



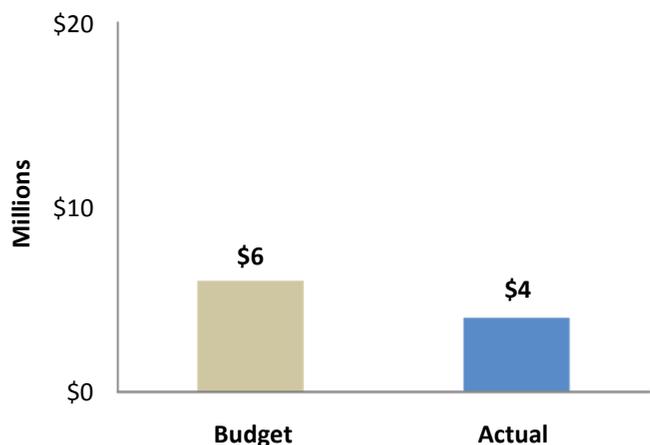
Chief Financial Officer Report

December 17, 2015

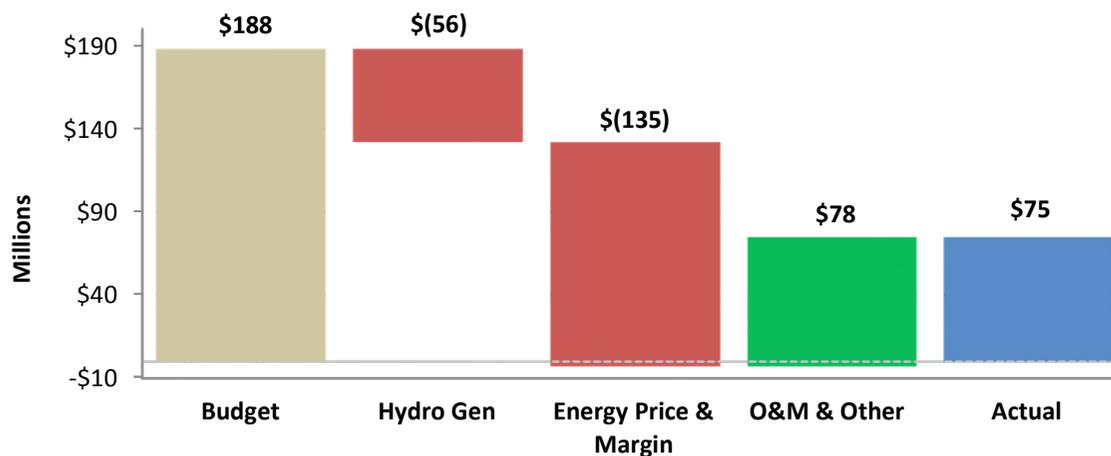
Net Income

- During the month of November, the Authority had net income of \$4 million which was \$1.8 million lower than the budgeted \$5.8 million. These results were due primarily to a lower net margin on sales (\$10.7 million) and a mark-to-market loss on the Authority's investment portfolio (\$5.5 million, higher than anticipated market interest rates), substantially offset by lower operating expenses (\$14.5 million). The lower net margin on sales was primarily attributable to significantly lower prices on market sales of hydro energy into the ISO market.
- Net income for the year to date was \$75.2 million, which was \$113.1 million lower than budgeted due to lower hydro production (\$56 million), and lower market energy prices (\$135 million), partially offset by lower O&M and other expenses (\$78 million). Lower production resulted from low precipitation and a less than normal winter ice thaw early in the year. Lower O&M and other expenses reflect underspending in programs including Five City Master Plan, Western NY Workforce Development and Customer Energy Solutions.

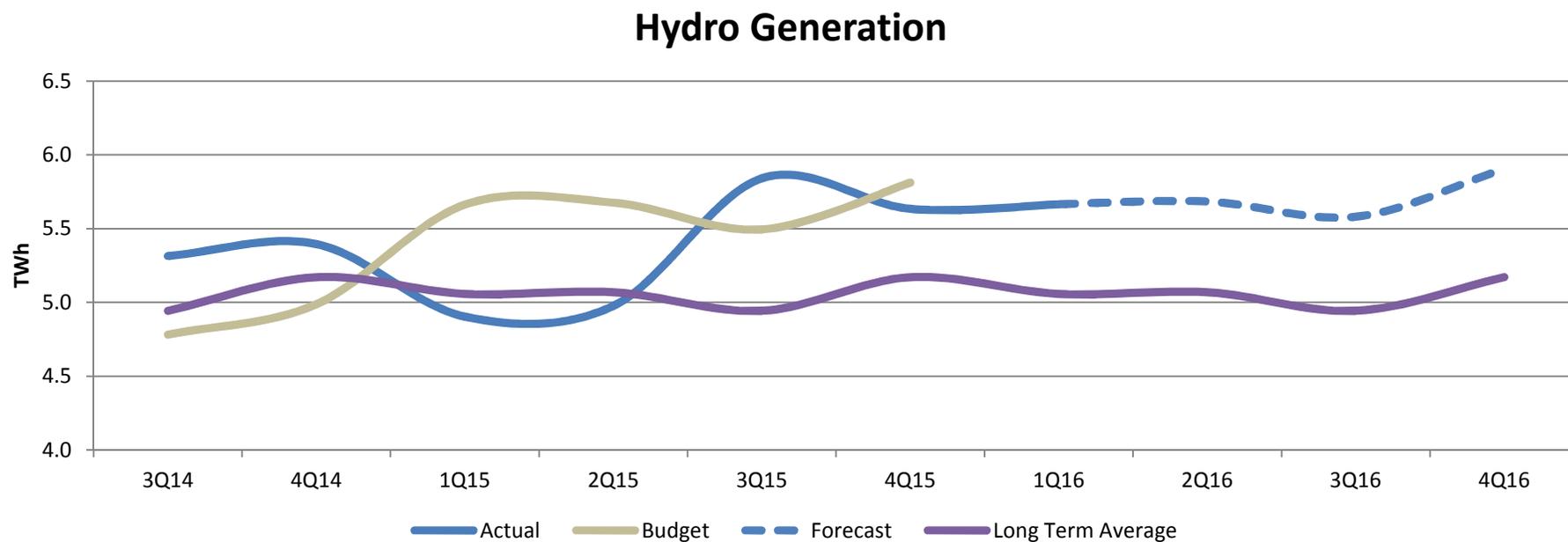
November 2015



Year-to-date – November 2015

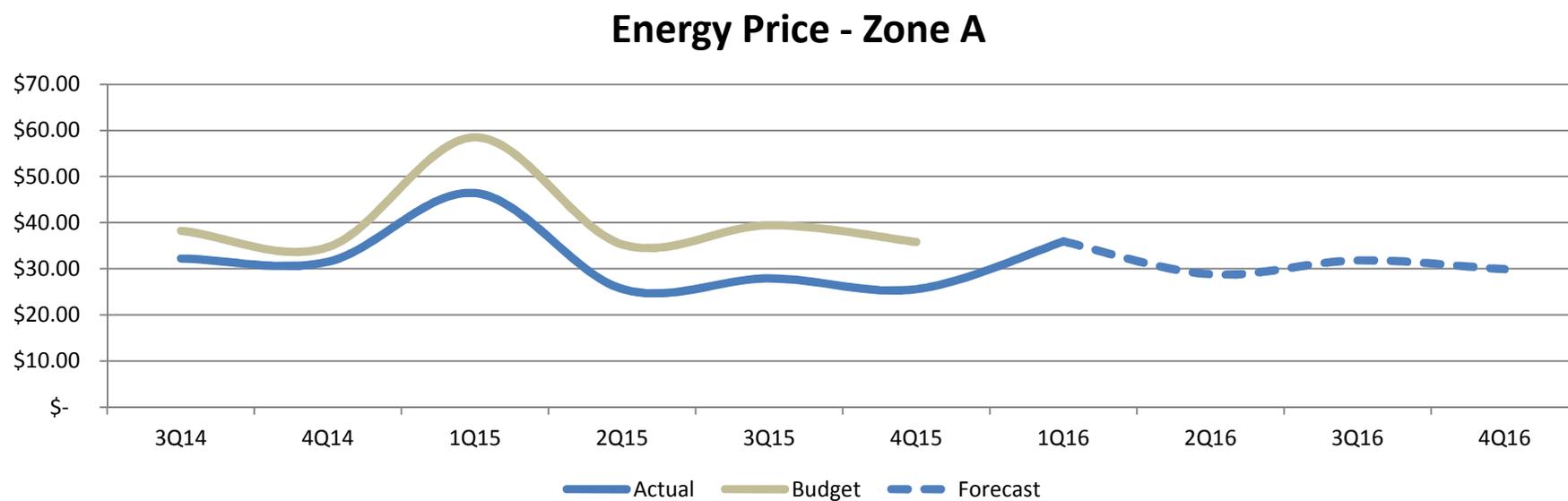


Hydro Generation



Increased hydro volume expected towards the end of 2015 and for 2016. The December update includes a .12 Twh decrease in hydro production related to 2015 (compared to last month's projection).

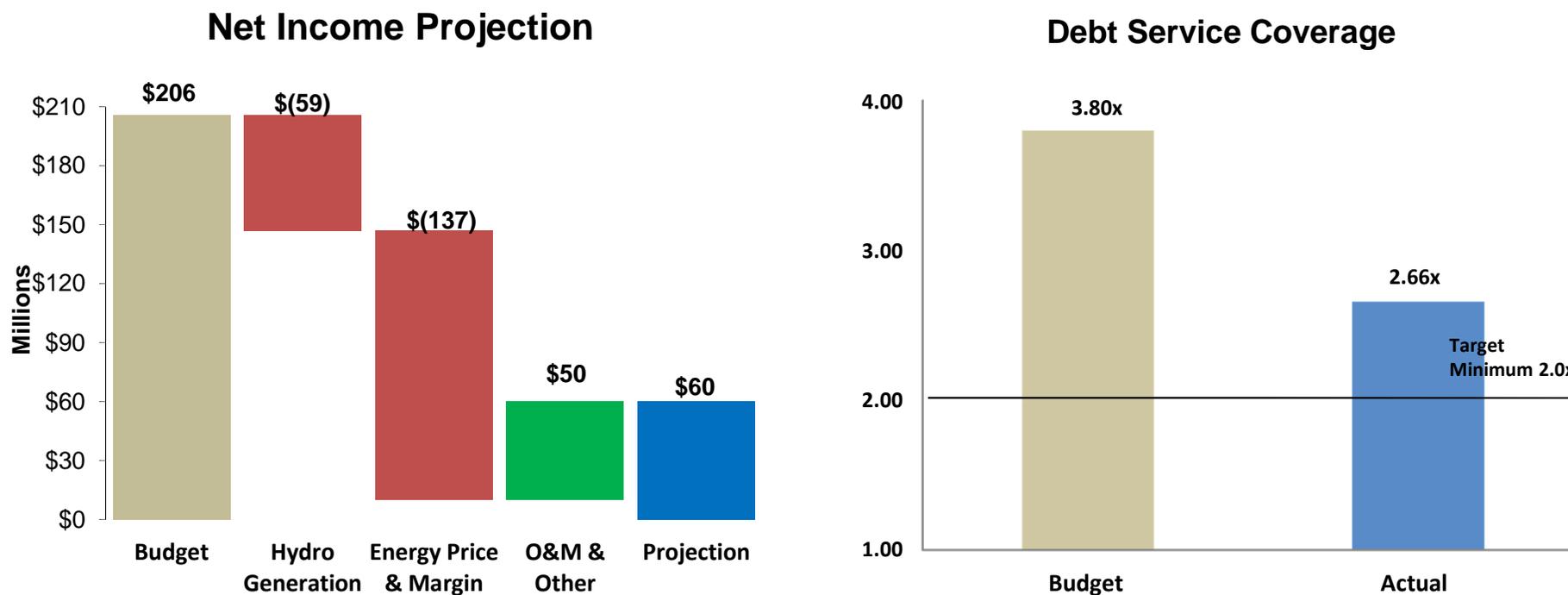
Energy Price Forecast



Energy Zone A (Western NY) prices continue to be significantly below budget. Zone A price for November was 31% below the budget. Current projection is 26% below budget for the year.

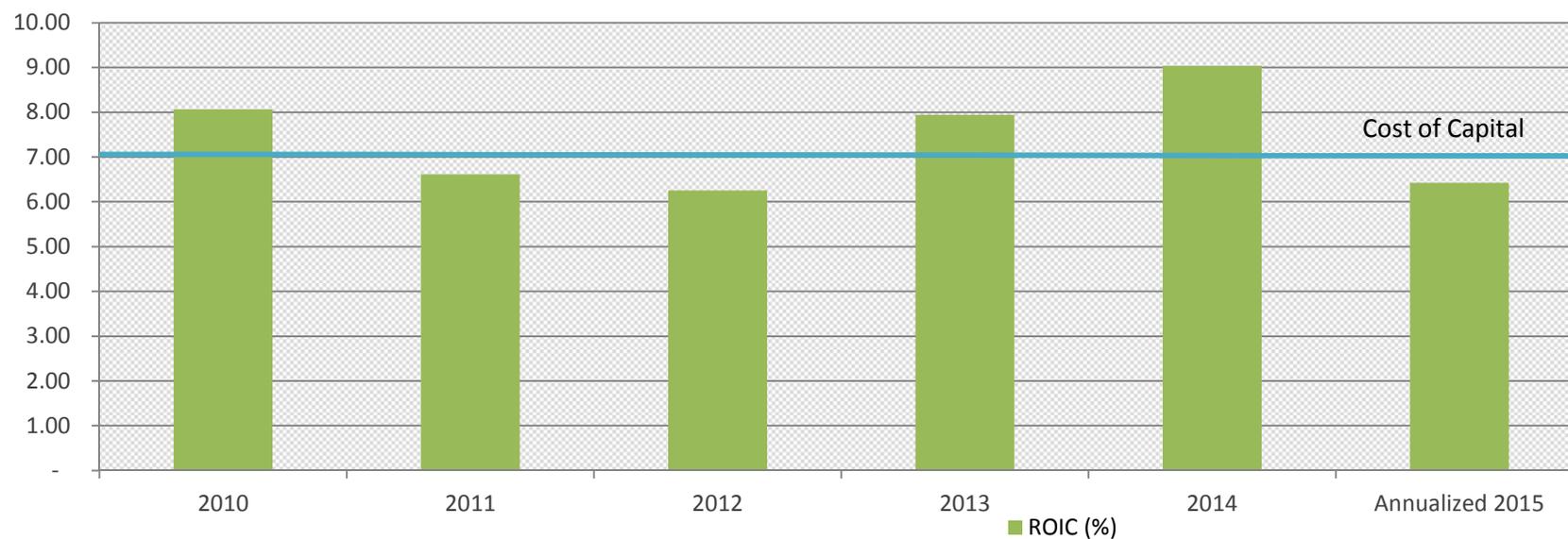


Year-End Net Income Projection & Debt Service Coverage



Net income for the year is projected to be \$55-\$70 million with the budget variance primarily attributable to lower hydro production and lower market energy prices. Final results will vary based on the level of spending on O&M and other programs for the remainder of the year.

Return on Invested Capital (%): 2010-2015



Economic Value Added: 2010-2015

