

NEW YORK POWER AUTHORITY
FINANCIAL REPORTS
FOR THE THREE MONTHS ENDED MARCH 31, 2006

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NYPA
Net Revenues
For The Three Months ended March 31, 2006
(\$ in 000'S)

	<u>Annual Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable/ (Unfavorable)</u>
Operating Revenues				
Customer	\$1,829,029	\$450,161	\$464,363	(\$14,202)
ISO-Energy	947,271	157,889	270,879	(112,990)
Ancillary Services	64,654	27,326	15,576	11,750
NTAC and Other	80,134	21,404	19,601	1,803
Total ISO	<u>1,092,059</u>	<u>206,619</u>	<u>306,056</u>	<u>(99,437)</u>
	2,921,088	656,780	770,419	(113,639)
Operating Expenses				
Purchased Power:				
Entergy	158,785	42,552	40,674	(1,878)
Other	1,048,307	215,609	306,151	90,542
Ancillary Services	83,746	17,212	21,189	3,977
Fuel Consumed - Oil & Gas	623,649	144,466	176,276	31,810
Wheeling	302,119	60,455	62,110	1,655
Operations & Maintenance	259,964	60,973	56,879	(4,094)
Other expenses	137,914	49,328	48,567	(761)
Depreciation & Amortization	176,402	43,052	44,100	1,048
Allocation to Capital	(8,794)	(1,396)	(1,473)	(77)
	<u>2,782,092</u>	<u>632,251</u>	<u>754,473</u>	<u>122,222</u>
Net Operating Revenues	138,996	24,529	15,946	8,583
Interest Income and Realized Gains	63,763	15,429	15,724	(295)
Mark to Market Adjustment	(2,000)	(2,319)	(2,000)	(319)
Investment Income	<u>61,763</u>	<u>13,110</u>	<u>13,724</u>	<u>(614)</u>
Interest and Other Expenses	114,874	27,050	28,795	1,745
Net Revenues	<u><u>85,885</u></u>	<u><u>10,589</u></u>	<u><u>875</u></u>	<u><u>9,714</u></u>

New York Power Authority
Net Revenues by Facility
For the Three Months ended March 31, 2006
(\$ in 000's)

	Niagara/ St. Lawrence	B-G	SENY	SCPP	Market Supply Power	Flynn	Transmission	Eliminations & Adjmts	Total
Operating Revenues									
Customer	\$ 100,298	\$ 3,875	\$ 249,524	\$ 2,295	\$ 79,868	\$ 34,428	\$ 20,623	\$ (40,750)	\$ 450,161
ISO-Energy	13,825	17,780	106,824	11,977	12,283			(4,800)	157,889
Ancillary Services	23,389	1,640	2,068	229					27,326
NTAC and Other							21,404		21,404
Total ISO	37,214	19,420	108,892	12,206	12,283	-	21,404	(4,800)	206,619
Operating Expenses									
Purchased Power:									
Energy	18,390	15,687	42,552	424	80,693		11	(42,195)	42,552
Other	4,995	77	10,190	9	1,941				17,212
Ancillary Services			109,269	7,105		28,092			144,466
Fuel Consumed - Oil & Gas			55,211		2,339	72			60,455
Wheeling	2,833	6,769	10,434	2,644	415	1,913	14,548		60,973
Operations & Maintenance	24,250	747	2,854	28	14,633	205	2,707	23,378	49,328
Other expenses	4,776	1,479	14,734	7,271	212	1,307	9,794		43,052
Depreciation & Amortization	8,255	(169)	(237)	(6)		(46)	(337)		(1,396)
Allocation to Capital	(601)								
	62,898	24,590	387,606	17,475	100,233	31,543	26,723	(18,817)	632,251
Net Operating Revenues	74,614	(1,295)	(29,190)	(2,974)	(8,082)	2,885	15,304	(26,733)	24,529
Investment and Other Income			1,772					11,338	13,110
Interest and Other Expenses	(3,995)	(29)	(9,603)	(198)	(20)	(1,017)	(8,093)	(4,095)	(27,050)
Net Revenues (loss)	70,619	(1,324)	(37,021)	(3,172)	(8,102)	1,868	7,211	(19,490)	10,589
Budget	30,232	(2,299)	(6,749)	(881)	(20,921)	7,928	8,054	(14,489)	875
Variance	\$ 40,387	\$ 975	\$ (30,272)	\$ (2,291)	\$ 12,819	\$ (6,060)	\$ (843)	\$ (5,001)	\$ 9,714

* Reflects loss of \$62.1 million partially offset by \$25.1 million anticipated recovery from NYC Govt. customers (based on sharing plan elected for 2006 under LT Supplemental Energy Supply Agreement).

NEW YORK POWER AUTHORITY
VARIANCE FROM BUDGET
MAJOR FACTORS
For the Three Months Ended March 31, 2006
(Millions)

		<u>Better/(Worse) than budget</u>	
Niagara/St. Lawrence	o Lower customer & ISO energy revenues (lower prices)	(\$10.7)	
	o Higher ancillary service revenues (primarily higher prices for regulation & reserves)	10.2	
	o Lower purchased power costs (lower volumes & prices)	42.3	
	o Higher Niagara site O&M (maintenance)	(1.0)	
	o Higher allocated administrative costs	(1.7)	
	o Other	<u>1.3</u>	40.4
Blenheim-Gilboa	o Higher ISO energy revenues (higher volumes)	10.8	
	o Higher purchased power costs (higher volumes)	(10.1)	
	o Other	<u>0.3</u>	1.0
SENY	o Lower revenues (primarily lower prices on sales to the ISO)	(71.1)	
	o Lower purchased power costs (lower prices)	27.8	
	o Lower fuel costs (lower generation & lower prices)	9.6	
	o Other	<u>3.4</u>	(30.3)
SCPP	o Lower ISO revenues (lower volumes & prices)	(16.5)	
	o Lower fuel costs (lower generation & lower prices)	13.9	
	o Other	<u>0.3</u>	(2.3)
Market Supply Power	o Lower revenues (primarily lower prices on sales to the ISO)	(7.8)	
	o Lower purchased power costs (lower prices & volumes)	19.0	
	o Other	<u>1.6</u>	12.8
Flynn	o Lower revenues (lower prices on Long Island)	(14.3)	
	o Lower fuel costs (lower prices)	8.3	
	o Other	<u>(0.1)</u>	(6.1)
Transmission	o Higher revenues	0.3	
	o Higher allocated administrative costs	(0.8)	
	o Other	<u>(0.3)</u>	(0.8)
Consolidating adjustments			<u>(5.0)</u>
Net Revenues			<u><u>\$9.7</u></u>

NYPA
Operations & Maintenance
For the Three Months Ended March 31, 2006

	(\$'s in millions)	
	<u>Actual</u>	<u>Budget</u>
Power Generation		
Headquarters Support	\$3.5	\$1.5
Blenheim-Gilboa	3.8	3.6
Charles Poletti	3.5	3.8
500 MW	1.3	2.1
R.M. Flynn	1.1	1.2
SCPP	2.4	2.3
Small Hydros	0.6	0.8
Niagara	9.9	9.0
St. Lawrence	<u>3.9</u>	<u>4.2</u>
	30.0	28.6
Transmission		
ECC/Headquarters	2.2	2.2
Transmission Facilities	<u>8.2</u>	<u>8.1</u>
	10.5	10.3
Corporate Support		
Executive Office	3.3	3.0
Business Services	7.1	5.1
HR & Corporate Support	5.7	5.9
Marketing & Econ. Devel.	1.9	1.8
Energy Services	<u>0.7</u>	<u>0.7</u>
	18.7	16.4
Research & Development & Other	1.8	1.5
Total	<u>\$61.0</u>	<u>\$56.9</u>

Through March, O&M expenses were \$4.1 million over budget.

Power Generation was over budget by \$1.4 million, or 5%. The Power Generation HQ overrun (\$2.0 million) reflected greater than anticipated work on recurring and non recurring O&M projects rather than capital, and earlier than planned contractors and consultants for Maximo related issues. Niagara spending was over budget by \$1.0 million primarily due to less than anticipated capital work (mainly the RMNPP Upgrade) and some non-recurring tasks proceeding earlier than scheduled. Under spending at St. Lawrence resulted primarily from the delayed start of the 300 ton crane major maintenance. The 500 MW underrun was due to less than expected materials and waste disposal charges.

HQ Corporate Support expenses were collectively \$2.3 million over budget. The primary sources of the variance were early year overruns in IT contractor services, delays in capital IT initiatives, and to a lesser extent an overrun in energy risk management consultant support.

**NEW YORK POWER AUTHORITY
COMPARATIVE STATEMENT OF NET ASSETS
(IN THOUSANDS)**

	MARCH <u>2006</u>	DECEMBER <u>2005</u>	<u>NET CHANGE</u>
ASSETS:			
Electric Plant In Service, Less Accumulated Depreciation	\$3,123,423	\$3,145,208	(21,785)
Construction Work In Progress	<u>125,469</u>	<u>121,217</u>	<u>4,252</u>
Net Utility Plant	\$3,248,892	\$3,266,425	(17,533)
Restricted Funds	78,106	79,258	(1,152)
Construction Funds	135,120	147,415	(12,295)
Investment In Decommissioning Trust Fund	864,419	851,346	13,073
Current Assets:			
Cash	72	72	-
Investments In Government Securities	546,557	572,457	(25,900)
Interest Receivable On Investments	12,755	12,069	686
Receivables-Customers	241,813	210,196	31,617
Materials & Supplies-Plant & General	65,286	63,352	1,934
-Fuel	34,417	26,442	7,975
Prepayments And Other	40,363	45,401	(5,038)
Notes Receivable-Nuclear Sale	264,582	257,349	7,233
Deferred Charges And Other Assets	<u>599,312</u>	<u>645,112</u>	<u>(45,800)</u>
TOTAL ASSETS	<u>\$6,131,694</u>	<u>\$6,176,894</u>	<u>(\$45,200)</u>
LIABILITIES AND OTHER CREDITS:			
Long-Term Debt - Bonds	\$1,909,327	\$1,935,378	(26,051)
Notes	156,145	161,835	(5,690)
Short-Term Notes Payable	207,559	218,241	(10,682)
Accounts Payable And Accrued Liabilities	516,499	503,026	13,473
Spent Nuclear Fuel Disposal	194,379	192,374	2,005
Decommissioning Of Nuclear Plants	864,419	851,346	13,073
Deferred Revenue	<u>376,229</u>	<u>418,155</u>	<u>(41,926)</u>
TOTAL LIABILITIES AND OTHER CREDITS	4,224,557	4,280,355	(55,798)
ACCUMULATED NET REVENUES-JANUARY 1	1,896,548	1,838,026	58,522
NET REVENUES	<u>10,589</u>	<u>58,513</u>	<u>(47,924)</u>
TOTAL LIABILITIES AND CAPITAL	<u>\$6,131,694</u>	<u>\$6,176,894</u>	<u>(\$45,200)</u>

NYPA
SUMMARY OF NET GENERATION (MWH'S)
FOR THE THREE MONTHS ENDED MARCH 31, 2006

Facility	Year-to-date March			Month of March 2006		
	Actual	Budget	Variance (Actual vs Budget)	Actual	Budget	Variance (Actual vs Budget)
<i>Niagara</i>	<u>3,736,967</u>	<u>3,340,000</u>	<u>396,967</u>	<u>1,297,523</u>	<u>1,170,000</u>	<u>127,523</u>
			<u>11.89%</u>			<u>10.90%</u>
<i>St. Lawrence</i>	<u>1,622,927</u>	<u>1,440,000</u>	<u>182,927</u>	<u>605,017</u>	<u>520,000</u>	<u>85,017</u>
			<u>12.70%</u>			<u>16.35%</u>
<i>Combined</i>	<u>5,359,894</u>	<u>4,780,000</u>	<u>579,894</u>	<u>1,902,540</u>	<u>1,690,000</u>	<u>212,540</u>
			<u>12.13%</u>			<u>12.58%</u>
<i>Poletti</i>	<u>439,895</u>	<u>674,369</u>	<u>(234,474)</u>	<u>182,401</u>	<u>150,529</u>	<u>31,872</u>
			<u>-34.77%</u>			<u>21.17%</u>
<i>500MW</i>	<u>641,578</u>	<u>485,953</u>	<u>155,625</u>	<u>235,059</u>	<u>179,693</u>	<u>55,366</u>
			<u>32.02%</u>			<u>30.81%</u>
<i>SCPP</i>	<u>55,333</u>	<u>103,606</u>	<u>(48,273)</u>	<u>22,136</u>	<u>41,151</u>	<u>(19,015)</u>
			<u>-46.59%</u>			<u>-46.21%</u>
<i>Blenheim Gilboa</i>	<u>(93,808)</u>	<u>(25,652)</u>	<u>(68,156)</u>	<u>(19,330)</u>	<u>(10,772)</u>	<u>(8,558)</u>
			<u>265.70%</u>			<u>79.45%</u>
<i>Small Hydro</i>	<u>63,509</u>	<u>35,908</u>	<u>27,601</u>	<u>20,263</u>	<u>12,367</u>	<u>7,896</u>
			<u>76.87%</u>			<u>63.85%</u>
<i>R. M. Flynn</i>	<u>327,567</u>	<u>320,521</u>	<u>7,046</u>	<u>113,780</u>	<u>111,029</u>	<u>2,751</u>
			<u>2.20%</u>			<u>2.48%</u>
<i>Total</i>	<u>6,793,968</u>	<u>6,374,705</u>	<u>419,263</u>	<u>2,456,849</u>	<u>2,173,997</u>	<u>282,852</u>
			<u>6.58%</u>			<u>13.01%</u>

NYPA
Capital Expenditures
For the Three Months Ended March 31, 2006

(\$'s in millions)

	<u>Actual</u>	<u>Budget</u>
New Generation	\$5.4	\$5.6
Energy Services	25.2	19.0
Existing Facilities	11.8	17.1
Transmission	2.8	5.7
Headquarters	3.8	3.1
General Plant and Minor Additions	<u>1.3</u>	<u>1.5</u>
	<u>\$50.3</u>	<u>\$52.0</u>

Capital expenditures through March 2006 (\$50.3 million) were 3.3% lower than the budget. Expenditures for **Existing Facilities** improvements were \$5.3 million under budget. The underrun was primarily the result of less than anticipated work on the Niagara Upgrade and St. Lawrence Life Extension projects. Contributing to this underrun was a decreased usage of consultants for the Niagara Relicensing project and delays related to the New License and comprehensive settlement agreement for St. Lawrence. The temporary underrun in **Transmission** of \$2.9 million will diminish as work proceeds on the Static Var Compensator and Tri Lake Transmission project. **Energy Services** was \$6.2 million over budget primarily due to accelerated construction activity for the NYC governmental customers under the Long Term Agreement Programs.

Under the Expenditure Authorization Procedure, the President authorized new expenditures on budgeted capital projects of \$ 1.8 million during the month as follows:

IT Infrastructure	\$0.8
Niagara LAN upgrade	\$1.0

**Demand Side Management
Cost Summary (Inception to Date)
March 31, 2006
(\$ in 000's)**

(A) DSM Projects

Authorized	Program	Prog	(A) Projects In-Progress	(B) Completed Projects	(C) Cumulative Cost	(D) Recoveries to Date	(E) Net Investment (C-D)
13,000	Distributed Generation	ES-DGN	1,686		1,686		1,686
183,050	Electrotechnologies LTEPA	ES-EPN	7,346	73,912	81,258	44,490	36,768
433,000	NYPA Energy Services Program	ES-ESN	32,908	87,890	120,798	37,788	83,010
500,000	SENY Govt Cust Energy Serv	ES-GSN	14,958	10,073	25,031	1,392	23,639
26,000	Landfill Gases Program	ES-LFN	903		903		903
130,000	SENY HELP LTEPA	ES-LTN	4,036	87,377	91,413	57,316	34,097
1,200	MUNI Vehicle Program	ES-MVN	0	372	372	99	273
140,000	Non-Elect End Use LTEPA	ES-NEN	15,683	58,143	73,826	23,545	50,281
75,000	Public Housing LTEPA	ES-PHN	0	70,825	70,825	60,256	10,569
35,000	Peak Load Mgmt	ES-PLN	1,274	165	1,439		1,439
Completed Programs							
5,000	Coal Conversion LTEPA	ES-CCN	0	5,000	5,000	673	4,327
5,000	County & Muni's	ES-CMN	0	1,799	1,799	1,766	33
14,600	Industrial	ES-IPN	(0)	6,876	6,876	6,331	545
51,000	LI HELP	ES-LIN	0	48,615	48,615	47,825	790
15,000	SENY New Constr	ES-NCN	0	3,372	3,372	2,494	878
40,000	Public Schools	ES-PSN	0	39,841	39,841	38,143	1,698
\$130,000	SENY HELP	ES-SEN	\$0	\$133,983	\$133,983	\$133,983	\$0
60,000	Statewide	ES-SWN	0	57,620	57,620	57,620	0
4,085	Other		0	746	746	687	59
7,500	Wattbusters		0	6,131	6,131	5,045	1,086
<u>\$1,868,435</u>			<u>\$78,794</u>	<u>\$692,740</u>	<u>\$771,534</u>	<u>\$519,453</u>	<u>\$252,081</u>

(B) POCR Funding

LOANS

Authorized	Program	Loans Issued	Repayments	Outstanding Balance
<u>\$ 16,390</u>	Colleges & Universities	<u>\$ 16,390</u>	<u>\$ 15,654</u> (1)	<u>\$ 736</u>

GRANTS

Authorized	Program	Issued
9,105	Coal Conversion Pilot	9,105
4,558	Hybrid Bus Program	\$ 4,558
663	Solar Grants	663
3,000	NYSERDA	3,000
19,876 (1)	Energy Services Programs	13,833
7 <u>31,042</u> (1)	POCR Grants	<u>12,348</u>
<u>\$ 68,244</u>		<u>\$ 43,507</u>

(C) CASP Funding

Authorized	Program	Issued
132,047 (2)	Coal Conversion	118,819

(D) Board of Ed Funding

Authorized	Program	Issued
38,628 (2)	Climate Controls (NYC BOE)	34,246

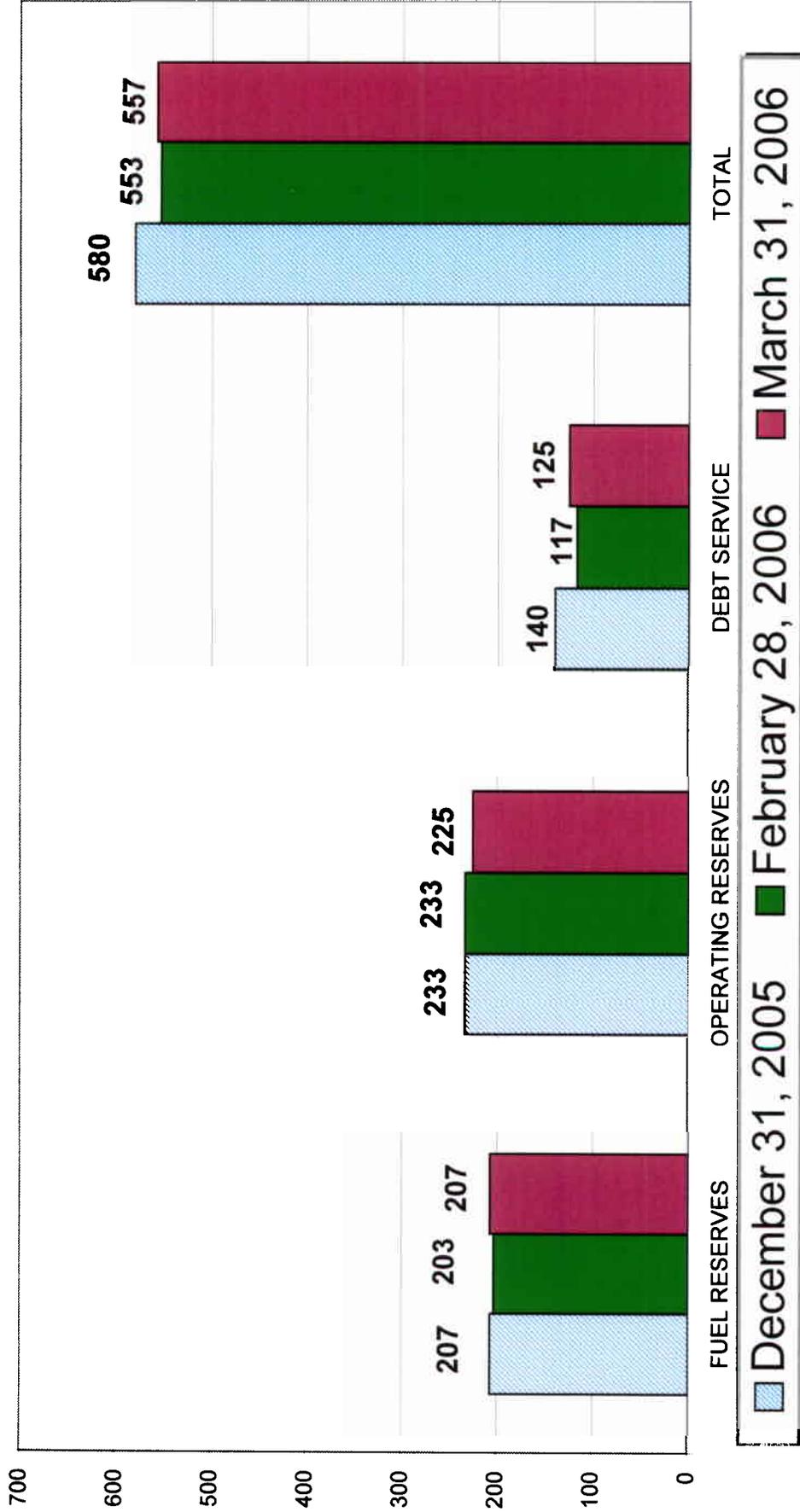
(D) NYC Housing Auth Funding

Authorized	Program	Issued
12,642 (2)	NYCHA Hot Water Heaters	2,814

(1) Funds recovered via loan repayments are available and assigned to be used as grants in the Energy Services Program and for POCR Grant Program.

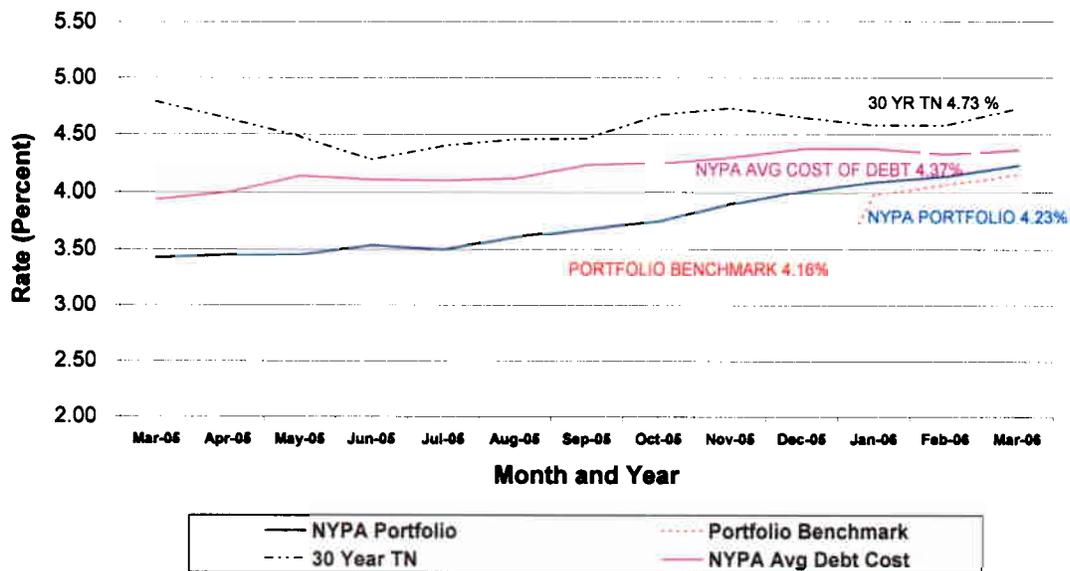
(2) Authorized funds reflect both principal received and the interest earned on such principal.

**NEW YORK POWER AUTHORITY
OPERATING FUND
(\$ MILLIONS)**



Fuel Reserves include \$194 million for Nuclear Spent Fuel and \$13 million for Energy Hedging Reserve Fund.

Portfolio Performance



Financing Rates

