Chief Financial Officer – Summary Report

For the Six months ended June 30, 2014

New York Power Authority

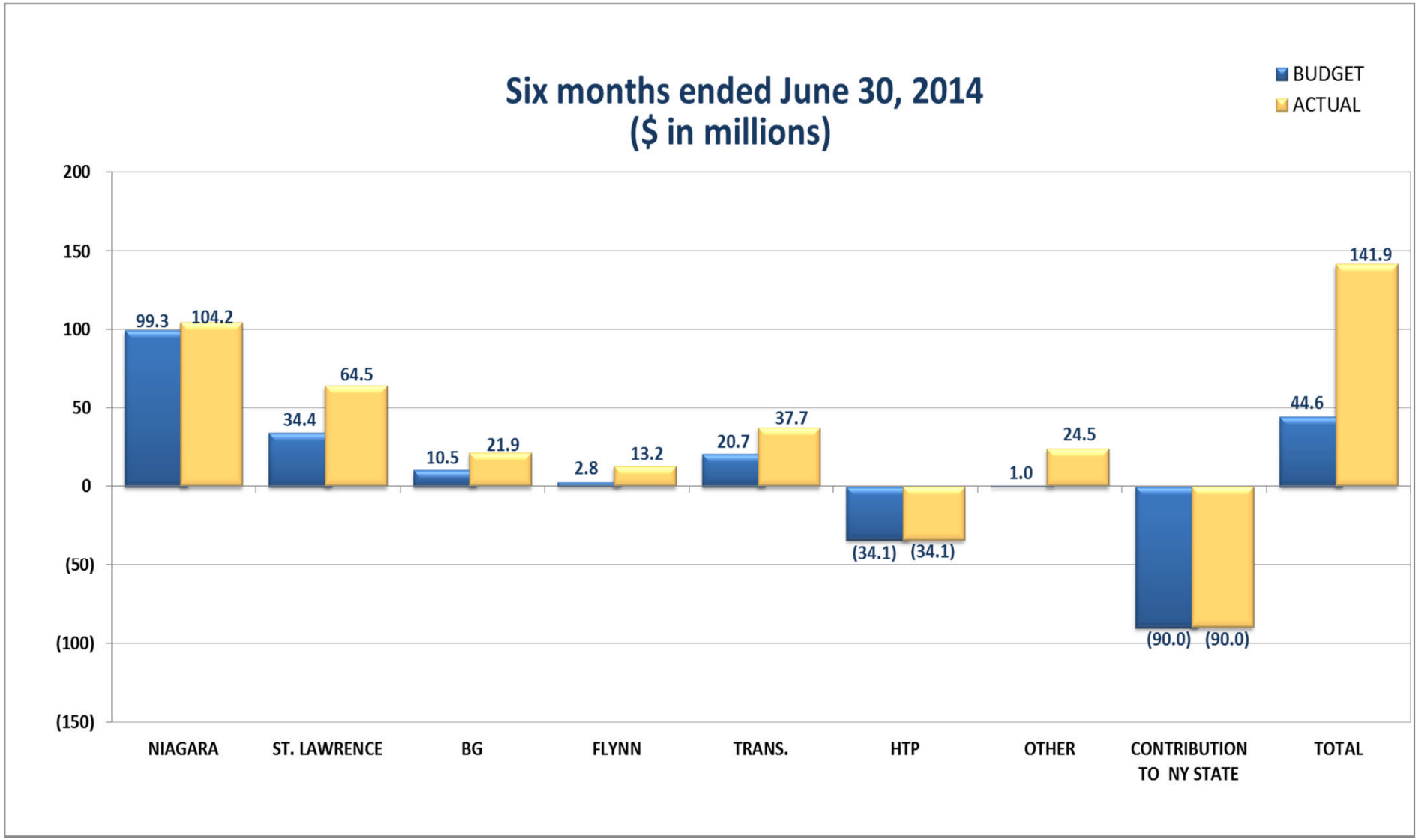
Financial Summary

- Net income through June 30, 2014, was $141.9 million, which was $97.3 million higher than the budget :
  - Higher margins on market-based sales ($52.9 million) primarily due to higher market energy prices caused by severe winter weather conditions.
  - Lower O&M ($13.9 million) and other operating expenses ($21.8 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 $12.8 million including a mark-to-market gain on the Authority's investment portfolio due to lower market interest rates, and insurance reimbursements related to prior year transformer equipment failures .

- Projected net income for 2014 is expected to significantly exceed the budget primarily due to the early year positive variances above. Earnings for the rest of the year are expected to be closer to budgeted levels as market prices and water flows return to normal levels.

- Pursuant to Trustee authorization, $25 million in funds was released to the Empire State Development Fund in furtherance of statewide economic development initiatives. The contribution was made on June 27th, bringing the total contribution for the year to $90 million.

Net Income


Six months ended June 30, 2014
($ in millions)
BUDGET
ACTUAL
200
150
100
50
0
(50)
(100)
(150)
99.3
104.2
34.4
64.5
10.5
21.9
2.8
13.2
20.7
37.7
(34.1)
(34.1)
1.0
24.5
(90.0)
(90.0)
44.6
141.9
NIAGARA
ST. LAWRENCE
BG
FLYNN
TRANS.
HTP
OTHER
CONTRIBUTION TO NY STATE
TOTAL