

**New York Power Authority**  
**Net Income - Actual vs. Budgeted**  
**For The Year ended December 31, 2016**  
**(\$ in millions)**

	<u>Actual</u>	<u>Budget</u>	<b>Variance Favorable/ (Unfavorable)</b>
<b>Operating Revenues</b>			
Customer	\$ 1,701	\$ 1,869	\$ (168)
NYISO Market Revenues	720	840	(120)
	<u>2,421</u>	<u>2,709</u>	<u>(288)</u>
<b>Operating Expenses</b>			
Purchased Power	514	706	192
Fuel Consumed - Oil & Gas	152	222	70
Wheeling	609	629	20
Operations & Maintenance	619	654	35
Depreciation & Amortization	231	229	(2)
	<u>2,125</u>	<u>2,440</u>	<u>315</u>
<b>Operating Income</b>	<u>296</u>	<u>269</u>	<u>27</u>
<b>Nonoperating Revenues</b>			
Investment Income	25	28	(4)
Other Income	-	3	(3)
	<u>25</u>	<u>31</u>	<u>(7)</u>
<b>Nonoperating Expenses</b>			
Contribution to New York State	91	90	(1)
Canal Corp. Funding	62	-	(62)
Interest and Other Expenses	146	159	13
	<u>299</u>	<u>249</u>	<u>(50)</u>
<b>Net Income</b>	<u>\$ 22</u>	<u>\$ 51</u>	<u>\$ (29)</u>

Net income for the year ended December 31, 2016 was \$22, which was \$29 lower than budgeted due primarily to higher nonoperating expenses (\$50) , partially offset by higher operating income (\$27).

Nonoperating expenses were higher primarily due to unbudgeted expenses related to the reimbursement of Canal Corporation expenditures (\$62) under a funding agreement with the New York State Thruway Authority pursuant to 2016 State Budget legislation.

Operating income reflected lower operating expenses (\$315) including lower purchased power, fuel and operations and maintenance expenses, substantially offset by lower operating revenues (\$288). Lower purchased power costs were due primarily to lower prices. Fuel costs were less than anticipated as a result of lower prices and lower generation. Operations and maintenance expenses reflected underspending in both Operations and Headquarters Corporate Support. Operating revenues were lower reflecting the pass-through of lower energy costs to customers, partially offset by higher transmission revenues.