



THIRD QUARTER FISCAL 2008

FMPA Announces Third Quarter Results

Introduction	Florida Municipal Power Agency (FMPA) released financial results for the third quarter ended June 30, 2008. Highlights are as follows.
All-Requirements	<ul style="list-style-type: none">• Energy, net of excluded resources, was 4,632,225 MWh for the fiscal year to date, a 2.1% increase compared to the same period a year ago.• Peak demand was 1,406 MW in the third quarter, a 6.2% increase compared to the same quarter a year ago.• Revenue from power supply was \$486 million for the fiscal year to date, a 17.1% increase compared to the same period a year ago due to an increase in billing rates.• Power costs* were \$104.93/MWh for the fiscal year to date, a 14.6% increase over the same period a year ago due to an increase in natural gas prices and debt service associated with Treasure Coast Energy Center.
St. Lucie Project	<ul style="list-style-type: none">• Capacity factor of the project was 79.7% for the fiscal year to date due to a planned maintenance outage in the first quarter. The project's lifetime average is now 83.7%.• Billing rates* were \$84.01/MWh for the fiscal year to date, a 9.9% increase from the same period a year ago due to an increase in operating and maintenance expenses and an increase in the deposit to the renewal and replacement fund. Interest income for the nine months reflects significant market-to-market values on the Project's portfolio of zero-coupon bonds, which are held for purposes of retiring debt in future years. Actual power costs for the fiscal year to date are lower than the billing rates approved in the annual budget process due to a significantly lower cost of power under the Project's reliability exchange agreement with Florida Power and Light.
Stanton & Tri-City	<ul style="list-style-type: none">• Availability factor of Stanton Unit 1 was 86.4% for the fiscal year. Unit 1's lifetime average is now 87.4%.• Billing rates* for the Stanton Project were \$69.62/MWh for the fiscal year to date, a 19% increase from the same period a year ago due to a decrease in MWh sales as a result of a planned outage. The budgeted power cost for fiscal 2008, including average transmission costs, was anticipated to be \$64.53/MWh. Actual power costs per MWh* were \$57.89 for the fiscal year to date, a 13.5% increase compared to the same period last year due to a decrease in MWh sales and an increase in fuel expenses.• Billing rates* for the Tri-City Project were \$77.60/MWh for the fiscal year to date, a 22.6% increase compared to the same period a year ago mostly due to a decrease in MWh sales. The budgeted power cost for fiscal 2008, including average transmission costs, was anticipated to be \$75.83/MWh. Actual power costs per MWh* were \$66.07 for the fiscal year to date, a 15.9% increase compared to the same period a year ago due to a decrease in MWh sales and an increase in fuel expenses.

* This information should be read in conjunction with the "Notes to Financials" listed on page four.

Statement of Net Assets

Unaudited
(thousands omitted)

June 30, 2008	Agency		Pooled Loan Fund		St. Lucie Project	
	2008	2007	2008	2007	2008	2007
Assets						
Net Utility Plant	\$3,565	\$3,875			\$98,292	\$87,347
Restricted Assets	25,264	22,654	\$159,919	\$136,445	73,581	71,305
Current Assets	11,470	10,779			50,959	67,105
Other Assets	563	350			107,124	95,569
TOTAL ASSETS	\$40,862	\$37,658	\$159,919	\$136,445	\$329,956	\$321,326
Liabilities and Net Assets						
Net Assets	\$13,175	\$11,983				
Long-Term Debt	1,965	2,100			\$285,600	\$277,149
Liabilities Payable from Restricted Assets	24,626	22,655	\$159,919	\$136,445	43,684	40,903
Current Liabilities	1,096	920			672	3,274
TOTAL LIABILITIES AND NET ASSETS	\$40,862	\$37,658	\$159,919	\$136,444	\$329,956	\$321,326

Statement of Revenues, Expenses and Changes in Fund Net Assets

Unaudited
(thousands omitted)

Nine Months Ended June 30, 2008	Agency		Pooled Loan Fund		St. Lucie Project	
	2008	2007	2008	2007	2008	2007
Operating Revenues						
Billings to Participants			\$3,556	\$2,873	\$31,057	\$25,221
Amounts to be Recovered From (refunded to) Participants			106	437	(3,742)	(5,623)
Sales to Others					1,901	1,653
Interest Income	\$916	\$306			(7,577)	10,084
Other	7,184	7,008				
TOTAL REVENUE	\$8,100	\$7,314	\$3,662	\$3,310	\$21,639	\$31,335
Operating Expenses						
Operation, Maintenance & Nuclear Fuel Amortization					\$10,011	\$7,665
Purchased Power, Transmission & Fuel Costs					2,427	2,849
Administrative & General	\$6,859	\$6,079	\$668	\$408	2,684	1,699
Depreciation & Decommissioning	277	311			8,800	7,605
Interest & Amortization	131	72	2,994	2,902	12,676	10,458
TOTAL EXPENSES	\$7,267	\$6,462	\$3,662	\$3,310	\$36,598	\$30,276
Change in Net Assets Before Regulatory Asset Adjustment	\$834	\$852			(\$14,959)	\$1,059
Regulatory Asset Adjustment					14,959	(1,059)
Change in Net Assets after Regulatory Asset Adjustment						
Net Assets at Beginning of Period	12,341	11,130				
NET ASSETS AT END OF PERIOD	\$13,175	\$11,982	\$ -	\$ -	\$ -	\$ -

Each FMPA project is independent from the others, so no revenues or funds available from one project can be used to pay the costs of any other project. These unaudited financial statements should be read in conjunction with the Notes to Combining Financial Statements in FMPA's fiscal year 2007 Annual Report.

Stanton Project		All-Requirements Project		Tri-City Project		Stanton II Project		Totals	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
\$37,857	\$38,251	\$457,935	\$389,275	\$15,358	\$15,596	\$120,146	\$120,946	\$733,153	\$655,290
12,217	10,589	148,727	223,402	6,221	5,736	13,067	11,700	438,996	481,831
18,940	19,758	339,483	159,857	4,426	4,648	26,289	28,970	451,567	291,117
12,732	14,745	(95,162)	27,344	11,360	12,984	30,940	33,468	67,557	184,460
\$81,746	\$83,343	\$850,983	\$799,878	\$37,365	\$38,963	\$190,442	\$195,084	\$1,691,273	\$1,612,697

\$74,846	\$78,662	\$696,697	\$696,705	\$34,767	\$37,222	\$186,998	\$191,727	\$13,175	\$11,983
6,900	4,681	154,286	103,173	2,597	1,741	3,444	3,357	1,280,873	1,283,565
\$81,746	\$83,343	\$850,983	\$799,878	\$37,365	\$38,963	\$190,442	\$195,084	228,229	200,003
								168,995	117,146
								\$1,691,273	\$1,612,696

Stanton Project		All-Requirements Project		Tri-City Project		Stanton II Project		Totals	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
\$22,152	\$19,742	\$454,965	\$377,294	\$8,957	\$8,081	\$30,717	\$29,992	\$551,404	\$463,203
(3,775)	(2,569)	(13,788)	(8,117)	(1,345)	(813)	(2,912)	(3,067)	(34,081)	(19,752)
259	259	26,110	32,165	93	93	431	407	28,794	34,577
118	736	3,222	6,010	164	267	785	1,181	5,205	18,584
		4,189						11,373	7,008
\$18,754	\$18,168	\$474,698	\$407,352	\$7,869	\$7,628	\$29,021	\$28,513	\$562,695	\$503,620

\$3,842	\$2,968	\$35,070	\$37,402	\$1,374	\$1,063	\$4,156	\$4,431	\$54,453	\$53,529
9,939	8,789	404,365	343,013	3,615	3,189	13,868	12,807	434,214	370,647
729	625	8,170	8,067	381	362	1,016	866	20,507	18,106
1,544	1,485	9,337	9,682	624	603	3,326	3,254	23,908	22,940
2,960	2,894	17,126	14,190	1,431	1,527	8,124	7,294	53,019	39,337
\$19,014	\$16,761	\$474,068	\$412,354	\$7,425	\$6,744	\$30,490	\$28,652	\$586,101	\$504,559

(\$260)	\$1,407	\$630	(\$5,002)	\$444	\$884	(\$1,469)	(\$139)	(\$23,405)	(\$939)
260	(1,407)	(630)	5,002	(444)	(884)	1,469	139	24,239	1,791

								\$12,341	\$11,130
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$13,175	\$11,982

Stanton II Project

- **Availability factor** of Stanton Unit 2 was 87.5% for the fiscal year to date due to a planned outage. Unit 2's lifetime average is now 88.3%.
- **Billing rates*** were \$64.01/MWh for the fiscal year to date, a 7.3% increase over the same period a year ago due to a decrease in MWh sales. The budgeted power cost for fiscal 2008, including average transmission costs, was anticipated to be \$60.79/MWh. **Actual power costs per MWh*** were \$58.03 for the fiscal year to date, an 8.2% increase over the same period a year ago due to a decrease in MWh sales and an increase in fuel expenses.

Comments

FMPA Assistant General Manager, CFO and Risk Manager, Mark Larson commented: “Ever-rising industry-wide natural gas prices prompted FMPA staff to review hedging levels and make necessary adjustments. Additional financial and physical supply hedges were implemented to reduce electric rate volatility and ensure supply. Unfortunately, these actions will increase the average cost of gas over the coming months. Also during this quarter, FMPA’s newest power resource, Treasure Coast Energy Center, began commercial operation. Clean-burning natural gas is the primary fuel of this unit, which generates power 40% more efficiently than generation it replaces. This means the new plant uses less fuel, creates fewer emissions per kilowatt hour and generates more power than older, less efficient units.”

News of Interest

- FMPA’s Treasury Department began implementing a debt restructuring plan in May to refinance and issue new debt totaling approximately \$1.3 billion. The debt restructuring plan will eliminate the use of auction-rate securities and increase the use of traditional fixed-rate debt. The goal is to have between 50% and 60% of FMPA’s total debt in fixed-rate obligations.
- A significant increase in fuel costs forced FMPA to raise its All-Requirements wholesale costs in June by approximately 7.5%. Actual costs for individual cities varied from this overall average depending on a city’s load factor. In May, FMPA’s cost of natural gas rose from \$10.38 per million BTU to \$11.71, a 13% increase. Natural gas-fueled resources accounted for 68% of FMPA’s energy sources in May. FMPA’s energy rate—which is only one portion of its total wholesale cost—increased 11% for May compared to the previous month.
- Roger Fontes retired Sept. 5 as General Manager and CEO of FMPA after seven years leading the Agency. FMPA’s Board of Directors appointed Nicholas Guarriello as Interim General Manager. Guarriello is Principal and Immediate Past President/CEO of R.W. Beck. He has served as a consulting engineer for FMPA since the Agency was formed 30 years ago, and recently he led the development of FMPA’s 2008 Integrated Resource Plan.

* Notes to Financials

- Power costs for individual project members will vary from the overall project average depending on a member’s power usage and other variable costs.
- The rate methods for billings to project participants are set by contract, and billing rates are initially set in the annual budgeting process by FMPA’s Board of Directors and ARP Executive Committee and revised monthly as needed.
- Project costs not recovered under current billing rates are collected in subsequent billings.
- This document may include certain forward-looking statements. These statements are based on management’s current expectations but are subject to uncertainty and changes in circumstances that may have a material affect on actual results.

Project Summary

Project	Plant	Type	Unit Capacity	Ownership	Share
St. Lucie	St. Lucie Unit 2	nuclear	838 MW	8.8%	74 MW
Stanton	Stanton Unit 1	coal	425 MW	14.8%	63 MW
Tri-City	Stanton Unit 1	coal	425 MW	5.3%	23 MW
Stanton II	Stanton Unit 2	coal	429 MW	23.2%	100 MW
All-Requirements Project serves all the power needs of 15 municipal electric utilities.					