

	For the Three Months Ended December 31,				For the Years Ended December 31,			
	Earnings per Share		Net Income for Common Stock (Millions of Dollars)		Earnings per Share		Net Income for Common Stock (Millions of Dollars)	
	2019	2018	2019	2018	2019	2018	2019	2018
Reported earnings per share (basic) and net income for common stock (GAAP basis)	\$0.89	\$1.06	\$295	\$331	\$4.09	\$4.43	\$1,343	\$1,382
HLBV effects of the Clean Energy Businesses (pre-tax)	0.06	—	19	—	0.31	—	98	—
Income taxes (a)	(0.02)	—	(5)	—	(0.09)	—	(24)	—
HLBV effects of the Clean Energy Businesses (net of tax)	0.04	—	14	—	0.22	—	74	—
Net mark-to-market effects of the Clean Energy Businesses (pre-tax)	(0.08)	0.01	(28)	2	0.10	0.03	27	8
Income taxes (b)	0.02	—	7	1	(0.03)	(0.01)	(6)	(2)
Net mark-to-market effects of the Clean Energy Businesses (net of tax)	(0.06)	0.01	(21)	3	0.07	0.02	21	6
TCJA re-measurement	—	—	—	—	—	0.14	—	42
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (pre-tax)	—	(0.42)	—	(126)	—	(0.36)	—	(114)
Income taxes (b)	—	0.12	—	35	—	0.10	—	33
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs (net of tax)	—	(0.30)	—	(91)	—	(0.26)	—	(81)
Adjusted earnings per share and adjusted earnings (non-GAAP basis)	\$0.87	\$0.77	\$288	\$243	\$4.38	\$4.33	\$1,438	\$1,349

- (a) The amount of income taxes was calculated using a combined federal and state income tax rate of 26% and 24% for the three months and year ended December 31, 2019, respectively.
- (b) The amount of income taxes was calculated using a combined federal and state income tax rate of 25% and 22% for the three months and year ended December 31, 2019, respectively, and a combined federal and state income tax rate of 28% for the three months and year ended December 31, 2018.

Attachment B

	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2019	2018	2019	2018
OPERATING REVENUES				
Electric	\$2,029	\$2,001	\$8,694	\$8,612
Gas	600	601	2,391	2,327
Steam	158	157	627	631
Non-utility	164	190	862	767
TOTAL OPERATING REVENUES	2,951	2,949	12,574	12,337
OPERATING EXPENSES				
Purchased power	343	357	1,546	1,644
Fuel	43	62	207	263
Gas purchased for resale	209	306	880	1,041
Other operations and maintenance	753	762	3,175	3,152
Depreciation and amortization	432	377	1,684	1,438
Taxes, other than income taxes	606	559	2,406	2,266
TOTAL OPERATING EXPENSES	2,386	2,423	9,898	9,804
Gain on acquisition of Sempra Solar Holdings, LLC	—	131	—	131
OPERATING INCOME	565	657	2,676	2,664
OTHER INCOME (DEDUCTIONS)				
Investment income	25	23	96	119
Other income	20	(1)	45	17
Allowance for equity funds used during construction	3	1	14	12
Other deductions	(28)	(56)	(104)	(210)
TOTAL OTHER INCOME	20	(33)	51	(62)
INCOME BEFORE INTEREST AND INCOME TAX EXPENSE	585	624	2,727	2,602
INTEREST EXPENSE				
Interest on long-term debt	229	204	888	780
Other interest	(6)	21	116	49
Allowance for borrowed funds used during construction	(3)	(3)	(13)	(10)
NET INTEREST EXPENSE	220	222	991	819
INCOME BEFORE INCOME TAX EXPENSE	365	402	1,736	1,783
INCOME TAX EXPENSE	52	71	296	401
NET INCOME	\$313	\$331	\$1,440	\$1,382
Income attributable to non-controlling interest	\$18	\$—	\$97	\$—
NET INCOME FOR COMMON STOCK	\$295	\$331	\$1,343	\$1,382
Net income per common share — basic	\$0.89	\$1.06	\$4.09	\$4.43
Net income per common share — diluted	\$0.88	\$1.05	\$4.08	\$4.42
AVERAGE NUMBER OF SHARES OUTSTANDING — BASIC (IN MILLIONS)	332.5	313.8	328.5	311.7
AVERAGE NUMBER OF SHARES OUTSTANDING — DILUTED (IN MILLIONS)	333.6	315.0	329.5	312.9

Variation for the Three Months Ended December 31, 2019 vs. 2018

	Earnings per Share	Net Income for Common Stock (Millions of Dollars)	
CECONY (a)			
Changes in rate plans	\$0.19	\$60	Reflects higher electric and gas net base revenues of \$0.11 a share and \$0.04 a share, respectively, due primarily to electric and gas base rate increases in January 2019 under the company's rate plans, and higher incentives earned under the electric earnings adjustment mechanisms and positive incentives of \$0.07 a share, offset, in part, by electric negative revenue adjustments of \$(0.02) a share.
Weather impact on steam revenues	(0.01)	(4)	Reflects the impact of warmer winter weather in 2019.
Operations and maintenance expenses	0.05	15	Reflects timing of compensation cost of \$0.02 a share, lower consultant cost of \$0.01 a share, lower software maintenance and licenses cost of \$0.01 a share, and lower uncollectibles of \$0.01 a share.
Depreciation, property taxes and other tax matters	(0.16)	(47)	Reflects higher property taxes of \$(0.07) a share and higher depreciation and amortization expense of \$(0.06) a share, both of which are recoverable under the rate plans, and the absence of New York State sales and use tax refunds received in 2018 of \$(0.03) a share.
Other	0.03	21	Reflects primarily lower costs associated with components of pension and other postretirement benefits other than service cost of \$0.05 a share and the Company's share of a gain on sale of property of \$0.02 a share, offset, in part, by the dilutive effect of Con Edison's stock issuances of \$(0.05) a share.
Total CECONY	0.10	45	
O&R (a)			
Changes in rate plans	0.04	14	Reflects electric and gas base rate increases of \$0.01 a share and \$0.03 a share, respectively, under the company's rate plans, effective January 1, 2019.
Operations and maintenance expenses	(0.03)	(9)	Reflects higher energy efficiency program cost of \$(0.01) a share and higher low-income program cost of \$(0.01) a share, both of which are recoverable under the rate plans, and lower recoveries for workers' compensation of \$(0.01) a share.
Depreciation, property taxes and other tax matters	—	(1)	
Total O&R	0.01	4	
Clean Energy Businesses			
Operating revenues less energy costs	0.10	30	Reflects higher revenues from renewable electric production projects resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC, including the consolidation of certain jointly-owned projects that were previously accounted for as equity investments of \$0.13 a share, offset, in part, by lower energy services revenues of \$(0.03) a share.
Operations and maintenance expenses	0.01	4	Reflects primarily lower energy services costs.
Depreciation and amortization	(0.07)	(21)	Reflects an increase in renewable electric production projects resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC.
Net interest expense	0.02	6	Reflects unrealized gains on interest rate swaps of \$0.07 a share, offset, in part, by an increase in debt resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC of \$(0.05) a share.
HLBV effects	(0.04)	(14)	
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs in 2018	(0.29)	(89)	
Other	(0.01)	(2)	Reflects the absence in 2019 of equity income from certain jointly-owned projects that were accounted for as equity investments in 2018 but consolidated after the December 2018 acquisition of Sempra Solar Holdings, LLC.
Total Clean Energy Businesses	(0.28)	(86)	
Con Edison Transmission	0.01	2	Reflects higher allowance for funds used during construction from the Mountain Valley Pipeline project.
Other, including parent company expenses	(0.01)	(1)	Reflects 2018 transaction costs related to the acquisition of Sempra Solar Holdings, LLC.
Total Reported (GAAP basis)	\$(0.17)	\$(36)	
HLBV effects of the Clean Energy Businesses	0.04	14	
Net mark-to-market effects of the Clean Energy Businesses	(0.07)	(24)	
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs in 2018	0.30	91	
Total Adjusted (non-GAAP basis)	\$0.10	\$45	

- a. Under the revenue decoupling mechanisms in the Utilities' New York electric and gas rate plans and the weather-normalization clause applicable to their gas businesses, revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. In general, the Utilities recover on a current basis the fuel, gas purchased for resale and purchased power costs they incur in supplying energy to their full-service customers. Accordingly, such costs do not generally affect Con Edison's results of operations.

Variation for the Year Ended December 31, 2019 vs. 2018

	Earnings per Share	Net Income for Common Stock (Millions of Dollars)	
CECONY (a)			
Changes in rate plans	\$0.76	\$240	Reflects higher electric and gas net base revenues of \$0.53 a share and \$0.16 a share, respectively, due primarily to electric and gas base rate increases in January 2019 under the company's rate plans, higher incentives earned under the electric earnings adjustment mechanisms and positive incentives of \$0.06 a share, and growth in the number of gas customers of \$0.03 a share, offset, in part, by electric negative revenue adjustments of \$(0.03) a share.
Weather impact on steam revenues	(0.06)	(19)	Reflects the impact of warmer winter weather in 2019.
Operations and maintenance expenses	(0.19)	(58)	Reflects higher costs for pension and other postretirement benefits of \$(0.15) a share, which are recoverable under the rate plans, and higher stock-based compensation of \$(0.07) a share, offset, in part, by lower consultant costs of \$0.04 a share.
Depreciation, property taxes and other tax matters	(0.54)	(168)	Reflects higher property taxes of \$(0.26) a share and higher depreciation and amortization expense of \$(0.23) a share, both of which are recoverable under the rate plans, and the absence of New York State sales and use tax refunds received in 2018 of \$(0.07) a share, offset, in part, by lower sales and use tax of \$0.02 a share, upon conclusion of the audit assessment.
Other	(0.01)	59	Reflects the dilutive effect of Con Edison's stock issuances of \$(0.21) a share, offset, in part, by lower costs associated with components of pension and other postretirement benefits other than service cost of \$0.19 a share.
Total CECONY	(0.04)	54	
O&R (a)			
Changes in rate plans	0.08	24	Reflects an electric base rate increase, offset, in part, by a gas base rate decrease under the company's rate plans, effective January 1, 2019.
Operations and maintenance expenses	(0.01)	(3)	Reflects higher stock-based compensation.
Depreciation, property taxes and other tax matters	(0.02)	(6)	Reflects higher depreciation and amortization expense.
Other	(0.03)	(4)	Includes the dilutive effect of Con Edison's stock issuances of \$(0.01) a share.
Total O&R	0.02	11	
Clean Energy Businesses			
Operating revenues less energy costs	0.53	167	Reflects higher revenues from renewable electric production projects resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC, including the consolidation of certain jointly-owned projects that were previously accounted for as equity investments of \$0.81 a share, offset, in part, by lower engineering, procurement and construction services revenues of \$(0.34) a share.
Operations and maintenance expenses	0.15	47	Reflects lower engineering, procurement and construction costs of \$0.19 a share and lower energy services costs of \$0.04 a share, offset, in part, by higher costs associated with additional renewable electric production projects in operation resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC of \$(0.06) a share.
Depreciation and amortization	(0.34)	(105)	Reflects an increase in renewable electric production projects resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC.
Net interest expense	(0.29)	(90)	Reflects an increase in debt resulting from the December 2018 acquisition of Sempra Solar Holdings, LLC.
HLBV effects	(0.22)	(74)	
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs in 2018	(0.28)	(89)	
Other	(0.07)	(19)	Reflects the absence in 2019 of equity income from certain jointly-owned projects that were accounted for as equity investments in 2018 but consolidated after the December 2018 acquisition of Sempra Solar Holdings, LLC.
Total Clean Energy Businesses	(0.52)	(163)	
Con Edison Transmission	0.01	5	Reflects higher allowance for funds used during construction from the Mountain Valley Pipeline project.
Other, including parent company expenses	0.19	54	Reflects lower New York State capital tax of \$0.02 a share. Also reflects 2018 TCJA re-measurement of \$0.14 a share and transaction costs related to the acquisition of Sempra Solar Holdings, LLC of \$0.02 a share.
Total Reported (GAAP basis)	\$(0.34)	\$(39)	
HLBV effects of the Clean Energy Businesses	0.22	74	
Net mark-to-market effects of the Clean Energy Businesses	0.05	15	
Income tax effect of the TCJA in 2018	(0.14)	(42)	
Gain on acquisition of Sempra Solar Holdings, LLC, net of transaction costs in 2018	0.26	81	
Total Adjusted (non-GAAP basis)	\$0.05	\$89	

- a. Under the revenue decoupling mechanisms in the Utilities' New York electric and gas rate plans and the weather-normalization clause applicable to their gas businesses, revenues are generally not affected by changes in delivery volumes from levels assumed when rates were approved. In general, the Utilities recover on a current basis the fuel, gas purchased for resale and purchased power costs they incur in supplying energy to their full-service customers. Accordingly, such costs do not generally affect Con Edison's results of operations.