

LIPA (Sub)
Statement Of Operations
For the Period Ending September 30, 2008
(Unaudited)
(in thousands)

	September YTD 2008	September YTD 2007
Revenue		
System	\$2,770,147,131.05	\$2,710,366,074.86
Non-product sales	5,526,071.84	7,100,041.26
Management fee income	0.00	0.00
Miscellaneous Revenue	10,008,743.10	9,434,462.79
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Total Revenue	2,785,681,945.99	2,726,900,578.91
Expenses		
Fuel and purchased power	1,597,330,641.00	1,406,897,134.10
Operations and maintenance	579,314,796.44	583,802,695.50
General and administrative	28,434,246.00	39,297,106.87
Operating Taxes	180,044,961.53	170,481,401.09
Rebate Expense	17,981.75	4,059.59
Salaries and Benefits	0.00	0.00
Legal	0.00	0.00
Depreciation and Amortization	184,537,757.26	184,481,039.09
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Total Expenses	2,569,680,383.98	2,384,963,436.24
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Operating Income	216,001,562.01	341,937,142.67
Other Income & Deductions		
Gain (Loss) on Early Extinguishment of Debt	0.00	0.00
Gain (Loss) on Investment of Sub	0.00	0.00
Income on Prom. Note from Sub	0.00	0.00

Income on designated funds	14,724,909.00	17,611,889.02
Other income & deductions, Net	33,051,227.68	33,022,078.80
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Total Other Income & Deductions	47,776,136.68	50,633,967.82
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Income from Continuing Operations Before Interest Charges	263,777,698.69	392,571,110.49
Interest Charges and (Credits)		
Interest on Long Term Debt	0.00	0.00
Interest on Note Payable	239,565,350.00	250,568,750.00
Interest on Capital Lease Obligations	0.00	0.00
Other Interest	4,816,229.80	6,877,512.32
Allow. for borrowed funds used in Construction	(6,092,178.05)	(6,215,503.08)
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Total Other Income and (Expenses)	238,289,401.75	251,230,759.24
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Net Income (Loss)	25,488,296.94	141,340,351.25
Accumulated Deficit	266,111,343.79	311,571,691.26

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Statement of Operation

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Statement Of Operations
For the Period Ending September 30, 2008
(Unaudited)
(in thousands)

	September YTD 2008	September YTD 2007
Revenue		
System:		
4000-0000-000 Residential CORP	1,009,866,962.54	1,005,553,694.82
4000-0004-000 Residential 2003 Fuel Recovery CORP	13,279,701.20	13,262,793.03
4000-0008-000 Residential Current Yr Fuel Recovery COR	473,250,723.80	457,067,110.06
4000-0450-000 Residential Shoreham Settlement CORP	(14,579,996.15)	(13,892,087.35)
4000-1605-000 Residential 2006 Excess Fuel Recovery CO	0.00	(71,267,166.37)
4000-1606-000 Residential 2007 Excess Fuel Recovery CO	(40,158,821.63)	0.00
4005-0000-000 Commercial & Industrial CORP	830,456,099.79	857,841,101.39
4005-0004-000 Commercial & Industrial 2003 Fuel Recove	11,672,503.85	12,332,001.31
4005-0008-000 Commercial & Industrial Current Yr Fuel	414,898,898.16	425,056,334.41
4005-0075-000 Commercial & Industrial Interconnection	2,374,963.90	2,322,965.50
4005-0450-000 Commercial & Industrial Shoreham Settlem	(13,112,360.04)	(12,863,329.04)
4005-1605-000 Commercial & Industrial 2006 Excess Fuel	0.00	(66,192,297.41)
4005-1606-000 Commercial & Industrial 2007 Excess Fuel	(35,051,551.29)	0.00
4011-0049-000 Shoreham Settlement Suffolk CORP	11.41	5.92
4011-0510-000 Shoreham Settlement Non Suffolk CORP	0.12	0.00
4310-0000-000 Other Sales to Public Authorities CORP	17,813,696.32	18,577,951.79
4310-0004-000 Other Sales to Public Authorities 2003 F	380,618.68	378,899.99
4310-0008-000 Other Sales to Public Authorities Curren	13,489,432.68	13,055,871.95
4310-0450-000 Other Sales to Public Authorities Shoreh	(230,722.68)	(231,777.40)
4310-1605-000 Other Sales to Public Authorities 2006 E	0.00	(2,038,116.19)
4310-1606-000 Other Sales to Public Authorities 2007 E	(1,133,863.95)	0.00
4315-0000-000 Street Lighting CORP	12,294,669.58	12,165,169.35
4315-0004-000 Street Lighting 2003 Fuel Recovery CORP	229,994.23	231,528.17
4315-0008-000 Street Lighting Current Yr Fuel Recovery	8,136,391.18	7,988,612.54

4315-0450-000 Street Lighting Shoreham Settlement CORP	(176,708.92)	(155,323.04)
4315-1605-000 Street Lighting 2006 Excess Fuel Recover	0.00	(1,233,521.90)
4315-1606-000 Street Lighting 2007 Excess Fuel Recover	(681,758.06)	0.00
4335-0004-000 ESCO Revenue 2003 Fuel Recovery CORP	2,018,497.13	1,763,719.97
4335-0008-000 ESCO Revenue Current Yr Fuel Recovery CO	70,874,548.04	59,926,053.21
4335-1605-000 ESCO Revenue 2006 Excess Fuel Recovery C	86,382.67	(9,284,119.85)
4335-1606-000 ESCO Revenue 2007 Excess Fuel Recovery C	(5,851,181.51)	0.00

Total System	2,770,147,131.05	2,710,366,074.86
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Non-product sales:

4320-0000-000 Sales for Resale CORP	989,270.51	1,886,868.95
4321-0041-000 ICAP Sales PASNY CORP	0.00	0.00
4321-0042-000 ICAP Sales Gilboa CORP	0.00	0.00
4321-0043-000 ICAP Sales PG & E CORP	0.00	71,910.00
4321-0046-000 ICAP Sales Rockville Centre CORP	244,220.00	624,843.00
4321-0047-000 ICAP Sales Freeport CORP	0.00	0.00
4321-0322-000 ICAP Sales Con Ed CORP	0.00	0.00
4330-0000-000 Wheeling Revenue CORP	0.00	0.00
4330-0041-000 Wheeling Revenue PASNY CORP	3,897,748.33	4,124,631.31
4330-0077-000 Wheeling Revenue Suffolk CORP	394,833.00	391,788.00
4330-0322-000 Wheeling Revenue Con Ed CORP	0.00	0.00

Total Non-product sales	5,526,071.84	7,100,041.26
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Miscellaneous Revenue:

4700-0000-000 GRT on Net ESCO CORP	0.00	20,611.21
4900-0000-000 Misc. Rev. CORP	2,726,079.41	2,879,113.05
4900-0065-000 Misc. Rev. Pole Attachment CORP	3,485,845.17	3,394,675.89
4900-0067-000 Misc. Rev. Late Pmt Charges CORP	3,796,818.52	3,140,062.64

Total Miscellaneous Revenue	10,008,743.10	9,434,462.79
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Total Revenue	2,785,681,945.99	2,726,900,578.91
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Expenses

Fuel and purchased power:

5050-0000-000 ESCO Purch Power CORP	(1,034,767.00)	(1,656,924.91)
5050-0005-000 ESCO Purch Power Keyspan CORP	0.00	1,042,035.28
5050-0321-000 ESCO Purch Power Constellation Energy CO	26,889,633.40	7,237,856.18
5050-0322-000 ESCO Purch Power Con Ed CORP	67,974,979.55	40,886,736.91
5050-0343-000 ESCO Purch Power Select Energy of NY COR	4,244,658.41	6,557,655.66
5055-1855-000 Unrealized (Gain)orLoss Fuel Derivat CO	0.00	0.00
5056-1855-000 Premium Liquidation Fuel Derivatives COR	9,566,260.94	17,045,369.03
5057-1855-000 Financial Settlement Fuel Derivatives CO	(238,452,802.03)	(6,912,392.12)
5059-6020-000 EMA/PSM Fuels Mgmt Fee CORP	2,017,760.40	1,983,064.92
5059-6021-000 EMA/PSM Fuels Mgmt Fee-FTU CORP	460,800.00	450,000.00
5059-6030-000 EMA/PSM Purchase Pwr Supp. Mgt. Fee CORP	1,306,138.27	1,288,321.90
5059-6035-000 EMA/PSM Synergy Savings CORP	(708,500.00)	(1,275,300.00)
5059-6040-000 EMA/PSM Oil Incentive CORP	869,760.70	3,396,424.14
5059-6055-000 EMA/PSM Gas Incentive CORP	4,130,239.30	1,603,575.86
5059-7000-000 EMA/PSM Off System Sale Elect. CORP	9,812,976.24	4,513,888.18
5060-0000-000 Purchase Power CORP	(50,518.19)	(400,000.00)
5060-0047-000 Purchase Power Freeport CORP	2,600,968.45	3,117,848.58
5060-0069-000 Purchase Power Emissions Credit CORP	0.00	0.00
5060-0081-000 Purchase Power Y49 CORP	19,305,603.34	20,389,201.19
5060-0315-000 Purchase Power NYISO CORP	(57,913,659.84)	(9,961,217.38)
5060-0318-000 Purchase Power Niagara Mohawk CORP	5,544,000.00	5,544,000.00
5060-0319-000 Purchase Power NYISO TCC Auction CORP	(128,793.21)	(607,074.09)
5060-0320-000 Purchase Power Hunt Res Recov CORP	13,050,189.38	12,222,622.74
5060-0321-000 Purchase Power Constellation Energy CORP	815,458.83	1,461,000.00
5060-0322-000 Purchase Power Con Ed CORP	5,596,584.73	5,572,537.84
5060-0323-000 Purchase Power Trigen Nassau CORP	43,055,109.25	38,839,331.92
5060-0324-000 Purchase Power American Refuel CORP	46,698,011.33	45,486,297.00
5060-0326-000 Purchase Power Covanta Babylon CORP	6,487,575.21	7,077,150.79
5060-0327-000 Purchase Power Wehran Energy CORP	25,141.60	572,174.98
5060-0331-000 Purchase Power NYPA Gilboa CORP	2,263,200.31	2,451,459.50
5060-0332-000 Purchase Power NYPA Holts CORP	113,178,178.59	68,876,694.45
5060-0333-000 Purchase Power NYPA PFJ CORP	4,316,570.80	3,923,541.30

5060-0334-000 Purchase Power Zapco CORP	258,405.51	263,276.77
5060-0338-000 Purchase Power Islip Recovery CORP	3,995,721.02	3,792,042.33
5060-0341-000 Purchase Power New Eng ISO CORP	105,539,699.56	97,356,724.14
5060-0345-000 Purchase Power AES Ridgewood Part CORP	14.48	5.88
5060-0346-000 Purchase Power Equus Power CORP	8,866,737.39	9,924,496.13
5060-0347-000 Purchase Power HQ Energy CORP	0.00	0.00
5060-0348-000 Purchase Power OATI CORP	3,969.35	2,925.00
5060-0349-000 Purchase Power South Oaks Hosp CORP	36,434.69	0.00
5060-0350-000 Purchase Power BayCogen/Ent CORP	102,677.74	194,701.11
5060-0351-000 Purchase Power P&J Lombardo CORP	485.45	475.69
5060-0354-000 Purchase Power William Floyd CORP	10,747.46	10,069.77
5060-0355-000 Purchase Power LIHome CORP	41,559.70	0.00
5060-0357-000 Purchase Power Entergy Nuc Fitz CORP	32,716,504.03	35,862,871.39
5060-0360-000 Purchase Power TFS Energy CORP	2,208.00	1,104.00
5060-0367-000 Purchase Power Pattern Recog CORP	20,020.00	14,200.00
5060-0368-000 Purchase Power Ridge/AES Power CORP	0.00	(5.88)
5060-0369-000 Purchase Power Nathan Hale Housing CORP	2,507.05	2,498.93
5060-0370-000 Purchase Power PSEG Energy Res & Trade C	1,235,000.00	512,500.00
5060-0371-000 Purchase Power Prebon Energy CORP	0.00	2,208.00
5060-0379-000 Purchase Power Bear Swamp Power Co CORP	38,922,769.57	42,506,202.46
5060-0380-000 Purchase Power PJM Inter CORP	358,910,174.34	90,785,340.94
5060-2081-000 Purchase Power Crs Sound Cbl Trans CORP	15,001,568.00	14,912,439.40
5060-5229-000 Purchase Power Ultra Fast Track CORP	(521,247.22)	11,089,712.36
5060-7101-000 Purchase Power Port Jeff CORP	10,963,598.36	11,966,380.21
5060-7102-000 Purchase Power Brentwood CORP	9,705,935.09	10,115,820.40
5060-7103-000 Purchase Power Shoreham CORP	12,724,131.28	12,831,281.31
5060-7104-000 Purchase Power Glenwood CORP	9,734,327.52	11,200,695.91
5060-7105-000 Purchase Power Bethpage 3rd Turb CORP	(18,600.03)	(18,600.03)
5060-7106-000 Purchase Power FPL Far Rockaway CORP	10,225,787.44	10,305,081.78
5060-7108-000 Purchase Power Global Common/Greenport C	8,166,092.91	8,247,868.56
5060-7120-000 Purchase Power Bethpage Energy Center 3	13,337,819.87	13,389,210.89
5060-7209-000 Purchase Power Neptune CORP	65,812,665.00	21,509,188.00
5060-7400-000 Purchase Power FPL Jamaica Bay CORP	9,602,010.02	9,827,195.09
5060-7410-000 Purchase Power Pinelawn Power LLC CORP	16,186,979.29	15,768,049.93
5061-0000-000 Nuclear Fuel CORP	4,296,191.24	4,228,999.80
5061-0090-000 Nuclear Fuel NMP2 Decon & Decom CORP	0.00	113,850.00
5061-0092-000 Nuclear Fuel NMP2 Disposal Cost CORP	1,142,800.00	1,225,803.00

5062-0030-000 Oil Low Sulphur Oil CORP	115,171,441.65	263,155,348.87
5062-0032-000 Oil I.C. Fuel CORP	61,261,824.00	42,903,689.29
5062-0036-000 Oil Other Fuel Exp CORP	1,499,588.13	4,250,428.36
5062-5229-000 Oil Ultra Fast Track CORP	0.00	0.00
5062-6061-000 Oil FTU CORP	35,589,626.40	26,804,818.34
5063-6060-000 Gas Electric Generation CORP	542,442,540.68	323,663,167.54
5063-6061-000 Gas FTU CORP	96,311,315.08	80,078,553.58
5063-6062-000 Gas Gas Bal Chgs FTU CORP	(1,071,669.10)	827,929.57
5064-0004-000 FPPCA 2003 Fuel Recovery CORP	27,581,315.05	27,968,942.48
5064-1605-000 FPPCA 2006 Excess Fuel Recovery CORP	86,400.36	(150,015,176.88)
5064-1606-000 FPPCA 2007 Excess Fuel Recovery CORP	(82,877,194.12)	68,615,000.00
5064-1700-000 FPPCA Customer Refunds CORP	(27,611,000.00)	0.00
5075-7085-202 Clean Energy Peak Reduct. Rebate MKTING	0.00	(26,060.17)
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Total Fuel and purchased power	1,597,330,641.00	1,406,897,134.10
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Operations and maintenance:

5020-0000-000 Bad Debt CORP	13,520,901.20	13,180,996.67
5045-0180-203 R & D NYSERDA NEW BUS	0.00	542,321.31
5045-7183-203 R & D BLP IG Wireless AMR Demo NEW BUS	81,948.12	88,776.20
5045-7190-203 R & D Base Cust/Oper NEW BUS	542,078.60	701,527.59
5075-0000-601 Clean Energy CLN ENGY	(1,229,518.42)	19,771,832.91
5075-0015-601 Clean Energy Advert/Promo CLN ENGY	1,299,737.20	804,567.40
5075-1085-601 Clean Energy R&D Services CLN ENGY	120,007.56	1,282,357.09
5075-2519-601 Clean Energy Off Shore Wind Project CLN	4,145.31	4,468.29
5075-7060-601 Clean Energy Light. & App. CLN ENGY	778,473.05	60,839.43
5075-7061-601 Clean Energy Light. & App. Rebate CLN EN	2,142,848.49	316,364.36
5075-7062-601 Clean Energy HVAC CLN ENGY	185,402.90	42,849.62
5075-7063-601 Clean Energy HVAC Rebate CLN ENGY	1,259,247.19	261,447.37
5075-7064-601 Clean Energy Affordability CLN ENGY	2,328,604.80	33,983.82
5075-7065-601 Clean Energy Affordability Rebate CLN EN	115,613.04	(0.20)
5075-7066-601 Clean Energy Photovoltaics CLN ENGY	456,510.61	69,493.33
5075-7067-601 Clean Energy Photovoltaics Rebate CLN EN	6,209,937.75	1,458,511.86
5075-7068-601 Clean Energy Info./Educ. CLN ENGY	306,789.01	5,234.06
5075-7069-601 Clean Energy Info./Educ. Rebate CLN ENGY	0.00	0.00
5075-7080-601 Clean Energy Const./Renov. CLN ENGY	861,198.41	158,279.05

5075-7081-601 Clean Energy Const./Renov. Rebate CLN EN	3,640,782.78	1,814,577.94
5075-7084-202 Clean Energy Peak Reduct. MKTING	0.00	1,820.99
5075-7085-202 Clean Energy Peak Reduct. Rebate MKTING	0.00	0.00
5075-7089-601 Clean Energy Home Perf Energy Star CLN	205,789.13	134,913.75
5075-7090-601 Clean Energy Home Perf Engy Star Rebate	191,954.92	30,317.92
5075-7100-601 Clean Energy Cust. Driven Eff CLN ENGY	33,720.91	25,248.52
5075-7109-601 Clean Energy Cust. Driven Eff Rebate CLN	(115,612.64)	882.17
5075-7110-601 Clean Energy Dir. Load Contr CLN ENGY	191,407.12	250,459.44
5075-7113-601 Clean Energy Resid New ConstructCLN ENGY	824,465.32	281,663.19
5075-7114-601 Clean Energy Keep Cool Boun CLN ENGY	0.00	0.00
5075-7115-601 Clean Energy LIPA Edge CLN ENGY	854,717.33	0.00
5075-7117-601 Clean Energy 75mw-DSM CLN ENGY	4,036,298.82	840,291.34
5075-7123-601 Clean Energy NY Energy Star Homes Rebate	270,805.44	108,179.50
5100-0000-000 MSA CORP	9,468.68	0.00
5100-0068-000 MSA KS/Nat Grid Synergy Sav CORP	(4,855,212.36)	0.00
5100-0178-000 MSA Pub Wrks Exp. CORP	0.00	0.00
5100-2007-000 MSA National Grid Pension Funding CORP	8,982,585.22	0.00
5100-5010-000 MSA Monthly Serv. Fee CORP	201,323,503.30	327,766,659.95
5100-5020-000 MSA 3rd Party Major Capital CORP	0.00	56,739,477.18
5100-5030-000 MSA Public Wks Capital CORP	0.00	0.00
5100-5035-000 MSA Capital Offset CORP	(7,499,999.97)	(181,841,585.86)
5100-5040-000 MSA Other Costs CORP	1,822,767.92	2,105,580.49
5100-5059-200 MSA Storm Hardening OPS	3,780,969.90	2,243,754.29
5110-0000-000 PSA CORP	0.00	0.00
5110-0068-000 PSA KS/Nat Grid Synergy Sav CORP	(1,967,257.17)	0.00
5110-0140-000 PSA True-Ups CORP	7,942,207.00	18,892,170.00
5110-2007-000 PSA National Grid Pension Funding CORP	3,465,501.07	0.00
5110-5070-000 PSA Mo. Capacity Charge CORP	272,248,499.00	259,350,663.00
5110-5080-000 PSA Mo. Variable Charge CORP	5,764,418.04	7,288,267.00
5110-5090-000 PSA Heat Rate Incent. CORP	(133,694.34)	1,000,000.00
5110-6000-000 PSA DMNC Incentive CORP	833,333.35	833,335.00
5110-6010-000 PSA Incentive/Disincent. CORP	2,000,000.01	2,000,001.00
5130-0000-000 Storm Cost Accruals CORP	22,000,000.00	18,000,000.00
5131-0000-203 Choice Programs NEW BUS	98,416.17	85,000.00
5141-0015-202 Economic Development Advert/Promo MKTING	35,798.26	20,830.99
5141-7035-202 Economic Development Tickets MKTING	0.00	0.00
5141-7036-202 Economic Development Affordable Housing	0.00	0.00

5142-0015-202 Retail Programs Advert/Promo MKTING	6,227.55	8,925.04
5142-1033-202 Retail Programs New Prod Dev MKTING	9,960.00	10,675.00
5142-1036-202 Retail Programs Light Solutions Retrofit	0.00	0.00
5142-7188-202 Retail Programs eBusiness MKTING	391,576.00	69,950.14
5142-7189-202 Retail Programs Customer/Ally Rel MKTING	0.00	0.00
5143-0000-203 Load Res/Rates Tarriffs NEW BUS	0.00	0.00
5144-7196-204 Market Research Customer Satis MKT RES	0.00	0.00
5144-7199-204 Market Research Appliance Saturation Stu	(511.50)	0.00
5165-0000-200 Assessments OPS	104,468.86	98,594.63
5165-0103-000 Assessments NYS Admin CORP	0.00	0.00
5165-0104-000 Assessments NYSORPS CORP	93,369.72	104,508.81
5165-7051-603 Assessments NYSRC REG REL	68,750.04	73,750.02
5165-7053-603 Assessments Transmis Owners Commit REG R	261,954.31	215,665.00
5165-7054-200 Assessments LPPC OPS	68,268.62	67,017.24
5200-5235-200 NMP2 Ops. Exp - O&M OPS	15,685,908.66	16,513,109.43
5200-5236-200 NMP2 Refueling Amort OPS	2,093,673.07	1,864,039.99
5200-5240-200 NMP2 Insurance OPS	63,978.99	63,071.22
5300-1454-000 Asset Retiremt Oblg Accret Transmission	224,145.43	222,392.97
5300-5226-000 Asset Retiremt Oblg Accret NMP2 CORP	3,661,650.00	3,454,380.00
5400-0000-000 Misc O&M Exp. CORP	(651,633.14)	2,091,299.60
5400-0000-200 Misc O&M Exp. OPS	(52,378.44)	(19,992.50)
5400-0000-600 Misc O&M Exp. PMKT	0.00	49,908.80
5400-0000-605 Misc O&M Exp. PROJ DEV	(1,741.48)	0.00
5400-0081-200 Misc O&M Exp. Y49 OPS	356,899.77	110,359.35
5400-5229-602 Misc O&M Exp. Ultra Fast Track FAST TRK	0.00	0.00
5400-9000-201 Misc O&M Exp. Accrual Estimates RETSVC	75,395.00	208,679.44
6400-4110-000 Postage Paid Envelope CORP	1,885,276.95	1,840,003.36
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Total Operations and maintenance	579,314,796.44	583,802,695.50
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General and administrative:		
6400-4110-000 Postage Paid Envelope CORP	0.00	0.00
6446-0175-000 Injuries & Damage Exp Inj & Dam Res CORP	1,372,500.00	1,539,000.00
9006-0000-000 Mgmt Fee to LIPA Parent CORP	27,061,746.00	37,758,106.87
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Total General and administrative	28,434,246.00	39,297,106.87

Operating Taxes:		
5155-0151-000 Tax Expense Local Gross Inc. Tx CORP	6,880,132.05	6,652,292.00
5155-0154-000 Tax Expense Gross Income Tax CORP	11,045,349.88	11,023,523.60
5155-0155-000 Tax Expense Grs Inc. Tx MTA CORP	2,234,858.95	2,194,541.27
5155-0156-000 Tax Expense Gross Earn. Tax CORP	21,860,664.15	20,425,278.52
5155-0157-000 Tax Expense Grs. Earn. Tx MTA CORP	3,735,686.02	3,472,297.47
5160-0000-000 Property Tax Exp. CORP	124,112,914.12	116,960,517.08
5160-5226-000 Property Tax Exp. NMP2 CORP	2,715,021.10	2,740,585.95
5160-7101-000 Property Tax Exp. Port Jeff CORP	1,562,000.47	1,500,000.03
5160-7102-000 Property Tax Exp. Brentwood CORP	1,675,000.98	1,583,333.34
5160-7103-000 Property Tax Exp. Shoreham CORP	1,562,000.03	1,499,999.94
5160-7104-000 Property Tax Exp. Glenwood CORP	1,461,333.79	1,500,000.03
5160-7120-000 Property Tax Exp. Bethpage Energy Center	1,199,999.99	900,000.00
5160-7210-000 Property Tax Exp. Caithness CORP	0.00	29,031.86

Total Operating Taxes	180,044,961.53	170,481,401.09

Rebate Expense:		
5065-0015-202 Customer Service Advert/Promo MKTING	15,661.22	1,731.80
5065-4125-700 Customer Service 800 Phone CUSREL	2,320.53	2,327.79

Total Rebate Expense	17,981.75	4,059.59

Depreciation and Amortization:		
6600-0000-000 Depreciation Expense CORP	100,027,226.26	99,970,508.09
6620-0000-000 Amort. Acquisition Adj CORP	84,510,531.00	84,510,531.00

Total Depreciation and Amortization	184,537,757.26	184,481,039.09

Total Expenses	2,569,680,383.98	2,384,963,436.24

Operating Income	216,001,562.01	341,937,142.67
Other Income & Deductions		
Income on designated funds:		
9551-0000-000 Parent Loan Interest Income CORP	14,724,909.00	17,611,889.02
Total Income on designated funds	14,724,909.00	17,611,889.02
Other income & deductions, Net:		
9515-0000-000 Interest Income Other CORP	1,260,915.58	1,458,177.95
9515-0500-000 Interest Income Other Deferral CORP	23,923,125.19	24,175,603.80
9515-5226-000 Interest Income Other NMP2 CORP	1,923,199.79	0.00
9540-0000-000 Misc Other Income CORP	1,361,784.02	1,921,132.87
9540-0069-000 Misc Other Income Emissions Credit	3,580,982.50	10,639,432.86
9540-1092-000 Misc Other Income Sales & Jobbing CORP	1,220.60	27,731.32
9541-0000-000 Community Benefit Pack CORP	1,000,000.00	(5,200,000.00)
Total Other income & deductions, Net	33,051,227.68	33,022,078.80
Total Other Income & Deductions	47,776,136.68	50,633,967.82
Income from Continuing Operations Before Interest Charges	263,777,698.69	392,571,110.49
Interest Charges and (Credits)		
Interest on Long Term Debt:		
9000-0180-000 Int. Exp. NYSERDA CORP	6,056,424.00	6,056,424.00

9507-0180-000 K/S P/N Interest Income NYSERDA CORP	(6,056,424.00)	(6,056,424.00)
Total Interest on Long Term Debt	0.00	0.00
Interest on Note Payable:		
9001-0000-000 Int. Exp. on Prom Note to Parent CORP	239,565,350.00	250,568,750.00
Total Interest on Note Payable	239,565,350.00	250,568,750.00
Other Interest:		
9004-0000-000 Interest/Other Exp CORP	(648,380.95)	721,366.10
9004-0020-000 Interest/Other Exp Defer Loss TR1 CORP	96,344.93	101,872.98
9004-0021-000 Interest/Other Exp Defer Loss TR2 CORP	686,676.03	871,193.28
9004-0052-000 Interest/Other Exp Accum Amort TR1 CORP	274,820.85	350,334.45
9004-0054-000 Interest/Other Exp Accum Amort TR2 CORP	304,201.50	443,583.21
9004-0194-000 Interest/Other Exp Customer Deposit CORP	425,079.22	376,581.27
9004-0195-000 Interest/Other Exp Customer Overpayments	101,311.54	122,532.58
9004-0217-000 Interest/Other Exp Series 2003 8C CORP	18,872.01	18,872.01
9004-0218-000 Interest/Other Exp SRB Series 2001 8A CORP	15,012.00	15,012.00
9004-0219-000 Interest/Other Exp SRB Series 2001 8B CO	24,489.00	24,489.00
9004-0225-000 Interest/Other Exp GRB 2001A CORP	86,949.00	86,949.00
9004-0226-000 Interest/Other Exp GRB 2001B CORP	39,344.13	39,344.12
9004-0227-000 Interest/Other Exp GRB 2001C CORP	13,114.71	13,114.70
9004-0228-000 Interest/Other Exp GRB 2001D CORP	5,344.29	5,344.29
9004-0229-000 Interest/Other Exp GRB 2001E CORP	5,344.29	5,344.29
9004-0230-000 Interest/Other Exp GRB 2001F CORP	5,117.74	23,029.86
9004-0231-000 Interest/Other Exp GRB 2001G CORP	5,344.29	5,344.29
9004-0232-000 Interest/Other Exp GRB 2001H CORP	5,117.74	23,029.86
9004-0233-000 Interest/Other Exp GRB 2001I CORP	5,117.74	23,029.86
9004-0234-000 Interest/Other Exp GRB 2001J CORP	5,344.29	5,344.29
9004-0235-000 Interest/Other Exp GRB 2001K CORP	5,344.29	5,344.29
9004-0237-000 Interest/Other Exp GRB 2001M CORP	33,284.70	33,284.76
9004-0238-000 Interest/Other Exp GRB 2001N CORP	32,955.21	32,955.23
9004-0239-000 Interest/Other Exp GRB 2001O CORP	5,179.70	23,308.63

9004-0240-000 Interest/Other Exp GRB 2001P CORP	5,493.78	5,493.78
9004-0241-000 Interest/Other Exp SRB 2001 -1A CORP	5,524.29	5,524.29
9004-0242-000 Interest/Other Exp SRB 2001 -1B CORP	2,197.89	2,197.89
9004-0243-000 Interest/Other Exp SRB 2001 -2A CORP	2,192.22	2,192.22
9004-0244-000 Interest/Other Exp SRB 2001 -2B CORP	4,342.50	4,342.50
9004-0246-000 Interest/Other Exp SRB 2001 -3A CORP	4,252.23	4,252.23
9004-0247-000 Interest/Other Exp SRB 2001 -3B CORP	4,218.57	4,218.57
9004-0248-000 Interest/Other Exp 2001 CP CORP	8,626.95	8,626.95
9004-0260-000 Interest/Other Exp GRB 2003 A CORP	29,018.74	49,632.50
9004-0263-000 Interest/Other Exp GRB 2003 B CORP	150,676.68	160,040.38
9004-0264-000 Interest/Other Exp GRB 2003 C CORP	174,199.50	174,199.50
9004-0265-000 Interest/Other Exp GRB 2003 D CORP	46,643.94	46,643.94
9004-0266-000 Interest/Other Exp GRB 2003 E CORP	34,845.66	34,845.66
9004-0267-000 Interest/Other Exp GRB 2003 F CORP	34,845.66	34,845.66
9004-0268-000 Interest/Other Exp GRB 2003 G CORP	34,845.66	34,845.66
9004-0269-000 Interest/Other Exp GRB 2003 H CORP	34,845.66	34,845.66
9004-0271-000 Interest/Other Exp GRB 2003 I CORP	44,149.50	44,149.50
9004-0272-000 Interest/Other Exp GRB 2003 J CORP	31,643.55	31,643.55
9004-0273-000 Interest/Other Exp GRB 2003 K CORP	31,643.55	31,643.55
9004-0274-000 Interest/Other Exp GRB 2003 L CORP	31,643.55	31,643.55
9004-0275-000 Interest/Other Exp GRB 2003 M CORP	13,489.74	13,489.74
9004-0276-000 Interest/Other Exp GRB 2003 N CORP	31,643.55	31,643.55
9004-0277-000 Interest/Other Exp GRB 2003 O CORP	13,489.74	13,489.74
9004-0280-000 Interest/Other Exp GRB 2004 A CORP	154,142.73	154,142.73
9004-0286-000 Interest/Other Exp GRB 2006 A CORP	553,654.98	553,654.98
9004-0287-000 Interest/Other Exp GRB 2006 B CORP	16,491.42	16,491.42
9004-0288-000 Interest/Other Exp Series 2006 8F CORP	36,051.66	31,311.58
9004-0289-000 Interest/Other Exp GRB 2006 C CORP	31,970.61	31,970.61
9004-0290-000 Interest/Other Exp GRB 2006 E CORP	342,632.07	342,632.07
9004-0291-000 Interest/Other Exp Series 2006 F CORP	570,466.35	591,349.93
9004-0304-000 Interest/Other Exp GRB 2006 D CORP	342,470.08	343,015.41
9005-0000-000 Keyspan Carrying Charges CORP	442,548.54	638,438.67
9040-0000-000 Bond Admin LILCO Debt CORP	0.00	(550.00)
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Total Other Interest	4,816,229.80	6,877,512.32
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Allow. for borrowed funds used in Construction:		
9535-0000-000 AFC Income CORP	(6,092,178.05)	(6,215,503.08)
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Total Allow. for borrowed funds used in Construction	(6,092,178.05)	(6,215,503.08)
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Total Other Income and (Expenses)	238,289,401.75	251,230,759.24
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Net Income (Loss)	25,488,296.94	141,340,351.25
Accumulated Deficit:		
3000-0000-000 Retained Earnings	263,237,979.22	308,698,326.69
3000-9998-000 Retained Earnings Change in Acctg Princ	2,873,364.57	2,873,364.57
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Total Accumulated Deficit	266,111,343.79	311,571,691.26
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02/10/09
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Statement of Operation

Consolidated
Statement Of Operations
For the Period Ending September 30, 2008
(Unaudited)
(in thousands)
Exception Report - Missing and Duplicate Accounts

Account Code	Occurrences	Row Number (dups)
Unit:LIPASUB:LIPA-Sub		
Missing:		
5031-6020-000	\$0.00	\$0.00
5031-6062-000	0.00	0.00
5040-0000-000	0.00	0.00

02/10/09
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Statement of Operation