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New Issue: MOODY'S ASSIGNS Aa2 RATING TO NEW YORK STATE POWER AUTHORITY'S POWER REVENUE BONDS; OUTLOOK STABLE

Global Credit Research - 20 Sep 2011

NYPA SELLING $110 MILLION REVENUE BONDS

Electric Utilities
NY

Moody's Rating

ISSUE		RATING
Revenue Bonds Series 2011 A		Aa2
Sale Amount	$110,000,000	
Expected Sale Date	09/20/11	
Rating Description	Revenue Bonds	

Moody's Outlook Stable

Opinion

NEW YORK, Sep 20, 2011 -- Moody's has assigned a Aa2 credit rating with a stable outlook to the New York State Power Authority (NYPA) approximately $110,000,000 Series 20011 A, scheduled to price in mid September 2011. Moody's has also affirmed the Aa2 credit rating on NYPA's outstanding $1,134,375,000 senior lien revenue bonds.

RATING RATIONALE:

The rating drivers include: NYPA's diverse mix of wholesale and direct-serve customers; NYPA's sound financial record; its fiscal independence from the state of New York (rated Aa2); the authority's broad statutory powers and key role in New York's energy industry; its ownership of some of the lowest-cost well-maintained power generation assets; and its competitive position. Weak bond covenants and potential transfer of state budget stress to authority are rating pressures. Future debt leverage remains an uncertainty as new state administration determines energy industry priorities.

OUTLOOK

The stable outlook considers NYPA's strong management of its financial operations; sound debt management and favorable cost position.

What Could Change the Long Term Rating -DOWN

The rating could face downward pressure if the State of New York were to burden the utility with additional and onerous revenue transfer requirements or if annual debt service coverage were to decline from historic levels.

What Could Change the Long Term Rating-UP

The rating could face upward pressures when there is more certainty regarding NYPA's role in future state energy plans and when there is more certainty regarding NYPA's long-term capital requirements. Sustained higher than historic debt service coverage ratios would also support consideration of a ratings upgrade.

CREDIT STRENGTHS

*Strong internal financial liquidity and strong debt service coverage

*Sound operating record of low-cost hydro units

*Significant debt reduction record

*Modernization of St. Lawrence-FDR and Niagara generation equipment has enhanced long-term reliability

*Commercial and industrial rates are competitive

CREDIT CHALLENGES

*Upstate New York has had declining population and employment levels which impact demand adversely

*Exposure to interest rate volatility; short-term debt represents a significant but declining portion of NYPA's debt structure

*Financial risk in New York's real time energy market of extended power plant outages

*Southeast New York (SENY) customers contracts expire 2017. But NYPA expects related generation debt to be largely retired by then.

*Weak bond covenants govern the authority's debt

*Legislation that authorizes NYPA to make voluntary contributions to the state's general fund could present a future financial pressure

*Potential major NYPA role in state meeting renewable energy and greenhouse gas emissions reduction objectives

BOND SECURITY:

NYPA's revenue bonds are payable and secured by a pledge of the Trust Estate including all revenues derived from the operation of any of NYPA's facilities. The rate covenant is sum sufficient. Moody's considers the security provisions weak because there is no debt service reserve account. NYPA has consistently maintained significant operating reserves which can be used to pay debt service if ever required.

USE OF BOND PROCEEDS:

The Series 2011 bonds will refund the $77,215,000 Series 2000 A Revenue bonds; $41,720,000 Series 2002 A Revenue bonds; and up to $200 million Commercial Paper Notes and pay for cost of issuance. The NYPA Board of Trustees also authorized up to $100 million of operating funds to retire commercial paper notes. The purpose of the finance plan is to produce present value savings and reduce NYPA;s variable rate debt .

RECENT DEVELOPMENTS:

*Net income for 2010 was $181 million, which was down from budgeted net income of $308 million. Year-end 2011 net income is projected to be $218 million and debt service coverage at 2.89 times. Major factor in improved financial metrics was current annual hydro generation forecasted at 20.6 TWh, 1.5 TWh above budget.

*NYPA is in process of several rate changes: average rate increase of 6.6% in 2011, 2012, 2013 and 2014. This would increase the rates for hydroelectric preference rate customers from 11.42/MWh to $13.87/MWh. NYPA's business customers rates will be adjusted from between $15-18/MWh to $21-25/MWh through 2014. A transmission rate is also planned for 2011 to be effective January 2012 of about $15 million in increased revenue.

*Net of voluntary contributions to the state, NYPA's forecasted debt service coverage is projected to be equal to or greater than 2.8 times between 2011-2014.

*New debt issuance will be offset by debt retirement schedule so debt ratio remains stable. Debt ratio calculation including HTP project could raise leverage ratio.

*Stress case assessments indicate that even with lowest water flow (hydro at 18.0 Twh) NYPA still has almost two-times debt service coverage.

*Potential new credit risk is if Dodd Frank CFTC rules on derivatives are implemented it could require collateral posting by NYPA on all derivative losses. NYPA has derivative losses but it is not required to post collateral. NYPA has unrealized losses from financial energy derivative settlements in excess of $178 million at year-end 2010 with contract extending through 2017. Any losses are recovered fully through customer rates. (NYPA, on behalf of the major SENY customers settles the energy derivatives losses on a monthly basis and then flows that into rates the following month. So the current losses will be zero in 2017.

* Availability factors at NYPA hydro and in-city NYC gas plants was in 90% range in 2010 and 2011

*2012-2014 capital program is $1.5 billion funded largely from equity (75%). About $750 million of the program is for NYPA's Energy Services Program. The energy efficiency program costs are billed to participants and recovered.

*The Hudson Transmission Partners (HTP) Project a 345 kV 660 MW underground/submarine transmission line extending from Bergen County, New Jersey to Con Edison's West 49th Street substation in midtown Manhattan. The project commenced in May 2011 and expected to be completed by summer 2013. NYPA has a firm capacity purchase agreement with HTP in connection to its long-term power supply requirements with its NYC governmental customers. NYPA could be faced with between $40 to $80 million of annual under -recovery during the first years of commercial operation under the FTCPA, but NYPA can recover from net revenues of the operation of the line and customer or third party participation. NYPA is in discussions with the SENY governmental customers and third parties regarding participation in the line.

Long-Term Rating Drivers:

(1) NYPA's Aa2 credit rating is partly due to its ownership of some of the lowest-cost, well-maintained power generation assets in the US. New licenses extend to 2050.

NYPA hydroelectric generation at normal water flow can represent more than 70% of NYPA's net generation and is among the lowest cost generation in U.S.

Availability at the hydro facilities over the past four years has exceeded 90%

Importantly NYPA has clearly demonstrated its capability in operating these significant assets. The Federal Energy Regulatory Commission (FERC) issued its decisions to relicense the St. Lawrence-FDR and Niagara hydroelectric facilities extending to 2053 and 2057 respectively. The average production cost of NYPA's hydroelectric generation is in the $10/MWh range which compares very favorably to the regional marginal cost of power. Costs associated with the relicensing of Niagara and modernization of certain equipment which are estimated to be $495 million (much of the CIP has been completed) have been added to the cost based rates but the all-in cost of the power remains very competitive.

The hydro units are run-of-the-river but rely on the Great Lakes Basin. Lower-than-normal flows of water into the Basin can have an impact on net generation levels. An important difference between run-of-the-river and lake water flow is that forecasting of lake water levels are more predictable further in advance for planning purposes. For example, from the spring of 1999 (15% below normal average) through 2004, lower water levels did reduce the amount of energy generated. To address the lower generation levels, NYPA purchased replacement power for customers, terminated sales of interruptible power and curtailed deliveries of firm power proportionally among customers. Water levels in Lake Erie and Lake Ontario have since 2004 been near-normal at within 5% of the long term average.

(2) NYPA's broad statutory powers and key role in New York energy industry bolsters credit strength

NYPA derives its authority from the Power Authority Act, which also makes NYPA responsible for providing transmission and generation services to New York customers. One of NYPA's major missions is providing low-cost energy and capacity to large high load factor industries and employers in upstate New York. The power and energy from the St. Lawrence-FDR and Niagara hydroelectric facilities are currently sold to three investor-owned utilities, 47 municipal electric systems, four rural cooperatives, and 700 industrial and commercial customers including three major industrial plants.

NYPA has an important role in economic development in upstate with the supply of low cost electricity. For example, it renegotiated in 2009 a 30-year agreement with Alcoa that provides the company with low cost electricity. This new agreement is credited with saving almost 300 jobs. Legislation enacted in August 2010 requires NYPA to use margins (about $15 million) from unallocated power to help develop western New York state.

NYPA also serves customers on a wholesale basis in the New York City metropolitan area with purchased power for resale and from its other power resources including owned generation. NYPA supplies energy and capacity under long term power supply agreements with New York City Governmental customers which expire December 17, 2017. Customers have a right to terminate the service with three years notice but at any termination the customer would have to compensate NYPA for any above market costs associated with resources used to supply the customers. This provision protects NYPA from any unrecoverable costs. The agreements provide for a full cost pass through arrangement relating to fuel, purchased power and NYISO-related costs. The New York City customers include the Metropolitan Transit Authority (MTA); the City of New York; the Port Authority of New York and New Jersey; the New York City Housing Authority; New York State Office of General Services; and Westchester County.

Customers chose to implement the monthly Energy Charge Adjustment with Hedging cost recovery mechanism under which all variable costs can be passed through to them. NYPA estimates that customer's costs are 30-35% below Con Edison rates.

2009 financial results reflect a significant change in the price of natural gas and its effect on energy prices. NY ISO market prices fell from 6 cents/kwh to 3cents/kwh between 2008 and 2009. The impact was minimal on NYPA given the cost pass through mechanism.

Historically NYPA has played an important role in the state's energy industry. This is important in the context of whether the new Governor will tap NYPA to implement any major new direction. Also, should new energy policies create credit risks for the authority like what occurred when NYPA managed two single-unit nuclear units.

About 20% of NYPA's net assets are transmission assets which represent more than one-third of the transmission lines in the state. NYPA played a valuable role in 2005 in siting in-city generation in transmission constrained New York City through its Power Now program. NYPA installed 11 combustion turbines with a total of 440 MW of net dependable capacity. NYPA accelerated the retirement of the debt issued to finance those units using the energy margins earned to pay off the debt.

A major change in NYPA's generation capability is the retirement of the 825 MW Poletti plant in January 2010. In exchange for New York City approval of the licensing of the new 500 MW combined-cycle natural gas and distillate fueled power plant located at the Poletti site, NYPA has had to shut down the 30-year old Poletti generation facility. The NYPA debt issued to construct the original Poletti facility was fully paid in 2008. The Astoria unit began operation on December 31, 2005.

NYPA has entered into a long-term power supply agreement with Astoria Energy II LLC for 500MW from the new combustion turbine plant which commenced commercial operation in July 2011.

(3) NYPA is fiscally independent from the state and receives no tax revenues or credits which is a credit positive; but recent budget transfers could be a rating pressure

NYPA's rates are set by its board of trustees and are not subject to state regulatory board approval. Historically, the power authority has transferred limited revenues to the state with most of the financial commitment related to the Power for Jobs program. This is important because should the fiscally challenged state become reliant on NYPA revenues such fiscal stress could be transferred to the authority.

Due to the significant financial stress the State of New York (general obligation bonds rated Aa2) faced in 2009 and 2010. NYPA did increase its financial assistance to the state for 2009 and 2010. Moody's believes that the increased assistance is manageable given NYPA's sound financial position. We also note that should this become a precedent to larger revenue transfers in the future, the fiscal independence of the power authority from the state could be jeopardized and result in rating pressure on NYPA's long-term rating.

As part of New York State's 2011-2012 Budget Bill, a new state-wide economic development program, known as the Recharge New York Power Program, was approved authorizing the replacement of the NYPA cash-based subsidy program of Power for Jobs (and other similar programs) with a program that instead makes use of NYPA's low cost power resources. As the transition from Power for Jobs to Recharge New York phases in over the next few years, the financial burden of the Power for Jobs Program will be alleviated.

*Components of Financial Assistance to State of New York

*NYPA voluntarily contributed $100 for Fiscal year 2011-2012. (this compares to an average annual amount of $90 million the prior three years).

*A Memorandum of Understanding with the state provided for a temporary asset transfer of $215 million in March 2009 and $103 million in September 2009. These funds are from the Spent Fuel reserve and a portion of Capital Project Reserve. The funds are required to be returned by 2017 (Spent Fuel) and 2014 (Capital Projects Fund) respectively.

*On May 24, 2011 the NYPA adopted a Policy Statement that NYPA must meet a 2.00 x debt service coverage ratio before it can transfer any funds.

(4) NYPA's sound financial record also remains key to its strong credit rating.

Debt-service coverage for FY 2010 as calculated by Moody's from the income statement (including CP note interest and including accelerated debt payments) equaled 2.33 times. Debt service coverage was forecasted to be 2.47 times in 2011 but most current projects indicate a stronger debt service coverage ratio at year-end at 2.89 times due to better hydro and also higher than forecasted energy market prices.. No increases in payments to the state are incorporated in the forecasts.

NYPA monitors through its enterprise risk management program on a regular basis the potential worst case financial and operational impacts from various risk exposures, including its significant level of variable interest rate exposure on operating cash flows. While NYPA utilizes discrete events to stress the forecast, NYPA has an ongoing value at risk (VAR) assessment which correlates closely to the specific assumptions used in the forecast shown below. NYPA has consistently shown it has significant resiliency to manage its risk exposures, while maintaining sound debt service coverage. NYPA's stress test of certain risks, such as low water levels, reflect that net cash flows would provide sound debt service coverage in the (net of accelerated debt service) through 2014.

Another financial risk is the impact of a major plant outage. The procedures of the New York ISO, the energy market coordinator for New York, have created this financial risk should NYPA experience a major plant outage. NYPA is required to bid into the day-ahead market the full output of its units. If the bid is accepted by the NY ISO, NYPA is obligated to supply the energy during a specified time period, and if a forced outage occurs at that NYPA plant, NYPA is obligated to pay the difference between the price of energy in the NYISO hourly market and the clearing price in the day-ahead-market during the short-term period (two days). In times of maximum energy usage, this cost could be substantial. NYPA has adopted various strategies to mitigate this risk including hedging strategies for the future maximum energy usage periods. A generator bid cap implemented by FERC also serves to limit outage loss exposure. NYPA has managed its generation risk well in the deregulated New York wholesale energy market.

NYPA has pursued an aggressive and successful debt-management strategy targeted at eliminating generation-related debt with the intent of lowering its fixed costs and thus its customers' power rates. As a result, it has reduced outstanding debt (including commercial paper notes) to about $1.8 billion in 2011 from $3.5 billion in 1994, and its debt ratio in 2010 below 50% which is one of the lowest of the major US public power electric utilities. The new lease purchase agreement with Astoria Generating Inc has a present value of $1.2 billion. The agreement will be paid as an O&M cost and NYPA will supply the fuel to the power plant.

NYPA's Board of Trustees has authorized the use of interest rate swaps and the policies and values are reported in NYPA's financial statements. NYPA has a risk management program that implements strategies to lessen exposure to variable interest rates with caps and liquidity provisions.

NYPA has notional amount of $504.7 million of interest rate swaps with negative mark-to-market valuation of $21.9 million. There is no collateral posting required on the swaps.

NYPA has several energy financial contracts and hedges extending through 2017 had a negative mark-to-market valuation at August 26, 2011 of $178 million. But NYPA has limited exposure to collateral requirement calls since collateral posting is primarily required if rating falls below Baa.

Capital Program

NYPA estimates its capital improvement program for the 2012-2014 period will be $1.5 billion and will be financed with about 25% debt and the balance with internal funds. About $775 million of the program funds the Energy Services program which is fully recovered from participants. Major projects include: Modernization of the St. Lawrence hydroelectric plant-14 of 16 units completed ($281 million to be done); Modernization of the Lewiston Pumped Storage Generating Plant-12 units to be started in 2012 ($460 million); Relicensing of the Bienheim-Gilboa pumped storage project (initial $42 million); and the upgrade and replacement of the of the Moses-Adirondack transmission line. NYPA has not yet made a direction firm yet on some other projects: . 100MW solar project (expect this to be a PPA); offshore wind project (possibly 120-500 MW PPA on Lake Ontario and or Lake Erie development in 2016-2017; and a new transmission line that would link Canadian hydro with New York(this could be a joint NYPA; Lipa and Con Edison project) and NYPA would bring its financing to the project.

NYPA management is considering several significant long-term strategies that could utilize its debt capacity to finance power generation and transmission projects. The objective is to meet long-term renewable energy requirements and lessen greenhouse gas emissions.

KEY INDICATORS:

Type of System: Wholesale energy supplier; transmission owner and provider

Hydroelectricity as % NYPA net generation (normal water), 2011: 70%

Debt Service Coverage, 2010: 2.25x (Moody's Calculation)

Total Days Cash on Hand, 2010: 190 days

Debt Ratio, 2011: 43%

Debt Outstanding:

1994: $3.5 billion

2011: $1.8 billion (with NYPA Astoria lease $2.9 billion

Total Operating revenues, 2010: $2.6 billion

Total Operating Expenses, 2010:$2.2 billion

Debt Statement as of 8/31/2011($000):

Senior Lien Obligations $1,134,375

Adjustable Rate Tender Notes $130,000

Commercial Paper $592,000

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The principal methodology used in this rating was U.S. Public Power Electric Utilities published in April 2008. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

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Exhibit PA-12

STANDARD & POOR'S

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September 16, 2011

Summary:
New York State Power Authority; CP; Wholesale Electric

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Summary:

New York State Power Authority; CP; Wholesale Electric

Credit Profile		
US$110.21 mil rev & taxable rev bndsser 2011A&B due 11/15/2040		
Long Term Rating	AA-/Stable	New

Rationale

Standard & Poor's Ratings Services has assigned its 'AA-' rating to the New York State Power Authority's (NYPA or the authority) $110 million of proposed series 2011A bonds. The outlook is stable. NYPA plans to apply proceeds to refund debt obligations outstanding.

At the same time, Standard & Poor's affirmed its 'AA-' rating on the authority's nearly $1.3 billion of parity senior debt, and the 'A-1' short-term rating on the authority's subordinate-lien series 1-3 commercial paper (CP) and its series 1 extendible municipal CP (EMCP) notes. Up to $1.2 billion of CP is authorized. About $490 million of CP and $83 million of EMCP are outstanding. Standard & Poor's also affirmed its 'AA-/A-1+' ratings on NYPA's $130.5 million senior-lien 1985 adjustable-rate tender notes.

The authority pays debt service from the net revenues of its electric system.

In our view, the 'AA-' ratings reflect the following strengths:

- NYPA benefits from autonomous rate-setting authority and is not subject to New York State Public Service Commission oversight. Nevertheless, while we believe the state places substantial financial demands on the utility that could erode financial strength and flexibility, the utility exhibited strong debt service coverage and liquidity in the past four years.
- The authority exhibited strong debt service coverage of direct debt of at least 3.0x in fiscals 2008-2010. Although debt service coverage was 30-80 basis points thinner after treating recurring transfers to state economic development programs as operating expenses, the post-transfers coverage of 2.2x in 2010 soundly supports the ratings.
- The utility's debt burden is low with a debt-to-capitalization ratio of about 39% in 2010, which reflects NYPA's reliance on other energy suppliers' generation resources to serve substantial portions of its customers' energy needs.
- Fiscal year-end 2010 unrestricted cash and investments represented more than six months' operating expenses net of depreciation and amortization; however, the authority could deploy substantial portions of these balances to support capital spending and avoid debt.
- NYPA serves a broad and economically diverse service territory.
- Strong demand for the authority's low-cost hydroelectric generation output accounts for more than half of its energy sales. Hydroelectric resources are important contributors to NYPA's financial margins.
- NYPA benefits from its southeastern New York customers' election to assume responsibility for variability in power supply costs the utility previously bore.

- Firm transmission rights provide the utility with a financially valuable corridor for moving power generated upstate to New York City.

We believe the following challenges temper these credit strengths:

- As a state authority, NYPA is exposed to substantial political influences, including pressure to contribute to state economic development programs, which we view as having the potential to erode the utility's financial strength.
- In addition to the $119 million that the utility transferred to the state from operating cash flows in 2009 and $159 million transferred in 2010, the authority also lent $318 million to the state in 2009 to help it address budget deficits. New York pledged to repay this loan in two installments, in 2014 and 2017. Loan repayment hinges on legislative appropriations and the loans do not constitute state debt. We view these very substantial transfers as placing significant demands on liquidity and constraining credit quality.
- Sales of NYPA's hydroelectric facilities' output are important contributors to operating margins and their contributions are susceptible to compromise during periods of drought or low market electricity prices, which could erode financial performance.
- Although customers of NYPA's hydroelectric resources pay very low rates, NYPA has periodically acquiesced to these customers' and its downstate customers' resistance to rate adjustments, which we view as eroding financial flexibility. Examples include under recovery and deferrals of a portion of upstate hydroelectric generation costs and statewide transmission costs.
- About 38% of the authority's debt obligations are variable-rate obligations. Through existing and planned swaps and caps, NYPA expects to substantially mitigate this risk. NYPA hedged about $505 million of variable-rate exposure, representing about 73% of variable-rate debt. The $189 million of unhedged exposure represents about 10% of total debt. Investment income from more than $1 billion of unrestricted cash and investments tempers this exposure. We also believe there is considerable headroom between the ratings on the swap counterparties, those on the utility, and the termination triggers in the swap documents.

NYPA is a corporate municipal instrumentality and political subdivision of New York State. It primarily sells wholesale electricity to municipal utilities, governmental entities, large industrial and commercial customers, investor-owned utilities, and utilities in neighboring states. Its contracts tend to be medium-to-long-term.

Unlike many other utilities, NYPA does not socialize its power supply costs across all customers. Rather, they pay charges tied to the resources that supply their electricity needs. The utility's low-cost, hydroelectric portfolio mostly benefits its upstate customers. NYPA charges municipal customers wholesale rates of about 1.3 cents per kilowatt hour, which we view as extremely low. It also sells some of the hydroelectric output to industrial customers and municipalities within and outside New York State. The authority principally serves its downstate governmental customers' needs with owned and contracted thermal resources that it supplements with market purchases. These customers' rates for delivered energy are nearly 7x those of the upstate municipalities.

In recent years, NYPA sourced the energy for more than 55% of its energy sales from its upstate hydroelectric facilities' output. Consumers of this energy accounted for only about 20% of revenues. By comparison, downstate customers accounted for about 70% of revenues.

At year-end 2010, the authority's long- and short-term debt was nearly $2 billion. NYPA reduced the year-end debt balance about 16% from 2005 through 2011. The authority plans to use debt proceeds, revenues, and cash on hand to finance more than $1.5 billion of 2011-2014 capital needs. It projects that debt amortization will offset new debt.

The authority's financing plans include borrowing to make loans to customers to promote economic development.

Debt service coverage of all direct debt obligations was at least 3.0x in fiscals 2008-2010, which was about 80 basis points stronger than coverage in fiscals 2005-2007. Coverage ranged from 1.9x in 2005 to 2.2x in 2007. Coverage in 2010 was strong in spite of low market prices that depressed surplus power sales margins.

Coverage ratios benefit from Entergy Corp.'s annual payments related to its 2001 $967 million purchase of NYPA's interests in the Indian Point 3 and James A. Fitzpatrick nuclear generating stations in 2000. NYPA records Entergy's payments of about $72 million per year on its income statement as other income. The payments will continue through 2015. NYPA projects that it should achieve all-in debt service coverage that exceeds 2.5x with the company's payments.

Standard & Poor's analysis also focuses on fixed-charge coverage. We view recurring transfer payments to the state and its economic development programs as operating expenses. Debt service coverage after transfers was 2.2x, which is consistent with the rating, but below 2008's 2.7x and 2009's 2.5x.

With limited exceptions, NYPA relies on energy-only contracts to serve its downstate customers and does not make capacity payments under the contracts. These contracts do not have the debt service-like, fixed-cost attributes of capacity payments.

Outlook

The stable outlook reflects our view of the utility's record of sound debt service coverage, strong liquidity, low-debt burden relative to owned-generation capacity, and the breadth of the customer base. The level of transfer payments to state programs and loans to New York State will be important in determining credit quality, and we view these demands on liquidity as limiting the ratings' upward potential.

Related Criteria And Research

USPF Criteria: Electric Utility Ratings, June 15, 2007

Ratings Detail (As Of September 16, 2011)		
New York St Pwr Auth wholesale elec		
Long Term Rating	AA-/Stable	Affirmed
New York St Pwr Auth adj rate		
Long Term Rating	AA-/A-1+/Stable	Affirmed
New York St Pwr Auth extendible mun comm pap nts ser 1		
Short Term Rating	A-1	Affirmed
New York St Pwr Auth taxable comm ppr		
Short Term Rating	A-1	Affirmed
New York St Pwr Auth tax-ex comm ppr 2		
Short Term Rating	A-1	Affirmed
New York St Pwr Auth wholesale elec (MBIA) BHAC)		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed

Ratings Detail (As Of September 16, 2011) **(cont.)**		
New York St Pwr Auth CP		
Short Term Rating	A-1	Affirmed
New York St Pwr Auth rev bnds		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
New York St Pwr Auth taxable rev bnds ser 2003A dtd 12/18/2003 due 11/15/2008-2013 2018 2023 2028 2033		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
New York St Pwr Auth wholesale elec		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

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