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TEXAS MUNICIPAL POWER AGENCY
Balance Sheet
Assets

	3/31/2014 (Unaudited)	9/30/2013 (Audited)
	(Dollars in Thousands)	
Current Assets		
Current Unrestricted Assets		
Cash and Cash Equivalents	$ 34,365	$ 31,977
Inventories		
Fuel Stock	3,862	4,776
Materials and Supplies	6,693	6,446
Accounts Receivable and Other	11,243	11,653
Accrued Interest Receivable	132	152
Total Current Unrestricted Assets	56,295	55,004
Current Restricted Assets		
Cash and Cash Equivalents	67,769	10,465
Accounts Receivable and Other	259	795
Total Current Restricted Assets	68,028	11,260
Total Current Assets	124,323	66,264
Noncurrent Assets		
Electric Plant		
In Service	1,121,938	1,121,660
Less Accumulated Depreciation	(682,474)	(671,968)
Total Net Plant	439,464	449,692
Construction Work in Progress	14,454	4,755
Total Electric Plant	453,918	454,447
Other Assets		
Restricted Cash and Investments	133,481	143,836
Unamortized Debt Issuance Cost	3,197	3,503
Unamortized Excess Cost on Advance Refunding	10,293	12,354
Deferred Expense to be Recovered	347,354	397,682
Total Other Assets	494,325	557,375
Total Noncurrent Assets	948,243	1,011,822
Total Assets	$ 1,072,566	$ 1,078,086
Liabilities and Net Assets		
Current Liabilities		
Current Maturities of Revenue Bonds	$ 33,722	$ 33,722
Zero Coupon Bonds Payable	73,087	74,844
Accrued Interest Payable	923	917
Accounts Payable	8,025	8,889
Deferred Revenue	2,404	5,290
Accrued Distribution to Member Cities	2,661	4,993
Accrued Compensation and Pension	1,476	2,273
Accrued Mine Reclamation Cost	1,906	1,906
Total Current Liabilities	129,204	132,834
Noncurrent Liabilities		
Long Term Debt		
Revenue Bonds	421,221	421,221
Unamortized Discount/Premium	3,688	4,001
Zero Coupon Bond Payable	224,166	214,821
Tax Exempt Commercial Paper	64,135	59,735
Total Long Term Debt	713,210	699,778
Other Employee Retirement Benefits	14,827	13,804
Accounts Payable	5	15
Deferred Revenue	151,358	171,833
Accrued Mine Reclamation Cost	4,175	4,709
Total Long Term Obligations	173,365	190,361
Total Noncurrent Liabilities	891,575	890,139
Total Liabilities	1,020,779	1,022,973
Net Assets		
Invested in Capital Assets Net of Related Debt	(6,048)	1,206
Net Assets Restricted for Insurance Claims	9,009	9,529
Unrestricted Net Assets	48,826	44,378
Total Net Assets	51,787	55,113
Total Liabilities and Net Assets	$ 1,072,566	$ 1,078,086

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

	Year to Date Second Quarter Ended 31-Mar 2014	2013
	(Dollars in Thousands)	
Operating Revenues		
Power Sales	$ 109,316	$ 101,501
Transmission Revenues	21,742	21,410
Other Operating Revenues	938	7,406
Total Operating Revenues	131,996	130,317
Operating Expenses		
Fuel	35,139	23,218
Production - Operation and Maintenance	6,246	9,693
Transmission - Operation and Maintenance	962	1,214
Administrative and General	5,098	6,238
Transmission System Access Fee	9,322	7,144
Depreciation Expense	10,240	9,944
Renewals and Replacements	385	2,058
Total Operating Expenses	67,392	59,509
Income from Operations	64,604	70,808
Other Income (Expenses)		
Investment Revenue	309	311
Miscellaneous Other Income	209	219
Total Other Income	518	530
Interest Charges		
Interest Expense on Debt	18,109	19,056
Amortization of Debt Issuance Cost and Excess Cost on Advance Refunding of Debt	2,054	2,098
Total Interest Charges	20,163	21,154
Deferred Expense Recovered in the Current Year	(49,793)	(48,666)
Deferred Revenue Recognized in the Current Year	17,475	17,475
Net Revenues before Refunds	12,641	18,993
Refunds to Member Cities	15,967	16,800
Change in Net Assets	(3,326)	2,193
Net Assets		
Balance as of September 30	55,113	51,858
Balance as of December 31	$ 51,787	$ 54,051

These unaudited financial statements should be read in conjunction with the Notes to the financial statements appearing in the Agency's September 30, 2013 audited annual financial statements.

TEXAS MUNICIPAL POWER AGENCY
March 31, 2014
SECOND QUARTER HIGHLIGHTS

Key Statistics	March 31, 2014 Quarter Ending	March 31, 2014 Fiscal Year To Date
Net generation MWHs	743,397	1,434,823
Equivalent availability	97.51%	98.56%
Net capacity factor	73.26%	69.89%

Power sales to the Member Cities are higher in the current year compared to last year primarily as a result of increased generation due to a recovery of wholesale electric prices in ERCOT causing the generating unit to be dispatched more often. Since fuel consumption is directly correlated to generation, fuel expense increased as well.

Other operating revenues are lower in FY14 mainly due to the Member Cities making payments to settle certain fuel disputes in FY13.

Production operation and maintenance costs are lower in the current year due to a planned maintenance outage not being scheduled in FY14. A planned maintenance outage was scheduled and did occur in March 2013.

Transmission System Access Fee, commonly referred to as postage stamp expense, increased due to higher PUCT approved TCOS rates from the energizing of additional transmission assets within Texas. These additional assets are mostly related to CREZ projects, which are primarily designed to move electricity generated by renewable energy sources from West Texas to the more heavily populated areas.

Change in net assets is negative due to the planned consumption of $14.4 million of assets held in the Bond Fund in FY14. Since these funds were previously collected through rates and recognized as revenue in a prior fiscal year, while they are a source of funds, there is no income statement recognition to offset the expenses they are intended to cover. As a result, the change in net assets is expected to remain negative in all of FY14.

Current restricted cash and cash equivalents increased due to the monthly reclassification of a portion of non-current restricted cash and investments to current. This monthly reclassification is recorded to identify funds collected through rates and set aside in the bond fund for use in making debt service payments becoming due in the current year.

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Second Quarter Report
Period Ended March 31, 2014

Texas Public Utility Commission
Operations Review Division
P.O. Box 13326
Austin, TX 78711-3326

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TEXAS MUNICIPAL POWER AGENCY

Serving the Cities of
Bryan, Denton, Garland & Greenville

BOARD OF DIRECTORS

Bryan – Carl Benner
Kean Register

Denton – Bill Cheek, Jr.
Chris Watts

Garland – James B. Ratliff
Tom Jefferies

Greenville – Dave Dreiling
Sue Ann Harting

OTHER PRINCIPAL OFFICIALS

General Manager
Bob Kahn

Power Plant Manager
Craig York

Regulatory and Security Manager
Jan Horbaczewski

Chief Financial Officer
Russell Huff

Human Resources Director
Connie Merhley