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New York Power Authority

April 21 1994
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U. S. Nuclear Regulatory Commission
Mail Station P1-137
Washington, D. C. 20555

Attention: Document Control Desk

Subject: James A. FitzPatrick Nuclear Power Plant
Docket No. 50-333
Indian Point 3 Nuclear Power Plant
Docket No. 50-286
ANNUAL FINANCIAL REPORT

Dear Sir:

Enclosed are ten (10) copies of the Authority's Annual Report for 1993. This report is being forwarded as required by 10 CFR 50.71(b).

If you have any questions, please contact Mr. J. A. Gray, Jr. or Mr. P. Kokolakis.

Very truly yours,

W. A. Josiger
Acting Executive Vice President
Nuclear Generation

Enclosures (10)

cc: See next Page

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cc: Regional Administrator
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Thomas R. Frey
Vice Chairman

Linda P. Duch
Trustee

Hyman M. Miller
Trustee

Robert T. Waldbauer
Trustee

Richard M. Flynn resigned as the Power Authority's chairman in February 1994. He served as a trustee for 18 years and as chairman since 1985.

S. David Freeman
President and Chief Executive Officer
(as of March 1994)

Robert G. Schoenberger
First Executive Vice President
Chief Operating Officer

John F. English
Executive Vice President
System Operations

Robert A. Hiney
Executive Vice President
Marketing and Development

William A. Josiger
Executive Vice President (Acting)
Nuclear Generation

Robert L. Tscherne
Executive Vice President
Finance and Administration

James M. Cunningham
Senior Vice President
Public Affairs

Robert J. Deasy
Senior Vice President
Power Contracts

Charles M. Pratt
Senior Vice President and
General Counsel

Deborah Perry Estrin
Vice President
Human Resources

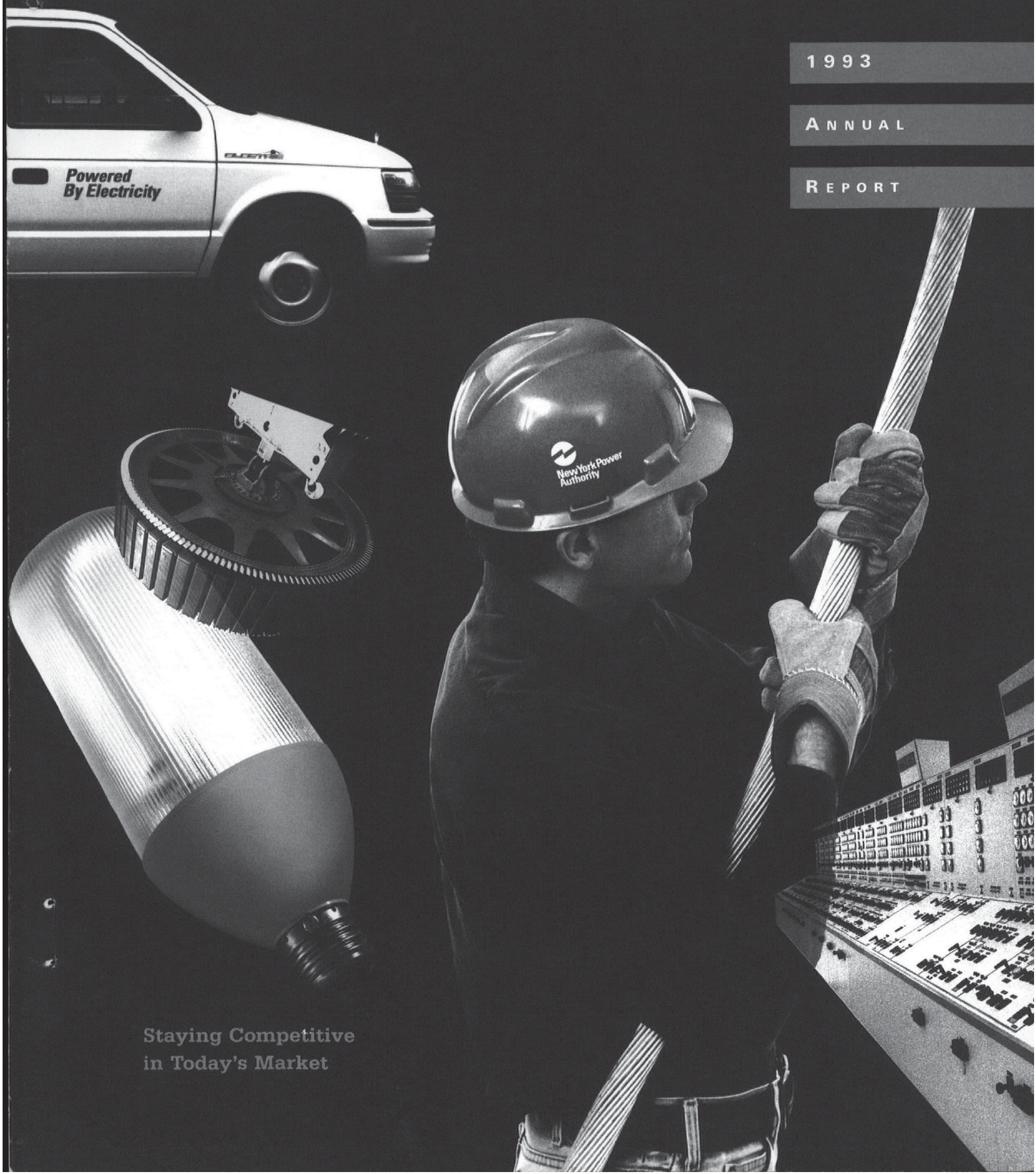
Sally L. Irving
Vice President
Corporate Finance

Anne M. Wagner-Findeisen
Secretary

This annual report is printed on recycled paper.

New York Power Authority

1993 Annual Report



Staying Competitive
in Today's Market

About the Power Authority

The New York Power Authority's mission is to furnish the people of New York State with lower-cost electricity. It sells this energy to companies; to private utilities for resale, without a profit, to their customers; and to authorized public agencies and publicly owned utilities.

A nonprofit, public-benefit energy corporation, the Power Authority does not use tax revenues or state funds or credit. It finances construction of its projects through bond sales to private investors and repays the bondholders with proceeds from operations.

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President's Message

As change sweeps the utility industry, the Power Authority itself has changed. Richard Flynn, who led off every Power Authority annual report since 1985, resigned as chairman in February 1994 to pursue other interests. A board member for 18 years, he was one of the longest-serving trustees in Power Authority history.

With Chairman Flynn at the helm, the Power Authority expanded its "Power for Jobs" program, which now safeguards more than 170,000 New York jobs, and helped create a conservation ethic through its award-winning High Efficiency Lighting Program. He presided over the construction of two transmission lines and the Long Island plant that will bear his name and gained national recognition as an advocate of greater competition in the utility industry.

S. David Freeman

Creating a Sustainable Energy Future

This annual report reflects the Power Authority's 1993 activities under Dick Flynn's leadership. As I begin my tenure as president and chief executive officer in March 1994, I am proud to help guide a staff whose excellent work is well known in our industry. Together, we will build on the foundation established by Chairman Flynn and his predecessors.

I believe the Power Authority can lead the electric power industry in developing a truly sustainable energy economy in harmony with the environment. The Power Authority is already one of the nation's "cleanest" utilities, so it is only natural that it be in the forefront of this effort.

Electric cars, energy efficiency and small-scale renewables may be different from the massive St. Lawrence and Niagara hydro projects of a generation ago. But they too can foster economic development and modest electricity bills, and it is the bill, not the rate, that the consumer pays. We will continue the Power Authority's tradition of working tirelessly in our customers' interests and, by so doing, advance toward an energy system compatible with the environment and a prosperous economy.

S. David Freeman

President and Chief Executive Officer

Vice Chairman's Message

Growing competition in the utility industry has made the Power Authority more mindful than ever of the need to control its costs and see that its facilities operate reliably. But by moderating electricity prices, competition is also prompting a historic shift to new highly efficient, environmentally friendly electrotechnologies—from electric cars to steel-making furnaces—that will change the way we live and work in the 21st century.

Meeting Changing Public Needs

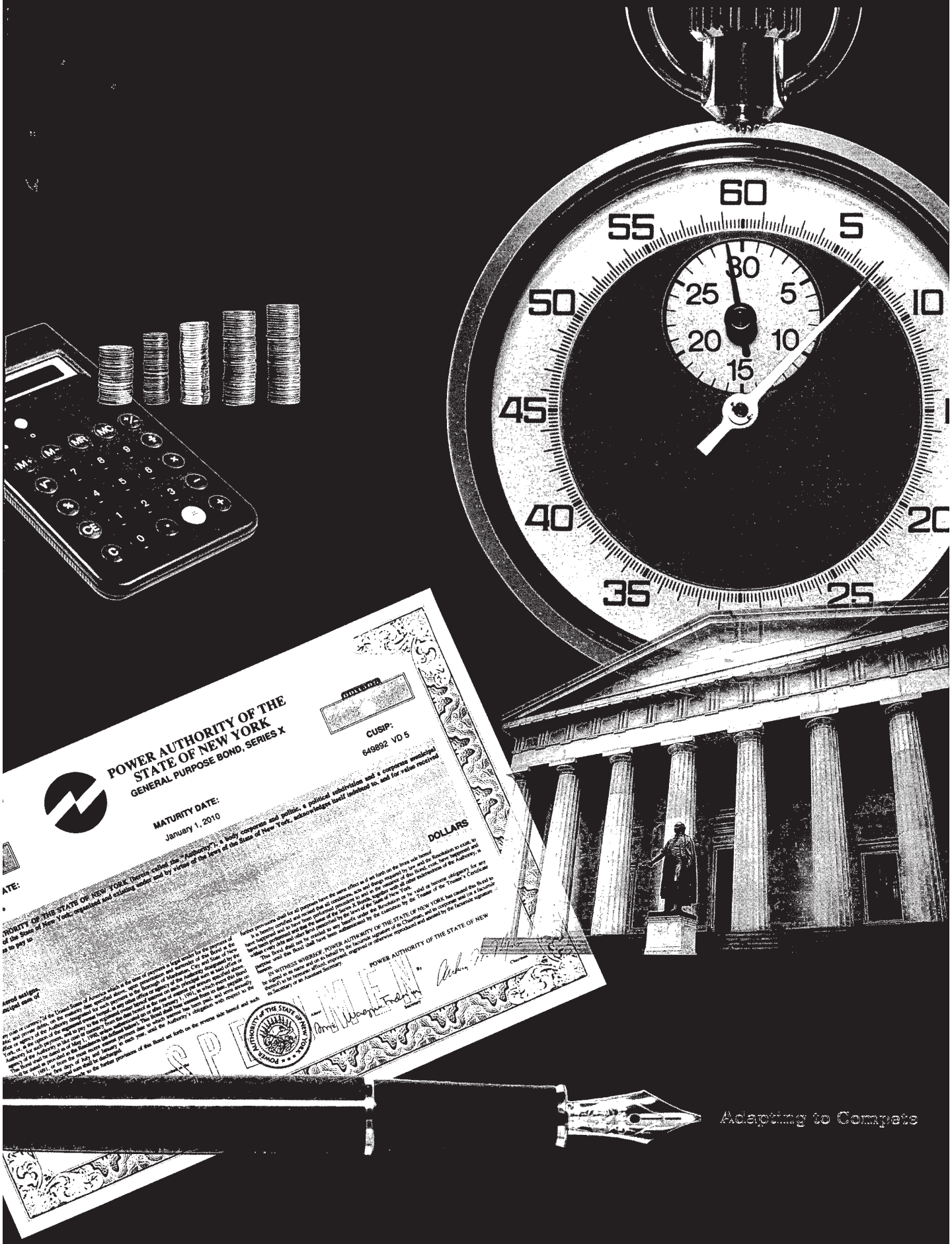
Promoting this development will be an enduring feature of the Power Authority's program. New York's public utility has long demonstrated its ability to adapt to changing public needs identified by the state Legislature and the governor. The Power Authority has assumed an increasingly important role in economic development, job creation and energy conservation. It won the right to build New York's first competitively bid generating facility, at Holtsville, L.I., and is overseeing the decommissioning of the Shoreham nuclear plant. In the next stage, the Power Authority will marshal support for emerging electrotechnologies, particularly in transportation and manufacturing, to realize their potential to improve the economy and air quality.

As the Power Authority continues to evolve, we are fortunate to be able to draw on the vast public power experience of S. David Freeman, our new president and chief executive officer. A former head of the Tennessee Valley Authority and large public utilities in Texas and California, he is widely known as an innovator, a supporter of energy conservation and renewable energy resources, an environmentalist and a consumer advocate. David Freeman's leadership and vision will serve the public well.

With its considerable resources, rich history and commitment to public service, the Power Authority will continue to provide important benefits for the people of New York State.

Thomas R. Frey
Vice Chairman

Thomas R. Frey and S. David Freeman



Adapting to Compete

COMPETITIVE TRENDS

Once considered "natural" monopolies, electric utilities are now going head to head to win and *keep* customers in an increasingly competitive market. With supply ballooning in New York State and demand growth uncertain, price is becoming a make-or-break variable for many providers. But will rates be the sole determinant of success? Or will a combination of price and improved services be the formula that differentiates suppliers as the industry restructures? The answers will emerge as utilities adapt to compete in this era of unprecedented flux.

SOWING SEEDS OF COMPETITION

The changes reshaping the utility landscape began taking root in 1978, when Congress passed the Public Utility Regulatory Policies Act to encourage use of alternative fuels. The law gave a foothold to a new breed of generator, the independent power producer, by guaranteeing it a price and a market among regulated utilities.

The surge in independent power has combined with customer-based conservation and economic slowdown to create an excess of supply—particularly acute in New York—and stiff competition for generation market share. That competition is now spreading to other sectors of the utility industry.

Spurring this move: the federal Energy Policy Act of 1992. This law contains provisions to expand access to the nation's transmission grid through wholesale wheeling—utility-to-utility power sales transmitted over third-party lines.

Now industry watchers are looking ahead to the possibility of retail wheeling, where power sales from a provider to an end-user would be carried over another company's grid. Though the Energy Policy Act precludes federal

Thomas R. Frey
Vice Chairman

agencies from mandating retail wheeling, the states are *not* precluded from authorizing this service.

In fact, retail wheeling already exists in several instances, including the Power Authority's use of other utilities' lines to deliver power. It is not yet clear whether retail wheeling will spread and dissolve once-inviolable franchise boundaries, making a utility's best customers prime targets for competitors offering better terms. Another model of the utility industry may emerge.

What is clear, however, is that end-users, particularly large industrials, are already capitalizing on today's buyer's market, demanding price concessions or the right to shop around for cheaper supplies. For some, self-generation is viable.

Playing the Market

Cost is key in this market-based environment. With that in mind, many utilities are holding the line on expenses to pass savings on to consumers. For some that means cutting staff and overhead or taking lower rates of return; for others, early retirement of high-cost power plants.

For most it means changing basic operating philosophies. Utilities have traditionally taken the long view, emphasizing far-term planning to prepare for large capital investments, stabilize costs and ensure system reliability and diversity of supply. With competition, however, the goal has shifted to meeting short-range market and rate pressures.

This near-term focus is yielding new pricing schemes, such as performance-based rates. And in the future, electric companies could conceivably offer a sliding scale of services, with different rates for varying reliability levels.

Linda P. Duch
Trustee

Hyman M. Miller
Trustee

Recognizing that simply supplying reliable power to "captive" users no longer suffices, many providers are fostering service-based initiatives that fulfill both customer and profitability needs. Taking a cue from unregulated business, electric firms are starting to target market segments that add to their balance sheets and bypass those that do not. Already, some have launched affiliated-service arms, industry joint ventures or new products, such as electrotechnologies.

On the downside, competition will have its casualties. High-cost, low-value entities may fail, unable to win new customers or compelled to sign unprofitable contracts to keep existing ones. Cooperation among utilities, the basis for stable regional power pooling, may come under pressure. Programs that add costs to a rate base may shrink. And the issues of long-range resource planning and a utility's ongoing obligation to serve customers are still up for debate.

Navigating the Sea Change

Against this backdrop, the Power Authority implemented management, operational and customer-service strategies in 1993 that prepare it to compete as both a low-cost and a high-value provider in the years ahead.

Among the initiatives that will shape the Power Authority's future and keep it competitive:

- a full commitment to achieving excellence in the nuclear program
- a systemwide review of cost structures
- a comprehensive assessment of the way the Power Authority is organized to get work done
- redoubled efforts to find and serve new customers.

The bottom-line goal? To provide better, more efficient service to Power Authority customers. The Power Authority is primed to do what it takes to succeed in the increasingly competitive utility market.

Financial Moves

Rising costs and heightened competition teamed to put the Power Authority on the cost-cutting offensive in 1993. The Power Authority took aggressive action to rein in expenses by trimming operations and maintenance (O&M) and capital expenditures as well as debt-service payments.

Budget Cuts Close Revenue Gap

To help bring costs in line with the projected market value of the Power Authority's electricity and services, senior management forged a plan to trim expenses over the next decade by an average of $40 million a year, starting in 1993. The decrease represented about an 8 percent reduction from the 1993 budget. Of the total, $35 million resulted from O&M cutbacks and $5 million from canceled capital expenditures.

Robert T. Waldbauer
Trustee

Mario M. Cuomo
Governor

Personnel costs—salaries, benefits and consultants' and contractors' fees—saw the biggest decline, at $34 million.

Senior managers decided in April to eliminate 1993 merit raises, hold salary ranges at 1992 levels and reduce the work force by the equivalent of 400 full-time positions. Previously, they had frozen hirings and promotions.

In July the Power Authority eliminated 186 positions, including vacancies, systemwide. The remaining staffing cuts came from reduced use of consultants and contract workers.

Bond Sale Prunes Debt Service

Capitalizing on lower interest rates, the Power Authority in August sold $1.13 billion in Series CC General

With its biggest bond sale ever—$1.13 billion in Series CC General Purpose Bonds offered in August—the Power Authority refunded a third of its long-term debt, reducing debt-service costs by about $370 million over the life of the issue.

Purpose Bonds to refund older, higher-cost bonds. The refinancing will cut debt-service payments by about $370 million over the 25-year life of the issue.

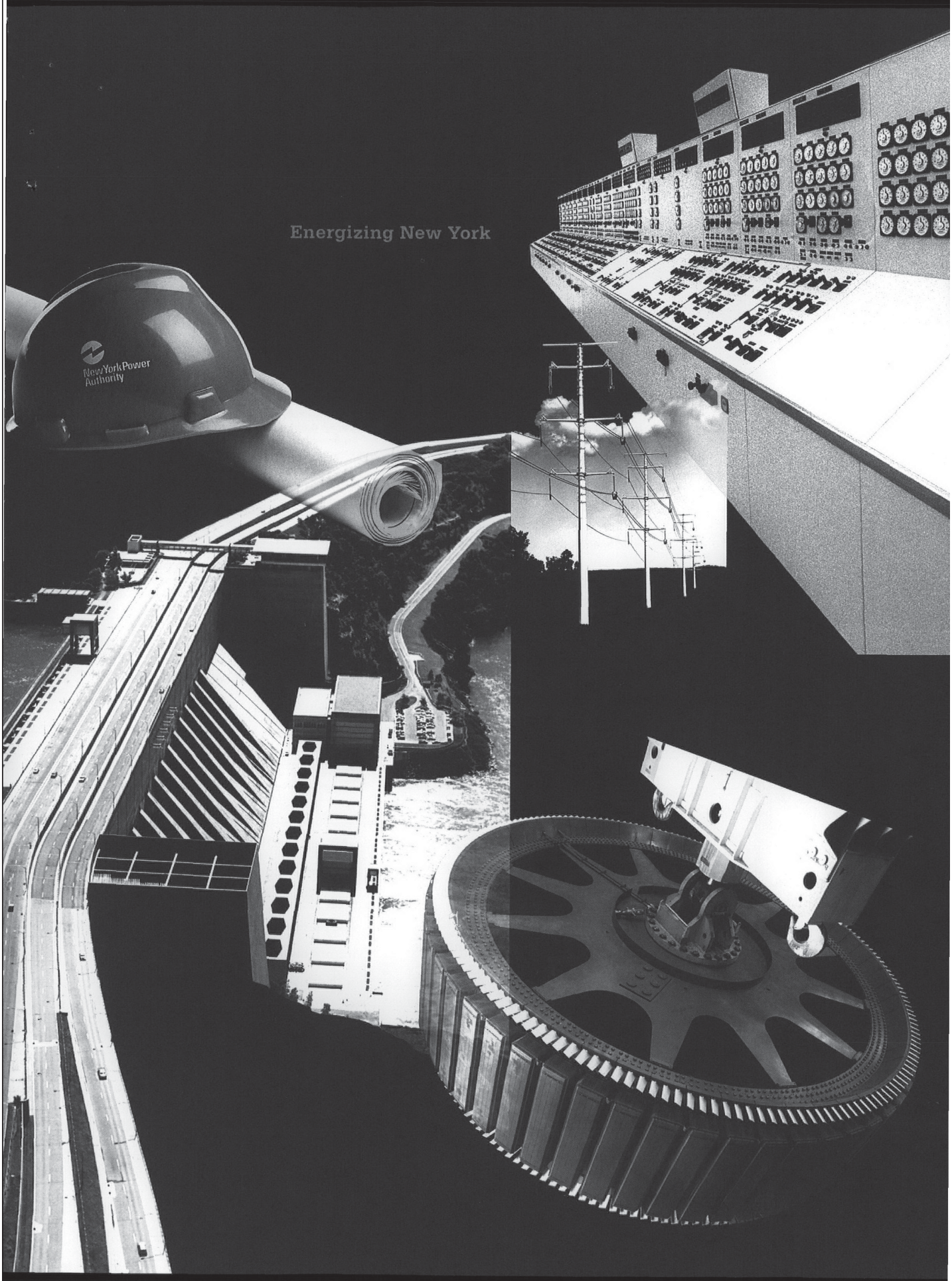
The Series CC offering was the biggest in Power Authority history. The issue had yields ranging from 3.45 percent to 5.40 percent and maturity dates from 1996 to 2018. At the time of the issue, these bonds had the lowest true interest cost of any long-term public power offering in the United States in 1993.

The refunded debt, parts of Series G, S, T, U and X General Purpose Bonds, constitutes about a third of the Power Authority's long-term debt.

S&P Downgrades Credit Rating

The Series CC sale came on the heels of a Standard & Poor's Corp. (S&P) decision to lower its credit rating of Power Authority instruments. The Power Authority's senior lien bonds were lowered from AA to AA-minus with a negative outlook. Citing increased competition and problems at the Power Authority's two nuclear plants, S&P assigned this rating to the new bonds and to $2.2 billion in outstanding debt. Moody's Investors Service, however, retained its AA rating of Power Authority instruments.

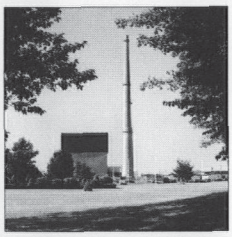
Despite the change, the Power Authority's credit rating remains strong, buoyed by the organization's low-cost hydropower capacity, historically strong financial position and liquidity.


Energizing New York
New York Power Authority

1993 Output Rises 9 Percent

Boosted by high water flows at its hydroelectric projects, the Power Authority produced 31.1 billion kilowatt-hours (kwh) of electricity in 1993, up 9 percent from the year before.

The total reflects an increased contribution from the James A. FitzPatrick Nuclear Power Plant, in Scriba, near Oswego. The facility resumed operation in January 1993 after an outage of more than a year. However, FitzPatrick's return was offset by the continuing shutdown of the Indian Point 3 Nuclear Power Plant, in Buchanan, Westchester County.



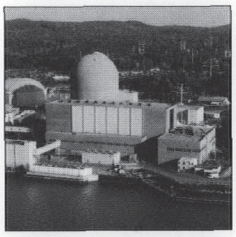
James A. FitzPatrick Nuclear Power Plant
Location: Scriba, south shore of Lake Ontario, in Oswego County
Net Dependable Capability: 800,000 kw
First Commercial Power: July 1975
1993 Net Generation: 4.7 billion kwh
Net Generation Through 1993: 78.6 billion kwh

FitzPatrick Returns to Service

The FitzPatrick plant resumed production Jan. 23, 1993, after being out of service since November 1991 for maintenance, modifications and refueling. By year's end it had produced 4.7 billion kwh.

During the facility's 14-month outage, the Power Authority spent more than $100 million to improve the plant.

Recognizing the facility's progress, the U.S. Nuclear Regulatory Commission (NRC) on Jan. 27, 1994, removed FitzPatrick from its list of plants requiring increased monitoring.



Indian Point 3 Nuclear Power Plant
Location: Buchanan, on the Hudson River, Westchester County
Net Dependable Capability: 980,000 kw
First Commercial Power: August 1976
1993 Net Generation: 1.2 billion kwh
Net Generation Through 1993: 77.6 billion kwh

The NRC said the Power Authority "has continued to improve performance in all previously identified problem areas and has demonstrated a sustained period of safe operation."

The federal agency noted that FitzPatrick, which had been placed on the list in February 1992, has shown "overall improvement in management oversight, staff performance and equipment reliability." The NRC also said that it appears the Power Authority "has provided sufficient resources, programs and management oversight to carry out planned long-term performance improvements."

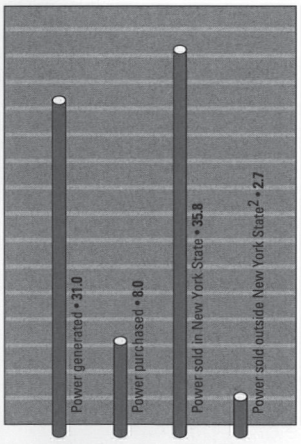
Nearly a year earlier, on Jan. 29, 1993, the NRC fined the Power

Authority $300,000 for various violations at FitzPatrick. These infractions, identified in 1992, included failure to meet fire protection requirements and improper evaluation and testing of a safety system. In light of remedial actions by the Power Authority, the NRC reduced the fine from the $500,000 proposed originally.

In a Systematic Assessment of Licensee Performance, issued in July 1993, the NRC noted a general improvement in plant performance.

In December an NRC Operational Safety Team Inspection report cited FitzPatrick's advances in management oversight and the implementation of corrective measures as well as evidence of a strong nuclear safety ethic. The report pointed to improvements in engineering and technical support but said a backlog of uncompleted work required attention.

1993 GENERATION AND SALES[1]
Billions of kwh



[1] Sales totaled 38.5 billion kwh in 1993.
[2] The Power Authority sells electricity to neighboring states, as required by federal law and licenses, and Canada.

INDIAN POINT 3 OUTAGE CONTINUES

Because the Power Authority removed Indian Point 3 from service on Feb. 27, 1993, the plant produced only 1.2 billion kwh during the year.

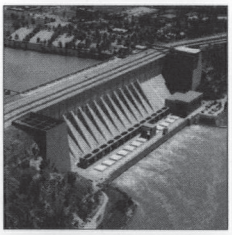
The Power Authority suspended operation of the facility after determining that a backup system had not been properly tested and that performance concerns needed to be resolved.

Staff members are continuing to carry out a Performance Improvement Plan developed by Indian Point 3's management in November 1992.

The Power Authority has replaced more than 60 percent of the facility's top management, including its resident manager, since the end of 1992.

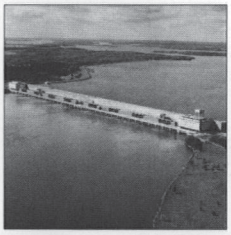
On June 25 the NRC added Indian Point 3 to its list of plants requiring close scrutiny. The agency cited the plant's ineffective management controls and an increase in operational and equipment problems.

The NRC fined the Power Authority $300,000 in July for three sets of violations involving the improperly tested backup system and an assortment of procedural infractions at Indian Point 3.



Niagara Power Project
Location: Lewiston, on the Niagara River, Niagara County
Net Dependable Capability: 2,400,000 kw
First Commercial Power: January 1961
1993 Net Generation: 16.4 billion kwh
Net Generation Through 1993: 487 billion kwh

The Power Authority sold a total of 38.5 billion kwh in 1993, including energy purchased from other sources. It supplied 24 percent of New York State's electricity needs for the year. Hydropower generation of 23.1 billion kwh accounted for 74 percent of total output; nuclear power, 5.9 billion kwh, or 19 percent, and natural gas and oil, 2.1 billion kwh, or 7 percent.



St. Lawrence-Franklin D. Roosevelt Power Project
Location: Massena, on the St. Lawrence River, St. Lawrence County
Net Dependable Capability: 800,000 kw
First Commercial Power: July 1958
1993 Net Generation: 7.4 billion kwh
Net Generation Through 1993: 238.8 billion kwh

Under the guidance of a senior management team, the staff is working to improve preventive maintenance and compliance with procedures in plant operations, maintenance and engineering, among other issues.

The Power Authority has pledged that Indian Point 3 will not restart until performance problems have been resolved and the NRC concurs that the facility is ready to resume operation.

Nuclear Advisers Appointed

Power Authority trustees in June established a Nuclear Advisory Committee to help them take a more direct role in overseeing the nuclear facilities.

Leon Eliason, president of NSP Generation, Northern States Power Company, Minneapolis, heads the committee. The other members are James Asseltine, a former NRC commissioner and now head of Lehman Brothers' utility fixed-income research group, New York City, and Ken Harris, a recently retired senior vice president for nuclear operations and construction, Florida Power & Light Company, Miami.

After visits to the nuclear plants and Nuclear Generation offices in White Plains, the committee reported its initial findings Dec. 16. While confirming that problems existed, the group noted improvements at FitzPatrick and in engineering support at both facilities.

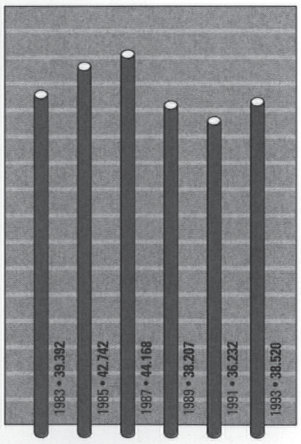
Niagara Generation Increases

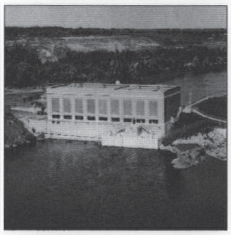
Thanks to the Niagara River's high flows, the Niagara Power Project, in Lewiston, near Niagara Falls, generated a net of 16.4 billion kwh in 1993, up nearly 10 percent over 1992.

In August the trustees approved spending $40.2 million to upgrade a second and third generating unit at the Robert Moses Niagara Power Plant, part of the Niagara complex. This was the latest step in a more-than-half-billion-dollar program that, when complete in 2007, will boost Niagara's peak production capability to 2,730,000 kilowatts (kw), an increase of 14 percent.

Blenheim-Gilboa Pumped Storage Power Project
Location: Blenheim and Gilboa, southwest of Albany, in Schoharie County
Net Dependable Capability: 1,040,000 kw
First Commercial Power: July 1973
1993 Gross Generation: 1.6 billion kwh
Gross Generation Through 1993: 30.6 billion kwh

ENERGY SALES
Billions of kwh





Crescent Plant
Location: Mohawk River, north of Albany, in Albany and Saratoga counties
Net Dependable Capability: 9,948 kw
First Commercial Power: July 1991
1993 Net Generation: 51.6 million kwh
Net Generation Through 1993: 114.4 million kwh

Also looking to the next century, the Power Authority has begun preparing for the relicensing of Niagara by the Federal Energy Regulatory Commission (FERC) in 2007.

ST. LAWRENCE-FDR OUTPUT IS UP

Like Niagara, the St. Lawrence-Franklin D. Roosevelt Power Project, Massena, reaped the benefit of high flows, in its case, from the St. Lawrence River. It churned out 7.4 billion kwh in 1993, a 5 percent gain over the preceding year.

To upgrade the plant's computerized system for remote control of substations and the recording of power generation data, the Power Authority has ordered $3 million worth of equipment. St. Lawrence-FDR workers will install it in the control room in the spring of 1994.

The Power Authority is preparing for the relicensing of the project by FERC in 2003.

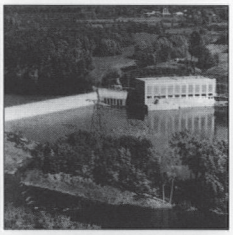
B-G OVERHAULS UNIT NO. 1

The Blenheim-Gilboa Pumped Storage Power Project, in Schoharie County, southwest of Albany, achieved a gross generation of 1.6 billion kwh in 1993, a 16 percent increase over the previous 12 months.

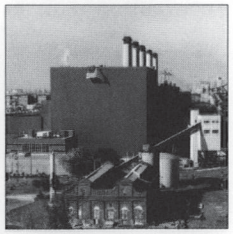
Workers began overhauling the facility's pump-generator unit no. 1 in September. This is part of a $25.9 million program to refurbish all four 260,000-kw units, one at a time, by 1997. The pump-generators have been turning out electricity for 20 years.

CRESCENT, VISCHER FERRY UPGRADED

Workers completed the expansion and upgrading of the Crescent and Vischer Ferry hydroelectric plants, on the Mohawk River near Albany, in 1993.



Vischer Ferry Plant
Location: Mohawk River, north of Albany, in Saratoga and Schenectady counties
Net Dependable Capability: 9,948 kw
First Commercial Power: July 1991
1993 Net Generation: 47.7 million kwh
Net Generation Through 1993: 114.2 million kwh



Charles Poletti Power Project
Location: New York City, on the East River
Net Dependable Capability: 825,000 kw
First Commercial Power: March 1977
1993 Net Generation: 2.1 billion kwh
Net Generation Through 1993: 41.1 billion kwh

Other Generating Facilities

Ashokan Project
Location: Ashokan Reservoir, in Olive, Ulster County
Net Dependable Capability: 3,300 kw
First Commercial Power: November 1982
1993 Net Generation: 19.6 million kwh
Net Generation Through 1993: 239 million kwh

Kensico Project
Location: Kensico Reservoir, in Valhalla, Westchester County
Net Dependable Capability: 2,400 kw
First Commercial Power: July 1983
1993 Net Generation: 7.1 million kwh
Net Generation Through 1993: 147.2 million kwh

Gregory B. Jarvis Plant
Location: Hinckley Dam and Reservoir, north of Utica, Oneida County
Net Dependable Capability: 4,000 kw
First Commercial Power: July 1991
1993 Net Generation: 33.1 million kwh
Net Generation Through 1993: 75.6 million kwh

Blenheim-Gilboa operators run these facilities by remote control. With two new and two renovated turbine-generators, each plant now has an installed capacity of 11,800-kw, up from 5,600 kw before the improvements.

Poletti Sets Operating Marks

The Charles Poletti Power Project, in Queens, New York City, turned out 2.1 billion kwh in 1993.

During 1993 the natural gas- and oil-fueled unit operated continuously for 179 days and was available to produce electricity more than 96 percent of the time, both plant records.

The facility's generating capacity was temporarily reduced from 825,000 kw to 600,000 kw as a result of the failure in September of one of two forced-draft fans. Crews were to install a new fan during Poletti's scheduled outage, Jan. 8 to April 2, 1994.

Long Island Plant to Start Up in May

The Richard M. Flynn Power Plant, the Power Authority's 150,000-kw combined-cycle facility in Holtsville, L.I., is slated to go into service in May 1994. Fired by natural gas and oil, the $150 million unit will supply electricity to the Long Island Lighting Company. It will be the first plant completed under the state's competitive-bidding system for building new generating capacity.

Power Authority trustees named the plant on Jan. 25, 1994, in honor of the former chairman.

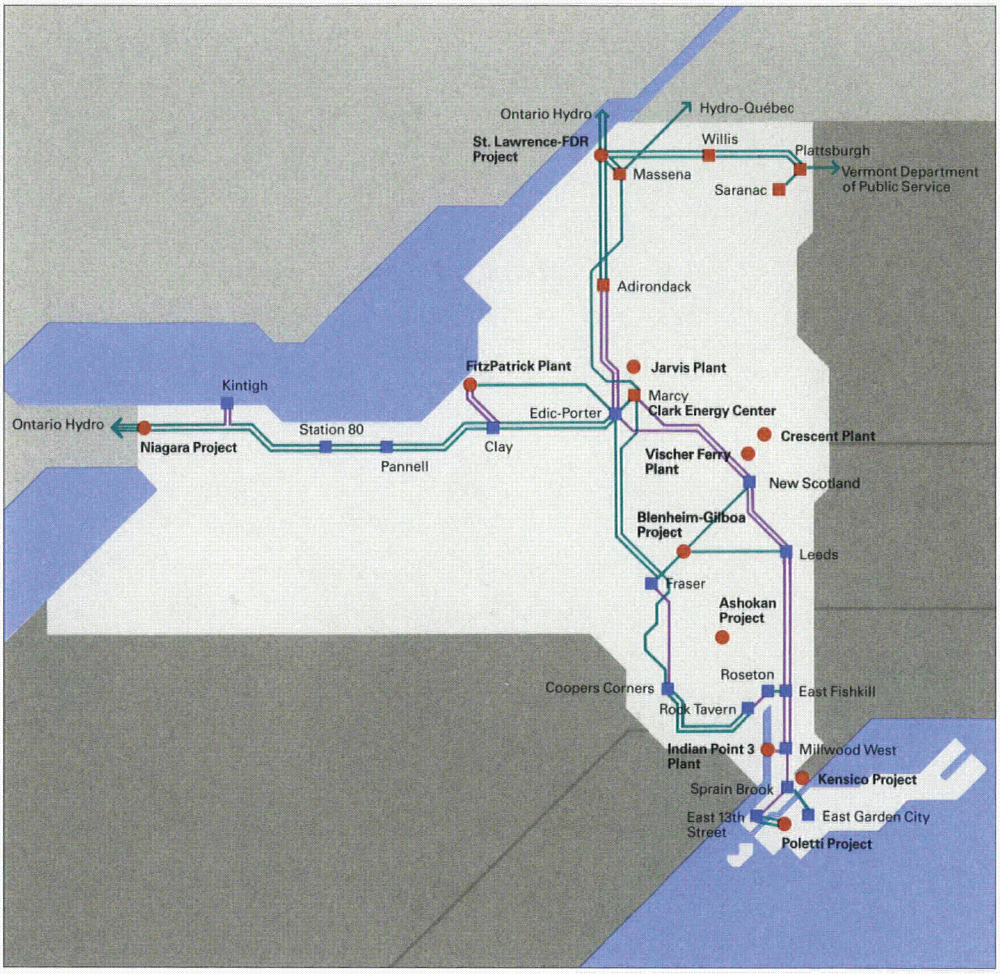
Energy Control Upgrades Computers

The Power Authority is replacing the energy management computer system at its Energy Control Center, in Marcy, near Utica. Employees will use this system, which will be fully operational in late 1995, to schedule power sales and purchases and manage the operation of all Power Authority generation and transmission facilities.

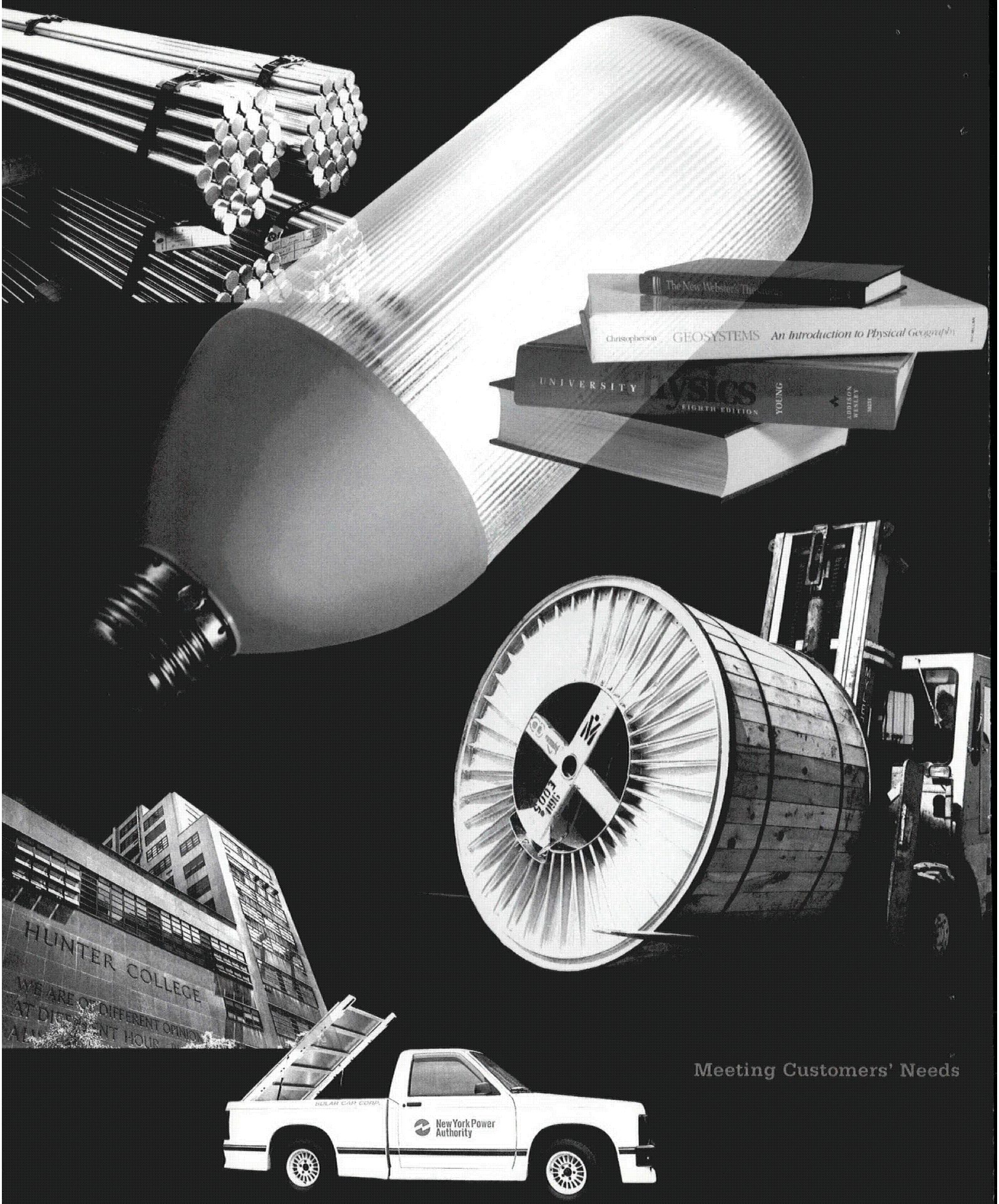
The center coordinates the Power Authority's energy generation and is the Power Authority's link with the New York Power Pool.

Frederick R. Clark Energy Center
Location: Marcy, north of Utica, in Oneida County
Opened: June 1980

Power Authority Network



- Power Authority Projects
- Power Authority Substations
- Substations of Others
- Power Authority Lines
- Lines of Others Available as Needed



Meeting Customers' Needs

CUSTOMER

RELATIONS

All Eyes on the Customer

With industrywide competition posing significant threats to its customer base, the Power Authority increased its focus on consumers' needs in 1993. It initiated marketing programs and other actions to retain old customers and attract new ones, while maintaining quality service and sound finances.

Hydropower Compromise Offered

The Power Authority trustees approved in April 1993 the remainder of a phase-in of higher rates for Niagara replacement power customers in western New York. Replacement power is a 445,000-kilowatt (kw) block of hydroelectricity set aside by federal law for Niagara Frontier firms.

As part of a compromise, the seven-year phase-in of increased rates, which began in 1990, would be extended to the year 2000 for companies that agree to retain current jobs. Rate credits would also be available for firms that commit to creating positions. These measures are in keeping with the Power Authority's long-standing objective for this block of power—to spur employment.

The delayed phase-in would raise rates to 2 cents per kilowatt-hour in the year 2000, up from 1 cent in 1993. This phase-in program represents the first increase for this power since the project began producing electricity in 1961.

The increases are needed to enable the Power Authority to recover its production costs and to meet other expenses, principally for an upgrade of its Niagara Power Project.

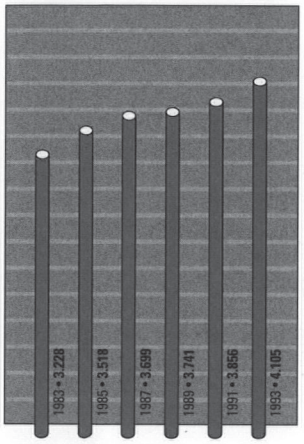
The new rates were first challenged in 1990 by about 45 companies and the City of Niagara Falls, which filed lawsuits claiming that federal and state law prohibit sale of the power for more than the cost of producing it.

Both the state and federal courts have upheld the Power Authority's position. The U.S. Court of Appeals for the Second Circuit affirmed the Power Authority's claim in April 1993, ruling that federal law does not require this power to be sold at cost. The New York Court of Appeals reached a similar conclusion in October, finding that state law does not require a cost-based rate. A month later, the U.S. Supreme Court declined to hear the federal case.

Holding the Line Downstate

The Power Authority acted to freeze rates for its government customers in New York City and Westchester County

ENERGY SALES TO NEW YORK STATE MUNICIPAL SYSTEMS AND RURAL ELECTRIC COOPERATIVES
Billions of kwh



for three years, which would save them an estimated $110 million through 1996.

The action came in response to growing competition from alternative power suppliers and budgetary pressures facing the agencies.

The Power Authority announced in October that it would waive planned increases in 1994 and 1996, providing $95 million in savings. It also agreed to defer an energy adjustment charge, which covers additional costs of fuel and purchased power not included in the base rate. This move was expected to save the agencies about $15 million more.

In another downstate development, Con Edison told the Power Authority in November that it would end the purchase of 180,000 kw of FitzPatrick power when its contract expires April 1, 1994. The cancellation was, in part, caused by the utility's required purchases, under federal law, of higher-priced electricity from independent power producers. The Power Authority plans to sell this relinquished power on the short-term wholesale market while it searches for new long-term customers.

NEW OPTION LEADS TO SAVINGS

To maintain sales to its municipal and rural cooperative electric system customers, the Power Authority launched a program in April that will save them about $10 million in the first year and help meet their diverse electricity needs. Under the new approach, systems that receive all their electricity from the Power Authority can limit purchases of incremental power (electricity from FitzPatrick and Blenheim-Gilboa, which supplements hydropower allocations) to an as-needed basis. Forty-six of the qualifying 47 systems accepted.

In the past, these systems paid for incremental power year-round, even in months when their hydropower allotments were sufficient.

COSTS COME DOWN, JOBS GO UP

The number of jobs supported by the Power Authority's economic development programs soared to a record high of more than 170,000 statewide in 1993.

The Power Authority contracted for 49,150 kw to 25 firms across the state. The allocations helped to support 24,025 jobs, as companies looked to trim their operating expenses with lower-cost electricity.

A program to help municipal and rural cooperative electric systems lure businesses to their service areas also got under way. Nine firms moved into

Low-cost Power Authority electricity helped to support more than 170,000 jobs and promote economic development throughout New York State in 1993. New allocations protected more than 24,000 jobs at 25 companies.

communities served by these systems and received a total of 5,850 kw. The power will support more than 2,400 jobs.

Through the plan, the Power Authority and the community electric systems have earmarked 108,000 kw for companies moving to or expanding in the systems' service areas.

Energy-Saving Programs Expand

The Power Authority's energy efficiency programs rang up savings totaling more than $15 million and 50,000 kw for customers statewide in 1993.

At Gov. Mario Cuomo's request, the Power Authority extended its High Efficiency Lighting Program (HELP) to the state's more than 2,200 public schools and community colleges. Sixty-four districts signed up for the program in 1993 for energy-saving lighting fixtures. In 1994 these customers will save more than $1.5 million on their electricity bills and about 4,000 kw.

With Power Authority HELP, SUNY Albany and public schools statewide save on their electricity bills.

As in all HELP programs, the Power Authority will analyze customers' needs and arrange financing and installations.

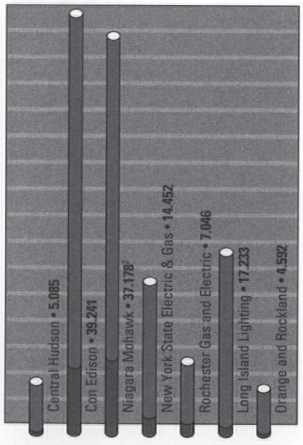
HELP spread throughout Long Island classrooms too, under a previous program. Ninety-four of the 127 eligible public school districts signed up with total projected savings of $6.4 million annually and 19,300 kw.

Statewide HELP for government buildings continued to attract public agencies. Through this program, current participants will register savings totaling $8.6 million a year and 24,500 kw.

In southeastern New York (SENY), government customers will save $16 million a year and 39,200 kw through HELP. Last year the Power Authority launched a SENY HELP initiative for government-owned buildings under construction or renovation. Fifteen customers are currently participating.

The Power Authority's Watt Busters home energy audit program for municipal electric systems and rural cooperatives reached about 5,500 upstate customers from 1992 through 1993. More than 1,900 homes received weatherization improvements.

1993 Energy Sales to New York State Private Utilities in Relation to Each Utility's Total Sales[1]
Billions of kwh



■ Utility's total sales
■ Power Authority sales to utility

[1] Power Authority sales totaled 17.411 billion kwh, which excludes .508 billion kwh sold through the New York Power Pool for supply to the utilities as needed.

[2] Includes .011 billion kwh associated with sales to reallocated expansion power customers.

Looking Ahead to New Markets

To obtain new revenue sources in a rapidly changing economy, the Power Authority in 1993 established a New Business Division to identify opportunities related to its core business. Its goals: to market Power Authority technical skills in a range of new services to increase revenues and customer savings.

After overseeing the decommissioning of the Shoreham Nuclear Power Station on Long Island, the Power Authority is seeking similar assignments at other nuclear plants and the U.S. Department of Energy's nuclear weapons production facilities.

Working as an independent contractor to the Long Island Power Authority, the New York Power Authority guided dismantlement of Shoreham to near completion in 1993. Shipment of the radioactive fuel rods to the Limerick nuclear plant near Philadelphia began in September. It is one of the final steps in the budgeted $186 million decommissioning.

In addition, the Power Authority began a pilot program to offer its commercial customers in southeastern New York electrotechnologies—devices that use electricity as a primary energy source. These include high-efficiency electric heat pumps and chillers, which will help cut overall energy costs and reduce air emissions. The Power Authority assists in the installation and financing. It is studying transportation and industrial applications, such as microwave clothes drying, infectious-waste disposal and water purification.

The Power Authority froze electric rates through 1996 for the Metropolitan Transportation Authority and its other downstate government customers.

The Power Authority is also promoting alternative fuels. It completed installation of solar photovoltaic units atop a Westchester County high school and a New York City Transit Authority warehouse in 1993. It also helped develop a plan for commercial solar energy systems capable of producing up to 500 kw. This plan was presented to U.S. Secretary of Energy Hazel O'Leary.

Financial Statements

Power Authority of the State of New York

FINANCES

During 1993 the New York Power Authority had revenues on a cash basis of $1.48 billion. Of this total, $1.39 billion resulted from the sale and transmission of power, $85.1 million from investments and $4.2 million from other sources. Revenues totaling $1.14 billion were allocated to the Operating Fund to pay for operations, maintenance and fuel, and $5.2 million was allocated to the Projects' Study Fund to pay for preliminary studies. An additional $310.3 million was allocated to the Bond Service and Bond Reserve accounts to meet debt service requirements, which included the retirement of $66.9 million in bonds. The remaining revenues, $26.4 million, were allocated to the General Reserve.

The Operating Fund balance grew by $128.6 million in 1993. This was due in large part to cost-containment measures taken during the year by the Power Authority as well as revenues derived from higher river flows.

In August 1993 the Power Authority issued $1.13 billion in Series CC Bonds. The proceeds were used to refund portions of the Series G, S, T, U and X Bonds, representing almost a third of the Power Authority's long-term debt. The transaction will result in $132 million in net present value debt service savings.

Under a Master Note Agreement, the Power Authority increased its borrowings in 1993 from $100 million to $130 million to fund part of its energy conservation programs.

In April 1993 the Power Authority trustees approved the remainder of a phase-in of higher rates for Niagara replacement power customers in western New York. The phase-in, which began in 1990, would extend to the year 2000 for companies that agree to maintain current employment levels, raising rates to 2 cents per kilowatt-hour, up from 1 cent in 1993.

In October 1993 the Power Authority announced a three-year rate freeze for its government customers in southeastern New York. This action was in response to growing competition from alternative power suppliers and the budgetary pressures facing these government customers.

The Power Authority's financial statements, reported on by independent public accountants Coopers & Lybrand, follow.

Balance Sheet

December 31, 1993
(In Thousands)

Assets			
Utility Plant	Electric plant in service		$4,913,044
	Less accumulated depreciation		1,611,517
			3,301,527
	Construction work in progress		290,993
	Nuclear fuel less accumulated amortization of $155,301		155,324
	Net utility plant		3,747,844
Restricted Funds	Cash	$ 130	
	Investment in U.S. Government securities, at cost	544,788	
	Investment in nuclear decommissioning trust fund (Note I)	237,772	
	Escrow deposit—Series Z Bonds (Note F)	54,288	836,978
Construction Funds	Cash	2,614	
	Investment in U.S. Government securities, at cost	222,034	
	Interest receivable on investments	2,767	227,415
Current Assets	Cash	10,141	
	Investment in U.S. Government securities, at cost	483,718	
	Interest receivable on investments	21,731	
	Receivables—customers	106,970	
	Materials and supplies, at average cost:		
	Plant and general	74,600	
	Fuel	3,191	
	Prepayments and other	27,114	727,465
Other Noncurrent Assets	Preliminary investigations	19,716	
	Unamortized debt expense	28,904	
	Deferred charges and other	155,988	204,608
	Total Assets		$5,744,310
Liabilities and Capitalization			
Capitalization	Long-term debt (Notes E and F):		
	General purpose bonds		$3,146,541
	Adjustable rate tender notes		200,000
			3,346,541
	Accumulated net revenues employed in the business		1,445,602
	Total Capitalization		4,792,143
Current Liabilities	Long-term debt due within one year	$ 48,715	
	Master notes (Note G)	130,000	
	Accounts payable and accrued liabilities	174,353	353,068
Other Noncurrent Liabilities	Nuclear fuel disposal and decommissioning (Notes H and I)	394,112	
	Deferred revenues and other	204,987	599,099
Commitments and Contingencies (Note J)			
	Total Liabilities and Capitalization		$5,744,310

The accompanying notes are an integral part of these financial statements.

Statement of Net Revenues and Accumulated Net Revenues Employed in the Business

Year Ended December 31, 1993
(In Thousands)

Operating Revenues	Power sales	$1,050,641
	Transmission charges	122,022
	Wheeling charges	257,128
	Total Operating Revenues	1,429,791
Operating Expenses	Operations	433,711
	Nuclear fuel	57,270
	Fuel oil and gas	84,745
	Purchased power — Hydro-Québec	102,793
	— Other	84,604
	Maintenance	118,449
	Wheeling	257,128
	Depreciation	130,969
	Total Operating Expenses	1,269,669
	Net Operating Revenues	160,122
Other Income	Interest	103,502
	Other	5,372
	Total Other Income	108,874
Other Deductions	Interest on long-term debt	221,635
	Interest — other	3,397
	Interest capitalized	(17,927)
	Amortization of debt discount and expense	7,597
	Total Other Deductions	214,702
	Revenues, net before advance bond refunding charge	54,294
	Advance bond refunding charge (Note E)	(119,155)
	Net Revenue Deficiency	(64,861)
	Accumulated net revenues employed in the business at January 1, 1993	1,510,463
	Accumulated Net Revenues Employed in the Business at December 31, 1993	$1,445,602

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

Year Ended December 31, 1993
Increase (Decrease) in Cash
(In Thousands)

Cash Flows From Operating Activities	Received from customers for the sale of power, transmission, wheeling	$1,406,053
	Earnings received on investments	85,210
	Paid to suppliers and employees for:	
	Operations and maintenance	(490,012)
	Purchased power	(186,738)
	Fuel oil and gas	(77,744)
	Wheeling of power by other utilities	(250,280)
	Energy conservation program costs	(42,693)
	Interest paid (net of $17,927 capitalized)	(207,036)
	Net cash provided by operating activities	236,760
Cash Flows From Investing Activities	Earnings received on construction fund investments	16,882
	Earnings received on nuclear decommissioning trust fund	23,103
	Construction and acquisition of utility plant:	
	Gross additions to utility plant	(160,621)
	Gross additions to nuclear fuel	(4,101)
	Construction costs reimbursed by others	1,218
	Paid for preliminary investigations	(5,284)
	Paid to nuclear decommissioning trust fund	(40,257)
	Purchase of investment securities	(3,457,010)
	Sale of investment securities	3,511,827
	Net cash used in investing activities	(114,243)
Cash Flows From Financing Activities	Sale of bonds—Series CC ($1,129,690 principal amount)	1,104,336
	Sale of master notes	30,000
	Refunding of bonds—Series G, S, T, U, and X ($1,102,905 principal amount)	(1,185,672)
	Retirement of bonds ($66,965 principal amount)	(66,965)
	Net cash used in financing activities	(118,301)
	Net Increase in Cash	4,216
	Cash, January 1, 1993	8,669
	Cash, December 31, 1993	$ 12,885

Reconciliation to Net Cash Provided by Operating Activities	Net Revenue Deficiency	$ (64,861)
	Adjustments to reconcile net revenues to net cash provided by operating activities:	
	Provision for depreciation	130,969
	Amortization of nuclear fuel	24,827
	Provision for spent fuel disposal and nuclear plant decommissioning	50,714
	Amortization of deferred revenues	(9,613)
	Amortization of debt discount and expense	7,597
	Preliminary investigations expensed	7,868
	DOE decommissioning and decontamination costs charged to expense (Note B [6])	23,227
	Net increase in prepayments and other	(3,414)
	Advance bond refunding charge	119,155
	Net increase in receivables and inventory	(20,915)
	Net increase in accounts payable and accrued liabilities	29,992
	Earnings received on nuclear decommissioning trust fund	(23,103)
	Property tax reimbursement payment charged to expense (Note B [6])	35,000
	Payment for early settlement of substation commitment (Note B [6])	(22,650)
	Deferred costs to be recovered from customers in future periods	(48,033)
	Net cash provided by operating activities	$ 236,760

The accompanying notes are an integral part of these financial statements.

SUMMARY OF FUNDS
(CASH BASIS)

Year Ended December 31, 1993
(In thousands)

	Revenue	Operating	Fuel Reserve Account	Projects' Study
Available Funds, January 1, 1993	$ 0	$ 365,262	$ 0	$ 43
Cash Receipts				
Sale of power, transmission and wheeling	1,392,830			
Earnings on investments	85,109			
Sale of bonds—Series CC				
Accrued interest on bonds sold				
Administrative expenses reimbursed from other funds		6,577		
Construction costs reimbursed by others				
Sale of assets and other	4,244			
Total Receipts	1,482,183	6,577		
Total Available	1,482,183	371,839		43
Transfer of funds—revenue	(1,482,183)	1,058,464	81,845	5,247
—decommissioning				
—other				
	$ 0	1,430,303	81,845	5,290
Cash Disbursement				
Interest on bonds and notes				
Retirement of bonds ($66,965 principal amount)				
Deposit of $1,200,272 with Escrow Agent to refund Series G, S, T, U, and X Bonds				
Utility plant additions		10,880		
Nuclear fuel			4,101	
Fuel oil and gas			77,744	
Operations and maintenance		485,030		
Purchased power—Hydro-Québec		97,990		
—Others		88,748		
Wheeling		250,280		
Bond discount				
Financing costs				
Expenditures chargeable to other funds		3,522		
Preliminary investigations				5,284
Energy conservation program costs				
Administrative expenses reimbursed to the operating fund				
Total Disbursements		936,450	81,845	5,284
Available Funds, December 31, 1993		$ 493,853	$ 0	$ 6
Distributed as follows				
Cash		$ 10,135		$ 6
Investments in U.S. Government Securities		483,718		
		$ 493,853		$ 6

The accompanying notes are an integral part of these financial statements.

	Restricted						
	General Fund (Held by Trustee)						
	Bond Service	Bond Reserve	General Reserve	Temporary Interest Fund	Nuclear Decommissioning Trust (Note I)	Note Debt Service Reserve	Advance Bond Refunding (Note E)
	$ 0	$394,614	$199,284	$13,292	$197,515	$20,000	
					23,103		
							$1,129,690
	3,467						
			1,218				
			10				
	3,467		1,228		23,103		1,129,690
	3,467	394,614	200,512	13,292	220,618	20,000	1,129,690
	269,789	40,469	26,369				
			(17,154)		17,154		
		(2,800)					
	273,256	432,283	209,727	13,292	237,772	20,000	1,129,690
	195,566		8,295	9,969			
	63,090	3,875					
	14,600	81,336					1,104,336
			24,772				
							17,228
							8,126
			1,470				
			667				
	273,256	85,211	35,204	9,969			1,129,690
	$ 0	$347,072	$174,523	$ 3,323	$237,772	$20,000	$ 0
		$ 3	$ 121	$ 2		$ 4	
		347,069	174,402	3,321		19,996	
		$347,072	$174,523	$ 3,323		$20,000	

SUMMARY OF FUNDS

(CASH BASIS) (continued)

Year Ended December 31, 1993
(In Thousands)

	Indian Point 3 Project Improvement Fund		
	No. 1	No. 2	No. 3
Available Funds, January 1, 1993	$10,652	$ 691	$104,196
Cash Receipts			
Earnings on investments	744		6,720
Sale of notes			
Energy conservation programs			
Total Receipts	744		6,720
Total Available	11,396	691	110,916
Transfer of funds — other	(1,560)	1,560	
	9,836	2,251	110,916
Cash Disbursements			
Utility plant additions	175	2,249	5,088
Energy conservation program costs			
Administrative expenses reimbursed to the operating fund	86	2	187
Total Disbursements	261	2,251	5,275
Available Funds, December 31, 1993	$ 9,575	$ 0	$105,641
Distributed as follows			
Cash	$ 71		$ 48
Investments in U.S. Government Securities	9,504		105,593
	$ 9,575		$105,641

The accompanying notes are an integral part of these financial statements.

Construction							
J.A. FitzPatrick Project Improvement Fund							
No. 2	No. 3	Small Hydro	Sound Cable Project	Energy Conservation	Holtsville	Facilities Improvement	Total
$26,655	$65,798	$2,338	$1,204	$ 7,226	$102,771		$321,531
1,849	4,201	16	57	101	3,295		16,983
				30,000			30,000
				8,979			8,979
1,849	4,201	16	57	39,080	3,295		55,962
28,504	69,999	2,354	1,261	46,306	106,066		377,493
						$2,800	2,800
28,504	69,999	2,354	1,261	46,306	106,066	2,800	380,293
13,263	12,528	2,226	194		69,037	2,282	107,042
				42,693			42,693
571	461	128	15	1,368	3,092		5,910
13,834	12,989	2,354	209	44,061	72,129	2,282	155,645
$14,670	$57,010	$ 0	$1,052	$ 2,245	$ 33,937	$ 518	$224,648
$ 30	$ 93		$ 260		$ 1,594	$ 518	$ 2,614
14,640	56,917		792	$ 2,245	32,343		222,034
$14,670	$57,010		$1,052	$ 2,245	$ 33,937	$ 518	$224,648

Notes to Financial Statements

Note A – General

The Power Authority of the State of New York (Authority) is a corporate municipal instrumentality and political subdivision of the State of New York (State) created by the Legislature of the State by Chapter 772 of the Laws of 1931 as last amended by Chapter 55 of the Laws of 1992.

The Authority is authorized by the Power Authority Act to help provide a continuous supply of electricity to the people of the State. The Authority generates, transmits and sells electricity principally at wholesale. The Authority's primary customers are municipal and investor-owned utilities and rural electric cooperatives located throughout the State, highload- factor industries and other businesses, various public corporations located within the metropolitan area of New York City, including The City of New York, and certain out-of-state customers.

The Authority's trustees are appointed by the Governor of the State, with the advice and consent of the State Senate, to serve five-year terms. The Authority is a fiscally independent public corporation that does not receive State funds or tax revenues or credits. It generally finances construction of new projects through sales of bonds and notes to private investors and pays related debt service principally with revenues from the generation and transmission of electricity. Accordingly, the financial condition of the Authority is not controlled by or dependent on the State or any political subdivision of the State. Under the criteria set forth in Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," the Authority considers its relationship to the State to be that of a related organization.

Income of the Authority and properties acquired by it for its projects are exempt from taxation. However, the Authority is authorized by Chapter 908 of the Laws of 1972 to enter into agreements to make payments in lieu of taxes with respect to property acquired for any project where such payments are based solely on the value of the real property without regard to any improvement thereon by the Authority and where no bonds to pay any costs of such project were issued prior to January 1, 1972.

Note B – Accounting Policies

(1) Accounts of the Authority are maintained substantially in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission. The Authority complies with all applicable pronouncements of the Governmental Accounting Standards Board (GASB). In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the Authority also complies with authoritative pronouncements applicable to nongovernmental entities (i.e., Financial Accounting Standards Board statements) which do not conflict with GASB pronouncements.

(2) Utility plant is stated at original cost and consists primarily of amounts expended for labor, materials, services and indirect costs to license, construct, acquire, complete and place in operation the projects of the Authority. Interest on amounts borrowed to finance construction of the Authority's projects is charged to the respective project prior to completion thereof. Borrowed funds for a specific construction project are deposited in a construction fund account. Earnings on fund investments are held in the fund to be used for construction purposes. Earnings on unexpended borrowed funds are credited to the cost of the related project until completion of the project. Utility plant costs are reduced by revenues received for power produced (net of expenditures incurred in operating the projects) prior to the date of completion. The costs of current repairs are charged to operating expenses, and renewals and betterments are capitalized. The cost of utility plant retired and the cost of removal less salvage (exclusive of nuclear plant decommissioning costs [see Note I]) are charged to accumulated depreciation.

(3) Depreciation is provided on a straight-line basis over the estimated useful lives of the various classes of plant as determined by independent engineers and includes estimated cost of removal, net of estimated salvage value.

(4) Electric plant in service at December 31, 1993, and the related depreciation provision expressed as a percentage of average depreciable electric plant on an annual basis were:

Type of Plant	Electric Plant in Service	Average Depreciation Rate
Production:		
Steam	$ 426,974,000	3.2%
Nuclear	1,511,466,000	3.3%
Hydro	1,275,484,000	1.5%
Transmission	1,469,054,000	2.7%
General	230,066,000	5.1%
	$4,913,044,000	2.7%

(5) The amortization of nuclear fuel is provided on a unit-of-production basis. Amortization rates are determined and periodically revised to amortize the cost of nuclear fuel over its estimated useful life. The costs of disposal of spent nuclear fuel will be met from provisions included in operating expenses (see Note H). In addition, the Authority is providing for the decommissioning of its nuclear plants over their estimated useful lives (see Note I).

(6) Deferred revenues of $166,200,000 represent certain billings, related to the recovery of costs, that have been deferred and are being amortized over the life of the applicable asset.

The national Energy Policy Act of 1992 (Energy Act) provides, among other things, that utilities with nuclear reactors will contribute a total of $150 million annually, based upon an assessment, for a period of 15 years, up to a total of $2.25 billion (in 1992 dollars), for the decommissioning and decontamination of the United States Department of Energy (DOE) nuclear fuel enrichment facilities. The Energy Act also provides that these costs are a "necessary and reasonable current cost of fuel and shall be fully recoverable in rates in all jurisdictions in the same manner as other fuel costs." The Authority intends to recover its estimated portion of such costs ($44,550,000) from its customers through the energy adjustment clause or from existing revenues. A portion of such cost ($23,227,000) has been charged to nuclear fuel expense during 1993, with the balance ($21,323,000) remaining in deferred charges to be amortized over the recovery period. As of December 31, 1993, the Authority's remaining liability to the DOE for its share of these costs amounted to $41,670,000.

At December 31, 1993, deferred charges also include $59,019,000 of energy conservation program costs and $19,669,000 of fixed gas costs in excess of current recoveries. These deferred costs will be recovered from customers in future periods. Operating expenses for 1993 include the cost of a prior year tax reimbursement payment ($35,000,000) made to the State, which had previously been included in deferred charges. This payment reimbursed the State for a portion of the real property tax transition payments made to local taxing jurisdictions as a result of the Authority's 1975 acquisition of the Indian Point 3 properties.

Other noncurrent assets include $22,650,000 resulting from the Authority's early settlement of its commitment to pay New York State Electric and Gas Corporation for the construction and use of substation facilities related to the Authority's Marcy-South Transmission Line.

(7) Costs incurred by the Projects' Study Fund for preliminary investigations of a project are transferred to utility plant upon the specification of a project under the General Purpose Bond Resolution (Resolution) (see Note D). If the study does not result in a project, the costs are charged as an expense to net revenues in the period such determination is made.

(8) Debt discount and expense are amortized over the lives of the related debt issues on a straight-line basis.

(9) In accordance with the Resolution, upon completion or the latest estimated date of completion of each project, whichever is earlier, all revenues received from such project are required to be paid into the Revenue Fund.

(10) Funds required for all bond service payments due under the Resolution are payable on July 1 and January 1 and are made available to the Bond Trustee on the immediately preceding June 30 and December 31, by which dates such amounts are segregated for that purpose.

Accordingly, at December 31, 1993, no liability is reflected in the accompanying financial statements for bond service payments of $156,497,000 due on January 1, 1994.

(11) Investment of the Authority's funds is administered in accordance with the applicable provisions of the Resolution and with the Authority's investment guidelines adopted pursuant to Section 2925 of the Public Authorities Law. These guidelines comply with the New York State Comptroller's investment guidelines for public authorities. The Authority's investments have been restricted to (a) collateralized certificates of deposit, (b) obligations of the U.S. Government, its agencies and instrumentalities and agreements for the repurchase of such obligations and (c) direct and general obligations of any state or political subdivision, provided that such obligations were rated in either of the two highest rating categories by two nationally recognized bond-rating agencies. All investments are held by designated custodians in the name of the Authority. Securities that are the subject of repurchase agreements must have a market value at least equal to the cost of the investment, and the agreements are limited to a maximum fixed term of five business days. At December 31, 1993, the Authority had investments in repurchase agreements of $25,500,000. At December 31, 1993, the Balance Sheet reflected cash in the Restricted Funds, Construction Funds and Current Assets of $12,885,000. The bank balances were $15,462,000, of which $421,000 was covered by Federal depository insurance and $15,041,000 was uninsured. The uninsured balance relates primarily to amounts in checking accounts for which checks have been issued but have not yet cleared.

At December 31, 1993, the aggregate cost of all investments approximated market value based upon published bid prices.

(12) Sales and purchases of power between the Authority's facilities are eliminated from revenues and operating expenses.

(13) Revenues are recorded when billed. Customers' meters are read, and bills are rendered monthly. Fuel and purchased power costs above base-rate levels are recovered from customers served by the Poletti and Indian Point 3 plants under an energy adjustment clause. Interest costs incurred on obligations issued to purchase fuel are included as a fuel cost.

NOTE C – PENSION PLANS, OTHER RETIREMENT BENEFITS

Pension Plans:

Substantially all employees of the Authority are members of the New York State and Local Employees Retirement System (System), which is a cost-sharing, multiple-public-employer retirement system. The System offers plans and benefits related to years of service and final average salary, and all benefits generally vest after 10 years of accredited service.

For personnel who became members of the System prior to July 27, 1976, the Authority contributes the entire amount determined by the System to be payable. Gross salaries, for Federal income tax purposes, of personnel who joined the System after July 27, 1976, are reduced by 3 percent. The aggregate amount of these reductions, together with any balance payable to the System, is contributed to the System by the Authority. The Authority's employees are also covered by Social Security.

Payroll for the Authority's employees covered by the System for the year 1993 was $200,646,000; the Authority's total payroll was $206,154,000. The Authority's contributions to the System are paid in December of each year on the basis of the Authority's estimated salaries for the System's fiscal year ending the following March 31. Contributions are made in accordance with funding requirements determined by the actuary of the System.

Legislation enacted in 1990 amending the New York State Retirement and Social Security Law required significant changes in the actuarial calculations made by the System. These changes included (a) adoption of a modified projected unit credit method effective for the System's fiscal year ended March 31, 1991, which replaced the aggregate cost method, and (b) use of a five-year actuarial smoothing method retroactive to the years ended March 31, 1990, and March 31, 1989, which replaced a four-year smoothing method. As a result of these changes, the Authority's required contribution to the System of $476,000 for the year ended March 31, 1994 (paid on December 15, 1993) was significantly less than in years prior to 1990. In addition, certain pension costs previously accrued by the Authority were reversed, resulting in pension costs for the year 1993 becoming a credit of $282,000. In 1990, actions were commenced in New York State Supreme Court challenging the constitutionality of the 1990 legislation that changed the actuarial funding methods. In August 1992, the court granted summary judgment to the plaintiffs in these actions on the grounds that the challenged legislation was an unconstitutional attempt to divest public employees of a contract right to an independent trustee, the State Comptroller. On November 16, 1993, the New York State Court of Appeals affirmed this decision. The State Comptroller has announced an implementation plan that would restore the aggregate cost method for the fiscal year ended March 31, 1995, with a four-year cap on contribution rates. Under this plan, pension contributions are expected to increase over the near term.

A liability for pension costs in the amount of $16,060,000 is included in accounts payable and accrued liabilities at December 31, 1993. This liability consists of the Authority's unpaid contributions of $14,581,000 for the years ended March 31, 1988, and March 31, 1989, and a retirement incentive program obligation of $1,838,000, partially offset by net credits due the Authority of $359,000. Under legislation enacted in 1989, at the Authority's option, the remaining balance for the years ended March 31, 1988, and March 31, 1989, may be paid in installments over the next 12 years.

The Pension Benefits Obligation (PBO) of credited projected benefits is a standardized disclosure measure of the actuarial present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The PBO is independent of the actuarial funding method used to determine contributions to the System. The System does not make separate PBO determinations for each individual employer.

The PBO of credited projected benefits as reported by the System at March 31, 1993, for the System as a whole, determined through an actuarial valuation performed as of that date, was $46,481,000,000. The System's net assets available to pay benefits at that date were $49,084,000,000.

For additional detailed information concerning the System, refer to the State of New York Comprehensive Annual Financial Report of the Comptroller for the fiscal year ended March 31, 1993.

Postretirement Benefits:

The Authority provides certain health care and life insurance benefits for eligible retired employees and their dependents. Employees and their dependents become eligible for these benefits when the employee has 10 years of service and retires or dies while working for the Authority. Approximately 450 participants were eligible to receive these benefits at December 31, 1993. The cost of these benefits is charged to expense as paid and totaled $1,750,000 for the year ended December 31, 1993.

Deferred Compensation:

The Authority offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan permits participants to defer a portion of their salaries until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforseeable emergency. Amounts of compensation deferred and the related income remain the property of the Authority with participants' rights equal to those of general creditors in an amount equal to the fair market value of the deferred account of each participant. The fair market value of plan assets at December 31, 1993, of $5,249,000 is included in "Other Noncurrent Assets" on the Balance Sheet.

Note D – General Purpose Bond Resolution

The General Purpose Bond Resolution (Resolution) adopted on November 26, 1974, as amended and supplemented, covers all of the Authority's projects, which it defines as any project of the Authority directly or indirectly related to power generation or transmission, whether owned jointly or singly by the Authority, including any output in which the Authority has an interest, authorized by the Power Authority Act (Act) and specified in a supplemental resolution adopted at the time a series of bonds is authorized. Before bonds are issued for any new project, a prescribed earnings test must be met based on estimated revenues and operating expenses certified by an independent engineer. A Projects' Study Fund was established by the Resolution to finance preliminary efforts of the Authority to determine appropriate methods to fulfill its purposes under the Act.

The Authority has covenanted with bondholders that at all times rates and charges will be sufficient, together with other monies available therefor, to meet the financial requirements of the Resolution. Revenues from all completed projects of the Authority (after deductions for operating expenses, including necessary working capital reserves, and Projects' Study) are applied first to the payment of bond service (interest and principal installments due on outstanding bonds). Then a sum equal to 15 percent of the amount allocated to bond service is set aside in a bond reserve account, and any remaining revenues are deposited in a general reserve account. Amounts in the bond reserve account are to be used to meet any deficiency in the bond service account and, to the extent not required to make good any such deficiency, may, at the direction of the Authority, be paid to it for application to the cost of construction of any project.

The Resolution also provides for the retirement of bonds from amounts in the bond reserve account in excess of the bond reserve requirement. The Authority has periodically purchased such bonds when available at favorable prices.

Amounts in the general reserve account not needed to meet any deficiency in the bond service or bond reserve accounts may be applied to specific Authority purposes, including emergency repairs and replacements, project improvements and extensions, and reserves for the retirement, decommissioning or disposal of project facilities. Amounts in the general reserve account not required for such purposes shall, at the Authority's direction, be paid to it for any lawful corporate purpose.

The Authority makes open-market purchases of its general purpose bonds from available general reserve account funds paid to it for that purpose. These bonds are acquired, to the extent necessary to meet bond reserve fund call requirements, by the Bond Trustee by November 15 of each year with monies available in the bond reserve account. During the year 1993, no general purpose bonds were purchased by the general reserve account to meet such call requirements.

Note E – Advance Bond Refunding

In order to achieve debt service savings, on August 25, 1993, pursuant to the Resolution and the Twenty-eighth Supplemental Resolution, the Authority sold for settlement and delivery on September 8, 1993, $1,129,690,000 principal amount of General Purpose Bonds, Series CC, with an average interest rate of 4.80 percent maturing from 1996 to 2018. The proceeds from the sale of Series CC Bonds after expenses and original issue discount ($1,104,336,000), together with monies held in the bond service account and the bond reserve account apportioned to the refunded Series G, S, T, U and X Bonds, were deposited with the Escrow Agent and invested in direct obligations of the United States of America. The maturing principal of and interest on such securities were and will be sufficient to pay the principal, interest and applicable call premium on (a) $213,385,000 principal amount of Series G Bonds on October 14, 1993, (b) $33,000,000 principal amount of Series S Bonds on January 1, 1995, (c) $545,720,000 principal amount of Series T Bonds on January 1, 1996, (d) $283,485,000 principal amount of Series U Bonds on January 1, 1996, and (e) $27,315,000 principal amount of Series X Bonds on January 1, 1998.

As a result of the refunding and the deposit with the Escrow Agent, the Series G, S, T, U and X Bonds that were refunded are deemed to have been paid pursuant to the Resolution, and they cease to be a liability of the Authority. Accordingly, the refunded Series G, S, T, U and X Bonds (and the related deposit with the Escrow Agent) are excluded from the Balance Sheet.

The Authority expects to realize gross debt service savings from this refunding transaction of approximately $370,000,000 over the life of the bonds. The refunding produced an economic gain (the present value of the debt service savings, adjusted for additional cash paid) of approximately $132,000,000.

However, because of the difference ($82,767,000) between the total cash deposited with the Escrow Agent and the principal amount of the refunded Series G, S, T, U and X Bonds, together with the unamortized discount and expense pertaining to the refunded bonds ($36,388,000), an advance bond refunding charge of $119,155,000 results from this transaction. Under generally accepted accounting principles, this amount is presented as an extraordinary charge to net revenues. This charge will have no effect on the Authority's continuing revenue requirements.

NOTE F — LONG-TERM DEBT

A summary of general purpose bonds payable at December 31, 1993, follows:

		Amount	Maturity January 1	Interest Rate[a]	Earliest Redemption Date Prior to Maturity[b]
Series N	Term Bonds	$ 52,495,000	2018	6.00 %	1/1/94
	Serial Bonds	2,825,000	1995	8.75 %	
Series T	Term Bonds	50,000,000	2019	5.00 %	1/1/96
	Serial Bonds	29,570,000	1995 to 1997	6.40% to 6.90 %	
Series U	Term Bonds	58,070,000	2018	5.75 %	1/1/96
	Serial Bonds	23,315,000	1995 to 1997	6.50% to 6.80 %	
Series V	Term Bonds	32,630,000	2004	7.00 %	1/1/98
	Term Bonds	72,560,000	2006	7.80 %	
	Term Bonds	40,330,000	2007	7.875%	
	Term Bonds	90,060,000	2009	7.00 %	
	Term Bonds	106,990,000	2013	7.875%	
	Term Bonds	145,005,000	2017	8.00 %	
	Serial Bonds	165,905,000	1995 to 2003	6.60% to 7.60 %	
Series W	Term Bonds	82,110,000	2008	6.50 %	
	Serial Bonds	216,500,000	1995 to 2005	5.90% to 6.70 %	
Series X	Serial Bonds	2,035,000	1995 to 1999	6.40% to 6.70 %	1/1/98
Series Y	Term Bonds	47,775,000	2011	6.50 %	1/1/2001
	Term Bonds	119,770,000	2018	6.75 %	
	Term Bonds	45,385,000	2020	6.00 %	
	Serial Bonds	93,740,000	1995 to 2007	5.50% to 6.25 %	
Series Z[c]	Term Bonds	25,540,000	2012	6.625%	1/1/2002
	Term Bonds	117,240,000	2019	6.50 %	
	Term Bonds	21,385,000	2020	5.50 %	
	Serial Bonds	133,800,000	1995 to 2007	5.10% to 6.50 %	
Series AA	Term Bonds	62,135,000	2012	6.375%	1/1/2002
	Term Bonds	81,360,000	2023	6.25 %	
	Serial Bonds	91,610,000	1996 to 2007	5.00% to 6.30 %	
Series BB	Serial Bonds	122,600,000	1995 to 2007	4.70% to 6.30 %	1/1/2002
Series CC	Term Bonds	154,575,000	2014	5.00 %	1/1/2003
	Term Bonds	192,300,000	2018	5.25 %	
	Serial Bonds	782,815,000	1996 to 2011	3.40% to 5.125%	
		3,262,430,000[d]			
	Less: unamortized discount	67,174,000			
		3,195,256,000			
	Less: due within one year	48,715,000			
		$3,146,541,000			

[a] Interest is payable semiannually on January 1 and July 1.

[b] Bonds are subject to redemption prior to maturity in whole or in part as provided in the supplemental resolutions authorizing the issuance of each series of bonds, beginning for each series on the date indicated, at principal amount or at various redemption prices according to the date of redemption, together with accrued interest to the redemption date. Annual maturities for the next five calendar years are as follows: 1994, $48,715,000; 1995, $81,620,000; 1996, $86,070,000; 1997, $92,930,000, and 1998, $100,615,000.

[c] In December 1991, in order to achieve debt service savings, the Authority issued $298,780,000 principal amount of General Purpose Bonds, Series Z, to refund previously issued bonds. A portion of the proceeds of this issue was used to establish an irrevocable escrow deposit in the amount of $54,288,000, which w invested in non-interest-bearing direct obligations of the United States of Ame and will be used to pay a portion of the principal and interest on Series Z Bond maturing January 1, 2000.

[d] At December 31, 1993, the current market value of these bonds was approxima $3,449,300,000. Market values were obtained from a third party pricing service which utilized a matrix pricing model.

Adjustable rate tender notes (Notes) outstanding at December 31, 1993 were:

	Amount	Interest Rate at 12/31/93
Due March 1, 2007	$ 50,000,000	2.70%
Due March 1, 2016	75,000,000	2.70%
Due March 1, 2020	75,000,000	2.70%
Total	$200,000,000	

In accordance with the Adjustable Rate Tender Note Resolution adopted April 30, 1985 (Note Resolution), the Authority may designate a rate period of different duration, effective on any rate adjustment date. The Remarketing Agent appointed under the Note Resolution determines the rate for each rate period, which in the agent's opinion is the minimum rate necessary to remarket the Notes at par. The Notes may be tendered to the Authority by the holders on any adjustment date. The next rate adjustment date is March 1, 1994.

The Authority has entered into revolving credit agreements (Agreements) with banks to provide supporting lines of credit. Under Agreements that terminate on January 31, 1996, the Authority may borrow up to $200,000,000 for the purpose of repaying, redeeming or purchasing the Notes or other bonds or notes of the Authority's specified by the Authority from time to time by notice to the banks. The Agreements provide for interest on outstanding borrowings (none outstanding at December 31, 1993) at the bank's prime commercial lending rate as in effect from time to time or a percentage of the Federal Funds Rate, whichever is higher, and for a fee on the unused portion of the commitment.

In accordance with the Note Resolution, a Note Debt Service Reserve account has been established in the amount of $20,000,000.

Note G — Master Notes

At December 31, 1993, the Authority had outstanding with a bank, under a $150,000,000 master note arrangement expiring February 1, 1995, $130,000,000 of short-term notes, payable on demand. Under the arrangement, the proceeds of the notes may be used to finance the costs of fuel and energy conservation and of construction of any project designated pursuant to the Resolution and the repayment of any obligations issued for such purposes. Interest is computed based on a rate adjusted weekly and applied to the daily principal amount outstanding.

The Authority has entered into a revolving credit agreement with a bank, terminating on March 31, 1996, providing a line of credit whereby the Authority may borrow up to $50,000,000 (none outstanding December 31, 1993) for corporate purposes, at the interest rate option specified by the Authority and for a fee on the unused portion of the commitment.

Through December 31, 1993, the Authority has deposited $68,750,000 of master note proceeds (including $30,000,000 during the year 1993) in the Energy Conservation Effectuation and Construction Fund (Energy Conservation Fund), to be held by the Authority and used in connection with the implementation and financing of the Authority's energy conservation programs. The remaining $61,250,000 of master notes was issued in prior years to fund a portion of the construction cost of the small hydroelectric facilities.

Note H — Nuclear Fuel Disposal

In accordance with the Nuclear Waste Policy Act of 1982, the Authority in June 1983 entered into a contract with the United States Department of Energy (DOE), under which DOE, commencing not later than January 31, 1998, would accept and dispose of spent nuclear fuel. However, it appears unlikely that DOE will accept any Authority spent nuclear fuel before 2010. The contract provides that the Authority will pay quarterly to DOE a fee based on nuclear generation and sales of electricity at a specified rate from April 7, 1983.

In addition, the contract requires the payment to DOE of a onetime fee relating to spent nuclear fuel discharged prior to April 7, 1983, and for in-core spent fuel on that day. As permitted by the contract, the Authority presently intends to pay this onetime fee of $58,710,000, together with interest accrued thereon from April 7, 1983, when the Authority first ships spent nuclear fuel to an approved DOE disposal facility. As of December 31, 1993, the liability to DOE related to the onetime fee, including accrued interest from April 7, 1983, totaled $120,587,000.

Note I — Nuclear Plant Decommissioning

In 1988 the Nuclear Regulatory Commission (NRC) issued decommissioning rules requiring reactor operators to certify that sufficient funds, in amounts not less than certain prescribed minimums that for the Authority would amount to $135,000,000 and $165,000,000, in 1990 dollars, for the Indian Point 3 and FitzPatrick nuclear plants, respectively, will be available for decommissioning. These amounts represent only the decontamination portion of the total cost and exclude the cost of demolition and site restoration. These funds may be in the form of prepayments or external sinking funds, either of which must be segregated from the licensee's assets and outside of its administrative control. The Authority has established a decommissioning trust fund for each of its nuclear plants and anticipates that sufficient funds will be available in accordance with the NRC decommissioning rules to decommission the nuclear plants at the end of their useful lives. Although the Authority is contributing to the decommissioning trust based on NRC-prescribed minimums, the provision for decommissioning is based on the estimated total cost, including demolition and site restoration. As of December 31, 1993, the cumulative amount provided was $273,525,000 of which $237,772,000 (including accumulated investment earnings) is in the decommissioning trust fund.

NOTE J — COMMITMENTS AND CONTINGENCIES

(1) Estimated costs to be incurred on outstanding contracts in connection with the Authority's construction programs aggregated approximately $70,000,000 at December 31, 1993. In return for the use of certain substation facilities related to the Authority's Marcy-South Transmission Line, the Authority is committed to pay three New York State utilities approximately $23,000,000 annually through 1996 and lesser amounts thereafter through 1998. The Authority has entered into a long-term contract under which it is obligated to purchase approximately $39,000,000 worth of natural gas annually through the year 2000.

(2) There are actions, proceedings and matters pending before Federal and State courts and agencies involving certain Authority projects and rates for the sale of power from certain projects which may result in impeding the operations of such projects and may require the Authority to incur substantial additional costs or revenue reductions. While the ultimate outcome of these matters is not presently determinable, the Authority's general counsel believes that the Authority has meritorious positions, which have or will be asserted in these matters.

(3) Under provisions of the Federal Price-Anderson Act, the overall maximum public liability for a single nuclear incident is limited to approximately $9,400,000,000. Coverage for the first $200,000,000 of such liability is provided by private insurance. In the event that public liability from an insured nuclear incident were to exceed $200,000,000, the Authority would be subject to a pro rata assessment of up to $79,275,000, in addition to inflation adjustments thereon, for each reactor owned, with a yearly assessment no greater than $10,000,000 per incident per reactor owned.

(4) In addition to the liability insurance required by the Federal Price-Anderson Act, the NRC requires each licensee to carry decontamination liability and excess property damage insurance in the aggregate minimum amount of $1,060,000,000 for each reactor site. The Authority has such coverage in force. A portion of the insurance is provided by the Nuclear Electric Insurance Limited (a company that provides decontamination and excess property damage insurance to a group of nuclear facilities). In the event there is a covered loss at any of the member group's nuclear facilities that exceeds insurance funds available, the Authority could be subject to retrospective premium assessments for both its reactors during any one policy year, based on a multiple of the annual premium. As of December 31, 1993, the Authority could be liable for a maximum assessment of approximately $12,000,000 during any one policy year.

(5) Shoreham and Long Island Matters:

After the Governor of New York and the president of Long Island Lighting Company (LILCO) signed a settlement agreement in 1989 for the closing of the Shoreham nuclear power plant, the Long Island Power Authority (LIPA) and LILCO entered into agreements providing for the transfer of Shoreham to LIPA, which was accomplished in June 1992, and for its decommissioning by LIPA at LILCO's expense with the Authority's assistance. In January 1990, the Authority entered into a management services agreement with LIPA to provide LIPA with managerial and technical assistance under which the Authority, consistent with a legislative directive enacted in July 1989, will be reimbursed by LIPA (and ultimately LILCO) for all costs related to the decommissioning of Shoreham and its interim maintenance (excluding any costs arising from its gross negligence or willful misconduct).

In December 1991, the Authority executed a capacity supply agreement with LILCO, along with associated gas transportation and property use agreements, to supply electric generation capacity to LILCO over a 20-year period beginning in 1994 pursuant to LILCO's solicitation, under New York State Public Service Commission auspices, of proposals for such capacity. The agreement provides for the construction of a 150-megawatt (mw) combined-cycle natural gas- and distillate-fueled generation plant at Holtsville in Suffolk County, New York, which is estimated to have a direct construction cost of approximately $132 million and is scheduled to be completed in May 1994. The contract terms are structured to recover from LILCO, over the life of the capacity supply agreement, the Authority's full estimated cost of financing, constructing, fueling and operating the plant, but such full cost recovery cannot necessarily be assured.

In July 1992, a consortium of bidders, including the Authority, submitted a proposal, in response to a solicitation from LIPA, for the development of 400 mw of gas-fueled electric generating capacity utilizing the Shoreham site. The Authority's bid is contingent upon reaching a satisfactory capacity supply agreement with LILCO. Two other bids were submitted to LIPA. LIPA has not yet responded to the bids.

(6) Nuclear Plant Matters:

On June 22, 1993, the NRC informed the Authority that the Indian Point 3 nuclear plant had been put on its list of facilities "requiring close monitoring," involving increased NRC attention and oversight due to declining performance in various areas and deficiencies discovered by an NRC inspection team. Indian Point 3 had previously been taken out of service on February 26, 1993, to address the concerns raised by the NRC's evaluation and to perform work scheduled to be performed in a May 1993 outage. The plant is expected to return to service in late 1994.

On January 27, 1994, the NRC notified the Authority that the FitzPatrick nuclear plant had been removed from its list of facilities "requiring close monitoring." The plant had been added to this list in February 1992 after an NRC diagnostic evaluation team identified performance deficiencies in several areas. The Authority implemented a program addressing these deficiencies and returned the plant to service on January 23, 1993, after an outage lasting approximately 14 months.

Report of Independent Accountants

Power Authority of the State of New York
New York, New York

We have audited the accompanying balance sheet of the Power Authority of the State of New York as of December 31, 1993, and the related statements of net revenues and accumulated net revenues employed in the business and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Power Authority of the State of New York as of December 31, 1993, and results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit has been made primarily for the purpose of expressing an opinion on the basic financial statements taken as a whole. The summary of funds (cash basis) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Coopers & Lybrand

New York, New York
February 4, 1994

Operations Data

The data on Power Authority operations, appearing on pages 38 through 44, have been prepared from records and other information of the Power Authority and have not been examined by the independent accountants.

Power Authority Generating Facilities

Facility	Type	Net Rated Output (mw)	1993 Net Generation (mwh)
St. Lawrence-FDR	Hydro	800.0	7,351,554
Niagara	Hydro	2,400.0	16,437,695[1]
Blenheim-Gilboa	Pumped-Storage	1,040.0	(857,385)[1]
FitzPatrick	Nuclear	800.0	4,746,460
Indian Point 3	Nuclear	980.0	1,192,553
Poletti	Oil/Gas	825.0	2,068,199
Ashokan	Hydro	3.3	19,648
Kensico	Hydro	2.4	7,093
Jarvis	Hydro	4.0	33,137
Crescent	Hydro	9.9	51,632
Vischer Ferry	Hydro	9.9	47,673
Total Net Generation			31,098,259

[1]Net of pumping energy.

Busbar Prices for Power and Energy Sold to Customers

As of Dec. 31, 1993

Niagara/St. Lawrence-FDR Customers

Utilities, Municipal and Cooperative Customers and Public Entities	
Composite at 70% Load Factor	6.31 mills/kwh
Demand	$1.00 per kw/month
Energy	4.35 mills/kwh
Replacement Power Sales of 445,000 kw to Niagara Mohawk	
Composite at 80% Load Factor	7.49 mills/kwh
Demand[1][2]	$2.19 per kw/month
Energy[1][2]	3.74 mills/kwh
Composite at 80% Load Factor	7.33 mills/kwh
Demand[1][3]	$2.14 per kw/month
Energy[1][3]	3.67 mills/kwh
Composite at 80% Load Factor	9.81 mills/kwh
Demand[1][4]	$2.86 per kw/month
Energy[1][4]	4.91 mills/kwh
Expansion Power Sales of 216,450 kw[5] to Niagara Mohawk and New York State Electric & Gas	
Composite at 80% Load Factor	9.81 mills/kwh
Demand[1]	$2.86 per kw/month
Energy[1]	4.91 mills/kwh
Aluminum Company of America	
Composite at 80% Load Factor	17.19 mills/kwh
Demand[6]	$4.661 per kw/month
Energy[6]	9.213 mills/kwh
Reynolds Metals Company	
Composite at 80% Load Factor	17.47 mills/kwh
Demand[6]	$4.736 per kw/month
Energy[6]	9.361 mills/kwh
General Motors Corporation	
Composite at 80% Load Factor	9.28 mills/kwh
Demand[1]	$2.71 per kw/month
Energy[1]	4.64 mills/kwh
St. Lawrence Seaway Development Corporation and New York State Office of Parks, Recreation and Historic Preservation	
Energy	10.00 mills/kwh

[1]Base rates are subject to annual adjustment factors effective May 1. These adjustment factors are calculated based on the cost of fuels used for generating electricity in the New York Power Pool, the Gross National Product price deflator and two producer price indices. From May 1, 1993, to April 30, 1994, the adjustment factor was .99.

[2]Applicable to customers that initiated service prior to May 1, 1993, and that have not made commitments as to the level of future employment at their facilities.

[3]Applicable to customers that initiated service prior to May 1, 1993, and that have made commitments as to the level of future employment at their facilities.

[4]Applicable to customers initiating service after May 1, 1993.

[5]Expansion power sales are allocated from a block of 250,000 kw. For a list of expansion power recipients, see page 44.

[6]Base rates are subject to annual adjustment factors effective May 1. These adjustment factors are based on the cost of fuels used for generating electricity in the New York Power Pool, the Power Authority's annual debt service and provisions for job credits. From May 1, 1993, to April 30, 1994, the adjustment factor is .996 for the Aluminum Company of America and 1.012 for Reynolds Metals Company.

Blenheim-Gilboa Customers

Utilities, Municipal and Cooperative Customers and Public Entities	
Demand	$2.30 per kw/month
(a) Nonfirm pumped-storage energy transfers	11.00 mills/kwh
(b) Nonfirm energy is priced according to market conditions.	

FitzPatrick Customers

Utilities	
Composite at 70% Load Factor	43.22 mills/kwh
Demand	$13.40 per kw/month
Energy[7]	17.00 mills/kwh
Municipal and Cooperative Systems	
Composite at 70% Load Factor	39.86 mills/kwh
Demand[8]	$11.68 per kw/month
Energy	17.00 mills/kwh
Industrials	
Composite at 80% Load Factor	36.97 mills/kwh
Demand	$8.16 per kw/month
Energy	23.00 mills/kwh

Poletti/Indian Point 3 Customers

Rates for power and energy sales to customers depend on the service provided as follows:

Conventional Rates
Jan. 1–Dec. 31

Service Class	$/kw/Month	Mills/kwh*
General Small	—	64.39
Commercial and Industrial Redistribution	8.78	33.15
Electric Traction Systems	6.48	38.25
Westchester Streetlighting	—	54.13
Multiple Dwellings—Redistribution	7.76	34.20
General Use—Large	6.40	35.81
N.Y.C. Streetlighting	7.06	34.09
N.Y.C. Transit Authority Substation	7.22	35.22
N.Y.C. Transit Authority Plant	6.86	44.20
World Trade Center	8.52	38.14
N.Y.C. Public Buildings	6.54	37.90

Average production charge for 1993 for Poletti/Indian Point 3 customers was 56.1 mills/kwh.

*Subject to a monthly energy charge adjustment (ECA); base energy cost was 18.643 mills/kwh. Application of the ECA was suspended and deferred, effective October 1993, until further notice.

Utilities	
Demand	$17.07 per kw/month
Energy[9]	

Time-of-Day Production Rates
Jan. 1–Dec. 31

Service Class	$/kw/Month	On-Peak Mills/kwh	Off-Peak Mills/kwh
Commercial and Industrial Redistribution	7.21	47.79	26.43
Multiple Dwellings—Redistribution	6.96	49.41	27.06
General Use—Large	5.30	51.10	26.62
World Trade Center	7.20	51.56	28.28
N.Y.C. Public Buildings Light and Power	5.36	54.87	26.83

Notes:

The on-peak period for demand is weekdays from 8:00 a.m. to 6:00 p.m., including holidays. The on-peak period for energy is 8:00 a.m. to 10:00 p.m., including holidays. The off-peak period is all other hours.

Demand rates are applicable to the peak demand occurring during the on-peak period.

In addition to the indicated energy rates, the conventional energy charge adjustment (ECA) was applied on a monthly basis. Application of the ECA was suspended and deferred, effective October 1993, until further notice.

Time-of-day production rates apply to the Poletti/Indian Point 3 public agency accounts with monthly demands of 1.5 mw or more.

[7]Sales to investor-owned utilities (IOUs) include firm and residual energy. Reserve energy is sold at a rate equal to the IOUs' avoided costs. IOUs have the right to purchase all residual energy available after the Power Authority's firm power obligations have been satisfied and after reserve sales have been made.

[8]Based on a combined allocation of FitzPatrick and Blenheim-Gilboa power to full-requirements customers.

[9]Firm energy sales are made to Con Edison from Poletti based on the Power Authority's incremental cost of fuel consistent with New York Power Pool procedures and any other energy-related cost allocable to Poletti. The Indian Point 3 (IP3) firm energy rate for sales to Con Edison is based on the sum of the Power Authority's nuclear fuel replacement rate, the nuclear fuel waste disposal fee and any other energy-related costs allocable to IP3.

Supplemental energy sales are made to Con Edison in accordance with New York Power Pool procedures.

All other energy sales are made to various utilities based on mutually agreeable pricing arrangements.

Selected Financial Data[1]

(In Thousands)

Project	Operating Revenues	Operating Expenses	Accumulated Depreciation
St. Lawrence-FDR	$ 80,621	$ 33,771	$ 202,767
Niagara	138,618	102,516	338,501
Blenheim-Gilboa	39,913	31,991	73,382
FitzPatrick	204,500	230,224	242,106
Poletti/Indian Point 3	788,625	742,598	530,970
Small Hydro[2]	10,399	4,850	8,173
Generating Facilities Subtotal	1,262,676	1,145,950	1,395,899
Transmission Facilities	280,734	229,149	194,980
Total	$1,543,410	$1,375,099	$1,590,879

[1]Operating revenues and operating expenses by project include inter-project sales and purchases of power in the amount of $122,221. They do not include any of the following unallocated items:

Other income (principally interest)	$108,874
Other deductions (principally interest)	$214,702
Advance bond refunding charge	$119,155

[2]Comprises Ashokan, Kensico, Jarvis, Crescent and Vischer Ferry

Energy Transfers and Purchases (kwh)

(For New York Power Authority Use[1])

Energy Transferred	
St. Lawrence-FDR to:	
Marcy	2,153,000
Niagara	2,150,721,000
Poletti/Indian Point 3	110,473,000
Niagara (includes energy from St. Lawrence-FDR) to:	
Blenheim-Gilboa	875,402,000
FitzPatrick	754,481,000
Marcy	23,651,000
Poletti/Indian Point 3	2,516,156,000[2]
Blenheim-Gilboa to:	
FitzPatrick	19,308,000
Marcy	8,544,000
Poletti/Indian Point 3	495,340,000[2]
Poletti/Indian Point 3 to:	
Marcy	91,824,000
FitzPatrick to:	
Poletti/Indian Point 3	450,738,000
Ashokan to:	
Poletti/Indian Point 3	19,691,000
Kensico to:	
Poletti/Indian Point 3	6,938,000
Small Hydro Project #1 to:	
Poletti/Indian Point 3	143,026,000

[1]Transfers between projects are reported on a net basis and do not reflect transmission losses.

[2]Net of pumping energy.

Purchased Power	
Canadian Sources to:	
FitzPatrick	191,898,000
Marcy	306,939,000
Poletti/Indian Point 3	2,088,602,000
Investor-Owned Utilities to:	
Marcy	85,554,000
Poletti/Indian Point 3	1,329,292,000

1993 Sales to Customers (kwh)

Niagara	Total Energy
Investor-Owned Utilities	
New York State Electric & Gas	1,062,313,000
Niagara Mohawk[1]	5,871,757,341
Rochester Gas and Electric	461,241,000
Municipal and Cooperative Systems	3,942,385,503
Out-of-State	
Allegheny Electric Cooperative	388,820,000
Cleveland, City of	541,871,000
Connecticut Municipal Electric Cooperative	118,022,000
Massachusetts Department of Public Utilities	549,229,000
Public Power Association of New Jersey	104,473,000
Rhode Island Public Utilities Commission	6,029,000
Vermont Department of Public Service	110,517,000
Municipal Utility Service Agencies	
Dutchess County Public Utility Service	1,316,000
Nassau County Public Utility Agency	6,533,000
New York City Public Utility Service	40,639,000
Orange County	1,481,000
Rockland County	1,385,000
Suffolk County Electrical Agency	6,521,000
Westchester County Public Utility Agency	4,524,000

[1]Energy includes 10,930,341 kwh reallocated on a temporary basis.

St. Lawrence-FDR	Total Energy
Investor-Owned Utilities	
New York State Electric & Gas	626,897,000
Niagara Mohawk	663,263,000
Rochester Gas and Electric	357,539,000
Out-of-State	
Allegheny Electric Cooperative	143,213,000
Cleveland, City of	120,161,000
Connecticut Municipal Electric Cooperative	35,007,000
Massachusetts Department of Public Utilities	63,430,000
Public Power Association of New Jersey	77,818,000
Rhode Island Public Utilities Commission	9,554,000
Vermont Department of Public Service	88,253,000
Others	
Niagara Frontier Transportation Authority	3,539,944
N.Y.S. Office of Parks, Recreation and Historic Preservation	514,070
St. Lawrence Seaway Development Corporation	137,047
Industrials	
Aluminum Company of America	1,969,255,000
General Motors Corporation	44,646,700
Reynolds Metals Company	1,968,672,000
Southeastern New York	
Metropolitan Transportation Authority	40,917,960

Blenheim-Gilboa	Total Energy
Investor-Owned Utilities	
Central Hudson	556,000
Con Edison	17,015,000
Long Island Lighting	819,000
Niagara Mohawk	4,285,000
Orange and Rockland	682,000
Rochester Gas and Electric	319,000

FitzPatrick	Total Energy
Investor-Owned Utilities	
Central Hudson	29,736,000
Con Edison	2,073,475,000
Long Island Lighting	762,551,000
Niagara Mohawk	477,049,000
Rochester Gas and Electric	249,402,000
Municipal and Cooperative Systems	163,025,132
Municipal Utility Service Agencies	
Nassau County Public Utility Agency	11,690,171
New York City Public Utility Service	354,025,421
Suffolk County Electrical Agency	26,469,047
Westchester County Public Utility Agency	17,729,246
Industrials	
Airco Industrial Gases	123,849,064
Air Products and Chemicals, Inc.[2]	99,638,772
Aluminum Company of America	6,130,000
Alusuisse Flexible Packaging, Inc.	3,500,528
Burton Industries Inc.	1,291,272
Computer Associates International, Inc.	38,804,421
General Instrument Corporation	2,058,033
General Motors Corporation	52,936,526
Grumman Corporation	59,141,605
Hazeltine Corporation	11,295,234
Insert Color Press	2,433,085
Monitor Aerospace Corporation	9,431,335
Nature's Bounty, Inc.	3,660,041
Newsday, Inc.	3,502,877
Niachlor[3]	17,652,870
Occidental Chemical Corporation	187,917,502
Owens-Corning Fiberglas Corporation	31,963,257
Reynolds Metals Company	127,018,000
The Ullman Company Inc.	3,803,785
Commercial	
B. Dalton Bookseller, Inc.	4,565,834
Smith Barney Shearson[4]	53,809,977
Southside Laundry Inc.	2,011,851
Others	
Brookhaven National Laboratory[5]	216,217,094

Marcy[6]	Total Energy
Utilities	
Central Hudson	20,395,000
Central Vermont Public Service Corp.	21,070,000
Con Edison	166,254,000
Green Mountain Power Co.	8,135,000
Hydro-Québec	14,393,000
Long Island Lighting	70,981,000
New York State Electric & Gas	6,397,000
Niagara Mohawk	1,794,000
Orange and Rockland	139,257,000
Rochester Gas and Electric	65,418,000

[2]Includes 22,993,540 kwh received on a temporary basis.
[3]Total energy received on a temporary basis.
[4]Formerly Shearson Lehman Brothers Inc.
[5]Includes 52,822,445 kwh received on a temporary basis.
[6]Energy sales are made based on mutually agreeable pricing arrangements.

Poletti / Indian Point 3	Total Energy
Utilities	
Central Hudson	3,116,000
Con Edison	487,551,000
Hydro-Québec	63,186,000
Long Island Lighting	2,123,000
New York Power Pool	506,940,000
Orange and Rockland	2,419,000
Southeastern New York[7]	
Ardsley, Village of	582,107
Bedford Central School District	486,120
Briarcliff Manor, Village of	1,945,181
Briarcliff Manor Union Free School District	1,548,600
Bronxville, Village of	2,054,554
Buchanan, Village of	599,730
Byram Hills Central School District	1,883,394
Chappaqua Central School District	3,831,024
Cortlandt, Town of	2,086,331
Croton Harmon Union Free School District	841,254
Croton-on-Hudson, Village of	1,560,665
Dobbs Ferry, Village of	1,297,110
Eastchester, Town of	2,205,771
Eastchester Union Free School District	1,641,569
Elmsford, Village of	796,779
Greenburgh, Town of	20,680,206
Greenburgh Housing Authority	1,058,241
Harrison, Town of	5,702,977
Hastings-on-Hudson, Village of	1,126,498
Hendrick Hudson School District	1,684,740
Irvington, Village of	1,361,514
Jacob K. Javits Convention Center	32,999,040
Lakeland Central School District	5,681,844
Larchmont, Village of	1,022,451
Mamaroneck, Town of	1,333,566
Mamaroneck, Village of	2,474,041
Mamaroneck Union Free School District	3,428,042
Metropolitan Transportation Authority	2,634,570,311
Montrose Improvement District	1,426,928
Mount Kisco, Village of	2,571,713
Mount Pleasant, Town of	4,557,568
Mount Pleasant Central School District	1,629,242
Mount Vernon, City of	12,997,197
Mount Vernon City School District	6,529,675
New Castle, Town of	3,785,441
New Rochelle, City of	17,345,697
New Rochelle Municipal Housing Authority	3,221,760
New York City Housing Authority	973,616,652
New York City Public Buildings	3,015,400,362
New York State Office of General Services	278,487,933
North Castle, Town of	1,801,144
North Tarrytown, Village of	1,161,365
North Tarrytown Housing Authority	409,800
Ossining, Town of	424,905
Ossining, Village of	5,246,652
Ossining Union Free School District	2,147,760
Peekskill, City of	11,323,473
Pelham, Village of	604,763
Pelham Manor, Village of	345,883
Pelham Union Free School District	1,510,812
Pleasantville, Village of	1,175,693
Pleasantville Union Free School District	1,058,910
Port Authority of New York and New Jersey	905,077,126
Port Chester, Village of	2,785,139
Port Chester Housing Authority	1,723,230
Port Chester-Rye Union Free School District	2,237,268
Roosevelt Island Operating Corporation	4,343,333
Rye, City of	4,598,641
Rye, Town of	2,441,184
Rye Neck Union Free School District	1,341,756
Scarsdale, Village of	3,190,157
Scarsdale Union Free School District	3,133,689
Southern Westchester Board of Cooperative Educational Services	4,094,790
Tarrytown, Union Free School District of	1,637,349
Tarrytown, Village of	3,249,254
Thornwood Water District	721,730
Tuckahoe, Village of	1,099,803
Tuckahoe Housing Authority	710,304
Tuckahoe Union Free School District	522,360
Valhalla Union Free School District	1,046,511
Westchester County	167,313,517
Westchester Joint Water Works	1,225,364
White Plains, City of	24,344,783
White Plains City School District	6,219,447
White Plains Housing Authority	2,069,118
Yonkers, City of	54,377,458
Yonkers Housing Authority	9,515,238
Yorktown, Town of	1,388,215

[7] In addition to power from Poletti/Indian Point 3, 250 mw from Blenheim-Gilboa and 85 mw from FitzPatrick (70 mw in the winter) are presently allocated to southeastern New York governmental customers.

1993 Sales Supplemental Schedule (kwh)

Municipal and Cooperative Systems	Hydro Energy[1]	Incremental Energy[2]
Akron	48,220,220	4,514,498
Andover	7,297,514	450,129
Angelica	7,882,551	433,801
Arcade	121,348,511	9,237,668
Bath	75,784,453	4,320,411
Bergen	7,193,527	9,490,248
Boonville	66,304,730	3,082,086
Brocton	14,157,388	571,310
Castile	7,385,877	95,765
Churchville	17,730,942	1,099,576
Delaware	46,612,129	1,108,486
Endicott	51,469,499	2,484,071
Fairport	353,356,843	30,868,765
Frankfort	19,841,074	1,824,349
Freeport	247,173,490	0
Greene	33,618,379	2,160,673
Green Island	12,676,647	98,260
Greenport	29,879,419	909,145
Groton	21,991,530	1,425,502

[1] Total hydro energy for this customer class is supplied by the Niagara project.

[2] Total incremental energy for this customer class is supplied by the FitzPatrick plant.

Hamilton	57,641,679	1,386,497
Holley	22,855,598	709,250
Ilion	66,128,051	1,813,631
Jamestown	457,609,000	0
Lake Placid	130,969,971	11,399,806
Little Valley	22,174,916	2,491,037
Marathon	17,248,979	148,128
Massena	143,764,000	0
Mayville	24,839,782	1,372,363
Mohawk	22,039,142	731,341
Oneida-Madison	17,491,705	1,382,730
Otsego	41,265,979	3,623,336
Penn Yan	64,980,110	2,530,437
Philadelphia	10,326,434	1,245,020
Plattsburgh	525,668,567	22,677,963
Richmondville	13,110,458	918,847
Rockville Centre	179,412,544	0
Rouses Point	94,479,805	2,683,124
Salamanca	77,002,332	5,305,587
Sherburne	65,174,992	549,089
Sherrill	72,915,234	5,260,347
Silver Springs	4,811,826	402,995
Skaneateles	26,348,996	608,504
Solvay	160,405,422	0
Spencerport	56,008,609	3,067,309
Springville	53,100,591	3,691,222
Steuben	61,012,598	1,166,811
Theresa	7,062,774	596,811
Tupper Lake	82,860,713	5,081,313
Watkins Glen	42,106,743	3,070,111
Wellsville	59,024,455	2,292,504
Westfield	72,618,775	2,644,276
Total	3,942,385,503	163,025,132

Demand-Side Management Programs

Inception Year	Major Programs	Cumulative Impacts as of Dec. 31, 1993 mw	gwh	Expenditures (Thousands) Cumulative	1993
1986	Watt Busters	13	33	$ 4,483	$ 1,805
1990	SENY HELP	23	85	51,617	24,204
1991	Statewide HELP	7	26	15,314	12,171
1992	Long Island HELP	6	13	12,389	10,305
	Total	49	157	$83,803	$48,485

Industrial and Economic Development Power Recipients

Replacement Power Recipients

Advanced Refractory Technologies, Inc.
AlliedSignal Inc.
Avery Business Systems Division, PSP Adhesives
Bell Aerospace Textron
Bethlehem Steel Corporation
Buffalo China, Inc.
Buffalo Color Corporation
Buffalo Forge Company
Buffalo Tungsten Inc.
The Carbide/Graphite Group, Inc.
Carborundum Abrasives Company
The Carborundum Company
Ceres Corporation
ConAgra, Inc.
Curtis Screw Co., Inc.
Dunlop Tire Corporation
E.I. du Pont de Nemours & Company
Fisher-Price, Inc.
FMC Corporation, Peroxygen Chemicals Division
F.N. Burt Company, Inc.
General Abrasive Treibacher Inc.
General Mills, Inc.
General Motors Corporation, Saginaw Division
Tonawanda Forge
Globe International Inc.
Graphic Controls Corporation
International Imaging Materials, Inc.
I Squared R Element Co., Inc.
Nabisco Brands, Inc.
Niacet Corporation
Niachlor
Niagara Cold Drawn Corp.
Niagara Falls Water and Wastewater Treatment Plants
Occidental Chemical Corporation
Olin Corporation
Outokumpu American Brass, Inc.
The Pillsbury Company
Praxair, Inc.
Precision Electro Minerals Co., Inc.
Pyron Corporation
Rich Products Corporation
Sigri Great Lakes Carbon Corporation
Sivaco New York, Division of National Wire Products Industries, Inc.
SKW Alloys, Inc.
Sorrento Cheese Company, Inc.
TAM Ceramics, Inc.
Tulip Corporation
UCAR Carbon Company Inc.
Ultra Tool & Plastics, Inc.
Washington Mills Electro Minerals Corporation
Westwood Squibb Pharmaceuticals Inc.

Expansion Power Recipients

Airco Industrial Gases
AL Tech Specialty Steel Corporation
Bethlehem Steel Corporation
Brunner, Inc.
Buffalo Paperboard Corporation
Buffalo Specialty Products, Inc.
Cadillac Rubber & Plastics, Inc., Injected Rubber Products Division
The Carbide/Graphite Group, Inc.
Carleton Technologies Inc.
Cascades Niagara Falls Inc.
Christian Salvesen, Inc.
ConAgra, Inc.
Dunkirk Ice Cream Co., Inc.
Dunlop Tire Corporation
Dussault Foundry Corporation
E.I. du Pont de Nemours & Company
Fairbank Farms
Fisher-Price, Inc.
F.N. Burt Company, Inc.
Ford Motor Company
Freezer Queen Foods Inc.
General Mills, Inc.
General Motors Corporation, Harrison Division
International Imaging Materials, Inc.
International Multifoods Corporation
Leica Inc.
Moog Inc.
Motorola, Inc.
MRC Technologies, Inc.
Nuttall Gear Company
Occidental Chemical Corporation
Olin Corporation
The Pillsbury Company
Pohlman Foundry Company, Inc.
Praxair, Inc.
Pyron Corporation
Quebecor Printing Buffalo, Inc.
Ralston Purina Company
The Red Wing Company, Inc.
Russer Foods, Division of ZEMCO Industries, Inc.
Sigri Great Lakes Carbon Corporation
SKW Alloys, Inc.
Special Metals Corporation
Steuben Foods Incorporated
TAM Ceramics, Inc.
3M
Tops Markets Inc.
Trico Products Corporation
Tulip Corporation
Ultra Tool & Plastics, Inc.
Westwood Squibb Pharmaceuticals Inc.

FitzPatrick Power Recipients

Advanced Interconnection Technology, Inc.
Airco Industrial Gases
Air Products and Chemicals, Inc.
Aluf Plastics, Inc.[1]
Aluminum Company of America
Alusuisse Flexible Packaging, Inc.
American Broadcasting Companies, Inc.
American International Group, Inc.
B. Dalton Bookseller, Inc.
Bear, Stearns & Co., Inc.
Brenner Paper Products Company Inc.
Brookhaven National Laboratory
Burton Industries Inc.
Bus Industries of America, Inc.
CBS Inc.
Chase Manhattan Bank, N.A.
Citibank, N.A.
Cold Spring Harbor Laboratory
Commercial Envelope Manufacturing Co., Inc.
Compositech Ltd.[1]
Computer Associates International, Inc.
Curtains and Fabrics, Inc.
Eagle Electric Manufacturing Co., Inc.
EDO Corporation
General Instrument Corporation
General Motors Corporation
Granny's Kitchens, Ltd.
Grumman Corporation
Hazeltine Corporation
H.M. Quackenbush, Inc.
Hunts Point Cooperative Market, Inc.
Insert Color Press
Keymark Corporation
Lawson Mardon Packaging, Inc.
LeRoy Industries Inc.
Lipe-Rollway Corporation
Lyons Falls Pulp & Paper Inc.
Markin Tubing, Division of M & R Industries, Inc.
Mearl Corporation
Metropolitan Life Insurance Company
Monitor Aerospace Corporation
Morgan Guaranty Trust Company of New York
National Broadcasting Company, Inc.
Nature's Bounty, Inc.
Newsday, Inc.
New York Envelope Corporation
The New York Post Company, Inc.
The New York Times Company, Inc.
NYNEX Information Resources Company
Oak-Mitsui, Inc.
Occidental Chemical Corporation
Olin Corporation
Oswego Wire, Inc.
Owens-Corning Fiberglas Corporation
Owl Wire and Cable, Inc.
Pen-Tab Industries, Inc.
Playtex Family Products Corporation
Precision Valve Corporation
Prudential Securities, Inc.
Remee Products Corporation[1]
Republic New York Corporation
Reynolds Metals Company
Ruco Polymer Corporation
Smith Barney Shearson Inc.
Southside Laundry, Inc.
Special Metals Corporation
The Ullman Company Inc.

[1]Service had not yet begun as of Dec. 31, 1993.

Trustees and Officers

Thomas R. Frey
Vice Chairman

Linda P. Duch
Trustee

Hyman M. Miller
Trustee

Robert T. Waldbauer
Trustee

Richard M. Flynn resigned as the Power Authority's chairman in February 1994. He served as a trustee for 18 years and as chairman since 1985.

S. David Freeman
President and Chief Executive Officer
(as of March 1994)

Robert G. Schoenberger
First Executive Vice President
Chief Operating Officer

John F. English
Executive Vice President
System Operations

Robert A. Hiney
Executive Vice President
Marketing and Development

William A. Josiger
Executive Vice President (Acting)
Nuclear Generation

Robert L. Tscherne
Executive Vice President
Finance and Administration

James M. Cunningham
Senior Vice President
Public Affairs

Robert J. Deasy
Senior Vice President
Power Contracts

Charles M. Pratt
Senior Vice President and
General Counsel

Deborah Perry Estrin
Vice President
Human Resources

Sally L. Irving
Vice President
Corporate Finance

Anne M. Wagner-Findeisen
Secretary

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