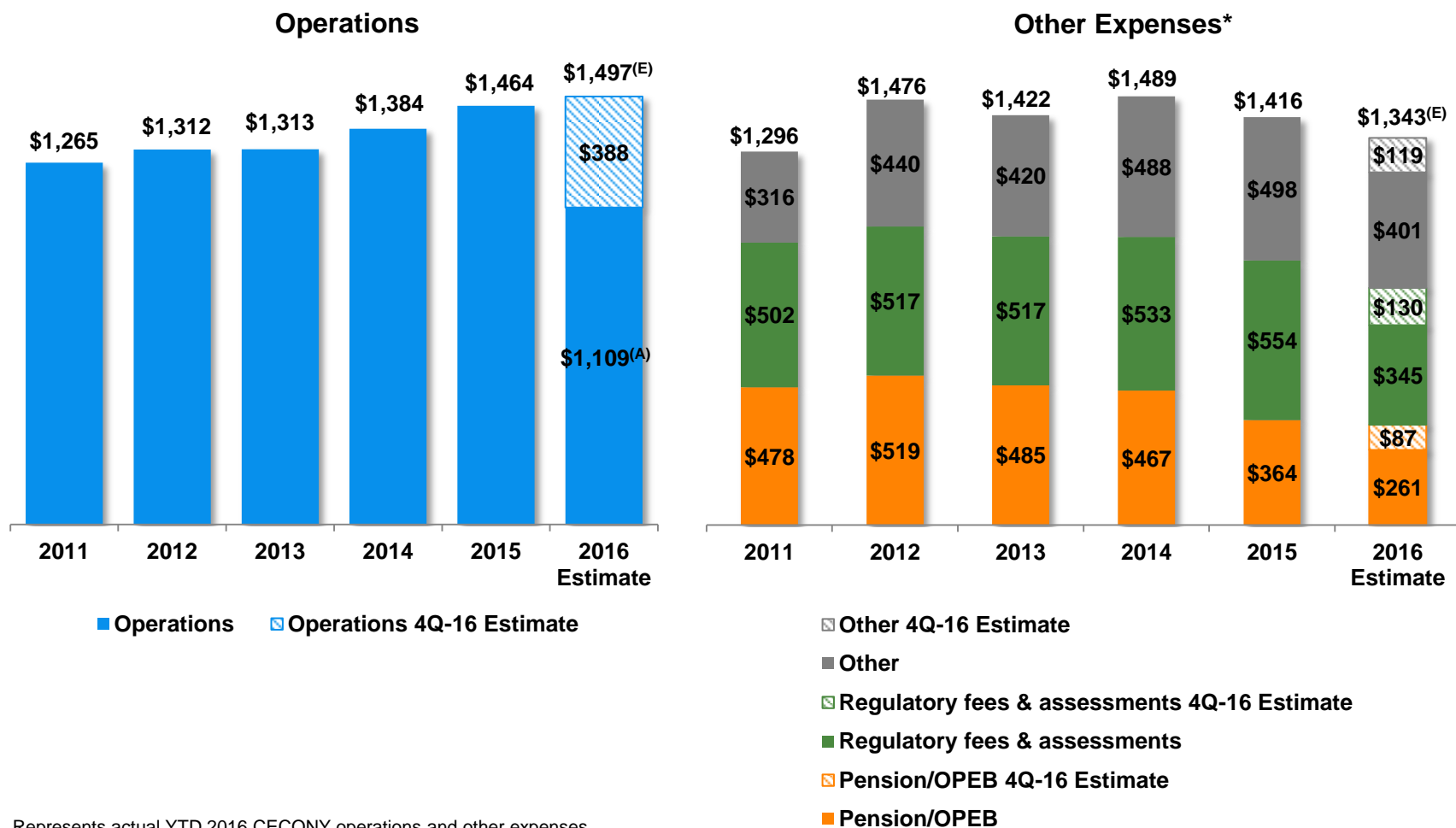
12 Months Ending December 31,

	2011	2012	2013	2014	2015	2016 ⁽¹⁾
Reported EPS – GAAP Basis	\$3.59	\$3.88	\$3.62	\$3.73	\$4.07	\$4.08
Impairment of assets held for sale	-	-	-	-	0.01	-
Gain on sale – solar projects	-	-	-	(0.09)	-	-
Gain on sale of retail electric business	-	-	-	-	-	(0.15)
Loss from LIFO transactions	-	-	0.32	-	-	-
Net MTM effects of CEBs	0.05	(0.13)	(0.14)	0.25	-	0.01
Adjusted EPS – Non-GAAP basis	\$3.64	\$3.75	\$3.80	\$3.89	\$4.08	\$3.94

1. Represents 12-month trailing EPS ending September 30, 2016.

CECONY Operations and Maintenance Expenses

September 30, 2016 (\$ millions)



(A) Represents actual YTD 2016 CECONY operations and other expenses.

(E) Represents full-year 2016 estimate.

* Other Expenses are either reconciled to amounts reflected in delivery rates, or represent surcharges that are recovered in revenues from customers.

Regulated Utility Rates of Return and Equity Ratio (Trailing 12 Months ending September 30, 2016)

	Allowed	Actual
CECONY		
Electric	9.0%	9.2%
Gas	9.3%	7.8%
Steam	9.3%	5.8%
Overall – CECONY	9.1% ⁽¹⁾	8.7%
CECONY Equity Ratio⁽²⁾	48.0%	48.9%
O&R		
Electric	9.0%	11.0%
Gas	9.0%	12.6%
RECO	9.8%	7.8%
Overall – O&R	9.2% ⁽¹⁾	10.9%
O&R Equity Ratio⁽²⁾	48.0%	48.6%

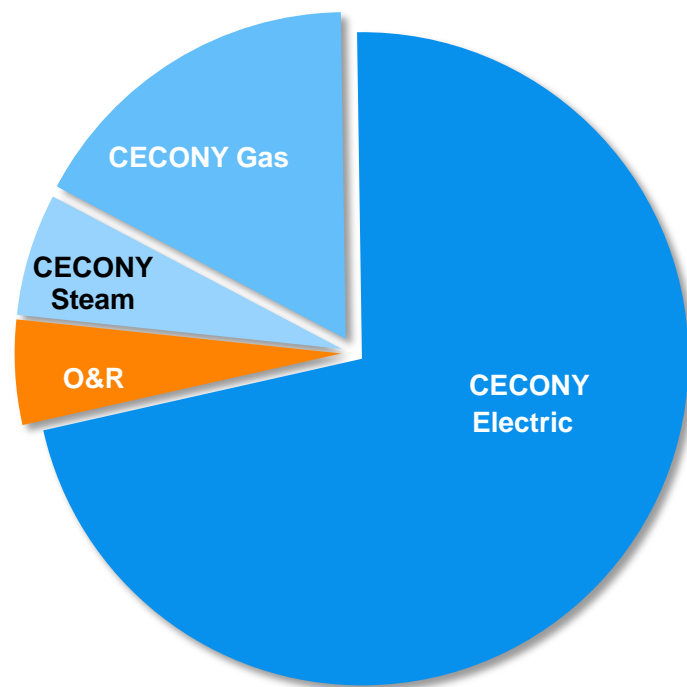
1. Weighted by rate base
2. Average for trailing twelve months

Composition of Regulatory Rate Base⁽¹⁾ (as of September 30, 2016)

CECONY		(\$ millions)
Electric	NY	\$17,805
Gas	NY	4,229
Steam	NY	1,504
Total CECONY		\$23,538

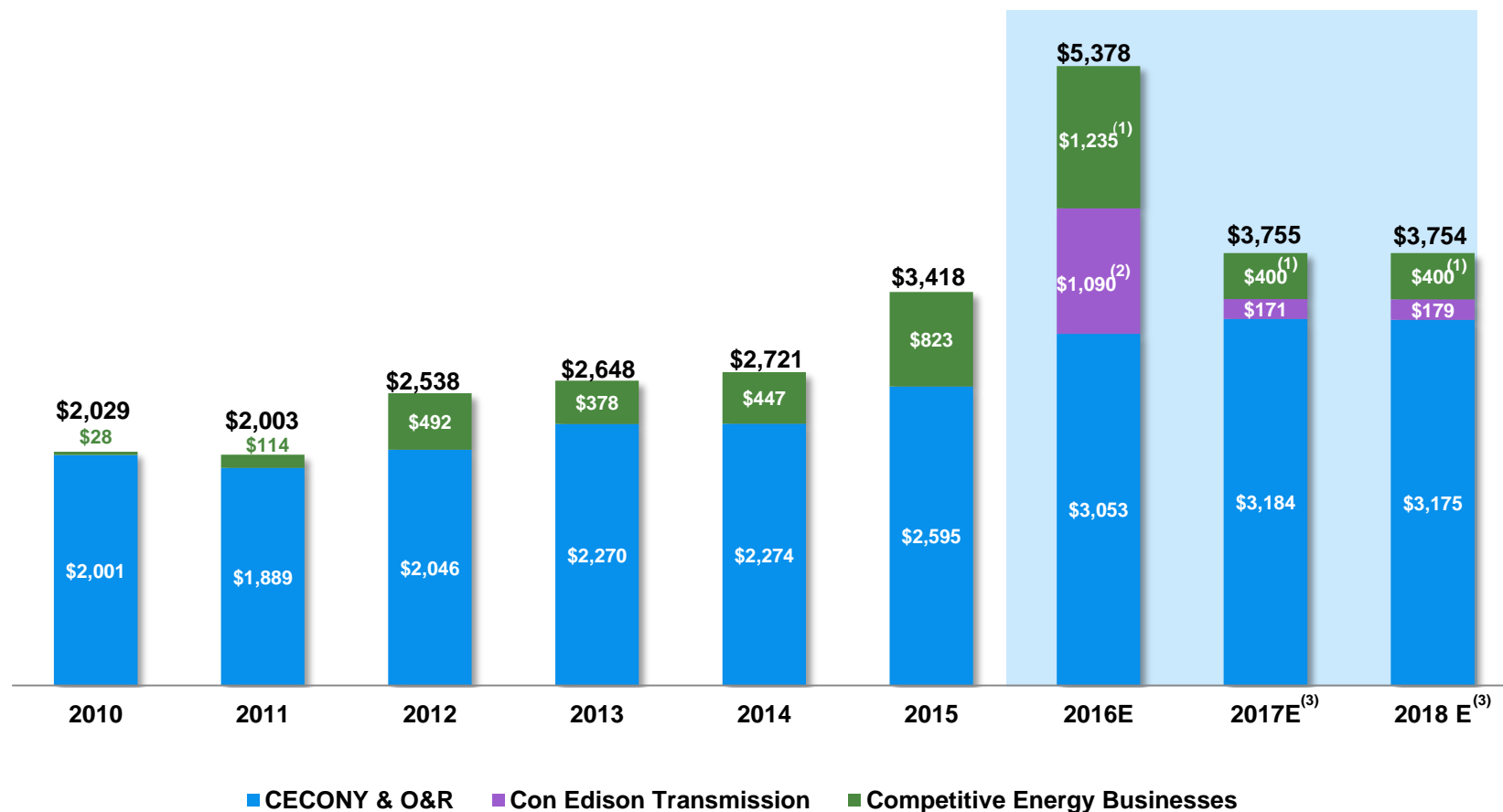
O&R		(\$ millions)
O&R Electric	NY	\$720
O&R Gas	NY	355
Rockland	NJ	212
Total O&R		\$1,287

Total Rate Base \$24,825



1. Average rate base for 12 months ending 9/30/2016.

Con Edison's Capital Investment Over the Next Three Years (\$ millions)



1. In the second quarter of 2016, the Competitive Energy Businesses increased its estimates of capital expenditures from \$985 million to \$1,235 million for 2016 and \$360 million to \$400 million for both 2017 and 2018 to reflect additional renewable energy project development.
2. 2016 Forecast includes recent Stagecoach JV initial investment of \$975 million.
3. For more details, please review Con Edison's 2015 Form10-K.

2016 Financing Plan and Activity

- Capital expenditures of \$5.38 billion (CECONY: \$2.86 billion, CEBs: \$1.24 billion, CET: \$1.09 billion, O&R: \$0.19 billion)
- CEI issued \$724 million of common equity in May⁽¹⁾
- Issue between \$1.0 billion and \$1.8 billion of long-term debt, most of which would be at the utilities
 - Debt financing activity so far:
 - CEB issued \$218 million 4.21% senior secured notes due 2041 in February
 - CEB issued \$95 million 4.07% senior secured notes due 2036 in May
 - CEI issued \$500 million 2.00% senior notes due 2021 in May
 - CEI entered into a \$400 million term loan facility in June
 - CECONY issued \$550 million 3.85% debentures due 2046 in June
 - O&R in September agreed to issue and sell for delivery in December 2016 \$75 million 3.88% debenture due 2046

Debt Maturities

(\$ millions)	2016	2017	2018	2019
Con Edison, Inc. [Parent Co.]	\$2	\$2	\$402	\$3
Con Edison of New York	650	-	1,200	475
Orange and Rockland	79	4	54	62
Competitive Energy Businesses	8	10	10	12
Total	\$739	\$16	\$1,266	\$552

- CECONY \$400 million matured in September, 5.5%
- CECONY \$250 million maturing in December, 5.3%
- O&R \$75 million matured in October, 5.45%

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

Capital Structure – September 30, 2016

(\$ millions)

Con Edison, Inc. A3 / A- / BBB+

Debt	\$14,093	50%
Equity	14,275	50
Total	\$28,368	100%

Con Edison of New York A2 / A- / A-

Debt	\$11,584	50%
Equity	11,793	50
Total	\$23,377	100%

Orange and Rockland A3 / A- / A-

Debt	\$666	51%
Equity	650	49
Total	\$1,316	100%

Parent and Other

Debt	\$1,843	50%
Equity	1,832	50
Total	\$3,675	100%

Amounts shown exclude notes payable and include the current portion of long-term debt; issuer credit ratings shown in order of Moody's / S&P / Fitch; Moody's and Fitch's ratings have a stable outlooks, S&P's rating has a negative outlook.

Liquidity Adequacy

\$2.25 billion CEI Consolidated Revolving Credit Facility

