



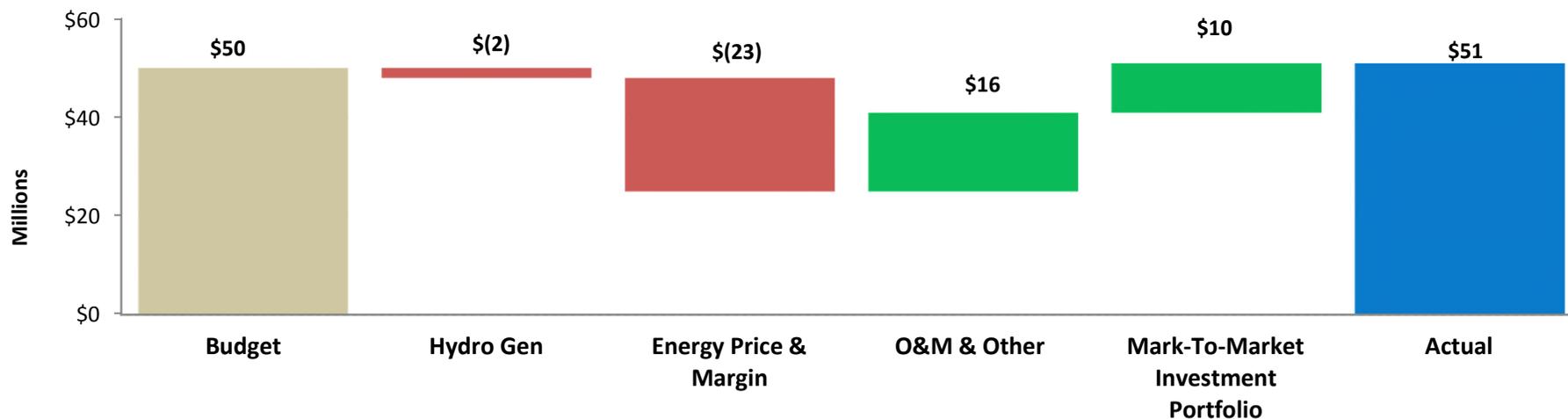
# Chief Financial Officer Report

March 29, 2016

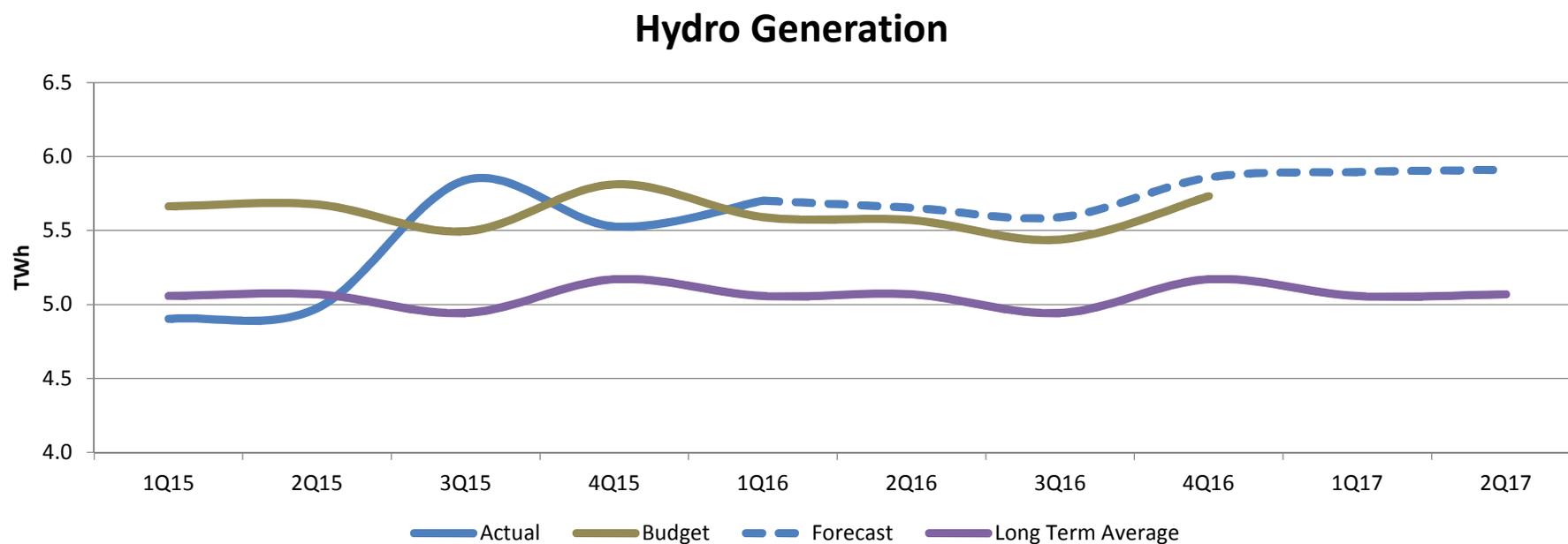
## Net Income

- Net income for the two months ended February 2016 was \$50.9 million, which was \$42.5 million higher than the budgeted \$8.4 million. A major factor impacting results was the timing of the contribution to the State. The budget assumed a \$42 million contribution in January business. This contribution will be considered by the Board in March.
- Excluding this contribution, net income for the year-to-date was \$0.5 million higher than budgeted due primarily to a mark-to-market gain on the Authority's investment portfolio (\$9.9 million, lower than anticipated market interest rates) and lower operating expenses (\$17 million), substantially offset by a lower net margin on sales (\$25.1 million). Lower operating expenses reflected underspending in various programs due to early year timing differences. Margins on market-based sales were lower than budgeted due to significantly lower prices resulting in lower revenue at Niagara and St. Lawrence.

YTD February 2016 – Excluding contribution to the State

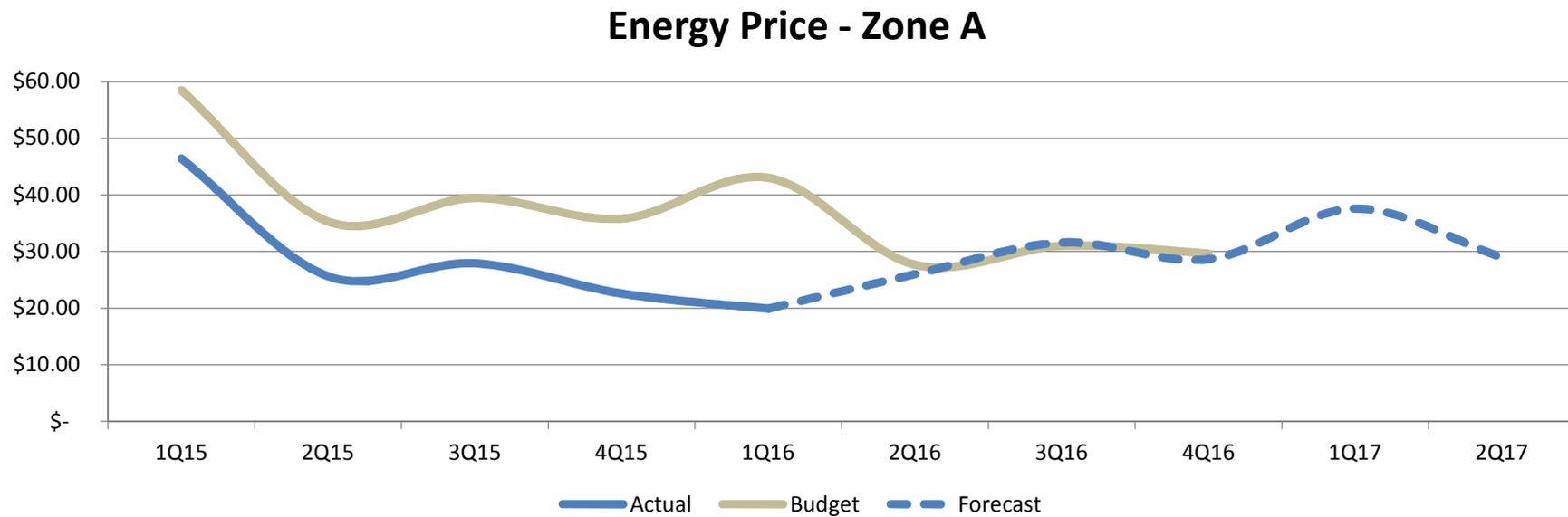


## Hydro Generation



Hydro generation is expected to be .5TWH above the budget for the year, primarily at St. Lawrence

## Energy Price Forecast



Energy Zone A (Western NY) prices continue to be significantly below budget. Zone A prices are projected to be 20% below the budget for the year.