



## CON EDISON, INC.

AGA Financial Forum  
Naples, FL

May 15-17, 2016



## 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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[www.conEdison.com](http://www.conEdison.com)

# The Con Edison Story

## Customer Focused

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Safety and  
reliability

---

Customer  
experience

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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

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Steady, predictable  
earnings

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Balance sheet  
stability

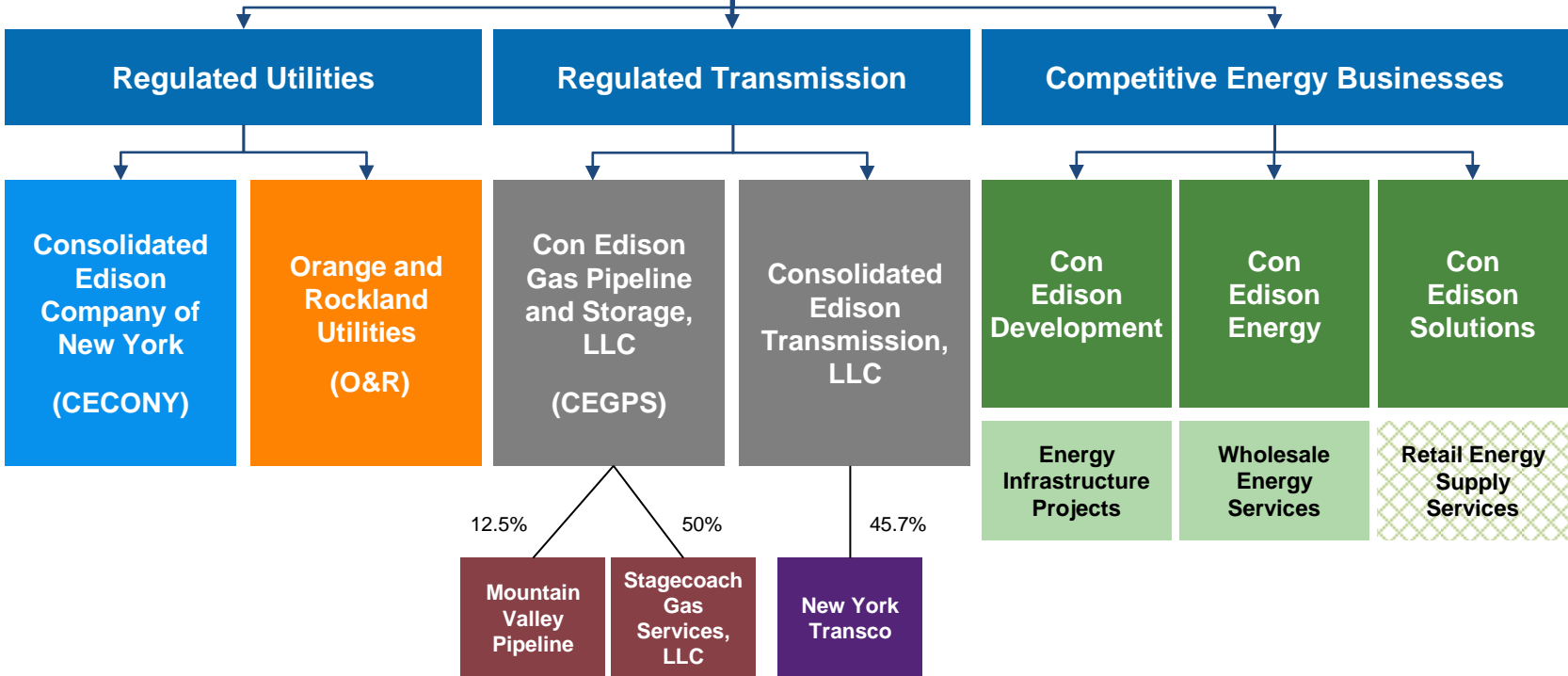
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Attractive,  
growing dividend

# Organizational Structure

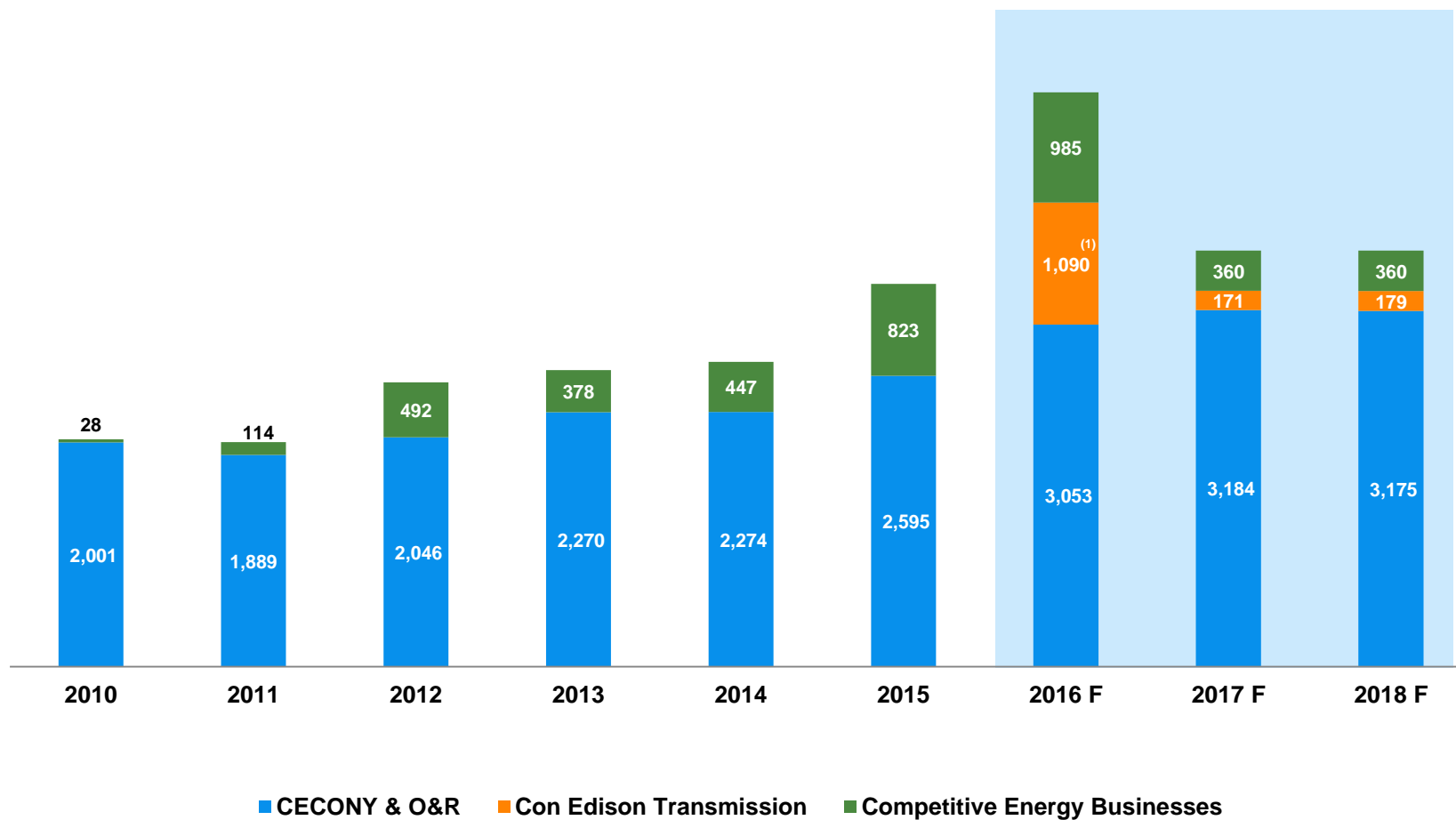


Market Cap<sup>(1)</sup>: **\$21.7 billion**  
 Issuer Ratings: A3 / A- / BBB+  
 Outlook: Stable / Negative / Stable



1. As of 5/10/2016. Issuer ratings and outlook are shown in order of Moody's / S&P / Fitch

# Over \$12 Billion in Capital Investment Over the Next Three Years (\$ millions)



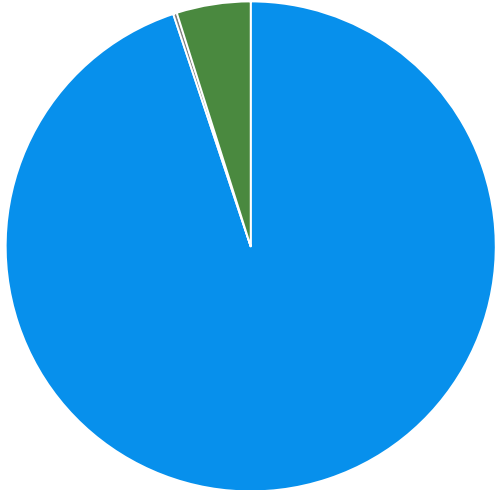
(1) 2016 Forecast includes recent JV initial investment of \$975 million.

# 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

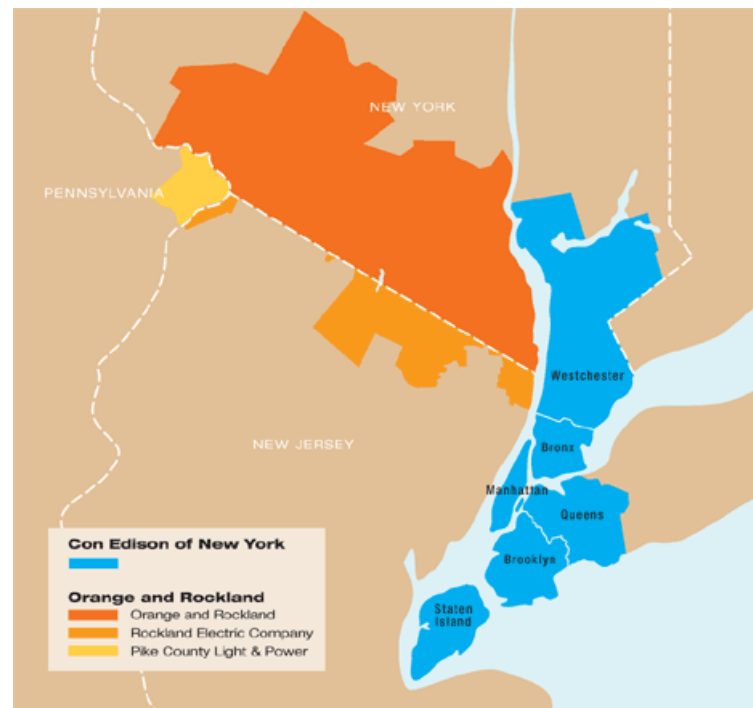


- CECONY and O&R 95%
- Parent (<1%)
- Competitive Businesses 5%

# Constructive Regulatory Environment in New York Where Reform is Underway

## Features of NY Regulation:

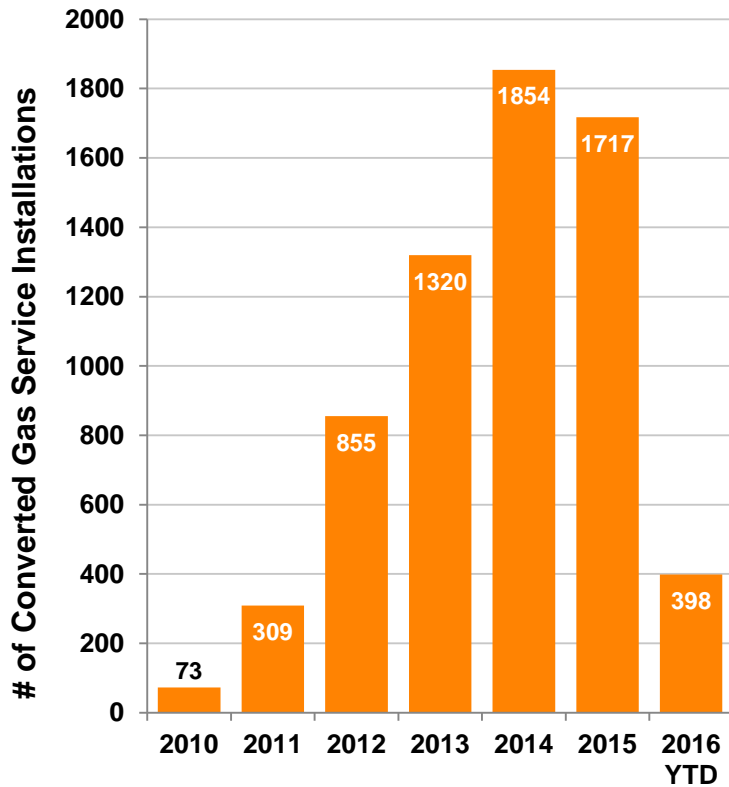
- **Reduced regulatory lag**
  - Forward-looking test years
  - Timely recovery of most fuel and commodity costs
  - Revenue decoupling mechanisms in NY (electric and gas)
  - Adjustment mechanisms for several major uncontrollable expenses (e.g., pension)
- **Ability to capture value in evolving industry for customer & shareholder benefit**
  - Majority of investment is replacement and upgrade of existing assets
  - Accelerated gas main replacement
  - Growth from natural-gas conversions
- **Reforming the Energy Vision proceeding is at the forefront of the evolving industry**



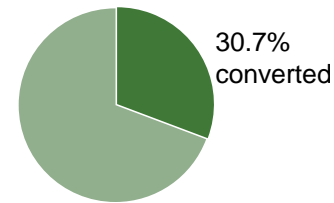
# Oil-to-Gas Conversions:

## Progress and Growth Opportunities in Multi-Family and Commercial Markets

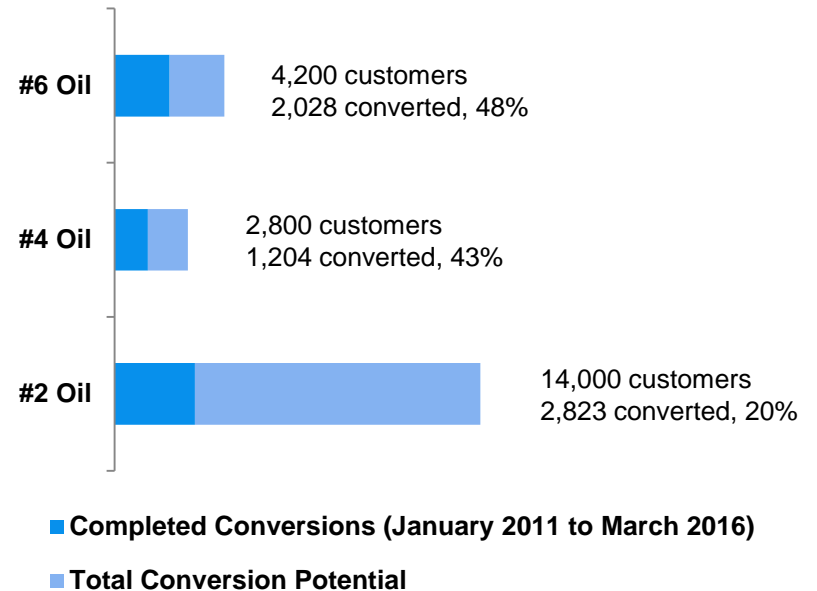
### Historical Oil-to-Gas Conversions



### Market Opportunity for Oil-to-Gas Conversions



Target Market:	21,000 Buildings
Converted:	6,453
Remaining:	14,547

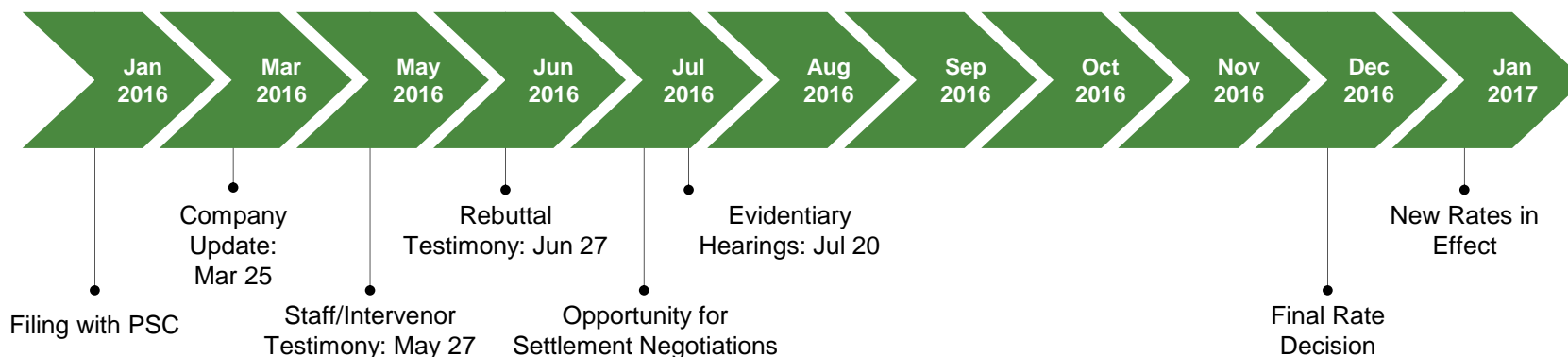




# 2016 CECONY Electric and Gas Rate Filings

Proposed Rate plan details	Electric	Gas
<b>Rate Proposal filed on January 29, 2016 and updated in March for new rates effective January 1, 2017:</b>		
Rate Increase Year 1	\$480 million	\$159 million
ROE	9.75%	9.75%
Equity Ratio	48%	48%
<b>Supplemental Information: Illustrated</b>		
Rate Change Year 2	\$177 million	\$93 million
Rate Change Year 3	\$141million	\$104 million

## Timeline for rate setting process:



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

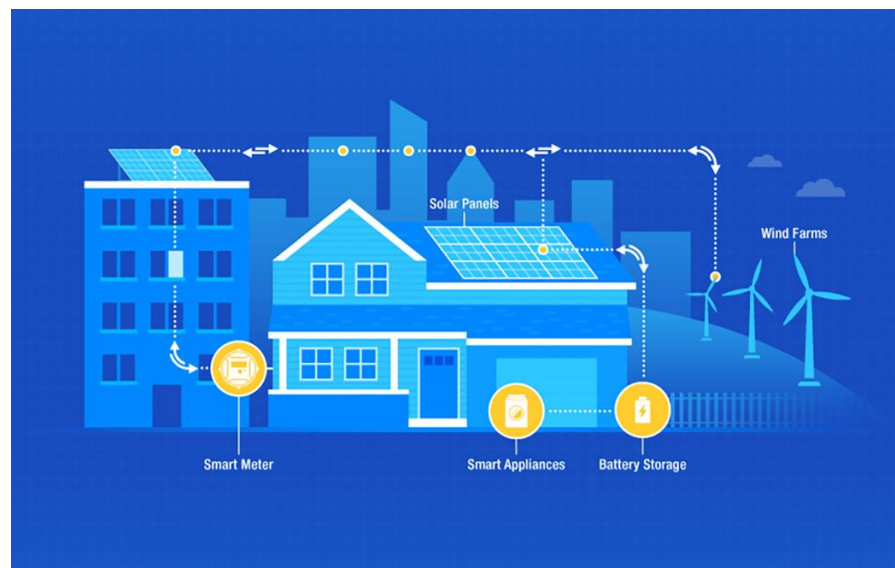
↑ **Generation becomes more flexible**

↑ **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**



# REV Presents Opportunities as Industry Evolves



## Track One: Implementation

- Order issued February 26, 2015
- Utilities' Initial and Supplemental Distribution System Implementation Plans due June 30, 2016 and November 30, 2016
- Key decisions made on distribution-level market design, technical platform, integration system planning and operation



## Track Two: Regulatory & Ratemaking

- Staff straw proposal issued July 28, 2015
- Rate design, rate plan duration, performance-based ratemaking opportunities
- Commission order pending



## Track Three: Large Scale Renewables

- NYSDPS Staff issued a white paper on January 25, 2016
- In concert with NYS CES mandate of 50% renewables by 2030

## Advanced Meter Infrastructure (AMI)

Technology to improve operations and customer experience

- AMI includes smart meters and a two-way communications network between the customer and the utility
- CECONY \$1,285 million deployment plan

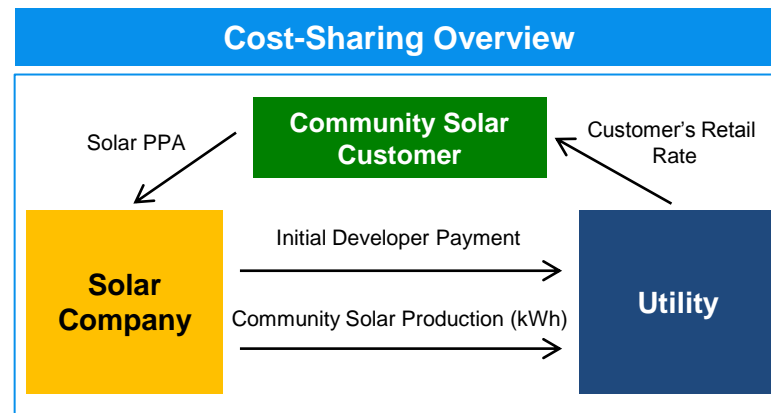
Year	Electric Meters	Gas Meters	Capital Expenditures (\$millions)
2016			\$70
2017	96,700	31,300	176
2018	380,600	123,400	194
2019	905,400	293,600	280
2020	1,151,000	373,200	317
2021	960,000	311,200	226
2022	67,200	21,800	22
<b>Total</b>	<b>3,560,900</b>	<b>1,154,500</b>	<b>\$1,285</b>

- O&R AMI plan
  - Approximately \$30 million for 2016-2018 included in rate plans for NY
  - \$7 million for 2016 and \$4 million for 2017 proposed for NJ

# Solar Progress Partnership

In April 2016, the Partnership filed comments with the NYSPSC to propose a compensation model that supports the development of solar power in New York

- All of the New York investor-owned utilities and three leading solar companies formed the Solar Progress Partnership
- The Partnership proposed changes in New York's net metering law to encourage more solar development, provide adequate funding to maintain a reliable and resilient grid, and protect non-solar customers from being unfairly burdened with costs
- The Partnership's proposal recommends:
  - Collecting a payment from solar developers for community and remote solar projects connected to the grid, while preserving utility bill credit for their customers
  - A transition plan for net metered customers with rooftop solar panels to a new formula that more accurately compensates customers for the value of the electricity they send to the grid



# Growing Portfolio of Renewable Energy and Regulated Gas and Electric Transmission Assets



## Renewables

- Estimated 6<sup>th</sup> largest owner of solar generation in North America (IHS EER as of year-end 2015)
- Growing renewable energy production
  - Over 1 GW in service or in various stages of development
- \$1.7 billion in capital investment over the next three years



## Regulated Transmission

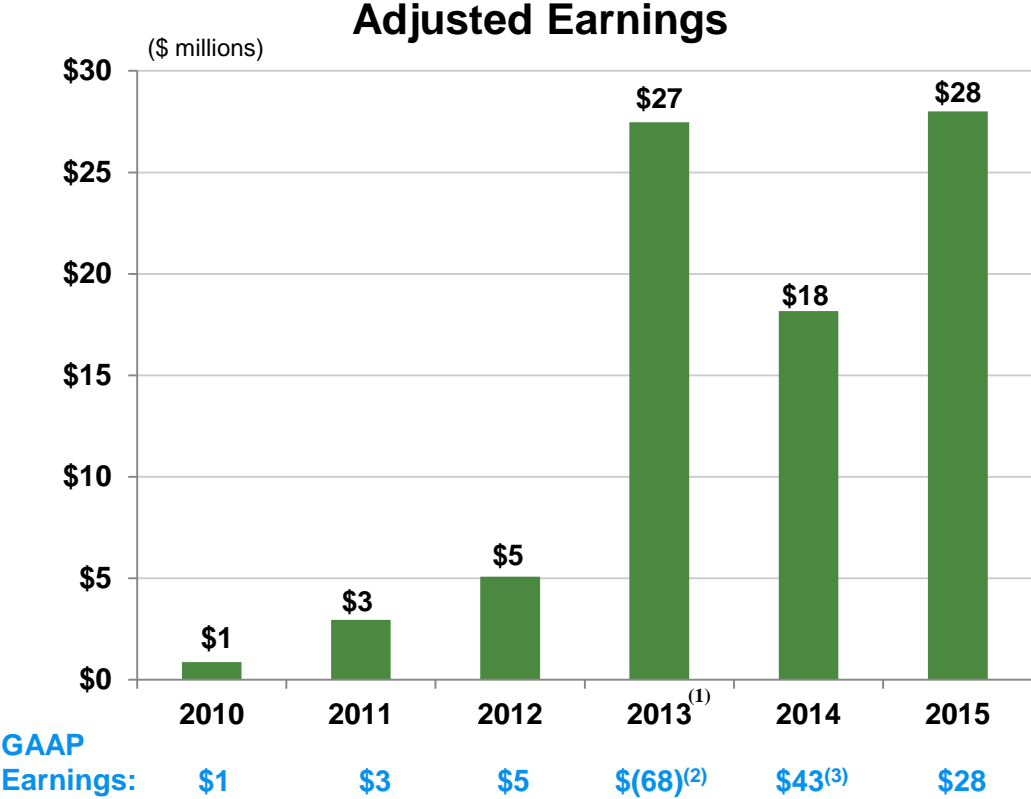
Gas pipelines and storage:

- Mountain Valley Pipeline (12.5% ownership)
- Stagecoach Gas Services (50% ownership)

Electric

- 45.7% ownership interest in NY Transco
- Additional estimated \$1 billion proposed NY Transco electric transmission project

# Con Edison Development: Net-Income Focused Growth From Renewable Investments

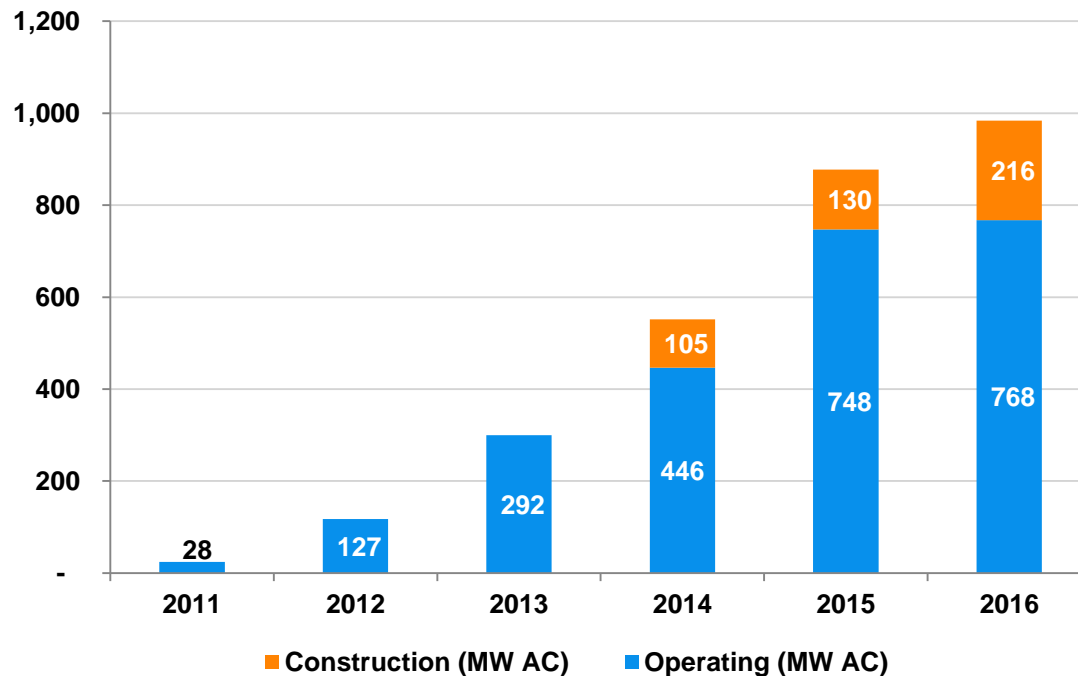


(1) 2013 GAAP and adjusted earnings include a net income gain from prior period taxes of approximately \$15 million.  
 (2) 2013 GAAP earnings include an after-tax charge of \$95 million relating to the LILCO transaction.  
 (3) 2014 GAAP earnings includes an after-tax gain of \$26 million on sale of solar electric production projects and an after tax charge of \$1 million relating to the LILCO transaction.  
 Note: Investments include a gas storage facility, the majority interest of which was acquired in 2010.

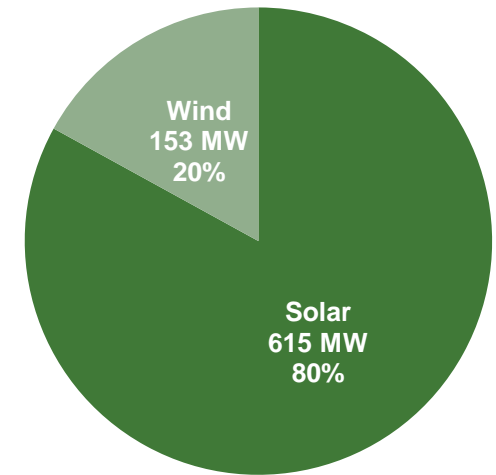


# Con Edison Development: 6<sup>th</sup> Largest Owner of Solar in North America

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



2016 Operating Capacity



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

Note: 2016 figures exclude the following solar projects planned but not yet under construction:

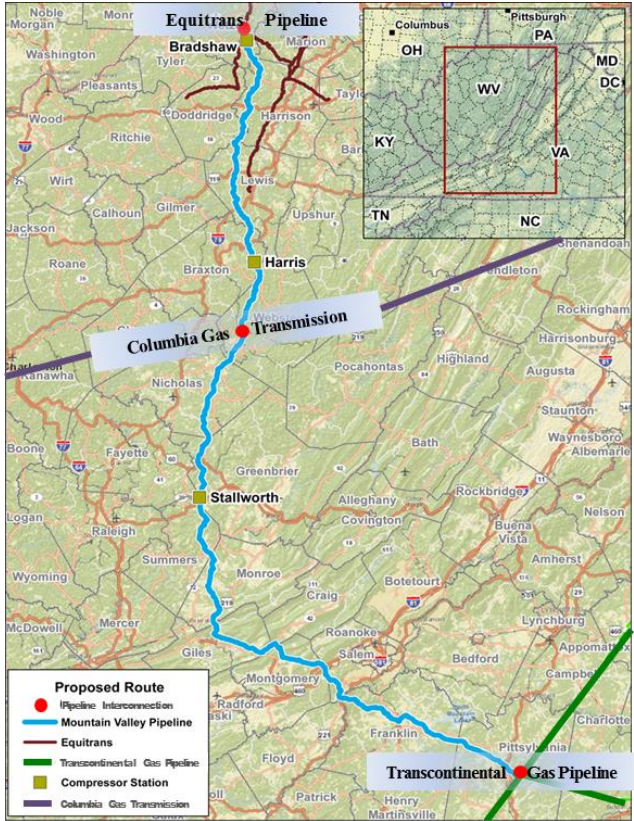
- 124 MW AC of solar in CA representing CED's 50% interest in Panoche Holdings
- 20 MW AC of Lost Hills solar project in CA
- 150 MW AC of Upton County solar project in TX



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

## Mountain Valley Pipeline

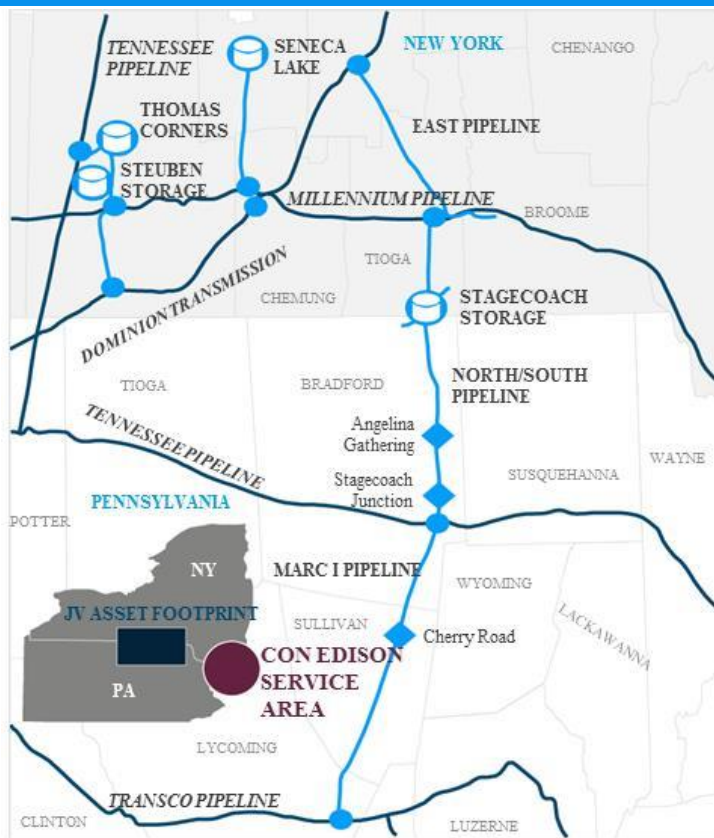
<b>Description</b>	300 mile pipeline (2 million Dt/day) that connects Equitrans (EQT) pipeline in northwestern West Virginia to Columbia Gas Transmission and Transco pipelines
<b>Location</b>	West Virginia and Virginia
<b>Con Edison Interest</b>	12.5% ownership interest 12.5% of firm capacity contracted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



# Con Edison Transmission: Overview of Stagecoach Gas Services Assets

Provides an opportunity for Con Edison to further expand its FERC-regulated-transmission business into growth markets

## Joint Venture Asset Footprint



Source: Crestwood Equity Partners public filings.

## Asset Description

### Pipelines

- Total pipeline length of 159 miles
- 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

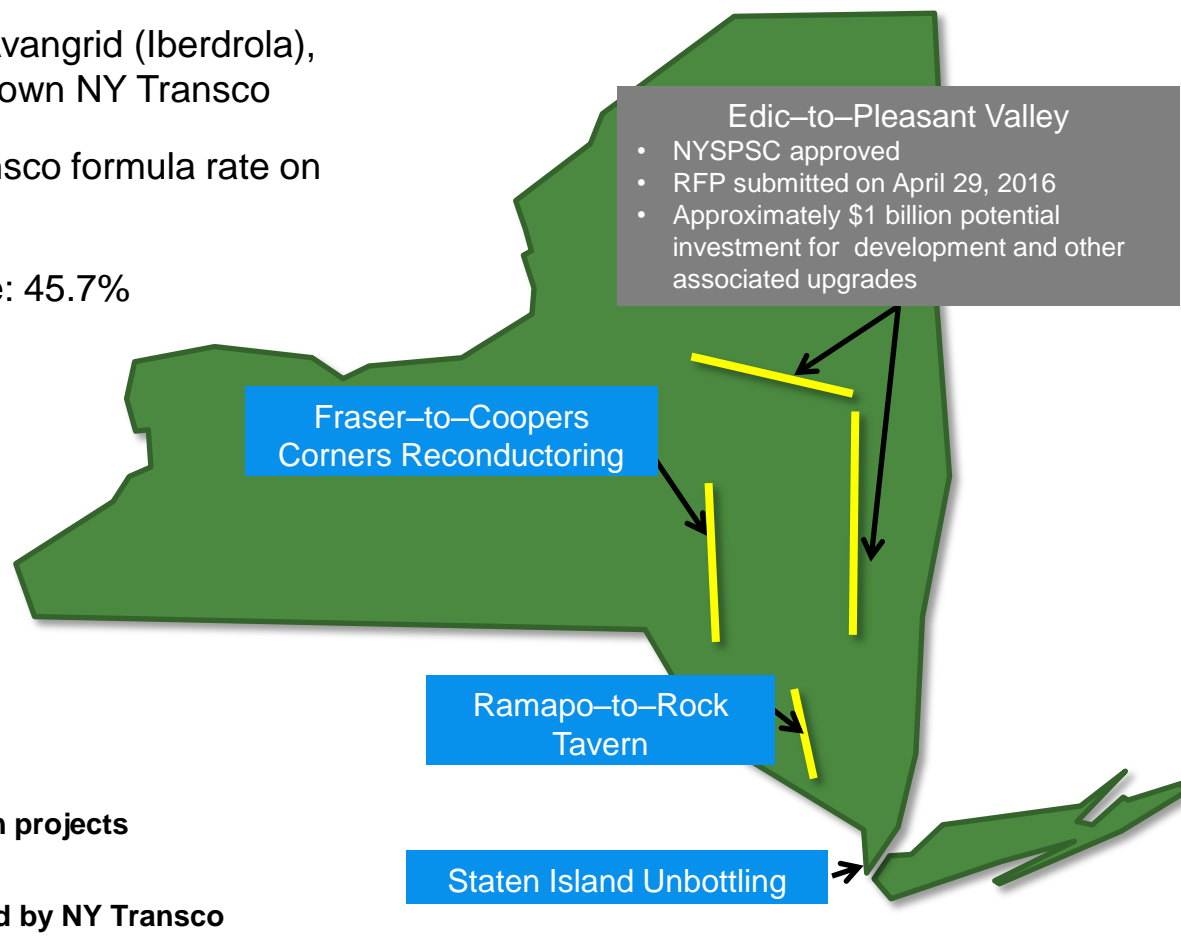
### Storage

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

# Con Edison Transmission: NY Transco Projects

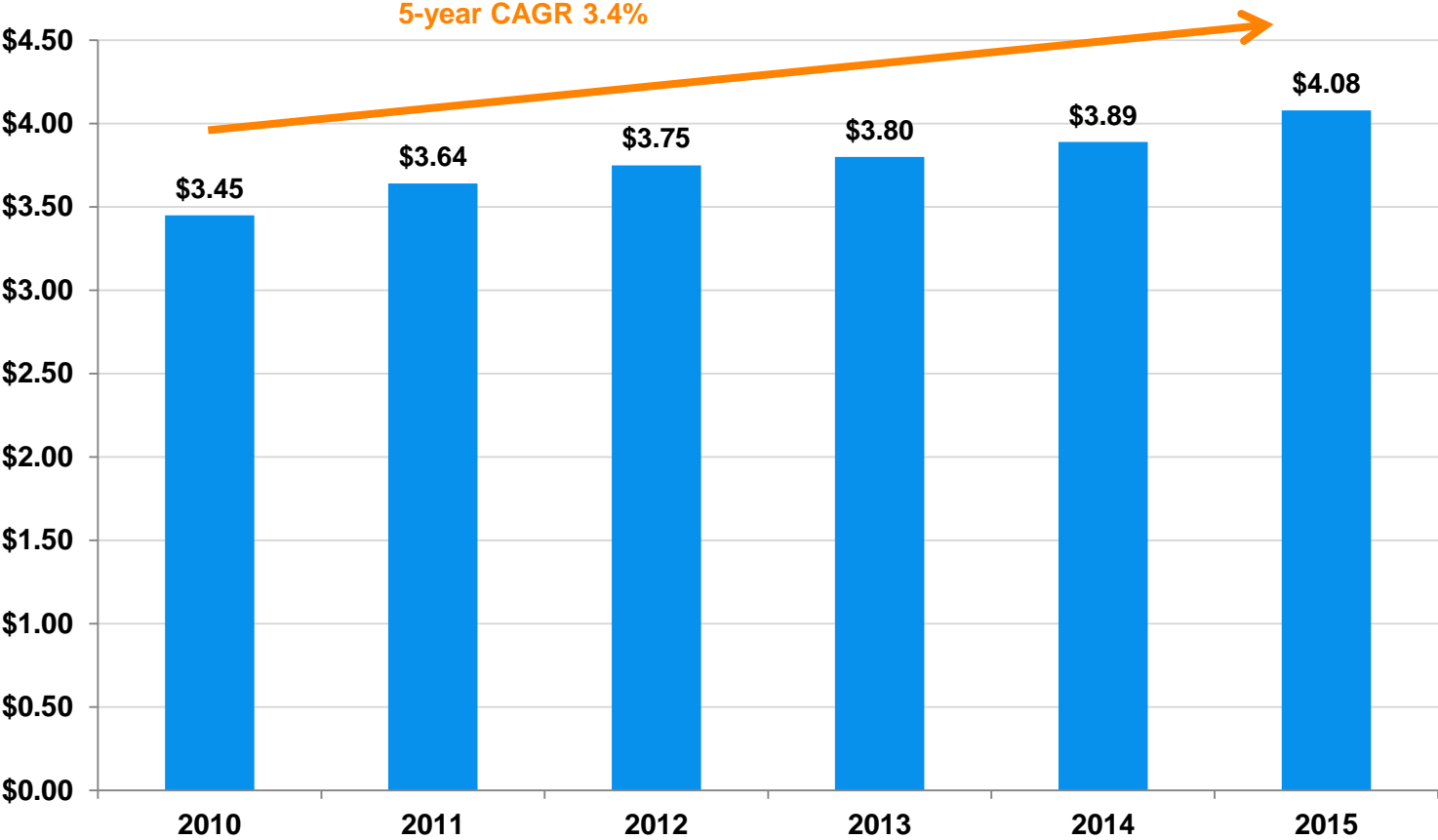
## Indian Point Contingency and Proposed AC Transmission Upgrades

- Con Edison, National Grid, Avangrid (Iberdrola), and Central Hudson (Fortis) own NY Transco
- FERC approved the NY Transco formula rate on March 17, 2016
- Con Edison ownership share: 45.7%



# Consolidated Edison, Inc.

## Steady Growth in Adjusted Earnings per Share



GAAP Earnings:

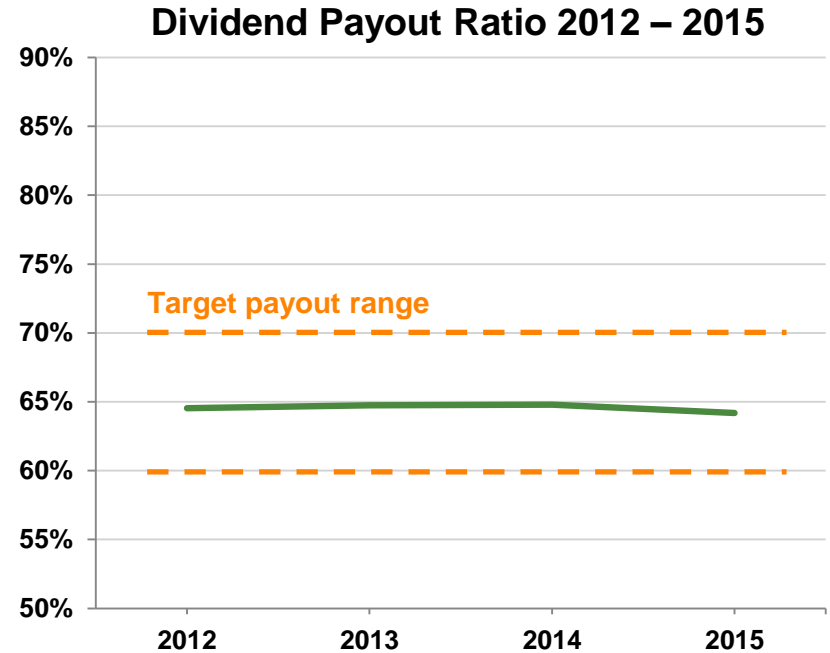
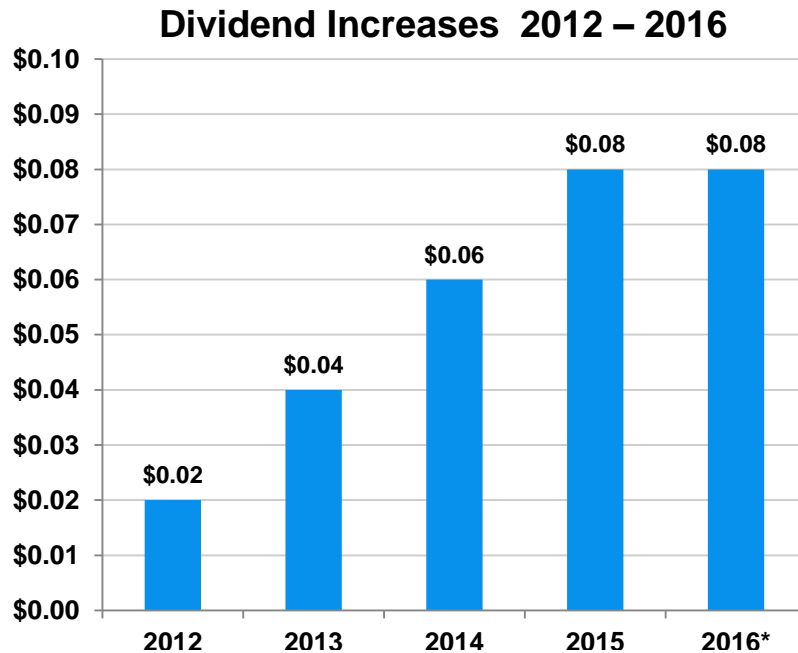
2010	2011	2012	2013	2014	2015
\$3.49	\$3.59	\$3.88	\$3.62	\$3.73	\$4.07

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



\*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 Investment Thesis

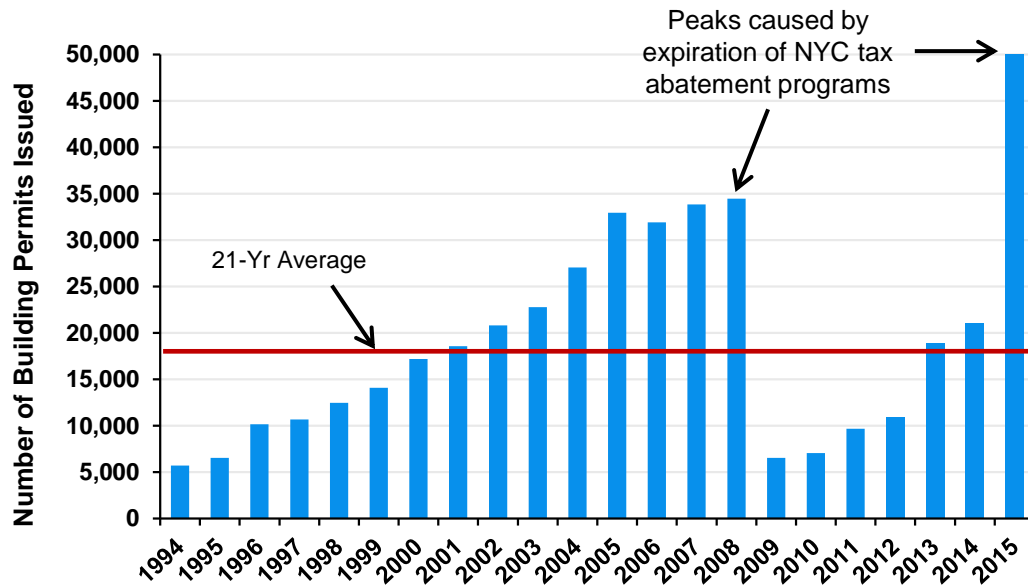
- Core regulated energy delivery business with growing energy infrastructure platform
  - Limited commodity exposure
  - Reduced regulatory lag through forward-looking test years, revenue decoupling and adjustment mechanisms
- Ability to invest in our core regulated franchise for customer benefit
  - Majority of investment is replacement and upgrade of existing assets
  - Growth opportunity through increased natural-gas conversions
  - Advanced-meter-infrastructure investment
- Growing portfolio of regulated gas and electric transmission and renewable energy investments
  - Electric and gas transmission assets located in areas where Con Edison has a long-term operating history
  - Utility-scale solar and wind with long-term contracts
- Conservative financial profile
  - Strong, stable balance sheet and conservatively managed liquidity
  - Strong dividend record

# Appendix

# Business Environment

- Con Edison is at the forefront of the transformation of the energy landscape
- Vibrant local economy with job growth in the region outpacing the nation
- Job growth from Technology, Health, Education, Hospitality, Tourism and Business Services
- Tourism at record levels

**Residential Building Permits Highest Since 1963**



Source: US Census Bureau

**Annual Growth in Peak Usage  
(Weather-Adjusted)**

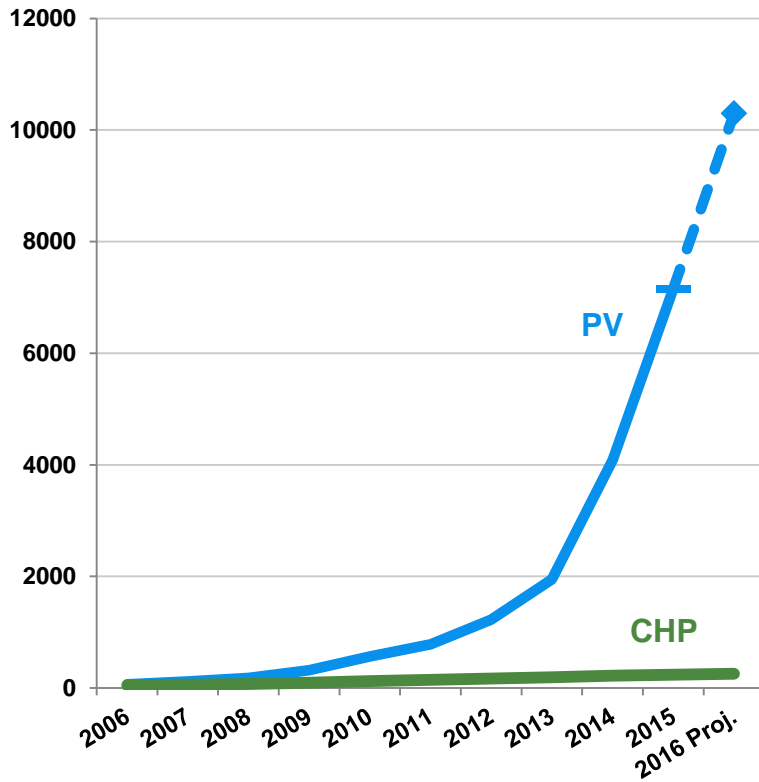
5-Year Forecast	2016-2020
<b>CECONY (%)</b>	
Electric	0.2
Gas	2.3
Steam	-0.8
<b>O&amp;R (%)</b>	
Electric	0.3
Gas	0.6



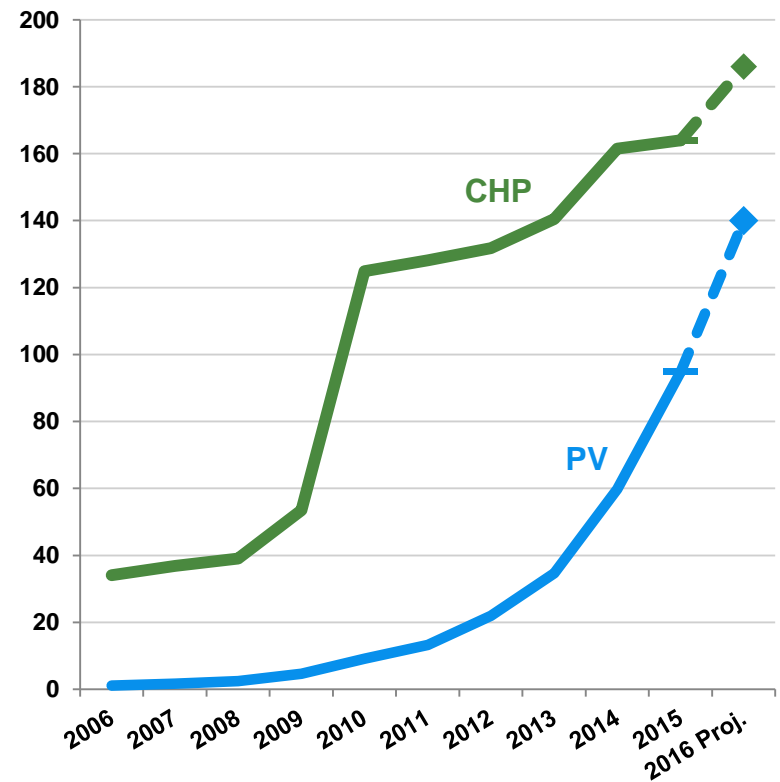
# Distributed Generation

## Adoption Trends in CECONY Service Area

Total Installations



Total Installed Capacity



Source: Consolidated Edison Company of New York.

# Consolidated Edison, Inc. 1Q 2016 Earnings

	Earnings per Share		Net Income (\$ millions)	
	2016	2015	2016	2015
Reported EPS and Net Income – GAAP basis	\$1.05	\$1.26	\$310	\$370
Net mark-to-market – effects of the CEBs	0.13	(0.01)	38	(5)
<b>Adjusted EPS and Adjusted Earnings – non-GAAP basis</b>	<b>\$1.18</b>	<b>\$1.25</b>	<b>\$348</b>	<b>\$365</b>

## FY 2016

- Company confirms adjusted EPS of \$3.85 to \$4.05 on May 5, 2016
- Range includes adjustment for April 2016 gas pipeline and storage JV
- Adjusted EPS excludes the net mark-to-market effects of the CEBs

## Q1 2016 vs. Q1 2015 Adjusted Earning Per Share

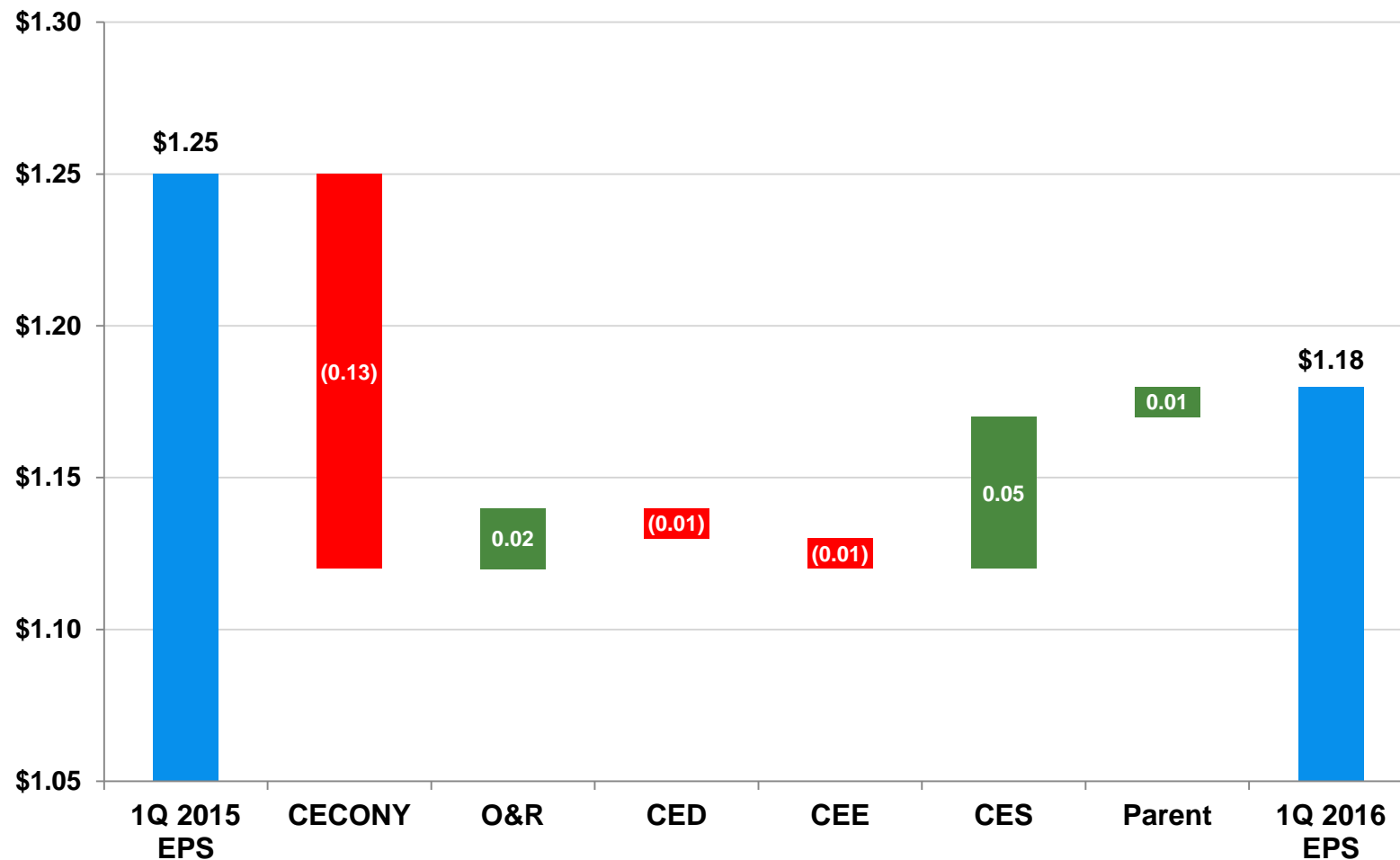
### 3 months ending March 31, 2016

	CECONY	O&R	CED	CEE	CES	Parent	Total
Reported EPS – GAAP basis	\$1.06	\$0.09	-	\$0.01	\$(0.12)	\$0.01	\$1.05
Mark-to-market losses/(gains)	-	-	-	-	0.13	-	0.13
<b>Adjusted EPS</b>	<b>\$1.06</b>	<b>\$0.09</b>	<b>-</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$1.18</b>

### 3 months ending March 31, 2015

	CECONY	O&R	CED	CEE	CES	Parent	Total
Reported EPS – GAAP basis	\$1.19	\$0.07	\$0.01	\$0.01	\$(0.02)	-	\$1.26
Mark-to-market losses/(gains)	-	-	-	0.01	(0.02)	-	(0.01)
<b>Adjusted EPS</b>	<b>\$1.19</b>	<b>\$0.07</b>	<b>\$0.01</b>	<b>\$0.02</b>	<b>\$(0.04)</b>	<b>-</b>	<b>\$1.25</b>

# Walk from Q1 2015 Adjusted EPS to Q1 2016 Adjusted EPS



## Q1 2016 Adjusted EPS Drivers

	EPS Variance	Comment
<b>CECONY</b>		
Weather	\$(0.12)	Weather impact on steam revenues (warmer than avg. winter)
Gas Net Revenues	0.02	Retention of revenues, oil-to-gas conversion customer growth
Lower allowed ROE	(0.02)	CECONY allowed ROE dropped from 9.2% to 9.0%
Other	(0.01)	
<b>Total CECONY</b>	<b>\$(0.13)</b>	
<b>O&amp;R</b>		
<b>Total O&amp;R</b>	<b>\$0.02</b>	
<b>Competitive Businesses</b>		
CES		Higher retail gross profit
CEE		
CED		
<b>Total CEBs</b>	<b>\$0.03</b>	Total (excluding mark-to-market)
<b>Parent</b>		
Parent Co.	\$0.01	Lower state income taxes
<b>Consolidated Total CEI</b>	<b>\$(0.07)</b>	

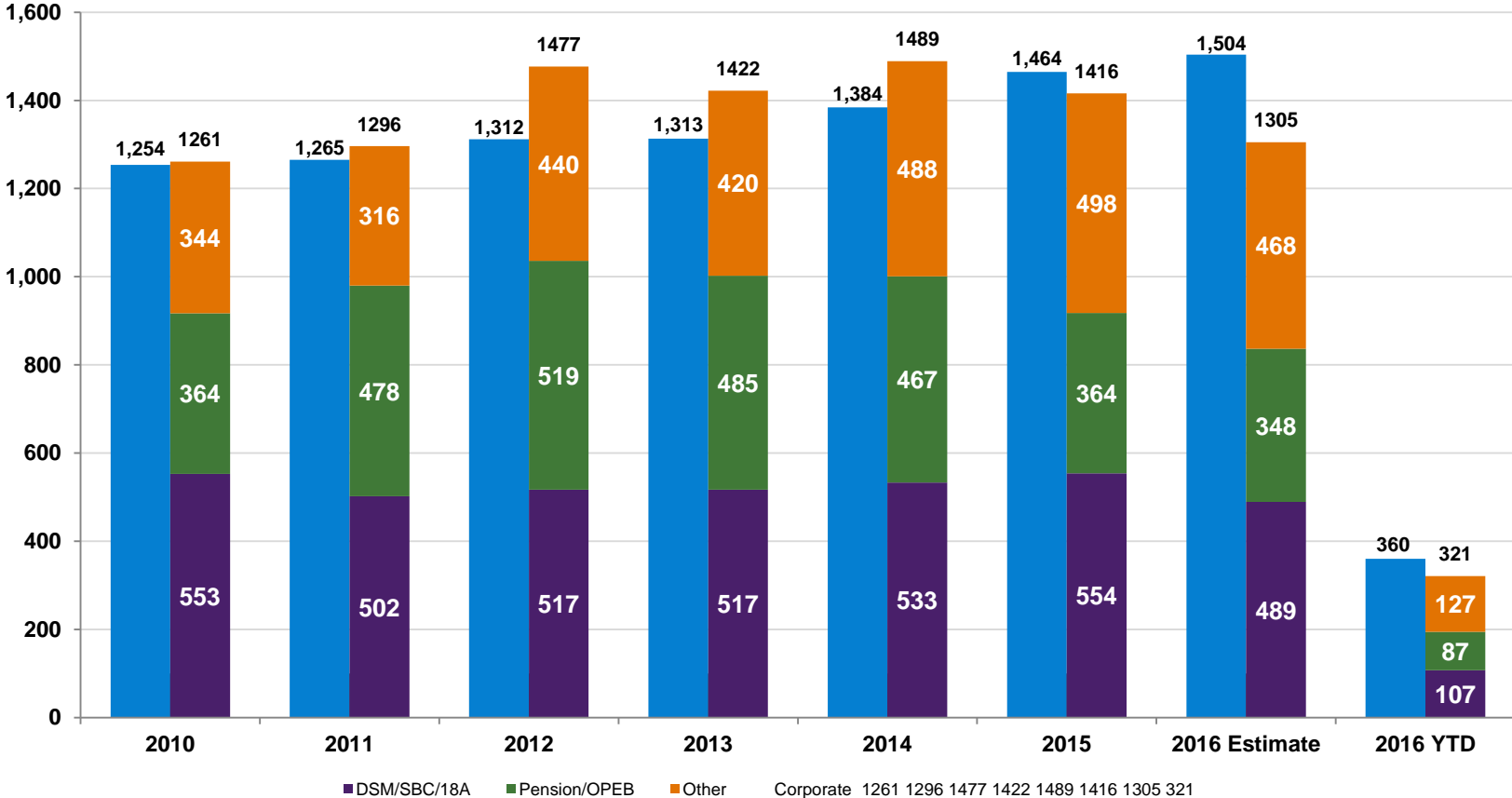
# Historical Adjusted Earnings Reconciliation

12 Months Ending December 31

	2010	2011	2012	2013	2014	2015
<b>Reported EPS – GAAP Basis</b>	<b>\$3.49</b>	<b>\$3.59</b>	<b>\$3.88</b>	<b>\$3.62</b>	<b>\$3.73</b>	<b>\$4.07</b>
Impairment of Assets Held for Sale	-	-	-	-	-	0.01
Gain on Sale – Solar Projects	-	-	-	-	(0.09)	-
Loss from LILO Transactions	-	-	-	0.32	-	-
Net MTM effects of CEBs	(0.04)	0.05	(0.13)	(0.14)	0.25	-
<b>Adjusted EPS</b>	<b>\$3.45</b>	<b>\$3.64</b>	<b>\$3.75</b>	<b>\$3.80</b>	<b>\$3.89</b>	<b>\$4.08</b>

# CECONY Departmental and Other Expenses

March 31, 2016 (\$ millions)



\* Includes Demand Side Management, System Benefit Charges and 18A assessment.

# New York Public Service Commission (NY PSC)

## Commissioners

Patricia Acampora  
(R)

Feb-2015  
Appointed June 2005

Gregg Sayre  
(D)

Feb-2018  
Appointed June 2012

Audrey Zibelman  
(D)

Feb-2018  
Appointed June 2013

Diane Burman  
(R)

Feb-2018  
Appointed June 2013

## PSC Staff

Office of Accounting  
and Finance

Office of Electric, Gas  
and Water

Office of Energy  
Efficiency and the  
Environment

Office of  
Telecommunications

Office of Consumer  
Services

Office of Regulatory  
Economics



# NYC PSC Staff's Formulaic Approach to Returns 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  $D_\infty$  = 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)
  - $\beta$  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

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



Rate of return on equity

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 <sup>st</sup> year
12/07	National Fuel Gas	9.10%	1 year			9.50%	2 <sup>nd</sup> year
03/08	CECONY Electric	9.10%	1 year			9.60%	3 <sup>rd</sup> 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 <sup>rd</sup> 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				
09/10	CECONY Gas	9.60%	3 years	2/16	Energy East (RGE/NYSEG) JP	9.00%	3 years
09/10	CECONY Steam	9.60%	3 years				

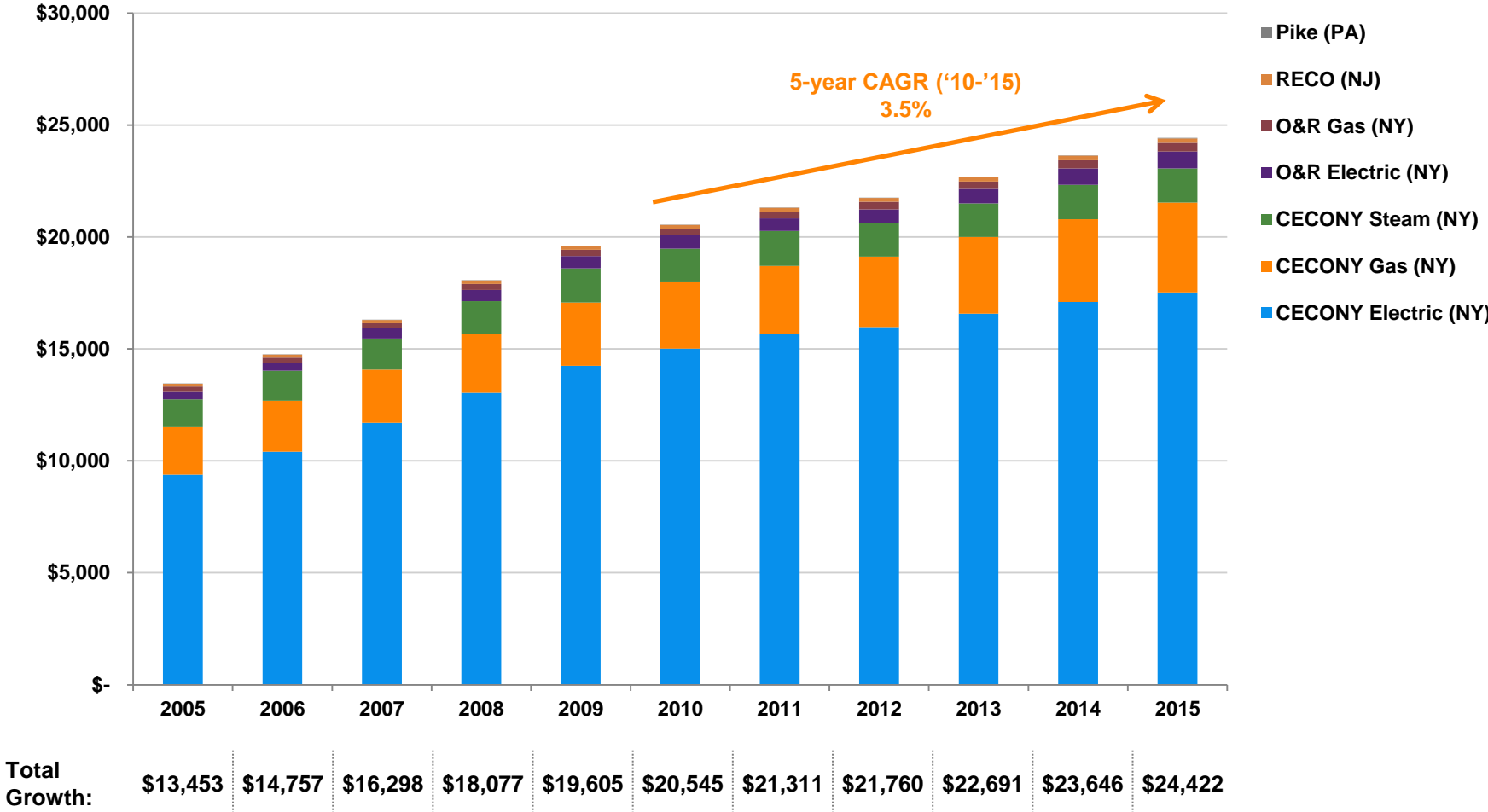
# CECONY Electric and Gas Rate Filings: Key Provisions & Cost Elements

- **Continuing the current provisions for:**
  - True up of costs of pension and OPEBs, variable-rate, tax-exempt long-term debt, storms (electric), the impact of new laws, and environmental site investigation and remediation
  - Revenue decoupling mechanism for electric and gas services
  - Recovery of cost of purchased power, gas, steam and fuel
- **Requesting full reconciliation of:**
  - Property taxes and municipal infrastructure support costs
  - Reforming the Energy Vision (REV) enablement project costs, REV Demonstration Project costs, and Brooklyn Queens Demand Management program costs.
- **Proposing a Reliability Surcharge Mechanism to recover costs associated with additional miles of main replacement above the annual targets.**

Cost Elements (\$ millions)	Electric	Gas
Carrying cost of new infrastructure	\$140	\$77
Pension, OPEB and employee benefits	(114)	(8)
Depreciation charges	70	32
Other operating expenses	50	116
Higher financing costs	125	11
Property and other taxes	66	8
Amortization of net deferred credits	(11)	13
Sales revenue change (net of energy costs)	170	(107)
All other (net)	(14)	12
<b>Base rate increase<sup>(1)</sup>:</b>	<b>\$482</b>	<b>\$154</b>
<b>Overall bill impact:</b>	<b>4.5%</b>	<b>8.2%</b>

(1) Updated in March 2016 to \$480 million and \$159 million respectively

# Consolidated Edison, Inc. Rate Base Growth (\$ millions)

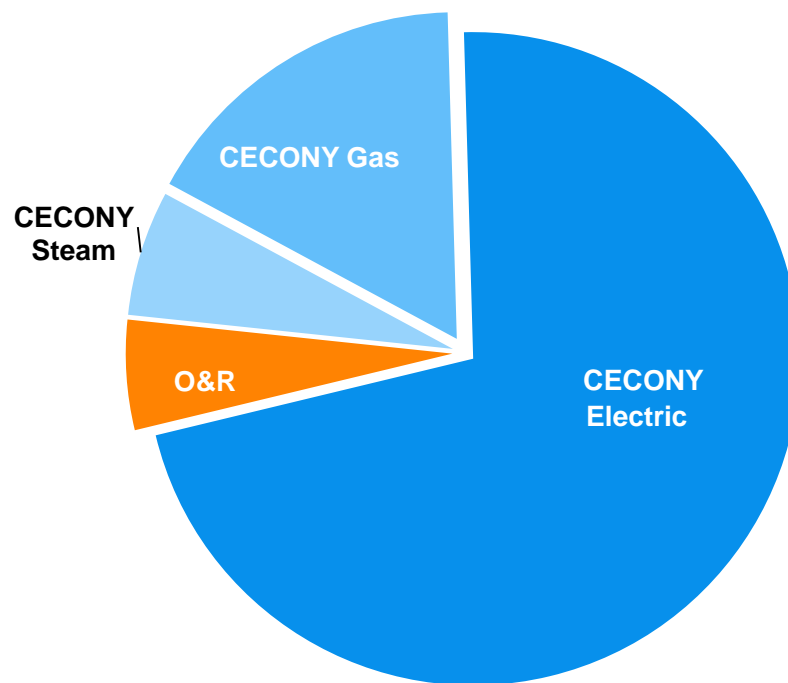


## Composition of Rate Base\* (as of March 31, 2016)

CECONY		(\$ millions)
Electric	NY	\$17,633
Gas	NY	4,103
Steam	NY	1,542
<b>Total CECONY</b>		<b>\$23,278</b>

O&R		(\$ millions)
O&R Electric	NY	\$749
O&R Gas	NY	374
Rockland	NJ	197
Pike	PA	17
<b>Total O&amp;R</b>		<b>\$1,337</b>

**Total Rate Base    \$24,615**



\* Average rate base for 12 months ending 3/31/2016.

# Regulated Utility Rates of Return and Equity Ratio (12 Months Ending March 31, 2016)

	Regulated Basis	
	Allowed	Actual
<b>CECONY</b>		
Electric	9.0%	9.6%
Gas	9.3%	8.4%
Steam	9.3%	6.2%
Overall - CECONY	9.2% <sup>(1)</sup>	9.1%
<b>CECONY Equity Ratio<sup>(2)</sup></b>	<b>48.0%</b>	<b>48.9%</b>
<b>O&amp;R</b>		
Electric	9.0%	10.4%
Gas	9.0%	5.5%
RECO	9.8%	8.6%
Overall – O&R	9.2% <sup>(1)</sup>	8.7%
<b>O&amp;R Equity Ratio<sup>(2)</sup></b>	<b>48.0%</b>	<b>49.3%</b>

(1) Weighted by rate base

(2) Average for trailing twelve months

## Capital Structure – March 31, 2016

(\$ millions)

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

Debt	\$12,961	50%
Equity	13,201	50
<b>Total</b>	<b>\$26,162</b>	<b>100%</b>

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

Debt	\$11,438	50%
Equity	11,562	50
<b>Total</b>	<b>\$23,000</b>	<b>100%</b>

### Orange and Rockland A3 / A- / A-

Debt	\$668	52%
Equity	620	48
<b>Total</b>	<b>\$1,288</b>	<b>100%</b>

### Competitive and Parent

Debt	\$855	46%
Equity	1,019	54
<b>Total</b>	<b>\$1,874</b>	<b>100%</b>

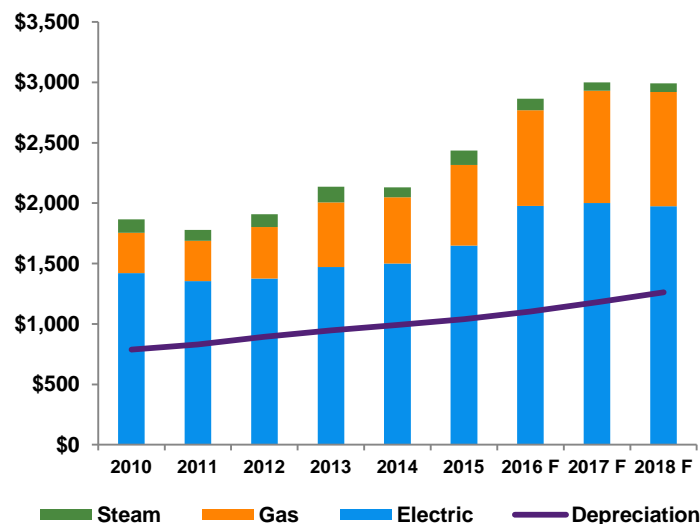
Amounts shown exclude notes payable and include the current portion of long-term debt; issuer credit ratings shown in order of Moody's / S&P / Fitch; Moody's and Fitch's ratings have a stable outlooks, S&P's rating has a negative outlook.

# CECONY Infrastructure Investment (\$ millions)

## Forecasted CECONY Gas Main Capex

	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast
Gas Main Replacement Capex	\$148	\$251	\$273	\$301
Mileage for Replacement	70	80	85	90

## Annual CECONY Infrastructure Capex

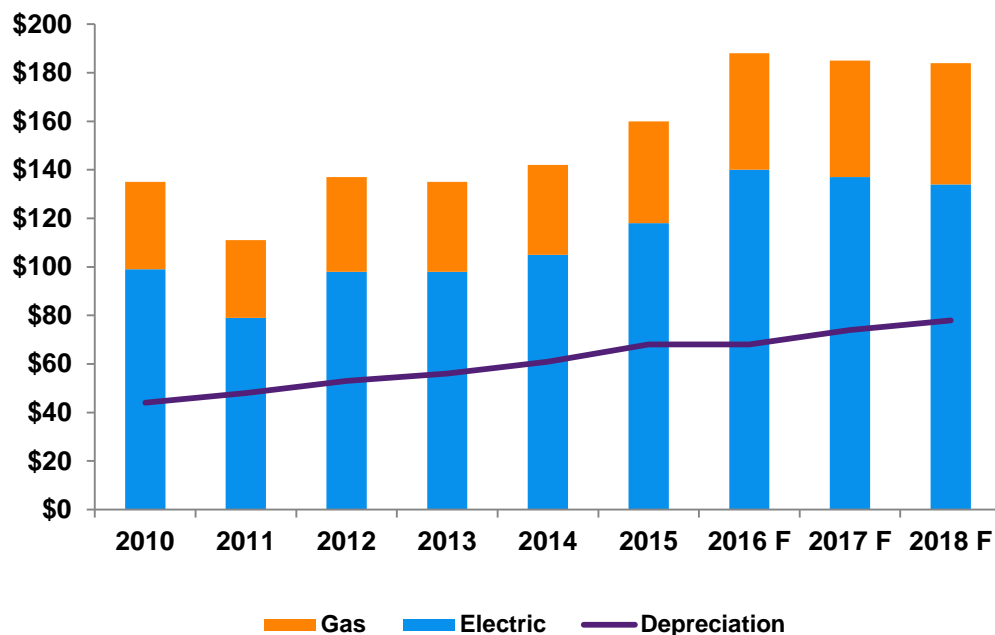


	Electric	Gas	Steam	Depreciation
2010	\$1,421	\$334	\$111	\$787
2011	1,354	335	89	829
2012	1,375	426	108	894
2013	1,471	536	128	946
2014	1,500	549	83	991
2015	1,649	666	120	1,040
2016 Forecast	1,978	790	97	1,103
2017 Forecast	2,002	928	69	1,179
2018 Forecast	1,975	944	72	1,262



# O&R Infrastructure Investment (\$ millions)

## Annual O&R Infrastructure Capex



	Electric	Gas	Depreciation
2010	\$99	\$36	\$44
2011	79	32	48
2012	98	39	53
2013	98	37	56
2014	105	37	61
2015	118	42	68
2016 Forecast	140	48	68
2017 Forecast	137	48	74
2018 Forecast	134	50	78

# 2016 Financing

## 2016 Financing Plan

- Capital expenditures of \$5.13 billion (CECONY: \$2.87 billion, O&R: \$188 million, CEB: \$985 million, CET: \$1.09 billion)
- Issue between \$1 billion and \$1.8 billion of long-term debt, most of which is at the utilities
- Issue approximately \$700 million of common equity<sup>(1)</sup>
- Issue \$500 million of debentures at the holding company
- Activity so far:
  - In February, a Con Edison Development subsidiary issued \$218 million 4.21% senior notes due 2041, secured by the Company's Texas Solar 7 project.

## Debt Maturities

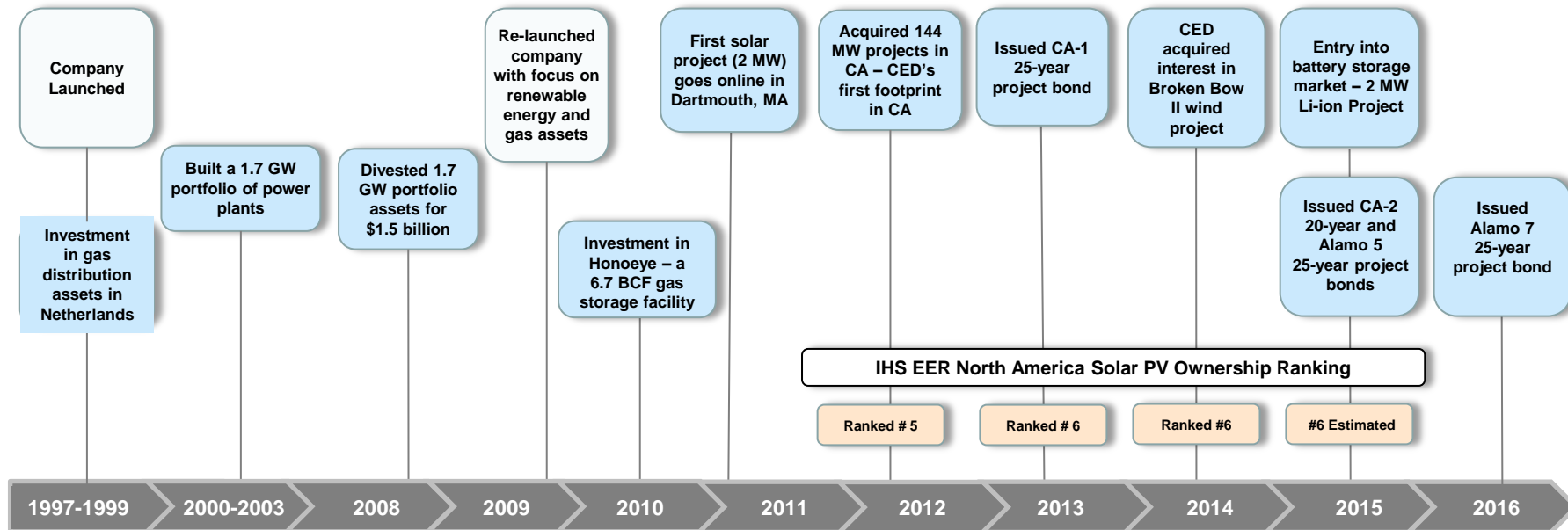
(\$ millions)	2016 <sup>(2)</sup>	2017	2018	2019	2020
Con Edison, Inc. [Parent Co.]	\$2	\$2	\$2	\$3	\$3
Con Edison of New York	650	-	1,200	475	350
Orange and Rockland	79	4	54	62	-
Competitive Energy Businesses	8	10	10	12	12
<b>Total</b>	<b>\$739</b>	<b>\$16</b>	<b>\$1,266</b>	<b>\$552</b>	<b>\$365</b>

(1) In addition to the equity issued through dividend reinvestment, employee stock purchase and long-term incentive plans.

(2) 2016 maturities: CECONY \$400 million debenture maturing in September (5.5%), CECONY \$250 million debenture maturing in December (5.3%), and O&R \$75 million debenture maturing in October (5.45%)

# Con Edison Development: Overview and Timeline

- CED was formed in 1997 and through acquisitions, expansions, and greenfield development built a portfolio of fossil-fueled, merchant generation assets that totaled 1,700 MW (portfolio divested in 2008)
- The company now has refocused its efforts on renewable energy and gas assets as part of an overall goal of responsible environmental stewardship
  - 768 MW of solar photovoltaic projects in operation with approximately 216 MW under construction
  - Robust renewable energy project pipeline in Arizona, California, Massachusetts, Nebraska, Nevada, New Jersey, Pennsylvania, Rhode Island, South Dakota, and Texas
- CED's management team is comprised of seasoned professionals with an average of more than 30 years of experience in all facets of the energy industry

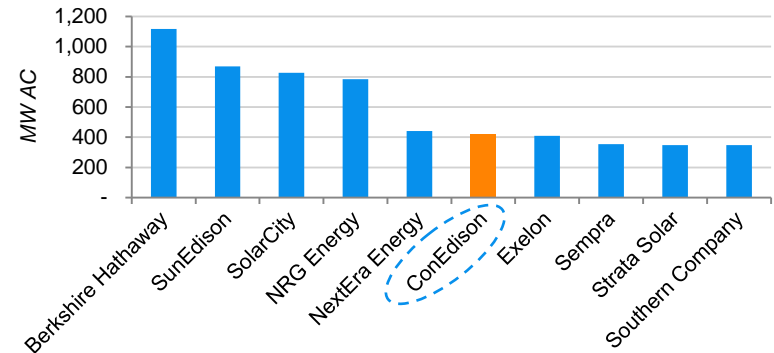


# Con Edison Development: Strengths and Strategy

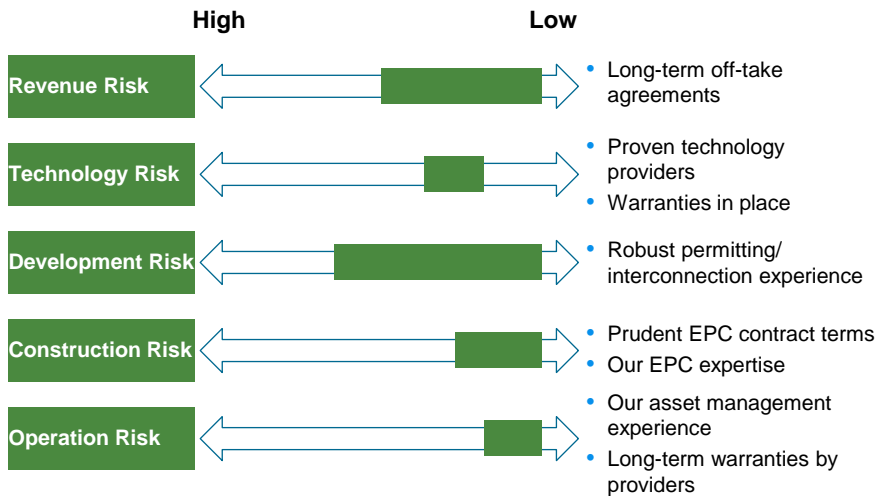
## CED Strengths

- Project development
- Construction
- O&M
- Asset management

## CED Ranks #6 in North America in Solar<sup>(1)</sup>

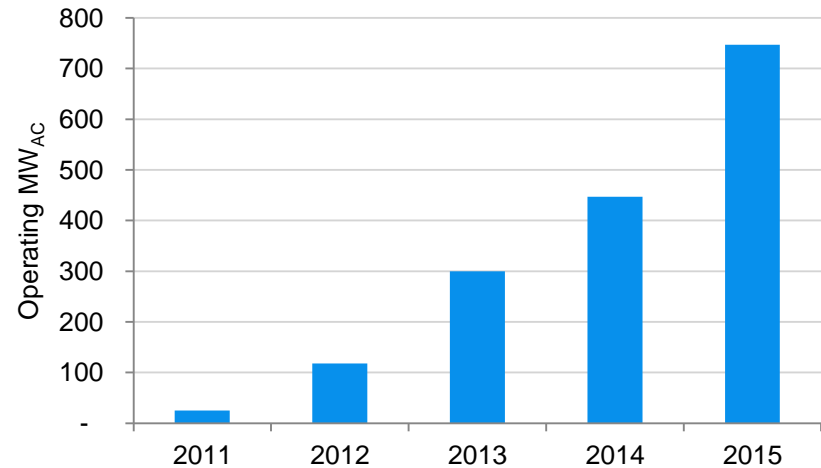


## CED Renewable Investment Strategy



Note:  
(1) As of year-end 2014

## Disciplined Growth of CED Renewables Portfolio

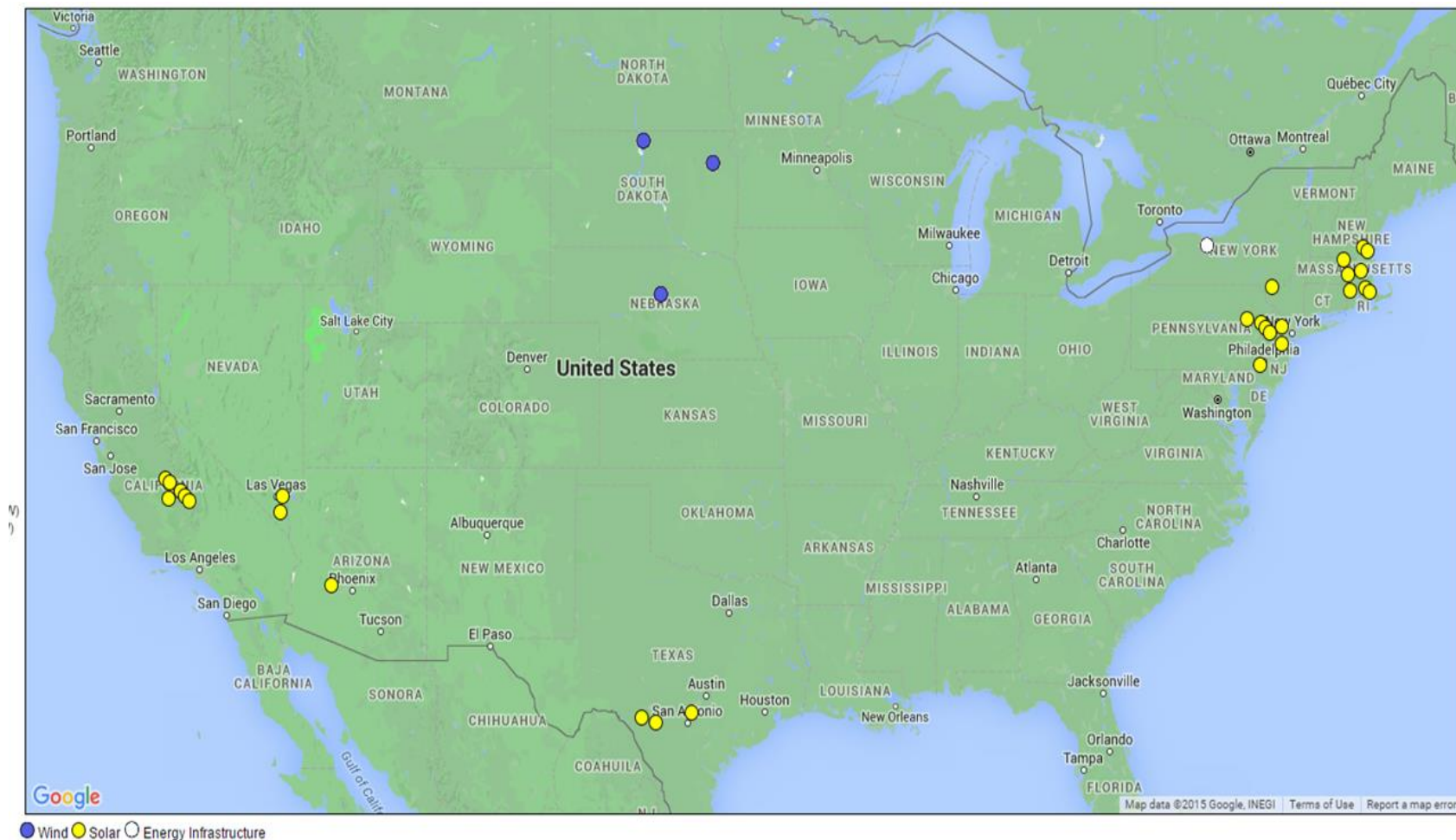


# Con Edison Development: Renewable Asset Summary

**CED has built a renewables portfolio consisting of 768 MW operating projects**

Project Name	Production Technology	MW-DC	MW-AC	Actual / Expected In-Service Date	Location (State)
<i>Wholly owned projects</i>					
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
Projects of less than 5 MW	Solar	24	20	Various	Various
<i>Jointly owned projects</i>					
Pilesgrove	Solar	10	9	2011	New Jersey
California Solar	Solar	72	55	2012-13	California
Mesquite Solar 1	Solar	115	83	2013	Arizona
Copper Mountain 2 Solar Phase 1 and 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
<b>Total MW in Operation</b>		<b>961</b>	<b>768</b>		

# Con Edison Development: Asset Geographic Diversification



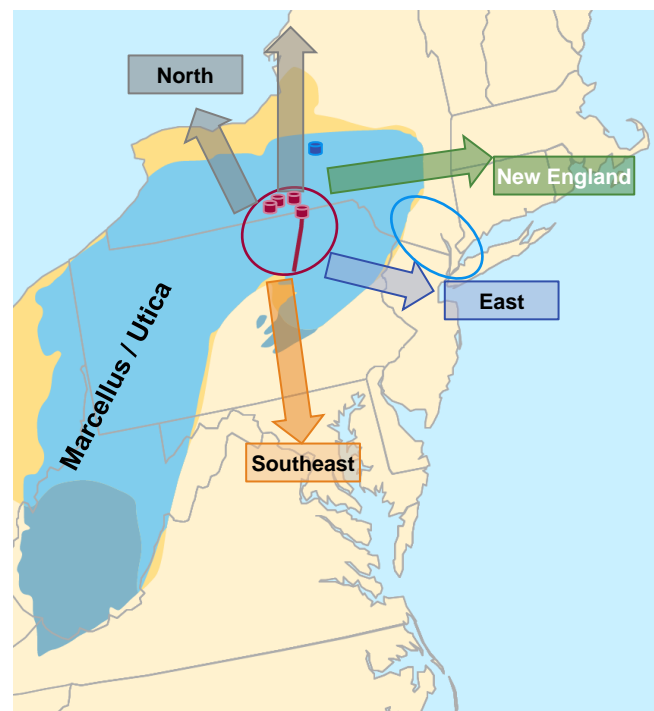
# Gas Pipeline and Storage Portfolio with Growth Opportunities

The Stagecoach JV's strategic position in the Northeast presents growth opportunities in areas where Con Edison has a long-term operating history

## Transaction Rationale and Benefits

- JV is situated within the core of the Northeast Pennsylvania Marcellus / Utica Shale gas supply area
  - Abundant and growing gas supply area
  - Production replacing other higher cost regions
- Gas demand throughout the east coast is forecasted to grow; customers responding to lower gas prices
- JV benefits from numerous infrastructure projects expected to increase exports out of the region over the next five years
- JV has identified near-term growth projects

## Gas Demand Flows



- Con Edison Service Area
- Utica
- Con Edison Storage Asset
- Marcellus
- Stagecoach Gas Services
- Utica Underlying Marcellus
- JV Storage Facilities
- JV Pipelines

# Liquidity Adequacy

## \$2.25 billion CEI Consolidated Revolving Credit Facility

