



SECOND QUARTER FISCAL 2008

FMPA Announces Second Quarter Results

Introduction	Florida Municipal Power Agency (FMPA) released financial results for the second quarter ended March 31, 2008. Highlights are as follows.
All-Requirements	<ul style="list-style-type: none">• Energy, net of excluded resources, was 2,957,058 MWh for the fiscal year to date, a 3.5% increase compared to the same period a year ago.• Peak demand was 1,330 MW in the second quarter, a 12.6% increase compared to the same quarter a year ago.• Revenue from power supply was \$293 million for the fiscal year to date, a 21.6% increase compared to the same period a year ago due to an increase in billing rates.• Power costs* were \$99.14/MWh for the fiscal year to date, a 17.4% increase over the same period a year ago due to an increase in the cost of natural gas, an increase in debt service and a planned outage at the Stanton Energy Center.
St. Lucie Project	<ul style="list-style-type: none">• Capacity factor of the project was 70.2% for the fiscal year to date due to a planned maintenance outage during the first quarter. The project's lifetime average is now 83.6%.• Billing rates* were \$85.87/MWh for the fiscal year to date, a 16.1% 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 \$92.78/MWh. Actual power costs per MWh* were \$54.67 for the fiscal year to date, an 11.4% decrease over the same period a year ago due to increased revenues from interest income used to offset expenses. Actual costs were less than budgeted costs, which is the budgeted cost for the entire fiscal year, due to the three-month maintenance outage during the first quarter.
Stanton & Tri-City	<ul style="list-style-type: none">• Availability factor of Stanton Unit 1 was 79.8% for the fiscal year to date due to a planned maintenance outage during the first quarter. Unit 1's lifetime average is now 87.2%.• Billing rates* for the Stanton Project were \$72.19/MWh for the fiscal year to date, a 17.4% 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 \$59.64 for the fiscal year to date, a 7.3% increase compared to the same period last year mostly due to a decrease in actual MWh sales.• Billing rates* for the Tri-City Project were \$81.16/MWh for the fiscal year to date, a 25% increase compared to the same period a year ago due to a decrease in actual MWh sales and an increase in budgeted expenses. The budgeted power cost for fiscal 2008, including average transmission costs, was anticipated to be \$75.83/MWh. Actual power costs per MWh* were \$68.98 for the fiscal year to date, a 14% increase compared to the same period a year ago due to a decrease in actual MWh sales.

* 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)

March 31, 2008	Agency		Pooled Loan Project		St. Lucie Project	
	2008	2007	2008	2007	2008	2007
Assets						
Net Utility Plant	\$3,631	\$3,948			\$102,168	\$87,796
Restricted Assets	25,181	22,320	\$151,367	\$145,218	69,919	70,149
Current Assets	11,847	10,654			50,664	70,869
Other Assets	130	423			106,688	91,734
<i>TOTAL ASSETS</i>	\$40,789	\$37,345	\$151,367	\$145,218	\$329,439	\$320,548
Liabilities and Net Assets						
Net Assets	\$12,798	\$11,764				
Long-Term Debt	2,100	2,230			\$285,600	\$276,946
Liabilities Payable from Restricted Assets	24,916	22,321	\$151,367	\$145,218	41,571	40,504
Current Liabilities	975	1,030			2,187	2,895
Other Liabilities					81	203
<i>TOTAL LIABILITIES AND NET ASSETS</i>	\$40,789	\$37,345	\$151,367	\$145,218	\$329,439	\$320,548

Statement of Revenues, Expenses and Changes in Fund Net Assets

Unaudited
(thousands omitted)

Six Months Ended March 31, 2008	Agency		Pooled Loan Project		St. Lucie Project	
	2008	2007	2008	2007	2008	2007
Operating Revenues						
Billings to Participants			\$2,624	\$1,554	\$18,622	\$17,811
Amounts to be Recovered From (refunded to) Participants			(372)	(26)	(7,196)	(3,163)
Sales to Others					1,180	1,279
Interest Income	\$465	\$201		47	(12,035)	10,981
Other	4,954	4,740				
<i>TOTAL REVENUES</i>	\$5,419	\$4,941	\$2,252	\$1,575	\$571	\$26,908
Operating Expenses						
Operation, Maintenance & Nuclear Fuel Amortization					\$6,978	\$5,910
Purchased Power, Transmission & Fuel Costs					1,461	2,161
Administrative & General	\$4,661	\$4,077	\$430	\$225	1,994	1,199
Depreciation & Decommissioning	193	209			4,471	5,021
Interest & Amortization	109	20	1,822	1,350	8,020	6,926
Other						
<i>TOTAL EXPENSES</i>	\$4,963	\$4,306	2,252	1,575	22,924	21,217
Change in Net Assets Before Regulatory Asset Adjustment	\$457	\$635			(\$22,353)	\$5,691
Regulatory Asset Adjustment					22,353	(5,691)
Change in net assets after regulatory asset adjustment						
Net Assets at Beginning of Period	12,341	11,130				
<i>NET ASSETS AT END OF PERIOD</i>	\$12,798	\$11,765	\$ -	\$ -	\$ -	\$ -

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
\$38,248	\$38,660	\$442,379	\$355,070	\$15,522	\$15,766	\$120,480	\$121,783	\$722,428	\$623,023
11,669	9,290	162,274	265,768	5,909	5,323	12,696	10,484	439,015	528,552
18,850	20,531	233,830	166,374	4,368	4,732	27,861	30,644	347,420	303,804
12,965	14,758	(25,169)	14,804	11,623	13,257	30,590	33,421	136,827	168,397
\$81,732	\$83,239	\$813,314	\$802,016	\$37,422	\$39,078	\$191,627	\$196,332	\$1,645,690	\$1,623,776

\$74,896	\$78,714	\$675,573	\$675,590	\$34,817	\$37,276	\$187,035	\$191,816	\$12,798	\$11,764
1,205	1,382	5,249	7,701	652	698	2,504	2,288	1,260,021	1,262,572
5,631	3,143	111,525	88,725	1,953	1,104	2,088	2,228	227,464	220,112
		20,967	30,000					124,359	99,125
								21,048	30,203
\$81,732	\$83,239	\$813,314	\$802,016	\$37,422	\$39,078	\$191,627	\$196,332	\$1,645,690	\$1,623,776

Stanton Project		All-Requirements Project		Tri-City Project		Stanton II Project		Totals	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
\$13,723	\$12,756	\$275,344	\$225,629	\$5,592	\$5,240	\$21,267	\$19,617	\$337,172	\$282,607
(2,415)	(1,240)	(5,481)	9,042	(848)	(358)	(2,391)	(2,366)	(18,703)	1,889
170	169	14,711	11,646	61	61	292	265	16,414	13,420
(92)	843	2,489	4,732	192	287	792	1,113	(8,189)	18,204
		4,189							
\$11,386	\$12,528	\$291,252	\$251,049	\$4,997	\$5,230	\$19,960	\$18,629	\$335,837	\$320,860
\$2,706	\$2,133	\$23,669	\$25,003	\$968	\$765	\$2,684	\$2,573	\$37,005	\$36,384
5,602	5,484	241,603	203,177	2,037	1,988	10,065	8,212	260,768	221,022
489	409	5,427	5,309	255	237	673	569	13,929	12,025
1,025	987	5,540	6,452	415	401	2,210	2,167	13,854	15,237
1,907	1,957	10,020	9,568	959	1,031	5,082	4,820	27,919	25,672
11,729	10,970	286,259	249,509	4,634	4,422	20,714	18,341	\$353,475	\$310,340
(\$343)	\$1,558	\$4,993	\$1,540	\$363	\$808	(\$754)	\$288	(\$17,637)	\$10,520
342	(1,558)	(4,993)	(1,540)	(363)	(808)	754	(288)	18,093	(9,885)
								12,341	11,130
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$12,798	\$11,765

- Stanton II Project
- **Availability factor** of Stanton Unit 2 was 88.9% for the fiscal year to date due to a planned outage. Unit 2's lifetime average is now 88.4%.
 - **Billing rates*** were \$57.17/MWh for the fiscal year to date, a 6.7% decrease over the same period a year ago due to an increase 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 \$50.83 for the fiscal year to date, a 5.8% decrease over the same period a year ago due to an increase in MWh sales.

Comments

FMPA General Manager and CEO Roger Fontes commented: “During this quarter, industry-wide increases in the cost of natural gas forced FMPA to increase the All-Requirements Project’s whole-sale energy rate. While FMPA has an active hedging program to manage natural gas prices volatility, continued high fuel prices pushed expected costs above our budgeted forecast. Upward pressure on fuel costs also increased the Agency’s 60-day working capital requirements, a Board-approved rate-setting criteria. Looking forward, increased natural gas prices are expected to impact rates for the remainder of the fiscal year. Another development during this quarter was the sub-prime mortgage crisis, which impacted the market for auction-rate securities issued by FMPA and others. Although FMPA’s interest rate rose, a formula in the bond resolution limited the Agency’s overall exposure. The current instability of the auction-rate securities market is undesirable to many of our investors, so we are taking decisive action to move out of these debt instruments.”

- News of Interest
- FMPA noted in February that the nation-wide sub-prime mortgage crisis impacted the Agency’s cost of outstanding debt. One type of variable-rate debt instrument, known as auction-rate securities, comprises a portion of the Agency’s debt portfolio. Auction-rate bonds are those with interest rates that are determined by open-market competitive bidding, which typically occurs every seven, 28 or 35 days. When there are not enough new investors, the auction does not clear and existing bondholders who wanted to sell must hold the securities. Interest rates after non-clearing auctions are set at a level described in Official Statements issued at the initial bond sale. To address this situation, FMPA’s Board of Directors and the ARP Executive Committee approved a debt restructuring plan. The plan will eliminate the use of auction-rate securities from the Agency’s debt portfolio and move towards a goal of having between 50% and 60% of FMPA’s total debt in long-term fixed-rate obligations.

- * 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.					