

TEXAS MUNICIPAL POWER AGENCY
June 30, 2009
THIRD QUARTER HIGHLIGHTS

◆ **For the Quarter Ending June 30, 2009:**

	MWhs
Net generation:	891,784
Equivalent availability:	88.57%
Net capacity factor:	85.81%

◆ **For the Fiscal Year to Date June 30, 2009:**

	MWhs
Net generation:	2,499,048
Equivalent availability:	85.99%
Net capacity factor:	81.15%

◆ The summer heat has resulted in record high electrical usage throughout the ERCOT grid in Texas. TMPA's transmission system has functioned reliably with no line outages or major equipment problems during this quarter. Scheduled maintenance is being performed as planned and this includes tree trimming on over 96 circuit miles of 345kV lines extending from Gibbons Creek substation. Engineering has started for TMPA's latest transmission project, the new 345kV line from West Denton to Oncor's Roanoke Tap substation. This new 10 mile section of line is an important link that will allow West Texas wind power to be imported to the Dallas metropolitan area.

◆ Power Generation is 6.4% below target for the first nine months of FY2009. Gibbons Creek experienced one forced outage in June due to a boiler tube leak resulting in the loss of 24,722 MWhs. End of year forecast is projected to close within 4.4% of target generation following the summer run. If this is achieved, FY2009 will be TMPA's fourth best generation year in the history of Gibbons Creek, despite unplanned outages and de-rates following start-up from spring outage in the second quarter.

◆ Through the third quarter of FY2009, TMPA's Operating Revenues were \$164.6 million which is \$31.4 million less than FY2008. The decrease is due to the 2008 refinancing of \$37 million of debt service which would have been due in FY2009. Without this revenue requirement, TMPA's rates in FY2009 were decreased compared to the rates billed in FY2008. TMPA's year to date budget variance is \$4.4 million favorable on a \$152 million Total Power Cost budget. Of this, \$3.4 million is due to the variable cost being less than budgeted as a result of reduced generation.

Third Quarter Report
Period Ended June 30, 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

	<u>6/30/2009</u>	<u>9/30/2008</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	(Dollars in Thousands)	
Current Assets		
Current Unrestricted Assets		
Cash and Investments	\$ 9,292	\$ 14,469
Inventories		
Fuel Stock	14,749	10,326
Materials and Supplies	5,597	5,014
Accounts Receivable and Other	29,416	28,925
Accrued Interest Receivable	876	896
Total Current Unrestricted Assets	<u>59,930</u>	<u>59,630</u>
Current Restricted Assets		
Cash and Cash equivalents	69,592	6,959
Accounts Receivable and Other	1,145	620
Total Restricted Assets	<u>70,737</u>	<u>7,579</u>
Total Current Assets	<u>130,667</u>	<u>67,209</u>
Noncurrent Assets		
Electric Plant		
In Service	959,892	945,496
Less Accumulated Depreciation	(588,912)	(570,865)
Total Net Plant	<u>370,980</u>	<u>374,631</u>
Construction Work in Progress	21,513	15,186
Total Electric Plant	<u>392,493</u>	<u>389,817</u>
Other Assets		
Restricted Cash and Investments	120,024	131,123
Unamortized Debt Issuance Cost	7,216	8,225
Unamortized Excess Cost on Refunding	53,970	62,258
Deferred Expense to be Recovered	529,750	539,463
Total Other Assets	<u>710,960</u>	<u>741,069</u>
Total Noncurrent Assets	<u>1,103,453</u>	<u>1,130,886</u>
Total Assets	<u>\$ 1,234,120</u>	<u>\$ 1,198,095</u>
	Liabilities and Net Assets	
Current Liabilities		
Taxable Commercial Paper	\$ -	\$ -
Line Of Credit	-	-
Current Maturities of Revenue Bonds	43,988	123,988
Zero Coupon Bonds Payable	24,452	24,452
Accrued Interest Payable	5,227	2,631
Accounts Payable	28,999	27,584
Accrued Distribution to Member Cities	2,144	6,425
Accrued Compensation and Pension	2,869	2,687
Liabilities Payable from Current Restricted Assets		
Accrued Mine Reclamation Cost	1,516	1,516
Total Current Liabilities	<u>109,195</u>	<u>189,283</u>
Noncurrent Liabilities		
Long Term Debt		
Revenue Bonds	550,580	470,580
Unamortized Discount/Premium	2,211	2,490
Zero Coupon Bond Payable	307,738	284,156
Tax Exempt Commercial Paper	214,200	205,000
Taxable Commercial Paper	8,069	3,069
Total Long Term Debt	<u>1,082,798</u>	<u>965,295</u>
Other Employee Retirement Benefits	3,984	2,104
Total Long Term Obligations	<u>1,086,782</u>	<u>967,399</u>
Noncurrent Liabilities Payable from Restricted Assets		
Accounts Payable	1,979	1,683
Accrued Mine Reclamation Cost	3,523	3,921
Total Noncurrent - Restricted Assets	<u>5,502</u>	<u>5,604</u>
Total Noncurrent Liabilities	<u>1,092,284</u>	<u>973,003</u>
Total Liabilities	<u>1,201,479</u>	<u>1,162,286</u>
Net Assets		
Invested in Capital Assets Net of Debt	46,260	48,562
Restricted Assets Net of Liabilities	183,742	131,582
Unrestricted Assets Net of Liabilities	(197,361)	(144,335)
Total Net Assets	<u>32,641</u>	<u>35,809</u>
Total Liabilities and Net Assets	<u>\$ 1,234,120</u>	<u>\$ 1,198,095</u>

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

	Year to Date Third Quarter Ending 30-Jun-09	
	<u>2009</u>	<u>2008</u>
	(Dollars in Thousands)	
Operating Revenues		
Power Sales	\$ 144,800	\$ 175,502
Transmission Revenue	18,361	19,188
Other Operating Revenues	1,444	1,304
Total Operating Revenues	<u>164,605</u>	<u>195,994</u>
Operating Expenses		
Fuel	51,431	52,925
Production - Operation and Maintenance	14,659	13,494
Transmission - Operation and Maintenance	2,518	1,513
Administrative and General	11,481	9,547
Depreciation Expense	10,522	9,236
Renewals and Replacements	8,355	6,200
Total Operating Expenses	<u>98,966</u>	<u>92,916</u>
Income from Operations	<u>65,639</u>	<u>103,078</u>
Other Income (Expenses)		
Investment Revenue	3,503	4,823
Miscellaneous Other Income (Expenses)	117	347
Total Other Income	<u>3,620</u>	<u>5,170</u>
Interest Charges		
Interest Expense on Debt	38,327	41,294
Amortization of Debt Issuance Cost and Excess Cost on Advance Refunding of Debt	8,994	9,662
Total Interest Charges	<u>47,321</u>	<u>50,957</u>
Cost to be Recovered in Future Years	<u>9,345</u>	<u>31,170</u>
Net Revenues before Refunds	<u>12,593</u>	<u>26,122</u>
Refunds to Member Cities	<u>15,761</u>	<u>26,711</u>
Change in Net Assets	<u>(3,168)</u>	<u>(589)</u>
Net Assets		
Balance as of September 30	<u>35,809</u>	<u>37,430</u>
Balance as of June 30	<u>\$ 32,641</u>	<u>\$ 36,841</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.