

Chief Financial Officer – Summary Report

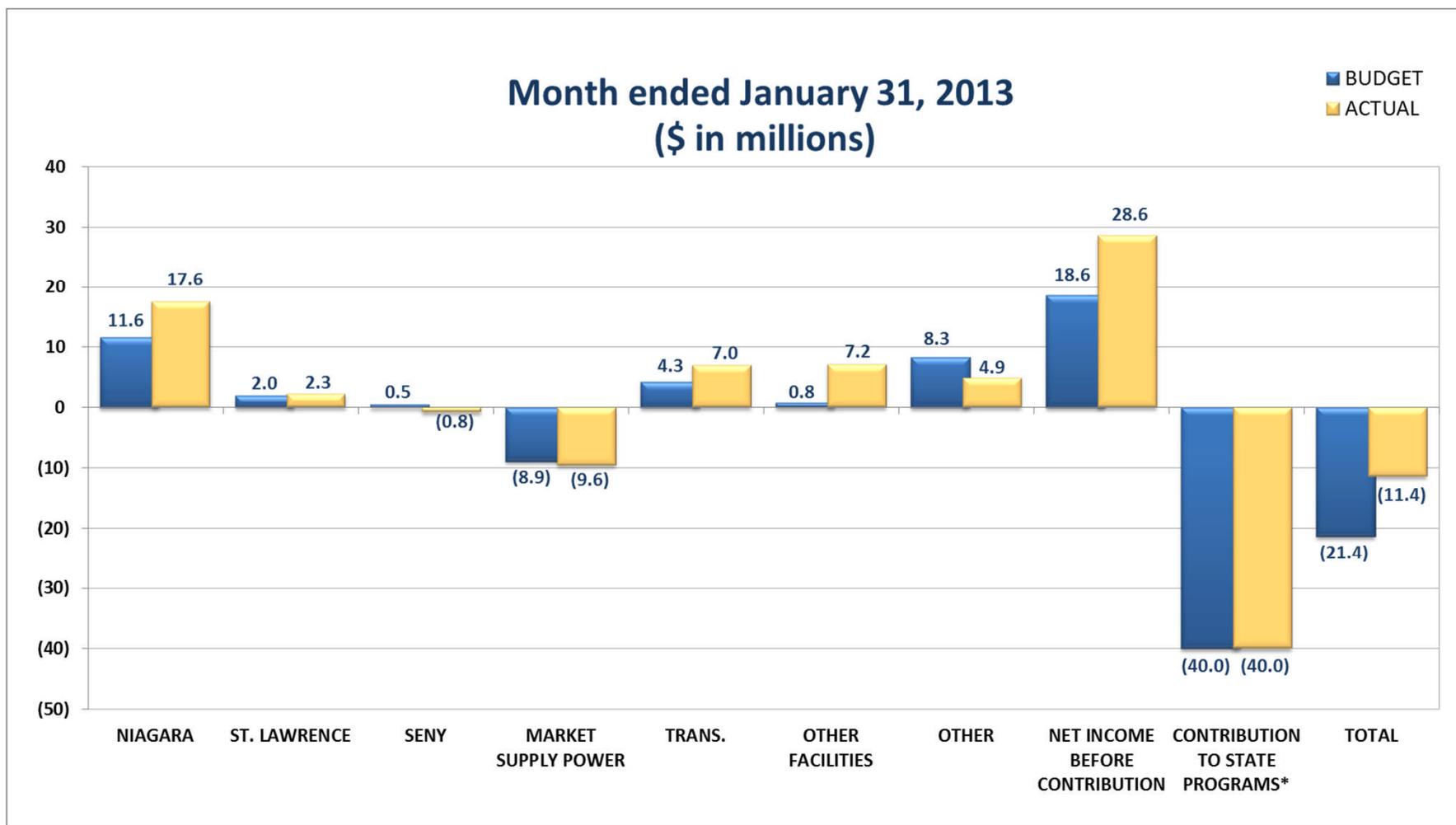
For the month ended January 31, 2013

Executive Summary

■ Net Income

- Net income for January, prior to the recognition of the State contribution, was a positive \$28.6 million, which was \$10.0 million better than the budget. With the inclusion of the budgeted \$40 million contribution, the Authority had a net loss of \$11.4 million for the month of January compared to a budgeted net loss of \$21.4 million. Results for the month were better than budgeted due primarily to a higher net margin on sales (\$13.4 million) partially offset by lower non-operating income (\$3.6 million).
- Margins on market-based sales were higher than budgeted primarily due to higher capacity and energy revenues resulting from higher prices. Positive variances were significant at Niagara, Blenheim-Gilboa and the SCPP's.
 - Capacity prices increased significantly in January due to the closing of Dynergy's coal facility, Danskammer, removing approximately 500 MWs of capacity from the market.
 - Production was slightly lower than anticipated reflecting higher net generation at St. Lawrence and Niagara, offset by lower production at the fossil facilities.
- Operations and Maintenance expenses were on target for the month.
- Non-operating income included a mark-to-market loss on the Authority's investment portfolio (\$3.1 million) due to higher than budgeted market interest rates.

Net Income



** As authorized by the Trustees in December 2012, in lieu of the voluntary contribution to the NYS general fund a contribution was made to Empire State Development Corp. in support of the Open for Business economic development initiative.*