Chief Financial Officer – Summary Report

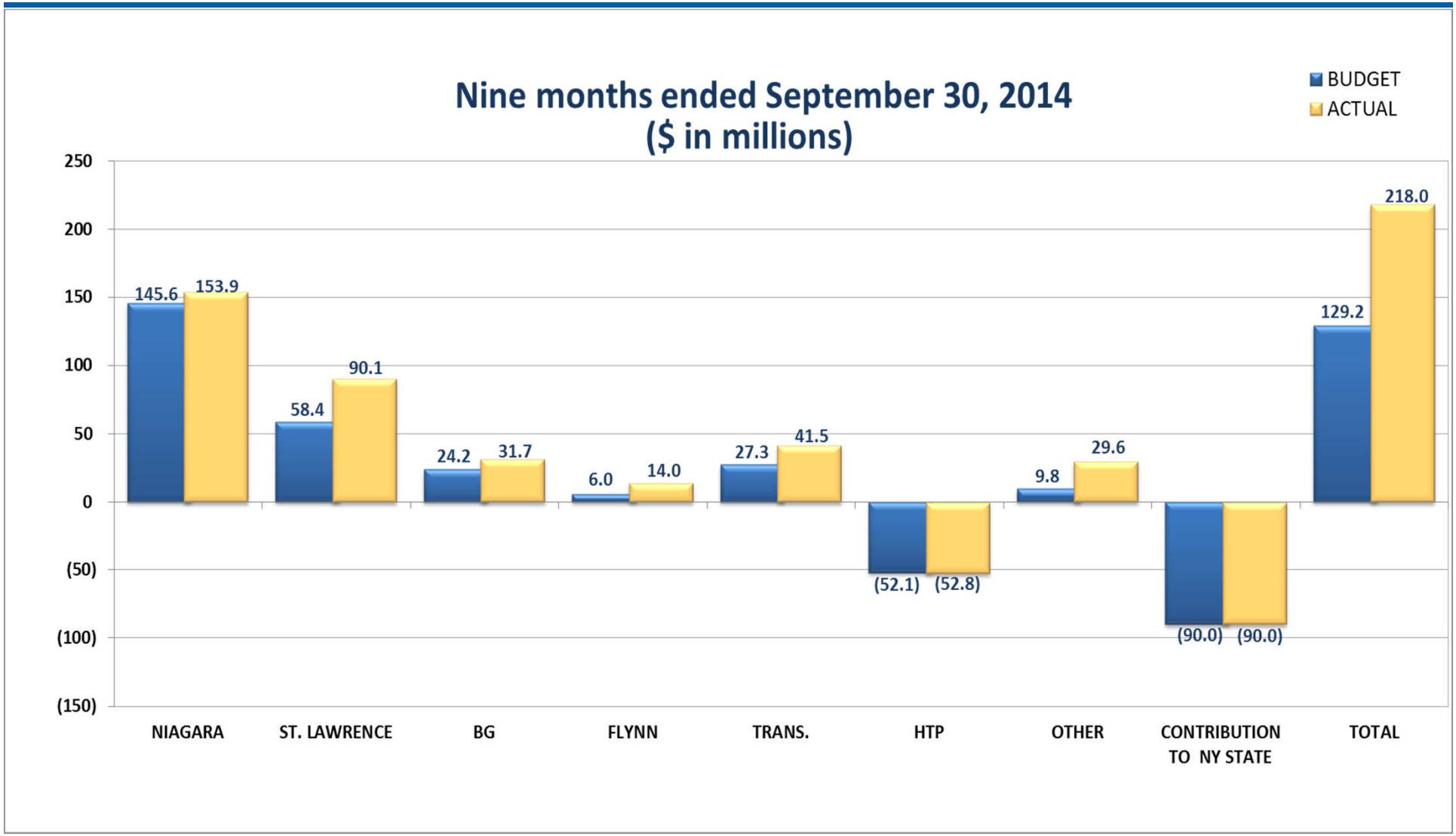
For the Nine months ended September 30, 2014

New York Power Authority

Financial Summary

- Net income through September 30, 2014, was $218.0 million, which was $88.8 million higher than the budget:
  - Higher margins on market-based sales ($33.3 million) primarily due to higher market energy prices caused by severe winter weather conditions.
  - Lower O&M ($19.1 million) and other operating expenses ($33.4 million) including underruns in non-recurring projects, industrial incentive awards, and the energy efficiency and solar market acceleration programs.
  - Non-operating income was higher by $7.3 million including a insurance reimbursements related to prior year transformer equipment failures, and the positive impact of a smaller mark-to-market loss on the Authority's investment portfolio due to lower market interest rates.
- Net income for the 3rd quarter was $8.5 million lower than the budget as market energy prices were lower due to the mild summer weather.
- Projected net income for 2014 is expected to significantly exceed the budget primarily due to the early year positive variances above. Energy prices for the rest of the year are projected to be slightly lower than budget while hydro generation will be higher, resulting in earnings about equal to budgeted levels for the remainder of 2014.

Net Income


Nine months ended September 30, 2014
($ in millions)
BUDGET
ACTUAL
250
200
150
100
50
0
(50)
(100)
(150)
145.6
153.9
58.4
90.1
24.2
31.7
6.0
14.0
27.3
41.5
(52.1)
(52.8)
9.8
29.6
(90.0)
(90.0)
129.2
218.0
NIAGARA
ST. LAWRENCE
BG
FLYNN
TRANS.
HTP
OTHER
CONTRIBUTION TO NY STATE
TOTAL