

CONSOLIDATED EDISON INC

Form 424B2

August 08, 2017

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**The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Filed Pursuant to Rule 424(b)(2)  
Registration No. 333-206178**

**Subject to Completion, dated August 8, 2017**

**PRELIMINARY PROSPECTUS SUPPLEMENT**

(To Prospectus dated August 6, 2015)

**4,100,000 Shares**

**Consolidated Edison, Inc.**

**Common Shares**

We are offering 4,100,000 of our common shares (par value \$0.10 per share) (the offering).

Our common shares are listed on the New York Stock Exchange under the symbol ED. On August 8, 2017, the closing price of our common shares on the New York Stock Exchange was \$84.06 per share.

**Investing in our common shares involves risks. See Risk Factors beginning on page S-5 of this prospectus supplement.**

The underwriter has agreed to purchase our common shares from us at a price of \$ per share which will result in approximately \$ million of proceeds to us. The underwriter may offer our common shares in transactions on the New York Stock Exchange, in the over-the-counter market or through negotiated transactions at market prices or at negotiated prices. See Underwriting (Conflicts of Interest).

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The common shares will be ready for delivery on or about August , 2017.

## **J.P. Morgan**

The date of this prospectus supplement is August , 2017.

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This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of the common shares subject to the offering and certain other matters relating to us and our financial condition. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the common shares subject to the offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent information in this prospectus supplement differs from information in the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, in any related free writing prospectus filed by us with the Securities and Exchange Commission (the Commission), and in any communication from us or the underwriter specifying the final terms of the offering. We have not and the underwriter has not authorized anyone else to provide you with any different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not and the underwriter is not making an offer to sell securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus supplement is current only as of the date of this prospectus supplement.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*In this prospectus supplement, the words "Con Edison," "we," "our" and "us" refer to Consolidated Edison, Inc.*

*The following summary contains basic information about the offering. It may not contain all of the information that is important to you. The "Description of Common Shares" section of the accompanying prospectus contains more detailed information regarding the common shares. The following summary is qualified in its entirety by reference to the more detailed information appearing elsewhere or incorporated by reference in this prospectus supplement and in the accompanying prospectus.*

**Con Edison**

Con Edison, incorporated in New York State in 1997, is a holding company that owns all of the outstanding common stock of Consolidated Edison Company of New York, Inc. ("CECONY" or "Con Edison of New York"), Orange and Rockland Utilities, Inc. ("O&R" or "Orange and Rockland"), Con Edison Clean Energy Businesses, Inc. and Con Edison Transmission, Inc. Our principal executive offices are located at 4 Irving Place, New York, New York 10003, and our telephone number is (212) 460-4600.

Con Edison seeks to provide shareholder value through continued dividend growth, supported by earnings growth in regulated utilities and contracted assets. The company invests to provide reliable, resilient, safe and clean energy critical for New York City's growing economy. The company is an industry-leading owner and operator of contracted, large-scale solar generation in the United States. Con Edison is a responsible neighbor, helping the communities it serves become more sustainable.

**CECONY**

CECONY provides electric service to approximately 3.4 million customers in all of New York City (except a part of Queens) and most of Westchester County, an approximately 660 square mile service area with a population of more than nine million. CECONY delivers gas to approximately 1.1 million customers in Manhattan, the Bronx, parts of Queens and most of Westchester County. CECONY operates the largest steam distribution system in the United States by producing and delivering approximately 20,000 million pounds of steam annually to approximately 1,650 customers in parts of Manhattan.

**O&R**

O&R and its utility subsidiary, Rockland Electric Company, provide electric service to approximately 0.3 million customers in southeastern New York and northern New Jersey, an approximately 1,300 square mile service area. O&R delivers gas to over 0.1 million customers in southeastern New York.

**Clean Energy Businesses**

Con Edison Clean Energy Businesses, Inc., through its subsidiaries Consolidated Edison Development, Inc., Consolidated Edison Energy, Inc. and Consolidated Edison Solutions, Inc. (collectively, the "Clean Energy Businesses"), develops, owns and operates renewable and energy infrastructure projects and provides energy-related products and services to wholesale and retail customers.

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**Con Edison Transmission**

Con Edison Transmission, Inc. invests in electric and gas transmission projects through its subsidiaries, Consolidated Edison Transmission, LLC ( CET Electric ) and Con Edison Gas Pipeline and Storage, LLC ( CET Gas ). CET Electric owns a 45.7 percent interest in New York Transco LLC, which owns and is proposing to build additional electric transmission assets in New York. CET Gas owns, through subsidiaries, a 50 percent interest in a joint venture that owns, operates and will further develop an existing gas pipeline and storage business located in northern Pennsylvania and southern New York and a 71.2 percent interest in Honeoye Storage Corporation which operates a gas storage business in upstate New York. In addition, CET Gas owns a 12.5 percent interest in a company developing a proposed gas transmission project in West Virginia and Virginia.

**The Offering**

Common shares offered 4,100,000 shares.

Common shares outstanding as of August 7, 2017 305,721,070 shares.

Common shares to be outstanding immediately after the offering (1) 309,821,070 shares.

Use of Proceeds The net proceeds from the sale of the common shares in this offering are estimated to be approximately \$ . The net proceeds from the sale of the common shares will be invested by us in our subsidiaries, principally Con Edison of New York and the Clean Energy Businesses, for funding of their construction expenditures and for other general corporate purposes. Pending these investments, we may choose to repay outstanding commercial paper obligations. As of August 7, 2017, the weighted average annualized yield for our commercial paper was 1.33 percent.

New York Stock Exchange symbol ED.

Risk Factors Investing in our common shares involves risks. See Risk Factors beginning on page S-5 of this prospectus supplement.

Conflicts of Interest The underwriter or its affiliates may hold a portion of the commercial paper that we may repay using the net proceeds from the offering. We understand that if the underwriter and its affiliates were to receive 5 percent or more of the net proceeds, the underwriter would be required to conduct its distribution of the common shares in accordance with Rule 5121 of the Financial Industry Regulatory Authority, Inc. ( FINRA ). See Use of Proceeds and Underwriting (Conflicts of Interest) Conflicts of Interest.

(1) The number of our common shares to be outstanding immediately after the offering is based on common shares outstanding as of August 7, 2017.

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**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the Commission and these filings are publicly available through the Commission's website (<http://www.sec.gov>). You may read and copy materials that we have filed with the Commission at its public reference room located at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the Commission at 1-800-SEC-0330.

This prospectus supplement and accompanying prospectus, which includes information incorporated by reference (see "Incorporation by Reference," below), is part of a registration statement on Form S-3 we have filed with the Commission relating to the common shares offered hereby. As permitted by the Commission's rules, this prospectus supplement and the accompanying prospectus do not contain all of the information included in the registration statement and the accompanying exhibits and schedules we file with the Commission. You should read the registration statement and the exhibits and schedules for more complete information about us and our common shares.

The registration statement, exhibits and schedules are also available at the Commission's public reference room or through its website.

You may obtain a free copy of our filings with the Commission by writing or telephoning us at our principal executive offices: Corporate Secretary, Consolidated Edison, Inc., 4 Irving Place, New York, New York 10003 (Telephone No.: 212-460-3331). The filings are also available through the Investor Information section of our website: [www.conedison.com](http://www.conedison.com). The information on our website is not incorporated into this prospectus by reference, and you should not consider it a part of this prospectus.

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**INCORPORATION BY REFERENCE**

The Commission allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus information we file with the Commission. This means that we can disclose important information to you by referring you to documents that we have previously filed with the Commission or documents that we will file with the Commission in the future. The information we incorporate by reference is considered to be an important part of this prospectus supplement and the accompanying prospectus. Information that we file later with the Commission that is incorporated by reference into this prospectus supplement and the accompanying prospectus will automatically update and supersede this information.

We are incorporating by reference into this prospectus supplement and the accompanying prospectus the following Con Edison documents that we have filed with the Commission:

Annual Report on Form 10-K for the year ended December 31, 2016;

Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2017 and June 30, 2017;

Current Reports on Form 8-K dated February 16, 2017, March 2, 2017, May 15, 2017 and June 5, 2017; and

Definitive Proxy Statement on Schedule 14A, filed with the Commission on April 3, 2017 (portions thereof incorporated by reference in Part III of the Annual Report on Form 10-K for the year ended December 31, 2016).

We are also incorporating by reference into this prospectus supplement and the accompanying prospectus any additional documents that we may file with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) (other than those furnished pursuant to Item 2.02 or Item 7.01 in any Current Report on Form 8-K or other information deemed to have been furnished rather than filed in accordance with the Commission's rules) prior to the termination of the offering.

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**RISK FACTORS**

Our businesses are influenced by many factors that are difficult to predict, and that involve uncertainties that may materially affect actual operating results, cash flows and financial condition. These risk factors include those described in the documents that are incorporated by reference in this prospectus supplement and the accompanying prospectus (see Incorporation by Reference, above), and could include additional uncertainties not presently known to us or that we currently do not consider to be material. Before making an investment decision, you should carefully consider these risks as well as any other information we include or incorporate by reference in this prospectus supplement and the accompanying prospectus.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This prospectus supplement, the accompanying prospectus, and the information incorporated by reference herein and therein contains forward-looking statements that are intended to qualify for the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended (the Securities Act ), and Section 21E of the Exchange Act. Forward-looking statements are statements of future expectations and not facts. Words such as forecasts, expects, estimates, anticipates, intends, believes, plans, will and similar expressions identify forward-looking statements. The forward-looking statements reflect information available and assumptions at the time the statements are made, and speak only as of that time. Actual results or developments may differ materially from those included in the forward-looking statements because of various factors such as those identified in reports Con Edison has filed with the Commission, including that:

its subsidiaries are extensively regulated and are subject to penalties;

its utility subsidiaries rate plans may not provide a reasonable return;

it may be adversely affected by changes to the utility subsidiaries rate plans;

the intentional misconduct of employees or contractors could adversely affect it;

the failure of, or damage to, its subsidiaries facilities could adversely affect it;

a cyber-attack could adversely affect it;

it is exposed to risks from the environmental consequences of its subsidiaries operations;

a disruption in the wholesale energy markets or failure by an energy supplier could adversely affect it;

it has substantial unfunded pension and other postretirement benefit liabilities;

its ability to pay dividends or interest depends on dividends from its subsidiaries;

it requires access to capital markets to satisfy funding requirements;

changes to tax laws could adversely affect it;

its strategies may not be effective to address changes in the external business environment; and

it also faces other risks that are beyond its control.



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**USE OF PROCEEDS**

The net proceeds from the sale of the common shares in this offering are estimated to be approximately \$ . The net proceeds from the sale of the common shares will be invested by us in our subsidiaries, principally Con Edison of New York and the Clean Energy Businesses, for funding of their construction expenditures and for other general corporate purposes. Pending these investments, we may choose to repay outstanding commercial paper obligations. As of August 7, 2017, the weighted average annualized yield for our commercial paper was 1.33 percent.

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**Table of Contents****PRICE RANGE OF COMMON SHARES AND DIVIDENDS**

Our common shares are listed on the New York Stock Exchange (the NYSE ), under the symbol ED. The following table sets forth the range of intra-day high and low sale prices, as reported on the NYSE Composite Tape, and the cash dividends declared on the common shares for the periods indicated:

	High	Low	Dividends
<b>2015</b>			
First Quarter	\$ 72.25	\$ 58.65	\$ 0.65
Second Quarter	\$ 63.03	\$ 56.86	\$ 0.65
Third Quarter	\$ 67.37	\$ 57.71	\$ 0.65
Fourth Quarter	\$ 67.94	\$ 60.30	\$ 0.65
<b>2016</b>			
First Quarter	\$ 77.02	\$ 63.47	\$ 0.67
Second Quarter	\$ 80.44	\$ 70.31	\$ 0.67
Third Quarter	\$ 81.88	\$ 72.93	\$ 0.67
Fourth Quarter	\$ 76.03	\$ 68.76	\$ 0.67
<b>2017</b>			
First Quarter	\$ 78.98	\$ 72.13	\$ 0.69
Second Quarter	\$ 85.13	\$ 77.14	\$ 0.69
Third Quarter (through August 8, 2017)	\$ 84.12	\$ 80.04	\$ 0.69(1)

(1) On July 20, 2017, our Board of Directors declared a dividend of \$0.69 per share payable on September 15, 2017 to shareholders of record on August 16, 2017.

On August 8, 2017, the last reported sale price of the common shares on the NYSE was \$84.06 per share.

Dividends on our common shares are paid as declared by Con Edison's Board of Directors. Dividends are typically paid on the 15th of March, June, September and December. Dividends can be paid by check or electronic deposit, or may be reinvested.

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**CERTAIN UNITED STATES FEDERAL INCOME AND ESTATE TAX CONSEQUENCES**

**FOR NON-U.S. HOLDERS**

The following summary discusses certain material U.S. federal income and estate tax consequences to non-U.S. holders relating to the purchase, ownership and disposition of our common shares. As used herein, a non-U.S. holder means a beneficial owner of our common shares that is not a U.S. Person (as defined below) or a partnership for U.S. federal income tax purposes. This summary is based upon the provisions of the U.S. Internal Revenue Code of 1986, as amended (the Code), U.S. Treasury regulations, rulings and judicial decisions, all as in effect on the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. There can be no assurance that the Internal Revenue Service (the IRS) will agree with the statements herein. A U.S. Person means a beneficial owner of our common shares that is for U.S. federal income tax purposes:

an individual who is a citizen or a resident of the United States;

a corporation (or any entity treated as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States, any State thereof or the District of Columbia;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust that (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) was in existence on August 20, 1996, was treated as a U.S. domestic trust immediately prior to that date, and has validly elected to continue to be treated as a U.S. domestic trust.

This summary deals only with our common shares held as capital assets within the meaning of section 1221 of the Code (generally, property held for investment). This summary does not address all of the U.S. federal income and estate tax consequences that may be relevant to a non-U.S. holder in light of such holder's own particular circumstances, nor does it deal with special situations, such as:

tax consequences to non-U.S. holders who may be subject to special tax treatment, such as holders of more than 5 percent of our outstanding common shares, dealers in securities, banks, insurance companies, partnerships or other entities treated as pass-through entities for U.S. federal income tax purposes, certain former citizens or residents of the United States, controlled foreign corporations, passive foreign investment companies, corporations that accumulate earnings to avoid federal income tax, tax-exempt entities, common trust funds, certain trusts, hybrid entities, foreign governments, international organizations and dealers or traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;

tax consequences to persons holding our common shares as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;

any gift tax consequences;

the Medicare tax imposed on certain investment income;

alternative minimum tax consequences, if any; or

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any U.S. state, local or foreign tax consequences.

If a partnership (or other entity or arrangement treated as a partnership) holds our common shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the status and activities of the partnership. Prospective investors that are partnerships (or entities treated as partnerships for U.S. federal income tax purposes) should consult their own tax advisers regarding the U.S. federal income and estate tax considerations to them and their partners of holding our common shares.

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THIS DISCUSSION IS FOR GENERAL PURPOSES ONLY. IF YOU ARE CONSIDERING THE PURCHASE OF OUR COMMON SHARES, YOU SHOULD CONSULT YOUR OWN TAX ADVISERS CONCERNING THE U.S. FEDERAL AND ESTATE TAX CONSEQUENCES TO YOU IN LIGHT OF YOUR OWN PARTICULAR CIRCUMSTANCES, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION, THE EFFECT OF ANY CHANGES IN APPLICABLE TAX LAW, AND YOUR ENTITLEMENT TO BENEFITS UNDER AN APPLICABLE INCOME TAX TREATY.

**Dividends on Common Shares**

If we make a distribution of cash or other property (other than certain pro rata distributions of our common shares) in respect of our common shares, the distribution will be treated as a dividend to the extent it is paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). If the amount of a distribution exceeds our current and accumulated earnings and profits, such excess first will be treated as a tax-free return of capital to the extent of the non-U.S. holder's adjusted tax basis in our common shares, and thereafter will be treated as capital gain. Distributions treated as dividends on our common shares held by a non-U.S. holder generally will be subject to U.S. federal withholding tax at a rate of 30 percent, or at a lower rate if provided by an applicable income tax treaty and the non-U.S. holder has provided the documentation required to claim benefits under such treaty. Generally, to claim the benefits of an income tax treaty, a non-U.S. holder will be required to provide a properly executed IRS Form W-8BEN or Form W-8BEN-E (or appropriate substitute or successor form) certifying its entitlement to benefits under the treaty.

If, however, a dividend is effectively connected with the conduct of a trade or business in the United States by the non-U.S. holder (and, if an applicable tax treaty so provides, is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States), the dividend will not be subject to the 30 percent U.S. federal withholding tax (provided the non-U.S. holder has provided the appropriate documentation, generally an IRS Form W-8ECI, to the withholding agent), but the non-U.S. holder generally will be subject to U.S. federal income tax in respect of the dividend on a net income basis, and at graduated rates, in substantially the same manner as U.S. Persons. Dividends received by a non-U.S. holder that is a corporation for U.S. federal income tax purposes and which are effectively connected with the conduct of a U.S. trade or business may also be subject to a branch profits tax at the rate of 30 percent (or a lower rate if provided by an applicable tax treaty).

A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for a refund together with the required information with the IRS.

**Sale or Other Disposition of Common Shares**

Subject to the below discussions of backup withholding and FATCA, a non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on gain realized on the sale or other disposition of our common shares unless:

such non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of such sale or disposition, and certain other conditions are met;

such gain is effectively connected with the conduct by the non-U.S. holder of a trade or business in the United States (and, if an applicable tax treaty so provides, is attributable to a permanent establishment or a fixed base maintained by the non-U.S. holder in the United States); or

we are or have been a U.S. real property holding corporation, which we refer to as a USRPHC, under section 897 of the Code at any time during the shorter of the five-year period ending on the date of disposition and the non-U.S. holder's holding period for its shares of our common shares.

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Gain realized by such non-U.S. holder described in the first bullet above will be subject to a flat 30 percent tax (or such lower tax rate specified by an applicable income tax treaty), which may be offset by certain U.S. source capital losses.

Gain realized by a non-U.S. holder that is effectively connected with such non-U.S. holder's conduct of a trade or business in the United States generally will be subject to U.S. federal income tax on a net income basis, and at graduated rates, in substantially the same manner as a U.S. Person (except as provided by an applicable tax treaty). In addition, if such non-U.S. holder is a corporation for U.S. federal income tax purposes, it may also be subject to a branch profits tax at the rate of 30 percent (or a lower rate if provided by an applicable tax treaty).

Generally, a corporation is a USRPHC if the fair market value of its United States real property interests equals or exceeds 50 percent of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). Given the lack of clear guidance in this area, there can be no assurances that we are not or will not become a USRPHC. If, however, we were a USRPHC during the applicable testing period, non-U.S. holders owning (directly or indirectly) more than 5 percent of our common shares will be subject to different tax consequences and should consult their own tax advisers. U.S. federal income tax will not apply to gain realized on the sale or disposition of our common shares by a non-U.S. holder that owns (directly or indirectly) 5 percent or less of our common shares so long as our common shares are regularly traded on an established securities market (such as the NYSE) as defined under applicable Treasury regulations. However, we can provide no assurance that our common shares will remain regularly traded.

## **Information Reporting and Backup Withholding**

Dividends and proceeds from the sale or other taxable disposition of our common shares are potentially subject to backup withholding at the applicable rate (currently 28 percent). In general, backup withholding will not apply to dividends on, or proceeds from the disposition of, our common shares paid by us or our paying agents, in their capacities as such, to a non-U.S. holder if the holder has provided the required certification (generally on Form W-8BEN or Form W-8BEN-E) that it is a non-U.S. holder and neither we nor our paying agent has actual knowledge (or reason to know) that the holder is a U.S. Person.

Generally, the amount of dividends on our common shares paid to a non-U.S. holder and the amount of any tax withheld from such dividends must be reported annually to the IRS and to the non-U.S. holder. Copies of these information returns may be made available by the IRS to the tax authorities of the country in which the non-U.S. holder is a resident under the provisions of an applicable tax treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, provided the required information is furnished on a timely basis to the IRS.

Non-U.S. holders should consult their tax advisers regarding the application of the information reporting and backup withholding rules to them.

## **FATCA**

The Foreign Account Tax Compliance Act provisions of the Hiring Incentives to Restore Employment Act and Treasury regulations thereunder, commonly referred to as "FATCA", generally, will impose a U.S. federal withholding tax of 30 percent on certain types of payments, including payments of U.S. source interest or dividends and gross proceeds from the sale of certain securities producing such U.S. source interest or dividends made to (i) foreign financial institutions unless they agree to collect and disclose to the IRS information regarding their direct and indirect U.S. account holders or (ii) certain non-financial foreign entities unless they certify that they do not have any substantial United States owners (as defined in the Code) or furnish



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identifying information regarding each substantial United States owner (generally by providing an IRS Form W-8BEN or Form W-8BEN-E). In certain circumstances, the relevant foreign financial institution or non-financial foreign entity may qualify for an exemption from these rules, which exemption is typically evidenced by providing appropriate documentation (such as an IRS Form W-8BEN or Form W-8BEN-E). In addition, an intergovernmental agreement between the United States and the jurisdiction of a foreign financial institution may modify the information reporting and related rules under FATCA.

The withholding obligations described above generally will apply to payments of dividends on the common shares, and to payments of gross proceeds from a sale or other disposition of the common shares occurring on or after January 1, 2019. Non-U.S. holders are urged to consult their tax advisers regarding FATCA and the application of these requirements to their investment in the common shares.

**U.S. Federal Estate Tax**

Common shares owned or treated as owned by an individual who is not a citizen or resident of the United States (as specifically defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.

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### **UNDERWRITING (CONFLICTS OF INTEREST)**

J.P. Morgan Securities LLC is acting as the underwriter in connection with this offering. We have entered into an underwriting agreement with the underwriter. Subject to the terms and conditions of the underwriting agreement, the underwriter has agreed to purchase from us 4,100,000 common shares at a price of \$ \_\_\_\_\_ per share.

The underwriter has agreed to purchase all of the common shares sold under the underwriting agreement if any of these shares are purchased.

Our common shares are offered subject to a number of conditions, including, among others:

receipt and acceptance of our common shares by the underwriter; and

the underwriter's right to reject orders in whole or in part.

We have agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act or, if indemnification is not allowed, to contribute to payments the underwriter may be required to make because of those liabilities.

The expenses of this offering are estimated to be approximately \$350,000 and are payable by us.

### **Commissions and Discounts**

The underwriter proposes to offer the common shares offered hereby from time to time for sale in one or more transactions on the NYSE, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices, subject to receipt and acceptance by it and subject to its right to reject any order in whole or in part. In connection with the sale of the common shares offered hereby, the underwriter may be deemed to have received compensation in the form of an underwriting discount. The underwriter may effect such transactions by selling the common shares to or through dealers and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriter and/or purchasers of common shares for whom they may act as agents or to whom they may sell as principal.

### **Lock-Up Agreement**

We have agreed that, subject to certain exceptions, without the prior written consent of the underwriter, we will not, directly or indirectly, during the 90-day period after the date of this prospectus supplement, directly or indirectly, issue, sell, offer or contract to sell, grant any option for the sale of, or otherwise dispose of, our common shares. This agreement does not apply to issuances pursuant to the underwriting agreement, upon conversion of our outstanding securities in accordance with their terms, or in connection with our employee stock or dividend reinvestment plans.

### **Electronic Prospectus**

This prospectus supplement and the accompanying prospectus may be made available in electronic format on the website maintained by the underwriter, or selling group members, if any, participating in the offering. The underwriter may agree to allocate a number of shares to the selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriter to the selling group members that may make Internet distributions on the same basis as other allocations.

### **NYSE Listing**

Our common shares are listed on the NYSE under the symbol ED. We intend to list the shares offered hereby on the NYSE.

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### **Stabilization and Short Positions**

Until the distribution of the common shares offered hereby is completed, Commission rules may limit the underwriter and selling group members from bidding for or purchasing our common shares. However, the underwriter may engage in transactions that stabilize the price of the common shares, such as bids or purchases that peg, fix or maintain the price of the common shares.

In connection with this offering, the underwriter may make short sales of our common shares. Short sales involve the sale by the underwriter, at the time of the offering, of a greater number of common shares than it is required to purchase in the offering. Short sales may be naked short sales, which are short positions in excess of that amount. The underwriter must close out any naked short position by purchasing common shares in the open market. A naked short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of our common shares in the open market after pricing that could adversely affect investors who purchase in the offering. Similar to other purchase transactions, the purchases by the underwriter to cover short positions may have the effect of raising or maintaining the market price of our common shares or preventing or retarding a decline in the market price of our common shares. As a result, the price of our common shares may be higher than it would otherwise be in the absence of these transactions. If these activities are commenced, they may be discontinued at any time.

Neither we nor the underwriter make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common shares. In addition, neither we nor the underwriter make any representation that the underwriter will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

### **Other Relationships**

The underwriter and its affiliates are full service financial institutions engaged in various activities, which may include, among other activities, securities trading and underwriting, commercial and investment banking, financial advisory, corporate trust, investment management, investment research, principal investment, hedging, financing and brokerage activities. In the ordinary course of its business, the underwriter and/or its affiliates have in the past and may in the future provide us and our affiliates with financial advisory and other services for which it has and in the future will receive customary fees. The underwriter or its affiliates may also be lenders under certain of our revolving credit facilities.

In addition, in the ordinary course of its business activities, the underwriter and/or its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for its own account and for the accounts of its customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates.

The underwriter and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **Conflicts of Interest**

The underwriter or its affiliates may hold a portion of the commercial paper that we may repay using the net proceeds from the offering. We understand that if the underwriter and/or its affiliates were to receive 5 percent or more of the net proceeds, the underwriter would be required to conduct its distribution of the common shares in accordance with FINRA Rule 5121.

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**NOTICES TO INVESTORS**

**No Public Offering Outside the United States**

Other than in the United States, no action has been taken by us or the underwriter that would permit a public offering of the securities offered by this prospectus supplement and the accompanying prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus supplement and the accompanying prospectus may not be offered or sold, directly or indirectly, nor may this prospectus supplement and the accompanying prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus supplement and the accompanying prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus supplement and the accompanying prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

**European Economic Area**

Neither this prospectus supplement nor the accompanying prospectus is a prospectus for the purposes of the European Union's Directive 2003/71/EC (and any amendments thereto, including by Directive 2010/73/EU) as implemented in member states of the European Economic Area (the "EEA") (the "Prospectus Directive"). Neither we nor the underwriter have authorized, nor do we or the underwriter authorize, the making of any offer of our common shares through any financial intermediary, other than offers made by the underwriter which constitute the final placement of our common shares contemplated in this prospectus supplement and the accompanying prospectus.

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State"), the underwriter has represented and agreed that it has not made and will not make an offer of our common shares which are the subject of the offering contemplated by this prospectus supplement and the accompanying prospectus to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of our common shares shall require us or the underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of our common shares to the public in relation to any of our common shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our common shares to be offered so as to enable an investor to decide to purchase or subscribe to our common shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

**United Kingdom**

This prospectus supplement and the accompanying prospectus are directed solely at persons who (i) are outside the United Kingdom or (ii) have professional experience in matters relating to investments or (iii) are persons falling within Article 49(2)(A) through (D) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iv) are persons to whom it may otherwise lawfully be communicated (all such persons

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together being referred to as Relevant Persons ). This prospectus supplement and the accompanying prospectus must not be acted on or relied on by persons who are not Relevant Persons. In the United Kingdom, any investment or investment activity to which this prospectus supplement and the accompanying prospectus relates is available only to, and will only be engaged in with, Relevant Persons in circumstances in which Section 21(1) of the United Kingdom Financial Services and Markets Act 2000 ( FSMA ) does not apply to us. All applicable provisions of the FSMA must be complied with in respect to anything done or to be done by the underwriter in relation to any common shares in, from or otherwise involving the United Kingdom.

### **Japan**

Our common shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, Japanese Person shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

### **Australia**

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission ( ASIC ), in relation to the offering. This prospectus supplement and accompanying prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the Corporations Act ), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the Exempt Investors ) who are sophisticated investors (within the meaning of section 708(8) of the Corporations Act), professional investors (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

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**Canada**

The common shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act (Ontario)*, and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the common shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriter is not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

**LEGAL MATTERS**

The validity of the common shares offered hereby and certain other related legal matters will be passed upon for Con Edison by Elizabeth D. Moore, Esq., Senior Vice President and General Counsel of Con Edison, and by Shearman & Sterling LLP, New York, New York. Certain legal matters in connection with the common shares will be passed upon for the underwriter by Hunton & Williams LLP, New York, New York. Hunton & Williams LLP has from time to time performed and may perform legal services for affiliates of Con Edison.

**EXPERTS**

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