

NYPA
Net Revenues-Actual vs. Budgeted
For The Year ended December 31, 2007
(\$ in 000'S)

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable/ (Unfavorable)</u>
Operating Revenues			
Customer	\$1,852,304	\$1,826,709	\$25,595
NYISO Market Revenues	<u>1,054,709</u>	<u>904,320</u>	<u>150,389</u>
	2,907,013	2,731,029	175,984
Operating Expenses			
Purchased Power:	1,182,546	1,055,810	(126,736)
Fuel Consumed - Oil & Gas	534,816	519,481	(15,335)
Wheeling	327,467	325,867	(1,600)
Operations & Maintenance	268,369	268,473	104
Other expenses	237,637	142,607	(95,030)
Depreciation & Amortization	<u>179,356</u>	<u>176,446</u>	<u>(2,910)</u>
	2,730,191	2,488,684	(241,507)
Net Operating Revenues	176,822	242,345	(65,523)
Investment Income	95,949	57,743	38,206
Entergy Value Sharing Agreements	72,000	-	72,000
Interest and Other Expenses	110,001	124,194	14,193
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Net Revenues	<u>234,770</u>	<u>175,894</u>	<u>58,876</u>

Net revenues for the year ended December 31, 2007 were \$234.8 million which was \$58.9 million higher than budgeted. Results for the year included net non-recurring charges of \$18 million not included in the budget. These items included the accrual of an additional voluntary contribution to the State Treasury of \$90 million partially offset by the recognition of \$72 million additional income related to the revised value sharing agreements with Entergy. Excluding these items, net revenues were \$76.9 million higher than budgeted including higher non-operating income (\$52.4) and higher net operating revenues (\$24.5 million). Net operating revenues were higher due mainly to a higher volume of market-based sales, higher prices for capacity and higher than anticipated congestion payments from the New York State ISO. Non-operating income included higher earnings on investments due to higher balances, a mark-to-market gain on the Authority's investment portfolio due to a drop in market interest rates in 2007, and lower than anticipated costs on variable rate debt. Net generation at the Authority's production facilities totalled 26.3 million megawatt-hours, which was slightly lower than the budget. Higher production at the Authority's fossil fuel facilities was offset by lower generation at the Niagara and St. Lawrence facilities resulting from lower than expected water flows.