

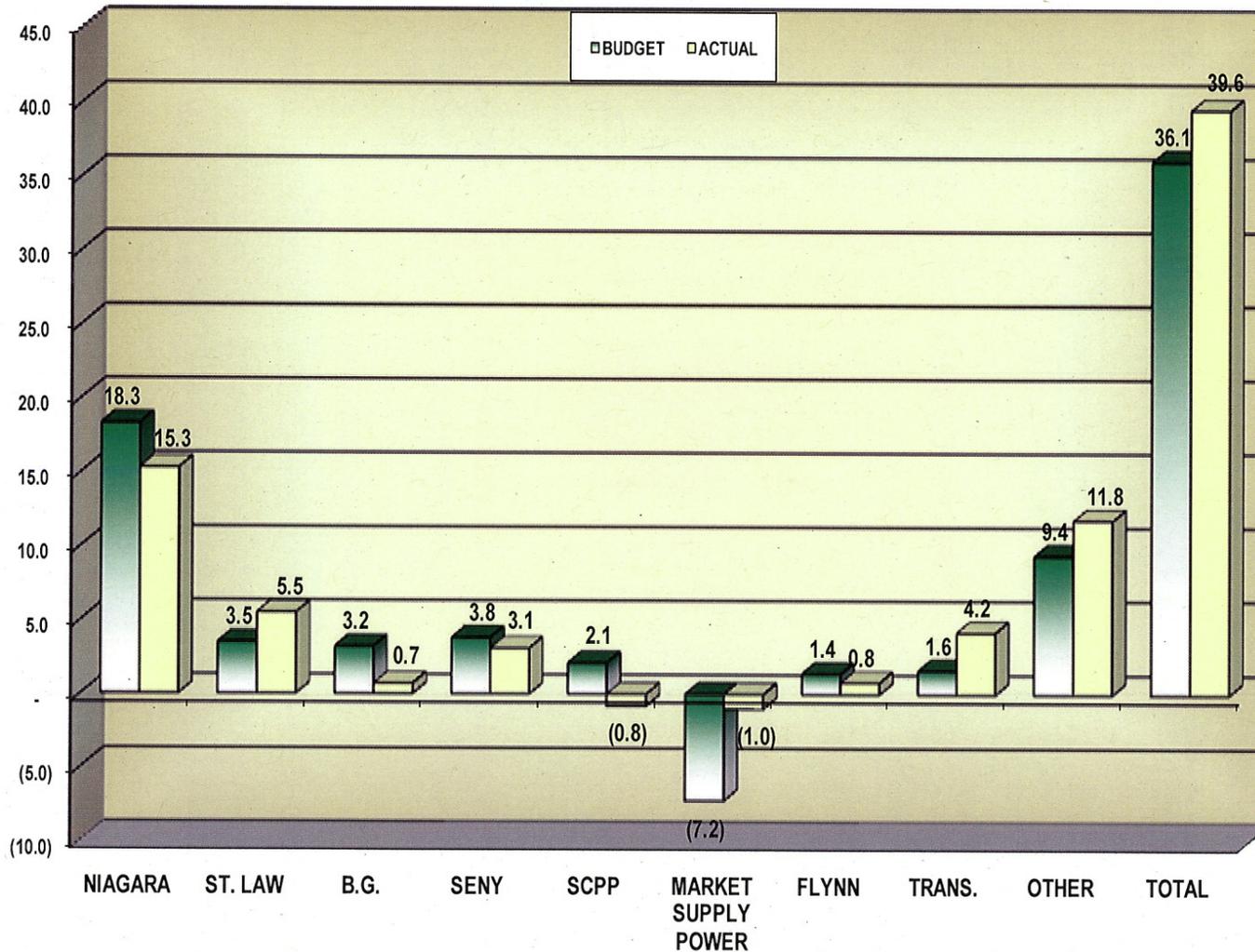
---

**NEW YORK POWER AUTHORITY**

**REPORT OF THE CHIEF FINANCIAL OFFICER**

**FOR THE FIVE MONTHS ENDED MAY 31, 2009**

# Net Income By Facility MAY 2009 (\$ in millions)



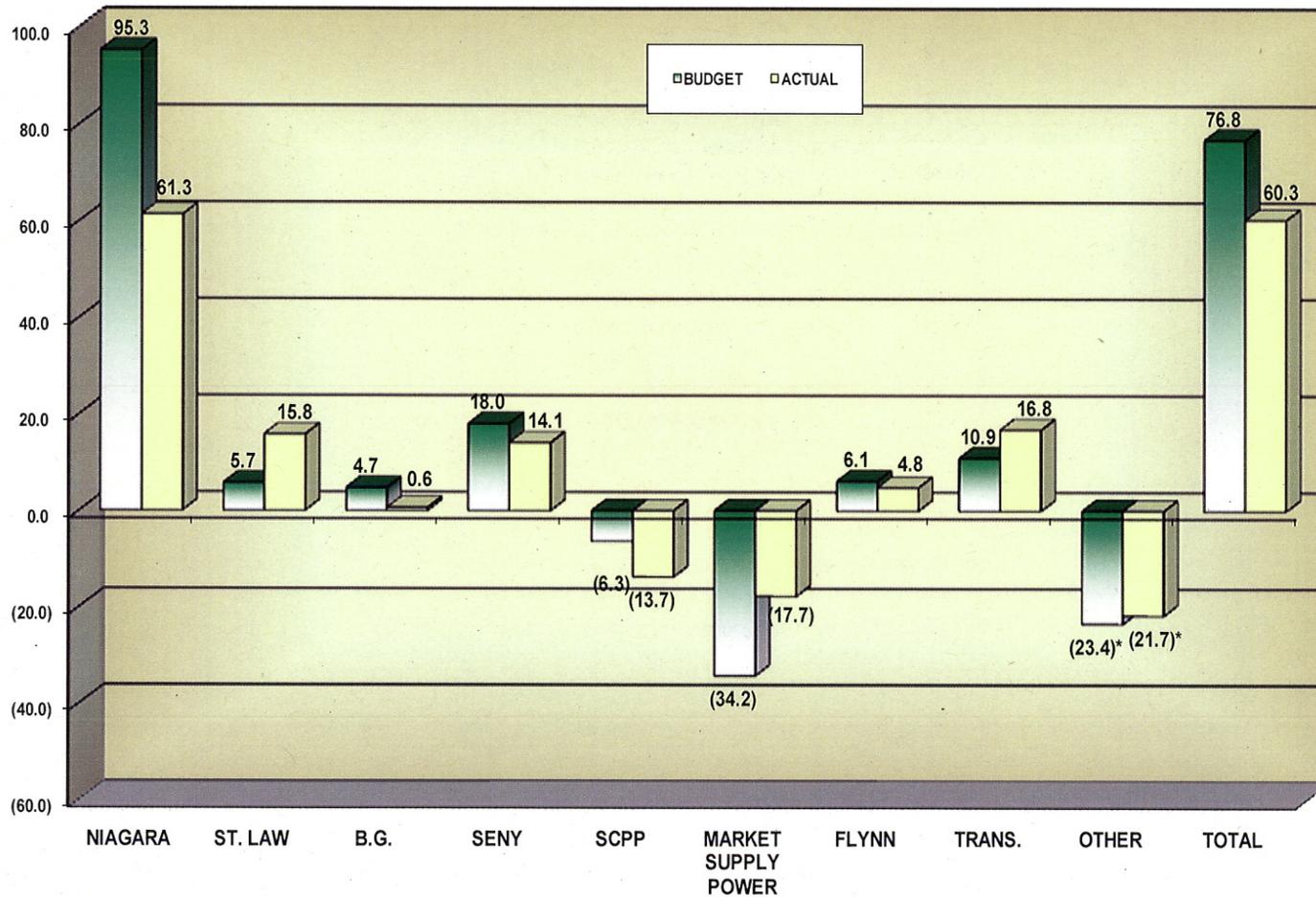
Major Factors	Better (Worse)
<b>Niagara</b> Primarily lower revenues for regulation service provided to NYISO (due to lower market prices).*	\$ (3.0)
<b>Blenheim-Gilboa</b> Lower market based sales (64% lower production).	\$ (2.5)
<b>St. Lawrence</b> Higher market based sales (19% higher production).	2.0
<b>SCPP's</b> Lower market-based sales partially offset by lower fuel costs.	(2.9)
<b>MSP</b> Lower purchased power costs (due to lower prices) partially offset by lower revenues.	6.2
<b>Other</b> Primarily mark-to-market gain on investments (lower market interest rates).	2.4
<b>Misc.</b>	1.3
<b>Total</b>	<b>\$ 3.5</b>

\* Regulation revenues are provided to generators who assist in maintaining the balance of resources (generation/ load) in the market.

# Net Income By Facility

## Five months ended May 31, 2009

### (\$ in millions)

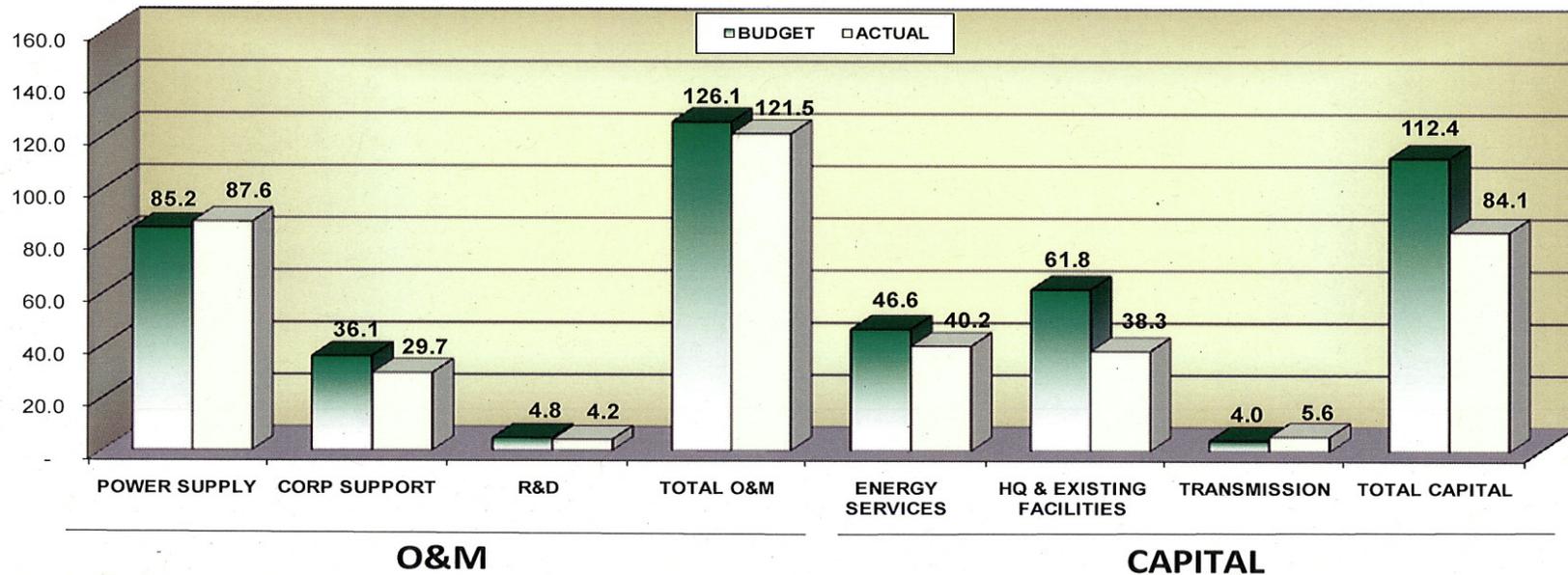


Major Factors	Better (Worse)
<b>Niagara**</b> Primarily lower revenues on market-based sales for energy and regulation service.	\$ (34.0)
<b>St. Lawrence</b> Higher market based sales & lower purchased power (14% higher production).	10.1
<b>SCPP's</b> Lower market based sales partially offset by lower fuel costs.	(7.4)
<b>MSP</b> Lower purchased power (lower prices) partially offset by lower revenues.	16.5
<b>Other</b> Realized gains on the sale of investment securities and lower debt costs, offset by higher mark-to-market loss.	1.7
<b>Misc.</b>	(3.4)
<b>Total</b>	<b>\$ (16.5)</b>

\*Includes \$70 million contribution to NY state (Actual & Budget).

\*\* Approximately 75% of this variance is due to lower market prices. The remainder is due to a timing difference in interruptible sales to out of state customers that is expected to reverse during the remainder of the year.

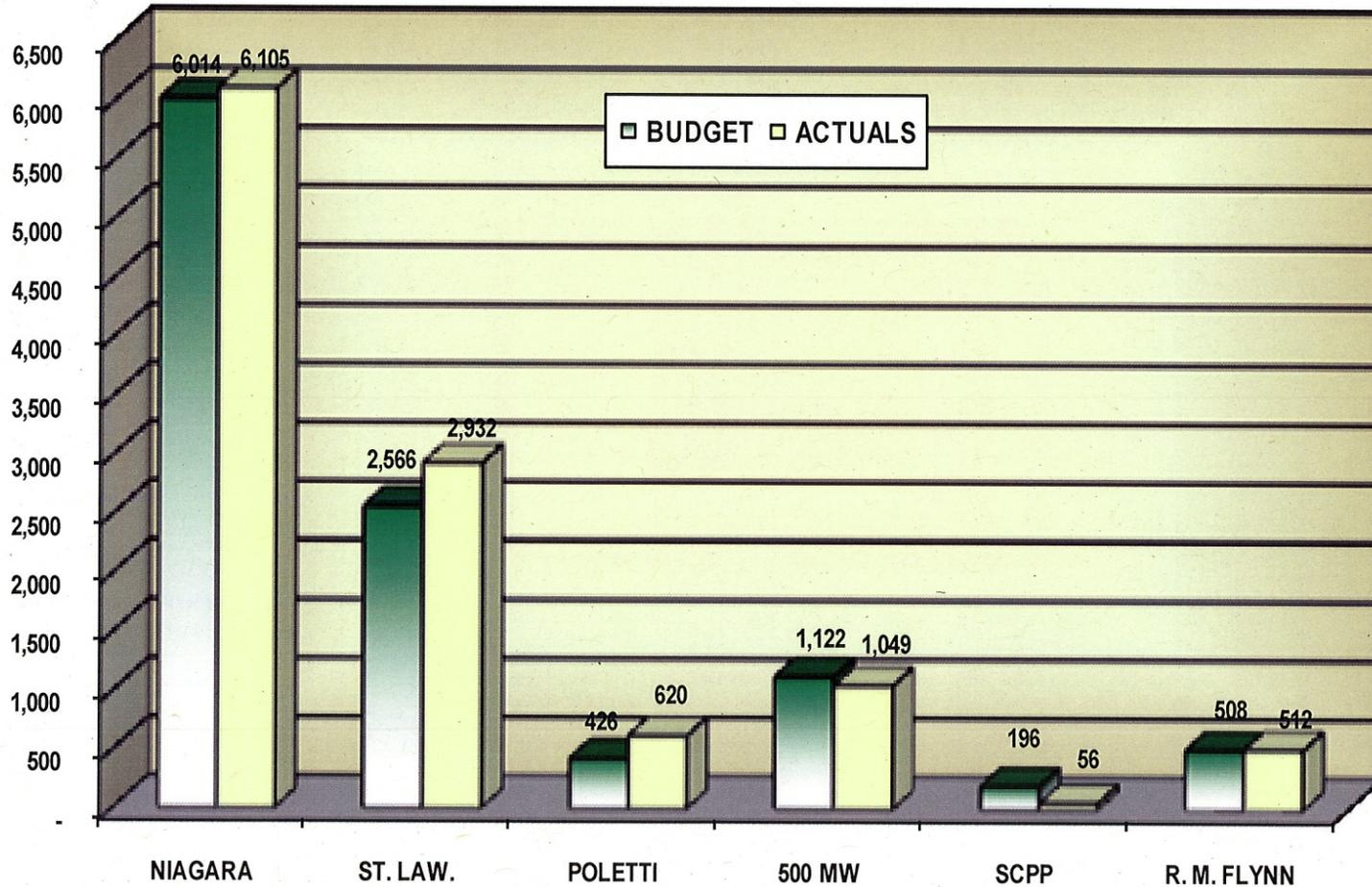
# O&M and Capital Expenditures Five months ended May 31, 2009 (\$ in millions)



- Through May, O&M expenses were \$4.6 lower than the budget.
- Corporate Support expenses were under budget by \$6.4 due mostly to under spending for IT computer hardware, software and consulting services.
- Power supply expenditures were \$2.4 higher than budgeted primarily at the 500MW facility and Niagara. The 500MW facility overrun was due to emergent contractor and material costs associated with the repairs to the unit 7A stator vanes. Niagara was over budget due to higher than anticipated contractor support for the RMNPP Gallery Structure Repair and the LPGP unit #1 wicket gate repair.
- Lower capital expenditures at HQ and Existing Facilities were primarily due to delays in various projects such as the St. Lawrence LEM and Breaker Replacement. Energy Service expenditures were under budget due to timing differences related to the NYPA Energy Services Programs.
- Under the Expenditure Authorization Procedure, the President has authorized new expenditures on budgeted capital projects of \$14.8 for 2009. The following expenditures were authorized this month:

Integrated Resource Planning	\$1.2
Preliminary Funding – power generation	1.1
Energy Management System Upgrade	0.9

# GENERATION YTD May 2009 (MWH in thousands)

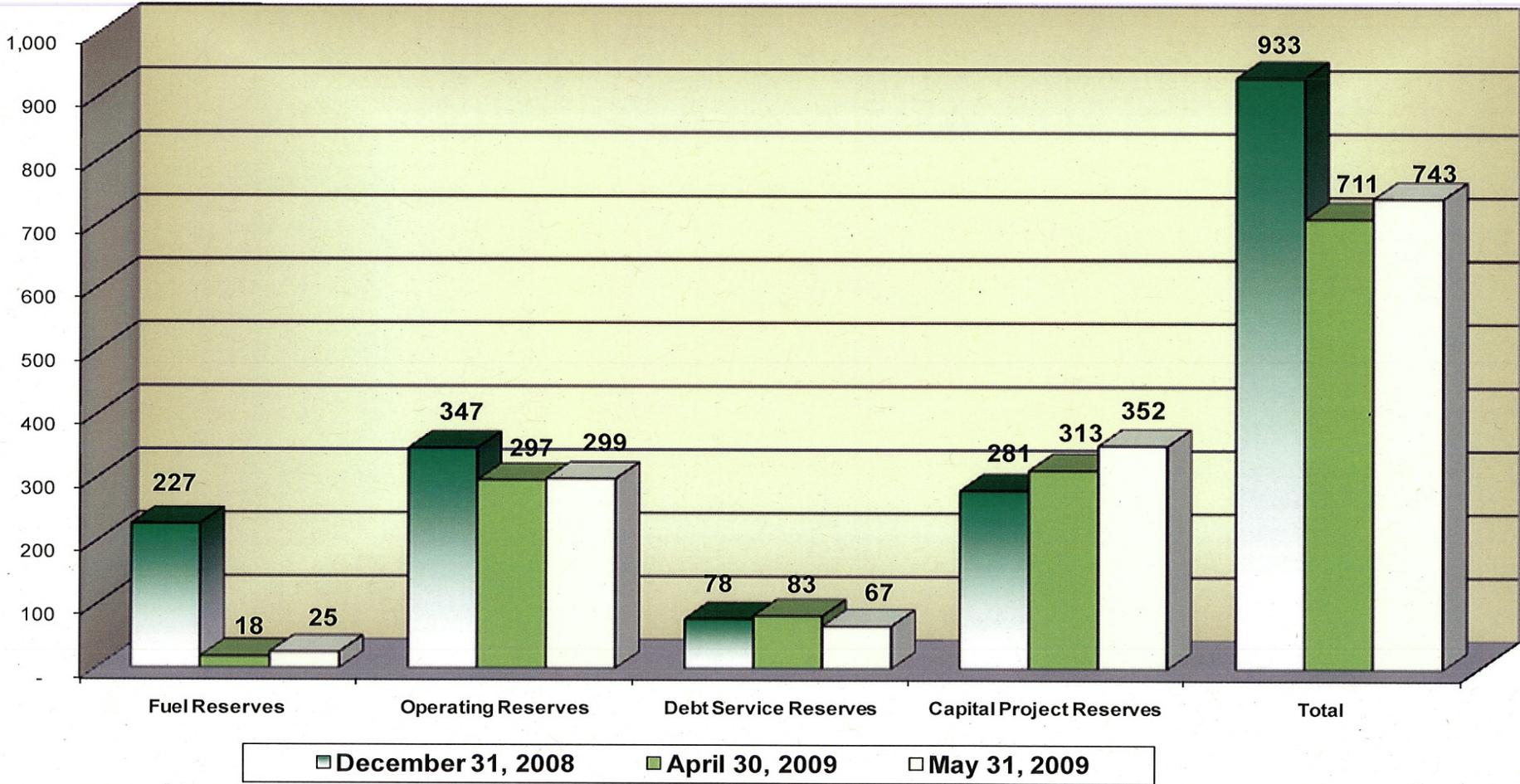


## GENERATION MONTH OF MAY 2009

	BUDGET	ACTUAL	%
NIAGARA	1,136	1,229	8%
ST. LAW	554	662	19%
POLETTI	144	130	-10%
500MW	250	237	-5%
SCPP	45	4	-90%
FLYNN	99	82	-16%
BG	(34)	(11)	-68%
SM. HYDRO	16	15	-9%
<b>Total</b>	<b>2,210</b>	<b>2,348</b>	<b>6%</b>

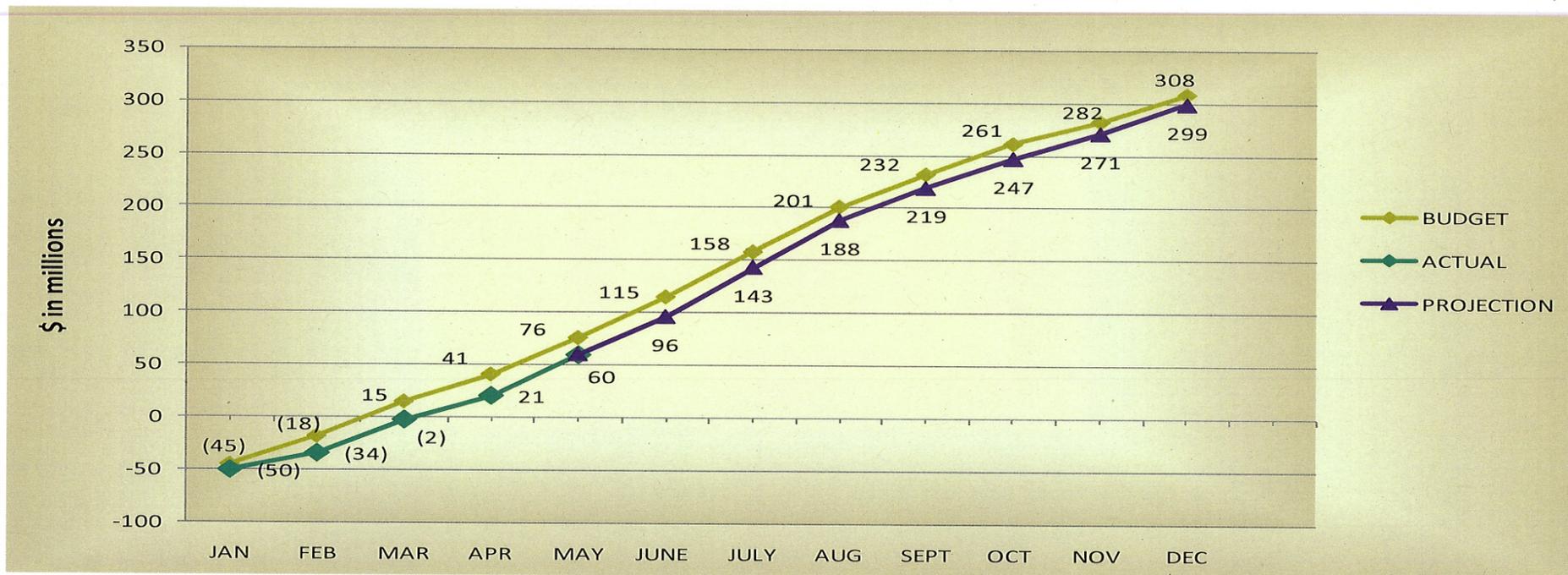
Production for May was 6% higher than anticipated resulting in 5% higher generation year-to-date. Through May, generation was higher at Poletti, St. Lawrence, and Niagara, partially offset by lower production at the SCPP's and the 500MW plant.

# Operating Fund As of May 31, 2009 (\$ in millions)



The year-to-date decrease in the fuel reserve balance resulted primarily from a \$215 Temporary Asset Transfer to NY State as authorized by the Trustees on February 3, 2009. The May balance of \$25 represents \$70 allocated to The Energy Hedging Reserve Fund less \$45 being held by counterparties as collateral for commodity futures contracts.

# Net Income Projection Year ended December 31, 2009 (\$ in millions)



## Major Assumptions:

- Hydroelectric generation is expected to be slightly above budget at Niagara and 9% above budget at St. Lawrence. A dramatic drop in market prices (down 25%) is the primary driver of a \$46 decrease in Niagara net income. In addition, use of Expansion power revenues to reduce bills via an Industrial Incentive Award contributed to the decline by \$3.2. Lower market prices at St. Lawrence, the North Country Stimulus program and lower customer sales are being offset by higher generation resulting in increased net income of \$11 for St. Lawrence.
- The Market Supply Power segment, which is a net buyer of market-based energy, is benefiting from lower market prices resulting in a net income improvement of \$46, with an estimated net loss for the year currently forecasted at \$31.
- Blenheim-Gilboa year-end projected net income is under budget by \$11 due to lower electric prices and reduced net generation.
- Small Clean Power Plants will see a decrease in net income of \$8 due to lower electric prices and reduced net generation.
- A higher water flow scenario (21.7 twh) would yield net income of \$319, whereas a low water flow scenario (20.1 twh) would yield net income of \$263.

**STATEMENT OF NET INCOME**  
**For the Five Months Ended May 31, 2009**  
*(in Millions)*

Annual Budget		Actual	Budget	Variance Favorable/ (Unfavorable)
	<b>Operating Revenues</b>			
<b>\$2,081.9</b>	Customer	<b>\$762.9</b>	<b>\$831.6</b>	<b>(\$68.7)</b>
805.4	Market-based power sales	226.6	269.9	(43.3)
62.3	Ancillary services	17.2	33.2	(16.0)
88.0	NTAC and other	42.0	35.7	6.3
<b>955.7</b>	<b>Total</b>	<b>285.8</b>	<b>338.8</b>	<b>(53.0)</b>
<b>3,037.6</b>	<b>Total Operating Revenues</b>	<b>1,048.7</b>	<b>1,170.4</b>	<b>(121.7)</b>
	<b>Operating Expenses</b>			
1,060.3	Purchased power	370.3	416.5	46.2
516.5	Fuel consumed - oil & gas	157.1	196.8	39.7
95.8	Ancillary services	29.0	38.9	9.9
441.6	Wheeling	141.6	146.6	5.0
304.5	Operations and maintenance	121.5	126.1	4.6
160.7	Depreciation and amortization	67.0	67.0	-
115.0	Other expenses	51.5	50.2	(1.3)
(10.4)	Allocation to capital	(3.0)	(3.9)	(.9)
<b>2,684.0</b>	<b>Total Operating Expenses</b>	<b>935.0</b>	<b>1,038.2</b>	<b>103.2</b>
<b>353.60</b>	<b>Net Operating Revenues</b>	<b>113.7</b>	<b>132.2</b>	<b>(18.5)</b>
	<b>Nonoperating Revenues</b>			
89.8	Post nuclear sale income	43.4	43.4	-
43.9	Investment income	19.7	16.9	2.8
(3.7)	Mark to market - investments	(6.8)	(1.5)	(5.3)
<b>130.0</b>	<b>Total Nonoperating Revenues</b>	<b>56.3</b>	<b>58.8</b>	<b>(2.5)</b>
	<b>Nonoperating Expenses</b>			
70.0	Contributions to New York State	70.0	70.0	-
105.7	Interest and other expenses	39.7	44.2	4.5
<b>175.7</b>	<b>Total Nonoperating Expenses</b>	<b>109.7</b>	<b>114.2</b>	<b>4.5</b>
<b>(45.7)</b>	<b>Net Nonoperating Income (Loss)</b>	<b>(53.4)</b>	<b>(55.4)</b>	<b>2.0</b>
<b>\$307.9</b>	<b>Net Income (Loss)</b>	<b>\$60.3</b>	<b>\$76.8</b>	<b>(\$16.5)</b>

**New York Power Authority  
Financial Reports**

**COMPARATIVE BALANCE SHEETS  
May 31, 2009**

		May 2009	May 2008	December 2008
<b>Assets</b>				
<b>Current Assets</b>				
	Cash	\$0.1	\$0.1	\$0.1
	Investments in government securities	762.9	857.2	961.1
	Interest receivable on investments	5.2	17.5	7.1
	Accounts receivable - customers	248.5	212.2	159.0
	Materials and supplies, at average cost:			
	Plant and general	82.3	75.3	84.5
	Fuel	30.0	34.1	38.6
	Prepayments and other	185.0	101.2	188.6
	<b>Total Current Assets</b>	<b>1,314.0</b>	<b>1,297.6</b>	<b>\$1,439.0</b>
<b>Noncurrent Assets</b>				
	Restricted Funds			
	Investment in decommissioning trust fund	818.4	966.1	811.8
	Other	100.4	91.0	99.8
	<b>Total Restricted Funds</b>	<b>918.8</b>	<b>1,057.1</b>	<b>911.6</b>
	Capital Funds			
	Investment in securities and cash	219.2	256.5	215.2
	<b>Total Capital Funds</b>	<b>219.2</b>	<b>256.5</b>	<b>215.2</b>
	Net Utility Plant			
	Electric plant in service, less accumulated depreciation	3,347.8	3,389.0	3,370.6
	Construction work in progress	147.3	156.5	157.6
	<b>Net Utility Plant</b>	<b>3,495.1</b>	<b>3,545.5</b>	<b>3,528.2</b>
	Other Noncurrent Assets			
	Receivable - NY State	215.0	-	-
	Deferred charges, long-term receivables and other	543.6	492.5	503.3
	Notes receivable - nuclear plant sale	153.7	165.4	182.2
	<b>Total other noncurrent assets</b>	<b>912.3</b>	<b>657.9</b>	<b>685.5</b>
	<b>Total Noncurrent Assets</b>	<b>5,545.4</b>	<b>5,517.0</b>	<b>5,340.5</b>
	<b>Total Assets</b>	<b>\$6,859.4</b>	<b>\$6,814.6</b>	<b>\$6,779.5</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
	Accounts payable and accrued liabilities	\$992.5	\$811.4	\$924.8
	Short-term debt	273.1	263.3	272.5
	<b>Total Current Liabilities</b>	<b>1,265.6</b>	<b>1,074.7</b>	<b>1,197.3</b>
<b>Noncurrent Liabilities</b>				
	Long-term Debt			
	Revenue bonds	1,231.8	1,385.3	1,233.0
	Adjustable rate tender notes	137.5	144.0	144.0
	Commercial paper	421.3	409.5	469.0
	<b>Total Long-term Debt</b>	<b>1,790.6</b>	<b>1,938.8</b>	<b>1,846.0</b>
	Other Noncurrent Liabilities			
	Nuclear plant decommissioning	818.4	966.1	811.8
	Disposal of spent nuclear fuel	215.6	213.6	215.5
	Deferred revenues and other	142.1	215.5	142.0
	<b>Total Other Noncurrent Liabilities</b>	<b>1,176.1</b>	<b>1,395.2</b>	<b>1,169.3</b>
	<b>Total Noncurrent Liabilities</b>	<b>2,966.7</b>	<b>3,334.0</b>	<b>3,015.3</b>
	<b>Total Liabilities</b>	<b>4,232.3</b>	<b>4,408.7</b>	<b>4,212.6</b>
<b>Net Assets</b>				
	Accumulated Net Revenues - January 1	2,566.8	2,268.4	2,268.4
	Net Income	60.3	137.5	298.5
	<b>Total Net Assets</b>	<b>2,627.1</b>	<b>2,405.9</b>	<b>2,566.9</b>
	<b>Total Liabilities and Net Assets</b>	<b>\$6,859.4</b>	<b>\$6,814.6</b>	<b>\$6,779.5</b>