

**New York Power Authority**  
**Net Income - Actual vs. Budgeted**  
**For The Year ended December 31, 2015**  
**(\$ in millions)**

	<u>Actual</u>	<u>Budget</u>	<b>Variance Favorable/ (Unfavorable)</b>
<b>Operating Revenues</b>			
Customer	\$ 1,820	\$ 1,985	\$ (165)
NYISO Market Revenues	805	1,112	(307)
	<u>2,625</u>	<u>3,097</u>	<u>(472)</u>
<b>Operating Expenses</b>			
Purchased Power	689	868	179
Fuel Consumed - Oil & Gas	236	292	56
Wheeling	599	618	19
Operations & Maintenance	564	670	106
Depreciation & Amortization	237	231	(6)
	<u>2,324</u>	<u>2,679</u>	<u>354</u>
<b>Operating Income</b>	<u>301</u>	<u>418</u>	<u>(118)</u>
<b>Nonoperating Revenues</b>			
Investment Income	24	40	(16)
Other Income	4	4	(0)
	<u>28</u>	<u>44</u>	<u>(16)</u>
<b>Nonoperating Expenses</b>			
Contribution to New York State	90	90	-
Interest and Other Expenses	164	166	2
	<u>254</u>	<u>256</u>	<u>2</u>
<b>Net Income</b>	<u>\$ 75</u>	<u>\$ 206</u>	<u>\$ (132)</u>

Net income for the year ended December 31, 2015 was \$74, which was \$132 lower than budgeted due to lower operating income (\$472) and lower investment income (\$16), significantly offset by lower operating expenses (\$354).

Operating income was lower due to lower energy revenues resulting from significantly lower market prices, and the impact of lower production caused by low precipitation and a less than normal ice thaw in early 2015. Investment income included the negative impact of a mark-to-market loss on the Authority's investment portfolio due to higher than expected market interest rates. Operating expenses included lower purchased power, fuel and operations and maintenance expenses. Lower purchased power costs were due primarily to lower prices. Fuel costs were less than anticipated as a result of lower generation and lower prices. Operations and maintenance expenses reflected underspending in programs including Five City Master Plan, Energy Efficiency and Solar Market Acceleration Programs, and Customer Energy Solutions.