



FIRST QUARTER FISCAL 2005

FMPA Announces First Quarter Results

Introduction

Florida Municipal Power Agency (FMPA) released financial results for the first quarter ended December 31, 2004. Highlights are as follows.

All-Requirements

- **Energy**, net of excluded resources, was 1,478,414 MWh for the fiscal year to date, a 0.2% increase compared to the same period a year ago.
- **Peak demand** was 1,243 MW in the first quarter, a 7.2% increase compared to the same quarter a year ago.
- **Revenue** was \$100.1 million for the fiscal year to date, a 5.8% increase compared to the same period last year due to a rate increase.
- **Power costs** were \$71.40/MWh for the fiscal year to date, a 10.2% increase over the same period a year ago due to increased natural gas prices and decreased availability of coal.

St. Lucie Project

- **Capacity factor** of the project was 91.5% for the fiscal year to date. The project's lifetime average is now 83.5%.
- **Billing rates** were \$61.56/MWh for the fiscal year to date, a 0.9% decrease over the same period a year ago. The projected average power cost for the budget year, including average transmission costs, is \$61.84/MWh. **Actual power costs per MWh** were \$54.42 for the fiscal year to date, a 6% decrease over the same period a year ago due to an increase in kWh sales.

Stanton & Tri-City

- **Availability factor** of Stanton Unit 1 was 43% for the fiscal year to date due to a two-month scheduled maintenance overhaul. Unit 1's lifetime average is now 86.6%.
- **Billing rates** for the Stanton Project were \$89.48/MWh for the fiscal year to date, a 69.7% increase from the same period a year ago due to a decrease in kWh sales resulting from the planned outage. The projected average power cost for the budget year, including average transmission costs, is \$49.84/MWh. **Actual power costs per MWh** were \$84.34 for the fiscal year to date, a 64% increase from the same period a year ago due to a decrease in kWh sales resulting from the planned outage.
- **Billing rates** for the Tri-City Project were \$97.11/MWh for the fiscal year to date, a 55% increase from the same period a year ago due to a decrease in kWh sales resulting from the planned outage. The projected average power cost for the budget year, including average transmission costs, is \$52.62/MWh. **Actual power costs per MWh** were \$70.96 for the fiscal year to date, a 10.1% increase over the same period a year ago due to a decrease in kWh sales resulting from the planned outage.

Stanton II Project

- **Availability factor** of Stanton Unit 2 was 99% for the fiscal year to date. Unit 2's lifetime average is now 88.6%.

Continued on Page 4

Balance Sheet

Unaudited
(thousands omitted)

<i>December 31, 2004</i>	Agency Fund		Pooled Loan Fund		St. Lucie Project	
	2005	2004	2005	2004	2005	2004
Assets						
Net Utility Plant	\$4,462	\$5,263			\$86,716	\$88,544
Restricted Assets	0	2	\$86,003	\$95,291	49,423	43,950
Current Assets	5,382	5,615			56,627	51,457
Other Assets	2,123	1,943			110,817	110,447
<i>TOTAL ASSETS</i>	\$11,967	\$12,823	\$86,003	\$95,291	\$303,583	\$294,398
Equity and Liabilities						
Equity	\$8,862	\$8,262				
Long-Term Debt	2,405	3,415			\$262,000	\$262,000
Restricted Liabilities			\$86,003	\$95,291	33,122	28,745
Current Liabilities	700	1,146			8,188	3,292
Other Liabilities					273	361
<i>TOTAL EQUITY AND LIABILITIES</i>	\$11,967	\$12,823	\$86,003	\$95,291	\$303,583	\$294,398

Statement of Revenues and Expenses and Changes in Retained Earnings

Unaudited
(thousands omitted)

<i>Three Months Ended December 31, 2004</i>	Agency Fund		Pooled Loan Project		St. Lucie Project	
	2005	2004	2005	2004	2005	2004
Operating Revenues			\$477	\$322	\$9,104	\$8,927
Operating Expenses	\$1,773	\$1,643	559	359	5,304	3,222
Amounts Capitalized or Charged to Other Projects	1,730	1,674				
<i>OPERATING INCOME (LOSS)</i>	(43)	31	(82)	(37)	3,800	5,705
Other (Charges) and Credits	313	218	82	37	(5,154)	(6,232)
Net Costs Recoverable from Participant Billings					1,354	527
<i>EXCESS OF REVENUES OVER EXPENSES</i>	270	249				
Retained Earnings at Beginning of Period	8,591	8,013				
<i>RETAINED EARNINGS AT END OF PERIOD</i>	\$8,861	\$8,262	\$ -	\$ -	\$ -	\$ -

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 2004 Annual Report.

Stanton Project		All-Requirements Project		Tri-City Project		Stanton II Project		Totals	
2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
\$40,534	\$41,551	\$184,631	\$199,530	\$16,656	\$17,115	\$128,655	\$129,597	\$461,654	\$481,600
7,148	6,687	19,284	27,888	4,150	3,706	9,152	9,712	175,160	187,236
18,782	18,827	129,673	99,657	5,295	6,090	28,216	31,927	243,975	213,573
21,660	23,350	27,792	23,136	17,082	18,089	38,658	39,465	218,132	216,430
\$88,124	\$90,415	\$361,380	\$350,211	\$43,183	\$45,000	\$204,681	\$210,701	\$1,098,921	\$1,098,839
								\$8,862	\$8,262
\$86,094	\$89,577	\$285,238	\$298,815	\$42,152	\$44,500	\$201,177	\$202,459	879,066	900,766
712	534	1,077	666	355	363	1,251	2,022	122,520	127,621
1,318	304	25,341	30,743	676	137	2,253	6,220	38,476	41,842
		49,724	19,987					49,997	20,348
\$88,124	\$90,415	\$361,380	\$350,211	\$43,183	\$45,000	\$204,681	\$210,701	\$1,098,921	\$1,098,839

Stanton Project		All-Requirements Project		Tri-City Project		Stanton II Project		Totals	
2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
\$4,400	\$4,392	\$105,166	\$95,366	\$1,572	\$1,959	\$8,414	\$8,630	\$129,133	\$119,596
2,624	2,529	101,587	92,029	945	968	5,468	5,195	118,260	105,945
								1,730	1,674
1,776	1,863	3,579	3,337	627	991	2,946	3,435	12,603	15,325
(1,558)	(1,502)	(3,649)	1,288	(1,014)	(838)	(3,052)	(3,828)	(14,032)	(10,857)
(218)	(361)	70	(4,625)	387	(153)	106	393	1,699	(4,219)
								270	249
								8,591	8,013
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$8,861	\$8,262

- **Billing rates** were \$47.20/MWh for the fiscal year to date, a 16.2% increase over the same period a year ago due mostly to high coal costs paired with decreased kWh sales. Disrupted coal deliveries into Florida left the Stanton Energy Center with low coal inventory. Unit 2 ran at a reduced capacity at certain times during the first quarter to conserve coal. The projected average power cost for the budget year, including average transmission costs, is \$49.84/MWh. **Actual power costs per MWh** were \$42.33 for the fiscal year to date, a 4.4% increase over the same period a year ago due mostly to high coal costs and decreased kWh sales.

Comments

FMPA General Manager and CEO Roger Fontes commented: “Industry-wide natural gas and coal price increases continue to impact the All-Requirements, Stanton, Tri-City and Stanton II projects’ costs. All-Requirements has also been affected by nationwide disruption of coal deliveries, including those into Florida. Low coal inventory levels have caused curtailment of low-cost, coal-based generation, forcing All-Requirements to rely more heavily than expected on more costly natural gas-fired generation. However, FMPA’s fuel hedging program helped mitigate the effect of increased natural gas prices for All-Requirements. We also appreciate the efforts of Orlando Utilities Commission, the operator of Stanton Units 1 and 2, to mitigate coal price increases with prudent long-term coal supply contracting. Looking forward, we expect ample natural gas storage levels accumulated during a mild winter and what is forecasted to be a mild summer to cause natural gas prices to decrease later in fiscal 2005. This decrease—which may be offset if crude oil prices remain at their historic high levels—coupled with FMPA’s existing hedge positions should limit the need for any further rate increases this fiscal year.”

News of Interest

- The All-Requirements Project energy rate increased Nov. 1, 2004, from \$36 per MWh to \$38 per MWh, due to persistently high natural gas and coal prices and disrupted coal deliveries.
- FMPA and its municipal partners have applied to the Federal Emergency Management Agency (FEMA) to be reimbursed for the cost of repairing facilities damaged by hurricanes in August and September 2004. Any unreimbursed costs will be billed to FMPA’s project participants. FMPA is working with Florida Power & Light to calculate damages to the St. Lucie Project that are eligible for FEMA reimbursement.
- FMPA signed an agreement with six other public gas and electric utilities to form a natural gas supply agency called Public Gas Partners to secure economical wholesale natural gas supplies.

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 ultimately in subsequent billings for all 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.					