



CON EDISON, INC.

**Edison Electric Institute
Finance Conference**

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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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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

Long-Range Plan: Industry trends and implications

Technological impacts and opportunities

Technologies with significant potential impact and investment opportunities for Con Edison.

Technologies	Near term (0-5 years)	Mid term (5-10 years)	Long term (10-20 years)
Renewable energy	<ul style="list-style-type: none"> Solar and wind 	<ul style="list-style-type: none"> Solar PV plus storage 	
Energy storage (batteries)	<ul style="list-style-type: none"> Grid-scale batteries 	<ul style="list-style-type: none"> Customer-sited battery storage Electric vehicle partnerships 	<ul style="list-style-type: none"> Wholesale energy storage Utility-owned batteries
Chargers	<ul style="list-style-type: none"> Electric vehicle charging partnerships 	<ul style="list-style-type: none"> Utility-owned electric vehicles charging infrastructure 	
Next generation buildings	<ul style="list-style-type: none"> Hardware including sensors, central controller, building equipment 	<ul style="list-style-type: none"> Consulting on design, procurement, installation Service and maintenance contracts 	<ul style="list-style-type: none"> Software solution to link multiple systems
Real-time system operations/ Next generation grid	<ul style="list-style-type: none"> Advanced metering infrastructure Data analytics 	<ul style="list-style-type: none"> Applications in risk management and grid efficiency 	<ul style="list-style-type: none"> Solid state transformers Advanced conductors Dynamic grid control

Source: EFPL, National Renewable Energy Laboratory, SAE

Long-Range Plan: Industry trends and implications

Customer interests in energy services

In conversation with our customers, we observe interest in additional control and conservation of energy. And, they regard their utility as a trusted advisor.

Customers	Observations
Commercial	<ul style="list-style-type: none">• Sustainability is increasingly used to attract premium tenants• Interest in distributed generation (e.g., combined heat and power, solar PV, fuel cells), and batteries• Con Edison is regarded as a “reliable partner”• Considerations include cost, complexity, and lost lease revenues
Residential	<ul style="list-style-type: none">• Customers expect a personalized digital experience• Interested in energy services, enhanced energy use monitoring, notifications, and device control through apps• Comfortable expanding the relationship to home security and safety• Rewards or incentives for saving energy are expected

Long-Range Plan: Industry trends and implications

Policy and regulation

Consistent regulatory themes include safety, reliability, and improving the environment.

Electric	
Federal	<ul style="list-style-type: none"> Federal policy supports renewables and carbon reduction – e.g., renewable energy tax credits, Clean Power Plan, improved vehicle efficiency standards
State and City	<ul style="list-style-type: none"> Clean Energy Standard sets goal of 50% renewable energy in NYS by 2030 REV* Order approved new utility revenue models and rate reforms Greenhouse gas reduction plan targets 80% reduction in NYC by 2050
Natural Gas	
Federal	<ul style="list-style-type: none"> New federal pipeline safety guidelines include inspection and testing
State and City	<ul style="list-style-type: none"> State utility commissions accelerating programs to replace gas mains Definition of utility responsibility for gas service lines may extend jurisdiction into customer premises Opposition exists for new gas pipeline and storage infrastructure

Includes utility compensation and incentives for supporting distributed resources

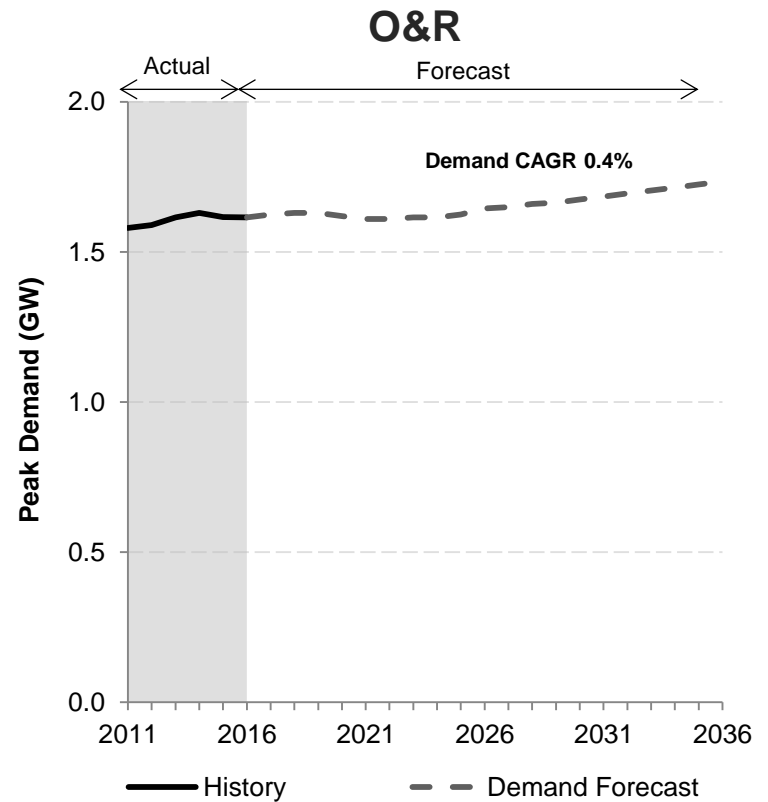
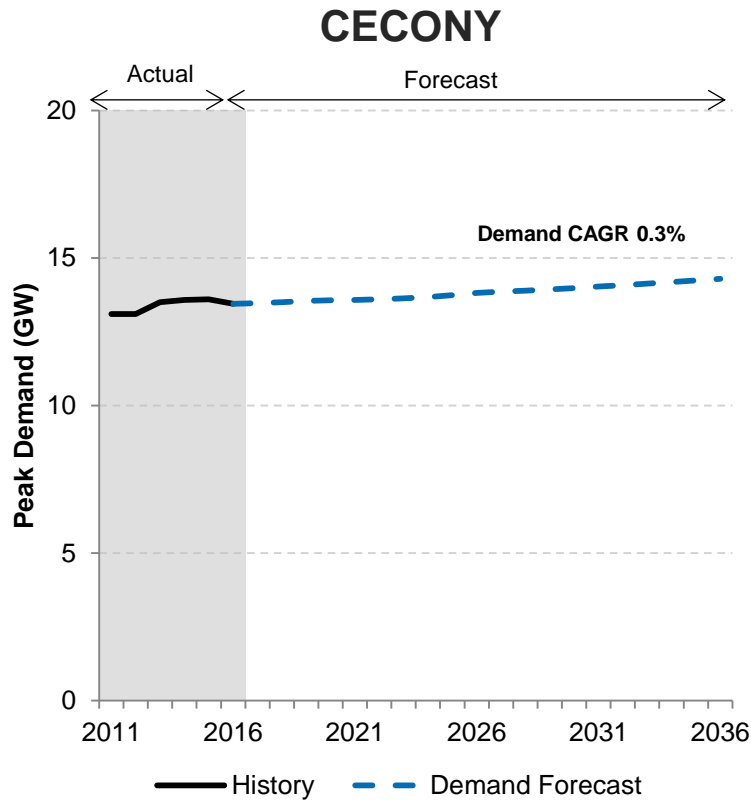
Accelerated replacement program at CECONY and O&R

*Refers to the New York State Public Service Commission's ongoing Reforming the Energy Vision proceeding, or REV

Long-Range Plan: Industry trends and implications

Electric forecast: peak usage

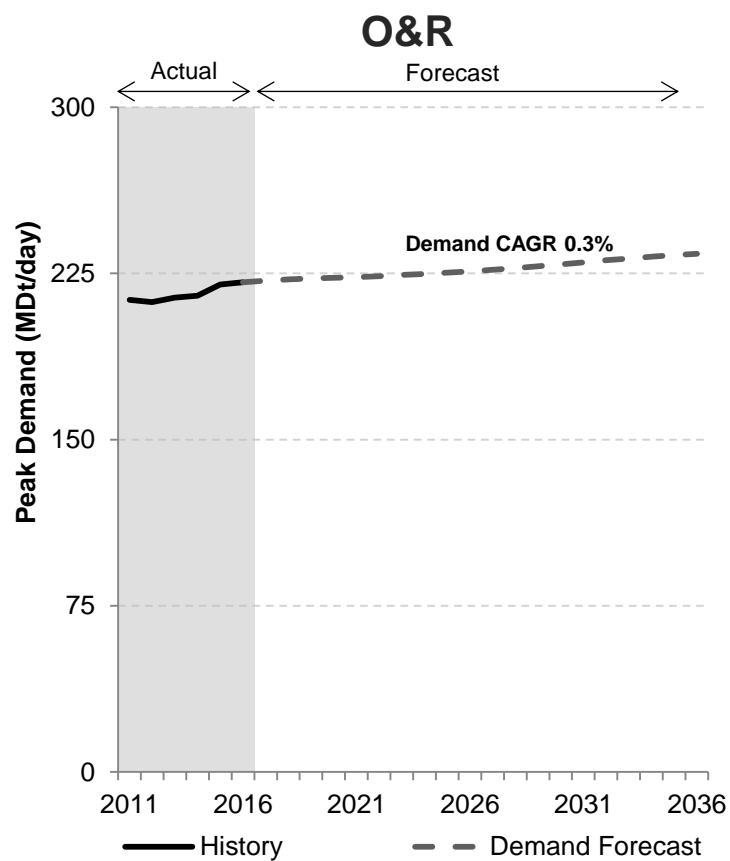
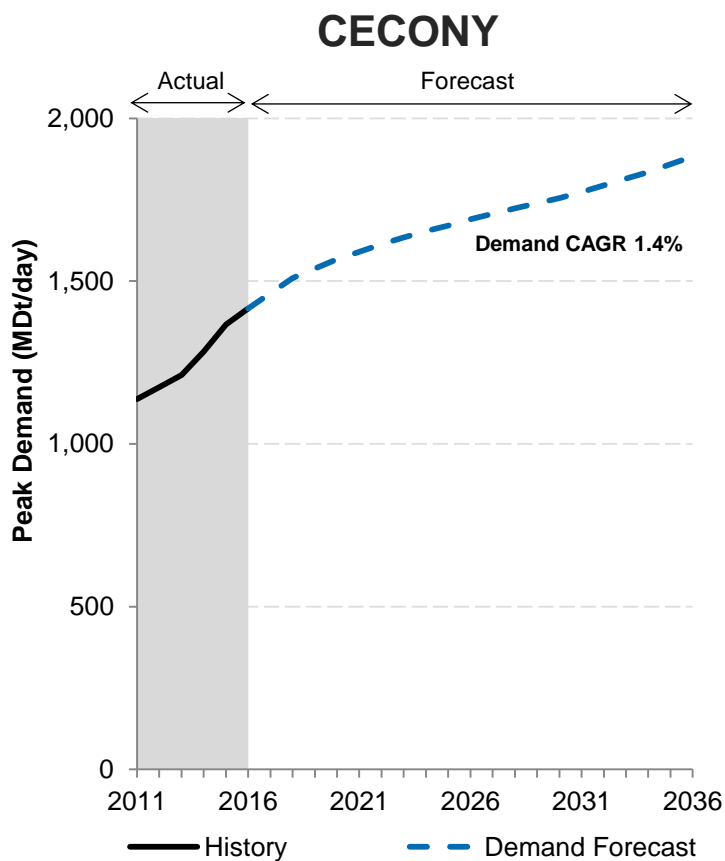
Electric peak usage is projected to grow modestly.



Long-Range Plan: Industry trends and implications

Gas forecast: peak usage

Gas peak usage is projected to grow.



Long-Range Plan Con Ed 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

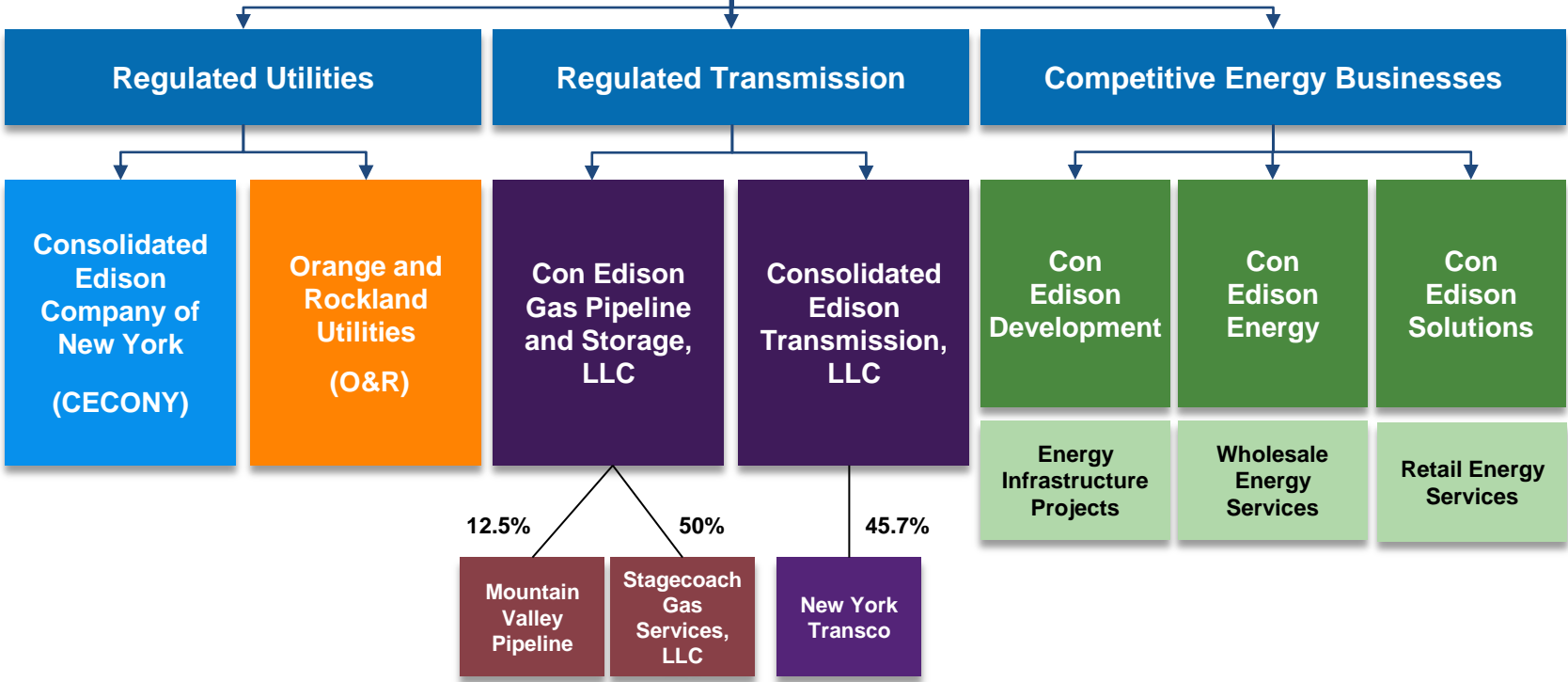
Maintain
balance sheet
stability

Pay attractive,
growing
dividends

Organizational Structure



Market Cap⁽¹⁾: \$23.1 billion
 Issuer Ratings: A3 / A- / BBB+
 Outlook: Stable / Negative / Stable



1. As of 10/31/16. Issuer ratings and outlook are shown in order of Moody's / S&P / Fitch.



Strengthen the core utility business

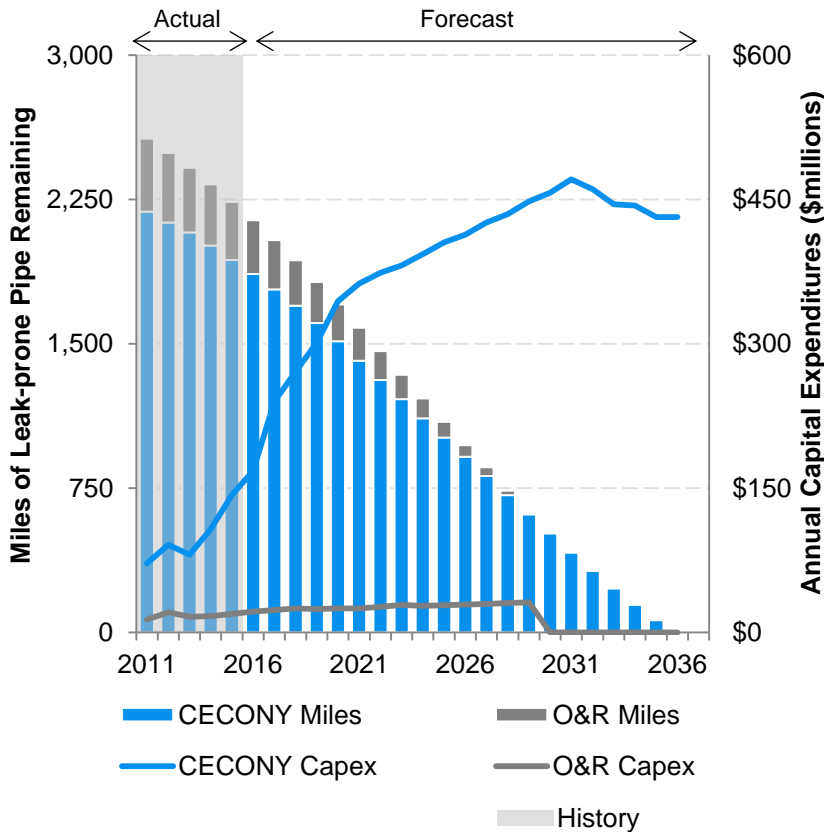


Strengthen the core utility businesses

Improve public safety: gas distribution

Our plan targets \$8.3 billion in main replacement expenditures over the next 20 years.

Main replacement

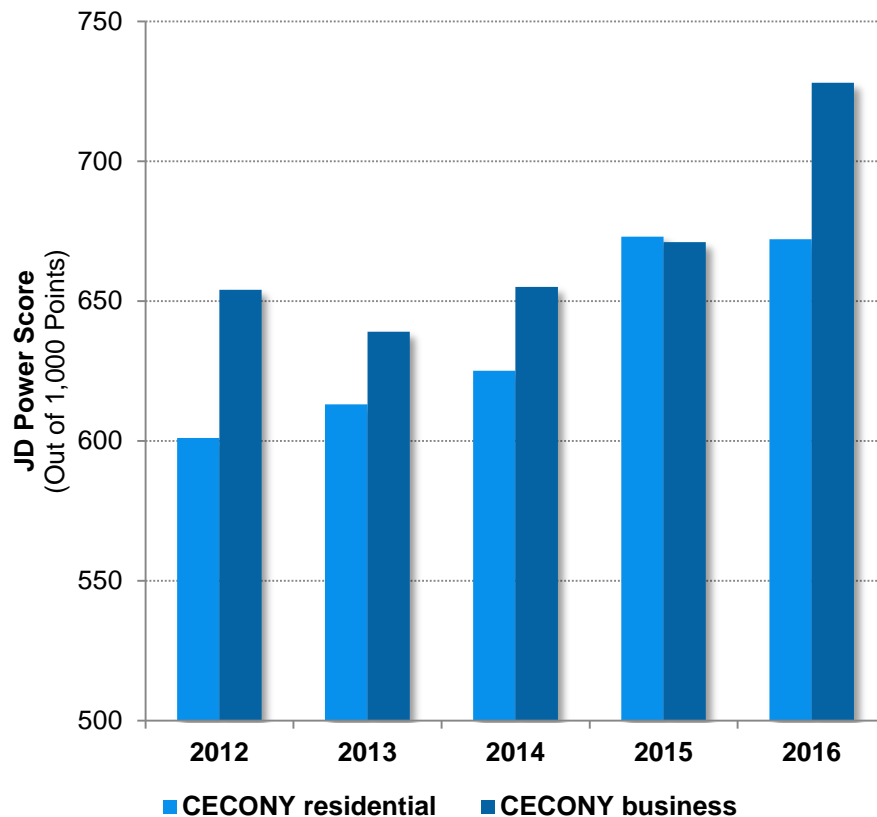


- CECONY’s joint proposal includes three-year plan consistent with a 20-year replacement program and incentives for replacement above targets
- Utilizing advanced analytics to prioritize removal of pipe segments that disproportionately contribute to system risk
- O&R priority-pipe replacement program is projected to be completed by 2030

Strengthen the core utility businesses Enhance our customers' experience

We have begun on a comprehensive effort to improve customer satisfaction.

CECONY customer satisfaction

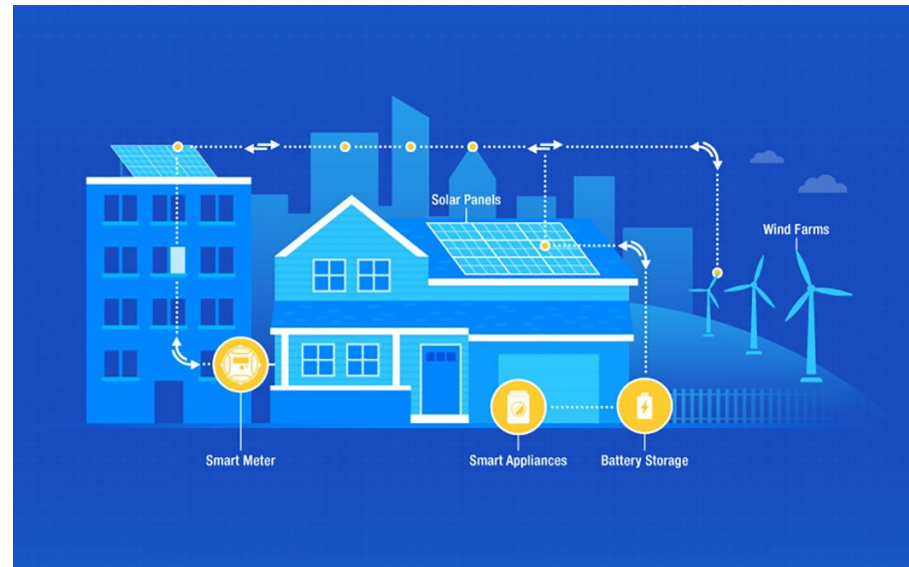


- We measure customer satisfaction using:
 - J.D. Power satisfaction studies
 - Customer satisfaction surveys
 - PSC consumer complaint activity reports
- Our initiatives to enhance customer experience include:
 - Improve processes
 - Educate employees
 - Engage customers (e.g., online community)
 - Leverage technology and systems such as smart meters

Source: J.D. Power and Associates



Pursue non-traditional utility growth

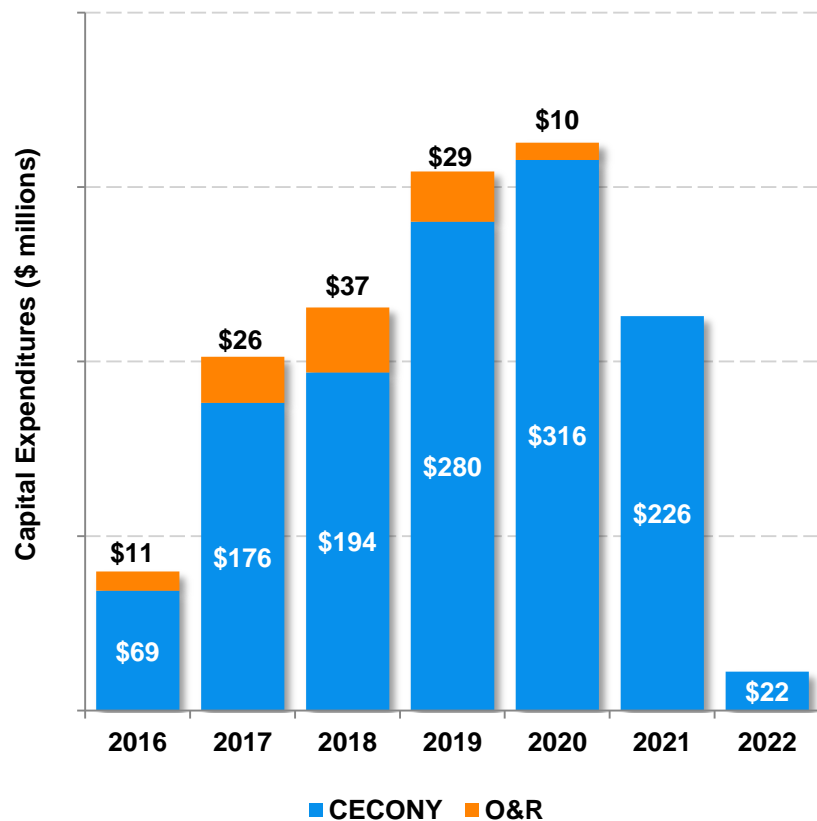


Pursue non-traditional utility growth

Advanced metering infrastructure (AMI)

The AMI project is on schedule with deployment from mid-2017 through 2022.

Approved capital investment



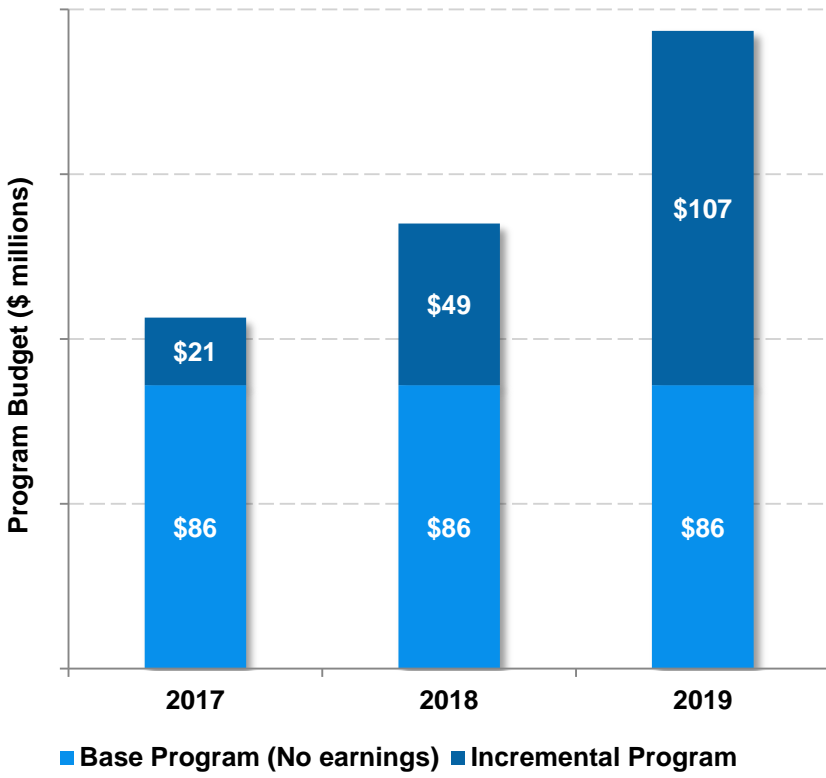
- PSC authorized AMI deployment for \$1.3B at CECONY
- Functional and technical designs are complete, IT platform integration will continue through end of the year
- Customer engagement plan includes AMI awareness, education, and rate design pilot

Pursue non-traditional utility growth

Develop distributed resources: energy efficiency

The rate case joint proposal expands utility investment and earnings opportunities for energy efficiency and reductions in peak usage.

Proposed electric efficiency program



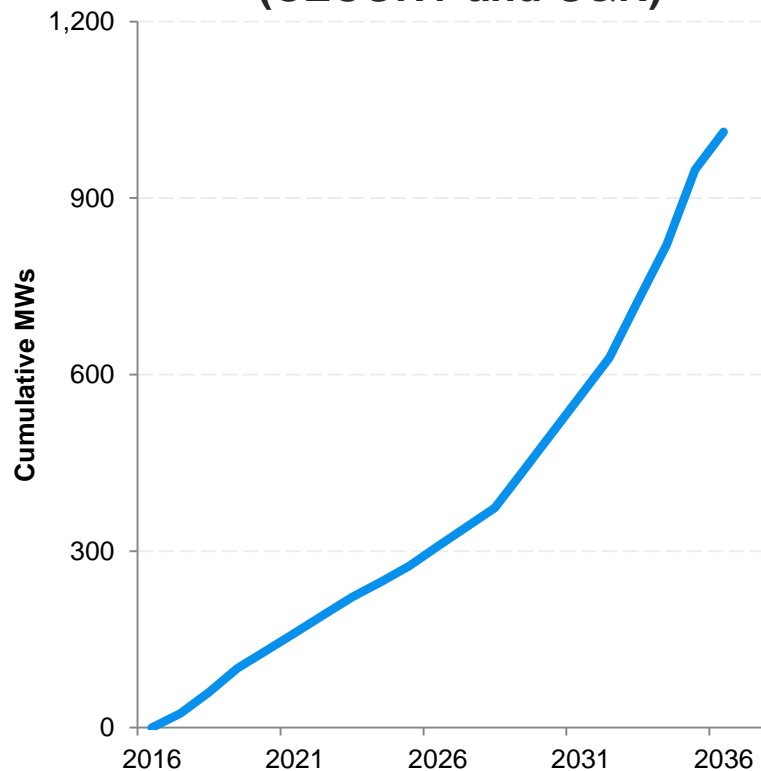
- There is strategic value to retaining the energy efficiency business relationship with customers
- Utility earns a return for incremental program expenditures
- Earnings incentive mechanisms are available for achieving threshold energy savings targets and other positive outcomes over the next three years

Pursue non-traditional utility growth

Battery storage opportunities

Over 1GW of energy storage could be installed in our service territories in the next 20 years.

Battery storage forecast (CECONY and O&R)



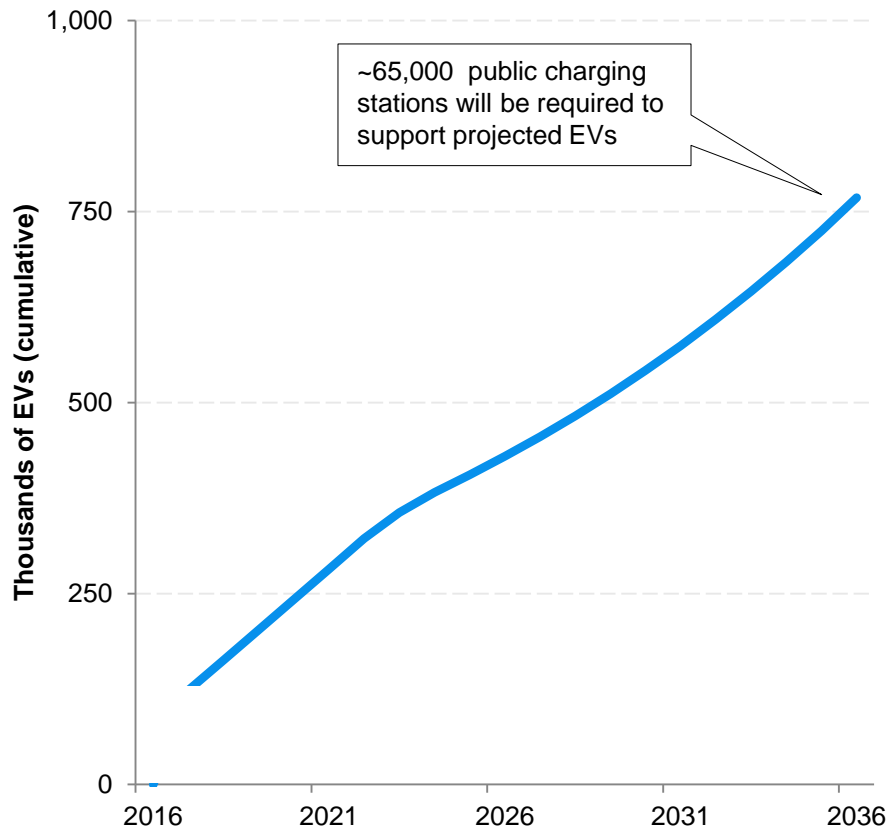
- Batteries can be used to control and stabilize power distribution networks
- REV orders allow for utility investment in battery storage
- CECONY/O&R battery storage pilot projects include utility-scale and behind-the-meter batteries

Pursue non-traditional utility growth

Electric-vehicle (EV) infrastructure opportunities

If NYS achieves its EV goal, ~800K electric vehicles may emerge in our service territories.

Electric vehicle forecast (CECONY and O&R)



Observations

- NYS will require 15% of new vehicles sold to be zero-emission by 2025
- At this penetration level, EVs would contribute up to 1% of total electric sales by 2036
- High penetration of EVs for high-mileage fleet applications could increase electricity sales even further
- Near term opportunities include:
 - Partnership with equipment manufacturers
 - NYC applications
 - Utility development of EV charging infrastructure
 - REV demonstration projects

Pursue non-traditional utility growth

Incremental utility growth

Investment and earnings opportunities may emerge to meet state energy policy goals.

Category	Initiatives
Information Technology	<ul style="list-style-type: none"> Major initiatives to enable REV, improve operating efficiency, customer experience, and risk management Six new systems and upgrade projects account for 60% of capital investment
Earnings adjustment mechanisms (EAM)	<ul style="list-style-type: none"> CECONY rate case joint proposal includes EAMs
REV demonstrations	<ul style="list-style-type: none"> Projects are underway with several others in development
Clean Energy Standard	<ul style="list-style-type: none"> Significant investments in transmission, energy efficiency, and energy storage are required to achieve NYS policy goals
Large-scale renewables	<ul style="list-style-type: none"> Continue to advocate for utility ownership of large scale renewables



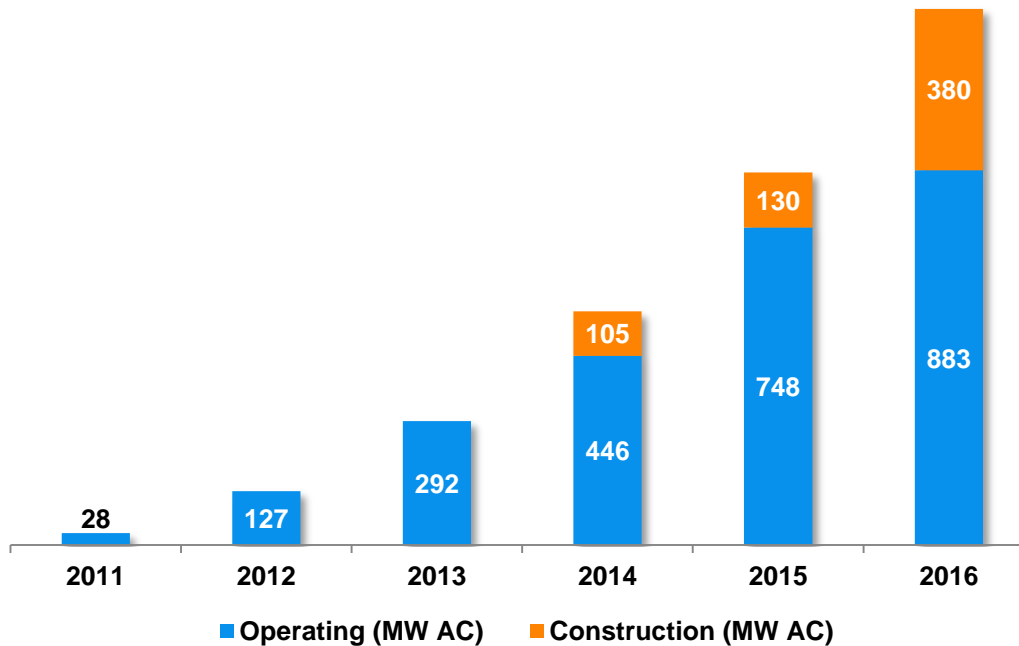
Pursue non-utility growth



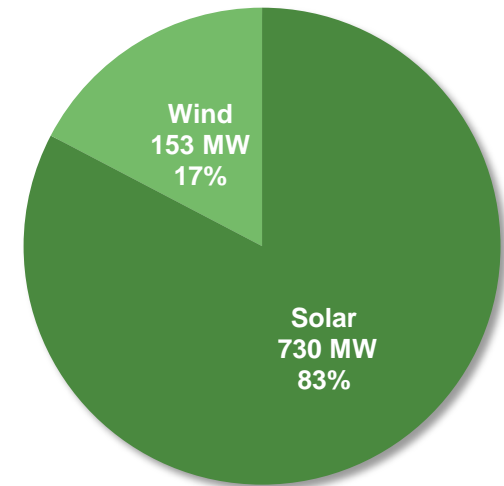
Pursue non-utility growth

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

Pursue non-utility growth

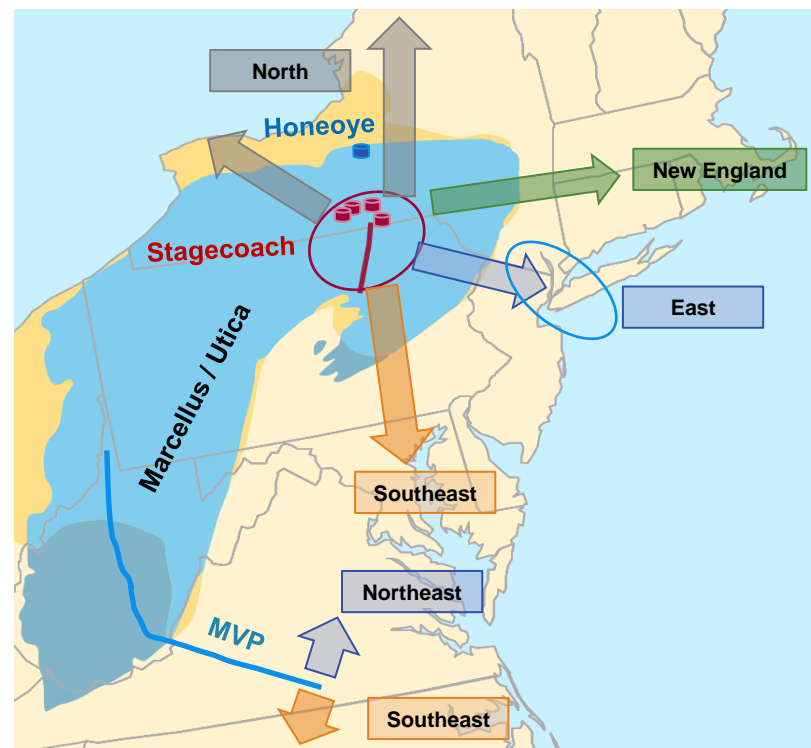
Con Edison Transmission: natural gas transmission investments

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

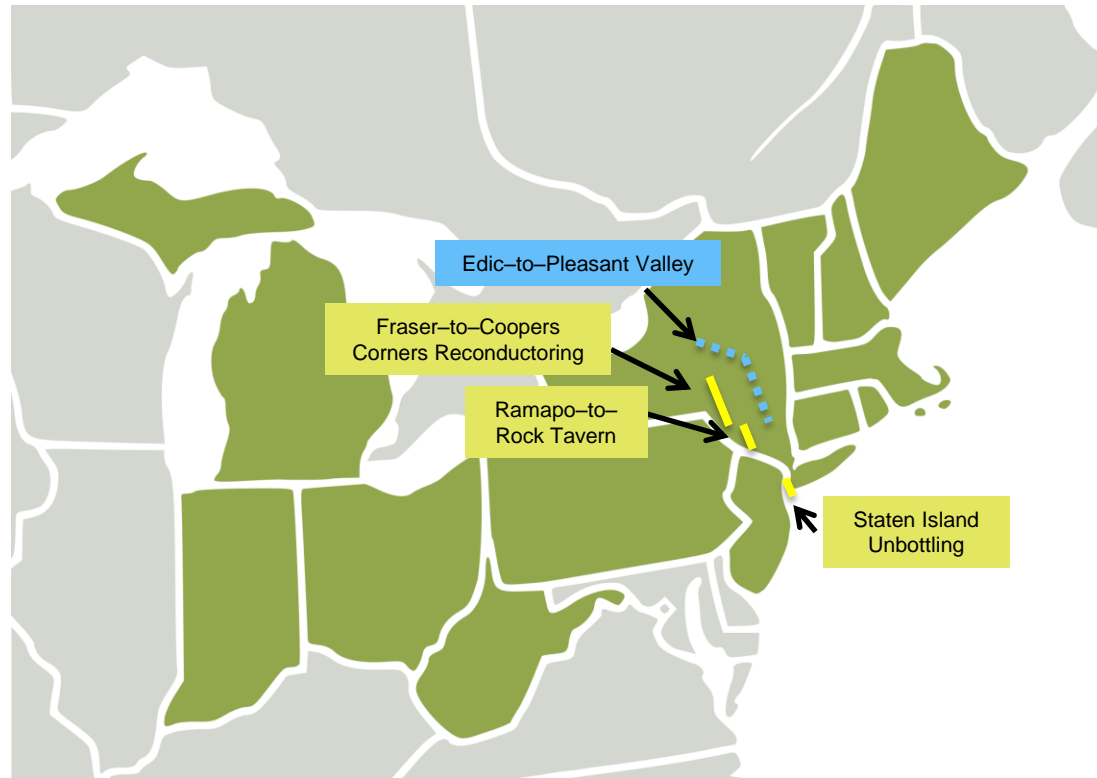
Gas Demand Flows



Pursue non-utility growth

Con Edison Transmission: electric transmission investments

Electric transmission growth is impacted by generator retirements and connecting large scale renewables to load.



NY Transco existing Proposed

- Growing renewables development in NYS & Northeast implies increasing opportunity for CET to develop new electric transmission
- NY Transco has bid on additional investment opportunity in the current NYS process
- Additional investment opportunities in the region may emerge

Pursue non-utility growth

Additional growth opportunities

Competitive energy businesses continue to evaluate additional earnings growth opportunities.

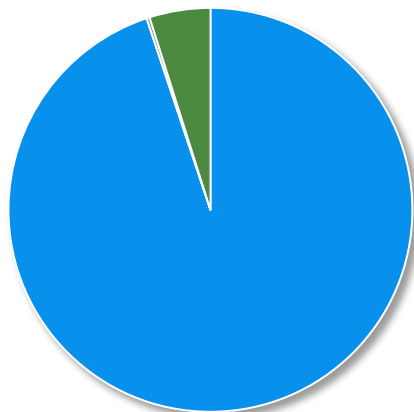
Category	Description
Pursue energy services growth	<ul style="list-style-type: none">• Enhance sales and marketing• Implement design/build capabilities for renewable opportunities• Continue to diversify market sectors, e.g. government, commercial, industrial
Utility-scale energy storage	<ul style="list-style-type: none">• Completed energy storage pilot project• Evaluating the opportunity to participate in energy storage RFPs in 2016 – 2018 in California and Texas
Distributed renewables	<ul style="list-style-type: none">• Developed a residential solar pilot project with SunPower• Expanding distributed solar effort to pursue development opportunities in NYS

Long-Range Plan Financial Outlook

Core utilities continue to be core of business mix

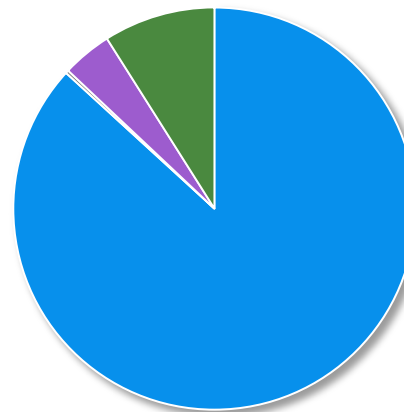
- Historical earnings-per-share CAGR of 3.1% (5-year) from business mix of ~95% utilities
- Core utility business will continue to dominate the business mix over long term
- Contracted renewables and new, contracted electric & gas transmission complement utility growth
- Other energy infrastructure and services opportunities as technology and markets develop

2015 Earnings per Share Contribution



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

20-Year Outlook Earnings per Share Contribution



- CECONY and O&R 85-89%
- Parent (<1%)
- Consolidated Edison Transmission 3-5%
- Competitive Energy Businesses 8-10%

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%