CONSOLIDATED EDISON INC
Form DEF 14A
April 04, 2016
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x

Filed by a party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Under §240.14a-12

CONSOLIDATED EDISON, INC.

(Name of Registrant as Specified In Its Charter)

NOT APPLICABLE

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Table of Contents

Consolidated Edison, Inc.

4 Irving Place

New York, NY 10003

John McAvoy

Chairman of the Board

April 4, 2016

Dear Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of Consolidated Edison, Inc. We hope that you will join the Board of Directors and the Company s management at the Company s Headquarters at 4 Irving Place, New York, New York, on Monday, May 16, 2016, at 10:00 a.m.

The accompanying Proxy Statement, provided to stockholders on or about April 4, 2016, contains information about matters to be considered at the Annual Meeting. At the Annual Meeting, stockholders will be asked to vote on the election of Directors, the ratification of the appointment of independent accountants for 2016, and the approval, on an advisory basis, of named executive officer compensation.

Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. It is very important that as many shares as possible be represented at the meeting.

Sincerely,

John McAvoy

Table of Contents

Consolidated Edison, Inc.

4 Irving Place, New York, NY 10003

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Date:	Monday, May 16, 2016, at 10:00 a.m.
Location:	Company s Headquarters 4 Irving Place New York, New York
Items of Business:	a. To elect as the members of the Board of Directors the ten nominees named in the Proxy Statement (attached hereto and incorporated herein by reference);
	b. To ratify the appointment of PricewaterhouseCoopers LLP as independent accountants for 2016;
	c. To approve, on an advisory basis, named executive officer compensation; and
	d. To transact such other business as may properly come before the meeting, or any adjournment or postponement of the meeting.

By Order of the Board of Directors,

Jeanmarie Schieler

Vice President and Corporate Secretary

Dated: April 4, 2016

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE

STOCKHOLDERS MEETING TO BE HELD ON MONDAY, MAY 16, 2016. THE COMPANY S PROXY STATEMENT AND ANNUAL REPORT, PROVIDED TO STOCKHOLDERS ON OR ABOUT APRIL 4, 2016, ARE AVAILABLE AT

HTTP://WWW.CONEDISON.COM/INVESTORREPORTS

IMPORTANT!

Whether or not you plan to attend the meeting in person, we urge you to vote your shares of Company Common Stock by telephone, by Internet, or by completing and returning a proxy card or a voter instruction form, so that your shares will be represented at the annual meeting.

Table of Contents

TABLE OF CONTENTS

PROXY STATEMENT SUMMARY

Table of Contents

SUMMARY

This section highlights information about Consolidated Edison, Inc. (the Company) that can be found in this Proxy Statement and does not contain all of the information that you need to consider. Before voting, please carefully review the complete Proxy Statement and the Annual Report to Stockholders of the Company provided to stockholders on or about April 4, 2016, which includes the consolidated financial statements and accompanying notes for the year ended December 31, 2015, and other information relating to the Company s financial condition and results of operations.

2016 ANNUAL MEETING OF STOCKHOLDERS (ANNUAL MEETING)

Time and Date:	Monday, May 16, 2016, at 10:00 a.m.
Location:	Company Headquarters, 4 Irving Place, New York, NY 10003. Directions are available at *www.conedison.com/investorreports*.
Record Date & Voting:	Stockholders of record at the close of business on March 22, 2016, are entitled to vote. On the record date, 293,878,287 shares of Company Common Stock were outstanding. Each outstanding share of Common Stock is entitled to one vote.
Admission:	Please follow the instructions contained in Who Can Attend the Annual Meeting? and Do I Need a Ticket to Attend the Annual Meeting? on page 60.

STOCKHOLDER VOTING MATTERS

	Proposal	Board s Voting Recommendation	Vote Required For Approval*	Page References (for more detail)
Proposal No. 1.	Election of Directors	FOR EACH NOMINEE	MAJORITY OF VOTES CAST	5 to 11
Proposal No. 2.	Ratification of the Appointment of Independent Accountants	FOR	MAJORITY OF VOTES CAST	12
Proposal No. 3.	Advisory Vote to Approve Named Executive Officer Compensation	FOR	MAJORITY OF VOTES CAST	13

* Abstentions and broker non-votes are voted neither for nor against, and have no effect on the vote, but are counted in the determination of the quorum.

Table of Contents

PROPOSAL NO. 1: ELECTION OF DIRECTORS

The Board of Directors has nominated ten directors for election at the Annual Meeting and recommends the election of each of the ten nominees. The following table provides certain information about the Director nominees. (See *Information About the Director Nominees* on pages 6 to 11 for additional information.)

			Committee Memberships						
Name	**Primary Occupation**	**Independent**	**Audit**	**Corporate Governance and Nominating**	**Environment, Health and Safety**	**Executive**	**Finance**	**Management Development and Compensation**	**Operations Oversight**
Vincent A. Calarco Director since 2001	Non-Executive Chairman, Newmont Mining Corporation	ü	ü(C)	ü		ü		ü	
George Campbell, Jr. Director since 2000	Non-Executive Chairman, Webb Institute	ü		ü		ü		ü(C)	ü
Michael J. Del Giudice Director since 1999	Founder and Senior Managing Director, Millennium Capital Markets LLC	ü	ü	ü(C)(L)		ü		ü	
Ellen V. Futter Director since 1997	President, American Museum of Natural History				ü(C)				ü
John F. Killian Director since 2007	Former Executive Vice President and Chief Financial Officer, Verizon Communications Inc.	ü	ü	ü				ü	
John McAvoy Director since 2013	Chairman, President and Chief Executive Officer, Consolidated Edison, Inc.					ü(C)			
Armando J. Olivera Director since 2014	Former President and Chief Executive Officer, Florida Power & Light Company	ü			ü		ü		ü
Michael W. Ranger Director since 2008	Senior Managing Director, Diamond Castle Holdings LLC	ü	ü				ü		ü(C)
Linda S. Sanford Director since 2015	Former Senior Vice President Enterprise Transformation, International Business Machines Corporation (IBM)	ü		ü	ü		ü		
L. Frederick Sutherland Director since 2006	Former Senior Advisor to the Chief Executive Officer and Former Executive Vice President and Chief Financial Officer, Aramark Corporation	ü	ü				ü(C)	ü	

ü = Member (C) = Chair (L) = Lead Director

PROPOSAL NO. 2: RATIFICATION OF THE APPOINTMENT OF INDEPENDENT ACCOUNTANTS

The Board recommends ratification of the appointment of PricewaterhouseCoopers LLP as independent accountants for 2016. (See *Ratification of the Appointment of Independent Accountants* on page 12.)

PROPOSAL NO. 3: ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

The Board recommends the approval of, on an advisory basis, the compensation of the Named Executive Officers. The Company s Named Executive Officers are identified in the *Compensation Discussion and Analysis Introduction* on page 26. (See *Advisory Vote to Approve Named Executive Officer Compensation* on page 13.)

Table of Contents

STOCKHOLDER ENGAGEMENT

The Company discussed with investment firms and institutional stockholders the design of the executive compensation program, disclosure practices, corporate governance, and the results of the advisory vote to approve named executive officer compensation.

BOARD GOVERNANCE PRACTICES

Election of Directors. Members of the Board of Directors are elected annually by a majority of the votes cast by the Company s stockholders.

Composition. The members of the Board of Directors have the combination of skills, professional experience, and the diversity of backgrounds necessary to oversee the Company s business.

Risk Oversight. The Board and its committees oversee the Company s policies and procedures for managing risks that are identified through the Company s enterprise risk management program.

Membership on Public Company Boards. None of the members of the Board of Directors serve on more than three other public company boards.

KEY FEATURES OF THE EXECUTIVE COMPENSATION PROGRAM

Type	Component	Objective
Performance-Based Compensation	Annual Incentive Compensation	Achievement of financial and operating objectives for which the Named Executive Officers have individual and collective responsibility.
	Long-Term Incentive Compensation	Achievement, over a multi-year period, of financial and operating objectives critical to the performance of the Company s business plans and strategies. Achievement, over a three-year period, of the Company s cumulative total shareholder return relative to the Company s compensation peer group companies.
Fixed & Other Compensation	Base Salary	Differentiate base salary based on individual responsibility and performance.
	Retirement Programs	Provide retirement and other benefits that reflect the competitive practices of the industry and provide limited and specific perquisites.
	Benefits and Perquisites	

RECENT CHANGES TO EXECUTIVE COMPENSATION PROGRAM

Enhanced the rigor of the annual incentive plan performance goals and reduced the maximum payout for achieving operating objectives from 200% to 175% of target.

Replaced the financial and operating goals in the long term incentive plan that were linked to the annual incentive plan with:

Three-year cumulative adjusted earnings per share; and

Multi-year operating objectives.

Enhanced disclosure of operating objectives under the annual incentive plan.

Table of Contents

KEY COMPENSATION GOVERNANCE PRACTICES

Pay Practices. The Company has no employment agreements, no golden parachute excise tax gross-ups, and no individually negotiated equity awards with special treatment upon a change of control.

Long-Term Incentive Compensation. The 2013 Long Term Incentive Plan: (i) prohibits the repricing of stock options or the buyout of underwater options without stockholder approval; (ii) prohibits recycling of shares for future awards except under limited circumstances; (iii) prohibits accelerated vesting of outstanding equity awards except if both a change in control occurs and a participant s employment is terminated under certain circumstances; and (iv) caps the maximum number of shares that may be awarded to a director, officer, or eligible employee in a calendar year.

Long-Term Incentive Mix. The following charts illustrate that all Named Executive Officer long-term equity-based incentive compensation is performance-based. As described in proxy statements filed in 2015, over half of the Company s compensation peer group companies granted some form of non-performance-based incentive compensation to their named executive officers:

Risk Management. The Company s compensation programs include various features that have been designed to mitigate risk.

Stock Ownership Guidelines. The Company has stock ownership guidelines for directors and certain officers, including the Named Executive Officers.

No Hedging Nor Pledging. The Company prohibits all officers, financial personnel, and certain other individuals from shorting, hedging, and pledging Company securities or holding Company securities in a margin account.

Recoupment Policy. The Company s compensation recoupment policy applies to all officers of the Company and its subsidiaries with respect to incentive-based compensation.

Annual Advisory Vote on Named Executive Officer Compensation. In 2015, 92.4% of the shares voted were voted to approve the Company s Named Executive Officer compensation.

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

PROPOSAL NO. 1   ELECTION OF DIRECTORS

Ten Directors are to be elected at the Annual Meeting to hold office until the next annual meeting and until their respective successors are elected and qualified. (See *Information About the Director Nominees* on pages 6 to 11.) Directors are permitted to stand for election until they reach the mandatory retirement age of 75. Of the Board members standing for election, John McAvoy is an officer of the Company. All of the nominees were elected Directors at the last Annual Meeting.

The Company s management believes that all of the nominees will be able and willing to serve as Directors of the Company. All of the Directors also serve as Trustees of the Company s

subsidiary, Consolidated Edison Company of New York, Inc. (Con Edison of New York). Mr. McAvoy also serves as Chairman of the Board of the Company s subsidiary, Orange and Rockland Utilities, Inc. (Orange & Rockland).

Shares represented by every properly executed proxy will be voted at the Annual Meeting for or against the election of the Director nominees as specified by the stockholder giving the proxy. If one or more of the nominees is unable or unwilling to serve, the shares represented by the proxies will be voted for any substitute nominee or nominees as may be designated by the Board.

The Board Recommends a Vote FOR Proposal No. 1.

Each of the ten Director nominees must receive a majority of the votes cast at the Annual Meeting, in person or by proxy, to be elected (meaning the number of shares voted for a Director nominee must exceed the number of shares voted against that Director nominee), subject to the Board s policy regarding resignations by Directors who do not receive a majority of for votes. Abstentions and broker non-votes are voted neither for nor against, and have no effect on the vote.

Table of Contents

Information About the Director Nominees

The Board and the Corporate Governance and Nominating Committee consider the qualifications of Directors and Director candidates individually and in the broader context of the Board s overall composition and the Company s current and future needs. The Board believes that the Board, as a whole, should possess a combination of skills, professional experience, and diversity of backgrounds necessary to oversee the Company s business. The Board has adopted Corporate Governance Guidelines to assist it in exercising its responsibilities to the Company and its stockholders. In evaluating Director candidates and considering incumbent Directors for renomination to the Board, the Board and the Corporate Governance and Nominating Committee consider various factors. Pursuant to the Guidelines, the Corporate Governance and Nominating Committee reviews with the Board the skills and characteristics of Director nominees, including independence, integrity, judgment, business

experience, areas of expertise, availability for service, factors relating to the composition of the Board (including its size and structure), and the Company s principles of diversity. For incumbent Directors, the Corporate Governance and Nominating Committee also considers past performance of the Director on the Board.

The current Director nominees bring to the Company the benefit of their qualifications, leadership, skills, and the diversity of their experience and backgrounds, as set forth below, which provide the Board, as a whole, with the skills and expertise that reflect the needs of the Company. Below, for each Director nominee, is their age as of the date of the Annual Meeting, and information about their business experience, period of service as a Director, public or investment company directorships during the past five years, and other directorships.

Table of Contents

Vincent A. Calarco

Director since: 2001

Age: 73

Board Committees:

Audit (Chair)

Corporate Governance and Nominating

Executive

Management Development and Compensation

Career Highlights: Mr. Calarco has been the Non-Executive Chairman of Newmont Mining Corporation, Denver, CO, a gold production company, since January 2008. From April 1985 to July 2004, Mr. Calarco was Chairman, President and Chief Executive Officer of Crompton Corporation (now known as Chemtura Corporation). Chemtura is a global specialty chemicals company, headquartered in Philadelphia, PA. Mr. Calarco also held various management and executive positions at Uniroyal Chemical Company.

Other Directorships: Mr. Calarco is a Trustee of Con Edison of New York and a Director of Newmont Mining Corporation. During the past five years, Mr. Calarco also served as a Director of CPG International, Inc. through October 2013. Mr. Calarco is also the President and a Trustee of the Hopkins School, and a Director or Trustee of Swanson Industries, Yale-New Haven Hospital and Yale New Haven Health System.

Attributes and Skills: Mr. Calarco has experience leading public companies, and has management and executive experience with manufacturing companies. Mr. Calarco s experience from his leadership positions and financial oversight experience in senior management roles at Newmont Mining Corporation and Crompton Corporation and his service on other boards support the Board in its oversight of the Company s management, financial, operations, and strategic planning activities.

George Campbell Jr., Ph.D.

Director since: 2000

Age: 70

Board Committees:

Corporate Governance and

Nominating

Executive

Management Development and

Compensation (Chair)

Operations Oversight

Career Highlights: Dr. Campbell, a physicist, has been the Non-Executive Chairman of the Webb Institute, Glen Cove, NY, an all scholarship college offering degrees exclusively in naval architecture and marine engineering, since November 2012. Dr. Campbell was the President of The Cooper Union for the Advancement of Science and Art, New York, NY, a college focusing primarily on engineering, architecture, and art, from July 2000 through June 2011. Dr. Campbell also held various management positions at AT&T Bell Laboratories. Dr. Campbell also served as President and Chief Executive Officer of NACME, Inc., a non-profit corporation focused on engineering education and science and technology policy.

Other Directorships: Dr. Campbell is a Trustee of Con Edison of New York and a Director of Barnes and Noble, Inc. Dr. Campbell is also a Director or Trustee of the Josiah Macy Foundation, The Mitre Corporation, Montefiore Medical Center, Rensselaer Polytechnic Institute, the U.S. Naval Academy Foundation and the Webb Institute.

Attributes and Skills: Dr. Campbell has experience leading premiere colleges and a non-profit corporation, with a focus on engineering and science. Dr. Campbell also has experience in management and research and development at a public company. Dr. Campbell s experience from his leadership positions at Webb Institute, The Cooper Union for the Advancement of Science and Art, AT&T Bell Laboratories, and NACME, Inc., and his service on other boards support the Board in its oversight of the Company s operations and management activities.

Michael J. Del Giudice

Director since: 1999

Age: 73

Board Committees:

Audit

Corporate Governance and Nominating (Chair & Lead Director)

Executive

Management Development and Compensation

Career Highlights: Mr. Del Giudice is the founder and Senior Managing Director of Millennium Capital Markets LLC, New York, NY, an investment banking firm since 1996, and Chairman of Carnegie Hudson Resources, LLC, a private equity firm. Mr. Del Giudice was a General Partner at the investment bank of Lazard Frères & Co., and served as Chief of Staff to New York State Governor Mario Cuomo, Director of State Operations to New York State Governor Hugh Carey, and Chief of Staff to the New York State Assembly Speaker Stanley Steingut.

Other Directorships: Mr. Del Giudice is a Trustee of Con Edison of New York and a Director of Fusion Telecommunications International, Inc. During the past five years, Mr. Del Giudice also served as a Director of Reis, Inc. through September 2013. Mr. Del Giudice is also Acting Chair of the New York Racing Association, and a Director of Bloomfield Industries, Corinthian Capital Group, and Universal Marine Medical Supply International LLC.

Attributes and Skills: Mr. Del Giudice has experience in private equity, with a focus on the power and energy infrastructure market, as well as experience in government service. Mr. Del Giudice s experience from his investment activities and his government service support the Board in its oversight of the Company s corporate governance, financial, and strategic planning activities, and the Company s relationships with stakeholders.

Ellen V. Futter

Director since: 1997

Age: 66

Board Committees:

Environment, Health and Safety

(Chair)

Operations Oversight

Career Highlights: Ms. Futter has been the President of the American Museum of Natural History, New York, NY, since November 1993. Previously, Ms. Futter served as the President of Barnard College, New York, NY, and as the Chairman of the Federal Reserve Bank of New York, and was a corporate attorney at the law firm of Milbank, Tweed, Hadley & McCloy.

Other Directorships: Ms. Futter is a Trustee of Con Edison of New York. During the past five years, Ms. Futter also served as a Director of JPMorgan Chase & Co., Inc. through July 2013. Ms. Futter is also a Director or Trustee of NYC & Company and the Brookings Institution and a Manager at the Memorial Sloan-Kettering Cancer Center.

Attributes and Skills: Ms. Futter has management and operations experience leading major New York not-for-profit entities that provide services to the public. Ms. Futter also has legal and financial experience. Ms. Futter s experience from her leadership positions at the American Museum of Natural History and Barnard College, and her legal experience support the Board in its oversight of the Company s operations, planning and regulatory activities and the Company s relationships with stakeholders.

Table of Contents

John F. Killian

Director since: 2007

Age: 61

Board Committees:

Audit

Corporate Governance and Nominating

Management Development and Compensation

Career Highlights: Mr. Killian was the Executive Vice President and Chief Financial Officer of Verizon Communications Inc., a telecommunications company, from March 2009 to December 2010. Mr. Killian was the President of Verizon Business, Basking Ridge, NJ, from October 2005 until February 2009, the Senior Vice President and Chief Financial Officer of Verizon Telecom from June 2003 until October 2005, and the Senior Vice President and Controller of Verizon Telecom from April 2002 until June 2003. Mr. Killian also served in executive positions at Bell Atlantic and was the President and Chief Executive Officer of NYNEX CableComms Limited.

Other Directorships: Mr. Killian is a Trustee of Con Edison of New York and Goldman Sachs Trust II and a Director of Houghton Mifflin Harcourt Company. Mr. Killian is also a Trustee of Providence College.

Attributes and Skills: Mr. Killian has leadership experience at regulated consumer services companies, including experience with financial reporting and internal auditing. Mr. Killian s experience from his leadership positions at Verizon Communications, Inc., Bell Atlantic and NYNEX CableComms Limited supports the Board in its oversight of the Company s auditing, financial, operating, and strategic planning activities, and the Company s relationships with stakeholders.

John McAvoy

Director since: 2013

Age: 55

Board Committee:

Executive (Chair)

Career Highlights: Mr. McAvoy has been Chairman of the Board of the Company and Con Edison of New York since May 2014. Mr. McAvoy has been President and Chief Executive Officer of the Company and Chief Executive Officer of Con Edison of New York since December 2013. Mr. McAvoy was President and Chief Executive Officer of Orange & Rockland from January 2013 to December 2013. Mr. McAvoy was Senior Vice President of Central Operations for Con Edison of New York from February 2009 to December 2012. Mr. McAvoy joined Con Edison of New York in 1980.

Other Directorships: Mr. McAvoy is a Trustee of Con Edison of New York. Mr. McAvoy is also a Director or Trustee of the American Gas Association, the Business Council of New York State, Inc., the Edison Electric Institute, the Intrepid Sea, Air and Space Museum, Mayor s Fund to Advance New York City, New York State Energy Research and Development Authority, Orange & Rockland, and the Partnership for New York City.

Attributes and Skills: Mr. McAvoy has leadership, engineering, financial, and operations experience, as well as knowledge of the utility industry and the Company s business. Mr. McAvoy s experience from his leadership positions at the Company, and his service on other boards supports the Board in its oversight of the Company s management, financial, operations, and strategic planning activities, and the Company s relationships with stakeholders.

Table of Contents

Armando J. Olivera

Director since: 2014

Age: 66

Board Committees:

Environment, Health and Safety

Finance

Operations Oversight

Career Highlights: Mr. Olivera was President of Florida Power & Light Company, an electric utility that is a subsidiary of a publicly traded energy company, from June 2003, and Chief Executive Officer from July 2008, until his retirement in May 2012. Mr. Olivera joined Florida Power & Light Company in 1972. Mr. Olivera also served as Chairman of the Boards of two non-profits: Florida Reliability Coordinating Council that focuses on the reliability and adequacy of bulk electricity in Florida, and Southeastern Electric Exchange that focuses on coordinating storm restoration services and enhancing operational and technical resources.

Other Directorships: Mr. Olivera is a Trustee of Con Edison of New York. Mr. Olivera also serves as a Director of AGL Resources, Inc. (and had served as a director of Nicor, Inc. prior to its merger in 2011 with AGL Resources, Inc.), Fluor Corporation, and Lennar Corporation. During the past five years, Mr. Olivera served as a Director of Florida Power & Light Company through May 2012. Mr. Olivera is also a Trustee of Cornell University and Miami Dade College.

Attributes and Skills: Mr. Olivera has leadership, engineering, and operations experience, as well as knowledge of the utility industry. Mr. Olivera s experience from his leadership positions at Florida Power & Light Company, and his service on other boards, supports the Board in its oversight of the Company s management, financial, operations, and strategic planning activities.

Michael W. Ranger

Director since: 2008

Age: 58

Board Committees:

Audit

Finance

Operations Oversight (Chair)

Career Highlights: Mr. Ranger has been Senior Managing Director of Diamond Castle Holdings LLC, New York, NY, a private equity investment firm, since 2004 and Non-Executive Chairman of KDC Solar LLC since 2010. Mr. Ranger was an investment banker in the energy and power sector for twenty years, including at Credit Suisse First Boston, Donaldson, Lufkin and Jenrette, DLJ Global Energy Partners, and Drexel Burnham Lambert. Mr. Ranger was also a member of the Utility Banking Group at Bankers Trust.

Other Directorships: Mr. Ranger is a Trustee of Con Edison of New York. Mr. Ranger is also a Director or Trustee of Bonten Media Group, KDC Solar LLC, Morristown-Beard School, Professional Direction Enterprise, Inc, and St. Lawrence University.

Attributes and Skills: Mr. Ranger has investment experience focusing on the energy and power sector, investment banking experience in the energy and power sector, and experience as a member of a utility banking group. Mr. Ranger s experience from his investment activities in the energy and power sector supports the Board in its oversight of the Company s financial and strategic planning activities.

Table of Contents

Linda S. Sanford

Director since: 2015

Age: 63

Board Committees:

Corporate Governance and

Nominating

Environment, Health and Safety

Finance

Career Highlights: Ms. Sanford was Senior Vice President Enterprise Transformation, International Business Machines Corporation (IBM), a multinational technology and consulting corporation, from January 2003 to December 2014. Ms. Sanford joined IBM in 1975.

Other Directorships: Ms. Sanford is a Trustee of Con Edison of New York and a Director of Pitney Bowes Inc., RELX NV (formerly Reed Elsevier NV) and RELX PLC (formerly Reed Elsevier PLC). During the past five years, Ms. Sanford served as a Director of ITT Corporation through May 2013. Ms. Sanford is also a Trustee of New York Hall of Science and Rensselaer Polytechnic Institute.

Attributes and Skills: Ms. Sanford has leadership experience at an international technology company, including experience with information technology, manufacturing, customer relations, and corporate planning. Ms. Sanford s experience from her leadership positions at IBM and her service on other boards supports the Board in its oversight of technology, relationship with stakeholders, and financial and strategic planning activities.

L. Frederick Sutherland

Director since: 2006

Age: 64

Board Committees:

Audit

Finance (Chair)

Management Development and Compensation

Career Highlights: Mr. Sutherland was the Senior Advisor to the Chief Executive Officer of Aramark Corporation, Philadelphia, PA, a provider of services, facilities management and uniform and career apparel, from April 2015 to December 2015. Mr. Sutherland was the Executive Vice President and Chief Financial Officer of Aramark from 1997 through April 2015. Prior to joining Aramark in 1980, Mr. Sutherland was Vice President in the Corporate Banking Department of Chase Manhattan Bank, New York, NY.

Other Directorships: Mr. Sutherland is a Trustee of Con Edison of New York and a Director of Colliers International Group Inc. Mr. Sutherland is also Chairman of the Board of WHYY, a PBS affiliate, and a Trustee of People s Light and Theater.

Attributes and Skills: Mr. Sutherland has leadership experience at an international managed services company, including experience with financial reporting, internal auditing, mergers and acquisitions, financing, risk management, corporate compliance, and corporate planning. Mr. Sutherland also has corporate banking experience. Mr. Sutherland s experience from his leadership positions at Aramark Corporation and Chase Manhattan Bank supports the Board in its oversight of the Company s financial reporting, auditing, and strategic planning activities.

PROPOSAL NO. 2 RATIFICATION OF THE APPOINTMENT OF INDEPENDENT ACCOUNTANTS

At the Annual Meeting, as a matter of sound corporate governance, stockholders will be asked to ratify the Audit Committee s appointment of PricewaterhouseCoopers LLP (PwC) as independent accountants for the Company for 2016. If the appointment of PwC is not ratified, the Audit Committee will take this into consideration in the future appointment of independent accountants.

PwC has acted as independent accountants for the Company for many years. The Audit Committee considered PwC s qualifications in determining whether to appoint PwC as independent accountants for 2016. The Audit Committee reviewed PwC s performance, as well as PwC s reputation for

integrity and for competence in the fields of accounting and auditing. The Audit Committee also reviewed a report provided by PwC regarding its quality controls, inquiries or investigations by governmental or professional authorities and independence. (See *Audit Committee Matters* on page 24.) Based on this review, the Audit Committee believes that the appointment of PwC as independent accountants for the Company for 2016 is in the best interests of the Company and its stockholders.

Representatives of PwC will be present at the Annual Meeting and will be afforded the opportunity to make a statement if they desire to do so and to respond to appropriate questions.

The Board Recommends a Vote FOR Proposal No. 2.

Ratification of Proposal No. 2 requires the affirmative vote of a majority of the votes cast on the proposal at the Annual Meeting, in person or by proxy. Abstentions and broker non-votes are voted neither for nor against, and have no effect on the vote.

PROPOSAL NO. 3   ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

The Company values the opinions of its stockholders, and in accordance with Section 14A of the Securities Exchange Act of 1934, the stockholders have the opportunity to approve, on an advisory basis, the compensation of the Named Executive Officers as disclosed in the Compensation Discussion and Analysis (CD&A   ) section, and the related compensation disclosure tables on pages 26 to 57. The Company currently conducts such votes annually. The Board recommends that the stockholders vote to approve, on an advisory basis, the compensation of the Named Executive Officers. In 2015, the Company held an advisory vote to approve the Company   s Named Executive Officer compensation, as set forth in the 2015 proxy statement, and 92.4% of the shares voted were voted   for   the proposal. Following this year   s vote, the next such vote will be at the Company   s 2017 annual meeting of stockholders.

As discussed in the CD&A, the Company   s executive compensation program is designed to assist in attracting and retaining key executives critical to its long-term success, to motivate these executives to create value for its stockholders, and to provide safe, reliable, and efficient service for its customers. The Management Development and Compensation Committee (the   Compensation Committee   ), with the assistance of its independent compensation consultant, seeks to provide base salary and performance-based compensation, including target annual cash incentive compensation and target long-term equity-based incentive compensation, that are competitive with the median level of compensation provided by the Company   s compensation peer group.

The Compensation Committee believes that performance-based compensation should represent the most significant

portion of each Named Executive Officer   s target total direct compensation to motivate strong annual and multi-year Company performance. Additionally, the Compensation Committee believes that most of the performance-based compensation should be in the form of long-term, rather than annual incentives, to emphasize the importance of sustained Company performance. Each year, the Compensation Committee evaluates the level of compensation, the mix of base salary, performance-based compensation and retirement and welfare benefits provided to each Named Executive Officer.

The Compensation Committee chooses performance goals under the annual incentive plan and the long term incentive plan to support the Company   s short- and long-term business plans and strategies. In setting targets for the short- and long-term performance goals, the Compensation Committee considers the Company   s annual and long-term business plans and certain other factors, including pay-for-performance alignment, economic and industry conditions, and the practices of the compensation peer group. The Compensation Committee sets challenging, but achievable, goals for the Company and its executives to drive the achievement of short- and long-term objectives.

For the reasons highlighted above and more fully discussed in the CD&A, the Board recommends that the stockholders vote in favor of the following resolution:

   RESOLVED, That the compensation paid to the Company   s Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby approved.

The Board Recommends a Vote FOR Proposal No. 3.

Approval of Proposal No. 3 requires the affirmative vote of a majority of the vote cast on the proposal at the Annual Meeting, in person or by proxy. Abstentions and broker non-votes are voted neither   for   nor   against,   and have no effect on the vote.

The Board values the opinions of the Company   s stockholders as expressed through their vote and other communications. Although the vote is on an advisory basis, the Board and its Compensation Committee will consider the voting results when making future compensation decisions for the Named Executive Officers.

THE BOARD OF DIRECTORS

MEETINGS AND BOARD MEMBERS ATTENDANCE

The Board of Directors held 10 meetings in 2015. At its meetings the Board considers a wide variety of matters involving such things as the Company s strategic planning, its financial condition and results of operations, its capital and operating budgets, personnel matters, succession planning, risk management, industry issues, accounting practices and disclosure, and corporate governance practices.

In accordance with the Company s Corporate Governance Guidelines, the Chair of the Corporate Governance and Nominating Committee (currently Mr. Del Giudice) serves as Lead Director and, as such, chairs the executive sessions of the non-management Directors and the independent Directors. The Company s independent Directors met five times in executive session and the non-management Directors met five times in executive session during 2015.

During 2015, each incumbent member of the Board attended more than 75% of the combined meetings of the Board of Directors and the Board Committees on which he or she served held during the period that he or she served. Directors are expected to attend the Annual Meeting. All of the current Directors attended the 2015 annual meeting of stockholders.

CORPORATE GOVERNANCE

The Company s corporate governance documents, including its Corporate Governance Guidelines, the charters of the Audit, Corporate Governance and Nominating, and Management Development and Compensation Committees, and the Standards of Business Conduct, are available on the Company s website at

www.conedison.com/investor/governance_documents.asp. The Standards of Business Conduct applies to all Directors, officers and employees. The Company intends to post on its website at

www.conedison.com/investor/governance_documents.asp amendments to its Standards of Business Conduct and a description of any waiver from a provision of the Standards of Business Conduct granted by the Board to any Director or executive officer of the Company within four business days after such amendment or waiver.

LEADERSHIP STRUCTURE

As discussed in the Corporate Governance Guidelines, the Board selects the Company s Chief Executive Officer and

Chairman of the Board in the manner that it determines to be in the best interest of the Company s stockholders. The Company s leadership structure combines the roles of the chairman and chief executive officer. The Board believes that this leadership structure is appropriate for the Company due to a variety of factors, including Mr. McAvoy s long-standing knowledge of the Company and the utility industry, and his extensive engineering, financial, and operations experience.

The Board has an independent Lead Director who is the Chair of the Corporate Governance and Nominating Committee. The Corporate Governance Guidelines provide that the Lead Director: (i) acts as a liaison between the independent Directors and the Company s management; (ii) chairs the executive sessions of non-management and independent Directors and has the authority to call additional executive sessions as appropriate; (iii) chairs Board meetings in the Chairman s absence; (iv) coordinates with the Chairman on agendas and schedules for Board meetings, information flow to the Board, and other matters pertinent to the Company and the Board; and (v) is available for consultation and communication with major stockholders as appropriate.

The Board consists of a substantial majority of Directors who are independent. (See *The Board of Directors Board Members Independence* on pages 15 to 16.) The Board routinely holds executive sessions at which only non-management Directors are present, and the independent Directors meet in executive session at least once a year.

Pursuant to the Company s Corporate Governance Guidelines, the Board has oversight responsibility for reviewing the Company s strategic plans, objectives and risks. Each of the standing committees of the Board, other than the Executive Committee, is chaired by non-management Directors. (See *The Board of Directors Standing Committees of the Board* on pages 16 to 18).

RISK OVERSIGHT

The Board s primary function is one of oversight. In connection with its oversight function, the Board oversees the Company s policies and procedures for managing risk. The Board administers its risk oversight function primarily through its Committees that report to the Board. Board Committees have assumed oversight of various risks that have been identified through the Company s enterprise risk management program. The Audit Committee reviews the Company s risk assessment and risk management policies and the Audit Committee reports to the Board on the Company s risk management program. Management regularly provides reports to the Board and its Committees concerning risks identified through the Company s enterprise risk management program.

RELATED PERSON TRANSACTIONS AND POLICY

The Company has adopted a written policy for approval of transactions between the Company and its Directors, Director nominees, executive officers, greater-than-five percent (5%) beneficial owners, and their respective immediate family members, where the amount involved in the transaction since the beginning of the Company s last completed fiscal year exceeds or is expected to exceed $100,000.

The policy provides that the Corporate Governance and Nominating Committee reviews certain transactions subject to the policy and determines whether or not to approve or ratify those transactions. In doing so, the Corporate Governance and Nominating Committee takes into account, among other factors it deems appropriate, whether the transaction is on terms that are no less favorable to the Company than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the related person s interest in the transaction. In addition, the Board has delegated authority to the Chair of the Corporate Governance and Nominating Committee to pre-approve or ratify transactions where the aggregate amount involved is expected to be less than $1.0 million. A summary of any new transactions pre-approved by the Chair will be provided to the full Corporate Governance and Nominating Committee for its review in connection with a regularly scheduled committee meeting.

The Corporate Governance and Nominating Committee has considered and adopted standing pre-approvals under the policy for limited transactions with related persons. Pre-approved transactions include:

(i) business transactions with other companies at which a related person s only relationship is as an employee (other than an executive officer), if the amount of business falls below the thresholds in the New York Stock Exchange s listing standards and the Company s Director independence standards; and

(ii) contributions to non-profit organizations at which a related person s only relationship is as an employee (other than an executive officer) if the aggregate amount involved is less than both $1.0 million and two percent (2%) of the organization s consolidated gross annual revenues.

In 2015, Ms. Futter s brother received approximately $157,000 for providing legal services to Con Edison of New York and will provide legal services in 2016. The provision of these services by Ms. Futter s brother was approved by the Committee.

BOARD MEMBERS INDEPENDENCE

The Board of Directors has affirmatively determined that the following Directors are independent as defined in the New York Stock Exchange s listing standards: Mr. Calarco, Dr. Campbell, Mr. Del Giudice, Mr. Killian, Mr. Olivera, Mr. Ranger, Ms. Sanford, and Mr. Sutherland.

To assist it in making determinations of Director independence, the Board has adopted independence standards, which are set forth in its Corporate Governance Guidelines, available on the Company s website at *www.conedison.com/investor/pdfs/Guidelines.pdf*. Under these standards, the Board has determined that each of the relationships below is categorically immaterial and therefore, by itself, does not preclude a Director from being independent:

(i) (a) the Director has an immediate family member who is a current employee of the Company s internal or external auditor, but the immediate family member does not personally work on the Company s audit; or (b) the Director or an immediate family member was, within the last three years, a partner or employee of such a firm but no longer works at the firm and did not personally work on the Company s audit within that time;

(ii) the Director or an immediate family member is, or has been within the last three years, employed at another company where any of the Company s present executive officers at the same time serves or served on that company s compensation committee, but the Director or the Director s immediate family member is not an executive officer of the other company and his or her compensation is not determined or reviewed by that company s compensation committee;

(iii) the Director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in any of the last three fiscal years, but the total payments in each year were less than $1.0 million, or two percent (2%) of such other company s consolidated gross revenues, whichever is greater;

(iv) the Director is a partner or the owner of five percent (5%) or more of the voting stock of another company that has made payments to, or received payments from, the Company for property or services in any of the last three fiscal years, but the total payments in each year were less than $1.0 million, or two percent (2%) of such other company s consolidated gross revenues, whichever is greater;

(v) the Director is a partner, the owner of five percent (5%) or more of the voting stock or an executive officer of another company which is indebted to the Company, or to which the Company is indebted, but the total amount of the indebtedness in each of the last three fiscal years was less than $1.0 million, or two percent (2%) of such other company s consolidated gross revenues, whichever is greater; and

(vi) the Director or an immediate family member is a director or an executive officer of a non-profit organization to which the Company has made contributions in any of the last three fiscal years, but the Company s total contributions to the organization in each year were less than $1.0 million, or two percent (2%) of such organization s consolidated gross revenues, whichever is greater.

STANDING COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee, composed of five independent Directors (currently Mr. Calarco, Chair, Mr. Del Giudice, Mr. Killian, Mr. Ranger, and Mr. Sutherland), is directly responsible for the appointment of the independent accountants for the Company, subject to stockholder ratification at the Annual Meeting. The Audit Committee has appointed PwC as the Company s independent accountants for the fiscal year 2016. If the appointment of PwC is not ratified, the Audit Committee will take this into consideration in the future selection of independent accountants.

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent accountants for the Company. The Audit Committee reviews the proposed auditing and non-audit fees and approves in advance the proposed auditing and non-audit services associated with the Company s retention of the independent accountants. Every five years the Audit Committee evaluates whether it is appropriate to rotate the Company s independent accountants and, in conjunction with mandatory rotation of the lead engagement partner, the Audit Committee is directly involved in selecting the lead

engagement partner of the independent accountants. The Audit Committee meets with the Company s management, including Con Edison of New York s General Auditor, the General Counsel, and the Company s independent accountants, several times a year to discuss internal controls and accounting matters, the Company s financial statements, filings with the Securities and Exchange Commission, earnings press releases and the scope and results of the auditing programs of the independent accountants and of Con Edison of New York s internal auditing department. The Audit Committee also oversees the Company s risk assessment and risk management policies, and the Company s management of risks, relating to its duties and responsibilities that have been identified through the Company s enterprise risk management program. Each member of the Audit Committee is independent as defined in the New York Stock Exchange s listing standards and Rule 10A-3 of the Securities and Exchange Act of 1934. The Board of Directors of the Company has determined that each Director on the Audit Committee is an audit committee financial expert as the term is defined in Item 407(d)(5) of Regulation S-K of the Securities and Exchange Act of 1934. The Audit Committee held six meetings in 2015.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee, composed of five independent Directors (currently Mr. Del Giudice, Chair, Mr. Calarco, Dr. Campbell, Mr. Killian, and Ms. Sanford), annually evaluates each Director s individual performance when considering whether to nominate the Director for re-election to the Board and is responsible for recommending candidates to fill vacancies on the Board. In addition, the Corporate Governance and Nominating Committee assists with respect to the composition and size of the Board and of all Committees of the Board. The Corporate Governance and Nominating Committee also makes recommendations to the Board as to the compensation of Board members as well as other corporate governance matters, including Board independence criteria and determinations and corporate governance guidelines. Additionally, the Corporate Governance and Nominating Committee oversees the Company s management of risks, relating to its duties and responsibilities that have been identified through the Company s enterprise risk management program.

All of the members of the Corporate Governance and Nominating Committee are independent as defined in the New York Stock Exchange s listing standards. The Company s Corporate Governance Guidelines provide that the Board of Directors consists of a substantial majority of

Directors who

meet the New York Stock Exchange definition of independence, as determined by the Board in accordance with the standards described in the Guidelines under *The Board of Directors Board Members Independence* on pages 15 to 16.

Among its duties, the Corporate Governance and Nominating Committee reviews the skills and characteristics of Director candidates as well as their integrity, judgment, business experience, areas of expertise and availability for service, factors relating to the composition of the Board (including its size and structure) and the Company s principles of diversity.

The Corporate Governance and Nominating Committee has the authority under its charter to hire advisors to assist it in its decisions. The Corporate Governance and Nominating Committee retains a professional search firm to assist it in identifying director candidates. The search firm assists in developing criteria for potential Board members to complement the Board s existing strengths. Based on such criteria, the firm also provides, for review and consideration, lists of potential candidates with background information. After consulting with the Corporate Governance and Nominating Committee, the firm further screens and interviews candidates as directed to determine their qualifications, interest and any potential conflicts of interest and provides its results to the Committee. The Committee also considers candidates recommended by stockholders. There are no differences in the manner in which the Committee will evaluate candidates recommended by stockholders. The Committee will make an initial determination as to whether a particular candidate meets the Company s criteria for Board membership, and will then further consider candidates that do. Stockholder recommendations for candidates, accompanied by biographical material for evaluation, may be sent to the Vice President and Corporate Secretary of the Company. Each recommendation should include information as to the qualifications of the candidate and should be accompanied by a written statement (presented to the Vice President and Corporate Secretary of the Company) from the suggested candidate to the effect that the candidate is willing to serve.

The Corporate Governance and Nominating Committee has also retained Mercer, a wholly-owned subsidiary of Marsh & McLennan Companies, Inc., to provide information, analyses, and objective advice regarding director compensation. The Corporate Governance and Nominating Committee directs Mercer to: (i) assist it by providing competitive market information on the design of the director compensation program, (ii) advise it on the design of the director compensation program and also provide advice on the

administration of the program, and (iii) brief it on director compensation trends among the Company s compensation peer group and broader industry. The Board members, including the chief executive officer, consider the recommendations of the Corporate Governance and Nominating Committee. The decisions may reflect factors and considerations in addition to the information and advice provided by Mercer. The Corporate Governance and Nominating Committee held five meetings in 2015.

Environment, Health and Safety Committee

The Environment, Health and Safety Committee, composed of three non-management Directors (currently Ms. Futter, Chair, Mr. Olivera, and Ms. Sanford), provides advice and counsel to the Company s management on corporate environment, health and safety policies and on such other environment, health, safety, and sustainability matters as it from time-to-time deems appropriate. The Environment, Health and Safety Committee also reviews significant issues identified by management relating to the Company s environment, health and safety programs and its compliance with environment, health and safety laws and regulations, and makes such other reviews and recommends to the Board such other actions as it may deem necessary or desirable to help promote sound planning by the Company with due regard to the protection of the environment, health and safety. Additionally, the Environment, Health and Safety Committee oversees the Company s management of risks, relating to its duties and responsibilities that have been identified through the Company s enterprise risk management program. The Environment, Health and Safety Committee held four meetings in 2015.

Executive Committee

The Executive Committee, composed of Mr. McAvoy, Chair, and three independent Directors (currently Mr. Calarco, Dr. Campbell, and Mr. Del Giudice), may exercise, during intervals between the meetings of the Board, all the powers vested in the Board, except for certain specified matters. No meetings of the Executive Committee were held in 2015.

Finance Committee

The Finance Committee, composed of four independent Directors (currently Mr. Sutherland, Chair, Mr. Olivera, Mr. Ranger, and Ms. Sanford), reviews and makes recommendations to the Board with respect to the Company s financial condition and policies, capital and operating budgets, financial forecasts, major contracts and real estate transactions, financings, investments, bank credit

arrangements, its dividend policy, strategic business plan, litigation, and other financial matters. Additionally, the Finance Committee oversees the Company s management of risks, relating to its duties and responsibilities that have been identified through the Company s enterprise risk management program. The Finance Committee held six meetings in 2015.

Management Development and Compensation Committee

The Management Development and Compensation Committee (the Compensation Committee), composed of five independent Directors (currently Dr. Campbell, Chair, Mr. Calarco, Mr. Del Giudice, Mr. Killian, and Mr. Sutherland), makes recommendations to the Board relating to officer and senior management appointments. The Compensation Committee also establishes and oversees the Company s executive compensation and welfare benefit plans and policies, administers its equity plans and annual incentive plan and reviews and approves annually all compensation relating to the Named Executive Officers under the Company s executive compensation program. Additionally, the Compensation Committee oversees the Company s management of risks, relating to its duties and responsibilities that have been identified through the Company s enterprise risk management program.

The Compensation Committee has the authority, under its charter, to engage the services of outside advisors, experts, and others to assist it. The Compensation Committee engages Mercer to provide information, analyses, and objective advice regarding executive compensation. The Compensation Committee directs Mercer to: (i) assist it in the development and assessment of the compensation peer group for the purposes of providing competitive market information for the design of the executive compensation program, (ii) compare the Company s chief executive officer s base salary, annual incentive and long-term incentive compensation to that of the chief executive officers of the identified compensation peer group and broader industry, (iii) advise it on the officers base salaries and target award levels within the annual and long-term incentive plans, (iv) advise it on the design of the Company s annual and long-term incentive plans and also provide advice on the administration of the plans, (v) brief it on executive compensation trends among the Company s compensation peer group and broader industry, and (vi) assist with the preparation of the Compensation Discussion and Analysis for this Proxy Statement. The Compensation Committee held five meetings in 2015, of which Mercer attended three.

For a discussion of the role of the Compensation Committee and information about the Company s processes and

procedures for the consideration and determination of executive compensation, see the *Compensation Discussion and Analysis* beginning on page 26.

In addition, the Compensation Committee also reviews and makes recommendations as necessary to provide for orderly succession and transition in the senior management of the Company and receives reports and makes recommendations with respect to minority and female recruitment, employment and promotion. The Compensation Committee also oversees and makes recommendations to the Board with respect to compliance with the Employee Retirement Income Security Act of 1974 (ERISA), and reviews and makes recommendations with respect to benefit plans and plan amendments, the selection of plan trustees and the funding policy and contributions to the funded plans, and reviews the performance of the funded plans. Each of the members of the Compensation Committee is independent, as defined in the New York Stock Exchange s listing standards, and meets the outside director criteria of Section 162(m) of the Internal Revenue Code and the Non-Employee Director criteria of Rule 16b-3 under the Securities Exchange Act of 1934.

Operations Oversight Committee

The Operations Oversight Committee, composed of four non-management Directors (currently Mr. Ranger, Chair, Dr. Campbell, Ms. Futter, and Mr. Olivera), oversees the Company s efforts relating to the Company s operating systems and their impact on the customer. The Operations Oversight Committee also reviews significant issues identified by the Company relating to the Company s subsidiaries operating systems and their impact on the customer. The Operations Oversight Committee also reviews compliance of the Company s subsidiaries operating systems with laws and regulations and the Company s corporate policies and procedures, as may be necessary or appropriate. Additionally, the Operations Oversight Committee oversees the Company s management of risks, relating to its duties and responsibilities that have been identified through the Company s enterprise risk management program. The Operations Oversight Committee held four meetings in 2015.

Planning Committee

In May 2015, the Board of Directors dissolved the Planning Committee as a standing committee of the Board. The duties and responsibilities of the Planning Committee were allocated to the Board, or to a committee of the Board as determined by the Board. The Planning Committee reviewed and made recommendations to the Board regarding long-range planning for the Company. Prior to its dissolution, the Planning Committee held one meeting in 2015.

COMPENSATION CONSULTANT DISCLOSURE

The Compensation Committee has retained Mercer, a wholly-owned subsidiary of Marsh & McLennan Companies, Inc., to assist it with its responsibilities related to the Company s executive compensation programs and the Corporate Governance and Nominating Committee has retained Mercer to assist it with its responsibilities related to the director compensation program, including the design and structure of the Company s long term incentive plan. Mercer s fees for executive and director compensation consulting to the committees in 2015 were approximately $574,200.

During 2015, the Company retained Marsh & McLennan affiliates (other than Mercer) to provide services, unrelated to executive compensation. These services were approved by the Company s management. The aggregate fees paid for these other services, which include employee benefit surveys and guides and auction services, were approximately $51,300.

The Compensation Committee considered the independence of Mercer under the rules of the Securities and Exchange Commission and the listing standards of the New York Stock Exchange. The Compensation Committee concluded that the services provided by the Marsh & McLennan affiliates (other

than Mercer) did not raise any conflicts of interest and did not impair Mercer s ability to provide independent advice to the Compensation Committee concerning executive or director compensation matters.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Mr. Calarco, Dr. Campbell (Chair), Mr. Del Giudice, Mr. Killian and Mr. Sutherland were on the Company s Compensation Committee during 2015. The Company believes that there are no interlocks with the members who serve on the Compensation Committee.

COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Interested parties may communicate directly with the members of the Company s Board of Directors, including the non-management Directors as a group, by writing to them, care of the Company s Vice President and Corporate Secretary, at the Company s principal executive offices at 4 Irving Place, New York, New York 10003. The Vice President and Corporate Secretary will forward communications to the Director or the Directors indicated.

DIRECTOR COMPENSATION

ELEMENTS OF COMPENSATION

In 2015, non-employee Directors were eligible to receive the following:

	Amount
Annual Retainer(1)	$ 90,000
Lead Director Retainer	$ 35,000
Chair of Audit Committee Retainer	$ 25,000
Member of Audit Committee Retainer (excluding the Audit Committee Chair)	$ 10,000
Chair of Corporate Governance and Nominating Committee Retainer	$ 10,000
Chair of Management Development and Compensation Committee Retainer	$ 15,000
Retainer for Chairs of: Environment, Health and Safety Committee; Finance Committee; Operations Oversight Committee; and Planning Committee(2)	$ 5,000
Acting Committee Chair Fee (where the regular Chair is absent)	$ 200
Audit Committee member fee (for each meeting of the Audit Committee attended)	$ 2,000
Committee member fee (for each Committee meeting attended)	$ 1,500
Annual equity award (deferred stock units)(3)	$ 120,000

Footnote:

(1) Effective April 1, 2016, the annual retainer was increased to $100,000.
(2) The Planning Committee was dissolved in May 2015, see *The Board of Directors Standing Committees of the Board* on page 18.
(3) Effective April 1, 2016, the annual equity award was increased to $135,000.

In 2015, the Company reimbursed non-employee Directors for reasonable expenses incurred in attending Board and Committee meetings. No person who served on both the Company Board and on the Board of its subsidiary, Con Edison of New York, and corresponding Committees, was paid additional compensation for concurrent service. Directors who are employees of the Company or its subsidiaries do not receive retainers, meeting fees, or annual equity award for their service on the Board.

The Company has stock ownership guidelines for non-employee Directors under which each Director is to own shares with a value equal to four times the annual director retainer (not including committee and/or committee chair fees) paid to such Director during the previous fiscal year.

Non-employee Directors participate in the long term incentive plan. Pursuant to the long term incentive plan, each non-employee Director then serving was allocated an annual equity award of $120,000 of deferred stock units on the first business day following the 2015 Annual Meeting. If a non-employee Director is first appointed to the Board after an annual meeting, his or her first annual equity award will be pro rated. Settlement of the 2015 annual equity awards of stock units was automatically deferred until the Director s termination of service from the Board of Directors. Each non-employee Director may elect to receive some or all of his or her 2015 annual equity awards of stock units on another date or to further defer any other prior annual equity award of stock units, including any related dividend equivalents earned on prior annual equity award of stock units, in accordance with the terms of the long term incentive plan and Section 409A of the Internal Revenue Code. Each non-employee Director may also elect to defer all or a portion of his or her 2015 retainers and meeting fees into additional deferred stock units, which are deferred until the Director s termination of service. Dividend equivalents are payable on 2015 deferred stock units in the amount and at the time that dividends are paid on Company Common Stock and are credited in the form of additional deferred stock units which are fully vested as of the date the dividends would have been paid to the Director or, at the Director s option, are paid in cash. All payments on account of deferred stock units will be made in shares of Company Common Stock. The long term incentive plan provides that cash compensation deferred into stock units, the annual stock unit awards, and the dividend equivalents granted to non-employee Directors that are credited in the form of additional deferred stock units, are fully vested, and payable in a single one-time payment of whole shares (rounded to the nearest whole share) within 60 days following separation from Board service unless the director elected to defer distribution to another date.

Directors are eligible to participate in the stock purchase plan, which is described in Note M to the financial statements in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Table of Contents

DIRECTOR COMPENSATION TABLE

The following table sets forth the compensation for the members of the Company s Board of Directors for the fiscal year ended December 31, 2015.

Name	Fees Earned or Paid in Cash ($)	Stock Awards[1] ($)	All Other Compensation[2] ($)	Total ($)
Kevin Burke[3]	$ 43,400			$ 43,400
Vincent A. Calarco	$ 146,500	$ 120,000		$ 266,500
George Campbell, Jr.	$ 129,000	$ 120,000	$ 10,500[4]	$ 259,500
Michael J. Del Giudice	$ 171,500	$ 120,000		$ 291,500
Ellen V. Futter	$ 110,000	$ 120,000	$ 5,000	$ 235,000
John F. Killian	$ 131,500	$ 120,000	$ 10,500[4]	$ 262,000
John McAvoy[5]				
Armando J. Olivera	$ 111,000	$ 120,000	$ 5,000	$ 236,000
Sally H. Piñero[3]	$ 48,350			$ 48,350
Michael W. Ranger	$ 132,000	$ 120,000		$ 252,000
Linda S. Sanford	$ 100,993	$ 160,000		$ 260,993
L. Frederick Sutherland	$ 133,500	$ 120,000		$ 253,500

Footnotes:

(1) On May 19, 2015, each of the Directors elected at the 2015 Annual Meeting, except Mr. McAvoy, received a grant of 1,966 stock units valued at $61.05 per share, the equivalent of $120,000. On January 15, 2015, Ms. Sanford received a pro-rata grant of 585 stock units valued at $68.37 per share, the equivalent of $40,000, upon her election to the Board of Directors. The stock units are fully vested at the time of grant. Pursuant to the Company s long term incentive plan, and as indicated in Note M to the financial statements in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2015, the stock units are valued in accordance with FASB ASC Topic 718. The aggregate number of stock units for each non-employee director as of December 31, 2015 is as follows: Mr. Burke 0; Mr. Calarco 30,700; Dr. Campbell 32,393; Mr. Del Giudice 41,618; Ms. Futter 27,306; Mr. Killian 17,705; Mr. Olivera 4,924; Ms. Piñero 1,870; Mr. Ranger 36,754; Ms. Sanford 2,640; and Mr. Sutherland 38,110.

(2) The *All Other Compensation* column includes matching contributions made by the Company to qualified institutions under its matching gift program. All directors and employees are eligible to participate in this program. Under the Company s prior matching gift program (the Prior Matching Gift Program), the Company matched up to a total of $10,500 per eligible participant to qualified institutions per calendar year. Gifts of up to $3,000 were matched by the Company on a two-for-one basis and gifts that were greater than $3,000 were matched by the Company on a one-for-one basis (up to the $7,500 maximum). Under the Company s new matching gift program, effective January 2015, the Company matches up to a total of $5,000 per eligible participant on a one-for-one basis to qualified institutions per calendar year.

(3) Mr. Burke and Ms. Piñero served as members of the Board of Directors until May 18, 2015.

(4) The amounts reported in the *All Other Compensation* column includes amounts matched by the Company in 2014 and paid in 2015 under the Company s Prior Matching Gift Program.

(5) Mr. McAvoy did not receive any director compensation because he is an employee of the Company.

STOCK OWNERSHIP AND SECTION 16 COMPLIANCE

STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table provides, as of February 29, 2016, information with respect to the amount of shares of the Company s Common Stock beneficially owned by each Director, each Named Executive Officer, and by all Directors and executive officers of the Company as a group, and information about the amount of their other Company equity-based holdings.

Name	Shares Beneficially Owned(1)	Other Equity-Based Holdings(2)	Total(3)
Vincent A. Calarco	31,100		31,100
George Campbell, Jr.	24,236	11,880	36,116
Michael J. Del Giudice	39,676	1,942	41,618
Ellen V. Futter	21,928	7,724	29,652
John F. Killian	10,327	7,378	17,705
Armando J. Olivera	5,424		5,424
Michael W. Ranger	36,754		36,754
Linda S. Sanford	4,140		4,140
L. Frederick Sutherland	34,488	7,622	42,110
John McAvoy	5,955	11,126	17,081
Robert Hoglund	7,007	30,000	37,007
Craig Ivey	4,542	35,306	39,848
Elizabeth D. Moore	1,595	34,083	35,678
Timothy P. Cawley	1,882	1,736	3,618
Directors and Executive Officers as a group, including the above-named persons (20 persons)	247,608	215,476	463,084

Footnotes:

(1) The number of shares shown includes shares of Company Common Stock that are individually or jointly owned, as well as shares over which the individual has sole or shared investment or sole or shared voting power. The number of shares shown also includes vested stock units, as to which the individual may obtain investment or voting power within 60 days following separation from service: Mr. Calarco 30,700; Dr. Campbell 19,163; Mr. Del Giudice 39,676; Ms. Futter 19,582; Mr. Killian 10,327; Mr. Olivera 4,924; Mr. Ranger 36,754; Ms. Sanford 2,640; Mr. Sutherland 30,488; Mr. McAvoy 0; Mr. Hoglund 0; Mr. Ivey 0; Ms. Moore 0; Mr. Cawley 0; and directors and executive officers as a group 194,253.

(2) Represents vested stock units, as to which the individual may not, within 60 day after February 29, 2016, obtain investment or voting power.

(3) As of February 29, 2016, ownership was, in each case, less than one percent (1%) of the outstanding 293,689,944 shares.

Table of Contents

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table provides information, as of December 31, 2015, with respect to persons who are known to the Company to beneficially own more than five percent (5%) of Company Common Stock:

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Class
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	21,144,165(1)	7.20%
State Street Corporation State Street Financial Center One Lincoln Street Boston, MA 02111	18,566,712(2)	6.30%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	18,446,289 (3)	6.29%

Footnotes:

(1) BlackRock, Inc. stated in its Schedule 13G/A, filed on February 10, 2016 with the Securities and Exchange Commission, that it has sole dispositive power for all these shares and sole voting power for 18,310,520 of these shares.
(2) State Street Corporation stated in its Schedule 13G, filed on February 12, 2016 with the Securities and Exchange Commission, that it has shared voting power and shared dispositive power for all these shares.
(3) The Vanguard Group stated in its Schedule 13G/A, filed on February 10, 2016 with the Securities and Exchange Commission, that it has sole voting power for 567,786 of these shares, sole dispositive power for 17,867,804 of these shares, and shared dispositive power for 578,485 of these shares.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Directors and executive officers of the Company to file reports of ownership and changes in ownership of the equity securities of the Company and its subsidiaries with the Securities and Exchange Commission and to furnish copies of these reports to the Company, within specified time limits. Based upon its review of the reports furnished to the Company for 2015 pursuant to Section 16(a) of the Act, the Company believes that all of the reports were filed on a timely basis.

AUDIT COMMITTEE MATTERS

AUDIT COMMITTEE REPORT

The Company s Audit Committee consisted of five independent Directors in 2015. Each member of the Audit Committee meets the qualifications required by the New York Stock Exchange and Securities and Exchange Commission.

The Audit Committee has reviewed and discussed with management the audited financial statements of the Company for the year ended December 31, 2015. The Audit Committee has also discussed with PricewaterhouseCoopers LLP (PwC), the Company s independent public accountants, the matters required to be discussed under the rules adopted by the Public Company Accounting Oversight Board (PCAOB).

The Audit Committee has received the written disclosures and the letter from PwC required by applicable requirements of the PCAOB regarding PwC s communications with the Audit Committee concerning independence. The Audit Committee has discussed with PwC its independence and qualifications. The Audit Committee also considered whether PwC s provision of limited tax and non-audit services to the Company is compatible with PwC s independence and concluded that it was.

Based on the Audit Committee s review and discussions, the Audit Committee recommended to the Board of Directors that the Company s audited financial statements be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2015 for filing with the Securities and Exchange Commission.

Audit Committee:

Vincent A. Calarco (Chair)

Michael J. Del Giudice

John F. Killian

Michael W. Ranger

L. Frederick Sutherland

FEES PAID TO PRICEWATERHOUSECOOPERS LLP

Fees paid or payable to PwC for services related to 2015 and 2014 are as follows:

	2015	2014
Audit Fees	$ 4,992,800	$ 4,827,281
Audit-Related Fees[(a)]	$ 369,002	$ 446,550
Tax Fees	$ 75,088[(b)]	$
All Other Fees	$ 102,867[(c)]	$
TOTAL FEES	$ 5,539,757	$ 5,273,831

Footnote:

(a) Relates to assurance and related service fees that are reasonably related to the performance of the annual audit or quarterly reviews of the Company s financial statements that are not specifically deemed Audit Services. The major items included in Audit-Related Fees in 2015 are fees for audits of various solar projects of Consolidated Edison Development, Inc. The major items included in Audit-Related Fees in 2014 are fees for a compliance audit of certain grants received by the Company from the Department of Energy.

(b) Relates to fees for tax compliance reporting relating to the Foreign Account Tax Compliance Act.

(c) Relates to fees for cybersecurity risk review.

The Audit Committee, or as delegated by the Audit Committee, the Chair of the Committee, approves in advance each auditing service and non-audit service permitted by applicable laws and regulations, including tax services, to be provided to the Company and its subsidiaries by its independent accountants.

COMPENSATION COMMITTEE REPORT

The Management Development and Compensation Committee of the Board of Directors of the Company has reviewed and discussed the Compensation Discussion and Analysis (the CD&A) for 2015 with management of the Company. Based on this review and discussion, the Committee recommended to the Board of Directors that the CD&A be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2015 and this Proxy Statement.

Management Development and Compensation Committee:

George Campbell, Jr. (Chair)

Vincent A. Calarco

Michael J. Del Giudice

John F. Killian

L. Frederick Sutherland

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

CD&A TABLE OF CONTENTS **26**

INTRODUCTION

This section of the Proxy Statement provides an overview and analysis of the Company s 2015 executive compensation program (the executive compensation program). The executive compensation program covers the Company s Named Executive Officers (as identified by the Company pursuant to the rules of the Securities and Exchange Commission). For 2015, the Company s Named Executive Officers were:

- John McAvoy, Chairman, President and Chief Executive Officer
- Robert Hoglund, Senior Vice President and Chief Financial Officer
- Craig Ivey, President, Con Edison of New York
- Elizabeth D. Moore, Senior Vice President and General Counsel
- Timothy P. Cawley, President and Chief Executive Officer, Orange & Rockland
- William Longhi, former President, Shared Services, Con Edison of New York, who retired effective October 1, 2015

EXECUTIVE SUMMARY

The Company s executive compensation program is designed to assist in attracting and retaining key executives critical to its long-term success, to motivate these executives to create value for its stockholders, and to promote safe, reliable, and efficient service for its customers. Each year, the Management Development and Compensation Committee (the Compensation Committee) evaluates the level of compensation, the mix of base salary, performance-based compensation, and retirement and welfare benefits provided to each Named Executive Officer. The Compensation Committee,

Table of Contents

with the assistance of its independent compensation consultant, seeks to align pay to performance and provide base salary and performance-based compensation, including target annual cash incentive compensation and target long-term equity-based incentive compensation, that are competitive with the median level of compensation provided by the Company s compensation peer group companies. (See *Executive Compensation Philosophy and Objectives Competitive Positioning Attraction and Retention* on pages 28 to 29 and *Executive Compensation Actions Compensation Peer Group* on page 32.) The Compensation Committee believes that performance-based compensation should represent the most significant portion of each Named Executive Officer s target total direct compensation to motivate strong annual and multi-year Company performance. Additionally, the Compensation Committee believes that most of the performance-based compensation should be in the form of long-term, rather than annual, incentives to emphasize the importance of sustained Company performance.

Key Features of the Executive Compensation Program

Type	Component	Objective
Performance-Based Compensation	Annual Incentive Compensation	Achievement of financial and operating objectives for which the Named Executive Officers have individual and collective responsibility.
	Long-Term Incentive Compensation	Achievement, over a multi-year period, of financial and operating objectives critical to the performance of the Company s business plans and strategies. Achievement, over a three-year period, of the Company s cumulative total shareholder return relative to the Company s compensation peer group companies.
Fixed & Other Compensation	Base Salary Retirement Programs Benefits and Perquisites	Differentiate base salary based on individual responsibility and performance. Provide retirement and other benefits that reflect the competitive practices of the industry and provide limited and specific perquisites.

Key Compensation Governance Practices

The Company is committed to maintaining strong compensation governance practices to support the pay-for-performance philosophy of the executive compensation program and align the executive compensation program with the long-term interests of the Company s stockholders:

Pay Practices. The Company has no employment agreements, no golden parachute excise tax gross-ups, and no individually negotiated equity awards with special treatment upon a change of control.

Long-Term Incentive Compensation. The 2013 Long Term Incentive Plan: (i) prohibits the repricing of stock options or the buyout of underwater options without stockholder approval; (ii) prohibits recycling of shares for future awards except under limited circumstances; (iii) prohibits accelerated vesting of outstanding equity awards except if both a change in control occurs and a participant s employment is terminated under certain circumstances; and (iv) caps the maximum number of shares that may be awarded to a director, officer, or eligible employee in a calendar year.

Long-Term Incentive Mix. All Named Executive Officer long-term incentive compensation is performance-based. Based on proxy statements filed in 2015, over half of the Company s compensation peer group companies granted some form of non-performance-based incentive compensation to their named executive officers. (See *Executive Compensation Philosophy and Objectives Pay-Performance Alignment, Target Total Direct Compensation Mix, and Long-Term Incentive Mix* on page 31.)

Risk Management. The relevant features of the Company s compensation programs that mitigate risk are:

- Annual and long-term incentives under the Company s compensation programs appropriately balanced between annual and long-term financial performance goals that are tied to key goals that are expected to enhance stockholder value;

- Annual and long-term incentives tied to several performance goals to reduce undue weight on any one goal;

- Non-financial performance factors used in determining the actual payout of annual incentive compensation as a counterbalance to financial performance goals;

- Compensation programs designed to deliver a significant portion of compensation in the form of long-term incentives, discouraging excessive focus on annual results;

Table of Contents

- Performance-based equity awards based on performance over a three-year period, focusing on sustainable performance over a three-year cycle rather than any one year; and

- Annual and long-term incentive plans that are subject to payment caps and Compensation Committee discretion to reduce payouts.

Stock Ownership Guidelines. Stock ownership guidelines for directors and certain officers, including the Named Executive Officers, encourage a long-term commitment to the Company s sustained performance through stock ownership. (See *Director Compensation* on page 20 and *Stock Ownership Guidelines* on page 43.)

No Hedging Nor Pledging. To encourage a long-term commitment to the Company s sustained performance, the Company prohibits all officers, financial personnel, and certain other individuals from shorting, hedging, and pledging Company securities or holding Company securities in a margin account. (See *No Hedging Nor Pledging* on page 44.)

Recoupment Policy. The Company s compensation recoupment policy applies to all officers of the Company and its subsidiaries for incentive-based compensation and is intended to reduce potential risks associated with its executive compensation program and align the long-term interests of officers and stockholders. (See *Recoupment Policy* on page 44.)

Stockholder Engagement, Annual Advisory Vote, and Frequency of Advisory Vote

The Company discussed with investment firms, and institutional stockholders the design of the executive compensation program, disclosure practices, corporate

governance, and the results of the advisory vote to approve named executive officer compensation.

In 2015, the Company held its annual advisory vote to approve Named Executive Officer compensation, as set forth in the 2015 proxy statement, and 92.4% of the shares voted were voted for the proposal. The Company intends to hold a vote annually unless stockholders advise the Company to change the frequency of the vote at the Company s annual meeting of stockholders in 2017.

EXECUTIVE COMPENSATION PHILOSOPHY AND OBJECTIVES

The Compensation Committee s philosophy and objectives governing the development and implementation of the executive compensation program are to provide competitive, performance-based compensation. There are no material differences in the Company s compensation policies for each Named Executive Officer.

Competitive Positioning Attraction and Retention

The executive compensation program is designed to attract and retain key executives critical to the Company s long-term success. The Compensation Committee seeks to align pay to performance and provide base salary, target annual cash incentive compensation, and target long-term equity-based incentive compensation, that are competitive with the median level of compensation provided by the Company s compensation peer group companies. (See *Executive Compensation Actions Compensation Peer Group* on page 32.) The Company also seeks to provide retirement and other benefits that are competitive with those provided by the industry and to provide limited and specific perquisites.

Table of Contents

In 2015, the Named Executive Officers target total direct compensation compared to the Company s compensation peer group median was as follows:

	Company Target Compensation as a Percentage of Compensation Peer Group Median Target			
	Base Salary	Target Total Cash Compensation (Base Salary + Target Annual Incentive)	Target Long-Term Incentive Compensation	Target Total Direct Compensation
John McAvoy Chairman, President and Chief Executive Officer[(1)]	95%	87%	85%	86%
Other Named Executive Officers (Average)[(2)]	102%	98%	109%	105%

Footnotes:

(1) Based on comparisons of compensation for chief executive officers of each of the Company s compensation peer group companies as disclosed in proxy statements filed in 2015.

(2) Based on comparisons of compensation for functionally comparable positions at the Company s compensation peer group companies as disclosed in proxy statements filed in 2015 for the positions held by Messrs. Hoglund and Ivey, and Ms. Moore. Compensation for Mr. Cawley, for which functionally comparable positions at the Company s compensation peer group companies were not available, was compared to compensation of the fifth highest paid executive at each of the Company s compensation peer group companies. Mr. Longhi was not included in the comparison because he retired from the Company effective October 1, 2015.

Pay-Performance Alignment, Target Total Direct Compensation Mix, and Long-Term Incentive Mix

The executive compensation program is designed to motivate the Company s key executives to create sustainable stockholder value and promote safe, reliable and efficient service for its customers. The Compensation Committee seeks to balance the target total direct compensation of each Named Executive Officer between base salary (fixed compensation) and annual cash incentive compensation and long-term equity-based incentive compensation (performance-based compensation).

The Compensation Committee believes that fixed compensation should recognize each Named Executive Officer s individual responsibility and performance. The Compensation Committee believes that performance-based compensation should represent the most significant portion of each Named Executive Officer s target total direct compensation to motivate strong annual and multi-year Company performance. The Compensation Committee also believes that most of the performance-based compensation targeted to each Named Executive Officer should be in the form of long-term, rather than annual, incentives to emphasize the importance of sustained Company performance.

The target annual cash incentive and target long-term equity-based incentive awards made to each Named Executive Officer reflect the Compensation Committee s desired balance between these elements, relative to the base salary paid to each executive. Awards under the Company s annual incentive plan are based on the achievement of financial and operating objectives for which the Named Executive Officers have individual and collective responsibility. Awards under the Company s long term incentive plan are based on the achievement of financial and operating objectives critical to the Company s business plans and strategies and the achievement, over a three-year period, of the Company s cumulative total shareholder return relative to the total shareholder return for the Company s compensation peer group companies.

As shown in the charts below for 2015, the mix of target total direct compensation for the Named Executive Officers meets the Compensation Committee s objectives: each is weighted heavily toward performance-based compensation, with the largest portion delivered in long-term incentives, and the target total direct compensation mix of the Named Executive Officers is in line with that of the Company s compensation peer group companies (except that the Company does not provide non-performance based incentive compensation).

Table of Contents

The following charts illustrate the average mix of target total direct compensation for Mr. McAvoy and for chief executive officers in the Company s compensation peer group companies for 2015:

The following charts illustrate the average mix of target total direct compensation for the other Named Executive Officers, excluding Mr. Longhi because he retired from the Company effective October 1, 2015, and other named executive officers in the Company s compensation peer group companies for 2015 (see footnote 2 to the table in *Executive Compensation Philosophy and Objectives Competitive Positioning Attraction and Retention* on page 29):

Table of Contents

The following charts illustrate that all Named Executive Officer long-term incentive compensation is performance-based. Based on proxy statements filed in 2015, over half of the Company s compensation peer group companies granted some form of non-performance-based incentive compensation to their named executive officers:

Determining Performance Goals

The Compensation Committee chooses performance goals under the annual incentive and the long-term incentive plans to support the Company s short- and long-term business plans and strategies. In setting the performance goals, the Compensation Committee considers the Company s annual and long-term business plans and certain other factors, including pay-for-performance alignment, economic and industry conditions, and the pay practices of the compensation peer group companies. The Compensation Committee sets challenging, but achievable, goals for the Company and its key executives to drive the achievement of short- and long-term objectives.

ROLE OF THE COMPENSATION COMMITTEE AND OTHERS IN DETERMINING EXECUTIVE COMPENSATION

Compensation Committee s Role

The role of the Compensation Committee is to establish and oversee the Company s executive compensation and retirement and welfare benefit plans and policies, administer its equity plans and annual incentive plan and review and approve annually all compensation relating to the Named Executive Officers. All of the decisions with respect to determining the amount or form of compensation of the Named Executive Officers under the executive compensation program are made by the Compensation Committee.

Management s Role

The role of the Company s chief executive officer with respect to determining the amount or form of the compensation of the

other Named Executive Officers is to provide recommendations to the Compensation Committee. The chief executive officer is not present when the Compensation Committee determines his compensation. The chief executive officer considers the following in making his recommendations:

Individual performance of each of the other Named Executive Officers;

Each of the other Named Executive Officer s contribution toward the Company s long-term performance;

The scope of each of the other Named Executive Officer s individual responsibilities; and

Compensation peer group company proxy statement data provided by the Compensation Committee s independent compensation consultant. The Company s Human Resources department also supports the Compensation Committee in its work.

Compensation Consultant s Role

The Compensation Committee has the authority under its charter to hire advisors to assist it in its compensation decisions. It has retained Mercer as its independent compensation consultant to provide information, analyses, and objective advice regarding executive compensation. The Compensation Committee periodically meets with Mercer in executive session to discuss compensation matters. The Compensation Committee s decisions reflect factors and considerations in addition to the information and advice provided by Mercer. A discussion of Mercer s role as the Compensation Committee s independent compensation consultant is set forth in the section titled *The Board of Directors Standing Committees of the Board* on page 18.

Table of Contents

EXECUTIVE COMPENSATION ACTIONS

Compensation Peer Group

For 2015, the Compensation Committee used a compensation peer group of publicly-traded utility companies of comparable size and scope to that of the Company. The Compensation Committee annually reviews the composition of the compensation peer group companies and the impact of acquisitions. For 2015, the Compensation Committee made the following changes to the compensation peer group: (i) Exelon Corporation was removed due to the size of its unregulated operations, its relatively large size, and its pending merger with Pepco Holdings, Inc.; (ii) Pepco Holdings, Inc. was removed due to its relatively small size and its pending merger with Exelon Corporation; and (iii) Eversource Energy (formerly known as Northeast Utilities) was added because of its mix of business and size. The Company s 2014 revenues approximated the 59th percentile of the compensation peer group. The purpose of the compensation peer group is to provide benchmark information on compensation levels provided to the Company s officers, as well as to measure relative total shareholder returns for the vesting of performance-based equity awards.

For 2015, the Company s compensation peer group consisted of the following companies:

Company Name		**2014 Revenue[(1)] (in millions)**
Duke Energy Corporation	$	23,930
The Southern Company	$	18,467
PG&E Corporation	$	17,090
NextEra Energy, Inc.	$	17,021
American Electric Power Company, Inc.	$	17,020
FirstEnergy Corp.	$	15,049
Edison International	$	13,413
Entergy Corporation	$	12,495
Dominion Resources, Inc.	$	12,436
DTE Energy Company	$	12,301
Xcel Energy Inc.	$	11,686
Sempra Energy	$	11,035
CenterPoint Energy, Inc.	$	9,226
PPL Corporation (excl. spin-off)[(2)]	$	7,828
Eversource Energy	$	7,742
NiSource Inc.	$	6,471
Ameren Corporation	$	6,053
Median	$	12,436
Consolidated Edison, Inc.	**$**	**12,919**
Percentile Rank		**59th**

Footnote:

(1) Source: Standard & Poor s Research Insight (represents net revenues, restated if applicable).
(2) PPL Corporation s revenue has been adjusted to reflect the remaining PPL Corporation, post-unregulated operation spin-off.

For 2016, the Compensation Committee made the following change to the compensation peer group:

- WEC Energy Group (a company formed by the June 2015 merger between Wisconsin Energy Corporation and Intergrys Energy Group) was added because of its mix of business and size.

Base Salary

A portion of each Named Executive Officer s annual cash compensation is paid in the form of base salary. Base salary is reviewed annually to recognize individual performance, as well as at the time of a promotion or other change in responsibilities.

In setting base salary for the Named Executive Officers, including the chief executive officer, the Compensation Committee considers various factors, including:

Recommendations from the chief executive officer for each of the other Named Executive Officers;

A general assessment of each Named Executive Officer s performance of his or her responsibilities; and

The level of base salary compared to key executives holding equivalent positions in the Company s compensation peer group companies. Effective February 1, 2015, base salary merit increases for the Named Executive Officers as a group increased by an average of 3.0%. The 2015 base salary of each Named Executive Officer is set forth in the *Salary* column of the Summary Compensation Table on page 46.

Annual Incentive Compensation

Awards

A significant portion of the annual cash incentive compensation paid to the Named Executive Officers directly relates to the Company s financial and operating performance, factors that the Compensation Committee believes influence stockholder value.

Individual performance is considered in setting annual cash incentive compensation through the establishment by the Compensation Committee of financial and operating objectives for which the Named Executive Officers have individual and collective responsibility.

Table of Contents

Potential Awards

For 2015, the Compensation Committee set the range of the award that each Named Executive Officer was eligible to receive under the annual incentive plan after considering various factors, including:

- Recommendations from the chief executive officer for each of the other Named Executive Officers;
- A general assessment of each Named Executive Officer s performance of his or her responsibilities; and
- The level of annual incentive compensation compared to key executives in the Company s compensation peer group companies. (See footnote 2 to the table in *Executive Compensation Philosophy and Objectives Competitive Positioning Attraction and Retention* on page 29.)

The range of awards included threshold, target and maximum levels reflecting differing levels of achievement of the various financial and operating objectives. Awards are scaled to reflect relative levels of achievement of the objectives between the threshold, target and maximum levels. The range of each Named Executive Officer s potential award is set forth in the Grants of Plan-Based Awards Table on page 48. Awards under the annual incentive plan are designed to provide a competitive level of compensation if the Named Executive Officers achieve the target financial and operating objectives. Pursuant to the terms of the annual incentive plan, the Compensation Committee has discretion to adjust (upward or downward) the annual incentive award to be paid to each Named Executive Officer.

Awards under the annual incentive plan are calculated as follows:

Base Salary X Target Percentage

X Weighting Earned

Base Salary is the annual base salary of the Named Executive Officer as of the end of the year to which the annual incentive award relates, and is determined as discussed under the caption *Executive Compensation Actions Base Salary* on page 32 and is shown on the *2015 Annual Incentive Awards* table on page 37.

Target Percentage is a percentage of Base Salary that varies based on the Named Executive Officer s position as follows:

	Target Percentage
John McAvoy Chairman, President and Chief Executive Officer	100%
Robert Hoglund Senior Vice President and Chief Financial Officer	50%
Craig Ivey	80%

President, Con Edison of New York	
Elizabeth D. Moore Senior Vice President and General Counsel	50%
Timothy P. Cawley President and Chief Executive Officer, Orange & Rockland	80%
William Longhi Former President, Shared Services, Con Edison of New York	80%

Weighting Earned is the sum of the weightings earned for the following components: adjusted net income, other financial performance, and operating objectives. For each Named Executive Officer, target weightings, totaling 100%, are assigned for each component as follows: adjusted net income (50%), other financial performance (20%), and operating objectives (30%). Weightings earned vary from zero to 200% for adjusted net income and other financial performance, and from zero to 175% for operating objectives, reflecting achievement of the applicable objectives.

Financial Objectives

The financial objectives under the annual incentive plan were selected as indicative of the Company s success during the year. For 2015, the financial objectives consisted of adjusted net income and other financial performance components.

The *adjusted net income* component, reflecting the financial results of the Company s business for which its Named Executive Officers are responsible and accounting for 50% of each Named Executive Officer s potential annual incentive award, as shown on the *Achievement of 2015 Financial and Operating Objectives* table on page 37, was comprised of Adjusted Company Net Income and Adjusted Regulated Net Income. *Adjusted Company Net Income* is the Company s net income as reported under general accounting principles in the Company s financial statements excluding the impact of certain items. (See footnote (1) to the following table.) *Adjusted Regulated Net Income* is net income as reported under general accounting principles in the financial statements of Con Edison of New York and Orange & Rockland excluding the impact of certain items. (See footnote (1) to the following table.)

Table of Contents

For 2015, target adjusted net income and actual adjusted net income were as follows:

	Target	Actual	Performance Relative to Target
	(in millions)		
Adjusted Company Net Income[(1)]	$ 1,138	$ 1,196.0	105.1%
Adjusted Regulated Net Income[(1)]	$ 1,121	$ 1,139.3	101.6%
Adjusted Con Edison of New York Net Income	$ 1,060	$ 1,084.1	102.3%
Adjusted Orange & Rockland Net Income[(1)]	$ 61	$ 55.2	90.5%

Footnote:

(1) Excluded the impact of a $3 million impairment of assets held for sale.

If actual adjusted net income for 2015 had been less than or equal to 90% of the target adjusted net income, no annual incentive awards would have been made.

The weightings earned for the 50% adjusted net income component were determined based upon the following scale:

Performance Relative to Performance Goal	Weighting Earned[(1)]	Payout Relative to Target
³ 110%	100%	200%
(Target) 100%	50%	100%
£ 90%	0%	0%

(1) The weightings earned, which were interpolated for actual performance between performance goals, are shown on the *Achievement of 2015 Financial and Operating Objectives* table on page 37.

The *other financial performance* component, reflecting the Company s business for which its Named Executive Officers are responsible and accounting for 20% of each Named Executive Officer s potential annual incentive award, as shown on the *Achievement of 2015 Financial and Operating Objectives* table on page 37, was comprised of one or more of the Con Edison of New York and Orange & Rockland budgets, or objectives for the competitive energy businesses relating to compliance with financial reporting requirements, level of bad debt, and financial risk exposure.

Con Edison of New York s other financial performance component is allocated 10% for capital budget performance

and up to 10% for operating budget performance, subject to a maximum 25% upward or downward adjustment based on the achievement of pre-established targets for 25 capital projects and 12 operating and maintenance programs, respectively. The targets for the capital projects consist of completing milestones within specified budget targets, and, for the operating and maintenance programs, completing a number of units within specified per unit budget targets. Orange & Rockland s and the competitive energy businesses other financial performance component is up to 20% and up to 1%, respectively.

The target budgets and actual expenditures for 2015 were:

	Target	Actual (in millions)	Performance Relative to

	(in millions)		Target
Con Edison of New York			
Operating Budget	$ 1,470.0	$ 1,464.3	99.6%
Capital Budget	$ 2,367.4	$ 2,360.1	99.7%
Orange & Rockland			
Operating Budget	$ 194.3	$ 182.4	93.9%

The weightings earned for Con Edison of New York s and Orange & Rockland s other financial performance component were determined based upon the following scales:

Con Edison of New York Performance Relative to Operating Budget Goal	Weighting Earned for Messrs. McAvoy and Hoglund, and Ms. Moore(1)	Weighting Earned for Mr. Ivey(1)	Weighting Earned for Mr. Longhi(1)	Payout Relative to Target
£ 89.00%	16.0%	20.0%	18.0%	200%
(Target) 99-101%	8.0%	10.0%	9.0%	100%
³ 111.00%	0%	0%	0%	0%

Footnote:

(1) The weightings earned, which were interpolated for actual performance between performance goals, are shown on the *Achievement of 2015 Financial and Operating Objectives* table on page 37. In 2015, Con Edison of New York achieved pre-established performance goals for 11 out of 12 operating and maintenance programs, as a result of which the weighting earned was subject to a 10% upward adjustment.

Table of Contents

Con Edison of New York Performance Relative to Capital Budget Target	Weighting Earned for Messrs. McAvoy, Hoglund, Ivey, and Longhi, and Ms. Moore[1]	Payout Relative to Target
£ 89.00%	20%	200%
(Target) 99-101%	10%	100%
³ 110.00%	0%	0%

Footnote:

(1) The weightings earned, which were interpolated for actual performance between performance goals, are shown on the *Achievement of 2015 Financial and Operating Objectives* table on page 37. In 2015, Con Edison of New York achieved pre-established performance goals for 24.5 out of 25 capital projects, as a result of which the weighting earned was subject to a 25% upward adjustment.

Orange & Rockland Performance Relative to Operating Budget Target	Weighting Earned for Messrs. McAvoy, Hoglund, and Longhi, and Ms. Moore[1]	Weighting Earned for Mr.Cawley	Payout Relative to Target
£ 89.00%	2.0%	40%	200%
(Target) 99-101%	1.0%	20%	100%
³ 111.00%	0%	0%	0%

Footnote:

(1) The weightings earned, which were interpolated for actual performance between performance goals, are shown on the *Achievement of 2015 Financial and Operating Objectives* table on page 37.

Operating Objectives

The *operating objectives* component, reflecting the responsibilities of the Named Executive Officer and accounting for 30% of each Named Executive Officer s potential annual incentive award, as shown on the *Achievement of 2015 Financial and Operating Objectives* table on page 37, was comprised of a number of key indicators that guide Con Edison of New York, Orange & Rockland, and the competitive energy businesses to serve their customers in a safe, reliable, and efficient manner. Each of the operating objectives include specific, pre-established, targets that encourage superior performance in multiple areas that impact the day-to-day operations of the Company s businesses.

Con Edison of New York s and Orange & Rockland s operating objectives for 2015, each accounting for up to 30%, are shown in the following tables. Operating objectives for the competitive energy businesses (accounting for up to 1%) include those that are important to the success of their business: (i) renewable capacity installed; (ii) retail sales and collections; and (iii) employee business development objectives.

Con Edison of New York Operating Objectives[1]	Unit of Measure	Target	Actual

Electric Network System Availability	%	³ 99.999%	99.999%
Electric Non-Network System Availability	%	³ 99.99%	99.99%
Electric Reliability Performance Measure	#	0	0
Respond to Gas Odor Complaints	%	³ 75.0%	88.2%
Total Gas Leak Year-End Backlog	#	< 850	523
Steam Operations Normal Pressure	%	³ 99.77%	99.98%
Generation Station Production Forced Outages	%	£ 4.0%	1.5%
Public Service Commission Complaints	Rate per 100,000 Customers	£ 2.3	1.4
Representative Calls	%	³ 63.0%	65.3%
Customer Satisfaction Surveys	# Score	³ 85.0	90.5
Safety Index	%	³ 87.5%	87.5%
Environmental Index	%	³ 87.5%	87.5%
Storm Index	%	³ 83.3%	100.0%
Employee Development Index	%	³ 87.5%	100.0%

Footnote:

(1) Operating objectives were weighted equally.

The weightings earned for Con Edison of New York s operating objectives component were determined based upon the following scales:

Performance Indicators Achieved	**Weighting Earned for Messrs. McAvoy and Hoglund, and Ms. Moore(1)**	**Weighting Earned for Mr. Ivey(1)**	**Weighting Earned for Mr. Longhi(1)**	**Payout Relative to Target**
14/14	49%	52.5%	50.8%	175%
(Target) 11/14	28%	30.0%	29.0%	100%
< 7/14	0%	0%	0%	0%

Footnote:

(1) The weightings earned, which were based on actual performance between performance goals, are shown on the *Achievement of 2015 Financial and Operating Objectives* table on page 37. Con Edison of New York achieved 14 out of the 14 operating objectives resulting in a weighting earned of 175% of the component target weighting.

Orange & Rockland Operating Objectives(1)	**Unit of Measure**	**Target**	**Actual**
Electric Service Reliability Frequency	Outages Per Customer	£ 1.20	0.974
Electric Service Reliability Restoration Time	Minutes	£ 111	143
Customer Experience	%	85.7%	100.0%
Respond to Gas Odor Complaints	%	³ 75.0%	88.9%
Gas Leaks at Year-End Outstanding Number Total	#	£ 18	2
Backlog	#	£ 700	171
Damage Prevention Program	%	³ 100.0%	100.0%
Gas Main Replacement Program	# of Feet	³ 90,000	92,047
Storm Hardening / System Resiliency Projects	%	³ 75.0%	100.0%
Major Capital Projects	%	³ 80.0%	100.0%
Safety Index	%	³ 87.5%	62.5%
Environmental Index	%	³ 80.0%	80.0%
Storm Scorecard	# of Points	³ 90.0	N/A
Employee Development Index	%	³ 87.5%	100.0%

Footnote:

(1) Operating objectives were weighted equally.

The weightings earned for Orange & Rockland s operating objectives component were determined based upon the following scales:

Performance Indicators Achieved	**Weighting Earned for Messrs. McAvoy, Hoglund, and Longhi, and Ms. Moore(1)**	**Weighting Earned for Mr. Cawley(1)**	**Payout Relative to Target**
13/13	1.75%	52.5%	175%
(Target) 11/13	1.00%	30.0%	100%
< 7/13	0%	0%	0%

Footnote:

(1) The weightings earned, which were based on actual performance between performance goals, are shown on the *Achievement of 2015 Financial and Operating Objectives* table on page 37. Orange & Rockland achieved 11 out of the 13 operating objectives resulting in a weighting earned of 100% of the component target weighting.

Table of Contents

Achievement of 2015 Financial and Operating Objectives

The following table shows, for each Named Executive Officer, the target weightings assigned to the financial and operating objectives and the weightings earned based on achievement of those objectives.

	Messrs. McAvoy and Hoglund, and Ms. Moore		Mr. Ivey		Mr. Cawley		Mr. Longhi	
	Target	Earned	Target	Earned	Target	Earned	Target	Earned
Financial Objectives								
Adjusted Net Income								
Adjusted Company Net Income	50%	75.5%						
Adjusted Regulated Net Income			50%	58.2%			50%	58.2%
Adjusted Con Edison of New York Net Income					10%	12.3%		
Adjusted Orange & Rockland Net Income					40%	0%		
Other Financial Performance								
Con Edison of New York Operating Budget	8%	8.8%	10%	11.0%			9%	9.9%
Con Edison of New York Capital Budget	10%	12.5%	10%	12.5%			10%	12.5%
Orange & Rockland Operating Budget	1%	1.5%			20%	30.2%	1%	1.5%
Competitive Energy Businesses	1%	1.5%						
Operating Objectives								
Con Edison of New York	28%	49.0%	30%	52.5%			29%	50.8%
Orange & Rockland	1%	1.0%			30%	30.0%	1%	1.0%
Competitive Energy Businesses	1%	1.5%						
Total	100%	151.3%	100%	134.2%	100%	72.5%	100%	133.9%

2015 Annual Incentive Awards

In February 2016, the Compensation Committee evaluated and determined whether the applicable financial and operating objectives were satisfied. In assessing performance against the objectives, the Compensation Committee considered actual results achieved against the specific targets associated with each objective and, based on the results, determined the 2015 annual incentive awards. The Compensation Committee did not exercise discretion to adjust (upward or downward) the annual incentive award to be paid to each Named Executive Officer.

The following table shows the calculation of the 2015 annual incentive awards for each Named Executive Officer.

Name & Principal Position	Base Salary	×	Target Percentage	×	Weighting Earned	=	2015 Award
John McAvoy Chairman, President and Chief Executive Officer	$ 1,174,200		100%		151.3%		$ 1,776,600
Robert Hoglund Senior Vice President and Chief Financial Officer	$ 701,900		50%		151.3%		$ 531,100
Craig Ivey President, Con Edison of New York	$ 774,100		80%		134.2%		$ 831,100
Elizabeth D. Moore	$ 591,700		50%		151.3%		$ 447,700

Senior Vice President and General Counsel				
Timothy P. Cawley President and Chief Executive Officer, Orange & Rockland	$ 401,700	80%	72.5%	$ 233,000
William Longhi Former President, Shared Services, Con Edison of New York[(1)]	$ 547,700	80%	133.9%	$ 440,000

Footnote:

(1) Mr. Longhi s 2015 award was pro rated to reflect the portion of the period for which he was employed in accordance with the terms of the annual incentive plan. Mr. Longhi retired effective October 1, 2015.

Long-Term Incentive Compensation

Awards

Named Executive Officers are eligible to receive equity-based awards under the Company s long term incentive plan. The Compensation Committee determines the target long-term incentive award value for each Named Executive Officer based on various factors, including:

Recommendations from the chief executive officer for each of the other Named Executive Officers;

A general assessment of each Named Executive Officer s performance of his or her responsibilities; and

The level of long-term incentive compensation compared to key executives in the Company s compensation peer group companies. (See footnote 2 to the table in *Executive Compensation Philosophy and Objectives Competitive Positioning Attraction and Retention* on page 29.)

Performance-Based Equity Awards

It is the Compensation Committee s practice in the first quarter of each year to approve performance-based equity awards under the long term incentive plan for the Company s Named Executive Officers. The Compensation Committee s use of performance-based equity awards is intended to further reinforce the alignment of Named Executive Officer pay opportunities with stockholders by directly linking pay to the achievement of strong, sustained long-term financial and operating performance.

The performance units (which, for awards prior to 2014, were referred to as performance restricted stock units) awarded to Named Executive Officers provide for the right to receive one share of Company Common Stock and/or a cash payment equal to the fair market value of one share of Company Common Stock for each unit awarded, subject to the satisfaction of certain pre-established long-term performance objectives. Named Executive Officers may elect to defer the receipt of the cash value of the award into the Company s deferred income plan and/or to defer the receipt of the shares. Dividends are not paid and do not accrue on the units during the vesting period.

2015 Performance Unit Awards

The number of performance units awarded to the Named Executive Officers in 2015 for the 2015-2017 performance period is shown in the Grants of Plan-Based Awards Table on

page 48. Payouts of performance units, if any, are calculated by a non-discretionary formula as follows:

Award X 30% X Adjusted EPS Percentage

plus

Award X 20% X Operating Objectives Percentage

plus

Award X 50% X Shareholder Return Percentage

Award is the annual award of performance units under the long term incentive plan. The target award of performance units is a percentage of base salary that varies based on each Named Executive Officer s position as follows:

	Target Award as a Percentage of Base Salary
John McAvoy Chairman, President and Chief Executive Officer	375%
Robert Hoglund Senior Vice President and Chief Financial Officer	200%
Craig Ivey President, Con Edison of New York	250%
Elizabeth D. Moore Senior Vice President and General Counsel	150%
Timothy P. Cawley President and Chief Executive Officer, Orange & Rockland	200%
William Longhi Former President, Shared Services, Con Edison of New York	200%

Adjusted EPS Percentage is the payout relative to target over the performance period beginning January 1, 2015 and ending December 31, 2017 based on attainment of the Company s three-year cumulative Adjusted EPS performance goal, set forth below, that was established in the first quarter of 2015.

Three-Year Cumulative Adjusted EPS

(weighting 30%)

Performance Relative to Target	Performance Goal	Payout Relative to Target[1]
³ 112%	³ $13.48	200%
(Target) 100%	$12.04	100%
< 88%	< $10.60	0%

Footnote:

(1) Payouts are interpolated for actual performance between performance goals.

Table of Contents

Operating Objectives Percentage is the payout relative to target over the performance period beginning January 1, 2015 and ending December 31, 2017 based on the attainment of the Company s operating performance goals, set forth below, that were established in the first quarter of 2015. These performance goals further long-term reliability and foster environmental sustainability.

	Performance Goals(1)		
Operating Objectives	**Threshold**	**Target**	**Maximum**
Cyber Security Vulnerability Assessment of Computing Infrastructure and Deployment of 6 Cybersecurity Technologies (Weighting 2.5%)	4	5(2)	6
Physical Security Implement 5 Elements of Enterprise Security System (Weighting 2.5%)	3	4	5
Gas Main Replacement Number of Miles Completed (Weighting 5.0%)	³ 174	205	³ 236
Growth in Renewable Portfolio (Weighting 5.0%)	³ 50% of Target	169MW (AC)(3)	³ 150% of Target
SF6 Gas Emissions Pounds of Gas Emitted (Weighting 2.5%)	£ 49,220	42,800	£ 36,380
Opacity Occurrences Number of Occurrences (Weighting 2.5%)	£ 197	171	£ 145

Footnotes:

(1) Payouts are relative to Target and are as follows: Threshold: 50%; Target: 100%; and Maximum: 150%. Payouts for all Operating Objectives, other than Cyber Security and Physical Security, are interpolated for actual performance between performance goals.

(2) Target approved by the Compensation Committee for 2015. The Compensation Committee approves annual plan levels on a three-year cumulative basis. The target approved by the Compensation Committee for 2015 applies to the first year of the three-year performance period for the 2015 performance stock units.

(3) Target approved by the Compensation Committee for 2015. The Compensation Committee approves annual plan levels on a three-year cumulative basis. The target approved by the Compensation Committee for 2015 applies to the first year of the three-year performance period for the 2015 performance stock units (and the second year of the three-year performance period for the 2014 performance stock units).

Shareholder Return Percentage is the payout relative to target based on the cumulative change in Company total shareholder return over the performance period beginning January 1, 2015 and ending December 31, 2017 compared with the Company s compensation peer group as constituted on the date the performance units were granted in 2015. In the event that the companies that make up the compensation peer group change during the performance period, the Compensation Committee will use the compensation peer group as constituted on the date the performance unit awards are granted. If a company ceases to be publicly traded before the end of the performance period, that company s total shareholder returns will not be used to calculate the total shareholder return portion of the performance unit awards.

The Compensation Committee believes that total shareholder return is a performance goal that aligns executive compensation with the creation of stockholder value.

The level of performance units will be earned as follows:

Company Percentile Rating	**Payout Relative to Target(1)**
90th or greater	200%
(Target) 50th	100%
25th	25%
Below 25th	0%

Footnote:

(1) Payouts are interpolated for actual performance between performance goals.

The actual payout of the performance unit awards to the Named Executive Officers for the 2015-2017 performance period may vary from zero to a maximum of 190% of such award, based on actual performance over the performance period. The maximum payout of the performance unit awards represents the weighted average of the maximum percentage payout under each of the performance objectives: (i) Shareholder Return Percentage (200%), (ii) Adjusted EPS Percentage (200%), and (iii) Operating Objectives Percentage (150%).

The Compensation Committee may exercise negative discretion to adjust the actual performance unit awards to be paid to a Named Executive Officer.

Table of Contents

Calculation of Payout of 2013 Performance Restricted Stock Unit Awards

Following the end of the relevant performance period for each outstanding performance restricted stock unit award, the Compensation Committee reviews the Company s achievement of the performance goals. The Compensation Committee evaluates and approves the Company s performance relative to target and pays out the performance restricted stock units in either cash and/or shares of Company Common Stock (as elected by the Named Executive Officer) based on the attainment of the performance goals.

For the 2013-2015 performance period, payouts of the performance restricted stock units were calculated based on the following non-discretionary formula:

Award X 50% X Shareholder Return Percentage

plus

Award X 50% X Incentive Plan Percentage

Award was the annual award of performance restricted stock units under the long term incentive plan. The target award of performance restricted stock units was a percentage of base salary that varied based on each Named Executive Officer s position at the time of the award, as follows:

	Target Award as a Percentage of Base Salary
John McAvoy Chairman, President and Chief Executive Officer(1)	200%
Robert Hoglund Senior Vice President and Chief Financial Officer	200%
Craig Ivey President, Con Edison of New York	250%
Elizabeth D. Moore Senior Vice President and General Counsel	150%
Timothy P. Cawley President and Chief Executive Officer, Orange & Rockland(2)	100%
William Longhi Former President, Shared Services,	200%

Con Edison of New York

Footnotes:

(1) Mr. McAvoy was President and Chief Executive Officer, Orange & Rockland, at the time of the award.

(2) Mr. Cawley was Senior Vice President, Con Edison of New York, at the time of the award.

Shareholder Return Percentage was the weighting earned based on the cumulative change in Company total shareholder return over the performance period that began January 1, 2013 and ended December 31, 2015 compared with the Company s compensation peer group as constituted on the date the performance restricted stock units were granted in 2013. The level of performance restricted stock units was calculated as follows:

Company Percentile Rating	Payout Relative to Target[1]
90th or greater	200%
(Target) 50th	100%
25th	25%
Below 25th	0%

Footnote:

(1) Payouts were interpolated for actual performance between performance goals.

Incentive Plan Percentage was based on the average calculated payouts under the Company s annual incentive plan over the performance period that began January 1, 2013 and ended December 31, 2015.

The following table shows, for each Named Executive Officer, the calculation of the payout with respect to the performance restricted stock units for the 2013 2015 performance period:

Name & Principal Position	Award × 50%	×	Incentive Plan Percentage[(1)]	+	Award × 50%	×	Shareholder Return Percentage	=	2013-2015 Payout Total
John McAvoy Chairman, President and Chief Executive Officer	9,000		152.0%		9,000		61%		19,170
Robert Hoglund Senior Vice President and Chief Financial Officer	14,000		143.1%		14,000		61%		28,574
Craig Ivey President, Con Edison of New York	17,500		135.3%		17,500		61%		34,353
Elizabeth D. Moore Senior Vice President and General Counsel	9,000		143.1%		9,000		61%		18,369
Timothy P. Cawley President and Chief Executive Officer, Orange & Rockland	3,450		106.7%		3,450		61%		5,786
William Longhi[(2)] Former President, Shared Services, Con Edison of New York	11,000		135.1%		11,000		61%		19,174

Footnotes:

(1) The calculated Incentive Plan Percentage for each year in the 2013 2015 performance period was as follows:

	2013	2014	2015
Mr. McAvoy	154.6%	150.1%	151.3%
Mr. Hoglund and Ms. Moore	127.9%	150.1%	151.3%
Mr. Ivey	129.5%	142.2%	134.2%
Mr. Cawley	124.8%	122.7%	72.5%
Mr. Longhi	128.9%	142.4%	133.9%

(2) Mr. Longhi s grant of 22,000 performance restricted stock units was pro rated to reflect the portion of the period for which he was employed in accordance with the terms of the long term incentive plan. Mr. Longhi retired effective October 1, 2015.

RETIREMENT AND OTHER BENEFITS

The Company provides employees with a range of retirement and welfare benefits that reflects the competitive practices of the utility industry. These benefits assist the Company in attracting, retaining and motivating employees critical to its long-term success. Named Executive Officers are eligible for benefits under the following Company plans:

- Tax-qualified retirement plan and its related non-qualified supplemental retirement income plan (collectively, the retirement plans);
- Tax-qualified savings plan and its related non-qualified deferred income plan;
- Stock purchase plan; and
- Health and welfare plans.

Retirement Plans

The Company maintains a tax-qualified retirement plan that covers substantially all the Company s employees. All employees, including Named Executive Officers, whose benefits under the plan are limited by the Internal Revenue Code, are eligible to participate in a non-qualified supplemental retirement income plan. The retirement plans and the estimated retirement benefits payable to the Named Executive Officers (determined on a present value basis) are described in the Pension Benefits Table and the narrative to the Pension Benefits Table on pages 51 to 52. No changes were made to the retirement plans in 2015 with respect to the Named Executive Officers.

As required by Securities and Exchange Commission rules, the *Change in Pension Value and Non-Qualified Deferred Compensation Earnings* column of the Summary

Compensation Table on page 46 sets forth the year-over-year change in the actuarial present value of the accumulated pension benefits for each Named Executive Officer under the retirement plans. The Company did not provide above-market or preferential earnings with respect to the non-qualified deferred compensation arrangements in the years reported.

The change in the actuarial present value of an accumulated pension benefit is subject to many external variables, including fluctuations in interest rates and changes in actuarial assumptions, and does not represent actual compensation paid to the Named Executive Officers in 2015. Instead, the amounts represent changes in the estimated retirement benefits payable to the Named Executive Officers based on the year-over-year difference between the amounts required to be disclosed in the Pension Benefits Table on page 52 as of December 31, 2015 and the amounts reported in the Pension Benefits Table in the 2015 proxy statement on page 50.

The change in the present value of Mr. McAvoy s accumulated pension benefit resulted primarily from his salary increase upon his promotion to chief executive officer in 2013. For management employees who participate in the retirement plan and who were hired before January 1, 2001, including Mr. McAvoy, a final average salary formula is used to determine a participant s pension benefit. The final average salary includes a participant s highest average salary for the 48 consecutive months within the 120 consecutive months prior to retirement. (See narrative to the Pension Benefits Table on page 51.) Mr. McAvoy s higher earnings as chief executive officer in 2015 replaced lower earnings during a portion of the 48 consecutive month final average salary period resulting in a higher final average salary pursuant to the pension formula.

Savings Plans

The Company maintains a tax-qualified savings plan that covers substantially all of the Company s employees. All employees, including the Named Executive Officers, whose benefits under the plan are limited by the Internal Revenue Code, are eligible to participate in a deferred income plan, a non-qualified deferred compensation plan. Named Executive Officers may defer a portion of their salary into the deferred income plan. The deferred income plan is described in the narrative to the Non-Qualified Deferred Compensation Table on page 53. Company matching contributions allocated to the Named Executive Officers under the savings plan and deferred income plan are included in the *All Other Compensation* column of the Summary Compensation Table on page 46.

Employees who participate in the savings plan, including the Named Executive Officers, may contribute up to 50% of their compensation on a before-tax basis and/or an after-tax basis, into their savings plan accounts. For participating employees whose retirement plan benefit is based on the final average salary formula, including Messrs. McAvoy, Longhi, and Cawley, the Company matches 50% for each dollar contributed by such employees on the first six percent (6%) of their regular earnings. For participating employees whose retirement plan benefit is determined using the cash balance formula, including Messrs. Hoglund and Ivey and Ms. Moore, the Company matches 100% for each dollar contributed by such employees on the first four percent (4%) of their regular earnings plus an additional 50% for each dollar contributed on the next four percent (4%) of their regular earnings. The final average salary formula and the cash balance formula under the retirement plan are described in the narrative to the Pension Benefits Table on page 51.

Pursuant to the Internal Revenue Code, effective for 2015, the savings plan limits the additions that can be made to a participating employee s account to $53,000 per year. Additions include Company matching contributions, before-tax contributions made by a participating employee under Section 401(k) of the Internal Revenue Code, and employee after-tax contributions. Of those additions, the maximum before-tax contribution was $18,000 per year (or $24,000 per year for participants age 50 and over). In addition, no more than $265,000 of annual compensation may be taken into account in computing benefits under the savings plan.

Stock Purchase Plan

The stock purchase plan covers substantially all of the Company s employees, including the Named Executive Officers, and provides the opportunity to purchase shares of Company Common Stock. The stock purchase plan is described in Note M to the financial statements in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Health and Welfare Plans

Active employee benefits, such as medical, prescription drug, dental, vision, life insurance and disability coverage, are available to substantially all employees, including the Named Executive Officers, through the Company s health and welfare benefits plans. Employees contribute toward the cost of the health plans by paying a portion of the premium costs on a pre-tax basis. Employees may purchase additional life insurance and disability coverage on an after-tax basis.

Officers, including the Named Executive Officers, may purchase supplemental health benefits on an after-tax basis with the option to continue their participation following retirement. The Company also provides all employees with paid time-off benefits, such as vacation and sick leave.

Perquisites and Personal Benefits

The Company provides certain officers, including the Named Executive Officers, with limited, specific perquisites that are competitive with industry practices. The Compensation Committee reviews the level of perquisites and personal benefits annually. The Company provides the following perquisites, the costs of which, if used by a Named Executive Officer in 2015, are set forth in the *All Other Compensation* column of the Summary Compensation Table on page 46:

Supplemental health insurance;

Reimbursement for reasonable costs of financial planning; and

A company vehicle and, in the case of the chief executive officer, a company vehicle and driver.

Severance and Change of Control Benefits

The Company provides for the payment of severance benefits upon certain types of employment terminations. Providing severance and change of control benefits assists the Company in attracting and retaining executive talent and reduces the personal uncertainty that executives are likely to feel when considering a corporate transaction. These arrangements also provide valuable retention incentives that focus executives on completing such transactions, thus, enhancing long-term stockholder value. The compensation under the various circumstances that trigger payments or provision of benefits upon termination or a change of control was chosen to be broadly consistent with prevailing competitive practices.

Officers of the Company, including the Named Executive Officers, are provided benefits under the officers severance program. The severance benefits payable to each Named Executive Officer are described in footnotes 2 and 3 to the Potential Payments Upon Termination of Employment or Change of Control table on page 56. The estimated severance benefits that each Named Executive Officer would be entitled to receive upon a hypothetical termination of employment are set forth in the applicable Potential Payments Upon Termination of Employment or Change of Control table beginning on page 55.

STOCK OWNERSHIP GUIDELINES

The Company has established the following stock ownership guidelines for certain officers:

Officer Title	**Multiple of Base Salary**
Chief Executive Officer	3 × base salary
Chief Financial Officer	2 × base salary
President of Con Edison of New York	2 × base salary
Executive Vice President	2 × base salary
President, Shared Services of Con Edison of New York	2 × base salary
President and Chief Executive Officer of Orange & Rockland	2 × base salary
Presidents of Consolidated Edison Development, Inc., Consolidated Edison Energy, Inc. and Consolidated Edison Solutions, Inc.	1 × base salary
General Counsel	1 × base salary
Senior Vice Presidents of Con Edison of New York	1 × base salary

Officers of the Company subject to the guidelines, including the Named Executive Officers, have five years from January 1st after their appointment to a covered title to meet the guidelines. In January 2016, it was determined that, as of December 31, 2015, these officers have either met their ownership milestones or are making reasonable progress towards their milestones.

The officers covered by the guidelines are expected to retain for at least one year a minimum of 25% of the net shares acquired upon exercise of stock options and 25% of the net shares acquired pursuant to vested restricted stock and restricted stock unit grants until their holdings of common stock equal or exceed their applicable ownership guidelines.

For purposes of the guidelines:

Stock ownership includes the value of the officers individually-owned shares, vested restricted stock and restricted stock units, and shares held under the Company s benefit plans. Equity-based incentive compensation held by the Company s officers, including the Named Executive Officers, is based 100% on performance. Restricted stock and restricted stock units do not vest until the end of the performance period and performance is determined by the Compensation Committee.

The one-year period is measured from the date the stock options are exercised or the restricted stock or restricted stock units vest, as applicable.

Net shares means the shares remaining after sale of shares necessary to pay the related tax liability and, if applicable, exercise price.

NO HEDGING NOR PLEDGING

To encourage a long-term commitment to the Company s sustained performance, the Company s policies prohibit all officers, including the Named Executive Officers, financial personnel, and certain other individuals from shorting, hedging, and pledging Company securities or holding Company securities in a margin account.

RECOUPMENT POLICY

In 2010, the Company adopted a Recoupment Policy. The Recoupment Policy allows the Company to recoup excess incentive-based compensation received by any current or former officer during the three-year period preceding the date on which the Company s Audit Committee determines that the Company is required to prepare an accounting restatement due to the Company s material noncompliance with any financial reporting requirement under the securities laws. The Recoupment Policy applies to the long-term incentive-based compensation awards under the Company s long term

incentive plan, and the incentive-based compensation payments made under the Company s annual incentive plan.

TAX DEDUCTIBILITY OF PAY

Section 162(m) of the Internal Revenue Code places a limit of $1 million on the amount of compensation that the Company may deduct in any one year with respect to each of the Named Executive Officers, other than the chief financial officer, employed by the Company on the last day of the fiscal year. There is an exception to the $1 million limitation for performance-based compensation meeting certain requirements. While the Compensation Committee considers the tax impact of Section 162(m), the Compensation Committee has determined that it is appropriate to maintain flexibility in compensating Named Executive Officers in a manner intended to promote varying corporate goals, recognizing that certain amounts paid to Named Executive Officers in excess of $1 million may not be deductible under Section 162(m). Accordingly, while the Compensation Committee strives to award executive compensation that meets the deductibility requirements, it has reserved the right to enter into compensation arrangements under which payments are not deductible on account of Section 162(m). For 2015, the Company estimates that approximately $2,139,000 of the compensation paid to Mr. McAvoy, and approximately $1,361,000 of the compensation paid to Mr. Ivey was not deductible for federal income tax purposes.

Table of Contents

COMPENSATION RISK MANAGEMENT

In 2015, the Compensation Committee asked Mercer to undertake a risk assessment of the Company s compensation programs to determine whether the Company s compensation policies and practices for employees, generally, would reasonably be expected to have a material adverse effect on the Company s risk management and create incentives that could lead to excessive or inappropriate risk taking by employees. The Compensation Committee also asked management to review the assessment. Based on Mercer s risk assessment findings, with which the Compensation Committee and management concur, the Company s compensation programs are not reasonably likely to have a material adverse effect on the Company s risk management or create incentives that could lead to excessive or inappropriate risk taking by employees.

Among the relevant features of the Company s compensation programs that mitigate risk are:

- A recoupment policy applicable to all Company officers with respect to incentive-based compensation;
- Annual and long-term incentives under the Company s compensation programs appropriately balanced between annual and long-term financial performance goals that are tied to key goals that are expected to enhance stockholder value;
- Annual and long-term incentives tied to several performance goals to reduce undue weight on any one goal;
- Non-financial performance factors used in determining the actual payout of annual incentive compensation as a counterbalance to financial performance goals;
- Compensation programs designed to deliver a significant portion of compensation in the form of long-term incentives, discouraging excessive focus on annual results;
- Performance-based equity awards based on performance over a three-year period, focusing on sustainable performance over a three-year cycle rather than any one year;
- Annual and long-term incentive awards that are subject to appropriate payment caps and Compensation Committee discretion to reduce payouts; and
- Share ownership guidelines that further the long-term interests of executives and stockholders, and restrictions on shorting, hedging, and pledging Company securities.

Table of Contents

SUMMARY COMPENSATION TABLE

The following table sets forth certain information with respect to the compensation for the Named Executive Officers for the fiscal years ended December 31, 2015, 2014 and 2013. Information for Mr. Cawley for fiscal years ended December 31, 2014 and 2013 is not provided because he was not a Named Executive Officer in those years.

Name & Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards[1] ($)	Non-Equity Incentive Plan Compensation[2] ($)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings[3] ($)	All Other Compensation[4] ($)	Securities and Exchange Commission Total[5] ($)	Securities and Exchange Commission Total Without Change in Pension Value[6] ($)
John McAvoy	2015	$ 1,171,350	$	$ 3,987,654	$ 1,776,600	$ 4,030,677	$ 59,392	$ 11,025,673	$ 6,994,996
Chairman,	2014	$ 1,140,000	$	$ 3,055,887	$ 1,711,100	$ 3,724,321	$ 54,380	$ 9,685,688	$ 5,961,367
President and Chief Executive Officer	2013	$ 405,959	$	$ 946,800	$ 490,500	$ 1,057,674	$ 26,739	$ 2,927,672	$ 1,869,998
Robert Hoglund	2015	$ 700,200	$	$ 1,268,799	$ 531,100	$ 142,890	$ 55,970	$ 2,698,959	$ 2,556,069
Senior Vice	2014	$ 679,742	$	$ 949,260	$ 511,500	$ 814,137	$ 54,178	$ 3,008,817	$ 2,194,680
President and Chief Financial Officer	2013	$ 658,692	$	$ 1,472,800	$ 422,300	$ 80,542	$ 52,486	$ 2,686,820	$ 2,606,278
Craig Ivey	2015	$ 772,225	$	$ 1,754,100	$ 831,100	$ 118,048	$ 58,922	$ 3,534,395	$ 3,416,347
President, Con	2014	$ 748,058	$	$ 1,277,850	$ 855,000	$ 230,725	$ 57,813	$ 3,169,446	$ 2,938,721
Edison of New York	2013	$ 707,492	$	$ 1,841,000	$ 734,700	$ 132,729	$ 53,819	$ 3,469,740	$ 3,337,011
Elizabeth D. Moore	2015	$ 590,267	$	$ 801,039	$ 447,700	$ 108,323	$ 49,290	$ 1,996,619	$ 1,888,296
Senior Vice	2014	$ 573,017	$	$ 584,160	$ 431,200	$ 128,517	$ 46,955	$ 1,763,849	$ 1,635,332
President and General Counsel	2013	$ 555,350	$	$ 946,800	$ 356,100	$ 90,338	$ 44,971	$ 1,993,559	$ 1,903,221
Timothy P. Cawley President and Chief Executive Officer, Orange & Rockland	2015	$ 400,725	$	$ 725,028	$ 233,000	$ 550,075	$ 30,074	$ 1,938,902	$ 1,388,827
William Longhi[7]	2015	$ 409,442	$	$ 993,990	$ 440,000	$ 2,500,223	$ 68,543	$ 4,412,198	$ 1,911,975
Former President, Shared	2014	$ 529,192	$	$ 730,200	$ 605,800	$ 3,032,872	$ 36,250	$ 4,934,314	$ 1,901,442
Services, Con Edison of New York	2013	$ 500,300	$	$ 1,157,200	$ 517,300	$ 695,948	$ 32,637	$ 2,903,385	$ 2,207,437

Footnotes:

(1) Dividends are not paid and do not accrue on awards during the vesting period. Amounts shown do not reflect the payment or accrual of dividends during the vesting period for any portion of the awards and otherwise reflect the assumptions used for the Company s financial statements. (See Note M to the financial statements in the Company s Annual Report on Form 10-K.) Actual value to be realized, if any, on awards by the Named Executive Officers will depend on the satisfaction of certain pre-established objectives, the performance of Company Common Stock, and the Named Executive Officer s continued service. The awards granted for fiscal year 2015 are set forth on the Grants of Plan-Based Awards Table on page 48. Based on the fair value at grant date, the following are the maximum potential values of the performance units for the 2015-2017 performance period granted under the long term incentive plan assuming maximum level of performance is achieved: Mr. McAvoy $7,576,543; Mr. Hoglund $2,410,718; Mr. Ivey $3,332,790; Ms. Moore $1,521,974; Mr. Cawley $1,377,553; and Mr. Longhi $1,888,581. The amounts shown for Mr. Longhi reflect the full amount of his performance restricted stock unit awards; however, the future payout of his performance restricted stock unit awards will be pro rated to reflect the portion of the period for which he was employed. Mr. Longhi retired effective October 1, 2015.

(2) The amounts paid were awarded under the annual incentive plan.

(3) Amounts do not represent actual compensation paid to the Named Executive Officers. Instead the amounts represent the aggregate change in the actuarial present value of the accumulated pension benefit based on the difference between the amounts required to be disclosed in the Pension Benefits Table for the year indicated and the amounts reported or that would have been reported in the Pension Benefits Table for the previous year. The Company did not provide above-market or preferential earnings with respect to the non-qualified deferred compensation arrangements.
The change in the present value of Mr. McAvoy s accumulated pension benefit resulted primarily from his salary increase upon his promotion to chief executive officer in 2013. For management employees who participate in the retirement plan and who were hired before January 1, 2001, including Mr. McAvoy, a final average salary formula is used to determine a participant s pension benefit. The final average salary includes a participant s highest average salary for the 48 consecutive months within the 120 consecutive months prior to retirement. Mr. McAvoy s higher earnings as chief executive officer in 2015 replaced lower earnings during a portion of the 48 consecutive month final average salary period resulting in a higher final average salary pursuant to the pension formula. See *Retirement and Other Benefits Retirement Plans* on pages 41 and 42 and narrative to the Pension Benefits Table on page 51.

(4) Value of the items shown below are based on the aggregate incremental cost, which except for the Company provided vehicle, is the actual cost to the Company. The cost of the Company provided vehicle was determined based on the personal use of the vehicle as a percentage of total usage compared to the lease value of the vehicle.

	Mr. McAvoy ($)	Mr. Hoglund ($)	Mr. Ivey ($)	Ms. Moore ($)	Mr. Cawley ($)	Mr. Longhi ($)
Personal use of company provided vehicle	$ 2,962	$ 3,081	$ 20	$ 6,190	$ 7,448	$ 7,336
Driver costs	$ 1,021	$	$	$	$	$
Financial planning	$ 18,500	$ 10,800	$ 10,800	$ 10,800	$ 10,800	$ 8,100
Supplemental health insurance	$ 1,768	$ 1,768	$ 1,768	$ 532	$	$ 1,326
Company matching contributions:						
Qualified savings plan	$ 7,950	$ 14,209	$ 15,900	$ 12,252	$ 7,769	$ 7,950
Non-qualified savings plan	$ 27,191	$ 26,112	$ 30,434	$ 19,516	$ 4,057	$ 4,333
Accrued vacation	$	$	$	$	$	$ 39,498
Total	$ 59,392	$ 55,970	$ 58,922	$ 49,290	$ 30,074	$ 68,543

(5) As per the applicable Securities and Exchange Commission (SEC) rules, represents, for each Named Executive Officer, the total of amounts shown for the Named Executive Officer in all other columns of the table.

(6) To show the effect that the year-over-year change in pension value had on total compensation, this column is included to show total compensation minus the change in pension value. The amounts reported in the *Securities and Exchange Commission Total Without Change in Pension Value* column may differ substantially from the amounts reported in the *Securities and Exchange Commission Total* column required under SEC rules and are not a substitute for total compensation. The *Securities and Exchange Commission Total Without Change in Pension Value* column represents total compensation, as required under applicable SEC rules, minus the change in pension value reported in the *Change in Pension Value and Non-Qualified Deferred Compensation Earnings* column. See *Retirement and other Benefits Retirement Plans* on pages 41 and 42.

(7) Mr. Longhi retired effective October 1, 2015.

GRANTS OF PLAN-BASED AWARDS TABLE

The following table sets forth certain information with respect to the grant of equity plan awards and non-equity incentive plan awards awarded to the Named Executive Officers for the fiscal year ended December 31, 2015.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			Grant Date Fair Value of
Name & Principal Position	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**Stock Awards(3) ($)**
John McAvoy Chairman, President and Chief Executive Officer	2/1/2015	$ 146,800	$ 1,174,200	$ 2,260,300	6,820	68,200	129,580	$ 3,987,654
Robert Hoglund Senior Vice President and Chief Financial Officer	2/1/2015	$ 43,900	$ 351,000	$ 675,700	2,170	21,700	41,230	$ 1,268,799
Craig Ivey President, Con Edison of New York	2/1/2015	$ 77,400	$ 619,300	$ 1,192,200	3,000	30,000	57,000	$ 1,754,100
Elizabeth D. Moore Senior Vice President and General Counsel	2/1/2015	$ 37,000	$ 295,900	$ 569,600	1,370	13,700	26,030	$ 801,039
Timothy P. Cawley President and Chief Executive Officer, Orange & Rockland	2/1/2015	$ 40,200	$ 321,400	$ 618,700	1,240	12,400	23,560	$ 725,028
William Longhi Former President, Shared Services, Con Edison of New York	2/1/2015	$ 41,100	$ 328,600	$ 632,600	1,700	17,000	32,300	$ 993,990

Footnotes:

(1) Represents annual cash incentive award opportunity awarded under the Company s annual incentive plan. (See *Executive Compensation Actions Annual Incentive Compensation* beginning on page 32.)

(2) Represents grants of performance units for the 2015-2017 performance period granted under the Company s long term incentive plan. (See *Executive Compensation Actions Long-Term Incentive Compensation* beginning on page 38.) Based on the fair value at grant date, the following are the maximum potential values of the performance units for the 2015-2017 performance period granted under the long term incentive plan assuming maximum level of performance is achieved: Mr. McAvoy $7,576,543; Mr. Hoglund $2,410,718; Mr. Ivey $3,332,790; Ms. Moore $1,521,974; Mr. Cawley $1,377,553; and Mr. Longhi $1,888,581. The amounts shown for Mr. Longhi reflect the full amount of his performance restricted stock unit award; however, in accordance with the terms of the long term incentive plan, the future payout of his performance restricted stock unit award will be pro rated based on the actual period of service from the grant date to the date of his retirement (October 1, 2015). Had the amounts shown for Mr. Longhi s performance restricted stock unit award been pro rated, his Threshold, Target and Maximum would have been 378, 3,778, and 7,178, respectively; the grant date fair value would have been $220,900; and the maximum potential value would have been $419,698.