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EVERY EVENT, GOOD OR BAD, REVEALS SOMETHING  
IMPORTANT ABOUT WHO WE ARE.

When the world changes in ways we cannot control or predict, it's how we respond to those events that defines us. At FMPA, we are not waiting for conditions to improve in the economy or our industry. We're rolling up our sleeves, working hard and making progress every day. That's our nature.

We are so much more than what happens to us. Outside events and influences don't write our future. We do. And our vision is clear: to provide reliable, low-cost electricity to the communities we serve. No matter how the markets swing. No matter what the news headlines say. No matter what the year ahead brings. We know who we are. We know what our job is. And that makes all the difference.

# We Take Accountability



BILL CONRAD  
CITY COMMISSIONER  
NEWBERRY, FLA.

“As the recession drags out, many of the people in my city are struggling to pay their utility bills. As an elected official, I want to do something to help. That’s why I’m working together with other FMPA members to bring down our wholesale power costs and bring some relief to our customers.”

As community-owned utilities, locally controlled for the citizens we serve, accountability is in our DNA. When decisions don’t live up to our expectations, our culture of openness challenges us to take responsibility, learn from the past and grow stronger from the experience.

The economic crisis has changed our lives, our communities and our business in ways we never anticipated. Decisions that seemed wise a few years ago look different in retrospect after bubbles burst and markets plunged.

Past choices about our generation fuel mix and fuel hedging program were carefully considered, but when conditions changed, these strategies left us with higher rates than our competitors. Meanwhile, the declining economy has made affordable electric rates more important than ever to the families and businesses we serve. In 2010, we acknowledged this difficult reality and faced it head-on.

WORD CLOUD GENERATOR  
<http://www.wordle.net>

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**WE ARE NOT  
WAITING FOR THE WORLD  
TO FIX ITSELF BEFORE WE  
MAKE PROGRESS**

# We Plan for the Future

Vision is what turns today's challenges into tomorrow's advantages. Analyzing the situation, making decisions and setting goals demands discipline, and we know it's essential to success. Equally important is the courage to aim high and set challenging goals that truly make a difference.

FMPA has sharpened its focus on the future. In 2009, FMPA members approved a strategic plan and 45 action items to implement the plan. We didn't shy away from a challenge. Our top strategic goal is to be the lowest cost wholesale electricity provider in Florida, a bold aim and an important one.

In a related strategic effort, FMPA's members formed a Business Model Working Group to analyze all elements of our business and suggest opportunities for greater effectiveness. This group has met 19 times in its first 18 months of existence and discussed 13 specific topics. The effort has resulted in several recommendations, and more meetings are planned in the coming year.



LARRY MATTERN  
VICE PRESIDENT OF  
POWER SUPPLY  
KISSIMMEE UTILITY AUTHORITY

"One of the surprising outcomes from the Business Model Working Group has been the renewed sense of teamwork that has grown from this shared experience. Our spirited discussion, careful examination and the members' deepening commitment to the All-Requirements Project will lead us to the right business plan for our future."

# We Innovate & Improve



MATT BROWER  
ASSISTANT CITY MANAGER  
UTILITY SERVICES  
CITY OF OCALA

“Hedging is one of several tools a utility can use to mitigate price risks. When the markets and our goals changed, FMPA members didn’t blame the tool or toss it from our tool box. We found a new and better way of using the tool.”

In today’s economy, it’s not enough to stick with the status quo. We must adapt to the new normal and find better, smarter, more efficient ways of doing business. In 2010, we took a fresh look at key areas of our business and put innovation into action.

We launched a new short-term fuel hedging program this year based on lessons learned from previous natural gas hedging experiences. The new program will more closely track the market price of natural gas and will provide some protection from fuel price spikes while enabling us to take advantage of declining market prices.

We’re modernizing our power plant fleet with highly efficient new generation, like Cane Island Unit 4, a combined cycle unit under construction in Central Florida. The new unit will be 40 percent more efficient than the power plants it replaces. We also installed our first solar resource, a 26 kilowatt (AC) demonstration project in Key West. We’re optimizing the use of our power supply resources and creating additional revenues through power sales to others, like the city of Quincy, which selected FMPA as its new wholesale power supplier.





20. military  
21. africa  
22. bomb  
23. missing  
24. taliban

25. economy

26. obama

27. afghan

28. info

29. blackberry

30. iran

31. quarter

32. weather

33. network

34. computer

35. internet

36. phone

37. video

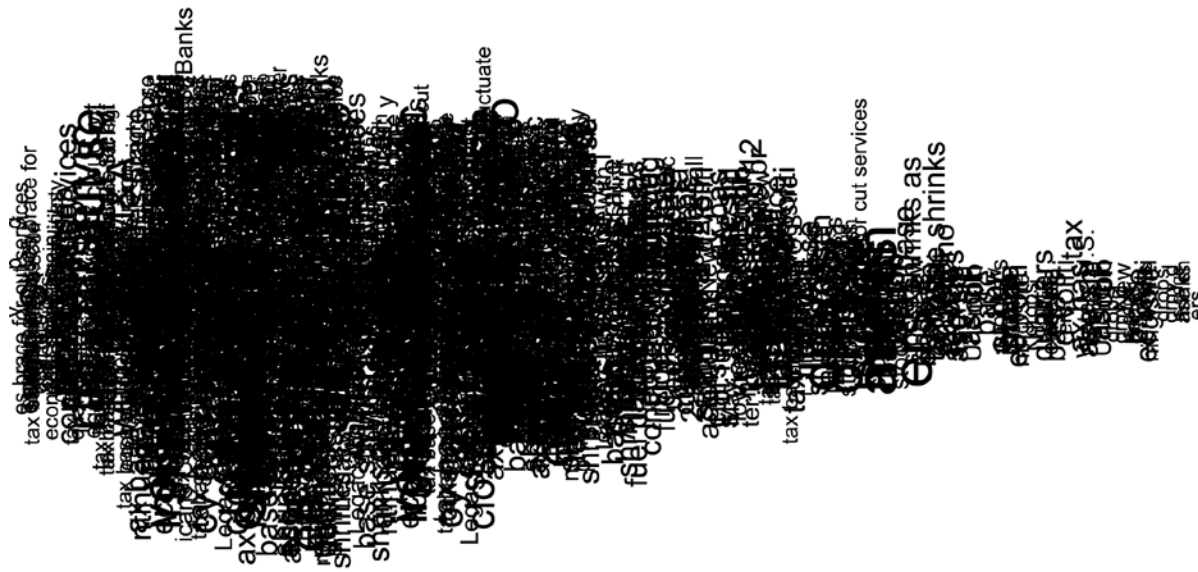
38. music

[HTTP://WWW.TENBYTEN.ORG/10X10.HTML](http://www.tenbyten.org/10x10.html)  
Every hour, 10x10  
collects the 100 words  
and pictures that matter  
most on a global scale.



LYNNE TEJEDA  
GENERAL MANAGER & CEO  
KEYS ENERGY SERVICES

"FMPA's members and staff are working together, making positive changes and making progress toward our goals."



## IT'S ABOUT WHAT WE DID

### **We analyzed the situation**

We recognized our fuel mix and above-market fuel costs made our rates uncompetitive.

We listened to our member communities as the declining economy made customers increasingly cost-conscious.

### **We developed a plan**

We developed a strategic plan that set bold goals and established priorities.

We formed a Business Model Working Group to analyze our business model.

### **We took action**

We changed the way we manage fuel cost risk by adopting a new, improved fuel hedging policy.

We created additional revenue by pursuing a capacity sale to a fellow municipal utility.

We are modernizing our generating fleet by continuing construction of a high-efficiency natural gas-fueled power plant, and we responded to a desire for more renewable energy by commissioning a solar demonstration project.

### **We're seeing results**

Our wholesale costs are down and member satisfaction is up.

Our credit ratings were affirmed by Fitch and Moody's.

Our increasingly clean, efficient power plants position us well for future environmental regulations.

# We Grow Stronger Together



TOM RICHARDS  
DIRECTOR OF ELECTRIC  
& GAS SYSTEMS  
FORT PIERCE UTILITIES  
AUTHORITY

“FMPA’s story this year is about so much more than what happened to us. It’s about what we did about it. Our story this year isn’t a story about the impact of events. It’s a story about the power of people.”

The ups and downs of today’s chaotic, news-soaked world could distract us, if we let it, from our mission of working together to serve our communities. Our shared vision and values form the bond that keeps us working together, supporting each other and building a better future day by day.

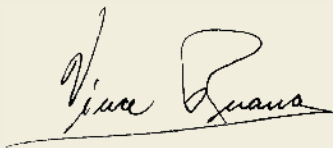
In 2010, the results of that teamwork were evident in the progress we made. The most noticeable change is that wholesale power rates are down. Rates began dropping in late 2009 when FMPA was able to take advantage of lower fuel costs. Average wholesale power costs were nearly 10 percent lower in fiscal 2010 than in fiscal 2009, giving our customers some welcome relief in these days of rising costs and shrinking incomes.

Our financial stability was recognized this year by Fitch and Moody’s, which affirmed the excellent credit ratings of our power supply projects. Fitch also commented on positive developments at the Agency, including the decreasing cost of power.

The wisdom of our members' decision to modernize our generating fleet was also highlighted this year, as the federal government moved closer to developing new environmental standards. FMPA's clean, efficient generation portfolio positions us competitively for a carbon-constrained future.

Finally, the process of working through the year's challenges has strengthened satisfaction and trust among our members and staff. These bonds are essential because, as a joint action agency, FMPA's competitive strength lies in our ability to work together and leverage our collective knowledge and skills.

The story of 2010 isn't about what's written in the headlines. It's about what's written in our hearts. Our shared dedication to the communities we serve keeps us focused in times of chaos and strong in times of hardship. And it's in those moments that we truly know we are so much more than what happens to us.



**VINCE RUANO**  
CHAIRMAN, BOARD OF DIRECTORS



**NICHOLAS P. GUARRIELLO**  
GENERAL MANAGER AND CEO



## Financial Highlights

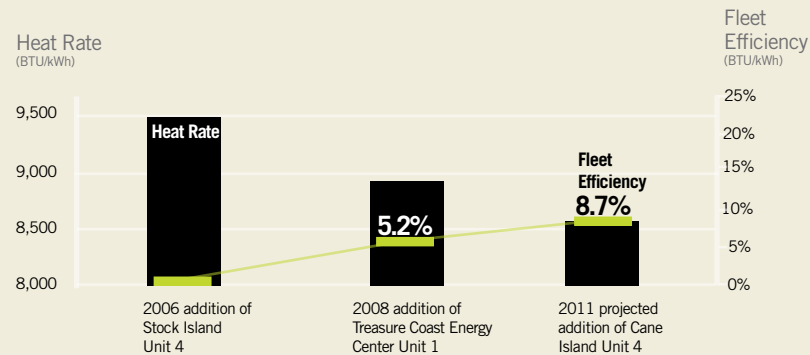
	Fiscal 2010	Fiscal 2009	Change	Project Description
<b>All-Requirements Project</b>				
Net Utility Plant	\$982,915,000	\$879,610,000	11.7%	All-Requirements Project provides all the wholesale power needs for 14 members.
Total Assets	\$1,669,477,000	\$1,559,177,000	7.1%	
Kilowatt-Hours Sold	5,938,070,000	6,215,912,000	-4.5%	
Sales to Participants	\$562,210,000	\$651,737,000	-13.7%	
Cost per Kilowatt-Hour Sold in Cents	9.47	10.48	-9.6%	
<b>St. Lucie Project</b>				
Net Utility Plant	\$95,064,000	\$97,397,000	-2.4%	St. Lucie Project is an 8.8% ownership interest in St. Lucie Unit 2, an 838 megawatt <sup>1</sup> nuclear power plant.
Total Assets	\$375,239,000	\$301,931,000	24.3%	
Kilowatt-Hours at Plant	553,105,000	541,090,000	2.2%	
Sales to Participants	\$39,383,000	\$38,250,000	3.0%	
Cost per Kilowatt-Hour Billed in Cents	7.12	7.07	0.7%	
<b>Stanton Project</b>				
Net Utility Plant	\$36,823,000	\$37,927,000	-2.9%	Stanton Project is a 14.8% ownership interest in Stanton Unit 1, a 425 megawatt <sup>2</sup> coal-fired power plant.
Total Assets	\$73,390,000	\$75,030,000	-2.2%	
Kilowatt-Hours at Plant	407,099,000	405,032,000	0.5%	
Sales to Participants	\$28,470,000	\$25,693,000	10.8%	
Cost per Kilowatt-Hour Billed in Cents	6.99	6.34	10.3%	
<b>Tri-City Project</b>				
Net Utility Plant	\$14,770,000	\$15,263,000	-3.2%	Tri-City Project is a 5.3% ownership interest in Stanton Unit 1, a 425 megawatt <sup>2</sup> coal-fired power plant.
Total Assets	\$28,985,000	\$30,327,000	-4.4%	
Kilowatt-Hours at Plant	147,641,000	149,516,000	-1.3%	
Sales to Participants	\$11,076,000	\$10,426,000	6.2%	
Cost per Kilowatt-Hour Billed in Cents	7.50	6.97	7.6%	
<b>Stanton II Project</b>				
Net Utility Plant	\$114,231,000	\$117,796,000	-3.0%	Stanton II Project is a 23.2% ownership interest in Stanton Unit 2, a 429 megawatt <sup>2</sup> coal-fired power plant.
Total Assets	\$198,165,000	\$175,283,000	13.1%	
Kilowatt-Hours at Plant	716,582,000	763,198,000	-6.1%	
Sales to Participants	\$45,386,000	\$45,702,000	-0.7%	
Cost per Kilowatt-Hour Billed in Cents	6.33	5.99	5.7%	
<b>Pooled Loan Fund</b>				
Outstanding Commercial Paper	\$1,670,000	\$66,803,000	-97.5%	Pooled Loan Fund is a financing program that makes low-cost loans for utility-related needs.

<sup>1</sup> Net summer rating, which indicates the unit's design capability. Actual output of the unit may vary based on operating conditions.

<sup>2</sup> Normal high dispatch limit, also known as maximum long-term rating, which indicates the unit's design capability. Actual output of the unit may vary based on operating conditions.

## 9% IMPROVEMENT IN THE EFFICIENCY OF FMPA'S POWER GENERATION.

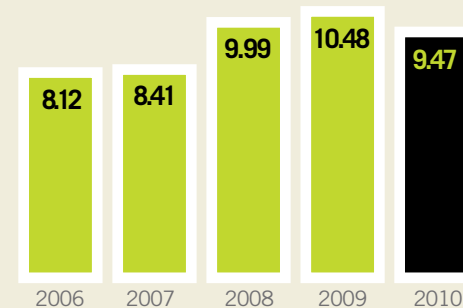
### All-Requirements Project Owned Generation Heat Rate



FMPA's improving heat rate, a measure of power generation efficiency, is due to the addition of new units in 2006 and 2008 and planned in 2011. In only five years, FMPA has made changes that will allow us to generate each megawatt using nearly 9% less fuel.

## 10% DECREASE IN ALL-REQUIREMENTS AVERAGE WHOLESALE COSTS FROM FISCAL 2009 TO FISCAL 2010.

### All-Requirements Project Wholesale Power Costs (cents per kilowatt-hour)



## FITCH AND MOODY'S AFFIRMED FMPA'S CREDIT RATINGS.

### Florida Municipal Power Agency Credit Ratings

POWER SUPPLY PROJECT	FITCH RATINGS	MOODY'S INVESTORS SERVICE
All-Requirements Project	A+	A1
St. Lucie Project	A	A2
Stanton Project	A+	A1
Tri-City Project	A+	A1
Stanton II Project	A+	A1

## About FMPA

Florida Municipal Power Agency (FMPA) is a non-profit wholesale power company owned by municipal electric utilities. FMPA provides economies of scale in power generation and related services to support community-owned electric utilities.

- Joint Action** Each utility is locally owned and operated; however, municipal utilities share common concerns that can best be solved by working together. For example, by coordinating the power supply needs of several municipal utilities, a larger, more efficient plant can be built and other economies of scale help reduce the cost of power. In addition, through joint action, municipal utilities can obtain power from several power plants rather than depend on the operation and cost of fewer plants.
- Authority** Local governments are authorized by Florida Statutes to enter together into mutually advantageous agreements that create a separate legal entity. FMPA was formed in 1978 as one such governmental legal entity. FMPA is specifically authorized under Florida law to undertake specific joint projects for its members and to issue tax-exempt bonds and other obligations to finance the costs of such projects. FMPA is also authorized to implement a pooled financing program for utility-related projects of FMPA and its members.
- Membership** Thirty municipal electric systems, serving approximately 2 million Floridians, are members of FMPA. Each member appoints one representative to FMPA's Board of Directors, which governs the Agency's activities. Additionally, each member of FMPA's largest power supply project, the All-Requirements Project, appoints a representative to FMPA's Executive Committee. The Executive Committee governs and manages the business affairs of the All-Requirements Project.
- Finances** Due to the diverse needs of municipal electric systems, FMPA was established as a project-oriented agency. Under this structure, each member has the option whether or not to participate in a project. Members may join more than one project; however, each project is independent from the others, so no revenues or funds available from one project can be used to pay the costs of another project.
- Projects** FMPA has five power supply projects and one pooled financing project. As of Sept. 30, 2010, the Agency supplied all the power needs for 14 of its members and some of the power needs for six of its members. Some members do not currently participate in a project. FMPA supplies nearly 50 percent of its members' total power needs.

## Member Listing by Project

Member Cities	All-Requirements	St.Lucie	Stanton	Tri-City	Stanton II
1. Alachua		0.3 MW			
2. Bartow					
3. Blountstown					
4. Bushnell	8.0 MW				
5. Chattahoochee					
6. Clewiston	27.7	1.6			
7. Fort Meade	14.0	0.2			
8. Fort Pierce	124.1	11.2	15.4 MW	5.1 MW	16.4 MW
9. Gainesville					
10. Green Cove Springs	33.6	1.3			
11. Havana	6.8				
12. Homestead		6.1	7.7	5.1	8.2
13. Jacksonville Beach	222.6	5.4			
14. Key West	136.3			12.3	9.9
15. Kissimmee	315.4	6.9	7.7		32.9
16. Lake Worth	90.7	18.3	10.2		
17. Lakeland					
18. Leesburg	111.0	1.7			
19. Moore Haven		0.3			
20. Mount Dora					
21. New Smyrna Beach		7.3			
22. Newberry	9.5	0.1			
23. Ocala	320.3				
24. Orlando					
25. Quincy					
26. St. Cloud					14.6
27. Starke	18.6	1.6	1.5		1.2
28. Vero Beach		11.2	20.5		16.4
29. Wauchula					
30. Williston					
Total Megawatts	1,438.6 MW <sup>1</sup>	73.5 MW <sup>2</sup>	63.0 MW <sup>3</sup>	22.5 MW <sup>3</sup>	99.6 MW <sup>3</sup>

<sup>1</sup> Participants' noncoincident peak demand in fiscal 2010. Includes demand served by: 1) Entitlement shares of St. Lucie, Stanton, Tri-City and Stanton II projects for All-Requirements members that are also in these projects, and 2) Portions of Crystal River Unit 3 individually owned by some members.

<sup>2</sup> Participants' capacity entitlements based on the unit's net summer rating, which indicates the unit's design capability. Actual output of the unit may vary based on operating conditions.

<sup>3</sup> Participants' capacity entitlements based on the unit's normal high dispatch limit, also known as maximum long-term rating, which indicates the unit's design capability. Actual output of the unit may vary based on operating conditions.



## Board of Directors and Executive Committee<sup>1</sup>

Vince Ruano \*  
Chairman  
Board of Directors  
Bushnell

Paul Kalv \*  
Vice Chairman  
Board of Directors  
Leesburg

Lou Hernandez  
Secretary  
Board of Directors  
Utility Board  
City of Key West

Kevin McCarthy \*  
Treasurer  
Board of Directors  
Clewiston

Thomas W. Richards \*  
Chairman  
Executive Committee  
Fort Pierce Utilities Authority

Matt Brower \*  
Vice Chairman  
Executive Committee  
Ocala

Gary L. Hardacre  
Alachua

Vacant  
Bartow

Vacant  
Blountstown

Elmon Lee Garner  
Chattahoochee

Fred Hilliard \*  
Fort Meade

Robert Hunzinger  
Gainesville Regional Utilities

Gregg Griffin \*  
Green Cove Springs

Howard McKinnon \*  
Town of Havana

Barbara Quiñones  
Homestead

Don Ouchley \*  
Jacksonville Beach

Lynne Tejeda \*  
Keys Energy Services

James C. Welsh \*  
Kissimmee Utility Authority

Rebecca Matthey \*  
Lake Worth

Jim Stanfield  
Lakeland Electric

Harry H. Ogletree  
Moore Haven

Charles Revell  
Mount Dora

William Mitchum  
Utilities Commission,  
City of New Smyrna Beach

Bill Conrad \*  
Newberry

Rick Horst  
Ocala

Claston Sunanon  
Orlando Utilities Commission

Mike Wade  
Quincy

Michael Turner  
St. Cloud

Ricky Thompson \*  
Starke

John Lee  
Vero Beach

Richard Giroux  
Wauchula

Mark Schiefer  
Williston

<sup>1</sup> As of Sept. 30, 2010  
\* Executive Committee Member

**Management**  
Nicholas P. Guarriello  
General Manager and CEO

Frederick M. Bryant  
General Counsel and CLO

Mark J. Larson  
Assistant General Manager  
Finance and Information Technology  
and CFO

Mark T. McCain  
Assistant General Manager  
Member Services, Human Resources  
and Public Relations

Thomas E. Reedy  
Assistant General Manager  
Power Resources

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**Annual Report**  
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Photography: Mark McCain

### General Information

**Internet Address**  
Current information about FMPA is available on  
the Internet at [www.fmpa.com](http://www.fmpa.com).

**Electronic Delivery of Financial Documents**  
If you wish to receive future annual reports via  
e-mail in Adobe® Portable Document Format,  
please send your request to [pr@fmpa.com](mailto:pr@fmpa.com). The  
FMPA 2010 Annual Report is available on FMPA's  
Web site at [www.fmpa.com](http://www.fmpa.com) in the "News" section.  
If you wish to receive FMPA's financial statements  
in printed form, rather than CD, please send  
your request to [pr@fmpa.com](mailto:pr@fmpa.com) or call the Public  
Relations Department at (407) 355-7767.

**Investor Relations**  
Requests for financial information may be directed  
to FMPA's spokesperson at its Orlando office or  
[pr@fmpa.com](mailto:pr@fmpa.com).



**Media or Other Inquiries**

Media or other inquiries may be directed to FMPA's spokesperson at its Orlando office or [pr@fmpa.com](mailto:pr@fmpa.com).

**Consultants**

Bond Counsel: Nixon Peabody LLP. Consulting Engineer: R.W. Beck, an SAIC company. Certified Public Accountants: Purvis, Gray and Company. Financial Advisor: Dunlap & Associates, Inc.

**Underwriters**

B of A Merrill Lynch; Citigroup Global Markets Inc.; Estrada Hinojosa & Company Inc.; Fidelity Capital Markets; Goldman, Sachs & Co.; J.P. Morgan Securities; Morgan Keegan & Company; Morgan Stanley & Co.; PNC Capital Markets LLC; Sterne, Agee & Leach Inc.; SunTrust Robinson Humphrey Inc.; Wells Fargo Securities

**Caution Concerning  
Forward-Looking Statements**

This document may include certain forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances that may have a material effect on actual results.



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Community Power. Statewide Strength.®

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[www.fmpa.com](http://www.fmpa.com)