

# IMAGINE FORWARD

Our next 35 years



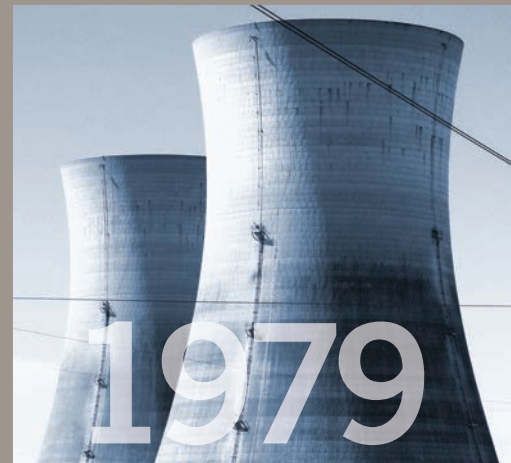
Florida Municipal Power Agency  
Community Power. Statewide Strength.®

2013 Annual Report

## THE PAST 35 YEARS



FMPA's first  
meeting



Three Mile  
Island accident

In the 35 years since FMPA was founded, our world and our industry have changed in ways none of us could have imagined. Yet, one big thing has stayed the same. Customers need power that is reliable and affordable. That's why FMPA's member utilities began working together in 1978. That's why FMPA is here today. And that's why we'll be here for the next 35 years and beyond, still combining our resources for the mutual benefit of our member communities.

It may not be possible to predict the future, but what we can do is imagine forward. At FMPA, we are scanning the horizon for changes in technology, society and customers' lifestyles that could impact our ability to deliver reliable, low-cost power.

We may not know exactly what our business will look like in 2048, but by asking good questions, we can start the dialogue that will shape our future.



Average U.S. household's monthly electric consumption is 733 kWh and costs \$41

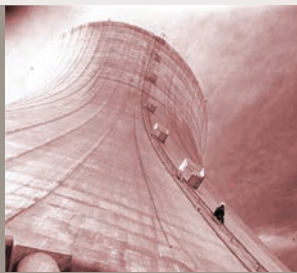


IBM introduces its personal computer



FMPA's first joint action project, St. Lucie

## THE PAST 35 YEARS

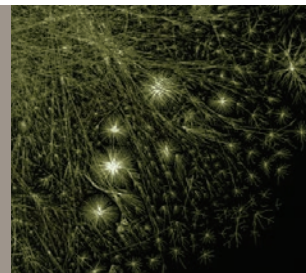


1984

FMPA forms Stanton Project, adding coal to its portfolio



FMPA's All-Requirements Project begins serving five member cities

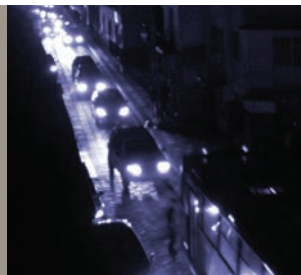


1990

The first website is created, launching the development of the world wide web



FMPA's All-Requirements Project grows by 30% to become the state's second largest municipal electric utility



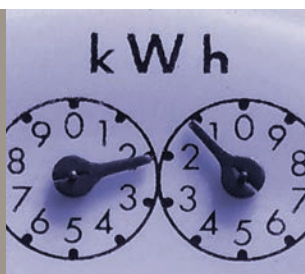
2003

Widespread blackout occurs in northeastern U.S. and Canada



2004

Facebook.com is created



2009

Average U.S. household's monthly electric consumption is 943 kWh and costs \$112



Smartphone sales overtake PCs





1996

FMPA wins equal access to network transmission, sets national precedent

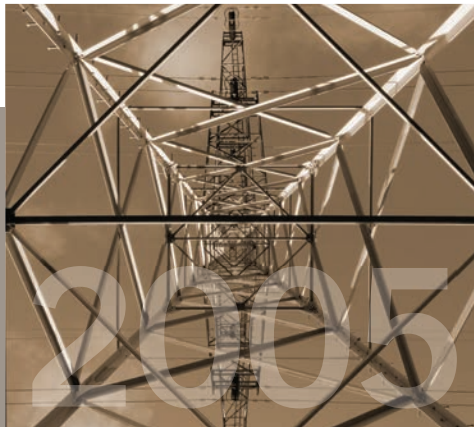


Toyota introduces the Prius electric hybrid car in Japan



1999

Retail deregulation of electric markets underway in several states

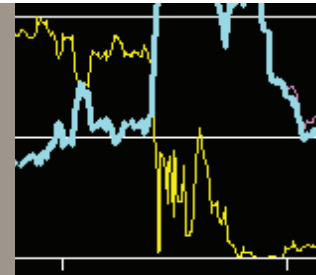


Energy Policy Act establishes mandatory reliability standards



2006

FMPA breaks ground on its first wholly owned plant site



2008

Global financial crisis



2011

Efficient new generation enables FMPA to use nearly 9% less fuel to produce each unit of electricity than it did five years prior



FMPA celebrates its 35th anniversary

WHAT'S NEXT?

## REPORT FROM MANAGEMENT



Has there ever been a more explosive period of technology growth and adaptation than what we have witnessed in the past 35 years? The rise of personal computing, the Internet and mobile communications, to name only a few, has changed our lives in ways none of us could have expected or comprehended back in 1978, the year FMPA was founded.

These innovations have enriched our quality of life and paved the way for even broader social change. Yet, one thing has remained remarkably consistent: the need for reliable, affordable electricity to power our homes and businesses.

More than 130 years have passed since Edison switched on the first modern power plant, and the importance of electricity only continues to grow. Florida's municipal electric utilities understand that. That's why they exist. More than a century ago, large power companies were slow to invest in building infrastructure to serve smaller or more rural communities, so the communities took matters into their own hands to make the benefits of electricity available to all communities, rural and urban, big and small.

FMPA was formed for the same reasons. Locally owned electric utilities tired of passing on frequent wholesale rate increases to their customers and decided to take a more active role in the generation of electricity. Through FMPA, municipal utilities of all sizes became owners of large, efficient power plants and gained a voice in their power supply future.

FMPA's opportunities and challenges have changed through the years. The tools of our business have changed. The faces in our organization have changed. But, through the years, our purpose has never varied.

In 2013, we delivered on this promise with reliable operations and consistent rates. Our investment in a modern fleet of natural gas-fueled generators and the relatively low price of natural gas were our key strengths this year.

Our workhorse power plants served us well this year with reliable, efficient operations. For example, Treasure Coast Energy Center, which just celebrated its fifth year of operation, completed an amazing 175 days of continuous operation. This perfect run, spanning from one scheduled maintenance outage to the next, generated more than 945 million kilowatt-hours of energy.

Wholesale power costs are heavily influenced by two factors. First, the market prices of natural gas and coal, which increased slightly this year. Second, the demand for power, which was lower than forecasted for fiscal 2013 due to mild weather, above-average summer rainfall and a weaker-than-expected economy. When demand is low, fixed costs are spread over fewer megawatts sold.

We also managed fixed costs, such as debt service, in 2013. FMPA refunded approximately \$33.3 million of Stanton and Tri-City project debt at lower interest rates for a present value savings of almost \$2.3 million.

The end result was that FMPA's All-Requirements Project fiscal 2013 rates were almost 14% lower than when rates peaked in 2009, and the average rate in 2013 was below the five-year average. Municipal electric utilities, on average, reduced their retail rates by 8% in the past five years.

But today's rates are only part of the story. Power is a long-term business, so the work we do today sets the rates of tomorrow.

As we closed the 2013 fiscal year, FMPA began the process of updating its strategic plan. It's too early to say what the exact results of the planning process will be, but one thing is clear: affordable power is paramount. Many Floridians are still recovering from the economic downturn, and concern and compassion for these customers is close to the heart of FMPA's members. You can see that passion in their eyes and hear it in their voices when they talk about keeping power reliable and affordable for the folks back home.

That sense of purpose is the common thread that connects our past to our future. By asking good questions about how our energy choices impact our customers' quality of life, we can shape a brighter future for us all.



Bill Conrad  
Chairman, Board of Directors



Nicholas P. Guarriello  
General Manager and CEO

# 2013 HIGHLIGHTS

## POWER COSTS

All-Requirements Project power costs remained below the five-year average in 2013, thanks to low prices for natural gas and FMPA's highly efficient power plants.

## LOCAL RELIABILITY

Municipal utilities' customers enjoyed quicker repairs, shorter outages and fewer interruptions than customers of private utilities, according to a report released by FMPA.

## GENERATION MILESTONES

Treasure Coast Energy Center marked five years of operation. The plant has exceeded all performance expectations, including completing a perfect run of 175 days of continuous operation between scheduled maintenance outages.

## ANNIVERSARIES

2013 brought the 35th anniversary of FMPA's first meeting, the 30th anniversary of its first joint action project, and the 25th anniversary of Florida Municipal Power Pool. An online video series was created to tell the stories of FMPA's joint action founders.

## CREDIT RATINGS

Fitch Ratings affirmed the A+ credit ratings of the All-Requirements, Stanton, Tri-City and Stanton II projects and the A rating of the St. Lucie Project. Moody's made no change to its ratings this year, which are A1 for Stanton and Stanton II and A2 for All-Requirements, Tri-City and St. Lucie.

## HOME POWER ADVANTAGE

FMPA and the Florida Municipal Electric Association launched a new website, [www.homepoweradvantage.com](http://www.homepoweradvantage.com), to help customers understand the benefits of locally owned utilities.

## EMPLOYER OF CHOICE

FMPA was named one of the Top 100 Companies for Working Families by the Orlando Sentinel and selected as one of Central Florida's Healthiest Employers.

## STRATEGIC PLANNING

FMPA members shaped their future by updating their strategic plans.

## CAPACITY INCREASE

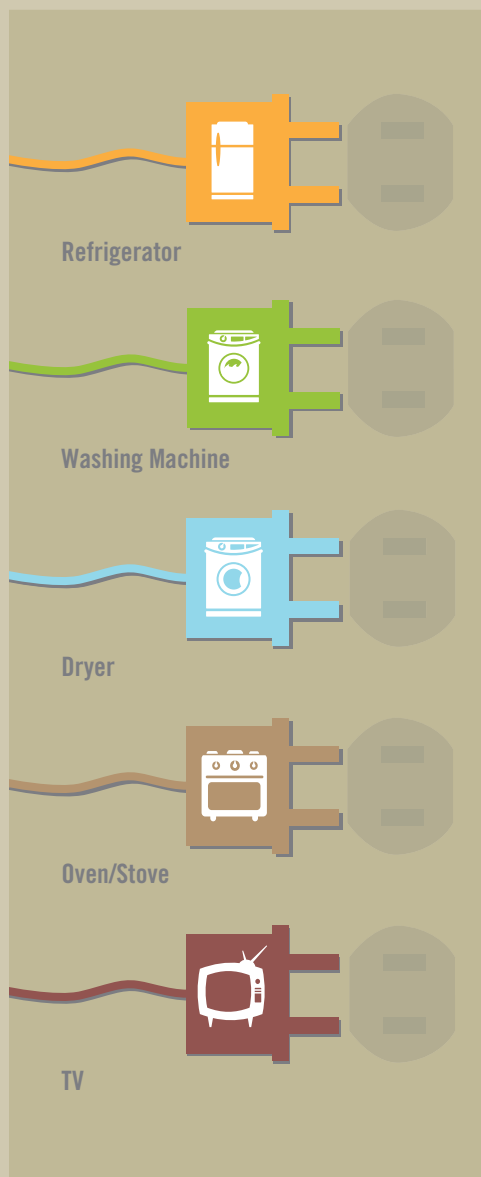
Florida Power & Light completed uprate projects at the St. Lucie nuclear plant this year that added capacity to St. Lucie Unit 2, increasing St. Lucie Project entitlements by approximately 12%.



# ELECTRICITY USE IN THE HOME

The role of technology in our lives has grown, and so has the role of electricity. What technologies might increase or decrease power demand in the future? Today's municipal utilities constantly update their projections for electric demand to ensure there will always be the right amount of power to meet tomorrow's needs.

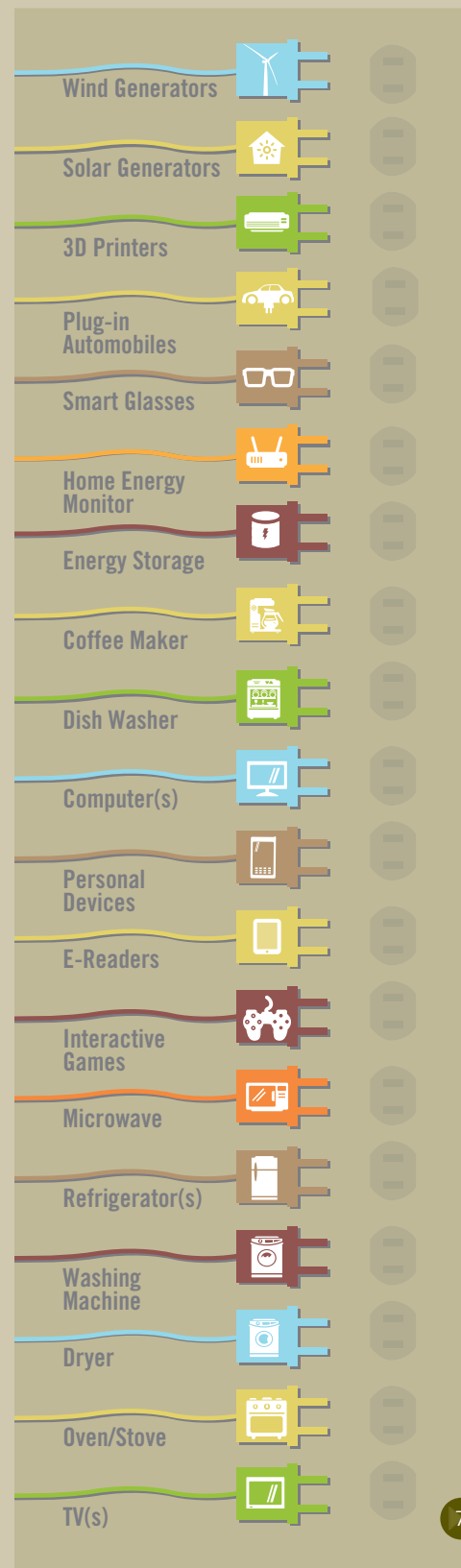
## 1978



## 2013



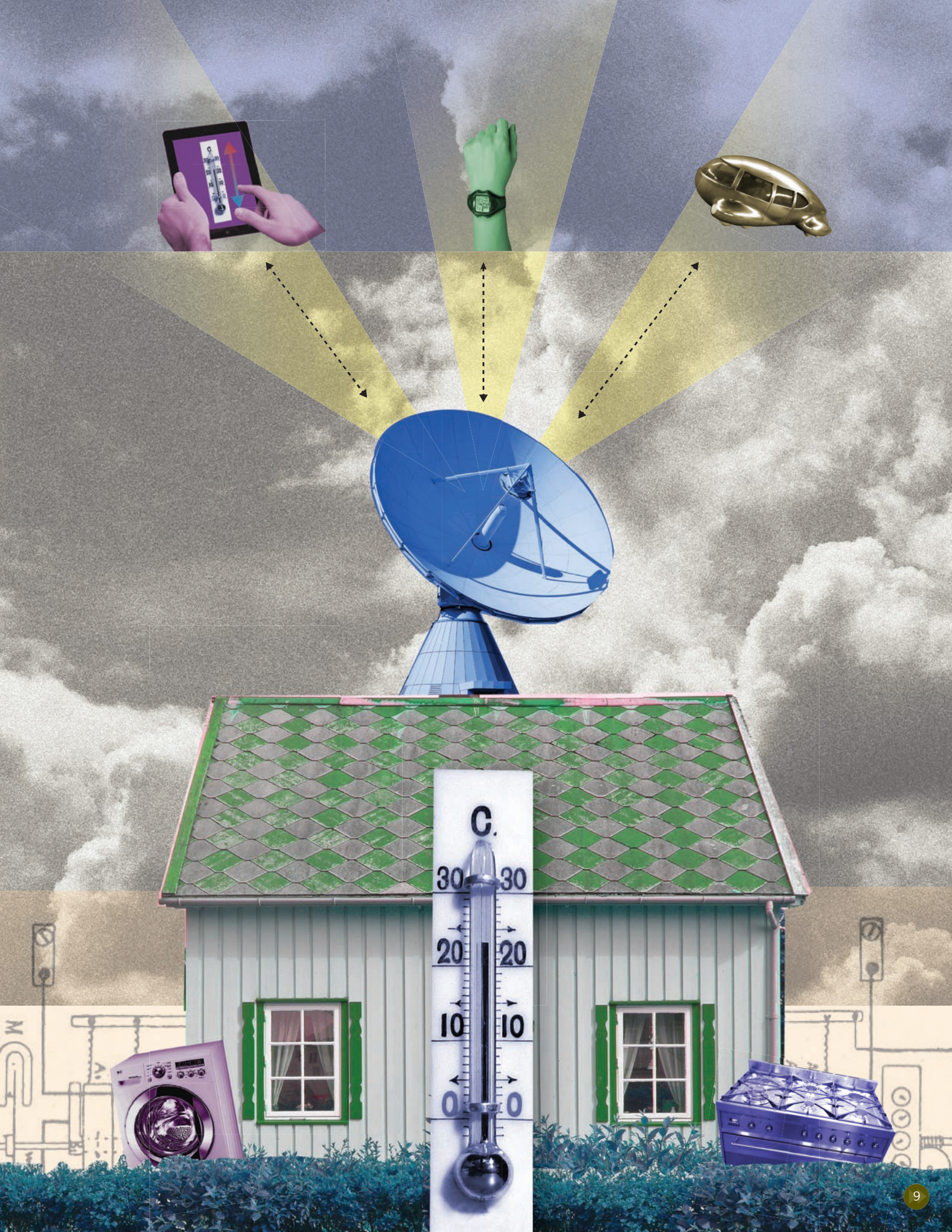
## 2048



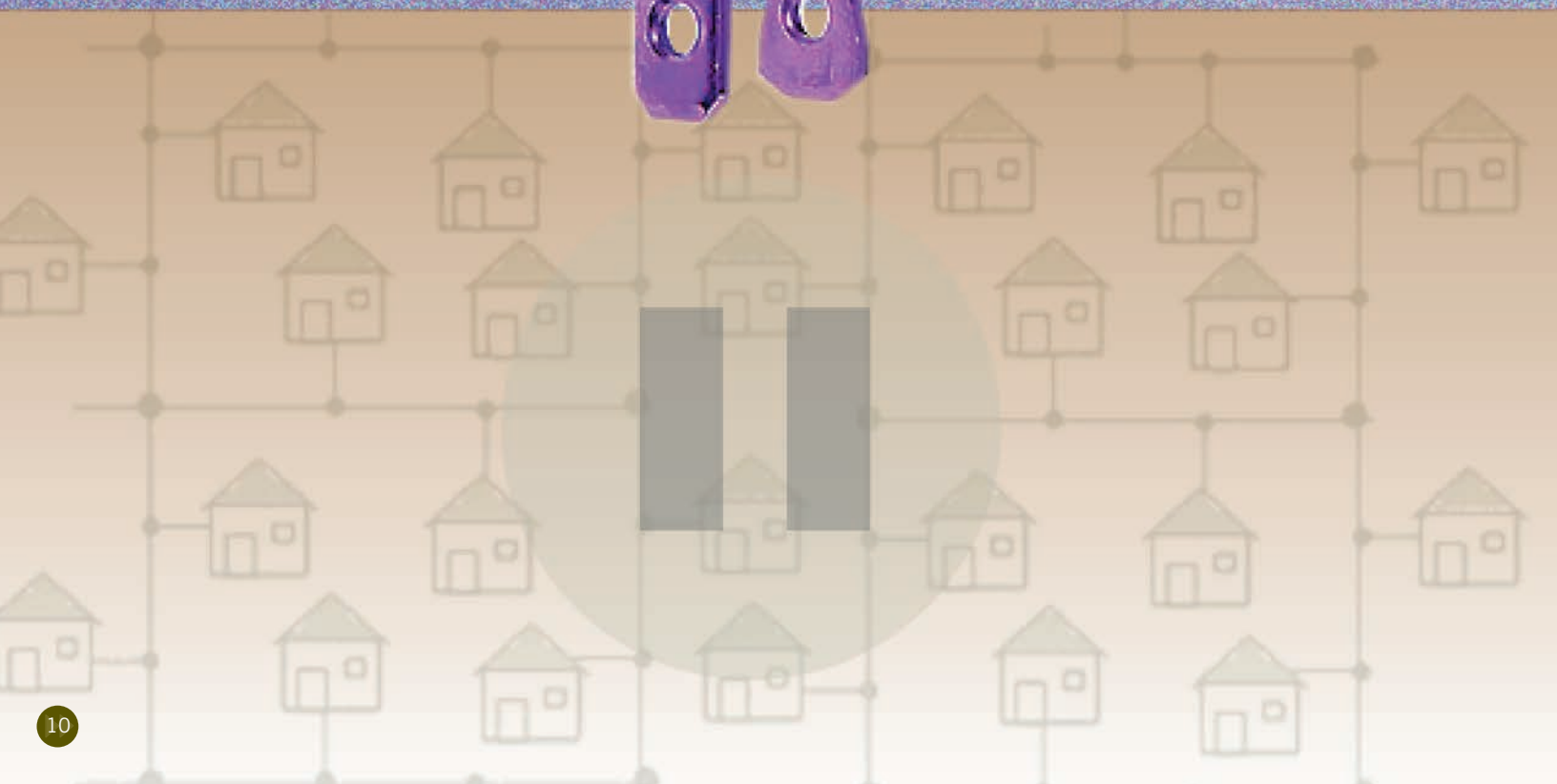
## WHAT TOOLS MAY TOMORROW'S CUSTOMERS USE TO MANAGE THEIR ELECTRIC USE?

Many of today's customers only think about electricity once a month, the day their bill comes in the mail. But what if customers could get information in real time to help them manage their power costs proactively? Advanced metering technology could help customers better understand how their behaviors impact the cost of electricity. With this kind of knowledge, could we all use the electric system more efficiently? Tomorrow's utilities are getting ready to find out.











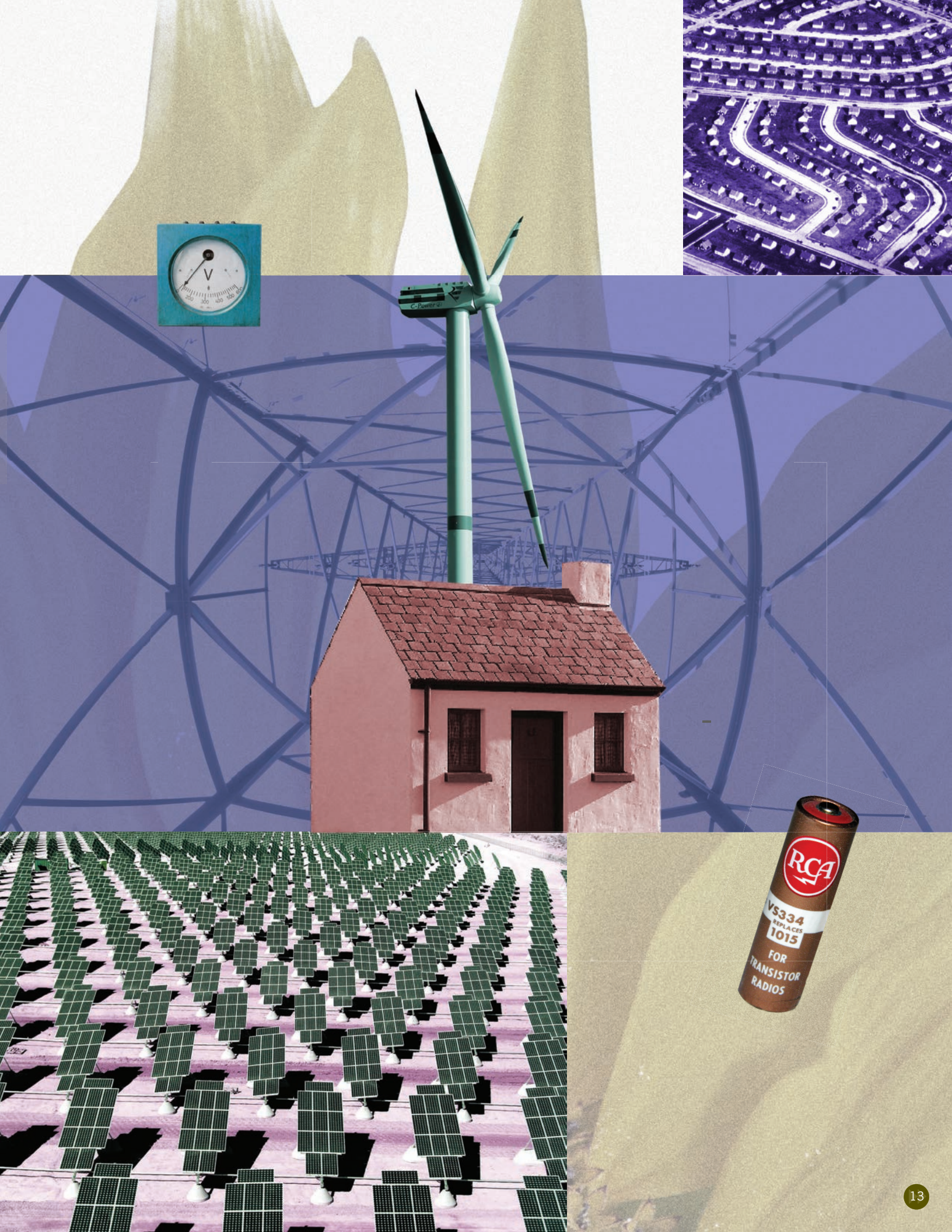
# WHAT IMPACT COULD OUR TRANSPORTATION CHOICES HAVE ON THE ELECTRIC SYSTEM?

When you think of electricity today, cars may not be the first thing that comes to mind, but that could change in the future. As plug-in hybrid electric vehicles grow in popularity, what impact could they have on the power grid? Could charging vehicles overnight, when demand for electricity is low, enable utilities to use their generation resources more efficiently, lowering costs for all? Cleaner transportation and a more efficient power grid could be a win-win for customers.

# HOW MIGHT RENEWABLE RESOURCES CHANGE THE WAY WE MANAGE THE POWER GRID?

Today's power system relies primarily on a few large power plants to supply most of customers' power needs, but as renewable resources, like solar and wind, become more affordable, will more of the electricity we use be generated at our own homes and businesses? How will utilities share responsibilities and costs in this new type of system? How will the relationships between customers, retail utilities and wholesale power providers evolve? How will utilities plan to keep power reliable even on days when the sun doesn't shine or the wind doesn't blow? Tomorrow's power grid may bring clean power to your back yard, but it is likely to require careful coordination by tomorrow's utilities to keep the system running rain or shine.







## FINANCIAL HIGHLIGHTS

All-Requirements Project	Fiscal 2013	Fiscal 2012	Change	Project Description
Net Utility Plant	\$912,545,000	\$956,182,000	-4.6%	All-Requirements Project provided all the wholesale power needs for 14 members.
Total Assets and Deferred Outflows	\$1,489,809,000	\$1,641,997,000 <sup>3</sup>	-9.3%	
Kilowatt-Hours Sold	5,293,772,000	5,424,379,000	-2.4%	
Sales to Participants	\$478,321,000	\$435,812,000	9.8%	
Cost per Kilowatt-Hour Sold in Cents	9.04	8.03	12.6%	
St. Lucie Project				
Net Utility Plant	\$103,963,000	\$114,529,000	-9.2%	St. Lucie Project is an 8.8% ownership interest in St. Lucie Unit 2, a 987 megawatt <sup>1</sup> nuclear power plant.
Total Assets and Deferred Outflows	\$432,097,000	\$443,340,000 <sup>3</sup>	-2.5%	
Kilowatt-Hours at Plant	676,974,000	435,935,000	55.3%	
Sales to Participants	\$47,446,000	\$44,207,000	7.3%	
Cost per Kilowatt-Hour Billed in Cents	7.01	10.14	-30.9%	
Stanton Project				
Net Utility Plant	\$33,811,000	\$35,124,000	-3.7%	Stanton Project is a 14.8% ownership interest in Stanton Unit 1, a 425 megawatt <sup>2</sup> coal-fired power plant.
Total Assets and Deferred Outflows	\$61,313,000	\$70,205,000 <sup>3</sup>	-12.7%	
Kilowatt-Hours at Plant	180,203,000	210,924,000	-14.6%	
Sales to Participants	\$23,745,000	\$25,579,000	-7.2%	
Cost per Kilowatt-Hour Billed in Cents	13.18	12.13	8.7%	
Tri-City Project				
Net Utility Plant	\$13,405,000	\$13,969,000	-4.0%	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 and Deferred Outflows	\$21,794,000	\$26,829,000 <sup>3</sup>	-18.8%	
Kilowatt-Hours at Plant	66,150,000	79,739,000	-17.0%	
Sales to Participants	\$9,662,000	\$10,490,000	-7.9%	
Cost per Kilowatt-Hour Billed in Cents	14.61	13.16	11.0%	
Stanton II Project				
Net Utility Plant	\$107,030,000	\$108,648,000	-1.5%	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 and Deferred Outflows	\$193,709,000	\$204,895,000 <sup>3</sup>	-5.5%	
Kilowatt-Hours at Plant	498,856,000	517,357,000	-3.6%	
Sales to Participants	\$50,047,000	\$44,184,000	13.3%	
Cost per Kilowatt-Hour Billed in Cents	10.03	8.54	17.4%	

<sup>1</sup> Net summer rating, which indicates the unit's design capability. Includes additional capacity placed into service during 2013 as a result of upgrades to the facilities. 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.

<sup>3</sup> Fiscal year 2012 total assets & deferred outflows for all projects have been restated from FMPA's 2012 Annual Report due to the adoption of Statement of Governmental Accounting Standards No. 65.



## MEMBER LISTING BY PROJECT

Member Cities	All-Requirements	St. Lucie	Stanton	Tri-City	Stanton II
1. Alachua		0.4 MW			
2. Bartow					
3. Blountstown					
4. Bushnell	5.9 MW				
5. Chattahoochee					
6. Clewiston	24.6	1.9			
7. Fort Meade	9.6	0.3			
8. Fort Pierce	103.7	13.2	15.4 MW	5.1 MW	16.4 MW
9. Gainesville					
10. Green Cove Springs	26.2	1.5			
11. Havana	5.6				
12. Homestead		7.2	7.7	5.1	8.2
13. Jacksonville Beach	168.2	6.3			
14. Key West	136.1			12.3	9.9
15. Kissimmee	314.1	8.1	7.7		32.9
16. Lake Worth	86.1	21.5	10.2		
17. Lakeland					
18. Leesburg	99.1	2.0			
19. Moore Haven		0.3			
20. Mount Dora					
21. New Smyrna Beach		8.6			
22. Newberry	7.5	0.2			
23. Ocala	275.8				
24. Orlando					
25. Quincy					
26. St. Cloud					14.6
27. Starke	15.2	1.9	1.5		1.2
28. Vero Beach		13.2	20.5		16.4
29. Wauchula					
30. Williston					
31. Winter Park					
Total Megawatts	1,277.7 MW <sup>1</sup>	86.6 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 2013. 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, or its replacement power, individually owned by some members.

<sup>2</sup> Participants' capacity entitlements based on the unit's net summer capability rating, adjusted for start-up, step-up and auxiliary transformer losses and an allocable portion of station service requirements. Amounts shown include additional capacity for the St. Lucie Project placed into service during 2013 as a result of upgrades to the facilities undertaken by Florida Power & Light. 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>

Bill Conrad \*  
Chairman  
Board of Directors  
Newberry

Robert Hunzinger  
Vice Chairman  
Board of Directors  
Gainesville Regional Utilities

Lynne Tejeda \*  
Secretary  
Board of Directors  
Lou Hernandez  
Utility Board  
City of Key West

William Theiss \*  
Treasurer  
Board of Directors  
Fort Pierce Utilities Authority

Howard McKinnon \*  
Chairman  
Executive Committee  
Town of Havana

Matt Brower \*  
Vice Chairman  
Executive Committee  
Ocala

Gary Hardacre  
Alachua

Vacant  
Bartow

Vacant  
Blountstown

Bruce Hickle \*  
Bushnell

Elmon Lee Garner  
Chattahoochee

Vacant \*  
Clewiston

Fred Hilliard \*  
Fort Meade

Ray Braly \*  
Green Cove Springs

Barbara Quiñones  
Homestead

Roy Trotter \*  
Jacksonville Beach

James C. Welsh  
Larry Mattern \*  
Kissimmee Utility Authority

Clay Lindstrom \*  
Lake Worth

Alan Shaffer  
Lakeland Electric

Paul Kalv \*  
Leesburg

Harry H. Ogletree  
Moore Haven

Charles Revell  
Mount Dora

William Mitchum  
Utilities Commission,  
City of New Smyrna Beach

Claston Sunanon  
Orlando Utilities Commission

Mike Wade  
Quincy

Michael Turner  
St. Cloud

Mark Oody \*  
Starke

Pilar Turner  
Vero Beach

Terry Atchley  
Wauchula

Scott Lippmann  
Williston

Jerry Warren  
Winter Park

<sup>1</sup> As of Sept. 30, 2013

\* Executive Committee Member

### Management

Nicholas P. Guarriello  
General Manager and CEO

Frederick M. Bryant  
General Counsel and CLO

Frank Gaffney  
Assistant General Manager of and Officer  
of Regulatory Compliance

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

### Annual Report

Project Team: Mark McCain, Diane Nelson  
and Ryan Dumas

Creative Director/Design: Michael Taylor,  
SimpleMind Inc., Atlanta

Writing: Diane Nelson

Management Portrait: Mark McCain

All other photographs provided by FMPA  
photo archive or used by public domain  
or creative commons licenses.

**Financial Statements**

Financial statements, past annual reports and more are available on the Investor Relations section of [www.fmpa.com](http://www.fmpa.com).

**Media or Other Inquiries**

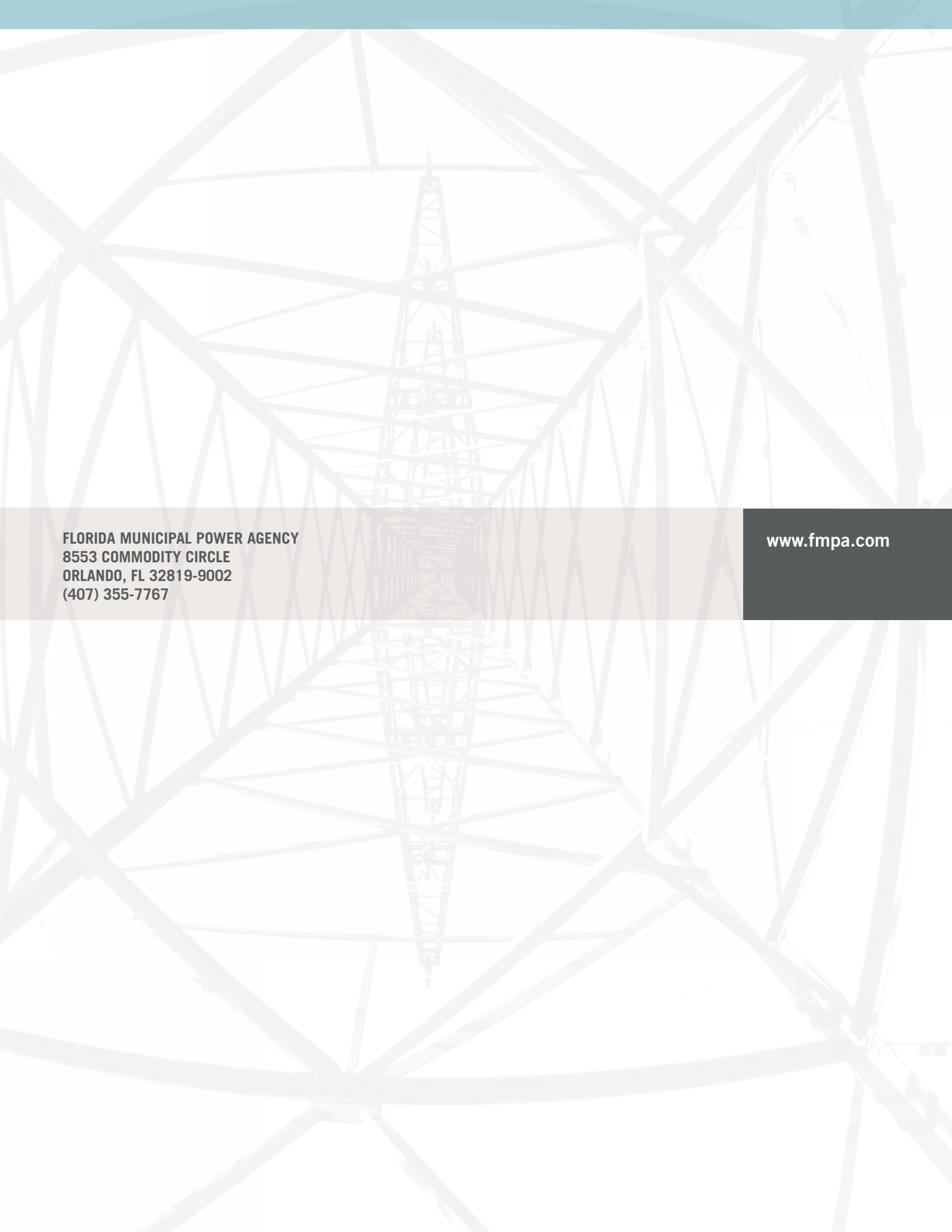
Media or other inquiries may be directed to FMPA's spokesperson at its Orlando office or [pr@fmpa.com](mailto:pr@fmpa.com).

**Consultants**

Bond Counsel: Nixon Peabody LLP. Consulting Engineer: SAIC Energy, Environment & Infrastructure LLC. Certified Public Accountants: Purvis, Gray and Company. Financial Advisor: Dunlap & Associates, Inc. Swap Advisor: Swap Financial Group, LLC.

**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.



**FLORIDA MUNICIPAL POWER AGENCY  
8553 COMMODITY CIRCLE  
ORLANDO, FL 32819-9002  
(407) 355-7767**

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