

NEW YORK POWER AUTHORITY

FINANCIAL REPORTS

FOR THE FIVE MONTHS ENDED MAY 31, 2007

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NEW YORK POWER AUTHORITY FINANCIAL REPORT FOR THE FIVE MONTHS ENDED MAY 31, 2007

(\$ in millions)

<u>Financial Summary</u>	<u>2007 YTD</u>		<u>May 2007</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Net operating revenues	\$120.4	\$95.7	\$24.2	\$22.3
Net revenues (loss)	110.4	71.0	21.4	17.4
O&M (incl. administrative)	106.0	115.1	23.9	23.0
Generation (gwh's)	11,434	11,055	2,272	2,223

	<u>Current</u>	<u>Prior Month</u>	<u>December 2006</u>
Reserves	\$375	\$375	\$348

Net revenues through May 31, 2007 were \$110.4 which was \$39.4 higher than budgeted including higher net operating revenues (\$24.7) and higher non-operating income (\$14.7). Net operating revenues were higher primarily at the hydro (\$14.8) and transmission (\$9.9) facilities. The positive results at the hydro facilities were due to higher than expected water flows resulting in 6.5% higher production. Transmission revenues included higher than anticipated congestion payments to the Authority due to a higher level of congestion across the central-east interface (assigned to FACTS project TCC's). Non-operating income included higher earnings on investments due to higher balances, a year-to-date mark-to-market gain on the Authority's investment portfolio, and lower than anticipated costs on variable rate debt.

Net revenues for the month of May were \$21.4 which was \$4.0 higher than budgeted resulting from higher non-operating income (\$2.1) and higher net operating revenues (\$1.9). Non-operating income included higher investment earnings partially offset by a mark-to-market loss on the Authority's investment portfolio; and lower costs on variable rate debt. Net operating revenues were higher primarily at the hydro facilities (\$3.5, 5% higher generation). Production for May (2,272 gwh) was 2% higher than anticipated (2,223 gwh) including higher generation at the hydro facilities (80 gwh) partially offset by lower fossil production (32 gwh). The operating reserve balance remained unchanged in May. Cash generated from operations during the month was offset by additions to other reserves (\$24.0).

NYPA
Net Revenues
For The Five Months ended May 31, 2007
(\$ in 000'S)

	<u>Annual Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable/ (Unfavorable)</u>
Operating Revenues				
Customer	\$1,826,711	\$740,098	\$721,599	\$18,499
Market-Based Power Sales	737,570	348,222	278,495	69,727
Ancillary Services	67,499	27,668	31,428	(3,760)
NTAC and Other	81,763	38,703	33,336	5,367
Total Market-Based and ISO	<u>886,832</u>	<u>414,593</u>	<u>343,259</u>	<u>71,334</u>
	2,713,543	1,154,691	1,064,858	89,833
Operating Expenses				
Purchased Power:				
Entergy	155,370	58,438	61,242	2,804
Other	809,217	373,231	320,483	(52,748)
Ancillary Services	73,733	41,248	29,781	(11,467)
Fuel Consumed - Oil & Gas	519,480	219,693	209,825	(9,868)
Wheeling	325,869	104,925	103,543	(1,382)
Operations & Maintenance	281,152	105,954	115,129	9,175
Other expenses	142,609	61,488	59,423	(2,065)
Depreciation & Amortization	176,451	72,384	72,895	511
Allocation to Capital	(12,681)	(3,147)	(3,169)	(22)
	<u>2,471,200</u>	<u>1,034,214</u>	<u>969,152</u>	<u>(65,062)</u>
Net Operating Revenues	242,343	120,477	95,706	24,771
Interest Income and Realized Gains	56,743	31,081	23,344	7,737
Mark to Market Adjustment	1,000	822	-	822
Investment Income	<u>57,743</u>	<u>31,903</u>	<u>23,344</u>	<u>8,559</u>
Interest and Other Expenses	<u>124,192</u>	<u>41,985</u>	<u>48,090</u>	<u>6,105</u>
Net Revenues	<u><u>175,894</u></u>	<u><u>110,395</u></u>	<u><u>70,960</u></u>	<u><u>39,435</u></u>

New York Power Authority
Net Revenues by Facility
For the Five Months ended May 31, 2007
(\$ in 000's)

	Niagara/ St. Lawrence	B-G	SENY	SCPP	Market Supply Power	Flynn	Transmission	Eliminations & Adjmts	Total
Operating Revenues									
Customer	\$ 131,317	\$ 4,979	\$ 449,927	\$ 356	\$ 97,581	\$ 33,986	\$ 37,163	\$ (15,211)	\$ 740,098
Market-Based Power Sales	69,184	38,929	219,918	45,554	20,318			(45,681)	348,222
Ancillary Services	23,652	1,119	2,556	341					27,668
NTAC and Other							38,703		38,703
Total Market-Based and ISO	92,836	40,048	222,474	45,895	20,318	-	38,703	(45,681)	414,593
Operating Expenses									
Purchased Power:									
Entergy	35,591	26,562	58,438	2,594	109,026	63	20	(63,300)	58,438
Other	13,721	141	22,489	40	4,857				41,248
Ancillary Services			173,878	24,265		21,550			219,693
Fuel Consumed - Oil & Gas			96,582		3,801	67			104,925
Wheeling	4,475								
Operations & Maintenance	38,624	10,352	21,220	5,743	580	5,166	24,269		105,954
Other expenses	10,800	1,480	6,695	558	21,039	346	5,569	15,001	61,488
Depreciation & Amortization	14,699	2,555	24,482	11,653	357	2,188	16,450		72,384
Allocation to Capital	(1,355)	(381)	(533)	(14)		(104)	(760)		(3,147)
	116,555	40,709	665,926	44,839	139,660	29,276	45,548	(48,299)	1,034,214
Net Operating Revenues	107,598	4,318	6,475	1,412	(21,761)	4,710	30,318	(12,593)	120,477
Investment and Other Income	2		2,859					29,042	31,903
Interest and Other Expenses	(8,377)	654	(13,937)	(11)	(21)	(1,074)	(11,239)	(7,980)	(41,985)
Net Revenues (loss)	99,223	4,972	(4,603) *	1,401	(21,782)	3,636	19,079	8,469	110,395
Budget	83,072	1,065	(5,279)	(264)	(22,597)	5,815	8,534	614	70,960
Variance	\$ 16,151	\$ 3,907	\$ 676	\$ 1,665	\$ 815	\$ (2,179)	\$ 10,545	\$ 7,855	\$ 39,435

* Revenues for SENY include \$27.4 million from the application of an energy charge adjustment to recover variable costs under the LT Supplemental Energy Supply Agreement.

NEW YORK POWER AUTHORITY
VARIANCE FROM BUDGET
MAJOR FACTORS
For the Five Months Ended May 31, 2007
(Millions)

		Better/(Worse) than budget
Niagara/St. Lawrence	<ul style="list-style-type: none"> o Higher revenues (primarily a higher volume of market-based sales) o Higher purchased power costs (primarily higher congestion) o Higher ancillary service costs (residual adjustments) o Other (includes lower interest costs) 	\$ 23.1 (4.1) (5.3) 2.4 <hr style="width: 100%;"/>
		\$16.1
Blenheim-Gilboa	<ul style="list-style-type: none"> o Higher market-based revenues (higher volumes & prices) o Higher purchased power costs (higher volumes) o Other 	10.7 (7.7) 0.9 <hr style="width: 100%;"/>
		3.9
SENY	<ul style="list-style-type: none"> o Higher customer revenues (higher than anticipated ECA revenue) o Higher market-based sales (higher volumes & prices) o Higher purchased power costs (higher volumes) o Higher fuel costs (primarily higher prices) o Lower Poletti site O&M (scheduled maintenance outage delayed) o Other 	24.3 33.7 (40.0) (18.1) 2.2 (1.4) <hr style="width: 100%;"/>
		0.7
SCPP	<ul style="list-style-type: none"> o Higher revenues (higher volumes & prices on market-based sales) o Higher purchased power costs (higher volumes) o Higher fuel costs (higher generation & higher prices) o Other 	11.1 (1.8) (8.1) 0.5 <hr style="width: 100%;"/>
		1.7
Market Supply Power	<ul style="list-style-type: none"> o Higher revenues (primarily a higher volume of market-bases sales) o Higher purchased power costs (higher prices & volumes) o Higher ancillary service costs (residual adjustments) 	5.6 (3.7) (1.1) <hr style="width: 100%;"/>
		0.8
Flynn	<ul style="list-style-type: none"> o Lower revenues o Lower fuel costs (primarily lower generation - rotor failure) o Higher site O&M (rotor repair) o Other 	(17.1) 16.3 (1.9) 0.5 <hr style="width: 100%;"/>
		(2.2)
Transmission	<ul style="list-style-type: none"> o Higher revenues (primarily TCC revenues for the FACTS project) o Lower site O&M (primarily right-of-way maintenance) o Lower allocated administrative expenses o Other 	7.1 0.8 2.0 0.6 <hr style="width: 100%;"/>
		10.5
Consolidating adjustments (includes higher earnings on investments)		7.9 <hr style="width: 100%;"/>
Net Revenues		\$ 39.4 <hr style="width: 100%;"/>

NYPA
Operations & Maintenance
For the Five Months Ended May 31, 2007

	(\$'s in millions)	
	<u>Actual</u>	<u>Budget</u>
Power Generation		
Headquarters Support	\$4.2	\$3.7
Blenheim-Gilboa	5.7	6.1
Charles Poletti	6.8	8.6
500 MW	5.5	5.2
R.M. Flynn	4.1	2.2
SCPP	5.2	6.4
Small Hydros	1.0	1.6
Niagara	15.6	15.0
St. Lawrence	<u>7.0</u>	<u>7.9</u>
	55.1	56.7
Transmission		
ECC/Headquarters	3.7	4.1
Transmission Facilities	<u>14.2</u>	<u>15.0</u>
	17.9	19.1
Corporate Support		
Executive Office	4.2	4.7
Business Services	12.7	13.9
HR & Corporate Support	9.3	11.4
Marketing & Econ. Devel.	2.3	2.7
Energy Services	<u>1.3</u>	<u>1.6</u>
	29.8	34.3
Research & Development & Other	3.2	5.0
Total	<u>\$106.0</u>	<u>\$115.1</u>

Through May, O&M expenses were \$9.1 million under budget. Power Generation expenditures were \$1.6 million under budget. Poletti was under budget by \$2.2 million primarily due to a delay in the start of the scheduled outage (from 4/1 to 4/17). The SCPP's were underrunning (\$1.2 million) due to the delayed start of the Mini Overhaul project (Hell Gate) partially offset by emergency repair work at Hell Gate and Brentwood. St. Lawrence was under budget by \$0.9 million due to less than expected direct charges for recurring maintenance and the non-recurring Robert Moses Power Dam Foundation Grouting. These underruns were partially offset by overruns at Flynn, Niagara and Power Generation HQ. The overrun at Flynn (\$1.9 million) was the result of an unscheduled outage for generator rotor damage as well as advancing some maintenance scheduled for the fall planned outage. Niagara spending was over budget by \$0.6 million due to overruns in recurring projects and less than anticipated labor charged to the capital Unit #4 Standardization project. The Power Generation HQ overrun was due to lower than expected labor charged to capital and facility support.

Transmission spending was under budget by \$1.2 million primarily due to less than expected routine contractor support for right-of-way maintenance and aircraft services, and underruns in non-recurring work associated with the Transformer #10 Failure and the ECC Fire Suppression System.

HQ Corporate Support expenses were under budget by \$4.5 million mostly due to under spending for the public awareness program, legal consultants, HQ communications, IT contract services and fuel cell maintenance.

R&D was under budget due to a significant delay in procurement of Electric Hybrid school Buses, and a delay in spending for the Phase II of PHEV Sprinter Van Project

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

	<u>MAY</u> <u>2007</u>	<u>DECEMBER</u> <u>2006</u>	<u>NET CHANGE</u>
ASSETS:			
Electric Plant In Service, Less Accumulated Depreciation	\$3,047,543	\$3,078,037	(30,494)
Construction Work In Progress	170,352	163,034	7,318
Net Utility Plant	<u>\$3,217,895</u>	<u>\$3,241,071</u>	<u>(23,176)</u>
Restricted Funds	97,761	67,487	30,274
Construction Funds	91,382	105,648	(14,266)
Investment In Decommissioning Trust Fund	954,306	922,778	31,528
Current Assets:			
Cash	72	72	-
Investments In Government Securities	875,330	749,988	125,342
Interest Receivable On Investments	14,638	15,114	(476)
Receivables-Customers	210,145	205,471	4,674
Materials & Supplies-Plant & General	69,777	66,297	3,480
-Fuel	29,997	32,793	(2,796)
Prepayments And Other	39,359	62,902	(23,543)
Notes Receivable-Nuclear Sale	201,918	192,001	9,917
Deferred Charges And Other Assets	<u>504,576</u>	<u>497,301</u>	<u>7,275</u>
TOTAL ASSETS	<u>\$6,307,156</u>	<u>\$6,158,923</u>	<u>\$148,233</u>
LIABILITIES AND OTHER CREDITS:			
Long-Term Debt - Bonds	\$1,705,068	\$1,735,262	(30,194)
Notes	150,000	156,145	(6,145)
Short-Term Notes Payable	275,186	272,282	2,904
Accounts Payable And Accrued Liabilities	669,873	636,683	33,190
Spent Nuclear Fuel Disposal	205,846	201,575	4,271
Decommissioning Of Nuclear Plants	954,306	922,778	31,528
Deferred Revenue	<u>202,990</u>	<u>200,706</u>	<u>2,284</u>
TOTAL LIABILITIES AND OTHER CREDITS	<u>4,163,269</u>	<u>4,125,431</u>	<u>37,838</u>
ACCUMULATED NET REVENUES-JANUARY 1	2,033,492	1,896,548	136,944
NET REVENUES	<u>110,395</u>	<u>136,944</u>	<u>(26,549)</u>
TOTAL LIABILITIES AND CAPITAL	<u>\$6,307,156</u>	<u>\$6,158,923</u>	<u>\$148,233</u>

NYPA
**SUMMARY OF NET GENERATION (MWH'S)
 FOR THE FIVE MONTHS ENDED MAY 31, 2007**

Facility	Year-to-date May			Month of May 2007		
	Actual	Budget	Variance (Actual vs Budget)	Actual	Budget	Variance (Actual vs Budget)
Niagara	6,069,022	5,780,000	289,022	1,148,889	1,110,000	38,889
			5.00%			3.50%
St. Lawrence	2,944,570	2,680,000	264,570	634,057	590,000	44,057
			9.87%			7.47%
Combined	9,013,592 (2)	8,460,000	553,592	1,782,946	1,700,000	82,946
			6.54%			4.88%
Poletti	800,874 (3)	718,036	82,838	165,633	157,897	7,736
			11.54%			4.90%
500MW	1,207,609	1,219,294	(11,685)	279,765	224,109	55,656
			-0.96%			24.83%
SCPP	241,868	184,974	56,894	69,946	60,971	8,975
			30.76%			14.72%
Blenheim Gilboa	(168,128)	(135,573)	(32,555)	(41,219)	(42,693)	1,474
			24.01%			-3.45%
Small Hydro	84,595	89,853	(5,258)	14,477	19,263	(4,786)
			-5.85%			-24.85%
R. M. Flynn	253,787 (1)	518,574	(264,787)	0 (1)	103,808	(103,808)
			-51.06%			-100.00%
Total	11,434,197	11,055,158	379,039	2,271,548	2,223,355	48,193
			3.43%			2.17%

(1) Unscheduled outage began March 12, 2007. It is estimated that the plant will be out of service for 8 to 12 weeks. A portion of work planned to be completed during the scheduled Fall 2007 outage will be accelerated into this current outage.

(2) Higher water flows resulting from higher than anticipated level of snow and rainfall.

(3) Scheduled maintenance outage began April 17, 2007. Outage was originally scheduled to begin April 1, 2007 but was delayed at the request of Con Ed and the NYISO for in-city reliability.

**NYPA
Capital Expenditures
For the Five Months Ended May 31, 2007**

(\$'s in millions)

	<u>Actual</u>	<u>Budget</u>
New Generation	\$1.1	\$0.8
Energy Services	54.2	35.7
Existing Facilities	27.6	30.9
Transmission	10.7	15.2
Headquarters	8.0	9.6
General Plant and Minor Additions	<u>4.4</u>	<u>5.9</u>
	<u>\$106.0</u>	<u>\$98.1</u>

Capital expenditures for 2007 were 8.1% higher than the budget. **Energy Services** was \$18.5 million over budget primarily due to overruns in the Long Term Agreements and Other Programs due to accelerated construction activity at various planned projects. In addition, there were unplanned expenditures for the Red Hook Waste Water Treatment Program and NYC Housing Authority Hot Water Tanks Program. The underrun in **Transmission** of \$4.5 million was primarily due to timing differences on the procurement of equipment for the Gowanus-Greenwood 138 KV, Static Var Compensator and Tri Lakes Reliability projects. **Existing Facilities** were under running the budget by \$3.3 million due to timing differences for payments required for procurement of various equipment for the St. Lawrence LEM and consultant costs for the New License and Comprehensive Settlement Agreement projects.

Under the Expenditure Authorization Procedure, the President has authorized new expenditures on budgeted capital projects of \$6.2 million for 2007. There were no new expenditures this month.

**Demand Side Management
Cost Summary (Inception to Date)
May 31, 2007
(\$ 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	\$347	\$1,440	\$1,787	\$355	\$1,432
183,050	Electrotechnologies LTEPA	ES-EPN	9,565	74,534	84,099	48,802	35,297
433,000	NYPA Energy Services Program	ES-ESN	56,291	108,887	165,178	54,136	111,042
530,000	SENY Govt Cust Energy Serv	ES-GSN	65,751	10,745	76,496	23,321	53,175
25,000	Lower Manhattan Energy Serv	ES-LMS					
130,000	SENY HELP LTEPA	ES-LTN	12,059	75,667	87,726	62,010	25,716
1,200	MUNI Vehicle Program	ES-MVN		458	458	265	193
140,000	Non-Elect End Use LTEPA	ES-NEN	31,821	57,634	89,455	27,645	61,810
35,000	Peak Load Mgmt	ES-PLN	6,425	165	6,590		6,590
Completed Programs							
5,000	Coal Conversion LTEPA	ES-CCN		5,000	5,000	3,466	1,534
5,000	County & Muni's	ES-CMN		1,919	1,919	1,880	39
14,600	Industrial	ES-IPN		6,875	6,875	6,784	91
51,000	LI HELP	ES-LIN		47,505	47,505	47,148	357
15,000	SENY New Constr	ES-NCN		2,992	2,992	2,992	0
75,000	Public Housing LTEPA	ES-PHN		72,081	72,081	72,081	0
40,000	Public Schools	ES-PSN		38,941	38,941	38,828	113
130,000	SENY HELP	ES-SEN		134,305	134,305	134,305	0
60,000	Statewide	ES-SWN		56,733	56,733	55,176	1,557
4,085	Other			746	746	746	0
7,500	Wattbusters			5,441	5,441	5,441	0
<u>\$1,897,435</u>			<u>\$182,259</u>	<u>\$702,068</u>	<u>\$884,327</u>	<u>\$585,381</u>	<u>\$298,946</u>

(B) POCR Funding

LOANS

Authorized	Program	Loans Issued	Repayments	Outstanding Balance
<u>\$ 16,390</u>	Colleges & Universities	<u>\$ 16,390</u>	<u>\$ 16,058 (1)</u>	<u>\$ 332</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
25,825 (1)	Energy Services Programs	15,159
30,618 (1)	POCR Grants	12,921
<u>\$ 73,769</u>		<u>\$ 45,406</u>

(C) CASP Funding

Authorized	Program	Issued
\$132,823 (2)	Coal Conversion	\$118,819

(D) Board of Ed Funding

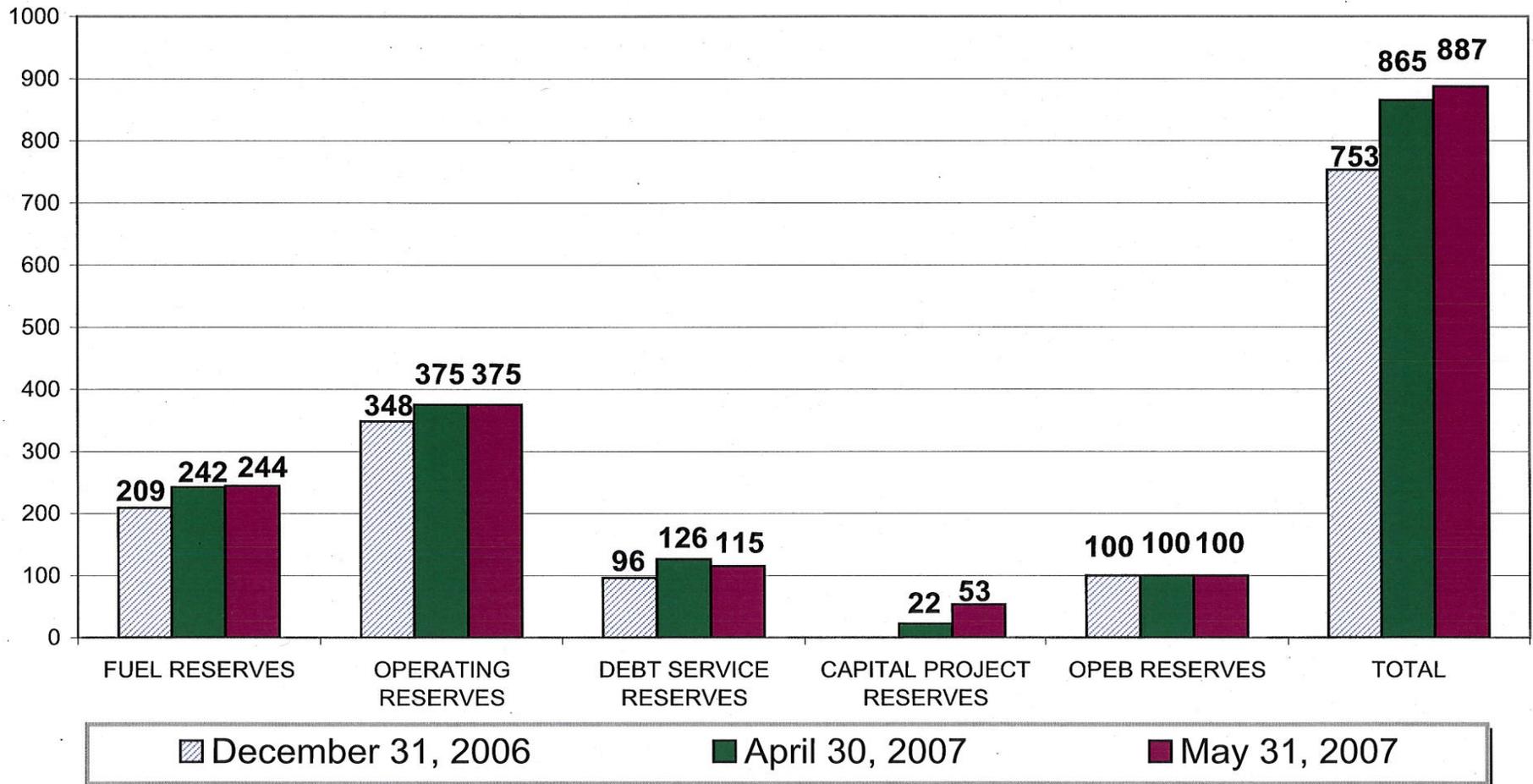
Authorized	Program	Issued
\$38,893 (2)	Climate Controls (NYC BOE)	\$35,077

(D) NYC Housing Auth Funding

Authorized	Program	Issued
\$25,591 (2)	NYCHA Hot Water Heaters	\$13,854

(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.

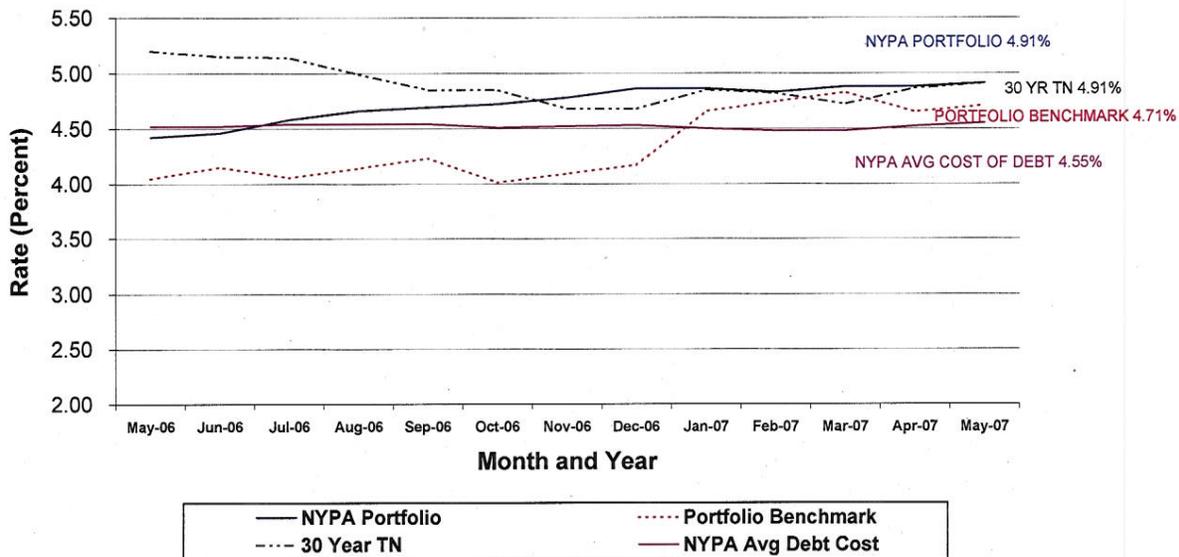
**NEW YORK POWER AUTHORITY
OPERATING FUND
(\$ MILLIONS)**



Fuel Reserves include \$206 million for Nuclear Spent Fuel and \$38 million for Energy Hedging Reserve Fund.

OPEB (Other Post Employment Benefits): The Authority's Trustees have authorized staff to initiate the establishment of a trust for its OPEB obligations and have designated \$100 million as a reserve within the Operating fund for this purpose.

Portfolio Performance



Financing Rates

