

CONSOLIDATED EDISON INC  
Form DEF 14A  
April 06, 2015  
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

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))**

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):

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:

Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

- .. 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 6, 2015

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 18, 2015, at 10:00 a.m.

The accompanying Proxy Statement, provided to stockholders on or about April 6, 2015, 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 2015, 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 18, 2015, 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 2015;
  
  - 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,

Carole Sobin

*Vice President and Corporate Secretary*

Dated: April 6, 2015

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE**

**STOCKHOLDERS MEETING TO BE HELD ON MONDAY, MAY 18, 2015. THE COMPANY'S PROXY STATEMENT AND ANNUAL REPORT, PROVIDED TO STOCKHOLDERS ON OR ABOUT APRIL 6, 2015, ARE AVAILABLE AT [WWW.CONEDISON.COM/INVESTORREPORTS](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**

<b><u>PROXY STATEMENT SUMMARY</u></b>	<b>1</b>
<u>2015 Annual Meeting of Stockholders</u>	1
<u>Stockholder Voting Matters</u>	1
<u>Proposal No. 1: Election of Directors</u>	2
<u>Proposal No. 2: Ratification of the Appointment of Independent Accountants</u>	2
<u>Proposal No. 3: Advisory Vote to Approve Named Executive Officer Compensation</u>	2
<u>Stockholder Engagement</u>	3
<u>Changes to Executive Compensation Program</u>	3
<u>Executive Compensation Program</u>	3
<u>Compensation Governance Practices</u>	4
<b><u>MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING</u></b>	<b>5</b>
<u>Proposal No. 1 Election of Directors</u>	5
<u>Information About the Director Nominees</u>	6
<u>Proposal No. 2 Ratification of the Appointment of Independent Accountants</u>	12
<u>Proposal No. 3 Advisory Vote to Approve Named Executive Officer Compensation</u>	13
<b><u>THE BOARD OF DIRECTORS</u></b>	<b>14</b>
<u>Meetings and Board Members Attendance</u>	14
<u>Corporate Governance</u>	14
<u>Leadership Structure</u>	14
<u>Risk Oversight</u>	14
<u>Related Person Transactions and Policy</u>	15
<u>Board Members Independence</u>	15
<u>Standing Committees of the Board</u>	16
<u>Compensation Consultant Disclosure</u>	19
<u>Compensation Committee Interlocks and Insider Participation</u>	19
<u>Communications with the Board of Directors</u>	19
<b><u>DIRECTOR COMPENSATION</u></b>	<b>20</b>
<u>Elements of Compensation</u>	20
<u>Director Compensation Table</u>	21
<b><u>STOCK OWNERSHIP AND SECTION 16 COMPLIANCE</u></b>	<b>22</b>
<u>Stock Ownership of Directors and Executive Officers</u>	22
<u>Stock Ownership of Certain Beneficial Owners</u>	23
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	23
<b><u>AUDIT COMMITTEE MATTERS</u></b>	<b>24</b>
<u>Audit Committee Report</u>	24
<u>Fees Paid to PricewaterhouseCoopers LLP</u>	24
<b><u>COMPENSATION COMMITTEE REPORT</u></b>	<b>25</b>
<b><u>COMPENSATION DISCUSSION AND ANALYSIS</u></b>	<b>26</b>
<u>CD&amp;A Table of Contents</u>	26
<u>Introduction</u>	26
<u>Executive Summary</u>	26
<u>Executive Compensation Philosophy and Objectives</u>	28
<u>Role of the Compensation Committee and Others in Determining Executive Compensation</u>	31
<u>Executive Compensation Actions</u>	32
<u>Retirement and Other Benefits</u>	40
<u>Stock Ownership Guidelines</u>	42
<u>No Hedging and Pledging</u>	42
<u>Recoupment Policy</u>	42
<u>Tax Deductibility of Pay</u>	42
<b><u>COMPENSATION RISK MANAGEMENT</u></b>	<b>43</b>
<b><u>SUMMARY COMPENSATION TABLE</u></b>	<b>44</b>



<b><u>GRANTS OF PLAN-BASED AWARDS TABLE</u></b>	<b>46</b>
<b><u>OUTSTANDING EQUITY AWARDS TABLE</u></b>	<b>47</b>
<b><u>OPTION EXERCISES AND STOCK VESTED TABLE</u></b>	<b>48</b>
<b><u>PENSION BENEFITS</u></b>	<b>49</b>
<u>Retirement Plan Benefits</u>	49
<u>Pension Benefits Table</u>	50
<b><u>NON-QUALIFIED DEFERRED COMPENSATION</u></b>	<b>51</b>
<u>Deferred Income Plan</u>	51
<u>Non-Qualified Deferred Compensation Table</u>	52
<b><u>POTENTIAL PAYMENTS UPON TERMINATION OF EMPLOYMENT OR CHANGE OF CONTROL</u></b>	<b>53</b>
<u>Equity Acceleration</u>	54
<u>Incremental Retirement Amounts</u>	54
<u>Termination without Cause or a Resignation for Good Reason</u>	55
<u>Payments upon Termination of Employment in Connection with a Change of Control</u>	55
<u>Section 280G Reduction</u>	55
<u>Death Benefit</u>	55
<b><u>QUESTIONS AND ANSWERS ABOUT THE 2015 ANNUAL MEETING AND VOTING</u></b>	<b>56</b>
<b><u>CERTAIN INFORMATION AS TO INSURANCE AND INDEMNIFICATION</u></b>	<b>60</b>
<b><u>STOCKHOLDER PROPOSALS FOR THE 2016 ANNUAL MEETING</u></b>	<b>61</b>
<b><u>OTHER MATTERS TO COME BEFORE THE MEETING</u></b>	<b>61</b>

**Table of Contents**

PROXY STATEMENT SUMMARY

**PROXY STATEMENT SUMMARY**

This is a summary of information about Consolidated Edison, Inc. (the Company) that can be found in this Proxy Statement. Before voting please review the complete Proxy Statement and the Annual Report to Stockholders of the Company, provided to stockholders on or about April 6, 2015, which includes the consolidated financial statements and accompanying notes for the year ended December 31, 2014, and other information relating to the Company's financial condition and results of operations.

**2015 ANNUAL MEETING OF STOCKHOLDERS ( ANNUAL MEETING )**

Time and Date:	Monday, May 18, 2015, at 10:00 a.m.
Location:	4 Irving Place, New York, NY 10003.
	Directions are available at <a href="http://www.conedison.com/investorreports">www.conedison.com/investorreports</a> .
Voting & Record Date	Stockholders of record at the close of business on March 24, 2015 are entitled to vote. On the record date, 292,887,368 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 pages 58 to 59.

**STOCKHOLDER VOTING MATTERS**

	<b>Proposal</b>	<b>Board's Voting Recommendation</b>	<b>Vote Required For Approval*</b>	<b>Page References (for more detail)</b>
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.

CONSOLIDATED EDISON, INC. Proxy Statement 1

**Table of Contents**

PROXY STATEMENT SUMMARY

**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.)

Name	Committee Memberships									
	Independent	Audit	Corporate Governance and Nominating	Environment, Health and Safety	Executive	Finance	Management Development and Compensation	Operations Oversight	Planning	
<b>Vincent A. Calarco</b> Director since 2001	ü	ü(C)	ü		ü		ü			
<b>George Campbell, Jr.</b> Director since 2000	ü		ü		ü		ü(C)	ü		
<b>Michael J. Del Giudice</b> Director since 1999	ü	ü	ü(C)(L)		ü		ü			
<b>Ellen V. Futter</b> Director since 1997				ü(C)				ü	ü	
<b>John F. Killian</b> Director since 2007	ü	ü	ü				ü			
<b>John McAvoy</b> Director since 2013					ü(C)					
<b>Armando J. Olivera</b> Director since 2014	ü			ü		ü		ü		
<b>Michael W. Ranger</b> Director since 2008	ü	ü				ü		ü(C)		
<b>Linda S. Sanford</b> Director since 2015	ü			ü		ü				ü
<b>L. Frederick Sutherland</b> Director since 2006	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 2015. (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.)

2 CONSOLIDATED EDISON, INC. *Proxy Statement*

**Table of Contents**

## PROXY STATEMENT SUMMARY

**STOCKHOLDER ENGAGEMENT**

The Company discussed with stockholders, investment firms, and institutional stockholders (via teleconference and in person) the design of the executive compensation program, disclosure practices, corporate governance, and the results of the most recent advisory vote to approve named executive officer compensation.

The Management Development and Compensation Committee of the Board of Directors (the Compensation Committee), in consultation with its independent compensation consultant and management, considered feedback from stockholders, developing market practices, evolving business priorities, and succession planning in making several design changes to the Company's executive compensation program.

**CHANGES TO EXECUTIVE COMPENSATION PROGRAM**

	Effective Date of Design Change	Page Reference
Made annual incentive plan performance goals more challenging and reduced the maximum payout for achieving operating objectives from 200% to 175% of target	2015	28
Replaced the performance goals in the long-term incentive plan that were linked to the annual incentive plan with:	2014	28

Three-year cumulative adjusted earnings per share

Multi-year operating objectives		
Expanded disclosure of operating objectives under the annual incentive plan	2014	35
No employment agreement with new Chief Executive Officer	2013	27
No golden parachute excise tax gross-up agreements	2013	27

**EXECUTIVE COMPENSATION PROGRAM**

Pay-for-performance is the foundation of the Company's executive compensation program. 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.

***Features of the Executive Compensation Program***

Type	Component	Objective
<b>Performance-Based Compensation</b>	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.
<b>Fixed &amp; Other Compensation</b>	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.



**Table of Contents**

PROXY STATEMENT SUMMARY

**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 2014, half of the Company's compensation peer group granted some form of non-performance-based awards to their named executive officers:

**Risk Management.** The Company's compensation programs include various features that have been designed to mitigate risk. (See *Compensation Risk Management* on page 43.)

**Stock Ownership Guidelines.** The Company has stock ownership guidelines for directors and certain officers, including the Named Executive Officers. (See *Director Compensation* on page 20 and *Stock Ownership Guidelines* on page 42.)

**No Hedging and 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. (See *No Hedging and Pledging* on page 42.)

**Recoupment Policy.** The Company's compensation recoupment policy applies to all officers of the Company and its subsidiaries with respect to incentive-based compensation. (See *Recoupment Policy* on page 42.)

**Table of Contents**

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

**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 a current officer of the Company. All of the nominees were elected Directors at the last Annual Meeting, other than Linda S. Sanford. Ms. Sanford was elected to the Board of Directors effective January 15, 2015. A professional search firm assisted the Corporate Governance and Nominating Committee in connection with its recommendation of Ms. Sanford.

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).

Kevin Burke and Sally H. Piñero, who have served with distinction as Directors of the Company, have not been nominated for re-election. The Board has reduced the number of Directors to ten effective immediately prior to the Annual Meeting.

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**

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

*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's regulated utilities and competitive energy businesses. 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**

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

**Vincent A. Calarco**

**Director since:** 2001

**Age:** 72

**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 Trustee or Director 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:** 69

**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, the New York Hall of Science, 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.

**Table of Contents**

## MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

**Michael J. Del Giudice****Director since:** 1999**Age:** 72**Board Committees:**

Audit

Corporate Governance and

Nominating (Chair &amp; Lead Director)

Executive

Management Development and

Compensation

**Career Highlights:** Mr. Del Giudice has been Senior Managing Director at Millennium Capital Markets LLC, New York, NY, an investment banking firm, since 1996, Senior Managing Director at MCM Securities LLC, New York, NY, a registered broker dealer, since 1996, Chairman and Senior Managing Director of Rockland Capital, LLC, New York, NY, a private equity company focusing on power and energy infrastructure markets, since 2003, and Vice Chairman of Carnegie Hudson Resources Energy Partners, LLC, a private equity company focusing on energy investments, since 2012. Mr. Del Giudice was a General Partner at the investment bank of Lazard Freres & Co. LLC, and served as Secretary to the New York State Governor and Chief of Staff to the New York State Assembly Speaker.

**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, and Barnes and Noble, Inc. through September 2010. Mr. Del Giudice is also the Chairman of the Governor's Committee on Scholastic Achievement and a Director of the New York Racing Association.

**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:** 65

**Board Committees:**

Environment, Health and Safety

(Chair)

Operations Oversight

Planning

**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 and planning activities and the Company's relationships with stakeholders.

**Table of Contents**

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

**John F. Killian**

**Director since:** 2007

**Age:** 60

**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. Mr. Killian is also a Director of Houghton Mifflin Harcourt and 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:** 54

**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 and 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**

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

**Armando J. Olivera**

**Director since:** 2014

**Age:** 65

**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.

**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:** 57

**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**

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

**Linda S. Sanford**

**Director since:** 2015

**Age:** 62

**Board Committees:**

Environment, Health and Safety

Finance

Planning

**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 Reed Elsevier NV and 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, Rensselaer Polytechnic Institute, and St. John's University.

**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:** 63

**Board Committees:**

Audit

Finance (Chair)

Management Development and  
Compensation

**Career Highlights:** Mr. Sutherland was the Executive Vice President and Chief Financial Officer of Aramark Corporation, Philadelphia, PA, a provider of services, facilities management and uniform and career apparel, from 1997 through April 5, 2015 at which time he became the Senior Advisor to the Chief Executive Officer of Aramark. 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. Mr. Sutherland is also Chairman of the Board of WHY?Y, 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.

**Table of Contents**

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

**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 selection of PricewaterhouseCoopers LLP ( PwC ) as independent accountants for the Company for 2015. If the selection of PwC is not ratified, the Audit Committee will take this into consideration in the future selection of independent accountants.

PwC has acted as independent accountants for the Company for many years. The Audit Committee's charter provides that at least once every five years, the Audit Committee will evaluate whether it is appropriate to rotate the Company's independent accountants.

The Audit Committee considered the firm's qualifications. This included a review of PwC's performance in prior years, 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.)

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.

---

---

**Table of Contents**

MATTERS TO BE CONSIDERED AT THE ANNUAL MEETING

**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 55. 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 2014, the Company held an advisory vote to approve the Company s Named Executive Officer compensation, as set forth in the 2014 proxy statement, and 93.9% of the shares voted were voted for the proposal. Following this year s vote, the next such vote will be at the Company s 2016 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 Compensation Committee, with the assistance of its independent compensation consultant, seeks to provide base salary, and performance-based compensation that includes 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.



**Table of Contents**

THE BOARD OF DIRECTORS

**THE BOARD OF DIRECTORS**

**MEETINGS AND BOARD MEMBERS ATTENDANCE**

The Board of Directors held 15 meetings in 2014. 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 twice in executive session and the non-management Directors met ten times in executive session during 2014.

During 2014, 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 2014 annual meeting of stockholders, except Ms. Sanford who was elected to the Board in January 2015.

**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](http://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](http://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 which report to the Board. Board Committees have assumed oversight of various risks that have been



---

## **Table of Contents**

THE BOARD OF DIRECTORS

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:

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

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 2014, Ms. Futter's brother received approximately \$147,000 for providing legal services to Con Edison of New York and will provide such legal services in 2015. 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, Ms. Piñero, 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](http://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;

## Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

- (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;

**Table of Contents**

THE BOARD OF DIRECTORS

- (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 responsible for the appointment of the independent accountants for the Company, subject to stockholder ratification at the Annual Meeting. If the selection of PricewaterhouseCoopers LLP is not ratified, the Audit Committee will take this into consideration in the future selection of 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. The Board of Directors of the Company has determined that each Director on the Audit Committee is an audit committee financial expert as such term is defined in Item 407(d)(5) of Regulation S-K and is independent as such term is defined in Rule 10A-3 under the Securities and Exchange Act of 1934. The Audit Committee held seven meetings in 2014.

***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. Piñero), 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.



**Table of Contents****THE BOARD OF DIRECTORS**

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 2014.

***Environment, Health and Safety Committee***

The Environment, Health and Safety Committee, composed of five non-management Directors (currently Ms. Futter, Chair, Mr. Burke, Mr. Olivera, Ms. Piñero, 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 five meetings in 2014.

***Executive Committee***

The Executive Committee, composed of Mr. McAvoy, Chair, and four non-management Directors (currently Mr. Burke, 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 2014.

***Finance Committee***

The Finance Committee, composed of five non-management Directors (currently Mr. Sutherland, Chair, Mr. Burke, 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 seven meetings in 2014.

**Table of Contents**

THE BOARD OF DIRECTORS

***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 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 ten meetings in 2014, of which Mercer attended five.

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, 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 five non-management Directors (currently Mr. Ranger, Chair, Mr. Burke, 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 and their compliance 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 five meetings in 2014.

***Planning Committee***

The Planning Committee, composed of four non-management Directors (currently Ms. Piñero, Chair, Mr. Burke, Ms. Futter, and Ms. Sanford), reviews and makes recommendations to the Board regarding long-range planning for the Company. Additionally, the Planning 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 Planning Committee held three meetings in 2014.

**Table of Contents**

THE BOARD OF DIRECTORS

**COMPENSATION CONSULTANT DISCLOSURE**

The Compensation Committee has retained Mercer, a wholly-owned subsidiary of Marsh & McLennan, 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 2014 were approximately \$877,000.

During 2014, 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 litigation and auction services, were approximately \$137,500.

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 2014. 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.

CONSOLIDATED EDISON, INC. *Proxy Statement* 19

**Table of Contents**

## DIRECTOR COMPENSATION

**DIRECTOR COMPENSATION****ELEMENTS OF COMPENSATION**

Effective April 1, 2014, those members of the Board who were not employees of the Company or its subsidiaries were eligible to receive the following:

	<b>Amount</b>
Annual Retainer	\$ 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 Committee Retainer	\$ 10,000
Chair of Management Development and Compensation Committee Retainer	\$ 15,000
Retainer for Chairs of: Environmental, Health and Safety Committee; Finance Committee; Operations Oversight Committee; and Planning Committee	\$ 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
Equity (deferred stock units)	\$ 120,000

In 2014, the Company reimbursed Board members who were not employees of the Company 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. Members of the Board who were employees of the Company or its subsidiaries received no retainer or meeting fees for their service on the Board.

The Company has stock ownership guidelines for 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.

Members of the Board participate in the long term incentive plan. Pursuant to the long term incentive plan, each non-employee Director then serving was allocated an annual award of \$120,000 of deferred stock units on the first business day following the 2014 Annual Meeting. If a non-employee Director is first appointed to the Board after an annual meeting, his or her first annual award will be pro rated. Settlement of the 2014 annual awards of stock units were automatically deferred until the Director's termination of service from the Board of Directors. Each Director may elect to receive some or all of his or her 2014 annual awards of stock units on another date or to further defer any other prior annual award of stock units, including any related dividend equivalents earned on prior annual 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 2014 retainers and meeting fees into additional deferred stock units, which are deferred until the Director's termination of service. Dividend equivalents are payable on 2014 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, 2014.





**Table of Contents**

## DIRECTOR COMPENSATION

**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, 2014.

Name	Fees Earned or			Total (\$)
	Paid in Cash (\$)	Stock Awards <sup>(1)</sup> (\$)	All Other Compensation <sup>(2)</sup> (\$)	
Kevin Burke	\$ 155,100 <sup>(3)</sup>	\$ 120,000	\$ 10,500 <sup>(4)</sup>	\$ 285,600
Vincent A. Calarco	\$ 157,750	\$ 120,000		\$ 277,750
George Campbell, Jr.	\$ 141,250	\$ 120,000	\$ 10,500 <sup>(4)</sup>	\$ 271,750
Gordon J. Davis <sup>(5)</sup>	\$ 41,900		\$ 10,500 <sup>(4)</sup>	\$ 52,400
Michael J. Del Giudice	\$ 192,000	\$ 120,000		\$ 312,000
Ellen V. Futter	\$ 113,000	\$ 120,000	\$ 10,000	\$ 243,000
John F. Hennessy III <sup>(5)</sup>	\$ 57,400	\$ 120,000		\$ 177,400
John F. Killian	\$ 145,500	\$ 120,000	\$ 10,500 <sup>(4)</sup>	\$ 276,000
John McAvoy <sup>(6)</sup>				
Eugene R. McGrath <sup>(5)</sup>	\$ 39,300			\$ 39,300
Armando J. Olivera	\$ 92,363	\$ 146,002	\$ 10,500	\$ 248,865
Sally H. Piñero	\$ 116,000	\$ 120,000		\$ 236,000
Michael W. Ranger	\$ 129,800	\$ 120,000		\$ 249,800
L. Frederick Sutherland	\$ 138,500	\$ 120,000		\$ 258,500

**Footnotes:**

- (1) On May 19, 2014, each of the Directors elected at the 2014 Annual Meeting, except Mr. McAvoy, received a grant of 2,210 stock units valued at \$54.30 per share, the equivalent of \$120,000. On February 20, 2014, Mr. Olivera received a pro-rata grant of 475 stock units valued at \$54.74 per share, the equivalent of \$26,002, upon his 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, 2014, 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, 2014 is as follows: Mr. Burke 3,006; Mr. Calarco 27,475; Dr. Campbell 29,740; Mr. Davis 23,728; Mr. Del Giudice 38,156; Ms. Futter 25,340; Mr. Hennessy 0; Mr. Killian 15,247; Mr. McGrath 16,681; Mr. Olivera 2,773; Ms. Piñero 34,996; Mr. Ranger 31,220; and Mr. Sutherland 32,497.
- (2) The *All Other Compensation* column includes matching contributions made by the Company to qualified educational institutions under its matching gift program. All directors and employees are eligible to participate in this program. The Company matches up to a total of \$10,500 per eligible participant to qualified educational institutions per calendar year. Gifts of up to \$3,000 are matched by the Company on a two-for-one basis and gifts that are greater than \$3,000 are matched by the Company on a one-for-one basis (up to the \$7,500 maximum).
- (3) A portion of Mr. Burke's cash fees represents payment of a non-executive chairman retainer for the period January 1 to May 11, 2014.
- (4) The amounts reported in the *All Other Compensation* column includes amounts matched by the Company in 2013 and paid in 2014.
- (5) Messrs. Davis and McGrath retired from the Board of Directors effective May 19, 2014. Mr. Hennessy resigned from the Board of Directors effective July 17, 2014.
- (6) Mr. McAvoy did not receive any director compensation because he is an employee of the Company.

**Table of Contents**

## STOCK OWNERSHIP AND SECTION 16 COMPLIANCE

**STOCK OWNERSHIP AND SECTION 16 COMPLIANCE****STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS**

The following table provides, as of February 28, 2015, 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 <sup>(1)</sup>	Other Equity-Based Holdings <sup>(2)</sup>	Total <sup>(3)</sup>
Kevin Burke	33,811	4,500	38,311
Vincent A. Calarco	27,875		27,875
George Campbell, Jr.	22,714	11,198	33,912
Michael J. Del Giudice	36,311	1,861	38,172
Ellen V. Futter	19,962	7,724	27,686
John F. Killian	7,959	7,288	15,247
Armando J. Olivera	3,273		3,273
Sally H. Piñero	33,496	1,500	34,996
Michael W. Ranger	31,220		31,220
Linda S. Sanford	585		585
L. Frederick Sutherland	32,354	4,144	36,498
John McAvoy	4,783	10,662	15,445
Robert Hoglund	21,262	15,000	36,262
Craig Ivey	3,931	35,306	39,237
William Longhi	26,241	16,235	42,476
Elizabeth D. Moore	33,858		33,858
Directors and Executive Officers as a group, including the above-named persons (22 persons)	414,891	115,418	530,309

**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 has neither investment nor voting power, that were deferred until their respective separation from service: Mr. Burke 3,006; Mr. Calarco 27,875; Dr. Campbell 22,714; Mr. Del Giudice 36,311; Ms. Futter 19,962; Mr. Hoglund 15,000; Mr. Ivey 0; Mr. Killian 7,959; Mr. Longhi 15,669; Mr. McAvoy 0; Ms. Moore 32,743; Mr. Olivera 3,273; Ms. Piñero 33,496; Mr. Ranger 31,220; Ms. Sanford 585; and Mr. Sutherland 32,354.
- (2) Represents vested stock units that have been deferred more than 60 days after February 28, 2015.
- (3) As of February 28, 2015, ownership was, in each case, less than one percent (1%) of the outstanding 292,912,812 shares.

**Table of Contents**

## STOCK OWNERSHIP AND SECTION 16 COMPLIANCE

**STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

The following table provides information, as of December 31, 2014, 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
<b>State Street Corporation</b>	21,505,247 <sup>(1)</sup>	7.30%
State Street Financial Center		
One Lincoln Street		
Boston, MA 02111		
<b>BlackRock, Inc.</b>	20,028,011 <sup>(2)</sup>	6.80%
55 East 52nd Street		
New York, NY 10022		
<b>The Vanguard Group</b>	17,058,190 <sup>(3)</sup>	5.82%
100 Vanguard Blvd.		
Malvern, PA 19355		

**Footnotes:**

- (1) State Street Corporation stated in its Schedule 13G, filed on February 12, 2015 with the Securities and Exchange Commission, that it has shared voting power and shared dispositive power for 21,505,247 shares of Company Common Stock.
- (2) BlackRock, Inc. stated in its Schedule 13G/A, filed on February 9, 2015 with the Securities and Exchange Commission, that it has sole voting power for 17,202,540 and sole dispositive power for 20,028,011 shares of Company Common Stock.
- (3) The Vanguard Group stated in its Schedule 13G/A, filed on February 11, 2015 with the Securities and Exchange Commission, that it has sole voting power for 534,754, sole dispositive power for 16,583,737, and shared dispositive power for 474,453 shares of Company Common Stock.

**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 2014 pursuant to Section 16(a) of the Act, the Company believes that all of the reports were filed on a timely basis, except for one transaction, which was reported late for Elizabeth D. Moore, relating to the sale of 1,812 shares of Company Common Stock held in the Company's stock purchase plan in February 2014.

**Table of Contents**

AUDIT COMMITTEE MATTERS

**AUDIT COMMITTEE MATTERS****AUDIT COMMITTEE REPORT**

The Company's Audit Committee consisted of five independent Directors in 2014. 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, 2014. 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. In 2014, PwC did not provide any non-audit services to the Company.

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, 2014 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 2014 and 2013 are as follows:

	<b>2014</b>	<b>2013</b>
Audit Fees	\$ 4,620,998	\$ 4,457,279
Audit-Related Fees <sup>(1)</sup>	\$ 446,550	\$ 748,925
Tax Fees	\$	\$
All Other Fees	\$	\$
<b>TOTAL FEES</b>	<b>\$ 5,067,548</b>	<b>\$ 5,206,204</b>

**Footnote:**

- (1) 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 2014 and 2013 are fees for a compliance audit of certain grants received by the Company from the Department of Energy.

## Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

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.

24 CONSOLIDATED EDISON, INC. *Proxy Statement*

**Table of Contents**

COMPENSATION COMMITTEE REPORT

**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 2014 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, 2014 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

CONSOLIDATED EDISON, INC. *Proxy Statement* 25

**Table of Contents**

COMPENSATION DISCUSSION AND ANALYSIS

**COMPENSATION DISCUSSION AND ANALYSIS**

COMPENSATION DISCUSSION AND ANALYSIS (CD&A)	
<b>TABLE OF CONTENTS</b>	<b>26</b>
<b><u>Introduction</u></b>	<b>26</b>
<b><u>Executive Summary</u></b>	<b>26</b>
<u>Features of the Executive Compensation Program</u>	27
<u>Governance Features</u>	27
<u>Advisory Vote and Stockholder Engagement</u>	28
<b><u>Executive Compensation Philosophy and Objectives</u></b>	<b>28</b>
<u>Competitive Positioning Attraction and Retention</u>	28
<u>Pay-Performance Alignment, Target Total Direct Compensation Mix, and Long-Term Incentive Mix</u>	29
<u>Determining Performance Goals</u>	31
<b><u>Role of the Compensation Committee and Others in Determining Executive Compensation</u></b>	<b>31</b>
<u>Compensation Committee's Role</u>	31
<u>Management's Role</u>	31
<u>Compensation Consultant's Role</u>	31
<b><u>Executive Compensation Actions</u></b>	<b>32</b>
<u>Compensation Peer Group</u>	32
<u>Base Salary</u>	32
<u>Annual Incentive Compensation</u>	32
<u>Long-Term Incentive Compensation</u>	37
<b><u>Retirement and Other Benefits</u></b>	<b>40</b>
<u>Retirement Plans</u>	40
<u>Savings Plans</u>	40
<u>Stock Purchase Plan</u>	41
<u>Health and Welfare Plans</u>	41
<u>Perquisites and Personal Benefits</u>	41
<u>Severance and Change of Control Benefits</u>	41
<b><u>Stock Ownership Guidelines</u></b>	<b>42</b>
<b><u>No Hedging and Pledging</u></b>	<b>42</b>
<b><u>Recoupment Policy</u></b>	<b>42</b>
<b><u>Tax Deductibility of Pay</u></b>	<b>42</b>
<b>INTRODUCTION</b>	

This section of the Proxy Statement provides management's discussion and analysis of the Company's 2014 executive compensation program (the executive compensation program). The executive compensation program covers the Company's Named Executive Officers who are:

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

William Longhi, President, Shared Services, Con Edison of New York

Elizabeth D. Moore, Senior Vice President and General Counsel

**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 provide safe, reliable, and efficient service for its customers. The Compensation Committee, with the assistance of its independent compensation consultant, seeks to provide base salary and performance-based compensation that includes target annual cash incentive compensation and target long-term equity-based incentive compensation. Compensation is designed to align pay to performance and be competitive with the median level of compensation provided by the Company's compensation peer group. (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.)

**Table of Contents**

## COMPENSATION DISCUSSION AND ANALYSIS

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.

**Features of the Executive Compensation Program**

Type	Component	Objective
<b>Performance-Based Compensation</b>	Annual Incentive	Achievement of financial and operating objectives for which the Named Executive Officers have individual and collective responsibility.
	Compensation Long-Term	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.
	Incentive	
	Compensation Base Salary	
<b>Fixed Compensation &amp; Benefits</b>	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.

**Governance Features**

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 2014, half of the Company's compensation peer group granted some form of non-performance-based awards 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 following features of the Company's compensation programs mitigate risk:

- i Annual and long-term incentives under the Company's compensation programs are balanced between annual and long-term financial performance goals that are expected to enhance stockholder value.
- i Annual and long-term incentives are tied to several performance goals to reduce undue weight on any one goal.
- i Non-financial performance factors are used in determining the actual payout of annual incentive compensation as a counterbalance to financial performance goals.
- i The Company's compensation programs are designed to deliver a significant portion of compensation in the form of long-term incentives, discouraging excessive focus on annual results.
- i Performance-based equity awards are focused on sustainable performance over a three-year cycle rather than any one year.
- i Maximum awards under annual and long-term incentive plans are subject to payment caps and the Compensation Committee retains 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

**Table of Contents**

COMPENSATION DISCUSSION AND ANALYSIS

the Company's sustained performance through stock ownership. (See *Director Compensation* on page 20 and *Stock Ownership Guidelines* on page 42.)

***No Hedging and 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 and Pledging* on page 42.)

***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 42.)

***Advisory Vote and Stockholder Engagement***

In 2014, the Company held an advisory vote to approve Named Executive Officer compensation, as set forth in the 2014 proxy statement, and 93.9% of the shares voted were voted for the proposal.

The Company discussed with stockholders, investment firms, and institutional stockholders (via teleconference and in person) the design of the executive compensation program, disclosure practices, corporate governance, and the results of the most recent advisory vote to approve named executive officer compensation.

***Long-Term Incentives.*** In 2014, the Compensation Committee, in consultation with its independent compensation consultant, made certain design changes to the performance goals attributable to the 2014 performance unit awards. These changes better align long-term executive compensation with Company performance, by replacing performance 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. These changes also apply to the 2015 performance unit awards.

The Compensation Committee continues to use Shareholder Return Percentage (the cumulative change in the Company's total shareholder returns over the three-year

performance period compared with the Company's compensation peer group as constituted on the date the performance units are awarded) as a performance goal.

For 2014 and 2015 performance unit awards, the target number of performance units that may be earned will be based on the satisfaction of the following performance goals: (i) 50% Shareholder Return Percentage; (ii) 30% cumulative adjusted earnings per share ( Adjusted EPS ); and (iii) 20% operating objectives.

Long-term incentive awards to the Company's executive officers, including the Named Executive Officers continue to be 100% performance-based and at risk.

***Annual Incentives.*** In 2015, the Compensation Committee, in consultation with its independent compensation consultant, strengthened the link between Named Executive Officer compensation and performance by making certain annual incentive plan performance goals more challenging and reducing the maximum payout for achieving operating objectives from 200% to 175% of target. The changes to the operating objectives and the weightings earned for the annual incentive plan will be in effect for the 2015 annual incentive awards.

**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***

## Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

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 provide base salary, target annual cash incentive awards, and target long-term equity-based incentive award values that are competitive with the median level of compensation provided by the Company's compensation peer group. (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**

COMPENSATION DISCUSSION AND ANALYSIS

In 2014, 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			
	Target Total Cash Compensation (Base Salary + Annual Incentive)			
	Target Compensation (Base Salary + Long-Term Incentive)		Target Total Direct Compensation	
	Base Salary	Annual Incentive	Compensation	Compensation
<b>John McAvoy</b> Chairman, President, and Chief Executive Officer <sup>(1)</sup>	95%	90%	78%	81%
Other Named Executive Officers (Average) <sup>(2)</sup>	103%	99%	100%	98%

**Footnotes:**

- (1) Based on comparisons to compensation for chief executive officers of each of the Company's compensation peer group companies as disclosed in proxy statements filed in 2014.
- (2) Based on comparisons to compensation for functionally comparable positions at the Company's compensation peer group companies as disclosed in proxy statements filed in 2014 for the positions held by Mr. Høglund, Mr. Ivey, and Ms. Moore. Compensation for Mr. Longhi, for which functionally comparable positions at the Company's compensation peer group companies were not available, was compared to compensation to the fourth highest paid executive at each of the Company's compensation peer group companies.

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

The executive compensation program is designed to motivate the Company's executive officers to create value for its stockholders and provide 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 achieving financial and operating objectives critical to the performance of the Company's businesses. Awards under the Company's long term incentive plan are based on achieving financial and operating objectives critical to the Company's business plans and strategies and the Company's total shareholder return relative to the total shareholder return for the Company's compensation peer group over a three-year period.

As shown in the charts for 2014, 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.



**Table of Contents**

COMPENSATION DISCUSSION AND ANALYSIS

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 for 2014:

The following charts illustrate the average mix of target total direct compensation for the other Named Executive Officers and other named executive officers in the Company's compensation peer group for 2014 (see footnote 2 to the table in *Executive Compensation Philosophy and Objectives Competitive Positioning Attraction and Retention* on page 29):



## **Table of Contents**

### COMPENSATION DISCUSSION AND ANALYSIS

The following charts illustrate that all Named Executive Officer long-term incentive compensation is performance-based. Based on

proxy statements filed in 2014, half of the Company's compensation peer group granted some form of non-performance-based awards 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. The Compensation Committee sets challenging, but achievable, goals for the Company and its 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 the other Named Executive Officers;

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

the scope of their individual responsibilities; and

compensation peer group 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

## Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

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.

CONSOLIDATED EDISON, INC. *Proxy Statement* 31

**Table of Contents**

## COMPENSATION DISCUSSION AND ANALYSIS

**EXECUTIVE COMPENSATION ACTIONS*****Compensation Peer Group***

For 2014, 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 and the impact of acquisitions. For 2014, the Compensation Committee did not make any changes to the compensation peer group. The Company's 2013 revenues approximated the 50th 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 2014, the Company's compensation peer group consisted of the following companies:

<b>Company Name</b>	<b>2013 Revenue<sup>(1)</sup> (in millions)</b>
Exelon Corporation	\$ 24,888
Duke Energy Corporation	\$ 24,549
The Southern Company	\$ 17,087
PG&E Corporation	\$ 15,598
American Electric Power Company, Inc.	\$ 15,357
NextEra Energy, Inc.	\$ 15,136
FirstEnergy Corp.	\$ 14,900
Dominion Resources, Inc.	\$ 13,120
Edison International	\$ 12,581
PPL Corporation	\$ 11,905
Entergy Corporation	\$ 11,391
Xcel Energy Inc.	\$ 10,915
Sempra Energy	\$ 10,557
DTE Energy Company	\$ 9,661
CenterPoint Energy, Inc.	\$ 8,106
Ameren Corporation	\$ 5,838
NiSource Inc.	\$ 5,657
Pepco Holdings, Inc.	\$ 4,666
Median	\$ 12,243
Consolidated Edison, Inc.	\$ 12,354
Percentile Rank	51 <sup>st</sup>

**Footnote:**

(1) Source: Standard & Poor's Research Insight (represents net revenues, restated if applicable).

For 2015, the Compensation Committee made the following changes to the compensation peer group:

Exelon Corporation was removed due to the size of its unregulated operations, its large size, and its pending merger with Pepco Holdings, Inc.

Pepco Holdings, Inc. was removed due to its small size and its pending merger with Exelon Corporation.

Eversource Energy (formerly known as Northeast Utilities) was added because of its mix of business and size.

***Base Salary***

## Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

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 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 executives holding equivalent positions in the Company's compensation peer group. Effective February 1, 2014, base salary merit increases for the Named Executive Officers as a group, excluding Mr. McAvoy, increased by an average of 4.6%. The 2014 base salary of each Named Executive Officer is set forth in the *Salary* column of the Summary Compensation Table on page 44. Mr. McAvoy became President and Chief Executive Officer at the end of 2013. Pursuant to his employment offer letter, Mr. McAvoy received an initial base salary of \$1,140,000. His salary was not increased in 2014.

### ***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.

**Table of Contents**

COMPENSATION DISCUSSION AND ANALYSIS

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.

**Potential Awards**

For 2014, 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 the other Named Executive Officers.

A general assessment of each Named Executive Officer's performance of his or her responsibilities.

The level of annual incentive compensation compared to executives in the Company's compensation peer group. (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 46. 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:

$$\text{Base Salary} \times \text{Target Percentage} \\ \times \text{Weighting Earned}$$

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 *2014 Annual Incentive Awards* table on page 36.

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

	Target Award as a Percentage of Base Salary
<b>John McAvoy</b>	
Chairman, President and Chief Executive Officer	100%
<b>Craig Ivey</b>	
President, Con Edison of New York	80%
<b>William Longhi</b>	80%
President, Shared Services,	

Con Edison of New York

**Robert Høglund**

Senior Vice President and

Chief Financial Officer

50%

**Elizabeth D. Moore**

Senior Vice President and

General Counsel

50%

Weighting Earned is the sum of the weightings earned for the following components: adjusted net income, other financial objectives, 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 objectives (20%), and operating objectives (30%). Weightings earned may vary from zero to 200% of each of the component target weightings, 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 2014, 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 2014 Financial and Operating Objectives* table on page 36, 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.

**Table of Contents**

## COMPENSATION DISCUSSION AND ANALYSIS

For 2014, target adjusted net income and actual adjusted net income were as follows:

	Target	Actual	Performance Relative to Target
	(in millions)		
Adjusted Company Net Income <sup>(1)</sup>	\$ 1,099	\$ 1,139.8	103.7%
Adjusted Regulated Net Income	\$ 1,093	\$ 1,117.7	102.3%

**Footnote:**

(1) Excluded the impact of: the sale of solar electric production projects \$26 million after-tax gain; the lease in/lease out (LILO) transactions \$1 million after-tax charge; and net mark-to-market effects of the competitive energy businesses \$73 million after-tax charge.

If actual adjusted net income for 2014 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 <sup>(1)</sup>
≥ 110%	100%
(Target) 100%	50%
≤ 90%	0%

**Footnote:**

(1) The weightings earned, which were interpolated for actual performance between performance goals, are shown on the *Achievement of 2014 Financial and Operating Objectives* table on page 36.

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 2014 Financial and Operating Objectives* table on page 36, 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 operations and maintenance expense, capital expenditures, dividend payout and value at 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 performance goals for 25 capital projects and 12 operating and maintenance programs, respectively. The performance goals for the capital projects consist of completion milestones and cost, and, for the operating and maintenance programs, the number of units completed and cost per unit. Orange & Rockland's and the competitive energy businesses' other financial performance component is up to 1% each.

The target budgets and actual expenditures for 2014 were:

	Target	Actual	Performance Relative to Target
	(in millions)		
Con Edison of New York			
Operating Budget	\$ 1,371.0	\$ 1,384.4	101.0%
Capital Budget	\$ 2,221.0	\$ 2,119.5	95.4%

Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

Orange & Rockland			
Operating Budget	\$ 189.5	\$ 187.7	99.1%

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	Weighting Earned for		
Performance Relative to	Mr. McAvoy, Mr. Hoglund, and Ms. Moore <sup>(1)</sup>	Weighting Earned for Mr. Ivey <sup>(1)</sup>	Weighting Earned for Mr. Longhi <sup>(1)</sup>
Operating Budget Goal			
£ 93.75%	16.0%	20.0%	18.0%
(Target) 100%	8.0%	10.0%	9.0%
<sup>3</sup> 106.25%	0%	0%	0%

**Footnote:**

- (1) The weightings earned, which were interpolated for actual performance between performance goals, are shown on the *Achievement of 2014 Financial and Operating Objectives* table on page 36. In 2014, the Company achieved pre-established performance goals for 10.5 out of 12 operating and maintenance programs, as a result of which the weighting earned was not adjusted.



**Table of Contents**

## COMPENSATION DISCUSSION AND ANALYSIS

**Con Edison of****New York****Performance Relative****to Capital****Weighting Earned for  
Messrs. McAvoy, Hoglund,  
Ivey, and Longhi, and**

<b>Budget Target</b>	<b>Ms. Moore<sup>(1)</sup></b>
£ 95.00%	20%
(Target) 100%	10%
<sup>3</sup> 105.00%	0%

**Footnote:**

- (1) The weightings earned, which were interpolated for actual performance between performance goals, are shown on the *Achievement of 2014 Financial and Operating Objectives* table on page 36. In 2014, the Company achieved pre-established performance goals for 24 out of 25 capital projects, as a result of which the weighting earned was subject to a 20% upward adjustment which was limited to the maximum payout of 20%.

**Orange & Rockland****Performance Relative****to Operating****Weighting Earned  
for Messrs.****McAvoy, Hoglund, and  
Longhi, and Ms. Moore<sup>(1)</sup>**

<b>Budget Target</b>	<b>McAvoy, Hoglund, and Longhi, and Ms. Moore<sup>(1)</sup></b>
£ 93.75%	2.0%
(Target) 100%	1.0%
<sup>3</sup> 106.25%	0%

**Footnote:**

- (1) The weightings earned, which were interpolated for actual performance between performance goals, are shown on the *Achievement of 2014 Financial and Operating Objectives* table on page 36.

**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 2014 Financial and Operating Objectives* table on page 36, 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 operating objectives for 2014, accounting for up to 30%, are shown in the following table. In addition, operating objectives are used for Orange & Rockland (accounting for up to 1%) that are similar to the operating objectives used for Con Edison of New York. Operating objectives for the competitive energy businesses (accounting for up to 1%) include those that are important to the success of their business: (i) gross margins; (ii) retail sales and collections; and (iii) financial, regulatory controls, and business development objectives.

**Con Edison of****Unit of****New York Operating  
Objectives<sup>(1)</sup>**

	<b>Measure</b>	<b>Target</b>	<b>Actual</b>
Electric Network System Availability	%	<sup>3</sup> 99.999%	99.999%
Electric Non-Network System Availability	%	<sup>3</sup> 99.99%	99.99%
Electric Reliability Performance Measure	#	0	1
Respond to Gas Odor Complaints	%	<sup>3</sup> 75.0%	87.0%

Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

Total Gas Leak Year End Backlogs	#	£ 950	925
Steam Operation within normal pressure	%	<sup>3</sup> 99.7%	100%
Generation Station Production Forced Outages	%	£ 4.0%	2.9%
Public Service Commission Complaints	Rate per 100,000 Customers	£ 2.3	2.0
Representative Calls	%	<sup>3</sup> 63.0%	64.0%
Customer Satisfaction Surveys	# Score	<sup>3</sup> 85.0	89.3
Safety Index	%	<sup>3</sup> 87.5%	87.5%
Environmental Index	%	<sup>3</sup> 87.5%	87.5%
Storm Index	%	<sup>3</sup> 83.3%	83.3%
Employee Development Index	%	<sup>3</sup> 87.5%	100%

**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	Weighting Earned for Mr. McAvoy, Mr. Hoglund, and Ms. Moore <sup>(1)</sup>	Weighting Earned for Mr. Ivey <sup>(1)</sup>	Weighting Earned for Mr. Longhi <sup>(1)</sup>
Achieved 14/14	56%	60%	58%
(Target) 10/14	28%	30%	29%
<7/14	0%	0%	0%

**Footnote:**

(1) The weightings earned, which were based on actual performance between performance goals, are shown on the *Achievement of 2014 Financial and Operating Objectives* table on page 36. In 2014, the weighting earned could vary from zero to 200% of the component target weighting. The Company achieved 13 out of the 14 operating objectives resulting in a weighting earned of 175% of the component target weighting. For 2015, target performance will be 11 out of 14 operating objectives and the weighting earned may vary from zero to 175% of the component target weighting.

**Table of Contents**

## COMPENSATION DISCUSSION AND ANALYSIS

Achievement of 2014 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.

	<b>Mr. McAvoy,</b>		<b>Mr. Hoglund,</b>		<b>Mr. Longhi</b>	
	<b>and Ms. Moore</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	<b>Earned</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
	<b>Target</b>	<b>Earned</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>Adjusted Net Income</b>						
Adjusted Company Net Income	50%	68.6%				
Adjusted Regulated Net Income			50%	61.3%	50%	61.3%
<b>Other Financial</b>						
Con Edison of New York						
Operating Budget	8%	6.8%	10%	8.4%	9%	7.6%
Capital Budget	10%	20.0%	10%	20.0%	10%	20.0%
Orange & Rockland Operating Budget	1%	1.2%			1%	1.2%
Competitive Energy Businesses	1%	2.0%				
<b>Operating Objectives</b>						
Con Edison of New York	28%	49.0%	30%	52.5%	29%	50.8%
Orange & Rockland	1%	1.5%			1%	1.5%
Competitive Energy Businesses	1%	1.0%				
<b>Total</b>	<b>100%</b>	<b>150.1%</b>	<b>100%</b>	<b>142.2%</b>	<b>100%</b>	<b>142.4%</b>
<b>2014 Annual Incentive Awards</b>						

In February 2015, 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 2014 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 2014 annual incentive awards for each Named Executive Officer.

<b>Name &amp; Principal Position</b>	<b>Base Salary</b>	<b>× Target Percentage</b>	<b>× Weighting Earned</b>	<b>= 2014 Award</b>
<b>John McAvoy</b>				
Chairman, President and Chief Executive Officer	\$ 1,140,000	100%	150.1%	\$ 1,711,100
<b>Robert Hoglund</b>				
Senior Vice President and Chief Financial Officer	\$ 681,500	50%	150.1%	\$ 511,500
<b>Craig Ivey</b>				
President, Con Edison of New York	\$ 751,600	80%	142.2%	\$ 855,000
<b>William Longhi</b>				
President, Shared Services, Con Edison of New York	\$ 531,700	80%	142.4%	\$ 605,800
<b>Elizabeth D. Moore</b>				
Senior Vice President and General Counsel	\$ 574,500	50%	150.1%	\$ 431,200

36 CONSOLIDATED EDISON, INC. *Proxy Statement*

**Table of Contents**

## COMPENSATION DISCUSSION AND ANALYSIS

***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 the other Named Executive Officers;

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

level of long-term incentive compensation compared to executives in the Company's compensation peer group. (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 supplemental 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.

**2014 Performance Unit Awards**

The number of performance units awarded to the Named Executive Officers in 2014 for the 2014-2016 performance period is shown in the Grants of Plan-Based Awards Table on

page 46. 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
<b>John McAvoy</b>	
Chairman, President and Chief Executive Officer	375%
<b>Craig Ivey</b>	
President, Con Edison of New York	250%
<b>William Longhi</b>	
President, Shared Services, Con Edison of New York	200%
<b>Robert Høglund</b>	
Senior Vice President and Chief Financial Officer	200%
<b>Elizabeth D. Moore</b>	
Senior Vice President and General Counsel	150%

Adjusted EPS Percentage is the payout relative to target over the performance period beginning January 1, 2014 and ending December 31, 2016 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 2014.

#### Three-Year Cumulative Adjusted EPS

Performance	(weighting 30%)	Performance	Payout Relative
Relative to Target		Goal	to Target <sup>(1)</sup>
<sup>3</sup> 112%		<sup>3</sup> \$ 13.14	200%
(Target) 100%		\$ 11.73	100%
< 88%		< \$ 10.32	0%

**Footnote:**

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

**Table of Contents**

## COMPENSATION DISCUSSION AND ANALYSIS

Operating Objectives Percentage is the payout relative to target over the performance period beginning January 1, 2014 and ending December 31, 2016 based on the attainment of the Company's operating performance goals, set forth below, that were established in the first quarter of 2014. These performance goals further long-term reliability and foster environmental sustainability.

Operating Objectives	Performance Goals <sup>(1)</sup>		
	Threshold	Target	Maximum
System Hardening and Resiliency Projects (Weighting 10%)	< 83	93	<sup>3</sup> 103
Growth in Renewable Portfolio (Weighting 5%)	< 50% of Target	39 MW (AC) <sup>(2)</sup>	<sup>3</sup> 150% of Target
SF6 Gas Emissions Pounds of Gas Emitted (Weighting 2.5%)	> 51,750	45,000	£ 38,250
Opacity Occurrences Number of Occurrences (Weighting 2.5%)	> 207	180	£ 153

**Footnotes:**

(1) Payouts are relative to Target and are as follows: Threshold: 0%; Target: 100%; and Maximum: 150%. Payouts are interpolated for actual performance between performance goals.

(2) The Compensation Committee approves annual plan levels on a three-year cumulative basis, 2014-2016.

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, 2014 and ending December 31, 2016 compared with the Company's compensation peer group as constituted on the date the performance units were granted in 2014. 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 <sup>(1)</sup>
90 <sup>th</sup> or greater	200%
(Target) 50 <sup>th</sup>	100%
25 <sup>th</sup>	25%
Below 25 <sup>th</sup>	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 2014-2016 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

## Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

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.

### Calculation of Payout of 2012 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 2012-2014 performance period, payouts of the performance restricted stock units were calculated based on the following non-discretionary formula:



**Table of Contents**

## COMPENSATION DISCUSSION AND ANALYSIS

*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
<b>John McAvoy</b>	
Chairman, President and Chief Executive Officer <sup>(1)</sup>	100%
<b>Craig Ivey</b>	
President, Con Edison of New York	250%
<b>William Longhi</b>	
President, Shared Services, Con Edison of New York	200%
<b>Robert Høglund</b>	
Senior Vice President and Chief Financial Officer	200%
<b>Elizabeth D. Moore</b>	
Senior Vice President and General Counsel	150%

**Footnote:**

(1) Mr. McAvoy 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, 2012 and ended December 31, 2014 compared with the Company's compensation peer group as constituted on the date the performance restricted stock units were granted in 2012.

The level of performance restricted stock units were calculated as follows:

Company Percentile Rating	Payout Relative to Target <sup>(1)</sup>
75 <sup>th</sup> or greater	150%

Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

(Target) 50 <sup>th</sup>	100%
25 <sup>th</sup>	25%
Below 25 <sup>th</sup>	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, 2012 and ended December 31, 2014.

The following table shows, for each Named Executive Officer, the calculation of the payout with respect to the performance restricted stock units for the 2012–2014 performance period:

Name & Principal Position	Award × 50%	×	Incentive Plan Percentage <sup>(1)</sup>	+	Award × 50%	×	Shareholder Return Percentage	=	2012-2014 Payout Total
<b>John McAvoy</b>									
Chairman, President and Chief Executive Officer	3,500		143.8%		3,500		0%		5,033
<b>Robert Høglund</b>									
Senior Vice President and Chief Financial Officer	11,200		135.9%		11,200		0%		15,221
<b>Craig Ivey</b>									
President, Con Edison of New York	14,000		134.7%		14,000		0%		18,858
<b>William Longhi</b>									
President, Shared Services, Con Edison of New York	8,500		151.9%		8,500		0%		12,912
<b>Elizabeth D. Moore</b>									
Senior Vice President and General Counsel	7,100		135.9%		7,100		0%		9,649

**Footnote:**

(1) The calculated Incentive Plan Percentage for each year in the 2012–2014 performance period was as follows:

	2012	2013	2014
Mr. McAvoy	126.8%	154.6%	150.1%
Mr. Høglund and Ms. Moore	129.6%	127.9%	150.1%
Mr. Ivey	132.4%	129.5%	142.2%
Mr. Longhi	184.3%	128.9%	142.4%

**Table of Contents**

## COMPENSATION DISCUSSION AND ANALYSIS

**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 49 to 50. No changes were made to the retirement plans in 2014 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 44 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 2014. 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 50 as of December 31, 2014 and the amounts reported in the Pension Benefits Table in the 2014 proxy statement on page 59.

The increase in the calculated estimated actuarial present value of Mr. McAvoy's accumulated pension benefit in 2014 was \$3.7 million. More than half of that amount, \$2.1 million, was driven by changes in the actuarial assumptions for 2014, as compared to 2013, that were used to calculate the estimated present value of the Company's projected pension benefit obligations for the Company's financial statements. These changes in actuarial assumptions included a year-over-year decline in the discount rate from 4.80% to 3.90% and the impact of new mortality tables released by the Society of Actuaries projecting longer life expectancies. A lower discount rate and a longer life expectancy actuarial assumption produce a higher present value of accumulated pension benefit, but do not increase the amount of pension benefit that Mr. McAvoy will be paid following his retirement.

The remainder of the change in the present value of Mr. McAvoy's accumulated pension benefit, \$1.6 million, was due primarily to his salary increase upon his promotion to chief executive officer in 2013. For retirement plan participants 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 49.) Mr. McAvoy's higher earnings as chief executive officer in 2014 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***

## Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

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 51. 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 44.

**Table of Contents**

## COMPENSATION DISCUSSION AND ANALYSIS

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 and Longhi, 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. Hogle 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 49.

Pursuant to the Internal Revenue Code, effective for 2014, the savings plan limits the additions that can be made to a participating employee's account to \$52,000 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 \$17,500 per year (or \$23,000 per year for certain participants age 50 and over). In addition, no more than \$260,000 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, 2014.

***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 2014, are set forth in the *All Other Compensation* column of the Summary Compensation Table on page 44:

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 pages 53 to 54. 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 53.

**Table of Contents**

## COMPENSATION DISCUSSION AND ANALYSIS

**STOCK OWNERSHIP GUIDELINES**

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

<b>Officer Title</b>	<b>Multiple of Base Salary</b>
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 1<sup>st</sup> after their appointment to a covered title to meet the guidelines. In January 2015, it was determined that, as of December 31, 2014, 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.

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 AND 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 Company strives to award executive compensation that meets the deductibility requirements, it may enter into compensation arrangements under which payments are not deductible on account of Section 162(m). For 2014, the Company estimates that \$909,000 of the compensation paid to Mr. McAvoy, \$1,413,000 of the compensation paid to Mr. Ivey, and \$949,000 of the compensation paid to Mr. Longhi was not deductible for federal income tax purposes.



**Table of Contents**

COMPENSATION RISK MANAGEMENT

**COMPENSATION RISK MANAGEMENT**

In 2014, 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 are 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 are tied to several performance goals to reduce undue weight on any one goal;

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

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

the performance-based equity awards under the Company's compensation programs are based on performance over a three-year period, focusing on sustainable performance over a three-year cycle rather than any one year;

maximum awards that may be paid out under annual and long-term incentive awards are subject to appropriate payment caps and the Compensation Committee retains discretion to reduce payouts; and

to encourage a long-term commitment to the Company's sustained performance, the Company has adopted share ownership guidelines that further align the long-term interests of executives and stockholders, as well as restrictions on shorting, hedging, and pledging Company securities.

**Table of Contents**

## SUMMARY COMPENSATION TABLE

**SUMMARY COMPENSATION TABLE**

The following table sets forth certain information with respect to the compensation for the Named Executive Officers. For Mr. McAvoy, who became President and Chief Executive Officer on December 26, 2013, information for fiscal year ended December 31, 2012 is not provided because he was not a Named Executive Officer in that year.

Name & Principal Position	Year	Salary	Bonus	Stock Awards <sup>(1)</sup>	Non-Equity Incentive Plan Compensation <sup>(2)</sup>	Change in Pension Value and Non-Qualified Deferred Compensation Earnings <sup>(3)</sup>	All Other Compensation <sup>(4)</sup>	Securities and Exchange Commission Total <sup>(5)</sup>	Securities and Exchange Commission Total Without Change in Pension Value <sup>(6)</sup>
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>John McAvoy</b>	2014	\$ 1,140,000	\$	\$ 3,055,887	\$ 1,711,100	\$ 3,724,321	\$ 54,380	\$ 9,685,688	\$ 5,961,367
Chairman, President and Chief Executive Officer	2013	\$ 405,959	\$	\$ 946,800	\$ 490,500	\$ 1,057,674	\$ 26,739	\$ 2,927,672	\$ 1,869,998
<b>Robert Hoglund</b>	2014	\$ 679,742	\$	\$ 949,260	\$ 511,500	\$ 814,137	\$ 54,178	\$ 3,008,817	\$ 2,194,680
Senior Vice President and Chief Financial Officer	2013	\$ 658,692	\$	\$ 1,472,800	\$ 422,300	\$ 80,542	\$ 52,486	\$ 2,686,820	\$ 2,606,278
	2012	\$ 638,400	\$ 0 <sup>(7)</sup>	\$ 1,098,720	\$ 414,700	\$ 230,589	\$ 60,292	\$ 2,442,701	\$ 2,212,112
<b>Craig Ivey</b>	2014	\$ 748,058	\$	\$ 1,277,850	\$ 855,000	\$ 230,725	\$ 57,813	\$ 3,169,446	\$ 2,938,721
President, Con Edison of New York	2013	\$ 707,492	\$	\$ 1,841,000	\$ 734,700	\$ 132,729	\$ 53,819	\$ 3,469,740	\$ 3,337,011
	2012	\$ 684,083	\$ 0 <sup>(7)</sup>	\$ 1,373,400	\$ 730,600	\$ 201,736	\$ 92,900	\$ 3,082,719	\$ 2,880,983
<b>William Longhi</b>	2014	\$ 529,192	\$	\$ 730,200	\$ 605,800	\$ 3,032,872	\$ 36,250	\$ 4,934,314	\$ 1,901,442
President, Shared Services, Con Edison of New York	2013	\$ 500,300	\$	\$ 1,157,200	\$ 517,300	\$ 695,948	\$ 32,637	\$ 2,903,385	\$ 2,207,437
	2012	\$ 481,583	\$	\$ 833,850	\$ 716,600	\$ 2,724,026	\$ 77,112	\$ 4,833,171	\$ 2,109,145
<b>Elizabeth D. Moore</b>	2014	\$ 573,017	\$	\$ 584,160	\$ 431,200	\$ 128,517	\$ 46,955	\$ 1,763,849	\$ 1,635,332
Senior Vice President and General Counsel	2013	\$ 555,350	\$	\$ 946,800	\$ 356,100	\$ 90,338	\$ 44,971	\$ 1,993,559	\$ 1,903,221
	2012	\$ 539,142	\$ 0 <sup>(7)</sup>	\$ 696,510	\$ 350,200	\$ 114,778	\$ 59,029	\$ 1,759,659	\$ 1,644,881

**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 performance of Company Common Stock and the Named Executive Officer's continued service. The terms applicable to the performance unit awards granted for fiscal year 2014 are set forth on the Grants of Plan-Based Awards Table on page 46. Based on the fair value at grant date, the following are the maximum potential values of the performance units for the 2014-2016 performance period granted under the long term incentive plan assuming maximum level of performance is achieved: Mr. McAvoy \$5,806,185; Mr. Hoglund \$1,803,594; Mr. Ivey \$2,427,915; Mr. Longhi \$1,387,380; and Ms. Moore \$1,109,904.
- (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.

For Mr. McAvoy, more than half of the 2014 change in pension value included in the table, \$2.1 million, was driven by changes in actuarial assumptions used to calculate the estimated present value of the Company's projected pension benefit obligations for its financial statements. The assumptions included a year-over-year decline in the discount rate from 4.80% to 3.90% and the impact of new mortality tables released by the Society of Actuaries projecting longer

## Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

life expectancies. The remainder of the change, \$1.6 million, was due primarily to Mr. McAvoy's salary increase upon his promotion to chief executive officer in 2013. For retirement plan participants 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 2014 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 page 40 and narrative to the Pension Benefits Table on page 49.

44 CONSOLIDATED EDISON, INC. *Proxy Statement*

**Table of Contents**

## SUMMARY COMPENSATION TABLE

- (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	Mr. Longhi	Ms. Moore
Personal use of company provided vehicle	\$ 2,088	\$ 888	\$ 425	\$ 7,869	\$ 4,916
Driver costs	\$ 1,737	\$	\$	\$	\$
Financial planning	\$ 14,650	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800
Supplemental health insurance	\$ 1,705	\$ 1,705	\$ 1,705	\$ 1,705	\$ 501
Company matching contributions to the savings plan	\$ 7,800	\$ 15,600	\$ 15,600	\$ 7,800	\$ 11,957
Supplemental plan	\$ 26,400	\$ 25,185	\$ 29,283	\$ 8,076	\$ 18,781
Total	\$ 54,380	\$ 54,178	\$ 57,813	\$ 36,250	\$ 46,955

- (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 page 40.
- (7) Messrs. Hoglund and Ivey and Ms. Moore each elected to return their discretionary annual incentive award increase to the Company in 2013 that were previously reported in the Company's 2013 proxy statement.

**Table of Contents**

## GRANTS OF PLAN-BASED AWARDS TABLE

**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, 2014.

Name & Principal Position	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(2)</sup>			Grant Date Fair Value of
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	Stock Awards <sup>(3)</sup>
								(\$)
<b>John McAvoy</b>								
Chairman, President and Chief Executive Officer	2/1/2014	\$ 142,500	\$ 1,140,000	\$ 2,280,000	8,370	83,700	159,030	\$ 3,055,887
<b>Robert Høglund</b>								
Senior Vice President and Chief Financial Officer	2/1/2014	\$ 42,600	\$ 340,800	\$ 681,600	2,600	26,000	49,400	\$ 949,260
<b>Craig Ivey</b>								
President, Con Edison of New York	2/1/2014	\$ 75,200	\$ 601,300	\$ 1,202,600	3,500	35,000	66,500	\$ 1,277,850
<b>William Longhi</b>								
President, Shared Services, Con Edison of New York	2/1/2014	\$ 53,200	\$ 425,400	\$ 850,800	2,000	20,000	38,000	\$ 730,200
<b>Elizabeth D. Moore</b>								
Senior Vice President and General Counsel	2/1/2014	\$ 35,900	\$ 287,300	\$ 574,600	1,600	16,000	30,400	\$ 584,160

**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 2014-2016 performance period granted under the Company's long term incentive plan. (See *Executive Compensation Actions Long-Term Incentive Compensation* beginning on page 37.) Based on the fair value at grant date, the following are the maximum potential values of the performance units for the 2014-2016 performance period granted under the long term incentive plan assuming maximum level of performance is achieved: Mr. McAvoy \$5,806,185; Mr. Høglund \$1,803,594; Mr. Ivey \$2,427,915; Mr. Longhi \$1,387,380; and Ms. Moore \$1,109,904.
- (3) The *Grant Date Fair Value of Stock Awards* column reflects the grant date fair value of the performance units for the 2014-2016 performance period. (See footnote 1 to the Summary Compensation Table on page 44.)

**Table of Contents**

## OUTSTANDING EQUITY AWARDS TABLE

**OUTSTANDING EQUITY AWARDS TABLE**

The following table sets forth certain information with respect to all unvested stock awards previously awarded to the Named Executive Officers as of the fiscal year ended December 31, 2014. None of the Named Executive Officers have unexercised option awards.

Name & Principal Position	STOCK AWARDS <sup>(1)</sup>	
	Equity Incentive	
	Plan Awards:	Equity Incentive
	Number of unearned shares, units or other rights held that have not vested (#)	Plan Awards: Market or Payout Value of unearned shares, units or other rights that have not vested (\$)
<b>John McAvoy</b> Chairman, President and Chief Executive Officer	18,000 <sup>(2)</sup>	\$ 1,188,180
<b>Robert Høglund</b> Senior Vice President and Chief Financial Officer	83,700 <sup>(3)</sup>	\$ 5,525,037
<b>Craig Ivey</b> President, Con Edison of New York	28,000 <sup>(2)</sup>	\$ 1,848,280
<b>William Longhi</b> President, Shared Services, Con Edison of New York	26,000 <sup>(3)</sup>	\$ 1,716,260
<b>Elizabeth D. Moore</b> Senior Vice President and General Counsel	35,000 <sup>(2)</sup>	\$ 2,310,350
	35,000 <sup>(3)</sup>	\$ 2,310,350
	22,000 <sup>(2)</sup>	\$ 1,452,220
	20,000 <sup>(3)</sup>	\$ 1,320,200
	18,000 <sup>(2)</sup>	\$ 1,188,180
	16,000 <sup>(3)</sup>	\$ 1,056,160

**Footnotes:**

- (1) Value of unvested performance-based equity awards using the closing price of \$66.01 for a share of Company Common Stock on December 31, 2014.
- (2) The number of performance restricted stock units and payment amount of the performance restricted stock units will be determined as of December 31, 2015 based on satisfaction of performance goals for the 2013-2015 performance cycle.
- (3) The number of performance units and payment amount of the performance units will be determined as of December 31, 2016 based on satisfaction of performance goals for the 2014-2016 performance cycle.

**Table of Contents**

## OPTION EXERCISES AND STOCK VESTED TABLE

**OPTION EXERCISES AND STOCK VESTED TABLE**

The following table sets forth certain information with respect to all stock awards vested in 2014 for the Named Executive Officers. None of the Named Executive Officers exercised options in 2014.

Name & Principal Position	STOCK AWARDS <sup>(1)</sup>	
	Number of Shares Acquired on Vesting	Value Realized on Vesting
	(#)	(\$)
<b>John McAvoy</b>		
Chairman, President and Chief Executive Officer	5,033	\$ 321,206
<b>Robert Hogle</b>		
Senior Vice President and Chief Financial Officer	15,221	\$ 971,404
<b>Craig Ivey</b>		
President, Con Edison of New York	18,858	\$ 1,203,518
<b>William Longhi</b>		
President, Shared Services, Con Edison of New York	12,912	\$ 824,044
<b>Elizabeth D. Moore</b>		
Senior Vice President and General Counsel	9,649	\$ 615,799

**Footnotes:**

- (1) Represents the vesting of each Named Executive Officer's performance restricted stock unit award for the 2012-2014 performance period, valued at \$63.82, the closing price of Company Common Stock on February 17, 2015. Actual value realized by each Named Executive Officer will depend on each individual's payout election under the Company's long term incentive plan.

**Table of Contents**

PENSION BENEFITS

**PENSION BENEFITS****Retirement Plan Benefits**

The retirement plan, a tax qualified retirement plan, covers substantially all of the Company's employees. The supplemental retirement income plan provides certain highly compensated employees, including the Named Executive Officers, whose benefits are limited by the Internal Revenue Code with that portion of their retirement benefit that represents the difference between (i) the amount they would have received under the retirement plan absent Internal Revenue Code limitations on the amount of final average salary that may be considered in calculating pension benefits and the amount of pension benefits paid and (ii) the amount actually paid from the retirement plan. All amounts under the supplemental retirement income plan are paid out of the Company's general assets.

For management employees hired before January 1, 2001, including Messrs. McAvoy and Longhi, the retirement plan provides pension benefits based on: (i) the participant's highest average salary for 48 consecutive months within the 120 consecutive months prior to retirement (final average salary); (ii) the portion of final average salary in excess of the Social Security taxable wage base in the year of retirement; and (iii) the participant's length of service. For purposes of the retirement plan, a participant's salary for a year is deemed to include any award under the Company's annual incentive plans for that year. Participants in the retirement plans whose age and years of service equal 75 are entitled to an annual pension benefit for life, payable in monthly installments. Participants may earn increased pension benefits by working additional years. Benefits payable to a participant who retires between ages 55 and 59 with less than 30 years of service are subject to a reduction of one and a half percent (1.5%) for each full year of retirement before age 60. Early retirement reduction factors are not applied to pensions of participants electing retirement at age 55 or older with at least 30 years of service. Effective January 1, 2013, the portion of future benefits earned and payable at retirement to participants who were under age 50 prior to 2013 and who retire between ages 55 and 59 are subject to an early retirement reduction. The reduction applied to benefits earned after 2012 is five percent (5%) for each full year of retirement before age 60. The

retirement plan provides an annual adjustment equal to the lesser of three percent (3%) or three-quarters (3/4) of the annual increase in the Consumer Price Index to offset partially the effects of inflation.

From January 1, 2009 through June 30, 2012, management employees, including Mr. Longhi, covered under the final average salary formula who were at least age 55 and had 30 or more years of service received an additional pension accrual from the time the participant became eligible through June 30, 2012, at a rate equal to one-twelfth (1/12) of one-half percent (1/2%) of the final average salary for each month of service.

For management employees hired on or after January 1, 2001, including Messrs. Hoglund and Ivey and Ms. Moore, the retirement plan provides pension benefits based on a cash balance formula under which benefits accrue at the end of each calendar quarter. Benefit distributions are made in the form of a lump sum payment, but participants may elect instead to receive an immediate or deferred lifetime annuity.

The crediting percent, which can range from four percent (4%) to seven percent (7%), depending on the participant's age and years of service, is applied to the participant's base salary and annual incentive award (Earnings) during the quarter. In addition, a participant whose Earnings exceed the Social Security Wage Base (\$117,000 for 2014) will receive a four percent (4%) credit on the amount of his or her Earnings that exceed the Social Security Wage Base. The cash balance account of participants is credited with interest quarterly at a rate equal to one-quarter (1/4) of the annual interest rate payable on the 30-year U.S. Treasury bond, subject to a minimum annual rate of three percent (3%) and a maximum annual rate of nine percent (9%). The following table shows how this works:

Age Plus Years of Service	Rate on Earnings	Plus	Rate on Earnings Above Social Security Wage Base
Under 35	4.00%		4.00%
35 - 49	5.00%		4.00%



Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

50 - 64	6.00%	4.00%
Over 64	7.00%	4.00%

CONSOLIDATED EDISON, INC. *Proxy Statement* 49

**Table of Contents**

## PENSION BENEFITS

**Pension Benefits Table**

The following table shows certain pension benefits information for each Named Executive Officer as of December 31, 2014.

Name & Principal Position	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit <sup>(1)</sup> (\$)	Payments during Last Fiscal Year (\$)
<b>John McAvoy</b>	Retirement Plan	35	\$ 1,748,321	\$ 0
Chairman, President and Chief Executive Officer	Supplemental Retirement Income Plan	35	\$ 5,799,657	\$ 0
<b>Robert Hoglund</b>	Retirement Plan	11	\$ 272,680	\$ 0
Senior Vice President and Chief Financial Officer	Supplemental Retirement Income Plan	16 <sup>(2)</sup>	\$ 1,508,563	\$ 0
<b>Craig Ivey</b>	Retirement Plan	5	\$ 130,494	\$ 0
President, Con Edison of New York	Supplemental Retirement Income Plan	5	\$ 665,489	\$ 0
<b>William Longhi</b>	Retirement Plan	39	\$ 2,390,337	\$ 0
President, Shared Services, Con Edison of New York	Supplemental Retirement Income Plan	39	\$ 8,433,963	\$ 0
<b>Elizabeth D. Moore</b>	Retirement Plan	5	\$ 138,184	\$ 0
Senior Vice President and General Counsel	Supplemental Retirement Income Plan	5	\$ 394,265	\$ 0

**Footnotes:**

- (1) Amounts were calculated as of December 31, 2014, using the assumptions that were used for the Company's financial statements. (See Note E to the financial statements in the Company's Annual Report on Form 10-K for material assumptions.)
- (2) As part of Mr. Hoglund's employment offer in 2004, the Company agreed to provide Mr. Hoglund credit for an additional ten years of service in the cash balance formula to offset part of the long-term incentives forfeited upon leaving his previous employer. Five of the additional ten years of service were credited on April 1, 2014 after he completed ten years of continuous employment and the remaining five years will be credited after he completes 15 years of continuous service. The portion of Mr. Hoglund's retirement benefit that is attributable to the additional years of service provided by the Company will be paid under the supplemental retirement income plan.

**Table of Contents**

## NON-QUALIFIED DEFERRED COMPENSATION

**NON-QUALIFIED DEFERRED COMPENSATION****Deferred Income Plan**

The savings plan, a tax-qualified savings plan, covers substantially all of the Company's employees. The savings plan is described on pages 40 to 41. All employees, including Named Executive Officers, whose benefits under the savings plan are limited by the Internal Revenue Code, are eligible to defer a portion of their salary into the deferred income plan, a non-qualified deferred compensation plan. The deferred income plan permits participating officers to defer on a before-tax basis: (i) up to 50% of their base salary, (ii) all or a portion of their annual incentive award, and (iii) the cash value of any restricted stock unit awards (including any dividend equivalents). In addition, under the deferred income plan the Company will credit participating employees with a Company matching contribution on that portion of their contributions that cannot be matched under the savings plan because of Internal Revenue Code limitations. Earnings on amounts contributed under the deferred income plan reflect investment in accordance with participating employees' investment elections. There were no above-market or preferential earnings

with respect to the deferred income plan. Individuals participating in the deferred income plan may elect to have their account balances invested in funds institutionally managed by the Nationwide Insurance Company. Participants may change their investment allocation once per calendar quarter. All amounts distributed from the deferred income plan are paid out of the Company's general assets.

Amounts deferred, if any, under the savings plan and the deferred income plan by the Named Executive Officers are included in the *Salary* and *Non-Equity Incentive Plan Compensation* columns of the Summary Compensation Table on page 44. Company matching contributions allocated to the Named Executive Officers under the savings plan and the deferred income plan are shown in the *All Other Compensation* column of the Summary Compensation Table on page 44. Amounts realized upon vesting of stock awards that were deferred into the deferred income plan, if any, are shown on the *Value Realized on Vesting* column of the Option Exercises and Stock Vested Table on page 48.

**Table of Contents**

## NON-QUALIFIED DEFERRED COMPENSATION

**Non-Qualified Deferred Compensation Table**

The following table sets forth certain information with respect to non-qualified deferred compensation for each Named Executive Officer as of December 31, 2014.

Name & Principal Position	Executive Contributions in Last FY <sup>(1)</sup> (\$)	Registrant Contributions in Last FY <sup>(2)</sup> (\$)	Aggregate Earnings/(Losses) in Last FY <sup>(3)</sup> (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE <sup>(4)</sup> (\$)
<b>John McAvoy</b>					
Chairman, President and Chief Executive Officer	\$ 52,800	\$ 26,400	\$ 1,166	\$ 0	\$ 118,133
<b>Robert Hoglund</b>					
Senior Vice President and Chief Financial Officer	\$ 33,579	\$ 25,185	\$ 55,954	\$ 0	\$ 586,207
<b>Craig Ivey</b>					
President, Con Edison of New York	\$ 107,866	\$ 29,284	\$ 75,758	\$ 0	\$ 1,080,898
<b>William Longhi</b>					
President, Shared Services, Con Edison of New York	\$ 16,152	\$ 8,075	\$ 11,544	\$ 0	\$ 322,456
<b>Elizabeth D. Moore</b>					
Senior Vice President General Counsel	\$ 520,630	\$ 18,781	\$ 50,246	\$ 0	\$ 1,360,352

**Footnotes:**

- (1) Amounts set forth under *Executive Contributions in Last FY* column are reported in either: (i) the *Salary* column of the Summary Compensation Table; (ii) the *Value Realized on Vesting* column of the Option Exercises and Stock Vested Table; or (iii) the *Non-Equity Incentive Plan Compensation* column of the Summary Compensation Table of the Company's proxy statements for its 2014 and 2015 annual meetings of stockholders, as applicable.
- (2) The amounts set forth under the *Registrant Contributions in Last FY* column are reported in the *All Other Compensation* column of the Summary Compensation Table on page 44.
- (3) Represents earnings or losses on accounts for fiscal year 2014. No amounts set forth under *Aggregate Earnings/(Losses) in Last FY* column have been reported in the Summary Compensation Table on page 44, as there were no above-market or preferential earnings credited to any Named Executive Officer's account.
- (4) Aggregate account balances as of December 31, 2014:

	Mr. McAvoy	Mr. Hoglund	Mr. Ivey	Mr. Longhi	Ms. Moore
Executive Contributions	\$ 73,856	\$ 235,353	\$ 728,479	\$ 165,137	\$ 1,090,755
Company Matching Contributions	\$ 36,470	\$ 129,285	\$ 89,410	\$ 46,528	\$ 62,832
Earnings	\$ 7,807	\$ 221,569	\$ 263,009	\$ 110,791	\$ 206,765

Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

Total	\$ 118,133	\$ 586,207	\$ 1,080,898	\$ 322,456	\$ 1,360,352
-------	------------	------------	--------------	------------	--------------

52 CONSOLIDATED EDISON, INC. *Proxy Statement*

**Table of Contents**

## POTENTIAL PAYMENTS UPON TERMINATION OF EMPLOYMENT OR CHANGE OF CONTROL

**POTENTIAL PAYMENTS UPON TERMINATION OF EMPLOYMENT OR CHANGE OF CONTROL**

The Company's Severance Program for Officers of Consolidated Edison, Inc. and its Subsidiaries (the "Severance Program") provides compensation to the Named Executive Officers in the event of certain terminations of employment or a change of control of the Company. The amount of compensation that is potentially payable to each Named Executive Officer in each situation is listed in the table below. These amounts are estimates only and do not necessarily reflect the actual amounts that would be paid to these Named Executive Officers, which would only be known at the time that they become eligible for payment. The tables reflect the amount that could be payable under the Severance Program assuming such termination occurred at December 31, 2014. The price per share of Company Common Stock on December 31, 2014 was \$66.01 per share.

Executive	Benefits and Payments Upon Termination <sup>(1)</sup>	Resignation for any Reason (prior to CIC) or Resignation without Good Reason (following a CIC)		Termination without Cause <sup>(2)</sup>	Termination for Cause	Termination for Good Reason (following a CIC) <sup>(3)</sup>	Death or Disability
		Retirement	Retirement	Cause <sup>(2)</sup>	Cause	Cause <sup>(3)</sup>	
<b>John McAvoy</b> Chairman, President and Chief Executive Officer	Severance	\$ 0	\$ 0	\$ 3,420,000	\$ 0	\$ 5,700,000	\$ 0
	2003 long-term plan incentives <sup>(4)</sup>	\$ 0	\$ 1,188,180 <sup>(5)</sup>	\$ 1,188,180 <sup>(5)</sup>	\$ 0	\$ 1,188,180 <sup>(6)</sup>	\$ 1,188,180 <sup>(5)</sup>
	2013 long-term plan incentives <sup>(4)</sup>	\$ 0	\$ 5,525,037 <sup>(5)</sup>	\$ 5,525,037 <sup>(5)</sup>	\$ 0	\$ 5,525,037 <sup>(7)</sup>	\$ 5,525,037 <sup>(5)</sup>
	Benefits and Perquisites	\$ 109,615	\$ 109,615	\$ 2,891,853	\$ 109,615	\$ 5,649,090	\$ 2,389,615
	<b>Total</b>	\$ 109,615	\$ 6,822,832	\$ 13,025,070	\$ 109,615	\$ 18,062,307	\$ 9,102,832
<b>Robert Høglund</b> Senior Vice President and Chief Financial Officer	Severance	\$ 0	\$ 0	\$ 1,363,100	\$ 0	\$ 2,385,400	\$ 0
	2003 long-term plan incentives <sup>(4)</sup>	\$ 0	\$ 1,848,280 <sup>(5)</sup>	\$ 1,848,280 <sup>(5)</sup>	\$ 0	\$ 1,848,280 <sup>(6)</sup>	\$ 1,848,280 <sup>(5)</sup>
	2013 long-term plan incentives <sup>(4)</sup>	\$ 0	\$ 1,716,260 <sup>(5)</sup>	\$ 1,716,260 <sup>(5)</sup>	\$ 0	\$ 1,716,260 <sup>(7)</sup>	\$ 1,716,260 <sup>(5)</sup>
	Benefits and Perquisites	\$ 52,423	\$ 52,423	\$ 227,551	\$ 52,423	\$ 377,678	\$ 1,415,423
	<b>Total</b>	\$ 52,423	\$ 3,616,963	\$ 5,155,191	\$ 52,423	\$ 6,327,618	\$ 4,979,963
<b>Craig Ivey</b> President, Con Edison of New York	Severance	\$ 0	\$ 0	\$ 1,954,200	\$ 0	\$ 3,307,100	\$ 0
	2003 long-term plan incentives <sup>(4)</sup>	\$ 0	\$ 2,310,350 <sup>(5)</sup>	\$ 2,310,350 <sup>(5)</sup>	\$ 0	\$ 2,310,350 <sup>(6)</sup>	\$ 2,310,350 <sup>(5)</sup>
	2013 long-term plan incentives <sup>(4)</sup>	\$ 0	\$ 2,310,350 <sup>(5)</sup>	\$ 2,310,350 <sup>(5)</sup>	\$ 0	\$ 2,310,350 <sup>(7)</sup>	\$ 2,310,350 <sup>(5)</sup>
	Benefits and Perquisites	\$ 57,815	\$ 57,815	\$ 258,986	\$ 57,815	\$ 435,157	\$ 1,561,015
	<b>Total</b>	\$ 57,815	\$ 4,678,515	\$ 6,833,886	\$ 57,815	\$ 8,362,957	\$ 6,181,715
<b>William Longhi</b> President, Shared Services, Con Edison of New York	Severance	\$ 0	\$ 0	\$ 1,382,500	\$ 0	\$ 2,339,600	\$ 0
	2003 long-term plan incentives <sup>(4)</sup>	\$ 0	\$ 1,452,220 <sup>(5)</sup>	\$ 1,452,220 <sup>(5)</sup>	\$ 0	\$ 1,452,220 <sup>(6)</sup>	\$ 1,452,220 <sup>(5)</sup>
	2013 long-term plan incentives <sup>(4)</sup>	\$ 0	\$ 1,320,200 <sup>(5)</sup>	\$ 1,320,200 <sup>(5)</sup>	\$ 0	\$ 1,320,200 <sup>(7)</sup>	\$ 1,320,200 <sup>(5)</sup>
	Benefits and Perquisites	\$ 51,125	\$ 51,125	\$ 328,267	\$ 51,125	\$ 580,409	\$ 1,114,525
	<b>Total</b>	\$ 51,125	\$ 2,823,545	\$ 4,483,187	\$ 51,125	\$ 5,692,429	\$ 3,886,945
<b>Elizabeth D. Moore</b> Senior Vice President and General Counsel	Severance	\$ 0	\$ 0	\$ 1,149,100	\$ 0	\$ 2,010,900	\$ 0
	2003 long-term plan incentives <sup>(4)</sup>	\$ 0	\$ 1,188,180 <sup>(5)</sup>	\$ 1,188,180 <sup>(5)</sup>	\$ 0	\$ 1,188,180 <sup>(6)</sup>	\$ 1,188,180 <sup>(5)</sup>
	2013 long-term plan incentives <sup>(4)</sup>	\$ 0	\$ 1,056,160 <sup>(5)</sup>	\$ 1,056,160 <sup>(5)</sup>	\$ 0	\$ 1,056,160 <sup>(7)</sup>	\$ 1,056,160 <sup>(5)</sup>
	Benefits and Perquisites	\$ 44,192	\$ 44,192	\$ 189,584	\$ 44,192	\$ 309,975	\$ 1,193,192
	<b>Total</b>	\$ 44,192	\$ 2,288,532	\$ 3,583,024	\$ 44,192	\$ 4,565,215	\$ 3,437,532

**Footnotes:**

- (1) Assumes the compensation of Messrs. McAvoy, Høglund, Ivey and Longhi, and Ms. Moore for 2014 is as follows: (i) Mr. McAvoy's base salary equal to \$1,140,000 and a target annual bonus equal to 100% of base salary; (ii) Mr. Høglund's base salary equal to \$681,500 and a target annual bonus equal to 50% of base salary; (iii) Mr. Ivey's base salary equal to \$751,600 and a target annual bonus equal to 80% of base salary; (iv) Mr. Longhi's base salary equal to \$531,700 and a target annual bonus equal to 80% of base salary; and (v) Ms. Moore's base salary equal to \$574,500 and a target annual bonus equal to 50% of base salary. Benefits and perquisites include incremental retirement plan amounts, health insurance coverage cost, death benefit proceeds under the

## Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

Company's deferred incentive plan, accrued vacation pay, and outplacement costs, as applicable. For purposes of the table above, Messrs. McAvoy, Hoglund, Ivey and Longhi, and Ms. Moore, are each defined as the Executive in the corresponding footnotes below.

- (2) As per the Severance Program, the Executive's severance benefit pursuant to a termination without Cause (before a Change of Control or CIC) is equal to: (i) a lump sum equal to base salary and annual target bonus pro-rated through the termination date and any accrued vacation pay, (ii) a lump sum equal to the net present value of one additional year of service credit under the Company's retirement plans (assuming compensation at Executive's then annual rate of base salary and target annual bonus), (iii) a lump sum equal to 1x the sum of the Executive's then base salary and target annual bonus, (iv) one year continuation of health and life insurance coverage and one year of additional service credit toward eligibility for (but not for commencement of) retiree benefits, and (v) one year of outplacement costs.

**Table of Contents**

POTENTIAL PAYMENTS UPON TERMINATION OF EMPLOYMENT OR CHANGE OF CONTROL

- (3) As per the Severance Program, the Executive's severance benefit under a termination without Cause or resignation for Good Reason (on or following CIC) is equal to the same severance benefit under a termination without Cause (before CIC) as described in footnote 2 above except the amounts in clauses (ii), (iii), and (iv) are 2x instead of 1x.
- (4) As per the 2003 long term incentive plan, potential payments will be made upon the occurrence of a CIC without any qualifying termination of employment. Potential payments under the 2013 long term incentive plan require the occurrence of a (i) CIC and (ii) qualifying termination of employment (a CIC Separation from Service) unless the Management Development and Compensation Committee of the Board of Directors of the Company (the Compensation Committee) determines otherwise.
- (5) For disclosure purposes, upon Termination (other than a termination for Cause or a resignation without Good Reason), retirement, death or disability, the Compensation Committee is assumed to have taken action pursuant to the long term incentive plan to fully accelerate the vesting of target performance-based awards.
- (6) As per the 2003 long term incentive plan, in the event of a CIC, target performance restricted stock unit awards vest pro-rata through the date of such event. For disclosure purposes, the Compensation Committee is assumed to have taken action to fully accelerate target performance restricted stock unit awards.
- (7) As per the 2013 long term incentive plan, target performance unit awards vest pro-rata through the date of a CIC Separation from Service. For disclosure purposes, the Compensation Committee is assumed to have taken action to fully accelerate target performance unit awards.

Below is a description of the assumptions that were used in creating the tables for Messrs. McAvoy, Hoglund, Ivey, and Longhi, and Ms. Moore. For purposes of the description below, Messrs. McAvoy, Hoglund, Ivey, and Longhi, and Ms. Moore, are each defined as the Executive.

**Equity Acceleration**

***Separation from Service***

With respect to unvested performance-based equity awards under the 2003 long term incentive plan and/or the 2013 long term incentive plan, in the event of a Termination, resignation, retirement, death or Disability, the Compensation Committee has discretion to determine the terms of the awards (including, without limitation, to accelerate the vesting of unvested awards). Unless otherwise provided by the Compensation Committee, in the event of a retirement, death or Disability, performance-based equity awards vest pro-rata through the date of the event.

For the purposes of the 2003 long term incentive plan and the 2013 long term incentive plan: (i) Termination means a resignation or discharge from employment, except death, disability or retirement, (ii) retirement means resignation on or after age 55 with at least five years of service, and (iii) Disability means an inability to work in any gainful occupation for which the person is reasonably qualified by education, training or experience because of a sickness or injury for which the person is under doctor's care.

***Change in Control***

As per the 2003 long term incentive plan and the 2013 long term incentive plan, in the event of a Change in Control or CIC Separation from Service, as applicable, unvested performance-based equity awards, respectively, vest pro-rata through the

date of the Change in Control, assuming targeted performance was achieved.

For purposes of the 2003 long term incentive plan and the 2013 long term incentive plan, Change in Control has the same meaning as Change of Control under the Severance Program.

For purposes of the 2013 long term incentive plan, a CIC Separation from Service means a termination without Cause or due to a resignation for Good Reason that occurs on or before the second anniversary following the occurrence of a Change in Control.

Cause means the conviction of the Executive of a felony or the entering by the Executive of a plea of *nolo contendere* to a felony, in either case having a significant adverse effect on the business and affairs of the Company.

Good Reason occurs if the Executive resigns for any of the following reasons: (i) any material decrease in base compensation, (ii) any material breach by the Company of any material provisions of the 2013 long term incentive plan, (iii) a requirement by the Company for the Executive to be based at any office or location more than 50 miles from the location the Executive is employed prior to the Change in Control, or (iv) the assignment of any duties materially inconsistent in any respect with the Executive's position, authority, duties or responsibilities.

**Incremental Retirement Amounts**



## Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

As per the Severance Program, the amounts relating to the incremental retirement amounts in the above tables are based on the net present value of one additional year of service credit under the Company's retirement plans following a termination without Cause or a resignation for Good Reason (two additional years if such termination is in connection with a

54 CONSOLIDATED EDISON, INC. *Proxy Statement*

---

**Table of Contents**

POTENTIAL PAYMENTS UPON TERMINATION OF EMPLOYMENT OR CHANGE OF CONTROL

Change in Control) assuming compensation at the Executive's annual salary and target award, age 65 normal retirement, and the assumptions used to calculate lump sum benefits under the qualified retirement plan in December 2014.

The assumptions for Messrs. McAvoy and Longhi include interest rates of 1.40% for the first five years, 3.98% for the next 15 years, and 5.04% thereafter (adjusted to -0.29%, 2.24% and 3.28%, respectively, to reflect cost of living adjustments) and the RP-2000 mortality table projected for 2014 (50% male/50% female blend).

The assumptions for Messrs. Hoglund's and Ivey's and Ms. Moore's retirement amount do not reflect a cost of living adjustment in accordance with the cash balance formula. All amounts payable pursuant to an incremental non-qualified retirement plan are assumed to be paid as a lump sum.

**Termination without Cause or a Resignation for Good Reason**

As per the Severance Program, the Executive will receive certain benefits as described in the table above if he or she is terminated by the Company for reasons other than Cause or he or she resigns for Good Reason (following a Change of Control). A termination is for Cause if it is for any of the following reasons: (i) willful and continued failure to substantially perform his or her duties, (ii) a conviction of a felony or entering a plea of *nolo contendere* to a felony that has a significant adverse effect on the business of the Company, or (iii) a willful engaging in illegal conduct or in gross misconduct materially and demonstrably injurious to the Company.

As per the Severance Program, a resignation for Good Reason occurs if the Executive resigns for any of the following reasons on or following a Change of Control: (i) any material decrease in base compensation (except uniform decreases affecting

similarly situated employees), (ii) any material breach by the Company of any material provisions of the Severance Program, (iii) a requirement by the Company for the Executive to be based more than 50 miles from the location the Executive is employed prior to the Change of Control, or (iv) the assignment of any duties materially inconsistent in any respect with the Executive's position, authority, duties or responsibilities.

**Payments upon Termination of Employment in Connection with a Change of Control**

As per the Severance Program, the Executive will receive certain benefits as described in the above table if his or her termination of employment is without Cause by the Company or he or she resigns for Good Reason following a Change of Control.

**Section 280G Reduction**

As per the Severance Program, in the event an Executive receives any payment or distribution from the Company in connection with a Change of Control, he or she may be subject to certain excise taxes pursuant to Section 280G. If any such payment or distribution subjects the Executive to such taxes and the Executive would receive a greater net after-tax amount if the payment were reduced to avoid such taxation, the aggregate present value of amounts payable to the Executive pursuant to the Severance Program will be reduced (but not below zero) to the extent it does not trigger taxation under Section 4999 of the Internal Revenue Code.

**Death Benefit**

As per the Company's Deferred Income Plan, the Executive is entitled to a death benefit equal to two times his or her base salary. The benefit is payable in a lump sum.

**Table of Contents**

QUESTIONS AND ANSWERS ABOUT THE 2015 ANNUAL MEETING AND VOTING

**QUESTIONS AND ANSWERS ABOUT THE 2015 ANNUAL MEETING AND VOTING**

**PROXY MATERIALS**

**WHAT ARE THE PROXY MATERIALS?**

The Proxy Materials include the following:

The Proxy Statement.

The Annual Report to Stockholders of the Company, which includes the consolidated financial statements and accompanying notes for the year ended December 31, 2014, and other information relating to the Company's financial condition and results of operations. If you received the Proxy Materials by mail, they also include a proxy card or a voter instruction form for use at the 2015 Annual Meeting.

**WHY AM I RECEIVING THE PROXY MATERIALS?**

The Proxy Materials are provided to stockholders of the Company on or about April 6, 2015, in connection with the solicitation of proxies by the Board of Directors of the Company for use at the Annual Meeting and any adjournments or postponements of the Annual Meeting. As a stockholder, you are invited to attend the Annual Meeting and to vote on the items of business described in this Proxy Statement. The Proxy Materials include information that we are required to provide to you under the rules of the Securities and Exchange Commission. We are providing the Proxy Materials to our stockholders by mail, e-mail, or in accordance with the Securities and Exchange Commission's Notice and Access rule.

**WHY DID I RECEIVE THE PROXY MATERIALS IN THE MAIL?**

We are providing some of our stockholders, including stockholders who have previously requested to receive paper copies of the Proxy Materials, with paper copies of the Proxy Materials. You may also access the Proxy Materials and vote online at the Internet address provided on the proxy card or the voter instruction form. If you do not want to receive paper copies of proxy materials on an ongoing basis, please follow the instructions for Internet voting on your proxy card or voter instruction form.

**WHY DID I RECEIVE E-MAIL DELIVERY OF THE PROXY MATERIALS?**

We are providing e-mail delivery of the Proxy Materials to those stockholders who have previously elected electronic delivery. Those stockholders should have received an e-mail containing a link to the website where those materials are available and a link to the proxy voting website.

**WHY DID I RECEIVE A NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS?**

To reduce the environmental impact of our Annual Meeting, we are providing the Proxy Materials over the Internet. As a result, we are sending many of our stockholders a Notice of Internet Availability of Proxy Materials (the "Notice of Internet Availability") instead of a paper copy of the Proxy Materials. All stockholders receiving the Notice of Internet Availability may access the Proxy Materials over the Internet and request a paper copy of the Proxy Materials by mail. Instructions on how to access the Proxy Materials over the Internet, to vote online, and to request a paper copy may be found in the Notice of Internet Availability. In addition, the Notice of Internet Availability contains instructions on how you may request delivery of proxy materials in printed form by mail or electronically on an ongoing basis.

**CAN I REQUEST A PAPER COPY OF THE PROXY STATEMENT AND ANNUAL REPORT?**

The Company's Proxy Statement and Annual Report are available on our website at [www.conedison.com/investorreports](http://www.conedison.com/investorreports). A copy of these materials is also available without charge upon written request to the Company's Vice President and Corporate Secretary at the Company's principal executive offices at 4 Irving Place, New York, New York 10003.

## **Table of Contents**

### **QUESTIONS AND ANSWERS ABOUT THE 2015 ANNUAL MEETING AND VOTING I SHARE AN ADDRESS WITH ANOTHER STOCKHOLDER, AND WE RECEIVED ONLY ONE COPY OF THE PROXY MATERIALS. HOW MAY I OBTAIN AN ADDITIONAL COPY?**

If you are a registered holder of Company Common Stock, Computershare may deliver only one copy of the Proxy Materials or Notice of Internet Availability to multiple stockholders who share an address unless Computershare has received contrary instructions.

If you hold your Company Common Stock through a broker, bank, or other financial institution ( broker ), your broker may deliver only one copy of the Proxy Materials or Notice of Internet Availability to multiple stockholders who share an address unless contrary instructions are received.

The Company will deliver promptly, upon written or oral request, a separate copy of the Proxy Materials or Notice of Internet Availability to a stockholder at a shared address to which a single copy of the documents was delivered.

Stockholders who wish to receive additional copies of the Proxy Materials or Notice of Internet Availability, now or in the future, and stockholders who share an address and wish to receive a single copy of the Proxy Materials or Notice of Internet Availability on an ongoing basis, should submit the request to the Company by telephone (212-460-4322) or by mail to the Company's Vice President and Corporate Secretary at the Company's principal offices at 4 Irving Place, New York, New York 10003.

### **WHO PAYS THE COST OF SOLICITING PROXIES FOR THE ANNUAL MEETING?**

The Company will pay the expenses associated with the solicitation of proxies. The solicitation of proxies is being made by mail, telephone, the Internet, facsimile, electronic transmission, or overnight delivery. The expense associated with the solicitation of proxies will include reimbursement for postage and clerical expenses to brokerage houses and other custodians, nominees or fiduciaries for forwarding Proxy Materials and other documents to beneficial owners of stock held in their names. Morrow & Co., LLC, 470 West Avenue, Stamford, CT 06902, has been retained to assist in the solicitation of proxies. The estimated cost of Morrow's services is \$22,000 plus distribution costs and other costs and expenses.

## **VOTING AND RELATED MATTERS**

### **WHAT IS THE RECORD DATE?**

The Board of Directors has established March 24, 2015 as the record date for the determination of the Company's stockholders entitled to receive notice of and to vote at the Annual Meeting.

### **HOW MANY VOTES DO I HAVE?**

You are entitled to one vote on each proposal presented at the Annual Meeting for each outstanding share of Company Common Stock you owned on the record date.

### **HOW MANY VOTES CAN BE CAST BY ALL STOCKHOLDERS ENTITLED TO VOTE AT THE ANNUAL MEETING?**

One vote on each proposal presented at the Annual Meeting for each of the 292,887,368 shares of Company Common Stock that were outstanding on the record date.

### **HOW MANY VOTES MUST BE PRESENT TO HOLD THE ANNUAL MEETING?**

To constitute a quorum to transact business at the Annual Meeting, the holders of a majority of the shares entitled to vote at the Annual Meeting, or 146,443,685, must be present in person or by proxy. We urge you to vote by proxy even if you plan to attend the Annual Meeting, so that we will know as soon as possible that enough votes will be present to hold the meeting. Abstentions and broker non-votes are counted in the determination of the quorum.

### **HOW DO I VOTE?**

You can vote whether or not you attend the Annual Meeting. Stockholders have a choice of voting over the Internet, by telephone, by mail using a proxy card or voter instruction form, or in person at the Annual Meeting.

## Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

If you received a printed copy of the Proxy Materials, please follow the instructions on your proxy card or voter instruction form. Your proxy card or voter instruction form provides information on how to vote over the Internet, by telephone, or by mail.

If you received a Notice of Internet Availability, please follow the instructions on the notice. The Notice of Internet Availability provides information on how to vote over the Internet, by telephone, or by mail.

CONSOLIDATED EDISON, INC. *Proxy Statement* 57

## **Table of Contents**

### QUESTIONS AND ANSWERS ABOUT THE 2015 ANNUAL MEETING AND VOTING

If you received an e-mail notification, please click on the link provided in the e-mail notification, and follow the instructions on how to vote over the Internet or by telephone.

If you are a registered holder of the Company's Common Stock, you may also vote in person at the Annual Meeting. To help us reduce the environmental impact of our meeting, we ask that you vote through the Internet or by telephone, both of which are available 24 hours a day. To ensure that your vote is counted, please remember to submit your vote by the date and time indicated on your Notice of Internet Availability, proxy card or voter instruction form, as applicable.

#### **IF MY SHARES ARE HELD BY MY BROKER, CAN MY SHARES BE VOTED IF I DON'T INSTRUCT MY BROKER?**

The Securities and Exchange Commission has approved a New York Stock Exchange rule that affects the manner in which your broker may vote your shares. Your broker may not vote on your behalf for the election of directors or compensation-related matters unless you provide specific voting instructions to your broker. For your vote to be counted, you need to communicate your voting decisions to your broker, in the manner prescribed by your broker, before the date of the Annual Meeting.

If you have any questions about this rule or the proxy voting process in general, please contact the broker where you hold your shares. The Securities and Exchange Commission also has a website ([www.sec.gov/spotlight/proxymatters.shtml](http://www.sec.gov/spotlight/proxymatters.shtml)) with more information about your rights as a stockholder.

#### **IF I AM A REGISTERED HOLDER OF COMPANY COMMON STOCK, WHAT IF I DON'T VOTE FOR ONE OR MORE OF THE MATTERS LISTED ON MY PROXY CARD?**

All shares represented by properly executed proxies received in time for the Annual Meeting will be voted at the Annual Meeting in the manner specified by the persons giving those proxies. If you return a signed proxy without indicating voting instructions your shares will be voted as follows:

*for the election of the ten Director nominees;*

*for the ratification of the appointment of independent accountants; and*

*for the advisory vote to approve named executive officer compensation.*

#### **CAN I REVOKE MY PROXY OR CHANGE MY VOTE?**

Yes, depending on how your shares of Company Common Stock are held, you may revoke your proxy or change your vote by sending in a new, properly executed proxy card or voter instruction form with a later date, or by casting a new vote by Internet or telephone, or by sending a properly executed written notice of revocation to the Company's Vice President and Corporate Secretary at the Company's principal executive offices at 4 Irving Place, New York, New York 10003. Check the instructions on your Notice of Internet Availability, proxy card or voter instruction form for information regarding your specific revocation options. If you are a registered holder of Company Common Stock, you may also change your vote by appearing at the Annual Meeting and voting in person. Attendance at the Annual Meeting without voting will not by itself revoke a proxy.

## **ANNUAL MEETING INFORMATION**

### **WHAT IS THE LOCATION, DATE, AND TIME OF THE ANNUAL MEETING?**

The Annual Meeting will be held at the Company's principal executive offices at 4 Irving Place, New York, New York 10003, on Monday, May 18, 2015, at 10:00 a.m.

**WHERE CAN I FIND DIRECTIONS TO THE ANNUAL MEETING?**

Directions to the Annual Meeting are available on our website at [www.conedison.com/investorreports](http://www.conedison.com/investorreports).

**WHO CAN ATTEND THE ANNUAL MEETING?**

Attendance at the Annual Meeting will be limited to holders of Company Common Stock on March 24, 2015, the record date, the authorized representative (one only) of an absent stockholder, and invited guests of management.

**DO I NEED A TICKET TO ATTEND THE ANNUAL MEETING?**

Yes, you will need an admission ticket and proof of ownership of Company Common Stock on the record date to enter the meeting.

If you received a printed copy of the Proxy Materials and you are a registered holder of Company Common Stock, your proxy card serves as your admission ticket to the Annual Meeting.



**Table of Contents**

QUESTIONS AND ANSWERS ABOUT THE 2015 ANNUAL MEETING AND VOTING

If you received a printed copy of the Proxy Materials and you hold your shares through a broker or through an employee plan, please bring to the Annual Meeting a copy of a brokerage or other statement reflecting your stock ownership as of the record date.

If you received a Notice of Internet Availability, that Notice of Internet Availability serves as your admission ticket to the Annual Meeting.

If you received an e-mail notification, please access the Proxy Materials by clicking on the link provided in the e-mail notification and follow the instructions for downloading a copy of your admission ticket.

If you hold your shares through a broker, you can expedite your admission to the Annual Meeting by registering in advance and printing your admission ticket by visiting [www.proxyvote.com](http://www.proxyvote.com) and following the instructions provided (you will need the 12 digit number included on your proxy card, voter instruction form or Notice of Internet Availability).

You may be asked to present valid picture identification to gain entrance to the Annual Meeting. Any person claiming to be an authorized representative of a stockholder must, upon request, produce written evidence of the authorization.

**ARE THERE ANY SPECIAL ATTENDANCE PROCEDURES?**

In order to assure the holding of a fair and orderly meeting and to accommodate as many stockholders as possible who may wish to speak at the Annual Meeting, management will limit the general discussion portion of the meeting and permit only stockholders or their authorized representatives to address the meeting. No signs, banners, placards, handouts, cameras, recording equipment, and similar items may be brought to the meeting room. Many cellular phones have built-in digital cameras, and, while these phones may be brought into the Annual Meeting, the camera function may not be used at any time. Recording of the Annual Meeting is prohibited. Suitcases, briefcases, packages, and other items may be subject to inspection.

**Table of Contents**

CERTAIN INFORMATION AS TO INSURANCE AND INDEMNIFICATION

**CERTAIN INFORMATION AS TO INSURANCE AND INDEMNIFICATION**

No stockholder action is required with respect to the following information that is included to fulfill the requirements of Section 726 of the Business Corporation Law of the State of New York.

Effective December 2, 2014, the Company purchased Directors and Officers ( D&O ) Liability insurance for a one-year term providing for reimbursement, with certain exclusions and deductions, to: (a) the Company and its subsidiaries for payments they make to indemnify Directors, Trustees, officers and assistant officers of the Company and its subsidiaries, (b) Directors, Trustees and officers for losses, costs and expenses incurred by them in actions brought against them in connection with their acts in those capacities for which they are not indemnified by Con Edison or its subsidiaries, and (c) the Company and its subsidiaries for any payments they make resulting from a securities claim. The insurers are: Associated Electric & Gas Insurance Services Limited, Allied World Assurance Company, Ltd., Arch Insurance Company, Continental Casualty Company, Endurance American Insurance Company, Federal Insurance Company, Illinois

National Insurance Company, Ironshore Insurance Ltd., Ironshore Indemnity Inc., U.S. Specialty Insurance Company, X.L. Insurance (Bermuda) Ltd., XL Specialty Insurance Company and Zurich American Insurance Company. The total cost of the D&O Liability insurance for one year from December 2, 2014 amounts to \$4,235,525. The Company also purchased from Associated Electric & Gas Insurance Services Limited, Arch Insurance Company, Axis Insurance Company, Great American Insurance Company, Illinois National Insurance Company, St. Paul Fire and Marine Insurance Company, RLI Insurance Company, U.S. Specialty Insurance Company and Zurich American Insurance Company, additional insurance coverage for one year effective January 1, 2015, insuring the Directors, Trustees, officers, and employees of the Company and its subsidiaries and certain other parties against certain liabilities which could arise in connection with fiduciary obligations mandated by ERISA and from the administration of the employee benefit plans of the Company and its subsidiaries. The cost of such coverage was \$838,233.

**Table of Contents**

STOCKHOLDER PROPOSALS FOR THE 2016 ANNUAL MEETING AND OTHER MATTERS

**STOCKHOLDER PROPOSALS FOR THE 2016 ANNUAL MEETING**

In order to be included in the Proxy Statement and form of proxy relating to the Company's 2016 annual meeting of stockholders, stockholder proposals must be received by the Company at its principal offices at 4 Irving Place, New York, New York 10003, Attention: Vice President and Corporate Secretary, by the close of business on December 8, 2015.

Under the Company's By-laws, written notice of any proposal to be presented by any stockholder or any other person to be nominated by any stockholder for election as a Director must

include the information specified in the By-laws and must be received by the Secretary of the Company at its principal executive office not less than 70 days nor more than 90 days prior to the anniversary date of the previous year's annual meeting of stockholders; provided, however, that if the date of the annual meeting is first publicly announced or disclosed less than 80 days prior to the date of the meeting, such notice must be given not more than ten days after such date is first announced or disclosed.

**OTHER MATTERS TO COME BEFORE THE MEETING**

Management intends to bring before the meeting only the election of Directors (Proposal No. 1) and Proposals No. 2 and 3, and knows of no matters to come before the meeting other than the matters set forth herein. If other matters or motions come before the meeting, it is the intention of the persons named in the accompanying form of proxy to vote such proxy in accordance with their judgment on such matters or motions, including any matters dealing with the conduct of the meeting.

By Order of the Board of Directors,

Carole Sobin

Vice President and Corporate Secretary

Dated: April 6, 2015

Table of Contents

**Electronic Voting Instructions**

**Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

**Proxies submitted by the Internet or telephone must be received by 1:00 a.m., EDT, on Monday, May 18, 2015.**

**Vote by Internet**

Go to [www.investorvote.com/ED](http://www.investorvote.com/ED)

Or scan the QR code with your smartphone

Follow the steps outlined on the secure website

**Vote by telephone**

Call toll free **1-800-652-VOTE (8683)** within the USA, US territories & Canada on a touch tone telephone.

Follow the instructions provided by the recorded message.

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

**IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

**A Proposals** The Board of Directors recommends a vote **FOR** all nominees listed and **FOR** Proposals 2 and 3.

Member of Directors	For	Against	Abstain	Nominee	For	Against	Abstain	Proposal	For	Against
Vincent A. Calarco	..	..	..	06 - John McAvoy	..	..	..			
George Campbell, Jr.	..	..	..	07 - Armando J. Olivera	..	..	..	2. Ratification of appointment of independent accountants.	..	..
Michael J. Del Giudice	..	..	..	08 - Michael W. Ranger	..	..	..	3. Advisory vote to approve named executive officer compensation.	..	..
Allen V. Futter	..	..	..	09 - Linda S. Sanford	..	..	..			
John F. Killian	..	..	..	10 - L. Frederick Sutherland	..	..	..			

**B Non-Voting Items**

**Change of Address** Please print your new address below. **Comments** Please print your comments below.

**Meeting Attendance**  
Mark the box to the right if you plan to attend the Annual Meeting of Stockholders.

**C Authorized Signatures** This section must be completed for your vote to be counted. Date and Sign Below

Please sign exactly as name(s) appears hereon. Full title of one signing in representative capacity should be clearly designated after signature. Names of all joint holders should be written even if signed by only one.

Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

Date (mm/dd/yyyy) below.	Please print date	Signature 1 within the box.	Please keep signature within the box.	Signature 2	Please keep signature within the box.
-----------------------------	-------------------	--------------------------------	--	-------------	--

i	020EBB	1UPX			+
---	--------	------	--	--	---

**Table of Contents**

**2015 Annual Meeting Admission Ticket**

**2015 Annual Meeting of**

**Consolidated Edison, Inc. Stockholders**

**Monday, May 18, 2015, 10:00 a.m. EDT**

**Consolidated Edison, Inc.**

**4 Irving Place, New York, NY 10003**

*This ticket admits only the named stockholder(s).*

*Please bring this admission ticket and a proper form of identification with you if attending the Annual Meeting of Stockholders.*

**YOUR VOTE IS IMPORTANT!**

**Whether or not you plan to attend the Annual Meeting of Stockholders, please promptly vote by telephone, through the Internet or by completing and returning the attached proxy card.**

**Voting early will not prevent you from voting in person at the Annual Meeting of Stockholders if you wish to do so.**

**Your proxy is revocable in accordance with the procedures set forth in the proxy statement.**

**IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

Consolidated Edison, Inc.

4 Irving Place

New York, NY 10003

**CONSOLIDATED EDISON, INC.**

**COMMON STOCK**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned hereby appoints Vincent A. Calarco, Michael J. Del Giudice and John McAvoy and each or any of them with power of substitution, proxies to vote all stock of the undersigned (including any shares held through the Company's Automatic Dividend Reinvestment and Cash Payment Plan) at the Annual Meeting of Stockholders on Monday, May 18, 2015 at 10:00 a.m. at the Company's Headquarters, 4 Irving Place, New York, NY or at any adjournments or postponements thereof, as specified on the reverse side in the election of Directors and on the proposals, all as more fully set forth in the proxy statement, and in their discretion on any matters that may properly come before the meeting or at any adjournments or postponements thereof.

Your vote for the election of Directors may be indicated on the reverse side. Nominees are: 01 - Vincent A. Calarco, 02 - George Campbell, Jr., 03 - Michael J. Del Giudice, 04 - Ellen V. Futter, 05 - John F. Killian, 06 - John McAvoy, 07 - Armando J. Olivera, 08 - Michael W. Ranger, 09 - Linda S. Sanford and 10 - L. Frederick Sutherland.

**THIS PROXY WILL BE VOTED AS DIRECTED ON THE REVERSE SIDE, BUT IF NO CHOICE IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES FOR DIRECTOR LISTED ABOVE (PROPOSAL 1) AND FOR PROPOSALS 2 AND 3.**

(Items to be voted appear on reverse side.)



**Table of Contents**

**Vote by Internet**

Go to **[www.investorvote.com/ED](http://www.investorvote.com/ED)**

Or scan the QR code with your smartphone

Follow the steps outlined on the secure website

**Important Notice Regarding the Availability of Proxy Materials for the**

**Consolidated Edison, Inc. Annual Meeting of Stockholders to be Held on Monday, May 18, 2015**

Under Securities and Exchange Commission rules, you are receiving this Notice that the proxy materials for the Consolidated

Edison, Inc. annual meeting of stockholders are available on the Internet. Follow the instructions below to view the materials and vote online or request a copy. The items to be voted on and location of the annual meeting of stockholders are on the reverse side. Your vote is important!

**This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. We encourage you to access and review all of the important information contained in the proxy materials before voting. The Consolidated Edison, Inc. proxy materials are available at:**

**Easy Online Access A Convenient Way to View Proxy Materials and Vote**

**When you go online to view materials, you can also vote your shares.**

**Step 1:** Go to **[www.investorvote.com/ED](http://www.investorvote.com/ED)**.

**Step 2:** Click on the icon on the right to view current meeting materials.

**Step 3:** Return to the investorvote.com window and follow the instructions on the screen to log in.

**Step 4:** Make your selection as instructed on each screen to select delivery preferences and vote.

**When you go online, you can also help the environment by consenting to receive electronic delivery of future materials.**

**Obtaining a Copy of the Proxy Materials - If you want to receive a copy of these documents, you must request one. There is no charge to you for requesting a copy. Please make your request for a copy as instructed on the reverse side on or before Friday, May 8, 2015 to facilitate timely delivery.**

020EEB

**Table of Contents**

**Consolidated Edison, Inc. Annual Meeting of Stockholders will be held on Monday, May 18, 2015 at Consolidated Edison, Inc., 4 Irving Place, New York, NY, 10003 at 10:00 a.m. EDT.**

**Proposals to be voted on at the Annual Meeting of Stockholders are listed below along with the Board of Directors recommendations.**

**The Board of Directors recommends a vote FOR all nominees listed and FOR Proposals 2 and 3:**

1. Election of Directors -

1. Vincent A. Calarco

2. George Campbell, Jr.

3. Michael J. Del Giudice

4. Ellen V. Futter

5. John F. Killian

6. John McAvoy

7. Armando J. Olivera

8. Michael W. Ranger

9. Linda S. Sanford

10. L. Frederick Sutherland

2. Ratification of appointment of independent accountants.

3. Advisory vote to approve named executive officer compensation.

**PLEASE NOTE - YOU CANNOT VOTE BY RETURNING THIS NOTICE. To vote your shares you must vote online or request a paper copy of the proxy materials to receive a proxy card. If you wish to attend and vote at the Annual Meeting of Stockholders, please bring this notice with you.**

Directions to the Consolidated Edison, Inc. Annual Meeting of Stockholders are available in the proxy statement which can be viewed at [www.investorvote.com/ED](http://www.investorvote.com/ED).

**THIS NOTICE IS YOUR ADMISSION TICKET TO**

**THE ANNUAL MEETING OF STOCKHOLDERS**

**Here s how to order a copy of the proxy materials and select a future delivery preference:**

**Paper copies:** Current and future paper delivery requests can be submitted via the telephone, Internet or email options below.

**Email copies:** Current and future email delivery requests must be submitted via the Internet following the instructions below. If you request an email copy of current materials you will receive an email with a link to the materials.

**PLEASE NOTE:** You must use the number in the shaded bar on the reverse side when requesting a set of proxy materials.

**Internet** - Go to **www.investorvote.com/ED**. Follow the instructions to log in and order a copy of the current meeting materials and submit your preference for email or paper delivery of future meeting materials.

**Telephone** - Call us free of charge at **1-866-641-4276** and follow the instructions to log in and order a paper copy of the materials by mail for the current meeting. You can also submit a preference to receive a paper copy for future meetings.

**Email** - Send email to **investorvote@computershare.com** with Proxy Materials Consolidated Edison, Inc. in the subject line. Include in the message your full name and address, plus the number located in the shaded bar on the reverse, and state in the email that you want a paper copy of current meeting materials. You can also state your preference to receive a paper copy for future meetings.

To facilitate timely delivery, all requests for a paper copy of the proxy materials must be received by Friday, May 8, 2015.

020EEB

**Table of Contents**

**CONSOLIDATED EDISON, INC.**  
**ANNUAL MEETING FOR HOLDERS AS OF 3/24/15**  
**TO BE HELD ON 5/18/15**

**Your vote is important. Thank you for voting.**

Read the Proxy Statement and have the voting instruction form below at hand. Please note that the telephone and Internet voting is available up until 11:59 P.M. Eastern Daylight Time on Wednesday, May 13, 2015.

**Vote by Internet:**      [www.proxyvote.com](http://www.proxyvote.com)

**Vote by Phone:**      1-800-454-8683

**Vote by Mail:**      Use the envelope enclosed and return the voting instruction form by May 13, 2015

**Annual Meeting of Stockholders Registration:**

To vote and/or attend the meeting, go to [stockholder meeting registration link at www.proxyvote.com](#).

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M83941-P62527

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders.  
The following materials are available at [www.proxyvote.com](http://www.proxyvote.com): Notice and Proxy Statement and Annual Report

**The Board of Directors recommends a vote FOR all of the nominees listed (Proposal 1):**

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
1. Election of Directors:			
1a. Vincent A. Calarco	..	..	..
1b. George Campbell, Jr.	..	..	..
1c. Michael J. Del Giudice	..	..	..
1d. Ellen V. Futter	..	..	..
1e. John F. Killian	..	..	..
1f. John McAvoy	..	..	..
1g. Armando J. Olivera	..	..	..
1h. Michael W. Ranger	..	..	..
1i. Linda S. Sanford	..	..	..
1j. L. Frederick Sutherland	..	..	..

PLEASE X HERE ONLY IF YOU PLAN TO ATTEND THE MEETING  
AND VOTE THESE SHARES IN PERSON

..

**The Board of Directors recommends a**

**For Against Abstain**

**vote FOR Proposals 2 and 3:**

2. Ratification of appointment of independent accountants.	..	..	..
3. Advisory vote to approve named executive officer compensation.	..	..	..

Signature [PLEASE SIGN WITHIN BOX] Date

Table of Contents

**\*\*\* Exercise Your *Right to Vote* \*\*\***

**Important Notice Regarding the Availability of Proxy Materials for the  
Annual Meeting of Stockholders to Be Held on Monday, May 18, 2015.**

**CONSOLIDATED EDISON, INC.**

**Meeting Information**

**Meeting Type:** Annual Meeting of Stockholders

**For holders as of:** March 24, 2015

**Date:** May 18, 2015      **Time:** 10:00 AM

**Location:** 4 Irving Place  
New York, NY 10003

You are receiving this communication because you hold shares in the company named above.

This is not a ballot. You cannot use this notice to vote these shares. This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. You may view the proxy materials online at [www.proxyvote.com](http://www.proxyvote.com) or easily request a paper copy (see reverse side).

We encourage you to access and review all of the important information contained in the proxy materials before voting.

**See the reverse side of this notice to obtain proxy**

**materials and voting instructions.**



**Table of Contents**

**Before You Vote**

How to Access the Proxy Materials

**Proxy Materials Available to VIEW or RECEIVE:**

NOTICE AND PROXY STATEMENT

ANNUAL REPORT

**How to View Online:**

Have the information that is printed in the box marked by the arrow (located on the following page) and visit: [www.proxyvote.com](http://www.proxyvote.com).

**How to Request and Receive a PAPER or E-MAIL Copy:**

If you want to receive a paper or e-mail copy of these documents, you must request one. There is NO charge for requesting a copy. Please choose one of the following methods to make your request:

- 1) *BY INTERNET:* [www.proxyvote.com](http://www.proxyvote.com)
- 2) *BY TELEPHONE:* 1-800-579-1639
- 3) *BY E-MAIL\*:* [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com)

\* If requesting materials by e-mail, please send a blank e-mail with the information that is printed in the box marked by the arrow (located on the following page) in the subject line. Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor. Please make the request as instructed above on or before Monday, May 4, 2015 to facilitate timely delivery.

**How To Vote**

Please Choose One of the Following Voting Methods

**Vote By Internet:** To vote now by Internet, go to [www.proxyvote.com](http://www.proxyvote.com). Have the information that is printed in the box marked by the arrow available and follow the instructions.

**Vote By Mail:** You can vote by mail by requesting a paper copy of the materials, which will include a voting instruction form.

**Vote In Person:** If you choose to vote these shares in person at the meeting, you must request a *legal proxy*. To do so, please follow the instructions at [www.proxyvote.com](http://www.proxyvote.com) or request a paper copy of the materials, which will contain the appropriate instructions. Many annual meetings of stockholders have attendance requirements including, but not limited to, the possession of an attendance ticket issued by the entity holding the meeting. Please check the meeting materials for any special requirements for meeting attendance. **THIS NOTICE WILL SERVE AS AN ADMISSION TICKET.**

**Annual Meeting of Stockholders Registration:** To vote and/or attend the meeting, go to [stockholder meeting registration link](#) at [www.proxyvote.com](http://www.proxyvote.com).

**Table of Contents**

**Voting Items**

**The Board of Directors recommends a vote  
FOR**

**all of the nominees listed (Proposal 1):**

1. Election of Directors:

1a. Vincent A. Calarco

**The Board of Directors recommends a vote FOR Proposals 2  
and 3:**

1b. George Campbell,  
Jr.

2.

Ratification of appointment of independent accountants.

1c. Michael J. Del Giudice

3.

Advisory vote to approve named executive officer  
compensation.

1d. Ellen V. Futter

1e. John F. Killian

1f. John McAvoy

1g. Armando J. Olivera

1h. Michael W. Ranger

1i. Linda S. Sanford

1j. L. Frederick Sutherland

**Table of Contents**

**Voting Instructions**

Table of Contents

**Electronic Voting Instructions**

**Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

**Proxies submitted by the Internet or telephone must be received by 1:00 a.m., EDT, on Monday, May 18, 2015.**

**Vote by Internet**

Go to [www.investorvote.com/EDESP](http://www.investorvote.com/EDESP)

Or scan the QR code with your smartphone

Follow the steps outlined on the secure website

**Vote by telephone**

Call toll free **1-800-652-VOTE (8683)** within the USA, US territories & Canada on a touch tone telephone.

Follow the instructions provided by the recorded message.

Using a **black ink** pen, mark your votes with an **X** as shown in x

this example. Please do not write outside the designated areas.

**IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

**A Proposals** The Board of Directors recommends a vote **FOR** all nominees listed and **FOR** Proposals 2 and 3.

Directors	For	Against	Abstain		For	Against	Abstain		For
. Calarco	..	..	..	06 - John McAvoy	..	..	..		
mpbell, Jr.	..	..	..	07 -Armando J. Olivera	..	..	..	2. Ratification of appointment of independent accountants.	..
Del Giudice	..	..	..	08 - Michael W. Ranger	..	..	..	3. Advisory vote to approve named executive officer compensation.	..
utter	..	..	..	09 - Linda S. Sanford	..	..	..		
llian	..	..	..	10 - L. Frederick Sutherland	..	..	..		

**B Non-Voting Items**

**Change of Address** Please print your new address below. **Comments** Please print your comments below.

**Meeting Attendance**  
Mark the box to the right if you plan to attend the Annual Meeting of Stockholders.

**C Authorized Signatures** This section must be completed for your vote to be counted. **Date and Sign Below**

Please sign exactly as name(s) appears hereon. Full title of one signing in representative capacity should be clearly designated after signature. Names of all joint holders should be written even if signed by only one.

Date (mm/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

/ /

020EDC

**Table of Contents**

**2015 Annual Meeting Admission Ticket**

**2015 Annual Meeting of**

**Consolidated Edison, Inc. Stockholders**

**Monday, May 18, 2015, 10:00 a.m. EDT**

**Consolidated Edison, Inc.**

**4 Irving Place, New York, NY 10003**

*This ticket admits only the named stockholder(s).*

*Please bring this admission ticket and a proper form of identification with you if attending the Annual Meeting of Stockholders.*

**YOUR VOTE IS IMPORTANT!**

**Please vote promptly by telephone, through the Internet or by completing and returning the attached proxy card.**

**IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

Consolidated Edison, Inc.

4 Irving Place

New York, NY 10003

**CONFIDENTIAL VOTING INSTRUCTIONS**

**TO COMPUTERSHARE AS PLAN AGENT**

**FOR THE CONSOLIDATED EDISON, INC. STOCK PURCHASE PLAN (STOCK PURCHASE PLAN)**



**CONSOLIDATED EDISON, INC.**

**PROXY SOLICITED BY THE BOARD OF DIRECTORS FOR THE**

**ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MONDAY, MAY 18, 2015**

I hereby instruct Computershare, the Plan Agent for the Stock Purchase Plan, to vote (in person or by proxy) all of the shares of common stock of Consolidated Edison, Inc. (the Company), which are credited to my account under the Stock Purchase Plan, at the Annual Meeting of Stockholders of the Company to be held on Monday, May 18, 2015, and at any adjournments or postponements thereof on the following matters, all as more fully set forth in the proxy statement, as checked on the reverse side, and in its discretion upon such other matters as may properly come before the meeting or at any adjournments or postponements thereof. This form provides Voting Instructions for shares held in the Stock Purchase Plan. If signed, dated and returned, the shares of common stock of the Company represented by the Voting Instructions will be voted in accordance with the specifications given.

(Items to be voted appear on reverse side.)

**Table of Contents**

*CONSOLIDATED EDISON, INC.*

*4 IRVING PLACE - ROOM 1618-S*

*NEW YORK, NY 10003*

*ATTN: CAROLE SOBIN*  
**VOTING IS IMPORTANT. PLEASE VOTE TODAY.**

**Vote by Internet, phone or mail. Follow the instructions below.**

**VOTE BY INTERNET - [www.proxymvote.com](http://www.proxymvote.com)**

Use the Internet to transmit these Voting Instructions and for electronic delivery of information up until 11:59 P.M. Eastern Daylight Time on Wednesday, May 13, 2015. Have this Voting Instruction form in hand when accessing the website and then follow the instructions.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit these Voting Instructions up until 11:59 P.M. Eastern Daylight Time on Wednesday, May 13, 2015. Have this Voting Instruction form in hand when calling and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date this Voting Instruction form and return it in the postage-paid envelope provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717, by Wednesday, May 13, 2015. Do not vote by mail if Voting Instructions were previously transmitted by Internet or phone.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M83890-P62637

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS VOTING INSTRUCTION FORM IS VALID ONLY WHEN SIGNED AND DATED.**

**CONSOLIDATED EDISON, INC.**

**The Board of Directors recommends a vote FOR**

**all of the nominees listed (Proposal 1):**

		<b>For</b>	<b>Against</b>	<b>Abstain</b>
1.	Election of Directors:			
1a.	Vincent A. Calarco	..	..	..
1b.	George Campbell, Jr.	..	..	..
1c.	Michael J. Del Giudice	..	..	..
1d.	Ellen V. Futter	..	..	..

Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

1e.	John F. Killian	..	..	..
1f.	John McAvoy	..	..	..
1g.	Armando J. Olivera	..	..	..
1h.	Michael W. Ranger	..	..	..
1i.	Linda S. Sanford	..	..	..
1j.	L. Frederick Sutherland	..	..	..

**The Board of Directors recommends a**

**For**

**Against**

**Abstain**

**vote FOR Proposals 2 and 3:**

2.	Ratification of appointment of independent accountants.	..	..	..
3.	Advisory vote to approve named executive officer compensation.	..	..	..

Please sign exactly as the name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date

**Table of Contents**

**ADMISSION TICKET**

**Annual Meeting of Stockholders of**

**CONSOLIDATED EDISON, INC.**

**MONDAY, MAY 18, 2015 10:00 a.m.**

**4 Irving Place**

**New York, NY 10003**

*This ticket admits only the named stockholder(s). Please bring this admission ticket and a proper form of identification with you if attending the meeting.*

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders:**

The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

M83891-P62637

**CONFIDENTIAL VOTING INSTRUCTIONS**

**To Vanguard Fiduciary Trust Company as Trustee under the Consolidated Edison Thrift Savings Plan (Thrift Savings Plan) and the Con Edison Tax Reduction Act Stock Ownership Plan (TRASOP Plan)**

**CONSOLIDATED EDISON, INC.**

**Annual Meeting of Stockholders**

**Monday, May 18, 2015**

**This proxy is solicited by the Board of Directors**

Vanguard Fiduciary Trust Company, the Trustee of the Thrift Savings Plan and TRASOP Plan (together, the Plans), is instructed to vote (in person or by proxy) all of the shares of common stock of Consolidated Edison, Inc. (the Company), which are credited to the account under

## Edgar Filing: CONSOLIDATED EDISON INC - Form DEF 14A

the Plans, at the Annual Meeting of Stockholders of the Company to be held on Monday, May 18, 2015, and at any adjournments or postponements thereof, for the matters listed on the reverse side, all as more fully set forth in the proxy statement, as checked on reverse side, and in its discretion upon such other matters as may properly come before the meeting or any adjournments or postponements thereof. This form provides voting instructions for shares held in the Plans. If signed, dated and returned, the shares of common stock of the Company represented by these Voting Instructions will be voted in accordance with the specifications given.

If shares are held in the Plans and these Voting Instructions are not returned to the Trustee by Wednesday, May 13, 2015, the shares will be voted in the same manner and proportions as those shares for which the Trustee has received instructions. If these Voting Instructions are signed, dated and returned with no preference indicated, the shares will be voted on each proposal as recommended by the Board of Directors.

**Continued and to be signed on reverse side**