

Chief Financial Officer – Summary Report

For the year ended December 31, 2013

Executive Summary

■ Net Income (preliminary) *

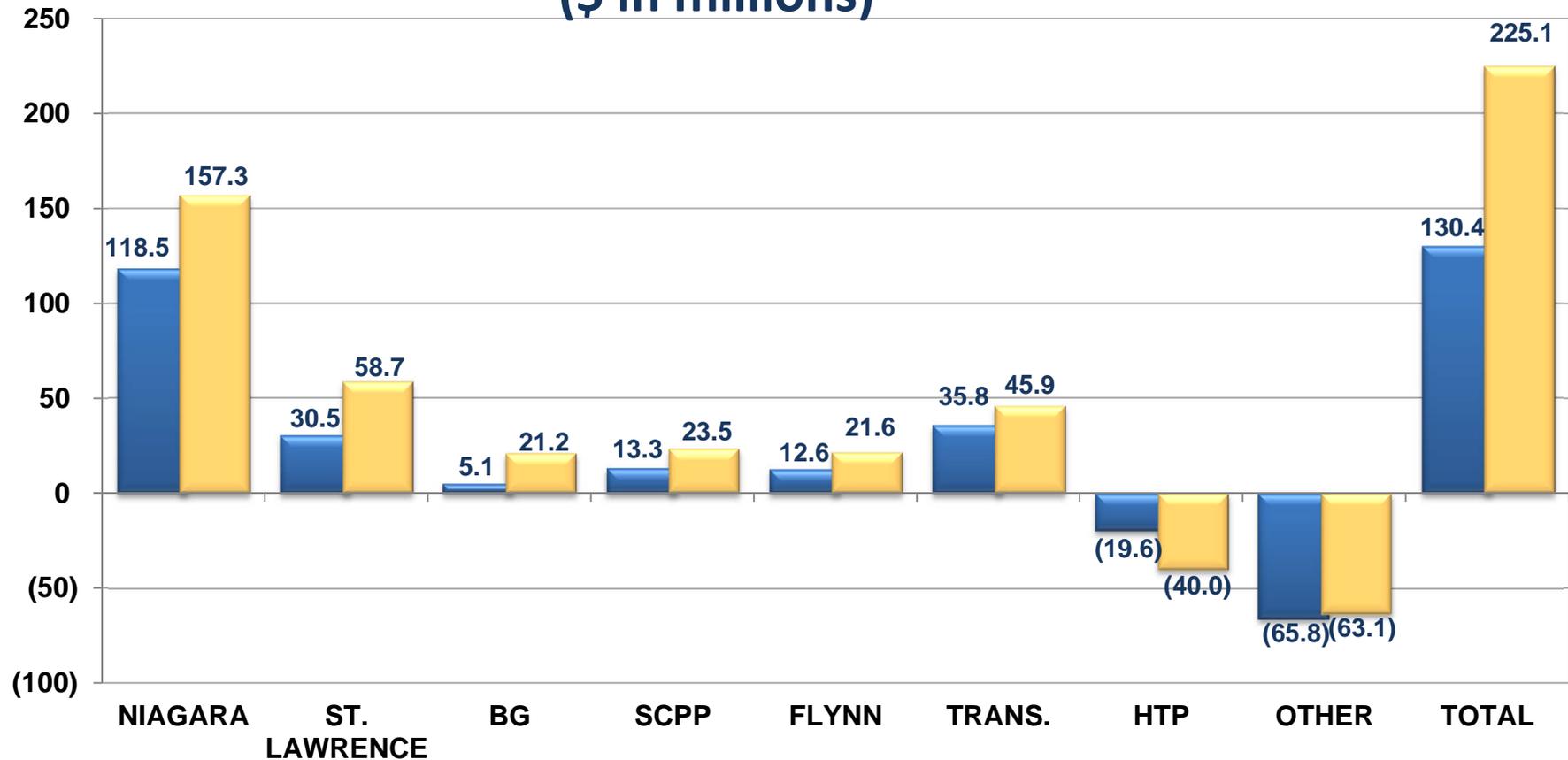
- Net income for the year was \$225 million, which was \$95 million higher than the budget. Higher net margins on sales (\$82 million) and lower other operating expenses (\$33 million) were partially offset by lower investment income (\$15 million).
- Positive variances in net margins at the hydro facilities were substantially attributable to increased generation and higher capacity prices. Energy prices were higher than forecast in the downstate market, resulting in higher margins at Flynn and the SCPP's.
- HTP results were an offset to these positives due to significantly lower activity than anticipated.
- Other operating expenses were lower primarily due to the timing of Industrial Incentive awards and certain economic development fund and market acceleration program expenditures. In addition, in December, an adjustment was booked decreasing the estimate of Power for Jobs rebates to be paid in the future as this program winds down and the final rebate estimates are trued-up to actuals.
- Investment income was lower due to the impact of a sharp increase in market interest rates on the market value of fixed rate investments in the Authority's portfolio. Cash losses will not be realized as long as investments are held to maturity, which is generally the case.

**Preliminary amounts subject to adjustment based on the true-up of estimates and completion of the independent audit.*

Net Income

Year ended December 31, 2013*
(\$ in millions)

■ BUDGET
■ ACTUAL



*Preliminary amounts subject to adjustment based on the true-up of estimates and completion of the independent audit.