



Florida Municipal Power Agency

FIRST QUARTER FISCAL 2006

## FMPA Announces First Quarter Results

### Introduction

Florida Municipal Power Agency (FMPA) released financial results for the first quarter ended Dec. 31, 2005. Highlights are as follows.

### All-Requirements

- **Energy**, net of excluded resources, was 1,548,452 MWh for the fiscal year to date, a 4.7% increase compared to the same period a year ago.
- **Peak demand** was 1,284 MW in the first quarter, a 3.3% increase compared to the same quarter a year ago.
- **Revenue** was \$131.2 million for the fiscal year to date, a 31.1% increase compared to the same period last year due to an energy rate increase.
- **Power costs<sup>\*</sup>** were \$77.62/MWh for the fiscal year to date, an 8.7% increase over the same period a year ago due to increased natural gas prices.

### St. Lucie Project

- **Capacity factor** of the project was 60.6% for the fiscal year to date due to Hurricane Wilma and a scheduled two-month refueling outage. The project's lifetime average is now 83.4%.
- **Billing rates<sup>\*</sup>** were \$78.59/MWh for the fiscal year to date, a 3% decrease over the same period a year ago due to a decrease in decommissioning deposits, as well as operating and maintenance expenses. The budgeted power cost for fiscal 2006, including average transmission costs, was anticipated to be \$65.77/MWh. **Actual power costs per MWh<sup>\*</sup>** were \$88.34 for the fiscal year to date, a 23.4% increase over the same period a year ago due to increase in sales under the Nuclear Reliability and Exchange Agreement and capacity factor reductions.

### Stanton & Tri-City

- **Availability factor** of Stanton Unit 1 was 99.6% for the fiscal year to date. Unit 1's lifetime average is now 87.1%.
- **Billing rates<sup>\*</sup>** for the Stanton Project were \$47.43/MWh for the fiscal year to date, a 47% decrease from the same period a year ago due to a decrease in funds being transferred to the general reserve. The budgeted power cost for fiscal 2006, including average transmission costs, was anticipated to be \$54.00/MWh. **Actual power costs per MWh<sup>\*</sup>** were \$42.13 for the fiscal year to date, a 50.1% decrease from the same period a year ago due to an increase of MWh sales resulting from the rescheduling of a planned outage to March 2006.
- **Billing rates<sup>\*</sup>** for the Tri-City Project were \$55.23/MWh for the fiscal year to date, a 43.1% decrease from the same period a year ago due to a decrease in maintenance and fuel expenses. The budgeted power cost for fiscal 2006, including average transmission costs, was anticipated to be \$63.15/MWh. **Actual power costs per MWh<sup>\*</sup>** were \$50.51 for the fiscal year to date, a 28.8% decrease over the same period a year ago due to an increase of MWh sales resulting from the rescheduling of a planned outage to March 2006.

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

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## Statement of Net Assets

Unaudited  
(thousands omitted)

December 31, 2005	Agency Fund		Pooled Loan Fund		St. Lucie Project	
	2006	2005	2006	2005	2006	2005
<b>Assets</b>						
Net Utility Plant	\$4,261	\$4,462			\$84,712	\$86,716
Restricted Assets	19,660		\$159,576	\$86,003	57,786	49,423
Current Assets	8,068	5,382			59,695	56,627
Other Assets	1,080	2,123			99,914	110,817
<i>TOTAL ASSETS</i>	\$33,069	\$11,967	\$159,576	\$86,003	\$302,107	\$303,583
<b>Liabilities and Net Assets</b>						
Net Assets	\$10,312	\$8,861				
Long-Term Debt	2,230	2,406			\$262,000	\$262,000
Restricted Liabilities	19,660		\$159,576	\$86,003	37,401	33,122
Current Liabilities	867	700			2,443	8,188
Other Liabilities					263	273
<i>TOTAL LIABILITIES AND NET ASSETS</i>	\$33,069	\$11,967	\$159,576	\$86,003	\$302,107	\$303,583

## Statement of Revenues and Expenses and Change in Fund Net Assets

Unaudited  
(thousands omitted)

Three Months Ended December 31, 2005	Agency Fund		Pooled Loan Fund		St. Lucie Project	
	2006	2005	2006	2005	2006	2005
Operating Revenues			\$1,498	\$477	\$7,211	\$9,104
Operating Expenses	\$1,726	\$1,773	1,341	559	5,259	5,304
Amounts Capitalized or Charged to Other Projects	1,853	1,730				
<i>OPERATING INCOME (LOSS)</i>	127	(43)	157	(82)	1,952	3,800
Other (Charges) and Credits	274	313	(157)	82	(2,423)	(5,154)
Net Costs Recoverable from Participant Billings					471	1,354
<i>EXCESS OF REVENUES OVER EXPENSES</i>	401	270				
Net Assets at Beginning of Period	9,911	8,591				
<i>NET ASSETS AT END OF PERIOD</i>	\$10,312	\$8,861	\$-	\$-	\$-	\$-

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 2005 Annual Report.

Stanton Project		All-Requirements Project		Tri-City Project		Stanton II Project		Totals	
2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
\$39,463	\$40,534	\$215,236	\$184,631	\$16,175	\$16,656	\$125,974	\$128,655	\$485,821	\$461,654
6,458	7,148	76,827	19,284	3,882	4,150	8,522	9,152	332,711	175,160
20,674	18,782	176,937	129,673	5,247	5,295	28,911	28,216	299,532	243,975
18,395	21,660	27,368	27,792	15,889	17,082	36,334	38,658	198,980	218,132
\$84,990	\$88,124	\$496,368	\$361,380	\$41,193	\$43,183	\$199,741	\$204,681	\$1,317,044	\$1,098,921

\$82,474	\$86,094	\$357,601	\$285,238	\$39,755	\$42,152	\$196,506	\$201,177	\$10,312	\$8,861
695	712	1,794	1,077	358	355	1,297	1,251	940,566	879,067
1,821	1,318	65,574	25,341	1,080	676	1,938	2,253	220,781	122,520
		71,399	49,724					73,723	38,476
								71,662	49,997
\$84,990	\$88,124	\$496,368	\$361,380	\$41,193	\$43,183	\$199,741	\$204,681	\$1,317,044	\$1,098,921

Stanton Project		All-Requirements Project		Tri-City Project		Stanton II Project		Totals	
2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
\$5,471	\$4,400	\$119,153	\$105,166	\$2,340	\$1,572	\$9,315	\$8,414	\$144,988	\$129,133
4,789	2,624	119,044	101,587	1,837	945	8,452	5,468	142,448	118,260
								1,853	1,730
682	1,776	109	3,579	503	627	863	2,946	4,393	12,603
(394)	(1,558)	(1,532)	(3,649)	(288)	(1,014)	(1,184)	(3,052)	(5,704)	(14,032)
(288)	(218)	1,423	70	(215)	387	321	106	1,712	1,699
								401	270
								9,911	8,591
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$10,312	\$8,861

- Stanton II Project
- **Availability factor** of Stanton Unit 2 was 98.3% for the fiscal year to date. Unit 2's lifetime average is now 88.5%.
  - **Billing rates\*** were \$44.99/MWh for the fiscal year to date, a 4.7% decrease over the same period a year ago due to a decrease in maintenance and fuel expenses and an increase in MWh sales. The budgeted power cost for fiscal 2006, including average transmission costs, was anticipated to be \$50.49 MWh. **Actual power costs per MWh\*** were \$44.86 for the fiscal year to date, a 6% increase over the same period a year ago due to an increase in delivered coal costs.

Comments

FMPA General Manager and CEO Roger Fontes commented: "Industry-wide natural gas price increases continue to impact the All-Requirements Project's wholesale energy costs. However, FMPA's fuel hedging program has helped to mitigate the effect of increased natural gas prices. Due to a mild winter, natural gas prices have decreased from the recent historically high levels. The Stanton and Tri-City billing rates decreased significantly during the first quarter due to rescheduling a planned outage into the second quarter. Stanton, Tri-City and Stanton II experienced an increase in coal cost; however, the increased coal costs were offset for the Stanton and Tri-City projects by an increase in MWh sales resulting from rescheduling the planned outage. Looking forward, Stanton and Tri-City costs should be consistent with the original estimates once the outage takes place."

- News of Interest
- The All-Requirements Project's energy rate increased Oct. 1, 2005, due to sustained high natural gas prices. There were several factors that increased natural gas prices, including unusually high temperatures during the summer of 2005, which increased consumers' demand, as well as Hurricanes Dennis, Katrina and Rita that passed through the Gulf of Mexico, decreasing the region's natural gas supply. FMPA has an active program for managing natural gas prices. Without it, the necessary energy rate increase would have been nearly twice as large.
  - A panel of independent arbitrators resolved a contract disagreement in October 2005 between FMPA and the city of Vero Beach. The dispute involved the amount of compensation FMPA pays the city for its power generation resources. Vero Beach sought more than \$7 million in additional compensation for power generated by the city during the 2004 fiscal year; however, the panel found that the city was not entitled to any additional compensation.

- \* 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 revised subsequently 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.					