

TEXAS MUNICIPAL POWER AGENCY
December 31, 2007
FIRST QUARTER HIGHLIGHTS

- ◆ For the Quarter Ending December 31, 2007:

	MWHs
Net generation:	967,733
Equivalent availability:	97.32%
Net capacity factor:	94.82%

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

	MWHs
Net generation:	967,733
Equivalent availability:	97.32%
Net capacity factor:	94.82%

First Quarter Report
Period Ended December 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

Transmission Manager
Eric Schroeder

Environmental Services Manager
Jan Horbaczewski

Chief Financial Officer
Mark R. Murchison

TEXAS MUNICIPAL POWER AGENCY

Balance Sheet

Assets

	<u>12/31/2007</u>	<u>9/30/2007</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>(Dollars in Thousands)</u>	
Current Assets		
Current Unrestricted Assets		
Cash and Investments	\$ 8,540	\$ 7,614
Inventories		
Fuel Stock	9,360	6,986
Materials and Supplies	5,181	4,910
Accounts Receivable and Other	28,816	27,779
Accrued Interest Receivable	834	877
Total Current Unrestricted Assets	<u>52,731</u>	<u>48,166</u>
Current Restricted Assets		
Cash and Cash equivalents	24,600	6,150
Accounts Receivable and Other	609	770
Total Restricted Assets	<u>25,209</u>	<u>6,920</u>
Total Current Assets	<u>77,940</u>	<u>55,086</u>
Noncurrent Assets		
Electric Plant		
In Service	900,164	898,439
Less Accumulated Depreciation	(557,287)	(552,356)
Total Net Plant	<u>342,877</u>	<u>346,083</u>
Construction Work in Progress	32,593	24,691
Total Electric Plant	<u>375,470</u>	<u>370,774</u>
Other Assets		
Restricted Cash and Investments	129,165	117,486
Unamortized Debt Issuance Cost	8,745	9,089
Unamortized Excess Cost on Refunding	74,183	77,085
Deferred Expense to be Recovered	562,718	573,768
Total Other Assets	<u>774,811</u>	<u>777,428</u>
Total Noncurrent Assets	<u>1,150,281</u>	<u>1,148,202</u>
Total Assets	<u>\$ 1,228,221</u>	<u>\$ 1,203,288</u>
	Liabilities and Net Assets	
Current Liabilities		
Taxable Commercial Paper	\$ 3,069	\$ 3,069
Current Maturities of Revenue Bonds	73,801	73,801
Zero Coupon Bonds Payable	23,884	22,395
Accrued Interest Payable	6,726	2,566
Accounts Payable	27,605	24,809
Accrued Distribution to Member Cities	3,582	3,511
Accrued Compensation and Pension	1,826	2,410
Liabilities Payable from Current Restricted Assets		
Accrued Mine Reclamation Cost	850	850
Total Current Liabilities	<u>141,343</u>	<u>133,411</u>
Noncurrent Liabilities		
Long Term Debt		
Revenue Bonds	514,463	514,463
Unamortized Discount/Premium	1,087	1,111
Zero Coupon Bond Payable	284,656	278,323
Tax Exempt Commercial Paper	242,605	232,605
Taxable Commercial Paper	-	-
Total Long Term Debt	<u>1,042,811</u>	<u>1,026,502</u>
Noncurrent Liabilities Payable from Restricted Assets		
Accounts Payable	1,303	1,232
Accrued Mine Reclamation Cost	4,433	4,713
Total Noncurrent - Restricted Assets	<u>5,736</u>	<u>5,945</u>
Total Noncurrent Liabilities	<u>1,048,547</u>	<u>1,032,447</u>
Total Liabilities	<u>1,189,890</u>	<u>1,165,858</u>
Net Assets		
Invested in Capital Assets Net of Debt	55,199	50,980
Restricted Assets Net of Liabilities	147,788	117,611
Unrestricted Assets Net of Liabilities	(164,656)	(131,161)
Total Net Assets	<u>38,331</u>	<u>37,430</u>
Total Liabilities and Net Assets	<u>\$ 1,228,221</u>	<u>\$ 1,203,288</u>

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

(Unaudited)

	Year to Date	
	First Quarter Ending	
	31-Dec-07	
	<u>2008</u>	<u>2007</u>
	<u>(Dollars in Thousands)</u>	
Operating Revenues		
Power Sales	\$ 60,098	\$ 57,405
Transmission Revenue	6,415	6,376
Other Operating Revenues	346	304
Total Operating Revenues	<u>66,859</u>	<u>64,085</u>
Operating Expenses		
Fuel	19,947	15,790
Production - Operation and Maintenance	3,232	3,022
Transmission - Operation and Maintenance	611	336
Administrative and General	2,388	2,195
Depreciation Expense	3,065	2,808
Renewals and Replacements	1,886	460
Total Operating Expenses	<u>31,129</u>	<u>24,611</u>
Income from Operations	<u>35,730</u>	<u>39,474</u>
Other Income (Expenses)		
Investment Revenue	1,904	1,674
Miscellaneous Other Expenses	33	19
Total Other Income	<u>1,937</u>	<u>1,693</u>
Interest Charges		
Interest Expense on Debt	14,188	15,001
Amortization of Debt Issuance Cost and Excess Cost on Advance Refunding of Debt	3,183	3,285
Total Interest Charges	<u>17,371</u>	<u>18,286</u>
Cost to be Recovered in Future Years	<u>10,738</u>	<u>8,887</u>
Net Revenues before Refunds	<u>9,558</u>	<u>13,994</u>
Refunds to Member Cities	<u>8,657</u>	<u>8,442</u>
Change in Net Assets	<u>901</u>	<u>5,552</u>
Net Assets		
Balance as of September 30	37,430	35,559
Balance as of December 31	<u>\$ 38,331</u>	<u>\$ 41,111</u>

These unaudited financial statements should be read in conjunction with the Notes to the financial statements appearing in the Agency's September 30, 2007 audited annual financial statements.