

NEW YORK POWER AUTHORITY
FINANCIAL REPORTS
FOR THE TEN MONTHS ENDED OCTOBER 31, 2006

**Financial Reports
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NEW YORK POWER AUTHORITY FINANCIAL REPORT FOR THE TEN MONTHS ENDED OCTOBER 31, 2006
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(\$ in millions)

<u>Financial Summary</u>	<u>2006 YTD</u>		<u>October 2006</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Net operating revenues	\$172.7	\$ 121.0	\$15.3	\$11.2
Net revenues (loss)	140.6	75.9	14.2	6.9
O&M (incl. administrative)	219.1	215.2	25.0	22.5
Generation (gwh's)	22,068	20,299	2,277	1,949
	<u>Current</u>	<u>Prior Month</u>	<u>December 2005</u>	
Reserves	\$379	\$339	\$233	

Net revenues through October 31, 2006 were \$140.6 which was \$64.7 higher than budgeted including higher net operating revenues (\$51.7) and higher non-operating income (\$13.0). Higher net operating revenues at the hydro facilities (\$70.1), the SCPP's (\$16.4) and the MSP market area (\$14.0) were partially offset by a negative variance at SENY (\$47.0). The positive results at the hydro facilities were due to higher than expected water flows resulting in 9% higher production. Higher capacity prices contributed to the positive variance at the SCPP's. The MSP market area showed better than anticipated operating results due to lower prices on ISO purchases. The negative variance at SENY was due primarily to lower than expected prices on sales to the ISO. Non-operating income included a mark-to-market gain on the Authority's investment portfolio and lower costs on variable rate debt.

Net revenues for the month of October were \$14.2 which was \$7.3 higher than budgeted due to higher net operating revenues (\$4.1) and higher non-operating income (\$3.2). Net operating revenues were higher primarily at the SCPP's (\$2.9, higher capacity prices) and in the MSP market area (\$2.5, primarily lower Power for Jobs rebates). Production for October (2,277 gwh) was 17% higher than anticipated (1,949 gwh) resulting from higher generation at both the hydro (265 gwh) and fossil (63 gwh) facilities. Non-operating income was higher than anticipated due mainly to an insurance recovery of \$1.7 related to emergency turbine repairs at the Harlem River facility.

NYPA
Net Revenues
For The Ten Months ended October 31, 2006
(\$ in 000'S)

	<u>Annual Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable/ (Unfavorable)</u>
Operating Revenues				
Customer	\$1,829,029	\$1,475,701	\$1,546,318	(\$70,617)
ISO-Energy	947,271	658,195	831,632	(173,437)
Ancillary Services	64,654	68,333	52,180	16,153
NTAC and Other	80,134	68,194	67,023	1,171
Total ISO	<u>1,092,059</u>	<u>794,722</u>	<u>950,835</u>	<u>(156,113)</u>
	2,921,088	2,270,423	2,497,153	(226,730)
Operating Expenses				
Purchased Power:				
Entergy	158,785	135,510	131,312	(4,198)
Other	1,048,307	716,337	912,248	195,911
Ancillary Services	83,746	68,096	69,905	1,809
Fuel Consumed - Oil & Gas	623,649	444,829	528,920	84,091
Wheeling	302,119	254,591	260,461	5,870
Operations & Maintenance	259,964	219,110	215,207	(3,903)
Other expenses	137,914	120,917	118,048	(2,869)
Depreciation & Amortization	176,402	144,308	147,000	2,692
Allocation to Capital	(8,794)	(5,984)	(6,969)	(985)
	<u>2,782,092</u>	<u>2,097,714</u>	<u>2,376,132</u>	<u>278,418</u>
Net Operating Revenues	138,996	172,709	121,021	51,688
Interest Income and Realized Gains	63,763	57,615	52,742	4,873
Mark to Market Adjustment	(2,000)	1,420	(2,000)	3,420
Investment Income	<u>61,763</u>	<u>59,035</u>	<u>50,742</u>	<u>8,293</u>
Interest and Other Expenses	<u>114,874</u>	<u>91,117</u>	<u>95,903</u>	<u>4,786</u>
Net Revenues	<u>85,885</u>	<u>140,627</u>	<u>75,860</u>	<u>64,767</u>

New York Power Authority
Net Revenues by Facility
For the Ten Months ended October 31, 2006
(\$ in 000's)

	Niagara/ St. Lawrence	B-G	SENY	SCPP	Market Supply Power	Flynn	Transmission	Eliminations & Adjmts	Total
Operating Revenues									
Customer	\$ 309,313	\$ 18,211	\$ 848,498	\$ 11,037	\$ 225,663	\$ 99,712	\$ 72,203	\$ (108,936)	\$ 1,475,701
ISO-Energy	45,930	57,008	419,801	100,348	42,607			(7,499)	658,195
Ancillary Services	54,058	5,319	7,252	732			68,194	972	68,333
NTAC and Other									68,194
Total ISO	99,988	62,327	427,053	101,080	42,607	-	68,194	(6,527)	794,722
Operating Expenses									
Purchased Power:									
Entergy	65,609	44,509	135,510	6,014	241,934		34	(113,753)	135,510
Other	21,194	251	38,538	84	8,031			(2)	716,337
Ancillary Services			330,425	45,913		68,491			68,096
Fuel Consumed - Oil & Gas			237,009		9,001				444,829
Wheeling	8,265		38,513	11,014	1,385	316			254,591
Operations & Maintenance	17,654	2,876	10,568	730	43,440	7,090	54,554		219,110
Other expenses	27,941	4,956	49,239	24,484	707	617	10,512	34,520	120,917
Depreciation & Amortization	(2,577)	(724)	(1,014)	(26)		4,361	32,620		144,308
Allocation to Capital						(198)	(1,445)		(5,984)
	221,052	75,456	1,310,778	88,213	304,498	80,677	96,275	(79,235)	2,097,714
Net Operating Revenues	188,249	5,082	(35,227)	23,904	(36,228)	19,035	44,122	(36,228)	172,709
Investment and Other Income	2		4,407	1,717			8	52,901	59,035
Interest and Other Expenses	(12,984)	188	(32,162)	(30)	(61)	(3,380)	(25,969)	(16,719)	(91,117)
Net Revenues (loss)	175,267	5,270	(62,982)	25,591	(36,289)	15,655	18,161	(46)	140,627
Budget	103,297	(2,630)	(15,415)	7,483	(50,269)	13,440	19,599	355	75,860
Variance	\$ 71,970	\$ 7,900	\$ (47,567)	\$ 18,108	\$ 13,980	\$ 2,215	\$ (1,438)	\$ (401)	\$ 64,767

* Reflects loss of \$93.0 million partially offset by \$30.0 million anticipated recovery from NYC Govt. customers (based on sharing plan elected for 2006 under LT Supplemental Energy Supply Agreement).

NEW YORK POWER AUTHORITY
VARIANCE FROM BUDGET
MAJOR FACTORS
For the Ten Months Ended October 31, 2006
(Millions)

		Better/(Worse) than budget	
Niagara/St. Lawrence	o Lower customer & ISO energy revenues (lower prices)	\$ (70.8)	
	o Higher ancillary service revenues (primarily higher prices for regulation & reserves)	9.0	
	o Lower purchased power costs (lower volumes & prices)	129.6	
	o Lower O&M (primarily lower contractor services at Niagara)	4.8	
	o Other	(0.6)	
			\$ 72.0
Blenheim-Gilboa	o Higher customer & ISO revenues (higher capacity prices)	10.9	
	o Higher purchased power costs (higher volumes)	(0.5)	
	o Higher site O&M (thrust bearing repair)	(1.2)	
	o Higher allocated administrative expenses	(1.0)	
	o Other	(0.3)	
			7.9
SENY	o Lower revenues (primarily lower prices on sales to the ISO)	(107.3)	
	o Lower purchased power costs (lower prices)	34.4	
	o Lower fuel costs (lower prices)	21.8	
	o Lower site O&M (primarily lower materials & waste disposal charges-500 mw)	2.0	
	o Other (including lower interest costs)	1.5	
			(47.6)
SCPP	o Lower ISO energy revenues (lower prices) partially offset by higher capacity revenues	(8.9)	
	o Lower fuel costs (primarily lower prices)	28.3	
	o Higher site O&M (Kent turbine blade repair)	(1.9)	
	o Other	0.6	
			18.1
Market Supply Power	o Lower revenues (primarily lower prices on sales to the ISO)	(18.3)	
	o Lower purchased power costs (lower prices)	24.6	
	o Other (primarily lower PFJ customer rebates)	7.7	
			14.0
Flynn	o Lower revenues (lower prices on Long Island)	(31.7)	
	o Lower fuel costs (primarily lower prices)	33.9	
			2.2
Transmission	o Higher revenues	0.9	
	o Higher O&M (right-of-way maintenance)	(1.2)	
	o Other	(1.1)	
			(1.4)
Consolidating adjustments			(0.4)
Net Revenues			\$ 64.8

NYPA
Operations & Maintenance
For the Ten Months Ended October 31, 2006

	(\$'s in millions)	
	<u>Actual</u>	<u>Budget</u>
Power Generation		
Headquarters Support	\$9.3	\$5.9
Blenheim-Gilboa	13.6	12.4
Charles Poletti	12.8	13.4
500 MW	6.3	7.2
R.M. Flynn	4.6	4.3
SCPP	10.0	8.1
Small Hydros	2.6	3.1
Niagara	34.8	37.9
St. Lawrence	<u>13.1</u>	<u>14.8</u>
	107.1	107.1
Transmission		
ECC/Headquarters	7.2	7.6
Transmission Facilities	<u>33.4</u>	<u>32.2</u>
	40.6	39.8
Corporate Support		
Executive Office	8.7	8.4
Business Services	26.7	26.4
HR & Corporate Support	18.6	19.3
Marketing & Econ. Devel.	5.5	5.7
Energy Services	<u>2.6</u>	<u>2.3</u>
	62.1	62.1
Research & Development & Other	9.2	6.2
Total	<u>\$219.1</u>	<u>\$215.2</u>

Through October, O&M expenses were \$3.9 million over budget. Power Generation was in aggregate on budget. Niagara spending was \$3.1 million under budget primarily due to lower than expected direct charges for contractor services for the Robert Moses 480/508 Elevated Drain Rehabilitation project due to the implementing a lower cost alternate solution. The positive variance at St. Lawrence (\$1.7 million) reflected lower labor charges to O&M resulting from higher than anticipated activity on the capital LEM work. The 500MW underrun of \$0.9 million was due to less than expected materials and waste disposal charges. These positives were substantially offset by overruns at Power Generation HQ, the SCPP's and Blenheim-Gilboa. The Power Generation HQ overrun (\$3.4 million) reflected greater than anticipated work on recurring and non recurring O&M projects rather than capital (mainly in Environmental), and earlier than planned contractor and consultant work for Maximo related issues. The SCPP's were over budget by \$1.9 million due to the unanticipated turbine blade repair at the Kent unit. The overspending for Blenheim-Gilboa (\$1.2 million) was due to emergency repair work on the Unit 4 thrust bearings. Transmission spending was over budget due to greater than expected right-of-way maintenance for the St. Lawrence and 765KV transmission lines. HQ Corporate Support expenses were right on budget. The overrun in Research & Development & Other expenses reflects a timing difference in the allocation of fringe benefits to HQ and facilities.

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

	OCTOBER <u>2006</u>	DECEMBER <u>2005</u>	<u>NET CHANGE</u>
ASSETS:			
Electric Plant In Service, Less Accumulated Depreciation	\$3,059,786	\$3,145,208	(85,422)
Construction Work In Progress	175,785	121,217	54,568
Net Utility Plant	<u>\$3,235,571</u>	<u>\$3,266,425</u>	<u>(30,854)</u>
Restricted Funds	71,202	79,258	(8,056)
Construction Funds	115,527	147,415	(31,888)
Investment In Decommissioning Trust Fund	897,046	851,346	45,700
Current Assets:			
Cash	72	72	-
Investments In Government Securities	790,041	572,457	217,584
Interest Receivable On Investments	14,228	12,069	2,159
Receivables-Customers	194,724	210,196	(15,472)
Materials & Supplies-Plant & General	64,430	63,352	1,078
-Fuel	31,420	26,442	4,978
Prepayments And Other	54,895	45,401	9,494
Notes Receivable-Nuclear Sale	271,460	257,349	14,111
Deferred Charges And Other Assets	<u>532,312</u>	<u>681,305</u>	<u>(148,993)</u>
TOTAL ASSETS	<u>\$6,272,928</u>	<u>\$6,213,087</u>	<u>\$59,841</u>
LIABILITIES AND OTHER CREDITS:			
Long-Term Debt - Bonds	\$1,886,509	\$1,935,378	(48,869)
Notes	156,145	161,835	(5,690)
Short-Term Notes Payable	279,520	218,241	61,279
Accounts Payable And Accrued Liabilities	580,311	539,219	41,092
Spent Nuclear Fuel Disposal	199,952	192,374	7,578
Decommissioning Of Nuclear Plants	897,046	851,346	45,700
Deferred Revenue	<u>236,270</u>	<u>418,155</u>	<u>(181,885)</u>
TOTAL LIABILITIES AND OTHER CREDITS	4,235,753	4,316,548	(80,795)
ACCUMULATED NET REVENUES-JANUARY 1	1,896,548	1,838,026	58,522
NET REVENUES	<u>140,627</u>	<u>58,513</u>	<u>82,114</u>
TOTAL LIABILITIES AND CAPITAL	<u>\$6,272,928</u>	<u>\$6,213,087</u>	<u>\$59,841</u>

NYPA
SUMMARY OF NET GENERATION (MWH'S)
FOR THE TEN MONTHS ENDED OCTOBER 31, 2006

Facility	Year-to-date October			Month of October 2006				
	Actual	Budget	Variance (Actual vs Budget)	% Variance from Budget	Actual	Budget	Variance (Actual vs Budget)	% Variance from Budget
Niagara	<u>10,869,322</u>	<u>9,850,000</u>	<u>1,019,322</u>	<u>10.35%</u>	<u>1,111,133</u>	<u>920,000</u>	<u>191,133</u>	<u>20.78%</u>
St. Lawrence	<u>5,568,327</u>	<u>5,250,000</u>	<u>318,327</u>	<u>6.06%</u>	<u>596,655</u>	<u>530,000</u>	<u>66,655</u>	<u>12.58%</u>
Combined	<u>16,437,649</u>	<u>15,100,000</u>	<u>1,337,649</u>	<u>8.86%</u>	<u>1,707,788</u>	<u>1,450,000</u>	<u>257,788</u>	<u>17.78%</u>
Poletti	<u>1,667,072 (1)</u>	<u>1,908,009</u>	<u>(240,937)</u>	<u>-12.63%</u>	<u>128,640</u>	<u>173,921</u>	<u>(45,281)</u>	<u>-26.04%</u>
500MW	<u>2,558,235</u>	<u>1,917,504</u>	<u>640,731</u>	<u>33.41%</u>	<u>275,316</u>	<u>189,934</u>	<u>85,382</u>	<u>44.95%</u>
SCPP	<u>533,624</u>	<u>540,763</u>	<u>(7,139)</u>	<u>-1.32%</u>	<u>46,618</u>	<u>39,947</u>	<u>6,671</u>	<u>16.70%</u>
Blenheim Gilboa	<u>(294,396) (3)</u>	<u>(247,345)</u>	<u>(47,051)</u>	<u>19.02%</u>	<u>0 (3)</u>	<u>(2,458)</u>	<u>2,458</u>	<u>-100.00%</u>
Small Hydro	<u>171,354</u>	<u>121,283</u>	<u>50,071</u>	<u>41.28%</u>	<u>17,475</u>	<u>12,368</u>	<u>5,107</u>	<u>41.29%</u>
R. M. Flynn	<u>994,697 (2)</u>	<u>959,282</u>	<u>35,415</u>	<u>3.69%</u>	<u>101,608</u>	<u>85,420</u>	<u>16,188</u>	<u>18.95%</u>
Total	<u>22,068,235</u>	<u>20,299,496</u>	<u>1,768,739</u>	<u>8.71%</u>	<u>2,277,445</u>	<u>1,949,132</u>	<u>328,313</u>	<u>16.84%</u>

(1) Scheduled maintenance outage April 1 of April 10, 2006. Continued on reserve shutdown through April 13, 2006.

(2) Scheduled maintenance outage April 24 - May 4, 2006.

(3) Scheduled outage to facilitate the Life Extension and Modernization (LEM) project.

**NYPA
Capital Expenditures
For the Ten Months Ended October 31, 2006**

(\$'s in millions)

	<u>Actual</u>	<u>Budget</u>
New Generation	\$12.5	\$13.6
Energy Services	98.5	82.5
Existing Facilities	76.1	82.4
Transmission	5.9	19.4
Headquarters	8.0	22.5
General Plant and Minor Additions	<u>5.6</u>	<u>6.7</u>
	<u>\$206.6</u>	<u>\$227.1</u>

Capital expenditures through October 2006 were 9.0% lower than the budget. **New Generation** was under budget by \$1.1 million with underruns in the 500MW Combined Cycle and SCPP projects. The underrun in the 500MW project was due to timing differences related to the completion of the punch list items. Less than anticipated spending at the SCPP project resulted primarily from a delay in starting various community improvement projects. **Energy Services** was \$16.0 million over budget primarily due to accelerated construction activity for the NYC governmental customers under the Long Term Agreement Programs. Expenditures for **Existing Facilities** improvements were \$6.3 million under budget due to less than anticipated usage of consultants for the Niagara Relicensing project and underruns in the Niagara Upgrade, Robert Moses Stator Rewind and Niagara Gantry Crane projects. This underrun was partially offset by a payment of \$10.0 million, to establish the Seaway Private Equity Corporation, not included in the budget. Since NYPA has withdrawn from the agreement with the St. Lawrence Aquarium and Ecological Center, NYPA has agreed to establish this fund for new economic development in the North Country. The underrun in **Transmission** of \$13.5 million was due to less than expected activity related to the Static Var Compensator and Tri Lake Transmission project. **Headquarters** was underrunning the budget by \$14.5 million due to delays in choosing the system implementation consultant for the Billing System Replacement project and delays in finalizing the scope for security improvement projects at various facilities.

Under the Expenditure Authorization Procedure, the President has authorized new expenditures on budgeted capital projects of \$2.5 million for 2006. There were no new expenditures this month.

**Demand Side Management
Cost Summary (Inception to Date)
October 31, 2006
(\$ 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	1,752		1,752	180	1,572
183,050	Electrotechnologies LTEPA	ES-EPN	8,985	73,835	82,820	47,028	35,792
433,000	NYP&A Energy Services Program	ES-ESN	57,188	86,248	143,436	43,071	100,365
530,000	SENY Govt Cust Energy Serv	ES-GSN	41,282	8,191	49,473	4,172	45,301
26,000	Landfill Gases Program	ES-LFN	662		662		662
130,000	SENY HELP LTEPA	ES-LTN	13,034	74,510	87,544	60,771	26,773
1,200	MUNI Vehicle Program	ES-MVN	-	458	458	182	276
140,000	Non-Elect End Use LTEPA	ES-NEN	26,931	57,634	84,565	25,751	58,814
35,000	Peak Load Mgmt	ES-PLN	1,368	165	1,533		1,533
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	1,818	101
14,600	Industrial	ES-IPN		6,875	6,875	6,570	305
51,000	LI HELP	ES-LIN		47,505	47,505	47,023	482
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	63,573	8,508
40,000	Public Schools	ES-PSN		38,941	38,941	38,730	211
\$130,000	SENY HELP	ES-SEN		\$134,305	\$134,305	\$134,305	\$0
60,000	Statewide	ES-SWN		56,733	56,733	54,396	2,337
4,085	Other			746	746	746	0
7,500	Wattbusters			5,441	5,441	5,441	0
<u>\$1,898,435</u>			<u>\$151,202</u>	<u>\$673,579</u>	<u>\$824,781</u>	<u>\$540,215</u>	<u>\$284,566</u>

(B) POCR Funding

LOANS

Authorized	Program	Loans Issued	Repayments	Outstanding Balance
<u>\$ 16,390</u>	Colleges & Universities	<u>\$ 16,390</u>	<u>\$ 15,871 (1)</u>	<u>\$ 519</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
23,449 (1)	Energy Services Programs	14,394
29,834 (1)	POCR Grants	12,550
<u>\$ 70,609</u>		<u>\$ 44,270</u>

(C) CASP Funding

Authorized	Program	Issued
132,541 (2)	Coal Conversion	118,819

(D) Board of Ed Funding

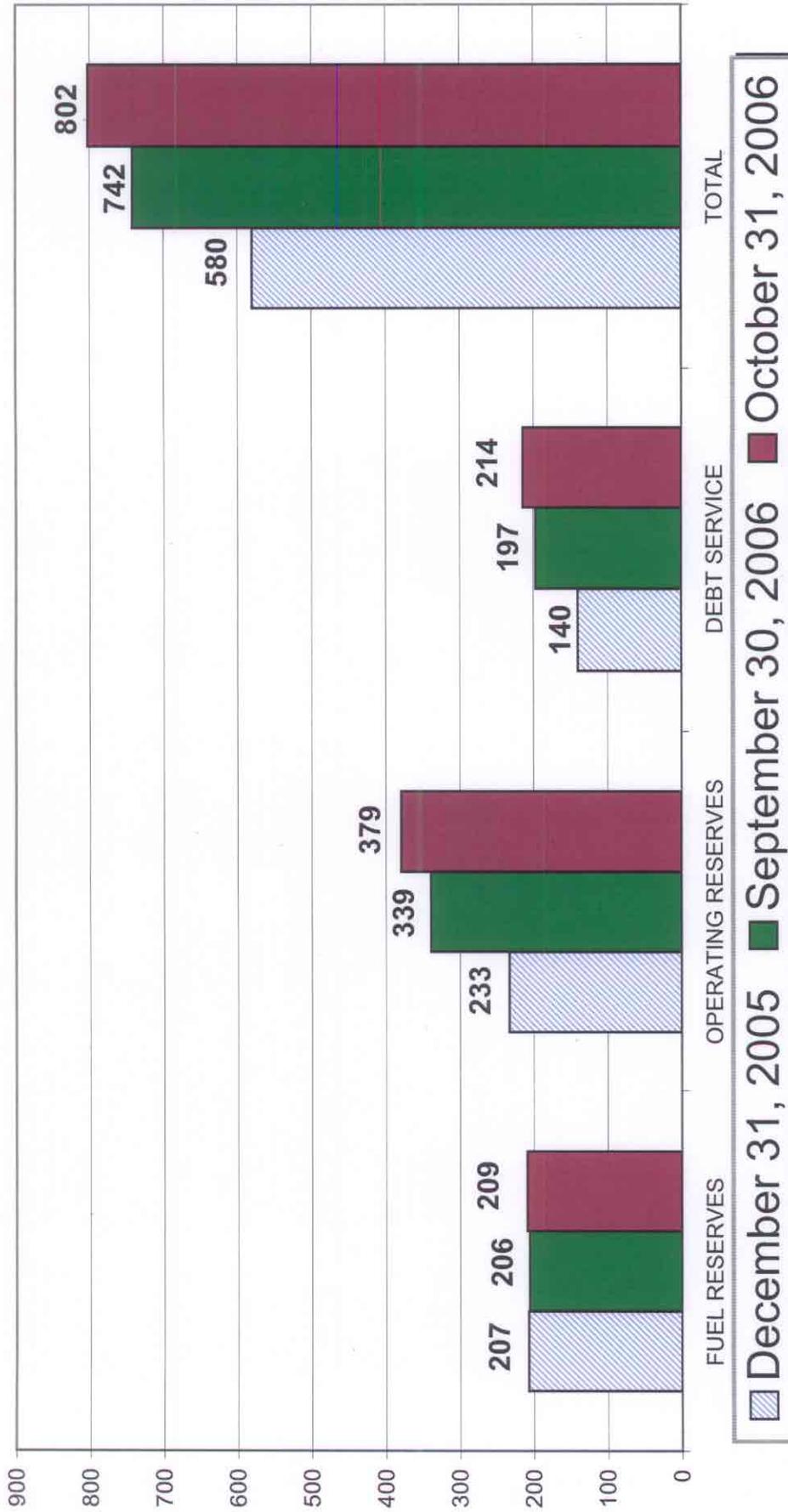
Authorized	Program	Issued
38,798 (2)	Climate Controls (NYC BOE)	34,677

(D) NYC Housing Auth Funding

Authorized	Program	Issued
12,833 (2)	NYCHA Hot Water Heaters	9,664

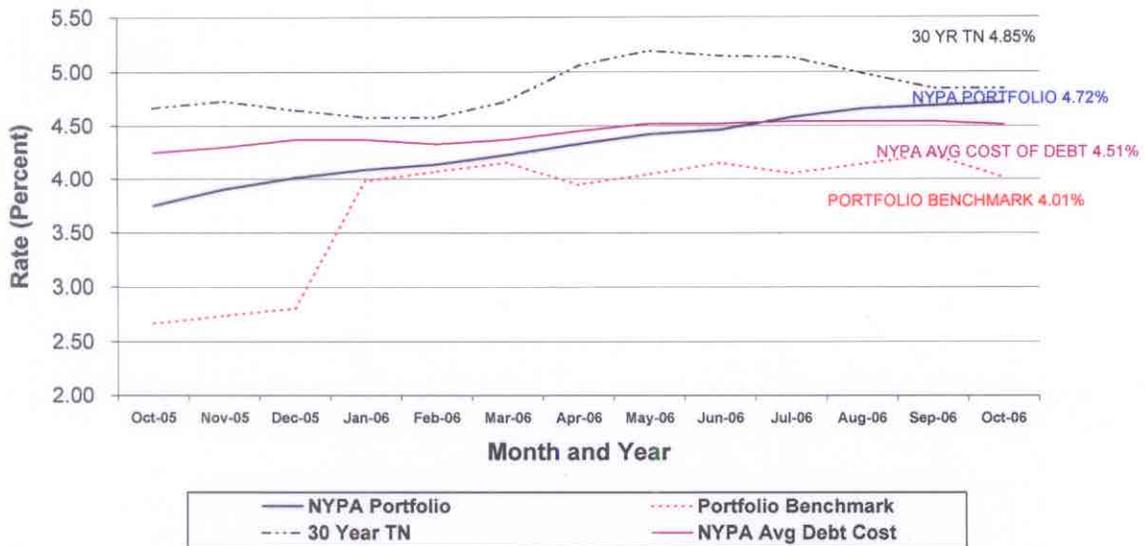
(1) Funds recovered via loan repayments are available and assigned to be used as grants in the Energy Services Program and for POGR Grant Program.
(2) Authorized funds reflect both principal received and the interest earned on such principal.

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



Fuel Reserves include \$200 million for Nuclear Spent Fuel and \$9 million for Energy Hedging Reserve Fund.

Portfolio Performance



Financing Rates

