

**TEXAS MUNICIPAL POWER AGENCY**  
**March, 2010**  
**SECOND QUARTER HIGHLIGHTS**

◆ **For the Quarter Ending March 31, 2010:**

	MWh's
Net generation	684,472
Equivalent availability	68.40%
Net capacity factor	67.45%

◆ **For the Fiscal Year to Date March 31, 2010:**

	MWh's
Net generation	1,605,501
Equivalent availability	82.67%
Net capacity factor	78.20%

- ◆ Through the second quarter of FY2010 Generation is behind budget by 6.0%. Gibbons Creek experienced more forced outages than expected. This results in fuel expenses being 8% less than budget.

- ◆ Construction of the \$98.5 million Scrubber Project is progressing well according to schedule and is under budget. The project is 32% complete at the end of the second quarter FY2010. The project will insure that TMPA continues to meet anticipated future air emission standards.

- ◆ On March 30, 2010 the Member Cities completed bond issues and transferred funds to recall \$195.6 million of TMPA's Series 2003, 2004, and 2004A Subordinate lien bonds and an additional \$98.5 million was received to refund commercial paper. This will let each Member City structure debt independently to achieve a desired rate for their customers.

- ◆ For the second year in a row, TMPA was recognized by the American Public Power Association with a national award honoring the best safety records for 2009.

**Second Quarter Report**  
**Period Ended March 31, 2010**

**Texas Municipal Power Agency**  
P. O. Box 7000 Bryan, Texas 77805  
(936) 873-2013 [www.texasmpa.org](http://www.texasmpa.org)



**Serving the Cities of**  
**Bryan, Denton, Garland & Greenville**

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**Texas Municipal Power Agency**

**BOARD OF DIRECTORS**

Bryan – Bill Atkinson, L. Gene Kornegay  
Denton – Chris Watts, 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

	3/31/2010 (Unaudited)	9/30/2009 (Audited)
	(Dollars in Thousands)	
<b>Current Assets</b>		
<b>Current Unrestricted Assets</b>		
Cash and Investments	\$ 23,021	\$ 12,566
Inventories		
Fuel Stock	8,904	15,277
Materials and Supplies	5,550	5,607
Accounts Receivable and Other	5,986	28,443
Accrued Interest Receivable	419	460
Total Current Unrestricted Assets	<u>43,880</u>	<u>62,353</u>
<b>Current Restricted Assets</b>		
Cash and Cash equivalents	176,247	12,508
Accounts Receivable and Other	256	704
Total Restricted Assets	<u>176,503</u>	<u>13,212</u>
<b>Total Current Assets</b>	<u>220,383</u>	<u>75,565</u>
<b>Noncurrent Assets</b>		
<b>Electric Plant</b>		
In Service	964,364	960,806
Less Accumulated Depreciation	(599,634)	(589,157)
Total Net Plant	<u>364,730</u>	<u>371,649</u>
Construction Work in Progress	44,746	23,486
Total Electric Plant	<u>409,476</u>	<u>395,135</u>
<b>Other Assets</b>		
Restricted Cash and Investments	102,695	124,419
Unamortized Debt Issuance Cost	4,038	6,886
Unamortized Excess Cost on Refunding	60,181	51,207
Deferred Expense to be Recovered	488,608	530,781
Total Other Assets	<u>655,522</u>	<u>713,293</u>
<b>Total Noncurrent Assets</b>	<u>1,064,998</u>	<u>1,108,428</u>
<b>Total Assets</b>	<u>\$ 1,285,381</u>	<u>\$ 1,183,993</u>
	<b>Liabilities and Net Assets</b>	
<b>Current Liabilities</b>		
Taxable Commerical Paper	\$ 2,017	\$ 2,017
Current Maturities of Revenue Bonds	53,481	89,481
Zero Coupon Bonds Payable	24,989	24,989
Accrued Interest Payable	821	2,302
Accounts Payable	15,744	28,174
Accrued Distribution to Member Cities	3,022	2,144
Accrued Compensation and Pension	2,042	2,518
<b>Liabilities Payable from Current Restricted Assets</b>		
Accrued Mine Reclamation Cost	2,714	2,714
Total Current Liabilities	<u>104,830</u>	<u>154,339</u>
<b>Noncurrent Liabilities</b>		
<b>Long Term Debt</b>		
Revenue Bonds	301,443	461,098
Unamortized Discount/Premium	1,284	2,110
Zero Coupon Bond Payable	306,053	290,638
Tax Exempt Commercial Paper	220,200	217,200
Taxable Commercial Paper	6,052	6,052
Total Long Term Debt	<u>835,032</u>	<u>977,098</u>
Other Employee Retirement Benefits	6,110	4,823
Total Long Term Obligations	<u>841,142</u>	<u>981,921</u>
<b>Noncurrent Liabilities Payable from Restricted Assets</b>		
Accounts Payable	1,258	763
Deferred Charges	294,155	-
Accrued Mine Reclamation Cost	6,392	6,643
Total Noncurrent - Restricted Assets	<u>301,805</u>	<u>7,406</u>
Total Noncurrent Liabilities	<u>1,142,947</u>	<u>989,327</u>
Total Liabilities	<u>1,247,777</u>	<u>1,143,666</u>
<b>Net Assets</b>		
Invested in Capital Assets Net of Debt	350,715	52,341
Restricted Assets Net of Liabilities	(25,322)	127,511
Unrestricted Assets Net of Liabilities	(287,789)	(139,525)
Total Net Assets	<u>37,604</u>	<u>40,327</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,285,381</u>	<u>\$ 1,183,993</u>

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

	Year to Date Second Quarter Ending 31-Mar-10	
	2010	2009
	(Dollars in Thousands)	
<b>Operating Revenues</b>		
Power Sales	\$ 126,249	\$ 93,760
Transmission Revenue	19,621	12,246
Other Operating Revenues	537	797
Total Operating Revenues	<u>146,407</u>	<u>106,803</u>
<b>Operating Expenses</b>		
Fuel	35,117	31,934
Production - Operation and Maintenance	10,267	11,808
Transmission - Operation and Maintenance	1,272	2,431
Administrative and General	6,690	7,636
Postage Stamp Expense	6,121	-
Depreciation Expense	7,330	7,015
Renewals and Replacements	4,923	5,743
Total Operating Expenses	<u>71,720</u>	<u>66,567</u>
<b>Income from Operations</b>	74,687	40,236
<b>Other Income (Expenses)</b>		
Investment Revenue	569	1,928
Miscellaneous Other Expenses	(515)	25
Total Other Income	<u>54</u>	<u>1,953</u>
<b>Interest Charges</b>		
Interest Expense on Debt	24,947	25,649
Amortization of Debt Issuance Cost and Excess Cost on Advance Refunding of Debt	5,945	6,007
Total Interest Charges	<u>30,892</u>	<u>31,656</u>
<b>Cost to be Recovered in Future Years</b>	28,439	6,738
<b>Net Revenues before Refunds</b>	15,410	3,796
<b>Refunds to Member Cities</b>	18,133	9,327
<b>Change in Net Assets</b>	(2,723)	(5,532)
<b>Net Assets</b>		
Balance as of September 30	40,327	35,809
<b>Balance as of March 31</b>	<u>\$ 37,604</u>	<u>\$ 30,277</u>

These unaudited financial statements should be read in conjunction with the Notes to the financial statements appearing in the Agency's September 30, 2009 audited annual financial statements.