

TEXAS MUNICIPAL POWER AGENCY
March 31, 2009
SECOND QUARTER HIGHLIGHTS

◆ **For the Quarter Ending March 31, 2009:**

	MWh's
Net generation:	644,703
Equivalent availability:	67.44%
Net capacity factor:	63.53%

◆ **For the Fiscal Year to Date March 31, 2009:**

	MWh's
Net generation:	1,607,264
Equivalent availability:	82.37%
Net capacity factor:	78.29%

- ◆ The Roanoke Tap to West Denton Project is a new 345kV transmission line that was recently approved by the TMPA Board. The circuit will be installed on existing structures that will be upgraded to accommodate the increased conductor size. The new line will be an important link between renewable wind energy from West Texas and the regional electric grid in the Dallas/Fort Worth area.
- ◆ Power Generation is 6% below target for the 1st six months of FY09. Coal generation demand was reduced in February and March due to lower natural gas prices along with off-peak wind generation available at low prices. Gibbons Creek experienced two forced outages in November and February due to boiler tube leaks and a delayed start-up from the March 2009 planned outage due to generator repairs and installation of a new turbine controls system. End of year forecast is projected to close within 3% of target generation following the summer run. Gibbons Creek increased the normal ramp rate from 3 to 5 MW's/minute effective March 20, 2009 after completion of testing over the past few months. A quicker ramp rate allows the Member Cities QSE's to move load on the unit faster to meet customer demand and market conditions and to take advantage of lower priced power during off peak hours.
- ◆ Through six months of the fiscal year, TMPA's Total Power Costs are \$1 million or 1% favorable compared to budget. This favorable variance is expected to increase to \$2.6 million by year end.

Second Quarter Report
Period Ended March 31, 2009

Texas Municipal Power Agency
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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
John Meisner

TEXAS MUNICIPAL POWER AGENCY

Balance Sheet
Assets

	3/31/2009 (Unaudited)	9/30/2008 (Audited)
	(Dollars in Thousands)	
Current Assets		
Current Unrestricted Assets		
Cash and Investments	\$ 8,477	\$ 14,469
Inventories		
Fuel Stock	14,354	10,326
Materials and Supplies	5,484	5,014
Accounts Receivable and Other	28,332	28,925
Accrued Interest Receivable	735	896
Total Current Unrestricted Assets	<u>57,382</u>	<u>59,630</u>
Current Restricted Assets		
Cash and Cash equivalents	48,714	6,959
Accounts Receivable and Other	270	620
Total Restricted Assets	<u>48,984</u>	<u>7,579</u>
Total Current Assets	<u>106,366</u>	<u>67,209</u>
Noncurrent Assets		
Electric Plant		
In Service	954,781	945,496
Less Accumulated Depreciation	(583,096)	(570,865)
Total Net Plant	<u>371,685</u>	<u>374,631</u>
Construction Work in Progress	18,678	15,186
Total Electric Plant	<u>390,363</u>	<u>389,817</u>
Other Assets		
Restricted Cash and Investments	123,299	131,123
Unamortized Debt Issuance Cost	7,439	8,225
Unamortized Excess Cost on Refunding	56,733	62,258
Deferred Expense to be Recovered	532,543	539,463
Total Other Assets	<u>720,014</u>	<u>741,069</u>
Total Noncurrent Assets	<u>1,110,377</u>	<u>1,130,886</u>
Total Assets	<u>\$ 1,216,743</u>	<u>\$ 1,198,095</u>
	Liabilities and Net Assets	
Current Liabilities		
Taxable Commercial Paper	\$ -	\$ -
Line Of Credit	-	-
Current Maturities of Revenue Bonds	123,988	123,988
Zero Coupon Bonds Payable	24,452	24,452
Accrued Interest Payable	1,961	2,631
Accounts Payable	34,570	27,584
Accrued Distribution to Member Cities	2,144	6,425
Accrued Compensation and Pension	2,224	2,687
Liabilities Payable from Current Restricted Assets		
Accrued Mine Reclamation Cost	1,516	1,516
Total Current Liabilities	<u>190,856</u>	<u>189,283</u>
Noncurrent Liabilities		
Long Term Debt		
Revenue Bonds	470,580	470,580
Unamortized Discount/Premium	2,304	2,490
Zero Coupon Bond Payable	299,738	284,156
Tax Exempt Commercial Paper	208,200	205,000
Taxable Commercial Paper	6,069	3,069
Total Long Term Debt	<u>986,891</u>	<u>965,295</u>
Other Employee Retirement Benefits	3,357	2,104
Total Long Term Obligations	<u>990,248</u>	<u>967,399</u>
Noncurrent Liabilities Payable from Restricted Assets		
Accounts Payable	1,635	1,683
Accrued Mine Reclamation Cost	3,727	3,921
Total Noncurrent - Restricted Assets	<u>5,362</u>	<u>5,604</u>
Total Noncurrent Liabilities	<u>995,610</u>	<u>973,003</u>
Total Liabilities	<u>1,186,466</u>	<u>1,162,286</u>
Net Assets		
Invested in Capital Assets Net of Debt	48,212	48,562
Restricted Assets Net of Liabilities	165,405	131,582
Unrestricted Assets Net of Liabilities	(183,340)	(144,335)
Total Net Assets	<u>30,277</u>	<u>35,809</u>
Total Liabilities and Net Assets	<u>\$ 1,216,743</u>	<u>\$ 1,198,095</u>

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

	Year to Date 2nd Quarter Ending 31-Mar-09	
	2009	2008
	(Dollars in Thousands)	
Operating Revenues		
Power Sales	\$ 93,760	\$ 116,929
Transmission Revenue	12,246	12,817
Other Operating Revenues	797	643
Total Operating Revenues	<u>106,803</u>	<u>130,389</u>
Operating Expenses		
Fuel	31,934	37,428
Production - Operation and Maintenance	11,809	8,681
Transmission - Operation and Maintenance	2,431	948
Administrative and General	7,636	4,920
Depreciation Expense	7,015	6,130
Renewals and Replacements	5,743	4,965
Total Operating Expenses	<u>66,568</u>	<u>63,073</u>
Income from Operations	<u>40,235</u>	<u>67,316</u>
Other Income (Expenses)		
Investment Revenue	1,928	3,796
Miscellaneous Other Income (Expenses)	25	73
Total Other Income	<u>1,953</u>	<u>3,869</u>
Interest Charges		
Interest Expense on Debt	25,649	27,847
Amortization of Debt Issuance Cost and Excess Cost on Advance Refunding of Debt	6,007	6,365
Total Interest Charges	<u>31,656</u>	<u>34,212</u>
Cost to be Recovered in Future Years	<u>6,738</u>	<u>21,052</u>
Net Revenues before Refunds	<u>3,795</u>	<u>15,920</u>
Refunds to Member Cities	<u>9,327</u>	<u>17,314</u>
Change in Net Assets	<u>(5,533)</u>	<u>(1,394)</u>
Net Assets		
Balance as of September 30	<u>35,809</u>	<u>37,430</u>
Balance as of March 31	<u>\$ 30,276</u>	<u>\$ 36,036</u>

These unaudited financial statements should be read in conjunction with the notes to the financial statements appearing in the Agency's September 30, 2008 audited annual financial statements.