



FIRST QUARTER FISCAL 2004

## FMPA Announces First Quarter Results

### Introduction

Florida Municipal Power Agency (FMPA) released financial results for the first quarter ended December 31, 2003. Highlights are as follows.

### All-Requirements

- **Energy**, net of excluded resources, was 1,475,708 MWh for the fiscal year to date, a 1.6% increase compared to the same period a year ago.
- **Demand** was 1,160 MW in the first quarter, a 3.1% decrease compared to the same quarter a year ago due to a difference in weather conditions.
- **Revenue** was \$94.6 million for the fiscal year to date, a 17.3% increase compared to the same period last year due to an increase in the project's energy rate.
- **Power costs** were \$64.78/MWh for the fiscal year to date, a 10.5% increase over the same period a year ago due to higher natural gas fuel prices.

### St. Lucie Project

- **Capacity factor** of the project was 94.9% for the fiscal year to date. The project's lifetime average is now 83.2%.
- **Billing rates** were \$62.15/MWh for the fiscal year to date, an 8.8% increase over the same period a year ago due to differences in the planned outage schedule. The projected average power cost for the budget year, including average transmission costs, is \$60.59/MWh. **Actual power costs per MWh** were \$57.88 for the fiscal year to date, a 12.9% increase over the same period a year ago due to higher operating and maintenance costs.

### Stanton & Tri-City

- **Availability factor** of Stanton Unit 1 was 66.5% for the fiscal year to date due to a scheduled one-month maintenance outage. Unit 1's lifetime average is now 86.7%.
- **Billing rates** for the Stanton Project were \$52.72/MWh for the fiscal year to date, a 5.8% increase from the same period a year ago due to higher budgeted costs. The projected average power cost for the budget year, including average transmission costs, is \$45.41/MWh. **Actual power costs per MWh** were \$51.43 for the fiscal year to date, a 7% increase from the same period a year ago due to higher fuel prices and the operator's increased administrative costs.
- **Billing rates** for the Tri-City Project were \$62.64/MWh for the fiscal year to date, a 2.3% increase from the same period a year ago due to higher budgeted costs. The projected average power cost for the budget year, including average transmission costs, is \$52.45/MWh. **Actual power costs per MWh** were \$64.48 for the fiscal year to date, a 6.1% increase due to higher fuel prices and the operator's increased administrative costs.

### Stanton II Project

- **Availability factor** of Stanton Unit 2 was 99.1% for the fiscal year to date. Unit 2's lifetime average is now 88.7%.

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## Balance Sheet

Unaudited  
(thousands omitted)

<i>December 31, 2003</i>	Agency Fund		Pooled Loan Fund		St. Lucie Project	
	2004	2003	2004	2003	2004	2003
<b>Assets</b>						
Net Utility Plant	\$5,263	\$7,100			\$88,544	\$91,261
Restricted Assets	2	4	\$95,291	\$89,349	43,950	40,766
Current Assets	5,615	4,924			51,457	44,678
Other Assets	1,943	1,752			110,447	112,712
<b>TOTAL ASSETS</b>	<b>\$12,823</b>	<b>\$13,780</b>	<b>\$95,291</b>	<b>\$89,349</b>	<b>\$294,398</b>	<b>\$289,417</b>
<b>Equity and Liabilities</b>						
Equity	\$8,262	\$8,995				
Long-Term Debt	3,415	3,615			\$262,000	\$262,000
Restricted Liabilities			\$95,291	\$89,349	28,745	24,654
Current Liabilities	1,146	1,170			3,292	2,647
Other Liabilities					361	116
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>\$12,823</b>	<b>\$13,780</b>	<b>\$95,291</b>	<b>\$89,349</b>	<b>\$294,398</b>	<b>\$289,417</b>

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

Unaudited  
(thousands omitted)

<i>Three Months Ended December 31, 2003</i>	Agency Fund		Pooled Loan Fund		St. Lucie Project	
	2004	2003	2004	2003	2004	2003
Operating Revenues			\$322	\$333	\$8,927	\$7,101
Operating Expenses	\$1,643	\$1,435	359	245	3,222	3,052
Amounts Capitalized or Charged to Other Projects	1,674	1,428				
<b>OPERATING INCOME (LOSS)</b>	<b>31</b>	<b>(7)</b>	<b>(37)</b>	<b>88</b>	<b>5,705</b>	<b>4,049</b>
Other (Charges) and Credits	218	226	37	(88)	(6,232)	(4,132)
Net Costs Recoverable from Participant Billings					527	83
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>249</b>	<b>219</b>				
Retained Earnings at Beginning of Period	8,013	6,050				
<b>RETAINED EARNINGS AT END OF PERIOD</b>	<b>\$8,262</b>	<b>\$6,269</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>

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 2003 Annual Report.

Stanton Project		All-Requirements Project		Tri-City Project		Stanton II Project		Totals	
2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
\$41,551	\$41,027	\$199,530	\$196,885	\$17,115	\$17,022	\$129,597	\$130,286	\$481,600	\$483,581
6,687	6,784	27,888	30,968	3,706	4,305	9,712	10,320	187,236	182,496
18,827	18,035	99,657	98,863	6,090	5,124	31,927	31,306	213,573	202,930
23,350	23,739	23,136	17,208	18,089	16,861	39,465	30,723	216,430	202,995
\$90,415	\$89,585	\$350,211	\$343,924	\$45,000	\$43,312	\$210,701	\$202,635	\$1,098,839	\$1,072,002

\$89,577	\$88,948	\$298,815	\$288,653	\$44,500	\$42,639	\$202,459	\$200,323	\$8,262	\$8,995
534	26	666	2,043	363	576	2,022	1,434	900,766	886,178
304	611	30,743	38,417	137	97	6,220	878	127,621	118,082
		19,987	14,811					41,842	43,820
								20,348	14,927
\$90,415	\$89,585	\$350,211	\$343,924	\$45,000	\$43,312	\$210,701	\$202,635	\$1,098,839	\$1,072,002

Stanton Project		All-Requirements Project		Tri-City Project		Stanton II Project		Totals	
2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
\$4,392	\$4,158	\$95,366	\$84,958	\$1,959	\$1,819	\$8,630	\$7,651	\$119,596	\$106,020
2,529	2,417	92,029	80,952	968	871	5,195	4,956	105,945	93,928
								1,674	1,428
1,863	1,741	3,337	4,006	991	948	3,435	2,695	15,325	13,520
(1,502)	(382)	1,288	(4,400)	(838)	(836)	(3,828)	(2,684)	(10,857)	(12,296)
(361)	(1,359)	(4,625)	394	(153)	(112)	393	(11)	(4,219)	(1,005)
								249	219
								8,013	6,050
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$8,262	\$6,269

- **Billing rates** were \$40.62/MWh for the fiscal year to date, an 8.2% increase over the same period a year ago due to higher budgeted costs. The projected average power cost for the budget year, including average transmission costs, is \$47.79/MWh. **Actual power costs per MWh** were \$40.56 for the fiscal year to date, a 12.8% increase due to higher fuel prices and the operator’s increased administrative costs.

Comments

FMPA General Manager and CEO Roger Fontes commented: “Some of our power supply projects’ costs were influenced in the first quarter by industry-wide price increases for coal and natural gas. The All-Requirements Project’s costs, in particular, are higher than a year ago because of sustained high prices for natural gas. FMPA continues to actively use fuel hedging techniques and risk management strategies to minimize the impact of natural gas price volatility. Overall, our power supply projects performed well in the first quarter and were consistent with our expectations.”

News of Interest

- The All-Requirements energy rate increased Oct. 1, 2003, from \$39 per Megawatt-hour (MWh) to \$42 per MWh, due primarily to sustained high natural gas prices.
- A new 649 MW natural gas-fired power plant began commercial operation Oct. 1, 2003, at the Stanton Energy Center. The state-of-the-art combined cycle unit is a joint development of Orlando Utilities Commission, FMPA, Kissimmee Utility Authority and Southern Company-Florida LLC. The unit will provide approximately 130 MW to the All-Requirements Project.
- The Nuclear Regulatory Commission extended the operating license for the St. Lucie nuclear power plant by 20 years on Oct. 3, 2003. FMPA has an 8.8% ownership interest in St. Lucie Unit 2, which is now licensed for potential operation until 2043.
- The Federal Energy Regulatory Commission (FERC) issued a decision Dec. 16, 2003, that benefits customers of municipal electric utilities by ensuring that electric transmission facilities receive comparable rate treatment. The issue in question was whether, when setting rates for wholesale transmission service, cost allocation tests were being applied consistently to the facilities of transmission providers, like Florida Power & Light (FPL), and transmission owners who are also transmission customers, like FMPA and its members. FMPA argued that transmission owned by FMPA and its members should be treated the same as FPL-owned transmission. In its decision, FERC directed FPL to file within 90 days a proposed rate schedule that does not include those FPL facilities that fail to meet the same integration test applied to FMPA facilities.

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 set in the annual budgeting process by FMPA’s Board of Directors.
- Costs not recovered under current billing rates are collected in subsequent billings for the All-Requirements Project and from rate stabilization for the other projects.
- 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.					