



8553 Commodity Circle  
Orlando, Florida 32819-9002  
Tel. (407) 355-7767 1 888 774-7606  
Fax (407) 355-5794 www.fmpa.com

SECOND QUARTER FISCAL 2002

## FMPA Announces Second Quarter Results

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Introduction	Florida Municipal Power Agency (FMPA) released financial results for the second quarter ended March 31, 2002. Highlights are as follows.
All-Requirements	<ul style="list-style-type: none"><li>• <b>Energy</b> was 2,053,616 MWh for the fiscal year to date, a 0.5% increase compared to the same period a year ago.</li><li>• <b>Demand</b> was 1,007 MW in the second quarter, a 2 MW decrease compared to the same quarter a year ago.</li><li>• <b>Revenue</b> was \$102.7 million for the fiscal year to date, an 11.1% decrease compared to the same period last year due to lower fuel costs.</li><li>• <b>Power costs</b> were \$50.00/MWh for the fiscal year to date, an 11.6% decrease over the same period a year ago due to lower fuel costs.</li></ul>
St. Lucie Project	<ul style="list-style-type: none"><li>• <b>Capacity factor</b> of the project was 89.8% for the fiscal year to date. The project's lifetime average is now 82.3%.</li><li>• <b>Billed power costs</b> were \$67.63/MWh for the fiscal year to date, a 0.6% decrease over the same period a year ago. The fiscal 2002 budget projection with average transmission costs included is \$69.40/MWh.</li></ul>
Stanton & Tri-City	<ul style="list-style-type: none"><li>• <b>Availability factor</b> of Stanton Unit 1 was 83.3% for the fiscal year to date. Unit 1's lifetime average is now 86.6%.</li><li>• <b>Billed power costs</b> for the Stanton Project were \$42.73/MWh for the fiscal year to date, a 3.8% increase from the same period a year ago due to decreased energy production as a result of maintenance scheduling. The fiscal 2002 budget projection with average transmission costs included is \$43.97/MWh.</li><li>• <b>Billed power costs</b> for the Tri-City Project were \$52.89/MWh for the fiscal year to date, a 5.2% increase from the same period a year ago due to decreased energy production. The fiscal 2002 budget projection with average transmission costs included is \$50.58/MWh.</li></ul>
Stanton II Project	<ul style="list-style-type: none"><li>• <b>Availability factor</b> of Stanton Unit 2 was 90.2% for the fiscal year to date. It was removed from service March 15 for scheduled maintenance. Unit 2's lifetime average is now 90.5%.</li><li>• <b>Billed power costs</b> were \$43.10/MWh for the fiscal year to date, a 0.7% decrease over the same period a year ago. The fiscal 2002 budget projection with average transmission costs included is \$46.43/MWh.</li></ul>

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## Balance Sheet

Unaudited  
(thousands omitted)

<i>March 31, 2002</i>	<b>Agency</b>		<b>Pooled Loan Project</b>		<b>St. Lucie Project</b>	
	2002	2001	2002	2001	2002	2001
<b>Assets</b>						
Net Utility Plant	\$7,683	\$7,132			\$95,836	\$99,870
Restricted Assets			\$92,010	\$84,465	59,607	56,607
Current Assets	3,555	4,104			32,004	29,607
Other Assets	1,958	1,390			105,046	109,940
<i>TOTAL ASSETS</i>	\$13,196	\$12,626	\$92,010	\$84,465	\$292,493	\$296,024
<b>Equity and Liabilities</b>						
Equity	\$8,343	\$7,531				
Long-Term Debt	3,805	3,995			\$262,772	\$269,635
Restricted Liabilities			\$92,010	\$84,465	28,704	25,172
Current Liabilities	1,048	1,100			816	933
Other Liabilities					201	284
<i>TOTAL EQUITY AND LIABILITIES</i>	\$13,196	\$12,626	\$92,010	\$84,465	\$292,493	\$296,024

## Statement of Revenues and Expenses and Changes in Retained Earnings

Unaudited  
(thousands omitted)

<i>Six Months Ended March 31, 2002</i>	<b>Agency</b>		<b>Pooled Loan Project</b>		<b>St. Lucie Project</b>	
	2002	2001	2002	2001	2002	2001
Operating Revenues			\$844	\$1,667	\$21,452	\$23,088
Operating Expenses	\$3,293	\$3,537	949	1,830	8,398	6,840
Amounts Capitalized or Charged to Other Projects	3,328	3,634				
<i>OPERATING INCOME (LOSS)</i>	35	97	(105)	(163)	13,054	16,248
Other (Charges) and Credits	324	338	105	163	(13,036)	(9,305)
Net Costs Recoverable from Participant Billings					(18)	(6,943)
<i>EXCESS OF REVENUES OVER EXPENSES</i>	359	435				
Retained Earnings at Beginning of Period	5,259	4,370				
<i>RETAINED EARNINGS AT END OF PERIOD</i>	\$5,618	\$4,805	\$ -	\$ -	\$ -	\$ -

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 2001 Annual Report.

<b>Stanton Project</b>		<b>All-Requirements Project</b>		<b>Tri-City Project</b>		<b>Stanton II Project</b>		<b>Totals</b>	
2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
\$41,645	\$43,143	\$201,946	\$183,475	\$17,315	\$17,946	\$133,089	\$136,659	\$497,514	\$488,225
5,717	7,496	27,397	26,509	5,352	5,703	25,300	25,273	215,383	206,053
16,901	12,997	99,207	79,985	5,377	4,705	28,549	26,463	185,593	157,861
26,238	29,163	17,589	18,861	17,657	18,634	31,006	33,130	199,494	211,118
<b>\$90,501</b>	<b>\$92,799</b>	<b>\$346,139</b>	<b>\$308,830</b>	<b>\$45,701</b>	<b>\$46,988</b>	<b>\$217,944</b>	<b>\$221,525</b>	<b>\$1,097,984</b>	<b>\$1,063,257</b>

\$88,657	\$91,198	\$293,474	\$276,500	\$44,079	\$45,411	\$214,455	\$218,174	\$8,343	\$7,531
560	787	4,172	4,306	1,192	1,228	2,110	2,255	907,242	904,913
1,284	814	46,198	25,510	430	349	1,379	1,096	128,748	118,213
		2,295	2,514					51,155	29,802
								2,496	2,798
<b>\$90,501</b>	<b>\$92,799</b>	<b>\$346,139</b>	<b>\$308,830</b>	<b>\$45,701</b>	<b>\$46,988</b>	<b>\$217,944</b>	<b>\$221,525</b>	<b>\$1,097,984</b>	<b>\$1,063,257</b>

<b>Stanton Project</b>		<b>All-Requirements Project</b>		<b>Tri-City Project</b>		<b>Stanton II Project</b>		<b>Totals</b>	
2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
\$8,356	\$9,180	\$102,678	\$115,544	\$3,682	\$3,937	\$14,928	\$14,894	\$151,940	\$168,310
5,081	5,570	95,391	108,523	1,780	1,986	8,090	7,931	122,982	136,217
								3,328	3,634
3,275	3,610	7,287	7,021	1,902	1,951	6,838	6,963	32,286	35,727
(1,918)	(2,479)	(8,045)	(5,773)	(1,739)	(1,495)	(5,876)	(5,885)	(30,185)	(24,436)
(1,357)	(1,131)	758	(1,248)	(163)	(456)	(962)	(1,078)	(1,742)	(10,856)
								359	435
								5,259	4,370
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$5,618</b>	<b>\$4,805</b>

**Comments** FMPA General Manager and CEO Roger Fontes commented: “Our power supply projects met our expectations during the second quarter. In particular, we are pleased to see the reduced power costs for our All-Requirements Project, compared to a year ago when prices for natural gas rose dramatically and caused electric rates to rise. FMPA has implemented fuel hedging techniques and risk management strategies to protect against price exposure due to the potential for significant natural gas price volatility.”

- News of Interest**
- FMPA announced plans to refinance bonds for its Stanton, Stanton II and St. Lucie projects to reduce costs or strategically alter its fixed- to variable-rate debt ratio. FMPA plans to shift the Stanton and Stanton II projects’ debt positions from pre-dominately variable-rate debt to approximately 75% fixed-rate debt and 25% variable-rate debt. St. Lucie’s entire fixed-rate debt will be refinanced with variable-rate debt then, using staggered swaps of three to five years, two-thirds of the variable debt will be swapped to fixed rate. St. Lucie’s refinancing strategy was structured to provide flexibility for a future decision related to extending the plant’s operating license. FMPA plans to issue approximately \$45.8 million of Stanton bonds, \$85 million of Stanton II bonds and \$248 million of St. Lucie bonds.
  - FMPA is implementing new financial hedging techniques and developing long-range risk management strategies to control fuel prices. FMPA purchased call options for natural gas purchases last winter and plans to purchase options for natural gas this spring and summer. FMPA is also researching the benefits of hedging other commodities. A formal energy and risk management policy is being developed for approval by FMPA’s Board of Directors.
  - The All-Requirements Project’s energy rate decreased Feb. 1, 2002, from \$38.50 per Megawatt-hour (MWh) to \$36.50. A second rate decrease will take effect June 1, 2002, reducing the energy rate further to \$34.50 per MWh.
  - FMPA’s plan to meet its increasing power demands for the next decade was filed April 1, at the Florida Public Service Commission. The report describes future estimated power generation needs and identifies proposed power plant sites. FMPA’s 2002 Ten-Year Site Plan indicates plans for 446 MW in new generating capacity over the next decade from combined cycle and combustion turbine generating units.

- 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 actual rates are set in the annual budgeting process by FMPA’s Board of Directors.
  - 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, which may have a material affect on actual results.

**Project Summary**

<b>Project</b>	<b>Plant</b>	<b>Type</b>	<b>Unit Capacity</b>	<b>Ownership</b>	<b>Share</b>
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 13 municipal electric utilities.					