New York Power Authority
Net Revenues - Actual vs. Budgeted
For the Year ended December 31, 2006
($ in 000s)

	Actual	Budget	Variance Favorable/ (Unfavorable)
Operating Revenues			
Customer	$1,735,778	$1,829,029	($93,251)
NYISO Market Revenues	931,367	1,092,059	(160,692)
	2,667,145	**2,921,088**	**(253,943)**
Operating Expenses			
Purchased Power:	1,066,621	1,290,802	224,181
Fuel Consumed - Oil & Gas	523,043	623,649	100,606
Wheeling	296,351	302,119	5,768
Operations & Maintenance	256,395	251,171	(5,224)
Other expenses	180,170	137,904	(42,266)
Depreciation & Amortization	173,338	176,402	3,064
	2,495,918	**2,782,047**	**286,129**
Net Operating Revenues	**171,227**	**139,041**	**32,186**
Investment Income	74,453	61,763	12,690
Interest and Other Expenses	108,609	114,874	6,265
Net Revenues	**$ 137,071**	**$ 85,930**	**$ 51,141**

Net revenues for the year ended December 31, 2006 were $137.1 million which was $51.1 million higher than budgeted. This positive variance included higher net operating revenues ($32.2 million), higher investment income ($12.7 million) and a lower than budgeted interest expense ($6.3 million) for the year. Operating expenses were $286.1 million lower than anticipated primarily due to lower prices for purchased power and fuel consumed at the Authority's facilities. In addition, higher production at the Authority's hydro projects resulted in a reduction in volumes purchased to meet customer load requirements. These reductions were partially offset by a higher than anticipated estimated potential voluntary contribution to New York State's general fund for the State's 2006/7 fiscal year.

Operating revenues were $253.9 million lower primarily due to lower than anticipated prices on market-based sales to the New York State ISO and lower average prices on sales to certain economic development and business customers. Investment income was higher than budgeted mainly due to higher than anticipated asset balances. Interest expense was lower than budgeted primarily due to lower rates on outstanding variable rate debt.

Net generation at the Authority's production facilities totalled 26.9 million megawatt-hours, which was 9% higher than the budget. This was primarily attibutable to higher generation at the Authority's Niagara and St. Lawrence facilities (10%) due to higher than anticipated water flows. Production at the Authority's fossil fuel facilities also increased due to the operation of the new 500 mw plant in Astoria.