

TEXAS MUNICIPAL POWER AGENCY
March 31, 2007
SECOND QUARTER HIGHLIGHTS

- ◆ For the Quarter Ending March 31, 2007:

	MWHs
Net generation:	661,511
Equivalent availability:	68.90%
Net capacity factor:	66.29%

- ◆ For the Fiscal Year to Date March 31, 2007:

	MWHs
Net generation:	1,633,854
Equivalent availability:	84.18%
Net capacity factor:	80.94%

- ◆ Gibbons Creek Unit 1 returned to service in late March following a 28 day spring outage. Betterment projects completed include a condenser retube, burner management controls replacement, boiler water wall section replacement and replacement of cabling to the Gibbons Creek Substation.

- ◆ Net generation for October 1, 2006 – March 31, 2007 was 1,633,854 MWhs. Production was at a record pace entering the spring outage, ahead of budget by 9.8% for the first half of the year.

- ◆ The TMPA Team achieved a milestone goal of 10 years without a lost time injury on March 28, 2007.

- ◆ TMPA would like to thank George Hopkins for his service on the Board of Directors, 1996-2006, representing the City of Denton.

- ◆ TMPA would like to thank Ronald Hale for his service on the Board of Directors, 2005-2007, representing the City of Bryan.

- ◆ August 4, 2006, TMPA welcomed a new member to the Board of Directors representing the City of Denton, Phil Gallivan, Jr.

- ◆ March 31, 2007, TMPA welcomed a new member to the Board of Directors representing the City of Bryan, Gene Kornegay.

Second Quarter Report
Period Ended March 31, 2007

Texas Municipal Power Agency
P. O. Box 7000 Bryan, Texas 77805
(936) 873-2013 www.texasmpa.org



Serving the Cities of
Bryan, Denton, Garland & Greenville

Texas Municipal Power Agency

BOARD OF DIRECTORS

Bryan – Bill Atkinson, L. Gene Kornegay
Denton – Perry McNeill, Phil Gallivan, Jr.
Garland – James Ratliff, Tom Jefferies
Greenville – Byron Chitwood, Sue Ann Harting

OTHER PRINCIPAL OFFICIALS

General Manager
Gary T. Parsons

Power Plant Manager
Craig York

Interim Transmission Manager
Randy Gilleland

Environmental Services Manager
Jan Horbaczewski

Chief Financial Officer
Mark R. Murchison

TEXAS MUNICIPAL POWER AGENCY

Balance Sheet

Assets

	3/31/2007 (Unaudited)	9/30/2006 (Audited)
	(Dollars in Thousands)	
Current Assets		
Current Unrestricted Assets		
Cash and Investments	\$ 14,274	\$ 17,496
Inventories		
Fuel Stock	10,561	8,122
Materials and Supplies	4,704	4,765
Accounts Receivable and Other	21,212	24,295
Accrued Interest Receivable	1,006	1,100
Total Current Unrestricted Assets	51,757	55,778
Current Restricted Assets		
Cash and Cash equivalents	39,867	5,695
Accounts Receivable and Other	187	749
Total Restricted Assets	40,054	6,444
Total Current Assets	91,811	62,222
Noncurrent Assets		
Electric Plant		
In Service	880,687	868,166
Less Accumulated Depreciation	(540,818)	(534,736)
Total Net Plant	339,869	333,430
Construction Work in Progress	26,435	23,014
Total Electric Plant	366,304	356,444
Other Assets		
Restricted Cash and Investments	129,505	116,831
Unamortized Debt Issuance Cost	9,858	10,627
Unamortized Excess Cost on Refunding	317,674	317,674
Deferred Expense to be Recovered	357,684	381,705
Total Other Assets	814,721	826,837
Total Noncurrent Assets	1,181,025	1,183,281
Total Assets	\$ 1,272,836	\$ 1,245,503
Liabilities and Net Assets		
Current Liabilities		
Taxable Commercial Paper	\$ 4,200	\$ 4,200
Current Maturities of Revenue Bonds	68,343	68,343
Zero Coupon Bonds Payable	23,272	21,545
Accrued Interest Payable	2,619	2,933
Accounts Payable	24,866	23,065
Accrued Distribution to Member Cities	4,245	9,095
Accrued Compensation and Pension	1,626	2,182
Liabilities Payable from Current Restricted Assets		
Accrued Mine Reclamation Cost	300	300
Total Current Liabilities	129,471	131,663
Noncurrent Liabilities		
Long Term Debt		
Revenue Bonds	588,264	588,264
Unamortized Discount/Premium	1,112	1,099
Zero Coupon Bond Payable	284,534	270,401
Tax Exempt Commercial Paper	219,505	207,905
Taxable Commercial Paper	3,069	4,500
Total Long Term Debt	1,096,484	1,072,169
Noncurrent Liabilities Payable from Restricted Assets		
Accounts Payable	653	602
Accrued Mine Reclamation Cost	4,982	5,510
Total Noncurrent - Restricted Assets	5,635	6,112
Total Noncurrent Liabilities	1,102,119	1,078,281
Total Liabilities	1,231,590	1,209,944
Net Assets		
Invested in Capital Assets Net of Debt	51,865	44,263
Restricted Assets Net of Liabilities	163,624	116,863
Unrestricted Assets Net of Liabilities	(174,243)	(125,567)
Total Net Assets	41,246	35,559
Total Liabilities and Net Assets	\$ 1,272,836	\$ 1,245,503

TEXAS MUNICIPAL POWER AGENCY
Statement of Revenues, Expenses and Change in Net Assets

(Unaudited)

	Year to Date Second Quarter Ending 31-Mar-07	
	2007	2006
	(Dollars in Thousands)	
Operating Revenues		
Power Sales	\$ 109,128	\$ 107,019
Transmission Revenue	12,725	11,982
Other Operating Revenues	609	778
Total Operating Revenues	122,462	119,779
Operating Expenses		
Fuel	27,418	28,205
Production - Operation and Maintenance	9,887	8,703
Transmission - Operation and Maintenance	1,138	1,177
Administrative and General	4,707	4,349
Depreciation Expense	5,734	5,617
Renewals and Replacements	603	4,207
Total Operating Expenses	49,487	52,258
Income from Operations	72,975	67,521
Other Income (Expenses)		
Investment Revenue	3,900	3,307
Miscellaneous Other Expenses	85	49
Total Other Income	3,985	3,356
Interest Charges		
Interest Expense on Debt	30,282	31,371
Amortization of Debt Issuance Cost and Excess Cost on Advance Refunding of Debt	6,571	6,536
Total Interest Charges	36,853	37,907
Cost to be Recovered in Future Years	17,536	16,476
Net Revenues before Refunds	22,571	16,494
Refunds to Member Cities	16,884	16,788
Change in Net Assets	5,687	(294)
Net Assets		
Balance as of September 30	35,559	34,444
Balance as of March 31	\$ 41,246	\$ 34,150

These unaudited financial statements should be read in conjunction with the Notes to the financial statements appearing in the Agency's September 30, 2006 audited annual financial statements.