

New York Power Authority
Net Income - Actual vs. Budgeted
For the Year ended December 31, 2009
 (\$ in millions)

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable/ (Unfavorable)</u>
Operating Revenues			
Customer	\$ 1,843	\$ 2,082	\$ (239)
NYISO Market Revenues	752	956	(204)
Total Operating Revenues	<u>2,595</u>	<u>3,038</u>	<u>(443)</u>
Operating Expenses			
Purchased Power	905	1,156	251
Fuel Consumed - Oil & Gas	366	516	150
Wheeling	436	442	6
Operations & Maintenance	438	409	(29)
Depreciation & Amortization	164	161	(3)
	<u>2,309</u>	<u>2,684</u>	<u>375</u>
Operating Income	286	354	(68)
Nonoperating Revenues and Expenses			
Nonoperating Revenues			
Investment Income	32	39	(7)
Other income	100	91	9
Total Nonoperating Revenues	<u>132</u>	<u>130</u>	<u>2</u>
Nonoperating Expenses			
Contribution to New York State	70	70	-
Interest and Other Expenses	95	106	11
Total Nonoperating Expenses	<u>165</u>	<u>176</u>	<u>11</u>
Nonoperating Income (Loss)	(33)	(46)	13
Net Income	<u>\$ 253</u>	<u>\$ 308</u>	<u>\$ (55)</u>

Net income for the year ended December 31, 2009 was \$253 which was \$55 below than budget. The primary drivers of the unfavorable budget variance for the year included lower net margins on sales (\$34) primarily due to lower prices on market-based sales, an additional voluntary contribution to NY State relating to the Power For Jobs program (\$12) and the accrual of a potential additional Power for Jobs obligation (\$12) based on an October 2009 court decision.