

NEW YORK POWER AUTHORITY
FINANCIAL REPORTS
FOR THE FOUR MONTHS ENDED APRIL 30, 2006

Financial Reports
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NEW YORK POWER AUTHORITY FINANCIAL REPORT FOR THE FOUR MONTHS ENDED APRIL 30, 2006

(\$ in millions)

<u>Financial Summary</u>	<u>2006 YTD</u>		<u>April 2006</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Net operating revenues	\$41.2	\$22.0	\$17.1	\$6.0
Net revenues (loss)	23.4	2.5	12.8	1.7
O&M (incl. administrative)	81.7	78.8	20.8	21.9
Generation (gwh's)	8,803	8,362	1,999	1,987
	<u>Current</u>	<u>Prior Month</u>	<u>December 2005</u>	
Reserves	\$231	\$225	\$233	

Net revenues through April 30, 2006 were \$23.4 which was \$20.9 higher than budgeted including higher net operating revenues (\$19.3) and higher non-operating income (\$1.6). Higher net operating revenues at the hydro facilities (\$46.5) and the MSP market area (\$12.7) were substantially offset by negative variances at SENY (\$30.6) and Flynn (\$5.2). The positive results at the hydro facilities were due to higher than expected water flows resulting in 11% higher production. The MSP market area showed better than anticipated operating results due to lower prices on ISO purchases. The negative variance at SENY was due primarily to lower than expected prices on sales to the ISO. Net revenues at Flynn included lower customer revenues which were impacted by lower prices on Long Island in accordance with the terms of the LIPA agreement. Non-operating income included lower than anticipated costs on variable rate debt.

Net revenues for the month of April were \$12.8 which was \$11.1 higher than anticipated due to higher net operating revenues. Net operating revenues were higher primarily at the hydro facilities (\$6.6, 8% higher generation), Flynn (\$0.9) and the transmission facilities (\$1.7, lower O&M). In SENY, the actual net operating loss of \$4.9 was in line with the budget. However, SENY results for the month reflected a loss of \$8.6 partially offset by an anticipated recovery from NYC Government customers (\$3.7). For the year-to-date the total anticipated recovery under the cost sharing plan is now \$28.9, compared to a maximum allowed under the agreement of \$30.0. Production for April (1,999 gwh) was 1% higher than anticipated (1,987 gwh) resulting from higher generation at the hydro facilities (109 gwh) substantially offset by lower fossil production (97 gwh).

NYPA
Net Revenues
For The Four Months ended April 30, 2006
(\$ in 000'S)

	<u>Annual Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable/ (Unfavorable)</u>
Operating Revenues				
Customer	\$1,829,029	\$588,612	\$606,705	(\$18,093)
ISO-Energy	947,271	208,183	338,359	(130,176)
Ancillary Services	64,654	34,637	19,530	15,107
NTAC and Other	80,134	28,318	26,350	1,968
Total ISO	<u>1,092,059</u>	<u>271,138</u>	<u>384,239</u>	<u>(113,101)</u>
	2,921,088	859,750	990,944	(131,194)
Operating Expenses				
Purchased Power:				
Entergy	158,785	55,467	50,319	(5,148)
Other	1,048,307	288,054	390,269	102,215
Ancillary Services	83,746	23,403	27,720	4,317
Fuel Consumed - Oil & Gas	623,649	175,089	225,037	49,948
Wheeling	302,119	79,617	81,567	1,950
Operations & Maintenance	259,964	81,748	78,793	(2,955)
Other expenses	137,914	59,750	58,487	(1,263)
Depreciation & Amortization	176,402	57,476	58,800	1,324
Allocation to Capital	(8,794)	(2,091)	(1,998)	93
	<u>2,782,092</u>	<u>818,513</u>	<u>968,994</u>	<u>150,481</u>
Net Operating Revenues	138,996	41,237	21,950	19,287
Interest Income and Realized Gains	63,763	20,527	20,922	(395)
Mark to Market Adjustment	(2,000)	(3,097)	(2,000)	(1,097)
Investment Income	61,763	17,430	18,922	(1,492)
Interest and Other Expenses	114,874	35,310	38,332	3,022
Net Revenues	<u><u>85,885</u></u>	<u><u>23,357</u></u>	<u><u>2,540</u></u>	<u><u>20,817</u></u>

New York Power Authority
Net Revenues by Facility
For the Four Months ended April 30, 2006
(\$ in 000's)

	Niagara/ St. Lawrence	B-G	SENY	SCPP	Market Supply Power	Flynn	Transmission	Eliminations & Adjmts	Total
Operating Revenues									
Customer	\$ 128,169	\$ 5,010	\$ 324,074	\$ 2,954	\$ 105,129	\$ 43,099	\$ 28,216	\$ (48,039)	\$ 588,612
ISO-Energy	18,468	22,413	136,991	17,129	16,182			(3,000)	208,183
Ancillary Services	29,325	2,072	2,938	302					34,637
NTAC and Other							28,318		28,318
Total ISO	47,793	24,485	139,929	17,431	16,182	-	28,318	(3,000)	271,138
	175,962	29,495	464,003	20,385	121,311	43,099	56,534	(51,039)	859,750
Operating Expenses									
Purchased Power:									
Energy	26,091	19,986	55,467	563	107,145		15	(49,966)	55,467
Other	6,750	99	13,862	14	2,678				288,054
Ancillary Services									23,403
Fuel Consumed - Oil & Gas									175,089
Wheeling	3,700		72,677	9,921	3,144	33,105			79,617
Operations & Maintenance	32,032	8,974	14,551	3,577	566	2,856	19,192		81,748
Other expenses	6,558	1,014	3,077	287	19,511	114	3,636	25,553	59,750
Depreciation & Amortization	11,081	1,972	19,643	9,694	282	1,743	13,061		57,476
Allocation to Capital	(901)	(253)	(354)	(9)	(69)	(69)	(505)		(2,091)
	85,311	31,792	495,206	24,047	133,326	37,845	35,399	(24,413)	818,513
Net Operating Revenues	90,651	(2,297)	(31,203)	(3,662)	(12,015)	5,254	21,135	(26,626)	41,237
Investment and Other Income			2,047					15,383	17,430
Interest and Other Expenses	(4,999)	(10)	(12,744)	(13)	(26)	(1,355)	(10,743)	(5,420)	(35,310)
Net Revenues (loss)	85,652	(2,307)	(41,900)	(3,675)	(12,041)	3,899	10,392	(16,663)	23,357
Budget	38,179	(3,325)	(11,614)	(2,145)	(24,783)	8,975	9,705	(12,452)	2,540
Variance	\$ 47,473	\$ 1,018	\$ (30,286)	\$ (1,530)	\$ 12,742	\$ (5,076)	\$ 687	\$ (4,211)	\$ 20,817

* Reflects loss of \$70.8 million partially offset by \$28.9 million anticipated recovery from NYC Govt. customers (based on sharing plan elected for 2006 under LT Supplemental Energy Supply Agreement).

NEW YORK POWER AUTHORITY
VARIANCE FROM BUDGET
MAJOR FACTORS
For the Four Months Ended April 30, 2006
(Millions)

		<u>Better/(Worse) than budget</u>	
Niagara/St. Lawrence	o Lower customer & ISO energy revenues (lower prices)	(\$17.9)	
	o Higher ancillary service revenues (primarily higher prices for regulation & reserves)	12.7	
	o Lower purchased power costs (lower volumes & prices)	51.2	
	o Higher Niagara site O&M (maintenance)	(0.9)	
	o Higher allocated administrative costs	(1.4)	
	o Other	<u>3.8</u>	47.5
Blenheim-Gilboa	o Higher ISO energy revenues (higher volumes)	11.3	
	o Higher purchased power costs (higher volumes)	(10.8)	
	o Other	<u>0.5</u>	1.0
SENY	o Lower revenues (primarily lower prices on sales to the ISO)	(83.9)	
	o Lower purchased power costs (lower prices)	34.9	
	o Lower fuel costs (lower generation & lower prices - Poletti scheduled maintenance outage 4/1 - 4/10, reserve shutdown through 4/13)	19.8	
	o Other	<u>(1.1)</u>	(30.3)
SCPP	o Lower ISO revenues (lower volumes & prices)	(18.5)	
	o Lower fuel costs (lower generation & lower prices)	16.5	
	o Other	<u>0.5</u>	(1.5)
Market Supply Power	o Lower revenues (primarily lower prices on sales to the ISO)	(6.9)	
	o Lower purchased power costs (lower prices & volumes)	17.7	
	o Other	<u>1.9</u>	12.7
Flynn	o Lower revenues (lower prices on Long Island)	(18.6)	
	o Lower fuel costs (lower prices)	13.6	
	o Other	<u>(0.1)</u>	(5.1)
Transmission	o Higher revenues	0.8	
	o Higher allocated administrative costs	(0.4)	
	o Other	<u>0.3</u>	0.7
Consolidating adjustments			<u>(4.2)</u>
Net Revenues			<u><u>\$20.8</u></u>

NYPA
Operations & Maintenance
For the Four Months Ended April 30, 2006

	(\$'s in millions)	
	<u>Actual</u>	<u>Budget</u>
Power Generation		
Headquarters Support	\$4.1	\$2.1
Blenheim-Gilboa	5.0	4.9
Charles Poletti	5.0	5.1
500 MW	2.1	2.9
R.M. Flynn	1.8	1.6
SCPP	3.2	3.1
Small Hydros	0.8	1.2
Niagara	13.2	12.2
St. Lawrence	<u>4.9</u>	<u>5.7</u>
	40.1	38.7
Transmission		
ECC/Headquarters	2.8	2.9
Transmission Facilities	<u>10.9</u>	<u>11.3</u>
	13.8	14.3
Corporate Support		
Executive Office	4.6	4.1
Business Services	9.5	8.0
HR & Corporate Support	7.4	7.8
Marketing & Econ. Devel.	2.5	2.4
Energy Services	<u>0.9</u>	<u>0.9</u>
	24.9	23.1
Research & Development & Other	3.0	2.7
Total	<u>\$81.7</u>	<u>\$78.8</u>

Through March, O&M expenses were \$2.9 million over budget.

Power Generation was over budget by \$1.4 million, or 4%. The Power Generation HQ overrun (\$2.0 million) reflected greater than anticipated work on recurring and non recurring O&M projects rather than capital (mainly in Environmental), and earlier than planned contractors and consultants for Maximo related issues. Niagara spending was over budget by \$1.0 million primarily due to less than anticipated capital work (mainly the RMNPP Upgrade) and some non-recurring tasks proceeding earlier than scheduled. Under spending at St. Lawrence resulted primarily from less than anticipated work on the 300 ton crane major maintenance and the Moses transformer #10 oil leak repairs. The 500MW underrun was due to less than expected materials and waste disposal charges.

Transmission spending was under budget by \$0.5 million due to less than anticipated maintenance charges for the Marcy South and 765KV transmission lines.

HQ Corporate Support expenses were collectively \$1.8 million over budget. The primary sources of the variance were early year overruns in IT contractor services, delays in capital IT initiatives, and to a lesser extent overruns in law, marketing and energy risk management consultant support.

**NEW YORK POWER AUTHORITY
COMPARATIVE STATEMENT OF NET ASSETS
(IN THOUSANDS)**

	APRIL <u>2006</u>	DECEMBER <u>2005</u>	<u>NET CHANGE</u>
ASSETS:			
Electric Plant In Service, Less Accumulated Depreciation	\$3,112,784	\$3,145,208	(32,424)
Construction Work In Progress	<u>142,249</u>	<u>121,217</u>	<u>21,032</u>
Net Utility Plant	\$3,255,033	\$3,266,425	(11,392)
Restricted Funds	78,996	79,258	(262)
Construction Funds	108,819	147,415	(38,596)
Investment In Decommissioning Trust Fund	863,810	851,346	12,464
Current Assets:			
Cash	72	72	-
Investments In Government Securities	565,974	572,457	(6,483)
Interest Receivable On Investments	12,619	12,069	550
Receivables-Customers	238,273	210,196	28,077
Materials & Supplies-Plant & General	65,609	63,352	2,257
-Fuel	35,018	26,442	8,576
Prepayments And Other	40,449	45,401	(4,952)
Notes Receivable-Nuclear Sale	266,993	257,349	9,644
Deferred Charges And Other Assets	<u>525,945</u>	<u>645,112</u>	<u>(119,167)</u>
TOTAL ASSETS	<u>\$6,057,610</u>	<u>\$6,176,894</u>	<u>(\$119,284)</u>
LIABILITIES AND OTHER CREDITS:			
Long-Term Debt - Bonds	\$1,908,814	\$1,935,378	(26,564)
Notes	156,145	161,835	(5,690)
Short-Term Notes Payable	186,093	218,241	(32,148)
Accounts Payable And Accrued Liabilities	528,044	503,026	25,018
Spent Nuclear Fuel Disposal	195,133	192,374	2,759
Decommissioning Of Nuclear Plants	863,810	851,346	12,464
Deferred Revenue	<u>299,666</u>	<u>418,155</u>	<u>(118,489)</u>
TOTAL LIABILITIES AND OTHER CREDITS	4,137,705	4,280,355	(142,650)
ACCUMULATED NET REVENUES-JANUARY 1	1,896,548	1,838,026	58,522
NET REVENUES	<u>23,357</u>	<u>58,513</u>	<u>(35,156)</u>
TOTAL LIABILITIES AND CAPITAL	<u>\$6,057,610</u>	<u>\$6,176,894</u>	<u>(\$119,284)</u>

NYPA
SUMMARY OF NET GENERATION (MWH'S)
FOR THE FOUR MONTHS ENDED APRIL 30, 2006

Facility	Year-to-date April			Month of April 2006		
	Actual	Budget	Variance (Actual vs Budget)	Actual	Budget	Variance (Actual vs Budget)
<i>Niagara</i>	4,741,182	4,280,000	461,182	1,004,215	940,000	64,215
						<u>6.83%</u>
<i>St. Lawrence</i>	2,199,026	1,970,000	229,026	576,099	530,000	46,099
						<u>8.70%</u>
<i>Combined</i>	6,940,208	6,250,000	690,208	1,580,314	1,470,000	110,314
						<u>7.50%</u>
<i>Poletti</i>	514,558 (1)	868,886	(354,328)	74,663 (1)	194,517	(119,854)
						<u>-61.62%</u>
<i>500MW</i>	895,142	674,126	221,016	242,903	188,173	54,730
						<u>29.08%</u>
<i>SCPP</i>	86,974	147,225	(60,251)	31,645	43,619	(11,974)
						<u>-27.45%</u>
<i>Blenheim Gilboa</i>	(126,861)	(50,176)	(76,685)	(33,052)	(24,524)	(8,528)
						<u>34.78%</u>
<i>Small Hydro</i>	82,227	47,877	34,350	19,245	11,969	7,276
						<u>60.79%</u>
<i>R. M. Flynn</i>	411,246 (2)	423,850	(12,604)	83,679 (2)	103,329	(19,650)
						<u>-19.02%</u>
<i>Total</i>	8,803,494	8,361,788	441,706	1,999,397	1,987,083	12,314
						<u>0.62%</u>

(1) Scheduled maintenance outage April 1 of April 10, 2006. Continued on reserve shutdown through April 13, 2006 as fuel prices did not clear the NYISO market.

(2) Scheduled maintenance outage began April 24, 2006.

**NYPA
Capital Expenditures
For the Four Months Ended April 30, 2006**

(\$'s in millions)

	<u>Actual</u>	<u>Budget</u>
New Generation	\$7.2	\$7.5
Energy Services	32.3	27.4
Existing Facilities	29.2	22.6
Transmission	3.1	7.5
Headquarters	4.4	4.1
General Plant and Minor Additions	<u>1.9</u>	<u>2.1</u>
	<u>\$78.1</u>	<u>\$71.2</u>

Capital expenditures through April 2006 (\$78.1 million) were 9.7% higher than the budget. Expenditures for **Existing Facilities** improvements were \$6.6 million over budget. The overrun was primarily the result of the cost of \$10.0 million to establish the Seaway Private Equity Corporation, not included in the budget. Since NYPA has withdrawn from the agreement with the St. Lawrence Aquarium and Ecological Center, NYPA has agreed to establish this fund for new economic development in the North Country. This overrun was partially offset by less than anticipated work on the Niagara Upgrade and St. Lawrence Life Extension projects, and a decreased usage of consultants for the Niagara Relicensing project. **Energy Services** was \$4.9 million over budget primarily due to accelerated construction activity for the NYC governmental customers under the Long Term Agreement Programs. The temporary underrun in **Transmission** of \$4.4 million will diminish as work proceeds on the Static Var Compensator and Tri Lake Transmission project.

Under the Expenditure Authorization Procedure, the President did not authorize any new expenditures during the month.

**Demand Side Management
Cost Summary (Inception to Date)
April 30, 2006
(\$ in 000's)**

(A) DSM Projects

Authorized	Program	Prog	(A) Projects In-Progress	(B) Completed Projects	(C) Cumulative Cost	(D) Recoveries to Date	(E) Net Investment (C-D)
13,000	Distributed Generation	ES-DGN	1,695		1,695		1,695
183,050	Electrotechnologies LTEPA	ES-EPN	12,872	68,876	81,748	44,943	36,805
433,000	NYP&A Energy Services Program	ES-ESN	41,764	80,267	122,031	37,923	84,108
500,000	SENY Govt Cust Energy Serv	ES-GSN	24,627		24,627	1,427	23,200
26,000	Landfill Gases Program	ES-LFN	903		903		903
130,000	SENY HELP LTEPA	ES-LTN	19,597	71,918	91,515	57,940	33,575
1,200	MUNI Vehicle Program	ES-MVN	0	372	372	110	262
140,000	Non-Elect End Use LTEPA	ES-NEN	18,908	57,634	76,542	23,962	52,580
35,000	Peak Load Mgmt	ES-PLN	1,291	165	1,456		1,456
Completed Programs							
5,000	Coal Conversion LTEPA	ES-CCN	0	5,000	5,000	673	4,327
5,000	County & Muni's	ES-CMN	0	1,799	1,799	1,777	22
14,600	Industrial	ES-IPN	(0)	6,876	6,876	6,361	515
51,000	LI HELP	ES-LIN	0	48,615	48,615	47,842	773
15,000	SENY New Constr	ES-NCN	0	3,372	3,372	2,498	874
75,000	Public Housing LTEPA	ES-PHN	0	70,825	70,825	60,602	10,223
40,000	Public Schools	ES-PSN	0	39,841	39,841	38,157	1,684
\$130,000	SENY HELP	ES-SEN	\$0	\$133,983	\$133,983	\$133,983	\$0
60,000	Statewide	ES-SWN	0	57,620	57,620	57,620	0
4,085	Other		0	746	746	687	59
7,500	Wattbusters		0	6,131	6,131	5,045	1,086
<u>\$1,868,435</u>			<u>\$121,657</u>	<u>\$654,040</u>	<u>\$775,697</u>	<u>\$521,550</u>	<u>\$254,147</u>

(B) POCR Funding

LOANS

Authorized	Program	Loans Issued	Repayments	Outstanding Balance
\$ 16,390	Colleges & Universities	\$ 16,390	\$ 15,685 (1)	\$ 705

GRANTS

Authorized	Program	Issued
9,105	Coal Conversion Pilot	9,105
4,558	Hybrid Bus Program	\$ 4,558
663	Solar Grants	663
3,000	NYSERDA	3,000
19,876 (1)	Energy Services Programs	13,855
7 31,042 (1)	POCR Grants	12,357
<u>\$ 68,244</u>		<u>\$ 43,538</u>

(C) CASP Funding

Authorized	Program	Issued
132,047 (2)	Coal Conversion	118,819

(D) Board of Ed Funding

Authorized	Program	Issued
38,628 (2)	Climate Controls (NYC BOE)	34,235

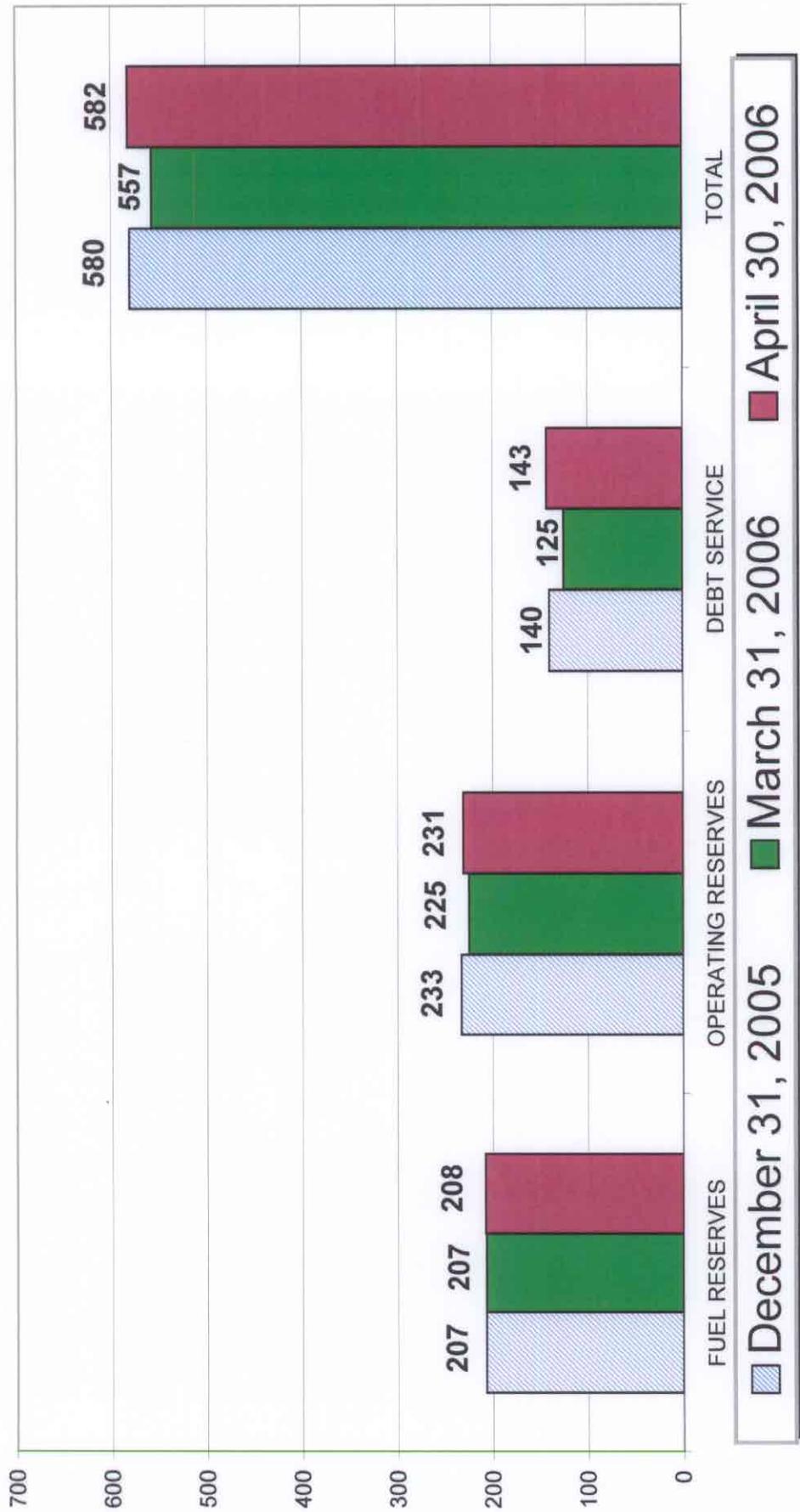
(D) NYC Housing Auth Funding

Authorized	Program	Issued
12,642 (2)	NYCHA Hot Water Heaters	3,038

(1) Funds recovered via loan repayments are available and assigned to be used as grants in the Energy Services Program and for POGR Grant Program.

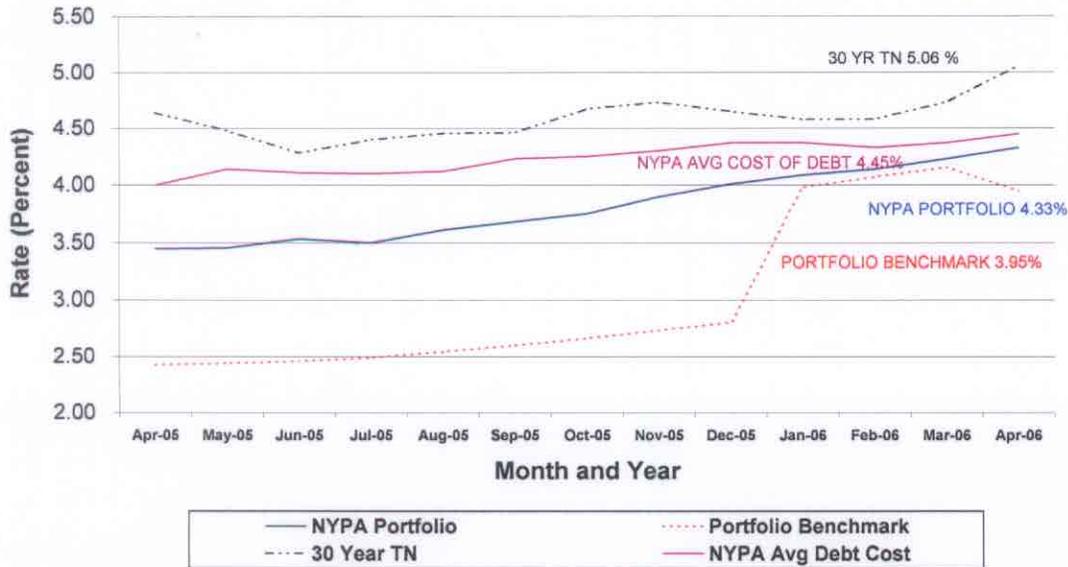
(2) Authorized funds reflect both principal received and the interest earned on such principal.

**NEW YORK POWER AUTHORITY
OPERATING FUND
(\$ MILLIONS)**



Fuel Reserves include \$195 million for Nuclear Spent Fuel and \$13 million for Energy Hedging Reserve Fund.

Portfolio Performance



Financing Rates

