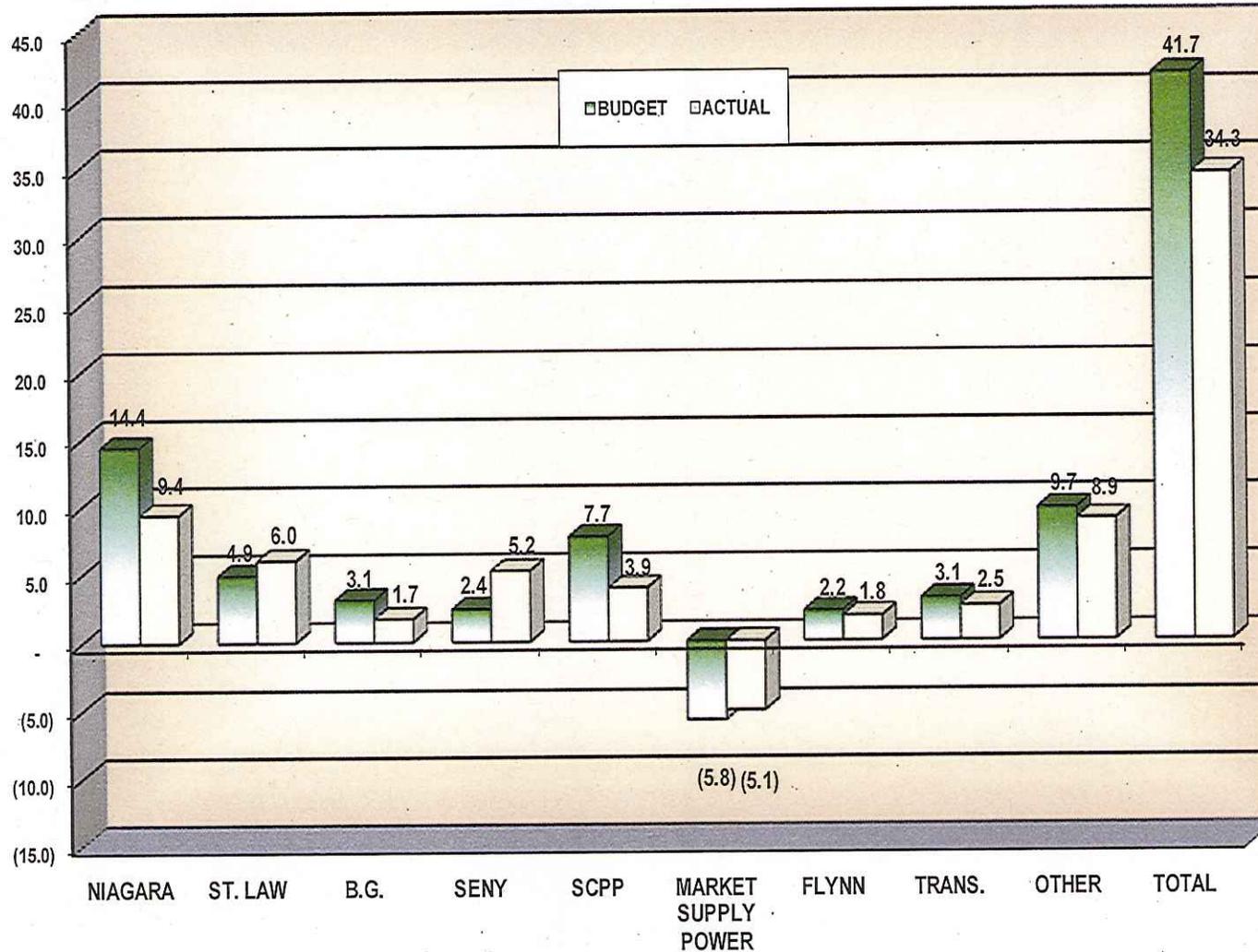


NEW YORK POWER AUTHORITY
REPORT OF THE CHIEF FINANCIAL OFFICER
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2009

Net Income By Facility August 2009 (\$ in millions)



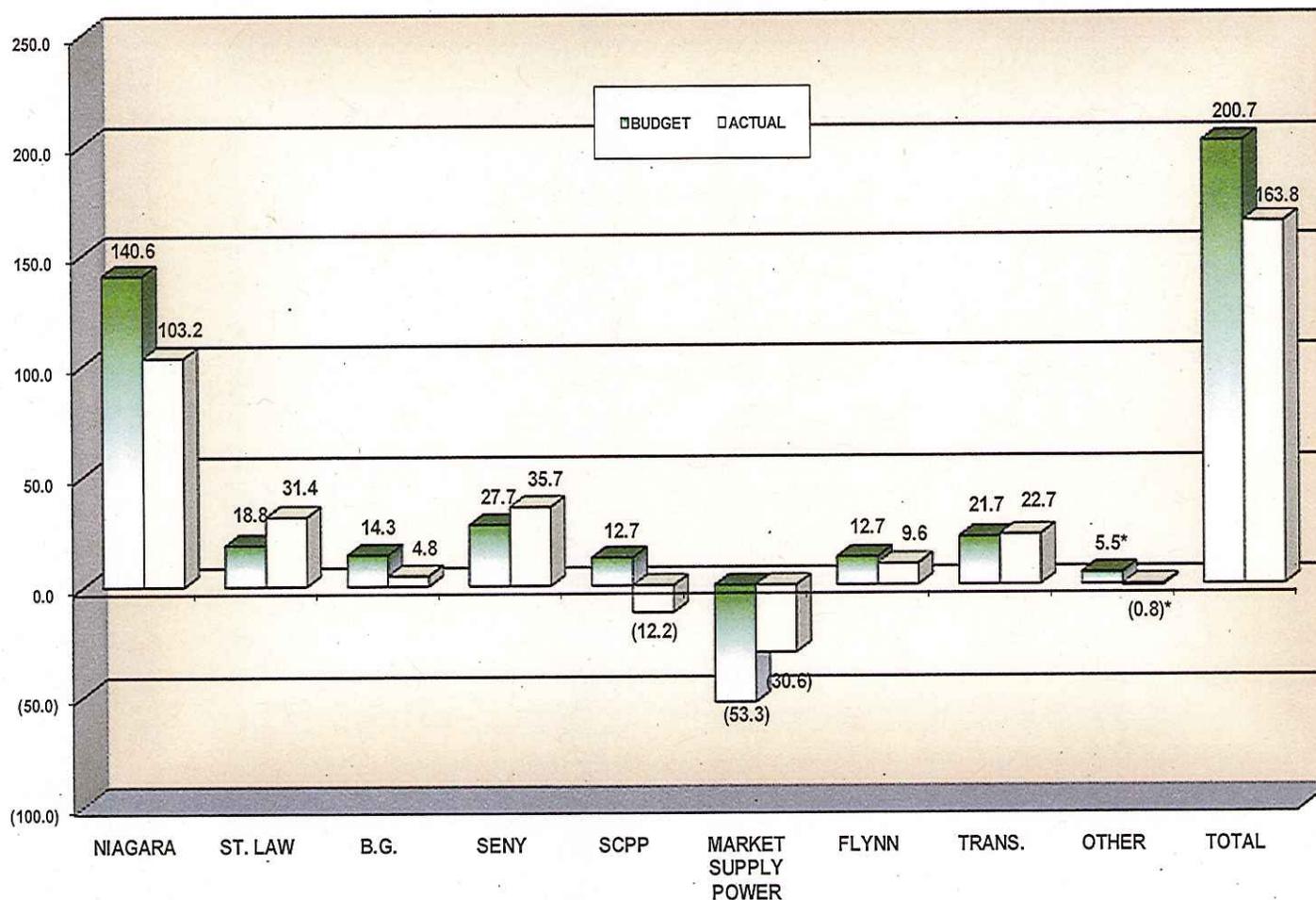
Major Factors	Better (Worse)
Niagara Primarily due to lower revenues. Negative variance due to lower prices on market-based sales partially offset by higher production (7%).	\$ (5.0)
St. Lawrence Higher market-based sales and lower purchased power costs (18% higher production).	1.1
Blenheim-Gilboa Lower market based sales due to lower production.	(1.4)
SCPP's Lower market-based sales partially offset by lower fuel costs.	(3.8)
Other Primarily additional voluntary contribution accrual* partially offset by a mark-to-market gain on investments (lower market interest rates).	(0.8)
Misc:	2.5
Total	\$ (7.4)

* Under legislation extending the Power for Jobs program through May 2010, the Authority is authorized to make an additional voluntary contribution to NY State for 2009 of \$12.5. The contribution will be accrued monthly over the remainder of the year.

Net Income By Facility

Eight months ended August 31, 2009

(\$ in millions)

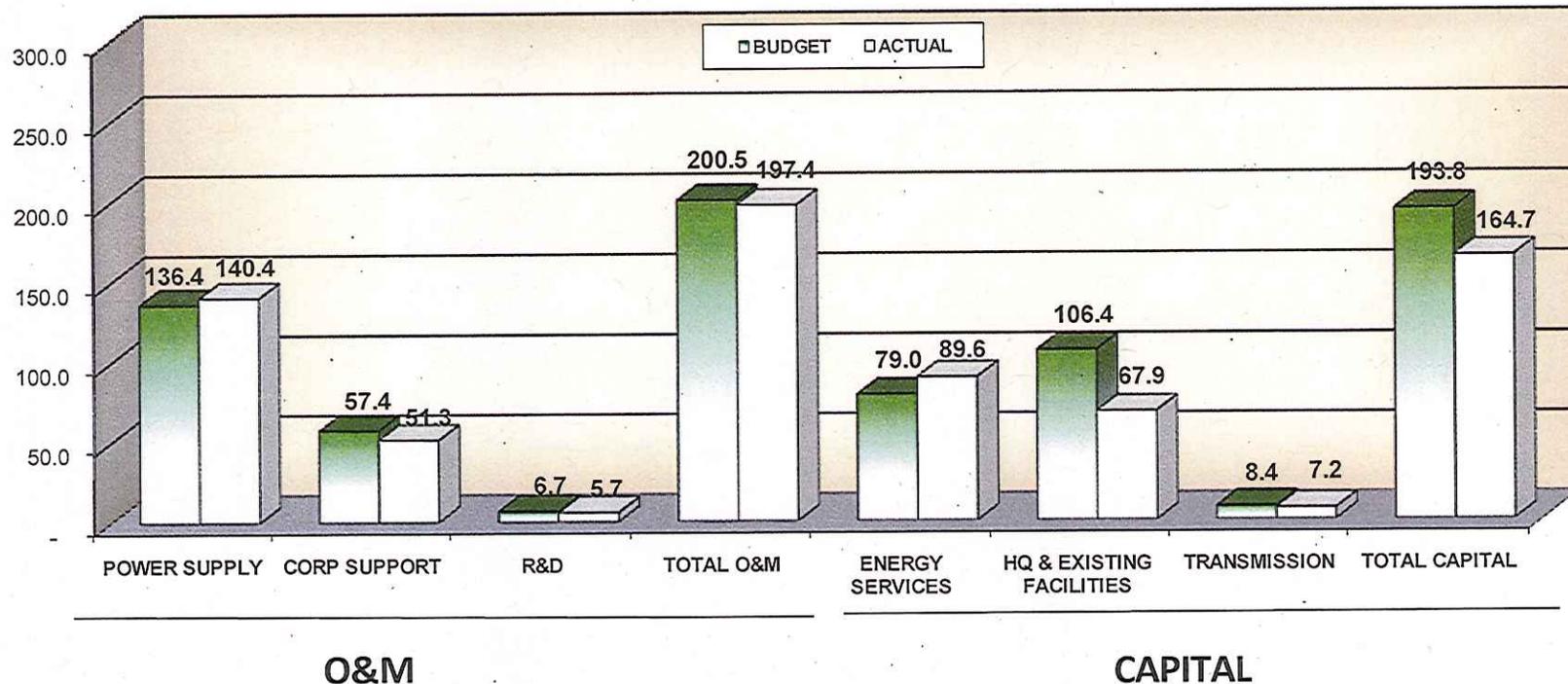


Major Factors	Better (Worse)
Niagara** Primarily lower revenues on market-based sales for energy and regulation service.	\$ (37.4)
St. Lawrence Higher market based sales & lower purchased power (16% higher production).	12.6
Blenheim-Gilboa Lower market-based sales due to lower production.	(9.5)
SCPP's Primarily lower market based sales partially offset by lower fuel costs.	(24.9)
MSP Lower purchased power (lower prices) partially offset by lower revenues.	22.7
Other Lower investment income and accrual of additional Power for Jobs voluntary contribution.	(6.3)
Misc.	5.9
Total	\$ (36.9)

** Approximately 85% 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.

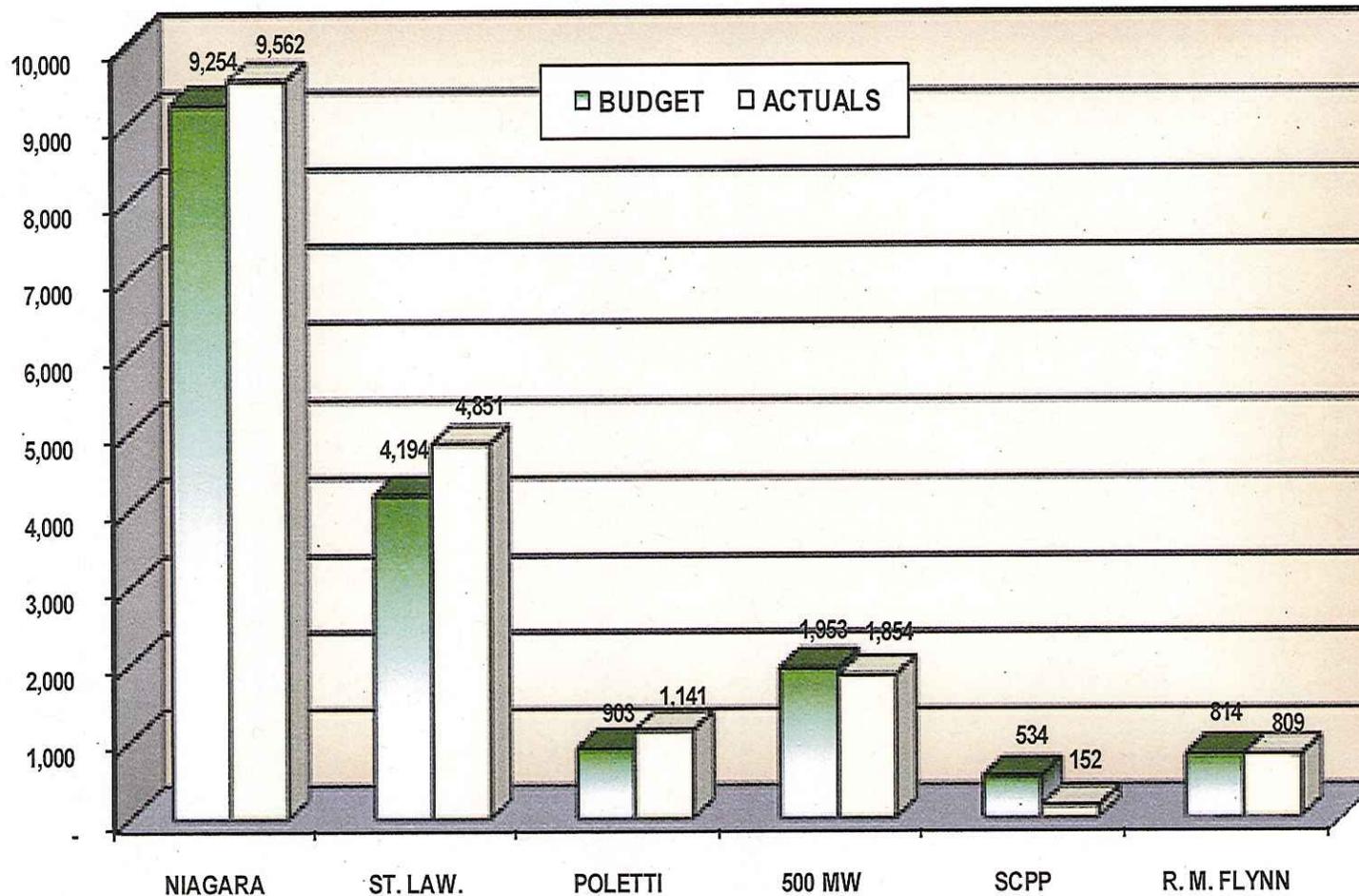
*Includes \$70 million contribution to NY state (Actual & Budget).

O&M and Capital Expenditures Eight months ended August 31, 2009 (\$ in millions)



- Through August, O&M expenses were \$3.1 lower than the budget.
- Corporate Support expenses were under budget by \$6.1 due mostly to under spending for IT computer hardware, software and consulting services.
- Power supply expenditures were \$4.0 higher than budgeted primarily at the SCPP's and 500MW facility. O&M for the SCPP's included expenditures for an unplanned outage at Harlem River #2. The 500MW facility overrun was due to emergent contractor and material costs associated with the repairs to the unit 7A stator vanes.
- 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 Services expenditures were over budget due to timing differences in the construction of NYCHA's Castle Hill Boiler and CUNY & Brooklyn College Steel Trap Replacement Project.
- Under the Expenditure Authorization Procedure, the President has authorized new expenditures on budgeted capital projects of \$14.8 for 2009. There were no new expenditures authorized this month.

GENERATION YTD August 2009 (MWH in thousands)

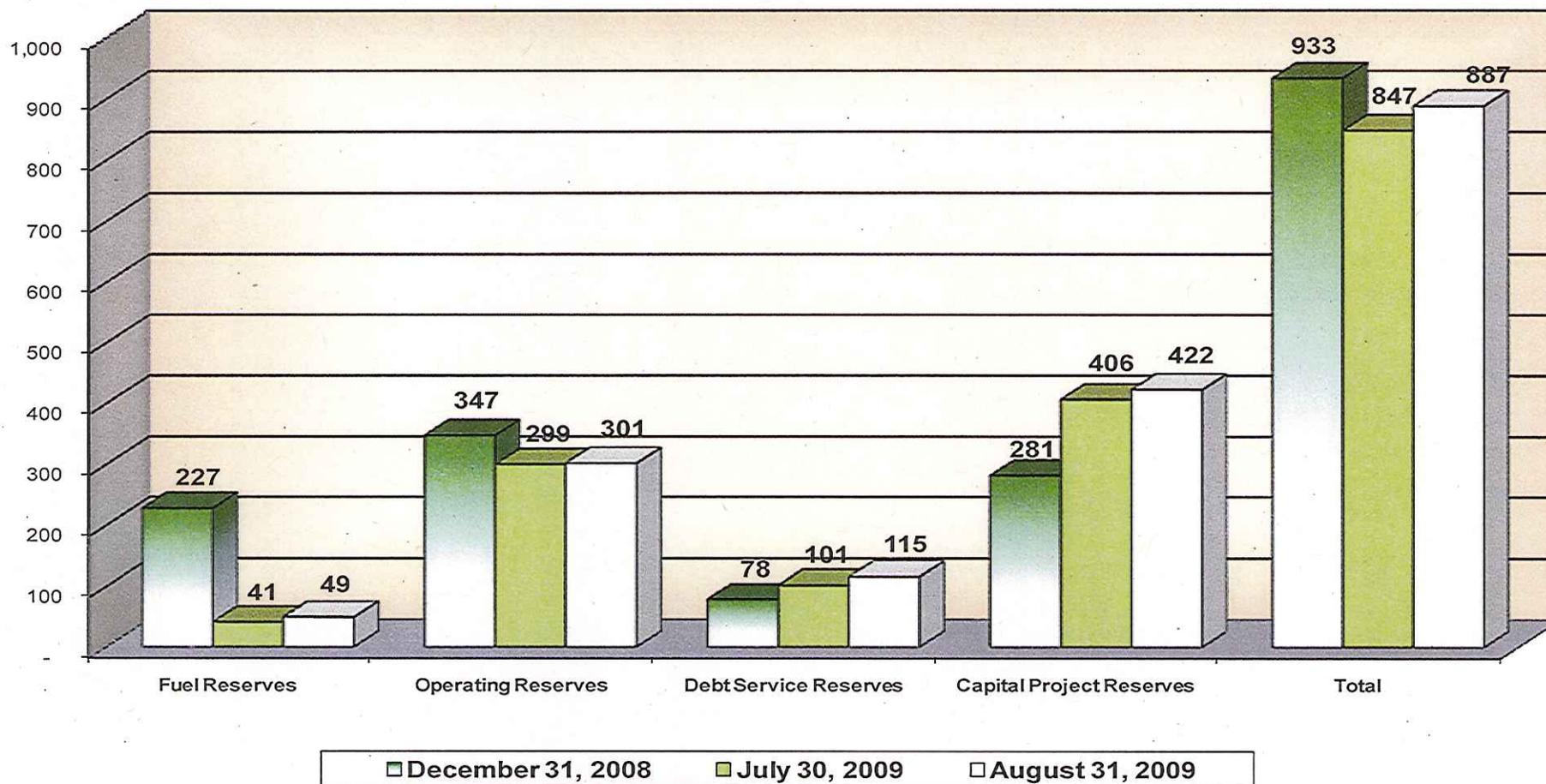


GENERATION MONTH OF AUGUST 2009

	BUDGET	ACTUAL	%
NIAGARA	1,074	1,148	7%
ST. LAW	543	641	18%
POLETTI	170	243	43%
500MW	313	300	-4%
SCPP	127	59	-53%
FLYNN	100	102	2%
BG	(44)	(7)	-84%
SM HYDRO	10	13	26%
Total	2,293	2,499	9%

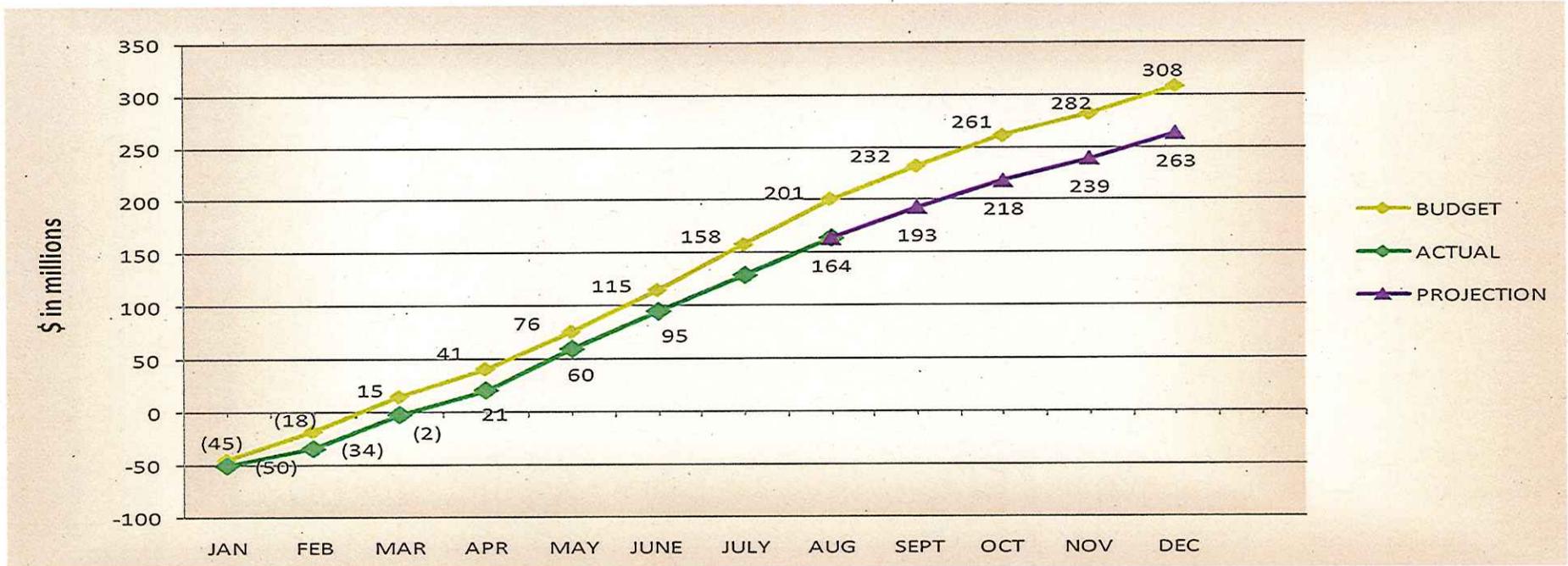
Production for August was 9% higher than anticipated resulting in 5% higher generation year-to-date. Through August, generation was higher at Poletti, St. Lawrence, and Niagara, partially offset by lower production at the SCPP's and 500mw Plant.

Operating Fund As of August 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 July balance of \$49 represents the unallocated portion of the Energy Reserve Fund (\$48) plus the balance in the Nuclear Spent Fuel Fund (\$1). Collateral for Commodity Futures Contracts held by counterparties total \$22. In September, a \$103 Temporary Asset Transfer was made from the Capital Project Reserve to NY State as authorized by the Trustees on February 3, 2009 and as reaffirmed on July 29, 2009.

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



Major Assumptions:

- 2009 Hydro generation is projected to be slightly above budget by approximately 1.3 Twh. Niagara generation is currently forecast at 3.0% above budget, and St. Lawrence generation is expected to be 13.6% above budget. A drop in market prices (down 36%) is the primary driver of a \$69 decrease in Niagara net income. In addition, the use of expansion power revenues to reduce bills via an Industrial Incentive Award contributed to Niagara's decline in net income. As for St. Lawrence, lower market prices and the North Country Stimulus program are mitigated by higher generation and increased sales into the ISO market, with projected net income of \$11 above budget.
- The Markey Supply Power segment, a net buyer of market-based energy, benefits from the drop in market prices. MSP net income for 2009 reflects an improvement of \$41, with an overall estimated 2009 net loss for this market sector of \$35. An additional voluntary contribution to the State's General Fund in the amount of \$12.5, related to the P4J Program extension, is included in the projection.
- Blenheim- Gilboa year-end projected net income is under budget by \$11 due to lower market prices and reduced generation.
- The Small Clean Power Plants' 2009 net income is approximately \$29 below budget due to lower market prices and reduced generation.

STATEMENT OF NET INCOME
For the Eight Months Ended August 31, 2009
(in Millions)

Annual Budget		Actual	Budget	Variance Favorable/ (Unfavorable)
	Operating Revenues			
\$2,081.9	Customer	\$1,237.0	\$1,387.6	(\$150.6)
805.4	Market-based power sales	422.5	567.5	(145.0)
62.3	Ancillary services	24.8	43.7	(18.9)
88.0	NTAC and other	67.4	61.9	5.5
<u>955.7</u>	Total	<u>514.7</u>	<u>673.1</u>	<u>(158.4)</u>
<u>3,037.6</u>	Total Operating Revenues	<u>1,751.7</u>	<u>2,060.7</u>	<u>(309.0)</u>
	Operating Expenses			
1,060.3	Purchased power	578.2	726.2	148.0
516.5	Fuel consumed - oil & gas	250.0	352.0	102.0
95.8	Ancillary services	51.2	64.3	13.1
441.6	Wheeling	281.7	293.4	11.7
304.5	Operations and maintenance	197.4	200.5	3.1
160.7	Depreciation and amortization	108.1	107.1	(1.0)
115.0	Other expenses	87.1	77.5	(9.6)
(10.4)	Allocation to capital	(4.9)	(6.7)	(1.8)
<u>2,684.0</u>	Total Operating Expenses	<u>1,548.8</u>	<u>1,814.3</u>	<u>265.5</u>
<u>353.60</u>	Net Operating Revenues	<u>202.9</u>	<u>246.4</u>	<u>(43.5)</u>
	Nonoperating Revenues			
89.8	Post nuclear sale income	69.5	69.5	-
43.9	Investment income	32.7	27.9	4.8
(3.7)	Mark to market - investments	(8.3)	(2.5)	(5.8)
<u>130.0</u>	Total Nonoperating Revenues	<u>93.9</u>	<u>94.9</u>	<u>(1.0)</u>
	Nonoperating Expenses			
70.0	Contributions to New York State	70.0	70.0	-
105.7	Interest and other expenses	63.0	70.6	7.6
<u>175.7</u>	Total Nonoperating Expenses	<u>133.0</u>	<u>140.6</u>	<u>7.6</u>
<u>(45.7)</u>	Net Nonoperating Income (Loss)	<u>(39.1)</u>	<u>(45.7)</u>	<u>6.6</u>
<u>\$307.9</u>	Net Income (Loss)	<u>\$163.8</u>	<u>\$200.7</u>	<u>(\$36.9)</u>

**New York Power Authority
Financial Reports**

**COMPARATIVE BALANCE SHEETS
August 31, 2009**

Assets	August 2009	August 2008	December 2008
Current Assets			
Cash	\$0.1	\$0.1	\$0.1
Investments in government securities	903.1	922.8	961.1
Interest receivable on investments	7.7	9.5	7.1
Accounts receivable - customers	151.0	266.6	159.0
Materials and supplies, at average cost:			
Plant and general	82.4	84.4	84.5
Fuel	29.9	32.0	38.6
Prepayments and other	138.0	166.8	188.6
Total Current Assets	1,312.2	1,482.2	\$1,439.0
Noncurrent Assets			
Restricted Funds			
Investment in decommissioning trust fund	884.8	924.6	811.8
Other	99.3	87.2	99.8
Total Restricted Funds	984.1	1,011.8	911.6
Capital Funds			
Investment in securities and cash	201.1	271.5	215.2
Total Capital Funds	201.1	271.5	215.2
Net Utility Plant			
Electric plant in service, less accumulated depreciation	3,337.3	3,387.0	3,370.6
Construction work in progress	146.9	133.9	157.6
Net Utility Plant	3,484.2	3,520.9	3,528.2
Other Noncurrent Assets			
Receivable - NY State	215.0	-	-
Deferred charges, long-term receivables and other	536.1	530.0	503.3
Notes receivable - nuclear plant sale	179.8	191.7	182.2
Total other noncurrent assets	930.9	721.7	685.5
Total Noncurrent Assets	5,600.3	5,525.9	5,340.5
Total Assets	\$6,912.5	\$7,008.1	\$6,779.5
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities	\$885.4	\$809.7	\$924.8
Short-term debt	270.4	283.5	272.5
Total Current Liabilities	1,155.8	1,093.2	1,197.3
Noncurrent Liabilities			
Long-term Debt			
Revenue bonds	1,231.3	1,384.5	1,233.0
Adjustable rate tender notes	137.5	144.0	144.0
Commercial paper	421.7	476.0	469.0
Total Long-term Debt	1,790.5	2,004.5	1,846.0
Other Noncurrent Liabilities			
Nuclear plant decommissioning	884.8	924.6	811.8
Disposal of spent nuclear fuel	215.7	214.6	215.5
Deferred revenues and other	135.1	279.5	142.0
Total Other Noncurrent Liabilities	1,235.6	1,418.7	1,169.3
Total Noncurrent Liabilities	3,026.1	3,423.2	3,015.3
Total Liabilities	4,181.9	4,516.4	4,212.6
Net Assets			
Accumulated Net Revenues - January 1	2,566.8	2,268.4	2,268.4
Net Income	163.8	223.3	298.5
Total Net Assets	2,730.6	2,491.7	2,566.9
Total Liabilities and Net Assets	\$6,912.5	\$7,008.1	\$6,779.5