

Table 1 C

**COMBINATION ELECTRIC AND GAS INDUSTRY
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)**

	2006	2005	2004	2003	2002
UTILITY PLANT					
1 Electric Utility Plant	\$26,896,160	\$25,216,145	\$24,215,958	\$24,498,752	\$23,496,745
2 Less Accum. Prov. For Deprec. & Amort.	7,641,466	7,416,512	7,315,027	7,993,923	7,887,773
3 Net Electric Utility Plant	19,254,694	17,799,632	16,900,931	16,504,829	15,608,972
4 Gas Utility Plant	\$6,734,078	6,438,637	6,177,983	5,962,530	5,672,341
5 Less Accum. Prov. For Deprec. & Amort.	\$1,950,666	1,840,372	1,733,174	1,634,939	1,556,420
6 Net Gas Utility Plant	4,783,411	4,598,265	4,444,809	4,327,591	4,115,921
7 Other Utility Plant	\$4,399,148	4,179,429	3,924,763	3,396,775	3,214,829
8 Less Accum. Prov. For Deprec. & Amort.	\$1,090,303	1,022,190	969,468	903,493	833,161
9 Net Other Utility Plant	3,308,845	3,157,239	2,955,295	2,493,282	2,381,668
10 Total Utility Plant	38,029,385	35,834,210	34,318,704	33,858,056	32,383,915
11 Less Accum. Prov. For Deprec. & Amort.	10,682,435	10,279,074	10,017,669	10,532,355	10,277,354
12 Net Total Utility Plant	27,346,950	25,555,136	24,301,036	23,325,701	22,106,561
OTHER PROPERTY AND INVESTMENTS					
13 Nonutility Property	\$47,875	49,088	48,767	40,535	45,774
14 Accum. Prov. For Deprec. & Amort.	(\$17,238)	(15,640)	(14,161)	(5,513)	(2,464)
15 Investment in Associated Companies					
16 Investment in Subsidiary Companies	\$163,119	150,244	143,207	412,211	402,788
17 Other Investments	\$4,602	3,439	12,498	43,883	48,758
18 Other Special Funds	\$810,974	260,972	259,914	496,548	451,189
19 Total Other Property and Investments	1,009,333	448,103	450,225	987,664	946,046
CURRENT AND ACCRUED ASSETS					
20 Cash	(\$16,997)	(13,464)	(59,689)	2,811	87,823
21 Special Deposits	\$141,558	133,562	65,311	66,668	348,922
22 Working Funds	\$13,803	13,230	13,206	9,158	7,188
23 Temporary Cash Investments	\$29,188	94,710	87,141	29,079	143,206
24 Notes Receivable	\$112	111	110	109	107
25 Accounts Receivable	\$2,177,942	2,212,717	1,883,294	1,808,579	1,534,893
26 Accum. Prov. For Uncollectible Accts.	(\$198,288)	(202,581)	(191,497)	(201,044)	(163,611)
27 Notes Receivable from Associated Cos.					
28 Accounts Receivable from Assoc. Cos.	\$191,000	289,625	68,084	54,705	73,099
29 Materials and Supplies	\$236,845	193,003	164,089	158,392	147,471
30 Gas Stored Underground - Current	\$449,927	474,248	334,767	290,259	168,833
31 Liquefied Natural Gas in Storage	\$9,737	14,173	10,410	9,847	8,359
32 Prepayments	\$255,545	2,001,496	1,637,750	1,445,468	1,196,115
33 Interest and Dividends Receivable	\$6	185	104	440	730
34 Rents Receivable	\$3,203	1,953	7,881	9,946	7,777
35 Accrued Utility Revenue	\$314,670	348,478	290,745	280,741	308,190
36 Misc. Current and Accrued Assets	\$113,508	594,971	44,664	78,755	100,372
37 Total Current and Accrued Assets	3,721,756	6,156,417	4,356,370	4,043,914	3,969,474
DEFERRED DEBITS					
38 Unamort. Debt Expense	\$232,094	251,466	268,429	247,008	236,362
39 Extraordinary Property Losses			29	76	122
40 Prelim. Survey and Investigation Charges	\$1,056	376	134,811	184,434	868
41 Clearing Accounts	(\$1,047)	-1,871	4,647	154	537
42 Temporary Facilities	(\$7)	-7	568	459	21
43 Miscellaneous Deferred Debits	\$10,468,371	8,927,213	8,773,778	8,866,606	8,604,357
44 Deferred Losses from Disp. of Utility Plant			26,561	28,358	
45 Research and Development	\$2,712	1,754	1,073	673	204
46 Accumulated Deferred Income Taxes	\$1,822,149	2,035,493	2,091,406	2,058,412	2,223,463
47 Total Deferred Debits	12,525,329	11,214,423	11,301,303	11,386,181	11,065,934
48 Total Assets and Other Debits	\$44,603,368	\$43,374,079	\$40,408,933	\$39,743,461	\$38,088,015

Notes:

Data after 1997 does not include LILCO

**COMBINATION ELECTRIC AND GAS INDUSTRY
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)**

	2006	2005	2004	2003	2002	
PROPRIETARY CAPITAL						
Common Stock Issued	\$1,484,886	1,484,886	1,484,886	1,484,886	1,484,886	1
Preferred Stock Issued	\$284,919	284,919	284,923	382,077	427,073	2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	\$1,611,439	1,611,439	2,713,925	2,186,691	4,446,705	5
Other Paid-in Capital	\$4,712,767	4,261,995	3,158,903	3,232,499	298,157	6
Installments Received on Capital Stock	\$11,711	142,463	9,749	25,760	26,744	7
Capital Stock Expense	(\$82,636)	(78,955)	(80,373)	(64,617)	(61,518)	8
Retained Earnings	\$6,716,011	6,149,540	5,455,072	5,192,996	4,863,025	9
Accumulated Other Comprehensive Income	(\$53,079)	(26,688)	(6,172)	(5,115)		
Unapp Undistributed Subsidiary Earnings	\$176,248	162,912	151,710	141,015	130,578	10
Reaquired Capital Stock	(\$1,079,331)	(1,079,331)	(1,079,331)	(1,079,331)	(1,079,331)	11
Total Proprietary Capital	13,782,936	12,913,180	12,093,292	11,496,861	10,536,320	12
LONG-TERM DEBT						
Bonds	\$807,805	1,082,805	1,330,786	1,692,211	2,257,468	13
Reaquired Bonds						14
Advances from Associated Companies	\$1,200,000	1,200,000	1,200,000	1,200,000	500,000	15
Other Long-Term Debt	\$10,517,334	9,139,893	9,008,737	9,187,946	10,014,502	16
Unamortized Premium on Long-Term Debt			6	10	41	17
Unamortized Discount on Long-Term Debt-Det	(\$25,045)	(24,646)	(27,019)	(32,462)	(37,300)	18
Total Long-Term Debt	12,500,094	11,398,052	11,512,510	12,047,704	12,734,710	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	\$68,040	650,700	69,967	72,374	65,000	20
Accounts Payable	\$1,095,333	1,450,980	1,038,876	950,372	936,727	21
Notes Payable to Associated Companies	\$829,373	1,021,573	840,256	823,687	305,285	22
Accounts Payable to Associated Companies	\$133,359	90,433	122,588	315,462	276,926	23
Customer Deposits	\$288,257	281,727	280,032	271,647	259,837	24
Taxes Accrued	\$54,468	75,000	42,082	132,408	133,361	25
Interest Accrued	\$187,794	151,775	150,724	172,550	183,740	26
Dividends Declared	\$28,073	3,073	3,073	3,685	4,207	27
Matured Long-Term Debt				1	50	28
Matured Interest	\$2	2	2	2	2	29
Tax Collections Payable	\$19,333	26,362	11,131	609	548	30
Misc. Current and Accrued Liabilities	\$1,576,246	1,187,342	971,703	969,038	1,137,002	31
Total Current and Accrued Liabilities	4,280,278	4,938,967	3,530,434	3,711,833	3,302,685	32
DEFERRED CREDITS						
Customer Advances for Construction	\$12,845	11,177	11,111	9,996	9,926	33
Other Deferred Credits	\$4,274,985	5,206,927	4,329,632	4,372,627	4,460,551	34
Accumulated Deferred Investment Tax Credits	\$150,253	161,557	173,779	190,236	201,966	35
Deferred Gains from Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	\$7,986,687	7,695,512	7,538,879	6,870,687	6,188,414	37
Total Deferred Credits	12,424,770	13,075,173	12,053,401	11,443,546	10,860,857	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	\$179,341	186,646	191,232	203,985	212,439	40
Pension and Benefits Reserve	\$1,052,741	520,898	769,653	265,863	260,824	41
Miscellaneous Operating Reserves	\$383,207	341,164	258,410	573,668	180,180	42
Total Operating Reserves	1,615,290	1,048,707	1,219,295	1,043,516	653,443	43
Total Liabilities and Other Credits	\$44,603,368	\$43,374,079	\$40,408,933	\$39,743,461	\$38,088,015	44

Table 3 C

**COMBINATION ELECTRIC AND GAS INDUSTRY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)**

	2006	2005	2004	2003	2002
ELECTRIC OPERATING INCOME					
1 Operating Revenues	\$13,724,397	13,616,481	12,332,076	12,607,563	12,106,659
Operating Expense:					
2 Operation Expense	\$8,494,513	8,681,492	7,786,156	7,927,863	7,381,079
3 Maintenance Expense	\$658,563	546,368	502,886	571,284	568,757
4 Depreciation Expense	\$748,243	722,695	726,658	729,880	706,590
5 Amort. and Depletion of Utility Plant	\$26,806	19,257	12,655	8,957	13,270
6 Amort. of Utility Plant Acq. Adj.	\$348,357	254,636	236,907	176,753	3,141
7 Amort of Property Losses					133,800
8 Amort of Conversion Expenses	\$37	37	3,602	4,372	115
9 Taxes Other than Income Taxes	\$1,313,675	1,246,650	1,186,533	1,230,279	1,270,794
10 Income Taxes	\$484,482	567,169	581,739	476,555	523,967
11 Gains from Disposition of Util. Plant				16	
12 Losses from Disposition of Util. Plant	\$208	636	7,240	669	803
13 Total Operating Expenses	12,074,884	12,038,940	11,044,375	11,126,594	10,602,316
14 Net Operating Revenues	1,649,513	1,577,541	1,287,700	1,480,968	1,504,344
15 Other Electric Utility Operating Income					
16 Total Electric Utility Operating Income	1,649,513	1,577,541	1,287,700	1,480,968	1,504,344
GAS OPERATING INCOME					
17 Operating Revenues	3,771,699	3,872,312	3,201,588	3,153,277	2,535,006
Operating Expense:					
18 Operation Expense	2,700,283	2,833,096	2,225,201	2,199,852	1,624,516
19 Maintenance Expense	129,244	122,638	120,268	97,484	112,162
20 Depreciation Expense	169,187	164,527	161,622	157,221	150,306
21 Amort. and Depletion of Utility Plant	7,477	4,844	2,810	76	1,307
22 Amort. of Utility Plant Acq. Adj.	(9,219)	(8,596)	(6,425)		
23 Amort of Property Losses					
24 Amort of Conversion Expenses			1,076	1,214	
25 Taxes Other than Income Taxes	262,901	260,396	245,828	255,403	250,782
26 Income Taxes	177,717	120,237	144,606	155,221	90,880
27 Gains from Disposition of Util. Plant					
28 Losses from Disposition of Util. Plant	238	92	567		30
29 Total Operating Expenses	3,437,828	3,497,234	2,895,554	2,866,471	2,229,983
30 Net Operating Revenues	333,871	375,077	306,035	286,806	305,023
31 Other Gas Utility Operating Income					
32 Total Gas Utility Operating Income	333,871	375,077	306,035	286,806	305,023
33 Other Utility Operating Income	87,177	87,970	21,819	34,546	35,974
34 Total Utility Operating Income	\$2,070,561	\$2,040,589	\$1,615,554	\$1,802,320	\$1,845,341

Notes:

Data after 1997 does not include LILCO

COMBINATION ELECTRIC AND GAS INDUSTRY
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)

	2006	2005	2004	2003	2002	
OTHER INCOME						
Income - Merch., Jobbing & Contract Work	\$26	\$98	\$43	\$147	\$273	1
Income from Nonutility Operations	(\$3,880)	(3,886)	(1,859)	1,845	(8,031)	2
Nonoperating Rental Income	\$327	405	43	16	466	3
Equity in Earnings of Subsidiary Companies	\$12,879	10,506	(211,021)	10,351	13,522	4
Interest and Dividend Income	\$35,516	35,852	38,784	27,268	83,582	5
Allowance for Funds Used During Construction	\$7,568	10,409	25,027	16,504	13,245	6
Miscellaneous Nonoperating Income	\$23,188	24,205	243,517	21,527	6,730	7
Gain on Disposition of Property	\$2,218	692	122,059	9,941	8,539	8
Total Other Income	77,841	60,846	168,312	87,599	118,326	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property	\$217			88	375	10
Miscellaneous Amortization	\$412	412	412	406	625	11
Miscellaneous Income Deductions	\$39,939	22,260	22,456	20,853	34,052	12
Total Other Income Deductions	40,568	22,672	22,869	21,346	35,051	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	\$2,954	3,136	2,824	2,389	1,561	14
Income Taxes	(\$14,961)	(24,009)	484	(4,929)	(21,387)	15
Total Taxes-Other Income & Deductions	(12,007)	(17,438)	3,287	(3,877)	(19,825)	16
Net Other Income and Deductions	49,280	(44,583)	947	70,130	103,100	17
INTEREST CHARGES						
Interest on Long-term Debt	\$589,189	587,140	599,505	697,337	792,511	18
Amortization of Debt Discount and Expense	\$42,352	44,350	43,065	39,303	56,564	19
Amortization of Premium on Debt-Credit	\$79	86	90	117	(2,435)	20
Interest on Debt to Associated Company	\$88,121	71,913	64,509	47,921	8,876	21
Other Interest Expense	\$128,195	64,325	58,916	113,777	113,241	22
Total Interest Charges	847,779	767,641	765,905	898,220	973,628	23
Income Before Extraordinary Items	1,272,062	1,345,889	1,040,086	974,230	975,970	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$1,272,062	\$1,345,889	\$1,040,086	\$974,230	\$975,970	29
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$6,140,437	\$5,454,109	\$5,190,990	\$4,861,413	\$4,815,039	30
Balance Transferred from Income	\$1,259,362	1,335,382	809,427	963,880	962,448	31
Appropriations of Retained Earnings						32
Dividends Declared-Preferred Stock	\$14,315	14,315	17,841	21,165	30,509	33
Dividends Declared-Common Stock	\$651,771	634,739	749,306	617,976	657,886	34
Adjustments to Retained Earnings	(\$107)		220,840	4,839	(227,679)	35
Net Change to Unapp. Retained Earnings	593,169	686,328	263,119	329,577	46,374	36
Unappropriated Retained Earnings (EOP)	6,733,606	6,140,437	5,454,109	5,190,990	4,861,413	37
Appropriated Retained Earnings (EOP)	(\$17,595)	9,102	963	2,005	1,612	38
Total Retained Earnings	\$6,716,011	\$6,149,540	\$5,455,072	\$5,192,996	\$4,863,025	39

Notes:

Beginning in 1996, the debt component of AFDUC is included with other interest expense.

Data after 1997 does not include LILCO

Table 5 C

COMBINATION ELECTRIC AND GAS INDUSTRY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)

	2006	2005	2004	2003	2002
Cash Flows From Operating Activities					
1 Net Income	\$1,272,062	\$1,345,889	\$1,040,086	\$974,230	\$975,970
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	\$1,734,944	930,106	1,217,651	1,166,433	804,870
3 Deferred Taxes & ITCs	\$597,714	243,602	770,463	728,818	(88,073)
4 Receivables and Inventory	\$57,886	(750,222)	(140,262)	(302,504)	(192,706)
5 Payables and Accrued Expenses	(\$399,058)	951,176	(326,133)	73,027	432,354
6 Regulatory Assets (Net)	(\$903,336)	(6,447)	(40,890)	(165,914)	(154,326)
7 Capitalized AFUDC - Equity	(\$8,593)	(10,409)	(201)	(16,655)	(13,539)
8 Undistributed Earnings of Affiliates	(\$12,699)	(10,321)	211,075	(10,321)	(13,370)
9 Other Adjustments (See company detail for explanations of major items)	(\$309,883)	3,959	(22,550)	(175,046)	(9,043)
10	(\$21,629)	(134,083)	(255,641)	(133,750)	(402,576)
11	\$407,364	38,284	(130,150)	(421,413)	182,793
12 Net Cash From Operating Activities	<u>2,414,772</u>	<u>2,601,534</u>	<u>2,323,448</u>	<u>1,716,906</u>	<u>1,522,352</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(\$2,744,319)	(2,218,448)	(1,963,416)	(1,806,404)	(1,621,856)
14 Acquisition Of Other Non-Current Assets	\$115	(2,741)	528,228	(15,323)	48,210
15 Investments in & Advances to Affiliates	(\$15,561)	1,104	7,300	1,077	(190)
16 Contributions & Advances from Affiliates		469	38,000		
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment				12,228	17,227
18 Investments In Affiliated Companies			(3,203)		(853)
19 Investment Securities					249,799
20 Other Current Assets & Liabilities	(\$2,409)	7,054			
21 Other Cash Flows - Investing Activities	(\$85,236)	20,874	22,583		(15,185)
22	\$133,150	(93,017)		6,698	(9,974)
23					
24 Net Cash From Investing Activities	<u>(2,714,261)</u>	<u>(2,284,706)</u>	<u>(1,370,508)</u>	<u>(1,801,724)</u>	<u>(1,332,821)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	\$1,031,769	(113,310)	396,367	(24,767)	149,271
26 Common Stock	\$450,008	831	527,738		(86,086)
27 Preferred Stock		(3)	(97,154)	335,674	(129,949)
28 Short-Term Debt	(\$566,810)	493,661	1,497	481,951	339,400
29 Dividends Paid	(\$640,982)	(649,129)	(435,018)	(639,984)	(679,063)
30 Other Cash Flows - Financing Activities	(\$458)	(299)	(16,256)	563,803	(298,665)
31			(923,475)	(805,000)	348,708
32			(407,031)	(24,027)	550
33 Net Cash From Financing Activities	<u>273,528</u>	<u>(268,249)</u>	<u>(953,331)</u>	<u>(112,350)</u>	<u>(355,834)</u>
34 Net Increase/(Decrease) In Cash & Equivalent:	(25,961)	48,579	(391)	(197,168)	(166,303)
35 Cash & Equivalents At Beginning Of Year	51,955	45,898	41,049	238,217	404,519
36 Cash & Cash Equiv. At End Of Year	\$25,994	\$94,476	\$40,657	\$41,049	\$238,217

1998 result impacted by non-recurring charge related to Niagara Mohawk's Master Restructuring Agreement.

**COMBINATION ELECTRIC AND GAS INDUSTRY
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC**

FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
SALES AND CUSTOMER DATA						
ELECTRIC REVENUES (\$000s)						
Residential	\$5,741,810	\$5,813,740	\$5,075,971	\$5,023,845	\$4,635,705	1
Commercial	\$4,726,650	4,870,990	4,829,028	5,092,755	4,361,554	2
Industrial	\$659,364	714,988	720,277	788,049	868,028	3
Other Ultimate Customers	\$270,064	292,085	290,473	284,910	245,556	4
Total Revenues-Ultimate Customers	11,397,888	11,691,803	10,915,747	11,189,561	10,110,843	5
Resales	\$567,638	609,230	550,089	557,600	463,097	6
Other Operating Revenues	\$1,758,871	1,315,448	866,239	860,402	1,532,719	7
Total Electric Operating Revenues	\$13,724,397	\$13,616,481	\$12,332,076	\$12,607,563	\$12,106,659	8
KWH SALES (THOUSANDS)						
Residential	\$36,185,816	37,884,820	35,292,922	34,098,940	33,637,036	9
Commercial	\$44,800,512	45,915,080	45,877,718	33,806,862	35,221,397	10
Industrial	\$12,905,699	13,518,091	14,382,490	14,318,015	15,757,256	11
Other Ultimate Customers	\$3,423,185	3,601,711	3,518,849	2,684,194	2,305,460	12
Total Sales-Ultimate Customers	97,315,212	100,919,702	99,071,979	84,908,011	86,921,149	13
Resales	\$8,696,314	8,439,022	10,025,919	10,261,291	10,439,073	14
Total Kilowatt-Hour Sales	106,011,526	109,358,724	109,097,898	95,169,302	97,360,222	15
AVG CUSTOMERS PER MONTH						
Residential	5,583,953	5,560,785	5,537,845	5,494,914	5,471,311	16
Commercial	797,468	789,876	788,282	770,400	751,798	17
Industrial	6,138	6,252	6,473	6,310	6,285	18
Other Ultimate Customers	29,249	29,750	29,854	28,787	26,190	19
Total Ultimate Customers	6,416,808	6,386,663	6,362,454	6,300,411	6,255,584	20
Resales	206	197	194	47,874	43,387	21
Total Customers	6,417,014	6,386,860	6,362,648	6,348,285	6,298,971	22
ELECTRIC OPERATING REVENUE RELATIONSHIP						
Residential Sales						
Average Annual Bill Per Customer	\$1,028	\$1,045	\$917	\$914	\$847	23
Average KWH Consumption Per Customer	6,480	6,813	6,373	6,206	6,148	24
Average Revenue Per KWH Sold (Cents)	15.87	15.35	14.38	14.73	13.78	25
Commercial Sales						
Average Annual Bill Per Customer	\$5,927	\$6,167	\$6,126	\$6,611	\$5,801	26
Average KWH Consumption Per Customer	56,178	58,129	58,200	43,882	46,850	27
Average Revenue Per KWH Sold (Cents)	10.55	10.61	10.53	15.06	12.38	28
Industrial Sales						
Average Annual Bill Per Customer	\$107,423	\$114,361	\$111,274	\$124,889	\$138,111	29
Average KWH Consumption Per Customer	2,102,590	2,162,203	2,221,920	2,269,099	2,507,121	30
Average Revenue Per KWH Sold (Cents)	5.11	5.29	5.01	5.50	5.51	31
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (\$000s)						
Steam Power Expense	\$485,439	\$405,652	\$229,601	\$198,535	\$175,990	32
Nuclear Power Expense	\$3,479	3,295	43,669	88,461	80,076	33
Hydraulic Power Expense	\$3,733	4,218	5,608	2,897	3,102	34
Other Power Generation Expense	\$16,510	13,094	7,588	3,601	3,374	35
Other Power Supply Expense	\$6,091,990	6,532,347	5,916,779	6,019,675	5,519,958	36
Total Power Production Expense	6,601,151	6,958,605	6,203,247	6,313,170	5,782,500	37
Transmission Expense	\$277,884	244,650	228,843	245,781	250,740	38
Distribution Expense	\$882,452	764,092	691,615	672,252	672,528	39
Customer Account Expense	\$495,795	461,493	444,479	462,677	482,997	40
Sales Expense	\$8,695	7,933	7,763	3,556	3,544	41
Administrative and General	\$887,099	791,065	713,095	734,506	760,477	42
Total Operation & Maintenance Expense	\$9,153,076	\$9,227,840	\$8,289,041	\$8,431,943	\$7,952,786	43

Notes:

Data after 1997 does not include LILCO

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Table 7 C

**COMBINATION ELECTRIC AND GAS INDUSTRY
DISTRIBUTION OF ELECTRIC REVENUES
YEARS ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
1 Total Revenues (\$000)	\$13,724,397	\$13,616,481	\$12,332,076	\$12,607,563	\$12,106,659
2 Sales of Electricity (KWHs-000)	106,011,526	109,358,724	109,097,898	95,169,302	97,360,222
DOLLAR AMOUNTS					
3 Fuel and Purchased Power	\$6,426,999	\$6,807,726	\$6,085,563	\$6,160,510	\$5,631,452
4 Wages and Benefits	1,193,882	1,110,482	1,070,840	1,136,289	1,110,001
5 Other Expenses	1,532,195	1,310,268	1,139,879	1,135,797	1,212,136
6 Depreciation & Amortization Expenses	1,123,443	996,625	979,822	919,961	883,454
7 Income Taxes-Operating	435,170	567,169	511,530	476,555	523,967
8 Other Taxes-Operating	1,313,675	1,246,650	1,186,533	1,230,279	1,270,794
9 Capital Costs	1,699,034	1,577,561	1,357,909	1,548,172	1,474,857
10 Total	\$13,724,397	\$13,616,481	\$12,332,076	\$12,607,563	\$12,106,659
PERCENT OF REVENUE					
11 Fuel and Purchased Power	46.8	50.0	49.3	48.9	46.5
12 Wages and Benefits	8.7	8.2	8.7	9.0	9.2
13 Other Expenses	11.2	9.6	9.2	9.0	10.0
14 Depreciation & Amortization Expenses	8.2	7.3	7.9	7.3	7.3
15 Income Taxes-Operating	3.2	4.2	4.1	3.8	4.3
16 Other Taxes-Operating	9.6	9.2	9.6	9.8	10.5
17 Capital Costs	12.4	11.6	11.0	12.3	12.2
18 Total	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
19 Fuel and Purchased Power	6.06	6.23	5.58	6.47	5.78
20 Wages and Benefits	1.13	1.02	0.98	1.19	1.14
21 Other Expenses	1.45	1.20	1.04	1.19	1.25
22 Depreciation & Amortization Expenses	1.06	0.91	0.90	0.97	0.91
23 Income Taxes-Operating	0.41	0.52	0.47	0.50	0.54
24 Other Taxes-Operating	1.24	1.14	1.09	1.29	1.31
25 Capital Costs	1.60	1.44	1.24	1.63	1.51
26 Total	12.95	12.45	11.30	13.25	12.43

Notes:

Includes Sales for Resale
1998 Data does not include LILCO

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below

Fuel and Purchased Power

Steam - Fuel	342,112	284,484	166,245	127,867	100,013
Nuclear - Fuel	3,479	3,356	9,544	19,509	21,490
Hydro - Water for Power	246	27	664	468	100
Other Power - Fuel	5,588	5,885	6,448	1,281	1,646
Purchased Power	4,869,574	6,513,975	5,902,662	6,011,384	5,508,203
Total Fuel and Purchased Power	5,220,999	6,807,726	6,085,563	6,160,510	5,631,452
-Fuel and PP related to Sales for Resale					
Fuel and PP - Ultimate Customers	5,220,999	6,807,726	6,085,563	6,160,510	5,631,452

Wages and Benefits

Salaries	967,138	907,340	954,564	999,746	1,046,283
Pensions and Benefits	226,744	203,142	116,275	136,543	63,718
Total Wages and Benefits	1,193,882	1,110,482	1,070,840	1,136,289	1,110,001

Other Expenses

Total O&M Expenses	9,153,076	9,227,840	8,289,041	8,431,943	7,952,786
-Total Fuel and PP	6,426,999	6,807,726	6,085,563	6,160,510	5,631,452
-Wages and Benefits	1,193,882	1,110,482	1,070,840	1,136,289	1,110,001
-Other Gains				16	
+Other Losses		636	7,240	669	803
-Other Revenues					
Other Expenses	1,532,195	1,310,268	1,139,879	1,135,797	1,212,136

Depreciation and Amortization

Depreciation Exp	748,243	722,695	726,658	729,880	870,123
Amort & Depl of Utility Plant	26,806	19,257	12,655	8,957	8,949
Amort of Other Utility Plant	348,357	254,636	236,907	176,753	3,141
Amort of Property Losses					1,129
Amort of Conversion Expenses	37	37	3,602	4,372	113
Total Depre and Amort	1,123,443	996,625	979,822	919,961	883,454

Fuel and PP related to Sales for Resale (Not Used)

Total Fuel and PP	6,426,999	6,807,726	6,085,563	6,160,510	5,631,452
divided by Total MWHs	106,012	109,359	109,098	95,169	97,360
Fuel Cost per KWH	0.0606	0.0623	0.0558	0.0647	0.0578
times Sales for Resale MWHs	8,696	8,439	10,026	10,261	10,439
Sales for Resale Fuel	358,636	354,367	402,749	391,941	411,308

Table 8 C

**COMBINATION ELECTRIC AND GAS INDUSTRY
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,
(\$000s)**

	2006	2005	2004	2003	2002	
ELECTRIC UTILITY PLANT						
Intangible	\$110,084	\$87,080	\$83,758	\$80,052	\$79,667	1
Production						
Steam	439,960	393,510	597,299	585,853	579,855	2
Nuclear		0	(30)	595,677	578,922	3
Hydraulic	189,718	193,354	187,193	172,191	171,034	4
Other	39,827	37,537	33,339	28,955	33,154	5
Transmission	5,011,373	4,705,533	4,507,429	4,375,041	4,315,971	6
Distribution	18,724,627	17,576,605	16,576,282	15,655,379	15,009,790	7
General	525,666	524,773	498,572	507,919	479,059	8
Electric - Purchased or Sold	65	65	65	65	65	9
Experimental - Unclassified						10
Nuclear Fuel Assemblies				253,980	237,247	11
Total Electric Plant In Service	25,041,320	23,518,458	22,483,907	22,255,112	21,484,765	12
Leased To Others	3,404	7,911	8,099	3,404	3,404	13
Held For Future Use	49,972	7,766	10,387	12,985	11,197	14
Construction Work in Progress	797,191	682,021	702,411	1,125,411	976,459	15
Aquisition Adjustments	999,988	999,988	1,011,155	1,101,840	1,020,920	16
Total Electric Utility Plant	26,891,876	25,216,145	24,215,958	24,498,752	23,496,745	17
Accum. Provision - Depr. & Amort.	7,641,466	7,416,512	7,315,027	7,993,923	7,887,773	18
Net Electric Plant	\$19,250,410	\$17,799,632	\$16,900,931	\$16,504,829	\$15,608,972	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.88	1.17	1.24	1.08	1.20	20
Total Capitalization (\$000s)	\$27,068,059	\$25,849,746	\$24,416,356	\$24,326,481	\$23,355,879	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>						
Long-Term Debt	46.2%	44.1%	47.2%	49.5%	54.5%	22
Preferred Stock	1.1%	1.1%	1.2%	1.6%	1.8%	23
Common Stock & Retained Earnings	49.8%	48.1%	48.4%	45.6%	43.3%	24
Short-Term Debt	2.9%	6.7%	3.3%	3.3%	0.3%	25
Pretax Coverage of Interest Expense	3.21	3.55	3.13	2.77	2.60	26
Com. Stock Dividends as a % of Earnings	49.6%	35.5%	72.7%	43.0%	68.7%	27
Return on Common Equity	19.5%	28.8%	17.5%	25.9%	18.9%	28
Internal Cash Generated as a % of Cash Outflows for Construction *	88.0%	116.8%	125.8%	116.5%	93.9%	29
Earnings per Share	\$2.42	\$3.29	\$1.90	\$2.64	\$1.76	30
Book Value per Share	\$24.83	\$22.90	\$21.74	\$20.44	\$18.61	31
Dividends per Share	\$1.20	\$1.17	\$1.38	\$1.14	\$1.21	32
Number of Employees	17,017	17,993	19,042	17,832	18,618	33

Notes:

* 1998 result impacted by non-recurring charge related to Niagara Mohawk's Master Restructuring Agreement.

1998 Data does not include LILCO

Current Assets	3,716,816,077	5,643,299,455	4,338,020,488	3,995,081,498	3,955,824,942
Current Liabilities	4,229,030,627	4,843,276,508	3,507,120,482	3,692,215,933	3,302,684,843
Total Capitalization	27,068,059,337	25,849,746,163	24,416,355,934	24,326,480,603	23,355,879,018
Long-Term Debt	12,500,094,455	11,396,374,606	11,512,509,920	12,047,704,289	12,734,710,295
Preferred Stock	284,919,427	284,919,427	284,922,927	382,076,926	427,073,327
Common Stock and Retained Earnings (Excl. Preferred Stock)	13,486,305,455	12,438,211,727	11,808,681,099	11,099,614,350	10,109,246,848
Short-Term Debt	775,850,000	1,730,240,403	810,241,988	797,085,038	79,330,688
Pretax Income	2,719,355,292	2,721,422,994	2,393,883,687	2,483,673,431	2,532,164,932
Interest Expense	847,779,367	767,640,746	765,904,598	898,220,052	972,470,675
Dividends Paid	651,771,339	634,739,143	749,306,470	617,975,729	657,886,386
Net Income (Excl. Preferred Stock Dividends)	1,313,711,842	1,788,771,128	1,031,381,869	1,436,254,963	956,929,852
Internal Cash	2,414,772,372	2,590,354,859	2,323,447,941	1,658,259,863	1,522,352,474
Cash Outflows for Construction	2,744,319,306	2,218,447,789	1,846,210,667	1,423,455,438	1,621,855,773
Shares Outstanding (Millions)	543,211,923	543,110,334	543,211,923	543,110,334	543,110,334
Number of Employees	17,017	17,993	19,042	17,832	18,618

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
UTILITY PLANT					
1 Electric Utility Plant	\$807,708,015	\$769,011,188	\$733,393,642	\$700,833,470	\$665,813,167
2 Less Accum. Prov. For Deprec. & Amort.	259,252,958	302,930,478	291,573,029	283,705,637	273,752,659
3 Net Electric Utility Plant	548,455,057	466,080,710	441,820,613	417,127,833	392,060,508
4 Gas Utility Plant	245,395,293	233,693,133	221,481,671	210,181,676	200,939,108
5 Less Accum. Prov. For Deprec. & Amort.	88,142,917	83,277,504	78,447,110	74,389,231	70,191,142
6 Net Gas Utility Plant	157,252,376	150,415,629	143,034,561	135,792,445	130,747,966
7 Other Utility Plant	118,489,406	109,970,382	105,882,868	105,694,560	105,253,935
8 Less Accum. Prov. For Deprec. & Amort.	41,746,321	39,142,604	33,871,131	30,413,078	26,405,670
9 Net Other Utility Plant	76,743,085	70,827,778	72,011,737	75,281,482	78,848,265
10 Total Utility Plant	1,171,592,714	1,112,674,703	1,060,758,181	1,016,709,706	972,006,210
11 Less Accum. Prov. For Deprec. & Amort.	389,142,196	425,350,586	403,891,270	388,507,946	370,349,471
12 Net Total Utility Plant	782,450,518	687,324,117	656,866,911	628,201,760	601,656,739
OTHER PROPERTY AND INVESTMENTS					
13 Nonutility Property	454,644	741,884	978,263	978,263	978,853
14 Accum. Prov. For Deprec. & Amort.	(27,009)	(24,566)	(22,123)	(19,680)	(17,237)
15 Investment in Associated Companies					
16 Investment in Subsidiary Companies	93,013	92,790	92,328	92,102	92,338
17 Other Investments	73,922	79,008	84,277	118,490	121,990
18 Other Special Funds	62,742,895	72,644,114	91,851,935	106,582,422	110,306,613
19 Total Other Property and Investments	63,337,465	73,533,230	92,984,680	107,751,597	111,482,557
CURRENT AND ACCRUED ASSETS					
20 Cash	1,500,170	4,017,336	8,013,536	2,164,872	19,022,502
21 Special Deposits	5,845,475	4,395,930	2,882,144	2,771,843	18,097,018
22 Working Funds	122,500	127,500	127,500	127,500	240,512
23 Temporary Cash Investments				10,341,761	35,638,068
24 Notes Receivable					
25 Accounts Receivable	39,005,748	66,568,356	43,021,594	49,143,076	39,465,300
26 Accum. Prov. For Uncollectible Accts.	(3,800,000)	(3,400,000)	(4,600,000)	(3,000,000)	(2,700,000)
27 Notes Receivable from Associated Cos.					
28 Accounts Receivable from Assoc. Cos.	323,199	535,244	330,183	402,647	416,869
29 Materials and Supplies	7,163,982	6,898,809	6,351,346	6,356,835	6,481,455
30 Gas Stored Underground - Current	15,639,879	16,511,900	10,855,537	9,801,617	5,977,085
31 Liquefied Natural Gas in Storage					
32 Prepayments	12,748,856	9,442,776	10,874,004	9,535,887	8,561,297
33 Interest and Dividends Receivable				221,225	620
34 Rents Receivable	208,756	220,037	197,560	285,589	441,208
35 Accrued Utility Revenue	9,772,204	9,333,839	9,129,704	7,617,959	7,894,423
36 Misc. Current and Accrued Assets	2,414,657	2,702,985	2,224,123	2,918,552	4,800,731
37 Total Current and Accrued Assets	90,945,426	117,354,712	89,407,231	98,689,363	144,337,088
DEFERRED DEBITS					
38 Unamort. Debt Expense	4,041,374	3,972,600	4,041,375	3,901,095	3,622,927
39 Extraordinary Property Losses					
40 Prelim. Survey and Investigation Charges	90,999		132,997,960	183,040,495	
41 Clearing Accounts	1,234,698	375,759			591,753
42 Temporary Facilities			575,266	495,909	
43 Miscellaneous Deferred Debits	253,002,938	201,822,557	62,737,785	88,592,507	77,391,400
44 Deferred Losses from Disp. of Utility Plant			26,560,705	28,358,433	
45 Research and Development	(164,836)	155,724			178,488
46 Accumulated Deferred Income Taxes	79,223,100	69,937,300	7,898,465	8,602,657	102,357,339
47 Total Deferred Debits	337,428,273	276,263,940	234,811,556	312,991,096	184,141,907
48 Total Assets and Other Debits	\$1,274,161,682	\$1,154,475,999	\$1,074,070,378	\$1,147,633,816	\$1,041,618,291

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
PROPRIETARY CAPITAL						
Common Stock Issued	\$84,310,435	\$84,310,435	\$84,310,435	\$84,310,435	\$84,310,435	1
Preferred Stock Issued	21,026,500	21,026,500	21,030,000	21,030,000	33,530,000	2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	63,868,866	63,868,866	63,868,166	63,868,166	63,868,166	5
Other Paid-in Capital	111,111,522	111,111,522	111,111,522	111,111,522	111,111,522	6
Installments Received on Capital Stock						7
Capital Stock Expense	(4,960,934)	(4,960,934)	(4,960,934)	(4,960,934)	(5,287,350)	8
Retained Earnings	68,652,836	43,252,535	25,587,908	13,409,394	10,083,355	9
Accumulated Other Comprehensive Income	57,146	56,923	56,461	56,235		
Unapp Undistributed Subsidiary Earnings					56,471	10
Reaquired Capital Stock						11
Total Proprietary Capital	344,066,371	318,665,847	301,003,558	288,824,818	297,672,599	12
LONG-TERM DEBT						
Bonds					15,000,000	13
Reaquired Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	370,950,000	343,950,000	319,950,000	293,950,000	269,950,000	16
Unamortized Premium on Long-Term Debt						17
Unamortized Discount on L-T Debt-Debit	(61,429)	(64,405)	(67,381)	(70,357)	(73,333)	18
Total Long-Term Debt	370,888,571	343,885,595	319,882,619	293,879,643	284,876,667	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	13,000,000	30,000,000	12,000,000	16,000,000		20
Accounts Payable	32,409,520	40,881,216	32,949,901	33,069,061	37,036,852	21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies	8,273	2,738	1,173	14,909	29,401	23
Customer Deposits	7,810,612	6,932,213	6,358,689	5,689,654	5,268,001	24
Taxes Accrued	(9,798,957)	1,159,167	(3,395,011)	(7,999,166)	(5,187,193)	25
Interest Accrued	5,645,262	5,155,604	4,629,119	4,273,971	4,273,243	26
Dividends Declared	242,447	242,447	242,488	242,487	451,237	27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	(56,662)	314,779	44,009	(70,756)	212,441	30
Misc. Current and Accrued Liabilities	15,366,768	10,999,123	10,372,339	11,981,543	13,366,583	31
Total Current and Accrued Liabilities	64,627,263	95,687,287	63,202,707	63,201,703	55,450,565	32
DEFERRED CREDITS						
Customer Advances for Construction	881,942	143,318	191,832	151,494	186,502	33
Other Deferred Credits	285,989,617	202,214,052	214,384,783	313,861,121	241,208,068	34
Accumulated Deferred Investment Tax Credits	2,247,000	2,613,200	2,971,200	3,332,200	3,695,200	35
Deferred Gains from Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	201,524,900	186,129,600	166,464,450	179,339,857	153,616,606	37
Total Deferred Credits	490,643,459	391,100,170	384,012,265	496,684,672	398,706,376	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	3,936,018	5,137,100	5,898,629	4,905,480	4,602,112	40
Pension and Benefits Reserve						41
Miscellaneous Operating Reserves			70,600	137,500	309,972	42
Total Operating Reserves	3,936,018	5,137,100	5,969,229	5,042,980	4,912,084	43
Total Liabilities and Other Credits	\$1,274,161,682	\$1,154,475,999	\$1,074,070,378	\$1,147,633,816	\$1,041,618,291	44

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
ELECTRIC OPERATING INCOME					
1 Operating Revenues	\$503,922,288	\$521,007,575	\$430,586,411	\$457,404,474	\$428,025,589
Operating Expense:					
2 Operation Expense	381,937,905	403,096,269	317,279,084	339,122,922	314,727,821
3 Maintenance Expense	20,661,935	15,803,491	17,037,885	22,159,699	16,369,293
4 Depreciation Expense	22,234,725	23,160,463	22,037,050	21,120,729	19,520,906
5 Amort. and Depletion of Utility Plant	127,915	47,140	47,141	158,987	131,143
6 Amort. of Utility Plant Acq. Adj.					
7 Amort of Property Losses					
8 Amort of Conversion Expenses					
9 Taxes Other than Income Taxes	26,067,882	25,942,644	23,887,444	25,053,730	30,188,958
10 Income Taxes	15,779,700	17,179,300	17,805,500	17,730,150	15,450,400
11 Gains from Disposition of Util. Plant					
12 Losses from Disposition of Util. Plant					
13 Total Operating Expenses	466,810,062	485,229,307	398,094,104	425,346,217	396,388,521
14 Net Operating Revenues	37,112,226	35,778,268	32,492,307	32,058,257	31,637,068
15 Other Electric Utility Operating Income					
16 Total Electric Utility Operating Income	37,112,226	35,778,268	32,492,307	32,058,257	31,637,068
GAS OPERATING INCOME					
17 Operating Revenues	155,591,072	155,956,617	125,489,756	123,652,041	105,832,679
Operating Expense:					
18 Operation Expense	121,529,386	119,747,700	90,863,493	88,523,245	73,321,598
19 Maintenance Expense	4,478,059	4,492,123	3,426,411	2,863,584	2,823,228
20 Depreciation Expense	6,615,499	6,658,546	6,315,349	5,987,843	5,695,803
21 Amort. and Depletion of Utility Plant	23,797	8,319	8,319	7,287	2,374
22 Amort. of Utility Plant Acq. Adj.					
23 Amort of Property Losses					
24 Amort of Conversion Expenses					
25 Taxes Other than Income Taxes	7,066,887	7,218,788	6,880,399	6,671,719	8,207,211
26 Income Taxes	5,416,200	6,402,700	6,959,500	7,747,850	5,605,500
27 Gains from Disposition of Util. Plant					
28 Losses from Disposition of Util. Plant	20,251				
29 Total Operating Expenses	145,150,079	144,528,176	114,453,471	111,801,528	95,655,714
30 Net Operating Revenues	10,440,993	11,428,441	11,036,285	11,850,513	10,176,965
31 Other Gas Utility Operating Income					
32 Total Gas Utility Operating Income	10,440,993	11,428,441	11,036,285	11,850,513	10,176,965
33 Other Utility Operating Income	(10,247)				
34 Total Utility Operating Income	\$47,542,972	\$47,206,709	\$43,528,592	\$43,908,770	\$41,814,033

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
OTHER INCOME						
Income - Merch., Jobbing & Contract Work	(\$68,896)	(\$28,081)	(\$79,518)	\$48,324	\$279,791	1
Income from Nonutility Operations						2
Nonoperating Rental Income	6,557	4,352	3,597	2,822	5,607	3
Equity in Earnings of Subsidiary Companies	223	462	226	(236)	2,193	4
Interest and Dividend Income	446,431	556,353	194,558	809,514	2,757,378	5
Allowance for Funds Used During Construction			151,410	436,127	591,603	6
Miscellaneous Nonoperating Income	6,145,443	6,264,547	8,647,898	9,515,284	8,393,981	7
Gain on Disposition of Property	2,217,541		9,900,127	9,887,130	4,793,940	8
Total Other Income	8,747,299	6,797,633	18,818,298	20,698,965	16,824,493	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property				7,940		10
Miscellaneous Amortization	90,648	90,648	90,648	83,556	78,338	11
Miscellaneous Income Deductions	419,078	732,863	1,952,486	2,043,772	544,455	12
Total Other Income Deductions	509,726	823,511	2,043,134	2,135,268	622,793	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	165,905	148,472	143,550	133,938	129,720	14
Income Taxes	332,000	352,700	3,660,600	1,503,400	634,100	15
Total Taxes-Other Income & Deductions	497,905	501,172	3,804,150	1,637,338	763,820	16
Net Other Income and Deductions	7,739,668	5,472,950	12,971,014	16,926,359	15,437,880	17
INTEREST CHARGES						
Interest on Long-term Debt	16,425,334	13,826,389	11,488,084	11,268,838	11,955,521	18
Amortization of Debt Discount and Expense	991,454	1,043,192	1,066,277	1,158,953	1,248,529	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company						21
Other Interest Expense	2,995,540	2,175,202	5,296,555	9,323,335	11,524,024	22
Total Interest Charges	20,412,328	17,044,783	17,850,916	21,751,126	24,728,074	23
Income Before Extraordinary Items	34,870,312	35,634,876	38,648,690	39,084,003	32,523,839	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$34,870,312	\$35,634,876	\$38,648,690	\$39,084,003	\$32,523,839	29
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$43,252,535	\$25,587,908	\$13,409,394	\$10,083,355	\$9,722,909	30
Balance Transferred from Income	34,870,089	35,634,414	38,648,464	39,084,239	32,521,646	31
Appropriations of Retained Earnings						32
Dividends Declared-Preferred Stock	969,788	969,787	969,950	1,596,200	2,161,200	33
Dividends Declared-Common Stock	8,500,000	17,000,000	25,500,000	34,162,000	30,000,000	34
Adjustments to Retained Earnings						35
Net Change to Unapp. Retained Earnings	25,400,301	17,664,627	12,178,514	3,326,039	360,446	36
Unappropriated Retained Earnings (EOP)	68,652,836	43,252,535	25,587,908	13,409,394	10,083,355	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	\$68,652,836	\$43,252,535	\$25,587,908	\$13,409,394	\$10,083,355	39

Notes:

Beginning in 1996, the debt component of AFDUC is included with other interest expense.

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
Cash Flows From Operating Activities					
1 Net Income	\$34,870,309	\$35,634,876	\$38,648,690	\$39,084,003	\$32,523,839
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	26,277,747	29,874,911	28,408,302	28,860,663	26,807,516
3 Deferred Taxes & ITCs	21,255,700	12,810,700	24,069,300	34,169,400	25,984,000
4 Receivables and Inventory	23,919,174	(34,974,195)	5,543,025	(12,851,987)	8,006,634
5 Payables and Accrued Expenses	(8,466,162)	7,932,880	(132,895)	(3,982,284)	4,941,002
6 Regulatory Assets (Net)	(309,617)	4,003,508			
7 Capitalized AFUDC - Equity					
8 Undistributed Earnings of Affiliates					
9 Other Adjustments	(13,275,841)	(20,600,410)	(15,448,807)	(5,236,703)	(13,268,358)
10	(6,155,180)	3,723,870	(11,699,569)	4,357,503	3,788,000
11	(10,205,174)	(4,143,400)	(10,309,323)	(48,843,840)	(55,858,861)
12 Net Cash From Operating Activities	<u>67,910,956</u>	<u>34,262,740</u>	<u>59,078,723</u>	<u>35,556,755</u>	<u>32,923,772</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(70,505,558)	(61,987,633)	(58,602,481)	(54,121,412)	(37,821,904)
14 Acquisition Of Other Non-Current Assets					
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					
19 Investment Securities					
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities					
22					
23					
24 Net Cash From Investing Activities	<u>(70,505,558)</u>	<u>(61,987,633)</u>	<u>(58,602,481)</u>	<u>(54,121,412)</u>	<u>(37,821,904)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	27,000,000	24,000,000	26,000,000	9,000,000	69,000,000
26 Common Stock					
27 Preferred Stock		(2,800)		(12,500,000)	(22,500,000)
28 Short-Term Debt	(17,000,000)	18,000,000	(4,000,000)	16,000,000	
29 Dividends Paid	(9,469,785)	(17,969,829)	(26,469,951)	(35,966,950)	(32,517,451)
30 Other Cash Flows - Financing Activities	(457,779)	(298,678)	(499,388)	(235,342)	(1,961,727)
31					
32					
33 Net Cash From Financing Activities	<u>72,436</u>	<u>23,728,693</u>	<u>(4,969,339)</u>	<u>(23,702,292)</u>	<u>12,020,822</u>
34 Net Increase/(Decrease) In Cash & Equivalents	(2,522,166)	(3,996,200)	(4,493,097)	(42,266,949)	7,122,690
35 Cash & Equivalents At Beginning Of Year	4,144,836	8,141,036	12,634,133	54,901,082	47,778,392
36 Cash & Cash Equiv. At End Of Year	\$1,622,670	\$4,144,836	\$8,141,036	\$12,634,133	\$54,901,082

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
SALES AND CUSTOMER DATA						
ELECTRIC REVENUES						
Residential	\$257,113,991	\$270,646,843	\$208,814,858	\$205,551,395	\$187,535,637	1
Commercial	127,991,798	146,313,659	118,533,884	119,788,963	112,599,235	2
Industrial	33,036,619	26,779,986	29,042,442	36,379,441	50,030,666	3
Other Ultimate Customers	32,038,040	41,916,882	31,705,964	32,606,610	30,075,916	4
Total Revenues-Ultimate Customers	450,180,448	485,657,370	388,097,148	394,326,409	380,241,454	5
Resales	11,670,768	16,820,346	11,794,624	12,742,812	11,670,327	6
Other Operating Revenues	42,071,072	18,529,859	30,694,639	50,335,253	36,113,808	7
Total Electric Operating Revenues	\$503,922,288	\$521,007,575	\$430,586,411	\$457,404,474	\$428,025,589	8
KWH SALES (THOUSANDS)						
Residential	2,004,577	2,146,753	2,002,612	1,978,211	1,882,605	9
Commercial	1,246,619	1,400,574	1,494,743	1,524,463	1,534,091	10
Industrial	473,766	328,119	478,481	552,664	1,000,051	11
Other Ultimate Customers	311,607	400,151	395,745	410,585	404,310	12
Total Sales-Ultimate Customers	4,036,569	4,275,597	4,371,581	4,465,923	4,821,057	13
Resales	196,565	189,250	256,145	260,748	189,978	14
Total Kilowatt-Hour Sales	4,233,134	4,464,847	4,627,726	4,726,671	5,011,035	15
AVG CUSTOMERS PER MONTH						
Residential	246,921	245,858	243,985	242,001	239,249	16
Commercial	39,410	39,347	39,160	39,152	38,698	17
Industrial	958	992	1,035	1,034	1,027	18
Other Ultimate Customers	3,529	3,759	3,756	3,774	3,742	19
Total Ultimate Customers	290,818	289,956	287,936	285,961	282,716	20
Resales	5	5	5	5	5	21
Total Customers	290,823	289,961	287,941	285,966	282,721	22
ELECTRIC OPERATING REVENUE RELATIONSHIP						
Residential Sales						
Average Annual Bill Per Customer	\$1,041	\$1,101	\$856	\$849	\$784	23
Average KWH Consumption Per Customer	8,118	8,732	8,208	8,174	7,869	24
Average Revenue Per KWH Sold (Cents)	12.83	12.61	10.43	10.39	9.96	25
Commercial Sales						
Average Annual Bill Per Customer	\$3,248	\$3,719	\$3,027	\$3,060	\$2,910	26
Average KWH Consumption Per Customer	31,632	35,595	38,170	38,937	39,643	27
Average Revenue Per KWH Sold (Cents)	10.27	10.45	7.93	7.86	7.34	28
Industrial Sales						
Average Annual Bill Per Customer	\$34,485	\$26,996	\$28,060	\$35,183	\$48,715	29
Average KWH Consumption Per Customer	494,537	330,765	462,300	534,491	973,759	30
Average Revenue Per KWH Sold (Cents)	6.97	8.16	6.07	6.58	5.00	31
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
Steam Power Expense						32
Nuclear Power Expense	75,895	73,176	\$70,605	\$68,779	\$248,596	33
Hydraulic Power Expense	950,423	919,582	1,414,118	1,328,108	909,370	34
Other Power Generation Expense	181,552	188,076	86,262	543,111	1,068,215	35
Other Power Supply Expense	294,923,110	336,561,885	250,923,950	267,645,098	251,815,023	36
Total Power Production Expense	296,130,980	337,742,719	252,494,935	269,585,096	254,041,204	37
Transmission Expense	10,045,540	8,121,863	8,226,435	7,786,408	7,538,589	38
Distribution Expense	32,105,408	25,696,540	23,454,093	34,140,523	26,016,345	39
Customer Account Expense	26,502,965	20,695,367	22,035,242	22,479,455	19,790,217	40
Sales Expense	1,212,680	1,069,609	1,301,082	1,439,357	377,887	41
Administrative and General	36,602,267	25,573,662	26,805,182	25,851,782	23,332,872	42
Total Operation & Maintenance Expense	\$402,599,840	\$418,899,760	\$334,316,969	\$361,282,621	\$331,097,114	43

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
DISTRIBUTION OF ELECTRIC REVENUES
YEARS ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
1 Total Revenues	\$503,922,288	\$521,007,575	\$430,586,411	\$457,404,474	\$428,025,589
2 Sales of Electricity (KWHs-000)	4,233,134	4,464,847	4,627,726	4,726,671	5,011,035
DOLLAR AMOUNTS					
3 Fuel and Purchased Power	\$293,449,141	\$334,870,200	\$249,562,913	\$266,577,763	\$249,497,380
4 Wages and Benefits	52,045,542	36,884,234	34,884,256	35,602,802	32,378,694
5 Other Expenses	57,105,157	47,145,326	49,869,800	59,102,056	49,221,040
6 Depreciation & Amortization Expenses	22,362,640	23,207,603	22,084,191	21,279,716	19,652,049
7 Income Taxes-Operating	15,779,700	17,179,300	17,805,500	17,730,150	15,450,400
8 Other Taxes-Operating	26,067,882	25,942,644	23,887,444	25,053,730	30,188,958
9 Capital Costs	37,112,226	35,778,268	32,492,307	32,058,257	31,637,068
10 Total	\$503,922,288	\$521,007,575	\$430,586,411	\$457,404,474	\$428,025,589
PERCENT OF REVENUE					
11 Fuel and Purchased Power	58.2	64.3	58.0	58.3	58.3
12 Wages and Benefits	10.3	7.1	8.1	7.8	7.6
13 Other Expenses	11.3	9.0	11.6	12.9	11.5
14 Depreciation & Amortization Expenses	4.4	4.5	5.1	4.7	4.6
15 Income Taxes-Operating	3.1	3.3	4.1	3.9	3.6
16 Other Taxes-Operating	5.2	5.0	5.5	5.5	7.1
17 Capital Costs	7.4	6.9	7.5	7.0	7.4
18 Total	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
19 Fuel and Purchased Power	6.93	7.50	5.39	5.64	4.98
20 Wages and Benefits	1.23	0.83	0.75	0.75	0.65
21 Other Expenses	1.35	1.06	1.08	1.25	0.98
22 Depreciation & Amortization Expenses	0.53	0.52	0.48	0.45	0.39
23 Income Taxes-Operating	0.37	0.38	0.38	0.38	0.31
24 Other Taxes-Operating	0.62	0.58	0.52	0.53	0.60
25 Capital Costs	0.88	0.80	0.70	0.68	0.63
26 Total	11.90	11.67	9.30	9.68	8.54

Notes:

Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below**Fuel and Purchased Power**

Steam - Fuel					
Nuclear - Fuel	75,895	73,176	70,605	68,779	75,492
Hydro - Water for Power	166,295		663,638	435,509	10,546
Other Power - Fuel	79,400	70,026	38,409	336,751	671,384
Purchased Power	293,127,551	334,726,998	248,790,261	265,736,724	248,739,958
Total Fuel and Purchased Power	293,449,141	334,870,200	249,562,913	266,577,763	249,497,380
-Fuel and PP related to Sales for Resale					
Fuel and PP - Ultimate Customers	293,449,141	334,870,200	249,562,913	266,577,763	249,497,380

Wages and Benefits

Salaries	44,224,751	41,288,507	39,096,427	39,703,284	36,709,075
Pensions and Benefits	7,820,791	(4,404,273)	(4,212,171)	(4,100,482)	(4,330,381)
Total Wages and Benefits	52,045,542	36,884,234	34,884,256	35,602,802	32,378,694

Other Expenses

Total O&M Expenses	402,599,840	418,899,760	334,316,969	361,282,621	331,097,114
-Total Fuel and PP	293,449,141	334,870,200	249,562,913	266,577,763	249,497,380
-Wages and Benefits	52,045,542	36,884,234	34,884,256	35,602,802	32,378,694
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	57,105,157	47,145,326	49,869,800	59,102,056	49,221,040

Depreciation and Amortization

Depreciation Exp	22,234,725	23,160,463	22,037,050	21,120,729	19,520,906
Amort & Depl of Utility Plant	127,915	47,140	47,141	158,987	131,143
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	22,362,640	23,207,603	22,084,191	21,279,716	19,652,049

Fuel and PP related to Sales for Resale (Not Used)

Total Fuel and PP	293,449,141	334,870,200	249,562,913	266,577,763	249,497,380
Sales for Resale Fuel	4,233,134	4,464,847	4,627,726	4,726,671	5,011,035
divided by Total MWHs	0.0693	0.0750	0.0539	0.0564	0.0498
times Sales for Resale MWHs	196,565	189,250	256,145	260,748	189,978
Sales for Resale Fuel	13,626,271	14,194,033	13,813,327	14,705,830	9,458,927

CENTRAL HUDSON GAS & ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
ELECTRIC UTILITY PLANT						
Intangible	\$45,519	\$45,519	\$45,519	\$45,519	\$45,519	1
Production						2
Steam						3
Nuclear						4
Hydraulic	20,649,599	24,396,215	24,333,056	24,307,781	24,102,315	5
Other	3,192,203	3,172,381	3,172,381	3,090,475	2,957,455	6
Transmission	174,994,713	173,144,864	163,327,937	154,354,738	145,168,684	7
Distribution	569,105,304	538,219,620	510,480,305	473,517,446	432,840,418	8
General	773,808	749,530	749,530	749,535	747,936	9
Electric - Purchased or Sold						10
Experimental - Unclassified						11
Nuclear Fuel Assemblies						12
Total Electric Plant In Service	768,761,146	739,728,129	702,108,728	656,065,494	605,862,327	13
Leased To Others						14
Held For Future Use	46,642	46,642	46,642	75,934	75,934	15
Construction Work in Progress	38,900,227	29,236,417	31,238,272	44,692,042	59,874,906	16
Aquisition Adjustments						17
Total Electric Utility Plant	807,708,015	769,011,188	733,393,642	700,833,470	665,813,167	18
Accum. Provision - Depr. & Amort.	259,252,958	302,930,478	291,573,029	283,705,637	273,752,659	19
Net Electric Plant	\$548,455,057	\$466,080,710	\$441,820,613	\$417,127,833	\$392,060,508	20
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.41	1.23	1.41	1.56	2.60	21
Total Capitalization	\$727,954,942	\$692,551,442	\$632,886,177	\$598,704,461	\$582,549,266	22
<u>Percent Of Capitalization (Incl S-T Debt)</u>						
Long-Term Debt	50.9%	49.7%	50.5%	49.1%	48.9%	23
Preferred Stock	2.9%	3.0%	3.3%	3.5%	5.8%	24
Common Stock & Retained Earnings	44.4%	43.0%	44.2%	44.7%	45.3%	25
Short-Term Debt	1.8%	4.3%	1.9%	2.7%		
Pretax Coverage of Interest Expense	3.76	4.49	4.76	4.04	3.19	26
Com. Stock Dividends as a % of Earnings	25.1%	49.0%	67.7%	91.1%	98.8%	27
Return on Common Equity	10.5%	12.0%	13.8%	14.1%	11.5%	28
Internal Cash Generated as a % of Cash Outflows for Construction	96.3%	55.3%	-100.8%	-65.7%	87.0%	29
Earnings per Share	\$2.01	\$2.06	\$2.23	\$2.22	\$1.80	30
Book Value per Share	\$19.16	\$17.65	\$16.60	\$15.88	\$15.66	31
Dividends per Share	\$0.50	\$1.01	\$1.51	\$2.03	\$1.78	32
Number of Employees (Electric)	(32,986,679)	680	682	720	723	33

Current Assets	90,945,426	117,354,712	89,407,231	98,689,363	144,337,088
Current Liabilities	64,627,263	95,687,287	63,202,707	63,201,703	55,450,565
Total Capitalization	727,954,942	692,551,442	632,886,177	598,704,461	582,549,266
Long-Term Debt	370,888,571	343,885,595	319,882,619	293,879,643	284,876,667
Preferred Stock	21,026,500	21,026,500	21,030,000	21,030,000	33,530,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	323,039,871	297,639,347	279,973,558	267,794,818	264,142,599
Short-Term Debt	13,000,000	30,000,000	12,000,000	16,000,000	
Pretax Income	76,810,540	76,614,359	84,925,206	87,816,529	78,941,913
Interest Expense	20,412,328	17,044,783	17,850,916	21,751,126	24,728,074
Common Dividends Paid	8,500,000	17,000,000	25,500,000	34,162,000	30,000,000
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	33,900,524	34,665,089	37,678,740	37,487,803	30,362,639
Internal Cash	67,910,956	34,262,740	59,078,723	35,556,755	32,923,772
Cash Outflows For Construction	70,505,558	61,987,633	(58,602,481)	(54,121,412)	37,821,904
Shares Outstanding (Millions)	16,862,087	16,862,087	16,862,087	16,862,087	16,862,087
Number of Employees (Electric)	702	680	682	720	723
Misc Deferred Debits - Net	(32,986,679)	(391,495)	(151,646,998)	(225,268,614)	(138,672,241)
<u>Pre-Tax Income</u>					
<u>Total Utility Operating Income</u>	47,542,972	47,206,709	43,528,592	43,908,770	49,335,102
+Income Taxes - Electric	15,779,700	17,179,300	17,805,500	17,730,150	12,025,400
+Income Taxes - Gas	5,416,200	6,402,700	6,959,500	7,747,850	5,717,100
+Other Income	8,747,299	6,797,633	18,818,298	20,698,965	17,983,613
- Other Income Deductions	509,726	823,511	2,043,134	2,135,268	19,889,873
- Other Taxes	165,905	148,472	143,550	133,938	129,720
Pre-Tax Income	76,810,540	76,614,359	84,925,206	87,816,529	65,041,622

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
SALES AND CUSTOMER DATA					
ELECTRIC REVENUES					
Residential	\$2,720,491,445	\$2,923,676,877	\$2,438,718,443	\$2,461,794,771	\$2,121,994,059
Commercial	3,315,647,185	3,404,444,768	3,285,041,874	3,439,997,137	2,676,748,533
Industrial	69,827,010	88,643,854	78,107,556	69,604,342	69,779,273
Other Ultimate Customers	42,884,629	54,672,416	51,328,326	47,205,315	23,791,047
Total Revenues-Ultimate Customers	6,148,850,269	6,471,437,915	5,853,196,199	6,018,601,565	4,892,312,912
Resales	50,578,766	46,409,706	40,456,255	18,908,032	9,950,452
Other Operating Revenues	914,256,177	484,636,323	270,754,099	307,550,660	882,547,840
Total Electric Operating Revenues	\$7,113,685,212	\$7,002,483,944	\$6,164,406,553	\$6,345,060,257	\$5,784,811,204
KWH SALES (THOUSANDS)					
Residential	13,634,658	14,269,612	13,168,606	12,440,663	12,481,689
Commercial	30,308,411	30,239,955	29,391,980	17,451,830	18,454,537
Industrial	725,411	952,067	777,569	581,638	635,399
Other Ultimate Customers	688,502	730,062	673,193	153,951	180,837
Total Sales-Ultimate Customers	45,356,982	46,191,696	44,011,348	30,628,082	31,752,462
Resales			2,118	97,485	17,557
Total Kilowatt-Hour Sales	45,356,982	46,191,696	44,013,466	30,725,567	31,770,019
AVG CUSTOMERS PER MONTH					
Residential	2,728,950	2,709,844	2,696,196	2,691,906	2,683,349
Commercial	470,453	462,379	451,292	440,888	429,641
Industrial	425	480	410	353	388
Other Ultimate Customers	4,138	4,132	4,124	4,153	4,137
Total Ultimate Customers	3,203,966	3,176,835	3,152,022	3,137,300	3,117,515
Resales	1	1	1		1
Total Customers	3,203,967	3,176,836	3,152,023	3,137,300	3,117,516
ELECTRIC OPERATING REVENUE RELATIONSHIP					
Residential Sales					
Average Annual Bill Per Customer	\$997	\$1,079	\$905	\$915	\$791
Average KWH Consumption Per Customer	4,996	5,266	4,884	4,622	4,652
Average Revenue Per KWH Sold (Cents)	19.95	20.49	18.52	19.79	17.00
Commercial Sales					
Average Annual Bill Per Customer	\$7,048	\$7,363	\$7,279	\$7,802	\$6,230
Average KWH Consumption Per Customer	64,424	65,401	65,129	39,583	42,953
Average Revenue Per KWH Sold (Cents)	10.94	11.26	11.18	19.71	14.50
Industrial Sales					
Average Annual Bill Per Customer	\$164,299	\$184,675	\$190,506	\$197,179	\$179,843
Average KWH Consumption Per Customer	1,706,849	1,983,473	1,896,510	1,647,700	1,637,626
Average Revenue Per KWH Sold (Cents)	9.63	9.31	10.05	11.97	10.98

**LONG ISLAND LIGHTING COMPANY
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,**

1997

UTILITY PLANT

1	Electric Utility Plant
2	Less Accum. Prov. For Deprec. & Amort.
3	Net Electric Utility Plant
4	Gas Utility Plant
5	Less Accum. Prov. For Deprec. & Amort.
6	Net Gas Utility Plant
7	Other Utility Plant
8	Less Accum. Prov. For Deprec. & Amort.
9	Net Other Utility Plant
10	Total Utility Plant
11	Less Accum. Prov. For Deprec. & Amort.
12	Net Total Utility Plant

OTHER PROPERTY AND INVESTMENTS

13	Nonutility Property
14	Accum. Prov. For Deprec. & Amort.
15	Investment in Associated Companies
16	Investment in Subsidiary Companies
17	Other Investments
18	Other Special Funds
19	Total Other Property and Investments

CURRENT AND ACCRUED ASSETS

20	Cash
21	Special Deposits
22	Working Funds
23	Temporary Cash Investments
24	Notes Receivable
25	Accounts Receivable
26	Accum. Prov. For Uncollectible Accts.
27	Notes Receivable from Associated Cos.
28	Accounts Receivable from Assoc. Cos.
29	Materials and Supplies
30	Gas Stored Underground - Current
31	Liquefied Natural Gas in Storage
32	Prepayments
33	Interest and Dividends Receivable
34	Rents Receivable
35	Accrued Utility Revenue
36	Misc. Current and Accrued Assets
37	Total Current and Accrued Assets

DEFERRED DEBITS

38	Unamort. Debt Expense
39	Extraordinary Property Losses
40	Prelim. Survey and Investigation Charges
41	Clearing Accounts
42	Temporary Facilities
43	Miscellaneous Deferred Debits
44	Deferred Losses from Disp. of Utility Plant
45	Research and Development
46	Accumulated Deferred Income Taxes
47	Total Deferred Debits

48	Total Assets and Other Debits
----	-------------------------------

Notes:

The Electric Division of LILCO was acquired by the

**LONG ISLAND LIGHTING COMPANY
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,**

1997

PROPRIETARY CAPITAL

Common Stock Issued	1
Preferred Stock Issued	2
Capital Stock Subscribed	3
Stock Liability for Conversion	4
Premium on Capital Stock	5
Other Paid-in Capital	6
Installments Received on Capital Stock	7
Capital Stock Expense	8
Retained Earnings	9
Accumulated Other Comprehensive Income	
Unapp Undistributed Subsidiary Earnings	10
Reaquired Capital Stock	11
Total Proprietary Capital	12

LONG-TERM DEBT

Bonds	13
Reaquired Bonds	14
Advances from Associated Companies	15
Other Long-Term Debt	16
Unamortized Premium on Long-Term Debt	17
Unamortized Discount on Long-Term Debt-De	18
Total Long-Term Debt	19

CURRENT AND ACCRUED LIABILITIES

Notes Payable	20
Accounts Payable	21
Notes Payable to Associated Companies	22
Accounts Payable to Associated Companies	23
Customer Deposits	24
Taxes Accrued	25
Interest Accrued	26
Dividends Declared	27
Matured Long-Term Debt	28
Matured Interest	29
Tax Collections Payable	30
Misc. Current and Accrued Liabilities	31
Total Current and Accrued Liabilities	32

DEFERRED CREDITS

Customer Advances for Construction	33
Other Deferred Credits	34
Accumulated Deferred Investment Tax Credit	35
Deferred Gains from Disposition of Utility Plant	36
Accumulated Deferred Income Taxes	37
Total Deferred Credits	38

OPERATING RESERVES

Property Insurance Reserve	39
Injuries and Damage Reserve	40
Pension and Benefits Reserve	41
Miscellaneous Operating Reserves	42
Total Operating Reserves	43

Total Liabilities and Other Credits 44**Notes:**

The Electric Division of LILCO was acquired by the

LONG ISLAND LIGHTING COMPANY
FIVE STATEMENT OF INCOME AND RETAINED
FOR THE YEAR ENDED DECEMBER 31,

ELECTRIC OPERATING INCOME

1	Operating Revenues
	Operating Expense:
2	Operation Expense
3	Maintenance Expense
4	Depreciation Expense
5	Amort. and Depletion of Utility Plant
6	Amort. of Utility Plant Acq. Adj.
7	Amort of Property Losses
8	Amort of Conversion Expenses
9	Taxes Other than Income Taxes
10	Income Taxes
11	Gains from Disposition of Util. Plant
12	Losses from Disposition of Util. Plant
13	Total Operating Expenses
14	Net Operating Revenues
15	Other Electric Utility Operating Income
16	Total Electric Utility Operating Income

GAS OPERATING INCOME

17	Operating Revenues
	Operating Expense:
18	Operation Expense
19	Maintenance Expense
20	Depreciation Expense
21	Amort. and Depletion of Utility Plant
22	Amort. of Utility Plant Acq. Adj.
23	Amort of Property Losses
24	Amort of Conversion Expenses
25	Taxes Other than Income Taxes
26	Income Taxes
27	Gains from Disposition of Util. Plant
28	Losses from Disposition of Util. Plant
29	Total Operating Expenses
30	Net Operating Revenues
31	Other Gas Utility Operating Income
32	Total Gas Utility Operating Income
33	Other Utility Operating Income
34	Total Utility Operating Income

Notes:

The Electric Division of LILCO was acquired by the

**LONG ISLAND LIGHTING COMPANIES
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1997**

	1997
OTHER INCOME	
Income - Merch., Jobbing & Contract Work	1
Income from Nonutility Operations	2
Nonoperating Rental Income	3
Equity in Earnings of Subsidiary Companies	4
Interest and Dividend Income	5
Allowance for Funds Used During Construction	6
Miscellaneous Nonoperating Income	7
Gain on Disposition of Property	8
Total Other Income	9
OTHER INCOME DEDUCTIONS	
Loss on Disposition of Property	10
Miscellaneous Amortization	11
Miscellaneous Income Deductions	12
Total Other Income Deductions	13
TAXES-OTHER INCOME AND DEDUCTIONS	
Taxes Other than Income Taxes	14
Income Taxes	15
Total Taxes-Other Income & Deductions	16
Net Other Income and Deductions	17
INTEREST CHARGES	
Interest on Long-term Debt	18
Amortization of Debt Discount and Expense	19
Amortization of Premium on Debt-Credit	20
Interest on Debt to Associated Company	21
Other Interest Expense	22
Total Interest Charges	23
Income Before Extraordinary Items	24
EXTRAORDINARY ITEMS	
Extraordinary Income	25
Extraordinary Deductions	26
Income Taxes, Extraordinary Items	27
Net Extraordinary Items	28
Net Income	29

RETAINED EARNINGS	
Unappropriated Retained Earnings (BOP)	30
Balance Transferred from Income	31
Appropriations of Retained Earnings	32
Dividends Declared-Preferred Stock	33
Dividends Declared-Common Stock	34
Adjustments to Retained Earnings	35
Net Change to Unapp. Retained Earnings	36
Unappropriated Retained Earnings (EOP)	37
Appropriated Retained Earnings (EOP)	38
Total Retained Earnings	39

Notes:

Beginning in 1996, the debt component of AFDUC is

The Electric Division of LILCO was acquired by the

**LONG ISLAND LIGHTING COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,**

1997

Cash Flows from Operating Activities

1	Net Income
	Adjustments to reconcile net income to net cash provided by operating activities:
2	Depreciation, Depletion & Amortization
3	Deferred Taxes & ITCs
4	Receivables and Inventory
5	Payables and Accrued Expenses
6	Regulatory Assets (Net)
7	Capitalized AFUDC - Equity
8	Undistributed Earnings of Affiliates
9	Other Adjustments
10	
11	
12	Net Cash From Operating Activities

Cash Flows From Investing Activities

13	Cash Outflows For Construction
14	Acquisition Of Other Non-Current Assets
15	Investments in & Advances to Affiliates
16	Contributions & Advances from Affiliates
	Net Proceeds - Sale Or Disposition Of:
17	Property, Plant & Equipment
18	Investments In Affiliated Companies
19	Investment Securities
20	Other Current Assets & Liabilities
21	Other Cash Flows - Investing Activities
22	
23	
24	Net Cash From Investing Activities

Cash Flows From Financing Activities

	Net Proceeds (Payments) - Issuing & Retiring:
25	Long-Term Debt
26	Common Stock
27	Preferred Stock
28	Short-Term Debt
29	Dividends Paid
30	Other Cash Flows - Financing Activities
31	
32	
33	Net Cash From Financing Activities
34	Net Increase/(Decrease) In Cash & Equivaler
35	Cash & Equivalents At Beginning Of Year
36	Cash & Cash Equiv. At End Of Year

Notes:

The Electric Division of LILCO was acquired by the

**LONG ISLAND LIGHTING COMPANY
STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE EXPENSES
FOR THE YEAR ENDED DECEMBER 31,**

1997

**SALES AND CUSTOMER DATA
ELECTRIC REVENUES**

Residential	1
Commercial	2
Industrial	3
Other Ultimate Customers	4
Total Revenues-Ultimate Customers	5
Resales	6
Other Operating Revenues	7
Total Electric Operating Revenues	8

KWH SALES (THOUSANDS)

Residential	9
Commercial	10
Industrial	11
Other Ultimate Customers	12
Total Sales-Ultimate Customers	13
Resales	14
Total Kilowatt-Hour Sales	15

AVG CUSTOMERS PER MONTH

Residential	16
Commercial	17
Industrial	18
Other Ultimate Customers	19
Total Ultimate Customers	20
Resales	21
Total Customers	22

ELECTRIC OPERATING REVENUE RELATIONSHIPS

Residential Sales

Average Annual Bill Per Customer	23
Average KWH Consumption Per Customer	24
Average Revenue Per KWH Sold (Cents)	25

Commercial Sales

Average Annual Bill Per Customer	26
Average KWH Consumption Per Customer	27
Average Revenue Per KWH Sold (Cents)	28

Industrial Sales

Average Annual Bill Per Customer	29
Average KWH Consumption Per Customer	30
Average Revenue Per KWH Sold (Cents)	31

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

Steam Power Expense	32
Nuclear Power Expense	33
Hydraulic Power Expense	34
Other Power Generation Expense	35
Other Power Supply Expense	36
Total Power Production Expense	37
Transmission Expense	38
Distribution Expense	39
Customer Account Expense	40
Sales Expense	41
Administrative and General	42
Total Operation & Maintenance Expenses	43

Notes:

N/A - Breakdown of Commercial and Industrial not available

The Electric Division of LILCO was acquired by the

**LONG ISLAND LIGHTING COMPANY
DISTRIBUTION OF ELECTRIC REVENUE
YEARS ENDED DECEMBER 31,**

1997

- 1 Total Revenues
- 2 Sales of Electricity (KWHs-000)

DOLLAR AMOUNTS

- 3 Fuel and Purchased Power
- 4 Wages and Benefits
- 5 Other Expenses
- 6 Depreciation & Amortization Expenses
- 7 Income Taxes-Operating
- 8 Other Taxes-Operating
- 9 Capital Costs
- 10 Total

PERCENT OF REVENUE

- 11 Fuel and Purchased Power
- 12 Wages and Benefits
- 13 Other Expenses
- 14 Depreciation & Amortization Expenses
- 15 Income Taxes-Operating
- 16 Other Taxes-Operating
- 17 Capital Costs
- 18 Total

CENTS PER KWH

- 19 Fuel and Purchased Power
- 20 Wages and Benefits
- 21 Other Expenses
- 22 Depreciation & Amortization Expenses
- 23 Income Taxes-Operating
- 24 Other Taxes-Operating
- 25 Capital Costs
- 26 Total

Notes:

(1) Includes Sales for Resale

(2) Dep & Amort Exp increase from 1990 to 1994 a
Adjustment (1988 settlement).

The Electric Division of LILCO was acquired by the

Data Field Below

Fuel and Purchased Power

Steam - Fuel

Nuclear - Fuel

Hydro - Water for Power

Other Power - Fuel

Purchased Power

 Total Fuel and Purchased Power

-Fuel and PP related to Sales for Resale

 Fuel and PP - Ultimate Customers

Wages and Benefits

Salaries

Pensions and Benefits

 Total Wages and Benefits

Other Expenses

Total O&M Expenses

-Total Fuel and PP

-Wages and Benefits

-Other Gains

+Other Losses

-Other Revenues

 Other Expenses

Depreciation and Amortization

Depreciation Exp

Amort & Depl of Utility Plant

Amort of Other Utility Plant

Amort of Property Losses

Amort of Conversion Expenses

 Total Depre and Amort

Fuel and PP related to Sales for Resale (Not Use

Total Fuel and PP

divided by Total MWHs

 Fuel Cost per KWH

times Sales for Resale MWHs

 Sales for Resale Fuel

LONG ISLAND LIGHTING COMPANY
FIVE STATEMENT OF UTILITY PLANT AND SEI
FOR THE YEAR ENDED DECEMBER 31,

1997

ELECTRIC UTILITY PLANT

Intangible	1
Production	
Steam	2
Nuclear	3
Hydraulic	4
Other	5
Transmission	6
Distribution	7
General	8
Electric - Purchased or Sold	9
Experimental - Unclassified	10
Nuclear Fuel Assemblies	11
Total Electric Plant In Service	12
Leased To Others	13
Held For Future Use	14
Construction Work in Progress	15
Aquisition Adjustments	16
Total Electric Utility Plant	17
Accum. Provision - Depr. & Amort.	18
Net Electric Plant	19

SELECTED RATIOS AND STATISTICS

Current Assets / Current Liabilities	20
Total Capitalization	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>	
Long-Term Debt	22
Preferred Stock	23
Common Stock & Retained Earnings	24
Short-Term Debt	25
Pretax Coverage of Interest Expense	26
Com. Stock Dividends as a % of Earnings	27
Return on Common Equity	28
Internal Cash Generated as a % of Cash Outflows for Construction	29
Earnings per Share	30
Book Value per Share	31
Dividends per Share	32
Number of Employees	33

Notes:

The Electric Division of LILCO was acquired by the

Current Assets
Current Liabilities
Total Capitalization
Long-Term Debt
Preferred Stock
Common Stock and Retained Earnings
(Excl. Preferred Stock)
Short-Term Debt
Pretax Income
Interest Expense
Dividends Paid
Net Income
(Excl. Preferred Stock Dividends)
Internal Cash
Cash Outflows for Construction
Shares Outstanding (Millions)
Number of Employees (Electric)

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
UTILITY PLANT					
1 Electric Utility Plant	\$2,809,555,665	\$2,730,034,631	\$2,675,548,507	\$2,619,875,601	\$2,576,046,989
2 Less Accum. Prov. For Deprec. & Amort.	1,425,787,854	1,345,330,202	1,284,264,386	1,211,519,430	1,146,934,978
3 Net Electric Utility Plant	1,383,767,811	1,384,704,429	1,391,284,121	1,408,356,171	1,429,112,011
4 Gas Utility Plant	738,873,884	721,205,977	717,442,908	703,832,386	688,099,196
5 Less Accum. Prov. For Deprec. & Amort.	244,831,054	228,998,935	215,144,061	200,771,686	192,854,761
6 Net Gas Utility Plant	494,042,830	492,207,042	502,298,847	503,060,700	495,244,435
7 Other Utility Plant	258,980,600	238,462,759	171,048,596	145,507,522	131,975,652
8 Less Accum. Prov. For Deprec. & Amort.	61,810,570	49,827,431	43,774,042	36,158,255	32,102,612
9 Net Other Utility Plant	197,170,030	188,635,328	127,274,554	109,349,267	99,873,040
10 Total Utility Plant	3,807,410,149	3,689,703,367	3,564,040,011	3,469,215,509	3,396,121,837
11 Less Accum. Prov. For Deprec. & Amort.	1,732,429,478	1,624,156,568	1,543,182,489	1,448,449,371	1,371,892,351
12 Net Total Utility Plant	2,074,980,671	2,065,546,799	2,020,857,522	2,020,766,138	2,024,229,486
OTHER PROPERTY AND INVESTMENTS					
13 Nonutility Property	5,341,485	5,341,486	5,544,945	5,775,537	6,020,795
14 Accum. Prov. For Deprec. & Amort.	(611,510)	(583,573)	(669,366)	(896,114)	(1,372,372)
15 Investment in Associated Companies					
16 Investment in Subsidiary Companies					
17 Other Investments	15,000	58,024	362,602	32,565,119	36,388,681
18 Other Special Funds	520,696,094	78,207,345	59,850,867	442,490	342,490
19 Total Other Property and Investments	525,441,069	83,023,282	65,089,048	37,887,032	41,379,594
CURRENT AND ACCRUED ASSETS					
20 Cash	14,520,856	12,147,806	(8,888,827)	10,070,467	8,244,414
21 Special Deposits	20,000,000	99,825,000	9,811,873	30,353,186	44,204,585
22 Working Funds	658,312	437,265	1,015,305	1,244,011	274,442
23 Temporary Cash Investments	3,215,000	265,000	10,748,731	3,143,345	2,971,480
24 Notes Receivable					
25 Accounts Receivable	276,433,787	198,585,786	237,572,658	218,808,883	185,612,976
26 Accum. Prov. For Uncollectible Accts.	(20,300,000)	(12,000,000)	(7,288,293)	(10,288,000)	(10,288,000)
27 Notes Receivable from Associated Cos.					
28 Accounts Receivable from Assoc. Cos.	7,336,809	2,976,137	3,195,778	6,283,584	4,865,693
29 Materials and Supplies	6,425,185	7,123,706	8,205,739	5,912,769	5,580,300
30 Gas Stored Underground - Current	61,898,252	68,849,848	45,536,214	43,187,242	28,992,649
31 Liquefied Natural Gas in Storage					
32 Prepayments	29,578,994	29,317,465	27,390,114	28,917,118	26,571,517
33 Interest and Dividends Receivable	70,771	96,443	11,086	10,960	19,466
34 Rents Receivable		(8,108)	1,141,982	3,314,841	1,474,375
35 Accrued Utility Revenue	81,645,094	130,802,401	84,014,528	72,035,897	78,504,873
36 Misc. Current and Accrued Assets	38,026,596	224,653,727	5,155,807	48,832,597	54,956,371
37 Total Current and Accrued Assets	519,509,656	763,072,476	417,622,695	461,826,900	431,985,141
DEFERRED DEBITS					
38 Unamort. Debt Expense	28,926,966	31,542,917	36,535,020	25,516,499	24,224,128
39 Extraordinary Property Losses			28,562	75,509	122,456
40 Prelim. Survey and Investigation Charges					
41 Clearing Accounts					(53,396)
42 Temporary Facilities	(6,700)	(6,700)	(7,440)	(5,223)	(5,177)
43 Miscellaneous Deferred Debits	398,716,347	780,458,944	752,894,386	697,211,766	558,463,245
44 Deferred Losses from Disp. of Utility Plant					
45 Research and Development					(503)
46 Accumulated Deferred Income Taxes	210,071,750	205,625,410	195,786,968	181,810,247	162,852,200
47 Total Deferred Debits	637,708,363	1,017,620,571	985,237,496	904,608,798	745,602,953
48 Total Assets and Other Debits	\$3,757,639,759	\$3,929,263,128	\$3,488,806,761	\$3,425,088,868	\$3,243,197,174

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
PROPRIETARY CAPITAL						
Common Stock Issued	\$430,056,628	\$430,056,628	\$430,056,628	\$430,056,628	\$430,056,628	1
Preferred Stock Issued	10,158,900	10,158,900	10,158,900	10,158,900	10,158,900	2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	148,699,535	148,699,535	148,699,535	148,699,535	148,699,535	5
Other Paid-in Capital	124,869,295	124,515,681	135,463,873	135,178,361	135,013,119	6
Accumulated Other Comprehensive Income	11,711,392	142,462,721	9,749,051	25,759,952	26,744,300	7
Capital Stock Expense	(4,439,125)	(4,439,125)	(4,439,125)	(4,439,125)	(4,439,125)	8
Retained Earnings	334,382,173	306,760,088	244,110,663	227,071,740	204,543,513	9
Accumulated Other Comprehensive Income						
Unapp Undistributed Subsidiary Earnings						10
Reaquired Capital Stock						11
Total Proprietary Capital	1,055,438,798	1,158,214,428	973,799,525	972,485,991	950,776,870	12
LONG-TERM DEBT						
Bonds					150,000,000	13
Reaquired Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	1,138,000,000	1,063,000,000	1,063,000,000	1,063,000,000	863,000,000	16
Unamortized Premium on Long-Term Debt						17
Unamortized Discount on Long-Term Debt-Debit	(3,638,784)	(3,821,968)	(5,013,802)	(4,778,518)	(3,177,494)	18
Total Long-Term Debt	1,134,361,216	1,059,178,032	1,057,986,198	1,058,221,482	1,009,822,506	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable			57,967,308	41,400,000	64,000,000	20
Accounts Payable	159,943,576	231,148,526	149,981,920	132,668,655	160,361,808	21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies	14,369,841	18,267,313	16,095,571	15,777,721	8,228,013	23
Customer Deposits	14,060,785	17,203,492	15,215,684	13,501,370	10,384,980	24
Taxes Accrued	4,642,781	(18,346,939)	(19,629,854)	15,367,268	11,091,185	25
Interest Accrued	10,333,357	8,688,420	7,059,183	10,068,058	12,288,711	26
Dividends Declared		1	1	99,036		27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	3,824,884	4,779,738	3,714,834	471,203	1,294,400	30
Misc. Current and Accrued Liabilities	158,031,098	61,342,500	42,889,025	61,921,522	50,261,765	31
Total Current and Accrued Liabilities	365,206,322	323,083,051	273,293,672	291,274,833	317,910,862	32
DEFERRED CREDITS						
Customer Advances for Construction	3,339,868	3,022,589	3,122,292	2,794,348	3,102,785	33
Other Deferred Credits	95,601,110	226,171,936		461,570,936	417,857,374	34
Accumulated Deferred Investment Tax Credits	21,232,249	21,912,349	22,592,449	23,272,549	23,952,649	35
Deferred Gains from Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	682,149,560	772,420,401	649,976,024	604,861,528	508,222,131	37
Total Deferred Credits	802,322,787	1,023,527,275	675,690,765	1,092,499,361	953,134,939	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	12,093,402	9,344,780	3,980,621	2,861,976	3,473,007	40
Pension and Benefits Reserve	246,929,120	228,300,929	497,029,779			41
Miscellaneous Operating Reserves	141,288,114	127,614,633	7,026,201	7,745,225	8,078,990	42
Total Operating Reserves	400,310,636	365,260,342	508,036,601	10,607,201	11,551,997	43
Total Liabilities and Other Credits	\$3,757,639,759	\$3,929,263,128	\$3,488,806,761	\$3,425,088,868	\$3,243,197,174	44

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
ELECTRIC OPERATING INCOME					
1 Operating Revenues	\$1,702,938,631	\$1,645,994,991	\$1,529,822,159	\$1,471,320,841	\$1,545,106,740
Operating Expense:					
2 Operation Expense	1,181,544,159	1,127,652,454	1,069,956,505	973,748,261	1,033,523,691
3 Maintenance Expense	98,529,994	84,675,548	62,892,768	89,801,605	77,527,815
4 Depreciation Expense	82,708,246	81,018,018	80,746,476	78,529,934	77,779,685
5 Amort. and Depletion of Utility Plant	11,021,471	4,083,517	3,487,525	1,756,992	1,581,813
6 Amort. of Utility Plant Acq. Adj.	(11,390,449)	(11,337,718)	(11,013,302)		3,140,790
7 Amort of Property Losses					
8 Amort of Conversion Expenses					
9 Taxes Other than Income Taxes	87,146,733	84,104,326	84,875,698	90,050,512	91,436,748
10 Income Taxes	74,526,374	88,401,310	63,316,016	66,904,393	65,611,938
11 Gains from Disposition of Util. Plant					
12 Losses from Disposition of Util. Plant					
13 Total Operating Expenses	1,524,086,528	1,458,597,455	1,354,261,686	1,300,791,697	1,350,602,480
14 Net Operating Revenues	178,852,103	187,397,536	175,560,473	170,529,144	194,504,260
15 Other Electric Utility Operating Income					
16 Total Electric Utility Operating Income	178,852,103	187,397,536	175,560,473	170,529,144	194,504,260
GAS OPERATING INCOME					
17 Operating Revenues	440,244,687	477,731,354	433,868,349	404,848,164	333,472,702
Operating Expense:					
18 Operation Expense	322,846,385	362,517,377	319,916,645	283,709,537	218,355,748
19 Maintenance Expense	14,301,437	14,291,246	13,375,921	7,345,045	7,485,027
20 Depreciation Expense	19,300,006	19,022,275	18,688,463	19,116,884	18,929,417
21 Amort. and Depletion of Utility Plant	2,445,517	728,325	1,157,138	69,031	51,260
22 Amort. of Utility Plant Acq. Adj.	(9,218,875)	(8,596,345)	(6,424,584)		
23 Amort of Property Losses					
24 Amort of Conversion Expenses					
25 Taxes Other than Income Taxes	24,157,890	24,894,014	27,413,883	27,941,026	27,266,683
26 Income Taxes	18,281,378	20,134,737	16,129,086	18,727,511	13,933,871
27 Gains from Disposition of Util. Plant					
28 Losses from Disposition of Util. Plant					
29 Total Operating Expenses	392,113,738	432,991,629	390,256,552	356,909,034	286,022,006
30 Net Operating Revenues	48,130,949	44,739,725	43,611,797	47,939,130	47,450,696
31 Other Gas Utility Operating Income					
32 Total Gas Utility Operating Income	48,130,949	44,739,725	43,611,797	47,939,130	47,450,696
33 Other Utility Operating Income					
34 Total Utility Operating Income	\$226,983,052	\$232,137,261	\$219,172,270	\$218,468,274	\$241,954,956

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
OTHER INCOME						
Income - Merch., Jobbing & Contract Work	\$82,214	\$119,700	\$122,430	\$98,279	(\$7,048)	1
Income from Nonutility Operations	237,707	234,515	243,370	(31,595)	(41,936)	2
Nonoperating Rental Income	(94,332)	(85,433)	(117,067)	160,577	140,567	3
Equity in Earnings of Subsidiary Companies						4
Interest and Dividend Income	4,764,572	5,292,303	5,313,915	1,037,925	4,455,809	5
Allowance for Funds Used During Construction	793,923	1,091,000		87,874	253,962	6
Miscellaneous Nonoperating Income	4,495,041	5,483,712	(521,900)	7,152,021	4,745,507	7
Gain on Disposition of Property		10,811	90,954		3,732,145	8
Total Other Income	10,279,125	12,146,608	5,131,702	8,505,081	13,279,006	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property		38,931				10
Miscellaneous Amortization				481	9,519	11
Miscellaneous Income Deductions	6,315,015	2,711,975	3,383,280	1,870,816	2,414,110	12
Total Other Income Deductions	6,315,015	2,750,906	3,383,280	1,871,297	2,423,629	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	197,725			396,312	356,939	14
Income Taxes	105,258	(1,479,838)	93,697	2,387,649	10,846,973	15
	302,983	(1,479,838)	93,697	2,783,961	11,203,912	16
	3,661,127	10,875,540	1,654,725	3,849,823	(348,535)	17
INTEREST CHARGES						
Interest on Long-term Debt	46,928,053	46,324,963	45,083,386	52,220,421	62,752,270	18
Amortization of Debt Discount and Expense	8,281,662	8,469,090	7,455,797	7,024,696	23,653,670	19
Amortization of Premium on Debt-Credit					(578,472)	20
Interest on Debt to Associated Company						21
Other Interest Expense	32,416,232	25,173,176	20,852,742	20,148,606	23,060,405	22
Total Interest Charges	87,625,947	79,967,229	73,391,925	79,393,723	108,887,873	23
Income Before Extraordinary Items	143,018,232	163,045,572	147,435,070	142,924,374	132,718,548	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$143,018,232	\$163,045,572	\$147,435,070	\$142,924,374	\$132,718,548	29
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$306,319,033	\$243,669,608	\$226,630,685	\$204,102,458	\$161,780,057	30
Balance Transferred from Income	143,018,232	163,045,572	147,435,070	142,924,374	132,718,548	31
Appropriations of Retained Earnings						32
Dividends Declared-Preferred Stock	396,147	396,147	396,147	396,147	396,147	33
Dividends Declared-Common Stock	115,000,000	100,000,000	130,000,000	120,000,000	90,000,000	34
Adjustments to Retained Earnings						35
Net Change to Unapp. Retained Earnings	27,622,085	62,649,425	17,038,923	22,528,227	42,322,401	36
Unappropriated Retained Earnings (EOP)	333,941,118	306,319,033	243,669,608	226,630,685	204,102,458	37
Appropriated Retained Earnings (EOP)	441,055	441,055	441,055	441,055	441,055	38
Total Retained Earnings	\$334,382,173	\$306,760,088	\$244,110,663	\$227,071,740	\$204,543,513	39

Notes:

The debt component of AFDUC is included with other interest expense.

NEW YORK STATE ELECTRIC & GAS CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2006		2004		2003		2002
Cash Flows from Operating Activities							
1 Net Income	\$143,018,232	\$163,045,572	\$147,435,070	\$142,924,374	\$132,718,548		
Adjustments to reconcile net income to net cash provided by operating activities:							
2 Depreciation, Depletion & Amortization	95,426,109	90,198,206	74,278,252	99,864,493	76,476,571		
3 Deferred Taxes & ITCs	10,432,407	37,966,076	30,931,736	56,329,336	38,052,976		
4 Receivables and Inventory	(59,019,914)	(26,241,291)	(11,055,201)	(44,503,841)	37,045,455		
5 Payables and Accrued Expenses	(69,430,877)	112,092,878	(34,202,853)	(20,966,643)	25,230,246		
6 Regulatory Assets (Net)	(24,070,390)	22,903,679	13,731,145	(33,139,636)	(10,419,397)		
7 Capitalized AFUDC - Equity	(793,923)	(1,091,000)					
8 Undistributed Earnings of Affiliates							
9 Other Adjustments	4,349,896	24,921,349	(4,779,968)	(13,728,746)	25,751,000		
10							
11							
12 Net Cash From Operating Activities	<u>99,911,540</u>	<u>423,795,469</u>	<u>216,338,181</u>	<u>186,779,337</u>	<u>226,521,998</u>		
Cash Flows From Investing Activities							
13 Cash Outflows For Construction	(140,117,477)	(165,444,025)	(114,091,956)	(95,857,331)	(82,733,584)		
14 Acquisition Of Other Non-Current Assets							
15 Investments in & Advances to Affiliates							
16 Contributions & Advances from Affiliates							
Net Proceeds - Sale Or Disposition Of:							
17 Property, Plant & Equipment							
18 Investments In Affiliated Companies							
19 Investment Securities							
20 Other Current Assets & Liabilities							
21 Other Cash Flows - Investing Activities	79,825,000	(99,225,000)			12,140,627	(4,312,108)	
22							
23							
24 Net Cash From Investing Activities	<u>(60,292,477)</u>	<u>(264,669,025)</u>	<u>(114,091,956)</u>	<u>(83,716,704)</u>	<u>(27,604,191)</u>		
Cash Flows From Financing Activities							
Net Proceeds (Payments) - Issuing & Retiring:							
25 Long-Term Debt	75,000,000			42,901,000	(182,648,000)		
26 Common Stock							
27 Preferred Stock							
28 Short-Term Debt		(57,967,308)	16,567,308	(22,600,000)	64,000,000		
29 Dividends Paid	(115,396,147)	(100,396,147)	(130,396,147)	(120,396,146)	(90,396,147)		
30 Other Cash Flows - Financing Activities							
31							
32							
33 Net Cash From Financing Activities	<u>(40,396,147)</u>	<u>(158,363,455)</u>	<u>(113,828,839)</u>	<u>(100,095,146)</u>	<u>(209,044,147)</u>		
34 Net Increase/(Decrease) In Cash & Equivalents	(777,084)	762,989	(11,582,614)	2,967,487	(10,126,340)		
35 Cash & Equivalents At Beginning Of Year	19,171,252	12,087,082	14,457,823	11,490,336	21,616,676		
36 Cash & Cash Equiv. At End Of Year	\$18,394,168	\$12,850,071	\$2,875,209	\$14,457,823	\$11,490,336		

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
SALES AND CUSTOMER DATA						
ELECTRIC REVENUES						
Residential	\$801,090,878	\$804,488,773	\$718,094,482	\$713,946,764	\$682,849,546	1
Commercial	313,948,179	303,978,337	324,254,194	332,761,205	303,533,656	2
Industrial	162,988,654	154,428,227	172,658,305	181,523,748	187,502,813	3
Other Ultimate Customers	120,934,150	124,705,376	128,047,522	131,139,014	109,560,246	4
Total Revenues-Ultimate Customers	1,398,961,861	1,387,600,713	1,343,054,503	1,359,370,731	1,283,446,261	5
Resales	230,040,092	231,911,673	156,606,959	88,053,064	75,082,623	6
Other Operating Revenues	73,936,678	26,482,605	30,160,697	23,897,045	186,577,856	7
Total Electric Operating Revenues	\$1,702,938,631	\$1,645,994,991	\$1,529,822,159	\$1,471,320,840	\$1,545,106,740	8
KWH SALES (THOUSANDS)						
Residential	6,148,787	6,272,180	5,974,424	5,977,242	5,544,411	9
Commercial	3,904,832	3,924,597	3,846,808	3,793,164	2,918,363	10
Industrial	3,422,102	3,268,007	3,328,987	3,288,941	2,891,026	11
Other Ultimate Customers	1,647,900	1,662,450	1,645,250	1,628,720	1,113,103	12
Total Sales-Ultimate Customers	15,123,621	15,127,234	14,795,469	14,688,067	12,466,903	13
Resales	3,675,058	3,993,509	3,001,486	1,449,079	1,831,970	14
Total Kilowatt-Hour Sales	18,798,679	19,120,743	17,796,955	16,137,146	14,298,873	15
AVG CUSTOMERS PER MONTH						
Residential	752,331	744,627	742,899	740,515	715,299	16
Commercial	99,193	98,761	96,855	94,012	82,376	17
Industrial	2,684	2,658	2,734	2,775	2,376	18
Other Ultimate Customers	13,819	13,822	13,666	13,518	10,729	19
Total Ultimate Customers	868,027	859,868	856,154	850,820	810,780	20
Resales	7	9	8		21	21
Total Customers	868,034	859,877	856,162	850,820	810,780	22
ELECTRIC OPERATING REVENUE RELATIONSHIP						
Residential Sales						
Average Annual Bill Per Customer	\$1,065	\$1,080	\$967	\$964	\$955	23
Average KWH Consumption Per Customer	8,173	8,423	8,042	8,072	7,751	24
Average Revenue Per KWH Sold (Cents)	13.03	12.83	12.02	11.94	12.32	25
Commercial Sales						
Average Annual Bill Per Customer	\$3,165	\$3,078	\$3,348	\$3,540	\$3,685	26
	39,366	39,738	39,717	40,348	35,427	27
Average Revenue Per KWH Sold (Cents)	8.04	7.75	8.43	8.77	10.40	28
Industrial Sales						
Average Annual Bill Per Customer	\$60,726	\$58,099	\$63,152	\$65,414	\$78,915	29
Average KWH Consumption Per Customer	1,275,001	1,229,498	1,217,625	1,185,204	1,216,762	30
Average Revenue Per KWH Sold (Cents)	4.76	4.73	5.19	5.52	6.49	31
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
Steam Power Expense					\$455	32
Nuclear Power Expense				\$1,683	(498,336)	33
Hydraulic Power Expense	1,244,111	1,565,390	\$1,482,172	966,675	1,238,536	34
Other Power Generation Expense	736,646	892,551	612,280	783,895	847,995	35
Other Power Supply Expense	943,197,357	909,988,756	860,108,141	801,904,666	841,747,354	36
Total Power Production Expense	945,178,114	912,446,697	862,202,593	803,656,919	843,336,004	37
Transmission Expense	30,855,472	32,300,174	29,961,851	23,577,520	23,695,708	38
Distribution Expense	128,464,183	113,252,331	91,906,564	100,075,178	87,919,642	39
Customer Account Expense	78,288,114	66,814,132	65,468,227	63,265,630	70,827,070	40
Sales Expense	3,724,691	3,773,702	2,961,519	2,004,031	2,871,862	41
Administrative and General	93,563,579	83,740,966	80,348,519	70,970,589	82,401,220	42
Total Operation & Maintenance Expense	\$1,280,074,153	\$1,212,328,002	\$1,132,849,273	\$1,063,549,867	\$1,111,051,506	43

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

**NEW YORK STATE ELECTRIC & GAS CORPORATION
DISTRIBUTION OF ELECTRIC REVENUES
YEARS ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
1 Total Revenues	\$1,702,938,631	\$1,645,994,991	\$1,529,822,159	\$1,471,320,840	\$1,545,106,740
2 Sales of Electricity (KWHs-000)	18,798,679	19,120,743	17,796,955	16,137,146	14,298,873
DOLLAR AMOUNTS					
3 Fuel and Purchased Power	\$941,202,006	\$908,748,737	\$860,099,505	\$799,715,773	\$839,533,556
4 Wages and Benefits	128,353,209	123,489,487	114,088,828	116,622,128	121,322,445
5 Other Expenses	210,518,938	180,089,778	158,660,940	147,211,966	150,195,505
6 Depreciation & Amortization Expenses	82,339,268	73,763,817	73,220,699	80,286,926	82,502,288
7 Income Taxes-Operating	74,526,374	88,401,310	63,316,016	66,904,393	65,611,938
8 Other Taxes-Operating	87,146,733	84,104,326	84,875,698	90,050,512	91,436,748
9 Capital Costs	178,852,103	187,397,536	175,560,473	170,529,142	194,504,260
10 Total	\$1,702,938,631	\$1,645,994,991	\$1,529,822,159	\$1,471,320,840	\$1,545,106,740
PERCENT OF REVENUE					
11 Fuel and Purchased Power	55.3	55.2	56.2	54.4	54.3
12 Wages and Benefits	7.5	7.5	7.5	7.9	7.9
13 Other Expenses	12.4	10.9	10.4	10.0	9.7
14 Depreciation & Amortization Expenses	4.8	4.5	4.8	5.5	5.3
15 Income Taxes-Operating	4.4	5.4	4.1	4.5	4.2
16 Other Taxes-Operating	5.1	5.1	5.5	6.1	5.9
17 Capital Costs	10.5	11.4	11.5	11.6	12.6
18 Total	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
19 Fuel and Purchased Power	5.01	4.75	4.83	4.96	5.87
20 Wages and Benefits	0.68	0.65	0.64	0.72	0.85
21 Other Expenses	1.12	0.94	0.89	0.91	1.05
22 Depreciation & Amortization Expenses	0.44	0.39	0.41	0.50	0.58
23 Income Taxes-Operating	0.40	0.46	0.36	0.41	0.46
24 Other Taxes-Operating	0.46	0.44	0.48	0.56	0.64
25 Capital Costs	0.95	0.98	0.99	1.06	1.36
26 Total	9.06	8.61	8.60	9.12	10.81

Notes:

Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below**Fuel and Purchased Power**

Steam - Fuel					
Nuclear - Fuel					
Hydro - Water for Power					
Other Power - Fuel	66,817	167,658	33	66,112	49,204
Purchased Power	941,135,189	908,581,079	860,099,472	799,649,661	839,484,352
Total Fuel and Purchased Power	941,202,006	908,748,737	860,099,505	799,715,773	839,533,556
-Fuel and PP related to Sales for Resale					
Fuel and PP - Ultimate Customers	941,202,006	908,748,737	860,099,505	799,715,773	839,533,556

Wages and Benefits

Salaries	127,433,028	121,924,611	113,739,324	125,396,686	130,527,251
Pensions and Benefits	920,181	1,564,876	349,504	(8,774,558)	(9,204,806)
Total Wages and Benefits	128,353,209	123,489,487	114,088,828	116,622,128	121,322,445

Other Expenses

Total O&M Expenses	1,280,074,153	1,212,328,002	1,132,849,273	1,063,549,867	1,111,051,506
-Total Fuel and PP	941,202,006	908,748,737	860,099,505	799,715,773	839,533,556
-Wages and Benefits	128,353,209	123,489,487	114,088,828	116,622,128	121,322,445
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses/Income	210,518,938	180,089,778	158,660,940	147,211,966	150,195,505

Depreciation and Amortization

Depreciation Exp	82,708,246	81,018,018	80,746,476	78,529,934	77,779,685
Amort & Depl of Utility Plant	11,021,471	4,083,517	3,487,525	1,756,992	1,581,813
Amort of Other Utility Plant	(11,390,449)	(11,337,718)	(11,013,302)		3,140,790
Amort of Property Losses					
Amort of Conversion Expenses					
Total Depre and Amort	82,339,268	73,763,817	73,220,699	80,286,926	82,502,288

Fuel and PP related to Sales for Resale (Not Used)

Total Fuel and PP	941,202,006	908,748,737	860,099,505	799,715,773	839,533,556
divided by Total MWHs	18,798,679	19,120,743	17,796,955	16,137,146	14,298,873
Fuel Cost per KWH	0.0501	0.0475	0.0483	0.0496	0.0587
times Sales for Resale MWHs	3,675,058	3,993,509	3,001,486	1,449,079	1,831,970
Sales for Resale Fuel	184,000,799	189,798,914	145,057,209	71,812,657	107,560,945

NEW YORK STATE ELECTRIC & GAS CORPORATION
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
ELECTRIC UTILITY PLANT						
Intangible	\$22,937,666	\$6,254,799	\$5,285,457	\$1,579,645	\$1,579,645	1
Production						
Steam	533,840	533,840	533,840	658,460	658,460	2
Nuclear						3
Hydraulic	121,107,754	119,892,852	119,283,944	116,393,756	116,214,636	4
Other	490,823	490,823	391,459	300,710	286,524	5
Transmission	659,113,253	641,171,671	632,515,978	620,741,968	616,351,072	6
Distribution	1,813,317,450	1,767,293,462	1,738,675,455	1,684,835,201	1,653,070,202	7
General	174,729,594	179,544,830	170,273,220	167,252,057	162,287,211	8
Electric - Purchased or Sold						9
Experimental - Unclassified						10
Nuclear Fuel Assemblies						11
Total Electric Plant In Service	2,792,230,380	2,715,182,277	2,666,959,353	2,591,761,797	2,550,447,750	12
Leased To Others		4,507,355	4,700,109			13
Held For Future Use	1,327,628	1,327,628	1,327,628	1,327,628	1,327,628	14
Construction Work in Progress	11,713,835	9,017,371	2,561,417	26,786,177	24,271,610	15
Aquisition Adjustments						16
Total Electric Utility Plant	2,805,271,843	2,730,034,631	2,675,548,507	2,619,875,602	2,576,046,988	17
Accum. Provision - Depr. & Amort.	1,425,787,854	1,345,330,202	1,284,264,386	1,211,519,430	1,146,934,978	18
Net Electric Plant	\$1,379,483,989	\$1,384,704,429	\$1,391,284,121	\$1,408,356,172	\$1,429,112,010	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.51	1.66	1.52	1.43	1.36	20
Total Capitalization	\$2,178,088,622	\$2,080,003,980	\$2,080,003,980	\$2,046,347,521	\$2,024,599,376	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>						
Long-Term Debt	52.1%	50.9%	50.9%	51.7%	49.9%	22
Preferred Stock	0.5%	0.5%	0.5%	0.5%	0.5%	23
Common Stock & Retained Earnings	47.5%	45.9%	45.9%	45.8%	46.5%	24
Short-Term Debt		2.8%	2.8%	2.0%	3.2%	25
Pretax Coverage of Interest Expense	3.65	4.26	4.07	3.83	3.05	26
Com. Stock Dividends as a % of Earnings	50.8%	43.2%	59.4%	55.0%	68.0%	27
Return on Common Equity	22.8%	24.3%	23.1%	23.2%	14.8%	28
Internal Cash Generated as a % of Cash Outflows for Construction	71.3%	256.2%	189.6%	194.9%	273.8%	29
Earnings per Share	\$3.51	\$3.59	\$3.39	\$3.38	\$2.05	30
Book Value per Share	\$16.00	\$14.79	\$14.76	\$14.52	\$14.58	31
Dividends per Share	\$1.78	\$1.55	\$2.01	\$1.86	\$1.40	32
Number of Employees (Electric)	2,123	2,065	2,296	2,163	2,332	33

Current Assets	514,569,462	445,075,881	412,466,888	412,994,303	431,985,141
Current Liabilities	340,273,965	268,530,402	270,633,389	288,420,214	317,910,862
Total Capitalization	2,178,088,622	2,080,003,980	2,080,003,980	2,046,347,521	2,024,599,376
Long-Term Debt	1,134,361,216	1,057,986,198	1,057,986,198	1,058,221,482	1,009,822,506
Preferred Stock	10,158,900	10,158,900	10,158,900	10,158,900	10,158,900
Common Stock and Retained Earnings (Excl. Preferred Stock)	1,033,568,506	953,891,574	953,891,574	936,567,139	940,617,970
Short-Term Debt		57,967,308	57,967,308	41,400,000	64,000,000
Pretax Income	319,790,804	340,673,308	298,617,372	304,100,178	331,999,203
Interest Expense	87,625,947	79,967,229	73,391,925	79,393,723	108,887,873
Common Dividends Paid	115,000,000	100,000,000	130,000,000	120,000,000	90,000,000
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	226,586,905	231,741,114	218,776,123	218,072,127	132,322,401
Internal Cash	99,911,540	423,795,469	216,338,181	186,779,337	226,521,998
Cash Outflows for Construction	140,117,477	165,444,025	114,091,956	95,857,331	82,733,584
Shares Outstanding (Millions)	64,610,066	64,508,477	64,610,066	64,508,477	64,508,477
Misc Deferred Debits - Net	303,115,237	575,171,623	579,318,882	(422,707,826)	140,605,871
Number of Employees	2,123	2,065	2,296	2,163	2,332

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
UTILITY PLANT					
1 Electric Utility Plant	\$6,788,405,727	\$6,556,072,767	\$6,371,180,810	\$6,271,854,908	\$6,203,782,634
2 Less Accum. Prov. For Deprec. & Amort.	\$2,041,794,514	1,940,673,918	1,830,593,059	1,797,176,510	1,762,444,826
3 Net Electric Utility Plant	4,746,611,213	4,615,398,849	4,540,587,751	4,474,678,398	4,441,337,808
4 Gas Utility Plant	1,848,791,565	1,795,974,044	1,749,828,136	1,707,282,553	1,630,178,341
5 Less Accum. Prov. For Deprec. & Amort.	555,955,715	527,996,417	498,786,317	471,909,094	449,133,199
6 Net Gas Utility Plant	1,292,835,850	1,267,977,627	1,251,041,819	1,235,373,459	1,181,045,143
7 Other Utility Plant	303,295,151	311,364,937	333,037,964	341,628,230	352,249,942
8 Less Accum. Prov. For Deprec. & Amort.	77,287,280	81,651,260	92,567,239	89,537,555	93,166,365
9 Net Other Utility Plant	226,007,871	229,713,677	240,470,725	252,090,675	259,083,578
10 Total Utility Plant	8,940,492,443	8,663,411,748	8,454,046,910	8,320,765,691	8,186,210,918
11 Less Accum. Prov. For Deprec. & Amort.	2,675,037,509	2,550,321,595	2,421,946,615	2,358,623,159	2,304,744,389
12 Net Total Utility Plant	6,265,454,934	6,113,090,153	6,032,100,295	5,962,142,532	5,881,466,528
OTHER PROPERTY AND INVESTMENTS					
13 Nonutility Property	10,983,067	10,948,094	10,200,489	4,591,559	3,740,616
14 Accum. Prov. For Deprec. & Amort.	(826,405)	(825,543)	(823,177)	(955,298)	(922,519)
15 Investment in Associated Companies					
16 Investment in Subsidiary Companies	4,668,667	5,128,770	9,295,163	238,310,409	240,080,520
17 Other Investments	2,169,747	480,909	8,903,284	7,849,351	8,651,911
18 Other Special Funds	30,805,514	30,084,209	29,460,596	52,496,285	64,740,251
19 Total Other Property and Investments	47,800,590	45,816,439	57,036,355	302,292,306	316,290,780
CURRENT AND ACCRUED ASSETS					
20 Cash	17,538,394	7,692,423	6,543,965	7,424,069	38,455,698
21 Special Deposits	112,899,099	27,662,801	48,536,482	31,522,662	9,378,163
22 Working Funds	84,490	91,405	763,228	1,148,515	(881,471)
23 Temporary Cash Investments				343,115	342,695
24 Notes Receivable	72,976	72,976	72,976	72,976	72,976
25 Accounts Receivable	513,535,415	589,105,408	512,982,793	516,293,650	446,296,166
26 Accum. Prov. For Uncollectible Accts.	(117,088,600)	(130,154,400)	(122,203,600)	(122,497,000)	(87,594,900)
27 Notes Receivable from Associated Cos.					
28 Accounts Receivable from Assoc. Cos.	5,570,370	7,548,189	11,137,238	413,108	1,833,929
29 Materials and Supplies	23,961,958	20,642,921	15,249,059	16,803,898	17,814,481
30 Gas Stored Underground - Current	90,658,509	109,180,727	85,649,337	79,015,723	48,040,461
31 Liquefied Natural Gas in Storage					
32 Prepayments	95,970,951	40,706,437	53,721,245	52,654,811	34,253,318
33 Interest and Dividends Receivable			2,988	36,724	17,113
34 Rents Receivable	1,874,675	195,096	4,777,223	4,303,334	3,955,359
35 Accrued Utility Revenue	145,474,000	131,141,470	131,154,450	136,548,950	147,019,000
36 Misc. Current and Accrued Assets	5,512,185	38,638,674	1,922,964	12,085,280	17,793,736
37 Total Current and Accrued Assets	896,064,422	842,524,127	750,310,348	736,169,815	676,796,724
DEFERRED DEBITS					
38 Unamort. Debt Expense	28,580,256	32,014,628	36,590,232	37,810,773	37,037,696
39 Extraordinary Property Losses					
40 Prelim. Survey and Investigation Charges	965,337	375,948	1,813,319	1,379,668	772,314
41 Clearing Accounts	(2,281,543)	(2,246,682)	4,647,376	154,234	1
42 Temporary Facilities				(31,533)	26,664
43 Miscellaneous Deferred Debits	4,512,534,926	5,132,126,086	5,003,651,123	5,318,423,724	5,293,780,183
44 Deferred Losses from Disp. of Utility Plant					
45 Research and Development					(277,917)
46 Accumulated Deferred Income Taxes	938,597,180	971,977,737	1,282,932,913	1,394,478,000	1,493,787,000
47 Total Deferred Debits	5,478,396,156	6,134,247,717	6,329,634,963	6,752,214,866	6,825,125,941
48 Total Assets and Other Debits	\$12,687,716,102	\$13,135,678,436	\$13,169,081,961	\$13,752,819,519	\$13,699,679,974

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
PROPRIETARY CAPITAL						
Common Stock Issued	187,364,863	\$187,364,863	\$187,364,863	\$187,364,863	\$187,364,863	1
Preferred Stock Issued	41,171,500	41,171,500	41,171,500	66,325,500	98,821,900	2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock					2,640,684,663	5
Other Paid-in Capital	2,929,499,520	2,929,499,520	2,929,499,520	2,929,500,500		6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	919,284,317	678,435,933	365,642,720	160,480,078	49,825,453	9
Accumulated Other Comprehensive Income	(1,568,000)	(1,038,941)	(342,366)	532,888		
Unapp Undistributed Subsidiary Earnings					550,708	10
Reaquired Capital Stock						11
Total Proprietary Capital	4,075,752,200	3,835,432,875	3,523,336,237	3,344,203,829	2,977,247,586	12
LONG-TERM DEBT						
Bonds	236,305,000	511,305,000	759,286,000	991,711,000	1,466,968,000	13
Reaquired Bonds						14
Advances from Associated Companies	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	500,000,000	15
Other Long-Term Debt	1,213,760,000	1,213,760,000	1,516,199,000	1,816,371,585	2,595,389,298	16
Unamortized Premium on Long-Term Debt					27,256	17
Unamortized Discount on Long-Term Debt-Debit	(923,367)	(1,202,464)	(1,612,821)	(2,193,117)	(6,352,864)	18
Total Long-Term Debt	2,649,141,633	2,923,862,536	3,473,872,179	4,005,889,468	4,556,031,690	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable						20
Accounts Payable	266,343,201	373,098,873	234,884,824	261,468,391	253,353,418	21
Notes Payable to Associated Companies	689,300,000	740,000,000	704,499,680	701,600,000	291,000,000	22
Accounts Payable to Associated Companies	30,191,804	24,471,786	56,054,708	260,873,593	224,766,510	23
Customer Deposits	36,919,593	27,589,395	26,013,039	25,665,285	23,456,585	24
Taxes Accrued	3,582,488	15,772,345	9,853,980	5,241,897	30,804,217	25
Interest Accrued	33,486,716	36,482,016	45,896,266	54,131,507	69,466,777	26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	1,314,570	4,250,401			1,277,149	30
Misc. Current and Accrued Liabilities	125,574,236	89,156,781	128,288,094	114,052,336	104,429,692	31
Total Current and Accrued Liabilities	1,186,712,608	1,310,821,597	1,205,490,591	1,423,033,009	998,554,349	32
DEFERRED CREDITS						
Customer Advances for Construction	2,664,450	2,342,984	2,532,939	2,276,670	1,909,946	33
Other Deferred Credits	2,230,076,294	2,588,700,312	2,320,673,134	2,404,917,632	2,665,659,481	34
Accumulated Deferred Investment Tax Credits	36,054,597	38,815,597	41,547,000	44,494,000	47,108,418	35
Deferred Gains from Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	2,487,975,801	2,428,425,397	2,593,763,503	2,518,182,793	2,439,393,647	37
Total Deferred Credits	4,756,771,142	5,058,284,290	4,958,516,576	4,969,871,095	5,154,071,491	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	5,292,500	3,110,500	3,104,500	4,127,500	7,147,500	40
Pension and Benefits Reserve						41
Miscellaneous Operating Reserves	14,046,019	4,166,638	4,761,878	5,694,618	6,627,358	42
Total Operating Reserves	19,338,519	7,277,138	7,866,378	9,822,118	13,774,858	43
Total Liabilities and Other Credits	\$12,687,716,102	\$13,135,678,436	\$13,169,081,961	\$13,752,819,519	\$13,699,679,974	44

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
ELECTRIC OPERATING INCOME					
1 Operating Revenues	\$3,245,704,101	\$3,304,561,337	\$3,175,168,934	\$3,247,128,695	\$3,286,720,234
Operating Expense:					
2 Operation Expense	1,854,996,986	1,978,147,146	1,918,221,615	2,117,990,976	2,148,001,171
3 Maintenance Expense	130,464,328	99,234,913	111,503,744	133,969,806	134,022,446
4 Depreciation Expense	161,939,696	156,358,044	156,446,331	157,600,968	154,527,831
5 Amort. and Depletion of Utility Plant	7,942,652	7,891,488	7,719,149	7,040,963	7,048,977
6 Amort. of Utility Plant Acq. Adj.	361,583,786	268,560,144	247,920,799	176,752,579	
7 Amort of Property Losses	-				133,799,998
8 Amort of Conversion Expenses	36,913	36,913	36,912	36,913	36,913
9 Taxes Other than Income Taxes	166,873,178	166,091,048	173,878,309	179,333,612	204,166,240
10 Income Taxes	105,084,056	193,335,203	129,307,464	68,350,263	77,949,565
11 Gains from Disposition of Util. Plant	-				
12 Losses from Disposition of Util. Plant	208,221	523,269	6,788,413		
13 Total Operating Expenses	2,789,129,816	2,870,178,168	2,751,822,736	2,841,076,080	2,859,553,141
14 Net Operating Revenues	456,574,285	434,383,169	423,346,198	406,052,615	427,167,093
15 Other Electric Utility Operating Income					
16 Total Electric Utility Operating Income	456,574,285	434,383,169	423,346,198	406,052,615	427,167,093
GAS OPERATING INCOME					
17 Operating Revenues	\$938,308,166	963,553,706	762,882,044	778,695,872	599,067,253
Operating Expense:					
18 Operation Expense	726,544,808	745,268,436	547,113,833	584,879,577	433,066,092
19 Maintenance Expense	33,769,451	29,852,058	38,465,081	31,529,651	32,732,280
20 Depreciation Expense	38,231,807	36,969,218	36,191,107	35,852,898	35,935,529
21 Amort. and Depletion of Utility Plant	939,826	939,826	930,863		
22 Amort. of Utility Plant Acq. Adj.					
23 Amort of Property Losses					
24 Amort of Conversion Expenses					
25 Taxes Other than Income Taxes	42,306,822	45,811,435	46,857,972	50,634,883	48,874,752
26 Income Taxes	57,189,414		42,059,040	39,816,040	10,541,621
27 Gains from Disposition of Util. Plant					
28 Losses from Disposition of Util. Plant	218,145	92,342	567,010		
29 Total Operating Expenses	899,200,273	858,933,315	712,184,906	742,713,049	561,150,274
30 Net Operating Revenues	39,107,893	104,620,391	50,697,138	35,982,823	37,916,979
31 Other Gas Utility Operating Income					
32 Total Gas Utility Operating Income	39,107,893	104,620,391	50,697,138	35,982,823	37,916,979
33 Other Utility Operating Income	530,573	510,456	414,763	(68,089)	(71,740)
34 Total Utility Operating Income	\$496,212,751	\$539,514,016	\$474,458,099	\$441,967,349	\$465,012,332

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2006		2004		2003		2002	
OTHER INCOME								
Income - Merch., Jobbing & Contract Work								1
Income from Nonutility Operations	(8,699,909)	(8,600,037)	(9,133,389)	(2,079,261)	(8,412,693)			2
Nonoperating Rental Income	32,540		(199,333)	(371,368)	136,620			3
Equity in Earnings of Subsidiary Companies	(529,059)	(696,575)	(221,715,235)	(693,153)	3,850,711			4
Interest and Dividend Income	4,573,542	3,772,122	2,266,909	2,326,185	17,810,297			5
Allowance for Funds Used During Construction			(74,582)	(228,837)	785,891			6
Miscellaneous Nonoperating Income	2,034,616	763,974	220,973,693	1,968,629	(3,978,808)			7
Gain on Disposition of Property			113,857	53,448	12,543			8
Total Other Income	(2,588,270)	(4,760,516)	(7,768,080)	975,643	10,204,561			9
OTHER INCOME DEDUCTIONS								
Loss on Disposition of Property	217,023	59,729		79,863	374,530			10
Miscellaneous Amortization					113,617			11
Miscellaneous Income Deductions	21,901,649	6,753,813	6,814,158	3,745,459	16,487,087			12
Total Other Income Deductions	22,118,672	6,813,542	6,814,158	3,825,322	16,975,234			13
TAXES-OTHER INCOME AND DEDUCTIONS								
Taxes Other than Income Taxes	821,292	824,105	652,812	650,297	518,847			14
Income Taxes	(11,162,215)	(16,447,379)	(2,947,000)	(2,614,000)	(2,782,000)			15
Total Taxes-Other Income & Deductions	(10,340,923)	(15,623,274)	(2,294,188)	(1,963,703)	(2,263,153)			16
Net Other Income and Deductions	(14,366,019)	4,049,216	(12,288,050)	(885,976)	(4,507,520)			17
INTEREST CHARGES								
Interest on Long-term Debt	95,133,741	135,329,494	164,034,175	231,654,131	316,966,282			18
Amortization of Debt Discount and Expense	11,160,160	13,069,357	15,129,250	14,757,363	16,266,612			19
Amortization of Premium on Debt-Credit	78,546	86,243	86,243	113,499	150,383			20
Interest on Debt to Associated Company	86,929,705	71,211,701	64,093,584	47,660,886	8,588,839			21
Other Interest Expense	20,059,653	10,455,733	10,307,018	31,904,262	20,908,706			22
Total Interest Charges	213,204,713	229,980,042	253,477,784	325,863,143	362,580,056			23
Income Before Extraordinary Items	268,642,019	313,583,190	208,692,265	115,218,230	97,924,756			24
EXTRAORDINARY ITEMS								
Extraordinary Income								25
Extraordinary Deductions								26
Income Taxes, Extraordinary Items								27
Net Extraordinary Items								28
Net Income	\$268,642,019	\$313,583,190	\$208,692,265	\$115,218,230	\$97,924,756			29
<hr/>								
RETAINED EARNINGS								
Unappropriated Retained Earnings (BOP) 1	670,010,613	365,356,623	\$159,151,852	\$48,890,197	\$255,316,831			30
Balance Transferred from Income	269,171,078	314,279,766	(11,272,481)	115,911,383	94,074,045			31
Appropriations of Retained Earnings								32
Dividends Declared-Preferred Stock	1,625,774	1,625,776	3,362,729	4,974,394	11,793,509			33
Dividends Declared-Common Stock		8,000,000			63,913,966			34
Adjustments to Retained Earnings			220,839,981	(675,334)	(224,793,204)			35
Net Change to Unapp. Retained Earnings	267,545,304	304,653,990	206,204,771	110,261,655	(206,426,634)			36
Unappropriated Retained Earnings (EOP)	937,555,917	670,010,613	365,356,623	159,151,852	48,890,197			37
Appropriated Retained Earnings (EOP)	(18,271,600)	8,425,320	286,097	1,328,226	935,257			38
Total Retained Earnings	\$919,284,317	\$678,435,933	\$365,642,720	\$160,480,078	\$49,825,454			39

Notes:

Beginning in 1996, the debt component of AFDUC is included with other interest expense.
Retained Earnings is Being Restated. This creates the mismatch between ending 2002 and beginning 2002.

NIAGARA MOHAWK POWER CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
Cash Flows from Operating Activities					
1 Net Income	\$268,642,019	\$313,583,190	\$208,692,265	\$115,218,230	\$97,924,756
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	581,933,643	470,755,633	449,305,905	377,636,869	331,694,211
3 Deferred Taxes & ITCs	87,661,575	198,206,501	178,010,814	175,483,728	(413,407,946)
4 Receivables and Inventory	59,483,396	(65,391,913)	(6,591,988)	(33,031,564)	(176,785,907)
5 Payables and Accrued Expenses	(91,705,456)	130,748,183	(231,054,698)	46,805,315	228,258,979
6 Regulatory Assets (Net)	349,714,252	(386,904,945)	95,383,062	(157,877,813)	(33,777,470)
7 Capitalized AFUDC - Equity			74,582	878,968	(483,430)
8 Undistributed Earnings of Affiliates	529,059	696,575	221,715,235	693,153	(3,850,711)
9 Other Adjustments	(469,293,234)	(23,531,390)	(6,633,614)	(30,975,262)	8,070,416
10		(112,973,242)	8,912,411	(106,975,690)	(211,536,681)
11		286,261,245	(112,397,392)	(223,407,703)	
12 Net Cash From Operating Activities	<u>786,965,254</u>	<u>811,449,837</u>	<u>805,416,582</u>	<u>164,448,231</u>	<u>(173,893,783)</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(362,085,889)	(295,284,069)	(272,350,190)	(293,969,625)	(208,221,985)
14 Acquisition Of Other Non-Current Assets					(9,529,492)
15 Investments in & Advances to Affiliates	(68,956)	3,469,818	7,300,011	1,076,958	
16 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:				12,228,362	
17 Property, Plant & Equipment					17,226,619
18 Investments In Affiliated Companies					(853,079)
19 Investment Securities					249,799,000
20 Other Current Assets & Liabilities	(2,409,281)	7,053,523			
21 Other Cash Flows - Investing Activities	(85,236,298)	20,873,681	16,240,705		(15,185,044)
22					
23					
24 Net Cash From Investing Activities	<u>(449,800,424)</u>	<u>(263,887,047)</u>	<u>(248,809,474)</u>	<u>(280,664,305)</u>	<u>33,236,019</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	(275,000,000)	(550,420,000)	(532,597,585)	(574,730,192)	(299,849,225)
26 Common Stock					(86,086,034)
27 Preferred Stock			(25,154,000)	(32,496,400)	(70,398,599)
28 Short-Term Debt	(50,700,000)	12,959,620	2,899,680	410,600,000	291,000,000
29 Dividends Paid	(1,625,774)	(9,625,776)	(3,362,729)	(4,974,394)	(75,707,475)
30 Other Cash Flows - Financing Activities			(980)	288,815,837	(23,255,025)
31					348,708,576
32					549,893
33 Net Cash From Financing Activities	<u>(327,325,774)</u>	<u>(547,086,156)</u>	<u>(558,215,614)</u>	<u>87,214,851</u>	<u>84,962,111</u>
34 Net Increase/(Decrease) In Cash & Equivalents	9,839,056	476,634	(1,608,506)	(29,001,223)	(55,695,653)
35 Cash & Equivalents At Beginning Of Year	7,783,828	7,307,194	8,915,700	37,916,923	93,612,576
36 Cash & Cash Equiv. At End Of Year	\$17,622,884	\$7,783,828	\$7,307,194	\$8,915,700	\$37,916,923

Notes:

1998 result impacted by non-recurring charge related to Niagara Mohawk's Master Restructuring Agreement.

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
SALES AND CUSTOMER DATA						
ELECTRIC REVENUES						
Residential	\$1,534,861,178	\$1,369,052,717	\$1,304,277,211	\$1,254,424,579	\$1,254,199,931	1
Commercial	705,938,178	754,824,594	829,258,463	917,502,633	983,134,974	2
Industrial	303,485,000	339,519,000	337,959,752	393,834,601	445,116,784	3
Other Ultimate Customers	31,238,446	27,640,989	32,396,162	34,817,268	33,806,934	4
Total Revenues-Ultimate Customers	2,575,522,802	2,491,037,300	2,503,891,588	2,600,579,081	2,716,258,623	5
Resales	33,599,617	62,650,033	152,636,495	195,403,502	143,880,122	6
Other Operating Revenues	636,581,682	750,874,004	518,640,850	451,146,112	426,581,489	7
Total Electric Operating Revenues	\$3,245,704,101	\$3,304,561,337	\$3,175,168,933	\$3,247,128,695	\$3,286,720,234	8
KWH SALES (THOUSANDS)						
Residential	10,247,534	10,749,791	10,168,684	10,232,341	10,119,984	9
Commercial	5,025,623	5,813,589	6,872,037	7,933,870	8,984,374	10
Industrial	6,190,686	6,765,512	7,627,079	8,025,107	9,152,225	11
Other Ultimate Customers	111,091	111,252	133,531	141,214	138,986	12
Total Sales-Ultimate Customers	21,574,934	23,440,144	24,801,331	26,332,532	28,395,569	13
Resales	564,310	799,172	3,075,774	4,113,127	4,297,779	14
Total Kilowatt-Hour Sales	22,139,244	24,239,316	27,877,105	30,445,659	32,693,348	15
AVG CUSTOMERS PER MONTH						
Residential	1,346,555	1,352,751	1,350,849	1,357,582	1,369,959	16
Commercial	123,939	125,051	137,305	141,499	146,566	17
Industrial	848	861	1,036	1,218	1,469	18
Other Ultimate Customers	4,109	4,377	4,751	4,797	4,899	19
Total Ultimate Customers	1,475,451	1,483,040	1,493,941	1,505,096	1,522,893	20
Resales	170	169	167	162	158	21
Total Customers	1,475,621	1,483,209	1,494,108	1,505,258	1,523,051	22
ELECTRIC OPERATING REVENUE RELATIONSHIP						
Residential Sales						
Average Annual Bill Per Customer	\$1,140	\$1,012	\$966	\$924	\$916	23
Average KWH Consumption Per Customer	7,610	7,947	7,528	7,537	7,387	24
Average Revenue Per KWH Sold (Cents)	14.98	12.74	12.83	12.26	12.39	25
Commercial Sales						
Average Annual Bill Per Customer	\$5,696	\$6,036	\$6,040	\$6,484	\$6,708	26
Average KWH Consumption Per Customer	40,549	46,490	50,049	56,070	61,299	27
Average Revenue Per KWH Sold (Cents)	14.05	12.98	12.07	11.56	10.94	28
Industrial Sales						
Average Annual Bill Per Customer	\$357,883	\$394,331	\$326,216	\$323,345	\$303,007	29
Average KWH Consumption Per Customer	7,300,337	7,857,738	7,362,045	6,588,758	6,230,242	30
Average Revenue Per KWH Sold (Cents)	4.90	5.02	4.43	4.91	4.86	31
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
Steam Power Expense			\$1,283	\$10,644	\$14,680	32
Nuclear Power Expense			1,878	(853,807)	3,129,527	33
Hydraulic Power Expense			(4,842)	86,891	249,386	34
Other Power Generation Expense	310	73			1,069	35
Other Power Supply Expense	1,340,381,157	1,478,560,457	1,441,728,967	1,583,811,694	1,528,895,100	36
Total Power Production Expense	1,340,381,467	1,478,560,530	1,441,727,286	1,583,055,422	1,532,289,761	37
Transmission Expense	57,747,735	44,137,494	48,173,698	46,962,795	40,445,751	38
Distribution Expense	189,460,415	159,306,313	161,353,978	152,491,570	149,473,528	39
Customer Account Expense	132,306,762	139,110,810	135,047,010	154,435,202	162,426,454	40
Sales Expense	1,365	1,333	18,712	73,094	234,457	41
Administrative and General	265,563,570	256,265,579	243,404,675	314,942,699	397,153,667	42
Total Operation & Maintenance Expense	\$1,985,461,314	\$2,077,382,059	\$2,029,725,359	\$2,251,960,782	\$2,282,023,618	43

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

**NIAGARA MOHAWK POWER CORPORATION
DISTRIBUTION OF ELECTRIC REVENUES
YEARS ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
1 Total Revenues	\$3,245,704,101	\$3,304,561,337	\$3,175,168,933	\$3,247,128,695	\$3,286,720,234
2 Sales of Electricity (KWHs-000)	22,139,244	24,239,316	27,877,105	30,445,659	32,693,348
DOLLAR AMOUNTS					
3 Fuel and Purchased Power	\$1,340,381,467	\$1,478,560,457	\$1,441,698,895	\$1,583,436,003	\$1,528,991,900
4 Wages and Benefits	308,825,759	288,067,081	303,641,072	353,916,483	399,795,836
5 Other Expenses	336,254,088	311,277,790	291,173,805	314,608,296	353,235,882
6 Depreciation & Amortization Expenses	531,503,047	432,846,589	412,123,191	341,431,423	321,951,543
7 Income Taxes-Operating	105,084,056	193,335,203	129,307,464	68,350,263	77,949,565
8 Other Taxes-Operating	166,873,178	166,091,048	173,878,309	179,333,612	204,166,240
9 Capital Costs	456,782,506	434,383,169	423,346,197	406,052,615	400,629,268
10 Total	\$3,245,704,101	\$3,304,561,337	\$3,175,168,933	\$3,247,128,695	\$3,286,720,234
PERCENT OF REVENUE					
11 Fuel and Purchased Power	41.3	44.7	45.4	48.8	46.5
12 Wages and Benefits	9.5	8.7	9.6	10.9	12.2
13 Other Expenses	10.4	9.4	9.2	9.7	10.7
14 Depreciation & Amortization Expenses	16.4	13.1	13.0	10.5	9.8
15 Income Taxes-Operating	3.2	5.9	4.1	2.1	2.4
16 Other Taxes-Operating	5.1	5.0	5.5	5.5	6.2
17 Capital Costs	14.1	13.1	13.3	12.5	12.2
18 Total	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
19 Fuel and Purchased Power	6.05	6.10	5.17	5.20	4.68
20 Wages and Benefits	1.39	1.19	1.09	1.16	1.22
21 Other Expenses	1.52	1.28	1.04	1.03	1.08
22 Depreciation & Amortization Expenses	2.40	1.79	1.48	1.12	0.98
23 Income Taxes-Operating	0.47	0.80	0.46	0.22	0.24
24 Other Taxes-Operating	0.75	0.69	0.62	0.59	0.62
25 Capital Costs	2.06	1.79	1.52	1.33	1.23
26 Total	14.66	13.63	11.39	10.67	10.05

Notes:

(1) Includes Sales for Resale

(2) Large increase in other expenses in 1996 was due to an increase in uncollectible expense of \$72.3 million.

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below

Fuel and Purchased Power

Steam - Fuel					
Nuclear - Fuel					2,248,182
Hydro - Water for Power				32,313	64,830
Other Power - Fuel	310				
Purchased Power	134,381,157	1,478,560,457	1,441,698,895	1,583,403,690	1,526,678,889
Total Fuel and Purchased Power	134,381,467	1,478,560,457	1,441,698,895	1,583,436,003	1,528,991,900
-Fuel and PP related to Sales for Resale					
Fuel and PP - Ultimate Customers	134,381,467	1,478,560,457	1,441,698,895	1,583,436,003	1,528,991,900

Wages and Benefits

Salaries	202,029,872	188,558,403	217,879,498	223,347,420	251,026,444
Pensions and Benefits	106,795,887	99,508,678	85,761,574	130,569,063	148,769,392
Total Wages and Benefits	308,825,759	288,067,081	303,641,072	353,916,483	399,795,836

Other Expenses

Total O&M Expenses	1,985,461,314	2,077,382,059	2,029,725,359	2,251,960,782	2,282,023,618
-Total Fuel and PP	1,340,381,467	1,478,560,457	1,441,698,895	1,583,436,003	1,528,991,900
-Wages and Benefits	308,825,759	288,067,081	303,641,072	353,916,483	399,795,836
-Other Gains					
+Other Losses		523,269	6,788,413		
-Other Revenues					
Other Expenses/Income	336,254,088	311,277,790	291,173,805	314,608,296	353,235,882

Depreciation and Amortization

Depreciation Exp	161,939,696	156,358,044	156,446,331	157,600,968	318,060,406
Amort & Depl of Utility Plant	7,942,652	7,891,488	7,719,149	7,040,963	2,728,186
Amort of Other Utility Plant	361,583,786	268,560,144	247,920,799	176,752,579	
Amort of Property Losses					1,128,750
Amort of Conversion Expenses	36,913	36,913	36,912	36,913	34,201
Total Depre and Amort	531,503,047	432,846,589	412,123,191	341,431,423	321,951,543

Fuel and PP related to Sales for Resale (Not Used)

Total Fuel and PP	1,340,381,467	1,478,560,457	1,441,698,895	1,583,436,003	1,528,991,900
divided by Total MWHs	22,139,244	24,239,316	27,877,105	30,445,659	32,693,348
Fuel Cost per KWH	0.0605	0.0610	0.0517	0.0520	0.0468
times Sales for Resale MWHs	564,310	799,172	3,075,774	4,113,127	4,297,779
Sales for Resale Fuel	34,165,153	48,748,245	159,067,449	213,917,967	200,997,127

NIAGARA MOHAWK POWER CORPORATION
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
ELECTRIC UTILITY PLANT						
Intangible	\$77,175,727	\$77,175,727	\$77,175,727	\$77,175,727	\$77,175,727	1
Production						
Steam		3,251	3,251	3,251	3,251	2
Nuclear					544	3
Hydraulic	355,844	355,844	355,844	2,340,173	2,340,173	4
Other						5
Transmission	1,521,471,140	1,462,485,455	1,417,593,738	1,396,015,936	1,383,151,071	6
Distribution	3,802,176,627	3,620,587,057	3,421,725,168	3,378,643,380	3,300,483,605	7
General	292,811,196	288,665,811	276,883,963	289,351,584	265,910,082	8
Electric - Purchased or Sold						9
Experimental - Unclassified						10
Nuclear Fuel Assemblies						11
Total Electric Plant In Service	5,693,990,534	5,449,273,145	5,193,737,691	5,143,530,051	5,029,064,453	12
Leased To Others	3,403,815	3,403,815	3,399,224	3,403,815	3,403,815	13
Held For Future Use			2,503,781	2,596,713	2,596,713	14
Construction Work in Progress	91,022,938	103,407,367	160,385,592	111,169,807	148,737,092	15
Aquisition Adjustments	999,988,440	999,988,440	1,011,154,522	1,011,154,522	1,019,980,561	16
Total Electric Utility Plant	6,788,405,727	6,556,072,767	6,371,180,810	6,271,854,908	6,203,782,633	17
Accum. Provision - Depr. & Amort.	2,041,794,514	1,940,673,918	1,830,593,059	1,797,176,510	1,762,444,826	18
Net Electric Plant	\$4,746,611,213	\$4,615,398,849	\$4,540,587,751	\$4,474,678,398	\$4,441,337,807	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.77	0.62	0.62	0.52	0.68	20
Total Capitalization	\$7,414,193,833	\$7,499,295,411	\$7,701,708,096	\$8,051,693,297	\$7,533,279,276	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>						
Long-Term Debt	35.7%	39.0%	45.1%	49.8%	60.5%	22
Preferred Stock	0.6%	0.5%	0.5%	0.8%	1.3%	23
Common Stock & Retained Earnings	54.4%	50.6%	45.2%	40.7%	38.2%	24
Short-Term Debt						25
Pretax Coverage of Interest Expense	2.97	3.13	2.49	1.69	1.51	26
Com. Stock Dividends as a % of Earnings		2.6%			74.2%	27
Return on Common Equity	6.8%	8.6%	12.6%	14.2%	3.1%	28
Internal Cash Generated as a % of Cash Outflows for Construction *	217.3%	271.0%	295.7%	691.4%	-83.5%	29
Earnings per Share	\$1.43	\$1.66	\$1.10	\$2.33	\$0.46	30
Book Value per Share	\$21.53	\$20.25	\$18.58	\$17.49	\$15.36	31
Dividends per Share		\$0.04			\$0.34	32
Number of Employees (Electric)	3,468	3,874	4,506	4,506	4,857	33

Notes:

* 1998 result impacted by non-recurring charge related to Niagara Mohawk's Master Restructuring Agreement.

Current Assets	896,064,422	807,645,908	750,310,348	736,169,815	676,796,724
Current Liabilities	1,160,397,984	1,310,821,597	1,205,490,591	1,423,033,009	998,554,349
Total Capitalization	7,414,193,833	7,499,295,411	7,701,708,096	8,051,693,297	7,533,279,276
Long-Term Debt	2,649,141,633	2,923,862,536	3,473,872,179	4,005,889,468	4,556,031,690
Preferred Stock	41,171,500	41,171,500	41,171,500	66,325,500	98,821,900
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,034,580,700	3,794,261,375	3,482,164,737	3,277,878,329	2,878,425,686
Short-Term Debt	689,300,000	740,000,000	704,499,680	701,600,000	
Pretax Income	632,957,987	720,451,056	630,589,553	550,133,652	546,213,998
Interest Expense	213,204,713	229,980,042	253,477,784	325,863,143	362,580,056
Common Dividends Paid		8,000,000			63,913,966
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	267,016,245	311,957,414	205,329,536	436,992,955	86,131,247
Internal Cash	786,965,254	800,270,776	805,416,582	133,185,766	(173,893,783)
Cash Outflows for Construction	362,085,889	295,284,069	272,350,190	19,263,486	208,221,985
Shares Outstanding (Millions)	187,364,863	187,364,863	187,364,863	187,364,863	187,364,863
Number of Employees (Electric)	3,468	3,874	4,506	4,506	4,857
Misc Deferred Debits - Net	2,617,311,295	2,543,425,774	2,682,977,989	2,913,506,092	2,628,120,702

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
UTILITY PLANT					
1 Electric Utility Plant	\$702,210,637	\$649,511,587	\$607,914,881	\$592,949,406	\$564,096,335
2 Less Accum. Prov. For Deprec. & Amort.	221,170,902	212,834,314	204,894,388	200,305,428	186,422,843
3 Net Electric Utility Plant	481,039,735	436,677,273	403,020,493	392,643,978	377,673,492
4 Gas Utility Plant	386,153,945	363,222,342	339,665,873	318,380,785	302,811,597
5 Less Accum. Prov. For Deprec. & Amort.	117,576,739	111,767,856	105,833,448	103,810,870	98,746,664
6 Net Gas Utility Plant	268,577,206	251,454,486	233,832,425	214,569,915	204,064,933
7 Other Utility Plant	130,325,621	128,115,381	127,167,284	123,376,105	121,940,659
8 Less Accum. Prov. For Deprec. & Amort.	66,838,712	62,943,439	58,857,920	53,883,217	51,477,265
9 Net Other Utility Plant	63,486,909	65,171,942	68,309,364	69,492,888	70,463,394
10 Total Utility Plant	1,218,690,203	1,140,849,310	1,074,748,038	1,034,706,296	988,848,591
11 Less Accum. Prov. For Deprec. & Amort.	405,586,353	387,545,609	369,585,756	357,999,515	336,646,772
12 Net Total Utility Plant	813,103,850	753,303,701	705,162,282	676,706,781	652,201,819
OTHER PROPERTY AND INVESTMENTS					
13 Nonutility Property	57,958	57,958	65,168	113,927	152,316
14 Accum. Prov. For Deprec. & Amort.	(88,103)	(87,496)	(87,091)	(141,824)	(151,500)
15 Investment in Associated Companies					
16 Investment in Subsidiary Companies	157,161,579	143,933,249	132,915,554	160,275,213	149,261,072
17 Other Investments					
18 Other Special Funds					
19 Total Other Property and Investments	157,131,434	143,903,711	132,893,631	160,247,316	149,261,888
CURRENT AND ACCRUED ASSETS					
20 Cash	621,234	73,427	2,026,111	4,747,811	146,941
21 Special Deposits	1,000	1,000	1,000	1,000	1,000
22 Working Funds	11,606	15,700	15,700	15,700	15,700
23 Temporary Cash Investments	14,462	56,043	4,616,316	3,233	70,925
24 Notes Receivable	39,016	37,877	36,737	35,598	34,458
25 Accounts Receivable	82,437,585	87,004,411	46,205,532	57,007,929	50,589,894
26 Accum. Prov. For Uncollectible Accts.	(3,034,615)	(3,667,563)	(3,784,957)	(3,617,957)	(2,435,000)
27 Notes Receivable from Associated Cos.					
28 Accounts Receivable from Assoc. Cos.	29,089,161	45,576,942	40,998,554	23,081,706	20,279,377
29 Materials and Supplies	5,372,434	4,982,155	4,416,239	4,708,206	4,542,505
30 Gas Stored Underground - Current	56,829,269	61,479,360	42,528,761	28,843,178	15,702,861
31 Liquefied Natural Gas in Storage					
32 Prepayments	9,854,317	10,572,362	11,314,221	10,291,971	11,488,997
33 Interest and Dividends Receivable					
34 Rents Receivable					
35 Accrued Utility Revenue	28,166,158	23,060,636	22,214,869	14,584,364	16,163,017
36 Misc. Current and Accrued Assets	12,849,750	64,831,832	19,694,045	10,143,479	9,171,682
37 Total Current and Accrued Assets	222,251,377	294,024,182	190,283,128	149,846,218	125,772,357
DEFERRED DEBITS					
38 Unamort. Debt Expense	5,859,157	5,867,017	3,469,142	3,716,479	3,973,660
39 Extraordinary Property Losses					
40 Prelim. Survey and Investigation Charges				13,920	95,594
41 Clearing Accounts					(1,323)
42 Temporary Facilities					
43 Miscellaneous Deferred Debits	395,495,696	203,261,543	183,292,755	140,606,788	153,570,097
44 Deferred Losses from Disp. of Utility Plant					
45 Research and Development	2,876,529	1,597,794	1,073,411	673,469	304,104
46 Accumulated Deferred Income Taxes	65,035,221	52,127,309	50,107,334	36,892,967	47,034,834
47 Total Deferred Debits	469,266,603	262,853,663	237,942,642	181,903,623	204,976,966
48 Total Assets and Other Debits	\$1,661,753,264	\$1,454,085,257	\$1,266,281,683	\$1,168,703,938	\$1,132,213,030

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
PROPRIETARY CAPITAL						
Common Stock Issued	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	1
Preferred Stock Issued						2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock			193,995,052	194,498,787	194,498,787	5
Other Paid-in Capital	194,507,223	194,507,223	(10,034,344)	(10,590,692)	(14,965,622)	6
Installments Received on Capital Stock						7
Capital Stock Expense						8
Retained Earnings	24,515,228	20,117,974	52,738,323	45,733,571	39,282,740	9
Accumulated Other Comprehensive Income	(33,757,135)	(8,116,585)				
Unapp Undistributed Subsidiary Earnings	175,306,724	162,078,394	151,060,699	140,420,358	129,406,218	10
Required Capital Stock						11
Total Proprietary Capital	360,577,040	368,592,006	387,764,730	370,067,024	348,227,123	12
LONG-TERM DEBT						
Bonds						13
Required Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	394,000,000	319,000,000	279,000,000	279,000,000	314,000,000	16
Unamortized Premium on Long-Term Debt						17
Unamortized Discount on Long-Term Debt-D	(1,032,336)	(1,022,787)	(1,064,509)	(1,180,210)	(1,295,910)	18
Total Long-Term Debt	392,967,664	317,977,213	277,935,491	277,819,790	312,704,090	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	34,150,000	100,700,000		14,974,350	1,000,000	20
Accounts Payable	63,166,165	68,402,018	59,209,816	63,029,718	53,543,939	21
Notes Payable to Associated Companies	39,400,000	36,193,500	35,775,000	23,110,000	14,285,000	22
Accounts Payable to Associated Companies	68,946,859	34,434,759	42,696,230	31,879,696	17,227,688	23
Customer Deposits	12,035,541	11,558,696	11,984,906	10,325,823	9,684,426	24
Taxes Accrued	2,281,816	1,414,198	1,834,601	1,017,193	538,664	25
Interest Accrued	8,184,244	4,783,560	4,474,591	4,668,252	7,257,186	26
Dividends Declared						27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	1,056,311	865,053	1,253,365	647,920		30
Misc. Current and Accrued Liabilities	89,948,634	75,888,222	81,427,386	59,889,902	63,789,761	31
Total Current and Accrued Liabilities	319,169,570	334,240,006	238,655,895	209,542,854	167,326,664	32
DEFERRED CREDITS						
Customer Advances for Construction	2,092,638	1,997,897	1,461,953	884,970	867,842	33
Other Deferred Credits	68,853,645	121,563,968	62,981,698	45,374,817	53,198,686	34
Accumulated Deferred Investment Tax Credit	3,060,476	3,364,021	3,732,806	4,067,077	4,404,937	35
Deferred Gains from Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	208,349,857	195,793,847	184,631,810	162,653,605	139,083,097	37
Total Deferred Credits	282,356,616	322,719,733	252,808,267	212,980,469	197,554,562	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	6,019,496	6,030,000	6,220,000	6,760,268	7,100,000	40
Pension and Benefits Reserve	289,326,343	90,750,143	87,249,760	85,976,950	86,089,779	41
Miscellaneous Operating Reserves	11,336,535	13,776,156	15,647,540	5,556,583	13,210,812	42
Total Operating Reserves	306,682,374	110,556,299	109,117,300	98,293,801	106,400,591	43
Total Liabilities and Other Credits	\$1,661,753,264	\$1,454,085,257	\$1,266,281,683	\$1,168,703,938	\$1,132,213,030	44

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
ELECTRIC OPERATING INCOME					
1 Operating Revenues	\$427,711,673	\$452,025,804	\$368,129,383	\$409,970,601	\$356,013,756
Operating Expense:					
2 Operation Expense	307,289,490	323,827,782	259,672,954	281,903,838	233,745,550
3 Maintenance Expense	19,321,034	19,967,689	16,809,361	21,275,139	16,487,518
4 Depreciation Expense	19,990,711	18,654,420	18,029,539	17,090,281	16,166,702
5 Amort. and Depletion of Utility Plant	2,194,691	3,466,375			4,507,728
6 Amort. of Utility Plant Acq. Adj.					
7 Amort of Property Losses					
8 Amort of Conversion Expenses			3,564,823	4,256,341	
9 Taxes Other than Income Taxes	26,638,715	27,134,878	28,173,010	29,025,293	30,465,629
10 Income Taxes	12,826,421	17,308,270	5,750,346	17,773,042	13,575,980
11 Gains from Disposition of Util. Plant				15,905	
12 Losses from Disposition of Util. Plant				217,658	
13 Total Operating Expenses	388,261,062	410,359,414	332,000,033	371,525,687	314,949,107
14 Net Operating Revenues	39,450,611	41,666,390	36,129,350	38,444,914	41,064,649
15 Other Electric Utility Operating Income					
16 Total Electric Utility Operating Income	39,450,611	41,666,390	36,129,350	38,444,914	41,064,649
GAS OPERATING INCOME					
17 Operating Revenues	235,798,372	228,386,734	204,637,085	197,406,843	159,418,205
Operating Expense:					
18 Operation Expense	187,020,569	179,449,957	159,106,988	145,741,849	112,787,709
19 Maintenance Expense	6,428,783	6,063,384	5,747,207	5,967,021	5,750,632
20 Depreciation Expense	8,604,182	8,039,017	7,496,463	7,103,841	6,849,178
21 Amort. and Depletion of Utility Plant	1,374,126	1,378,026			1,253,367
22 Amort. of Utility Plant Acq. Adj.					
23 Amort of Property Losses					
24 Amort of Conversion Expenses			1,075,534	1,214,455	
25 Taxes Other than Income Taxes	11,925,436	11,158,611	11,653,977	12,826,053	13,094,412
26 Income Taxes	4,688,282	6,216,398	3,731,779	8,261,817	4,382,846
27 Gains from Disposition of Util. Plant					
28 Losses from Disposition of Util. Plant					
29 Total Operating Expenses	220,041,378	212,305,393	188,811,948	181,115,036	144,118,144
30 Net Operating Revenues	15,756,994	16,081,341	15,825,137	16,291,807	15,300,061
31 Other Gas Utility Operating Income					
32 Total Gas Utility Operating Income	15,756,994	16,081,341	15,825,137	16,291,807	15,300,061
33 Other Utility Operating Income					
34 Total Utility Operating Income	\$55,207,605	\$57,747,731	\$51,954,487	\$54,736,721	\$56,364,710

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
OTHER INCOME						
Income - Merch., Jobbing & Contract Work						1
Income from Nonutility Operations						2
Nonoperating Rental Income				(971)	(6,563)	3
Equity in Earnings of Subsidiary Companies	13,228,330	11,017,695	10,640,341	11,014,140	9,522,373	4
Interest and Dividend Income	1,832,935	806,851	288,343	2,022,670	463,629	5
Allowance for Funds Used During Construction		45,551	135,233	4,591	388,337	6
Miscellaneous Nonoperating Income	1,130,591	807,170	815,035	(2,865,318)	(158,362)	7
Gain on Disposition of Property					(25)	8
Total Other Income	16,191,856	12,677,267	11,878,952	10,175,112	10,209,389	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property		7,210				10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	323,175	385,155	427,549	1,300,154	362,419	12
Total Other Income Deductions	323,175	392,365	427,549	1,300,154	362,419	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes	63,658	76,305	108,901	151,576	111,233	14
Income Taxes	608,345	79,341	219,486	402,498	(501,216)	15
Total Taxes-Other Income & Deductions	672,003	155,646	306,793	(782,518)	(389,983)	16
Net Other Income and Deductions	15,196,678	12,129,256	11,144,610	9,657,476	10,236,953	17
INTEREST CHARGES						
Interest on Long-term Debt	20,398,888	18,483,822	16,455,767	16,762,955	18,605,087	18
Amortization of Debt Discount and Expense	677,446	648,416	613,838	638,432	740,986	19
Amortization of Premium on Debt-Credit						20
Interest on Debt to Associated Company	1,191,262	701,269	415,419	213,690	267,130	21
Other Interest Expense	2,511,103	646,134	(31,019)	1,314,149	2,092,081	22
Total Interest Charges	24,778,699	20,479,641	17,454,005	18,929,226	21,705,284	23
Income Before Extraordinary Items	45,625,584	49,397,346	45,645,092	45,464,971	44,896,379	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$45,625,584	\$49,397,346	\$45,645,092	\$45,464,971	\$44,896,379	29
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$20,117,973	\$52,738,322	\$45,733,571	\$39,282,740	\$31,908,734	30
Balance Transferred from Income	32,397,255	38,379,651	35,004,751	34,450,831	35,374,006	31
Appropriations of Retained Earnings						32
Dividends Declared-Preferred Stock						33
Dividends Declared-Common Stock	28,000,000	71,000,000	28,000,000	28,000,000	28,000,000	34
Adjustments to Retained Earnings						35
Net Change to Unapp. Retained Earnings	4,397,255	(32,620,349)	7,004,751	6,450,831	7,374,006	36
Unappropriated Retained Earnings (EOP)	24,515,228	20,117,973	52,738,322	45,733,571	39,282,740	37
Appropriated Retained Earnings (EOP)						38
Total Retained Earnings	\$24,515,228	\$20,117,973	\$52,738,322	\$45,733,571	\$39,282,740	39

Notes:

The debt component of AFDUC is included with other interest expense.

ORANGE AND ROCKLAND UTILITIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
Cash Flows from Operating Activities					
1 Net Income	\$45,625,584	\$49,397,346	\$45,645,093	\$45,464,971	\$44,896,379
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	(25,139,782)	78,744,251	38,105,224	33,190,336	30,269,088
3 Deferred Taxes & ITCs	(655,447)	8,773,277	8,429,567	33,374,515	14,565,281
4 Receivables and Inventory	19,574,809	(65,858,083)	(27,972,711)	(19,765,912)	8,460,478
5 Payables and Accrued Expenses	48,273,064	(5,534,389)	31,422,391	20,167,967	15,639,382
6 Regulatory Assets (Net)	(187,187,771)	(11,164,645)	(26,896,596)	(6,584,237)	1,231,987
7 Capitalized AFUDC - Equity	(1,024,434)	(45,551)	(147,181)	(4,591)	(388,337)
8 Undistributed Earnings of Affiliates	(13,228,330)	(11,017,695)	(10,640,341)	(11,014,140)	(9,519,380)
9 Other Adjustments	165,019,987	16,308,118	15,568,777	(9,086,395)	(7,448,568)
10	(179,944)	495,497	(10,572,816)	225,229	3,083,401
11	58,471,990	(54,650,240)	(7,545,905)	6,329,451	(6,958,654)
12 Net Cash From Operating Activities	<u>109,549,726</u>	<u>5,447,886</u>	<u>55,395,502</u>	<u>92,297,194</u>	<u>93,831,057</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(92,818,841)	(79,338,335)	(59,151,702)	(45,853,114)	(48,951,307)
14 Acquisition Of Other Non-Current Assets	114,747	(2,741,009)	(2,043,065)	(1,710,253)	(1,701,599)
15 Investments in & Advances to Affiliates	3,206,500				
16 Contributions & Advances from Affiliates		468,500	38,000,000		
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					
19 Investment Securities					
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities					
22					
23					
24 Net Cash From Investing Activities	<u>(89,497,594)</u>	<u>(81,610,844)</u>	<u>(23,194,767)</u>	<u>(47,563,367)</u>	<u>(50,652,906)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt	8,450,000	40,000,000	12,665,000	8,825,000	(120,000)
26 Common Stock					
27 Preferred Stock					
28 Short-Term Debt		100,650,000	(14,974,350)	(21,025,650)	(15,600,000)
29 Dividends Paid	(28,000,000)	(71,000,000)	(28,000,000)	(28,000,000)	(28,000,000)
30 Other Cash Flows - Financing Activities					
31					
32					
33 Net Cash From Financing Activities	<u>(19,550,000)</u>	<u>69,650,000</u>	<u>(30,309,350)</u>	<u>(40,200,650)</u>	<u>(43,720,000)</u>
34 Net Increase/(Decrease) In Cash & Equivalen	502,132	(6,512,958)	1,891,385	4,533,177	(541,849)
35 Cash & Equivalents At Beginning Of Year	146,170	6,659,128	4,766,743	233,566	775,415
36 Cash & Cash Equiv. At End Of Year	\$648,302	\$146,170	\$6,658,128	\$4,766,743	\$233,566

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
SALES AND CUSTOMER DATA						
ELECTRIC REVENUES						
Residential	\$194,300,763	\$201,742,153	\$170,327,446	\$174,102,695	\$160,372,962	1
Commercial	153,047,906	156,981,795	139,112,080	151,351,849	133,319,322	2
Industrial	30,121,620	42,821,207	24,622,076	25,458,483	23,575,059	3
Other Ultimate Customers	14,582,914	15,506,236	12,161,242	12,234,397	10,571,902	4
Total Revenues-Ultimate Customers	392,053,203	417,051,391	346,222,844	363,147,424	327,839,245	5
Resales	28,074,082	32,412,974	21,629,565	21,668,750	20,980,584	6
Other Operating Revenues	7,584,388	2,561,438	276,974	25,154,427	7,193,927	7
Total Electric Operating Revenues	\$427,711,673	\$452,025,803	\$368,129,383	\$409,970,601	\$356,013,756	8
KWH SALES (THOUSANDS)						
Residential	1,572,484	1,672,162	1,500,375	1,473,586	1,452,311	9
Commercial	1,799,686	1,847,487	1,781,445	1,722,217	1,684,364	10
Industrial	544,835	673,849	693,967	672,691	698,365	11
Other Ultimate Customers	122,362	122,971	114,869	112,815	111,879	12
Total Sales-Ultimate Customers	4,039,367	4,316,469	4,090,656	3,981,309	3,946,919	13
Resales	381,708	319,361	284,327	289,229	480,923	14
Total Kilowatt-Hour Sales	4,421,075	4,635,830	4,374,983	4,270,538	4,427,842	15
AVG CUSTOMERS PER MONTH						
Residential	188,991	188,276	185,562	183,914	181,890	16
Commercial	29,411	29,206	28,713	28,377	27,947	17
Industrial	115	118	117	121	125	18
Other Ultimate Customers	579	579	564	560	550	19
Total Ultimate Customers	219,096	218,179	214,956	212,972	210,512	20
Resales	3	3	3	2	2	21
Total Customers	219,099	218,182	214,959	212,974	210,514	22
ELECTRIC OPERATING REVENUE RELATIONSHIP						
Residential Sales						
Average Annual Bill Per Customer	\$1,028	\$1,072	\$918	\$947	\$882	23
Average KWH Consumption Per Customer	8,320	8,881	8,086	8,012	7,985	24
Average Revenue Per KWH Sold (Cents)	12.36	12.06	11.35	11.81	11.04	25
Commercial Sales						
Average Annual Bill Per Customer	\$5,204	\$5,375	\$4,845	\$5,334	\$4,770	26
Average KWH Consumption Per Customer	61,191	63,257	62,043	60,691	60,270	27
Average Revenue Per KWH Sold (Cents)	8.50	8.50	7.81	8.79	7.92	28
Industrial Sales						
Average Annual Bill Per Customer	\$261,927	\$362,892	\$210,445	\$210,401	\$188,600	29
Average KWH Consumption Per Customer	4,737,696	5,710,585	5,931,342	5,559,430	5,586,920	30
Average Revenue Per KWH Sold (Cents)	5.53	6.35	3.55	3.78	3.38	31
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
Steam Power Expense						32
Nuclear Power Expense						33
Hydraulic Power Expense						34
Other Power Generation Expense						35
Other Power Supply Expense	229,694,703	252,583,211	\$182,638,722	\$199,137,081	\$166,697,614	36
Total Power Production Expense	229,694,703	252,583,211	182,638,722	199,137,081	166,697,614	37
Transmission Expense	6,930,796	7,815,131	6,877,843	7,613,332	9,386,953	38
Distribution Expense	27,799,633	28,271,212	25,186,770	31,320,446	24,688,749	39
Customer Account Expense	20,706,081	20,422,427	20,854,199	21,564,778	19,047,212	40
Sales Expense	153,533	30,133	25,033	23,551	36,376	41
Administrative and General	41,325,779	34,673,357	40,899,748	43,519,789	30,376,164	42
Total Operation & Maintenance Expens:	\$326,610,525	\$343,795,471	\$276,482,315	\$303,178,977	\$250,233,068	43

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Escrow customers) which are not included in this publication.

**ORANGE AND ROCKLAND UTILITIES, INC.
DISTRIBUTION OF ELECTRIC REVENUES
YEARS ENDED DECEMBER 31,**

	2006	2005	2004	2003	2002
1 Total Revenues	\$427,711,673	\$452,025,803	\$368,129,383	\$409,970,601	\$356,013,756
2 Sales of Electricity (KWHs-000)	4,421,075	4,635,830	4,374,983	4,270,538	4,427,842
DOLLAR AMOUNTS					
3 Fuel and Purchased Power	\$228,495,859	\$250,794,084	\$180,785,265	\$197,367,977	\$164,635,381
4 Wages and Benefits	59,311,926	51,327,414	55,367,233	59,816,787	43,894,853
5 Other Expenses	38,802,740	41,673,973	40,329,817	46,195,966	41,702,834
6 Depreciation & Amortization Expenses	22,185,402	22,120,795	21,594,362	21,346,622	20,674,430
7 Income Taxes-Operating	12,826,421	17,308,270	5,750,346	17,773,042	13,575,980
8 Other Taxes-Operating	26,638,715	27,134,878	28,173,010	29,025,293	30,465,629
9 Capital Costs	39,450,610	41,666,389	36,129,350	38,444,914	41,064,649
10 Total	\$427,711,673	\$452,025,803	\$368,129,383	\$409,970,601	\$356,013,756
PERCENT OF REVENUE					
11 Fuel and Purchased Power	53.4	55.5	49.1	48.1	46.2
12 Wages and Benefits	13.9	11.4	15.0	14.6	12.3
13 Other Expenses	9.1	9.2	11.0	11.3	11.7
14 Depreciation & Amortization Expenses	5.2	4.9	5.9	5.2	5.8
15 Income Taxes-Operating	3.0	3.8	1.6	4.3	3.8
16 Other Taxes-Operating	6.2	6.0	7.7	7.1	8.6
17 Capital Costs	9.2	9.2	9.8	9.4	11.5
18 Total	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
19 Fuel and Purchased Power	5.17	5.41	4.13	4.62	3.72
20 Wages and Benefits	1.34	1.11	1.27	1.40	0.99
21 Other Expenses	0.88	0.90	0.92	1.08	0.94
22 Depreciation & Amortization Expenses	0.50	0.48	0.49	0.50	0.47
23 Income Taxes-Operating	0.29	0.37	0.13	0.42	0.31
24 Other Taxes-Operating	0.60	0.59	0.64	0.68	0.69
25 Capital Costs	0.89	0.90	0.83	0.90	0.93
26 Total	9.67	9.75	8.41	9.60	8.04

Notes:

Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below**Fuel and Purchased Power**

Steam - Fuel					
Nuclear - Fuel					
Hydro - Water for Power					
Other Power - Fuel					
Purchased Power	228,495,859	250,794,084	180,785,265	197,367,977	164,635,381
Total Fuel and Purchased Power	228,495,859	250,794,084	180,785,265	197,367,977	164,635,381
-Fuel and PP related to Sales for Resale					
Fuel and PP - Ultimate Customers	228,495,859	250,794,084	180,785,265	197,367,977	164,635,381

Wages and Benefits

Salaries	38,867,833	36,534,092	35,859,744	34,726,017	33,373,673
Pensions and Benefits	20,444,093	14,793,322	19,507,489	25,090,770	10,521,180
Total Wages and Benefits	59,311,926	51,327,414	55,367,233	59,816,787	43,894,853

Other Expenses

Total O&M Expenses	326,610,525	343,795,471	276,482,315	303,178,977	250,233,068
-Total Fuel and PP	228,495,859	250,794,084	180,785,265	197,367,977	164,635,381
-Wages and Benefits	59,311,926	51,327,414	55,367,233	59,816,787	43,894,853
-Other Gains				15,905	
+Other Losses				217,658	
-Other Revenues					
Other Expenses/Income	38,802,740	41,673,973	40,329,817	46,195,966	41,702,834

Depreciation and Amortization

Depreciation Exp	19,990,711	18,654,420	18,029,539	17,090,281	16,166,702
Amort & Depl of Utility Plant	2,194,691	3,466,375			4,507,728
Amort of Other Utility Plant					
Amort of Property Losses					
Amort of Conversion Expenses			3,564,823	4,256,341	
Total Depre and Amort	22,185,402	22,120,795	21,594,362	21,346,622	20,674,430

Fuel and PP related to Sales for Resale (Not Used)

Total Fuel and PP	228,495,859	250,794,084	180,785,265	197,367,977	164,635,381
divided by Total MWHs	4,421,075	4,635,830	4,374,983	4,270,538	4,427,842
Fuel Cost per KWH	0.0517	0.0541	0.0413	0.0462	0.0372
times Sales for Resale MWHs	381,708	319,361	284,327	289,229	480,923
Sales for Resale Fuel	19,727,939	17,277,133	11,749,104	13,367,061	17,881,609

ORANGE AND ROCKLAND UTILITIES, INC.
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
ELECTRIC UTILITY PLANT						
Intangible	1,250,931	1,250,930	\$1,250,930	\$1,250,930	\$866,357	1
Production						
Steam						2
Nuclear						3
Hydraulic						4
Other						5
Transmission	130,596,557	114,847,057	118,657,594	122,361,418	122,920,411	6
Distribution	505,570,469	479,219,972	445,184,769	426,298,727	400,637,563	7
General	33,697,632	32,638,644	30,251,713	27,767,204	27,669,436	8
Electric - Purchased or Sold	65,422	65,422	65,422	65,422	65,422	9
Experimental - Unclassified						10
Nuclear Fuel Assemblies						11
Total Electric Plant In Service	671,181,011	628,022,025	595,410,428	577,743,701	552,159,189	12
Leased To Others						13
Held For Future Use	3,791,002	642,682	759,907	1,064,970	1,332,146	14
Construction Work in Progress	27,238,624	20,846,880	11,744,545	14,140,743	10,605,008	15
Aquisition Adjustments						16
Total Electric Utility Plant	702,210,637	649,511,587	607,914,880	592,949,414	564,096,343	17
Accum. Provision - Depr. & Amort.	221,170,902	212,834,314	204,894,388	200,305,436	186,422,843	18
Net Electric Plant	\$481,039,735	\$436,677,273	\$403,020,492	\$392,643,978	\$377,673,500	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.75	0.75	0.81	0.78	0.75	20
Total Capitalization	\$831,579,304	\$831,579,304	\$711,509,565	\$696,561,856	\$676,216,213	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>						
Long-Term Debt	38.2%	38.2%	39.1%	39.9%	46.2%	22
Preferred Stock						23
Common Stock & Retained Earnings	45.3%	45.3%	55.9%	54.6%	51.5%	24
Short-Term Debt	16.5%	16.5%	5.0%	5.5%	2.3%	25
Pretax Coverage of Interest Expense	2.92	3.97	3.52	4.27	3.42	26
Com. Stock Dividends as a % of Earnings	158.9%	122.9%	53.9%	51.2%	49.7%	27
Return on Common Equity	7.2%	12.1%	10.6%	12.0%	13.7%	28
Internal Cash Generated as a % of Cash Outflows for Construction	118.0%	6.9%	93.6%	201.3%	191.7%	29
Earnings per Share	\$27,207.61	\$57,747.73	\$51,954.49	\$54,736.72	\$56,364.71	30
Book Value per Share	\$376,708.59	\$376,708.59	\$397,799.07	\$380,657.72	\$348,227.12	31
Dividends per Share	\$28,000.00	\$71,000.00	\$28,000.00	\$28,000.00	\$28,000.00	32
Number of Employees		633	573	575	616	33

Current Assets	222,251,377	240,106,690	181,257,061	149,846,218	125,772,357
Current Liabilities	319,169,570	320,913,619	222,962,276	192,780,135	167,326,664
Total Capitalization	827,094,704	831,579,304	711,509,565	696,561,856	676,216,213
Long-Term Debt	392,967,664	317,977,213	277,935,491	277,819,790	312,704,090
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	360,577,040	376,708,591	397,799,074	380,657,716	348,227,123
Short-Term Debt	73,550,000	136,893,500	35,775,000	38,084,350	15,281,000
Pretax Income	72,335,475	81,272,399	61,436,612	80,771,580	74,323,536
Interest Expense	24,778,699	20,479,641	17,454,004	18,929,226	21,705,284
Common Dividends Paid	28,000,000	71,000,000	28,000,000	28,000,000	28,000,000
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	17,625,584	57,747,731	51,954,487	54,736,721	56,364,710
Internal Cash	109,549,726	5,447,886	55,395,502	92,297,194	93,831,057
Cash Outflows for Construction	92,818,841	79,338,335	59,151,702	45,853,114	48,951,307
Shares Outstanding (Millions)	1,000	1,000	1,000	1,000	1,000
Number of Employees		633	573	575	616

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
UTILITY PLANT					
1 Electric Utility Plant	\$1,374,271,748	\$1,275,130,255	\$1,237,367,966	\$2,150,300,196	\$2,008,139,863
2 Less Accum. Prov. For Deprec. & Amort.	513,017,926	470,876,605	438,809,526	1,314,570,650	1,400,155,342
3 Net Electric Utility Plant	861,253,822	804,253,650	798,558,440	835,729,546	607,984,521
4 Gas Utility Plant	586,704,060	573,973,504	558,778,274	548,054,766	533,747,036
5 Less Accum. Prov. For Deprec. & Amort.	207,163,455	198,487,177	187,337,947	181,592,201	179,473,291
6 Net Gas Utility Plant	379,540,605	375,486,327	371,440,327	366,462,565	354,273,745
7 Other Utility Plant	206,503,977	201,379,955	208,425,129	204,432,898	184,517,357
8 Less Accum. Prov. For Deprec. & Amort.	88,115,467	96,539,882	80,822,479	64,865,673	49,948,809
9 Net Other Utility Plant	118,388,510	104,840,073	127,602,650	139,567,225	134,568,548
10 Total Utility Plant	2,167,479,785	2,050,483,714	2,004,571,369	2,902,787,860	2,726,404,256
11 Less Accum. Prov. For Deprec. & Amort.	808,296,848	765,903,664	706,969,952	1,561,028,524	1,629,577,442
12 Net Total Utility Plant	1,359,182,937	1,284,580,050	1,297,601,417	1,341,759,336	1,096,826,814
OTHER PROPERTY AND INVESTMENTS					
13 Nonutility Property	260,543	260,543	291,859	106,499	106,499
14 Accum. Prov. For Deprec. & Amort.					
15 Investment in Associated Companies					
16 Investment in Subsidiary Companies					
17 Other Investments	551,467	676,021	961,923	826,874	955,718
18 Other Special Funds	108,818,634	11,069,531	12,005,637	286,451,640	238,774,449
19 Total Other Property and Investments	109,630,644	12,006,095	13,259,419	287,385,013	239,836,666
CURRENT AND ACCRUED ASSETS					
20 Cash	5,432,406	(1,300,204)	(4,678,541)	4,095,926	4,134,677
21 Special Deposits			2,127,290		
22 Working Funds	469,629	1,080,925	1,290,140	3,705,965	2,841,585
23 Temporary Cash Investments		77,813,349	69,223,808	9,500,000	82,250,000
24 Notes Receivable					
25 Accounts Receivable	163,397,621	133,079,896	117,827,981	107,913,963	97,460,845
26 Accum. Prov. For Uncollectible Accts.	(10,900,000)	(13,481,685)	(21,481,685)	(27,181,685)	(31,181,685)
27 Notes Receivable from Associated Cos.					
28 Accounts Receivable from Assoc. Cos.	10,950,999	19,212,567	12,422,676	24,524,090	20,330,106
29 Materials and Supplies	20,479,168	20,851,346	11,683,815	12,439,576	11,608,050
30 Gas Stored Underground - Current	41,878,873	49,360,428	35,120,005	23,885,654	15,413,810
31 Liquefied Natural Gas in Storage					
32 Prepayments	23,587,902	21,221,955	19,551,887	13,231,618	35,323,172
33 Interest and Dividends Receivable	80,314	121,083	89,685	171,043	693,294
34 Rents Receivable		735,711	679,503	656,691	646,074
35 Accrued Utility Revenue	49,612,875	54,139,745	44,231,515	49,954,095	58,608,934
36 Misc. Current and Accrued Assets	44,537,872	27,410,743			
37 Total Current and Accrued Assets	349,527,659	390,245,859	288,088,079	222,896,936	298,128,862
DEFERRED DEBITS					
38 Unamort. Debt Expense	14,276,890	15,779,813	23,623,014	27,186,525	28,027,003
39 Extraordinary Property Losses					
40 Prelim. Survey and Investigation Charges					
41 Clearing Accounts					
42 Temporary Facilities					
43 Miscellaneous Deferred Debits	559,725,834	580,640,649	598,873,681	819,278,672	768,094,821
44 Deferred Losses from Disp. of Utility Plant					
45 Research and Development					
46 Accumulated Deferred Income Taxes	146,987,586	195,983,831	212,037,538	153,625,587	127,823,568
47 Total Deferred Debits	720,990,310	792,404,293	834,534,233	1,000,090,784	923,945,392
48 Total Assets and Other Debits	\$2,539,331,550	\$2,479,236,297	\$2,433,483,148	\$2,852,132,069	\$2,558,737,734

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
PROPRIETARY CAPITAL						
Common Stock Issued	\$194,429,065	\$194,429,065	\$194,429,065	\$194,429,065	\$194,429,065	1
Preferred Stock Issued				72,000,000	72,000,000	2
Capital Stock Subscribed						3
Stock Liability for Conversion						4
Premium on Capital Stock	519,192,263	519,192,263	519,275,675	519,275,675	519,275,675	5
Other Paid-in Capital	(20,411,400)	(20,821,259)	(21,080,524)	53,356,328	53,054,482	6
Installments Received on Capital Stock						7
Capital Stock Expense	(15,118,364)	(15,118,364)	(16,441,654)	(16,441,654)	(16,441,654)	8
Retained Earnings	50,844,016	28,548,813	19,559,729	121,031,957	154,266,891	9
Accumulated Other Comprehensive Income	(9,106,985)	(6,487,179)	(26,335)			
Unapp Undistributed Subsidiary Earnings						10
Required Capital Stock	(117,238,170)	(117,238,170)	(117,238,171)	(117,238,171)	(117,238,171)	11
Total Proprietary Capital	602,590,425	582,505,169	578,477,785	826,413,200	859,346,288	12
LONG-TERM DEBT						
Bonds	571,500,000	571,500,000	571,500,000	700,500,000	625,500,000	13
Required Bonds						14
Advances from Associated Companies						15
Other Long-Term Debt	127,400,000	127,400,000	127,400,000	127,400,000	127,400,000	16
Unamortized Premium on Long-Term Debt			5,711	9,628	13,545	17
Unamortized Discount on Long-Term Debt-D	(875,088)	(949,263)	(1,440,567)	(1,398,473)	(659,352)	18
Total Long-Term Debt	698,024,912	697,950,737	697,465,144	826,511,155	752,254,193	19
CURRENT AND ACCRUED LIABILITIES						
Notes Payable	20,890,000					20
Accounts Payable	90,210,194	104,319,998	74,990,755	69,977,442	67,675,921	21
Notes Payable to Associated Companies						22
Accounts Payable to Associated Companies	19,842,310	13,256,413	7,740,026	6,915,588	7,365,253	23
Customer Deposits	3,762,672	3,537,742	2,538,664	2,151,886	2,325,074	24
Taxes Accrued	22,138,549	21,977,246	19,596,681	24,130,017	3,450,804	25
Interest Accrued	9,589,507	9,829,653	9,294,782	11,540,084	10,508,531	26
Dividends Declared	25,000,000			512,500	925,000	27
Matured Long-Term Debt						28
Matured Interest						29
Tax Collections Payable	(385,566)	659,802	737,423	583,105	111,379	30
Misc. Current and Accrued Liabilities	63,726,588	34,420,568	49,475,144	26,977,703	197,207,789	31
Total Current and Accrued Liabilities	254,774,254	188,001,422	164,373,475	142,788,325	289,569,751	32
DEFERRED CREDITS						
Customer Advances for Construction						33
Other Deferred Credits	372,882,795	430,092,712	412,002,490	136,188,841	206,424,552	34
Accumulated Deferred Investment Tax Credit	6,797,008	7,985,009	9,173,009	15,300,540	16,996,075	35
Deferred Gains from Disposition of Utility Plant						36
Accumulated Deferred Income Taxes	335,774,727	324,133,818	348,981,183	367,310,349	336,152,769	37
Total Deferred Credits	715,454,530	762,211,539	770,156,682	518,799,730	559,573,396	38
OPERATING RESERVES						
Property Insurance Reserve						39
Injuries and Damage Reserve	3,604,576	2,673,132	1,587,975	1,757,800	2,019,600	40
Pension and Benefits Reserve	74,583,303	80,044,556	76,396,272	72,572,471	67,107,156	41
Miscellaneous Operating Reserves	190,299,550	165,849,742	145,025,815	463,289,388	28,867,350	42
Total Operating Reserves	268,487,429	248,567,430	223,010,062	537,619,659	97,994,106	43
Total Liabilities and Other Credits	\$2,539,331,550	\$2,479,236,297	\$2,433,483,148	\$2,852,132,069	\$2,558,737,734	44

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
ELECTRIC OPERATING INCOME					
1 Operating Revenues	730,435,186	690,407,581	\$663,962,122	\$676,677,706	\$705,981,975
Operating Expense:					
2 Operation Expense	455,445,561	435,767,308	386,482,895	397,631,825	399,574,418
3 Maintenance Expense	35,901,387	39,269,017	44,843,632	52,666,372	50,418,199
4 Depreciation Expense	47,097,568	49,820,916	66,911,660	88,821,915	87,817,222
5 Amort. and Depletion of Utility Plant	5,519,176	3,768,011	1,400,835		
6 Amort. of Utility Plant Acq. Adj.	(1,836,530)	(2,585,996)			
7 Amort of Property Losses					
8 Amort of Conversion Expenses				78,303	78,303
9 Taxes Other than Income Taxes	47,025,145	43,061,426	52,428,527	57,403,428	63,628,654
10 Income Taxes	40,955,468	26,679,704	143,645,578	4,292,470	53,721,269
11 Gains from Disposition of Util. Plant					
12 Losses from Disposition of Util. Plant					
13 Total Operating Expenses	630,107,775	595,780,386	695,713,127	600,894,313	655,238,065
14 Net Operating Revenues	100,327,411	94,627,195	(31,751,005)	75,783,393	50,743,910
15 Other Electric Utility Operating Income					
16 Total Electric Utility Operating Income	100,327,411	94,627,195	(31,751,005)	75,783,393	50,743,910
GAS OPERATING INCOME					
17 Operating Revenues	384,811,247	414,059,672	369,008,467	350,481,037	289,624,104
Operating Expense:					
18 Operation Expense	284,755,052	319,247,011	276,150,681	262,209,515	212,157,643
19 Maintenance Expense	12,810,794	11,766,892	10,862,011	5,801,352	6,541,026
20 Depreciation Expense	15,974,366	17,480,162	18,023,111	17,078,499	14,940,785
21 Amort. and Depletion of Utility Plant	2,694,112	1,789,220	713,588		
22 Amort. of Utility Plant Acq. Adj.					
23 Amort of Property Losses					
24 Amort of Conversion Expenses					
25 Taxes Other than Income Taxes	22,789,690	23,028,591	22,483,007	24,641,229	25,740,936
26 Income Taxes	11,350,626	12,061,202	7,617,227	15,268,965	(5,124,410)
27 Gains from Disposition of Util. Plant					
28 Losses from Disposition of Util. Plant					
29 Total Operating Expenses	350,374,640	385,373,078	335,849,625	324,999,560	254,255,980
30 Net Operating Revenues	34,436,607	28,686,594	33,158,842	25,481,477	35,368,124
31 Other Gas Utility Operating Income					
32 Total Gas Utility Operating Income	34,436,607	28,686,594	33,158,842	25,481,477	35,368,124
33 Other Utility Operating Income					
34 Total Utility Operating Income	\$134,764,018	\$123,313,789	\$1,407,837	\$101,264,870	\$86,112,034

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
OTHER INCOME						
Income - Merch., Jobbing & Contract Work	\$12,313	\$5,913				1
Income from Nonutility Operations	1,048,376	1,072,856	1,087,698	108,541	194,345	2
Nonoperating Rental Income			(1,880)			3
Equity in Earnings of Subsidiary Companies						4
Interest and Dividend Income	2,853,375	3,574,329	4,533,739	3,829,318	14,128,397	5
Allowance for Funds Used During Constructi	1,418,979	193,444	128,691	1,557,699	1,694,448	6
Miscellaneous Nonoperating Income	109,130	5,199,135	7,378,445	(216,403)	(58,210)	7
Gain on Disposition of Property		681,042	111,954,335			8
Total Other Income	5,442,173	10,726,719	125,081,028	5,279,155	15,958,980	9
OTHER INCOME DEDUCTIONS						
Loss on Disposition of Property						10
Miscellaneous Amortization						11
Miscellaneous Income Deductions	1,004,512	2,686,059	(743,310)	2,435,277	6,074,738	12
Total Other Income Deductions	1,004,512	2,686,059	(743,310)	2,435,277	6,074,738	13
TAXES-OTHER INCOME AND DEDUCTIONS						
Taxes Other than Income Taxes				18,210	118,626	14
Income Taxes	703,921	(4,079,071)	2,064,489	(1,496,322)	(16,976,738)	15
Total Taxes-Other Income & Deductions	703,921	(4,079,071)	2,064,489	(1,478,112)	(16,858,112)	16
Net Other Income and Deductions	3,733,740	12,119,731	123,759,849	4,321,990	26,742,354	17
INTEREST CHARGES						
Interest on Long-term Debt	40,302,721	39,973,511	45,030,090	52,357,245	49,646,398	18
Amortization of Debt Discount and Expense	4,842,147	4,912,850	3,697,646	2,612,658	2,390,684	19
Amortization of Premium on Debt-Credit			3,917	3,917	(2,007,176)	20
Interest on Debt to Associated Company				45,963	20,050	21
Other Interest Expense	11,057,687	11,558,075	6,126,718	20,934,845	8,723,106	22
Total Interest Charges	56,202,555	56,444,436	54,850,537	75,946,794	62,787,414	23
Income Before Extraordinary Items	82,295,203	78,989,084	70,317,149	29,640,066	50,066,974	24
EXTRAORDINARY ITEMS						
Extraordinary Income						25
Extraordinary Deductions						26
Income Taxes, Extraordinary Items						27
Net Extraordinary Items						28
Net Income	\$82,295,203	\$78,989,084	\$70,317,149	\$29,640,066	\$50,066,974	29
RETAINED EARNINGS						
Unappropriated Retained Earnings (BOP)	\$28,312,826	\$19,323,742	\$120,795,968	\$154,030,902	\$173,818,058	30
Balance Transferred from Income	82,295,203	78,989,084	70,317,149	29,640,066	50,066,974	31
Appropriations of Retained Earnings						32
Dividends Declared-Preferred Stock			1,789,377	2,875,000	3,700,000	33
Dividends Declared-Common Stock	60,000,000	70,000,000	170,000,000	60,000,000	66,154,130	34
Adjustments to Retained Earnings						35
Net Change to Unapp. Retained Earnings	22,295,203	8,989,084	(101,472,228)	(33,234,934)	(19,787,156)	36
Unappropriated Retained Earnings (EOP)	50,608,029	28,312,826	19,323,740	120,795,968	154,030,902	37
Appropriated Retained Earnings (EOP)	235,987	235,987	235,987	235,987	235,987	38
Total Retained Earnings	\$50,844,016	\$28,548,813	\$19,559,727	\$121,031,955	\$154,266,889	39

Notes:

Beginning in 1996, the debt component of AFDUC is included with other interest expense.

ROCHESTER GAS AND ELECTRIC CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
Cash Flows from Operating Activities					
1 Net Income	\$82,295,203	\$78,989,084	\$70,317,149	\$29,640,066	\$50,066,974
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	136,018,459	130,709,093	166,468,042	178,589,502	164,832,933
3 Deferred Taxes & ITCs	45,114,119	(3,607,194)	37,944,757	2,502,568	(12,837,546)
4 Receivables and Inventory	(49,792,624)	(67,464,087)	(15,767,009)	(15,667,380)	1,816,637
5 Payables and Accrued Expenses	(13,353,905)	38,803,978	(77,384,663)	24,034,348	(1,940,164)
6 Regulatory Assets (Net)	(92,490,847)	(23,632,709)	(55,405,285)	(46,705,080)	(8,142,350)
7 Capitalized AFUDC - Equity	(1,418,979)	(193,444)	(128,691)	(2,883,027)	(3,136,125)
8 Undistributed Earnings of Affiliates					
9 Other Adjustments	3,315,907	6,861,750	(11,256,271)	13,643,419	(22,147,939)
10	(15,293,791)	(25,328,870)	(58,219,182)	(13,319,768)	(8,212,129)
11	(15,426,214)			31,548,893	(9,660,784)
12 Net Cash From Operating Activities	<u>78,967,328</u>	<u>135,137,601</u>	<u>56,568,847</u>	<u>201,383,541</u>	<u>150,639,507</u>
Cash Flows From Investing Activities					
13 Cash Outflows For Construction	(141,032,059)	(55,614,566)	(90,516,808)	(118,815,318)	(89,665,697)
14 Acquisition Of Other Non-Current Assets			530,270,854		
15 Investments in & Advances to Affiliates					
16 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
17 Property, Plant & Equipment					
18 Investments In Affiliated Companies					
19 Investment Securities					
20 Other Current Assets & Liabilities					
21 Other Cash Flows - Investing Activities					
22 Other Cash Flows - Investing Activities	53,325,000	6,208,338		(5,442,641)	(5,661,726)
23					
24 Net Cash From Investing Activities	<u>(87,707,059)</u>	<u>(49,406,228)</u>	<u>439,754,046</u>	<u>(124,257,959)</u>	<u>(95,327,423)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
25 Long-Term Debt			(129,000,000)	(85,762,453)	70,477,942
26 Common Stock					
27 Preferred Stock			(72,000,000)		
28 Short-Term Debt	20,890,000				
29 Dividends Paid	(35,000,000)	(70,000,000)	(246,789,377)	(63,287,500)	(58,866,896)
30 Other Cash Flows - Financing Activities					1,672,001
31					
32					
33 Net Cash From Financing Activities	<u>(14,110,000)</u>	<u>(70,000,000)</u>	<u>(447,789,377)</u>	<u>(149,049,953)</u>	<u>13,283,047</u>
34 Net Increase/(Decrease) In Cash & Equivalen	(22,849,731)	15,731,373	48,533,516	(71,924,371)	68,595,131
35 Cash & Equivalents At Beginning Of Year	28,751,766	61,862,697	17,301,891	89,226,262	20,631,131
36 Cash & Cash Equiv. At End Of Year	\$5,902,035	\$24,269,070	\$65,835,407	\$17,301,891	\$89,226,262

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE - ELECTRIC
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
SALES AND CUSTOMER DATA						
ELECTRIC REVENUES						
Residential	\$233,951,383	\$244,132,873	\$235,738,190	\$214,025,232	\$228,753,078	1
Commercial	110,076,769	104,446,750	132,827,211	131,353,683	152,218,401	2
Industrial	59,905,118	62,795,711	77,886,398	81,248,741	92,023,202	3
Other Ultimate Customers	28,386,014	27,643,005	34,833,353	26,907,702	37,749,698	4
Total Revenues-Ultimate Customers	432,319,284	439,018,339	481,285,152	453,535,358	510,744,379	5
Resales	213,674,577	219,025,744	166,965,197	220,823,852	201,533,257	6
Other Operating Revenues	84,441,325	32,363,498	15,711,773	2,318,496	(6,295,661)	7
Total Electric Operating Revenues	\$730,435,186	\$690,407,581	\$663,962,122	\$676,677,706	\$705,981,975	8
KWH SALES (THOUSANDS)						
Residential	2,577,776	2,774,322	2,478,221	1,996,897	2,156,036	9
Commercial	2,515,341	2,688,878	2,490,705	1,381,318	1,645,668	10
Industrial	1,548,899	1,530,537	1,476,407	1,196,974	1,380,190	11
Other Ultimate Customers	541,723	574,825	556,261	236,909	356,345	12
Total Sales-Ultimate Customers	7,183,739	7,568,562	7,001,594	4,812,098	5,538,239	13
Resales	3,878,673	3,137,730	3,406,069	4,051,623	3,620,866	14
Total Kilowatt-Hour Sales	11,062,412	10,706,292	10,407,663	8,863,721	9,159,105	15
AVG CUSTOMERS PER MONTH						
Residential	320,205	319,429	318,354	278,996	281,565	16
Commercial	35,062	35,132	34,957	26,472	26,570	17
Industrial	1,108	1,143	1,141	809	900	18
Other Ultimate Customers	3,075	3,081	2,993	1,985	2,133	19
Total Ultimate Customers	359,450	358,785	357,445	308,262	311,168	20
Resales	20	10	10	47,705	43,221	21
Total Customers	359,470	358,795	357,455	355,967	354,389	22
ELECTRIC OPERATING REVENUE RELATIONSHIP						
Residential Sales						
Average Annual Bill Per Customer	\$731	\$764	\$740	\$767	\$812	23
Average KWH Consumption Per Customer	8,050	8,685	7,784	7,157	7,657	24
Average Revenue Per KWH Sold (Cents)	9.08	8.80	9.51	10.72	10.61	25
Commercial Sales						
Average Annual Bill Per Customer	\$3,139	\$2,973	\$3,800	\$4,962	\$5,729	26
Average KWH Consumption Per Customer	71,740	76,536	71,251	52,180	61,937	27
Average Revenue Per KWH Sold (Cents)	4.38	3.88	5.33	9.51	9.25	28
Industrial Sales						
Average Annual Bill Per Customer	\$54,066	\$54,939	\$68,262	\$100,431	\$102,248	29
Average KWH Consumption Per Customer	1,397,923	1,339,052	1,293,959	1,479,572	1,533,544	30
Average Revenue Per KWH Sold (Cents)	3.87	4.10	5.28	6.79	6.67	31
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
Steam Power Expense	\$61,107,228	\$53,233,986	\$47,520,152	\$56,159,575	\$53,224,834	32
Nuclear Power Expense		(60,474)	40,401,875	86,125,457	75,545,586	33
Hydraulic Power Expense	1,538,256	1,732,535	2,716,967	515,803	704,540	34
Other Power Generation Expense	5,732,412	702,600	5,925,901	1,440,124	415,958	35
Other Power Supply Expense	277,899,052	267,845,437	190,653,522	96,577,622	136,705,911	36
Total Power Production Expense	346,276,948	323,454,084	287,218,417	240,818,581	266,596,829	37
Transmission Expense	10,753,699	11,390,495	12,805,505	29,702,766	33,250,336	38
Distribution Expense	39,555,821	41,274,584	31,568,981	28,867,963	42,680,363	39
Customer Account Expense	20,407,748	14,797,540	19,017,101	19,884,950	25,186,133	40
Sales Expense	3,602,526	3,058,642	3,456,506	15,830	23,346	41
Administrative and General	70,750,206	81,040,980	77,260,017	131,008,107	85,204,838	42
Total Operation & Maintenance Expens:	\$491,346,948	\$475,016,325	\$431,326,527	\$450,298,197	\$452,941,845	43

Notes:

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

ROCHESTER GAS AND ELECTRIC CORPORATION
DISTRIBUTION OF ELECTRIC REVENUES
YEARS ENDED DECEMBER 31,

	2006	2005	2004	2003	2002
1 Total Revenues	\$730,435,186	\$690,407,581	\$663,962,122	\$676,677,706	\$705,981,975
2 Sales of Electricity (KWHs-000)	11,062,412	10,706,292	10,407,663	8,863,721	9,159,105
DOLLAR AMOUNTS					
3 Fuel and Purchased Power	\$305,505,569	\$287,805,953	\$222,790,762	\$148,976,069	\$187,030,089
4 Wages and Benefits	40,096,058	45,130,282	57,290,752	94,842,490	103,964,042
5 Other Expenses	145,745,321	142,080,090	151,245,013	206,479,638	161,947,714
6 Depreciation & Amortization Expenses	50,780,214	51,002,931	68,312,495	88,900,218	87,895,525
7 Income Taxes-Operating	40,955,468	26,679,704	143,645,578	4,292,470	53,721,269
8 Other Taxes-Operating	47,025,145	43,061,426	52,428,527	57,403,428	63,628,654
9 Capital Costs	100,327,411	94,647,195	(31,751,005)	75,783,393	47,794,682
10 Total	\$730,435,186	\$690,407,581	\$663,962,122	\$676,677,706	\$705,981,975
PERCENT OF REVENUE					
11 Fuel and Purchased Power	41.8	41.7	33.6	22.0	26.5
12 Wages and Benefits	5.5	6.5	8.6	14.0	14.7
13 Other Expenses	20.0	20.6	22.8	30.5	22.9
14 Depreciation & Amortization Expenses	7.0	7.4	10.3	13.1	12.5
15 Income Taxes-Operating	5.6	3.9	21.6	0.6	7.6
16 Other Taxes-Operating	6.4	6.2	7.9	8.5	9.0
17 Capital Costs	13.7	13.7	-4.8	11.2	6.8
18 Total	100.0	100.0	100.0	100.0	100.0
CENTS PER KWH					
19 Fuel and Purchased Power	2.76	2.69	2.14	1.68	2.04
20 Wages and Benefits	0.36	0.42	0.55	1.07	1.14
21 Other Expenses	1.32	1.33	1.45	2.33	1.77
22 Depreciation & Amortization Expenses	0.46	0.48	0.66	1.00	0.96
23 Income Taxes-Operating	0.37	0.25	1.38	0.05	0.59
24 Other Taxes-Operating	0.43	0.40	0.50	0.65	0.69
25 Capital Costs	0.91	0.88	-0.31	0.85	0.52
26 Total	6.60	6.45	6.38	7.63	7.71

Notes:

Includes Sales for Resale

These figures represent revenues and sales to full-service customers only (customers who receive their commodity and transportation services from the utility). Reductions in the Average Annual Bill Per Customer and Average KWH Consumption Per Customer in 1999 reflect the migration of some full-service customers to partial-service status (i.e., Esco customers) which are not included in this publication.

Data Field Below**Fuel and Purchased Power**

Steam - Fuel	33,140,878	30,642,043	28,071,767	35,445,001	34,049,984
Nuclear - Fuel			6,283,409	16,321,649	16,105,538
Hydro - Water for Power	79,500	26,500		545	24,474
Other Power - Fuel	3,943,958	624,529	5,829,876	612,788	280,108
Purchased Power	268,341,233	256,512,881	182,605,710	96,596,086	136,569,985
Total Fuel and Purchased Power	305,505,569	287,805,953	222,790,762	148,976,069	187,030,089
-Fuel and PP related to Sales for Resale					
Fuel and PP - Ultimate Customers	305,505,569	287,805,953	222,790,762	148,976,069	187,030,089

Wages and Benefits

Salaries	39,384,450	41,433,575	61,145,079	88,198,322	99,190,449
Pensions and Benefits	711,608	3,696,707	(3,854,327)	6,644,168	4,773,593
Total Wages and Benefits	40,096,058	45,130,282	57,290,752	94,842,490	103,964,042

Other Expenses

Total O&M Expenses	491,346,948	475,016,325	431,326,527	450,298,197	452,941,845
-Total Fuel and PP	305,505,569	287,805,953	222,790,762	148,976,069	187,030,089
-Wages and Benefits	40,096,058	45,130,282	57,290,752	94,842,490	103,964,042
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses/Income	145,745,321	142,080,090	151,245,013	206,479,638	161,947,714

Depreciation and Amortization

Depreciation Exp	47,097,568	49,820,916	66,911,660	88,821,915	87,817,222
Amort & Depl of Utility Plant	5,519,176	3,768,011	1,400,835		
Amort of Other Utility Plant	(1,836,530)	(2,585,996)			
Amort of Property Losses					
Amort of Conversion Expenses				78,303	78,303
Total Depre and Amort	50,780,214	51,002,931	68,312,495	88,900,218	87,895,525

Fuel and PP related to Sales for Resale (Not Used)

Total Fuel and PP	305,505,569	287,805,953	222,790,762	148,976,069	187,030,089
divided by Total MWHs	11,062,412	10,706,292	10,407,663	8,863,721	9,159,105
Fuel Cost per KWH	0.0276	0.0269	0.0214	0.0168	0.0204
times Sales for Resale MWHs	3,878,673	3,137,730	3,406,069	4,051,623	3,620,866
Sales for Resale Fuel	107,115,537	84,348,285	72,911,729	68,097,232	73,938,544

ROCHESTER GAS AND ELECTRIC CORPORATION
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS
FOR THE YEAR ENDED DECEMBER 31,

	2006	2005	2004	2003	2002	
ELECTRIC UTILITY PLANT						
Intangible	\$8,673,898	\$2,352,856				1
Production						
Steam	138,778,175	128,823,195	\$128,801,875	\$127,652,981	\$118,825,006	2
Nuclear		112	(29,623)	595,677,440	578,921,217	3
Hydraulic	47,604,372	48,709,320	43,219,797	29,148,910	28,377,299	4
Other	4,145,581	4,143,786	4,141,152	4,141,151	4,141,151	5
Transmission	269,635,786	259,516,857	255,547,372	247,961,808	247,194,026	6
Distribution	805,297,393	790,785,521	778,209,425	686,586,900	679,528,298	7
General	23,653,561	23,174,383	20,413,720	22,799,025	22,444,793	8
Electric - Purchased or Sold						9
Experimental - Unclassified						10
Nuclear Fuel Assemblies				253,980,346	237,246,878	11
Total Electric Plant In Service	1,297,788,766	1,257,506,030	1,230,303,718	1,967,948,561	1,916,678,667	12
Leased To Others						13
Held For Future Use	1,830,735	1,834,852	1,834,852	2,346,191	2,346,129	14
Construction Work in Progress	74,652,247	15,789,373	5,229,396	89,319,793	88,175,457	15
Aquisition Adjustments				90,685,651	939,667	16
Total Electric Utility Plant	1,374,271,748	1,275,130,255	1,237,367,966	2,150,300,196	2,008,139,920	17
Accum. Provision - Depr. & Amort.	513,017,926	470,876,605	438,809,526	1,314,570,650	1,400,155,342	18
Net Electric Plant	\$861,253,822	\$804,253,650	\$798,558,440	\$835,729,546 0	\$607,984,578	19
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.37	1.77	1.78	1.56	1.03	20
Total Capitalization	\$1,321,505,337	\$1,275,969,264	\$1,275,969,264	\$1,652,924,355	\$1,611,600,481	21
<u>Percent Of Capitalization (Incl S-T Debt)</u>						
Long-Term Debt	52.8%	54.7%	54.7%	50.0%	46.7%	22
Preferred Stock				4.4%	4.5%	23
Common Stock & Retained Earnings	45.6%	45.3%	45.3%	45.6%	48.9%	24
Short-Term Debt						25
Pretax Coverage of Interest Expense	3.41	2.87	2.78	1.59	2.30	26
Com. Stock Dividends as a % of Earnings	72.9%	56.8%	-44556.3%	61.0%	142.7%	27
Return on Common Equity	13.9%	21.3%	-0.1%	12.8%	6.0%	28
Internal Cash Generated as a % of Cash Outflows for Construction	56.0%	243.0%	62.5%	146.4%	168.0%	29
Earnings per Share	\$2.12	\$3.17	(\$0.01)	\$2.53	\$1.19	30
Book Value per Share	\$15.50	\$14.88	\$14.88	\$19.40	\$20.25	31
Dividends per Share	\$1.54	\$1.80	\$4.37	\$1.54	\$1.70	32
Number of Employees						33

Current Assets	349,527,659	283,920,675	283,920,675	222,896,936	298,128,862
Current Liabilities	254,774,254	160,189,871	159,413,973	142,788,325	289,569,751
Total Capitalization	1,321,505,337	1,275,969,264	1,275,969,264	1,652,924,355	1,611,600,481
Long-Term Debt	698,024,912	697,465,144	697,465,144	826,511,155	752,254,193
Preferred Stock				72,000,000	72,000,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	602,590,425	578,504,120	578,504,120	754,413,200	787,346,288
Short-Term Debt					
Pretax Income	191,507,773	162,054,695	152,670,642	120,826,305	144,474,509
Interest Expense	56,202,555	56,444,436	54,850,537	75,946,794	62,787,414
Common Dividends Paid	60,000,000	70,000,000	170,000,000	60,000,000	66,154,130
Net Income Before Extraordinary Items (Excl. Preferred Stock Dividends)	82,295,203	123,313,789	(381,540)	98,389,870	46,366,974
Internal Cash	78,967,328	135,137,601	56,568,847	174,000,280	150,639,507
Cash Outflows for Construction	141,032,059	55,614,566	90,516,808	118,815,318	89,665,697
Shares Outstanding (Millions)	38,885,813	38,885,813	38,885,813	38,885,813	38,885,813
Number of Employees (Total)	800	817	1,061	N/A	N/A
Misc Deferred Debits - Net	186,843,039	150,547,937	186,871,191	683,089,831	561,670,269