

Chief Financial Officer- Summary Report

For the Eleven months ended November 30, 2014

Financial Summary

- Net income through November 30, 2014, was \$259.2 million, which was \$95.5 million higher than the budget:
 - Higher margins on market-based sales (\$33.8 million) primarily due to higher market energy prices during the winter months were partially offset by the impact of lower energy prices due to the mild summer weather.
 - Lower O&M (\$16.8 million) and other operating expenses (\$40.4 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 \$9.8 million including insurance reimbursements related to prior year transformer equipment failures, and the positive impact of a mark-to-market gain on the Authority's investment portfolio due to lower market interest rates.
- Net income for November was \$28.2 million, which was \$14.7 million higher than budgeted including higher margins or sales (higher hydro production) and lower operating expenses.
- Projected net income for 2014 is expected to significantly exceed the budget primarily due to the positive variances described above and continued higher hydro generation in December.

Net Income

Eleven months ended November 30, 2014
(\$ in millions)

■ BUDGET
■ ACTUAL

